# Volkswagen Coaching GmbH

Wolfsburg

Annual Report as of 31 December 2010

and Management Report for the financial year 2010

Auditors' Report

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**Volkswagen Coaching Gesellschaft mbH, Wolfsburg**

## Management Report for the financial year 2010

### 1 General Information

The company was set up on 8 December 1994 with adoption of the contract of association and on 30 December 1994 entered in the commercial register of the local court of Wolfsburg under HRB 877. From 1 August 2005 onwards the register was maintained under the name of the commercial register of the local court of Braunschweig under HRB 100261. Sole shareholder is VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg (VW AG). On 3 February 2004 a domination and profit and loss transfer agreement with VW AG was concluded with effect from 1 January 2004. The company is a non-consolidated subsidiary of VW AG, whose consolidated financial statements are filed with the operator of the electronic Federal Gazette.

Subject of the company is the scheduling, the purchase, the performance and commercialization of qualification of services, especially the qualification of members of staff of establishments and individual persons. At the same time, prospects of employment including business start-ups are to be revealed, innovative business activities in the branch of production and service industry are to be attempted and advice and support is to be given to employment initiatives.

VW CG holds 100% of the shares in each, Volkswagen Qualifizierungsgesellschaft mbH, Wolfsburg and Volkswagen- Bildungsinstitut GmbH, Zwickau, with which domination and profit and loss transfer agreements were concluded with effect from 1 January 2007.

### 2 Business Development 2010

Because of the continuing repositioning and restructuring of the business segments, the intended reduction of the volume of orders of VW AG for general personnel training measures could be partly compensated. For the further training the brand VW PKW has again allocated an additional, central, appropriated and division-neutral budget. In the recent financial year systematic staff and competence development as well as the introduction of new technology, especially launches of new models by VW, could be supported purposefully with the authorized project funds, too. The volume of classic qualification measures, such as seminars and training courses, was reduced by 6% to 1,389 thousand attendee lessons (previous year: 1,483 thousand attendee lessons).

The aggregate turnovers of the segment further training and the segment management- and talent programmes remain slightly beneath the previous maximum value of the business year 2009. In 2009 the qualification in the profession families of Volkswagen has been successfully driven forward after the foundation of academies in the tool manufacture of Wolfsburg and Braunschweig, as well as in the sourcing. In 2010 the basis for the foundation of more than ten other academies has been established, among others e-traction, paint shop and sales/trading. The trend towards qualification offers, which are tailored to customers' requirements individually continued. The expenses associated therewith were compensated by increased efficiency and quality. Stable margins were generated in these divisions once more.

The project of competence orientation in vocational training established a competence-based training model in the field of vocational training at VW CG, which fulfils the need of young specialists permanently and assures a high quality right from the beginning of vocational training at Volkswagen. For the time being this project covers the five core occupations, such as industrial mechanic, toolmaker, electronic technician for automation, automotive mechatronic engineer and mechatronic engineer. For this purpose competence standards have been set down across all locations specifying curricular and operational minimum requirements. Intended to document, test and certificate competencies in the vocational training, methods were developed, tested and implemented. The competence-orientated vocational training on the basis of minimum standards will be continued with the professions warehouse logistics specialists, merchant for office communication and cutting machine operator and will then be gradually introduced to all training occupations at Volkswagen.

As a first step, groups of professionals were built for the five named core occupations. Groups of professionals are composed of specialists for each core occupation from all locations. The aim of the groups of professionals is to implement agreed standards quickly and efficiently and to improve them continuously.

For 1,255 trainees at VW CG the vocational training came to a successful end and they were recruited with a permanent contract with VW AG. With effect from 1 September 2010 1,273 trainees were hired, 217 of those within the “Studium im Praxisverbund” (STIP) programme. The participants of the programme STIP complete their university education within the average duration of 7 semesters and obtain a certificate of proficiency at the same time. At year-end, 4,200 trainees at VW AG were participating in an initial vocational training, 584 of them being participants of programme STIP.

For trainees of Auto Vision GmbH the vocational training ended with the winter examination 2009/10. As scheduled for the business year 2010, Auto Vision GmbH did not pass the vocational training of further trainees on to VW CG.

