

Volkswagen AG

Mandatory Publication

**in accordance with to §§ 39, 27 para. 3 sent. 1, 14 para. 3 sent. 1 of the
German Securities Acquisition and Takeover Act
(Wertpapiererwerbs- und Übernahmegesetzes, WpÜG)**

- Statement of the Management Board and
attached Statement of the Group Works Council**
- Statement of the Supervisory Board**

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VOLKSWAGEN
AKTIENGESELLSCHAFT

Statement of the Management Board

of

Volkswagen Aktiengesellschaft

Berliner Ring 2
38440 Wolfsburg
Germany

in accordance with § 27 of the Securities Acquisition and Takeover Act

**concerning the
Public Mandatory Offer
made by**

Dr. Ing. h.c. F. Porsche Aktiengesellschaft,

Porscheplatz 1
70435 Stuttgart
Germany

to the shareholders of

Volkswagen Aktiengesellschaft

Berliner Ring 2
38440 Wolfsburg
Germany

Shares of Volkswagen Aktiengesellschaft:

International Securities Identification Number (ISIN)

Volkswagen ordinary shares: ISIN DE0007664005

Volkswagen preference shares: ISIN DE0007664039

Tendered Volkswagen shares for sale: ISIN DE000A0N3EV1

Tendered Volkswagen shares for sale: ISIN DE000A0N3EW9

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1. General notes on this statement

The bidder, Dr. Ing. h.c. F. Porsche Aktiengesellschaft, Stuttgart, Germany (hereinafter **Porsche** or **Bidder**) has issued a mandatory offer (hereinafter **Mandatory Offer** or **Offer**) to the shareholders of Volkswagen Aktiengesellschaft, Wolfsburg, Germany (hereinafter **Volkswagen Aktiengesellschaft** or **Volkswagen** or **Target Company**) in accordance with § 35 para. 2 of the Securities Acquisition and Takeover Act (**WpÜG**).

The Bidder's Mandatory Offer is made to all Volkswagen shareholders, with the exception of those shareholders whose place of residence, seat (*Sitz*) or place of habitual abode is Japan, which the Bidder has excluded from the Offer (hereinafter **Excluded Shareholders**).

The ordinary shares in Volkswagen will hereinafter be referred to as **Volkswagen Ordinary Shares**, the preference shares as **Volkswagen Preference Shares** and both together as **Volkswagen Shares**. The holders of Volkswagen Ordinary Shares will hereinafter be referred to as **Volkswagen Ordinary Shareholders**, holders of Volkswagen Preference Shares as **Volkswagen Preference Shareholders** and the two together as **Volkswagen Shareholders**.

According to the information provided in the offer document, the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, **BaFin**) has approved the publication of the offer document. The Bidder published the offer document (hereinafter **Offer Document**) within the meaning of § 11 WpÜG on 30 April 2007 as a mandatory offer online at <http://www.porsche.com/germany/aboutporsche/investorrelations/> (in German, with a non-binding English translation which has not been reviewed by the BaFin). The announcement regarding (i) the fact that free copies of the Offer Document are available from Commerzbank Aktiengesellschaft, ZCM-CMAD, Mainzer Landstrasse 153, 60327 Frankfurt am Main (orders via fax to +49 69 136 44598) and (ii) the internet address at which the Offer was published, was also published on 30 April 2007 in the Electronic Federal Gazette (*elektronischer Bundesanzeiger*) and in the US edition of *The Wall Street Journal*.

According to the information provided by the Bidder in the Offer Document, the Offer is also being made with exemptive effect (*mit befreiender Wirkung*) on behalf of the Additional Controlling Persons defined and listed in Section 4.3 of the Offer Document. Such Additional Controlling Persons do not publish a separate mandatory offer for Volkswagen Shares.

The Bidder provided the management board (*Vorstand*) of Volkswagen (hereinafter **Management Board**) with the Offer Document on 30 April 2007. The Management Board forwarded the Offer Document to the Supervisory Board (*Aufsichtsrat*) of Volkswagen (hereinafter **Supervisory Board**), the group works council (*Konzernbetriebsrat*) and the central works council (*Gesamtbetriebsrat*) of Volkswagen (hereinafter **Group Works Council** and **Central Works Council**) on the same day.

The Management Board points out that they are not in a position to check whether Volkswagen Shareholders outside Germany are acting in accordance with all legal obligations that they are personally subject to regarding the acceptance of the Offer nor are they required to do so.

The Management Board recommends, in particular, that all persons outside the Federal Republic of Germany receiving the Offer Document or wishing to accept the Offer, but personally subject to securities regulation other than that applicable in the Federal Republic of Germany, refer to and comply with all such regulation.

The Management Board hereby gives a reasoned statement in accordance with § 27 WpÜG (hereinafter **Statement**). The Management Board discussed the Statement on 8 and 11 May 2007. The Supervisory Board gives a separate statement which will be published as set out in Section 1.3 of this Statement.

The Management Board points out the following regarding the Statement:

1.1 Legal basis for this Statement

In accordance with §§ 27 para. 1 sent. 1, 39 WpÜG, the Management Board of a target company is required to issue a reasoned statement on any mandatory offer and any changes thereto.

Moreover, the competent works council of the target company is entitled to provide the Management Board with a statement on the offer which the Management Board will be required to attach to its own statement (§ 27 para. 2 WpÜG). The statement by the Group Works Council of 11 May 2007 is attached hereto as **Appendix**.

1.2 Factual basis for this Statement

All information, forecasts, assessments, evaluations, prognoses and declarations of intent set out in this Statement are based on the information available to the members of the Management Board on the publication date of this Statement and reflect the assessments and intentions as of such time. This information may change after the publication date of this Statement. The Management Board will only update the information contained in this Statement if they are required to do so by law. The information herein relating to the Bidder, persons acting jointly with it and the Mandatory Offer is based on the information contained in the Offer Document and other information in the public realm (unless expressly stated otherwise).

The Management Board points out that they are not in a position to verify the intentions of the Bidder as set out in the Offer Document or to influence their implementation. The details of the Bidders intentions are based solely on information given by the Bidder in the Offer Document, unless another source is specified. The Management Board is not aware of any facts casting doubt on the accuracy of the information given by the Bidder concerning its intentions or their implementation.

1.3 Publication of this Statement and any further statements concerning changes to the Offer

This Statement and potential further statements concerning potential changes to the Offer will, in accordance with §§ 27 para. 3, 14 para. 3 sent. 1 WpÜG, be published online on the Target Company's website at http://www.volkswagenag.com/Stellungnahme_zum_Porsche-Angebot (German) and http://www.volkswagenag.com/Statement_on_Porsche_Offer (English) and via reference in the Electronic Federal Gazette and will be made available for free by Volkswagen at Berliner Ring 2, 38440 Wolfsburg, Germany. Faxes may also be sent to +49 5361 92 36 91 to receive a free copy of this Statement by fax. Announcements will also be published at the stock exchanges in London, Luxembourg, Zurich and Tokyo, as well as in the USA.

The Statement will be published in German and in an English translation. The German version will be authoritative.

1.4 Own responsibility of Volkswagen-Shareholders to assess the Offer

Each and every Volkswagen Shareholder will have to make their own decision on whether to accept the Offer and, with regard to how many Volkswagen Shares to tender, taking into account the overall situation, their individual circumstances (including issues relating to taxation) and their personal assessment of any potential changes to the stock market price of Volkswagen Shares. The assessments made by the Management Board in this Statement are not binding on Volkswagen Shareholders.

Volkswagen Shareholders should use all available sources of information and take their particular interests into account when deciding whether or not to accept the Offer. Thought should be given to obtaining tailored legal, financial and tax advice prior to acceptance of the Offer.

The Management Board wishes to make it clear that the description of the Offer given in this Statement is not intended to be full and complete and that only the provisions set out in the Offer Document will be authoritative with regard to the content and the implementation of the Offer. Each and every Volkswagen Shareholder is responsible for reviewing the information contained in the Offer Document, for coming to its own conclusions with regard to the Offer and, as applicable, for taking any action necessary regarding the Offer.

2. Information on the Target Company, the Bidder and persons acting jointly with the Bidder

2.1 Target Company

The Target Company is Volkswagen Aktiengesellschaft, a German stock corporation with its corporate seat in Wolfsburg, Germany, with business address at Berliner Ring 2, 38440 Wolfsburg, entered in the Commercial Register (*Handelsregister*) held at Braunschweig Local Court (*Amtsgericht*) under entry no. HRB 100484.

As disclosed in the 30 April 2007 notification from Volkswagen pursuant to § 26a WpHG (German Securities Trading Act, *Wertpapierhandelsgesetz*), the share capital of Volkswagen at the end of April 2007 was EUR 1,005,168,273.92, which was comprised of 287,405,577 ordinary shares and 105,238,280 preference shares (which do not carry voting rights), each with a pro rates amount of the registered share capital of EUR 2.56. All of the shares are bearer shares.

With a holding of around 30.92% of the Volkswagen Ordinary Shares, the Bidder is Volkswagen's largest shareholder (according to the Bidder's publication provided in accordance with § 23 para. 1 sent. 1 no. 1 WpÜG, less than 0.01% of Volkswagen Ordinary Shares and less than 0.01% of the Volkswagen Preference Shares were tendered into the Offer until 4 May 2007, 15:00 hrs. local time in Frankfurt am Main). The second largest shareholder is the *Land* of Lower Saxony, which has a holding of around 20.23% of the Volkswagen Ordinary Shares. The remaining Volkswagen Ordinary Shares and Volkswagen Preference Shares are in free float.

The Management Board of Volkswagen has exercised the authorisations issued by the Volkswagen general meetings of 19 June 1997 and 16 April 2002 for the establishment of a stock option plan. Conditional capital of around EUR 4.1 million and EUR 24.5 million exists for this purpose (as of 30 April 2007).

The stock option plan gives the beneficiaries (i.e. the Management Board, the top management, the management and those Volkswagen employees subject to collective bargaining agreements (*tarifliche Mitarbeiter*)) the right to acquire rights to subscribe for Volkswagen Ordinary Shares through the subscription of convertible

bonds each at a price of EUR 2.56. Each convertible bond certificates (*verbrieft*) the right to convert into ten Volkswagen Ordinary Shares.

As of 31 December 2006 (also see Volkswagen's annual report for 2006), there were 824,039 convertible bonds outstanding with the right to convert to 8,240,390 Volkswagen Ordinary Shares. In the period from 1 January 2007 to 30 April 2007, 42,551 convertible bonds were converted to 425,510 Volkswagen Ordinary Shares. As of 30 April 2007, there were approximately 770,000 convertible bonds outstanding, with the right to convert to approximately 7.7 million Volkswagen Ordinary Shares.

In Section 7.3 (b) and (c) of the Offer Document the Bidder sets out details of the proceedings of the European Court of Justice (hereinafter **ECJ**) concerning the compatibility of the Act on the Transfer of Shares in Volkswagenwerk Gesellschaft mit beschränkter Haftung to Private Ownership (*Gesetz über die Überführung der Anteilsrechte an der Volkswagenwerk Gesellschaft mit beschränkter Haftung in private Hand*) of 21 July 1960, last amended on 31 July 1970 (hereinafter **Volkswagen Act**) with EU law, and also sets out its views on the likelihood of said proceedings being successful.

The Management Board is working on the assumption that the ECJ may hand down its ruling in the above proceedings by the end of this year.

The Bidder's view is that the EU Commission's action against the Volkswagen Act has a good chance of success. If a corresponding ruling is issued, Volkswagen would examine the consequences this might have for Volkswagen and the situation of Volkswagen Shareholders. The most significant impact for the Bidder and Volkswagen would presumably be that in particular the restriction of voting rights to a maximum of 20% provided for in the Volkswagen Act would no longer apply. The Bidder would then be able to exercise any voting rights already held by it, or acquired under the Offer or subsequently, without restriction. It could therefore be the case that the Bidder – depending on shareholder attendance – will hold a simple majority of the voting rights at the next Volkswagen general meeting, even if its share of the voting rights is below the threshold of a majority holding.

2.2 Bidder

The Bidder is Dr. Ing. h.c. F. Porsche Aktiengesellschaft, a German stock corporation based in Stuttgart, Germany, with business address at Porscheplatz 1, 70435 Stuttgart), entered in the Commercial Register held at Stuttgart Local Court under entry no. HRB 5211.

According to the information provided by the Bidder in Section 6.5 of the Offer Document, the Bidder's share structure is as follows:

The ordinary shares of the Bidder, which are not admitted to trading on a stock exchange, are solely held indirectly by members of the Porsche and Piëch families. According to the information available to the Bidder, the shareholder structure with respect to the Bidder's ordinary shares can be summarised as follows:

The ordinary shares (giving the right to vote) of the Bidder are, according to the information available to the Bidder, held by a total of five GmbHs: Ferdinand Piëch GmbH, Hans Michel Piëch GmbH, Familien Porsche-Daxer-Piëch Beteiligung GmbH, Familie Porsche Beteiligung GmbH and Porsche GmbH (hereinafter **Consortium GmbHs**). As far as the Bidder is aware, the Consortium GmbHs are parties to a pooling agreement on the basis of which they coordinate the exercise of their voting rights in the Bidder. Such coordination results in a control by several parent companies (so called "*Mehrmütterherrschaft*") and makes the Bidder a

joint subsidiary of the Consortium GmbHs. The Consortium GmbHs in turn are, according to the information available to the Bidder, each held - indirectly through intermediary holding companies as well as private foundations - by members of the Piëch and Porsche families. Therefore, the Bidder is a joint subsidiary of all family members, companies and private foundations set out in the chart in Section 6.5 of the Offer Document.

Given the voting right notifications from the Bidder, the publication of the acquisition of control and the information in the Offer Document, the Management Board assumes that the requirements for control by several parent companies are met for all persons, companies and private foundations named in Section 6.5 of the Offer Document.

