

Form in color:  
the Audi R8 V10

Vorsprung durch Technik 

# Audi

## 2008 ANNUAL REPORT

PIONEERING SPIRIT A new lightness in car design. AUTHENTICITY Clint Eastwood makes self-will his trademark. ORIGINS 100 years of Audi. EFFICIENCY Endurance test for TDI clean diesel. PROGRESSIVENESS Technology meets design. One annual report – 49 x Vorsprung.



Form in color:  
the Audi A5 Cabriolet

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Form in color:  
the Audi Q5

Vorsprung durch Technik 



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## Audi Group Key Figures

		2008	2007	Change in %
Production	Cars	1,029,041	980,880	4.9
	Engines	1,901,760	1,915,633	-0.7
Vehicle sales	Cars	1,223,506	1,200,701	1.9
Audi brand		1,003,469	964,151	4.1
Germany		258,111	254,014	1.6
Outside Germany		745,358	710,137	5.0
Lamborghini brand		2,430	2,406	1.0
Other Volkswagen Group brands		217,607	234,144	-7.1
Employees	Average	57,533	53,347	7.8
Revenue	EUR million	34,196	33,617	1.7
Profit from operating activities	EUR million	2,772	2,705	2.5
Profit before tax	EUR million	3,177	2,915	9.0
Profit after tax	EUR million	2,207	1,692	30.4
Operating return on sales	Percent	8.1	8.0	
Return on sales before tax	Percent	9.3	8.7	
Return on investment	Percent	19.8	18.6	
Total capital investments	EUR million	2,486	2,115	17.5
Capitalized development costs		547	497	10.1
Depreciation and amortization	EUR million	1,908	2,287	-16.6
Cash flow from operating activities	EUR million	4,338	4,876	-11.0
Balance sheet total at Dec. 31	EUR million	26,056	22,578	15.4
Equity ratio at Dec. 31	Percent	39.6	37.0	



## EDITORIAL

*Dear Readers,  
Dear Shareholders,*

2008 was a remarkable year in quite a number of ways. For the first time ever, Audi's vehicle deliveries broke through the one million barrier, the crowning achievement of a 13th successive record-breaking year. And this was also the year in which the Audi brand took its product portfolio to a new level by adding a large number of attractive new models. As well as unveiling completely new vehicles, such as the A3 Cabriolet, the A4 Avant and the Audi Q5 performance SUV, we carried out a thorough update of our core car lines A3 and A6, and brought numerous sporty derivative versions onto the market.

2008 turned out to be exactly as we had planned from the outset: a thoroughly successful year in which passionate enthusiasm for our exceptional cars once again brought us a whole lot closer to achieving our ambitious strategic objectives.

All the same, we were not left unscathed by the global economic crisis. Whatever happens in this current year, one thing is certain: We will steadfastly adhere to our unique Audi approach – innovative, progressive, cosmopolitan and responsible.

All these qualities are mirrored in our Annual Report, in which leading authors probe intriguing aspects of the past, present and future. In addition, the financial section provides information about our economic development and the record figures achieved in the past year.

I wish you an interesting and entertaining read.

Kind regards

*R. Stadler*

**Rupert Stadler**  
Chairman of the Board of Management



## REPORT OF THE SUPERVISORY BOARD



**Prof. Dr. rer. nat. Martin Winterkorn**  
Chairman of the Supervisory Board

*Ladies and Gentlemen,  
Dear Shareholders,*

The Audi Group succeeded in maintaining the growth of recent years in the 2008 fiscal year, amid an increasingly difficult economic environment. In addition to establishing a new record for manufacturing output, the Company delivered over one million premium cars of the Audi brand for the first time in its history. Moreover, revenue and key earnings ratios reached new all-time highs. The Supervisory Board would like to take this opportunity to thank the management, the elected employee representatives and the staff for everything they did to make this achievement possible. All seats on the Supervisory Board were up for re-election during the past year. With the close of the Annual General Meeting on May 7, 2008, Dr. Thomas R. Fischer, Dr. Claus Helbig and Dr. Axel Freiherr von Ruedorffer retired from the Supervisory Board. The Supervisory Board greatly appreciated their constructive advice and critical questioning, and voices its sincere thanks and indebtedness to Dr. Fischer, Dr. Helbig and Dr. von Ruedorffer for the work they accomplished. The ten employee representatives were elected on

April 10, 2008. All ten sitting employee representatives on the Supervisory Board were re-elected. The election of stockholder representatives took place at the Annual General Meeting on May 7, 2008. Holger P. Härter, Prof. Ferdinand K. Piëch and Dr. Wendelin Wiedeking were elected as new members of the Supervisory Board. The term of office of all Supervisory Board members ends with the close of the Annual General Meeting, which is to give discharge for the 2012 fiscal year.

At its constituent meeting on May 7, 2008, the Supervisory Board re-elected Prof. Dr. Martin Winterkorn as its Chairman and Berthold Huber as Deputy Chairman. The Negotiating Committee pursuant to Section 27, Para. 3 of the German Codetermination Act and the Audit Committee pursuant to Section 5.3.2 of the German Corporate Governance Code were also elected.

In the past fiscal year, the Board of Management provided the Supervisory Board with regular, up-to-date and comprehensive accounts of its actions. All decisions fundamentally important to the Company were discussed in depth between the Board of Management and the Supervisory Board. The Supervisory Board reviewed and held extensive discussions with the Board of Management on the economic situation of the Company, the development of sales markets, the business policy and risk management approach, together with the risk exposure of the Company, at quarterly meetings throughout 2008 and also on the basis of regular, detailed oral and written reports from the Board of Management. All members were present at more than half of the meetings. The Supervisory Board reached decisions on business developments requiring urgent consideration by written circular. The members of the Presiding Committee held extensive consultations before each Supervisory Board meeting. The Negotiating Committee did not need to be convened in the 2008 fiscal year.

The principal topics considered at the Supervisory Board's meetings were in particular the financial crisis, its direct impact on the real economy, and the currently unforeseeable consequences for the automotive industry and in particular the Audi Group. Other major issues for consultation included the Company's technological responses to the continuing debate about CO<sub>2</sub> emissions, and extensive discussions about market opportunities and risks for the Audi core brand based on the current and future model range. In addition, the Supervisory Board devoted considerable attention to the mandatory offer by Porsche Automobil Holding SE, Stuttgart, to the shareholders of AUDI AG on September 25, 2008 and, jointly with the Board of Management of AUDI AG, published an opinion pursuant to Section 27 of the German Securities and Takeover Act (WpÜG) on October 16, 2008. In view of the financial valuations available at the time of the drafting of the resolution and the trading prices of Audi shares during the period of the offer, the Supervisory Board and Board of Man-

agement of AUDI AG were able neither to recommend nor to advise against acceptance of the mandatory offer. In order to avoid any hint of a conflict of interest or influencing the debate on the drafting of this opinion in any way, the Supervisory Board members who supervise Porsche Automobil Holding SE or belong to the Board of Management of the holding company each abstained from the vote when the content of the opinion on the mandatory offer was being decided.

The economic environment at the end of the fiscal year rendered it impossible to plan reliably for the long term. The Board of Management will therefore submit specific proposals for financial, human resources and investment planning for the approval of the Supervisory Board at the start of the 2009 fiscal year.

All financial, human resources and investment decisions required in the short term in order to maintain the product initiative and maintain the growth strategy were approved by the Supervisory Board following detailed discussions on November 24, 2008. At this meeting, the Supervisory Board moreover approved the remuneration system for the Board of Management, including the principal contractual elements, as well as the content of the annual Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Act.

**“In addition to establishing a new record for manufacturing output, the Company delivered over one million premium vehicles of the Audi brand for the first time in its history.”**

Prof. Dr. rer. nat. Martin Winterkorn

The Audit Committee duly met during the past fiscal year and considered at length the Annual and Consolidated Financial Statements for 2007, the Company's risk management, the prevailing situation at the end of 2008, and the process initiated by the Board of Management to establish a compliance organization. In addition, the committee considered detailed analyses of potential risks and burdens from the current economic crisis and the continuing high volatility of international raw materials and currency markets.

PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft was elected by the Annual General Meeting on May 7, 2008 as auditor of the accounts for the 2008 fiscal year. The Supervisory Board issued the audit assignment to this firm of auditors directly after this election. The firm of auditors confirmed the Annual Financial Statements of AUDI AG and the Consolidated Financial Statements of the Audi Group, as well as the Management Reports for AUDI AG and the Audi Group for 2008, and in each case issued its unqualified certification. The members of the Audit Committee and Supervisory

Board were presented with the documentation for the Annual and Consolidated Financial Statements, together with the corresponding audit reports by the auditors, well in advance of the meetings on February 25, 2009. The auditors reported in detail to the meetings of the Audit Committee and Supervisory Board on the key findings of their audit, and were available to answer questions from the members of each committee and provide additional information. On the basis of the audit documents presented to it, its discussions with the auditors and its own conclusions, the Audit Committee recommended to the Supervisory Board at the meeting of the latter on February 25, 2009 that the Annual and Consolidated Financial Statements be signed off. The Supervisory Board accepted this recommendation and signed off the Annual Financial Statements prepared by the Board of Management as well as the Consolidated Financial Statements. The Annual Financial Statements are thus established.

The following change to the composition of the Board of Management of the Company took place in the past fiscal year: Effective end of February 22, 2008, Ralph Weyler, Member of the Board of Management for Marketing and Sales, left the Board of Management of AUDI AG. The Supervisory Board takes this opportunity to thank Mr. Weyler for his work on the Board of Management of AUDI AG. Effective April 1, 2008, Peter Schwarzenbauer succeeded Ralph Weyler on the Board of Management of AUDI AG. For the period February 23, 2008 through March 31, 2008, Rupert Stadler had additionally assumed responsibility for the Marketing and Sales Division.

The Board of Management expects a further deterioration in the economic environment worldwide in 2009, with the entire automotive industry particularly affected. Nor will the Audi Group be able to resist this trend altogether. The Board of Management nevertheless believes that the Company is in a strong strategic position to rise to the major challenges that lie ahead both actively and successfully. Wide-ranging, long-term measures already implemented with a view to optimizing costs and processes will help the Company to respond swiftly and appropriately to changes in demand. The Company furthermore has a youthful, attractive model range, which will continue to stimulate the market and will be further expanded in 2009. The Supervisory Board will actively and constructively continue to support and advise the Board of Management as it seeks to realize its growth strategy.

Ingolstadt, February 25, 2009



Prof. Dr. rer. nat. Martin Winterkorn  
Chairman of the Supervisory Board

## THE BOARD OF MANAGEMENT



**AXEL STROTBEC**  
Finance and Organization



**MICHAEL DICK**  
Technical Development



**RUPERT STADLER**  
Chairman of the Board of Management





**DR. WERNER WIDUCKEL**  
Human Resources



**FRANK DREVES**  
Production



**PETER SCHWARZENBAUER**  
Marketing and Sales



**ULF BERKENHAGEN**  
Purchasing



**PROGRESSIVENESS**  
Ambra Medda and Rupert  
Stadler above the rooftops  
of New York. **PAGE 26**



**CHARISMA**  
The Audi TTS journeys into the  
colorful life of Montreal. A photo  
portrait based on a young  
author's short story. **PAGE 55**



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**“Today, everyone’s so exalted”**

Clint Eastwood has changed, while staying true to himself



#### CHARACTER

Three different covers – one Audi Annual Report. Whether Audi Q5, R8 V10 or A5 Cabriolet: Each model has its very own character – expressed slightly differently depending on color. The Audi 2008 Annual Report is published with three different covers, each featuring one of these brand-new models.\*

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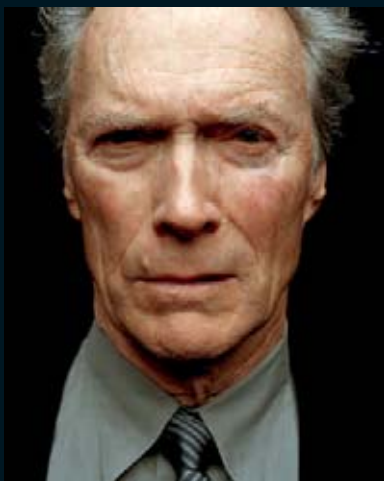
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**PRIDE**  
Lamborghini is at home in the narrow streets of Sant'Agata. [PAGE 102](#)

**DEVOTION**  
DTM driver Martin Tomczyk is fully focused – not only behind the wheel of his R8, but also on the PlayStation. [PAGE 12](#)



**AUTHENTICITY**  
Clint Eastwood may not be a man of many words, but as his recent films show, he still has plenty to say. [PAGE 74](#)

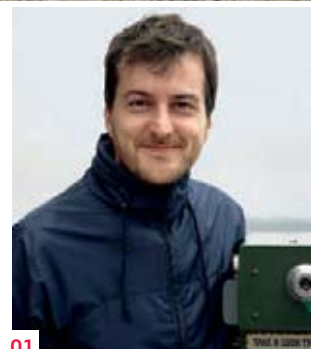






**01 SORIN MORAR**  
**Photographer, Munich**

Luckily, Sorin Morar had the foresight to bring Cape Town seagulls' favorite food to the photo shoot. Initially, only two of the birds showed any interest in the car on the beach. Strong winds kept Morar busy tossing the treats to get the perfect constellation of seagulls and Audi A4 for the shot. "I love capturing the exceptional amidst the ordinary," says the 36-year-old photographer. **PAGE 55**



**02 MATTHEW COOK**

**Artist and Illustrator, London**

Cook sketched his first portraits of musicians at jam sessions he attended from an early age in his father's tow. The 45-year-old artist illustrated the Mileage Marathon and U.S. musical greats for the Audi Annual Report – and came across an old love. As part of London's punk scene in the late 1970s, he was mad about Blondie. **PAGE 86**

**03 STEFAN NINK**

**Travel Journalist, Mainz**

The 43-year-old journalist normally reports from the Mekong Delta or Swaziland. For a meeting with DTM driver Martin Tomczyk and professional gamer Sascha Appel, Nink traveled to a world that is every bit as fascinating: the Nürburgring. Here he experienced a race between reality and illusion. Tomczyk and Appel piloted an Audi R8 around the Nordschleife – on the game console and on the circuit itself. **PAGE 12**

**04 CAROLE CAPITAIN**

**Motorsports Editor at L'Équipe, Paris**

For years, the 36-year-old editor has been a fixture at Formula One races. But for the 24 Hours of Le Mans, she even regularly misses out on the Canadian Grand Prix. "Nowhere am I closer to the legend of motorsport than in the rainy French province," she says. **PAGE 94**

**05 MARC SPITZ**

**Music Journalist and Author, New York**

The "nerd from Long Island," as he describes himself, rocked as a DJ in the 1990s before dedicating himself to writing. He worked for the rock and pop magazine Spin, among others. The 39-year-old author, who long lived like a rock star himself, is currently researching for a biography of David Bowie. In the meantime, he visited the cult sites of American music. **PAGE 86**

**06 GIORGIO BARRERA**

**Photographer, Milan**

"To discover this kind of futurism in such a rural setting was fascinating to me," says the 40-year-old photographer. He took his camera in search of traces of a hot-blooded Italian: Lamborghini. **PAGE 102**

**07 JULIA KARULINA**

**Business Journalist, Moscow**

"The rhythm of life here is much slower than in Moscow. You don't call anyone after 9 pm," exclaimed the 29-year-old journalist on her trip to Novosibirsk. The Moscow native and writer for the business newspaper RBC daily takes a look into the Audi brand's success in the heart of Siberia. **PAGE 32**







Devotion

## Reality and illusion

Smoking tires, roaring engines. Two Audi R8 cars charge around the track. Professional drivers are at the wheels. The one chases points in the DTM series; his opponent is a professional gamer and develops car racing games. They storm around the Nordschleife – real and virtual. An unusual couple; an unusual race.

Copy Stefan Nink  
Photos Frithjof Ohm

**T**he engine roars briefly one last time before the car comes to a stop and Sascha Appel lets his gaze linger over the digital display, as if he wanted to burn his time into his memory: 7:50 – less than eight minutes – is pretty good even for a virtual lap around the Nordschleife (Northern Loop). He drags himself out of the racing seat. Stressful? Not really! “Each time is just as much fun as the first!” Appel walks to the window. Parked below is the car he has just driven virtually on a PlayStation 3 (PS3): the real Audi R8. He’ll hit the real asphalt this afternoon: nearly 21 kilometers, 73 curves, a 290-meter change in elevation – the “Green Hell” in the

Eifel Mountains is considered to be the world’s most difficult racetrack. Looking down at the R8, Appel seems almost like a child about to unwrap his presents at Christmas. He waves to the man standing beside the car, Martin Tomczyk, and relays his time of 7:50. Tomczyk smiles – the smile of a man undaunted by that achievement.

**And what are the two of them doing here?** It depends on who you ask. Tomczyk is a professional racing car driver on the Audi German Touring Car Masters (DTM) team and an avid hobby gamer. Today is not the first time he’s had the chance to drive a real R8. After all, he was involved in testing the car. Now he wants to see what it feels like to drive the virtual version. Appel, on the other hand, is the German manager of the GT Explore Studio at the video game





**GOING FOR IT:**  
DTM driver Martin Tomczyk (left)  
clocks a super time in the R8.

**LIKE THE REAL THING:**  
Professional gamer Sascha Appel  
(right) has only ever driven the R8  
in video games.

developer Polyphony Digital, which means he is one of the reasons why the newest car models are able to storm around the virtual Nordschleife in the upcoming "Gran Turismo 5." Appel also has a real racing license. The professional driver is a hobby gamer; the professional gamer is a hobby driver. They are made for each other. And this "Gran Turismo"? It is one of the most successful racing games of all times. More than 700 different vehicles and 50 tracks. Breathtaking graphics. And so pedantically close to reality that the digital Nordschleife deviates from the original by no more than five centimeters at any one point. The latest, fifth version of "GT," as fans like to call their game, is coming out in 2009 with new models and new tuning options. Until then, there's "GT5: Prologue," a kind of digital appetizer. It's already loaded in the Play-

Station, complete with racing seat, cockpit, pedals and television monitor, in the Audi Lounge at the Nürburgring.

**GT is a godsend for racers:** There are probably precious few professional drivers alive today who don't practice on the console before qualifying. The game is unbelievably important, especially for young drivers going out on a given track for the first time, says Tomczyk as he sits down at the wheel of the game console. Yes, it's about mental training – concentrating intently for eight minutes, and then reproducing this later on the track itself. But above all, it's about the track layout, characteristics of the corners, the climbs and drops. "It usually takes 10 to 15 laps to memorize the circuit during a race. With GT, this can be significantly reduced." He is then silent for a while as he ►



01

concentrates on shooting out of the pit row onto the track, his facial expressions and body language changing for an instant. Tomczyk will later say that in terms of concentration there isn't much of a difference between sitting behind the wheel of the real car or in front of the PlayStation 3. Admittedly, the PS3 doesn't offer quite the same white-knuckle experience, but even so, you realize that Tomczyk is entering the zone, isolating himself from outside influences. Everyone around him notices as well: While Tomczyk is driving, no one utters a word.

If you've never tried out another PS3 racing simulation before, you won't believe your eyes and ears when you get behind the virtual wheel of the R8. The game is so realistic that you are sucked into and swallowed up by the simulated world within seconds. The shift from reality to illu-

sion is so seamless, that it is hard to describe what is happening to you. After all, it isn't exactly easy for the average driver to maintain the line in a supercar if they are a little heavy on the gas while flying into a Nordschleife corner. Despite the fact that it's all taking place on a computer, braking, hitting the guard rail and spinning out still leaves you a bit dizzy. Or truth be told: very dizzy.

**"It is all very realistic,"** says Martin Tomczyk, "the understeer, the oversteer; the increasing computing power works miracles." Even though the steering wheel also pulls and bucks, you don't really "experience" the reactions of the vehicle. "However, the excellent visuals almost completely conceal that." And if you didn't already know that the virtual R8 is less sensitive than its real counterpart, you

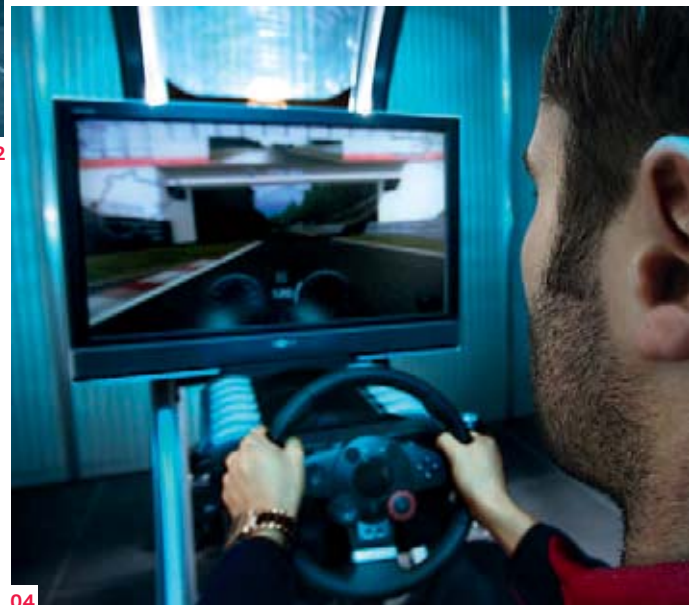




03



02



04

- 01 Ready for action: professional driver and professional gamer in an unusual contest.
- 02 Simulation in the Audi Lounge: Gran Turismo simulator, complete with racing seat and pedals.
- 03 Gran Turismo is the ideal “training ground” for racers. Tomczyk also uses the console to practice.
- 04 The computer game’s detailed graphics blur the boundaries between the real-life and the virtual race track.

will when you run wide off the track. “You would break an axle if you bounced over the curbs in the real thing. In the game, you only lose a few seconds.”

Because computer performance is seemingly unlimited, there are details in GT5 that affect the subconscious in a way that has little to do with the actual driving. The sun, for example, which either blinds the driver on some parts of the track or plunges the cockpit into deep shadows on others. The dirt that flies against the windshield if the car in front of you leaves the road and skids across the grass. And thousands of incredibly realistic trees along the track. Appel says that when you drive the real Nordschleife, you’ll notice a lone, distinctive pine tree at one particular spot. “And if you’ve ever played the game before, you think to yourself, ‘Hey, the tree from the game is really there.’ But

of course that’s not quite true – the tree from the real world is in the game, not the other way round.” What is true is that GT5 blurs the line between illusion and reality so well that it is sometimes difficult to remember exactly where you are.

**Which is also one of the reasons why the market** for video games has shifted away from children in recent years: People under a certain age can’t truly experience highly complex simulations such as Gran Turismo. In the United States, for example, the average gamer is 35 years old; the average age in Europe is between 27 and 33. The game industry has long since overtaken Hollywood in terms of global sales. And the production costs per game generally amount to tens of millions of dollars, which should come ►

#### AUDI R8 MEETS GRAN TURISMO 5

Find out here what happens when the Audi R8 meets its digital counterpart: [www.audi.com/ar2008/devotion](http://www.audi.com/ar2008/devotion)

as no surprise given the creators' devotion and slavish attention to detail in fine-tuning their products.

Of course, virtual reality profits enormously from the electronic development and design work of automobile designers: What the Audi engineers develop serves as a blueprint for the game designers' models. Artificial intelligence and driving physics have therefore made quantum leaps in recent years in computer games just like in other fields. When the decision was taken to give the R8 a virtual counterpart, 20 technicians and designers arrived in Ingolstadt and took nearly 800 photographs of the vehicle. To make sure the light pattern of the digital R8 matched that of the real one, a set of original headlamps was even sent to Japan. Nor were any compromises made when it came to sound: To ensure that the virtual sportscar sounds exactly like the real one, the R8 was placed on an acoustic roller dynamometer and the engine sound was recorded at all engine speeds. The result: When you downshift in the virtual Audi and accelerate, a shiver runs up your spine. Just like in the real car itself.

**"And it's going to be even more realistic in the future."** So says Sascha Appel, who is back from his lap of the Nordschleife in the R8. He puts his helmet on the table and smooths his racing overalls. Takes a deep breath. And? There really is quite a difference, isn't there? "You can say that again," says Appel. Especially because the "Go back to start" option is missing. "You can slowly get your bearings on the console and if you do slam into the guard-rail, you just keep going. But one mistake in a real R8 out there – and the race is over. It's an entirely different adrenaline rush." To be perfectly honest: Driving in a simulation is more pleasant," says video gamer Appel. "And that's exactly why professional drivers are professionals!" That, of course, was Martin Tomczyk, who is coming in from the PlayStation with a grin on his face after his latest lap on GT5. "7:42. Now it's your turn, Sascha!" ●



#### FIVE QUESTIONS FOR KAZUNORI YAMAUCHI

The Senior Vice President of Sony Computer Entertainment is the creator of the Gran Turismo series.

**The graphics of "GT5 Prologue" are incredibly realistic. What can be done to make this game even better?**

Kazunori Yamauchi: GT5 will offer a wider selection of vehicles and tracks. And we will provide more features for online communities. We are also working at full speed to create lifelike graphics that depict rain and the night.



**How do you recreate the cars so realistically in the game?**

We need the actual models in order to recreate the cars graphically so that they are identical to the originals in every way. With the Audi R8, it was particularly difficult to reproduce the first-class materials of the interior. It was also not easy to express the standard, the unbelievable precision of the body.

**It's not just the cars, but also every single tree along the Nürburgring is startlingly similar to its counterpart in reality. Do such details influence the way the game is played?**

We have tremendous respect for the intrinsic power not just of the cars but also of nature. Which is why we carefully consider every detail – even if it's just a bush at the edge of the race track. Our passion and our dedication are not always immediately apparent, but they have a subconscious effect on every player.

**What new twists can GT fans expect soon?**

We are currently working on simulating changing weather conditions that can affect the race. And we will soon also be able to simulate damage to the race cars.

**Let's take a look into the future. What will Gran Turismo 9 have to offer?**

I find it difficult to predict developments so far in the future. Gran Turismo grows with the automobile industry. When considering the future of GT, we always have to consider the future of the automobile industry as well.



# 2 x VORSPRUNG IN 2 min.



Prestigious award:  
AUDI AG is the  
European Inventor  
of the Year.

## 01 EUROPEAN INVENTOR OF THE YEAR AWARD AND THINKERS AWARD

In pioneering the Audi Space Frame (ASF), the Audi brand has redefined the benchmark for the key automotive technology of lightweight aluminum construction. In May 2008, the European Patent Office presented AUDI AG with the title of European Inventor of the Year for this technology (May 6, 2008). An ASF vehicle body is not only stronger and safer than its steel counterpart; it also makes the car much lighter and consequently more fuel-efficient. But this prestigious award is just one indication of the company's innovative prowess. For the fifth successive year, the AUDI AG suggestions scheme was voted the best in the automotive industry by the Deutsches Institut für Betriebswirtschaft (dib). The dib's "Thinkers Award" honored the innovative networking of ideas management and Continuous Improvement Process methods (March 13, 2008).

## 02 ATTRACTIVE EMPLOYER

AUDI AG is the employer of choice among German students. In high-profile employer rankings compiled by the market research institute Universum ("The Universum German Student Survey," 5/2008) and the Berlin trendence Institute ("The German Student Barometer – Business und Engineering Edition," 8/2008), engineering students voted the company their most preferred employer for the first time in 2008. In September 2008, the company took the opportunity to say thank you to its employees, and their families and friends: Over 130,000 visitors flocked to the Family Day in Ingolstadt.

Popular: The Family  
Day invited even  
the youngest visitors  
to take their  
first driving lesson.





Pioneering spirit

## The lightness of being

Today's aviation and space travel wouldn't exist without lightweight design: Every additional kilogram consumes valuable fuel and resources. The auto industry is caught in the same "weight trap." AUDI AG has been meeting this challenge since the 1980s. Back then, out-of-the-box thinkers in the company revolutionized body design in volume production by building an aluminum frame structure, whereas today's engineers work with plastics and magnesium.





## LIGHTWEIGHT

Carbon fiber-reinforced plastics are both ultra-light and extremely robust. Ideal for helicopters like the Eurocopter EC 135, which is partially made of this material.

**Copy** Klaus Jopp

**T**hree, two, one...lift-off! With a deafening roar, the Endeavour launches right on schedule from the Kennedy Space Center. Its immense fiery tail illuminates the jet-black night sky over Florida as Flight STS-126 takes off on its scheduled journey to the International Space Station (ISS) in mid-November 2008. On take-off more than 2,000 metric tons have to overcome the force of gravity. And, as on every space mission, though materials and structures are subjected to immense forces, they need to be as light as a feather. After all, every gram launched from earth means money – lots of money. The launching cost per kilogram can reach up to 100,000 U.S. dollars. The type of progress being made using lightweight design is evidenced by the midsection of the Space Shuttle's body, where engineers have been able to achieve a 45 percent reduction in weight by using innovative, fiber-reinforced alloys to replace the conventional aluminum solution.

**Aeronautics and space travel** have always been trendsetters in lightweight design. Though the issues facing car designers are far more earthbound, they are also caught up in the "weight trap." The constantly increasing demand for more comfort, improved

safety and – among the most important – environmental considerations necessitates a radical weight-loss program. At the top of the list of engineering specifications are greater fuel efficiency and the resulting reduction in carbon dioxide emissions. It's an empirical formula that any Audi engineer can repeat in his sleep: 100 kilograms less weight on the road means about 0.35 liters less fuel consumption per 100 kilometers driven and 8.8 grams less CO<sub>2</sub> emitted per kilometer. That makes lightweight design more important than ever. And that is why the automobile industry is increasing its efforts to transfer knowledge gained from aviation and space travel into its own world.

