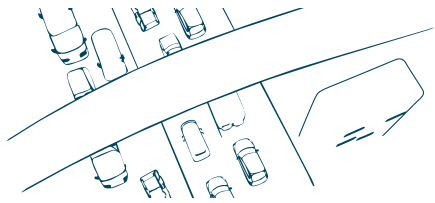


# VOLKSWAGEN LEASING

GMBH

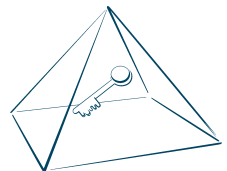


A chave da mobilidade.

The key to mobility.

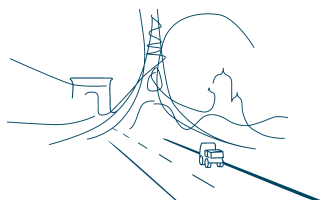


Ключ



Der Schlüssel zur Mobilität.

गतिशीलता की कुंजी.



La chiave per la mobilità.

## Volkswagen Leasing GmbH at a glance

€ million	30.06.2012	31.12.2011	31.12.2010	31.12.2009	31.12.2008
Leased assets	16,220	15,179	13,279	11,949	11,627
Total assets	17,164	17,043	13,965	12,490	12,674
€ million	1st half-year 2012	1st half-year 2011	1st half-year 2010	1st half-year 2009	1st half-year 2008
Investments in leased assets	5,229	4,763	3,735	3,210	3,419
Income from leasing business	5,284	4,853	4,338	4,171	3,643
In thousands of vehicles	1st half-year 2012	1st half-year 2011	1st half-year 2010	1st half-year 2009	1st half-year 2008
New contracts	221	240	171	146	151
Current contracts	920	844	779	764	722

The leasing business as a financial service requiring prior approval was included in § 1 Para. 1a German Banking Act (Kreditwesengesetz) by means of the 2009 Annual Tax Act. Given its activities, Volkswagen Leasing GmbH is thus subject to both the German Banking Act and the Federal Financial Supervisory Authority (BaFin). The balance sheet and the income statement have been prepared in accordance with the stipulations of the Ordinance on Accounting for Banks (RechKredV). Some of the previous year's figures have been adjusted to reflect the reclassifications that became necessary.

# Development of business

## GLOBAL ECONOMY

The global economy continued to grow in the first six months of 2012, though at a slower pace than in 2011 as a whole. Most emerging markets recorded relatively high, albeit declining, growth rates. This contrasts with industrialised countries, where economic growth remained subdued.

Western Europe's economic situation deteriorated progressively in the reporting period, with recessionary tendencies intensifying in Southern Europe in particular. Uncertainty remained high on account of unresolved issues such as how to solve the European debt crisis and the future institutional orientation of the euro zone.

In the period from January to June 2012, the German economy performed better than had been expected in the previous year. In spite of weakening exports, growth in Germany's gross domestic product (GDP) exceeded the European average. The positive trend on the labour market continued.

## FINANCIAL MARKETS

In the first half of 2012, development on the international financial markets took place in two phases. While the markets performed better than expected in the first quarter, the problems in the euro zone caused by the debt crises in Greece, Spain and also in Italy were the focus of financial markets worldwide around mid-year in particular. The risk of the euro zone falling apart, which would have unforeseeable consequences for the global economy, threw the markets into a spin despite positive company data in the leading industrialised countries. During the reporting period, the international stock market indices and the euro fell back to the level recorded at the start of the year after rallying in the first quarter of 2012.

The leasing industry benefited at the beginning of the current year from the expansionary monetary policy in the industrialised countries, which was accompanied by low interest rates and the strong momentum of the global economy. It was not until the second quarter of 2012 that the mood in the Germany's leasing business began to darken slightly. This took place against a backdrop of

declining growth in the area of capital expenditure on equipment.

## AUTOMOBILE MARKETS

In the first six months of 2012, the demand for passenger cars and light commercial vehicles around the world continued, with the pace of growth rising slightly once again in the second quarter. While Western Europe recorded a decrease as compared with the prior-year period, the overall markets in the other sales regions saw demand increase year on year. Double-digit growth rates were registered in Asia-Pacific, North America plus Central and Eastern Europe.

