VOLKSWAGEN

AKTIENGESELLSCHAFT

Interim Report

JANUARY – MARCH 2010

Key Figures

VOLKSWAGEN GROUP

Volume Data[1]	Q1 2010	Q1 2009	%
Deliveries to customers ('000 units)	1,744	1,402	+ 24.4
of which: in Germany	255	252	+ 1.3
abroad	1,489	1,150	+ 29.5
Vehicle sales ('000 units)	1,703	1,352	+ 25.9
of which: in Germany	255	275	− 7.2
abroad	1,447	1,077	+ 34.4
Production ('000 units)	1,734	1,253	+ 38.4
of which: in Germany	565	411	+ 37.4
abroad	1,169	841	+ 38.9
Employees ('000 on March 31, 2010/Dec. 31, 2009)	371.3	368.5	+ 0.8
of which: in Germany	172.9	172.6	+ 0.2
abroad	198.4	195.9	+ 1.3

Financial Data (IFRSs), € million	Q1 2010	Q1 2009	%
Sales revenue	28,647	23,999	+ 19.4
Operating profit	848	312	x
as a percentage of sales revenue	3.0	1.3	
Profit before tax	703	52	x
as a percentage of sales revenue	2.5	0.2	
Profit after tax	473	243	+ 94.6
Profit attributable to shareholders of Volkswagen AG	423	263	+ 60.7
Cash flows from operating activities[2]	3,148	3,271	− 3.8
Cash flows from investing activities[2]	3,022	319	x
Automotive Division[3]			
EBITDA[4]	2,396	1,689	+ 41.9
Cash flows from operating activities[2]	3,043	2,857	+ 6.5
Cash flows from investing activities[2, 5]	3,013	304	x
of which: investments in property, plant and equipment[2]	903	1,154	− 21.8
as a percentage of sales revenue	3.5	5.5	
capitalized development costs[6]	421	459	− 8.3
as a percentage of sales revenue	1.7	2.2	
Net cash flow	31	2,553	− 98.8
Net liquidity at March 31	14,235	10,737	+ 32.6

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. 2009 deliveries updated on the basis of statistical extrapolations.
2 2009 adjusted.
3 Including allocation of consolidation adjustments between the Automotive and Financial Services divisions.
4 Operating profit plus net depreciation/amortization and impairment losses/reversals of impairment losses on property, plant and equipment, capitalized development costs, leasing and rental assets, goodwill and financial assets as reported in the cash flow statement; Q2 2009: €2,451 million, Q3 2009: €1,818 million, Q4 2009: €2,047 million.
5 Excluding acquisition and disposal of equity investments: Q1 €1,250 million (€1,612 million).
6 See table on page 27.

Key Facts

> **Volkswagen Group makes positive start to fiscal year 2010**

> **At €848 million, operating profit up on the weak prior-year figure (€312 million)**

> **Profit before tax increases to €703 million (€52 million)**

> **Group sales revenue 19.4% higher than in the prior-year period at €28.6 billion**

> **Cash flows from operating activities amount to €3.0 billion (€2.9 billion); ratio of investments in property, plant and equipment (capex) to sales revenue at 3.5% (5.5%)**

> **Outflow of €1.7 billion cash for the investment in Suzuki**

> **Successful capital increase generates cash inflow of approximately €4.1 billion, including around €3.0 billion in the reporting period; all preferred shares placed in advance**

> **Automotive Division net liquidity at high level of €14.2 billion**

> **Group launches new model rollout for 2010:**

- **At 1.7 million vehicles, Group deliveries to customers 24.4% higher than in the weak previous year; global market share increases to 11.6%**
- **Continued strong demand for Group models in China; prior-year figures also exceeded in Western Europe, North and South America**
- **New Compact Coupe concept car unveiled to the global public**
- **Volkswagen Passenger Cars brand celebrates world premieres of the new Sharan and the new Touareg, which is also available in a hybrid version**
- **Audi A1 is the first premium vehicle in the small compact car segment**
- **Audi A1 e-tron demonstrates the Group's expertise in e-mobility**
- **Škoda presents the Fabia Scout**
- **SEAT unveils the Ibiza ST and the concept car for the IBE electric model**
- **Volkswagen Commercial Vehicles launches the Amarok pickup**

Key Events

VOLKSWAGEN GROUP LAUNCHES 2010 WITH NEW MODEL ROLLOUT

The Volkswagen Group brands kicked off the 2010 model year with a large number of attractive new models and fascinating concept cars. The first of these were unveiled at the motor shows in Detroit and Geneva.

North American International Auto Show in Detroit

At the North American International Auto Show in Detroit, Volkswagen Passenger Cars presented the New Compact Coupe (NCC) – a concept car for a completely new compact coupé with a hybrid drive and a sporty, elegant design – to the global public for the first time. The combination of a 110 kW (150 PS) TSI engine and an electric motor with an output of 20 kW (27 PS), in conjunction with the innovative 7-gear double-clutch gearbox (DSG), gives this vehicle a top speed of 227 kph and an acceleration of 8.6 seconds to 100 kph. The NCC has an average fuel consumption of only 4.2 l per 100 km.

With its e-tron Detroit show car, Audi unveiled its concept for an uncompromisingly purist compact sports car powered purely by electricity. This coupé, manufactured using Audi's prizewinning aluminum space frame lightweight construction technology, has two electric motors with a total output of 150 kW (204 PS). These enable a range of up to 250 km and a top speed (electronically limited) of 200 kph. The next generation of the Audi A8 also celebrated its motor show debut. Fascinating sportiness, innovative technology and superior comfort are the hallmarks of the Audi brand's new flagship.

International Motor Show in Geneva

The Volkswagen Group's brands presented many attractive new models at the International Motor Show in Geneva.

The world premiere of the new Sharan was the highlight for the Volkswagen Passenger Cars brand. This totally revamped model was improved in all areas and is now equipped with rear sliding doors for the first time. Its extremely variable seating concept, high-end quality, uncompromising safety and clever details are the highlights of this MPV, which is geared primarily towards families and high-mileage business drivers who need additional space. The new Touareg, which had celebrated its global debut just a few days previously in Munich, also generated attention. The completely redesigned premium SUV now offers even higher quality, both outside and inside. The new Touareg will also be available in a hybrid version[1] – the only SUV so far in Europe. The new editions of the CrossGolf and CrossPolo, as well as the Polo GTI[2], were also presented to the global public for the first time. The CrossGolf is the sixth separate model in the series and combines the versatility of an MPV with the robustness of an SUV. With its own distinct equipment features, raised suspension and outstanding suitability for daily use, the CrossPolo is one of the most unconventional vehicles in its class. The special features of the Polo GTI are its superb handling characteristics, uncompromising drivetrain agility and maximum possible safety.

The debut of the Audi A1 was the highlight of the show for the Audi brand. The A1 is the first premium automobile in the small compact car segment and appeals to entirely new customer groups for the brand. The smallest member of the Audi family features a distinct design with striking LED headlights and a sporty, flowing roof arch, individuality and the highest possible quality. The debut of the new Audi RS 5[1], a powerful, efficient coupé offering classic elegance, also generated attention. In addition, the Audi brand demonstrated its expertise in e-mobility: the Audi A8 hybrid concept car, which is close to series production, and the A1 e-tron concept car both attracted particular interest from visitors to the stand.

The Škoda brand unveiled the Fabia Scout to the global public in Geneva. With attractive design elements typical of an offroad vehicle, it is a breath of fresh air in the subcompact class, meeting customer wishes for mobility that is as inexpensive as it is individual. Other premieres from the brand were the redesigned front sections of the Fabia and Roomster models, which make the vehicles look lower and broader for no change in height, thus giving them a more dynamic appearance. Škoda also presented the sporting RS variant[1] of the Fabia.

With its IBE concept, the SEAT brand offered a first glimpse of the future of its design language. Its compact proportions and exciting styling make this electric vehicle particularly attractive; as a tightly proportioned 2+2-seater, it is designed for a youthful lifestyle. SEAT also presented the Ibiza ST in Geneva, the estate version of its successful compact model that is aimed in particular at meeting the needs of families.

The luxury Bentley, Lamborghini and Bugatti brands also thrilled visitors to the Geneva Motor Show. Bentley presented the fastest and most powerful convertible ever from the Bentley stable in the shape of the Continental Supersports Convertible[1]. The design and craftsmanship of this functional, elegant super sports car mark it unmistakably as a Bentley and, thanks to its innovative FlexFuel technology,

1 Consumption and emission data can be found on page 11 of this Report.
2 No binding consumption and emission data is currently available for this model.

it can also run on bioethanol. The new top model in the Gallardo series, the Lamborghini Gallardo LP 570-4 Superleggera, was the center of attention at the Italian brand's stand. Bugatti showed the 16C Galibier, a four-door limousine concept whose 16-cylinder engine can also run on bioethanol.

Volkswagen Commercial Vehicles celebrated the debut of the Amarok. This pickup sets new standards in its class by combining the robustness typical for the segment with innovative technology, high safety standards and top marks in terms of consumption, comfort and ergonomics. In the successful Multivan/Transporter model series, the 4Motion four-wheel drive will also be available in combination with the 7-gear DSG starting in 2010.

VOLKSWAGEN GROUP MODELS AND BRANDS WIN NUMEROUS AWARDS

Volkswagen Group models and brands again collected many top prizes and awards in the first three months of 2010.

For the third time in succession, the Audi brand took first place in German motoring association ADAC's image and brand survey, receiving the "Golden Angel".

Again in January, the new Polo was voted "Car of The Year 2010" by a jury of 59 leading automotive journalists from 23 countries, fighting off more than 30 competitors to win the coveted award.

The readers of specialist journal "auto, motor und sport" voted on "The Best Cars of 2010", with seven awards going to Volkswagen Group models at the end of January: the new Polo won in the small cars category by a wide margin, while the Golf finished ahead of the field in the compact class. The Audi A4 took first place in the mid-range category, while the Škoda Octavia beat off the competition in the mid-range/imports category. In the convertibles category, the Audi R8 Spyder went straight to number one, while the Audi Q5 was the winner in the SUV category. The Multivan maintained its leading position in the vans category. Numerous other models from our Group brands also took second place in the various categories.

The new Polo received another coveted award in February when the readers of consumer magazine "Guter Rat" voted it the "Most Rational Car of 2010" in the compact category. In particular the versatility and economy of the Polo BlueMotion[1] made the crucial difference in the vote.