**The Audi brand** distinguished itself in lightweight design very early on, with its engineers engaged in the area of materials efficiency since the early 1980s. "That's when the concept for the Audi Space Frame, an aluminum frame structure, was developed. Even its flat components are load-bearing, revolutionizing the auto industry," recalls Heinrich Timm, who started this development in 1983 together with a small team. With visionary foresight, the company established the Aluminum and Lightweight Design Center in Neckarsulm in 1994. Today, 170 engineers, materials experts, physicists and other specialists conduct research on lightweight automotive design ►

Vorsprung Pioneering spirit

**LIGHT IS FAST**

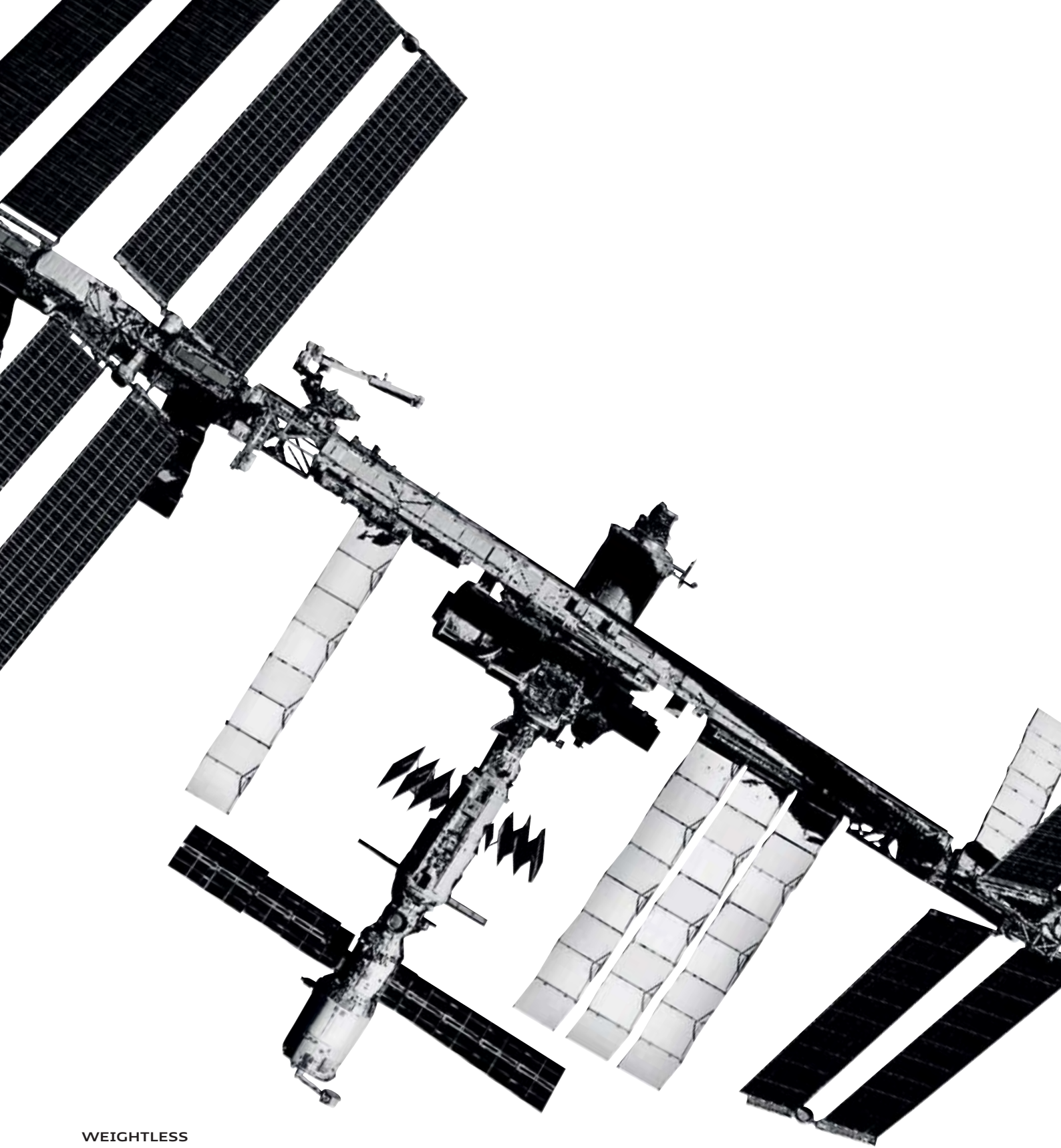
Developed for the air, used in the water: Thanks to carbon fiber composite materials, this 5.2-meter kayak weighs only 12 kilograms.





**"A scale mirrors the world at large. What's  
light will rise; what's heavy will fall."**

Gotthold Ephraim Lessing

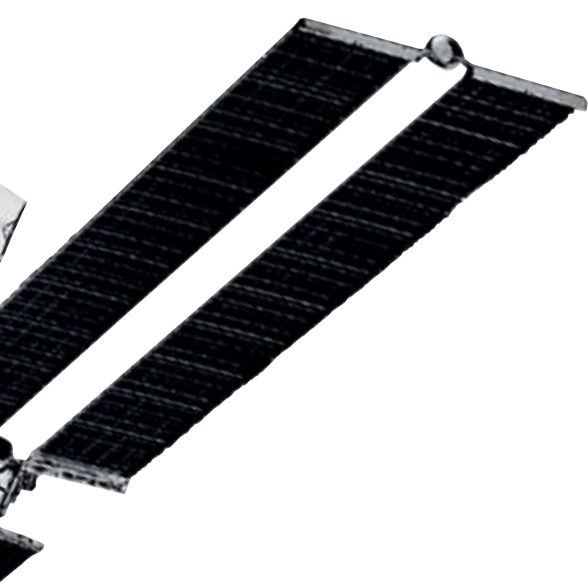


#### WEIGHTLESS

Light materials are essential for space travel. Whether it's the ISS or the Space Shuttle, overcoming gravity is always the first task on the path to outer space.

## “We make every effort to combine even ‘incompatible’ materials.”

Michael Ernst, Head of the Technical Center of the Aluminum and Lightweight Design Center, AUDI AG



here under Timm's direction. Team members from all disciplines are making important contributions to technological progress; their thinking and experimentation extend across departmental boundaries. Experts developing new technologies and processes work in direct contact with the project managers developing new vehicles. With everything taking place under the same roof, the lines of communication are shortened.

At first, the idea of using lightweight aluminum – which weighs about a third less than steel – on a large scale in automobile production was met by most experts with skepticism. But Timm worked persistently to overcome all objections. For a creative thinker like him, one thing was clear from the start: Simply duplicating the existing steel structure in aluminum would not be a recipe for success – after all, such a new construction would be substantially more expensive. So other advantages had to be weighed – for instance, finding new ways to reduce the number of parts required. “The bottom line is that 30 percent fewer parts means 30 percent less logistics and 30 percent fewer joins. So we immediately took another look at our production processes and sought new ways to optimize our design geometry by selecting the most suitable materials,” recalls Timm. AUDI AG has already received numerous awards for this pioneering achievement; most recently by winning the 2008 European Inventor of the Year Award for its Space Frame technology.

**Today's challenges** resemble the Olympic motto “faster, higher, further.” Translated into the language of materials experts, this means: stabler, stronger, lighter. New aluminum

alloys, for instance, are intrinsically stronger and can withstand greater mechanical loads. Conversely, engineers are able to design metallic components that are thinner throughout, thereby reducing weight further. “We don't just focus on the basic material: We also find ways to manufacture it industrially and therefore more economically,” emphasizes Dr. Lutz-Eike Elend, Head of Lightweight Design Technology and Process Development.

**Aluminum has long since ceased** to be the only interesting material for building auto bodies. Audi specialists are working with plastics, magnesium alloys and steel alloys. The latest trend in airframe design is using carbon fiber composite (CFC) materials, in which carbon fibers of different lengths and orientations are embedded in a mush of plastic and then baked in an oven. 20 percent of the A380 Super-Airbus is made out of CFC and up to 50 percent of the latest Boeing 787 is made of this material. Automakers don't intend to take a back seat in this area: One option on the Audi R8 supercar is to have the sideblades made from this high-tech material. This and other bold ideas from Technical Development experts are creating new challenges for Michael Ernst, Head of the Technical Center, and his team, whose job it is to implement them at the Aluminum and Lightweight Design Center.

**Tricky problems** invariably arise when different materials have to be meshed together. “We make every effort to combine even ‘incompatible’ materials,” says Ernst. “Basically, anything is doable. But in order to ultimately shorten the cycle times, our lab results have to translate it into actual automobile production.” ►



These days, each car is like a three-dimensional puzzle. Even the smallest part has to perform a specific function. Audi engineers can use their large selection of industrial materials and applicable computer programs to virtually explore which material is best suited for a given part – and whether these “building blocks” can be assembled into a total product without driving the production line workers or robots crazy. This approach makes it possible to determine the very best combination of materials needed to ensure a stylish and profitable design very early on in development.

**Today's experts** at the Aluminum and Lightweight Design Center benefit from over a decade's worth of experience in lightweight design projects. Since the successful 1994 debut of the Audi Space Frame on the A8, five further models – including the R8 – have been developed and produced, and the silver-gray metal has been successfully processed into different hollow extrusions, heated and cast in molds, or rolled into sheets of various thicknesses and sizes.

**“Hybrid design simply means that we use the best of all material worlds.”**

Heinrich Timm, Head of the Aluminum and Lightweight Design Center, AUDI AG

**Engineers today** are using all variations of these different components to develop an appropriate architecture. In the past several years, the Audi Group has taken great strides in its materials and production competencies, making it a technological leader and pacesetter in automotive lightweight design. 70 vehicles a day

#### LIGHTWEIGHT PIONEERS

Audi engineers can always learn from Mother Nature. Find out here what this means: [www.audi.com/ar2008/pioneeringspirit](http://www.audi.com/ar2008/pioneeringspirit)

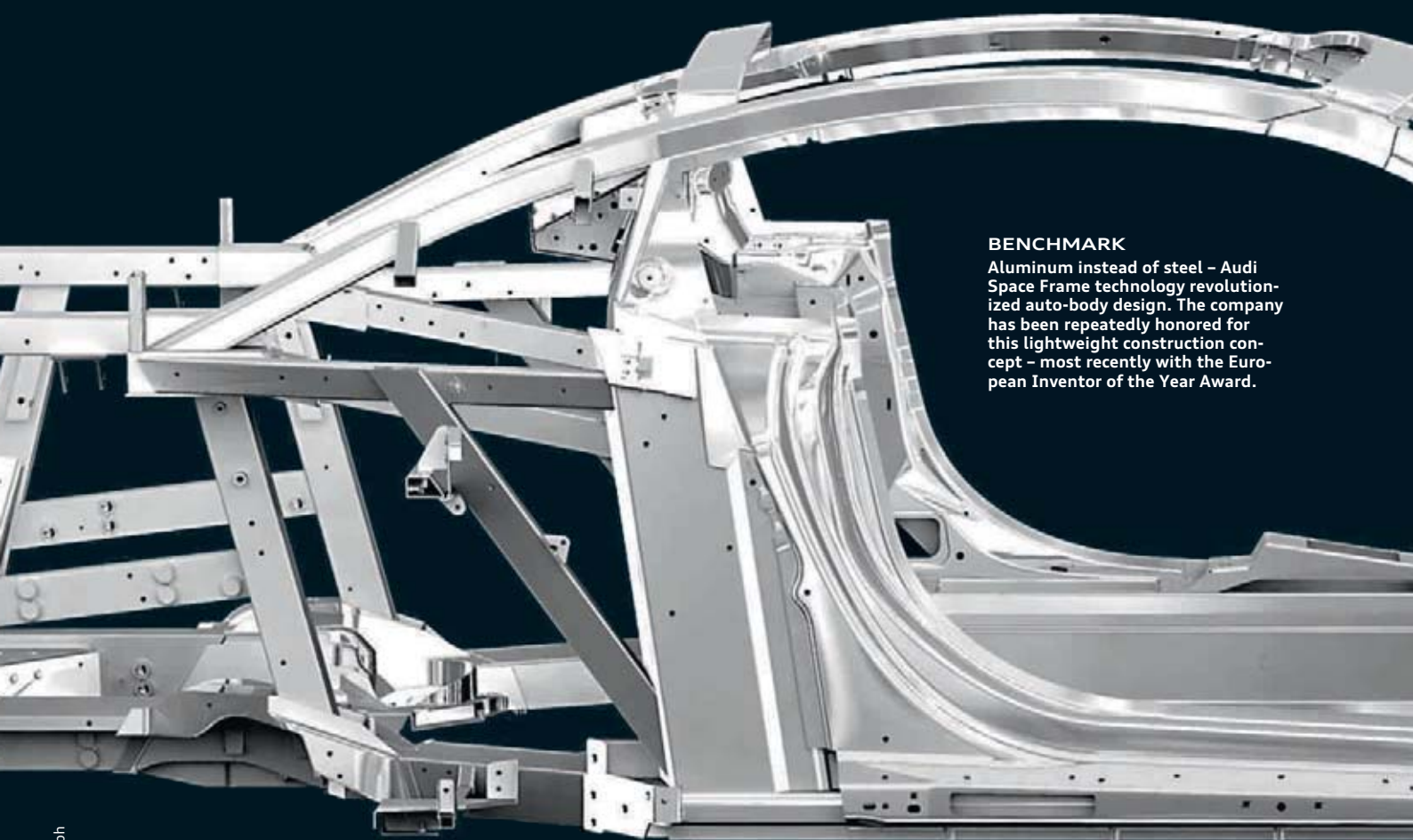
were built of the first A8: This played a key role in changing the brand image and represented a quantum leap in modernization. Today, as many as 110 units of the new A8 roll off the assembly line each day – in part because the number of components has been reduced by 25 percent. This was made possible by using more complex cast parts to perform multiple functions – similar to the nodes in a bamboo stick or a blade of straw.

**In keeping with what** Timm calls “the best of all material worlds,” the trend in lightweight design also encompasses “hybrid design,” or compound solutions like those used on the R8. It's a “wild” mixture of materials: The body and roof are made of aluminum, the front fenders and sill trims of plastics, the rear frame of magnesium (which is even lighter than aluminum) and the engine hood of composite materials. Today's lightweight design of motor vehicles is innovative high-performance technology on a par with developments in aviation and space travel. Though there are some analogies, the two industries are far from identical: Production volumes of even the most successful aircraft don't compare with large-scale or even smaller-scale production volumes of automobiles. Being at the forefront of research and production is an especially powerful motivator for the employees of the Aluminum and Lightweight Design Center, and their enthusiasm is positively contagious. ●

Science journalist and book author Klaus Jopp writes for *Financial Times Deutschland*, *Welt* and *Wirtschaftswoche*.








#### BENCHMARK

Aluminum instead of steel – Audi Space Frame technology revolutionized auto-body design. The company has been repeatedly honored for this lightweight construction concept – most recently with the European Inventor of the Year Award.





A man with short grey hair and glasses, wearing a dark blue suit, white shirt, and a red tie, is shown in profile looking towards the left. He is standing in front of a large, colorful abstract painting with horizontal bands of green, black, red, orange, and blue. The background is a plain white wall.

Progressiveness

## **“Our design is like a fingerprint.”**

Why does a car need to be beautiful?  
Ambra Medda, Director of the “Design Miami/” fair, discusses this issue with Audi boss Rupert Stadler. Both have a passion for the extraordinary.



**Interview** Dominik Wichmann  
**Photos** Joel Micah Miller

**M**r. Stadler, you often speak about how design is one of the absolute core competencies of the Audi brand. At the same time, we are hearing over and over again that the automobile industry is going to have to reinvent itself in order to deal with current challenges. So is the characteristic Audi design therefore going to change?

**Rupert Stadler:** There is no doubt that our society is going through a difficult period. And the automobile industry, of course, is also significantly impacted by these new challenges. In times of turmoil, people are even more likely to look for orientation and reliability. Orientation is something we as a company need to be able to give our customers. Therefore, the very best thing we can do is to ensure that our products fulfill the same high standards of quality in the future that have made them known and sought after in the past. And, of course, that also includes the design of our vehicles. Their look and feel may change – but only in terms of evolutionary and careful improvements. We want to emphasize the authenticity of our models through our own unmistakable messages, and are thus developing into a signature brand. You could say that each and every one of our cars is as unique as a fingerprint.

**Ambra Medda:** I completely agree with that approach. Of course, a paradigm shift of sorts is underway right now, and it would be very surprising not to see it reflected in the design area. Good designers react to their environment. But this doesn't mean they immediately resort to hasty action.

**Since when has product design played such a decisive role in sales success?**

**Medda:** It's hard to pinpoint exactly when. However, one thing I know for sure is that there isn't a company today that can afford to sidestep the unique selling point design has to offer. Of course, that has a lot to do with the growing importance of marketing. Anyone who wants to set themselves apart from the competition is going to have to articulate this. At the latest, that's when product design comes into play.

#### AMBRA MEDDA

Ambra Medda, 28, grew up in England and Italy. In 2005, Medda founded Design Miami/, now one of the world's leading fairs for high-end design. In April 2008, Medda published her first book entitled "Destination: Limited-Edition Design," an overview of the 60 most sought-after design destinations in the world.

**Stadler:** That's certainly true. Nonetheless, design dominance has not suddenly become relevant in recent years. The Audi brand, for example, is celebrating its centennial anniversary this year. The design of our cars was already playing a significant role in our marketing success way back in the 1920s and 1930s. Though it primarily had to do with the notion of "beauty," the basic principle behind it, namely wanting to have this beauty for oneself, is the same today as it was then.

**Would it be true to say that a new era is also always preceded by a new perception of design?**

**Medda:** I believe so. Take the triumph of the Apple iPod, for example. Any one of us could have gone to a store and bought a similar MP3 player at a fraction of the cost. Even so, most of us will buy the more expensive Apple device. And why? Because it looks different; because it has a design that is considered contemporary. It is a product that has come to symbolize the hip and modern face of the digital revolution. And that's why people just have to have it.

**"What matters is that the product also has a past. This is always a good basis for a truly sophisticated and creative design."**

**Ambra Medda, Director of Design Miami/**

**Stadler:** Anyone wanting to sell a premium product today is going to have to be able to give his customers clever and fresh answers to the pressing issues of the time. In other words: Anyone who buys an Audi today will expect it to fulfill environmental standards; they will expect it to combine the very best of today's technology with comfort, safety and driving pleasure. As far as I am concerned, any car that ignores sustainability is not in line with the times. Anyone wanting to grab his customer's attention is going to have to keep thinking outside the box, be willing to take on something new, and put his own stamp on it. That's the goal of a signature brand, which is what we're aspiring to be at Audi.

**Medda:** There is no comparison between how much more selective customers are today than they were a few years ago. They have come to recognize good design and good quality. They are more familiar with standards so are also less prepared to forfeit them. Design today is no longer a neat gimmick; design is a core component of every product.

**Stadler:** We have a promise to keep to our customers: "Vorsprung durch Technik." That may sound easy, but it is also important that this claim is underscored by each and every detail of our cars. And that applies to both the visual and tactile appeal of our vehicles: In the premium segment, ►

Ambra Medda and Rupert Stadler find inspiration in the diversity of color and form at the New Museum of Contemporary Art in New York City.



### INTERESTING DISCUSSION

A video clip of the interview can be found at:

[www.audi.com/ar2008/progressiveness](http://www.audi.com/ar2008/progressiveness)

you always have to keep one step ahead of the times – those are the rules of the game.

**What other key challenges do you see for Audi over the next few years? The success of the A1, which you are hoping to bring to market in the coming year?**

**Stadler:** In principle, I am focused on the success of the entire brand. But of course, introducing the A1 is an important subject for us. I have supported and monitored the creation, design and initial planning of this model from the very beginning. It will come as no surprise that I am truly convinced it will be a success.

**“It is important that our claim ‘Vorsprung durch Technik’ is underscored by each and every detail of our cars. And that applies to both the visual and tactile appeal of our vehicles.”**

**Rupert Stadler, Chairman of the Board of Management, AUDI AG**

**Will this newcomer’s design differ radically from other Audi models? After all, Stefan Sielaff, chief designer for the Audi brand, recently said that the vehicle form would be significantly influenced by environmental demands, for instance by a drag coefficient of less than 0.33.**

**Stadler:** Obviously, an extremely aerodynamic car is going to look different from a conventional one. As a result of the environmental debate, new technical factors are being introduced that will certainly influence our design and pose a challenge. But that is precisely what is so exciting about our job: developing and finding solutions. And that’s why we have designers, technicians and engineers. In the end, I know we will be happy with a result that not only meets environmental requirements, but exudes enough individuality to make it unmistakable.

**Isn’t this need for individuality in fact the meta-theme of contemporary design?**

**Medda:** You have to differentiate here between industrial design of a classic nature and the creation of individual pieces and limited editions. As far as the latter is concerned, since it has to do with a different and much more intensively handcrafted approach, then individuality and uniqueness naturally play a more important role than they do in traditional industrial design. But even products geared towards the mass market are beginning to exhibit the same trend, which only goes to show how individuality is playing an increasingly important role here as well.

**Stadler:** Are you alluding to personalized design?

**Medda:** Yes. With customers becoming ever more aware of design and improved technical possibilities, it has become

completely normal to find a product being manufactured in countless variations – options a customer can choose for himself. Anyone who cannot – or will not – offer such options to his customers is going to fall quickly behind.

**Stadler:** I welcome this development with open arms; it means customers will identify even more closely with their products of choice. For example, anyone buying an A8 can choose almost any color for the leather interior. In our factories, 36,500 stitches are sewn according to the customer’s individual wish. This is a service that unites our brand’s claim to perfection with the individual needs of our customers. It’s one of the ways a brand acquires substance. It means that as a signature brand we are able to conform to society’s new understanding of luxury. Customers aren’t just looking for craftsmanship and high-quality products; they are looking for intangible assets like charisma and style – that unique something, in other words, which offers superb handcrafted quality and also meets their wide-ranging needs.

**Medda:** What are some of the most unusual design requests you have had from your customers?

**Stadler:** Unusual requests are certainly no rarity. One of

### DESIGN MIAMI/™



In 2008, AUDI AG was the exclusive automotive partner and exhibitor at Design Miami/ for the third time. Inspired by the fair’s theme “Beyond Organic – Design in the State of Nature,”

the Audi brand interpreted modern design under the influence of nature with its installation “Audi Coastline Marina.” The main attraction: the Audi Q7 coastline. The fair is considered a highlight on the design calendar and is held twice annually, in Basel and Miami.

### DESIGN AWARDS

The Audi brand once again demonstrated its commitment to the world of culture in 2008. In cooperation with design colleges and ART COLOGNE, the sales regions presented the “Audi Art Award for New Talents” and the “Audi Design Award.” Audi France has been honoring up-and-coming artists in the areas of contemporary art, industrial design, sports and music with the “Audi Talents Award” annually since 2007. In the UK, the Audi brand founded the “Audi Design Foundation” in 1997. The foundation supports artists and young designers who make a positive difference in people’s everyday lives with their work. AUDI AG sponsors the “Audi Mentor Prize by A&W,” which the well-known German home and design publication “Architektur und Wohnen” has awarded to up-and-coming designers since 1997.



The New Museum of Contemporary Art in New York is considered to be one of the world's leading addresses for contemporary art.



the strangest was an order we received years ago from an A8 customer for Nogaro Blue Alcantara trim and a matching dress of the same material, a request she made when ordering the car. She then wore this dress when she came to collect her car. As everybody knows, there is no accounting for taste. So, for a surcharge, any customer can have his car delivered according to his individual wishes and ideas.

**Ms. Medda, as a design expert, do you view such developments with a certain amount of esthetic skepticism?**

**Medda:** Of course, not everything people put together reflects my own personal taste. But that's not the point here. What is more important here is that design is becoming increasingly anchored in society. No longer is it just some exotic hobby pursued by certain curators and older couples who eat prawn cocktails at design exhibitions. The design debate is finally back on the agenda. Design has regained its relevance.

**Stadler:** You have played a significant part in this with the Design Miami/ fair.

**Medda:** Certainly not on my own. But the fair does provide a platform for anyone who is committed to a contemporary understanding of design and is passionate about it. Of course, that is above all the artists and designers themselves. Exhibitions are not only about sales; they are about providing a platform for a substantive discussion on the subject. Newcomers are promoted; stars of the scene are honored.

**Are you finding that the trend is more about content and less about simple design language?**

**Medda:** Certainly content is playing an increasing role in contemporary design, which is only natural given the increased emphasis on craftsmanship. Pure surface design is no longer enough.

**Stadler:** I think this is a positive development. At Audi, form traditionally follows function. Function is an obligation for us. In this respect, we follow the tradition of modernism wholeheartedly – we only come up with something interestingly new when there is a perfect interplay between designers and engineers.

**What feeds inspiration for designing new Audi models?**

**Stadler:** The role our company's history plays should not be underestimated. We continue to draw on a specific design language from our past and develop it further and further. In this way we are able to build an esthetic bridge to the past and the tradition of our brand.

**The Audi design language has also been an extremely German design from the very beginning. Why?**

**Stadler:** Our culture is heavily influenced by technology. Craftsmanship, precision and ingenuity mean something in Germany. At the same time, our cultural proximity to Mediterranean countries, especially Italy, is very obvious. Our longing for the country beyond the Alps has always made its esthetic mark here. Today, we believe this mix – this fusion of technology and beauty – is characteristic of our vehicles. It reflects not only how much the product, but also the country, continent and its people have changed.

**Medda:** But what matters is that the product also has a past. This is always a good basis for a truly sophisticated and creative design. An object shouldn't necessarily look "designed," it should just look good – timeless and without frills. That's what we mean when we talk about a modern classic. Such a title is the best design can hope to achieve. ●

**Dr. Dominik Wichmann, journalist and book author, is the editor-in-chief of the multi-award winning Süddeutsche Zeitung magazine. He is considered one of Germany's most creative chief editors.**





## Understanding

# Service in the taiga

Whether a flat tire or damage caused by a collision with an animal: Audi's world-class service is also at home in the heart of Russia – and superbly tailored to local customers' needs. Audi mechanics' workplace? Anywhere within 600 km of Novosibirsk.

**Copy** Julia Karulina  
**Photos** Frank Herfort

**N**ovosibirsk, at the heart of Siberia: temperatures far below freezing; "roads" often undeserving of that term. Drivers here have the very highest expectations of their vehicles. Take 35-year-old Sergei Sorin. His vehicle of choice? An Audi Q7. "A good investment," says the head of two dental clinics. It's the ideal vehicle for

winter roads buried under snow – even in the city. As soon as you leave Novosibirsk's main thoroughfare, Red Prospect, ruts in the road can be 20 centimeters deep. And the number and size of the potholes increases with each passing kilometer. The long Siberian winter takes a heavy toll. That's why Russians love SUVs. Novosibirsk, a million-strong city far east of the Ural River – 3,300 kilometers east of Moscow – is Russia's geographic center. Here, in the midst of the Siberian taiga (a swampy coniferous forest), a





**Driving doctor:** The Audi Q7 is a reliable service vehicle in the wide open spaces of the Russian taiga.

small outpost was founded 116 years ago for workers constructing the Trans-Siberian Railroad. In 1893, the cornerstone was laid for the new bridge across the mighty Ob River. Novosibirsk, which means “New Siberian City,” is now home to more than 1.4 million residents and constitutes one of the country’s most important transportation hubs.

**Several major traffic arteries** converge in Russia’s third-largest city. The Trans-Siberian Railroad and the Baikal Highway unite this massive country extending from St. Petersburg on the Baltic Sea to Vladivostok on the Pacific Ocean. The Chukchi Highway branches off here into the Mongolian steppes. On the Ob – which is one of Russia’s longest rivers and empties into the Arctic Ocean – ships transport oil, construction materials and lumber. And Tolmachevo International Airport serves all of Europe and Asia. But this western Siberian city does not live from trade

alone. Machine building, energy and metallurgy also play pivotal roles in the local economy. The cockpit and tail of the Superjet 100 passenger plane, which holds great promise for Russian aviation, are manufactured here. And Akademgorodok, the internationally renowned research center, has developed into an IT powerhouse. Thanks to the high-tech endeavors of young software developers, Novosibirsk is also known as “Silicon Taiga.”

**Audi cars are coveted** by prosperous Russians. Sales records have been the norm for the brand in Novosibirsk for some years now. Around 25 percent more cars were sold in 2008 than in the previous year – almost 250 vehicles. And so the brand is increasingly leaving its mark on the cityscape, with some 2,000 Audi cars on the roads in Novosibirsk. The mayor, high-ranking officials and the police also drive Audi. A key image booster. ►



01



02



03





- 01 Into the wild: Anyone turning off the M51 between Omsk and Novosibirsk has to master the muck and mire.
- 02 Anna Bunyakina is an independent woman – and drives an A3.
- 03 Just call for roadside assistance: excellent service in the Novosibirsk region.

Half of the Audi models in Novosibirsk are pre-owned cars. Though most come from Germany, some are imported from Japan and so are right-hand drive, explains a service mechanic who ventures out into the vast expanses of the taiga every day in his Audi Q7 Service Mobile. The excellent quality seems to be whetting appetites. “Most people who drive a pre-owned Audi will frequently purchase a new Audi in the long term,” explains the young mechanic on the drive to the outskirts of the city. He certainly has his hands full, especially during cold weather. Flat tires and dead batteries are not uncommon in the winter. Today, it is Anna Bunyakina who needs the help of the Service Mobile: One of her tires punctured while she was turning. As soon as the service mechanic receives her call, he sets out to change the tire on the 29-year-old’s A3 in the autumn muck and mire in an Audi Q7 equipped for every emergency. She bought her vehicle a year ago in Novosibirsk. Single-minded as she is, she drove her new vehicle straight off the lot. “I couldn’t wait two months while a car was built to order and then shipped from Germany,” she says. Bunyakina is the head of regional development for a large Russian restaurant and fast-food chain. In other words, a career woman – still a rarity in patriarchal Russia. This self-made woman began her varied career as an assistant manager at a modeling agency. Nowadays, she seeks out suitable sites for new restaurants. Next year, Anna Bunyakina is moving to Krasnoyarsk to manage a franchise of the restaurant chain. Here, in another Siberian city located about 650 kilometers east of Novosibirsk, she will be able to rely on the same great standard of service she receives in her home city.

