

Volkswagen of America, Inc.



3800 Hamlin Road
Auburn Hills, MI 48326

August 2004

Subject: Warranty Extension for 1998 - 2004 Model Year Volkswagen Passat Sedan or Wagon
Equipped with 1.8L Turbo Engine

Dear Volkswagen Owner,

We are writing to inform you that Volkswagen is providing a warranty extension covering certain "oil sludge" related repairs on 1998 - 2004 model year Volkswagen Passat equipped with 1.8L Turbo engines. Our records show that you are the owner of one of these vehicles.

What is the Issue?

Some Volkswagen owners have reported engine component problems resulting from a condition known as "oil sludge." Engine oil sludge occurs when old, dirty engine oil thickens and cannot continue to provide adequate engine lubrication. This condition occurs primarily when the engine is operated at oil change intervals beyond those prescribed in your owner's manual, or when oil with lower quality than Volkswagen recommended standard is used.

A vehicle with engine oil sludge may exhibit a constantly or occasionally illuminated Red Engine Oil Pressure Warning light.

Please note that other conditions may also cause this symptom and that the presence of this symptom does not necessarily mean oil sludge exists in your engine.

What Will Volkswagen Do?

After listening to you, our valued customers, Volkswagen is implementing an extended warranty for oil sludge related repairs for 1998 - 2004 model year Volkswagen Passat equipped with the 1.8L Turbo engines to 8 years from the vehicle's original **in-service** date without a mileage limitation. 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.

Volkswagen will cover necessary engine repairs if oil "sludge" causes a malfunction in your engine and you can provide documentation of oil changes according to the maintenance schedule for your vehicle.

The vehicle's original in-service date is defined as the date the vehicle was delivered to either the original purchaser or the original lessee; or, if the vehicle was first placed in service as a "demonstrator" or "company" car, on the date such vehicle was first placed in service.

This warranty extension does not cover normal wear and tear or engine damage due to improper maintenance.

What We Would Like You To Do

If your engine is running normally Volkswagen strongly recommends that you maintain your vehicle as prescribed in the enclosed Owner's Manual insert. No other action is required.

If you are not following the prescribed oil change interval (5,000 miles or 6 months), this extended warranty may not apply. Please follow the maintenance schedule as prescribed in the enclosed owner's manual insert.

A list of oils that (as of printing date) conform to the Volkswagen recommended standard is enclosed

If your vehicle has symptoms of engine oil sludge malfunctions as described in this letter, please contact your authorized Volkswagen dealer and arrange for an appointment **so** that your vehicle can be serviced without delay.

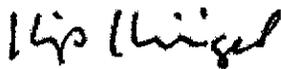
Please keep this letter with your Warranty Booklet and deliver it to any new owner, along with the Owners Manual.

Reimbursement of Expenses

If you have previously paid for a repair as a result of an engine oil sludge related concern that is described in this letter, and you can provide documentation of maintenance completed by an authorized Volkswagen dealer or professional licensed repair facility according to the maintenance schedule for your vehicle, you may be entitled to reimbursement. **We** would be pleased to review your reimbursement request. The enclosed form explains how to request reimbursement.

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 driving a Volkswagen!

Sincerely,



Kip Kriigel
Director of Technical Service