According to the information available to the Bidder, more than half of the non-voting preference shares are held by institutional investors. The remaining preference shares of the Bidder are in free-float and are mainly held by private investors from the Federal Republic of Germany.

3. Information on the Offer

3.1 Authoritativeness of the Offer Document

Selected information from the Bidder's Offer is set out below. Volkswagen Shareholders are referred to the Offer Document for further information and details (especially as regards methods of acceptance). The information set out below is only a summary of the information contained in the Offer Document. The description of the Offer given in this Statement is not intended to be full and complete. Only the provisions set out in the Offer Document will be authoritative with regard to the content and the implementation of the Offer. Each and every Volkswagen Shareholder is responsible for reviewing the information contained in the Offer Document and for taking any action necessary regarding the Offer.

3.2 Acquisition of control of Volkswagen

On 28 March 2007, the Bidder published its acquisition of control of Volkswagen in accordance with § 35 para. 1 WpÜG in conjunction with § 10 para. 3 sentences 1 and 2 WpÜG (hereinafter **Publication of Acquisition of Control**). On 3 April 2007, the Bidder published a correction of the publication of 28 March 2007. Both publications are available on the internet at <http://www.porsche.com/germany/aboutporsche/investorrelations/>. According to information provided by the Bidder in the Publication of Acquisition of Control, such acquisition of control took place at the same time in the name of the Additional Controlling Persons listed in the Offer Document.

The statements made by the Bidder in the Offer Document indicate that, as a result of the Bidder's acquisition of control over Volkswagen, the Additional Controlling Persons specified in Section 4.3 of the Offer Document also acquired indirect control over Volkswagen on 28 March 2007 as a consequence of being attributed voting rights under § 30 para. 1 sentence 1 no. 1 WpÜG. According to the Offer Document, the Offer also has simultaneous discharging effect for the Additional Controlling Persons. Such persons did not publish a separate mandatory offer for Volkswagen Shares as a result of the published acquisition of control and, according to the information provided by the Bidder, will not do this.

Any party gaining direct or indirect control over a Target Company within the meaning of the WpÜG is required to publish an offer (mandatory offer) in accordance with § 35 WpÜG. Control within the meaning of the WpÜG is defined as holding of at least 30 % of the voting rights in the company. The Volkswagen Act provides for a voting right restriction, whereby the voting rights of a Volkswagen Shareholder holding more than 20% of the Volkswagen Shares are limited to the number of votes granted by 20% of the Volkswagen Shares. The wording of the WpÜG does not provide for voting rights to be disregarded for determining whether control has been obtained within the meaning of the WpÜG, where voting rights cannot be exercised due to legal provisions or restrictions contained in the articles of association. The Bidder therefore assumed that control of the Target Company would be acquired once a threshold of 30% of the Volkswagen Ordinary Shares had been exceeded and issued a Mandatory Offer. The BaFin allowed the publication of the Mandatory Offer. This suggests that the BaFin takes the view that the Bidder and the Additional Controlling Persons acquired control of Volkswagen within the meaning of the WpÜG on 28 March 2007. If the ECJ rules that the Volkswagen Act is not compatible with EU law and the restriction of voting rights is therefore also incompatible with EU law, it would not be necessary, in the current view of the Management Board, for the Bidder and the Additional Controlling Persons to provide a further mandatory offer. In a press release of 24 March 2007, the Bidder stated that, once the Offer had been implemented, any further shareholding increases will not require that another offer be made to the Volkswagen Shareholders. The Management Board is unable to state whether at some time there may be a judicial examination of the view of the Bidder or what the outcome of such an examination would be.

3.3 Implementation as a Mandatory Offer

The Offer will be implemented by the Bidder as a public mandatory offer (cash offer) for the purchase of Volkswagen Ordinary Shares and Volkswagen Preference Shares in accordance with § 35 WpÜG and certain securities regulations applicable in the USA (cf. Section 1.3 of the Offer Document with regard to the US provisions).

According to statements made by the Bidder, the Offer is the legal consequence of the acquisition of control within the meaning of § 29 para. 2 WpÜG of Volkswagen by the Bidder and the Additional Controlling Persons, and is thus a mandatory offer pursuant to the fifth Section of the WpÜG. See also Section 3.2 above for more details of the conditions of the Offer.

3.4 Bidder's comments on the background to the Offer

The Bidder described the background to the Offer in Section 8 of the Offer Document:

Cooperation between Porsche and Volkswagen

The Bidder has traditionally had a close relationship with Volkswagen. Many joint projects have proven to be favorable business decisions, and were successful in the market. Numerous developments provided by the Porsche Group to Volkswagen are now standard features in Volkswagen's vehicles. This success can be seen in the current off-road models Cayenne and Touareg. Volkswagen's subsidiary Audi has now also adopted this platform for its Q7.

Further joint projects have been initiated: a hybrid engine, which is scheduled to come to market within the current decade, a joint electronics platform and the production of the painted body shell for the new four-door Gran Turismo Panamera.

In the 2005/06 financial year, the Bidder purchased supplies and services from Volkswagen – principally Cayenne body shells and engines – with a value of approximately EUR 780 million. In that financial year, the total amount of materials purchased by the Bidder was EUR 3.273 billion, thus the supplies and services provided by Volkswagen represented approximately 24% of all materials purchased by the Bidder in that year.

The Bidder also makes the following comments on the details of the cooperation between the two companies:

"As a result of the Bidder's position as a major shareholder of Volkswagen, it is particularly important to comply with the principles of appropriateness and arm's length, which have already been observed in the past with regard to cooperation projects. For the purposes of dealing with their general relationship, and as the basis for cooperation in various fields of activity, the Bidder and Volkswagen concluded a so-called Framework Agreement and a Master Cooperation Agreement. In the Framework Agreement, the Bidder undertook to use its position as a major shareholder of Volkswagen only in accordance with the relevant legal provisions and, in particular, not to exert any influence with regard to strategic or operative decisions of Volkswagen where this would not comply with applicable legal provisions and/or the Articles of Association of Volkswagen. The Bidder and Volkswagen have also agreed that all contractual relations established between the Bidder and Volkswagen should be on market-standard arm's length terms. In order to monitor this, Volkswagen, at its own expense, regularly has the contractual relations reviewed by an independent expert auditor."

The Management Board is convinced that the cooperation with the Bidder is in the interests of Volkswagen. Care is being taken to ensure that any such cooperation is subject to standard market practices for cooperation with unaffiliated third parties. For this purpose, the Supervisory Board set up the committee on commercial relations with shareholders which regularly monitors this issue.

Increased holdings and reasons for further increases of ownership

The Bidder makes the following statement concerning its stake holdings:

"The Bidder is firmly convinced that the increase of its stake to more than 30 per cent of the Volkswagen Ordinary Shares will produce benefits for both partners without diluting or indeed endangering the identity of the Bidder. The Management Board of the Bidder regards the increase of the stake in Volkswagen as a logical step, since this investment is characterised by a high earnings potential based on the diversified global activities of the Volkswagen Group."

The Management Board welcomed the increases in holdings by the Bidder in Volkswagen. A stable shareholder structure is crucial for the long-term nature of the automotive business. The increase of the stake holding in March 2007 also underlines the further safeguarding of the cooperation with the Bidder on the basis of the existing framework agreement.

The Management Board wishes to point out that the Bidder states in its press release of 24 March 2007 the following: "After implementation of this mandatory offer, further increases of participations by Porsche of VW will not trigger a new obligation to make an offer. If, when and under which conditions such increases will occur, can currently not be determined. Background of the increase of more than 30 percent is also the expected abolition of the VW-Act."

3.5 Subject of the Offer and offer price

The Bidder is offering to purchase from Volkswagen Shareholders (with the exception of the Excluded Shareholders) all Volkswagen Ordinary Shares (ISIN DE0007664005) and all non-voting Volkswagen Preference Shares (ISIN DE0007664039), which are all non-par value shares, each with a pro rata amount of the registered share capital of EUR 2.56 and including profit-sharing entitlements for the 2007 fiscal year at the purchase price (hereinafter **Offer Price**) of

EUR 100.92 per Volkswagen Ordinary Share

and

EUR 65.54 per Volkswagen Preference Share

in accordance with the provisions of the Offer Document (cf. Section 4.1 of the Offer Document).

The Offer will not apply to the Excluded Shareholders or any Volkswagen Shares which belong to Volkswagen itself or any company independent of Volkswagen or that is majority owned by it.

The Offer will not apply to American Depositary Receipts representing Volkswagen Shares (hereinafter **ADRs**) (cf. Section 1.3 of the Offer Document). The holders of ADRs may, however, participate in the Offer by taking the steps set out in Section 23.2 of the Offer Document.

3.6 Acceptance period and withdrawal

According to Section 5.1 of the Offer Document, the acceptance period for the Offer commenced upon publication of the Offer Document on 30 April 2007. It will end on 29 May 2007 at 24:00 hrs. local time in Frankfurt am Main / 18:00 hrs. local time in New York.

There is no additional acceptance period in accordance with § 16 para. 2 WpÜG on the grounds that the Offer is a mandatory offer.

In Section 5.2 of the Offer Document the Bidder described the statutory extension of the acceptance period in the case of amendments of the Offer (cf. § 21 para. 5 WpÜG) and in the event of a competing offer (cf. § 22 para. 2 WpÜG).

In Section 16 of the Offer Document the Bidder described the statutory right of withdrawal of the Volkswagen Shareholders having accepted the Offer, in the case of amendments of the Offer in accordance with § 21 para. 4 WpÜG and in the event of a competing offer being made in accordance with § 22 para. 3 WpÜG.

The Volkswagen Shareholders do not have any contractual right to withdraw from the Offer.

3.7 Completion conditions

According to Section 13 of the Offer Document, the Mandatory Offer and the contracts which come into existence as a result of its acceptance will only be completed if the following conditions (hereinafter **Completion Conditions**) are fulfilled:

- (a) All applicable waiting periods under the US Hart-Scott-Rodino Antitrust Improvements Act of 1976 (**HSR Act**) have expired or have terminated without the competent U.S. antitrust authorities having applied to the competent Federal Court for an order prohibiting completion of the acquisition of the Volkswagen Shares by the Bidder or for a corresponding injunction or the responsible authority has declared that the preconditions for the obligation to notify do not, or no longer, exist.
- (b) All applicable waiting periods under the Canadian Competition Act have expired or have terminated without the Commissioner of Competition having applied to the Competition Tribunal for an order prohibiting the acquisition of the Volkswagen Shares by the Bidder or the responsible authority has declared that the preconditions for the obligation to notify do not, or no longer, exist.
- (c) The proposed concentration between the Bidder and Volkswagen has been cleared by the Competition Commission of Switzerland or is deemed to have been cleared or the responsible authority has declared that the preconditions for the obligation to notify do not, or no longer, exist.
- (d) The Federal Deposit Insurance Corporation (**FDIC**) has informed the Bidder that it does not intend to prohibit the indirect acquisition of control of Volkswagen Bank U.S.A. by the Bidder.

According to the Offer Document, the completion of the Offer, i.e. in particular the payment of the Offer Price, on the basis of conditions (a) to (d) above may be delayed until 30 September 2007, or may not take place at all.

If one or more of the Completion Conditions set out in Section 13.1 (a) to 13.1 (d) of the Offer Document has not been fulfilled by 30 September 2007, and if Porsche has not validly waived the relevant Completion Conditions pursuant to § 21 para. 1 no. 4 WpÜG, the Mandatory Offer will expire. In this case, the contracts which come into existence as a result of acceptance of the Mandatory Offer will not be completed and will lapse (condition subsequent, *auflösende Bedingung*), see Section 13.3 of the Offer Document. Any contractual agreement arising from the acceptance of the Offer will be rescinded in this case. Reference is made to Section 13.3 of the Offer Document for further details in this regard.

The Bidder has reserved the right to waive one or more or all of the Completion Conditions up to one business day prior to expiry of the Acceptance Period (cf. Section 13.2 of the Offer Document). Completion Conditions which the Bidder has validly waived shall be deemed to have been fulfilled for the purposes of the Mandatory Offer. Any contractual agreement arising from the acceptance of the Offer will then become final and will be executed. For the purposes of compliance with the time limit pursuant to § 21 para. 1 WpÜG, publication of the amendment of the Offer pursuant to § 21 para. 2 WpÜG in conjunction with § 14 para. 3 sentence 1 WpÜG shall be decisive. In the event of a waiver of Completion Conditions within the final two weeks prior to expiry of the acceptance period referred to in Section 5.1 of the Offer Document, the period will be extended by two weeks (§ 21 para. 5 WpÜG).

In Section 13.4 of the Offer Document the Bidder stated that it will make an immediate announcement at <http://www.porsche.com/germany/aboutporsche/investorrelations/> (in German with an English translation) and in the Electronic Federal Gazette if (i) a Completion Condition has been waived, (ii) all Completion Conditions either have been fulfilled or have been waived or (iii) the Offer will not be completed.

According to the Bidder, the Completion Conditions will be a condition subsequent for any contractual agreements arising from the acceptance of the Offer. Such agreements will become invalid and will no longer apply if the Completion Conditions are not met within the relevant deadlines.

Any Volkswagen Shareholders accepting the Offer take the risk that the determination of whether the Completion Conditions have been met and whether the Offer can be completed may theoretically be published only after 30 September 2007. The Bidder has not provided for any contractual right of withdrawal in the Offer Document which would allow Volkswagen Shareholders having tendered their Volkswagen Shares for sale under the Offer to withdraw from the contractual agreements, arising from the acceptance of the Offer concerning the sale of tendered Volkswagen shares by them, until 30 September 2007. Provided there is no statutory right of withdrawal, Volkswagen Shareholders that have accepted the Offer will therefore not be entitled to exercise a contractual right of withdrawal if they wish to withdraw from the agreement for the sale of their Volkswagen Shares pursuant to the Offer. In this regard, reference is made to the fact that trading in Tendered Volkswagen Ordinary Shares (ISIN DE000A0N3EV1) and Tendered Volkswagen Preference Shares (ISIN DE000A0N3EW9) under the respective ISIN is also dependent on the number of such shares tendered. If the acceptance rate for the Offer is low, Volkswagen Shareholders having accepted the Offer may not be able to trade the tendered Volkswagen Shares on the stock exchange, or may only be able to do so to a limited extent. Volkswagen Shareholders are also requested to read the statements in this respect set out in Section 9.1 of this Statement.

