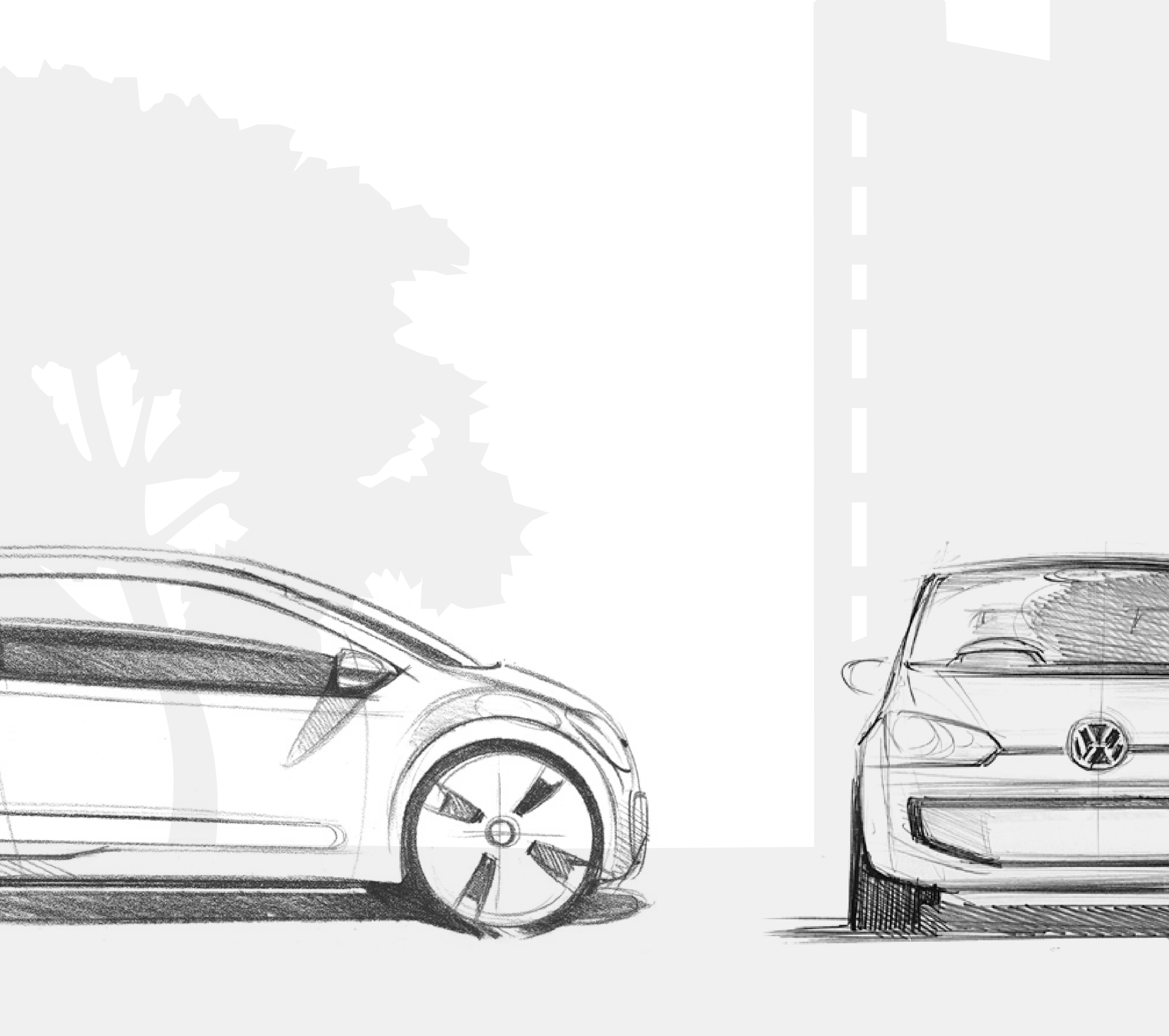
VOLKSWAGEN

AKTIENGESELLSCHAFT

JANUARY – SEPTEMBER 2008

Interim Report



Key Figures

VOLKSWAGEN GROUP

	Q3			Q1–3		
Volume Data[1]	**2008**	**2007**	**%**	**2008**	**2007**	**%**
Deliveries to customers ('000 units)	1,531	1,530	+ 0.1	4,797	4,616	+ 3.9
of which: in Germany	255	254	+ 0.5	789	769	+ 2.8
abroad	1,276	1,276	+ 0.0	4,008	3,847	+ 4.2
Vehicle sales ('000 units)	1,545	1,485	+ 4.1	4,856	4,574	+ 6.2
of which: in Germany	244	241	+ 1.3	764	756	+ 1.1
abroad	1,302	1,244	+ 4.6	4,092	3,818	+ 7.2
Production ('000 units)	1,570	1,476	+ 6.4	4,963	4,609	+ 7.7
of which: in Germany	539	476	+ 13.2	1,646	1,570	+ 4.9
abroad	1,031	1,000	+ 3.2	3,317	3,039	+ 9.1
Employees ('000 on Sept. 30, 2008/Dec. 31, 2007)				373.4	329.3	+ 13.4
of which: in Germany				173.9	168.7	+ 3.0
abroad				199.5	160.6	+ 24.3

	Q3			Q1–3		
Financial Data (IFRSs), € million	**2008**	**2007**	**%**	**2008**	**2007**	**%**
Sales revenue	28,932	26,106	+ 10.8	85,432	80,958	+ 5.5
Operating profit	1,485	1,459	+ 1.8	4,919	4,279	+ 15.0
as a percentage of sales revenue	5.1	5.6		5.8	5.3	
Profit before tax	1,481	1,719	– 13.8	5,264	4,732	+ 11.2
as a percentage of sales revenue	5.1	6.6		6.2	5.8	
Profit after tax	1,161	947	+ 22.5	3,733	2,906	+ 28.5
Profit attributable to shareholders of Volkswagen AG	1,207	947	+ 27.5	3,780	2,905	+ 30.1
Cash flows from operating activities	3,835	3,886	– 1.3	9,439	13,058	– 27.7
Cash flows from investing activities	7,092	2,536	x	13,995	9,475	+ 47.7
Automotive Division[2]						
Cash flows from operating activities	2,597	3,333	– 22.1	7,709	11,366	– 32.2
Cash flows from investing activities[3]	5,005	1,386	x	7,827	4,001	+ 95.6
of which: investments in property, plant and equipment	1,567	1,014	+ 54.6	3,778	2,664	+ 41.8
as a percentage of sales revenue	6.0	4.3		4.9	3.6	
capitalized development costs[4]	515	356	+ 44.5	1,354	993	+ 36.3
as a percentage of sales revenue	2.0	1.5		1.8	1.3	
Net cash flow	– 2,408	1,947	x	– 118	7,365	x
Net liquidity at Sept. 30				11,767	13,857	– 15.1

1 Volume data including the vehicle production investments Shanghai-Volkswagen Automotive Company Ltd. and FAW-Volkswagen Automotive Company Ltd. These companies are accounted for using the equity method. All figures shown are rounded, so minor discrepancies may arise from addition of these amounts. 2007 deliveries updated on the basis of statistical extrapolations.
2 Including allocation of consolidation adjustments between the Automotive and Financial Services divisions.
3 Excluding acquisition and disposal of equity investments: Q3 €2,094 million (€1,193 million), Q1-3 €4,874 million (€3,320 million).
4 See table on page 26.

Key Facts

- At €4.9 billion, Volkswagen Group operating profit in the period from January to September 2008 exceeds previous year's figure by 15.0%
- Profit before tax up €0.5 billion year-on-year to €5.3 billion
- Group sales revenue 5.5% higher than in the prior-year period at €85.4 billion
- Automotive Division's ratio of investments in property, plant and equipment (capex) to sales revenue at 4.9% (3.6%)
- At €11.8 billion, net liquidity in the Automotive Division remains at a high level after the acquisition of additional Scania shares
- Scania consolidated as the Group's ninth brand
- Volkswagen's products inspire:
  - Deliveries to customers worldwide up 3.9% year-on-year to 4.8 million vehicles
  - Volkswagen Group gains further market share worldwide and advances into the top three largest automobile manufacturers
  - Deliveries in Asia-Pacific, South America, Central and Eastern Europe at a high level; substantial growth in China, India, Brazil, Russia and the Ukraine, although the pace of growth has recently slowed significantly
  - New Golf impresses the trade press
  - Range of vehicles emitting less than 140g/km CO_2 expanded to 91
  - Scirocco successfully launched in Europe with efficient engine range
  - World premiere of the new Audi A6 and Audi RS 6
  - Volkswagen pick-up study makes its debut
  - Positive customer response to the new SEAT Ibiza and the Škoda Superb

Key Events

VOLKSWAGEN UNVEILS THE NEW GOLF

The Volkswagen Passenger Cars brand introduced the new edition of its best-selling Golf to a global audience in September 2008. More than 1,500 journalists and analysts from 46 countries were invited to the vehicle presentation in Reykjavik, Iceland. They tested the sixth generation of the most successful European automobile, with an extremely positive response. The new Golf breaks previous class limits in terms of value and comfort. The clean and powerful design makes the vehicle more sporty and incisive than its predecessor model. It also impressively reveals the future path that the Volkswagen Passenger Cars brand is taking: The innovative TDI and TSI engines used in the Golf already meet the future Euro 5 emission standards and, combined with the direct shift gearbox (DSG), improve fuel economy by up to 28% compared with the predecessor generation. The Adaptive Cruise Control (ACC), Adaptive Chassis Control (DCC) and the Park Assist steering assistant are further innovations to the Golf class. In addition, a newly-developed sealing concept for doors and side windows, as well as optimized engine mountings and side mirrors, significantly reduce noise levels.

Volkswagen unveiled the new Golf BlueMotion concept car in Iceland at the same time as premiering the new Golf. The BlueMotion consumes an average of 3.8 l of fuel per 100 km and emits 99g/km CO_2, the first time a compact class vehicle has reached such figures.

Approximately 14,000 Volkswagen dealers and importers from 125 countries as well as international corporate customers and suppliers attended the Golf Conference in Berlin from September 24 to October 16, 2008. The sixth generation of the Golf was spectacularly presented to visitors on a total of 115,000 m^2 of exhibition and display space spread across three locations in the city. Approximately 650 conference participants per day took test drives through the capital, where 400 new Golfs were available for this purpose. The new architecture concept for Volkswagen Passenger Cars brand dealerships was also introduced in Berlin.

