

**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 second supplement (the "**Second Supplement**") to the base prospectus dated 26 June 2018, as supplemented on 26 June 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 Second Supplement.

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

The Second Supplement has been prepared following the publication of the following interim financial information of VWFSAG, VWLGMBH, VWFSNV and VWFSAL on 7 August 2018:

- The Consolidated Interim Report 2018 (unaudited) of VWFSAG for the period from January to June 2018;
- The non-consolidated Half-Year Financial Report 2018 (unaudited) of VWLGMBH for the period from January to June 2018;
- The non-consolidated Financial Report 2018 (unaudited) of VWFSNV for the period from January to June 2018;
- The Consolidated Interim Report 2018 (unaudited) of VWFSAL for the period from January to June 2018.

VWFSAG, VWLGMBH, VWFSNV, VWFSJ and VWFSAL accept responsibility for the information contained in the Second Supplement provided that

- VWLGMBH is not responsible for the supplemental information under items 3, 4, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 21, 22, 23, 24, 25, 26, 27 and in relation to item 28-30 only responsible as far as the information is related to it;
- VWFSNV is not responsible for the supplemental information under items 2, 4, 5, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 24, 25, 26, 27 and in relation to item 28-30 only responsible as far as the information is related to it;
- VWFSJ is not responsible for the supplemental information under items 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and in relation to item 28-30 only responsible as far as the information is related to it;
- VWFSAL is not responsible for the supplemental information under items 2, 3, 6, 7, 8, 11, 12, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23 and in relation to item 28-30 only responsible as far as the information is related to it.

VWFSAG, VWLGMBH, VWFSNV, VWFSJ and VWFSAL hereby declare, that having taken all reasonable care to ensure that such is the case, the information contained in this Second Supplement for which they are responsible, is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

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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 and this Second Supplement.

### I. SUPPLEMENTAL INFORMATION RELATING TO THE SECTION "SUMMARY"

2. On page 10 et seq. of the Prospectus the information in "Section B – Issuer" in subsection "[1. Information relating to Volkswagen Leasing GmbH as Issuer" under "Element B.12 – Selected historical key financial information regarding the Issuer, statement regarding trend information and significant changes in the financial or trading position of the Issuer", shall be deleted and replaced by the following information:

"

B.12	Selected historical key financial information regarding the Issuer, statement regarding trend information and significant changes in the financial or trading position of the Issuer	<p>The following table shows selected financial information of VWLGMBH extracted from the published audited non-consolidated financial statements as at and for the financial years ended 31 December 2016 and 2017:</p> <p>Balance sheet data</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: right; width: 20%;">31 December 2017</th> <th style="text-align: right; width: 20%;">31 December 2016</th> </tr> <tr> <td></td> <td colspan="2" style="text-align: center;">EUR 000</td> </tr> </thead> <tbody> <tr> <td>Total Assets</td> <td style="text-align: right;">32,218,349</td> <td style="text-align: right;">27,766,571</td> </tr> <tr> <td>Lease assets</td> <td style="text-align: right;">26,048,897</td> <td style="text-align: right;">23,753,366</td> </tr> <tr> <td>Equity</td> <td style="text-align: right;">222,359</td> <td style="text-align: right;">222,359</td> </tr> <tr> <td>Liabilities to customers</td> <td style="text-align: right;">13,482,960</td> <td style="text-align: right;">12,704,760</td> </tr> <tr> <td>Securitized liabilities</td> <td style="text-align: right;">10,488,689</td> <td style="text-align: right;">7,172,536</td> </tr> </tbody> </table> <p>Income statement data</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: right; width: 20%;">1 January – 31 December 2017</th> <th style="text-align: right; width: 20%;">2016</th> </tr> <tr> <td></td> <td colspan="2" style="text-align: center;">EUR 000</td> </tr> </thead> <tbody> <tr> <td>Leasing income</td> <td style="text-align: right;">15,848,481</td> <td style="text-align: right;">14,680,504</td> </tr> <tr> <td>Leasing expenses</td> <td style="text-align: right;">9,326,472</td> <td style="text-align: right;">8,181,816</td> </tr> <tr> <td>Result from ordinary activities</td> <td style="text-align: right;">-525,354</td> <td style="text-align: right;">-260,777</td> </tr> <tr> <td>Net retained profits</td> <td style="text-align: right;">649</td> <td style="text-align: right;">649</td> </tr> </tbody> </table> <p>The following table sets forth selected financial information for the first half of the financial year 2018 which has been extracted from the published unaudited non-consolidated half year financial statements (short version) of VWLGMBH:</p>		31 December 2017	31 December 2016		EUR 000		Total Assets	32,218,349	27,766,571	Lease assets	26,048,897	23,753,366	Equity	222,359	222,359	Liabilities to customers	13,482,960	12,704,760	Securitized liabilities	10,488,689	7,172,536		1 January – 31 December 2017	2016		EUR 000		Leasing income	15,848,481	14,680,504	Leasing expenses	9,326,472	8,181,816	Result from ordinary activities	-525,354	-260,777	Net retained profits	649	649
	31 December 2017	31 December 2016																																							
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Net retained profits	649	649																																							

Balance sheet data		
	<b>30 June 2018</b>	<b>31 December 2017</b>
EUR 000		
Total Assets	33,674,876	32,218,349
Lease assets	27,203,982	26,048,897
Equity	5,366	222,359
Liabilities to customers	15,898,362	13,482,960
Securitized liabilities	9,604,828	10,488,689
Income statement data		
1 January – 30 June		
	<b>2018</b>	<b>2017</b>
EUR 000		
Leasing income	8,733,550	8,040,405
Leasing expenses	4,915,615	4,444,742
Result from ordinary activities	-193,823	-245,886
Net accumulated losses	-216,344	-285,940
<p>There has been no material adverse change in the prospects of VWLGMBH since the date of its last published audited non-consolidated financial statements as at 31 December 2017.</p> <p>The diesel issue as well as other expenses or provisions in connection with diesel vehicles, including but not limited to residual values of cars may have a negative impact on the future business and financial performance of VWLGMBH, the effect of which remains uncertain.</p> <p>Additionally, increased litigation and legal risks, including but not limited to the area of consumer credit law, which would be reflected in corresponding provisions as well as geopolitical tensions and conflicts, protectionist tendencies, turmoil in the financial markets, structural deficits in individual countries, as well as uncertainty regarding future developments in the euro area may affect the operating profit and financial performance of VWLGMBH.</p> <p>VWLGMBH anticipates a slight increase in funding costs, greater levels of cooperation with the individual Group brands, increased cost optimization under the efficiency program, slightly falling risk costs, higher overhead cost caused by investments into the digitalization and a continued high degree of uncertainty regarding macroeconomic conditions in the real economy and its impact on</p>		

		<p>factors such as risk costs.</p> <p>Also, subsequent to a potential restructuring of two ABS residual value transactions, there may occur a significant positive impact in the HGB result of VWLGMBH. Decisions are not yet made and it is not certain whether or not it will be implemented. The potential financial effect in turn cannot yet be determined.</p> <p>Not applicable; there has been no significant change in the financial or trading position of VWLGMBH since the date of its last published unaudited non-consolidated half year financial statements as at 30 June 2018.</p>
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3. On page 12 et seq. of the Prospectus the information in "Section B – Issuer" in subsection "[1. Information relating to Volkswagen Financial Services N.V. as Issuer" under "Element B.12 – Selected historical key financial information regarding the Issuer, statement regarding trend information and significant changes in the financial or trading position of the Issuer", shall be deleted and replaced by the following information:

B.12	Selected historical key financial information regarding the Issuer, statement regarding trend information and significant changes in the financial or trading position of the Issuer	<p>The following table shows selected financial information of VWFSNV extracted from the published audited non-consolidated financial statements as at and for the financial years ended 31 December 2016 and 2017:</p> <p>Balance sheet data</p> <table border="1"> <thead> <tr> <th></th> <th style="text-align: right;"><b>31 December 2017</b></th> <th style="text-align: right;"><b>31 December 2016</b></th> </tr> </thead> <tbody> <tr> <td></td> <td colspan="2" style="text-align: center;">EUR 000</td> </tr> <tr> <td>Balance sheet total</td> <td style="text-align: right;">6,525,264</td> <td style="text-align: right;">7,398,354</td> </tr> <tr> <td>Fixed assets</td> <td style="text-align: right;">3,235,637</td> <td style="text-align: right;">3,417,396</td> </tr> <tr> <td>Current assets</td> <td style="text-align: right;">3,285,308</td> <td style="text-align: right;">3,978,865</td> </tr> <tr> <td>Total liabilities</td> <td style="text-align: right;">5,280,976</td> <td style="text-align: right;">6,281,274</td> </tr> <tr> <td>Equity</td> <td style="text-align: right;">1,244,288</td> <td style="text-align: right;">1,117,080</td> </tr> </tbody> </table> <p>Income statement data</p> <table border="1"> <thead> <tr> <th></th> <th colspan="2" style="text-align: center;"><b>1 January – 31 December</b></th> </tr> <tr> <th></th> <th style="text-align: right;"><b>2017</b></th> <th style="text-align: right;"><b>2016</b></th> </tr> </thead> <tbody> <tr> <td></td> <td colspan="2" style="text-align: center;">EUR 000</td> </tr> <tr> <td>Net interest and similar income</td> <td style="text-align: right;">11,135</td> <td style="text-align: right;">14,405</td> </tr> <tr> <td>Result before taxation</td> <td style="text-align: right;">9,518</td> <td style="text-align: right;">14,324</td> </tr> <tr> <td>Result after taxation</td> <td style="text-align: right;">7,208</td> <td style="text-align: right;">9,545</td> </tr> </tbody> </table> <p>The following table sets forth selected financial information for the first half of the financial year 2018 which has been extracted from the published unaudited non-consolidated half year financial statements of VWFSNV:</p>		<b>31 December 2017</b>	<b>31 December 2016</b>		EUR 000		Balance sheet total	6,525,264	7,398,354	Fixed assets	3,235,637	3,417,396	Current assets	3,285,308	3,978,865	Total liabilities	5,280,976	6,281,274	Equity	1,244,288	1,117,080		<b>1 January – 31 December</b>			<b>2017</b>	<b>2016</b>		EUR 000		Net interest and similar income	11,135	14,405	Result before taxation	9,518	14,324	Result after taxation	7,208	9,545
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Balance sheet data		
	<b>30 June 2018</b>	<b>31 December 2017</b>
	EUR 000	
Balance sheet total	5,888,250	6,525,264
Fixed assets	3,443,773	3,235,637
Current assets	2,438,238	3,285,308
Total liabilities	4,640,586	5,280,976
Equity	1,247,664	1,244,288
Income statement data		
	<b>1 January – 30 June</b>	
	<b>2018</b>	<b>2017</b>
	EUR 000	
Net interest and similar income	5,316	6,209
Result before taxation	4,476	5,310
Result after taxation	3,376	4,020
<p>There has been no material adverse change in the prospects of VWFSNV since the date of its last published audited non-consolidated financial statements as at 31 December 2017. However, the diesel issue may have a negative impact on the future business and financial results of VWFSNV, the effect of which remains uncertain.</p> <p>Not applicable; there has been no significant change in the financial or trading position of VWFSNV since the date of its last published unaudited non-consolidated half year financial statements as at 30 June 2018.</p>		

4. On page 14 et seq. of the Prospectus the information in "Section B – Issuer" in subsection "[1. Information relating to Volkswagen Financial Services Australia Pty Limited as Issuer" under "Element B.12 – Selected historical key financial information regarding the Issuer, statement regarding trend information and significant changes in the financial or trading position of the Issuer", shall be deleted and replaced by the following information:

"

