



# Third Quarter Report 2008

January 1 to September 30, 2008



## Audi Group maintains successful course in the third quarter

### Economic development

The global economy saw its growth momentum slump during the course of 2008. It came under pressure in particular from the international financial crisis, which escalated dramatically in the third quarter.

While economic development in the U.S. has nosedived particularly in recent months, the Western European economy has already been experiencing a decline since the early part of the year. The signs of a downturn have become more marked in Germany, too. After experiencing high growth in the first half, certain emerging economies in Asia, Central and Eastern Europe and South America are equally beginning to detect an economic slowdown.

Worldwide demand for cars slipped considerably in the third quarter of 2008, on the back of slower growth in the first half of the year. The car market in certain industrial nations experienced a sharp drop in sales, while market growth in emerging economies held up, albeit with less vigor.

In the U.S., car sales to September were down almost 13 percent on the corresponding prior-year figure. Registrations of new cars in Western Europe weakened above all as a result of the sharp fall in new registrations in Spain, Italy and the UK, whereas the German car market was up slightly on the low volume for the prior-year period.

### Vehicle sales

Audi Group vehicles remained very popular during the period January through September 2008. Vehicle sales increased by 1.6 percent to a total of 934,342 (919,716) units.

Despite increasingly difficult market conditions, sales of Audi brand vehicles continued to rise, climbing by 2.9 percent to a new record high of 762,289 (741,106) units.

In the home market Germany, vehicle sales were on a par with the previous year at 186,464 (186,441) units.

In Western Europe (excluding Germany), vehicle sales bucked the general market trend by rising 0.6 percent compared with the previous year to 320,372 (318,589) vehicles. The development in the UK was particularly pleasing, with vehicle sales there rising to 84,916 (82,862) units.

Demand likewise held up in Eastern Europe. Vehicle sales in the Russian growth market increased by 13.9 percent to 13,220 (11,608) units.

The Company achieved a growth rate well into double figures in China (incl. Hong Kong). The Audi brand succeeded in cementing its pioneering role in the premium segment with a 19.4 percent rise in unit sales to 90,934 (76,168) vehicles. In Japan, too, more Audi vehicles were delivered to customers than in the prior-year period, with the total rising to 11,754 (11,321) units.



In the intensely competitive U.S. market, vehicle sales defied the generally downward market trend to remain virtually on a par with the previous year's excellent sales performance, at 65,818 (68,478) Audi vehicles.

Vehicle sales by models	1-9/2008	1-9/2007
<b>Audi brand <sup>1)</sup></b>	<b>762,289</b>	<b>741,106</b>
of which:		
Audi A3	169,445	176,128
Audi TT	34,944	42,017
Audi A4 / RS 4	265,615	231,479
Audi A4 Cabriolet / RS 4 Cabriolet	13,813	21,063
Audi A5 Coupé	41,326	8,862
Audi A6 / RS 6	159,420	168,227
Audi A6 allroad quattro	9,055	12,280
Audi Q7	47,143	63,349
Audi A8	16,312	15,865
Audi R8	4,050	1,835
<b>Lamborghini brand</b>	<b>1,916</b>	<b>1,811</b>
<b>Other Volkswagen Group brands</b>	<b>170,137</b>	<b>176,799</b>
<b>Audi Group</b>	<b>934,342</b>	<b>919,716</b>

<sup>1)</sup> including internal vehicles for launch purposes

#### New models appearing in rapid succession

The brand with the four rings maintained its model initiative in the first three quarters of 2008. Models such as the Audi A4 Avant\* launched in the first half, the completely new Audi A3 Cabriolet\* and the additions of the Audi TTS\* and Audi TT 2.0 TDI quattro\* to the TT range captivated customers all over the world.

Audi continued to expand its product range systematically in the third quarter of the year. In July, the product improvement of the Audi A3\* and Audi A3 Sportback\* as well as the sporty version, the S3 Sportback\*, made a successful market entry. The Audi A3 1.9 TDI e\* is a particularly economical version, with combined-cycle fuel consumption of just 4.5 liters of diesel fuel. The vehicle thus achieves CO<sub>2</sub> emissions of just 119 g/km.

