

Audi Group Finances 2012

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Note: All figures are rounded off, which may lead to minor deviations when added up.

AUDI GROUP STRUCTURE

Company

The Audi Group, comprising the two brands Audi and Lamborghini, has for many years been one of the world's leading carmakers in the premium and supercar segment. Through the acquisition of DUCATI MOTOR HOLDING S.P.A., Bologna (Italy), and its subsidiaries, the Audi Group has moreover since July 2012 been able to offer its customers motorcycles built by one of the most successful manufacturers in that segment.

The Audi Group delivered a total of 1,634,312 (1,512,014) cars to customers in 2012.

At the heart of the Company is the Audi brand, which embodies modern, distinctive design and technological innovations, along with a high standard of quality in its build and the materials it uses. The ambition to satisfy high customer expectations and develop pioneering automotive concepts is always the priority for the Company; it is given outward expression in the brand essence "Vorsprung durch Technik," which brackets together the brand values sportiness, progressiveness and sophistication. 2012 saw the core brand Audi increase its deliveries by 11.7 percent to the new record of 1,455,123 (1,302,659) cars.

The traditional Italian brand Lamborghini also performed very successfully in the past year, with a substantial rise in its deliveries to 2,083 (1,602) supercars. Its cars are especially noted for their alluring design, highly advanced technology, superior build quality and exceptionally good handling characteristics.

The Audi Group moreover supplies cars of other Volkswagen Group brands through its sales subsidiaries.

The motorcycles of the new member company Ducati are renowned for their unique design, but also as examples of outstanding expertise in lightweight technology and engine development, as evidenced by the array of motorsport triumphs. From its first-time consolidation in July 2012, 16,786 motorcycles of the Ducati brand were delivered to customers in the remaining months of the fiscal year. In 2012 as a whole, the Ducati Group increased deliveries to 44,102 (42,233) motorcycles.

DELIVERIES OF THE AUDI GROUP BY SEGMENT AND BRAND

	2012	2011
Automotive segment	1,634,312	1,512,014
Audi brand	1,455,123	1,302,659
Lamborghini brand	2,083	1,602
Other Volkswagen Group brands	177,106	207,753
Motorcycles segment	16,786	-
Ducati brand	16,786	-

1) Motorcycle deliveries since acquisition of Ducati Group in July 2012

Main Group locations

The Audi Group has its headquarters in Ingolstadt. In addition to Technical Development, Sales and Administration, this location is home to the bulk of manufacturing operations. The Audi A3 and A3 Sportback models, the A4 car line, the A5 Sportback and the A5 Coupé, RS5 Coupé and Q5 models are built in Ingolstadt. Bodies for the A3 Cabriolet and for the TT car line are also made at the Group's main location.

The Neckarsulm plant is where the A4 Sedan, the A5 and RS5 Cabriolet models, the A6 car line, the A7 Sportback and the A8 luxury sedan are manufactured. Neckarsulm is also home to quattro GmbH, a fully owned subsidiary of AUDI AG. In addition to attractive high-performance vehicles such as the RS models, quattro GmbH builds the R8 line of supercars at its bespoke manufacturing operations there. The Company also offers an exclusive customization program and high-grade lifestyle articles that embody the spirit of the brand with the four rings.

AUDI HUNGARIA MOTOR Kft., Győr (Hungary), develops and manufactures engines for AUDI AG, for other Volkswagen Group companies and for third parties. The Coupé and Roadster versions of the Audi TT as well as the A3 Cabriolet are also built there in partnership with the Ingolstadt plant. The early part of 2012 also saw the Hungarian company celebrate the topping-out ceremony

for the new auto plant, where a further model of the A3 car line will be built from 2013. Since its founding in 1993, that company has grown to become one of Hungary's largest exporters and highest-revenue enterprises.

AUDI BRUSSELS S.A./N.V. in Brussels (Belgium) specializes in being the sole plant to build the A1 and A1 Sportback.

Automobili Lamborghini S.p.A., based in the northern Italian town of Sant'Agata Bolognese, manufactures the exclusive Gallardo and Aventador supercar models. The 12-cylinder engines for the Aventador are also built there by Lamborghini.

The Q7 and Q3 SUV models are made at the VW Group manufacturing locations in Bratislava (Slovakia) and Martorell (Spain) respectively.

The joint venture FAW-Volkswagen Automotive Company, Ltd., Changchun (China), produces long-wheelbase versions of the A4 Sedan and A6 Sedan, as well as the Q5, to supply the local market.

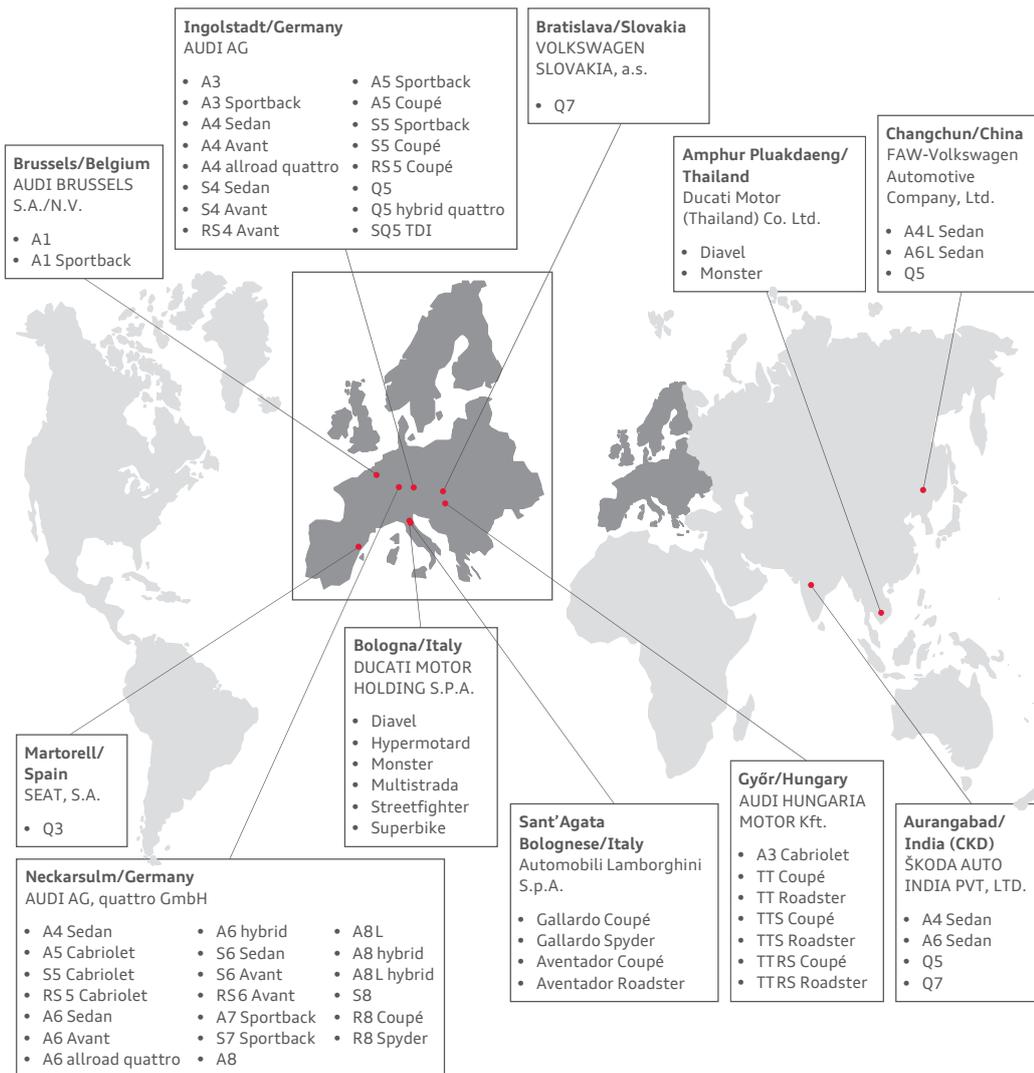
In Aurangabad (India), the A4 Sedan, A6 Sedan, Q5 and Q7 models are built for the local market at the VW Group plant.

DUCATI MOTOR HOLDING S.P.A. manufactures motorcycles of the Diavel, Hypermotard, Monster, Multistrada, Streetfighter and Superbike models in Bologna (Italy). This company also builds Diavel and Monster motorcycles at a plant in Amphur Pluakdaeng (Thailand).

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MANUFACTURING PLANTS



Consolidated companies

Volkswagen AG, Wolfsburg, is the major shareholder of AUDI AG and controls around 99.55 percent of the share capital. The Volkswagen Group includes the financial statements of the Audi Group in its own consolidated financial statements. Control and profit transfer agreements exist both between Volkswagen AG and AUDI AG, and between AUDI AG and its principal German subsidiaries.

In March 2012, a subsidiary of AUDI AG acquired a 30 percent share in Volkswagen Group Services S.A., Brussels (Belgium), which the Audi Group accounts for using the equity method. Effective July 19, 2012, AUDI AG acquired a 100 percent share in the motorcycle manufacturer DUCATI MOTOR HOLDING S.P.A., Bologna (Italy), via its subsidiary Automobili Lamborghini S.p.A., Sant’Agata Bolognese (Italy). This acquisition brought a further ten companies into the Group. Effective May 1, 2012, AUDI AG sold off its 100 percent share in Audi Retail GmbH, Ingolstadt, to a subsidiary of Volkswagen AG, Wolfsburg. Audi Retail GmbH and its previously fully consolidated subsidiaries will thus no longer be included in consolidation by AUDI AG.

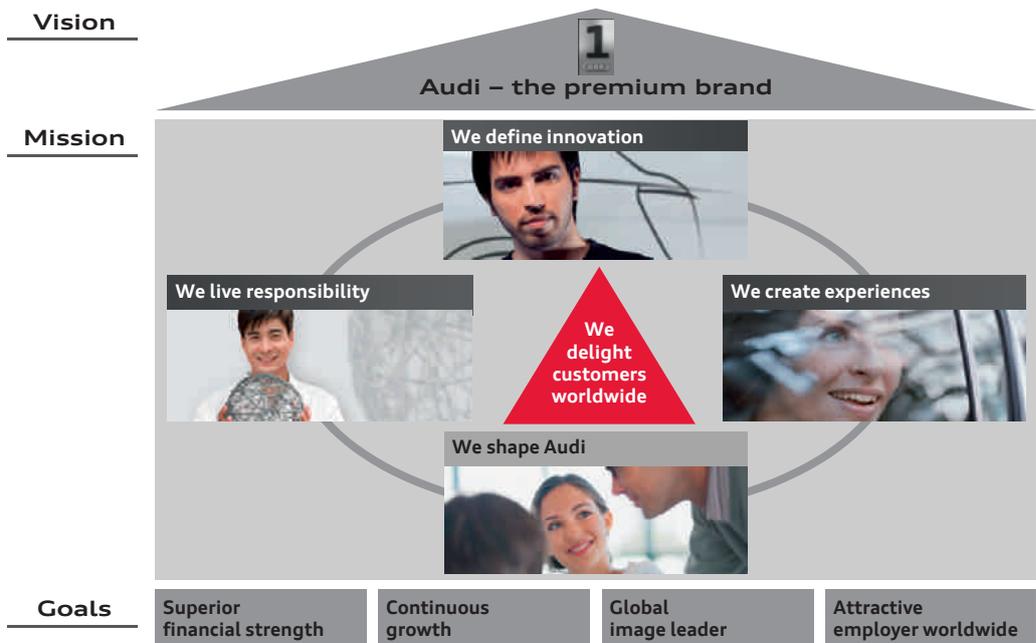
There were also further changes to the group of consolidated companies that did not materially affect the net worth, financial position and financial performance of the Audi Group.

STRATEGY

Vision: “Audi – the premium brand”

The Audi Group first unveiled its Strategy 2020 in 2010, then refined it in the following year. The cornerstones of this strategy remain unchanged and place the emphasis on sustainable, continuous corporate success. The aim is to equip Audi for the challenges of the future along its path to becoming the leading premium brand, and to delight customers worldwide. The issues and measures were further substantiated in 2012 and adjusted to reflect the prevailing economic and business environment. In particular, questions about growing environmental awareness, the future availability of fossil fuels, ongoing urbanization and increasing digitalization and connectivity play an important role in this context.

THE AUDI BRAND’S STRATEGY 2020



Mission: “We delight customers worldwide”

The Audi brand has placed evoking customer delight worldwide at the very heart of its strategy, as the key component of its mission. The brand values sportiness, progressiveness and sophistication are convincingly embodied by the products of the Audi brand. In addition to supplying technologically advanced, innovative automobiles, it aims to generate customer delight in a wide variety of other ways. The Audi brand has defined its understanding of customer delight in greater detail in the following four areas of action, which it examines, formulates and substantiates as part of an ongoing process:

- We define innovation
- We create experiences
- We live responsibility
- We shape Audi

We define innovation

The Audi brand has set itself the task of offering its customers sporty, high-quality and innovative vehicles and mobility solutions. That ambition is expressed in the brand essence “Vorsprung durch Technik” and is emphasized by the clear, distinctive design idiom. Important technologies that will play a key role in the future, such as electric drive systems, lightweight construction and connectivity are brought to production maturity.

All activities involving electric mobility are bracketed together and developed under the Audi e-tron name.

Lightweight technology, too, enjoys a special status at the brand with the four rings. Audi has played a pioneering role in this area ever since the introduction of the Audi Space Frame (ASF) in 1994. Its solutions for paving the way for lighter vehicles have been gradually refined ever since. The name Audi ultra headlines this approach. Vehicle weights are steadily being reduced thanks to intelligent combinations of materials which include aluminum, carbon fiber-reinforced polymers (CFRP), modern steel alloys and magnesium. For instance, the new Audi A3 Sportback is up to 90 kilograms lighter than its predecessor model.

Reflecting the increasing connectivity and digitalization of our society, the Company uses the umbrella term Audi connect to group together all functions that connect the driver with the Internet, the car and the world around him or her. As well as trailblazing assistance and infotainment functions, driver-friendly Internet and smartphone applications are integrated into the vehicle.

We create experiences

The Company aims to create special, positive experiences to delight its customers time and time again. Modern sales concepts such as Audi City, the cyberstore for major urban centers, are part of this approach. The first location was opened in July 2012 in London, close to Piccadilly Circus; the compact premises allow the growing model range to be presented complete with all color and equipment combinations, for customers to experience individually. Following the opening of the second Audi City in Beijing in January 2013, the concept is now to be rolled out in other mega cities in order to generate delight among potential customers for the Audi brand.

The Audi brand can also be experienced close up at exclusive events staged in German cities, which in 2012 included the Audi Classic Open Air Festival in Berlin and the Hamburg Stadtpark Revival historic car race.

Emotion-packed moments are also provided by the Audi driving experience, with its various driving and safety training events acting as a gateway to memorable experiences of the Audi brand. To make the range even more attractive for our customers, the new Audi driving experience center is currently being constructed in Neuburg an der Donau on a 47-hectare site.

The new car collection facilities at the Audi Forums in Ingolstadt and Neckarsulm offer our customers another emotional highlight. In addition to receiving insights into the historical progress of the brand with the four rings, customers learn all about the sheer precision and care that goes into the making of an Audi brand car. Accompanied by a customer relationship manager throughout the entire day, customers are given a personal tour of the factory, making the occasion a truly memorable one.

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We live responsibility

Audi's corporate self-perception extends beyond business success to also include social and ecological aspects as part of being a balanced contributor to society. The Audi Board of Management approved approximately a dozen corporate projects in the course of the 2012 fiscal year. These range from the development of drive energy from renewable sources, through the first Audi Stakeholder Forum, to support for voluntary employee activities and a pilot study of the corporate carbon footprint – a calculation of how much CO₂ is emitted throughout a product's entire life cycle.

AUDI AG adopted various dialogue formats in 2012 as part of its new venture into stakeholder management. The aim is to channel the opinion of all stakeholders that are relevant for Audi into the Company and to weave their expectations into the corporate responsibility strategy. Elements of that dialogue included a sequence of interviews with 17 internal and 17 external stakeholders, an online survey of almost 500 participants and a stakeholder forum in Ingolstadt attended by 60 representatives from the worlds of business, science, non-governmental organizations (NGOs) and politics.

By way of gauging its own sustainability performance, AUDI AG moreover took part in the renowned rating process of oekom research. The Company was awarded the distinction of "Corporate Responsibility Prime Status" in recognition of its above-average contribution to social and environmental compatibility.

Corporate decisions as well as future activities and guidelines are based on the findings of the stakeholder survey and the sustainability rating, as a matter of corporate responsibility.

We shape Audi

In order to maintain our sustainable and profitable growth in the future, our structures and processes are constantly being refined and developed. As well as our continuing model initiative and volume growth, we are placing the emphasis on increasing internationalization and the development of new technologies and areas of business. It is therefore vital to have an organization that is equipped to handle such tasks. Product and investment decisions are made specifically on the basis of customer benefit.

With their expertise in and passion for the products of the Audi brand as the starting point, all employees play a key role in the successful realization of qualitative growth.

Goals

Superior financial strength

The Company's financial strength is measured in terms of a sustained, steady development in profit. In keeping with a value-oriented corporate management approach, growth therefore only meets the premium standards of the Audi Group if it is simultaneously profitable. Qualitative growth is therefore a top priority for us as a strategic corporate objective.

This is achieved above all through effective and efficient structures and processes, systematic investment management and the ongoing optimization of costs. A high level of self-financing helps to preserve the Company's scope to invest and act. The objective of fundamentally covering investment from self-generated cash flow therefore remains a key pillar of our corporate strategy.

Continuous growth

In a challenging market environment, the Audi brand set a new deliveries record in 2012, handing over more than 1.45 million vehicles to customers. This positive development is primarily attributable to the attractive, diverse product range, which was again continuously revitalized and broadened in the period under review. Alongside the new Audi A3, which made its debut in the past fiscal year, the Audi brand added models such as the A1 Sportback and the sporty S6, S7 Sportback and S8 to its product range.

The Company intends to increase deliveries of the Audi brand to 2.0 million vehicles by 2020. To that end, it will maintain its product initiative and further increase its market shares in a large number of sales markets. The Audi Group is consequently increasing the number of its dealer and service outlets worldwide. The Audi Group's worldwide production network is also undergoing steady expansion. A new car production line is currently being built at Győr (Hungary), where an additional model of the A3 family will go into production from 2013. There are plans to build 125,000 vehicles per year in Hungary.

In China, the Company is stepping up its presence with the construction of a new plant in Foshan by the joint venture FAW-Volkswagen Automotive Company, Ltd., Changchun (China).

The other partners in the joint venture alongside AUDI AG are Volkswagen AG, Wolfsburg, and FAW Group Corporation, Changchun (China). Production of a model from the A3 car line will commence at Foshan from the end of 2013.

In addition, the current fiscal year will see work start on the building of a new production location in San José Chiapa, Central Mexico, where the successor to the current Q5 will be manufactured from 2016. Mexico is one of the world's leading car-producing countries and offers the benefits of automotive manufacturing experience, a good infrastructure and competitive cost structures. The existing free-trade agreement also provides good access to international markets.

Global image leader

A strong brand and a positive image are key success factors for a premium manufacturer. They pave the way for lasting corporate success. Our goal is therefore to keep steadily improving both our image position and our attractive product range, while binding customers emotionally to the Audi brand.

A large number of national and international awards in the 2012 fiscal year again served to confirm the positive image and public enthusiasm for the brand with the four rings.

The Audi Q3, which appeared on the market in fall 2011, received rapid acknowledgment in the shape of the "Yellow Angel" award based on a reader poll in the magazine ADAC Motorwelt (issue 2/2012, p. 26 ff.). The "OFF ROAD Award" in the "Crossover" category (OFF ROAD, issue 4/2012, p. 34 ff.) demonstrates that customers are also impressed by the premium compact SUV model's fascinating performance off the beaten track.

The Audi brand maintained its successful track record in the "Golden Steering Wheel" awards with the Audi A3 being voted best compact car. This was the 22nd top placing for the brand with the four rings in the high-profile competition run by BILD am SONNTAG and the European AUTO BILD Group since the launch of these awards in 1975 (AUTO BILD, issue 46/2012, p. 54 ff.).

The new Audi A3 came away from the 2012 Automotive Brand Contest in Paris with three prizes. The highest accolade went to this premium compact car for its interior design, which was praised for its lean architecture, intuitive operation and reduced formal idiom. The A3 also won awards for "Exterior Design" and in the "Connectivity" category ([www.german-design-council.de/fileadmin/Bilder/Designwettbewerb/Automotive_Brand_Contest/ABC_2012_Jury/ABC%202012%20-%20Alle%20Gewinner\[1\].pdf](http://www.german-design-council.de/fileadmin/Bilder/Designwettbewerb/Automotive_Brand_Contest/ABC_2012_Jury/ABC%202012%20-%20Alle%20Gewinner[1].pdf)).

The Audi brand extended the successful run of recent years in the auto motor und sport poll "Best Cars of 2012." The brand with the four rings prevailed in both the midsize category with the A4 and A5 car lines, and in the compact cars category with the Audi A1, completing a triple win (auto motor und sport, issue 4/2012, p. 128 ff.).

The Audi brand also performed well in the renowned reader poll AUTO BILD Top Brand, capturing a total of eleven first places in the Design and Quality categories – more than any of its competitors (AUTO BILD, issue 9/2012, p. 60 ff.).

In 2012, AUTO BILD ALLRAD presented its coveted "4WD Car of the Year" award to two models of the Audi brand. The quattro versions of the A4 and A6 each prevailed in their categories (AUTO BILD ALLRAD, issue 5/2012, p. 80 ff.).

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The magazine auto TEST, the monthly buyer's guide published by AUTO BILD, presented the prestigious Editor's Award of auto TEST winner 2012 as part of its Vehicle Owners Satisfaction Study (VOSS). In addition to the classic disciplines such as acceleration, flexibility, braking distance and fuel efficiency, the editorial team considers factors such as vehicle quality, safety, residual value and running costs. The Audi A6 fended off the competition to capture the auto TEST winner award in gold (auto TEST, issue 6/2012, p. 36 ff.).

The "sport auto Award 2012" is presented to the most sporty cars in various categories by the magazine sport auto. In this reader poll, Audi emerged as the winner in two categories with its A1 quattro and RS 3 Sportback. The brand also secured the top spot in 2012 in the "Most Exciting Study" category with the Audi quattro concept (sport auto, issue 7/2012, p. 42 ff.).

The Audi brand's outstanding, distinctive design was confirmed by several awards. For example, the Audi A3 was the compact category winner of the renowned AUTO BILD Design Award (www.autobild.de/artikel/auto-bild-design-award-2012-3561441.html – link only available in the German language) and also won the German Design Award 2013, Germany's leading design award, in the "Transportation and Public Space" category (www.themenportal.de/unternehmen/auszeichnungen-fuer-audi-im-oktober-2012-39805 – link only available in the German language). The "Autonis" award for the best design innovation of the year is presented annually by auto motor und sport to new car models that have appeared over the previous twelve months. The Audi A1 Sportback, the Audi A3 and the Audi Q5 were all voted the most attractive cars in their respective categories (auto motor und sport, issue 21/2012, p. 114 ff.).

In 2012, the Internet portal AutoScout24 staged a poll for its online audience for the tenth time, asking 162,000 users from Germany, Austria, Switzerland, Italy, Spain, France, Belgium and the Netherlands to vote for Europe's most popular cars. The field of candidates comprised 351 models in total, in ten vehicle categories. The A1, A3, A5 Sportback and Audi A6 models were all voted top of their individual categories (ww2.autoscout24.de/bericht/10-internet-auto-award/grosse-preisverleihung-in-genf/172550/279297/ – link only available in the German language).

There were wins for three Audi models in the "Auto Trophy 2012," accompanied by a good showing in the reader poll sponsored by AUTO ZEITUNG. The A1, A6 and Q5 all emerged on top of their respective categories (AUTO ZEITUNG, issue 25/2012, p. 86 ff.).

Internationally, too, the Audi brand continues to fare well. The year's "Asian Car of the Year Award" went to the Audi A6, which the high-ranking jury felt was the best new vehicle launched in Asia for quality, price and design (www.autocar.co.uk/car-news/beijing-motor-show-2012/beijing-show-audi-a6-wins-asian-coty).

The Audi A6 Sedan carried off the "International Design Excellence Award 2012" (IDEA), one of the leading design awards in the United States. The full-size sedan impressed the jury of the Industrial Designers Society of America with its dynamic formal idiom and innovative technology (www.idsa.org/audi-a6-sedan).

The Lamborghini brand's exclusive supercars also scooped an array of awards in the past fiscal year. The exclusive U.S. magazine Robb Report, which focuses on selected luxury articles, voted the Lamborghini Aventador the "Best of the Best 2012" in its category (www.robbreport.com/Paid-Issue/Best-of-the-Best-2012-Sports-Cars-Lamborghini-Aventador-LP-700-4).

The Ducati brand, the newest addition to the Audi Group, also performed impressively in the year's awards with two top placings in the poll organized by the sports motorcycle magazine PS. Almost one-third of those casting their vote helped the Ducati 1199 Panigale on its way to winning the class of superlatives "Best Sports Motorcycle of All" (PS Das Sport-Motorrad Magazin, issue 6/2012, p. 8 ff.). PS readers also voted the Streetfighter S top of the "Naked Bikes" category (ibid.). In the "Enduro/Supermoto" category the Multistrada 1200 S secured an outstanding second place (ibid.).

Attractive employer worldwide

In order to realize its strategy of becoming the leading premium brand worldwide, the Audi Group is reliant on the expertise and commitment of the best and most highly qualified employees. Especially in light of its continuing international expansion and global presence, it is therefore exceptionally important for our Company to be perceived as an attractive employer worldwide. The Audi Group therefore offers its employees a challenging working environment with a wide range of opportunities to develop, as well as attractive, commensurate pay coupled with high job security. To assure a consistently high level of employee satisfaction, we regularly conduct internal employee surveys.

The Audi Group's high attractiveness as an employer is moreover confirmed by a large number of external surveys conducted both nationally and internationally. AUDI AG is regularly placed among the leaders in the renowned employer rankings compiled by the consulting firms trendence and Universum. For the third year in a row in 2012, engineering and economics graduates voted the Company Germany's most popular employer in both studies ("trendence Graduate Barometer 2012 – Business und Engineering Edition," April 20, 2012; "The Universum German Student Survey 2012," April 30, 2012).

The Hungarian subsidiary AUDI HUNGARIA MOTOR Kft., Győr, was also once again voted most attractive company in the country by career-starters and experienced professionals in March 2012. This was the outcome of a survey conducted by the management consulting firm Aon Hewitt and the international student organization AIESEC (www.balaton-zeitung.info/Audi-attraktivster-Arbeitgeber-in-Ungarn – link only available in the German language).

Reducing CO₂ emissions

For Audi, putting the brand claim "Vorsprung durch Technik" into practice means developing innovative products, delighting customers and considering the needs of the environment.

In order to keep reducing the fuel consumption and CO₂ emissions of its vehicle fleet, the Audi brand follows a diversified technology strategy. Over and above continually optimizing its TFSI and TDI engines with the help of innovative efficiency technologies, the Company is systematically promoting lightweight construction. The Audi brand already boasts a proud track record in that domain. Most notably its Audi Space Frame (ASF) technology proved a trailblazing development when it was launched on the Audi A8 in 1994, the world's first volume-built vehicle with a unitary aluminum body. Today, all lightweight technologies are bracketed together under the Audi ultra name. The goal is to provide improved agility, handling characteristics and fuel efficiency from a lower power-to-weight ratio. Alternative drive forms are also increasingly coming into focus. The Q5 hybrid quattro, A6 hybrid and A8 hybrid are currently the three hybrid models to combine the best of both power sources. The Company is also pursuing an integrated approach to electric mobility in seeking to tap the full potential of electric drive systems. It aims to coordinate all systems and components as effectively as possible. In this connection we have brought together all activities concerning electric mobility under Audi e-tron.

Thanks to these measures, there are already 104 Audi models with emissions of up to just 140 g CO₂/km. Provisional calculations indicate that the average CO₂ emissions figure of new vehicles sold in the European Union (EU 27) in 2012 was around 138 g/km.

Audi is therefore well positioned to meet the planned statutory CO₂ limits to be introduced, for example, in Europe, the United States and China, avoiding possible penalties in the future and satisfying higher customer expectations.

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Strategic target

The Audi Group pursues the key strategic goal of consistently increasing the value of the Company. In this connection it uses return on investment (RoI) as an instrument of internal steering for evaluating various investment projects in terms of their return on the capital employed, depending on their nature and scale. This return on investment reflects the development in a company's profitability and is calculated using the following formula:

$$\text{Return on investment (RoI)} = \frac{\text{Operating profit after tax}}{\text{Average invested assets}} \times 100$$

EUR million	2012	2011
Operating profit after tax	3,766	3,744
Average operating assets	17,459	15,177
- Average non-interest-bearing liabilities	5,282	4,607
= Average invested assets	12,176	10,571
Return on investment (in %)	30.9	35.4

In the past fiscal year the Audi Group achieved a return on investment of 30.9 (35.4) percent, making it yet again one of the most profitable companies in the automotive industry worldwide.

SHARES

Stock market developments

Last year the development on financial and capital markets worldwide exhibited high volatility prompted by the sovereign debt crises in Europe. At the start of the year Germany's lead index DAX still very much reflected the positive impact of the more far-reaching euro stabilization measures. Meanwhile the healthy business situation of many companies in the first quarter, coupled with robust economic data in some cases, fueled hopes that the economy would suffer less from the European sovereign debt crisis than was originally feared. Having started the year on 5,900 points, the DAX gained more than 20 percent by mid-March 2012 to reach a level of around 7,100 points.

Above all in the wake of growing doubts about Greece's ability to remain in the eurozone and following the deterioration in the Spanish and Italian economies, from May onwards there were in some cases significant corrections on stock markets worldwide. The start of June 2012 saw the German benchmark index dip below 6,000 points for the first time since the start of the year. Nevertheless, steady business figures gave the German stock market renewed buoyancy from summer 2012 on. The extensive monetary measures taken by the European Central Bank also provided major impetus.

The DAX reached its year-high of 7,672 points in December 2012.

The DAX closed the year on 7,612 points, well up on the position at the start of 2012.

Audi trading price trend

Audi shares started 2012 trading at EUR 549 and benefited above all from a positive stock market environment at the start of the year. That mood helped the shares to reach a year-high of EUR 612 on February 9, 2012. As the year progressed, however, the shares were unable to escape the market's general volatility and closed on EUR 525 on the last day of trading in 2012.

INDEXED AUDI TRADING PRICE TREND
(ISIN: DE0006757008, WKN: 675700)



Profit transfer and compensatory payment to stockholders

Volkswagen AG, Wolfsburg, holds around 99.55 percent of the share capital of AUDI AG. A control and profit transfer agreement is in effect between the two companies. The outside stockholders of AUDI AG receive compensatory payment on their stockholding instead of a dividend. The level of this payment is based on the dividend paid on one Volkswagen AG ordinary share. The dividend payment will be resolved by the Annual General Meeting of Volkswagen AG on April 25, 2013.

DISCLOSURES REQUIRED UNDER TAKEOVER LAW

The following disclosures under takeover law are made pursuant to Section 289, Para. 4 and Section 315, Para. 4 of the German Commercial Code (HGB):

Capital structure

On December 31, 2012, the issued stock of AUDI AG remained unchanged at EUR 110,080,000 and comprised 43,000,000 no-par bearer shares. Each share represents a mathematical share of EUR 2.56 of the issued capital.

Stockholders' rights and obligations

Stockholders enjoy property and administrative rights.

The property rights include, above all, the right to a share in the profit (Section 58, Para. 4 of the German Stock Corporation Act [AktG]) and in the proceeds of liquidation (Section 271 of the German Stock Corporation Act), as well as a subscription right to shares in the event of capital increases (Section 186 of the German Stock Corporation Act).

The administrative rights include the right to participate in the Annual General Meeting and the right to speak, ask questions, table motions and exercise voting rights there. Stockholders may assert these rights in particular by means of a disclosure and avoidance action.

Each share carries an entitlement to one vote at the Annual General Meeting. The Annual General Meeting elects the members of the Supervisory Board to be appointed by it, as well as the auditor; in particular, it decides on the ratification of the acts of members of the Board of Management and Supervisory Board, on amendments to the Articles of Incorporation and Bylaws, as well as on capital measures, on authorizations to acquire treasury shares and, if necessary, on the conducting of a special audit, the dismissal of members of the Supervisory Board within their term of office and on liquidation of the Company.

The Annual General Meeting normally adopts resolutions by a simple majority of votes cast, unless a qualified majority is specified by statute. A control and profit transfer agreement exists between AUDI AG and Volkswagen AG, Wolfsburg, as the controlling company. This agreement permits Volkswagen AG to issue instructions. The profit after tax of AUDI AG is transferred to Volkswagen AG. Volkswagen AG is obliged to make good any loss. All Audi stockholders (with the exception of Volkswagen AG) receive a compensatory payment in lieu of a dividend. The amount of the compensatory payment corresponds to the dividend that is distributed in the same fiscal year to Volkswagen AG stockholders for each Volkswagen ordinary share.

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Capital interests exceeding 10 percent of the voting rights

Volkswagen AG, Wolfsburg, holds around 99.55 percent of the voting rights in AUDI AG. For details of the voting rights held in Volkswagen AG, please refer to the Management Report of Volkswagen AG.

Composition of the Supervisory Board

The Supervisory Board comprises 20 members. Half of them are representatives of the stockholders, elected by the Annual General Meeting; the other half are employee representatives elected by the employees in accordance with the German Codetermination Act. A total of seven of these employee representatives are employees of the Company; the remaining three Supervisory Board members are representatives of the unions. The Chairman of the Supervisory Board, normally a stockholder representative elected by the members of the Supervisory Board, ultimately has two votes in a second vote on the same Supervisory Board motion following a tie vote, pursuant to Section 13, Para. 3 of the Articles of Incorporation and Bylaws. Section 9, Para. 3 of the Articles of Incorporation and Bylaws stipulates that the term of office for a Supervisory Board member elected to replace a Supervisory Board member who has not fulfilled his term of office ends upon expiration of the term of office of the Supervisory Board member leaving.

Statutory requirements and provisions under the Articles of Incorporation and Bylaws on the appointment and dismissal of members of the Board of Management and on the amendment of the Articles of Incorporation and Bylaws

The appointment and dismissal of members of the Board of Management are stipulated in Sections 84 and 85 of the German Stock Corporation Act. Members of the Board of Management are accordingly appointed by the Supervisory Board for a period of no more than five years. Re-appointment or an extension of the term of office, in each case for no more than five years, is permitted. Section 6 of the Articles of Incorporation and Bylaws further stipulates that the number of members of the Board of Management is to be determined by the Supervisory Board and that the Board of Management must comprise at least two persons.

Authorizations of the Board of Management in particular to issue new shares and to reacquire treasury shares

According to stock corporation regulations, the Annual General Meeting may grant authorization to the Board of Management for a maximum of five years to issue new shares. The meeting may authorize it, again for a maximum of five years, to issue convertible bonds on the basis of which new shares are to be issued. The extent to which the stockholders have an option on these new shares is likewise decided upon by the Annual General Meeting. The acquisition of treasury shares is regulated by Section 71 of the German Stock Corporation Act.

Key agreements by the parent company that are conditional on a change of control following a takeover bid

AUDI AG has not reached any key agreements that are conditional on a change of control following a takeover bid. Nor has any compensation been agreed with members of the Board of Management or employees in the event of a takeover bid.

SYSTEM OF REMUNERATION FOR THE SUPERVISORY BOARD AND BOARD OF MANAGEMENT

Information on the system of remuneration for the Supervisory Board and Board of Management is provided in the Notes to the Consolidated Financial Statements under “Details relating to the Supervisory Board and Board of Management” and constitutes part of the Group Management Report.

CORPORATE MANAGEMENT DECLARATION

The corporate management declaration pursuant to Section 289a of the German Commercial Code (HGB) is permanently available on the Internet at www.audi.com/corporate-management.

BUSINESS AND UNDERLYING SITUATION ECONOMIC ENVIRONMENT

Global economic situation

The global economy's growth slowed in the year under review, with the growth rate dropping to 2.6 (3.0) percent. Structural challenges mainly in the shape of high levels of public debt damped growth in many industrial nations. By contrast, gross domestic product in most emerging economies again enjoyed above-average growth, though this was less vigorous than in the previous year. Despite the expansionary monetary policy of many central banks, average inflation over the year remained at a moderate level.

In Western Europe, economic growth was negative at -0.2 (1.5) percent as a result of the continuing sovereign debt crises and the related budgetary consolidation efforts. In particular the Southern European members of the EU, but also individual EU countries in Northern Europe, saw negative growth. In tandem with these developments, unemployment in Western Europe rose to 10.7 (9.8) percent on average, with much higher levels in Ireland, Portugal, Spain and Greece.

As the year progressed, the difficult situation in Western Europe increasingly spilled over into the German economy, ultimately causing a decline in GDP growth to 0.9 (3.1) percent. Consumer spending helped to stabilize the situation, above all thanks to the healthy state of the German labor market and the wage increases during the year under review.

In Central and Eastern Europe, economic development exhibited a slowdown over the past year. Russia's gross domestic product likewise showed a slightly slower rate of growth than in the previous year, with the growth rate reaching 3.4 (4.3) percent.

On the back of the U.S. Federal Reserve's expansionary monetary policy, the United States achieved moderate economic growth of 2.2 (1.8) percent in 2012. The labor market nevertheless remained difficult and domestic demand was subdued.

Most Latin American countries experienced slower growth than one year earlier. Both Brazil and Argentina saw their economic output rise much more slowly, by 1.0 (2.7) and 1.7 (8.9) percent respectively.

By contrast, Asia's emerging markets were again among the powerhouses of the global economy in 2012 despite their lower growth momentum. The growth rate for gross domestic product in China reached 7.8 (9.3) percent, ahead of the government target of 7.5 percent but below the previous year's high figure. The Indian economy, too, expanded slightly more slowly than in the previous year, at a rate of 5.1 (6.9) percent.

Japan's gross domestic product grew by 2.0 (-0.5) percent as the domestic economy recovered from the consequences of the natural disaster in 2011.

International car market

Even though global economic growth was only moderate in 2012, demand for cars worldwide showed a marked upward trend, gaining 7.2 percent to reach a new all-time record of 66.6 (62.1) million passenger cars. All sales regions apart from Western Europe achieved growth. Growth rates in the Asia-Pacific and North America regions even reached double figures.

In Western Europe (excluding Germany) the continuing sovereign debt crises and economic slackness were behind a renewed fall in registrations of new cars. In many countries the market development was adversely affected in particular by a lack of consumer confidence and rising unemployment. In Western Europe's major car markets, Spain and France suffered a drastic decline in sales, contracting by 13.4 and 14.1 percent respectively. In Italy, sales of passenger cars fell by 19.9 percent. On the other hand, high consumer demand in the UK led to a 5.3 percent rise in new registrations. Demand for cars in Western Europe as a whole (excluding Germany) fell by 9.9 percent to 8.7 (9.6) million vehicles – the lowest overall market volume since 1993.

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In Central and Eastern Europe the upward trend in car sales continued, driven mainly by rising demand in Russia. Despite the expiry of state incentives for car buyers, the Russian market saw new registrations rise by 10.9 percent to 2.7 (2.4) million passenger cars.

The U.S. automobile market showed above-average dynamism in the year under review. Favorable credit terms and a continuing high level of replacement demand helped new registrations climb to 14.5 (12.8) million vehicles – a rise of 13.4 percent or 1.7 million passenger cars and light commercial vehicles.

In Latin America the Brazilian car market broke the previous year's record, with 2.9 (2.6) million new passenger cars registered. The trend benefited especially from temporarily reduced tax rates on industrial products. By contrast the previous year's record total could not be improved on in Argentina, with 587 (620) thousand vehicles sold, as a result of import restrictions imposed by the Argentinian government.

The Asia-Pacific region was the main driver of car sales worldwide in 2012. The sales volume of 25.7 (22.7) million passenger cars was up 13.3 percent – a much more dynamic performance than even in the previous year. The Chinese automobile market achieved 9.3 percent growth to 13.5 (12.4) million vehicles. There was a substantial rise in new registrations in India, too, of 11.1 percent to 2.5 (2.3) million passenger cars despite continuing high financing costs and rising fuel prices. The Japanese car market recovered from the impact of the 2011 natural disaster in the year under review, and with the added advantage of financial incentives offered by the state for environment-friendly vehicles, there was a very healthy rise of 29.5 percent in car sales to 4.6 (3.5) million units.

German car market

Amid the difficulties being experienced in other major Western European countries, the German car market proved to be comparatively stable. Despite increased fuel costs, 3.1 (3.2) million vehicles were newly registered in the year under review. The moderate fall of 2.9 percent is mainly attributable to consumer restraint. In addition, the German car market was adversely affected in the second half of the year by growing uncertainty about future economic prospects.

The proportion of diesel versions in total new-car registrations climbed 1.1 percentage points in 2012 to reach a new all-time high of 48.2 percent. Vehicle exports by German carmakers were down 2.6 percent on the previous year's total at 4.1 (4.2) million units. The main factor at work here was the cyclically driven fall in exports to other Western European countries. The export markets of Western Europe nevertheless remained the principal sales region for German vehicle exports, accounting for 2.0 (2.3) million units. Topping the list of national export markets were the UK and the United States, with 0.7 (0.6) and 0.6 (0.5) million vehicles respectively, and once again China. 0.3 (0.3) million German-built vehicles were shipped there in 2012 as a whole.

Due to weak demand in Western Europe, domestic production by German manufacturers slipped by 3.7 percent to 5.4 (5.6) million units. On the other hand, German manufacturers' passenger car production in other countries again gained in significance in 2012, growing by 8.9 percent to 8.0 (7.4) million units.

International motorcycle market

Moderate growth in the global economy meant that international demand for motorcycles in the displacement segment above 500 cc revealed a very mixed picture. Worldwide new registrations of motorcycles in the markets that are relevant for the Ducati brand were down 4.0 percent. In Western Europe, sales were down 30.0 and 29.9 percent in Spain and Italy respectively due to the sovereign debt crises; demand also slipped by 7.4 percent in France and by 6.4 percent in

the UK. On the other hand, the motorcycle market was buoyant in Germany, expanding slightly by 2.3 percent. Demand for motorcycles also increased in the United States and Japan. While the U.S. market achieved only slight sales growth of 1.1 percent, unit sales in Japan rose sharply, increasing by 18.3 percent.

Management's overall assessment

Against a backdrop of declining economic momentum, the Audi Group again enjoyed a very successful year in 2012. The Company delivered 1,455,123 (1,302,659) Audi models worldwide and thus improved on its previous record. The substantial rise in deliveries of 11.7 percent is attributable not simply to generally positive overall market demand for cars, but in specific to the attractive product portfolio of the Audi brand and its steady expansion. We again reaped the rewards of continuously optimizing processes and cost structures along the entire value chain, as part of our long-term approach to corporate management. We were thus able to post an operating profit for the 2012 fiscal year of EUR 5,380 (5,348) million and an operating return on sales of 11.0 (12.1) percent. This meant the Audi Group was again one of the most profitable vehicle manufacturers in the world in 2012.

RESEARCH AND DEVELOPMENT

The Research and Development area is of key importance to the long-term success of a leading manufacturer of premium cars. Thanks to the Audi brand's extensive portfolio of key technologies for alternative drive concepts, lightweight construction and connectivity, it defines benchmarks and has an enduring impact on technological standards in automotive manufacturing. Over the past fiscal year, an average total of 8,937 (7,574) people were employed in the Research and Development area of the Audi Group.

EMPLOYEES IN THE RESEARCH AND DEVELOPMENT AREA

Average for the year	2012	2011
AUDI AG	7,045	6,586
AUDI HUNGARIA MOTOR Kft.	180	147
Automobili Lamborghini S.p.A.	245	216
Italdesign Giugiaro S.p.A.	694	566
PSW automotive engineering GmbH	537	-
DUCATI MOTOR HOLDING S.P.A.	88	-
Other	148	59
Total	8,937	7,574

The Audi Group spent EUR 2,942 (2,641) million on the Research and Development area in the past fiscal year.

RESEARCH AND DEVELOPMENT EXPENDITURE RECOGNIZED AS AN EXPENSE

EUR million	2012	2011
Research expense and non-capitalized development costs	2,513	2,243
Impairment losses (reversals) on capitalized development costs	429	397
Total	2,942	2,641

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Technical innovations

New engines – driving fun and efficiency

We again systematically refined the Audi brand's range of engines in the 2012 fiscal year with the aim of providing maximum on-road agility and performance with minimal fuel. In particular, Audi is homing in on the downsizing philosophy and is promoting turbocharging as a means of reducing the size of its engines.

The A1's engine versions thus achieve standardized consumption figures ranging between 3.8 and 5.9 liters per 100 kilometers. For example, the 1.6 TDI fitted in the A1, with an output of 77 kW (105 hp), uses an average of only 3.8 liters of diesel fuel per 100 kilometers, with CO₂ emissions of 99 g/km.

The new-generation Audi A3 is the first model to feature the completely redeveloped 2.0 TDI engine with an output of 110 kW (150 hp), which is notable for more than just its sporty performance. The new 2.0 TDI engine with manual transmission consumes just 4.1 liters of diesel per 100 kilometers and emits 106 g/km of CO₂.

The SQ5 TDI is Audi's first-ever S model powered by a diesel engine. Its 3.0 TDI engine is supercharged by two turbochargers which boost its output to 230 kW (313 hp). The SQ5 TDI accomplishes the sprint from 0 to 100 km/h in 5.1 seconds, and goes on to achieve a top speed of 250 km/h. Its consumption averages a modest 6.8 liters of diesel per 100 kilometers, with CO₂ emissions of 179 g/km.

Another example of driving fun and efficiency is the 4.0 TFSI in the new RS6 Avant. The V8 biturbo is supremely powerful, with a peak output of 412 kW (560 hp). The RS6 Avant accelerates from 0 to 100 km/h in only 3.9 seconds and has a top speed of 250 km/h. This can be increased to up to 305 km/h as an option. In addition, the new Audi RS6 Avant incorporates the pioneering efficiency technology of cylinder on demand. Cylinder deactivation means the 4.0 TFSI operates as just a four-cylinder engine at low to medium loads and engine speeds. On average, this high-performance automobile consumes a mere 9.8 liters of Super Plus gasoline per 100 kilometers, with CO₂ emissions of 229 g/km.

Awards for Audi engines

In 2012 a jury of 76 motor journalists from all over the world again chose Audi's 2.5 TFSI engine as "International Engine of the Year" in its category (www.ukipme.com/engineoftheyear/2_25.php#2). The 2.5 TFSI engine is a notable example of the Audi core technologies of turbocharging and FSI direct injection. The jury was especially impressed by the broad effective torque range, along with the engine's performance and sound, which paved the way for another Audi victory. This year's defense of the title was the eighth successive win for Audi TFSI technology.

