

# Annual Financial Statements of Volkswagen AG

## BALANCE SHEET OF VOLKSWAGEN AG AS OF DECEMBER 31, 2015

€ million		Note	Dec. 31, 2015	Dec. 31, 2014
<b>Assets</b>				
<b>Fixed assets</b>		<b>1</b>		
Intangible assets			282	190
Tangible assets			7,894	7,329
Long-term financial assets			86,744	79,584
			<b>94,919</b>	<b>87,103</b>
<b>Current assets</b>				
Inventories		2	4,073	3,932
Receivables and other assets		3	26,365	16,578
Cash-in-hand and bank balances		4	7,941	8,434
			<b>38,379</b>	<b>28,944</b>
<b>Prepaid expenses</b>			<b>198</b>	<b>89</b>
<b>Total assets</b>			<b>133,496</b>	<b>116,135</b>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Subscribed capital		5	1,283	1,218
Ordinary shares	755			
Preferred shares	528			
Contingent capital	-			
Capital reserve		6	15,021	11,391
Revenue reserves		7	7,995	13,575
Net retained profits			69	2,299
			<b>24,368</b>	<b>28,483</b>
<b>Special tax-allowable reserves</b>		<b>8</b>	<b>26</b>	<b>33</b>
<b>Provisions</b>		<b>9</b>	<b>47,558</b>	<b>31,122</b>
<b>Liabilities</b>		<b>10</b>	<b>61,139</b>	<b>56,362</b>
<b>Deferred income</b>			<b>406</b>	<b>134</b>
<b>Total equity and liabilities</b>			<b>133,496</b>	<b>116,135</b>

**INCOME STATEMENT OF VOLKSWAGEN AG  
 FOR THE PERIOD JANUARY 1 TO DECEMBER 31, 2015**

€ million	Note	2015	2014
<b>Sales</b>	<b>11</b>	<b>73,510</b>	<b>68,971</b>
Cost of sales		-75,693	-65,293
<b>Gross profit on sales</b>		<b>-2,184</b>	<b>3,678</b>
Selling expenses		-8,305	-5,294
General and administrative expenses		-1,059	-1,135
Other operating income	12	7,560	4,626
Other operating expenses	13	-14,644	-3,756
<b>Financial result</b>	<b>14</b>	<b>13,813</b>	<b>6,222</b>
Write-downs of long-term financial assets and securities classified as current assets		-	-114
<b>Result from ordinary activities</b>		<b>-4,819</b>	<b>4,227</b>
Taxes on income		-697	-1,751
<b>Net loss / net income for the year</b>		<b>-5,515</b>	<b>2,476</b>

# *Notes to the Annual Financial Statements of Volkswagen AG for the Period ended December 31, 2015*

## Financial statements in accordance with the German Commercial Code

Volkswagen AG is domiciled in Wolfsburg, Germany, and entered in the commercial register at the Braunschweig Local Court under no. HRB 100484. The annual financial statements of Volkswagen AG have been prepared in accordance with the provisions of the Handelsgesetzbuch (HGB – German Commercial Code) and comply with the provisions of the Aktiengesetz (AktG – German Stock Corporation Act). The fiscal year corresponds to the calendar year.

To enhance the clarity of presentation, individual items of the balance sheet and the income statement have been combined. These items are disclosed separately in the notes. The income statement uses the cost of sales (function of expense) format to enable better international comparability. Information that can be disclosed optionally in the balance sheet or the income statement, or in the notes to the annual financial statements, is disclosed in its entirety in the notes to the annual financial statements or the management report. All figures shown are rounded, so minor discrepancies may arise from adding together these amounts.

Volkswagen AG performs electricity generation and distribution/sales activities together with a Group subsidiary. As a result, Volkswagen AG and this subsidiary are classed as a vertically integrated energy company within the meaning of section 3 no. 38 of the Energiewirtschaftsgesetz (EnWG – German Energy Industry Act) and are therefore subject to the provisions of the EnWG. Separate accounts must normally be maintained for certain activities in the energy sector in accordance with section 6b(3) of the EnWG (unbundling requirement in accounting systems). Volkswagen AG itself only operates customer systems in accordance with section 3 no. 24 b and 24 a of the EnWG (medium-voltage and low-voltage grids). The subsidiary distributes the electricity via a general supply network (high-voltage grid in Wolfsburg, section 3 no. 17 of the EnWG).

The list of all shareholdings is a component of the notes and can also be downloaded from the electronic companies register at [www.unternehmensregister.de](http://www.unternehmensregister.de) and from [www.volkswagenag.com/ir](http://www.volkswagenag.com/ir) under the heading “Mandatory Publications”.

The Board of Management completed preparation of the annual financial statements on April 22, 2016, with additional amendments by April 22, 2016. On April 22, 2016, the period ended in which adjusting events after the reporting period are recognized.

## Declaration on the German Corporate Governance Code in accordance with section 161 of the AktG/section 285 no. 16 of the HGB

The Board of Management and Supervisory Board of Volkswagen AG issued the declaration of conformity in accordance with section 161 of the AktG on November 20, 2015.

The declaration of conformity has been made permanently available at [www.volkswagenag.com](http://www.volkswagenag.com) (under the following path: Investor Relations/Mandatory Publications/Declaration of Conformity/Currently valid Declaration of Conformity).

## Significant events in the fiscal year

In the USA, the California Air Resources Board (CARB) and the Environmental Protection Agency (EPA) publicly announced that irregularities had been discovered in relation to emissions tests on Volkswagen Group diesel vehicles, and that violations of US environmental laws had occurred as a result. As the investigations stand at present, the issue affects approximately 11 million vehicles worldwide fitted with certain diesel engines. The vast majority of these are Type EA 189 Euro5 engines. Based on current knowledge, the remedial actions will differ in scope depending on the engine variant involved. The technical solutions outside the North American market will cover software and in some cases minor hardware modifications, depending on the series and model year. For the US and Canadian market, Volkswagen is continuing to drive forward the development of remedial actions, to coordinate them with the competent authorities and to obtain approval for them. Consequently, Volkswagen AG recognized provisions in the total amount of €14.6 billion. This primarily entailed recognizing provisions for field activities (service measures and recalls) and for possible conversions in the amount of €7.5 billion, as well as €6.7 billion for legal risks. Due to intragroup agreements, the provisions recognized by Volkswagen AG also cover expenses incurred by other Volkswagen Group brands. The carrying amount of the provisions reflects the current status of discussions with the relevant authorities and is measured as far as possible on the basis of past experience and on estimates, depending on the technical complexity of the remedial actions concerned.

The sales programs are reported in selling expenses and the expenses recognized for legal risks are reported in other operating expenses. The ongoing investigations mean that assessment of the circumstances is subject to estimation risk. In particular, the estimates may experience considerable change as the technical measures in the USA and Canada take shape and the legal risks crystallize.

In addition, existing hedges of sales revenue were terminated because the hedged items no longer meet the criteria for hedge accounting. Provisions for anticipated losses were recognized for the currency forwards concerned.

As things stand, outside the group of persons mentioned above, the then and current Board of Management of Volkswagen AG had, at any rate, no knowledge of the use of unlawful engine management software at the time. Even after the ICCT study was published in May 2014, the discrepancies were initially regarded – on the basis of the facts currently known regarding the members of the Board of Management responsible at that time – as a technical problem that did not basically differ from other everyday technical problems at an automotive company. In the exhaust measurements carried out in-house at Volkswagen in the subsequent months, the test set-ups on which the ICCT study was based were repeated and the unusually high NOx emissions confirmed. CARB was informed of this result, and at the same time the offer was made to recalibrate the type EA 189 diesel engines as part of a service measure that was already planned in the USA. This measure was evaluated and adopted by the product safety committee (APS), which includes, among others, employees from the technical development, quality assurance, sales, production, logistics, procurement and legal departments, as part of the existing processes within the Volkswagen Group. The APS thus plays a central role in the internal control system at Volkswagen AG. There are currently no reliable findings to confirm that an unlawful software modification was reported by the APS as the cause of the discrepancies to the persons responsible for preparing the 2014 annual and consolidated financial statements. Instead, at the time that the annual and consolidated financial statements were being prepared, this group of people remained under the impression that the discrepancies could be eliminated with comparatively little effort as a part of a field measure. Based on what is currently known, the actual background of the discrepancies only became clear gradually to the members of the Board of Management dealing with the matter. It was only reliably recognized in the summer of 2015 that the cause of the discrepancies was a software modification, to be qualified as a so-called "defeat device" as defined by US environmental law. This culminated in the disclosure of the manipulated software to the EPA/CARB on September 3, 2015. According to the assessment at that time of the members of the Board of Management dealing with the matter, the scope of the costs expected as a result by the Volkswagen Group (recall costs, retrofitting costs and financial penalties), was basically not dissimilar to that of previous cases in which other vehicle manufacturers were involved, and therefore appeared to be controllable overall with a view to the business activities of the Volkswagen Group. This appraisal by Volkswagen AG was based on the assessment of a law firm brought in in the USA for approval issues, according to which similar cases in the past were resolved amicably with the US authorities. Publication of a "Notice of Violation" by the EPA on September 18, 2015, which came as a surprise to the company, on the facts and possible financial consequences, then presented the situation in a completely different light.

Profit of €3.7 billion was transferred by Audi AG, Ingolstadt, profit of €2.5 billion was transferred by Porsche Holding Stuttgart GmbH, Stuttgart, and profit of €1.4 billion was transferred by Truck & Bus GmbH, Wolfsburg. The shares in Suzuki Motor Corporation, Hamamatsu, Japan, were sold in the reporting period, resulting in a gain of €1.4 billion.

On maturity of the mandatory convertible notes, Volkswagen AG's subscribed capital increased by €0.1 billion and its capital reserves increased by €3.6 billion.

The capital of Volkswagen Finance Luxemburg S.A., Luxembourg, was increased by a total of €2.3 billion, the capital of Volkswagen Financial Services AG, Braunschweig, by €2.3 billion, and the capital of AUDI AG, Ingolstadt, by €1.6 billion. Other capital increases related to Porsche Holding Stuttgart GmbH, Stuttgart (€0.5 billion). There were also smaller capitalization measures at affiliated companies. €1.6 billion was invested in the HI-TV treasury fund.

## Accounting policies

The accounting policies applied in the previous year were retained. As before, the items Other investment income and expenses and Other financial result have been added to the classification format for the income statement. These two items are addressed in greater detail in note (14) Financial result.

Purchased intangible assets are recognized at cost and amortized over three to five years using the straight-line method. Internally generated intangible assets are not recognized. Grants paid for third-party assets are capitalized as purchased rights to use and amortized over five years. These assets are derecognized once they have been fully amortized.

Tangible assets are carried at cost and reduced by depreciation. Investment grants are deducted from cost.

Production costs are recognized on the basis of directly attributable material and labor costs, as well as proportionate indirect material and labor costs, including depreciation and amortization.

Administrative cost components are not included.

Depreciation is based primarily on the following useful lives:

	Useful lives
Buildings	25 – 50 years
Leasehold improvements	9 – 33 years
Technical equipment and machinery	5 – 20 years
Operating and office equipment (including special tools)	3 – 25 years

For additions up until December 31, 2009, to the extent allowed by tax law, depreciation of movable items of tangible assets is generally charged initially using the declining balance method, and subsequently using the straight-line method, and also reflects the use of assets in multishift operation. The option to retain and adjust lower carrying amounts of tangible asset balances at December 31, 2009 in accordance with section 67(4) of the Einführungsgesetz zum Handelsgesetzbuch (EGHGB – Introductory Act to the German Commercial Code) has been exercised. Movable items of tangible assets purchased or manufactured as from January 1, 2010 are depreciated using the straight-line method.

As a general rule, additions of movable assets are depreciated ratably in the year of acquisition.

Low-value assets are written off and derecognized in full in the year they are acquired. In addition, certain items of operating and office equipment with individual purchase costs of up to €1,500 are treated as disposals when their standard useful life has expired.

The differences between the carrying amounts required by the HGB and the lower carrying amounts allowed under tax law were recorded in the special tax-allowable reserves presented between equity and liabilities in the balance sheet.

Existing special reserves are retained since they were recognized before the year of the transition to the provisions of the Bilanzrechtsmodernisierungsgesetz (BilMoG – German Accounting Law Modernization Act). These are reversed to the income statement and are based on the provisions of section 3(2) of the Zonenrandförderungsgesetz (German Zonal Border Development Act), section 6b of the Einkommensteuergesetz (EStG – German Income Tax Act)/regulation 6.6 of the Einkommensteuerrichtlinien (EStR – German Income Tax Regulations), section 7d of the EStG, section 82d of the Einkommensteuer-Durchführungsverordnung (EStDV – German Income Tax Implementing Regulation) and regulation 35 of the EStR. No new special reserves have been recognized since January 1, 2010.

Write-downs are recognized if the impairment is expected to be permanent; write-downs are reversed up to the amount of historical cost, net of depreciation or impairment, as soon as the reasons for impairment no longer apply.

Shares in affiliated companies and other equity investments are measured at the lower of cost and net realizable value. Annual impairment tests are performed.

Long-term investments are carried at the lower of cost or fair value in the case of permanent impairment.

Securities held as plan assets for post-employment benefit obligations are measured at fair value and offset against the corresponding provisions. These securities are assets that are exempt from attachment by all creditors and that exclusively serve to settle liabilities from post-employment benefit obligations. The fair value of these assets corresponds to the market price (section 255(4) of the HGB).

Non- or low-interest-bearing loans are carried at their present value; other loans are carried at their principal amount.

Raw materials, consumables and supplies, and merchandise carried in inventories are measured at the lower of average cost and replacement cost. In addition to direct materials and direct labor costs, the carrying amount of finished goods and work in progress also includes proportionate indirect materials and labor costs, including depreciation in the amount required. Adequate valuation allowances take account of all identifiable storage and inventory risks.

Receivables and other assets are carried at their principal amounts. Write-downs to the lower fair value are recognized for identifiable specific risks.

Receivables due after more than one year are carried at their present value at the balance sheet date by applying an interest rate to match the maturity.

Volkswagen AG recognizes emissions certificates as of the date of issue or acquisition. They are measured at the lower of cost or fair value. Emissions certificates issued free of charge are recognized as a memorandum item. Each certificate is valued at €8.29 per tonne of CO<sub>2</sub> as of the reporting date.

Receivables denominated in foreign currencies are translated at the middle spot rate prevailing at the date of initial recognition. Receivables that are due within less than one year are translated at the middle spot rate at the reporting date. In the case of receivables with a longer term, a lower exchange rate at the balance sheet date results in the remeasurement of the receivable at a lower carrying amount, with the difference recognized in the income statement; a higher exchange rate at the balance sheet date (remeasurement gain) is not recognized. Hedged receivables are not remeasured at the closing rate.

Purchased foreign currency options are carried at the lower of cost or fair value until maturity.

Securities classified as current assets are carried at the lower of cost or fair value.

Expenditure prior to the balance sheet date that represents an expense for a specific period after this date is recognized under prepaid expenses on the assets side of the balance sheet.

