VOLKSWAGEN

AKTIENGESELLSCHAFT

Interim Report

JANUARY – SEPTEMBER 2012

Key Figures

VOLKSWAGEN GROUP

Volume Data[1]	Q3 2012	Q3 2011	%	Q1–3 2012	Q1–3 2011	%
Deliveries to customers ('000 units)	2,303	2,042	+ 12.8	6,855	6,170	+ 11.1
of which: in Germany	289	285	+ 1.6	910	868	+ 4.8
abroad	2,013	1,757	+ 14.6	5,945	5,302	+ 12.1
Vehicle sales ('000 units)	2,333	2,067	+ 12.9	6,978	6,200	+ 12.5
of which: in Germany	280	267	+ 4.7	924	901	+ 2.5
abroad	2,054	1,799	+ 14.1	6,054	5,299	+ 14.3
Production ('000 units)	2,293	2,117	+ 8.3	6,974	6,301	+ 10.7
of which: in Germany	532	581	– 8.3	1,765	1,778	– 0.7
abroad	1,761	1,536	+ 14.6	5,209	4,523	+ 15.2
Employees ('000 on Sept. 30, 2012/Dec. 31, 2011)				549.3	502.0	+ 9.4
of which: in Germany				248.4	224.9	+ 10.5
abroad				300.9	277.1	+ 8.6

Financial Data (IFRSs), € million	Q3 2012	Q3 2011	%	Q1–3 2012	Q1–3 2011	%
Sales revenue	48,848	38,512	+ 26.8	144,226	116,279	+ 24.0
Operating profit	2,343	2,891	– 19.0	8,835	8,977	– 1.6
as a percentage of sales revenue	4.8	7.5		6.1	7.7	
Profit before tax	12,900	8,404	+ 53.5	22,956	16,637	+ 38.0
as a percentage of sales revenue	26.4	21.8		15.9	14.3	
Profit after tax	11,328	7,146	+ 58.5	20,155	13,642	+ 47.7
Profit attributable to shareholders of Volkswagen AG	11,289	7,039	+ 60.4	20,062	13,306	+ 50.8
Cash flows from operating activities	3,453	3,055	+ 13.0	5,813	6,736	– 13.7
Cash flows from investing activities attributable to operating activities	6,611	2,167	x	11,551	8,432	+ 37.0
Automotive Division[2]						
EBITDA[3]	4,539	4,455	+ 1.9	14,835	13,435	+ 10.4
Cash flows from operating activities	5,183	3,986	+ 30.0	11,935	12,418	– 3.9
Cash flows from investing activities attributable to operating activities[4]	6,578	2,098	x	11,331	8,605	+ 31.7
of which: investments in property, plant and equipment	2,556	1,694	+ 50.9	5,955	4,227	+ 40.9
as a percentage of sales revenue	5.8	4.4		4.6	4.1	
capitalized development costs[5]	627	417	+ 50.5	1,682	1,154	+ 45.8
as a percentage of sales revenue	1.4	1.1		1.3	1.1	
Net cash flow	– 1,395	1,887	x	604	3,813	– 84.2
Net liquidity at September 30				9,215	21,161	– 56.5

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. 2011 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: Q3 €3,054 million (€2,089 million), Q1–3 €7,408 million (€5,265 million).
5 See table on page 41.

Key Facts

- **Volkswagen Group's positive development continues in a challenging environment**
- **Group sales revenue €27.9 billion higher than the previous year, at €144.2 billion**
- **Operating profit at €8.8 billion (€9.0 billion)**
- **Profit before tax increases by €6.3 billion to €23.0 billion; clearly positive effects from measurement of the put/call rights relating to Porsche at the reporting date and from the remeasurement at the contribution date of the shares already held (total: €12.3 billion; previous year: €6.8 billion)**
- **Cash flows from operating activities in the Automotive Division amount to €11.9 billion (€12.4 billion); ratio of investments in property, plant and equipment (capex) to sales revenue is 4.6% (4.1%)**
- **Net liquidity in the Automotive Division following the full integration of Porsche and the acquisition of Ducati amounts to €9.2 billion (June 30, 2012: €14.9 billion)**
- **Strong demand for Group models worldwide:**
  - **At 6.9 million vehicles, Group deliveries to customers were up 11.1% year-on-year**
  - **Continued high level of demand for Group vehicles in all key markets; global share of passenger car market (including Porsche) increases to 12.6% (12.3%)**
  - **Volkswagen Passenger Cars celebrates world premiere of the new Golf in Berlin; studies of the new Golf BlueMotion and the new Golf GTI debut at the Paris International Motor Show**
  - **Audi A3 Sportback and crosslane coupé concept car are the highlights of the brand's lineup in Paris**
  - **ŠKODA Rapid is launched in Europe**
  - **SEAT debuts the new versions of the Leon and the Toledo**
  - **Porsche Panamera Sport Turismo concept car thrills motor show visitors**
  - **Bentley attracts attention with the GT3 motorsport model; compelling redesign for Lamborghini Gallardo**
  - **Volkswagen Commercial Vehicles showcases large range of variants at the IAA Commercial Vehicles in Hanover**
  - **Scania presents its innovative Euro 6 engine range in Hanover**
  - **MAN celebrates the launch of the new member of its TG family of trucks with efficient Euro 6 engines**

Key Events

NEW VOLKSWAGEN GROUP MODELS

In the third quarter of 2012, Group brands presented a range of models at the Moscow, Hanover and Paris motor shows. The highlight was the world premiere of the new Golf in Berlin.

World premiere of the new Golf

The Volkswagen Passenger Cars brand unveiled the new Golf to the public at the beginning of September 2012. Around 1,000 invited guests experienced the world premiere of the seventh generation in Berlin's New National Gallery. This provided a fitting backdrop for the car that has defined an entire vehicle class, and has been optimized in terms of its weight, emissions, comfort and safety.

The new Golf is up to 100 kg lighter and 23% more efficient than its bestselling predecessor, as well as safer, more comfortable, dynamic and spacious. It is based on the Modular Transverse Toolkit (MQB), which translates to an all-new design – from the chassis and drivetrain through all information and entertainment systems, down to a large number of new assistance systems. On the outside, the Golf features timeless design cues with horizontal front lines, a pronounced C-pillar and perfectly formed, minimalist styling. Meticulous, high-quality exterior and interior details complete the look.

The base model of the new Golf is equipped with seven airbags, electronic stability control (ESC), the new multi-collision brake, an electronic parking brake with Auto Hold and the XDS transversal differential lock. The completely re-engineered generation of petrol and diesel motors features a start-stop system and battery regeneration mode as standard. With CO_2 emissions of only 85 g/km and average fuel consumption of 3.2 l of diesel per 100 km, the new Golf BlueMotion is setting new benchmarks for its vehicle class and represents a clear move towards environmentally-friendly mobility. The German market launch of the new Golf is scheduled for November 10, 2012.

Moscow International Automobile Salon

Czech brand ŠKODA underlined its growth ambitions in Russia with a strong presence at the Moscow motor show. Among the models on show was the ŠKODA Yeti Sochi, a tribute to the 2014 Winter Olympics. The special edition marries special Winter Games branding with a wide range of features, all-wheel drive, high-performance engine and an automatic six-speed direct shift gearbox. The market launch is scheduled for 2013.

SEAT presented its range of models for the Russian market. The main focus was the Alhambra, which is set to join the product portfolio from the fall.

A highlight for the Bentley brand was the motor show debut of the new Continental GT Speed – the fastest street-legal sports car ever built by Bentley. The Mulsanne Executive Interior and the Continental GT V8 models, on show in Russia for the first time, also attracted considerable attention.

The highlight of the Porsche stand, the youngest Group brand, was the Cayenne GTS. The sporty SUV combines maximum dynamics with everyday practicality, exclusive design and luxurious features.

IAA Commercial Vehicles show in Hanover

The largest commercial vehicles show in the world was dominated by efficient and environmentally-friendly transport solutions, with the focus on the introduction of the new Euro 6 emission standard.

Under the motto "Diversity for every job", the Volkswagen Commercial Vehicles brand presented its wide range of models, focusing on BlueMotion and all-wheel drive technology, as well as the large number of modification and upgrade options available for all of its series. Highlights of the brand's showing included the Amarok Canyon and the Cross Caddy. The Amarok Canyon special edition, which was showcased as a concept car in Geneva in the spring, impressed visitors with its bold colors, light bar with four additional spotlights on the roof and extra visual accents. The TDI engine features permanent or selectable all-wheel drive as standard and an optional locking differential on the rear axle for maximum offroad performance. The Cross Caddy will join Volkswagen's Cross lifestyle family in 2013. Individual exterior elements such as black-lipped wheel arches and silver underrun protection reinforce the model's offroad look. Other highlights included the motor show debuts of the Caddy Edition 30, the most powerful Caddy yet, the Transporter Edition and the Life multivan, as well as the eT! research vehicle – a vision for the future of electric vehicles in the commercial segment. The emission-free concept car can be driven semi-automatically if required and is specially designed for use as a postal or courier vehicle.

Scania showcased innovative and efficient transport solutions in Hanover. The focus was on nine and 13 liter diesel engines, as well as two new high-performance gas engines, all of which comply with the Euro 6 emission standard. Scania's construction vehicles – designed for use in the toughest conditions – celebrated their motor show debut. Rounding off the brand's display were pioneering driver support technologies and special driver training to optimize fuel consumption.

The introduction of the new Euro 6 emission standard was also a central topic for MAN at the commercial vehicles show. The new TG family of trucks celebrated its world premiere. These produce virtually zero harmful emissions and boast fuel consumption just as low as their particularly efficient predecessors. Visitors were also impressed by the new premium Neoplan Jetliner, which can be used as both a municipal bus and coach, making it particularly cost-effective. MAN showcased the Metropolis heavy truck, a hybrid research vehicle that can be powered solely by electricity in urban areas for quiet, emission-free transport and delivery. The Concept S truck study – a semitrailer tractor concept – demonstrated how improving the aerodynamics of the entire semitrailer and other high-tech measures can achieve a considerable reduction in fuel consumption and emissions of up to 25% for the same load capacity.

Mondial de l'Automobile in Paris

The Volkswagen Passenger Cars brand presented the Golf BlueMotion and the Golf GTI concept cars for the first time at the Paris Motor Show; these will come onto the market in summer and spring 2013, respectively. The GTI is powered by a two-liter turbocharged direct-injection petrol engine and has a maximum output of 162 kW (220 PS). This can be boosted to 169 kW (230 PS) with the optional factory-installed performance pack. Both versions meet the Euro 6 emission standard, which comes into force in 2014. Average fuel consumption has been cut by 18% compared with the previous model. The progressive steering system that allows the driver to turn the car through a desired radius with fewer turns of the steering wheel is new.

Audi captivated motor show visitors with several world premieres in Paris. Alongside the Audi S3, the RS5 Cabriolet and the SQ5 TDI exclusive concept, the first S model with a diesel engine, the brand presented the new Audi A3 Sportback. This sets new standards in infotainment and driver assistance systems in the premium compact vehicle segment. It also features a pioneering low weight and efficient engines. Compared with its predecessor, it is 90 kg lighter and consumes 10% less fuel. Audi gave visitors a glimpse into the future of compact SUVs with its most spectacular new model – the crosslane coupé concept. It previews the design language of the future Q family and is another building block in the e-tron strategy with its innovative plug-in hybrid system.

ŠKODA introduced the new Rapid to the world. A version designed specifically for the Indian market has been available there since the end of 2011. The European market launch of the compact saloon, which complements the model range between the Fabia and Octavia, is scheduled for mid-October 2012.

The highlight for the SEAT brand was the unveiling of the new Leon. The completely redesigned model is the first to feature the brand's modernized logo in line with its new design language and represents the continuation of SEAT's product offensive. It is based on the Modular Transverse Toolkit and is packed with high-end technology, from the assistance and information systems through the chassis, and down to the drivetrain.

The unveiling of the Bentley Continental GT3 concept vehicle – with which the brand is planning to return to motor racing in late 2013 – caused a stir. The model is based on the new Continental GT Speed, tailored to meet race specifications – a rear-drive chassis, state-of-the-art motor sports hardware and an extensive aerodynamics package.

Lamborghini captivated motor show visitors with the new design of its most successful super sports car ever – the Lamborghini Gallardo. The updated front and rear of the Gallardo LP 560-4 are characterized by the triangular and trapezoidal shapes typical of Lamborghini's design language.

The Panamera Sport Turismo concept was the focus of attention at the Porsche brand's stand. The study marries premium-segment dimensions with luxury interior comfort. The concept vehicle features a plug-in hybrid powertrain with an output of up to 306 kW (416 PS). Its fuel consumption of under 3.5 l/100 km and CO_2 emissions of less than 82 g/km do not come at the expense of driving pleasure – the Panamera Sport Turismo can accelerate from 0 to 100 km/h in less than six seconds. The large central TFT color display allows the driver to call up and display a wide range of information – from the tachometer to driving data and navigation.

AWARDS

The Volkswagen Group once again received a large number of prizes and awards in the third quarter of 2012.

Volkswagen Passenger Cars, Audi, SEAT and ŠKODA claimed a total of five first places at the "Best Company Car 2012" awards in July. The awards, which are run by trade journal "Firmenauto", are based on the feedback of 250 fleet managers, who tested 66 different models in nine categories. As in the previous year, Group brands also took three further first places in the journal's reader poll.

The Internationale Gesellschaft für Kunststofftechnik e.V. awarded two "Automotive Division Awards" to the Volkswagen Passenger Cars brand in July. In the "Digital Media" category, the jury recognized the brand's website for the partnership with the German Nature and Biodiversity Conservation Union (NABU). The carbon fiber-reinforced side panel of the XL1 one-liter car, first unveiled in 2011, took first place in the "Body Exterior" category. The efficient production of ultra-thin body skin parts made for a compelling argument.

The Audi A3 claimed three wins in the "Automotive Brand Contest", an international brand and design competition. The German Design Council recognized the new compact for both its interior and exterior. The vehicle took top honors in the "Connectivity" category for its technologies that connect the driver with the Internet and infrastructure, among other things. On the basis on these successes, the Audi A3 was nominated for Germany's top design prize, the German Design Award.

Audi's customers are the most satisfied in China for the third year in a row. This was confirmed by a study from J.D. Power Asia-Pacific, which surveyed almost 14,000 new car customers to calculate the China Sales Satisfaction Index (SSI). Audi won over new car customers first and foremost with its sales consultations, customer care, service and vehicle delivery.

The US study J.D. Power APEAL analyzed the satisfaction of new vehicle customers in the first 90 days. The Audi A8 was named the most attractive premium-class saloon and was also awarded the highest total number of points in the study, making it the most successful model across all classes.

In August, Verkehrsclub Deutschland (VCD) singled out the most environmentally friendly cars in its environmental vehicle list. The eco up! took out top honors in the "Best for the Environment" category and secured an overall win for Volkswagen in 2012/2013. With CO_2 emissions of 79 g/km and fuel consumption of 2.9 kg of natural gas per 100 km, the eco up! is setting new ecological and economical standards. In addition, the Touran 1.4 TSI EcoFuel was ranked second in the best seven-seater category. VCD also recognized Volkswagen's commitment to the environment as a manufacturer with a second placing.

German automobile club ADAC evaluates in particular the practicality and overall comfort of a car in its "fit & mobil" series of tests. This year's winner was the Volkswagen Touran with an overall score of 2.1, making it the highest-ranked vehicle tested.

In August, Volkswagen do Brasil was named the most popular brand in the "Passenger and light commercial vehicles" category by the National Federation of Automotive Vehicles Distribution (Fenabrave) in Brazil. This was the third time Volkswagen do Brasil had received the award.

