

Dear Shareholders,



**Dr.-Ing. e.h. Bernd Pischetsrieder,
Chairman of the
Supervisory Board**

Audi maintained its successful course of growth in the 2005 financial year, achieving new record figures for production, revenue and unit sales. Within a context of predominantly difficult economic conditions, the Audi Group built on its comprehensive premium product range, thus captivating customers worldwide. The systematic further development of the Audi brand is now reflected above all by a renewed improvement in the quality of its financial results. The company

owes this success to the dedication of its management, workforce and the employees' elected representatives. The Supervisory Board takes this opportunity to thank and congratulate all concerned.

Throughout the past financial year, the Supervisory Board considered the development of sales markets and the situation and business progress of AUDI AG and of its principal subsidiaries at quarterly meetings and with the aid of detailed written and oral reports.

Following preparatory consultations, the financial, personnel and investment plans were approved on December 7, 2005. The Supervisory Board furthermore kept track of the company's progress outside the context of its meetings and supported the work of the company's management in an advisory capacity. The members of the Presiding Committee held in-depth consultations before the Supervisory Board meetings.

PwC Deutsche Revision Aktiengesellschaft Wirtschaftsprüfungsgesellschaft was commissioned with the task of auditing the Annual and Consolidated Financial Statements and the management reports

of AUDI AG and the Audi Group and subsequently signed these off without qualification. The examination conducted by the Audit Committee and Supervisory Board likewise revealed no cause for objections, with the result that the Supervisory Board was able to sign off the Annual and Consolidated Financial Statements at its meeting on February 17, 2006. The annual accounts are thus established. The Audit Committee met on three occasions in 2005 and was informed in depth about the Consolidated Financial Statements for 2004, the risk management measures within the company and the current situation at the end of 2005. The focus of its attention was on detailed analyses of the tapping of further markets and extensive discussions concerning the consequences of rising mineral oil prices on vehicle sales.

The principal topics of the Supervisory Board's consultations in the 2005 financial year were the further development of the Audi brand group (Audi, SEAT, Lamborghini brands) and detailed discussions of Audi's market prospects based on the current and future model range.

Following in-depth discussions at its meeting on December 7, 2005, the Supervisory Board endorsed the remuneration model for the members of the Board of Management of AUDI AG and agreed on the content of the annual declaration of compliance pursuant to Section 161 of German Stock Corporation Law.

There were the following changes to the composition of the Supervisory Board, Audit Committee and Board of Management in the past financial year:

Dr. Peter Hartz surrendered office as a member of the Supervisory Board with effect from August 4, 2005. The Supervisory Board would like to thank Dr. Hartz for almost twelve years of service as a non-executive director of the company. Upon the application of the Board of Management, the Registration Court at the local court of Ingolstadt appointed Dr. Horst Neumann as supplementary member

of the Supervisory Board with effect from December 20, 2005, pursuant to Section 104 of German Stock Corporation Law.

Dr. Horst Neumann resigned from the Board of Management of AUDI AG with effect from December 7, 2005 following his appointment to the Board of Management of Volkswagen AG with effect from December 1, 2005. The Supervisory Board would like to thank Dr. Neumann for his successful work on the Board of Management of AUDI AG.

With effect from December 8, 2005, Dr. Werner Widuckel joined the AUDI AG Board of Management as Dr. Neumann's successor, assuming responsibility for the Human Resources Division.

Xaver Meier surrendered his offices as a member of the Supervisory Board and Audit Committee from the close of December 31, 2005 under the pre-retirement part-time arrangements. Mr. Meier had been a non-executive director for over 17 years, including seven years as its Deputy Chairman. He was also member and Deputy Chairman of the Audit Committee for three years. The Supervisory Board would like to express its sincere thanks and appreciation to Mr. Meier for his many years of service. Upon the application of the Board of Management, the Registration Court at the local court of Ingolstadt appointed Mr. Jörg Schlagbauer as supplementary member of the Supervisory Board with effect from February 7, 2006 pursuant to Section 104 of German Stock Corporation Law.

The Supervisory Board elected Berthold Huber as Deputy Chairman of the Supervisory Board with effect from January 1, 2006 and Peter Mosch as new member of the presiding committee and Audit Committee from the same date. Mr. Mosch assumed the role of Deputy Chairman of the Audit Committee.

The Supervisory Board attaches particular importance to the company management's assessment of the future development of the Audi Group.

The dwindling momentum of economic growth in the USA and Asia will mean that there are no additional impulses for an upswing in the global economy. This is also likely to have an impact on major car markets. The Board of Management has taken account of the global macroeconomic conditions, which are also prompting more intense competition in the car industry, in its corporate strategy.

In order to build on Audi's track record of success, the management and workforce are therefore working hand in hand on expanding the model range, boosting market shares in existing markets and tapping new growth markets. 2006 will for example see a great many new models such as the Audi Q7, the Audi A6 allroad quattro, the RS4 Avant and the TT Coupé appear on the market. The model range will in addition be extended by the sporty derivative models Audi S3, S6 saloon and S6 Avant, and the S8. The Neckarsulm plant is preparing for the production start of the thoroughbred mid-engined sports car, the Audi R8.

The Supervisory Board will continue to support this progress by doing substantially more than the legally required minimum, thus contributing towards the further positive development of the Audi Group.

Ingolstadt, February 17, 2006



Dr.-Ing. e.h. Bernd Pischetsrieder,
Chairman of the Supervisory Board