



Matthias Müller  
Chairman of the Supervisory Board

*Dear Shareholders,*

The final months of the past fiscal year were dominated by the Group-wide investigations into the diesel issue, the task of identifying what consequences and measures then needed to be taken, and the preparation of technical solutions for customers. Meanwhile, the overall development in automobile markets worldwide was less positive than one year previously. China in particular, the world's largest passenger car market, experienced a marked slowdown in the past fiscal year and was unable to repeat the high growth rates of earlier years. The market as a whole in Western

Europe, on the other hand, exceeded the expectations voiced at the start of the year. Amid this challenging environment, the Audi Group maintained its course of growth and supplied 1,803,246 cars of the Audi brand to customers worldwide in the past fiscal year – an increase of 3.6 percent from the previous year's already high level. Alongside continuing high demand for the SUV models, the cars of the Audi A3 car line and the new Audi TT family were especially well received by customers. The Company achieved its strategic objectives in financial terms, too – despite

the circumstances mentioned above and continuing high upfront expenditures for the future model and technology portfolio as well as for the expansion of international manufacturing structures.

The Supervisory Board would like to thank the entire Audi team for its huge commitment. It is the hope of the Supervisory Board that everyone at the Company can together rise to the challenges that lie ahead for the current fiscal year.

The Board of Management gave regular, up-to-date and 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, as well as 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 consulted 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 also risk management.

At its four ordinary meetings in 2015, the Supervisory Board also considered at length the opportunities and risks for Audi in key markets such as the United States, China, Russia and other European markets. The Supervisory Board also consulted with the Board of Management regarding the further strengthening of the full-size model lines in the automotive segment, the employment situation in Ingolstadt and Neckarsulm, the proportion of women in the Company, particularly in the individual management tiers and on the Board of Management, as well as strategic expansion potential. Other subject areas discussed were the digitalization and connectivity of vehicles with their environment.

In approving the plans for human resources, financial and investment planning, the Supervisory Board again confirmed the Board of Management's strategic decisions.

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).

The work of the Supervisory Board in the fourth quarter was largely devoted to

Internal Audit at Audi. The experts at Jones Day are making swift progress with their investigations and presented a detailed verbal interim report to the Supervisory Board on February 25, 2016. However, the investigations will still take quite some time. In order to obtain reliable insight into who was accountable, a large number of interviews will need to be conducted, possibly also multiple times. In addition, an enormous amount of data will need to be sifted through thoroughly. This includes email and data files, for example. Each of these viewed in isolation is a loose end in a communication for which the context

Committee were held in the past fiscal year, the first already on September 25, 2015. At each, the Chairman of the Board of Management gave a status report on the diesel issue. The Presiding Committee in addition discussed personnel matters.

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 the 2014 fiscal year as well as other topics such as risk management, as well as compliance and auditing work. In addition, the

***“Together with the entire Audi team, the Supervisory Board will work hard in 2016 and beyond to build on the outstanding competitive positioning of the brands of the Audi Group.”***

Matthias Müller, Chairman of the Supervisory Board of AUDI AG

the diesel issue. On October 7, 2015, the Supervisory Board held an extraordinary meeting to discuss the diesel issue in detail and take the necessary decisions. The Supervisory Board and Board of Management have made it clear that they will not tolerate any breaches of the law, and that they regard deception and fraud as inexcusable. The Supervisory Board has appointed the Vice Chairman of the Supervisory Board to coordinate and ensure all necessary steps to investigate and explain the events connected to the diesel issue. The Vice Chairman of the Supervisory Board decided to entrust experts from Jones Day with investigating the diesel issue at Audi. The internationally renowned law firm is conducting the forensic investigations and is being assisted operationally by the Deloitte auditing firm. The Supervisory Board views these mandates as a basic prerequisite for obtaining objective findings, in which the Supervisory Board and Board of Management have the greatest interest. To speed up the investigations, the Supervisory Board and Board of Management have requested the support of

must first be pieced together. This forensic work is time-consuming, laborious and necessary if we are to conduct a comprehensive investigation of the diesel issue.

The Supervisory Board has been kept constantly informed of the diesel issue by the Board of Management in recent months, mainly in writing. This applies in particular to the V6 3.0 TDI diesel engine developed by Audi, which is affected by investigations by CARB (California Air Resources Board) and EPA (Environmental Protection Agency) in the United States.

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 96 percent. The members of the Presiding Committee held full consultations before each ordinary meeting. The Negotiating Committee did not need to be convened in 2015.

