

Financial report 2009

Volkswagen International Finance N.V.

Amsterdam

Contents

Management report	2
Financial statements	4
Balance sheet as at 31 December 2009	5
Income statement 2009	7
Cash flow statement 2009	8
Notes to the financial statements	9
Other information	35
Profit appropriation according to the Articles of Association	36
Profit distribution	36
Repayment of capital	36
Post balance sheet events	36
Auditor's report	37

MC-e0149657u-jrk

Management report

Volkswagen International Finance N.V. ('VIF' or 'the company') is one of the funding vehicles of Volkswagen AG, Wolfsburg (VWAG) and its subsidiaries. VIF raises funds from the capital markets by issuing notes and lends the proceeds on to group and joint venture companies. Basis for the issuing activities are the EUR 20 billion Debt Issuance Programme (DIP Programme) that adheres to the European Prospective Directive Standards and an EUR 10 billion Multi Currency Commercial Paper Programme (CP Programme). Both programmes are updated every year. All issues are guaranteed by VWAG. Therefore, the VIF rating by Moody's and Standard&Poor's is derived from the VWAG rating. According to Moody's VWAG's rating is set to P-2 (short-term) and A3 (long-term) with a stable outlook. Standard&Poor's assessed VWAG's creditworthiness as A-2 (short-term) and A- (long-term) with a negative outlook.

The financing activities are carried out in different currencies and interest terms. To avoid currency and interest risks, the company concludes interest and currency swaps. The currency and interest rate exposures during and at the end of 2009 resulting from financing activities were within the limits approved by the Supervisory Board.

Due to the economic and financial market crisis that caused a tremendous liquidity squeeze and a dramatic increase in refinancing costs the issuing activities of VIF were on a very low level in 2008. The ongoing crisis had also a significant effect on refinancing conditions on the money and capital markets beginning of 2009. In the first months restrictive bank credit approval processes, continuing shortage of liquidity and very high refinancing costs determined the situation that began to ease off in the second quarter of 2009.

However, in this difficult period VIF was still able to hold its powerful position as issuer and managed to extend its strong financial solidity by taking advantage of existing market opportunities. In order to guarantee the financial flexibility within the Automotive Division VIF made use of the improved business environment and raised in total EUR 9.2 billion (2008: no issues) under the above mentioned DIP Programme by issuing 7 bonds with terms between 18 months and 7 years. These transactions which have also been structured for the retail market were oversubscribed multiple times and had a very high number of participating investors. The good market rating of these debt certificates was also reflected in the very positive development of each individual bond on the secondary market. Furthermore, VIF made 67 issues under the CP Programme with a total EUR equivalent of 1.9 billion (2008: 7 issues totalling to EUR 0.2 billion).

The proceeds of all DIP and CP issues were granted to Volkswagen group companies.

VIF redeemed 7 DIP issues with a total EUR equivalent of 2.0 billion (2008: 18 DIP issues totalling to EUR 0.6 billion) and 40 CP issues with a total EUR equivalent of 1.2 billion (2008: 10 CP issues totalling to EUR 0.5 billion).

In 2009 Volkswagen AG continued to extend the VIF holding business by contributing 100% of the shares in Sitech Sp. z o.o., Polkowice, Poland (value of contribution: EUR 46.3 million) and Volkswagen Group Australia Pty Ltd., Botany, Australia (value of contribution: EUR 9.2 million). In return for these contributions in kind VIF issued 20 new ordinary shares to Volkswagen AG that contributed the economic rights to these shares to Global Automotive C.V.

In January 2009 VIF sold its subsidiary Volkswagen Caminhões e Ônibus Indústria e Comércio de Veículos Comerciais Ltda., Resende, Brazil (VWCo) to P.R.C.S.P.E. Empreendimentos e Participações S.A., Brazil, a 100% subsidiary of MAN AG, Munich. The purchase price amounted to EUR 1.3 billion, the net gain on disposal to EUR 0.7 billion.

According to the strategy of Volkswagen AG the VIF holding business will be further extended in 2010 by contributing another six companies.

The main business risks of VIF are the interest rate risk, currency risk, liquidity risk and the credit risk. The Supervisory Board has set limits to restrict those risks. VIF uses adequate tools to assess and to monitor these risks. In 2009 no excesses in limit occurred.

In 2009 VIF realised earnings of EUR 1,075.5 million after tax against EUR 680.9 million in 2008. VIF generates income mainly from the holding and the group financing business. Income from participations adds up to EUR 1,066.3 million (of which EUR 650.8 million dividends, EUR 700.3 million net gain on disposal VWCo and EUR -284.8 million impairment charges) compared to EUR 668.7 million in 2008. The interest income from group financing activities amounts to EUR 14.0 million (2008: EUR 15.5 million). Against the background of higher business volume the decrease is due to lower interest income on own funds caused by lower interest rate levels and lower margins in the financing business.

In the first quarter of 2010, management proposes to pay to Global Automotive C.V. a dividend amounting to EUR 250 million and repay capital in an amount of EUR 750 million.

For the current year we expect financing activities to be on a significantly lower level taking into account that 2009 has been a year with an exceptionally high issuing volume. The holding business will be further extended and we anticipate again a strong dividend income.

Amsterdam, 4 February 2010

Original has been signed by
Frank Mitschke, Managing Director

Financial statements

Balance sheet as at 31 December 2009

(after proposed profit appropriation)

	Ref.	31 December 2009		31 December 2008	
		EUR'000	EUR'000	EUR'000	EUR'000
Assets					
Fixed assets					
Intangible fixed assets	5	-		5	
Tangible fixed assets	5	59		70	
Shares in participations	1.3	3,958,237		4,720,993	
Loans to Volkswagen group companies	6/7	9,176,177		1,711,218	
Loans to joint ventures of the Volkswagen group	6/7	66,446		41,446	
Total fixed assets			13,200,919		6,473,732
Current assets					
Receivables due from Volkswagen group companies	6/7	3,262,579		2,258,964	
Receivables due from joint ventures of the Volkswagen group	6/7	413		236	
Other assets	8	74,934		4,528	
Prepayments and accrued income	9	48,040		11,101	
Deposits at banks		333,156		-	
Cash at banks and in hand		370		8,631	
Total current assets			3,719,492		2,283,460
Total assets			16,920,411		8,757,192

The accompanying notes are an integral part of these financial statements.

