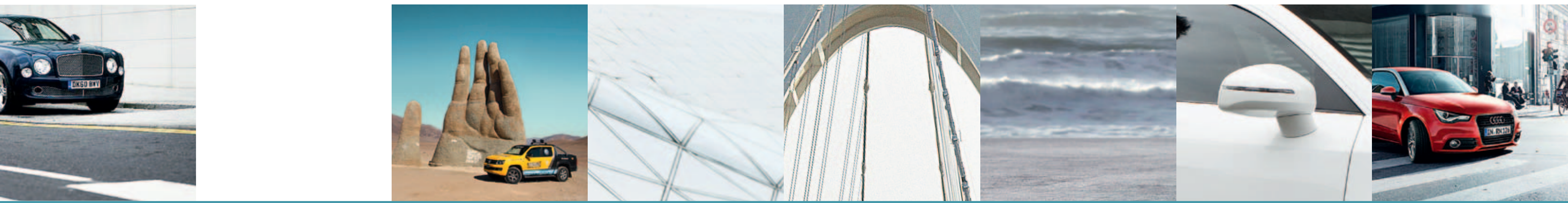
VOLKSWAGEN

AKTIENGESELLSCHAFT



Half-Yearly Financial Report

JANUARY – JUNE 2011

Key Figures

VOLKSWAGEN GROUP

Volume Data[1]	Q2 2011	Q2 2010	%	H1 2011	H1 2010	%
Deliveries to customers ('000 units)	2,140	1,868	+ 14.6	4,129	3,612	+ 14.3
of which: in Germany	314	278	+ 13.2	583	533	+ 9.4
abroad	1,826	1,591	+ 14.8	3,546	3,080	+ 15.1
Vehicle sales ('000 units)	2,103	1,864	+ 12.8	4,133	3,566	+ 15.9
of which: in Germany	326	278	+ 17.4	634	533	+ 18.9
abroad	1,776	1,586	+ 12.0	3,499	3,033	+ 15.4
Production ('000 units)	2,119	1,852	+ 14.4	4,184	3,586	+ 16.7
of which: in Germany	591	550	+ 7.4	1,197	1,115	+ 7.3
abroad	1,528	1,302	+ 17.4	2,987	2,471	+ 20.9
Employees ('000 on June 30, 2011/Dec. 31, 2010)				435.3	399.4	+ 9.0
of which: in Germany				186.7	181.3	+ 2.9
abroad				248.6	218.1	+ 14.0

Financial Data (IFRSs), € million	Q2 2011	Q2 2010	%	H1 2011	H1 2010	%
Sales revenue	40,297	33,162	+ 21.5	77,767	61,809	+ 25.8
Operating profit	3,174	1,993	+ 59.2	6,086	2,841	x
as a percentage of sales revenue	7.9	6.0		7.8	4.6	
Profit before tax	6,010	1,922	x	8,233	2,624	x
as a percentage of sales revenue	14.9	5.8		10.6	4.2	
Profit after tax	4,784	1,351	x	6,496	1,824	x
Profit attributable to shareholders of Volkswagen AG	4,672	1,251	x	6,267	1,674	x
Cash flows from operating activities	1,173	3,515	− 66.6	3,681	6,663	− 44.8
Cash flows from investing activities attributable to operating activities	2,076	1,554	+ 33.6	6,264	4,576	+ 36.9
Automotive Division[2]						
EBITDA[3]	4,701	4,084	+ 15.1	8,980	6,481	+ 38.6
Cash flows from operating activities	3,312	4,220	− 21.5	8,432	7,264	+ 16.1
Cash flows from investing activities attributable to operating activities[4]	2,041	1,505	+ 35.6	6,506	4,518	+ 44.0
of which: investments in property, plant and equipment	1,592	1,016	+ 56.7	2,533	1,919	+ 32.0
as a percentage of sales revenue	4.5	3.4		3.7	3.5	
capitalized development costs[5]	346	425	− 18.7	737	846	− 12.8
as a percentage of sales revenue	1.0	1.4		1.1	1.5	
Net cash flow	1,270	2,715	− 53.2	1,926	2,746	− 29.9
Net liquidity at June 30				19,439	17,501	+ 11.1

1 Volume data including the unconsolidated Chinese joint ventures. These companies are accounted for using the equity method. All figures shown are rounded, so minor discrepancies may arise from addition of these amounts. 2010 deliveries updated on the basis of statistical extrapolations.
2 Including allocation of consolidation adjustments between the Automotive and Financial Services divisions.
3 Operating profit plus net depreciation/amortization and impairment losses/reversals of impairment losses on property, plant and equipment, capitalized development costs, leasing and rental assets, goodwill and financial assets as reported in the cash flow statement.
4 Excluding acquisition and disposal of equity investments: Q2 €1,925 million (€1,358 million), H1 €3,175 million (€2,608 million).
5 See table on page 32.

Key Facts

> **Volkswagen Group continues successful growth in the first half of 2011**

> **Operating profit up €3.2 billion on prior-year period at €6.1 billion**

> **Profit before tax increases by €5.6 billion year-on-year to €8.2 billion; positive effects from equity-accounted investments and from measurement of put/call rights relating to Porsche Zwischenholding GmbH at the reporting date (€2.1 billion)**

> **Group sales revenue improves by 25.8% to €77.8 billion**

> **Cash flows from operating activities in the Automotive Division up by €1.2 billion to €8.4 billion; ratio of investments in property, plant and equipment (capex) to sales revenue amounts to 3.7% (3.5%)**

> **Volkswagen increases its holdings of MAN SE ordinary shares to 30.47% and issues a mandatory public offer; once the required regulatory approvals have been granted, Volkswagen will hold 55.90% of the voting rights of MAN SE**

> **Automotive Division net liquidity remains at a high level of €19.4 billion**

> **Strong demand for Group models worldwide:**

- **At 4.1 million vehicles, Group deliveries to customers 14.3% higher than in the previous year; global market share increases to 12.4% (11.7%)**
- **Group records double-digit growth in almost all regions**
- **Launch of new Beetle sees Volkswagen Passenger Cars celebrate first world premiere in three places simultaneously; Passat for the Chinese market unveiled**
- **Audi's launch of the Q3 marks its entry into the compact SUV segment; A3 e-tron concept demonstrates the brand's technical expertise**
- **Škoda celebrates 20 years as part of Volkswagen Group**
- **SEAT makes its debut in the Chinese market, showcasing the Ibiza and Leon models in Shanghai**
- **Bentley, Lamborghini and Bugatti present their fascinating models in China**
- **Volkswagen Commercial Vehicles records high demand for Multivan/Transporter**
- **Scania continues to roll out its "Ecolution by Scania" program**

Key Events

MERGER AUDITOR APPOINTED

The preparations for the planned merger of Volkswagen and Porsche are progressing on schedule. The required Extraordinary General Meetings of Volkswagen AG and Porsche Automobil Holding SE are scheduled for December 2011. The joint merger auditor has also now been appointed by the Stuttgart Regional Court.

The legal and tax hurdles have not yet been cleared. These relate in particular to the ongoing proceedings or actions against Porsche Automobil Holding SE in Germany and the USA due to alleged market manipulation, and to potential changes resulting from a new Umwandlungssteuererlass (Taxation of Reorganizations Circular). However, a draft Umwandlungssteuererlass is now available. On the basis of this draft, Volkswagen expects to reach a suitable outcome with the relevant tax authorities.

Overall, Volkswagen continues to believe that there is a 50% probability of the General Meeting resolutions required for the merger of Porsche Automobil Holding SE with Volkswagen AG being adopted by the deadline of the end of 2011 as stipulated in the Comprehensive Agreement.

The Board of Management expects to make a final assessment of this matter in the course of September this year.

Volkswagen is also preparing for the eventuality that a resolution on the merger will not be adopted this year. One of the issues to be addressed is how to fully integrate Porsche's operating business into the Volkswagen Group. In this case, Volkswagen is entitled to acquire a further 50.1% of the shares of Porsche Zwischenholding GmbH and therefore indirectly 100% of the shares of Dr. Ing. h.c. F. Porsche AG by exercising a call option at defined dates, in spring 2013 at the earliest. The Board of Management will hold talks about the related issues with all parties involved. Volkswagen remains committed to its goal of creating an integrated automotive group with Porsche irrespective of the approach that is ultimately adopted to achieve this.

VOLKSWAGEN GROUP PRESENTS NEW MODELS

The Volkswagen Group showcased a large number of fascinating new models at motor shows and events in the period from April to June 2011.

Auto China in Shanghai

Together with its Chinese joint ventures, Volkswagen unveiled the world premieres of impressive new models at Auto China in Shanghai. The first of these was the successor to a motoring icon: the new Beetle. Dynamic proportions, sporty design and state-of-the-art communication technology help the new Beetle write the next chapter in an automotive success story. Its most striking features compared with its predecessor are an extended bonnet, a set-back windshield and larger wheelbase. The longer roof also gives the vehicle an improved feeling of space inside. The new Beetle was unveiled almost simultaneously at the MTV World Stage concerts in New York and Berlin. Another premiere in Shanghai was the new Passat for the Chinese market. This vehicle, which will initially be offered with 1.8 l and 2.0 l TSI engines, is a key element of Volkswagen's growth strategy in China and is designed to give a new face to the country's mid-range segment. Alongside its automobile presentations, Volkswagen's emission-free e-Scooter concept caused a stir. Combined with an innovative rental concept, the e-Scooter is an environmentally friendly mobility solution that offers flexibility, fun and sustainability when getting around today's megacities.

The debut of the new Audi Q3, which marks Audi's entry into the compact SUV segment, was the highlight of the brand's appearance in Shanghai. Its coupé-esque lines give the youngest member of the Q family a sporty and progressive design. The Q3's range of powerful, efficient TDI and TFSI engines and its 7-speed S tronic gearbox ensure maximum driving pleasure. The redesigned Q steering wheel – now available in all Q series models – and the folding passenger seat are brand new interior features. Audi also demonstrated its technological expertise with the Audi A3 e-tron concept. This four-seater notchback saloon has a plug-in hybrid drive, and its lithium-ion batteries give the vehicle a range of 50 km when powered solely by electricity. An optimized MMI (Multi Media Interface) operating system and a high-end infotainment package round off this innovative vehicle concept.

SEAT celebrated a special premiere in Shanghai. The brand's appearance marked its debut at Auto China and enabled it to present the Ibiza and Leon models. The Chinese passenger car market is an opportunity for SEAT to continue its international expansion. The Spanish brand's first step will be to increase awareness among potential Chinese customers.

Vienna Motor Symposium

The Volkswagen Group presented two new powertrains at the 32nd International Motor Symposium in Vienna. The environmentally friendly 1.4 l E 85 TSI engine is an advanced version of the twin-charged 1.4 l TSI engine and is designed to run on E 85 ethanol fuel. Combined with a 7-speed direct shift gearbox (DSG), the 118 kW powertrain emits 7% less CO_2 than running on Super fuel when installed in a Passat saloon. In future, the engine will be fitted in the Passat and Passat CC and will be rolled out initially in Sweden and Finland, as E 85 fuel has already been available in these countries for years.

The new 2.0 l 103 kW TDI engine has been modified specially for the Passat manufactured in Chattanooga, North America. Lower raw emissions and its SCR (selective catalytic reduction) emissions control system enable the powertrain to meet the strict requirements of the US BIN5/ULEV emissions laws. The new engine underlines Volkswagen's firm belief that diesel-powered vehicles also have strong potential in the USA.

GTI meeting at the Wörthersee

GTI fans again took over the Wörthersee in Austria at the end of May this year. Volkswagen used the 30th GTI meeting to showcase fascinating vehicles. The highlight was the Golf GTI Edition 35, which was developed to mark the GTI series' 35th birthday. The anniversary model features the XDS electronic differential lock and a 6-speed DSG, while an output of 173 kW (235 PS) makes it the most powerful GTI ever*. Volkswagen also presented the Golf24 – a 324 kW (440 PS) motor sports car of which three models entered the legendary 24-hour race at the Nürburgring in June 2011. Other eye-catchers at the Wörthersee event were the Golf R Color Concept with its striking paintwork and the Golf R Cabriolet Concept – a 199 kW (270 PS) open-top version of the most powerful production Golf.

PRIZES AND AWARDS

The Volkswagen Group again received a series of prizes and awards in the second quarter of 2011.

In April this year, the Group was presented with the 2011 German CSR Prize for its commitment to corporate social responsibility. A survey of business journalists that forms the basis for awarding the prize praised the Group's wide variety of activities in the areas of society, culture, sport and environmental protection.

* Consumption and emission data can be found on page 13 of this report.

Volkswagen was also honored for being the first German automaker to require its suppliers to comply with CSR principles. Accepting social responsibility is part of Volkswagen's sustainability strategy.

With 14 first places, the Volkswagen Group was again the most successful company at the "Fleet Awards 2011". Around 5,900 readers of motoring magazine "Autoflotte" voted for the best models in a total of 14 vehicle categories, with 13 of the winning models coming from the Volkswagen Group. The Volkswagen Passenger Cars brand triumphed in three categories with the Polo, Golf and Touran. Three first places were also claimed by Audi (Audi A4, Audi Q5 and Audi A8) and Škoda (Fabia, Octavia and Superb). SEAT saw off its competitors with the Alhambra. The Caddy and Multivan/Transporter again took first place for Volkswagen Commercial Vehicles, and in its first year the new Amarok was victorious in the Pickup category. Volkswagen Leasing GmbH was named the best leasing company for the sixth successive time.

In May 2011, Volkswagen's 1.4 l TSI engine again won the International Engine of the Year Award in the 1.0 to 1.4 l category. This was the sixth successive honor for Volkswagen and the third for the powertrain at the prestigious British event. As in the previous year, the Audi brand's 2.5 l TFSI engine beat its rivals in the 2.0 to 2.5 l category. This meant that Audi's TFSI technology triumphed for the seventh time in a row.

