

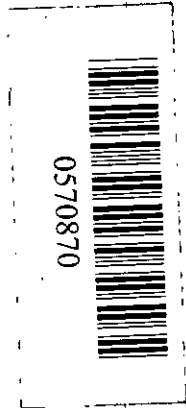


VOLKSWAGEN INTERNATIONAL FINANCE N.V.

Autoriteit Financiële Markten
T.a.v. de Registerafdeling
Postbus 11723
1001 GS AMSTERDAM

Amsterdam, 15 februari 2007

Betreft: Deponering jaarstukken 2006



Geachte mevrouw/heer,

Teneinde te voldoen aan onze deponeringsverplichting, ontvangt u de jaarstukken 2006.

Vaststelling door de enige aandeelhouder geschiedde op de aandeelhoudersvergadering gehouden op 14 februari 2007.

Hoogachtend,

VOLKSWAGEN INTERNATIONAL FINANCE N.V.

U.E. Scholz
Controller

19-02-2007

PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft

Report

VOLKSWAGEN INTERNATIONAL FINANCE N.V.
Amsterdam

FINANCIAL STATEMENTS FOR THE YEAR
ENDED DECEMBER 31, 2006
TOGETHER WITH AUDITOR'S REPORT

PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft

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Auftrag: 0.0468426.001

19-02-2007

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General Engagement Terms for Wirtschaftsprüfer and
Wirtschaftsprüfungsgesellschaften (General Public Auditors
and Public Audit Firms) as of January 1, 2002

Special Conditions as amended January 1, 2001

19-02-2007

List of abbreviations

Bn	=	billion
Din Bil	=	Din Bil Sverige AB, Södertälje, Sweden
DIP	=	Debt Issuance Programme
EDP	=	Electronic Data Processing
Driver Two	=	Driver Two GmbH, Frankfurt/Main
Driver Three	=	Driver Three GmbH, Frankfurt/Main
Dutch GAAP	=	Dutch Generally Accepted Accounting Principles
EUR	=	EURO
Europcar	=	Europcar International S.A., St. Quentin en Yvelines
FX	=	Foreign Exchange
Global Automotive C.V.	=	Global Automotive C.V., Amsterdam
Global VW Automotive B.V.	=	Global VW Automotive B.V., Amsterdam
I.N.I.S. SRO	=	I.N.I.S. International Insurance Service SRO, Mladá Boleslav
MEUR	=	Million EUR
Mn	=	Million
P&L	=	Profit & Loss statement
Sitech	=	Sitech Sp. zo.o., Polkowice
T €	=	Thousand EUR
VCI	=	VW Credit Inc., Auburn Hills, Michigan
VDF Dogus	=	Volkswagen Dogus Tükrücü Finansmanı Anonim, Şirketi A.S.
VIF	=	Volkswagen International Finance N.V., Amsterdam
VIL	=	Volkswagen Investments Limited, Dublin
VOF	=	Volkswagen Overseas Finance N.V., Willemstad (Curaçao)
VW AG	=	Volkswagen Aktiengesellschaft, Wolfsburg
VW Bank	=	Volkswagen Bank GmbH, Braunschweig
VW Bank Polska	=	Volkswagen Bank Polska, Warszawa
VW Brussels	=	Volkswagen Bruxelles S.A., Brüssel
VW Fin Japan	=	Volkswagen Finance Japan KK, Tokio
VW FS AG	=	Volkswagen Financial Services Aktiengesellschaft, Braunschweig
VW FS NV	=	Volkswagen Financial Services N.V., Amsterdam
VW FS UK	=	Volkswagen Financial Services (UK) Ltd., Milton Keynes
VW Group Japan	=	Volkswagen Group Japan KK, Toyohashi-shi, Aichi, Japan
VW Leasing	=	Volkswagen Leasing GmbH, Braunschweig
VW Trading S.A.	=	Volkswagen Trading S.A., Brüssel

19-02-2007

**FINANCIAL STATEMENTS
FOR THE YEAR
ENDED DECEMBER 31, 2006**

VOLKSWAGEN INTERNATIONAL FINANCE N.V.**MANAGEMENT REPORT**

Volkswagen International Finance N.V. is one of the funding vehicles of Volkswagen AG and its subsidiaries. All our business activities are guaranteed through programs initiated by this company. Standard & Poor's has rated Volkswagen AG as A-2 for short term and A- for long term. Moody's Investors Service affirmed Volkswagen AG's Prime 2 for short term and A3 for long term, with a stable outlook.

The EUR 20 billion Debt Issuance Programme has been updated and adheres to the new European Prospectus Directive standards.

The liquidity of the Volkswagen Group has been excellent and there was hardly any requirement for new issues at the capital market in 2006, causing even some early redemption of existing issues.

In 2006 we realized earnings of € 13.6 million before tax against € 10.6 million of the previous year, despite a significantly lower average volume of interest-bearing assets. The increase in profit was caused by several factors. The application of a strict cost management and a profit from holding activities, resulting in a dividend received of € 2,8 million, being the main factors of the increase.

To avoid risk, loans and related funding are generally matched in currency and interest rate terms. If not, correcting swaps are executed to achieve the matched basis. The small interest and exchange rate exposures during and at the end of 2006 were within the mismatch guidelines.

Since 2005 VIF performs a service to the parent company and 14 Volkswagen group companies by providing the measurement of hedge effectiveness for derivative instruments and the underlying exposures. In 2006, efficiency measurement of Options and Compound Options were added to the services rendered. As our already advanced system is constantly upgraded, we expect to offer more services in 2007, such as the efficiency measurement of hedges for raw materials.


A new Dutch Tax Ruling based on an Advanced Pricing Agreement has been established in 2006. The Tax Ruling is valid for 5 years and does not affect the fiscal unity with Volkswagen Financial Services N.V.

The holding activities of VIF have increased significantly during 2006. VW AG contributed the shares in its subsidiaries VW Group Japan K.K., VW SLOVAKIA a.s., Södertälje Bil Invest AB, Import VW Group s.r.o. as well as a 50% participation in Autoeuropa Lda. into VIF. This contribution in kind was made for consideration of 300 new ordinary shares in the capital of VIF on 24 November 2006. In 2006 VIF's new subsidiaries did not distribute any dividends to their parent company.