NEW GROUP VEHICLES DEBUTED AT MOSCOW MOTOR SHOW

The Volkswagen Group unveiled a large number of new vehicles to the rapidly growing Russian market at the Motor Show in Moscow in August 2008.

The Volkswagen Passenger Cars brand was present in Moscow with the largest range of models that had ever been shown in Russia under the brand logo. Highlights included the Passat CC four-door coupé and the Tiguan compact SUV. The Passat CC will be launched in Russia with two petrol direct-injection engines and one turbo diesel variant. The Tiguan will be offered there in a sporty "Sport & Style" version as well as in an off-road "Track & Field" variation. Due to the high importance of this vehicle for the Russian market, it will be produced at the Russian plant in Kaluga alongside the Jetta and the Passat. Volkswagen plans to expand its dealer network in Russia in addition to extending its product range. 17 additional dealers will be integrated into the distribution network by the end of this year. The number of active dealerships is scheduled to expand in the long term from 63 at present to approximately 120.

The Audi brand attracted visitor attention with two world premiers at the same time. Firstly, the follow-up to the successful Audi A6 made its debut. This sporty business saloon car is impressive with a refined suspension, numerous assistance systems such as the new Audi side assist lane change assistant, and the latest generation of the MMI system for navigation and entertainment. Audi also introduced its new Audi RS 6* to a global audience for the first time. This sport saloon boasts permanent four-wheel drive and a powerful 426 kW (580 PS) V10 Biturbo engine. With petrol direct-injection and a dry-sump lubrication system, motor sport proven elements were used in its high-tech engine. A six-speed tiptronic automatic gearbox and high-precision suspension round off the dynamic experience drivers enjoy with this super sports car.

* Consumption and emission data can be found on page 11 of this Report.

The new Škoda Superb was the special focus of the redesigned Škoda brand stand. The Czech brand's flagship model could be seen for the first time in Moscow with a 3.6 FSI V6 engine*. Combined with a state-of-the-art six-speed direct shift gearbox and all-wheel drive, it offers dynamic sprinting characteristics and a top speed of 250 km/h. Škoda also debuted the Octavia and Fabia models which will be produced at the plant in Kaluga.

VOLKSWAGEN COMMERCIAL VEHICLES LAUNCHES WORLD PREMIERES

Volkswagen Commercial Vehicles launched a new model rollout at the International Motor Show (IAA) Commercial Vehicles in September 2008 in Hanover with five world premieres. The highlight was the Volkswagen Pickup concept, which will expand the offering of the Commercial Vehicles business line from the end of 2009 as the fourth series model, and is designed for the South American markets in particular. In addition, the all-wheel drive Caddy 4Motion, which will be launched at the end of 2008, attracted a lot of attention, as did the most exclusive series Caddy of all time, the Caddy Life Style Edition, which will be available from November 2008. Two concept vehicles, the Caddy 4Motion-based Caddy PanAmericana with its off-road look and rugged and high-grade leather upholstery, and the Crafter BlueMotion, rounded off Volkswagen's motor show appearance.

VOLKSWAGEN BUILDS NEW PLANT IN THE USA

On July 15, 2008, Volkswagen AG's Supervisory Board approved the construction of a new plant in Chattanooga in Tennessee. The plant is expected to begin in the first phase of production at the beginning of 2011 with an annual capacity of 150,000 vehicles. This will include full production with body construction, painting and assembly and amount to an investment volume of approximately €620 million. The first vehicle to be produced there will be a mid-sized saloon car tailored to the US market. In the medium term, Volkswagen will directly employ approximately 2,000 people in Chattanooga and create many more jobs at suppliers and in logistics.

This new plant is a key milestone in the Group's growth strategy: Volkswagen plans to sell 800,000 vehicles annually in the important US market by 2018. The new plant will also reduce problems for the Group resulting from exchange rate fluctuations in the long term and thus fulfill a key requirement for economic success in the dollar area.

ARRAY OF AWARDS FOR THE VOLKSWAGEN GROUP

The Volkswagen Group again received numerous prizes and awards in the third quarter of 2008. It started with the Caddy and the Škoda Praktik, which won the German Commercial Vehicle Prize (Deutscher Nutzfahrzeugpreis) in August 2008. The Škoda Praktik prevailed against four other competitors to win the compact delivery van category. This model has a payload of more than half a tonne and a load volume of almost two cubic meters, making it the ideal delivery van for the transport needs for small businesses. In addition to its practical utility, it also offers excellent value for money. The Caddy won the German Commercial Vehicle Prize in the delivery van category for the fourth time. The vehicle's workmanship and quality in particular impressed the jury members. The prizes were achieved at the International Motor Show (IAA) Commercial Vehicles in September 2008 in Hanover.

The Verkehrsclub Deutschland (VCD – German Travel Club) also published its 2008 Environmental Automobile List in August, with Group models Polo, Golf, Touran, Audi A3, Škoda Fabia and SEAT Ibiza scoring well in various categories. The Golf and the Audi A3 dominated the compact class with a total of six of the top ten spots. With CO_2 emissions of just 99g/km, both the Polo BlueMotion* and the SEAT Ibiza Ecomotive* won first place in the "Best for the Environment" category.

In September 2008, the new Golf received the Umweltprädikat ("Environmental Rating") certified by the German inspection organization TÜV Nord. The Environmental Rating brochure was developed by the Volkswagen Passenger Cars brand in 2007 and is based primarily on the results of an environmental impact study certified by TÜV Nord. The Environmental Rating recognizes Volkswagen vehicles and technologies that have an ecological advantage over predecessors or comparable models. The entire lifecycle of the product is considered in this rating. The new Golf scores in particular thanks to its low emissions and improved fuel consumption, and has a lower overall environmental impact than its predecessors.

* Consumption and emission data can be found on page 11 of this Report.

TEN YEARS OF VOLKSWAGEN MOTOR POLSKA

Volkswagen Motor Polska celebrated its tenth anniversary in August. Management, employees and their families spent this festive day at the plant in Polkowice together with guests from the realms of politics and business. A large number of attractions were on the agenda there. Volkswagen Motor Polska currently employs approximately 1,100 staff and is an important economic factor in the region.

TIGUAN HYMOTION ADDED TO THE CLEAN ENERGY PARTNERSHIP FLEET

The Clean Energy Partnership (CEP), a consortium of twelve international companies, entered the second of a total of three project phases this year. The project's goal is to use technology to develop hydrogen as a fuel for transport and to test its suitability for daily use and its systems compatibility. Volkswagen was the first CEP Partner to introduce a vehicle, the Tiguan HyMotion, into the second phase of the project, which will last until the end of 2010. Experience gained from the Touran HyMotion predecessor model was consistently applied to the new vehicle: Thanks to the latest tank technology, the new model can be fueled with compressed hydrogen at up to 700 bar. This allows 66% more hydrogen to be stored compared with the previous technology, and gives the Tiguan HyMotion a range of around 250 km. An 80 kW fuel cell powers the electric engine. A buffer battery that stores recovered braking energy assists the vehicle at peak speeds. Volkswagen will add further vehicles to the CEP next year.

VOLKSWAGEN HANDS OVER OLYMPIC VEHICLE FLEET

In August, Volkswagen was the exclusive automobile partner of the 2008 Olympic Summer Games in Beijing. The Group provided a comprehensive fleet of 5,000 vehicles from the Volkswagen Passenger Cars, Audi and Škoda brands to the Games' Organizing Committee for logistic support for athletes, media representatives, guests and organizers. The fleet of low-consumption, low-emission vehicles was maintained by technicians and service crews around the clock and included the Touran EcoFuel and the Magotan BlueMotion.

The Chairman of Volkswagen AG's Board of Management, Prof. Dr. Martin Winterkorn, opened the Volkswagen Pavilion on the Olympic grounds in Beijing on the first day of competition. The Volkswagen Group showcased its Volkswagen Passenger Cars, Audi and Škoda brands represented in China in the 2,000 m^2 pavilion. The future vision of sustainable mobility was outlined using three themes: the automobile, the Olympic Games and the host country China, under the "Driving Ideas." motto.

VOLKSWAGEN LISTED IN THE DOW JONES STOXX SUSTAINABILITY INDEX

Following a reassessment by Swiss asset management company SAM on behalf of Dow Jones, Volkswagen was the only company in the automobile industry to be included in the European Dow Jones STOXX Sustainability Index on September 5, 2008. In addition to recognized achievements for highly efficient technological solutions and environmental protection, the current rating places a special focus on the advances in human resources work and social responsibility. Volkswagen already returned to the Dow Jones Sustainability World Index last year. This membership was reaffirmed by SAM this year.

CHANGES IN VOTING RIGHTS

Ferdinand Karl Alpha Privatstiftung, Vienna, Austria, notified us that its share of the voting rights in Volkswagen AG exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25% and 30% on July 30, 2008 and amounted to 30.29% at this date. The voting rights attributable to Ferdinand Karl Alpha Privatstiftung are held via the following companies controlled by it, whose share of the voting rights amounts to 3% or more in each case: Porsche Automobil Holding SE, Stuttgart, Ferdinand Piëch GmbH, Grünwald, Germany, and Dipl. Ing. Dr. h.c. Ferdinand Piëch GmbH, Salzburg, Austria.

Porsche Automobil Holding SE, Stuttgart, announced in September 2008 that it had purchased an additional 4.89% of Volkswagen's ordinary shares, bringing its equity interest in Volkswagen AG to a total of 35.14% of the voting rights. Porsche SE submitted the resulting mandatory bid required by law to the shareholders of AUDI AG on September 29, 2008. Volkswagen AG announced that it would not accept this bid for its 99.14% interest in AUDI AG.

On October 26, 2008, Porsche Automobil Holding SE publicly announced that it had increased its holding of Volkswagen AG's ordinary shares to 42.6%.