In June 2011, the Audi brand received the Best Innovator Award organized by business magazine "Wirtschafts-Woche" and management consultant A.T. Kearney. Audi's successful and sustainable innovation management won over the jury in the Automobile category. In particular, the brand was honored for its ability to successfully link innovations across models and series, and to realize them at an astonishing speed.

ANNIVERSARIES

In April, the Audi brand celebrated the production of its 20-millionth engine at its plant in Györ, Hungary. The anniversary powertrain was a 2.0 l four-cylinder 125 kW (170 PS) common rail diesel engine. Audi has manufactured both vehicles and engines for 18 years at its plant in Györ, which is a subsidiary of AUDI HUNGARIA MOTOR Kft. The around 4,000 direct staff employed in engine manufacturing produce 270 different engine variants that are fitted in more than 40 Group models at 26 locations worldwide.

In May, Volkswagen's Emden plant produced its ten-millionth vehicle – a black Passat Variant featuring Blue-Motion Technology and a 125 kW (170 PS) 2.0 l TDI engine*. The Passat has been manufactured in Emden since 1977. Today, the location is one of the most energy-efficient and sustainable plants in the Group's production network. In the past year, the workforce of around 8,700 manufactured more than 220,000 vehicles in the Passat series which, after the Golf, is the most successful model produced by the Volkswagen Passenger Cars brand.

VOLKSWAGEN GROUP EXPANDS ITS CAPACITY

The Škoda brand will increase capacity at its plant in Mladá Boleslav by mid-2012. The ground-breaking ceremony for the construction work took place on April 15, 2011 during the celebrations to mark the Czech brand's 20 years as part of the Volkswagen Group. Once construction is completed, the Škoda brand's main plant will produce a third series in addition to the Fabia and Octavia models. The Octavia assembly line's capacity will also be increased from the current 800 to 1,200 units per day. Škoda aims to sell at least 1.5 million vehicles per year by 2018, and the construction work in Mlada Boleslav is a key element of this growth strategy.

* Consumption and emission data can be found on page 13 of this report.

Volkswagen's Wolfsburg plant is also extending its production capacity. By fall 2011, daily manufacturing capacity for the Tiguan will be increased from the present 700 to 1,000 vehicle bodies to meet the continuing high demand for this popular SUV. The total investment will be around €56 million.

On May 24, 2011, the Volkswagen Group took an important step towards achieving profitable growth in North America by opening its new plant in Chattanooga in the US state of Tennessee. More than 2,000 employees in Chattanooga will produce a Passat that is specially tailored to the needs of American customers. Capacity at the plant, in which Volkswagen has invested a total of approximately USD 1 billion, is 150,000 vehicles per year. State-of-the-art production technology and environmentally friendly measures such as rainwater treatment and the use of LED lighting make the location one of the world's most resource-friendly and sustainable automotive plants.

On June 14, 2011, Volkswagen and Russian automobile manufacturer GAZ signed an agreement to produce Volkswagen Passenger Cars and Škoda brand models on a contract basis at the GAZ plant in Nizhny Novgorod. To meet the fast growing demand in the Russian passenger car market, the factory aims to manufacture up to 110,000 Volkswagen Jetta, Škoda Octavia and Škoda Yeti vehicles per year in the future. These operations will start with the Škoda Yeti, production of which is due to begin at the end of 2012. In addition, capacity at the Volkswagen plant in Kaluga will be increased to take advantage of the trend on the Russian growth market.

In June, the Audi brand completed the expansion of the factory in Changchun, China. The assembly facility, which was only opened in 2009, has created new capacity to produce the Audi Q5 and the long wheelbase version of the Audi A4. Body construction and the paint shop were also extended, giving the location a current annual capacity of 300,000 vehicles.

The Chinese government has granted final approvals for the construction of two automobile factories at Yizheng and Foshan. The relevant declarations were signed in Berlin on June 28, 2011 after the first signatures for these projects were obtained in summer 2010. Volkswagen will build the plant in Yizheng, Eastern China, together with its partner Shanghai Volkswagen. The factory in Foshan, Southern China, will be constructed in cooperation with the FAW-Volkswagen joint venture. The two locations, which will each have an annual capacity of 300,000 vehicles, are scheduled to begin production in 2013.

COOPERATION WITH THE MUSEUM OF MODERN ART (MOMA) AND MOMA PS1

In May 2011, Volkswagen, The Museum of Modern Art (MoMA) and MoMA PS1 announced an extensive cooperation in New York that will last several years. The partnership's main focus is a project with the working title "International Discovery", which aims to develop an international exhibition of contemporary art. MoMA has plans to realize ambitious exhibitions and projects with support from Volkswagen – the first company to partner with the renowned New York museum. Volkswagen has entered into the cooperation as part of its "Think Blue" initiative, which promotes sustainable activities in all areas of life.

MANDATORY OFFER FOR MAN SE PUBLISHED

On May 9, 2011, Volkswagen AG announced that its share of the voting rights in MAN SE, Munich, had exceeded the threshold of 30% and amounted to 30.47%. In accordance with German takeover law, on May 31, 2011 Volkswagen therefore issued a mandatory public offer to all external shareholders of MAN SE to purchase their shares of MAN SE. The offer price was €95.00 per ordinary share and €59.90

per preferred share; the acceptance period expired on June 29, 2011. Shareholders tendered 35,857,607 ordinary shares and 164,613 preferred shares to Volkswagen as a result of this offer. Once the required official approvals have been granted – some of which were outstanding at the reporting date – Volkswagen will hold a total of 55.90% of the voting rights and 53.71% of the share capital of MAN SE, respectively.

This means that Volkswagen has reached an important milestone on the way to creating an integrated commercial vehicle group and is closer to its goal of leveraging substantial synergies between MAN, Scania and Volkswagen in the interests of all shareholders, employees and customers.

ANNUAL GENERAL MEETING

Volkswagen AG's 51st Annual General Meeting was held at the Congress Center Hamburg on May 3, 2011. With 92.0% of the voting capital present, the ordinary shareholders of Volkswagen AG formally approved the actions of the Board of Management and the Supervisory Board, the creation of authorized capital and the corresponding amendment to the Articles of Association, the authorization to acquire and use treasury shares, and an amendment to the Articles of Association for the purpose of establishing a uniform place of jurisdiction at the Company's domicile. They also granted their approval to the signing of an intercompany agreement and elected PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft as the auditors of the financial statements for fiscal year 2011 and as the auditors to review the condensed consolidated financial statements and interim management report for the first six months of 2011. The scheduled terms of office of Dr. Hans Michael Gaul and Dr. Jürgen Großmann expired at the end of the Annual General Meeting, which appointed Ms. Annika Falkengren, President and Group Chief Executive of Skandinaviska Enskilda Banken AB, Stockholm, and Mr. Khalifa Jassim Al-Kuwari, Executive Director of Qatar Holding LLC, Qatar, as shareholder representatives on the Supervisory Board. The Annual General Meeting also resolved to distribute a dividend of €2.20 per ordinary share and €2.26 per preferred share for fiscal year 2010.

The results of the votes of the meeting can be accessed on the Internet at www.volkswagenag.com/ir.

VICTORY FOR AUDI IN LE MANS

Audi won the legendary and demanding Le Mans 24 Hours for the tenth time. In a thrilling and spectacular race, the team, featuring drivers André Lotterer, Marcel Fässler and Benoit Tréluyer, saw off its rivals with a narrow lead of around 13 seconds after completing 355 laps. The reliability of the Audi R18 TDI, which did not have to make any unscheduled pit stops over the entire race, once again ensured victory in Le Mans.

Volkswagen Shares

The international equity markets trended upwards slightly overall in the first half of 2011, despite being highly volatile at times. After falling sharply at the end of the first quarter due to the natural disasters in Japan, share prices rallied strongly up to the end of April and reached new highs during the reporting period. The main drivers here were good corporate news and positive economic prospects. In May, the ongoing strained debt situation in certain eurozone countries impacted sentiment on the capital markets. The critical situation in Greece in particular led to a drop in share prices. Despite continued positive economic indicators, the downward trend continued in June, although hopes of quick support measures for Greece resulted in brief upward movements. A strong upturn did not begin until the end of the reporting period.

The DAX closed the first half of 2011 at 7,376 points, up 6.7% compared with December 31, 2010. At the end of the reporting period, the DJ Euro STOXX Automobile stood at 365 points, 9.8% higher than at the end of 2010.

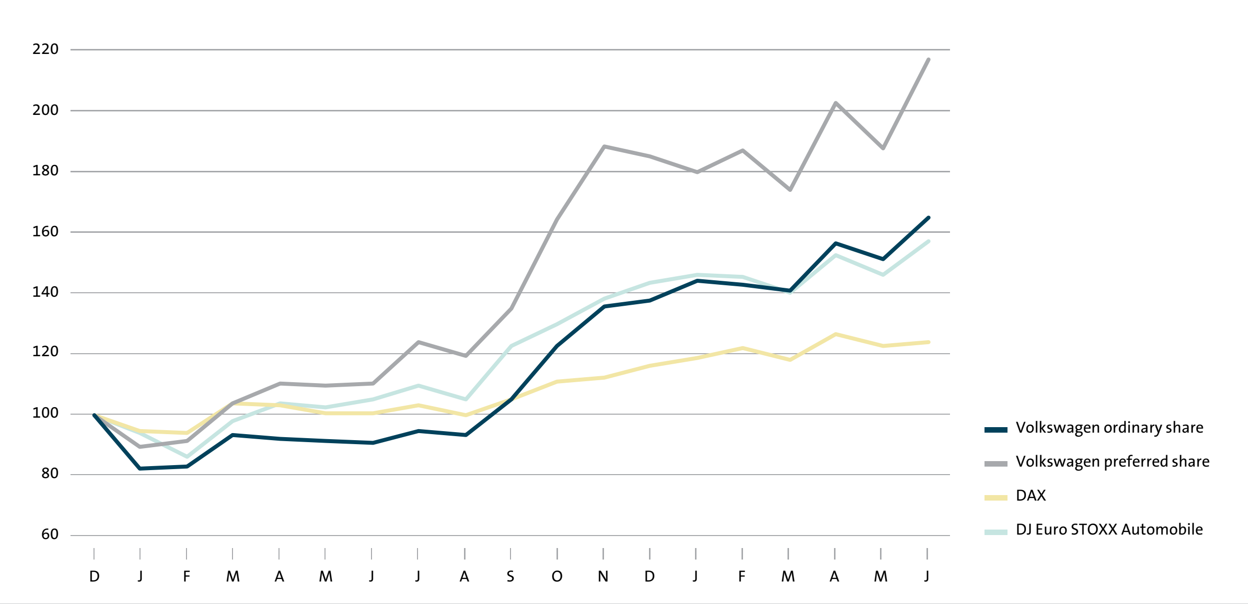
Volkswagen AG's preferred shares and ordinary shares outperformed the overall market in the second quarter of 2011. After declining slightly in the first half of April, they rose sharply at the end of the month, due mainly to the announcement of the Group's extremely positive results in the first quarter of 2011. In May, Volkswagen AG's share prices tracked the overall market and declined slightly, before picking up again in June. This was attributable in particular to reports of encouraging growth in Group deliveries.

On June 29, 2011, Volkswagen's preferred shares recorded their highest daily closing price in the reporting period of €142.70; their lowest price was €106.60 on March 16, 2011. The preferred shares closed the first half of 2011 at €142.35, 17.3% higher than on December 31, 2010. Volkswagen AG's ordinary shares reached their peak daily closing price for the reporting period of €127.30 on June 29, 2011. They fell to their lowest daily closing price, €100.20, on March 16, 2011. The ordinary shares closed the first half of 2011 at €126.70, 19.6% higher than at the end of fiscal year 2010.

Information and explanations on earnings per share can be found in the notes to the consolidated interim financial statements. Additional Volkswagen share data, plus corporate news, reports and presentations can be downloaded from our website at www.volkswagenag.com/ir.

SHARE PRICE DEVELOPMENT FROM DECEMBER 2009 TO JUNE 2011

Index based on month-end prices: December 31, 2009 = 100



Business Development

GENERAL ECONOMIC DEVELOPMENT

The global economy continued to grow in the reporting period, albeit at a slower pace in the second quarter. Economic growth was dampened by the effects of the sovereign debt crisis in parts of Europe, the ongoing tensions in North Africa and the Middle East, and the consequences of the natural disasters in Japan. While the pace of growth in the emerging markets remained high, expansion in the industrialized countries was moderate.

Growth in Western Europe remained muted in the first half of 2011. The debt crisis and the debate about the potential consequences for the European monetary system again impacted the economic climate. Growth in Central and Eastern European countries stabilized in the first six months of this year.

The German economy recorded strong growth in the first six months of 2011, with unemployment continuing to decline. In addition to exports, growth was increasingly driven by consumer spending and demand for capital goods.

The economic recovery in South Africa continued in the period from January to June 2011.

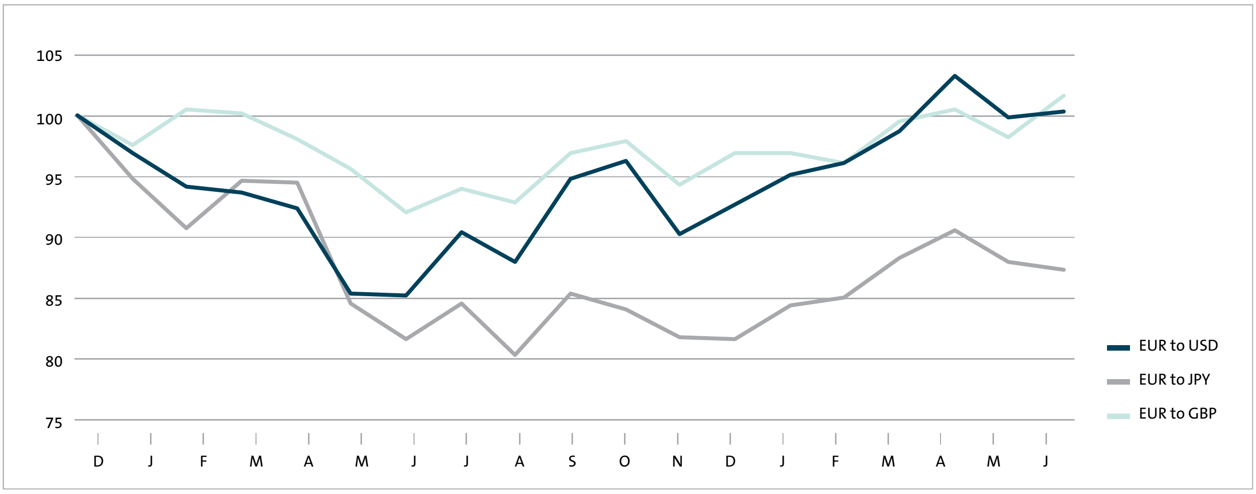
The economic recovery in the USA continued in the first half of 2011, but was slower than in previous upturns. Unemployment has remained high since the beginning of the year, while the US dollar has fallen sharply against the euro in the same period. The Mexican economy, which is heavily dependent on the USA, lost momentum.

