



Prof. Dr. Dr. h. c. mult. Martin Winterkorn
Chairman of the Supervisory Board

The key figures also give out a very clear message: In 2014, the Company succeeded in increasing deliveries of its core brand Audi by 10.5 percent to 1,741,129 cars. Furthermore, we achieved new sales records in over 50 markets. Despite considerable upfront expenditures for new models and technologies as well as for the expansion of the international production structures, the operating return on sales reached 9.6 percent and was therefore within the strategic target corridor of eight to ten percent.

All these achievements by the Audi Group are principally down to the great commitment of all the people who work for it. The Supervisory Board expresses its sincere thanks to all employees and business partners for their outstanding efforts over the past fiscal year.

The Board of Management gave regular, up-to-date, comprehensive accounts of its actions to the Supervisory Board. Decisions of fundamental importance were discussed in detail by the Board of Management and the Supervisory Board. The Supervisory Board considered the economic framework and the Company's business progress and policy as well as its risk management and risk situation at ordinary meetings of the Supervisory Board convened each quarter and on the basis of regular oral and written reports from the Board of Management, and consulted the Board of Management closely on these matters. The Chairman of the Supervisory Board also held consultations with the Chairman of the Board of Management in between the regular meetings, on such topics as the Company's strategy, business policy, business performance and risk management.

In addition, at its four ordinary meetings in 2014, the Supervisory Board considered at length the opportunities and risks for Audi in key markets such as the United States, China, Russia, India and Europe. The Supervisory Board also held consultations with the Board of Management on the Company's strategic direction over the next five to ten years. Other subject areas discussed

*Ladies and Gentlemen,
Dear Shareholders,*

The past fiscal year brought expansion of the global economy despite continuing structural challenges in many countries, and it was also another year of growth for the global car market. This development was mainly driven by the car markets in China and the United States. There were also positive signs from Western Europe, where the market for automobiles stabilized further.

2014 also saw Audi grow in multiple respects. As part of its long-term 2020 growth strategy, the brand again brought an array of fascinating models onto the market which delighted the

public and its customers. One specific highlight was the third-generation version of the Audi TT design icon. Audi broadened its offering of alternative drive systems with two new additions to the A3 premium compact family, the A3 Sportback e-tron and g-tron. In the full-size category, the A6 and A7 were also extensively revised. The Audi Group continued to invest substantially in expanding its international production network – for example, by setting up new plants in Mexico and Brazil, where construction work continued according to schedule in the past fiscal year.

were the expansion of the Audi production network worldwide along with the recruitment of personnel that this necessitates, the qualification of the workforce and challenges arising in the area of procurement.

The members of the Supervisory Board had the opportunity to view, actively explore and gather detailed information on future models and technologies at a vehicle presentation.

In approving the plans for human resources, financial and investment measures, the Supervisory Board provided further confirmation of the Board of Management's strategic decisions and thus restated its support on the way to becoming the world's leading premium brand.

At its fourth ordinary meeting during the past fiscal year, the Supervisory Board together with the Board of Management routinely determined the content of the Declaration of Compliance in accordance with Section 161 of the German Stock Corporation Act (AktG).

All Supervisory Board members were present at more than half of the meetings. The average attendance rate in the past fiscal year was just under 99 percent. The members of the Presiding Committee held full consultations before each meeting. The Negotiating Committee did not need to be convened in 2014.

The Audit Committee met once per quarter in the past fiscal year. At its meetings, this committee considered the Annual and Consolidated Financial Statements for 2013 together with other topics such as risk management as well as compliance and auditing work. In addition, the Audit Committee scrutinized the 2014 Interim Financial Report prior to its publication and discussed its contents with the Board of Management and representatives of the auditing firm. The Audit Committee also advised on the independence of the auditor, the findings of additional audits commissioned, and the situation of the Company at the end of 2014.

“The entire Audi team delivered a strong performance again in 2014 and continues to be fully focused on achieving the goals of Strategy 2020.”

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Upon the proposal of the Supervisory Board, the Annual General Meeting of AUDI AG appointed PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft as auditor of the accounts for the 2014 fiscal year. The Supervisory Board awarded the audit assignment to the auditing firm after its election. The auditor of the accounts confirmed the Annual Financial Statements of AUDI AG, the Consolidated Financial Statements as well as the Combined Management Report of the Audi Group and AUDI AG for the 2014 fiscal year, and in each case issued its unqualified certification.

The members of the Audit Committee and Supervisory Board received the documentation for the Annual and Consolidated Financial Statements, together with the corresponding audit reports by the auditor, in advance of their meeting on February 26, 2015. The auditing firm's representatives explained the key findings of their audit in detail at the meetings of the Audit Committee and Supervisory Board, and then answered queries from members of both bodies. According to information supplied by the auditing firm, there were no circumstances that might give cause for concern about the auditor's partiality.

Following examination of the audit documents received and in-depth discussions with the auditing firm's representatives, and based on its own conclusions, the Audit Committee recommended to the Supervisory Board at the meeting on February 26, 2015 that the Annual and Consolidated Financial Statements each be signed off. After appropriate discussions, the Supervisory Board accepted this recommen-

dation and signed off the Annual and Consolidated Financial Statements prepared by the Board of Management. The Annual Financial Statements are thus established.

There was the following change within the Company's Board of Management in the past fiscal year: Dr. Hubert Wattle was appointed Member of the Board of Management of AUDI AG with responsibility for the Production division with effect from April 1, 2014. His predecessor, Dr. Frank Dreves, resigned from office at his own request at the close of March 31, 2014. The Supervisory Board would particularly like to thank him for 32 successful years in a variety of roles at Audi and other Group companies, both in Germany and internationally.

The Board of Management has suitably taken account of the economic environment and future challenges when making its plans. It, along with the entire Audi team, will remain resolutely on its path of qualitative growth and will work hard at building on the strong competitive positions already achieved by the Audi, Lamborghini and Ducati brands. The Supervisory Board will continue to assist the Board of Management actively and constructively with implementing this growth strategy in the future.

Ingolstadt, February 26, 2015



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