	Ref.	31 December 2009		31 December 2008	
		EUR'000	EUR'000	EUR'000	EUR'000
<i>Shareholders' equity and liabilities</i>					
Shareholders' equity	10				
Issued and paid-up share capital		102,985		102,965	
Share premium reserve		3,830,655		3,925,080	
Retained earnings		509,277		434,065	
Total shareholders' equity			4,442,917		4,462,110
Long-term liabilities	11				
Bonds		9,111,613		1,611,613	
Liabilities to Volkswagen group companies		-		19,574	
Total long-term liabilities			9,111,613		1,631,187
Current liabilities	12				
Bonds		1,750,000		1,948,226	
Commercial papers		745,142		-	
Liabilities to Volkswagen group companies		411,119		624,045	
Other liabilities		387,181		90,437	
Deferred income		1,987		675	
Current income tax		171		39	
Trade payables		4,023		24	
Accrued liabilities		66,258		449	
Total current liabilities			3,365,881		2,663,895
Total shareholders' equity and liabilities			16,920,411		8,757,192

The accompanying notes are an integral part of these financial statements.

Income statement 2009

		2009		2008	
	Ref.	EUR'000	EUR'000	EUR'000	EUR'000
Income					
Interest and similar income	14	482,430		210,150	
Other operating income	15	1,675		997	
Total income			484,105		211,147
Expenses					
Interest and similar expenses	14	(468,353)		(194,631)	
Other operating expenses	16	(343)		(196)	
General and administrative expenses	17	(3,340)		(2,082)	
Amortisation and depreciation expenses	18	(30)		(34)	
Total expenses			(472,066)		(196,943)
Result before taxation			12,039		14,204
Taxation	24		(2,865)		(2,035)
Result from participations	19		1,066,288		668,682
Result after taxation			1,075,462		680,851

The accompanying notes are an integral part of these financial statements.

Cash flow statement 2009

		2009		2008	
	Ref.	EUR'000	EUR'000	EUR'000	EUR'000
Cash flow from operating activities					
Loans granted	6/7	(8,258,179)		1,024,001	
Loans taken	11/12	8,127,477		(1,210,883)	
<i>Net cash flow used in lending activities</i>					
Interest received	8/14	176,452	(130,702)	214,109	(186,882)
Interest paid	14	(170,297)		(194,631)	
<i>Net cash flow from interest</i>					
			6,155		19,478
Result from participations	19	650,817		668,682	
Other operating activities		1,691		4,340	
Paid expenses		(3,673)		(2,682)	
Corporate income tax paid	24	(2,865)		(2,035)	
<i>Net cash flow from other operating activities</i>					
			645,970		668,305
Cash from operating activities			521,423		500,901
Cash flow from investment activities					
Disposals	6	1,265,671		(534,717)	
Capital repayment from VIPS		46,051		-	
Investments in participations		(8,000)		-	
Cash from/(used in) investment activities					
			1,303,722		(534,717)
Cash flow from financing activities					
Repayment of capital to Global CV		(150,000)		50	
Dividends paid	10	(1,350,250)		(600)	
Cash used in financing activities					
			(1,500,250)		(550)
Net cash flow					
			324,895		(34,366)
Cash and cash equivalents at beginning of the year					
			8,631		42,997
Cash and cash equivalents at end of the year					
			333,526		8,631

The accompanying notes are an integral part of these financial statements.

Notes to the financial statements

1 General

1.1 Activities

Volkswagen International Finance N.V.'s ('VIF' or 'the company') registered office is located in Amsterdam, the Netherlands.

The main purpose of the company is the financing of and participation in group companies. VIF has access to several funding sources such as bond loans, note loans and Euro Medium Term Loans as well as intercompany loans.

All external issues are guaranteed by Volkswagen AG ('VWAG'). VIF has lent the proceeds of these borrowings to group companies.

1.2 Contribution in kind

During 2009, VWAG contributed two of its subsidiaries, namely Sitech Sp. z o.o. and Volkswagen Group Australia Pty Ltd. These contributions in kind were made against the issuance of 20 new ordinary shares in the capital of VIF to VWAG. The difference between the value of the contributions in kind and the nominal value of the new shares was posted to VIF's capital reserve. At the same time, all of VIF's shares issued in 2009 were contributed by VWAG to Global Automotive C.V.

1.3 Consolidation and shares in participations

VIF belongs to the Volkswagen group. The ultimate parent company of this group is VWAG, Wolfsburg, Germany. The consolidation, including all subsidiaries of VIF, is performed at VWAG level. These consolidated financial statements can be obtained from the company. Based on article 2:408 of the Netherlands Civil Code VIF is exempt from consolidation.

Participations are legal persons in which VIF exercises direct or indirect decisive control based on a shareholding of more than one half of the voting rights, or whose financial and operating policies it otherwise has the power to govern. Potential voting rights that can directly be exercised at the balance sheet date are also taken into account. Participations and other legal persons in which VIF exercises decisive control or whose central management it conducts are consolidated in full at group level. Minority interests in group equity and group profit are disclosed separately. Investments in joint ventures are consolidated proportionately.

The following overview contains information on the shares in participations, especially the percentage in the issued capital, the book value and the net asset value in local currency and the equivalent in EUR:

Name, registered office	Share in issued capital as percentage	Book value 31 December 2009				Net asset value 31 December 2008			
		EUR		Original currency		EUR		Original currency	
		EUR'000	LC'000	EUR'000	LC'000				
Volkswagen Slovakia a.s., Bratislava, Slovakia	100	1,000,000	SKK	35,635,000	1,734,581	SKK	52,256,000		
Škoda Auto a.s., Mladá Boleslav, Czech Republic	100	875,000	CZK	24,808,875	2,668,695	CZK	71,721,183		
Autoeuropa-Automóveis Lda., Palmela, Portugal	74	319,900	EUR	319,900	404,567	EUR	404,567		
Volkswagen International Payment Services N.V., Amsterdam, the Netherlands	100	766,034	EUR	766,034	846,025	EUR	846,025		
Volkswagen Group Japan K.K., Toyohashi, Japan	100	100,400	JPY	15,196,544	206,161	JPY	26,005,163		
Södertälje Bil Invest AB, Södertälje, Sweden	100	98,600	SEK	891,098	18,748	SEK	203,793		
Import Volkswagen Group s.r.o., Prague, Czech Republic	100	37,800	CZK	1,059,345	22,449	CZK	603,306		
Volkswagen Group Rus OOO, Kaluga, Russian Federation	100	49,000	RUB	1,732,101	140,066	RUB	5,782,327		
Volkswagen India Private Ltd., Pune, India	< 20	22,081	INR	1,300,713	-	INR	-		
Volkswagen Group Sales India Private Ltd., Mumbai, India	< 20	3,289	INR	183,427	-	INR	-		
Volkswagen Group Ireland Ltd., Dublin, Ireland	100	27,665	EUR	27,665	3,218	EUR	3,218		