The economic upturn in Brazil and Argentina has slowed in recent months, but remained strong.

Growth in China and India was in the high single digits in the period from January to June 2011, although substantial inflationary pressure continued. Japan experienced an economic slump as a result of its natural disasters.

EXCHANGE RATE MOVEMENTS FROM DECEMBER 2009 TO JUNE 2011

Index based on month-end prices: December 31, 2009 = 100



DEVELOPMENT OF AUTOMOTIVE MARKETS

New passenger car registrations worldwide were up year-on-year in the first six months of 2011, although the pace of growth slowed slightly in the second quarter. All regions recorded positive growth with the exception of Western Europe. The highest year-on-year increases were in the US, Chinese and Russian markets in particular.

The number of new passenger car registrations in Western Europe in the first six months of 2011 was down year-on-year. The expected decline in passenger car business in certain countries was mainly due to the end of government economic stimulus programs.

The passenger car market volume in Central and Eastern Europe recorded above-average growth in the first half of 2011. This was primarily attributable to the continuing recovery by the Russian market, which is profiting from the positive macroeconomic environment and the Russian government's support program.

Germany saw a significant rise in passenger car registrations in the period from January to June 2011 compared with the extremely low prior-year level. This growth was driven predominantly by business customers.

The recovery by the South African passenger car market continued in the period under review. June 2011 was the 18th month in a row to see a year-on-year increase in new car sales.

The recovery in the North America region continued in the period from January to June 2011. In the USA, the above-average increase in demand for fuel-efficient models led to a much higher market volume. The number of new registrations also rose in the Canadian and Mexican automotive markets, with significantly stronger growth in Mexico.

South American markets exceeded the previous year's record level in the first half of 2011. The largest market in the region, Brazil, continued to perform positively despite rising interest rates. Business vehicle registrations experienced above-average growth in the reporting period due to substantial subsidies from manufacturers. The expansion in the Brazilian passenger car market almost exclusively benefited imported vehicles in the reporting period. Argentina also saw its new passenger car registrations climb to a new high in the first six months of this year due to a favorable macroeconomic environment.

As expected, growth in the Asia-Pacific region's passenger car markets declined year-on-year in the period from January to June 2011. In the Chinese automotive market, the withdrawal of government incentives and regional restrictions on new car registrations were the main brakes on growth in passenger car demand. In Japan, the consequences of the natural disasters led to a dramatic fall in new passenger car registrations in the first half of 2011. The country's market had profited from tax breaks and scrapping premiums in the prior-year period. India recorded continued growth in passenger car demand. However, higher interest rates and fuel prices have resulted in a somewhat slower increase in passenger car sales.

DEMAND FOR HEAVY TRUCKS

Global demand for heavy trucks with a gross weight of more than 15 tonnes developed positively from January to June 2011.

The economic recovery and the resulting replacement purchases led to significantly higher sales volumes year-on-year in Western Europe.

Russia recorded a sharp increase compared with the previous year, continuing its recovery following heavy declines during the financial crisis.

The USA saw substantial market growth due to the positive trend in the relevant economic sectors. Generally, demand in the NAFTA countries was up year-on-year.

The overall trend in the South American market was extremely positive. The continent's largest market, Brazil, recorded strong growth in the first half of 2011; the same applied to Argentina.

As expected, demand for heavy trucks in China slowed as against the very high prior-year level. Nevertheless, China remained by far the world's largest market.

India exceeded its high prior-year figures.

DEMAND FOR FINANCIAL SERVICES

The markets for automotive financial services recorded strong demand in the first half of 2011. The European markets experienced higher demand for automotive-related financial services from business customers in particular. The leasing sector in Germany continued growing in both the commercial vehicle and passenger car segments. The positive growth experienced by the North and South American markets as well as the Asia-Pacific region in fiscal year 2010 continued in the reporting period.

VEHICLE DELIVERIES WORLDWIDE

In the first half of 2011, the Volkswagen Group delivered 4,128,622 vehicles to customers worldwide, exceeding the prior-year figure by 14.3%. With the exception of Lamborghini and Bugatti, all Group brands contributed to this increase. In particular the Audi (+17.7%), Škoda (+20.1%) and Volkswagen Commercial Vehicles (+29.0%) brands recorded encouraging growth rates. The Volkswagen Passenger Cars brand also continued its successful performance and for the first time delivered over 2.5 million vehicles to customers (+11.8%) between January and June. From a regional perspective, sales figures for the Group increased most in Central and Eastern Europe, North America and the Asia-Pacific region.

The table on this page gives an overview of deliveries to customers by market and of the respective passenger car market shares in the reporting period.

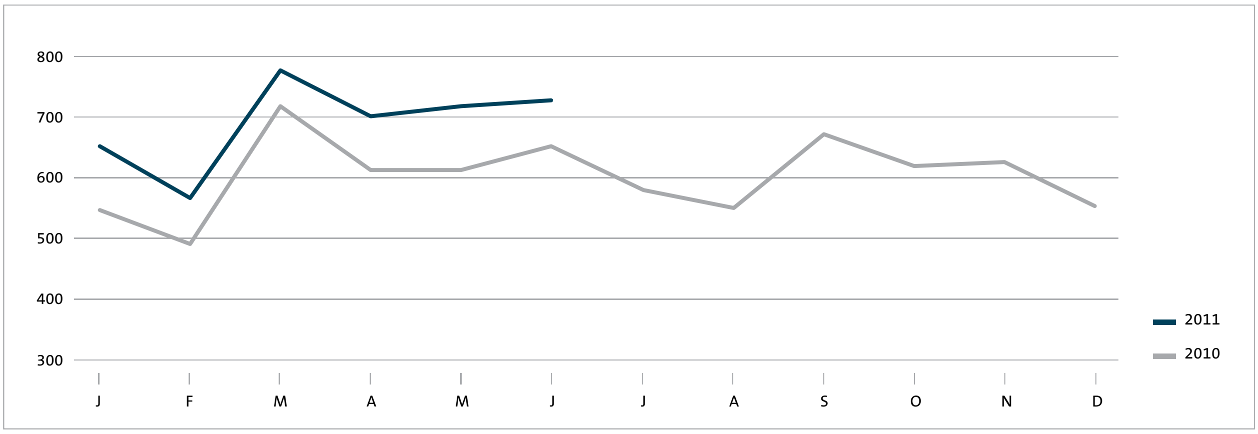
DELIVERIES TO CUSTOMERS BY MARKET FROM JANUARY TO JUNE[1]

	DELIVERIES (UNITS)		CHANGE	SHARE OF PASSENGER CAR MARKET (%)	
	2011	2010	(%)	2011	2010
Europe/Remaining markets	**2,084,702**	**1,875,832**	**+ 11.1**		
Western Europe	**1,662,449**	**1,552,392**	**+ 7.1**	**22.5**	**20.7**
of which: Germany	583,078	532,944	+ 9.4	35.9	36.0
United Kingdom	219,509	211,336	+ 3.9	19.4	17.4
France	163,051	141,655	+ 15.1	12.1	10.8
Italy	139,904	134,344	+ 4.1	13.1	11.1
Spain	121,339	151,497	– 19.9	24.9	24.1
Central and Eastern Europe	**259,791**	**199,099**	**+ 30.5**	**13.4**	**14.2**
of which: Russia	99,200	56,236	+ 76.4	7.9	7.3
Czech Republic	42,075	42,821	– 1.7	45.1	45.6
Poland	36,529	38,492	– 5.1	21.7	22.3
Remaining markets	**162,462**	**124,341**	**+ 30.7**		
of which: Turkey	57,577	36,921	+ 55.9	15.1	14.4
South Africa	48,402	35,985	+ 34.5	23.1	21.2
North America[2]	**319,344**	**263,364**	**+ 21.3**	**4.2**	**3.9**
of which: USA	211,080	175,323	+ 20.4	3.3	3.1
Mexico	72,490	57,723	+ 25.6	17.5	15.5
Canada	35,774	30,318	+ 18.0	4.4	3.9
South America	**464,983**	**419,898**	**+ 10.7**	**19.0**	**20.1**
of which: Brazil	351,014	333,397	+ 5.3	22.4	22.9
Argentina	88,929	67,465	+ 31.8	24.2	25.7
Asia-Pacific	**1,259,593**	**1,053,388**	**+ 19.6**	**11.4**	**9.8**
of which: China	1,107,478	950,729	+ 16.5	18.6	17.9
India	55,141	17,436	x	4.6	1.7
Japan	34,097	33,885	+ 0.6	2.1	1.5
Worldwide	**4,128,622**	**3,612,482**	**+ 14.3**	**12.4**	**11.7**
Volkswagen Passenger Cars	2,530,239	2,263,696	+ 11.8		
Audi	652,970	554,864	+ 17.7		
Škoda	454,698	378,747	+ 20.1		
SEAT	186,448	181,815	+ 2.5		
Bentley	2,977	2,489	+ 19.6		
Lamborghini	674	674	+ 0.0		
Volkswagen Commercial Vehicles	260,302	201,855	+ 29.0		
Scania	40,300	28,321	+ 42.3		
Bugatti	14	21	– 33.3		

1 Deliveries and market shares for 2010 have been updated to reflect subsequent statistical trends.
2 Overall markets in the USA, Mexico and Canada include passenger cars and light trucks.

VOLKSWAGEN GROUP DELIVERIES BY MONTH

Vehicles in thousands



Sales trends in the individual markets are as follows.

DELIVERIES IN EUROPE/REMAINING MARKETS

In the first six months of this year, the Volkswagen Group delivered 7.1% more vehicles to customers in Western Europe than in the previous year, thus outperforming the passenger car market as a whole (–2.1%) by a significant margin. Vehicles sold in Western Europe accounted for 40.3% (43.0%) of the Group's total delivery volume. We improved on our sales figures in virtually all major markets in this region. The Group's volume brands recorded significant year-on-year increases in some cases. The sole exception was SEAT, whose delivery volumes were on a level with the previous year as a result of the sharp downturn in the Spanish market. The most popular models in the first half of 2011 were the Touran, Tiguan, Passat Variant, Audi Q7, Škoda Fabia Estate, Škoda Yeti, Škoda Superb Estate, Multivan/Transporter and Caddy. Figures for the new Jetta, Sharan, Audi A1, Audi A7 Sportback, SEAT Ibiza ST and SEAT Alhambra models were also encouraging. The market share held by the Volkswagen Group in Western Europe increased to 22.5% (20.7%).

In Germany, Volkswagen Group sales volumes increased noticeably between January and June 2011. The corresponding prior-year figure, which was adversely affected by the end of the government scrapping premium, was exceeded by 9.4%. The Touran, Tiguan, Passat saloon, Passat Variant, Audi Q7, Škoda Superb Estate, Škoda Yeti, Škoda Roomster, SEAT Altea and Caddy models recorded the highest growth rates. At the end of the reporting period, six Volkswagen Group models led the Kraftfahrt-bundesamt (KBA – German Federal Motor Transport Authority) registration statistics in their respective segments: the Polo, Golf, Passat, Touran, Tiguan and Caddy. The Golf remained the undisputed leader among newly registered vehicles in the German passenger car market in 2011, followed by the Passat and the Polo. The share of the German passenger car market held by the Volkswagen Group in the first six months of 2011 was 35.9% (36.0%).

Demand for Volkswagen Group vehicles rose greatly in Central and Eastern Europe in the reporting period, exceeding the prior-year figure by 30.5%. This was due in particular to our sales performance in Russia (+76.4%), which remained positive. In the remaining relevant markets of Central and Eastern Europe – with the exception of Poland and the Czech Republic – we sold more vehicles than in the previous year. There was particularly strong demand for almost all Volkswagen Passenger Cars brand models as well as the Audi A4, Audi A6 and all Škoda brand models, the SEAT Altea, Multivan/Transporter and Caddy.

Demand for Volkswagen Group models remained strong in the local passenger car market in South Africa. Deliveries to customers increased by 34.5% in the first half of 2011. As a result, the Group's market share in South Africa climbed to 23.1% (21.2%).

DELIVERIES IN NORTH AMERICA

Volkswagen Group sales in the US passenger car market were up 20.4% year-on-year in the first half of this year. Demand was strong for the Golf, Golf Variant, Tiguan, Passat CC, Audi Q5, Audi Q7 and Audi A8 models, but above all for the new Jetta.

In Canada, we delivered 18.0% more vehicles to customers than in the first half of 2010. The Touareg, Audi A4 and Audi Q5 models were particularly popular. The new Jetta was also well received by Canadian customers. The Volkswagen Group succeeded in outperforming the buoyant Mexican passenger car market during the reporting period, increasing its sales to customers by 25.6% year-on-year. In particular the new Jetta and the SEAT Ibiza contributed to this success.