4. Nature and amount of the consideration offered

4.1 Offer price

The Bidder is offering a consideration (monetary payment) of EUR 100.92 per Volkswagen Ordinary Share with profit-sharing entitlements for the 2007 financial year and EUR 65.54 per Volkswagen Preference Share with profit-sharing entitlements for the 2007 financial year (see Section 4.1 of the Offer Document). The Offer will not involve any payment in shares.

Pursuant to Section 6.9 of the Offer Document, the Bidder reserves the right to acquire, outside the Mandatory Offer, additional Volkswagen Shares directly or indirectly on the stock exchange or over the counter to the extent permitted by law. In the event of such acquisitions being effected, the Bidder will publish such acquisition of Volkswagen Shares on the Internet at <http://www.porsche.com/germany/aboutporsche/investorrelations/> together with details of the number and price of Volkswagen Shares acquired in such manner, and in accordance with applicable statutory provisions, including but not limited to, § 23 para 2 of the WpÜG.

If the Bidder made these acquisitions at prices above the Offer Price, this could result in a payment being made in the amount of the difference (*Nachbesserung*) of the Offer Price, provided that the conditions referred to in § 31 para. 4 of the WpÜG or § 31 para. 5 of the WpÜG have been met, in each case in conjunction with § 31 para. 6 of the WpÜG.

4.2 Statutory minimum price

To the extent that the Management Board is in a position to verify this with the information available and on the basis of the publication regarding the acquisition of control issued by the Bidder on 28 March 2007, the Offer Price for Volkswagen Shares is in accordance with the provisions of §§ 3 *et seq.* of the ordinance concerning the content of offer documents, the consideration due under takeover offers and mandatory offers and the exemption from the obligation to publish and issue and offer (hereinafter **WpÜG Offer Ordinance**

(*WpÜG-Angebotsverordnung*)) on the statutory minimum price, which will be determined in accordance with the higher of the threshold values set out below.

Pursuant to § 4 of the WpÜG Offer Ordinance, the consideration for the shares of the Target Company must be at least equivalent to the highest consideration paid or agreed by the Bidder, a person acting jointly with the Bidder within the meaning of § 2 para. 5 of the WpÜG or their subsidiaries for the acquisition of shares in the Target Company in the six months prior to the publication of the Offer Document. § 31 para. 6 of the WpÜG shall apply *mutatis mutandis*.

Furthermore, the consideration due under § 5 WpÜG Offer Ordinance for mandatory offers for shares admitted for trading on a German stock exchange must be at least equivalent to the weighted average domestic share price for the shares for the three months prior to the publication regarding the acquisition of control. Unusual trading activities of third parties not involved in the offer procedure shall not alter the fact that the weighted average domestic share price determined by BaFin is decisive. The foregoing shall not apply only if the share prices of the Target Company were fixed on less than one third of the trading days over the three months prior to the publication of the acquisition of control and several stock exchange prices fixed in succession deviate by more than 5% from each other; in such case, the amount of the consideration would have to be equivalent to the value of the company on the basis of an evaluation of the Target Company.

Pursuant to § 3, sentence 3 of the WpÜG Offer Ordinance, the minimum Offer Price for Volkswagen Ordinary Shares and Volkswagen Preference Shares must be determined separately.

4.2.1 Previous acquisitions

In Section 6.8 of the Offer Document the Bidder has stated the following:

"The Bidder, or a person acting jointly with the Bidder within the meaning of § 2 para. 5 of the WpÜG, or their subsidiaries, in the six months prior to the disclosure of acquisition of control of the Volkswagen Shares by the Bidder on 28 March 2007, acquired the following:

- (a) On 13 and 14 November 2006, the Bidder acquired a total of 12,878,000 and 6,122,000 Volkswagen Ordinary Shares, respectively, at a purchase price of EUR 85.09 per Volkswagen Ordinary Share. Upon delivery of these Volkswagen Ordinary Shares, the Bidder's percentage of the voting rights in Volkswagen initially increased to 25.26 % and subsequently to 27.40 %. The Bidder made a notification to that effect in the form of a summary document to Volkswagen and BaFin in accordance with § 21 para. 1 of the German Act on Securities Trading (*Wertpapierhandelsgesetz, WpHG*) on 15 November 2006.
- (b) On 26 March 2007, the Bidder acquired a total of 10,500,000 Volkswagen Ordinary Shares at a purchase price of EUR 55.00 per Volkswagen Ordinary Share. The Bidder acquired these Volkswagen Ordinary Shares upon exercising an option which it had been granted by a financial services institution on 14 March 2007. In connection with the granting of the option, the Bidder paid the writer of the option an aggregate amount of EUR 45.92 per Volkswagen Ordinary Share. Ownership of the Volkswagen Shares acquired by the Bidder was transferred to it simultaneously with payment of the purchase price on 28 March 2007 in the amount of EUR 55.00 per Volkswagen Share. This thus results in total consideration of EUR 100.92 per Volkswagen Ordinary Share."

According to Section 6.8 of the Offer Document, neither the Bidder nor a person acting jointly with the Bidder or their subsidiaries acquired Volkswagen Shares in the period from 28 March 2007 to 30 April 2007 (the date of publication of the Offer Document).

4.2.2 Volkswagen Ordinary Shares

The Offer Price of EUR 100.92 per Volkswagen Ordinary Share is equal to the minimum price for Volkswagen Ordinary Shares prescribed by § 31 para. 1 of the WpÜG in conjunction with § 39 of the WpÜG in conjunction with §§ 4 and 5 of the WpÜG Offer Ordinance.

- (i) Pursuant to § 5 of the WpÜG Offer Ordinance, the consideration must, in the case of a mandatory offer pursuant to § 35 of the WpÜG, be at least equivalent to the weighted average domestic share price of Volkswagen Shares during the three months prior to the publication of the acquisition of control. This average price, which is relevant for the publication of the acquisition of control by the Bidder was determined by BaFin according to the database available at <http://www.bafin.de/> to be EUR 94.99 as at 27 March 2007. The Offer Price of EUR 100.92 per Volkswagen Ordinary Share exceeds this amount by EUR 5.93, i.e. by approximately 6.2 %.
- (ii) Pursuant to § 4 of the WpÜG Offer Ordinance, the consideration must, in the case of a mandatory offer pursuant to § 35 of the WpÜG, consideration, be at least equivalent to the highest consideration provided or agreed by the Bidder, a person acting in concert with the Bidder, or their subsidiaries for the acquisition of Volkswagen Ordinary Shares within the last six months prior to the publication of the Offer Document. Pursuant to information provided by the Bidder, in the period between 30 October 2006 and the date of publication of the Offer Document, 30 April 2007, the Bidder acquired a total of 29,500,000 Volkswagen Ordinary Shares. Pursuant to information provided by the Bidder, the highest purchase price per Volkswagen Ordinary Share which was paid or agreed was EUR 100.92 (cf. Section 6.8 and 10.1 (a) of the Offer Document). According to information provided by the Bidder, this amount includes an option premium paid to the writer of the option for the acquisition of Volkswagen Ordinary Shares and corresponds to the total sum of the payments which the Bidder made or agreed to make to the option writer per Volkswagen Ordinary Share acquired.

4.2.3 Volkswagen Preference Shares

The Offer Price of EUR 65.54 per Volkswagen Preference Share is equal to the minimum price for Volkswagen Preference Shares prescribed by § 31 para. 1 of the WpÜG in conjunction with § 39 of the WpÜG in conjunction with §§ 4 and 5 of the WpÜG Offer Ordinance.

- (i) In accordance with § 5 of the WpÜG Offer Ordinance, in the case of mandatory offers for shares pursuant to § 35 of the WpÜG, consideration must be equal to the weighted average domestic share price for the Volkswagen Preference Shares over the three months prior to the publication of the acquisition of control. This average price, which is relevant the publication of the acquisition of control by the Bidder, was determined by BaFin according to the database available at <http://www.bafin.de/> the binding date of 27 March 2007 to be EUR 65.54. The Bidder's Offer Price of EUR 65.54 per Volkswagen Preference Share is equal to this amount.

- (ii) In accordance with § 4 of the WpÜG Offer Ordinance, in the case of mandatory offers for shares pursuant to § 35 of the WpÜG, consideration must be equal to, or more than, the highest consideration paid or agreed by the Bidder, a person acting jointly with the Bidder or their subsidiaries for the acquisition of Volkswagen Preference Shares in the six months prior to the publication of the Offer Document. Pursuant to information provided by the Bidder in the Offer Document, it did not acquire any Volkswagen Preference Shares between 30 October 2006 and the date of publication of the Offer Document, 30 April 2007 (cf. Section 6.8 of the Offer Document). There is therefore no minimum price for Volkswagen Preference Shares prescribed by § 4 of the WpÜG Offer Ordinance that needs to be taken into account.

4.3 Comparison with historical stock exchange prices

As evidenced by the Offer Document, besides those factors referred to in Section 10.1 of the Offer Document, the Bidder, in particular, also took into account the historical stock exchange prices of Volkswagen Shares in calculating the Offer Price. The Bidder is of the view that the stock exchange prices of Volkswagen Shares provide a suitable basis for assessing the appropriateness of the Offer Price and comments as follows:

"(a) Volkswagen Ordinary Shares

The Offer Price for the Volkswagen Ordinary Shares compares with the closing prices (*Schlusskurse*) of the Volkswagen Ordinary Shares in the XETRA electronic trading system one day, one month, six months and twelve months prior to the Bidder's attainment of control of Volkswagen which was published on 28 March 2007, as follows:

- § On 27 March 2007, the last stock exchange trading day prior to publication of the attainment of control of Volkswagen, the closing price of the Volkswagen Ordinary Shares in the XETRA electronic trading system amounted to EUR 113.50. The Offer Price is thus EUR 12.58, or approximately 11.1%, below this stock exchange price.
- § On 28 February 2007, one month prior to publication of the attainment of control of Volkswagen, the closing price of the Volkswagen Ordinary Shares in the XETRA electronic trading system amounted to EUR 95.34. The Offer Price thus includes a premium of EUR 5.58, or approximately 5.9%, on this stock exchange price.
- § On 28 September 2006, six months prior to publication of the attainment of control of Volkswagen, the closing price of the Volkswagen Ordinary Shares in the XETRA electronic trading system amounted to EUR 67.55. The Offer Price thus includes a premium of EUR 33.37, or approximately 49.4%, on this stock exchange price.
- § On 28 March 2006, twelve months prior to publication of the attainment of control of Volkswagen, the closing price of the Volkswagen Ordinary Shares in the XETRA electronic trading system amounted to EUR 61.05. The Offer Price thus includes a premium of EUR 39.87, or approximately 65.3%, on this stock exchange price."

Bloomberg was used as the source for the historical stock exchange prices set out above.

(b) Volkswagen Preference Shares

"The Offer Price for the Volkswagen Preference Shares compares with the closing prices (*Schlusskurse*) of the Volkswagen Preference Shares in the XETRA electronic trading system one day, one month, six months and twelve months prior to the Bidder's attainment of control of Volkswagen which was published on 28 March 2007, as follows:

- § On 27 March 2007, the last stock exchange trading day prior to publication of the attainment of control of Volkswagen, the closing price of the Volkswagen Preference Shares in the XETRA electronic trading system amounted to EUR 76.75. The Offer Price is thus EUR 11.21, or approximately 14.6%, below this stock exchange price.
- § On 28 February 2007, one month prior to publication of the attainment of control of Volkswagen, the closing price of the Volkswagen Preference Shares in the XETRA electronic trading system amounted to EUR 66.65. The Offer Price is thus EUR 1.11, or approximately 1.7%, below this stock exchange price.
- § On 28 September 2006, six months prior to publication of the attainment of control of Volkswagen, the closing price of the Volkswagen Preference Shares in the XETRA electronic trading system amounted to EUR 46.81. The Offer Price thus includes a premium of EUR 18.73, or approximately 40.0%, on this stock exchange price.
- § On 28 March 2006, twelve months prior to the publication of the attainment of control of Volkswagen, the closing price of the Volkswagen Preference Shares in the XETRA electronic trading system amounted to EUR 44.25. The Offer Price thus includes a premium of EUR 21.29, or approximately 48.1%, on this stock exchange price."

Bloomberg was used as the source for the historical stock exchange prices set out above.

4.4 Further explanations provided by the Bidder with regard to the Offer Price

The comparisons with historical stock exchange prices set out in Section 10.2 of the Offer Document demonstrate that the Offer Price is lower than the stock exchange price of the relevant Volkswagen Share on the last trading day prior to the Bidder's acquisition of control of Volkswagen (i.e. EUR 113.50 for the Volkswagen Ordinary Shares and EUR 76.75 for the Volkswagen Preference Shares).

In Section 10.2 of the Offer Document the Bidder stated that it is nevertheless convinced that the Offer Price both for the Volkswagen Ordinary Shares and for the Volkswagen Preference Shares is appropriate within the meaning of § 31 para. 1 of the WpÜG. The reasons are as follows:

In the opinion of the Bidder, the historical stock exchange prices are the reference point for determining the appropriateness of the Offer Price for the Volkswagen Ordinary Shares and for the Volkswagen Preference Shares. As can be seen from § 31 para. 1 of the WpÜG and § 5 para. 1 of the WpÜG Offer Ordinance, the legislator has approved this valuation method. There exists a functioning stock exchange trading involving significant trading volumes with regard to both Volkswagen Ordinary Shares and Volkswagen Preference Shares. In addition, Volkswagen has been analysed regularly by professional equity analysts in Germany and abroad. The Volkswagen Ordinary Shares are also included in the DAX, the most important share index in Germany, and thus attract additional attention from investors.