Volkswagen Share

The international equity markets were again very volatile in the third quarter of 2008. Share prices initially fell significantly in July, driven by the uncertainty surrounding the continued US mortgage crisis. High commodity prices and the resulting fears of inflation contributed to this downward trend. Stabilization of the oil market, solid corporate data and indications that the financial market situation might ease subsequently resulted in an upward trend. A wave of negative news and consolidation in the banking sector resulted in a sharp fall in share prices in September. During this period, the DAX fell below 6,000 points.

The DAX closed the third quarter at 5,831 points, down 27.7% below the level at the end of 2007. The DJ Euro STOXX Automobile stood at 254 points on September 30; compared with December 31, 2007, this corresponds to a fall of 28.4%.

The performance of Volkswagen AG's ordinary and preferred shares was mixed in the third quarter of 2008, at times bucking the market trend. Reasons for this included good half-year results and confirmation of the targets for 2008. Ordinary shares jumped sharply in mid-September, which is likely to have been due among other things to the acquisition of further shares by Porsche and market expectations of additional purchases. Preferred shares recorded a significant price decline towards the end of the reporting period.

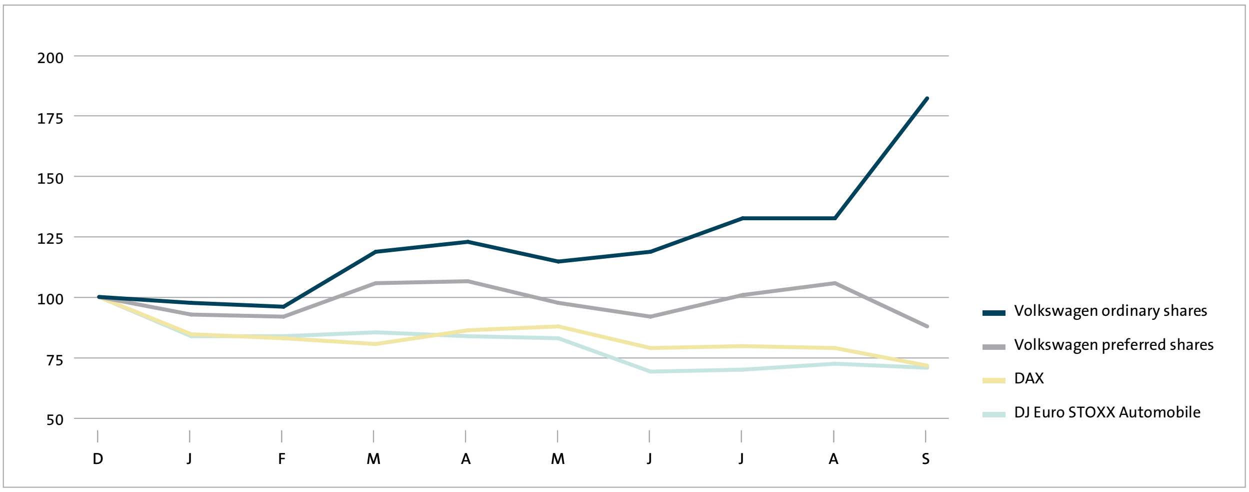
Volkswagen AG's ordinary shares closed the reporting period at €278.01, an increase of 78.1% compared with December 31, 2007. On September 18, 2008, Volkswagen AG ordinary shares recorded their highest daily closing price in the reporting period, namely €304.00, a new all-time high. At their low on January 21, 2008, they were trading at €148.43. Volkswagen AG preferred shares reached a peak of €108.30 on April 22, 2008. Their lowest price was €83.85 on September 29, 2008. On September 30, 2008, preferred shares closed at €88.03, representing a 12.0% decrease compared with the end of 2007.

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 2007 TO SEPTEMBER 2008

Index based on month-end prices: December 31, 2007 = 100



Business Development

GENERAL ECONOMIC DEVELOPMENT

Global economic growth was impacted again in the third quarter of 2008 by persistently high price levels, and in particular the intensification of the international financial crisis. The risk of a recession increased significantly in many industrialized countries, and the pace of economic growth also slowed appreciably in a number of emerging markets.

After the US economy made an unexpectedly strong recovery in the second quarter of 2008, the economic situation deteriorated increasingly in the past few months due to the accelerating financial market crisis. Supported by the US economic program, consumer spending revived only temporarily due to the negative impact of continued strong price increases. The US dollar recovered against the euro on the back of a significant drop in oil prices, but weakened against the yen. The Mexican economy slowed in the reporting period, although inflation continued to rise.

Growth in Argentina slowed, but remained at a high level. Brazil's economic growth remains high, although strong inflationary pressure prompted the central bank to increase key interest rates several times. Due to the ongoing problems in the energy sector and the sharp increase in inflation, South African economic growth is tailing off.

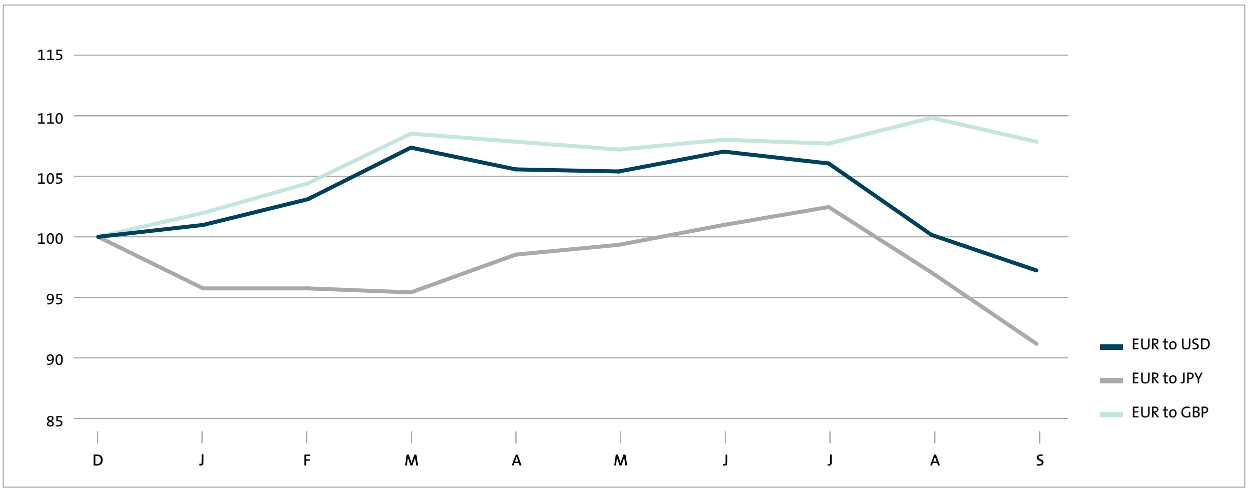
Chinese economic growth declined slightly due to the deterioration in the global economic climate and counterinflationary measures, while the recessionary trend in Japan increased.

The Western European economy has slowed further. Central and Eastern Europe experienced weaker output as a result of lower export growth and higher inflation rates, among other things. Expansion, however, remained relatively high.

In Germany, the downward trends intensified in the third quarter of 2008. Decreasing purchasing power and rising economic uncertainty impacted consumer spending and investment. The declining euro exchange rate in recent months and the falling oil price were unable to counter the negative effects of the global economic slowdown.

EXCHANGE RATE MOVEMENTS FROM DECEMBER 2007 TO SEPTEMBER 2008

Index based on month-end prices: December 31, 2007 = 100



DEVELOPMENT OF AUTOMOTIVE MARKETS

In the reporting period, new passenger car registrations worldwide were down on the previous year. While growth rates were high in the Central and Eastern Europe, South America and Asia-Pacific regions, demand fell in the South African, North American and Western European markets.

Overall, vehicle sales in the US weakened significantly in the period from January to September 2008. The decline in demand had a particular impact on the light commercial vehicles segment. Above all, the sharp rise in fuel prices, uncertainty in connection with the financial and economic crisis, and the resulting economic situation are the reasons for the ongoing weakness of the US market. New registrations increased slightly in Canada in the first nine months of 2008, while sales in the Mexican automotive market declined.

Growth in Brazil's passenger car and commercial vehicle market continued in the reporting period. Positive conditions led to demand reaching a new high. In Argentina, new registrations also exceeded the previous year's figure in the period from January to September 2008. By contrast, the downturn in passenger car sales in the South African market accelerated again in the third quarter.

Demand in the Chinese automotive market increased sharply again in the first nine months of 2008, although growth slowed significantly over the year as a whole. Despite the reduced pace of growth, China – along with Russia, Brazil and the Ukraine – achieved the highest unit sales growth this year. In Japan, new registrations fell to their lowest level since 1983. Demand in the Indian passenger car market was positive, although increased lending rates and high inflation had a dampening effect in the third quarter of 2008.

Western Europe's passenger car market declined overall in the reporting period. While demand increased in France, substantial falls were recorded in Spain, Italy and the UK. In contrast, the Central and Eastern European countries achieved further increases, with Russia and the Ukraine, the region's two largest markets, even recording double-digit growth. The recovery in demand for passenger cars in Germany was impacted by the rapid rise in fuel costs. In addition, ongoing consumer uncertainty as regards the structure of a CO_2-based vehicle tax had an adverse effect on buying behavior. Compared with the prior-year period, the German passenger car market rose only slightly in the first nine months of 2008.

VEHICLE DELIVERIES WORLDWIDE

Global deliveries by the Volkswagen Group totaled 4,797,383 vehicles in the reporting period, exceeding the prior-year figure by 3.9%. The Škoda brand recorded an impressive increase of 14.8%. The Volkswagen Passenger Cars, Audi, Lamborghini and Volkswagen Commercial Vehicles brands also increased their sales year-on-year.