As of 31 December 2010 VW CG had 676 employees of VW AG in the context of intra-corporate hiring out of labour. In addition the company engaged practice-learners, retrainees, workers of job-creating measures, volunteers, degree candidates and interns on short term.

The need to revaluate the subsidiaries public fund projects has been recognised by the managing directors of the company in the second quarter of 2011. Balance-sheet provisions were made, the investigations are still in progress. There were no reportable events of material significance after 31 December 2010.

## 3 Position of the company

### 3.1 Net Assets and Financial Positions

VW CG made use of the possibility for balancing and netted out claims against VW AG arising from cash-pool credit balance (€ 16.6 million) with liabilities out of profit transfer (€ 7.9 million incl. tax allocation). Due to that the balance sheet total fell from € 28.0 million to € 20.1 million. In the previous year offsetting reached the amount of € 11.9 million.

Within the reporting year the balance sheet total of the VW CG was increased by 5.5% to € 20.1 million. With € 0.9 million the fixed assets increased by € 0.1 million compared to 31 December 2009. Receivables from affiliated companies have a 90.0% share of the balance sheet total and thus illustrate the substantial interconnections in services with affiliated companies, in particular with VW AG. Liquid assets plus cash-equivalent receivables cover the entire debt to 128.7%. Because of the higher balance sheet volume the equity ratio fell from 28.2% to 26.7% on the balance sheet date. At year-end the provisions were 5.8% higher than previous year and increased to € 12.0 million.

The financial position of the company, taking into account the inclusion in the VW group, is in good order. VW CG is included into the cash-pooling of VW AG.

### 3.2 Results of Operations

The high demand for systematic human resources and competence development by Volkswagen had a significant effect on the economic outturn account, because the demand resulted in consequent profit contribution and a distinctive cost discipline. The result generated in ordinary business operations fell compared to the prior financial year 2009 by 33.4%, amounting to € 8.0 million in the reporting year.

In the business year 2010 sales revenues of VW CG decreased by 2.5% to € 123.4 million. The budget of order with € 39.8 million is as scheduled 3.8% under the comparable prior year figure of € 41.4 million. Third-party revenues (outside of budget of order) with VW AG remain unchanged compared to the prior year of € 71.3 million. As such, VW AG accounted a sales volume of € 111.1 million (prior year € 112.6 million), which accounts for 90.0% (prior year 88.9%) of the aggregate turnover.

The other sales revenues, of € 12.3 million, are € 1.7 million below the previous year’s level, of which group entities account for 57.9% (without VW AG). Despite of modest human resources, external requests/demands outside of VW AG could still be served in order to optimize existing resources.

The other operating income includes income relating to other periods from the reversal of provisions (€ 2.0 million; prior year € 1.6 million), which had a positive effect on the result. The other operating expenses comprise primarily the charges of the shareholder and decreased by 3.0% compared to the prior year to € 115.1 million. This decrease results mainly from the separate statement of material costs (€ 4.3 million) for the first time. Adjusted for this effect, this item is at the level of the prior year (+ 0.6%).

Because of the expected stagnating sales revenues in technical service and due to expected increase of fixed costs, it is necessary to maintain provisions in the vocational training for anticipated losses.

The result generated, of € 5.7 million (prior year € 8.6 million), was negatively influenced by the negative result of the domination and profit and loss transfer agreements in particular, which account for € -0.7 million (prior year € 0.9 million). The result is transferred to the shareholder under the profit and loss transfer agreement.

## 4 Risks

No specific risks endangering the continued existence have been identified. Due to the strong interconnection, the development of VW CG depends primarily on the development of VW AG. Because of their influence on fixed costs, interim reductions of the order volume for general training measures may have a reducing impact on the profit or loss. The development of the education market in Germany does not have a significant impact on sales and profit of VW CG.

As a result of the inclusion in the cash-pool of VW AG, the company has enough liquid funds available (€ 16.6 million at effective date, € 25.6 million in the previous year).

## 5 Expected Development

Pursuant to the sustainable establishment of division-neutral and independent economic conditioned financial resources at VW AG, which ensure minimum standards for competencies of the staff, capacity utilization in the segment of vocational training and qualification measures is guaranteed.