New car registrations in Western Europe in the first half of 2012 were down substantially on the prior-year level. In the French market in particular, but also in the crisis-hit Southern European countries, the automotive market was impacted by the weak economic environment.

New car registrations in Germany were up slightly year on year in the period from January to June 2012. Commercial vehicle sales had a stabilising effect, more than compensating for the purchasing restraint of retail customers.

## OVERALL APPRAISAL OF THE DEVELOPMENT OF BUSINESS

In the view of the Board of Management of Volkswagen Leasing GmbH, business performance in 2012 so far has been positive. Volkswagen Leasing GmbH continued its positive development in the first six months of 2012 and succeeded in further expanding its strong position as the mobility services provider within the Volkswagen Group. The number of contracts continued to increase, though new contracts were down on the extremely strong first half of 2011. In Italy, the new passenger car business is declining due to the difficult macroeconomic situation. Despite these challenging market conditions, the company managed to improve its penetration in Italy.

As expected, the result from ordinary business activities fell short of the previous year's level due especially to the non-recurrence of one-off effects related to vehicles added in 2006 and 2007.

# Analysis of the company's business development and position

## RESULTS OF OPERATIONS

The notes on the results of operations concern changes relative to the same period the previous year.

The income from the leasing business in the first six months of 2012 rose by € 0.4 billion to € 5.3 billion year on year. Of this growth, € 0.2 billion is attributable to increased proceeds from the sale of previously leased vehicles and € 0.1 billion to an increase in revenues from current leasing contracts. The larger portfolio of contracts will cause income from the leasing business to rise in the next years.

Expenses for the leasing business amounted to € 2.6 billion. This figure essentially includes the residual book values of vehicles removed from stock and the expenses from service leasing.

Depreciation on leased assets amounted to € 1.8 billion (previous year: € 1.7 billion).

Volkswagen Leasing GmbH benefited from the low interest rates in the first half of 2012. Interest expense for the refinancing of the leasing business fell by € 3 million year on year to € 173 million despite the larger contract portfolio.

In particular, the non-recurrence of one-off effects in connection with lease returns related to vehicles added in 2006 and 2007, for which the tax option to use the declining-balance method of depreciation was applied and which resulted in higher proceeds from disposal in the previous year, led to a pre-tax profit of € 218 million in the six months just ended, a decrease of € 138 million compared with earnings in the same period in 2011.

## ASSETS AND FINANCIAL POSITION

The notes on the assets and financial position concern changes relative to the balance sheet date 31 December 2011.

## Lending business

In the first six months of 2012, Volkswagen Leasing GmbH was able to further expand its business activities. The gross book value of its leased assets rose from € 21.0 billion to € 22.0 billion. The net book value was € 16.2 billion (31.12.2011: € 15.2 billion), an increase of € 1.0 billion or +6.6%.

In the first half of 2012 Volkswagen Leasing GmbH was able to expand its business activities due to the positive development of the German economy. Its portfolio of leased vehicles increased from 876,000 to 920,000 units compared to the 31 December 2011 closing date. The company's Italian branch in Milan, Italy, accounts for approximately 22,000 vehicles of this total (previous year: approximately 21,000 vehicles). This inventory increase results from the addition of 221,000 vehicles, compared to disposal of 177,000 vehicles.

## Deposit business and borrowings

The company refinances itself largely through the issue of debentures of Volkswagen Leasing GmbH in the amount of € 6.6 billion (31.12.2011: € 5.4 billion).

In addition, Volkswagen Financial Services AG has taken out loans to finance its leased assets and subsequently passed these on to Volkswagen Leasing GmbH. The loan volume arising from this is € 2.5 billion (31.12.2011: € 3.5 billion).

Furthermore, Volkswagen Leasing GmbH has currently placed eight asset-backed securities transactions (ABS transactions) on the market to refinance its lending business. As at 30 June 2012, the volume of future leasing receivables financed through the ABS transactions was € 3.2 billion (31.12.2011: € 2.9 billion).

This set of measures ensured the liquidity of Volkswagen Leasing GmbH at all times in the financial year just ended. Volkswagen Leasing GmbH has a stable liquidity base.

