



Third Quarter Report 2010

January 1 to September 30, 2010

Audi Group resumes growth trend of previous years

ECONOMIC DEVELOPMENT

Following the quick recovery of the global economy in the first half of 2010, the momentum of growth worldwide eased off somewhat in the third quarter. While the economy in emerging countries in Asia and South America continued to enjoy vigorous expansion, economic development particularly in the United States and Japan slowed down noticeably. On the other hand Western Europe's moderate economic buoyancy was maintained thanks to rapid economic growth in Germany.

The improved economic situation in many countries fueled a worldwide increase in demand for cars in the period under review. The major sales markets in Asia in particular enjoyed a sharp rise in vehicle sales.

By contrast the German car market was down 27.5 percent on the prior-year figure at the end of the third quarter of 2010; the market had been exceptionally strong one year earlier because of the environmental bonus, which expired in September 2009. Elsewhere in Western Europe the expiry of government sales incentives in high-volume markets from the third quarter of 2010 meant that unit sales slipped back. Overall, registrations of new cars for the period January through September 2010 were up 6.4 percent.

Demand for cars in the United States experienced a recovery, gaining 10.3 percent by September. In the expanding Asia-Pacific region, the Chinese car market grew by around 37 percent despite lower momentum in the third quarter of 2010.

DELIVERIES

The Audi Group delivered a total of 316,864 (281,746) vehicles to customers in the third quarter of 2010. This figure included 274,421 (239,172) cars of the Audi brand, which therefore exceeded the prior-year total by 14.7 percent.

DELIVERIES TO CUSTOMERS IN 3RD QUARTER ¹⁾

	Q3/2010	Q3/2009
Audi brand	274,421	239,172
Lamborghini brand	328	385
Other Volkswagen Group brands	42,115	42,189
Total, Group	316,864	281,746

1) The figures for prior periods have been slightly adjusted.

Over the period January through September 2010, the Audi Group delivered a total of 983,453 (851,960) vehicles worldwide.

The Audi brand increased its vehicle deliveries by 17.6 percent compared with the prior-year period to the record tally of 829,307 (704,976) cars. This strong growth is attributable in particular to high demand for the A5 Sportback* and Audi Q5 models.

In Europe, the company increased deliveries to 491,336 (469,396) vehicles, once again securing the position of premium segment leader. In Western European export markets, the Audi brand delivered 303,701 (278,542) cars, 9.0 percent more than in the prior-year period. In the sharply contracting domestic market Germany, the company succeeded in increasing its market share from 5.9 to 7.4 percent with deliveries of 160,947 (167,422) vehicles.

The Audi brand also put in a very successful performance in the U.S. market, with its 23.6 percent rise in deliveries being much steeper than overall market growth, taking it to 73,590 (59,518) vehicles.

In the dynamic market environment of the Asia-Pacific region, the company enjoyed further growth in the first three quarters of 2010 and achieved deliveries of 212,759 (138,571) vehicles. The main growth driver was the Chinese market (incl. Hong Kong), where the Company posted a 60.7 percent rise in deliveries to 174,907 (108,859) cars, once again asserting its leading role in the premium segment.

* Fuel consumption and emission figures at the end of the Quarterly Report

DELIVERIES TO CUSTOMERS BY MODEL ¹⁾

	1-9/2010	1-9/2009
Audi A1	7,411	-
Audi A3	30,041	35,206
Audi A3 Sportback	120,108	113,777
Audi A3 Cabriolet	10,757	11,069
Audi TT Coupé	14,741	16,130
Audi TT Roadster	4,610	5,188
Audi A4 Sedan	140,408	123,733
Audi A4 Avant	86,369	89,373
Audi A4 allroad quattro	8,673	4,117
Audi A4 Cabriolet	161	6,964
Audi A5 Sportback	40,255	1,684
Audi A5 Coupé	32,531	38,828
Audi A5 Cabriolet	17,948	7,597
Audi Q5	109,208	72,167
Audi A6 Sedan	125,733	108,140
Audi A6 Avant	29,656	30,193
Audi A6 allroad quattro	4,249	4,250
Audi Q7	31,383	25,404
Audi A8	11,988	8,633
Audi R8 Coupé	1,536	2,452
Audi R8 Spyder	873	71
Internal vehicles before launch	668	-
Total, Audi brand	829,307	704,976
Lamborghini Gallardo	768	919
Lamborghini Murciélago	234	291
Total, Lamborghini brand	1,002	1,210
Other Volkswagen Group brands	153,144	145,774
Total, Group	983,453	851,960

1) The figures for prior periods have been slightly adjusted.

