Scott Keogh
President, Audi of America

Roadshow with Citi
NOVEMBER 7, 2016
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U.S. Market
Development

The Future
Investments

Audi
Development
U.S. Market Development
Volume growth has plateaued, while SUV mix increases.
U.S. Market Development >>
October YTD

PREMIUM MARKET VOLUME
Oct YTD: -1.8%

PREMIUM SHARE OF TOTAL MARKET
Oct YTD: -0.2 ppts

SUV SHARE OF PREMIUM MARKET
Oct YTD: 7.3 ppts

PREMIUM SEDAN SEGMENT YoY PERFORMANCE

<table>
<thead>
<tr>
<th>October YTD YoY</th>
<th>YTD Premium Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>A0</td>
<td>NA</td>
</tr>
<tr>
<td>A</td>
<td>-16.7%</td>
</tr>
<tr>
<td>B</td>
<td>-15.7%</td>
</tr>
<tr>
<td>C</td>
<td>-15.1%</td>
</tr>
<tr>
<td>D</td>
<td>-10.0%</td>
</tr>
<tr>
<td>Total Sedan</td>
<td>-15.3%</td>
</tr>
</tbody>
</table>

PREMIUM SUV SEGMENT YoY PERFORMANCE

<table>
<thead>
<tr>
<th>October YTD YoY</th>
<th>YTD Premium Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>A0</td>
<td>-24.3%</td>
</tr>
<tr>
<td>A</td>
<td>24.1%</td>
</tr>
<tr>
<td>B</td>
<td>21.5%</td>
</tr>
<tr>
<td>C</td>
<td>7.1%</td>
</tr>
<tr>
<td>D</td>
<td>6.9%</td>
</tr>
<tr>
<td>Total SUV</td>
<td>13.9%</td>
</tr>
</tbody>
</table>

PREMIUM MARKET FORECAST HISTORY

06+06 Forecast: Total reduction of 90k
Audi Development

Volume has doubled since 2010 as Audi outpaces the Luxury market.
**Current Market >> Closing the Gaps**

**Units closer YoY**

Competitor 1: 30,582
Competitor 2: 17,682
Competitor 3: 5,776

<table>
<thead>
<tr>
<th></th>
<th>October 2016</th>
<th>October 2016 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Premium Marques</strong></td>
<td>-7.0%</td>
<td>-1.8%</td>
</tr>
<tr>
<td>Lexus</td>
<td>-6.2%</td>
<td>-4.7%</td>
</tr>
<tr>
<td>Cadillac</td>
<td>-9.4%</td>
<td>-5.6%</td>
</tr>
<tr>
<td>BMW</td>
<td>-18.4%</td>
<td>-9.0%</td>
</tr>
<tr>
<td>Acura</td>
<td>-20.0%</td>
<td>-10.5%</td>
</tr>
<tr>
<td>Mini</td>
<td>-3.3%</td>
<td>-12.6%</td>
</tr>
</tbody>
</table>

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<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Audi</td>
<td>0.1%</td>
<td>0.1%</td>
<td>2.9%</td>
<td>2.9%</td>
</tr>
<tr>
<td>Infiniti</td>
<td>0.6%</td>
<td>0.6%</td>
<td>1.2%</td>
<td>1.2%</td>
</tr>
<tr>
<td>Mercedes-Benz</td>
<td>-1.0%</td>
<td>-1.0%</td>
<td>-0.4%</td>
<td>-0.4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2016 YTD SALES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jaguar</td>
<td>3,219</td>
</tr>
<tr>
<td>Volvo</td>
<td>6,340</td>
</tr>
<tr>
<td>Lincoln</td>
<td>9,069</td>
</tr>
<tr>
<td>Land Rover</td>
<td>5,532</td>
</tr>
<tr>
<td>Porsche</td>
<td>4,506</td>
</tr>
<tr>
<td>Audi</td>
<td>17,721</td>
</tr>
<tr>
<td>Infiniti</td>
<td>11,208</td>
</tr>
<tr>
<td>Mercedes-Benz</td>
<td>28,659</td>
</tr>
<tr>
<td>Premium Marques</td>
<td>142,828</td>
</tr>
</tbody>
</table>

**Audi Share**

Oct 2016: **12.4%**  
Oct 2015: **11.5%**  
2016 YTD: **11.8%**  
2015 YTD: **11.3%**

*Cadillac and Lincoln and for reference only and are excluded from the Premium total*
**Current Market >> Rising Incentives**