The updated, refined Audi A6 car line appeared on the market in the late summer. Thanks to innovative technologies, the fuel consumption figures for the new models were cut by an average of around 15 percent. The Audi A6 2.0 TDI e\* in particular, with average fuel consumption of just 5.3 liters of diesel fuel per 100 kilometers and CO<sub>2</sub> emissions of only 139 grams per kilometer, will be among the best in its class.

The Company yet again caused a stir with the unveiling of the new Audi Q5\* in Beijing and Paris. The new model has fired the imagination of customers, dealers and journalists worldwide in equal measure. This attractive premium SUV will be gradually launched onto markets from November 2008.

#### Finance

The Audi Group's business performance remained successful in the third quarter of the year, as reflected in the renewed improvement of its net worth, financial performance and financial position.

Despite persistently unfavorable exchange rates, the Company boosted revenue by 2.1 percent to EUR 25,799 (25,260) million.

\* Fuel consumption and emission figures at the end of the Third Quarter Report



The operating result was increased by 13.6 percent to EUR 2,059 (1,813) million, thus easily outstripping the rise in revenue. This clearly reflects the lasting impact of the improved processes and ongoing cost-cutting measures.

The Group did not change in the period under review.

## Outlook

In view of the increasingly tight situation in major car markets, the Audi Group expects overall worldwide car markets to decline for 2008 as a whole. The markets of Asia and Central and Eastern Europe will continue to grow, but at a slower rate than previously. However, the rising sales volume in emerging markets will not suffice to compensate for the anticipated downturn in sales in the U.S. and Western Europe.

General risks could arise for the automotive industry should the unstable situation on the refinancing markets persist, which would impair the entire value chain and in particular sales financing. In such a situation, the Audi Group would nevertheless benefit from the Volkswagen Group's solid overall liquidity situation and conservative refinancing policy.

Even if no company can ever completely avoid the effects of general market developments, the Audi Group has taken comprehensive steps in recent years to safeguard its long-term performance despite the difficult economic conditions. These measures include in particular rejuvenating and extending the product range, developing new markets and market segments, optimizing product costs, and systematically focusing on qualitative growth.

As long as there is no dramatic change in the wider economic picture as it currently stands, the success of these measures will be reflected in an improvement in key performance indicators by the end of the year. Based on the healthy development in vehicle sales in the first three quarters and despite the increasing volatility of the sales markets and a considerably intensified risk situation, the Audi Group expects to end the year with a new record total of one million Audi vehicles delivered. Bearing in mind the planned rise in volume, a corresponding increase in revenue and earnings is moreover to be expected.

## Personnel changes

There were no personnel changes on the Board of Management and Supervisory Board of AUDI AG in the period under review.

## Disclaimer

This Third Quarter Report contains forward-looking statements relating to anticipated future developments. These statements are based upon current assessments and are inherently subject to risks and uncertainty. Actual events could differ from the statements formulated herein.

## Fuel consumption and emission figures

As at: October 2008 (all data apply to features of the German market)

