

# Invitation to the Annual General Meeting

We are pleased to invite our ordinary and preferred shareholders to attend the Annual General Meeting to be held at the Congress Center Hamburg, Am Dammtor, 20355 Hamburg, on Wednesday May 3, 2006, starting at 10.00 a.m.

## Agenda

**1. Presentation of the adopted annual financial statements, the consolidated financial statements, the management report and the Group management report for the year ended December 31, 2005, as well as the Report of the Supervisory Board for fiscal year 2005**

**2. Resolution on the appropriation of the net profit of Volkswagen AG**

The Supervisory Board and the Board of Management recommend that Volkswagen AG's net retained profit of €460,589,101.06 for fiscal year 2005 be appropriated as follows:

- a) an amount of €322,242,014.05 to pay a dividend of €1.15 per ordinary share carrying dividend rights and
- b) an amount of €127,338,318.80 to pay a dividend of €1.21 per preferred share

and that the remaining amount be carried forward to new account.

**3. Resolution on formal approval of the actions of the members of the Board of Management for fiscal year 2005**

The Supervisory Board and the Board of Management recommend that the actions of the members of the Board of Management in fiscal year 2005 be formally approved, but to defer the decision on the approval of the actions of the former member of the Board of Management Dr. Peter Hartz because of the ongoing investigations.

**4. Resolution on formal approval of the actions of the members of the Supervisory Board for fiscal year 2005**

The Supervisory Board and the Board of Management recommend that the actions of the members of the Supervisory Board in fiscal year 2004 be formally approved, but to defer the decision on the approval of the actions of the former Supervisory Board members Dr. Klaus Volkert, Mr. Xaver Meier and of Supervisory Board member Mr. Günter Lenz because of the ongoing investigations.

## 5. Election of members of the Supervisory Board

In accordance with Article 11(2) of the Articles of Association of Volkswagen AG, the term of office of the Supervisory Board members Dr. Gerhard Cromme, Dr. Hans Michael Gaul, Dr. Klaus Liesen and Prof. Dr. Heinrich v. Pierer expires at the end of this year's Annual General Meeting. Lord David Simon of Highbury, CBE, resigned from the Supervisory Board on January 28, 2006.

The Supervisory Board has 20 members. In accordance with section 7(1) of the *Mitbestimmungsgesetz* (German Codetermination Act) and sections 96 and 101 of the *Aktiengesetz* (German Stock Corporation Act), it consists of 10 shareholder representatives and 10 employee representatives.

In accordance with Article 12 of the Articles of Association of Volkswagen AG, the Federal Republic of Germany and the State of Lower Saxony are each entitled to appoint two members to the Supervisory Board, provided that they hold shares of the Company. As the Federal Republic of Germany no longer holds shares of Volkswagen AG, only two delegate members appointed by the State of Lower Saxony need be taken into consideration. This means that eight members of the Supervisory Board are appointed by the Annual General Meeting. Five members will be elected for a full term of office at this year's Annual General Meeting because of the expiry of the terms of office of the above-mentioned four members of the Supervisory Board, and the resignation of Lord David Simon of Highbury, CBE. The term of office of the members of the Supervisory Board to be elected at this year's Annual General Meeting would therefore expire at the end of the Annual General Meeting resolving the formal approval of the actions of the members of the Supervisory Board for fiscal year 2010.

The Annual General Meeting is not required to approve the proposed candidates.

The Supervisory Board is proposing to the Annual General Meeting to elect the following persons to the Supervisory Board for a full term of office:

Dr. jur. Hans Michael Gaul  
Düsseldorf  
Member of the Board of Management of E.ON AG

Dr.-Ing. Dr. E.h. Jürgen Großmann  
Hamburg  
Sole proprietor and Managing Director of Georgsmarienhütte Holding GmbH

Holger P. Härter  
Stuttgart  
Member of the Executive Board of Dr. Ing. h.c. F. Porsche AG

Prof. Dr. jur. Dr.-Ing. E.h. Heinrich v. Pierer  
Munich  
Chairman of the Supervisory Board of Siemens AG

Dr.-Ing. Wendelin Wiedeking  
Stuttgart  
President and CEO of Dr. Ing. h.c. F. Porsche AG

## **6. Resolution on the creation of authorized capital and the corresponding amendment to the Articles of Association**

Because the authorized capital currently contained in Article 4(5) of the Articles of Association of Volkswagen AG would expire on June 6, 2006, the Supervisory Board and Board of Management are proposing the following resolution to renew this capital:

- a) to authorize the Board of Management, with the consent of the Supervisory Board, to increase the share capital until May 2, 2011 by the issue of new ordinary bearer shares against cash and/or non-cash contributions on one or several occasions by up to a total of €130,000,000. Shareholders' pre-emptive rights may be disappplied if the shares are issued against non-cash contributions. Shareholders' pre-emptive rights may also be disappplied to settle any fractions arising. The Board of Management is also authorized to disapply shareholders' pre-emptive rights to the extent necessary to grant the holders of warrants and convertible bonds the right to subscribe for new shares in the amount to which they would be entitled following exercise of the option or conversion right. The Board of Management shall decide, with the consent of the Supervisory Board, on the further details of the rights attaching to shares and the conditions applicable to the issuance of shares.
- b) to cancel the authorized capital of €130 million that currently exists on the basis of the resolution by the Annual General Meeting on June 7, 2001 and to replace the current wording of Article 4(5) of the Articles of Association of Volkswagen AG by the following new wording:

“The Board of Management is authorized, with the consent of the Supervisory Board, to increase the share capital until May 2, 2011 by the issue of new ordinary bearer shares against cash and/or non-cash contributions on one or several occasions by up to a total of €130,000,000.

The Board of Management is also authorized, with the consent of the Supervisory Board, to disapply shareholders' pre-emptive rights when shares are issued against non-cash contributions. Shareholders' pre-emptive rights may also be disappplied to settle any fractions arising. The Board of Management is also authorized to disapply shareholders' pre-emptive rights to the extent necessary to grant the holders of warrants and convertible bonds the right to subscribe for new shares in the amount to which they would be entitled following exercise of the option or conversion right. The Board of Management shall decide, with the consent of the Supervisory Board, on the further details of the rights attaching to shares and the conditions applicable to the issuance of shares.”

- c) to authorize the Supervisory Board to amend Article 4(5) of the Articles of Association of Volkswagen AG to reflect any utilization of authorized capital or following expiration of the period of authorization.

In accordance with section 203(2) sentence 2 in conjunction with section 186(4) sentence 2 of the *Aktiengesetz* (AktG - German Stock Corporation Act), the Board of Management hereby submits the following **report** in relation to item 6 of the agenda for the Annual General Meeting:

The authorized capital currently provided for by Article 4(5) of the Articles of Association of Volkswagen AG expires on June 6, 2006. However, it may be necessary in the coming years to safeguard the growth of the Volkswagen Group by ensuring that it has adequate capital resources. Volkswagen AG operates in a globally competitive environment. It must be in a position at all times to act quickly and flexibly in the international and regional markets in the interests of its shareholders. This includes acquiring companies and interests in companies to improve its competitive position.

Recent developments in the global economy illustrate clearly that ever larger entities are involved in mergers and acquisitions. In many cases, the consideration that has to be paid is very high. In other cases, the seller of equity interests is particularly interested in acquiring shares of the purchaser or of an affiliated company of the purchaser within the meaning of section 15 of the AktG (German Stock Corporation Act) as consideration for the sale of its equity interest. For this reason, the consideration in such cases is paid in whole or in part in shares of the acquiring company. This requires the disapplication of shareholders' pre-emptive rights.

Capital increases resolved by the Annual General Meeting are not possible at short notice when such potential acquisitions arise, or would not ensure the flexibility needed for acquisitions or purchases of equity interests.

The authorization being proposed here is therefore designed to give the Volkswagen Group the flexibility it needs to exploit opportunities that arise to acquire companies or interests in companies quickly and flexibly. The Board of Management therefore believes that it is necessary to create corresponding authorized capital that gives the Board of Management, following the prior consent of the Supervisory Board, the ability to issue ordinary shares against cash and/or non-cash contributions.

The Board of Management will also be authorized to disapply shareholders' pre-emptive rights in cases where the stipulated subscription ratio gives rise to fractions; fractions result from the amount of the issue volume in question and the elaboration of a practicable subscription ratio. Disapplying shareholders' pre-emptive rights in such cases allows a round, manageable subscription ratio and the settlement of fractions. Fractions will be settled at best, and at a minimum at the subscription price.

The disapplication of pre-emptive rights in favor of holders of options and conversion rights replaces the reduction in the option or conversion price using the antidilutive formula.

## **7. Resolution on the authorization to purchase and utilize own shares**

Because the authorization to acquire and utilize own shares issued by the last Annual General Meeting of Volkswagen AG is only valid until October 21, 2006, the Supervisory Board and Board of Management are proposing that the Annual General Meeting issue the following new authorization:

- a) The Board of Management is authorized, with the consent of the Supervisory Board, to acquire ordinary shares and/or non-voting preferred shares of Volkswagen AG on one or more occasions, up to a maximum of 10% of the share capital, i.e. up to a maximum of 38,544,872 shares, via the stock market or by way of a public purchase offer directed to all shareholders and
- to resell them in compliance with the principle of equal treatment of all shareholders, provided that such resale is not performed for the purposes of trading in own shares, or
  - to list them on stock exchanges outside Germany on which the Company's shares have not been traded previously, or
  - to offer and transfer them in the context of business combinations or in the context of the acquisition of companies or equity interests in companies, or
  - to utilize them to service bearer bonds with warrants and/or convertible bonds with the exception of stock option plans for the Board of Management and employees, or
  - to offer them for sale to persons employed by Volkswagen AG or one of its affiliated companies, or
  - to retire them without a further resolution by the Annual General Meeting.

