VOLKSWAGEN

AKTIENGESELLSCHAFT

Annual Financial Statements of Volkswagen AG as at 31.12.2008

Balance Sheet

Income Statement

Notes to the Annual Financial Statements

Annual Financial Statements of Volkswagen AG

Balance Sheet of Volkswagen AG as of December 31, 2008

€ million		Note	Dec. 31, 2008	Dec. 31, 2007
Assets				
Fixed assets		1		
Intangible assets			218	210
Tangible assets			3,892	3,956
Long-term financial assets			29,907	22,906
			34,017	27,072
Current assets				
Inventories		2	3,680	3,189
Receivables and other assets		3	14,777	12,184
Securities		4	450	1,343
Cash-in-hand and bank balances		5	3,712	4,590
			22,619	21,306
Prepaid expenses			49	54
Total assets			56,685	48,432
Equity and Liabilities				
Equity				
Subscribed capital		6	1,024	1,015
Ordinary shares	755			
Preferred shares	269			
Contingent capital	107			
Capital reserves		7	5,351	5,142
Revenue reserves		8	4,642	4,522
Net retained profits			731	745
			11,748	11,424
Special tax-allowable reserves		9	70	75
Provisions		10	23,370	21,336
Liabilities		11	21,495	15,595
Deferred income			2	2
Total equity and liabilities			56,685	48,432

Income Statement of Volkswagen AG for the Period January 1 to December 31, 2008

€ million	Note	2008	2007
Sales	12	56,710	55,218
Cost of sales		55,780	53,652
Gross profit on sales		+930	+1,566
Selling expenses		3,589	3,226
General and administrative expenses		752	637
Other operating income	13	5,238	3,443
Other operating expenses	14	3,775	2,134
Financial result	15	+4,688	+4,185
Write-downs of long-term financial assets and securities classified as current assets		216	386
Result from ordinary activities		+2,524	+2,811
Taxes on income		1,697	1,356
Net income for the year		827	1,455

Notes to the Annual Financial Statements of Volkswagen AG for the Period ended December 31, 2008

Financial statements in accordance with the German Commercial Code

The annual financial statements of Volkswagen AG have been prepared in accordance with the provisions of the Handelsgesetzbuch (HGB – German Commercial Code) and comply with the provisions of the Aktiengesetz (AktG - German Stock Corporation Act).

To enhance the clarity of presentation, we have combined individual items of the balance sheet and the income statement. These items are disclosed separately in the notes. The income statement uses the cost of sales (function of expense) format to enable better international comparability.

Volkswagen AG is a vertically integrated energy company within the meaning of section 3 no. 38 of the Energiewirtschaftsgesetz (EnWG - German Energy Industry Act) and is therefore subject to the provisions of the EnWG. In the electricity sector, both Volkswagen AG and a subsidiary carry out the functions of generation and sales as well as electricity distribution. To prevent discrimination and cross-subsidies, separate accounts must as a rule be maintained for these functions in accordance with section 10(3) of the EnWG. In addition, a balance sheet and income statement that comply with the provisions contained in section 10(1) of the EnWG must be prepared for each area of activity. (Unbundling requirement in internal accounting systems). As Volkswagen AG's electricity distribution activities (site network) do not serve the purpose of general provision and are also extremely insignificant, Volkswagen AG has not reported these activities separately and has limited itself to preparing a separate presentation of its other activities within the electricity sector in accordance with the purpose of the EnWG to prevent discrimination and cross-subsidies.

We do not believe that the European Court of Justice ruling of May 22, 2008 regarding the provisions granting privileges for site networks affects VW AG’s accounting, as the ruling relates exclusively to network access issues and not to separate accounting.

The list of all shareholdings can be downloaded from the electronic companies register at www.unternehmensregister.de and from www.volkswagenag.com/ir under the heading "Mandatory Publications" and the menu item "Annual Reports".

Declaration on the German Corporate Governance Code in accordance with section 161 of the AktG/section 285 no. 16 of the HGB

The Board of Management and Supervisory Board of Volkswagen AG issued the declaration of conformity in accordance with section 161 of the AktG on November 21, 2008.

The declaration of conformity has been made permanently available at www.volkswagenag.com/ir under the heading "Corporate Governance" and the menu item "Declarations of Conformity".

Significant events in the fiscal year

As part of the continued realignment of our foreign equity investments, we contributed the shares of the subsidiaries VW do Brasil, VW Motor Polska, VW Poznan, Autoeuropa and VW Caminhoes e Onibus at their fair values amounting to a total of €1,252 million to our intermediate holding company in the Netherlands. This generated a book gain of €11 million, which was reported in other income from investments.

The equity investment in Scania was increased by €3,048 million by acquiring further shares.

In addition, a capital contribution of €1,000 million was made at VW Group Services. A further €1,421 million was invested in long-term investments.

Accounting policies

In most cases, the accounting policies applied in the previous year were retained. Any changes in specific instances are individually addressed in the following.

Intangible assets are carried at cost and amortized over three to five years using the straight-line method. Grants paid for third-party assets are capitalized as purchased rights to use and amortized over five years.

Tangible assets are carried at cost and reduced by depreciation. Investment grants are deducted from cost.

Production costs are recognized on the basis of directly attributable material and labor costs, as well as proportionate indirect material and labor costs, including depreciation and amortization. Administrative cost components are not included.

Depreciation is based primarily on the following useful lives derived from the official tax depreciation tables:

› Buildings:	25 –50 years
› Leasehold improvements:	10 –25 years
› Technical equipment and machinery:	5 – 12 years
› Operating and office equipment (including special tools and devices):	3 – 14 years

To the extent allowed by tax law, depreciation of movable items of tangible assets is generally charged initially using the declining balance method, and subsequently using the straight-line method, and also reflects the use of assets in multi-shift operation. Movable items of tangible assets purchased or manufactured after December 31, 2007 are only depreciated using the straight-line method.

Additions of movable assets are depreciated ratably in the year of acquisition.

