

# VOLKSWAGEN

AKTIENGESELLSCHAFT

## Half-Yearly Financial Report 2008:

- Volkswagen Group operating profit up 21.8 percent year-on-year to EUR 3.4 billion in the first six months of 2008
- At EUR 3.8 billion, profit before tax exceeds previous year's figure by EUR 0.8 billion
- Group sales revenue up 3.0 percent year-on-year to EUR 56.5 billion
- At 4.3 percent (3.3 percent), ratio of investments in property, plant and equipment (capex) to sales revenue in the Automotive Division remains below the long-term average
- Net liquidity in the Automotive Division again increased to EUR 15.1 billion
- Successful model rollout:
  - Deliveries to customers worldwide up 5.8 percent year-on-year in the first six months; Group market share improved in Western Europe
  - Sales of Volkswagen Passenger Cars, Audi, Skoda, Lamborghini and Volkswagen Commercial Vehicles brands continue to set records
  - Asia-Pacific, South America, Central and Eastern Europe remain growth drivers; strong sales growth in China, India, Brazil, Russia and the Ukraine in particular
  - Auto China in Beijing: premiere of the New Bora and the Lavalida; Audi unveils the Audi Q5
  - AMI in Leipzig: Scirocco and Passat CC celebrate German debut; Audi presents Audi A4 Avant and Audi A3 Cabriolet
  - SEAT presents the new Ibiza
  - Touran BlueMotion and Sharan BlueMotion well received by the market

January-June		2008	2007	+/- (%)
Volkswagen Group:				
Deliveries to customers	'000 units	3,266	3,086	+ 5.8
Vehicle sales	'000 units	3,310	3,089	+ 7.2
Production	'000 units	3,393	3,134	+ 8.3
Employees	June 30/Dec. 31	336,415	329,305	+ 2.2
Sales revenue	EUR million	56,500	54,852	+ 3.0
Operating profit	EUR million	3,434	2,820	+ 21.8
Profit before tax	EUR million	3,783	3,013	+ 25.5
Profit after tax	EUR million	2,572	1,959	+ 31.3

Automotive Division (including allocation of consolidation adjustments between the Automotive and Financial Services divisions):

Cash flows from operating activities	EUR million	5,112	8,033	- 36.4
Cash flows from investing activities*)	EUR million	2,822	2,615	+ 7.9
Net liquidity at June 30	EUR million	15,103	11,787	+ 28.1

\*) Excluding acquisition and disposal of equity investments:  
 EUR 2,780 million (previous year: EUR 2,127 million)

The brand diversity of the Volkswagen Group is a critical competitive advantage. Almost all Group brands will launch attractive new models in 2008. We are thus selectively expanding the Group's product portfolio and moving into additional market segments. We therefore expect the Volkswagen Group's deliveries to customers in 2008 to break the previous year's record. The Asia-Pacific, Central and Eastern Europe and South America regions will record the highest growth in demand for Group vehicles.

We are constantly improving our processes and systematically pursuing our disciplined approach to cost management. Together with the higher sales revenue resulting from the expected increase in unit sales, this will help lift our operating profit for 2008 above the previous year's figure.

The above forecasts do not take into account the effects of the acquisition of further shares of Scania on volume, earnings and financing data.

Volkswagen increased its share of the voting rights in Scania to 68.6 percent on July 22, 2008 when the key antitrust approvals were granted. This enables us to consolidate Scania as our ninth successful brand. After consideration of the effects of purchase price allocation, we expect Scania to make a slightly positive earnings contribution to the Volkswagen Group in the second half of the year.

Wolfsburg, July 23, 2008

Volkswagen AG - The Board of Management

(The full interim report is available at "[www.volkswagenag.com/ir](http://www.volkswagenag.com/ir)")

This report contains forward-looking statements on the business development of the Volkswagen Group. These statements are based on assumptions relating to the development of the economic and legal environment in individual countries and economic regions, and in particular for the automotive industry, which we have made on the basis of the information available to us and which we consider to be realistic at the time of going to press. The estimates given entail a degree of risk, and the actual developments may differ from those forecast.

Consequently, any unexpected fall in demand or economic stagnation in our key sales markets, such as Western Europe (and especially Germany) or in the USA, Brazil, China, or Russia will have a corresponding impact on the development of our business. The same applies in the event of a significant shift in current exchange rates relative to the US dollar, sterling, yen, Brazilian real, Chinese renminbi and Czech koruna. In addition, expected business development may vary if the assessments of value-enhancing factors and risks presented in the 2007 Annual Report develop in a way other than we are currently expecting.