robust KPIs 2017

**Deliveries**
slightly above prior year

Audi brand, '000 vehicles

- 2016: 1,868
- 2017: 1,878

+0.6%

**Revenue**
slightly above prior year

EUR billion

- 2016: 59.3
- 2017: 60.1

+1.4%

**Operating profit**
before/after special items (SI)
above prior year

EUR billion

- 2016: 4.8 (SI -1.8)
- 2017: 5.1 (SI 0.4)

+4.4%

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delivers Audi brand

World
1,878,105 cars (1,867,738)

China
597,866 cars (591,554)

+1.1%

+0.6%
2nd half sets new record

China deliveries

Audi brand

2016
2017

in tsd. units

Jan Feb Mar Apr May June Jul Aug Sept Oct Nov Dec

YoY +14% in 2nd half confirms premium market leadership in China
<table>
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<td>Western Europe</td>
<td>805,388 cars (801,116)</td>
<td>+0.5%</td>
</tr>
<tr>
<td>USA</td>
<td>226,511 cars (210,213)</td>
<td>+7.8%</td>
</tr>
<tr>
<td>Rest of the world</td>
<td>248,340 cars (264,855)</td>
<td>-6.2%</td>
</tr>
</tbody>
</table>
passes 60bn EUR

2016: 59.3 EUR billion
2017: 60.1 EUR billion

+1.4% increase
Lamborghini speeds-up revenue

1,009 (906) EUR million

+11.4%
contributes stable revenue
Operating margin of 8.4%

2016

4,846*
8.2%*

+ Pricing
+ Product costs/R&D
+ FX (net)
+ Genuine parts

2017

5,058*
8.4%*

- Fix costs and depreciation (e.g. related to production network)
- Mix
- CO₂

* KPI adjusted by special items
### Profit Analysis

**2016**

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<td>Fix costs and depreciation (e.g., related to production network)</td>
<td>-1,794</td>
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<td>387%</td>
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<tr>
<td>Product costs/R&amp;D</td>
<td>4,671</td>
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<td>7.8%</td>
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<td>FX (net)</td>
<td>4,846*</td>
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<td>Special items and Diesel issue</td>
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<td><strong>Total</strong></td>
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* KPI adjusted by special items

**2017**

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**8,468**

8.2%*
financial strength

- net cash flow
  - diesel issue
  - sale of participation

- net liquidity

4,312 (2,094) EUR million

20,788 (17,232) EUR million
new models

FX-headwinds

new technologies

new regulations
deliveries

prior year level

between 8 - 10%

2018

slight increase

between 2.7 and 3.2 billion EUR

operating margin

net cash flow
more than 20 launches in 2018

e-tron  A1  Q3  A6  Urus

...and many more to come
at 37% – and increasing...
transforming to future fields

Audi. Vorsprung. 2025.

Digitalization  Sustainability  New/ Urban Mobility
<table>
<thead>
<tr>
<th>Audi Origins</th>
<th>Changes</th>
<th>Audi tomorrow</th>
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<tr>
<td>Space Frame</td>
<td>D</td>
<td>myAudi</td>
</tr>
<tr>
<td>technology</td>
<td>S</td>
<td>tron</td>
</tr>
<tr>
<td>quattro</td>
<td>U</td>
<td>Audi AI</td>
</tr>
</tbody>
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value for our customers
value for our customers

Audi Origins

- Space Frame
- Technology
- quattro

Changes

- Online-Used car platform live since October 2017
- Audi g-tron powered with e-gas (2014)
- Autonomous driving at Level 3 in our new Audi A8 (2017)

Audi tomorrow

- 100 Audi VR Experience equipped dealers until end of 2017
- ≥ 20 fully/partially electrified vehicles until 2025
- Introduction FoD with Audi e-tron (2018)
- Releasing h-tron small series
- Personal Intelligent Assistant (PIA)
Digital Elements

Connected

Retail

+500 in 2017
Audi on demand
coming up 2018

>4,000 pre-orders
high performance EV
transforming to future fields

Audi. Vorsprung. 2025.
Digitalization
Sustainability
New/Urban Mobility

Audi SPEED UP!

Audi Action and Transformation Plan
€ 10 billion

Action and Transformation Plan

- **Upfront expenditure** of more than EUR 40 bn. till 2022 to secure competitiveness.
- **Free up more than EUR 10 bn.** for CO\textsubscript{2}, electric and autonomous driving and digitization.
- **Maintain profitability** in the corridor of 8 to 10% over the long term.