Deferred taxes are recognized for temporary differences between the carrying amounts required by the HGB and the tax base of all assets and liabilities. As Volkswagen AG is the consolidated tax group parent and thus also the taxpayer for affiliated companies with which there are profit and loss transfer agreements, the differences at those companies are also included when calculating deferred taxes. Volkswagen AG is also a partner in various partnerships. Deferred taxes in respect of the difference between the HGB carrying amounts of assets and liabilities and their tax base are also reported at Volkswagen AG where these relate to corporation tax. The deferred taxes in respect of these differences are calculated on the basis of an average income tax rate of 29.8% or 15.8% for temporary differences that are attributable to different carrying amounts at partnerships in which Volkswagen AG is a partner. The option to recognize excess assets in accordance with section 274 of the HGB is not exercised.

Adequate provisions are recognized at their settlement amount for identifiable risks and uncertain obligations on the basis of prudent business judgment, taking into account expected future price and cost increases. Provisions cover all identifiable risks of future settlement.

Pension provisions are measured in accordance with actuarial principles; the projected unit credit method is used for defined benefit plans. Future obligations are measured on the basis of the ratable benefit entitlements earned as of the balance sheet date.

In addition to the pension payments and vested entitlements known at the balance sheet date, future increases in salaries and pensions are taken into consideration, along with other relevant parameters. The discount rate as published by the Deutsche Bundesbank as of November 30, 2015, was extrapolated to December 31, 2015. This figure is used to measure pension provisions in accordance with section 253(2) of the HGB and is based on the discount rate of 3.89% for a remaining maturity of 15 years.

Provisions that have an expected remaining maturity of more than one year are discounted at an interest rate to match the maturity.

Provisions for warranty obligations are recognized on the basis of the historical or estimated probability of claims affecting vehicles delivered. Assumptions were made in respect of the warranty provisions recognized in connection with the diesel issues. These depend on the series, model year and country concerned and relate in particular to the effort, material costs and hourly wage rates involved, or to vehicle values in the case of repurchases. They are based on qualified estimates, which are based in turn on external data, and also reflect additional information available internally, such as values derived from past experience.

Provisions for litigation risks relating to the diesel issue, which comprise criminal, civil and administrative law cases as well as product-related lawsuits, including adequate defense and legal advice expenses, were calculated as the best estimate based on the present state of knowledge and current estimates.

Provisions for long-service jubilees and death benefits are also measured using the projected unit credit method. Currency forwards and commodity futures contracts are measured by comparing the agreed rate with the forward rate for the same maturity at the balance sheet date. A provision is recognized for any resulting unrealized loss. Any positive gains (remeasurement gains) are not recognized. Gains and losses are not offset. Measurement gains or losses are discounted to the present value.

Provisions for taxes are calculated according to the principles of prudent business judgment.

Liabilities are carried at their redemption or settlement amount.

Liabilities denominated in foreign currencies are translated at the middle spot rate prevailing at the date of initial recognition. Short-term foreign currency liabilities due within one year or less are measured at the middle spot rate. Long-term foreign currency liabilities are recognized at a higher carrying amount, with the difference recognized in the income statement if the closing rate is higher. Lower exchange rates at the balance sheet date (remeasurement gains) are not recognized.

Receipts prior to the balance sheet date that represent income for a specific period after that date are reported under deferred income on the equity and liabilities side of the balance sheet.

The amount of contingent liabilities disclosed corresponds to the liable amount.

Where possible and feasible, derivatives entered into for hedging purposes are combined to form hedges if they have comparable risks to the hedged item. These are recognized using the "net hedge presentation method"; i.e. the items are not measured to the extent that and for as long as offsetting changes in fair value or cash flows are compensated.

Derivatives not included in hedge accounting are measured individually at fair value. Any resulting unrealized losses are recognized in income. Assets or liabilities hedged by cross-currency swaps and currency forwards are translated at the contractually agreed rates at the time of initial recognition. Transactions denominated in foreign currencies are translated at the exchange rates prevailing at the transaction dates or at agreed exchange rates. Expected exchange rate losses at the balance sheet date are reflected in the measurement of the items. Receivables and liabilities due within less than one year that are denominated in foreign currencies are translated at the middle spot rate prevailing at the balance sheet date. Equity investments are translated at the rate prevailing at the date of acquisition.

In the income statement, the allocation of expenses to the cost of sales, selling and general and administrative functions is based on cost center accounting principles.

Cost of sales contains all expenses relating to the purchase of materials and the production function, the costs of merchandise, the cost of research and development, and warranties and product liability expenses.

Selling expenses include personnel and non-personnel operating costs of our sales and marketing activities, as well as shipping, advertising, sales promotion, market research and customer service costs.

General and administrative expenses include personnel and non-personnel operating costs of the administrative functions.

Other taxes are allocated to the consuming functions.



## Balance Sheet Disclosures

### (1) FIXED ASSETS

The classification of the assets combined in the balance sheet and their changes during the year are presented on pages 10 to 11.

Capital expenditures amounted to:

€ million	2015	2014
Intangible assets	165	122
Tangible assets	2,547	2,682
Long-term financial assets	9,088	18,247
	<b>11,799</b>	<b>21,051</b>

Significant additions to long-term financial assets are explained under “Significant events in the fiscal year” on page 4. Long-term investments also include securities (Time Assets fund and pension fund).

Depreciation, amortization and write-downs were charged on:

€ million	2015	2014
Intangible assets	73	57
Tangible assets	1,964	1,773
Long-term financial assets	-	114
	<b>2,037</b>	<b>1,944</b>

Assets recognized before the introduction of the BilMoG continue to be depreciated using the declining balance method. Depreciation of tangible assets includes declining balance depreciation in the amount of €37 million. Reversals of write-downs (€106 million) related to Volkswagen India Pvt. Ltd., Pune, India.

**DISCLOSURES IN ACCORDANCE WITH SECTION 285 NO. 26 OF THE HGB**

Securities investment funds (values as of December 31, 2015)

€ million	Carrying amount	Fair value	Fair value – carrying amount	Distribution 2015	Daily redemption possible	Write-downs not recognized
HI-TV Fund	7,324	7,245	-79	107	yes	yes
HI-ZW Fund*	1,677	1,677	-	0	yes	not applicable
HI-PF Fund*	3,152	3,152	-	0	yes	not applicable

\* Distributions for fiscal year 2015 will be made in 2016

The funds' investment objectives are a return to match the maturity with appropriate risk diversification using the following asset classes: equities, fixed-income securities, cash investments and other assets. These can be invested in both Germany and internationally. The fund units can be redeemed on a daily basis. Fair values are calculated on the basis of quoted market prices.

The treasury fund (HI-TV) is allocated to fixed assets at Volkswagen AG and measured at cost. The HI-TV Fund was not written down to the lower fair value in 2015 as no permanent impairment was expected. The reason for this was that the difference between the average fair value and the carrying amount was positive.

The Time Assets fund (HI-ZW) and the pension fund (HI-PF) exclusively serve to meet occupational pension obligations and similar long-term obligations and are measured at fair value. Both funds are offset against the related obligations. As a result, the funds are offset against the related obligations in the annual financial statements. Income and expenses from fair value measurement of the funds are recognized immediately in income. This means that there is no requirement to test them for any potential permanent impairment.

STATEMENT OF CHANGES IN FIXED ASSETS

GROSS CARRYING AMOUNTS						
€ million	Cost Jan. 1, 2015	Additions	Transfers	Disposals	Cost Dec. 31, 2015	
<b>Intangible assets</b>						
Industrial and similar rights and assets, and licenses in such rights and assets	387	151	17	60	495	
Payments on account	16	13	-16	-	13	
	<b>403</b>	<b>165</b>	<b>0</b>	<b>60</b>	<b>509</b>	
<b>Tangible assets</b>						
Land, land rights and buildings, including buildings on third-party land	5,306	128	69	20	5,484	
Technical equipment and machinery	11,514	531	312	569	11,788	
Other equipment, operating and office equipment	17,655	1,254	329	305	18,933	
Payments on account and assets under construction	972	633	-711	-	894	
	<b>35,447</b>	<b>2,547</b>	<b>-0</b>	<b>894</b>	<b>37,099</b>	
<b>Long-term financial assets</b>						
Shares in affiliated companies	69,689	6,867	-	-	76,557	
Loans to affiliated companies	807	632	-	166	1,274	
Other equity investments	2,273	1	-	1,754	520	
Loans to other investees and investors	-	-	-	-	-	
Long-term investments	7,205	1,587	-	115	8,677	
Other loans	22	-	-	1	21	
	<b>79,996</b>	<b>9,088</b>	<b>-</b>	<b>2,036</b>	<b>87,048</b>	
<b>Total fixed assets</b>	<b>115,847</b>	<b>11,799</b>	<b>-</b>	<b>2,990</b>	<b>124,656</b>	

**ANNUAL FINANCIAL STATEMENTS OF VOLKSWAGEN AG**  
*Notes to the Financial Statements of Volkswagen AG for the Period ended December 31, 2015*

**DEPRECIATION, AMORTIZATION AND WRITE-DOWNS**

Cumulative depreciation, amortization and write-downs Jan. 1, 2015	Depreciation, amortization and write-downs in current year	Disposals	Transfers	Reversals of write-downs	Cumulative depreciation, amortization and write-downs Dec. 31, 2015	Carrying amounts Dec. 31, 2015	Carrying amounts Dec. 31, 2014
214	73	60	-	-	227	268	173
-	-	-	-	-	-	13	16
<b>214</b>	<b>73</b>	<b>60</b>	-	-	<b>227</b>	<b>282</b>	<b>190</b>
4,028	101	18	0	-	4,111	1,373	1,278
9,566	722	560	0	-	9,729	2,059	1,948
14,524	1,141	298	-0	-	15,366	3,567	3,131
-	-	-	-	-	-	894	972
<b>28,118</b>	<b>1,964</b>	<b>876</b>	-	-	<b>29,206</b>	<b>7,894</b>	<b>7,329</b>
200	-	-	-	106	94	76,463	69,489
0	-	0	-	0	0	1,274	807
192	-	-	-	-	192	328	2,081
-	-	-	-	-	-	-	-
21	-	-	-	2	18	8,658	7,184
0	-	0	-	-	0	21	22
<b>413</b>	-	<b>0</b>	-	<b>108</b>	<b>304</b>	<b>86,744</b>	<b>79,584</b>
<b>28,744</b>	<b>2,037</b>	<b>936</b>	-	<b>108</b>	<b>29,737</b>	<b>94,919</b>	<b>87,103</b>

**(2) INVENTORIES**

€ million	Dec. 31, 2015	Dec. 31, 2014
Raw materials, consumables and supplies	977	971
Work in progress	1,118	990
Finished goods and merchandise	1,948	1,961
Payments on account	29	10
	<b>4,073</b>	<b>3,932</b>

**(3) RECEIVABLES AND OTHER ASSETS**

€ million	Dec. 31, 2015	Dec. 31, 2014
Trade receivables	1,163	1,386
due after more than one year	(3)	(0)
Receivables from affiliated companies	22,596	13,130
of which trade receivables	(2,494)	(3,063)
due after more than one year	(1,615)	(1,639)
Receivables from other investees and investors	1,058	758
of which trade receivables	(1,047)	(746)
due after more than one year	-	-
Other assets	1,548	1,304
due after more than one year	(284)	(147)
	<b>26,365</b>	<b>16,578</b>

In addition to trade receivables, receivables from affiliated companies are composed primarily of short- and medium-term loans and receivables relating to profit distributions, including income tax allocations.

Other assets primarily include tax reimbursements that are not yet due (€896 million), receivables from the sale of used cars on behalf of subsidiaries (€164 million), claims for reimbursement of warranty payments (€148 million), option premiums paid (€139 million) and payments on account (€99 million).

**OTHER SECURITIES**

Other securities were written down in full in previous years.

**(4) CASH-IN-HAND AND BANK BALANCES**

Bank balances (€7.9 billion) include a total of €1.7 billion held at affiliated companies. This figure includes pledged balances of €1.6 billion (previous year: €1.0 billion). €1 million of the bank balances has a term of more than one year (previous year: €1 million).

**(5) SUBSCRIBED CAPITAL**

The subscribed capital of Volkswagen AG is composed of no-par value bearer shares with a notional value of €2.56. As well as ordinary shares, there are preferred shares that entitle the bearer to a €0.06 higher dividend than ordinary shares, but do not carry voting rights.

Following capital increases by way of voluntary conversion of the mandatory convertible notes as well as mandatory conversion at the time of maturity of the mandatory convertible notes, the subscribed capital is composed of 295,089,818 no-par value ordinary shares and 206,205,445 no-par value preferred shares; it amounts to €1,283 million (previous year: €1,218 million).

Authorized capital of up to €110 million, expiring on April 18, 2017, was approved for the issue of new ordinary bearer shares or preferred shares based on the resolution by the Annual General Meeting on April 19, 2012. In June 2014, Volkswagen AG issued 10,471,204 new preferred shares (notional value: €27 million); the remaining authorized capital amounts to €83 million.

Based on the resolution by the Annual General Meeting on May 5, 2015, authorized capital of up to €179 million, expiring on May 4, 2020, was approved for the issue of new preferred bearer shares.

The Annual General Meeting on April 22, 2010 had resolved to create contingent capital in the amount of €102 million expiring on April 21, 2015 that could be used to issue up to €5 billion in bonds with warrants and/or convertible bonds. Volkswagen AG used this contingent capital as follows:

In November 2012, Volkswagen AG placed a mandatory convertible note in the amount of €2.5 billion that entitled and obliged holders to subscribe for preferred shares via a subsidiary, Volkswagen International Finance N.V. Amsterdam/the Netherlands (VIF; issuer). The preemptive rights of existing shareholders were disappplied. The mandatory convertible note bore interest of 5.50% and expired on November 9, 2015. The issuer had granted a loan to Volkswagen AG in the amount of the issue proceeds; this was recognized under liabilities to affiliated companies.

This mandatory convertible note was supplemented by the issue of another mandatory convertible note in the amount of €1.2 billion in June 2013. The features of the new mandatory convertible note corresponded to those of the mandatory convertible note issued in November 2012. It was issued at a price of 105.64% of the principal amount. Additionally, accrued interest (€1 million) was received and deferred. The new mandatory convertible note also matured on November 9, 2015. The issuer had granted a loan to Volkswagen AG in the amount of the issue proceeds; this and the tranche from November 2012 were recognized under liabilities to affiliated companies until maturity on November 9, 2015.

In 2015, the final minimum conversion price was €144.50, and the final maximum conversion price was €173.40. The conversion price was to be adjusted if certain events occurred. The issuer was entitled to convert the mandatory convertible notes at any time at the minimum conversion price. The note terms and conditions also provided for early conversion options. This voluntary conversion right was exercised in the reporting period, with a total of €4.7 million of the notes being converted into 27,091 new preferred shares at the effective maximum conversion price at the conversion date. The mandatory convertible notes remaining after voluntary conversion were settled on November 9, 2015 by issuing 25,536,876 new preferred shares. As a result, the subscribed capital increased by €65 million and the capital reserves increased by €3,629 million. Liabilities to affiliated companies declined by €3.7 billion.

#### **(6) CAPITAL RESERVES**

€ million	Dec. 31, 2015	Dec. 31, 2014
	15,021	11,391

The capital reserves comprise the share premium totaling €14,695 million from capital increases, the share premium of €219 million from the issue of bonds with warrants and an amount of €107 million appropriated on the basis of the capital reduction implemented in 2006. The capital reserves rose by €3,629 million in the fiscal year as a result of a capital increase and by €5 million due to the exercise of conversion rights attached to the mandatory convertible note (see section (5) Subscribed capital). No amounts were withdrawn from the capital reserves.