B.12	Selected historical key financial information regarding the Issuer, statement regarding trend information and significant changes in the financial or trading position of the Issuer	<p>The following table shows selected financial information of VWFSAL Group extracted from the published audited consolidated financial statements as at and for the financial year ended 31 December 2016 and 2017:</p> <p>Balance sheet data</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: right;">31 December 2017</th> <th style="width: 20%; text-align: right;">31 December 2016</th> </tr> </thead> <tbody> <tr> <td></td> <td colspan="2" style="text-align: center;">AUD 000</td> </tr> <tr> <td>Total assets</td> <td style="text-align: right;">5,936,337</td> <td style="text-align: right;">4,641,119</td> </tr> <tr> <td>Total liabilities</td> <td style="text-align: right;">5,675,765</td> <td style="text-align: right;">4,396,785</td> </tr> <tr> <td>Net assets</td> <td style="text-align: right;">260,572</td> <td style="text-align: right;">244,334</td> </tr> <tr> <td>Total equity</td> <td style="text-align: right;">260,572</td> <td style="text-align: right;">244,334</td> </tr> </tbody> </table> <p>Income statement data</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th colspan="2" style="width: 40%; text-align: center;">1 January – 31 December</th> </tr> <tr> <th></th> <th style="width: 20%; text-align: center;">2017</th> <th style="width: 20%; text-align: center;">2016</th> </tr> </thead> <tbody> <tr> <td></td> <td colspan="2" style="text-align: center;">AUD 000</td> </tr> <tr> <td>Net interest revenue</td> <td style="text-align: right;">80,228</td> <td style="text-align: right;">52,580</td> </tr> <tr> <td>Total income from operations</td> <td style="text-align: right;">97,348</td> <td style="text-align: right;">67,670</td> </tr> <tr> <td>Profit before income tax</td> <td style="text-align: right;">23,710</td> <td style="text-align: right;">11,811</td> </tr> <tr> <td>Profit for the year attributable to owners</td> <td style="text-align: right;">16,181</td> <td style="text-align: right;">8,144</td> </tr> </tbody> </table> <p>The following table sets forth selected financial information for the first half of the financial year 2018 which has been extracted from the published unaudited consolidated interim financial statements of VWFSAL Group:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: right;">30 June 2018</th> <th style="width: 20%; text-align: right;">31 December 2017</th> </tr> </thead> <tbody> <tr> <td></td> <td colspan="2" style="text-align: center;">AUD 000</td> </tr> <tr> <td>Total assets</td> <td style="text-align: right;">6,475,875</td> <td style="text-align: right;">5,936,337</td> </tr> <tr> <td>Total liabilities</td> <td style="text-align: right;">6,211,352</td> <td style="text-align: right;">5,675,765</td> </tr> <tr> <td>Net assets</td> <td style="text-align: right;">264,523</td> <td style="text-align: right;">260,572</td> </tr> </tbody> </table>		31 December 2017	31 December 2016		AUD 000		Total assets	5,936,337	4,641,119	Total liabilities	5,675,765	4,396,785	Net assets	260,572	244,334	Total equity	260,572	244,334		1 January – 31 December			2017	2016		AUD 000		Net interest revenue	80,228	52,580	Total income from operations	97,348	67,670	Profit before income tax	23,710	11,811	Profit for the year attributable to owners	16,181	8,144		30 June 2018	31 December 2017		AUD 000		Total assets	6,475,875	5,936,337	Total liabilities	6,211,352	5,675,765	Net assets	264,523	260,572
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		Total equity	264,523	260,572
		Income statement data		
			<b>1 January – 30 June</b>	
			<b>2018</b>	<b>2017</b>
			AUD 000	
		Net interest revenue	55,397	36,628
		Total income from operations	55,902	41,876
		Profit before income tax	16,201	7,144
		Profit for the year attributable to owners	11,349	4,999
		<p>There has been no material adverse change in the prospects of VWFSAL since the date of its last published audited consolidated financial statements as at 31 December 2017. However, the diesel issue may have a negative impact on the future business and financial results of VWFSAL, the effect of which remains uncertain. VWFSAL assumes a slight reduction in refinancing costs, continuation of its close cooperation with the respective VW Group brands, increased cost optimisation under the efficiency program and a continued high degree of uncertainty about macroeconomic conditions in the real economy and the impact of these uncertainties on factors such as risk costs.</p> <p>Not applicable; there has been no significant change in the financial or trading position of VWFSAL Group since the date of its last published unaudited consolidated interim financial statements as at 30 June 2018.</p>		

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5. On page 15 et seq. of the Prospectus the information in the "Section B – Issuer" in subsection "[1. Information relating to Volkswagen Financial Services Australia Pty Limited as Issuer" under "Element B.13 – Recent developments", shall be deleted and replaced by the following information:

"

B.13	Recent developments	A regulatory body is currently conducting an industry-wide investigation into consumer loans, including into some of the VWFSAL Group's consumer loans. This investigation remains ongoing. Pursuant to this investigation, the regulatory body has indicated concerns in relation to certain aspects of VWFSAL Group's past consumer loan practices and engagement continues with the regulatory body directed at addressing those concerns. The financial effects relating to this matter are not expected to significantly impact on VWFSAL's business activities or growth and will have no impact on VWFSAL's ability to meet VWFSAL's payment obligations. However, the financial effects cannot be quantified at this stage and no provision has been made.
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6. On page 17 et seq. of the Prospectus the information in "Section B – Issuer" in subsection "[1.][2.] Information relating to Volkswagen Financial Services Aktiengesellschaft as [Issuer][Guarantor]" under "Element [B.19]B.12 – Selected historical key financial information regarding the [Issuer][Guarantor], statement regarding trend information and significant changes in the financial or trading position of the [Issuer][Guarantor]", shall be deleted and replaced by the following information:

[B.19] B.12	Selected historical key financial information regarding the [Issuer][Guarantor], statement regarding trend information and significant changes in the financial or trading position of the [Issuer][Guarantor]	The following table shows selected financial information of VWFSAG Group extracted from the published audited consolidated financial statements as at and for the financial years ended 31 December 2016 and 2017 prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU:			
		Balance sheet data			
		<table border="0"> <tr> <td></td> <td style="text-align: right;"><b>31 December 2017</b></td> <td style="text-align: right;"><b>31 December 2016<sup>1</sup></b></td> </tr> </table>		<b>31 December 2017</b>	<b>31 December 2016<sup>1</sup></b>
	<b>31 December 2017</b>	<b>31 December 2016<sup>1</sup></b>			
		in EUR million			
		<table border="0"> <tr> <td>Total Assets</td> <td style="text-align: right;">68,953</td> <td style="text-align: right;">130,248</td> </tr> </table>	Total Assets	68,953	130,248
Total Assets	68,953	130,248			
		Receivables from customers attributable to			
		<table border="0"> <tr> <td style="padding-left: 20px;">Retail financing</td> <td style="text-align: right;">16,269</td> <td style="text-align: right;">41,726</td> </tr> </table>	Retail financing	16,269	41,726
Retail financing	16,269	41,726			
		<table border="0"> <tr> <td style="padding-left: 20px;">Dealer financing</td> <td style="text-align: right;">3,584</td> <td style="text-align: right;">14,638</td> </tr> </table>	Dealer financing	3,584	14,638
Dealer financing	3,584	14,638			
		<table border="0"> <tr> <td style="padding-left: 20px;">Leasing business</td> <td style="text-align: right;">18,809</td> <td style="text-align: right;">34,344</td> </tr> </table>	Leasing business	18,809	34,344
Leasing business	18,809	34,344			
		<table border="0"> <tr> <td>Leased Assets</td> <td style="text-align: right;">11,571</td> <td style="text-align: right;">14,696</td> </tr> </table>	Leased Assets	11,571	14,696
Leased Assets	11,571	14,696			
		<table border="0"> <tr> <td>Customer deposits</td> <td style="text-align: right;">69</td> <td style="text-align: right;">36,149</td> </tr> </table>	Customer deposits	69	36,149
Customer deposits	69	36,149			
		<table border="0"> <tr> <td>Equity</td> <td style="text-align: right;">7,624</td> <td style="text-align: right;">16,951</td> </tr> </table>	Equity	7,624	16,951
Equity	7,624	16,951			
		Income statement data			
		<b>1 January – 31 December</b>			
		<b>2017</b> <b>2016<sup>2</sup></b>			
		in EUR million			
		<table border="0"> <tr> <td>Pre-tax result</td> <td style="text-align: right;">643</td> <td style="text-align: right;">615</td> </tr> </table>	Pre-tax result	643	615
Pre-tax result	643	615			
		<table border="0"> <tr> <td>Taxes on income and earnings</td> <td style="text-align: right;">-122</td> <td style="text-align: right;">-242</td> </tr> </table>	Taxes on income and earnings	-122	-242
Taxes on income and earnings	-122	-242			
		<table border="0"> <tr> <td>Profit from discontinued operations, net of tax</td> <td style="text-align: right;">384</td> <td style="text-align: right;">768</td> </tr> </table>	Profit from discontinued operations, net of tax	384	768
Profit from discontinued operations, net of tax	384	768			
		<table border="0"> <tr> <td>Net income</td> <td style="text-align: right;">904</td> <td style="text-align: right;">1,141</td> </tr> </table>	Net income	904	1,141
Net income	904	1,141			
		The following table sets forth selected financial information for the			

<sup>1</sup> Restatement of previous year's figures. For further information see Annual Report 2017 under p. 46 et seq.  
<sup>2</sup> Restatement of previous year's figures. For further information see Annual Report 2017 under p. 46 et seq.

first half of the financial year 2018 which has been extracted from the published unaudited consolidated interim financial statements (short version) of VWFSAG Group prepared in accordance with International Financial Reporting Standards International Financial Reporting Standards (IFRS), as adopted by the EU:

**30 June 2018 31 December 2017**

in EUR million

Total Assets	73,628	68,953
Receivables from customers attributable to		
Retail financing	16,068	16,269
Dealer financing	3,949	3,584
Leasing business	19,236	18,809
Leased Assets	12,300	11,571
Customer deposits	68	69
Equity	7,987	7,624

Income statement data

**1 January – 30 June**

**2018 2017**

in EUR million

Pre-tax result	352	179
Taxes on income and earnings	-105	-54
Profit from discontinued operations, net of tax	-	432
Net income	247	558

There has been no material adverse change in the prospects of VWFSAG Group since the date of its last published audited consolidated financial statements as at 31 December 2017.

The diesel issue as well as other expenses or provisions in connection with diesel vehicles, including but not limited to residual values of cars may have a negative impact on the future business

		<p>and financial performance of VWFSAG Group, the effect of which remains uncertain.</p> <p>A future transfer of assets and/or subsidiaries in context of the reorganization of the corporate structure, increased litigation and legal risks, including but not limited to the area of consumer credit law, which would be reflected in corresponding provisions as well as geopolitical tensions and conflicts, protectionist tendencies, turmoil in financial markets, structural deficits in individual countries as well as uncertainty regarding future developments in the euro area may have a negative impact on the future business and financial performance of VWFSAG Group.</p> <p>VWFSAG Group anticipates a slight increase in funding costs, greater levels of cooperation with the individual Group brands, increased cost optimization under the efficiency program, higher overhead cost caused by investments into the digitalization and a continued high degree of uncertainty regarding macroeconomic conditions in the real economy and its impact on factors such as risk costs.</p> <p>Not applicable; there has been no significant change in the financial or trading position of VWFSAG Group since the date of its last published unaudited consolidated interim financial statements as at 30 June 2018.</p>
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**II. SUPPLEMENTAL INFORMATION  
RELATING TO THE SECTION "GERMAN TRANSLATION OF THE SUMMARY"**

7. On page 34 et seq. of the Prospectus the information in "Abschnitt B – Emittent" in subsection "[1. Informationen bezüglich der Volkswagen Leasing GmbH als Emittentin" under "Punkt B.12 – Ausgewählte wesentliche historische Finanzinformationen über die Emittentin, Erklärung zu Trendinformationen sowie wesentliche Veränderungen der Finanzlage oder Handelsposition der Emittentin", shall be deleted and replaced by the following information:

"