The Bidder is making this Mandatory Offer in compliance with the applicable legal requirements without necessarily having an interest in an increase in its stake in Volkswagen as a result of the implementation of this Mandatory Offer. Therefore, the Bidder has taken the stock exchange prices for Volkswagen Shares over the last months as a reference point when determining the Offer Price. For the determination of the Offer Price of Volkswagen Preference Shares no other methods were used. For the determination of the Offer Price of Volkswagen Ordinary Shares and in the interests of equal treatment in accordance with § 4 of the WpÜG Offer Ordinance the highest consideration provided or agreed by the Bidder for Volkswagen Ordinary Shares during the relevant six month period was decisive and thus also appropriate.

4.5 Assessment considerations

The Management Board has reviewed whether the amount of the consideration offered by the Bidder for Volkswagen Ordinary Shares and Volkswagen Preference Shares is appropriate.

4.5.1 Mandate of UBS Deutschland AG

The Management Board was assisted by UBS Deutschland AG, Frankfurt am Main, in its assessment of whether the consideration of EUR 100.92 per Volkswagen Ordinary Share and EUR 65.54 per Volkswagen Preference Share offered by the Bidder under the Mandatory Offer is appropriate (UBS Deutschland AG referred to as the **Investment Bank**).

In connection with their services in this regard, the Investment Bank performed a series of financial analyses as it, in consultation with the Management Board deemed necessary and appropriate in order to provide the Management Board with appropriate information for use by the Management Board in reaching its respective assessments of the appropriateness of the consideration being offered by the Bidder on an informed basis. The Investment Bank's analyses were based upon and subject to a number of the factors, assumptions, procedures, limitations and qualifications set forth therein. In performing their analyses, the Investment Bank assumed and relied upon (without assuming any responsibility therefore), among other things, at the direction of the Management Board respectively, financial projections received from Volkswagen management. It also reviewed average estimates of equity research analysts as to the future earnings of the Company but did not rely on such estimates in their analyses. Among other things, the Investment Banks compared the Offer prices with historical prices and the price development of the Volkswagen shares, compared the development of the Volkswagen share prices with those of companies and indices it believed to be generally relevant, reviewed the recommendations and price targets of equity research analysts both before and after Porsche announced its intention to make the offer, compared the valuation multiples derived from the consideration offered by the Bidder under the Offer with the valuation multiples of selected publicly traded companies of the automotive industry and other industries, as well as with selected transactions in the automotive industry and other industries, performed a discounted cash flow analysis, analysed historical discounts of Volkswagen Preference Shares in relation to Volkswagen Ordinary Shares and compared them with those of other companies with ordinary and preference shares, also in the context of selected transactions, and performed other studies and analyses as each of them deemed appropriate in this regard.

The Investment Banks' respective analyses did not address the relative merits of the Mandatory Offer as compared to other business strategies or transactions that might be available with respect to Volkswagen. The Investment Banks was not asked to and did not make any recommendation as to whether holders of the Volkswagen Ordinary Shares or the Volkswagen Preference Shares should accept or reject the Offer. The In-

vestment Bank's analyses were provided solely for the benefit of the Management Board in connection with the Offer and were not provided for the benefit of, and may not be relied upon by, the shareholders of Volkswagen or any other person. The Investment Bank received a fee for its services of delivering its analyses.

The Investment Bank is engaged on a global basis in a variety of activities, on its own account and on the account of its customers, in the fields of commercial banking und investment banking including asset management, wealth management, corporate finance as well the issuance and trading of securities (third party and proprietary trading including trading in Volkswagen Shares; see also the notifications pursuant to § 21 para. 1 WpHG, the last one dated 10 May 2007) and securities research.

In the past, members of UBS Group (meaning UBS AG and any subsidiary, branch or affiliate of UBS AG) and its predecessors have provided investment banking services to Volkswagen and Porsche - and still provide investment banking services to Volkswagen - and received compensation for the rendering of such services. Members of the UBS Group are providing financing to the Bidder in connection with the Mandatory Offer and will receive compensation in connection therewith. No member of the UBS Group has advised the Bidder in connection with the Mandatory Offer.

4.5.2 Result of assessment considerations

On the basis of presentations and explanations given by the Investment Bank, the Management Board is convinced of the reasonableness of the Investment Banks' approach and the methods and analyses applied by them. The Management Board has formed the following opinion with regard to the appropriateness of the consideration offered by the Bidder for the Volkswagen Ordinary Shares and the Volkswagen Preference Shares:

With the exception of the comparison with historical share prices of more than one month prior to 24 March 2007, i.e. the date of the Bidder's announcement of its decision to increase its share of voting rights in Volkswagen to over 30%, and with the exception of the comparison with the average of the price targets published by equity research analysts between 31 October 2006 and 28 March 2007, the date on which the Bidder published the acquisition of control over Volkswagen, the fundamental valuation of Volkswagen Shares is higher than the Offer Price for Volkswagen Ordinary Shares and Volkswagen Preference Shares.

4.6 Further aspects

In addition to the considerations and analyses of the Investment Bank in respect of the potential value of Volkswagen Ordinary Shares and Volkswagen Preference Shares, the Management Board considered the following factors, which in their view, may be material for the Shareholders considering whether to accept or reject the Mandatory Offer.

4.6.1 Stock exchange in relation to the Offer Prices

As the Bidder advises in Section 17 of the Offer Document, the Management Board also advises all Volkswagen Shareholders considering accepting the Offer to consider not only the acceptance of the Offer but also the sale of their Volkswagen Ordinary Shares and Volkswagen Preference Shares on the stock exchange, and to gather information on the current share price for the Volkswagen Ordinary Shares and Volkswagen Preference Shares before deciding whether to tender their Volkswagen Ordinary Shares or Volkswagen Preference

Shares for sale under the Offer. Reference is made to the fact that the closing price for Volkswagen Ordinary Shares in the XETRA electronic trading system used by the Frankfurt Stock Exchange was EUR 105.10 on 10 May 2007 and was therefore above the Offer Price, as well as that the closing price for Volkswagen Preference Shares in the XETRA electronic trading system used by the Frankfurt Stock Exchange was EUR 69.41 on 10 May 2007 and was therefore above the Offer Price. Reference is further made to the fact that, since the publication of the acquisition of control, the closing price for Volkswagen Ordinary Shares and for Volkswagen Preference Shares in the XETRA electronic trading system used by the Frankfurt Stock Exchange was above the Offer Price.

4.6.2 Earnings and share appreciation potential

The Bidder states in Section 8.2 of the Offer Document that it anticipates an increase in profit potential because the investment is marked by high earnings potential. The Management Board is unable to predict whether, and the extent to which, there will be an increase in earnings potential as assumed by the Bidder and whether this will be reflected in a higher share price compared to the current share price. Their evaluations are in accordance with the forecasts already made by them and thus do not make this appear unrealistic in any way. Volkswagen Shareholders who acquired their shares at a comparatively lower price than the Offer Price could, through acceptance of the Offer, realize their gains arising since these acquisitions, but they would miss any chance that may arise to benefit from further increase in share prices.

4.6.3 Potential additional acquisition of Volkswagen Shares by the Bidder at higher share prices

The Bidder makes it clear in the structuring of its Mandatory Offer that it primarily seeks to comply with its statutory duty by making a Mandatory Offer in accordance with the WpÜG. Following the making of a Mandatory Offer and the expiry of a time limit of one year, within which acquisitions of additional shares off-market trigger a duty to make a payment in the amount of the difference (*Nachbesserungspflicht*) (§ 31 WpÜG), the Bidder and other additional controlling persons will be in a position to acquire additional shares, at higher prices without being required to amend the Offer Price for the benefit of those shareholders who accepted the Mandatory Offer. They will also be able to acquire Volkswagen Shares at higher prices on the stock exchange within the aforementioned period of one year without being required to amend the Offer Price for the benefit of those shareholders who accepted the Mandatory Offer.

4.6.4 End of takeover speculation

As the Bidder already holds more than 30% of the Volkswagen Ordinary Shares, and may purchase additional Volkswagen Ordinary Shares, thereby making it even less attractive for a third party to acquire Volkswagen Shares for the purpose of exerting a dominant influence, takeover speculation at the current share price could potentially be put to an end.

4.6.5 The Volkswagen Act

In the opinion of the Bidder, the action brought by the European Commission against the Volkswagen Act has a good chance of success. Should this view turn out to be correct, which Volkswagen considers possible, among other things the limit of voting rights to 20 % as stipulated in the Volkswagen Act would no longer ap-

ply. The Bidder would then be permitted to exercise without limitation its voting rights in all shares already held and to be acquired under the Mandatory Offer or thereafter. Even with a percentage of the voting rights below an absolute majority, the Bidder could have a simple voting majority as early as in the next general shareholders' meeting, depending on the relevant number of shareholders in attendance. At present, the Management Board is unable to predict whether this will have an impact on the subsequent share price.

4.6.6 Time until the execution of the Offer

Because confirmation of the satisfaction or non-satisfaction of the Completion Conditions may be obtained – in a worst case – only by 30 September 2007, Volkswagen Shareholders who accept the Offer are potentially bound by the Offer for a long period of time; the Bidder did not provide for a right of withdrawal in the Offer Document.

4.6.7 Potentially higher or lower consideration in connection with integration measures

The Management Board will not make any assessment of whether amounts higher or lower than the Offer Price may be paid at a future time as part of an appropriate compensation payment for Volkswagen Shares, for example in connection with the conclusion of a control and profit transfer agreement, a delisting, a squeeze-out or a business transformation. Those Volkswagen Shareholders accepting the Offer will not have any claim to receive any compensation payment made subsequent to the Offer, and not even if such measure was taken within one year of the final notification of results in accordance with § 23 para. 1, sentence 1, no. 2 of the WpÜG (cf. § 31, para 5, sentence 2 of the WpÜG).

On the basis of its current stake holding in Volkswagen, the Bidder itself potentially has a simple majority of the voting rights in a general shareholders' meeting of Volkswagen following the non-applicability of the Volkswagen Act (depending on the number of shareholders in attendance), however, on account of the shareholding of the state of Lower Saxony (Niedersachsen), not a qualified majority which could be required, for example, for obtaining consent for an agreement between business enterprises (*Unternehmensvertrag*).

4.6.8 Potentially higher or lower additional offer

The Management Board also declines to make an assessment of whether amounts higher or lower than the Offer Price may be paid at a future time as part of another public offer by the Bidder or another bidder.

4.6.9 Bidder's perspective

The Offer is merely a Mandatory Offer and not an offer, the acceptance of which is intended to result in the acquisition of control within the meaning of the WpÜG. The Bidder assumes that Volkswagen will not become a subsidiary of the Bidder on account of the execution of the Mandatory Offer (cf. Section 9.1 of the Offer Document). In Section 10.3 of the Offer Document, the Bidder states that it is not necessarily interested in increasing its shareholding in Volkswagen as a result of the execution of the Mandatory Offer.

4.6.10 Consequences for the liquidity of the Shares

It is theoretically possible (although rather improbable) that the offer of, and demand for, Volkswagen Ordinary Shares and Volkswagen Preference Shares will be lower following the making of the Offer than prior to the making of the Offer, thereby reducing the liquidity of the Volkswagen Ordinary Shares and Volkswagen Preference Shares (also cf. Section 9.1).

4.7 Summary appraisal by the Management Board in relation to the amount of consideration offered

In view of the above, the Management Board deems the following assessment to be appropriate:

- The Bidder's Offer Price for Preference Shares and Ordinary Shares complies with the statutory regulations incumbent on the Bidder.
- Volkswagen Shareholders intending to sell their Volkswagen Shares should bear in mind that the market share price is currently higher than the Offer Price. They should therefore consider selling their shares on the stock exchange, if possible.
- The Offer Price for the Volkswagen Ordinary Shares and Volkswagen Preference Shares respectively is, in part, substantially above historical share prices for Volkswagen Ordinary Shares and Volkswagen Preference Shares. The Offer Price for the Volkswagen Ordinary Shares is, furthermore, above the average of price targets of equity research analysts for Volkswagen Ordinary Shares before the announcement of the Offer.
- The Offer Price for the Volkswagen Ordinary Shares and Volkswagen Preference Shares implies a valuation of the Volkswagen Group that is below the intrinsic value of the Volkswagen Group as determined on the basis of various fundamental valuation analyses.
- The Offer is merely a Mandatory Offer and not an offer which is intended to achieve acquisition of control within the meaning of the WpÜG.
- Volkswagen Shareholders who, in line with the expectations of the Bidder, are expecting a further increase in the earnings potential of Volkswagen and therefore wish to retain their Volkswagen Shares in expectation of a price appreciation, should bear in mind that it is not possible to predict whether, and the extent to which, increases in the share price of Volkswagen Shares will reflect the earnings potential.
- The Management Board cannot discount the fact, and cannot make an assessment whether, the Bidder or any person acting jointly with the Bidder or their subsidiaries or, as the case may be, a third party, will subsequently acquire (additional) Volkswagen Shares at a price above that of the Offer Price.

5. Financing of the Offer

Maximum consideration

Pursuant to information provided by the Bidder in Section 14.1.1 of the Offer Document, the Bidder expects to incur transaction costs in connection with this Mandatory Offer and its completion which are not expected to exceed an aggregate amount of EUR 126 million. The total costs for the Bidder for the complete takeover of Volkswagen are thus expected to be no more than approximately EUR 27,847,755,000.00 (**Total Transaction Amount**). For further details, see Section 14.1.1 of the Offer Document.

Financing of the Mandatory Offer

Pursuant to information provided by the Bidder in Section 14.1.2 of the Offer Document, prior to the publication of the Offer Document, the Bidder had taken the measures necessary to ensure that the financial resources necessary for it to fully perform the Mandatory Offer will be available to it in good time.