**(7) REVENUE RESERVES**

€ million	Dec. 31, 2015	Dec. 31, 2014
Legal reserve	31	31
Other revenue reserves	7,964	13,544
	<b>7,995</b>	<b>13,575</b>

€5.6 billion was withdrawn from the other revenue reserves in the past fiscal year in order to offset the net loss for the year.

**(8) SPECIAL TAX-ALLOWABLE RESERVES**

€ million	Dec. 31, 2015	Dec. 31, 2014
Accelerated tax depreciation	26	33
	<b>26</b>	<b>33</b>

**(9) PROVISIONS**

€ million	Dec. 31, 2015	Dec. 31, 2014
Provisions for pensions and similar obligations	14,302	13,087
Provisions for taxes	4,612	5,318
Other provisions	28,644	12,717
	<b>47,558</b>	<b>31,122</b>
short-term (up to 1 year)	15,515	10,080
medium-term	16,684	7,758
long-term (over 5 years)	15,359	13,284
	<b>47,558</b>	<b>31,122</b>

**Provisions for pensions and similar obligations**

Provisions for pensions are recognized for commitments in the form of retirement, invalidity and dependents' benefits payable under pension plans. The benefits usually depend on the employees' length of service and remuneration. At Volkswagen AG, pension plans are based on defined benefit plans, whereby a distinction is made between provision-funded and externally funded pension plans.

Pension provisions are measured on the basis of the following assumptions:

€ million	Dec. 31, 2015	Dec. 31, 2014
Discount rate	3.89%	4.54%
Salary trend	3.40%	3.30%
Wage/pension trend	1.70%	1.80%
Fluctuation	0.75%	0.75%
Basis of calculation	2005 G mortality tables	2005 G mortality tables
	RV-Altersgrenzen- anpassungsgesetz (German Act to Adapt the Standard Retirement Age to Reflect Demographic Trends and to Strengthen the Funding Basis for the Statutory Pension Insurance System)	RV-Altersgrenzen- anpassungsgesetz (German Act to Adapt the Standard Retirement Age to Reflect Demographic Trends and to Strengthen the Funding Basis for the Statutory Pension Insurance System) 2007
Age limits	2007	Insurance System) 2007

The percentage figure used for the salary trend takes into account increases attributable to career development, in addition to regular salary increases.

The breakdown of pension obligations into unfunded and externally funded obligations, as well as the offsetting of the externally funded component is presented in the balance sheet as follows:

€ million	Dec. 31, 2015	Dec. 31, 2014
Externally funded pension obligation		
Cost of the pension fund	3,027	2,749
Fair value of the pension fund	3,152	2,853
Settlement amount of the obligations in the pension fund model (fair value)	3,152	2,853
<b>Offset against the fair value of the pension fund (in accordance with section 246(2) of the HGB)</b>	<b>0</b>	<b>0</b>
Provision-funded pension obligation		
Settlement amount of the obligations outside the pension fund model	14,302	13,087
<b>Pension provisions reported in the balance sheet</b>	<b>14,302</b>	<b>13,087</b>

In its 2015 annual financial statements, Volkswagen AG has decided not to exercise the option available under the revised section 253 of the HGB, which reflects the requirements of the legislation transposing the Mortgage Credit Directive, to discount post-employment benefit obligations using an average discount rate for the past ten years.

#### Externally funded pension benefits

The fund assets of externally funded pension obligations are measured at fair value. The fair value of the pension fund exceeds the minimum benefits awarded in connection with the corresponding post-employment obligation, meaning that these are also offset in the amount of the pension fund's fair value. Since 1996, the occupational pension arrangements of Volkswagen AG have been based on a specially developed expense-related pension model. With effect from January 1, 2001, this model was developed into a pension fund, with the annual remuneration-linked contributions being invested in funds by Volkswagen Pension Trust e.V., Wolfsburg, as the trustee. By investing in funds, this model offers an opportunity for increasing benefit entitlements, while at the same time fully safeguarding them.



The following amounts were offset in the income statement:

€ million	2015	2014
Reinvested distributions from the pension fund	-	159
Measurement of the pension fund	21	28
<b>Change in value</b>	<b>21</b>	<b>187</b>
Adjustment of externally funded pension obligations in profit or loss	-21	-187
<b>Balance of income and expenses</b>	<b>0</b>	<b>0</b>

The pension fund will only make a distribution for 2015 in 2016, so no distributions were invested in the reporting period.

#### Other provisions

Significant provisions were recognized for warranties (€11.6 billion), legal and litigation risks (€6.7 billion), selling expenses (€3.4 billion) and personnel expenses (€2.3 billion, mainly for long-service jubilees, special benefits, partial retirement and other workforce costs). Provisions for the obligation to return emission certificates amount to €8 million.

Provisions for personnel expenses include liabilities relating to employee Time Assets. Volkswagen AG has been issuing Time Assets as a retirement benefit concept for working life planning since January 1, 1998. This allows employees to acquire "Time Assets", which represent liabilities for Volkswagen AG. An approved fund (Time Assets fund) was launched to safeguard employees' claims. Investments are also made in a money market fund. By investing in funds, the model offers an opportunity for increasing the value of Time Assets, while at the same time fully safeguarding them.

The plan assets from both funds are measured at fair value in accordance with section 253(1) of the HGB. The fair value of offset assets in the Time Assets fund was determined by reference to market prices (stock market prices) in an active market. Fund assets and liabilities relating to Time Assets are offset:

€ million	Dec. 31, 2015	Dec. 31, 2014
Cost of the Time Asset fund	1,918	1,739
Fair value of the Time Asset fund	1,839	1,662
Settlement amount of the Time Asset obligation	1,839	1,662
<b>Balance of the Time Asset fund and the settlement amount of the Time Asset obligation</b>	<b>0</b>	<b>0</b>

The following amounts were offset:

€ million	2015	2014
Reinvested distributions from the Time Asset fund	0	94
Measurement of the Time Asset fund	-3	1
<b>Change in value</b>	<b>-3</b>	<b>95</b>
Settlement amount of the Time Asset obligation	3	-95
<b>Balance of the Time Asset fund and the settlement of the Time Asset obligation</b>	<b>0</b>	<b>0</b>

**Unwinding of the discount/discounting**

An additional discount of €211 million should have been recognized on the provisions as of December 31, 2009 in the course of the transition to the new HGB. Volkswagen AG exercised the option to continue to recognize the higher level of provisions. As of December 31, 2015, the unrecognized discount on this legacy balance amounted to under €1 million.

**(10) LIABILITIES**

€ million	TERM TO MATURITY				TERM TO MATURITY			
	Total Dec. 31, 2015	due within 1 year	due within 1 to 5 years	due above 5 years	Total Dec. 31, 2014	due within 1 year	due within 1 to 5 years	due above 5 years
<b>Type of liability</b>								
Liabilities to banks	5,788	4,490	986	312	1,003	4	10	989
Payments received on account of orders	63	63	-	-	48	48	-	-
Trade payables	2,502	2,502	-	-	2,641	2,641	-	-
Liabilities to affiliated companies	50,666	25,857	13,988	10,822	51,315	24,148	20,638	6,529
Liabilities to other investees and investors	643	643	-	-	382	382	-	-
Other liabilities	1,477	651	345	480	973	657	237	80
of which taxes	(156)	(156)	-	-	(146)	(146)	-	-
of which social security	(25)	(25)	-	-	(16)	(16)	-	-
	<b>61,139</b>	<b>34,205</b>	<b>15,319</b>	<b>11,614</b>	<b>56,362</b>	<b>27,879</b>	<b>20,885</b>	<b>7,598</b>

The volume of confirmed credit lines was increased significantly by a syndicated credit line entered into in the amount of €20 billion. Volkswagen AG has drawn down €4 billion of this amount.

Until November 2015, liabilities to affiliated companies included liabilities to VIF attributable to mandatory convertible notes. Further information on the mandatory convertible notes can be found in note (5) Subscribed capital.

In March 2015, Volkswagen AG placed unsecured subordinated hybrid notes with an aggregate principal amount of €2.5 billion via VIF (issuer). The perpetual hybrid notes were issued in two tranches and can be called by the issuer. The first call date for the first tranche (€1.1 billion and a coupon of 2.5%) is after seven years, and the first call date for the second tranche (€1.4 billion and a coupon of 3.5%) is after 15 years.

In March 2014, Volkswagen AG placed unsecured subordinated hybrid notes with an aggregate principal amount of €3 billion via a subsidiary (VIF, issuer). The perpetual hybrid notes were issued in two tranches and can be called by the issuer. The first call date for the first tranche (€1.25 billion and a coupon of 3.75%) is after seven years, and the first call date for the second tranche (€1.75 billion and a coupon of 4.625%) is after twelve years.

€1,154 million (previous year: €1,300 million) of the liabilities to affiliated companies relates to trade payables. The liabilities to other investees and investors contain trade payables of €46 million (previous year: €12 million). €51,393 million (previous year: €48,189 million) of the liabilities is interest-bearing.

Standard retention of title applies to the liabilities from deliveries of goods contained in the amounts shown above. Real estate liens in the amount of €800 million are used to secure liabilities to employees (€373 million). These are reported under other liabilities.

## Contingencies and commitments

€ million	Dec. 31, 2015	Dec. 31, 2014
Contingent liabilities from guarantees	97	97
Contingent liabilities from warranties	36,654	35,540
of which relating to affiliated companies	(1,931)	(3,067)
Granting of security for third-party liabilities, other contingent liabilities	2,811	1,908
	<b>39,562</b>	<b>37,545</b>

Contingent liabilities from warranties relate primarily to guarantees given to creditors of subsidiaries and for bonds issued by these subsidiaries. Volkswagen AG has guaranteed to MAN SE, Munich, that Truck & Bus will be managed and provided with the necessary financial resources to ensure that Volkswagen Truck & Bus GmbH, Braunschweig, is able to discharge its obligations under section 5 of the control and profit and loss transfer agreement with MAN SE.

### Risk assessment of the settlement of contingent liabilities

Volkswagen AG provides guarantees for the capital market issues of the finance companies, for development loans from supranational financial institutions and, in specific cases, for loans to newly formed subsidiaries. Volkswagen AG manages its subsidiaries in such a way that they can discharge their financial obligations at any time. In addition to the preparation of a monthly liquidity report for Volkswagen AG, regular financial reviews are held during which the variances between the actual and projected liquidity are analyzed and the necessary corrective measures are implemented. Based on this information, the Company sees no risk of a claim being brought under the guarantees provided.

### Transactions not included in the balance sheet (section 285 no. 3 of the HGB)

Volkswagen AG finances the majority of its trade receivables from foreign affiliated companies and certain selected non-Group importers on the basis of nonrecourse factoring via its subsidiary Volkswagen Group Services S. A., Brussels, Belgium, or Volkswagen Finance Belgium S. A., Brussels, Belgium.

Selected receivables from partners of the domestic sales organization are financed on the basis of nonrecourse factoring via Volkswagen Bank GmbH, Braunschweig. The amount concerned was €40.9 billion in the fiscal year. The Company received liquid funds in this amount. These transactions do not lead to any specific new risks.

Volkswagen AG sells a small number of vehicles, mainly to car rental companies, subject to the obligation to repurchase them for a predefined price after a fixed period of time. This was the case for 9,791 vehicles worth approximately €0.2 billion in total as of December 31, 2015. Provisions are recognized for the risk arising from potential differences between the agreed prices and the market prices when such vehicles are marketed in the future.

### Other financial commitments

€ million	Dec. 31, 2015	Due 2016	Due 2017 - 2020	Due after 2020
Loan commitments	14,921	14,921	-	-
Rental and leasing agreements	794	256	325	213
Management agreements	57	47	10	-
	<b>15,772</b>	<b>15,224</b>	<b>335</b>	<b>213</b>

Affiliated companies account for €14,921 million of loan commitments, €211 million of rental and leasing agreements and €20 million of management agreements.

€ million	Dec. 31, 2014	Due 2015	Due 2016 - 2019	Due after 2019
Loan commitments	15,889	15,889	-	-
Rental and leasing agreements	938	249	385	304
Management agreements	62	47	15	-
	<b>16,889</b>	<b>16,185</b>	<b>400</b>	<b>304</b>

Affiliated companies account for €15,882 million of loan commitments, €181 million of rental and leasing agreements and €20 million of management agreements.

Furthermore, negotiations are currently being conducted with the authorities in the USA concerning possible investments in environmental projects and e-mobility. The investments are expected to amount to approximately €1.8 billion. Their content and timing have yet to be defined.

The other financial obligations item contains long-term rental and leasing agreements for storage, logistics and office space, test tracks, as well as sponsorship and advertising agreements, which are common for the industry. These transactions do not lead to any specific new risks. Other financial obligations to Porsche Automobil Holding SE, Stuttgart (Porsche SE) from guarantee fees in the amount of €1.4 million exist until 2019. Around 52 hectares of land (carrying amount €7 million) are encumbered by heritable building rights. In accordance with Art. 5(10) of the statutes of the Einlagensicherungsfonds (Deposit Protection Fund), Volkswagen AG has given an undertaking to indemnify Bundesverband deutscher Banken e.V., Cologne, against any losses incurred that are attributable to measures taken by it in favor of a majority-owned bank.

Volkswagen AG has liabilities from its investments in commercial partnerships.

The purchase commitment for capital expenditure projects is within the normal levels.

### Contingent liabilities

The contingent liabilities at €1 billion contain potential settlements under product-related claims, investor lawsuits, and possible fines or other monetary sanctions resulting from administrative proceedings and proceedings involving other administrative-type authorities in connection with the diesel issue, provided that the criteria for disclosing a contingent liability have been met. As a general principle, they do not include any class action lawsuits and criminal investigations/misdemeanour proceedings related to the diesel issue filed outside of the USA and Canada, as well as specific portions of investor lawsuits which meet the definition of a contingent liability but could not, as a rule, be disclosed because it is impossible to measure the amount involved. These proceedings are still at a very early stage, meaning that in a number of cases the plaintiffs have so far not specified the basis of their claims and/or there is insufficient certainty about the number of plaintiffs or the amounts being claimed.

The new co-investor in LeasePlan was granted an option to put back the shares to Volkswagen AG at the original selling price until January 12, 2012. The option was extended in fiscal year 2015 until September 30, 2018. The notional value of this option amounts to €1.3 billion. Its value was zero as of December 31, 2015.

The shareholders of Original Teile Logistik GmbH & Co. KG, Baunatal (OTLG), were granted a put option that entitles them to tender their shares in OTLG to Volkswagen AG until December 31, 2025. The value of this obligation amounted to €0.1 billion as of the reporting date.

