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The VW Emissions Fraud

Volkswagen's Strategy 2018:

- Growth plan aimed to make VW the biggest and most profitable carmaker in the world by 2018
- Key was promotion of diesel vehicles as low-emission, fuel-efficient cars
- Volkswagen promoted diesel vehicles as "Clean Diesel"
- By July 2015, VW was the largest automaker in the world

The VW Emissions Fraud

- Regulators Investigate VW Diesel Vehicles:
 - 2013 on-the-road testing in California revealed that VW diesel models far exceeded permissible emissions limits.
 - 2014 testing by ICCT and U-WV release test results

• Further inspection of software uncovered a "defeat device," or parallel set of instructions sent by the VW computer to the vehicle's emissions

controls.



VW RESPONSE (2014-2015)

May 2014

 The US subsidiary of Volkswagen argued that various technical circumstances or unforeseen conditions during testing lead to the results.

September 2015

 VW engineers admitted that VW had installed defeat devices on half a million diesel vehicles sold in the U.S. going back to the 2009 model year.

December 2014

- The US subsidiary even carried out a limited recall in December 2014 under pressure of the ongoing investigation.
- As this recall did not resolve the matter, the authorities expanded the investigation.
- The initiation of the investigation itself, the dispute with EPA and CARB and the limited recall in the US were not revealed to investors.

The Price of Volkswagen Securities Plummet Following Revelations of Fraud

Sept 18, 2015

- The EPA issued to VW a Notice of Violation of the Clean Air Act.
- Reports that day further revealed that the Company admitted to the use of the defeat device.

Sept 20, 2015

- VW CEO Winterkorn confessed that VW had "broken the trust of our customers and the public."
- VW also ordered its U.S. dealerships to stop selling cars affected by the investigation until further notice.
- Analysts downgraded VW securities, citing "the U.S. disaster" resulting from the Company's deceptive conduct.

Sept 21, 2015

 The Attorney General of the State of New York and the Justice Department announced investigations.

Sept 22, 2015

- VW issued a profit warning and reported for the first time in an ad-hoc disclosure according to Article 15 German Securities Trade Act on irregularities in connection with the EA 189 diesel engine.
- The disclosure announced a reserve of € 6.5 billion related to the scandal.

The Price of Volkswagen Securities Plummet Following Revelations of Fraud

Sept 23, 2015

Martin Winterkorn stepped down as VW CEO.

Oct 14, 2015

- VW admitted that the reserved € 6.5 billion will not be sufficient to address the scandal, but was reserved only for technical measures rather than for damages claims.
- The Kraftfahrt Bundesamt ('KBA') forced VW to recall
 2.4 million diesel vehicles in Germany.

Nov 2, 2015

 The EPA issued a second Notice of Violation on after also finding defeat devices in 3 litre engines.

Nov 3, 2015

- VW issued a further disclosure that it found unexplainable results in its emissions testing.
- Reports explained that up to an additional 800,00 vehicles were affected.

The Fallout Continues into 2016

- January 4, 2016: The U.S. Department of Justice filed a civil suit against VW
- March 2016: Investors filed an action in Braunschweig, Germany (KapMuG) alleging damages of € 3.255 billion
- March 2016: The U.S. Federal Trade Commission (FTC) filed a lawsuit against VW, charging that it deceived customers with the advertising campaign it used to promote its supposedly "clean diesel" VWs and Audis
- Individual investor actions have been filed across Europe
- Various States suing VW

VW remains Intransigent in 2016

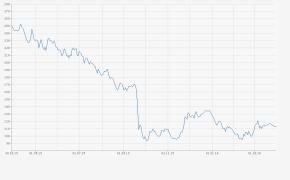
- Claims it didn't technically violate the German public markets laws
- Unable to provide acceptable "fix" for USA market
- Fails to respond to customer demands for consideration
- Coddles US owners with "gift" but offers nothing to European owners
- Announces various other recalls for all of its brands
- Employee "whistle blower" states VW destroyed files in US

Impact on VW shareholders

Volkswagen preferred stock

- ISIN: DE0007664039
- averaged index value over 10 trading days before the publication of the inside information: € 167,48
- averaged index value over 10 trading days after the publication of the inside information:
- the 2atulated difference, which constitutes the investors damage per share, is:

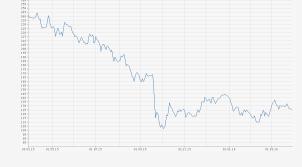
€ 65,17



Volkswagen common stock

- ISIN: DE0007664005
- averaged index value over 10 trading days before the publication of the inside information: € 166,06
- averaged index value over 10 trading days after the publication of the inside information:
- the salculated difference, which constitutes the investors damage per share, is:

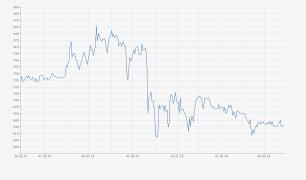
€ 56,79



Impact on Audi and Porsche shareholders

Audi

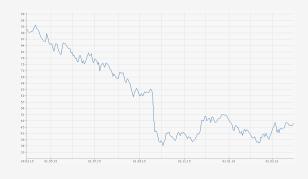
- ISIN: DE0006757008
- averaged index value over 10 trading days before the publication of the inside information: € 809,09
- averaged index value over 10 trading days after the publication of the inside information:
- the sale ulated difference, which constitutes the investors damage per share, is:



Porsche

- ISIN: DE000PAH0038
- averaged index value over 10 trading days before the publication of the inside information: € 61,83
- averaged index value over 10 trading days after the publication of the inside information: € 39,49
- the calculated difference, which constitutes the investors damage per share, is:

€ 22,34



€ 140,90

Collective Redress in Europe



- No European class action exists. A recommendation of the Commission favors national solutions for resolving mass damage situations (2013/396/EU).
- Dutch Civil Procedure allows for collective settlements in cross border cases (WCAM) - Stichting. These settlements may include opt-out settlements for the benefit of the investors and has been tested in several high profile cases.
- Cases related to capital markets have the CapMuG option but have proven to be very expensive and drawn-out (8rys for Porsche, Deutsche Telekom)
- Following U.S. Supreme Court decision *Morrison v. National Australia Bank*, (561 U.S. 247) U.S. investors are also forced to seek redress in Europe on securities issued there.

Stichting Volkswagen Investors Claim

- Stichting Volkswagen Investors Claim was founded in October 2015 to represent the interests of Volkswagen, Audi, and Porsche investors who suffered damage resulting from the Volkswagen emissions fraud.
- The Stichting is an independent, nonprofit organization established under the law of the Netherlands.
- It is governed by a board and supervisory board composed of most respected agents of shareholder rights out of the USA, Germany, the Netherlands, and Spain.
- The Stichting is pursuing an international approach. Its main concern is to treat all investors equally regardless of their origin.
- Stichting Volkswagen Investors Claim is providing affected investors an unique opportunity to settle the dispute free of charge.

Objectives of the Stichting Foundation

- Build a support base and a unified approach among investors
- Support shareholder associations and other interest groups in advising their members
- Educate investors seeking redress
- Initiate collective proceedings as required
- Reach a solution with Volkswagen
- Enable VW to focus on its auto business

Supporters

 The Stichting Volkswagen Investors Claim is supported by shareholder protection organizations such as German DSW, Spanish AEMEC, and the international umbrella organizations Better Finance and WFI.











Stichting Volkswagen Investors Claim Continues to Gather Support

Visit our homepage:

https://www.stichtingvolkswageninvestorsclaim.com/

Contact us directly via email to:

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