Name, registered office	Share in issued capital as percentage	Book value 31 December 2009				Net asset value 31 December 2008			
		EUR		Original currency		EUR		Original currency	
		EUR'000		LC'000		EUR'000		LC'000	
	%								
Volkswagen do Brasil Indústria de Veículos Automotores Ltda., São Bernardo do Campo, Brazil	100	354,500	BRL	850,800	915,281	BRL	2,968,807		
Volkswagen Poznan Sp. z o.o., Poznan, Poland	100	194,667	PLN	731,569	519,929	PLN	2,159,527		
Volkswagen Motor Polska Sp. z o.o., Polkowice, Poland	100	53,705	PLN	200,780	141,992	PLN	589,765		
Sitech Sp. z o.o., Polkowice, Poland	100	46,346	PLN	57,477	94,610	PLN	392,961		
Volkswagen Group Australia Pty Ltd., Botany, New South Wales, Australia	100	9,249	AUD	15,000	24,998	AUD	50,680		
Volkswagen Group Services S.A., Brussels, Belgium	< 20	1	EUR	1	-	EUR	-		
Total investments in participations		3,958,237			7,741,320				

Independent firms provided VIF with the fair values of the investments, contributed by VWAG or purchased by VIF. Management received reports regarding the economic situation of the participations on a monthly basis. Upon review of these reports it was concluded that in four cases impairment charges had to be applied. Impairment was determined by establishing the enterprise value on the basis of a discounted cash flow analysis based on the internal budget. For further details on this impairment see note 19.

Volkswagen Group Services S.A., Volkswagen India Private Ltd. and Volkswagen Group Sales India Private Ltd. are minority investments. The net asset values were not available.

For further details on shares in participations see note 6.

1.4 Note to the cash flow statement

The cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement are comprised of cash and cash equivalents. Cash flows denominated in foreign currencies have been translated at average estimated exchange rates. Exchange differences affecting cash items are included in the respective amounts. Interest paid and received, dividends received and income taxes are included in cash from operating activities. Dividends paid are recognised as cash used in financing activities. The purchase consideration paid for the acquired group company was recognised as cash used in investing activities where it was settled in cash. Transactions not resulting in inflow or outflow of cash are not recognised in the cash flow statement.

1.5 Estimates

Estimates used in the financial statements are limited to the use of provisions for general expenses and taxes based on experience and sound judgement.

2 Principles of valuation of assets and liabilities

2.1 General

The financial statements are prepared in accordance with the statutory provisions of Part 9, Book 2 of the Netherlands Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board. The financial statements are denominated in EUR.

In general, assets and liabilities are stated at the amounts at which they were acquired or incurred, or fair value. If not specifically stated otherwise, they are recognised at the amounts at which they were acquired or incurred. The balance sheet, income statement and cash flow statement include references to the notes.

2.2 Comparison with prior year

The principles of valuation and determination of result remain unchanged compared to the prior year.

2.3 Foreign currencies

Functional currency

Items in the financial statements of group companies are stated with due observance of the currency of the primary economic environment in which the respective group company operates (the functional currency). The financial statements are denominated in EUR, i.e. the functional and reporting currency of VIF.

Transactions, receivables and liabilities

Monetary assets and liabilities denominated in foreign currencies are translated at the mid-rate prevailing on the balance sheet date. Investments in participations are stated at the historical exchange rate.

Transactions denominated in foreign currencies in the reporting period are recognised in the financial statements at the exchange rate ruling at the transaction date.

In respect of any positions in the balance sheet that are covered by cross-currency interest rate swaps or by foreign exchange forward contracts, the differences in values calculated at mid-rates at the end of the year and contract rates are allocated to the respective principals of the loans. If the loan taken is denominated in a currency other than EUR, the respective correction is allocated to this loan. Otherwise the respective loan granted is corrected.

2.4 *Intangible fixed assets*

Intangible fixed assets are carried at historical cost less amortisation. Any impairment as at the balance sheet date is taken into account; an impairment exists if the carrying amount of the asset (or the cash-generating unit to which it belongs) exceeds its recoverable amount. For determining whether an impairment charge in respect of an intangible fixed asset applies, reference is made to note 2.7.

Computer software

Software licences acquired are capitalised at acquisition cost and amortised over the estimated economic life of three years. Expenditures incurred for the production of identifiable software products that are tailor-made for the group are capitalised. Expenditure in connection with maintenance of computer software and expenses related to research activities are recognised in the income statement.

2.5 *Tangible fixed assets*

Fixed assets are valued at acquisition or production cost including directly attributable expenses, less straight-line depreciation over the estimated useful economic life, or market value if lower. Directly attributable production costs include the costs of the raw materials and consumables, and also include installation costs. The following depreciation periods are used:

Asset	Number of years
Office equipment	5
Transport equipment	5
Furniture and fixtures	10
Computer hardware	3

2.6 *Financial fixed assets*

Shares in participations

Participations and other participating interests in which the company exercises significant influence are stated at the lower of cost and net realisable value. The company is considered to exercise significant influence if it holds at least 20% of the voting rights.

Participating interests in which no significant influence can be exercised are stated at acquisition price. If an asset qualifies as impaired, it is measured at its impaired value; any write-offs are disclosed in the income statement.

The shares in participations are specified in note 1.3.

Loans to Volkswagen group companies and joint ventures of the Volkswagen group

Loans to Volkswagen group companies and other participating interests are loans with an original term of more than one year and are valued at their amortised cost value. Discounts are capitalised and depreciated based on the effective yield of interest. We refer to section 2.13 and note 7 for further disclosure on these loans.

2.7 Impairment of fixed assets

On each balance sheet date, the company tests whether there are any indications of assets being subject to impairment. If any such indications are present, the recoverable amount of the asset is determined. If this proves to be impossible, the recoverable amount of the cash-generating unit to which the asset belongs is identified. An asset is subject to impairment if its carrying amount is higher than its recoverable value; the recoverable value is the higher of the net realisable value and the value in use.

Net realisable value is determined based on the active market. An impairment is directly recognised as an expense in the income statement.

If it is established that a previously recognised impairment no longer applies or has declined, the increased carrying amount of the assets in question is not set higher than the carrying amount that would have been determined had no asset impairment been recognised.

2.8 Current assets

Receivables due from Volkswagen group companies and joint ventures of the Volkswagen group

The receivables due from Volkswagen group companies and joint ventures of the Volkswagen group are valued at their amortised cost value. All receivables will be received within one year.

Other assets

The swap interest receivables and income tax receivables are shown under other assets and are valued at their amortised cost value.

Prepayments and accrued income

Accrued income is amortised over the remaining life of the bonds.

Cash at banks and in hand

Cash at banks and in hand represents cash in hand, bank balances and deposits with a maturity of less than one year.

Cash and banks denominated in foreign currencies are translated at the mid-rate prevailing on the balance sheet date.

2.9 Equity

The company has no statutory or mandatory reserves.

2.10 Dividend

The dividend distribution to the holders of ordinary shares has been recognised as a liability in the balance sheet at cost.