NEW GROUP LOCATIONS

The Volkswagen Group opened a new vehicle plant in Yizheng in the Chinese province of Jiangsu ahead of schedule at the end of July 2012. The production facilities have an annual production capacity of around 300,000 vehicles and include a press shop, body shell production, paint shop and final assembly. It is one of the Volkswagen Group's most environmentally friendly plants. Production began with the Volkswagen Polo, which will be joined by ŠKODA models in a next step.

The Volkswagen Group added a new location to its Chinese production network, laying the foundation for a new gearbox plant in the Chinese city of Tianjin. The 450,000-unit capacity plant is scheduled to start production in 2014. This is expected to create over 1,500 new jobs.

As part of its growth strategy, the Volkswagen Group is also increasing its production capacity in Russia. The contracts for a new engine plant to be built close to Volkswagen's Kaluga location were signed at the end of August. Designed to have an annual capacity of 150,000 engines, the plant is expected to commence production in 2015.

At the beginning of September, the Audi brand announced plans to build a new production facility in the Americas in the central Mexican city of San José Chiapa. 150,000 units of the successor to the Audi Q5 are to be produced there every year from 2016. Construction will begin in mid-2013.

In August, the Volkswagen Group of America opened a state-of-the-art research and development center in California. Drives and vehicles from several Group brands will be tested and optimized here from fall 2012 before going into production. A central part of the 6,000 m^2 facility is the climate-controlled emissions lab where vehicles can be tested for exhaust emissions and performance at temperatures of down to minus 35°C.

CREATION OF AN INTEGRATED AUTOMOTIVE GROUP WITH PORSCHE

The creation of the integrated automotive group with Porsche was finalized as of August 1, 2012 by the contribution in full of Dr. Ing. h.c. F. Porsche AG (Porsche AG) to the Volkswagen Group. The accelerated integration allows the implementation of Volkswagen AG's and Porsche AG's joint strategy to go ahead sooner. Porsche will be integrated under Volkswagen's multibrand strategy, retaining its own identity and operational independence.

VOLKSWAGEN BUNDLES GROUP-WIDE TRAINING ACTIVITIES

Volkswagen bundled its training activities in the newly formed Volkswagen Group Academy in August 2012 by combining the activities of AutoUni Wolfsburg and Volkswagen Coaching. As an umbrella organization, this ensures the best possible cooperation between all of the Group's academies, as well as uniform standards of expertise and quality for employee training and professional development around the world and across different brands. In Germany alone, Volkswagen currently trains its employees at eleven vocational group-based academies such as the procurement or production academy.

MAN LISTED IN THE DOW JONES SUSTAINABILITY INDEX

MAN has been admitted to the Dow Jones Sustainability World and the Dow Jones Sustainability Europe indices. This saw the company achieve one of its key sustainability goals for 2012. MAN recorded improvement in the areas of climate strategy, environmental management and product responsibility in particular. The Munich-based manufacturer is the only German company in the industrial engineering sector to be represented in the indices.

Volkswagen repeated its good prior-year results and continues to be listed in the automotive sector of the Dow Jones Sustainability World Index.

CHATTANOOGA PLANT RECEIVES FURTHER ENVIRONMENTAL AND ENERGY CERTIFICATION

The high environmental standards of the Volkswagen plant in Chattanooga, Tennessee, have once again been independently confirmed. After having received certification for quality management, the plant's environmental and energy management was certified in accordance with International Organization for Standardization (ISO) standards in August 2012 on the basis of an audit performed by US and German TÜV inspection organizations. This makes Chattanooga the first Volkswagen plant to receive dual certification and the first automotive plant worldwide to meet both ISO standards in its first year of production.

NEW GOLF RECEIVES ENVIRONMENTAL COMMENDATION FROM TÜV

Independent experts from German inspection organization TÜV NORD confirmed that the new Golf's environmental footprint is much smaller than its predecessor's thanks to a number of technical innovations. The Environmental Commendation is based on the TÜV-certified environmental impact study, which Volkswagen uses to inform its customers, shareholders and other interested parties of the Golf's progress in environmental terms. An examination of the figures revealed, among other things, a 12% improvement in material utilization and emissions savings of 17% for the Golf 1.6 TDI BlueMotion Technology, and 12% for the Golf 1.2 TSI BlueMotion Technology. The certification examined the environmental impact of the new Golf over its entire life cycle and was conducted on the basis of ISO standards 14040 and 14044. Adding to the Golf's environmental credentials is that fact that it will be available with alternative drive systems such as natural gas and electric motors, as well as plug-in hybrid technology from 2013.

VOLKSWAGEN OSNABRÜCK STARTS PRODUCTION OF PORSCHE BOXSTER

The first Porsche Boxster to be produced in Lower Saxony rolled off the production line at Volkswagen's Osnabrück plant on September 19, 2012 in the presence of Prof. Dr. Martin Winterkorn, Chairman of the Board of Management of Volkswagen AG, David McAllister, Minister-President of the Federal State of Lower Saxony and Matthias Müller, Chairman of the Board of Management of Porsche AG. Porsche manufactures the new Boxster together with the Porsche 911 at its main production facility in Stuttgart-Zuffenhausen. The decision to start production at Osnabrück was made as current capacity at Porsche's main plant is no longer sufficient. The Osnabrück plant is the competence center for convertible and small series production within the Volkswagen Group. The new Golf Cabriolet has been produced here since March 2011.

Volkswagen Shares

After a mixed performance in the first half of 2012, the international equity markets continued to recover over the course of the third quarter. Until the beginning of August, the DAX increased considerably amid substantial volatility. Uncertainty among market participants with regard to the potential exacerbation of the eurozone crisis was offset by the macrodata from China and the USA that exceeded expectations, the positive corporate half-yearly results and the fact that interest rates remained low. The DAX moved around the 7,000 point mark until the beginning of September, before finally reaching a new high for the year. This was also a result of the ruling issued by the Bundesverfassungsgericht (Federal Constitutional Court) in mid-September that backed Germany joining the eurozone's rescue fund.

At the end of September 2012, the DAX closed at 7,216 points, up 22.3% compared with the end of 2011. The DJ Euro STOXX Automobile stood at 293 points, 17.5% higher than the 2011 closing price.

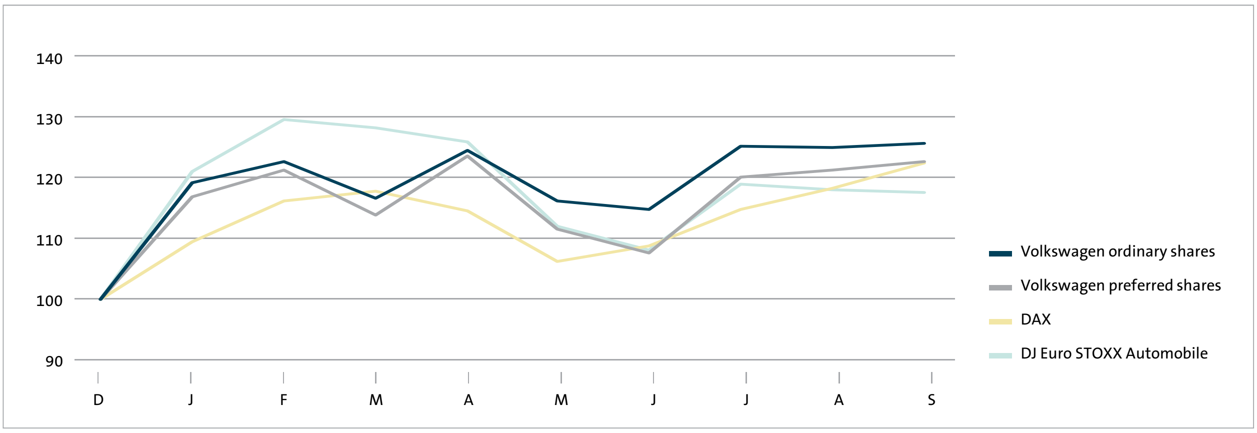
In the third quarter of 2012, Volkswagen AG's preferred shares and ordinary shares recorded significant increases in a positive environment; however, they were unable to match the momentum of the overall market performance. The announcement that the integrated automotive group with Porsche was expected to be implemented as early as August 1, 2012, together with the Company's figures for the first half of 2012 and the strong monthly sales figures over the course of the third quarter, all supported an upward trend that continued until the beginning of August. The share prices moved sideways amid substantial volatility over the remainder of the quarter. Price gains led to a new high for the year in mid-September, although they were lost again by the end of the reporting period.

Volkswagen's preferred shares recorded their highest daily closing price in the reporting period – €155.05 – on September 21, 2012. They fell to their low of €118.00 on June 28, 2012. At the end of September 2012, the preferred shares closed at €141.95, 22.6% higher than the 2011 closing price. Volkswagen AG's ordinary shares reached their high for the first nine months of the year on September 14, 2012 (€138.15). The shares hit their low of €106.20 on the first trading day of the year. At the end of September, Volkswagen's ordinary shares closed at €130.20, 25.6% higher than at the end of 2011.

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 2011 TO SEPTEMBER 2012

Index based on month-end prices: December 31, 2011 = 100



Business Development

GENERAL ECONOMIC DEVELOPMENT

The global economy continued to grow between January and September 2012, albeit at a reduced pace compared with full-year 2011. Most emerging markets continued to see relatively high – but weaker – growth rates, while the industrialized economies recorded only moderate increases.

The economic situation in Western Europe deteriorated increasingly over the reporting period, accompanied by growing signs of recession. The first Northern European countries joined the Southern European EU countries in recording negative growth rates. The still unanswered questions surrounding the resolution of the European sovereign debt crisis and the future institutional structures in the eurozone contributed significantly to this development.

Despite benefiting from its highly competitive export industry, the German economy only recorded slight growth over the course of the year as a result of the strained situation in Western Europe.

A slight upward trend was seen in most Central and Eastern European countries in the period from January to September 2012; however, this remained well behind 2011 figures.

Although positive, South Africa's rate of expansion was down on the prior year due to structural shortcomings and muted global demand for commodities.

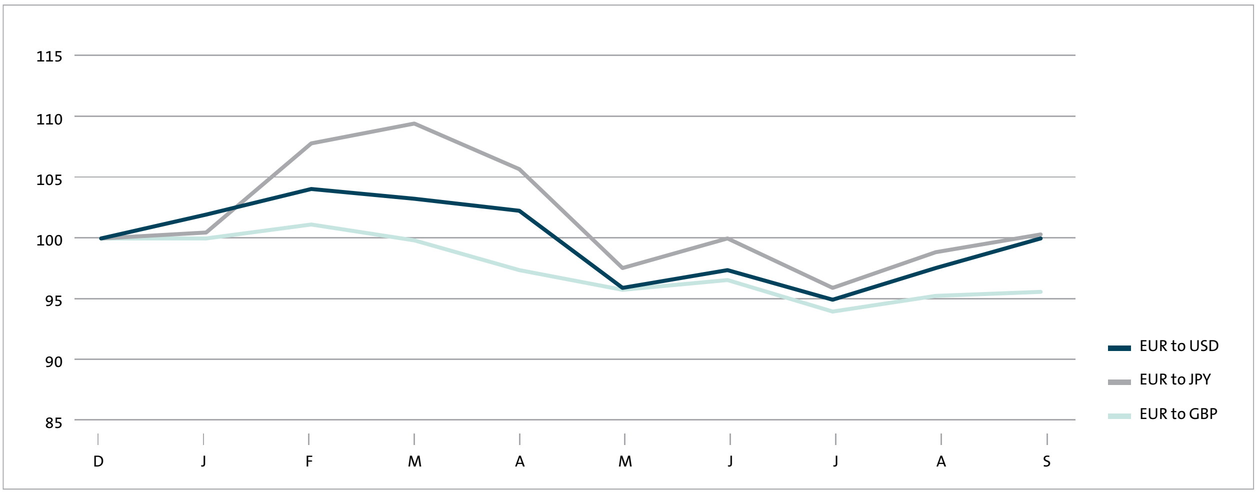
The US economy saw moderate growth in the reporting period with unemployment figures remaining relatively high. The Federal Reserve continued its expansionary monetary policy to stimulate the economy. The Mexican economy, which is highly dependent on the USA, continued to see robust growth.

Economic growth in Brazil and Argentina weakened considerably as against 2011 in the year to date. While inflation was trending down in Brazil, substantial inflationary pressure continued in Argentina. Official reports put the figure at around 10%, but surveys conducted by private research institutes showed that inflation was more than twice as high.

In China, growth slowed in the period from January to September compared with full-year 2011. Growth rates are coming close to the 7.5% target set by the Chinese government. The Japanese economy continued its recovery. However, export growth was negatively impacted by the strong yen. Growth slowed in India, but was still disproportionately high.

EXCHANGE RATE MOVEMENTS FROM DECEMBER 2011 TO SEPTEMBER 2012

Index based on month-end prices: December 31, 2011 = 100



DEVELOPMENT OF THE MARKETS FOR PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES

Global demand for passenger cars and light commercial vehicles in the period from January to September 2012 was up on the prior-year level but slowed somewhat over the course of the third quarter. Overall market growth was seen in all of the sales regions except Western Europe, with some of them posting significant increases. The main growth drivers with double-digit rates were the Asia-Pacific region and North America.

In Western Europe, the automotive industry was weighed down by the worsening economic situation. New registrations continued to decline in the first nine months of 2012. The slump in demand in Italy, France and Spain in particular saw the Western European market as a whole fall to its lowest level since 1993.

In Germany, new registrations in the period from January to September 2012 were down slightly on the prior-year period. The decrease was significantly influenced by the growing uncertainty surrounding economic developments and the associated reluctance of private customers to buy.

New car sales in Central and Eastern Europe continued to rise in the reporting period. However, the pace of growth has eased slightly in recent months. This positive development is primarily due to the Russian market. Its growth is largely attributable to the sales success of locally produced vehicles from international manufacturers.

South Africa continued its upward trend in the reporting period. Demand increased for the 33rd consecutive month, buoyed in particular by new models.

The North American market for passenger cars and light commercial vehicles saw strong growth between January and September 2012. The US market in particular continued its recovery, a process that has been ongoing since late 2009. The significant increase in sales was driven in particular by increased replacement demand. New car sales also rose in Canada and Mexico in the first nine months of 2012.

Demand for passenger cars and light commercial vehicles in the South American markets was up on the prior-year figure in the reporting period. New registrations reached a new high in Brazil, where customers benefited from a temporary reduction in taxes on industrial products, as well as easier access to vehicle financing in the third quarter of 2012 in particular. In contrast, the Argentinian market fell short of its record prior-year result. The main reason for the decline was the measures taken by the government to limit imports.

The Asia-Pacific region recorded the highest absolute increase in passenger car and light commercial vehicle registrations in the period from January to September 2012. In China, unit sales in the reporting period clearly exceeded the prior-year figure. The significant increase was almost exclusively attributable to foreign brands. The Japanese market recorded above-average growth. This was mainly due to government incentive programs for particularly fuel-efficient vehicles and the low prior-year level in the wake of the natural disasters. Growth in demand in the Indian market was positive overall in the reporting period. The increase was boosted by improved financing products from manufacturers, new models and a wider range of diesel vehicles, while buying behavior was negatively impacted by high fuel prices.

DEVELOPMENT OF THE MARKETS FOR TRUCKS AND BUSES

In the first three quarters of 2012, global demand for mid-sized and heavy trucks with a gross weight of more than six tonnes declined year-on-year.

In Western Europe, new registrations in the reporting period fell short of the previous year's figure. This was because of customer uncertainty caused by the European sovereign debt crisis.

