



Prof. Rupert Stadler

Speech

Annual General Meeting

May 22, 2014 | AUDI AG, Ingolstadt



**Speech at the
Annual General Meeting AUDI AG 2014**

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

Ingolstadt, May 22, 2014

Part 2

-Check against delivery-

Ladies and Gentlemen,

success is a long-distance race. It's important to have the right technique, the best team, and creativity. With Strategy 2020, we have staked out our racetrack. And we are setting quite a fast pace. We achieved our volume targets in record time. At the same time, as Mr. Strotbek has explained in detail, we initiated the biggest investment program in the company's history. We are thus setting the course for our long-term success.

We want to improve our lap times once again this year. What does that mean in concrete terms for 2014? First of all for our growth. We will further increase our unit sales with volume growth in all regions of the world – also in Europe. In the United States, we will take the next major step towards 200,000 cars delivered each year – our target for 2020. And this year in China, we want to be the first premium brand to sell more than half a million cars in one year – significantly more.

One thing is clear: we will continue along our growth path. That won't be easy of course. If we have a look at the economic atlas in 2014, we see that unlike in recent years, it is now the developed economies such as Germany, the United Kingdom and the United States which stand out with rising GDP and a positive labor-market development.

The US Federal Reserve's gradual abandonment of its expansive monetary policy has put pressure on the currencies of many emerging economies – Argentina for example.



Overall, we see varied developments in the group of emerging markets. Brazil and Mexico have learnt their lesson from the crisis and are putting more priority on sustainable economic policy. This is preparing the ground for further investment – and thus for an ongoing positive development. Countries like Russia and India need to catch up in this respect. Further dangers are to be seen in political turmoil such as in the Ukraine and Turkey.

The bottom line is that 2014 will be another challenging year, and we will keep a very close eye on market developments. At the same time, the intensity of competition is still increasing. Many of our competitors are pursuing aggressive tactics. But we haven't let that affect us: In March, we concluded the most successful first quarter in our company's history with the strongest ever sales month. A double record!

At the same time, we are maintaining our operating return on sales at a high level – and are actually slightly above our strategic target corridor. Audi is the champion for return on sales! In the first quarter, we were significantly better than in the prior-year period in 17 of the top 20 markets.

In Europe, we have clearly defended our top position. In the United States, we have grown faster than the market despite the extreme winter weather – and remained true to our policy of attaining qualitative growth! In China, we recorded the best first quarter in Audi's history. This means that we have continued our expansion of last year – despite all the prophecies of doom. China is our strongest market – and we are its strongest player.

In total, we delivered more than 412,000 Audi cars in the period of January through March, representing growth of 12 percent. Also in April, we remained on our growth path with an 11.6 percent in worldwide unit sales.

We gained major impetus from our product portfolio in the international markets. The rollout of the A3 family* creates further potential. For example, the A3 Sedan* was launched in the United States in April. Solely in the first month of the market launch, we sold more than 2,000 units there, which is a very good start.

This year, we will put 17 models and derivatives on the market. The first three new models debuted at the Geneva Motor Show: the Audi S3 Cabriolet*, the first A3 convertible* with quattro; the Audi S1*, the successful quattro formula works well at any size;



and the new Audi TT*, which will add to our team of high-performance sports cars. This means even more power with lower CO₂ emissions.

Our subsidiary brands also had world premieres in Geneva. Lamborghini is opening a new chapter with the Huracán*. He is already proving to be a worthy successor of the Gallardo: More than 1,500 Lamborghini fans have already ordered one.

Ducati presented the new Diavel. The “Motorcycle of the Year” – as selected by Europe’s biggest motorcycle magazine – will boost business along with the new Monster 1200, which was already unveiled in November.

Back to our core brand. With the growing product portfolio, our internationalization is also accelerating. In this context, our compact class is not only attracting large numbers of customers, the Audi A3* has also gained international recognition: In April, it was voted World Car of the Year – the best car of the world! The trophy can be seen here at the entrance of the Customer Center. And you can take home a smaller version of the best car in the world with you today!

The sales start of the new A3 family in China and the United States is one of the most important events of this year. In both countries, the compact class is still underrepresented in the premium market. But that’s changing: In China for example, the premium A-segment grew three times as fast as the overall premium market in the first quarter. We are profiting from this development above all with the A3 Sedan*, which was successfully presented at the Auto China Show in Beijing in mid-April.