Model	Power output (kW)	Transmission	Fuel	Fuel consumption (l/100 km)			CO <sub>2</sub> emission (g/km)
				urban	extra urban	combined	combined
<b>Audi A3</b>							
A3 1.4 TFSI	92	6-speed	Premium	7.8	4.9	5.9	140
A3 1.4 TFSI	92	S tronic, 6-speed	Premium	7.1	4.8	5.6	133
A3 1.6	75	5-speed	Premium	9.5	5.3	6.8	162
A3 1.6	75	S tronic, 5-speed	Premium	9.4	5.1	6.7	159
A3 1.8 TFSI	118	6-speed	Premium	9.1	5.3	6.7	155
A3 1.8 TFSI	118	S tronic, 6-speed	Premium	8.9	5.3	6.6	153
A3 1.8 TFSI quattro	118	6-speed	Premium	10.0	6.1	7.5	174
A3 2.0 TFSI	147	6-speed	Premium	9.8	5.5	7.1	164
A3 2.0 TFSI	147	S tronic, 6-speed	Premium	9.8	5.7	7.2	166
A3 2.0 TFSI quattro	147	S tronic, 6-speed	Premium	9.9	6.1	7.5	174
A3 3.2 quattro	184	S tronic, 6-speed	Super Plus	13.0	7.3	9.4	224
A3 1.9 TDI e	77	5-speed	Diesel	5.8	3.8	4.5	119
A3 1.9 TDI	77	5-speed	Diesel	6.0	3.9	4.7	124
A3 1.9 TDI	77	S tronic, 5-speed	Diesel	7.2	4.5	5.5	144
A3 2.0 TDI	103	6-speed	Diesel	6.6	4.3	5.1	134
A3 2.0 TDI	103	S tronic, 6-speed	Diesel	7.2	4.4	5.4	143
A3 2.0 TDI quattro	103	6-speed	Diesel	7.3	4.6	5.6	146
A3 2.0 TDI	125	6-speed	Diesel	6.9	4.2	5.2	139
A3 2.0 TDI	125	S tronic, 6-speed	Diesel	7.2	4.6	5.6	147
A3 2.0 TDI quattro	125	6-speed	Diesel	7.2	4.7	5.6	148
<b>Audi A3 Sportback</b>							
A3 Sportback 1.4 TFSI	92	6-speed	Premium	7.9	5.0	6.0	143
A3 Sportback 1.4 TFSI	92	S tronic, 6-speed	Premium	7.4	4.8	5.8	137
A3 Sportback 1.6	75	5-speed	Premium	9.5	5.4	6.9	164
A3 Sportback 1.6	75	S tronic, 5-speed	Premium	9.4	5.1	6.7	159
A3 Sportback 1.8 TFSI	118	6-speed	Premium	9.1	5.4	6.7	157
A3 Sportback 1.8 TFSI	118	S tronic, 6-speed	Premium	9.0	5.3	6.6	154
A3 Sportback 1.8 TFSI quattro	118	6-speed	Premium	10.0	6.2	7.5	176
A3 Sportback 2.0 TFSI	147	6-speed	Premium	9.9	5.6	7.2	167
A3 Sportback 2.0 TFSI	147	S tronic, 6-speed	Premium	9.8	5.7	7.2	166
A3 Sportback 2.0 TFSI quattro	147	S tronic, 6-speed	Premium	10.0	6.2	7.6	176
A3 Sportback 3.2 quattro	184	S tronic, 6-speed	Super Plus	13.0	7.3	9.4	224
A3 Sportback 1.9 TDI e	77	5-speed	Diesel	5.8	3.8	4.5	119
A3 Sportback 1.9 TDI	77	5-speed	Diesel	6.1	4.0	4.8	127
A3 Sportback 1.9 TDI	77	S tronic, 5-speed	Diesel	7.2	4.5	5.5	144
A3 Sportback 2.0 TDI	103	6-speed	Diesel	6.6	4.3	5.1	134
A3 Sportback 2.0 TDI	103	S tronic, 6-speed	Diesel	7.2	4.4	5.4	143
A3 Sportback 2.0 TDI quattro	103	6-speed	Diesel	7.3	4.6	5.6	146
A3 Sportback 2.0 TDI	125	6-speed	Diesel	6.9	4.2	5.2	139
A3 Sportback 2.0 TDI	125	S tronic, 6-speed	Diesel	7.4	4.7	5.7	149
A3 Sportback 2.0 TDI quattro	125	6-speed	Diesel	7.2	4.7	5.6	148
<b>Audi S3 Sportback</b>							
S3 Sportback 2.0 TFSI quattro	195	6-speed	Super Plus	11.8	6.7	8.5	199
S3 Sportback 2.0 TFSI quattro	195	S tronic, 6-speed	Super Plus	11.2	6.8	8.4	195
<b>Audi A3 Cabriolet</b>							
A3 Cabriolet 1.6	75	5-speed	Premium	9.6	5.5	7.0	167
A3 Cabriolet 1.8 TFSI	118	6-speed	Premium	10.0	5.7	7.3	174
A3 Cabriolet 1.8 TFSI	118	S tronic, 6-speed	Premium	10.6	5.8	7.6	180
A3 Cabriolet 2.0 TFSI	147	6-speed	Premium	10.6	5.9	7.6	182
A3 Cabriolet 2.0 TFSI	147	S tronic, 6-speed	Premium	10.3	6.1	7.6	181
A3 Cabriolet 1.9 TDI	77	5-speed	Diesel	6.4	4.3	5.1	134
A3 Cabriolet 2.0 TDI	103	6-speed	Diesel	6.7	4.4	5.3	139
A3 Cabriolet 2.0 TDI	103	S tronic, 6-speed	Diesel	7.7	4.4	5.6	148
<b>Audi TT Coupé</b>							
TT Coupé 2.0 TDI quattro	125	6-speed	Diesel	7.0	4.3	5.3	139
TTS Coupé 2.0 TFSI quattro	200	6-speed	Super Plus	11.0	6.4	8.1	188
TTS Coupé 2.0 TFSI quattro	200	S tronic, 6-speed	Super Plus	10.6	6.4	7.9	184
<b>Audi TT Roadster</b>							
TT Roadster 2.0 TDI quattro	125	6-speed	Diesel	7.2	4.5	5.5	144
TTS Roadster 2.0 TFSI quattro	200	6-speed	Super Plus	11.1	6.7	8.3	193
TTS Roadster 2.0 TFSI quattro	200	S tronic, 6-speed	Super Plus	10.7	6.5	8.0	187