As from fiscal year 2008, low-value assets are depreciated over five years and subsequently derecognized in accordance with tax provisions. In addition, certain items of operating and office equipment with individual purchase costs of up to €1,500 are treated as disposals when their standard useful life has expired.

The differences between the carrying amounts required by the HGB and the lower carrying amounts allowed under tax law are recorded in the special tax-allowable reserves presented between equity and liabilities in the balance sheet.

Shares in affiliated companies and other equity investments are carried at the lower of cost and net realizable value.

Long-term investments are carried at the lower of cost or fair value.

Non- or low-interest-bearing loans are carried at their present value; other loans are carried at their principal amount.

Raw materials, consumables and supplies, and merchandise, carried in inventories are measured at the lower of average cost and replacement cost.

In addition to direct materials and direct labor costs, the carrying amount of work in progress also includes proportionate indirect materials and labor costs, including depreciation in the amount required under tax law.

Adequate valuation allowances take account of all identifiable storage and inventory risks.

Receivables and other assets are carried at their principal amounts. Valuation allowances are recognized for identifiable specific risks.

Receivables due after more than one year are carried at their present value at the balance sheet date by applying an interest rate to match the maturity.

Receivables denominated in foreign currencies are translated at the exchange rate prevailing at the date of initial recognition. A lower exchange rate at the balance sheet date results in the remeasurement of the receivable at a lower carrying amount, with the difference recognized in the income statement; higher exchange rates at the balance sheet date (remeasurement gains) are not recognized. Hedged receivables are not remeasured at the closing rate.

Purchased foreign currency and interest rate options are carried at the lower of cost or fair value until maturity.

Securities classified as current assets are carried at the lower of cost or fair value.

Adequate provisions are recognized for identifiable risks and uncertain obligations on the basis of prudent business judgment. Provisions cover all identifiable risks of future settlement.

Provisions for pensions and similar obligations are carried at the actuarial present value computed using the German entry age normal method and reflect current mortality tables. A discount rate of 5.5% was used.

Since fiscal year 2001, pension obligations relating to employees covered by collective wage agreements have been linked to a pension fund model.

Provisions for jubilee payments are discounted at 5.5% per annum, reflecting tax recognition and measurement provisions.

Provisions for obligations under partial retirement arrangements are discounted to the present value at a real discount rate of 4.1%.

Provisions for warranty obligations are recognized on the basis of the historical or estimated probability of claims affecting vehicles delivered.

Currency forwards are measured by comparing the agreed rate with the forward rate for the same maturity at the balance sheet date. A provision is recognized for any resulting unrealized loss. Any positive gains (remeasurement gains) are not recognized. Gains and losses are not offset. Measurement gains or losses are discounted to the present value.

Liabilities are carried at their redemption or settlement amount.

Liabilities denominated in foreign currencies are translated at the exchange rate prevailing at the date of initial recognition. A higher exchange rate at the balance sheet date results in the recognition of the liability at a higher carrying amount, with the difference recognized in the income statement. Lower exchange rates at the balance sheet date (remeasurement gains) are not recognized.

The amount of contingent liabilities disclosed corresponds to the liable amount.

In the income statement, the allocation of expenses to the cost of sales, selling and general and administrative functions is based on cost accounting principles.

Cost of sales contains all expenses relating to the purchase of materials and the production function, the costs of merchandise, the cost of research and development, and warranties and product liability expenses.

Selling expenses include personnel and non-personnel operating costs of our sales and marketing activities, as well as shipping, advertising, sales promotion, market research and customer service costs.

General and administrative expenses include personnel and non-personnel operating costs of the administrative functions.

Other taxes are allocated to the consuming functions.

Foreign currency translation

Transactions denominated in foreign currencies are translated at the exchange rates prevailing at the transaction dates or at agreed exchange rates. Expected exchange rate losses at the balance sheet date are reflected in the measurement of the items. Equity investments are translated at the rate prevailing at the date of acquisition.

To hedge future cash flows - primarily from expected future sales, purchases of materials and credit transactions - against currency and interest rate fluctuations, Volkswagen AG uses derivatives such as currency forwards and options, including structured options, as well as interest-rate hedges, such as caps. Such transactions are measured in accordance with the imparity principle (under which expected or unrealized losses must be recognized, but the recognition of unrealized gains is prohibited). Assets or liabilities hedged by cross-currency swaps and currency forwards are translated at the contractually agreed rates at the time of initial recognition.

Balance Sheet Disclosures

(1) FIXED ASSETS

The classification of the assets combined in the balance sheet and their changes during the year are presented on pages xxx to xxx. The carrying amount of fixed assets is €34,017 million at the balance sheet date. Fixed assets are composed of intangible assets, tangible assets and long-term financial assets.

Capital expenditures amounted to:

€ million	2008	2007
Intangible assets	79	53
Tangible assets	1,444	1,058
Long-term financial assets	9,758	6,841
Total	11,281	7,952

Depreciation, amortization and write-downs were charged on:

€ million	2008	2007
Intangible assets	73	87
Tangible assets	1,488	1,742
Long-term financial assets	35	364
Total	1,596	2,193

As well as the above-mentioned restructuring measures, the additions to shares in affiliated companies and other equity investments primarily relate to capital contributions at VW Group Services S.A., AUDI AG, VW Financial Services AG, OOO VW Rus, VW Group of America Inc. and VW INDIA PRIVATE Ltd. as well as to the purchase of shares of Scania AB.

Most of the disposals of shares in affiliated companies result from the contribution of companies to the Dutch intermediate holding company.

Volkswagen AG invested a further €1,421 million in long-term investments in 2008.

Long-term investments also include bonds issued by an affiliated company in the amount of €1 million. They also include the shares in securities investment funds held by Volkswagen Pension Trust e.V. in trust for Volkswagen AG amounting to €2,166 million. These represent the values of employee Time Assets transferred to the Pension Trust and the contribution of the annual benefit expense to the pension fund.