The Golf is the safest car of 2009. That's the conclusion drawn by the Euro NCAP institute in Brussels from an analysis of all the crash tests performed in 2009. The Golf scored the highest rating of all vehicles tested so far in the new, tougher crash tests.

The readers of specialist journal "OFF ROAD" voted the Audi Q5 their "off-road vehicle of the year" in the SUV category. The Audi Q7 took third place in the luxury SUV category.

The Audi A5 received the highest official design award in Germany in February in the shape of the "2010 Design Award of the Federal Republic of Germany". The jury was appointed by the Federal Ministry of Economics and Technology and comprised representatives from industry, academia, design and the media.

In March, the new Polo received the "iF product design award 2010" in gold. The jury praised the small car in particular for its excellent combination of interior and exterior design.

Another design prize went to the Škoda brand, whose Yeti and Superb Estate models received the "red dot" product design price in March. The "red dot" is regarded as a seal of high design quality and is awarded by a jury of experts to products whose appealing, innovative design are compelling. The criteria include degree of innovation, functionality, ergonomics and durability.

TRIPLE WIN AT THE DAKAR RALLY

Volkswagen is continuing its success story in motor sport. In the Dakar Rally, last year's double victory was outshone this year by a triple win. The driver crews of Carlos Sainz/Lucas Cruz, Nasser Al-Attiyah/Timo Gottschalk and Mark Miller/Ralph Pitchford took the top three places with their Volkswagen Race Touaregs. This means that Volkswagen remains the only car manufacturer so far that has won the Dakar Rally with a diesel-powered vehicle. In the face of the most extreme stresses, the Race Touareg proved to be not only the most robust vehicle, but also the fastest: the Race Touareg won seven out of 14 possible stages and led the field on eleven days.

AGREEMENT ON JOB SECURITY

Volkswagen and the IG Metall union successfully concluded the follow-up negotiations on the 2009 collective wage agreement in February 2010. The deals reached in this collective wage agreement included the introduction of a performance-based remuneration component and a commitment to employ vocational trainees after completion of their training, depending on performance. The outcome of the talks to prolong the job security pact was the extension of the job guarantee until 2014. In addition, the Company and the employee representatives stressed their commitment to jointly ensuring the target annual productivity increases.

The collective wage agreement applies to the employees at the locations of Volkswagen AG, Volkswagen Sachsen and Volkswagen Financial Services in Germany.

PRODUCTION MILESTONES

The 37 millionth vehicle produced at the Wolfsburg plant – a Golf GTI – rolled off the production line on February 24, 2010. The plant has a capacity of more than 3,400 vehicles a day; at present, the Golf, Golf Plus, Touran and Tiguan models are produced in Wolfsburg.

The Kassel plant produced its 100 millionth gearbox on March 16, 2010. This plant produces around three million gearboxes every year. The anniversary gearbox was a 7-speed DSG.

ENVIRONMENTAL RATING FOR TSI ENGINES

Volkswagen's TSI engines received the Umweltprädikat ("Environmental Rating") certification from the German inspection organization TÜV Nord in March 2010. The underlying environmental impact study demonstrates that the TSI engines have significantly better environmental characteristics than the predecessor generation over the entire lifecycle, from production through use to disposal, because of their reduced capacity and consumption. At the same time, the driving dynamics have been considerably improved. The "TSI Engine" Environmental Rating is available from all German Volkswagen dealers in the form of a customer brochure, and can also be downloaded at www.umweltpraedikat.de.

CAPITAL INCREASE SUCCESSFULLY PLACED

On February 3, Prof. Martin Winterkorn and Hans Dieter Pötsch gave a presentation to international analysts and investors in London on the Group's "Strategy 2018", including medium- and long-term goals and the roadmap for an integrated automotive group with Porsche.

By issuing approximately 65 million new preferred shares, Volkswagen AG increased its share capital by a notional €166.2 million in March 2010, generating total net issue proceeds of approximately €4.1 billion in March and April. On March 23, 2010, the Board of Management of Volkswagen AG resolved, with the consent of the Supervisory Board, to implement a capital increase against cash contributions with preemptive rights for ordinary and preferred shareholders, in part by utilizing the existing authorized capital. The new shares carry full dividend rights retrospectively from January 1, 2009. The transaction – the world's largest publicly placed capital increase in the automotive sector – met with substantial interest, especially from institutional investors. With the consent of the Supervisory Board, the Board of Management set the subscription price at €65.00 on March 25, 2010; the subscription ratio was 37:6.

The issue proceeds are intended to improve the Volkswagen Group's capitalization against the background of the planned creation of an integrated automotive group with Porsche. Additionally, this transaction is designed to strengthen Volkswagen's financial stability and flexibility and to enable the Company to maintain its existing credit rating.

ANNUAL GENERAL MEETING

Volkswagen AG's 50th Annual General Meeting and the 9th Special Meeting of Preferred Shareholders were held at the Congress Center Hamburg on April 22, 2010. With 91.1% of ordinary share capital present, the ordinary shareholders of Volkswagen AG formally approved the actions of the Board of Management and the Supervisory Board, the authorization to issue bonds with warrants and/or convertible bonds (including the creation of appropriate contingent capital and the corresponding amendment to the Articles of Association) and the remuneration system for the members of the Board of Management described in the 2009 Annual Report. In addition, they approved the conclusion of intercompany agreements and elected PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft as the auditors for fiscal year 2010 and as the auditors to review the condensed consolidated financial statements and interim management report for the first six months of 2010. Roland Oetker stepped down from his position on Volkswagen AG's Supervisory Board as of the end of the Annual General Meeting; the Annual General Meeting elected Dr. Hussain Ali Al-Abdulla as his successor for a full term of office. Jörg Bode was also elected to the Supervisory Board for a full term of office. Mr. Bode had already been appointed as a member of the Supervisory Board of Volkswagen AG by the court on November 4, 2009 as the successor to Dr. Philipp Rösler. The Annual General Meeting also resolved to pay a dividend of €1.60 per ordinary share and €1.66 per preferred share for fiscal year 2009.

28.6% of the preferred share capital was represented at the Special Meeting of Preferred Shareholders. A proposal had been made to this meeting to approve the authorizing resolution by the Annual General Meeting on the same day to issue bonds with warrants and/or convertible bonds (contingent capital). This was approved by a majority of 92.6%.

The results of the votes of both meetings can be accessed on the Internet at www.volkswagenag.com/ir.

Volkswagen Shares

The upbeat mood that had prevailed in the international equity markets in the last few months of the past fiscal year cooled in the opening weeks of 2010. The difficult financial situation facing certain euro zone countries led to uncertainty among market participants. This resulted in a sharp decline in share prices that continued into February. During this period, the DAX fell below 5,500 points. In late February, the markets began a rally that lasted until the end of the first quarter. This improvement in sentiment among market participants was due mainly to positive corporate and economic data that increased hopes of a continued recovery in global economic activity.

The DAX closed the first quarter at 6,154 points, up 3.3% as against the end of 2009. At 227 points on March 31, 2010, the DJ Euro STOXX Automobile was 2.1% below its level on December 31, 2009.

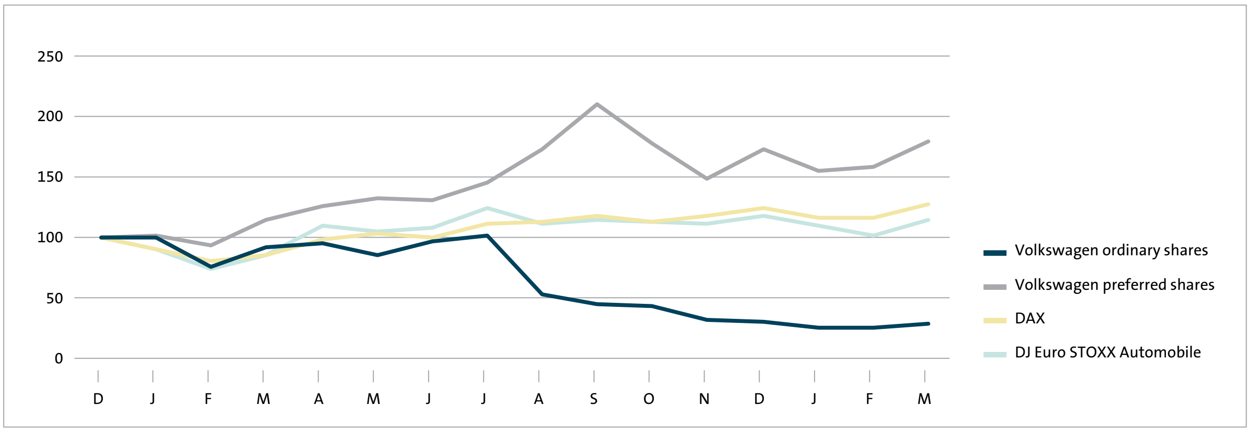
Volkswagen AG's shares tracked the market as a whole in the period between January and March 2010. After falling at the beginning of the year, Volkswagen AG's ordinary and preferred shares rose significantly from February onwards. Among other things, this was attributable to the disclosures on fiscal year 2009 made in the course of the Annual Press Conference and positive reports on sales figures for the first two months of 2010. The preferred shares performed positively until the end of the reporting period thanks to strong demand for the new shares resulting from the capital increase.

Volkswagen AG's preferred shares recorded their highest daily closing price of €72.95 on March 22, 2010. At their low on February 15, 2010, the shares traded at €55.83. They closed the reporting period at the end of March at €67.90, 3.3% higher than on December 31, 2009. Volkswagen AG's ordinary shares reached their peak daily closing price for the reporting period of €76.11 on January 11, 2010. At their low on February 12, 2010, the shares traded at €62.30. They closed on March 31, 2010 at €71.50, 7.1% down on the end of 2009.

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 2008 TO MARCH 2010

Index based on month-end prices: December 31, 2008 = 100



Business Development

GENERAL ECONOMIC DEVELOPMENT

The global economy continued to recover in the first quarter of 2010. The widespread use of expansionary monetary policies and the only slight increase in inflation further boosted economic growth, while fiscal stimuli declined significantly due to the need for many countries to consolidate their budgets. Global trade recorded positive growth rates again following the sharp drop seen in 2009.

The economic upturn in the USA has gathered strength in recent months. However, the situation on the labor market improved only slightly. The US dollar continued to appreciate against the euro. The Mexican economy has been in recovery since mid-2009, the pace of which is largely dictated by the performance of the US economy.

