

A white Volkswagen van is parked on a dirt road at dusk. In the background, there is a line graph with several data points and connecting lines, overlaid on a landscape with hills and a fence. The graph has labels like '15.09', '20.09', '05.10', and '02.10'.

# Stichting Volkswagen Investors Claim

Dieselgate and its aftermath for investors

*Presented by Roger Ganser, Supervisory  
Board Chair*



Stichting **Volkswagen** Investors Claim

# 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: € 102,31
- **the calculated 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: € 109,27
- **the calculated 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: € 669,19
- **the calculated difference, which constitutes the investors damage per share, is: € 140,90**



## 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**



# 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 (8yrs 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:

[english@stichtingvolkswageninvestorsclaim.com](mailto:english@stichtingvolkswageninvestorsclaim.com)