EXPANDING THE PRODUCT PORTFOLIO

The Audi Group pressed ahead systematically with the expansion of its model range over the period January through September 2010. Numerous new products in the form of the S5 Sportback*, R8 Spyder 5.2 FSI quattro*, Audi A8 and RS 5 Coupé* models had already been successfully introduced onto the market during the first six months of the year. Customers have also been able to buy the improved models of the A3 car line and new, even more efficient engines in the Q7 since the first half.*

* Fuel consumption and emission figures at the end of the Quarterly Report



The Audi Group steadily enlarged its product portfolio in the third quarter, too.

The revised versions of the compact sports car models TT Coupé* and TT Roadster* have been available since July, with an evolutionary design and improved fuel economy. A new addition to the range is a powerful and efficient 2.0-liter TFSI engine with an output of 155 kW (211 hp) that uses only 6.6 liters of premium-grade fuel per 100 kilometers in the Coupé with manual transmission, equating to CO₂ emissions of 154 g/km.*

August saw the arrival of a new model that represents a timely concept for urban mobility: the A1. The virtues of the Audi A1 include its high build quality, numerous customization options and an extensive range of infotainment options, giving it premium credentials in the compact car segment. The A1's engine range, currently comprising one TDI and two TFSI power units, will be extended toward the end of the year with a particularly powerful version in the shape of a 136 kW (185 hp) 1.4-liter TFSI engine.*

A new addition to the range of supercars in September was the Audi R8 Spyder 4.2 FSI quattro*, a model featuring the eight-cylinder engine that is already available in the R8 Coupé*. The brand will also be taking the wraps off a top version of the high-performance sports car at the start of 2011, when an exclusive series of 333 of the R8 GT* will go on sale. Its weight has been reduced to just 1,525 kilograms through the use of such innovative materials as carbon fiber and magnesium. The 412 kW (560 hp) engine propels the supercar from 0 to 100 km/h in an impressive 3.6 seconds.

The A8 car line was expanded this fall to include the A8 L* and A8 L W12 quattro* versions with a 130 millimeter longer wheelbase, translating into a substantially more comfortable and spacious rear compartment. The 12-cylinder engine with a displacement of 6.3 liters and gasoline direct injection accelerates the A8 with long wheelbase from 0 to 100 km/h in just 4.9 seconds thanks to its output of 368 kW (500 hp).

The A7 Sportback* has been on the market since October, a model combining the best attributes of a coupe, sedan and Avant and therefore signaling a new segment for the Audi brand. The five-door vehicle offers an extensive range of innovative assistance, infotainment and safety systems. For example, the optional head-up display that projects important driver information such as speed and navigation instructions onto the windshield puts in its first appearance. The A7 Sportback is available with two gasoline and two diesel engines – all with abundant power – delivering outputs ranging between 150 kW (204 hp) and 220 kW (300 hp).

To mark the 30th anniversary of quattro drive, the Audi Group unveiled the study Audi quattro concept at the 2010 Paris Motor Show. Also making its debut at Paris was the Audi e-tron Spyder showcar, an open-top sports car with plug-in hybrid drive with both a 3.0-liter TDI engine and two electric motors.

* Fuel consumption and emission figures at the end of the Quarterly Report



FINANCIAL PERFORMANCE

The Audi Group substantially improved its financial performance, net worth and financial position in the third quarter of 2010, mainly thanks to the positive development in delivery figures. For example, the Company boosted revenue by 17.7 percent to EUR 8,432 (7,162) million. In the third quarter, too, the Audi Group also posted an operating profit of EUR 940 (348) million that is significantly up on the prior-year figure.

For the period January through September 2010, revenue rose at a higher rate than vehicle deliveries, to EUR 25,998 (21,689) million. There was a marked increase in operating profit to EUR 2,271 (1,172) million. Alongside an improvement in the model mix and ongoing process and cost optimization measures, this gain can be attributed in particular to the sharp rise in volume and to positive exchange effects. With an operating return on sales of 8.7 (5.4) percent, the Audi Group secured its position among the leading players in the automotive industry. The following companies already became consolidated within the Audi Group in the first half of 2010: Audi (China) Enterprise Management Co. Ltd. (Beijing, China), established 2009; Audi Zentrum Leipzig GmbH (Leipzig), established 2008; Audi Zentrum Stuttgart GmbH (Stuttgart) acquired 2007; and Automobili Lamborghini America, LLC (Wilmington, Delaware, United States), to be consolidated in order to satisfy the requirements of IAS 27.13 Sentence 2 (c). Audi Zentrum Frankfurt GmbH (Frankfurt), acquired in 2007, was added to the scope of consolidation in the third quarter of 2010. The first-time inclusion of these subsidiaries had no overall material effect on the presentation of the situation of the Company. As of June 1, 2010 the Audi Group furthermore acquired 100 percent of the shares in AUDI BRUSSELS S.A./N.V. (Brussels, Belgium), which had already previously been consolidated within the Audi Group in accordance with IAS 27.13 Sentence 2 (c), from Volkswagen AG (Wolfsburg).