Brazil's economy gained significant momentum due to strong monetary and fiscal policy stimulus measures and buoyant domestic demand. In contrast, Argentina's economic recovery has been less dynamic due to relatively high unemployment and inflation.

Strong economic growth continued in China, India and most other emerging Asian markets in the reporting period. Extensive economic stimulus programs and higher export growth also led to an upturn in Japan. However, high government debt and ongoing deflation had a negative effect.

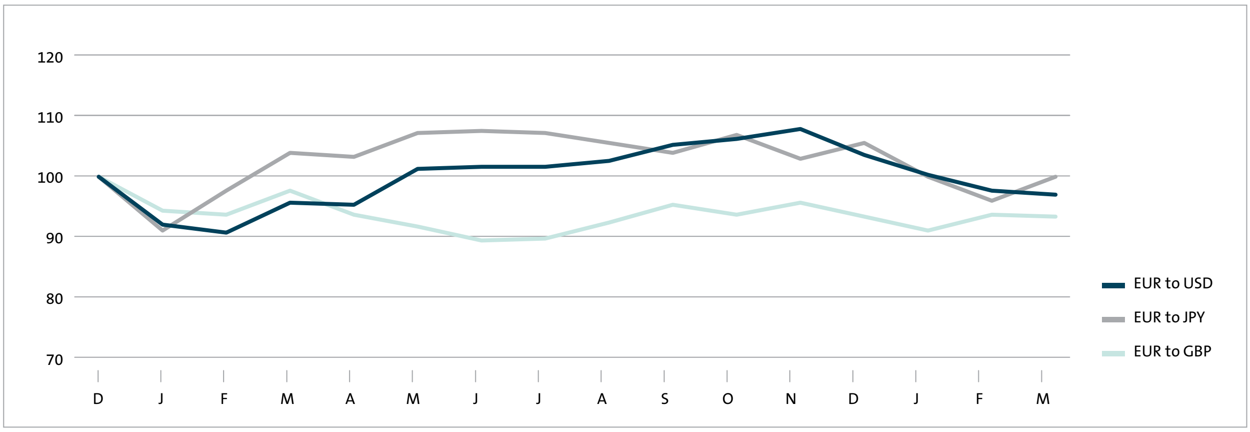
The economy in Western Europe continued to pick up in the first quarter of 2010, although there were distinct differences between the individual countries. The pace of growth varies considerably in individual countries. The countries of Central and Eastern Europe, which – with the exception of Poland – recorded clearly negative growth rates in 2009, are now also experiencing an economic recovery.

Following last year's recession, the prospects of moderate growth in South Africa have recently improved significantly.

The economic recovery in Germany slowed noticeably in the winter of 2009/2010. Nevertheless, current indicators suggest that the upward trend will continue, with exports still being the main driver. As economic growth will remain weak for the time being, there is little prospect of a significant improvement in the labor market situation.

EXCHANGE RATE MOVEMENTS FROM DECEMBER 2008 TO MARCH 2010

Index based on month-end prices: December 31, 2008 = 100



DEVELOPMENT OF AUTOMOTIVE MARKETS

New passenger car registrations worldwide rose sharply year-on-year in the first three months of 2010. Demand increased in all regions with the exception of Central and Eastern Europe. This was due primarily to the low prior-year level and to government incentives to buy new cars, which were introduced mainly in automobile-producing countries.

The US automotive market showed signs of recovery in the first quarter of 2010: Unit sales were up year-on-year for the fifth consecutive month in March. While the Canadian market also grew, Mexico saw a further decline in vehicle sales compared with the low level in 2009.

Demand for passenger cars in Brazil again increased in the reporting period. Unit sales were boosted in particular by tax breaks applicable until the end of March 2010 for vehicles that can also run on bioethanol. The Argentinian passenger car market profited from the country's economic upturn and returned to growth following a decline in the previous year.

The Asia-Pacific region was the main growth driver for global automobile sales in the first quarter of 2010. New passenger car registrations again rose sharply in China, primarily due to the positive effects of government economic stimulus programs. In Japan, the dynamic growth in demand for passenger cars that began in the second half of 2009 continued in the reporting period. This trend profited in particular from tax breaks and scrapping premiums. In the Indian passenger car market, favorable macroeconomic conditions and a broader-based product offering led to a significant increase in demand compared with the weak prior-year quarter.

In Western Europe, new passenger car registrations in the first three months of 2010 were up overall year-on-year. Positive effects came from government scrapping premiums that resulted in strong unit sales growth in the volume markets of Spain, the UK, Italy and France. The Central and Eastern European markets again recorded heavy losses in the reporting period following the dramatic fall in demand in the prior-year quarter. The highest absolute declines were experienced by the passenger car markets in Russia, the Ukraine, Hungary and Romania.

In South Africa, demand for passenger cars in the reporting period grew substantially year-on-year.

Following the expiry of the scrapping premium that was introduced in January 2009, the German passenger car market recorded the lowest number of new registrations since reunification due to extremely strong buyer reluctance in the first quarter of 2010.

VEHICLE DELIVERIES WORLDWIDE

In the first quarter of 2010, the Volkswagen Group delivered 1,744,294 vehicles to customers. This was 24.4% more than in the prior-year period, in which demand was hit particularly hard by the financial and economic crisis. All the Group's volume brands recorded double-digit growth rates during the reporting period. The Bentley brand also improved its deliveries year-on-year. We registered a rise in sales figures in all markets with the exception of certain Central and Eastern European countries and Mexico. The Asia-Pacific region saw particularly strong ongoing demand for Group models.

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 MARCH[1]

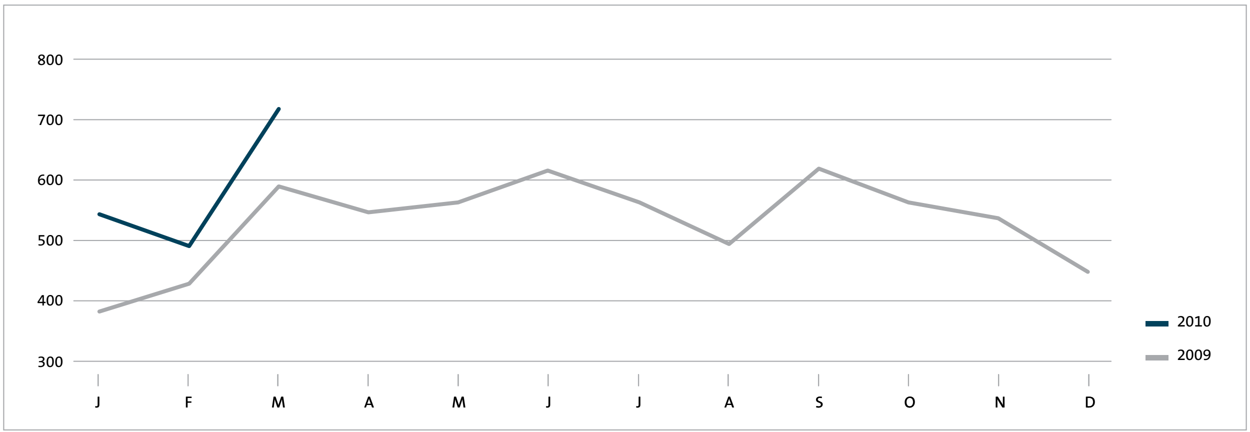
	DELIVERIES (UNITS)		CHANGE	SHARE OF PASSENGER CAR MARKET (%)	
	2010	2009	(%)	2010	2009
Europe/Remaining markets	**896,625**	**791,509**	**+13.3**		
Western Europe	**757,623**	**650,953**	**+16.4**	**20.0**	**20.6**
of which: Germany	255,302	252,112	+1.3	37.2	32.5
United Kingdom	113,578	85,271	+33.2	17.0	16.2
Spain	70,737	48,325	+46.4	23.8	23.7
Italy	69,594	62,212	+11.9	10.4	11.3
France	66,934	58,022	+15.4	10.2	11.4
Central and Eastern Europe	**84,634**	**93,242**	**−9.2**	**14.7**	**12.3**
of which: Russia	20,878	26,125	−20.1	10.1	8.9
Poland	18,992	18,809	+1.0	22.3	19.4
Czech Republic	18,449	15,088	+22.3	44.7	38.4
Remaining markets	**54,368**	**47,314**	**+14.9**		
of which: South Africa	17,853	13,887	+28.6	20.0	19.3
Turkey	14,476	9,624	+50.4	16.1	11.4
North America[2]	**122,113**	**99,659**	**+22.5**	**4.0**	**3.7**
of which: USA	79,982	58,310	+37.2	3.1	2.6
Mexico	29,474	32,583	−9.5	15.6	16.5
Canada	12,657	8,766	+44.4	3.9	3.1
South America	**218,692**	**191,476**	**+14.2**	**21.6**	**21.3**
of which: Brazil	173,427	159,118	+9.0	22.1	26.4
Argentina	36,145	26,232	+37.8	24.2	25.3
Asia-Pacific	**506,864**	**319,099**	**+58.8**	**9.2**	**8.2**
of which: China	457,429	284,225	+60.9	17.2	17.4
Japan	17,505	13,698	+27.8	1.3	1.3
India	7,871	3,823	x	1.5	0.9
Worldwide	**1,744,294**	**1,401,743**	**+24.4**	**11.6**	**11.0**
Volkswagen Passenger Cars	1,110,605	874,485	+27.0		
Audi	264,077	209,775	+25.9		
Škoda	178,901	143,079	+25.0		
SEAT	88,336	76,714	+15.1		
Bentley	1,179	1,019	+15.7		
Lamborghini	300	404	−25.7		
Volkswagen Commercial Vehicles	88,938	84,951	+4.7		
Scania	11,947	11,304	+5.7		
Bugatti	11	12	−8.3		

1 Deliveries and market shares for 2009 have been updated to reflect subsequent statistical trends.

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

VOLKSWAGEN GROUP DELIVERIES BY MONTH

Vehicles in thousands



Sales trends in the individual markets are as follows.

DELIVERIES IN EUROPE/REMAINING MARKETS

Deliveries in the Western Europe passenger car market were up 16.4% year-on-year in the period from January to March 2010. Units sold there accounted for 43.4% (46.4%) of the Group's total delivery volume. Sales of almost all Group brands increased in comparison with the previous year. The Volkswagen Passenger Cars (+20.7%), Audi (+12.0%), SEAT (+19.0%) and Škoda (+12.5%) brands recorded significant growth rates. Demand was particularly strong for the Polo, Golf, Golf Plus, Audi Q5, Škoda Octavia, SEAT Leon and SEAT Altea models. The new Audi A4 allroad quattro, Škoda Yeti, Škoda Superb Estate and SEAT Exeo ST models were increasingly popular. Since the overall passenger car market in Western Europe grew by an even faster rate, the Volkswagen Group's market share declined in total to 20.0% (20.6%).

