

- Check against delivery -

Prof. Dr. Martin Winterkorn
Speech at the
Extraordinary General Meeting
on December 3, 2009

Dear Shareholders,
Ladies and Gentlemen,

My colleagues and I would like to extend a very warm welcome to you on the occasion of this Extraordinary Annual General Meeting here in Hamburg.

2009 was and is most certainly an extraordinary year for the Volkswagen Group.

On the one hand, it will go down in the history of the automotive industry as a year of historic crisis.

On the other, though, we have laid much of the groundwork for the new integrated group with Porsche over the past few months.

Today, Volkswagen is already the automotive world's most successful multibrand group. Together with Porsche, we are now taking a further major step on our road to the top.

I'll go into this in greater detail in the second part of my speech.

I'd like to start, though, by giving you an overview of the current situation of our Company.

As you all know, the global financial and economic crisis has turned into a hard test for our industry in particular.

Demand collapsed simultaneously on almost all the world's markets.

We have never before experienced a slump of this intensity.

At the same time, the financing environment facing our business has deteriorated massively. As a result, pressure has remained high not only on many manufacturers, but in particular on suppliers and dealers.

We have done everything possible to keep your Company
– the Volkswagen Group – on track in this difficult environment.

And we can say with some justification that we have succeeded in doing so.

Volkswagen is the automaker which is most successfully mastering the crisis. One reason is that, long before the crisis emerged, we laid the foundations for coping with the downturn better than many of our competitors.

- Our solid financial position,
- Our global presence in all key regions of the world,
- Our technical expertise,
- Our multibrand strategy,
- And the youngest, most environmentally-friendly and broadest vehicle range in the industry.

These inherent strengths of the Volkswagen Group are paying off.

Now more than ever before.

In particular our 100 percent concentration on the product is and remains a critical success factor.

Our triple victory in the “Golden Steering Wheel”, ten prizes for Group vehicles in the “Auto Trophy” and, of course, the “Car of the Year 2010” award for the Polo

impressively demonstrated this yet again in the recent past. The best argument in difficult times is and remains innovative, attractive vehicles. Vehicles that appeal to both hearts and minds.

This is also underscored by our delivery figures.

The global market contracted by more than 10 percent from January to October. At 5.3 million vehicles and an increase of 0.9 percent, the Volkswagen Group bucked the trend.

In particular the Volkswagen Passenger Cars brand continued its good progress, with around 3.4 million deliveries. This represents a year-on-year increase of 8.4 percent.

All other Group brands are below last year's level because of the crisis. However, Audi, Škoda and SEAT are doing better than the market as a whole and have gained market share.

This is also shown by a look at the individual regions.

At 2.5 million vehicles, we did comparatively well in Western Europe. In Germany, we delivered more than 20 percent more vehicles, mainly because of the scrapping premium.

In North America, we clearly outperformed the market, with a decline of around 8 percent.

Unit sales recorded particularly good growth in Brazil and China.

Our market leadership in China in particular is paying off, where we were able to increase our deliveries by almost 40 percent to 1.2 million vehicles.

Overall, the Volkswagen Group extended its global market share from January to October by 1.5 percentage points to 11.6 percent.

Against this backdrop, we are expecting full-year 2009 delivery levels to be up slightly on the previous year.

A look at our key figures also demonstrates the strength of our Group.

Of course the financial and economic crisis has also left its mark on us, too. Volume decreases and shifts in the model mix are having an effect.

But where other automakers are in the red, we were able to generate a clearly positive operating profit of €1.5 billion in the first three quarters.

Together with my colleagues on the Board of Management, I would like to take this opportunity to thank all of our employees. Their hard work and skills have kept our Company on a successful course in recent months. Many, many thanks to them all.

Ladies and Gentlemen,

A sound financial position and high liquidity are and remain crucial to the Volkswagen Group's ability to act.

The high €13.4 billion net liquidity in the Automotive Division shows how sustainably we have managed our business.

- We have systematically adjusted our inventories to match the market environment.
- We have scrutinized costs and investments.

And this is something we will continue to do. What's really important here is that we're continuing to save, but not at the expense of our future.

Two weeks ago, Volkswagen AG's Supervisory Board approved the investment plans for the next few years.

From 2010 to 2012, we will invest around €25.8 billion in the Automotive Division. Investments in property, plant and equipment will account for €19.9 billion,

around half of which will be invested in Germany alone.

Additionally, our joint ventures in China will invest around €4 billion over the same period.

