



First Quarter Report 2008

January 1 to March 31, 2008



Audi Group posts successful first quarter

Debuts for Audi A4 Avant, Audi TTS, Audi TT 2.0 TDI quattro and Audi Q7 V12 TDI quattro

Economic development

The first three months of the 2008 fiscal year saw world economic growth moderate somewhat. Against this backdrop, the economies in the threshold countries of Asia, Central Europe, Eastern Europe and South America, first and foremost, continued to develop on a dynamic note.

However, prospects for the global economy have deteriorated. In addition to a further rise in raw materials prices, the sharp cool-down of the economy in the United States, brought on above all by the continuing financial market crisis, is dampening economies worldwide. The financial crisis is also impacting the other industrialized nations, although the German economy has thus far proven to be highly resistant to the clouding of the global economic climate.

During the period under review, strong growth was sustained in car markets in China, India, Brazil and the countries of Central and Eastern Europe, thus making for a continued positive development of global demand for automobiles. In the United States, on the other hand, reluctance on the part of personal consumers led to a sharp decline in automotive sales. Car markets in both Japan and Western Europe (not including Germany) also declined. In Germany, new passenger car registrations during the first quarter of 2008 were up from the lower volume that had been seen during the corresponding period the year before.

Audi sustains growth path

With 314,465 (312,810) vehicles sold worldwide during the first three months, the Audi Group got off to a successful start in fiscal 2008.

This unabated strong demand is predominantly attributable to Audi's attractive model portfolio. 251,268 (248,139) Audi vehicles had been delivered to customers by the end of March, thus setting the stage for selling more than one million vehicles by the close of the 2008 fiscal year.

On the company's home market of Germany, vehicle sales were down only marginally year on year at 54,727 (56,145) units, in spite of the model change in the highest-volume line, the Audi A4.

In the United Kingdom, the largest European market outside Germany, the company again grew its sales by 4.1 percent to 32,512 (31,228) automobiles, thus setting a new record.

Audi also enjoyed significant growth in Eastern Europe. In Russia, for example, sales were increased by an impressive 28.5 percent to 3,880 (3,020) vehicles.



In the Asia-Pacific region, Audi's sales were up 20.9 percent to 39,572 (32,718) units in what continues to be a dynamic environment. A total of 30,425 (24,342) vehicles were handed over to customers in the key growth market of China (including Hong Kong). This represents outstanding growth of 25.0 percent.

Totalling 20,557 (21,028) units, sales in the United States were nearly able to match the previous year's level, in spite of the negative development of the overall market there.

Vehicle sales by model	Jan – Mar 2008	Jan – Mar 2007
Audi vehicles*	251,268	248,139
of which:		
Audi A3	62,301	60,494
Audi TT	11,656	11,771
Audi A4 / RS 4	75,271	80,891
Audi A4 Cabriolet / RS 4 Cabriolet	4,519	6,938
Audi A5	13,106	354
Audi A6	55,615	56,399
Audi A6 allroad quattro	3,681	4,100
Audi Q7	17,229	21,267
Audi A8	6,261	5,720
Audi R8	1,427	205
Lamborghini vehicles	639	526
Other Volkswagen Group brands	62,558	64,145
Total, Group	314,465	312,810

* including internal vehicles for launch purposes

A host of premieres in the first quarter

The first quarter of the 2008 fiscal year was characterized by numerous debuts.

Audi showcased the new Audi TTS* sports car at the Detroit Auto Show in January. This car features a 200 kW (272 hp) 2.0 liter TFSI engine, and is available with either manual transmission or alternatively with the S tronic. With the dual-clutch transmission, the Audi TTS Coupé* accelerates from 0 to 100 km/h in 5.2 seconds. Thanks to its high fuel efficiency, the average fuel consumption of the TTS Coupé is a mere 7.9 liters of premium fuel per 100 kilometers, or 8.0 liters in the case of the TTS Roadster*.

Two months later, Audi offered up no fewer than three world premieres at the Geneva Auto Salon.

In addition to its driving dynamics and elegance, the new Audi A4 Avant* enthuses with its traditional Audi quality and uncompromising sportiveness. Two gasoline engines and two diesel engines offering performance ranging from 105 kW (143 hp) to 195 kW (265 hp) were already available at the time of market launch.