Although the government scrapping premium ended in fall 2009, we sold 1.3% more vehicles in the German car market year-on-year. Demand increased for the Golf, Golf Plus, Audi Q5, SEAT Leon and SEAT Altea models. Sales of the new Audi A4 allroad quattro, Škoda Yeti, Škoda Superb Estate and SEAT Exeo ST models also increased. Six Group models led the Kraftfahrtbundesamt (KBA – German Federal Motor Transport Authority) registration statistics in their respective segments during the reporting period: the Polo, Golf, Passat, Touran, Tiguan and Multivan/Transporter. The Golf remains the undisputed leader among newly registered vehicles in the German passenger car market in 2010. The Volkswagen Group's market share in Germany reached a new high in the first quarter of 2010, at 37.2% (32.5%).

Our deliveries to the key Central and Eastern European markets in the period from January to March 2010 were down 9.2% on the comparative prior-year period. Only in the Czech Republic (+22.3%) and in Poland (1.0%) did sales figures exceed those for the previous year. The Polo, Tiguan, Audi A3, Audi Q5 and SEAT Leon models recorded rising demand.

Demand in the South African passenger car market was up significantly in the first three months of 2010 following the slump in the prior-year quarter caused by the financial and economic crisis. The Volkswagen Group benefited more than average from this trend, increasing deliveries by 28.6%. As a result, its market share improved to 20.0% (19.3%).

DELIVERIES IN NORTH AMERICA

In the US passenger car market, our deliveries to customers in the first quarter of 2010 outperformed the market as a whole, improving 37.2% year-on-year. The New Beetle, Golf, Tiguan, Jetta, Audi A4, Audi A5 Coupé and Audi Q5 models experienced particularly strong demand.

Our deliveries in the Canadian passenger car market during the reporting period exceeded the comparative prior-year figure by 44.4%. Strong demand was recorded for the Golf, Tiguan, Audi A4 and Audi Q5 models. In Mexico, where the passenger car market declined, we delivered 9.5% fewer Group models than in the first quarter of 2009. However, demand increased for the Tiguan, Jetta, Audi A4, SEAT Altea and SEAT Leon models.

DELIVERIES IN SOUTH AMERICA

Demand in the South American passenger car markets was higher in the first quarter of 2010 than in the weak prior-year period. The Volkswagen Group increased sales here by 14.2%. In Brazil, deliveries to Group customers exceeded the comparative figures for the previous year by 9.0%. Demand for the Fox, Polo and Golf models was particularly strong. The total delivery figures also include the Saveiro and T2 light commercial vehicles. We sold a total of 54.8% more of these models in the Brazilian passenger car market than in the previous year.

Demand in Argentina’s passenger car market in the period from January to March 2010 was stronger than a year before. The Volkswagen Group benefited more than average from this trend, increasing sales by 37.8% during the reporting period. Demand for the Fox, Gol and Jetta models increased significantly. The Volkswagen Group remained the market leader in Argentina, with a market share of 24.2% (25.3%).

DELIVERIES IN THE ASIA-PACIFIC REGION

The positive demand trend in the Asia-Pacific passenger car markets, and especially China, continued in the first three months of 2010. The sales figures for the Volkswagen Group rose year-on-year by a total of 58.8%. In the Chinese passenger car market, we delivered 60.9% more vehicles to customers than in the first quarter of 2009. Almost all models recorded increased sales figures. Although the Volkswagen Group's share of the highly competitive Chinese passenger car market slipped to 17.2% (17.4%), we were able to defend our market leadership. In Japan, demand for Group models rose by 27.8% year-on-year in the reporting period. The Polo, Golf, Audi A3 and Audi A4 models saw the greatest increase in demand.

Group sales in the remaining markets in the Asia-Pacific region, such as Australia, also rose and deliveries in India more than doubled.

DELIVERIES OF HEAVY COMMERCIAL VEHICLES

The Scania brand delivered 11,947 heavy commercial vehicles in the first quarter of 2010, 5.7% more than the year before. In South America, Scania delivered 4,185 units (+81.7%). In particular, demand in the Brazilian market rose significantly.

WORLDWIDE DEVELOPMENT OF INVENTORIES

Global inventories held by Group companies and the dealer organization as of March 31, 2010 were up on the end of 2009 and down as against March 31, 2009.

UNIT SALES, PRODUCTION AND EMPLOYEES

In the first quarter of 2010, the Volkswagen Group sold 1,702,601 vehicles to the dealer organization worldwide. This represents an increase of 25.9% compared with the same period of 2009, which was badly hit by the financial and economic crisis. The number of vehicles sold outside Germany increased by 34.4%. In Germany, unit sales declined by 7.2%; as a result, the proportion of total sales generated in Germany was 15.0% (20.4%).

The Volkswagen Group produced a total of 1,733,880 vehicles in the reporting period, 38.4% more than in the difficult first quarter of 2009. The proportion of vehicles produced in Germany was 32.6% (32.8%).

The Volkswagen Group had 356,471 active employees as of March 31, 2010. In addition, 6,343 employees were in the passive phase of their early retirement and 8,475 people were in apprenticeships. At the end of the first quarter, the Volkswagen Group employed a total of 371,289 persons, 0.8% more than on December 31, 2009. In Germany, the Group employed a total of 172,907 persons (+0.2%). This corresponds to 46.6% of the total workforce.

OPPORTUNITY AND RISK REPORT

There were no significant changes to the opportunity and risk position compared with the presentation in the "Risk Report" and "Report on Expected Developments" in the 2009 Annual Report.

CONSUMPTION AND EMISSION DATA

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

MODEL	OUTPUT kW (PS)	FUEL CONSUMPTION (l/100km) urban	extra-urban	combined	CO_2 EMISSIONS (g/km) combined
Audi RS 5 Coupé	331 (450)	14.9	8.5	10.8	252
Bentley Continental Supersports Convertible	463 (630)	25.7	11.5	16.7	388
Škoda Fabia RS	132 (180)	7.7	5.2	6.2	148
Volkswagen Polo BlueMotion	55 (75)	4.0	2.9	3.3	87
Volkswagen Touareg Hybrid	245 (333)	8.7	7.9	8.2	193

Net Assets, Financial Position and Results of Operations

In accordance with the amended IAS 7, we report liquidity movements resulting from changes in leasing and rental assets in cash flows from operating activities (previously reported in cash flows from investing activities). Accordingly, changes in financial services receivables are also classified as cash flows from operating activities. Prior-year figures have been adjusted accordingly.

AUTOMOTIVE DIVISION BALANCE SHEET STRUCTURE

In December 2009, Volkswagen AG acquired 49.9% of the shares of Porsche Zwischenholding GmbH, Stuttgart, which in turn holds 100% of the shares of Dr. Ing. h.c. F. Porsche AG, Stuttgart. On the basis of the agreements under company law with Porsche Automobil Holding SE, Stuttgart, Volkswagen shares control of Porsche Zwischenholding GmbH and its direct and indirect subsidiaries. The shares of Porsche Zwischenholding GmbH are accounted for using the equity method. Due to the ongoing analysis, the allocation of the purchase price to that company's assets and liabilities is still only preliminary.

Effective January 15, 2010, Volkswagen acquired 19.89% of the shares of the Suzuki Corporation, Tokyo, for €1.7 billion. The exercise of convertible bonds diluted this equity interest in the course of the reporting period to 19.37% as of March 31, 2010. It is planned to restore the interest to 19.89% by purchasing additional shares. The shares are accounted for using the equity method. Allocation of the purchase price to Suzuki's assets and liabilities has only been preliminary so far.

Noncurrent assets in the Automotive Division were 7.6% higher as of March 31, 2010 than at year-end 2009, primarily because of the acquisition of Suzuki shares. The carrying amount of property, plant and equipment rose by 0.9%. Cash included in current assets increased by 9.0%. Overall, current assets were 13.0% higher than at December 31, 2009 due to volume-related factors.

At €31.3 billion, the Automotive Division's equity attributable to shareholders of Volkswagen AG at the end of the reporting period was €4.0 billion higher than at December 31, 2009, in particular because of the capital increase. Including minority interests, which chiefly relate to minority interests in Scania, equity amounted to €33.4 billion (€29.3 billion). Noncurrent liabilities were 1.4% higher than at year-end 2009, at €40.0 billion. Current liabilities rose by 17.9% due to a number of reasons, including volume-related factors.

At €106.4 billion, the Automotive Division's total assets rose by 10.0% as of March 31, 2010 compared with December 31, 2009. This is attributable in particular to the capital increase and the higher volume.

FINANCIAL SERVICES DIVISION BALANCE SHEET STRUCTURE

At the end of March 2010, the Financial Services Division's total assets amounted to €81.7 billion, up 1.5% on the end of 2009.

Noncurrent assets rose by 2.8% in particular because of increased financial services receivables and leasing and rental assets, as a result of exchange rate effects. Current assets remained almost unchanged, as higher financial services receivables were offset by lower cash and cash equivalents. The Financial Services Division accounted for approximately 43% of the Volkswagen Group's assets at the end of the reporting period.

At €8.5 billion, the Financial Services Division's equity as of March 31, 2010 was 3.6% higher than at the end of December 2009, mainly because of the stronger profit. Although noncurrent liabilities increased by 10.4%, current liabilities decreased by 5.4%. This was mainly attributable to a shift in the maturities of financial liabilities.

Deposits at Volkswagen Bank *direct* amounted to €18.7 billion (€18.3 billion) at the end of the first quarter of 2010.

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

At €0.9 billion, investments in property, plant and equipment in the Automotive Division were 21.8% lower year-on-year in the first quarter of 2010. We invested primarily in our new production facilities, models to be launched in 2010 and 2011, and the ecological focus of our model range. The ratio of investments in property, plant and equipment to sales revenue (capex) was 3.5% (5.5%).