The Group's investment program is focused on three clear future-oriented issues:

- First: Attractive new vehicles for our customers worldwide.
- Second: Our new plants in growth markets such as India and Russia, as well as in the USA.
- And third: Innovative, environmentally-friendly drive technologies.

This involves the further development of our efficient combustion engines, which will remain the yardstick for the foreseeable future. But we're also powering ahead with alternative drive systems, such as hybrids and electric traction.

Our strategy is clear: We must create the conditions that will allow our Company to grow profitably in the future as well.

Our "Strategy 2018" sets out the prime objective:

By the year 2018, we want to make the Volkswagen Group the world's leading automaker.

To be the economic, ecological and technical leader.

And we're sticking to this goal rigorously despite the crisis.

Ladies and Gentlemen,

We are seeing the first signs that the economic crisis has bottomed out.

But I must warn expressly against exaggerated optimism.

It would be premature to claim now that the crisis is already over.

Because we don't know how robust the upward trend is.

In this respect, the recovery that is currently emerging is a recovery that still needs to prove its strength.

In the medium term, the automotive business offers outstanding growth prospects, in particular in markets such as China, India, or Russia, where demand for individual mobility is growing tremendously.

But what is also quite clear is that 2010 will be a very difficult year for the automotive industry. And that applies for us at Volkswagen, too.

- The global market will probably remain flat at 2009 levels.
- China will continue its strong upward trend.
- By contrast, in Germany, for example, we must expect a painful market downturn of several hundred thousand units.

Nevertheless, we are looking to the new year with cautious optimism, because the Volkswagen Group has captured a good starting position.

And this is something we will build on.

In 2010, we will again launch more than 60 new models, successors and product enhancements in the market, including important vehicles such as

- The new Volkswagen Passat, Touareg and Sharan.
- The Audi A1, A7 and A8 successor.
- And the SEAT Ibiza Sporttourer.

And this tremendous pace of attractive new vehicle launches will also help the Volkswagen Group to systematically extend its position on the global markets.

Our goal in this process is to continue outperforming the competition.

Ladies and Gentlemen,

I'd now like to turn to a topic that in recent months has been much on your minds as shareholders, as it has for us in the Company.

The decisions taken by Volkswagen and Porsche in recent weeks are key milestones on the way to a joint future.

During the course of 2011, we intend to merge Porsche SE with Volkswagen AG to form a strong, integrated group.

An automobile company with:

- Ten independent brands,
- A unique model range,
- The highest technical expertise,
- A global presence,
- A stable shareholder structure,
- And around 400,000 highly qualified employees.

Ladies and Gentlemen, this will see the birth of an automotive group that will be unique worldwide. More than ever, it has what it takes to be the number one.

The result of this integration will be the best vehicles for our customers, secure jobs for our employees and the creation of long-term value for our shareholders.

Ladies and Gentlemen,

The integrated group makes all the parties winners because it follows a compelling strategic and industrial logic.

Two of the most powerful companies in the automotive industry are joining forces.

Volkswagen stands for technology leadership, a global presence and the purchasing power of one of the largest and most successful automotive groups.

Porsche stands for the agility and profitability of one of the most valuable brands in the world.

The Porsche brand is a real jewel. And that's why it ideally strengthens the Volkswagen Group's portfolio.

Porsche is *the* iconic sports car. Period.

Porsche is strong in Europe, the USA and the Middle East.

And it has great growth opportunities in new markets such as China.

Our colleagues in Zuffenhausen have impressively demonstrated that their business model also works in difficult times. With an operating return of 10.3 percent in the past fiscal year 2008/2009, Porsche remains the world's most profitable automaker.

Porsche's success is based above all on its outstanding workforce.

Highly qualified and motivated specialists work at the Porsche locations. The development center in Weissach deservedly enjoys a brilliant reputation in the world of automobiles.

I am sure that, together, Volkswagen and Porsche can and will form the best team in the automotive industry.

Ladies and Gentlemen,

Volkswagen and Porsche will combine their strengths.

We will leverage growth potential, create significant synergies and at the same time cut costs substantially.

In the long term, we expect to increase the Group's annual operating profit by €700 million.

Together, we will not only cover all key passenger car segments going forward. We will also further extend our leading position in the premium segment in particular.

We have a firm objective:

In the integrated group, discerning customers will find the strongest brands, the best technology and the most emotional products in the premium class.

As soon as the economy picks up again, we will see tremendous growth especially in the premium segment. Not just in Europe and the USA, but above all in newly industrializing markets such as China and India.

This will support Porsche's global growth and allow it to continue recording healthy profits.

With new models that are true to its brand image, Porsche can increase its unit sales in the medium term to more than 150,000 vehicles.