In 2007 VW AG plans to contribute additional Group companies to its Dutch holding and VIF intends to participate in new companies. Subject to the necessary approvals of the Indian Ministry of Finance to planned investments in two companies, VIF's Supervisory Board and Board of Management approved in December 2006 that the company shall hold along with VW AG the shares of Volkswagen India Private Limited and Volkswagen Group Sales India Private Limited which will be engaged in the business of distribution of automobiles, automobile parts and related activities.

For the current year we expect a positive business development, assuming an increased level of financing demand of the Volkswagen group companies.

Amsterdam, January 15, 2007


.....
(Alwin Kleindienst, Managing Director)

VOLKSWAGEN INTERNATIONAL FINANCE N.V.

Balance Sheet as per December 31, 2006

		<u>2006</u>	<u>2005</u>
	<u>Note</u>	EUR	TEUR
<u>Assets</u>			
A. Fixed Assets			
I Intangible Fixed Assets	(7)	20.159	39
II Tangible Fixed Assets	(7)	83.769	137
III Financial Fixed Assets	(8)(9)(10)	2.531.462.942	738.955
B. Current Assets			
I Receivables and Other Assets		5.025.873.634	8.210.349
II Cash & Banks		10.561.671	918
C. Prepaid and Deferred Charges			
		18.403.987	30.450
		<u>7.586.406.162</u>	<u>8.980.848</u>
A. <u>Equity & Liabilities</u>			
I Subscribed Capital		104.370.000	104.370
Uncalled, unpaid contributions		-1.515.000	-1.815
Total paid in Capital	(11)	102.855.000	102.555
II Capital Reserve	(11)	1.829.017.688	61.618
III Retained Net Earnings	(12)	14.461.991	3.090
Total Capital		<u>1.946.334.679</u>	<u>167.263</u>
B. Provisions and Accrued Liabilities			
	(13)	270.819	426
C. Liabilities			
		5.638.388.923	8.809.536
D. Deferred Income			
		<u>1.411.741</u>	<u>3.623</u>
		<u>7.586.406.162</u>	<u>8.980.848</u>

The accompanying notes on pages 5 to 18 are an integral part of these financial statements.

VOLKSWAGEN INTERNATIONAL FINANCE N.V.

Profit & Loss statement for the year 2006

		<u>2006</u>	<u>2005</u>
	<u>Note</u>	EUR	TEUR
1. General administrative expenses	(14) (15)	1.370.620	1.444
2. Other operating income		734.971	537
3. Other operating expenses		116.321	156
4. Net financial income		11.525.028	11.695
5. Income from participations		<u>2.836.718</u>	<u>0</u>
6. Earnings from ordinary business activities		13.609.776	10.632
7. Taxes on income and earnings		2.237.743	2.842
8. Earnings current year		<u>11.372.033</u>	<u>7.790</u>
9. Interim Dividend		0	-4.700
10. Net retained profits		<u>11.372.033</u>	<u>3.090</u>

The accompanying notes on pages 5 to 18 are an integral part of these financial statements.

VOLKSWAGEN INTERNATIONAL FINANCE N.V.

Cash Flow Statement for the year 2006

Net income	11.372.033 €
Depreciations and gains/losses from disposals of fixed assets	82.547 €
Change in provisions	-155.119 €
Change in accrued interest resulting from intercompany loans granted	-25.141.305 €
Cash outflow from loans granted to affiliated and associated companies	-1.027.850.963 €
Cash inflow from loans redeemed by affiliated and associated companies	4.048.349.892 €
Cash inflow from issuance of bonds and DIPs	100.000.000 €
Cash outflow from redemption of bonds and DIPs	-3.452.711.448 €
Change in other assets and prepaid and deferred charges	96.133.762 €
Change in interest liabilities to banks	-69 €
Change in trade payables	-8.786 €
Change in liabilities to affiliated and associated companies	321.291.230 €
Change in other liabilities and deferred income (excl. unlisted DIP liabilities)	-61.707.138 €
Cash flow from current business activities	9.654.636 €
Cash outflow from the purchase of tangible and intangible fixed assets	-10.565 €
Cash flow from investment activities	-10.565 €
Cash flow from current business activities, investment activities and financing activities	9.644.071 €
Funds available at the end of the previous period	917.599 €
Funds available at the end of the period	10.561.671 €

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The accompanying notes on pages 5 to 18 are an integral part of these financial statements.

VOLKSWAGEN INTERNATIONAL FINANCE N.V.

Note 1 Analysis of Assets

	<u>2006</u>	<u>2005</u>
	EUR	EUR
<u>Assets</u>		
A. Fixed Assets		
I Intangible Fixed Assets	20.159	39.072
II Tangible Fixed Assets	83.769	136.837
III Financial Fixed Assets		
- Shares in Affiliated Companies	1.768.045.777	345.583
- Loans to Affiliated Companies (of which with a remaining term of more than one year)	745.971.149 (728.571.149)	731.163.555 (731.163.555)
- Loans to Joint Ventures (of which with a remaining term of more than one year)	17.446.016 (17.446.016)	7.446.016 (7.446.016)
B. Current Assets		
I Receivables and Other Assets		
- Receivables due from Affiliated Companies (of which with a remaining term of more than one year)	4.894.155.248 (3.542.388.366)	8.018.654.634 (1.390.177.325)
- Receivables due from Joint Ventures (of which with a remaining term of more than one year) (of which securities)	48.056.378 (24.000.000) (24.000.000)	23.944.664 (23.673.733) (-)
- Other Assets	83.662.008	167.750.099
II Cash in hand and Banks	10.561.671	917.599
C. Prepaid and Deferred Charges	18.403.987	30.449.659
	<hr/> 7.586.406.162	<hr/> 8.980.847.718

VOLKSWAGEN INTERNATIONAL FINANCE N.V.