Reversals of write-downs of long-term financial assets relate almost exclusively to the carrying amount of AUDI Brussels S.A./N.A.

STATEMENT OF CHANGES IN FIXED ASSETS OF VOLKSWAGEN AG

€ million	GROSS CARRYING AMOUNTS Cost Jan. 1, 2008	Additions	Transfers	Disposals	Cost Dec. 31, 2008
Intangible assets					
Concessions, industrial and similar rights and assets and licenses in such rights and assets	534	74	1	52	557
Payments on account	-	5	1	-	6
	534	**79**	**2**	**52**	563
Tangible assets					
Land, land rights and buildings and buildings on third-party land	4,477	31	12	2	4,518
Technical equipment and machinery	9,550	401	105	296	9,760
Other equipment, operating and office equipment	13,256	685	128	822	13,247
Payments on account and assets under construction	296	327	–247	2	374
	27,579	1,444	–2	1,122	27,899
Long-term financial assets					
Shares in affiliated companies	15,687	5,333	4,673	3,025	22,668
Loans to affiliated companies	157	209	–	211	155
Other equity investments	5,399	2,794	–4,673	119	3,401
Loans to other investees and investors	7	1	–	0	8
Long-term investments	3,583	1,421	–	97	4,907
Other loans	79	–	–	1	78
	24,912	9,758	–	3,453	31,217
Total fixed assets	53,025	11,281	–	4,627	59,679

DEPRECIATION, AMORTIZATION AND WRITE-DOWNS							
Cumulative depreciation, amortization and write-downs Jan. 1, 2008	Depreciation, amortization and write-downs in current year	Disposals	Transfers	Reversals of write-downs	Cumulative depreciation, amortization and write-downs Dec. 31, 2008	Carrying amounts Dec. 31, 2008	Carrying amounts Dec. 31, 2007
324	73	52	0	–	345	212	210
-	-	-	-	-	-	6	-
324	73	52	0	–	345	218	210
3,390	103	2	–	–	3,491	1,027	1,087
8,737	406	294	0	–	8,849	911	813
11,496	979	808	0	–	11,667	1,580	1,760
–	–	–	–	–	–	374	296
23,623	1,488	1,104	0	–	24,007	3,892	3,956
1,838	–	611	–	24	1,203	21,465	13,849
0	–	–	–	0	0	155	157
166	–	96	–	–	70	3,331	5,233
2	–	0	–	0	2	6	5
–	35	–	–	–	35	4,872	3,583
0	–	0	–	0	0	78	79
2,006	35	707	–	24	1,310	29,907	22,906
25,953	1,596	1,863	–	24	25,662	34,017	27,072

(2) INVENTORIES

€ million	Dec. 31, 2008	Dec. 31, 2007
Raw materials, consumables and supplies	586	554
Work in progress	772	637
Finished goods and merchandise	2,251	1,939
Payments on account	71	59
	3,680	3,189

(3) RECEIVABLES AND OTHER ASSETS

€ million	Dec. 31, 2008	Dec. 31, 2007
Trade receivables	828	1,143
due after more than one year	(–)	(–)
Receivables from affiliated companies	10,918	8,429
thereof trade receivables	(1,297)	(1,121)
due after more than one year	(1,106)	(1,483)
Receivables from other investees and investors	346	319
thereof trade receivables	(63)	(166)
due after more than one year	(–)	(–)
Other assets	2,685	2,293
due after more than one year	(913)	(1,093)
	14,777	12,184

In addition to trade receivables, receivables from affiliated companies are composed primarily of short- and medium-term loans and receivables relating to profit distributions, including income tax allocations.

Other assets primarily include tax and cost reimbursements that are not yet due (€1,709 million and €234 million respectively) and rights from foreign currency option transactions entered into (€253 million).

(4) SECURITIES

€ million	Dec. 31, 2008	Dec. 31, 2007
Other securities	450	1,343
	450	1,343

(5) CASH-IN-HAND AND BANK BALANCES

Of the bank balances, €335 million relates to balances at an affiliated company, of which €23 million has a term of more than one year.

(6) SUBSCRIBED CAPITAL

The subscribed capital of Volkswagen AG is composed of no-par value bearer shares with a notional value of €2.56. As well as ordinary shares, there are preferred shares that entitle the bearer to a €0.06 higher dividend than ordinary shares, but do not carry voting rights.

Because of the capital increase implemented in fiscal year 2008 due to the exercise of conversion rights from the fifth, sixth, seventh and eighth tranches of the stock option plan, the subscribed capital increased by a total of €9 million to €1,024 million.

The subscribed capital is composed of 294,920,207 no-par value ordinary shares and 105,238,280 preferred shares.

The Annual General Meeting on May 3, 2006 resolved to create authorized capital of up to €90 million, expiring on May 2, 2011, to issue new no-par value ordinary bearer shares. According to the resolution adopted by the Annual General Meeting on April 22, 2004, further authorized capital of up to €400 million has been created that expires on April 21, 2009.

There is also contingent capital of €100 million to issue up to 39,062,500 ordinary and/or preferred shares. This contingent capital will only be implemented to the extent that the holders of convertible bonds issued up to April 21, 2009 exercise their conversion rights.

Stock option plan

The Board of Management, with the consent of the Supervisory Board, exercised the authorization given by the Annual General Meeting on April 16, 2002 to implement a stock option plan. Contingent capital of €7.3 million was created for this purpose. The contingent capital increase will only be implemented to the extent that the holders of convertible bonds issued on the basis of the authorization by the Annual General Meeting to establish a stock option plan exercise their conversion rights.

The stock option plan entitles the optionees - the Board of Management, Group senior executives and management, as well as employees of Volkswagen AG covered by collective pay agreements - to purchase options on shares of Volkswagen AG by subscribing for convertible bonds at a price of €2.56 each. Each bond is convertible into ten ordinary shares.

The stock options are not accounted for until the exercise date. The conversion price then received for the new shares is credited to subscribed capital or capital reserves.

