

MATTHIAS MÜLLER

CHAIRMAN OF THE BOARD OF MANAGEMENT

Ms. Elżbieta Bieńkowska
Member of the European Commission
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1049 Brussels
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11. Mai 2016

Dear Ms. Bieńkowska,

Thank you very much for your letter of 15 January. After the fruitful discussion that we subsequently held in Brussels on 21 January, I would like to refer to your questions.

The recall of affected vehicles in all EU Member States continues. On 3 May, the adjustment of the Golf 2.0 liter started following KBA approval. After the recall, legal emission limits will be complied with. At the same time, CO2 and fuel consumption values, noise levels and driving conditions will remain constant, as verified by the KBA. We expect no effects on resale value. Customers in all EU Member States have been contacted and will at a certain time be asked to make an appointment with a workshop.

In Europe, the technical measures require only short workshop visits free of charge for customers. All customers will be offered appropriate replacement mobility options free of charge. As the vehicles in the EU will be technically flawless after successful retrofitting and will comply with all regulatory standards, no basis for further compensation exists. In the United States and Canada however, modification of the vehicles is likely to be much more complex. This is, inter alia, due to the respective legal framework.

With regard to your questions please note that the most affected EU markets are: Germany (2.6 million vehicles), the UK (1.2 mio.), France (1 mio.), Spain (680.000), Italy (650.000) and Belgium (400.000). Of the 8.5 mio. affected vehicles in Europe sold from 2008, the majority (ca. 7.6 mio.) was sold between 2009 and 2014. In the EU, ca. 500.000 EU3/EU4 and 8 mio. EU5 vehicles are affected. Across the brands, the EU figure includes 4.17 mio. VW vehicles, 500.000 VW Commercial Vehicles, 2.15 mio. AUDI, 1 mio. Škoda and 650.000 SEAT vehicles. These figures are known since autumn 2015 and haven't changed since then.

As you may be aware, two weeks ago, the Volkswagen Group presented its annual balance. Although the Group's business year 2015 was quite successful, the repercussions of the Diesel issue have had a substantial effect. It led overall to exceptional charges of 16.2 billion Euros in the past fiscal year, which is why our operating result declined sharply to minus €4.1 billion. We are confident, that we will be able to shoulder this burden. 2016 will be a year of transition for Volkswagen. It will also be the year in which we accelerate the transformation and lay the foundations for a new, a better Volkswagen.

I am looking forward to our further dialog and I remain at your disposal.

Yours sincerely



Matthias Müller
Chairman of the Board of Volkswagen AG

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Mr. Miguel Arias Canete, Commissioner of the European Commission
Mr. Günther Oettinger, Commissioner of the European Commission