After the diesel issue came to light, two extraordinary meetings of the Presiding

Audit Committee scrutinized the 2015 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 2015.

After the diesel issue became known, the Audit Committee again discussed the subject area of risk management, compliance and auditing. In connection with this, the Audit Committee welcomed the decision by the Board of Management to further optimize the risk management process in the Audi Group.

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 2015 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 2015 fiscal year, and in each case issued its unqualified certification with an additional note.

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 25, 2016. 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 25, 2016, that the Annual and Consolidated Financial Statements each be signed off. After appropriate discussions, the Supervisory Board accepted this recommendation and signed off the Annual and Consolidated Financial Statements prepared by the Board of Management. The Annual Financial Statements are thus established.

There were the following changes in the composition of the Supervisory Board during the past fiscal year: With effect from April 25, 2015, Hon.-Prof. Dr. techn. h. c. Dipl.-Ing. ETH Ferdinand K. Piëch and Ursula Piëch surrendered office as members of the Supervisory Board of AUDI AG. The Supervisory Board would particularly like to thank Hon.-Prof. Dr. techn. h. c. Dipl.-Ing. ETH Ferdinand K. Piëch for his work.

Its gratitude extends to Ursula Piëch. Hon.-Prof. Dr. techn. h. c. Dipl.-Ing. ETH Ferdinand K. Piëch has played a decisive and formative role in shaping the automotive industry over several decades. His influence has been especially great at Audi. Many innovations and structural changes at Audi are inseparably linked to the name of Hon.-Prof. Dr. techn. h. c. Dipl.-Ing. ETH Ferdinand K. Piëch.

With effect from November 6, 2015, Prof. Dr. Dr. h. c. mult. Martin Winterkorn left the Supervisory Board of AUDI AG at his own request. Prof. Dr. Dr. h. c. mult. Martin Winterkorn has decisively influenced and advanced many innovations at Audi over a period of several decades. The Supervisory Board expresses its sincere thanks and acknowledgment for this contribution.

With effect from December 4, 2015, Prof. h. c. Dr. rer. pol. Horst Neumann surrendered office as a member of the Supervisory Board of AUDI AG. The Supervisory Board voices its deep gratitude and recognition to Prof. h. c. Dr. rer. pol. Horst Neumann for his work at Audi and other companies of the Volkswagen Group.

At the respective request of the Board of Management of AUDI AG, the Local Court of Ingolstadt appointed Mag. Josef Ahorner, Mag. Julia Kuhn-Piëch and Matthias Müller to fill the vacant positions on the Supervisory Board with effect from November 30, 2015, as well as Dr. Christine Hohmann-Dennhardt with effect from February 16, 2016.

At its meeting on December 3, 2015, the Supervisory Board elected Matthias Müller as its Chairman and also to the Presiding Committee.

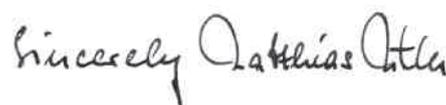
There were the following changes in the composition of the Company's Board of Management during the past fiscal year: Dr. Dietmar Voggenreiter was appointed Member of the Board of Management of AUDI AG with responsibility for the Marketing and Sales division with effect from November 1, 2015. His predecessor, Luca de Meo, surrendered

office at his own request at the close of October 31, 2015, to take over as Chairman of the Board of Management of SEAT S.A., Martorell, Barcelona (Spain). The Supervisory Board would like to thank him for his successful work at Audi and extends every good wish to Luca de Meo in his new role.

Prof. Dr.-Ing. Ulrich Hackenberg stepped down from the Board of Management of AUDI AG, on which he was responsible for the Technical Development division, by agreement with the Supervisory Board from the close of December 3, 2015. The Supervisory Board would like to thank Prof. Dr.-Ing. Ulrich Hackenberg for his 30 successful years of work at Audi and other companies of the Volkswagen Group. The Supervisory Board appointed Dr.-Ing. Stefan Knirsch to succeed him with effect from January 1, 2016.

The Board of Management has suitably taken account of the economic environment as well as future economic challenges when making its plans. Together with the entire Audi team, it will work hard in 2016 and beyond to build on the outstanding competitive positioning enjoyed by the brands of the Audi Group. It will systematically seek to achieve customer delight through new technologies, products and services that are sustainable, digital and connected. The Supervisory Board will continue to lend its constructive support to the Board of Management as the Audi Group pursues its ambitious goals.

Ingolstadt, February 25, 2016



Matthias Müller  
Chairman of the Supervisory  
Board of AUDI AG