

VOLKSWAGEN

AKTIENGESELLSCHAFT



Interim Report

JANUARY – MARCH 2013



Key Figures

VOLKSWAGEN GROUP

Volume Data ¹	Q1		
	2013	2012	%
Deliveries to customers ('000 units)	2,314	2,209	+ 4.8
of which: in Germany	268	289	- 7.4
abroad	2,046	1,919	+ 6.6
Vehicle sales ('000 units)	2,375	2,260	+ 5.1
of which: in Germany	294	315	- 6.9
abroad	2,081	1,944	+ 7.1
Production ('000 units)	2,388	2,317	+ 3.0
of which: in Germany	607	652	- 6.8
abroad	1,780	1,666	+ 6.9
Employees ('000 on March 31, 2013/Dec. 31, 2012)	552.4	549.8	+ 0.5
of which: in Germany	250.1	249.5	+ 0.2
abroad	302.3	300.3	+ 0.7

Financial Data (IFRSs), € million	Q1		
	2013	2012 ²	%
Sales revenue	46,565	47,326	- 1.6
Operating profit	2,344	3,165	- 26.0
as a percentage of sales revenue	5.0	6.7	
Profit before tax	2,688	4,248	- 36.7
as a percentage of sales revenue	5.8	9.0	
Profit after tax	1,946	3,148	- 38.2
Profit attributable to shareholders of Volkswagen AG	2,026	3,128	- 35.2
Cash flows from operating activities	2,549	1,454	+ 75.3
Cash flows from investing activities attributable to operating activities	2,429	2,732	- 11.1
Automotive Division ³			
EBITDA ⁴	4,525	5,138	- 11.9
Cash flows from operating activities	3,528	2,941	+ 19.9
Cash flows from investing activities attributable to operating activities ⁵	3,942	2,523	+ 56.2
of which: investments in property, plant and equipment	1,672	1,695	- 1.4
as a percentage of sales revenue	4.1	4.0	
capitalized development costs ⁶	678	465	+ 46.0
as a percentage of sales revenue	1.6	1.1	
Net cash flow	- 414	418	x
Net liquidity at March 31	10,649	15,762	- 32.4

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. 2012 deliveries updated on the basis of statistical extrapolations.

2 Prior-year figures adjusted to reflect application of IAS 19R.

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

4 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.

5 Excluding acquisition and disposal of equity investments: Q1 €2,208 million (€2,112 million).

6 See table on page 34.

Key Facts

- **Volkswagen Group increases deliveries to customers by 4.8% year-on-year to 2.3 million vehicles; strong growth in China**
- **Demand for Group vehicles outperforms the market as a whole worldwide; share of the passenger car market rises to 12.6% (12.2%)**
- **Group sales revenue on a level with the previous year at €46.6 billion (€47.3 billion); negative effects from declining European markets**
- **Operating profit of €2.3 billion (€3.2 billion) in a difficult market environment; impacted by contingency reserves affecting the areas of Passenger Cars and Power Engineering**
- **Earnings before tax of €2.7 billion (€4.2 billion); prior-year figure lifted by remeasurement of Porsche options**
- **At €3.5 billion (€2.9 billion), cash flows from operating activities in the Automotive Division higher than in the previous year; ratio of investments in property, plant and equipment (capex) to sales revenue is 4.1% (4.0%)**
- **Net liquidity of €10.6 billion in the Automotive Division safeguards financial stability and flexibility; liquidity in the Automotive Division reduced by measures to strengthen the Financial Services Division's equity**
- **Fascinating new models:**
 - **At the Geneva Motor Show, Volkswagen Passenger Cars presents the XL1, the most economical series automobile in the world; next-generation Golf estate and Golf BlueMotion make their debut**
 - **Audi ushers in the era of plug-in hybrids with the A3 Sportback e-tron**
 - **ŠKODA sets new standards with the new Octavia estate**
 - **SEAT presents the Leon SC, the most sporting member of the Leon family**
 - **Bentley unveils the luxurious new Flying Spur to the global public**
 - **Porsche celebrates the 50th anniversary of the 911 with the new 911 GT3**
 - **Lamborghini attracts attention with the Veneno, limited to just three vehicles**
 - **Volkswagen Commercial Vehicles presents an emission-free transportation solution for the future with the e-Co-Motion study**
 - **Scania reveals additional potential for reducing consumption with the second generation of Euro 6 engines**
 - **MAN delivers methanation system for Audi's e-gas project**

Key Events

VOLKSWAGEN GROUP UNVEILS NEW MODELS

The Volkswagen Group kicked off 2013 by unveiling a large number of new, fascinating vehicles at the Detroit and Geneva motor shows.

North American International Auto Show in Detroit

Volkswagen's CrossBlue midsize SUV concept celebrated its world premiere in Detroit. This masculine six-seater combines the imposing presence of a SUV with the space of a van. The CrossBlue features an innovative plug-in hybrid system with a total output of 225 kW (306 PS), comprising a 140 kW (190 PS) TDI engine, two electric motors (40 kW and 85 kW), a six-speed direct shift gearbox and an electric propshaft. The concept vehicle has a range of 33 km in purely electric, emission-free mode and can accelerate from 0 to 100 km/h in only 7.5 seconds. The CrossBlue shows how Volkswagen could expand the range of models in the US with a SUV in the five-meter class.

In Detroit, Bentley unveiled the Continental GT Speed Convertible, the fastest four-seater convertible in the world. Powered by a 460 kW (625 PS) twin-turbocharged engine, the open-top super sports car has a top speed of 325 km/h. The hand-crafted interior marries contemporary luxury and striking, sporty design in the Mulliner Driving Specification, which comes as standard.

International Motor Show in Geneva

Volkswagen Group brands presented a range of new models at the International Motor Show in Geneva. The Group also reiterated its strategic goal to become the most ecologically sustainable automobile manufacturer in the world by 2018. Volkswagen aims to reduce the CO₂ emissions of its European new vehicle fleet to 95 g/km by 2020. This makes the Group the first automobile manufacturer to commit to this ambitious target. The fleet would then only use an average of less than 4 liters of fuel per 100 km across all segments and vehicle classes.

The highlight at the Volkswagen Passenger Cars brand stand was the debut of the XL1, the Group's technological spearhead. The aerodynamic two-seater systematically follows the lightweight construction principle and is the most economical production car in the world, boasting fuel consumption of only 0.9 l of diesel per 100 km. The

XL1 emits only 21 g CO₂/km thanks to its plug-in hybrid system, consisting of a two-cylinder TDI engine with 35 kW (48 PS), an electric motor with 20 kW and a seven-speed direct shift gearbox. It can cover a distance of up to 50 km with no emissions in purely electric mode. Volkswagen manufactures the XL1 largely by hand at its Osnabrück plant. Also at the center of attention was the Golf family, which celebrated five further world premieres. The brand unveiled the new Golf estate. The sporty, elegant all-rounder mirrors the lines of the Golf hatchback at the front and is up to 105 kg lighter than its predecessor, while the boot has grown by an impressive 100 l to 605 l. Overall, the new Golf estate is longer, more striking, sportier and more exclusive. Sporty styling is also a key feature of the new Golf GTI and Golf GTD models. In the tradition of its predecessors, the new Golf GTI features superior dynamic handling while consuming 18% less fuel than the previous model. The new Golf GTD is both dynamic and an economical vehicle for longer journeys. Sporty highlights of the two models include separate front and rear bumpers, sports suspension, side sills and a roof spoiler, as well as smoked LED taillights. The world premieres of the new Golf TDI BlueMotion and the Golf TGI BlueMotion are impressive examples of the sustainable mobility offered by the Golf family. The Golf TDI BlueMotion is one of the most efficient cars around today, boasting fuel consumption of 3.2 l of diesel per 100 km and CO₂ emissions of 85 g/km. It features aerodynamic modifications, lightweight construction, a start-stop system, battery regeneration mode, low rolling resistance tires, enhanced engine technology and a high ratio gearbox. The Golf TDI BlueMotion will for the first time also be available as an estate. The Golf TGI's bivalent 1.4 TSI engine can be powered by both natural gas and petrol. With all tanks full, it can cover a distance of over 1,300 km. All of Volkswagen's natural gas models will wear the "TGI BlueMotion" badge in future. The Jetta Hybrid celebrated its European debut following its launch in North America at the end of 2012. The combination of a 110 kW (150 PS) high-tech petrol engine and 20 kW electric motor gives the vehicle superior performance but low fuel consumption and CO₂ emission levels, which average only 4.1 l and 95 g per kilometer. The Volkswagen Passenger Cars brand completed its showing in Geneva

with a new member of the up! family – the cross up! Striking exterior elements such as black cladding on the wheel arches and sills, extra ride height and silver roof rails give the city car a rugged look.

Audi's A3 Sportback e-tron – a vehicle that is as innovative as it is dynamic – proved a magnet for visitors to the Geneva motor show. Its plug-in hybrid system, consisting of a 1.4 TFSI engine with 110 kW (150 PS) and a 75 kW electric motor, boasts a total output of 150 kW (204 PS). The vehicle has a total range of 940 km, of which up to 50 km is possible in purely electric mode. The A3 Sportback e-tron can accelerate from 0 to 100 km/h in only 7.6 seconds and has a top speed of 222 km/h. The brand is taking a further step towards sustainable mobility with the A3 Sportback g-tron. Alongside petrol and conventional natural gas, the vehicle can also run on carbon-neutral Audi e-gas, which will be produced at a power-to-gas plant in the Emsland region – which operates using a MAN methanation system – from summer 2013 as part of Audi's e-gas project. This pioneering project brings together ecology, economy and technology. The tanks and electric gas pressure regulator used in the A3 Sportback g-tron represent the cutting edge of gas propulsion technology. Audi also showcased the S3 Sportback, the A3's sportiest sibling that also delivers in terms of efficiency. Its 2.0 TFSI engine with 221 kW (300 PS) can accelerate from 0 to 100 km/h in just 4.9 seconds. Even so, the model only uses an average of 6.9 l of fuel per 100 km. The Audi brand completed its showing with the world premiere of the RS 5 DTM, its race touring car for the 2013 DTM season, and the RS 6 Avant, a 412 kW (560 PS) high-performance sports estate for everyday use.

At ŠKODA's stand, all eyes were on the new Octavia estate unveiled there. The third generation of the best-selling model sets new standards in the compact estate class in terms of space, quality, design, technology and value for money. ŠKODA also unveiled the new four-wheel drive version, the Octavia estate 4x4. The new Octavia was awarded five stars in the latest Euro-NCAP crash test for its safety features.

The new SEAT Leon SC, or Sport Coupé, offers an extra helping of sporty styling without compromising on everyday practicality. The compact three-door SC is the sportiest

and most exciting model in the range, with a 35 mm shorter wheelbase than the five-door Leon, and perfectly embodies SEAT's design language. The Leon SC is available with four engines ranging from 63 kW (86 PS) to 135 kW (184 PS).

The highlight of the Bentley stand was the world premiere of the new Flying Spur. It marries fine craftsmanship, superior performance, elegant design and cutting-edge technology to create one of the most luxurious sports saloons in the world. The 460 kW (625 PS) W12 engine takes the Flying Spur from 0 to 100 km/h in only 4.6 seconds. The new model has a 14% better power-to-weight ratio than its predecessor.

The Porsche brand unveiled the new 911 GT3 to the world in Geneva to celebrate its 50th anniversary. The fifth generation of the racetrack-worthy series sports car boasts impressive performance credentials – the naturally aspirated, 350 kW (475 PS) engine catapults the high-performance sports car from 0 to 100 km/h in only 3.5 seconds and its top speed is 315 km/h. Technical highlights of the GT3 also include active rear-wheel steering and optional full LED headlights.

Lamborghini takes it a step more extreme when it comes to street-legal super sports cars. The time-honored Italian brand presented the Veneno, which is limited to three models, to celebrate the 50th anniversary of Automobili Lamborghini S.p.A. The supercar's optimized aerodynamics and 552 kW (750 PS) propel it from 0 to 100 km/h in a mere 2.8 seconds; its top speed is 355 km/h. All three models have already been sold.

At the Volkswagen Commercial Vehicle stand, the focus was on innovative, emission-free transport solutions of the future. The e-Co-Motion study, an electrically powered city delivery van that was unveiled for the first time, could be a sustainable answer to the increasing transport needs of the future. The single-speed planetary gearbox mounted on the rear axle gives the vehicle a tight turning circle, which is important for urban operation, and a low cargo floor height makes loading and unloading easier. A wide range of superstructures and customer-specific solutions can be built onto the uniformly designed underbody.

AWARDS

The Volkswagen Group again received a number of awards in the first quarter of 2013.

The Audi A3 Sportback was named the “Car of the Year” by the “What Car? Awards, which were held in the UK in mid-January. The jury were won over by its outstanding handling and high-quality finishing. The A3 Sportback was also voted the best small family car.

The Volkswagen eco up! received the 2013 “Golden Angel” in the “Innovation and Environment” category for its three-cylinder natural gas engine in mid-January. The ADAC jury were won over by its efficiency. First place in the “Quality” category went to the Audi A3.

Specialist journal “auto motor und sport” voted for “The Best Cars of 2013” at the end of January. The Volkswagen Group was very successful, taking top honors in seven categories. Readers voted the up! from the Volkswagen Passenger Cars brand as the best minicar for the second year running. The new Golf secured first place in the compact class category and the Audi A1 was crowned the best small car ahead of the Polo. Readers were again impressed by the ŠKODA Superb, which topped the import ranking in the mid-range class for the second year in a row. The overall award in the vans category went to Volkswagen Commercial Vehicle’s Multivan, ahead of the Touran and the Sharan. The SEAT Alhambra topped the import ranking in the vans category for the third year in a row. The Volkswagen Group’s successful showing was crowned by a win in the sports car category, which went to Porsche for the Porsche 911.