B.12	Ausgewählte wesentliche historische Finanzinformationen über die Emittentin, Erklärung zu Trendinformationen sowie wesentliche Veränderungen der Finanzlage oder Handelsposition der Emittentin	<p>Die folgende Tabelle enthält ausgewählte Finanzinformationen zur VWLGMBH aus dem geprüften und veröffentlichten nicht-konsolidierten Jahresabschluss für die zum 31. Dezember 2016 und 2017 beendeten Geschäftsjahre:</p> <p>Bilanzangaben</p> <table border="1"> <thead> <tr> <th></th> <th align="right">31. Dezember 2017</th> <th align="right">31. Dezember 2016</th> </tr> <tr> <th></th> <th align="right" colspan="2">EUR 000</th> </tr> </thead> <tbody> <tr> <td>Summe der Aktiva</td> <td align="right">32.218.349</td> <td align="right">27.766.571</td> </tr> <tr> <td>Leasingvermögen</td> <td align="right">26.048.897</td> <td align="right">23.753.366</td> </tr> <tr> <td>Eigenkapital</td> <td align="right">222.359</td> <td align="right">222.359</td> </tr> <tr> <td>Verbindlichkeiten gegenüber Kunden</td> <td align="right">13.482.960</td> <td align="right">12.704.760</td> </tr> <tr> <td>Verbriefte Verbindlichkeiten</td> <td align="right">10.488.689</td> <td align="right">7.172.536</td> </tr> </tbody> </table> <p>Gewinn- und Verlustrechnung</p> <table border="1"> <thead> <tr> <th></th> <th align="right">1. Januar – 31. Dezember 2017</th> <th align="right">2016</th> </tr> <tr> <th></th> <th align="right" colspan="2">EUR 000</th> </tr> </thead> <tbody> <tr> <td>Leasingerträge</td> <td align="right">15.848.481</td> <td align="right">14.680.504</td> </tr> <tr> <td>Leasingaufwendungen</td> <td align="right">9.326.472</td> <td align="right">8.181.816</td> </tr> <tr> <td>Ergebnis der normalen Geschäftstätigkeit</td> <td align="right">-525.354</td> <td align="right">-260.777</td> </tr> <tr> <td>Bilanzgewinn</td> <td align="right">649</td> <td align="right">649</td> </tr> </tbody> </table> <p>Die folgende Tabelle enthält ausgewählte Finanzinformationen für das erste Halbjahr des Geschäftsjahres 2018, welche aus dem ungeprüften, veröffentlichten, nicht-konsolidierten Halbjahresabschluss (Kurzfassung) der VWLGMBH entnommen wurden:</p> <p>Bilanzangaben</p>		31. Dezember 2017	31. Dezember 2016		EUR 000		Summe der Aktiva	32.218.349	27.766.571	Leasingvermögen	26.048.897	23.753.366	Eigenkapital	222.359	222.359	Verbindlichkeiten gegenüber Kunden	13.482.960	12.704.760	Verbriefte Verbindlichkeiten	10.488.689	7.172.536		1. Januar – 31. Dezember 2017	2016		EUR 000		Leasingerträge	15.848.481	14.680.504	Leasingaufwendungen	9.326.472	8.181.816	Ergebnis der normalen Geschäftstätigkeit	-525.354	-260.777	Bilanzgewinn	649	649
	31. Dezember 2017	31. Dezember 2016																																							
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Ergebnis der normalen Geschäftstätigkeit	-525.354	-260.777																																							
Bilanzgewinn	649	649																																							

	<b>30. Juni 2018</b>	<b>31. Dezember 2017</b>
	EUR 000	
Summe der Aktiva	33.674.876	32.218.349
Leasingvermögen	27.203.982	26.048.897
Eigenkapital	5.366	222.359
Verbindlichkeiten gegenüber Kunden	15.898.362	13.482.960
Verbriefte Verbindlichkeiten	9.604.828	10.488.689
Gewinn- und Verlustrechnung		
	<b>1. Januar – 30. Juni</b>	
	<b>2018</b>	<b>2017</b>
	EUR 000	
Leasingerträge	8.733.550	8.040.405
Leasingaufwendungen	4.915.615	4.444.742
Ergebnis der normalen Geschäftstätigkeit	-193.823	-245.886
Bilanzverlust	-216.344	-285.940
<p>Seit dem Datum des letzten geprüften und veröffentlichten, nicht-konsolidierten Jahresabschlusses zum 31. Dezember 2017 ist keine wesentliche negative Veränderung in den Aussichten der VWLGMBH eingetreten.</p> <p>Die Dieseldematik und weitere Aufwände bzw. Vorsorge im Zusammenhang mit Dieselfahrzeugen, inklusive, jedoch nicht abschließend in Bezug auf Restwerte der Fahrzeuge, können negative Auswirkungen auf die zukünftige Geschäftsentwicklung und die Finanz- und Ertragslage der VWLGMBH haben, deren Ausmaß ungewiss bleibt.</p> <p>Erhöhte Rechts- und Prozessrisiken, inklusive, jedoch nicht abschließend, auf dem Gebiet des Verbraucherkreditgesetzes, welche sich in entsprechenden Rückstellungen reflektieren würde, geopolitische Spannungen und Konflikte, protektionistische Tendenzen, Turbulenzen auf den Finanzmärkten, strukturelle Defizite in einzelnen Ländern sowie Unsicherheiten in Bezug auf die künftigen Entwicklungen im Euroraum können ebenfalls auf die zukünftige Geschäftsentwicklung und die Finanz- und Ertragslage der VWLGMBH belastend wirken.</p> <p>Die VWLGMBH geht von einer leichten Steigerung der Refinanzierungskosten, verstärkter Zusammenarbeit mit den jeweiligen VW Konzernmarken, erhöhter Kostenoptimierung unter dem Effizienzprogramm, leicht fallenden Refinanzierungskosten,</p>		

		<p>höheren Gemeinkosten durch Investitionen in die Digitalisierung und einem weiterhin hohen Maß an Unsicherheiten bezüglich makroökonomischer Bedingungen in der Realwirtschaft und einem Einfluss dieser Unsicherheiten auf Faktoren wie Risikokosten aus.</p> <p>Nach einer möglichen Restrukturierung von zwei ABS-Restwerttransaktionen kann es im HGB-Ergebnis der VWLGMBH zu erheblichen positiven Auswirkungen kommen. Entscheidungen hierzu sind noch nicht getroffen und es ist nicht sicher, ob es umgesetzt wird oder nicht. Der mögliche finanzielle Effekt kann wiederum noch nicht ermittelt werden.</p> <p>Nicht anwendbar; seit dem Datum des letzten ungeprüften, veröffentlichten, konsolidierten Halbjahresabschluss zum 30. Juni 2018 ist keine wesentliche Veränderung in der Finanzlage oder Handelsposition der VWLGMBH eingetreten.</p>
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8. On page 37 et seq. of the Prospectus the information in "Abschnitt B – Emittent" in subsection "[1. Informationen bezüglich der Volkswagen Financial Services N.V. als Emittentin" under "Punkt B.12 – Ausgewählte wesentliche historische Finanzinformationen über die Emittentin, Erklärung zu Trendinformationen sowie wesentliche Veränderungen der Finanzlage oder Handelsposition der Emittentin", shall be deleted and replaced by the following information:

"

B.12	Ausgewählte wesentliche historische Finanzinformationen über die Emittentin, Erklärung zu Trendinformationen sowie wesentliche Veränderungen der Finanzlage oder Handelsposition der Emittentin	<p>Die folgende Tabelle enthält ausgewählte Finanzinformationen zur VWFSNV aus dem geprüften und veröffentlichten nicht-konsolidierten Jahresabschluss für die zum 31. Dezember 2016 und 2017 beendeten Geschäftsjahre:</p> <p>Bilanzangaben</p> <table border="1"> <thead> <tr> <th></th> <th>31. Dezember 2017</th> <th>31. Dezember 2016</th> </tr> <tr> <th></th> <th colspan="2">EUR 000</th> </tr> </thead> <tbody> <tr> <td>Bilanzsumme</td> <td>6.525.264</td> <td>7.398.354</td> </tr> <tr> <td>Anlagevermögen</td> <td>3.235.637</td> <td>3.417.396</td> </tr> <tr> <td>Umlaufvermögen</td> <td>3.285.308</td> <td>3.978.865</td> </tr> <tr> <td>Gesamtpassiva</td> <td>5.280.976</td> <td>6.281.274</td> </tr> <tr> <td>Eigenkapital</td> <td>1.244.288</td> <td>1.117.080</td> </tr> </tbody> </table> <p>Gewinn- und Verlustrechnung</p> <table border="1"> <thead> <tr> <th></th> <th colspan="2">1. Januar – 31. Dezember</th> </tr> <tr> <th></th> <th>2017</th> <th>2016</th> </tr> <tr> <th></th> <th colspan="2">EUR 000</th> </tr> </thead> <tbody> <tr> <td>Nettozinsertrag und gleichartige Einnahmen</td> <td>11.135</td> <td>14.405</td> </tr> <tr> <td>Ergebnis vor Steuern</td> <td>9.518</td> <td>14.324</td> </tr> </tbody> </table>		31. Dezember 2017	31. Dezember 2016		EUR 000		Bilanzsumme	6.525.264	7.398.354	Anlagevermögen	3.235.637	3.417.396	Umlaufvermögen	3.285.308	3.978.865	Gesamtpassiva	5.280.976	6.281.274	Eigenkapital	1.244.288	1.117.080		1. Januar – 31. Dezember			2017	2016		EUR 000		Nettozinsertrag und gleichartige Einnahmen	11.135	14.405	Ergebnis vor Steuern	9.518	14.324
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		Ergebnis nach Steuern	7.208	9.545
		Die folgende Tabelle enthält ausgewählte Finanzinformationen für das erste Halbjahr des Geschäftsjahres 2018, welche dem ungeprüften, veröffentlichten, nicht-konsolidierten Halbjahresabschluss (Kurzfassung) der VWFSNV entnommen wurden:		
		Bilanzangaben		
			<b>30. Juni 2018</b>	<b>31. Dezember 2017</b>
			EUR 000	
		Bilanzsumme	5.888.250	6.525.264
		Anlagevermögen	3.443.773	3.235.637
		Umlaufvermögen	2.438.238	3.285.308
		Gesamtpassiva	4.640.586	5.280.976
		Eigenkapital	1.247.664	1.244.288
		Gewinn- und Verlustrechnung		
			<b>1. Januar – 30. Juni</b>	
			<b>2018</b>	<b>2017</b>
			EUR 000	
		Nettozinsertrag und gleichartige Einnahmen	5.316	6.209
		Ergebnis vor Steuern	4.476	5.310
		Ergebnis nach Steuern	3.376	4.020
		Seit dem Datum des letzten geprüften und veröffentlichten, nicht-konsolidierten Jahresabschlusses zum 31. Dezember 2017 ist keine wesentliche negative Veränderung in den Aussichten der VWFSNV eingetreten. Die Dieselformatik kann jedoch negative Auswirkungen auf die zukünftige Geschäftsentwicklung und die Finanz- und Ertragslage der VWFSNV haben, deren Auswirkungen ungewiss bleiben.		
		Nicht anwendbar; seit dem Datum des letzten ungeprüften, veröffentlichten, konsolidierten Halbjahresabschlusses zum 30. Juni 2018 ist keine wesentliche Veränderung in der Finanzlage oder Handelsposition der VWFSNV eingetreten.		

