

Financial report June 2013

Volkswagen International Finance N.V.

Amsterdam

Management report

Volkswagen International Finance N.V. ('VIF' or 'the company') is one of the funding vehicles of Volkswagen AG, Wolfsburg (VWAG) and its subsidiaries. VIF raises funds from the capital markets by issuing notes and lends the proceeds on to group and joint venture companies. Basis for the issuing activities are the EUR 25 billion Debt Issuance Programme (DIP) that adheres to the European Prospective Directive Standards and a EUR 10 billion Multi-Currency Commercial Paper Programme (CP Programme). All issues are guaranteed by VWAG. According to Moody's, VWAG's rating is set to P-2 (short-term) and A3 (long-term) with a positive outlook. Standard & Poor's assessed VWAG's creditworthiness as A-2 (short-term) and A- (long-term) with a positive outlook.

The financing activities are carried out in different currencies and interest terms. To avoid currency and interest risks, the company concludes interest- and currency swaps.

Within the first six months of 2013, under the DIP, VIF issued a total equivalent of EUR 4.55 billion consisting of six new issues and four tap ups. Under CP Programme, during the same period, VIF issued thirty Commercial Papers totaling to EUR 1.439 billion.

In June 2013, VIF successfully placed a mandatory convertible note with an aggregate principal amount of €1.2 billion. Like the mandatory convertible note issued in November 2012, which it supplements, this has a coupon of 5.50% and matures on November 9, 2015.

The proceeds of all issues mentioned above were granted to Volkswagen group companies.

VIF redeemed two DIP issues with an equivalent of EUR 1.050 billion, and seventeen CP issues with an equivalent of EUR 899 million.

The main business risks of VIF are the interest rate risk, currency risk, liquidity risk and the credit risk. The Supervisory Board has set limits to restrict those risks. VIF uses adequate tools to assess and to monitor them.

Within the first half year 2013 VIF realized earnings of EUR 899.5 million after taxes against EUR 952.3 million in the first half of 2012. The company generates income mainly from the holding- and the group financing business. Income from participations adds up to EUR 890.4 million (mainly dividend income) compared to EUR 952.4 million in 2012. The interest income from group financing activities amounts to EUR 13.3 million (2012: EUR 10.9 million).

For the second half of the 2013 we expect business volume and interest result to be on a similar level as in the first half. Further dividend income is expected until the end of the year totaling to the amount of EUR 896.7 million.

The Management Board declares that to the best of their knowledge:

1. the financial statements for the first half year of 2013 give a true and fair view of the assets, the liabilities, the financial position and the results of the company; and
2. the management report gives a true and fair view of the company's situation as at the balance sheet date, the events that occurred during the first half year and the risks to which the company is exposed.

Amsterdam, 31 July, 2013

Original has been signed by

Björn Bätge, Managing Director

Balance sheet as at 30 June 2013

(unaudited)

		30 June 2013		30 June 2012	
	Ref.	EUR'000	EUR'000	EUR'000	EUR'000
<i>Assets</i>					
Fixed assets					
Intangible fixed assets		13		24	
Tangible fixed assets		36		86	
Shares in participations		3,902,678		4,282,140	
Loans to Volkswagen group companies		22,674,233		15,330,059	
Loans to joint ventures of the Volkswagen group		-		99,000	
Total fixed assets			26,576,960		19,711,309
Current assets					
Receivables due from Volkswagen group companies		7,318,584		3,721,347	
Receivables due from joint ventures of the Volkswagen group		10,020		60,971	
Other assets		39,630		15,971	
Prepayments and accrued income		159,310		74,866	
Deposits at banks		10,353		11,842	
Cash at Volkswagen Group companies		341,063		362	
Cash at banks and in hand		486		892	
Total current assets			7,879,446		3,886,251
Total assets			<u>34,456,406</u>		<u>23,597,560</u>

(unaudited)

	30 June 2013		30 June 2012	
	EUR'000	EUR'000	EUR'000	EUR'000
<i>Shareholders' equity and liabilities</i>				
Shareholders' equity				
Issued and paid-up share capital	103,035		103,035	
Share premium reserve	120		2,100,155	
Retained earnings	3,791,286		2,878,325	
Current earnings	899,536		952,263	
Total shareholders' equity		4,793,977		6,033,778
Long-term liabilities				
Bonds	22,307,320		15,152,093	
Liabilities to Volkswagen group companies	35,000		35,000	
Total long-term liabilities		22,342,320		15,187,093
Current liabilities				
Bonds	6,270,085		1,759,231	
Commercial papers	600,000		-	
Liabilities to Volkswagen group companies	91,427		348,544	
Other liabilities	236,555		183,475	
Deferred income	98,086		19,212	
Current income tax	747		1,401	
Trade payables	67		340	
Accrued liabilities	23,142		64,486	
Total current liabilities		7,320,109		2,376,689
Total shareholders' equity and liabilities		34,456,406		23,597,560

Income statement 30 June 2013

(unaudited)

	30 June 2013		30 June 2012	
	EUR'000	EUR'000	EUR'000	EUR'000
Income				
Interest and similar income	389,918		274,121	
Other operating income	807		1,203	
	<hr/>		<hr/>	
Total income		390,725		275,324
Expenses				
Interest and similar expenses	(376,614)		(263,237)	
Other operating expenses	(59)		(324)	
General and administrative expenses	(2,315)		(2,061)	
Amortisation and depreciation expenses	(8)		(22)	
	<hr/>		<hr/>	
Total expenses		(378,996)		(265,644)
Result before taxation		11,729		9,680
Taxation		(2,565)		(2,829)
Result from participations		890,372		945,412
		<hr/>		<hr/>
Result after taxation		899,536		952,263
		<hr/>		<hr/>