Audi picked up a total of ten first placings, making it the most successful brand in the “Best Cars 2013”, as voted by readers of the Chinese edition of “auto motor und sport”. The Audi A6 L took first prize in the upper mid-range and domestic upper mid-range categories, while the locally produced Q5 was voted the best domestic SUV and off-road vehicle. The Audi A8 L was the most popular luxury-class vehicle.

In mid-February 2013, the Porsche brand was crowned the best European car brand in the Vehicle Dependability Study 2013 conducted by well-known US market research institute J.D. Power and Associates. The study analyzes how satisfied car buyers are with vehicle quality in the first three years after delivery on the basis of a comprehensive survey.

The Polo received the “Goldene TÜV-Plakette 2013” (“2013 Golden TÜV Award”) in the two- to three-year-old car category at the end of February. This award is based on the results of vehicle roadworthiness tests within a period of twelve months, which are published in a report every year.

The new Golf was again honored at the beginning of March 2013, receiving the coveted “Car of the Year 2013” European car award. The jury, comprising 58 motor journalists from 22 European countries, tested and rated vehicles according to different criteria such as economy, comfort, safety, handling, functionality, design and technical progress. The “Car of the Year” is one of Europe’s oldest and most prestigious awards. The seventh generation of the Golf was also named the “World Car of the Year 2013” by 66 motor industry journalists from 23 countries at the end of March.

Motoring magazine “Autoflotte” awarded gold to the Volkswagen Group in 16 categories, again making it the most successful company. Around 6,400 readers voted the Audi brand into first place five times. The A1, A3, A6, Q5 and A8 were all successful. The Volkswagen Passenger Cars brand claimed a total of three victories with the up!, the Sharan and the Touran. Volkswagen Commercial Vehicles also took first place three times with the Caddy, Amarok and Transporter models. ŠKODA’s Octavia and Fabia models topped the import rankings. SEAT and Porsche each claimed a win. The Volkswagen Group completed its haul with an award for the “Best Leasing Provider”, which went to Volkswagen Leasing for the eighth time running.

The “Four-Wheel Drive Car of the Year 2013” awards were decided by readers of “Auto Bild Allrad”, Europe’s largest four-wheel drive magazine, in mid-March 2013. Over 105,000 readers voted the Passat Alltrack as the winner in the crossover category. The Passat Alltrack’s underrun protection makes it suitable for both on and off-road driving. The hybrid category went to the Touareg Hybrid, which boasts average fuel consumption of 8.2 l/100 km and is setting new standards in petrol SUVs.

In mid-March 2013, Volkswagen was voted Germany’s most attractive employer in a cross-sector study conducted by current affairs magazine “Focus” and business and career network “Xing”. The study surveyed around 13,000 employees in companies from over 17 sectors. Volkswagen was named the sector and overall winner.

ANNIVERSARIES

ŠKODA celebrated a major anniversary on February 5, 2013 – the time-honored Czech brand has produced 15 million vehicles since 1905. The milestone vehicle was a silver new-generation Octavia and rolled off the production line at ŠKODA's main production facility in Mladá Boleslav.

For Audi, February 25, 2013 was the day of the “quattro”: the five-millionth Audi with permanent all-wheel drive left production in Neckarsulm – a white Audi A6 allroad quattro 3.0 TDI. Its quattro technology debuted with the legendary original quattro in 1980. With over 140 quattro models, Audi offers by far the widest range of four-wheel drive models in the premium segment.

The Tiguan celebrated another milestone in its success story on March 15, 2013, with the one-millionth vehicle leaving Wolfsburg. The SUV became the best selling vehicle in its class in Germany following its launch in 2007, a position that it has held since. Alongside Wolfsburg, the Tiguan is also produced in Kaluga, Russia, and Shanghai, China.

100TH LOCATION IN GROUP PRODUCTION NETWORK

Mexican President, Enrique Peña, and the Chairman of the Board of Management of Volkswagen AG, Prof. Dr. Martin Winterkorn, opened the 100th plant in Volkswagen's production network on January 15, 2013 in the central Mexican city of Silao. Volkswagen is driving forward its ambitious North American strategy with the new plant. In the medium term, the Silao plant will have an annual capacity of 330,000 drivetrains and will supply Volkswagen's North American plants in Puebla, Mexico, and Chattanooga in the USA with the latest generation of fuel-efficient TSI engines. Production meets the high environmental standards of the “Think Blue. Factory.” program developed by Volkswagen.

GROUP'S FIRST BATTERY SYSTEM PRODUCTION FACILITIES

Volkswagen opened the Group's first battery system production facilities at its Braunschweig plant in the presence of members of the Group and brand boards of management during an on-site symposium. Batteries for electric vehicles will be produced in a specially constructed building with an initial annual capacity of 11,000 battery systems. Electric and plug-in hybrid drives will also be developed here.

SCANIA JOINS THE GLOBAL COMPACT

Scania joined the largest and most important corporate social responsibility initiative in the world, the United Nations Global Compact, in February 2013. By pledging its support for the Global Compact's ten corporate governance principles, the Swedish truck manufacturer has confirmed its long-term commitment to sustainability and reinforced its clear understanding of treating stakeholders responsibly.

ANNUAL GENERAL MEETING

The 53rd Annual General Meeting of Volkswagen AG was held at the Hanover Exhibition Grounds on April 25, 2013. With 91.96% of the voting capital present, the ordinary shareholders of Volkswagen AG formally approved the actions of the Board of Management and the Supervisory Board and the conclusion of intercompany agreements. They also elected PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft as the auditors of the financial statements for fiscal year 2013 and as the auditors to review the condensed consolidated financial statements and interim management report for the first six months of 2013. The scheduled term of office of Dr. Wolfgang Porsche as a member of Volkswagen AG's Supervisory Board expired at the end of the Annual General Meeting. The Annual General Meeting elected Dr. Wolfgang Porsche to the Supervisory Board for a further full term of office as a shareholder representative. The Annual General Meeting also resolved to distribute a dividend of €3.50 per ordinary share and €3.56 per preferred share for fiscal year 2012.

The results of the votes of the 2013 Annual General Meeting can be accessed on the Internet at www.volkswagenag.com/ir.

SUPERVISORY BOARD MATTERS

The State of Lower Saxony appointed the new Minister-President, Stephan Weil, and the new Minister of Economic Affairs, Labor and Transport, Olaf Lies, to the Supervisory Board of Volkswagen AG effective February 19, 2013. They succeed David McAllister and Jörg Bode, who stepped down from the Supervisory Board as of the same day.

Volkswagen Shares

At the beginning of 2013, the DAX continued the positive performance it had seen in the final quarter of 2012. The initial increase in share prices was primarily due to the upbeat mood following the provisional budget compromise in the USA. The DAX then moved sideways amid volatility until the end of February. In an environment dominated by the European debt crisis, share prices were supported by largely healthy corporate results. The DAX reached new highs in mid-March and has since closed above the 8,000 point mark. The reasons for this were the central banks' expansionary monetary policy as well as hopes of an increase in global growth. The still unresolved budget dispute in the USA and the difficulties in forming a government in Italy did not initially curb the upward trend. Towards the end of the first quarter, renewed uncertainty regarding the stability of the eurozone in connection with the situation in Cyprus interrupted the DAX's positive trend.

At the end of March 2013, the DAX closed at 7,795 points, up 2.4% compared with the 2012 closing price. The EURO STOXX Automobile & Parts stood at 334 points, down 1.1% on the level at the end of 2012.

Volkswagen AG's preferred and ordinary share prices started the reporting period with significant increases.

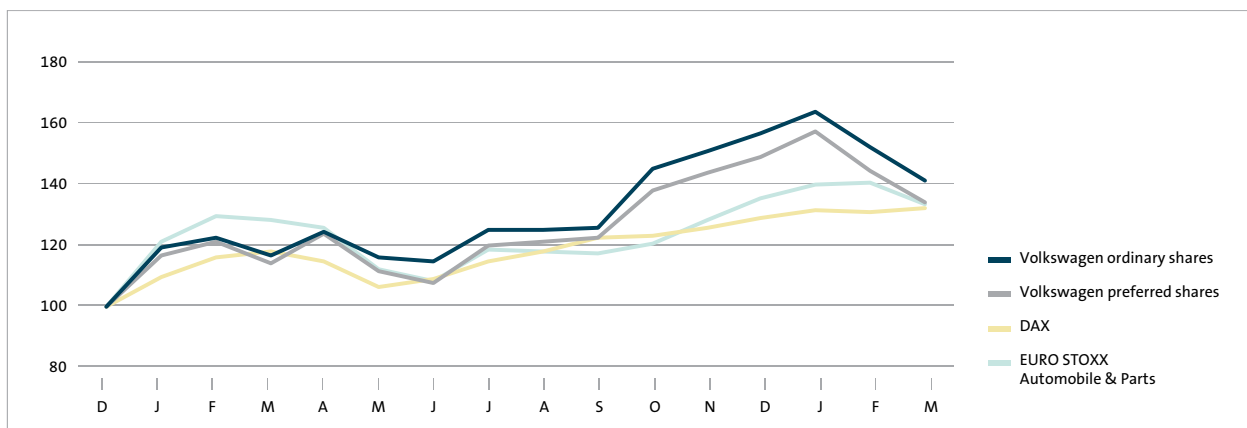
The announcement that Volkswagen is seeking to conclude a control and profit and loss transfer agreement with MAN SE led prices to drop briefly. The securities subsequently moved in lock-step with the market before both share classes weakened: elements of the outlook for fiscal year 2013 announced when the annual financial statements were published fell short of the high expectations of many market participants.

Volkswagen's preferred shares reached their highest daily closing price in the first quarter (€186.65) on February 1, 2013. The shares closed at their lowest price on March 28, 2013, the last trading day in the first quarter of 2013, at €155.00; this was a decrease of 10.0% as against the end of 2012. Volkswagen AG's ordinary shares also reached their high of €174.00 on February 1, 2013. The shares traded at their lowest daily closing price at the end of March of €146.75, down 9.8% on year-end 2012.

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 MARCH 2013

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



Business Development

GENERAL ECONOMIC DEVELOPMENT

The global economy continued to be dominated by uncertainties and varying regional growth rates in the first three months of 2013. The economic situation in the industrialized nations continued to be impacted by structural obstacles. By contrast, emerging market economies mainly recorded robust growth.

The economic climate in Western Europe stayed under the shadow of the debt crisis in the first quarter of 2013. The southern European crisis countries remained in recession, and even some northern European countries recorded negative growth rates.

After recording a slowdown in growth in the final quarter of the previous year, the German economy looked to be comparably crisis-proof. It grew slightly over the year to date, buoyed by foreign trade and private consumption.

The situation in Central and Eastern Europe was heavily influenced by the crisis in the eurozone. However, the overwhelming majority of countries in this economic area continued to generate positive growth rates.

In the period from January to March 2013, GDP growth in South Africa was on a level with the previous year.

However, it was negatively affected by structural deficits and muted global demand for raw materials.

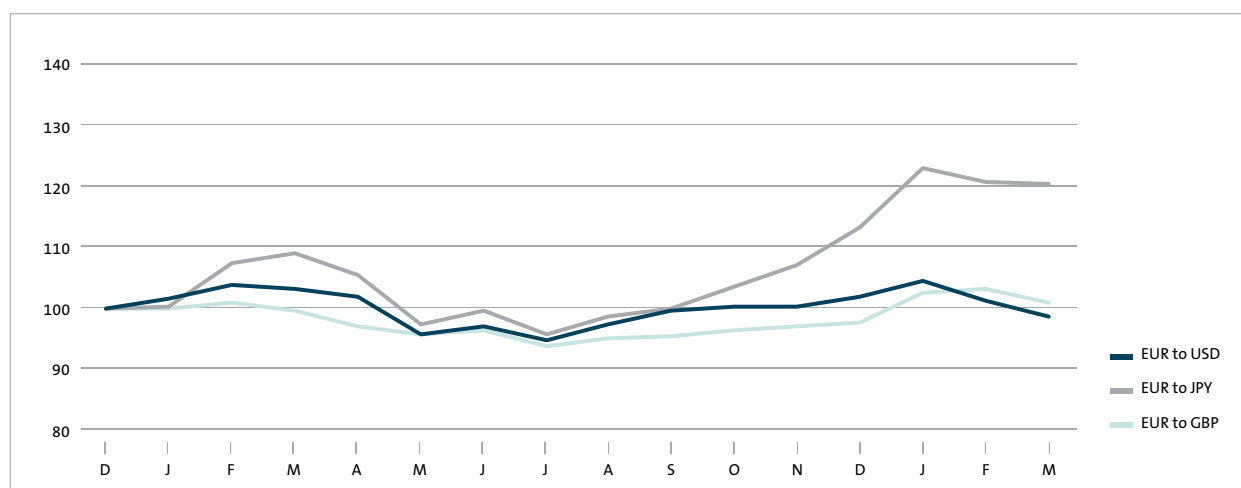
The budget debate overshadowed economic developments in the USA over the past months. However, the situation was improved in the first quarter of 2013 by higher consumer confidence and increased availability of cheaper energy. Unemployment decreased slightly. The Mexican economy, which is highly dependent on the American economy, continued to see healthy growth.

Economic growth in Brazil and Argentina declined considerably last year. However, there were increasing signs of a recovery in Brazil in the fourth quarter of 2012, which continued in the first three months of 2013. Political uncertainty and very high inflation negatively impacted economic growth in Argentina.

Growth in China was above the central government's target rate of 7.5% in the reporting period. The Indian economy also performed better than average. Japan's new economic policy focus has generally encouraged growth since the beginning of the year. However, despite the economic measures taken and declining exchange rates, the first quarter of 2013 did not see any economic recovery.