# Opportunity and risk report

## OPPORTUNITY REPORT

### Macroeconomic opportunities

The management of Volkswagen Leasing GmbH assumes that both the automobile market on the whole and the market share of the Volkswagen Group will continue to grow in the second half of 2012. Volkswagen Leasing GmbH will participate in this trend through its core business of automotive financial services.

### Strategic opportunities

When developing new products, Volkswagen Leasing GmbH focuses on creating specific offers that take into account people's changed approach to mobility.

These offers range from short-term rentals and car sharing schemes to long-term rentals and electric mobility solutions all the way to mobile online services. This enables Volkswagen Leasing GmbH to exploit the potential along the automotive value chain. Product initiatives and sales activities are developed and carried out in close collaboration with the Volkswagen Group brands.

## RISK REPORT

### Residual value risk

The process used to quantify the indirect residual value risk was revised on the basis of the historical data now available.

In particular, the parameterisation of a loss ratio was incorporated. The parameters used include the probability that the dealerships will recover as well as a ratio that takes into account premature and normal contract terminations as part of "normal" operations. The business trend and the above-mentioned refinement of the quantification methods will further reduce the indirect residual value risks (in comparison with previous years). As a consequence, the indirect residual value risks will continue to be classified as an "insignificant risk type".

### Summary

There were no material changes regarding the other risk types and our risk management methods in the past few months. Insofar, see the disclosures in the "Opportunity and risk report" chapter of the 2011 annual report.

In the Italian market, risk costs rose in the first half of 2012 as expected owing to the crisis. The existing uncertainties in the euro zone will continue to be monitored closely.

### EVENTS AFTER THE BALANCE SHEET DATE

Aside from the events described above, no events of substantial significance occurred after completion of the half-year financial report as at 30 June 2012.

## Personnel report

Given the structure of the German legal entities of the Volkswagen Financial Services AG Group, the employees of Volkswagen Financial Services AG work in the respective subsidiaries, among others.

As a result of this structure, 668 employees of Volkswagen Financial Services AG were working in Volkswagen Leasing GmbH's business units at 30 June 2012.

Due to national regulations, the staff employed in the branches in Milan and Verona (Italy) continue to have employment contracts with Volkswagen Leasing GmbH. A total of 74 employees currently work at the two Italian branches.

# Anticipated developments

## GLOBAL ECONOMY

Global economic growth continued in the reporting period, though the momentum weakened further compared with 2011 as a whole. We expect the global economy to stabilise at this level as the year progresses, with trends in the individual regions varying. Whilst most of the emerging economies in Asia and Latin America will continue to record above-average growth rates, expansion in the large industrialised nations will be only moderate. A recession is predicted for a number of European Union Member States. All in all, global economic development will continue to be fraught with uncertainty.

## FINANCIAL MARKETS

The financial markets will still feel the impact of the euro crisis in the second half of the year, as has been described in the company's report on anticipated developments for 2012 and 2013. The leasing industry too will not remain unaffected by this development.

## AUTOMOBILE MARKETS

Global demand for passenger cars and light commercial vehicles grew slightly faster in the period from April to June 2012 than in the first quarter of the year.

In Western Europe we anticipate a decline in the overall market volume, though the German market will hover around the prior-year level.

## DEVELOPMENT OF VOLKSWAGEN LEASING GMBH

Volkswagen Leasing GmbH continued its positive development in the first six months of 2012 and succeeded in further expanding its strong position as the mobility services provider within the Volkswagen Group. This led to an increase in market penetration.

The expiry of the leasing contracts that had been closed in 2006 and 2007 resulted in higher net revaluation gains, particularly in 2011, which will be lower for 2012. For this reason, earnings will not reach the level achieved in the previous year.

# Balance sheet

## of Volkswagen Leasing GmbH, Braunschweig

€ 000	30.06.2012	31.12.2011
<b>Assets</b>		
1. Cash reserve		
Cash in hand	3	0
2. Receivables from financial institutions		
Payable on demand	13,818	1,021,011
3. Receivables from customers		
Payable on demand	156,020	95,358
4. Shares in affiliated companies	8,644	105
5. Intangible assets	195	234
6. Tangible fixed assets		
a) Leased assets	16,219,960	15,179,158
b) Land and buildings	10,211	10,354
	16,230,171	15,189,512
7. Other assets	677,372	635,110
8. Prepaid expenses	77,826	101,562
<b>Total assets</b>	<b>17,164,049</b>	<b>17,042,892</b>