CO₂-neutral mobility

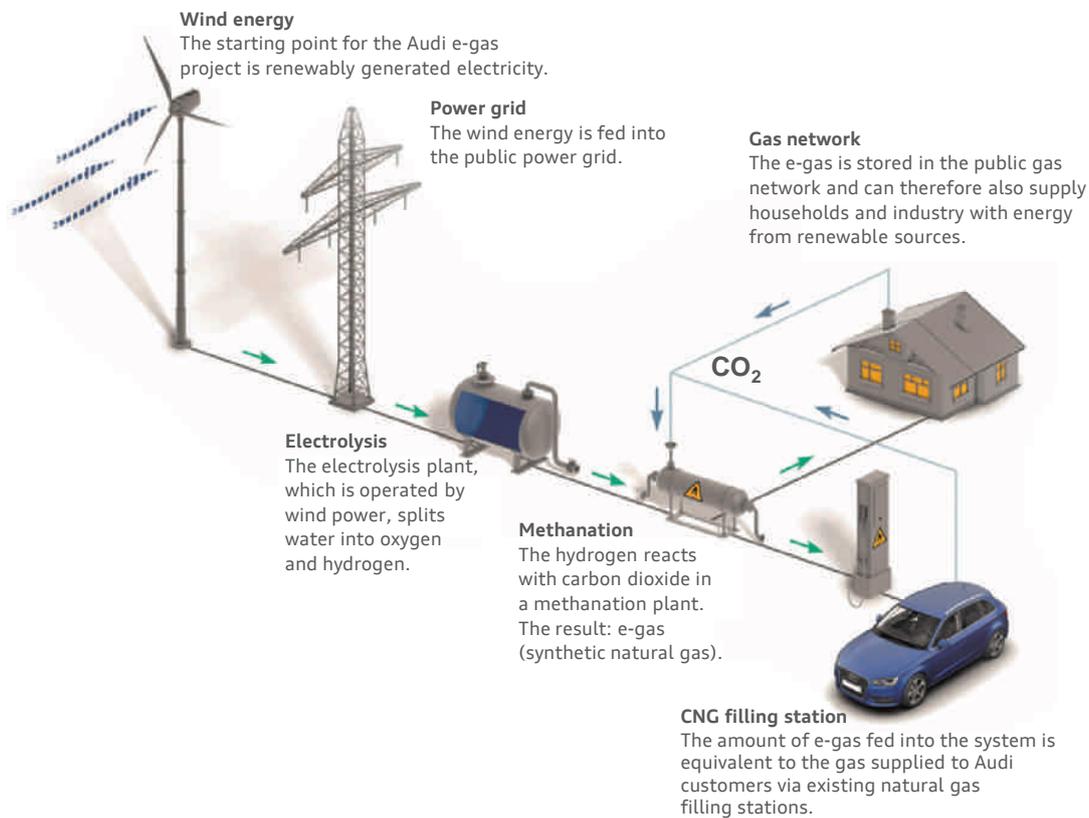
Audi has set itself the task of pioneering the sustainable use of finite resources within the automotive industry. The challenge to create CO₂-neutral mobility plays a pivotal role in this context. At the same time, the Audi brand embodies performance, sportiness and emotionality.

Through the Audi e-gas project, the Company is one of the first car manufacturers in the world to build a chain of sustainable energy sources. It all starts with energy from wind power, which breaks down water into oxygen and hydrogen by electrolysis. In a methanation reactor the hydrogen then reacts with the carbon dioxide emitted by a biogas plant, which is thus not discharged into the atmosphere. The end product of this catalytic process is synthetic Audi e-gas, which can be used to power natural-gas cars such as the new A3 Sportback g-tron, due to appear on the market in 2013. In December 2012, Audi celebrated the topping-out ceremony at its new e-gas plant in Werlte (Emsland), where e-gas production is to start during the current fiscal year.

The e-gas project is about more than simply a new fuel. The scope for linking up electricity and gas has the potential to provide a big impetus to the expansion of renewable energies. For instance, if it is very windy, surplus power can be converted into Audi e-gas, which can be stored in the

public gas distribution network and also transported. That energy can then be used whenever required, wherever it is most suitable; it can also be converted back into electricity at combined heat and power stations, to supply the grid. The principle behind the Audi e-gas project will work in all countries where there is a natural gas mains network.

AUDI E-GAS PROJECT



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Additionally, here at Audi we are pursuing another highly promising concept to replace gasoline and diesel with entirely new biofuels that capture the greenhouse gas carbon dioxide during the production process. Research continues into the manufacture of synthetic ethanol, or Audi e-ethanol, and synthetic diesel, or Audi e-diesel, in collaboration with specialist partners. The starting materials required are water, carbon dioxide, solar energy and special microorganisms. Like plants, these organisms carry out oxygenic photosynthesis, using sunlight and carbon dioxide to form carbohydrates and grow. They do not need clean drinking water; saltwater or effluent are adequate. In this instance the photosynthesis process has been modified so that the microorganisms convert the carbon dioxide directly into ethanol or long-chain alkanes. These are important components of diesel fuel. Audi e-ethanol, which is already being made at a pilot facility, has the same chemical properties as the bioethanol that has been available on the market for some time. The crucial advantage in this case is that it is made without biomass. It can be blended with gasoline from fossil sources or used as the basis for E85 fuel.

One particular area of potential for synthetic diesel is its purity, which allows it to be blended unrestrictedly with fossil diesel. The local factors that will ultimately apply in the production of this form of energy give it another crucial advantage over bioethanol. The facilities can be located on land that is entirely unsuitable for agriculture. Furthermore, the latest forecasts suggest that the yield is many times higher than for ethanol and diesel from renewable raw materials such as corn and rapeseed. In addition, the latter are in competition with the cultivation of food crops.

Audi e-tron

While the development and optimization of efficient combustion engines continues, electric drive systems will become increasingly important in the future. The Audi Group is therefore pushing the development of electric mobility and pursuing an all-embracing approach where all systems and components are harmonized in order to capture their full potential. At Audi, we have combined all activities involving electric mobility under the Audi e-tron name. The first showcar with electric drive was unveiled in fall 2009. Many more electric studies and concept vehicles have since followed. Early last year the Company presented the Audi A6 L e-tron concept in Beijing at Auto China 2012. More recently, in fall 2012 the concept car Audi crosslane coupé was presented at the Paris Motor Show.

AUDI E-TRON STUDIES



Audi's future e-tron models will be able to cover significant distances electrically and therefore silently. So that pedestrians are aware of them in city traffic, we have developed a synthetic sound that we refer to as the Audi e-sound. Millisecond by millisecond, this sound is defined by the car itself based on a combination of different parameters such as road speed and the electric motor's speed, making it especially authentic.

High-voltage battery project house

The new high-voltage battery project house marks another big step in the direction of electric mobility for our Company. Some two kilometers from the Ingolstadt plant is a facility that has been dedicated to researching the lithium-ion battery since May 2012. With an eye to future automotive projects, vital development and manufacturing expertise in high-voltage batteries is being accumulated in collaboration with high-profile partners. Another aim is to ensure that Audi's high quality requirements are met by electric mobility solutions, too. The basic idea is to get all the areas involved in high-voltage technology to collaborate intensively. The focal areas of the project house include the high-voltage test field, which encompasses the testing of high-voltage batteries at cell, module and system level, and the battery technology center, including prototype production and the small-scale production of high-voltage battery systems.

Charging technologies

The overall concept of electric mobility encompasses all aspects, including the charging technology for the drive battery – a high-voltage power pack.

One interesting idea for charging technology is automatic, contactless charging by means of induction, referred to as “Audi wireless charging.” Here, the stationary charging pad is normally connected to the road or parking space, and the mobile charging pad with the underside of the Audi e-tron. When the car comes to a standstill above the charging pad, the charging process starts automatically and ends as soon as the battery is fully charged, the driver pulls away or the charging process is terminated manually. This new premium charging technology makes the recharging of electric vehicles simple, very convenient and fully automated. And it can be integrated into the transport infrastructure wherever desired, for instance in parking lots or residential streets. Automatic, contactless charging technology could go into production in a few years’ time. In our opinion it has the potential to give electric mobility fresh impetus.

Dual-mode hybrid

Another very promising idea that Audi is pursuing in the sphere of electric mobility is the dual-mode hybrid. This newly developed drive type, as featured in the Audi crosslane coupé concept car, is as innovative as it is efficient.

With a system output of 130 kW (177 hp), the Audi crosslane coupé accelerates from 0 to 100 km/h in 8.6 seconds, or in 9.8 seconds exclusively in the electric mode. The car’s top speed is 182 km/h. This concept car takes fuel efficiency to a new level, covering 100 kilometers on an average of just 1.1 liters of fuel and with CO₂ emissions of 26 g/km. The lithium-ion battery’s 17.4 kWh output is sufficient for driving 86 kilometers. The main components of its slimline drive layout are an internal combustion engine, two electric motors and a single-stage gearbox. The purpose-designed 1.5 TFSI, a three-cylinder combustion engine, develops 95 kW (130 hp) from 200 Nm of torque and is connected to a disc-shaped first electric motor (alternator). This has a peak output of 50 kW (68 hp) and generates up to 210 Nm of torque. The second electric motor is responsible for providing electrical traction. At its peak, it achieves an output of 85 kW (116 hp) and a maximum torque of 250 Nm. The new hybrid system uses various operating statuses depending on the driving situation. From starting off up to a speed of 55 km/h, the second electric motor operates on its own. If the battery is not supplying sufficient energy, the system switches temporarily into serial mode, where the combustion engine and the first electric motor both generate electrical energy. Electric travel is possible up to 130 km/h. The driver of the Audi crosslane coupé concept car can choose between the economy (“cruise”) and sports (“race”) setting. At city speeds of up to 55 km/h, they can also activate electric travel at the push of a button.

First win for a hybrid car at Le Mans

Audi reached another landmark in motorsport with its 11th win in the 80th 24 Hours of Le Mans. For the first time ever, the legendary endurance race was won by a vehicle with hybrid drive – the Audi R18 e-tron quattro.

The resounding win for Audi Sport Team Joest was rounded off by a second, third and fifth place. This meant the Audi R18 cars were once again easily the fastest and most reliable vehicles taking part in the race.

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Audi ultra

Reversing the weight spiral

Lightweight construction has been one of our core areas of expertise for many years. Audi already blazed the trail in 1994 by adopting the use of aluminum for vehicle bodies. Even then, the A8 was the first production sedan to feature an all-aluminum body in Audi Space Frame (ASF) technology.

Today, the Audi brand places emphasis on using an intelligent mix of materials to achieve maximum performance at every point in the car, through use of the optimum material. In addition to aluminum and high-strength steels, we are increasingly turning to carbon fiber-reinforced polymers (CFRP) and magnesium. The aim is to make every new model lighter than its predecessor. The Audi ultra lightweight construction principle is not simply limited to the body or to individual assembly units and components. It considers the vehicle as a whole and seeks to avoid superfluous weight at every point. The unladen weight of the new three-door A3 has been reduced by up to 80 kilograms compared with the previous model, and the saving on the new A3 Sportback is up to 90 kilograms.

Audi provides one possible take on the future shape of lightweight construction in the multi-material Audi Space Frame of the Audi crosslane coupé concept car. The innovative material concept combines the best properties of various different materials – such as aluminum, carbon fiber-reinforced and glass fiber-reinforced polymers (CFRP and GFRP) – and represents a new evolutionary stage of the Audi ultra lightweight construction principle in terms of weight and energy usage over its life cycle.

Our two Italian brands Lamborghini and Ducati also possess many years of experience and expertise in working with lightweight technologies. Lamborghini already started to use carbon materials in automotive manufacturing around 30 years ago. Today, the Italian sports car manufacturer holds a large number of patents in the field of carbon technology. The Aventador LP 700-4 is the first Lamborghini to have a cabin made entirely from carbon fiber. For its production, a special assembly hall dedicated to the machining of carbon fiber-reinforced polymers (CFRP) was set up at the headquarters in Sant'Agata Bolognese. To build on its expertise in lightweight construction, the Lamborghini brand is working with renowned partners from the worlds of aerospace and science, and has operated its own research lab for approximately four years.

Ducati, too, has supplied fresh evidence of its expertise in the area of lightweight construction technology in launching the new 1199 Panigale. An entirely new design based on an aluminum monocoque instead of a conventional frame gives the Superbike model a revolutionary dry weight of around only 164 kilograms.

Audi connect

The world is becoming increasingly interconnected – and so is the Audi brand. Audi connect denotes the technology that connects the driver with the car, the Internet, the infrastructure and other vehicles. In this area, the new models Audi A3 and Audi A3 Sportback offer attractive solutions that redefine the benchmark especially in the premium compact segment. The pivotal

component is Audi connect or the Bluetooth car phone online, available as an equipment option to complement the option of MMI Navigation plus. It establishes an Internet connection via a UMTS module. The integral WiFi hotspot allows passengers to surf and e-mail at will from up to eight mobile terminal devices. Audi connect also provides Internet services customized to the driver's needs, ranging from navigation by the Google Earth™ mapping service and map zoom down to 30 meters to a 360° panoramic view with Google Street View™ and the web radio function Audi music stream. There is also the attractive service of traffic information online. This uses the movement profiles of hundreds of thousands of smartphones and navigation units that are on board moving vehicles. In an anonymized, centrally processed form, it provides an up-to-the-minute picture of the traffic situation everywhere from country roads to city streets. Drivers of the new Audi A3 can make destination inputs through an active myAudi account linked to the vehicle, which the customer can create online at the myAudi portal, access Google Maps™, the point-of-interest (POI) search feature with voice control, call up weather and travel information, and benefit from other new Audi connect services, too. Our customers can now tailor a number of functions to their individual preferences on the myAudi portal. With the online news service (individual), for example, a customer's preferred news sources (RSS feeds) can be configured and saved via the myAudi account online. The user's personal news bulletins are then available in the vehicle. The text-to-speech function is an especially convenient feature that is also available for a number of other Audi connect services.

For the online community, Audi connect also integrates Facebook and Twitter into the vehicle's infotainment systems. The new Audi A3 now includes a text function for these services. In conjunction with data such as the current location, the user can, for example, choose to send a preconfigured online message through social networks to let their friends know their whereabouts. The new Audi A3 also incorporates services such as the City Events function, an Internet-based event guide listing, among other things, music, theater and arts events happening locally. Picturebook Navigation also allows personal photos linked to geolocation data (GPS) to be used for navigation. The messages service, which includes a dictation and voice-activated send function, and an e-mail function complete the extensive range of Audi connect features in the new A3. Our Audi A3 customers can also benefit from the new Audi MMI connect app, which provides direct access to certain Audi connect services via smartphones. For instance, navigation destinations and photos can be sent directly from the smartphone to the vehicle.

It will become increasingly important to integrate information technologies into vehicles swiftly and comprehensively. Audi is the very first premium manufacturer to become involved in the IT industry as more than just a client; it has participated in the Consumer Electronics Show (CES) in Las Vegas and the CeBIT in Hanover as an exhibitor in its own right.

With the new mobile phone standard Long Term Evolution (LTE), which permits data transfer speeds of up to 100 Mbit per second, cars will in future be able to communicate even faster with each other and with the transport infrastructure.

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Design

The Audi brand is treading new paths in taking its design strategy comprehensively to the next level, without abandoning its existing design idiom. The intention is firstly to differentiate more between the car lines and secondly to enable future model generations to display more technical aspects in their design.

The Audi crosslane coupé concept car, which was given its first showing at the Paris Motor Show, exemplifies how the new strategic direction could be implemented for future Q models. The showcar's Singleframe is three-dimensional in design. This adds to the strong presence that makes every Q model distinctive. Another characteristic feature is the removable central roof section made from carbon fiber, transforming the urban SUV into an open-top all-rounder. The emphasis of Audi's evolutionary design idiom and philosophy is on the strong bond between technology and design. Examples include the Singleframe radiator grille and the recesses in the front lid.

AUDI CROSSLANE COUPÉ



The holistic design approach integrates the interior and exterior more closely. The resulting entity both makes the Audi brand easier to recognize and highlights the distinctive character of each individual Audi model by differentiating the interiors more.

Innovations for safety and comfort

Driver assistance systems

The Audi brand has a broad range of innovative driver assistance systems that can make vehicles even easier and safer to handle. Rather than taking over, they are an increasingly helpful form of technological assistance that always leaves the driver ultimately in charge.

Audi has redefined the benchmark with the driver assistance systems on board the new A3 and is now introducing technologies from the full-size category in the compact segment as well. These include the optional Audi adaptive cruise control (ACC), which automatically maintains a chosen safety clearance from the vehicle in front with the help of a sensor. Within certain limits, Audi adaptive cruise control (ACC) accelerates and slows down the car on its own.

Audi active lane assist, a driver assistance system first launched on the Audi A7 Sportback, is now also optionally available to actively help drivers of the new A3 stay in lane by providing gentle steering impulses.

The optional lane-change assistant Audi side assist has a complex system of radar sensors that monitor the traffic following behind; where necessary, drivers are warned that they are about to perform a risky lane change.

Audi supplies a selection of systems to take the stress out of parking. For example, the optional park assist with selective display can guide the new A3 into parking spaces. Its 12 ultrasonic sensors identify obstacles on all sides of the car. In perpendicular and parallel parking spaces, it handles the steering work for the driver, if need be in several separate maneuvers. To establish whether parking spaces are big enough, at moderate speeds it can also gauge the size of spaces along the side of the road. When it detects a suitable one, it indicates this on the display.

The optional safety system Audi pre sense basic in the new A3 is another technology transferred straight from the full-size category and now available in the premium compact car segment. The electronic stabilization control (ESC) sensors can detect when the vehicle becomes unstable. The safety system then makes sure that the front seat belts are tensioned. If the vehicle begins to skid, the windows and optional sunroof are closed automatically. In conjunction with the option Audi adaptive cruise control (ACC), the function pre sense front is included; if there is the risk of a collision with the vehicle in front, depending on the situation it either warns the driver or provides braking assistance to prevent a collision. If the driver still does not respond, the brakes are applied after a delay to reduce the impact speed. Below 30 km/h, it even brakes the Audi A3 at virtually full force in an emergency. If a collision still happens, the new secondary collision brake assist function cuts in to prevent the vehicle from continuing to roll in an uncontrolled manner by automatically braking it. At the same time the interior lights and the hazard warning flashers come on. The occupants are also protected by a package of restraint systems comprising a total of seven airbags, including a knee airbag for the driver.

In January 2013, Audi furthermore became the first automotive manufacturer in the world to be granted a license to operate piloted vehicles in the U.S. State of Nevada. The Company's test vehicles that are participating in the trialing of piloted driving are consequently permitted to drive on public roads in Nevada. The condition is that there has to be a driver with a valid driver's license in every car, to take charge of steering the car if necessary.

Euro NCAP awards

The "European New Car Assessment Programme" (Euro NCAP) consortium, which brings together international representatives of European transport ministries, automobile clubs, insurance companies and consumer bodies, awarded a number of top accolades to the new Audi A3 in the past fiscal year. For example, the Audi pre sense front plus safety system was given the "Reward 2012" title. The Euro NCAP consortium also awarded the new Audi A3 its highest rating of five stars for its passive crash safety. The results for adult occupant protection in a front, rear and side impact, as well as for child occupant and pedestrian protection, reveal the new A3 to be one of the safest cars in its category (www.euroncap.com/results/audi/a3/480.aspx).

Furthermore, the Euro NCAP consortium gave the new Audi A3 its "Euro NCAP advanced" distinction in four separate categories. This award is made for innovative accident prevention systems that go beyond statutory and consumer protection requirements. It especially commended the driver assistance systems Audi pre sense basic and Audi pre sense front, secondary collision brake assist and Audi active lane assist (www.euroncap.com/rewards.aspx).

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PROCUREMENT

A long-term partnership with top-performing suppliers worldwide is a key aim for Audi Group Procurement. Alongside overall economic efficiency, our supplier partnerships depend on a range of criteria such as quality, innovativeness and reliability. In order to maximize any synergy potential, the selection process is handled in consultation with Volkswagen Group Procurement.

The cost of materials for the Audi Group came to EUR 30,265 (28,594) million in the 2012 fiscal year, thus representing the largest single component of the cost of sales.

The gradual expansion of the Audi product range will lend further strategic importance to procurement activities. This fact, along with the high complexity of supply chains, prompted the further intensification of purchased parts and supplier management in the past fiscal year. Together, tool and process experts from the procurement and quality assurance areas make sure that the necessary capacity is available and that the required quality standards are maintained to ensure the successful start of production of new models and a reliable parts supply for the Audi production network.

Sustainability is a core consideration within our Company's procurement activities, and at the very heart of the principles we apply. In addition to cost savings, non-economic aspects such as the use of recyclable materials are also part of the equation. We expect all suppliers and business partners to uphold environmental and social standards both for themselves and within their supply chain, in order to reflect the Audi Group's high benchmark for entrepreneurial responsibility. The involvement of suppliers in the product development process from an early stage also enables us to find ways of reducing the amount of materials used or of using alternative materials.

PRODUCTION

The 2012 fiscal year saw the Audi Group increase car production to 1,469,205 (1,302,981) vehicles, on the back of a positive trend in demand. This figure includes 333,465 (216,053) vehicles of the Audi brand made by the Chinese joint venture FAW-Volkswagen Automotive Company, Ltd. in Changchun (China). Overall, 1,467,008 (1,301,270) Audi vehicles and 2,197 (1,711) supercars of the Lamborghini brand were produced.

Since the acquisition of DUCATI MOTOR HOLDING S.P.A., Bologna (Italy), and its subsidiaries, the Ducati brand has built 15,734 motorcycles. Motorcycle production over the full year totaled 43,992 (42,177) units.

CAR PRODUCTION BY MODEL ¹⁾

	2012	2011
Audi A1	47,491	116,749
Audi A1 Sportback	75,620	817
Audi A3	31,403	27,460
Audi A3 Sportback	125,174	149,855
Audi A3 Cabriolet	8,089	11,753
Audi Q3	106,919	19,654
Audi TT Coupé	16,940	19,704
Audi TT Roadster	4,940	5,804
Audi A4 Sedan	217,389	193,269
Audi A4 Avant	95,675	103,434
Audi A4 allroad quattro	16,887	10,537
Audi A5 Sportback	52,138	53,204
Audi A5 Coupé	32,514	38,095
Audi A5 Cabriolet	18,705	20,459
Audi Q5	209,895	175,552
Audi A6 Sedan	222,244	173,159
Audi A6 Avant	54,317	45,628
Audi A6 allroad quattro	8,439	3,036
Audi A7 Sportback	28,950	37,301
Audi Q7	55,106	53,707
Audi A8	35,932	38,542
Audi R8 Coupé	1,295	2,039
Audi R8 Spyder	946	1,512
Total, Audi brand	1,467,008	1,301,270
Lamborghini Gallardo	1,221	1,264
Lamborghini Aventador	976	447
Total, Lamborghini brand	2,197	1,711
Total, Automotive segment	1,469,205	1,302,981

1) The table includes the vehicles built in China by the joint venture FAW-Volkswagen Automotive Company, Ltd. since January 1, 2012. The joint venture built 333,465 (216,053) vehicles in the 2012 fiscal year. The figures for the previous year have been adjusted to enhance comparability.

At the main Group location in Ingolstadt, the Company manufactured 547,395 (583,942) vehicles of the Audi brand last year. A total of 260,295 (265,622) cars were built at Neckarsulm in the year under review. At both locations, the slight decreases compared with the high prior-year figure are mainly attributable to the impact of model changeovers.

Car production by AUDI HUNGARIA MOTOR Kft., Győr (Hungary), came to 33,553 (39,518) vehicles in 2012. It built 21,880 (25,508) TT car models jointly with the Ingolstadt plant and 11,673 (14,010) of the Audi A3 car line on behalf of AUDI AG.

AUDI BRUSSELS S.A./N.V., Brussels (Belgium), produced 123,111 (117,566) vehicles of the A1 car line in the period under review.

In addition the Volkswagen Group locations in Bratislava (Slovakia) and Martorell (Spain) built 55,106 (53,707) of the Audi Q7 and 106,919 (19,654) of the Audi Q3 respectively in the past fiscal year.

The Chinese joint venture FAW-Volkswagen Automotive Company, Ltd., Changchun, built a total of 333,465 (216,053) Audi vehicles in 2012, a substantial increase of 54.3 percent.

In addition, 7,572 (5,208) parts sets for CKD assembly at Aurangabad (India) were made at the Ingolstadt, Neckarsulm and Bratislava (Slovakia) sites.

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CAR ENGINE PRODUCTION

	2012	2011
Automotive segment	1,916,604	1,884,157
AUDI HUNGARIA MOTOR Kft.	1,915,567	1,883,757
Automobili Lamborghini S.p.A.	1,037	400

The Audi Group stepped up car engine production to 1,916,604 (1,884,157) units in 2012. Diesel engines accounted for 42.0 (47.6) percent of this total.

The Hungarian subsidiary AUDI HUNGARIA MOTOR Kft., Győr, built a total of 1,915,567 (1,883,757) engines in the period under review, of which 970,515 (920,773) were sold to Audi Group companies, 786,326 (798,267) to other Volkswagen Group companies and 117,740 (118,919) to third parties.

In addition, Automobili Lamborghini S.p.A., Sant'Agata Bolognese (Italy), built 1,037 (400) 12-cylinder engines.

MOTORCYCLE PRODUCTION BY MODEL

	2012 ¹⁾	2011
Ducati Diavel	1,730	-
Ducati Hypermotard	89	-
Ducati Monster	5,001	-
Ducati Multistrada	2,519	-
Ducati Streetfighter	1,440	-
Ducati Superbike	4,955	-
Total, Ducati brand	15,734	-
Total, Motorcycles segment	15,734	-

1) Motorcycle production since acquisition of Ducati Group in July 2012

Since first-time consolidation in July 2012, Ducati has produced 15,734 motorcycles worldwide. 14,621 sporty bikes were built at the company headquarters in Bologna (Italy). Over the same period, the Amphur Pluakdaeng site in Thailand made 1,113 motorcycles of the Diavel and Monster models. Over 2012 as a whole, Ducati produced 43,992 (42,177) motorcycles worldwide.

Expansion and development of the Group headquarters in Ingolstadt

As part of the strategic expansion of the worldwide Audi production network, a new cutting-edge body shop for the Audi A3 went into operation at the Group headquarters in Ingolstadt in May 2012. Efficiency and sustainability were a special priority right from the planning stage of the new production hall.

In July 2012, Audi also held a topping-out ceremony for the new production hall where Audi A4 vehicle bodies will be manufactured once it has been completed in late 2013.

July 2012 also witnessed the topping-out ceremony for the new process house. The tallest building in the entire plant is where all cars will be prepared for shipping in future, either by state-of-the-art rail freight or for transfer directly to the Customer Center at Audi Forum Ingolstadt. Completion is scheduled for the fall of 2013.

At the start of 2012, Audi acquired an approximately 40-hectare site in the Münchsmünster Industry Park. To ease the pressure on the Ingolstadt plant infrastructure, there are plans to build a press shop with transfer presses and production lines for form-hardened body components, a mechanical finishing shop for suspension components, and an aluminum pressure die-casting foundry.

Neckarsulm site preparing for the future

The Technical Center for Fiber-Reinforced Polymers (FRP Technical Center) inside the Audi Lightweight Design Center was officially opened in June 2012. It is home to around 50 experts investigating fiber-reinforced polymers and their possible uses as part of the Audi ultra lightweight construction strategy.

The completion of the new Engine Test Center in October 2012 means Neckarsulm now has the most innovative and efficient facility for engine testing in the entire Company. Moreover, the Engine Test Center sets new standards in terms of using resources sparingly.

Topping-out ceremony at new Audi Hungaria car plant in Győr

Ten months after the foundation stone was laid, the Hungarian subsidiary AUDI HUNGARIA MOTOR Kft. held the topping-out ceremony for its expanded facilities at the Győr plant in May 2012. Car production operations covering the entire process chain – press shop, body manufacturing, paint shop and assembly – are currently being set up there. From summer 2013, an additional model of the A3 family will be built at Győr alongside the current car lines. The plans envisage a future production output of 125,000 vehicles a year in Hungary.

Further expansion in China

The Company is preparing for further growth by expanding its worldwide production network. In addition to the A4L and A6L Sedan models and the Q5, the Q3 SUV model will also be produced at Changchun (China) from March 2013. Geographical proximity to customers is a crucial competitive advantage when seeking to supply important sales markets flexibly and in line with demand. The joint venture FAW-Volkswagen Automotive Company, Ltd., Changchun (China), which includes the partners AUDI AG, FAW Group Corporation, Changchun (China), and Volkswagen AG, Wolfsburg, is currently constructing a further car plant in Foshan, South China. It will have a press shop, body shop, paint shop and assembly line and thus cover the entire production process. A new model of the A3 family will be built there from the end of 2013.

Expansion of production in India

Audi has started production of the Q7 luxury-class SUV at its Aurangabad plant, in the Indian state of Maharashtra. Up to 1,000 of the Audi Q7 will be assembled there each year to supply the Indian market. Alongside the A4, A6 and Q5, the Q7 is now the fourth model to be built locally in India. There are also plans to produce the Q3 in the new assembly hall from mid-2013.

New Audi plant in Mexico: San José Chiapa the chosen location

In September 2012, the Company announced that it will construct a new plant in the Americas, in San José Chiapa, Central Mexico. Competitive cost structures, extensive free-trade agreements, the site conditions, logistics links, infrastructure, workforce qualifications and quality of life were the decisive criteria behind the choice of this site. The construction of the new plant will start early in 2013 and represents a milestone for Audi's growth within its Strategy 2020. In terms of the efficient use of resources and production methods, it will be the most modern facility in the Audi production network. The successor model to the current Q5 will be built there. Production is scheduled to begin in 2016.

DELIVERIES AND DISTRIBUTION

The Audi Group delivered 1,634,312 (1,512,014) cars to customers worldwide in the 2012 fiscal year. The core brand Audi increased its deliveries by a substantial 11.7 percent to 1,455,123 (1,302,659) vehicles.

In the home market Germany, where overall demand clearly lost momentum in the second half of the year, the brand with the four rings increased its deliveries by 3.6 percent to 263,163 (254,011) units. Its market share consequently rose to 8.6 (7.9) percent.

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In other Western European countries, which in some cases experienced a sharp drop in market demand, the Audi brand almost equaled the record figure of the previous year with 418,646 (428,292) vehicles delivered and thus reasserted its position as market leader in the premium segment. Above all in the UK – the most important export market in Europe – we were able to increase the volume of deliveries by a healthy 7.2 percent to the new record total of 123,640 (115,345) vehicles. In France, too, 2012 saw the Company increase its deliveries slightly to 62,202 (62,009) cars despite generally marked consumer restraint. On the other hand, the brand with the four rings could not altogether escape the sharp reversals in Southern European car markets, which were especially affected by the sovereign debt crises.

The Audi brand was again very successful in Central and Eastern Europe. In Russia for instance, the region's major market, we succeeded in delivering 33,512 (23,250) vehicles to customers, a year-on-year increase of 44.1 percent.

The Company also continued to implement its strategy of qualitative growth to good effect in the U.S. car market and increased the volume of deliveries there by 18.5 percent to 139,310 (117,561) cars.

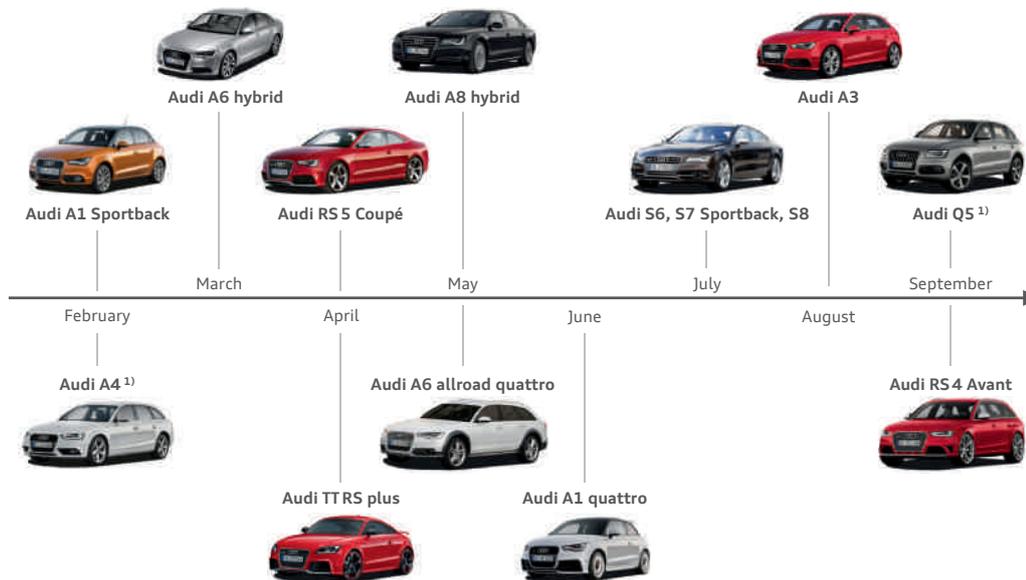
The Audi brand again achieved high growth rates in the Asia-Pacific region. With a total of 405,838 (313,036) vehicles delivered in China, 29.6 percent more customers took receipt of an Audi vehicle than in the previous year, further cementing the Company's leading position in the Chinese premium market. There was likewise an upward trend in Audi deliveries in Japan. The number of cars delivered rose by 13.6 percent compared with the previous year, to 23,930 (21,059) cars.

CAR DELIVERIES TO CUSTOMERS BY MODEL

	2012	2011
Audi A1	63,428	117,887
Audi A1 Sportback	60,322	288
Audi A3	28,055	28,405
Audi A3 Sportback	134,127	146,881
Audi A3 Cabriolet	8,341	11,683
Audi Q3	91,841	9,288
Audi TT Coupé	17,453	20,923
Audi TT Roadster	4,774	6,316
Audi A4 Sedan	216,012	207,409
Audi A4 Avant	93,820	106,957
Audi A4 allroad quattro	13,827	10,903
Audi A5 Sportback	53,522	51,542
Audi A5 Coupé	34,742	36,800
Audi A5 Cabriolet	19,490	20,637
Audi Q5	205,986	176,084
Audi A6 Sedan	214,129	183,244
Audi A6 Avant	57,778	42,240
Audi A6 allroad quattro	7,041	3,732
Audi A7 Sportback	32,976	31,317
Audi Q7	56,193	52,529
Audi A8	38,636	34,245
Audi R8 Coupé	1,400	1,803
Audi R8 Spyder	1,136	1,546
Internal vehicles before launch	94	-
Total, Audi brand	1,455,123	1,302,659
Lamborghini Gallardo	1,161	1,250
Lamborghini Murciélago	-	7
Lamborghini Aventador	922	345
Total, Lamborghini brand	2,083	1,602
Other Volkswagen Group brands	177,106	207,753
Total, Automotive segment	1,634,312	1,512,014

The Audi Group continued to broaden its product range in the 2012 fiscal year.

NEW MODELS OF THE AUDI BRAND IN 2012



1) Product improvement of the car line

Audi A1

Audi further enhanced the high appeal of its A1 car line in the past fiscal year. A five-door version of the A1 Sportback has been available since February 2012, with more headroom in the rear and more convenient access. The premium compact model comes with four seats as standard, or optionally with five at no extra charge. Like its three-door sister model, the A1 Sportback offers impressively good fuel economy thanks to innovative efficiency technologies such as energy recovery, a start-stop system and thermal management on all versions.

The brand with the four rings also brought an exclusive top model onto the market in 2012 in the shape of the A1 quattro, built as a limited edition of 333 units. Equipped with a power-boosted 2.0 TFSI engine developing 188 kW (256 hp), the sporty compact model sprints from 0 to 100 km/h in just 5.7 seconds and on to a top speed of 245 km/h.

A total of 123,750 (118,175) vehicles of the A1 car line were delivered to customers in the period under review.

Audi A3

The Company brought the new Audi A3 onto the markets in late summer 2012. The third generation of the popular premium compact model has a sporty, progressive design with coupé-like styling; its driver assistance systems and infotainment in particular redefine the benchmark in its segment. Furthermore, the A3 impressively highlights Audi's lightweight construction expertise. The unladen vehicle weight of the new A3 1.4 TFSI has been reduced by as much as 80 kilograms compared with its predecessor, to 1,175 kilograms. The A3 Sportback, which has been on sale since February 2013, is another example of how the Company has reversed the weight spiral. The 1.4 TFSI version of the versatile five-door model tips the scales at only 1,205 kilograms – a saving of up to 90 kilograms on the previous generation.

2013 will also see the appearance of the S3 and S3 Sportback models, which combine abundant power with impressive fuel efficiency. The premium compact S3 with S tronic reaches 100 km/h from a standstill after just 5.1 seconds and averages 6.9 liters of Super Plus fuel per 100 kilometers, which is equivalent to CO₂ emissions of 159 g/km.

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As a result of the model changeover and the forthcoming launch of the A3 Sportback, the Audi brand delivered 170,523 (186,969) vehicles of the A3 family to customers worldwide in the 2012 fiscal year.

Audi Q3

With the market launch of the Q3, the Audi brand enlarged its SUV family with another model that combines the dynamism of a compact car with the spaciousness and versatility of an SUV. The Audi Q3 encapsulates the expertise of the brand with the four rings in every area of technology, boasting a light body and highly advanced assistance and multimedia systems. The compact premium SUV is available with an extensive range of TDI and TFSI engines, with outputs ranging between 103 kW (140 hp) and 155 kW (211 hp).

In the first full year of production of the Audi Q3, a total of 91,841 (9,288) vehicles were delivered to customers.

Audi TT

Two new models that are noted for their exceptional sportiness and impressive handling were added to the TT car line in the past fiscal year: the TTRS plus Coupé and TTRS plus Roadster. The Audi TTRS plus is propelled by a power-boosted 2.5 TFSI engine that for instance catapults the Coupé version with S tronic from 0 to 100 km/h in 4.1 seconds. This compact sports car's top speed is 280 km/h.

22,227 (27,239) units of the TT Coupé and TT Roadster were delivered in 2012.

Audi A4

The improved models of the A4 car line with an extensive selection of powerful and efficient TDI and TFSI engines have been available since the start of 2012. Even though many of the engines offer more power and torque, their fuel efficiency has been improved by around 11 percent on average. One especially efficient version is the 2.0 TDI engine developing 100 kW (136 hp), which in the sedan version clocks up 100 kilometers on an average of 4.3 liters of diesel and emits just 112 g of CO₂/km. Other attractive features of the A4 Sedan, A4 Avant, A4 allroad quattro and S4 models include their sharper design and array of new solutions for drivability and infotainment. The RS4 Avant, which was given its first public showing at the 2012 Geneva Motor Show, has been the sporty top model of the A4 family since last fall. This vehicle blends the performance and dynamic handling of a powerful sports car with a high degree of functionality and everyday suitability. Equipped with a high-revving 331 kW (450 hp) 4.2 FSI engine and permanent all-wheel drive, the RS4 Avant accelerates from 0 to 100 km/h in a mere 4.7 seconds.

Deliveries of the popular A4 car line remained almost on a par with the previous year's high level, at 323,659 (325,269) vehicles.

Audi A5

In parallel with the improved A4 family, the new 1.8 TFSI is also available as the very efficient entry-level engine version for the models of the A5 car line. The high-tech four-cylinder power unit features innovative solutions in many different areas of technology, such as thermal management, the injection system and turbocharging; the A5 Coupé with manual transmission needs on average only 5.7 liters of premium-grade fuel per 100 kilometers and its CO₂ emissions are 134 g/km. A two-door high-performance model has been available since April 2012 in the form of the improved RS5 Coupé, a fascinating example of confident performance and sharper design. The RS5 Cabriolet, which was given its first showing at the 2012 Paris Motor Show, is an open-roofed top-of-the-range model that will be added to the car line in the course of the current fiscal year. Demand for the sporty, elegant A5 car line in the past fiscal year held up at the previous year's high level, with 107,754 (108,979) vehicles sold.

Audi Q5

The improved Q5 made its debut at the Auto Mobil International (AMI) in Leipzig before going on sale in late summer 2012. The Q5 combines sportiness with variability, making this a versatile, practical car for leisure and everyday use. As part of the product improvement process, Audi has now given the midsize SUV a more distinctive profile in terms of design, infotainment, assistance systems and engines. The Q5 is available in an extensive choice of powerful engine versions. Although its engines deliver a higher output than on the previous model, fuel efficiency has been improved by up to 15 percent.

Since the start of 2013, the Q5 car line has been rounded off by the new SQ5 TDI model, which was unveiled during the 24 Hours of Le Mans in June 2012. Propelled by a 3.0 TDI biturbo engine developing 230 kW (313 hp), the SQ5 TDI is Audi's first ever diesel-engined S model.

In addition, the new Audi SQ5 was shown at the Detroit Motor Show in January 2013 with a special eye to the American market. This latter model is equipped with a turbocharged 3.0 TFSI engine and develops 260 kW (354 hp). The SQ5 will arrive at dealers in the United States in the third quarter of 2013.

A total of 205,986 (176,084) vehicles of the Q5 car line were handed over to customers in 2012, an increase of 17.0 percent.

Audi A6

Further attractive models were added to the A6 car line in the past fiscal year. For example, a hybrid version of the popular full-size sedan has been on the market since the start of 2012.

The A6 hybrid is equipped with a 2.0 TFSI engine and an electric motor; it can run on either the combustion engine or the electric motor, or alternatively in hybrid mode. The A6 hybrid recovers energy during deceleration phases and activates both the engine and the electric motor when accelerating hard. With a system output of 180 kW (245 hp), the sedan version uses a mere 6.2 liters of premium-grade fuel per 100 kilometers, with CO₂ emissions of just 145 g/km.

The A6 allroad quattro, which arrived on the market in May 2012, is a model that combines supreme power with impressive efficiency. This versatile vehicle scores highly away from paved roads thanks to its sporty character and is currently available in engine versions ranging from 150 kW (204 hp) to 230 kW (313 hp). This all-rounder's fuel economy has been improved by up to 20 percent compared with its predecessor.

Sports models with dynamic driving characteristics suitable for everyday driving have been available since summer 2012 in the form of the S6 and S6 Avant. Thanks to the new 4.0 TFSI high-performance engine developing 309 kW (420 hp) and cylinder on demand, the innovative cylinder management system, the S models run as much as 25 percent more economically than the previous generation.

The new Changchun-built Audi A6L started arriving at dealers in China in early 2012. The principal assets of this prestigious business sedan are its luxury equipment, excellent comfort and a broad selection of assistance and multimedia systems.

The new RS6 Avant was unveiled in December 2012. Equipped with a V8 biturbo with an output of 412 kW (560 hp), this high-performance athlete that is built for everyday driving sprints from 0 to 100 km/h in only 3.9 seconds and manages on just 9.8 liters of Super Plus fuel per 100 kilometers.

In the period under review the Audi Group increased the delivery volume of the A6 car line by 21.7 percent to 278,948 (229,216) vehicles.

Audi A7 Sportback

The Audi A7 Sportback also proved highly popular. A total of 32,976 (31,317) vehicles were delivered in 2012, a rise of 5.3 percent.

The five-door automobile combines the emotional character of a coupé with the functionality of an Avant and the comfort and prestige of a sedan. The car line's current top model is the new

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Audi S7 Sportback, which – like the S models in the A6 car line – is powered by the innovative 4.0 TFSI engine developing 309 kW (420 hp). The V8 biturbo engine accelerates the five-door coupé from a standstill to 100 km/h in only 4.7 seconds; in conjunction with the 7-speed S tronic it averages 9.6 liters of premium-grade fuel per 100 kilometers. The RS7 Sportback was presented at the start of 2013 and will be joining the car line starting this summer.

Audi Q7

The Audi Q7 has won over many customers with a luxuriously smooth drive attributable to its powerful and efficient engines in conjunction with quattro drive as standard and the 8-speed tiptronic. The engine program for the Audi Q7 comprises a number of TFSI and TDI versions with six or eight cylinders. One particularly efficient version is the 3.0 TDI quattro with an output of 150 kW (204 hp), which uses on average just 7.2 liters of diesel fuel per 100 kilometers, making for CO₂ emissions of 189 g/km.

A total of 56,193 (52,529) of the performance SUV were handed over to customers in the year under review.

Audi A8

The luxury sedans in the A8 car line blend dynamic exterior design and sporty handling with superb equipment for comfort and convenience, plus an exclusive interior. The Audi A8 and long-wheelbase Audi A8L also implement lightweight construction systematically and offer a wide selection of powerful and highly efficient engines.

The new Audi S8 – the exclusive top model in the Audi S family since summer 2012 – delivers superior road performance thanks to its impressive power. Its 4.0 TFSI engine develops 382 kW (520 hp) along with 650 Nm of torque. With average fuel consumption of 10.1 liters of premium-grade fuel per 100 kilometers, the sporty flagship model also achieves remarkable efficiency figures for its vehicle category. Its fuel efficiency marks a 23 percent improvement on the previous model.

The car line's portfolio of models has been further extended with the new A8 hybrid, which combines the best of both power sources. Thanks to the 2.0 TFSI engine and electric motor, the A8 hybrid achieves a system output of 180 kW (245 hp) and average consumption of only 6.3 liters of premium-grade fuel with CO₂ emissions of just 147 g/km.

Demand for the Audi A8 luxury sedan showed an upward trend in the past fiscal year. In all, 38,636 (34,245) vehicles were delivered to customers – an increase of 12.8 percent.

Audi R8

The Audi R8 is the sporty vanguard of the Audi brand's model portfolio. Along with the product improvement that appeared at the start of 2013, many details of the thoroughbred mid-engine sports car have been revised.

The new R8 Coupé and R8 Spyder models comprehensively reaffirm Audi's expertise in lightweight construction. For instance, the unladen weight of the R8 V8 Coupé with manual transmission is only 1,560 kilograms thanks to the consistent use of innovative lightweight materials such as carbon fiber-reinforced polymers (CFRP) and magnesium. The R8 V10 plus Coupé – the new top model in the car line – weighs 1,570 kilograms, a saving of around 50 kilograms on its predecessor. Equipped with a hand-assembled 5.2 FSI engine developing 404 kW (550 hp) and a fundamentally new 7-speed S tronic, the R8 V10 plus Coupé sprints from 0 to 100 km/h in 3.5 seconds and is capable of a top speed of 317 km/h.

2,536 (3,349) vehicles of the R8 car line were delivered to customers in the period under review.

Lamborghini brand

The Lamborghini brand delivered a total of 2,083 (1,602) supercars to customers during the past fiscal year. Most notably, there was a substantial increase in deliveries of the new Lamborghini Aventador to 922 (345) models in its first full year in production. Deliveries of the Gallardo remained stable at 1,161 (1,250) units, confirming its status as the most successful Lamborghini model ever.

In the course of the product portfolio's evolution, the Lamborghini brand presented a highly exclusive one-off specimen at the 2012 Geneva Motor Show in the form of the Aventador J. This is an open-top version of the 515 kW (700 hp) Aventador LP 700-4 which has no roof, windshield or any other windows – the most uncompromising and extreme interpretation of a roadster. The production version of the new Aventador LP 700-4 Roadster features an extremely light two-piece hardtop made from carbon fiber that can be stowed away in the trunk. The 12-cylinder engine with an output of 515 kW (700 hp) catapults the vehicle from 0 to 100 km/h in only three seconds. Like the enclosed version, it is capable of a top speed of 350 km/h. The new start-stop system and cylinder deactivation at speeds of up to 135 km/h help to improve the Aventador's efficiency.

Lamborghini showcased the improved Gallardo models at the Paris Motor Show in September 2012.

At the Auto China in Beijing, Lamborghini hinted at a possible car line in the SUV segment with its Urus SUV study. This concept car has four spacious seats, a variable trunk, substantial ground clearance and all-wheel drive. It thus combines everyday suitability and versatility with superb driving dynamics. An output of around 440 kW (600 hp) and an especially low weight achieved thanks to innovative lightweight technologies make this car exceptionally enjoyable to drive, while keeping its CO₂ emissions moderate.

LAMBORGHINI URUS



Other Volkswagen Group brands

In the 2012 fiscal year the sales companies VOLKSWAGEN GROUP ITALIA S.P.A., Verona (Italy), Audi Volkswagen Korea Ltd., Seoul (South Korea), Audi Volkswagen Middle East FZE, Dubai (United Arab Emirates) and AUDI SINGAPORE PTE. LTD., Singapore (Singapore) delivered a total of 177,106 (207,753) vehicles of other Volkswagen Group brands to customers.

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Motorcycles

Since the acquisition of the Ducati Group in July 2012, 16,786 customers worldwide have chosen a motorcycle of the Ducati brand. The total number of motorcycles delivered over the year as a whole was 44,102 (42,233).

The biggest sales market for the Italian motorcycle manufacturer is the United States, where 3,924 motorcycles in all were delivered to customers from July 2012 on.

Over the same period, Ducati sold 1,598 motorcycles to customers in its home market Italy.

MOTORCYCLE DELIVERIES TO CUSTOMERS BY MODEL

	2012 ¹⁾	2011
Ducati Diavel	2,486	-
Ducati Hypermotard	764	-
Ducati Monster	5,266	-
Ducati Multistrada	2,499	-
Ducati Streetfighter	1,618	-
Ducati Superbike	4,138	-
Ducati, others	15	-
Total, Ducati brand	16,786	-
Total, Motorcycles segment	16,786	-

1) Motorcycle deliveries since acquisition of Ducati Group in July 2012

Ducati brand

The motorcycles of the Ducati brand are particularly renowned for their distinctive design, innovative technology, lightweight construction using aluminum and carbon, and the legendary two-cylinder engine with desmodromic valve control. The product portfolio of sporty motorcycles comprises the six model lines Diavel, Hypermotard, Monster, Multistrada, Streetfighter and Superbike.