The positive business development in the period from January to March 2010 resulted in gross cash flow in the Automotive Division improving by €1.3 billion year-on-year to €1.9 billion. Working capital recorded a cash inflow of €1.1 billion, although this was €1.1 billion lower than in the first quarter of 2009. Nevertheless, cash flows from operating activities increased to €3.0 billion (€2.9 billion). In particular the acquisition of the interest in Suzuki resulted in a cash outflow in investing activities. This was €2.7 billion higher than in the prior-year period, when the sale of the Brazilian commercial vehicles business to the MAN Group had a positive effect. As a result, the net cash flow generated by the Automotive Division decreased in the reporting period by €2.5 billion to €31 million.

NET LIQUIDITY

Volkswagen received cash funds of approximately €3.0 billion – net of the placement costs – at the end of March from the capital increase from authorized capital. This corresponded to around 73% of the total volume. To settle the exercise of preemptive rights, a corresponding number of shares were withheld from the pre-placement with investors by the underwriting banks so that they could be made available to the existing shareholders. The remaining funds from the placement of the new preferred shares were therefore received after the reporting period in April 2010.

On March 31, 2010, the Automotive Division's net liquidity was €14.2 billion, €3.6 billion higher than on December 31, 2009.

The negative net liquidity – common to the industry – in the Financial Services Division widened by €1.7 billion compared with year-end 2009 to €–64.4 billion on account of volume-related factors.

The Volkswagen Group's net liquidity at the end of the reporting period amounted to €– 50.2 billion, an improvement of €1.9 billion as against December 31, 2009.

VOLKSWAGEN GROUP SALES REVENUE

The Volkswagen Group generated sales revenue of €28.6 billion in the first quarter of 2010, a year-on-year increase of 19.4%, due to volume-related factors. The Automotive Division generated sales revenue of €25.5 billion in the reporting period, a year-on-year increase of 21.7%. The Group's sales revenue only reflects the good sales figures recorded by the Group in the Chinese passenger car market in the form of deliveries of vehicle parts, as our Chinese joint ventures are accounted for using the equity method. In the first three months of 2010, the Financial Services Division generated sales revenue of €3.2 billion. The Group generated 77.8% (71.5%) of its sales revenue outside Germany.

EARNINGS DEVELOPMENT

The Volkswagen Group's gross profit grew by 62.5% year-on-year to €4.1 billion in the reporting period. This is due above all to the higher unit sales. The gross margin rose to 14.3% (10.5%).

The Automotive Division generated gross profit of €3.3 billion (€1.9 billion). The Financial Services Division recorded a 39.1% year-on-year increase in gross profit to €0.8 billion.

Group distribution expenses rose by 14.7% in the reporting period due to volume-related factors; administrative expenses were up 11.8%. Their proportions of these expenses to sales revenue declined, however. At €0.2 billion, the Group's other operating result was down €0.6 billion compared with the prior-year figure, which contained the proceeds of €0.6 billion from the sale of the Brazilian commercial vehicles business to the MAN Group.

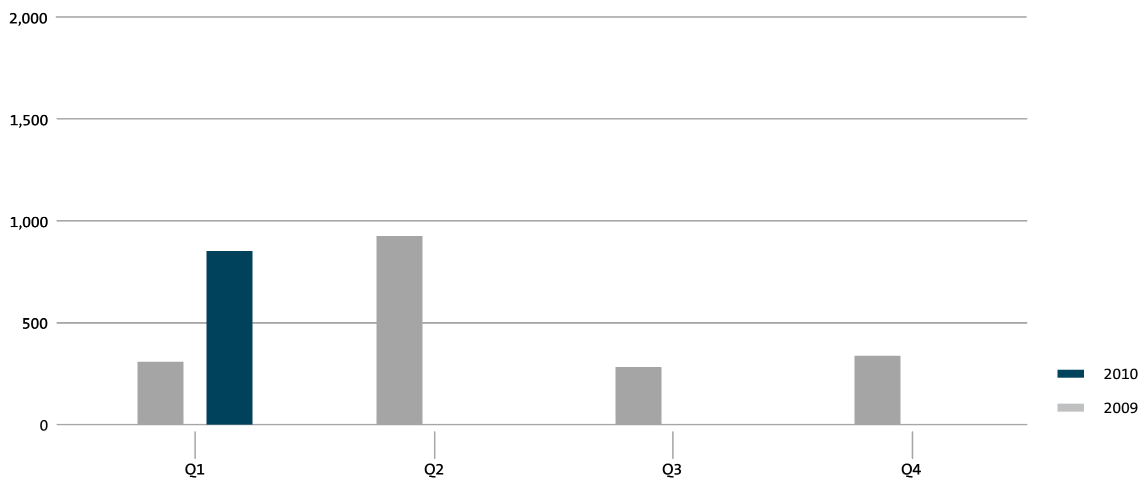
At €0.8 billion in the first quarter of 2010, the Volkswagen Group's operating profit rose by €0.5 billion compared with the figure for the first quarter of 2009, which was heavily depressed by the financial and economic crisis. The extremely positive business performance in China is not reflected in the Group's operating profit, as our Chinese joint ventures are accounted for using the equity method.

As in the previous year, the financial result was affected by high finance costs. However, it improved by €116 million to €–145 million in particular because of higher income from equity-accounted investments – and especially the Chinese joint ventures.

The Volkswagen Group generated profit before tax of €0.7 billion (€52 million) in the period from January to March 2010. Profit after tax increased by €0.2 billion to €0.5 billion.

OPERATING PROFIT BY QUARTERS

Volkswagen Group in € million



Outlook

As expected, the majority of the global automotive markets performed positively, albeit at a low level, in the first three months of 2010. With the exception of Germany, the entire Central and Eastern Europe region and Mexico, all key markets exceeded the level of the weak prior-year quarter.

Following the severe slump in the global economy in 2009, we expect positive growth rates in most countries this year. We see the greatest potential in the emerging markets, whereas the industrialized nations will experience only a moderate upturn. However, the withdrawal of economic stimulus programs in a number of countries and continued restrictive credit policies entail uncertainties that could slow that recovery. A further deterioration of the situation cannot be ruled out.

The total volume of the global automotive markets in 2010 is expected to be slightly above the prior-year level. However, the ongoing uncertainty surrounding economic developments could impact demand. The performance of the large automotive markets will vary considerably. In Western Europe, particularly Germany, we expect demand to be much weaker, whereas the Chinese market will continue to grow at a strong pace. We also anticipate that the markets in Central and Eastern Europe will be below their prior-year levels and that the North American market will start to recover. We assume that the South American market will exceed the high volume recorded in 2009.

Our presence in all the key regions around the world, the multi-brand strategy, our technological expertise and the most up-to-date, most environmentally friendly and broadest vehicle range that has resulted from that expertise are key advantages for our Company. In 2010, the Volkswagen Group's nine brands will unveil a large number of new models, thus systematically extending our position in the global markets. We therefore anticipate that our deliveries to customers will be higher than in 2009.

The Group's sales revenue and operating profit for 2010 are expected to exceed the prior-year figures despite a shift in volumes between the markets. Interest and exchange rate volatility will remain a drag on profit. We will continue to focus on disciplined cost and investment management and the continuous optimization of our processes. In doing so, we will systematically pursue the core elements of the "18 plus" strategy – ecological relevance and the return on our vehicle projects.

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, Russian ruble, Mexican peso, Swedish krona, Australian dollar, Swiss franc, Japanese yen, Brazilian real, Polish zloty, Chinese renminbi and Czech koruna. In addition, expected business development may vary if the assessments of value-enhancing factors and risks presented in the 2009 Annual Report develop in a way other than we are currently expecting, or additional risks or other factors emerge that adversely affect the development of our business.

Brands and Business Fields

SALES REVENUE AND OPERATING PROFIT BY BRAND AND BUSINESS FIELD

In the first quarter of 2010, the Volkswagen Group generated revenue of €28.6 billion; this was 19.4% more than in the prior-year period, which had been hit hard by the financial and economic crisis. The operating profit of €0.8 billion was significantly higher than the prior-year figure, which included the proceeds of €0.6 billion from the sale of the Brazilian commercial vehicles business to the MAN Group. In addition to higher volumes, more favorable exchange rates also supported this increase.

The Volkswagen Passenger Cars brand sold 945 thousand vehicles in the reporting period, a year-on-year increase of 23.5%. Demand was particularly high for the New Beetle, Tiguan and Touran models, the Golf derivatives and the versions of the Jetta and the Passat available in China. At €18.6 billion, sales revenue was 30.0% higher than in the previous year due to volume-related factors. As a result, operating profit increased by €0.7 billion to €0.4 billion.

Unit sales by the Audi brand in the first three months of 2010 increased by 21.8% year-on-year to 316 thousand vehicles. The Audi Q5, Audi A4 and Audi A6 models recorded significant growth rates. The new Audi A5 Sportback and the new Audi A5 Cabriolet were also increasingly popular. As a result of the healthy unit sales situation, sales revenue increased by 23.3% year-on-year to €8.3 billion. Driven by continuous process improvements and systematic cost optimization, operating profit rose at a significantly faster rate of 31.7% to €478 million. The figures for the Lamborghini brand are already included in the key figures for the Audi brand.

The Škoda brand recorded unit sales of 142 thousand vehicles in the period January to March 2010, exceeding the prior-year figure by 31.7%. Demand for the Octavia and Superb models recorded encouraging growth. Demand also rose for the Škoda Yeti, which was launched in 2009. Sales revenue increased by 41.1% year-on-year to €2.0 billion. Coupled with more favorable exchange rates, the higher unit sales and lower costs lifted operating profit by €72 million to €100 million.

VOLKSWAGEN GROUP

Division	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 Directbank Insurance Fleet business

Clear signs of recovery were evident in the Spanish passenger car market in the reporting period. The SEAT brand benefited from this trend, increasing its unit sales by 54.9% year-on-year to 91 thousand vehicles. It recorded growth across its entire model range. Stronger demand for the Exeo and Exeo ST models was particularly encouraging. At €1.3 billion, sales revenue was 43.5% higher than in the first quarter of 2009. The operating loss narrowed by €35 million to €110 million.

Although the luxury segment is still experiencing tough operating conditions, the Bentley brand increased its unit sales in the first three months of 2010 compared with the prior-year period. Sales revenue improved by 11.7% to €161 million. At €36 million, the operating loss was €17 million lower than in the prior-year period.

The Volkswagen Commercial Vehicles brand increased its unit sales by 9.2% year-on-year to 73 thousand vehicles in the reporting period. As the Brazilian commercial vehicles business was sold to the MAN Group in the first quarter of 2009, only the January and February sales figures for heavy commercial vehicles are included in the prior-year figures. At €1.6 billion, sales revenue increased by 14.0% year-on-year. The operating loss of €16 million in the first quarter of 2010 represented a significant decrease compared with the operating profit recorded in 2009, which included the proceeds of €0.6 billion from the sale of the Brazilian commercial vehicles business.