2.11 Long-term liabilities

Bonds

The bonds were valued at their amortised cost value. All long-term bonds have a maturity of over one year. No assets were pledged as collateral by the company.

Liabilities to Volkswagen group companies

The liabilities to Volkswagen group companies are valued at their amortised cost value. All liabilities have a maturity of over one year.

2.12 Current liabilities

Bonds

The bonds are valued at their amortised cost value. All short-term bonds are payable within one year.

Commercial papers

The commercial papers are valued at their amortised cost value. All commercial papers are payable within one year.

Liabilities to banks

The liabilities to banks are valued at their amortised cost value. All liabilities are payable within one year.

Liabilities to Volkswagen group companies

The liabilities to Volkswagen group companies are valued at their amortised cost value. All liabilities are payable within one year.

Deferred income

The deferred income concerns premiums and compensations and is amortised over the remaining life of the loans taken.

Current income tax

The current Dutch nominal tax rate of 25.5% has been applied. VIF is part of a fiscal unity with Volkswagen Financial Services N.V.

Trade payables

The trade payables are valued at their amortised cost value and will be paid within one year.

Other accrued liabilities

The accruals are stated at the amount required, based on sound business judgement and valued at the expected costs.

2.13 Financial instruments

Securities included in financial and current assets, as well as liabilities and derivative financial instruments, are stated at cost. The company applies hedge accounting to hedging interest and currency risk on borrowings and lendings. Both the derivative and the hedged items are stated at cost. The gain or loss relating to the ineffective portion is recognised in the income statement within finance cost. For more information about the value of the assets see note 7, of the liabilities see notes 11 and 12, and of the financial instruments see note 23. The company has no derivative financial instruments other than the ones used for hedging.

Fair value hedge

In applying fair value hedge accounting, both the hedging instrument and the hedged position are stated at fair value, at least where this is attributable to the hedged risk. The gain or loss from remeasuring the hedging instrument at fair value or the foreign currency component of its carrying amount on the balance sheet date shall be directly recognised in profit or loss.

The company shall discontinue prospectively the hedge accounting if:

- the hedging instrument expires or is sold, terminated or exercised;
- the hedge no longer meets the criteria for hedge accounting;
- the company revokes the designation.

The company applies fair value hedge accounting to hedging fixed interest risk on borrowings. The gain or loss relating to the effective portion of interest rate swaps hedging fixed-rate borrowings is directly recognised in the income statement within finance costs. The gain or loss relating to the ineffective portion is recognised in the income statement within finance costs.

Cost price hedge

In applying cost price hedge accounting, the initial recognition of, and the accounting policies for, the hedging instrument are dependent on the hedged item, which has the following implications:

- If the hedged item is recognised at cost in the balance sheet, the derivative instrument is also stated at cost.
- As long as the hedged item is not yet recognised in the balance sheet, the hedging instrument is not remeasured. This applies, for instance, to hedging currency risks on future transactions.
- If the hedged item qualifies as a monetary item denominated in a foreign currency, the derivative instrument, where it has currency elements, is also stated at the spot rate at the balance sheet date. If the derivative instrument has currency elements, the difference between the spot rate on the date the derivative instrument is contracted and the forward rate at which it will be settled is spread over the maturity of the derivative instrument.

The ineffective portion of the hedge is recognised directly in profit or loss.

The company applies cost price hedge accounting to hedging fixed-interest risk on borrowings. The gain or loss relating to the ineffective portion is recognised in the income statement within finance costs.

3 Principles for determination of result

3.1 General

Result is determined as the difference between the realisable value of services rendered and the costs and other charges for the year. Results on transactions are recognised in the year in which they are realised; losses are taken as soon as they are foreseeable.

Profit or loss is determined taking into account the recognition of unrealised changes in fair value of:

- securities included in current assets;
- derivative financial instruments that have not been designated as hedges.

3.2 Revenue recognition

Revenue from interest income is allocated to the reporting year to which it relates. Exchange rate differences arising upon the settlement of monetary items are recognised in the income statement in the period that they arise.

3.3 Interest income and similar income and interest expenses and similar expenses

Interest income and expenses are recognised on a pro rata basis, taking account of the effective interest rate of the assets and liabilities concerned. When recognising the interest charges, the transaction cost on the loans received is taken into account.

3.4 Result from participations

Dividend to be received from participating interests not carried at net asset value and unquoted securities are recognised as soon as VIF acquires the right to it.

3.5 Other operating income and expenses

Other operating income and expenses include income or expenses that are not directly attributable to the interest income or expenses and are valued at the realisable value.

3.6 General and administrative expenses

These expenses include expenses such as personnel expenses, office expenses, consulting and audit fees, and amortisation and depreciation and are valued at cost.

Amortisation and depreciation

Intangible fixed assets are amortised and tangible fixed assets are depreciated over their expected useful lives as from the inception of their use. Future depreciation is adjusted if there is a change in estimated useful life.

Gains and losses upon the sale of tangible fixed assets are included in other operating income or other operating expenses, respectively.

Personnel expenses

Salaries, wages and social charges are taken to the income statement when due, and in accordance with employment contracts and obligations.

3.7 Taxation

Profit tax is calculated on the profit before taxation in the income statement, taking into account any losses carried forward from previous financial years (insofar as these are not included in deferred tax assets), tax-exempt items and non-deductible expenses. Account is also taken of changes in deferred tax assets and deferred tax liabilities owing to changes in the applicable tax rates.

4 Financial instruments

4.1 Market risk

Currency risk

To avoid risk, the loans to Volkswagen group companies and to joint ventures of the Volkswagen group and related funding are generally matched in currency terms. If not, correcting swaps are executed to achieve the matched basis.

Interest rate risk

In 2009 the Supervisory Board authorised VIF to run a certain interest rate risk. A limit system and tools to monitor and manage the risk have been set up. Interest mismatches are permitted within a twelve-month period only. Therefore, the risk is comparatively remote. In 2009 no excesses in limit occurred.

4.2 Credit risk

The risk of default arising from financial assets and derivative instruments involves the risk of default by counterparties. The maximum loss from derivative instruments equals their positive fair value. Risk is additionally limited by a limit system based on credit assessments by the international rating agencies.

4.3 Liquidity risk

In 2009 the Supervisory Board has set certain liquidity risk limits. The company monitors the limits on a regular basis. Against the background of the comparatively narrow limits and the strong financial solidity of the Volkswagen group the liquidity risk is remote. In 2009 no excesses in limit occurred.