NEW MODELS OF THE DUCATI BRAND IN 2012



The 1199 Panigale, 1199 Panigale S and 1199 Panigale S Tricolore were all unveiled in 2012, adding to the family of unmistakable Superbike models. These high-performance motorcycles have the most powerful two-cylinder engines ever built by the manufacturer, with an output of 143 kW (195 hp) and three different riding modes – Race, Sport and Wet. The 1199 Panigale with aluminum monocoque weighs around five kilograms less than its predecessor. The queen of

the Superbike family is the 1199 Panigale R, with an outstanding racing performance. The highly efficient 848^{EVO} and the new 848^{EVO} Corse Special Edition round off the Superbike range. The new models of the Multistrada range likewise have an individually adjustable riding mode – Sport, Touring, Urban, Enduro – making them exceptionally fun to ride. An array of other innovative technologies will be appearing on the models of the Multistrada family over the course of the current fiscal year. In future, all S versions of the Multistrada 1200 – Multistrada S Touring, Multistrada S Pikes Peak, Multistrada S Granturismo – will, for example, be equipped with the innovative Ducati Skyhook Suspension (DSS) damping system, which provides optimally smooth progress on variable surfaces.

Ducati also took the wraps off the next generation of the Hypermotard family – Hypermotard, Hypermotard SP and Hyperstrada. These blend state-of-the-art technologies with exceptional Italian design. An entirely new departure for the Hypermotard models was the unveiling of Ducati's new Testastretta 11° engine with a displacement of 821 cc and developing 81 kW (110 hp). It is installed in a tubular space frame. While the Hypermotard SP high-performance model promises an exciting ride with the Race, Sport and Wet modes, the Hypermotard and Hyperstrada are excellent tourers with all-rounder qualities thanks to the Sport, Touring and Urban settings.

FINANCIAL PERFORMANCE INDICATORS

FINANCIAL PERFORMANCE

The 2012 fiscal year's sales growth saw the Audi Group increase its revenue by 10.6 percent to a new all-time high of EUR 48,771 (44,096) million.

In the Automotive segment, we generated revenue of EUR 35,851 (34,456) million through sales of vehicles of the core brand Audi. The prior-year figure still includes revenue from CKD business in China. As a result of the rising level of localization, the parts sets supplied to China have, since 2012, been reported under other revenue instead of vehicle revenue.

The A4 car line was again the major contributor to vehicle sales of the Audi brand. At the same time, revenue for the full-size and luxury segment rose especially thanks to the availability of the A6 models for a first full year, coupled with high demand for the A8 models. The market launch of the A1 Sportback meant revenue in the premium compact segment received a further boost. The biggest driver of sales in the past fiscal year was the Audi Q3, which was rolled out on markets from fall 2011 onward.

The Lamborghini brand enjoyed a substantial increase in revenue in the 2012 fiscal year above all thanks to high demand for the new Aventador. The Audi Group also generated revenue through sales of cars of the Bentley, SEAT, Škoda, VW Passenger Cars and VW Commercial Vehicles brands through the Group-owned sales subsidiaries VOLKSWAGEN GROUP ITALIA S.P.A., Verona (Italy), Audi Volkswagen Korea Ltd., Seoul (South Korea), Audi Volkswagen Middle East FZE, Dubai (United Arab Emirates) and AUDI SINGAPORE PTE. LTD., Singapore (Singapore). In the new Motorcycles segment, the Company already generated revenue of EUR 209 million following the acquisition of the Ducati Group in July 2012, despite the highly seasonal nature of business. Over the full year, the Ducati brand reported revenue of EUR 606 million.

Other revenue increased significantly in the past fiscal year to EUR 9,626 (5,928) million largely as a result of the first-time inclusion of parts sets delivered to China.

The cost of sales for the Audi Group rose to EUR 39,046 (36,000) million in the period under review following a demand-driven increase in production volume. Thanks to the positive results of our ongoing drive to improve processes and productivity, the increase of 8.5 percent was again below the rate of increase in revenue. The Audi Group thus increased gross profit by 20.1 percent to EUR 9,725 (8,096) million. Distribution costs for the 2012 fiscal year amounted to EUR 4,593 (3,599) million. The increase over the previous year is attributable not only to the higher sales volume and marketing costs, but also to the market launches of a large number of new models and the realization of strategic market development programs. Administrative expenses rose to EUR 527 (429) million also as a result of changes in the group of consolidated

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companies. Other operating result fell to EUR 775 (1,280) million mainly as a result of exchange rate factors.

Despite the increasingly difficult economic environment, we again succeeded in increasing the Audi Group's operating profit slightly in the past fiscal year and posted another new Company record of EUR 5,380 (5,348) million. Within this total, the Automotive segment achieved an operating profit of EUR 5,421 (5,348) million. Following the acquisition of the Ducati Group effective July 2012, the Motorcycles segment generated an operating profit of EUR -41 million, reflecting the seasonal pattern of business and taking into account the write-downs of disclosed hidden reserves as part of purchase price allocation. For the full year, the Ducati Group achieved an operating profit of EUR 58 million with a return on sales of just under 10 percent, based on the accounting policies applied up to that time by the Ducati Group.

The financial result of the Audi Group was EUR 576 (692) million in the past fiscal year. The Audi Group thus achieved a profit before tax of EUR 5,956 (6,041) million for the 2012 fiscal year. After deduction of income tax expense, the Company earned EUR 4,353 (4.440) million.

DEVELOPMENT OF AUDI GROUP OPERATING PROFIT AND OPERATING RETURN ON SALES

	2008	2009	2010	2011	2012
■ Operating profit (EUR million)	2,772	1,604	3,340	5,348	5,380
■ Operating return on sales (%)	8.1	5.4	9.4	12.1	11.0

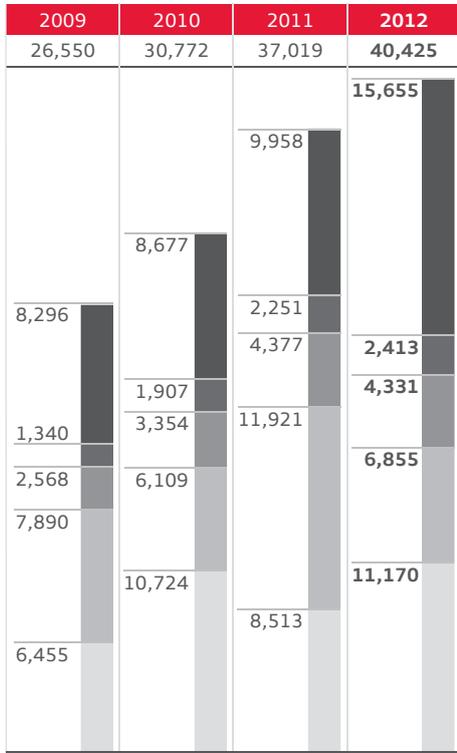
The key rate of return ratios reflect our Company's high profitability and provide further evidence that the Audi Group is among the most successful automotive manufacturers in the world. For example, operating return on sales in the past fiscal year was 11.0 (12.1) percent and therefore once again well above the target corridor of 8 to 10 percent. The return on sales before tax, too, was an excellent 12.2 (13.7) percent. Over the same period, the return on investment reached 30.9 (35.4) percent.

AUDI GROUP KEY EARNINGS FIGURES

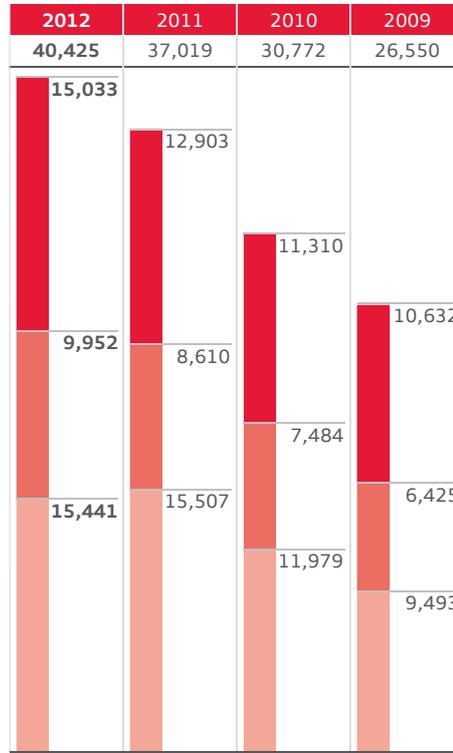
	2012	2011
Operating return on sales	11.0	12.1
Automotive segment	11.2	12.1
Motorcycles segment	-19.4	-
Return on sales before tax	12.2	13.7
Return on investment	30.9	35.4

NET WORTH

AUDI GROUP BALANCE SHEET STRUCTURE (EUR MILLION)



- Non-current assets:**
 - Fixed assets
 - Other non-current assets
- Current assets:**
 - Inventories
 - Other current assets
 - Cash and cash equivalents



- Equity
- Non-current liabilities
- Current liabilities

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The Audi Group's balance sheet total rose by 9.2 percent over the past fiscal year to EUR 40,425 (37,019) million.

The substantial increase in non-current assets to EUR 18,068 (12,209) million is substantially attributable to higher investments accounted for using the equity method following the acquisition of a 30 percent share of Volkswagen Group Services S.A., Brussels (Belgium) and the acquisition of the Ducati Group.

The acquisition of these investments brought total capital investments in the past year to EUR 6,416 (2,970) million. We also stepped up our efforts to develop new products and technologies.

Current assets fell year on year to EUR 22,357 (24.811) million, mainly as a result of the cash used for the investments acquired.

Equity as of the balance sheet date increased to EUR 15,033 (12,903) million. The main factor behind this rise was the cash injection of EUR 1,569 million by Volkswagen AG, Wolfsburg, into the capital reserve of AUDI AG. The allocation to the other retained earnings of the balance remaining after the transfer of profit increased equity by a further EUR 494 million. As of December 31, 2012, the equity ratio for the Audi Group was therefore 37.2 (34.9) percent.

Non-current liabilities at the end of 2012 increased to EUR 9,952 (8,610) million. This increase was mainly attributable to increased provisions for pensions in response to the interest rate. Current liabilities of EUR 15,441 (15,507) million were on a par with the previous year.

FINANCIAL POSITION

The cash flow from operating activities came to EUR 6,144 (6,295) million in the past fiscal year, thus almost equaling the previous year's high level.

Disregarding the investments acquired, the cash used in investing activities for current operations amounted to EUR 3,237 (2,841) million in the same period. EUR 2,334 (2,266) million was spent on investments in property, plant and equipment and other intangible assets. The focus here was on investments in new products and innovative drive technologies.

The changes in investments resulted in an additional cash outflow of EUR 3,567 (64) million.

Overall the cash flow from investing activities, in other words taking account of changes in cash deposits and loans extended, came to EUR 4,896 (6.911) million.

As in previous years, investments in operating activities were financed entirely from own resources.

After the acquisition of investments amounting to EUR 3,567 (64) million, the net cash flow was EUR -660 (3,390) million. As of the end of 2012, net liquidity was lower at EUR 13,396 (15,716) million to a large extent as a result of the investments acquired.

The other financial obligations as of year-end, which mainly comprise ordering commitments, amounted to EUR 3,002 (2,944) million. More detailed information is contained in Section 42 of the Notes: "Other financial obligations."

SOCIAL AND ECOLOGICAL ASPECTS CORPORATE RESPONSIBILITY

We have placed customer delight at the very core of our Strategy 2020. The basis for customer delight comprises an affinity for the Audi brand and our Company on the one hand, and wide-spread acceptance in the markets to underpin the continuing success of the Audi Group on the other hand.

In all corporate decisions, social and ecological aspects are therefore taken into account alongside economic factors. Employees, social groups and natural resources consequently all need to be treated responsibly. AUDI AG plans to step up its ability to provide information and report on its corporate responsibility in the future. Detailed information on the topic of sustainability and on social and ecological aspects is provided in the Corporate Responsibility Report, which is being published for the first time in the second quarter of 2013.

EMPLOYEES

Workforce

Average for the year	2012	2011
Domestic companies	48,970	47,182
of which:		
AUDI AG	47,121	45,386
Ingolstadt plant	33,311	32,165
Neckarsulm plant	13,810	13,221
Foreign companies	15,656	13,017
of which:		
AUDI BRUSSELS S.A./N.V.	2,501	2,361
AUDI HUNGARIA MOTOR Kft.	8,340	6,932
Automobili Lamborghini S.p.A.	925	831
VOLKSWAGEN GROUP ITALIA S.P.A.	911	897
DUCATI MOTOR HOLDING S.P.A. ¹⁾	483	-
Employees	64,626	60,199
Apprentices	2,283	2,322
Employees of Audi Group companies	66,909	62,521
Staff employed from other Volkswagen Group companies not belonging to the Audi Group	322	285
Workforce of the Audi Group	67,231	62,806

1) As of December 31, 2012, DUCATI MOTOR HOLDING S.P.A., Bologna (Italy), and its fully consolidated subsidiaries had a total of 1,197 employees.

Overall, the Audi Group employed an average of 67,231 (62,806) people in the past fiscal year. At year-end the workforce reached a level of 68,804 (63,839) employees.

There are various factors behind the growth in the workforce: recruitment of extra employees at AUDI AG and also AUDI HUNGARIA MOTOR Kft., Győr (Hungary) following the expansion of the latter, but above all the increased group of consolidated companies.

EMPLOYEE STRUCTURAL DATA (AUDI AG)

		2012	2011
Average age ¹⁾	Years	40.6	40.6
Average length of service ¹⁾	Years	15.2	15.6
Proportion of women ¹⁾	Percent	13.7	13.0
Proportion of academics ²⁾	Percent	42.3	40.1
Proportion of foreign nationals	Percent	7.7	7.7
Proportion of people with severe disabilities	Percent	6.0	6.0
Contracts to workshops for people with mental disabilities	EUR million	6.3	6.3
Frequency of accidents ³⁾		2.4	2.3
Attendance rate	Percent	96.4	96.4
Savings through Audi suggestions award program	EUR million	71.1	70.4
Implementation quota	Percent	57.4	57.2

1) Audi Group

2) Proportion of indirect employees

3) The accident frequency figure indicates how many industrial accidents involving one or more days' work lost occur per million hours worked.

The Audi Group's human resources policy

In order to realize the mission of Strategy 2020 "We delight customers worldwide," the Company needs employees who have both passion and expertise. Because only if we have expert, motivated, suitably qualified employees will we also be able to achieve this mission.

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In this respect, Human Resources sees itself as preparing the way for others. It aims to lay the foundations for the workforce and therefore the Company to achieve the goals of Strategy 2020. Our human resources work thus needs to be fundamentally strategic in outlook, by focusing on the individual. This guiding principle takes four key human resources target activities as its starting point: strengthening competences, making work attractive and flexible, promoting responsibility, and ensuring future viability.

Knowing the needs of the workforce, enabling and inspiring employees, and knowing both the present and future qualifications needs of the Company – these pave the way for developing human resources effectively and using them sustainably.

The human resources policy must consequently be to create general and working conditions that are both conducive to a good economic performance and suitably meet the needs of employees. Cooperation between the Company and the employees' elected representatives in the spirit of a fair social partnership again plays a key role here.

Another key tenet of the human resources policy is to translate the Company's success into success for the employees. The management and General Works Council of AUDI AG have therefore reached an agreement on employee profit-sharing that is based on the Company's profit and the attainment of defined target values. There are also profit-sharing plans at Audi subsidiaries both in Germany and internationally.

Just under 3,000 employees newly recruited at AUDI AG

AUDI AG took on a total of 2,951 new employees in the 2012 fiscal year. 1,582 experts, 27 percent of which are women, were above all recruited for the strategic expertise areas of lightweight construction and electric mobility, and to support the development of new sites. 620 skilled workers were also taken on as permanent employees, in most cases after having been hired on a temporary basis. The Company also welcomed 749 young people starting their vocational training or a dual course of study at its Ingolstadt and Neckarsulm locations.

Top rankings again in attractiveness surveys

AUDI AG was again ranked very highly among academic graduates in 2012. As in previous years, the Company emerged as one of the most popular employers for economics and engineering students nearing the end of their studies in Germany, based on the attractiveness surveys conducted by the consulting firms trendence and Universum ("trendence Graduate Barometer 2012 – Business and Engineering Edition," April 20, 2012; "The Universum German Student Survey 2012," April 30, 2012).

The Company was also very popular among engineers already in employment. AUDI AG was ranked second in the Universum study entitled "The German Professional Survey 2012," published on December 3, 2012 (www.universumglobal.com/IDEAL-Employer-Rankings/Professional-Surveys/Germany).

AUDI HUNGARIA MOTOR Kft., Győr (Hungary), was yet again voted the country's "Most attractive company" in 2012 in a survey conducted by the management consulting firm Aon Hewitt and the international student organization AIESEC (www.balaton-zeitung.info/Audi-attraktivster-Arbeitgeber-in-Ungarn – link only available in the German language).

It remains the priority goal of Personnel Marketing at AUDI AG to continue developing its identity as an employer brand. Clear positioning and credible communication are therefore important milestones in achieving our strategic corporate objective of "Attractive employer worldwide."

Audi received the VDI Nachrichten Award 2012 for its best nationwide recruitment advertisement for engineers. The Company came first in a competition among 150 advertising motifs submitted (www.vdi-nachrichten.com/personalaward/gewinner.htm – link only available in the German language).

The level of interest among young people in getting to know and experiencing Audi in person rose yet again to a new record. More than 1,500 students completed internships at the two German sites Ingolstadt and Neckarsulm.

Training and advancement

698 young people embarked on their training in one of 20 vocations at our two German sites Ingolstadt and Neckarsulm in the 2012 fiscal year. In addition, 28 DHBW students commenced their studies at the Baden-Württemberg Cooperative State University and 23 participants enrolled in the StEP program (Study and Experience in Practice), which combines vocational training with technical studies.

As of the end of December 2012, there were a total of 2,459 apprentices and dual-system students in employment at AUDI AG, including 216 taking a dual vocational training program which provides them with the entrance qualification for a university of applied sciences, as well as qualifying them as a mechatronics or automotive mechatronics engineer, electronics engineer for automation technology or tool mechanic.

During the 2012 fiscal year, 27 young people – 18 industrial/technical apprentices and nine clerical trainees – received the opportunity to spend three months working in other European countries. The host companies were 12 locations of the Volkswagen Group. AUDI AG also offers this opportunity to apprentices from other Group companies.

As part of the “Electric mobility connects” initiative supported by the state governments of Bavaria and Saxony, the AUDI AG Training Department is participating in a number of projects designed to integrate important aspects of electric mobility into the training and advancement curriculum. In addition to electric mobility, the focus of technical further training was on the key technology of lightweight construction. The requirements of new materials, joining and body-work technologies, battery technology, power electronics and electric drive technology all provided topics for training.

Competence development for employees at the new automotive plant in Győr (Hungary) was again very much a priority in 2012. Specific qualification programs were devised there for a variety of target groups, a Project and Training Center was set up, new vocations were introduced and local trainers were qualified. The Company will be able to benefit from this experience as it now sets up the new Audi location in Mexico.

As in previous years, the AUDI AG Training Department provided support for low-achieving young people. In running the “EQ” and “EQ Plus” entry-level training programs, it provided a vocational gateway opportunity for young people who have not been able to secure an apprenticeship for personal reasons or who need assistance with acquiring the necessary qualification to train for a career.

Health management

The aim of occupational health management is to promote and preserve the individual well-being of our workforce. Occupational health management at Audi is an aspect of corporate management and spans everything from workplace ergonomics and deployment consultancy to the gradual reintegration of employees after lengthy absences due to sickness. Both a large number of corporate departments and the Works Council provide support and advice on such matters. They offer opportunities for training and actively help in making sure that employees are deployed in accordance with their health requirements, and that they remain employable.

We also seek to raise standards of personal health literacy, for example by encouraging participation in Company-backed health activities and fitness programs. The spotlight is always on raising awareness of exercise, nutrition and mental well-being.

A major component of our health management is the Audi Check-up, introduced in July 2006 – an individualized program for the workforce for the prevention and early detection of health risks. The health centers at the Company sites have already conducted nearly 51,000 check-ups.

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Since 2010, AUDI AG has provided employees with the opportunity for stem cell typing in partnership with the Aktion Knochenmarkspende Bayern (Bavarian Bone Marrow Donation Foundation) and the DMKS Deutsche Knochenmarkspenderdatei (DMKS German Bone Marrow Donor Center). Audi employees can be tested and typed at the health centers free of charge at any time.

Job and family

AUDI AG puts much effort into promoting and advancing the compatibility of working and family life. It brings together all the child care arrangements it provides under the project title "Audi Spielraum." For example, in March 2012 we created a further 36 places at daycare centers in Ingolstadt, bringing the total to 106. There were 45 places available at Neckarsulm last year. As part of the "Audi Summer Children" program, employees at the Ingolstadt and Neckarsulm locations are able to take advantage of professional child care during summer vacation. In view of the high demand, the program in Ingolstadt was extended. In partnership with the city of Ingolstadt's "Local Alliance for the Family," for the first time child care arrangements were also offered in the other school vacations in 2012. Over 350 children and young people between six and 14 years of age attended the vacation programs at both locations in 2012.

There is a new, pioneering concept of flexible short-term care for employees' children aged between three and 14 years at AUDI AG in Ingolstadt. The long opening hours make the facility popular with parents when professional appointments come up at short notice, especially at the start or end of the working day, and on days when the regular facilities are closed.

A total of 1,500 Audi employees took parental leave during the year under review. 61 percent of those taking parental leave were men. The average period of leave taken in the past fiscal year was around ten months. Women took an average of 24 months, whereas men were on parental leave for two months on average.

Women at Audi

In order to be an attractive employer, the various tasks we have set ourselves include promoting women's careers, attracting women to the Company and offering them good future prospects. As part of a voluntary commitment, the Company therefore defined differentiated targets in 2011 in order to permanently increase the proportion of women at all levels – from apprentices all the way up to top management. The aim is to increase diversity at AUDI AG and thus deepen the workforce's creative and innovative potential.

When hiring female academic graduates, the Company looks at the proportion of women studying each subject. In the case of mechanical engineering and electrical engineering, this means that AUDI AG would like to achieve an overall proportion of nine percent women among its recruits from these courses of study. Averaged out across all courses of study that are relevant for the Company, the target proportion of women among new recruits is around 30 percent. This proportion of qualified women that the Company seeks to hire will then gradually filter through into a higher proportion of women managers at the various management levels in subsequent years.

There are already a number of measures in place to recruit and promote qualified women employees. AUDI AG targets advertising specifically at talented women; for instance it holds special fact-finding days about technical vocational training as well as workplace discovery days for young women. The Company also holds various career orientation events aimed specifically at schoolgirls, such as the "Female Researchers" or "Girls for Technology" camps, and is now a long-standing participant in the nationwide Girls' Day. There is a separate series of events entitled CareerDay Women aimed specifically at female graduates and engineers already in employment.

AUDI AG has in addition been supporting internal and external women's networks for many years. On their career path to management, talented female employees are also supported through a mentoring program. In addition to building on and optimizing the basic framework for making working and family life more compatible, the Company takes other supporting measures.

PROPORTION OF WOMEN AT AUDI AG

%	2012	2011
Total proportion of women	13.9	13.3
Apprentices ¹⁾	23.7	24.2
Industrial apprentices	20.7	21.3
Clerical trainees	77.8	75.8
Management	7.3	6.7

1) Since 2012 including StEP program (Study and Experience in Practice); 2012 figure excluding StEP: 24.1 percent

AUDI IN SOCIETY

One goal that AUDI AG pursues as part of its social commitment is to increase the attractiveness of the locations for its employees, thereby also enhancing the quality of life in the regions. This takes the form of a wide range of voluntary activities such as the Audi Volunteers project, child care arrangements and projects in the sphere of mobility and transport. In December 2012, for instance, the Company introduced a new transport concept in conjunction with the Ingolstadt local transport operator to make the site much easier to reach by bus and rail. The result is shorter journeys to work for employees, and significantly less road traffic for residents of Ingolstadt and the surrounding area. In order to further encourage use of public transportation, the Company subsidizes employee travel under the new transport concept.

Employee and corporate donations

Over 99.5 percent of the Audi workforce contributed to the Christmas fundraising campaign in the past fiscal year. The Works Council has held this regular fundraising drive since 1977. As every year, the money raised goes towards regional, social and charitable causes at the Ingolstadt and Neckarsulm sites. Employee donations, which are topped up by the Company, raised the new record sum of EUR 825,000 in 2012.

The “Spare Cents” campaign – where many employees donate the remaining cents after the decimal point on their monthly payslip – also raised around EUR 222,000 for street children projects run by “terre des hommes.”

In addition, sizable corporate donations were made to regional and social projects as well as to research ventures during 2012.

Research partnerships

Around 130 research students are currently preparing their doctoral theses at the Audi Group. The subjects covered range from technical topics to economics, the humanities and the social sciences. Around two-thirds of these doctoral theses are prepared in conjunction with an Audi partner university.

Audi again furthered academic exchanges and deepened its research partnerships and joint ventures in 2012. AUDI AG is one of the founding donors behind the University Foundation of the Karlsruhe Institute for Technology (KIT) set up in the past fiscal year. 2012 also saw us provide funding for an endowed chair dedicated to the topic of mobility and sustainability at the Zeppelin University Friedrichshafen. The Konstanz University of Applied Sciences (Technology, Economics and Design) also offered its first scholarship for a doctorate in the field of Corporate Social Responsibility.

AUDI AG has been financing a three-year guest professorship in “International Trends in Economics and the Social Sciences” at the Catholic University of Eichstätt-Ingolstadt since 2010. During the past fiscal year that university played host to five visiting professors from India, China and the United States, who gave lectures on the subjects of Intercultural Management, Corporate Governance, Sustainability as well as Marketing and Services Management.

We at Audi again furthered exchanges between research and public life in the past fiscal year of 2012. As in previous years, AUDI AG organized another series of INI. and HIN. seminar lectures

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under the banner of “Hands-On University,” where professors from partner universities presented their latest research findings. The “Hands-On University” events attracted a total audience of more than 2,300 in 2012.

THE AUDI GROUP'S RESEARCH PARTNERSHIPS

Ingolstadt location

- INI.KU – Ingolstadt Institutes of the Catholic University of Eichstätt-Ingolstadt
Since 2008; focus: Social Responsibility, Logistics
- INI.LMU – Ingolstadt Institutes of Ludwig-Maximilian University of Munich
Since 2008; focus: Human Resources Management
- INI.FAU – Ingolstadt Institutes of Friedrich-Alexander University Erlangen-Nuremberg
Since 2006; focus: Information Technology, Materials
- IAF – Institute for Applied Research, Ingolstadt University of Applied Sciences
Since 2004; focus: Battery Technology, Electrical Engineering, Vehicle Safety
- INI.TUM – Ingolstadt Institutes of the Technical University of Munich
Since 2003; focus: Information Technology, Production Technology, Electric Mobility
- INI.UniBw – University of the Federal Armed Forces, Munich
Since 2010; focus: Electric Mobility

Neckarsulm location

- HIN – Neckarsulm University Institutes: Karlsruhe Institute of Technology (KIT), University of Stuttgart and Heilbronn University
Since 2005; focus: Drive Technology, Operating Concepts, Materials

Győr location

- AHI – Audi Hungaria Institutes: Technical University of Budapest and SZE Győr
Since 2006; focus: Engines, Production
- Audi Hungaria Chair of Internal Combustion Engines – SZE Győr
Since 2008; focus: Engine Manufacturing and Technology
- University of Miskolc
Since 2011; focus: Logistics

Other cooperation partners

- ALL – Audi Logistics Laboratory, Fraunhofer Institute for Material Flow and Logistics (IML), Dortmund Graduate School of Production Engineering and Logistics, Technical University of Dortmund
Since 2007; focus: Logistics
- EBS – European Business School: Automotive Institute for Management (AIM), Wiesbaden
Since 2010; focus: Marketing
- RWTH – Rhine-Westphalian Technical University Aachen
Since 2010; focus: Electric Mobility
- University of St. Gallen
Since 2010; focus: Human Resources Management, Customer Orientation
- Technical University of Dresden
Since 2010; focus: Engine Production

International cooperations

- Audi Tongji Joint Lab, Shanghai
Since 2010; focus: Automotive Market Research; Marketing, Electric Mobility, Design, IT
- University of Southern California
University of California, Berkeley
University of California, San Diego
University of Michigan Transportation Research Institute (UMTRI)
Since 2010; university project “Audi Urban Intelligent Assist”

Endowed chairs

- Ingolstadt University of Applied Sciences
Since 2010; focus: Acoustics, Technical Mechanics
- University of Dortmund:
Since 2012; focus: Supply Chain, International Information Logistics
- Friedrich-Alexander University Erlangen-Nuremberg
Since 2012; focus: Human Resources Management
- Zeppelin University of Friedrichshafen
Since 2012; focus: Mobility and Sustainability
- Ingolstadt University of Applied Sciences
Since 2012; focus: Technical Procurement Management

LOCATION-BASED ENVIRONMENTAL ASPECTS

Sustainable management is an integral component of our corporate strategy and seeks to reconcile economics with ecology.

In addition to consistently implementing and improving measures designed to boost the efficient use of resources, the Audi Group participates in a wide range of initiatives. We also maintain a regular dialogue with associations, government agencies, politicians and journalists about the principles behind our environmental philosophy. The Audi Group goes far beyond the statutory requirements in its efforts to practice sustainable management.

Accreditation

Alongside the use of innovative technologies, organizational measures within the environmental management systems are very important for us. The results of our ongoing efforts are documented both in internal reviews and by means of external accreditation of our production facilities. All Audi Group automotive plants are, for example, recognized under the European Union's EMAS (Eco-Management and Audit Scheme), which goes well beyond the minimum standards required. As far back as 1995, with its production plant in Neckarsulm, Audi became the first premium-segment automotive manufacturer to receive this highly respected accreditation. The Ingolstadt and Győr (Hungary) production plants followed in 1997 and 1999; the Belgian plant in Brussels and the Lamborghini location Sant'Agata Bolognese (Italy) have been entitled to bear the EMAS signet since 2002 and 2009 respectively.

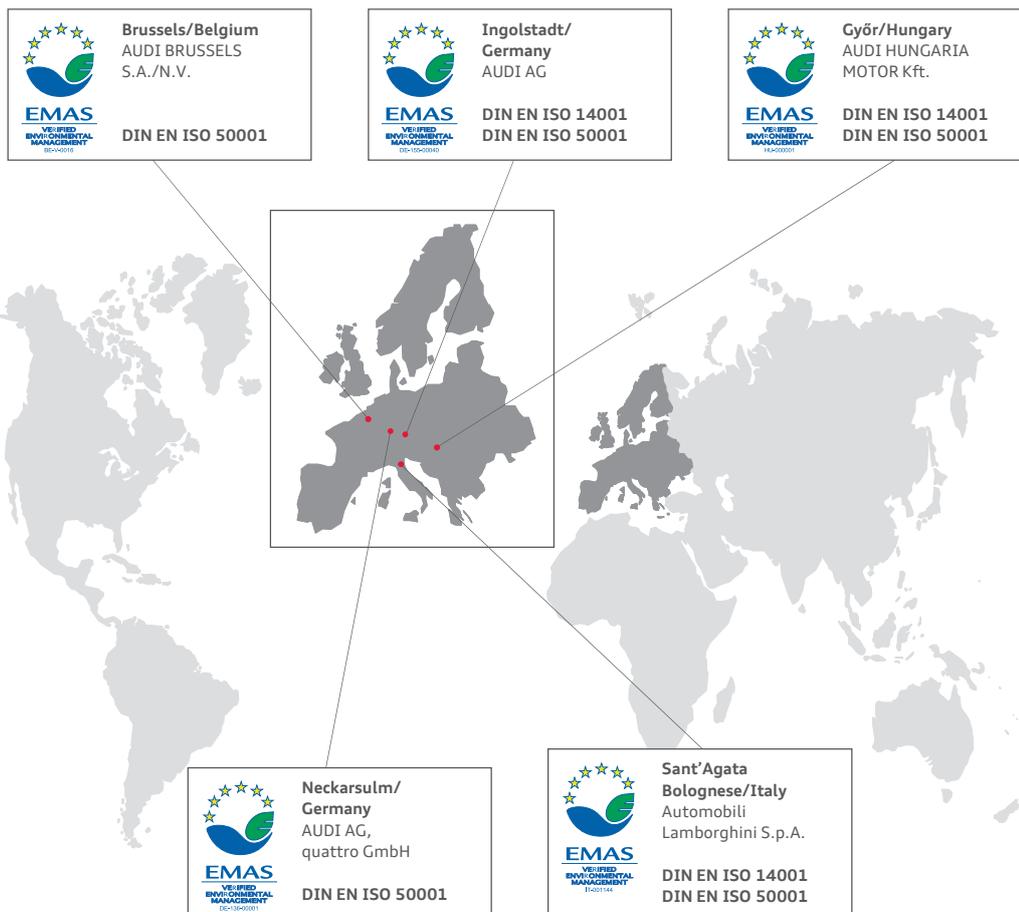
Furthermore, the Ingolstadt, Győr and Sant'Agata Bolognese plants are accredited under the worldwide DIN EN ISO 14001 standard.

The environmental management systems for the Ingolstadt, Neckarsulm, Győr, Brussels and Sant'Agata Bolognese locations also meet the DIN EN ISO 50001 standard, which imposes especially rigorous conditions for continuous, systematic reductions in energy consumption. The VW Group manufacturing locations Bratislava (Slovakia), Martorell (Spain) and Aurangabad (India), where the Audi Group also builds vehicles, and the joint venture FAW-Volkswagen Automotive Company Ltd., Changchun (China), likewise satisfy the requirements of an environmental management system and are accredited in accordance with the worldwide DIN EN ISO 14001 standard.

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ACCREDITATION OF AUDI GROUP LOCATIONS



The environmental declarations for the individual locations are each available in the local language on the respective companies' websites.

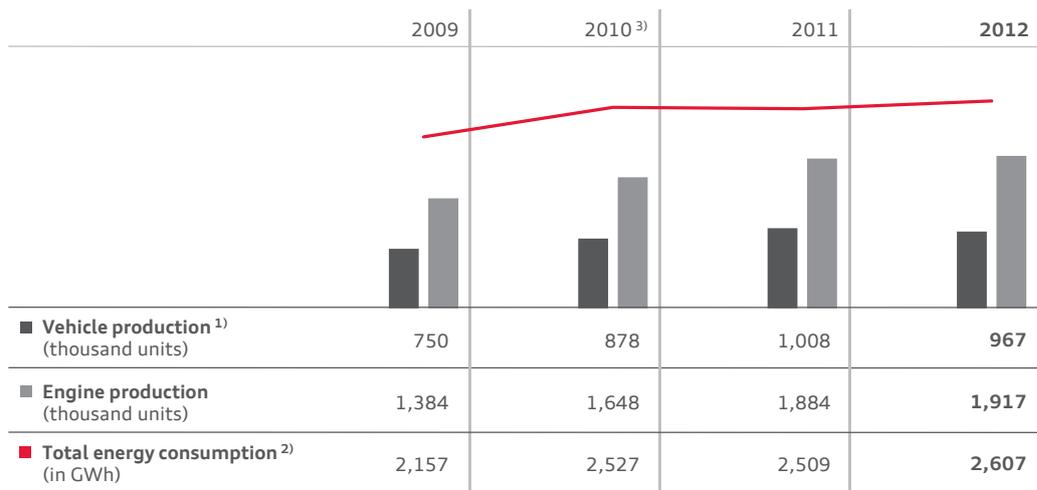
Emissions reduction and resource efficiency

Reducing energy consumption and related emissions is a big priority of our Company's environmental activities. We pursue an integrated approach that considers not just CO₂ emissions generated by a vehicle's operation, but also raw materials extraction, the production of component parts and their assembly, the energy flow in the production facilities, the operating phase and recycling. We have, for example, set ourselves the goal of reducing our specific location-based and company-related CO₂ emissions by 25 percent by 2018 against the base year of 2010. By 2020 we also aim to cut carbon dioxide emissions from the energy supply at the Ingolstadt and Neckarsulm locations by 40 percent compared with the specific figure for 2010. Audi has the long-term vision of an entirely CO₂-neutral automotive manufacturing process. Starting with the Ingolstadt site, the concept is to be rolled out gradually across other sites. In an effort to rise to this challenge, we systematically adopt energy-saving measures whenever we plan facilities, buildings and logistics processes, while at the same time optimizing processes on an ongoing basis. Eco-electricity has been in use at the Ingolstadt site since January 2012. It helps to avoid up to 290,000 metric tons of CO₂ per year. The electricity generated from renewable sources is supplied on demand mainly by Austrian and German hydroelectric power stations. The aim is likewise to improve the environmentally relevant key ratios for energy, freshwater, disposed waste and organic solvents (VOC) by 25 percent Group-wide between 2010 and 2018.

Along with logistics, the production and supply facilities in particular are important target areas for lasting efficiency improvements. For example, when the engine test benches at Neckarsulm are running they are connected to generators that then supply power to the plant network. The use of ultra-lightweight tools in body manufacturing, made mainly from carbon fiber-reinforced polymer (CFRP), helps to save as much as 40 percent in electricity compared with a conventional plant. Innovative joining techniques in body manufacturing – such as spot welding, laser welding and bonding techniques – also help to cut consumption of operating materials and energy. In addition, a modern trigeneration plant at the Ingolstadt site as well as heat recovery systems and the use of district heating have long proved very successful for the Audi Group.

The Lamborghini brand, too, has long been systematically identifying ways of reducing energy consumption. In July 2012 it completed the new Design Center for the development of prototypes and pre-production models. It is equipped with state-of-the-art technology and was the first building of its kind in Italy to be awarded an "A" energy rating (annual energy consumption ≤ 8 kWh per cubic meter).

DEVELOPMENT IN OVERALL ENERGY CONSUMPTION, VEHICLE AND ENGINE PRODUCTION BY THE AUDI GROUP



1) Ingolstadt, Neckarsulm, Brussels, Győr and Sant'Agata Bolognese plants; excluding CKD production

2) 2012 figures provisional

3) Overall energy consumption for 2010 retrospectively restated following a change to the recording method

Energy consumption has been kept broadly constant over recent years. That fact reflects how sustainably and responsibly Audi has succeeded in using resources. No substantial changes are evident in the other key environmental figures that the Audi Group observes in addition to its energy consumption.

ENVIRONMENTAL STRUCTURAL DATA ¹⁾

		2012	2011
VOC emissions ²⁾	t	2,149	2,340
Direct CO ₂ emissions ³⁾	t	195,680	194,677
Volume of waste water	m ³	2,292,910	2,159,854
Fresh water purchased	m ³	3,569,786	3,323,962
Total volume of waste	t	71,933	72,832
of which recyclable waste	t	59,339	60,788
of which disposable waste	t	12,594	12,044
Metallic waste (scrap)	t	324,292	335,316

1) Ingolstadt, Neckarsulm, Brussels, Győr and Sant'Agata Bolognese plants; 2012 figures provisional

2) VOC emissions (volatile organic compounds): This figure comprises emissions from the paint shops, test rigs and other facilities.

3) Direct CO₂ emissions: This figure is made up of CO₂ emissions generated by the use of fuel at the plant, and CO₂ emissions produced by the operation of test rigs.

Examples of current environmental projects

With a view to protecting the natural environment of humans, animals and plants, we at Audi promote a sustainable environmental policy through the charitable environmental foundation Audi Stiftung für Umwelt GmbH. In addition to pursuing wide-ranging research activities, it develops environmentally compatible technologies beyond the automotive sphere, and environmental educational measures. An innovative environmental educational program on species protection was developed in the past fiscal year, for instance. Over a four-year period, a former military site is being converted into a cultural landscape with the goal of safeguarding as species-rich an environment as possible without excluding human influence.

The Oak Forest research project was launched in 2008 with the planting of a first trial site close to Ingolstadt. The project's most recent trial site, not far from the Belgian plant in Brussels, was planted with 10,000 oak seedlings at the start of 2012. There are now some 90,000 trees in total growing on the six trial sites in the vicinity of the Ingolstadt, Neckarsulm, Győr (Hungary), Brussels (Belgium) and Sant'Agata Bolognese (Italy) locations. Audi Stiftung für Umwelt has been in charge of providing long-term research backup for the Oak Forest research project from the very start. Led by the Chair for Forest Growth and Yield at the Technical University of Munich and in conjunction with additional project partners, among other things the research project seeks to investigate the interaction between stand density on the one hand, and the potential for capturing CO₂ and for biodiversity on the other.

Within the Audi Group, we are also identifying many different ways of using renewable energy. For instance, we ship cars from the Company headquarters in Ingolstadt – and, since the end of September 2012 from the Neckarsulm site as well – to Emden, the port of loading on the North Sea coast, by trains running on power generated from renewable electricity. During the past fiscal year, AUDI AG was presented with the first-ever 2012 International Sustainability Award for Logistics in Vienna in recognition of this concept (www.bvl.de/npl – link only available in the German language). This international award sponsored by the Austrian and German Logistics Associations comes as particular recognition of the Audi transport concept's sparing use of resources, in some cases already with a neutral CO₂ footprint.

The supercar manufacturer Lamborghini also addresses the issue of sustainable production in considerable depth. The CO₂ emissions of its vehicles are thus to be reduced by around 35 percent by 2015. In close cooperation with the Italian Ministry for the Environment, CO₂ emissions in the production of carbon fiber monocoques are also to be reduced.

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CURRENT ENVIRONMENTAL PROJECTS



Species and landscape conservation



Rail freight on green power



Solar power



Wind power

Emissions trading

In 2005, the European Union took a leading role in climate protection with the introduction of CO₂ emissions trading. The second trading period in which the Ingolstadt, Neckarsulm and Brussels (Belgium) manufacturing plants participated ended with the 2012 reporting year. The third trading period, in which the Győr (Hungary) production location is now also participating, runs from 2013 for a total of eight years, ending in 2020. To minimize the risk of a shortfall in cover and the potential costs that the Audi Group could consequently incur, instead of selling certificates that were not needed in the past trading period it has carried them forward to the third trading period.

PRODUCT-BASED ENVIRONMENTAL ASPECTS

Future mobility

Against a backdrop of heightened environmental awareness among consumers and the regulatory framework for CO₂ limits currently being discussed on an international scale in various forms, reducing fuel consumption is crucially important for Audi.

Over many years the Audi brand has steadily helped to define efficiency standards in automotive manufacturing through an extensive range of innovations. Pioneering engine concepts such as TDI, FSI and TFSI and the reversal of the weight spiral are impressive illustrations of how it has set about this challenge. To continue delivering “Vorsprung durch Technik” and play a decisive role in defining the future shape of mobility, it is vitally important for our Company to reconcile fuel efficiency with comfort, sportiness and driving enjoyment. Its basic approach is one of a diversified concept that offers customers various drive technologies to serve varying needs, calling upon a wide range of technologies and energy sources.

For the time being, the technical principle of the combustion engine will remain the dominant drive system. The Audi brand therefore continues to work on optimizing its successful range of TDI, FSI and TFSI engines. It aims to reduce fuel consumption and CO₂ emissions even further through the systematic use of advanced technologies from its modular efficiency platform. Electrified drive concepts are a further focal area within our technology matrix. Hybrid technology provides a very important bridge to plug-in hybrid technology and purely electric driving in that respect. Related product events in the past fiscal year included the market introductions of the Audi A6 hybrid and A8 hybrid models. Audi e-tron, which spans all development activities involving electric mobility, covers plug-in hybrids and vehicles with range extender as well as all-electric drive versions. Early last year, the Company presented the Audi A6L e-tron concept in Beijing at Auto China 2012 – the first e-tron concept in the full-size category. It has a powerful plug-in hybrid that can travel for up to 80 kilometers purely in the electric mode. The Audi crosslane coupé concept car that was unveiled at the Paris Motor Show in 2012 also showcased an especially innovative and efficient dual-mode hybrid drive (cf. “Audi e-tron” under “Research and development,” p. 156).

Mobility based on alternative drive technologies and the increased use of renewables will be essential if CO₂ emissions are to be permanently lowered. At Audi, we do more than simply consider the CO₂ emissions produced when a vehicle is driven; we also look at the wider environmental footprint of products over their entire life cycle. In this context, the Audi Group is also involved in various research projects such as the Audi e-gas project, where gas generated from renewables for use as vehicle fuel is its end product, and a highly promising concept to manufacture new biofuels (Audi e-ethanol and e-diesel) that can be used instead of conventional gasoline and diesel (cf. “CO₂-neutral mobility” under “Research and development,” p. 154).

MILESTONES IN EFFICIENCY TECHNOLOGY FROM THE AUDI BRAND

▶ Launch of A3 Sportback g-tron for operation on Audi e-gas or natural gas	2013
▶ Launch of cylinder on demand technology in the A1, A3 and RS6 Avant	
▶ 104 models ≤ 140 g CO ₂ /km; 36 models ≤ 120 g CO ₂ /km; 6 models ≤ 100 g CO ₂ /km	2012
▶ Presentation of the SQ5 TDI, the first S model with TDI engine in the history of Audi	
▶ Launch of Audi A6 hybrid and Audi A8 hybrid	2011
▶ Launch of the S6, S6 Avant, S7 Sportback and S8 models with cylinder on demand technology	
▶ Launch of Q5 hybrid quattro	2009
▶ Launch of freewheeling function on the Audi Q3	
▶ Participation of e-gas powered Audi A3 TCNG in the Michelin Challenge Bibendum 2011	2006
▶ Launch of start-stop system and driver information system with efficiency program	
▶ Launch of Audi valvelift system (AVS)	2003
▶ Launch of Audi S tronic	
▶ Launch of FSI technology	1999
▶ Volume-produced car with all-aluminum body: Audi A2	
▶ Launch of Audi Space Frame (ASF)	1989
▶ Launch of TDI technology	
▶ Audi duo hybrid model	

Hybrid models

The Audi brand enjoys a long-standing reputation as an expertise carrier in hybrid technology. The Company's first venture into this area was in 1989 with the Audi duo, a technology study based on the Audi 100 Avant. In the past fiscal year, we expanded our portfolio of hybrid models with the Audi A6 hybrid full-size sedan and the Audi A8 hybrid luxury sedan. These two models' drivetrains share many common features and combine the best of both power sources. The combined system output of the 2.0 TFSI engine and electric motor is 180 kW (245 hp), with a torque of 480 Nm. The lithium-ion battery located at the rear acts as the energy store. It is cooled with air in two different ways, depending on requirements – by a blower from the interior, and by a separate refrigerant circuit that is linked to the deluxe automatic air conditioning. This technology keeps the battery at an appropriate temperature level across a wide range of situations, assuring a comparatively high proportion of electric operation. The Audi A6 hybrid full-size sedan and the Audi A8 hybrid luxury sedan can travel at up to 100 km/h purely electrically. Both hybrid models can cover around three kilometers at a constant 60 km/h with zero emissions. The hybridization process is to be rolled out gradually across other car lines as well.