## Disclosures on derivatives

### MEASUREMENT METHODS

The fair values of the derivatives generally correspond to the market or quoted market price. If no active market exists, fair value is determined using valuation techniques, such as by discounting the future cash flows at the market interest rate, or by using recognized option pricing models, and verified by confirmations from the banks that handle the transactions. The calculations were based on the following term structures:

in %	AUD	CAD	CHF	CNY	EUR	GBP	JPY	SEK	USD
Interest rate for six months	2.267	0.738	-0.623	2.943	-0.078	0.615	0.159	-0.285	0.679
Interest rate for one year	2.214	0.747	-0.683	3.110	-0.077	0.721	0.135	-0.283	0.860
Interest rate for five years	2.600	1.174	-0.305	3.240	0.328	1.591	0.169	0.719	1.726
Interest rate for ten years	3.085	1.876	0.250	3.420	1.000	1.993	0.424	1.620	2.187

### DERIVATIVES

Currency forwards, currency options, commodity futures, cross-currency swaps and interest rate swaps are used as hedging instruments. All instruments serve to hedge currency, interest rate and commodity price risk exposures of hedged items attributable to the real economy, independently of whether or not they are included in hedge accounting. In 2015, existing hedges of sales revenue were terminated because the hedged items no longer met the criteria for hedge accounting. Provisions for anticipated losses were recognized for the currency forwards concerned (see the "Balance sheet items and carrying amounts" section). The following table shows the hedging volume of the financial instruments not included in hedge accounting.

€ million Hedged risks	NOTIONAL AMOUNT		FAIR VALUE	
	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
<b>Currency futures contracts</b>	<b>3,935</b>	<b>3,099</b>		
of which: currency purchases	3,694	2,784		
of which: positive fair values			366	276
negative fair values			-8	-0
of which: currency sales	240	315		
of which: positive fair values			2	0
negative fair values			-2	-3
<b>Currency option contracts</b>	<b>-</b>	<b>671</b>		
positive fair values			-	2
<b>Commodity futures contracts</b>	<b>2,144</b>	<b>2,742</b>		
of which: positive fair values			3	4
negative fair values			-501	-208

**BALANCE SHEET ITEMS AND CARRYING AMOUNTS**

Derivatives not included in hedges are contained in the following balance sheet items at the carrying amounts shown:

€ million	Balance sheet item	CARRYING AMOUNT	
		Dec. 31, 2015	Dec. 31, 2014
Option premiums	Other assets	-	2
Expected losses from open currency forwards	Other provisions	295	3
Expected losses from open commodity future contracts	Other provisions	349	208

**DERIVATIVES – INCLUDED IN HEDGES**

Explanations of the risks hedged, the hedging strategy and the highly probable forecast transactions are included in the management report.

**HEDGES OF CURRENCY, INTEREST RATE AND COMMODITY PRICE RISK EXPOSURES**

The following risk exposures are included in hedge accounting:

€ million	NOTIONAL AMOUNT		FAIR VALUE	
	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
Hedged risks				
<b>Currency risk from assets (cross currency swaps, currency forwards) and forecasted transactions</b>	<b>4,324</b>	<b>750</b>		
negative fair values			-102	-26
positive fair values			22	1
<b>Currency risk from forecast transactions</b>	<b>119,771</b>	<b>94,896</b>		
negative fair values			-5,058	-3,155
positive fair values			3,382	2,461
<b>Currency option contracts</b>	<b>14,166</b>	<b>399</b>		
negative fair values			-230	-1
positive fair values			233	-
<b>Commodity futures contracts</b>	<b>720</b>	<b>931</b>		
negative fair values			-1	-1
positive fair values			152	63
<b>Currency risk from executory contracts</b>	<b>13,785</b>	<b>431</b>		
negative fair values			-512	-
positive fair values			324	27

A portfolio approach is used to hedge currency risk exposures, under which expected cash inflows and outflows in foreign currencies are offset in order to hedge the net position. Since the volume of the hedges is lower than the volume of the planned commodity purchases and sales, there is a strong presumption that the changes in cash flows from hedging instruments in the future will offset the effects relating to commodity purchases and sales. Furthermore, the extent of hedging decreases the later the commodity purchase or sale is planned within the planning period. All hedges were recognized using the net hedge presentation method. The recognized hedges were almost 100% effective.

Intragroup loans are hedged by combining cross-currency swaps with interest rate swaps in micro hedges; the term of the hedge is based on the term of the underlying transaction. The effectiveness of the hedge is assessed prospectively using the critical terms match method and retrospectively using the dollar offset method.

Micro hedges, macro hedges and portfolio hedges are recognized for the forecast transactions. Their effectiveness is assessed prospectively using the critical terms match method and retrospectively using the dollar offset method. With respect to the hedging of forecast transactions, risk exposures in the amount of €73,700 million are hedged by micro hedges, €50,381 million by macro hedges and €126 million by portfolio hedges.

Executory contracts and forecast transactions mainly relate to planned commodity purchases in foreign currency and revenue from vehicle sales that are highly probable in the coming five years. There are also currency forwards that serve as offsetting transactions to close out terminated hedges.

An insignificant amount of individual planned sales and purchases also relates to periods beyond this. Currency risk exposures relating to executory contracts are hedged by micro hedges.

#### **HEDGING OF CURRENCY AND COMMODITY PRICE RISK EXPOSURES FOR SUBSIDIARIES**

Volkswagen AG combines the currency and purchase price risk exposures of certain subsidiaries with its own exposures as part of uniform planning in order to hedge them using currency forwards, currency options and commodity futures with external partners. The notional amounts of the aggregate hedging transactions entered into by Volkswagen AG for forecast transactions and planned commodity purchases therefore also includes amounts attributable to consolidated subsidiaries. They are allocated to subsidiaries either via hedging transactions between the subsidiary and Volkswagen AG that mirror the external hedging transactions, or by the subsidiary participating in the gain or loss when the hedging transaction is settled

The term and method used to assess the effectiveness of hedging transactions entered into between Volkswagen AG and a subsidiary are the same as for external hedging transactions. Hedge accounting is applied only to micro hedges. The underlying is defined as the entire hedging transaction or a part of the hedging transaction entered into between Volkswagen AG and external partners.

### Derivatives

The following table shows the hedging volume attributable to consolidated subsidiaries that is not included in hedge accounting:

€ million	NOTIONAL AMOUNT		FAIR VALUE	
	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
Hedged risks				
<b>Currency futures contracts</b>	<b>87</b>	<b>148</b>		
of which: currency purchases	85	146		
of which: positive fair values			15	15
negative fair values			-0	-
of which: currency sales	2	2		
of which: positive fair values			-	-
negative fair values			-0	-
<b>Currency option contracts</b>	<b>-</b>	<b>25</b>		
positive fair values			-	0
<b>Commodity futures contracts</b>	<b>85</b>	<b>146</b>		
of which: positive fair values			0	0
negative fair values			-20	-11

### Balance sheet items and carrying amounts

The carrying amounts of hedges not included in hedge accounting and attributable to subsidiaries are contained in the following balance sheet items:

€ million	Balance sheet item	CARRYING AMOUNT	
		Dec. 31, 2015	Dec. 31, 2014
Option premiums	Other assets	-	-
Expected losses from open currency forwards	Other provisions	0	0
Expected losses from open commodity future contracts	Other provisions	20	11

### Hedging of currency and commodity price risk exposures

The following exposures were hedged for subsidiaries and included in hedge accounting:

€ MILLION	Hedging instrument	Amount hedged	Dec. 31, 2015	
			Positive fair value	Negative fair value
Hedged exchange rate risks				
Forecast transactions	Currency futures contracts	45,000	2,549	-570
	Currency option contracts	7,083	98	-131
	Commodity futures contracts	720	152	-1
		<b>52,803</b>	<b>2,800</b>	<b>-702</b>
Assets	Currency futures contracts	1,579	101	-19
Executory contracts	Currency futures contracts	253	-	-6
		<b>54,635</b>	<b>2,901</b>	<b>-727</b>



## Income Statement Disclosures

### (11) SALES

€ million	2015	%	2014	%
by region				
Germany	27,894	37.9	26,029	37.7
Europe (excl. Germany)	32,059	43.6	28,943	42.0
North America	4,130	5.6	3,592	5.2
South America	758	1.0	886	1.3
Africa	1,243	1.7	1,450	2.1
Asia-Pacific	7,426	10.1	8,070	11.7
	<b>73,510</b>	<b>100.0</b>	<b>68,971</b>	<b>100.0</b>
by segment				
Vehicle sales	49,276	67.0	45,538	66.0
Genuine parts	6,093	8.3	5,769	8.4
Other sales	18,141	24.7	17,664	25.6
	<b>73,510</b>	<b>100.0</b>	<b>68,971</b>	<b>100.0</b>

Other sales relate primarily to materials and other intragroup deliveries to subsidiaries and joint ventures.

### (12) OTHER OPERATING INCOME

€ million	2015	2014
Other operating income	7,560	4,626
of which income from the reversal of special tax-allowable reserves	(8)	(8)

Other operating income relates primarily to foreign currency translation of goods and services deliveries amounting to €4.2 billion (previous year: €1.7 billion) and cost allocations amounting to €2.0 billion (previous year: €1.7 billion). The cost allocations relate primarily to expenses for subsidiaries, IT services and overheads. Income from the reversal of provisions amounted to €0.8 billion (previous year: €0.6 billion). Other income that is attributable to previous fiscal years amounted to €0.3 billion (previous year: €0.4 billion).

### (13) OTHER OPERATING EXPENSES

€ million	2015	2014
Other operating expenses	14,644	3,756

Other operating expenses include legal and litigation risks from the diesel issue amounting to €6.8 billion (previous year: -). They also include foreign currency translation expenses (€5.4 billion; previous year: €1.7 billion), consulting expenses attributable to subsidiaries and services allocated to Volkswagen AG (€1.7 billion, previous year €1.4 billion), part of which were recharged to subsidiaries. Foreign currency translation expenses mainly relate to exchange rate losses from the measurement and settlement of foreign currency hedges, as well as exchange rate losses from the translation of operating receivables and liabilities that have not been offset. Expenses attributable to previous fiscal years amounted to €1.2 billion (previous year: €0.6 billion).

**(14) FINANCIAL RESULT**

€ million	2015	2014
Income and expenses from investments	16,933	8,373
Interest income and expense	-763	-701
Other financial result	-2,356	-1,450
	<b>13,813</b>	<b>6,222</b>

**INCOME AND EXPENSES FROM INVESTMENTS**

€ million	2015	2014
Income from investments	7,360	2,497
of which from affiliated companies	(4,620)	(715)
Income from profit and loss transfer agreements	8,672	7,038
Other investment income	1,498	39
Other investment expenses	576	486
Cost of loss absorption	21	715
	<b>16,933</b>	<b>8,373</b>

Income from investments primarily comprises income from the Chinese joint ventures, Volkswagen Finance Luxembourg S.A., Luxembourg, Volkswagen (China) Investment Co. Ltd., Beijing, China, Scania AB, Södertälje, Sweden, Volkswagen Group Services S.A., Brussels, Belgium, and VW Konzernlogistik GmbH & Co. OHG, Wolfsburg.

Income from profit and loss transfer agreements, which includes allocations of income-related taxes, primarily comprises income from Audi AG, Porsche Holding Stuttgart GmbH, Truck & Bus GmbH, Braunschweig, AutoVision GmbH, Wolfsburg and Volkswagen Financial Services AG, Braunschweig.

Other investment income includes the gain (€1.4 billion) on the sale of the interest in the Suzuki Motor Corporation, Hamamatsu, Japan.

Other investment expenses primarily comprise the transfer of investment income to Audi AG.

**Interest income and expense**

€ million	2015	2014
Income from other investments and long-term loans	164	202
of which from affiliated companies	(43)	(23)
Other interest and similar income	129	333
of which from affiliated companies	(86)	(255)
Interest and similar expenses	1,057	1,236
of which to affiliated companies	(993)	(1,097)
	<b>-763</b>	<b>-701</b>

Interest and similar expenses mainly relate to interest expenses to affiliated companies, interest from additional tax payments, as well as expenses from the factoring business (financing of non-interest-bearing trade receivables).

#### Other financial result

€ million	2015	2014
Interest component of pension expenses	-1,841	-1,204
Unwinding of the discount on provisions	-511	-240
Unwinding of the discount on/discounting of liabilities	-4	-5
	<b>-2,356</b>	<b>-1,450</b>

#### Other taxes

The other taxes allocated to the consuming functions amounted to €59 million (previous year: €45 million). They relate to VAT, vehicle taxes and land taxes.

### Deferred taxes

Offsetting deferred tax assets and liabilities in the fiscal year resulted in an excess of tax assets in Volkswagen AG's consolidated tax group. This represents a future tax benefit and is not recognized as an asset. The following tables show the changes in deferred taxes in the current and past fiscal year:

#### Reporting period

€ million	DEFERRED TAX ASSETS		DEFERRED TAX LIABILITIES	
	Difference	Tax	Difference	Tax
Dec. 31, 2015				
<b>Assets</b>				
Fixed assets	3,524	1,049	-39	-12
Current assets	757	226	-354	-105
Other assets	9	3	-0	-0
<b>Liabilities</b>				
Special reserves	-	-	-17	-5
Provisions	20,871	6,218	-	-
Liabilities	707	211	-	-
Deferred income items	91	27	-	-
Tax loss carried forward		1,538		
<b>Total</b>		<b>9,271</b>		<b>-122</b>
Offset		-122		122
Net deferred tax assets		9,149		

#### Previous year

€ million	DEFERRED TAX ASSETS		DEFERRED TAX LIABILITIES	
	Difference	Tax	Difference	Tax
Dec. 31, 2014				
<b>Assets</b>				
Fixed assets	2,846	847	-8	-2
Current assets	1,352	403	-350	-104
Other assets	9	3	0	0
<b>Liabilities</b>				
Special reserves	-	-	-10	-3
Provisions	15,317	4,565	-	-
Liabilities	1,951	581	-	-
Deferred income items	69	21	-	-
Tax loss carried forward				
<b>Total</b>		<b>6,419</b>		<b>-110</b>
Offset		-110		110
Net deferred tax assets		6,309		

**NOTICES AND DISCLOSURE OF CHANGES REGARDING THE OWNERSHIP OF VOTING RIGHTS IN VOLKSWAGEN AG IN ACCORDANCE WITH SECTION 21 AND SECTION 26 OF THE WERTPAPIERHANDELSGESETZ (WPHG – GERMAN SECURITIES TRADING ACT)**

**PORSCHE**

1) Porsche Automobil Holding SE, Stuttgart, Germany has notified us in accordance with section 21(1) of the WpHG that its share of the voting rights in Volkswagen Aktiengesellschaft, Wolfsburg, Germany, exceeded the threshold of 50% on January 5, 2009 and amounted to 50.76% (149,696,680 voting rights) at this date.