EXCHANGE RATE MOVEMENTS FROM DECEMBER 2011 TO MARCH 2013

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



DEVELOPMENT OF THE PASSENGER CAR MARKETS

Worldwide new passenger car registrations rose year-on-year in the first quarter of 2013. Demand was mixed in the various regions. While the markets as a whole in Western Europe as well as Central and Eastern Europe recorded in part considerable declines, new registrations continued to increase in the Asia-Pacific region and North America. Demand in South America almost reached the high level of the prior-year quarter in the reporting period.

The overall weak economic development and the growing lack of consumer confidence led to a further drop in new registrations in the Western European passenger car market in the first three months of 2013. The volume markets of France, Italy and Spain in particular recorded negative growth rates that were higher than average.

The German market was also impacted by the unfavorable conditions in the eurozone. Demand was significantly lower than the previous year, with a double-digit decline.

The number of sales in Central and Eastern Europe declined in the reporting period. Weaker economic growth meant that the Russian market remained flat at last year's high level.

The South African passenger car market grew slightly in the period from January to March 2013. This was supported by low interest rates and new products.

In North America, the positive overall market performance also continued in the first three months of 2013. Demand in the US market reached its highest first quarter level since 2007. The main reason for this was attractive sales promotion programs that helped reduce high inventories, along with increased replacement demand. While sales volumes in Canada remained down slightly year-on-year, the Mexican market increased in line with expectations.

The number of new passenger car registrations in South America in the first quarter of 2013 was close to the previous year's record figure. The Brazilian market exceeded the previous all-time high recorded in the first quarter of 2011. By contrast, demand for passenger cars in Argentina fell far short of the high level recorded in the prior-year quarter.

The Asia-Pacific region recorded the highest absolute increase in new passenger car registrations in the period from January to March 2013. The Chinese market saw the strongest growth worldwide in the reporting period. The main reasons for this were the stable macroeconomic environment and the comparably still low density of passenger cars. Demand for passenger cars in India was

considerably lower in the period from January to March 2013 than the prior year's figure. The key reasons for this were rising fuel costs and high credit interest rates. The Japanese market also declined in the first three months of 2013 in comparison to the prior-year quarter, which had been dominated by government incentive programs for fuel-efficient vehicles.

DEVELOPMENT OF THE MARKETS FOR COMMERCIAL VEHICLES

Global demand for light commercial vehicles increased modestly in the first quarter of 2013.

The still unresolved debt crisis in the eurozone kept the business climate at a low level in Western Europe, resulting in an unfavorable environment for investing in fleets. All larger markets for light commercial vehicles in Western Europe recorded a significant downturn, apart from the United Kingdom.

Demand for light commercial vehicles declined significantly in the majority of the markets in Central and Eastern Europe in the reporting period. The core markets in Central Europe were particularly hard hit by the worsening crisis in the eurozone and the overall deterioration of the business climate. Weaker economic growth meant that the Russian market remained flat at the prior-year quarter's high level.

In the North American markets, the positive overall market performance continued in the first three months of 2013.

The number of new light commercial vehicle registrations in South America's core markets was above the previous year's figure in the first quarter of 2013. The Brazilian market exceeded the previous all-time high recorded in the first quarter of 2011. Demand for light commercial vehicles in Argentina was considerably higher than last year; however, this trend weakened towards the end of the reporting period.

In the Asia-Pacific region, the majority of the markets for light commercial vehicles performed positively in the period from January to March 2013. China, the dominant market, only grew slightly in the reporting period.

In the first three months of 2013, global demand for mid-sized and heavy trucks with a gross weight of more than six tonnes was down significantly year-on-year.

In Western Europe, new registrations in the reporting period fell considerably short of the previous year's figure. The decline was attributable to persistent difficult conditions caused by the European sovereign debt crisis and low levels of investment.

Sales of mid-sized and heavy trucks were down slightly year-on-year in the Central and Eastern European markets as well as in Russia, the largest truck market there. The reason behind this is the high prior-year volume driven by increased government measures accompanying the presidential elections, alongside the introduction of a new recycling fee on imported vehicles in September of last year.

Sales volumes in North America, and particularly in the USA, declined in the period from January to March 2013 compared with the previous year. This was primarily due to the uncertainty surrounding economic developments as well as cautious investment spending by companies.

In South America, new truck registrations fell short of the prior-year figure in the first quarter of 2013. Vehicle sales in South America's largest market, Brazil, were lower than in the same period of 2012. This was because of the increased demand for vehicles with Euro 3 technology from stock in the course of the introduction of the Euro 5 emission standard and the resulting high prior-year volume. However, the downward trend eased off considerably compared with the previous year thanks to more favorable financing conditions, supported by Brazilian development bank BNDES, and improved government stimulus programs.

The Asia-Pacific region – excluding the Chinese market – recorded a substantial drop in sales in the first quarter of 2013. In the first three months of 2013, China, by far the world's largest truck market, did not perform as well as in the prior-year period due to declining investments in infrastructure and existing uncertainties following the change of government. A lack of clarity about future economic developments and the high budget deficit resulted in a considerable drop in sales of mid-sized and heavy trucks in India.

New bus registrations declined worldwide from January to March 2013 compared with the prior-year period.

DEVELOPMENT OF THE MARKETS FOR POWER ENGINEERING

The markets for power engineering are subject to differing regional and economic influences. Consequently, their business growth trends are generally independent of each other.

The market situation for Power Engineering remained largely unchanged in Q1/2013 as against the previous year. The shipbuilding market was still dominated by substantial overcapacity in the merchant fleet. This situation has been further exacerbated by additional tonnage appearing in the market, triggering a further decrease in orders for new merchant ships. Only specialized applications such as cruise ships, as well as offshore and government vessels, recorded noticeably higher demand. The need for energy generation facilities, with a strong trend towards higher flexibility and decentralized availability, kept demand for diesel and gas engine power plants at a high level. The turbomachinery market was dominated by high long-term demand for primary materials as well as the encouraging market trends in the oil and gas industry. However, there were still ongoing economic uncertainties and difficult financing conditions, which led to tougher competitive pressure. Growth in offshore wind energy has again fallen well short of expectations.

DEMAND FOR FINANCIAL SERVICES

Global demand for automotive-related financial services was strong in the first three months of 2013. The European markets experienced ongoing 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, while the South American markets also recorded steady growth. The Asia-Pacific region clearly exceeded the prior-year volume.

VOLKSWAGEN GROUP DELIVERIES

The Volkswagen Group delivered 2,314,100 vehicles to customers in the first quarter of 2013. This corresponds to an increase of 4.8% or 105,463 units compared with the previous year. The delivery figures were higher in all three months of the reporting period than in the same months of the previous year. Separate details of deliveries of passenger cars and commercial vehicles are provided in the following. Since January 1, 2013, the Volkswagen Commercial Vehicles brand has been reported under commercial vehicles together with Scania and MAN. The prior-year figures were adjusted accordingly.

VOLKSWAGEN GROUP DELIVERIES FROM JANUARY 1 TO MARCH 31*

	2013	2012	%
Passenger cars	2,142,536	2,026,663	+ 5.7
Commercial vehicles	171,564	181,974	- 5.7
Total	2,314,100	2,208,637	+ 4.8

* Deliveries for 2012 have been updated and adjusted to reflect subsequent statistical trends and the new reporting structure.

PASSENGER CAR DELIVERIES WORLDWIDE

The Volkswagen Group's deliveries in the period from January to March 2013 were at a new all-time high, at 2,142,536 passenger cars. With an increase of 5.7%, we outperformed the market as a whole and gained additional market share. Since August 1, 2012, the Group's delivery figures also include Porsche brand vehicles. The Volkswagen Passenger Cars (+5.2%) and Audi (+6.8%) brands recorded new highs in the first quarter of the year. The Group generated the highest growth rates in North America and the Asia-Pacific region.

The table on the next page provides an overview of passenger car 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

The Volkswagen Group sold 5.8% fewer vehicles to customers in Western Europe in the reporting period than in the same period last year. Our sales figures were down year-on-year in virtually all major markets in this region. However, the Volkswagen Group outperformed the passenger car market as a whole, which declined by 9.8%. Demand for Audi, SEAT and Bentley models developed

positively. The Audi A1, Audi Q3, Audi A4 and SEAT Leon models were particularly popular. The new Golf, Audi A3 and ŠKODA Octavia models also met with a very positive market reception. Vehicles sold in Western Europe accounted for 31.6% (previous year: 35.5%) of the Group's total delivery volumes. The Volkswagen Group increased its share of the passenger car market in Western Europe to 24.0% (23.5%).

In the first three months of this year, the Volkswagen Group delivered 5.7% fewer passenger cars to customers; the market as a whole declined by 12.9% in the same period. Demand increased for the up!, Beetle, Tiguan, CC, Touareg, Audi A3, Audi Q3, Audi A4, Audi Q5, ŠKODA Citigo and SEAT Mii models. The Volkswagen Group increased its share of the market to 38.3% (36.5%). Six Volkswagen Group models led the Kraftfahrtbundesamt (KBA – German Federal Motor Transport Authority) registration statistics in their respective segments for the reporting period: the up!, Polo, Golf, Passat, Touran and Tiguan. The Golf continued to top the list of the most popular passenger cars in Germany.

Demand for Group models in Central and Eastern Europe was somewhat weaker in the first quarter of 2013 than in the previous year; sales to customers declined by 2.8%. However, we delivered more vehicles in Russia and Poland. The up!, Polo Sedan, Golf, Jetta, Audi Q3, Audi Q5, ŠKODA Citigo and SEAT Leon models were particularly popular.

In South Africa, the Volkswagen Group's deliveries in the reporting period exceeded the prior-year figure by 8.8%. The Group's share of the passenger car market rose to 24.1% (22.6%).

Deliveries in North America

The Volkswagen Group delivered 14.7% more vehicles in the USA in the first three months of 2013, outperforming the positive trend in the overall market (+6.4%). The Beetle, Golf estate, Tiguan, Passat, Touareg, Audi A5, Audi Q5, Audi Q7 and Audi A8 models were among the vehicles that recorded increases year-on-year.

In Canada, the Volkswagen Group sold 10.1% more vehicles in the first quarter than in the same period last year. Demand for the Jetta, Touareg, Audi A5, Audi Q5 and Audi A8 models was encouraging.

In the Mexican market, the Volkswagen Group increased deliveries by 16.8% compared with the prior-year figure. Demand increased for the Golf, Jetta, Audi A1, Audi A3 and Audi A4 models.

Deliveries in South America

Sales of passenger cars in the South American market in the period from January to March 2013 were 6.9% lower than the prior year figure.

Group deliveries in Brazil declined by 5.0% in the reporting period. The Volkswagen Group's share of the highly competitive Brazilian passenger car market was 20.9% (22.4%).

In Argentina, the Group registered a 12.0% drop in deliveries. Demand increased for the Jetta in particular, while the Fox and Gol models recorded declines year-on-year. The Volkswagen Group's share of the passenger car market in Argentina decreased to 22.3% (25.5%).

PASSENGER CAR DELIVERIES TO CUSTOMERS BY MARKET FROM JANUARY 1 TO MARCH 31¹

	DELIVERIES (UNITS)		CHANGE (%)	SHARE OF PASSENGER CAR MARKET (%)	
	2013	2012 ²		2013	2012
Europe/Remaining markets	900,173	931,008	-3.3		
Western Europe	677,840	719,252	-5.8	24.0	23.5
of which: Germany	239,021	253,473	-5.7	38.3	36.5
United Kingdom	119,908	111,936	+7.1	19.1	19.6
France	62,856	71,252	-11.8	13.8	14.1
Spain	47,453	50,115	-5.3	24.9	24.3
Italy	46,952	54,870	-14.4	13.8	13.7
Central and Eastern Europe	133,535	137,321	-2.8	15.7	15.4
of which: Russia	63,849	62,388	+2.3	11.1	10.9
Poland	19,306	18,054	+6.9	25.6	23.3
Czech Republic	17,855	18,944	-5.7	48.9	43.3
Remaining markets	88,798	74,435	+19.3		
of which: South Africa	27,006	24,822	+8.8	24.1	22.6
Turkey	22,822	16,807	+35.8	20.6	17.2
North America³	203,627	177,459	+14.7	4.8	4.4
of which: USA	142,755	124,408	+14.7	3.9	3.6
Mexico	42,642	36,494	+16.8	18.1	16.3
Canada	18,230	16,557	+10.1	5.1	4.6
South America	182,488	196,005	-6.9	18.1	19.1
of which: Brazil	132,671	139,663	-5.0	20.9	22.4
Argentina	40,345	45,834	-12.0	22.3	25.5
Asia-Pacific	856,248	722,191	+18.6	12.2	11.0
of which: China	768,565	633,403	+21.3	20.3	19.7
Japan	26,520	23,169	+14.5	2.0	1.6
India	25,940	34,143	-24.0	3.9	4.5
Worldwide	2,142,536	2,026,663	+5.7	12.6	12.2
Volkswagen Passenger Cars	1,425,776	1,355,449	+5.2		
Audi	369,494	346,105	+6.8		
ŠKODA	220,433	242,732	-9.2		
SEAT	87,086	80,106	+8.7		
Bentley	2,212	1,759	+25.8		
Lamborghini	519	505	+2.8		
Porsche ³	37,009	-	-		
Bugatti	7	7	+0.0		

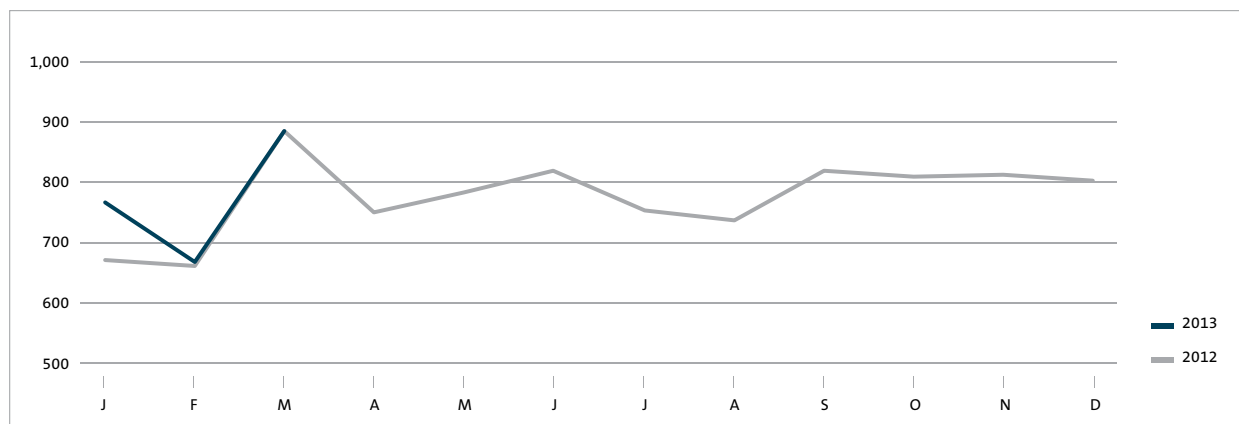
1 Deliveries and market shares for 2012 have been updated to reflect subsequent statistical trends. The Porsche brand's deliveries are included as from August 1, 2012.