The conversion prices and periods following expiration of the first four tranches are shown in the following table. The information on the fifth tranche is presented as data for fiscal year 2008, although this tranche has now also expired.

€	5th tranche	6th tranche	7th tranche	8th tranche
Base conversion price	36.54	38.68	37.99	58.18
Conversion price				
as from July 12, 2005	40.19			
as from publication of interim report for Jan. - Sept. 2005	42.02			
as from July 10, 2006		42.55		
as from publication of interim report for Jan. - Sept. 2006	43.85	44.48		
as from July 9, 2007			41.79	
as from publication of interim report for Jan. - Sept. 2007	45.68	46.42	43.69	
as from July 8, 2008				64.00
as from publication of interim report for Jan. - Sept. 2008		48.35	45.59	66.91
as from publication of interim report for Jan. - Sept. 2009			47.49	69.82
as from publication of interim report for Jan. - Sept. 2010				72.73
Beginning of conversion period	July 12, 2005	July 10, 2006	July 9, 2007	July 8, 2008
End of conversion period	July 4, 2008	July 2, 2009	July 1, 2010	June 30, 2011

The total value at December 31, 2008 of the convertible bonds issued at €2.56 per convertible bond was €43,540.48 (=17,008 bonds), conveying the right to purchase 170,080 ordinary shares. The liabilities from convertible bonds are recognized under other liabilities. In fiscal year 2008, 1,514 convertible bonds with a value of €3,875.84 were returned by employees who have since left the Company. 358,294 conversion rights from the fifth, sixth, seventh and eighth tranches with a nominal value of €917,232.64 have been exercised. 3,582,940 shares with a notional value of €9,172,326.40 were thus issued.

Changes in the rights to stock options granted (fifth to eighth tranches) are shown in the following table:

	Nominal value of convertible bonds	Number of conversion rights	Number of potential ordinary shares
	€	Rights	Shares
Balance at Jan. 1, 2008	964,648.96	376,816	3,768,160
Exercised in the fiscal year	917,232.64	358,294	3,582,940
Returned in the fiscal year	3,875.84	1,514	15,140
Balance at Dec. 31, 2008	43,540.48	17,008	170,080

(7) CAPITAL RESERVES

€ million	Dec. 31, 2008	Dec. 31, 2007
	5,351	5,142

The capital reserves comprise the share premium of a total of €5,025 million from the capital increases, the share premium of €219 million from the issue of bonds with warrants, and an amount of €107 million appropriated on the basis of the capital reduction implemented in a previous fiscal year. The share premium from the capital increase resulting from the exercise of conversion rights from the stock option plan increased the capital reserves by €209 million in fiscal year 2008. No amounts were withdrawn from the capital reserves.

(8) REVENUE RESERVES

€ million	Dec. 31, 2008	Dec. 31, 2007
Legal reserve	31	31
Other revenue reserves	4,611	4,491
	4,642	4,522

In accordance with section 58(2) of the AktG, a total of €120 million was appropriated from net income for the year to other revenue reserves.

(9) SPECIAL TAX-ALLOWABLE RESERVES

€ million	Dec. 31, 2008	Dec. 31, 2007
Tax-free reserves	0	0
Accelerated tax depreciation	70	75
	70	75

The accelerated tax depreciation at Volkswagen AG relates to write-downs in accordance with section 3(2) of the Zonenrandförderungs-Gesetz (German Zonal Border Development Act), section 6b of the Einkommensteuergesetz (EStG – German Income Tax Act)/section 35 of the Einkommensteuerrichtlinien (EStR – German Income Tax Regulations), section 7d of the EStG and section 82d of the Einkommensteuer-Durchführungsverordnung (EStDV – German Income Tax Implementing Order).

There is a small amount of tax-free reserves in accordance with section 6b of the EStG.

(10)

(10) PROVISIONS

€ million	Dec. 31, 2008	Dec. 31, 2007
Provisions for pensions and similar obligations	9,013	8,850
Provisions for taxes	4,087	3,077
Other provisions	10,270	9,409
	23,370	21,336
thereof: short-term (up to 1 year)	5,706	5,902
medium-term	7,770	6,593
long-term (over 5 years)	9,894	8,841
	23,370	21,336

Among other items, other provisions include provisions for warranties (€2.9 billion), personnel expenses (€2.5 billion mainly for long-service jubilees, partial retirement arrangements, obligations under Time Assets and other workforce costs), other selling expenses (€1.6 billion) and risks arising from the measurement of commodity and foreign currency hedges (€0.9 billion).

(11) LIABILITIES

€ million	Due within 1 year	Total Dec. 31, 2008	Total Dec. 31, 2007	Due within 1 year
Type of liability				
Liabilities to banks	328	328	122	122
Payments received on account of orders	95	95	88	88
Trade payables	1,524	1,524	1,367	1,367
Liabilities to affiliated companies	15,679	17,480	13,119	12,993
Liabilities to other investees and investors	33	33	62	62
Other liabilities	1,754	2,035	837	604
thereof: taxes	(66)	(66)	(62)	(62)
social security	(7)	(7)	(8)	(8)
	19,413	21,495	15,595	15,236

€933 million (previous year: €1,828 million) of the liabilities to affiliated companies and €14 million (previous year: €29 million) of the liabilities to other investees and investors relate to trade payables. €15,937 million (previous year: €11,020 million) of the liabilities is interest-bearing. €97 million (previous year: €60 million) of other liabilities relates to liabilities due after more than five years. Standard retention of title applies to the liabilities from deliveries of goods contained in the amounts shown above.

Contingencies and commitments

Contingent liabilities

€ million	Dec. 31, 2008	Dec. 31, 2007
Contingent liabilities from guarantees	200	129
Contingent liabilities from warranties	14,870	13,000
of which relating to affiliated companies	(21)	(21)
Granting of security for third-party liabilities	301	127
Total	15,371	13,256

Contingent liabilities from warranties relate primarily to guarantees given to creditors of subsidiaries for bonds issued by these subsidiaries and related swap transactions entered into.