By its own statement, on 26 March 2007, the Bidder concluded a loan agreement (hereinafter **Loan Agreement**) with an international banking consortium under which the Bidder is granted a loan facility in the amount of up to EUR 35,000,000,000 (hereinafter **Loan**), *inter alia*, for the fulfilment of the Bidder's payment obligations under or in connection with the Mandatory Offer and for the refinancing of liabilities of Volkswagen or of companies in which it holds an interest.

Pursuant to information provided by the Bidder, the Loan may be drawn down by the Bidder until all obligations of the Bidder under the Mandatory Offer have been fulfilled, but no later than 28 October 2007. The Bidder may draw down the Loan if the conditions precedent and the requirements relating to the documentation are fulfilled (or have been waived by the lenders), none of the grounds for termination listed in the Loan Agreement have occurred, certain additional conditions described in the Loan Agreement are fulfilled and the representations contained in the Loan Agreement are correct and accurate at the time at which the Loan is drawn down. According to its own explanations the Bidder has no reason to believe that the conditions for draw down will not be fulfilled.

By its own statement, the Bidder has thus taken the measures necessary to ensure that it will, on the relevant date, have available funds in the amount of the Total Transaction Amount.

The members of the Management Board have no additional information and material findings on the financing of the Offer to the information provided by the Bidder in Section 14 of the Offer Document.

The Bidder states that it is entitled to draw on a loan in the aggregate amount of EUR 35 billion, *inter alia*, for the fulfilment of the Bidder's payment obligations under or in connection with the Mandatory Offer and for the refinancing of liabilities of Volkswagen or of companies in which it holds an interest. Hence even in the unlikely event of the complete acceptance of the Offer, approximately EUR 7.2 billion would be available for refinancing of liabilities of Volkswagen or of companies in which it holds an interest.

In this context the Management Board points out the following:

In June 2005, a banking consortium granted Volkswagen a syndicated loan in the amount of EUR 12.5 billion. This loan runs until June 2011. At present reconciliation negotiations with the banking consortium regarding an extension of the loan by one additional year, i.e. until June 2012 are taking place. The banking consortium's agent may, or must if a majority of the banks involved who contribute at least two-thirds of the financing for

the loan so request, terminate the loan with immediate effect and demand repayment of amounts drawn down if control (within the meaning of the EU Merger Regulation (*EU-Fusionskontrollverordnung*)) of Volkswagen is attained. The Management Board is of the opinion that this has not been the case so far, and therefore, the grounds for termination are currently not met. The syndicated loan has not been drawn down yet.

The Bidder has not provided any further details on the conditions precedent for the disbursement of the loan. The Bidder nonetheless states that it has no reason to believe that the conditions for draw down will not be fulfilled.

Financing confirmation

Merrill Lynch International Bank Limited with its seat in Dublin (Ireland), Frankfurt am Main Branch, is a securities services enterprise (*Wertpapierdienstleistungsunternehmen*) independent of the Bidder and has, in the letter dated 18 April 2007 which is attached as Appendix 5, confirmed in writing pursuant to Section 13 para. 1, sentence 2 of the WpÜG, that the Bidder has taken the measures necessary to ensure that the funds necessary to fully perform the Mandatory Offer to the shareholders of Volkswagen Aktiengesellschaft in the amount of EUR 100.92 per Volkswagen Ordinary Share and EUR 65.54 per Volkswagen Preference Share will be available to it at the time at which the claim for the consideration falls due.

The Management Board has no reason to doubt the correctness of the confirmation of financing provided by Merrill Lynch International Bank Limited.

6. Effects of completion of the mandatory offer on the net worth, financial position and results of the Bidder and the Porsche group

In Section 15 of the Offer Document, the Bidder describes, *inter alia*, the possible effects of the completion of the Mandatory Offer on the individual and consolidated financial statements of the Bidder and of the Porsche group. From Volkswagen's point of view, the effects on the Bidder's results are of particular importance in this respect. Provided that the Mandatory Offer is accepted in its entirety, the proceeds from the participation of the Bidder in Volkswagen would probably be lower than the interest burden to be borne by the Bidder due to the financing of the acquisition.

In the, however improbable, case which is the basis for the above consideration, i.e. the assumption that the Mandatory Offer is accepted in its entirety, the Bidder could be faced with the question of whether it would be legally and actually capable of assuming the interest burden being supported or decreased with the aid of the financial resources provided by Volkswagen. The Bidder has not included any such considerations in the Offer Document as it regards the described developments as being very hypothetical.

7. Bidder's objectives with the Offer and likely consequences of a successful Offer for the Target Company

The Bidder has described its intentions regarding Volkswagen (and regarding the Bidder to the extent that the latter is concerned by the Offer) in Section 9 of the Offer Document. According to the Offer Document, these intentions are based exclusively on public information which was available to the Bidder on the day of the signing of the Offer Document.

7.1 Future business activities, use of assets and future obligations of Volkswagen

The Bidder explained in Section 9.1 of the Offer Document that it does not expect that, as a result of the implementation of the Offer, Volkswagen will become a subsidiary of the Bidder (irrespective of any notification regarding the acquisition of a majority stake under merger control law). Therefore, the Bidder does not so far have any plans with regard to the future business activities of Volkswagen beyond the proposed deepening and broadening of the existing cooperation between the Bidder and Volkswagen. It is intended that Volkswagen should in any event continue to exist as an independent company. The Bidder has no intentions regarding the use of the assets of Volkswagen. In particular, there are no plans to cause Volkswagen to divest parts of the Volkswagen Group. Furthermore, there are currently no plans which would lead to an increase in the liabilities of Volkswagen outside of the ordinary business operations.

The Bidder does not make any statements as regards any possible effects or intentions that could become relevant if, due to the implementation of the Mandatory Offer, it became the dominant shareholder of Volkswagen or had at least a majority of voting rights at future general meetings and could exercise these rights in the event that the Volkswagen Act would be held incompatible with European law. The Management Board would then have to examine which consequences would occur, as for example due to applicable provisions regarding group of companies.

7.2 Management Board and Supervisory Board

The Bidder stated in Section 9.3 of the Offer Document that it has complete confidence in Volkswagen and in the current members of its Management Board and endeavours to ensure that the current members of the Management Board of Volkswagen remain in their positions following the implementation of the Offer in order to implement the realignment of the Volkswagen Group, which has already been commenced, and to strengthen the current business. The Management Board appreciates this intention which it considers as an acknowledgment of its work.

The increase of the Bidder's stake in Volkswagen will have no direct effects on the size and composition of the Supervisory Board of Volkswagen. According to the Articles of Association of Volkswagen, the Supervisory Board of Volkswagen currently consists of twenty members, ten of whom are elected by the employees and eight of whom are elected by the General Meeting of Volkswagen. Two shareholder representatives on the Supervisory Board of Volkswagen are appointed by the *Land* of Lower Saxony by virtue of the right of appointment (see Section 7.3(a) of this Offer Document) contained in § 12 of the Articles of Association of Volkswagen.

In Section 9.3 of the Offer Document, the Bidder stated its intention that, in future, Porsche intends to exercise its voting rights at the elections of the Volkswagen Supervisory Board in such a way that the Supervisory Board appropriately reflects the shareholder structure.

Reference is made to the explanations contained in Section 7.3 of this statement as regards the question of whether the co-determination exercised within the Supervisory Board would be altered. Should the Volkswagen Act be held incompatible with European law, this might result in the *Land* of Lower Saxony no longer being entitled to appoint representatives to the Supervisory Board and also these shareholder's representatives being appointed by the general meeting with simple majority of the votes cast.

7.3 Employees, terms and conditions of employment and employee representation

In Section 9.4 of the Offer Document the Bidder stated that the entrepreneurial success of Volkswagen depends to a large extent on its research and development achievements and on its ability to be innovative with regard to the development of automobiles. Volkswagen's ability to ensure the constant modernisation of its range of models depends particularly on the quality, commitment and creativity of its employees. The Bidder is therefore particularly interested in a long-term retention of the best employees of the Bidder and Volkswagen. The Bidder is not planning any reduction in staff numbers in its own group or at Volkswagen as a result of the increase of the Bidder's stake in Volkswagen. Nor are changes in the terms and conditions of employment at Volkswagen intended. However, the Bidder states not to have sufficient information to enable it to evaluate the capabilities of the Volkswagen employees and to identify any adjustments which may be required. The Bidder is not planning changes with regard to employee representation at Volkswagen. In connection with the increase of the Bidder's stake in Volkswagen, it is proposed to convert the Bidder by way of a change of legal form (*formwechselnd*) into a "*Societas Europaea*" (**SE**). With regard to the involvement of the employees in the SE, the relevant legislation provides for the conclusion of a co-determination agreement (*Mitbestimmungsvereinbarung*) which deals with the details concerning the co-determination of the employees in the Supervisory Board of the SE and the establishment of an SE works council. If an agreement is not concluded, statutory fall-back arrangements apply. These require one half of the seats in the Supervisory Board to be held by employee representatives. The employee seats are distributed, in accordance with the numbers of employees, among the Member States of the EU and of the Agreement on the European Economic Area, and are filled in accordance with the relevant national law. Furthermore, an internationally constituted SE works council must be established which has various information rights and consultation rights in cross-border matters.

The members of the Management Board are not aware of any information on the Bidder's intentions beyond those stated in Section 9.4 of the Offer Document. Should Volkswagen, under certain conditions, have to be considered in the future as a company controlled by the Bidder, the Management Board believes that in such a case, it would have to be analysed whether the co-determination of the employees within the Supervisory Board of Volkswagen in accordance with § 5 para. 1 of the German Co-determination Act (*Mitbestimmungsgesetz*, MitbestG) as well as the competences and the composition of Volkswagen's Group Works Council would change. The Management Board will examine that question for Volkswagen in the future.

7.4 Seat of Volkswagen, location of major parts of the business

The Bidder has stated in Section 9.5 of the Offer Document that it does not intend to move the seat (*Sitz*) of Volkswagen away from Wolfsburg. Nor does the Bidder have any plans to move other major parts of the business of the Volkswagen Group to other locations. The Management Board appreciates this statement.

7.5 Potential further measures

The Bidder states in Section 9.6 of the Offer Document that it plans to continue to carry out, together with the management of Volkswagen, a detailed analysis of possibilities for a further deepening of cooperation, new business opportunities and efficiency enhancement measures which make sense for both businesses. The Management Board appreciates that statement.

In addition, the Bidder stated in Section 9.6 of the Offer Document that it intended to recommend to Volkswagen to review whether the currently existing stock exchange admissions of the Volkswagen Shares in London, Luxembourg, Tokyo and the SWX Swiss Exchange should be maintained in the future. The Management Board had examined the issue of admissions to the said stock exchanges already before the Mandatory Offer was made and came to the conclusion that it is the interest of Volkswagen as an internationally active company that the Volkswagen share is not only traded in Germany, but also on the foreign stock exchanges mentioned.

8. Bidder's intentions as regards its future business activities

The Bidder states in Section 9.2 of the Offer Document that, in the future, it will function as the holding company of the Porsche Group. The primary purpose of this is to separate the operational business activities from the holding activities. To this end, it is proposed to hive down the operational business of the Bidder into a wholly-owned subsidiary. This company will then continue the current business operations under the existing name, Dr. Ing. h.c. F. Porsche AG. A domination and profit transfer agreement is intended to be concluded between the Bidder and the operational subsidiary. As a result of the hive down, the areas of responsibility of the management will be divided. The holding activities will be carried on by the Bidder.

It is also intended to convert the Bidder into an SE. An SE is an internationally oriented corporate form, which, *inter alia*, enables the size of the Supervisory Board (twelve members), which has proved its worth in the past, to be maintained for the future. The decisions on the hive down, the conversion and the domination and profit transfer agreement are to be taken at an extraordinary general meeting of the Bidder, which in the meantime has been convened to take place on 26 June 2007.

Apart from those described above, no change of the future business activities of the Bidder, in particular with regard to its seat and the location of material parts of its business, the use of its assets, its future obligations, its employees and their representatives, the members of its management bodies or changes to the terms and conditions of employment are intended in connection with this Offer.

The structure envisaged by the Bidder would result in the Bidder holding the Volkswagen participation as well as the future Dr. Ing. h.c. F. Porsche Aktiengesellschaft that will result from the hive down.

The members of the Management Board do not have any information or other knowledge concerning the Bidder's intentions as regards its future business activities other than the ones set out in Section 9.2 of the Offer Document.

9. Impact on the Volkswagen Shareholders

The following information is intended to give Volkswagen Shareholders further indications for assessing the impact of accepting or not accepting the Offer.

The following considerations are not intended to be exhaustive. All Volkswagen Shareholders are required to make their own assessment of the consequences of accepting or rejecting the Offer.

The Management Board recommends Volkswagen Shareholders to obtain financial, legal and tax advice on their own, if required.

The Management Board wishes to make it clear that they are not in a position to assess the tax implications for individual shareholders from accepting or rejecting of the Offer.