5 Intangible and tangible fixed assets

	Intangible fixed assets (software)	Tangible fixed assets (other installations, business and office equipment)	Total 2009
	EUR'000	EUR'000	EUR'000
1 January 2009	143	209	352
Additions	-	14	14
Amortisation/depreciation (accumulated)	(143)	(164)	(307)
31 December 2009	-	59	59
Amortisation/depreciation current year	(5)	(25)	(30)

	Intangible fixed assets (software)	Tangible fixed assets (other installations, business and office equipment)	Total 2008
	EUR'000	EUR'000	EUR'000
1 January 2008	143	299	442
Additions	-	73	73
Disposals	-	(164)	(164)
Amortisation/depreciation (accumulated)	(138)	(138)	(276)
31 December 2008	5	70	75
Amortisation/depreciation current year	(13)	(21)	(34)

6 Financial fixed assets

Movements in financial fixed assets can be broken down as follows:

	Shares in participations 31 December 2009	Shares in participations 31 December 2008
	EUR'000	EUR'000
Purchase cost	4,720,993	3,014,152
Additions	63,595	1,706,841
Impairment	(284,800)	-
Disposals	(541,551)	-
	<u>3,958,237</u>	<u>4,720,993</u>

The contribution of Volkswagen Group Ireland Ltd., Sitech Sp. z o.o. and Volkswagen Group Australia Pty Ltd. amounts to EUR 63.6 million.

For details about the impairment see note 19.

Shares in participations

The shares in participations are specified in note 1.3.

Further details to participations:

Autoeuropa-Automóveis Lda., Palmela, Portugal (AE)

-	Incorporation on 24 June 1991.		
-	Contribution to VIF: 24 November 2006 (50%), 10 December 2008 (24%).		
-	Equity 31 December 2008	EUR'000	404,567
-	Net earnings 2008	EUR'000	29,588

AE was established in 1991 as joint venture of VWAG and Ford-Werke AG with the goal to produce three multi-purpose vehicles: Volkswagen Sharan, SEAT Alhambra and Ford Galaxy. On 1 January 1999 Volkswagen assumed 100% of AE's ownership. AE was the largest foreign investment project ever done in Portugal and consists of a stamping plant for body panels, paint shop and assembly facilities. AE produced in 2008 94,100 units of the Volkswagen models EOS, Scirocco and Sharan and of the SEAT model Alhambra.

Import Volkswagen Group s.r.o., Prague, Czech Republic (IVG)

-	Incorporation on 18 March 1998.		
-	Contribution to VIF: 24 November 2006 (100%).		
-	Equity 31 December 2008	CZK'000	603,306
-	Net earnings 2008	CZK'000	182,659

IVG conducts the import and sale of vehicles of the Volkswagen brand (passenger cars and commercial vehicles), Audi and SEAT brand and provides after sales services through a network of authorised and independent dealers. The sales organisation of IVG is divided into four dealer networks that are responsible for the sales of the four brands.

Sitech Sp. z o.o., Polkowice, Poland (Sitech)

–	Incorporation on 13 May 1998.		
–	Contribution to VIF: 20 April 2009 (100%).		
–	Equity 31 December 2008	PLN'000	392,961
–	Net earnings 2008	PLN'000	38,123

Sitech manufactures car seats and related parts for different Volkswagen group car models.

Skoda Auto a.s., Mladá Boleslav, Czech Republic (SKA)

–	Incorporation on 20 November 1990.		
–	Contribution to VIF: 18 July 2007 (100%).		
–	Equity 31 December 2008	CZK'000	71,721,183
–	Net earnings 2008	CZK'000	11,267,418

SKA is a Czech company with a long automotive manufacturing tradition spanning a period of more than one hundred years and one of the largest economic groupings in the Czech Republic. The company's principal business is the development, manufacturing and selling of vehicles, components, parts and accessories for its own use and for other group companies as well as the provision of related after sales services.

The product portfolio of Skoda is composed of four model lines: Superb, Octavia, Fabia and Roomster with different derivatives and engine options. In 2008 SKA produced a total of 603,247 vehicles.

Södertälje Bil Invest AB, Södertälje, Sweden (SBI)

–	Incorporation on 14 November 1997.		
–	Contribution to VIF: 24 November 2006 (100%).		
–	Equity 31 December 2008	SEK'000	203,793
–	Net earnings 2008	SEK'000	29,744

SBI is the holding company of the 100% participations in Volkswagen Group Sverige AB (VWGS) and Din Bil Sverige AB (DBS). VWGS is active in the field of the import and sale of vehicles and spare parts of the Volkswagen group to dealers, major customers and leasing companies. DBS is a holding company that delivers vehicles of the Volkswagen group to the own dealer net in Sweden. Due to the holding function SBI's earning situation depends on the situation on the Swedish automobile market.

Volkswagen do Brasil Indústria de Veículos Automotores Ltda., São Bernardo do Campo, Brazil (VWdB)

–	Incorporation on 23 March 1953.		
–	Contribution to VIF: 29 August 2008 (100% less 1 share).		
–	Equity 31 December 2008	BRL'000	2,968,807
–	Net earnings 2008	BRL'000	1,464,366

The business of VWdB comprises the manufacture and sale, including the import and export, of motor vehicles, components, equipment, machines and tools, parts and accessories as well as the rendering of related services. VWdB has participations in several affiliated companies and

manufacturing plants at São Paulo (Anchieta, São Carlos and Taubaté) and São José dos Pinhais (Paraná). The production of trucks and buses was split off as from 1 September 2007 from VWdB and vested in a separate company, namely Volkswagen Caminhões e Ônibus Indústria e Comércio de Veículos Comerciais Ltda. VIF sold this company in 2009 to a Brazilian subsidiary of MAN AG.

Volkswagen Group Australia Pty Ltd., Botany, New South Wales, Australia (VGA)

–	Incorporation on 18 September 2000.		
–	Contribution to VIF: 28 May 2009 (100%).		
–	Equity 31 December 2008	AUD'000	50,680
–	Net earnings 2008	AUD'000	10,634

VGA conducts the business of importation of Volkswagen group cars to Australia and their distribution in Australia.

Volkswagen Group Ireland Ltd., Dublin, Ireland (VGI)

–	Incorporation on 27 March 2007.		
–	Purchase of shares by VIF: 1 October 2008 (100%).		
–	Equity 31 December 2008	EUR'000	3,218
–	Net earnings 2008	EUR'000	127

VGI is a spin-off of the Volkswagen group's importation and distribution of motor vehicles business in Ireland from the former multi-brand wholesale dealer Motor Distributors Ltd. The business activities of VGI comprise the importation, marketing and distribution of Volkswagen passenger cars and light commercial vehicles, Audi and Skoda vehicles as well as parts and accessories.

Volkswagen Group Japan K.K., Toyohashi-shi, Japan (VGJ)

–	Incorporation on 7 July 1983.		
–	Contribution to VIF: 24 November 2006 (100%).		
–	Equity 31 December 2008	JPY'000	26,005,163
–	Net earnings 2008	JPY'000	1,896,779

VGJ's business comprises the import and wholesale of Volkswagen group vehicles, parts and accessories as well as the rendering of related after-sales services.

