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– Note: check against delivery –

Ladies and Gentlemen,
Dear Shareholders,

I am delighted to be able to report to you on business progress in the past year. 2007 was another record year for the Audi Group. As in previous years, our market context witnessed stiff pressure of competition in 2007. On the one hand, the international credit crunch sparked off by the U.S. subprime mortgage market clouded the economic prospects in our important sales markets of Europe and the United States. This simultaneously depressed the car markets there. On the other hand, we had to deal with the fact that competitors were offering high incentives for customers.

Despite these extremely challenging circumstances, we succeeded in clinching a new sales record for the Audi brand for the twelfth year in succession. Meanwhile we increased all key financial indicators to new all-time highs. This supplies evidence that the Audi success story continues in the domain of financial data, too. We once again fully achieved our objective of sustained, high-quality growth in 2007.

Let me now explain what lies behind the development in the Audi Group's key parameters of financial success. First of all, I will look at the changes in the main items in the Income Statement.

Chart Revenue history

We increased the Audi Group's revenue by a much higher rate than sales in the past fiscal year despite the adverse effect of exchange rates. Revenue rose by 7.9% to a new record of

more than EUR 33.6 billion. This very welcome development was achieved on the one hand thanks to a further improvement in model mix based on sales of higher-priced vehicles, such as the Audi Q7. On the other hand, the launch of new, exciting models – such as the second-generation Audi TT Roadster, the new Audi A5 Coupé and the new Audi R8 supercar – played a big part in this development. Revenue for our highest-volume car line, the Audi A4, also developed extremely well despite the model changeover for the A4 Sedan at the end of the fiscal year. This is solid proof of the sustained appeal of the brand with the four rings.

Chart Revenue in Germany, Europe without Germany

The German automobile market remained very difficult, contracting by 9.2% to 3.1 million vehicles. All the same, we succeeded in equaling the previous year's level on our home market with revenue amounting to some EUR 9.0 billion. We also increased the market share from 7.6% to 7.9% in 2007. This also represents the highest market share in the history of our company as a premium manufacturer. We generated about 73% of our revenue outside Germany, building on our strategy to internationalize our business activities. Europe remained the principal sales market; we enjoyed very dynamic growth of 9.6% there, taking the total above EUR 17 billion.

Chart Revenue in North America, Asia-Pacific

The price war that has been raging in the North American markets in recent years, and in the United States in particular, continued. Other companies, predominantly U.S. manufacturers, offered huge sales incentives. The protracted weakness of the U.S. dollar also undermined sales particularly of European car manufacturers. Despite this difficult context, we increased our revenue in North America by a substantial 13.4% to EUR 3.5 billion.

As well as launching new models on the market, we continue to place the emphasis on systematically extending our exclusive dealer and service network. We therefore integrated the two American sales subsidiaries Audi of America and Audi Canada into the Audi Group with effect from January 1, 2007. We are also expecting the launch of the new Audi A4 in the second half of the year to provide vital impetus.

We also posted strong growth in the Asia-Pacific region. Our revenue in that region rose by 21.7% to more than EUR 3.6 billion. The Chinese market remains of pre-eminent importance in that area, and we have been the unchallenged leader in the premium segment there for quite a number of years. Last year China became the Audi brand's largest international sales market, with sales topping 100,000 units.

Ladies and Gentlemen,

Following on from my remarks on the revenue breakdown by region, I would now like to look at the key items on the Income Statement in greater detail.

Chart Cost of sales

As a result of our increased business volume, the cost of sales also rose to EUR 28.5 billion. This disproportionately low increase of 4.3% compared with revenue confirms how successful we have been in gradually improving productivity and optimizing material costs.

Chart Gross profit

After deduction of the cost of sales from revenue, we therefore achieved an increase of 34.1% in gross profit, to more than EUR 5.1 billion.

Chart Distribution costs

Distribution costs rose by 26.5% in the past fiscal year to EUR 2.7 billion. This increase is mainly attributable to the aforementioned first-time consolidation of our two American sales subsidiaries Audi of America and Audi Canada with effect from January 1, 2007. After eliminating the effects of first-time consolidation, the rise in distribution costs was merely in proportion to increase in revenue. All this despite the numerous market launches in 2007 and the further expansion of our exclusive dealer and service network.

Chart Administrative expenses

The 12.2% increase in administrative expenses to more than EUR 260 million is likewise mainly due to this first-time consolidation of the North American companies. However, the adjusted administrative expenses show only a slight increase on the figure for 2006.

Chart Other operating result

The other operating result was on a par with the previous year at EUR 570 million.

Chart Operating result

Overall, we achieved an operating profit of more than EUR 2.7 billion. This rise of 34.2% has brought us the highest operating profit in the company's history.

Despite the negative exchange rate effects, we succeeded in boosting revenue quite substantially thanks to the increases in volume and improved model and equipment mix I

mentioned earlier. By consistently cutting costs and improving productivity, we have also brought about a lasting improvement in the quality of our earnings. I believe that the development in earnings supplies clear evidence of our qualitative growth.

Chart Financial result

The EUR 279 million rise in the financial result is substantially due to higher interest income from investing the net liquidity, which has continued to rise steadily. We in addition posted higher earnings from the measurement of our commodity futures and higher earnings from our joint venture investment in China, which is accounted for using the equity method.

Chart Profit before tax

Including the financial result, profit before tax therefore rose to more than EUR 2.9 billion. This is a rise of around EUR 970 million, or almost 50%.