The basis for this will be the cooperation with Volkswagen and the integration of Porsche in our modular matrix strategy.

On the other hand, there will be no compromises in terms of the exclusivity and exceptional character of the vehicles. After all, there's one thing that will never change: a Porsche will always be a real Porsche.

Ladies and Gentlemen,

The planned integration rests on good, solid foundations.

Volkswagen and Porsche have been working together closely and successfully for years.

Examples include:

- The design of the Beetle by Ferdinand Porsche.
- Joint development projects such as the Audi RS 2 or our cooperation on the Cayenne, Touareg and Q7.
- And of course our intensive cooperation today, for instance on the Panamera, diesel engines, or hybrid drives.

This automotive partnership has proven itself beyond any shadow of doubt.

Now we have an opportunity to give it much greater intensity, and by doing so to take a leap into the future in technological terms as well.

Volkswagen is a leader in TDI technology, DSG and lightweight construction.

Porsche contributes its unbeatable expertise in sports cars. I just need to mention ceramic brakes here.

I am sure that:

If our developers and engineers work even more closely together, the integrated group will be *the* innovation engine of the automotive industry.

Ladies and Gentlemen,

In the past few decades, we have made Volkswagen into the most successful multibrand group in the automotive industry.

A company that its employees and shareholders can be proud of.

With Porsche as the tenth brand, we're now taking the next logical step in this strategy.

In doing so, we are sticking to a clear and very successful principle:

In the Volkswagen Group, every brand bears full responsibility for its own business – from development through to sales.

At the same time, the brands must work together in a disciplined fashion so that they can leverage synergies in all divisions and meet overarching Group objectives.

This benefits each individual brand and the Group as a whole.

Audi is the best example: the Audi success story would be inconceivable without the support it gets in the Group.

The same applies to Bentley or Lamborghini.

These brands have multiplied their sales volumes under the Volkswagen roof, while at the same time they significantly honed their brand profile.

Against this background, Porsche, too, has every opportunity in the integrated group to develop even more successfully than before.

As an independent brand, Porsche will benefit from all the advantages offered by a large, strong group. At the same time, the Group will profit from the performance of the Porsche brand.

Ladies and Gentlemen,

We are heading into a multi-stage transaction structure that Mr. Pötsch will explain to you in a few minutes.

Initially, Volkswagen will take a 49.9 percent stake in Porsche AG, probably in the coming week.

In the next step, the family shareholders of Porsche Holding Salzburg will sell their highly profitable trading business to Volkswagen AG in 2011.

Porsche Holding Salzburg stands for the highest competence and profitability in the automotive retail and wholesale business. We have enjoyed excellent cooperation for many years. An even more intensive partnership will strengthen our sales and distribution even further.

This process is planned to culminate in 2011 with the merger of the by then largely debt-free Porsche SE with Volkswagen AG.

I am very sure that we will make this integration a success together with our colleagues at Porsche. That's because everyone is working towards this goal wholeheartedly and with great commitment.

Let me make one thing absolutely clear in this context:

As the Board of Management, we are making every step in this process fully conscious of our responsibility for Volkswagen, for our workforces and for all shareholders.

This means that a solid financial position and the forward-looking management of any risks remain our top priority.

Ladies and Gentlemen,

The integrated automotive group will stand on solid foundations in many respects. Including its ownership structure.

The Piëch and Porsche families will remain the largest shareholder, and one with an entrepreneurial focus. Their commitment to and identification with the integrated group are the basis for success.

Lower Saxony will retain its strong, positive status as a shareholder, something that has proven its value over the past five decades.

We welcome the fact that Qatar has become Volkswagen's third major shareholder with a substantial stake. Qatar is a highly professional investor with a long-term focus who will be good for our Company. We're looking forward to working together with them.

Our shareholders are not interested in short-term profit maximization, but in sustainable, solid growth: including in the interests of our customers and employees.

On this basis, we can approach the tasks that lie ahead with confidence.

Ladies and Gentlemen,

The automotive industry is facing a structural and technological turning-point.

Large, successful companies have always exploited such phases to extend their lead.

By creating the integrated automotive group, we are seizing a unique, historical opportunity.

We are now starting to write the next chapter in the history of Volkswagen and Porsche.

I am deeply convinced that, together, we can write a story of growth that has rarely been seen before in the automotive industry.

We would like to ask you, our shareholders, to continue to accompany us along this path.

I am sure that:

The Volkswagen Group will remain a Company that's worth investing in. More now than ever before.

Many thanks for your attention.