**Beyond city limits,** vehicles are plagued not only by poorly maintained roads, but also time and again by fuel that has either been diluted with water or falsely labeled. Often enough, customers unwittingly fill up with diesel instead of gasoline – and naturally don’t get very far. If they then break down in the middle of nowhere in the Altai Mountains, the service mechanic is usually greeted like a knight in shining armor. Top-quality Audi service is every bit as standard in far-flung Siberia as it is on the streets of Berlin or New York City. Several times a year, therefore, the Audi Service Mobile ventures up to 600 kilometers into the taiga. And even in the 21st century, this means adventurous road trips through sparsely populated landscapes for the mechanics as well! ●

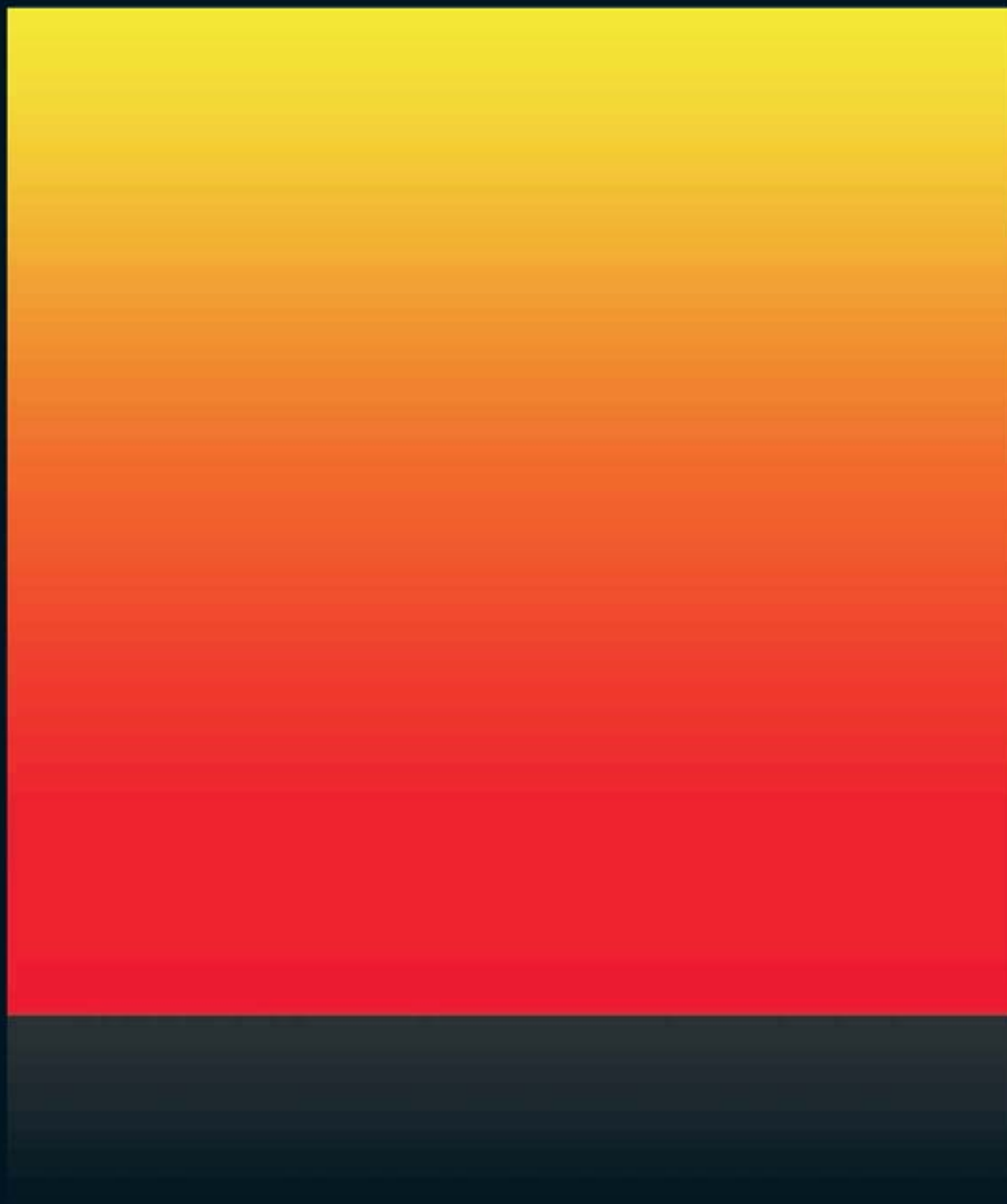


Peter Schwarzenbauer, Member of the Board of Management for Marketing and Sales, AUDI AG

## True understanding to me means ...

... not merely hanging on to the familiar, but also questioning and scrutinizing in order to recognize potential and discover opportunities. Every relationship requires getting to understand the other person: their notions, goals and wishes. How this holds the key to successful long-term relationships with our customers became clear to me when selecting a top hotel on my business trips. Though there did not seem to be much difference in the quality offered by the different hotels, I found myself regularly preferring the same leading establishment. On one of my trips, I spoke with the managing director and accompanied his team for an entire day. My epiphany: A good hotel becomes a leading hotel by treating its guests properly. The hotel staff excels by understanding the individual situation of the guest in question. They have a feel for just the right level of service for their customers. And guests are not simply satisfied; they keep coming back.

**We at Audi have every right** to be very proud of our products. Our cutting-edge technology and outstanding design have propelled us to a leading position. By truly understanding our customers, we will become the world’s most attractive premium brand within the next few years; by understanding what they expect from us as a premium brand and by understanding what perfect service means to them. My personal goal is to have the most satisfied customers. And just as I am loyal to my favorite hotel, they will remain loyal to the Audi brand, use our services – and recommend us to others. I am sure of it.



#### **YELLOW**

The color of the sun conveys optimism and cheerfulness. But yellow also kindles negative associations like deceit, envy, anger, disease – especially when combined with black. The imperial color in Asia, it also carries positive connotations of wisdom and dignity. It's the car color of choice for the bold owner of a small vehicle who wants to attract attention.

#### **RED**

The only color that counts among the 100 most important words in nearly all of the world's languages. Symbolizing energy and passion, it increases the heart rate and breathing. A universal warning signal. In China, it's also the color of good luck. A popular car color in the 1990s before almost disappearing, it is making a comeback. Conveys athleticism and impulsiveness.



# The power of color

Red stimulates. Blue soothes. Coffee served from a brown pot is perceived as strong. Colors have a greater influence on us than we think. Experts try to decipher their impact and predict color trends. Outside the ever-changing world of fashion, this is also crucial in automotive design, where car color can make or break a sale.

**Copy** Klaus von Seckendorff

**I**f you ask 10 people what color car they would never own, you will hear all kinds of answers; from bright yellow to restrained white. Their responses, however, do reveal one amazing fact: For most people, there is actually a color that would seriously keep them from buying a particular car. “More than 40 percent of drivers could see themselves switching brands if their car company did not offer the right color,” says Karen Surcina, Color Marketing and Technology Manager at the U.S. coatings giant DuPont. Colors are powerful. They cast a spell on everyone and shape first impressions. In his 1810 *Theory of Colors*, Johann Wolfgang von Goethe mused: “Only a few are immune to the charm of colors, which are quite visibly propagated throughout nature.” Colors can whet the appetite or spoil it, put us in a buying mood, or spontaneously trigger feelings of like or dislike. We classify them as warm or cold, and speak in terms of sweet pink or screaming red as though colors could be tasted or heard. Could people even exist without colors? Throughout human evolution, they have given quick guidance: Red or the combination of yellow and black signified danger from fire or dangerous animals, while green symbolized fertility. The human eye is also highly sensitive to nuances between light and dark, helping tele-

vision become popular during its early black-and-white phase. And yet, Goethe’s observation rings true for the colorful world: “The eye needs color as much as it needs light.” This may explain the proclivity for colorful houses in Scandinavian countries, where winters are long, dark and colorless. Colorful diversions apparently keep us sane. “Colors shape our thoughts, feelings and actions,” says renowned color psychologist Harald Braem. “They have a measurable influence on heartbeat, pulse and blood pressure. They can soothe or provoke fear, cause sensations of hunger and thirst, hot or cold. The perceived temperature in a room painted light blue can be as much as ten degrees lower than in one painted a warm orange.” Scientists have repeatedly demonstrated the effects colors have on us. At the University of Munich, several hundred school and college students participated in various intelligence tests. Professor Markus Maier found that when people are under pressure to perform, a red coversheet alone is enough to significantly lower their scores compared to different-colored coversheets: “Red signifies failure and thereby triggers avoidance anxiety, as brain wave measurements demonstrated.” In a market research test, 200 test drinkers were all served exactly the same coffee poured from differently colored pots. 73 percent felt the coffee from the brown pot was too

strong, 84 percent felt the coffee from the red pot was aromatic and powerful, while the coffee from the blue pot was described as having a mild aroma. A similar pattern of results was observed by a group of U.S. psychologists, who had test subjects lift boxes of equal weight but of different color. Most of the test subjects were only able to correctly estimate the actual weight (three pounds) of the white box. They estimated the yellow box to be 3.5 pounds and the blue to be 4.7 pounds. The estimated weight of the black box (5.8 pounds) was almost two times that of the white. It may be that common sense alone keeps us from coloring laundry powder or lemon candies brown. But normally anyone wanting to market a product is well advised to study the findings of color psychology.

**Several years ago**, Apple launched a trend by using pure white. Chief designer Jonathan Ive adds: “We didn’t intend any deeper meaning. Some people see our white products as representing optimism for the future. I don’t think they’re entirely wrong.” Right now, however, Apple computers are going more in the direction of aluminum finishes and iPods are becoming ever more colorful. Wherever there is a trend, there is generally a countertrend. “Trendsetters naturally always want to be the first at something. As soon as a trend becomes established, it no longer interests trendsetters,” says Audi color designer ►

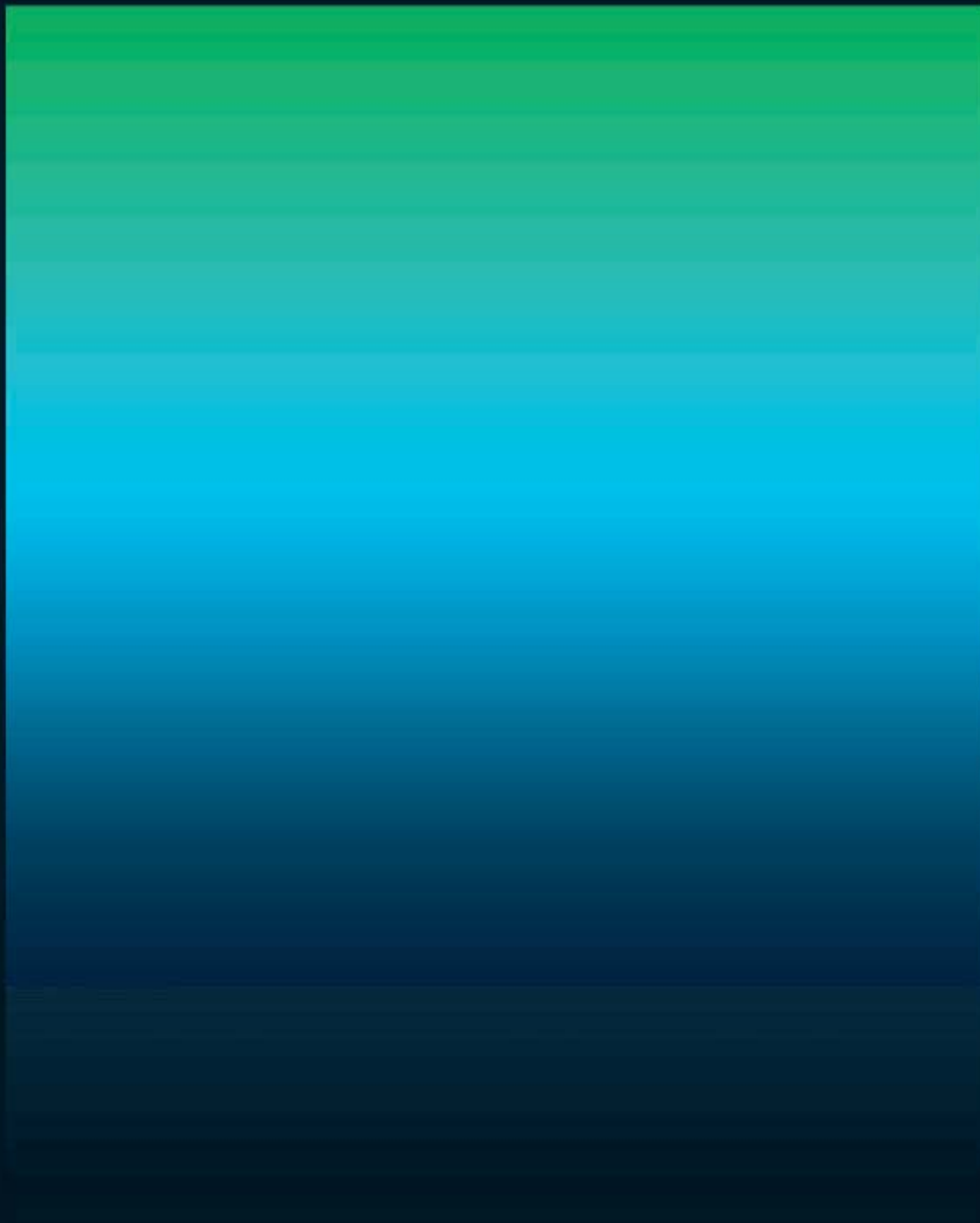
## **BLACK**

Conservative, but always in fashion. Functional not flashy: That's the message communicated by this classic color. Though the color radiates respectability and strength, it also symbolizes death and mourning. That is, with the exception of China, where black is associated with power and money. Black is the color of government vehicles. Dark cars appear more serious and distinguished than light-colored ones.

## **WHITE**

White stands for technological progress, immaculate innocence and pure nature. In Asia, it is the color of sorrow and symbolizes the transition into a new state; rebirth. More popular as a car color in North America and Asia than it is in Europe, where it is on the rise. White cars come across as light and airy. White offers a wide range of hues and shades.





#### **GREEN**

Represents health and nature, but also symbolizes envy or inexperience. The evergreen Christmas tree symbolizes eternal life. A safe haven between energetic red and passive blue. A green light signals that everything is OK, that the right solution has been found. Not currently a widespread car color.

#### **BLUE**

Used in uniforms, it communicates allegiance to the state and symbolizes loyalty, order and rationality. Considered to be a masculine color, it conveys distance, coldness, but also melancholy (blues). In southern countries, blue window shutters and doors are thought to attract good spirits. Blue (specifically dark blue) is the third most popular car color. Revitalized by metallic colors with turquoise hues.

## COLORS MAKE CARS

Painting a car is a complex process. What does it look like when an Audi is dressed up? Find out here: [www.audi.com/ar2008/psychology](http://www.audi.com/ar2008/psychology)

Sandra Hartmann. The more stylish a product is, the more difficult it is to walk the tightrope between going along with current trends and standing out from the crowd.

At first glance, car manufacturers seem to have an easier time deciding how to handle this challenge: Their products are durable, are developed over many years and, therefore, cannot and should not reflect all fads. Yet this makes it all the more important to anticipate customers' basic preferences for the next five years as accurately as possible. Ute Grönheim from Audi Design sums up this dilemma: "The mind wants something new, while the heart wants the familiar." Fortunately, customers' color tastes only change gradually. Over the last 20 years, they've gone from red, blue and green – all colors experts believe are on the verge of a revival – to silver, the worldwide market leader. Experts also agree that the ever-popular black reflects the current penchant for luxurious purism and has good prospects for the future – not least of all because a lot of energy is being put into giving new nuances to widespread paint finishes. Designers are even working on making pure black shine. Ambiguity is in vogue right now. Nano-particles and tiny, thin metal flakes are being used to give colors the ability to change depending on its exposure to light.


For paint designers, once new designs are exhibited at the International Motor Show (IAA) in Frankfurt, they become "yesterday's trend." Eva Höfli, color designer at BASF Coatings, and her counterparts outside the auto industry are working to discover tomorrow's trend. When stately-white furniture is presented at trade fairs or when the ambience of some lounges is set by using red and brown tones, it gives important insight into social developments. Is white a sign of searching for new values, of concentrating on the

essential? Are warm tones good for socially and economically "cold" periods? Movies, advertisement, packaging, fashion and architecture can also give impulse. "Using all this information, we are able to draft what we call 'mood boards,' which reflect the color world in which we want to live," explains Audi color expert Sandra Hartmann. "Trends must be translated into the Audi brand, the specific model and its formal idiom." A business sedan demands different coloring than a lifestyle car. "An Audi A8 in Solar Orange," says Barbara Honzyk from Audi Product Marketing, "would probably not appeal to most tastes. Conversely, this color is very well suited to a sporty vehicle like the Audi S3."

**At BASF Coatings,** "key colors" are first developed independently of brand image and technical requirements. Work is then carried out with Audi designers to tweak the nuance and effect of the colors. Afterwards, an entire catalogue of specifications for each selected color is issued. Hans Carstensen, in charge of paint shop process technology and planning at Audi, checks the processing capability of the paint lines aided by a team of chemists, engineers and material science experts. His complex tests also check for scratch resistance and resistance to damage from stones and chemicals – characteristics customers expect. One of the tests used to check the ability to withstand all types of climates is the grueling sunbath of a three-year "Florida weathering process" in which key painted panels are exposed to the elements. At the end of the long journey to series production, the final inspection is made by the Audi Board of Management itself, which is presented with a fully painted vehicle. After years of preparation, the market will actually decide whether or not the color is a success. In addition to questions of

taste, there are concrete criteria that also play a role. Exotic paint jobs, for example, can negatively affect resale value. A comprehensive study of used vehicle sales in Switzerland showed that prices can vary as much as 20 percent depending on color. Most of the time, therefore, the power of color triumphs over mundane suitability for everyday use. This does not mean, however, that individual preference is not taken into consideration on questions of taste. A comparison between Asia and America shows just how much influence different cultures and mentalities can have. Sandra Mathia, a designer in charge of the U.S. market for BASF Coatings, observes a predilection for extremes: "In the United States, we see soft, refined and organic surface effects at one end, and very coarse aluminum flakes that give the paint the appearance of depth at the other." Her colleague Chiharu Matsuhara on the other hand has found in Asia that "the wealth of finishing effects is still limited on China's roads. Uniqueness is an important selling point in Japan, where many car companies develop special colors for certain models. Customers tend to seek small cars that match their other 'accessories': car, cell phone and handbag all in cute pink, for instance." However, anyone who cultivates their fondness to such a radical extent runs the risk of quickly becoming bored with it. In the words of Goethe: The eye needs colors, not the dominance of a single color. Current trends seem to be catering to this need. International studies conducted by coating producer PPG have led their Color Styling Manager Jane Harrington-Durst to prophesize that "the future of the car is a colorful one." ●

Dr. Klaus von Seckendorff works for Süddeutsche Zeitung Wissen, Frankfurter Rundschau and Die ZEIT, among others.

A woman with dark hair tied back, wearing a white blazer and a watch, is seated in the driver's seat of a car. She is pointing her right index finger at a small, illuminated button on the car's ceiling control panel. The interior of the car is dark, and the windows show a bright, overexposed outdoor scene. The overall tone of the image is professional and focused on the car's features.

Originality

## Fit for an emperor

Purchasing a vehicle is a truly important event in a Chinese customer's life. Audi therefore relies on select dealers like Beijing DAD Automobile Sales (Deaoda) – an emporium with beauty oasis and shopping center. A visit to an unconventional dealership.





**Copy** Michael Kirchberger  
**Photos** Katharina Hesse

**T**oday is a red letter day in Cai Zhengdong's life. Barely 35 years old, in the Middle Kingdom – where age is equated with experience, wisdom, and prosperity – he is considered to be at a rather foolish time of life. Yet Cai belongs to the China of new values and new prosperity. He has already done well for himself: This design engineer heads a 20-person team at an electrical-appliance factory on Beijing's outskirts. Even so, he is rather nervous when the doors of Beijing DAD Automobile Sales open and senior staff welcome him like royalty. Today, Cai is taking delivery of his new Audi TT. Meticulously polished, his sports car shines in this new glass building near Beijing's 4th Ring Road. Deaoda is one of the largest Audi dealers in the world and one of 125 dealerships in all of China. In 2008, Deaoda sold some 2,300 new vehicles – a year-on-year increase of nearly 10 percent. Shi Guiyuan, President of Deaoda, knows what customers expect from a luxury brand. No less than 28 salespeople go the extra mile in this prestigious complex to anticipate every conceivable wish a visitor might have. This dealership intertwines Audi's typical functional elegance with Chinese ►

Customers collecting their new Audi. They often spend hours of excitement getting a feel for their automotive dream come true.





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customs. For example, tremendous flower arrangements adorn the tables, creating an atmosphere that facilitates good business for everyone involved. The color red – which symbolizes good luck in China – pervades the dealership. In addition, demonstration and showroom models are not arranged by chance; instead, their placement represents an unwritten code of harmony necessary to promote customer satisfaction and successful business.

The salesroom is immaculate. The new Audi customer Cai Zhengdong himself is visibly impressed. Even the 36 service points in the enormous

automotive garage are spotless: There are no tools lying around; no overlooked cleaning equipment. “Our customers expect the utmost in quality and reliability – not only with regard to their vehicles, but also our services,” explains Shi Guiyuan. Even the two stations for welding aluminum vehicle bodies could serve as a setting for a candlelight dinner.

**Deaoda’s volume** is considerable. During peak periods, the automotive service garage processes up to 400 vehicles a day. On a typical day, 200 vehicles are serviced for the everyday strains of China’s roads. Beijing’s climatic condi-

tions and high levels of particulate matter substantially reduce service intervals: Air filters and engine oil, for example, must be changed relatively frequently. And because Deaoda’s catchment area extends more than 200 kilometers into the surrounding area, many customers who have made a longer journey choose to wait here while having their vehicles serviced.

Reason enough for Shi Guiyuan and his managing director, Ji Hongbo, to realize an unconventional service idea. They set up a shopping center of sorts directly adjacent to the automotive showroom and garage. On the ground floor: an accessories supermarket selling everything from air fresheners through climate-friendly seat covers made of wood balls to tea makers and good-luck dragons; everything a Chinese driver could wish for. Having satisfied their craving for automotive purchases, Audi owners can choose to pamper themselves just one floor up. An escalator whisks them into a beauty oasis and entertainment area, including a hair salon and massage clinic as well as a shoe-repair shop, a leather boutique and a clothing store. Visitors can also turn a few fast laps on a model-car racetrack; billiard tables offer an opportunity for relaxing concentration. This emporium also houses a cyber café. Anyone still looking for a diversion can seek out the in-house movie theater to enjoy the latest Hollywood blockbusters. “We have plenty of parking spaces,” adds Shi Guiyuan with a laugh. “Some customers are





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happy to stick around for quite some time, be it to catch the end of a movie or to challenge someone to a rematch of billiards – long after their car has been serviced.”

If a customer doesn’t want to wait at Deaoda, he is given a complimentary mass-transit pass. A collect and return service in roomy chauffeur-driven A6L sedans is also available to customers. Deaoda is open from 7:30 a.m. to 6:00 p.m., seven days a week. In an aspiring economic power such as China, there is simply no time for days off. Service personnel remind customers of upcoming appointments by text message. Shi Guiyuan has 30,000

addresses of existing and potential customers. 20,000 come regularly to have their vehicles serviced or simply to while away the time. They appreciate the inviting atmosphere, the chance to find out about new models and enjoy dreams of increasing prosperity.

For many customers, their first encounter with their new Audi is a truly special experience. Until recently, more than a few of them had been getting around on just two wheels; for others, first automotive experiences were spent in meagerly equipped compact cars. The “Audi experience” is terra incognita for them. Therefore, ►

- 01 Even the service garage sparkles at Deaoda in Beijing.
- 02 This emporium offers much more than just cars.
- 03 Customers can also make use of the time to get their hair done.
- 04 Air fresheners, seat covers, good-luck dragons: all available at the accessories supermarket.





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**01** Bathed in light, the showroom models gleam in the stylish Audi hangar.

**02** Customer service: No Audi leaves Deaoda without bottles of mineral water bearing the Audi logo.

#### EXPERIENCE AUDI

The Deaoda dealership opens up a whole new world of experiences.

Find out for yourself:

[www.audi.com/ar2008/originality](http://www.audi.com/ar2008/originality)

all new customers get a three-hour orientation session, concluding with a test drive in their new vehicle. Even the technically well-versed Cai Zhengdong remains intent as he takes in the flood of information. Yet sometimes questions remain unanswered. Ji Hongbo recalls a customer who – six months after purchasing a new Audi A8 – complained that the suspension was too sporty for him. “He left here a happy man after we showed him again how to use the MMI module to switch the suspension from Sport mode to Automatic or Comfort.” It’s thanks to companies like Beijing DAD Automobile Sales and managers like Shi Guiyuan and Ji Hongbo that Audi has seen such rapid growth in the Far East. Ever since it went into partnership in 1988 with what is now known as China FAW Group Corporation in Changchun in the north of the country, the brand has been very successful in China, where more than 100,000 Audi vehicles are now sold each year. The A6L, the long-wheel-base version of the full-size sedan, accounts for 65 percent of sales at Deaoda. Second place goes to the A4; preferably with a powerful engine.

The TT and the A5 are especially popular among Chinese women, points out Ji Hongbo. She places great hope in the new Audi Q5, which will soon be produced in China as well. “The Audi Q7 is doing fantastically, yet is primarily driven by men. We have already received a lot of enquiries about the Audi Q5 – mostly from women.”

**Shi Guiyuan relies on unusual tactics** to make sure that customers remember him and his business. Soon after his dealership opened in 2000, he decided that no vehicle would leave the lot without 12 bottles of mineral water in the trunk. The labels are emblazoned with the logos of Audi and of Beijing DAD Automobile Sales. Moreover, he explains, a fourth story is soon to be added to the building. They could certainly use the space, he says. But more importantly, he wants Deaoda to be even more visible from the ring road, where hundreds of thousands of vehicles pass by every day! ●

Michael Kirchberger is a freelance automotive journalist and works primarily for Frankfurter Allgemeine Zeitung.

# 3 x VORSPRUNG IN 3 min.



Anniversary: For over 10 years the company has been manufacturing cars alongside engines in Hungary.



Growth trend: The A4 and A6 models are built in Aurangabad.

## 01 15 YEARS OF AUDI HUNGARIA

**15 years of growth and consistent success:** AUDI HUNGARIA MOTOR Kft. in Győr, Hungary, celebrated a notable anniversary in spring 2008. By the end of 2008, over 16 million engines had been built at one of the world's largest engine plants since production started there. Car manufacturing operations also reached an auspicious milestone: Over 400,000 vehicles have left the Győr assembly line since 1998. On a site extending over more than 1.6 million square meters, the Hungarian plant currently turns out up to 7,000 engines and 300 cars per day. Alongside the Audi TT models, the A3 Cabriolet\* is assembled here on behalf of AUDI AG.

## 02 PRODUCTION KICKS OFF IN INDIA

**Production for the Indian market** has started in Aurangabad, a city located in the state of Maharashtra, where the Audi A6 full-size sedan has been built since November 2007. An assembly line for a second successful model, the A4, went operational in the fall of 2008. With this move, AUDI AG is maintaining its growth trend and investing in the future of one of the world's most promising auto markets.

## 03 20 YEARS OF AUDI CHINA

**AUDI AG's highly successful partnership** with what is now known as China FAW Group Corporation (FAW), China's oldest automotive business, goes back over 20 years. Timed to coincide with its anniversary, the cornerstone for a new production hall was laid at Changchun in June 2008. The extra capacity is being created in response to rising demand for the A6 L and A4 models. Production of an A4 L long-wheelbase version exclusively for the Chinese market began in late 2008, and as of 2010, the Audi Q5 will also be built there. Next to Germany, China is Audi's largest sales market, with over 100,000 cars sold each year.

Breaking new ground: a new production hall in the making at Changchun, China.







When not on stage, Juan Diego Flórez (here at London's Royal Opera House) is devoid of attitude. His breakout role: the cocky tyrant Corradino in Rossini's "Matilde di Shabran."



# Scaling the heights

The critics are raving, the audience is captivated: With incredible ease and precision, the young tenor Juan Diego Flórez climbs up the scale. The infamous high C is his specialty. A portrait of a vocal powerhouse.

**Copy** Teresa Pieschacón Raphael  
**Photos** Michael Clement

**L**ondon, Covent Garden. The venerable facade of the Royal Opera House shines in the midday sun. The world-famous opera house is the setting for works of great pathos, where dramas of love, jealousy and betrayal are played out night after night. Spectacular theater that tells the age-old story of life and death, and the struggle between good and evil. But opera is pure illusion and backstage, there's not quite the same kind of magic. Instead there's a hive of activity, people going to and fro; a cardboard box full of scores here and over there, costumes hanging on a rack. Even the artists' dressing rooms look functional, a sink, a long mirror, a box of facial tissues, two plastic chairs, a clothes rack and a piano. And this is exactly where we have arranged to meet the new star tenor Juan Diego Flórez for an interview.

**He's already there.** He reticently shakes my hand – there's none of the joviality that many of his colleagues are known for. Another rehearsal this morning – three hours long – and in just a few days, Flórez will be back on stage as the cocky tyrant Corradino in Gioacchino Rossini's opera “Matilde di Shabran,” a role that made him famous overnight. “I’m probably the only one who sings this part,” says Flórez not without pride. It's a fierce role with numerous coloratura and a high tessitura dreaded by many a tenor.

No wonder the 36-year-old Peruvian is booked up until 2015. “Yes, yes, the high C,” says Flórez with a smile as he

strokes his narrow chin with its fashionable goatee. “The high notes really electrify people.” But he can only fathom a guess why. A tenor's voice certainly sounds “different” – for many even erotic. Flórez thinks it might also have something to do with the tenor roles themselves. After all, who wouldn't fall for a nobleman, a prince or even a hero? Flórez himself says that navigating the way through his upper voice “is cathartic: It's like entering another dimension.”

**Anyone who has ever** heard this seemingly unpretentious tenor sing “Una furtiva lagrima” from Gaetano Donizetti's opera “L'elisir d'amore” has gotten a peek into this other dimension. Flórez's artistry flows out during this introspective romanza like a waterfall of emotions, cascading down on his listeners – every note like one “furtive tear” that drops back to the last row of the parquet. But all stops are pulled out on this operatic heaven-on-earth when Flórez offers up “Ah! Mes amis” – the well-known and notorious aria from Donizetti's “La fille du régiment” with its many high Cs. Brilliant silver tones like those of a trumpet appear on the horizon, igniting an absolute fireworks display of color and embellishments. How effortlessly the tones seem to flow forth from a man that arts reviews have come to call the tenor “the world has been waiting for.”

**Rossini, however, would have seen it differently.** In 1837, when the composer heard the first high C emerge from the mouth of the tenor Gilbert Duprez, he was so horrified that he compared the tone to “the shrieking of a castrated rooster whose throat is being cut.” As Flórez explains: “In the ▶

**01** The pressure forces him to be even better, says Flórez, getting ready for his performance back in the dressing room.

**02** Backstage, the set is being built up – perfecting the evening's illusion.



**“Navigating the way through my upper voice is cathartic: It’s like entering another dimension.”**

**Juan Diego Flórez**

past, singers used their natural voices up to a certain register and then switched over to falsetto, or pure head voice. The result was a very placid tone. Duprez was the first tenor to sing the high C using his full voice, or from the chest. In other words, naturally. That sounded very aggressive back then.” Even so, Duprez started a veritable revolution in singing technique, the likes of which have not been seen in any other voice category, and which led another composer, Hector Berlioz, to rave, “The tenor is a creature not of this world.”

“Oh dear!” laughs Flórez. “You never know with Berlioz exactly how serious he was when he made that statement.” As for Flórez, he’s down-to-earth. “I try to sing without any hint of affectedness.” The South American likes to compare his singing technique to driving a sports car: “The various registers I sing in are like the gearshift. When I start to move towards a high note, then I will probably have to

shift into fourth or fifth gear. I use a special breathing technique to exert just the right pressure, just as if I were stepping on the gas pedal. Air is the singer’s gasoline: You have to use more and more air to reach the high notes, while the diaphragm compresses and the body contracts. I have to keep the pressure on and find the right balance. This is the secret of high notes.” Flórez was trained in this technique. First in Lima, where he grew up as the son of a folksinger, and then from 1993 at the renowned Curtis Institute of Music in Philadelphia.

**When the world’s most famous tenor**, Enrico Caruso, was once asked the secret of his extraordinary success, he replied: “A big chest, a big mouth, 90 percent memory, 10 percent intelligence, a lot of hard work and a little something in the heart.” Flórez smiles. He would add intelligence and heart to the formula, though he will not and

#### BEHIND THE SCENES

Juan Diego Flórez is a likeable opera star. Find out for yourself: [www.audi.com/ar2008/precision](http://www.audi.com/ar2008/precision)

cannot compete with Caruso's enormous chest, which Caruso could allegedly expand so that he was able to push a grand piano several inches along the floor. He obviously doesn't resemble the stocky, bull-necked prototype tenor of those days. This "tenore di grazia" with his elegant, flawless voice seems predestined for the operas of Rossini and Donizetti. He prefers to sing the roles in their original settings; the smaller theaters for which operas were composed. That's where he believes his voice can be heard at its best: "You can keep the voice very focused and don't have to push. But I also like singing regularly at the major houses such as London's Royal Opera or New York's Metropolitan Opera, which seats around 5,000 people." Basically, the preparation is all the same. "That's also like driving a car: You can drive the same car through a city, on country roads and the highway or on a racetrack. It's all great." He only uses a microphone for open-air concerts, as do all singers.