In the first nine months of 2012, the truck market in Russia recorded the greatest increase worldwide as against the previous year, even though the pace of growth slowed slightly in the third quarter.

The markets in the NAFTA region – primarily in the USA – surpassed the prior-year level significantly in the reporting period due to the ongoing demand for replacement purchases. However, there was a clear decline in incoming orders as a result of the uncertainties surrounding economic developments.

Vehicle sales in South America fell well short of the prior-year volume in the period from January to September 2012. Brazil, the continent's largest market, was down considerably year-on-year due to the introduction of new Euro 5 emissions standards and the weak economic performance.

China, by far the world's largest market, fell well short of the prior-year volume during the reporting period. The reasons for this were a sharp decline in export growth, a slower rise in investments and weaker consumer demand.

In India, the high level of the previous year was not matched in the first nine months of 2012 due to the decline in economic growth.

Global demand for buses developed positively from January to September 2012 compared with the prior-year period.

DEMAND FOR FINANCIAL SERVICES

Global demand for automotive-related financial services was strong in the first nine months of 2012. The European markets experienced growing demand for automotive-related financial services, even though new vehicle sales declined. The leasing sector in Germany continued to expand in both the commercial vehicle and passenger car segments. Demand in North America remained high. The South American markets recorded steady growth, while the Asia-Pacific region clearly exceeded the prior-year volume.

VOLKSWAGEN GROUP DELIVERIES

The Volkswagen Group delivered 6,854,706 vehicles to customers in the reporting period, an increase of 684,474 or 11.1% year-on-year. The chart on page 12 shows that delivery figures were higher in all nine months of the reporting period than in the same months of the previous year. Separate details of deliveries of passenger cars and light commercial vehicles and of trucks and buses are provided in the following.

VOLKSWAGEN GROUP DELIVERIES
FROM JANUARY 1 TO SEPTEMBER 30

	2012	2011	%
Passenger cars and light commercial vehicles	6,706,641	6,111,247	+ 9.7
Trucks and buses	148,065	58,985	x
Total	**6,854,706**	**6,170,232**	**+ 11.1**

PASSENGER CAR AND LIGHT COMMERCIAL VEHICLE DELIVERIES WORLDWIDE

The Volkswagen Group's deliveries in the period from January to September 2012 were at a new all-time high, at 6,706,641 passenger cars and light commercial vehicles, an increase of 9.7% on the prior-year period. Since August 1, 2012, these figures also include Porsche brand vehicles. As our deliveries outperformed the market as a whole in most countries, we improved our market position and gained additional market shares. All Group brands contributed to this increase with the exception of SEAT, which was again hit particularly hard by the difficult market conditions in Western Europe, and Bugatti. Volkswagen Passenger Cars (+10.6%), Audi (+12.8%), ŠKODA (+7.9%) and Volkswagen Commercial Vehicles (+4.9%) reached new record highs for the period between January and September. The Group recorded the highest growth rates in North America, Central and Eastern Europe, and the Asia-Pacific region.

The table on the next page provides an overview of passenger car and light commercial vehicle deliveries to customers by market and of the respective passenger car market shares in the reporting period.

Sales trends in the individual markets are as follows.

Deliveries in Europe/Remaining markets

In the first nine months of 2012, the Volkswagen Group delivered 2.8% fewer vehicles to customers in Western Europe than in the previous year but outperformed the market as a whole, which declined by 7.6%. Vehicles sold in Western Europe accounted for 34.6% (previous year: 39.0%) of the Group's total delivery volumes. Our sales figures were down on the previous year in virtually all major markets in this region, apart from the United Kingdom and Germany. Demand for Audi, Volkswagen Commercial Vehicles, Bentley and Lamborghini models developed positively, with all these brands exceeding the prior-year figures. The Polo, Golf, Tiguan, Passat estate, Audi A3 Sportback, Audi A4 Avant, ŠKODA Fabia hatchback, ŠKODA Octavia estate, Multivan/Transporter and Caddy models recorded the strongest demand in the reporting period. The new up!, Golf Cabriolet, Beetle, Audi Q3, ŠKODA Citigo and SEAT Mii models were also highly popular. The Volkswagen Group's share of the passenger car market in Western Europe rose to 24.6% (23.2%).

Deliveries to Volkswagen Group customers in the declining German market were up 3.0% on the prior-year figure in the first nine months of 2012. The Tiguan, Touareg, Audi A1, Audi A6, ŠKODA Roomster, ŠKODA Octavia estate, ŠKODA Yeti, SEAT Ibiza, SEAT Alhambra and Crafter models experienced growing demand. The Volkswagen Group increased its share of the German passenger car market to 38.0% (36.7%).

Between January and September 2012, we delivered 23.1% more vehicles in Central and Eastern Europe than in the prior-year period. This is due above all to continuing strong demand for Group models in the Russian market (+50.1%). New registrations of Group vehicles were also up in almost all other relevant markets in Central and Eastern Europe. Demand was particularly strong for almost all models from Volkswagen Passenger Cars, Volkswagen Commercial Vehicles and ŠKODA, as well as for the Audi A3 Sportback and Audi A6.

The Volkswagen Group sold 9.3% more vehicles to customers in South Africa than in the same period last year. The Group's share of the passenger car market was 22.9% (23.4%).

Deliveries in North America

Deliveries in the growing US market for passenger cars and light commercial vehicles were up 34.1% year-on-year in the reporting period, outperforming the positive trend in the overall market (+14.5%). Demand for the Golf hatchback, Jetta, Tiguan, Audi A4 saloon and Audi Q5 models was particularly strong. The new Beetle and the new Passat were also highly popular.

In Canada, the Volkswagen Group sold 12.6% more vehicles than in the previous year. The Golf hatchback, Tiguan, Audi Q5 and the new Passat recorded the highest growth rates.

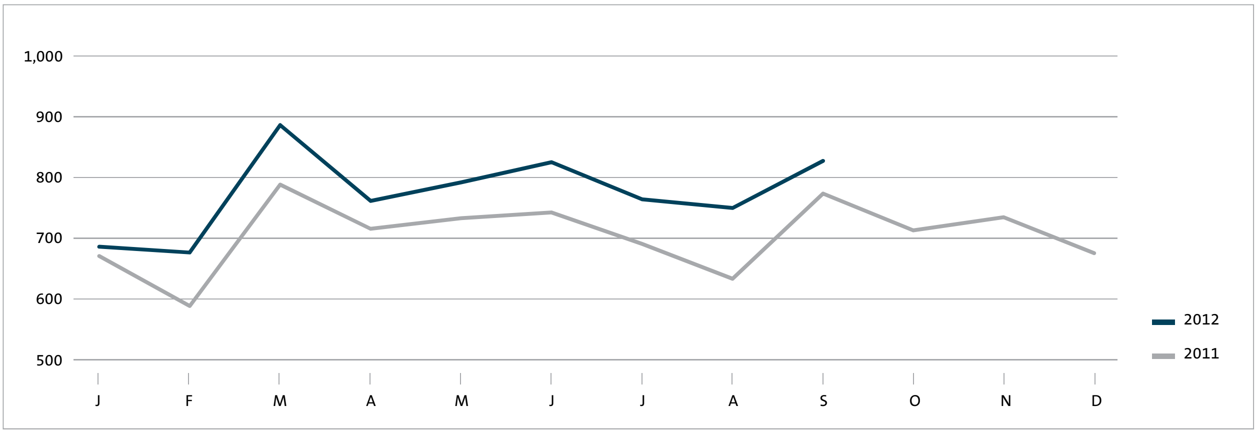
PASSENGER CAR AND LIGHT COMMERCIAL VEHICLE DELIVERIES TO CUSTOMERS BY MARKET FROM JANUARY 1 TO SEPTEMBER 30[1]

	DELIVERIES (UNITS)		CHANGE	SHARE OF PASSENGER CAR MARKET (%)	
	2012	2011	(%)	2012	2011
Europe/Remaining markets	**3,078,072**	**3,006,142**	**+ 2.4**		
Western Europe	**2,317,731**	**2,384,128**	**– 2.8**	**24.6**	**23.2**
of which: Germany	889,903	864,400	+ 3.0	38.0	36.7
United Kingdom	346,082	327,685	+ 5.6	20.2	19.7
France	209,876	226,133	– 7.2	14.2	12.7
Italy	153,184	189,912	– 19.3	13.6	13.3
Spain	139,268	165,472	– 15.8	24.7	25.0
Central and Eastern Europe	**479,982**	**390,070**	**+ 23.1**	**15.2**	**13.5**
of which: Russia	234,932	156,553	+ 50.1	10.9	8.4
Czech Republic	63,122	61,130	+ 3.3	45.4	45.7
Poland	56,592	52,322	+ 8.2	25.6	24.4
Remaining markets	**280,359**	**231,944**	**+ 20.9**		
of which: Turkey	85,544	77,727	+ 10.1	17.5	14.1
South Africa	81,839	74,877	+ 9.3	22.9	23.4
North America[2]	**608,592**	**485,405**	**+ 25.4**	**4.7**	**4.2**
of which: USA	431,581	321,927	+ 34.1	4.1	3.6
Mexico	116,426	109,669	+ 6.2	16.6	17.4
Canada	60,585	53,809	+ 12.6	4.8	4.5
South America	**752,526**	**700,962**	**+ 7.4**	**19.5**	**18.9**
of which: Brazil	573,669	530,467	+ 8.1	23.0	22.5
Argentina	135,154	132,914	+ 1.7	25.0	24.7
Asia-Pacific	**2,267,451**	**1,918,738**	**+ 18.2**	**11.9**	**11.4**
of which: China	2,004,791	1,691,100	+ 18.5	20.9	19.0
India	85,605	81,408	+ 5.2	4.5	4.7
Japan	60,945	53,220	+ 14.5	1.7	2.2
Worldwide	**6,706,641**	**6,111,247**	**+ 9.7**	**12.6**	**12.3**
Volkswagen Passenger Cars	4,214,102	3,810,633	+ 10.6		
Audi	1,097,540	973,154	+ 12.8		
ŠKODA	717,191	664,773	+ 7.9		
SEAT	238,177	266,758	– 10.7		
Bentley	5,969	4,759	+ 25.4		
Lamborghini	1,541	1,082	+ 42.4		
Porsche[3]	22,800	–	–		
Volkswagen Commercial Vehicles	409,299	390,063	+ 4.9		
Bugatti	22	25	– 12.0		

1 Deliveries and market shares for 2011 have been updated to reflect subsequent statistical trends. Porsche's market share has been included for the entire period.
2 Overall markets in the USA, Mexico and Canada include passenger cars and light trucks.
3 The Porsche brand's deliveries are included as from August 1, 2012.

VOLKSWAGEN GROUP DELIVERIES BY MONTH

Vehicles in thousands



In the Mexican market, the Volkswagen Group increased deliveries by 6.2% compared with the prior-year figure; demand for the new Jetta, the Clasico and the SEAT Ibiza was particularly strong.

Deliveries in South America

Sales in South America grew by 7.4% year-on-year in the period between January and September 2012.

Group deliveries in the Brazilian market increased by 8.1% as against the previous year. This was attributable to a temporary tax cut for new vehicles as well as the market launch of the new generations of the Gol and the Voyage. The Fox was also very popular. The total delivery figures also include the Amarok, Saveiro and T2 light commercial vehicles. We sold 2.4% more of these models in Brazil than in the first nine months of 2011. The Group's share of the highly competitive Brazilian passenger car market was 23.0% (22.5%).

Group deliveries in Argentina were up 1.7% year-on-year in the period under review, while the passenger car market as a whole declined. There was increased demand for the Fox, SpaceFox and Gol models. The Volkswagen Group's share of the passenger car market in Argentina increased to 25.0% (24,7%).

Deliveries in the Asia-Pacific region

Demand for vehicles in the Asia-Pacific region grew by 13.6% year-on-year from January to September 2012. The Volkswagen Group outperformed the market as a whole, with an increase of 18.2%. Growth in the region was again driven by the continuing strong demand in the Chinese market, where we sold 18.5% more vehicles than in the previous year. Virtually all Group models contributed to this success. With a market share of 20.9% (19.0%), we defended our leadership of the extremely competitive Chinese passenger car market.

In Japan, we benefited from the continued recovery of the local market; deliveries to Volkswagen Group customers were up 14.5%. The Polo, Golf, Audi A1 and Audi A4 models were particularly popular.

We also saw positive sales trends in all other markets in the Asia-Pacific region. Demand for Group models in India was up 5.2% on the previous year. There was increased demand for the new Jetta, Passat saloon and ŠKODA Rapid models.

DELIVERIES OF TRUCKS AND BUSES

In the first nine months of 2012, the Volkswagen Group delivered 148,065 trucks and buses to customers worldwide, with trucks accounting for 132,789 units. Delivery figures for the MAN brand are not included for the prior-year period, because MAN was only consolidated on November 9, 2011. The Scania brand sold 46,879 units, 20.5% fewer vehicles than in the same period of 2011.

In the Western European markets, the Group delivered 49,958 units in the period from January to September 2012, 47,233 of which were trucks. The economy continued to weaken in the reporting period on the back of the ongoing European debt crisis. The Group sold a total of 20,091 vehicles in Central and Eastern Europe (including 19,628 trucks). The Group achieved its highest growth rate in Russia thanks to positive growth in the construction industry and the consumer goods market. Demand for Volkswagen Group trucks and buses in the Remaining markets amounted to 14,032 trucks and 1,875 buses.

In the North American markets, the Group delivered 1,655 trucks and buses, 406 of which were trucks. In this market, we benefited above all from the positive trend in the relevant economic sectors.

In South America, the Group delivered 52,186 vehicles, of which 44,262 were trucks. We sold 37,763 trucks and 6,001 buses in the Brazilian market. As expected, the introduction of the Euro 5 emission standard weakened demand for trucks in the first nine months of 2012.

Group sales in the markets of the Asia-Pacific region comprised 8,268 units, 7,228 of which were trucks. We delivered 2,221 trucks and 119 buses in the Chinese market.

GROUP FINANCIAL SERVICES

Demand for the products and services of Volkswagen Financial Services continued to be strong during the reporting period. 2.8 million new financing, leasing, service and insurance contracts were signed worldwide, corresponding to an increase of 21.3% than in the same period of 2011. The total number of contracts as of the end of September 2012 was 9.4 million, up 15.6% on the prior-year reporting date.

In Europe, 1.9 million new contracts were signed in the period between January and September 2012 (+13.6%). The total number of contracts rose by 12.3% as against the previous year to 6.8 million. The number of customer finance and leasing contracts amounted to 4.0 million (+8.4%).

As of September 30, 2012, the number of contracts in North America grew by 17.9% year-on-year to 1.5 million. The number of customer finance and leasing contracts was 1.2 million. At 488 thousand, the number of new contracts surpassed the prior-year figure by 34.5%.

In South America, the total number of contracts was 663 thousand in the reporting period, 11.6% higher than in the prior-year period. Almost all of these contracts were attributable to the customer finance/leasing area.

At the end of the third quarter, the total number of contracts in the Asia-Pacific region was 425 thousand, of which 337 thousand related to customer finance/leasing.