DELIVERIES IN SOUTH AMERICA

From January to June of this year, the Volkswagen Group sold 10.7% more vehicles in South America than in the corresponding period in the previous year. After falling slightly in the first quarter of 2011, deliveries in Brazil increased by 5.3% year-on-year at the end of the reporting period. Demand was especially strong for the Gol and Voyage models. The total delivery figures also include the Amarok, Saveiro and T2 light commercial vehicles. We sold 21.1% more of these models in Brazil than in the same period in the previous year. The Volkswagen Group recorded a 22.4% (22.9%) share of the Brazilian market.

The Volkswagen Group was able to participate in the dynamic performance of the overall Argentinian market and increased its deliveries to customers by 31.8% year-on-year in the first six months of 2011. Demand for the Gol, Voyage and Bora models was particularly strong. The Volkswagen Group's market share fell to 24.2% (25.7%); however, this did not affect our leadership of the Argentinian market.

DELIVERIES IN THE ASIA-PACIFIC REGION

Compared with the dynamic performance of the previous year, growth in the Asia-Pacific passenger car markets slowed down noticeably in the first six months of 2011 (+2.6%). The Volkswagen Group outperformed the overall market, selling 19.6% more vehicles in this region than in the same period in the previous year. This was primarily attributable to high demand for Group models in the Chinese passenger car market. The number of vehicles delivered to customers in this market was up 16.5% year-on-year, with almost all models improving on prior-year levels. With a market share of 18.6% (17.9%), the Volkswagen Group remained the leader of the highly competitive Chinese passenger car market. From January to June 2011 we sold 0.6% more vehicles in Japan than in the corresponding prior-year period. The Touran and Audi Q5 models recorded an increase in demand.

In the first half of 2011, the Volkswagen Group delivered more vehicles to customers in the remaining markets of the Asia-Pacific region than in the previous year. Sales to the Indian market more than tripled.

DELIVERIES OF HEAVY COMMERCIAL VEHICLES

The Scania brand delivered 40,300 units worldwide in the first half of 2011, an increase of 42.3% year-on-year. The highest growth was recorded in Europe (+75.2%), above all in Central and Eastern Europe. However, demand was also high in the markets of South America and the Asia-Pacific region.

GROUP FINANCIAL SERVICES

In the first half of 2011, Volkswagen Financial Services recorded the same high level of demand for its products and services as in the previous year. A total of 1.5 million new finance, leasing and insurance contracts were signed worldwide in the first six months of 2011; this was 20.1% more than in the same period in 2010. The total number of contracts as of June 30, 2011, was 7.9 million, an increase of 6.1% on the previous year.

A total of 1.1 million new contracts were signed in Europe (+20.4%) between January and June 2011. The total number of contracts there rose by 7.1% to 6 million.

WORLDWIDE DEVELOPMENT OF INVENTORIES

At the end of the first half of 2011, global inventories held by Group companies and the dealer organization were up on the levels recorded at the end of 2010 and as of June 30, 2010.

UNIT SALES, PRODUCTION AND EMPLOYEES

In the first half of 2011, the Volkswagen Group sold a total of 4,133,330 vehicles to the dealer organization worldwide, an increase of 15.9% year-on-year. Sales outside Germany increased by 15.4% compared with the previous year. This can be attributed above all to the strong demand in the Chinese passenger car market. In Germany, sales increased by 18.9% on the figure at the end of the previous year, which was adversely affected by the end of the government scrapping premium. The proportion of vehicles sold in Germany was 15.3% (15.0%).

The Volkswagen Group produced a total of 4,184,350 vehicles in the first six months of this year. This was 16.7% more than at the same point in 2010. 7.3% more models were manufactured in Germany, reducing the proportion of domestically produced vehicles to 28.6% (31.1%).

The Volkswagen Group had 421,420 active employees as of June 30, 2011. 4,186 employees were in the passive phase of their early retirement and 9,673 young people were in apprenticeships. The Volkswagen Group employed 435,279 people worldwide at the end of the first half of 2011. This was 9.0% more than at the end of 2010. Besides the development of new production facilities and the expanded production volume in Germany and abroad, this increase can be attributed primarily to the acquisition of the trading business of Porsche Holding Salzburg on March 1, 2011. The number of people employed in Germany was 186,656 (+2.9%); this is equivalent to 42.9% of the total headcount.

OPPORTUNITY AND RISK REPORT

There were no significant changes to the opportunity position of the Volkswagen Group compared with the information contained in the Report on Expected Developments in the 2010 Annual Report. The natural disasters in Japan and their potential consequences can now be assessed with a greater degree of certainty. We therefore believe that the overall impact of these events will remain limited, although specific effects cannot be ruled out.

CONSUMPTION AND EMISSION DATA

In accordance with Pkw-EnVKV (German Passenger Car Fuel Consumption and CO_2 Emissions Information Regulation)

MODEL	OUTPUT kW (PS)	FUEL CONSUMPTION (l/100km) urban	extra-urban	combined	CO_2-EMISSIONS (g/km) combined
Volkswagen Golf GTI Edition 35, 6-speed DSG	173 (235)	10.7	6.4	8.0	185
Volkswagen Passat Variant 2.0 TDI BlueMotion Technology, 6-speed manual	125 (170)	5.6	4.2	4.7	123
Volkswagen Passat Variant 2.0 TDI BlueMotion Technology, 6-speed DSG	125 (170)	6.3	4.6	5.3	139

Results of Operations, Financial Position and Net Assets

Volkswagen acquired Porsche Holding Salzburg's operating business for €3.3 billion as of March 1, 2011. The trading business is included in the Automotive Division's results from March 2011. Porsche Holding Salzburg's financial services business is reflected in the figures for the Financial Services Division.

On May 9, 2011, Volkswagen AG increased its holdings of MAN SE's ordinary shares to 30.47%. The future acquisition of additional shares resulting from the mandatory offer is expected to lead to a further cash outflow in the second half of 2011; this acquisition still requires various regulatory approvals.

VOLKSWAGEN GROUP SALES REVENUE

In the first six months of 2011, the Volkswagen Group generated sales revenue of €77.8 billion, up 25.8% year-on-year due mainly to volume-related factors. At €69.3 billion, sales revenue in the Automotive Division was 26.0% higher than in the previous year. In addition to increased volumes, this is primarily attributable to model and country mix improvements as well as initial consolidations, in particular of Porsche Holding Salzburg. The Group's strong business growth in the Chinese passenger car market is mainly reflected in the Group's sales revenue only by deliveries of vehicle parts, as our Chinese joint ventures are accounted for using the equity method. In the period from January to June 2011, the Financial Services Division generated sales revenue of €8.4 billion, an increase of 24.0% compared with the first half of 2010. The proportion of sales generated outside Germany was 77.7% (78.1%).

EARNINGS DEVELOPMENT

The Volkswagen Group's gross profit amounted to €14.2 billion in the reporting period. This represents year-on-year growth of 42.1%, and was driven by both improved volumes and lower product costs. The gross margin rose to 18.2% (16.1%). At €12.3 billion, gross profit in the Automotive Division was €4.0 billion higher than in the first six months of 2010. The Financial Services Division's gross profit improved by 14.5% to €1.9 billion.

Business expansion meant that the Group's distribution expenses increased by 10.9% in the first half of 2011. However, the ratio of distribution expenses to sales revenue declined. The ratio of administrative expenses to sales revenue rose by 0.1 percentage points, due to both the initial consolidation of companies and stricter bank regulatory requirements, among other factors. The Group's other operating income grew by €0.2 billion year-on-year to €0.7 billion.

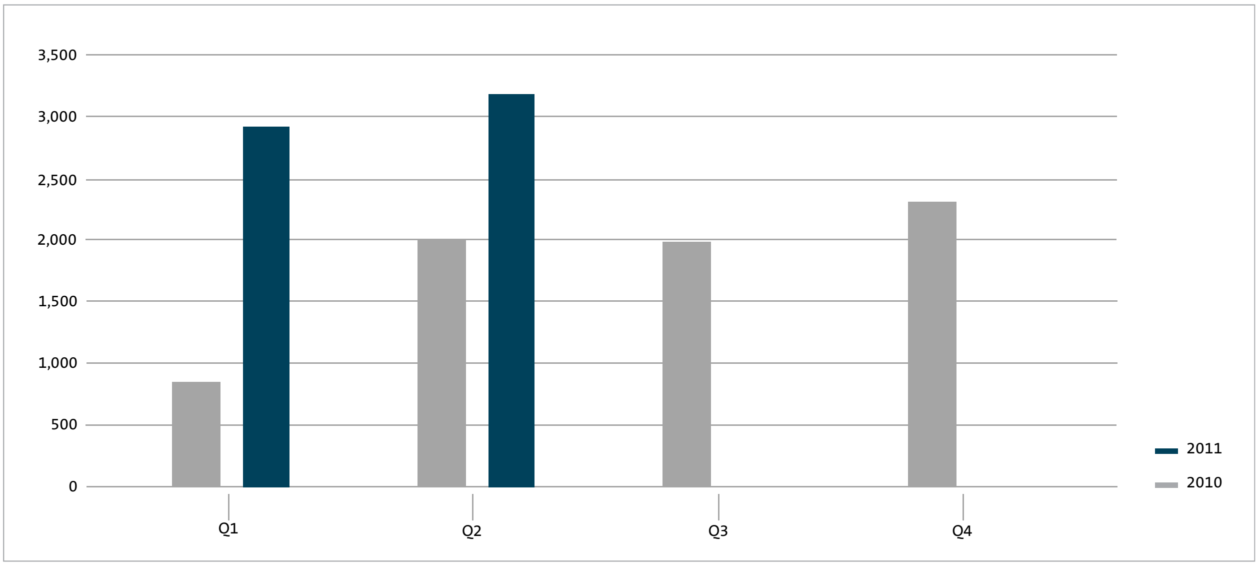
In the first half of 2011, the Volkswagen Group recorded an operating profit of €6.1 billion, exceeding the figure for H1/2010 by €3.2 billion. The positive business performance of our Chinese joint ventures is not reflected in the Group's operating profit, as these are accounted for using the equity method.

The financial result increased by €2.4 billion to €2.1 billion. In addition to lower finance costs and improved income from equity-accounted investments – in particular the Chinese joint ventures and Porsche Zwischenholding GmbH – positive effects resulted mainly from the updated measurement of the put/call rights relating to Porsche Zwischenholding GmbH. The change in the fair value of the options was attributable in particular to the adjustment of the enterprise value resulting from Porsche Zwischenholding GmbH's updated business plans. The financial result was impacted by the measurement of the derivative financial instruments used for currency hedging as of the reporting date.

In the period from January to June 2011, the Volkswagen Group's profit before tax increased by €5.6 billion year-on-year to €8.2 billion. At €6.5 billion, profit after tax was €4.7 billion higher.

OPERATING PROFIT BY QUARTERS

Volkswagen Group in € million



INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT, AND CASH FLOW IN THE AUTOMOTIVE DIVISION

Investments in property, plant and equipment in the Automotive Division amounted to €2.5 billion in the first half of 2011, up €0.6 billion year-on-year. We invested primarily in our new production facilities, models to be launched in 2011 and 2012, and the ecological alignment of our model range. The significant growth in sales revenue meant that investments in property, plant and equipment in the reporting period were only slightly higher than in the previous year, at 3.7% (3.5%).

The Automotive Division's gross cash flow in the first half of 2011 was up by €2.6 billion compared with the prior-year period to €8.6 billion due to the positive business development. Cash inflows in working capital almost equaled cash outflows. Cash flows from operating activities amounted to €8.4 billion (€7.3 billion). Reflecting the acquisition of Porsche Holding Salzburg, the equity interest in SGL Carbon SE and the increase in holdings of MAN SE ordinary shares to 30.47%, the total cash outflow from investing activities attributable to operating activities was €6.5 billion (€4.5 billion). This does not include the future acquisition of additional MAN SE shares due to the mandatory offer. Once the required official approvals have been granted – some of which were outstanding at the reporting date – the resulting cash outflow of around €3.4 billion is expected in the second half of 2011. At €1.9 billion, net cash flow in the Automotive Division was €0.8 billion lower than in the first half of 2010.

NET LIQUIDITY

At €19.4 billion, the Automotive Division's net liquidity at the end of the reporting period was €0.8 billion higher than at December 31, 2010.

The Financial Services Division's negative net liquidity, which is common in the industry, increased due to business expansion and the inclusion of Porsche Holding Salzburg's financial services business. It amounted to €–74.2 billion on June 30, 2011, as against €–68.0 billion at the end of December 2010.

At the end of the first half of 2011, the Volkswagen Group recorded net liquidity of €–54.8 billion, €5.5 billion lower than on December 31, 2010.

AUTOMOTIVE DIVISION BALANCE SHEET STRUCTURE

The consolidation of Porsche Holding Salzburg primarily led to an increase in inventories and debt. In view of the size of Porsche Holding Salzburg, determining the fair values of the assets acquired and liabilities assumed requires a detailed examination; the figures are provisional as of the date of the half-yearly financial statements.

On June 30, 2011, noncurrent assets in the Automotive Division were 6.6% higher than at year-end 2010 – mainly due to the acquisition of Porsche Holding Salzburg. The carrying amount of property, plant and equipment rose by 3.7%. In current assets, which increased by 14.9% compared with December 31, 2010, the acquisition of Porsche Holding Salzburg was reflected primarily in higher inventories. The positive business development in the reporting period meant that the Group's cash and cash equivalents were higher than at the end of 2010 despite the takeover of Porsche Holding Salzburg and the dividend payment.

The Automotive Division's equity attributable to shareholders of Volkswagen AG amounted to €42.8 billion at the end of the reporting period, up €5.8 billion on December 31, 2010. Positive effects from strong earnings development, higher fair values of derivative financial instruments and lower actuarial losses on the measurement of pension provisions that are recognized in other comprehensive income contrasted with negative effects from foreign exchange differences and the dividend payment. Including noncontrolling interests, which chiefly relate to noncontrolling interests in Scania, equity amounted to €45.3 billion (€39.5 billion). Noncurrent liabilities were 3.5% lower than at the end of 2010. The decline is due mainly to the reclassification of financial liabilities as current. By contrast, current liabilities rose by 24.2% following business expansion. The figures for the Automotive Division also contain the elimination of intra-Group transactions between the Automotive and Financial Services divisions. As the current financial liabilities for the primary Automotive Division were lower than the loans granted to the Financial Services Division, a negative amount was disclosed for the reporting period.