If the share capital is lower at the time of purchase of the shares than it is at present, the stated number of shares to be purchased would be reduced correspondingly. At no time may the own shares held by the Company account for more than 10% of the share capital. Shares may also be acquired, held and utilized in accordance with the other requirements mentioned in this resolution by other Group companies and/or by third parties for the account of Volkswagen AG or for the account of other Group companies. Derivatives may also be used.

This authorization will come into effect on October 22, 2006 and applies until November 3, 2007.

- b) In the event of acquisition via the stock exchange, the price paid per share (not including transaction costs) may not exceed or fall short of the price of the ordinary shares or preferred shares traded in XETRA (or a comparable successor system) calculated in the opening auction on the trading day by more than 5%.
- c) In the event of a public purchase offer to all shareholders, the purchase price offered or the limits of the purchase price range offered per share (not including transaction costs) may not exceed or fall short of the closing price of the ordinary or preferred shares in XETRA (or a comparable successor system) on the trading day prior to the publication of the offer by more than 20%. If the quoted market price exceeds the purchase price offered following the publication of a formal offer, the purchase price offered may be adjusted. In such a case, the price on the last trading day prior to publication of the adjustment to the offer will apply. The volume of the offer may be limited. If the offer is oversubscribed, acceptance must be based on a quota system. Provision may be made for preferential acceptance of minor volumes of up to 100 tendered shares per shareholder.
- d) The Board of Management is authorized, with the approval of the Supervisory Board, to exercise the authorization on one or more occasions. The price at

which the shares of Volkswagen AG may be listed on further stock exchanges may not fall below the price of the ordinary or preferred shares (not including transaction costs) in XETRA trading (or a comparable successor system) calculated at the end of the placement period by more than 5%. The price at which they are issued to third parties in the context of business combinations or acquisitions of companies or equity interests in companies may not be more than 5% below the price of the ordinary or preferred shares (not including transaction costs) in XETRA trading (or a comparable successor system) calculated on the day of the agreement with third parties.

- e) Shareholders' pre-emptive rights to own shares of the Company shall be disapplied if the shares are listed on stock exchanges outside Germany, offered or transferred to third parties in the context of business combinations or in the context of the acquisition of companies or equity interests in companies, utilized to service bearer bonds with warrants and/or convertible bonds, or offered for sale to employees of Group companies.

In accordance with section 71(1) no. 8 in conjunction with section 186(4) sentence 2 of the *Aktengesetz* (AktG - German Stock Corporation Act), the Board of Management hereby submits the following **report** in relation to item 7 of the agenda for the Annual General Meeting:

The authorization described in item 7 of this year's agenda is designed to allow Volkswagen AG to acquire own shares and to utilize them in accordance with the purposes outlined above, including the resale of such shares in compliance with the principle of equal treatment of all shareholders, provided that such resale is not performed for the purposes of trading in own shares.

The own shares may also be used for listing on stock exchanges on which the shares of Volkswagen AG are not yet listed. Volkswagen faces strong competition on the international capital markets. It may therefore also be necessary to list shares of Volkswagen AG on other stock exchanges outside Germany. To the extent that Volkswagen AG can utilize own shares for this purpose, this would support the listing of Volkswagen shares on further stock exchanges outside Germany.

The authorizations are also designed to enable Volkswagen to have own shares at its disposal to be able to offer and transfer them accordingly as consideration for business combinations or acquisitions of companies or equity interests in companies. The use of shares as an acquisition currency is becoming increasingly necessary in order to be able to compete internationally as a result of the globalization of the economy.

It is also designed to enable own shares acquired to be utilized to service bearer bonds with warrants and/or convertible bonds (with the exception of stock option plans for the Board of Management and employees) and to issue shares to employees of Group companies (employee shares). This avoids new shares being created if Volkswagen already has own shares available.

The purposes mentioned above justify the proposed exclusion of shareholders' pre-emptive rights.

Volkswagen AG will also be entitled to retire own shares without requiring a further resolution by the Annual General Meeting

The Board of Management will report to the Annual General Meeting on each occasion that the authorizations are exercised.

Shares may also be acquired, held and utilized in accordance with the other requirements mentioned in this resolution by other Group companies and/or by third parties for the account of Volkswagen AG or for the account of other Group companies.

