Volkswagen CEO Winterkorn: "We are well-positioned to achieve the goals laid down in our Strategy 2018"

- **Sales revenue up 19.9 percent in the first nine months of 2010 to €92.5 billion (€77.2 billion)**
- **Operating profit more than triples to €4.8 billion (€1.5 billion)**
- **Further clear rise in Automotive Division's net liquidity to €19.6 billion (€13.4 billion)**

Wolfsburg, October 27, 2010 – The Volkswagen Group significantly increased its profitability in the first nine months of 2010 and further expanded its strong position in the international automotive markets. The number of vehicles delivered rose by 12.9 percent to 5.4 million (January - September 2009: 4.8 million), a new delivery record for the Group. Volkswagen's global market share climbed to 11.6 percent (11.5 percent). Sales revenue was up by 19.9 percent to €92.5 billion (€77.2 billion) in the reporting period, while operating profit exceeded the weak prior-year period by €3.3 billion, amounting to €4.8 billion (€1.5 billion). Profit after tax totaled €4.0 billion (€0.7 billion).

"We continued our extremely successful business growth in the first three quarters and are therefore well-positioned to achieve the goals laid down in our Strategy 2018", said Prof. Dr. Martin Winterkorn, Chairman of the Board of Management of Volkswagen Aktiengesellschaft, on Wednesday at the release of the interim report. CFO Hans Dieter Pötsch added: "Increased demand for our Group models and our disciplined cost management led to these strong results, which have strengthened our sound financial base."

Chinese joint ventures make key contribution to success

The extremely positive business performance of Volkwagen's Chinese joint ventures is not included in the Group's operating profit, as these are accounted for using the equity method. The Chinese joint ventures, with an operating profit of €1.3 billion, significantly exceeded the prior year figure (€0.5 billion). In addition, the financial result includes positive effects of €863 million from the measurement of the put/call rights relating to Porsche Zwischenholding GmbH at the reporting date. Profit before tax rose by €4.4 billion to €5.4 billion.

Improvement in net liquidity bolsters Strategy 2018

Europe's largest automobile manufacturer recorded a further improvement in its financial strength in the period from January to September, increasing net liquidity in the Automotive Division to €19.6 billion (€13.4 billion). This enables the Volkswagen Group to systematically drive forward the implementation of its Strategy 2018. The ecological alignment of the Group's model range and investment in new technologies and locations also play a major role here. The company maintained its strict investment discipline, with a ratio of investments in property, plant and equipment (capex) to sales revenue of 4.0 percent (5.7 percent).

Brands and business fields

Almost all Volkswagen Group brands sold more vehicles in the first nine months of 2010 than in the prior-year period.

At 2.8 million (2.5 million) vehicles, the Volkswagen Passenger Cars brand lifted unit sales by 11.8 percent. Its operating profit improved to €1.6 billion (€0.3 billion). This growth was driven in particular by demand for the Polo, New Beetle, Tiguan, Touareg, Jetta and Passat models.

The Audi brand sold 968,000 vehicles in the reporting period (852,000), an increase of 13.6 percent. In addition to higher volumes, continuous process improvements and systematic cost optimization helped almost double its operating profit to €2.3 billion (€1.2 billion). Demand for the Audi A4 saloon, Audi A6 saloon, Audi Q5 and Audi Q7 models was particularly encouraging. The figures for the Lamborghini brand, which are included in the key figures for the Audi brand, also showed a positive development.

The Škoda brand lifted unit sales by 4.3 percent in the first three quarters of 2010 to 426,000 (409,000) vehicles. Operating profit rose to €314 million (€162 million). In addition to higher volumes, mix effects and cost reductions had a positive impact. The Octavia, Superb and Yeti models experienced strong demand.

The SEAT brand's unit sales profited from the recovery of the Spanish passenger car market, climbing by 10.6 percent to 260,000 (235,000) vehicles. As a result, its operating loss narrowed to €-218 million (€-228 million).

Thanks to improved operating conditions in the luxury segment in the first three quarters of the year, the Bentley brand increased unit sales by 29.9 percent. However, the operating result was impacted by changes in the market and product mix as well as upfront expenditures for new products. The brand's operating loss amounted to €-145 million (€-148 million).

Volkswagen Commercial Vehicles sold 248,000 vehicles in the reporting period (204,000; +21.7 percent) and generated an operating profit of €142 million (€390 million). Adjusted for the proceeds of €0.6 billion received in the previous year from the sale of the Brazilian commercial vehicles business, the operating result was significantly higher than in the same period of 2009.

The Scania brand lifted unit sales by 46.7 percent to 44,000 (30,000) units, improving its operating profit to €938 million (€98 million). The prior-year figure was affected by tough operating conditions in the commercial vehicles business.

With an operating profit of €684 million (€468 million), Volkswagen Financial Services contributed to the Group's strong results in the first nine months of 2010.

Winterkorn: "Pole position in the automotive industry firmly in our sights"

Total volumes for the global automotive markets in 2010 will be above the weak prior-year level, primarily due to the strong growth in the Chinese market. The Volkswagen Group will continue its new model rollout in the fourth quarter of 2010, strategically expanding its vehicle range. The Board of Management therefore continues to expect that deliveries to customers in the current year will be substantially higher than in the prior-year period.

"The Volkswagen Group continues to have its sights firmly set on capturing pole position in the automotive industry: the foundations for our success are our presence in all key regions of the world, our focus on pioneering products and our drive to be the technology leader in all relevant areas. This will allow us to systematically expand our multibrand Group's strong position in the international markets", said Winterkorn.

The successful business growth of the Volkswagen Group in the first nine months of 2010 will not continue as strongly in the fourth quarter. "Nevertheless, we believe that sales revenue and operating profit in the current year will continue to perform positively", said Pötsch. Volkswagen will also continue to focus on disciplined cost and investment management and the continuous optimization of its processes.

The complete interim report has been published on our website at:
http://www.volkswagenag.com/ir/Q3_2010_e.pdf

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