Volkswagen Group Rus OOO, Kaluga, Russian Federation (VGR)

–	Incorporation on 16 December 1999.		
–	Contribution to VIF: 28 September 2007 (99.99%).		
–	Equity 31 December 2008	RUB'000	5,782,327
–	Net earnings 2008	RUB'000	2,019,134

On 23 September 2008 the shareholders of VGR resolved to absorb the Volkswagen group subsidiary Volkswagen Rus OOO by a merger of both companies. The business purpose of the merger under the name of VGR is the production of cars and other automotive products, the importation of cars and automotive products including spare parts, car equipment and accessories and the sale and supply of cars and automotive parts as well as the organisation and coordination of related logistics. VIF holds a participation of 48.92% into the new organised VGR.

Volkswagen International Payment Services N.V., Amsterdam, the Netherlands (VIPS)

–	Incorporation on 27 August 2007 (100% shareholder: VIF).		
–	Equity 31 December 2008	EUR'000	846,025
–	Net earnings 2008	EUR'000	31,258

The main objective of VIPS is to pull access liquidity from certain Volkswagen automotive companies and to place these funds as well as the funds contributed from VIF to its capital reserves, either in the market or with other Volkswagen group companies.

Volkswagen Poznań Sp. z o.o., Poznań, Poland (VWP)

–	Incorporation on 26 November 1993.		
–	Contribution to VIF: 10 November 2008 (100%).		
–	Equity 31 December 2008	PLN'000	2,159,527
–	Net earnings 2008	PLN'000	347,855

VWP's business comprises the production of vehicles (Volkswagen models Caddy and T5) and manufacturing of aluminium cast parts.

Volkswagen Motor Polska Sp. z o.o., Polkowice, Poland (VWMP)

–	Incorporation on 13 May 1998.		
–	Contribution to VIF: 10 November 2008 (100%).		
–	Equity 31 December 2008	PLN'000	589,765
–	Net earnings 2008	PLN'000	74,435

VWMP has a production plant in Polkowice where diesel engines and parts for diesel engines are developed and manufactured. The engines and parts were sold to Volkswagen group companies.

Volkswagen Slovakia a.s., Bratislava, Slovakia (VWS)

–	Incorporation on 30 November 1998.		
–	Contribution to VIF: 24 November 2006 (100%).		
–	Equity 31 December 2008	SKK'000	52,256,000
–	Net earnings 2008	SKK'000	8,862,000

VWS' business is the production of vehicles, gearboxes and components for Volkswagen group companies at its manufacturing plants in Bratislava and Martin. The profit-earning situation of VWS is directly influenced by the brand specific production programmes.

Volkswagen India Private Ltd., Pune, India

Volkswagen Group Sales India Private Ltd., Mumbai, India

Volkswagen Group Services S.A., Brussels, Belgium

Investments in above listed companies are below 20%.

None of the subsidiaries is consolidated with VIF as the exemption of article 2:408 (Netherlands Civil Code, Part 9, Book 2) applies. A full consolidation of the companies is performed by VWAG. The consolidated financial statements are deposited in the Wolfsburg Register of Companies.

Amounts due from Volkswagen group companies and joint ventures of the Volkswagen group included in financial fixed and current assets:

	31 December 2009			31 December 2008		
	Total	Term > 1 year	Term < 1 year	Total	Term > 1 year	Term < 1 year
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Amounts due from Volkswagen group companies	12,438,756	9,176,177	3,262,579	3,970,182	1,711,218	2,258,964
Amounts due from joint ventures of the Volkswagen group	66,859	66,446	413	41,682	41,446	236
	<u>12,505,615</u>	<u>9,242,623</u>	<u>3,262,992</u>	<u>4,011,864</u>	<u>1,752,664</u>	<u>2,259,200</u>

7 Loans to and receivables due from Volkswagen group companies and joint ventures of the Volkswagen group (fixed and current assets)

	Original currency	Average interest rate in percentage	31 December 2009	
			Book value	Market value
		%	EUR'000	EUR'000
Fixed asset loans to Volkswagen group companies	EUR	5.40	7,616,646	8,493,715
	USD	5.84	1,559,531	1,589,699
			<u>9,176,177</u>	<u>10,083,414</u>
Fixed asset loans to joint ventures of the Volkswagen group	EUR	2.00	34,000	36,385
	PLN	6.95	32,446	35,477
			<u>66,446</u>	<u>71,862</u>
Current asset receivables due from Volkswagen group companies	EUR	2.97	2,566,760	2,618,314
	GBP	1.36	193,488	197,099
	SEK	1.07	175,030	175,583
Accrued and other receivables due from Volkswagen group companies and joint ventures			327,714	327,714
			<u>3,262,992</u>	<u>3,318,710</u>
Total loans to and receivables due from Volkswagen group companies and joint ventures of the Volkswagen group			<u>12,505,615</u>	<u>13,473,986</u>

The market values are determined on the basis of discounted cash flows. Credit spreads were not included in the model used to determine the market value. Since all loans are to Volkswagen group companies and joint ventures of the Volkswagen group, the credit spread applicable to these loans is equal to the credit spread for the Volkswagen group. As at 31 December 2009 the following credit spreads were applicable to the Volkswagen group:

–	For amounts payable within one year:	17.50 bps
–	For amounts payable between one year and five years:	80.00 bps
–	For amounts payable after five years	101.00 bps

For comparison the overview of 2008:

	Original currency	Average interest rate in percentage	31 December 2008	
			Book value	Market value
		%	EUR'000	EUR'000
Fixed asset loans to Volkswagen group companies	EUR	4.31	1,662,455	1,734,717
	SEK	4.86	16,030	14,612
	USD	4.04	32,733	38,350
			<u>1,711,218</u>	<u>1,787,679</u>
Fixed asset loans to joint ventures of the Volkswagen group	EUR	5.09	34,000	36,011
	PLN	10.63	7,446	7,863
			<u>41,446</u>	<u>43,874</u>
Current asset receivables due from Volkswagen group companies	EUR	4.70	1,707,067	1,759,002
	GBP	4.00	116,525	97,012
	SEK	5.30	41,901	39,116
	USD	3.92	301,361	304,986
Accrued and other receivables due from Volkswagen group companies and joint ventures			92,346	92,346
			<u>2,259,200</u>	<u>2,292,462</u>
Total loans to and receivables due from Volkswagen group companies and joint ventures of the Volkswagen group			<u>4,011,864</u>	<u>4,124,015</u>

8 Other assets

	31 Dec 2009	31 Dec 2008
	EUR'000	EUR'000
Interest receivable from banks	74,090	3,737
Income tax receivable	772	769
Receivables insurance companies	70	4
Receivables from employees	2	18
	<hr/>	<hr/>
	74,934	4,528
	<hr/>	<hr/>

The interest receivable from banks relates to the outstanding swap agreements and to deposits.