"



9. On page 39 of the Prospectus the information in "Abschnitt B – Emittent" in subsection "[1. Informationen bezüglich der Volkswagen Financial Services Australia Pty Limited als Emittentin" under "Punkt B.12 – Ausgewählte wesentliche historische Finanzinformationen über die Emittentin, Erklärung zu Trendinformationen sowie wesentliche Veränderungen der Finanzlage oder Handelsposition der Emittentin", shall be deleted and replaced by the following information:

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		<b>1. Januar – 30. Juni</b>		
		<b>2018</b>	<b>2017</b>	
		AUD 000		
		Nettozinsertrag	55.397	36.628
		Gesamteinnahmen	55.902	41.876
		Gewinn vor Steuern	16.201	7.144
		Den Anteilseignern zurechenbarer Jahresgewinn	11.349	4.999
		<p>Seit dem Datum des letzten geprüften und veröffentlichten, konsolidierten Jahresabschlusses zum 31. Dezember 2017 ist keine wesentliche negative Veränderung in den Aussichten der VWFSAL eingetreten. Die Dieselmotorenthematik kann jedoch negative Auswirkungen auf die zukünftige Geschäftsentwicklung und die Finanz- und Ertragslage der VWFSAL haben, deren Ausmaß ungewiss bleibt. VWFSAL geht von einer leichten Reduzierung der Refinanzierungskosten, weiterhin intensiver Zusammenarbeit mit den jeweiligen VW Konzernmarken, erhöhter Kostenoptimierung unter dem Effizienzprogramm und einem weiterhin hohen Maß an Unsicherheiten bezüglich makroökonomischer Bedingungen in der Realwirtschaft und einem Einfluss dieser Unsicherheiten auf Faktoren wie Risikokosten aus.</p> <p>Nicht anwendbar; seit dem Datum des letzten ungeprüften, veröffentlichten, konsolidierten Halbjahresabschluss zum 30. Juni 2018 ist keine wesentliche Veränderung in der Finanzlage oder Handelsposition der VWFSAL Group eingetreten.</p>		

"

10. On page 40 of the Prospectus the information in "Abschnitt B – Emittent" in subsection "[1. Informationen bezüglich der Volkswagen Financial Services Australia Pty Limited als Emittentin" under "Punkt B.13 – Aktuelle Entwicklungen", shall be deleted and replaced by the following information:

"

B.13	Aktuelle Entwicklungen	<p>Eine Aufsichtsbehörde führt derzeit branchenweite Untersuchungen zu Verbraucherdarlehen durch, einschließlich einiger Kreditverträge der VWFSAL Group. Diese Untersuchungen dauern weiter an. Im Rahmen dieser Untersuchung hat die Aufsichtsbehörde Bedenken in Bezug auf bestimmte Aspekte der früheren Vergabepraktiken zu Verbraucherkrediten der VWFSAL Group geäußert und diese Bedenken mitgeteilt. Die damit verbundenen finanziellen Auswirkungen werden voraussichtlich keine wesentlichen Auswirkungen auf die Geschäftstätigkeit oder das Wachstum der VWFSAL und auf die Fähigkeit der VWFSAL ihren Zahlungsverpflichtungen nachzukommen, haben. Finanzielle Auswirkungen diesbezüglich können jedoch gegenwärtig nicht beziffert werden; es wurden keine Rückstellungen gebildet.</p>
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11. On page 42 et seq. of the Prospectus the information in "Abschnitt B – Emittent" in subsection "[1.][2.] Informationen bezüglich der Volkswagen Financial Services Aktiengesellschaft als [Emittentin][Garantin]" under "Punkt [B.19]B.12 – Ausgewählte wesentliche historische Finanzinformationen über die [Emittentin][Garantin], Erklärung zu Trendinformationen sowie wesentliche Veränderungen der Finanzlage oder Handelsposition der [Emittentin][Garantin]", shall be deleted and replaced by the following information:

"

[B.19] B.12	Ausgewählte wesentliche historische Finanzinformationen über die [Emittentin][Garantin], Erklärung zu Trendinformationen sowie wesentliche Veränderungen der Finanzlage oder Handelsposition der [Emittentin][Garantin]	<p>Die folgende Tabelle enthält ausgewählte Finanzinformationen zum VWFSAG Konzern aus dem geprüften und veröffentlichten konsolidierten Jahresabschluss für die zum 31. Dezember 2016 und 2017 beendeten Geschäftsjahre. Diese wurden gemäß den in der Europäischen Union anzuwendenden <i>International Financial Reporting Standards</i> (IFRS) aufgestellt.</p> <p><b>Bilanzangaben</b></p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: right; width: 20%;"><b>31. Dezember 2017</b></th> <th style="text-align: right; width: 20%;"><b>31. Dezember 2016<sup>3</sup></b></th> </tr> </thead> <tbody> <tr> <td></td> <td colspan="2" style="text-align: center;">in EUR Mio.</td> </tr> <tr> <td>Bilanzsumme</td> <td style="text-align: right;">68.953</td> <td style="text-align: right;">130.248</td> </tr> <tr> <td>Forderungen an Kunden aus</td> <td></td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Kundenfinanzierung</td> <td style="text-align: right;">16.269</td> <td style="text-align: right;">41.726</td> </tr> <tr> <td style="padding-left: 20px;">Händlerfinanzierung</td> <td style="text-align: right;">3.584</td> <td style="text-align: right;">14.638</td> </tr> <tr> <td style="padding-left: 20px;">Leasinggeschäft</td> <td style="text-align: right;">18.809</td> <td style="text-align: right;">34.344</td> </tr> <tr> <td>Vermietete Vermögenswerte</td> <td style="text-align: right;">11.571</td> <td style="text-align: right;">14.696</td> </tr> <tr> <td>Kundeneinlagen</td> <td style="text-align: right;">69</td> <td style="text-align: right;">36.149</td> </tr> <tr> <td>Eigenkapital</td> <td style="text-align: right;">7.624</td> <td style="text-align: right;">16.951</td> </tr> </tbody> </table> <p><b>Gewinn- und Verlustrechnung</b></p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: right; width: 20%;"><b>1. Januar – 31. Dezember 2017</b></th> <th style="text-align: right; width: 20%;"><b>2016<sup>4</sup></b></th> </tr> </thead> <tbody> <tr> <td></td> <td colspan="2" style="text-align: center;">in EUR Mio.</td> </tr> <tr> <td>Ergebnis vor Steuern</td> <td style="text-align: right;">643</td> <td style="text-align: right;">615</td> </tr> <tr> <td>Steuern vom Einkommen und vom Ertrag</td> <td style="text-align: right;">-122</td> <td style="text-align: right;">-242</td> </tr> <tr> <td>Ergebnis nach Steuern aus</td> <td></td> <td></td> </tr> </tbody> </table>		<b>31. Dezember 2017</b>	<b>31. Dezember 2016<sup>3</sup></b>		in EUR Mio.		Bilanzsumme	68.953	130.248	Forderungen an Kunden aus			Kundenfinanzierung	16.269	41.726	Händlerfinanzierung	3.584	14.638	Leasinggeschäft	18.809	34.344	Vermietete Vermögenswerte	11.571	14.696	Kundeneinlagen	69	36.149	Eigenkapital	7.624	16.951		<b>1. Januar – 31. Dezember 2017</b>	<b>2016<sup>4</sup></b>		in EUR Mio.		Ergebnis vor Steuern	643	615	Steuern vom Einkommen und vom Ertrag	-122	-242	Ergebnis nach Steuern aus		
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<sup>3</sup> Anpassung der Vorjahreszahlen. Für weitere Informationen siehe Geschäftsbericht 2017 S. 46 ff.  
<sup>4</sup> Anpassung der Vorjahreszahlen. Für weitere Informationen siehe Geschäftsbericht 2017 S. 46 ff.

aufgegebenen Geschäftsbereichen	384	768
Jahresüberschuss	904	1.141
<p>Die folgende Tabelle enthält ausgewählte Finanzinformationen für das erste Halbjahr des Geschäftsjahres 2018, welche dem ungeprüften veröffentlichten, konsolidierten Halbjahresabschluss (Kurzfassung) des VWFSAG Konzerns entnommen wurden, der gemäß den in der Europäischen Union anzuwendenden <i>International Financial Reporting Standards</i> (IFRS) erstellt wurde:</p>		
Bilanzangaben		
	<b>30. Juni 2018 31. Dezember 2017</b>	
	in EUR Mio.	
Bilanzsumme	73.628	68.953
Forderungen an Kunden aus		
Kundenfinanzierung	16.068	16.269
Händlerfinanzierung	3.949	3.584
Leasinggeschäft	19.236	18.809
Vermietete Vermögenswerte	12.300	11.571
Kundeneinlagen	68	69
Eigenkapital	7.987	7.624
Gewinn- und Verlustrechnungsdaten		
	<b>1. Januar – 30. Juni</b>	
	<b>2018</b>	<b>2017</b>
	in EUR Mio.	
Ergebnis vor Steuern	352	179
Steuern vom Einkommen und vom Ertrag	-105	-54
Ergebnis nach Steuern aus aufgegebenen Geschäftsbereichen	-	432
Jahresüberschuss	247	558

		<p>Seit dem Datum des letzten geprüften und veröffentlichten konsolidierten Jahresabschlusses zum 31. Dezember 2017 ist keine wesentliche negative Veränderung in den Aussichten des VWFSAG Konzerns eingetreten.</p> <p>Die Dieseldematik und weitere Aufwände bzw. Vorsorge im Zusammenhang mit Dieselfahrzeugen, inklusive jedoch nicht abschließend in Bezug auf Restwerte der Fahrzeuge, können negative Auswirkungen auf die zukünftige Geschäftsentwicklung und die Finanz- und Ertragslage des VWFSAG Konzerns haben, deren Ausmaß ungewiss bleibt.</p> <p>Die zukünftige Übertragung von Vermögenswerten und / oder Gesellschaften im Zusammenhang mit der Umstrukturierung der Gesellschaftsstruktur, erhöhte Rechts- und Prozessrisiken, inklusive jedoch nicht abschließend in Bezug auf dem Gebiet des Verbraucherkreditgesetzes, welche sich in entsprechenden Rückstellungen reflektieren würden, aber auch geopolitische Spannungen und Konflikte, protektionistische Tendenzen, Turbulenzen auf den Finanzmärkten, strukturelle Defizite in einzelnen Ländern sowie Unsicherheiten in Bezug auf die künftigen Entwicklungen im Euroraum können auf die zukünftige Geschäftsentwicklung und die Finanz- und Ertragslage des VWFSAG Konzerns belastend wirken.</p> <p>Der VWFSAG Konzern geht von einer leichten Steigerung der Refinanzierungskosten, verstärkter Zusammenarbeit mit den jeweiligen VW Konzernmarken, erhöhter Kostenoptimierung unter dem Effizienzprogramm, höherer Gemeinkosten durch Investitionen in die Digitalisierung und einem weiterhin hohen Maß an Unsicherheiten bezüglich makroökonomischer Bedingungen in der Realwirtschaft und einem Einfluss dieser Unsicherheiten auf Faktoren wie Risikokosten aus.</p> <p>Nicht anwendbar; seit dem Datum des letzten ungeprüften, veröffentlichten, konsolidierten Halbjahresabschluss zum 30. Juni 2018 ist keine wesentliche Veränderung in der Finanzlage oder Handelsposition des VWFSAG Konzern eingetreten.</p>
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### III. SUPPLEMENTAL INFORMATION RELATING TO THE SECTION "RISK FACTORS REGARDING VOLKSWAGEN FINANCIAL SERVICES AKTIENGESELLSCHAFT"

12. *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 l diesel engines in the United States. It was alleged that Volkswagen had installed undisclosed engine management software installed in 2009 to 2015 model year 2.0 l diesel engines to circumvent NOx emissions testing regulations in the United States in order to comply with certification requirements. The California Air Resources Board ("**CARB**"), a unit of the U.S. environmental authority of California, announced its own enforcement investigation into this matter.

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. 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 type V6 3.0 l diesel engines. CARB also issued a letter announcing its own enforcement investigation into this matter. AUDI AG has confirmed that at least three auxiliary emission control devices were inadequately disclosed in the course of the U.S. approval documentation. Around 113 thousand vehicles from the 2009 to 2016 model years with certain six-cylinder diesel engines were affected in the United States and Canada, where regulations governing NOx emissions limits for vehicles are stricter than those in other parts of the world.

In November 2015, Volkswagen also reported that internal indicators had caused concerns that there might have been irregularities in determining carbon dioxide ("**CO2**") figures for type approval of around 800,000 vehicles and, as a result, the CO2 values and therefore the fuel consumption data published for some vehicle models might have been stated incorrectly. Subsequent measurements performed in coordination with the relevant authorities showed that those concerns of possible irregularities in the CO2 figures for type approval proved to be not correct. Hence, the negative impact on Volkswagen's earnings of EUR 2 billion that had originally been expected in relation to this aspect of the CO2 issue was not confirmed. However, the public prosecutor's office in Braunschweig is investigating into these circumstances which might require a reassessment of the financial impact.

Following the publication of the "Notices of Violation", numerous court and governmental proceedings were initiated in the United States and the rest of the world. Volkswagen was able to end most significant court and governmental proceedings in the United States by concluding settlement agreements. This includes, in particular, settlements with the U.S. Department of Justice ("**DOJ**"). Outside the United States, Volkswagen also reached agreements with regard to the implementation of technical measures with numerous authorities.

In the United States and Canada, following the publication of the EPA's "Notices of Violation", Volkswagen AG and other Volkswagen Group companies have been the subject of intense scrutiny, ongoing investigations (civil and criminal) and civil litigation. Volkswagen AG and other Volkswagen Group companies have received subpoenas and inquiries from state attorneys general and other governmental authorities and are responding to such investigations and inquiries. In addition, Volkswagen AG and other Volkswagen Group companies in the United States/Canada are facing litigation on a number of different fronts relating to the matters described in the EPA's "Notices of Violation".