2) The following persons notified us in accordance with section 21(1) of the WpHG that their share of the voting rights in Volkswagen Aktiengesellschaft in each case exceeded the threshold of 50% on January 5, 2009 and in each case amounted to 50.76% (149,696,680 voting rights) at this date. All of the above-mentioned 149,696,680 voting rights are attributable to each of the persons making the notification in accordance with section 22(1) sentence 1 no. 1 of the WpHG. The voting rights attributed to the persons making the notifications are held via subsidiaries within the meaning of section 22(3) of the WpHG, whose attributed share of the voting rights amounts to 3% or more and whose names are given in brackets:

Mag. Josef Ahorner, Austria

(Ferdinand Porsche Privatstiftung, Salzburg/Austria; Ferdinand Porsche Holding GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piech GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Mag. Louise Kiesling, Austria

(Ferdinand Porsche Privatstiftung, Salzburg/Austria; Ferdinand Porsche Holding GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piech GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Prof. Ferdinand Alexander Porsche, Austria

(Ferdinand Porsche Privatstiftung, Salzburg/Austria; Ferdinand Porsche Holding GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piech GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Dr. Oliver Porsche, Austria

(Ferdinand Porsche Privatstiftung, Salzburg/Austria; Ferdinand Porsche Holding GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piech GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Kai Alexander Porsche, Austria

(Ferdinand Porsche Privatstiftung, Salzburg/Austria; Ferdinand Porsche Holding GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piech GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Mark Philipp Porsche, Austria

(Ferdinand Porsche Privatstiftung, Salzburg/Austria; Ferdinand Porsche Holding GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piech GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Gerhard Anton Porsche, Austria

(Ferdinand Porsche Privatstiftung, Salzburg/Austria; Ferdinand Porsche Holding GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piech GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Ing. Hans-Peter Porsche, Austria

(Familie Porsche Privatstiftung, Salzburg/Austria; Familie Porsche Holding GmbH, Salzburg/Austria; Ing. Hans-Peter Porsche GmbH, Salzburg/Austria; Hans-Peter Porsche GmbH, Grünwald/Germany; Familie Porsche Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Peter Daniell Porsche, Austria

(Familie Porsche Privatstiftung, Salzburg/Austria; Familie Porsche Holding GmbH, Salzburg/Austria; Ing. Hans-Peter Porsche GmbH, Salzburg/Austria; Hans-Peter Porsche GmbH, Grünwald/Germany; Familie Porsche Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Dr. Wolfgang Porsche, Germany

(Familie Porsche Privatstiftung, Salzburg/Austria; Familie Porsche Holding GmbH, Salzburg/Austria; Ing. Hans-Peter Porsche GmbH, Salzburg/Austria; Hans-Peter Porsche GmbH, Grünwald/Germany; Wolfgang Porsche GmbH, Grünwald/Germany; Familie Porsche Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Ferdinand Porsche Privatstiftung, Salzburg/Austria

(Ferdinand Porsche Holding GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piech GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Familie Porsche Privatstiftung, Salzburg/Austria

(Familie Porsche Holding GmbH, Salzburg/Austria; Ing. Hans-Peter Porsche GmbH, Salzburg/Austria; Hans-Peter Porsche GmbH, Grünwald/Germany; Familie Porsche Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Ferdinand Porsche Holding GmbH, Salzburg/Austria

(Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piech GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Familie Porsche Holding GmbH, Salzburg/Austria

(Ing. Hans-Peter Porsche GmbH, Salzburg/Austria; Hans-Peter Porsche GmbH, Grünwald/Germany; Familie Porsche Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Louise Daxer-Piëch GmbH, Salzburg/Austria

(Louise Daxer-Piech GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany),

Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria

(Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Gerhard Anton Porsche GmbH, Salzburg/Austria

(Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Louise Daxer-Piech GmbH, Grünwald/Germany

(Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Ferdinand Alexander Porsche GmbH, Grünwald/Germany

(Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Gerhard Porsche GmbH, Grünwald/Germany

(Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Ing. Hans-Peter Porsche GmbH, Salzburg/Austria

(Hans-Peter Porsche GmbH, Grünwald/Germany; Familie Porsche Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Hans-Peter Porsche GmbH, Grünwald/Germany

(Familie Porsche Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Wolfgang Porsche GmbH, Grünwald/Germany

(Familie Porsche Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany

(Porsche Automobil Holding SE, Stuttgart/Germany),

Familie Porsche Beteiligung GmbH, Grünwald/Germany

(Porsche Automobil Holding SE, Stuttgart/Germany),

Porsche GmbH, Stuttgart/Germany

(Porsche Automobil Holding SE, Stuttgart/Germany),

Dr. Hans Michel Piëch, Austria

(Porsche Automobil Holding SE, Stuttgart/Germany; Hans Michel Piech GmbH, Grünwald/Germany; Dr. Hans Michel Piëch GmbH, Salzburg/Austria),

Dr. Hans Michel Piëch GmbH, Salzburg/Austria

(Porsche Automobil Holding SE, Stuttgart/Germany; Hans Michel Piech GmbH, Grünwald/Germany),

Hans Michel Piech GmbH, Grünwald/Germany

(Porsche Automobil Holding SE, Stuttgart/Germany),

Dipl.-Ing. Dr. h.c. Ferdinand Piëch, Austria  
(Porsche Automobil Holding SE, Stuttgart/Germany; Ferdinand Piech GmbH, Grünwald/Germany;  
Dipl.-Ing. Dr. h.c. Ferdinand Piëch GmbH, Salzburg/Austria; Ferdinand Karl Alpha Privatstiftung, Vienna/Austria),

Ferdinand Karl Alpha Privatstiftung, Vienna/Austria  
(Porsche Automobil Holding SE, Stuttgart/Germany; Ferdinand Piech GmbH, Grünwald/Germany;  
Dipl.-Ing. Dr. h.c. Ferdinand Piëch GmbH, Salzburg/Austria),

Dipl.-Ing. Dr. h.c. Ferdinand Piëch GmbH, Salzburg/Austria  
(Porsche Automobil Holding SE, Stuttgart/Germany; Ferdinand Piech GmbH, Grünwald/Germany),

Ferdinand Piech GmbH, Grünwald/Germany  
(Porsche Automobil Holding SE, Stuttgart/Germany).

- 3) Porsche Holding Gesellschaft m.b.H., Salzburg/Austria, and Porsche GmbH, Salzburg/Austria, notified us in accordance with section 21(1) of the WpHG that their share of the voting rights in Volkswagen Aktiengesellschaft in each case exceeded the threshold of 50% on January 5, 2009 and in each case amounted to 53.13% (156,702,015 voting rights) at this date.

All the above-mentioned 156,702,015 voting rights are attributable to Porsche Holding Gesellschaft m.b.H. in accordance with section 22(1) sentence 1 no. 1 of the WpHG. The companies via which the voting rights are actually held and whose attributed share of the voting rights amounts to 3% or more are:

- Porsche GmbH, Salzburg/Austria;
- Porsche GmbH, Stuttgart/Germany;
- Porsche Automobil Holding SE, Stuttgart/Germany.

Of the above-mentioned 156,702,015 voting rights, 50.76% of the voting rights (149,696,753 voting rights) are attributable to Porsche GmbH, Salzburg/Austria, in accordance with section 22(1) sentence 1 no. 1 of the WpHG. The companies via which the voting rights are actually held and whose attributed share of the voting rights amounts to 3% or more are:

- Porsche GmbH, Stuttgart/Germany;
- Porsche Automobil Holding SE, Stuttgart/Germany.

- 4) Porsche Wolfgang 1. Beteiligungs GmbH & Co. KG, Stuttgart, Germany has notified us in accordance with section 21(1) of the WpHG that its (indirect) share of the voting rights in Volkswagen Aktiengesellschaft, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on September 29, 2010 and amounted to 50.74% of the voting rights (149,696,680 voting rights) at this date.

Of this figure, 50.74% of the voting rights (149,696,680 voting rights) are attributable to Porsche Wolfgang 1. Beteiligungs GmbH & Co. KG in accordance with section 22(1) sentence 1 no. 1 of the WpHG.

The voting rights attributed to Porsche Wolfgang 1. Beteiligungs GmbH & Co. KG are held via the following enterprises controlled by it, whose share of the voting rights in Volkswagen Aktiengesellschaft amounts to 3% or more in each case: Wolfgang Porsche GmbH, Grünwald, Familie Porsche Beteiligung GmbH, Grünwald, Porsche Automobil Holding SE, Stuttgart.

These voting rights were not reached by exercise of purchase rights resulting from financial instruments according to § 25 section 1 sentence 1 of the Wertpapierhandelsgesetz (Securities Trading Law).

- 5) On August 12, 2013, LK Holding GmbH, Salzburg, Austria, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on August 10, 2013 and amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date.



Of this figure, 50.73% of the voting rights (149,696,681 voting rights) are attributable to LK Holding GmbH in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG.

The voting rights attributed to LK Holding GmbH are held via the following enterprises controlled by it, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case: Porsche Automobil Holding SE, Stuttgart; Familien Porsche-Kiesling Beteiligung GmbH, Grünwald; Louise Daxer-Piech GmbH, Grünwald.

- 6) On September 11, 2013, Ahorner Alpha Beteiligungs GmbH, Grünwald, Germany, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on September 11, 2013 and amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date. Of this figure, 50.73% of the voting rights (149,696,681 voting rights) are attributable to Ahorner Alpha Beteiligungs GmbH in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG.

The voting rights attributed to Ahorner Alpha Beteiligungs GmbH are held via the following enterprises controlled by it, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case: Porsche Automobil Holding SE, Stuttgart.

- 7) On September 11, 2013, Ahorner Beta Beteiligungs GmbH, Grünwald, Germany, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on September 11, 2013 and amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date. Of this figure, 50.73% of the voting rights (149,696,681 voting rights) are attributable to Ahorner Beta Beteiligungs GmbH in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG.

The voting rights attributed to Ahorner Beta Beteiligungs GmbH are held via the following enterprises controlled by it, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case: Ahorner Alpha Beteiligungs GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart.

- 8) On September 11, 2013, Louise Daxer-Piech GmbH, Salzburg, Austria, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on September 11, 2013 and amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date. Of this figure, 50.73% of the voting rights (149,696,681 voting rights) are attributable to Louise Daxer-Piech GmbH in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG.

The voting rights attributed to Louise Daxer-Piech GmbH are held via the following enterprises controlled by it, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case: Ahorner Beta Beteiligungs GmbH, Grünwald; Ahorner Alpha Beteiligungs GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart.

- 9) On September 11, 2013, Ahorner Holding GmbH, Salzburg, Austria, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on September 11, 2013 and amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date. Of this figure, 50.73% of the voting rights (149,696,681 voting rights) are attributable to Ahorner Holding GmbH in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG.

The voting rights attributed to Ahorner Holding GmbH are held via the following enterprises controlled by it, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case: Louise Daxer-Piech GmbH, Salzburg, Austria; Ahorner Beta Beteiligungs GmbH, Grünwald; Ahorner Alpha Beteiligungs GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart.

- 10) On December 16, 2014, Porsche Wolfgang 1. Beteiligungsverwaltungs GmbH, Stuttgart, Germany, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, fell below the thresholds of 50%, 30%, 25%, 20%, 15%, 10%, 5% and 3% of the voting rights on December 15, 2014 and amounted to 0% of the voting rights (0 voting rights) at this date.
- 11) On December 17, 2014, Dr. Wolfgang Porsche Holding GmbH, Salzburg, Austria, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on December 15, 2014 and amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date. Of this figure, 50.73% of the voting rights (149,696,681 voting rights) are attributable to Dr. Wolfgang Porsche Holding GmbH in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG.

The voting rights attributed to Dr. Wolfgang Porsche Holding GmbH are held via the following enterprises controlled by it, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case: Wolfgang Porsche GmbH, Grünwald; Familie Porsche Beteiligung GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart.

- 12) On July 15, 2015, the following persons in each case have notified us in accordance with article 21, section 1 of the WpHG that their share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on July 14, 2015 and in each case amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date:

- Dipl.-Design. Stephanie Porsche-Schröder, Austria,
- Dr. Dr. Christian Porsche, Austria,
- Ferdinand Rudolf Wolfgang Porsche, Austria.

Of this figure, in each case 50.73% of the voting rights (149,696,681 voting rights) are attributable to each of the above-mentioned notifying persons in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG. The voting rights attributed to the notifying persons in each case are held via the following enterprises controlled by the notifying persons, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case:

Dr. Wolfgang Porsche Holding GmbH, Salzburg; Wolfgang Porsche GmbH, Grünwald; Ferdinand Porsche Familien-Privatstiftung, Salzburg; Familie Porsche Holding GmbH, Salzburg; Ing. Hans-Peter Porsche GmbH, Salzburg; Hans-Peter Porsche GmbH, Grünwald; Ferdinand Porsche Holding GmbH, Salzburg; Prof. Ferdinand Alexander Porsche GmbH, Salzburg; Ferdinand Alexander Porsche GmbH, Grünwald; Gerhard Anton Porsche GmbH, Salzburg; Gerhard Porsche GmbH, Grünwald; LK Holding GmbH, Salzburg; Louise Kiesling GmbH, Grünwald; Familie Porsche Beteiligung GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart.

- 13) On July 15, 2015, Familie Porsche Privatstiftung, Salzburg, Austria, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, fell below the thresholds of 50%, 30%, 25%, 20%, 15%, 10%, 5% and 3% of the voting rights on July 14, 2015 and amounted to 0% of the voting rights (0 voting rights) at this date.
- 14) On July 15, 2015, Ferdinand Porsche Privatstiftung, Salzburg, Austria, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, fell below the thresholds of 50%, 30%, 25%, 20%, 15%, 10%, 5% and 3% of the voting rights on July 14, 2015 and amounted to 0% of the voting rights (0 voting rights) at this date.
- 15) On July 15, 2015, Ferdinand Porsche Familien-Privatstiftung, Salzburg, Austria, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on July 14, 2015 and amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date. Of this figure, 50.73% of the voting rights (149,696,681 voting rights) are attributable to Ferdinand Porsche Familien-Privatstiftung in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG.

The voting rights attributed to Ferdinand Porsche Familien-Privatstiftung are held via the following enterprises controlled by it, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case:

Familie Porsche Holding GmbH, Salzburg; Ing. Hans-Peter Porsche GmbH, Salzburg; Hans-Peter Porsche GmbH, Grünwald; Ferdinand Porsche Holding GmbH, Salzburg; Prof. Ferdinand Alexander Porsche GmbH, Salzburg; Ferdinand Alexander Porsche GmbH, Grünwald; Gerhard Anton Porsche GmbH, Salzburg; Gerhard Porsche GmbH, Grünwald; LK Holding GmbH, Salzburg; Louise Kiesling GmbH, Grünwald; Familie Porsche Beteiligung GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart.

- 16) On July 20, 2015, the following persons in each case have notified us in accordance with article 21, section 1 of the WpHG that their share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on July 14, 2015 and in each case amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date:

- Dr. Geraldine Porsche, Austria,
- Diana Porsche, Austria,
- Felix Alexander Porsche, Germany.

Of this figure, in each case 50.73% of the voting rights (149,696,681 voting rights) are attributable to each of the above-mentioned notifying persons in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG.

The voting rights attributed to the notifying persons in each case are held via the following enterprises controlled by the notifying persons, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case:

Ferdinand Porsche Familien-Privatstiftung, Salzburg; Familie Porsche Holding GmbH, Salzburg; Ing. Hans-Peter Porsche GmbH, Salzburg; Hans-Peter Porsche GmbH, Grünwald; Ferdinand Porsche Holding GmbH, Salzburg; Prof. Ferdinand Alexander Porsche GmbH, Salzburg; Ferdinand Alexander Porsche GmbH, Grünwald; Gerhard Anton Porsche GmbH, Salzburg; Gerhard Porsche GmbH, Grünwald; LK Holding GmbH, Salzburg; Louise Kiesling GmbH, Grünwald; Familie Porsche Beteiligung GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart.

- 17) On August 4, 2015, Ferdinand Porsche Familien- Holding GmbH, Salzburg, Austria, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on July 31, 2015 and amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date. Of this figure, 50.73% of the voting rights (149,696,681 voting rights) are attributable to Ferdinand Porsche Familien- Holding GmbH in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG.