The A3 Sportback e-tron* is stimulating additional interest. It embodies the latest stage of groundbreaking drive technologies: a powerful electric motor and an efficient 1.4-liter TFSI combustion engine offer a total range of more than 900 kilometers, including 50 kilometers under purely electric power. And that combines with minimal fuel consumption and extremely low CO₂ emissions of just 35 grams per kilometer.

e-tron – that means dynamic driving and uncompromising driving pleasure at a premium level. That’s the Audi way into the future of mobility. And we are putting this future into series



production. The A3 e-tron is just the beginning. Starting from now, we will launch one new Audi e-tron on the market each year.

Another thing about our China activities: In Beijing, we provided an insight into the ideas of Audi Design – and into the possible appearance of future TT versions. On the one hand, we had the show car from Detroit on the stage, the Audi allroad shooting break. Its powerful and efficient hybrid drive system makes a new form of quattro drive possible – the e-tron quattro. The 420 horsepower Audi TT quattro concept, the show car from Geneva, focuses on the sporting genes of the TT*. And the Audi TT offroad concept had its world premiere in Beijing. This plug-in hybrid with e-tron quattro drive combines the sporty character of a coupe with the high usability of a compact SUV.

The long-term goal for our product portfolio is clear: By the year 2020, we want to have more than 60 Audi models.

Our new ultra models play a special role here. We have started an efficiency championship across the entire model range. The name Audi ultra is given to the CO₂ champions of each model series. That means full performance, best CO₂ figures. This efficiency spearhead ranges from the Audi A3 ultra* with 3.2 liters of diesel per 100 kilometers and 85 grams of CO₂ per kilometer to the Audi A6 ultra* with 4.4 liters of diesel and 114 grams of CO₂ – with an output of 190 horsepower!

Our goal of CO₂-neutral mobility is the “non-plus ultra”. In that context, we look beyond the phase when a car is in use and organize the entire value chain according to that target. For example, 100 percent of the electricity that we need for our plant here in Ingolstadt comes from regenerative sources.

Apart from that, how will we position Audi to face the future?

We will continue with our selective recruitment and will strengthen our team for the next stages until 2020. AUDI AG is growing – and its popularity as an employer is increasing in line with that growth. The latest evidence of that is provided by the trendence and UNIVERSUM rankings: Audi is the preferred employer for most students in Germany, and we are particularly popular with engineering graduates. At the same time, we offer the best job opportunities: In Germany, we



want to recruit more than 2,000 experts in 2014 for the second stage of our strategy. And we will once again offer occupational training to more than 750 young people.

Ladies and gentlemen,

I said that success is a long-distance race. And long-distance races are a team sport. We are tackling our tasks with strong partners and a highly motivated team; with a clear ambition to take first place.

Thank you.

- End -

Contact

Jürgen De Graeve
Corporate Communications
Tel. +49 841 89-34084
juergen.degraeve@audi.de

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* 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 Speech.



Fuel consumption figures of the models named above

Audi S1:

Combined fuel consumption in l/100 km: 7.3 - 7

Combined CO₂-emissions in g/km: 168 - 162

Audi TT:

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 CO₂ emissions in g/km: 164 - 110

Audi A3:

Combined fuel consumption in l/100 km: 7.1 - 3.2

Combined CO₂ emissions in g/km: 165 - 85

Audi A3 ultra:

Combined fuel consumption in l/100 km: 3.3 - 3.2

Combined CO₂ emissions in g/km: 88 - 85

Audi A3 Sportback e-tron:

Combined fuel consumption in l/100 km: 1.5

Combined CO₂ emissions in g/km: 35

Audi A3 Sedan:

Combined fuel consumption in l/100 km: 7 - 3.3

Combined CO₂ emissions in g/km: 162 - 88

Audi A3 Cabriolet::

Combined fuel consumption in l/100 km: 7.1 - 4.2

Combined CO₂ emissions in g/km: 165 - 110

Audi S3 Cabriolet:

Combined fuel consumption in l/100 km: 7.1

Combined CO₂ emissions in g/km: 165

Audi A6 ultra:

Combined fuel consumption in l/100 km: 4.6 - 4.4

Combined CO₂ emissions in g/km: 119 - 114

Lamborghini Huracán:

Combined fuel consumption in l/100 km: 12.5

Combined CO₂ emissions in g/km: 290