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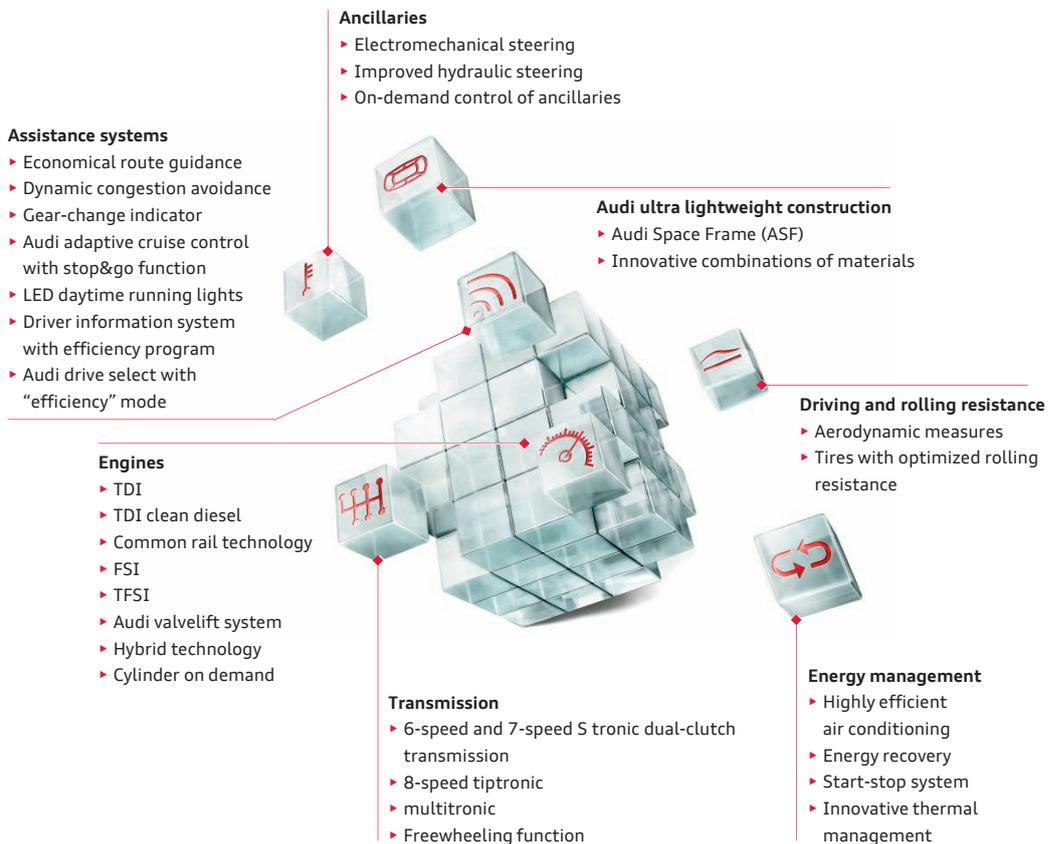
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Modular efficiency platform

Audi's modular efficiency platform brings together all technologies that contribute towards a further reduction in CO₂ emissions and fuel consumption. It comprises various components from a large number of technology areas, such as engines, auxiliaries, transmissions, energy management, body manufacturing and driver assistance systems.

Along with forthcoming model changeovers and product improvements, the range of innovative technologies from the modular efficiency platform will steadily be broadened and gradually be introduced for all car lines of the Audi brand. For example, most models of the Audi brand are now already fitted with a start-stop system as standard. When the Audi Q5 was revised in the past fiscal year, the fuel efficiency of the TFSI and TDI engines was improved by up to 15 percent on average despite their increased performance and higher torque. The range of TDI engines for the Audi Q5 culminates in the comprehensively modified 3.0 TDI, which has as its particular features low internal friction, a demand-controlled oil pump and advanced thermal management. The crankcase and cylinder heads have separate coolant circuits connected by valves. On the new A3 Sportback, the technologies from the modular efficiency platform have helped cut consumption by nine percent on average compared with the predecessor model.

THE AUDI MODULAR EFFICIENCY PLATFORM



Audi ultra

Over recent years, tougher safety requirements and higher comfort and convenience expectations in particular have driven up vehicle weights. However, 100 kilograms less weight can trim a vehicle's fuel consumption by around 0.3 liters per 100 kilometers. The principle of lightweight construction, and therefore the reversal of the weight spiral, are consequently fundamental to

improving vehicle efficiency. Lightweight construction is also strategically important with regard to electric mobility because it can help offset the battery's high weight and thus improve the agility of vehicles. Within the framework of Strategy 2020, all lightweight technologies and activities are now grouped together under the Audi ultra name. Audi has set itself the task of making future models lighter than their predecessors.

The Audi brand has many years of experience in lightweight construction technology and has a proven track record of success in this domain. Its Audi Space Frame (ASF) technology in particular proved a trailblazing development on the Audi A8 launched in 1994, the world's first volume-built vehicle with a unitary aluminum body. Over 750,000 vehicles have now been built using the ASF principle, whether made entirely from aluminum or using aluminum hybrid designs.

The aim is to employ the optimum material at every point, in the interests of achieving the best possible performance. As well as aluminum and high-strength steels, carbon fiber-reinforced polymers (CFRP) and magnesium are finding increasing use. But the Audi ultra lightweight construction principle does not mean that we just concern ourselves with the body or with assemblies and components. Rather, we look at the vehicle as a whole when seeking to avoid unnecessary weight. We have thus been able to reduce the weight of the new models in the A3 car line by up to 90 kilograms despite higher safety standards and improved comfort requirements.

Models up to 140 g CO₂/km

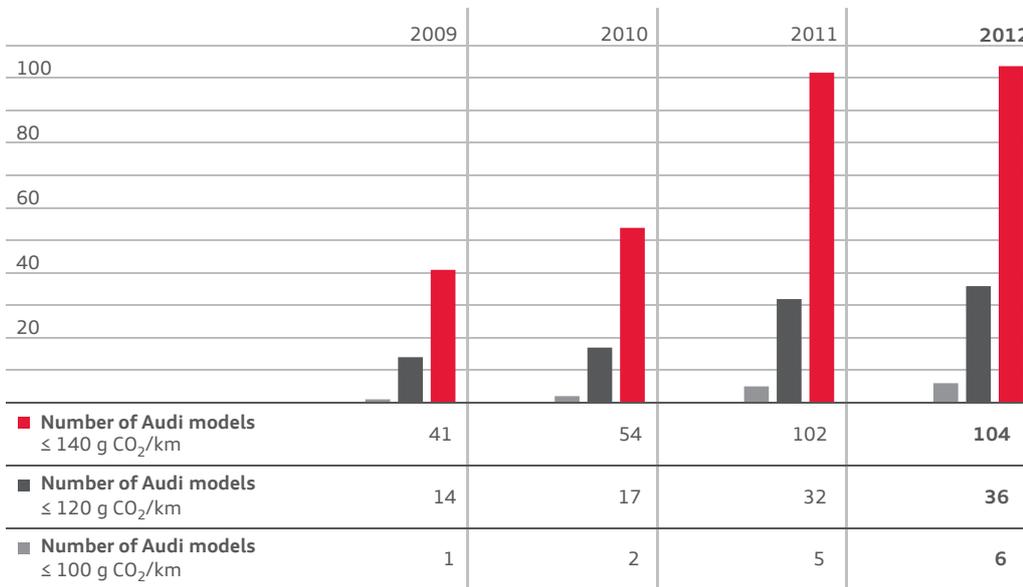
Even though its vehicles have become more powerful, the Audi brand has steadily improved their efficiency thanks to innovative technologies from its modular efficiency platform. As of the end of the past fiscal year, it had 104 model versions in total with CO₂ emissions of up to just 140 g/km. There were even 36 drivetrain versions achieving CO₂ emissions figures of up to just 120 g/km. The best performers were four model versions of the A1 car line and two model versions of the A3 car line, with 99 g of CO₂/km.

Provisional calculations indicate that the average CO₂ emissions figure of new vehicles sold in the European Union (EU 27) in 2012 was around 138 g/km.

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AUDI MODELS UP TO 140 GRAMS CO₂/KM, 120 GRAMS CO₂/KM AND 100 GRAMS CO₂/KM (YEAR-END POSITION)



Further remarks on the subject of the environment can be found on the Internet at www.audi.com/environmental-protection and on the Group portal at www.volkswagen-sustainability.com.

RISKS, OPPORTUNITIES AND OUTLOOK

RISK REPORT

The risk management system within the Audi Group

Risk management approach

The Audi Group is also forced to confront risks through its entrepreneurial activity as a globally active automotive manufacturer. As a result, for many years the Audi Group has maintained a Group-wide risk management system based on the internationally recognized standard of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The risk management system is continually expanded and refined. In view of its high strategic relevance, the risk management system's organizational structure is laid down in an internal Board Directive. The objective of the risk management system is to identify the risks associated with the Company's business activities as early as possible and to minimize or, where possible, to exclude them altogether. Entrepreneurial risks are deliberately taken only where they are controllable and commensurate with the anticipated benefit from that operational activity.

Central Risk Management operates in partnership with the risk managers in the divisions and subsidiaries in order to be prepared for the increasingly volatile and heterogeneous developments on global automotive markets, and so that the Company can respond quickly and efficiently. Central Risk Management performs a coordinating and supporting role here. The operational tasks of risk management are integrated into the processes of the individual corporate divisions and subsidiaries. The standards and regulations defined by Central Risk Management apply Group-wide and ensure that risks are identified and assessed uniformly. Central Risk Management monitors the effectiveness of the risk management instruments implemented non-centrally (internal controlling system) with the aim of steadily improving them.

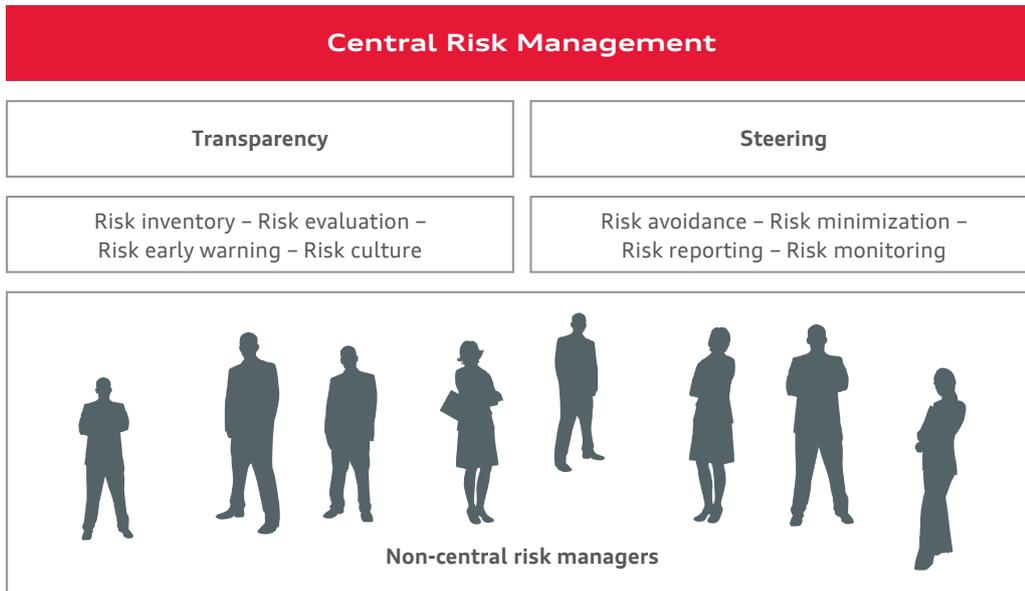
Within the scope of an indicator-based risk early warning system, risk management analyzes short and long-term developments in the Company's environment. Taking this as the basis, preventive measures are then identified and implemented by the risk managers in the areas concerned.

This broad-based policy promotes risk transparency and risk awareness within the Audi Group. A regular, structured exchange of information between Central Risk Management and the non-central risk managers enhances the effectiveness of the risk early warning system. At the same time, this continuing dialogue promotes an open risk culture.

Greater transparency makes it easier to manage risks effectively and promotes the stability of the business model in the Audi Group.

To support the strategic decision-making process, a combined report on risk management and compliance is submitted regularly to the Board of Management and the Audit Committee of the Supervisory Board. The risks identified in the Audi Group and the countermeasures adopted for them are taken into account in corporate planning and management.

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Integrated internal control and risk management system for the financial reporting process

The aim of the internal control process for financial reporting is to minimize or eliminate altogether the risk of misstatements both in the bookkeeping and in external reporting. The internal control process for the Audi Group comprises measures and checks that guarantee the complete, prompt and accurate communication of all information needed for the preparation of its Consolidated Financial Statements and Group Management Report.

Within the Audi Group, the accounting system is a fundamentally decentralized organization. In individual instances, tasks may be transferred by the subsidiaries' accounting departments to AUDI AG on the basis of service agreements. The individual financial statements of AUDI AG and the subsidiaries are prepared in compliance with the national accounting standards applicable in each case. For AUDI AG, the fully consolidated Group companies and the equity investments, these are then adopted into IFRS consolidated financial statements. A commercial encryption product is used to assure data security during data transfer to Group Accounting at AUDI AG. The Audi Group accounting guideline maintains uniformity in the recognition and measurement principles based on the IFRS rules applicable to the parent company. Further Group-wide accounting standards define the reporting scopes and the consolidated companies included in the Consolidated Financial Statements, as well as the application of statutory requirements. The correct reporting of intra-Group business transactions is regulated in detail by proven instruments and processes such as the reconciliation of balances between the Group companies.

The individual financial statements prepared by our subsidiaries are evaluated at Group level. In addition to the reports prepared by the independent auditors, the findings of the concluding discussions with representatives of the individual companies are considered at this point. The plausibility of the individual financial statements and critical individual matters concerning the subsidiaries are in addition discussed.

Significant instruments of control, such as the use of the “dual control principle,” a clear separation between spheres of responsibility and systematic plausibility checks, are used in the preparation of the Group companies’ individual financial statements. In addition, Group Auditing assures the correctness of the financial reporting process by conducting examinations of the internal control process for financial reporting, both in Germany and abroad.

Furthermore, the Audi Group is connected to Group Accounting at Volkswagen AG, Wolfsburg, through the joint use of the Volkswagen Consolidation and Corporate Steering System (VoKUs) and ongoing information sharing. This approach permits the consolidation and analysis of data from Accounting and Controlling. VoKUs also acts as a central system for master data management and assures a uniform reporting system which offers ample flexibility if changes to the legal framework need to be incorporated. Systematic, multi-level validation functions such as checks for completeness as well as plausibility checks on content assure data consistency within the financial reporting process.

Risk identification, assessment and documentation

The risk management system has the purpose of satisfying the statutory and entrepreneurial requirements that the Audi Group faces. Statutory changes are continually observed and are acted on promptly where relevant for the Company.

Central Risk Management draws up and implements standards and processes of risk identification and assessment for application Group-wide.

A standardized risk inventory is carried out annually with the risk managers of the individual divisions and the principal subsidiaries. The individual risks reported are evaluated by the “risk owners” within the individual divisions, departments and subsidiaries to establish their probability and assess the potential loss, taking account of the existing risk management instruments and their effectiveness. The relevance and plausibility of these reports are scrutinized with the aid of more in-depth interviews conducted in selected divisions and subsidiaries.

In addition to attempting to render risks transparent and control them as effectively as possible, our risk management system also encourages the departments to identify and utilize potential opportunities.

Central Risk Management is responsible for providing the Board of Management and Supervisory Board with proper, prompt updates on the Audi Group’s corporate risk profile, using the reporting channels defined Group-wide. If there are short-term changes in the risk situation, the divisions are obliged to inform Central Risk Management by means of ad hoc announcements. The next level of the process focuses on defining preventive measures to limit losses, providing updated communication to the corporate bodies on the risk situation and examining whether an ad hoc announcement needs to be published.

In his examination, the independent auditor assesses whether the Board of Management has taken the measures incumbent upon it as defined in Section 91, Para. 2 of the German Stock Corporation Act (AktG) in an appropriate manner, and whether the monitoring system to be implemented is fit for purpose. The Audi Group thus satisfies the stock corporation and commercial law requirements as per German corporate governance legislation (KonTraG) as well as the specifications of the German Accounting Law Modernization Act (BilMoG).

Ongoing examination and refinement

The processes of the internal control and risk management system within the Audi Group are continually being revised and improved. As impartial bodies, the internal Auditing department and external independent auditor again monitored the system’s correctness and effectiveness in the 2012 fiscal year. The findings of their audit procedures are used in optimizing the internal control and risk management system and reported to the Board of Management and Supervisory Board.

Individual risks

As an automotive manufacturer with global operations, the Audi Group is confronted with a large number of risk areas, which are explained in greater detail below. The risks presented refer to the period 2013 through 2015.

Economic risks

The Audi Group's business operations are influenced to a high degree by the development of the worldwide economic framework. The European, Chinese and U.S. sales markets are of key importance for us. The upturn in economic activity in 2011 lost much of its momentum in the past fiscal year, though there was considerable variation in economic developments from region to region. Against the backdrop of this heterogeneous environment, the Audi Group again improved on the record unit sales figure from the previous year. Its highest sales growth was achieved in China, Germany, the United States and Russia. By contrast, various European export markets saw new vehicle registrations decline. In view of the considerable importance of European sales markets for the Audi Group, this pattern is a major challenge for us. The markets in Southern Europe in particular have suffered. The position is very different in emerging Asian car markets and in the recovering U.S. market. These are again expected to deliver high growth rates over the coming years.

Over and above the economic risks, political intervention in the form of increased customs or tax barriers and other barriers to trade could aggravate the framework conditions in individual markets.

We continually monitor sales markets and use extensive risk early-warning indicators in order to plan production in line with demand. Our aim is to respond flexibly to short-term fluctuations in demand and elsewhere. We will be able to do so, for example, by transferring production between the locations under the production turntable principle and by using timebanking effectively.

The raw materials markets relevant to the Company are permanently monitored in order to secure adequate supplies of production materials. Other priority concerns are to minimize the cost risks and to implement comprehensive hedging strategies. A permanent rise in the price of crude oil not only leads to increased energy and production costs, but also pushes up fuel prices and therefore ultimately makes customers more reluctant to buy cars. The Audi Group counters this risk by swiftly developing and introducing fuel economy technologies for conventional combustion engines in response to growing calls for efficiency. The Audi brand is already noted for its extensive product range featuring high-efficiency, progressive vehicle concepts that use technologies from the modular efficiency platform. In addition, there are alternative forms of drive such as electric and hybrid vehicles that represent a central component of our strategy of diversified drive principles.

The Audi Group's global growth has led to a rise in revenue in foreign currency. The continuing volatility of currency markets is difficult to anticipate and could adversely affect the profit performance of the Audi Group. Exchange rate movements in the euro against the U.S. dollar, the British pound, the Chinese renminbi, the Japanese yen and the Russian ruble are especially significant. In order to protect the Audi Group against these potential risks, we employ appropriate hedging instruments to an economically reasonable extent. The Audi Group is moreover in close, continuous consultation with the Volkswagen Group.

Other risk factors such as unforeseeable political intervention in the economy, escalating political conflicts, terrorist attacks, possible pandemics and natural disasters could have a detrimental effect on the Audi Group's business performance by undermining economic activity as well as international financial and capital markets. The Audi Group addresses risks of this type, for example by analyzing certain scenarios, drawing up emergency plans and, where appropriate, taking out insurance cover.

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Industry risks

The growing challenges that the entire automotive industry faces are reflected both in the varied and volatile development of markets and in rising regulatory and technological requirements. There is particular pressure to reduce vehicle emissions and fuel consumption. The steady tightening of CO₂ limits worldwide and growing environmental awareness among consumers are also raising the bar. This could prompt a permanent shift in demand towards smaller cars in individual markets. Our response to that challenge is to keep reducing fuel consumption and emissions across our product portfolio. The launch of compact, efficient vehicles such as the Audi A1 and the new models of the A3 family are important in this respect because they diversify the product range. At the same time as improving conventional drive technologies, the Company is investigating alternative fuels and new drive concepts. By systematically pursuing its hybridization and electrification strategy, the Audi Group aims to satisfy customer demand for a sustainable form of mobility.

The automotive industry is showing signs of intensifying competition such as in the form of sales promotional measures. The prices of direct competitors and the increased use of sales incentives can fundamentally lead to price erosion or inflated marketing costs. Such a trend in the industry would also adversely affect the Audi Group and correspondingly reduce its revenue and profit.

Risks from operating activities

Through its operating activities the Audi Group is exposed to a wide range of risks that could affect its net worth, financial position and financial performance.

These include, for example, unforeseeable events giving rise to losses such as explosions and major fires which could destroy or damage the Company's assets, and also cause serious disruption to production processes. Production operations can furthermore be disrupted by power supply failures or technical failures, in particular of IT systems. Although these risks fundamentally harbor considerable potential for losses, their probability is viewed as low. To reduce such risks we have implemented various preventive measures within the Company, such as fire protection systems, emergency plans and company fire departments. Adequate insurance coverage has additionally been taken out. The high flexibility of the Audi production network, which makes it possible to move production capacity to other locations, additionally reduces the risk.

Lasting disruption to the production process could also be caused by delayed delivery or non-delivery as a result of tool breakage, losses from natural disasters and strikes at suppliers or in the transportation sector. Financial difficulties encountered by suppliers and dealers could undermine the value creation process for the Company. The Audi Group takes this risk into account in its choice of partners. Appropriate control and monitoring processes are put in place to oversee such partnerships.

Within the automotive industry there is close collaboration between manufacturers and suppliers, extending to the research and development sphere and other strategically significant sections of the value chain. In addition to creating economic advantages, such partnership-based cooperation brings growing mutual dependence especially where its purpose is the development of innovative technologies. The Audi Group has taken effective action to address this risk by defining appropriate contractual terms and retaining title over tools used by third-party companies.

As an innovative premium carmaker, we are continually extending our portfolio of products and services and bringing new technologies such as assistance or safety systems and innovative drive concepts to production maturity. It is not always possible to guarantee the market success of

new vehicle projects, technologies or services even after extensive market studies and thorough project planning and steering.

The development of new vehicles and technologies goes hand in hand with further risks. These include in particular the loss of expertise to external development partners, as well as changes to the product at short notice and delays. The Audi Group protects its intellectual property by choosing its system partners with care and by contractually regulating and enforcing industrial property rights.

Legal risks

All activities by the corporate bodies, management personnel and employees of the Audi Group must comply with the current legal framework and with internal corporate guidelines. In addition to Group-wide codes of conduct, regular training courses help to inform the workforce of legal and internal requirements, and of any changes to these. This approach enables the Company to ensure that its actions are always lawful.

Nevertheless, the growing complexity of legal and fiscal requirements creates corresponding risks. As a result of the growing internationalization and expansion of the Audi Group's business activities, there is a risk of legal uncertainty due to differences of interpretation. Nor can the possibility of deliberate misdemeanors by individual persons be excluded altogether. The preventive approach of the Audi Group's compliance organization actively seeks to counter potential misdemeanors mainly through training.

As a manufacturer of premium automobiles, the Audi Group aims to satisfy its customers' high quality expectations in every respect. Nevertheless, the possibility of product liability claims cannot be excluded. Especially in the U.S market, these may lead to financial losses and significant reputational harm that could undermine the Company's long-term financial performance. The Audi Group counteracts such risks by upholding high quality standards for its products and addressing quality management systematically. In addition to taking appropriate precautions, it takes out economically reasonable levels of insurance cover and creates provisions. The same applies to lawsuits brought against the Company in the United States by commercial patent exploiters. Defending them is a costly business, and defeat involves financial losses for the Company.

The Audi Group is not currently involved in any legal or arbitration proceedings anywhere in the world that could have a lasting influence on the economic position of the Group.

Personnel risks

The enduring success of the Audi Group owes much to our qualified specialists and managers, and their high level of commitment on the Company's behalf.

Its human resources work therefore focuses on targeted, demand-centered human resources development and workforce training. As an attractive employer, the Audi Group holds a strong position amid intensive competition for well-qualified employees. The Company's comprehensive in-house training program also helps it create resources of qualified young employees.

To stem the loss of expertise through fluctuation, the Audi Group maintains employee satisfaction by providing an extensive, demand-based incentive system and employing intensive competence management. In anticipation of the loss of retiring experts and managers, the Company practices timely succession planning.

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Demographic change also represents a long-term challenge for the Audi Group. We have already responded promptly, for example by adapting working conditions to suit an employee's age, developing models for the individual's working life, and offering special part-time arrangements. Other components include preventive health care programs and raising awareness among employees of their individual responsibility for their own financial future.

Information and IT risks

A key success factor behind ongoing, sustainable productivity advances is effective, efficient processes and information systems that meet the requirements of the Audi Group. Our Company's increasing worldwide presence calls for the ready availability of data and information flows between Group and production locations.

The growing prevalence of electronic networks harbors increased information and IT risks, which can affect the financial position, financial performance and net worth of the Audi Group. Such risks include for instance the failure of important IT systems within the value chain, unauthorized access to the system, and the creation of heterogeneous system landscapes. To avert the risks of unauthorized access to data, ongoing measures are taken to safeguard stable, highly available IT infrastructures. Group-wide security standards that are designed to uphold the continuity of internal processes also make a major contribution towards Company security.

Financial risks

The Audi Group is also exposed to financial risks through its worldwide business activities. The most relevant are creditworthiness and liquidity risks, as well as interest rate, foreign exchange and commodity price risks. Foreign exchange risks concern principally the U.S. dollar, the Chinese renminbi, Japanese yen, the British pound and the Russian ruble. By way of medium-term precautions, the Audi Group has concluded an appropriate level of hedging transactions for purchases of commodities and for foreign currency to hold these risks in check effectively. The financial markets continue to experience high volatility mainly due to the sovereign debt crisis in several different countries and the general macroeconomic situation. Further information on the hedging policy and risk management in the area of financial risks is provided in the Notes in "Additional disclosures" under Note 37 "Management of financial risks."

Motorcycles segment

The Ducati Group has belonged to the Audi Group since July 2012. The motorcycle manufacturer's existing risk management system is currently being examined. Based on our findings, it will be integrated into the Group-wide risk management system in the course of the current year.

Overall assessment of the risk position

Considerable uncertainty continues to be the dominating feature of the global economy. The sovereign debt crisis in Europe is likely to continue prompting the countries affected to take growth-impeding consolidation measures and could also erode demand for cars. In the United States, there is the renewed threat of the authorized federal debt ceiling being reached. The associated risks for the American automobile market could also affect the medium-term fortunes of the premium segment, which is currently showing a positive development.

There is uncertainty about the impact in particular of potential spill-over effects of global economic developments and of state economic stimulus programs on the Chinese market's growth rate, which is therefore difficult to forecast.

The Audi Group is responding to these developments by adopting a global horizon for its business activities and diversifying its premium product range.

On the basis of these circumstances and facts, no risks currently exist that could endanger the Company's survival for the foreseeable future.

REPORT ON POST-BALANCE SHEET DATE EVENTS

There were no reportable events of material significance after December 31, 2012.

REPORT ON EXPECTED DEVELOPMENTS

Anticipated development of the economic environment

General economic situation

The Audi Group expects global economic growth to continue in 2013. The emerging economies in Asia and Latin America should again achieve the highest growth rates, while only a moderate rise in economic output is expected in the leading industrial nations. We anticipate further expansion in the global economy in 2014.

Western Europe's economic development will remain dominated by sovereign debt crises in 2013. A recessionary pattern is expected in the EU's southern member states. The situation is only likely to improve in 2014 if clear progress is made in solving the sovereign debt crises. It is expected that Germany's export-driven economy will not remain entirely unscathed by the difficult economic conditions in Western Europe, and will achieve only low growth in 2013. However, the German labor market is likely to remain stable for the time being, thus underpinning domestic demand. Depending on how the remainder of Western Europe fares, the German economy could see growth pick up somewhat in 2014.

Most countries of Central and Eastern Europe should again enjoy much higher economic growth than Western Europe in 2013 and 2014. Nevertheless, their economic fortunes will equally be influenced by the developments in Western Europe.

The Audi Group anticipates that U.S. economic output in 2013 will grow at a similar rate to last year. Provided the global economy recovers, 2014 is likely to bring increased growth in the United States.

The Latin American economy should display increased momentum in 2013 and be able to maintain that performance in 2014. In international terms, the region's growth rate remains above the average.

Asia's emerging economies are expected to show an even more dynamic performance. China's growth rates in 2013 and 2014 should be on a par with the previous year. On the other hand, over the next two years the Indian economy is likely to expand at an even faster rate than in 2012. In Japan, economic expansion is likely to abate in 2013 following the country's recovery from the consequences of the 2011 natural disaster. The Japanese economy is not expected to show buoyancy until 2014.

Car market

The Audi Group again expects to see global car markets experience mixed fortunes in 2013. All in all, we anticipate a slight rise in global demand. We expect the worldwide car market to show rather more dynamism in 2014.

In Western Europe the Company again expects to see a decline in passenger car sales in 2013. Due to the continuing sovereign debt crises and the unsettling effect this is having on consumers, we forecast flat or declining levels of new registrations in virtually all Western European markets. Nor is the German car market likely to be immune to these developments, with sales of passenger cars expected to fall slightly in 2013. If the economic environment in Western Europe regains stability, we expect that demand for cars will improve again in 2014.

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Sales of automobiles in Central and Eastern European countries should initially remain on a par with the previous year in 2013, before the markets expand more dynamically in 2014.

The Audi Group expects the United States to maintain its upward trend in new registrations of cars and light commercial vehicles in 2013. Demand will probably benefit from consistently high replacement demand and the continuing availability of favorable credit terms. The U.S. automobile market's solid performance should continue in 2014 as well. In Latin American car markets, we expect demand to be on a par with the previous year in 2013. Sales of new vehicles are then expected to pick up somewhat in 2014.

We expect demand for cars in the Asia-Pacific region to show a mixed performance in 2013 and 2014. The growth trend in new registrations in China should hold up, with slightly less momentum. In India, too, the high pace of growth is likely to calm somewhat in 2013 before returning to higher growth rates in 2014. In Japan, we anticipate a decline in general demand for cars following the withdrawal of state aid and the meeting of replacement demand after the natural disaster; the market should then stabilize again in 2014.

Motorcycle market

For 2013 and 2014 we expect to see a slight rise in demand for motorcycles in the displacement segment above 500 cc in the markets that are relevant for the Ducati brand. Growth is likely to be vigorous in emerging economies, but generally more moderate in established markets. In Southern European motorcycle markets, we forecast demand for motorcycles to be rather subdued because of the protracted sovereign debt crises, which have unsettled consumers there.

Anticipated development of the Audi Group

Continuing high uncertainty about the further direction of the economy – especially in light of the sovereign debt crises in many countries – remains a major challenge for the automotive industry and consequently also for the Audi Group. The situation is exacerbated by increasingly intensive competition and the ongoing technological revolution brought on by the development of alternative mobility and drive concepts.

Among its strategic objectives, the Audi Group practices value-oriented corporate management. It is steadily defining and implementing measures designed to protect and boost its international competitiveness. The Audi Group thus believes it is well-equipped to adhere to its course of qualitative growth over the coming years.

Anticipated development of deliveries

For the 2013 and 2014 fiscal years, the Audi Group expects to be able to increase deliveries of its core brand Audi. Thus, the 2015 target to deliver 1.5 million automobiles of the brand with the four rings could be achieved sooner. The Company is aiming to increase its market shares in a large number of sales markets thanks to its attractive product range, thus further improving its already strong competitive position in the premium car segment.

Deliveries of the Audi brand in the key high-volume markets of Western Europe should thus remain at the high level of previous years despite the anticipated difficult environment and falling overall market demand.

In the Central and Eastern Europe region – and especially Russia – the Company is targeting a dynamic increase in deliveries to customers.

Deliveries in North America are also likely to rise further in 2013 and 2014. There, the Audi Group aims to capitalize above all on the gradual expansion of the exclusive dealer network in the United States and on growing demand among U.S. customers for the Audi brand's high-performance, efficient diesel models.

The Company seeks to maintain the growth course of previous years in the Asia-Pacific sales region. In China, the highest-volume market for Audi vehicles, the Audi brand is increasing local production capacities, the product range and the number of dealerships in order to consolidate its market lead in the premium segment. In Japan as well, the Audi brand expects to see a further rise in deliveries over the next two years.

The brand with the four rings already offers an extensive and attractive product portfolio, from the A1 premium compact car, through the SUV family – Q3, Q5 and Q7 – to the R8 supercar. We expect demand in 2013 to be stimulated not least by the availability of the Audi A3 for its first full year since its gradual roll-out in the markets from late summer 2012.

The Audi brand's product range is also set to grow. The A3 car line will acquire a versatile five-door A3 Sportback, the sporty S3 and S3 Sportback models plus an additional derivative model in the course of this fiscal year. The A3 Sportback g-tron, appearing as of fall 2013, will be the Audi brand's first gas-powered vehicle. The improved R8 has been on sale to customers since the start of the year. Plans for the current fiscal year also include significantly expanding the range of ultra-sporty models, such as the SQ5, the RS5 Cabriolet, the RS6 Avant, the RS7 Sportback and the RSQ3.

The Company expects the Ducati brand to enjoy increased deliveries of motorcycles in the 2013 and 2014 fiscal years thanks to plans to step up its international sales activities and introduce the new Hyperstrada model line onto the market.

Anticipated financial performance

We expect a slight rise in revenue for the Audi Group and the Automotive segment in the 2013 and 2014 fiscal years. The profit performance will benefit not only from planned sales growth, but also from the productivity and process improvements previously introduced, as well as from efficient corporate structures. Despite higher expenditure for new products and technologies – in particular to satisfy tougher CO₂ regulations worldwide – and high advance payments for the expansion of the international production network, the Company thus expects the operating return on sales to be at the upper end of the strategic target corridor of eight to ten percent. For the Motorcycles segment, the Audi Group envisages the forecasting period yielding higher revenue compared with 2012 as a whole. Here too, an operating return on sales of eight to ten percent is the target.

Anticipated financial position

The Audi Group again intends to finance its planned growth entirely from internally generated cash flow in the next two fiscal years. Despite the increase in cash used in investing activities as a result of the long-term product initiative, the development of new technologies and the expansion of the worldwide production network, the Company's objective is to generate a positive net cash flow.

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Capital investments

Alongside broadening its portfolio of products and technologies, under its mid-range investment plans the Audi Group's primary focus is on expanding its worldwide development and manufacturing structures. All investment measures share the common objective of building on the Company's strong competitive position through a forward-looking model, technology and brand strategy.

To realize its plans for sustainable, high-quality growth, the Audi Group intends to invest a total of around EUR 11 billion over the period 2013 through 2015.

Anticipated development of the workforce

In line with the Company's plans for growth, the number of employees at the Audi Group will rise still further in 2013 and 2014.

Opportunities for future development

To safeguard its sustainable, profitable growth, the Audi Group pursues a large number of measures in order to identify and act on opportunities and openings at the earliest possible time. The expansion of the Audi Group's product range is especially important in this connection and will remain so over the next few years. The Audi Group will generate extra sales potential by gradually adding a large number of new models and derivative versions to its range.

In tandem with the model initiative, we aim to demonstrate our "Vorsprung durch Technik" by developing and promoting further innovative technologies. One particularly important goal in this respect is to permanently reduce CO₂ emissions by systematically improving efficiency, adopting alternative drive technologies and making increased use of renewable energy in production and transport.

As an attractive employer worldwide, the Audi Group possesses the necessary infrastructure and has qualified experts and engineers with the right expertise to rise to such challenges in bringing planned product and technological innovations to fruition. The Audi Group's high appeal as an employer has been repeatedly confirmed in numerous independent surveys both in Germany and internationally; this reputation should help the Company to continue retaining and attracting the best and most-qualified employees.

The positive image of the Audi brand is another key factor behind the Company's sustained positive development. The large number of national and international awards reflects the growing popularity of and enthusiasm for the brand with the four rings. The focus is always on sportiness, sophistication and progressiveness. This positive perception offers the Audi Group the opportunity to maintain its qualitative, sustainable growth in the future, too.

In the next two years we see opportunities for growth particularly in the Asian sales markets China and India, as well as in the United States and Russia. To tap that potential as effectively as possible, we have plans for the further expansion of the international dealer and service network.

Over and above its internal strategies and scope for action, the Audi Group's corporate development could also benefit from external opportunities such as social and political developments.

Overall assessment of anticipated future developments

With production, deliveries and profit reaching new record levels, the past fiscal year of 2012 was a very successful one for the Audi Group. The Company yet again demonstrated its competitiveness and profitability.

Even if the wider economic situation remains challenging, the Board of Management of AUDI AG believes the Company is well-placed to achieve sustained, qualitative growth over the long term. The Company has laid the foundations for this growth by maintaining its model initiative, systematically improving efficiency and developing a steady stream of innovative technologies. The high motivation and expertise of the Audi Group's workforce will secure its long-term corporate success. It will systematically pursue the measures already launched to optimize processes and improve costs, with a positive impact on the development of the Company.

The Audi Group therefore fundamentally expects to continue its course of growth in 2013 and 2014.

DISCLAIMER

The Management Report contains forward-looking statements relating to anticipated developments. These statements are based upon current assessments and are by their very nature subject to risks and uncertainties. Actual outcomes may differ from those predicted in these statements.

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Income Statement of the Audi Group

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EUR million	Notes	2012	2011
Revenue	1	48,771	44,096
Cost of sales	2	-39,046	-36,000
Gross profit		9,725	8,096
Distribution costs	3	-4,593	-3,599
Administrative expenses	4	-527	-429
Total other operating income	5	1,881	1,967
Total other operating expenses	6	-1,106	-687
Operating profit		5,380	5,348
Result from investments accounted for using the equity method	7	415	270
Financing costs	8	-412	-264
Total other financial results	9	574	687
Financial result		576	692
Profit before tax		5,956	6,041
Income tax expense	10	-1,603	-1,601
Profit after tax		4,353	4,440
of which profit share of minority interests		69	51
of which profit share of AUDI AG stockholders		4,284	4,389
Appropriation of profit share due to AUDI AG stockholders			
Profit transfer to Volkswagen AG	11	-3,790	-3,138
Transfer to retained earnings		494	1,251
EUR	Notes	2012	2011
Earnings per share	12	99.62	102.06
Diluted earnings per share	12	99.62	102.06

Statement of Recognized Income and Expense of the Audi Group

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EUR million	Audi stockholders		Minority interests		Total	
	2012	2011	2012	2011	2012	2011
Profit after tax	4,284	4,389	69	51	4,353	4,440
Actuarial gains and losses (pensions) before tax	-931	-143	-	-	-931	-143
Deferred taxes on actuarial gains and losses	275	42	-	-	275	42
Actuarial gains and losses (pensions) after tax	-655	-101	-	-	-655	-101
Currency translation differences before tax						
Changes recognized directly in equity without affecting income	-7	11	-6	9	-13	20
Currency translation differences after tax	-7	11	-6	9	-13	20
Cash flow hedges before tax						
Changes in fair value recognized directly in equity without affecting income	460	-890	-	-	460	-890
Included in the Income Statement	456	-55	-	-	456	-55
Deferred taxes on cash flow hedges	-270	279	-	-	-270	279
Cash flow hedges after tax	645	-666	-	-	645	-666
Securities available for sale before tax						
Changes in fair value recognized directly in equity without affecting income	57	11	-	-	57	11
Included in the Income Statement	-29	3	-	-	-29	3
Deferred taxes on securities available for sale	-8	-4	-	-	-8	-4
Securities available for sale after tax	20	10	-	-	20	10
Income and expenditure after tax from equity-accounted investments recognized directly in equity	2	23	-	-	2	23
Total other result before tax	7	-1,040	-6	9	1	-1,030
Total deferred taxes on other result	-3	317	-	-	-3	317
Total other result after tax	4	-723	-6	9	-2	-714
Overall result	4,288	3,666	63	60	4,351	3,726

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Balance Sheet of the Audi Group

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ASSETS in EUR million	Notes	Dec. 31, 2012	Dec. 31, 2011
Non-current assets		18,068	12,209
Fixed assets		15,655	9,958
Intangible assets	14	4,038	2,531
Property, plant and equipment	15	7,605	6,716
Leasing and rental assets	16	2	5
Investment property	16	118	3
Investments accounted for using the equity method	17	3,638	460
Other long-term investments	18	254	244
Deferred tax assets	19	1,738	1,839
Other financial assets	20	662	391
Other receivables	21	13	21
Current assets		22,357	24,811
Inventories	22	4,331	4,377
Trade receivables	23	2,251	3,009
Effective income tax assets	24	43	11
Other financial assets	20	2,303	7,033
Other receivables	21	451	273
Securities	25	1,807	1,594
Cash and cash equivalents	25	11,170	8,513
Total assets		40,425	37,019

LIABILITIES in EUR million	Notes	Dec. 31, 2012	Dec. 31, 2011
Equity		15,033	12,903
AUDI AG stockholders' interests	26	14,772	12,705
Issued capital	26	110	110
Capital reserve	26	5,084	3,515
Retained earnings	26	9,577	9,080
Minority interests	26	261	198
Liabilities		25,393	24,117
Non-current liabilities		9,952	8,610
Financial liabilities	27	145	21
Deferred tax liabilities	28	208	16
Other financial liabilities	29	244	569
Other liabilities	30	711	511
Provisions for pensions	31	3,470	2,505
Effective income tax obligations	32	913	754
Other provisions	33	4,261	4,234
Current liabilities		15,441	15,507
Financial liabilities	27	1,168	1,172
Trade payables	34	4,270	4,193
Effective income tax obligations	32	346	929
Other financial liabilities	29	4,485	4,273
Other liabilities	30	2,368	2,082
Other provisions	33	2,803	2,858
Total equity and liabilities		40,425	37,019

Cash Flow Statement of the Audi Group

from January 1 to December 31 205

EUR million	2012	2011
Profit before profit transfer and income taxes	5,956	6,041
Income tax payments	-1,984	-1,584
Impairment losses (reversals) on capitalized development costs	429	397
Impairment losses (reversals) on property, plant and equipment and other intangible assets	1,487	1,395
Depreciation of investment property	1	1
Result from the disposal of assets	7	1
Result from investments accounted for using the equity method	-176	-111
Change in inventories	-66	-933
Change in receivables	475	-1,004
Change in liabilities	1	1,313
Change in provisions	31	957
Other non-cash income and expenses	-19	-177
Cash flow from operating activities	6,144	6,295
Additions of capitalized development costs	-923	-596
Investments in property, plant and equipment and other intangible assets	-2,334	-2,266
Acquisition of subsidiaries	-591	-37
Acquisition of other participating interests	-3,020	-27
Sale of subsidiaries	44	-
Other cash changes	19	21
Change in investments in securities	-126	-239
Change in fixed deposits and loans extended	2,034	-3,767
Cash flow from investing activities	-4,896	-6,911
Capital contributions	1,569	1,005
Transfer of profit	-3,138	-2,010
Change in financial liabilities	-34	253
Lease payments	-3	-1
Cash flow from financing activities	-1,606	-753
Change in cash and cash equivalents due to changes in exchange rates	-36	82
Change in cash and cash equivalents	-393	-1,287
Cash and cash equivalents at beginning of period	4,675	5,961
Cash and cash equivalents at end of period	4,281	4,675

EUR million	2012	2011
Cash and cash equivalents	4,281	4,675
Fixed deposits, securities and loans extended	10,428	12,235
Gross liquidity	14,709	16,909
Credit outstanding	-1,313	-1,193
Net liquidity	13,396	15,716

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The Cash Flow Statement is explained in Note 38.

Statement of Changes in Equity of the Audi Group

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EUR million	Issued capital	Capital reserve	
Position as of Jan. 1, 2011	110	2,510	
Profit after tax	-	-	
Other result after tax	-	-	
Overall result	-	-	
Capital increase	-	1,005	
Profit transfer to Volkswagen AG	-	-	
Position as of Dec. 31, 2011	110	3,515	
Position as of Jan. 1, 2012	110	3,515	
Profit after tax	-	-	
Other result after tax	-	-	
Overall result	-	-	
Capital increase	-	1,569	
Profit transfer to Volkswagen AG	-	-	
Position as of Dec. 31, 2012	110	5,084	

	Retained earnings					Equity			
	Legal reserve and other retained earnings	Currency exchange reserve	Reserve for cash flow hedges	Reserve for remeasurement to fair value of securities	Actuarial gains and losses	Investments accounted for using the equity method	AUDI AG stockholders' interests	Minority interests	Total
	8,776	28	97	-11	-346	8	11,172	138	11,310
	4,389	-	-	-	-	-	4,389	51	4,440
	-	11	-666	10	-101	23	-723	9	-714
	4,389	11	-666	10	-101	23	3,666	60	3,726
	-	-	-	-	-	-	1,005	-	1,005
	-3,138	-	-	-	-	-	-3,138	-	-3,138
	10,027	39	-569	-1	-447	31	12,705	198	12,903
	10,027	39	-569	-1	-447	31	12,705	198	12,903
	4,284	-	-	-	-	-	4,284	69	4,353
	-	-7	645	20	-655	2	4	-6	-2
	4,284	-7	645	20	-655	2	4,288	63	4,351
	-	-	-	-	-	-	1,569	-	1,569
	-3,790	-	-	-	-	-	-3,790	-	-3,790
	10,521	32	76	19	-1,102	33	14,772	261	15,033

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DEVELOPMENT OF FIXED ASSETS IN THE 2012 FISCAL YEAR

EUR million	Gross carrying amounts							
	Costs Jan. 1, 2012	Changes in group of consolidated companies	Currency changes	Additions	Changes from equity- accounted investments	Transfers	Disposals	Costs Dec. 31, 2012
Intangible assets	5,281	977	1	1,074	-	7	417	6,921
Concessions, industrial property rights and similar rights and assets, as well as licenses thereto	730	199	1	149	-	9	29	1,058
Brand names	55	404	-	-	-	-	-	459
Goodwill	72	306	-	-	-	-	-	378
Capitalized development costs, products currently under development	689	11	-	670	-	-512	-	858
Capitalized development costs, products currently in use	3,735	56	-	253	-	512	388	4,168
Payments on account for intangible assets	1	1	0	2	-	-3	0	1
Property, plant and equipment	22,824	82	-11	2,183	-	-7	532	24,540
Land, land rights and buildings, including buildings on land owned by others, and leased land and buildings	4,602	41	-9	169	-	169	18	4,954
Plant and machinery	4,965	30	0	206	-	233	112	5,322
Other plant and office equipment, as well as leased plant and office equipment	12,111	5	-1	789	-	238	396	12,745
Payments on account and assets under construction	1,146	6	-1	1,020	-	-647	6	1,519
Leasing and rental assets	8	-	0	-	-	-	4	4
Investment property	8	-	-1	118	-	-	0	125
Investments accounted for using the equity method	460	-	-13	3,000	191	-	-	3,638
Other long-term investments	247	-30	0	41	-	-	0	257
Investments in affiliated companies	143	-30	0	15	-	-	0	128
Shares in associated companies and participating interests	103	0	-	26	-	-	-	129
Total fixed assets	28,829	1,029	-26	6,416	191	-	953	35,486

Cumulative depreciation and amortization Jan. 1, 2012	Changes in group of consolidated companies	Currency changes	Value adjustments in gross carrying amounts					Reversal of impairment losses	Cumulative depreciation and amortization Dec. 31, 2012	Carrying amounts	
			Additions	Impairment losses	Transfers	Disposals	Dec. 31, 2012			Dec. 31, 2012	Dec. 31, 2011
2,751	-14	0	581	-	2	416	20	2,883	4,038	2,531	
540	-14	0	130	-	2	28	-	629	429	190	
37	-	-	2	-	-	-	-	39	421	18	
-	-	-	-	-	-	-	-	-	378	72	
60	-	-	-	-	-17	-	20	24	834	629	
2,114	-	-	449	-	17	388	0	2,192	1,976	1,620	
-	-	-	-	-	-	-	-	-	1	1	
16,108	-14	-4	1,350	3	-2	506	-	16,935	7,605	6,716	
2,303	-4	-3	150	3	1	15	-	2,435	2,519	2,299	
3,809	-5	-0	335	-	0	107	-	4,032	1,290	1,157	
9,997	-6	-1	864	0	-3	385	-	10,467	2,278	2,114	
-	-	0	-	0	0	-	-	0	1,518	1,146	
4	-	0	1	-	-	2	-	3	2	5	
5	-	-1	2	-	-	0	-	6	118	3	
-	-	-	-	-	-	-	-	-	3,638	460	
3	-	-	-	-	-	-	-	3	254	244	
-	-	-	-	-	-	-	-	-	128	143	
3	-	-	-	-	-	-	-	3	126	100	
18,871	-29	-5	1,934	3	-	925	20	19,830	15,655	9,958	

DEVELOPMENT OF FIXED ASSETS IN THE 2011 FISCAL YEAR

EUR million	Gross carrying amounts							
	Costs Jan. 1, 2011	Changes in group of consolidated companies	Currency changes	Additions	Changes from equity accounted investments	Transfers	Disposals	Costs Dec. 31, 2011
Intangible assets	5,532	4	1	694	-	12	962	5,281
Concessions, industrial property rights and similar rights and assets, as well as licenses thereto	621	4	1	98	-	14	7	730
Brand names	55	-	-	-	-	-	-	55
Goodwill	72	-	-	-	-	-	-	72
Capitalized development costs, products currently under development	900	-	-	343	-	-554	-	689
Capitalized development costs, products currently in use	3,883	-	-	252	-	554	955	3,735
Payments on account for intangible assets	1	-	-	1	-	-1	-	1
Property, plant and equipment	21,085	11	10	2,186	-	-12	455	22,824
Land, land rights and buildings, including buildings on land owned by others, and leased land and buildings	4,396	8	8	193	-	53	55	4,602
Plant and machinery	4,848	1	0	169	-	149	202	4,965
Other plant and office equipment, as well as leased plant and office equipment	11,345	2	1	842	-	116	196	12,111
Payments on account and assets under construction	496	-	0	982	-	-330	2	1,146
Leasing and rental assets	9	-	0	-	-	-	1	8
Investment property	10	-	1	-	-	-	3	8
Investments accounted for using the equity method	326	-	31	-	103	-	-	460
Other long-term investments	183	-25	-	89	-	-	0	247
Investments in affiliated companies	106	-25	-	62	-	-	0	143
Shares in associated companies and participating interests	76	0	-	27	-	-	-	103
Total fixed assets	27,145	-10	42	2,970	103	-	1,421	28,829

Cumulative depreciation and amortization Jan. 1, 2011	Changes in group of consolidated companies	Currency changes	Value adjustments in gross carrying amounts					Reversal of impairment losses	Cumulative depreciation and amortization Dec. 31, 2011	Carrying amounts	
			Additions	Impairment losses	Transfers	Disposals	Dec. 31, 2011			Dec. 31, 2011	Dec. 31, 2010
3,176	3	1	458	75	-	962	-	2,751	2,531	2,357	
444	3	1	100	-	-	7	-	540	190	177	
-	-	-	2	35	-	-	-	37	18	55	
-	-	-	-	-	-	-	-	-	72	72	
64	-	-	-	40	-44	-	-	60	629	836	
2,668	-	-	357	-	44	955	-	2,114	1,620	1,215	
-	-	-	-	-	-	-	-	-	1	1	
15,281	1	3	1,241	17	-	436	-	16,108	6,716	5,803	
2,206	0	2	146	-	-	51	-	2,303	2,299	2,190	
3,689	0	0	316	-	-	196	-	3,809	1,157	1,159	
9,386	1	1	780	17	-	189	-	9,997	2,114	1,958	
-	-	-	-	-	-	-	-	-	1,146	496	
3	-	0	1	-	-	0	-	4	5	6	
5	-	0	0	-	-	1	-	5	3	5	
-	-	-	-	-	-	-	-	-	460	326	
3	-	-	-	-	-	0	-	3	244	180	
0	-	-	-	-	-	0	-	-	143	106	
3	-	-	-	-	-	-	-	3	100	73	
18,468	4	4	1,700	93	-	1,399	-	18,871	9,958	8,677	

GENERAL INFORMATION

AUDI AG has the legal form of a German stock corporation (Aktiengesellschaft). Its registered office is at Ettinger Strasse, Ingolstadt, and the Company is recorded in the Commercial Register of Ingolstadt under HR B 1.

