

**VOLKSWAGEN FINANCIAL SERVICES**

**AKTIENGESELLSCHAFT**

Braunschweig, Federal Republic of Germany  
– Issuer and/or Guarantor –

**VOLKSWAGEN LEASING GMBH**

Braunschweig, Federal Republic of Germany  
– Issuer –

**VOLKSWAGEN FINANCIAL SERVICES N.V.**

Amsterdam, The Netherlands  
– Issuer –

**VOLKSWAGEN FINANCIAL SERVICES JAPAN LTD.**

Tokyo, Japan  
– Issuer –

**VOLKSWAGEN FINANCIAL SERVICES AUSTRALIA PTY LIMITED**

(ABN 20 097 071 460)  
Sydney, Australia  
– Issuer –

**EUR 25,000,000,000**

**Debt Issuance Programme**  
(the "**Programme**")

This third supplement (the "**Third Supplement**") to the base prospectus dated 26 June 2018, as supplemented on 26 June 2018 and on 7 August 2018 (the "**Prospectus**") constitutes a supplement for the purposes of Article 13.1 of the *Loi relative aux prospectus pour valeurs mobilières* which implements Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended by Directive 2010/73/EU of the European Parliament and the Council of 24 November 2010 into Luxembourg Law (the "**Luxembourg Law**") and is prepared in connection with the EUR 25,000,000,000 Debt Issuance Programme of Volkswagen Financial Services Aktiengesellschaft ("**VWFSAG**" or the "**Guarantor**"), Volkswagen Leasing GmbH ("**VWLGMBH**"), Volkswagen Financial Services N.V. ("**VWFSNV**"), Volkswagen Financial Services Japan Ltd. ("**VWFSJ**") and Volkswagen Financial Services Australia Pty Limited ("**VWFSAL**") (each an "**Issuer**" and together the "**Issuers**"). Expressions defined in the Prospectus shall have the same meaning when used in the Third Supplement.

The Third Supplement is supplemental to, and should only be read in conjunction with, the Prospectus.

The Third Supplement has been prepared to reflect ongoing developments in connection with the diesel issue and legal and arbitration proceedings.

VWFSAG and VWLGMBH accept responsibility for the respective information contained in the Third Supplement and hereby declare, that having taken all reasonable care to ensure that such is the case, the respective information contained in the Third Supplement is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import. VWFSNV, VWFSJ and VWFSAL are not responsible for the supplemental information contained in this Third Supplement.

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## OVERALL AMENDMENTS

1. *If reference is made in the base prospectus dated 26 June 2018 to "Prospectus", then the respective reference includes all changes made by the First Supplement, the Second Supplement and this Third Supplement.*

### I. SUPPLEMENTAL INFORMATION RELATING TO THE SECTION "RISK FACTORS REGARDING VOLKSWAGEN FINANCIAL SERVICES AKTIENGESELLSCHAFT"

2. *On page 58 et seq. of the Prospectus the information in the subsection "Introduction to the diesel issue" in the risk factor "Volkswagen Group is facing investigations and potential impacts out of discrepancies related to the diesel issue that have had and may continue to have a material adverse effect on the business, financial condition and operations of VWFSAG Group." shall be deleted and replaced by the following information:*

"On September 18, 2015, the U.S. Environmental Protection Agency ("**EPA**") publicly announced in a "Notice of Violation" that irregularities in relation to nitrogen oxide ("**NOx**") emissions had been discovered in emissions tests on certain vehicles of Volkswagen Group with type 2.0 I diesel engines in the United States. In this context, Volkswagen AG announced that noticeable discrepancies between the figures achieved in testing and in actual road use had been identified in around eleven million vehicles worldwide with type EA 189 diesel engines (2.0 liter and 3.0 liter four-cylinder engines). The vast majority of these engines were type EA 189 Euro 5 engines.

On November 2, 2015, the EPA issued a "Notice of Violation" alleging that irregularities had also been discovered in the software installed in U.S. vehicles with Generation 1 and Generation 2 six-cylinder (V6) 3.0 I diesel engines.

Numerous court and governmental proceedings were subsequently initiated in the United States, Canada (which has the same NOx emissions limits as the U.S.), Germany and the rest of the world. Volkswagen was able to end many significant court and governmental proceedings in the United States by concluding settlement agreements. Outside the United States, Volkswagen also reached agreements with regard to the implementation of technical measures with numerous authorities. Alongside the U.S. and Canadian proceedings there are ongoing criminal, administrative, investor and consumer and/or product-related proceedings in relation to the diesel issue in Germany and other countries, including class actions in some jurisdictions.

