



**Rupert Stadler**  
**Chairman of the Board of Management of AUDI AG**

**Speech at the Annual Press Conference**  
**Ingolstadt, March 11, 2014**

**Part 2**

– Check against delivery –

Ladies and gentlemen,

let me summarize: We achieved our interim targets for volume growth two years faster than planned. We are laying the foundations for our future success with an unparalleled investment program. And with a customer-focused innovation initiative, we are extending our “Vorsprung durch Technik” – for example by putting our e-tron technology into the midsize and large model series.

What does that mean specifically for 2014? First of all, for our growth. As Mr. Strotbek has already said: We will further expand our unit sales and increase our revenue to more than 50 billion euros. Our car deliveries will grow in all regions of the world – also in Europe. In the United States, we are taking the next big step towards 200,000 – our milestone for the year 2020. We are very optimistic that we will pass that milestone ahead of time. And in China, we aim to be the first premium manufacturer to sell more than half a million cars this year.

We made a very good start to the year 2014: In January and February, we delivered a total of 242,400 automobiles, surpassing the prior-year figure by 9.3 percent. Our compact class is proving to be very attractive to customers. Demand for the A3\* was 53 percent above the prior-year level, although the new generation is not yet available everywhere.

\*The collective fuel consumption of all models named above and available on the German market can be found in the list provided at the end of this document. (3/2014)



Our next important product launches this year include the start of sales of the new A3 family\* in China and the United States. In both countries, the compact class is still under-represented in the sales statistics of the premium market – but that is changing. In China for example, this segment is growing more than twice as fast as the premium market overall. We will profit from this development especially with the A3 Sedan\*. It is the optimal model – at the right time, in the right place.

At the same time, we will strengthen the luxury class with the new version of the A8\*. It will be available worldwide this year. This is an important step, because two thirds of our A8 customers are in China or North America.

You can see some of this year's particularly sporty new models here on the stage. For the first time, the Cabriolet of the A3 family is available as an S3\* with quattro. The Audi A1\* is our proof that the quattro success formula can be applied to any size of car – that is pure driving pleasure made by Audi in Brussels. And the new Audi TT\* is the embodiment of Audi pure.

One week ago in Geneva, our subsidiaries also presented important new models. Lamborghini opened a completely new chapter with the Huracán\*. It is the successor to the Gallardo, the most successful Lamborghini in the brand's history so far. The Huracán has already proven to be a worthy successor: more than 1,000 Lamborghini fans have already placed their orders. Ducati celebrated the world premiere of the new Diavel\*. It will boost sales in 2014 along with the new Monster 1200\*, which already had its trade-fair debut in November.

But back to our core brand – and to our new ultra-light models. What is behind this label? We have started an efficiency championship across the entire model range. We call our CO<sub>2</sub> champions of each model series the Audi ultra models. This is to the benefit of our customers. Because thanks to the new efficiency label, they can be sure that they are driving the most economical model. And for us at Audi, ultra means an additional incentive to set a new efficiency benchmark with each model version.

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As the “non-plus ultra,” our ultimate goal is CO<sub>2</sub>-neutral mobility. We look beyond the lifecycle of a car and organize the entire value chain according to this goal. For example, 100 percent of the electricity that we use at our plant here in Ingolstadt is from regenerative sources.

Ladies and gentlemen,  
also with our cars’ modular platform system, the focus is on efficiency. We systematically utilize all possible synergies in the expansion of our product range. We are currently developing the next stage of evolution – our longitudinal modular platform. In addition to our site projects and investments in future technologies, we are also making enormous expenditure for future growth with our modular strategy. We sow today what we reap tomorrow. Nonetheless, we will remain within our strategic target corridor in 2014, that is, an operating return on sales of between eight and ten percent. Our course here is clear: long-term, sustainable success.