2 The prior-year figure was adjusted due to the new reporting structure.

3 Overall markets in the USA, Mexico and Canada include passenger cars and light trucks.

VOLKSWAGEN GROUP DELIVERIES BY MONTH

Vehicles in thousands

**Deliveries in the Asia-Pacific region**

We sold 18.6% more vehicles in the Asia-Pacific region in the first three months of this year than in the same period of 2012. As a result, we outperformed the market as a whole, which increased by 6.8% in the same period.

Growth in the region was again driven by the Chinese market, where Group vehicle sales increased by 21.3%. Virtually all Group models contributed to this success. With a market share of 20.3% (19.7%), the Volkswagen Group defended its leadership of the highly competitive Chinese market.

We delivered 14.5% more vehicles in the Japanese passenger car market, whereas the market as a whole declined by 9.2%. Demand was particularly strong for the Tiguan, Audi A1 and Audi A4 models.

Demand for Group models exceeded the prior-year figures in almost all other markets in the Asia-Pacific region.

Our sales in India were down 24.0% year-on-year in a declining market. In contrast, demand for the Audi Q5 and Audi A7 models developed positively.

COMMERCIAL VEHICLE DELIVERIES

The Volkswagen Group delivered 171,564 commercial vehicles worldwide in the first three months of 2013. This was 5.7% fewer than in the same period of the previous year. Of this figure, 41,771 were trucks (-9.5%), and 5,639 were buses (+11.1%). Volkswagen Commercial Vehicles delivered 124,154 units, a decline of 5.0%. The Scania brand sold 16,938 vehicles, a 4.3% increase on the same period in 2012. MAN delivered 30,472 vehicles to customers in the first three months of this year, 12.9% fewer than in the previous year.

In the Western European markets, the Group delivered 75,781 commercial vehicles in the period from January to March of this year, a 13.3% decline year-on-year. Light commercial vehicles accounted for 61,667 vehicles, and trucks for 13,511. The effects of the European sovereign debt crisis and the ensuing economic weakness had a negative impact in the first quarter of 2013. In Central and Eastern Europe, Group deliveries to customers decreased by 11.5% to 14,075 vehicles (of which 8,568 were light commercial vehicles and 5,315 trucks). The Volkswagen Group sold 4.8% fewer vehicles in Russia, at 5,927 units. The introduction of a recycling fee on imported vehicles in September of last year and the high prior-year volume due to increased government measures in relation to the presidential election had a negative effect. Demand for Volkswagen Group commercial vehicles in the Remaining markets amounted to 10,666 light commercial vehicles, 3,810 trucks and 534 buses. This corresponds to a decline of 4.0%.

In the North American markets, the Group delivered 2,544 commercial vehicles. This corresponds to an increase of 20.9%; of this figure, 2,089 vehicles were light commercial vehicles and 92 were trucks.

In South America, the Group delivered a total of 57,453 commercial vehicles (+5.5%). Light commercial vehicles accounted for 36,722 and trucks for 17,117. We sold 46,661 vehicles on the Brazilian market, 27,931 of which were light commercial vehicles, 15,527 were trucks and 3,203 buses. Demand for light commercial vehicles benefited from the tax breaks introduced in mid-2012. The decline in truck deliveries was attributable to the high prior-year volume: in the previous year, the introduction

of the Euro 5 emission standard led to increased demand for vehicles with more affordable Euro 3 technology from inventories.

Group sales in the Asia-Pacific region comprised 6,701 commercial vehicles (+4.3%), 4,442 of which were light commercial vehicles and 1,926 of which were trucks.

DELIVERIES IN THE POWER ENGINEERING SEGMENT

Orders in the Power Engineering segment are usually part of major investment projects. Lead times typically range from just under one year to several years and partial deliveries as construction progresses are common. Accordingly, there is a time lag between incoming orders and sales revenue from the new construction business.

Sales revenue in the Power Engineering segment was largely driven by Engines & Marine Systems and Turbo-machinery, which together generated about two-thirds of the overall revenue volume.

GROUP FINANCIAL SERVICES

Demand for Volkswagen Financial Services offerings remained high in the first quarter of 2013. In the reporting period, 925 thousand new financing, leasing, service and

insurance contracts were signed worldwide, an increase of 9.0% on the same period of the previous year. The total number of contracts as of the end of March 2013 was 9.8 million, up 14.3% on the prior-year reporting date.

In Europe, 625 thousand new contracts were signed overall in the first three months of 2013 (+7.2%). The total number of contracts rose by 12.5% as against the previous year to 7.1 million. The number of customer finance and leasing contracts was 4.1 million (+9.1%).

As of March 31, 2013, the number of contracts in North America grew by 18.4% year-on-year to 1.6 million; customer finance and leasing contracts accounted for 1.3 million of these (+12.7%). At 169 thousand, the number of new contracts was up 16.9% on the previous year.

The total number of contracts in South America amounted to 698 thousand at the end of the first quarter of 2013 (+11.7%); almost all of these were attributable to the customer finance and leasing area.

In the Asia-Pacific region, the number of contracts amounted to 487 thousand as of March 31, 2013 (+35.2%); the number of customer finance and leasing contracts was 399 thousand (+37.1%). A total of 61 thousand new contracts were signed in the region.

COMMERCIAL VEHICLE DELIVERIES TO CUSTOMERS BY MARKET FROM JANUARY 1 TO MARCH 31*

	DELIVERIES (UNITS)		CHANGE
	2013	2012	(%)
Europe/Remaining markets	104,866	118,990	- 11.9
Western Europe	75,781	87,440	- 13.3
Central and Eastern Europe	14,075	15,912	- 11.5
Remaining markets	15,010	15,638	- 4.0
North America	2,544	2,104	+ 20.9
South America	57,453	54,458	+ 5.5
of which: Brazil	46,661	43,362	+ 7.6
Asia-Pacific	6,701	6,422	+ 4.3
of which: China	1,132	1,207	- 6.2
Worldwide	171,564	181,974	- 5.7
Volkswagen Commercial Vehicles	124,154	130,734	- 5.0
Scania	16,938	16,238	+ 4.3
MAN	30,472	35,002	- 12.9

* Deliveries for 2012 have been updated and adjusted to reflect subsequent statistical trends and the new reporting structure.

WORLDWIDE DEVELOPMENT OF INVENTORIES

At the end of the first quarter of 2013, global inventories held by Group companies and the dealer organization had increased compared with the end of 2012, but were below the level as of March 31, 2012.

UNIT SALES, PRODUCTION AND EMPLOYEES

The Volkswagen Group sold 2,374,935 vehicles to the dealer organization worldwide in the first three months of 2013, a 5.1% increase year-on-year. Sales outside Germany recorded an increase of 7.1% compared with the previous year, buoyed by continuing strong demand for Group models in the Chinese and US markets. Domestic vehicle sales declined by 6.9%; vehicles sold in Germany accounted for 12.4% (previous year: 14.0%) of the Group's overall sales.

The Volkswagen Group produced a total of 2,387,577 vehicles worldwide in the first quarter of 2013, 3.0% more than in the same period of the previous year. A total of 607,163 vehicles were produced in Germany, 6.8% fewer than in the previous year; the proportion of domestically produced vehicles declined to 25.4% (28.1%).

The Volkswagen Group had 528,720 active employees on March 31, 2013. In addition, 8,675 employees were in the passive phase of their early retirement and 15,030 young people were in apprenticeships. The Volkswagen Group had a total of 552,425 employees worldwide at the end of the reporting period. This increase of 0.5% compared with the December 31, 2012 figure is mainly attributable to the initial consolidation of international dealerships belonging to Porsche Holding Salzburg and the establishment of new production sites. At 250,077 (+0.2%), Group employees in Germany accounted for 45.3% (45.4%) of the total workforce.

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 2012 Annual Report.

Results of Operations, Financial Position and Net Assets

Since January 1, 2013, we have bundled the light commercial vehicles, trucks and buses, and power engineering businesses in a new Commercial Vehicles, Power Engineering Business Area within the Automotive Division.

IAS 19R changes the way employee benefits are accounted for. For the Volkswagen Group, this led to changes to bonus payments for partial retirement agreements in particular.

The corresponding prior-year figures in the income statement, the cash flow statement and the balance sheet have been adjusted.

RESULTS OF OPERATIONS OF THE GROUP

The Volkswagen Group's sales revenue amounted to €46.6 billion in the first three months of 2013, roughly on a level with the previous year (€47.3 billion). Positive effects from the initial full-year consolidation of Porsche AG were offset by declining volumes – excluding the Chinese joint ventures – and exchange rate and mix deteriorations. The Group generated 80.1% (77.4%) of its sales revenue outside of Germany.

At €8.3 billion, gross profit in the reporting period was down €0.6 billion on the prior-year period. Earnings were impacted by higher depreciation as a result of increased capital expenditure and by contingency reserves. The gross margin declined to 17.8% (18.8%).

The Volkswagen Group's operating profit amounted to €2.3 billion in the first quarter of 2013, down on the previous year (€3.2 billion). At 5.0% (6.7%), the operating return on sales was lower than in the first three months of 2012.

The Volkswagen Group's profit before tax declined by €1.6 billion to €2.7 billion in the reporting period. The prior-year figure had been positively influenced by effects from the measurement of the Porsche options. At €1.9 billion, profit after tax was down €1.2 billion year-on-year.

RESULTS OF OPERATIONS IN THE AUTOMOTIVE DIVISION

Sales revenue in the Automotive Division was €41.1 billion in the period from January to March 2013, 3.5% less than in the previous year. Positive effects from the consolidation of Porsche were unable to compensate for the decline in volumes and exchange rate and mix deteriorations. 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. Gross profit in the Automotive Division declined by €0.8 billion year-on-year to €7.0 billion. Negative volume, mix and exchange rate effects and higher depreciation as a result of increased capital expenditure could not be offset by improved product costs. Additionally, contingency reserves in the low hundreds of millions were recognized in the areas of passenger cars and power engineering. Write-downs relating to purchase price allocations also had a negative impact, but to a lesser extent than in the previous year, as expected.

Distribution and administrative expenses increased by 12.7% and 16.6% year-on-year respectively in the first quarter of 2012. The ratio of both distribution and administrative expenses to sales revenue was also higher than in the prior-year period. This increase was mainly attributable to the initial full-year inclusion of the companies consolidated in the previous year. Tougher competition – particularly in Western Europe – also had a negative impact. Net other operating income improved to €543 million (€–10 million) as a result of exchange rate effects.

The Automotive Division generated an operating profit of €1.9 billion (€2.8 billion) in the reporting period. The operating return on sales was down year-on-year at 4.7% (6.6%). The strong business performance of our Chinese joint ventures is not reflected in the operating profit, as these are accounted for using the equity method.

The financial result for the reporting period amounted to €328 million, €741 million lower than in the previous year. The prior-year figure was positively impacted in particular by the updating of the underlying assumptions used in the valuation models for measuring the put/call rights relating to Porsche Holding Stuttgart GmbH. Overall, income from the equity-accounted Chinese joint ventures included in the consolidated financial statements was up on the high prior-year figure.

Results of operations in the Passenger Cars Business Area and Commercial Vehicles, Power Engineering Business Area from January 1 to March 31

€ million	2013	2012*
Passenger Cars Business Area		
Sales revenue	33,123	34,011
Gross profit	6,168	6,631
Operating profit	2,020	2,651
Commercial Vehicles, Power Engineering Business Area		
Sales revenue	8,006	8,619
Gross profit	861	1,173
Operating profit	-93	172

* Adjusted

RESULTS OF OPERATIONS IN THE FINANCIAL SERVICES DIVISION

The Financial Services Division generated sales revenue of €5.4 billion in first quarter of 2013, up €0.7 billion on the prior-year figure. The increase was due to growth in business volumes and the initial full-year consolidation of Porsche Financial Services.

Gross profit improved by 13.2% year-on-year to €1.2 billion.

Distribution and administrative expenses were higher than in the first three months of 2012, while the ratio of both distribution and administrative expenses to sales revenue remained constant.

Operating profit rose by 21.5% year-on-year to €416 million.

FINANCIAL POSITION OF THE GROUP

The Volkswagen Group's gross cash flow declined as against the previous year to €4.7 billion (€5.8 billion) in the period from January to March 2013. At €2.1 billion, funds tied up in working capital were €2.2 billion lower than in the same period in 2012. As a result, cash flows from operating activities improved to €2.5 billion (€1.5 billion).

Investing activities attributable to the Volkswagen Group's operating activities were down 11.1% year-on-year at €2.4 billion in the first quarter of 2013. Investments in property, plant and equipment were on a level with the first quarter of 2012.