TRUCK AND BUS DELIVERIES TO CUSTOMERS BY MARKET FROM JANUARY 1 TO SEPTEMBER 30

	DELIVERIES (UNITS)		CHANGE
	2012	2011	(%)
Europe/Remaining markets	**85,956**	**39,331**	**x**
Western Europe	49,958	20,169	x
Central and Eastern Europe	20,091	8,989	x
Remaining markets	15,907	10,173	+ 56.4
North America	**1,655**	**401**	**x**
South America	**52,186**	**14,809**	**x**
of which: Brazil	43,764	11,227	x
Asia-Pacific	**8,268**	**4,444**	**+ 86.0**
of which: China	2,340	1,251	+ 87.1
Worldwide	**148,065**	**58,985**	**x**
Scania	46,879	58,985	– 20.5
MAN*	101,186	–	x

* The MAN brand's deliveries are included as from November 9, 2011.

WORLDWIDE DEVELOPMENT OF INVENTORIES

At the end of September 2012, global inventories held by Group companies and the dealer organization were up compared with the end of 2011 and September 30, 2011 as a result of growth factors.

UNIT SALES, PRODUCTION AND EMPLOYEES

In the period between January and September 2012, the Volkswagen Group sold 6,977,553 vehicles worldwide, an increase of 12,5% year-on-year. The number of vehicles sold abroad increased by 14.3% compared with the previous year as a result of ongoing high demand in the Chinese, US and Russian markets. Domestic vehicle sales were up 2.5% on the previous year; vehicles sold in Germany accounted for 13.2% (14.5%) of the Group's overall sales.

The Volkswagen Group produced 6,974,154 vehicles worldwide in the reporting period, 10.7% up on the previous year. 1,764,732 models were produced in Germany, 0.7% fewer than in the same period last year; the proportion of domestically produced vehicles declined to 25.3% (28.2%).

The Volkswagen Group had 525,859 active employees as of September 30, 2012. In addition, 6,915 employees were in the passive phase of their early retirement and 16,520 young people were in apprenticeships. The Volkswagen Group had 549,294 employees worldwide at the end of the reporting period. In addition to the establishment of new production facilities and the expanded production volume in Germany and abroad, this 9.4% increase as against the number of employees as of December 31, 2011 is primarily due to the consolidation of Porsche AG on August 1, 2012. A total of 248,402 people were employed in Germany (+10.5%), accounting for 45.2% of the total headcount.

OPPORTUNITY AND RISK REPORT

There were no significant changes to the Volkswagen Group's opportunity and risk position compared with the information contained in the Risk Report and Report on Expected Developments chapters of the 2011 Annual Report.

Results of Operations, Financial Position and Net Assets

CONSOLIDATION OF PORSCHE AG

The contribution in full of Porsche SE's automotive business, which primarily consists of the 50.1% interest in Porsche Zweite Zwischenholding GmbH (and thus indirectly in Porsche AG), was completed on August 1, 2012 for share-based and cash consideration. Porsche AG has been consolidated in the Group since that date, which significantly influenced the results of operations, financial position and net assets of the Automotive Division in the reporting period.

The measurement of the put/call options relating to Porsche Zweite Zwischenholding GmbH was updated at the contribution date. In addition, the existing shares held were remeasured at the time of the transition in accounting for Porsche from the equity method to consolidation. Based on the updated underlying assumptions, this resulted in a significant noncash gain in the financial result.

The cash outflow from investing activities reported in the cash flow statement reflects the payment of the consideration less cash and cash equivalents acquired from Porsche. Net liquidity was also reduced by Porsche's debt.

Total assets increased as a result of the addition of Porsche's primary assets and liabilities and their remeasurement as part of purchase price allocation.

RESULTS OF OPERATIONS OF THE GROUP

The Volkswagen Group's sales revenue amounted to €144.2 billion in the period from January and September 2012. The 24.0% increase in comparison with the prior-year period was primarily attributable to higher volumes and the consolidation of Porsche Holding Salzburg (March 1, 2011), MAN SE (November 9, 2011) and Porsche AG (August 1, 2012). The proportion of the Group's sales revenue generated outside Germany was 80.1% (78.0%).

The Volkswagen Groups gross profit rose by 26.8% year-on-year to €27.2 billion in the first nine months of 2012. High write-downs relating to purchase price allocation for MAN and Porsche in the period shortly following their acquisition were offset by positive exchange rate effects, higher volumes and improved product costs. The gross margin rose in comparison with the previous year to 18.8% (18.4%).

The Volkswagen Group's operating profit in the reporting period amounted to €8.8 billion, on a level with the previous year (€9.0 billion). The operating return on sales declined to 6.1% (7.7%), primarily as a result of write-downs relating to purchase price allocation for MAN and Porsche, as well as the lower net other operating income.

At €23.0 billion, the Volkswagen Group's profit before tax in the period from January to September 2012 exceeded the 2011 figure by €6.3 billion due to positive measurement effects. Profit after tax rose by €6.5 billion to €20.2 billion. Effects from the updated measurement of options relating to Porsche Zweite Zwischenholding GmbH and the remeasurement of the existing shares held in the amount of €12.3 billion did not have any impact on the tax expense.

RESULTS OF OPERATIONS IN THE AUTOMOTIVE DIVISION

The Automotive Division generated sales revenue of €129.6 billion in the reporting period, up 25.1% on the prior-year figure. This was buoyed by higher volumes, favorable exchange rates and model mix improvements. The consolidation of Porsche Holding Salzburg, MAN and Porsche should be taken into account in the comparison with the previous year's figures. As our Chinese joint ventures are accounted for using the equity method, the Group's positive business growth in the Chinese passenger car market is mainly reflected in the Group's sales revenue only by deliveries of vehicles and vehicle parts. At €23.8 billion, gross profit in the Automotive Division was €5.2 billion higher than in the previous year.

The Automotive Division's distribution and administrative expenses increased by 31.1% and 55.4% respectively compared with the period from January to September 2011. The ratio of both distribution and administrative expenses to sales revenue was also higher than in the previous year. Alongside increased business volumes and the consolidation outlined above, increased competition – particularly in Western Europe – had a significant effect on the prior-year comparison. Other operating income fell to €0.4 billion (€1.6 billion), mainly as a result of exchange-rate factors.

The Automotive Division generated an operating profit of €7.7 billion (€8.0 billion) in the reporting period. Earnings were impacted by the effects of purchase price allocation for MAN and Porsche, as well as the switch to the Modular Transverse Toolkit and the associated product startups. The operating return on sales declined to 6.0% (7.8%). The extremely strong business performance of our Chinese joint ventures is not reflected in the operating profit, as these are accounted for using the equity method. Operating profit in the Trucks and Buses, Power Engineering Business Area was negatively impacted by the year-on-year decline in overall markets and the write-downs relating to purchase price allocation for MAN.

At €14.1 billion (€7.6 billion), the financial result was significantly higher than in the previous year. The updating of the underlying assumptions used in the valuation models for measuring the put/call rights relating to Porsche Zweite Zwischenholding GmbH (gain of €1.9 billion), as well as the remeasurement of existing shares held at the contribution date (gain of €10.4 billion) were a significant part of this. Improved income from the equity-accounted Chinese joint ventures included in the consolidated financial statements also had a positive effect on the financial result. Income and expenses from interests held in Suzuki and MAN are only included in the prior-year period due to the switch from the equity method to fair value in the measurement of Suzuki shares, and from the equity method to consolidation for MAN SE.

Results of operations in the Passenger Cars and Light Commercial Vehicles Business Area and the Trucks and Buses, Power Engineering Business Area from January 1 to September 30

€ million	2012	2011
Passenger Cars and Light Commercial Vehicles Business Area		
Sales revenue	111,479	96,350
Gross profit	21,038	17,111
Operating profit	7,521	7,205
Trucks and Buses, Power Engineering Business Area		
Sales revenue	18,094	7,200
Gross profit	2,808	1,498
Operating profit	206	827

RESULTS OF OPERATIONS IN THE FINANCIAL SERVICES DIVISION

Sales revenue in the Financial Services Division was €14.7 billion in the period from January to September 2012, €1.9 billion higher than in the previous year. This is mainly attributable to higher volumes and business expansion in the Chinese market. The prior-year comparison is influenced by the consolidation of Porsche Holding Salzburg, MAN and Porsche.

Gross profit rose by 18.2% year-on-year to €3.3 billion.

Volume growth, the costs associated with meeting stricter banking supervision requirements and upfront costs for new projects led to an increase in distribution and administrative expenses.

At €1.1 billion, operating profit exceeded the prior-year figure by 17.2%.

FINANCIAL POSITION OF THE GROUP

The Volkswagen Group's gross cash flow improved by €0.7 billion year-on-year to €15.2 billion in the first nine months of 2012. At €9.4 billion, funds tied up in working capital were €1.6 billion higher than in the previous year. As a result, cash flows from operating activities declined to €5.8 billion (€6.7 billion).

Investing activities attributable to the Volkswagen Group's operating activities were up 37.0% on the previous year at €11.6 billion. Alongside higher investments in property, plant and equipment and capitalized development costs, this was largely attributable to the integration of Porsche. The acquisition of Porsche Holding Salzburg in particular led to a cash outflow in the previous year.

The increase in the equity interest in MAN SE of approximately €2.1 billion in 2012 is reported in financing activities as a capital transaction with noncontrolling interests.

Cash and cash equivalents in the Volkswagen Group as reported in the cash flow statement amounted to €17.4 billion as of September 30, 2012, €3.8 billion lower than at the prior-year reporting date.

The Group's net liquidity declined by €20.3 billion compared with year-end 2011 to €– 85,2 billion.

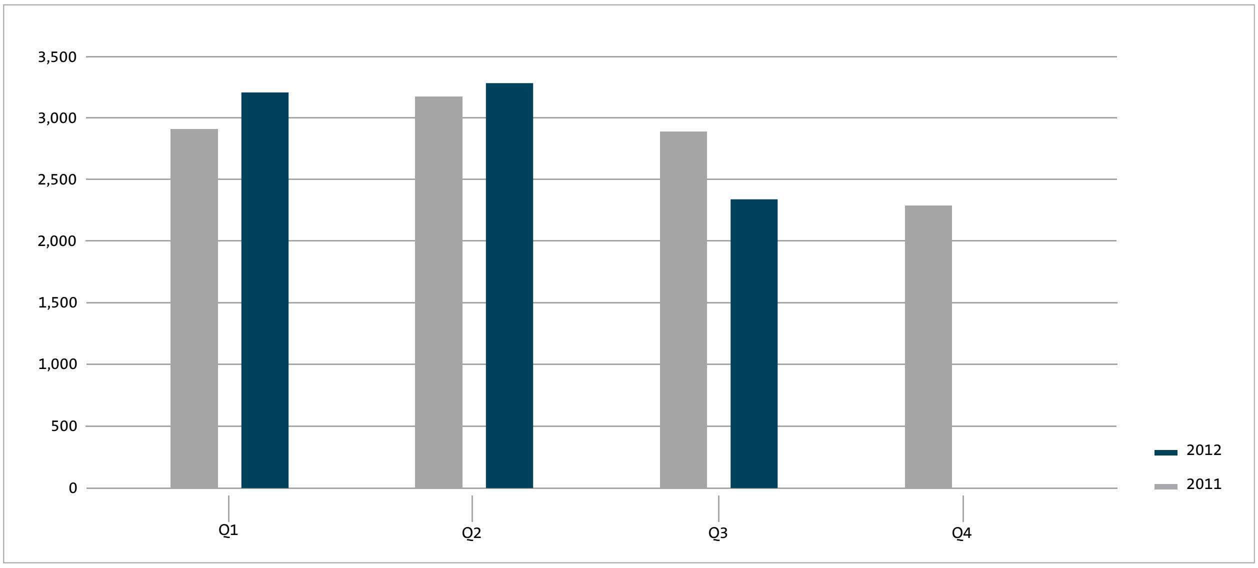
FINANCIAL POSITION IN THE AUTOMOTIVE DIVISION

At €12.2 billion, gross cash flow in the Automotive Division was on a level with the previous year (€12.2 billion) in the period from January to September 2012. Growth factors led to funds tied up in working capital of €0.2 billion in the current year following a low €0.2 billion of funds released from working capital in the previous year. Cash flows from operating activities amounted to €11.9 billion, €0.5 billion below the prior-year figure.

At €11.3 billion, investing activities attributable to operating activities in the reporting period were €2.7 billion higher than in the previous year. Investments in property, plant and equipment in the Automotive Division rose by €1.7 billion to €6.0 billion; the ratio of investments in property, plant and equipment (capex) to sales revenue was 4.6% (4.1%). We invested primarily in our production facilities and in the switch to the Modular Transverse Toolkit. Other investment focuses were the models to be launched in 2012 and 2013, as well as the ecological alignment of our model range. Within investing activities, a cash outflow arose from the contribution in full of Porsche's automotive business to the Volkswagen Group. The payment of the consideration in the amount of €4.5 billion was net of cash and cash equivalents acquired from Porsche, while the liabilities assumed directly reduced net liquidity. The acquisition of Ducati resulted in a cash outflow of €0.7 billion. The acquisition of Porsche Holding Salzburg

OPERATING PROFIT BY QUARTERS

Volkswagen Group in € million



had a considerable effect on investing activities in the prior-year period.

The Automotive Division's net cash flow declined to €0.6 billion (€3.8 billion) in the first nine months of 2012.

Since the consolidation of MAN, further increases in Volkswagen AG's stake have been reported in financing activities as capital transactions with noncontrolling interests. Further interests in MAN SE totaling approximately €2.1 billion were acquired in the reporting period.

Financial position in the Passenger Cars and Light Commercial Vehicles Business Area and the Trucks and Buses, Power Engineering Business Area from January 1 to September 30

€ million	2012	2011
Passenger Cars and Light Commercial Vehicles Business Area		
Gross cash flow	11,063	11,197
Change in working capital	1,161	452
Cash flows from operating activities	12,224	11,649
Cash flows from investing activities attributable to operating activities	–10,492	–8,413
Net cash flow	1,732	3,236
Trucks and Buses, Power Engineering Business Area		
Gross cash flow	1,091	976
Change in working capital	–1,380	–205
Cash flows from operating activities	–289	771
Cash flows from investing activities attributable to operating activities	–839	–193
Net cash flow	–1,128	578

Following the integration of Porsche and Ducati, net liquidity in the Automotive Division amounted to €9.2 billion as of September 30, 2012 compared with €17.0 billion as of December 31, 2011.

FINANCIAL POSITION IN THE FINANCIAL SERVICES DIVISION

Gross cash flow in the Financial Services Division rose by 28.5% to €3.1 billion in the reporting period, largely due to earnings-related factors. At €9.2 billion, funds tied up in working capital were €1.1 billion higher than in the previous year. Investing activities attributable to operating activities amounted to €219 million.

The Financial Services Division's negative net liquidity, which is common in the industry, amounted to €–94.4 billion at the end of the third quarter of 2012, €12.6 billion higher than at December 31, 2011. This was primarily attributable to business expansion, the expansion of the consolidated Group (including Porsche Financial Services) and exchange rate effects.

CONSOLIDATED BALANCE SHEET STRUCTURE

The Volkswagen Group's total assets amounted to €309.0 billion at the end of the third quarter of 2012, 21.8% higher than at December 31, 2011. This increase was largely the result of the integration of Porsche (Automotive and Financial Services) and organic Group growth. The equity ratio was 25.4% compared with 25.0% at the end of 2011.

AUTOMOTIVE DIVISION BALANCE SHEET STRUCTURE

Purchase price allocation for the assets acquired and liabilities assumed from Porsche Automotive and the MAN Commercial Vehicles and Power Engineering subgroups is provisional as of the date of these interim financial statements.