At €122.9 billion, the Automotive Division's total assets as of June 30, 2011 were 10.2% higher than on December 31, 2010.

FINANCIAL SERVICES DIVISION BALANCE SHEET STRUCTURE

The consolidation of Porsche Holding Salzburg's financial services business led in particular to an increase in financial services receivables and debt at the Financial Services Division. At €95.2 billion, total assets in the Financial Services Division at the end of the reporting period were 8.4% higher than at the end of 2010.

Noncurrent assets increased by 7.1%. Within the noncurrent assets item, financial services receivables in particular grew due to business expansion and the inclusion of Porsche Holding Salzburg. Higher receivables and cash and cash equivalents as a result of volume-related factors led to a 10.2% increase in current assets compared with December 31, 2010. The Financial Services Division accounted for approximately 44% of the Volkswagen Group's assets on June 30, 2011.

The Financial Services Division's equity amounted to €10.4 billion at the end of the first half of 2011, 13.6% higher than at the end of fiscal year 2010 because of the stronger profit and the capital increase by Volkswagen AG. Noncurrent liabilities rose by 25.2% due to greater financial liabilities. At €45.5 billion, current liabilities were 3.8% lower than as of December 31, 2010.

Deposits at Volkswagen Bank direct amounted to €18.9 billion (€18.9 billion) on June 30, 2011.

Outlook

The global economy recorded further growth in the first six months of 2011. We expect this trend to continue in the second half of the year, albeit at a slower pace. We still see the greatest potential in the emerging markets of Asia and Latin America, whereas the industrialized nations will continue their moderate growth. However, the strained debt situation of many countries, the continuing debate about the stability of the European monetary system, and an increase in inflationary trends are dampening economic prospects. The natural disasters in Japan and their potential consequences can now be assessed with a greater degree of certainty. We therefore believe that the overall impact of these events will remain limited, although specific effects cannot be ruled out.

In the second quarter of 2011, the global automotive markets continued the trends of the first three months. Overall, they were up year-on-year in the reporting period, although individual market performance was mixed. While Germany and France were the only key Western European markets to exceed their prior-year figures, only Poland, Czech Republic and Romania did not match their 2010 volumes in Central and Eastern Europe. Sales figures also increased in the markets in North and South America as well as in the Asia-Pacific region, with the exception of Japan.

We again expect uneven development in the global automotive markets in the second half of 2011. The strained debt situation in certain eurozone countries and the end of subsidy programs will have a negative impact on demand for new vehicles in many Western European countries. By contrast, we expect an increase in vehicle sales in Central and Eastern Europe. The positive trends will continue in the strategically important markets of China and India, and we also expect new vehicle registrations to rise in the markets of North and South America. Overall, global demand for passenger cars in 2011 is expected to exceed the level for 2010.

The Volkswagen Group's key competitive advantages are its unique brand portfolio and its continually growing presence in all key regions of the world. Thanks to our expertise in technology and design, we have a diverse, attractive and environmentally friendly range of products that meets all customer desires and needs. In addition, the modular toolkit system, which we are continually optimizing, will have an increasingly positive effect on the Group's cost structure. In the second half of 2011, the Volkswagen Group's brands will once again launch a large number of fascinating new models, thus further expanding our strong position in the global markets. We are therefore expecting our full-year deliveries to customers to increase as against the previous year.

We expect the Group's sales revenue and operating profit in 2011 to be significantly higher than the previous year. However, the continuing volatility in interest and exchange rates and commodities prices will weaken the positive volume effect. Disciplined cost and investment management and the continuous optimization of our processes remain core components of our "Strategy 2018".

This report contains forward-looking statements on the business development of the Volkswagen Group. These statements are based on assumptions relating to the development of the economic and legal environment in individual countries and economic regions, and in particular for the automotive industry, which we have made on the basis of the information available to us and which we consider to be realistic at the time of going to press. The estimates given entail a degree of risk, and the actual developments may differ from those forecast. Consequently, any unexpected fall in demand or economic stagnation in our key sales markets, such as Western Europe (and especially Germany) or in the USA, Brazil, China, or Russia will have a corresponding impact on the development of our business. The same applies in the event of a significant shift in current exchange rates relative in particular to the US dollar, sterling, Czech koruna, Swedish krona, Russian ruble, Australian dollar, Polish zloty, Swiss franc, Mexican peso and Japanese yen. In addition, expected business development may vary if the assessments of value-enhancing factors and risks presented in the 2010 Annual Report develop in a way other than we are currently expecting, or additional risks or other factors emerge that adversely affect the development of our business.

Brands and Business Fields

SALES REVENUE AND OPERATING PROFIT BY BRAND AND BUSINESS FIELD

The Volkswagen Group generated sales revenue of €77.8 billion in the first six months of 2011, a year-on-year increase of 25.8% due mainly to volume-related factors. At €6.1 billion, operating profit was more than twice as high as in 2010 (€2.8 billion).

The Volkswagen Passenger Cars brand sold 2.2 million vehicles in the reporting period, an increase of 13.7% compared with the previous year. The Polo, Tiguan, Touareg, Jetta, Passat Variant and Sharan models recorded the strongest growth rates. As a result of the higher volume, sales revenue was up 19.5% to €46.9 billion. Operating profit rose by €1.1 billion year-on-year to €2.1 billion. In addition to the increase in unit sales, this was also attributable to mix improvements.

Unit sales by the Audi brand were up 15.3% year-on-year to 762 thousand vehicles in the period from January to June 2011. Demand for the Audi Q5 and Audi Q7 models was particularly strong. The new Audi A1, Audi A7 Sportback and Audi A8 models were also popular with customers. Volume growth and mix improvements lifted sales revenue by 22.5% to €21.5 billion. Operating profit increased by €1.2 billion to €2.5 billion. Process and cost optimization also had a positive impact. The figures for the Lamborghini brand are included in the key figures for the Audi brand.

In the first six months of 2011, the Škoda brand sold 362 thousand vehicles, 21.3% more than in the previous year. All the brand's model ranges exceeded the prior-year unit sales figures. Sales revenue increased by 25.7% to €5.4 billion. Operating profit improved by €186 million to €412 million. In addition to the rise in volumes, mix effects and cost optimization also contributed to this growth.

In the Spanish passenger car market, demand for vehicles was much lower in the first half of 2011 than in the prior-year period. Nevertheless, unit sales by the SEAT brand were up slightly year-on-year (+1.0%) to 188 thousand vehicles worldwide. The new Ibiza ST and Alhambra models were well received by the market. Sales revenue rose by 4.7% year-on-year to €2.8 billion. The operating loss narrowed by €110 million to €48 million. This was due to optimized marketing costs, among other things.

The luxury segment continued to recover in the reporting period. The Bentley brand sold 42.2% more vehicles in the first six months of 2011 than it did in the previous year. Sales revenue rose by 51.9% to €486 million. At €17 million, the operating loss was significantly lower than in the first half of 2010 (€109 million). Earnings were negatively impacted by upfront expenditures for new products and exchange rate effects.

Volkswagen Commercial Vehicles lifted its unit sales by 36.9% in the period from January to June 2011 to a total of 218 thousand vehicles. Sales revenue was up 24.8% year-on-year to €4.4 billion. Primarily as a result of the higher volume, operating profit rose by €117 million to €235 million.

Unit sales by the Scania brand were up 42.3% year-on-year to 40 thousand vehicles in the first half of 2011. Demand increased sharply in Europe in particular as well as in the Asia-Pacific and Middle East markets. Sales revenue improved by 28.6% to €5.0 billion. At €743 million, operating profit was €166 million higher than in the first six months of 2010.

Volkswagen Financial Services lifted its operating profit by €191 million year-on-year to €553 million in the reporting period.

VOLKSWAGEN GROUP

Division	AUTOMOTIVE DIVISION								FINANCIAL SERVICES
Brand/Business Field	Volkswagen Passenger Cars	Audi	Škoda	SEAT	Bentley	Volkswagen Commercial Vehicles	Scania	Other	Dealer and customer financing Leasing Directbank Insurance Fleet business

UNIT SALES AND SALES REVENUE BY MARKET

In the passenger car markets in the Europe/Remaining markets region, the Volkswagen Group sold a total of 2.1 million vehicles in the first half of 2011, 12.0% more than in the prior-year period. Sales revenue was up 25.6% year–on–year to €52.0 billion.

The Group's unit sales in North America rose by 19.6% to 317 thousand vehicles in the period from January to June 2011, outpacing growth in the North American market as a whole. As a result of the higher volume, sales revenue was up by €0.9 billion to €8.2 billion. Exchange rates had a negative effect.

In the passenger car markets in South America, the Volkswagen Group sold a total of 461 thousand vehicles, exceeding the prior-year figure by 7.8%. Sales revenue increased by €1.0 billion to €7.0 billion, mainly because of the higher volume and exchange rate effects.

The Group's unit sales in the Asia-Pacific region, including the Chinese joint ventures, climbed by 25.5% to a total of 1.3 million vehicles in the reporting period. At €10.4 billion, sales revenue was 48.8% higher than in 2010. This figure does not include the sales revenue of our Chinese joint ventures, as these are accounted for using the equity method.

KEY FIGURES BY BRAND AND BUSINESS FIELD FROM JANUARY 1 TO JUNE 30[1]

	VEHICLE SALES		SALES REVENUE		SALES TO THIRD PARTIES		OPERATING RESULT	
thousand vehicles/€ million	2011	2010	2011	2010	2011	2010	2011	2010
Volkswagen Passenger Cars	2,207	1,940	46,874	39,222	36,207	30,565	2,131	1,027
Audi	762	660	21,526	17,565	14,801	12,243	2,540	1,331
Škoda	362	298	5,363	4,266	3,296	2,734	412	227
SEAT	188	186	2,760	2,635	1,844	1,911	−48	−157
Bentley	3	2	486	320	460	305	−17	−109
Volkswagen Commercial Vehicles	218	159	4,416	3,539	2,710	2,362	235	118
Scania[2]	40	28	5,034	3,915	5,034	3,915	743	577
VW China[3]	1,053	861	–	–	–	–	–	–
Other[4]	−699	−570	−16,480	−16,220	6,261	1,316	−465[5]	−534[5]
Volkswagen Financial Services	–	–	7,790	6,567	7,156	6,459	553	362
Volkswagen Group	**4,133**	**3,566**	**77,767**	**61,809**	**77,767**	**61,809**	**6,086**	**2,841**
of which: Automotive Division	4,133	3,566	69,336	55,009	70,014	55,118	5,485	2,474
Financial Services Division	–	–	8,432	6,800	7,753	6,691	600	367

1 All figures shown are rounded, so minor discrepancies may arise from addition of these amounts.
2 Vehicles & Services and Financial Services.
3 The sales revenue and operating profit of the joint venture companies in China are not included in the figures for the Group. The Chinese companies are accounted for using the equity method and recorded an operating profit (proportionate) of €1,162 million (€843 million). The prior-year figures were adjusted.
4 Including Porsche Holding Salzburg from March 1, 2011.
5 Mainly intragroup items recognized in profit or loss, in particular from the elimination of intercompany profits; the figure includes depreciation and amortization of identifiable assets as part of the purchase price allocation for Scania and Porsche Holding Salzburg.

KEY FIGURES BY MARKET FROM JANUARY 1 TO JUNE 30[1]

	VEHICLE SALES		SALES REVENUE	
thousand vehicles/€ million	2011	2010	2011	2010
Europe/Remaining markets	2,081	1,858	52,045	41,432
North America	317	265	8,247	7,325
South America	461	427	7,046	6,042
Asia-Pacific[2]	1,274	1,016	10,429	7,010
Volkswagen Group[2]	**4,133**	**3,566**	**77,767**	**61,809**

1 All figures shown are rounded, so minor discrepancies may arise from addition of these amounts.
2 The sales revenue of the joint venture companies in China are not included in figures for the Group and the Asia-Pacific market.

VOLKSWAGEN FINANCIAL SERVICES

With its innovative products along the automotive value chain, Volkswagen Financial Services once again contributed to the Volkswagen Group's strong sales and earnings performance in the second quarter of 2011.

According to the latest ranking by Leaseurope, the European Federation of Leasing Company Associations, Volkswagen Leasing GmbH has been the largest leasing company in Germany since 2010. The new long-term rental product from Volkswagen Leasing GmbH enables fleet operators to manage their fleet even more efficiently now that a practicable and flexible solution is available to meet individual mobility needs for a period ranging from one to twelve months. The offering comprises models from the Volkswagen Passenger Cars brand and Volkswagen Commercial Vehicles.

In June, Volkswagen Leasing GmbH unveiled a new project together with Naturschutzbund Deutschland e.V. (NABU – Nature and Biodiversity Conservation Union): the regreening of a project site in the "Großes Moor" nature reserve near Gifhorn in Lower Saxony is intended to protect 150 endangered animal and 40 endangered vascular plant species. Volkswagen Leasing GmbH's Environmental Program promotes the use in fleet operations of vehicles with reduced fuel consumption and emissions and at the same time contributes to environmental protection projects.

In May 2011, Volkswagen Bank GmbH confirmed its dominance of the European ABS market with the Driver 9 securitization transaction. In the course of a roadshow and subsequent bookbuilding process, loan receivables amounting to €750 million were successfully placed with investors. Driver 9 is already the third public benchmark ABS transaction this year. The high level of demand and market acceptance once again reflected the considerable confidence investors have in the transactions conducted by Volkswagen Bank GmbH.

In June 2011, Volkswagen's financial services providers opened up the Spanish auto ABS market with the €687 million Driver España One securitization transaction. The roll-out of the Driver platform is a key element of the refinancing strategy. Spain is now the third country after Germany and the United Kingdom in which Volkswagen's financial services providers are active with the Driver platform.