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

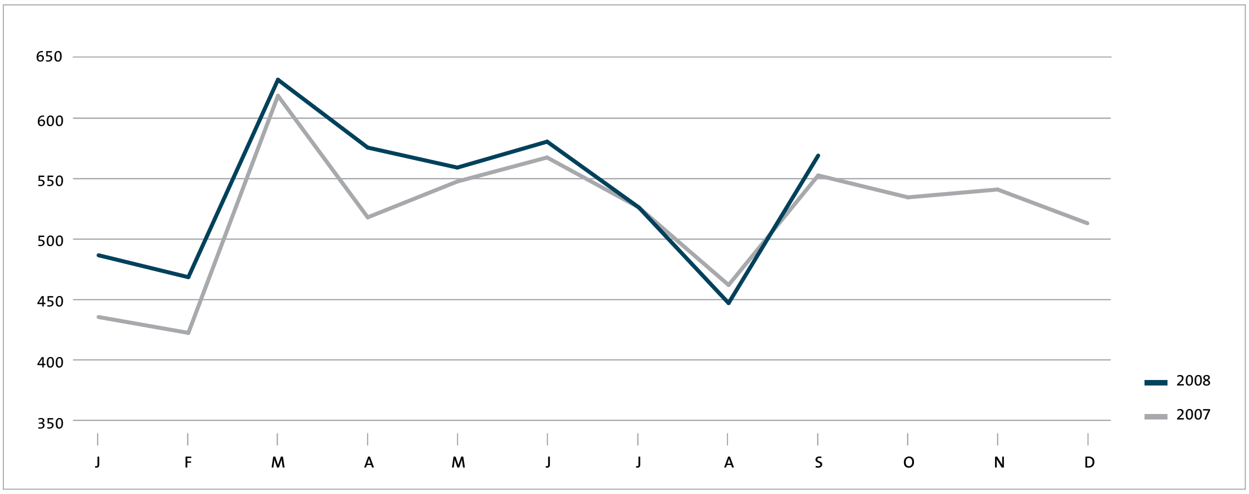
DELIVERIES TO CUSTOMERS BY MARKET FROM JANUARY TO SEPTEMBER[1]

	Deliveries (units)		Change	Share of passenger car market (%)	
	2008	2007	(%)	2008	2007
Europe/Remaining markets	**2,840,508**	**2,816,746**	**+0.8**		
Western Europe	**2,294,053**	**2,350,566**	**–2.4**	**19.8**	**19.3**
of which: Germany	789,962	768,694	+2.8	33.0	32.5
United Kingdom	313,981	323,041	–2.8	16.1	15.4
Spain	224,163	276,697	–19.0	22.6	21.4
Italy	203,623	213,112	–4.5	11.0	10.5
France	195,693	194,422	+0.7	11.4	12.1
Central and Eastern Europe	**428,398**	**358,145**	**+19.6**	**10.4**	**10.6**
of which: Russia	96,539	57,384	+68.2	4.2	3.2
Czech Republic	60,701	62,470	–2.8	51.6	59.5
Poland	55,259	51,166	+8.0	20.8	21.3
Remaining markets	**118,057**	**108,035**	**+9.3**		
of which: Turkey	44,431	44,784	–0.8	10.8	11.7
North America[2]	**382,822**	**396,028**	**–3.3**	**2.9**	**2.7**
of which: USA	244,168	247,369	–1.3	2.3	2.0
Mexico	101,954	112,953	–9.7	13.2	14.3
Canada	36,700	35,706	+2.8	2.8	2.8
South America/South Africa	**683,515**	**612,874**	**+11.5**	**19.3**	**19.2**
of which: Brazil	497,075	411,863	+20.7	23.9	24.8
Argentina	102,666	87,337	+17.6	25.1	25.3
South Africa	56,495	79,040	–28.5	20.2	22.5
Asia-Pacific	**890,538**	**790,010**	**+12.7**	**8.2**	**7.3**
of which: China	775,406	684,795	+13.2	18.9	18.4
Japan	46,651	49,960	–6.6	1.4	1.5
Worldwide	**4,797,383**	**4,615,658**	**+3.9**	**10.1**	**9.6**
Volkswagen Passenger Cars	2,808,982	2,725,780	+3.1		
Audi	762,289	741,106	+2.9		
Škoda	530,924	462,429	+14.8		
SEAT	287,692	320,292	–10.2		
Bentley	6,238	7,834	–20.4		
Lamborghini	1,916	1,811	+5.8		
Volkswagen Commercial Vehicles	386,739	356,347	+8.5		
Scania[3]	12,552	–	–		
Bugatti	51	59	–13.6		

1 Deliveries and market shares for 2007 have been updated to reflect subsequent statistical trends.
2 Overall markets in the USA, Mexico and Canada include passenger cars and light trucks.
3 July 22, 2008 to September 30, 2008.

VOLKSWAGEN GROUP DELIVERIES BY MONTH

Vehicles in thousands



Sales trends in the individual markets are as follows.

DELIVERIES IN EUROPE/REMAINING MARKETS

The Volkswagen Group delivered fewer vehicles to customers in Western Europe in the period between January and September 2008 than in the same period of the previous year. The proportion of vehicles sold in this region amounted to 47.8% (50.9%) of the Group's total delivery volume. The Škoda (+0.7%) and Volkswagen Commercial Vehicles (+2.2%) brands recorded sales growth year-on-year despite the increasingly difficult market environment. Demand for the Golf Variant, Audi A4, Audi A5, Škoda Fabia Combi and Škoda Fabia Hatchback models was encouraging. The Caddy and Crafter models also continued to record significant growth. The new Scirocco, Audi A3 Cabriolet, Škoda Superb and SEAT Ibiza models met with a positive reception from the market. The Volkswagen Group significantly improved its share of the declining total Western European passenger car market to 19.8% (19.3%).

In the first nine months of 2008, the Volkswagen Group recorded a year-on-year increase in demand for new vehicles in the German passenger car market of 2.8%. The Golf, Golf Variant, Audi A4, Audi A5, Audi R8, Škoda Fabia Combi, Caddy and Crafter models saw above-average demand. The launch of the new Scirocco, Škoda Superb and SEAT Ibiza models resulted in encouraging sales figures. Seven of the Volkswagen Group's models topped the Kraftfahrtbundesamt (KBA – German Federal Motor Transport Authority) registration statistics in their respective segments in the reporting period: the Polo, Golf, Audi A6, Touran, Tiguan, Audi TT and Multivan/Transporter. The Golf remains the undisputed leader among newly registered vehicles in the German passenger car market. The Volkswagen Group lifted its market share in the reporting period to 33.0% (32.5%), despite the difficult market environment.

Group deliveries to customers in the key Central and Eastern European markets continued to increase in the reporting period, beating the figure for the previous year by a total of 19.6%. Once again, the Group's highest growth rates were generated in Russia and the Ukraine. The Golf Plus, Jetta, Passat, Touareg, Audi A4 and Audi A5 models were particularly popular. In addition, demand increased for almost all SEAT, Škoda and Volkswagen Commercial Vehicles brand models.

DELIVERIES IN NORTH AMERICA

The passenger car market in the USA declined significantly in the reporting period. Group sales figures were not immune to this development, closing down 1.3% year-on-year for the region. Growth in the sales figures for the Eos, Audi TT, Audi A4 and Audi A6 models was encouraging.

We sold 2.8% more vehicles in Canada from January to September 2008 than in the prior-year period. The most significant growth rates were recorded by the Golf, Eos, Touareg, Audi A3, Audi A6 and Audi TT models. Demand for Group models in the Mexican passenger car market was down 9.7% on a year ago. However, the Gol, Touareg, Audi A3, Audi A4 and Saveiro models were increasingly popular.

DELIVERIES IN SOUTH AMERICA/SOUTH AFRICA

The positive development in the key South American passenger car markets continued in the first nine months of 2008. The Volkswagen Group was also able to significantly increase deliveries there compared with the previous year. Thanks to the positive demand for the Fox, Gol, Golf, Bora, Passat and Parati models, we delivered 20.7% more vehicles to customers in Brazil than in the previous year. Our delivery figures also include the Saveiro and T2 light commercial vehicles, sales of which increased by a total of 30.2% year-on-year in the Brazilian passenger car market. Demand for heavy commercial vehicles that are produced in Brazil (trucks in the 5 to 45 tonnes weight classes) rose to 30,539 (21,251) units, including Scania models, despite a more difficult market environment. The Volkswagen Group's market share in this segment improved to 31.8% (29.3%). The number of buses sold increased to 6,863 (5,503).

The Argentinean passenger car market continued its rapid growth in the period from January to September 2008. The Volkswagen Group increased its deliveries to customers by 17.6% compared with the prior-year period. The Fox, Gol, Golf, Jetta and Audi A3 models recorded the highest growth rates. The Volkswagen Group remained the market leader in Argentina, with a market share of 25.1% (25.3%). In addition, we delivered 2,548 (2,509) buses and heavy trucks in this market.

The local passenger car market in South Africa declined significantly as a result of continued restrictive credit policies. The weaker demand impacted entry-level models in particular. The Volkswagen Group delivered 28.5% fewer cars to customers than in the previous year. The Group’s market share declined to 20.2 %.

DELIVERIES IN THE ASIA-PACIFIC REGION

Demand for new vehicles in the Asia-Pacific passenger car markets eased significantly due to the muted global economic climate and the measures taken to combat inflation. Deliveries by the Volkswagen Group rose by 12.7% year-on-year in the period from January to September 2008. This positive trend was due above all to the high level of demand in the Chinese passenger car market. The Polo, Jetta, Touran, Passat, Audi A4, Audi A6, Audi A8 and Audi Q7 models recorded the strongest growth rates here. In addition, the Škoda Octavia, which was launched on the market in the course of 2008, continued to be highly popular. We increased our market lead in the Chinese passenger car market, which is dominated by the sales incentives offered by other manufacturers, to 18.9%. We delivered 6.6% fewer vehicles to customers year-on-year in the Japanese passenger car market, which continues to decline. However, demand increased for the Golf Variant, Touareg and Audi A4 models.

In the remaining Asia-Pacific markets, we recorded a clear rise in demand for Group vehicles, in particular in India and Australia.

WORLDWIDE DEVELOPMENT OF INVENTORIES

As a result of seasonal factors and the increase in our business volume, inventories held by Group companies and the dealer organization worldwide on September 30, 2008, were up compared with December 31 and September 30, 2007.

UNIT SALES, PRODUCTION AND EMPLOYEES

In the period between January and September 2008, the Volkswagen Group delivered 4,855,585 vehicles to the dealer organization worldwide. This represents an increase of 6.2% on the prior-year period. The volume of vehicles sold outside Germany rose by 7.2%. This was primarily attributable to the increased demand for Group models in China, Brazil, Russia and the Ukraine. Sales in Germany were up 1.1% on the prior-year figure; the proportion of total sales generated in Germany was 15.7% (16.5%).