The voting rights attributed to Ferdinand Porsche Familien- Holding GmbH are held via the following enterprises controlled by it, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case:

Hans-Peter Porsche GmbH, Grünwald; Ferdinand Alexander Porsche GmbH, Grünwald; Gerhard Porsche GmbH, Grünwald; Louise Kiesling GmbH, Grünwald; Familie Porsche Beteiligung GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart.

**QATAR**

We have received the following notification:

(1) Pursuant to section 21 (1) WpHG we hereby notify for and on behalf of the State of Qatar, acting by and through the Qatar Investment Authority, Doha, Qatar, that its indirect voting rights in Volkswagen Aktiengesellschaft

(a) exceeded the threshold of 10% on December 17, 2009 and amounted to 13.71% of the voting rights of Volkswagen Aktiengesellschaft (40,440,274 voting rights) as per this date

(i) 6.93% (20,429,274 voting rights) of which have been obtained by the exercise by Qatar Holding LLC of financial instruments within the meaning of section 25 (1) sentence 1 WpHG on that date granting the right to acquire shares in Volkswagen Aktiengesellschaft, and

(ii) all of which are attributed to the State of Qatar pursuant to section 22 (1) sentence 1 no. 1 WpHG.

(b) exceeded the threshold of 15% on December 18, 2009 and amounted to 17.00% of the voting rights of Volkswagen Aktiengesellschaft (50,149,012 voting rights) as per this date

(i) 3.29% (9,708,738 voting rights) of which have been obtained by the exercise by Qatar Holding LLC of financial instruments within the meaning of section 25 (1) sentence 1 WpHG on that date granting the right to acquire shares in Volkswagen Aktiengesellschaft, and

(ii) all of which are attributed to the State of Qatar pursuant to section 22 (1) sentence 1 no. 1 WpHG.

Voting rights that are attributed to the State of Qatar pursuant to lit. (a) and (b) above are held via the following entities which are controlled by it and whose attributed proportion of voting rights in Volkswagen Aktiengesellschaft amount to 3% each or more:

- (aa) Qatar Investment Authority, Doha, Qatar;
- (bb) Qatar Holding LLC, Doha, Qatar;
- (cc) Qatar Holding Luxembourg II S.à.r.l., Luxembourg, Luxembourg;
- (dd) Qatar Holding Netherlands B.V., Amsterdam, The Netherlands.

(2) Pursuant to section 21 (1) WpHG we hereby notify for and on behalf of the Qatar Investment Authority, Doha, Qatar, that its indirect voting rights in Volkswagen Aktiengesellschaft

(a) exceeded the threshold of 10% on December 17, 2009 and amounted to 13.71% of the voting rights of Volkswagen Aktiengesellschaft (40,440,274 voting rights) as per this date

(i) 6.93% (20,429,274 voting rights) of which have been obtained by the exercise by Qatar Holding LLC of financial instruments within the meaning of section 25 (1) sentence 1 WpHG on that date granting the right to acquire shares in Volkswagen Aktiengesellschaft, and

(ii) all of which are attributed to the Qatar Investment Authority pursuant to section 22 (1) sentence 1 no. 1 WpHG.

(b) exceeded the threshold of 15% on December 18, 2009 and amounted to 17.00% of the voting rights of Volkswagen Aktiengesellschaft (50,149,012 voting rights) as per this date

(i) 3.29% (9,708,738 voting rights) of which have been obtained by the exercise by Qatar Holding LLC of financial instruments within the meaning of section 25 (1) sentence 1 WpHG on that date granting the right to acquire shares in Volkswagen Aktiengesellschaft, and

(ii) all of which are attributed to the Qatar Investment Authority pursuant to section 22 (1) sentence 1 no. 1 WpHG.

Voting rights that are attributed to the Qatar Investment Authority pursuant to lit. (a) and (b) above are held via the entities as set forth in (1) (bb) through (dd) which are controlled by it and whose attributed proportion of voting rights in Volkswagen Aktiengesellschaft amount to 3% each or more.

- (3) Pursuant to section 21 (1) WpHG we hereby notify for and behalf of Qatar Holding LLC, Doha, Qatar, that its direct and indirect voting rights in Volkswagen Aktiengesellschaft
- (a) exceeded the threshold of 10% on December 17, 2009 and amounted to 13.71% of the voting rights of Volkswagen Aktiengesellschaft (40,440,274 voting rights) as per this date
    - (i) 6.93% (20,429,274 voting rights) of which have been obtained by the exercise of financial instruments within the meaning of section 25 (1) sentence 1 WpHG on that date granting the right to acquire shares in Volkswagen Aktiengesellschaft, and
    - (ii) 6.78% (20,011,000 voting rights) of which are attributed to Qatar Holding LLC pursuant to section 22 (1) sentence 1 no. 1 WpHG.
  - (b) exceeded the threshold of 15% on December 18, 2009 and amounted to 17.00% of the voting rights of Volkswagen Aktiengesellschaft (50,149,012 voting rights) as per this date
    - (i) 3.29% (9,708,738 voting rights) of which have been obtained by the exercise of financial instruments within the meaning of section 25 (1) sentence 1 WpHG on that date granting the right to acquire shares in Volkswagen Aktiengesellschaft, and
    - (ii) 6.78% (20,011,000 voting rights) of which are attributed to Qatar Holding LLC pursuant to section 22 (1) sentence 1 no. 1 WpHG.

Voting rights that are attributed to Qatar Holding LLC pursuant to lit. (a) and (b) above are held via the entities as set forth in (1) (cc) through (dd) which are controlled by it and whose attributed proportion of voting rights in Volkswagen Aktiengesellschaft amount to 3% each or more.

We have received the following notification:

- (1) Pursuant to section 21 (1) WpHG we hereby notify for and on behalf of Qatar Holding Luxembourg II S.à.r.l., Luxembourg, Luxembourg, that its indirect voting rights in Volkswagen Aktiengesellschaft exceeded the thresholds of 10% and 15% on December 18, 2009 and amounted to 17.00% of the voting rights of Volkswagen Aktiengesellschaft (50,149,012 voting rights) as per this date, all of which are attributed to Qatar Holding Luxembourg II S.à.r.l. pursuant to section 22 (1) sentence 1 no.1 WpHG.

Voting rights that are attributed to Qatar Holding Luxembourg II S.à.r.l. are held via the following entities which are controlled by it and whose attributed proportion of voting rights in Volkswagen Aktiengesellschaft amount to 3% each or more:

- (a) Qatar Holding Netherlands B.V., Amsterdam, The Netherlands;
  - (b) Qatar Holding Germany GmbH, Frankfurt am Main, Germany.
- (2) Pursuant to section 21 (1) WpHG we hereby notify for and on behalf of Qatar Holding Netherlands B.V., Amsterdam, The Netherlands, that its indirect voting rights in Volkswagen Aktiengesellschaft exceeded the thresholds of 10% and 15% on December 18, 2009 and amounted to 17.00% of the voting rights of Volkswagen Aktiengesellschaft (50,149,012 voting rights) as per this date, all of which are attributed to Qatar Holding Luxembourg II S.à.r.l. pursuant to section 22 (1) sentence 1 no. 1 WpHG.

Voting rights that are attributed to Qatar Holding Netherlands B.V. are held via the entity as set forth in (1) (b) which is controlled by it and whose attributed proportion of voting rights in Volkswagen Aktiengesellschaft amounts to 3% or more.

(3) Pursuant to section 21 (1) WpHG we hereby notify for and on behalf of Qatar Holding Germany GmbH, Frankfurt am Main, Germany, that its direct voting rights in Volkswagen Aktiengesellschaft exceeded the thresholds of 3%, 5%, 10% and 15% on December 18, 2009 and amounted to 17.00% of the voting rights of Volkswagen Aktiengesellschaft (50,149,012 voting rights) as per this date.

**STATE OF LOWER SAXONY**

The State of Lower Saxony notified us on January 5, 2016 that it held a total of 59,022,310 ordinary shares as of December 31, 2015. It held 440 VW ordinary shares directly and 59,021,870 ordinary shares indirectly via Hannoversche Beteiligungsgesellschaft mbH (HanBG), which is owned by the State of Lower Saxony.

**RECONCILIATION OF NET INCOME TO NET RETAINED PROFITS**

€ million	2015	2014
Net loss / net income for the year	-5,515	2,476
Retained profits brought forward	5	3
Release of / appropriations to revenue reserves	5,580	-180
<b>Net retained profits</b>	<b>69</b>	<b>2,299</b>

Declining balance depreciation continues to be charged to net income. See page 8 for the amount incurred in the fiscal year.

**TOTAL EXPENSE FOR THE PERIOD**

**Cost of materials**

€ million	2015	2014
Cost of raw materials, consumables and supplies, and of purchased merchandise	49,617	47,391
Cost of purchased services	11,550	3,777
	<b>61,167</b>	<b>51,168</b>

**Personnel expenses**

€ million	2015	2014
Wages and salaries	8,234	8,314
Social security, post-employment and other employee benefit costs	1,688	1,593
of which in respect of post-employment benefits	(461)	(359)
	<b>9,923</b>	<b>9,907</b>

**OTHER DISCLOSURES**

The tax expense is attributable to the result from ordinary activities.

**WRITE-DOWNS OF LONG-TERM FINANCIAL ASSETS**

€ million	2015	2014
Affiliated companies	-	9
Other equity investments	-	106
	<b>-</b>	<b>114</b>

**AVERAGE NUMBER OF EMPLOYEES OF VOLKSWAGEN AG DURING THE YEAR**

	2015	2014
by group		
Performance-related wage-earners	54,791	52,650
Time-rate wage-earners	18,247	18,191
Salaried employees	39,484	38,200
	<b>112,523</b>	<b>109,041</b>
Vocational trainees	4,665	4,650
	<b>117,188</b>	<b>113,691</b>
by plant		
Wolfsburg	63,870	62,028
Hanover	14,083	13,568
Braunschweig	6,937	6,625
Kassel	16,364	15,707
Emden	9,032	8,805
Salzgitter	6,904	6,958
	<b>117,188</b>	<b>113,691</b>

Information about the composition of the Board of Management and the Supervisory Board, on changes in these executive bodies and on the memberships of members of the Board of Management and the Supervisory Board of other statutory supervisory boards and comparable supervisory bodies is contained in an annex to the notes.



**RELATED PARTY DISCLOSURES**

Related parties as defined by IAS 24 are natural persons and entities that Volkswagen AG has the ability to control or on which it can exercise significant influence, or natural persons and entities that have the ability to control or exercise significant influence on Volkswagen AG, or that are influenced by another related party of Volkswagen AG.

At the end of September 2015, Porsche SE reached agreement with the Suzuki Motor Corporation regarding the off-exchange purchase of 1.5% of the ordinary shares of Volkswagen AG. At 52.2%, Porsche SE held the majority of the voting rights in Volkswagen AG as of the reporting date. 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 SE cannot 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. However, Porsche SE has the power to participate in the operating policy decisions of the Volkswagen Group and is therefore classified as a related party as defined by IAS 24.

The contribution of Porsche SE's holding company operating business to Volkswagen AG on August 1, 2012 has the following effects on the agreements between Porsche SE, Volkswagen AG and companies of the Porsche Holding Stuttgart Group that existed prior to the contribution and were entered into on the basis of the Comprehensive Agreement and its related implementation agreements:

- › Volkswagen AG continues to indemnify Porsche SE against certain financial guarantees issued by Porsche SE to creditors of the companies belonging to the Porsche Holding Stuttgart Group up to the amount of its share in the capital of Porsche Holding Stuttgart, which amounts to 100% since the contribution as of August 1, 2012. Porsche Holding Finance plc, Dublin, Ireland, was contributed to the Volkswagen Group in the course of the transfer of Porsche SE's holding company operating business. Since August 1, 2012, the indemnification therefore includes financial guarantees issued by Porsche SE to creditors of Porsche Holding Finance plc, in relation to interest payments on and the repayment of bonds in the aggregate amount of €310 million. As part of the contribution of Porsche SE's holding company operating business to Volkswagen AG, Volkswagen AG undertook to assume standard market liability compensation effective August 1, 2012 for guarantees issued to external creditors, whereby it is indemnified internally.
- › Volkswagen AG continues to indemnify Porsche SE internally against claims by the Einlagensicherungsfonds (German deposit protection fund) after Porsche SE submitted an indemnification agreement required by the Bundesverband deutscher Banken (Association of German Banks) to the Einlagensicherungsfonds in August 2009.
- › Volkswagen AG has also undertaken to indemnify the Einlagensicherungsfonds against any losses caused by measures taken by the latter in favor of a bank in which Volkswagen AG holds a majority interest.
- › Under certain conditions, Porsche SE continues to indemnify Porsche Holding Stuttgart, Porsche AG and their legal predecessors against tax liabilities that exceed the obligations recognized in the financial statements of those companies relating to periods up to and including July 31, 2009. In return, Volkswagen AG has undertaken in principle to reimburse Porsche SE for any tax benefits or tax refunds of Porsche Holding Stuttgart, Porsche AG and their legal predecessors and subsidiaries for tax assessment periods up to July 31, 2009. Based on the results of the external tax audit for the assessment periods 2006 to 2008 that has now been completed, a compensation obligation running into the high double-digit millions of euros would arise for Volkswagen AG. New information emerging in the future from the external tax audit for the 2009 assessment period that started at the end of 2015 could result in an increase or decrease in the potential compensation obligation.

Under the terms of the Comprehensive Agreement, Porsche SE and Volkswagen AG had granted each other put and call options with regard to the remaining 50.1% interest in Porsche Holding Stuttgart held by Porsche SE until the contribution of its holding company operating business to Volkswagen AG. Both Volkswagen AG (if it had exercised its call option) and Porsche SE (if it had exercised its put option) had undertaken to bear the tax burden resulting from the exercise of the options and any subsequent activities in relation to the equity investment in Porsche Holding Stuttgart (e.g. from recapture taxation on the spin-off in 2007 and/or 2009). If tax benefits had accrued to Volkswagen AG, Porsche Holding Stuttgart, Porsche AG, or their respective subsidiaries as a result of recapture taxation on the spin-off in 2007 and/or 2009, the purchase price to be paid by Volkswagen AG for the transfer of the outstanding 50.1% equity investment in Porsche Holding Stuttgart if the put option had been exercised by Porsche SE would have been increased by the present value of the tax benefit.

This arrangement was taken over under the terms of the contribution agreement to the effect that Porsche SE has a claim against Volkswagen AG for payment in the amount of the present value of the realizable tax benefits from any recapture taxation of the spin-off in 2007 as a result of the contribution. It was also agreed under the terms of the contribution that Porsche SE will indemnify Volkswagen AG, Porsche Holding Stuttgart and their subsidiaries against taxes if measures taken by or not taken by Porsche SE result in recapture taxation for 2012 at these companies in the course of or following implementation of the contribution. In this case, too, Porsche SE is entitled to assert a claim for payment against Volkswagen AG in the amount of the present value of the realizable tax benefits that arise at the level of Volkswagen AG or one of its subsidiaries as a result of such a transaction.