On January 4, 2016, the DOJ, Civil Division, on behalf of the EPA, initiated a civil complaint against Volkswagen AG, AUDI AG and certain other Volkswagen Group companies. The action sought statutory penalties under the US Clean Air Act, as well as certain injunctive relief. On January 12, 2016, CARB announced that it intended to seek civil fines for alleged violations of the California Health & Safety Code and various CARB regulations.

In June 2016, Volkswagen AG, Volkswagen Group of America, Inc. and certain affiliates reached settlement agreements with the DOJ on behalf of the EPA, CARB and the California Attorney General,

private plaintiffs represented by a Plaintiffs' Steering Committee ("**PSC**") in the multidistrict litigation pending in California, and the U.S. Federal Trade Commission ("**FTC**"). These settlement agreements resolved certain civil claims made in relation to affected diesel vehicles with 2.0 I TDI engines from the Volkswagen Passenger Cars and Audi brands in the United States. Volkswagen AG and certain affiliates also entered into a First Partial Consent Decree with the DOJ, EPA, CARB and the California Attorney General. A number of class members have filed appeals to an U.S. appellate court from the order approving the settlements. The settlements include buyback or, for leased vehicles, early lease termination, or a free emissions modification of the vehicles, provided that the EPA and CARB approve the modification. Volkswagen will also make additional cash payments to affected current owners or lessees as well as certain former owners or lessees.

Volkswagen also agreed to support environmental programs. The company will pay USD 2.7 billion over three years into an environmental trust. Volkswagen will also invest a total of USD 2.0 billion over ten years in zero emissions vehicle infrastructure as well as corresponding access and awareness initiatives.

Volkswagen AG and certain affiliates also entered into a separate Partial Consent Decree with CARB and the California Attorney General resolving certain claims under California unfair competition, false advertising, and consumer protection laws related to both the 2.0 I and 3.0 I TDI vehicles, which was lodged with the court on July 7, 2016. Under the terms of the agreement, Volkswagen agreed to pay California USD 86 million.

On December 20, 2016, Volkswagen entered into a Second Partial Consent Decree, subject to court approval, with the DOJ, EPA, CARB and the California Attorney General that resolved claims for injunctive relief under the Clean Air Act and California environmental, consumer protection and false advertising laws related to the 3.0 I TDI vehicles. Under the terms of this Consent Decree, Volkswagen agreed to implement a buyback and lease termination program for Generation 1 3.0 I TDI vehicles and a free emissions recall and modification program for Generation 2 3.0 I TDI vehicles, and to pay USD 225 million into the environmental mitigation trust that has been established pursuant to the First Partial Consent Decree.

In addition, on December 20, 2016, Volkswagen entered into an additional, concurrent California Second Partial Consent Decree, subject to court approval, with CARB and the California Attorney General that resolved claims for injunctive relief under California environmental, consumer protection and false advertising laws related to the 3.0 I TDI vehicles. Under the terms of this Consent Decree, Volkswagen agreed to provide additional injunctive relief to California, including the implementation of a "Green City" initiative and the introduction of three new Battery Electric Vehicle ("**BEV**") models in California by 2020, as well as a USD 25 million payment to CARB to support the availability of BEVs in California.

On January 11, 2017, Volkswagen entered into a Third Partial Consent Decree with the DOJ and EPA that resolved claims for civil penalties and injunctive relief under the Clean Air Act related to the 2.0 I and 3.0 I TDI vehicles. Volkswagen agreed to pay USD 1.45 billion (plus any accrued interest) to resolve the civil penalty and injunctive relief claims under the Clean Air Act, as well as the customs claims of the US Customs and Border Protection. Under the Third Partial Consent Decree, the injunctive relief includes monitoring, auditing and compliance obligations. Also on January 11, 2017, Volkswagen entered into a settlement agreement with the DOJ to resolve any claims under the Financial Institutions Reform, Recovery and Enforcement Act of 1989 and agreed to pay USD 50 million (plus any accrued interest), specifically denying any liability and expressly disputing any claims.

On July 21, 2017, the federal court in the multidistrict litigation in California approved the Third California Partial Consent Decree, in which Volkswagen AG and certain affiliates agreed with the California Attorney General and CARB to pay USD 153.8 million in civil penalties and cost reimbursements. These penalties covered California environmental penalties for both the 2.0 I and 3.0 I TDI vehicles.

The DOJ also opened a criminal investigation focusing on allegations that various federal law criminal offenses were committed. On January 11, 2017, Volkswagen AG agreed to plead guilty to three federal criminal felony counts, and to pay a USD 2.8 billion criminal penalty. Pursuant to the terms of this agreement, Volkswagen will be on probation for three years and will work with an independent monitor for three years. The independent monitor will assess and oversee the company's compliance with the terms of the resolution. This includes overseeing the implementation of measures to further strengthen compliance, reporting and monitoring systems, and an enhanced ethics program. Volkswagen will also continue to cooperate with the DOJ's ongoing investigation of individual employees or former employees who may be responsible for criminal violations.

On June 11, 2018, Rupert Stadler, the head of Volkswagen AG's Audi brand was named as a suspect in the Munich II public prosecutor's investigation together with Bernd Martens, Audi's head of purchasing. Both are being investigated for, inter alia, fraud relating to sales of diesel cars. Rupert Stadler was arrested on June 18, 2018. In addition, in May 2018, 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.

On January 31, 2017, Volkswagen AG, Volkswagen Group of America, Inc. and certain affiliates entered into a settlement agreement with private plaintiffs represented by the PSC in the multidistrict litigation pending in California, and a consent order with the FTC. These agreements resolved certain civil claims made in relation to affected diesel vehicles with 3.0 I TDI engines from the Volkswagen, Audi and Porsche brands in the United States. On February 14, 2017, the court preliminarily approved the settlement agreement with private plaintiffs. On May 11, 2017, the court held a fairness hearing on whether approval should be granted and on May 17, 2017, the court granted final approval of the settlement agreement and the partial stipulated consent order.

Under the settlements, consumers' options and compensation will depend on whether their vehicles are classified as Generation 1 or Generation 2. Generation 1 (model years 2009-2012) consumers will have the option of a buyback, early lease termination, trade-in, or a free emissions modification, provided that EPA and CARB approve the modification. Additionally, Generation 1 owners and lessees, as well as certain former owners and lessees, will be eligible to receive cash payments. Generation 2 (model years 2013-2016) consumers will receive a free emissions-compliant repair to bring the vehicles into compliance with the emissions standards to which they were originally certified, as well as cash payments. Volkswagen has received approval from the EPA and CARB for emissions-compliant repairs within the time limits set out in the settlement agreement. Volkswagen will also make cash payments to certain former Generation 2 owners or lessees.

Volkswagen has also resolved the claims of most Volkswagen-branded franchise dealers in the United States relating to the affected vehicles and other matters asserted concerning the value of the franchise. The settlement agreement includes a cash payment of up to U.S.\$1,208 million and additional benefits.

Volkswagen has also reached separate settlement agreements with the attorneys general of most U.S. states to resolve existing or potential consumer protection, unfair trade practices claims, and/or state environmental law claims. Certain states still have pending consumer protection, unfair trade practices and state environmental law claims against Volkswagen. Investigations by various US regulatory and government authorities are ongoing, including in areas relating to securities, financing and tax.

Additionally, in the United States, some putative class actions, some individual customers' lawsuits and some state or municipal claims have been filed in state courts. In addition a putative class action has been filed on behalf of purchasers of Volkswagen AG American Depositary Receipts, alleging a drop in price purportedly resulting from the matters described in the EPA's "Notices of Violation". A putative class action has also been filed on behalf of purchasers of certain USD-denominated Volkswagen bonds, alleging that these bonds were trading at artificially inflated prices due to Volkswagen's alleged misstatements and that the value of these bonds declined after the EPA issued its "Notices of Violation".

In Canada, civil consumer claims and regulatory investigations have been initiated for vehicles with 2.0 I and 3.0 I TDI engines. On December 19, 2016, Volkswagen AG and other Canadian and U.S. Volkswagen Group companies reached a class action settlement in Canada with consumers relating to 2.0 I diesel vehicles. Also on December 19, 2016, Volkswagen Group Canada agreed with the Commissioner of Competition in Canada to a civil resolution regarding its regulatory inquiry into consumer protection issues as to those vehicles. On January 12, 2018, and subject to court approval that was granted by April 25, 2018, Volkswagen reached a consumer settlement in Canada involving 3.0 liter diesel vehicles. Also on January 12, 2018, Volkswagen and the Canadian Commissioner of Competition reached a resolution related to civil consumer protection issues relating to 3.0 I diesel vehicles. Also, criminal enforcement-related investigations by the federal environmental regulator and quasi-criminal enforcement-related investigations by a provincial environmental regulator are ongoing in Canada related to 2.0 I and 3.0 I diesel vehicles. On September 15, 2017, a provincial regulator in Canada, the Ontario Ministry of the Environment and Climate Change, charged Volkswagen AG under the province's environmental statute with one count alleging that it caused or permitted the operation of model year 2010-2014 Volkswagen and Audi brand 2.0 I diesel vehicles that did not comply with



prescribed emission standards. The matter was put over to June 7, 2018 pending ongoing evidence disclosure. No trial date has been set.

Moreover, in Canada, two securities class actions by investors in Volkswagen AG American Depositary Receipts and shares are pending against Volkswagen AG in the Quebec and Ontario provincial courts. In addition, putative class action and joinder lawsuits by customers, and a certified environmental class action on behalf of residents, remain pending in certain provincial courts in Canada.

In other countries criminal investigations/misdemeanor proceedings (for example, by the public prosecutor's office in Braunschweig and Munich, Germany) and/or administrative proceedings (for example, by the *Bundesanstalt für Finanzdienstleistungsaufsicht*, BaFin – the German Federal Financial Supervisory Authority) have also been opened. The public prosecutor's offices in Braunschweig and Munich are investigating the core issue of the criminal investigations. On June 13, 2018, the Braunschweig public prosecutor issued an administrative order against Volkswagen AG in the context of the diesel issue. The administrative order provides for a fine of €1 billion in total, consisting of the maximum penalty as legally provided for of €5 million and the disgorgement of economic benefits in the amount of €995 million. Following thorough examination, the fine has been accepted and paid in full by Volkswagen.

The 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.

Based on decisions dated October 15, 2015, the KBA ordered the Volkswagen Passenger Cars, Volkswagen Commercial Vehicles and SEAT brands to recall all diesel vehicles that had been issued with vehicle type approval by the KBA from among the eleven million vehicles affected with type EA 189 engines. The recall concerns the member states of the European Union (EU 28). On December 10, 2015, a similar decision was issued regarding Audi vehicles with type EA 189 engines. The timetable and action plan forming the basis for the recall order correspond to the proposals presented in advance by Volkswagen. Depending on the technical complexity of the concerned remedial actions, this means that the Volkswagen Group has been recalling the affected vehicles, of which there are around 8.5 million in total in the EU 28, to the service workshops since January 2016. The remedial actions differ in scope depending on the engine variant. The technical measures cover software and in some cases hardware modifications, depending on the series and model year.

The technical measures for all vehicles in the European Union have since been approved without exception. The KBA ascertained for all clusters (groups of vehicles) that implementation of the technical measures would not bring about any adverse changes in fuel consumption figures, CO<sub>2</sub> emissions figures, engine power, maximum torque and noise emissions. Once the modifications have been made, the vehicles will thus also continue to comply with the legal requirements and the emission standards applicable in each case. The technical measures for all affected vehicles with type EA 189 engines in the European Union were approved without exception, and implemented in most cases.

In some countries outside the EU – among others South Korea, Taiwan and Turkey – national type approval is based on prior recognition of the EC/EEC type approval; the technical measure must therefore be approved by the national authorities. With the exception of South Korea and Chile, this approval process has been concluded in all countries. There, the majority of approvals were likewise granted; in relation to the pending approvals Volkswagen is in close contact with the authorities.

In addition, there is an intensive exchange of information with the authorities in the United States and Canada, where Volkswagen's proposed modifications in relation to the four-cylinder and the six-cylinder diesel engines also have to be approved. Due to NOx limits that are considerably stricter than in the EU and the rest of the world, it is a greater technical challenge here to refit the vehicles so that the emission standards defined in the settlement agreements for these vehicles can be achieved. A final decision has not been made regarding all necessary technical remedies for the affected vehicles.

For many months, 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 since 2016. 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 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.