The budget of order in the business year 2011 amounts to € 39.7 million (effective December 2011), of this € 29.8 million relate to the vocational training. For the year 2012 the budget is expected to remain likewise.

The development of competencies is one of the core topics of VW CG. Within the scope of the profession families and competence profiles, work-related qualifications will further arise. In the qualifications the specialists of segments or profession families are to take an active role. Because of this new orientation at Volkswagen, the role of VW CG is going to change by further extending its professionality and knowledge leadership. By this means the limited human resources are tied up. That is why a reduction of third-party revenues is expected once again. On the other hand the close cooperation provides new opportunities to increase revenues based on offers of qualification measures that are to be developed.

Taking into account the shortages imposed by VW AG under the programme “Mach 18 plus” (their strategy programme until 2018), VW CG plans sales revenues of € 121.8 million and a result generated in ordinary business operations of € 9.9 million for the business year 2011. For the year 2012 sales revenues of € 123.3 million are expected and a result generated in ordinary business operations of € 10.5 million.

### Disclaimer

The management report contains forward-looking statements relating to anticipated developments. These statements are based on current assessments and are by their very nature subject to risks and uncertainties. Actual outcomes may differ from those predicted in these statements.

**Wolfsburg, January 27, 2011/May 27, 2011**

**Ralph Linde**

**Jürgen Haase**

# Annual Report for the financial year
# from 1 January to 31 December 2010

**Volkswagen Coaching Gesellschaft mbH, Wolfsburg**

## Balance Sheet as of 31 December 2010

### Assets

| | 31.12.2010<br>€ | 31.12.2009<br>€ |
|---|---|---|
| **A. Fixed Assets** | | |
| I. Intangible assets | 6,177.00 | 0.00 |
| II. Tangible assets | 661,876.00 | 538,735.00 |
| III. Long-term financial assets | 268,433.00 | 268,433.00 |
| | **936,486.00** | **807,168.00** |
| **B. Current assets** | | |
| I. Inventories | | |
| 1. Consumables and supplies | 179,669.61 | 153,087.20 |
| 2. Work in progress | 6,117.00 | 19,569.00 |
| 3. Purchased merchandise | 3,172.27 | 25,168.54 |
| | 188,958.88 | 197,824.74 |
| II. Receivables and other assets | | |
| 1. Trade receivables | 544,908.36 | 604,275.43 |
| 2. Receivables from affiliated companies | 18,120,287.96 | 16,942,888.38 |
| 3. Other assets | 324,121.78 | 469,997.22 |
| | 18,989,318.10 | 18,017,161.03 |
| III. Cash-in-hand and bank balances | 8,753.45 | 2,200.23 |
| | **19,187,030.43** | **18,217,186.00** |
| **C. Prepaid expenses** | **2,268.00** | **43,523.76** |
| | **20,125,784.43** | **19,067,877.76** |

**Equities and liabilities**

| | 31.12.2010<br>€ | 31.12.2009<br>€ |
|---|---|---|
| **A. Equity** | | |
| I. Subscribed capital | 5,115,000.00 | 5,115,000.00 |
| II. Capital reserves | 253,650.00 | 253,650.00 |
| | **5,368,650.00** | **5,368,650.00** |
| **B. Provisions** | | |
| Other provisions | **11,980,990.00** | **11,322,000.00** |
| **C. Liabilities** | | |
| 1. Trade payables | 762,520.78 | 1,075,849.43 |
| 2. Liabilities to affiliated companies | 1,057,027.71 | 138,645.30 |
| 3. Other liabilities | 5,661.63 | 10,279.42 |
| (thereof taxes € 4,308.30; previous year: € 4,852.66)<br>(social security € 411.53; previous year: € 660.52) | | |
| | **1,825,210.12** | **1,224,774.15** |
| **D. Deferred income** | **950,934.31** | **1,152,453.61** |
| | **20,125,784.43** | **19,067,877.76** |