9 Prepayments and accrued income

	31 Dec 2009	31 Dec 2008
	EUR'000	EUR'000
Prepaid expenses	191	159
Capitalised issue costs	47,849	10,942
	<hr/>	<hr/>
	48,040	11,101
	<hr/>	<hr/>

10 Shareholders' equity

Share capital

On 31 December 2009, the subscribed capital of the company amounted to EUR 104,370,000, of which an amount of EUR 102,985,000 was paid-up. 102,985 registered shares of EUR 1,000 each are issued, of which 20 shares were issued in 2009.

As of 31 December 2008, the share premium reserve was EUR 3,925,080,000. An amount of EUR 55,574,792 was added in 2009 as a result of the contribution in kind of VWAG. Out of the share premium reserve EUR 150,000,000 was repaid to Global Automotive C.V., based on the resolution of the shareholders dated 22 October 2009.

Furthermore, in 2009 VIF paid dividends of EUR 750.25 million (EUR 400.25 million out of the retained earnings and EUR 350 million out of the current earnings) to Global Automotive C.V., based on the resolution of the shareholders dated 2 April 2009 and 22 October 2009. Under the condition that the Supervisory Board approves management's proposal, another EUR 250 million will be paid as dividend in March 2010.

	Issued and paid-up share capital	Share premium reserve	Retained earnings	Total equity
	EUR'000	EUR'000	EUR'000	EUR'000
Balance 31 December 2008	102,965	3,925,080	434,065	4,462,110
Dividend paid and proposed	-	-	(1,000,250)	(1,000,250)
Result for 2009	-	-	1,075,462	1,075,462
Contribution in kind of VWAG	20	55,575	-	55,595
Repayment to Global Automotive C.V.	-	(150,000)	-	(150,000)
Balance 31 December 2009	102,985	3,830,655	509,277	4,442,917

11 Long-term liabilities

	31 Dec 2009	31 Dec 2008
	EUR'000	EUR'000
Bonds (listed and unlisted)	9,111,613	1,611,613
Liabilities to Volkswagen group companies	-	19,574
	9,111,613	1,631,187

A breakdown of the long-term bonds is as follows:

	Original currency	Average interest rate in percentage	31 December 2009	
			Book value	Market value
		%	EUR'000	EUR'000
Maturity longer than 5 years				
Bonds (listed)	EUR	6.46	1,500,000	1,872,992
Maturity less than 5 years				
Bonds (listed)	EUR	5.05	7,500,000	8,646,735
Bonds (unlisted)	JPY	1.75	111,613	92,375
Total long-term bonds			9,111,613	10,612,102

For the determination of the market values see note 7.

12 Current liabilities

	31 Dec 2009	31 Dec 2008
	EUR'000	EUR'000
Bonds	1,750,000	1,948,226
Commercial papers	745,142	-
Liabilities to Volkswagen group companies	411,119	624,045
Other liabilities	387,181	90,437
Accrued liabilities	66,258	449
Trade payables	4,023	24
Deferred income	1,987	675
Current income tax	171	39
	3,365,881	2,663,895

The remaining term of the current liabilities is less than one year.

A breakdown of the short-term bonds is as follows:

	Original currency	Average interest rate in percentage	31 December 2009	
			Book value	Market value
		%	EUR'000	EUR'000
Bonds (listed)	EUR	3.75	1,750,000	1,389,350
Total short-term bonds			1,750,000	1,389,350

For the determination of the market values see note 7.

A breakdown of the liabilities to Volkswagen group companies is as follows:

	31 Dec 2009	31 Dec 2008
	EUR'000	EUR'000
Volkswagen International Payment Services N.V.	148,593	-
Global VW Automotive B.V.	12,526	-
Global Automotive C.V.	250,000	600,000
Volkswagen AG	-	24,045
	411,119	624,045

A breakdown of the other liabilities is as follows:

	31 Dec 2009	31 Dec 2008
	EUR'000	EUR'000
Loan interest payables	313,752	85,355
Swap interest payables	73,418	5,072
Social securities/wage tax	11	10
	<u>387,181</u>	<u>90,437</u>

13 Commitments not included in the balance sheet

Fiscal unity

The company forms a fiscal unity for corporate income tax and turnover tax purposes with Volkswagen Financial Services N.V. Under the Tax Collection Act, the company is jointly and severally liable for the taxes payable by the group.

14 Financial income and expenses

	2009	2008
	EUR'000	EUR'000
Interest and similar income	482,430	210,150
Interest and similar expenses	(468,353)	(194,631)
	<u>14,077</u>	<u>15,519</u>

15 Other operating income

	2009	2008
	EUR'000	EUR'000
Volkswagen Financial Services N.V.	655	576
Volkswagen International Payment Services N.V.	341	85
Global VW Automotive B.V.	142	71
Global Mobility Holding B.V.	12	12
Volkswagen Finance Overseas B.V.	86	22
Volkswagen Finance Cooperation B.V.	86	22
Volkswagen Global Finance Holding B.V.	79	20
Miscellaneous income previous years	26	10
Miscellaneous income	248	179
	<u>1,675</u>	<u>997</u>

16 Other operating expenses

	2009	2008
	EUR'000	EUR'000
Charges from Global VW Automotive B.V.	165	-
Portfolio fees	158	117
Bank charges	13	13
Miscellaneous expenses	7	61
Translation losses	-	5
	<u>343</u>	<u>196</u>

17 General and administrative expenses

	2009	2008
	EUR'000	EUR'000
Personnel expenses	1,499	1,207
Insurance	1,033	205
Office expenses	376	314
Consulting, auditing and legal fees	340	219
Car expenses	72	42
Travel expenses	15	22
Training personnel	5	3
Temporary labour	-	70
	<u>3,340</u>	<u>2,082</u>

A breakdown of the personnel expenses is as follows:

	2009	2008
	EUR'000	EUR'000
Salaries and wages	1,313	963
Social security contributions	100	73
Pension contributions	86	171
	<u>1,499</u>	<u>1,207</u>

The company has a defined contribution pension plan that is reinsured with an insurance company.

18 Amortisation and depreciation expenses

For details of the amortisation and depreciation expenses see note 5.