**Flórez's breakthrough came in 1996** at the Rossini Festival in Pesaro, Italy. The then 23-year-old had to fill in for a sick colleague in "Matilde di Shabran." With only a few days to learn and rehearse the role, he was celebrated as a spectacular new discovery. He's had the audience captivated and critics raving ever since. Though praised for his elegant dramatics, his brilliant high notes and perfect phrasing, people's expectations are always growing. "I do feel the pressure," admits Flórez. "But it also forces me to be even better. Each performance is like a test."

Of course, he has to watch out for his health, but he isn't one of those singers who panic at the first sign of a draft. Stages, however, are very dry and full of dust. Ever the consummate professional, during performance he drinks "green tea, tea and more tea." Regular vocal exercises, often without that difficult high C, keep his vocal apparatus flexible and disciplined: "I still continue to record myself, for study purposes," says Flórez.

Even so, he sometimes feels like he is standing at the brink of an abyss: "There are passages in "Matilde di Shabran" that are rich in coloratura and very high notes. It's like driving at 240 km/h. Everything must be very fast, very accurate. You have to be 100 percent in the moment: You can't afford to be distracted for even one second." ●

The opera journalist Teresa Pieschacón Raphael has been following Flórez's career ever since she first heard him sing live many years ago.



Frank Dreves,  
Member of the  
Board of Management for Production,  
AUDI AG

## Precision to me means ...

### ... more than just tight seams and small radii.

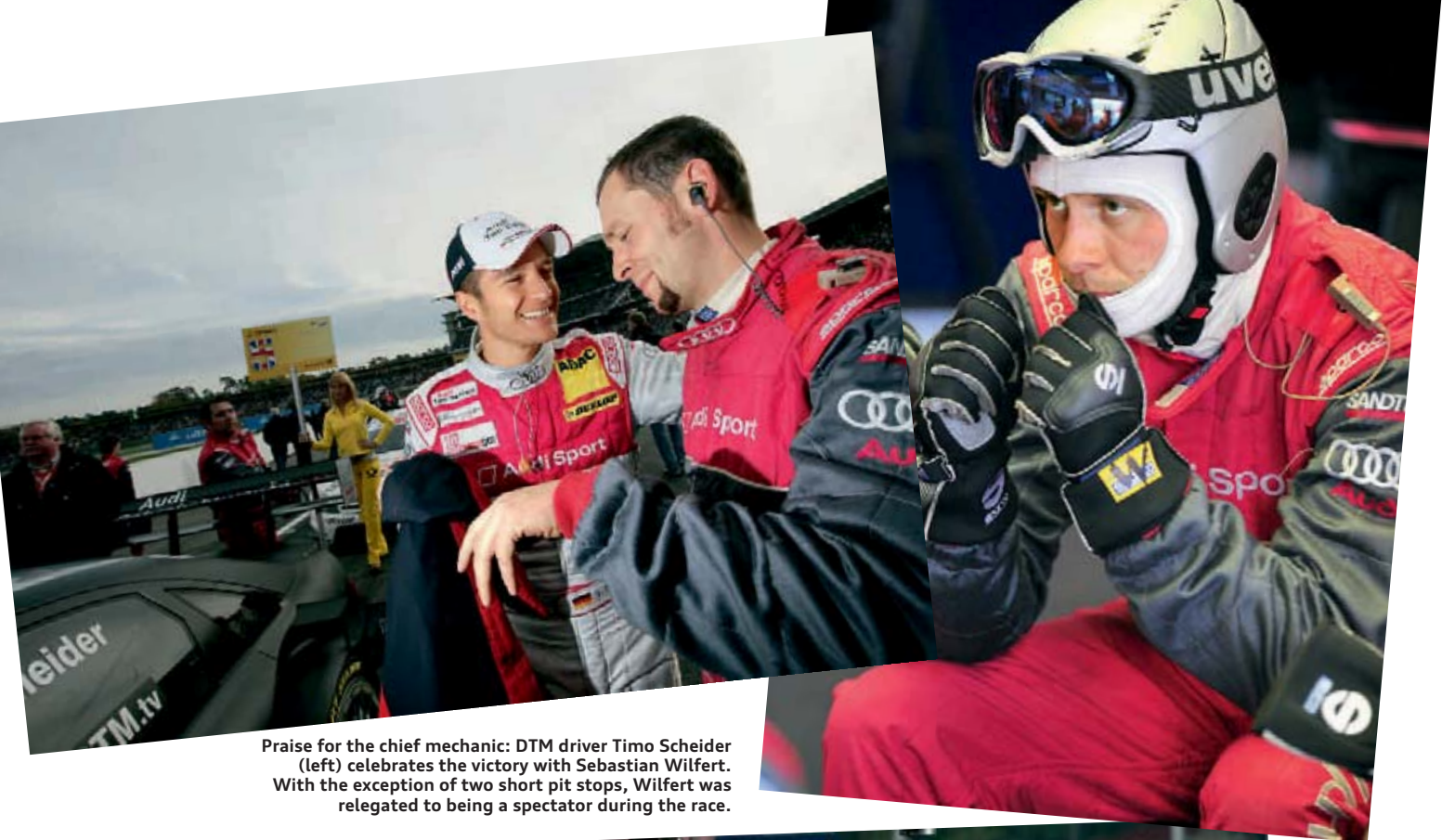
For me, it's a motivating force that I passionately promote and demand every day – from myself and everyone else. It's precision in large and small objects alike. It's the idea that every single detail counts – always!

**Precision is a fundamental value of the Audi brand.** It shapes the quality of our cars, their precise handling and their inherent sportiness. Precision is everything that customers experience with their senses; what they can see, hear, feel and smell. By selecting premium materials and working them to exact specifications, we create that unique beauty that sets Audi apart.

**Precision leaves no room for compromise.** That's why we also pursue the same quality behind the scenes – in our tool-making shop, in engine production, body construction and in vehicle assembly. Precision is an Audi principle that applies from the very first design step all the way to the final check of the finished vehicle. Production at Audi actively contributes to precision in all phases of product creation.

**I'm never satisfied with past achievements.** For me, each individual production step and every component on the car demands an even greater level of precision. I never stop working on something until everything fits together precisely. I see the same passion, the same sparkle in the eyes of our employees. In line with our continuous improvement process, they continue to question the status quo in order to make things even better. This is our very special strength – it's what Audi is all about.





Praise for the chief mechanic: DTM driver Timo Scheider (left) celebrates the victory with Sebastian Wilfert. With the exception of two short pit stops, Wilfert was relegated to being a spectator during the race.



Winning mentality

## “Timo wanted this title.”

Audi successfully defended the DTM title in the 2008 season. Winning driver: Timo Scheider. One of his closest associates, chief mechanic Sebastian Wilfert, provides insight into the microcosm surrounding the racing driver during the season.

#### TOP OF THE PILE

A portrait of Timo Scheider. The likeable DTM champion talks about his recipe for success: [www.audi.com/ar2008/winningmentality](http://www.audi.com/ar2008/winningmentality)

**W**hat a year: tension, work, 11 races, wins, defeats, then the title – and a very special one at that. It was the first time Timo Scheider won the German Touring Car Masters (DTM) and the first time I was directly involved in such a victory. I have been working for Audi Motorsport in the DTM for four years now, the last two years on Timo's car. But 2008 was my first season as his chief mechanic. If asked to characterize Timo, there are a number of traits that would spring to mind: friendly, funny, active in the community, honest, focused, ambitious and fair – both to us and to his opponents on the track. He never thinks of me and my colleagues as just the mechanics working for him, but cultivates a truly friendly relationship with us. And he takes it farther than anyone else: One race weekend, he surprised us with a game console; another time he gave each of us a mountain bike as a token of his gratitude.

**This go-to attitude** has had a direct influence on our interpersonal relationships. In principle, Audi mechanics have to perform the identical program to prepare each Audi A4 DTM for the race. The differences lie primarily in the individual setup requested by each driver. So on race weekends, we use Friday, Saturday and Sunday morning to test the car. But well before that, Timo Scheider, his engineer Armin Plietsch and the entire Audi team give a great deal of thought to the optimal setup of the A4 DTM, making our work more transparent and easier. There is a clear focus on efficiency.

There is a palpable and perceptible crescendo of emotions as the race weekend progresses into Sunday. When Timo climbs into the car on Sunday afternoon, we spring into action again. As I close the door behind him, all the hype and stress surrounding the television cameras, photo cameras and guests comes to an abrupt halt. After everyone has left the starting grid, only a single mechanic remains standing at each vehicle with a starting battery to ignite the car. That's what I do for Timo. It is the last chance we have to look each other in the eye. The next time will be in parc fermé, the enclosed area of the racetrack where the cars are parked following the race. We had plenty of opportunities to offer our congratulations this season.

**The tension** mounts on the way from the starting grid back to the pit area. It's a strange situation for those of us on the team: First of all, there is nothing more we can do to help Timo until he pits. Other than the two pit stops that last just a few seconds, we are relegated to being nothing more than spectators. Of course, we can't enjoy the race the same way the fans in the stands do. I cheer Timo on, listen to his comments on the radio and eagerly follow

events on the monitors. There are moments of pure joy – such as during the final race at Hockenheim, when Timo pulled away from his greatest rival at the start. But the DTM is a rollercoaster of emotions: In Mugello, Italy, we had to stand by helplessly as Timo false-started, received a drive-through penalty and fell far behind. Situations like these prove one thing above all: that racing drivers are people and not robots. And each of us gives 110 percent to achieve everything for our driver and the Audi brand.

**“Timo entered purposefully – and that was exactly how he drove the race.”**

Sebastian Wilfert, chief mechanic for Audi driver Timo Scheider

**The final DTM race** was a powerful demonstration of how strong we can be. After qualifying, we realized that Timo's car was seriously damaged. He had gone all out, but ran off line on one of the corners and his car bounced over the curb. When the car landed, there was quite a bit of damage, which meant we had to change the engine on the night before the race. Almost the worst situation imaginable. But the other Audi drivers' mechanics were happy to help and worked hard with us late into the night. The repairs were finished at around four in the morning. Everything was fine; the work paid off. The Audi A4 DTM was perfect during warm-up the next morning – just as it was during the race.

**Timo was completely focused on victory** and winning the title. Neither hectic, nor anxious, his will to succeed was palpable, which had a calming effect on the team. His arrival in the pits testified to his expectations: He entered purposefully, was single-minded and didn't have to say much. Everyone understood what was at stake. And that was exactly how he drove that decisive race.

The first cause for celebration was in April when he finished first in Oschersleben, Germany. Timo's second win was at Brands Hatch, Great Britain. And it all came down to the final race of the season at Hockenheim, Germany. Timo and his rival for the title were almost level on points. After the tremendous start, it remained extremely close at the front. That meant that our pit stops, again, had to be perfect. The pressure seemed to make us stronger. We completed each stop in slightly more than three seconds, thereby helping Timo Scheider cross the finish line in first place. ●

Reported by motorsports journalist Mark Schneider, who has long accompanied the DTM both in front of and behind the scenes.



# 3 x VORSPRUNG IN 3 min.

## 01 AWARD-WINNING

More than 90 awards worldwide paved the Audi brand's road to success in 2008. The year kicked off with the reader poll staged by the trade magazine *auto motor und sport*, which saw four Audi models – Audi A3, A4, A6 and R8 – finish top of their respective categories (issue 4/2008). In the Chinese edition, the Audi A6L and Audi Q7 were also voted "Best Cars" in addition to the R8 (issue 2/2008). The Audi A4, A6 and R8 were all winners of the 2008 Auto Trophy awarded by *Auto Zeitung* (issue 25/2008). The Audi A4 was also voted "Auto 1 of Europe" by the readers of *Auto Bild* (issue 10/2008). The Audi Q5 received the Golden Steering Wheel (*Bild am Sonntag*, issue 45/2008) in December, having already picked up the "Euro Car Body Award" for its innovative body (October 23, 2008). AUDI AG also won the coveted "Yellow Angel" from ADAC's "AutoMarxX" image and brand study (*ADACmotorwelt*, 2/2008) and the J.D. Power Asia Pacific 2008 China Sales Satisfaction Index (SSI) Study<sup>SM</sup> (August 28, 2008).



Audi boss Rupert Stadler receives the coveted Golden Steering Wheel for the Audi Q5.



One of many new models in 2008: the Audi A4 Avant\*.

## 02 NEW PRODUCTS

The Audi model family grew significantly in 2008: New additions were the TT TDI, TTS Coupé and Roadster, A3 Cabriolet, S3 Sportback, Audi Q5 and Audi Q7 V12 TDI. Successor models to the Audi A4 Avant, the sporty S versions of the A4 and the Audi RS 6 were also presented. The A3 and A6 core model series with their numerous sporty derivatives also underwent extensive model update measures.\*

## 03 AUDI CONCEPT CARS 2008

In 2008, the Audi brand again produced some fascinating and visionary autos, starting with the Audi R8 TDI Le Mans, a high-performance road machine. Next, the elegant and powerful Audi Q7 V12 TDI coastline made its debut in Geneva. In May 2008, the A3 TDI clubsport quattro made a confident showing at the 27th Wörthersee Tour. In exhibiting the Audi A4 TDI concept e and the A1 Sportback concept show car at the Paris Motor Show, AUDI AG demonstrated a new approach to efficiency, dynamism and driving pleasure.

Smallest Audi: The A1 Sportback concept show car was unveiled at the Paris Motor Show.





# Global cities

Montreal, Sydney and Cape Town confidently set trends and cultivate their unique characters. Short stories by young literati have captured what it is that makes these cities tick, while a photo gallery of Audi's latest models accompanies readers on their journey through these metropolises – this is no ordinary declaration of love.

## Montreal<sup>01</sup>

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The sensuous

## Sydney<sup>02</sup>

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The mysterious

## Cape Town<sup>03</sup>

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The multifaceted



**“All three stories are like road movies.”**

**Sorin Morar, 36**, photographer, traveled around the world to capture the personalities of the TTS, A3 Cabriolet\* and A4 as they unfold within the urban context of three world metropolises. “At times the car is in the foreground; at others in the background. And sometimes it disappears altogether – a fascinating play of images.”

The colorful shop windows of Mile End reflect tree branches, most of whose autumn leaves have already fallen.


# 01 | Montreal, the sensuous

Mile End is a creative melting pot. Moving amidst art and design, the TTS is at home in the streets of this quarter. The multicultural flair north of Mont Royal, Montreal's landmark mountain, opens the eyes to something new.









"The air smells of dried leaves.  
Up and down the street, there's life and  
movement, like when I was a child."

The plentiful fall harvest  
brings the colors of an  
Indian summer into the  
city's market halls.





**Clockwise**

The city wind twirls the autumn leaves through the streets of Montreal.

The traditional eatery Wilensky is famous for its sandwiches.

The smell of foreign spices; the sound of foreign languages. Mile End has many faces.



Nature isn't the only one who likes to play with color. Life in Mile End, Montreal's artist district, is colorful.




The autumn sun's rays  
break through the  
canopy of the trees.



"I imagine the city in superb detail and  
when I open my eyes I want the city to  
look back at me, to meet me halfway."



An aerial, high-angle photograph of a city street at night. The street is illuminated by streetlights, and a tram is visible in the distance. The surrounding buildings have modern glass facades that reflect the city lights. The overall atmosphere is urban and sophisticated.

Vorsprung Charisma

Moving along steel and glass facades, a fleeting glance into the depths is greeted by empty streets, by shadows and light; by elegance.

\* Fuel consumption and emission figures at the end of the Annual Report.





## 02 | Sydney, the mysterious

As darkness sets in, night enfolds the Australian metropolis in a veil of mystery. The search for a vanished beauty begins, hastened by a sporty and elegant companion – the Audi A3 Cabriolet\*.






**Clockwise**

Shadows fill the streets of Sydney at night, penetrated only by the light of street lamps.

Hidden well below the city's powerful foundations, underground tunnels and passageways lead to places long since forgotten.

Office lights transform the facades of city skyscrapers into works of art – or are they secret messages being sent in Morse code?

A woman with her hair in a ponytail, wearing a dark, belted coat and high heels, is walking away from the camera down a paved path at night. The path is flanked by green lawns and trees. A tall, illuminated street lamp stands on the right side of the path. In the background, city lights and a tall, illuminated tower are visible against the dark sky.

**"I don't think she wanted me to find  
her, she just wanted me to remember  
what we'd both forgotten."**

**The movements are only  
fleeting shadows.**





“She was always trying to find out what the city was hiding. She wasn’t happy with its dazzling beauty. But beneath the surface there was only another surface.”

The night-time tangle of roads, bridges and underpasses is deserted – almost.





Sydney doesn't come alive again until nightfall – inviting another encounter.

## 03 | Cape Town, the multifaceted

Anyone willing to tear themselves away from the city's picture postcard perfection will discover the raw side of the South African metropolis. A city buffeted by history. A city that also invites the Audi A4 to leave the beaten tourist paths.





Old cargo ships are overhauled in the dry docks of the port. The A4 rests without a sound in the shadows of the rusty giants.



Within sniffing distance of two oceans,  
a colony of black-footed penguins: The A4  
nestles within the city walls.







“All mixed up, of course,  
with the raucous gulls,  
blown in from the bay like  
sailors on shore leave.”

**Clockwise**

If the trip should take you along a luscious, grassy hillside, you might catch a glimpse of the grazing quaggas, early relatives of the zebra.

A tour through Cape Town is rich with new images, fragrances and sounds at every turn. Some impressions, however, remain unforgettable.

Porcelain-blue heavens meet the dunes of the expansive beaches framing the sea.





Goodbye paradise: Cape Town, where the Atlantic meets the Pacific, is considered one of the most beautiful cities in the world.



# Local Stories

What defines a metropolis? Three young writers use suspenseful, melancholic and whimsical short stories to describe their hometowns for the Audi 2008 Annual Report. A separate booklet for your enjoyment.



## Authenticity

### “Today, everyone’s so exalted”

Clint Eastwood is a Hollywood legend. Movies like *Unforgiven* and *Dirty Harry* established his tough-guy reputation. At a ripe old age, when many people’s minds are on retirement, this multitalented artist has reinvented himself. As a director, he has tackled hot social issues and taken a clear stand. A true original.

Copy Holger Christmann

How do you remain successful over a 40-year career? By staying true to yourself and continuing to stretch. Clint Eastwood has done both. He was the star of Spaghetti Westerns before he became *Dirty Harry* – “a role I really enjoyed.” Later on, as a director, he began to develop characters a gunslinger and cop wouldn’t have been interested in: the victims of violence. “I’m not that good at introspection, but I do think that the secret is to continue to be interested in new things and to keep moving forward. I’ve always worked and always continued to learn something new,” he muses while looking out the window of the Mission Ranch restaurant, a historic farmhouse in Carmel, California that he bought and renovated some 20 years ago. He’s 78 now, but still looks as good as he did in his earlier films; though maybe with a few more wrinkles; leathery skin and graying hair.

Eastwood lives and entertains in Carmel situated on Monterey Bay, which was once home to Ernest Hemingway and John Steinbeck. In the 1980s, he served as the town’s mayor for three years: “I got mad at the authorities a couple of times, and then someone asked me why I didn’t run as a candidate myself. But it wasn’t a long-term stint.” Today, there’s only one thing he’s looking for in Carmel: peace and quiet. He lives with his second wife Dina, a TV journalist 35 years his junior, in a house with a panoramic view over the coast. He calls it his sanctuary; a scenic place where he can kick back and enjoy taking a ride along the famous coastal highway in his Audi Q7 or A8. His wife drives a TT. Though Eastwood likes cars, his passion is golf. He plays like a pro and his 11-point handicap puts him up there among the top ranks of the Hollywood elite. Every year, he invites colleagues and other celebrities for a showdown at the AT&T Pebble Beach National Pro-Am. He’s done everything but make a movie about golfing. “A few directors have tried – including me – but it just doesn’t give you an angle to develop any conflict,” he says. “Golf isn’t suited to high drama.”

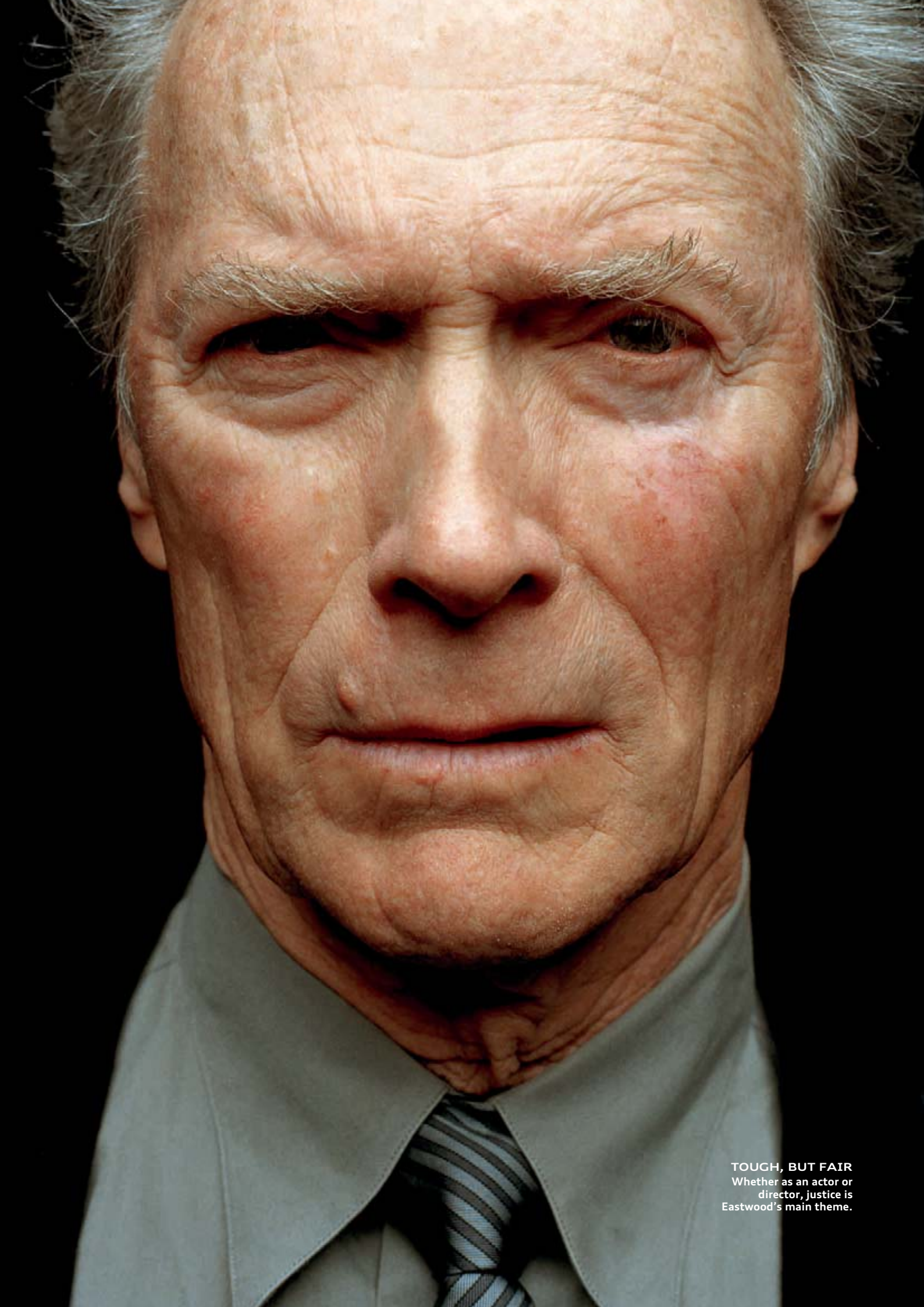
Eastwood is a complete stranger to artifice. He seems to find his strength from within, not from boasting. “There are some people who exude an exaggerated, almost arrogant self-confidence,” he says, sipping his wine. He’s al-

ways been suspicious of those types. When his colleagues express their surprise that he seems to be completely unaware of his stardom, he counters: “Everyone wants to be a star these days. But that’s not enough. They don’t just want to be a model – they have to be a supermodel. Today, everyone’s so exalted.”

Eastwood combats this with a sense of reality and modesty that has only served to enhance his reputation among colleagues. Actors rave about working with him, using old-fashioned terms like decency and integrity. One actor in *Mystic River* said: “Eastwood is the only American icon who’s not a disappointment.” There are a lot of managers who could take a lesson from his management style and efficiency. On the set, Eastwood doesn’t yell “Action!” Instead, he describes precisely what it is he wants to show. “Start when you’re ready,” he’ll add casually. That takes the pressure off, giving the actors room to flourish. Typically, everything comes together on the first take: Eastwood rarely needs to shoot more than three takes of a single scene. “If an actor knows that it’s only going to start counting after the 19th take, then he doesn’t really need to make an effort,” says Eastwood. This means the director has to be extremely well prepared. There is a positive byproduct: significant cost-savings. While production budgets of 100 million U.S. dollars are the norm in Hollywood, Eastwood usually gets by on less than 30 million.

**Outside, the Pacific breaks** onto the sandy white beach. Could Eastwood’s unassuming style possibly be the product of his upbringing? Born in 1930 in San Francisco during the midst of the Great Depression, he grew up in humble surroundings. After high school, he worked as a wood cutter and gas station attendant before joining the army in 1951 and becoming a swimming instructor. While in the army, he met an actor who advised him to take his good looks and athletic build to Hollywood.

Eastwood smiles when he thinks back to his audition at an acting school in Los Angeles. “There were 40 girls, most of them attractive, and seven guys. I said to myself: ‘I don’t care what it costs. This is the place for me.’” He reflects for a moment and smiles. “Everyone needs some kind of motivation.” He got a few small roles, including that of a jet pilot in *Tarantula* (1955) – the oxygen mask covered his ▶



**TOUGH, BUT FAIR**  
Whether as an actor or  
director, justice is  
Eastwood's main theme.



face – until a studio boss decided that Eastwood's Adam's apple was too large, which put a temporary stop to his career. He eventually landed a role in the TV western *Rawhide* and attracted the attention of Sergio Leone, who hired him for his Italian western. Together they became world-famous. From the start, Eastwood realized that less is sometimes more. "There was a scene where a woman asks my character why he rescued her. The script called for an endless answer. The guy talked about his mother and took all kinds of digressions, not really winding up anywhere at all. The more the character talked, the less interesting he became. I was able to convince Leone that only second-rate movies used dialog to express everything, and I rewrote the scene. Now the answer is: I hate injustice."

"I'm more talkative in real life, though," Eastwood adds, smiling again.

**Limiting himself to just a few** terse sentences together with his unshakable coolness has become his trademark. One of his fellows expressed it this way: "Eastwood only has two facial expressions: one with the hat and one without it." Do those movies seem silly to him today? He thinks about it a moment, his eyes narrowing into small slits as they did in *A Fistful of Dollars*. "No. Anyway, you shouldn't regret anything. I actually had a lot of fun doing it," he says. Some lines still appeal to him, including the one cynical police inspector Harry Callahan (*Dirty Harry*) used to provoke the bad guys: "Go ahead. Make my day." Even then, it was important to Eastwood to question the boundaries between good and evil and shake up conventional wisdom – which is precisely what he has been doing over the past years in his critically acclaimed work as a director. The only difference is that he was fighting crooks back then. Today, as a director, he shows the victims some sympathy. *Mystic River* tells the story of three boyhood friends whose lives were shattered by a crime, ultimately ending with a revenge murder. In *Million Dollar Baby*, which won four Oscars, a female boxer is brutally attacked in the ring, breaking her spine and crippling her. The movie tells her harrowing story of suffering that ends in euthanasia. *Flags of Our Fathers* and *Letters from Iwo Jima* both portray a famous battle in World War II but from two different viewpoints – dispelling any conviction that the United States was the hero.

It is now late in the evening and Eastwood says goodbye. After 78 years, he has finally found a positive hero. He's going to make a movie on the life of Nelson Mandela, and is flying down to South Africa in spring 2009 to begin filming. But it wouldn't be like Clint Eastwood to make a big to-do about it. "There are good stories and good scripts that interest you," he says with his typical understatement. "When one grabs you, then you make it." ●

**Holger Christmann** was developer and project manager of *Park Avenue* lifestyle magazine. Today, he works as a freelance author.



**Dr. Werner Widuckel,**  
Member of the Board  
of Management for  
Human Resources,  
AUDI AG

## Being authentic to me is ...

**... the epitome of distinctiveness.** Being authentic means being credible, saying what one thinks and doing what one says. This has a particular meaning here at Audi. Working to take the lead and staying ahead means leaving behind familiar, well-worn paths and thriving on the resolve to distinguish oneself from others by being "better." Anyone who wants to take the lead and stay there must repeatedly answer the questions: "What do we stand for? What distinguishes us from the rest – today and tomorrow?"

**Being authentic** means standing up for your convictions with courage, passion and competence. It is about setting trends, not following fashions. These qualities shape our corporate culture, our brand development and the way our customers perceive us. This is most readily visible in our products.

**Anyone who wants to be authentic** has to live an outward life that resonates from his inner being. Courage, passion and competence can only be lived out in an organization that is defined by its appreciation of commitment and performance, respect and open debate, and which is focused on collective goals. Promoting the development of employees to improve performance and sharing successes with employees rather than claiming them as one's own are therefore essential traits of a management culture seeking to live the leadership role credibly. Only when a company provides the space for people to deal and behave authentically, will it be truly authentic.

4 x VORSPRUNG IN

# 4 min.



## 01 AWARD-WINNING AUDI R8

**Doubly successful:** The Audi R8 came away from the 2008 World Car of the Year Awards (March 20, 2008) with the dual titles of World Performance Car and World Car Design of the Year. The international jury based its choice on the outstanding handling characteristics that keep the R8 responding safely and precisely even when pushed to the limit. The Audi R8 also demonstrated its dynamic qualities on the big screen last year in the movie *Iron Man*, starring Robert Downey Jr., where it accompanied the superhero on his spectacular exploits.



## 02 SALZBURG FESTIVAL

**The Salzburg Festival** draws the attention of theater and music lovers to the city of Mozart's birth for five weeks each summer. In 2008, AUDI AG was once again principal sponsor of this exceptional music festival and, to mark the festival's opening, the company extended its third invitation to Audi Night during which leading figures from the worlds of business and culture got a chance to rub shoulders with celebrities. A real highlight of the opening weekend.



## 03 AUDI TWIN CUP IN ISTANBUL

**A final in 25 languages:** 60 teams from 36 countries traveled to Istanbul in June 2008 for the world final of the Audi Twin Cup. After having already qualified during national heats, the best service technicians and advisors from the Audi dealers were pitted against each other on the local Formula 1 race-track. The winning team came from Liaoning Aotong Automobile Sales & Service Co. Ltd, located in Shenyang, China. Over 9,000 service technicians and advisors worldwide took part in the Audi Twin Cup.



## 04 AUDI MEDCUP SETS SAIL FOR FIRST TIME

**21 yachts set sail** in the popular Mediterranean regatta series that was rebranded the Audi MedCup in 2008 to reflect the company's new role as principal sponsor. The six regattas saw entrants from 10 countries involved in an exciting tussle for the title. Honors finally went to the U.S. team Quantum Racing, which won the most of the 53 races at venues including Alicante (Spain), Marseille (France) and Portimão (Portugal), where the final race was held.