Further agreements were entered into and declarations were issued in connection with the contribution of Porsche SE's holding company operating business to Volkswagen AG, in particular:

- > Porsche SE issued various guarantees to Volkswagen AG in the course of the contribution relating to Porsche Holding Stuttgart, Porsche AG and its other transferred investees. Among other things, these relate to the proper issuance of and full payment for shares and capital contributions, and/or to the ownership of the shares of Porsche Holding Stuttgart and Porsche AG.
- > Under the terms of the contribution of its holding company operating business, Porsche SE also issued guarantees to Volkswagen AG for other assets transferred and liabilities assumed. In doing so, Porsche SE guarantees that these have not been assigned and are, in principle, free from third-party rights up to the date of completion of the contribution.
- > As a general principle, Porsche SE's liabilities for these guarantees is restricted to the consideration paid by Volkswagen AG.
- > Porsche SE indemnifies its contributed subsidiaries, Porsche Holding Stuttgart, Porsche AG and their subsidiaries against liabilities to Porsche SE that relate to the period up to and including December 31, 2011 and that exceed the obligations recognized in the financial statements of those companies for that period.
- > Porsche SE indemnifies Porsche Holding Stuttgart and Porsche AG against obligations arising from certain legal disputes; this includes the costs of an appropriate legal defense.
- > Moreover, Porsche SE indemnifies Volkswagen AG, Porsche Holding Stuttgart, Porsche AG and their subsidiaries against half of the taxes (other than taxes on income) arising at those companies in conjunction with the contribution that would not have been incurred in the event of the exercise of the call option on the shares of Porsche Holding Stuttgart that continued to be held by Porsche SE until the contribution. Volkswagen AG therefore indemnifies Porsche SE against half of such taxes that it incurs. In addition, Porsche Holding Stuttgart is indemnified against half of the land transfer tax and other costs triggered by the merger.
- > Additionally, Porsche SE and Porsche AG agreed to allocate any subsequent VAT receivables or liabilities from transactions in the period up to December 31, 2009 to the company entitled to the receivable or incurring the liability.
- > A range of information, conduct and cooperation obligations were agreed by Porsche SE and the Volkswagen Group.

According to a notification dated January 5, 2016, the State of Lower Saxony and Hannoversche Beteiligungsgesellschaft mbH, Hanover, held 20.00% of the voting rights of Volkswagen AG on December 31, 2015. As mentioned above, the General Meeting of Volkswagen AG on December 3, 2009 also resolved that the State of Lower Saxony may appoint two members of the Supervisory Board (right of appointment).

Members of the Board of Management and Supervisory Board of Volkswagen AG are members of supervisory and management boards or shareholders of other companies with which Volkswagen AG has relations in the normal course of business. All transactions with related parties are conducted on an arm's length basis.

The following tables present the amounts of supplies and services transacted, as well as outstanding receivables and liabilities, between consolidated companies of the Volkswagen Group and related parties.

The following tables present the amounts of supplies and services transacted between Volkswagen AG and related parties. The scope of such related parties was defined on the basis of IAS 24 and comprises consolidated and unconsolidated subsidiaries, joint ventures, associates, Porsche SE and its affiliated companies as well as other related parties. In addition to the amounts disclosed in the following tables, Volkswagen AG paid dividends to Porsche SE in the amount of €719 million (previous year: €599 million).

#### RELATED PARTIES

€ million	SUPPLIES AND	SUPPLIES AND
	SERVICES RENDERED	SERVICES RECEIVED
	2015	2015
Porsche SE	0	-
Supervisory Board members	0	-
Board of Management members	0	-
Consolidated subsidiaries	7,342	6,989
Unconsolidated subsidiaries	64	353
Joint ventures	2,186	830
Associates	7	153
Pension plans	3	-
State of Lower Saxony, its majority interests and joint ventures	5	2

€ million	INCOME FROM PROFIT AND LOSS	COST OF LOSS ABSORPTION	INTEREST INCOME	INTEREST EXPENSE
	TRANSFER AGREEMENTS			
	2015	2015	2015	2015
Porsche SE	-	-	-	5
Consolidated subsidiaries	5,575	-	16	188
Unconsolidated subsidiaries	4	5	1	0
Joint ventures	2,725	-	-	0
Associates	-	-	0	0

€ million	COLLATERAL GRANTED	COLLATERAL RECEIVED	CREDIT LINES GRANTED
	2015	2015	2015
Consolidated subsidiaries	368	-	4,178
Unconsolidated subsidiaries	4	-	557
Joint ventures	-	793	-
Associates	-	-	-
State of Lower Saxony, its majority interests and joint ventures	-	0	-
Other related parties	-	-	-

The Board of Management and Supervisory Board of the Volkswagen Group are related parties. The following benefits and remuneration were recorded as expenses for these persons in connection with their executive body membership:

€	2015	2014
Short-term benefits	65,020,872.62	76,443,784.18
Post-employment benefits	1,746,494.00	7,313,988.75
Termination benefits	41,132,430.83	12,128,462.91
	<b>107,899,797.45</b>	<b>95,886,235.84</b>

By resolution of the Supervisory Board of Volkswagen AG, 30% of the variable remuneration for fiscal year 2015 for the Board of Management members active on the date of the resolution was withheld and its disposal made subject to the Company's future share price performance. The resolution was not required to be reflected in the calculation of short-term employee benefits because it was only passed after the fiscal year had ended.

Employee representatives on the Supervisory Board continue to receive a regular salary as stipulated in their employment contracts. This is based on the provisions of the Betriebsverfassungsgesetz (BetrVG – German Works Constitution Act) and is appropriate to their respective function or role in the Company. The same applies for representatives of senior management on the Supervisory Board.

Liabilities to members of the Board of Management for bonuses and termination benefits amounted to €75,678,033.61 at the end of the year (previous year: €65,435,398.72). The post-employment benefits relate to additions to pension provisions for current members of the Board of Management.

**PENSIONS OF THE MEMBERS OF THE BOARD OF MANAGEMENT**

(prior-year figures in brackets)

€	SERVICE EXPENSE	PRESENT VALUE AS OF
	2015	Dec. 31, 2015
Matthias Müller	214,899.00	18,537,453.00
	(0.00)	(0.00)
Herbert Diess	328,738.00	298,854.00
	(0.00)	(0.00)
Francisco Javier Garcia Sanz	268,796.00	14,296,031.00
	(1,078,666.00)	(12,013,813.00)
Jochem Heizmann	-901,098.00	15,476,845.00
	(1,686,050.00)	(14,560,423.00)
Christian Klingler	107,355.18	-
	(706,208.00)	(3,821,649.00)
Michael Macht	0.00	0.00
	(600,909.75)	(0.00)
Horst Neumann	-814,385.00	-
	(408,077.00)	(16,511,339.00)
Leif Östling	190,566.25	-
	(1,120,218.00)	(2,474,201.00)
Hans Dieter Pötsch	-38,476.07	-
	(334,619.00)	(15,302,150.00)
Andreas Renschler	4,026,819.00	4,026,819.00
	(0.00)	(0.00)
Rupert Stadler	273,555.00	12,426,367.00
	(874,245.00)	(10,010,170.00)
Martin Winterkorn	-1,026,405.36	-
	(504,996.00)	(21,298,275.00)
Frank Witter	-883,870.00	5,099,047.00
	(0.00)	(0.00)
	<b>1,746,494.00</b>	<b>70,161,416.00</b>
	<b>(7,313,988.75)</b>	<b>(95,992,020.00)</b>

**REMUNERATION OF THE BOARD OF MANAGEMENT AND THE SUPERVISORY BOARD**

€	2015	2014
Board of Management remuneration		
Non-performance-related remuneration	28,288,098.15	11,339,550.85
Performance-related remuneration	34,956,361.79	54,166,233.33
	<b>63,244,459.94</b>	<b>65,505,784.18</b>
Supervisory Board remuneration		
Fixed remuneration components	313,158.34	282,000.00
Variable remuneration components	0.00	10,656,000.00
	<b>313,158.34</b>	<b>10,938,000.00</b>
	<b>63,557,618.28</b>	<b>76,443,784.18</b>

The non-performance-related remuneration of the Board of Management comprises fixed remuneration and fringe benefits. The fixed remuneration component also includes differing levels of remuneration for the assumption of appointments at Group companies. The individual remuneration of the members of the Board of Management and the Supervisory Board is explained in the remuneration report in the management report. Fringe benefits relate to noncash benefits, including in particular the use of property such as company cars, as well as the payment of insurance premiums. Taxes incurred on these noncash benefits are largely borne by Volkswagen AG. The performance-related remuneration comprises a bonus linked to business performance in the year under review and in the previous year, and since 2010, a long-term incentive (LTI), which is based on the reporting period and the three fiscal years preceding it. Members of the Board of Management can also be awarded bonuses that reflect their individual performance. The performance-related remuneration measured in accordance with German GAAP includes the amounts withheld from the active Board of Management members whose disposal is subject to the Company's future share price performance. These are reported at their fair value of €4,218,566.34. The amount withheld led to the creation of 50,703 virtual preferred shares.

On December 31, 2015, pension obligations for members of the Board of Management amounted to €70,161,416.00 (previous year: €95,992,020.00). Current pensions are index-linked in accordance with the index-linking of the highest collectively agreed salary insofar as the application of section 16 of the Gesetz zur Verbesserung der betrieblichen Altersversorgung (BetrAVG – German Company Pension Act) does not lead to a larger increase. Members of the Board of Management with contracts entered into on or after January 1, 2010 are entitled to payment of their normal remuneration for six to twelve months in the event of illness. Contracts entered into before that date grant remuneration for six months. In the event of disability, they are entitled to the retirement pension. Surviving dependents receive a widow's pension of 66 2/3% and a 20% orphan's pension based on the pension of the former member of the Board of Management.

Former members of the Board of Management and their surviving dependents received €51,306,960.37 (previous year: €22,111,950.91). This includes the amounts agreed to be paid to Messrs. Östling, Winterkorn, Klingler and Pötsch in connection with their departure from the Board of Management. Mr. Östling received non-performance-related remuneration of €567,884.50 and performance-related remuneration of €1,612,398.00 for the period from March 1 to August 31, 2015. Non-performance-related remuneration of €2,588,241.18 and performance-related remuneration of €6,691,011.15 for the period from September 26, 2015 to December 31, 2016 was recognized for Mr. Winterkorn. Taking into account the two-year cap to be applied, Mr. Klingler received non-performance-related remuneration of €2,435,487.67 and performance-related remuneration of €11,937,938.89 for the period from September 26, 2015 to December 31, 2017. Mr. Pötsch received non-performance-related remuneration of €3,015,800.00 and performance-related remuneration of €12,283,669.44 for the period from October 8, 2015 to December 31, 2017. The amount was granted net of Supervisory Board remuneration received in the period up to December 31, 2017.

Provisions for pensions for these persons amounted to €209,868,399.00 (previous year: €129,456,621.00).

Interest-free advances in the total amount of €175,000.00 (previous year: €480,000.00) have been granted to members of the Board of Management. The advances will be set off against performance-related remuneration in the following year.

Wolfsburg, April 22, 2016

Volkswagen Aktiengesellschaft

The Board of Management

# *Responsibility Statement*

To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of Volkswagen AG, and the management report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the material opportunities and risks associated with the expected development of the Company.

Wolfsburg, April 22, 2016

Volkswagen Aktiengesellschaft

The Board of Management

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Matthias Müller

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Karlheinz Blessing

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Herbert Diess

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Francisco Javier Garcia Sanz

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Jochem Heizmann

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Christine Hohmann-Dennhardt

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Andreas Renschler

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Rupert Stadler

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Frank Witter



# *Auditor's Report*

On completion of our audit, we issued the following unqualified auditors' report dated April 22, 2016. This report was originally prepared in German. In case of ambiguities the German version takes precedence:

## Auditor's Report

"We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the management report, which is combined with the group management report of VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, for the business year from January 1 to December 31, 2015. As required by Article 6b (5) EnWG ("Energiewirtschaftsgesetz", "German Energy Industry Law"), the audit also included the company's observance of obligations for the accounting pursuant to Article 6b (3) EnWG whereby the activities pursuant to Article 6b (3) EnWG have to be accounted for in separate accounts. The maintenance of the books and records and the preparation of the annual financial statements and the combined management report in accordance with the regulations of German commercial law as well as the observance of the obligations pursuant to Article 6b (3) EnWG are the responsibility of the Company's Board of Management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system and the combined management report and on the observance of obligations for the accounting pursuant to Article 6b (3) EnWG based on our audit.

We conducted our audit of the annual financial statements in accordance with § (Article) 317 HGB ("Handelsgesetzbuch": "German Commercial Code") and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with (German) principles of proper accounting and in the combined management report are detected with reasonable assurance and to obtain reasonable assurance about whether, in all material aspects, the obligations for accounting pursuant to Article 6b (3) EnWG have been observed. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the combined management report, as well as the observance of obligations for accounting pursuant to Article 6b (3) EnWG are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the Company's Board of Management, as well as evaluating the overall presentation of the annual financial statements and the combined management report, and assessing whether the amounts stated and the classification of accounts pursuant to Article 6b (3) EnWG are appropriate and comprehensible and whether the principle of consistency has been observed. We believe that our audit provides a reasonable basis for our opinion.

Our audit of the annual financial statement, together with the bookkeeping system, and the management report has not led to any reservations.

In our opinion based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with (German) principles of proper accounting. The combined management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development. The audit of the observance of obligations for accounting pursuant to Article 6b (3) EnWG whereby the activities pursuant to Article 6b (3) EnWG have to be accounted for in separate accounts has not led to any reservations.

Without qualifying our opinion, we draw attention to the information provided and statements made in section "Key events" of the notes to the annual financial statements and in section "The Emissions Issue" of the combined management report with regard to the emission issue, the underlying causes, the involvement of members of the board of management as well as the impact on these financial statements.

Based on the presented first results of the various measures taken to investigate the issue, which underlie these financial statements, there is no validation that members of the board of management were aware of the deliberate manipulation of engine management software before summer 2015. Nevertheless, should as a result of the ongoing investigation new knowledge be obtained showing that members of the board of management were informed earlier, this could eventually have an impact on the annual and consolidated financial statements and on the combined

management report for the fiscal year 2015 and the comparative figures for 2014.

The provisions for warranties and legal risks recorded in the financial year 2015 totalling Euro 14.2 billion are based on the presented state of knowledge. Due to the large number of the technical solutions necessary and the inevitable uncertainties associated with the current and expected litigation it cannot be excluded that a future assessment of the risks may be different.”