9.1 Potential disadvantages of accepting the Offer

Upon completion of the Offer Volkswagen Shareholders accepting the Offer will forego their participation and economic rights in Volkswagen with regard to those Shares for which the Offer was accepted when these are being transferred to the Bidder. They should consider the following:

- With regard to Volkswagen Ordinary Shares or Volkswagen Preference Shares for which the Offer was accepted and completed Volkswagen Shareholders will no longer benefit from any positive development of the company and/or a potential positive development of the share price for Volkswagen Ordinary Shares or Volkswagen Preference Shares, as the case may be.
- Completion of the Offer and payment of the Offer Price are subject to several Completion Conditions. It cannot be ruled out that one or more Completion Conditions will not be met on time or at all. As a consequence the Offer may not be implemented unless these conditions have been waived by the Bidder in a timely manner. If the Offer is not being executed this may have negative implications on the price of Volkswagen Ordinary Shares and Volkswagen Preference Shares.
- With regard to Volkswagen Ordinary Shares or Volkswagen Preference Shares for which the Offer was accepted and completed Volkswagen Shareholders will generally not participate in the statutory consideration and settlement payments which would have to be made in case of any restructuring measures being carried out after completion of the Offer.
- The Bidder intends to permit the Tendered Volkswagen Shares to be traded on the Official Market (Prime Standard) on the Frankfurt Stock Exchange under ISIN DE000A0N3EV1 (Tendered Volkswagen Ordinary Shares) or, as the case may be, ISIN DE000A0N3EW9 (Tendered Volkswagen Preference Shares) from the second stock exchange trading day of the Acceptance Period, i.e. from 2 May 2007, until no later than (but including) the third-last stock exchange trading day prior to expiry of the Acceptance Period, i.e. probably until and including 24 May 2007, and – if completion of the Offer is delayed – until probably two stock exchange trading days prior to completion of the Mandatory Offer. This means that trading in the Tendered Volkswagen Shares will be discontinued at this point in time prior to expiry of the Acceptance Period or prior to completion of the Offer, as the case may be. Furthermore, the liquidity of the Tendered Volkswagen Shares is likely to be low due the expected low ratio of acceptance. This may result in orders for the purchase or sale of shares being delayed which may impact the price level and result in significant fluctuations of the share price of the Tendered Volkswagen Shares. It cannot therefore be excluded that, as a result of a lack of demand, sales of Tendered Volkswagen Shares via the stock exchange will not be possible.
- Upon completion of the Mandatory Offer and expiry of the one-year period during which purchases of additional Shares outside the stock exchange trigger an obligation to subsequent improvement (§ 31 para. 5 WpÜG) the Bidder will be able to acquire additional Shares possibly also at higher prices without having to improve the Offer Price for those Shareholders who have accepted the Mandatory Offer. Within the above one-year period the Bidder also could acquire Volkswagen Shares at higher prices at the stock exchange without having to improve the Offer Price for those Volkswagen Shareholders who

have accepted the Mandatory Offer. Insofar as the Mandatory Offer is only accepted by a few Shareholders such obligation to subsequent improvement would result only in minor costs.

9.2 Possible disadvantages of not accepting the Offer

Volkswagen Shareholders who do not accept the Offer remain Volkswagen Shareholders unless they sell their Volkswagen Shares outside the Offer. They may only lose their position as Volkswagen Shareholders in the course of a subsequent squeeze-out (cf. in particular §§ 327a et seq. German Stock Corporations Act (*Aktien-gesetz*, AktG) which in turn is subject to a shareholder holding with a 95%-participation in Volkswagen, or in case Volkswagen being merged into another company.

It is possible that the conditions for restructuring measures - such as a domination and profit transfer agreement, a delisting or transformation - will be met in the future and that such measures will be carried out.

Volkswagen Shareholders continue to bear the opportunities and risks related to the future development of Volkswagen Shares with regard to those Volkswagen Shares retained by them. The Management Board has already commented on the Bidder's intentions regarding its future business activities (cf. Section 9.1 of the Offer Document above). Volkswagen Shareholders who do not accept the Offer should also consider the following:

- Volkswagen Ordinary Shares and Volkswagen Preference Shares with regard to which the Offer has not been accepted may be traded on stock exchanges in an unchanged manner. It is possible in theory (but very unlikely) that the number of Volkswagen Ordinary Shares and Volkswagen Preferred Shares that are being offered and demanded after completion of the Offer is so small that there is a strong reduction of the liquidity of the Volkswagen Ordinary Shares and Volkswagen Preference Shares that orders for the purchase or sale of Shares may not be carried out on time or not at all.
- The current stock exchange price of Volkswagen Ordinary Shares and Volkswagen Preference Shares could be influenced by the Bidder having announced and published the Mandatory Offer with an Offer Price of EUR 100.92 per Volkswagen Ordinary Share and EUR 65.54 per Volkswagen Preference Share. It is uncertain if the stock market price of the Volkswagen Ordinary Shares and the Volkswagen Preference Shares will remain at its current level after expiry of the Acceptance Period and how it will evolve in the future.
- It is not possible to forecast the development of the stock exchange price of Volkswagen Ordinary Shares and Volkswagen Preference Shares. The price is subject to influence from the general economic environment and also from the future development of Volkswagen.

10. Interests of the members of the Management Board and Supervisory Board of Volkswagen

Current members of the Management Board of the Volkswagen Group are Messrs. Prof. Dr. rer. nat. Martin Winterkorn, Prof. Dr. Jochem Heizmann, Francisco Javier Garcia Sanz, Dr. Horst Neumann and Dipl. Wirtsch.-Ing. Hans Dieter Pötsch. Chairman of the Management Board is Prof. Dr. rer. nat. Martin Winterkorn.

The Supervisory Board of the Volkswagen Group has 20 members. It is formed in accordance with the provisions of the German Co-determination Act (*Mitbestimmungsgesetz*) and consists of ten representatives of the Shareholders and ten representatives of the employees. Subject to the right of the Federal Republic of Germany and of the *Land* of Lower Saxony pursuant to § 4 para. 1 of the Volkswagen Act and § 12 of the Articles of Association (*Satzung*) of Volkswagen, respectively, to appoint two members of the Supervisory Board each as long as they hold Shares in the company, the Shareholders' representatives are appointed by the Shareholders. As the Federal Republic of Germany no longer holds Shares in Volkswagen, there are only two appointments by the *Land* of Lower Saxony. The employees' representatives are appointed by the employees.

The completion of the Mandatory Offer does not entail any direct modifications to the composition and the applicable rules on the composition of the Supervisory Board of Volkswagen Group (cf. Sections 7.2 and 7.3 of this Statement).

Current members of the Supervisory Board of Volkswagen are Mssrs. Hon. Prof. Dr. techn. h.c. Dipl.-Ing. ETH Ferdinand K. Piëch, Dr. jur. Michael Frenzel, Dr. jur. Hans Michael Gaul, Dr. Jürgen Großmann, Holger P. Härter, Walter Hirche, Roland Oetker, Prof. Dr. jur. Dr.-Ing. e. h. Heinrich von Pierer, Dr. Wendelin Wiedeking and Christian Wulff as shareholders' representatives and Ms. Elke Eller as well as Mssrs. Jürgen Peters, Peter Jacobs, Olaf Kunz, Günter Lenz, Peter Mosch, Bernd Osterloh, Wolfgang Ritmeier, Jürgen Stumpf and Bernd Wehlauer as employees' representatives. Chairman of the Supervisory Board is Hon. Prof. Dr. techn. h.c. Dipl. Ing. ETH Ferdinand K. Piëch and Mr. Jürgen Peters is Deputy Chairman of the Supervisory Board. Mssrs. Walter Hirche and Christian Wulff have been appointed to the Supervisory Board of Volkswagen by the *Land* of Lower Saxony.

The Chairman of the Supervisory Board of Volkswagen, Mr. Hon. Prof. Dr. techn. h.c. Dipl.-Ing. ETH Ferdinand K. Piëch, Salzburg, Austria, is a member of the Supervisory Board of the Bidder and indirectly holds shares in the Bidder (thus being an Additional Controlling Person). A member of the Supervisory Board of Volkswagen, Dr. Wendelin Wiedeking, is the chairman of the Management Board of the Bidder. Another member of the Supervisory Board of Volkswagen, Mr. Holger P. Härter, is CFO, and thus member of the Management Board of the Bidder.

The members of the Management Board and the Supervisory Board of Volkswagen have not been granted or promised any financial or non-cash benefits in connection with the Bidder's Offer or any person acting jointly with the same. Exercising the Share Options the members of the Management Board and the Supervisory Board have acquired outside the Mandatory Offer does not constitute a non-cash benefit in connection with the Offer. In addition, the members of the Management Board and the Supervisory Board have declared that they will not exercise such Share Options in order to accept the Mandatory Offer with shares acquired through the exercise of share options (see Section 11).

11. Intention of members of the Management Board and the Supervisory Board to accept the Offer

At the time of the publication of this Statement, members of the Management Board and members of the Supervisory Board hold the following shares and stock options:

All members of the Management Board hold stock options. The member of the Management Board Sanz holds Volkswagen Ordinary Shares and Volkswagen Preference Shares. The member of the Management Board Dr. Heizmann holds Volkswagen Ordinary Shares.

From the Supervisory Board all members of the Supervisory Board (except Mr. Wehlauer, who does not hold any Volkswagen Ordinary Shares), who are employed by Volkswagen, hold Volkswagen Ordinary Shares as well as Volkswagen Preference Shares as well as stock options under the employee and management board stock option plan.

No member of the two boards holds more than 2,000 Volkswagen Ordinary Shares or Volkswagen Preference Shares and no member of the two boards holds more than 25,000 stock options.

These relevant members of the Management Board and the Supervisory Board have resolved not to tender their Volkswagen Shares to the Bidder and not to exercise their options with the intention to accept the Offer with the shares acquired thereby.

12. Acceptance of the Offer outside the Federal Republic of Germany

Pursuant to information provided by the Bidder in Section 1.7 of the Offer Document, the Mandatory Offer may be accepted by all domestic and foreign Volkswagen Shareholders (except for the Excluded Shareholders) in accordance with this Offer Document and subject to the applicable legal provisions. However, the Bidder has stated that acceptance of the Mandatory Offer outside the Federal Republic of Germany, the United States or the Grand Duchy of Luxembourg may be subject to legal restrictions. Volkswagen Shareholders who come into possession of the Offer Document outside the Federal Republic of Germany, the United States or the Grand Duchy of Luxembourg and/or who are subject to other legal provisions than those of the of Germany, the United States or the Grand Duchy of Luxembourg are advised to inform themselves of the relevant applicable legal provisions and to comply with them. The Bidders assumes no responsibility for the acceptance of the Mandatory Offer outside the Federal Republic of Germany, the United States or the Grand Duchy of Luxembourg being permissible under the relevant applicable legal provisions.

13. Official approvals and proceedings

13.1 Antitrust approvals

The Bidder specifies in Section 12.1 of the Offer Document, that an acquisition of the Volkswagen Group by the Bidder probably requires antitrust clearance or, as the case may be, the expiry of certain waiting periods in accordance with the applicable antitrust law in the following jurisdictions: the European Union, the United States, in Canada, in Switzerland and possibly also in additional countries. In the jurisdictions mentioned, the applicable proceedings differ with regard to the review periods. For further information, refer to Section 12.1 of the Offer Document.

With regard to the European Union, Art. 7 of the EU Merger Regulation (*Fusionskontrollverordnung*) provides for a prohibition of completion; however, pursuant to para. 2, this shall not prevent the implementation of transactions whereby control is attained by way of a public takeover bid, provided that the merger is notified to the Commission without undue delay and the acquirer does not exercise the voting rights attached to the shares or does so only to maintain the full value of its investment based on a clearance granted by the Commission.

The Bidder states in the Offer Document that, on the basis of its current knowledge, it assumes that the merger will trigger merger filing requirements in additional jurisdictions. The proceedings vary, in particular with regard to their duration. Sometimes, the applicable legal systems contain no prohibition on completion, i.e., the Offer may be completed before clearances are obtained. The Bidder cannot foresee when any review proceedings which may be initiated will be completed. Merger clearances by the competent antitrust authorities in the countries referred to in this Section 13.1 do not therefore constitute a Completion Condition of the Mandatory Offer.

In relation to the status of the merger clearance proceedings, the Bidder states in Section 12.2 of the Offer Document that it intends to notify the proposed merger in various jurisdictions as described in Section 12.1 of the Offer Document and to file the required merger control notifications with the competent authorities by 11 May 2007. The Bidder expects the necessary clearances to be obtained in the course of June 2007, depending on the administrative timing, which can vary from one country to another.

The Management Board will assist the Bidder in accordance with its legal obligations in facilitating the required merger control notifications being filed and the merger clearance proceedings being carried out expeditiously. To date, the Management Board has no information, beyond the information provided in the Offer Document, about any delays to the completion of the merger control proceedings specified in the Completion Conditions. The Management Board already provided its comments in Section 3.7 in relation to the consequences of the proceedings on the completion of the Offer and the fact that that Bidder did not grant Volkswagen Shareholders a contractual right of withdrawal in the Offer Document.

13.2 Banking and insurance regulatory duties of notification

Germany

The Bidder states in Section 12.3 (a) of the Offer Document that it is unclear whether, as a result of completion of this Offer, Volkswagen will become a subsidiary of the Bidder. If this were the case, Porsche would indirectly acquire significant interests in Volkswagen Bank GmbH and Volkswagen Reinsurance AG. The proposed indirect acquisition of a significant interest in Volkswagen Bank GmbH is notifiable pursuant to § 2c para. 1 sentence 1 of the German Banking Act (*Kreditwesengesetz*). The proposed indirect acquisition of a significant interest in Volkswagen Reinsurance AG is notifiable pursuant to § 121a para. 1 sentence 2 in conjunction with § 104 para. 1 sentence 1 of the German Insurance Supervisory Act (*Versicherungsaufsichtsgesetz*). The Bidder further states that on 4 April 2007, it notified the proposed acquisition of significant interests in Volkswagen Bank GmbH and Volkswagen Reinsurance AG to the BaFin and the German Federal Bank (*Deutsche Bundesbank*) on the one hand and the BaFin on the other and that the BaFin can, within three months after receipt of the notification, prohibit the proposed acquisition if one of the grounds for prohibition within the meaning of § 2c para. 1a sentence 1 of the German Banking Act or, as the case may be, § 121a para. 1 sentence 2 in conjunction with § 104 para. 1a of the German Insurance Supervisory Act exists.

The Management Board does not expect such a prohibition order.

U.S.A.