€ 000	30.06.2012	31.12.2011
<b>Equity and liabilities</b>		
<b>1. Liabilities to financial institutions</b>		
a) Payable on demand	350,551	467
b) With agreed repayment period or period of notice	289,547	288,402
	640,098	288,869
<b>2. Liabilities to customers</b>		
a) Payable on demand	899,882	1,213,996
b) With agreed repayment period or period of notice	4,021,208	5,164,789
	4,921,090	6,378,785
<b>3. Securitised liabilities</b>		
Debentures issued	6,639,034	5,395,260
from commercial paper	114,940	543,196
<b>4. Other liabilities</b>	47,913	57,851
<b>5. Deferred income</b>	3,982,174	3,662,106
<b>6. Provisions</b>		
a) Tax provisions	6,447	7,193
b) Other provisions	501,699	488,745
	508,146	495,938
<b>7. Special tax-allowable reserve</b>	1,711	1,763
<b>8. Equity</b>		
a) Subscribed capital	76,004	76,004
b) Capital reserves	142,471	142,471
c) Net retained profits	90,468	649
	308,943	219,124
<b>Total equity and liabilities</b>	<b>17,164,049</b>	<b>17,042,892</b>
<b>Other obligations</b>		
Irrevocable credit commitments	1,468,424	1,561,085

# Income statement

## of Volkswagen Leasing GmbH, Braunschweig

€ 000	01.01. – 30.06.2012	01.01. – 30.06.2011
1. Income from leasing transactions	5,283,955	4,853,013
2. Expenses from leasing transactions	2,608,674	2,258,598
	2,675,281	2,594,415
3. Interest income from lending and money market transactions	1,815	2,621
4. Interest expense	172,792	175,805
	-170,977	-173,184
5. Commission income	224	203
6. Commission expenses	198,228	184,232
	-198,004	-184,029
7. Other operating income	41,787	35,168
8. Income from the reversal of the special tax-allowable reserve	53	53
9. General administration expenses		
a) Personnel expenses		
aa) Wages and salaries	1,800	1,678
ab) Social security	515	401
	2,315	2,079
b) Other administration expenses	113,064	81,896
	115,379	83,975
10. Depreciation		
a) Depreciation on leased assets	1,831,633	1,672,921
b) Depreciation on buildings/amortisation on intangible assets	257	236
	1,831,890	1,673,157
11. Other operating expenses	6,411	10,229
12. Depreciation, amortisation and allowances on receivables and additions to provisions	234,336	253,337
13. Income from the write-up of receivables and the reversal of provisions	57,886	104,364
14. Result from ordinary business activities	218,010	356,089
15. Taxes on income and earnings	128,191	122,401
16. Net income	89,819	233,688
17. Retained earnings brought forward from previous year	649	649
<b>18. Net retained profits</b>	<b>90,468</b>	<b>234,337</b>

# Notes

## to the interim financial statements of Volkswagen Leasing GmbH, Braunschweig, as at 30 June 2012

### General comments

Volkswagen Leasing GmbH prepared its annual financial statements for the 2011 financial year in accordance with the stipulations of the German Commercial Code (HGB) and the Ordinance on Accounting for Banks (RechKredV). The provisions that have changed as a result of the German Accounting Law Modernisation Act (Bilanzrechtsmodernisierungsgesetz - BilMoG) have been applied; these interim financial statements were prepared accordingly. They were not subjected to a review.

### Accounting policies

The same accounting policies that were used in the annual financial statements for 2011 were applied to the preparation of the interim financial statements and the determination of the corresponding amounts for the previous year. A detailed description of these methods is contained in the notes to the annual financial statements of the 2011 annual report.