<table>
<thead>
<tr>
<th>CAR</th>
<th>SUV</th>
</tr>
</thead>
<tbody>
<tr>
<td>AUDI</td>
<td>53%</td>
</tr>
<tr>
<td>BMW</td>
<td>61%</td>
</tr>
<tr>
<td>MERCEDES</td>
<td>54%</td>
</tr>
<tr>
<td>LEXUS</td>
<td>43%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CAR</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>COMPETITOR 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>COMPETITOR 3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>COMPETITOR 3</td>
<td></td>
<td></td>
<td></td>
<td>COMPETITOR 2</td>
<td></td>
<td>COMPETITOR 3</td>
<td></td>
</tr>
<tr>
<td>COMPETITOR 2</td>
<td></td>
<td>COMPETITOR 2</td>
<td></td>
<td>COMPETITOR 3</td>
<td>COMPETITOR 2</td>
<td>COMPETITOR 1</td>
<td></td>
</tr>
</tbody>
</table>

**Portfolio Age**

- **AVG. AGE**
  - 2012: 3.4 YRS
  - 2013: 4.3 YRS
  - 2014: 4.5 YRS
  - 2015: 4.6 YRS
  - 2016: 3.0 YRS
  - 2017: 1.8 YRS
  - 2018: 1.6 YRS

**SOURCE**: SS / UNIT: Autodata October YTD
<table>
<thead>
<tr>
<th>Brand</th>
<th>Fixed Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>01</td>
</tr>
<tr>
<td>Products</td>
<td>Network</td>
</tr>
<tr>
<td></td>
<td>03</td>
</tr>
<tr>
<td></td>
<td>04</td>
</tr>
</tbody>
</table>

Keys to Sustainment
CONQUESTING

Conquest is Strong
+16,473
European Competitors & Mass Market
Aug YTD

Brand

NOW:
CROSS-SHOPPING #2

AWARENESS
Goal: 83

62 61 69 73 76 77 76 79 81

62 61 69 73 76 77 76 79 81


OPINION
Goal: 83

65 66 76 79 80 79 82 81 82

65 66 76 79 80 79 82 81 82


CONSIDERATION
Goal: 65

39 43 49 5... 57 58 62 65 64

39 43 49 5... 57 58 62 65 64

Fixed Operations

Customer Service Index

#1

+ Repair Order increase 47%
562k to 842K
2010 - 2015

+ Units in Operation increase 50%
1.35M to 1.99M
2010 - 2015

+ 73.68%
Service Market Share (Sept YTD)
BEST IN INDUSTRY
Products

03

#1 Consumer Reports Best European Brand

Transaction Price
$41,400 2008
$49,400 2016
+$8,000
$1 billion

Audi Sugar Land (TX) | Sewell
252,000 sq. ft | $34.3 mi investment
+ Audi North Texas

Audi Freehold (NJ) | Ray Catena
73,100 sq. ft | $20.2 mi investment

Fletcher Jones Audi (IL)
Fletcher Jones Audi Group
327,000 sq. ft | $86.0 mi investment

C. Houston (TX) | Sonic Auto Group
160,000 sq. ft | $20.3 mi investment
+ Audi Birmingham (AL)
U.S. Market Development

Audi Development

The Future Investments
Audi Development >> Product Strategy

2016
- [Q7]
- [A4]
- [R8]

2017
- [Q5]
- [S4]
- [RS3]

2018
- [A6]
- [A7]
- [A8]

74% of Audi volume (lifecycle) will launch over the next three years.

Q7 +49.3% YoY
+3.0 pts share YoY

A4 +17.6% YoY
Segment down 15.7%
Future Investment ➔ Q5 Factory

Mexico Plant

+
The Future: Evolution In the Industry

Electrification
Autonomous Driving
Shared Mobility
The Future >> Battery Electric Vehicles

Our BEV Strategy

+ Expand to 3 BEV models by 2020

+ 250 miles to the charge
The Future Regulatory Environment

ASSIST

CONTINUAL WITHDRAWAL OF THE DRIVER FROM THE TASK OF DRIVING

LEVEL 0
MANUAL

LEVEL 1
ASSISTED

LEVEL 2
SEMI-AUTOMATED

LEVEL 3
HIGHLY-AUTOMATED

LEVEL 4
FULLY-AUTOMATED

LEVEL 5
AUTONOMOUS

PILOT

CONTINUALLY GROWING AUTOMATION OF DRIVING TASKS

A6 (model year 1999) with adaptive cruise control

A8 (MY 2003)
Connect with the Brand
not just the car

Industry Leading Tech
Virtual Cockpit
Traffic Light Online
Google integration

On-Demand Content

Cloud-based Infrastructure

V2V and V2I Communication

The Future >>>
Connected Future

Data Driven Business Models
Thank you >>