At 12 thousand, the Scania brand sold 5.7% more vehicles in the first quarter of 2010 than in the prior-year period, in particular because of higher demand in Brazil. Sales revenue increased by 7.0% to €1.7 billion. The operating profit of €214 million quadrupled compared with the first quarter of 2009, a period that was particularly difficult for the commercial vehicles business.

In the first three months of 2010, Volkswagen Financial Services generated an operating profit of €167 million, exceeding the figure for the prior-year period by €11 million.

KEY FIGURES BY BRAND AND BUSINESS FIELD FROM JANUARY 1 TO MARCH 31[1]

	VEHICLE SALES		SALES REVENUE		SALES TO THIRD PARTIES		OPERATING RESULT	
thousand vehicles/€ million	2010	2009	2010	2009	2010	2009	2010	2009
Volkswagen Passenger Cars	945	765	18,631	14,336	14,239	11,797	416	–279
Audi	316	260	8,260	6,700	5,659	4,577	478	363
Škoda	142	108	2,028	1,438	1,324	1,107	100	28
SEAT	91	59	1,307	911	934	674	–110	–145
Bentley	1	1	161	144	154	139	–36	–52
Volkswagen Commercial Vehicles	73	67	1,581	1,388	1,037	1,050	–16	528[2]
Scania[3]	12	11	1,723	1,611	1,723	1,611	214	46
VW China[4]	409	258	–	–	–	–	–	–
Other	–288	–177	–8,124	–5,478	553	246	–366[5]	–333[5]
Volkswagen Financial Services	–	–	3,078	2,949	3,024	2,796	167	156
Volkswagen Group	**1,703**	**1,352**	**28,647**	**23,999**	**28,647**	**23,999**	**848**	**312**
of which: Automotive Division	1,703	1,352	25,454	20,923	25,509	21,076	682	152
Financial Services Division	–	–	3,192	3,076	3,138	2,923	166	161

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

2 Including the proceeds from the sale of Volkswagen Caminhões e Ônibus Indústria e Comércio de Veículos Comerciais Ltda., Resende.

3 Vehicles & Services and Financial Services.

4 The sales revenue and operating profit of the joint venture companies in China are not included in the figures for the Group. The Chinese companies are accounted for using the equity method and recorded an operating profit (proportionate) of €286 million (€101 million).

5 Mainly intragroup items recognized in profit or loss, in particular from the elimination of intercompany profits, and including depreciation and amortization of identifiable assets as part of the purchase price allocation for Scania.

UNIT SALES AND SALES REVENUE BY MARKET

In the first quarter of 2010, the Volkswagen Group sold 890 thousand vehicles in the passenger car markets of the Europe/Remaining markets region, 17.4% more than in the prior-year period. As a result, sales revenue increased by 9.5% to €19.5 billion.

In North America, the Volkswagen Group sold 125 thousand vehicles in the reporting period. With year-on-year growth of 31.0%, demand for Group models grew at a significantly higher pace than the market as a whole. Sales revenue rose by €614 million to €3.3 billion.

At 209 thousand vehicles, the Volkswagen Group's unit sales in the South American markets in the first three months of 2010 were 7.0% higher than in the previous year. Sales revenue rose to €2.8 billion, up by €767 million compared with the prior-year period, which still contained the Brazilian commercial vehicles business for January and February.

In the reporting period, the Volkswagen Group sold a total of 479 thousand vehicles in the passenger car markets of the Asia-Pacific region, including the Chinese joint ventures, significantly exceeding the 2009 prior-year figure by 57.8%. At €3.2 billion, sales revenue almost doubled year-on-year. This figure does not include the sales revenue of our joint ventures in China, as these are accounted for using the equity method.

KEY FIGURES BY MARKET FROM JANUARY 1 TO MARCH 31[1]

	VEHICLE SALES		SALES REVENUE	
thousand vehicles/€ million	2010	2009	2010	2009
Europe/Remaining markets	890	758	19,463	17,769
North America	125	96	3,278	2,664
South America	209	195	2,750	1,983
Asia-Pacific[2]	479	303	3,156	1,583
Volkswagen Group[2]	**1,703**	**1,352**	**28,647**	**23,999**

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.

VOLKSWAGEN FINANCIAL SERVICES

Products from Volkswagen Financial Services met with a good response from customers in the first quarter of 2010. By developing innovative products along the automotive value chain, Volkswagen Financial Services again made a positive contribution to the Volkswagen Group's sales situation.

Since the beginning of the year, the Audi brand has offered the "Systematic Mobility" program for business customers to self-employed people such as lawyers, physicians, or craftsmen. Under this program, self-employed people can combine attractive leasing offerings with service modules in such a way that a fixed monthly fee covers costs such as regular servicing, wear and tear, vehicle roadworthiness tests, and breakdown services.

In March 2010, Volkswagen Bank GmbH was voted "Best Brand" in the "Passenger Car Banks" category by readers of specialist journal "auto, motor und sport" for the fourth consecutive year.

0.5 million new finance, leasing and insurance contracts were signed in the period January to March 2010, a year-on-year increase of 8.7%. The prior-year figures were adjusted. The total number of contracts as of March 31, 2010 was 1.7% lower than at the end of 2009. The number of contracts in the Customer Financing/Leasing area decreased by 1.4% to 5.0 million, while the number of contracts in the Service/Insurance area declined by 2.0%. The proportion of total vehicle deliveries by the Group worldwide accounted for by leased or financed vehicles was 31.2% (33.0%), based on unchanged credit eligibility criteria. At the end of the first quarter of 2010, receivables relating to dealer financing were 1.1% higher than at year-end 2009.

Volkswagen Bank *direct* managed 1.3 million accounts as of March 31, 2010, the same level as at the prior-year reporting date. Volkswagen Financial Services employed 7,538 people at the end of the first quarter.

The number of contracts in our fleet management business in the reporting period was on a level with year-end 2009. On March 31, 2010, our LeasePlan joint venture managed around 1.3 million vehicles.

Interim Financial Statements (Condensed)

Income Statement by Division for the Period January 1 to March 31

€ million	VOLKSWAGEN GROUP 2010	VOLKSWAGEN GROUP 2009	AUTOMOTIVE* 2010	AUTOMOTIVE* 2009	FINANCIAL SERVICES 2010	FINANCIAL SERVICES 2009
Sales revenue	**28,647**	**23,999**	**25,454**	**20,923**	**3,192**	**3,076**
Cost of sales	–24,542	–21,472	–22,158	–18,977	–2,384	–2,495
Gross profit	**4,105**	**2,527**	**3,296**	**1,946**	**808**	**581**
Distribution expenses	–2,716	–2,368	–2,550	–2,229	–166	–138
Administrative expenses	–700	–626	–560	–512	–140	–114
Other operating income/expense	159	779	495	947	–336	–168
Operating profit	**848**	**312**	**682**	**152**	**166**	**161**
Share of profits and losses of equity-accounted investments	204	71	182	62	23	9
Other financial result	–350	–332	–374	–331	24	1
Financial result	**–145**	**–261**	**–192**	**–270**	**47**	**9**
Profit before tax	**703**	**52**	**489**	**–118**	**213**	**169**
Income tax income/expense	–230	191	–147	238	–83	–47
Profit after tax	**473**	**243**	**342**	**121**	**131**	**122**
Minority interests	50	–20	50	–22	–0	2
Profit attributable to shareholders of Volkswagen AG	**423**	**263**	**292**	**142**	**131**	**121**
Earnings per ordinary share (€)	**1.03**	**0.64**				
Diluted earnings per ordinary share (€)	**1.03**	**0.64**				
Earnings per preferred share (€)	**1.09**	**0.70**				
Diluted earnings per preferred share (€)	**1.09**	**0.70**				

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

Statement of Comprehensive Income for the Period January 1 to March 31

€ million	2010	2009
Profit after tax	**473**	**243**
Exchange differences on translating foreign operations:		
Fair value changes recognized in other comprehensive income	976	80
Transferred to profit or loss	–	57
Actuarial gains/losses	–640	–22
Cash flow hedges:		
Fair value changes recognized in other comprehensive income	–773	–376
Transferred to profit or loss	–207	–177
Available-for-sale financial assets (marketable securities):		
Fair value changes recognized in other comprehensive income	14	–84
Transferred to profit or loss	2	46
Deferred taxes	473	166
Equity-accounted investments, net of tax	12	26
Other comprehensive income, net of tax	**–144**	**–285**
Total comprehensive income	**329**	**–42**
of which attributable to		
shareholders of Volkswagen AG	173	–44
minority interests	155	2

CHANGE IN TAX EFFECTS RELATING TO OTHER COMPREHENSIVE INCOME

€ million	AMOUNT BEFORE TAXES	TAXES	AMOUNT AFTER TAXES 2010	AMOUNT BEFORE TAXES	TAXES	AMOUNT AFTER TAXES 2009
Exchange differences on translating foreign operations:	976	–	976	137	–	137
Actuarial gains/losses	–640	190	–451	–22	5	–17
Cash flow hedges	–980	287	–693	–553	152	–401
Available-for-sale financial instruments (marketable securities)	16	–4	11	–38	9	–29
Equity-accounted investments, net of tax	12	–	12	26	–	26
Other comprehensive income	**–617**	**473**	**–144**	**–451**	**166**	**–285**