Note 2 Analysis of Equity Capital and Liabilities

	<u>2006</u>	<u>2005</u>
	EUR	EUR
<u>Equity & Liabilities</u>		
A. Equity Capital		
I Total paid in Capital	102.855.000	102.555.000
II Capital Reserve	1.829.017.688	61.617.494
III Retained Net Earnings	14.461.991	3.089.958
B. Provisions and Accrued Liabilities		
I Tax Liabilities	82.163	227.198
II Miscellaneous Accrued Liabilities	188.656	198.740
C. Liabilities		
I Bonds	4.609.819.168	7.956.334.472
- (of which convertible)	(-)	(-)
- (of which with a remaining term of up to one year)	(879.818.712)	(1.934.093.679)
- (of which with a remaining term of more than 5 years)	(1.500.000.000)	(2.480.000.000)
II Liabilities due to Banks	469	538
- (of which with a remaining term of up to one year)	(469)	(538)
III Trade Payables	48.845	57.631
- (of which with a remaining term of up to one year)	(48.845)	(57.631)
IV Liabilities to Affiliated Companies	362.790.962	41.499.731
- (of which with a remaining term of up to one year)	(318.175.573)	(1.499.731)
- (of which with a remaining term of more than 5 years)	(-)	(-)
V Other Liabilities	665.729.479	811.643.669
- (of which in respect of taxes)	(36.934)	(100.741)
- (of which with a remaining term of up to one year)	(247.555.786)	(269.896.458)
- (of which with a remaining term of more than 5 years)	(111.613.000)	(111.613.000)
D. Deferred Income	1.411.741	3.623.287
	<u>7.586.406.162</u>	<u>8.980.847.718</u>

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VOLKSWAGEN INTERNATIONAL FINANCE N.V.

Note 3 Analysis of Expenses and Income

	<u>2006</u>	<u>2005</u>
	EUR	EUR
1. General administrative expenses	1.370.620	1.443.979
2. Other operating income	734.971	537.126
3. Other operating expenses	116.321	156.488
4. Income from loans classified as financial assets	34.040.180	25.657.399
- (of which from affiliated companies)	(33.496.302)	(25.104.679)
5. Other interest and similar income	323.548.323	309.353.189
- (of which from affiliated companies)	(302.189.443)	(303.682.606)
6. Interest and similar expenses	346.063.475	323.315.143
- (of which relating to affiliated companies)	(19.045.101)	(1.221.981)
7. Income from participations	2.836.718	0
8. Income from ordinary business activities	<u>13.609.776</u>	<u>10.632.104</u>
9. Taxes on income and earnings	2.237.743	2.842.146
10. Earnings for the year	<u>11.372.033</u>	<u>7.789.958</u>
11. Interim Dividend	<u>0</u>	<u>-4.700.000</u>
12. Net retained profits	11.372.033	3.089.958

VOLKSWAGEN INTERNATIONAL FINANCE N.V.

Note 4 **General**

Volkswagen International Finance N.V. ("VIF") was incorporated on April 15, 1977.

During 2006 Volkswagen AG ("VWAG") has integrated 5 of its subsidiaries into VIF. This contribution in kind was made for consideration of 300 new ordinary VIF shares. The difference between the value of the subsidiaries and the shares issued by VIF was posted to VIF's Capital Reserve. At the same time, all of VIF's shares were contributed to Global Automotive C.V. ("GA") by VWAG. Due to this contribution, VIF's sole owner is now Global Automotive C.V.

VIF's 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 VWAG. VIF has lent the proceeds of these borrowings to group companies.

Note 5 **Accounting Policies**

(A) **General**

The company annual accounts were prepared in accordance with the statutory provisions of Part 9, Book 2 of the Netherlands Civil Code and the Guidelines for Annual Reporting in the Netherlands for large legal persons as issued by the Dutch Accounting Standards Board.

The books and records of the company are kept in EURO (EUR) and are prepared according to Dutch GAAP.

Assets and liabilities are valued at their nominal value, unless a different valuation method is mentioned.

Accruals are stated at the amount required, based on sound business judgement.

The current Dutch nominal tax rate of 29,6% has been applied. VIF is part of a fiscal unity with Volkswagen Financial Services N.V. ("FSNV").

(B) **Currency Translation**

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

Investments in affiliated companies are stated at the historical exchange rate.

In respect of any positions in the balance sheet which 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.

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VOLKSWAGEN INTERNATIONAL FINANCE N.V.

Transactions denominated in foreign currencies are translated into EUR at the exchange rates ruling on the date of the transaction.

C) Intangible and Tangible Fixed Assets

Intangible and tangible fixed assets are stated at cost less accumulated depreciation. All movable assets are depreciated by the straight-line method.

The following depreciation periods have been used:

Asset	No. of years
Office equipment	5
Transport equipment	5
Furniture and fixtures	10
Computer hardware	3
Computer software	3

Items under Euro 454 have been depreciated fully in the month of acquisition.

D) Shares in Affiliated Companies

Shares in affiliated companies are valued at the lower of cost or net realisable value.

E) Financial Fixed Assets

Financial Fixed Assets denominated in foreign currencies are translated at the mid-rate prevailing on the balance sheet date.

F) Receivables and Other Assets

Receivables and Other Assets denominated in foreign currencies are translated at the mid-rate prevailing on the balance sheet date.

Other Assets break down as follows:

	TEUR
Swap interest receivable from banks	83,564
Income tax receivable	95
Other receivables	3

G) Cash and Banks

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

VOLKSWAGEN INTERNATIONAL FINANCE N.V.

H) Swap Interest Receivables and Payables

The swap interest receivables are shown under Other Assets, the swap interest payables under Other Liabilities.

I) Prepaid and Deferred Charges

The prepaid and deferred charges (TEUR 18,404) have decreased in the year 2006 (2005 TEUR 30,450) due to the amortization of the in 2003 capitalized issue costs belonging to the EUR 4,5 bn Benchmark deal, which has been decreased to EUR 3,0 bn due to early redemptions in 2006.

Prepaid and deferred charges are amortised on the effective interest rate basis.

(J) Deferred Income

The deferred income (TEUR 1,412) concerns premiums and compensations and is amortised on the effective interest rate basis over the term of the loans taken.

(K) Special Payments

Up-front and balloon payments paid or received under swaps related to bonds or notes issued are amortised or built up respectively on the effective interest rate basis over the term of the swaps.