With the Audi TT 2.0 TDI quattro, which is also available as a Coupé* and a Roadster*, Audi is broadening its portfolio of models, powering a sports car for the first time with highly efficient diesel technology. Offering 125 kW (170 hp) of performance, the Audi TT Coupé and Audi TT Roadster sip only an average of 5.3 liters and 5.5 liters, respectively, of diesel fuel per 100 kilometers, thus serving as a convincing example that demonstrates the success of the Audi brand's efficiency strategy.

One particular highlight was the presentation of the Audi Q7 V12 TDI quattro concept car. Powered by a 368 kW (500 hp) V12 diesel engine, this premium SUV accelerates from 0 to 100 km/h in 5.5 seconds. Yet the fuel consumption of its powerful diesel powerplant is a meager 11.9 liters of diesel fuel per 100 kilometers – amazingly high fuel efficiency given the car's impressive performance.

* Fuel consumption figures at the end of the First Quarter Report



Finances

First-quarter revenue stood at EUR 8,294 (8,679) million, just short of the previous year's outstanding level, in spite of the negative impact of foreign-currency effects.

In this connection, the Audi Group increased its operating profit by an impressive 28.2 percent to EUR 514 (401) million, first and foremost as a result of an improved model and equipment mix as well as sustained product cost optimizations.

In the first quarter, the companies consolidated within the Audi Group were broadened to include AUDI BRUSSELS S.A./N.V., of Brussels, Belgium, as well as Audi Zentrum Hamburg GmbH, Hamburg, Germany.

Outlook

The Audi Group expects to see positive overall development of international automobile demand in 2008. While the growth markets of China, India and Russia are likely to continue to be characterized by strong dynamics, it is anticipated that stagnation or economic decline will be seen on markets in the United States, Western Europe and Japan.

The rejuvenated and broadened product portfolio, as well as the expanded exclusive dealer and service network, will be sparking the development of vehicle sales. The Audi Group is confident of being able to achieve its target of selling more than one million vehicles for the 2008 fiscal year.

The increase in vehicle sales that the Audi Group is striving for, together with further productivity gains and process improvements, will be reflected in the Group's revenue and profitability numbers, which will again advance year on year.

Personnel changes

As of April 1, 2008, Peter Schwarzenbauer succeeded Ralph Weyler, who had retired from the Board of Management effective February 22, 2008. Mr. Schwarzenbauer assumed responsibility for Marketing and Sales.

Disclaimer

This First Quarter Report contains forward-looking statements relating to anticipated future developments. These statements are based upon current assessments and are inherently subject to risks and uncertainty. Actual events could differ from the statements formulated herein.

Fuel consumption and emission figures

As at: April 2008 (All data are based on features for the German market.)

Model	Power output (kW)	Transmission	Fuel consumption (l/100 km)			CO ₂ emissions (g/km)
			urban	extra urban	combined	combined
TT Coupé 2.0 TDI quattro	125	6-speed	7.0	4.3	5.3	139
TT Roadster 2.0 TDI quattro	125	6-speed	7.2	4.5	5.5	144
TTS Coupé 2.0 TFSI quattro	200	6-speed	10.9	6.3	8.0	191
TTS Coupé 2.0 TFSI quattro	200	S tronic, 6-speed	11.0	6.1	7.9	188
TTS Roadster 2.0 TFSI quattro	200	6-speed	11.0	6.5	8.2	194
TTS Roadster 2.0 TFSI quattro	200	S tronic, 6-speed	11.3	6.2	8.0	190
A4 Avant 1.8 TFSI	118	6-speed	9.6	5.8	7.2	170
A4 Avant 1.8 TFSI	118	multitronic, CVT	9.6	6.1	7.4	175
A4 Avant 3.2 FSI quattro	195	6-speed	13.0	6.6	8.9	213
A4 Avant 3.2 FSI quattro	195	tiptronic, 6-speed	13.1	6.9	9.2	219
A4 Avant 2.0 TDI	105	6-speed	7.0	4.5	5.4	143
A4 Avant 3.0 TDI quattro	176	6-speed	8.9	5.6	6.8	179



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