In the United States, Volkswagen AG, AUDI AG, Volkswagen Group of America, Inc. and certain affiliates reached settlement agreements with (i) the U.S. Department of Justice ("**DoJ**") on behalf of the EPA and the State of California on behalf of the California Air Resources Board ("**CARB**") and the California Attorney General, (ii) the U.S. Federal Trade Commission, and (iii) private plaintiffs represented by a Plaintiffs' Steering Committee in a multi-district litigation in California. The settlement agreements resolved certain civil claims made in relation to affected diesel vehicles in the United States. Depending on the type of diesel engine, under the settlement agreements Volkswagen provides for, inter alia, free emissions modification of vehicles, buy-backs/trade-ins or early lease terminations. Volkswagen will also make cash payments to affected current owners or lessees as well as certain former owners or lessees. Several thousand consumers have opted out of the settlement agreements, and many of these consumers have filed civil lawsuits seeking monetary damages for fraud and violations of state consumer protection acts. Moreover, Volkswagen AG also entered into agreements to resolve U.S. federal criminal liability relating to the diesel issue. As part of its plea agreement, Volkswagen AG has pleaded guilty to three felony counts under United States law – including conspiracy to commit fraud, obstruction of justice and using false statements to import cars into the United States – and has been sentenced to three years' probation. In the event of non-compliance with the terms of the plea agreement, Volkswagen could face further penalties and prosecution. Investigations by various U.S. regulatory and other government authorities, including in areas relating to securities, tax and financing, are ongoing.

In addition, criminal investigations/misdemeanor proceedings have been opened in Germany (for example, by the public prosecutor's offices in Braunschweig and Munich) and other countries. Some of these proceedings have been terminated, with the authorities issuing administrative notices imposing fines on Volkswagen Group companies.

A number of authorities have also initiated investigations against several current and former Volkswagen AG Board of Management members and employees regarding their possible involvement in the diesel issue, including potential market manipulation. In May 2018, U.S. federal prosecutors unsealed charges in Detroit against, among others, former Volkswagen CEO Martin Winterkorn, which had been filed under seal in March 2018. Mr. Winterkorn is charged with a conspiracy to defraud the United States, to commit wire fraud, and to violate the Clean Air Act from at least May 2006 through at least November 2015, as well as three counts of wire fraud. Should these investigations result in adverse findings against the individuals involved, this could have a negative impact on the outcome of other proceedings against Volkswagen or could have other material adverse financial consequences.

The diesel-related investigations resulted and may further result in additional assessments of monetary penalties and other adverse consequences. The timing of the release of new information on the investigations and the maximum amount of penalties that may be imposed cannot be reliably determined at present. New information on these topics may arise at any time, including after the offer, sale and delivery of the Notes. In addition to ongoing extensive investigations by governmental authorities in various jurisdictions worldwide (the most significant being in Europe, the United States and South Korea), further investigations could be launched in the future and existing investigations could be expanded. Ongoing and future investigations may result in further legal actions being taken against Volkswagen Group.

In the context of the diesel issue, various and significant regulatory, criminal and civil proceedings are currently pending against Volkswagen AG and other Volkswagen Group companies in several jurisdictions worldwide. These proceedings include product and investor-related lawsuits and comprise individual and collective actions. Further claims can be expected. Should these actions be resolved in favor of the claimants, they could result in significant civil damages, fines, the imposition of penalties, sanctions, injunctions and other consequences.

Volkswagen is working intensively to eliminate the emissions level deviations through technical improvements and is cooperating with the relevant agencies. A final decision has not been made regarding all necessary technical remedies for the affected vehicles. If the technical solutions implemented by Volkswagen in order to rectify the diesel issue are not implemented in a timely or effective manner or have an undisclosed negative effect on the performance, fuel consumption or resale value of the affected vehicles, regulatory proceedings and/or customer claims for damages could be brought in the future.

Since 2016, AUDI AG has been checking all diesel concepts for possible discrepancies and retrofit potentials. A systematic review process for all engine and gear variants has been underway. On July 21, 2017, AUDI AG offered a software-based retrofit program for up to 850,000 vehicles with V6 and V8 TDI engines meeting the Euro 5 and Euro 6 emission standards in Europe and other markets except the United States and Canada. This will be done in close cooperation with the authorities, especially the German Federal Ministry of Transport and the German Federal Motor Transport Authority (*Kraftfahrt-Bundesamt*, the "KBA"). The retrofit package comprises voluntary measures and, to a small extent, measures directed by the authorities; these are measures which were proposed by AUDI AG itself, reported to and taken up by the KBA and formally ordered by the latter. The tests for the voluntary measures and those which have been formally ordered have already reached an advanced stage, but have not yet been completed. The measures formally ordered by the KBA involved different models of the AUDI, Volkswagen and Porsche brand with a V6 or V8 TDI engine meeting the Euro 6 emission standard, for which the KBA categorized certain emission strategies as an unlawful defeat device. Should additional measures become necessary as a result of the investigations by AUDI AG and the consultations with the KBA, AUDI AG will implement these as part of the retrofit program. In addition, AUDI is responding to requests from the U.S. authorities for information regarding automatic gearboxes in certain vehicles. Further field measures with financial consequences can therefore not be ruled out completely at this time.