Volkswagen Financial Services also continued expanding its financial services business internationally. For example, the Volkswagen Versicherung AG branch established in France in the first half of 2011 has already sold 16,642 guarantee agreements.

A total of 1.5 million new financing, leasing, service and insurance contracts were signed in the period from January to June 2011, a 20.1% increase on the prior-year figure. The total number of contracts as of June 30, 2011 was 6.1% higher than at December 31, 2010. The number of contracts in the Customer Financing/Leasing area was up 2.6% on year-end 2010 to 5.4 million and the number of contracts in the Service/Insurance area was 14.2% higher. The prior-year contract figures were adjusted to reflect the current definition. Leased or financed vehicles accounted for 34.7% (33.4%) of total Group deliveries worldwide based on unchanged credit eligibility criteria. Receivables relating to dealer financing exceeded the figure as of December 31, 2010 by 6.3%.

Volkswagen Bank direct managed 1.4 million accounts at the end of the reporting period, 1.0% more than at the end of 2010. Volkswagen Financial Services employed 8,046 people as of June 30, 2011.

The number of contracts in our fleet management business in the first half of 2011 was on a level with year-end 2010. Our Lease Plan joint venture managed around 1.3 million vehicles at the end of June 2011.

Interim Financial Statements (Condensed)

Income Statement for the Period January 1 to June 30

	VOLKSWAGEN GROUP		DIVISIONS			
			AUTOMOTIVE[1]		FINANCIAL SERVICES	
€ million	2011	2010	2011	2010	2011	2010
Sales revenue	**77,767**	**61,809**	**69,336**	**55,009**	**8,432**	**6,800**
Cost of sales	−63,608	−51,846	−57,041	−46,675	−6,567	−5,171
Gross profit	**14,159**	**9,963**	**12,294**	**8,334**	**1,865**	**1,629**
Distribution expenses	−6,768	−6,103	−6,395	−5,752	−372	−351
Administrative expenses	−1,978	−1,494	−1,596	−1,184	−382	−310
Other operating income/expense	672	475	1,182	1,075	−510	−600
Operating profit	**6,086**	**2,841**	**5,485**	**2,474**	**600**	**367**
Share of profits and losses of equity-accounted investments	1,241	734	1,170	677	72	58
Other financial result	906	−951	908	−1,005	−2	54
Financial result	**2,147**	**−217**	**2,078**	**−328**	**69**	**111**
Profit before tax	**8,233**	**2,624**	**7,563**	**2,146**	**669**	**478**
Income tax expense	−1,737	−800	−1,610	−685	−128	−116
Profit after tax	**6,496**	**1,824**	**5,954**	**1,462**	**542**	**362**
Noncontrolling interests	229	150	219	148	10	3
Profit attributable to shareholders of Volkswagen AG	**6,267**	**1,674**	**5,735**	**1,314**	**532**	**360**
Basic earnings per ordinary share (€)[2]	**13.45**	**3.83**				
Diluted earnings per ordinary share (€)[2]	**13.45**	**3.83**				
Basic earnings per preferred share (€)[2]	**13.51**	**3.89**				
Diluted earnings per preferred share (€)[2]	**13.51**	**3.89**				

1 Including allocation of consolidation adjustments between the Automotive and Financial Services divisions.

2 Explanatory notes on earnings per share are presented in note 4.

Statement of Comprehensive Income for the Period January 1 to June 30

€ million	2011	2010
Profit after tax	**6,496**	**1,824**
Exchange differences on translating foreign operations		
Unrealized currency translation gains/losses	–677	1,824
Transferred to profit or loss	–	–
Actuarial gains/losses	739	–1,331
Cash flow hedges		
Fair value changes recognized in other comprehensive income	2,698	–3,707
Transferred to profit or loss	–53	–197
Available-for-sale financial assets (marketable securities)		
Fair value changes recognized in other comprehensive income	–29	–7
Transferred to profit or loss	46	4
Deferred taxes	–985	1,526
Share of other comprehensive income of equity-accounted investments, net of tax	–5	238
Other comprehensive income, net of tax	**1,734**	**–1,650**
Total comprehensive income	**8,230**	**174**
of which attributable to		
noncontrolling interests	149	303
shareholders of Volkswagen AG	8,081	–129

CHANGE IN TAX EFFECTS RELATING TO OTHER COMPREHENSIVE INCOME

€ million	AMOUNT BEFORE TAXES	TAXES	AMOUNT AFTER TAXES	AMOUNT BEFORE TAXES	TAXES	AMOUNT AFTER TAXES
			2011			2010
Exchange differences on translating foreign operations	–677	–	–677	1,824	–	1,824
Actuarial gains/losses	739	–229	510	–1,331	391	–939
Cash flow hedges	2,645	–766	1,880	–3,904	1,133	–2,771
Available-for-sale financial assets (marketable securities)	18	9	27	–3	1	–2
Equity-accounted investments, net of tax	–5	–	–5	238	–	238
Other comprehensive income	**2,720**	**–985**	**1,734**	**–3,176**	**1,526**	**–1,650**

Income Statement for the Period April 1 to June 30

	VOLKSWAGEN GROUP		DIVISIONS			
			AUTOMOTIVE[1]		FINANCIAL SERVICES	
€ million	2011	2010	2011	2010	2011	2010
Sales revenue	**40,297**	**33,162**	**35,783**	**29,555**	**4,514**	**3,608**
Cost of sales	–33,278	–27,304	–29,696	–24,517	–3,582	–2,787
Gross profit	**7,019**	**5,859**	**6,087**	**5,038**	**932**	**820**
Distribution expenses	–3,659	–3,387	–3,454	–3,202	–205	–185
Administrative expenses	–1,059	–794	–852	–624	–207	–170
Other operating income/expense	873	315	1,097	580	–224	–265
Operating profit	**3,174**	**1,993**	**2,878**	**1,793**	**296**	**200**
Share of profits and losses of equity-accounted investments	656	530	624	495	32	35
Other financial result	2,179	–602	2,171	–631	8	29
Financial result	**2,836**	**–72**	**2,795**	**–136**	**40**	**64**
Profit before tax	**6,010**	**1,922**	**5,673**	**1,657**	**336**	**265**
Income tax expense	–1,226	–571	–1,178	–537	–48	–33
Profit after tax	**4,784**	**1,351**	**4,495**	**1,120**	**289**	**231**
Noncontrolling interests	112	101	107	98	5	3
Profit attributable to shareholders of Volkswagen AG	**4,672**	**1,251**	**4,388**	**1,022**	**284**	**228**
Basic earnings per ordinary share (€)[2]	**10.04**	**2.67**				
Diluted earnings per ordinary share (€)[2]	**10.04**	**2.67**				
Basic earnings per preferred share (€)[2]	**10.04**	**2.73**				
Diluted earnings per preferred share (€)[2]	**10.04**	**2.73**				

1 Including allocation of consolidation adjustments between the Automotive and Financial Services divisions.

2 Explanatory notes on earnings per share are presented in note 4.

Statement of Comprehensive Income for the Period April 1 to June 30

€ million	2011	2010
Profit after tax	**4,784**	**1,351**
Exchange differences on translating foreign operations		
Unrealized currency translation gains/losses	−227	848
Transferred to profit or loss	–	–
Actuarial gains/losses	−15	−690
Cash flow hedges		
Fair value changes recognized in other comprehensive income	178	−2,934
Transferred to profit or loss	−74	10
Available-for-sale financial assets (marketable securities)		
Fair value changes recognized in other comprehensive income	13	−21
Transferred to profit or loss	16	2
Deferred taxes	−40	1,053
Share of other comprehensive income of equity-accounted investments, net of tax	106	226
Other comprehensive income, net of tax	**−43**	**−1,506**
Total comprehensive income	**4,741**	**−155**
of which attributable to		
noncontrolling interests	51	147
shareholders of Volkswagen AG	4,690	−302

CHANGE IN TAX EFFECTS RELATING TO OTHER COMPREHENSIVE INCOME

€ million	AMOUNT BEFORE TAXES	TAXES	AMOUNT AFTER TAXES 2011	AMOUNT BEFORE TAXES	TAXES	AMOUNT AFTER TAXES 2010
Exchange differences on translating foreign operations	−227	–	−227	848	–	848
Actuarial gains/losses	−15	−5	−20	−690	202	−488
Cash flow hedges	104	−37	67	−2,924	846	−2,078
Available-for-sale financial assets (marketable securities)	29	2	31	−19	5	−14
Equity-accounted investments, net of tax	106	–	106	226	–	226
Other comprehensive income	**−3**	**−40**	**−43**	**−2,559**	**1,053**	**−1,506**

Balance Sheet as of June 30, 2011 and December 31, 2010

	VOLKSWAGEN GROUP		DIVISIONS			
			AUTOMOTIVE*		FINANCIAL SERVICES	
€ million	2011	2010	2011	2010	2011	2010
Assets						
Noncurrent assets	**121,159**	**113,457**	**66,204**	**62,133**	**54,955**	**51,325**
Intangible assets	13,907	13,104	13,774	13,023	133	82
Property, plant and equipment	26,790	25,847	26,370	25,440	420	407
Leasing and rental assets	12,292	11,812	471	384	11,821	11,428
Financial services receivables	38,426	35,817	−19	−22	38,444	35,840
Noncurrent investments, equity-accounted investments and other equity investments, other receivables and financial assets	29,745	26,877	25,608	23,309	4,137	3,568
Current assets	**97,016**	**85,936**	**56,742**	**49,394**	**40,274**	**36,541**
Inventories	21,442	17,631	19,725	16,393	1,717	1,238
Financial services receivables	31,936	30,164	−394	−238	32,330	30,403
Other receivables and financial assets	17,991	13,970	13,921	10,446	4,070	3,524
Marketable securities	5,529	5,501	5,055	5,375	474	126
Cash, cash equivalents and time deposits	20,118	18,670	18,434	17,419	1,683	1,251
Total assets	**218,175**	**199,393**	**122,946**	**111,527**	**95,229**	**87,866**
Equity and Liabilities						
Equity	**55,679**	**48,712**	**45,268**	**39,546**	**10,411**	**9,166**
Equity attributable to shareholders of Volkswagen AG	53,018	45,978	42,850	37,048	10,168	8,930
Noncontrolling interests	2,661	2,734	2,418	2,498	243	236
Noncurrent liabilities	**80,236**	**73,781**	**40,897**	**42,364**	**39,339**	**31,417**
Noncurrent financial liabilities	42,538	37,159	6,174	8,989	36,365	28,170
Provisions for pensions	14,773	15,432	14,605	15,265	168	167
Other noncurrent liabilities	22,924	21,190	20,118	18,110	2,806	3,080
Current liabilities	**82,261**	**76,900**	**36,781**	**29,617**	**45,480**	**47,283**
Current financial liabilities	41,412	39,852	−364	−3,143	41,776	42,996
Trade payables	13,896	12,544	12,781	11,628	1,114	916
Other current liabilities	26,953	24,504	24,364	21,132	2,589	3,372
Total equity and liabilities	**218,175**	**199,393**	**122,946**	**111,527**	**95,229**	**87,866**

* Including allocation of consolidation adjustments between the Automotive and Financial Services divisions, primarily intra-Group loans.

Statement of Changes in Equity

€ million	Subscribed capital	Capital reserves	ACCUMULATED COMPREHENSIVE INCOME Retained earnings	Currency translation reserve
Balance at Jan. 1, 2010	**1,025**	**5,356**	**31,607**	**–1,881**
Profit after tax	–	–	1,674	–
Other comprehensive income, net of tax	–	–	–	1,674
Total comprehensive income	**–**	**–**	**1,674**	**1,674**
Capital increase*	166	3,968	–	–
Dividend payment	–	–	–754	–
Capital transactions involving a change in ownership interest	–	–	–	–
Other changes	–	–	–4	–
Balance at June 30, 2010	**1,191**	**9,323**	**32,522**	**–207**
Balance at Jan. 1, 2011	**1,191**	**9,326**	**37,684**	**–165**
Profit after tax	–	–	6,267	–
Other comprehensive income, net of tax	–	–	–	–612
Total comprehensive income	**–**	**–**	**6,267**	**–612**
Capital increase	0	3	–	–
Dividend payment	–	–	–1,034	–
Capital transactions involving a change in ownership interest	–	–	–	–
Other changes	–	–	–10	–
Balance at June 30, 2011	**1,191**	**9,329**	**42,907**	**–777**

* Volkswagen AG recorded a cash inflow of €4,099 million from the capital increase implemented in fiscal year 2010 by issuing new preferred shares. In addition to this, the noncash effects of recognizing deferred taxes amount to €35 million and an inflow from the exercise of convertible bonds amounts to €2 million.