Cash inflows from financing activities amounted to €4.5 billion (€4.3 billion). The prior-year figure includes the increase in the stake in MAN SE of approximately €1.4 billion.

Cash and cash equivalents in the Volkswagen Group as reported in the cash flow statement amounted to €22.5 billion at the end of the reporting period, €3.4 billion higher than in the previous year.

The Group's net liquidity declined by €0.8 billion compared with December 31, 2012 to €-86.4 billion.

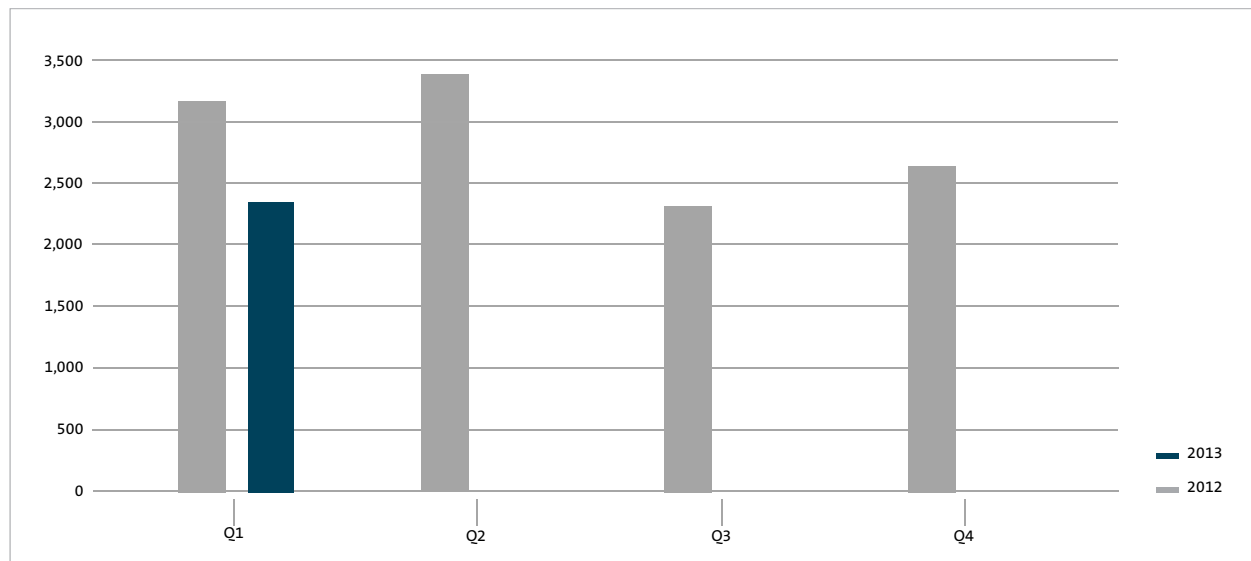
FINANCIAL POSITION IN THE AUTOMOTIVE DIVISION

Earnings-related factors saw gross cash flow in the Automotive Division decrease to €3.4 billion (€4.8 billion) in the reporting period. Funds of €157 million were added to working capital, following funds of €1.8 billion tied up in the previous year. Cash flows from operating activities amounted to €3.5 billion, €0.6 billion higher than in the first three months of 2012.

At €3.9 billion, investing activities attributable to operating activities in the first quarter of 2013 exceeded the prior-year figure by €1.4 billion. Investments in property, plant and equipment were on a level with the previous year at €1.7 billion (€1.7 billion); the ratio of investments in property, plant and equipment (capex) to sales revenue was 4.1% (4.0%). We invested primarily in our production facilities and in models to be launched in 2013 and 2014, as well as in the ecological focus of our model range. Capitalized development costs rose to €0.7 billion (€0.5 billion). Volkswagen Bank GmbH sold its 50% indirect interest in

OPERATING PROFIT BY QUARTERS

Volkswagen Group in € million, prior-year figures adjusted to reflect application of IAS 19R.



LeasePlan Corporation N.V. to Volkswagen AG for approximately €1.7 billion as part of internal restructuring measures designed to strengthen equity in the Financial Services Division. This reduced liquidity within investing activities attributable to the Automotive Division.

As a result, net cash flow declined to €-0.4 billion (€0.4 billion) in the first three months of 2013.

At €10.6 billion, net liquidity in the Automotive Division as of March 31, 2013 was virtually unchanged as against December 31, 2012.

Financial position in the Passenger Cars Business Area and the Commercial Vehicles, Power Engineering Business Area from January 1 to March 31

€ million	2013	2012*
Passenger Cars Business Area		
Gross cash flow	3,032	4,056
Change in working capital	6	-1,303
Cash flows from operating activities	3,037	2,753
Cash flows from investing activities attributable to operating activities	-3,726	-2,077
Net cash flow	-689	676
Commercial Vehicles, Power Engineering Business Area		
Gross cash flow	339	726
Change in working capital	152	-539
Cash flows from operating activities	490	188
Cash flows from investing activities attributable to operating activities	-216	-446
Net cash flow	274	-258

* Adjusted

FINANCIAL POSITION IN THE FINANCIAL SERVICES DIVISION

Gross cash flow in the Financial Services Division improved to €1.3 billion (€1.0 billion) in the period from January to March 2013, largely due to earnings-related factors. At €2.3 billion, funds tied up in working capital were €0.2 billion lower than in the same period in 2012. The sale of the interest of LeasePlan to Volkswagen AG in particular led to cash inflows from investing activities attributable to operating activities of €1.5 billion (previous year: cash outflows of €0.2 billion).

The Financial Services Division's negative net liquidity, which is common in the industry, amounted to €-97.0 billion as of March 31, 2013 compared with €-96.1 billion as of December 31, 2012.

CONSOLIDATED BALANCE SHEET STRUCTURE

The Volkswagen Group's total assets amounted to €321.8 billion at the end of the first quarter of 2013, 4.0% higher than at December 31, 2012. The equity ratio was 26.2% (26.5%).

AUTOMOTIVE DIVISION BALANCE SHEET STRUCTURE

At the end of the first quarter of 2013, noncurrent assets in the Automotive Division were 2.2% higher than at December 31, 2012. This is mainly attributable to the purchase of the interest in LeasePlan. Intangible assets and property, plant and equipment were on a level with year-end 2012. Within the current assets item, inventories and trade receivables rose by 5.4% and 18.6% respectively as a result of the increase in business. Cash and cash equivalents amounted to €20.2 billion (€15.5 billion) at the reporting date. Overall, current assets rose by 12.9%.

Equity attributable to shareholders of Volkswagen AG amounted to €67.1 billion as of March 31, 2013, up 3.7%

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

€ million	March 31, 2013	Dec. 31, 2012*
Passenger Cars Business Area		
Noncurrent assets	93,464	90,844
Current assets	50,277	42,949
Total assets	143,740	133,794
Equity	51,366	49,154
Noncurrent liabilities	55,855	54,608
Current liabilities	36,520	30,032
Commercial Vehicles, Power Engineering Business Area		
Noncurrent assets	28,797	28,807
Current assets	18,884	18,333
Total assets	47,681	47,140
Equity	19,641	19,473
Noncurrent liabilities	13,396	13,994
Current liabilities	14,644	13,673

* Adjusted

on the 2012 year-end figure due to earnings-related factors. Lower actuarial losses from the measurement of pension provisions contrasted with negative effects from the measurement of derivatives. Including noncontrolling interests, which chiefly relate to noncontrolling interests in Scania and MAN, equity amounted to €71.0 billion (€68.6 billion). Noncurrent liabilities were unchanged as against December 31, 2012, at €69.3 billion (€68.6 billion). Within the current assets item, which rose by 17.1% overall, a reclassification from noncurrent to current in particular led to an increase in financial liabilities. The Automotive Division's total assets were €191.4 billion as of March 31, 2013, 5.8% higher than at December 31, 2012.

FINANCIAL SERVICES DIVISION BALANCE SHEET STRUCTURE

The Financial Services Division's total assets were €130.3 billion at the end of March 2013, 1.4% higher than at the end of 2012.

Noncurrent and current financial services receivables increased due in particular to volume-related factors. Within the noncurrent assets item, which was on a level with December 31, 2012 overall, equity-accounted investments declined due to the sale of the interest in LeasePlan. Current assets rose by 2.6%. At the end of the reporting period, the Financial Services Division accounted for approximately 40.5% of the Volkswagen Group's assets. At €13.3 billion, the Financial Services Division's equity was virtually unchanged as against December 31, 2012. The division's equity ratio was 10.2% (10.4%). Noncurrent liabilities also remained largely the same compared with year-end 2012. The increase in current financial liabilities in particular saw current liabilities rise by a total of 2.4%.

Deposits from direct banking business amounted to €23.8 billion (€23.9 billion), roughly on a level with December 31, 2012; of this figure, €21.6 billion was attributable to Volkswagen Bank direct.

Outlook

The global economy recorded slower growth in the reporting period than in the same quarter a year ago. We believe that global growth will continue over the course of the year despite economic uncertainties. The industrialized nations will probably record only low rates of expansion. In Southern Europe, we anticipate that the recessionary trend will continue throughout the year. The emerging markets, especially China, India and the ASEAN countries, will see the greatest momentum.

From January to March 2013, global demand for passenger cars rose at a somewhat slower pace than in the same period of the previous year. Growth in the global market for passenger cars is also likely to be weaker in full-year 2013 than in the previous year. We are forecasting that the overall negative trend in the Western European market will continue, with the German market also remaining below its 2012 level. We believe that growth in Central and Eastern Europe will decline overall. The Asia-Pacific region is again expected to record higher-than-average growth rates in 2013. While we expect to see encouraging development in the North American market, demand in South America will decline slightly.

We anticipate that in 2013, the overall volume in the markets for light commercial vehicles, trucks and buses that are relevant for the Volkswagen Group will remain at the same level as in 2012.

Demand for mobility-related financial services is likely to rise further in 2013.

The Volkswagen Group's attractive brand portfolio covering almost all segments from motorcycles through subcompact cars to heavy trucks and buses, its steadily growing presence in all major markets in the world and its

wide range of financial services give us decisive competitive advantages. Our expertise is unparalleled in the industry and we offer an extensive range of environmentally friendly, cutting-edge, high-quality vehicles for all regions and customer groups. In 2013, the Volkswagen Group's brands will launch a large number of fascinating new models and so help further expand our strong position in the global markets.

We expect that the Volkswagen Group will outperform the market as a whole in a challenging environment and that deliveries to customers will increase year-on-year. However, we are not completely immune to the intense competition and the impact this has on business. The modular toolkit system, which is being continuously expanded, will have an increasingly positive effect on the Group's cost structure.

We expect the Volkswagen Group's 2013 sales revenue to exceed the prior-year figure. Given the ongoing uncertainty in the economic environment, the Group's goal for operating profit is to match the prior-year level in 2013. This applies equally to the Passenger Cars Business Area, the Commercial Vehicles, Power Engineering Business Area – which remains affected by high write-downs relating to purchase price allocation, among other things – and the Financial Services Division. While we shall see positive effects from our attractive model range and strong market position, there will also be increasingly stiff competition in a challenging market environment. Disciplined cost and investment management and the continuous optimization of our processes remain integral parts 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, mostly against the euro and primarily in US dollars, sterling, Chinese renminbi, Russian rubles, Swedish kronor, Mexican pesos, Australian dollars and Korean won. In addition, expected business development may vary if the assessments of value-enhancing factors and risks presented in the 2012 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 amounted to €46.6 billion between January and March 2013, down 1.6% on same period in the previous year. Operating profit declined by €0.8 billion year-on-year to €2.3 billion.

Vehicle sales by the Volkswagen Passenger Cars brand in the first three months of 2013 amounted to 1.1 million vehicles, 2.4% lower than the prior-year figure. Demand increased for the Beetle, up! and CC models, as well as for the Passat for the US market. The new Golf and the new Beetle Cabrio were also very popular. Volume-related and exchange rate factors led to a 6.9% decline in sales revenue to €24.3 billion. At €590 million, operating profit was €486 million lower than the prior-year figure. In addition to the lower volumes, negative mix effects impacted the profit.

Vehicle sales by the Audi brand in the reporting period amounted to 330 thousand vehicles, down 2.9% year-on-year; the Chinese joint venture FAW-Volkswagen sold a further 88 thousand Audi vehicles. The A1 Sportback, Q3 and A4 models recorded the highest growth rates. Demand for the new A3 and the Q5 was also encouraging. Sales revenue was approximately on a level with the record prior-year figure at €11.7 billion, despite challenging economic conditions. Reflecting the difficult economic environment as well as cost-intensive upfront expenditures for new products, technologies and the expansion of global production structures, operating profit was €1.3 billion, a decline of 7.3%. The figures for the Lamborghini

and Ducati brands are already included in the key figures for the Audi brand. Ducati sold 12,540 motorcycles in the reporting period.

Due to the production start-up of the new Octavia and the difficult economic environment, the ŠKODA brand sold 179 thousand vehicles in the first quarter of 2013, 13.3% fewer than in the previous year. Demand for the Citigo model and the new Rapid produced in Europe was encouraging. Sales revenue declined by 17.2% to €2.4 billion. Lower volumes, negative mix effects as well as launch costs for the new products impacted operating profit, which declined to €112 million.

The SEAT brand sold 111 thousand vehicles worldwide in the first three months of this year, 11.4% more than in the prior-year period. This includes the Q3 manufactured for Audi. The prior-year figures were exceeded in particular in the markets in Germany, the United Kingdom and Mexico. Sales of the Mii, the new Leon and the new Toledo performed well. As a result of volume-related factors, sales revenue improved by 4.3% to €1.6 billion. The operating loss increased year-on-year to €46 million; positive volume effects were offset by launch costs for the new models.