We have already spoken in detail about the technical innovations that will ensure our lasting success. How are we preparing Audi for the future in other ways? We will continue with our targeted recruitment. The focus is on electric mobility and CO<sub>2</sub> performance, car connectivity, and lightweight construction with a multi-material mix. In Germany alone, we will recruit about 1,500 employees in 2014, and will offer apprenticeships to more than 750 young people. In the medium term, we will approach the mark of 80,000 employees.

In parallel, it is important to continuously further develop our processes and structures, so that we can react quickly and flexibly to market requirements even in a world of almost unlimited options. Because the customer is king! And flexibility and speed are the competitive advantages of the future.

All the links in the value chain have to play their part: In the development of our automobiles, we take full advantage of our trump card: the modular platform. In procurement, it is a matter of identifying the best partners for our innovation projects and developing strong supplier structures around our new plants. “Globalization through localization” is the motto here. The shorter the distances in the supply chain, the more precisely components can be delivered “just in time” and “just in sequence.”



That is why for example we are starting in Mexico this year with the construction of a supplier park close to the plant and creating the right conditions for our partners to set up facilities there. We want to localize two thirds of components in Mexico by the time the Q5\* goes into series production.

And now to production: The bigger the variety of models, the more flexibly we have to assemble multiple models in one plant on the same lines. Our modular development strategy and the Audi Production System are crucial competitive advantages also in this context. At present for example, we are preparing our plants for the production of plug-in-hybrids. We integrate them into existing assembly lines so we do not need a separate plant for our e-tron models. This allows us to meet regionally different needs and to flexibly adjust our production to demand without risking high fluctuations in capacity utilization. This flexibility makes it easier for us to up-scale our e-tron drive system quickly into other segments and several factories.

More models, more drive systems, more equipment versions – that presents a difficult task for sales as well. The important skill here is to offer customers all possible options, but not to overburden them with an excessive selection. Our Audi City showrooms demonstrate how this can be done. They are our innovation laboratory for the sales of tomorrow. Customers can playfully experience Audi's diversity in the last detail. In February, we opened our third Audi City worldwide in Berlin. More will follow. And we will use elements of the digital Audi City technology also in conventional retailing. At the same time, we are convinced that a premium product needs top advice, which responds individually to the customer's wishes. That is why personal contact remains at the heart of Audi sales. The example shows: Our "Vorsprung durch Technik" is always there to serve people.

We have exactly the same approach to piloted driving. This is a matter above all of more safety and better traffic flows on the roads. We plan for implementation at speeds up to 60 kilometers per hour in series production already this decade. The development is based on driver assistance systems that we already offer in our current models. At the beginning of this year, we presented our zFAS Board at the Consumer Electronics Show trade fair in Las Vegas.

4/7 \*The collective fuel consumption of all models named above and available on the German market can be found in the list provided at the end of this document.  
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This new control system combines all driver assistance systems with minimal space requirements in the car – it is as small as a tablet computer.

Why have I brought up this topic again? Because in addition to technical aspects, we have always emphasized that a legal basis must be created. For a few weeks now, round-table talks have been held between manufacturers, associations, insurers and the relevant federal ministries. We welcome this initiative and are actively involved in it. It is already clear that it will be a mammoth task, because various laws will be fundamentally affected – some of them 50 years old. But our attitude is clear: There is no dodging this issue. Because anyone who wants to be the number one – as we do – has to look beyond the limits of his own company. Thinking about the future means thinking out of the box. And it does not matter whether with helping to shape the framework conditions, the internationalization of our company, groundbreaking technology, or fascinating Audi models – we play to win in all events! Thank you.