Issue costs are depreciated during the term of the related borrowing.

(L) Interest Swaps, Cross Currency Interest Swaps and Foreign Exchange Contracts

Contracts outstanding (Notional amounts in MEUR) :

	Interest Swaps	Cross Currency Interest Swaps	FX Contracts	Total
31.12.2006	2.699	1.125	30	3.854
31.12.2005	5.818	2.180	1	7.999

Contracts outstanding (Market values in MEUR) :

	Interest Swaps	Cross Currency Interest Swaps	FX Contracts	Total
31.12.2006	54	- 79	0	-25
31.12.2005	259	- 131	0	128

Some loans are related to two or more contracts and therefore the total amount of the contracts can exceed the Balance Sheet total.

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VOLKSWAGEN INTERNATIONAL FINANCE N.V.

Note 6 Risk Management

The company in principle avoids risks. Loans and the related funding are generally matched in currency and interest rate terms - if not, swaps are executed to achieve the matched basis.

There were comparatively small interest and exchange rate exposures during and at the end of the year 2006, which were within authorised limits and did not influence the result significantly.

NOTES TO THE BALANCE SHEET**Note 7 Analysis of Intangible and Tangible Fixed Assets per December 31, 2006 - in EUR**

	Intangible Assets – Software	Tangible Assets – Other Installations, Business and Office Equipment	Total
Purchase cost	115.728	278.372	394.100
Additions	4.760	5.805	10.565
Disposals	0	0	0
Depreciation (Accumulated)	-100.329	-200.408	-300.737
Book values			
- December 31, 2006	20.159	83.769	103.928
- December 31, 2005	39.072	136.837	175.909
Depreciation current year	-23.674	-58.873	-82.547

VOLKSWAGEN INTERNATIONAL FINANCE N.V.

Note 8 Analysis of Financial Assets

Financial Assets: Shares in affiliated companies, December 31, 2006 – in EUR

Additions in 2006: 5, for details see Note 9.

Reductions in 2006: None

Company	Balance per 31.12.06 EUR	Original Currency	
I.N.I.S SRO	144.972,08	CZK	5.000.000,00
Volkswagen Overseas Finance	200.021,97	NLG	500.000,00
Volkswagen Brussels SA	588,64	BFR	24.000,00
Volkswagen Group Japan K.K.	212.000.000,00	EUR	212.000.000,00
Volkswagen Slovakia a.s.	1.000.000.000,00	EUR	1.000.000.000,00
Södertälje BIL Invest AB	188.500.000,00	EUR	188.500.000,00
Import Volkswagen Group	62.500.000,00	EUR	62.500.000,00
AUTOEUROPA Automóveis Lda	304.700.193,98	EUR	304.700.193,98
Total EUR	1.768.045.776,67		

Note 9 The Details of Affiliated Companies in which VIF holds more than 20 % of the Shares are as follows:

Volkswagen Overseas Finance N.V., Willemstad, Curacao (VOF)

- 100 % shareholder
- equity capital December 31, 2005 - TUSD 264
- net earnings for the year 2005 - TUSD -6
- incorporated on April 15, 1977

VOF will be liquidated during 2007.

International Insurance Service SRO, Mlada Boleslav, Czech Republic (INIS)

- 100 % shareholder
- equity capital December 31, 2005 TCZK 85.681
- net earnings for the year 2005 TCZK 19.151
- incorporated on October 14, 1993

INIS has been sold to VW Versicherungsvermittlungs- GmbH, Wolfsburg on January 1, 2007.

Additions in 2006:

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

- 100 % shareholder
- equity capital December 31, 2005 TJPY 24.444.252
- net earnings for the year 2005 TJPY 1.753.968
- incorporated on July 7, 1983

VOLKSWAGEN INTERNATIONAL FINANCE N.V.

VGJ was established as VOLKSWAGEN Asia Limited and changed its name to VGJ in September 1996. The company's business comprises the import and wholesale of VW and - since May 2002 - of Bentley models and parts and the provision of related after sales services. VGJ aims to achieve high customer satisfaction by offering high quality products and services.

VGJ is the parent company of VW Tokyo K.K. which has a sales network in the Tokyo city zone. VGJ further uses the dealer organization of Fahren Tokyo K.K. and of the Toyota Motor Company on the basis of distribution agreements. The number of certified VW and Bentley dealers in Japan amounted in 2005 to 253.

Due to the strong competition from domestic manufacturers (Toyota, Honda, Nissan and Mitsubishi) and other importers, the number of sold cars declined from 55.235 in 2004 to 53.272 in 2005.

VOLKSWAGEN SLOVAKIA a.s., Bratislava, Slovakia (VWS)

- 100 % shareholder
- equity capital December 31, 2005 TSKK 40.259
- net earnings for the year 2005 TSKK 5.211
- incorporated on December 7, 1998

VWS' business is the production of vehicles, gearboxes and components for the VW group and Porsche AG on the basis of cost-plus-agreements. VWS produced in 2005 177.502 vehicles (2004: 181.478), thereof 88.773 Polo and 81.003 Touareg models, 40.847 Porsche Cayenne car bodies for final assembly in Germany, 1.650 SKD units for assembly in the Ukraine and Bosnia-Herzegovina by third parties, 368.831 gearboxes and components and assemblies in the value of 21,7 million SKK.

The production of the Golf and SEAT Ibiza model was discontinued during 2005. At the end of 2005 the production of the AUDI Q7 has been started.

The profit-earning situation of VWS is directly influenced by the production programmes and cost-plus agreements between VWS and the VW group. The company profits from the moderate salary level and favourable tax conditions in Slovakia.

Södertälje Bil Invest AB, Södertälje, Sweden (SBI)

- 100 % shareholder
- equity capital December 31, 2005 TSEK 169.971
- net earnings for the year 2005 TSEK 49.460
- incorporated on November 14, 1997

SBI is the holding company of 100 % participations in Svenska Volkswagen AB (SVW) and Din Bil Sverige AB (DBS). SVW is active in the field of the import and sale of vehicles and spare parts of the VW group (VW passenger cars, VW commercial vehicles, AUDI, SKODA, Bentley/Lamborghini and Porsche) to dealers, major customers and leasing companies. DBS is a holding company which delivers vehicles of the VW group to the own dealer net in Sweden.