Hanover, April 22, 2016

PricewaterhouseCoopers  
Aktiengesellschaft  
Wirtschaftsprüfungsgesellschaft

Norbert Winkeljohann  
Wirtschaftsprüfer  
(German Public Auditor)

Frank Hübner  
Wirtschaftsprüfer  
(German Public Auditor)

# Executive Bodies

## Members of the Board of Management and their Appointments

Appointments as of December 31, 2015 or the date of departure from the Board of Management of Volkswagen AG

<p><b>MATTHIAS MÜLLER (62)</b> Chairman (since September 26, 2015) March 1, 2015* Member of the Executive Board of Porsche Automobil Holding SE October 13, 2010**</p>	<p><b>PROF. DR. RER. POL. DR.-ING. E.H. JOCHEM HEIZMANN (63)</b> China January 11, 2007* <b>Appointments:</b> ○ Lufthansa Technik AG, Hamburg</p>	<p><b>HANS DIETER PÖTSCH (64)</b> Finance and Controlling (until October 7, 2015) January 1, 2003 – October 7, 2015* <b>Appointments (on October 7, 2015):</b> ○ Bertelsmann Management SE, Gütersloh ○ Bertelsmann SE &amp; Co. KGaA, Gütersloh</p>
<p><b>DR. RER. SOC. KARLHEINZ BLESSING (58)</b> Human Resources and Organization January 1, 2016*</p>	<p><b>DR. JUR. CHRISTINE HOHMANN-DENNHARDT (65)</b> Integrity and Legal Affairs January 1, 2016*</p>	<p><b>ANDREAS RENSCHLER (57)</b> Commercial Vehicles (since February 1, 2015) February 1, 2015* <b>Appointments:</b> ○ Deutsche Messe AG, Hannover</p>
<p><b>DR. ING. HERBERT DIESS (57)</b> Chairman of the Brand Board of Management Volkswagen Passenger Cars July 1, 2015* <b>Appointments:</b> ○ Infineon Technologies AG, Neubiberg</p>	<p><b>CHRISTIAN KLINGLER (47)</b> Sales and Marketing (until September 25, 2015) January 1, 2010 – September 25, 2015* <b>Appointments (on September 25, 2015):</b> ○ Messe Frankfurt GmbH, Frankfurt am Main</p>	<p><b>PROF. RUPERT STADLER (52)</b> Chairman of the Board of Management of AUDI AG January 1, 2010* <b>Appointments:</b> ○ FC Bayern München AG, Munich</p>
<p><b>DR. RER. POL. H.C. FRANCISCO JAVIER GARCIA SANZ (58)</b> Procurement July 1, 2001* <b>Appointments:</b> ○ Hochtief AG, Essen ○ Criteria CaixaHolding S.A., Barcelona</p>	<p><b>PROF. H.C. DR. RER. POL. HORST NEUMANN (66)</b> Human Resources and Organization (until November 30, 2015) December 1, 2005 – November 30, 2015*</p>	<p><b>PROF. DR. DR. H.C. MULT. MARTIN WINTERKORN (68)</b> Chairman (until September 25, 2015) Research and Development (until September 25, 2015) July 1, 2000 – September 25, 2015* <b>Appointments (on September 25, 2015):</b> ○ FC Bayern München AG, Munich</p>
<p><b>DR. H.C. LEIF ÖSTLING (70)</b> Commercial Vehicles (until January 31, 2015) September 1, 2012 – February 28, 2015* <b>Appointments (on February 28, 2015):</b> ○ SKF AB, Gothenburg ○ EQT Holdings AB, Stockholm</p>	<p><b>FRANK WITTER (56)</b> Finance and Controlling (since October 7, 2015) October 7, 2015 <b>Appointments:</b> ○ LeasePlan Corporation N.V., Amsterdam (Chairman)</p>	

As part of their duty to manage and supervise the Group's business, the members of the Board of Management hold other offices on the supervisory boards of consolidated Group companies and other significant investees.

○ Membership of statutory supervisory boards in Germany.  
◎ Comparable appointments in Germany and abroad.

\* The beginning or the period of membership of the Board of Management.

## Members of the Supervisory Board and their Appointments

Appointments as of December 31, 2015 or the date of departure from the Supervisory Board of Volkswagen AG

### HANS DIETER PÖTSCH (64)

(Chairman; since October 7, 2015)  
Chairman of the Executive Board and  
Chief Financial Officer of Porsche Automobil  
Holding SE  
October 7, 2015\*

#### Appointments:

- AUDI AG, Ingolstadt
- Autostadt GmbH, Wolfsburg (Chairman)
- Bertelsmann Management SE, Gütersloh
- Bertelsmann SE & Co. KGaA, Gütersloh
- Dr. Ing. h.c. F. Porsche AG, Stuttgart
- Porsche Austria Gesellschaft m.b.H.,  
Salzburg (Chairman)
- Porsche Holding Gesellschaft m.b.H.,  
Salzburg (Chairman)
- Porsche Retail GmbH, Salzburg (Chairman)
- VfL Wolfsburg-Fußball GmbH, Wolfsburg  
(Deputy Chairman)
- Volkswagen Truck & Bus GmbH,  
Braunschweig

### JÖRG HOFMANN (60)

(Deputy Chairman; since November 20, 2015)  
First Chairman of IG Metall  
November 20, 2015\*

#### Appointments:

- Robert Bosch GmbH, Stuttgart

### DR. JUR. KLAUS LIESEN (84)

July 2, 1987 – May 3, 2006\*  
Honorary Chairman of the Supervisory Board  
of Volkswagen AG (since May 3, 2006)

### DR. HUSSAIN ALI AL-ABDULLA (58)

Minister of State and Board Member of  
Qatar Investment Authority  
April 22, 2010\*

#### Appointments:

- Al Ryan Investment, Doha (Chairman)
- Gulf Investment Corporation, Safat/Kuwait
- Kirnaf Finance, Riyadh (Chairman)
- Masraf Al Rayan, Doha (Chairman)
- Qatar Supreme Council for Economic Affairs  
and Investment, Doha

### AKBAR AL BAKER (55)

Minister of State and Group Chief Executive of  
Qatar Airways  
May 5, 2015\*

#### Appointments:

- Arab Air Carriers Organization, Beirut  
(Chairman)
- International Air Transport Association,  
Montreal
- Heathrow Airport Holdings Ltd., London

### AHMAD AL-SAYED (39)

Minister of State, Qatar  
June 28, 2013 – May 5, 2015\*

#### Appointments (on May 5, 2015):

- Qatar National Bank, Doha

### JÜRGEN DORN (49)

Chairman of the Works Council at the MAN  
Truck & Bus AG Munich plant, Chairman of  
the General Works Council of MAN Truck &  
Bus AG and Chairman of the Group Works  
Council and the SE Works Council of MAN SE  
(until May 31, 2015)  
January 1, 2013 – June 30, 2015\*

#### Appointments (on June 30, 2015):

- MAN SE, Munich
- MAN Truck & Bus AG, Munich (Deputy  
Chairman)

### ANNIKA FALKENGREN (53)

President and Group Chief Executive of  
Skandinaviska Enskilda Banken AB  
May 3, 2011\*

#### Appointments:

- FAM AB, Stockholm
- Scania CV AB, Södertälje
- Securitas AB, Stockholm

### DR. JUR. HANS-PETER FISCHER (56)

Chairman of the Board of Management of  
Volkswagen Management Association  
January 1, 2013\*

#### Appointments:

- Volkswagen Pension Trust e.V., Wolfsburg

○ Membership of statutory supervisory boards in  
Germany.  
◎ Comparable appointments in Germany and  
abroad.

\* The beginning or the period of membership of the  
Supervisory Board.

**UWE FRITSCH (59)**

Chairman of the Works Council at the Volkswagen AG Braunschweig plant  
April 19, 2012\*

**Appointments:**

- ⊙ Eintracht Braunschweig GmbH & Co KGaA, Braunschweig
- ⊙ Basketball Löwen Braunschweig GmbH, Braunschweig

**BABETTE FRÖHLICH (50)**

IG Metall,  
Department head for coordination of Executive Board duties and planning  
October 25, 2007\*

**Appointments:**

- MTU Aero Engines AG, Munich

**BERTHOLD HUBER (65)**

IG Metall  
May 25, 2010 – November 19, 2015\*

**Appointments (as of November 19, 2015):**

- AUDI AG, Ingolstadt (Deputy Chairman)
- Porsche Automobil Holding SE, Stuttgart

**UWE HÜCK (53)**

Chairman of the General and Group Works Councils of Dr. Ing. h.c. F. Porsche AG;  
July 1, 2015\*

**Appointments:**

- Dr. Ing. h.c. F. Porsche AG, Stuttgart (Deputy Chairman)
- Porsche Automobil Holding SE, Stuttgart (Deputy Chairman)

**JOHAN JÄRVKLO (42)**

Chairman of IF Metall at Scania AB  
November 22, 2015\*

**Appointments:**

- ⊙ Scania CV AB, Södertälje

**DR. LOUISE KIESLING (58)**

Designer and entrepreneur  
April 30, 2015\*

**JULIA KUHN-PIĚCH (34)**

Real estate manager  
April 30, 2015 – October 1, 2015\*

**Appointments (on October 1, 2015):**

- MAN Truck & Bus AG, Munich

**OLAF LIES (48)**

Minister of Economic Affairs, Labor and Transport for the Federal State of Lower Saxony  
February 19, 2013\*

**Appointments:**

- Deutsche Messe AG, Hanover (Chairman)
- ⊙ Container Terminal Wilhelmshaven JadeWeserPort-Marketing GmbH & Co. KG, Wilhelmshaven (Chairman)
- ⊙ Demografieagentur für die niedersächsische Wirtschaft GmbH, Hanover (Chairman)
- ⊙ JadeWeserPort Realisierungs GmbH & Co. KG, Wilhelmshaven (Chairman)
- ⊙ JadeWeserPort Realisierungs-Beteiligungs GmbH, Wilhelmshaven (Chairman)

**HARTMUT MEINE (63)**

Director of the Lower Saxony and Saxony-Anhalt Regional Office of IG Metall  
December 30, 2008 – November 21, 2015\*

**Appointments (on November 21, 2015):**

- Continental AG, Hanover
- KME Germany GmbH, Osnabrück

**PETER MOSCH (43)**

Chairman of the General Works Council of AUDI AG  
January 18, 2006\*

**Appointments:**

- AUDI AG, Ingolstadt
- Porsche Automobil Holding SE, Stuttgart
- Audi Pensionskasse – Altersversorgung der AUTO UNION GmbH, VVaG, Ingolstadt

**BERND OSTERLOH (59)**

Chairman of the General and Group Works Councils of Volkswagen AG  
January 1, 2005\*

**Appointments:**

- Autostadt GmbH, Wolfsburg
- Porsche Automobil Holding SE, Stuttgart
- Wolfsburg AG, Wolfsburg
- ⊙ Allianz für die Region GmbH, Braunschweig
- ⊙ Porsche Holding Gesellschaft m.b.H., Salzburg
- ⊙ SEAT, S.A., Martorell
- ⊙ ŠKODA AUTO a.s., Mladá Boleslav
- ⊙ VfL Wolfsburg-Fußball GmbH, Wolfsburg
- ⊙ Volkswagen Immobilien GmbH, Wolfsburg
- ⊙ Volkswagen Truck & Bus GmbH, Braunschweig

**HON.-PROF. DR. TECHN. H.C. DIPL.-ING. ETH FERDINAND K. PIĚCH (78)**

April 16, 2002 – April 25, 2015\*

**Appointments (on April 25, 2015):**

- AUDI AG, Ingolstadt
- Dr. Ing. h.c. F. Porsche AG, Stuttgart
- MAN SE, Munich (Chairman)
- Porsche Automobil Holding SE, Stuttgart
- ⊙ Ducati Motor Holding S.p.A., Bologna
- ⊙ Porsche Holding Gesellschaft m.b.H., Salzburg
- ⊙ Scania AB, Södertälje
- ⊙ Scania CV AB, Södertälje

○ Membership of statutory supervisory boards in Germany.  
⊙ Comparable appointments in Germany and abroad.

\* The beginning or the period of membership of the Supervisory Board.

**DR. JUR. HANS MICHEL PIÉCH (73)**

Lawyer in private practice

August 7, 2009\*

**Appointments:**

- AUDI AG, Ingolstadt
- Dr. Ing. h.c. F. Porsche AG, Stuttgart
- Porsche Automobil Holding SE, Stuttgart
- ⊗ Porsche Cars Great Britain Ltd., Reading
- ⊗ Porsche Cars North America Inc., Wilmington
- ⊗ Porsche Holding Gesellschaft m.b.H., Salzburg
- ⊗ Porsche Ibérica S.A., Madrid
- ⊗ Porsche Italia S.p.A., Padua
- ⊗ Schmittenhöhebahn AG, Zell am See
- ⊗ Volksoper Wien GmbH, Vienna

**URSULA PIÉCH (59)**

Member of the Supervisory Board of AUDI AG

April 19, 2012 – April 25, 2015\*

**Appointments (as of April 25, 2015):**

- AUDI AG, Ingolstadt

**DR. JUR. FERDINAND OLIVER PORSCHE (54)**Member of the Board of Management of Familie Porsche AG Beteiligungsgesellschaft  
August 7, 2009\***Appointments:**

- AUDI AG, Ingolstadt
- Dr. Ing. h.c. F. Porsche AG, Stuttgart
- Porsche Automobil Holding SE, Stuttgart
- ⊗ PGA S.A., Paris
- ⊗ Porsche Holding Gesellschaft m.b.H., Salzburg
- ⊗ Porsche Lizenz- und Handelsgesellschaft mbH & Co. KG, Ludwigsburg
- ⊗ Volkswagen Truck & Bus GmbH, Braunschweig

**DR. RER. COMM. WOLFGANG PORSCHE (72)**

Chairman of the Supervisory Board of Porsche Automobil Holding SE; Chairman of the

Supervisory Board of Dr. Ing. h.c. F. Porsche AG  
April 24, 2008\***Appointments:**

- AUDI AG, Ingolstadt
- Dr. Ing. h.c. F. Porsche AG, Stuttgart (Chairman)
- Porsche Automobil Holding SE, Stuttgart (Chairman)
- ⊗ Familie Porsche AG Beteiligungsgesellschaft, Salzburg (Chairman)
- ⊗ Porsche Cars Great Britain Ltd., Reading
- ⊗ Porsche Cars North America Inc., Wilmington
- ⊗ Porsche Holding Gesellschaft m.b.H., Salzburg
- ⊗ Porsche Ibérica S.A., Madrid
- ⊗ Porsche Italia S.p.A., Padua
- ⊗ Schmittenhöhebahn AG, Zell am See

**STEPHAN WEIL (57)**Minister-President of the Federal State of Lower Saxony  
February 19, 2013\***STEPHAN WOLF (49)**

Deputy Chairman of the General and Group Works Councils of Volkswagen AG

January 1, 2013\*

**Appointments:**

- Volkswagen Financial Services AG, Braunschweig
- Wolfsburg AG, Wolfsburg
- ⊗ Volkswagen Pension Trust e.V., Wolfsburg

**THOMAS ZWIEBLER (50)**

Chairman of the Works Council of Volkswagen Commercial Vehicles

May 15, 2010\*

**COMMITTEES OF THE SUPERVISORY BOARD**

AS OF DECEMBER 31, 2015

**Members of the Executive Committee**

Hans Dieter Pötsch (Chairman)  
Jörg Hofmann (Deputy Chairman)  
Bernd Osterloh  
Dr. Wolfgang Porsche  
Stephan Weil  
Stephan Wolf

**Members of the Mediation Committee in accordance with section 27(3) of the Mitbestimmungsgesetz (German Codetermination Act)**

Hans Dieter Pötsch (Chairman)  
Jörg Hofmann (Deputy Chairman)  
Bernd Osterloh  
Stephan Weil

**Members of the Audit Committee**

Dr. Ferdinand Oliver Porsche (Chairman)  
Peter Mosch (Deputy Chairman)  
Annika Falkengren  
Babette Fröhlich

**Members of the Nomination Committee**

Hans Dieter Pötsch (Chairman)  
Dr. Wolfgang Porsche  
Stephan Weil

**Special Committee on Diesel Engines**

Dr. Wolfgang Porsche (Chairman)  
Babette Fröhlich  
Olaf Lies  
Bernd Osterloh  
Dr. Ferdinand Oliver Porsche  
Thomas Zwiebler

○ Membership of statutory supervisory boards in Germany.  
⊗ Comparable appointments in Germany and abroad.

\* The beginning or the period of membership of the Supervisory Board.