The Bidder stated in Section 12.3 (b) of the Offer Document that the increase of the Bidder's voting rights in Volkswagen may also result in the assumption of an acquisition of control within the meaning of the Change in Bank Control Act of 1978 (*CIBCA*) with regard to Volkswagen Bank U.S.A., a subsidiary of Volkswagen. An

acquisition of control requires prior notice to the Federal Deposit Insurance Corporation (*FDIC*) and may not be completed before the FDIC has confirmed that it does not intend to prohibit the acquisition of control. On 26 March 2007, the Bidder filed such a notice with the FDIC.

The Management Board does not expect such a prohibition order.

Other notification and authorisation procedures

The Bidder states in Section 12.3 (c) of the Offer Document that based on its current knowledge, it assumes that the transaction may trigger banking regulatory notification and/or approval obligations in several U.S. states as well as in additional countries, such as Ireland, France, Poland, Sweden, Spain, the Netherlands, the United Kingdom, Turkey, Brazil and Mexico. Notification and approval obligations may also arise in additional countries. The procedures are different, in particular with regard to their duration. The Bidder is currently unable to estimate when any procedures which may have to be initiated will have been completed.

14. Recommendation

In consideration of the available financial analysis and the current stock exchange prices of Volkswagen Shares, the Management Board cannot recommend the acceptance of the Mandatory Offer.

Irrespective thereof, each Volkswagen shareholder must itself take the decision of whether and for how many Volkswagen Shares it chooses to accept the Bidder's Offer by taking into account all relevant aspects (including the current stock exchange price), its individual circumstances (including its personal tax situation) and its personal evaluation of the company's future development as well as of the intrinsic value and the stock exchange price of the Volkswagen Shares.

Subject to the applicable statutory provisions, the Management Board will not assume any responsibility in the event that the acceptance or non-acceptance of the Offer have subsequently disadvantageous economic consequences for any Volkswagen Shareholder.

Wolfsburg, 11 May 2007

Volkswagen Aktiengesellschaft

The Management Board

Appendix Statement of the Group Works Council

Statement

**of the Group Works Council of Volkswagen AG
according to § 27 para. 2 WpÜG**

on the compulsory offer according to § 35 para. 2 WpÜG

from Dr. Ing. h.c. F. Porsche Aktiengesellschaft

Porscheplatz 1

70435 Stuttgart

to the shareholders of

Volkswagen Aktiengesellschaft

Berliner Ring 2

38440 Wolfsburg

The Group Works Council of Volkswagen AG resolved at its meeting on Friday, 11th of May 2007 to make use of its right according to § 27 para. 2 WpÜG to release a statement on the compulsory offer of the Dr. Ing. h.c. F. Porsche Aktiengesellschaft to the shareholders of Volkswagen Aktiengesellschaft.

Notice: The following statements are based on the facts known to the Works Council of Volkswagen AG to this date or on published propositions on the intentions of

Dr. Ing. h.c. F. Porsche Aktiengesellschaft in regard to its engagement at Volkswagen Aktiengesellschaft. Should Volkswagen AG become a dependant company of Dr. Ing. h. c. F. Porsche Aktiengesellschaft in future, the Group Works Council of Volkswagen will again comment, if need be, on the consequences of the right of co-determination.

The Group Works Council of Volkswagen Aktiengesellschaft welcomes the engagement of Dr. Ing. h.c. F. Porsche Aktiengesellschaft as a major shareholder of Volkswagen. Through the acquisition of shares by Dr. Ing. h.c. F. Porsche Aktiengesellschaft - today's largest shareholder of Volkswagen - in combination with the block of shares of the Federal State of Lower Saxony – the second largest shareholder of Volkswagen - there is, from the view of the work force representatives an effective protection against a hostile takeover in particular with regard to so called Hedge Funds.

So far the Volkswagen-Law, which makes allowance for the extraordinary efforts of the Volkswagen work force in relation to reconstruction of Volkswagen GmbH after World War II, offers a certain protection from hostile takeovers. Due to the legal proceedings at the European Court of Justice, initiated by the European Commission, the Group Works Council of Volkswagen has to make allowance for the likelihood that there is a danger that the Law might be declared unlawful in a respective verdict of the European Court of Justice (in the following: EuGH).

The Group Works Council of Volkswagen AG explicitly emphasises, that together with the Federal Republic of Germany, it cannot see any infringement of European law in the Volkswagen-Law. The Group Works Council especially regards the freedom of capital

movement and the freedom of establishment according to the EC treaty as not being violated by the VW-Law. The EU Commission has repeatedly brought this forward as the reason for legal proceedings against the Federal Republic of Germany at the European Court of Justice. The Group Works Council additionally points out that the pleading of the Advocate General at the European Court of Justice, Dámaso Ruiz-Jarabo Colomer, on 13th of February 2007 contains several mistakes – amongst other things relating to the history of Volkswagen.

The Group Works Council of Volkswagen is committed to the more than 330.000 employees of the Volkswagen Group. Therefore, from the point of view of this council it would be irresponsible to trust, while legal proceedings are underway, in the fact that the European Court of Justice will decide in this legal dispute between the EU Commission and the Federal Republic of Germany in favour of employees of Europe's largest automobile manufacturer.

On this basis the Group Works Council of Volkswagen affirms that the engagement of Dr. Ing. h.c. F. Porsche Aktiengesellschaft as the major shareholder of Volkswagen is assessed to be positive, as through this – especially in the case of a negative verdict of the European Court of Justice from the point of the Group Work Council's view, – an effective protection exists against the break up of the VW Group by finance investors, that are only interested in short-term returns. This is for the benefit of the employees, their families and the worldwide regions, where the VW Group operates.

In addition to that, co-determination for the employees is, as far as the Group Works Council of Volkswagen knows, an inherent part of the business action of Dr. Ing. h.c. F. Porsche Aktiengesellschaft. This aligns with the corporate culture of Volkswagen.

The bidder (Dr. Ing. h.c. F. Porsche Aktiengesellschaft) acknowledges explicitly with the bidding documents (compulsory announcement according to § 35 para. 2 in conjunction with § 14 para. 2 and 3 WpÜG), that the employees are the most important commodity of an enterprise. (*Quotation from the bidding document of Dr. Ing. h.c. F. Porsche Aktiengesellschaft: "The entrepreneurial success of Volkswagen depends to a large extent on its research and development achievements and on its ability to be innovative with regard to the development of automobiles. Volkswagen's ability to ensure the constant modernisa-*

tion of its range of models depends particularly on the quality, commitment and creativity of its employees. The Bidder is therefore particularly interested in a long-term retention of the best employees of the Bidder and Volkswagen. The Bidder is not planning any reduction in staff numbers in its own group or at Volkswagen as a result of the increase of the Bidder's stake in Volkswagen. Nor are changes in the terms and conditions of employment at Volkswagen intended.”) The Group Works Council of Volkswagen shares this viewpoint explicitly. Without the commitment of the employees to bring in their innovative ideas, their will to bring top performance and their willingness to achieve permanent improvement, the entrepreneurial success will, in the long term, fail.

According to the Group Works Council an enterprise or investor that demands such a performance from its employees has the obligation and the responsibility to offer a fair remuneration, in accordance to the success of the enterprise, job security and the development of new, innovative jobs. Due to this fact, the following statement from the bidder (Dr. Ing. h.c. F. Porsche Aktiengesellschaft) in the bidding documents is welcomed: *“It is intended that Volkswagen should in any event continue to exist as an independent company. The Bidder has no intentions regarding the use of the assets of Volkswagen. In particular, there are no plans to cause Volkswagen to divest parts of the Volkswagen Group. Furthermore, there are currently no plans which would lead to an increase in the liabilities of Volkswagen outside of the ordinary business operations. Porsche does not intend to move the seat (Sitz) of Volkswagen away from Wolfsburg. Nor does Porsche have any plans to move other major parts of the business of the Volkswagen Group to other locations.”*

This statement offers the employees in the worldwide locations of the Volkswagen Group a secure perspective with the major shareholder Porsche.

The Group Works Council of Volkswagen also observes that the engagement of

Dr. Ing. h.c. F. Porsche Aktiengesellschaft at Volkswagen will have no direct effects on collective agreements, factory agreements and social benefits on the worldwide locations of the Volkswagen Group. In this context the Group Works Council assumes that the working and remuneration conditions for the employees will not deteriorate through the engagement of Dr. Ing. h.c. F. Porsche Aktiengesellschaft at Volkswagen.

As the Group Works Council know about the above mentioned criteria (*working and remuneration conditions*) at Porsche through talks with Works Council and Trade Union colleagues it is not expected that there will be any changes in the medium term. Long term observations are dependent on the success of the enterprise, dependent on a high customer demand for products of the Volkswagen Group and would at this point lead to speculative assumptions.

The Group Works Council of Volkswagen assumes that job security and competitiveness are equal business objectives at Porsche as they also are at Volkswagen. This results from the present experiences made by the Worker Representatives on the Supervisory Board of Volkswagen with the representatives of the major shareholder Porsche on the Supervisory Board of Volkswagen AG.

Co-determination at Volkswagen has, as mentioned earlier, a special significance. Co-determination at Volkswagen plays, from the viewpoint of the Group Works Council, a considerable role in the success of the enterprise. Here for example the various collective bargaining agreements can be mentioned. The last agreement between the Board of Management of Volkswagen AG and IG Metall from the year 2006, in which the Worker Representatives demanded certain product and capacity commitments today continually increases the performance of the whole enterprise. In this respect, for the Group Works Council, the saying applies: "Without co-determination no innovation!" Last but not least this is why the employees should have participation in future in accordance to the present day company co-determination.

This is why it is good that the bidder Porsche as a major shareholder acknowledges the strength of Volkswagen. Quotation from the bidding documents: "The Bidder is not planning changes with regard to employee representation at Volkswagen."

Wolfsburg, 11th of May 2007

Bernd Osterloh
Chairperson of the
Group Works Council

Bernd Wehlauer
dep. Chairperson of the
Group Work Council

Mandatory publication
in accordance with §§ 39, 27 para. 3 sent. 1, 14 para. 3 sent. 1 of the German Securities Acquisition and Takeover Act
(Wertpapiererwerbs- und Übernahmegesetz, WpÜG)

VOLKSWAGEN
AKTIENGESELLSCHAFT

Statement of the Supervisory Board

of

Volkswagen Aktiengesellschaft

Berliner Ring 2,
38440 Wolfsburg
Germany

in accordance with § 27 of the Securities Acquisition and Takeover Act

**in relation to the
public Mandatory Offer
made by**

Dr. Ing. h.c. F. Porsche Aktiengesellschaft,

Porscheplatz 1
70435 Stuttgart
Germany

to the shareholders of

Volkswagen Aktiengesellschaft

Berliner Ring 2
38440 Wolfsburg
Germany

Shares of Volkswagen Aktiengesellschaft:

International Securities Identification Number (ISIN)

Volkswagen ordinary shares: ISIN DE0007664005

Volkswagen preference shares: ISIN DE0007664039

Volkswagen ordinary shares tendered for sale: ISIN DE000A0N3EV1

Volkswagen preference shares tendered for sale: ISIN DE000A0N3EW9

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1. General notes on this statement

The bidder, Dr. Ing. h.c. F. Porsche Aktiengesellschaft, Stuttgart, Germany (hereinafter **Porsche** or **Bidder**) has issued a mandatory offer (hereinafter **Mandatory Offer** or **Offer**) to the shareholders of Volkswagen Aktiengesellschaft, Wolfsburg, Germany (hereinafter **Volkswagen Aktiengesellschaft** or **Volkswagen** or **Target Company**) in accordance with § 35 para. 2 of the Securities Acquisition and Takeover Act (**WpÜG**).

The Bidder's Mandatory Offer is made to all Volkswagen shareholders, with the exception of those shareholders whose place of residence, seat (*Sitz*) or place of habitual abode is Japan, which the Bidder has excluded from the Offer (hereinafter **Excluded Shareholders**).

The ordinary shares in Volkswagen will hereinafter be referred to as **Volkswagen Ordinary Shares**, the preference shares as **Volkswagen Preference Shares** and both together as **Volkswagen Shares**. The holders of Volkswagen Ordinary Shares will hereinafter be referred to as **Volkswagen Ordinary Shareholders**, holders of Volkswagen Preference Shares as **Volkswagen Preference Shareholders** and the two together as **Volkswagen Shareholders**.

According to the information provided in the offer document, the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, **BaFin**) has approved the publication of the offer document. The Bidder has published the offer document (hereinafter **Offer Document**) within the meaning of § 11 WpÜG on 30 April 2007 as a mandatory offer online at <http://www.porsche.com/germany/aboutporsche/investorrelations/> (in German, with a non-binding English translation which has not been reviewed by the BaFin). The announcement regarding (i) the fact that free copies of the Offer Document are available from Commerzbank Aktiengesellschaft, ZCM-CMAD, Mainzer Landstraße 153, 60327 Frankfurt am Main (orders via fax to +49 69 136 44598) and (ii) the internet address where the Offer Document was published, was also made on 30 April 2007 in the Electronic Federal Gazette (*elektronischer Bundesanzeiger*) and in the US edition of *The Wall Street Journal*.

According to the information provided by the Bidder in the Offer Document, the Offer is also being made with exemptive effect (*mit befreiender Wirkung*) on behalf of the Additional Controlling Persons defined and listed in section 4.3 of the Offer Document. Such Additional Controlling Persons do not publish a separate mandatory offer for Volkswagen Shares.

The Bidder provided the management board (*Vorstand*) of Volkswagen (hereinafter **Management Board**) with the Offer Document on 30 April 2007. The Management Board forwarded the Offer Document to the supervisory board (*Aufsichtsrat*) of Volkswagen (hereinafter **Supervisory Board**) on the same day.

The Supervisory Board points out that it is not in a position (nor under any obligation) to determine whether Volkswagen Shareholders outside Germany are acting in accordance with all legal obligations that they are personally subject to regarding the acceptance of the Offer.

The Supervisory Board recommends, in particular, that all persons outside the Federal Republic of Germany receiving the Offer Document or wishing to accept the Offer, but personally subject to securities regulation other than that applicable in the Federal Republic of Germany, refer to and comply with all such regulation.