– End –

**Contact:**

Corporate Communications – Jürgen De Graeve

Tel. +49 841 89 34084

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**Fuel consumption of the models named above:**

**Audi A1/S1:**

Combined fuel consumption in l/100 km: 7.2 - 3.8;  
Combined CO<sub>2</sub>-emissions in g/km: 166 - 99

**Audi A1/S1 Sportback:**

Combined fuel consumption in l/100 km: 7.3 - 3.8;  
Combined CO<sub>2</sub>-emissions in g/km: 168 - 99

**Audi A3/S3:**

Combined fuel consumption in l/100 km: 7.0 - 3.2;  
Combined CO<sub>2</sub>-emissions in g/km: 162 - 85

**Audi A3/S3 Sportback:**

Combined fuel consumption in l/100 km: 7.0 - 3.3;  
Combined CO<sub>2</sub>-emissions in g/km: 162 - 88

**Audi A3/S6 Limousine:**

Combined fuel consumption in l/100 km: 7.0 - 3.8;  
Combined CO<sub>2</sub>-emissions in g/km: 162 - 99

**Audi A3/S3 Cabriolet:**

Combined fuel consumption in l/100 km: 7.1 - 4.2;  
Combined CO<sub>2</sub>-emissions in g/km: 165 - 110

**Audi A3 Sportback e-tron:**

Combined fuel consumption in l/100 km: 1.5;  
Combined CO<sub>2</sub>-emissions in g/km: 35

**Audi A3 Sportback g-tron:**

Combined fuel consumption: CNG 3.3 - 3.2 kg/100 km, petrol 5.2 - 5.0 l/100 km  
Combined CO<sub>2</sub>-emissions : CNG 92 - 88 g/km, petrol 120 - 115 g/km

**A4/S4**

Combined fuel consumption in l/100 km: 8.1 - 4.0;  
Combined CO<sub>2</sub>-emissions in g/km: 190 - 104

**A4/S4/RS46 Avant**

Combined fuel consumption in l/100 km: 10.7 - 4.2;  
Combined CO<sub>2</sub>-emissions in g/km: 249 - 109

**A4 allroad quattro**

Combined fuel consumption in l/100 km: 7.1 - 5.8;  
Combined CO<sub>2</sub>-emissions in g/km: 164 - 153

**A6/S6**

Combined fuel consumption in l/100 km: 9.6 - 4.4;  
Combined CO<sub>2</sub>-emissions in g/km: 225 - 114



**A6/S6/RS6 Avant**

Combined fuel consumption in l/100 km: 9.8 - 4.6;  
Combined CO<sub>2</sub>-emissions in g/km: 229 - 119

**A6 allroad quattro**

Combined fuel consumption in l/100 km: 8.9 - 6.1;  
Combined CO<sub>2</sub>-emissions in g/km: 206 - 159

**A8/S8**

Combined fuel consumption in l/100 km: 11.3 - 5.9;  
Combined CO<sub>2</sub>-emissions in g/km: 264 - 155

**Audi Q3/RS Q3**

Combined fuel consumption in l/100 km: 8.8 - 3.2;  
Combined CO<sub>2</sub>-emissions in g/km: 206 - 137

**Audi Q5/SQ5**

Combined fuel consumption in l/100 km: 8.5 - 5.3;  
Combined CO<sub>2</sub>-emissions in g/km: 199 - 139

**Audi Q7**

Combined fuel consumption in l/100 km: 10.7 - 7.2;  
Combined CO<sub>2</sub>-emissions in g/km: 249 - 189

**Audi TT/TTS:**

This car is not yet on sale. It has not yet been homologated and is therefore not subject to the 1999/94/EG guideline.

Provisional data:

Combined fuel consumption in l/100 km: 7.1 - 4.2;  
Combined CO<sub>2</sub>-emissions in g/km: 164 - 110

**Lamborghini Huracán LP 610-4:**

Combined fuel consumption in l/100 km: 12.5;  
Combined CO<sub>2</sub>-emissions in g/km: 290

**Ducati Diavel:**

Combined fuel consumption in l/100 km: 7.1;  
Combined CO<sub>2</sub>-emissions in g/km: 169

**Ducati Monster 1200:**

Combined fuel consumption in l/100 km: 6.4;  
Combined CO<sub>2</sub>-emissions in g/km: 150