In May 2018, Audi reported engine management irregularities with V6 TDI engines of Generation 2 evo. Deliveries of the affected vehicles, of which there are approximately 60,000 worldwide according to Audi reports, have been stopped. Audi is in discussions with the relevant vehicle registration authorities about software updates.

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."

#### **IV. SUPPLEMENTAL INFORMATION RELATING TO THE SECTION "RISK FACTORS REGARDING VOLKSWAGEN FINANCIAL SERVICES AUSTRALIA PTY LIMITED"**

13. *On page 117 et seq. of the Prospectus the information in the risk factor "VWFSAL 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, VWFSAL could become subject to legal disputes, governmental investigations or other official proceedings in Australia as well as abroad. In particular, but not limited to the following scenarios, such proceedings may be initiated by relevant authorities, suppliers, dealers, customers, 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 VWFSAL. There may be investigations by governmental authorities into circumstances of which VWFSAL 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.

Furthermore, VWFSAL must comply with consumer credit regulations adopted in Australia, including the National Consumer Credit Protection Act 2011. With regard to the ongoing industry-wide investigation into consumer loans, including into VWFSAL's consumer loans and the concerns in relation to certain aspects of VWFSAL's past consumer loan practices indicated by a regulatory body see under "Recent Developments" in the section "Volkswagen Financial Services Australia Pty Limited as Issuer". The National Consumer Credit Protection Act and other consumer protection legislations regulate matters such as advertising to consumers, information to borrowers regarding loan conditions and pre-financing suitability checks. Any violation of compliance with these laws could result in claims from a large number of customers and could have a materially adverse effect to VWFSAL's business operations and financial condition.

As an automotive manufacturer-associated provider of financial services, VWFSAL enters into finance and lease contracts of Volkswagen Group vehicles with retail and corporate customers. As such, VWFSAL is dependent on the sale and quality of Volkswagen Group vehicles. Any irregularities of these vehicles might affect VWFSAL's business, in particular the sale contracts of the manufacturer or dealer on the one hand and finance or lease contracts of the financial services provider on the other hand are considered to be linked with each other.

Litigation is inherently uncertain and VWFSAL could experience significant adverse results regardless of the merits of any alleged claims or outcomes of proceedings in which it is directly or indirectly involved. In addition, adverse publicity relating to allegations involving VWFSAL Group or the Volkswagen Group may cause significant reputational harm that could have a material adverse effect on VWFSAL.

Any of the foregoing could have a material adverse effect on VWFSAL's business, financial position, results of operations and its reputation."

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

14. 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 l diesel engines in the United States. It was alleged that Volkswagen had installed undisclosed engine management software installed in 2009 to 2015 model year 2.0 l diesel engines to circumvent NOx emissions testing regulations in the United States in order to comply with certification requirements. The California Air Resources Board ("**CARB**"), a unit of the U.S. environmental authority of California, announced its own enforcement investigation into this matter.

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. 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 type V6 3.0 l diesel engines. CARB also issued a letter announcing its own enforcement investigation into this matter. AUDI AG has confirmed that at least three auxiliary emission control devices were inadequately disclosed in the course of the U.S. approval documentation. Around 113 thousand vehicles from the 2009 to 2016 model years with certain six-cylinder diesel engines were affected in the United States and Canada, where regulations governing NOx emissions limits for vehicles are stricter than those in other parts of the world.

In November 2015, Volkswagen also reported that internal indicators had caused concerns that there might have been irregularities in determining carbon dioxide ("**CO2**") figures for type approval of around 800,000 vehicles and, as a result, the CO2 values and therefore the fuel consumption data published for some vehicle models might have been stated incorrectly. Subsequent measurements performed in coordination with the relevant authorities showed that those concerns of possible irregularities in the CO2 figures for type approval proved to be not correct. Hence, the negative impact on Volkswagen's earnings of EUR 2 billion that had originally been expected in relation to this aspect of the CO2 issue was not confirmed. However, the public prosecutor's office in Braunschweig is investigating into these circumstances which might require a reassessment of the financial impact.

Following the publication of the "Notices of Violation", numerous court and governmental proceedings were initiated in the United States and the rest of the world. Volkswagen was able to end most significant court and governmental proceedings in the United States by concluding settlement agreements. This includes, in particular, settlements with the U.S. Department of Justice ("**DOJ**"). Outside the United States, Volkswagen also reached agreements with regard to the implementation of technical measures with numerous authorities.

In the United States and Canada, following the publication of the EPA's "Notices of Violation", Volkswagen AG and other Volkswagen Group companies have been the subject of intense scrutiny, ongoing investigations (civil and criminal) and civil litigation. Volkswagen AG and other Volkswagen Group companies have received subpoenas and inquiries from state attorneys general and other governmental authorities and are responding to such investigations and inquiries. In addition, Volkswagen AG and other Volkswagen Group companies in the United States/Canada are facing litigation on a number of different fronts relating to the matters described in the EPA's "Notices of Violation".

On January 4, 2016, the DOJ, Civil Division, on behalf of the EPA, initiated a civil complaint against Volkswagen AG, AUDI AG and certain other Volkswagen Group companies. The action sought statutory penalties under the US Clean Air Act, as well as certain injunctive relief. On January 12, 2016, CARB announced that it intended to seek civil fines for alleged violations of the California Health & Safety Code and various CARB regulations.

In June 2016, Volkswagen AG, Volkswagen Group of America, Inc. and certain affiliates reached settlement agreements with the DOJ on behalf of the EPA, CARB and the California Attorney General, private plaintiffs represented by a Plaintiffs' Steering Committee ("**PSC**") in the multidistrict litigation pending in California, and the U.S. Federal Trade Commission ("**FTC**"). These settlement agreements resolved certain civil claims made in relation to affected diesel vehicles with 2.0 I TDI engines from the Volkswagen Passenger Cars and Audi brands in the United States. Volkswagen AG and certain affiliates also entered into a First Partial Consent Decree with the DOJ, EPA, CARB and the California Attorney General. A number of class members have filed appeals to an U.S. appellate court from the order approving the settlements. The settlements include buyback or, for leased vehicles, early lease termination, or a free emissions modification of the vehicles, provided that the EPA and CARB approve the modification. Volkswagen will also make additional cash payments to affected current owners or lessees as well as certain former owners or lessees.

Volkswagen also agreed to support environmental programs. The company will pay USD 2.7 billion over three years into an environmental trust. Volkswagen will also invest a total of USD 2.0 billion over ten years in zero emissions vehicle infrastructure as well as corresponding access and awareness initiatives.

Volkswagen AG and certain affiliates also entered into a separate Partial Consent Decree with CARB and the California Attorney General resolving certain claims under California unfair competition, false advertising, and consumer protection laws related to both the 2.0 I and 3.0 I TDI vehicles, which was lodged with the court on July 7, 2016. Under the terms of the agreement, Volkswagen agreed to pay California USD 86 million.

On December 20, 2016, Volkswagen entered into a Second Partial Consent Decree, subject to court approval, with the DOJ, EPA, CARB and the California Attorney General that resolved claims for injunctive relief under the Clean Air Act and California environmental, consumer protection and false advertising laws related to the 3.0 I TDI vehicles. Under the terms of this Consent Decree, Volkswagen agreed to implement a buyback and lease termination program for Generation 1 3.0 I TDI vehicles and a free emissions recall and modification program for Generation 2 3.0 I TDI vehicles, and to pay USD 225 million into the environmental mitigation trust that has been established pursuant to the First Partial Consent Decree.

In addition, on December 20, 2016, Volkswagen entered into an additional, concurrent California Second Partial Consent Decree, subject to court approval, with CARB and the California Attorney General that resolved claims for injunctive relief under California environmental, consumer protection and false advertising laws related to the 3.0 I TDI vehicles. Under the terms of this Consent Decree, Volkswagen agreed to provide additional injunctive relief to California, including the implementation of a "Green City" initiative and the introduction of three new Battery Electric Vehicle ("**BEV**") models in California by 2020, as well as a USD 25 million payment to CARB to support the availability of BEVs in California.

On January 11, 2017, Volkswagen entered into a Third Partial Consent Decree with the DOJ and EPA that resolved claims for civil penalties and injunctive relief under the Clean Air Act related to the 2.0 I and 3.0 I TDI vehicles. Volkswagen agreed to pay USD 1.45 billion (plus any accrued interest) to resolve the civil penalty and injunctive relief claims under the Clean Air Act, as well as the customs claims of the US Customs and Border Protection. Under the Third Partial Consent Decree, the injunctive relief includes monitoring, auditing and compliance obligations. Also on January 11, 2017, Volkswagen entered into a settlement agreement with the DOJ to resolve any claims under the Financial Institutions Reform, Recovery and Enforcement Act of 1989 and agreed to pay USD 50 million (plus any accrued interest), specifically denying any liability and expressly disputing any claims.

On July 21, 2017, the federal court in the multidistrict litigation in California approved the Third California Partial Consent Decree, in which Volkswagen AG and certain affiliates agreed with the California Attorney General and CARB to pay USD 153.8 million in civil penalties and cost reimbursements. These penalties covered California environmental penalties for both the 2.0 I and 3.0 I TDI vehicles.

The DOJ also opened a criminal investigation focusing on allegations that various federal law criminal offenses were committed. On January 11, 2017, Volkswagen AG agreed to plead guilty to three federal criminal felony counts, and to pay a USD 2.8 billion criminal penalty. Pursuant to the terms of this agreement, Volkswagen will be on probation for three years and will work with an independent monitor for three years. The independent monitor will assess and oversee the company's compliance with the terms of the resolution. This includes overseeing the implementation of measures to further strengthen compliance, reporting and monitoring systems, and an enhanced ethics program. Volkswagen will also continue to cooperate with the DOJ's ongoing investigation of individual employees or former employees who may be responsible for criminal violations.

On June 11, 2018, Rupert Stadler, the head of Volkswagen AG's Audi brand was named as a suspect in the Munich II public prosecutor's investigation together with Bernd Martens, Audi's head of purchasing. Both are being investigated for, inter alia, fraud relating to sales of diesel cars. Rupert Stadler was arrested on June 18, 2018. In addition, in May 2018, 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.

On January 31, 2017, Volkswagen AG, Volkswagen Group of America, Inc. and certain affiliates entered into a settlement agreement with private plaintiffs represented by the PSC in the multidistrict litigation pending in California, and a consent order with the FTC. These agreements resolved certain civil claims made in relation to affected diesel vehicles with 3.0 I TDI engines from the Volkswagen, Audi and Porsche brands in the United States. On February 14, 2017, the court preliminarily approved the settlement agreement with private plaintiffs. On May 11, 2017, the court held a fairness hearing on whether approval should be granted and on May 17, 2017, the court granted final approval of the settlement agreement and the partial stipulated consent order.

Under the settlements, consumers' options and compensation will depend on whether their vehicles are classified as Generation 1 or Generation 2. Generation 1 (model years 2009-2012) consumers will have the option of a buyback, early lease termination, trade-in, or a free emissions modification, provided that EPA and CARB approve the modification. Additionally, Generation 1 owners and lessees, as well as certain former owners and lessees, will be eligible to receive cash payments. Generation 2 (model years 2013-2016) consumers will receive a free emissions-compliant repair to bring the vehicles into compliance with the emissions standards to which they were originally certified, as well as cash payments. Volkswagen has received approval from the EPA and CARB for emissions-compliant repairs within the time limits set out in the settlement agreement. Volkswagen will also make cash payments to certain former Generation 2 owners or lessees.

Volkswagen has also resolved the claims of most Volkswagen-branded franchise dealers in the United States relating to the affected vehicles and other matters asserted concerning the value of the franchise. The settlement agreement includes a cash payment of up to U.S.\$1,208 million and additional benefits.

Volkswagen has also reached separate settlement agreements with the attorneys general of most U.S. states to resolve existing or potential consumer protection, unfair trade practices claims, and/or state environmental law claims. Certain states still have pending consumer protection, unfair trade practices and state environmental law claims against Volkswagen. Investigations by various US regulatory and government authorities are ongoing, including in areas relating to securities, financing and tax.