Around 99.55 percent of the issued capital of AUDI AG is held by Volkswagen AG, Wolfsburg, with which a control and profit transfer agreement is in force. The Consolidated Financial Statements of AUDI AG are included in the Consolidated Financial Statements of Volkswagen AG, which are held on file at the Local Court of Wolfsburg. The purpose of the Company is the development, production and sale of motor vehicles, other vehicles and engines of all kinds, together with their accessories, as well as machinery, tools and other technical articles.

ACCOUNTING PRINCIPLES

AUDI AG prepares its Consolidated Financial Statements on the basis of the International Financial Reporting Standards (IFRS) and the interpretations of the International Financial Reporting Standards Interpretations Committee (IFRS IC). All pronouncements of the International Accounting Standards Board (IASB), whose application is mandatory in the European Union (EU), have been observed. The prior-year figures were calculated according to the same principles. The Income Statement is prepared according to the internationally practiced cost of sales method. AUDI AG prepares its Consolidated Financial Statements in euros (EUR). All figures have been rounded in accordance with standard commercial practice, with the result that minor discrepancies may occur when adding these amounts.

The Consolidated Financial Statements provide a true and fair view of the net worth, financial performance and financial position of the Audi Group.

The requirements pursuant to Section 315a of the German Commercial Code (HGB) regarding the preparation of Consolidated Financial Statements in accordance with IFRS, as endorsed by the EU, are met.

All requirements that must be applied under German commercial law are additionally observed in preparing the Consolidated Financial Statements. In addition, the requirements of the German Corporate Governance Code have been adhered to.

The Board of Management prepared the Consolidated Financial Statements on February 7, 2013. This date marks the end of the adjusting events period.

Effects of new or revised standards

The Audi Group has implemented all of the accounting standards whose application became mandatory with effect from the 2012 fiscal year.

The IASB's revision of IFRS 7 extends the disclosures required regarding the transfer of financial assets. An asset is deemed to have been transferred as defined in IFRS 7 if the cash flows associated with that asset have been transferred to a third party or are to be transferred to a third party. With regard to such financial assets that are derecognized in their entirety but for which there is a "continuing involvement," the standard now contains further disclosure obligations. This similarly applies to transferred financial assets that are not derecognized in their entirety.

New or revised standards not applied

The following new or revised accounting standards already approved by the IASB were not applied in the Consolidated Financial Statements for the 2012 fiscal year because their application was not yet mandatory:

Standard/Interpretation	Published by the IASB	Mandatory effective ¹⁾	Endorsed by EU until Dec. 31, 2012	Effects	
IFRS 1	Government Loans	Mar. 13, 2012	Jan. 1, 2013	No	None
IFRS 1	First-time Adoption – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	Dec. 20, 2010	Jan. 1, 2013	Yes	None
IFRS 7	Financial Instruments – Notes on Offsetting Financial Assets and Liabilities	Dec. 16, 2011	Jan. 1, 2013	Yes	Extended notes on offsetting of financial instruments
IFRS 9	Financial Instruments: Classification and Measurement	Nov. 12, 2009/ Oct. 28, 2010	Jan. 1, 2015 ²⁾	No	Modified reporting of fair value changes relating to financial instruments previously categorized as available for sale
IFRS 10	Consolidated Financial Statements	May 12, 2011	Jan. 1, 2014	Yes	None
IFRS 11	Joint Arrangements	May 12, 2011	Jan. 1, 2014	Yes	None
IFRS 12	Disclosures of Interests in Other Entities	May 12, 2011	Jan. 1, 2014	Yes	Extended notes on group of companies
	Transition Guidance on IFRS 10, IFRS 11, IFRS 12	Jun. 28, 2012	Jan. 1, 2013	No	No significant changes
	Investment Entities (Amendments to IFRS 10, IFRS 12, IAS 27)	Oct. 31, 2012	Jan. 1, 2014	No	None
IFRS 13	Fair Value Measurement	May 12, 2011	Jan. 1, 2013	Yes	Changes and extended notes on fair value measurements
IAS 1	Presentation of Items of Other Comprehensive Income	Jun. 16, 2011	Jan. 1, 2013	Yes	Changed presentation of other comprehensive income
IAS 12	Deferred Taxes – Recovery of Underlying Assets	Dec. 20, 2010	Jan. 1, 2013	Yes	None
IAS 19	Employee Benefits	Jun. 16, 2011	Jan. 1, 2013	Yes	Changed presentation and extended notes on employee benefits
IAS 27	Separate Financial Statements	May 12, 2011	Jan. 1, 2014	Yes	None
IAS 28	Investments in Associates and Joint Ventures	May 12, 2011	Jan. 1, 2014	Yes	None
IAS 32	Financial Instruments: Offsetting Financial Assets and Liabilities	Dec. 16, 2011	Jan. 1, 2014	Yes	No significant changes
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	Oct. 19, 2011	Jan. 1, 2013	Yes	None
	Improvements to International Financial Reporting Standards 2011 ³⁾	May 17, 2012	Jan. 1, 2013	No	No significant changes

1) Mandatory first-time application from the perspective of AUDI AG

2) First-time application postponed from 2013 to 2015 by the Mandatory Effective Date Project

3) Minor revision to a variety of IFRS (IFRS 1, IAS 1, IAS 16, IAS 32, IAS 34)

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GROUP OF CONSOLIDATED COMPANIES

In addition to AUDI AG, the Consolidated Financial Statements include all principal companies in which AUDI AG can directly or indirectly govern the financial and operating policies so as to obtain benefit from the activities of the entities (subsidiaries) in question. Consolidation begins at that point in time when AUDI AG has control of an entity; it ends when control is lost.

Associated companies are accounted for using the equity method.

Non-consolidated subsidiaries as well as participating interests are always reported at amortized cost because no active market exists for the shares of these companies and no fair value can reliably be determined with a justifiable amount of effort.

Where there is evidence that the fair value is lower, this fair value is recognized. These subsidiaries are principally companies with only limited business operations. The total equity contributed by these subsidiaries is 0.9 (1.0) percent of the Group's equity. The total profit after tax of these companies amounts to 0.1 (0.1) percent of the Audi Group's profit after tax.

On July 19, 2012, the Audi Group, through Automobili Lamborghini S.p.A., Sant'Agata Bolognese (Italy), a subsidiary of AUDI AG, acquired 100 percent of the voting rights in the motorcycle company DUCATI MOTOR HOLDING S.P.A., Bologna (Italy) in exchange for payment of a purchase price of EUR 747 million. This acquisition of Ducati – an internationally renowned manufacturer of motorcycles in the premium segment with huge expertise in high-performance engines and lightweight construction – marks the Audi Group's first foray into the growth market of high-end motorcycles. During the 2011 calendar year, the Ducati Group sold 42,016 motorcycles, generating revenue amounting to EUR 479 million.

Due to time constraints, it was not possible for the acquired assets and liabilities to be analyzed in full before publication of the Consolidated Financial Statements. The provisional figure for goodwill of EUR 290 million includes benefits that cannot be separated out and that are not based on contractual or other rights, such as the expertise and knowledge of Ducati employees. Goodwill is not deductible for tax purposes. The transaction-related costs, totaling EUR 1 million to date, are recognized as an expense.

The provisional allocation of the purchase price to the assets and liabilities is shown in the following table:

EUR million	IFRS carrying amounts at acquisition date	Purchase price allocation	Fair values at the time of acquisition
Brand names	211	193	404
Customer relations	49	131	180
Other intangible assets	78	17	95
Land and buildings	78	3	81
Other non-current assets	25	8	33
Inventories	83	0	83
Cash and cash equivalents	150	-	150
Other current assets	154	-	154
Total assets	828	352	1,180
Non-current liabilities	106	108	214
Current liabilities	510	-	510
Total debts	616	108	724

The gross value of the acquired receivables at the time of acquisition was EUR 153 million, with a net carrying amount of EUR 142 million (corresponding to the fair value).

The inclusion of the entity resulted, as of December 31, 2012, in an increase of EUR 209 million in the Audi Group's revenue and in a decrease, after taxes, of EUR 27 million in profit, taking into account amortization of the hidden reserves realized upon the allocation of the purchase price. Had Ducati already been included in the Consolidated Financial Statements as of January 1, 2012, the Group's revenue as reported at December 31, 2012 would have been approximately EUR 422 million higher, whilst the reported profit after tax taking into account amortization of the hidden reserves realized upon the purchase price allocation would have been increased by around EUR 34 million.

Since December 31, 2011, the group of consolidated companies has also included the following acquired Ducati companies:

- DUCATI MOTOR HOLDING S.P.A., Bologna (Italy)
- Ducati Japan K.K., Tokyo (Japan)
- Ducati Motor Deutschland GmbH, Cologne
- Ducati Motor (Thailand) Co. Ltd., Amphur Pluakdaeng, Rayong (Thailand)
- DUCATI NORTH AMERICA INC., Cupertino, California (USA)
- Ducati North Europe B.V., The Hague (Netherlands)
- Ducati (Schweiz) AG, Wollerau (Switzerland)
- DUCATI U.K. LIMITED, Towcester (United Kingdom)
- DUCATI WEST EUROPE S.A.S., Colombes (France)
- DUCMOTOCICLETA S DE RL DE CV, Mexico City (Mexico)

The group of consolidated companies was also extended to include the following companies:

- Audi Akademie GmbH, Ingolstadt, established in 1993
- Audi Tooling Barcelona, S.L., Barcelona (Spain), established in 2003
- PSW automotive engineering GmbH, Gaimersheim, acquired in 2011

The main influences on the 2012 opening balance sheet of these first-time consolidations are as follows:

EUR million	2012
Non-current assets	7
Current assets	99
of which inventories	56
of which cash and cash equivalents	40
Equity	6
Non-current liabilities	18
Current liabilities	82
Balance sheet total	106

With effect from May 1, 2012, AUDI AG sold Audi Retail GmbH, Ingolstadt, and its subsidiaries to VGRD GmbH, Wolfsburg. As a result, the fully consolidated companies Audi Retail GmbH, Audi Berlin GmbH, Berlin, Audi Frankfurt GmbH, Frankfurt am Main, Audi Hamburg GmbH, Hamburg, Audi Hannover GmbH, Hanover, Audi Leipzig GmbH, Leipzig, and Audi Stuttgart GmbH, Stuttgart, as well as Audi Zentrum München GmbH, Munich (which had not been included in the group of consolidated companies), ceased to form part of the Audi Group. The net assets were deducted on the basis of their carrying amounts. This resulted in an outflow of cash and cash equivalents amounting to EUR 63 million.

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The following table shows the composition of the Audi Group:

Total	2012	2011
AUDI AG and fully consolidated subsidiaries		
Germany	6	10
Other countries	32	22
Investments accounted for using the equity method		
Other countries	2	1
Non-consolidated subsidiaries		
Germany	20	16
Other countries	13	10
Total	73	59

The Audi Group does not wholly own Italdesign Giugiaro S.p.A., Turin (Italy) and PSW automotive engineering GmbH. However, given that in business terms Audi also bears the risks and has access to the economic benefits of the remaining shares it does not own, both of these companies are included in the Consolidated Financial Statements on a 100 percent basis.

The principal companies within the Audi Group are listed following the Notes.

The full list of companies in which shares are held is recorded in the Commercial Register of Ingolstadt under HR B 1 and is also available on the Audi website at www.audi.com/subsidiaries.

This list can additionally be requested directly from AUDI AG, Financial Communication/ Financial Analysis, I/FF-3, 85045 Ingolstadt, Germany.

By virtue of their inclusion in the Audi Group's Consolidated Financial Statements, the following companies have fulfilled the requirements of Section 264, Para. 3 of the German Commercial Code (HGB) and make use of the exemption rule:

- Audi Akademie GmbH, Ingolstadt
- Audi Vertriebsbetreuungsgesellschaft mbH, Ingolstadt
- quattro GmbH, Neckarsulm

Affiliated companies, as defined here, are Volkswagen AG, Wolfsburg, and its subsidiaries, which are not fully consolidated in the Audi Consolidated Financial Statements.

Participating interests in associated companies

As of the balance sheet date, FAW-Volkswagen Automotive Company, Ltd., Changchun (China), in which an interest of 10 percent is held, is accounted for using the equity method. AUDI AG is represented on the management and supervisory board and, as a result, has a significant influence on the participating interest. This means that it is required to account for the participating interest using the equity method.

Additionally, in March 2012 an AUDI AG subsidiary acquired a 30 percent holding in Volkswagen Group Services S.A., Brussels (Belgium). Volkswagen Group Services S.A. is also accounted for using the equity method in the Consolidated Financial Statements.

CONSOLIDATION PRINCIPLES

The assets and liabilities of the domestic and foreign companies included in the Consolidated Financial Statements are recognized in accordance with the standard accounting and measurement policies of the Audi Group.

In the case of subsidiaries that are being consolidated for the first time, the assets and liabilities are to be measured at their fair value at the time of acquisition. Any realized hidden reserves and expenses are amortized, depreciated or reversed in accordance with the development of the corresponding assets and liabilities as part of the subsequent consolidation process. Where the acquisition values of the investments exceed the Group share in the equity of the relevant company as calculated in this manner, goodwill is created. Goodwill acquired in a business combination is tested for impairment regularly at the balance sheet date, and an impairment loss is

recognized if necessary. Within the Audi Group, the predecessor method is applied in relation to common control transactions. Under this method, the assets and liabilities of the acquired company or business operations are measured at the gross carrying amounts of the previous parent company. The predecessor method thus means that no adjustment to the fair value of the acquired assets and liabilities is performed at the time of acquisition; any goodwill arising during initial consolidation is adjusted against equity, without affecting income. Contingent considerations are measured at their fair value at the time of acquisition. Subsequent changes to the value of contingent consideration do not as a rule result in an adjustment of the measurement at the time of acquisition. Other costs of purchase that are not associated with the procurement of equity are not counted towards the purchase price but are immediately recognized as an expense.

The Consolidated Financial Statements also include securities funds whose assets are attributable in substance to the Group.

Receivables and liabilities between consolidated companies are netted, and expenses and income eliminated. Interim profits and losses are eliminated from Group inventories and fixed assets. Consolidation processes affecting income are subject to deferrals of income taxes; deferred tax assets and liabilities are offset where the term and tax creditor are the same.

The same accounting policies for determining the pro rata equity are applied to Audi Group companies accounted for using the equity method. This is done on the basis of the last set of audited financial statements of the company in question.

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FOREIGN CURRENCY TRANSLATION

The currency of the Audi Group is the euro (EUR). Foreign currency transactions in the individual financial statements of AUDI AG and the subsidiaries are translated on the basis of the exchange rates at the time of the transaction in each case. Monetary items in foreign currencies are translated at the exchange rate applicable on the balance sheet date. Exchange differences are recognized in the current-period income statements of the respective Group companies.

The foreign companies belonging to the Audi Group are independent entities and prepare their financial statements in their local currency. The only exceptions are AUDI HUNGARIA SERVICES Zrt., Győr (Hungary), AUDI HUNGARIA MOTOR Kft., Győr (Hungary), and Audi Volkswagen Middle East FZE, Dubai (United Arab Emirates), which prepare their annual financial statements in euros and U.S. dollars respectively rather than in local currency. The concept of the “functional currency” is applied when translating financial statements prepared in foreign currency. Assets and liabilities, with the exception of equity, are translated at the reporting date exchange rate. The effects of foreign currency translation on equity are reported in the currency exchange reserve with no effect on income. The items in the Income Statement are translated using weighted average monthly rates. Currency translation variances arising from the differing exchange rates used in the Balance Sheet and Income Statement are recognized in equity, without affecting income, until the disposal of the subsidiary.

The development of the exchange rates serving as the basis for currency translation is shown below:

1 EUR in foreign currency		Dec. 31, 2012	Dec. 31, 2011	2012	2011
		Year-end exchange rate		Average exchange rate	
Australia	AUD	1.2712	1.2723	1.2407	1.3484
Brazil	BRL	2.7036	2.4159	2.5084	2.3265
United Kingdom	GBP	0.8161	0.8353	0.8109	0.8679
Japan	JPY	113.6100	100.2000	102.4919	110.9586
Canada	CAD	1.3137	1.3215	1.2842	1.3761
Mexico	MXN	17.1845	18.0512	16.9029	17.2877
Switzerland	CHF	1.2072	1.2156	1.2053	1.2326
Singapore	SGD	1.6111	1.6819	1.6055	1.7489
South Korea	KRW	1,406.2300	1,498.6900	1,447.6913	1,541.2341
Taiwan	TWD	38.3200	39.2297	38.0004	40.9119
Thailand	THB	40.3470	40.9910	39.9276	42.4288
USA	USD	1.3194	1.2939	1.2848	1.3920
People's Republic of China	CNY	8.2207	8.1588	8.1052	8.9960

RECOGNITION AND MEASUREMENT PRINCIPLES

RECOGNITION OF INCOME AND EXPENSES

Revenue, interest income and other operating income are always recorded when the services are rendered or the goods or products are delivered (in other words, when the risk and reward is transferred to the customer).

Proceeds from the sale of vehicles for which buy-back agreements exist are not realized immediately, but instead are realized on a straight-line basis over the period between sale and buy-back, on the basis of the difference between the selling price and the anticipated buy-back price. These vehicles are reported under inventories.

Where additional services have been contractually agreed with the customer in addition to the sale of a vehicle, such as warranty extensions or the completion of maintenance work over a fixed period, the related revenues and expenses are recorded in the Income Statement in accordance with the provisions of IAS 18 governing arrangements with multiple deliverables based on the economic content of the individual contractual components (partial services).

Performance-based grants are recognized as income.

Operating expenses are recognized as income when the service is used or at the time they are economically incurred.

INTANGIBLE ASSETS

Intangible assets acquired for consideration are recognized at cost of purchase, taking into account ancillary costs and cost reductions, and are amortized on a scheduled straight-line basis over their useful life.

Concessions, rights and licenses relate to purchased software, rights of use and subsidies paid. Brand names from business combinations generally have an indefinite useful life and are therefore not amortized. They are tested regularly for impairment.

Research costs are treated as current expenses in accordance with IAS 38. The development expenditure for products going into series production is recognized as an intangible asset, provided that production of these products is likely to bring economic benefit to the Audi Group. If the conditions stated in IAS 38 for capitalization are not met, the costs are expensed in the Income Statement in the year in which they occur.

Capitalized development costs encompass all direct and indirect costs that can be directly allocated to the development process. No interest was capitalized in relation to borrowing costs due to the fact that there were no significant borrowings as defined in the criteria of IAS 23 given that the Audi Group maintains sufficient levels of net liquidity at all times. Capitalized development costs are amortized on a straight-line basis from the start of production over the anticipated model life of the developed products.

The amortization plan is based principally on the following useful lives:

	Useful life
Concessions, industrial property rights and similar rights and assets	3–15 years
of which software	3 years
of which customer bases	2–8 years
Capitalized development costs	5–9 years

The amortization is allocated to the corresponding functional areas.

In the case of subsidiaries that are being consolidated for the first time, the assets and liabilities are to be measured at their fair value at the time of acquisition. These values are amortized in the subsequent year. If the purchase price of the investment exceeds the fair value of the identified assets minus liabilities, goodwill is created.

The goodwill resulting from company acquisitions is assigned to the identifiable groups of assets (cash generating units) that are expected to benefit from the synergies created by the acquisition.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at acquisition cost or cost of construction, with scheduled straight-line depreciation applied pro rata temporis over the expected useful life.

The costs of purchase include the purchase price, ancillary costs and cost reductions.

In the case of self-constructed fixed assets, the cost of construction includes both the directly attributable cost of materials and cost of labor as well as indirect materials and indirect labor costs that must be capitalized, including pro rata depreciation. No interest was capitalized in relation to borrowing costs due to the fact that there were no significant borrowings as defined in the criteria of IAS 23 given that the Audi Group maintains sufficient levels of net liquidity at all times. The depreciation plan is generally based on the following useful lives, which are reassessed yearly:

	Useful life
Buildings	14–50 years
Land improvements	10–33 years
Plant and machinery	6–12 years
Plant and office equipment including special tools	3–15 years

In accordance with IAS 17, property, plant and equipment used on the basis of lease agreements is capitalized in the Balance Sheet if the conditions of a finance lease are met (in other words, if the significant risks and opportunities which result from its use have passed to the lessee). Capitalization is performed at the time of the agreement, at the lower of fair value or present value of the minimum lease payments. The straight-line depreciation method is based on the shorter of economic life or term of lease contract. The payment obligations resulting from the future lease installments are recognized as a liability at the present value of the leasing installments.

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Where Group companies have entered into operating leases as the lessee, in other words if not all risks and opportunities associated with title have passed to them, leasing installments and rents are expensed directly in the Income Statement.

LEASING AND RENTAL ASSETS

Vehicles leased by Audi Group companies, in the case of operating lease agreements, are capitalized at cost of sales and depreciated to the calculated residual value on a straight-line basis over the contractual term. Unscheduled reductions for impairment and adjustments to depreciation rates are made to take account of impairment losses calculated on the basis of impairment testing pursuant to IAS 36. Based on local factors and historical values from used car marketing, updated internal and external information on residual value developments is incorporated into the residual value forecasts on an ongoing basis.

INVESTMENT PROPERTY

Land or buildings held with the intention of generating rental income (investment property) are reported in the Balance Sheet at amortized cost. The amortization periods applied are as a general rule those applied to property, plant and equipment used by the Group itself. The fair values calculated on the basis of recognized measurement methods are also to be stated in the case of measurement at amortized costs.

INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Companies in which AUDI AG is directly or indirectly able to exercise significant influence on financial and operating policy decisions (associated companies) are accounted for using the equity method. The pro rata equity of these companies is regularly recorded under fixed assets and the share of earnings recorded as income under the financial result.

IMPAIRMENT TESTS

Fixed assets are tested regularly for impairment as of the balance sheet date. Impairment testing of goodwill and intangible assets with a non-determined useful life is generally carried out in the Audi Group on the basis of the value in use of the Group's automotive and motorcycles business as cash generating units. The current planning prepared by management provides the basis for this process. As a general rule the planning period covers a period of five years. Plausible assumptions about future development are made for the subsequent years. The planning premises are in each case adjusted in line with current findings. Appropriate assumptions based on macroeconomic trends and historical developments are taken into account. When testing the goodwill in the two cash-generating units for impairment, the value in use is determined using the following average costs of capital (WACC):

%	2012	2011
Automotive segment	5.6	6.0
Motorcycles segment	7.8	-

Cash flows are generally calculated on the basis of the expected growth rates in the sales markets concerned. Estimated cash flow after the end of the planning period is based on a maximum rate of growth of 1.5 (2.0) percent per year.

Impairment tests are carried out for development activities, acquired property rights, and property, plant and equipment on the basis of expected product life cycles, the respective revenue and cost situation, current market expectations and currency-specific factors. Expected future cash flows to other intangible assets and fixed tangible assets are discounted with country-specific discount rates that adequately reflect the risk and amount to 6.6 (6.8) percent before tax.

Impairment losses pursuant to IAS 36 are recognized where the recoverable amount, i.e. the higher amount from either the use or disposal of the asset in question, has declined below its carrying amount. If necessary, an impairment loss resulting from this test is recognized.

Sensitivity analyses have shown that even in the case of differing key assumptions within a realistic framework, there is no need to recognize an impairment for goodwill and other intangible assets with an indefinite useful life.

FINANCIAL INSTRUMENTS

Financial instruments are contracts that create financial assets at one company and, at the same time, create financial debts or equity instruments at another company.

Financial instruments are recognized and measured in accordance with IAS 39.

According to this, financial instruments are divided into the following categories:

- available-for-sale financial assets,
- loans and receivables,
- held-to-maturity investments,
- financial assets measured at fair value through profit or loss.

The Audi Group does not have any financial assets that fall into the category of “held-to-maturity investments.”

Financial liabilities are classed as follows:

- financial liabilities measured at fair value through profit or loss,
- financial liabilities measured at amortized cost.

The fair value option, in other words measuring certain assets and liabilities at fair value through profit or loss, is not applied in the Audi Group.

Assignment to a category depends on the purpose for which the financial instruments were acquired and is reviewed at the end of each reporting period.

For purchases and sales in the customary manner, recognition takes place using settlement date accounting (in other words, on the day on which an asset is delivered).

Initial measurement of financial assets and liabilities is carried out at fair value.

Subsequent measurement is dependent on the category assigned in accordance with IAS 39 and is carried out either at amortized cost or at fair value.

The amortized cost of a financial asset or financial liability, using the effective interest method, is the amount at which a financial instrument was measured at initial recognition minus any principal repayments, impairment losses or uncollectible debts.

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In the case of current financial assets and liabilities, the amortized cost basically corresponds to the nominal value or the repayment value.

Fair value generally corresponds to the market value or trading price. If no active market exists, fair value is determined using investment mathematics methods, for example by discounting future cash flows at the market rate or applying established option pricing models.

Financial instruments are abandoned if the rights to payments from the investment have expired or been transferred and the Audi Group has substantially transferred all risks and opportunities associated with their title.

In the case of factoring in the Audi Group, all of the essential opportunities and risks are transferred, leaving no continuing involvement.

Financial assets and liabilities include both non-derivative and derivative claims or commitments, as detailed below.

Non-derivative financial instruments

The “Loans and receivables” and “Financial liabilities measured at amortized cost” categories include non-derivative financial instruments measured at amortized cost. These include, in particular:

- loans advanced,
- trade receivables and payables,
- other current assets and liabilities,
- financial liabilities,
- cash and cash equivalents.

Assets and liabilities in foreign currency are measured at the exchange rate on the reporting date. In the case of current items, the fair values to be additionally indicated in the Notes correspond to the amortized cost. For assets and liabilities with more than one year to maturity, fair values are determined by discounting future cash flows at market rates. Recognizable credit risks associated with “Loans and receivables” are accounted for by carrying out specific value adjustments. These are entered in the amount of the incurred loss for significant individual receivables (for example, claims arising from dealer financing with key accounts) using benchmarks applied uniformly across the Group. Potential impairment is assumed in the event of various circumstances such as a payment delay of a specific duration, introduction of coercive measures, the threat of insolvency or excessive debts, an application for or the opening of insolvency proceedings or the failure of restructuring measures. Impairment losses on receivables are regularly posted to separate impairment accounts.

The item “Available-for-sale financial assets” includes non-derivative financial instruments that are either specifically allocated to this category or cannot be allocated to any of the other categories. This includes equity instruments, such as equities, and debt instruments, such as interest-bearing securities. As a general rule, financial instruments that fall into this category are reported at their fair value. In the case of listed financial instruments – exclusively securities in the case of the Audi Group – the fair value corresponds to the market value on the balance sheet date. Fluctuations in value are accounted for within equity in the reserve for the market valuation of securities, after taking deferred tax into account. Unless there is evidence of lasting impairment, the financial result includes only capital gains or losses realized through disposal.

“Available-for-sale financial assets” are impaired if there is objective evidence of a long-term loss of value. In the case of equity instruments, a permanent value reduction is deemed to have occurred if the market value falls below the cost of purchase on a significant basis (more than 20 percent) or on a long-term basis (more than 10 percent of the average market prices throughout a year). Debt instruments are impaired if future payment flows from the financial asset are expected to fall. Any rise in risk-free interest rates or credit spreads, however, does not constitute objective evidence of a loss in value. As soon as impairment occurs, the cumulative loss is removed from the reserve for the market valuation of securities and recognized in the Income Statement. Reversals of impairments – provided that the securities affected are equity instruments – are recognized without affecting income. If, on the other hand, the securities concerned are debt instruments, impairment losses are reversed with an effect on income if the increase in the fair value, when viewed objectively, is based on an event that occurred after the impairment loss was recorded with an effect on income.

As well as securities, the item “Available-for-sale financial assets” also contains other long-term investments that are not valued according to the equity method. As there is no active market for the other financial assets, with the result that their fair value cannot be reliably ascertained, they are carried at their cost of purchase. Where there is evidence that the fair value is lower, corresponding value adjustments are carried out.

Derivative financial instruments and hedge accounting

Derivative financial instruments are used as a hedge against foreign exchange and commodity price risks for items on the Balance Sheet and for future cash flows (underlying transactions). Futures, as well as options in the case of foreign exchange risks, are taken out for this purpose. Additionally, under the rules of IAS 39, some contracts are classed as derivative financial instruments:

- rights to acquire shares in companies,
- agreements entered into by the Audi Group with approved dealers with a view to hedging against potential losses from buy-back obligations for leased vehicles.

A requirement of hedge accounting is that a clear hedging relationship between the underlying transaction and the hedge must be documented and its effectiveness demonstrated.

Recognition of the fair value changes in hedges depends on the nature of the hedging relationship. When hedging against exchange rate risks from future cash flows (cash flow hedges), the fluctuations in the market value of the effective portion of a derivative financial instrument are initially reported within equity in the reserve for cash flow hedges, with no effect on income, and are only recognized as income or expense under operating profit once the hedged item is due. The ineffective portion of a hedge is recognized immediately in income. Derivative financial instruments that are used to hedge market risks according to commercial criteria but that do not fully meet the requirements of IAS 39 with regard to effectiveness of hedging relationships are categorized as “measured at fair value through profit or loss.” Rights to acquire shares in companies, and the model for dealer hedging against potential losses from buy-back obligations for leased vehicles, are also reported in accordance with the rules for “financial instruments measured at fair value through profit or loss” and disclosed under operating profit.

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OTHER FINANCIAL ASSETS AND OTHER RECEIVABLES

Financial assets (except for derivatives) and other receivables are recognized at amortized cost. Provision is made for discernible non-recurring risks and general credit risks in the form of corresponding value adjustments.

DEFERRED TAX

Pursuant to IAS 12, deferred tax is determined according to the liability method. This method specifies that tax deferrals are to be created for all temporary differences between the tax base of assets and liabilities and their carrying amounts in the Consolidated Balance Sheet (temporary concept). Deferred tax assets relating to carryforward of unused tax losses must also be recognized.

Deferrals amounting to the anticipated tax burden or tax relief in subsequent fiscal years are created on the basis of the anticipated tax rate at the time of realization. In accordance with IAS 12, the tax consequences of distributions of profit are not recognized until the resolution on the appropriation of profits is adopted.

Deferred tax assets include future tax relief resulting from temporary differences between the carrying amounts in the Consolidated Balance Sheet and the valuations in the Balance Sheet for tax purposes. Deferred tax assets relating to carryforward of unused tax losses that can be realized in the future and deferred tax assets from tax relief are also recognized.

Deferred tax assets and deferred tax liabilities are netted if the tax creditors and maturities are identical.

Pursuant to IAS 1, deferred tax is reported as non-current.

The carrying amount is reduced for deferred tax assets that are unlikely to be realized.

INVENTORIES

Raw materials and supplies are measured at the lower of average cost of acquisition or net realizable value. Other costs of purchase and purchase cost reductions are taken into account as appropriate.

Work in progress and finished goods are valued at the lower of cost of conversion or net realizable value. Cost of conversion includes direct materials and direct productive wages, as well as a directly attributable portion of the necessary indirect materials and indirect labor costs, scheduled production-related depreciation, and expenses attributable to the products from the scheduled amortization of capitalized production development costs. Distribution costs, administrative expenses and interest on borrowings are not capitalized.

Merchandise is valued at the lower of cost of purchase or net realizable value.

Provision is made for all discernible storage and inventory risks in the form of appropriate reductions in the carrying amounts. Individual adjustments are made on all inventories as soon as the probable proceeds realizable from their sale or use are lower than the carrying amounts of the inventories. The net realizable value is deemed to be the estimated proceeds of sale less the estimated costs incurred up until the sale.

Current leased assets comprise leased vehicles with an operating lease of up to one year and vehicles which are subject to a buy-back obligation within one year (owing to buy-back agreements). These vehicles are capitalized at cost of sales and valued in accordance with the expected loss of value and likely useful life. Based on local factors and historical values from used car marketing, updated internal and external information is incorporated into the measurement on an ongoing basis.

SECURITIES, CASH AND CASH EQUIVALENTS

Securities held as current assets are measured at market value, i.e. at the trading price on the balance sheet date. Cash and cash equivalents are stated at their nominal value. The cash figures encompass cash and cash equivalents. Included under cash equivalents are financial resources that are highly liquid with an insignificant risk of fluctuations in value.

The Audi Group is integrated into the Volkswagen Group's financial management. As part of cash pooling arrangements, balances are settled on a daily basis and transformed into amounts owed to or from Volkswagen AG, Wolfsburg. This promotes the efficiency of both intra-Group and external transactions and also reduces transaction costs. The cash pool receivables are allocated to cash and cash equivalents on the basis of their character as cash equivalents.

PROVISIONS FOR PENSIONS

Actuarial measurement of provisions for pensions is based on the projected unit credit method for defined retirement benefit plans as specified in IAS 19 (Employee Benefits). This method takes account of pensions and entitlements to future pensions known at the balance sheet date as well as anticipated future pay and pension increases. The actuarial interest rate continues to be determined on the basis of profits realized on the capital market for top-ranking corporate bonds. Actuarial gains and losses are reported in a separate line item within equity, with no effect on income, after taking deferred tax into account.

OTHER PROVISIONS

In accordance with IAS 37, provisions are recognized if an obligation existing toward third parties is likely to lead to cash outflows and where the amount of the obligation can reliably be estimated. Pursuant to IAS 37, the other provisions for all discernible risks and uncertain liabilities are reported at their probable cost and are not offset against recourse entitlements. Provisions with over one year to maturity are measured at their discounted settlement value as of the balance sheet date. Market rates are used as the discount rates. A nominal interest rate of 0.7 (1.8) percent was applied domestically. The settlement value also includes the expected cost increases. The non-current portions of provisions for service anniversary awards and partial retirement were discounted at 3.2 (4.6) percent. The changes to be applied from 2013 to the accounting treatment of bonus payment obligations under partial retirement programs are not expected to lead to any material changes to the net assets, financial position and results of operations.

LIABILITIES

Non-current liabilities are reported in the Balance Sheet at amortized cost. Any differences between the historical costs and the repayment value are taken into account using the effective interest method. Liabilities from financial lease agreements are reported in the Balance Sheet at the present value of the leasing installments. Current liabilities are recognized at the repayment value or settlement amounts.

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GOVERNMENT GRANTS

Government grants related to assets are deducted from the cost of purchase or cost of sales and thus recognized in profit or loss as a reduced depreciation charge over the life of the depreciable asset. Government grants paid to compensate the Group for expenses are recognized in profit or loss during the period in which the corresponding expenses were incurred.

MANAGEMENT'S ESTIMATES AND ASSESSMENTS

To some degree, the preparation of the Consolidated Financial Statements entails assumptions and estimates with regard to the level and disclosure of the recognized assets and liabilities, income and expenditure, and disclosures with regard to contingent obligations and liabilities for the reporting period. The assumptions and estimates relate principally to the following contents: Impairment testing of non-financial assets (particularly goodwill, brand names and capitalized development costs) and of investments accounted for using the equity method or at the cost of purchase requires that assumptions be made with regard to future cash flows during the planning period and, where applicable, with regard to the discounting rate to be applied. Any impairment of the Group's leased assets is also dependent in particular on the residual value of the leased vehicles after the expiry of the lease period, as this represents an essential portion of the expected incoming payment flows. Further information on impairment testing and on the measurement parameters applied can be found in the disclosures on the recognition and measurement principles.

Carrying out impairment testing on financial assets requires estimates on the scale and likelihood of occurrence of future events. Where possible, these estimates are based on historical values. An overview of the value adjustments is included in the additional Notes to the Balance Sheet according to IFRS 7 (Financial Instruments).

Provisions are also recognized and measured on the basis of an estimate of the scale and likelihood of occurrence of future events and on an estimate of the discounting rate of interest. As far as possible, use is also made of past experience or external expert reports. Measurement of provisions for pensions is additionally dependent on the estimated development of the plan assets. The assumptions on which the calculation of provisions for pensions is based are described in Note 31. Actuarial gains and losses are reported in equity with no effect on income and have no impact on the profit reported in the Income Statement. Changes to estimates relating to the amount of other provisions are always recorded with an effect on income. The expected value approach means that subsequent allocations are regularly made to provisions and unused provisions are released on a regular basis. The release of provisions is recorded as other operating income, while the expense associated with the creation of new provisions is directly allocated to the relevant functional area. Warranty claims resulting from sales operations are determined on the basis of previous or estimated future losses. An overview of other provisions is provided in Note 33. Details with regard to litigation are provided in Note 40.

When calculating deferred tax assets, assumptions are required with regard to future taxable income and the dates on which the deferred tax assets are likely to be realized.

The assumptions and estimates are based on premises that reflect the facts as known at any given time. In particular, the circumstances at the time of preparation of the Consolidated Financial Statements as well as the realistically assumed future development of the global and industry-specific environment are used as a basis for estimating expected future business development. Given that future business development is subject to various uncertain factors, some of which are outside the Group's control, the assumptions and estimates applied continue to be exposed to a high level of uncertainty. This is particularly true of short and medium-term cash flow forecasts and of the discounting rates used in forecasts.

Developments in this environment that deviate from assumptions and are beyond the management's sphere of influence may cause the actual amounts to differ from the estimates originally anticipated. If the actual development varies from the anticipated development, the premises and, if necessary, the carrying amounts for the assets and liabilities in question are adjusted accordingly.

The global economy grew less dynamically in 2012. As far as 2013 is concerned, momentum for growth is expected to be greater in the emerging markets of Asia and Latin America, whilst only a moderate increase in economic performance can be expected in the leading industrialized nations. Overall, as things currently stand, no major adjustment is expected in the carrying amounts of assets and liabilities in the Consolidated Balance Sheet in the coming fiscal year. Management's estimates and assumptions were based in particular on assumptions regarding the development of the economy as a whole, the development of automotive and motorcycle markets, and the development of the basic legal parameters. These aspects, as well as further assumptions, are described in detail in the report on expected developments.

NOTES TO THE INCOME STATEMENT

1 Revenue

The composition of the revenue of the Group, by brand, is as follows:

EUR million	2012	2011
Audi brand	35,851	34,456
Lamborghini brand	421	268
Other Volkswagen Group brands	2,725	3,444
Other automotive business	9,565	5,928
Automotive segment	48,562	44,096
Ducati brand	148	-
Other motorcycles business	61	-
Motorcycles segment	209	-
Revenue	48,771	44,096

As well as sales generated by the Audi and Lamborghini brands, the Automotive segment also includes revenue from the other brands in the Volkswagen Group. Revenue from other automotive business primarily includes proceeds from the sale of engines and genuine parts. Due to the increasing degree of localization, the revenue from deliveries of parts sets to China has been reported under other automotive business since 2012. In the previous year, EUR 2,492 million from the CKD business were included in the revenue of the Audi brand.

Ducati motorcycles are sold in the Motorcycles segment.

2 Cost of sales

Amounting to EUR 39,046 (36,000) million, cost of sales comprises the costs incurred in generating revenue and purchase prices in trading transactions. This item also includes expenses resulting from the formation of provisions for warranty costs, for development costs that cannot be capitalized, for depreciation and impairment losses of capitalized development costs, and for property, plant and equipment for manufacturing purposes. Cost of sales includes unscheduled impairment losses on intangible assets and property, plant and equipment amounting to EUR 3 (93) million.

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3 Distribution costs

Distribution costs of EUR 4,593 (3,599) million substantially comprise labor and materials costs for marketing and sales promotion, advertising, public relations activities and outward freight, as well as depreciation attributable to the sales organization.

4 Administrative expenses

Administrative expenses of EUR 527 (429) million include labor and other costs, as well as depreciation attributable to administrative operations.

5 Other operating income

EUR million	2012	2011
Income from the dissolution of provisions	544	278
Income from rebilling	475	368
Income from the processing of payments in foreign currency	251	233
Income from ancillary business	205	188
Income from derivative hedging transactions	127	369
Income from the reversal of impairment losses of intangible assets	20	-
Income from the reversal of impairment losses of receivables and other assets	6	6
Income from the disposal of assets	4	9
Miscellaneous operating income	249	516
Total other operating income	1,881	1,967

Income from derivative hedging transactions mainly results from the settlement of currency hedging instruments. The total position in relation to hedging transactions is presented under Note 37.5, "Methods of monitoring the effectiveness of hedging relationships."

Income from ancillary business includes rental income from investment property in the amount of EUR 2 (0.2) million.

Income from the processing of payments in foreign currency substantially comprises gains resulting from exchange-rate movements between the dates of output and payment, as well as exchange-rate gains resulting from measurement on the closing date. Similarly, exchange rate losses are reported under other operating expenses.

Furthermore, grants for future-oriented technologies in the amount of EUR 6 (4) million were recognized in income.

6 Other operating expenses

EUR million	2012	2011
Expenses from derivative hedging transactions	630	277
Expenses from the processing of payments in foreign currency	218	162
Expenses from the allocation and recharging of costs	81	22
Impairment losses on receivables	14	19
Losses on the disposal of assets	10	10
Miscellaneous operating expenses	152	197
Total other operating expenses	1,106	687

Expenses from derivative hedging transactions mainly result from currency option premiums and the settlement of currency hedging instruments. The total position in relation to hedging transactions is presented under Note 37.5, "Methods of monitoring the effectiveness of hedging relationships."

7 Result from investments accounted for using the equity method

The result from investments accounted for using the equity method reached EUR 415 (270) million.

8 Financing costs

EUR million	2012	2011
Interest and similar expenses	-105	-119
of which to affiliated companies	-90	-113
Interest expense	-105	-119
Interest effect from the measurement of provisions for pensions	-113	-112
Interest effect from the measurement of other provisions	-192	-33
Interest effect from the measurement of liabilities	-2	-
Interest on liabilities	-307	-145
Financing costs	-412	-264

Interest expense is attributed on an accrual basis.

9 Other financial results

EUR million	2012	2011
Investment result	46	52
of which income from investments	43	44
of which income from profit transfer agreements	4	8
Net income from the sale of securities	-14	-43
Income and expense from the measurement of non-derivative financial instruments	1	-1
Write-ups on non-derivative financial instruments	4	-
Income and expense from fair value measurement of derivative financial instruments	-71	47
Interest and similar income	203	267
of which from affiliated companies	122	182
Other income	404	365
of which from affiliated companies	404	365
Total other financial results	574	687

Income from investments primarily relates to a share in the profits of Volkswagen Logistics GmbH & Co. OHG, Wolfsburg. Income and expense from the fair value measurement of derivative financial instruments comprise the ineffective portions of cash flow hedges and the fluctuations in the fair value of derivative financial instruments that do not fully meet the effectiveness criteria set out under IAS 39. The total position in relation to hedging transactions is presented under Note 37.5, "Methods of monitoring the effectiveness of hedging relationships." Interest income is attributed on an accrual basis.

10 Income tax expense

Income tax expense includes taxes passed on by Volkswagen AG, Wolfsburg, on the basis of the single-entity relationship between the two companies for tax purposes, along with taxes owed by AUDI AG and its consolidated subsidiaries, as well as deferred taxes.

Tax expense consists of the following:

EUR million	2012	2011
Actual income tax expense	1,502	1,889
of which for Germany	1,327	1,607
of which for other countries	175	281
of which income from the reversal of tax provisions	-17	0
Deferred tax income	101	-288
of which for Germany	171	34
of which for other countries	-70	-322
Income tax expense	1,603	1,601
of which non-periodic tax expenses	-8	5

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EUR 1,295 (1,587) million of the actual income tax expense was passed on by Volkswagen AG. The actual taxes in Germany are calculated at a tax rate of 29.5 (29.5) percent. This represents the sum of the corporation income tax rate of 15.0 percent, the solidarity surcharge of 5.5 percent and the average trade earnings tax rate for the Group. The deferred taxes for companies in Germany are calculated at a rate of 29.5 (29.5) percent. The local income tax rates applied to foreign companies range from 0 percent to 41 percent.

The effects arising as a result of the tax benefits on research and development expenditure in Hungary are reported under tax-exempt income in the reconciliation accounts.

There are loss carryforwards totaling EUR 3,044 (114) million, of which the amount of EUR 3,031 (99) million can be used indefinitely. In the 2012 fiscal year, the realization of tax losses led to a reduction in current income tax expense of EUR 22 (5) million. Deferred tax assets of EUR 307 (2) million relating to carryforward of unused tax losses were not reported due to impairment. The increase in loss carryforwards was primarily due to internal reorganization within the Group. Based on current results planning, most of these are to be classed as unusable.

Deferred taxes of EUR 10 (0) million were capitalized, with no deferred tax liabilities in the corresponding amount being offset against them. Following a loss in the current fiscal year, the company concerned is expecting to record a positive tax income in future.

Of the deferred taxes reported in the Balance Sheet, a total of EUR 3 million was recorded with a resulting reduction in equity, without influencing the Income Statement. In the previous year, deferred taxes amounting to EUR 317 million were recorded with a resulting increase in equity. The recording of actuarial losses without affecting income, pursuant to IAS 19, led in the current fiscal year to an increase in equity of EUR 275 (42) million from the creation of deferred taxes. The change in deferred taxes on the effects recognized in equity for derivative financial instruments and securities led to a reduction of EUR 278 million in equity in the course of the year. In the previous year, deferred taxes arising from these effects amounting to EUR 275 million were recorded with a resulting increase in equity.