As well as acquisition via the stock market, the Company will also be given the opportunity to acquire shares via a public purchase offer (tender procedure). With this option, every shareholder of Volkswagen AG who is willing to sell can decide how many shares to tender and, if a price range is established, at which price they wish to tender them. Should the amount of shares tendered at the specified price exceed the number of shares required by Volkswagen AG, the acceptance of tenders must be allocated accordingly. The opportunity for the preferential acceptance of small tenders or small portions of tenders of up to a maximum of one hundred shares will be provided. This opportunity is designed to avoid fractions when determining the quotas to be acquired, as well as to avoid minor remaining amounts, and thus facilitate technical settlement.

#### **8. Election of the auditors for fiscal year 2006**

The Supervisory Board proposes the election of PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Hanover, as the auditors for fiscal year 2006.

To be able to **attend the Annual General Meeting**, shareholders – and to be able to exercise voting rights, ordinary shareholders – must have registered by no later than the end of the April 26, 2006 at one of the registration agents listed below in written form (section 126b of the *Bürgerliches Gesetzbuch* (BGB - German Civil Code)) in German or in English.

Shareholders must also provide evidence that they are entitled to attend the Annual General Meeting and exercise voting rights by April 26, 2006. For this purpose, they must submit evidence of their shareholding issued by the custodian bank in written form (section 126b of the *Bürgerliches Gesetzbuch* (BGB - German Civil Code)) in German or in English to the registration agent. The evidence must make reference to the beginning of April 12, 2006 (record date; however, the reference date for dividend rights remains the date of the Annual General Meeting).

The **registration agents** are the following credit institutions and their branches:

in the **Federal Republic of Germany**:

Commerzbank AG

in the **UK**:

Commerzbank AG London Branch

in **Japan**:

Mizuho Trust and Banking Company, Limited

in **Luxembourg:**

DEXIA Banque Internationale à Luxembourg S.A.

in **Austria:**

Bank Austria Creditanstalt AG

in **Switzerland:**

UBS AG

The registration agents issue admission tickets entitling the holders to attend the Annual General Meeting and to exercise shareholder rights there.

**Voting rights** may also be exercised by a proxy.

We offer our shareholders the opportunity to be represented at the Annual General Meeting by a proxy designated by the Company who will vote on their behalf in accordance with their voting instructions. Shareholders who wish to take advantage of this opportunity require an admission ticket to the Annual General Meeting. The form printed on this admission ticket to appoint a proxy and issue voting instructions must be completed, signed and sent in the original to the following address only:

Volkswagen AG  
HV-Stelle  
Brieffach 1848  
38436 Wolfsburg, Germany

The documents must arrive by no later than Friday, April 28, 2006.

Voting instructions issued to the proxy designated by the Company may be amended online at [hv.volkswagen.de](http://hv.volkswagen.de) until the end of the plenary discussions at the Annual General Meeting. To be able to do this, the shareholders will need the data shown in the lower section of the admission ticket. This section must be detached from the admission ticket and stored by the shareholder in a safe place; in this case, only the upper section of the admission ticket should be sent to Volkswagen AG. Additional information on how to amend voting instructions online will be published on the website stated above.

The entire Annual General Meeting may be followed online by clicking the corresponding link at [www.volkswagen-ir.de](http://www.volkswagen-ir.de).

**Motions for the Annual General Meeting** in accordance with section 126(1) of the AktG are published at:

[www.volkswagen-ir.de](http://www.volkswagen-ir.de)

These must be received at the following address by no later than April 19, 2006 24:00, together with evidence that the person filing the motion is a shareholder.

Volkswagen AG  
HV-Stelle  
Brieffach 1848  
38436 Wolfsburg, Germany

Counter motions may also be transmitted by fax (only to: +49 53 61 / 92 36 91) or by e-mail (only to: hvstelle@volkswagen.de).

Statements by the Management regarding these counter motions are also published at [www.volkswagen-ir.de](http://www.volkswagen-ir.de). Counter motions must be submitted in German. If they are also to be published in English, they must be accompanied by an English translation.

**VOLKSWAGEN AKTIENGESELLSCHAFT**

The Board of Management

Wolfsburg, March 2006

**Chairman of the Supervisory Board**

Hon.-Prof. Dr. techn. h. c. Dipl.-Ing. ETH Ferdinand K. Piëch

**The Board of Management:**

Dr.-Ing. e. h. Bernd Pischetsrieder  
Dr. rer. pol. Wolfgang Bernhard  
Francisco Javier Garcia Sanz  
Dr. rer. pol. Horst Neumann  
Hans Dieter Pötsch  
Prof. Dr. rer. nat. Martin Winterkorn

Domiciled in: Wolfsburg  
Braunschweig Local Court HRB 100484