Model	Power output (kW)	Transmission	Fuel	Fuel consumption (l/100 km)			CO <sub>2</sub> emission (g/km)
				urban	extra urban	combined	combined
<b>Audi A4 Avant</b>							
A4 Avant 1.8 TFSI	118	6-speed	Premium	9.6	5.8	7.2	169
A4 Avant 1.8 TFSI	118	multitronic, CVT	Premium	9.6	6.3	7.5	174
A4 Avant 2.0 TFSI	132	6-speed	Premium	9.1	5.4	6.8	159
A4 Avant 2.0 TFSI	132	multitronic, CVT	Premium	9.8	5.9	7.3	172
A4 Avant 2.0 TFSI	155	6-speed	Premium	9.1	5.4	6.8	159
A4 Avant 2.0 TFSI quattro	155	6-speed	Premium	10.1	6.2	7.6	176
A4 Avant 3.2 FSI quattro	195	6-speed	Premium	13.0	6.8	9.1	216
A4 Avant 3.2 FSI quattro	195	tiptronic, 6-speed	Premium	13.1	6.9	9.2	219
A4 Avant 2.0 TDI	88	6-speed	Diesel	6.8	4.4	5.3	140
A4 Avant 2.0 TDI	105	6-speed	Diesel	6.9	4.5	5.4	143
A4 Avant 2.0 TDI	105	multitronic, CVT	Diesel	7.5	5.0	5.9	155
A4 Avant 2.0 TDI	125	6-speed	Diesel	7.2	4.7	5.6	149
A4 Avant 2.7 TDI	140	6-speed	Diesel	8.1	5.2	6.2	164
A4 Avant 2.7 TDI	140	multitronic, CVT	Diesel	7.7	5.8	6.5	169
A4 Avant 3.0 TDI quattro	176	6-speed	Diesel	8.8	5.5	6.8	176
A4 Avant 3.0 TDI quattro	176	tiptronic, 6-speed	Diesel	9.0	6.1	7.2	186
<b>Audi A6 Sedan</b>							
A6 Sedan 2.0 TDI e	139	6-speed	Diesel	7.0	4.3	5.3	139
<b>Audi Q5</b>							
Q5 2.0 TFSI quattro	155	S tronic, 6-speed	Premium	10.4	7.3	8.5	197
Q5 2.0 TDI quattro	125	6-speed	Diesel	8.2	5.8	6.7	175
Q5 3.0 TDI quattro	176	S tronic, 6-speed	Diesel	9.2	6.6	7.5	199



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