Due to the holding function SBI's earning situation depends on the situation and development of the Swedish automobile market.

VOLKSWAGEN INTERNATIONAL FINANCE N.V.

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

- 100 % shareholder
- equity capital December 31, 2005 TCZK 586.608
- net earnings for the year 2005 TCZK 165.961
- incorporated on April 1, 1998

The actual import and sales operations of IVG are founded upon business activities which Skoda Auto a.s. started as cost centre in 1991. The aim of these activities was the formation of a sales and service network and the canvassing of new customers. In 1998 SKODA's activities were transferred to IVG.

IVG conducts the import and sale of vehicles of the VW brand (passenger cars and commercial vehicles), AUDI and SEAT brand, spare parts, accessories and related products through a net of authorised and independent dealers. The sales organization of IVG is divided into 4 dealer nets which are responsible for the sales of the 4 brands. In 2005 the number of authorised dealers amounted to 59 after 56 in 2004.

Due to the strong competition in the Czech automobile market IVG delivered in 2005 18.296 vehicles to dealers (2004: 19.907). The deliveries of new passenger cars to customers increased in 2005 to 14.625 (2004: 14.572) which constituted a market share of 11,5 % (2004: 11,0 %). The deliveries of new commercial vehicles rose from 4.134 in 2004 to 4.566 in 2005 which represented a market share of 25,6 % (2004: 22,7 %).

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

- 50 % shareholder (50 % : VW AG)
- equity capital December 31, 2005 TEUR 357.282
- net earnings for the year 2005 TEUR 36.602
- incorporated on June 24, 1991

AE was established in 1991 as Joint Venture of VW AG and Ford-Werke AG to produce a multi-purpose vehicle. In 1999 VW Beteiligungs-Gesellschaft mbH (VW BG) bought Ford's participation in AE and became 50 % shareholder of AE. After merger of VW BG in VW AG AutoVision GmbH became the new owner of the 50 % share in AE. Said share has been sold by AutoVision GmbH to VIF, in connection with VWAG's contribution in kind.

AE consists mainly of a body and stamping plant, paint shop and assembly plant. In 2005, the company produced the VW model Sharan, the SEAT model Alhambra, the Ford model Galaxy and started in April 2005 the pre-series production of the new VW Eos Convertible Coupé.

In accordance with the brand specific production programmes, AE produced in 2005 79.896 vehicles, thereof 32.513 VW models, 31.972 Ford models and 14.894 SEAT models.

Fundamentally related to the change-over to the new production programme, AE executed in 2005 significant higher investments than in 2004.

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

VOLKSWAGEN INTERNATIONAL FINANCE N.V.

Note 10 Analysis of Financial Fixed Assets per 31.12.2006 – Loans with an original term of more than 4 years (Amounts in EUR) ⁽¹⁾

Start	End	Company	Balance brought Forward 1.1.2006	Additions	Reductions	Valuation Differences	Balance per 31.12.2006	Original Currency
10.06.02	11.06.07	VW Fin Japan	17.400.000,00	0,00	0,00	0,00	17.400.000,00	JPY 2.000.000.000,00
30.01.03	30.01.08	Sitech	15.750.000,00	0,00	0,00	0,00	15.750.000,00	EUR 15.750.000,00
28.02.03	28.02.08	Sitech	30.811.893,39	0,00	0,00	0,00	30.811.893,39	EUR 30.811.893,39
18.09.03	18.09.08	VCI	7.254.990,90	0,00	0,00	-756.347,95	6.498.642,95	USD 8.558.712,77
07.10.03	07.10.08	VCI	19.023.185,31	0,00	0,00	-1.983.206,79	17.039.978,52	USD 22.441.651,71
10.11.03	10.11.08	VCI	60.118.662,22	0,00	0,00	-6.267.496,05	53.851.166,17	USD 70.921.985,85
09.04.03	09.04.08	VW Fin Japan	15.532.000,00	0,00	0,00	0,00	15.532.000,00	JPY 2.000.000.000,00
05.08.03	05.08.08	VW Fin Japan	14.398.848,09	0,00	0,00	-1.654.312,31	12.744.535,78	JPY 2.000.000.000,00
20.01.03	21.01.13	VWBank Polska	7.446.016,00	0,00	0,00	0,00	7.446.016,00	PLN 30.000.000,00
31.08.04	29.11.11	VW Bank	46.253.000,00	0,00	0,00	0,00	46.253.000,00	EUR 46.253.000,00
20.04.04	20.04.09	VW Leasing	23.300.971,00	0,00	0,00	0,00	23.300.971,00	EUR 23.300.971,00
24.06.04	24.06.09	VCI	10.874.798,68	0,00	0,00	-1.133.720,47	9.741.078,21	USD 12.829.000,00
06.07.04	06.07.09	VCI	22.944.816,48	0,00	0,00	-2.392.045,03	20.552.771,45	USD 27.068.000,00
30.11.04	27.11.08	VCI	321.697.889,29	0,00	0,00	-33.537.676,72	288.160.212,57	USD 379.507.000,00
14.12.04	04.08.09	VW AG	60.442.500,00	0,00	0,00	0,00	60.442.500,00	EUR 60.442.500,00
14.12.04	28.11.11	VW AG	65.360.000,00	0,00	0,00	0,00	65.360.000,00	EUR 65.360.000,00
21.07.06	21.08.14	Driver 2	0,00	30.844.912,87	0,00	0,00	30.844.912,87	EUR 30.844.912,87
27.10.06	21.10.15	Driver 3	0,00	31.687.486,18	0,00	0,00	31.687.486,18	EUR 31.687.486,18
20.11.06	21.11.11	Vdf Dogus	0,00	10.000.000,00	0,00	0,00	10.000.000,00	EUR 10.000.000,00
		Total:	738.609.571,36	72.532.399,05	0,00	-47.724.805,32	763.417.165,09	

Notes:

⁽¹⁾ Translation see note 5 B

0.0468426.001

VOLKSWAGEN INTERNATIONAL FINANCE N.V.

