

CSC 10076322-1968



Volkswagen of America, Inc.
3800 Hamlin Road
Auburn Hills, MI 48326
Tel. 1 800 893 5298

July 2008

Subject: Warranty Extension for 1999 Model Year Passat Equipped with 1.8L Turbo Engine

Dear Volkswagen Owner or Lessee,

We are writing to inform you that Volkswagen is providing revised maintenance instructions and a warranty extension covering certain timing belt tensioner system related repairs on 1999 Volkswagen Passat vehicles equipped with 1.8L Turbo engines. Our records show that you are the owner of one of these vehicles.

IF YOU NO LONGER OWN OR LEASE THE VEHICLE, PLEASE DELIVER THIS LETTER, AND THE ENCLOSED MAINTENANCE BOOKLET INSERT AND CLASS ACTION SETTLEMENT NOTICE, TO THE CURRENT OWNER OR LESSEE, IF KNOWN.

What is the Issue?

Some Volkswagen owners and lessees have reported internal engine damage resulting from a broken timing belt. If the timing belt of your vehicle were to break, the engine will not run and may sustain serious internal damage.

The Class Action Settlement

The programs which are outlined in this letter are part of a proposed settlement of a class action concerning this issue. The settlement has been preliminarily approved by the United States District Court for the Central District of California, and a formal Notice, also approved by the Court, is enclosed with this letter. The Notice explains the terms of the Settlement and your options in detail. Please read it carefully.

Please note that the revised maintenance recommendations and the extended warranty will go into effect immediately whether or not the proposed class action settlement is approved by the Court.

What Will Volkswagen Do?

Volkswagen is implementing an extended warranty for timing belt related engine damage for 1999 Volkswagen Passat vehicles equipped with the 1.8L Turbo engines to 105,000 miles, regardless of time in service. This extended warranty is fully transferable to any subsequent owner. This extended warranty does not affect - and is in addition to - any other applicable warranty covering your vehicle. This extended warranty does not cover replacement or repair of the timing belt system as part of scheduled maintenance or as indicated by inspection of the system.

Volkswagen will cover necessary engine repairs if a broken timing belt causes a malfunction in your engine at or before 105,000 miles and you have had the timing belt and tensioner system inspection completed within 1,500 miles of the the mileage specified in the revised maintenance requirements.

This warranty extension does not cover normal wear and tear or engine damage due to improper maintenance or timing belt or tensioner system repair or replacement which occurs as a result of recommended inspections.

Enclosed you will find a page insert for your maintenance guide regarding Volkswagen's revised requirements for inspecting and replacing the timing belt and tensioner system. **Please note the required inspection every 40,000 miles and mandatory replacement not later than 105,000 miles.** Please insert into your maintenance guide. (Volkswagen communicated these requirements to its dealers and made them available to the aftermarket repair industry late in 1998. However, the maintenance booklet included with your vehicle's owner's literature did not refer to the required inspections.)

What We Would Like You To Do

Please keep this letter with your Warranty Booklet and deliver it to any new owner, along with the Owners Manual and maintenance guide. The new maintenance guide insert can assist independent repair facilities in performing required maintenance in a proper manner.

Reimbursement of Your Prior Out of Pocket Expenses

If you have previously paid for a repair as a result in a timing belt failure, regardless of mileage, Volkswagen will reimburse you for the cost of repairs made to your vehicle, if you provide the requisite proof of repair, described in the Notice, upon making a timely claim no later than September 30, 2008. Additionally, Volkswagen will reimburse your out-of-pocket expenses relating to the timing belt failure, such as towing, alternative transportation, etc. See Notice for completed details. All claims are being reviewed and processed by the court appointed claims administrator:

Settlement Administrator
PO Box 1937
Faribault, MN 55021-7192

We regret any inconvenience this matter has caused or may cause in the future. We wish you many more years of driving pleasure with your vehicle. Thank you for your continued loyalty!

Sincerely,

Volkswagen Service & Quality