**Volkswagen Coaching Gesellschaft mbH, Wolfsburg**

## Income Statement for the period 1 January to 31 December 2010

| | **2010**<br>**€** | **2009**<br>**€** |
|---|---|---|
| 1. Sales | 123,440,110.72 | 126,606,827.52 |
| 2. Changes in inventories of the raw materials | -13,452.00 | -30,395.00 |
| 3. Other own work capitalized | 28,875.00 | 7,875.00 |
| 4. Other operating income<br>(thereof the currency translation € 1,508.80; previous year: € 8,103.70) | 5,303,685.18 | 3,654,726.35 |
| 5. Cost of materials | 4,282,798.81 | 0.00 |
| 6. Personnel expenses | 609,717.09 | 607,206.28 |
| 7. Amortization and depreciation of fixed intangible and tangible assets | 208,980.89 | 197,265.72 |
| 8. Other operating expenses<br>(thereof the currency translation € 331.01; previous year: € 8,043.53) | 115,074,230.63 | 118,598,771.04 |
| 9. Income from profit and loss transfer agreements | 244,845.95 | 948,918.59 |
| 10. Cost of loss absorption | 967,080.90 | 0.00 |
| 11. Other interest and similar income<br>(thereof from affiliated companies € 105,469.53; previous year: € 172,145.36) | 105,469.53 | 172,145.36 |
| **12. Profit or loss of the normal course of business** | **7,966,726.06** | **11,956,854.78** |
| 13. Income tax income/expenses<br>(debited to the controlling company) | 2,196,000.00 | 3,373,600.00 |
| 14. Other taxes | 27,009.79 | 25,825.14 |
| 15. Expenses due to a profit and loss transfer agreement | 5,743,716.27 | 8,557,429.64 |
| **16. Net income for the year** | **0.00** | **0.00** |

**Volkswagen Coaching Gesellschaft mbH, Wolfsburg**

# Notes to the Financial Statement

## Basis of representation

A domination and profit and loss transfer agreement is in place between VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg (VW AG) as the dominating company and Volkswagen Coaching GmbH (VW CG) as its subsidiary, which is not consolidated in the group accounts of VW AG.

VW CG holds 100% of the shares in each, Volkswagen Qualifizierungsgesellschaft mbH, Wolfsburg and Volkswagen-Bildungsinstitut GmbH, Zwickau, with which domination and profit and loss transfer agreements are in place.

With VW AG as the sole shareholder there is a group relationship for the purposes of value added tax, corporation and trade tax. The controlling company levies corresponding fees at the corporation in the form of charges and credits.

## Accounting policies

The annual report for the business year 2010 was drawn up according to the rules of the commercial code for large companies as well as the additional rules of the German Limited Liability Companies Act (GmbHG).

For the income statement the cost-categories-oriented format has been applied.

The changes in accounting and valuation due to the German Accounting Law Modernization Act (BilMoG) were applied for the first time from 1 January 2010 onwards. In doing so, prior year figures did not change.

Compared to the previous year the valuation methods have only changed with such amendments as are required by the BilMoG. Changes made in the presentation are listed in the explanatory notes on both the balance sheet and the income statement.

The intangible and tangible assets are accounted for at costs of acquisition and production less depreciation and amortization. Intangible assets have been depreciated on a linear basis. The declining balance depreciations (for acquisitions until 31.12.2007 and additions in 2009) or linear depreciations (for additions in 2008 as well as of 01.01.2010), which are carried out as planned on the tangible assets, are based on customary terms of use approved for tax purposes. A change from the declining balance method to the linear method is carried out as scheduled once this leads to higher depreciation and amortization. Additions are depreciated in line with tax rules pro rata temporis.

Low value assets in the acquisition year 2009 worth more than € 150.00 and less than € 1,000.00 were written down as a collective item and have been depreciated over five years on a linear basis.

Assets within the financial assets are accounted for at the costs of acquisition.

The commodities are also accounted for at the costs of acquisition or as lower replacement costs. Modest write-downs are made for a decline in value on an individual basis. The works in progress are carried at costs retroactively and with a depreciation of profit margin.

Receivables and other assets are deducted at nominal value. General risks are taken into account by value adjustment.

Prepaid expenses are built for costs in the business year, expressing expenses in the following year.

Provisions take account of all uncertain debt, losses and risks identified by the balance sheet reference date. The provisions are booked as liabilities at the fulfilment value estimated reasonably based on commercial evaluation.

Liabilities were booked as liabilities at the fulfilment value.

The deferred income contains income paid in advance, which are to be received as income in a specific time duration after the balance sheet reference date.