The Supervisory Board hereby gives a reasoned statement in accordance with § 27 WpÜG (hereinafter **Statement**). The Supervisory Board discussed the Statement on 11 May 2007. Mssrs. Hon. Prof. Dr. techn. h.c. Dipl.-Ing. ETH Ferdinand K. Piëch, Dr. Wendelin Wiedeking and Mr. Holger P. Härter, with regard to poten-

tial conflicts of interest, abstained from voting in the Supervisory Board's resolution. Apart from these abstentions the Supervisory Board adopted this Statement unanimously.

The Management Board shall make a separate statement pursuant to § 27 WpÜG (hereinafter **Statement of the Management Board**). Such statement will also be published in the way set out in section 1.3 of this statement. The Statement of the Management Board had been submitted to the Supervisory Board when resolving upon its Statement.

The Supervisory Board points out the following regarding the Statement:

1.1 Legal basis for this Statement

In accordance with §§ 27 para. 1 sent. 1, 39 WpÜG, the Management Board and the supervisory board of a target company are required to issue a reasoned statement on any mandatory offer and any changes thereto.

1.2 Factual basis for this Statement

All information, forecasts, assessments, evaluations, prognoses and declarations of intent set out in this Statement are based on the information available to the members of the Supervisory Board (each in its respective role) on the publication date of this Statement and reflect the assessments and intentions as of such time. This information may change after the publication date of this Statement. The Supervisory Board will only update the information contained in this Statement if it is required to do so by law. The information contained herein relating to the Bidder, persons acting jointly with it and the Mandatory Offer is based on the information contained in the Offer Document and other information in the public realm (unless expressly stated otherwise).

The Supervisory Board points out that it is not in a position to verify the intentions of the Bidder as set out in the Offer Document or to influence their implementation. The details of the Bidders intentions are based solely on information given by the Bidder in the Offer Document, unless another source is specified. The Supervisory Board is not aware of any facts casting doubt on the accuracy of the information given by the Bidder concerning its intentions or their implementation.

1.3 Publication of this Statement and any further statements concerning potential changes to the Offer

This Statement and potential further statements concerning potential changes to the Offer will, in accordance with §§ 27 para. 3, 14 para. 3 sent. 1 WpÜG, be published online on the Target Company's website at http://www.volkswagenag.com/Stellungnahme_zu_Porsche-Angebot (German) and http://www.volkswagenag.com/Statement_on_Porsche_Offer (English) and via reference in the Electronic Federal Gazette and will be made available for free by Volkswagen at Berliner Ring 2, 38440 Wolfsburg, Germany. Faxes may also be sent to +49 5361 92 36 91 to receive a free copy of this Statement by fax. Announcements will also be published at stock exchanges in London, Luxembourg, Zurich and Tokyo, as well as in the USA.

The Statement will be published in German and in English translation. The German version only will be authoritative.

1.4 Own responsibility of Volkswagen Shareholders to assess the Offer

Each Volkswagen Shareholder will have to reach its own decision on whether to accept the Offer and, with regard to how many Volkswagen Shares to tender, taking into account the overall situation, its individual circumstances (including issues relating to taxation) and its personal assessment of any potential changes to the value and the stock market price of Volkswagen Shares. The assessments made by the Supervisory Board in this Statement are not binding on Volkswagen Shareholders.

Volkswagen Shareholders should use all available sources of information and take their particular interests into account when deciding whether or not to accept the Offer. Thought should be given to obtaining tailored legal, financial and tax advice prior to acceptance of the Offer.

The Supervisory Board wishes to make clear that the description of the Offer given in this Statement is not intended to be full and complete and that only the provisions set out in the Offer Document will be authoritative with regard to the content and the implementation of the Offer. Each Volkswagen Shareholder is responsible for reviewing the information contained in the Offer Document, for coming to its own conclusions with regard to the Offer and, as applicable, for taking any action necessary regarding the Offer.

2. Information on the Offer, the Target Company, the Bidder and persons acting jointly with the Bidder or the Target Company

With respect to information on the Offer, the Target Company, the Bidder, and persons acting jointly with the Bidder or the Target Company, reference is made to the narrative in section 2 and 3 of the Statement of the Management Board to which the Supervisory Board assents.

3. Kind and amount of the consideration offered

The Supervisory Board has reviewed in detail whether the amount of the consideration offered by the Bidder for Volkswagen Ordinary Shares and Volkswagen Preference Shares is appropriate.

The Supervisory Board obtained separate advice in its assessment whether the consideration is appropriate and was assisted by Citigroup Global Markets Limited, London, United Kingdom (hereinafter **Investment Bank**).

In connection with its services in this regard, the Investment Bank independently from UBS Deutschland AG, Frankfurt am Main, Germany, which assisted the Management Board in assessing the consideration's appropriateness, performed a series of financial analyses, performed likewise in similar capital market transactions, as it deemed necessary and appropriate in order to provide the Supervisory Board with appropriate information for use by the Supervisory Board in reaching its assessments of the appropriateness of the consideration being offered by the Bidder on an informed basis. The Investment Bank's analyses were based upon and subject to a number of the factors, assumptions, procedures, limitations and qualifications set forth therein. In performing its analyses, the Investment Bank relied upon (without assuming any responsibility therefore), among other things, financial projections received, at the direction of the Supervisory Board, from the Volkswagen management. It also reviewed average estimates of equity research analysts as to the future earnings of Volkswagen but did not rely on such estimates in its analyses. Among other things, the Investment Bank compared the Offer prices with historical prices and the price development of the Volkswagen shares, compared the development of the Volkswagen share prices with those of companies and indices they believed to be generally relevant, reviewed the recommendations and price targets of equity research analysts both before and after Porsche announced its intention to make the offer, compared the valuation multiples derived from the consid-

eration offered by the Bidder under the Offer with the valuation multiples of selected publicly traded companies of the automotive industry and other industries, as well as with selected transactions in the automotive industry and other industries, performed a discounted cash flow analysis, analysed historical discounts of Volkswagen Preference Shares in relation to Volkswagen Ordinary Shares and compared them with those of other companies with ordinary and preference shares, also in the context of selected transactions, and performed other studies and analyses the Investment Bank deemed appropriate in this regard.

The Investment Bank's analyses did not address the relative merits or disadvantages of the Mandatory Offer as compared to other business strategies or transactions that might be available to Volkswagen. The Investment Bank was not asked to and did not make any recommendation as to whether holders of the Volkswagen Ordinary Shares or the Volkswagen Preference Shares should accept or reject the Offer. The Investment Bank's analyses were provided solely for the benefit of the Supervisory Board in connection with the Offer and were not provided for the benefit of, and may not be relied upon by, the shareholders of the Target Company or any other person. The Investment Bank receives a fee for its services upon the delivery of its analyses. Individual companies of Citigroup Global Markets Limited and companies affiliated with it (**Citigroup**), currently provide, and have done so in the past, customary banking services to Volkswagen as well as to affiliated companies against a market remuneration. Members of Citigroup have not advised the Bidder in connection with the Mandatory Offer.

On the basis of the presentations and the oral explanations given by the Investment Bank, the Supervisory Board is convinced of the reasonableness of the Investment Bank's approach and the methods and analyses applied by it.

After an exhaustive consultation within the Supervisory Board including the presentation and the oral explanations of the Investment Bank, the Supervisory Board refers to the narrative on the kind and amount of the consideration offered in section 4 of the Statement of the Management Board to which the Supervisory Board assents.

4. Financing of the Offer and effects of completion of the Mandatory Offer on the net worth, financial position and results of the Bidder and the Porsche group

With respect to the Financing of the Offer and effects of completion of the Mandatory Offer on the net worth, financial position and results of the Bidder and the Porsche group, reference is made to the narrative in section 5 and 6 of the Statement of the Management Board to which the Supervisory Board assents.

5. Bidder's objectives with the Offer and likely consequences of a successful Offer for the Target Company, Bidder's intentions as regards its future business activities as well as impacts of an acceptance/non-acceptance of the Offer on the Volkswagen Shareholders

With respect to the Bidder's objectives pursued with the Offer and likely consequences of a successful Offer for the Target Company, Bidder's intentions as regards its future business activities as well as the impacts of an acceptance/non-acceptance of the Offer on the Volkswagen Shareholders, reference is made to the narrative in section 7 to 9 of the Statement of the Management Board to which the Supervisory Board assents.

6. Interests of the members of the Supervisory Board of Volkswagen

The Supervisory Board of the Volkswagen Aktiengesellschaft has 20 members. It is formed in accordance with the provisions of the German Co-determination Act (*Mitbestimmungsgesetz*) and comprises ten representatives of the shareholders and ten representatives of the employees. Subject to the right of each of the Federal Republic of Germany and of the State (*Land*) of Lower Saxony pursuant to § 4 para. 1 of the Volkswagen Act and/or § 12 of the Articles of Association (*Satzung*) of Volkswagen respectively to appoint two members of the Supervisory Board each, as long as they hold shares in the company, the shareholders' representatives are appointed by the shareholders. As the Federal Republic of Germany no longer holds shares in Volkswagen, there are only two appointments by the State (*Land*) of Lower Saxony. The employees' representatives are elected by the employees.

The completion of the Mandatory Offer does not entail any direct modifications to the composition and the applicable rules on the composition of the Supervisory Board of Volkswagen Aktiengesellschaft.

Current members of the Supervisory Board of Volkswagen Aktiengesellschaft are Mssrs. Hon. Prof. Dr. techn. h.c. Dipl.-Ing. ETH Ferdinand K. Piëch, Dr. jur. Michael Frenzel, Dr. jur. Hans Michael Gaul, Dr. Jürgen Großmann, Holger P. Härter, Walter Hirche, Roland Oetker, Prof. Dr. jur. Dr.-Ing. e. h. Heinrich von Pierer, Dr. Wendelin Wiedeking and Christian Wulff as Shareholders' representatives and Ms. Elke Eller as well as Mssrs. Jürgen Peters, Peter Jacobs, Olaf Kunz, Günter Lenz, Peter Mosch, Bernd Osterloh, Wolfgang Ritmeier, Jürgen Stumpf and Bernd Wehlauer as employees' representatives. Chairman of the Supervisory Board is Hon. Prof. Dr. techn. h.c. Dipl. Ing. ETH Ferdinand K. Piëch and Mr. Jürgen Peters is Deputy Chairman of the Supervisory Board. Mssrs. Walter Hirche and Christian Wulff have been appointed to the Supervisory Board of Volkswagen by the State (*Land*) of Lower Saxony.

The Chairman of the Supervisory Board of Volkswagen, Mr. Hon. Prof. Dr. techn. h.c. Dipl.-Ing. ETH Ferdinand K. Piëch, Salzburg, Austria, is a member of the supervisory board of the Bidder and indirectly holds shares in the Bidder (thus being an Additional Controlling Person). A member of the Supervisory Board of Volkswagen, Dr. Wendelin Wiedeking, is the chairman of the Management Board of the Bidder. Another member of the Supervisory Board of Volkswagen, Mr. Holger P. Härter, is Chief Financial Officer of the Bidder, and thus member of the Management Board of the Bidder.

In consideration thereof, the Supervisory Board members Mssrs. Hon. Prof. Dr. techn. h.c. Dipl.-Ing. ETH Ferdinand Piëch, Dr. Wendelin Wiedeking and Holger P. Härter have abstained from voting in the Supervisory Board's resolution on this Statement.

The members of the Supervisory Board of Volkswagen have not been granted or promised any financial or non-cash benefits in connection with the Offer by the Bidder or any person acting jointly with the Bidder.

7. Intention of members of the Supervisory Board to accept the Offer

At the time of the publication of this Statement, the members of the Supervisory Board hold Volkswagen Shares and/or stock options as follows:

All members of the Supervisory Board being employed by Volkswagen Aktiengesellschaft, i.e. Mssrs. Peter Jacobs, Günter Lenz, Bernd Osterloh, Wolfgang Ritmeier, Jürgen Stumpf and Bernd Wehlauer, hold Volkswagen Ordinary Shares, Volkswagen Preference Shares as well as stock options und the employees' participation programmes with the exception of Mr. Wehlauer who does not hold Volkswagen Ordinary Shares. The

remaining members of the Supervisory Board neither hold Volkswagen Ordinary Shares, nor Volkswagen Preference Shares, nor stock options under the employees' participation programmes.

No member of the Supervisory Board holds more than 100 Volkswagen Ordinary Shares, 200 Volkswagen Preference Shares and 10,000 stock options.

The relevant members of the Supervisory Board decided not to accept the Bidder's Offer by tendering the Volkswagen Shares held by them and not to exercise the options with the intention to accept the Offer with the shares acquired thereby.

8. Acceptance of the Offer outside the Federal Republic of Germany; official approvals and proceedings

With respect to the acceptance of the Offer outside the Federal Republic of Germany as well as official approvals and proceedings, reference is made to the narrative in section 12 and 13 of the Statement of the Management Board to which the Supervisory Boards assents.

9. Recommendation

In consideration of the available financial analyses and the current stock exchange prices of Volkswagen Shares, the Supervisory Board – like the Management Board – cannot recommend the acceptance of the Mandatory Offer.

Irrespective thereof, each Volkswagen shareholder must itself take the decision of whether and for how many Volkswagen Shares it chooses to accept the Bidder's Offer by taking into account all relevant aspects (including the current stock exchange price), its individual circumstances (including its personal tax situation) and its personal evaluation of the company's future perspectives as well as of the intrinsic value and the stock exchange price of the Volkswagen Shares.

Subject to the applicable statutory provisions, the Supervisory Board will not assume any responsibility in the event that the acceptance or non-acceptance of the Offer has subsequently disadvantageous economic consequences for any Volkswagen Shareholder.

Wolfsburg, 11 May 2007

Volkswagen Aktiengesellschaft

The Supervisory Board