

# VW's dieselgate bill jumps on 'complex' US recalls

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Volkswagen's bill for emissions cheating keeps growing as a new charge in the US adds to the tab

Volkswagen on Friday said it was setting aside another 2.5 billion euros to deal with the fallout from the "dieselgate" scandal in the United States as its efforts to recall tainted cars there proved to be more "complex" than expected.

The latest provisions bring the total sum set aside by Volkswagen to deal with fines and costs over the diesel scandal to 25.1 billion euros (\$29.6 billion).

"In the third quarter negative special items of circa 2.5 billion euros are expected to weigh on the operating result," the German car giant said in a statement.

"The reason is an increase in provisions relating to the buyback/retrofit programme for 2.0-litre TDI vehicles, which is part of the settlements in North America that is proving to be far more technically complex and time consuming."

Volkswagen last year agreed to buy back or repair nearly half a million 2.0-litre diesel cars in the US that had been fitted with cheating software to make them seem less polluting than they were.

The group later agreed to a similar settlement concerning some 80,000 3.0-litre cars as well.

The storied German auto giant has been engulfed in crisis since US regulators uncovered the cheating scam two years ago, and its legal woes are far from over at home and abroad.

In Germany on Thursday, prosecutors arrested a second Audi employee and said they were widening their investigation into the diesel emissions cheating scam to include more suspects.

German media named the arrested suspect as Wolfgang Hatz, who stepped down from his post on Porsche's management board last year after being suspended over the dieselgate investigation.

Hatz was head of engine development at Audi from 2001 to 2007,

before moving on to lead powertrain development at the VW group and then becoming research and development chief at Porsche, another VW subsidiary.

VW shares plunged by 2.1 percent to 135.45 euros in early Frankfurt trading, making it the Dax 30's biggest faller.

VW said it would publish its third-quarter results on October 27.

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