Foreign currency transactions are converted based on exchange rates at the reporting date. At the accounts date, a conversion is made based on the average spot exchange rate.

Due to the existing profit and loss transfer agreement deferred taxes are accounted for at VW AG as the dominating entity.

## Explanatory notes on the balance sheet

### 1 Fixed assets

The classification of the assets combined in the balance sheet and their change during the year, as well as the overview of participations are shown in the enclosure of the notes to the financial statement.

The equity accounted for in the financial assets of the shareholdings in both Volkswagen Qualifizierungsgesellschaft mbH, Wolfsburg and Volkswagen-Bildungsinstitut GmbH, Zwickau, amounts to T€ 503 and T€ 256 respectively and is thus unchanged to the prior year. Because of the domination and profit and loss transfer agreements with those two companies, the specification of results was waived.

## 2 Receivables and other assets

At the year-end 2010 receivables from affiliated companies, coming in at T€ 18,120 (previous year: T€ 16,943), were accounted for by the company with T€ 15,570 (previous year: T € 14,557) and result from:

| | 31.12.2010 | | 31.12.2009 | |
|---|---|---|---|---|
| | T€ | T€ | T€ | T€ |
| Trade | | | | |
| Trade receivables | 6,916 | | 383 | |
| Trade payables | -554 | | -49 | |
| | | **6,362** | | **334** |
| Other | | | | |
| Receivables from the cash-pool | 16,603 | | 25,625 | |
| Tax claim (value added tax) | 545 | | 528 | |
| Remaining other receivables | 0 | | 1 | |
| Liabilities related to the profit transfer (incl. distribution of the tax burden) | -7,940 | | -11,931 | |
| | | **9,208** | | **14,223** |
| | | **15,570** | | **14,557** |

The other assets include but are not limited to receivables from funding providers of T€ 163 (previous year: T€ 350) and input tax revisions (European states) of T€ 114 (previous year: T€ 80).

The accounted receivables have a residual term of less than a year.

## 3 Equity

The share capital of € 5,115,000.00 and the capital reserves of € 253,650.00 form the equity of the company. Sole shareholder is VW AG.

## 4 Other Provisions

| | 31.12.2010 | | 31.12.2009 | |
|---|---|---|---|---|
| | T€ | T€ | T€ | T€ |
| Provisions for personnel expenses | 4,045 | | 4,077 | |
| *thereof for personnel secondment* | *4,016* | | *4,055* | |
| Provisions for outstanding statements of accounts | 3,666 | | 2,375 | |
| Remaining provisions | 4,270 | | 4,870 | |
| **Other provisions** | | **11,981** | | **11,322** |
| | | **11,981** | | **11,322** |

## 5 Liabilities

The complete liabilities have a residual term of up to one year.

After the netting with the receivables, liabilities towards the shareholder do not exist on the balance sheet reference date.

## 6 Deferred income items

This item affects the shareholder in the amount of T€ 459 (previous year: T€ 119). The distinction to funding providers amounts to T€ 492 (previous year: T€ 1,034).

**Other financial liabilities** consist of lease agreements for buildings of the parent entity in the amount of € 9.2 million in 2011. Liabilities from other leases of buildings amount to € 0.3 million in 2011.

## Explanatory notes on the income statement

## 7 Sales revenue

| | **2010**<br>**Mio. €** | **2009**<br>**Mio. €** |
|---|---|---|
| Training and professional development | 110.9 | 115.1 |
| Project management and Methodology | 1.4 | 1.2 |
| Other | 11.1 | 10.4 |
| **Total** | **123.4** | **126.6** |

Domestic sales revenues amount to € 119.9 million (previous year: € 124.3 million). € 111.1 million = 90.0% (previous year: € 112.6 million = 88.9%) of the sales revenues were generated with the shareholder.

## 8 Other operating income

The other operating income includes prior-period income from the realisation of provisions in the amount of T€ 2,015 (previous year: T€ 1,644). In addition the income here mainly comprises economical funding providers (T€ 3,232; previous year: T€ 1,929).

## 9 Cost of materials

The cost of material include expenses for consumables and supplies in the context of technical services in the vocational training and consumed kitchen goods in “House Rhode”. They were accounted for as other operating expenses in the prior year. In this respect, the items are not comparable.