The Automotive Division's noncurrent assets as of September 30, 2012 were 35.6% higher than at the end of 2011. This increase was mainly attributable to the integration of Porsche. Intangible assets almost tripled, lifted in particular by the goodwill and brand value of Porsche, which was determined as part of purchase price allocation. The value of equity-accounted investments declined with the transition in accounting for Porsche from the equity method to consolidation following the disposal of the existing shares held. Other noncurrent assets decreased as a result of the disposal of the options relating to Porsche Zweite Zwischenholding GmbH. Property, plant and equipment increased by 14.1%. Within the current assets item, which rose by 9.5% as a whole, the increase in business led to a rise in inventories and receivables. At €14.4 billion (€14.5 billion), cash and cash equivalents as of the reporting date were on a level with year-end 2011.

The Automotive Division's equity attributable to shareholders of Volkswagen AG amounted to €61.3 billion as of September 30, 2012, up 30.6% as against December 31, 2011. The Group's earnings performance – including the remeasurement of the put/call options and the existing shares – and the measurement of derivatives had a particularly positive effect. This was offset in part by actuarial losses and dividend payments. Noncontrolling interests, which chiefly relate to noncontrolling interests in Scania and MAN, decreased due to the increase in the stake in MAN SE. The Automotive Division's equity amounted to €65.2 billion (€52.5 billion) at the end of the reporting period. The inclusion of Porsche, among other things, saw both current and noncurrent liabilities increase. As of September 30, 2012, noncurrent and current liabilities were 41.4% and 7.6% higher than at the end of 2011. The figures for the Automotive Division also contain the elimination of intragroup 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.

The Automotive Division's total assets were €182.4 billion at the end of the third quarter of 2012, 24.9% higher than at December 31, 2011.

Balance sheet structure in the Passenger Cars and Light Commercial Vehicles Business Area and the Trucks and Buses, Power Engineering Business Area

€ million	Sept. 30, 2012	Dec. 31, 2011
Passenger Cars and Light Commercial Vehicles Business Area		
Noncurrent assets	89,283	60,505
Current assets	51,370	45,597
Total assets	**140,652**	**106,102**
Equity	45,655	32,411
Noncurrent liabilities	58,398	41,030
Current liabilities	36,600	32,661
Trucks and Buses, Power Engineering Business Area		
Noncurrent assets	27,727	25,774
Current assets	14,058	14,157
Total assets	**41,785**	**39,931**
Equity	19,522	20,078
Noncurrent liabilities	11,007	8,044
Current liabilities	11,256	11,810

FINANCIAL SERVICES DIVISION BALANCE SHEET STRUCTURE

At €126.5 billion, the Financial Services Division's total assets as of September 30, 2012 were 17.6% higher than at the end of 2011.

Noncurrent and current financial services receivables increased due to volume-related and exchange rate factors, as well as the expansion of the consolidated Group (including Porsche Financial Services). Overall, noncurrent assets rose by 21.9% and current assets by 11.9%. The Financial Services Division accounted for approximately 41.0% of the Volkswagen Group's assets as of September 30, 2012.

The Financial Services Division's equity amounted to €13.2 billion as of September 30, 2012; 21.6% higher than at December 31, 2011. The earnings position and a capital increase by Volkswagen AG had a particularly positive effect here. The equity ratio was 10.4% (10.1%). Noncurrent liabilities were 20.2% higher than at year-end 2011 due to an increase in financial liabilities for refinancing purposes. Current liabilities rose by 15.0%.

At €24.4 billion, deposits from direct banking business exceeded the December 31, 2011 figure (€23.1 billion); of this, €23.0 billion was attributable to Volkswagen Bank direct.

Outlook

Global economic growth continued in the first nine months of 2012, but lost momentum compared with full-year 2011. We expect the global economy to stabilize at this level until the end of the year. The performance of the individual regions will differ. While most emerging markets in Asia and Latin America will continue to record above-average growth despite a slight slowdown, the major industrialized nations will see merely moderate increases because of the high debt levels in many countries. The recessionary trends are expected to continue in some EU member states. Overall, global economic developments are still dogged by considerable uncertainty.

Growth in global demand for passenger cars and light commercial vehicles tailed off slightly in the course of the third quarter of 2012, but was still up on the previous year's level at the end of the reporting period. The strongest absolute growth was recorded by the US, Japanese, Chinese, Russian and Indian markets. We expect the global markets for passenger cars and light commercial vehicles to grow overall in 2012, but the pace will probably continue to slacken in the remaining months of the year. In Western Europe, we are forecasting that the decline in the overall market volume will accelerate towards the end of the year, and the German market, too, is expected to fall short of the prior-year level in 2012. Growth in Central and Eastern Europe will slow tangibly compared with the previous year. The growth rates in our strategically important markets of China and India are expected to remain above average despite a decline in momentum, while demand in North and South America also looks set to rise further.

The pace of growth in the markets for trucks and buses is expected to slow in 2012. The global market could fall below the 2011 level.

We also expect the markets for automotive financial services to continue gaining in significance in 2012.

The Volkswagen Group's main competitive advantages are its multibrand strategy, a range of vehicles that covers almost all segments from subcompact cars to heavy trucks and its growing presence in all major regions of the world, together with its wide range of financial services. Thanks to our expertise in technology and design, we have a diverse, attractive and environmentally friendly portfolio of products that meets all customer desires and needs. This has become even more attractive thanks to the integration of Porsche, with its offering of exclusive sports cars. In the remaining months of 2012, the Volkswagen Group's brands will again launch fascinating new models and so help further expand our strong position in the global markets. As a result, we expect to increase deliveries to customers year-on-year. 2012 will be dominated by the start of production for new, high-volume models as part of the renewal of our product range and the need to convert our plant and equipment for use with the Modular Transverse Toolkit. The modular toolkit system, which is being continuously updated, will have an increasingly positive effect on the Group's cost structure in the future.

The Volkswagen Group's 2012 sales revenue will exceed the prior-year figure. This will also be a result of the consolidation of MAN SE as of November 9, 2011; the write-downs that will be required for purchase price allocation mean that no positive earnings contribution is expected. The increase in sales revenue attributable to the consolidation of Porsche effective August 1, 2012 is expected to be low due to consolidation effects. The high initial depreciation and amortization expense from purchase price allocation is expected to largely offset Porsche's contribution to earnings in operating profit for the fiscal year.

Our goal for operating profit is to match the 2011 level. Positive effects from our attractive model range and strong market position will be offset in part by increasingly stiff competition in a challenging market environment, especially in certain European countries. 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 sterling, the US dollar, Chinese renminbi, the Swiss franc, Japanese yen, Swedish krona, Russian ruble and Australian dollar. In addition, expected business development may vary if the assessments of value-enhancing factors and risks presented in the 2011 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's sales revenue increased by 24.0% between January and September 2012 to €144.2 billion. The increase was the result of higher volumes and the consolidation of Porsche Holding Salzburg as of March 1, 2011, of MAN SE as of November 9, 2011, and of Porsche AG as of August 1, 2012. At €8.8 billion, operating profit declined by 1.6% year-on-year.

Vehicle sales by the Volkswagen Passenger Cars brand in the first three quarters of 2012 amounted to 3.6 million vehicles, exceeding the prior-year figure by 9.7%. The Passat for the US market, as well as the Touareg, Tiguan, Golf Cabriolet and Fox models recorded high growth rates. Demand for the new up! and Beetle models was also high. The higher volumes lifted sales revenue by 11.8% to €79.0 billion. At €2.9 billion, operating profit was €399 million lower than the prior-year figure. Earnings were impacted by upfront expenditures for the Modular Transverse Toolkit and startup costs for the new Golf.

Vehicle sales by the Audi brand in the reporting period amounted to 1.0 million vehicles; the Chinese joint venture FAW-Volkswagen sold a further 247 thousand Audi vehicles. The Audi A8, Audi A7 Sportback, Audi A6, Audi Q7 and Audi Q5 models recorded the highest growth rates. Demand for the new Audi A1 Sportback and Audi Q3 models was also strong. Sales revenue amounted to €37.7 billion, up 16.3% on the same period of 2011. As a result of higher volumes (vehicles and parts), more favorable exchange rates and product cost optimization measures, operating profit rose by 6.1% to €4.2 billion. The figures for the Lamborghini brand are already included in the key figures for the Audi brand, as are the figures for the Ducati brand after it was acquired as of July 19, 2012.

At 551 thousand vehicles, unit sales for the ŠKODA brand were up 7.9% year-on-year between January and September 2012. Demand was higher for the Octavia, Roomster and Yeti models, as well as for the Rapid in India. Sales revenue increased by 3.1% to €7.9 billion. At €567 million, operating profit was in line with the prior-year level. The increased volume and improved product costs were offset by higher marketing and startup costs for new vehicles.

The SEAT brand sold 315 thousand vehicles (+18,3%) worldwide in the reporting period. This includes the Q3 manufactured for Audi. The sharply declining southern European markets had a negative impact. Germany and the United Kingdom exceeded their prior-year sales figures. The new SEAT Mii performed well. Sales revenue improved by 21.2% to €4.8 billion. The operating loss narrowed by €6 million to €95 million.

VOLKSWAGEN GROUP

Division	AUTOMOTIVE										FINANCIAL SERVICES
Brand/ Business Field	Volkswagen Passenger Cars	Audi	ŠKODA	SEAT	Bentley	Porsche	Volkswagen Commercial Vehicles	Scania	MAN	Other	Dealer and customer financing Leasing Direct bank Insurance Fleet business

Unit sales for the Bentley brand improved by 29.4% to around seven thousand vehicles in the first nine months of this year. Sales revenue increased to €1.1 billion (+35.4%). Bentley's operating profit was €73 million, up €79 million over the prior year due to higher volumes and the improved mix.

The figures for the Porsche brand were included for the first time in the data for the Volkswagen Group for August and September 2012. The brand recorded unit sales of 22 thousand vehicles and sales revenue of €2.2 billion. Operating profit amounted to €389 million.

In the period from January to September 2012, Volkswagen Commercial Vehicles sold 330 thousand vehicles, slightly more than the previous year. Demand for the Crafter, Multivan/Transporter, Caddy and the Amarok remained high. At €7.1 billion, sales revenue exceeded the previous year by 6.4%. Negative mix effects led to a decrease in operating profit to €300 million (€328 million).

Scania brand unit sales were down 20.5% in the reporting period to 47 thousand vehicles. Demand mainly declined in Europe/Remaining markets and South America, while the after sales services recorded steady growth. Declining volumes led to a reduction in sales revenue by 9.4% to €6.7 billion. At €688 million, operating profit was €382 million lower than the prior-year period.

Between January and September 2012, the MAN brand sold 101 thousand vehicles. Sales revenue amounted to €11.8 billion; operating profit was €515 million.

Volkswagen Financial Services generated an operating profit of €988 million in the first three quarters of 2012, exceeding the prior-year figure by 12.9% due to volume and currency-related factors.

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

	VEHICLE SALES		SALES REVENUE		SALES TO THIRD PARTIES		OPERATING RESULT	
thousand vehicles/€ million	2012	2011	2012	2011	2012	2011	2012	2011
Volkswagen Passenger Cars	3,638	3,317	78,972	70,651	58,793	53,966	2,857	3,256
Audi	1,002	1,140	37,667	32,394	26,033	22,294	4,203	3,960
ŠKODA	551	511	7,868	7,629	4,139	4,630	567	575
SEAT	315	267	4,798	3,958	2,089	2,551	−95	−101
Bentley	7	5	1,051	776	967	732	73	−6
Porsche[2]	22	–	2,167	–	2,025	–	389	–
Volkswagen Commercial Vehicles	330	328	7,079	6,653	3,774	3,939	300	328
Scania[2]	47	59	6,724	7,421	6,724	7,421	688	1,071
MAN[2]	101	–	11,754	–	11,684	–	515	–
VW China[3]	1,923	1,619	–	–	–	–	–	–
Other[4]	−959	−1,046	−27,176	−24,933	15,824	9,944	−1,651[5]	−982[5]
Volkswagen Financial Services	–	–	13,322	11,730	12,173	10,804	988	876
Volkswagen Group	**6,978**	**6,200**	**144,226**	**116,279**	**144,226**	**116,279**	**8,835**	**8,977**
Automotive Division	6,978	6,200	129,573	103,550	130,807	104,531	7,728	8,032
of which: Passenger Cars and Light Commercial Vehicles Business Area	6,829	6,141	111,479	96,350	112,948	97,475	7,521	7,205
Trucks and Buses, Power Engineering Business Area	148	59	18,094	7,200	17,859	7,056	206	827
Financial Services Division	–	–	14,653	12,729	13,419	11,748	1,108	945

1 All figures shown are rounded, so minor discrepancies may arise from addition of these amounts.
2 Including financial services; Porsche as from August 1, 2012, MAN as from November 9, 2011.
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 €2,806 million (€1,908 million).
4 Including Porsche Holding Salzburg as 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 purchase price allocation for Scania, Porsche Holding Salzburg, MAN and Porsche.

UNIT SALES AND SALES REVENUE BY MARKET

Volkswagen Group vehicle sales in the Europe/Remaining markets region amounted to 3.2 million vehicles in the reporting period, up 3.2% year-on-year. Volume effects led to an improvement in sales revenue of 13.3% to €86.8 billion.

In the North American market, unit sales of 663 thousand vehicles by the Group were 37.6% above the prior-year figure. Our unit sales rose significantly higher than the overall market trend. As a result of the significant volume improvements and more favorable exchange rate effects, sales revenue grew by €5.6 billion to €18.2 billion.

In the period between January and September 2012, we sold 778 thousand vehicles in South America, 10.1% more than in the prior-year period. As a result of volume-related and exchange rate factors, sales revenue was up by €2.6 billion to €13.5 billion.

In the markets in the Asia-Pacific region, Group unit sales – including the Chinese joint venture companies – increased by 21.8% to 2.4 million vehicles. Sales revenue increased by 58.4% year-on-year to €25.7 billion. Because our Chinese joint ventures are accounted for using the equity method, the figures for their sales revenue are not included.

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

	VEHICLE SALES		SALES REVENUE	
thousand vehicles/€ million	2012	2011	2012	2011
Europe/Remaining markets	3,151	3,052	86,780	76,570
North America	663	482	18,233	12,605
South America	778	707	13,489	10,860
Asia-Pacific[2]	2,385	1,959	25,724	16,243
Volkswagen Group[2]	**6,978**	**6,200**	**144,226**	**116,279**

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 is not included in the figures for the Group and the Asia-Pacific market.

VOLKSWAGEN FINANCIAL SERVICES

Volkswagen Financial Services continued its positive trend in the period from January to September 2012. Together with the Volkswagen Group brands, innovative products were used to leverage further potential along the automotive value chain and thus contribute to the Volkswagen Group's positive sales and earnings performance.

Volkswagen Financial Services AG introduced its new service portal to support German dealers in managing payments and claims in the third quarter of 2012. The aim is to simplify the processing of service cases, enhance the quality of dealer services and develop additional sales channels.

Card issuer Volkswagen Leasing GmbH introduced the new MAN ServiceCard as well as the "FleetTrucks" reporting system for fleet operators at the 2012 IAA Commercial Vehicles show, initially for the German market. The fuel and service card's numerous functions ensure customers' mobility and increase the transparency and efficiency of the fleet.

Volkswagen Leasing GmbH and the German Nature and Biodiversity Conservation Union (NABU) presented the "DIE GRÜNE FLOTTE" environmental award for the third time in September in Berlin; the award promotes the use of environmentally friendly fleet vehicles. Last year's strong results were stepped up: the 94 companies taking part saved around 1,785 tonnes of CO_2 and around 680,000 liters of fuel with their roughly 12,000 vehicles.

In August, Volkswagen Financial Services AG launched the new "AutoKarte" app in Germany. The app focuses on geographic information services and offers a synchronized, end-to-end application that warns of traffic jams or locates a workshop.

