

Interim Report January-September 2005:

- The development of the Volkswagen Group in the third quarter demonstrates that initial steps towards a fundamental improvement in performance have been successful. In a difficult environment, however, substantial efforts will be needed in the coming years to achieve the Group's targets.
- Increase in Volkswagen Group operating profit for the period January to September 2005 of 57.8% year-on-year to EUR 2.0 billion (previous year: EUR 1.2 billion); significant improvement in Automotive Division operating profit; Financial Services Division records steady growth
- Group profit before tax rises by 44.4% year-on-year to EUR 1.1 billion (previous year: EUR 765 million)
- Increased unit sales lift Group sales revenue by 5.3% year-on-year to EUR 69.9 billion (previous year: EUR 66.3 billion)
- At 4.4%, ratio of investments in property, plant and equipment (capex) to sales revenue in the Automotive Division significantly lower in the first nine months (previous year: 6.3%), increasing net cash flow by 57.2% to EUR 1.7 billion (previous year: EUR 1.1 billion)
- Net liquidity in the Automotive Division once again positive at EUR 148 million
- New model initiative successful:
 - Global deliveries to customers rise by 3.1% year-on-year; higher market share especially in Western Europe
 - Golf maintains pole position for Western European new registrations; Fox, Polo, Touran and Audi A4 lead their segments in Germany; Multivan/Transporter again the most popular light van
 - Jetta and Passat Variant successfully launched in Germany
 - New generation Golf R32 and SEAT Leon in the market from September
 - World premiere for Volkswagen Eos convertible coupé and innovative Audi Q7 at the IAA; Audi RS 4 presented
 - Innovative TSI® engine technology meets enthusiastic response

January-September		2005	2004	+/- (%)

Volkswagen Group:				
Deliveries to customers	'000 units	3,864	3,746	+ 3.1
- excluding China	'000 units	3,456	3,282	+ 5.3
Vehicle sales	'000 units	3,841	3,832	+ 0.2
- excluding China	'000 units	3,513	3,374	+ 4.1
Production	'000 units	3,897	3,865	+ 0.8
- excluding China	'000 units	3,561	3,401	+ 4.7
Sales revenue	EUR million	69,873	66,344*)	+ 5.3
Operating profit	EUR million	1,961	1,242	+ 57.8
Profit before tax	EUR million	1,104	765	+ 44.4
Profit after tax	EUR million	685	459	+ 49.3

Automotive Division:

Cash flows from operating activities	EUR million	5,641	6,359	- 11.3
Cash flows from investing activities	EUR million	3,946	5,280	- 25.3
Net liquidity at September 30	EUR million	148	- 1,466	x

 *) Restated to reflect the reclassification of the income statement in the 2004 consolidated financial statements.

As expected, there was no significant improvement in the economic environment in the first nine months of 2005, and the overall situation in the important automotive markets remained difficult.

We expect that competitive pressures will further increase, especially in the Chinese and US markets. Nor do we expect any easing in the cost of raw materials in the foreseeable future. Moreover, we believe that the high oil price and the resulting record high fuel prices will further dampen automotive consumer confidence.

In the US passenger car market our position stabilized towards the end of the third quarter, following the launch of our new Jetta and Passat models and the full availability of the Audi A4 and Audi A6, and we expect this to continue in the fourth quarter. However, due to the difficult market situation there, we will not match the previous year's delivery levels. In Western Europe, we are convinced that the new models in our range, such as the Passat Variant, Jetta, Golf R32, Audi RS 4 and SEAT Leon, will continue the positive trend in delivery figures in recent months and further increase our market share. This applies especially to the German passenger car market. For this reason, we are reiterating our full-year forecast that global deliveries to customers will increase over the previous year.

The systematic implementation of our ForMotion program contributed EUR 2.6 billion to earnings in the reporting period. We will therefore achieve our target earnings contribution of EUR 3.1 billion in 2005.

A package of workforce reduction measures has been agreed with the Works Council of Volkswagen AG under the terms of the collective wage agreement. The following instruments are among those that will be used: immediate retirement, age-based termination agreements and individual termination agreements. It will be reflected in the fourth quarter of 2005 in the form of special items charged to the Volkswagen Group's operating profit. However, these special items will be lower than in the previous year.

Overall, we continue to expect a year-on-year improvement in both operating profit after special items and profit before tax in 2005.

Wolfsburg, November 3, 2005
Volkswagen AG
The Board of Management

(The full interim report is available at "www.volkswagen-ir.de".)