## 10 Personnel expenses

This item includes salaries of T€ 492 (previous year: T€ 483) and social security, pension and other benefit cost of T€ 118 (previous year: T€ 124).

In the business year 2010 the company employed 48 own staff members in average (49 in prior year) in labour market projects. The permanent staff is lent by the parent entity. In the context oft this intra-corporate hiring the company employed 676 people in average on a temporary basis (previous year: 669).

## 11 Other operating expenses

Other operating expenses mainly consist of the charges of the shareholder in the total amount of € 79.9 million (thereof € 53.6 million for personnel secondment, € 7.7 million for leases of buildings (previous year: € 72.5 million; € 51.1 million and € 7.7 million)). Expenses for fee workers amount to € 25.4 million (previous year: € 27.5 million).

## 12 Income from profit and loss transfer agreements

The income from profit and loss transfer agreements (incl. tax levies) amounts to T€ -722 (previous year: T€ 949) and T€ 245 (previous year: T€ 456) in relation to Volkswagen-Bildungsinstitut GmbH and up to T€ –967 (previous year: T€ 493) in relation to Volkswagen Qualifizierungsgesellschaft mbH.

## 13 Net interest income

The interest revenues mainly concern cash investments under the cash-pool process at the parent entity as an associated company and come up to T€ 105 (previous year: T€ 172) with an average interest rate of 0.4% (previous year: 0.6%).

## 14 Taxes on income and expense

This item contains tax compensations relating to the profit and loss transfer agreement with VW AG.

## Other disclosures

Volkswagen Coaching Gesellschaft mbH, Wolfsburg (VW CG) is an affiliated company of VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg (VW AG). The consolidated financial statements of VW AG is filed with the electronic Federal Gazette.

All services of the VW CG with related companies and persons are charged at customary market terms.

The total billed remuneration of the auditor for the business year 2010 is listed in the group accounts of VW CG.

**Managing Director**

Ralph Linde (spokesman)

Segment: Administration, Personnel- and Competency Development, Management- und Talent-Programmes

Jürgen Haase

Segment: Vocational Training and Professional Development

The managing directors do not receive any remunerations from the company.

**Supervisory board**

In the reporting year the supervisory board consisted of the following members:

Prof. Dr. Horst Neumann

Member of the Management Board of VW AG

Chairman of the board

Bernd Osterloh

Chairman of the General and Group Works Council of VW AG

Vice chairman

Uwe Fritsch

Chairman of the General Works Council of VW AG, Braunschweig

Peter Jacobs

Chairman of the General Works Council of VW AG, Emden

Prof Dr Werner Neubauer

Member of the Brand Management Board of VW AG

Gerardo Scarpino

Member of General Works Council of VW AG, Wolfsburg

Thomas Sigi

Member of the Management Board of AUDI AG (from 01.10.2010)

Dr Werner Widuckel

Member of the Management Board of AUDI AG (until 30.09.2010)

The members of the supervisory board do not receive any remunerations from the company.

**Wolfsburg, January 27, 2011/May 27, 2011**

**Ralph Linde**

**Jürgen Haase**

## Statement of changes in fixed assets for the financial year 2010

**Volkswagen Coaching Gesellschaft mbH, Wolfsburg**

## Statement of changes in fixed assets for the financial year 2010

| | Historical costs | | | |
|---|---|---|---|---|
| | 01.01.2010 | Additions | Disposals | 31.12.2010 |
| | € | € | € | € |
| **I. Intangible assets** | | | | |
| Concessions, industrial and similar rights and assets, and licenses in such rights and assets | 261,977.48 | 9,400.00 | 136,770.58 | 134,606.90 |
| **II. Tangible assets** | | | | |
| Other equipment, operating and office equipment | | | | |
| a) Operating and office equipment | 468,285.59 | 0.00 | 4,943.49 | 463,342.10 |
| b) Company cars | 1,721,853.88 | 328,898.89 | 14,116.15 | 2,036,636.62 |
| c) low value fixed assets | 210.08 | 0.00 | 0.00 | 210.08 |
| | 2,190,349.55 | 328,898.89 | 19,059.64 | 2,500,188.80 |
| **III. Long- term financial assets** | | | | |
| Shares in affiliated companies | 268,433.00 | 0.00 | 0.00 | 268,433.00 |
| | **2,720,760.03** | **338,298.89** | **155,830.22** | **2,903,228.70** |

