

Financial report June 2013

Volkswagen Financial Services N.V.

Amsterdam

Management report

Volkswagen Financial Services N.V. ('FSNV' or 'the company') is one of the funding vehicles of Volkswagen Financial Services AG, Brunswick (FSAG) and its subsidiaries. FSNV raises funds from the capital markets by issuing notes and lends the proceeds on to Group and Joint Venture companies. Basis for the issuing activities are the € 18 billion Debt Issuance Programme that adheres to the European Prospective Directive Standards and a € 10 billion Multi Currency Commercial Paper Programme. All issues are guaranteed by the parent company FSAG. As per 30.6.2013 according to Moody's, FSAG's rating is set to P-2 (short term) and A3 (long term) with a positive outlook. Standard & Poor's assessed FSAG's creditworthiness as A-2 (short term) and A- (long term) with a positive outlook.

Besides these programmes FSNV can utilize several uncommitted revolving credit facilities with international banks. This grants more flexibility in providing the Volkswagen group with small volumes and/or frequent tranches of funds if required.

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

Within the first six months of the year FSNV placed 10 bonds under the DIP Programme with a total € equivalent of 1.2 billion. Under the CP Programme the company placed 47 issues with a total € equivalent of 1.7 billion.

The proceeds of these issues have been granted to the Volkswagen Financial Services Group companies.

On the other hand the company redeemed DIP issues with a total € equivalent of 277 million and CP issues with a total € equivalent of 2.2 billion.

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

The average volume in the back to back finance business decreased by € 0.2 billion to € 4.2 billion. Interest income decreased from € 15.7 million in the first half of 2012 to € 13.2 million in the first half of 2013. Main reason is the decrease in equity available for lending due to repayment of capital to FSAG. Result after taxes added up to € 9.9 in the first six months of 2013 (2012: € 11.9 million)

For the whole year 2013 we expect a continuation of the first six months' development with regard to FSNV's business volume. Interest income and result after taxes are expected to be below the 2012 figures.

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

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

Amsterdam, 31 July 2013

Original has been signed by

Thomas Fries, Managing Director

Balance sheet as at 30 June 2013

(unaudited)

	30 June 2013		30 June 2012	
	EUR'000	EUR'000	EUR'000	EUR'000
<i>Assets</i>				
Fixed assets				
Tangible fixed assets		1		1
Financial fixed assets:				
Shares in participations	1		1	
Loans to Volkswagen group Companies	2,390,834		2,208,604	
Loans to joint ventures of the Volkswagen group	603,684		413,459	
Loans to external parties	500		-	
Prepaid and deferred charges	5,614		5,246	
Total financial fixed assets		3,000,633		2,627,310
Total fixed assets		3,000,634		2,627,311
Current assets				
Receivables due from Volkswagen group companies	1,556,362		1,776,915	
Receivables due from joint ventures of the Volkswagen group	943,826		989,671	
Other assets	44,063		44,213	
Loans to external parties	-		533	
Prepaid and deferred charges	6,866		7,174	
Cash at banks and in hand	615		712	
Total current assets		2,551,732		2,819,218
Total assets		5,552,366		5,446,529

(unaudited)

	30 June 2013		30 June 2012	
	EUR'000	EUR'000	EUR'000	EUR'000
<i>Shareholder's equity and liabilities</i>				
Shareholder's equity				
Share capital	454		454	
Share premium reserve	585,000		853,000	
Retained earnings	69,270		45,806	
Current earnings	9,943		11,928	
Total shareholder's equity		664,667		911,188
Long-term liabilities				
Bonds	2,709,554		2,079,402	
Liabilities to banks	-		-	
Liabilities to Volkswagen group companies	92,623		129,430	
Other liabilities	-		-	
Deferred income	5,599		5,144	
Total long-term liabilities		2,807,776		2,213,976
Current liabilities				
Bonds	1,017,804		1,235,595	
Commercial papers	956,000		903,000	
Liabilities to Volkswagen group companies	34,414		110,540	
Other liabilities	53,312		58,262	
Deferred income	4,429		3,549	
Trade payables	8		-	
Current income tax	12,451		8,140	
Accrued liabilities	234		196	
Withholding Tax	1,271		2,083	
Total current liabilities		2,079,923		2,321,365
Total shareholder's equity and liabilities		5,552,366		5,446,529

Income statement 30 June 2013

(unaudited)

	2013		2012	
	EUR'000	EUR'000	EUR'000	EUR'000
Income				
Interest and similar income	67,078		76,541	
Other operating income	12		75	
Total income		67,090		76,616
Expenses				
Interest and similar expenses	(53,867)		(60,793)	
Other operating expenses	(6)		-	
General and administrative expenses	(422)		(423)	
Total expenses		(54,295)		(61,216)
Result before taxation		12,795		15,400
Taxation		(2,852)		(3,472)
Result after taxation		9,943		11,928