19 Result from participations

	2009	2008
	EUR'000	EUR'000
Dividends received		
Škoda Auto a.s., Czech Republic	196,527	284,699
Volkswagen do Brasil Indústria de Veículos Automotores Ltda., Brazil	277,000	221,566
Volkswagen Caminhões e Ônibus Indústria e Comércio de Veículos Comerciais Ltda., Brazil	-	84,651
Volkswagen Poznan Sp. z o.o., Poland	42,185	22,493
Volkswagen Motor Polska Sp. z o.o., Poland	40,598	26,058
Autoeuropa-Automóveis Lda., Portugal	35,520	-
Volkswagen International Payment Services N.V., the Netherlands	33,940	-
Volkswagen Group Japan K.K., Japan	9,800	20,398
Södertälje Bil Invest AB, Sweden	7,320	7,670
Import Volkswagen Group s.r.o., Czech Republic	6,709	6,557
	649,599	674,092
Gain on disposal (see note 6)		
Volkswagen Caminhões e Ônibus Indústria e Comércio de Veículos Comerciais Ltda., Brazil	761,241	-
	761,241	-
Forward cover of dividends		
- Gains	2,033	4,974
- Losses	(814)	(10,384)
	1,219	(5,410)
Impairment charges		
Volkswagen Group Japan K.K., Japan	(111,600)	-
Södertälje Bil Invest AB, Sweden	(89,900)	-
Autoeuropa-Automóveis Lda., Portugal	(58,600)	-
Import Volkswagen Group s.r.o., Czech Republic	(24,700)	-
	(284,800)	-
Withholding taxes		
Volkswagen Caminhões e Ônibus Indústria e Comércio de Veículos Comerciais Ltda., Brazil	(60,481)	-
Volkswagen Group Japan K.K., Japan	(490)	-
	(60,971)	-
Total income received	1,066,288	668,682

20 Auditor's fees

The following fees occurred in the reporting year:

	<u>2009</u>	<u>2008</u>
	EUR'000	EUR'000
Audit of the financial statements	65	47
Other audit procedures	52	20
Other non-audit services	37	1
	<u>154</u>	<u>68</u>

21 Related parties

All loans are granted to other group companies. The interest income is only received from these group companies.

For investments in participations see note 1.3.

For receivables due from Volkswagen group companies see notes 6 and 7.

For liabilities to Volkswagen group companies see notes 11 and 12.

22 Average number of employees

During the year 2009, the average number of employees calculated on a full-time-equivalent basis was 15 (2008: 14).

The company has no employees working abroad.

23 Financial instruments

The company uses derivative instruments as hedges for its interest rate and exchange rate exposures.

With approval of the Supervisory Board, VIF covered the expected dividends from participations by forward sales partially. These hedges matured in 2009.

The financial instruments of the company had the following notional amounts:

	Interest swaps	Interest/ currency swaps	FX contracts	Total
	EUR'000	EUR'000	EUR'000	EUR'000
31 December 2009	65,360	1,346,172	233,430	1,644,962
31 December 2008	199,367	553,933	74,937	828,237

The financial instruments of the company had the following market values:

	Interest swaps	Interest/ currency swaps	FX contracts	Total
	EUR'000	EUR'000	EUR'000	EUR'000
31 December 2009	(1,955)	139,468	(4,365)	133,148
31 December 2008	(500)	51,041	524	51,065

24 Taxation on result on ordinary activities

The taxation on result on ordinary activities can be specified as follows:

	2009	2008
	EUR'000	EUR'000
Result from ordinary activities before taxation	1,078,327	682,886
Of which income from participations (excluding gains/losses forward cover on dividend income)	(1,065,069)	(674,092)
Result on ordinary activities	13,258	8,794
Taxation on result on ordinary activities	2,865	2,035
Effective tax rate	21.6%	23.1%
Applicable tax rate	25.5%	25.5%

25 Directors and Supervisory Directors

Management Board:

- Frank Mitschke, Amsterdam
- Albrecht Hermann Möhle, Wasbüttel

The remuneration for 2009 of the Management Board amounts to EUR 226,000 (2008: EUR 277,000).

Supervisory Board:

- Dr. Jörg Alexander Boche, Wolfsburg (Chairman)
- Wolfgang Rudolf Hotze, Lehre

The Supervisory Board has not received any remuneration for 2009.

The Management Board has declared that to the best of their knowledge:

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

Amsterdam, 4 February 2010

Management Board,

Supervisory Board,

Original has been signed by
F. Mitschke

Original has been signed by
Dr. J. Boche

Original has been signed by
A. Möhle

Original has been signed by
W. Hotze

Other information

Profit appropriation according to the Articles of Association

The company's Articles of Association provide that appropriation of accrued profit is subject to the decision of the shareholders at the General Meeting. The company can only make distributions to the shareholders and other persons entitled up to an amount not exceeding the amount of the distributable reserves. The General Meeting may resolve to pay dividends from legally distributable reserves.

Profit distribution

Based on shareholders' resolutions, the following dividends have been paid during the year 2009 to Global Automotive C.V.:

5 February: EUR 600 million out of the 2008 result.

2 April: EUR 400.25 million out of the retained earnings.

22 October: EUR 350 million interim dividend out of the 2009 result.

Management proposes to pay a further dividend in the amount of EUR 250 million out of the remaining profit of the year 2009.

Repayment of capital

Based on a shareholders' resolution on 22 October 2009, VIF repaid from its share premium reserve an amount of EUR 150 million to Global Automotive C.V.

Furthermore, management proposes to repay out of the share premium reserve an amount of EUR 750 million to Global Automotive C.V. in March 2010.

Post balance sheet events

No post balance sheet events occurred.

Auditor's report

To: the General Meeting of Shareholders of Volkswagen International Finance N.V.

**PricewaterhouseCoopers
Accountants N.V.**
Fascinatio Boulevard 350
3065 WB Rotterdam
P.O. Box 8800
3009 AV Rotterdam
The Netherlands
Telephone +31 (0) 10 407 55 00
Facsimile +31 (0) 10 456 43 33
www.pwc.com/nl

Auditor's report

Report on the financial statements

We have audited the accompanying financial statements 2009 of Volkswagen International Finance N.V., Amsterdam as set out on pages 4 to 34 which comprise the balance sheet as at 31 December 2009, the income statement for the year then ended and the notes.

Management's responsibility

Management of the company is responsible for the preparation and fair presentation of the financial statements and for the preparation of the management report, both in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

MC-e0150678u-AV

PricewaterhouseCoopers is the trade name of among others the following companies: PricewaterhouseCoopers Accountants N.V. (Chamber of Commerce 34180285), PricewaterhouseCoopers Belastingadviseurs N.V. (Chamber of Commerce 34180284), PricewaterhouseCoopers Advisory N.V. (Chamber of Commerce 34180287) and PricewaterhouseCoopers B.V. (Chamber of Commerce 34180289). The services rendered by these companies are governed by General Terms & Conditions, which include provisions regarding our liability. These General Terms & Conditions are filed with the Amsterdam Chamber of Commerce and can also be viewed at www.pwc.com/nl.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Volkswagen International Finance N.V. as at 31 December 2009, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part f of the Netherlands Civil Code, we report, to the extent of our competence, that the management report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Rotterdam, 4 February 2010
PricewaterhouseCoopers Accountants N.V.

Original has been signed by dr. H.F.M. Gertsen RA