There is no final frontier: In winter, extreme athlete Bubendorfer looks for new challenges on frozen waterfalls.



## Extreme experience

# Beyond the limits

They free climb ice walls, dive to death-defying depths without oxygen and run themselves to exhaustion. Extreme athletes are driven by more than just the kick. They are looking for answers to life's questions.

Copy Tobias Moorstedt

**T**he line separating the mundane from adventure lies only a few meters from shore. The sandy floor of the lagoon breaks away as it becomes a bottomless abyss: The clear, light blue water gives way to a dark blue color that looks almost black. Most people are scared of Dean's Blue Hole, a 200-meter deep hole in the ocean floor off Long Island, Bahamas, because they don't know how this surface anomaly was formed, what lives down there and what is going on.

William Trubridge, however, sees a realm of possibilities in the underwater hole. He can focus on his mission in the Blue Hole: to go as deep as possible and then return to the surface. The 28-year-old is the world record holder in free diving and dives without an oxygen tank, fins or other aids to a depth of 86 meters. "The water is warm and still here, even at depth," says the New Zealander, who used to train in the open ocean.

**William Trubridge** is a member of a small, global community of extreme athletes whose careers and training schedules resemble a scientific experiment. The research questions are: What are the limits of human performance? What is the maximum blood volume, muscle contraction,

energy efficiency? And can they be pushed just a bit further? But men such as Trubridge, Thomas Bubendorfer, the free solo climber who has completed more than 80 solo climbs in the Alps, Andes and Himalayas, or Dean Karnazes, who ran marathons in four different deserts in 2008, are driven by more than an adrenaline rush. The adventurers climb the highest mountains and plunge to the deepest depths in order to learn something about the world, mankind and life itself.

The natural habitat of extreme athletes is inhospitable territory: deserts, mountain peaks, ocean depths. Places that are either hot or cold, where strong winds blow and oxygen is in short supply. The Caribbean's Long Island is just one such place and resembles nothing of the stereotypical tropical paradise. William Trubridge steers his truck along the dusty trail. Greenish-brown hills overgrown with tattered vegetation regularly ravaged by hurricanes roll past the window. The beach is white and deserted, and only the flotsam gives evidence that a consumer society exists somewhere beyond the horizon.

Climbing, diving and running are sports that conform to the way man moves naturally. So Trubridge carries all of his equipment in one hand: fins, contact lenses, a nose clip and a diving watch. He depends not on the latest technol-

ogy but on his own ability, his own strength and his larger-than-life determination to make it to that next meter, next success or next record. "An oxygen tank, lamp and weights would make me feel like a human submarine."

**Thomas Bubendorfer** also doesn't think much of high-tech mountaineering, where bolts and fixed ropes are used to hammer a highway into the mountain so that "any layman can make the ascent." The 46-year-old Austrian acknowledges the human tendency in modern mountaineering to use mechanical aids to guarantee safety and success. "You can't stay down below and arrive at the summit at the same time," he says. And that ►

**The free solo climber Thomas Bubendorfer has completed more than 80 solo climbs in the Alps, Andes and Himalayas.**







applies equally to the route up a wall, to life in the office, or to the stormy heights of executive suites. "There is no greater risk than not taking any risks," says the climber in summarizing his philosophy. He believes that if you want to evolve, you have to ex-

**"And then time stands still." William Trubridge dives without an oxygen tank into the Blue Hole, a deep, dark hole in the ocean floor off the Bahamas.**



pose yourself to homeopathic doses of danger and risk. "I am at my best when things are really dangerous: I am alert and cautious and can do things I normally couldn't," he says. In business, innovative ideas and new strategies aren't developed in the comfortable routine of day-to-day business, but rather in heated meetings with investors and customers; in moments when your own job or even the future of the company are at stake. "Pressure," says Bubendorfer, "makes us stronger." Which is why you have to proactively seek out such challenges. In winter, Bubendorfer wanders through dark alpine valleys in search of frozen waterfalls that form anew each year only to disappear into melt water in the spring. "There are a lot of conquests to be made there," he says.

The gentle words and lucid thoughts of these extreme athletes almost obscure the fact that their sports are unforgiving of mistakes. In 1988, Thomas Bubendorfer fell 20 meters, broke several vertebrae and still has a stiff ankle. Trubridge lost consciousness at a depth of 12 meters during an attempt to set a record in Egypt and was rescued by his safety divers. Dean Karnazes collapsed during a marathon in Death Valley. Though the extreme athletes discuss their near-death experiences almost casually, the stories always have the same ending: "The fall shattered my bones, but healed my head," says Bubendorfer. "We learn more from our failures than we do from our successes." And that applies to everyday and business life as well. In addition to their athletic careers, Bubendorfer and Karnazes both work as management trainers, where they share the insights and routines gleaned from extreme situations with managers and business consultants. One of their most important lessons: "Success is dangerous – it makes you satisfied, contented and slow. A company that produces a successful product cannot rest on current figures – it has to continue investing in the future."

**Dean Karnazes** is known in the U.S. media as the “Ultramarathon Man,” because in 2006 he completed 50 marathons in 50 days, covering more than 2,000 kilometers. After that, he spontaneously decided to run from the East Coast of the United States back to where he ran the first marathon of this series, to St. Louis, Missouri – like the film character Forrest Gump, for whom continuous motion was a place of retreat. The 46-year-old is familiar with the looks of passers-by “who consider people like me, who don’t pursue a normal way of life, to be some kind of freak.” But maybe the astonished glances are due to the fact that in fall 2008, Karnazes was running through the parks of San Francisco wearing thick winter clothes despite a mild 20 degrees Celsius “to train for the heat and expected problems with body ventilation” in preparation for the desert marathon. Extreme athletes follow a rigid diet, are disciplined and undergo rigorous training. You won’t hear them complaining. “I have been in training for so many years,” says Karnazes, “that I no longer have to force myself to do it. Running is a part of my personality.” Here the athlete shows himself to be a student of Aristotle, who in his moral philosophy stated that man only learns traits if exposed to situations that demand them. Above the Blue Hole at Long Island is a small white platform – the base station for the expedition into the abyss. Trubridge is floating on his back in the water and breathing in time with the waves. “Breathe-up,” he calls it – slowing down the circulatory system and stocking up with oxygen. He has to try and collect his thoughts and emotions before the dive. “If I am worried, my heart beats faster and consumes unnecessary energy.” The extreme athlete lies motionless in the water. He takes two more deep breaths, turns in a fluid motion and dives. Trubridge follows the white rope leading to the ocean floor like a maritime guardrail. His eyes are half-closed. All of his actions are automatic now: the



**Inhospitable territory is the training ground of Dean Karnazes. As a management trainer, the “Ultramarathon Man” shares his experiences with managers.**

even kicks of his feet, pressure equalization at 10 meters, 25 meters and 50 meters. Everything is quiet. “Breathing sets the rhythm of our life,” he says, “and when this natural metronome goes silent, time stands still.” At this point, the extreme athlete becomes an existential athlete.

**With diet,** endless planning and medical examinations finally behind them, the athletic performance of these men becomes an act of meditation. “These are the most vibrant and beautiful moments,” confirms Dean Karnazes, “I can finally really relax.” Thomas Bubendorfer describes how he feels when climbing in the same way. “All that matters is the next hold and how it fits into the route. A wall has to pose enough of a challenge so that I am not able to think about anything else – until there is no distance between thought and action.” He believes that this recipe for happiness can also be applied to everyday life. The athletes sometimes sound like Buddhist monks. “The most important thing of all is to be able to control your thoughts,” says Bubendorfer.

Each one has developed his own method for overcoming the fear and pain he is confronted with during his adventures. When Karnazes “hits the wall,” as he calls the low point of a run, “I break the task up into a lot of small parts; I take one good step and then the next good step, and at some point I am there.” This form of self-hypnosis is called dissociation. Trubridge also tries to program his brain before the dive. He visualizes the descent, each maneuver, the turning point; attempts to “anticipate problems and internalize solutions.” Under stress and the enormous pressure at depth, you can’t rely on your decision-making ability. “Through visualization, I have already successfully completed the project before I even start the dive.” The power of imagination generates confidence. One lesson you can learn from extreme athletes is that, although you cannot change the material world and its laws through pure strength of will, you can change the perception of this world. And suddenly, you discover new ways and the energy to overcome yourself again. For these men, there is no ultimate performance, no final frontier for pushing themselves to the limit. There are only challenges. “Standing still is not an option,” says Bubendorfer. ●

**Tobias Moorstedt works for Süddeutsche Zeitung, Neon, GQ and Handelsblatt, among others.**





# Haute couture for the soul

An Audi unleashes feel-good hormones. That's especially true for the creations from quattro GmbH. This luxury manufacturer converts production cars into unique works of art. To make sure that every customer's wish is fulfilled, the number one rule in Neckarsulm is: Anything's possible.

Copy Robert Kittel

There is a saying: "Don't dream your life away. Live your dream!" Neckarsulm, barely an hour's drive north of Stuttgart, brings you just a little closer to that goal. The Audi plant, also home to quattro GmbH, is near the center of town. And there is no better name for it than "dream factory." It's where production cars are converted into unique masterpieces. You could call it automotive haute couture. Upstairs in the enormous entrance lobby of the Audi Forum Neckarsulm stand an extremely low-slung, white Audi R8, and Thomas Degenhard – gray suit, local accent. Mr. Degenhard is a customer service representative at quattro GmbH. But he isn't just selling cars: He sells dreams. Customized dreams. While Degenhard leads the way through the lobby, he mentions some VIP guests he is expecting next week from the Far East. "They are coming here all the way from Tokyo to get some in-depth advice." Customers from the United States also regularly come to quattro GmbH to pick up their new car themselves. They combine the car's maiden voyage with a tour of "Old Europe," driving their new car to Bremerhaven personally so that it can be shipped onwards. Three customers

have just arrived from New Zealand and their faces say more than a thousand words. Their eyes sparkle when they see the white R8. Their smiles broaden as they inspect the fine leathers, the exquisite woods, the distinctive alloy wheels and the diversity of colors in the adjacent showroom. They compare different kinds of leather, decide which wood grain they like best and choose their favorite metallic shimmer. This is where car lovers can experience the full spectrum of automotive feel-good culture. Making the different choices is deliciously difficult. Anyone who has ever sat in a morning dew green Audi A5 with alabaster white leather upholstery and ash wood inlays knows the burst of feel-good hormones such an experience unleashes.

Later, Degenhard leads the way into the Nuvolari Restaurant located downstairs in the huge building. The interior looks a little like a New York design hotel: Works of modern art decorate the walls. This is where customers who have come to pick up their new car are invited to a meal. Individuality is in demand. Audi trend researchers confirm that "individualization is one of the megatrends. Customers of the future won't be as reserved as they might have been just a few years earlier." 20 years ago, privacy was still society's most precious privilege. People are a lot more open about their personal lives now.

"People want to be noticed more, want to be different." This phenomenon is also very evident on the Internet. Social networks and communities demonstrate that the "new" consumers like to display their personal side and have no qualms about showing personal vacation photos to total strangers on the Internet.

The experts from trendwatching.com in Amsterdam take it a step further: This new willingness to show what others don't have is a new ideology. "Consumers want other people to finally see them as they see themselves," says trendwatching chief Reinier Evers. While they like to stick to known brands, they also prefer a personal note or a limited edition. The textiles and fashion industry was the first to clue into this. Sports shoe manufacturers started to sell individually "tunable" sneakers early on – where a well-fitting shoe wasn't the only thing that mattered. Not much later, the luxury couturiers also "discovered" mass customization. A suit off the rack in high-end design, tailored to the customer's measurements and in a personally selected combination of colors and fabrics was just what customers were looking for.

Incoming orders are also increasing at quattro GmbH and thousands of unique Audi vehicles are leaving the factory every year. It's the most exclusive way ►

A dream comes true:  
the Audi R8 V10\*.





Second home: Top-quality leather trim and office package in the Audi A8.



## “Diamonds in the dashboard, an A8 in pink – the extraordinary is all part of our daily routine.”

Armin Weber, Marketing Manager of quattro GmbH in Dubai

to drive an Audi. Whether electric curtains for the rear windshield, initials in the inlays or a built-in refrigerator in the back – with a workforce of around 800, the quattro team can make anything happen as long as it is technically feasible. The only taboos are using leathers from endangered species, tropical woods and anything that might create an onboard hazard. The trend towards customization is particularly pronounced in the Arab world, where the order placed by a businessman for an A8 in pink with green leather throughout the interior is not considered unusual. “A TT with diamonds in the dashboard, an A8 with two-tone body paint or a trunk converted into a refrigerator – the extraordinary is all part of our daily routine,” says Armin Weber, Marketing Manager of quattro GmbH in Dubai. Of course, notes Degenhard, it is important to remember that customers from Abu Dhabi aren’t the same as customers from Dortmund. With globalization

comes the need to understand and respect each customer’s cultural environment. Of course, clientele looking for extravagant special appointments ranging from a bar to leather that matches their tie tend to be concentrated in the high-end sector as far as price and models go, with the Audi R8, A8 and RS 6 models in the lead. But since there are important differences between individual markets, the watchword is “Think globally and act locally.” That’s why quattro GmbH maintains designated sales customer representatives with showrooms in important cities like Moscow, Beijing, Riyadh, Stockholm and New York. On request, these specialists will also take their laptops and samples cases with them directly to the customer. quattro GmbH prides itself on its customer proximity. Customers in Moscow also have different preferences from those in Berlin, London or Paris. “A Russian customer is particularly interested in getting a

spectacular paint job, maybe even gold side mirrors, and of course striking rims,” relates Degenhard from years of experience. Germans, as well as Swiss and Austrian customers, on the other hand, are more interested in having a customized interior. As for the English, they’re bolder in their choice of colors than other Europeans.

**Back downstairs,** a couple is just picking up their new A8. In a custom color, of course. The car is parked right in the center of the showroom; so finely polished, that the pair can see their reflections. A little later, as the A8 slowly drives out of the showroom, Thomas Degenhard looks pleased as he watches them drive off. ●

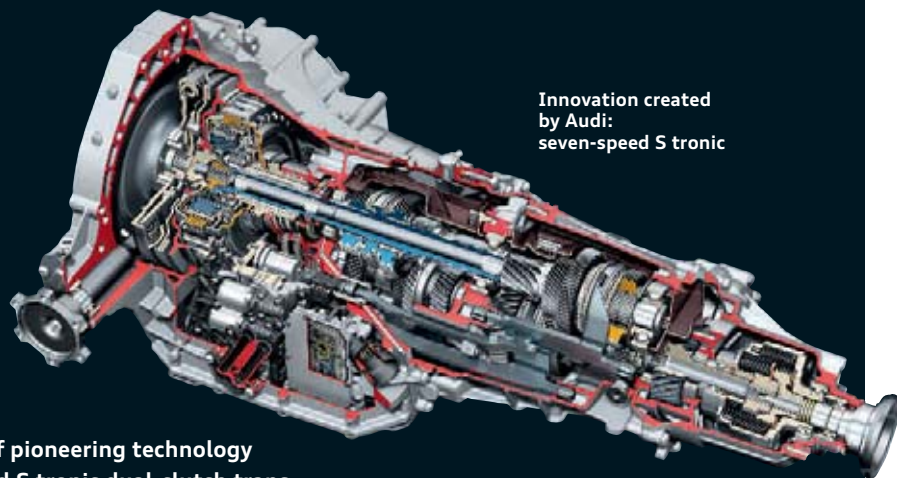
Robert Kittel, columnist for Wiener, also writes for GQ, brand eins and Stern.

### DREAM FACTORY

quattro GmbH fulfills virtually any wish. See for yourself:

[www.audi.com/ar2008/ingenuity](http://www.audi.com/ar2008/ingenuity)

# 4 x VORSPRUNG IN 4 min.



Innovation created  
by Audi:  
seven-speed S tronic

## 01 SEVEN-SPEED DUAL-CLUTCH TRANSMISSION

The Audi brand unveiled another example of pioneering technology in the past year in the guise of a seven-speed S tronic dual-clutch transmission for the Audi Q5. Thanks to its slick gear changes, it has efficient propulsion and agile thrust with virtually no interruption to the power flow. In combination with longitudinally installed engines and quattro permanent all-wheel drive, the seven-speed S tronic showcases the typically sporty drivability of an Audi.



## 02 10 YEARS OF AUDI ACCIDENT RESEARCH

An "accident-evading car" – wishful thinking? Everyone at the Audi Accident Research Unit (AARU) is striving to make this vision a reality. Since 1998, AARU experts – in cooperation with the Regensburg University Hospital and the Bavarian Ministry of the Interior – are often called upon to track down evidence when an Audi model is involved in an accident. Technical, psychological and medical findings can then be channeled back into the vehicle development process. The objective is to increase general road safety and to further improve active and passive safety and driver assistance systems.



## 03 EFFICIENCY STARTS WITH THE ENGINE

In launching the Audi valvelift system, the Audi brand unveiled a technology that permits intelligent control of the intake valves on six-cylinder FSI engines and the exhaust valves on four-cylinder turbo FSI engines – thus boosting both power and torque, while at the same time improving fuel efficiency. Audi engine developer Dr. Stefan Dengler, who masterminded this technology, was presented with the Hans List Award and 50,000 euros in prize money by the Graz-based engine and powertrain developer AVL List (September 19, 2008).



## 04 MORE FROM ONE TANK OF FUEL

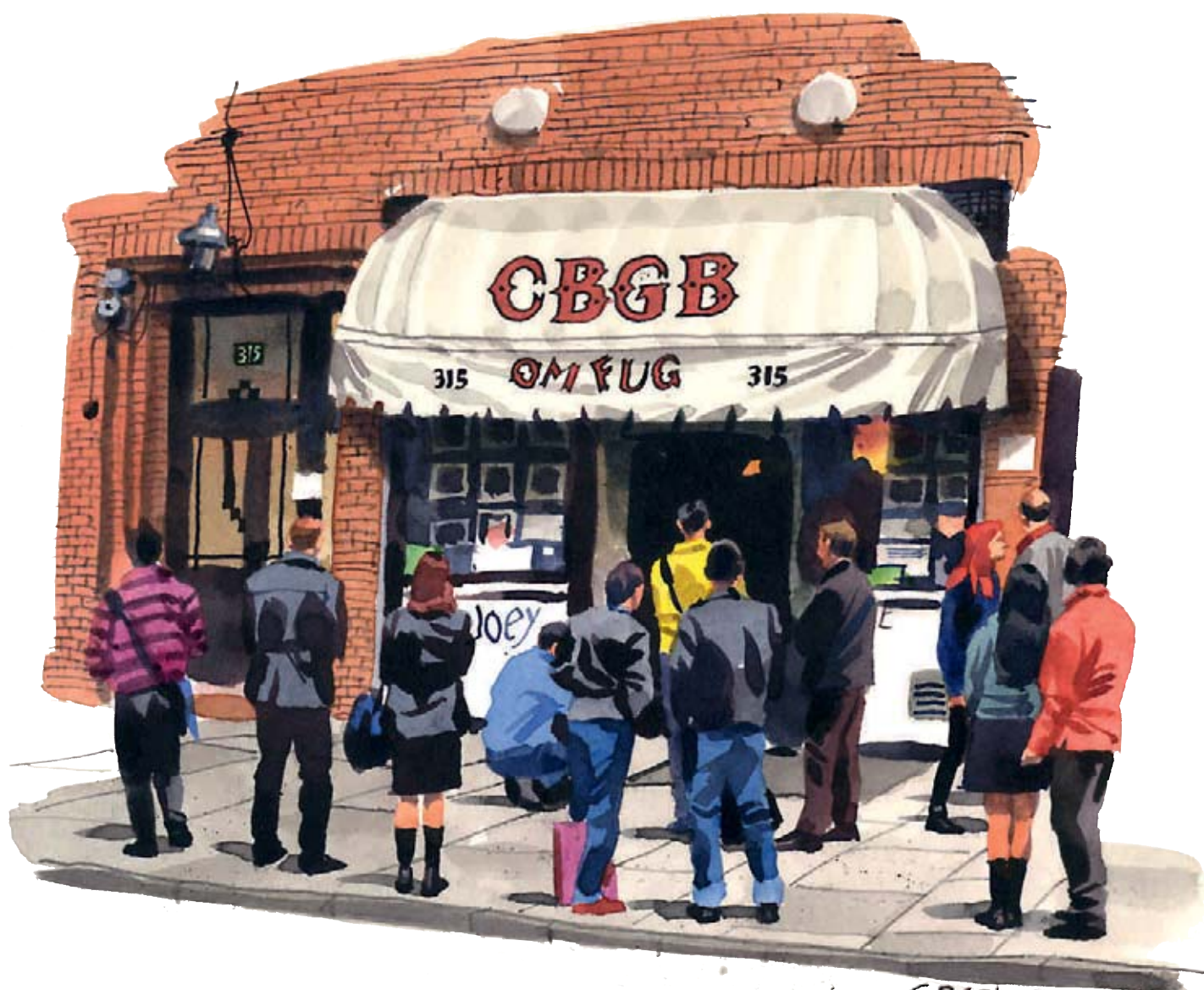
1,650 kilometers on just one tank of gas (65 liters) – that is what 40 Auto Bild readers achieved in a fleet of Audi A4 2.0 TDI\* cars (88 kW/120 hp) during an efficiency marathon through Austria and Switzerland. And they beat the official average consumption figure of 5.1 liters: The winning team averaged 3.32 liters of diesel per 100 kilometers. In the "Audi Efficiency Tour 2008," 3,600 existing and prospective customers were also able to find out for themselves how efficient Audi models are. The two-day fall event held in 10 German cities sought to identify the most efficient driver.



Cult icon

## Good vibrations

Along the trail of the Audi Mileage Marathon, U.S. writer and music journalist Marc Spitz tracks the sounds of rock 'n' roll, country and blues. The result is a deeply personal travel diary about well-known and less-than-famous sites of cult worship in American music.



A lot of careers kicked off in CBGB, a New York cult club.

*CBGB's New York  
Closing ceremony*



Copy Marc Spitz  
Illustrations Matthew Cook

**M**ost New Yorkers, like myself, pass cultural landmarks every day and seldom stop to consider them. Occasionally there's a bronze plaque out front that catches the eye, forcing you to slow down and acknowledge who slept, worked or died inside. Like the one at the Chelsea Hotel on West 23rd Street in the trendy Chelsea district. The Chelsea has become a legend unto itself: This is where the voices of the countercultural and antiwar movements of the 1960s descended – the hotel has been home to artists, bohemians and musicians ever since. We Americans are especially unsentimental about our rock 'n' roll and pop landmarks, which it can be argued is appropriate. After all, isn't rock 'n' roll all about moving forward? And yet, each time a rock club like CBGB – where the careers of musicians like Blondie first began – turns into a shoe store, I wonder whether or not more should be done to keep the memories alive. On this road trip from New York to Los Angeles, I am going to try and cover as much rock 'n' roll hallowed ground as I can.

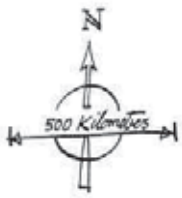
**The journey begins in my town: New York City.** First, I drive up the Joe DiMaggio Highway towards the Bronx. Today, there are DJs, breakdancers and rappers in Australia, Iceland, China, probably Antarctica too. But there wouldn't be any anywhere if it weren't for what happened up here at 1520 Sedgwick Avenue: On August 11, 1973, somewhere between 9 p.m. and 4 a.m., Jamaican immigrants didn't just play records at one of the many block parties in the South Bronx, for the first time they livened them up by using rhythmic mixing and scratching. Thus, hip hop was born. 36 years after that historic night, rumors are circulating that real estate developers are going to gut this place

and turn it into more expensive condos. The neighborhood and some politicians have tried to intervene. I leave New York and head for Washington, D.C., where one of the most gifted soul musicians ever known was born in 1939. As a young boy, this singer was at his happiest spending the afternoon on wasteland near his family's home, where he would sing on the bank of the Watts Branch. Today, that very same area is now named after him: Marvin Gaye Park. ►

An icon of the New Wave era: Debbie Harry of Blondie.







Chess Records



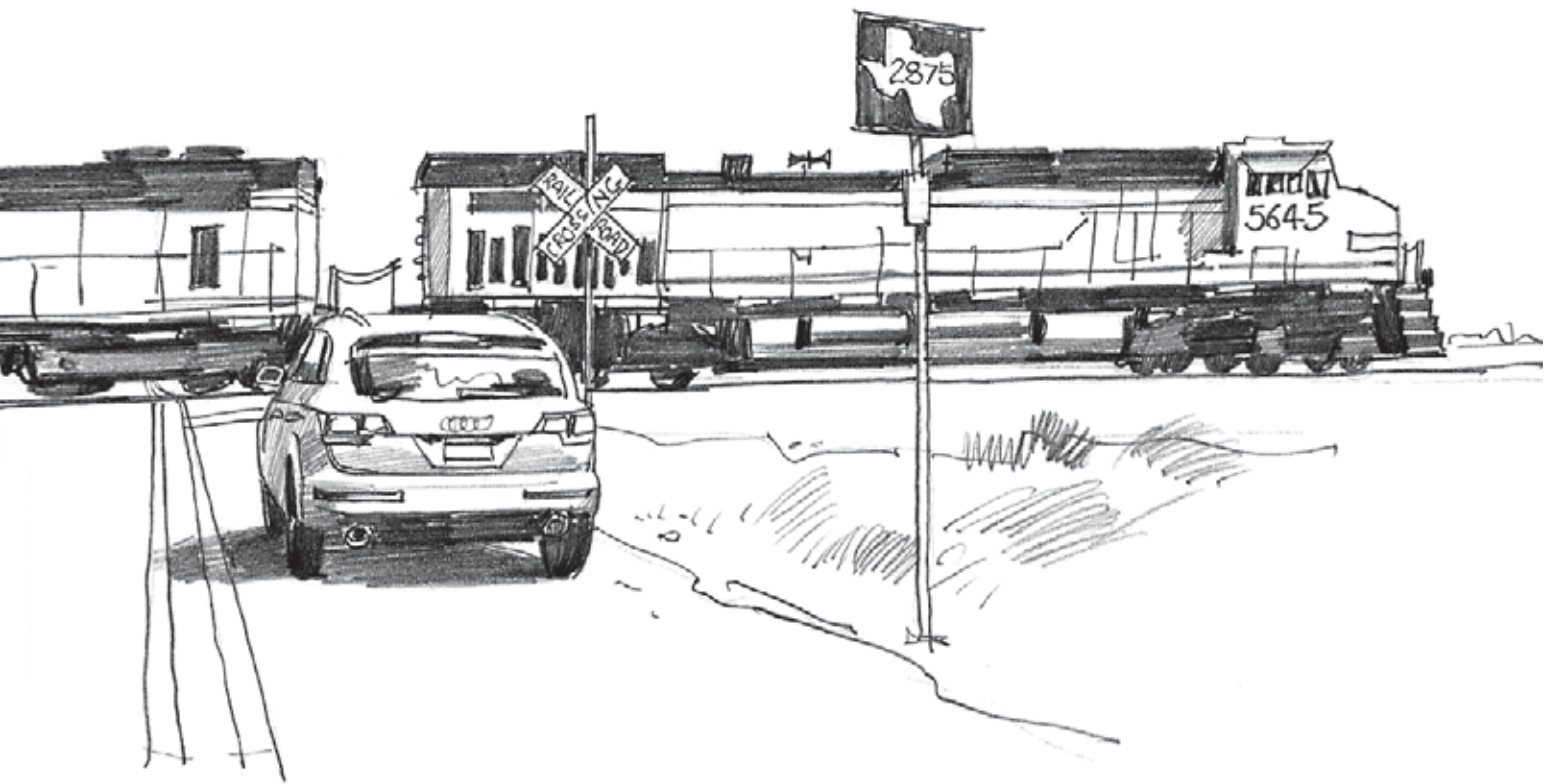


**On to Ohio.** Here's a fun fact that crosses my mind as I cross the state line. Ohio has produced more Presidents than any other state in the nation. I would wager that they've produced more rock stars than any other. I'm headed for Cleveland on Lake Erie. My destination is not the Rock 'n' Roll Hall of Fame – even though the glass pyramid designed by a celebrated architect has long been a city landmark. There's good reason that Cleveland of all places was chosen to house the pantheon of the 20th century's most successful music: For years, the city had a tremendous influence as a radio bastion of rock 'n' roll. After all, it was here that bold radio DJs coined the term "rock 'n' roll" in 1951 and regularly played black music. "Cleveland had a great scene back then," remembers Chris Vrenna, former band member of Nine Inch

Nails and current drummer of Gnarl Barkley. "The 'in' district was called The Flats and was full of great bars and clubs."

**Next stop: Chicago. The Windy City.** My kind of "music town." The top label for blues and souls can be found in the heart of the city on 2120 Michigan Avenue – a place where history was made. It's where the Chicago blues were invented as an electrically amplified answer to the traditional acoustic blues of the Mississippi Delta. The original front office and the shipping room where all those epochal vinyls were sent out into the cultural water supply are still there and completely intact. I drive over to the Metro, a club on North Clark Street, where any star of distinction has appeared. "The Metro ►





has always been one of the best rock venues in the world,” says James Iha of Smashing Pumpkins, who played one of their first concerts here some 20 years ago. “It has great sound, a great room, and a history of booking classic and of-the-moment bands.”

**It’s time to head south** – like all white kids with indie record collections do when they need a little soul-ifying. You will find it here in the Mississippi Delta – the blues. A Blues Trail has just been developed to honor the great musicians born and bred in Mississippi. The trail winds its way through the homes and birthplaces of the most famous singers, blues bars of all sizes, museums and even cemeteries. Throughout the state, commemorative plaques mark the individual stations. One day, there should be over 120 plaques.

**People also come to pay homage** to their own ancestors in the southwestern Tennessee metropolis of Memphis. A center of the slave trade and hard-fought key city in the American Civil War, Memphis was Afro-American from early on and so was exposed to the influences of black music. In the 1960s, Memphis rose to the status of music capital of the United States – as home to the leg-

endary Sun Records label and the King of Rock ‘n’ Roll, who died much too young in 1977 at the age of 42. Today his grave on the Graceland estate has become a place of pilgrimage for rock ‘n’ roll fans from around the world.

**Onward to the Lone Star State: Texas.** I turn onto the legendary Route 66 and then follow the tracks of rock ‘n’ roll to Colorado. The air has gotten gradually thinner and the soothing flow of oxygen has been compromised so it’s time to park. I am in Denver to ponder on the geological wonder that is Red Rocks, a natural amphitheater forever chiseled in the rock of the mighty mountains. The careers of some of the most successful rock bands of our time took shape on this sacred ground. Hardly any other place in the world can provide such an imposing backdrop to stage performances that guarantee a lasting impression as Red Rocks.

**Now headed north**, somewhere between the Grand Canyon and Monument Valley I feel myself becoming grouchy so I pull into The Mexican Hat Lodge, a bar and one-time dance hall where the kind of country music that made, well, this country great, first emanated.

Classical child prodigy and flashy Las Vegas showman: Liberace.



I drive on through the night. Suddenly, the lights of Las Vegas appear in the distance. They say you can see the lights of Sin City, as they call this desert beauty, from space. Where else could Liberace – who began his career as a classical child prodigy and finished it as a flamboyant entertainer – and his theatrical persona have been so at home? I head to the old part of the Las Vegas Strip, down East Tropicana Avenue to a deceptively unflamboyant building. It's no more pink neon than your average Chinese take-away. Liberace's legacy is preserved here – mainly behind glass.