Volkswagen Financial Services AG is tapping the fleet leasing and automotive services growth areas in China. In Shanghai, its first proprietary fleet leasing activities were launched in the third quarter of 2012. A three-year new vehicle extended warranty was offered for the first time starting in August 2012 for the Phaeton and Touareg models.

In France, the joint fleet business of Volkswagen Group France and VOLKSWAGEN BANK France successfully established itself in the first nine months of its existence at small and medium-sized business clients; penetration in August had already reached 25%.

The Driver Brazil One securitization transaction was successfully placed in July. This was the first publicly marketed auto ABS transaction by a European automobile manufacturer in Brazil and is secured using receivables from Brazilian bank Banco Volkswagen S.A. This makes Brazil the fifth country after Germany, the United Kingdom, Spain and Japan in which Volkswagen Financial Services AG is active on the capital market with its Driver platform.

Volkswagen Leasing GmbH successfully placed a €1 billion transaction in August under its €18 billion debt issuance program. It is Volkswagen Leasing GmbH's first ten-year euro benchmark bond and the second benchmark transaction of 2012 under the umbrella of Volkswagen Financial Services AG.

A total of 2.8 million new financing, leasing, service and insurance contracts were signed in the first three quarters of 2012, 21.3% more than the prior-year period. The total number of contracts as of September 30, 2012, exceeded the number as of December 31, 2011 by 13.7%. The number of contracts in the Customer Financing/ Leasing area was up 11.1% to 6.2 million, and there was an 18.8% increase in the number of contracts in the Service/Insurance area versus the end of 2011. Based on unchanged credit eligibility criteria, leased or financed vehicles accounted for 27.2% (35.4%) of total Group deliveries worldwide. The Chinese market has been included since the beginning of 2012, which led to a decline in the share of vehicles that are leased or financed because this figure is significantly lower in China than the average for other automotive markets. Receivables relating to dealer financing increased by 6.9% compared with December 31, 2011.

Volkswagen Bank direct managed 1.5 million accounts as of September 30, 2012, 0.2% more than at the end of 2011. Volkswagen Financial Services employed 9,995 people at the end of the reporting period.

The number of contracts in our fleet management business at the end of the first nine months of 2012 was up 0.1% on year-end 2011. Our LeasePlan joint venture managed around 1.3 million vehicles on September 30, 2012.

Interim Financial Statements (Condensed)

Income Statement for the Period January 1 to September 30

	VOLKSWAGEN GROUP		DIVISIONS			
			AUTOMOTIVE[1]		FINANCIAL SERVICES	
€ million	2012	2011	2012	2011	2012	2011
Sales revenue	**144,226**	**116,279**	**129,573**	**103,550**	**14,653**	**12,729**
Cost of sales	−117,044	−94,847	−105,727	−84,941	−11,317	−9,906
Gross profit	**27,182**	**21,432**	**23,846**	**18,609**	**3,337**	**2,823**
Distribution expenses	−13,592	−10,434	−12,891	−9,833	−701	−602
Administrative expenses	−4,353	−2,855	−3,580	−2,303	−773	−551
Other operating income/expense	−402	834	354	1,559	−755	−725
Operating profit	**8,835**	**8,977**	**7,728**	**8,032**	**1,108**	**945**
Share of profits and losses of equity-accounted investments	13,183	1,774	13,069	1,670	114	104
Other financial result	937	5,885	1,033	5,906	−96	−20
Financial result	**14,120**	**7,660**	**14,102**	**7,576**	**18**	**84**
Profit before tax	**22,956**	**16,637**	**21,830**	**15,608**	**1,126**	**1,029**
Income tax expense	−2,801	−2,995	−2,434	−2,776	−367	−219
Profit after tax	**20,155**	**13,642**	**19,396**	**12,832**	**759**	**810**
Noncontrolling interests	93	336	80	321	13	15
Profit attributable to shareholders of Volkswagen AG	**20,062**	**13,306**	**19,317**	**12,511**	**746**	**795**
Basic earnings per ordinary share (€)[2]	**43.10**	**28.58**				
Diluted earnings per ordinary share (€)[2]	**43.10**	**28.58**				
Basic earnings per preferred share (€)[2]	**43.16**	**28.64**				
Diluted earnings per preferred share (€)[2]	**43.16**	**28.64**				

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 September 30

€ million	2012	2011
Profit after tax	**20,155**	**13,642**
Actuarial gains/losses		
Actuarial gains/losses, before tax	–3,190	–275
Deferred taxes relating to actuarial gains/losses	939	73
Actuarial gains/losses, net of tax	–2,251	–203
Exchange differences on translating foreign operations		
Unrealized currency translation gains/losses	357	–827
Transferred to profit or loss	–	–
Exchange differences on translating foreign operations, before tax	357	–827
Deferred taxes relating to exchange differences on translating foreign operations	0	–
Exchange differences on translating foreign operations, net of tax	357	–827
Cash flow hedges		
Fair value changes recognized in other comprehensive income	0	358
Transferred to profit or loss	760	–103
Cash flow hedges, before tax	760	255
Deferred taxes relating to cash flow hedges	–211	–85
Cash flow hedges, net of tax	549	170
Available-for-sale financial assets		
Fair value changes recognized in other comprehensive income	–58	182
Transferred to profit or loss	–32	83
Available-for-sale financial assets, before tax	–90	265
Deferred taxes relating to available-for-sale financial assets	–13	1
Available-for-sale financial assets, net of tax	–104	266
Share of other comprehensive income of equity-accounted investments, net of tax	85	–263
Other comprehensive income, before tax	–2,078	–845
Deferred taxes relating to other comprehensive income	714	–12
Other comprehensive income, net of tax	**–1,364**	**–857**
Total comprehensive income	**18,792**	**12,785**
of which attributable to		
noncontrolling interests	86	215
shareholders of Volkswagen AG	18,706	12,570

Income Statement for the Period July 1 to September 30

€ million	VOLKSWAGEN GROUP		DIVISIONS			
			AUTOMOTIVE[1]		FINANCIAL SERVICES	
	2012	2011	2012	2011	2012	2011
Sales revenue	**48,848**	**38,512**	**43,814**	**34,214**	**5,034**	**4,298**
Cost of sales	−39,796	−31,239	−35,925	−27,899	−3,871	−3,340
Gross profit	**9,052**	**7,273**	**7,889**	**6,315**	**1,164**	**958**
Distribution expenses	−4,665	−3,667	−4,403	−3,437	−261	−229
Administrative expenses	−1,484	−877	−1,250	−708	−234	−169
Other operating income/expense	−561	162	−269	377	−292	−215
Operating profit	**2,343**	**2,891**	**1,967**	**2,547**	**376**	**345**
Share of profits and losses of equity-accounted investments	11,332	533	11,300	500	32	33
Other financial result	−776	4,979	−732	4,997	−44	−18
Financial result	**10,556**	**5,513**	**10,568**	**5,498**	**−12**	**15**
Profit before tax	**12,900**	**8,404**	**12,535**	**8,044**	**364**	**360**
Income tax expense	−1,571	−1,257	−1,356	−1,166	−215	−92
Profit after tax	**11,328**	**7,146**	**11,179**	**6,878**	**150**	**268**
Noncontrolling interests	40	107	37	102	3	5
Profit attributable to shareholders of Volkswagen AG	**11,289**	**7,039**	**11,142**	**6,777**	**147**	**263**
Basic earnings per ordinary share (€)[2]	**24.26**	**15.13**				
Diluted earnings per ordinary share (€)[2]	**24.26**	**15.13**				
Basic earnings per preferred share (€)[2]	**24.26**	**15.13**				
Diluted earnings per preferred share (€)[2]	**24.26**	**15.13**				

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 July 1 to September 30

€ million	2012	2011
Profit after tax	**11,329**	**7,146**
Actuarial gains/losses		
Actuarial gains/losses, before tax	–1,098	–1,014
Deferred taxes relating to actuarial gains/losses	325	301
Actuarial gains/losses, net of tax	–773	–713
Exchange differences on translating foreign operations		
Unrealized currency translation gains/losses	123	–150
Transferred to profit or loss	–	–
Exchange differences on translating foreign operations, before tax	123	–150
Deferred taxes relating to exchange differences on translating foreign operations	0	–
Exchange differences on translating foreign operations, net of tax	123	–150
Cash flow hedges		
Fair value changes recognized in other comprehensive income	1,210	–2,340
Transferred to profit or loss	360	–50
Cash flow hedges, before tax	1,570	–2,390
Deferred taxes relating to cash flow hedges	–449	680
Cash flow hedges, net of tax	1,121	–1,710
Available-for-sale financial assets		
Fair value changes recognized in other comprehensive income	–31	211
Transferred to profit or loss	–56	37
Available-for-sale financial assets, before tax	–86	248
Deferred taxes relating to available-for-sale financial assets	–10	–8
Available-for-sale financial assets, net of tax	–96	239
Share of other comprehensive income of equity-accounted investments, net of tax	168	–258
Other comprehensive income, before tax	677	–3,565
Deferred taxes relating to other comprehensive income	–134	973
Other comprehensive income, net of tax	**543**	**–2,591**
Total comprehensive income	**11,871**	**4,555**
of which attributable to		
noncontrolling interests	78	66
shareholders of Volkswagen AG	11,793	4,489

Balance Sheet as of September 30, 2012 and December 31, 2011

	VOLKSWAGEN GROUP		DIVISIONS			
			AUTOMOTIVE*		FINANCIAL SERVICES	
€ million	2012	2011	2012	2011	2012	2011
Assets						
Noncurrent assets	**192,223**	**147,986**	**117,010**	**86,278**	**75,213**	**61,708**
Intangible assets	59,068	21,992	58,873	21,861	195	131
Property, plant and equipment	37,302	31,916	35,895	31,454	1,407	462
Leasing and rental assets	19,831	16,626	3,344	3,278	16,487	13,348
Financial services receivables	49,205	42,450	–601	–600	49,806	43,050
Noncurrent investments, equity-accounted investments and other equity investments, other receivables and financial assets	26,817	35,002	19,499	30,286	7,318	4,717
Current assets	**116,750**	**105,640**	**65,427**	**59,755**	**51,322**	**45,885**
Inventories	30,730	27,551	28,053	25,378	2,678	2,173
Financial services receivables	36,636	33,754	–892	–816	37,528	34,570
Other receivables and financial assets	23,951	19,897	18,147	15,494	5,805	4,404
Marketable securities	7,372	6,146	5,737	5,235	1,636	911
Cash, cash equivalents and time deposits	18,059	18,291	14,384	14,464	3,676	3,827
Total assets	**308,973**	**253,626**	**182,437**	**146,033**	**126,535**	**107,593**
Equity and Liabilities						
Equity	**78,391**	**63,354**	**65,177**	**52,488**	**13,213**	**10,865**
Equity attributable to shareholders of Volkswagen AG	74,086	57,539	61,255	46,891	12,831	10,647
Noncontrolling interests	4,305	5,815	3,922	5,597	383	218
Noncurrent liabilities	**117,647**	**89,216**	**69,405**	**49,074**	**48,243**	**40,142**
Noncurrent financial liabilities	59,513	44,443	15,877	7,663	43,637	36,780
Provisions for pensions	21,461	16,787	21,195	16,592	266	194
Other noncurrent liabilities	36,673	27,986	32,333	24,819	4,340	3,167
Current liabilities	**112,935**	**101,057**	**47,855**	**44,471**	**65,079**	**56,586**
Current financial liabilities	56,831	49,090	–2,720	–2,979	59,551	52,069
Trade payables	18,134	16,325	16,170	15,245	1,964	1,081
Other current liabilities	37,969	35,642	34,405	32,205	3,564	3,436
Total equity and liabilities	**308,973**	**253,626**	**182,437**	**146,033**	**126,535**	**107,593**

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

Statement of Changes in Equity

			ACCUMULATED COMPREHENSIVE INCOME	
€ million	Subscribed capital	Capital reserves	Retained earnings	Currency translation reserve
Balance at Jan. 1, 2011	**1,191**	**9,326**	**37,684**	**−165**
Profit after tax	–	–	13,306	–
Other comprehensive income, net of tax	–	–	–	−714
Total comprehensive income	**–**	**–**	**13,306**	**−714**
Capital increase	0	3	–	–
Dividend payment	–	–	−1,034	–
Capital transactions involving a change in ownership interest	–	–	0	–
Other changes	–	–	−10	–
Balance at Sept. 30, 2011	**1,191**	**9,329**	**49,946**	**−879**
Balance at Jan. 1, 2012	**1,191**	**9,329**	**51,764**	**−332**
Profit after tax	–	–	20,062	–
Other comprehensive income, net of tax	–	–	–	312
Total comprehensive income	**–**	**–**	**20,062**	**312**
Capital increase	0	−1	–	–
Dividend payment	–	–	−1,406	–
Capital transactions involving a change in ownership interest[1]	–	–	−741	–
Other changes[2]	–	–	−158	–
Balance at Sept. 30, 2012	**1,191**	**9,327**	**69,521**	**−20**

1 The capital transactions involving a change in ownership interest are primarily attributable to the increase in the equity interest in MAN SE.

2 The other changes relate primarily to the recognition of components of OCI in conjunction with the consolidation of Porsche Zweite Zwischenholding GmbH, Stuttgart.

Reserve for actuarial gains/losses	Cash flow hedges	Available-for-sale financial assets	Equity-accounted investments	Equity attributable to shareholders of VW AG	Noncontrolling interests	Total equity
−2,201	**61**	**−25**	**107**	**45,978**	**2,734**	**48,712**
–	–	–	–	13,306	336	13,642
−191	168	266	−265	−736	−121	−857
−191	**168**	**266**	**−265**	**12,570**	**215**	**12,785**
–	–	–	–	3	–	3
–	–	–	–	−1,034	−231	−1,264
–	–	–	–	0	0	0
–	–	–	–	−10	7	−2
−2,392	**230**	**241**	**−159**	**57,507**	**2,726**	**60,234**
−2,866	**−1,437**	**176**	**−286**	**57,539**	**5,815**	**63,354**
–	–	–	–	20,062	93	20,155
−2,202	551	−104	86	−1,357	−7	−1,364
−2,202	**551**	**−104**	**86**	**18,706**	**86**	**18,792**
–	–	–	–	−1	–	−1
–	–	–	–	−1,406	−266	−1,672
–	–	–	–	−741	−1,359	−2,101
0	–	–	148	−10	30	20
−5,068	**−885**	**72**	**−52**	**74,086**	**4,305**	**78,391**