In the period from January to March 2013, the Bentley brand recorded sales of 2,012 vehicles (previous year: 2,378), down 15.4%; sales revenue declined by 12.2% to €314 million. The negative volume effects were more than offset by favorable exchange rates and efficient cost management; consequently, operating profit increased by 78.2% to €27 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	Mobility offerings

In the first quarter of 2013, the Porsche brand sold 36 thousand vehicles and generated sales revenue of €3.3 billion. Operating profit amounted to €573 million. The Boxster, Cayenne and 911 in particular continued to see high demand. Porsche has been consolidated since August 1, 2012.

Vehicle sales by Volkswagen Commercial Vehicles were down 14.2% in the reporting period, to 102 thousand vehicles. This decrease was primarily attributable to the decline in the European markets. Demand for the Amarok developed positively. Sales revenue amounted to €2.2 billion, 11.4% short of the prior-year figure. Operating profit was €60 million (previous year: €124 million) and was impacted by negative volume effects and increased sales support measures.

Vehicle sales by the Scania brand rose 4.3% to 17 thousand vehicles in the first quarter of this year; the South

American market performed particularly well. Demand for services remained stable. Sales revenue improved by 0.5% to €2.4 billion due to volume-related effects. At €227 million, operating profit fell €34 million short of the figure in the same period of the previous year due to increased pressure on margins.

Unit sales by the MAN brand amounted to 30 thousand vehicles in the reporting period, down 12.9% year-on-year. As a result, sales revenue declined by 7.8% to €3.6 billion. An operating loss of €102 million was recorded, with the deterioration of €324 million being due to declining volumes and the recognition of project-specific contingency reserves in the Power Engineering area.

Volkswagen Financial Services recorded an operating profit of €353 million in the first quarter of 2013, exceeding the prior-year figure by 13.6% due to volume- and margin-related factors.

KEY FIGURES BY BRAND AND BUSINESS FIELD FROM JANUARY 1 TO MARCH 31¹

thousand vehicles/€ million	VEHICLE SALES		SALES REVENUE		SALES TO THIRD PARTIES		OPERATING RESULT	
	2013	2012	2013	2012	2013	2012	2013	2012 ²
Volkswagen Passenger Cars	1,149	1,177	24,334	26,137	17,927	19,982	590	1,076
Audi	330	340	11,734	12,389	7,857	8,534	1,307	1,410
ŠKODA	179	206	2,414	2,916	1,120	1,617	112	209
SEAT	111	99	1,647	1,579	678	723	-46	-29
Bentley	2	2	314	357	210	341	27	15
Porsche ³	36	-	3,275	-	3,063	-	573	-
Volkswagen Commercial Vehicles	102	119	2,204	2,486	1,158	1,340	60	124
Scania ³	17	16	2,375	2,363	2,375	2,363	227	262
MAN ³	30	35	3,594	3,896	3,577	3,881	-102	222
VW China ⁴	767	588	-	-	-	-	-	-
Other	-348	-323	-10,037	-9,118	4,245	4,601	-758 ⁵	-434 ⁵
Volkswagen Financial Services	-	-	4,713	4,320	4,354	3,944	353	311
Volkswagen Group	2,375	2,260	46,565	47,326	46,565	47,326	2,344	3,165
Automotive Division	2,375	2,260	41,129	42,630	41,538	43,027	1,927	2,823
of which: Passenger Cars Business Area ⁶	2,226	2,090	33,123	34,011	34,662	35,623	2,020	2,651
Commercial Vehicles, Power Engineering Business Area ⁶	149	170	8,006	8,619	6,876	7,405	-93	172
Financial Services Division	-	-	5,436	4,695	5,027	4,298	416	343

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

2 The prior-year figure was adjusted due to the revised IAS 19.

3 Including financial services; Porsche as from August 1, 2012.

4 The sales revenue and operating profit of the joint venture companies in China are not included in the figures for the Group. The Chinese companies are accounted for using the equity method and recorded an operating profit (proportionate) of €1,156 million (€848 million).

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.

6 Volkswagen Commercial Vehicles has been reported within the Automotive Division under commercial vehicles since January 1, 2013; the prior-year figures have been adjusted.

UNIT SALES AND SALES REVENUE BY MARKET

Volkswagen Group sold a total of 1.0 million vehicles in the Europe/Remaining markets region in the first quarter of 2013, down 6.3% compared to the prior-year period due to market-related factors. The negative volume effects reduced sales revenue by 6.1% to €28.2 billion.

At 215 thousand vehicles, unit sales by the Group in North America were 10.2% above the prior-year figure, with demand for Group models growing faster than the market as a whole. Sales revenue grew by €1.3 billion to €6.6 billion due to the significant volume improvements and more favorable mix effects resulting from the initial full-year consolidation of Porsche, among other factors.

Unit sales in the South America region increased by 1.6% to 234 thousand vehicles in the reporting period, while sales revenue declined by 1.4% to €4.4 billion due to currency-related factors.

Including the Chinese joint ventures, we sold a total of 901 thousand vehicles in the Asia-Pacific markets, an increase of 21.7% compared with the prior-year period. Sales revenue declined slightly by 2.1% to €7.4 billion; this was attributable to negative exchange rate developments, among other things. This figure does not include the sales revenue generated by our Chinese joint ventures, since these are accounted for using the equity method.

KEY FIGURES BY MARKET FROM JANUARY 1 TO MARCH 31¹

thousand vehicles/€ million	VEHICLE SALES		SALES REVENUE	
	2013	2012	2013	2012
Europe/Remaining markets	1,024	1,093	28,191	30,016
North America	215	195	6,554	5,265
South America	234	231	4,392	4,454
Asia-Pacific ²	901	740	7,429	7,590
Volkswagen Group²	2,375	2,260	46,565	47,326

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 performance in the first quarter of 2013. With its innovative offerings along the automotive value chain, the division contributed to the Volkswagen Group's strong sales and earnings performance.

Following a positive decision by the antitrust authorities, Volkswagen Autoversicherung AG – a partnership between Volkswagen Financial Services AG and Allianz SE – has been actively promoting its products in the market since April 2. In future, dealership customers will receive an optimum service offering comprising an attractively priced modular product concept and expert end-to-end advice on all automotive insurance topics.

Rental company Euromobil – a company owned by Volkswagen Leasing GmbH – celebrated a premiere in the reporting period: the opening of its first rental counter at Hannover Airport is a new approach that puts it in direct competition with the rental car companies that have a presence there. In addition, Euromobil took over the rental business with its own fleet and its own personnel for the first time at three Volkswagen dealerships in Germany as planned as of February 1, 2013.

Since February, Volkswagen Leasing GmbH's "Auto-Karte" app has been providing information in Germany on the nearest filling station and also provides the current fuel prices for around 9,000 stations. Additional exclusive services include navigation, traffic jam forecasts, and information identifying Euromobil partners for users looking for car workshops. The application allows users to drive safely and economically and to avoid traffic jams.

Volkswagen Bank GmbH was awarded the title "Best Brand" in the passenger car banks category for the seventh time in a row by readers of the German specialist journal "auto motor und sport" – this is its second prize in just a few weeks after it was already voted the best automotive bank by readers of the "Auto Bild" magazine.

In Italy, Volkswagen Financial Services has started providing attractive financial services to customers of motorcycle manufacturer Ducati in February, kicking off with a financing offering for the Ducati Multistrada. In addition to expanding the product range for end customers, additional solutions are currently being developed for the dealer network – for example, long-term rental and insurance offerings – for Ducati motorcycles.

The Driver Ten (Driver 10) securitization transaction was successfully placed with a broad investor base in the European market in January and received the "Certified by TSI – Deutscher Verbriefungsstandard" quality label. Volkswagen Bank GmbH paid the lowest risk premium since 2007 for a European auto ABS transaction for its securitization of €1.0 billion of loan receivables; this confirms investors' continued and considerable trust in our refinancing instruments. After this, in March, the Volkswagen Car Lease 17 (VCL 17) transaction successfully marketed German lease receivables in the amount of €750 million.

Volkswagen Credit, Inc. (VCI) successfully placed its eleventh public auto loan securitization transaction in North America in February 2013 as part of the program in place since 2003. Thanks to strong demand, it was possible to expand the transaction, which comprises different tranches, from USD 1.0 billion to USD 1.25 billion, and to place it with 51 separate investors.

In the reporting period, 0.9 million new financing, leasing, service and insurance contracts were signed, a 9.0% increase on the prior-year period. The total number of contracts as of March 31, 2013 was 2.1% higher than at December 31, 2012. The number of contracts in the Customer Financing/Leasing area was up 1.6% to 6.5 million, while the number of contracts in the Service/Insurance area recorded a 3.2% increase as against year-end 2012. Based on unchanged credit eligibility criteria, the share of leased or financed vehicles rose to 26.6% (26.0%) of total Group deliveries worldwide. Compared with December 31, 2012, receivables relating to dealer financing were down 13% in the first quarter of 2013.

As of March 31, 2013, the number of accounts managed by Volkswagen Bank direct was approximately 1.4 million, exceeding the number at year-end 2012 by 1.0%. Volkswagen Financial Services had 10,379 employees at the end of the reporting period.

The number of contracts in our fleet management business was up 1.0% after the first three months of 2013 on the level at the end of 2012.

Interim Financial Statements (Condensed)

Income Statement for the Period January 1 to March 31

€ million	VOLKSWAGEN GROUP		DIVISIONS			
	2013	2012 ²	AUTOMOTIVE ¹		FINANCIAL SERVICES	
			2013	2012 ²	2013	2012 ²
Sales revenue	46,565	47,326	41,129	42,630	5,436	4,695
Cost of sales	-38,287	-38,418	-34,101	-34,827	-4,186	-3,591
Gross profit	8,278	8,908	7,029	7,804	1,250	1,104
Distribution expenses	-4,619	-4,099	-4,365	-3,874	-254	-226
Administrative expenses	-1,619	-1,381	-1,279	-1,097	-340	-284
Other operating income/expense	303	-262	543	-10	-240	-251
Operating profit	2,344	3,165	1,927	2,823	416	343
Share of profits and losses of equity-accounted investments	892	952	847	905	45	47
Other financial result	-548	131	-519	163	-28	-32
Financial result	344	1,083	328	1,068	16	15
Profit before tax	2,688	4,248	2,255	3,891	433	358
Income tax expense	-742	-1,100	-570	-1,030	-172	-70
Profit after tax	1,946	3,148	1,685	2,861	261	287
Noncontrolling interests	-80	20	-86	15	6	5
Profit attributable to shareholders of Volkswagen AG	2,026	3,128	1,771	2,846	255	283
Basic earnings per ordinary share (€)³	4.18	6.70				
Diluted earnings per ordinary share (€)³	4.18	6.70				
Basic earnings per preferred share (€)³	4.24	6.76				
Diluted earnings per preferred share (€)³	4.24	6.76				

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

2 Prior-year figures adjusted to reflect application of IAS 19R.

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

Statement of Comprehensive Income for the Period January 1 to March 31¹

€ million	2013	2012 ²
Profit after tax	1,946	3,148
Actuarial gains/losses		
Actuarial gains/losses, before tax	835	-1,577
Deferred taxes relating to actuarial gains/losses	-243	453
Actuarial gains/losses, net of tax	592	-1,123
Share of other comprehensive income of equity-accounted investments that will not be reclassified to profit or loss, net of tax	-	0
Items that will not be reclassified to profit or loss	592	-1,123
Exchange differences on translating foreign operations		
Unrealized currency translation gains/losses	437	66
Transferred to profit or loss	-	-
Exchange differences on translating foreign operations, before tax	437	66
Deferred taxes relating to exchange differences on translating foreign operations	0	-1
Exchange differences on translating foreign operations, net of tax	438	66
Cash flow hedges		
Fair value changes recognized in other comprehensive income	-714	1,522
Transferred to profit or loss	3	164
Cash flow hedges, before tax	-711	1,686
Deferred taxes relating to cash flow hedges	197	-475
Cash flow hedges, net of tax	-514	1,211
Available-for-sale financial assets		
Fair value changes recognized in other comprehensive income	-184	289
Transferred to profit or loss	-33	-49
Available-for-sale financial assets, before tax	-217	240
Deferred taxes relating to available-for-sale financial assets	2	-7
Available-for-sale financial assets, net of tax	-215	233
Share of other comprehensive income of equity-accounted investments that may be reclassified subsequently to profit or loss, net of tax	75	67
Items that may be reclassified subsequently to profit or loss	-216	1,576
Other comprehensive income, before tax	419	482
Deferred taxes relating to other comprehensive income	-43	-29
Other comprehensive income, net of tax	376	453
Total comprehensive income	2,322	3,601
of which attributable to		
noncontrolling interests	-12	17
shareholders of Volkswagen AG	2,334	3,584

¹ Presentation adjusted to reflect application of IAS 1R.

² Prior-year figures adjusted to reflect application of IAS 19R.