In the first nine months of 2008, the Volkswagen Group produced 4,963,016 vehicles, 7.7% more than in the prior-year period. The strongest growth rates were reported by the production facilities in Mexico, Brazil and Poland as well as at the joint venture companies in China. The share of vehicles manufactured in Germany was 33.2% (34.1%).

The Volkswagen Group had 354,859 active employees as of September 30, 2008. In addition, 9,104 employees were in the passive phase of their early retirement and 9,446 people were in apprenticeships. At the end of the reporting period, the Volkswagen Group employed 373,409 people, an increase of 13.4% compared with December 31, 2007. This increase is mainly attributable to the consolidation in full of Scania. A total of 173,879 people were employed in Germany (+3.0%). The proportion of employees in Germany decreased to 46.6% compared with December 31, 2007 (51.2%).

OPPORTUNITY AND RISK REPORT

In addition to our statements in the chapters entitled "Risk Report" and "Report on Expected Developments" in the 2007 Annual Report, the development of the financial and economic crisis, and the effects of the consolidation of Scania mentioned in the Outlook on page 15 must be reported.

The environment has significantly deteriorated in recent months, for both the global economy and the automotive industry. Refinancing markets were particularly unstable in the third quarter of 2008, a situation that is continuing and impacting all areas of the automotive value chain.

The current developments in the financial markets have given rise to a not insubstantial risk because of the significance of sales financing for automobile manufacturers. The Volkswagen Group benefits in this situation from its solid liquidity position and its conservative refinancing policy.

CONSUMPTION AND EMISSION DATA

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

Model	Output in kW (PS)	Fuel consumption (l/100 km)			CO_2 emissions (g/km)
		urban	extra-urban	combined	combined
Audi RS 6	426 (580)	20.3	10.2	13.9	331
SEAT Ibiza Ecomotive	59 (80)	4.9	3.2	3.8	99
Škoda Superb 3.6 FSI V6	191 (260)	14.7	7.4	10.1	235
Volkswagen Polo BlueMotion	59 (80)	4.9	3.2	3.8	99

Net Assets, Financial Position and Results of Operations

On July 22, 2008, the Volkswagen Group increased its share of voting rights in Scania from 38.0% to 68.6%. As a result, Scania has been consolidated as the Group's ninth brand. Prior to that date, income from this investment was included in the Group's financial result using the equity method. Since July 22, 2008, Scania's commercial vehicles and buses business has been included in the figures for the Automotive Division. Scania's financial services business is reflected in the figures for the Financial Services Division.

AUTOMOTIVE DIVISION BALANCE SHEET STRUCTURE

The consolidation of Scania increased noncurrent assets in particular, specifically intangible assets, and equity. The calculation of the fair values of the assets acquired and liabilities assumed requires detailed examination in view of the size of Scania and is preliminary at the reporting date of the interim financial statements.

On September 30, 2008, noncurrent assets in the Automotive Division increased by 24.5% compared with the end of 2007. The carrying amount of property, plant and equipment rose by 15.7%. Current assets were up 15.4% compared with December 31, 2007 due to increased inventories and receivables. Cash and cash equivalents decreased as a result of the acquisition of the Scania shares.

At the end of the third quarter, the Automotive Division's equity attributable to shareholders of Volkswagen AG amounted to €27.9 billion, 12.6% higher than at the end of 2007. This increase was mainly due to the positive earnings development. After adjustment for minority interests, which reflect the effects of purchase price allocation for Scania, equity rose by 23.0% to €30.5 billion. Noncurrent liabilities increased by 1.3%. As a result of changes in maturities, there was a shift in financial liabilities from noncurrent to current maturities. Current liabilities rose by 39.1% compared with December 31, 2007; this was attributable in particular to higher trade payables due to volume-related factors as well as other liabilities.

Total assets in the Automotive Division amounted to €92.0 billion on September 30, 2008, a 19.8% increase compared with December 31, 2007.

FINANCIAL SERVICES DIVISION BALANCE SHEET STRUCTURE

As a result of the consolidation of Scania's financial services business, financial services receivables and liabilities in particular increased in the Financial Services Division. At the end of the third quarter of 2008, the Financial Services Division's total assets were 14.6% higher year-on-year.

On the assets side, noncurrent assets rose by 14.9% primarily because of increased financial services receivables, while current assets were up by 14.2%. Overall, the Financial Services Division accounted for approximately 46% of the Volkswagen Group's assets as of September 30, 2008.

The Financial Services Division's equity grew by 14.5% as against December 31, 2007 to €8.2 billion. Noncurrent liabilities increased by 21.3%, mainly due to higher financial liabilities because of the expansion business.

On September 30, 2008, deposits at Volkswagen Bank *direct* amounted to €11.4 billion (€9.6 billion).

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

In the period from January to September 2008, investments in property, plant and equipment in the Automotive Division amounted to €3.8 billion, a 41.8% increase on the same period in 2007. In addition to the new production facilities, capital spending related primarily to models to be launched in 2008 and 2009. The ratio of investments in property, plant and equipment (capex) to sales revenue was 4.9% (3.6%).

The Automotive Division recorded gross cash flow of €8.2 billion (€8.7 billion) in the reporting period. A volume-related rise in the level of inventories and receivables led to a cash outflow of €0.5 billion from working capital. Cash flows from operating activities fell by €3.7 billion to €7.7 billion. Mainly as a result of the acquisition of additional Scania shares, net cash used in investing activities increased by €3.8 billion – significantly higher than the year before. The Automotive Division's net cash flow was slightly negative, at €–0.1 billion.

NET LIQUIDITY

Even after the acquisition of further Scania shares, the Automotive Division's net liquidity (€11.8 billion) remained at a high level as of September 30, 2008.

As a result of the increased business volume and the initial consolidation of Scania, the negative net liquidity – common to the industry – in the Financial Services Division increased by €7.9 billion to €–60.2 billion.

At the end of the reporting period, the Volkswagen Group's negative net liquidity amounted to €–48.5 billion, or €9.6 billion more than at the end of 2007.

SALES REVENUE OF THE VOLKSWAGEN GROUP

In the first nine months of 2008, the Volkswagen Group generated sales revenue of €85.4 billion, exceeding the previous year's figure by 5.5%. At €77.2 billion, sales revenue in the Automotive Division grew by 4.9% year-on-year. The Group's sales revenue only reflects the positive development of our sales in the Chinese market in the form of increased deliveries of vehicle parts; this is because our Chinese joint ventures are accounted for using the equity method. The Financial Services Division recorded sales revenue of €8.2 billion (+11.3%) in the reporting period. The proportion of the Group's sales revenue generated outside Germany was 75.6% (75.4%).

EARNINGS DEVELOPMENT

In the period from January to September 2008, the Volkswagen Group's gross profit improved by 2.7% year-on-year to €12.6 billion. In an increasingly difficult market environment, the gross margin was 14.7%.

The Automotive Division generated gross profit of €10.7 billion, up 2.2% on the prior-year figure. At €1.8 billion, gross profit in the Financial Services Division increased by 5.7% year-on-year. Driven by the increased sales volume, the Group's distribution expenses rose to €7.5 billion. Administrative expenses amounted to €1.9 billion.

The Group's other operating result was €1.8 billion in the reporting period; it thus improved by €1.1 billion on the prior-year figure, principally due to positive currency hedging effects.

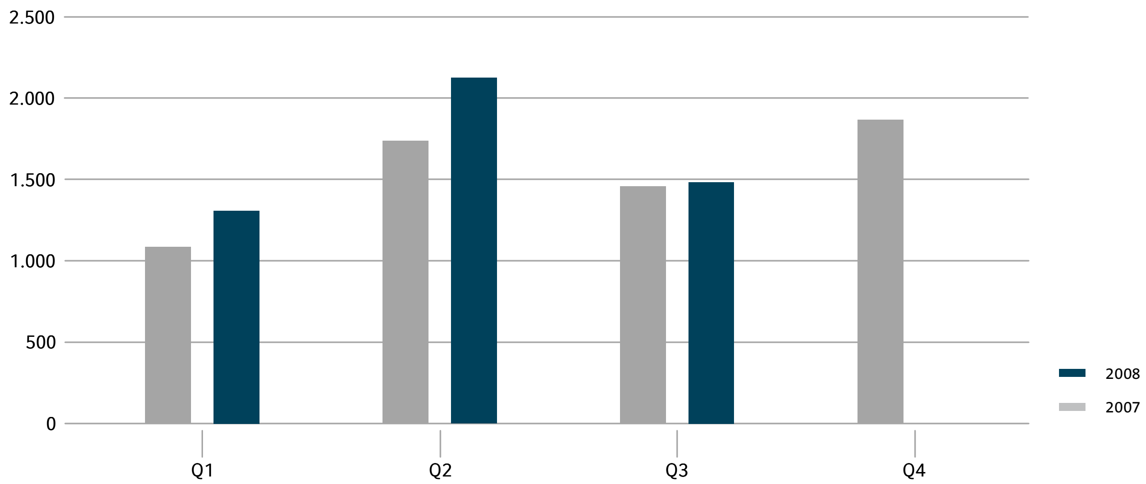
In the first nine months of 2008, the Volkswagen Group generated an operating profit of €4.9 billion, up €0.6 billion on the comparative prior-year figure.

The financial result declined to €0.3 billion, mainly because of the impact of measuring financial instruments.

The Volkswagen Group generated profit before tax of €5.3 billion (€4.7 billion) in the reporting period. Profit after tax amounted to €3.7 billion, thereby exceeding the previous year's figure by 28.5%.

OPERATING PROFIT BY QUARTERS

Volkswagen Group in € million



Outlook

The negative development in the third quarter of 2008 caused growth in the global automotive market to decline in the January to September reporting period. Of the key Western European markets, only Germany and France recorded positive growth rates. Demand in Spain and the UK in particular was significantly negative. Dominated by the US market, the number of new registrations also fell substantially in North America. Global automotive sales were supported by the continued positive, but weakening development in Central and Eastern Europe, South America and Asia-Pacific.

In the first nine months, overall worldwide demand was down 1.4% on the prior-year period.

The global economic climate has deteriorated dramatically as a result of uncertainty about the duration and the consequences of the financial and economic crisis. An additional factor in this context is the high commodity and energy prices.