Balance Sheet by Division as of March 31, 2010 and December 31, 2009

€ million	VOLKSWAGEN GROUP 2010	VOLKSWAGEN GROUP 2009	AUTOMOTIVE[1] 2010	AUTOMOTIVE[1] 2009	FINANCIAL SERVICES 2010	FINANCIAL SERVICES 2009
Assets						
Noncurrent assets	**104,712**	**99,402**	**56,381**	**52,411**	**48,331**	**46,992**
Intangible assets	13,134	12,907	13,017	12,790	117	117
Property, plant and equipment	24,651	24,444	24,269	24,064	382	380
Leasing and rental assets	10,822	10,288	307	324	10,515	9,964
Financial services receivables	33,808	33,174	–	–	33,808	33,174
Noncurrent investments and other financial assets[2]	22,297	18,589	18,788	15,233	3,510	3,356
Current assets	**83,409**	**77,776**	**50,038**	**44,296**	**33,371**	**33,480**
Inventories	15,828	14,124	14,820	13,375	1,008	749
Financial services receivables	27,755	27,403	– 119	– 161	27,874	27,564
Current receivables and other financial assets	15,019	12,381	11,602	9,193	3,417	3,188
Marketable securities	3,490	3,330	3,391	3,231	99	98
Cash and cash equivalents	21,318	20,539	20,345	18,658	973	1,881
Total assets	**188,121**	**177,178**	**106,420**	**96,707**	**81,702**	**80,471**
Equity and Liabilities						
Equity	**41,892**	**37,430**	**33,418**	**29,253**	**8,475**	**8,177**
Equity attributable to shareholders of Volkswagen AG	39,586	35,281	31,336	27,321	8,250	7,960
Minority interests	2,306	2,149	2,082	1,932	224	217
Noncurrent liabilities	**73,938**	**70,215**	**40,043**	**39,508**	**33,894**	**30,707**
Noncurrent financial liabilities	40,113	36,993	9,352	9,272	30,761	27,721
Provisions for pensions	14,607	13,936	14,455	13,793	152	142
Other noncurrent liabilities[3]	19,217	19,286	16,236	16,443	2,981	2,843
Current liabilities	**72,292**	**69,534**	**32,959**	**27,947**	**39,333**	**41,587**
Current financial liabilities	37,894	40,606	1,718	2,156	36,177	38,450
Trade payables	11,788	10,225	10,971	9,734	817	491
Other current liabilities	22,609	18,703	20,270	16,057	2,339	2,645
Total equity and liabilities	**188,121**	**177,178**	**106,420**	**96,707**	**81,702**	**80,471**

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 Changes in Equity

€ million	Subscribed capital	Capital reserves	ACCUMULATED COMPREHENSIVE INCOME: Retained earnings	Currency translation reserve	Reserve for actuarial gains/losses	Cash flow hedge reserve	Fair value reserve for securities	Equity-accounted investments	Equity attributable to shareholders of VW AG	Minority interests	Total equity
Balance at Jan. 1, 2009	**1,024**	**5,351**	**31,522**	**–2,721**	**–672**	**1,138**	**–192**	**–439**	**35,011**	**2,377**	**37,388**
Capital increase	0	0	–	–	–	–	–	–	0	–	0
Dividend payment	–	–	–	–	–	–	–	–	–	–	–
Capital transactions involving a change in ownership interest	–	–	–76	–	–	–	–	–	–76	–316	–392
Total comprehensive income	–	–	263	140	–18	–425	–30	26	–44	2	–42
Other changes	–	–	–9	–	2	–	–	–	–7	–3	–10
Balance at March 31, 2009	**1,024**	**5,352**	**31,700**	**–2,581**	**–688**	**713**	**–222**	**–413**	**34,885**	**2,060**	**36,945**
Balance at Jan. 1, 2010	**1,025**	**5,356**	**31,607**	**–1,881**	**–1,274**	**860**	**–1**	**–409**	**35,281**	**2,149**	**37,430**
Capital increase	166	3,968	–	–	–	–	–	–	4,134	–	4,134
Dividend payment	–	–	–	–	–	–	–	–	–	–	–
Capital transactions involving a change in ownership interest	–	–	–	–	–	–	–	–	–	0	0
Total comprehensive income	–	–	423	877	–447	–702	11	12	173	155	329
Other changes	–	–	–2	–	–	–	–	–	–2	1	0
Balance at March 31, 2010	**1,191**	**9,323**	**32,029**	**–1,005**	**–1,721**	**158**	**10**	**–398**	**39,586**	**2,306**	**41,892**

Cash Flow Statement By Division for the Period January 1 to March 31[1]

€ million	VOLKSWAGEN GROUP 2010	VOLKSWAGEN GROUP 2009	AUTOMOTIVE[2] 2010	AUTOMOTIVE[2] 2009	FINANCIAL SERVICES 2010	FINANCIAL SERVICES 2009
Profit before tax	703	52	489	−118	213	169
Income taxes paid	−207	−369	−158	−360	−49	−9
Depreciation and amortization expense	2,258	2,021	1,715	1,537	543	484
Change in pension provisions	9	46	8	44	1	2
Other noncash income/expense and reclassifications[3]	−75	−511	−159	−471	84	−40
Gross cash flow	**2,687**	**1,238**	**1,895**	**632**	**793**	**606**
Change in working capital	**461**	**2,033**	**1,149**	**2,225**	**−688**	**−192**
Change in inventories	−1,237	997	−1,117	963	−120	34
Change in receivables	−1,882	−91	−1,528	−51	−354	−40
Change in liabilities	2,823	780	2,520	757	303	23
Change in other provisions	1,361	582	1,297	562	64	20
Change in leasing and rental assets (excluding depreciation)	−693	−607	20	−6	−713	−601
Change in financial services receivables	89	372	−44	–	133	372
Cash flows from operating activities	**3,148**	**3,271**	**3,043**[4]	**2,857**[4]	**105**	**414**
Cash flows from investing activities	**−3,022**	**−319**	**−3,013**	**−304**	**−9**	**−15**
of which: acquisition of property, plant and equipment	−914	−1,168	−903	−1,154	−11	−14
capitalized development costs	−421	−459	−421	−459	–	–
acquisition and disposal of equity investments	−1,763	1,306	−1,763	1,308	–	−2
Net cash flow	**126**	**2,952**	**31**	**2,553**	**96**	**399**
Change in investments in securities and loans	426	938	423	610	3	327
Cash flows from financing activities	**1,822**	**3,135**	**2,887**	**2,665**	**−1,065**	**470**
of which: capital increase by new preferred shares	3,033	–	3,033	–	–	–
Changes in cash and cash equivalents due to exchange rate changes	237	42	218	41	19	0
Net change in cash and cash equivalents	**2,612**	**7,067**	**3,558**	**5,870**	**−947**	**1,197**
Cash and cash equivalents at March 31 (excluding time deposit investments)	**20,847**	**16,510**	**19,921**	**13,509**	**926**	**3,001**
Securities and loans (including time deposit investments)	6,992	6,786	5,384	4,917	1,608	1,869
Gross liquidity	**27,839**	**23,296**	**25,305**	**18,426**	**2,534**	**4,870**
Total third-party borrowings	−78,019	−73,658	−11,070	−7,689	−66,949	−65,969
Net liquidity at March 31	**−50,180**	**−50,362**	**14,235**	**10,737**	**−64,415**	**−61,099**
For information purposes: at January 1	−52,052	−52,237	10,636	8,039	−62,688	−60,276

1 The prior-year figures were adjusted.
2 Including allocation of consolidation adjustments between the Automotive and Financial Services divisions.
3 These relate mainly to the fair value measurement of financial instruments, application of the equity method and reclassification of gains/losses on disposal of noncurrent assets to investing activities.
4 Before consolidation of intra-Group transactions: €3,525 million (previous year: €2,819 million).

Notes to the Financial Statements

Accounting in accordance with International Financial Reporting Standards (IFRSs)

In accordance with Regulation No. 1606/2002 of the European Parliament and of the Council, Volkswagen AG prepared its consolidated financial statements for 2009 in compliance with the International Financial Reporting Standards (IFRSs), as adopted by the European Union. We have complied with all the IFRSs adopted by the EU and effective for periods beginning on or after January 1, 2010. This Interim Report for the period ended March 31, 2010 was therefore also prepared in accordance with IAS 34.

The interim consolidated financial statements were not reviewed by auditors.

Accounting policies

Volkswagen AG has adopted all accounting pronouncements required to be applied starting in fiscal year 2010.

The revisions to IAS 27/IFRS 3 result in a change in the way future business combinations are presented. Changes in the interest held in existing consolidated subsidiaries that do not lead to a loss of control will continue to be recognized directly in equity.

The other accounting pronouncements required to be applied for the first time in fiscal year 2010 are insignificant for the presentation of the Volkswagen Group's net assets, financial position and results of operations.

A discount rate of 5.1% (December 31, 2009: 5.4%) was applied to German pension provisions in the accompanying interim financial statements. The decrease in the discount rate increased actuarial losses for pension provisions that are recognized in other comprehensive income.

The income tax expense for the interim reporting period was calculated on the basis of the average annual tax rate that is expected for the entire fiscal year, in accordance with IAS 34, Interim Financial Reporting.

In other respects, the same accounting policies and consolidation methods that were used for the 2009 consolidated financial statements are 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 2009 Annual Report. This can also be accessed on the Internet at www.volkswagenag.com/ir.

Basis of consolidation

In addition to Volkswagen AG, which is domiciled in Wolfsburg and entered in the commercial register at the Braunschweig Local Court under no. HRB 100484, the consolidated financial statements comprise all significant companies at which Volkswagen AG is able, directly or indirectly, to govern the financial and operating policies in such a way that the companies of the Group obtain benefits from the activities of these companies (subsidiaries).

INTERESTS IN JOINT VENTURES

In December 2009, Volkswagen AG acquired 49.9% of the shares of Porsche Zwischenholding GmbH, Stuttgart. Porsche Zwischenholding GmbH holds 100% of the shares of Dr. Ing. h.c. F. Porsche AG, Stuttgart. On the basis of the agreements under company law with Porsche Automobil Holding SE, Stuttgart, Volkswagen shares control of Porsche Zwischenholding GmbH and its direct and indirect subsidiaries. The shares of Porsche Zwischenholding GmbH are accounted for using the equity method. The precise allocation of the purchase price to that company's assets and liabilities is still only preliminary because of the ongoing analysis.

The Volkswagen Group holds a 50% indirect interest in the joint venture LeasePlan Corporation N.V., Amsterdam, the Netherlands, via its 50% stake in the joint venture Global Mobility Holding B.V., Amsterdam, the Netherlands. Volkswagen has agreed with Fleet Investments B.V., Amsterdam, the Netherlands, an investment company belonging to the von Metzler family, that Fleet Investments will become the new co-investor in Global Mobility Holding for an initial period of two years. On the basis of an agreement entered into in September 2009, the previous co-investors were instructed by Volkswagen AG to transfer their shares to Fleet Investments B.V. on February 1, 2010 for the same purchase price of €1.4 billion. Volkswagen AG granted the new co-investor a put option on its shares. If this option is exercised, Volkswagen must pay the original purchase price plus accumulated pro rata preferred dividends or the higher fair value. The put option is accounted for at fair value.