Additionally, in the United States, some putative class actions, some individual customers' lawsuits and some state or municipal claims have been filed in state courts. In addition a putative class action has been filed on behalf of purchasers of Volkswagen AG American Depositary Receipts, alleging a drop in price purportedly resulting from the matters described in the EPA's "Notices of Violation". A putative class action has also been filed on behalf of purchasers of certain USD-denominated Volkswagen bonds, alleging that these bonds were trading at artificially inflated prices due to Volkswagen's alleged misstatements and that the value of these bonds declined after the EPA issued its "Notices of Violation".

In Canada, civil consumer claims and regulatory investigations have been initiated for vehicles with 2.0 I and 3.0 I TDI engines. On December 19, 2016, Volkswagen AG and other Canadian and U.S. Volkswagen Group companies reached a class action settlement in Canada with consumers relating to 2.0 I diesel vehicles. Also on December 19, 2016, Volkswagen Group Canada agreed with the Commissioner of Competition in Canada to a civil resolution regarding its regulatory inquiry into consumer protection issues as to those vehicles. On January 12, 2018, and subject to court approval that was granted by April 25, 2018, Volkswagen reached a consumer settlement in Canada involving 3.0 liter diesel vehicles. Also on January 12, 2018, Volkswagen and the Canadian Commissioner of Competition reached a resolution related to civil consumer protection issues relating to 3.0 I diesel vehicles. Also, criminal enforcement-related investigations by the federal environmental regulator and quasi-criminal enforcement-related investigations by a provincial environmental regulator are ongoing in Canada related to 2.0 I and 3.0 I diesel vehicles. On September 15, 2017, a provincial regulator in Canada, the Ontario Ministry of the Environment and Climate Change, charged Volkswagen AG under the province's environmental statute with one count alleging that it caused or permitted the operation of model year 2010-2014 Volkswagen and Audi brand 2.0 I diesel vehicles that did not comply with prescribed emission standards. The matter was put over to June 7, 2018 pending ongoing evidence disclosure. No trial date has been set.

Moreover, in Canada, two securities class actions by investors in Volkswagen AG American Depositary Receipts and shares are pending against Volkswagen AG in the Quebec and Ontario provincial courts. In addition, putative class action and joinder lawsuits by customers, and a certified environmental class action on behalf of residents, remain pending in certain provincial courts in Canada.

In other countries criminal investigations/misdemeanor proceedings (for example, by the public prosecutor's office in Braunschweig and Munich, Germany) and/or administrative proceedings (for example, by the *Bundesanstalt für Finanzdienstleistungsaufsicht*, BaFin – the German Federal Financial Supervisory Authority) have also been opened. The public prosecutor's offices in Braunschweig and Munich are investigating the core issue of the criminal investigations. On June 13, 2018, the Braunschweig public prosecutor issued an administrative order against Volkswagen AG in the context of the diesel issue. The administrative order provides for a fine of €1 billion in total, consisting of the maximum penalty as legally provided for of €5 million and the disgorgement of economic benefits in the amount of €995 million. Following thorough examination, the fine has been accepted and paid in full by Volkswagen.

The 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.

Based on decisions dated October 15, 2015, the KBA ordered the Volkswagen Passenger Cars, Volkswagen Commercial Vehicles and SEAT brands to recall all diesel vehicles that had been issued with vehicle type approval by the KBA from among the eleven million vehicles affected with type EA 189 engines. The recall concerns the member states of the European Union (EU 28). On December 10, 2015, a similar decision was issued regarding Audi vehicles with type EA 189 engines. The timetable and action plan forming the basis for the recall order correspond to the proposals presented in advance by Volkswagen. Depending on the technical complexity of the concerned remedial actions, this means that the Volkswagen Group has been recalling the affected vehicles, of which there are around 8.5 million in total in the EU 28, to the service workshops since January 2016. The remedial actions differ in scope depending on the engine variant. The technical measures cover software and in some cases hardware modifications, depending on the series and model year.

The technical measures for all vehicles in the European Union have since been approved without exception. The KBA ascertained for all clusters (groups of vehicles) that implementation of the technical measures would not bring about any adverse changes in fuel consumption figures, CO<sub>2</sub> emissions figures, engine power, maximum torque and noise emissions. Once the modifications have been made, the vehicles will thus also continue to comply with the legal requirements and the emission standards applicable in each case. The technical measures for all affected vehicles with type EA 189 engines in the European Union were approved without exception, and implemented in most cases.

In some countries outside the EU – among others South Korea, Taiwan and Turkey – national type approval is based on prior recognition of the EC/EEC type approval; the technical measure must therefore be approved by the national authorities. With the exception of South Korea and Chile, this approval process has been concluded in all countries. There, the majority of approvals were likewise granted; in relation to the pending approvals Volkswagen is in close contact with the authorities.

In addition, there is an intensive exchange of information with the authorities in the United States and Canada, where Volkswagen's proposed modifications in relation to the four-cylinder and the six-cylinder diesel engines also have to be approved. Due to NO<sub>x</sub> limits that are considerably stricter than in the EU and the rest of the world, it is a greater technical challenge here to refit the vehicles so that the emission

standards defined in the settlement agreements for these vehicles can be achieved. A final decision has not been made regarding all necessary technical remedies for the affected vehicles.

For many months, 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 since 2016. 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 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.

In May 2018, Audi reported engine management irregularities with V6 TDI engines of Generation 2 evo. Deliveries of the affected vehicles, of which there are approximately 60,000 worldwide according to Audi reports, have been stopped. Audi is in discussions with the relevant vehicle registration authorities about software updates.

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."

15. On page 136 et seq. of the Prospectus the following information shall be added at the end of section "Selected Financial Information":

"The following table sets forth selected financial information for the first half of the financial year 2018 which has been extracted from the published unaudited non-consolidated half year financial statements (short version) of VWFSAG Group:

Balance sheet data

	<b>30 June 2018</b>	<b>31 December 2017</b>
	in EUR million	
Total Assets	73,628	68,953
Receivables from customers attributable to		
Retail financing	16,068	16,269
Dealer financing	3,949	3,584
Leasing business	19,236	18,809
Leased Assets	12,300	11,571
Customer deposits	68	69



Equity	7,987	7,624
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Income statement data

**1 January – 30 June**

**2018**                      **2017**

in EUR million

Pre-tax result	352	179
Taxes on income and earnings	-105	-54
Profit from discontinued operations, net of tax	-	432
Net income	247	558

Further financial indicators

**30 June 2018**                      **30 June 2017**

Equity ratio (per cent.) <sup>5</sup>	10.8	13.6
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"

16. On page 139 of the Prospectus the following section shall be inserted before the section "Auditors":

**"Interim Financial Information**

The published unaudited non-consolidated half year financial statements of the VWFSAG Group for the first half of the financial year 2018 are incorporated by reference in and form part of this Prospectus."

17. On page 140 of the Prospectus the information in the section "Significant Change in the Financial or Trading Position" shall be deleted and replaced by the following information:

"There has been no significant change in the financial or trading position of the VWFSAG Group since the date of its last published unaudited non-consolidated half year financial statements as at 30 June 2018."

<sup>5</sup> Total equity (EUR million 7,987 as per 30 June 2018) divided by total assets (EUR million 73,628 as per 30 June 2018).

**VI. SUPPLEMENTAL INFORMATION  
RELATING TO THE SECTION "VOLKSWAGEN LEASING GMBH AS ISSUER"**

18. *On page 143 of the Prospectus the following information shall be added at the end of the section "Selected Financial Information":*

"The following table sets forth selected financial information for the first half of the financial year 2018 which has been extracted from the published unaudited non-consolidated half year financial statements (short version) of VWLGMBH:

Balance sheet data

	<b>30 June 2018</b>	<b>31 December 2017</b>
	EUR 000	
Total assets	33,674,876	32,218,349
Lease assets	27,203,982	26,048,897
Equity	5,366	222,359
Liabilities to customers	15,898,362	13,482,960
Securitized liabilities	9,604,828	10,488,689

Income statement data

	<b>1 January – 30 June</b>	
	<b>2018</b>	<b>2017</b>
	EUR 000	
Leasing income	8,733,550	8,040,405
Leasing expenses	4,915,615	4,444,742
Result from ordinary activities	-193,823	-245,886
Net accumulated losses	-216,344	-285,940

"

19. *On page 144 of the Prospectus the following information shall be inserted before the section "Auditors":*

**"Interim Financial Information**

The published unaudited non-consolidated half year financial statements of VWLGMBH for the first half of the financial year 2018 are incorporated by reference in and form part of this Prospectus."

20. *On page 144 of the Prospectus the information in the section "Significant Change in the Financial or Trading Position" shall be deleted and replaced by the following information:*

"There has been no significant change in the financial or trading position of VWLGMBH since the date of its last published unaudited non-consolidated half year financial statements as at 30 June 2018."

**VII. SUPPLEMENTAL INFORMATION  
RELATING TO THE SECTION "VOLKSWAGEN FINANCIAL SERVICES N.V. AS ISSUER"**

21. *On page 147 et seq. of the Prospectus the following information shall be added at the end of the section "Selected Financial Information":*

"The following table sets forth selected financial information for the first half of the financial year 2018 which has been extracted from the published unaudited non-consolidated half year financial statements for the first half year of 2018 of VWFSNV:

	<b>30 June 2018</b>	<b>31 December 2017</b>
	EUR 000	
Balance sheet total	5,888,250	6,525,264
Fixed assets	3,443,773	3,235,637
Current assets	2,438,238	3,285,308
Total liabilities	4,640,586	5,280,976
Equity	1,247,664	1,244,288

Income statement data

	<b>1 January – 30 June</b>	
	<b>2018</b>	<b>2017</b>
	EUR 000	
Net interest and similar income	5,316	6,209
Result before taxation	4,476	5,310
Result after taxation	3,376	4,020

"

22. *On page 148 of the Prospectus the following section shall be inserted before the section "Auditors":*

**"Interim Financial Information**

The published unaudited non-consolidated half year financial statements of VWFSNV for the first half of the financial year 2018 are incorporated by reference in and form part of this Prospectus."

23. *On page 148 of the Prospectus the information in the section "Significant Change in the Financial or Trading Position" shall be deleted and replaced by the following information:*

"There has been no significant change in the financial or trading position of VWFSNV since the date of its last published unaudited non-consolidated half year financial statements as at 30 June 2018."

**VIII. SUPPLEMENTAL INFORMATION  
RELATING TO THE SECTION "VOLKSWAGEN FINANCIAL SERVICES AUSTRALIA PTY LTD AS  
ISSUER"**

24. On page 152 et seq. of the Prospectus the information in the section "Selected Financial Information" shall be deleted and replaced by the following information:

"The following table sets forth selected financial information of VWFSAL Group extracted from the published audited consolidated financial statements as at and for the financial years ended 31 December 2016 and 2017:

Balance sheet data

	<b>31 December 2017</b>	<b>31 December 2016</b>
	AUD 000	
Total assets	5,936,337	4,641,119
Total liabilities	5,675,765	4,396,785
Net assets	260,572	244,334
Total equity	260,572	244,334

Income statement data

	<b>1 January – 31 December</b>	
	<b>2017</b>	<b>2016</b>
	AUD 000	
Net interest revenue	80,228	52,580
Total income from operations	97,348	67,670
Profit before income tax	23,710	11,811
Profit for the year attributable to owners	16,181	8,144

The following table sets forth selected financial information for the first half of the financial year 2018 of VWFSAL Group which has been extracted from the published unaudited consolidated interim financial statements for the first half year of 2018 of VWFSAL Group:

Balance sheet data

	30 June 2018	31 December 2017
	AUD 000	
Total assets	6,475,875	5,936,337
Total liabilities	6,211,352	5,675,765
Net assets	264,523	260,572
Total equity	264,523	260,572

Income statement data

	1 January – 30 June	
	2018	2017
	AUD 000	
Net interest revenue	55,397	36,628
Total income from operations	55,902	41,876
Profit before income tax	16,201	7,144
Retained Profit for the year attributable to owners	11,349	4,999

"

25. On page 154 of the Prospectus the following section shall be inserted before the section "Auditors":

**"Interim Financial Information**

The published unaudited non-consolidated half year financial statements of VWFSAL Group for the first half of the financial year 2018 are incorporated by reference in and form part of this Prospectus."

26. On page 154 of the Prospectus the information in the section "Significant Change in the Financial or Trading Position" shall be deleted and replaced by the following information:

"There has been no significant change in the financial or trading position of VWFSAL Group since the date of its last published unaudited non-consolidated half year financial statements as at 30 June 2018."