Balance Sheet as of March 31, 2013 and December 31, 2012

€ million	VOLKSWAGEN GROUP		DIVISIONS			
	2013	2012 ²	AUTOMOTIVE ¹		FINANCIAL SERVICES	
			2013	2012 ²	2013	2012 ²
Assets						
Noncurrent assets	199,482	196,457	122,261	119,651	77,221	76,805
Intangible assets	59,110	59,112	58,889	58,890	221	222
Property, plant and equipment	39,593	39,424	38,148	38,004	1,446	1,420
Leasing and rental assets	20,776	20,034	2,621	2,667	18,155	17,367
Financial services receivables	50,747	49,785	-599	-602	51,346	50,387
Noncurrent investments, equity-accounted investments and other equity investments, other receivables and financial assets	29,256	28,101	23,202	20,693	6,054	7,409
Current assets	122,289	113,061	69,161	61,282	53,128	51,779
Inventories	29,980	28,674	27,273	25,868	2,708	2,806
Financial services receivables	37,829	36,911	-873	-911	38,703	37,822
Other receivables and financial assets	23,712	21,555	16,930	15,166	6,782	6,389
Marketable securities	7,520	7,433	5,667	5,697	1,854	1,736
Cash, cash equivalents and time deposits	23,246	18,488	20,165	15,462	3,082	3,026
Total assets	321,771	309,518	191,421	180,934	130,349	128,584
Equity and Liabilities						
Equity	84,312	81,995	71,007	68,627	13,305	13,369
Equity attributable to shareholders of Volkswagen AG	80,011	77,682	67,101	64,707	12,909	12,975
Noncontrolling interests	4,301	4,313	3,905	3,919	396	394
Noncurrent liabilities	123,017	121,996	69,251	68,603	53,766	53,394
Noncurrent financial liabilities	64,653	63,603	15,817	15,069	48,836	48,534
Provisions for pensions	23,135	23,939	22,834	23,628	301	312
Other noncurrent liabilities	35,228	34,454	30,600	29,907	4,628	4,548
Current liabilities	114,442	105,526	51,164	43,704	63,278	61,822
Current financial liabilities	58,732	54,060	1,163	-2,544	57,569	56,604
Trade payables	18,090	17,268	16,229	15,663	1,861	1,606
Other current liabilities	37,620	34,198	33,772	30,586	3,848	3,612
Total equity and liabilities	321,771	309,518	191,421	180,934	130,349	128,584

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

2 Prior-year figures adjusted to reflect application of IAS 19R.

Statement of Changes in Equity

€ million	Subscribed capital	Capital reserves	Retained earnings	OTHER RESERVES	
				Currency translation reserve	
Unadjusted balance at Jan. 1, 2012	1,191	9,329	48,898	- 332	
Changes in accounting policy to reflect IAS 19R	-	-	172	-	
Adjusted balance at Jan. 1, 2012	1,191	9,329	49,069	- 332	
Profit after tax ¹	-	-	3,128	-	
Other comprehensive income, net of tax	-	-	-1,110	58	
Total comprehensive income¹	-	-	2,018	58	
Capital increase	-	-	-	-	
Dividend payment	-	-	-	-	
Capital transactions involving a change in ownership interest ²	-	-	-411	-	
Other changes	-	-	-12	-	
Balance at Mar. 31, 2012¹	1,191	9,329	50,664	- 273	
Unadjusted balance at Jan. 1, 2013	1,191	11,509	64,429	- 539	
Changes in accounting policy to reflect IAS 19R	-	-	167	-	
Adjusted balance at Jan. 1, 2013	1,191	11,509	64,596	- 539	
Profit after tax	-	-	2,026	-	
Other comprehensive income, net of tax	-	-	575	387	
Total comprehensive income	-	-	2,601	387	
Capital increase	0	0	-	-	
Dividend payment	-	-	-	-	
Capital transactions involving a change in ownership interest	-	-	0	-	
Other changes	-	-	-6	-	
Balance at Mar. 31, 2013	1,191	11,509	67,191	- 152	

1 Prior-year figures adjusted to reflect application of IAS 19R.

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

	Cash flow hedges	Available-for-sale financial assets	Equity-accounted investments	Equity attributable to shareholders of VW AG	Noncontrolling interests	Total equity
	-1,437	176	-286	57,539	5,815	63,354
	-	-	-	172	3	174
	-1,437	176	-286	57,710	5,817	63,528
	-	-	-	3,128	20	3,148
	1,207	233	68	456	-3	453
	1,207	233	68	3,584	17	3,601
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-411	-1,015	-1,427
	-	-	-	-12	13	1
	-229	408	-219	60,871	4,832	65,703
	360	624	-59	77,515	4,310	81,825
	-	-	-	167	4	171
	360	624	-59	77,682	4,313	81,995
	-	-	-	2,026	-80	1,946
	-514	-215	76	308	68	376
	-514	-215	76	2,334	-12	2,322
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	0	0	0
	-	-	-	-6	0	-6
	-154	409	17	80,011	4,301	84,312

Cash Flow Statement for the Period January 1 to March 31

€ million	VOLKSWAGEN GROUP		DIVISIONS			
	2013	2012 ²	AUTOMOTIVE ¹		FINANCIAL SERVICES	
			2013	2012 ²	2013	2012 ²
Cash and cash equivalents at beginning of period	17,794	16,495	14,788	12,668	3,005	3,827
Profit before tax	2,688	4,248	2,255	3,891	433	358
Income taxes paid	-1,040	-1,198	-983	-1,108	-57	-90
Depreciation and amortization expense	3,529	3,006	2,597	2,315	932	691
Change in pension provisions	26	-5	24	-6	2	1
Other noncash income/expense and reclassifications ³	-538	-268	-520	-309	-18	41
Gross cash flow	4,665	5,784	3,370	4,783	1,295	1,001
Change in working capital	-2,116	-4,330	157	-1,841	-2,273	-2,488
Change in inventories	-1,044	-1,348	-1,154	-1,228	110	-121
Change in receivables	-1,687	-3,006	-1,305	-3,017	-382	11
Change in liabilities	2,033	2,036	1,525	1,711	508	325
Change in other provisions	1,268	914	1,174	779	94	135
Change in leasing and rental assets (excluding depreciation)	-1,481	-1,235	-42	-113	-1,439	-1,122
Change in financial services receivables	-1,205	-1,690	-39	26	-1,165	-1,717
Cash flows from operating activities	2,549	1,454	3,528	2,941	-979	-1,487
Cash flows from investing activities attributable to operating activities	-2,429	-2,732	-3,942	-2,523	1,513	-209
of which: acquisition of property, plant and equipment	-1,717	-1,727	-1,672	-1,695	-45	-32
capitalized development costs	-678	-465	-678	-465	-	-
acquisition and disposal of equity investments	-185	-590	-1,734	-411	1,549	-179
Net cash flow⁴	120	-1,278	-414	418	534	-1,696
Change in investments in securities and loans	-144	-357	158	598	-302	-955
Cash flows from investing activities	-2,573	-3,089	-3,784	-1,925	1,210	-1,164
Cash flows from financing activities	4,545	4,272	4,733	1,756	-188	2,516
of which: capital transactions with noncontrolling interests	0	-1,427	0	-1,427	-	-
Changes in cash and cash equivalents due to exchange rate changes	176	-70	153	-52	23	-17
Net change in cash and cash equivalents	4,697	2,567	4,630	2,720	66	-153
Cash and cash equivalents at March 31	22,490	19,063	19,418	15,388	3,072	3,674
Securities, loans and time deposits	14,533	12,577	8,013	8,471	6,520	4,106
Gross liquidity	37,023	31,640	27,431	23,859	9,592	7,780
Total third-party borrowings	-123,385	-100,073	-16,782	-8,097	-106,603	-91,975
Net liquidity at March 31	-86,362	-68,433	10,649	15,762	-97,011	-84,195
For information purposes: at January 1	-85,517	-64,875	10,573	16,951	-96,090	-81,826

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

2 Figures adjusted to reflect application of IAS 19R.

3 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.

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 2012 in compliance with the International Financial Reporting Standards (IFRSs), as adopted by the European Union. This group interim financial report for the period ended March 31, 2013 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 applied all accounting pronouncements adopted by the EU and effective for periods beginning on or after January 1, 2013. The amendments relate primarily to IAS 1, Presentation of Financial Statements (IAS 1R) and IAS 19, Employee Benefits (IAS 19R).

IAS 1R revises the way that the reconciliation of comprehensive income for the period is presented. It requires items of other comprehensive income to be presented separately by items that will never be reclassified (recycled) to profit or loss and items that may be reclassified (recycled) to profit or loss if certain conditions are met. In addition, the related tax effects must be allocated to these two groups of items. Volkswagen AG has modified the statement of comprehensive income in this group interim financial report in line with this. The other amendments to IAS 1 do not affect the presentation of the Volkswagen Group's net assets, financial position and results of operations.

The statement of changes in equity was also modified in this context. In this group interim financial report, the retained earnings are composed of other retained earnings and actuarial gains and losses. The other items are classified as "Other reserves".

IAS 19R changes the way employee benefits are accounted for. This results in the following changes in particular in Volkswagen AG's group interim financial report:

- Bonus payments for partial retirement agreements are attributed to the periods of service over the accumulation period in the block model used in the Volkswagen Group.
- Past service cost for defined benefit obligations is recognized directly in profit or loss.
- The defined benefit obligation and plan assets are discounted using the same discount rate (net interest approach).

The following tables present the material effects of applying IAS 19R.

	December 31, 2012			January 1, 2012		
	Unadjusted	Adjustment	Adjusted	Unadjusted	Adjustment	Adjusted
Total assets	309,644	-126	309,518	253,769	-61	253,708
of which: deferred tax assets	7,915	-79	7,836	6,333	-61	6,273
of which: intangible assets	59,158	-46	59,112	22,176	-	22,176
Total liabilities and provisions	227,819	-296	227,523	190,416	-235	190,181
of which: other provisions, pension provisions	55,032	-296	54,735	46,027	-235	45,792
Total equity	81,825	171	81,995	63,354	174	63,528
of which: retained earnings	64,429	167	64,596	48,898	172	49,069

	Three months ended March 31, 2012		
	Unadjusted	Adjustment	Adjusted
Profit before tax	4,300	-51	4,248
of which: other financial result	138	-7	131
Income tax expense	1,114	-13	1,100
Profit after tax	3,186	-38	3,148
Profit attributable to shareholders of Volkswagen AG	3,166	-38	3,128
Basic earnings per ordinary share	6.78	-0.08	6.70
Diluted earnings per ordinary share	6.78	-0.08	6.70
Basic earnings per preferred share	6.84	-0.08	6.76
Diluted earnings per preferred share	6.84	-0.08	6.76

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. Volkswagen accounted for this transaction in accordance with IFRS 3. Partial retirement obligations were also assumed in this connection. The changes resulting from the application of IAS 19R must be applied retrospectively, i.e. as if the new accounting policy had always been applied. For this reason, the adjustment resulting from application of IAS 19R to the recognition and measurement of the partial retirement obligations must be charged to goodwill at the acquisition date. This resulted in the following adjustments as of August 1, 2012: deferred tax assets were reduced by €20 million, intangible assets were reduced by €46 million and liabilities and provisions were reduced by €66 million.

The other amendments to IAS 19 do not materially affect the presentation of the Volkswagen Group's net assets, financial position and results of operations in the group interim financial report.

IFRS 13 sets out general requirements for measuring fair value in a separate standard. Volkswagen applies the requirements of IFRS 13 governing fair value measurement. There were no material effects on the presentation of the net assets, financial position and results of operations in Volkswagen AG's group interim financial report.

The other accounting pronouncements required to be applied for the first time in fiscal year 2013 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 2012 Annual Report.

A discount rate of 3.4% (December 31, 2012: 3.2%) was applied to German pension provisions in the accompanying interim financial statements. The increase in the discount rate reduced the actuarial losses for pension provisions that are recognized in retained earnings.

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 2012 consolidated financial statements are generally applied to the preparation of the group interim financial 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 2012 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

The application of IAS 19R affects the presentation of the contribution of Porsche SE's holding company operating business as of August 1, 2012. The adjustments are explained in the accounting policies. After adjustment to reflect the application of IAS 19R, the business combination generated goodwill of €18,825 million (originally €18,871 million).

There were no other significant changes compared with the disclosures in the 2012 Annual Report.

INTERESTS IN JOINT VENTURES

The Volkswagen Group holds a 50% indirect interest in the joint venture LeasePlan Corporation N.V., Amsterdam, the Netherlands, via its 50% stake in the joint venture Global Mobility Holding B.V., Amsterdam, the Netherlands. Volkswagen agreed with Fleet Investments B.V., Amsterdam, the Netherlands, an investment company belonging to the von Metzler family, that Fleet Investments would become the new co-investor in Global Mobility Holding in 2010 for an initial period of two years. The agreement was prolonged until January 2, 2014. The previous co-investors were instructed by Volkswagen AG to transfer their shares to Fleet Investments B.V. on February 1, 2010 for the purchase price of €1.4 billion. Volkswagen AG granted the new co-investor a put option on its shares. If this option is exercised, Volkswagen must pay the original purchase price plus accumulated pro rata preferred dividends or the higher fair value. The put option is accounted for at fair value.

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

INVESTMENTS IN ASSOCIATES

There were no significant changes compared with the disclosures in the 2012 Annual Report.

Disclosures on the consolidated financial statements

1 | Sales revenue

STRUCTURE OF GROUP SALES REVENUE

€ million	Q1	
	2013	2012
Vehicles	31,888	33,967
Genuine parts	3,313	2,665
Used vehicles and third-party products	1,894	1,798
Engines, powertrains and parts deliveries	1,913	2,219
Power Engineering	858	954
Motorcycles	134	–
Rental and leasing business	3,391	2,755
Interest and similar income	1,616	1,554
Other sales revenue	1,559	1,414
	46,565	47,326

2 | Cost of sales

Cost of sales includes interest expenses of €567 million (previous year: €676 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 €43 million (previous year: €65 million).

3 | Research and development costs in the Automotive Division

€ million	Q1		
	2013	2012	%
Total research and development costs	2,581	2,136	20.9
of which: capitalized development costs	678	465	46.0
Capitalization ratio in %	26.3	21.8	
Amortization of capitalized development costs	552	432	27.6
Research and development costs recognized in the income statement	2,455	2,104	16.7

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.

In November 2012, Volkswagen placed a €2.5 billion mandatory convertible note that entitles and obliges holders to subscribe for Volkswagen preferred shares. The preemptive rights of existing shareholders were disappplied. The convertible note bears a coupon of 5.50% and matures on November 9, 2015. The minimum conversion price was set at €154.50, and the maximum conversion price is €185.40. The conversion price will be adjusted if certain events occur. The convertible note will be settled by issuing new preferred shares no later than at maturity. Volkswagen is entitled to convert the mandatory convertible note at any time at the minimum conversion price. The note terms and conditions also provide for early conversion. This discretionary conversion right was exercised in the reporting period, with a total of €1 million of the note being converted into 5,393 newly created preferred shares at the maximum conversion price.