Any of the above-described negative developments could result in substantial additional costs and have a material adverse effect on Volkswagen's business, financial position, results of operations, and reputation as well as on the prices of its securities and its capability to make payments under its securities, including the Notes."

3. *On page 71 of the Prospectus the information in the first paragraph of the risk factor "VWFSAG Group is exposed to litigation risks that may result from legal disputes, governmental investigations or other*

*official proceedings with various stakeholders." shall be deleted and replaced by the following information:*

"In the course of its operating activities, VWFSAG Group could become subject to legal disputes, governmental investigations or other official proceedings in Germany as well as abroad. In particular, but not limited to the following scenarios, such proceedings may be initiated by relevant authorities, suppliers, dealers, customers, consumer associations via the recently introduced so-called Musterfeststellungsklage ("model declaratory action"), employees, or investors and could relate to, inter alia, legal and regulatory requirements, competition issues, ethical issues, money laundering laws, data protection laws, non-compliance with civil law and information security policies. For the companies involved, these proceedings may result in payments, regulatory sanctions or other obligations. Complaints brought by suppliers, dealers, investors or other third parties may also result in significant costs, risks or damages for VWFSAG Group. There may be investigations by governmental authorities into circumstances of which VWFSAG Group is currently not aware, or which have already arisen or will arise in the future, including in relation to alleged violations of supervisory law, competition law or criminal law."

## II. SUPPLEMENTAL INFORMATION RELATING TO THE SECTION "RISK FACTORS REGARDING VOLKSWAGEN LEASING GMBH"

4. *On page 85 et seq. of the Prospectus the information in the first paragraph of the risk factor "VWLGMBH is exposed to litigation risks that may result from legal disputes, governmental investigations or other official proceedings with various stakeholders." shall be deleted and replaced by the following information:*

"In the course of its operating activities, VWLGMBH could become subject to legal disputes, governmental investigations or other official proceedings in Germany as well as abroad. In particular, but not limited to the following scenarios, such proceedings may be initiated by relevant authorities, suppliers, dealers, customers, consumer associations via the recently introduced so-called Musterfeststellungsklage ("model declaratory action"), employees, or investors and could relate to, inter alia, legal and regulatory requirements, competition issues, ethical issues, money laundering laws, data protection laws, non-compliance with civil law and information security policies. These proceedings may result in payments, regulatory sanctions or other obligations. Complaints brought by suppliers, dealers, investors or other third parties may also result in significant costs, risks or damages for VWLGMBH. There may be investigations by governmental authorities into circumstances of which VWLGMBH is currently not aware, or which have already arisen or will arise in the future, including in relation to alleged violations of supervisory law, competition law or criminal law."

**III. SUPPLEMENTAL INFORMATION**  
**RELATING TO THE SECTION "VOLKSWAGEN FINANCIAL SERVICES AKTIENGESELLSCHAFT**  
**AS ISSUER AND GUARANTOR"**

5. *On page 131 et seq. of the Prospectus the information in the section "The Diesel Issue" shall be deleted and replaced by the following information:*

*"Information relating to the diesel issue described herein with regards to Volkswagen Group is based on public information and is subject to change. The Issuer has not independently verified any such information.*

On September 18, 2015, the U.S. Environmental Protection Agency ("**EPA**") publicly announced in a "Notice of Violation" that irregularities in relation to nitrogen oxide ("**NOx**") emissions had been discovered in emissions tests on certain vehicles of Volkswagen Group with type 2.0 I diesel engines in the United States. In this context, Volkswagen AG announced that noticeable discrepancies between the figures achieved in testing and in actual road use had been identified in around eleven million vehicles worldwide with type EA 189 diesel engines (2.0 liter and 3.0 liter four-cylinder engines). The vast majority of these engines were type EA 189 Euro 5 engines.

On November 2, 2015, the EPA issued a "Notice of Violation" alleging that irregularities had also been discovered in the software installed in U.S. vehicles with Generation 1 and Generation 2 six-cylinder (V6) 3.0 I diesel engines.

Numerous court and governmental proceedings were subsequently initiated in the United States, Canada (which has the same NOx emissions limits as the U.S.), Germany and the rest of the world. Volkswagen was able to end many significant court and governmental proceedings in the United States by concluding settlement agreements. Outside the United States, Volkswagen also reached agreements with regard to the implementation of technical measures with numerous authorities. Alongside the U.S. and Canadian proceedings there are ongoing criminal, administrative, investor and consumer and/or product-related proceedings in relation to the diesel issue in Germany and other countries, including class actions in some jurisdictions.

