

Financial report June 2015

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 30 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-1 (short-term) and A2 (long-term) with a stable outlook. Standard & Poor's assessed VWAG's creditworthiness as A-1 (short-term) and A (long-term) with a stable outlook.

Within the first six months of 2015 under the DIP, VIF placed a total equivalent of EUR 3 billion consisting of one triple tranche issue. In March 2015 VIF issued undated subordinated notes in two tranches of EUR 1,1 billion and EUR 1,4 billion.

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

In the same period VIF redeemed multiple bonds with an equivalent of EUR 4,67 billion.

The main business risks of VIF are interest rate risk, currency risk, liquidity risk and credit risk. The financing activities are carried out in different currencies and interest terms. To avoid currency and interest rate risks, the company concludes interest rate and currency swaps. The Supervisory Board has set limits to restrict those risks. VIF uses adequate tools to assess and to monitor them.

European Union regulations transformed into Dutch Law require the presentation of half year balance sheet figures in comparison to year-end figures of the previous year. Income statement figures compare the half year result with the corresponding half year result of the previous year.

Within the first half year 2015 VIF realized earnings of EUR 20,2 million after taxes against EUR 398,2 million in the first half of 2014. The company generates income mainly from the group financing business and dividends. The interest income from group financing activities amounts to EUR 15,7 million (2014: EUR 13,5 million). Income from participations adds up to EUR 9,7 million compared to EUR 389,9 million in 2014.

For the second half of the 2015 we expect business volume and interest result to be on a similar level as in the first half.

VWAG has restructured its holding activities in the first half of 2014 by transferring its shareholding in VIF to Volkswagen Finance Luxembourg S.A. (VFL), a 100% subsidiary of VWAG. VIF has transferred the majority of its shareholdings in various subsidiaries also to VFL and will concentrate on capital market issuances and the financing of Group companies.

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

1. the financial statements for the first half year of 2015 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 ,29 July, 2015

Original has been signed by

Thomas Fries , Managing Director

Original has been signed by

Vincent Delva , Managing Director

Balance sheet as at 30 June 2015

(unaudited)

		30 June 2015		31 December 2014	
	Ref.	EUR'000	EUR'000	EUR'000	EUR'000
Assets					
Fixed assets					
Intangible fixed assets		8		8	
Tangible fixed assets		323		291	
Shares in participations		154,096		154,096	
Loans to Volkswagen group companies		23,699,158		20,599,012	
Total fixed assets			23,853,585		20,753,407
Current assets					
Receivables due from Volkswagen group companies		9,848,810		11,553,857	
Receivables due from joint ventures of the Volkswagen group		5,871		8,655	
Other assets		37,415		37,925	
Prepayments and accrued income		168,113		139,770	
Cash at banks and in hand		199,291		212,039	
Total current assets			10,259,500		11,952,246
Total assets			34,113,085		32,705,653

(unaudited)

	30 June 2015		31 December 2014	
	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		9,920	
Retained earnings	592,955		592,955	
Current earnings	20,207		-	
Total shareholders' equity		716,317		705,910
Long-term liabilities				
Bonds	23,517,500		20,585,600	
Liabilities to Volkswagen group companies	355,164		-	
Total long-term liabilities		23,872,664		20,585,600
Current liabilities				
Bonds	9,161,966		10,704,607	
Liabilities to Volkswagen group companies	6,749		44,356	
Other liabilities	298,348		592,980	
Deferred income	28,932		45,876	
Current income tax	1,212		785	
Trade payables	232		168	
Accrued liabilities	26,665		25,371	
Total current liabilities		9,524,104		11,414,143
Total shareholders' equity and liabilities		34,113,085		32,705,653

Income statement 30 June 2015

(unaudited)

	30 June 2015		30 June 2014	
	EUR'000	EUR'000	EUR'000	EUR'000
Income				
Interest and similar income	505,113		480,363	
Other operating income	704		2,096	
Total income		505,817		482,459
Expenses				
Interest and similar expenses	(489,386)		(466,862)	
Other operating expenses	(813)		(1,257)	
General and administrative expenses	(1,722)		(2,582)	
Amortisation and depreciation expenses	(32)		(17)	
Total expenses		(491,953)		(470,718)
Result before taxation		13,864		11,741
Taxation		(3,360)		(3,420)
Result from participations		9,703		389,910
Result after taxation		20,207		398,231