#### DEVELOPMENT OF THE FIXED ASSETS OF VOLKSWAGEN LEASING GMBH, BRAUNSCHWEIG, FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2012

€ 000	Net book value 01.01.2012	Additions	Disposals/Other changes	Depreciation	Net book value 30.06.2012
I. Intangible assets	234	–	–	39	195
II. Tangible fixed assets					
Land and buildings	10,354	114	31	226	10,211
III. Leased assets					
Vehicles, plant and equipment	15,162,210	5,227,541	4,149,086	25,483	16,215,182
Payments on account	16,948	1,299	13,469		4,778
	<b>15,179,158</b>	<b>5,228,840</b>	<b>4,162,555</b>	<b>25,483</b>	<b>16,219,960</b>
IV. Financial assets					
Shares in affiliated companies	105	8,539			8,644
<b>Total fixed assets</b>	<b>15,189,851</b>	<b>5,237,493</b>	<b>4,162,586</b>	<b>25,748</b>	<b>16,239,010</b>

#### THE RECEIVABLES FROM FINANCIAL INSTITUTIONS BREAK DOWN AS FOLLOWS:

€ 000	30.06.2012	31.12.2011
1. Receivables from financial institutions	13,818	1,021,011
(of which to affiliated companies € 4,568,000; previous year: € 450,759,000)		
<b>Total</b>	<b>13,818</b>	<b>1,021,011</b>

#### THE RECEIVABLES FROM CUSTOMERS BREAK DOWN AS FOLLOWS:

€ 000	30.06.2012	31.12.2011
1. Trade receivables	131,073	87,249
2. Receivables from affiliated companies	17,133	582
(of which trade receivables € 17,133,000; previous year: € 582,000)		
(of which from the shareholder € 0; previous year: € 0)		
3. Other receivables	7,814	7,527
<b>Total</b>	<b>156,020</b>	<b>95,358</b>

THE LIABILITIES ARE MADE UP AS FOLLOWS:

€ 000	30.06.2012	31.12.2011
1. Liabilities to financial institutions (of which to affiliated companies € 640,098,000; previous year: € 288,401,000)	640,098	288,869
2. Liabilities to customers (of which to affiliated companies € 4,258,359,000; previous year: € 5,691,751,000) (of which to the shareholder € 2,645,371,000; previous year: € 4,015,333,000) (of which trade receivables € 177,494,000; Previous year: € 164,915,000)	4,921,090	6,378,785
3. Securitised liabilities	6,753,974	5,938,456
4. Other liabilities	47,913	57,851
<b>Total</b>	<b>12,363,075</b>	<b>12,663,961</b>

THE INTEREST RESULT IS DIVIDED UP AS FOLLOWS:

€ 000	01.01. – 30.06.2012	01.01. – 30.06.2011
1. Interest income from lending and money market transactions (of which from affiliated companies € 718,000; previous year: € 1,513,000)	1,815	2,621
2. Interest expense (of which payable to affiliated companies € 82,855,000; previous year: € 85,166,000)	172,792	175,805
<b>Total</b>	<b>-170,977</b>	<b>-173,184</b>

DISTRIBUTION OF INCOME BY REGION:

€ 000			01.01. – 30.06.2012	01.01. – 30.06.2011
	Germany	Italy	Total	Total
1. Income from leasing transactions				
Leases	2,028,209	94,842	2,123,051	1,976,399
Maintenance and service contracts	347,857	2,603	350,460	274,343
Used vehicle sales	2,535,687	39,945	2,575,632	2,366,598
Other	209,804	25,008	234,812	235,673
	5,121,557	162,398	5,283,955	4,853,013
3. Interest income from lending and money market transactions	1,570	245	1,815	2,621
5. Commission income	224		224	203
7. Other operating income	39,347	2,440	41,787	35,168
8. Income from the reversal of the special tax-allowable reserve	53		53	53
13. Income from the write-up of receivables and the reversal of provisions	54,603	3,283	57,886	104,364
<b>Total</b>	<b>5,217,354</b>	<b>168,366</b>	<b>5,385,720</b>	<b>4,995,422</b>

## The Board of Management of Volkswagen Leasing GmbH

**Lars-Henner Santelmann**

Spokesman of the Board of Management  
Marketing/Sales Individual Customers

**Gerhard Künne**

Sales Fleet Customers

**Dr. Heidrun Zirfas**

Back Office Leasing

## Supervisory Board of Volkswagen Leasing GmbH

The Supervisory Board of Volkswagen Leasing GmbH was dissolved on 15 May 2012; up until then it had comprised the following members:

**Hans Dieter Pötsch**

Chairman  
Member of the Board of Management of Volkswagen AG  
Finance and Controlling