**Leaving Vegas for California**, the next must-see is in Lake Tahoe. The Cal Neva Lodge & Casino used to belong to one of the most important singers and entertainers in U.S. history. Lake Tahoe runs second only to his birthplace of Hoboken, New Jersey, as the greatest place of cult worship of Ol' Blue Eyes. There are dozens of souvenir stores here and, of course, the casino. Built in 1926, the place later acquired true celebrity status. Among its regulars were Hollywood stars and a U.S. President. Being a nerd from Long Island, staring across Crystal Bay in a pair of vintage sunglasses, I realize that



I am in a place that defines the collective memory of the United States.

The final leg of my journey takes me from the mountains encircling Lake Tahoe to the Pacific Ocean. You can't talk about California without mentioning the beach culture. Countless bands have tried to put their stamp on the upbeat songs and polyphonic choruses that belong to the refrains of the Sunshine State's laid-back California Feeling. The melodies even make me smile reflexively. As I cross the desert on my way into L.A., I think about all the raves that were held out here in the 1980s and early 1990s. Before rave and gangsta rap, there was of course L.A. punk.

**When I arrive in L.A.**, I park my car on Hollywood Boulevard and walk down North Cherokee Avenue, which used to house the entrance to The Masque – one of the first underground punk clubs in L.A. "It was a bomb shelter during the nuke scares in the 1950s," recounts Brendan Mullen, the club's founder. The entrance is now closed off by a chain-link fence. If you want to search for the milestones of American music history in this country, you will have to drive from ghost to ghost. So you should have a really good car. ●



## Efficiency

# Triumphant TDI

During the Audi Mileage Marathon 2008, TDI technology passed the ultimate efficiency test. While traversing the United States, currently the world's cleanest diesel engine also demonstrated its superiority in the Audi Q7 3.0 TDI\*.

A road trip clear across the United States: from New York to Los Angeles, from metropolis to metropolis, from coast to coast. "Going west" is a cornerstone of the American experience. The Audi brand has penned a new chapter in the spellbinding tradition of crossing this continent: efficiency. In its first starring role on the U.S. stage, TDI technology demonstrated its pairing of excellent drivability and remarkable fuel efficiency. During the Audi Mileage Marathon, some 200 participants from 15 countries experienced different facets of the United States. And they subjected the new Audi models to an extraordinary test run – among them was the Audi Q7 with TDI clean diesel, currently the world's cleanest diesel technology. Audi did not choose the shortest westward route, but rather the most varied. It encompassed over 7,800 kilometers

(over 4,800 miles), 13 daily stages and took the participants through open expanses, over hills, through metropolises and past wonders of nature like the Grand Canyon. Yet the Mileage Marathon was no theoretical experiment in extreme fuel efficiency; instead, it realistically mimicked everyday driving. Whether in Chicago traffic, on a Tennessee highway or on a winding Rocky Mountain pass, the TDI unleashed its full potential, demonstrating its efficient operation under realistic conditions on urban and rural routes.

**The green flag was waved** in New York's Central Park at 9 a.m. on October 6, 2008. The Audi fleet, consisting of 23 vehicles from four model lines, mastered Manhattan traffic en route to the first-stage destination: Washington, D.C. From there, the route proceeded via Cleveland to



Chicago. Subsequent daily stages – as long as 870 kilometers (541 miles) each – took drivers southward along extended farmland. Memphis, Dallas and Denver were additional test-run destinations.

**What is currently the world's cleanest diesel** made its debut at the Audi Mileage Marathon. Thus, the Audi Q7 3.0 TDI clean diesel faced its first real-world endurance test several months prior to its scheduled 2009 launch in Europe and the United States. The exhaust emission-control system reduces nitrogen oxides by as much as 90 percent and meets what is currently the world's most stringent emission standard: California's ULEV II BIN 5. And it already meets the emission limits of the Euro 6 standard, not expected to come into force before 2014.

By the time the Audi fleet crossed the finish line on October 19, the drivers and their vehicles had completed a journey through extremes: Within just hours, the tour stretched from Death Valley – still 33 degrees centigrade even in October – to the snow-covered Sierra Nevada mountains. It then passed through the natural beauty of Yosemite National Park to Monterey and on southward along the Pacific Coast. The Audi Mileage Marathon concluded in Los Angeles' Santa Monica with outstanding fuel-efficiency

figures. Calculated under the supervision of the independent International Motor Sports Association, these statistics emphasize the efficiency of TDI technology. The best Audi A4 3.0 TDI consumed an average of just 5.3 liters of diesel per 100 kilometers. And the new performance SUV Audi Q5 3.0 TDI required just 6.1 liters. The Audi Q7 3.0 TDI clean diesel achieved a best figure of 7.1 liters. The prize for the best fuel efficiency went to the Audi A3 Sportback 2.0 TDI: a mere 4.7 liters! The fuel consumption of TDI vehicles is thus as much as 40 percent lower than similar, gasoline-powered vehicles typical in the United States.\*

**TDI engines are just one element in the Audi brand's** integrated strategy of further reducing the emission of CO<sub>2</sub> and pollutants throughout the product range. Here the company is combining the great potential of its modern combustion engines with the synergies of new technologies.

Along the many-faceted routes between the East Coast and West Coast of the United States, Audi diesel technology proved once again that excellent fuel efficiency and sporty handling are not mutually exclusive and that innovative developments such as TDI clean diesel lay the cornerstone for the automotive future. ●

#### ROAD TRIP ACROSS THE UNITED STATES

What's it like when currently the world's cleanest diesel drives clear across the land of opportunity? Find out here: [www.audi.com/ar2008/efficiency](http://www.audi.com/ar2008/efficiency)



The Audi Mileage Marathon also passed through Monument Valley's one-of-a-kind landscape.





01

Perfection

## Making our own luck

Peugeot was hoping its extremely fast racing cars would win this year's 24 Hours of Le Mans. What followed was one of the most exciting duels in the history of the endurance classic. In the end, a well-practiced team prevailed: Audi. The French motorsports journalist Carole Capitaine from L'Équipe was there.



02



03

Copy Carole Capitaine  
Photos Anke Luckmann

I had been looking forward to this weekend for an entire year! To be more precise, ever since the late afternoon of June 17, 2007, when the defeated Peugeot team announced that it planned to end Audi's dominance the next year. They wanted nothing more than to finally bring the Le Mans trophy back to France. The 76th running of the 24 Hours of Le Mans had every chance of going down as one of the most exciting in history. A promising stage was set. On the one side, multiple champion Audi with the R10 TDI, which scored a historic victory in 2006 as the first diesel-powered winner, but whose technology had already been pushed to its limits. On the other side, the Peugeot team hoping to rekindle the glory of the early 1990s with a well-engineered 908 HDi FAP. As if that were not enough, both teams sent top drivers from the world of auto racing to compete: The "King of Le Mans" Tom Kristensen was driving alongside Rinaldo Capello, Allan McNish and others for Audi, while Peugeot had secured Formula 1 champion Jacques Villeneuve and other talents such as Stéphane Sarrazin. To make a long story short: On June 14 and 15, 2008, there was no place on earth a motorsports fan would have rather wanted to be than Le Mans.

The race week traditionally begins a few days prior with a technical inspection at the Place des Jacobins. Hundreds of spectators have gathered to cheer on the teams. Excitement fills the air. Even the modest performance of the French national soccer team at the European Soccer Championships fades into the background. The number one topic of conversation is the tough duel expected between Audi and Peugeot. Some actually believe that the fast cars bearing the four rings will win again this year. The team is accustomed to success and is supposedly too well-practiced for Peugeot to actually offer any serious competition. Even so, most people are convinced that the German team's winning streak will finally come to an end. Behind the scenes, there are wild rumors flying about the Peugeot 908's expected lap times. It is supposed to be incredibly fast, needing only 3:21, 3:20 minutes to complete a 13.629 kilometer lap. Isn't that wildly exaggerated? The managers of the French team are keeping a low profile and smile cryptically when I ask them about their



Every move is perfectly orchestrated: A top team takes care of both car and driver.

car's potential. They don't want to spoil the surprise for us sports journalists. Things are calm at Audi. While they won't be able to wrestle the pole position from their competitors, it still remains to be seen whether the French diesel engines can really deliver such sustained power for a full 24 hours. Wednesday evening is the first qualifying session. In pit row, everyone is staring at the monitors as the first significant lap times are measured. Astonishment spreads rapidly. Even the officials of the event organizer, the Automobile Club de l'Ouest, can't hide their amazement. 33-year-old Stéphane Sarrazin blasts around the track in the 908 HDi FAP and takes the pole position with a record time of 3:18.513 minutes! Peugeot also takes second and third spots on the grid. The Audi R10 TDI driven by Capello/Kristensen/McNish can only manage fourth place – 5.5 seconds behind the leader. It is an unparalleled display of power.

**The French camp is euphoric.** The media are tripping over themselves with superlatives, while the French soccer team is taking some hefty criticism for its 4-1 defeat against the Netherlands. So French sports fans turn their wounded national pride to Peugeot. Back at the Audi motor home, the team remains unperturbed. Official statements can be summed up as follows: "Yes, we expected it; no, we are far from accepting defeat; by Monday, nobody will remember who was on pole." Only the race matters: 24 hours, 75 percent of which is driven at full speed.

Dark clouds begin to form shortly before the 3 p.m. start and it looks like rain. The meteorologists' predictions make the competition even more charged. When, how hard and how long will it rain? On the starting grid, a few minutes before the warmup lap, nerves are taut to the point of snapping. The drivers eye each other critically and size up their opponents' cars one last time, while the race engineers hurry to their respective command posts. They won't see each other again until the same time tomorrow – at the foot of the podium. And, in between, an afternoon, a long night, a dawn and another half a day – roughly 5,200 kilometers at an average speed of 216.3 kilometers an hour. ►

- 01 Victory! After a hotly contested 24 hours, the Audi team wins the world's toughest race.
- 02 Ready for a tire change.
- 03 Each pit stop is an adrenaline rush for the crew. Every second counts.



### LE MANS LEGENDS

Few racetracks are surrounded by more legends than the circuit in northwest France. Here you can find out why: [www.audi.com/ar2008/perfection](http://www.audi.com/ar2008/perfection)

The pit stops are the only thing that will keep man and machine intact over the 381 laps. So much for the bare facts. But the 24 Hours of Le Mans is notorious for its surprising turnarounds. And rightly so, as we see once again: The three Peugeots dominate the first two hours of the race, when suddenly the tide turns. Transmission problems cause the leading 908 HDi FAP to pit for 20 minutes. When the second-place Peugeot also drops back due to a headlight problem, Audi briefly takes the lead, but is quickly passed again by the Number 7 Peugeot. The rivals race into the night. By around 8 p.m., there is less than one lap separating three Audi cars and two Peugeots.

**The Capello/Kristensen/McNish Audi R10 TDI** continues to lap steadily. Everyone at the Audi command post is deeply concentrated; they are working quickly, efficiently and precisely. A few meters away, the Peugeot technicians are having an uneasy night. The cars have to return to the pit several times to have their radiators cleaned out with a high-pressure hose. A defective battery costs the Number 8 car valuable minutes. When the rain starts at about four in the

**“The contrast between the teams could hardly be greater: Peugeot frantically switches over to the rain setup, while the Audi drivers just consult briefly with their engineers.”**

Carole Capitaine, Motorsports Editor at L'Équipe

morning as predicted, the situation intensifies. The contrast between the two teams could hardly be greater: Peugeot frantically switches over to the rain setup, while the Audi drivers just consult briefly with their engineers on the proper tires. In the early hours of the morning, Tom Kristensen takes the lead from Jacques Villeneuve, but the gap between the cars is unbelievably close – 16 hours after the start, they are only 20 seconds apart, though the Audi R10 TDI is handling the wet road conditions much better. On Sunday afternoon, 24 hours after the start of the race, the Audi driven by Capello/Kristensen/McNish wins the world's toughest race by 4:31 minutes.

**There are tears of joy in the Audi camp.** It was a narrow victory – and a little surprising. There are also tears at Peugeot. It's a huge disappointment; and totally unexpected. How could the clearly faster car lose the race? Peugeot will have to answer this question if it hopes to win next year. And I will be there again as well; I wouldn't miss the next round of this historic duel for anything in the world. ●



Michael Dick,  
Member of the  
Board of Management for Technical  
Development,  
AUDI AG

## Striving for perfection to me means ...

**... drive and motivation.** It has influenced my actions for as long as I can remember. I have always been fascinated by technology. Taking toys apart and putting them back together again – especially toys with tires and a steering wheel – was always a special experience for me. The idea was never to take them back to their technical beginnings, but to make the toy better, faster, more sophisticated. And over the years, this passion became my profession.

**Mobility** is and will remain a concrete expression of individual freedom and thus a basic human need. The automobile with all its emotional associations has played a significant role here for over a century now. And during this time, by continuously developing and refining new products and technologies, the Audi brand has left a strong mark on the automotive world. Lightweight design, quattro, Audi duo, TDI and TFSI – just a few of its pioneering achievements.

**Regardless of what you do,** the way to the top is a direct reflection of the goals you set for yourself. Customers today expect us to deliver superior quality and unmatched driving performance with maximum efficiency, coupled with inspiring design. And that's also what we want to deliver. It is therefore eminently important for each and every employee to perform his or her duties skillfully and with great dedication and devotion – always striving to develop, produce and sell a perfect product. Only by striving for perfection will we be better tomorrow than we are today.

# 4 x VORSPRUNG IN 4 min.



## 01 DTM

Audi driver **Timo Scheider** wrapped up his first DTM (German Touring Car Masters) title with a victory in the final race of the season at Hockenheim. Last year's winner, **Mattias Ekström**, finished third overall. With eight pole positions and six victories in its debut year, the new Audi A4 DTM was the season's most successful car.



## 02 24 HOURS OF LE MANS

The Audi R10 TDI remains undefeated in the 24 Hours of Le Mans. In June 2008, the diesel-powered racing car won the French endurance classic for the third year in a row. This is the second time that Audi has achieved the feat of three consecutive victories here. The Audi driver team of **Dindo Capello**, **Tom Kristensen** and **Allan McNish** won the extraordinarily exciting 76th running of the race in front of 258,000 spectators.



## 03 AMERICAN LE MANS SERIES

With its third one-two finish in a row, AUDI AG secured the title in the American Le Mans series before the end of the racing season in August 2008 in Mosport, Canada. Audi factory drivers **Lucas Luhr** and **Marco Werner** not only won the Grand Prix of Mosport in the Audi R10 TDI, they also won the drivers' title in the LMP1 class.



## 04 LE MANS SERIES

In its very first season participating in the European Le Mans Series, Audi Motorsport claimed the championship with the Audi R10 TDI. A fourth-place finish at the season finale in Silverstone (UK) was enough to secure the drivers' title for **Alexandre Prémat** and **Mike Rockenfeller**. The manufacturers' and team title also went to Audi. Fast laps, a good strategy and excellent pit stops were the keys to victory for Audi drivers **Dindo Capello** and **Allan McNish** in the last race of the season.



## Sustainability

# In-house ecosystem

A new generation of skyscrapers features impressive climate-friendly technology. Top architects of our times are designing and building self-sustaining showcase structures around the globe, including New York's Hearst Tower.









**F**rom far away, the building looks like an upscale, futuristic beehive: a honeycomb grid applied to the facade and illuminated in dark blue. With New York's Hearst Tower, architect Sir Norman Foster has succeeded in creating an especially stylish icon, winning him the 2008 International Highrise Award among others for the 182-meter tower. But that's not actually the subject of this story. Contrary to the norm, how a skyscraper looks plays only a supporting role here.

First, a few facts. 85 percent of Hearst Tower is made out of recycled steel. It uses 26 percent less energy than comparable skyscrapers, saving 1,070 metric tons of carbon dioxide a year. Water for the "icefall" in the lobby is provided by rainwater collected on the roof, as is the case for the air conditioning system and water for the plants. Hearst Tower is the prototype of a new movement in which skyscrapers no longer garner attention for their record heights and symbolic external appearance, but strictly for their sophisticated, in-house ecosystem instead.

There was a time when sustainability was no more than a trendy label applied to buildings. The words "solar" and "green" only seemed to spring forth from the mouths of ambitious architects. It was all about shiny packaging: Its actual content was hardly noticed nor was it taken seriously enough. But architecture is currently making great strides in giving this subject the emphasis it deserves. Sustainability has gained intrinsic value among major builders, and is a trademark of anyone who wants to take our future and its challenges seriously. Skyscrapers are ideally suited to conveying this conviction. Not only have they always served as

prestigious landmarks in sprawling metropolises, embodying a feeling of status and importance, they also demonstrate the further advances in technology. Walking down New York's 57th Street today and seeing Hearst Tower shimmer through the forest of skyscrapers, you marvel not only at the elegance of the monolith, but also at the ecological significance that has made it famous. "Hearst Tower is a kind of role model," says Professor Stefan Behling, senior partner at the offices of Sir Norman Foster. "Sustainability has become a very important goal and one that everyone is going to have to comply with. In the future, no one is going to be able to afford continuing to ignore sustainability."

**Architecture** is already preparing to take the next step forward. Future towers will not only surround us with light and heat within their own four walls; to some extent, they will also share this energy with others. Regenerative energy recovery usually produces more energy than the building actually needs. The giant wind turbines and photovoltaic facades used to produce the energy turn skyscrapers into power plants. One innovative example of this revolutionary approach is the planned 309-meter high Pearl River Tower designed by Skidmore, Owings & Merrill (SOM) to be built in Guangzhou, China, almost 200 kilometers from Hong Kong. The environmentally friendly giant will tap energy from wind and sun, and produce surplus energy. As the building leans into the wind like a gigantic sail, the shape of the facade guides the airflow into the tower's two cavities, activating turbines that generate electricity. In-house energy consumption will also be greatly reduced by using as much natural light as possible, rainwater and so-



01 02



**01 ROTATING TOWER**

With levels that rotate on their own axes – powered by wind turbines – this green giant is scheduled to begin twisting into the skies above Dubai in 2010.

**02 PEARL RIVER TOWER**

The new landmark in the Chinese city of Guangzhou actually functions as a power plant. The shape of the facade guides the airflow into two integrated wind turbines to generate electricity.

lar energy to heat the water. SOM describes the project as an “iconic high-performance structure designed to be in perfect harmony with its environment.” In the past, the external appearance of a building needed only to conform to its natural surroundings. Today’s buildings are transforming into organisms that seek direct interaction with their environment – a constructive symbiosis between architecture and nature.

**Another ecological giant straining towards the heavens** is planned for Dubai. Florence-based architect Dr. David Fisher designed the 420-meter high rotating tower, which envisions a unique change of scenery. According to Fisher’s concept of “Dynamic Architecture,” the building’s appearance will be in constant motion by means of individual levels rotating independently on their own axes. Silent wind turbines installed between the floors will turn the individual levels, which are going to be layered on a central column like the layers of a cake. If all goes as planned, the structure should be completed by mid-2010. “We are living in a dynamic world, so the spaces we live in should also be dynamic,” says David Fisher. “Buildings will flow with the rhythm of nature; they will change their direction and their form from spring to summer, from sunrise to sunset, and will adapt to the weather. Buildings will come alive.” This new generation of high-rise buildings reflects more than just the social consensus that everything possible must be done to prevent climate change. The value of the “green tower” is steadily increasing because it is a win-win situation for all parties. It gives architects a rewarding new challenge and a chance to build their reputations. Its clients are able to save energy long-term, and its renters are no longer subjected to fluctuating gas and oil prices. People working in green buildings find the pleasant temperatures, abundant sunlight and well-filtered air much more comfortable to work in – they even call in sick less often. “This new architecture is going to change the way manmade environments are perceived – there is going to be a lot of discussion on the solutions being developed,” says Werner Sobek, an expert in high-rise buildings based in Stuttgart. He believes the criticism of high-rise buildings being energy guzzlers is unjustified. “We tend to forget that living in a vertical village equates to a drastic reduction in private traffic in the area. And there is always a clever solution for handling any increased energy demand in buildings, like using a solar-capable facade. We are able to build skyscrapers today that are extremely attractive from an energy standpoint.” Foster partner Stefan Behling puts it succinctly: “Of course, a small residential building will always be more energy-efficient than a prestigious skyscraper for global players. But, in terms of sustainability, it is important that each player tries to design and achieve the best they can in their own particular field of expertise.” ●

**Carmen Stephan, a specialist in architectural topics, writes for Architectural Digest, Monopol, Neon and SZ-Magazin, among others.**



Ulf Berkenhagen,  
Member of the  
Board of Management for Purchasing,  
AUDI AG

## Sustainability to me is ...

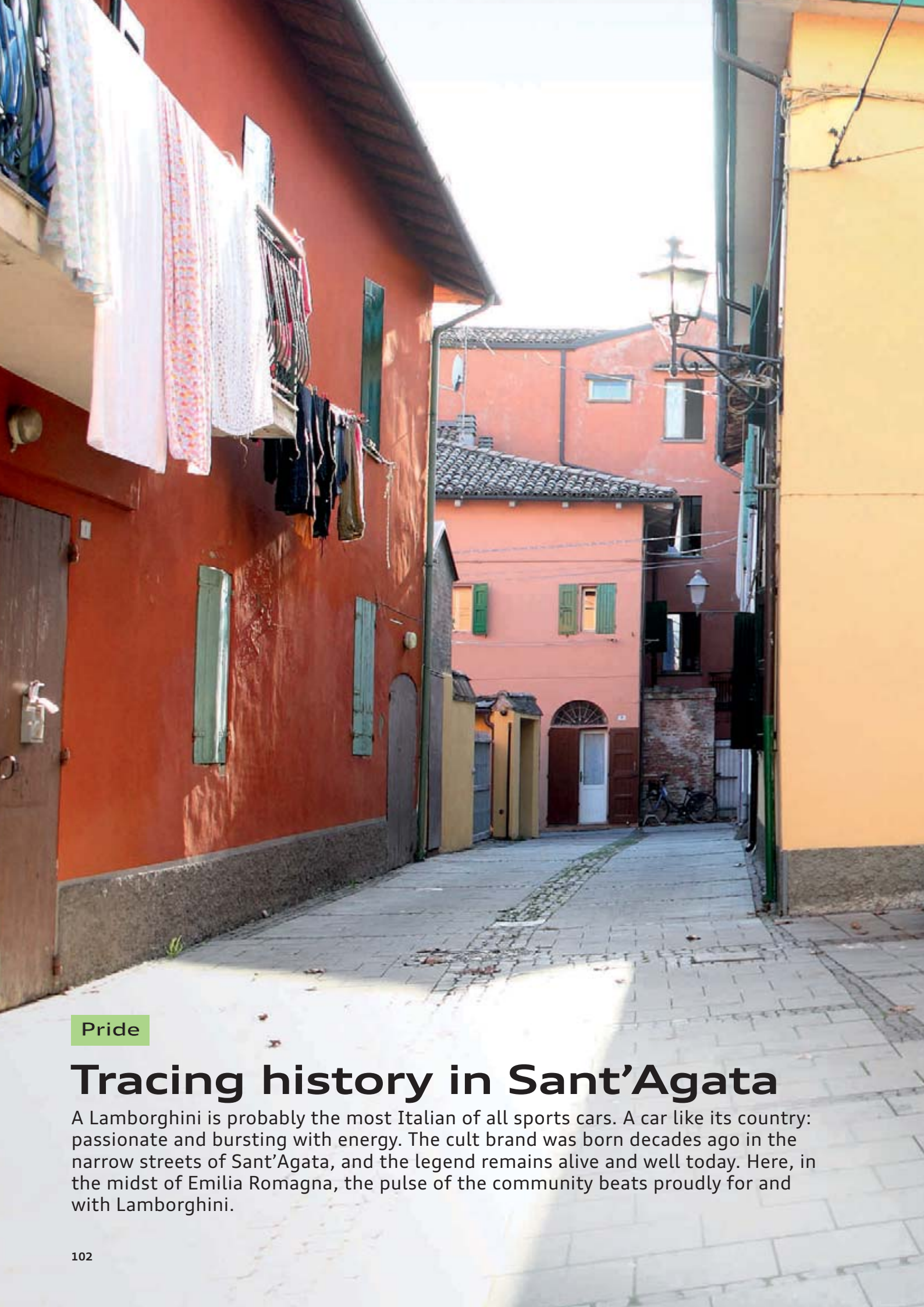
**... the essential criterion** for a company’s competitiveness and future viability. Because when we act sustainably, we automatically think about tomorrow ... today. Such a forward-looking way of thinking is the basis of our success.

**When it comes to purchasing,** one word usually springs to mind: price. But today purchasing has a much wider significance. It is about costs and overall profitability coupled with the highest demands on quality. Designing vehicles that have a coherent price-performance ratio is something for which we in purchasing bear a large part of the responsibility. Sustainability, however, means more to us than simple economics; we also confront the ecological and social challenges.

**We see ourselves as partners** to our suppliers and want to cultivate reliable long-term relationships. Our goal is to create lasting, mutually profitable relationships all over the world based on open dialog. That is the only way to work together successfully throughout a vehicle’s entire life cycle.

**Innovation is indispensable to the Audi brand.** The sooner we begin working together with our suppliers, the faster and better we can be – and that holds just as true for quality. In order to come up with the best solutions and groundbreaking innovations, we need to work more and more closely with our partners, drawing on their expertise ever sooner – particularly bearing in mind that new development cycles are becoming ever shorter.





Pride

## Tracing history in Sant'Agata

A Lamborghini is probably the most Italian of all sports cars. A car like its country: passionate and bursting with energy. The cult brand was born decades ago in the narrow streets of Sant'Agata, and the legend remains alive and well today. Here, in the midst of Emilia Romagna, the pulse of the community beats proudly for and with Lamborghini.

**TOWN OF CONTRASTS**

In Sant'Agata, the common presence of the conspicuous Lamborghinis is taken for granted.





Copy Sandro Mattioli  
Photos Giorgio Barrera

**T**he afternoon sun is casting its long shadows over the piazza. The most noticeable structure here is the whitewashed church. Other buildings include the bar centrale, a bakery and many small shops lined up side by side. Old men seated under the arcades engage in heated debate. A waitress crosses the square balancing five espressos on a tray. Sant'Agata Bolognese seems like a typical Italian village – until a bright-green Lamborghini suddenly enters the village's main road. It grows softly as it rolls down the street, reaches the end of the village and accelerates.

Lamborghini sports cars are taken as much for granted here as is pasta in the ristorante. Sant'Agata is world famous and it's all thanks to one man: Ferruccio Lamborghini. The engineer and car enthusiast brought glamour to this little town situated between Bologna and Modena. By uncompromisingly pursuing an ideal of beauty and perfection, he created a legend that is the pride of the residents of Sant'Agata – today more than ever.

"The first Lamborghinis start to drive by on the road up here at seven in the morning," relates the farmer, wielding a wrench as he repairs the tractor in his barnyard. For him, these streamlined speedsters are just an everyday part of life. He even knows many of the test drivers by sight and waves to them as they drive by. Since each of these supercars is test driven extensively before being delivered to the

customer, the people living out here have grown accustomed to seeing the fast, finely sculpted thoroughbreds zipping past their fields and farms. The pulse of the community beats with and for Lamborghini. With a passion. And it's where the hot-blooded auto brand gets its power. The rock-solid support from the locals provides a wonderful environment for creating extreme sports cars. Test driver Mario Fasanetto has the job all the boys in the region dream of. He and his colleague Moreno Conti spend every day behind the steering wheel of the power cars from Sant'Agata. Fasanetto may be cool-headed, but he puts his heart and soul into his job. And while others might be tempted to show off a bit, he goes about his work calmly and professionally. Every year, 43-year-old Fasanetto drives 100,000 kilometers in these supercars to prepare them for life on the road. During the development phase of new models, he pushes them to their limits on the racetrack to see what is possible. "My maximum speed was 340 kilometers per hour," says the professional driver, whose easy elegance and penetrating glance could just as easily qualify him as a James Bond actor. For the endurance tests, Fasanetto accompanies the engineers as they travel around the world with the prototypes. At Lamborghini, test drivers and engineers are always in close contact. "My work carries a great deal of responsibility. My information and assessment of the vehicle must be reliable, because the engineers are relying on my input," he explains.

**Fasanetto speaks** with the accent typical of the region, which you hear everywhere as you walk through the factory workshops, the cafeteria or anywhere else in the company. That's because the Lamborghini workforce, now numbering around 990, has strong ties to this region. Working in the exclusive sports car factory is the dream of many young people living in Sant'Agata and its vicinity. That should come as no surprise: Ever since Ferruccio Lamborghini's auto plant delivered the first sports car in 1964, it has shown the automotive world what is possible. Miura, Diablo, Murciélago and Gallardo – these models are good examples of what sets the Lamborghini apart: a unique mixture of Italian design, uncompromising driving performance and extreme luxury. Which is why Fabio Serra, the owner of the restaurant right next door to the Lamborghini plant, has had the opportunity to serve his pumpkin-stuffed tortelloni to many celebrities. He even remembers the Shah of Iran stopping by personally to take delivery of his new Miura. Serra's trattoria is an institution in Sant'Agata. It gets noisy on Friday nights when the motorsport regulars meet, but it's quiet at lunchtime. Time to eat. Basta! Prominent customers are actually entertained directly at Lamborghini these days. Even so, the success of the top-tier manufacturer has boosted business at the trattoria. "You find many more suppliers and business people in Sant'Agata these days. And they all stop here for lunch." ►



01



02



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- 01 Memories: Donatella Martinelli was a friend of Ferruccio Lamborghini.
- 02 Neighborhood: Mayor Daniela Occhiali is pleased with the success.
- 03 Commonplace: Lamborghini is at home in the narrow streets of Sant'Agata.
- 04 A real find: Miura engine hood on a farm.
- 05 Deceleration: Rustic idyll plays counterpoint to the Lamborghini temperament.
- 06 Extreme athlete: Lamborghini derives its power from the country and its people.





01

**01** Memorable: the Lamborghini Museum, Centro Eccellenza.

**02** Family ties: Moreno Conti (left) works as a test driver, his brother Maner in quality control.

**03** Loves the finished form: Claudio Carretti designs auto bodies.

**04** Woman power: Engineer Giulia Ganzerla is also from this area.

**05** Test driver Mario Fasanetto has a job all the boys in the region dream of.



02

**Almost all the older people in this town** of over 7,000 inhabitants have some kind of story to tell about Ferruccio Lamborghini, the man with the elegant, combed-back hair. How he loved to be seen with beautiful women. How he much preferred simple meals. How he used to drive by and show off his latest cars. The people here have many anecdotes to share. Only Donatella Martinelli at the bakery is somewhat reluctant to open up – her relationship with Ferruccio was much more private. As a teenager, she doted on the man behind the dream cars. But she didn't actually meet him until years later, when she and her husband visited the noble vineyards Lamborghini bought after selling his sports car factory in 1972. All of the Lamborghini models were on display here. From then on, whenever Lamborghini came to Sant'Agata, he always visited Donatella and her husband, and shopped at their bakery. "We spent many pleasant evenings together, drinking wine and eating well," she recalls. "He was like my grandpa." She was devastated by his death in 1993. Ferruccio Lamborghini touched people's hearts, just as his cars still do. And that is most obvious among the people who develop, design and build them.