Other financial commitments

Loan commitments to subsidiaries result in financial obligations of approximately €3.2 billion until no longer than 2017.

The financial obligations resulting from rental and leasing agreements amount to a total of €624 million (previous year: €555 million), of which €116 million is due in 2009. Agreements with a term of up to five years - with expenditures in 2009 amounting to €77 million (including €12 million to affiliated companies) - are expected to account for a total of €165 million (including €30 million to affiliated companies). For agreements with terms of up to 25 years, the financial obligations over the entire remaining contractual term amount to approximately €458 million, including €67 million to affiliated companies (€39 million in 2009, including €10 million to affiliated companies).

Around 38 hectares of land (carrying amount €3 million) are encumbered by heritable building rights.

In the course of the acquisition of a 100% interest in LeasePlan Corporation N.V., Amsterdam, and the subsequent sale of 50% of the shares to two co-investors, Volkswagen AG reached an agreement with the co-investors on put options entitling these investors to sell their shares to Volkswagen AG. The co-investors exercised this option on December 22, 2008. The selling price is the higher of (a) the fair value of the shares as calculated using a standard valuation method and (b) the co-investors' original initial investment. The parties to the agreement have started negotiations in this regard. Volkswagen AG is currently anticipating a payment obligation of around €1,300 million.

In the course of the formation of OOO VW Rus, a co-investor was granted a put option that entitles it to return its interest to OOO VW Rus at cost plus an appropriate return after six years. The option had a fair value of €-21 million as of December 31, 2008. This amount was recognized in other provisions due to the potential exercise of the option.

Sales guarantees totaling €1.3 billion up to 2013 were entered into in the course of the sale of the gedas group; €0.4 billion of these relates to 2009.

In accordance with Art. 5(10) of the statutes of the Einlagensicherungsfonds (deposit protection fund), Volkswagen AG has given an undertaking to indemnify Bundesverband deutscher Banken e.V., Cologne, against any losses incurred that are attributable to measures taken by it in favor of a majority-owned bank.

Volkswagen AG has liabilities from its investments in commercial partnerships.

The purchase commitment for capital expenditure projects is within the normal levels.

Derivatives

€ MILLION	NOTIONAL AMOUNT		FAIR VALUE	
Type and volume	Dec. 31, 2008	Dec. 31, 2007	Dec. 31, 2008	Dec. 31, 2007
Interest rate swaps	1	2		
negative fair values			0	0
Currency futures contracts	21,986	15,680	1,500	1,177
thereof: currency purchases	3,164	1,818		
thereof: positive fair values			64	7
negative fair values			58	-134
Currency sales	18,822	13,862		
thereof: positive fair values			1,849	1,326
negative fair values			-355	-22
Currency option contracts	9,939	4,470		
positive fair values			1,008	323
Commodity futures contracts	1,128	1,502		
thereof: positive fair values			3	219
negative fair values			-342	-8

MEASUREMENT METHODS

The fair values of the derivatives generally correspond to the market or quoted market price. If no active market exists, fair value is determined using valuation techniques, such as by discounting the future cash flows at the market interest rate, or by using recognized option pricing models, and verified by confirmations from the banks that handle the transactions. The following term structures were used for the calculation:

in %	EUR	USD	GBP	JPY	RUB	CHF	SEK	CZK	MXN
Interest rate for six months	2.971	1.750	2.960	0.954	22.800	0.810	2.575	3.750	8.050
Interest rate for one year	3.049	2.004	3.074	1.088	16.750	1.095	2.669	3.930	7.930
Interest rate for five years	3.234	2.053	3.136	0.910	16.500	1.920	2.825	2.810	7.670
Interest rate for ten years	3.738	2.474	3.426	1.223	16.500	2.590	3.158	3.250	7.970

Balance sheet items and carrying amounts

Derivatives are contained in the following balance sheet items at the amounts shown:

€ million		CARRYING AMOUNT	
Type	Balance sheet item	Dec. 31, 2008	Dec. 31, 2007
Option premiums	Other assets	253	93
Expected losses from open currency forwards	Other provisions	385	156
Expected losses from open commodity future contracts	Other provisions	342	8
Deferred interest from interest rate swaps	Bank balances/Liabilities to banks	0	0

Long-term investments were recognized at a carrying amount of €4,872 million. Their fair value was €4,492 million. We have not recognized a write-down, as either the decline in the value of the funds that were observed was less than 10% on average in 2008, the difference in the six months prior to the balance sheet date did not permanently exceed 20%, or the fair values of the debt instruments contained in the funds only fell because of a rise in interest rates.

Income Statement Disclosures

(12) SALES

€ million	2008	%	2007	%
by region				
Germany	22,335	39.4	21,254	38.5
Europe (excl. Germany)	25,911	45.6	26,498	47.9
North America	3,571	6.3	3,092	5.6
South America	485	0.9	372	0.7
Africa	1,055	1.9	1,039	1.9
Asia-Pacific	3,353	5.9	2,963	5.4
Total	56,710	100.0	55,218	100.0
by segment				
Vehicle sales	38,406	67.7	38,584	69.9
Genuine parts	3,989	7.0	3,889	7.0
Other sales	14,315	25.3	12,745	23.1
Total	56,710	100.0	55,218	100.0

Other sales relate primarily to intra-Group deliveries to our subsidiaries and to sales of components and parts to third parties.

(13) OTHER OPERATING INCOME

€ million	2008	2007
Other operating income	5,238	3,443
thereof income from the reversal of special tax-allowable reserves	(5)	(7)

Other operating income relates primarily to exchange rate gains from our deliveries of goods and services (€2.4 billion), cost allocations (€1.8 billion) and income from the reversal of provisions (€0.7 billion).