In the United States, Volkswagen AG, AUDI AG, Volkswagen Group of America, Inc. and certain affiliates reached settlement agreements with (i) the U.S. Department of Justice ("**DoJ**") on behalf of the EPA and the State of California on behalf of the California Air Resources Board ("**CARB**") and the California Attorney General, (ii) the U.S. Federal Trade Commission, and (iii) private plaintiffs represented by a Plaintiffs' Steering Committee in a multi-district litigation in California. The settlement agreements resolved certain civil claims made in relation to affected diesel vehicles in the United States. Depending on the type of diesel engine, under the settlement agreements Volkswagen provides for, inter alia, free emissions modification of vehicles, buy-backs/trade-ins or early lease terminations. Volkswagen will also make cash payments to affected current owners or lessees as well as certain former owners or lessees. Several thousand consumers have opted out of the settlement agreements, and many of these consumers have filed civil lawsuits seeking monetary damages for fraud and violations of state consumer protection acts. Moreover, Volkswagen AG also entered into agreements to resolve U.S. federal criminal liability relating to the diesel issue. As part of its plea agreement, Volkswagen AG has pleaded guilty to three felony counts under United States law – including conspiracy to commit fraud, obstruction of justice and using false statements to import cars into the United States – and has been sentenced to three years' probation. In the event of non-compliance with the terms of the plea agreement, Volkswagen could face further penalties and prosecution. Investigations by various U.S. regulatory and other government authorities, including in areas relating to securities, tax and financing, are ongoing.

In addition, criminal investigations/misdemeanor proceedings have been opened in Germany (for example, by the public prosecutor's offices in Braunschweig and Munich) and other countries. Some of these proceedings have been terminated, with the authorities issuing administrative notices imposing fines on Volkswagen Group companies.

A number of authorities have also initiated investigations against several current and former Volkswagen AG Board of Management members and employees regarding their possible involvement in the diesel issue, including potential market manipulation. In May 2018, U.S. federal prosecutors unsealed charges in Detroit against, among others, former Volkswagen CEO Martin Winterkorn, which had been filed under seal in March 2018. Mr. Winterkorn is charged with a conspiracy to defraud the

United States, to commit wire fraud, and to violate the Clean Air Act from at least May 2006 through at least November 2015, as well as three counts of wire fraud. Should these investigations result in adverse findings against the individuals involved, this could have a negative impact on the outcome of other proceedings against Volkswagen or could have other material adverse financial consequences.

The diesel-related investigations resulted and may further result in additional assessments of monetary penalties and other adverse consequences. The timing of the release of new information on the investigations and the maximum amount of penalties that may be imposed cannot be reliably determined at present. New information on these topics may arise at any time, including after the offer, sale and delivery of the Notes. In addition to ongoing extensive investigations by governmental authorities in various jurisdictions worldwide (the most significant being in Europe, the United States and South Korea), further investigations could be launched in the future and existing investigations could be expanded. Ongoing and future investigations may result in further legal actions being taken against Volkswagen Group.

In the context of the diesel issue, various and significant regulatory, criminal and civil proceedings are currently pending against Volkswagen AG and other Volkswagen Group companies in several jurisdictions worldwide. These proceedings include product and investor-related lawsuits and comprise individual and collective actions. Further claims can be expected. Should these actions be resolved in favor of the claimants, they could result in significant civil damages, fines, the imposition of penalties, sanctions, injunctions and other consequences.

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Any of the above-described negative developments could result in substantial additional costs and have a material adverse effect on Volkswagen's business, financial position, results of operations, and reputation as well as on the prices of its securities and its capability to make payments under its securities, including the Notes."

To the extent that there is any inconsistency between any statement in the Third Supplement and any other statement in or incorporated in the Prospectus, the statements in the Third Supplement will prevail.

The Third Supplement is available for viewing in electronic form at the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and at the website of VWFSAG ([www.vwfs.com](http://www.vwfs.com)) (available under "Investor Relations", Volkswagen Financial Services AG", "Refinancing", "Debt Issuance and Commercial Paper Programmes") and copies may be obtained free of charge from Volkswagen Financial Services Aktiengesellschaft, Gifhorner Straße 57, 38112 Braunschweig, Federal Republic of Germany.

Save as disclosed in the Third Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Prospectus has arisen or been noted, as the case may be, since the publication of the Prospectus.

**In accordance with Article 13 paragraph 2 of the Luxembourg Law, investors who have already agreed to purchase or subscribe for Notes to be issued under the Programme before the Third Supplement is published have the right, exercisable within two working days after the publication of the Third Supplement, to withdraw their acceptances. The final date of the right of withdrawal will be 26 November 2018.**