27. On page 154 of the Prospectus the information in the section "Recent Developments" shall be deleted and replaced by the following information:

"A regulatory body is currently conducting an industry-wide investigation into consumer loans, including into some of the VWFSAL Group's consumer loans. This investigation remains ongoing. Pursuant to this investigation, the regulatory body has indicated concerns in relation to certain aspects of VWFSAL Group's past consumer loan practices and engagement continues with the regulatory body directed at addressing those concerns. The financial effects relating to this matter are not expected to significantly impact on VWFSAL's business activities or growth and will have no impact on VWFSAL's ability to meet

VWFSAL's payment obligations. However, the financial effects cannot be quantified at this stage and no provision has been made."

**IX. SUPPLEMENTAL INFORMATION  
RELATING TO THE SECTION "GENERAL INFORMATION"**

28. *On page 363 of the Prospectus the following paragraphs shall be added in the subsection "5. Documents on Display":*

"(vi) the Consolidated Interim Report 2018 (unaudited) of VWFSAG for the period from January to June 2018;

(vii) the non-consolidated Half-Year Financial Report (unaudited) of VWLGMBH for the period from January to June 2018;

(viii) the non-consolidated Financial Statements (unaudited) of VWFSNV for the period from January to June 2018;

(ix) the Consolidated Interim Report 2018 (unaudited) of VWFSAL for the period from January to June 2018."

**X. SUPPLEMENTAL INFORMATION  
RELATING TO THE SECTION "DOCUMENTS INCORPORATED BY REFERENCE"**

29. On page 365 of the Prospectus the following paragraphs shall be added at the end of the subsection "Documents incorporated by reference":

"(l) the Consolidated Interim Report 2018 (unaudited) of VWFSAG for the period from January to June 2018.

(m) the non-consolidated Half-Year Financial Report 2018 (unaudited) of VWLGMBH for the period from January to June 2018.

(n) the non-consolidated Financial Report 2018 (unaudited) of VWFSNV for the period from January to June 2018.

(o) the Consolidated Interim Report 2018 (unaudited) of VWFSAL for the period from January to June 2018."

30. On page 365 et seq. of the Prospectus the information in the first five rows in the table in the subsection "Comparative Table of Documents incorporated by Reference" shall be deleted and replaced by the following information:

Page	Section of Prospectus	Document incorporated by reference
139	VWFSAG, Historical Financial Information	<p><b><u>Annual Report 2016 of VWFSAG</u></b></p> <p><i>Consolidated Financial Statements of the Volkswagen Financial Services AG Group</i></p> <p><b>Income Statement, (p. 62)</b></p> <p><b>Statement of Comprehensive Income, (p. 63)</b></p> <p><b>Balance Sheet, (p. 64)</b></p> <p><b>Statement of Changes in Equity (p. 65)</b></p> <p><b>Cash Flow Statement, (p. 66)</b></p> <p><b>Notes, (p. 67 – p. 150)</b></p> <p><b>Auditors' Report, (p. 155)</b></p> <p><b>Note regarding Forward-Looking Statements, (p. 163)*)</b></p> <p>*) Please note that the page reference of the Note regarding Forward-Looking Statements refers to the page number of the PDF version of the Financial Report</p> <p><b><u>Annual Report 2017 of VWFSAG</u></b></p> <p><b>Combined Management Report, (p. 3 – p. 37) except for the sections "Outlook for 2018" and "Forecast changes in key performance indicators for fiscal year 2018 compared with prior-year figures" on</b></p>



		<p>p. 35 et seq. of the Annual Report</p> <p><i>Consolidated Financial Statements of the Volkswagen Financial Services AG Group</i></p> <p>Income Statement, (p. 39)</p> <p>Statement of Comprehensive Income, (p. 40)</p> <p>Balance Sheet, (p. 41 – p.42)</p> <p>Statement of Changes in Equity (p. 43)</p> <p>Cash Flow Statement, (p. 44)</p> <p>Notes, (p. 45 – p. 136)</p> <p>Auditors' Report, (p. 138 – p.143)</p> <p><u>Consolidated Interim Report 2018 (unaudited) of VWFSAG for the period from January to June 2018</u></p> <p>Interim Management Report, (p. 1 – p. 8) except for the section "Report on Expected Developments" on p. 8 of the Financial Report</p> <p><i>Interim Consolidated Financial Statements of the Volkswagen Financial Services AG Group</i></p> <p>Income Statement, (p. 9)</p> <p>Statement of Comprehensive Income, (p. 10)</p> <p>Balance Sheet, (p. 11)</p> <p>Statement of Changes in Equity (p. 12)</p> <p>Cash Flow Statement, (p. 13)</p> <p>Notes, (p. 14 – p. 39)</p>
144	VWLGMBH, Historical Financial Information	<p><u>Annual Report of 2016 of VWLGMBH</u></p> <p><i>Annual Financial Statements</i></p> <p>Balance Sheet, (p. 34 – p. 35)</p> <p>Income Statement (p. 36)</p> <p>Cash Flow Statement, (p. 37)</p> <p>Statement of Changes in Equity, (p. 38)</p> <p>Notes, (p. 39 – p. 49)</p> <p>Independent Auditors' Report, (p. 50)</p>

		<p><b>Note regarding Forward-Looking Statements, (p. 51)*</b></p> <p>*) Please note that the page reference of the Note regarding Forward-Looking Statements refers to the page number of the PDF version of the Financial Report</p> <p><b><u>Annual Report of 2017 of VWLGMBH</u></b></p> <p><b>Management Report, (p. 1 – p. 29) except for the section "Outlook for 2018" on p. 28 et seq. of the Annual Report</b></p> <p><b><i>Annual Financial Statements</i></b></p> <p><b>Balance Sheet, (p. 30 – p. 31)</b></p> <p><b>Income Statement (p. 32)</b></p> <p><b>Cash Flow Statement, (p. 33)</b></p> <p><b>Statement of Changes in Equity, (p. 34)</b></p> <p><b>Notes, (p. 35 – p. 46)</b></p> <p><b>Independent Auditors' Report, (p. 47– p. 51)</b></p> <p><b>Note regarding Forward-Looking Statements, (p. 56)*</b></p> <p>*) Please note that the page reference of the Note regarding Forward-Looking Statements refers to the page number of the PDF version of the Financial Report</p> <p><b><u>Non-consolidated Half-Year Financial Report 2018 (unaudited) of VWLGMBH for the period from January to June 2018</u></b></p> <p><b>Interim Management Report, (p. 1 – p. 5) except for the section "Report on Expected Developments" on p. 5 of the Financial Report</b></p> <p><b><i>Half-Year Financial Statements</i></b></p> <p><b>Balance Sheet, (p. 6 – p. 7)</b></p> <p><b>Income Statement (p. 8)</b></p> <p><b>Notes, (p. 9 – p. 14)</b></p>
148	VWFSNV, Historical Financial Information	<p><b><u>Financial Report 2016 of VWFSNV</u></b></p> <p><b><i>Financial Statements</i></b></p> <p><b>Balance Sheet, (p. 7 – p. 8)</b></p> <p><b>Income Statement, (p. 9)</b></p>

		<p><b>Cash Flow Statement, (p. 10)</b></p> <p><b>Notes to the Financial Statements, (p. 11 – p. 34)</b></p> <p><b>Other Information, (p. 35)</b></p> <p><b>Independent Auditor’s Report, (p. 36 – p. 41)</b></p> <p><b><u>Financial Report 2017 of VWFSNV</u></b></p> <p><b>Management Report, (p. 3 – p. 6) except for the section "Expectation 2018" on p. 6 of the Financial Report</b></p> <p><b><i>Financial Statements</i></b></p> <p><b>Balance Sheet, (p. 8 – p. 9)</b></p> <p><b>Income Statement, (p. 10)</b></p> <p><b>Cash Flow Statement, (p. 11)</b></p> <p><b>Notes to the Financial Statements, (p. 12 – p. 36)</b></p> <p><b>Other Information, (p. 37)</b></p> <p><b>Independent Auditor’s Report, (p. 39 – p. 44)*</b></p> <p>*) Please note that the page reference of the Independent Auditor’s Report refers to the page number of the PDF version of the Annual Report</p> <p><b><u>Non-consolidated Financial Report 2018 (unaudited) of VWFSNV for the period from January to June 2018</u></b></p> <p><b><i>Financial Statements</i></b></p> <p><b>Balance Sheet, (p. 4 – p. 5)</b></p> <p><b>Income Statement, (p. 6)</b></p>
151	VWFSJ, Historical Financial Information	<p><b><u>Audit Report with Financial Report 2016 of VWFSJ (English Translation)</u></b></p> <p><b>Independent Auditor’s Report, (p. 2)</b></p> <p><b><i>Financial Statements</i></b></p> <p><b>Balance Sheet, (p. 4)</b></p> <p><b>Income Statement, (p. 5)</b></p> <p><b>Statement of Changes in Equity, (p. 6)</b></p> <p><b>Summary of Significant Accounting Policies,</b></p>

		<p>(p. 7)</p> <p>Notes, (p. 8 – p. 14)</p> <p>Supplementary Schedules in relation to the Financial Statements, (p. 15 – p. 18)</p> <p><b><u>Audit Report with Financial Report 2017 of VWFSJ (English Translation)</u></b></p> <p>Independent Auditor’s Report, (p. 2)</p> <p><i>Financial Statements</i></p> <p>Balance Sheet, (p. 4)</p> <p>Income Statement, (p. 5)</p> <p>Statement of Changes in Equity, (p. 6)</p> <p>Summary of Significant Accounting Policies, (p. 7-8)</p> <p>Notes, (p. 8 – p. 14)</p> <p>Supplementary Schedules in relation to the Financial Statements, (p. 16 – p. 18)</p>
154	VWFSAL, Historical Financial Information	<p><b><u>Annual Report 2016 of VWFSAL</u></b></p> <p><i>Financial report – 31 December 2016</i></p> <p>Income Statement, (p. 8)</p> <p>Statement of Comprehensive Income, (p. 9)</p> <p>Balance Sheet, (p. 10)</p> <p>Statement of Changes in Equity, (p. 11)</p> <p>Statements of Cash Flows, (p. 12)</p> <p>Notes to the financial statements, (p. 14 – p. 63)</p> <p>Independent auditor’s report to the members of Volkswagen Financial Services Australia Pty Limited, (p. 66 – p. 68)*</p> <p>*) Please note that the page reference of the Independent Auditor’s Report refers to the page number of the PDF version of the Annual Report.</p> <p><b><u>Annual Report 2017 of VWFSAL</u></b></p> <p>Director’s Report, (p. 3 – p. 4)</p> <p>Auditor’s Independence Declaration, (p. 6)*</p>

		<p><b><i>Financial report – 31 December 2017</i></b></p> <p><b>Income Statement, (p. 8)</b></p> <p><b>Statement of Comprehensive Income, (p. 9)</b></p> <p><b>Balance Sheet, (p. 10)</b></p> <p><b>Statement of Changes in Equity, (p. 11)</b></p> <p><b>Statements of Cash Flows, (p. 12)</b></p> <p><b>Notes to the financial statements, (p. 13 – p. 65)</b></p> <p><b>Independent auditor’s report to the members of Volkswagen Financial Services Australia Pty Limited, (p. 68 – p. 69)*</b></p> <p>*) Please note that the page reference of the Auditor’s Independence Declaration and of the Independent Auditor’s Report refers to the page number of the PDF version of the Annual Report</p> <p><b><u>Consolidated Interim Report 2018 (unaudited) of VWFSAL for the period from January to June 2018</u></b></p> <p><b>Analysis of the company’s business development and position, (p. 1)</b></p> <p><b>Opportunity and risk report, (p. 2)</b></p> <p><b><i>Financial Statements</i></b></p> <p><b>Balance Sheet, (p. 4)</b></p> <p><b>Income Statement, (p. 5)</b></p> <p><b>Notes to the interim financial statements, (p. 6 – p. 11)</b></p>
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To the extent that there is any inconsistency between any statement in the Second Supplement and any other statement in or incorporated in the Prospectus, the statements in the Second Supplement will prevail.

The Second Supplement and any document incorporated herein by reference are 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 Second 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 Second Supplement is published have the right, exercisable within two working days after the publication of the Second Supplement, to withdraw their acceptances. The final date of the right of withdrawal will be 9 August 2018.**