Chart Profit after tax

The tax expense in the past fiscal year amounted to around EUR 1.2 billion, which was well up on the prior-year figure. The effective tax rate went up to 42%, mainly as a result of reflecting the change in the corporation tax rate agreed for 2008, from 25% to 15%, in the balance sheet. In Audi's case this change reduces IFRS deferred tax assets and therefore adversely affects the overall tax rate for the Group. Now that this non-recurring effect from the tax rate change has been absorbed by the accounts, we expect the tax burden to return to normal in 2008.

We consequently boosted the consolidated profit after tax by 26.0% to a new record figure of almost EUR 1.7 billion.

Ladies and Gentlemen,

As you can see, the absolute earnings figures in the Income Statement supply impressive evidence of our achievements in the past fiscal year. These achievements are also reflected in our key profit level indicators, which I would now like to explain in greater detail.

Chart Rate of return and return on investment

In the past fiscal year, we improved the rate of return before tax from 6.2% to 8.7%.

Return on investment grew from 14.2% to 18.6%. One of the main driving forces behind this development, alongside the sharp rise in our operating profit, was our efficient investment management.

Dear Shareholders,

On the basis of the Audi Group's performance in 2007, it ranks as one of the most profitable companies in the automotive industry worldwide! Over the next few years, our task will now be to sustain the quality of earnings and rates of return in the long term. At this point I should like to comment in greater depth on the development in the cash flow statement.

Chart Cash flow from operating activities

During the period under review we increased the cash flow from operating activities by a substantial 10% to EUR 4.9 billion. The main factor behind this development was the substantially improved profit before tax.

Chart Cash flow from investing activities

Investing activities including investments in securities resulted in a cash outflow of some EUR 2.4 billion for the Audi Group in fiscal 2007. Investments in property, plant and equipment rose substantially by 21.6% to around EUR 1.5 billion. As in previous years, our real investments was aimed at seamlessly maintaining our product offensive. The focus was on the production ramp-ups for the Audi A4 and Audi A5 car lines and of the Audi A3 Cabriolet. Preparations were also made for volume production of the Audi Q5. By applying a systematic investment management approach, we succeeded in completing all product and investment projects to our own high quality standards and on schedule.

Chart Net cash flow

As a result of the substantial rise in cash flows for operating activities and the controlled cash outflows for investing activities, the net cash flow also rose by almost 24% to EUR 2.5 billion. As in previous years, we therefore again succeeded in financing our entire cash outflow under our own steam – in other words, without recourse to external sources of financing.

Chart Net liquidity

The Audi Group's financial strength is also reflected in a further rise in net liquidity. This indicator was 37% up on the prior-year figure, at around EUR 7.9 billion. We have therefore

established a sound basis for growth over the next few years. The core task here will be to systematically build on our model initiative and to maintain the drive to extend our exclusive dealer and service network, as mentioned earlier. In parallel, we want to push ahead with accessing new sales markets in order to realize our strategic objectives.

Chart Assets

Ladies and Gentlemen,

To conclude, I would like to present how the main balance sheet items developed.

The balance sheet total rose by 19.4% last year, to around EUR 22.6 billion. On the assets side, the non-current assets of around EUR 8.3 billion were on the same high level as in the previous year. In the same period, current assets rose by EUR 3.6 billion or 34.1% to approximately EUR 14.3 billion. The main factor at work here was the sharp rise of 38.0% in cash and cash equivalents to more than EUR 6.7 billion. As a result of the development in sales, trade receivables were in addition some EUR 2.1 billion or 16.8% up on the prior-year figure.

Chart Equity & liabilities

On the equity and liabilities side, shareholders' equity rose by 15.0% to around EUR 8.4 billion. Alongside a cash infusion by Volkswagen AG, this development was mainly attributable to the appreciation in value reported for foreign exchange hedging transactions and the allocation to the balance of net profit to the other retained earnings. The equity ratio was 37.0% in 2007. Liabilities were up approximately EUR 14.2 billion or 22.1% on the previous year. Within current liabilities, trade payables and provisions were the main items that increased, in essence as a consequence of the higher sales. All in all, the development in our balance sheet structure consequently supplies impressive proof of our company's healthy growth.

Chart Key performance indicators

Ladies and Gentlemen,

Dear Shareholders,

The 2007 fiscal year was the best ever in the lengthy history of the Audi Group.

The key task will now be to consolidate this success permanently and maintain our company's healthy growth in the long term. The increasingly difficult market situation is confronting us with enormous challenges. Escalating raw materials prices, high exchange rate volatility, increasingly intense competition and the slowdown in the global economy will continue to

demand a huge effort on our part. In addition to maintaining our systematic drive to optimize processes and costs, we will be preparing to bring quite a number of models onto the market.

New vehicles such as the new Audi A4 Avant and the new Audi A3 Cabriolet, which have already appeared in dealer showrooms, plus the Audi Q5 that will be coming onto the market in the fall, will provide vital stimuli for growth and play a big part in helping us to make further inroads into our growth markets. On this basis, we will be able to add yet another chapter to Audi's success story in 2008. The financial figures for the first quarter already supply evidence of this. In the first three months, for example, we increased our operating profit again by a substantial 28.2% to EUR 514 million, despite exchange rates remaining against us and the market dips in North America and Germany prompted by the general economic situation. We have therefore established a good basis on which to realize our ambitious objectives for 2008.

Thank you for your attention!