**Prof. Dr. Horst Neumann**

Deputy Chairman  
Member of the Board of Management of Volkswagen AG  
Human Resources and Organisation

**Dr. Arno Antlitz**

Member of the Board of Management Volkswagen Brand  
Controlling and Accounting

**Dr. Jörg Boche**

Executive Vice President of Volkswagen AG  
Group Treasurer

**Waldemar Drosdziok**

Chairman of the Joint Works Council of Volkswagen Financial Services AG  
and Volkswagen Bank GmbH

**Christian Klingler**

Member of the Board of Management of Volkswagen AG  
Sales and Marketing

**Detlef Kunkel**

General Secretary/Principal Representative of IG Metall Braunschweig

**Simone Mahler**

Deputy Chairman of the Joint Works Council of Volkswagen Financial Services AG  
and Volkswagen Bank GmbH

**Gabor Polonyi**

Head of Sales Germany Private and Corporate Customers of Volkswagen Bank GmbH

**Petra Reinheimer**

General Secretary of the Joint Works Council of Volkswagen Financial Services AG and Volkswagen Bank GmbH

**Michael Riffel**

General Secretary of the General Works Council of Volkswagen AG

**Axel Strotbek**

Member of the Board of Management

AUDI AG

Finance and Organisation

## Responsibility statement of the Board of Management

To the best of our knowledge, the half-year financial statements of Volkswagen Leasing GmbH give a true and fair view of the assets, liabilities, financial position and profit or loss of Volkswagen Leasing GmbH, and the interim report includes a fair review of the development and performance of Volkswagen Leasing GmbH, together with a description of the material opportunities and risks associated with the expected development of Volkswagen Leasing GmbH in the remaining months of the financial year.

Braunschweig, 12 July 2012

The Board of Management



Lars-Henner Santelmann



Gerhard Künne



Dr. Heidrun Zirfas

## Note regarding forward-looking statements

This report contains statements concerning the future business development of Volkswagen Leasing GmbH. These statements include, among others, assumptions about the development of the global economy, as well as the financial and automobile markets. Volkswagen Leasing GmbH has made these assumptions on the basis of available information and believes that they can be currently said to offer a realistic picture. These estimates necessarily include certain risks, and actual development may differ from these expectations.

Should actual development therefore deviate from these expectations and assumptions, or should unforeseen events occur that impact the business of Volkswagen Leasing GmbH, then the business development will be accordingly affected.

## Published by

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Produced in-house with FIRE.sys

You will find the half-year financial report 2012 at [www.vwfsag.com/hy12](http://www.vwfsag.com/hy12).

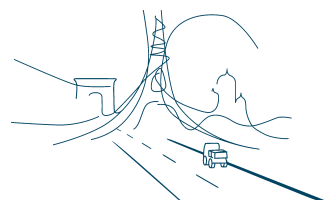
This half-year financial report is also available in German.

**VOLKSWAGEN LEASING GMBH**

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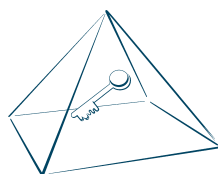
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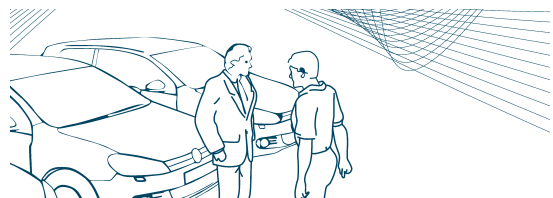


La clave para la movilidad.

к мобильности.

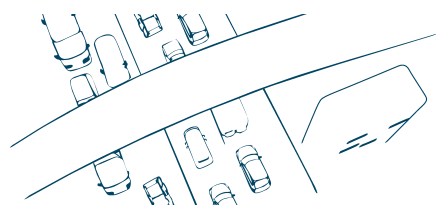
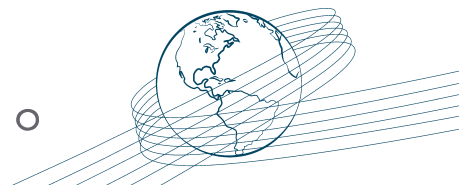


이동성을 향한 열쇠.



La clef de la mobilité.

钥匙在手，任君驰骋。



Kluczem do mobilności.