**People like Mario Fasanetto.** His career development is typical of Lamborghini and shows the versatility that characterizes the brand's employees. In 1985, he joined Lamborghini as an engine design engineer, switched over to customer support, took care of classic cars, and finally became a test driver. His colleagues Claudio Carretti, who now works in body development, and Maner Conti, currently responsible for quality control, have already performed different functions within the company as well. "It's why I have a very clear understanding of what a Lamborghini actually is," says Fasanetto. "It's got to be an extreme car. It must have a clearly defined character. A Lamborghini is a car that always lets you feel its power, and which you climb out of with a smile on your face."

And sometimes the company provides for happiness of a very different sort: Giulia Ganzerla, a 32-year-old logistics engineer, fell in love with a colleague here. They aren't the first married couple to meet in the sports car plant. And it isn't uncommon for entire families to work for the auto brand with the bull in its logo. Giulia Ganzerla and her family are already well on their way to doing this. Though her son may be only two years old, he is already an enthusiastic fan of these cult cars. "My husband and I have agreed never to talk about work at home," she confides. "But then we walk into our son's room and it's got Lamborghini wherever you look!"

Not surprisingly, scale-model Lamborghini cars also decorate the mayor's office. For Daniela Occhiali, these vehicles are works of art, small metal sculptures worthy of a museum exhibition. And yes, she has taken a ride in a full-size Lamborghini. "It's hard to believe you're sitting in a car, so extraordinary is the sensation of the acceleration," she raves. Right behind Daniela Occhiali's massive desk hang three large flags; the Italian, the European, and – representing the whole world – the United Nations banner. Of course,



#### THE ATTRACTIVE ITALIAN

An extra dose of Lamborghini and further impressions from Sant'Agata can be found at: [www.audi.com/ar2008/pride](http://www.audi.com/ar2008/pride)

her primary focus is local, because the more successful her large neighborhood company is, the better it is for her town. And so Madam Mayor has nothing but praise for the good relationships with Automobili Lamborghini – especially ever since AUDI AG took charge more than 10 years ago.

**Since that time, Sant'Agata's prime mover** has been running at high revs. The results are impressive: In 2008, 2,430 supercars found an enthusiastic buyer somewhere in the world. A new record and a remarkable achievement considering that, until 2002, Lamborghini only sold an average of 250 of its supercars in any 12-month period. The Audi know-how is paying dividends in both quality and production. And there are funds available again for new designs and product improvement. As a result, Lamborghini now has the youngest and broadest product range in its history. And its dealer network has also been expanded worldwide.

At the same time, Lamborghini has remained a thoroughly Italian brand at heart. Many key positions remain firmly in Italian hands. Audi sees itself as the big partner who provides knowledge and technology, but who appreciates Italian skill and competence in building sports cars.

"Lamborghini has become more international," auto-body designer Claudio Carretti summarizes. "We have more methodology, more organization, more precision, a better grasp of the whole picture. We have matured." ●

**Freelance reporter Sandro Mattioli** writes for *Stern*, *Tagesspiegel*, *Berliner Zeitung* and *Financial Times Deutschland*. He lives in Rome.



## Imagination

# In the land of ideas

What do Munich, Ingolstadt and Los Angeles all have in common? All have designers hard at work designing future Audi models. While the vast majority of creative minds at corporate headquarters are working on tomorrow's cars, the studios in Munich and Los Angeles are developing mobility concepts for the less immediate future.

**Copy** Titus Arnu, Jochen Siegle  
**Photos** Piet Truhlar, Frank Kayser

**S**nippets of English, Italian and Spanish dart through the air. There is a smell of resin and clay, the components of industrial plasticine, the modeling clay used to hand-sculpt tomorrow's dream cars. At the moment, three clay models are covered by tarps in the loft-like workshop with the modelers' sculpting tools close at hand. Carsten Monnerjan, Head of Concept Design Munich, asks visitors for their understanding: "Everything here is top secret!"

**For 25 years**, Audi Design has operated a branch office in the vibrant city of Munich. Far enough away from corporate headquarters in Ingolstadt to allow the designers to work more independently – and more unconventionally – but close enough so that Audi Group design chief Wolfgang Egger can occasionally drop by the Schwabing studio to discuss the status and results of projects with his staff. "This is where the trouble makers are," explains Egger with a smile. "In Ingolstadt, the designers work in close proximity to the engineers and production, which exposes them to different influences and keeps them close to the production model." The Munich designers, on the other hand, have more freedom to think beyond the narrow confines of manufac-

turing and work on new vehicle categories. That's also the reason why the company decided in 1984 that design shouldn't just take place in Ingolstadt. A workshop large enough to create full-scale models is only one part of the studio. There's also a large atelier where interior and exterior designers sit at their computers, discussing the contour of rooflines, wheel wells and headlights. A front wall made of glass bricks lets plenty of daylight into the room. But anyone outside expecting to find a trendy glass palace here is going to be sorely disappointed. An inconspicuous gateway leads to a rear building in Munich's Schwabing district and a back courtyard with a long automotive tradition. Since the 1930s, auto mechanics have been repairing all types of cars in the "Kurfürstengarage Schwabing." There was even a filling station. The old garage sign now hangs in the modeling hall. 14 designers, assisted by model makers and modelers, work here in tight quarters. The confusion of languages sometimes reaches Babylonian proportions: This is an international team which has grown more and more in recent years, and the studio space is slowly being pushed to its limits. The heart of communication is located in the shop kitchen, which doubles as a conference room and separates the studio from the workshop. This is where ideas are shared and cur-

rent trends are discussed – whether it is the latest Hollywood high-tech cartoon or even a child's toy. Creative people are always on the lookout for new ideas, and anyone working here is also getting paid to break down barriers in their own heads and let their imaginations run wild. At times, that can also mean trying out other products like high-tech skis, a tabletop soccer game or even a concert piano.

**Setting up the studio** in the center of Schwabing was a deliberate choice. Not only does the trendy neighborhood have a disproportionate number of convertibles and sports cars, there is no shortage of classic and vintage cars and, of course, those of the competition. "It's extremely important to experience our own automobiles in the same frame of reference as other vehicles, and to see how they move through traffic," explains Monnerjan. But that's not the only thing that makes Munich such an interesting location for a design studio. The streets are pulsating with life. The university and the huge English Garden, Munich's Central Park, are just around the corner. Not only are trends recognized and adopted early in the Bavarian capital, sometimes they are even set here. But how can these creative brains take such abstract thoughts and convert them into concrete forms? "We get our inspiration from our environs," says Christian Labonte, responsible ►



#### CONCEPT DESIGN MUNICH

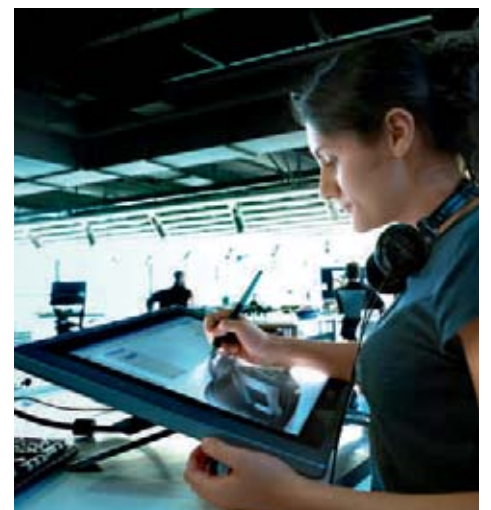
In the Schwabing design studio, abstract ideas like “lightness” are gradually worked into real objects until a finished full-scale model ultimately emerges in the modeling hall. Under the strictest secrecy, creative minds headed by Carsten Monnerjan (above) are allowed to give their imaginations free rein – even if it means coming up with a tabletop soccer game in Audi design.







**DESIGN CENTER CALIFORNIA**  
Claus Potthoff (right) and his team in the Mecca of trends, California, come up with new concepts for automotive architectures and new interior design approaches. But there is a lot of competition between the creative professionals at Santa Monica Airport and their colleagues in Ingolstadt and Munich to come up with the best design for new production models.



for design strategy at Audi. A city like Munich is a great place to come up with new ideas. For instance, is there something to be learned from the air-filled foil panels of the Allianz Arena or the glass windows of the Herz-Jesu Church? Or could Audi Design derive something from the detail solutions used in floating facades? How do the light fabrics of the new spring collection handle? Needless to say, they also engage in dialog with other creative professionals. Audi Group design chief Egger says this cultural interchange is an important remedy to tunnel vision.

directly to the hard model with unparalleled results: muscle cars with clean contours, masculine and aggressive. “A Lamborghini’s look has to astonish,” says Filippo Perini, design chief of the Lamborghini brand, “because the brand stands for avant-garde and provocative design.”

Back to Munich: The casual atmosphere betrays nothing of the pressure the team is working under. “Design is hard work,” says Monnerjan. “Even two or three millimeters can dramatically change the character of a sculpture.” Despite all their freedom, sooner or later the Munich designers have to sit

like the latest sports shoe collection that is already out of fashion at the end of a single season, on average an Audi will be on the roads for more than 10 years. In the best case, the car becomes an icon – like the Audi TT. Creating a successor to such a car is one of a designer’s toughest jobs. But Egger is convinced that even that is possible if one “uses a freethinking approach and continues to push ideas forward.” Like they do in Munich. Of course, customers have the final vote.

### **“Design is hard work. Even two or three millimeters can dramatically change the character of a sculpture.”**

Carsten Monnerjan, Head of Concept Design Munich, AUDI AG

**Auto designers** must have a good antenna for esthetic and social currents and must always be a few years ahead of what’s currently happening on the streets. That’s why the creative minds at Audi are presently focused on catchwords like “performance athlete,” “new value” and “lightness.” “Downsizing isn’t just about building smaller cars,” explains Egger. “Downsizing is a strategy. It’s about how we are going to define luxury in the future. It’s about simplicity, reduced opulence.” And that’s also how Munich was able to give impetus for the A1. The first prototype of the smallest Audi scheduled to hit the roads in 2010 is distinguished by its aluminum-colored curved roof, unusually sporty design for a compact car and typical Audi front end with its distinctive single-frame radiator grille. The Munich designers, of course, also discuss ideas with their counterparts in Los Angeles and at Lamborghini in Sant’Agata, even though the Italian sports car manufacturer’s Centro Stile usually works alone on designing its new models. The Italian creative team designs almost all its cars entirely on computer. No full-scale clay models are built here. Data from 1:4 scale models are transferred

face to face with the design engineers in Ingolstadt to discuss what is actually possible on a production scale. “We can’t sacrifice a single week of work in this process,” confirms Egger. He estimates it takes an average of six months to complete the theoretical design of a new production model.

**Designing a vehicle** from the first idea through sketches, 3D views, clay models, and ultimately to a full-scale plastic model with real wheels takes years. Time and again, its designers come to the modeling hall to stand before their creation, relentlessly contemplating the surface treatment or countless other details. The design chief from Ingolstadt uses marking tape to indicate any changes they want to make to the model – like improving the contour of the engine hood or simplifying a sidewall. There is significance in every angle; nothing is left to chance. It is precisely this obsession with detail that differentiates Audi design. “An Audi has to be recognizable from a distance of 200 meters,” explains Egger. “Even without a logo. It’s a goal we are constantly pursuing.” He likes to speak of a brand’s DNA; its unmistakable character. It’s well worth the effort because, un-

**11 flying hours farther west**, shortly before 9 am. Powerful SUVs, sleek sports cars, vans, pick-ups and conventional sedans are moving bumper to bumper along urban freeways that span up to 16 lanes. Welcome to L.A.! Nowhere else in the world do people spend more time in their cars than in California. The VW Group has been operating the Design Center California in Los Angeles since 1990 and, since 2006, more than 60 designers, artists, modelers and engineers have been at work here at Santa Monica Airport. L.A. is the ideal environment for Audi to design new esthetic dimensions far away from what’s happening at corporate headquarters.

Ideation is the process of coming up with the initial concept in automotive design, and includes the design of new vehicle architectures and car bodies as well as the creation of new interior concepts or even devising new controls and switches. “Our work here is akin to basic research and trend scouting for the automotive field,” says Jae Min, who is in charge of Audi Design.

Ideas generated here in close cooperation with Ingolstadt’s design chief might show up years later as a concept car at one of the big auto shows or even in production models. Examples include the conceptual design of the Audi A4, the first generation of the TT as well as the current A8 series. On the three floors of the brightly lit interior of the off-white building on Donald Douglas Drive, people are busy drawing, refining, sculpting, being confronted with virtual designs – and asking questions. What will cars of ►



the future look like? What are the global trends? How are tastes developing among American car buyers? Is it the same in Asia and the Pacific area? What can be deduced for Europe from these trends? What esthetic and ergonomic factors are important for the next-generation global Audi design? L.A. is the perfect location to explore these questions and to contemplate new and unconventional vehicles.

"California has the most progressive and experimental automobile culture in the world," says Claus Potthoff, the studio's Executive Design Director. "What's more, with its multicultural society, the Sunshine State is a trailblazer in many fields, setting trends that other regions will only adopt much later." Its proximity to Hollywood, for example, and the ability to swap ideas with scriptwriters working on futuristic scenarios stimulates car designers' imagination.

### **"The subject of sustainability is approached much more emotionally and less technically in the United States than it is in Germany."**

**Claus Potthoff, Executive Design Director, Audi Design Center California**

**Whether it's entertainment,** technology, art, sports or science, the melting pot which is California is historically more open to new things than many other places on earth. And, for years, that's exactly what has attracted the smartest, most creative and most innovative brains from around the world. Of course, this is also reflected in the Audi team, where Americans, Germans, Italians and Koreans bring individual facets of their own cultures and mentalities with them to the drawing table. "There's an incredible amount of talent here, and we are benefiting tremendously from their ideas and suggestions," says Min, a native South Korean who originally came to California to study automotive design at the renowned Art Center College of Design in nearby Pasadena.

No doubt about it: Californians not only love their cars, they live in them. People interact differently with their vehicles here. They tend to be more

mobile, spending more time on the road – in part due to the fantastic weather. "Automobiles aren't just a means of transportation in California," says General Manager Hendrik Veltmann. "A car is an expression of one's personality and so people want to feel as comfortable in their cars as they do at home." To fully appreciate the peculiarities of the important U.S. market, you have to live here.

**Judging by the ever-present** air conditioning systems and super-wide highways, one would hardly suspect at first glance that the Golden State has made sustainability a high priority for years. In addition to a health-conscious lifestyle ("Green Living"), with organic food available in any supermarket, rigid water conservation programs and strict energy conservation codes to regulate construction have been in place since the 1990s.

"The subject of sustainability is approached much more emotionally and less technically in the United States than it is in Germany," says Potthoff. These factors also influence the designers' work.

And finally there are innumerable small start-ups and initiatives with superb ideas – especially in nearby Silicon Valley. "There's a lot we can learn from them," says Potthoff. This is of particular value to the Color & Trim Department, which deals with the design of colors, surfaces and materials. The designers here are constantly on the lookout for the materials and colors of the future. "There is a marked trend toward sustainably produced textiles," notes designer Sabine Lapine. "Recycled materials are also continuing to gain importance – for instance, using yarn made of recycled water bottles for interior textiles." The entire esthetics of the interior has fundamentally changed. Whether it's leather for seats

and gearshift knobs or fabrics for trim panels, some of the trendiest materials now have a patina, or signs of use. The worn denim look is also "in." The designers under Potthoff's supervision are even experimenting with innovative high-tech materials that are able to cleanse the ambient air in the interior. Interior woods are also being treated completely differently than they were a few years ago: Thickly lacquered wood is giving way to wood with a natural look and feel. "Materials are being treated less and less so that their intrinsic character is shown to its full advantage," says Lapine. Making such decisions requires extensive lab work, for instance by examining materials for scuff resistance or durability, which is later retested in Ingolstadt. Here too, the L.A. studio provides ideas for the first development phase, delivering mood boards with material samples. "That gives our colleagues in Germany a perfect feel for how tastes are trending in the United States," notes Lapine.

**Also worth noting** is an eco-design study conducted in 2006: the Clear Car project. The purpose of this transparent, virtual model was to demonstrate "how the 'Green Topic' could be offered in an appealingly sporty form," explains Potthoff. The CO<sub>2</sub>-free design study, which is externally reminiscent of classic coupes of the 1940s, was based on an electric propulsion system with fuel cells. The studio's objective was to present the first utterly appealing vehicle with wheel-hub motor, proving that "an eco-friendly car doesn't mean having to sacrifice on something," notes the Design Center chief. "Believe me, our pencils are sharpened. We do a lot of work in secret, and of course we also have to evaluate our ideas economically." In view of the profound challenges facing the auto industry, it is easy to understand that the designers in L.A. are itching to get going. ●

**Titus Arnau works as a reporter for Süd-deutsche Zeitung, among others. He lives in Munich. Jochen Siegle reports from San Francisco about life on the U.S. West Coast for Spiegel Online and die ZEIT, among others.**

# 3 x VORSPRUNG IN 3 min.

## 01 NEW AUDI FORUM INGOLSTADT

AUDI AG's visual identity has gotten a new look: The Audi Forum Ingolstadt reopened to customers and visitors in March 2008 after the completion of remodeling work in record time – just 10 weeks. The new car collection center, museum, factory tours, catering, independent cinema, events and service facilities create an even more exclusive world of experience. The new premises have a stunning black and white design, in keeping with the updated Audi showroom concept.



## 02 CAR VERSUS SKIER

An extraordinary race took place in winter 2008 between the Audi S5 and the French Alpine skier and Olympic champion Antoine Dénériaz. The S5, piloted by Audi factory driver Alexandre Prémat, took up the challenge of driving down a ski slope in Val d'Isère on ordinary tires. The Audi S5\*, with its 260 kW (354 hp) and quattro all-wheel drive, mastered the slope safely and with poise, demonstrating extraordinary strength – and particularly excelled at driving back uphill!



## 03 "TALK OF THE TOWN" – AUDI Q5

To kick off an exclusive debut tour of Germany, the Audi Q5 put in a guest appearance at the new Audi terminal in Munich in October 2008. In a new spectacular departure, elaborate hologram technology was used to present the sporty SUV in virtual reality to the audience of some 400. The musical highlight of the gala event was a performance by the British funk and soul band Jamiroquai.



1999



1935



1989



1929



1965



1998



1910



1994



1914



1980



2007



1939



2009



## Origins

# 100 years of Audi

1909 was the year German engineer August Horch created Audi – a Latin translation of his surname, which means “Listen!” One year later, the first Audi rolled off the Zwickau assembly line. An excursion through 100 years of automotive history with models from Audi’s past. The key to their success: Vorsprung durch Technik.





## 1909

### THE BIRTH OF THE AUDI BRAND

"Just as I thought, the Supervisory Board pinned the blame for our car's failure in the Prince Heinrich Tour on me. It was a heated meeting. I quickly ended the discussion, left the room, and stormed out onto the factory yard." On June 19, 1909, the brilliant automotive engineer August Horch, who learned his trade from Carl Benz, left the company he had founded, Horch-Werke. By July 16, 1909, he had set up a new company in Zwickau: August Horch Automobilwerke GmbH. To his astonishment, his former company prohibited him from continuing to use the Horch name. The son of his friend Franz Fikentscher came up with the idea of calling it Audi instead – a simple translation of his surname into Latin. And so the Audi brand was born.

## 1910

### AUDI TYPE A

"I was the one who established the car industry in Saxony and took it to new heights." These words reflect the pride with which August Horch built his vehicles. Within a matter of days of entering his new company Audi Automobilwerke mbH on the Commercial Register on April 25, 1910, he unveiled the first Audi model – the 10/22 hp, also known as the Type A. Its 2,612 cc four-cylinder engine had an output of 22 hp at 1,800 rpm, propelling the 830 kilogram phaeton to speeds of up to 75 km/h. Even though Horch was a passionate advocate of participating in major road reliability tests, he didn't believe the Type A was ready for such rigors. But his employees decided to enter the car in the eight-day trials in Sweden in spite of this. The Type A won – and the Audi legend began.



## 1914

### AUDI TYPE C

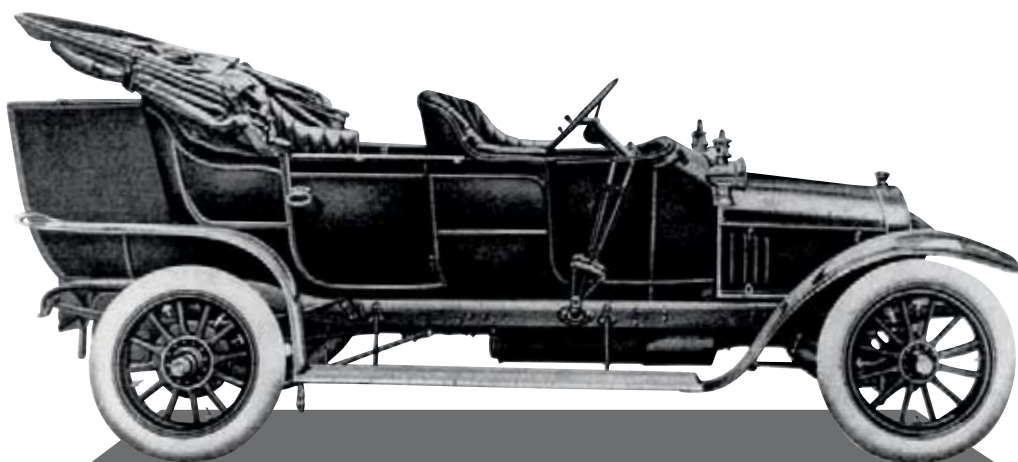
"I resolved to take part in the competition. I did everything in my power to study all the difficulties involved, to ensure that our Audi cars would make it through the next three-year period." Convinced by the quality of his vehicles and having taken his Audi to victory in the 1911 Alpine Run of the K.K. Austrian Automobile Club, August Horch ventured to take part in the 1912 to 1914 races with the new Type C and its 35 hp, 3,560 cc four-cylinder engine. It was the toughest reliability test in the world: a distance of well over 2,000 kilometers, including almost all Alpine passes, in the shortest possible time. Furthermore, lead seals were applied to every vehicle so that no part could be changed and an inspector traveled in each car. By 1914, the Type C had three wins to its name.



## 1929

### AUDI TYPE ZWICKAU

Gradually, the Golden Twenties began to lose their sparkle, and the onset of the Great Depression confronted the automotive industry with problems that it simply could not solve. Building luxury vehicles was a capital-intensive business – one that was only possible with the backing of major banks. The Dane Jørgen Skafte Rasmussen, who made his fortune with the small DKW models, pounced on an initiative by the State Bank of Saxony and, in 1928, Audi was taken over by DKW. Rasmussen believed Audi had a future in the full-size category. From the wreckage of the collapsed U.S. motor company Rickenbacker, he bought equipment to build six- and eight-cylinder engines. The 5,130 cc, 100 hp eight-cylinder engine was fitted in the Type Zwickau – but who, at that time, could afford to spend 12,950 Reichsmarks on a Pullman limousine? Audi's next eight-cylinder car didn't come along until 1988.



# 1935

## AUDI 225 ROADSTER

Since the start of the 1930s, Auto Union AG was a multi-brand group, under whose umbrella DKW, Wanderer, Horch and Audi were each given precisely defined roles. Audi was the brand for the upscale midsize category, targeting customers drawn to technically avant-garde solutions. It therefore comes as no surprise that this brand adopted front-wheel drive. 1935 saw the introduction of an enhanced version of the Audi Front, designated the Audi Front 225, with its engine capacity increased from 1,950 cc to 2,257 cc. It was a model that appealed to both esthetes and individualists alike. The rarest model of all was the Special Roadster, which was actually intended as an attention-getter for an auto show and cost the princely sum of 8,500 Reichsmarks – a luxury only two customers could afford.



# 1939

## AUDI TYPE 920

Audi has earned a reputation as being a brand suited to technically discerning customers looking for products that are truly special. Some of the innovations securing this reputation are the Audi Front, launched in 1933, the 225 series, introduced in 1935, and the ultramodern 3.2 liter straight-six engine that achieved 75 hp at 3,000 rpm. This engine was developed by Audi's exclusive sister brand Horch for a "compact" Horch model and made its way into the product range as the Audi Type 920. With this engine's 75 horsepower, the exclusive sedan and elegant convertible were capable of 130 km/h. And since the Type 920's comfortable specifications also meant it had to be heavier, the last pre-war Audi reverted to rear-wheel drive. Sales started well – but then war broke out and only 1,281 of this model were ever built.



# 1965

## AUDI 72

By the mid-1960s, the two-stroke era was drawing to a close at Auto Union and a new era was dawning in Ingolstadt, when Head of Development Ludwig Kraus brought a new four-cylinder, four-stroke engine able to pull 72 hp out of 1,696 cc into production. This engine, which had an exceptionally high compression ratio, was destined to secure Auto Union's future. The first post-war Audi rolled off the production line on August 13, 1965 in Ingolstadt and went on sale at a price of 7,690 German marks. It was later designated "72" to denote the number of horsepower.



# 1980

## AUDI QUATTRO

Rarely has a new technology had such a radical influence on developments in the auto industry as the quattro, unveiled during the Geneva Motor Show in 1980. "That's the car we forgot to build," said flabbergasted competitors when the quattro streaked away from its challengers in its very first outing at the World Rally Championship. A hollow shaft with center differential in the manual transmission distributed the engine's power to all four wheels. The eye-catching quattro coupe was universally impressive; whether on ice or snow, dry roads or wet. It demolished its rivals in rally competitions and captured its first Constructors World Championship in 1982. Under the then Technical Director Ferdinand Piëch, Audi wrote a new chapter in technical history. ►





## 1994

### AUDI A8

Scarcely any other car-maker has made as many advances in the areas of image, acceptance and technology leadership as Audi has over the past two decades. It therefore came as no surprise when, in 1994, the company also decided to equip its first luxury sedan with progressive technology. Not only did it include a 4.2 liter V8/300 hp engine and quattro drive as standard, it also made the widest possible use of aluminum. The body structure consisted of a positive-locking, high-strength aluminum frame structure that supported aluminum panels: the patented Audi Space Frame. The chassis was also made of aluminum, producing a substantial weight saving compared to a conventional vehicle.



## 1998

### AUDI TT

The Audi TT Coupé study car was first shown at the International Motor Show in Frankfurt (IAA) in September 1995, and the TT Roadster study captivated the public at the Tokyo Motor Show a month later. Journalists and customers alike unanimously insisted that the Coupé and Roadster – names reminiscent of the memorable sporty NSU TT models of the 1960s – go into production. Volume production started in 1998. Customers were especially attracted by the study car's original shape, which was retained for the production model.

## 1999

### AUDI A2

In hindsight, the A2 and its radical approach to economy and ecology probably arrived on the market too early. In building the A2, Audi demonstrated its expertise by building a compact car – of just 3.76 meters long – with superb technology and high standards of active and passive safety. It also had the same type of aluminum body featured on the A8 and a drag coefficient of just 0.28. With its 1.2 liter TDI engine, a further reduced drag coefficient of 0.25 and other measures to optimize fuel efficiency, the A2 earned a place in history as one of the first genuine “three-liter” (referring to fuel consumption per 100 kilometers) cars. But there was a price to pay for all this technology, and it was ahead of its time. When the last A2 rolled off the production line in June 2005, a total of 170,000 units had been built.



## 1989

### AUDI 100 TDI

Direct-injection diesel engines are among the most efficient internal combustion engines available. The company adopted this technology in volume production in 1989, when it launched the first refined direct-injection diesel engine for the Audi 100. The 2,460 cc turbocharged straight-five had an output of 120 hp, propelling the car up to a top speed of 200 km/h. The average standard fuel consumption was an impressive 5.7 liters of diesel fuel per 100 kilometers. With its direct-injection concept and an outstanding drag coefficient, Audi had yet again supplied impressive proof of its slogan “Vorsprung durch Technik.”





## 2007

### AUDI R8

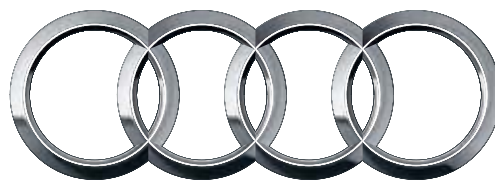
Audi has certainly designed and built quite a few exceptional sports cars over the years. For instance the quattro, which dominated the World Rally Championship. Other study cars, like the Avus and the quattro spyder, provided a glimpse of the expertise available in Ingolstadt. But it wasn't until September 2003 that Audi created the Le Mans study, which former design chief Walter de Silva described as a driving machine that "combined the experience of motor racing triumphs with pioneering design and Audi's technological expertise." Three years later, in September 2006, the study had matured into the R8 production model and made its first appearance at the Paris Motor Show. The "thoroughbred sports car with the functionality of an Audi" has delighted customers since 2007.



## 2009

### LOOKING AHEAD

The Audi brand will continue to unveil exciting automotive ideas in 2009 and push ahead with its model initiative. The brand's centenary year will see numerous new models launched and new niches filled. The A5 family will be extended, with the Cabriolet joining the Coupé, which was successfully launched in 2007. The A5 Sportback, yet another A5 version with distinctive design and remarkable functional appeal, will appear in the second half of the year. A new model is also being added to the A4 car line: an A4 allroad quattro to follow in the footsteps of the hugely successful A6 allroad quattro. Sports cars are another focus of Audi's model initiative. During the Detroit Auto Show at the start of the year, Audi unveiled its 386 kW (525 hp) R8 V10. And a new top-of-the-line TT model celebrated its debut at the Geneva Motor Show: The successful TT is now available as an RS version.\* ●



### THE BIRTH OF THE FOUR RINGS

In the late 1920s, the German automotive industry underwent radical change: The pressure to rationalize, create new products and finance sales required large amounts of capital, which could only be raised with the support of strong banks. The same was true for all carmakers in Saxony. When the State Bank of Saxony decided to merge all the leading local vehicle manufacturers, it gave birth to Auto Union. The receiving company – already largely financed by the State Bank – was to be Zschopauer Motorenwerke AG, which manufactured DKW motor vehicles and had already acquired the Zwickau-based Audiwerke AG in 1928. The other companies in the consolidation were Horchwerke AG, Zwickau and the Automotive Division of Wanderer Werke AG, based in Chemnitz. The merger was finalized on June 29, 1932 and took place retroactively as of November 1, 1931. The initial equity capital of 14.5 million Reichsmarks eventually rose to 30 million Reichsmarks and was almost completely owned by the State Bank of Saxony. And so Auto Union AG in Chemnitz was founded. With an initial annual income of 65 million Reichsmarks, 8,000 employees, and a large proportion of vehicle registrations, it became Germany's second-largest automobile concern. The Group preserved the legacy brands Audi, DKW, Horch and Wanderer and their unity found symbolic expression in the four interlocking rings, which to this day remain the symbol for Audi. Auto Union, newly established as a limited liability company (GmbH) in Ingolstadt in 1949, and NSU Motorenwerke AG, Neckarsulm, ultimately merged in 1985 to form AUDI AG.

Jürgen Lewandowski has devoted decades to researching automotive history and has documented the evolution of the Audi brand in several books.