Reserve for actuarial gains/losses	Cash flow hedge reserve	Fair value reserve for securities	Equity-accounted investments	Equity attributable to shareholders of VW AG	Noncontrolling interests	Total equity
−1,274	**860**	**−1**	**−409**	**35,281**	**2,149**	**37,430**
–	–	–	–	1,674	150	1,824
−934	−2,778	−2	238	−1,802	152	−1,650
−934	**−2,778**	**−2**	**238**	**−129**	**303**	**174**
–	–	–	–	4,134	–	4,134
–	–	–	–	−754	−43	−798
–	–	–	–	–	0	0
–	–	–	–	−4	4	0
−2,208	**−1,919**	**−3**	**−172**	**38,527**	**2,413**	**40,940**
−2,201	**61**	**−25**	**107**	**45,978**	**2,734**	**48,712**
–	–	–	–	6,267	229	6,496
523	1,879	27	−2	1,814	−80	1,734
523	**1,879**	**27**	**−2**	**8,081**	**149**	**8,230**
–	–	–	–	3	–	3
–	–	–	–	−1,034	−230	−1,264
–	–	–	–	–	0	0
–	–	–	–	−10	7	−2
−1,678	**1,940**	**2**	**105**	**53,018**	**2,661**	**55,679**

Cash Flow Statement for the Period January 1 to June 30

€ million	Volkswagen Group 2011	Volkswagen Group 2010	Divisions: Automotive[1] 2011	Divisions: Automotive[1] 2010	Divisions: Financial Services 2011	Divisions: Financial Services 2010
Cash and cash equivalents at beginning of period	**18,228**	**18,235**	**17,002**	**16,362**	**1,226**	**1,873**
Profit before tax	8,233	2,624	7,563	2,146	669	478
Income taxes paid	–1,720	–522	–1,316	–408	–403	–114
Depreciation and amortization expense	4,694	5,160	3,494	4,006	1,199	1,154
Change in pension provisions	–10	51	–14	51	3	1
Other noncash income/expense and reclassifications[2]	–1,208	380	–1,162	201	–46	178
Gross cash flow	**9,988**	**7,694**	**8,565**	**5,997**	**1,423**	**1,698**
Change in working capital	**–6,307**	**–1,031**	**–134**	**1,267**	**–6,174**	**–2,298**
Change in inventories	–2,111	–1,254	–1,813	–1,023	–298	–230
Change in receivables	–2,818	–2,468	–1,770	–2,368	–1,048	–100
Change in liabilities	2,217	3,296	1,862	3,023	356	273
Change in other provisions	1,708	1,784	1,540	1,698	168	86
Change in leasing and rental assets (excluding depreciation)	–1,845	–1,557	–112	16	–1,733	–1,573
Change in financial services receivables	–3,458	–832	160	–79	–3,618	–753
Cash flows from operating activities	**3,681**	**6,663**	**8,432**	**7,264**	**–4,751**	**–601**
Cash flows from investing activities attributable to operating activities	–6,264	–4,576	–6,506	–4,518	242	–59
of which: acquisition of property, plant and equipment	–2,593	–1,970	–2,533	–1,919	–60	–51
capitalized development costs	–737	–846	–737	–846	–	–
acquisition and disposal of equity investments[3]	–3,044	–1,920	–3,331	–1,910	287	–11
Net cash flow[4]	***–2,583***	***2,087***	***1,926***	***2,746***	***–4,508***	***–659***
Change in investments in securities and loans	–595	–2,020	–226	–2,001	–369	–18
Cash flows from investing activities	**–6,859**	**–6,596**	**–6,732**	**–6,519**	**–127**	**–77**
Cash flows from financing activities	**4,456**	**–181**	**–899**	**–859**	**5,355**	**677**
of which: capital increase by new preferred shares	–	4,098	–	4,098	–	–
Changes in cash and cash equivalents due to exchange rate changes	–211	409	–191	369	–20	40
Net change in cash and cash equivalents	**1,068**	**295**	**610**	**255**	**458**	**40**
Cash and cash equivalents at June 30	**19,295**	**18,530**	**17,612**	**16,618**	**1,683**	**1,912**
Securities, loans and time deposits	9,854	9,587	7,637	7,958	2,217	1,629
Gross liquidity	**29,149**	**28,117**	**25,249**	**24,576**	**3,900**	**3,542**
Total third-party borrowings	–83,951	–77,731	–5,810	–7,075	–78,141	–70,656
Net liquidity at June 30	**–54,801**	**–49,614**	**19,439**	**17,501**	**–74,241**	**–67,115**
For information purposes: at January 1	–49,347	–52,052	18,639	10,636	–67,986	–62,688

1 Including allocation of consolidation adjustments between the Automotive and Financial Services divisions.

2 These relate mainly to the fair value measurement of financial instruments, application of the equity method and reclassification of gains/losses on disposal of noncurrent assets to investing activities.

3 These relate mainly to the acquisition of the operating business of Porsche Holding, Salzburg, Austria, for €3,314 million, the shares of MAN SE, Munich, for €82 million and the investment in SGL Carbon SE, Wiesbaden, for €217 million, less cash and cash equivalents acquired attributable to Porsche Holding, Salzburg.

4 Net cash flow: cash flows from operating activities, net of cash flows from investing activities attributable to operating activities.

Notes to the Financial Statements

Accounting in accordance with International Financial Reporting Standards (IFRSs)

In accordance with Regulation No. 1606/2002 of the European Parliament and of the Council, Volkswagen AG prepared its consolidated financial statements for 2010 in compliance with the International Financial Reporting Standards (IFRSs), as adopted by the European Union. This Half-Yearly Financial Report of the Group for the period ended June 30, 2011 was therefore also prepared in accordance with IAS 34.

All figures shown are rounded in accordance with standard business rounding principles, so minor discrepancies may arise from addition of these amounts.

In addition to the reportable segments, the Automotive and Financial Services divisions are presented for explanatory purposes alongside the income statement, balance sheet and cash flow statement for the Volkswagen Group.

This Half-Yearly Financial Report of the Group was reviewed by auditors in accordance with section 37w(5) of the Wertpapierhandelsgesetz (WpHG – German Securities Trading Act).

Accounting policies

Volkswagen AG has complied with all accounting pronouncements adopted by the EU and effective for periods beginning on or after January 1, 2011. These are primarily IAS 24, Related Party Disclosures, and IAS 34, Interim Financial Reporting.

The option contained in the amended IAS 24 may lead to simplified reporting with respect to government-related entities and their subsidiaries. Volkswagen has not exercised this option. It also clarifies the definition of related parties and of reportable transactions. The reporting requirements governing related parties have therefore been supplemented by other contractual obligations. Prior-year figures have been adjusted.

Under the amended IAS 34, material transfers between the various levels of the fair value hierarchy used in measuring the fair value of financial instruments, as well as material changes in the classification of financial assets in the interim financial statements, must be disclosed.

The other accounting pronouncements required to be applied for the first time in fiscal year 2011 are insignificant for the presentation of the Volkswagen Group's net assets, financial position and results of operations. A detailed breakdown of these accounting pronouncements is provided in the notes to the consolidated financial statements in the 2010 Annual Report.

A discount rate of 5.3% (December 31, 2010: 4.9%) was applied to German pension provisions in the accompanying interim financial statements. The increase in the discount rate reduced the actuarial losses for pension provisions that are recognized in other comprehensive income.

The income tax expense for the interim reporting period was calculated on the basis of the average annual tax rate that is expected for the entire fiscal year, in accordance with IAS 34, Interim Financial Reporting.

In other respects, the same accounting policies and consolidation methods that were used for the 2010 consolidated financial statements are generally applied to the preparation of the Interim Report and the measurement of the prior-year comparatives. A detailed description of the methods applied is published in the notes to the consolidated financial statements in the 2010 Annual Report, which can also be accessed on the Internet at www.volkswagenag.com/ir.

Basis of consolidation

In addition to Volkswagen AG, which is domiciled in Wolfsburg and entered in the commercial register at the Braunschweig Local Court under no. HRB 100484, the consolidated financial statements comprise all significant companies at which Volkswagen AG is able, directly or indirectly, to govern the financial and operating policies in such a way that the companies of the Group obtain benefits from the activities of these companies (subsidiaries).

CONSOLIDATED SUBSIDIARIES

Volkswagen acquired 100% of the trading business of Porsche Holding, Salzburg, Austria for €3.3 billion effective March 1, 2011. Prior to the transaction, the previous indirect owners, the Porsche and Piëch families, had exercised the put option granted by Volkswagen AG. With this acquisition, which was already provided for in the Comprehensive Agreement, Volkswagen has taken another planned step on the way towards an integrated automotive group consisting of Volkswagen and Porsche.

Porsche Holding is an automobile trading company with a strong presence in particular in Austria, the rest of Western Europe and Southeast Europe, as well as in China. It sold 565,000 new and used vehicles in calendar year 2010. Volkswagen is acquiring all automotive operations from Porsche Holding such as the wholesale and retail trading business, Porsche Informatik (IT), Porsche Bank, Porsche Immobilien (real estate) and Porsche Versicherung (insurance), as well as PGA Motors headquartered in Paris. Porsche Holding employs approximately 20,900 people (including unconsolidated companies).

Preliminary purchase price allocation indicates that the business combination generated goodwill of €152 million.

The following table shows the preliminary allocation of the purchase price to the assets and liabilities:

€ million	IFRS carrying amounts at the acquisition date	Purchase price allocation	Fair values at the acquisition date
Brand names	–	74	74
Other noncurrent assets[1]	2,862	1,435	4,297
Cash and cash equivalents	617	–	617
Other current assets	3,450	1	3,451
Total assets	**6,929**	**1,510**	**8,438**
Noncurrent liabilities	1,448	348	1,796
Current liabilities[2]	6,796	–	6,796
Total liabilities	**8,243**	**348**	**8,591**

1 Excluding goodwill of Volkswagen AG.
2 Of which €3.3 billion was settled using the purchase price.

Goodwill and brand names are allocated to the Porsche Holding business segment, which is part of the Passenger Cars and Light Commercial Vehicles reporting segment.

The gross carrying amount of the receivables acquired was €3,091 million at the acquisition date, and the net carrying amount (equivalent to the fair value) was €2,883 million. The depreciable noncurrent assets have maturities of between 12 months and 30 years.

The inclusion of the company increased the Group’s sales revenue by €2,330 million and reduced its profit after tax by €63 million as of June 30, 2011. If Porsche Holding had been included as of January 1, 2011, the Group's sales revenue after consolidation as of June 30, 2011 would have been €984 million higher and its profit after tax would have been €10 million lower.

Porsche Holding’s contingent liabilities were not included in purchase price allocation because settlement is deemed to be remote.

The fair values of the assets and liabilities were determined mainly using observable market prices. If market prices could not be determined, methods based on the income approach were used to measure the assets acquired and liabilities assumed.

The transfer of Porsche Holding's trading business increases the consolidated Group by 263 consolidated subsidiaries and 90 equity-accounted joint ventures and associates.

In addition, several German and foreign companies that were not consolidated in the previous year were initially consolidated. The initial inclusion of these subsidiaries, either individually or collectively, did not have a significant effect on the presentation of the Company's position.

INTERESTS IN JOINT VENTURES

The Volkswagen Group holds a 50% indirect interest in the joint venture LeasePlan Corporation N.V., Amsterdam, the Netherlands, via its 50% stake in the joint venture Global Mobility Holding B.V., Amsterdam, the Netherlands. Volkswagen agreed with Fleet Investments B.V., Amsterdam, the Netherlands, an investment company belonging to the von Metzler family, that Fleet Investments would become the new co-investor in Global Mobility Holding in 2010 for an initial period of two years. The previous co-investors were instructed by Volkswagen AG to transfer their shares to Fleet Investments B.V. on February 1, 2010 for the purchase price of €1.4 billion. Volkswagen AG granted the new co-investor a put option on its shares. If this option is exercised, Volkswagen must pay the original purchase price plus accumulated pro rata preferred dividends or the higher fair value. The put option is accounted for at fair value.

In addition, Volkswagen pledged claims under certificates of deposit with Bankhaus Metzler in the amount of €1.4 billion to secure a loan granted to Fleet Investments B.V. by Bankhaus Metzler. This pledge does not increase the Volkswagen Group's risk arising from the above-mentioned short position.

INVESTMENTS IN ASSOCIATES

Effective January 15, 2010, Volkswagen acquired 19.89% of the shares of the Suzuki Motor Corporation, Hamamatsu, Japan, for €1.7 billion. Due to the economic cooperation agreed in the master agreement, Suzuki is classified as an associate. Following the exercise of outstanding convertible bonds by other investors, Volkswagen's interest in Suzuki fell to 19.37%. After acquiring additional shares, Volkswagen increased its interest again to 19.89% as of June 30, 2010. The shares are measured using the equity method. The precise allocation of the purchase price to the assets and liabilities of the Suzuki Motor Corporation was completed in the current fiscal year. No significant adjustment to the figures allocated in the previous year was required.

As a further step towards creating an integrated commercial vehicle group comprising MAN, Scania and Volkswagen, the Volkswagen Group increased its share of the voting rights of MAN SE from 29.89% to 30.47% at the beginning of May 2011. This move also increased Volkswagen's interest in the total capital of MAN SE from 28.67% to 29.21%.

In accordance with German takeover law, Volkswagen then made a mandatory public offer to all external shareholders of MAN SE at the end of May 2011 to purchase their shares of MAN SE. MAN shareholders tendered 35,857,607 ordinary shares and 164,613 preferred shares to Volkswagen by the end of the acceptance period for the takeover offer on June 29, 2011. Once the required official approvals have been granted, Volkswagen will thus hold a total of 55.90% of the voting rights and 53.71% of the share capital of MAN SE, respectively. The purchase price for the tendered shares amounting to €3.4 billion has been allocated to a separate earmarked account until the transaction has been completed. As before, this amount is included in reported cash and cash equivalents.

Disclosures on the consolidated financial statements

1 | Sales revenue

STRUCTURE OF GROUP SALES REVENUE

€ million	H1 2011	2010
Vehicles*	57,536	46,321
Genuine parts	4,771	4,286
Third-party products*	1,187	15
Other sales revenue	6,498	4,506
Rental and leasing business	5,047	4,119
Interest and similar income	2,728	2,563
	77,767	**61,809**

* Prior-year figure adjusted because sales revenue from third-party products is now presented separately following the acquisition of Porsche Holding.

2 | Cost of sales

Cost of sales includes interest expenses of €1,182 million (previous year: €1,204 million) attributable to the financial services business.

In addition to depreciation and amortization expenses, cost of sales also includes impairment losses on intangible assets, items of property, plant and equipment, and leasing and rental assets. The impairment losses identified on the basis of updated impairment tests amount to a total of €206 million (previous year: €739 million).

3 | Research and development costs in the Automotive Division

€ million	H1 2011	2010	%
Total research and development costs	3,546	3,084	15.0
of which capitalized development costs	737	846	−12.8
Capitalization ratio in %	20.8	27.4	
Amortization of capitalized development costs	808	1,253	−35.6
Research and development costs recognized in the income statement	**3,616**	**3,491**	**3.6**

4 | Earnings per share

Basic earnings per share are calculated by dividing profit attributable to shareholders of Volkswagen AG by the weighted average number of ordinary and preferred shares outstanding during the reporting period. Earnings per share are diluted by potential shares. These include stock options, although these are only dilutive if they result in the issuance of shares at a value below the average market price of the shares. A potential dilutive effect arose in the reporting period from the eighth tranche of the stock option plan.