Future viability
Action and Transformation Plan

Model initiative

Market penetration

Material, investment & indirect purchasing costs

Factory costs

TD transformation

Organization

30% from revenue increases

70% from cost savings

**Target** of more than **EUR 10 billion**
best opportunity ever
Audi’s approach to autonomous driving
Dr. Miklos Kiss
Pre-Development Automated Driving Functions
achieved milestones

- **2009**
  - Audi TT Salt lake Bonneville

- **2010**
  - Audi TT Pikes Peak

- **CES 2013**
  - Park pilot & traffic jam pilot
  - Permission to test piloted driving in Nevada

- **Aug. 2014**
  - Permission to test piloted driving in Florida

- **Sept. 2014**
  - Permission to test piloted driving in California

- **Oct. 2014**
  - The best performing piloted driving prototype in the world at the Hockenheimring

- **Jan. 2015**
  - Drive from San Francisco to Las Vegas with Jack (Highway Pilot)

- **Jun. 2015**
  - Traffic Jam Pilot in Shanghai

- **Mai. 2016**
  - Highway Pilot Testing in Germany Test area A9
milestones in future mobility

Digitalisation

Urbanisation

Sustainability
automated driving as an influence on megatrends

1. Enhanced safety
2. Eco-friendly driving
3. More comfort for the customer
4. Efficient use of the transportation infrastructure
A broad range of driver assistance functions are already in production today.

<table>
<thead>
<tr>
<th>Standard features</th>
<th>Tour assistance package</th>
<th>City assistance package</th>
<th>Additional options</th>
</tr>
</thead>
<tbody>
<tr>
<td>› Hold assist</td>
<td>› Turn assist left</td>
<td>› Audi side assist</td>
<td>› Trailer assist</td>
</tr>
<tr>
<td>› Audi pre sense basic</td>
<td>› Adaptive cruise control</td>
<td>› Exit warning</td>
<td>› Main beam assist</td>
</tr>
<tr>
<td>› Audi pre sense city</td>
<td>› Audi active lane assist</td>
<td>› Audi pre sense rear</td>
<td>› MMI navigation plus</td>
</tr>
<tr>
<td>› Park assist rear</td>
<td>› Audi pre sense front</td>
<td>› Park assist plus</td>
<td>with MMI touch</td>
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<td>› Adjustable speed limiter</td>
<td>› Obstacle avoidance assist</td>
<td>› Rear cross-traffic assist</td>
<td>› Night vision assistant</td>
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<td>› Cruise control system</td>
<td>› Camera-based traffic sign recognition</td>
<td>› Reversing camera</td>
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<td>› Break recommendation function</td>
<td>› Predictive efficiency assistant</td>
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<tr>
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**Parking assistance package**

› Surroundings camera
› Park assist
evolutionary advanced development driver assistance & automated functions

Current range of driver assistance functions:
- Traffic jam pilot
- Park pilot
- Motorway pilot
- Parking garage pilot
- City pilot

Future driver assistance functions:
- Intersection assistant
- Top View 3D
- ACA
- Maneuver assist
- Turn assist
levels of driving automation (SAE international) each evolutionary stage will relieve the driver more

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or

and
The new A8 has been developed for conditional automated driving (level 3).

Central driver assistance control unit (zFAS)
the new A8 has been developed for conditional automated driving (level 3)

In 2018 we will gradually start to put the automated functions into series production.

**Legal framework**
(road traffic laws)

**Technical regulations**
(type approval / homologation)
the new A8 has been developed for conditional automated driving (level 3)

In 2018 we will gradually start to put the automated functions into series production.

Legal framework
(road traffic laws)

› National road traffic laws regulate the behaviour of the driver on public roads.

› Conditional automation: The driver needs to have the ability to control his vehicle even if he is not performing the driving task. National traffic legislation in different countries is currently amended to allow the use of Level 3 systems.
the new A8 has been developed for conditional automated driving (level 3)

In 2018 we will gradually start to put the automated functions into series production.

› Type approval leads to the technical certification of the vehicle. The automaker must fulfil various technical regulations in order to gain the necessary approvals.

Focus: Technical regulation for the steering equipment (UN-R 79):

› At present **UN-R 79** is currently under amendment to allow **continuous steering by the system**.
› The amendment is necessary to address various aspects of automated driving.
› **Currently** the regulation permits continuous steering **without holding the steering wheel only at speeds not exceeding 10 km/h (6.2 mph)**.
THANK YOU!