Note 11 Share Capital and Capital Reserve

On December 31, 2006, the subscribed capital of the company amounted to EUR 104.370.000, of which an amount of EUR 102.855.000 was paid-up. 102.855 Registered shares of EUR 1.000 each are issued, of which 300 shares were issued in November 2006.

To the Capital Reserve of EUR 61.617.494 an amount of EUR 1.767.400.193,98 was added in 2006 by the contribution in kind of VWAG. (See note 4).

Note 12 Development of Retained Net Earnings

	<u>2006</u>	<u>2005</u>
	TEUR	TEUR
Retained net earnings January 1, 2006	3.090	12.008
Dividend paid to Shareholder	0	16.708
Net earnings current year	11.372	7.790
Retained net earnings December 31, 2006	14.462	3.090

Note 13 Analysis of Provisions and Accrued Liabilities

	Tax Accruals	Misc. Accr. Liabilities	Totals
	EUR	EUR	EUR
Balance as per December 31, 2005	227.198	198.740	425.938
Utilisation	227.198	188.060	415.258
Release	-	10.680	10.680
Addition	82.163	188.656	270.819
Balance as per December 31, 2006	82.163	188.656	270.819

NOTES TO THE PROFIT AND LOSS STATEMENT**Note 14 General Administrative Expenses**

	<u>2006</u>	<u>2005</u>
	TEUR	TEUR
1. Office expenses	274	212
2. Consulting and auditing fees	120	203
3. Personnel expenses	835	891
4. Training personnel	5	4
5. Car expenses	34	31
6. Depreciation	82	62
7. Remuneration of the board of supervisory directors	0	15
8. Travel expenses	20	26
	<hr/>	<hr/>
	1.370	1.444

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VOLKSWAGEN INTERNATIONAL FINANCE N.V.

Note 15 Personnel Expenses

	<u>2006</u>	<u>2005</u>
	EUR	EUR
1. Salaries	708.051	758.312
2. Social securities	72.589	50.879
3. Pensions	54.043	82.223
	<hr/>	<hr/>
	834.683	891.414

Note 16 Cashflow Statement

The cashflow statement has been prepared, basically applying the indirect method. Cashflows in foreign currencies have been translated at the mid-rate prevailing on the balance sheet date. For items hedged by derivatives, the cash flow has been translated at the contracted rate. Receipts and payments of interest, dividends received and corporate income tax are included in the cashflow from current business activities.

Note 17 Supervisory Board

The Supervisory Board has not received any remuneration for 2006.

Note 18 Management Board

Remuneration for 2006 of the Management Board amounts to TEUR 267.

Note 19 Labour Force

The average labour force in 2006 consisted of 4 Dutch employees, 2 German employees, 1 Czech employee and 1 Danish employee:

	MALE	FEMALE
TOTAL	4	4

Note 20 Members of the Supervisory Board

- Wolfgang Hotze, Lehre, - Chairman -
(Executive Director Taxes and Customs Volkswagen Group)
- Martinus Paul Marie van de Ven, Nieuwe Wetering
(Partner Ernst & Young)
(until September 7, 2006)

VOLKSWAGEN INTERNATIONAL FINANCE N.V.**Note 21 Members of the Management Board**

- Alwin Kleindienst, Amsterdam
- Giuseppe Savoini, Braunschweig

Note 22 Consolidated Financial Statements

Volkswagen International Finance N.V. is a wholly owned subsidiary of Volkswagen AG, Wolfsburg and is included in the Consolidated Financial Statements, which are deposited in the Wolfsburg Register of Companies.

19-02-2007

SUPPLEMENTING INFORMATION**Profit Appropriation**

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 which does not exceed the amount of the distributable reserves.

The General Meeting may resolve to pay dividends from legally distributable reserves.

Profit Distribution Proposal

Management proposes to retain the profit of the year 2006 of EUR 11.372.033 and the remaining profit of 2005 of EUR 3.089.958.

Post Balance Sheet Events

No post balance sheet events occurred.

Unqualified auditor's report

(financial statements, Part 9 of Book 2 of the Netherlands Civil Code)

To: Shareholder and directors of VOLKSWAGEN INTERNATIONAL FINANCE N.V.

AUDITOR'S REPORT**Report on the financial statements**

We have audited the accompanying financial statements of VOLKSWAGEN INTERNATIONAL FINANCE N.V. for the year ended December 31, 2006 which comprise the balance sheet as at December 31, 2006, the profit and loss account 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.

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

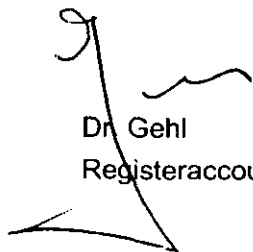
Opinion

In our opinion, the financial statements give a true and fair view of the financial position of VOLKSWAGEN INTERNATIONAL FINANCE N.V. as at December 31, 2006 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 e 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.

Amsterdam, January 22, 2007



Dr. Gehl
Registeraccountant

[Translator's notes are in square brackets]

General Engagement Terms

for

Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften

[German Public Auditors and Public Audit Firms]
as of January 1, 2002

This is an English translation of the German text, which is the sole authoritative version

1. Scope

(1) These engagement terms are applicable to contracts between Wirtschaftsprüfer (German Public Auditors) or Wirtschaftsprüfungsgesellschaften (German Public Audit Firms) (hereinafter collectively referred to as the "Wirtschaftsprüfer") and their clients for audits, consulting and other engagements to the extent that something else has not been expressly agreed to in writing or is not compulsory due to legal requirements.

(2) If, in an individual case, as an exception contractual relations have also been established between the Wirtschaftsprüfer and persons other than the client, the provisions of No. 9 below also apply to such third parties.

2. Scope and performance of the engagement

(1) Subject of the Wirtschaftsprüfer's engagement is the performance of agreed services – not a particular economic result. The engagement is performed in accordance with the Grundsätze ordnungsmäßiger Berufsausübung [Standards of Proper Professional Conduct]. The Wirtschaftsprüfer is entitled to use qualified persons to conduct the engagement.

(2) The application of foreign law requires – except for financial attestation engagements – an express written agreement.