The reporting and measurement differences in the individual Balance Sheet items can be attributed to the following deferred tax assets and liabilities carried in the Balance Sheet:

EUR million	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011
	Deferred tax assets		Deferred tax liabilities	
Intangible assets	106	56	842	515
Property, plant and equipment	260	198	80	70
Long-term investments	3	2	1	-
Inventories	42	38	8	1
Receivables and other assets	67	193	97	39
Other current assets	42	15	-	-
Provisions for pensions	409	165	3	3
Liabilities and other provisions	1,454	1,583	17	9
Loss carryforwards	7	27	-	-
Gross value	2,390	2,277	1,047	637
of which non-current	1,474	1,280	957	596
Offsetting measures	-839	-621	-839	-621
Consolidation measures	187	183	1	-
Carrying amount	1,738	1,839	208	16

Reconciliation of expected to effective tax expense

The expected tax expense is higher than the effective tax expense. The reasons for the difference between the expected and the effective tax expense can be found in the reconciliation accounts as follows:

EUR million	2012	2011
Profit before tax	5,956	6,041
Anticipated income tax expense 29.5% (29.5%)	1,757	1,782
Reconciliation:		
Divergent foreign tax burden	-14	-29
Tax portion for:		
tax-exempt income	-123	-243
expenses not deductible for tax purposes	13	10
temporary differences and losses for which no deferred tax has been recorded	1	30
Non-periodic tax expenses	-8	5
Effects of tax rate changes	4	-41
Other tax effects	-27	87
Income tax expense reported	1,603	1,601
Effective tax rate in %	26.9	26.5

11 Profit transfer to Volkswagen AG

The amount of EUR 3,790 (3,138) million will be transferred to Volkswagen AG, Wolfsburg, under the profit transfer agreement with AUDI AG.

12 Earnings per share

Basic earnings per share are calculated by dividing the share of profit due to AUDI AG stockholders by the weighted average number of shares in circulation during the fiscal year.

In the case of AUDI AG, the diluted earnings per share are the same as the basic earnings per share, since there were no potential shares of AUDI AG in existence at either December 31, 2012 or December 31, 2011.

	2012	2011
Profit share of AUDI AG stockholders (EUR million)	4,284	4,389
Weighted average number of shares	43,000,000	43,000,000
Earnings per share in EUR	99.62	102.06

Outside stockholders of AUDI AG will receive a compensatory payment for each no-par share in lieu of a dividend for the 2012 fiscal year. The level of this payment corresponds to the dividend that is paid on one ordinary share of Volkswagen AG, Wolfsburg. The dividend payment will be resolved by the Annual General Meeting of Volkswagen AG on April 25, 2013.

13 Additional disclosures on financial instruments in the Income Statement

Categories

Financial instruments are categorized as follows in accordance with IFRS 7:

- measured at fair value,
- measured at amortized cost,
- not under the scope of IFRS 7.

Not within the scope of IFRS 7 are, in particular, investments accounted for using the equity method that are neither financial instruments as defined in IAS 39 nor as defined in IFRS 7.

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Net results for financial instruments

The net results for financial instruments – as categorized under IAS 39 – are as follows:

EUR million	2012	2011
Financial instruments measured at fair value through profit or loss	- 102	134
Loans and receivables	146	250
Available-for-sale financial assets	81	49
Financial liabilities measured at amortized cost	- 11	- 16

The net results for financial instruments include the net income or expense from interest, fair value measurements, foreign currency translation, reductions for impairment and disposal gains. The “Financial instruments measured at fair value through profit or loss” category presents the results from the settlement and measurement of derivative financial instruments not allocated to hedge accounting.

The “Loans and receivables” category essentially consists of interest income and expenses, impairment losses on receivables, and factoring expenses.

The net result for “available-for-sale financial assets” predominantly comprises income from investments in securities and from other long-term investments not accounted for using the equity method.

Interest income and expense for financial instruments not measured at fair value

EUR million	2012	2011
Interest income	157	224
Interest expense	- 38	- 43
Interest income and expense	120	181

Interest income that does not relate to the financial instruments measured at fair value primarily covers interest from the Audi Group’s cash and cash equivalents, fixed-term deposits and loans extended. Interest expense that does not relate to the financial instruments measured at fair value largely comprises factoring expenses arising in connection with the sale of receivables to Volkswagen Group Services S.A., Brussels (Belgium) and to subsidiaries of Volkswagen AG, Wolfsburg, that are not part of the Audi Group.

Impairment losses for financial assets by category

EUR million	2012	2011
Measured at fair value	1	1
Measured at amortized cost	13	19
Impairment losses	14	20

The impairment losses relate to financial assets, such as impairment losses on receivables, securities and non-consolidated subsidiaries.

Gains and losses from hedging activities

In 2012, EUR 463 million was transferred from the cash flow hedge reserve to other operating profit, with a negative effect on the result, whilst EUR 7 million was transferred to cost of sales with a positive effect on the result. In 2011, EUR 49 million was transferred to other operating profit and EUR 6 million to cost of sales with a positive effect on the result.

NOTES TO THE BALANCE SHEET

14 Intangible assets

EUR million	Dec. 31, 2012	Dec. 31, 2011
Concessions, industrial property rights and similar rights and assets, as well as licenses thereto	429	190
Brand names	421	18
Goodwill	378	72
Capitalized development costs	2,810	2,249
of which products currently under development	834	629
of which products currently in use	1,976	1,620
Payments on account for intangible assets	1	1
Total	4,038	2,531

The reported goodwill retained its value during the fiscal year. The value is also deemed to be retained in the event of a variation in the growth forecast and/or discounting rate of +/- 0.5 percentage points.

Research and development expenditure recognized as an expense

EUR million	2012	2011
Research expense and non-capitalized development costs	2,513	2,243
Impairment losses (reversals) on capitalized development costs	429	397
Total	2,942	2,641

During the 2012 fiscal year, a total of EUR 3,435 (2,839) million was spent on research and development. Of this total, EUR 923 (596) million fulfilled the capitalization criteria set out in IAS 38. Given the improved sales expectations of one Audi model, an impairment loss of EUR 20 million was reversed in the previous year.

15 Property, plant and equipment

EUR million	Dec. 31, 2012	Dec. 31, 2011
Land, land rights and buildings, including buildings on land owned by others	2,519	2,299
of which finance leases	19	19
Plant and machinery	1,290	1,157
Other plant and office equipment	2,278	2,114
Payments on account and assets under construction	1,518	1,146
Total	7,605	6,716

There is no purchase option with regard to the land and buildings leased on the basis of a financial lease agreement. The rate of interest on which the agreement is based is 3.5 percent. The financial lease payments due in future, together with their present values, are listed in the following table:

EUR million	2013	2014 to 2017	from 2018	Total
Lease payments	2	10	11	23
Interest elements	1	2	2	5
Present value	1	8	9	19

Payments totaling EUR 115 (125) million for assets rented on the basis of operating lease agreements were recognized as an expense.

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16 Leasing and rental assets and investment property

EUR million	Dec. 31, 2012	Dec. 31, 2011
Leasing and rental assets	2	5
Investment property	118	3

The carrying amounts of the leased assets and investment property correspond to the fair values. The fair values were calculated internally on the basis of recognized measurement methods. With regard to the investment property, the amount of EUR 115 million relates to buildings and land leased on the basis of a financial lease arrangement. The maximum interest rate on which the lease is based is 4.4 percent. The financial lease payments due in future, together with their present values, are listed in the following table:

EUR million	2013	2014 to 2017	from 2018	Total
Lease payments	8	34	146	188
Interest elements	0	3	68	72
Present value	8	31	77	116

No operating costs were incurred in relation to maintaining the investment property. The following payments are expected in future from non-cancelable operating leases related to this investment property:

EUR million	2013	2014 to 2017	from 2018	Total
Lease payments	4	15	56	75

17 Investments accounted for using the equity method

Changes in relation to the investments accounted for using the equity method in FAW-Volkswagen Automotive Company Ltd., Changchun (China) and Volkswagen Group Services S.A., Brussels (Belgium), are shown in the development of the fixed assets. The acquisition of the holding in Volkswagen Group Services S.A. resulted in the addition of EUR 3,000 million during the 2012 fiscal year.

On the basis of the interest held, the following values are attributable to the Audi Group from its investments accounted for using the equity method:

EUR million	2012	2011
Non-current assets	2,535	398
Current assets	4,176	820
Non-current liabilities	261	79
Current liabilities	2,811	679
Revenues	3,261	2,378
Profit	415	270

18 Other long-term investments

EUR million	Dec. 31, 2012	Dec. 31, 2011
Investments in affiliated companies	128	143
Shares in associated companies and participating interests	126	100
Total	254	244

19 Deferred tax assets

The temporary differences between tax bases and carrying amounts in the Consolidated Financial Statements are explained under “Deferred tax” in the “Recognition and measurement principles,” and under Note 10, “Income tax expense.”

20 Other financial assets

The financial assets reported in previous years under “Other receivables and financial assets” are presented in more detail in both the current and non-current areas for the 2012 fiscal year. The prior year’s figures have been broken down accordingly.

Non-current other financial assets

EUR million	Dec. 31, 2012	Dec. 31, 2011
Positive fair values from derivative financial instruments	464	236
of which to affiliated companies	407	152
Fixed deposits and loans extended	171	131
of which to affiliated companies	170	130
Miscellaneous financial assets	27	24
Total	662	391

With regard to fixed deposits and loans extended, as well as other non-current financial assets, the fair values for 2012 correspond to the carrying amounts. The fixed deposits and loans extended accrue interest at rates of interest of up to 4.5 (4.5) percent.

Derivative financial instruments are measured at market value. The total position in relation to hedging instruments is presented under Note 37.5, “Methods of monitoring the effectiveness of hedging relationships.”

Current other financial assets

EUR million	Dec. 31, 2012	Dec. 31, 2011
Positive fair values from derivative financial instruments	205	97
of which to affiliated companies	162	90
Fixed deposits and loans extended	1,560	6,697
of which to affiliated companies	1,559	6,671
Miscellaneous financial assets	538	240
of which to affiliated companies	408	169
Total	2,303	7,033

The carrying amounts correspond to the fair values.

The positive fair values of current and non-current derivative financial instruments are composed as follows:

EUR million	Dec. 31, 2012	Dec. 31, 2011
Cash flow hedges to hedge against		
currency risks from future payment streams	518	137
commodity price risks from future payment streams	23	38
Other derivative financial instruments	128	157
Positive fair values of derivative financial instruments	669	332

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21 Other receivables

Non-current other receivables

EUR million	Dec. 31, 2012	Dec. 31, 2011
Tax claims	2	2
Miscellaneous receivables	11	19
Total	13	21

Current other receivables

EUR million	Dec. 31, 2012	Dec. 31, 2011
Tax claims	246	157
Miscellaneous receivables	204	116
Total	451	273

22 Inventories

EUR million	Dec. 31, 2012	Dec. 31, 2011
Raw materials and supplies	417	433
Work in progress	570	463
Finished goods and merchandise	2,750	2,832
Current leased assets	594	650
Total	4,331	4,377

Inventories amounting to EUR 35,467 (32,697) million were recorded as cost of sales at the same time that the revenue from them was realized.

EUR 1,092 (1,008) million of the total inventories was capitalized at the net realizable value. The impairment resulting from the measurement of inventories on the basis of sales markets amounted to EUR 76 (65) million.

No reversals of impairment losses were performed in the fiscal year.

Of the finished goods inventory, a portion of the company car fleet valued at EUR 260 (227) million has been pledged as collateral for commitments toward employees, under the partial retirement block model. The other reported inventories are not subject to any significant restrictions on ownership or disposal.

Leased vehicles with an operating lease term of up to one year were reported under inventories in the amount of EUR 594 (650) million. In the 2013 fiscal year, payments in the amount of EUR 43 million are expected from irrevocable leasing relationships.

23 Trade receivables

EUR million	Dec. 31, 2012	Dec. 31, 2011
Trade receivables from		
third parties	1,145	1,421
affiliated companies	684	1,060
associated companies and participating interests	423	529
Total	2,251	3,009

The carrying amounts of the trade receivables correspond to the fair values due to their short-term nature.

All receivables will be realized within the next 12 months. Impairment losses on trade receivables are detailed under Note 37.2, "Credit risks."

24 Effective income tax assets

Entitlements to income tax rebates, predominantly for foreign Group companies, are reported under this item.

25 Securities, cash and cash equivalents

Securities include fixed or variable-interest securities and equities in the amount of EUR 1,807 (1,594) million.

Cash and cash equivalents essentially comprise credit balances with banks and affiliated companies amounting to EUR 11,170 (8,513) million. The credit balances with banks amounting to EUR 482 (435) million are held at various banks in different currencies. Balances with affiliated companies include daily and short-term investments with only marginal risk of fluctuations in value and amount to EUR 10,688 (8,077) million.

26 Equity

Information on the composition and development of equity is provided on pages 206 and 207 in the Statement of Changes in Equity.

AUDI AG's share capital is unchanged, at EUR 110,080,000. One share grants an arithmetical share of EUR 2.56 of the issued capital. This capital is divided into 43,000,000 no-par bearer shares.

The capital reserves contain premiums paid in connection with the issuance of shares of the Company. During the year under review, the capital reserves of AUDI AG rose to EUR 1,569 million as a result of a contribution in the amount of EUR 5,084 million by Volkswagen AG, Wolfsburg.

The opportunities and risks under foreign exchange, currency option, commodity price and interest hedging transactions serving as hedges for future cash flows are deferred in the reserve for cash flow hedges with no effect on income. When the cash flow hedges become due, the results from the settlement of the hedging contracts are reported under the operating profit.

Unrealized gains and losses from the measurement at fair value of financial assets available for sale are recognized in the reserve for the market-price measurement of securities. Upon disposal of the securities, share price gains and losses realized are reported under the financial result.

Adjustments to actuarial assumptions on retirement benefit obligations are recognized in equity and do not affect actuarial income.

Foreign currency translation differences that do not affect income and, on a pro rata basis, cash flow hedges with no effect on income and actuarial losses of companies valued at equity are included in the reserve for investments accounted for using the equity method.

The shares held by non-controlling interests in the equity capital can be broken down as follows, with each shareholder holding 100 percent of the shares in the listed companies and to whom the result achieved by the Company is attributable:

Fully consolidated group company	Non-controlling interests
Audi Canada Inc., Ajax (Canada)	Volkswagen Group Canada, Inc., Ajax (Canada)
Audi of America, LLC, Herndon (USA)	VOLKSWAGEN GROUP OF AMERICA, INC., Herndon, (USA)
Automobili Lamborghini America, LLC, Wilmington, Delaware (USA)	VOLKSWAGEN GROUP OF AMERICA, INC., Herndon, (USA)

The balance of EUR 494 (1,251) million remaining after the transfer of profit to Volkswagen AG is allocated to the other retained earnings.

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LIABILITIES

27 Financial liabilities

Non-current financial liabilities

EUR million	Dec. 31, 2012	Dec. 31, 2011
Liabilities from loans	1	3
Liabilities to banks	15	-
Liabilities from financial lease agreements	129	18
Total	145	21

The carrying amounts correspond to the fair values.

Current financial liabilities

EUR million	Dec. 31, 2012	Dec. 31, 2011
Liabilities to affiliated factoring companies	1,057	1,001
Loans from affiliated companies	103	158
Liabilities to banks	1	12
Liabilities from financial lease agreements	7	1
Total	1,168	1,172

The carrying amounts correspond to the fair values due to the short-term maturities. Measurement of the non-current and current financial lease agreements is based on market interest rates in each case.

28 Deferred tax liabilities

The temporary differences between tax bases and carrying amounts in the Consolidated Financial Statements are explained under "Deferred tax" in the "Recognition and measurement principles," and under Note 10, "Income tax expense."

Pursuant to IAS 1, deferred tax liabilities are reported as non-current liabilities, irrespective of their maturities.

29 Other financial liabilities

The financial liabilities reported in previous years under "Other liabilities" are presented in more detail in both the current and non-current areas for the 2012 fiscal year. The prior year's figures have been broken down accordingly.

Non-current other financial liabilities

EUR million	Dec. 31, 2012	Dec. 31, 2011
Negative fair values from derivative financial instruments	218	545
of which to affiliated companies	203	538
Miscellaneous financial liabilities	26	24
Total	244	569

The derivative currency hedging instruments reported under other financial liabilities are measured at market values. The total item of currency hedging instruments is presented under Note 37, "Management of financial risks."

Current other financial liabilities

EUR million	Dec. 31, 2012	Dec. 31, 2011
Negative fair values from derivative financial instruments	259	461
of which to affiliated companies	256	435
Liabilities to affiliated companies from the transfer of profit	3,790	3,138
Miscellaneous financial liabilities	436	675
Total	4,485	4,273

The negative fair values of current and non-current derivative financial instruments are composed as follows:

EUR million	Dec. 31, 2012	Dec. 31, 2011
Cash flow hedges to hedge against		
currency risks from future payment streams	397	871
commodity price risks from future payment streams (cash flow hedges)	9	10
Other derivative financial instruments	71	125
Negative fair values of derivative financial instruments	477	1,005

30 Other liabilities

Non-current other liabilities

EUR million	Dec. 31, 2012	Dec. 31, 2011
Advances received under service contracts	260	192
Liabilities from other taxes	48	47
Social security liabilities	31	38
Liabilities from payroll accounting	77	82
Other liabilities to affiliated companies	294	152
Total	711	511

Liabilities with a time to maturity of more than five years amount to EUR 124 (101) million.

Current other liabilities

EUR million	Dec. 31, 2012	Dec. 31, 2011
Advances received for orders from customers and service contracts	991	685
of which from affiliated companies	332	8
of which from associated companies	93	76
Liabilities from other taxes	154	131
Social security liabilities	130	118
Liabilities from payroll accounting	1,046	1,104
Other liabilities	47	44
of which to affiliated companies	10	14
Total	2,368	2,082

The carrying amounts correspond to the fair values.

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31 Provisions for pensions

Provisions for pensions are created on the basis of plans to provide retirement, disability and surviving dependant benefits. The benefit amounts are generally contingent on the length of service and the remuneration of the employees.

Both defined contribution and defined benefit plans exist within the Audi Group for retirement benefit arrangements. In the case of defined contribution plans, the Company pays contributions to public or private-sector pension plans on the basis of statutory or contractual requirements, or on a voluntary basis. Payment of these contributions releases the Company from any other benefit obligations. Current contribution payments are reported as an expense for the year in question. With regard to the Audi Group they total EUR 303 (281) million. Of this, contributions of EUR 286 (268) million were paid in Germany toward statutory pension insurance.

The retirement benefit systems are based predominantly on defined benefit plans, with a distinction being made between systems based on provisions and externally financed benefit systems. The domestic and foreign benefit claims of those with entitlement to a pension from the Company pension scheme are calculated in accordance with IAS 19 (Employee Benefits) on the basis of the projected unit credit method. This measures future obligations on the basis of the pro rata benefit entitlements acquired as of the balance sheet date. For purposes of measurement, trend assumptions are used for the relevant variables affecting the level of benefits.

The retirement benefit scheme within the Audi Group was evolved into a pension fund model in Germany on January 1, 2001. The retirement benefit commitments for this model are also classified as defined benefits in accordance with the requirements of IAS 19. The remuneration-based annual cost of providing employee benefits is invested in mutual funds on a fiduciary basis by Volkswagen Pension Trust e.V., Wolfsburg. This model offers employees the opportunity of increasing their pension entitlements, while providing full risk coverage. As the mutual fund units administered on a fiduciary basis satisfy the requirements of IAS 19 as plan assets, these funds were offset against the derived retirement benefit obligations.

The amounts recorded in the Balance Sheet for benefit obligations are presented in the following table:

EUR million	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
Present value of externally funded defined benefit obligations	1,009	723	679	586	464
Fair value of plan assets	844	714	670	583	471
Financing status (balance)	165	10	9	3	-7
Due to the limit on a defined benefit asset amount not capitalized under IAS 19	-	-	-	-	7
Present value of defined benefit obligations not externally funded	3,305	2,495	2,322	2,096	1,946
Provisions for pensions recognized in the Balance Sheet	3,470	2,505	2,331	2,098	1,946

The present value of the defined benefit obligations changed as follows:

EUR million	2012	2011
Present value on January 1	3,218	3,001
Changes in the group of consolidated companies and first-time adoption of IAS 19	6	1
Service cost	106	79
Interest cost	141	141
Actuarial gains (-)/losses (+)	+938	+92
Pension payments from company assets	-95	-92
Pension payments from fund assets	-5	-4
Effects from transfers	4	-1
Currency differences	-1	1
Present value on December 31	4,314	3,218

The reconciliation for the fair value of the plan assets is as follows:

EUR million	2012	2011
Plan assets on January 1	714	670
Changes in the group of consolidated companies and first-time adoption of IAS 19	1	-
Expected return on plan assets	28	29
Actuarial gains (+)/losses (-)	8	-51
Employer contributions	97	69
Benefits paid	-5	-4
Effects of transfers	1	0
Plan assets on December 31	844	714

In the 2012 fiscal year, actual gains from the plan assets amounted to EUR 36 million. In the 2011 fiscal year, actual losses from the plan assets amounted to EUR 21 million. The long-term overall yield on the plan assets is determined on a uniform basis and depends on the actual long-term earnings of the portfolio, historical overall market yields, and a forecast of the anticipated yields of the classes of security in the portfolio. Employer contributions to the fund assets totaling EUR 88 (70) million are expected for the following fiscal year.

The composition of fund assets is as follows, by category:

as % of fund assets	2012	2011
Shares	28.4	28.6
Fixed-income securities	55.3	62.2
Cash	11.7	4.4
Real estate	2.5	2.6
Other	2.1	2.2
Total	100.0	100.0

Actuarial gains and losses result from changes in the entitlement base and from deviations in the actual trends (e.g. increases in pay or retirement benefits) from the figures assumed for calculation purposes. In accordance with the requirements of IAS 19, such gains and losses are recognized without affecting income under a separate line item within equity, taking deferred tax into account.

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The following amounts were recognized in the Income Statement:

EUR million	2012	2011
Current service cost for services provided by the employees in the fiscal year	-106	-79
Interest cost	-141	-141
Expected return on plan assets	28	29
Total	-220	-191

The interest element in pension costs is shown under financing costs. The expected return on plan assets is also shown under this item.

The provisions for pensions recognized in the Balance Sheet are determined by offsetting the present value against the plan assets pursuant to IAS 19. The development of the net liability recognized as provisions for pensions was as follows:

EUR million	2012	2011
Provisions for pensions on January 1	2,505	2,331
Changes in the group of consolidated companies and first-time adoption of IAS 19	5	1
Employee benefit expenses	220	191
Actuarial gains (-)/losses (+)	+931	+143
Pension payments from company assets	-95	-92
Contributions paid to external pension funds	-97	-69
Effects from transfers	4	-1
Currency differences	-1	1
Provisions for pensions on December 31	3,470	2,505

The experience-based adjustments, i.e. the effects of differences between actuarial assumptions and what has actually transpired, are presented in the following table:

	2012	2011	2010	2009	2008
Difference between anticipated and actual performance					
as % of the present value of the obligation	-0.91	0.88	-0.31	1.37	0.17
as % of fair value of plan assets	0.90	-7.12	0.84	-4.86	-9.88

In detail, the calculation of the defined benefit obligation for staff employed in Germany is based on the following actuarial assumptions:

%	Dec. 31, 2012	Dec. 31, 2011
Remuneration trend	2.90	2.80
Retirement benefit trend	1.80	1.60
Discount rate	3.20	4.60
Staff turnover rate	1.00	1.00
Anticipated yield on plan assets	3.75	3.75

The "2005 G Reference Tables" published by HEUBECK-RICHTTAFELN-GmbH, Cologne, served as the biometric basis for calculation of retirement benefits.

The reduction in the discount rate is the main factor responsible for the increase in actuarial losses.

32 Effective income tax obligations

Effective income tax obligations consist primarily of tax liabilities to Volkswagen AG, Wolfsburg, under allocation plans.

33 Other provisions

EUR million	Dec. 31, 2012		Dec. 31, 2011	
	Total	Of which due within one year	Total	Of which due within one year
Obligations from sales operations	5,102	1,936	5,020	1,806
Workforce-related provisions	1,007	194	937	249
Other provisions	955	673	1,135	802
Total	7,064	2,803	7,092	2,858

Obligations from sales operations primarily comprise warranty claims from the sale of vehicles, components and genuine parts, including the disposal of end-of-life vehicles. Warranty claims are determined on the basis of previous or estimated future loss experience. This item additionally includes rebates, bonuses and similar discounts due to be granted and arising subsequent to the balance sheet date but occasioned by revenue prior to the balance sheet date.

The workforce-related provisions are created for such purposes as service anniversary awards, partial retirement arrangements and proposals for improvements. The refund claims against the German Federal Employment Agency as part of implementation of the partial retirement model are reported under other assets (Note 21, "Other receivables").

The other provisions include reserves for price and process risks.

Anticipated outflows from other provisions are 40 percent in the following year, 50 percent in the years 2014 through 2017, and 10 percent thereafter.

The provisions developed as follows:

EUR million	Jan. 1, 2012	Currency differences	Changes in the group of consolidated companies	Utilization	Disso-lution	Addi-tion	Interest effect from measurement	Dec. 31, 2012
Obligations from sales operations	5,020	-28	-23	1,319	361	1,731	83	5,102
Workforce-related provisions	937	-0	-1	197	19	189	97	1,007
Other provisions	1,135	-0	26	411	163	358	11	955
Total	7,092	-29	2	1,927	544	2,279	192	7,064

34 Trade payables

EUR million	Dec. 31, 2012	Dec. 31, 2011
Trade payables to		
third parties	3,402	3,383
affiliated companies	826	797
associated companies and participating interests	42	14
Total	4,270	4,193

The fair values of the trade payables correspond to the carrying amounts due to their short-term nature.

The customary retention of title applies to liabilities from deliveries of goods.

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ADDITIONAL DISCLOSURES

35 Capital management

The primary goal of capital management within the Audi Group is to assure financial flexibility in order to achieve business and growth targets, and to enable continuous, steady growth in the value of the Company. In particular, management is focused on achieving the minimum return demanded by the capital market on the invested assets. The capital structure is steered specifically with this in mind, and the economic environment is kept under constant observation. The objectives, methods and procedures for optimizing capital management remained unchanged at December 31, 2012. For this purpose, the development of key cost and value factors are analyzed regularly; appropriate optimization measures are then defined and their implementation is monitored on an ongoing basis. To ensure that resources are deployed as efficiently as possible, and to measure success in this regard, the Audi Group has been using return on investment as an indicator based on capital expenditure for several years now.

The equity and financial liabilities from the transfer of profit are summarized in the following table:

EUR million	Dec. 31, 2012	Dec. 31, 2011
Equity	15,033	12,903
as % of total capital	37.2	34.9
Financial liabilities from the transfer of profit	5,103	4,330
Current financial liabilities	1,168	1,172
Non-current financial liabilities	145	21
Liabilities from the transfer of profit	3,790	3,138
as % of total capital	12.6	11.7
Total capital (balance sheet total)	40,425	37,019

Around 99.55 percent of the issued capital is held by Volkswagen AG, Wolfsburg, with which a control and profit transfer agreement exists.

In the 2012 fiscal year, equity rose by 16.5 percent compared with the prior year. This is primarily due to the allocation to other retained earnings and a cash injection to the capital reserve by Volkswagen AG.

36 Additional disclosures on financial instruments in the Balance Sheet

Measurement of financial instruments at fair value is based on a three-level hierarchy and on the proximity of the measurement factors used to an active market. An active market is one in which homogeneous products are traded, where willing buyers and sellers can be found for them at all times, and where their prices are publicly available. Level 1 involves the measurement of financial instruments, such as securities, listed on active markets.

Level 2 involves the measurement of financial instruments such as derivatives based on market-related, recognized financial valuation models, where the measurement factors, such as exchange rates or interest rates, can be observed directly or indirectly on active markets.

In the Audi Group, level 3 mainly covers residual value hedging arrangements with the retail trade. The input factors for measuring the future development of used car prices cannot be observed on active markets; they are forecast by various independent institutions. The residual value hedging model is explained in Note 37.4, "Market risks."

Furthermore, non-current commodity futures are also measured according to level 3, as the key parameters for their measurement cannot be observed on active markets owing to the long-term nature of the contracts, but are extrapolated. During the previous year, rights to acquire shares in companies were also assigned to fair value level 3, at which input factors that are not derived from active markets can be used for measurement.

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The following table presents a reconciliation of the carrying amounts of the Balance Sheet items with the individual IFRS 7 categories:

Carrying amounts of financial instruments as of December 31, 2012

EUR million					
	Carrying amount as per Balance Sheet as of Dec. 31, 2012	Measured at fair value through profit or loss	Available for sale	Loans and receivables	
ASSETS					
Non-current					
Other long-term investments	254	-	254	-	
Other financial assets ¹⁾	662				
of which from the positive fair values of derivative financial instruments	464	71	-	-	
of which fixed deposits and extended loans	171	-	-	171	
of which other financial assets	27	-	-	27	
Current					
Trade receivables	2,251	-	-	2,251	
Other financial assets ¹⁾	2,303				
of which from the positive fair values of derivative financial instruments	205	57	-	-	
of which fixed deposits and extended loans	1,560	-	-	1,560	
of which other financial assets	538	-	-	535	
Securities	1,807	-	1,807	-	
Cash and cash equivalents	11,170	-	-	11,170	
Total financial assets	18,449	128	2,062	15,715	
LIABILITIES AND SHAREHOLDERS' EQUITY					
Non-current					
Financial liabilities	145				
of which liabilities from financial lease agreements	129	-	-	-	
of which other financial liabilities	16	-	-	-	
Other financial liabilities	244				
of which from the negative fair values of derivative financial instruments	218	35	-	-	
of which other financial liabilities	26	-	-	-	
Current					
Financial liabilities	1,168				
of which liabilities from financial lease agreements	7	-	-	-	
of which other financial liabilities	1,161	-	-	-	
Trade payables	4,270	-	-	-	
Other financial liabilities	4,485				
of which from the negative fair values of derivative financial instruments	259	36	-	-	
of which other financial liabilities	4,226	-	-	-	
Total financial liabilities	10,312	71	-	-	

1) The financial assets reported in previous years under "Other receivables and financial assets" are presented separately in both the current and non-current areas for the 2012 fiscal year. Other receivables that are not financial instruments are no longer contained in the above table. The prior year's figures have been adjusted accordingly.

2) The financial liabilities reported in previous years under "Other liabilities" are presented separately in both the current and non-current areas for the 2012 fiscal year. The prior year's figures have been broken down accordingly. Other liabilities that are not financial instruments are no longer contained in the above table. The prior year's figures have been adjusted accordingly.

Reconciliation of balance sheet items to classes of financial instruments				Classification in measurement levels pursuant to IFRS 7			
Financial liabilities measured at amortized cost	No category assigned under IAS 39		Measured at fair value			Measured at amortized cost	
	Derivative financial instruments with hedging relationships	Not covered by IAS 39	Level 1	Level 2	Level 3		
-	-	-	-	-	-	254	
-	393	-	-	402	62	-	
-	-	-	-	-	-	171	
-	-	-	-	-	-	27	
-	-	-	-	-	-	2,251	
-	147	-	-	164	41	-	
-	-	-	-	-	-	1,560	
-	-	4	-	-	-	538	
-	-	-	1,807	-	-	-	
-	-	-	-	-	-	11,170	
-	541	4	1,807	566	103	15,973	
-	-	-	-	-	-	-	
-	-	129	-	-	-	129	
16	-	-	-	-	-	16	
-	183	-	-	201	17	-	
26	-	-	-	-	-	26	
-	-	7	-	-	-	7	
1,161	-	-	-	-	-	1,161	
4,270	-	-	-	-	-	4,270	
-	223	-	-	256	3	-	
4,226	-	-	-	-	-	4,226	
9,700	406	135	-	457	20	9,835	

The fair values of financial assets within the category “Measured at amortized cost” amount to EUR 15,973 (18,857) million and are indicated in the relevant sections, under the Notes to the Balance Sheet. The fair values of financial liabilities within the category “Measured at amortized cost” amount to EUR 9,835 (9,222) million and are indicated under the notes to the relevant Balance Sheet items. In the case of current financial assets and liabilities measured at amortized cost, the fair values correspond to the carrying amounts.

Carrying amounts of financial instruments as of December 31, 2011

EUR million					
	Carrying amount as per Balance Sheet as of Dec. 31, 2011	Measured at fair value through profit or loss	Available for sale	Loans and receivables	
ASSETS					
Non-current					
Other long-term investments	246	-	246	-	
Other financial assets	389				
of which from the positive fair values of derivative financial instruments	236	124	-	-	
of which fixed deposits and extended loans	131	-	-	131	
of which other financial assets	22	-	-	22	
Current					
Trade receivables	3,009	-	-	3,009	
Other financial assets	7,033				
of which from the positive fair values of derivative financial instruments	97	45	-	-	
of which fixed deposits and extended loans	6,697	-	-	6,697	
of which other financial assets	240	-	-	240	
Securities	1,594	-	1,594	-	
Cash and cash equivalents	8,513	-	-	8,513	
Total financial assets	20,783	169	1,840	18,612	
LIABILITIES AND SHAREHOLDERS' EQUITY					
Non-current					
Financial liabilities	21				
of which liabilities from financial lease agreements	18	-	-	-	
of which other financial liabilities	3	-	-	-	
Other financial liabilities	569				
of which from the negative fair values of derivative financial instruments	545	55	-	-	
of which other financial liabilities	24	-	-	-	
Current					
Financial liabilities	1,172				
of which liabilities from financial lease agreements	1	-	-	-	
of which other financial liabilities	1,171	-	-	-	
Trade payables	4,193	-	-	-	
Other financial liabilities	4,273				
of which from the negative fair values of derivative financial instruments	461	71	-	-	
of which other financial liabilities	3,813	-	-	-	
Total financial liabilities	10,229	126	-	-	

Reconciliation of balance sheet items to classes of financial instruments			Classification in measurement levels pursuant to IFRS 7			
Financial liabilities measured at amortized cost	No category assigned under IAS 39		Measured at fair value			Measured at amortized cost
	Derivative financial instruments with hedging relationships	Not covered by IAS 39	Level 1	Level 2	Level 3	
-	-	-	-	-	-	246
-	111	-	-	140	96	-
-	-	-	-	-	-	131
-	-	-	-	-	-	22
-	-	-	-	-	-	3,009
-	51	-	-	90	6	-
-	-	-	-	-	-	6,697
-	-	-	-	-	-	240
-	-	-	1,594	-	-	-
-	-	-	-	-	-	8,513
-	163	-	1,594	230	102	18,857
-	-	-	-	-	-	-
-	-	18	-	-	-	18
3	-	-	-	-	-	3
-	491	-	-	521	24	-
24	-	-	-	-	-	24
-	-	1	-	-	-	1
1,171	-	-	-	-	-	1,171
4,193	-	-	-	-	-	4,193
-	390	-	-	436	25	-
3,813	-	-	-	-	-	3,813
9,204	881	19	-	957	49	9,222

Reconciliation statement for financial instruments measured according to level 3

EUR million	2012	2011
Positive fair values of level 3 derivative financial instruments as of January 1	102	71
Income and expense (-) recognized in the operating profit	9	34
Income and expense (-) recognized in the financial result	3	3
Income and expense (-) recognized in equity	0	27
Reclassification from level 3 to level 2	-12	-33
Positive fair values of level 3 derivative financial instruments as of December 31	103	102
Income and expense (-) recognized in the operating profit from level 3 derivative financial instruments still held at December 31	13	34
Income and expense (-) recognized in the financial result from level 3 derivative financial instruments still held at December 31	-1	-
EUR million	2012	2011
Negative fair values of level 3 derivative financial instruments as of January 1	-49	-127
Income and expense (-) recognized in the operating profit	-3	11
Income and expense (-) recognized in the financial result	-2	-17
Income and expense (-) recognized in equity	1	-6
Realizations	19	83
Reclassification from level 3 to level 2	15	6
Negative fair values of level 3 derivative financial instruments as of December 31	-20	-49
Income and expense (-) recognized in the operating profit from level 3 derivative financial instruments still held at December 31	-24	14
Income and expense (-) recognized in the financial result from level 3 derivative financial instruments still held at December 31	0	11

The residual value hedging model is categorically allocated to level 3. The reclassifications from level 3 to level 2 contain commodity futures for whose measurement it is no longer necessary to extrapolate the exchange rates because these can now be observed again on the active market. The effects of changes in the market price of used cars resulting from hedging arrangements are shown in detail under Note 37.4, "Market risks."

Risks resulting from fair value fluctuations in the derivative financial instruments measured according to level 3 are calculated within the Audi Group by means of sensitivity analyses. In this way, effects of changes in commodity price listings on profit and equity are shown. A 10 percent rise or fall in the commodity prices of commodity futures measured according to level 3 at December 31, 2012 would impact on equity in the amount of EUR 5 (12) million. The effect on profit of this rise or fall would be EUR 1 (11) million.

37 Management of financial risks

37.1 Hedging guidelines and principles of financial risk management

The principles and responsibilities involved in managing and controlling risks associated with financial instruments are stipulated by the Board of Management in accordance with the Volkswagen Group guidelines and statutory parameters, and monitored by the Supervisory Board.

Operational risk management is carried out by the Group Treasury, as well as by AUDI AG and Volkswagen AG, Wolfsburg. The Board of Management and Supervisory Board of AUDI AG are regularly briefed on the current risk situation. Additionally, the Volkswagen Executive Committee for Liquidity and Foreign Currency is regularly updated on the current financial risks.

Further details are provided in the Management Report on page 196.

37.2 Credit risks

Credit risks from financial assets comprise the risk of default by a contractual party and therefore do not exceed the positive fair values in respect of the contractual party in question. The risk from non-derivative financial instruments is covered by value adjustments for loss of receivables. The contractual partners for cash and capital investments, as well as currency and raw materials hedging instruments, have impeccable credit standings. Over and above this, the risks are restricted by a limit system that is based on the credit ratings of international rating agencies and the equity base of the contractual parties.

The Group's global business operations and resulting diversification meant that there were no major risk concentrations during the past fiscal year.

The credit quality of financial assets measured at amortized cost is shown in the following table:

EUR million	Gross carrying amount as of Dec. 31, 2012	Neither past due nor impaired	Past due and not impaired	Impaired
Measured at amortized cost				
Trade receivables	2,313	1,388	859	66
Other receivables	2,345	2,274	22	49
of which receivables from loans	1,731	1,731	0	-
of which miscellaneous receivables	614	543	22	49
Total	4,658	3,663	881	115

EUR million	Gross carrying amount as of Dec. 31, 2011	Neither past due nor impaired	Past due and not impaired	Impaired
Measured at amortized cost				
Trade receivables	3,059	2,459	533	67
Other receivables	7,138	7,027	61	50
of which receivables from loans	6,827	6,827	-	-
of which miscellaneous receivables	311	199	61	50
Total	10,197	9,486	594	117

The Audi Group's trading partners, borrowers and debtors are regularly monitored under the risk management system. All receivables that are "Neither past due nor impaired," amounting to EUR 3,663 (9,486) million, are allocable to risk category 1. Risk category 1 is the highest rating category within the Volkswagen Group; it exclusively comprises "Receivables owing from customers of high creditworthiness."

Within the Audi Group, there are absolutely no past due financial instruments measured at fair value. The fair values of these financial instruments are determined based on their market prices. Specific value adjustments of securities measured at fair value were reversed in the amount of EUR 4 million in the Audi Group during the 2012 fiscal year.

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Financial assets that are past due and not impaired are presented in the following analysis by maturity dates of gross carrying amounts:

EUR million	Past due and not impaired	Past due		
	Dec. 31, 2012	Up to 30 days	30 to 90 days	More than 90 days
Measured at amortized cost				
Trade receivables	859	423	370	66
Other receivables	22	13	3	7
Total	881	436	372	72

EUR million	Past due and not impaired	Past due		
	Dec. 31, 2011	Up to 30 days	30 to 90 days	More than 90 days
Measured at amortized cost				
Trade receivables	533	407	82	43
Other receivables	61	42	16	4
Total	594	449	98	47

The credit risk is low overall, as the vast majority of the past due and not impaired financial assets are past due by only a short period – predominantly owing to customers' purchase invoices and payment processes.

Value adjustments

Developments of value adjustments of claims that existed on the balance sheet date and that were measured at amortized cost can be broken down as follows for the 2012 and 2011 fiscal years:

EUR million	2012	Specific value adjustment	2011	Specific value adjustment
Position as of January 1	98	98	94	94
Changes in group of consolidated companies	10	10	0	0
Addition	13	13	19	19
Utilization	-6	-6	-10	-10
Dissolution	-6	-6	-6	-6
Position as of December 31	110	110	98	98

Portfolio-based value adjustments are not used within the Audi Group.

Collateral

The credit risk is reduced by collateral held of EUR 1,235 (1,472) million. In the Audi Group, collateral is primarily held in relation to trade receivables. Vehicles, bank guarantees and banker's bonds are the main forms of collateral provided.

37.3 Liquidity risks

Liquidity risks arise from financial liabilities if current payment obligations can no longer be met. A liquidity forecast based on a fixed planning horizon coupled with available yet unused lines of credit assures adequate liquidity at all times in the Audi Group.

Analysis by maturity date of undiscounted cash used for financial instruments

The undiscounted, contractually agreed cashflows from financial instruments are categorized separately by maturity date in the following table:

EUR million	Total	Residual contractual maturities		
	Dec. 31, 2012	Up to 1 year	1 to 5 years	Over 5 years
Financial liabilities	1,390	1,172	49	168
Trade payables	4,270	4,270	-	-
Other financial liabilities and obligations	4,350	4,324	26	-
Derivative financial instruments	26,561	10,931	15,630	-
Total	36,571	20,697	15,705	168

EUR million	Total	Residual contractual maturities		
	Dec. 31, 2011	Up to 1 year	1 to 5 years	Over 5 years
Financial liabilities	1,198	1,173	13	12
Trade payables	4,193	4,193	-	-
Other financial liabilities and obligations	4,070	4,041	24	-
Derivative financial instruments	28,221	10,422	17,799	-
Total	37,682	19,829	17,836	12

The cash used for derivatives where gross settlement has been agreed is offset by cash received. These cash receipts are not presented in the analysis by maturity date. Had the cash receipts also been taken into account, the cash used would have been significantly lower in the analysis by maturity date.

Collateral

The Audi Group recorded financial assets as collateral for liabilities in the amount of EUR 98 (234) million. This collateral is used by contractual parties primarily as soon as credit periods for secured liabilities are exceeded.

37.4 Market risks

Given the global nature of its operations, the Audi Group is exposed to various market risks, which are described below. The individual risk types and the respective risk management measures are also described. Additionally, these risks are quantified by means of sensitivity analyses.

Hedging policy and financial derivatives

The market risks to which the Audi Group is exposed include, in particular, currency, interest rate, commodity price and fund price risks. As part of the risk management process, these risks are limited by entering into hedging transactions. All necessary hedging measures are implemented centrally by the Group Treasury of Volkswagen AG, Wolfsburg, or coordinated via the Group Treasury of AUDI AG. There were no risk concentrations during the past fiscal year.

The market price risks associated with derivative and non-derivative financial instruments pursuant to IFRS 7 are calculated in the Audi Group using sensitivity analyses. Changes to the risk variables within the respective market price risks are used to calculate the impact on equity and on profit after tax.

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Currency risks

The Audi Group is exposed to exchange rate fluctuations in view of its international business activities. The measures implemented to hedge against these currency risks are coordinated regularly between AUDI AG and the Group Treasury of Volkswagen AG, Wolfsburg, in accordance with Volkswagen's organizational guideline.

These risks are limited by concluding appropriate hedges for matching amounts and maturities. The hedging transactions are performed centrally for the Audi Group by Volkswagen AG on the basis of an agency agreement. The results from hedging transactions are credited or debited each month by the Group Treasury of Volkswagen AG on the basis of the contract volume allocated to the Audi Group.

In accordance with the Volkswagen organizational guideline, AUDI AG additionally concludes hedging transactions of its own to a limited extent, where this helps to simplify current operations.

Marketable derivative financial instruments (foreign exchange contracts, currency option transactions and currency swaps) are used for this purpose. Contracts are concluded exclusively with first-rate national and international banks whose creditworthiness is regularly examined by leading rating agencies and Central Risk Management at Volkswagen AG.

For the purpose of managing currency risks, exchange rate hedging in the 2012 fiscal year focused on the U.S. dollar, the British pound, the Japanese yen and the Chinese renminbi.

Currency risks pursuant to IFRS 7 arise as a result of financial instruments that are denominated in a currency other than the functional currency and are of a monetary nature. Exchange rate variances from the translation of financial statements into the Group currency (translation risk) are disregarded. Within the Audi Group, the principal non-derivative monetary financial instruments (liquid assets, receivables, securities held and borrowed capital instruments held, interest-bearing liabilities, interest-free liabilities) are either denominated directly in the functional currency or substantially transferred to the functional currency through the use of derivatives. Above all, the generally short maturity of the instruments also means that potential exchange rate movements have only a very minor impact on profit or equity.

Currency risks are measured using sensitivity analyses, during which the impact on profit after tax and equity of hypothetical changes to relevant risk variables is assessed. All non-functional currencies in which the Audi Group enters into financial instruments are fundamentally treated as relevant risk variables.

The periodic effects are determined by applying the hypothetical changes in the risk variables to the inventory of financial instruments on the reporting date. It is assumed for this purpose that the inventory on the reporting date is representative of the entire year. Movements in the exchange rates of the underlying currencies for the hedged transactions affect the cash flow hedge reserve in equity and the fair value of these hedging transactions.

Fund price risks

The securities funds created using surplus liquidity are exposed, in particular, to an equity and bond price risk that may arise from fluctuations in stock market prices and indices, and market interest rates. Changes in bond prices resulting from a change in market interest rates, and the measurement of currency risks and other interest rate risks from the securities funds, are quantified separately in the corresponding notes on "Currency risks" and "Interest rate risks."

Risks from securities funds are generally countered by maintaining a broad mix of products, issuers and regional markets when making investments, as stipulated in the investment guidelines. Where necessitated by the market situation, currency hedges in the form of futures contracts are also used.

Such measures are coordinated by AUDI AG in agreement with the Group Treasury of Volkswagen AG, Wolfsburg, and implemented at operational level by the securities funds' risk management teams.

Fund price risks are measured within the Audi Group in accordance with IFRS 7 using sensitivity analyses. Hypothetical changes to risk variables on the balance sheet date are examined to calculate their impact on the prices of the financial instruments in the funds. Market prices and indices are particularly relevant risk variables in the case of fund price risks.

Commodity price risks

Commodities are subject to the risk of fluctuating prices given the volatile nature of the commodity markets. Commodity futures are used to limit these risks. The hedging measures are coordinated regularly between AUDI AG and Volkswagen AG, Wolfsburg, in accordance with the existing Volkswagen organizational guideline. The hedging transactions are performed centrally for AUDI AG by Volkswagen AG on the basis of an agency agreement. The results from hedging contracts are credited or debited to the Audi Group on a quarterly basis.

Hedging measures relate principally to significant quantities of the commodities aluminum and copper. Contracts are concluded exclusively with first-rate national and international banks whose creditworthiness is regularly examined by leading rating agencies and Central Risk Management at Volkswagen AG.

Commodity price risks are also calculated using sensitivity analyses. Hypothetical changes in listed prices are used to quantify the impact of changes in value of the hedging transactions on equity and on profit after tax.

Interest rate risks

Interest rate risks stem from changes in market rates, above all for medium and long-term variable-rate assets and liabilities.

The Audi Group limits interest rate risks, particularly with regard to the granting of loans and credit, by agreeing fixed interest rates and also through interest rate swaps.

The risks associated with changing interest rates are presented in accordance with IFRS 7 using sensitivity analyses. These involve presenting the effects of hypothetical changes in market interest rates as of the balance sheet date on interest payments, interest income and expenses, and, where applicable, equity and profit after tax.

Residual value risks

Residual value risks arise from hedging arrangements with the retail trade or partner companies according to which, in the context of buy-back obligations resulting from concluded lease agreements, effects on profit caused by market-related fluctuations in residual values are partly borne by the Audi Group.