Cash Flow Statement for the Period January 1 to September 30

€ million	VOLKSWAGEN GROUP 2012	VOLKSWAGEN GROUP 2011	DIVISIONS AUTOMOTIVE[1] 2012	DIVISIONS AUTOMOTIVE[1] 2011	DIVISIONS FINANCIAL SERVICES 2012	DIVISIONS FINANCIAL SERVICES 2011
Cash and cash equivalents at beginning of period	**16,495**	**18,228**	**12,668**	**17,002**	**3,827**	**1,226**
Profit before tax	22,956	16,637	21,830	15,608	1,126	1,029
Income taxes paid	–4,182	–2,458	–3,772	–1,904	–410	–554
Depreciation and amortization expense	9,372	7,235	7,107	5,403	2,265	1,832
Change in pension provisions	54	3	49	–1	5	4
Other noncash income/expense and reclassifications[2]	–12,977	–6,855	–13,061	–6,933	84	77
Gross cash flow	**15,223**	**14,561**	**12,153**	**12,173**	**3,069**	**2,388**
Change in working capital	**–9,410**	**–7,825**	**–219**	**245**	**–9,191**	**–8,070**
Change in inventories	–1,231	–3,682	–768	–3,211	–463	–471
Change in receivables	–1,728	–3,478	–1,627	–2,500	–101	–979
Change in liabilities	2,399	3,945	1,660	3,254	739	691
Change in other provisions	1,128	2,945	881	2,719	247	226
Change in leasing and rental assets (excluding depreciation)	–4,172	–2,859	–432	–133	–3,739	–2,727
Change in financial services receivables	–5,807	–4,697	68	114	–5,874	–4,811
Cash flows from operating activities	**5,813**	**6,736**	**11,935**	**12,418**	**–6,122**	**–5,682**
Cash flows from investing activities attributable to operating activities	–11,551	–8,432	–11,331	–8,605	–219	174
of which: acquisition of property, plant and equipment	–6,083	–4,332	–5,955	–4,227	–128	–106
capitalized development costs	–1,682	–1,154	–1,682	–1,154	–	–
acquisition and disposal of equity investments[3]	–4,023	–3,081	–3,923	–3,340	–100	259
Net cash flow[4]	***–5,737***	***–1,696***	***604***	***3,813***	***–6,341***	***–5,508***
Change in investments in securities and loans	–2,103	–723	–13	69	–2,090	–792
Cash flows from investing activities	**–13,653**	**–9,155**	**–11,344**	**–8,537**	**–2,310**	**–618**
Cash flows from financing activities	**8,736**	**5,588**	**458**	**–1,822**	**8,278**	**7,410**
of which: capital transactions with noncontrolling interests	–2,101	–	–2,101	–	–	–
Changes in cash and cash equivalents due to exchange rate changes	48	–131	60	–83	–12	–48
Net change in cash and cash equivalents	**943**	**3,038**	**1,109**	**1,975**	**–166**	**1,062**
Cash and cash equivalents at September 30	**17,438**	**21,265**	**13,777**	**18,977**	**3,661**	**2,288**
Securities, loans and time deposits	13,712	9,875	8,394	7,239	5,318	2,636
Gross liquidity	**31,151**	**31,141**	**22,172**	**26,217**	**8,979**	**4,924**
Total third-party borrowings	–116,344	–85,349	–12,957	–5,055	–103,387	–80,293
Net liquidity at September 30	**–85,194**	**–54,208**	**9,215**	**21,161**	**–94,408**	**–75,369**
For information purposes: at January 1	–64,875	–49,347	16,951	18,639	–81,826	–67,986

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 holding company operating business of Porsche Automobil Holding SE for €4,495 million and the acquisition of the shares in Ducati Motor Holding S.p.A. for €747 million, shares in KPI Polska Sp.z.o.o., Poznan/Poland, and related financial services companies for a total of €254 million, and the shares in MAN TRUCKS India Private Limited, Akurdi/India (formerly: MAN FORCE TRUCKS Private Limited, Akurdi/India), for €150 million, less cash and cash equivalents acquired.

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

Notes to the Consolidated 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 2011 in compliance with the International Financial Reporting Standards (IFRSs), as adopted by the European Union. This group interim financial report for the period ended September 30, 2012 was therefore also prepared in accordance with IAS 34 and is condensed in scope compared with the consolidated financial statements.

All figures shown are rounded, so minor discrepancies may arise from addition of these amounts.

In addition to the reportable segments, the Automotive and Financial Services divisions are presented in the condensed group interim financial report for explanatory purposes alongside the income statement, balance sheet and cash flow statement for the Volkswagen Group. These are not required disclosures under IFRSs. Eliminations of intragroup transactions between the Automotive and Financial Services divisions are allocated to the Automotive Division.

This group interim financial report was reviewed by auditors in accordance with section 37x(3) 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, 2012.

The accounting pronouncements required to be applied for the first time in fiscal year 2012 are insignificant for the presentation of the Volkswagen Group's net assets, financial position and results of operations in its interim consolidated financial statements. A detailed breakdown of these accounting pronouncements is provided in the notes to the consolidated financial statements in the 2011 Annual Report.

A discount rate of 3.4% (December 31, 2011: 4.6%) was applied to German pension provisions in the accompanying interim financial statements. The decrease in the discount rate increased 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 2011 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 2011 Annual Report. This 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

On November 9, 2011, after receipt of all official approvals, Volkswagen acquired 25.4% of the voting rights and 2.7% of the preferred shares of MAN SE, Munich, against payment of a total of €3,416 million and, after completion of the mandatory offer, held 55.90% of the voting rights and 53.71% of the share capital of MAN SE. The measurement basis for the goodwill is calculated as follows:

€ million	2011
Purchase price for shares acquired on November 9	3,416
of which: attributable to termination of existing contractual arrangements	–43
Adjusted purchase price for shares acquired on November 9	3,373
Existing shares measured at quoted market price on November 9	2,694
Shares held by noncontrolling interests measured at quoted market price on November 9	4,267
Measurement basis for goodwill	**10,334**

On December 31, 2011, following the acquisition of additional shares, Volkswagen held 59.58% of the voting rights and 57.33% of the share capital of MAN SE. In fiscal year 2012, Volkswagen acquired further shares in MAN SE for €2,081 million and as of September 30, 2012 held 75.03% of the voting rights and 73.72% of the share capital of MAN SE. The difference of €–657 million arising from the acquisition of further shares was recognized directly in equity.

The shares of Scania AB held by MAN SE increase the interest in the capital of Scania attributable to Volkswagen AG shareholders to 59.13% (December 31, 2011: 56.94%). The resulting difference of €–73 million was recognized directly in equity.

The analysis of the assets acquired and liabilities assumed was not completed by the date of issue of the interim consolidated financial statements for reasons of time, and is still not final as regards the carrying amount of individual equity investments and the measurement of contingent liabilities and provisions. An adjustment based on better knowledge indicates that the business combination generated goodwill of €605 million. The goodwill is not tax-deductible.

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	Adjustment in the measurement period	Fair values at the acquisition date
Brand names	53	1,574	–	1,628
Technology	545	1,852	–	2,397
Customer and dealer relationships	470	2,689	–	3,160
Other intangible assets*	779	–351	–	428
Property, plant and equipment	2,034	880	–41	2,872
Investments	1,965	–234	–	1,731
Leasing and rental assets	2,232	–	–	2,232
Other noncurrent assets	2,377	–	–	2,377
Inventories	3,745	185	–	3,930
Trade receivables	2,319	–	–	2,319
Cash and cash equivalents	607	–	–	607
Other current assets	1,405	–63	–	1,342
Total assets	**18,531**	**6,532**	**–41**	**25,022**
Noncurrent financial liabilities	1,824	150	–1	1,973
Other noncurrent liabilities and provisions	2,797	2,126	–10	4,913
Current financial liabilities	1,334	–	–	1,334
Trade payables	2,137	–	–	2,137
Current provisions	1,364	398	13	1,774
Other current liabilities	3,175	–	–13	3,162
Total liabilities	**12,631**	**2,674**	**–11**	**15,293**

* Excluding goodwill of Volkswagen AG.

€402 million of the goodwill and €1,158 million of the brand names are allocated to the MAN Commercial Vehicles operating segment, which is part of the Trucks and Buses reporting segment; the remaining goodwill of €203 million and the remaining brand names of €470 million are allocated to the Power Engineering segment.

On August 1, 2012, Porsche Automobil Holding SE, Stuttgart (Porsche SE), contributed its holding company operating business to Volkswagen AG by way of singular succession in the course of a capital increase with a mixed noncash contribution.

The business acquired from Porsche SE consists in particular of the 50.1% interest held by Porsche SE in Porsche Zweite Zwischenholding GmbH, Stuttgart (Porsche Zwischenholding), and thus indirectly in Dr. Ing. h.c. F. Porsche AG, Stuttgart (Porsche AG), and of all other subsidiaries of Porsche SE existing at the contribution date (with the exception of the interest in Volkswagen AG), as well as receivables from and liabilities to companies of the Porsche Zwischenholding Group.

The accelerated integration of Porsche AG compared with the timetable originally agreed in the Comprehensive Agreement will allow the implementation of a joint strategy for Porsche's automotive business to commence more quickly, key joint projects to be implemented more rapidly and hence additional growth opportunities to be leveraged in attractive market segments. With unit sales of 117 thousand vehicles, Porsche AG generated sales revenue of €10,928 million and profit before tax of €2,108 million in fiscal year 2011.

Volkswagen AG increased its share capital by €2.56 by issuing one new ordinary bearer share and allowed Porsche SE to subscribe for this new share; the preemptive rights of the other shareholders were disapplied. Volkswagen AG paid €4,495 million to Porsche SE as a further consideration. The cash consideration is based on the equity value of €3,883 million for the remaining 50.1% interest in Porsche Zwischenholding (and thus indirectly in Porsche AG) held by Porsche SE, as set out in the Comprehensive Agreement, and also comprises a number of adjustment items. Among other things, Porsche SE will be remunerated for dividend payments from its indirect interest in Porsche AG that it would have received as well as for half of the present value of the net synergies realizable as a result of the accelerated integration, which amount to a total of approximately €320 million.

Based on the updated assumptions underlying the valuation, the call option of Volkswagen AG on the shares of Porsche Zwischenholding agreed in the Comprehensive Agreement with Porsche SE has a positive fair value of €10,199 million at the date of acquisition (December 31, 2011: €8,409 million) and the corresponding put option has a negative fair value of €2 million (December 31, 2011: €87 million). The fair values of the options are included in the cost of the business combination. The difference attributable to the updated fair value amounting to €1,875 million was recognized in the other financial result.

The shares of Porsche Zwischenholding, which were accounted for using the equity method at the acquisition date, were revalued at their fair market value of €12,566 million on acquisition of the remaining shares. Measurement of the shares uses the same assumptions that were also used to measure the options on the outstanding shares of Porsche Zwischenholding and is based on Porsche Zwischenholding's business plans. The transition from the equity method to consolidation resulted in a noncash book gain of €10,399 million, which was recognized in the financial result; this includes amounts totaling €–316 million that were previously recognized directly in equity and that were transferred to the income statement.

The measurement basis for the goodwill is calculated as follows:

€ million	2012
Purchase price for shares acquired on August 1	4,495
Fair value of options on the outstanding shares	10,197
Fair value of existing shares	12,566
Issued ordinary share of Volkswagen AG	0
Measurement basis for goodwill	**27,258**

The costs incurred in connection with the issue of the new ordinary share reduced the capital reserves by €1 million, net of deferred taxes. The other transaction-related costs incurred to date of €3 million were recognized as expenses.

The analysis of the assets acquired and liabilities assumed was not completed by the date of issue of the consolidated financial statements for reasons of time. Preliminary purchase price allocation indicates that the business combination generated goodwill of €18,882 million. The goodwill is not tax-deductible.

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

€ millon	IFRS carrying amounts at the acquisition date	Purchase price allocation	Fair values at the acquisition date
Brand names	–	13,823	13,823
Technology	1,489	714	2,203
Customer and dealer relationships	–	698	698
Other intangible assets*	386	82	468
Property, plant and equipment	2,983	565	3,548
Investments	162	–	162
Leasing and rental assets	1,360	65	1,425
Other noncurrent assets	7,458	325	7,783
Inventories	1,243	382	1,625
Trade receivables	348	–	348
Cash and cash equivalents	1,812	–	1,812
Other current assets	3,060	350	3,411
Total assets	**20,301**	**17,004**	**37,305**
Noncurrent financial liabilities	10,227	339	10,565
Other noncurrent liabilities and provisions	3,152	5,359	8,511
Current financial liabilities	3,211	255	3,466
Trade payables	989	–	989
Current provisions	1,237	–	1,237
Other current liabilities	4,160	–	4,160
Total liabilities	**22,977**	**5,952**	**28,929**

* Excluding goodwill of Volkswagen AG.

The brand name is allocated to the Porsche operating segment, which is part of the Passenger Cars and Light Commercial Vehicles reporting segment. It was not possible to complete the final allocation of goodwill for reasons of time.

The gross carrying amount of the receivables acquired was €9,858 million at the acquisition date, and the net carrying amount (equivalent to the fair value) was €9,775 million. The depreciable noncurrent assets have maturities of between 4 months and 50 years.

The inclusion of the company increased the Group's sales revenue by €1,739 million and increased its profit after tax, net of amortization of hidden reserves identified in the course of purchase price allocation, by €82 million as of September 30, 2012. If Porsche had been included as of January 1, 2012, the Group's sales revenue after consolidation as of September 30, 2012 would have been approximately €6,208 million higher and its profit after tax, net of amortization of hidden reserves identified in the course of purchase price allocation, would have been approximately €427 million higher.

The contribution of Porsche SE's holding company operating business increases the consolidated Group by 107 consolidated subsidiaries.

As of July 19, 2012, the Volkswagen Group acquired 100% of the voting rights of motorcycle manufacturer Ducati Motor Holding S.p.A., Bologna, Italy, against payment of a purchase price of €747 million, via Automobili Lamborghini S.p.A., Sant' Agata Bolognese, Italy, a subsidiary of AUDI AG. The acquisition of Ducati – a leading international manufacturer of premium motorcycles with significant expertise in high-performance engines and lightweight construction – has seen the Group move into the growth market for high-quality motorcycles. The Ducati Group sold 42,016 motorcycles in calendar year 2011, generating sales revenue of €479 million.

The analysis of the assets acquired and liabilities assumed was not completed by the date of issue of the interim financial statements for reasons of time. The provisional goodwill determined in the amount of €290 million contains intangible assets that are not separable and that cannot be attributed to contractual or other rights, such as the expertise of Ducati's employees. The goodwill is not tax-deductible. The transaction-related costs incurred to date of €1 million were recognized as expenses.

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	211	193	404
Customer relationships	49	131	180
Other intangible assets	78	17	95
Land and buildings	78	3	81
Other noncurrent assets	25	8	33
Inventories	83	0	83
Cash and cash equivalents	150	–	150
Other current assets	154	–	154
Total assets	**828**	**352**	**1,180**
Noncurrent liabilities	106	108	214
Current liabilities	510	–	510
Total liabilities	**616**	**108**	**724**

The gross carrying amount of the receivables acquired was €153 million at the acquisition date, and the net carrying amount (equivalent to the fair value) was €142 million.

The inclusion of the company increased the Group's sales revenue by €98 million and reduced its profit, net of amortization of hidden reserves identified in the course of purchase price allocation, by €6 million as of September 30, 2012. If Ducati had been included in the consolidated financial statements as of January 1, 2012, the Group's sales revenue after consolidation as of September 30, 2012 would have been approximately €422 million higher and its profit after tax, net of amortization of hidden reserves identified in the course of purchase price allocation, would have been approximately €34 million higher.

In order to strengthen its sales activities, Volkswagen acquired all shares of KPI Polska Sp.z o.o., Poznan (KPI Polska), effective January 1, 2012. KPI Polska is the exclusive importer and distributor of various Volkswagen Group brands in Poland. At the same time, Volkswagen acquired from the previous owners of KPI Polska the outstanding shares of the former jointly controlled companies Volkswagen Leasing Polska Sp.z o.o., Warsaw, and Volkswagen Bank Polska S.A., Warsaw. The purchase price paid amounted to €254 million in total. The measurement of the existing shares in the financial services companies at a fair value of €66 million resulted in a noncash book gain of €21 million, which was recognized in the financial result.

In addition, on March 28, 2012, the Volkswagen Group acquired through MAN Truck & Bus AG, Munich, the remaining shares (apart from one share) of MAN TRUCKS India Private Limited, Akurdi/India (formerly: MAN FORCE TRUCKS Private Limited, Akurdi/India), which until then had been a joint venture, against payment of €150 million. The company has been consolidated since that date. This strategic decision by MAN Truck & Bus underscores the significance of the Indian market for the company. The interest originally held in the joint venture had already been recognized at its fair value as part of the purchase price allocation on the acquisition of MAN SE.