(3) The engagement does not extend – to the extent it is not directed thereto – to an examination of the issue of whether the requirements of tax law or special regulations, such as, for example, laws on price controls, laws limiting competition and Bewirtschaftungsrecht [laws controlling certain aspects of specific business operations] were observed; the same applies to the determination as to whether subsidies, allowances or other benefits may be claimed. The performance of an engagement encompasses auditing procedures aimed at the detection of the defalcation of books and records and other irregularities only if during the conduct of audits grounds therefor arise or if this has been expressly agreed to in writing.

(4) If the legal position changes subsequent to the issuance of the final professional statement, the Wirtschaftsprüfer is not obliged to inform the client of changes or any consequences resulting therefrom.

3. The client's duty to inform

(1) The client must ensure that the Wirtschaftsprüfer – even without his special request – is provided, on a timely basis, with all supporting documents and records required for and is informed of all events and circumstances which may be significant to the performance of the engagement. This also applies to those supporting documents and records, events and circumstances which first become known during the Wirtschaftsprüfer's work

(2) Upon the Wirtschaftsprüfer's request, the client must confirm in a written statement drafted by the Wirtschaftsprüfer that the supporting documents and records and the information and explanations provided are complete.

4. Ensuring independence

The client guarantees to refrain from everything which may endanger the independence of the Wirtschaftsprüfer's staff. This particularly applies to offers of employment and offers to undertake engagements on one's own account.

5. Reporting and verbal information

If the Wirtschaftsprüfer is required to present the results of his work in writing, only that written presentation is authoritative. For audit engagements the long-form report should be submitted in writing to the extent that nothing else has been agreed to. Verbal statements and information provided by the Wirtschaftsprüfer's staff beyond the engagement agreed to are never binding.

6. Protection of the Wirtschaftsprüfer's intellectual property

The client guarantees that expert opinions, organizational charts, drafts, sketches, schedules and calculations – especially quantity and cost computations – prepared by the Wirtschaftsprüfer within the scope of the engagement will be used only for his own purposes.

7. Transmission of the Wirtschaftsprüfer's professional statement

(1) The transmission of a Wirtschaftsprüfer's professional statements (long-form reports, expert opinions and the like) to a third party requires the Wirtschaftsprüfer's written consent to the extent that the permission to transmit to a certain third party does not result from the engagement terms.

The Wirtschaftsprüfer is liable (within the limits of No. 9) towards third parties only if the prerequisites of the first sentence are given.

(2) The use of the Wirtschaftsprüfer's professional statements for promotional purposes is not permitted; an infringement entitles the Wirtschaftsprüfer to immediately cancel all engagements not yet conducted for the client.

8. Correction of deficiencies

(1) Where there are deficiencies, the client is entitled to subsequent fulfillment [of the contract]. The client may demand a reduction in fees or the cancellation of the contract only for the failure to subsequently fulfill [the contract]; if the engagement was awarded by a person carrying on a commercial business as part of that commercial business, a government-owned legal person under public law or a special government-owned fund under public law, the client may demand the cancellation of the contract only if the services rendered are of no interest to him due to the failure to subsequently fulfill [the contract]. No. 9 applies to the extent that claims for damages exist beyond this.

(2) The client must assert his claim for the correction of deficiencies in writing without delay. Claims pursuant to the first paragraph not arising from an intentional tort cease to be enforceable one year after the commencement of the statutory time limit for enforcement.

(3) Obvious deficiencies, such as typing and arithmetical errors and formelle Mängel [deficiencies associated with technicalities] contained in a Wirtschaftsprüfer's professional statements (long-form reports, expert opinions and the like) may be corrected – and also be applicable versus third parties – by the Wirtschaftsprüfer at any time. Errors which may call into question the conclusions contained in the Wirtschaftsprüfer's professional statements entitle the Wirtschaftsprüfer to withdraw – also versus third parties – such statements. In the cases noted the Wirtschaftsprüfer should first hear the client, if possible.

9. Liability

(1) The liability limitation of § ["Article"] 323 (2) ["paragraph 2"] HGB ["Handelsgesetzbuch": German Commercial Code] applies to statutory audits required by law.

(2) Liability for negligence; An individual case of damages

If neither No. 1 is applicable nor a regulation exists in an individual case, pursuant to § 54a (1) no. 2 WPO ["Wirtschaftsprüferordnung": Law regulating the Profession of Wirtschaftsprüfer] the liability of the Wirtschaftsprüfer for claims of compensatory damages of any kind – except for damages resulting from injury to life, body or health – for an individual case of damages resulting from negligence is limited to € 4 million; this also applies if liability to a person other than the client should be established. An individual case of damages also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty without taking into account whether the damages occurred in one year or in a number of successive years. In this case multiple acts or omissions of acts based on a similar source of error or on a source of error of an equivalent nature are deemed to be a uniform breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the Wirtschaftsprüfer is limited to € 5 million. The limitation to the fivefold of the minimum amount insured does not apply to compulsory audits required by law.

(3) Preclusive deadlines

A compensatory damages claim may only be lodged within a preclusive deadline of one year of the rightful claimant having become aware of the damage and of the event giving rise to the claim – at the very latest, however, within 5 years subsequent to the event giving rise to the claim. The claim expires if legal action is not taken within a six month deadline subsequent to the written refusal of acceptance of the indemnity and the client was informed of this consequence. The right to assert the bar of the preclusive deadline remains unaffected. Sentences 1 to 3 also apply to legally required audits with statutory liability limits.

10. Supplementary provisions for audit engagements

- (1) A subsequent amendment or abridgement of the financial statements or management report audited by a Wirtschaftsprüfer and accompanied by an auditor's report requires the written consent of the Wirtschaftsprüfer even if these documents are not published. If the Wirtschaftsprüfer has not issued an auditor's report, a reference to the audit conducted by the Wirtschaftsprüfer in the management report or elsewhere specified for the general public is permitted only with the Wirtschaftsprüfer's written consent and using the wording authorized by him.
- (2) If the Wirtschaftsprüfer revokes the auditor's report, it may no longer be used. If the client has already made use of the auditor's report, he must announce its revocation upon the Wirtschaftsprüfer's request.
- (3) The client has a right to 5 copies of the long-form report. Additional copies will be charged for separately.