The hedging arrangements are based on residual value recommendations, as adopted by the residual value committee at the time of the contract being concluded, and then on current dealer purchase values on the market at the time of the residual value hedging being settled. The residual value recommendations are based on the forecasts provided by various independent institutions using transaction prices.

Residual value risks are also calculated using sensitivity analyses. Hypothetical changes in the market prices of used cars as of the balance sheet date are used to quantify the impact on profit after tax.

Quantifying currency risks by means of sensitivity analyses

If the functional currencies had in each case increased or decreased in value by 10 percent compared with the other currencies as of the balance sheet date, the following major effects on the hedging provision in equity and on profit would have resulted with regard to the currency relations referred to below.

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EUR million	Dec. 31, 2012		Dec. 31, 2011	
	+10%	-10%	+10%	-10%
Currency relation				
EUR/USD				
Hedging provision	761	-761	900	-873
Profit after income taxes	-69	69	-116	104
EUR/GBP				
Hedging provision	403	-403	331	-331
Profit after income taxes	0	-0	0	-0
EUR/JPY				
Hedging provision	165	-165	184	-184
Profit after income taxes	-1	1	1	-1
EUR/CNY				
Hedging provision	276	-276	150	-150
Profit after income taxes	-17	17	-37	37

Quantifying other market risks by means of sensitivity analyses

The measurement of other market risks pursuant to IFRS 7 is also carried out using sensitivity analyses in the Audi Group. Hypothetical changes to risk variables on the balance sheet date are examined to calculate their impact on the corresponding Balance Sheet items and on the result after tax. Depending on the type of risk, there are various possible risk variables (primarily equity prices, commodity prices, market interest rates, market prices of used cars).

The sensitivity analyses carried out enable the following other market risks to be quantified for the Audi Group:

	Data in	2012		2011	
Fund price risks					
Change in share prices	Percent	+10	-10	+10	-10
Effects on equity capital	EUR million	-18	22	-5	5
Commodity price risks					
Change in commodity prices	Percent	+10	-10	+10	-10
Effects on equity capital	EUR million	20	-20	26	-26
Effects on profit after tax	EUR million	40	-40	59	-59
Interest rate change risks					
Change in market interest rate	Basis points	+100	-100	+100	-100
Effects on equity capital	EUR million	35	-27	18	-17
Effects on profit after tax	EUR million	-4	4	13	-14
Residual value risks					
Change in market prices of used cars	Percent	+10	-10	+10	-10
Effects on profit after tax	EUR million	162	-162	141	-127

37.5 Methods of monitoring the effectiveness of hedging relationships

Within the Audi Group, the effectiveness of hedging relationships is evaluated prospectively using the critical terms match method, as well as by means of statistical methods in the form of a regression analysis. Retrospective evaluation of the effectiveness of hedges involves an effectiveness test in the form of the dollar offset method or in the form of a regression analysis.

In the case of the dollar offset method, the changes in value of the underlying transaction, expressed in monetary units, are compared with the changes in value of the hedge, expressed in monetary units. All hedge relationships were effective within the range specified in IAS 39 (80 to 125 percent).

In the case of regression analysis, the performance of the underlying transaction is viewed as an independent variable, while that of the hedging transaction is regarded as a dependent variable. The transaction is classed as effective hedging if the coefficients of determination and escalation factors are appropriate. All of the hedging relationships verified using this statistical method proved to be effective as of the year-end date. There was ineffectiveness in 2012 resulting from cash flow hedges that led to a EUR 2 million decrease in the financial result. In 2011, there was ineffectiveness amounting to EUR 3 million that led to an improvement of the financial result.

Nominal volume of derivative financial instruments

The nominal volumes of the presented cash flow hedges for hedging currency risks and commodity price risks represent the total of all buying and selling prices on which the transactions are based.

EUR million	Nominal volumes			
	Dec. 31, 2012	Residual time to maturity up to 1 year	Residual time to maturity up to 5 years	Dec. 31, 2011
Cash flow hedges	26,144	10,611	15,534	27,961
Foreign exchange contracts	25,876	10,527	15,349	27,156
Currency option transactions	-	-	-	454
Commodity futures	269	84	185	351
Other derivatives	1,318	773	545	1,964
Foreign exchange contracts	698	426	272	1,021
Commodity futures	620	347	272	942

The derivative financial instruments used exhibit a maximum hedging term of five years.

38 Cash Flow Statement

The Cash Flow Statement details the payment streams for both the 2012 fiscal year and the previous year, categorized according to cash used and received for operating, investing and financing activities. The effects of changes in foreign exchange rates on cash flows are presented separately.

Cash flow from operating activities includes all payment streams in connection with ordinary activities and is presented using the indirect calculation method. Starting from the profit before profit transfer and tax, all income and expenses with no impact on cash flow (mainly write-downs) are excluded.

Cash flow from operating activities in 2012 included payments for interest received amounting to EUR 154 (180) million and for interest paid amounting to EUR 53 (45) million. In 2012, the Audi Group received dividends and profit transfers totaling EUR 290 (211) million. The income tax payments item substantially comprises payments made to Volkswagen AG, Wolfsburg, on the basis of the single-entity relationship for tax purposes in Germany, as well as payments to foreign tax authorities.

Cash flow from investing activities includes capitalized development costs as well as additions to other intangible assets, property, plant and equipment, long-term investments and non-current loans. The proceeds from the disposal of assets, the proceeds from the sale of shares, and the change in securities and fixed deposits are similarly reported in cash flow from investing activities.

The acquisition and first-time consolidation of subsidiaries resulted in a total outflow of EUR 591 (37) million. This figure also includes changes to cash flows resulting from first-time consolidations and capital increases in the case of non-consolidated subsidiaries. The acquisition of investments in other participating interests resulted in an outflow of EUR 3,020 (27) million. Cash flow from financing activities includes cash used for the transfer of profit, as well as changes in financial liabilities.

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The changes in the Balance Sheet items that are presented in the Cash Flow Statement cannot be derived directly from the Balance Sheet because the effects of currency translation and of changes in the group of consolidated companies do not affect cash and are segregated.

EUR million	Dec. 31, 2012	Dec. 31, 2011
Cash and cash equivalents as per Balance Sheet	11,170	8,513
Currently due fixed deposits with an investment period > 3 months	-6,889	-3,838
Cash and cash equivalents as per Cash Flow Statement (bank assets and cash deposits with maturities of no more than three months)	4,281	4,675

Only the short-term fixed deposits whose original investment term is less than three months are included in the cash and cash equivalents of the Cash Flow Statement.

The figures for cash and cash equivalents include cash pool receivables in the amount of EUR 3,752 (3,848) million.

39 Contingencies

Contingencies are unrecognized contingent liabilities whose amount corresponds to the maximum possible use as of the balance sheet date.

EUR million	Dec. 31, 2012	Dec. 31, 2011
Liabilities from guarantees	139	61
Furnishing of collateral for outside liabilities	75	70
Total	214	131

40 Litigation

Neither AUDI AG nor any of its Group companies are involved in ongoing or prospective legal or arbitration proceedings which could have a significant influence on their economic position. Appropriate provisions have been created within each Group company, or adequate insurance benefits are anticipated, for potential financial charges resulting from other legal or arbitrational proceedings.

41 Change of control agreements

Change of control clauses are contractual agreements between a company and third parties to provide for legal succession should there be a direct or indirect change in the ownership structure of any party to the contract.

The main contractual agreements between the Audi Group and third parties do not contain any change of control clauses in the event of a change in the ownership structure of AUDI AG or its subsidiaries.

42 Other financial obligations

EUR million	Due Dec. 31, 2012				Due Dec. 31, 2011	
	Within 1 year	1 to 5 years	Over 5 years	Total	Over 1 year	Total
Ordering commitments for						
property, plant and equipment	1,276	419	-	1,695	365	1,511
intangible assets	231	78	-	309	45	210
Commitments from long-term rental and lease agreements	74	187	115	376	375	442
Miscellaneous financial obligations	395	199	28	622	390	781
Total	1,976	883	143	3,002	1,175	2,944

Supply contracts are in place for series production material. Binding orders are placed and contracts are activated for the material as such material is needed on the basis of the detailed production and sales schedule.

43 Discontinued operations

There are no plans to discontinue or cease operations as defined by IFRS 5.

44 Cost of materials

EUR million	2012	2011
Raw materials and consumables used, as well as purchased goods	27,843	26,334
Purchased services	2,422	2,259
Total	30,265	28,594

45 Personnel costs

EUR million	2012	2011
Wages and salaries	4,243	4,289
Social insurance and expenses for retirement benefits and support payments	810	787
of which relating to retirement benefit plans	113	88
of which defined contribution pension plans	303	281
Total	5,053	5,076

Subsidies from the German Federal Employment Agency in the amount of EUR 28 (21) million were recognized in other operating income. The subsidies are paid in accordance with the conditions defined in the German law on partial retirement.

The personnel costs for the previous year include a higher burden in the form of one-off expenses.

46 Total average number of employees for the year

	2012	2011
Domestic companies	48,970	47,182
Foreign companies	15,656	13,017
Employees	64,626	60,199
Apprentices	2,283	2,322
Employees of Audi Group companies	66,909	62,521
Staff employed from other Volkswagen Group companies not belonging to the Audi Group	322	285
Workforce	67,231	62,806

47 Related party disclosures

Related parties as defined in IAS 24 are:

- the parent company, Volkswagen AG, Wolfsburg, and its subsidiaries and main participating interests outside the Audi Group,
- other parties (individuals and companies) that could be affected by the reporting entity or that could influence the reporting entity, such as
 - the members of the Board of Management and Supervisory Board of AUDI AG,
 - the members of the Board of Management and Supervisory Board of Volkswagen AG,
 - associated companies and their subsidiaries,
 - non-consolidated subsidiaries.

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The volume of transactions with the parent company, Volkswagen AG, and with other subsidiaries that do not belong to the Audi Group is presented in the following overview:

EUR million	2012	2011
Sales and services supplied to		
Volkswagen AG	5,065	4,623
Volkswagen AG subsidiaries and participating interests not belonging to the Audi Group	11,285	10,421
Purchases and services received from		
Volkswagen AG	6,187	5,729
Volkswagen AG subsidiaries and participating interests not belonging to the Audi Group	4,905	3,645
Receivables from		
Volkswagen AG	10,619	9,290
Volkswagen AG subsidiaries and participating interests not belonging to the Audi Group	2,344	6,796
Commitments toward		
Volkswagen AG	5,969	5,596
Volkswagen AG subsidiaries and participating interests not belonging to the Audi Group	3,073	3,954
Contingent liabilities to		
Volkswagen AG	-	-
Volkswagen AG subsidiaries and participating interests not belonging to the Audi Group	107	101
Collateral posted with		
Volkswagen AG	-	-
Volkswagen AG subsidiaries and participating interests not belonging to the Audi Group	75	150

As of December 31, 2012, sales of receivables to Volkswagen AG subsidiaries not belonging to the Audi Group amounted to EUR 2,829 (3,109) million. This also includes sales of receivables to Volkswagen Group Services S.A., Brussels (Belgium), totaling EUR 1,942 (2,118) million. The possibility of a claim arising from contingencies is not regarded as likely. The extent of business relations between fully consolidated companies of the Audi Group and non-consolidated subsidiaries and associated companies (including their subsidiaries) of AUDI AG as well as other related parties is presented in the following tables:

EUR million	2012	2011	2012	2011
	Goods and services supplied		Goods and services received	
Associated companies of AUDI AG	9,671	8,184	126	95
Non-consolidated subsidiaries of AUDI AG	31	112	84	305

EUR million	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011
	Receivables from		Liabilities to	
Associated companies of AUDI AG	1,496	484	1,316	83
Non-consolidated subsidiaries of AUDI AG	13	66	11	45

The group of associated companies grew during the fiscal year to include Volkswagen Group Services S.A., Brussels (Belgium), in which a 30 percent interest was acquired. Consequently, the business relationship with Volkswagen Group Services S.A. is included in the category of associated companies. Given that the company is a subsidiary of Volkswagen AG, Wolfsburg, the disclosures have switched category compared with the previous year.

As of the reporting date, receivables in the amount of EUR 1,104 million and liabilities of EUR 1,191 million related to Volkswagen Group Services S.A. Also during the fiscal year, goods and services provided totaled EUR 16 million, with goods and services received amounting to EUR 11 million.

All business transactions with related parties have been conducted on the basis of international comparable uncontrolled price methods pursuant to IAS 24, according to the terms that customarily apply to outside third parties. The goods and services procured from related parties primarily include supplies for production and supplies of genuine parts, as well as development, transportation, financial and distribution services, and, to a lesser extent, design, training and other services. Business transacted for related parties mainly comprises sales of new and used cars, engines and components, and allocation of cash and cash equivalents in the form of loans, fixed deposits and overnight deposits.

Members of the Boards of Management or Supervisory Boards of Volkswagen AG and AUDI AG also belong to the supervisory or management boards of other companies with which the Audi Group maintains business relations. All transactions with such companies are similarly conducted according to the terms that customarily apply to outside third parties. In this connection, goods and services amounting to a total value of EUR 209 (320) thousand were provided to the German state of Lower Saxony and to companies in which the state of Lower Saxony holds a majority stake. A full list of the supervisory board mandates of members of the Board of Management and Supervisory Board of AUDI AG is presented in the 2012 Annual Financial Report of AUDI AG. The service relationships with the members of the Boards of Management and Supervisory Boards of Volkswagen AG and AUDI AG were conducted at arm's length. As in the previous year, the volume of transactions was low. Overall, services in the amount of EUR 942 (700) thousand were procured from this group of individuals during the fiscal year, with services in the amount of EUR 114 (113) thousand being rendered on the part of the Audi Group. Receivables totaled EUR 44 (21) thousand. For details of the remuneration paid to the members of the Board of Management and Supervisory Board of AUDI AG, please refer to Note 51, "Details relating to the Supervisory Board and Board of Management." The employee representatives employed at AUDI AG in the Supervisory Board continue to receive their normal salary in accordance with their employment contract. This is based on the provisions of the German Works Constitution Act and corresponds to an appropriate remuneration for the function or activity exercised in the Company. This similarly applies to representatives of executive staff.

AUDI AG and its Group companies primarily deposit their cash funds with the Volkswagen Group or take up cash funds from the Volkswagen Group. All transactions are processed under market conditions.

48 Auditor's fees

EUR thousand	2012	2011
Auditing of the financial statements	900	1,015
Other assurance services	252	243
Tax consultancy services	7	84
Other services	-	108
Total	1,158	1,450

Based on the requirements of commercial law, the auditor's fees include auditing of the Consolidated Financial Statements and auditing of the annual financial statements of the domestic consolidated companies.

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49 Segment reporting

The segmentation of business activities is based on the internal management of the Company in accordance with IFRS 8. The decision-making body for both segments with regard to the allocation of resources and the valuation of profitability is the full Board of Management.

The Audi Group focuses its economic activities on the Automotive and Motorcycles segments, both of which are subject to reporting requirements. Whilst the Motorcycles segment can be considered to be immaterial pursuant to IFRS 8, it is reported here as a segment in its own right for information purposes.

The activities of the Automotive segment encompass the development, production, assembly and distribution of vehicles of the Audi and Lamborghini brands, and vehicles of other brands in the Volkswagen Group.

The activities of the new Motorcycles segment, created with the first-time consolidation of the Ducati Group in the 2012 fiscal year, include the development, production, assembly and distribution of Ducati brand motorcycles, including accessories and spare parts.

As a general rule, the segment reporting is based on the same reporting, accounting and measurement methods as applied to the Consolidated Financial Statements. Business relations between the companies of the segments in the Audi Group are generally based on the same prices as those agreed with third parties. Consolidation between the segments is carried out in the Reconciliation column. The central performance and management key figure for the two segments Automotive and Motorcycles is "Operating profit."

Internal reporting corresponds to external IFRS reporting. The full Board of Management regularly monitors, among others, the following financial and economic key figures:

Reporting segments

EUR million	2012			
Reporting segments	Automotive	Motorcycles	Reconciliation	Audi Group
Revenue with external third parties	48,562	209	-	48,771
Revenue with other segments	-	0	-0	-
Revenue	48,562	209	-0	48,771
Depreciation	-1,884	-50	-	-1,934
Impairment losses	-3	-	-	-3
Reversal of impairment losses	20	-	-	20
Segment profit (operating profit)	5,421	-41	-	5,380
Result from investments accounted for using the equity method	415	-	-	415
Net interest and other financial results	162	-1	-	162
Investments accounted for using the equity method	3,638	-	-	3,638
Investments in property, plant and equipment and intangible assets	3,227	30	-	3,257

During the previous year, the Audi Group focused its economic activities exclusively on the Automotive segment. As a result, both internal reporting and the voting, management and decision-making processes at the level of the full Board of Management were geared toward the Audi Group as a corporate unit in the sense of a single-segment structure focused on the Automotive segment. There was therefore no further segmentation of the Group as defined in IFRS 8.

EUR million	2011			
Reporting segments	Automotive	Motorcycles	Reconciliation	Audi Group
Revenue with external third parties	44,096	-	-	44,096
Revenue with other segments	-	-	-	-
Revenue	44,096	-	-	44,096
Depreciation	1,700	-	-	1,700
Impairment losses	93	-	-	93
Reversal of impairment losses	-	-	-	-
Segment profit (operating profit)	5,348	-	-	5,348
Result from investments accounted for using the equity method	270	-	-	270
Net interest and other financial results	423	-	-	423
Investments accounted for using the equity method	460	-	-	460
Investments in property, plant and equipment and intangible assets	2,862	-	-	2,862

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Reconciliation statement

EUR million	2012
Segment revenue	48,771
Consolidation	-0
Group revenue	48,771
Segment profit (operating profit)	5,380
Consolidation	-
Operating profit	5,380
Financial result	576
Group profit before tax	5,956

Revenue is allocated to the regions on the basis of the country of destination principle.

By region 2012

EUR million	2012						
	Germany	Rest of Europe	Asia-Pacific	North America	South America	Africa	Total
Revenue with external third parties	10,373	15,653	15,160	6,641	489	454	48,771
Property, plant and equipment and intangible assets	6,921	4,635	154	52	1	-	11,763

By region 2011

EUR million	2011						
	Germany	Rest of Europe	Asia-Pacific	North America	South America	Africa	Total
Revenue with external third parties	9,212	16,814	12,127	5,003	550	389	44,096
Property, plant and equipment and intangible assets	7,296	1,800	111	47	0	-	9,254

The Audi Group primarily generates revenues from the sale of cars. In addition to the Audi brand, sales also comprise vehicles of the Lamborghini brand and vehicles of the other brands in the Volkswagen Group. Ducati motorcycles and accessories are sold in the Motorcycles segment.

EUR million	2012	2011
Audi brand	35,851	34,456
Lamborghini brand	421	268
Other Volkswagen Group brands	2,725	3,444
Other automotive business	9,565	5,928
Automotive	48,562	44,096
Ducati brand	148	-
Other motorcycles business	61	-
Motorcycles	209	-
Revenue	48,771	44,096

An explanation of the different types of revenue is provided under Note 1, "Revenue."

The Audi Group, through Volkswagen AG, Wolfsburg, and its subsidiaries that are not part of the Audi Group, has key accounts with whom there exists a relationship of dependence:

Revenue with key accounts	2012		2011	
	EUR million	%	EUR million	%
Volkswagen AG, Wolfsburg	4,326	8.9	3,684	8.4
Volkswagen AG subsidiaries not belonging to the Audi Group	10,779	22.1	9,877	22.4

50 German Corporate Governance Code

The Board of Management and Supervisory Board of AUDI AG submitted the declaration pursuant to Section 161 of the German Stock Corporation Act (AktG) relating to the German Corporate Governance Code on November 29, 2012 and subsequently made it permanently accessible on the Audi website at www.audi.com/cgk-declaration.

51 Details relating to the Supervisory Board and Board of Management

The remuneration paid to members of the Board of Management complies with the legal requirements as well as with the recommendations of the German Corporate Governance Code. The total short-term remuneration comprises fixed and variable components. The fixed components assure a base remuneration that enables the members of the Board of Management to execute their duties conscientiously and in the best interests of the Company, without becoming dependent upon the attainment of short-term targets. Conversely, variable components that are contingent on the economic position of the Company reconcile the interests of the Board of Management with those of the other stakeholders.

The remuneration paid to members of the Board of Management for the 2012 fiscal year was EUR 22,745 (14,286) thousand, of which EUR 4,284 (4,084) thousand related to fixed remuneration components and EUR 18,461 (10,202) thousand to variable components. Additionally, costs of EUR 6,181 (-) thousand were incurred for prior years. As of the balance sheet date there were still obligations totaling EUR 15,000 (9,200) thousand, for which appropriate provision had been made. Disclosure has not been made of the remuneration paid to each individual member of the Board of Management, by name, pursuant to Section 314, Para. 1, No. 6a), Sentences 5 to 9 of the German Commercial Code, as the 2011 Annual General Meeting adopted a corresponding resolution valid for a period of five years.

In addition to fixed payments in cash, there are varying levels of contributions in kind, including, in particular, the use of company cars.

The variable remuneration component paid to each member of the Board of Management comprises a bonus based on the business performance of the previous two years and, since 2010, has also comprised a long-term incentive (LTI). Using a launch scenario, the LTI was granted to the Board of Management for the first time in 2011, based on the 2010 fiscal year and the anticipated performance in 2011. The LTI for 2012 was based on performance in the 2010 and

2011 fiscal years. In 2013 it will be based on performance in the fiscal years from 2010 to 2012. Then, from 2014 onward, the preceding four years will be used as a basis in each case.

Under certain circumstances, members of the Board of Management are entitled to retirement benefits and a disability pension. In the 2012 fiscal year, EUR 12,057 (6,090) thousand was allocated to the provisions for pensions for current members of the Board of Management. As at December 31, 2012, the provisions for pensions totaled EUR 19,615 (16,161) thousand. Other long-term benefits for this group totaled EUR 4 (0) thousand.

Former members of the Board of Management and their dependents received EUR 12,207 (2,987) thousand. This included payments resulting from termination of office of EUR 10,258 (1,367) thousand, with regard to which obligations of EUR 7,821 (537) thousand remained as of the balance sheet date. The provisions for pensions for this group of individuals amount to EUR 51,458 (31,843) thousand.

The members of the Board of Management and details of their seats on other supervisory boards and regulatory bodies – as defined in Section 285, Sentence 1, No. 10 of the German Commercial Code (HGB) and Section 125, Para. 1, Sentence 3 of the German Stock Corporation Act (AktG) – are listed in the Notes to the Annual Financial Report of AUDI AG.

The basic features of the remuneration paid to members of the Supervisory Board are stipulated in Section 16 of the Articles of Incorporation and Bylaws. The total short-term remuneration comprises fixed and variable components. The level of the variable remuneration components is based on the compensatory payment made for the 2012 fiscal year in accordance with the applicable provision in the Articles of Incorporation and Bylaws. The total remuneration paid to the Supervisory Board of AUDI AG, pursuant to Section 285, No. 9a of the German Commercial Code (HGB), was EUR 1,050 (973) thousand, of which EUR 222 (202) thousand related to fixed components and EUR 828 (771) thousand to variable components.

EXPENSES FOR REMUNERATION OF THE SUPERVISORY BOARD

EUR	Fixed	Variable	Total 2012
Prof. Dr. Dr. h. c. mult. Martin Winterkorn	-	-	-
Berthold Huber ¹⁾	21,000	84,000	105,000
Dr. rer. pol. h. c. Bruno Adelt (until May 9, 2012)	3,725	13,510	17,235
Senator h. c. Helmut Aurenz	12,000	42,000	54,000
Heinz Eyer ¹⁾	12,000	42,000	54,000
Dr. rer. pol. h. c. Francisco Javier Garcia Sanz	-	-	-
Dr. phil. Christine Hawighorst (May 10, 2012 onwards)	7,275	28,490	35,765
Johann Horn ¹⁾	12,000	42,000	54,000
Peter Kössler	12,000	42,000	54,000
Peter Mosch ¹⁾	16,500	63,000	79,500
Wolfgang Müller ¹⁾	11,500	42,000	53,500
Prof. Dr. rer. pol. Horst Neumann	-	-	-
Dr.-Ing. Franz-Josef Paefgen (until May 9, 2012)	4,225	22,743	26,968
Hon.-Prof. Dr. techn. h. c. Dipl.-Ing. ETH Ferdinand K. Piëch	16,500	63,000	79,500
Dr. jur. Hans Michel Piëch	12,000	42,000	54,000
Dipl.-Wirtsch.-Ing. Hans Dieter Pötsch	-	-	-
Dr. jur. Ferdinand Oliver Porsche	16,500	63,000	79,500
Dr. rer. comm. Wolfgang Porsche (May 10, 2012 onwards)	7,275	28,490	35,765
Norbert Rank ¹⁾	16,500	63,000	79,500
Jörg Schlagbauer ¹⁾	16,500	63,000	79,500
Helmut Späth ¹⁾	12,000	42,000	54,000
Max Wäcker ¹⁾	12,000	42,000	54,000
Total	221,500	828,233	1,049,733

1) The employees' elected representatives have stated that their remuneration as Supervisory Board members shall be paid to the Hans Böckler Foundation, in accordance with the guidelines of the German Confederation of Trade Unions.

The actual payment of individual parts of the total remuneration will be made in the 2013 fiscal year, pursuant to Section 16 of the Articles of Incorporation and Bylaws.

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Supervisory Board ¹⁾

Position as of Dec. 31, 2012	
Prof. Dr. Dr. h. c. mult. Martin Winterkorn	Chairman ²⁾ Stockholder representative
Berthold Huber	Deputy Chairman ²⁾ Employee representative
Senator h. c. Helmut Aurenz	Stockholder representative
Heinz Eyer	Employee representative
Dr. rer. pol. h. c. Francisco Javier Garcia Sanz	Stockholder representative
Dr. phil. Christine Hawighorst	Stockholder representative
Johann Horn	Employee representative
Peter Kössler	Employee representative
Peter Mosch	Employee representative ²⁾
Wolfgang Müller	Employee representative
Prof. Dr. rer. pol. Horst Neumann	Stockholder representative
Hon.-Prof. Dr. techn. h. c. Dipl.-Ing. ETH Ferdinand K. Piëch	Stockholder representative ²⁾
Dr. jur. Hans Michel Piëch	Stockholder representative
Dipl.-Wirtsch.-Ing. Hans Dieter Pötsch	Stockholder representative ³⁾
Dr. jur. Ferdinand Oliver Porsche	Stockholder representative ⁵⁾
Dr. rer. comm. Wolfgang Porsche	Stockholder representative
Norbert Rank	Employee representative ⁴⁾
Jörg Schlagbauer	Employee representative ⁵⁾
Helmut Späth	Employee representative
Max Wäcker	Employee representative
Prof. Dr. rer. pol. Carl H. Hahn	Honorary Chairman

1) Professions and companies of the members of the Supervisory Board and details on their seats on other supervisory boards and regulatory bodies are listed in the Notes to AUDI AG's Annual Financial Report.

2) Member of the Presiding Committee and the Negotiating Committee

3) Chairman of the Audit Committee

4) Deputy Chairman of the Audit Committee

5) Member of the Audit Committee

EVENTS OCCURRING SUBSEQUENT TO THE BALANCE SHEET DATE

There were no events after December 31, 2012 subject to a reporting obligation in accordance with IAS 10.

Statement of Interests held by the Audi Group

for the fiscal year ended December 31, 2012 267

PRINCIPAL GROUP COMPANIES

Name and registered office	Capital share in %
Fully consolidated companies	
Germany	
AUDI AG, Ingolstadt	
Audi Akademie GmbH, Ingolstadt	100.0
Audi Vertriebsbetreuungsgesellschaft mbH, Ingolstadt	100.0
Ducati Motor Deutschland GmbH, Cologne	100.0
quattro GmbH, Neckarsulm	100.0
PSW automotive engineering GmbH, Gaimersheim	91.0
Other countries	
Audi Australia Pty Ltd., Zetland (Australia)	100.0
AUDI AUSTRALIA RETAIL OPERATIONS PTY LTD., Zetland (Australia)	100.0
Audi Brasil Distribuidora de Veículos Ltda., São Paulo (Brazil)	100.0
AUDI BRUSSELS PROPERTY S.A./N.V., Brussels (Belgium)	100.0
AUDI BRUSSELS S.A./N.V., Brussels (Belgium)	100.0
Audi (China) Enterprise Management Co. Ltd., Beijing (China)	100.0
AUDI HUNGARIA MOTOR Kft., Győr (Hungary)	100.0
AUDI HUNGARIA SERVICES Zrt., Győr (Hungary)	100.0
Audi Japan K.K., Tokyo (Japan)	100.0
Audi Japan Sales K.K., Tokyo (Japan)	100.0
AUDI SINGAPORE PTE. LTD., Singapore (Singapore)	100.0
AUDI TAIWAN CO., LTD., Taipei (Taiwan)	100.0
Audi Tooling Barcelona, S.L., Barcelona (Spain)	100.0
Audi Volkswagen Korea Ltd., Seoul (South Korea)	100.0
Audi Volkswagen Middle East FZE, Dubai (United Arab Emirates)	100.0
Automobili Lamborghini S.p.A., Sant'Agata Bolognese (Italy)	100.0
Ducati Japan K.K., Tokyo (Japan)	100.0
DUCATI MOTOR HOLDING S.P.A., Bologna (Italy)	100.0
Ducati Motor (Thailand) Co. Ltd., Amphur Pluakdaeng, Rayong (Thailand)	100.0
DUCATI NORTH AMERICA, INC., Cupertino, California (USA)	100.0
Ducati North Europe B.V., The Hague (Netherlands)	100.0
Ducati (Schweiz) AG, Wollerau (Switzerland)	100.0
DUCATI U.K. LIMITED, Towcester (UK)	100.0
DUCATI WEST EUROPE S.A.S., Colombes (France)	100.0
DUCMOTOCICLETA S DE RL DE CV, Mexico City (Mexico)	100.0
Officine del Futuro S.p.A., Sant'Agata Bolognese	100.0
VOLKSWAGEN GROUP FIRENZE S.P.A., Florence (Italy)	100.0
VOLKSWAGEN GROUP ITALIA S.P.A., Verona (Italy)	100.0
Italdesign Giugiaro S.p.A., Turin (Italy)	90.1
Audi Canada Inc., Ajax (Canada) ¹⁾	-
Audi of America, LLC, Herndon, Virginia (USA) ¹⁾	-
Automobili Lamborghini America, LLC, Wilmington, Delaware (USA) ¹⁾	-
Companies accounted for using the equity method	
Other countries	
FAW-Volkswagen Automotive Company, Ltd., Changchun (China)	10.0
Volkswagen Group Services S.A., Brussels (Belgium)	30.0

1) AUDI AG exercises control pursuant to IAS 27.13, Sentence 2 (c).

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“Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Group Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.”

Ingolstadt, February 7, 2013

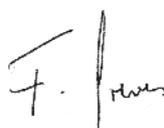
The Board of Management



Prof. Rupert Stadler



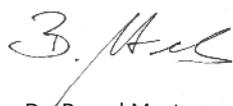
Luca de Meo



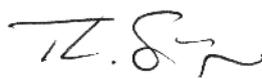
Dr.-Ing. Frank Drees



Wolfgang Dürheimer



Dr. Bernd Martens



Prof. h. c. Thomas Sigi



Axel Strotbek

This report was originally prepared in the German language. In case of ambiguities the German version shall prevail:

“Auditor's Report

We have audited the Consolidated Financial Statements prepared by AUDI Aktiengesellschaft, Ingolstadt – comprising the income statement and statement of recognized income and expense, the balance sheet, the cash flow statement, the statement of changes in equity and the notes to the Consolidated Financial Statements – together with the Group Management Report for the business year from January 1 to December 31, 2012. The preparation of the Consolidated Financial Statements and the Group Management Report in accordance with the IFRS, as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315a, Para. 1 of the German Commercial Code (HGB) are the responsibility of the parent company's Board of Management. Our responsibility is to express an opinion on the Consolidated Financial Statements and on the Group Management Report based on our audit.

We conducted our audit of the Consolidated Financial Statements in accordance with Section 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany, IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the Consolidated Financial Statements in accordance with the applicable financial reporting framework and in the Group Management Report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the Consolidated Financial Statements and the Group Management Report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of the entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the Company's Board of Management, as well as evaluating the overall presentation of the Consolidated Financial Statements and the Group Management Report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based on the findings of our audit, the Consolidated Financial Statements comply with the IFRS as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315a, Para. 1 HGB, and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The Group Management Report is consistent with the Consolidated Financial Statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.”

Munich, February 7, 2013

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Harald Kayser
Wirtschaftsprüfer

Klaus Schuster
Wirtschaftsprüfer

Declaration of the AUDI AG Board of Management

270 on the 2012 Consolidated Financial Statements

The Board of Management of AUDI AG is responsible for the preparation of the Consolidated Financial Statements and Group Management Report. Reporting is performed on the basis of the International Financial Reporting Standards (IFRS) as applicable within the European Union, and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC). The Group Management Report is prepared in accordance with the requirements of the German Commercial Code (HGB). Under Section 315a of the German Commercial Code, AUDI AG is obliged to prepare its Consolidated Financial Statements in accordance with the requirements of the International Accounting Standards Board (IASB).

The regularity of the Consolidated Financial Statements and Group Management Report is assured by means of internal controlling systems, the implementation of uniform guidelines throughout the Group, and employee training and advancement measures. Compliance with the legal requirements and with internal Group guidelines, as well as the reliability and functioning of the systems of controlling, are checked on an ongoing basis throughout the Group. The early warning function required by law is achieved by means of a Group-wide risk management system that enables the Board of Management to identify potential risks at an early stage and initiate corrective action as necessary.

PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Munich, has examined the Consolidated Financial Statements and Group Management Report in its capacity as independent auditor, in accordance with the resolution of the Annual General Meeting, and issued its unqualified certification as shown on the previous page.

The Consolidated Financial Statements, the Group Management Report, the Audit Report and the measures to be taken by the Board of Management for the prompt identification of risks which could pose a threat to the Company's survival were discussed at length by the Supervisory Board in the presence of the auditor. The findings of this examination are indicated in the Report of the Supervisory Board.

CORPORATE GOVERNANCE

German Corporate Governance Code in 2012

On June 15, 2012, the Federal Ministry of Justice announced a new version of the German Corporate Governance Code dated May 15, 2012, in the official section of the German Federal Gazette. The Board of Management and Supervisory Board of AUDI AG also discussed at length the recommendations and suggestions in the Code during the past fiscal year and passed the appropriate resolutions.

Implementation of the recommendations and suggestions

The recommendations of the Code in the version dated May 26, 2010 were largely adhered to up until the announcement of the version dated June 15, 2012. As per the restrictions, however, the Supervisory Board has not formed a nominating committee (Section 5.3.3 of the Code) and the elections to the Supervisory Board do not take the form of elections of individuals (Section 5.4.3, Sentence 1 of the Code). Since November 23, 2009, a cap on severance payments has been agreed when entering into new contracts with members of the Board of Management, in compliance with Section 4.2.3 of the Code. However, contracts that were concluded prior to this date remain unaffected by this rule due to the protection of vested rights.

Since the publication of the new version of the Code on June 15, 2012, its recommendations have been adhered to with the following deviations:

There is no age limit applicable to members of the Company's corporate bodies (Section 5.1.2, Para. 2, Sentence 3 and Section 5.4.1, Para. 2, Sentence 1 of the Code). The ability to manage a company successfully or to monitor the actions of the Board of Management in the capacity of a Supervisory Board member in the requisite form does not cease to exist upon reaching a certain age. Furthermore, imposing an age limit could constitute a form of discrimination.

In accordance with the recommendations, the Chair of the Audit Committee should be independent (Section 5.3.2, Sentence 3 of the Code). It is possible that the fact that the Chairman of the Audit Committee sits on the Board of Management of Volkswagen AG, Wolfsburg, and of Porsche Automobil Holding SE, Stuttgart, could result in this independence not being guaranteed. It is the view of the Board of Management and Supervisory Board that these activities do not represent a conflict of interest and do not impair the work of the Chair of the Audit Committee. Due to the lack of any clear definition of the concept of independence within the Code, this deviation is explained here for purely precautionary reasons.

The Supervisory Board has not formed a nominating committee (Section 5.3.3 of the Code). It is the Supervisory Board's view that such a committee would merely increase the number of committees without having any tangible benefit as regards the Supervisory Board's work.

In terms of the recommendations on the disclosure of certain circumstances in relation to the nominations proposed by the Supervisory Board to the Annual General Meeting (Section 5.4.1, Paras. 4 to 6 of the Code), the requirements set out in the Code are vague and not clearly defined. Any deviation is therefore declared here purely as a precautionary measure, although the Supervisory Board will strive to adhere to the Code's recommendation.

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With regard to the Code's recommendations that no more than two former members of the Board of Management should sit on the Supervisory Board (Section 5.4.2, Sentence 3 of the Code), the Board of Management and Supervisory Board are of the opinion that having a higher number of former Board of Management members will not result, given the existing majority situation, in the Board of Management not being properly advised and monitored by the Supervisory Board. In addition, limiting the number of former Board of Management members on a purely numerical basis would result in the loss of valuable expertise. For these reasons, a deviation from the Code is declared. Nevertheless, the Supervisory Board will always ensure with regard to its election nominations that the number of former Board of Management members sitting on the Supervisory Board shall not impede the independent provision of advice to and monitoring of the Board of Management.

The elections to the Supervisory Board do not take the form of elections of individuals (Section 5.4.3, Sentence 1 of the Code). Elections by list are indeed common practice in democratic elections.

Given the lack of clarity surrounding the recommendation in Section 5.4.6, Para. 2, Sentence 2 of the Code and the as yet undefined scope of a performance-related remuneration component with regard to long-term company development, the Board of Management and Supervisory Board are declaring this deviation from the Code as a purely precautionary measure. The Board of Management and Supervisory Board believe that the current remuneration rules set out in Section 16 of the Articles of Incorporation and Bylaws of AUDI AG with regard to the Supervisory Board contain performance-oriented components that are geared towards the long-term development of the Company.

Based on legal decisions adopted last year, there is uncertainty with regard to the required scope of the Supervisory Board's reporting, as recommended in Section 5.5.3, Sentence 1 of the Code, to the Annual General Meeting on any conflicts of interest and how these have been handled. For this reason, the Board of Management and the Supervisory Board are declaring this deviation from the recommendation as a purely precautionary measure. Nevertheless, the Supervisory Board will provide information on any conflicts of interest that have arisen in its report to the Annual General Meeting.

The Supervisory Board stipulated the number of independent Supervisory Board members at its meeting on November 29, 2012. This means that the new recommendation resulting from Section 5.4.1 of the Code has been met with effect from this date.

The response to the suggestions made in the Code is as follows:
AUDI AG fulfills all of the suggestions made in the Code.

Particulars pursuant to Section 6.6 of the Code

No reportable acquisition or sales transactions were conducted during the past fiscal year.

Stock option plans and similar securities-based incentive arrangements

AUDI AG does not offer any such plans or incentive arrangements.

System of remuneration

The basic principles of the remuneration system for the members of the Supervisory Board and Board of Management are outlined in the Notes to this Annual Report under "Details relating to the Supervisory Board and Board of Management." This information is also available on the Company's website (www.audi.com/notes).

Declaration relating to the Code on the Internet

The joint declaration of the Board of Management and the Supervisory Board of AUDI AG on the recommendations of the German Corporate Governance Code was published on the Audi website www.audi.com/cgk-declaration on November 29, 2012.

CORPORATE MANAGEMENT DECLARATION

The corporate management declaration pursuant to Section 289a of the German Commercial Code (HGB) is permanently available on the Internet at www.audi.com/corporate-management.

COMPLIANCE

Ensuring that corporate decisions are made in accordance with the relevant laws, internal rules and values is a fundamental aspect of corporate management at AUDI AG. In light of this, a preventive approach to the concept of compliance has been developed by Governance, Risk & Compliance. As part of this approach the analysis of commercial and legal risks is bracketed together both organizationally and thematically. This area is headed up by the Chief Compliance Officer, who reports directly to the Chairman of the Board of Management. The Chief Compliance Officer's remit includes in particular advising and supporting the Board of Management, as well as coordinating all necessary measures to assure compliance. He or she also reports on behalf of the Board of Management to the Audit Committee of AUDI AG's Supervisory Board on compliance-related issues. Additionally, the individual divisions of AUDI AG each have risk compliance coordinators, who act as multipliers in relation to compliance issues. The Audi Group's compliance concept and the relevant structure and approach are set out in an internal Board Directive. In order to ensure that they are familiar with the relevant rules, all new employees are invited to special events that provide an introduction to compliance and the Audi codes of conduct. Internal communications on compliance have been stepped up further with the "Protect what you love" campaign, encompassing brochures, films, articles in the staff newspaper and information on the intranet. The department also held a one-week event at which employees at the Ingolstadt plant could learn about compliance issues and have any questions answered on a one-to-one basis.

At the same time, compliance activities have been promoted at both national and international level. Preventive measures in the areas of anti-corruption and cartel law were a particular focus of the compliance program. Training sessions were carried out on-site for employees in Ingolstadt and Neckarsulm, and information brochures were distributed and published on the intranet. A reporting system has also been created, using which the subsidiaries can report to Governance, Risk & Compliance on their compliance activities on a regular basis.

In order to detect and prevent corruption within the Company, AUDI AG is connected to the Volkswagen Group's global anti-corruption system. Independent lawyers, acting as ombudsmen, and the Volkswagen Group's Anti-Corruption Officer are the points of contact on such matters, including with regard to anonymous information. Audi employees are advised by Governance, Risk & Compliance on the admissibility of giving and accepting invitations and gifts.

Moreover, the early identification and evaluation of risks is a key aspect of AUDI AG's approach to compliance. Compliance interviews are conducted on a successive basis in the divisions, and in addition to the standardized risk survey organized throughout the Audi Group, compliance risks are identified and risk-controlling measures initiated.

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Looking to 2013, the advisory services provided by Compliance on anti-corruption will be continued. This similarly applies to training on cartel law. Further elements of the 2013 compliance program shall include preparing the introduction of a business partner check and stepping up the support provided to subsidiaries. The communications campaign, which has won numerous national and international awards, will also be continued.

RISK MANAGEMENT

Ensuring that potential risks are handled carefully is of high priority within the Audi Group. The Group-wide risk management system implemented for this purpose helps to identify and minimize risks and, where possible, to avoid them altogether. It also provides a basis for responding swiftly and comprehensively to changing framework conditions.

Central Risk Management operates in partnership with the local risk managers in the divisions and subsidiaries. The standards and rules that are set for the entire Group by Central Risk Management ensure that risks are recorded and assessed in the same way across the Group and are enshrined in an internal Board Directive. Training courses and fact-finding events tailored to specific target groups are offered in order to communicate the content and methods that form the risk management system. Regular and up-to-date information on risk management systems is available via in-house communication media, such as the Audi intranet.

Regular, standardized risk surveys in the Audi Group and successive risk modeling processes in the individual divisions and subsidiaries are used to identify key issues. With the aim of ensuring comprehensive and effective risk management, these identified key issues are subject to in-depth review and, where applicable, potential optimization measures are identified and put in place.

Leaving aside the defined reporting intervals, the risk officers are obliged to inform Central Risk Management in the event of any unexpected external influences or internal information coming to light. Central Risk Management is also on hand whenever necessary to provide individual departments with tailored support at short notice.

Further detailed information on the Group-wide risk management system and in-depth information on the internal control system for financial reporting can be found in the risk report section of the Management Report of the Audi Group on pages 190 to 196.

The Audit Committee set up by the Supervisory Board is briefed regularly by Central Risk Management on the risk management and internal control system. Central Risk Management is responsible for providing the Board of Management and the Supervisory Board with regular updates on the Audi Group's risk profile, using the reporting channels defined Group-wide.

COMMUNICATION AND TRANSPARENCY

All of the Audi Group's key publication dates and the date of the Annual General Meeting of AUDI AG are listed in a financial calendar, which is available for public consultation at any time on the website www.audi.com/investor-relations and is also published in the Company's Annual Report. In addition, AUDI AG publishes the invitation and the agenda for its Annual General Meeting, including any countermotions received, on the website. Stockholders may exercise their voting rights in person at the Annual General Meeting. Alternatively, they may choose to have their rights exercised by their chosen proxy or using a proxy appointed by the Company and bound by their instructions. Additionally, stockholders have access to an Internet-based system for the issuing or canceling of powers of attorney or for making changes to instructions at www.audi.com/annual_general_meeting, which is available throughout the general discussion and can also be used to view a live broadcast of the meeting.

Section 15 of the German Securities Trading Act (WpHG) obliges all domestic issuers of financial instruments to publish and disclose insider information that has a direct bearing on them without delay. The obligation to immediately publish information of relevance to the trading price is intended to prevent insiders from using advance knowledge to trade shares to their advantage. The Company's ad hoc announcements are published on the Internet at www.audi.com/investor-relations in the "News and Ad hoc" section, under the menu item "Ad hoc announcements." The "News and Ad hoc" section also contains further news and information about the Audi Group, such as reporting of voting rights according to Sections 21 ff. of WpHG and other legal issues. The notices and information published there are also available in English.

Communications relating to share dealings by management members pursuant to Section 15a of WpHG can also be accessed at www.audi.com/investor-relations in the "Corporate Governance" section under the menu item "Directors' Dealings."

SYSTEM OF REMUNERATION FOR THE SUPERVISORY BOARD AND BOARD OF MANAGEMENT

Information on the system of remuneration for the Supervisory Board and Board of Management is provided in the Notes to the Consolidated Financial Statements under "Details relating to the Supervisory Board and Board of Management" and constitutes part of the Group Management Report.

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MANDATES OF THE BOARD OF MANAGEMENT

Status of all data: December 31, 2012

Prof. Rupert Stadler (49)

Chairman of the Board of Management

Mandates:

- FC Bayern München AG, Munich
- MAN SE, Munich
- MAN Truck & Bus AG, Munich (Chairman)
- ◆ Porsche Holding Gesellschaft m.b.H., Salzburg, Austria

Luca de Meo (45)

Marketing and Sales

Dr.-Ing. Frank Dreves (60)

Production

Wolfgang Dürheimer (54)

Technical Development

Dr. Bernd Martens (46)

Procurement

Prof. h. c. Thomas Sigi (48)

Human Resources

Axel Strotbek (48)

Finance and Organization

Mandate:

- Volkswagen Financial Services AG, Braunschweig

In connection with their duties of Group steering and governance within the Audi Group, the members of the Board of Management in addition hold supervisory board seats at Group companies and significant associated companies.