| Cumulative depreciation, amortization and write- downs | | | | Carrying amounts | |
|---|---|---|---|---|---|
| **01.01.2010** | **Additions** | **Disposals** | **31.12.2010** | **31.12.2010** | **31.12.2009** |
| **€** | **€** | **€** | **€** | **€** | **€** |
| 261,977.48 | 3,223.00 | 136,770.58 | 128,429.90 | 6,177.00 | 0.00 |
| 392,705.59 | 12,867.00 | 4,943.49 | 400,629.10 | 62,713.00 | 75,580.00 |
| 1,258,866.88 | 192,848.89 | 14,116.15 | 1,437,599.62 | 599,037.00 | 462,987.00 |
| 42.08 | 42.00 | 0.00 | 84.08 | 126.00 | 168.00 |
| 1,651,614.55 | 205,757.89 | 19,059.64 | 1,838,312.80 | 661,876.00 | 538,735.00 |
| 0.00 | 0.00 | 0.00 | 0.00 | 268,433.00 | 268,433.00 |
| **1,913,592.03** | **208,980.89** | **155,830.22** | **1,966,742.70** | **936,486.00** | **807,168.00** |

# Composition and development of the Long-term financial assets for the financial year 2010

**Volkswagen Coaching Gesellschaft mbH, Wolfsburg**

## Composition and development of the Long-term financial assets for the financial year 2010

| | Share | Share capital 31.12.2010<br>€ | Net assets 31.12.2010<br>€ | Net income for the year 2010<br>€ |
|---|---|---|---|---|
| **Long- term financial assets** | | | | |
| **Shares in affiliated companies in the inland** | | | | |
| Volkswagen Qualifizierungsgesellschaft mbH, Wolfsburg | 100% | 25,000.00 | 502,938.35 | 0.00 |
| Volkswagen-Bildungsinstitut GmbH, Zwickau | 100% | 255,650.00 | 255,650.00 | 0.00 |
| | | | | |

| Asset cost | | | | amortiza-tion and deprecia-tion | Amortised costs | |
|---|---|---|---|---|---|---|
| **01.01.2010**<br><br>**€** | **Additions**<br><br>**€** | **Disposals**<br><br>**€** | **31.12.2010**<br><br>**€** | **01.01.2010/ 31.12.2010**<br>**€** | **31.12.2010**<br><br>**€** | **31.12.2009**<br><br>**€** |
| 12,783.00 | 0.00 | 0.00 | 12,783.00 | 0.00 | 12,783.00 | 12,783.00 |
| 255,650.00 | 0.00 | 0.00 | 255,650.00 | 0.00 | 255,650.00 | 255,650.00 |
| **268,433.00** | **0.00** | **0.00** | **268,433.00** | **0.00** | **268,433.00** | **268,433.00** |

## Auditors' Report

We have audited the annual report – comprising the balance sheet, income statement and the notes – among the accounting and management report of Volkswagen Coaching Gesellschaft mbH, Wolfsburg, for the business year from 1 January to 31 December 2010. The accounting and the preparation of the annual and management report in accordance with the German Commercial code (HGB) and the additional requirements of the articles of association are the responsibility of the managing directors of the company. Our responsibility is to express an opinion on the annual and management report based on our audit, while taking into account the accounting.

We conducted our audit of the annual report in accordance with Section 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany, IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual report in accordance with the applicable financial reporting framework and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting policies and significant estimates made by the managing directors, as well as evaluating the overall presentation of the annual and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based upon the findings of our audit, the annual report complies with the legal regulations and gives a true and fair view on the net assets, financial position and results of operation of the group in accordance with these requirements. The management report is consistent with the annual report and as a whole provides a suitable view of the group's position and suitably presents the opportunities and risks of future development.

**Hannover, January 28, 2011/July 13, 2011**

PricewaterhouseCoopers

AKTIENGESELLSCHAFT

Wirtschaftsprüfungsgesellschaft

Martin Schröder, Wirtschaftsprüfer

ppa. Jan Seiffert, Wirtschaftsprüfer