(14) OTHER OPERATING EXPENSES

€ million	2008	2007
Other operating expenses	3,775	2,134
thereof appropriations to special tax-allowable reserves	(0)	(1)

Other operating expenses primarily relate to exchange rate losses from our deliveries of goods and services, including the measurement of our foreign currency hedging transactions - in accordance with the strict imparity principle (under which expected or unrealized losses must be recognized, but the recognition of unrealized gains is prohibited) - (€2.0 billion) after elimination against the provisions recognized in the previous year, and expenses for subsidiaries that are allocated to these companies (€0.9 billion).

The insignificant amount of accelerated tax depreciation contained in appropriations to the special tax-allowable reserves relates to fixed assets.

(15) FINANCIAL RESULT

€ million	2008	2007
Income and expenses from investments	4,562	4,321
Interest income and expense	148	-484
Other financial result	-22	348
	4,688	4,185

INCOME AND EXPENSES FROM INVESTMENTS

€ million	2008	2007
Income from investments	1,665	1,001
thereof from affiliated companies	(1,145)	(546)
Income from profit and loss transfer agreements	2,923	3,261
Other investment income	146	464
Other investment expenses	81	88
Cost of loss absorption	91	317
	4,562	4,321

Income from investments primarily comprises income from Global Automotive C. V., Scania AB, VW Logistics GmbH & Co. OHG, SEAT S.A., MAN AG and our Chinese joint ventures. Income from profit and loss transfer agreements (primarily from AUDI AG, AutoVision GmbH, the VW Sachsen companies and VW Kraftwerk GmbH) also includes allocations of income-related taxes.

Other investment income relates mainly to income from the reversal of a write-down of the carrying amount of an investment in connection with a capital repayment, reversals of write-downs of the carrying amount of the investment in AUDI Brussels S. A./N. V., income relating to the transfer of companies to VW Global Automotive C. V. and income from the change in a provision for obligations under a profit and loss transfer agreement.

Other investment expenses mainly comprise expenses from passing on investment income to an affiliated company.

Interest income and expense

€ million	2008	2007
Income from other investments and long-term loans	346	14
thereof from affiliated companies	(18)	(6)
Other interest and similar income	590	713
thereof from affiliated companies	(236)	(271)
Interest and similar expenses	788	1,211
thereof to affiliated companies	(676)	(701)
	148	-484

Interest income and expense includes expenses from the factoring business (financing of non-interest-bearing trade receivables), primarily with our Group company Volkswagen Group Services S. A. This item also includes income and expenses from interest rate hedges.

Other financial result

€ million	2008	2007
Loss/gain on sales of securities	-22	348
	-22	348

Other taxes

The other taxes allocated to the consuming functions amounted to €35 million (previous year: €31 million). They relate mainly to vehicle and land taxes.

NOTICES AND DISCLOSURE OF CHANGES REGARDING THE OWNERSHIP OF VOTING RIGHTS IN VOLKSWAGEN AG IN ACCORDANCE WITH SECTION 21 AND SECTION 26 OF THE WERTPAPIERHANDELSGESETZ (WPHG - GERMAN SECURITIES TRADING ACT)

Porsche

1) The following persons notified us in accordance with section 21(1) of the WpHG that in each case their share of the voting rights in Volkswagen Aktiengesellschaft exceeded the threshold of 50% on January 5, 2009 and amounted to 50.76% (149,696,680 voting rights) at this date. All the above-mentioned 149,696,680 voting rights are attributable to them in accordance with section 22(1) sentence 1 no. 1 of the WpHG. The voting rights attributable to these persons are held via subsidiaries within the meaning of section 22(3) of the WpHG, whose attributable share of the voting rights amounts to 3% or more and whose names are given in brackets:

Mag. Josef Ahorner, Austria
(Ferdinand Porsche Privatstiftung, Salzburg/Austria; Ferdinand Porsche Holding GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piëch Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Mag. Louise Kiesling, Austria

(Ferdinand Porsche Privatstiftung, Salzburg/Austria; Ferdinand Porsche Holding GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piëch Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Prof. Ferdinand Alexander Porsche, Austria
(Ferdinand Porsche Privatstiftung, Salzburg/Austria; Ferdinand Porsche Holding GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piëch Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Dr. Oliver Porsche, Austria
(Ferdinand Porsche Privatstiftung, Salzburg/Austria; Ferdinand Porsche Holding GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piëch Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Kai Alexander Porsche, Austria
(Ferdinand Porsche Privatstiftung, Salzburg/Austria; Ferdinand Porsche Holding GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piëch Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Mark Philipp Porsche, Austria
(Ferdinand Porsche Privatstiftung, Salzburg/Austria; Ferdinand Porsche Holding GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piëch Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Gerhard Anton Porsche, Austria
(Ferdinand Porsche Privatstiftung, Salzburg/Austria; Ferdinand Porsche Holding GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piëch Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Ing. Hans-Peter Porsche, Austria
(Familie Porsche Privatstiftung, Salzburg/Austria; Familie Porsche Holding GmbH, Salzburg/Austria; Ing. Hans-Peter Porsche GmbH, Salzburg/Austria; Hans-Peter Porsche

GmbH, Grünwald/Germany; Familie Porsche Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Peter Daniell Porsche, Austria
(Familie Porsche Privatstiftung, Salzburg/Austria; Familie Porsche Holding GmbH, Salzburg/Austria; Ing. Hans-Peter Porsche GmbH, Salzburg/Austria; Hans-Peter Porsche GmbH, Grünwald/Germany; Familie Porsche Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Dr. Wolfgang Porsche, Germany
(Familie Porsche Privatstiftung, Salzburg/Austria; Familie Porsche Holding GmbH, Salzburg/Austria; Ing. Hans-Peter Porsche GmbH, Salzburg/Austria; Hans-Peter Porsche GmbH, Grünwald/Germany; Wolfgang Porsche GmbH, Grünwald/Germany; Familie Porsche Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Ferdinand Porsche Privatstiftung, Salzburg/Austria
(Ferdinand Porsche Holding GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piëch Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Familie Porsche Privatstiftung, Salzburg/Austria
(Familie Porsche Holding GmbH, Salzburg/Austria; Ing. Hans-Peter Porsche GmbH, Salzburg/Austria; Hans-Peter Porsche GmbH, Grünwald/Germany; Familie Porsche Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Ferdinand Porsche Holding GmbH, Salzburg/Austria
(Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piëch Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Familie Porsche Holding GmbH, Salzburg/Austria
(Ing. Hans-Peter Porsche GmbH, Salzburg/Austria; Hans-Peter Porsche GmbH, Grünwald/Germany; Familie Porsche Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Louise Daxer-Piëch GmbH, Salzburg/Austria
(Louise Daxer-Piëch GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany; Familien Porsche-Daxer-Piëch Beteiligung GmbH, Grünwald/Germany),

Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria
(Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piëch Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Gerhard Anton Porsche GmbH, Salzburg/Austria

(Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piëch Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Louise Daxer-Piëch GmbH, Grünwald/Germany
(Familien Porsche-Daxer-Piëch Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Ferdinand Alexander Porsche GmbH, Grünwald/Germany
(Familien Porsche-Daxer-Piëch Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Gerhard Porsche GmbH, Grünwald/Germany
(Familien Porsche-Daxer-Piëch Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Ing. Hans-Peter Porsche GmbH, Salzburg/Austria
(Hans-Peter Porsche GmbH, Grünwald/Germany; Familie Porsche Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Hans-Peter Porsche GmbH, Grünwald/Germany
(Familie Porsche Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Wolfgang Porsche GmbH, Grünwald/Germany
(Familie Porsche Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Familien Porsche-Daxer-Piëch Beteiligung GmbH, Grünwald/Germany
(Porsche Automobil Holding SE, Stuttgart/Germany),

Familie Porsche Beteiligung GmbH, Grünwald/Germany
(Porsche Automobil Holding SE, Stuttgart/Germany),

Porsche GmbH, Stuttgart/Germany
(Porsche Automobil Holding SE, Stuttgart/Germany),

Dr. Hans Michel Piëch, Austria,
(Porsche Automobil Holding SE, Stuttgart/Germany; Hans Michel Piëch GmbH, Grünwald/Germany; Dr. Hans Michel Piëch GmbH, Salzburg/Austria),

Dr. Hans Michel Piëch GmbH, Salzburg/Austria
(Porsche Automobil Holding SE, Stuttgart/Germany; Hans Michel Piëch GmbH, Grünwald/Germany),

Hans Michel Piëch GmbH, Grünwald/Germany
(Porsche Automobil Holding SE, Stuttgart/Germany),

Dipl.-Ing. Dr. h.c. Ferdinand Piëch, Austria

(Porsche Automobil Holding SE, Stuttgart/Germany; Ferdinand Piëch GmbH, Grünwald/Germany; Dipl.-Ing. Dr. h.c. Ferdinand Piëch GmbH, Salzburg/Austria; Ferdinand Karl Alpha Privatstiftung, Vienna/Austria),

Ferdinand Karl Alpha Privatstiftung, Vienna/Austria
(Porsche Automobil Holding SE, Stuttgart/Germany; Ferdinand Piëch GmbH, Grünwald/Germany; Dipl.-Ing. Dr. h.c. Ferdinand Piëch GmbH, Salzburg/Austria),

Dipl.-Ing. Dr. h.c. Ferdinand Piëch GmbH, Salzburg/Austria
(Porsche Automobil Holding SE, Stuttgart/Germany; Ferdinand Piëch GmbH, Grünwald/Germany),

Ferdinand Piëch GmbH, Grünwald/Germany
(Porsche Automobil Holding SE, Stuttgart/Germany).

2) Porsche Holding Gesellschaft m.b.H., Salzburg/Austria, and Porsche GmbH, Salzburg/Austria, notified us in accordance with section 21(1) of the WpHG that their share of the voting rights in Volkswagen Aktiengesellschaft in each case exceeded the threshold of 50% on January 5, 2009 and in each case amounted to 53.13% (156,702,015 voting rights) at this date.

All the above-mentioned 156,702,015 voting rights are attributable to Porsche Holding Gesellschaft m.b. H. in accordance with section 22(1) sentence 1 no. 1 of the WpHG. The companies via which the voting rights are actually held and whose attributable share of the voting rights amounts to 3% or more are:
- Porsche GmbH, Salzburg/Austria;
- Porsche GmbH, Stuttgart/Germany;
- Porsche Automobil Holding SE, Stuttgart/Germany.

Of the above-mentioned 156,702,015 voting rights, 50.76% (149,696,753 voting rights) is attributable to Porsche GmbH, Salzburg/Austria, in accordance with section 22(1) sentence 1 no. 1 of the WpHG. The companies via which the voting rights are actually held and whose attributable share of the voting rights amounts to 3% or more are:
- Porsche GmbH, Stuttgart/Germany;
- Porsche Automobil Holding SE, Stuttgart/Germany.

State of Lower Saxony
The State of Lower Saxony notified us on January 26, 2009 that it held a total of 59,022,310 ordinary shares as of December 31, 2008. It held 440 VW ordinary shares directly and 59,021,870 ordinary shares indirectly via Hannoversche Beteiligungsgesellschaft mbH (HanBG), which is owned by the State of Lower Saxony.

RECONCILIATION OF NET INCOME TO NET RETAINED PROFITS

€ million	2008	2007
Net income for the year	827	1,455
Retained profits brought forward	24	10
Appropriations to revenue reserves		
to other revenue reserves	-120	-720
Net retained profits	731	745

TOTAL EXPENSE FOR THE PERIOD

Cost of materials

€ million	2008	2007
Cost of raw materials, consumables and supplies, and of purchased merchandise	44,289	42,683
Cost of purchased services	2,277	2,195
	46,566	44,878

Personnel expenses

€ million	2008	2007
Wages and salaries	4,882	4,686
Social security and other pension costs	1,501	2,206
- thereof in respect of old age pensions	(640)	(1,288)
	6,383	6,892

OTHER DISCLOSURES

The tax expense is attributable to the result from ordinary activities.