- Membership of statutorily constituted domestic supervisory boards
- ◆ Membership of comparable domestic and foreign regulatory bodies

MANDATES OF THE SUPERVISORY BOARD

Status of all data: December 31, 2012

Prof. Dr. Dr. h. c. mult. Martin Winterkorn (65)¹⁾

Chairman

Chairman of the Board of Management of Volkswagen AG, Wolfsburg

Chairman of the Board of Management of Porsche Automobil Holding SE, Stuttgart

Mandates:

- FC Bayern München AG, Munich
- Salzgitter AG, Salzgitter

Berthold Huber (62)

Deputy Chairman

Chairman of the IG Metall trade union, Frankfurt am Main

Mandates:

- Porsche Automobil Holding SE, Stuttgart
- Siemens AG, Munich (Deputy Chairman)
- Volkswagen AG, Wolfsburg (Deputy Chairman)

Senator h. c. Helmut Aurenz (75)

Owner of the ASB Group, Ludwigsburg

Mandates:

- ◆ Automobili Lamborghini S.p.A., Sant'Agata Bolognese, Italy
- ◆ Scania AB, Södertälje, Sweden

Heinz Eyer (55)

Facilities Manager at AUDI AG, Neckarsulm plant

Dr. rer. pol. h. c. Francisco Javier Garcia Sanz (55)¹⁾

Member of the Board of Management of Volkswagen AG, Wolfsburg

Mandates:

- Hochtief AG, Essen
- ◆ Criteria Caixaholding S.A., Barcelona, Spain

Dr. phil. Christine Hawighorst (49)

Head of the State Chancellery of Lower Saxony, Hanover

Mandate:

- ◆ Metropolregion Hannover Braunschweig Göttingen Wolfsburg GmbH, Hanover

Johann Horn (54)

Chief Executive of the Ingolstadt office of the IG Metall trade union

Mandate:

- Conti Temic microelectronic GmbH, Nuremberg

Peter Kössler (53)

Ingolstadt Plant Manager, AUDI AG

Peter Mosch (40)

Chairman of the General Works Council of AUDI AG

Mandates:

- Porsche Automobil Holding SE, Stuttgart
- Volkswagen AG, Wolfsburg

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Wolfgang Müller (64)

IG Metall trade union, Bavarian regional headquarters, Munich

Mandate:

- Schaeffler AG, Herzogenaurach

Prof. Dr. rer. pol. Horst Neumann (63)¹⁾

Member of the Board of Management of Volkswagen AG, Wolfsburg

Mandate:

- Wolfsburg AG, Wolfsburg

Hon.-Prof. Dr. techn. h. c. Dipl.-Ing. ETH Ferdinand K. Piëch (75)

Chairman of the Supervisory Board of Volkswagen AG, Wolfsburg

Chairman of the Supervisory Board of MAN SE, Munich

Mandates:

- Dr. Ing. h. c. F. Porsche AG, Stuttgart
- MAN SE, Munich (Chairman)
- Porsche Automobil Holding SE, Stuttgart
- Volkswagen AG, Wolfsburg (Chairman)
- ◆ Ducati Motor Holding S.p.A., Bologna, Italy
- ◆ Porsche Gesellschaft m.b.H., Salzburg, Austria
- ◆ Porsche Holding Gesellschaft m.b.H., Salzburg, Austria
- ◆ Porsche Piech Holding GmbH, Salzburg, Austria
- ◆ Scania AB, Södertälje, Sweden
- ◆ Scania CV AB, Södertälje, Sweden

Dr. jur. Hans Michel Piëch (70)

Attorney, Vienna, Austria

Mandates:

- Dr. Ing. h. c. F. Porsche AG, Stuttgart
- Porsche Automobil Holding SE, Stuttgart
- Volkswagen AG, Wolfsburg
- ◆ Porsche Cars Great Britain Ltd., Reading, United Kingdom
- ◆ Porsche Cars North America Inc., Wilmington, USA
- ◆ Porsche Gesellschaft m.b.H., Salzburg, Austria (Chairman)
- ◆ Porsche Holding Gesellschaft m.b.H., Salzburg, Austria
- ◆ Porsche Ibérica S.A., Madrid, Spain
- ◆ Porsche Italia S.p.A., Padua, Italy
- ◆ Porsche Piech Holding GmbH, Salzburg, Austria (Chairman)
- ◆ Schmittenhöhebahn AG, Zell am See, Austria
- ◆ Volksoper Wien GmbH, Vienna, Austria

Dipl.-Wirtsch.-Ing. Hans Dieter Pötsch (61)¹⁾

Member of the Board of Management of Volkswagen AG, Wolfsburg

Member of the Board of Management of Porsche Automobil Holding SE, Stuttgart

Mandate:

- Bertelsmann SE & Co. KGaA, Gütersloh

Dr. jur. Ferdinand Oliver Porsche (51)

Member of the Board of Management of Familie Porsche AG Beteiligungsgesellschaft, Salzburg, Austria

Mandates:

- Dr. Ing. h. c. F. Porsche AG, Stuttgart
- Porsche Automobil Holding SE, Stuttgart
- Volkswagen AG, Wolfsburg
- ◆ PGA S.A., Paris, France
- ◆ Porsche Holding Gesellschaft m.b.H., Salzburg, Austria
- ◆ Porsche Lizenz- und Handelsgesellschaft mbH & Co. KG, Bietigheim-Bissingen
- ◆ Voith GmbH, Heidenheim

Dr. rer. comm. Wolfgang Porsche (69)

Chairman of the Supervisory Board of Porsche Automobil Holding SE, Stuttgart

Chairman of the Supervisory Board of Dr. Ing. h. c. F. Porsche AG, Stuttgart

Mandates:

- Dr. Ing. h. c. F. Porsche AG, Stuttgart (Chairman)
- Porsche Automobil Holding SE, Stuttgart (Chairman)
- ◆ Familie Porsche AG Beteiligungsgesellschaft, Salzburg, Austria (Chairman)
- ◆ Porsche Cars Great Britain Ltd., Reading, United Kingdom
- ◆ Porsche Cars North America Inc., Wilmington, USA
- ◆ Porsche Gesellschaft m.b.H., Salzburg, Austria (Deputy Chairman)
- ◆ Porsche Holding Gesellschaft m.b.H., Salzburg, Austria
- ◆ Porsche Ibérica S.A., Madrid, Spain
- ◆ Porsche Italia S.p.A., Padua, Italy
- ◆ Porsche Piech Holding GmbH, Salzburg, Austria (Deputy Chairman)
- ◆ Schmittenhöhebahn AG, Zell am See, Austria

Norbert Rank (57)

Chairman of the Works Council of AUDI AG, Neckarsulm plant

Jörg Schlagbauer (35)

Member of the Works Council of AUDI AG, Ingolstadt plant

Helmut Späth (56)

Member of the Works Council of AUDI AG, Ingolstadt plant

Mandate:

- Volkswagen Pension Trust e.V., Wolfsburg

Max Wäcker (58)

Deputy Chairman of the Works Council of AUDI AG, Ingolstadt plant

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1) In connection with his duties of Group steering and governance within the Volkswagen Group, this member of the Supervisory Board additionally holds further non-executive directorships at Group companies and significant associated companies.

- Membership of statutorily constituted domestic supervisory boards
- ◆ Membership of comparable domestic and foreign regulatory bodies

Fuel consumption and emission figures

280 As at: January 2013 (All data apply to features of the German market.)

Model	Power output (kW)	Transmission	Fuel	Fuel consumption (l/100 km)			CO ₂ emissions (g/km)	Efficiency class
				urban	extra urban	combined		
Audi A1								
A1 1.2 TFSI	63	5-speed	Premium	6.2	4.4	5.1	118	C
A1 1.4 TFSI	90	6-speed	Premium	6.8	4.4	5.3	124	C
A1 1.4 TFSI (119 g CO ₂ /km) ¹⁾	90	S tronic, 7-speed	Premium	6.5	4.4	5.2	119	C
A1 1.4 TFSI	90	S tronic, 7-speed	Premium	6.5	4.6	5.3	122	C
A1 1.4 TFSI	136	S tronic, 7-speed	Super Plus	7.5	5.1	5.9	139	D
A1 1.6 TDI	66	5-speed	Diesel	4.4	3.4	3.8	99	A
A1 1.6 TDI	66	S tronic, 7-speed	Diesel	5.1	3.7	4.2	110	B
A1 1.6 TDI	77	5-speed	Diesel	4.4	3.4	3.8	99	A
A1 2.0 TDI	105	6-speed	Diesel	5.0	3.6	4.1	108	A
Audi A1 Sportback								
A1 Sportback 1.2 TFSI	63	5-speed	Premium	6.2	4.4	5.1	118	C
A1 Sportback 1.4 TFSI	90	6-speed	Premium	6.9	4.6	5.4	126	C
A1 Sportback 1.4 TFSI	90	S tronic, 7-speed	Premium	6.5	4.6	5.3	122	C
A1 Sportback 1.4 TFSI	136	S tronic, 7-speed	Super Plus	7.5	5.1	5.9	139	D
A1 Sportback 1.6 TDI	66	5-speed	Diesel	4.4	3.4	3.8	99	A
A1 Sportback 1.6 TDI	66	S tronic, 7-speed	Diesel	5.1	3.7	4.2	110	B
A1 Sportback 1.6 TDI	77	5-speed	Diesel	4.4	3.4	3.8	99	A
A1 Sportback 2.0 TDI	105	6-speed	Diesel	5.0	3.6	4.1	108	A
Audi A3								
A3 1.2 TFSI	77	6-speed	Premium	5.9	4.4	4.9	114	B
A3 1.2 TFSI	77	S tronic, 7-speed	Premium	5.8	4.3	4.9	112	B
A3 1.4 TFSI	90	6-speed	Premium	6.5	4.4	5.2	120	B
A3 1.4 TFSI	90	S tronic, 7-speed	Premium	6.1	4.2	4.9	114	B
A3 1.8 TFSI	132	6-speed	Premium	7.4	4.9	5.8	135	C
A3 1.8 TFSI	132	S tronic, 7-speed	Premium	7.0	4.8	5.6	130	C
A3 1.8 TFSI quattro	132	S tronic, 6-speed	Premium	8.2	5.6	6.6	152	D
A3 1.6 TDI	77	6-speed	Diesel	4.6	3.3	3.8	99	A
A3 1.6 TDI	77	S tronic, 7-speed	Diesel	4.8	3.4	3.9	102	A
A3 2.0 TDI	110	6-speed	Diesel	4.9	3.6	4.1	106	A
A3 2.0 TDI	110	S tronic, 6-speed	Diesel	5.2	4.0	4.4	117	B
A3 2.0 TDI quattro	110	6-speed	Diesel	5.7	4.1	4.7	122	B
S3 2.0 TFSI quattro ²⁾	221	6-speed	Super Plus					
S3 2.0 TFSI quattro ²⁾	221	S tronic, 6-speed	Super Plus					
Audi A3 Sportback								
A3 Sportback 1.4 TFSI	90	6-speed	Premium	6.6	4.6	5.3	123	B
A3 Sportback 1.4 TFSI	90	S tronic, 7-speed	Premium	6.1	4.3	5.0	116	B
A3 Sportback 1.8 TFSI	132	S tronic, 7-speed	Premium	7.0	4.8	5.6	130	C
A3 Sportback 1.6 TDI	77	6-speed	Diesel	4.6	3.3	3.8	99	A
A3 Sportback 1.6 TDI	77	S tronic, 7-speed	Diesel	4.8	3.4	3.9	102	A
A3 Sportback 2.0 TDI	110	6-speed	Diesel	5.0	3.7	4.2	108	A
A3 Sportback 2.0 TDI	110	S tronic, 6-speed	Diesel	5.4	4.1	4.5	119	B
A3 Sportback 2.0 TDI quattro	110	6-speed	Diesel	5.7	4.1	4.7	122	B
S3 Sportback 2.0 TFSI quattro ²⁾	221	6-speed	Super Plus					
S3 Sportback 2.0 TFSI quattro ²⁾	221	S tronic, 6-speed	Super Plus					
Audi A3 Cabriolet								
A3 Cabriolet 1.2 TFSI	77	6-speed	Premium	7.0	5.0	5.7	132	B
A3 Cabriolet 1.4 TFSI	92	6-speed	Premium	7.4	5.2	6.0	139	C
A3 Cabriolet 1.8 TFSI	118	6-speed	Premium	8.9	5.5	6.7	156	D
A3 Cabriolet 1.8 TFSI	118	S tronic, 7-speed	Premium	8.7	5.4	6.6	154	C
A3 Cabriolet 2.0 TFSI	147	6-speed	Premium	10.0	5.6	7.2	169	D
A3 Cabriolet 2.0 TFSI	147	S tronic, 6-speed	Premium	9.9	5.9	7.4	171	D
A3 Cabriolet 1.6 TDI	77	5-speed	Diesel	5.2	3.9	4.3	114	A
A3 Cabriolet 2.0 TDI	103	6-speed	Diesel	5.7	3.9	4.6	119	A
A3 Cabriolet 2.0 TDI	103	S tronic, 6-speed	Diesel	6.0	4.6	5.1	134	B
Audi Q3								
Q3 2.0 TFSI quattro	125	6-speed	Premium	9.5	6.1	7.3	174	D
Q3 2.0 TFSI quattro	125	S tronic, 7-speed	Premium	10.2	6.4	7.7	179	D
Q3 2.0 TFSI quattro	155	S tronic, 7-speed	Premium	10.2	6.4	7.7	179	D
Q3 2.0 TDI	103	6-speed	Diesel	6.2	4.7	5.2	137	B
Q3 2.0 TDI quattro	103	6-speed	Diesel	6.9	5.0	5.7	149	C
Q3 2.0 TDI quattro	130	S tronic, 7-speed	Diesel	7.0	5.3	5.9	156	C
RS Q3 2.5 TFSI quattro ²⁾	228	S tronic, 7-speed	Super Plus					
Audi TT Coupé								
TT Coupé 1.8 TFSI	118	6-speed	Premium	8.5	5.2	6.4	149	D
TT Coupé 1.8 TFSI	118	S tronic, 7-speed	Premium	8.4	5.2	6.4	147	D
TT Coupé 2.0 TFSI	155	6-speed	Premium	8.9	5.2	6.6	154	D
TT Coupé 2.0 TFSI	155	S tronic, 6-speed	Premium	9.9	5.4	7.1	164	E
TT Coupé 2.0 TFSI quattro	155	S tronic, 6-speed	Premium	9.9	5.7	7.2	169	E

Model	Power output (kW)	Transmission	Fuel	Fuel consumption (l/100 km)			CO ₂ emissions (g/km)	Efficiency class
				urban	extra urban	combined		
TT Coupé 2.0 TDI quattro	125	6-speed	Diesel	7.0	4.3	5.3	139	C
TT Coupé 2.0 TDI quattro	125	S tronic, 6-speed	Diesel	7.0	4.7	5.5	144	C
TTS Coupé 2.0 TFSI quattro	200	6-speed	Super Plus	10.8	6.2	7.9	184	F
TTS Coupé 2.0 TFSI quattro	200	S tronic, 6-speed	Super Plus	10.6	6.0	7.7	179	E
TT RS Coupé 2.5 TFSI quattro	250	6-speed	Super Plus	12.6	6.8	9.0	209	G
TT RS Coupé 2.5 TFSI quattro	250	S tronic, 7-speed	Super Plus	12.3	6.3	8.5	197	F
TT RS plus Coupé 2.5 TFSI quattro	265	6-speed	Super Plus	12.6	6.8	9.0	209	G
TT RS plus Coupé 2.5 TFSI quattro	265	S tronic, 7-speed	Super Plus	12.3	6.3	8.5	197	F
Audi TT Roadster								
TT Roadster 1.8 TFSI	118	6-speed	Premium	8.6	5.3	6.5	152	D
TT Roadster 1.8 TFSI	118	S tronic, 7-speed	Premium	8.6	5.3	6.6	152	D
TT Roadster 2.0 TFSI	155	6-speed	Premium	9.0	5.4	6.7	156	D
TT Roadster 2.0 TFSI	155	S tronic, 6-speed	Premium	10.0	5.6	7.2	168	E
TT Roadster 2.0 TFSI quattro	155	S tronic, 6-speed	Premium	10.2	5.7	7.4	172	E
TT Roadster 2.0 TDI quattro	125	6-speed	Diesel	7.2	4.5	5.5	144	C
TT Roadster 2.0 TDI quattro	125	S tronic, 6-speed	Diesel	7.1	4.8	5.6	146	C
TTS Roadster 2.0 TFSI quattro	200	6-speed	Super Plus	10.9	6.4	8.1	189	E
TTS Roadster 2.0 TFSI quattro	200	S tronic, 6-speed	Super Plus	10.8	6.2	7.9	184	E
TT RS Roadster 2.5 TFSI quattro	250	6-speed	Super Plus	12.8	7.0	9.1	212	G
TT RS Roadster 2.5 TFSI quattro	250	S tronic, 7-speed	Super Plus	12.4	6.4	8.6	199	F
TT RS plus Roadster 2.5 TFSI quattro	265	6-speed	Super Plus	12.8	7.0	9.1	212	G
TT RS plus Roadster 2.5 TFSI quattro	265	S tronic, 7-speed	Super Plus	12.4	6.4	8.6	199	F
Audi A4 Sedan								
A4 1.8 TFSI	88	6-speed	Premium	8.6	5.3	6.5	151	C
A4 1.8 TFSI	88	multitronic, CVT	Premium	7.6	5.4	6.2	144	C
A4 1.8 TFSI	125	6-speed	Premium	7.4	4.8	5.7	134	B
A4 1.8 TFSI	125	multitronic, CVT	Premium	6.9	5.1	5.8	134	B
A4 1.8 TFSI quattro	125	6-speed	Premium	8.1	5.2	6.2	144	B
A4 2.0 TFSI flexible fuel	132	6-speed	Premium	8.2	5.1	6.2	144	C
A4 2.0 TFSI quattro flexible fuel	132	6-speed	Premium	11.1	6.9	8.5	139	B
A4 2.0 TFSI quattro flexible fuel	132	6-speed	Premium	9.0	5.5	6.8	159	C
A4 2.0 TFSI quattro flexible fuel	132	6-speed	Premium	12.4	7.7	9.4	154	C
A4 2.0 TFSI	155	6-speed	Premium	8.3	5.1	6.3	144	C
A4 2.0 TFSI	155	multitronic, CVT	Premium	7.7	5.0	6.0	140	B
A4 2.0 TFSI quattro	155	6-speed	Premium	8.9	5.6	6.8	159	C
A4 2.0 TFSI quattro	155	S tronic, 7-speed	Premium	8.8	5.8	7.0	159	C
A4 3.0 TFSI quattro	200	S tronic, 7-speed	Premium	10.7	6.6	8.1	190	D
A4 2.0 TDI	88	6-speed	Diesel	5.4	3.9	4.5	117	A
A4 2.0 TDI	100	6-speed	Diesel	5.2	3.7	4.3	112	A
A4 2.0 TDI	105	6-speed	Diesel	5.4	4.0	4.5	119	A
A4 2.0 TDI	105	multitronic, CVT	Diesel	5.7	4.4	4.8	127	A
A4 2.0 TDI quattro	105	6-speed	Diesel	6.1	4.5	5.1	133	B
A4 2.0 TDI	120	6-speed	Diesel	5.3	3.8	4.4	115	A
A4 2.0 TDI	130	6-speed	Diesel	5.5	4.1	4.6	120	A
A4 2.0 TDI	130	multitronic, CVT	Diesel	5.7	4.4	4.8	127	A
A4 2.0 TDI quattro	130	6-speed	Diesel	6.1	4.5	5.1	134	B
A4 2.0 TDI quattro	130	S tronic, 7-speed	Diesel	6.4	4.7	5.3	139	B
A4 3.0 TDI	150	6-speed	Diesel	6.4	4.3	5.1	133	A
A4 3.0 TDI	150	multitronic, CVT	Diesel	5.5	4.6	4.9	129	A
A4 3.0 TDI quattro	180	6-speed	Diesel	7.2	4.9	5.8	152	B
A4 3.0 TDI quattro	180	S tronic, 7-speed	Diesel	6.8	5.1	5.7	149	B
A4 3.0 TDI clean diesel quattro	180	S tronic, 7-speed	Diesel	6.8	5.0	5.7	149	B
S4 3.0 TFSI quattro	245	S tronic, 7-speed	Premium	10.7	6.6	8.1	190	D
Audi A4 Avant								
A4 Avant 1.8 TFSI	88	6-speed	Premium	8.6	5.5	6.6	154	C
A4 Avant 1.8 TFSI	88	multitronic, CVT	Premium	7.6	5.7	6.4	149	C
A4 Avant 1.8 TFSI	125	6-speed	Premium	7.7	5.2	6.1	141	B
A4 Avant 1.8 TFSI	125	multitronic, CVT	Premium	7.0	5.4	6.0	139	B
A4 Avant 1.8 TFSI quattro	125	6-speed	Premium	8.1	5.5	6.5	149	B
A4 Avant 2.0 TFSI flexible fuel	132	6-speed	Premium	8.2	5.3	6.4	149	C
A4 Avant 2.0 TFSI quattro flexible fuel	132	6-speed	Premium	11.3	7.3	8.8	144	B
A4 Avant 2.0 TFSI quattro flexible fuel	132	6-speed	Premium	9.0	5.8	6.9	162	C
A4 Avant 2.0 TFSI quattro flexible fuel	132	6-speed	Premium	12.4	7.9	9.5	157	C
A4 Avant 2.0 TFSI	155	6-speed	Premium	8.2	5.3	6.4	149	C
A4 Avant 2.0 TFSI	155	multitronic, CVT	Premium	7.7	5.4	6.2	144	B
A4 Avant 2.0 TFSI quattro	155	6-speed	Premium	9.0	5.8	7.0	162	C
A4 Avant 2.0 TFSI quattro	155	S tronic, 7-speed	Premium	8.7	6.0	7.1	163	C
A4 Avant 3.0 TFSI quattro	200	S tronic, 7-speed	Premium	11.2	6.8	8.4	197	E

Model	Power output (kW)	Transmission	Fuel	Fuel consumption (l/100 km)			CO ₂ emissions (g/km)	Efficiency class
				urban	extra urban	combined		
A4 Avant 2.0 TDI	88	6-speed	Diesel	5.6	4.2	4.7	123	A
A4 Avant 2.0 TDI	100	6-speed	Diesel	5.3	3.9	4.4	116	A
A4 Avant 2.0 TDI	105	6-speed	Diesel	5.6	4.2	4.7	124	A
A4 Avant 2.0 TDI	105	multitronic, CVT	Diesel	5.6	4.5	4.9	129	A
A4 Avant 2.0 TDI quattro	105	6-speed	Diesel	6.1	4.7	5.3	138	B
A4 Avant 2.0 TDI	120	6-speed	Diesel	5.4	4.0	4.5	120	A
A4 Avant 2.0 TDI	130	6-speed	Diesel	5.7	4.3	4.8	126	A
A4 Avant 2.0 TDI	130	multitronic, CVT	Diesel	5.6	4.5	4.9	129	A
A4 Avant 2.0 TDI quattro	130	6-speed	Diesel	6.3	4.7	5.3	139	B
A4 Avant 2.0 TDI quattro	130	S tronic, 7-speed	Diesel	6.5	4.9	5.5	144	B
A4 Avant 3.0 TDI	150	6-speed	Diesel	6.4	4.4	5.2	135	A
A4 Avant 3.0 TDI	150	multitronic, CVT	Diesel	5.7	4.8	5.1	135	A
A4 Avant 3.0 TDI quattro	180	6-speed	Diesel	7.3	5.1	5.9	154	B
A4 Avant 3.0 TDI quattro	180	S tronic, 7-speed	Diesel	7.0	5.2	5.9	154	B
A4 Avant 3.0 TDI clean diesel quattro	180	S tronic, 7-speed	Diesel	6.9	5.2	5.9	154	B
S4 Avant 3.0 TFSI quattro	245	S tronic, 7-speed	Premium	11.1	6.8	8.4	197	D
RS4 Avant 4.2 FSI quattro	331	S tronic, 7-speed	Super Plus	14.6	8.5	10.7	249	G
Audi A4 allroad quattro								
A4 allroad quattro 2.0 TFSI	155	6-speed	Premium	9.1	6.1	7.2	169	C
A4 allroad quattro 2.0 TFSI	155	S tronic, 7-speed	Premium	9.0	6.3	7.3	170	C
A4 allroad quattro 2.0 TDI	105	6-speed	Diesel	6.9	5.2	5.8	152	B
A4 allroad quattro 2.0 TDI	130	6-speed	Diesel	6.9	5.3	5.8	153	B
A4 allroad quattro 2.0 TDI	130	S tronic, 7-speed	Diesel	7.0	5.4	6.0	156	B
A4 allroad quattro 3.0 TDI	180	S tronic, 7-speed	Diesel	7.2	5.5	6.2	161	B
A4 allroad quattro 3.0 TDI clean diesel	180	S tronic, 7-speed	Diesel	7.1	5.4	6.0	159	B
Audi A5 Sportback								
A5 Sportback 1.8 TFSI	125	6-speed	Premium	7.5	4.9	5.8	136	B
A5 Sportback 1.8 TFSI	125	multitronic, CVT	Premium	7.0	5.2	5.9	136	B
A5 Sportback 2.0 TFSI	155	6-speed	Premium	8.3	5.1	6.3	144	B
A5 Sportback 2.0 TFSI	155	multitronic, CVT	Premium	7.7	5.3	6.2	144	B
A5 Sportback 2.0 TFSI quattro	155	6-speed	Premium	8.9	5.6	6.8	159	C
A5 Sportback 2.0 TFSI quattro	155	S tronic, 7-speed	Premium	8.8	5.8	7.0	159	C
A5 Sportback 3.0 TFSI quattro	200	S tronic, 7-speed	Premium	10.7	6.6	8.1	190	D
A5 Sportback 2.0 TDI	105	6-speed	Diesel	5.4	4.0	4.5	119	A
A5 Sportback 2.0 TDI	105	multitronic, CVT	Diesel	5.7	4.4	4.8	127	A
A5 Sportback 2.0 TDI	130	6-speed	Diesel	5.5	4.1	4.6	120	A
A5 Sportback 2.0 TDI	130	multitronic, CVT	Diesel	5.7	4.4	4.8	127	A
A5 Sportback 2.0 TDI quattro	130	6-speed	Diesel	6.1	4.5	5.1	134	B
A5 Sportback 2.0 TDI quattro	130	S tronic, 7-speed	Diesel	6.4	4.7	5.3	139	B
A5 Sportback 3.0 TDI	150	6-speed	Diesel	6.4	4.3	5.1	133	A
A5 Sportback 3.0 TDI	150	multitronic, CVT	Diesel	5.5	4.6	4.9	129	A
A5 Sportback 3.0 TDI quattro	180	6-speed	Diesel	7.2	4.9	5.8	152	B
A5 Sportback 3.0 TDI quattro	180	S tronic, 7-speed	Diesel	6.8	5.1	5.7	149	B
A5 Sportback 3.0 TDI clean diesel quattro	180	S tronic, 7-speed	Diesel	6.9	5.1	5.8	152	B
S5 Sportback 3.0 TFSI quattro	245	S tronic, 7-speed	Premium	10.7	6.6	8.1	190	D
Audi A5 Coupé								
A5 Coupé 1.8 TFSI	125	6-speed	Premium	7.4	4.8	5.7	134	B
A5 Coupé 1.8 TFSI	125	multitronic, CVT	Premium	6.9	5.1	5.8	134	B
A5 Coupé 2.0 TFSI	155	6-speed	Premium	8.3	5.1	6.3	144	C
A5 Coupé 2.0 TFSI	155	multitronic, CVT	Premium	7.7	5.0	6.0	140	B
A5 Coupé 2.0 TFSI quattro	155	6-speed	Premium	8.9	5.6	6.8	159	C
A5 Coupé 2.0 TFSI quattro	155	S tronic, 7-speed	Premium	8.8	5.8	7.0	159	C
A5 Coupé 3.0 TFSI quattro	200	S tronic, 7-speed	Premium	10.7	6.6	8.1	190	D
A5 Coupé 2.0 TDI	130	6-speed	Diesel	5.5	4.1	4.6	120	A
A5 Coupé 2.0 TDI	130	multitronic, CVT	Diesel	5.5	4.3	4.7	123	A
A5 Coupé 2.0 TDI quattro	130	6-speed	Diesel	6.1	4.5	5.1	134	B
A5 Coupé 2.0 TDI quattro	130	S tronic, 7-speed	Diesel	6.4	4.7	5.3	139	B
A5 Coupé 3.0 TDI	150	6-speed	Diesel	6.4	4.3	5.1	133	B
A5 Coupé 3.0 TDI	150	multitronic, CVT	Diesel	5.5	4.6	4.9	129	A
A5 Coupé 3.0 TDI quattro	180	6-speed	Diesel	7.3	4.9	5.8	151	B
A5 Coupé 3.0 TDI quattro	180	S tronic, 7-speed	Diesel	6.8	5.1	5.7	149	B
A5 Coupé 3.0 TDI clean diesel quattro	180	S tronic, 7-speed	Diesel	6.8	5.0	5.7	149	B
S5 Coupé 3.0 TFSI quattro	245	S tronic, 7-speed	Premium	10.7	6.6	8.1	190	D
RS5 Coupé 4.2 FSI quattro	331	S tronic, 7-speed	Super Plus	14.4	8.3	10.5	246	G
Audi A5 Cabriolet								
A5 Cabriolet 1.8 TFSI	125	6-speed	Premium	7.9	5.1	6.2	143	B
A5 Cabriolet 1.8 TFSI	125	multitronic, CVT	Premium	7.2	5.6	6.2	143	B
A5 Cabriolet 2.0 TFSI	155	6-speed	Premium	8.6	5.4	6.6	154	C
A5 Cabriolet 2.0 TFSI	155	multitronic, CVT	Premium	7.8	5.6	6.4	149	B

Model	Power output (kW)	Transmission	Fuel	Fuel consumption (l/100 km)			CO ₂ emissions (g/km)	Efficiency class
				urban	extra urban	combined		
A5 Cabriolet 2.0 TFSI quattro	155	S tronic, 7-speed	Premium	8.8	6.1	7.2	164	C
A5 Cabriolet 3.0 TFSI quattro	200	S tronic, 7-speed	Premium	11.2	6.9	8.5	199	D
A5 Cabriolet 2.0 TDI	105	6-speed	Diesel	5.6	4.2	4.7	124	A
A5 Cabriolet 2.0 TDI	130	6-speed	Diesel	5.8	4.4	4.9	127	A
A5 Cabriolet 2.0 TDI	130	multitronic, CVT	Diesel	5.8	4.6	5.0	132	A
A5 Cabriolet 2.0 TDI quattro	130	6-speed	Diesel	6.5	4.9	5.4	142	A
A5 Cabriolet 3.0 TDI	150	multitronic, CVT	Diesel	5.8	4.9	5.2	138	A
A5 Cabriolet 3.0 TDI quattro	180	S tronic, 7-speed	Diesel	7.0	5.2	5.9	154	B
S5 Cabriolet 3.0 TFSI quattro	245	S tronic, 7-speed	Premium	11.2	6.9	8.5	199	D
R55 Cabriolet 4.2 FSI quattro	331	S tronic, 7-speed	Super Plus	14.6	8.5	10.7	249	F
Audi Q5								
Q5 2.0 TFSI quattro	132	6-speed	Premium	9.3	6.4	7.5	174	C
Q5 2.0 TFSI quattro	165	6-speed	Premium	9.3	6.4	7.5	174	C
Q5 2.0 TFSI quattro	165	tiptronic, 8-speed	Premium	9.6	6.9	7.9	184	D
Q5 3.0 TFSI quattro	200	tiptronic, 8-speed	Premium	11.4	6.9	8.5	199	D
Q5 2.0 TDI	105	6-speed	Diesel	6.0	4.9	5.3	139	A
Q5 2.0 TDI quattro	105	6-speed	Diesel	6.8	5.4	5.9	154	B
Q5 2.0 TDI quattro	130	6-speed	Diesel	6.8	5.4	5.9	154	B
Q5 2.0 TDI quattro	130	S tronic, 7-speed	Diesel	7.1	5.5	6.1	159	B
Q5 3.0 TDI quattro	180	S tronic, 7-speed	Diesel	7.1	6.0	6.4	169	B
Q5 2.0 TFSI hybrid quattro	180 ³⁾	tiptronic, 8-speed	Premium	6.6	7.1	6.9	159	B
SQ5 3.0 TDI quattro	230	tiptronic, 8-speed	Diesel	7.6	6.4	6.8	179	C
Audi A6 Sedan								
A6 2.0 TFSI	132	6-speed	Premium	8.3	5.4	6.5	151	C
A6 2.0 TFSI	132	multitronic, CVT	Premium	8.1	5.4	6.4	149	B
A6 2.8 FSI	150	6-speed	Premium	10.5	6.0	7.7	177	D
A6 2.8 FSI	150	multitronic, CVT	Premium	9.6	6.1	7.4	172	D
A6 2.8 FSI quattro	150	S tronic, 7-speed	Premium	10.7	6.5	8.0	187	D
A6 3.0 TFSI quattro	228	S tronic, 7-speed	Premium	10.8	6.6	8.2	190	D
A6 2.0 TDI	130	6-speed	Diesel	6.0	4.4	4.9	129	A
A6 2.0 TDI	130	multitronic, CVT	Diesel	6.0	4.4	5.0	132	A
A6 3.0 TDI	150	6-speed	Diesel	6.5	4.4	5.3	139	B
A6 3.0 TDI	150	multitronic, CVT	Diesel	5.8	4.6	5.1	133	A
A6 3.0 TDI quattro	150	S tronic, 7-speed	Diesel	6.7	5.0	5.7	149	B
A6 3.0 TDI quattro	180	S tronic, 7-speed	Diesel	7.2	5.2	5.9	156	B
A6 3.0 TDI clean diesel quattro	180	S tronic, 7-speed	Diesel	7.3	5.1	5.9	156	B
A6 3.0 TDI quattro	230	tiptronic, 8-speed	Diesel	8.0	5.6	6.4	169	C
A6 2.0 TFSI hybrid	180 ³⁾	tiptronic, 8-speed	Premium	6.2	6.2	6.2	145	A
S6 4.0 TFSI quattro	309	S tronic, 7-speed	Premium	13.4	7.5	9.6	225	E
Audi A6 Avant								
A6 Avant 2.0 TFSI	132	6-speed	Premium	8.4	5.5	6.6	154	C
A6 Avant 2.0 TFSI	132	multitronic, CVT	Premium	8.2	5.5	6.5	152	B
A6 Avant 2.8 FSI	150	6-speed	Premium	10.5	6.0	7.7	177	D
A6 Avant 2.8 FSI	150	multitronic, CVT	Premium	9.6	6.1	7.4	172	C
A6 Avant 2.8 FSI quattro	150	S tronic, 7-speed	Premium	10.7	6.5	8.0	187	D
A6 Avant 3.0 TFSI quattro	228	S tronic, 7-speed	Premium	10.8	6.6	8.2	190	D
A6 Avant 2.0 TDI	130	6-speed	Diesel	6.1	4.5	5.0	132	A
A6 Avant 2.0 TDI	130	multitronic, CVT	Diesel	6.1	4.5	5.1	135	A
A6 Avant 3.0 TDI	150	6-speed	Diesel	6.5	4.4	5.3	139	A
A6 Avant 3.0 TDI	150	multitronic, CVT	Diesel	5.9	4.7	5.2	136	A
A6 Avant 3.0 TDI quattro	150	S tronic, 7-speed	Diesel	6.8	5.1	5.8	152	B
A6 Avant 3.0 TDI quattro	180	S tronic, 7-speed	Diesel	7.2	5.2	5.9	156	B
A6 Avant 3.0 TDI clean diesel quattro	180	S tronic, 7-speed	Diesel	7.3	5.1	5.9	156	B
A6 Avant 3.0 TDI quattro	230	tiptronic, 8-speed	Diesel	8.0	5.6	6.4	169	B
S6 Avant 4.0 TFSI quattro	309	S tronic, 7-speed	Premium	13.4	7.5	9.7	226	E
R56 Avant 4.0 TFSI quattro ²⁾	412	tiptronic, 8-speed	Super Plus					
Audi A6 allroad quattro								
A6 allroad quattro 3.0 TFSI	228	S tronic, 7-speed	Premium	11.8	7.1	8.9	206	D
A6 allroad quattro 3.0 TDI	150	S tronic, 7-speed	Diesel	7.0	5.5	6.1	159	B
A6 allroad quattro 3.0 TDI	180	S tronic, 7-speed	Diesel	7.4	5.6	6.3	165	B
A6 allroad quattro 3.0 TDI clean diesel	180	S tronic, 7-speed	Diesel	7.4	5.6	6.3	165	B
A6 allroad quattro 3.0 TDI	230	tiptronic, 8-speed	Diesel	7.9	6.0	6.7	176	C
Audi A7 Sportback								
A7 Sportback 2.8 FSI	150	multitronic, CVT	Premium	9.6	6.1	7.4	172	C
A7 Sportback 2.8 FSI quattro	150	S tronic, 7-speed	Premium	10.7	6.5	8.0	187	D
A7 Sportback 3.0 TFSI quattro	228	S tronic, 7-speed	Premium	10.8	6.6	8.2	190	D
A7 Sportback 3.0 TDI	150	multitronic, CVT	Diesel	5.9	4.7	5.1	135	A

Model	Power output (kW)	Transmission	Fuel	Fuel consumption (l/100 km)			CO ₂ emissions (g/km)	Efficiency class
				urban	extra urban	combined		
A7 Sportback 3.0 TDI quattro	150	S tronic, 7-speed	Diesel	6.8	5.1	5.8	152	B
A7 Sportback 3.0 TDI quattro	180	tiptronic, 8-speed	Diesel	7.2	5.3	5.9	156	B
A7 Sportback 3.0 TDI clean diesel quattro	180	S tronic, 7-speed	Diesel	7.3	5.1	5.9	156	B
A7 Sportback 3.0 TDI quattro	230	tiptronic, 8-speed	Diesel	8.0	5.6	6.4	169	B
S7 Sportback 4.0 TFSI quattro	309	S tronic, 7-speed	Premium	13.4	7.5	9.6	225	E
RS 7 Sportback 4.0 TFSI quattro ²⁾	412	tiptronic, 8-speed	Super Plus					
Audi Q7								
Q7 3.0 TFSI quattro	200	tiptronic, 8-speed	Premium	14.4	8.5	10.7	249	E
Q7 3.0 TFSI quattro	245	tiptronic, 8-speed	Premium	14.4	8.5	10.7	249	E
Q7 3.0 TDI quattro	150	tiptronic, 8-speed	Diesel	8.2	6.5	7.2	189	B
Q7 3.0 TDI quattro	180	tiptronic, 8-speed	Diesel	8.6	6.7	7.4	195	B
Q7 3.0 TDI clean diesel quattro	180	tiptronic, 8-speed	Diesel	8.8	6.6	7.4	195	B
Q7 4.2 TDI quattro	250	tiptronic, 8-speed	Diesel	12.0	7.6	9.2	242	D
Audi A8								
A8 3.0 TFSI quattro	213	tiptronic, 8-speed	Premium	11.7	7.1	8.8	204	D
A8 4.0 TFSI quattro	309	tiptronic, 8-speed	Premium	13.0	7.3	9.4	219	E
A8 3.0 TDI	150	tiptronic, 8-speed	Diesel	7.4	5.2	6.0	158	B
A8 3.0 TDI quattro	184	tiptronic, 8-speed	Diesel	7.9	5.6	6.4	169	B
A8 3.0 TDI clean diesel quattro	184	tiptronic, 8-speed	Diesel	8.1	5.6	6.4	169	B
A8 4.2 TDI quattro	258	tiptronic, 8-speed	Diesel	9.3	6.3	7.4	195	C
A8 2.0 TFSI hybrid	180 ³⁾	tiptronic, 8-speed	Premium	6.4	6.2	6.3	147	A
S8 4.0 TFSI quattro	382	tiptronic, 8-speed	Premium	14.4	7.6	10.1	235	E
Audi A8 L								
A8 L 3.0 TFSI quattro	213	tiptronic, 8-speed	Premium	11.7	7.1	8.8	205	D
A8 L 4.0 TFSI quattro	309	tiptronic, 8-speed	Premium	13.1	7.4	9.5	221	E
A8 L 3.0 TDI quattro	184	tiptronic, 8-speed	Diesel	7.9	5.7	6.5	171	B
A8 L 3.0 TDI clean diesel quattro	184	tiptronic, 8-speed	Diesel	8.1	5.7	6.5	171	B
A8 L 4.2 TDI quattro	258	tiptronic, 8-speed	Diesel	9.4	6.4	7.5	198	C
A8 L W12 quattro	368	tiptronic, 8-speed	Premium	16.6	9.1	11.9	277	G
A8 L 2.0 TFSI hybrid	180 ³⁾	tiptronic, 8-speed	Premium	6.9	6.2	6.4	149	A
Audi R8 Coupé								
R8 4.2 FSI quattro	316	6-speed	Super Plus	21.3	10.0	14.2	332	G
R8 4.2 FSI quattro	316	S tronic, 7-speed	Super Plus	19.3	8.4	12.4	289	G
R8 5.2 FSI quattro	386	6-speed	Super Plus	22.2	10.6	14.9	346	G
R8 5.2 FSI quattro	386	S tronic, 7-speed	Super Plus	20.5	8.9	13.1	305	G
R8 5.2 FSI plus quattro	404	6-speed	Super Plus	22.2	10.6	14.9	346	G
R8 5.2 FSI plus quattro	404	S tronic, 7-speed	Super Plus	19.9	8.6	12.9	299	G
Audi R8 Spyder								
R8 Spyder 4.2 FSI quattro	316	6-speed	Super Plus	21.3	10.3	14.4	337	G
R8 Spyder 4.2 FSI quattro	316	S tronic, 7-speed	Super Plus	19.6	8.6	12.6	294	G
R8 Spyder 5.2 FSI quattro	386	6-speed	Super Plus	22.2	10.7	14.9	349	G
R8 Spyder 5.2 FSI quattro	386	S tronic, 7-speed	Super Plus	20.5	9.2	13.3	310	G
Lamborghini Gallardo								
Gallardo LP 550-2	405	6-speed	Super Plus	22.0	9.9	14.4	341	G
Gallardo LP 550-2	405	e-gear, 6-speed	Super Plus	20.1	9.2	13.3	315	G
Gallardo LP 560-4	412	6-speed	Super Plus	22.6	10.2	14.7	351	G
Gallardo LP 560-4	412	e-gear, 6-speed	Super Plus	20.7	9.6	13.7	325	G
Gallardo LP 570-4 Superleggera	419	6-speed	Super Plus	22.2	10.0	14.4	344	G
Gallardo LP 570-4 Superleggera	419	e-gear, 6-speed	Super Plus	20.4	9.4	13.5	319	G
Lamborghini Gallardo Spyder								
Gallardo LP 550-2 Spyder	405	e-gear, 6-speed	Super Plus	20.8	9.7	13.8	330	G
Gallardo LP 560-4 Spyder	412	6-speed	Super Plus	22.7	10.3	14.8	354	G
Gallardo LP 560-4 Spyder	412	e-gear, 6-speed	Super Plus	20.8	9.7	13.8	330	G
Gallardo LP 570-4 Spyder Performante	419	6-speed	Super Plus	22.4	10.1	14.6	350	G
Gallardo LP 570-4 Spyder Performante	419	e-gear, 6-speed	Super Plus	20.5	9.6	13.6	327	G
Lamborghini Aventador								
Aventador LP 700-4	515	ISR, 7-speed	Super Plus	24.7	10.7	16.0	370	G
Lamborghini Aventador Roadster								
Aventador LP 700-4	515	ISR, 7-speed	Super Plus	24.7	10.7	16.0	370	G

1) Contains restrictions with regard to optional extras

2) This model is not yet on sale. It does not yet have type approval and therefore does not comply with Directive 1999/94/EC.

3) Total system output (briefly)

Further information on official fuel consumption figures and the official specific CO₂ emissions of new passenger cars can be found in the guide "Information on the fuel consumption and CO₂ emissions of new cars," which is available free of charge at all sales dealerships and from DAT Deutsche Automobil Treuhand GmbH, Hellmuth-Hirth-Str. 1, 73760 Ostfildern-Schornhausen, Germany.

10-Year Overview

		2003 ¹⁾	2004 ¹⁾	2005 ¹⁾
Production				
Automotive segment	Cars ²⁾	761,582	784,972	811,522
	Engines	1,342,883	1,485,536	1,695,045
Motorcycles segment	Motorcycles ³⁾	-	-	-
Deliveries to customers				
Automotive segment	Cars	1,003,791	971,832	1,045,114
Audi brand	Cars	769,893	779,441	829,109
Germany	Cars	237,786	235,092	247,125
Outside Germany	Cars	532,107	544,349	581,984
Lamborghini brand	Cars	1,305	1,592	1,600
Other Volkswagen Group brands	Cars	232,593	190,799	214,405
Motorcycles segment	Motorcycles ³⁾	-	-	-
Ducati brand	Motorcycles ³⁾	-	-	-
Workforce	Average	52,689	53,144	52,412
From the Income Statement				
Revenue	EUR million	23,406	24,506	26,591
Cost of materials	EUR million	17,163	17,676	19,139
Personnel costs	EUR million	2,938	3,072	3,136
Personnel costs per employee	EUR	55,763	57,798	59,834
Depreciation and amortization	EUR million	1,833	1,852	1,930
Operating profit	EUR million	1,051	1,238	1,407
Profit before tax	EUR million	1,101	1,143	1,310
Profit after tax	EUR million	811	871	824
From the Balance Sheet (Dec. 31)				
Non-current assets	EUR million	8,588	8,970	8,597
Current assets	EUR million	5,475	5,934	7,515
Equity	EUR million	5,487	5,828	6,104
Liabilities	EUR million	8,576	9,076	10,008
Balance sheet total	EUR million	14,063	14,904	16,112
From the Cash Flow Statement				
Cash flow from operating activities	EUR million	2,786	2,690	3,252
Investing activities ⁴⁾	EUR million	2,015	2,041	1,670
Net liquidity (Dec. 31)	EUR million	1,530	2,033	3,391
Financial ratios				
Operating return on sales	Percent	4.5	5.1	5.3
Return on sales before tax	Percent	4.7	4.7	4.9
Equity ratio (Dec. 31)	Percent	39.0	39.1	37.9
Audi share				
Share price (year-end price) ⁵⁾	EUR	225.00	220.15	308.00
Compensatory payment	EUR	1.05	1.05	1.15

1) Financial data adjusted to take account of amendments to IAS 19 and IAS 38

2) Including vehicles manufactured in China by the FAW-Volkswagen Automotive Company, Ltd., Changchun, joint venture since January 1, 2012. 333,465 (216,053) vehicles were

3) Since acquisition of the Ducati Group in July 2012

4) Not including changes in securities, fixed deposits and loans; in 2012 including the acquisition of interests in Volkswagen Group Services S.A., Brussels (Belgium), and in DUCATI

5) Year-end price on Munich Stock Exchange

6) In accordance with the resolution to be passed by the Annual General Meeting of Volkswagen AG, Wolfsburg, on April 25, 2013

2006	2007	2008	2009	2010	2011	2012
926,180	980,880	1,029,041	932,260	1,150,018	1,302,981	1,469,205
1,895,695	1,915,633	1,901,760	1,384,240	1,648,193	1,884,157	1,916,604
-	-	-	-	-	-	15,734
1,135,554	1,200,701	1,223,506	1,145,360	1,293,453	1,512,014	1,634,312
905,188	964,151	1,003,469	949,729	1,092,411	1,302,659	1,455,123
257,792	254,014	258,111	228,844	229,157	254,011	263,163
647,396	710,137	745,358	720,885	863,254	1,048,648	1,191,960
2,087	2,406	2,430	1,515	1,302	1,602	2,083
228,279	234,144	217,607	194,116	199,740	207,753	177,106
-	-	-	-	-	-	16,786
-	-	-	-	-	-	16,786
52,297	53,347	57,822	58,011	59,513	62,806	67,231
31,142	33,617	34,196	29,840	35,441	44,096	48,771
21,627	23,092	23,430	18,512	21,802	28,594	30,265
3,440	3,406	3,709	3,519	4,274	5,076	5,053
65,771	63,846	64,467	60,656	71,818	80,819	75,164
2,515	2,287	1,908	1,775	2,170	1,793	1,937
2,015	2,705	2,772	1,604	3,340	5,348	5,380
1,946	2,915	3,177	1,928	3,634	6,041	5,956
1,343	1,692	2,207	1,347	2,630	4,440	4,353
8,285	8,325	9,537	9,637	10,584	12,209	18,068
10,625	14,253	16,519	16,913	20,188	24,811	22,357
7,265	8,355	10,328	10,632	11,310	12,903	15,033
11,645	14,223	15,728	15,918	19,462	24,117	25,393
18,910	22,578	26,056	26,550	30,772	37,019	40,425
4,428	4,876	4,338	4,119	5,797	6,295	6,144
1,890	2,084	2,412	1,798	2,260	2,905	6,804
5,720	7,860	9,292	10,665	13,383	15,716	13,396
6.5	8.0	8.1	5.4	9.4	12.1	11.0
6.2	8.7	9.3	6.5	10.3	13.7	12.2
38.4	37.0	39.6	40.0	36.8	34.9	37.2
540.00	625.00	466.49	500.00	650.00	542.05	525.00
1.25	1.80	1.93	1.60	2.20	3.00	X⁶⁾

manufactured by the joint venture in the 2012 fiscal year. The previous year's figure has been adjusted for ease of comparison.

2013 Financial Calendar

Quarterly Report, 1st quarter

April 30, 2013

Annual General Meeting

May 16, 2013

Audi Forum Neckarsulm

Interim Financial Report

August 2, 2013

Quarterly Report, 3rd quarter

November 4, 2013

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