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

INVESTMENTS IN ASSOCIATES

On December 9, 2009, Volkswagen AG and Suzuki Motor Corporation, Tokyo, Japan, signed a master agreement to begin a long-term strategic partnership. Effective January 15, 2010, Volkswagen acquired 19.89% of the shares of Suzuki for €1.7 billion. On the basis of the economic cooperation agreed in the master agreement, Suzuki is classified as an associate. The equity interest is measured using the equity method. Allocation of the purchase price to Suzuki's assets and liabilities has only been preliminary so far.

Following the exercise of outstanding convertible bonds of other investors in the course of the reporting period, Volkswagen's interest in Suzuki declined to 19.37% as of March 31, 2010. It is planned to restore the interest to 19.89% by purchasing additional shares.

Disclosures on the consolidated financial statements

1 | Sales revenue

STRUCTURE OF GROUP SALES REVENUE

€ million	Q1 2010	Q1 2009
Vehicles	21,317	17,741
Genuine parts	2,142	1,805
Other sales revenue	2,056	1,704
Rental and leasing business	1,875	1,639
Interest and similar income	1,257	1,109
	28,647	**23,999**

2 | Cost of sales

Cost of sales includes interest expenses of €0.6 billion (previous year: €0.8 billion) attributable to the financial services business.

3 | Research and development costs in the Automotive Division

€ million	Q1 2010	Q1 2009	%
Total research and development costs	1,449	1,372	5.6
of which capitalized development costs	421	459	−8.3
Capitalization ratio in %	29.1	33.5	
Amortization of capitalized development costs	478	342	39.7
Research and development costs recognized in the income statement	**1,505**	**1,255**	**19.9**

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 only arose from the seventh tranche of the stock option plan in the reporting period.

The number of outstanding preferred shares carrying dividends starting on January 1, 2009 was adjusted for the first quarter of 2009 because the subscription price for the preferred shares issued in the first quarter of 2010 was below their fair value.

		Q1	
		2010	2009
Weighted average number of shares outstanding			
Ordinary shares: basic	million	295.0	294.9
diluted	million	295.0	295.1
Preferred shares: basic*	million	108.3	107.7
diluted*	million	108.3	107.7
Profit after tax	€ million	473	243
Minority interests	€ million	50	– 20
Profit attributable to shareholders of Volkswagen AG	€ million	423	263
Earnings per share			
Ordinary shares: basic	€	1.03	0.64
diluted	€	1.03	0.64
Preferred shares: basic	€	1.09	0.70
diluted	€	1.09	0.70

* The prior-year figures were adjusted.

5 | Noncurrent assets

CHANGES IN SELECTED NONCURRENT ASSETS BETWEEN JANUARY 1 AND MARCH 31, 2010

€ million	Carrying amount at Jan. 1, 2010	Additions/ Changes in consolidated Group	Disposals/ Other changes	Depreciation and amortization	Carrying amount at March 31, 2010
Intangible assets	12,907	436	– 347	555	13,134
Property, plant and equipment	24,444	898	– 463	1,155	24,651
Leasing and rental assets	10,288	1,551	464	552	10,822

6 | Inventories

€ million	March 31, 2010	Dec. 31, 2009
Raw materials, consumables and supplies	2,212	2,030
Work in progress	1,532	1,590
Finished goods and purchased merchandise	9,934	8,842
Current leased assets	2,089	1,575
Payments on account	62	86
	15,828	**14,124**

7 | Current receivables and other financial assets

€ million	March 31, 2010	Dec. 31, 2009
Trade receivables	7,683	5,692
Miscellaneous other receivables and financial assets	7,336	6,689
	15,019	**12,381**

8 | Equity

Volkswagen AG issued 64,904,498 new preferred shares (with a notional value of €0.2 billion) as part of a capital increase. The subscribed capital is thus composed of 295,006,127 no-par value ordinary shares and 170,142,778 preferred shares, and amounts to €1.2 billion (previous year: €1.0 billion). The capital reserves increased by €4.0 billion due to the premium received from the capital increase amounting to €4.1 billion less the net effect of the issue costs amounting to €0.1 billion.

Volkswagen AG recorded a cash inflow of €3.0 billion in March – net of the placement costs – from the capital increase. This amount corresponded to approximately 73% of the total volume. To settle the exercise of preemptive rights, a corresponding number of shares were withheld from the pre-placement with investors by the underwriting banks so that they could be made available to the shareholders. The remaining funds from the placement of the new preferred shares were therefore received after the reporting period in April 2010.

9 | Noncurrent financial liabilities

€ million	March 31, 2010	Dec. 31, 2009
Bonds, commercial paper and notes	27,599	25,645
Liabilities to banks	7,399	6,864
Deposits from direct banking business	3,734	3,041
Other financial liabilities	1,381	1,442
	40,113	**36,993**

10 | Current financial liabilities

€ million	March 31, 2010	Dec. 31, 2009
Bonds, commercial paper and notes	16,123	18,397
Liabilities to banks	5,601	5,878
Deposits from direct banking business	15,015	15,268
Other financial liabilities	1,155	1,064
	37,894	**40,606**

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.

€ million	March 31, 2010	Dec. 31, 2009
Cash and cash equivalents as reported in the balance sheet	21,318	20,539
Time deposit investments	−471	−2,304
Cash and cash equivalents as reported in the cash flow statement	**20,847**	**18,235**

12 | Segment reporting

The segment reporting comprises the three reportable segments Passenger Cars and Light Commercial Vehicles, Scania and Volkswagen Financial Services.

The activities of the Passenger Cars and Light Commercial Vehicles segment cover the development of vehicles and engines, the production and sale of passenger cars and commercial vehicles, and the genuine parts business. The individual passenger car brands and light commercial vehicles of the Volkswagen Group are combined on a consolidated basis in this segment.

The Scania segment comprises in particular the development, production and sale of heavy commercial vehicles, the corresponding genuine parts business and the financial services offering.

The activities of the Volkswagen Financial Services segment comprise dealer and customer financing, leasing, banking and insurance activities, as well as fleet management for the Passenger Cars and Light Commercial Vehicles segment.

At Volkswagen, segment profit or loss is measured on the basis of operating profit or loss. The assets of the segments comprise all of the assets allocated to the individual activities.

The reconciliation contains activities that do not by definition form part of the segments. It also contains all of the unallocated Group financing activities. Consolidation adjustments between the segments (including the purchase price allocation for Scania and the holding company functions) are also contained in the reconciliation.

OPERATING SEGMENTS: Q1 2009

€ million	Passenger Cars and Light Commercial Vehicles	Scania	Volkswagen Financial Services	Total segments	Reconciliation	Volkswagen Group
Sales revenue from external customers	19,478	1,611	2,796	23,885	114	23,999
Intersegment sales revenue	849	–	153	1,002	–1,002	–
Total sales revenue	20,327	1,611	2,949	24,887	–888	23,999
Segment profit or loss (operating profit or loss)	261	46	156	463	–151	312
Segment assets	88,146	9,889	76,509	174,544	–1,737	172,807

OPERATING SEGMENTS: Q1 2010

€ million	Passenger Cars and Light Commercial Vehicles	Scania	Volkswagen Financial Services	Total segments	Reconciliation	Volkswagen Group
Sales revenue from external customers	23.347	1.723	3.024	28.094	553	28.647
Intersegment sales revenue	2.167	–	54	2.221	–2.221	–
Total sales revenue	25.513	1.723	3.078	30.315	–1.668	28.647
Segment profit or loss (operating profit or loss)	603	214	167	984	–136	848
Segment assets	91.125	9.822	77.779	178.726	9.395	188.121

RECONCILIATION

€ million	Q1 2010	2009
Segment profit or loss (operating profit or loss)	**984**	**463**
Unallocated activities	60	35
Group financing	2	7
Consolidation adjustments	–198	–192
Operating profit	**848**	**312**
Financial result	**–145**	**–261**
Profit before tax	**703**	**52**

13 | Related party disclosures

At 50.76%, Porsche Automobil Holding SE holds the majority of the voting rights in Volkswagen AG.

The creation of rights of appointment for the State of Lower Saxony was resolved at the Extraordinary General Meeting of Volkswagen AG on December 3, 2009. As a result, Porsche Automobil Holding SE can no longer appoint the majority of the members of Volkswagen AG's Supervisory Board for as long as the State of Lower Saxony holds at least 15% of Volkswagen AG's ordinary shares. This resolution had not yet been entered in the commercial register by the end of the reporting period. However, Porsche Automobil Holding SE continues to have the power to participate in the operating policy decisions of the Volkswagen Group.

	SUPPLIES AND SERVICES RENDERED		SUPPLIES AND SERVICES RECEIVED	
	Q1		Q1	
€ million	2010	2009	2010	2009
Porsche Automobil Holding SE	0	0	–	392
Unconsolidated subsidiaries of VW AG	522	396	247	156
Joint ventures[1]	1,223	496	87	56
Associates	13	3	39	45
Porsche[2]	867	863	39	44
State of Lower Saxony and majority interests	8	1	0	0

1 From Q1 2010 including Porsche Zwischenholding GmbH, Stuttgart, and its subsidiaries (supplies and services rendered: €118 million, supplies and services received: €12 million).

2 Includes in particular Porsche Holding Gesellschaft m. b. H., Salzburg/Austria, and its subsidiaries as well as Dr. Ing. h.c. F. Porsche AG, Stuttgart, and its subsidiaries for Q1 2009.

The Company extended factoring finance of €0.2 billion to a subsidiary of Porsche Zwischenholding GmbH at arm's length conditions and collateral requirements; this amount was still outstanding as of March 31, 2010.

In the reporting period, Porsche Corporate Finance GmbH Zurich branch, Salzburg, Austria, subscribed for six commercial paper issues by Volkswagen International Finance N.V., Amsterdam, the Netherlands, and Volkswagen Group Services S.A., Brussels, Belgium; these have a total volume of €0.1 billion and are guaranteed by Volkswagen AG.

14 | Contingent assets and liabilities

Contingent liabilities increased by €1.4 billion compared with the amount disclosed in the 2009 consolidated financial statements because of the pledge of certificates of deposit with Bankhaus Metzler to secure a loan granted to Fleet Investments B.V., Amsterdam, the Netherlands, by Bankhaus Metzler. Fleet Investment B.V. is the co-investor in Global Mobility Holding B.V., Amsterdam, the Netherlands, a joint venture of the Volkswagen Group.

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 three months of 2010.

Wolfsburg, April 29, 2010

Volkswagen Aktiengesellschaft
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