11. Supplementary provisions for assistance with tax matters

- (1) When advising on an individual tax issue as well as when furnishing continuous tax advice, the Wirtschaftsprüfer is entitled to assume that the facts provided by the client – especially numerical disclosures – are correct and complete; this also applies to bookkeeping engagements. Nevertheless, he is obliged to inform the client of any errors he has discovered.
- (2) The tax consulting engagement does not encompass procedures required to meet deadlines, unless the Wirtschaftsprüfer has explicitly accepted the engagement for this. In this event the client must provide the Wirtschaftsprüfer, on a timely basis, all supporting documents and records – especially tax assessments – material to meeting the deadlines, so that the Wirtschaftsprüfer has an appropriate time period available to work therewith.
- (3) In the absence of other written agreements, continuous tax advice encompasses the following work during the contract period:
 - a) preparation of annual tax returns for income tax, corporation tax and business tax, as well as net worth tax returns on the basis of the annual financial statements and other schedules and evidence required for tax purposes to be submitted by the client
 - b) examination of tax assessments in relation to the taxes mentioned in (a)
 - c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)
 - d) participation in tax audits and evaluation of the results of tax audits with respect to the taxes mentioned in (a)
 - e) participation in Einspruchs- und Beschwerdeverfahren [appeals and complaint procedures] with respect to the taxes mentioned in (a).

In the afore-mentioned work the Wirtschaftsprüfer takes material published legal decisions and administrative interpretations into account.

- (4) If the Wirtschaftsprüfer receives a fixed fee for continuous tax advice, in the absence of other written agreements the work mentioned under paragraph 3 (d) and (e) will be charged separately.
- (5) Services with respect to special individual issues for income tax, corporate tax, business tax, valuation procedures for property and net worth taxation, and net worth tax as well as all issues in relation to sales tax, wages tax, other taxes and dues require a special engagement. This also applies to:
 - a) the treatment of nonrecurring tax matters, e. g. in the field of estate tax, capital transactions tax, real estate acquisition tax
 - b) participation and representation in proceedings before tax and administrative courts and in criminal proceedings with respect to taxes, and
 - c) the granting of advice and work with respect to expert opinions in connection with conversions of legal form, mergers, capital increases and reductions, financial reorganizations, admission and retirement of partners or shareholders, sale of a business, liquidations and the like.

(6) To the extent that the annual sales tax return is accepted as additional work, this does not include the review of any special accounting prerequisites nor of the issue as to whether all potential legal sales tax reductions have been claimed. No guarantee is assumed for the completeness of the supporting documents and records to validate the deduction of the input tax credit.

12. Confidentiality towards third parties and data security

- (1) Pursuant to the law the Wirtschaftsprüfer is obliged to treat all facts that he comes to know in connection with his work as confidential, irrespective of whether these concern the client himself or his business associations, unless the client releases him from this obligation.
- (2) The Wirtschaftsprüfer may only release long-form reports, expert opinions and other written statements on the results of his work to third parties with the consent of his client.
- (3) The Wirtschaftsprüfer is entitled – within the purposes stipulated by the client – to process personal data entrusted to him or allow them to be processed by third parties.

13. Default of acceptance and lack of cooperation on the part of the client

If the client defaults in accepting the services offered by the Wirtschaftsprüfer or if the client does not provide the assistance incumbent on him pursuant to No. 3 or otherwise, the Wirtschaftsprüfer is entitled to cancel the contract immediately. The Wirtschaftsprüfer's right to compensation for additional expenses as well as for damages caused by the default or the lack of assistance is not affected, even if the Wirtschaftsprüfer does not exercise his right to cancel.

14. Remuneration

- (1) In addition to his claims for fees or remuneration, the Wirtschaftsprüfer is entitled to reimbursement of his outlays: sales tax will be billed separately. He may claim appropriate advances for remuneration and reimbursement of outlays and make the rendering of his services dependent upon the complete satisfaction of his claims. Multiple clients awarding engagements are jointly and severally liable.
- (2) Any set off against the Wirtschaftsprüfer's claims for remuneration and reimbursement of outlays is permitted only for undisputed claims or claims determined to be legally valid.

15. Retention and return of supporting documentation and records

- (1) The Wirtschaftsprüfer retains, for seven years, the supporting documents and records in connection with the completion of the engagement – that had been provided to him and that he has prepared himself – as well as the correspondence with respect to the engagement.
- (2) After the settlement of his claims arising from the engagement, the Wirtschaftsprüfer, upon the request of the client, must return all supporting documents and records obtained from him or for him by reason of his work on the engagement. This does not, however, apply to correspondence exchanged between the Wirtschaftsprüfer and his client and to any documents of which the client already has the original or a copy. The Wirtschaftsprüfer may prepare and retain copies or photocopies of supporting documents and records which he returns to the client.

16. Applicable law

Only German law applies to the engagement, its conduct and any claims arising therefrom.

Special Conditions

governing the Raising of the Limit of Liability defined
in the General Terms of Engagement for
Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften
as amended January 1, 2001

Instead of the lower liability limit for single cases defined in section 9 (2) of the enclosed General Terms of Engagement a uniform limit of Euro 10 million shall apply.

Where the Client is of the opinion that the engagement involves a risk significantly in excess of Euro 10 million, we are prepared to raise the limit on our liability to a reasonable amount in exchange for an adequate increase in our fees, provided that insurance cover can be obtained.

The above shall not apply where a higher or lower limit on liability for professional services is prescribed by law, e.g. for a statutory audit.

Where a loss is due to several causes, we shall be liable only if our negligence or the negligence of our staff has contributed to the loss, and only for the proportion of the loss corresponding to the extent of such contribution, subject to the agreed limit on our liability; this provision shall apply in particular to all engagements to be performed jointly with other members of the profession.

In addition to section 7 (1) of the General Terms of Engagement we point out that a limitation of our liability agreed with our client will also apply to any third party who is affected by the engagement.

Exclusive place of jurisdiction for any action or other legal proceedings arising out of or in connection with this engagement shall be the court competent for the office in charge for this engagement.