OUTLOOK

The global car market will benefit from the ongoing global economic recovery until the end of 2010, even if growth in numerous car markets will enjoy rather less momentum than in the first half of the year. For 2010 as a whole, the Audi Group expects to see a marked rise in demand for cars in all sales regions except Western Europe.

The Audi Group is thus making plans to increase deliveries by the core brand Audi to around 1,080,000 vehicles in 2010. This development can be explained by the general recovery in demand and, in particular, by the Audi brand's continuously expanding product portfolio. The Company expects the recently launched Audi A1 and the Audi A7 Sportback* available from fall 2010 to stimulate sales in the remaining part of the year. The new Audi A8, too, will go on sale in important markets such as the United States and China toward the end of the year, contributing further to the positive trend in vehicle deliveries.

* Fuel consumption and emission figures at the end of the Quarterly Report



Audi A8 L W12 quattro*



Audi A7 Sportback*

Thanks to higher vehicle deliveries, the key financial performance indicators for the Audi Group will likewise improve. Revenue and operating profit will be well up on the previous year's levels. The continuing drive to optimize processes and productivity also underpins this development. The palpable recovery in the global economy and the associated rise in demand for cars worldwide have helped alleviate the risk situation. The Audi Group nevertheless encounters various risk areas within the context of its entrepreneurial activities. These are explained in detail in the 2009 Annual Report and remain valid substantially unchanged.

PERSONNEL CHANGES

There were the following personnel changes on the Supervisory Board and Board of Management of AUDI AG during the period under review:

With the close of the Annual General Meeting on May 20, 2010 Wolfgang Förster, employee representative, retired from the Supervisory Board. His place on the Company's Supervisory Board was taken by Helmut Späth on May 25, 2010.

Effective October 1, 2010 the Supervisory Board appointed Thomas Sigi to succeed Dr. Werner Widuckel as Member of the Board of Management of AUDI AG with responsibility for Human Resources. Dr. Werner Widuckel left the Company at his own request from the end of September 30, 2010.

DISCLAIMER

This Quarterly 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.