IAS 33.23 sets out that all potential shares that will be issued upon the conversion of a mandatory convertible note must be accounted for as issued shares and included in the calculation of basic and diluted earnings per share. The number of outstanding preferred shares is therefore increased by the potential preferred shares that would be issued if the mandatory convertible note issued in November were actually to be converted. The average number of preferred shares not yet converted and to be included is calculated based on the maximum conversion ratio resulting from the minimum conversion price of €154.50. In total, the existing mandatory convertible note still entitles the holders to subscribe for a maximum of 16,174,757 no-par value preferred shares of Volkswagen AG.

		Q1	
		2013	2012*
Weighted average number of shares outstanding			
Ordinary shares: basic	million	295.1	295.1
diluted	million	295.1	295.1
Preferred shares: basic	million	186.3	170.1
diluted	million	186.3	170.1
Profit after tax	€ million	1,946	3,148
Noncontrolling interests	€ million	-80	20
Profit attributable to shareholders of Volkswagen AG	€ million	2,026	3,128
Earnings per share			
Ordinary shares: basic	€	4.18	6.70
diluted	€	4.18	6.70
Preferred shares: basic	€	4.24	6.76
diluted	€	4.24	6.76

* Prior-year figures adjusted to reflect application of IAS 19R.

5 | Noncurrent assets

CHANGES IN SELECTED NONCURRENT ASSETS BETWEEN JANUARY 1 AND MARCH 31, 2013

€ million	Carrying amount at Jan. 1, 2013*	Additions/ Changes in consolidated Group	Disposals/ Other changes	Depreciation and amortization	Carrying amount at Mar. 31, 2013
Intangible assets	59,112	736	- 201	940	59,110
Property, plant and equipment	39,424	1,722	- 37	1,590	39,593
Leasing and rental assets	20,034	3,037	1,298	997	20,776

* Prior-year figures adjusted to reflect application of IAS 19R.

6 | Inventories

€ million	Mar. 31, 2013	Dec. 31, 2012
Raw materials, consumables and supplies	3,731	3,506
Work in progress	3,332	3,504
Finished goods and purchased merchandise	19,240	18,015
Current leased assets	3,497	3,477
Payments on account	181	172
	29,980	28,674

7 | Current other receivables and financial assets

€ million	Mar. 31, 2013	Dec. 31, 2012
Trade receivables	12,004	10,099
Miscellaneous other receivables and financial assets	11,709	11,456
	23,712	21,555

In the period January 1, 2013 to March 31, 2013, impairment losses and reversals of impairment losses on noncurrent and current financial assets reduced operating profit by €147 million (previous year: €123 million).

8 | Equity

In the previous year, Volkswagen AG successfully placed a €2.5 billion mandatory convertible note. This led to a €2,181 million increase in equity for Volkswagen AG.

The subscribed capital is composed of 295,089,818 no-par value ordinary shares and 170,148,171 preferred shares, and amounts to €1,191 million (December 31, 2012: €1,191 million). In the first quarter of 2013, Volkswagen AG issued 5,393 newly created preferred shares (notional value: €13,806) attributable to the exercise of mandatory convertible bonds.

9 | Noncurrent financial liabilities

€ million	Mar. 31, 2013	Dec. 31, 2012
Bonds, commercial paper and notes	51,801	49,570
Liabilities to banks	9,578	10,621
Deposit business	1,758	1,943
Other financial liabilities	1,516	1,470
	64,653	63,603

10 | Current financial liabilities

€ million	Mar. 31, 2013	Dec. 31, 2012
Bonds, commercial paper and notes	26,312	22,028
Liabilities to banks	10,080	9,670
Deposit business	22,009	21,974
Other financial liabilities	331	388
	58,732	54,060

11 | Fair value disclosures

The principles and techniques used for fair value measurement remained unchanged year-on-year. Detailed explanations of the measurement principles and techniques can be found in the 2012 Annual Report.

Items are measured using uniform measurement techniques and inputs. The fair value of Level 2 and 3 financial instruments is measured in the individual divisions on the basis of Group-wide specifications.

The following table contains an overview of the balance sheet items measured at fair value:

BALANCE SHEET ITEMS MEASURED AT FAIR VALUE

€ million	Dec. 31, 2012	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss				
Derivatives	3,057	–	2,939	119
Available-for-sale financial assets				
Other equity investments	2,606	2,606	–	–
Marketable securities	7,433	7,419	14	–
Financial assets measured at fair value	13,096	10,025	2,953	119
Financial liabilities at fair value through profit or loss				
Derivatives	2,818	–	2,757	60
Financial liabilities measured at fair value	2,818	–	2,757	60

€ million	Mar. 31, 2013	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss				
Derivatives	2,703	–	2,643	59
Available-for-sale financial assets				
Other equity investments	2,397	2,397	–	–
Marketable securities	7,520	7,517	3	–
Financial assets measured at fair value	12,620	9,914	2,647	59
Financial liabilities at fair value through profit or loss				
Derivatives	3,546	–	3,440	106
Financial liabilities measured at fair value	3,546	–	3,440	106

The allocation of fair values to the three levels in the fair value hierarchy is based on the availability of observable market prices in an active market. Level 1 is used to report the fair value of financial instruments for which a quoted price is available. Examples include marketable securities and other equity investments measured at fair value. Fair values in Level 2, e.g. of derivatives, are measured on the basis of market inputs such as exchange rates or yield curves using market-based valuation techniques. Level 3 fair values are calculated using valuation techniques that incorporate inputs that are not directly observable in active markets. In the Volkswagen Group, Level 3 fair values comprise long-term commodity futures because the prices available on the market must be extrapolated for measurement purposes. Options on equity instruments and residual value protection models are also reported in Level 3.

CHANGES IN BALANCE SHEET ITEMS MEASURED AT FAIR VALUE BASED ON LEVEL 3

€ million	Financial assets measured at fair value	Financial liabilities measured at fair value
Balance at Jan. 1, 2013	119	60
Foreign exchange differences	0	0
Total comprehensive income	-53	-53
recognized in profit or loss	-48	-44
recognized in other comprehensive income	-5	-9
Additions (purchases)	-	-
Sales and settlements	-	-
Transfers into Level 2	-7	-7
Balance at Mar. 31, 2013	59	106
Total gains or losses recognized in profit or loss	-48	-44
Net other operating expense/income	-46	-59
of which attributable to assets/liabilities held at the reporting date	45	65
Financial result	-2	15
of which attributable to assets/liabilities held at the reporting date	4	-15

The transfers between the levels of the fair value hierarchy are reported at the respective reporting dates. 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.

RECONCILIATION OF BALANCE SHEET ITEMS TO CLASSES OF FINANCIAL INSTRUMENTS

The fair value of financial instruments measured at amortized cost, such as receivables and liabilities, is calculated by discounting using a market rate of interest for a similar risk and matching maturity. There were no significant changes in the relationship between the carrying amounts and the fair value of noncurrent assets and liabilities compared with December 31, 2012. For reasons of materiality, the fair value of current balance sheet items is deemed to be their carrying amount.

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	Mar. 31, 2013	Mar. 31, 2012
Cash, cash equivalents and time deposits as reported in the balance sheet	23,246	20,581
of which: time deposits and restricted cash	- 756	- 1,519
Cash and cash equivalents as reported in the cash flow statement	22,490	19,063

Cash inflows from financing activities in the current year are attributable primarily to the issuance of bonds in the amount of €8,167 million (previous year: €6,659 million), which are offset mainly by the repayment of bonds in the amount of €2,607 million (previous year: €5,495 million), the change in other financial liabilities in the amount of €-1,038 million (previous year: €4,569 million) and capital transactions with noncontrolling interests in the amount of €0 million (previous year: €1,427 million).

13 | Segment reporting

Segments are identified on the basis of the Volkswagen Group's internal management and reporting. In line with its multibrand strategy, each of the Group's brands is managed by its own board of management. The Group targets and requirements laid down by the Board of Management of Volkswagen AG or the Group Board of Management must be complied with to the extent permitted by law. The segment reporting comprises the four reportable segments of Passenger Cars, Commercial Vehicles, Power Engineering and Financial Services. Due to a change to the internal reporting structure, light commercial vehicles are no longer allocated to the Passenger Cars and Light Commercial Vehicles segment, but are reported together with trucks and buses in the new Commercial Vehicles segment. The segment designations and prior-year figures were adjusted accordingly. The prior-year figures were also adjusted to reflect the application of IAS 19R.

The activities of the Passenger Cars segment cover the development of vehicles and engines, the production and sale of passenger cars, and the corresponding genuine parts business. As a rule, the Volkswagen Group's individual passenger car brands are combined on a consolidated basis into a single reportable segment.

The Commercial Vehicles segment primarily comprises the development, production and sale of light commercial vehicles, trucks and buses, the corresponding genuine parts business and related services.

The activities of the Power Engineering segment 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 segment structure, purchase price allocation for companies acquired is allocated directly to the corresponding segments.

The business of Porsche AG acquired in fiscal year 2012 is allocated to the Passenger Cars segment, with the exception of Porsche's financial services activities, which are presented in the Financial Services segment. The Ducati Group, which was also acquired in fiscal year 2012, is allocated to the Audi operating segment and is thus presented in the Passenger Cars 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 2012*

€ million	Passenger Cars	Commercial Vehicles	Power Engineering	Financial Services	Total segments	Reconciliation	Volkswagen Group
Sales revenue from external customers	35,581	6,451	954	4,298	47,284	42	47,326
Intersegment sales revenue	2,232	1,215	–	397	3,844	–3,844	–
Total sales revenue	37,813	7,666	954	4,695	51,128	–3,802	47,326
Segment profit or loss (operating profit or loss)	2,817	189	–17	343	3,331	–166	3,165

* Figures adjusted.

REPORTING SEGMENTS: Q1 2013

€ million	Passenger Cars	Commercial Vehicles	Power Engineering	Financial Services	Total segments	Reconciliation	Volkswagen Group
Sales revenue from external customers	34,610	6,018	858	5,027	46,514	51	46,565
Intersegment sales revenue	2,290	1,128	2	408	3,828	–3,828	–
Total sales revenue	36,900	7,147	859	5,436	50,342	–3,777	46,565
Segment profit or loss (operating profit or loss)	2,220	105	–198	416	2,544	–200	2,344

RECONCILIATION*

€ million	Q1	
	2013	2012
Segment profit or loss (operating profit or loss)	2,544	3,331
Unallocated activities	48	50
Group financing	–2	–18
Consolidation adjustments	–246	–198
Operating profit	2,344	3,165
Financial result	344	1,083
Consolidated profit before tax	2,688	4,248

* Prior-year figures adjusted.

14 | Related party disclosures

At 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.

€ million	SUPPLIES AND SERVICES RENDERED		SUPPLIES AND SERVICES RECEIVED	
	Q1		Q1	
	2013	2012	2013	2012
Porsche SE	2	0	7	–
Supervisory Board members	0	0	1	0
Unconsolidated subsidiaries	265	399	266	191
Joint ventures and their majority interests*	2,882	3,679	241	479
Associates and their majority interests	70	71	78	133
State of Lower Saxony, its majority interests and joint ventures	1	4	0	0

* Porsche Zwischenholding GmbH, Stuttgart, and its majority interests until July 31, 2012.

The goods and services received by joint ventures in the first three months do not include resolved dividend distributions amounting to €47 million (previous year: €996 million).

The supplies and services received from Porsche SE relate, among other things, to standard market liability compensation for guarantees assumed. The supplies and services rendered to Porsche SE relate mainly to interest income on loans granted.

15 | Litigation

The Volkswagen Group's 2012 Annual Report contains information on legal proceedings in respect of irregularities in the course of the handover of four-stroke marine diesel engines by MAN Diesel & Turbo. In this connection, the Augsburg Local Court imposed an administrative fine in the single-digit millions on MAN Diesel & Turbo SE. The investigations by the Augsburg Public Prosecution Office into MAN Diesel & Turbo SE were terminated on payment of this amount.

There have been no other significant changes since the publication of the 2012 Annual Report.

16 | Contingent assets and liabilities

There were no significant changes as of March 31, 2013 in the contingent assets and liabilities described in the 2012 Annual Report.

17 | Other financial obligations

The other financial obligations increased by €1,488 million compared with the 2012 consolidated financial statements to €23,592 million due in particular to an increase in purchase commitments for items of property, plant and equipment, and intangible assets, because of initiated or planned investment projects.

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/cgk-declaration, 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 three months of 2013.

Wolfsburg, April 29, 2013

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 March 31, 2013, 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, April 29, 2013

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Harald Kayser
German Public Auditor

Martin Schröder
German Public Auditor

Contact Information

PUBLISHED BY

Volkswagen AG
Finanzpublizität
Brieffach 1848-2
38436 Wolfsburg
Germany
Phone +49 5361 9-0
Fax +49 5361 9-28282

INVESTOR RELATIONS

Volkswagen AG
Investor Relations
Brieffach 1849
38436 Wolfsburg
Germany
Phone +49 5361 9-86622 IR Hotline
Fax +49 5361 9-30411
E-mail investor.relations@volkswagen.de
Internet www.volkswagenag.com/ir

Volkswagen AG
Investor Relations
17C Curzon Street
London W1J 5HU
United Kingdom
Phone +44 20 7290 7820

Volkswagen Group China
No. 3A, Xi Liu Jie, Sanlitun Road
Chaoyang District
Beijing 100027, P.R. China
Phone +86 10 6531 3000

Volkswagen Group of America, Inc.
Investor Relations Liaison Office
(Questions relating to American
Depository Receipts)
2200 Ferdinand Porsche Drive
Herndon, Virginia 20171
USA
Phone +1 703 364 7000

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Financial Calendar

July 31, 2013

Half-Yearly Financial Report 2013

October 31, 2013

Interim Report January – September 2013