We believe that the global automotive markets will not escape this development and are expecting demand for 2008 as a whole to fall year-on-year. Growth in the Central and Eastern European, South American and Asia-Pacific markets will slow and will be unable to counter the slump on the most important markets in Western Europe and North America.

Its diverse range of brands gives the Volkswagen Group a critical competitive advantage. We have again launched attractive new models in 2008. This has enabled us to selectively expand the Group's product portfolio and move into new market segments.

We therefore expect our deliveries to customers in 2008 to beat the previous year's figure. The Central and Eastern Europe, South America and Asia-Pacific regions will record the strongest growth rates.

We are constantly improving our processes and systematically pursuing our disciplined approach to cost management. Together with the higher sales revenue resulting from the expected increase in unit sales, this will help lift our operating profit for 2008 above the previous year's figure.

As a result of upfront expenditures on new products, powertrains and production facilities, the ratio of investments in property, plant and equipment (capex) to sales revenue will be at a competitive level of around 6%.

In addition, we continue to expect the Automotive Division to record a positive net cash flow and a further improvement in its liquidity position.

The above forecasts do not take into account the effects of the completed acquisition of further shares of Scania on volume, earnings and financing data.

After accounting for the effects of purchase price allocation, we expect the consolidation of Scania from July 22, 2008 to make a slightly positive earnings contribution in the second half of the year.

This report contains forward-looking statements on the business development of the Volkswagen Group. These statements are based on assumptions relating to the development of the economic and legal environment in individual countries and economic regions, and in particular for the automotive industry, which we have made on the basis of the information available to us and which we consider to be realistic at the time of going to press. The estimates given entail a degree of risk, and the actual developments may differ from those forecast. Consequently, any unexpected fall in demand or economic stagnation in our key sales markets, such as Western Europe (and especially Germany) or in the USA, Brazil, China, or Russia will have a corresponding impact on the development of our business. The same applies in the event of a significant shift in current exchange rates relative to the US dollar, sterling, yen, Brazilian real, Chinese renminbi and Czech koruna. In addition, expected business development may vary if the assessments of value-enhancing factors and risks presented in the 2007 Annual Report develop in a way other than we are currently expecting.

Brands and Business Fields

SALES REVENUE AND OPERATING PROFIT BY BRAND AND BUSINESS FIELD

In the third quarter of 2008, the Volkswagen Group increased its share of voting rights in Scania to 68.6% and therefore consolidated the Swedish company as the Group's ninth brand. The figures for Scania presented in this chapter relate to the period from July 22 to September 30, 2008.

The Volkswagen Group generated sales revenue of €85.4 billion in the first nine months of 2008, 5.5% more than in the comparative prior-year period. Unfavorable exchange rates continued to have a negative effect. At €4.9 billion, operating profit was 15.0% higher than the year before.

Unit sales by the Volkswagen Passenger Cars brand amounted to 2.8 million vehicles in the reporting period, up 2.3% year-on-year. We recorded strong demand for the Jetta, Gol and Phaeton models. Sales figures for the new Tiguan, Golf Variant and Passat CC models were also encouraging. Sales revenue rose by 2.0% year-on-year to €55.8 billion, while operating profit improved by €0.5 billion to €1.9 billion. The higher sales volume and product cost optimization measures more than offset the impact of exchange rates.

The Audi brand lifted its unit sales by 7.6% year-on-year to 970 thousand vehicles in the period from January to September 2008. Demand was particularly strong for the Audi A4, Audi A5, Audi A8 and Audi R8 models as well as the new Audi A3 Cabriolet. At €25.8 billion, sales revenue was 2.1% higher than in the previous year. Operating profit rose by €0.2 billion to €2.1 billion due to additional product cost optimization measures. The figures for the Lamborghini brand included in the key figures for Audi also recorded positive growth in the reporting period.

VOLKSWAGEN GROUP

Division/ Segment	**Automotive Division**								**Financial Services Division**
Brand/Business Field	Volkswagen Passenger Cars	Audi	Škoda	SEAT	Bentley	Volkswagen Commercial Vehicles	Scania	Other	Dealer and customer financing Leasing Insurance Fleet business

The Škoda brand recorded unit sales of 504 thousand vehicles in the first nine months of this year, up 12.9% on the same period of 2007. This is mainly attributable to the positive demand for the Fabia and Octavia models as well as the new Superb. Sales revenue rose by 10.5% year-on-year to €6.4 billion. The unfavorable exchange rate of the Czech koruna against the euro persistently affected earnings in the reporting period. As a result, operating profit declined by €71 million year-on-year to €455 million.

The critical situation on the Spanish passenger car market in particular impacted the SEAT brand's unit sales. These fell by 4.9% as against the previous year to 291 thousand vehicles in the period from January to September 2008. However, the new SEAT Ibiza met with a positive reception from the market. Sales revenue decreased by 8.8% to €4.0 billion. The operating loss widened by €18 million year-on-year to €30 million.

The Bentley brand generated sales revenue of €927 million in the reporting period, down 11.2% on the previous year. This was due in particular to the increasingly poor sales environment in the premium vehicle segment, especially in the North American and UK markets, as well as the continuing negative exchange rate situation. As a result, operating profit declined by €25 million year-on-year to €82 million.

Volkswagen Commercial Vehicles sold 349 thousand vehicles in the first nine months of this year, 10.5% more than in the previous year. All key models contributed to this performance. Sales revenue improved by 14.9% to €7.6 billion. Operating profit rose by €135 million year-on-year to €283 million thanks to the positive sales situation, productivity improvements and cost optimization.

Scania recorded unit sales of 13 thousand vehicles in the period from July 22 to September 30, 2008, generating sales revenue of €1.8 billion and operating profit of €227 million.

With an operating profit of €744 million (€747 million), Volkswagen Financial Services again made a significant contribution to the Group's strong results in the period from January to September 2008.

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

	Vehicle sales		Sales revenue		Sales to third parties		Operating result	
thousand vehicles/€ million	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**
Volkswagen Passenger Cars	2,820	2,756	55,806	54,712	45,026	44,889	1,889	1,383
Audi	970	902	25,799	25,260	16,120	15,928	2,059	1,813
Škoda	504	447	6,359	5,755	4,543	4,240	455	526
SEAT	291	306	4,046	4,439	2,954	3,290	– 30	– 12
Bentley	7	7	927	1,045	870	985	82	107
Volkswagen Commercial Vehicles	349	316	7,636	6,648	5,722	4,576	283	148
Scania[1]	13	–	1,800	–	1,800	–	227	–
VW China[2]	769	683	–	–	–	–	–	–
Other	– 867	– 843	– 25,023	– 24,258	792	502	– 790[3]	– 433[3]
Volkswagen Financial Services			8,082	7,357	7,605	6,548	744	747
Volkswagen Group	**4,856**	**4,574**	**85,432**	**80,958**	**85,432**	**80,958**	**4,919**	**4,279**
of which: Automotive Division	4,856	4,574	77,241	73,601	77,674	74,410	4,168	3,532
Financial Services Division			8,191	7,357	7,758	6,548	751	747

1 Vehicles & Services and Financial Services; period from July 22, 2008 to September 30, 2008.

2 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 €250 million (€158 million).

3 Mainly intragroup items recognized in profit or loss, in particular from the elimination of intercompany profits; 2008 figure includes depreciation and amortization of identified assets as part of the purchase price allocation for Scania.

UNIT SALES AND SALES REVENUE BY MARKET

In the first nine months of 2008, the Volkswagen Group increased its unit sales in the Europe/Remaining markets region by 1.4% year-on-year to 2.8 million vehicles. As a result, sales revenue rose by 4.4% to €60.5 billion.

At 392 thousand units, Group sales in North America in the reporting period were 4.9% higher than in the previous year. This was due in particular to the encouraging growth rates recorded by the Golf, Gol and Eos models. As exchange rates remained unfavorable, sales revenue fell by 9.6% year-on-year to €9.1 billion.

From January to September 2008, we recorded unit sales of 729 thousand vehicles in the markets in South America/South Africa, up 16.9% on the prior-year period. Sales revenue improved by 25.5% as against the previous year to €9.5 billion.

Sales of Group vehicles in the passenger car markets in the Asia-Pacific region, including our joint ventures in China, increased by 15.0% year-on-year to 909 thousand units in the reporting period. At €6.4 billion, sales revenue was 17.6% higher than in the previous year. This figure does not include the sales revenue of the Chinese joint ventures, as these are accounted for using the equity method.

KEY FIGURES BY MARKET FROM JANUARY 1 TO SEPTEMBER 30

	Vehicle sales[1]		Sales revenue	
thousand vehicles/€ million	**2008**	**2007**	**2008**	**2007**
Europe/Remaining markets	2,825	2,786	60,467	57,918
North America	392	374	9,087	10,048
South America/South Africa	729	624	9,506	7,575
Asia-Pacific[2]	909	790	6,372	5,417
Volkswagen Group[2]	**4,856**	**4,574**	**85,432**	**80,958**

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

FINANCIAL SERVICES DIVISION

Volkswagen Financial Services continued its positive development in the period from January to September 2008, despite the increasingly tough environment and the resulting pressure on margins. Volkswagen Financial Services maximized additional potential along the automotive value chain in cooperation with the Group brands, enabling its innovative products to make another positive contribution to the Volkswagen Group's unit sales.

In the "Bankenmonitor 2008" survey by the German industry journal "Autohaus", Volkswagen Bank GmbH took first place in the "German Volume Products" category. The survey focused in particular on the satisfaction of branded automobile retailers with the cooperating banks. Volkswagen Bank GmbH won over the more than 1,000 participants primarily with its successful mobility packages combined with its quality and service. The "Economy Package" is currently available for the following Volkswagen models: Polo, Golf, Golf Plus, New Beetle, New Beetle Cabriolet, Jetta and Sharan. In addition to financing at a 1.9% effective interest rate, the offering includes insurance cover and an extended warranty.

1.9 million new finance, leasing and insurance contracts were signed in the reporting period; this represents a 1.6% increase on the prior-year figure. The total number of contracts as of September 30, 2008 was 4.4% higher than at the end of 2007. The number of contracts in the Customer Financing/Leasing area rose by 4.3% to 4.6 million, while the number of contracts in the Service/Insurance area was up by 4.7%. The proportion of total vehicles delivered by the Group worldwide accounted for by vehicles leased or financed was at the same high level as the previous year, based on unchanged credit eligibility criteria. At the end of the third quarter, receivables relating to dealer financing increased by 5.1% compared with the end of 2007.