The measurement basis for the goodwill from the two transactions is calculated as follows:

Mio. €	2012
Purchase price for shares acquired	404
Preliminary fair value of existing shares	141
Measurement basis for goodwill	**545**

The following main groups of assets and liabilities were acquired and assumed for KPI Polska, the Polish financial services companies and MAN TRUCKS India:

€ million	IFRS carrying amounts at the acquisition date	Purchase price allocation	Fair values at the acquisition date
Noncurrent assets	325	63	388
Cash and cash equivalents	74	–	74
Other current assets	669	–	669
Total assets	**1,068**	**63**	**1,130**
Noncurrent liabilities	269	8	277
Current liabilities	619	–	619
Total liabilities	**888**	**8**	**896**

The gross carrying amount of the receivables was €708 million at the acquisition date, and the net carrying amount (equivalent to the fair value) was €668 million. The depreciable noncurrent assets have maturities of between 24 months and 40 years.

The provisional goodwill from the acquisition of KPI Polska amounts to €58 million and is allocated to the Volkswagen Passenger Cars operating segment, which is part of the Passenger Cars and Light Commercial Vehicles reporting segment. The goodwill of €50 million attributable to the Polish financial services companies is allocated to the Volkswagen Financial Services operating segment, which is part of the Financial Services reporting segment. The provisional goodwill from the acquisition of MAN TRUCKS India amounts to €203 million and is allocated to the MAN Commercial Vehicles operating segment, which is part of the Trucks and Buses reporting segment. The goodwill from the acquisitions is not tax-deductible.

The initial inclusion of the abovementioned companies had no material effect on the Volkswagen Group’s sales revenue and profit after tax.

The fair values of the assets and liabilities described above were determined as far as possible using observable market prices. If market prices could not be determined, recognized valuation techniques were used to measure the assets acquired and liabilities assumed.

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 company 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 agreement was prolonged by a further two years in fiscal year 2011. 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 of €1.4 billion 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.

Application of the equity method to the former investment in Porsche Zwischenholding was discontinued on the acquisition of the outstanding shares of Porsche Zwischenholding on August 1, 2012 and transition to consolidation of this subsidiary.

INVESTMENTS IN ASSOCIATES

The acquisition of the majority interest in MAN SE in fiscal year 2011 meant that MAN's 30% interest in Ferrostaal GmbH (formerly: Ferrostaal AG), Essen, was attributable to Volkswagen. There was already an intention to sell the investment in the near term at the time it was acquired, so the shares were classified as held for sale and not accounted for using the equity method. The investment had already been written down in full as of December 31, 2011. On March 7, 2012, the settlement agreement between MAN SE and the International Petroleum Investment Company (IPIC), Abu Dhabi, regarding the repurchase of the 70% interest in Ferrostaal held by IPIC was completed (settlement with IPIC). This resulted in a cash outflow of €350 million, which is reported as part of the cash flows from operating activities. At the same time, the agreement between MAN and MPC Industries GmbH, Hamburg, regarding the transfer of 100% of the shares of Ferrostaal to MPC and a co-investor was implemented (the MPC sale). The MPC sale provides for MAN to pay Ferrostaal an amount equal to the claims in connection with the profit and loss transfer agreements in existence at that time. MPC pays the same amount to MAN. The completion of the settlement with IPIC and the MPC sale did not result in any earnings effects for Volkswagen because the earnings effects attributable to the transaction had already been included in purchase price allocation for the MAN Group as a contingent liability.

Disclosures on the consolidated financial statements

1 | Sales revenue

STRUCTURE OF GROUP SALES REVENUE

€ million	Q1–3 2012	2011
Vehicles	101,582	85,676
Genuine parts	9,006	7,255
Used vehicles and third-party products*	4,956	3,829
Engines, powertrains and parts deliveries*	6,550	4,026
Power Engineering	3,035	–
Motorbikes	78	–
Rental and leasing business	8,703	7,666
Interest and similar income	4,728	4,082
Other sales revenue*	5,588	3,745
	144,226	**116,279**

* The prior-year figure was adjusted accordingly due to the more detailed breakdown of other sales revenue.

2 | Cost of sales

Cost of sales includes interest expenses of €1,973 million (previous year: €1,802 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 €164 million (previous year: €414 million).

3 | Research and development costs in the Automotive Division

€ million	Q1–3 2012	2011	%
Total research and development costs	6,985	5,408	29.2
of which: capitalized development costs	1,682	1,154	45.8
Capitalization ratio in %	24.1	21.3	
Amortization of capitalized development costs	1,393	1,222	14.0
Research and development costs recognized in the income statement	**6,695**	**5,475**	**22.3**

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. The expiry of the last tranche of the stock option plan means that there is no further dilution of earnings per share, starting in fiscal year 2012.

		Q3		Q1–3	
		2012	2011	2012	2011
Weighted average number of shares outstanding					
Ordinary shares: basic	million	295.1	295.1	295.1	295.1
diluted	million	295.1	295.1	295.1	295.1
Preferred shares: basic	million	170.1	170.1	170.1	170.1
diluted	million	170.1	170.1	170.1	170.1
Profit after tax	€ million	11,328	7,146	20,155	13,642
Noncontrolling interests	€ million	40	107	93	336
Profit attributable to shareholders of Volkswagen AG	€ million	11,289	7,039	20,062	13,306
Earnings per share					
Ordinary shares: basic	€	24.26	15.13	43.10	28.58
diluted	€	24.26	15.13	43.10	28.58
Preferred shares: basic	€	24.26	15.13	43.16	28.64
diluted	€	24.26	15.13	43.16	28.64

5 | Noncurrent assets

CHANGES IN SELECTED NONCURRENT ASSETS BETWEEN JANUARY 1 AND SEPTEMBER 30, 2012

€ million	Carrying amount at Jan. 1, 2012	Additions/ Changes in consolidated Group	Disposals/ Other changes	Depreciation and amortization	Carrying amount at Sept. 30, 2012
Intangible assets	21,992	39,347	–206	2,476	59,068
Property, plant and equipment	31,916	9,717	54	4,278	37,302
Leasing and rental assets	16,626	9,137	3,308	2,624	19,831

6 | Inventories

€ million	Sept. 30, 2012	Dec. 31, 2011
Raw materials, consumables and supplies	3,795	3,429
Work in progress	3,605	3,324
Finished goods and purchased merchandise	18,859	17,383
Current leased assets	4,208	3,204
Payments on account	264	210
	30,730	**27,551**

7 | Current other receivables and financial assets

€ million	Sept. 30, 2012	Dec. 31, 2011
Trade receivables	12,082	10,479
Miscellaneous other receivables and financial assets	11,870	9,419
	23,951	**19,897**

In the period January 1, 2012 to September 30, 2012, impairment losses and reversals of impairment losses on noncurrent and current financial assets reduced operating profit by €464 million (previous year: €607 million).

8 | Equity

The subscribed capital is composed of 295,089,818 no-par value ordinary shares and 170,142,778 preferred shares, and amounts to €1,191 million (December 31, 2011: €1,191 million). Volkswagen AG issued one ordinary share in connection with the contribution of Porsche SE's holding company operating business to Volkswagen AG in the course of a capital increase with a mixed noncash contribution (for further information, see the disclosures on the basis of consolidation).

Volkswagen AG paid a dividend of €1,406 million in the reporting period. €885 million of this amount was attributable to ordinary shares and €521 million to preferred shares.

9 | Noncurrent financial liabilities

€ million	Sept. 30, 2012	Dec. 31, 2011
Bonds, commercial paper and notes	45,055	31,567
Liabilities to banks	10,961	8,561
Deposit business	2,012	3,093
Other financial liabilities	1,485	1,222
	59,513	**44,443**

10 | Current financial liabilities

€ million	Sept. 30, 2012	Dec. 31, 2011
Bonds, commercial paper and notes	22,733	19,650
Liabilities to banks	9,587	7,474
Deposit business	22,348	19,997
Other financial liabilities	2,163	1,969
	56,831	**49,090**

11 | Disclosures on the fair value hierarchy

Financial assets amounting to €18 million (December 31, 2011: €98 million) were transferred out of Level 3 of the fair value hierarchy into Level 2 in the first nine months of fiscal year 2012. Financial liabilities amounting to €–18 million (December 31, 2011: €15 million) were transferred out of Level 3 into Level 2 in the reporting period. 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, bills, cash-in-hand and call deposits.

€ million	Sept. 30, 2012	Sept. 30, 2011
Cash, cash equivalents and time deposits as reported in the balance sheet	18,059	22,072
of which: time deposits	−621	−807
Cash and cash equivalents as reported in the cash flow statement	**17,438**	**21,265**

Cash inflows from financing activities in the current year are attributable primarily to the issuance of bonds in the amount of €17,351 million (previous year: €12,240 million) and the increase in other financial liabilities in the amount of €5,804 million (previous year: €3,954 million), which are offset mainly by the repayment of bonds in the amount of €10,609 million (previous year: €9,289 million), capital transactions with noncontrolling interests in the amount of €2,101 million (previous year: €– million), as well dividend payments in the amount of €1,672 million (previous year: €1,264 million). The capital transactions with noncontrolling interests are accounted for almost entirely by the acquisition of further shares of MAN SE.

13 | Segment reporting

Segments are identified by looking to 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. Starting with fiscal year 2011, the segment reporting comprises the four reportable segments of Passenger Cars and Light Commercial Vehicles, Trucks and Buses, Power Engineering 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 corresponding genuine parts business. The individual passenger car brands and light commercial vehicles of the Volkswagen Group are combined on a consolidated basis into a single reportable segment.

Due to the initial consolidation of the MAN Group and the associated addition of MAN's commercial vehicles business, the Scania Vehicles and Services segment was renamed "Trucks and Buses" in fiscal year 2011. This primarily comprises the development, production and sale of heavy commercial vehicles and buses, the corresponding genuine parts business and related services.

The activities of the new "Power Engineering" segment that was created by the initial consolidation of the MAN Group in fiscal year 2011 consist of the development and production of large-bore diesel engines, turbo compressors, industrial turbines and chemical reactor systems, as well as the production of gear units, propulsion components and testing systems.

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

In the expanded segment structure, purchase price allocation for companies acquired is now allocated directly to the corresponding segments. The prior-year figures were adjusted accordingly.

The business of Porsche AG acquired in fiscal year 2012 is allocated to the Passenger Cars and Light Commercial Vehicles segment, with the exception of Porsche's financial services activities, which are presented in the Financial Services segment.

The Ducati Group is allocated to the Audi operating segment and is thus presented in the Passenger Cars and Light Commercial Vehicles reporting segment.

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

The reconciliation contains activities and other operations that by definition do not constitute segments. It also includes the unallocated Group financing activities. Consolidation adjustments between the segments 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.

REPORTING SEGMENTS: Q1–3 2011*

€ million	Passenger Cars and Light Commercial Vehicles	Trucks and Buses	Power Engineering	Financial Services	Total segments	Recon-ciliation	Volkswagen Group
Sales revenue from external customers	96,543	7,056	–	11,700	115,299	980	116,279
Intersegment sales revenue	6,171	144	–	1,030	7,345	–7,345	–
Total sales revenue	102,714	7,200	–	12,729	122,644	–6,365	116,279
Segment profit or loss (operating profit or loss)	7,765	827	–	945	9,538	–561	8,977

* The prior-year figures were adjusted.

REPORTING SEGMENTS: Q1–3 2012

€ million	Passenger Cars and Light Commercial Vehicles	Trucks and Buses	Power Engineering	Financial Services	Total segments	Recon-ciliation	Volkswagen Group
Sales revenue from external customers	111,564	14,825	3,035	13,419	142,842	1,384	144,226
Intersegment sales revenue	7,283	225	9	1,234	8,751	–8,751	–
Total sales revenue	118,846	15,050	3,044	14,653	151,593	–7,367	144,226
Segment profit or loss (operating profit or loss)	8,132	215	–8	1,108	9,446	–611	8,835

RECONCILIATION*

€ million	Q1–3 2012	Q1–3 2011
Segment profit or loss (operating profit or loss)	**9,446**	**9,538**
Unallocated activities	167	113
Group financing	–37	–5
Consolidation adjustments	–741	–669
Operating profit	**8,835**	**8,977**
Financial result	**14,120**	**7,660**
Consolidated profit before tax	**22,956**	**16,637**

* The prior-year figures were adjusted.

14 | Related party disclosures

A t 50.73%, Porsche 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 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 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	
	Q1 – 3		Q1 – 3	
€ million	2012	2011	2012	2011
Porsche SE	1	1	1	–
Supervisory Board members	1	1	3	0
Unconsolidated subsidiaries	859	939	535	603
Joint ventures[1]	11,618	8,578	1,417	1,010
Associates[2]	272	55	355	162
Porsche Holding Salzburg, its majority interests and joint ventures[3]	–	744	–	27
State of Lower Saxony, its majority interests and joint ventures	5	6	1	0

1 Porsche Zwischenholding GmbH, Stuttgart, and its majority interests until July 31, 2012.
2 Suzuki Motor Corporation until September 13, 2011 and MAN SE until November 9, 2011.
3 Until February 28, 2011.

The goods and services received by joint ventures in the first nine months do not include resolved dividend distributions amounting to € 3,903 million (previous year: € 1,350 million).

Porsche SE contributed its holding company operating business to Volkswagen AG by way of singular succession on August 1, 2012. A more detailed description of the transaction, including the treatment of the options on the outstanding shares of Porsche Zwischenholding that existed until that date, is contained in the section entitled “Basis of consolidation – Consolidated subsidiaries”.

15 | Litigation

The probes launched in fiscal year 2010 by the UK Office of Fair Trading (OFT) into Volkswagen subsidiaries Scania and MAN SE for suspected antitrust violations in the UK commercial vehicles market were discontinued on June 15, 2012 and forwarded to the European Commission. In addition, the investigations launched by the European Commission against MAN Truck & Bus AG and MAN Diesel & Turbo SE were also discontinued on June 28, 2012. In other respects, there have been no material changes compared with the disclosures in the notes to the consolidated financial statements in the 2011 Annual Report.

16 | Contingent assets and liabilities

There were no significant changes as of September 30, 2012 in the contingent assets and liabilities described in the 2011 consolidated financial statements.

17 | Other financial obligations

The other financial obligations increased by €3,793 million compared with December 31, 2011 to €22,842 million due in particular to an increase in purchase commitments for items of property, plant and equipment, and intangible assets, because of the initial consolidation of Porsche Zwischenholding, as well as because of the Group's overall growth.

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, AUDI AG, MAN SE and Renk AG are permanently available on the Internet at www.volkswagenag.com/ir, www.audi.com, www.man.eu and www.renk.biz respectively.

Significant events after the balance sheet date

There were no significant events after the end of the first nine months of 2012.

Wolfsburg, October 24, 2012

Volkswagen Aktiengesellschaft
The Board of Management

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 September 30, 2012, which are part of the quarterly financial report pursuant to § (Article) 37x Abs. (paragraph) 3 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, October 24, 2012

PricewaterhouseCoopers
Aktiengesellschaft
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Financial Calendar

March 14, 2013
Volkswagen AG Annual Media Conference and Investor Conference

April 25, 2013
Volkswagen AG Annual General Meeting

April 29, 2013
Interim Report January – March 2013

July 31, 2013
Half-Yearly Financial Report 2013

October 31, 2013
Interim Report January – September 2013