Net income for the year improved as a result of tax measures in 2008 and in previous years. These relate primarily to the reversal of special reserves for accelerated tax depreciation. Without these measures, net income would have been approximately €4 million lower. In the following year, the planned reversal of special reserves will probably result in a positive effect on net income amounting to approximately €4 million. Expenses attributable to other fiscal years, primarily for warranties and other sales-related provisions, amounted to €108 million (previous year: €355 million). Prior-period income amounts to €752 million (previous year: €481 million). This relates in particular to income from the reversal of provisions recognized in previous years and contained in other operating income.

WRITE-DOWNS

€ million	2008	2007
of long-term financial assets		
affiliated companies	-	364
long-term investments	35	–
	35	364

AVERAGE NUMBER OF EMPLOYEES OF VOLKSWAGEN AG DURING THE YEAR

	2008	2007
by group		
Performance-related wage-earners	44,929	45,477
Time-rate wage-earners	19,395	19,967
Salaried employees	27,807	27,000
	92,131	92,444
Vocational trainees	4,021	4,011
	96,152	96,455
by plant		
Wolfsburg	49,789	49,436
Hanover	12,937	13,108
Braunschweig	5,688	5,734
Kassel	13,686	13,861
Emden	7,825	7,946
Salzgitter	6,227	6,370
	96,152	96,455

AUDITORS' FEES

The following amounts were recognized as expenses in fiscal year 2008 for:

€	2008
Audit services	2,149,548
Other assurance or valuation services	1,817,009
Tax advisory services	228,081
Other services	1,779,775
	5,974,413

Information about the composition of the Board of Management and the Supervisory Board, on changes in these executive bodies and on the memberships of members of the Board of Management and the Supervisory Board of other statutory supervisory boards and comparable supervisory bodies is contained on pages xxx to xxx of this report.

REMUNERATION OF THE BOARD OF MANAGEMENT AND THE SUPERVISORY BOARD

€ million	2008	2007
Board of Management remuneration		
Non-performance-related remuneration		4,810,736
Performance-related remuneration		10,850,000
Stock options exercised or subscribed		837,150
Fair value of stock options held at reporting date		7,950,150
Supervisory Board remuneration		
Fixed remuneration components		307,192
Variable remuneration components		3,968,975
Loans to Supervisory Board members	17,500	21,218

The fixed remuneration of the Board of Management also includes differing levels of remuneration for the assumption of appointments at Group companies, as well as non-cash benefits, which consist in particular of the use of company cars and the grant of insurance cover. The additional annual variable amount paid to each member of the Board of Management contains annually recurring components that are tied to the business success of the Company. It is primarily oriented on the results achieved and the financial position of the Company.

On December 31, 2008, the pension provisions for members of the Board of Management amounted to €23,236,002 (previous year: €19,815,224). Current pensions are index-linked in accordance with the index-linking of the highest collectively agreed salary insofar as the application of section 16 of the Gesetz zur Verbesserung der betrieblichen Altersversorgung (BetrAVG – German Company Pension Act) does not lead to a larger increase.

Retired members of the Board of Management and their surviving dependents received €8,155,043 (previous year: €8,688,685). Provisions for pensions for this group of people were recognized in the amount of €85,753,340 (previous year: €88,203,403). The members of the Board of Management are entitled to the retirement pension in the event of disability, and to payment of their normal remuneration for six months in the event of illness. Surviving dependents receive a widow's pension of 66 2/3% and 20% orphan's pension per child - but no more than a maximum of 100% - based on the pension of the former member of the Board of Management.
The individual remuneration of the members of the Board of Management and the Supervisory Board is explained in the Remuneration Report in the Management Report (see page xxx).
Loans totaling €17,500 (redemption in 2008: €1,667) have been granted to members of the Supervisory Board. The loans generally bear interest at 4%; the agreed term is up to 15 years.

Wolfsburg, February 17, 2009

Volkswagen Aktiengesellschaft

The Board of Management

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of Volkswagen AG, and the management report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company.

Wolfsburg, February 17, 2009

Volkswagen Aktiengesellschaft

The Board of Management

Martin Winterkorn

Francisco Javier Garcia Sanz

Jochem Heizmann

Horst Neumann

Hans Dieter Pötsch

Auditors' Report

On completion of our audit, we issued the following unqualified auditors' report dated February 18, 2009. This report was originally prepared in German. In case of ambiguities the German version takes precedence:

We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the management report, which is combined with the group management report of VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, for the business year from January 1 to December 31, 2008. As required by Article 10 (4) EnWG ("Energiewirtschaftsgesetz", "German Energy Industry Law"), the audit also included the company's observance of obligations for the unbundling of internal accounting pursuant to Article 10 (3) EnWG. The maintenance of the books and records and the preparation of the annual financial statements and the combined management report in accordance with German commercial law as well as the observance of the obligations pursuant to Article 10 (3) EnWG are the responsibility of the Company's Board of Management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, [and the combined management report],and on the internal accounting pursuant to Article 10 (3) EnWG based on our audit.

We conducted our audit of the annual financial statements in accordance with § (Article) 317 HGB ("Handelsgesetzbuch": "German Commercial Code") and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with (German) principles of proper accounting and in the combined management report are detected with reasonable assurance and to obtain reasonable assurance about whether, in all material respects, the obligations pursuant to Article 10 (3) EnWG have been observed. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the combined management report, as well as in the internal accounting pursuant to Article 10 (3) EnWG are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the Company's Board of Management, as well as evaluating the overall presentation of the annual financial statements and the combined management report, and assessing whether the amounts stated and the classification of accounts in the internal accounting pursuant to Article 10 (3) EnWG are appropriate and comprehensible and whether the principle of consistency has been observed. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with (German) principles of proper accounting. The combined management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

The audit of the observance of obligations for the unbundling of internal accounting pursuant to Article 10 (3) EnWG has not led to any reservations.

Hanover, February 18, 2009

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Harald Kayser Wirtschaftsprüfer	ppa. Martin Schröder Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

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