Volkswagen Bank *direct* managed 1,124,696 accounts as of September 30, 2008, up 21.7% on the previous year.

7,578 people were employed by Volkswagen Financial Services at the end of the reporting period, a 3.7% increase on December 31, 2007.

Our fleet management business recorded a slight increase in the number of contracts in the first nine months of 2008. On September 30, 2008, our LeasePlan joint venture managed a total of 1.4 million vehicles.

Income Statement of the Volkswagen Group (Condensed)

Income Statement by Division for the Period January 1 to September 30

	Volkswagen Group		Automotive[1]		Financial Services	
€ million	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**
Sales revenue	**85,432**	**80,958**	**77,241**	**73,601**	**8,191**	**7,357**
Cost of sales	72,882	68,735	66,508	63,097	6,374	5,638
Gross profit	**12,550**	**12,223**	**10,733**	**10,504**	**1,817**	**1,719**
Distribution expenses	7,500	6,996	7,140	6,612	360	384
Administrative expenses	1,912	1,677	1,535	1,334	377	343
Other operating income/expense	1,781	729	2,110	974	–329	–245
Operating profit	**4,919**	**4,279**	**4,168**	**3,532**	**751**	**747**
Share of profits and losses of equity-accounted investments	677	486	578	372	99	114
Other financial result	–332	–33	–322	–51	–10	18
Financial result	**345**	**453**	**256**	**321**	**89**	**132**
Profit before tax	**5,264**	**4,732**	**4,424**	**3,853**	**840**	**879**
Income tax expense	1,531	1,826	1,315	1,715	216	111
Profit after tax	**3,733**	**2,906**	**3,109**	**2,138**	**624**	**768**
Minority Interests	–47	1	–47	1	–	–
Profit attributable to shareholders of Volkswagen AG	**3,780**	**2,905**	**3,156**	**2,137**	**624**	**768**
Earnings per ordinary share (€)	**9.50**	**7.36**				
Diluted earnings per ordinary share (€)	**9.45**	**7.30**				
Earnings per preferred share (€)	**9.56**	**7.42**				
Diluted earnings per preferred share (€)	**9.51**	**7.36**				

Income Statement by Division for the Period July 1 to September 30

	Volkswagen Group		Automotive[1]		Financial Services	
€ million	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**
Sales revenue	**28,932**	**26,106**	**26,118**	**23,598**	**2,814**	**2,508**
Cost of sales	25,234	22,078	23,028	20,132	2,206	1,946
Gross profit	**3,698**	**4,028**	**3,090**	**3,466**	**608**	**562**
Distribution expenses	2,462	2,215	2,338	2,088	124	127
Administrative expenses	661	540	519	435	142	105
Other operating income/expense	910	186	1,024	280	–114	–94
Operating profit	**1,485**	**1,459**	**1,257**	**1,223**	**228**	**236**
Share of profits and losses of equity-accounted investments	190	232	160	194	30	38
Other financial result	–194	28	–145	9	–49	19
Financial result	**–4**	**260**	**15**	**203**	**–19**	**57**
Profit before tax	**1,481**	**1,719**	**1,272**	**1,426**	**209**	**293**
Income tax expense	320	772	292	846	28	–74
Profit after tax	**1,161**	**947**	**980**	**580**	**181**	**367**
Minority Interests	–46	0	–46	0	–	–
Profit attributable to shareholders of Volkswagen AG	**1,207**	**947**	**1,026**	**580**	**181**	**367**
Earnings per ordinary share (€)	**3.03**	**2.39**				
Diluted earnings per ordinary share (€)	**3.02**	**2.38**				
Earnings per preferred share (€)	**3.02**	**2.39**				
Diluted earnings per preferred share (€)	**3.02**	**2.38**				

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

Balance Sheet of the Volkswagen Group (Condensed)

Balance Sheet by Division as of September 30, 2008 and December 31, 2007

	Volkswagen Group		Automotive[1]		Financial Services	
€ million	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**
Assets						
Noncurrent assets	**91,909**	**76,841**	**46,767**	**37,564**	**45,142**	**39,277**
Intangible assets	13,146	6,830	13,049	6,736	97	94
Property. plant and equipment	22,360	19,338	22,151	19,151	209	187
Leasing and rental assets	9,885	8,179	349	75	9,536	8,104
Financial services receivables	32,003	27,522	–	–	32,003	27,522
Noncurrent investments and other financial assets[2]	14,515	14,972	11,218	11,602	3,297	3,370
Current assets	**78,722**	**68,516**	**45,218**	**39,190**	**33,504**	**29,326**
Inventories	19,506	14,031	18,625	13,319	881	712
Financial services receivables	27,263	24,914	–79	231	27,342	24,683
Current receivables and other financial assets	17,038	12,844	13,683	10,002	3,355	2,842
Marketable securities	6,676	6,615	6,636	6,503	40	112
Cash and cash equivalents	8,239	10,112	6,353	9,135	1,886	977
Total assets	**170,631**	**145,357**	**91,985**	**76,754**	**78,646**	**68,603**
Equity and Liabilities						
Equity	**38,675**	**31,938**	**30,507**	**24,802**	**8,168**	**7,136**
Equity attributable to shareholders of Volkswagen AG	35,792	31,875	27,853	24,739	7,939	7,136
Minority interests	2,883	63	2,654	63	229	–
Noncurrent liabilities	**63,855**	**57,351**	**28,871**	**28,509**	**34,984**	**28,842**
Noncurrent financial liabilities	33,585	29,315	1,938	3,645	31,647	25,670
Provisions for pensions	11,923	12,603	11,809	12,481	114	122
Other noncurrent liabilities[3]	18,347	15,433	15,124	12,383	3,223	3,050
Current liabilities	**68,101**	**56,068**	**32,607**	**23,443**	**35,494**	**32,625**
Current financial liabilities	33,388	28,677	858	–1,139	32,530	29,816
Trade payables	12,549	9,099	11,754	8,202	795	897
Other current liabilities	22,164	18,292	19,995	16,380	2,169	1,912
Total equity and liabilities	**170,631**	**145,357**	**91,985**	**76,754**	**78,646**	**68,603**

1 Including allocation of consolidation adjustments between the Automotive and Financial Services divisions, primarily intra-Group loans.
2 Including equity-accounted investments and deferred taxes.
3 Including deferred taxes.

Statement of Recognized Income and Expense of the Volkswagen Group

Statement of Recognized Income and Expense for the Period January 1 to September 30

€ million	2008	2007
Actuarial gains (pensions)	1,230	984
Available-for-sale financial instruments (securities):		
Fair value changes taken directly to equity	–177	230
Transferred to profit or loss	–28	–560
Cash flow hedges:		
Fair value changes taken directly to equity	156	1,019
Transferred to profit or loss	–1,149	–356
Foreign exchange differences	231	–264
Deferred taxes	8	–537
Share of profits and losses of equity-accounted investments recognized directly in equity, after tax	–185	–
Income and expense recognized directly in equity	**86**	**516**
Profit after tax	**3,733**	**2,906**
Total recognized income and expense for the period	**3,819**	**3,422**
of which attributable to		
shareholders of Volkswagen AG	3,977	3,421
minority interests	–158	1

Cash Flow Statement of the Volkswagen Group (Condensed)

Cash Flow Statement by Division for the Period January 1 to September 30

	Volkswagen Group		Automotive[1]		Financial Services	
€ million	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**
Profit before tax	5,264	4,732	4,424	3,853	840	879
Income taxes paid	– 1,557	– 640	– 1,458	– 684	– 99	44
Depreciation and amortization expense	5,806	6,540	4,654	5,202	1,152	1,338
Change in pension provisions	107	119	101	114	6	5
Other noncash income/expense and reclassifications[2]	516	36	441	258	75	– 222
Gross cash flow	**10,136**	**10,787**	**8,162**	**8,743**	**1,974**	**2,044**
Change in working capital	**– 697**	**2,271**	**– 453**	**2,623**	**– 244**	**– 352**
Change in inventories	– 3,800	– 1,372	– 3,640	– 1,320	– 160	– 52
Change in receivables	– 2,766	– 1,863	– 2,526	– 1,357	– 240	– 506
Change in liabilities	4,577	3,793	4,439	3,679	138	114
Change in other provisions	1,292	1,713	1,274	1,621	18	92
Cash flows from operating activities	**9,439**	**13,058**	**7,709**[3]	**11,366**[3]	**1,730**	**1,692**
Cash flows from investing activities	**– 13,995**	**– 9,475**	**– 7,827**	**– 4,001**	**– 6,168**	**– 5,474**
of which: acquisition of property, plant and equipment	– 3,841	– 2,718	– 3,778	– 2,664	– 63	– 54
capitalized development costs	– 1,354	– 993	– 1,354	– 993	–	–
change in leasing and rental assets (excluding depreciation)	– 2,033	– 2,240	– 92	– 60	– 1,941	– 2,180
change in financial services receivables	– 3,826	– 2,585	297	322	– 4,123	– 2,907
acquisition and disposal of equity investments	– 2,999	– 1,037	– 2,953	– 681	– 46	– 356
Net cash flow	**– 4,556**	**3,583**	**– 118**	**7,365**	**– 4,438**	**– 3,782**
Change in investments in securities and loans[4]	– 1,436	– 704	– 1,489	– 556	53	– 148
Cash flows from financing activities	**4,143**	**– 2,993**	**– 1,119**	**– 6,576**	**5,262**	**3,583**
Changes in cash and cash equivalents due to exchange rate changes and to changes in the consolidated Group structure	45	– 25	31	– 24	14	– 1
Net change in cash and cash equivalents	**– 1,804**	**– 139**	**– 2,695**	**209**	**891**	**– 348**
Cash and cash equivalents at September 30	**8,110**	**9,228**	**6,242**	**8,326**	**1,868**	**902**
Securities and loans	10,402	7,542	8,320	5,589	2,082	1,953
Gross liquidity	**18,512**	**16,770**	**14,562**	**13,915**	**3,950**	**2,855**
Total third-party borrowings	– 66,973	– 54,932	– 2,795	– 58	– 64,178	– 54,874
Net liquidity at September 30	**– 48,461**	**– 38,162**	**11,767**	**13,857**	**– 60,228**	**– 52,019**
For information purposes: at Jan. 1	– 38,900	– 42,293	13,478	7,133	– 52,378	– 49,426

1 Including allocation of consolidation adjustments between the Automotive and Financial Services divisions.
2 Relate mainly to fair value measurement of financial instruments, application of the equity method and reclassification of gains/losses on disposal of noncurrent assets to investing activities.
3 Before consolidation of intra-Group transactions €7,878 million (previous year: €11,743 million).
4 Including the loans previously reported under financing activities. Prior year restated.

