

Financial report June 2015

Volkswagen Financial Services N.V.

Amsterdam

Management report

Volkswagen Financial Services N.V. ('FSNV' or 'the company') is one of the funding vehicles of Volkswagen Financial Services AG, Brunswick (FSAG) and its subsidiaries. FSNV raises funds from the capital markets by issuing notes and lends the proceeds on to Group and Joint Venture companies. Basis for the issuing activities are the € 25 billion Debt Issuance Programme that adheres to the European Prospective Directive Standards and a € 10 billion Multi Currency Commercial Paper Programme. All issues are guaranteed by the parent company FSAG. As per 30.6.2015 according to Moody's, FSAG's rating is set to P-1 (short term) and Aa3 (long term) with a stable outlook. Standard & Poor's assessed FSAG's creditworthiness as A-1 (short term) and A (long term) with a stable outlook.

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

Within the first six months of the year FSNV placed 9 bonds under the DIP Programme with a total € equivalent of 1,1 billion. Under the CP Programme the company placed 36 issues with a total € equivalent of 997 million and received intercompany funding totaling € 1,1 billion. The proceeds of these issues have been granted to the Volkswagen Financial Services Group companies.

The company redeemed DIP issues with a total € equivalent of 400 million and CP issues with a total € equivalent of 1,2 billion.

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

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

Interest income of € 8,5 million in the first half of 2014 increased to € 10,6 million in the first half of 2015. Result after taxes added up to € 7,3 million in the first six months of 2015 (2014: € 6,0 million)

For the whole year 2015 we expect a continuation of the first six months' level with regard to FSNV's business volume. Interest income and result after taxes are expected to be reach the 2014 figures.

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

1. the financial statements for the first half year of 2015 give a true and fair view of the assets, the liabilities, the financial position and the results of the company; and
2. the management report gives a true and fair view of the company's situation as at the balance sheet date, the events that occurred during the first half year and the risks to which the company is exposed.

Amsterdam, 29 July 2015

Original has been signed by

Thomas Fries, Managing Director

Bernd Bode, Managing Director

(unaudited)

	30 June 2015		31 December 2014	
	EUR'000	EUR'000	EUR'000	EUR'000
<i>Shareholder's equity and liabilities</i>				
Shareholder's equity				
Share capital	454		454	
Share premium reserve	637,000		625,000	
Retained earnings	98,882		98,882	
Current earnings	7,298		-	
Total shareholder's equity		743,634		724,336
Long-term liabilities				
Bonds	3,714,301		3,387,520	
Liabilities to Volkswagen group companies	2,694,492		1,629,740	
Total long-term liabilities		6,408,793		5,017,260
Current liabilities				
Bonds	2,335,907		1,672,928	
Commercial papers	677,741		878,651	
Liabilities to Volkswagen group companies	55,574		60,465	
Other liabilities	70,578		63,119	
Deferred income	11,584		17,732	
Total current liabilities		3,151,384		2,692,895
Total shareholder's equity and liabilities		10,303,811		8,434,491

Income statement 30 June 2015

(unaudited)

	30 June 2015		30 June 2014	
	EUR'000	EUR'000	EUR'000	EUR'000
Income				
Interest and similar income	82,561		66,632	
Other operating income	2		1	
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Total income		82,563		66,633
Expenses				
Interest and similar expenses	(71,940)		(58,114)	
Other operating expenses	-		(53)	
General and administrative expenses	(988)		(572)	
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Total expenses		(72,927)		(58,739)
Result before taxation		9,636		7,894
Taxation		(2,338)		(1,849)
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Result after taxation		7,298		6,045