* Fuel consumption and emission figures at the end of the Quarterly Report

Fuel consumption and emission figures

As at: October 2010 (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)
				urban	extra urban	combined	combined
Audi A1							
A1 1.2 TFSI	63	5-speed	Premium	6.2	4.4	5.1	118
A1 1.4 TFSI	90	6-speed	Premium	6.8	4.4	5.3	124
A1 1.4 TFSI 119 g CO ₂ /km	90	S tronic, 7-speed	Premium	6.5	4.4	5.2	119
A1 1.4 TFSI	90	S tronic, 7-speed	Premium	6.5	4.6	5.3	122
A1 1.4 TFSI	136	S tronic, 7-speed	Super Plus	7.5	5.1	5.9	139
A1 1.6 TDI	77	5-speed	Diesel	4.7	3.5	3.9	103
Audi TT Coupé							
TT Coupé 1.8 TFSI	118	6-speed	Premium	8.5	5.2	6.4	149
TT Coupé 2.0 TFSI	155	6-speed	Premium	8.9	5.2	6.6	154
TT Coupé 2.0 TFSI	155	S tronic, 6-speed	Premium	9.9	5.4	7.1	164
TT Coupé 2.0 TFSI quattro	155	S tronic, 6-speed	Premium	9.9	5.7	7.2	169
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	10.8	6.2	7.9	184
TTS Coupé 2.0 TFSI quattro	200	S tronic, 6-speed	Super Plus	10.6	6.0	7.7	179
Audi TT Roadster							
TT Roadster 1.8 TFSI	118	6-speed	Premium	8.6	5.3	6.5	152
TT Roadster 2.0 TFSI	155	6-speed	Premium	9.0	5.4	6.7	156
TT Roadster 2.0 TFSI	155	S tronic, 6-speed	Premium	10.0	5.6	7.2	168
TT Roadster 2.0 TFSI quattro	155	S tronic, 6-speed	Premium	10.2	5.7	7.4	172
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	10.9	6.4	8.1	189
TTS Roadster 2.0 TFSI quattro	200	S tronic, 6-speed	Super Plus	10.8	6.2	7.9	184
Audi A5 Sportback							
A5 Sportback 1.8 TFSI	118	6-speed	Premium	9.6	5.8	7.2	169
A5 Sportback 1.8 TFSI	118	multitronic, CVT	Premium	9.4	5.9	7.2	169
A5 Sportback 2.0 TFSI	132	6-speed	Premium	8.4	5.4	6.5	152
A5 Sportback 2.0 TFSI	132	multitronic, CVT	Premium	9.5	5.8	7.2	169
A5 Sportback 2.0 TFSI	155	6-speed	Premium	8.4	5.4	6.5	152
A5 Sportback 2.0 TFSI	155	multitronic, CVT	Premium	9.5	5.8	7.2	169
A5 Sportback 2.0 TFSI quattro	155	6-speed	Premium	9.8	5.9	7.3	172
A5 Sportback 2.0 TFSI quattro	155	S tronic, 7-speed	Premium	9.4	6.4	7.5	175
A5 Sportback 3.2 FSI quattro	195	S tronic, 7-speed	Premium	13.5	6.8	9.3	216
A5 Sportback 2.0 TDI	105	6-speed	Diesel	6.4	4.5	5.2	135
A5 Sportback 2.0 TDI	105	multitronic, CVT	Diesel	7.5	4.8	5.8	152
A5 Sportback 2.0 TDI	125	6-speed	Diesel	6.2	4.4	5.1	134
A5 Sportback 2.0 TDI quattro	125	6-speed	Diesel	7.0	4.8	5.6	147
A5 Sportback 2.7 TDI	140	6-speed	Diesel	8.1	4.8	6.0	159
A5 Sportback 2.7 TDI	140	multitronic, CVT	Diesel	8.0	5.6	6.5	169
A5 Sportback 3.0 TDI quattro	176	6-speed	Diesel	8.9	5.4	6.7	176
A5 Sportback 3.0 TDI quattro	176	S tronic, 7-speed	Diesel	8.3	5.7	6.6	174
S5 Sportback 3.0 TFSI quattro	245	S tronic, 7-speed	Premium	13.5	7.0	9.4	219
Audi RS 5 Coupé							
RS 5 Coupé 4.2 FSI quattro	331	S tronic, 7-speed	Super Plus	14.9	8.5	10.8	252
Audi A7 Sportback							
A7 Sportback 2.8 FSI quattro	150	S tronic, 7-speed	Premium	10.7	6.5	8.0	187
A7 Sportback 3.0 TFSI quattro	220	S tronic, 7-speed	Premium	10.8	6.6	8.2	190
A7 Sportback 3.0 TDI quattro	150	multitronic, CVT	Diesel	6.1	4.8	5.3	139
A7 Sportback 3.0 TDI quattro	180	S tronic, 7-speed	Diesel	7.2	5.3	6.0	158
Audi Q7							
Q7 3.0 TFSI quattro	200	tiptronic, 8-speed	Premium	14.4	8.5	10.7	249
Q7 3.0 TFSI quattro	245	tiptronic, 8-speed	Premium	14.4	8.5	10.7	249
Q7 3.0 TDI quattro	150	tiptronic, 8-speed	Diesel	8.2	6.5	7.2	189
Q7 3.0 TDI quattro	176	tiptronic, 8-speed	Diesel	8.6	6.7	7.4	195
Q7 3.0 TDI clean diesel quattro	176	tiptronic, 8-speed	Diesel	10.9	6.9	8.4	219
Q7 4.2 TDI quattro	250	tiptronic, 8-speed	Diesel	12.0	7.6	9.2	242
Q7 6.0 TDI quattro	368	tiptronic, 6-speed	Diesel	14.8	9.3	11.3	298
Audi A8 L							
A8 L 3.0 TFSI quattro	213	tiptronic, 8-speed	Premium	13.1	7.1	9.3	217
A8 L 4.2 FSI quattro	273	tiptronic, 8-speed	Premium	13.6	7.4	9.7	224
A8 L 3.0 TDI quattro	184	tiptronic, 8-speed	Diesel	8.0	5.8	6.6	176
A8 L 4.2 TDI quattro	258	tiptronic, 8-speed	Diesel	10.3	6.2	7.8	204
12-cylinder Audi A8 L							
A8 L W12 quattro	368	tiptronic, 8-speed	Premium	18.2	9.0	12.4	290
Audi R8							
R8 4.2 FSI quattro	316	6-speed	Super Plus	21.3	10.0	14.2	332
R8 4.2 FSI quattro	316	R tronic, 6-speed	Super Plus	20.1	9.4	13.3	310
R8 5.2 FSI quattro	386	6-speed	Super Plus	22.2	10.6	14.9	346
R8 5.2 FSI quattro	386	R tronic, 6-speed	Super Plus	21.1	9.9	13.9	326
R8 GT 5.2 FSI quattro	412	R tronic, 6-speed	Super Plus	21.0	9.9	13.9	323
Audi R8 Spyder							
R8 Spyder 4.2 FSI quattro	316	6-speed	Super Plus	21.3	10.3	14.4	337
R8 Spyder 4.2 FSI quattro	316	R tronic, 6-speed	Super Plus	20.1	9.6	13.5	315
R8 Spyder 5.2 FSI quattro	386	6-speed	Super Plus	22.2	10.7	14.9	349
R8 Spyder 5.2 FSI quattro	386	R tronic, 6-speed	Super Plus	21.5	10.2	14.2	332

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