		Q2		H1	
		2011	2010	2011	2010
Weighted average number of shares outstanding					
Ordinary shares: basic	million	295.0	295.0	295.0	295.0
diluted	million	295.1	295.0	295.1	295.0
Preferred shares: basic	million	170.1	170.1	170.1	139.4
diluted	million	170.1	170.1	170.1	139.4
Profit after tax	€ million	4,784	1,351	6,496	1,824
Noncontrolling interests	€ million	112	101	229	150
Profit attributable to shareholders of Volkswagen AG	€ million	4,672	1,251	6,267	1,674
Earnings per share					
Ordinary shares: basic	€	10.04	2.67	13.45	3.83
diluted	€	10.04	2.67	13.45	3.83
Preferred shares: basic	€	10.04	2.73	13.51	3.89
diluted	€	10.04	2.73	13.51	3.89

5 | Noncurrent assets

CHANGES IN SELECTED NONCURRENT ASSETS BETWEEN JANUARY 1 AND JUNE 30, 2011

€ million	Carrying amount at Jan. 1, 2011	Additions/ Changes in consolidated Group	Disposals/ Other changes	Depreciation and amortization	Carrying amount at June 30, 2011
Intangible assets	13,104	2,026	142	1,082	13,907
Property, plant and equipment	25,847	3,794	466	2,385	26,790
Leasing and rental assets	11,812	3,998	2,287	1,231	12,292

6 | Inventories

€ million	June 30, 2011	Dec. 31, 2010
Raw materials, consumables and supplies	2,779	2,494
Work in progress	2,035	1,837
Finished goods and purchased merchandise	12,971	10,819
Current leased assets	3,597	2,470
Payments on account	61	11
	21,442	**17,631**

7 | Current receivables and other financial assets

€ million	June 30, 2011	Dec. 31, 2010
Trade receivables	9,058	6,883
Miscellaneous other receivables and financial assets	8,932	7,087
	17,991	**13,970**

8 | Equity

Volkswagen AG issued 64,904,498 new preferred shares (with a notional value of €166 million) as part of a capital increase in the previous year. Volkswagen AG recorded a cash inflow of approximately €4.1 billion in 2010 from the capital increase.

The subscribed capital is composed of 295,089,817 no-par value ordinary shares and 170,142,778 preferred shares, and amounts to €1,191 million (previous year: €1,191 million). Volkswagen AG issued 44,250 new ordinary shares (with a notional value of €113,280) in the first six months of 2011 as a result of the exercise of convertible bonds under the stock option plan.

Volkswagen AG paid a dividend of €1,034 million in the reporting period. €649 million of this amount was attributable to ordinary shares and €385 million to preferred shares.

9 | Noncurrent financial liabilities

€ million	June 30, 2011	Dec. 31, 2010
Bonds, commercial paper and notes	30,212	24,383
Liabilities to banks	7,540	7,494
Deposits from direct banking business	3,589	3,882
Other financial liabilities	1,198	1,400
	42,538	**37,159**

10 | Current financial liabilities

€ million	June 30, 2011	Dec. 31, 2010
Bonds, commercial paper and notes	16,754	17,238
Liabilities to banks	7,118	6,245
Deposits from direct banking business	16,186	15,043
Other financial liabilities	1,354	1,327
	41,412	**39,852**

11 | Disclosures on the fair value hierarchy

Financial assets amounting to €39 million (December 31, 2010: €48 million) were transferred out of Level 3 of the fair value hierarchy to Level 2 in the first six months of 2011. There were no transfers of financial liabilities out of Level 3 into Level 2 during the reporting period (December 31, 2010: €5 million). The transfers out of Level 3 into Level 2 comprise commodity futures for which observable quoted prices are now available again for measurement purposes due to the decline in their remaining maturities; consequently, no extrapolation is required. There were no transfers between other Levels of the fair value hierarchy.

12 | Cash flow statement

The cash flow statement presents the cash inflows and outflows in the Volkswagen Group and in the Automotive and Financial Services divisions. Cash and cash equivalents comprise cash at banks, checks, cash-in-hand and call deposits.

€ million	June 30, 2011	June 30, 2010
Cash and cash equivalents and time deposits as reported in the balance sheet	20,118	20,909
of which: time deposits	−822	−2,379
Cash and cash equivalents as reported in the cash flow statement	**19,295**	**18,530**

Cash flows from financing activities in the current year are attributable primarily to the issuance of bonds.

13 | Segment reporting

Segments are identified on the basis of the Volkswagen Group's internal management and reporting. In line with its multibrand strategy, each of the Group's brands is managed by its own board of management. The Group targets and requirements laid down by the Board of Management of Volkswagen AG or the Group Board of Management must be complied with to the extent permitted by law. The segment reporting therefore comprises the three reportable segments Passenger Cars and Light Commercial Vehicles, Scania Vehicles and Services, and Financial Services.

The activities of the Passenger Cars and Light Commercial Vehicles segment cover the development of vehicles and engines, the production and sale of passenger cars and light commercial vehicles, and the genuine parts business. The individual passenger car brands and light commercial vehicles of the Volkswagen Group are combined on a consolidated basis in this segment.

The Scania Vehicles and Services segment comprises in particular the development, production and sale of heavy commercial vehicles, the corresponding genuine parts business and related services.

The activities of the Financial Services segment comprise dealer and customer financing, leasing, banking and insurance activities, as well as fleet management.

Starting in fiscal year 2010, the financial services offered by the Scania brand are allocated to the Financial Services segment rather than the Scania segment. The previous Scania segment was therefore renamed Scania Vehicles and Services and the Volkswagen Financial Services segment was renamed Financial Services. In addition, the Chinese companies, including the Shanghai-Volkswagen Automotive Company and FAW-Volkswagen Automotive Company joint ventures, as well as the Porsche Zwischenholding GmbH joint venture, that were previously reported under unallocated activities in the reconciliation have been allocated to the Passenger Cars and Light Commercial Vehicles reporting segment to reflect their growing importance and the associated change in the internal reporting. As allowed by the revised IFRS 8, segment assets are no longer reported starting in fiscal year 2010. The prior-year figure was adjusted accordingly.

The trading business of Porsche Holding acquired in fiscal year 2011 is allocated to the Passenger Cars and Light Commercial Vehicles segment, although the financial services acquired are presented in the Financial Services segment.

At Volkswagen, segment profit or loss is measured on the basis of operating profit or loss.

The reconciliation contains activities that do not by definition form part of the segments. It also contains all of the unallocated Group financing activities and the holding company function. Consolidation adjustments between the segments (including the purchase price allocation for Scania and Porsche Holding) are also contained in the reconciliation.

As a matter of principle, business relationships between the companies within the segments of the Volkswagen Group are transacted at arm's length prices.

OPERATING SEGMENTS: H1 2010*

€ million	Passenger Cars and Light Commercial Vehicles	Scania Vehicles and Services	Financial Services	Total segments	Reconciliation	Volkswagen Group
Sales revenue from external customers	51,146	3,688	6,686	61,519	290	61,809
Intersegment sales revenue	3,539	90	109	3,738	−3,738	–
Total sales revenue	54,685	3,778	6,794	65,257	−3,448	61,809
Segment profit or loss (operating profit or loss)	2,195	573	366	3,134	−293	2,841

* Prior-year figures adjusted.

OPERATING SEGMENTS: H1 2011

€ million	Passenger Cars and Light Commercial Vehicles	Scania Vehicles and Services	Financial Services	Total segments	Reconciliation	Volkswagen Group
Sales revenue from external customers	64,578	4,794	7,750	77,122	645	77,767
Intersegment sales revenue	4,060	97	678	4,835	−4,835	–
Total sales revenue	68,639	4,890	8,429	81,958	−4,191	77,767
Segment profit or loss (operating profit or loss)	5,222	716	600	6,538	−453	6,086

RECONCILIATION*

€ million	H1 2011	H1 2010
Segment profit or loss (operating profit or loss)	**6,538**	**3,134**
Unallocated activities	100	88
Group financing	1	1
Consolidation adjustments	−553	−382
Operating profit	**6,086**	**2,841**
Financial result	**2,147**	**−217**
Consolidated profit before tax	**8,233**	**2,624**

* Prior-year figures adjusted.

14 | Related party disclosures

At 50.74%, Porsche Automobil Holding SE holds the majority of the voting rights in Volkswagen AG.

The creation of rights of appointment for the State of Lower Saxony was resolved at the Extraordinary General Meeting of Volkswagen AG on December 3, 2009. As a result, Porsche Automobil Holding SE can no longer appoint the majority of the members of Volkswagen AG's Supervisory Board for as long as the State of Lower Saxony holds at least 15% of Volkswagen AG's ordinary shares. However, Porsche Automobil Holding SE continues to have the power to participate in the operating policy decisions of the Volkswagen Group.

	SUPPLIES AND SERVICES RENDERED		SUPPLIES AND SERVICES RECEIVED	
	H1		H1	
€ million	2011	2010	2011	2010
Porsche Automobil Holding SE	1	0	–	–
Supervisory Board members	0	0	0	0
Unconsolidated subsidiaries of VW AG	639	857	370	481
Joint ventures	5,272	3,077	636	282
Associates	35	71	65	95
Porsche Holding Salzburg and majority interests*	744	1,987	27	83
State of Lower Saxony and majority interests	5	9	0	0

* Until February 28, 2011.

	RECEIVABLES		LIABILITIES AND COMMITMENTS[1]	
	FROM		TO	
€ million	June 30, 2011	Dec. 31, 2010	June 30, 2011	Dec. 31, 2010
Porsche Automobil Holding SE	0	0	–	–
Supervisory Board members	0	0	278	6
Unconsolidated subsidiaries of VW AG	569	388	486	443
Joint ventures	3,360	2,988	648	584
Associates	20	14	14	50
Porsche Holding Salzburg and majority interests[2]	–	168	–	25
State of Lower Saxony and majority interests	0	0	0	0

1 Prior-year figures adjusted due to initial application of the amended IAS 24.
2 The prior-year figure includes collateralized receivables of €49 million.

The call option agreed in the Comprehensive Agreement with Porsche Automobil Holding SE on the shares of Porsche Zwischenholding GmbH has a positive fair value of €3,955 million (December 31, 2010: €2,001 million) as measured in accordance with financial valuation techniques, and the corresponding put option has a negative fair value of €63 million (December 31, 2010: €233 million). The change in the fair value of the options results in particular from the adjustment of the enterprise value attributable to the updated business plans of Porsche Zwischenholding GmbH. The probability of a merger in accordance with the timetable provided for in the Comprehensive Agreement with Porsche Automobil Holding SE used in the calculations is unchanged at 50% compared with December 31, 2010. The difference was recognized in other financial result.

The Porsche and Piëch families exercised the put option relating to the trading business of Porsche Holding, Salzburg, Austria, granted to them by Volkswagen. The trading business was transferred on March 1, 2011 at a price of €3.3 billion.

Factoring finance of €0.2 billion (December 31, 2010: €0.2 billion) extended to a subsidiary of Porsche Zwischenholding GmbH at arm's length conditions and collateral requirements was outstanding as of June 30, 2011; €53 million of this amount (December 31, 2010: €– million) was granted in the reporting period.

15 | Contingent assets and liabilities

There were no significant changes as of June 30, 2011 in the contingent assets and liabilities described in the 2010 consolidated financial statements.

German Corporate Governance Code

The current declarations in accordance with section 161 of the Aktiengesetz (AktG – German Stock Corporation Act) on the German Corporate Governance Code by the Board of Management and Supervisory Board of Volkswagen AG, as well as those by the Board of Management and Supervisory Board of AUDI AG, are permanently available on the Internet at www.volkswagenag.com/ir and www.audi.com respectively.

Significant events after the balance sheet date

The strategic cooperation envisaged with Suzuki is developing more slowly than expected and is not currently being implemented with the desired level of intensity. Volkswagen started reviewing this partnership after the end of the reporting period. This review is still ongoing.

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the condensed interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group for the remaining months of the fiscal year.

Wolfsburg, July 28, 2011

Volkswagen Aktiengesellschaft

The Board of Management

Martin Winterkorn

Francisco Javier Garcia Sanz

Jochem Heizmann

Christian Klingler

Michael Macht

Horst Neumann

Hans Dieter Pötsch

Rupert Stadler

Review Report

This report was originally prepared in German. In case of ambiguities the German version shall prevail:

Review Report

To VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg

We have reviewed the condensed consolidated interim financial statements – comprising the condensed income statement and condensed statement of comprehensive income, the condensed balance sheet, the condensed statement of changes in equity, the condensed cash flow statement and selected explanatory notes – and the interim Group management report of VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, for the period from January 1 to June 30, 2011, which are part of the half-yearly financial report pursuant to § (Article) 37w WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRSs applicable to interim financial reporting, as adopted by the EU, and of the interim Group management report in accordance with the provisions of the German Securities Trading Act applicable to interim Group management reports is the responsibility of the parent Company's Board of Management. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim Group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim Group management report in accordance with German generally accepted standards for the review 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 review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRSs applicable to interim financial reporting, as adopted by the EU, and that the interim Group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim Group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRSs applicable to interim financial reporting, as adopted by the EU, nor that the interim Group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim Group management reports.

Hanover, July 28, 2011
PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

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This Interim Report is also available on the
Internet, in German and English, at: www.volkswagenag.com/ir

Printed in Germany
158.809.532.20

Financial Calendar
October 27, 2011 Interim Report January – September 2011
March 12, 2012 Volkswagen AG Annual Media Conference and Investor Conference
April 19, 2012 Volkswagen AG Annual General Meeting (Congress Center Hamburg)
April 26, 2012 Interim Report January – March 2012
July 26, 2012 Half-Yearly Financial Report 2012
October 24, 2012 Interim Report January – September 2012