Notes to the Financial Statements

Accounting in accordance with International Financial Reporting Standards (IFRSs)

Volkswagen AG has prepared its consolidated financial statements for fiscal year 2007 in accordance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and the Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC). This Interim Report for the period ended September 30, 2008 was therefore also prepared in accordance with IAS 34.

The interim consolidated financial statements were not reviewed by auditors.

Accounting policies

The same accounting policies and consolidation methods that were used for the 2007 consolidated financial statements were generally applied to the preparation of the Interim Report and the presentation of the prior-year comparatives. A detailed description of the methods applied is published in the notes to the consolidated financial statements in the 2007 Annual Report. This can also be accessed on the Internet at www.volkswagenag.com/ir.

A discount rate of 6.25% (December 31, 2007: 5.50%) was applied to German pension provisions in the accompanying interim financial statements. The increase in the discount rate reduced actuarial losses for pension provisions that are recognized directly in equity. 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.

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).

After receiving the key antitrust approvals, on July 22, 2008 Volkswagen completed the acquisition of all the shares of Scania AB, Södertälje, Sweden, that were previously held by Investor AB and the Wallenberg foundations. As a result, Volkswagen's share of the voting rights increased by a further 30.62% from 37.98% to 68.60%. Volkswagen's equity interest also rose by 16.84% from 20.89% to 37.73%. Scania has been included in Volkswagen's consolidated financial statements since that date.

The cost of the acquisition that was paid in cash amounted to €2,756 million, including all costs directly attributable to the acquisition. The calculation of the fair values of the assets acquired and liabilities assumed requires detailed examination in view of the size of Scania and is preliminary at the date of the interim financial statements.

Scania was included as follows on the basis of the preliminary figures:

€ million	IFRS carrying amounts at the acquisition date	Purchase price allocation (preliminary)	Fair values at the acquisition date (preliminary)
Total assets	**10,281**	**4,080**	**14,361**
Intangible assets	245	2,930	3,175
Property, plant and equipment, and leasing and rental assets	3,112	805	3,917
Other assets	6,924	345	7,269
Total liabilities	**8,096**	**1,211**	**9,307**
Noncurrent liabilities	3,267	970	4,237
Current liabilities	4,829	241	5,070
Equity[1]	**2,185**	**2,869**	**5,054**
Equity attributable to shareholders of Volkswagen AG[1]	825	1,082	1,907
Minority interests	1,360	1,787	3,147

1 Excluding goodwill.

The preliminary goodwill attributable to the investment in Scania identified at a total carrying amount of €3,084 million includes non-separable amounts, such as employee knowledge and synergy effects in technology and purchasing.

Excluding the effects of purchase price allocation, Scania contributed operating profit of €227 million and sales revenue of €1,800 million to the Volkswagen Group's figures. If Scania had been included in the consolidated financial statements as of January 1, 2008, operating profit and sales revenue for the first nine months of 2008 would have amounted to €1,102 million and €7,229 million respectively, excluding the effects of purchase price allocation.

Disclosures on the consolidated financial statements

1 Sales revenue

STRUCTURE OF GROUP SALES REVENUE

	Q1–3	
€ million	**2008**	**2007**
Vehicles	66,047	64,238
Genuine parts	5,257	4,812
Other sales revenue	6,485	5,652
Rental and leasing business	4,511	3,769
Interest and similar income	3,132	2,487
	85,432	**80,958**

2 Cost of sales

Cost of sales includes interest expenses of €2.0 billion (previous year: €1.8 billion) attributable to the financial services business.

In addition to depreciation and amortization expenses, cost of sales also includes impairment losses on intangible assets and items of property, plant and equipment. The impairment losses identified on the basis of updated impairment tests amount to a total of €94 million (previous year: €430 million).

3 Research and development costs in the Automotive Division

	Q1–3		
€ million	**2008**	**2007**	**%**
Total research and development costs	4,374	3,707	18.0
of which capitalized development costs	1,354	993	36.3
Capitalization ratio in %	31.0	26.8	
Amortization of capitalized development costs	1,008	1,255	–19.7
Research and development costs recognized in the income statement	**4,028**	**3,969**	**1.5**

4 Earnings per share

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

		Q3		Q1–3	
		2008	**2007**	**2008**	**2007**
Weighted average number of shares outstanding					
Ordinary shares: basic	million	293.8	290.3	292.2	288.4
diluted	million	294.7	293.2	294.1	291.9
Preferred shares: basic	million	105.2	105.2	105.2	105.2
diluted	million	105.2	105.2	105.2	105.2
Profit after tax	€ million	1,161	947	3,733	2,906
Minority interests	€ million	–46	0	–47	1
Profit attributable to shareholders of Volkswagen AG	€ million	1,207	947	3,780	2,905
Earnings per share					
Ordinary shares: basic	€	3.03	2.39	9.50	7.36
diluted	€	3.02	2.38	9.45	7.30
Preferred shares: basic	€	3.02	2.39	9.56	7.42
diluted	€	3.02	2.38	9.51	7.36

5 Noncurrent assets

CHANGES IN SELECTED NONCURRENT ASSETS BETWEEN JANUARY 1 AND SEPTEMBER 30, 2008

€ million	Carrying amount at Jan. 1, 2008	Additions/ Changes in consolidated Group	Disposals/Other changes	Depreciation and amortization	Carrying amount at Sept. 30, 2008
Intangible assets	6,830	7,715	196	1,203	13,146
Property. plant and equipment	19,338	6,466	–21	3,465	22,360
Leasing and rental assets	8,179	4,959	2,113	1,140	9,885

6 Inventories

€ million	Sept. 30, 2008	Dec. 31, 2007
Raw materials. consumables and supplies	2,599	2,225
Work in progress	1,721	1,365
Finished goods and purchased merchandise	15,127	10,425
Payments on account	59	16
	19,506	**14,031**

7 Current receivables and other financial assets

€ million	Sept. 30, 2008	Dec. 31, 2007
Trade receivables	7,483	5,691
Miscellaneous other receivables and financial assets	9,555	7,153
	17,038	**12,844**

8 Statement of changes in equity

€ million	Subscribed capital	Capital reserves	Retained earnings	Accumulated income and expense recognized directly in equity	Equity attributable to shareholders of VW AG	Minority interests	Total equity
Balance at January 1, 2007	**1,004**	**4,942**	**23,549**	**–2,591**	**26,904**	**55**	**26,959**
Capital increase	10	186	–	–	196	–	196
Dividend payment	–	–	497	–	497	0	497
Recognized income and expense	–	–	2,905	1,053	3,958	1	3,959
Deferred taxes	–	–	–	–537	–537	–	–537
Other changes	–	–	9	0	9	18	27
Balance at Sept. 30, 2007	**1,014**	**5,128**	**25,966**	**–2,075**	**30,033**	**74**	**30,107**
Balance at January 1, 2008	**1,015**	**5,142**	**27,166**	**–1,448**	**31,875**	**63**	**31,938**
Capital change	9	191	–	–	200	–	200
Dividend payment	–	–	720	–	720	2	722
Recognized income and expense	–	–	3,780	199	3,979	–168	3,811
Deferred taxes	–	–	–	–2	–2	10	8
Other changes	–	–	394	66	460	2,980	3,440
Balance at Sept. 30, 2008	**1,024**	**5,333**	**30,620**	**–1,185**	**35,792**	**2,883**	**38,675**

The subscribed capital is composed of 294,586,667 no-par value ordinary shares and 105,238,280 preferred shares, and amounts to €1,024 million (previous year: €1,014 million). Volkswagen AG issued 3,249,400 (€8,318,464) new ordinary shares in the reporting period as a result of the exercise of convertible bonds under the stock option plan. Capital reserves increased due to the premium from the capital increase. No amounts were withdrawn from the capital reserves.

9 Noncurrent financial liabilities

€ million	Sept. 30, 2008	Dec. 31, 2007
Bonds, commercial paper and notes	24,557	23,265
Liabilities to banks	5,507	2,777
Deposits from direct banking business	1,408	1,199
Other financial liabilities	2,113	2,074
	33,585	**29,315**

10 Current financial liabilities

€ million	Sept. 30, 2008	Dec. 31, 2007
Bonds, commercial paper and notes	13,525	13,867
Liabilities to banks	8,456	5,082
Deposits from direct banking business	9,979	8,421
Other financial liabilities	1,428	1,307
	33,388	**28,677**

11 Cash flow statement

The cash flow statement presents the cash inflows and outflows in the Volkswagen Group and in the Automotive and Financial Services divisions. Cash and cash equivalents comprise cash at banks, checks, cash-in-hand and call deposits. The net liquidity is presented on page 13 of this Report.

12 Related party disclosures

	Supplies and services rendered Q1–3		Supplies and services received Q1–3	
€ million	**2008**	**2007**	**2008**	**2007**
Unconsolidated subsidiaries	1,048	598	516	253
Joint ventures	2,512	1,992	274	159
Associates	9	79	147	15
Porsche and other related parties	4,701	2,775	233	415

13 Contingent assets and liabilities

As of September 30, 2008, there were no material changes as against the contingent assets and liabilities described in the 2007 consolidated financial statements.

German Corporate Governance Code

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

Significant events after the balance sheet date

There were no significant events after the end of the first nine months of 2008.

Wolfsburg, October 30, 2008

Volkswagen Aktiengesellschaft
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Printed in Germany
858.809.511.20

Financial Calendar
March 12, 2009
Annual Press Conference/ Publication of the 2008 Annual Report
March 12, 2009
International Investor Conference
April 23, 2009
Annual General Meeting (Congress Center Hamburg)
April 29, 2009
Interim Report January to March