Engine sounds from 100 years of automotive history can be found on a CD at the end of the Annual Report.



# Opportunities in crisis

Audi CFO Axel Strotbek met with Max Otte, the economist who predicted the global crash back in 2006 and who now hopes for clear and better regulations on global economic activities. Something everyone would profit from.

**Interview** Olaf Wittrock  
**Photo** Dieter Mayr

**W**e are engulfed in a financial crisis and are bombarded daily with alarming reports about how bad things could still get. So it's high time to call on the experts for an assessment of the situation. Professor Max Otte saw the collapse coming. When you wrote "The crash is coming" two years ago, what were the warning signs?

**Max Otte:** Well, my basic observation was that a nation's economy, just like a business, becomes overleveraged if it takes on too much debt. And we had reached a point where total U.S. debt was almost 400 percent of its gross domestic product. Such a house of cards is eventually going to come tumbling down. If the financial sector gets to be too big, the real economy can no longer sustain it.

**For many years, the drastic expansion of the global economy and the resulting rise in demand cushioned the growing amount of debt. So what prompted the bubble to burst?**

**Otte:** I would dispute the claim that there was ever a strong growth in demand. It is often said that U.S. consumers are the driving force of global capitalism. The U.S. economy absorbed a great many surpluses; after all, in recent times it has been soaking up two-thirds of global savings. There was such an accumulation of debt-financed

potential hazards that it was ultimately impossible to say what really prompted the collapse. But the behavior of central banks certainly played a part. By flooding the markets with cheap money, they ultimately left us with no risk premium to help us differentiate between risky and less risky credit. Once the first risky loans fall due or turn toxic, there is no way to stop it.

**Mr. Strotbek, as AUDI AG's CFO, have you ever experienced a particular moment where you thought: We're about to be hit by a crisis?**

**Axel Strotbek:** Well, Europe had long been suspicious and critical of the United States' over-indebtedness and access to cheap money. But there's no doubt most of us here were taken aback by the severity and speed of the crash. I think we're a long way away from having fully digested the situation – in fact, we're only just beginning to do so. There is still a lack of transparency and perception of how the rules of the game have changed.

**When you consider that many companies are looking a lot shakier than the Audi Group, might you even be one of the winners of this crisis?**

**Strotbek:** Thanks to our youthful, attractive model range, we succeeded in posting outstanding results in 2008. But we have always tried to stress that we don't exist in some island paradise. And with the overall markets slumping in some cases by more than 25 percent, we are bound to be drawn ►



Summit talks: Axel Strotbek (left) and Max Otte believe entrepreneurial action is the way out of the crisis.



in as well. 2009 is going to be an extremely hard year, but I'm very confident that, thanks to our efficient, emotion-packed vehicles and modern engines, we'll fare much better than markets as a whole. And we will keep up our product initiative.

**Mr. Otte, are there ever winners in such crises? It feels more like everything is going downhill.**

**Otte:** Of course every crisis has its winners and losers. Because whenever there is a downturn in economic activity as a whole and things are allowed to follow their normal course, the strongest companies in the industry automatically come out the winners. They don't have to focus as much on prices and are equipped for the long haul. The exact opposite is true for weaker companies, who fare particularly badly during a crisis.

**But it also sounded as though some companies might not be able to pull through the crisis on their own. That's when people are quick to call on the state to intervene. Is that attitude healthy or rather more dangerous, Mr. Strotbek?**

**Strotbek:** In principle, I prefer the idea of self-regulating, self-healing markets. For instance, our company does not need any subsidies or bailouts. As in the past, we will be able to finance our capital investment ourselves. But in a global industry, it's always important to monitor global competitive trends and respond if we see any signs of unfair competition. Regional subsidies in other manufacturing countries could adversely affect our competitiveness, and thus have an indirect impact on employment in Europe. So imposing conditions on injections of capital into the European auto industry – e.g. to fund future technologies – undoubtedly makes sense and may even be essential.

**The German car manufacturers' banks have just tried to obtain such state aid. Is that part of such an emergency plan?**

**Strotbek:** The financial crisis has led to a complete breakdown of trust between banks. That trust now needs to be restored through support measures made available for a limited period. We're not asking for any kind of equity injection or state funding; we merely want individual guarantees so that we can resume refinancing under sensible conditions. In the end, our customers benefit because we will be able to offer attractive terms based on competitive leasing and financial arrangements, which in turn will boost demand and, ultimately, the economy as a whole.

**Otte:** I think that is also part of the emergency plan.

**"I think we'll see a return to the old principles of the reputable merchant who assesses his risks realistically and doesn't get involved in things he doesn't understand."**

**Prof. Max Otte, economist**

Though, of course, the car industry is not entirely blameless for the orgies of debt we have seen in the United States in recent years, complete with price wars, zero interest loans and so on. It makes me wonder whether it wouldn't be better to introduce sensible legislative controls to ensure that loans are granted under fair conditions, rather than as a hidden discount. It would be wonderful if the state could emerge from this crisis with greater authority – as a referee who ensures that the regulations are actually complied with.

**The three big U.S. carmakers are facing enormous difficulties and the public's perception is that this had a lot to do with the financial crisis. But isn't there actually a different cause of these structural problems in the car sector?**

**Strotbek:** I believe the structural challenge that the car industry is facing is an entirely separate issue to what is currently happening. The question of how structures need to be changed in the medium and long term should be considered independently of the present upheaval. As to the United States, it is a very distinct market that applies different standards of viability and competitiveness. Ever since the early 1990s, its domestic industry has been under attack by foreign manufacturers, e.g. from Japan, who entered the market with locally built products. So the fundamental weakness of certain major carmakers has been evident for many years, if not decades, in the form of dwindling market shares.

**To what extent is the current crisis affecting Audi's business in the United States?**

**Strotbek:** A direct consequence of economic uncertainty is restraint among buyers; overall demand has dropped by almost 20 percent and nobody knows how much further it is going to fall. On the other hand, we have a growing product range and new technologies that offer us enormous potential to develop in the medium term. So even though part of me deeply regrets what is happening on the U.S. market, I also see how it is creating opportunities for the Audi brand in the years ahead.

## MOVING DISCUSSION

A video clip of the interview can be found at:

[www.audi.com/ar2008/foresight](http://www.audi.com/ar2008/foresight)

**But, all in all, the industry is in the throes of radical transformation.**

**Otte:** Absolutely. The automotive industry encapsulates all the problems and opportunities that are part and parcel of modern business life. On the one hand, it is a mature industry making an indisputable bulk commodity that dominates our economic life, but with little room for market growth because, at some point, people simply don't have space for yet another car in their garage. On the other hand, it has a long way to go in terms of sustainability: Energy efficiency and this very idea of sustainability are the two major growth areas that will give fresh impetus even to this mature industry.

**“2009 is going to be an extremely hard year, but I’m very confident that, thanks to our youthful model range, we’ll fare much better than markets as a whole.”**

**Axel Strotbek, Member of the Board of Management for Finance and Organization, AUDI AG**

**Although sustainability has been strongly overshadowed by the financial crisis in recent months, it has actually been the industry’s defining issue with regard to its structure. To what extent can energy efficiency provide a solution to the current situation, Mr. Strotbek?**

**Strotbek:** I think it offers huge opportunities because the ideas we currently have in the pipeline focus very specifically on the type of structural change Professor Otte has just described. It is one of our greatest strengths that we have continued to invest and step up the pace in this area – ensuring that tomorrow and in the future we will continue to bring products to market that convince through “Vorsprung durch Technik.”

**So does that put you in the role of hunter or hunted? The impression in recent years has often been that European manufacturers as a whole have not exactly been taking the leading role.**

**Strotbek:** Speaking for Audi, I think it is fair to say that after a 13th successive record-breaking year, our brand is in the “hunted” role. But there’s no such thing as a free lunch, and the challenge we now face is using convincing technologies to build on this position. The question we are currently addressing is therefore where to place our priorities, and where to rein in capital investment and costs. I am very

confident that we will find the right answers and pull through the crisis with future-proof products and technologies.

**Can investing actively and being highly entrepreneurial during the current crisis have a particularly positive effect, Mr. Otte?**

**Otte:** It has to! Entrepreneurial activity is of fundamental importance to the economy’s development. In mature industries, in particular, you often find that one company copies another; in other words, if one player does something, the others follow suit. And this can hamper innovative solutions. However, when Mr. Strotbek talks about having to choose between cutting costs and investing when setting priorities, he is referring to key business decisions. You simply can’t do everything all at once, otherwise you just get bogged down. That’s why a company can provide impetus by establishing a trend in a particular direction. When I take a look at the Audi Group’s 10-year figures and see a doubling of vehicle sales along with over 60 percent growth for the core brand, then I can see it has succeeded in doing this. And, of course, that also creates very ambitious targets for the future.

**Mr. Otte, you saw the crash coming – are you also able to predict when we will come out the other side?**

**Otte:** It would be nice if I could. But it is easier to recognize that a bridge is going to collapse under an excessive load than to know when reconstruction will be finished. I think we are going to experience a sharp recession first. I can’t yet exclude the possibility of a really bad ending, but I hope that the danger has been averted thanks to the rescue measures that governments have taken. Amid the crisis, I must say I am very pleased with the way politicians have responded to the need for firefighting measures. This certainly couldn’t be taken for granted. We will have to wait and see whether better regulation will now follow.

**So ultimately, you hope we will learn from our mistakes?**

**Otte:** Of course. I think we’ll see a return to the old principles of the reputable merchant who assesses his risks realistically and doesn’t get involved in things he doesn’t understand. If we manage to lay down some simple, clear rules for the banks and are generally able to behave more responsibly, we’ll have moved forward. ●

**The business journalist Olaf Wittrock works for Frankfurter Allgemeine Zeitung, Financial Times Deutschland and Handelsblatt, among others.**



# 1980

## quattro

The idea of spreading the propulsive power across all four wheels so as to decisively improve traction and cornering behavior has become a legend in its own time – both on the open road and in motor racing. Since 1980, some three million Audi models have been equipped with quattro permanent all-wheel drive. Today, almost one in three Audi vehicles is ordered with quattro drive.

# 1989

## TDI

In creating the first passenger-car diesel engine with fully electric direct injection and turbocharging in 1989, AUDI AG paved the way for today's efficient diesel engines. TDI technology has since taken to the road more than 4.8 million times.

# 1994

## AUDI SPACE FRAME

The A8 arrives on the market – the first production car to feature the revolutionary lightweight Audi Space Frame, reducing its weight by some 140 kilograms compared with a conventional sheet steel body.

# 1996

## PRODUCTION HYBRID MODEL AUDI DUO III

The Audi brand is a pioneer in hybrid research, unveiling the Audi duo hybrid model with integral electric motor as far back as 1989. The Audi duo III, Europe's first production hybrid vehicle, followed in 1996.

# 2008

## EFFICIENCY

A production version of the Audi A4 2.0 TDI\* covered 1,650 kilometers without refueling. This amounted to an average fuel consumption of 3.32 liters of diesel per 100 kilometers.

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# Local Stories

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Written for the Audi 2008 Annual Report

MADELEINE THIEN

## Montreal

### Mile End

MATT RUBINSTEIN

## Sydney

### The Secret Heart

HENRIETTA ROSE-INNES

## Cape Town

### The Other Safari

Three award-winning young authors describe in three uniquely individual short stories what makes their cities so special.



////////////////////////////////////

## Montreal

# Mile End

In the early morning, when the streets are bare and still, I walk past Ren's apartment. This ritual is now fourteen days old. I choose the right-hand side of the very same roads. Yesterday there was rain. The day before that I felt faint drizzle like a melting of the air. As I walked, I thought I could hear the taps being turned on, I could smell coffee grinds. I could hear dreams pacing restlessly across the hardwood floors. I'm nearly blind now but I know well enough the streets I'm walking through. Here on Clark, metal staircases spiral up to meet the second and the third storeys. Balconies perch like little shelves, lost behind the spindly trees. The leaves are crimson and orange, in my mind they seem to me like after-images, hanging on after the light itself has burned out.

Last year, my ophthalmologist told me that all sight is a creation, we take what the stream of light gives us when it touches the nerve cells of the retina, when it pulses its way from the optic nerve to the visual cortex. We gather up all the information contained therein and we read it as best we can. So, each night for the last fourteen nights, I've lain in bed and created my own pictures: Ren in her high heels winding her way up the staircase, Ren in the day-to-day morning ritual of opening the curtains and letting the sky in. I imagine the city in superb detail and when I open my eyes I want the city to look back at me, to meet me halfway. Instead what I see is the great empty centre of the room pinning me down, a black centre haloed by fraying edges. Over at the Y on Park Avenue, I've been exercising on the treadmill. I keep my eyes wide open as I stride boldly into the darkness. Freedom comes in such small spoonfuls, measured out like summer days in Montreal.

It's been twenty-two years since Ren left me, left Vancouver and came here to Montreal, came home. All I can say when I call her is, Can you come and see me one more time?

Twenty-two years ago she stirred her coffee and said, I'm irrelevant to your life. She was sitting beside me at our kitchen table, illuminated by the skylight, particles of dust snowing down on us, she was wearing a blouse with a flower-print pattern. Sweetie, I said, but I couldn't meet her eyes. I'm going home, she told

me. What is this, I said, puffing myself up, trying to be indignant. She had a lover and I had someone else and we both knew this humiliating fact without either of us having to admit it out loud. She was leaving me.

This afternoon I fell asleep on the sofa, the television still on. When I wake it's already dinnertime and I'm a little bit confused. I wonder if I've done it again, fallen asleep in public, in a cafe where talk murmurs around me like the river rolling on beneath a bridge, a cafe where the cardiganed ladies tear off pieces of croissant and the flaky bits rain down onto pristine white napkins but no, the couch envelops me. Light hovers around the windows. The sweet smell of my lunchtime soup, prepared by my daughter, is still strong in the air.

I close my eyes, breathe deeply and open my eyes again. To be back in Montreal is a strange thing. The other day, I tripped while going up the stairs of the Church of St. Michael and St. Anthony. When I was a boy growing up in Mile End, I used to study the disjointed architecture – equal parts rectangle, crescent moon, and pointing finger – I tried to imagine a way up to the centre of the vast, domical roof because I wanted to see the city without myself being seen. I tripped and my right knee bruised against the same steps that used to hoist me up.

In the days when my vision first began to deteriorate, I told myself that the salinity of tears was the answer to the mess inside. I sat in my bed and thought of things I hadn't considered in years, and I let those slivers fall right through me, Ren rolling away from me when I came to bed. Me leaving a woman in the middle of the night, stepping out into the rainy darkness of an alien city, rehearsing excuses in my head. I remember going blind, a memory as shorn and shaven as the first time I undid Renny's blouse, or the last shouting match I had with my father. Tears contain some sort of painkiller. Would crying for three weeks be the equivalent of a cleansing fast?

Outside my kitchen, life is rich and fluent. A squirrel runs along my terrace like a madman, ripping things up. I can hear him but not see him. Once, when I was a child, I saw a squirrel racing down Clark Street, a croissant between his teeth, I chased this squirrel until he spiraled up into a tree and hid his fat tail among the burnished leaves. My grandmother said, Why can't you leave the world alone?

It's not difficult to fool people. I walk much slower now and people think my knees are giving out. I stopped driving and relied on taxis and when that got



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too expensive, I took the bus. They're big and fairly unmissable. But eventually, I couldn't read a newspaper, a book, a computer screen, a letter, a menu. I couldn't actually read the words macular degeneration, couldn't see my own diagnosis. I asked myself, who is doing this to me? I felt cold everywhere, cold in my chest, cold in my stomach. I realized I had seen my last clear image of the world, it was retreating moment by moment. Standing in a parking lot that day, I put my hands out to steady myself. Someone was blotting out the world, dab by dab, with a little grey tissue. I lifted my hands to stop them but they just kept coming, an army of caves. I covered my eyes. The next morning I flew home to Montreal.

On est au milieu de nulle part, I told Ren on the day she left me. Here I am at the staircase. Evening light around me and a warm wind that stirs the trees. A couple walks past, whispering to one another. In my mind's eye, I see their fingertips brushing, their hatted heads bowed together. I hear the clicking paws and huffing breath of a little dog, the crunching of a paper bag, I smell warm bread. A chair creaks on a nearby balcony and a man pulls a child away from a display window, and the child cries out in soft, bereft French.

I nudge my shoe out and find the bottom step, swim my hand tentatively through the air until the iron handrail folds itself into my fingers. I shuffle up. Tomorrow I will get a cane but today I want to be someone else. The air smells of dry leaves. Up and down the street, there's life and movement, like when I was a boy and I used to sit on the curb and watch the cars rush by. All the foreign languages ran out of all the windows, deafening, like they were begging the world to listen up, to take notice, newcomers like city birds who chirp harder to out-sing the traffic. Bicycles whirr by and a cheer goes up from a sports bar down the street. Maybe there's a thick-necked guy running up the ice now, waving his stick in the air. I can hear pint glasses slammed down on a beer-smeared table.

Step by step, so different from when I used to imagine running up this staircase, slamming my fist against Ren's door. Sometimes I imagined bursting in, and all the rage and guilt I felt would flood the sunny walls and on her face I'd see regret and love and maybe even fear. Was that me? The person I was twenty-two years ago, does he still belong to me and I to him? So here I am and I can see the door. It has a black hole in the middle and it's pulling me into it. The sound of my knocking is confident. And Renny's face when she appears falls into the same darkness, haloed by the frayed edges, and I know that I waited too long.

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The insistent city wind finds its way between the folds of my knotted scarf. I want to touch the stones of the building and reassure myself these are the same stones I used to lean against and write upon, that the city keeps everything I've long forgotten.

How's Sanjay, I ask. I know that her face is falling. Oh, haven't you heard? she says. I have heard but I want to hear her say it out loud. She says, I left him. You left him, too? I ask. Him too, she says.

She asks me why I'm looking at her like that and I say, Just thinking. Thinking what? I can't find the words to tell her that I don't understand how the after-images can burn so persistently, but I'm starting to forget what my own face looks like and can she imagine, just imagine, what that's like? It's snowing, I say. It's not snowing, she says. Around me, Montreal is disappearing and growing louder and because I can't see it, I feel like I'm losing myself within it. You okay? she asks. Her voice is the same, only lower, only slower, and there's a catch in it like a needle pulling thread. What do you see? I ask her. There's a strangeness between us like the distance between two houses. That's a nice shirt, she says, and that makes me smile. Come in, she says, embarrassed, nervous. Or aren't you staying?

On est au milieu de nulle part, I had told her callously. In the middle of nowhere, she had said, at least you can see a goddamn thing.

Now Renny takes my hand and pulls me nearer. My god, she says, what's wrong? Why are you looking at me like that? Her voice wavers like a held note against my skin. When we were young, she used to hold my face in both her hands so that she could kiss me in her soft and hopeful and lingering way. When she speaks now, a clutch of memories come raging through but the dark stays dark, the shades stay drawn. At this last possible moment, I'm falling short and I want to turn and run back down the stairs, run to the Old Port where I can throw my visions into the ice-flecked water. At my age, eyes fail, it's the way of things. I've changed, I tell her, but I don't know how to tell her all the ways and all the means. We all want to, she says, and she opens the door a little bit wider.

**End**



**Madeleine Thien, 34**, a Canadian of Malaysian-Chinese descent, first studied dance before switching to literature. Her very first collection of stories, "Simple Recipes," won four Canadian literary awards. Her first novel, "Certainty," has also won several awards and has been translated into 15 languages. Madeleine Thien lives in Montreal.

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Sydney

## The Secret Heart

It came in an internal envelope, the kind that's scrawled with names and departments, everywhere it's been. Someone brought it from reception to my office on the top floor. This is the newest tower in the city, and one of the tallest: if I look out I can see the sparkling puzzle of the harbour, its bays and beaches, all the way to the Heads and the ocean beyond. But I'm not looking out. I'm looking at the note.

We have your wife. She is hidden deep in the city's most secret heart; you cannot find her. You have until dawn to come up with the money. Now, I'm not the kind of person you would expect to receive a ransom note. I have some money, but I didn't make it in any flashy way. I made it slowly and assiduously, month by month. I'm not prepared for this at all. And there are a number of things about the note that strike me as peculiar. It asks for money but not for any particular amount. It's worded very strangely. The city's most secret heart? It's almost poetic. I don't know who would write a ransom note like that. It threatens my wife, but I don't have a wife. I used to have one, but I haven't seen her or spoken to her in almost ten years. And the note's in her handwriting.

It's a shock to see her careful script after all this time, but there's no mistaking it. She copied it from a typewriter, you can tell by the 'g'. And it's eerie to read these threats that she's been forced to write about herself, as if she were someone else. The whole thing feels like a dream.

From up here I can see the currents in the harbour, marked by the reflections of the light. I can see where the surface has been smoothed by a tanker or a cruise ship. The sailboats scattered like breadcrumbs on the water, and the proud spires stretching skyward. This is a city that has risen from the landscape, its greens and blues, its sand fused to glass. It's a city without a secret heart. Aggie knew that better than anybody.

She was always trying to find out what the city was hiding. She wasn't happy with its dazzling surfaces, its natural and invented beauty: she wanted to go deeper. But beneath the surface there was only another surface. So she would have laughed when they made her write those words. Or she would have despaired, knowing they were holding her in a place that didn't exist. And it's the

thought of her despair that tightens my chest, even after all the years. I know I have to find her.

Sydney is a city of ancient unmarked pathways that became dusty tracks lined with canvas and jute and soon a confusion of lanes and alleys, passages and courtyards, easements and rights of way. But that was a long time ago. Government and commerce have taken every chance to align the city, to fill in its voids. Now instead of poky alleys we have great plazas and squares; instead of trenches, fountains; instead of darkness, air and light. I hurry from block to stretching block and pass only a handful of stubby lanes ending with skips and air conditioners. It's only in the oldest part of the city that the skyscrapers run out, you suddenly feel taller. Here are tiny terrace houses in brick and local sandstone, old churches and even older pubs. There are blind alleys between and behind the buildings, narrow lanes zagging through the stone. In the northwest corner of the headland, shadowed from the late-morning sun, is an empty park with swings and a slide.

Aggie and I used to explore this part of the city together, looking for places we didn't know, even though we'd lived here all our lives. The worn stone steps leading down to the old finger wharfs, the back rooms and cellars of the city's first hotels, even the cast-iron public conveniences used to delight us back then. We were married too young, and then we were divorced too young. We were hoping against all wisdom that two wrongs could make a right.

There's nobody here in the leeward side: not my ex-wife, not anyone. And so I turn and climb the observatory hill, I look up to the city's towers and down to its mighty foundations, and I descend towards its possible, its hopeful heart. The old lanes and alleys weren't really destroyed, they were sunk below the streets. Many of the towers and the underground stations are connected by tunnels that stretch for kilometres, north to south, east to west, lined with tiny shops of the kind that used to crowd the surface. Tobacconists and barbers, shoe shiners and key cutters, seamstresses and thread merchants and hawkers.

Aggie and I would meet down here for lunch, long ago; we were working in law offices at opposite ends of the tunnels, and it was always a thrill to take the lift to the basement and meet her in some hidden café halfway between our buildings. We were often the only ones there, we'd sit on mismatched chairs and stay much longer than our lunch hours.



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It's strange to remember all these things. For so many years I've only been able to think of the way our relationship ended, the shouting and then the silence. But now as I hurry past the old sandwich shop, the vegetarian place that serves pork, I can feel something softening inside me. There are more takeaway chains than there used to be down here, but a surprising number of the old places are still the same. For a moment I've forgotten about the kidnappers and the ransom note. Every time I turn a corner I expect to see her, not bound and gagged but sitting at one of the wobbly tables, tapping her watch because I'm late. I feel a different, deeper kind of urgency as I stride and then run through the underground walkways, all but pushing people aside. I know there are more shafts and burrows than these. The whole city was built around a freshwater stream that still flows through conduits of steel and stone between the foundations and basement car parks. There are railway tunnels begun and never finished; over the years they've been used as air-raid shelters and war rooms, and in one of them a great subterranean lake has gathered from the city's runoffs and overflows.

Aggie and I used to talk about going down there, but we ran out of patience, we ran out of time. Is she there now, at last? I follow the course of the Tank Stream in the names of the streets and the marks on the pavement, but I can't find any way in. I poke around the train platforms, but they're all patrolled by cameras and security guards, nobody could have taken her there.

As night falls, the city empties of people and fills with shadows. I walk quickly but erratically, I don't have a plan. All I can think is that dawn will come and I'll never see her again. This morning I never wanted to, but now – well, now I'm not so sure. I buy a coffee from the all-night diner at Circular Quay. There's nobody around, just me and the moon and the moon's reflection. We used to catch the last ferries out and back, kissing on the top decks, singing into the wind. We told each other our most terrible secrets, our most wonderful secrets.

My legs ache from all my crossings, and I'm strung out on coffee and worry. But a kind of peace settles over me, it seems to rise from the rhythmic wash of the tide against the quay. It's a kind of peace and a kind of clarity. I know, for example, that there probably weren't any kidnappers, the ransom note was from Aggie alone. The secret heart was her idea. I don't think she wanted me to find her, she just wanted me to remember what we'd both forgotten. She wanted to teach me a lesson.

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It's typical of her. She was always trying to educate me, to make me more suitable. And now she wants to show me what a waste it's all been, all these bitter years. As if I didn't know that already. As if I haven't known it all along. Now I'm angry all over again, and I can't stand the thought of never seeing her again. It's four in the morning and I don't know what to do with myself. I'll just get it over with as quickly as possible. The botanic gardens are locked up for the night but I can still follow the road along the eastern ridge of Mrs Macquarie's Point where it overlooks Woolloomooloo Bay, then the harbour, then the curving horizon. I sit under a fig tree and wait for the dawn like a doomed prisoner. I'm still wearing my second favourite suit.

The dawn is as beautiful as always. The night pales almost imperceptibly until the sun appears over the headlands to the east. The harbour glows a rosy pink; it looks like a rock garden freshly raked. I'll walk back to work, drink some more coffee and carry on as if none of this ever happened. I've been unhappy for ten years, I can keep it up a bit longer. At the very edge of the point is a seat carved into the sandstone for Elizabeth Macquarie, the second wife of the fifth governor of New South Wales. From here you can see the whole harbour, from the Bridge and the Opera House in the west to the island Ford Denison and the Heads in the east, glowing with the morning sun. It's one of Sydney's most famous attractions, with hundreds or thousands of visitors each day.

And Aggie is sitting there, tapping her watch because I'm late. For a moment I can't believe my eyes, and then I'm overcome by rage. "This isn't a secret!" I shout at her, crazily. "What the hell are you talking about?" I can't help noticing that she still looks beautiful, her sharp features slightly softened, her pixie haircut dyed a little brighter. She's changed about as much as I have, in some ways a lot, in others not at all.

"Don't you remember?" she says. "We sat here together, quite by accident, a few weeks before we met for the first time." Of course I remember, but I can't admit it to her. "Thousands of people come here every day," I insist. "It's in all the guidebooks. Everybody knows about it." "No, they don't," she says. "Not what we know." For the first time I notice how hopeful she looks. Her face looks like it's about to split into a smile of the most blinding sunshine.

I feel like I've been tricked, she's got me on a lawyer's technicality. I summon my objections, but I find I can't say anything. And now her face reveals its smile, and





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## Cape Town

# The Other Safari

First time in Cape Town? Ah, Madam, Sir – you’re in for a treat. Business or pleasure?

Leave me alone, you say, pushing past impatiently – I’ve seen the sights, done the attractions: the golden beaches, the balmy Indian Ocean and the brisk Atlantic, all laid out under the flat-topped mountain; the taste of summer wine, the splash of a whale’s tail ... shark-diving, rock-climbing, township taverns, even Mandela’s prison cell. Been there, got the T-shirt. But Sir, Madam – wait. You haven’t seen it all! There’s another Cape Town, one that exists inside, alongside the one in the brochures. It smells more of the south-easter wind than it does of sunscreen and martinis, and it’s hard to fit on a postcard.

Fortunately for you, dear visitor, I do a tour – especially designed to meet your needs and requirements. There’ll be no gorgeous sunsets over the silver bay, no lions hiding in the bush. But I’ll point out the cloudscape behind your back; I’ll coax a seagull to sit on your shoulder; I’ll buy you a slightly battered arum lily, smuggled off the mountain and sold out of a plastic bucket by a woman at the side of the road. It’s going to be great.

So roll up, roll up, as they say: join the other Cape Town tour. Let’s call it a safari; but the creatures you meet won’t be giraffes and elephants. We’ll start in a random corner of the town and stroll through its less travelled streets, stopping to observe the changing light, the ground at our feet, the shapes disappearing in the shadows around the next corner. And we’ll end up back where we started – under the shadow of the mountain, in sniffing distance of two seas, gazing at the sky. So, sightseers, are we all together? Try not to wander off.

Let us begin by casting our eyes to the heavens. It’s customary to stare at Table Mountain. In fact, it’s hard to get away from the thing; it’s always on the horizon, trapping the gaze. And once you’ve looked, it’s almost impossible to look away. But let’s try. Drag your eyes away from those elegantly terraced cliffs and slopes, and move a little sideways, towards the less imposing Lion’s Head – which is a lion only by a considerable stretch of the imagination, a sort of dachshund if truth be told.



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We are not alone here. Let's greet the imam, crisp in flowing white, on his way up to the green-and-white kramat, the holy tomb that balances on the Lion's spine; and let's offer our water and energy bars to these brisk and sweaty hiking girls – German tourists, quite possibly – heading down from its cranium. So far, so good. Now let your eye drift upwards. Above the Lion's shoulders are some of the best skies in the city: dappled with puffs of frosty breath from the southern oceans, shifting from moody pearl to hot porcelain blue at the height of the day, softening to gold at sunset, and then distilling into clear aquamarine, most luminous just before the evening star. Careful, now. It's lovely, yes, but don't go too close, don't try to touch. If we climbed over the Lion's neck or drove under his muzzle ... well, then we would lose the subtle delights of the sky, because – bam – we'd be hit by the spectacle of the sea on the other side. A gleaming bowl under the battlements of the mountain, cupping a garish sunset, rimmed by decadently long golden beaches scattered with the browning bodies of international models, etc, etc. And we're back in postcard land.

So you there – come away! Let's keep the group together, shall we? Turn around, turn away from the siren song of the cocktail bars and beach umbrellas, leave the dazzling light.

I see the sea has seduced you, though; so let's stick with the marine theme. But we'll head away from the foamy surf and down towards the grittier end of the city: the harbour. No no, not that way! Certainly we won't dawdle in the glittering aisles of the Waterfront Shopping Centre. You can go there on your own time. Right now we're entering the working docks, oil-stained and noisy and populated by sailors and gulls and other dubious characters. Breathe in deep the fishy air! And look at those great rusty trawlers that seem like they should never float at all, weighed down to the waterline with piled containers like gigantic kids' building blocks. Step aside folks, and let this tough-looking crowd pass: a boatload of Taiwanese fishermen, heading out to find a karaoke bar downtown.

Don't you love the way everything is giant-size? Chains with links as thick as thighs; propellers two storeys high; anchors like brutal sculptures; an amphitheatre of a dry dock. And the noises! Clanks, shouts, grinding, booms! Up close, the oil rigs are roaring, dripping beasts, rusty and monumental, like well-travelled spaceships that have somehow washed ashore in this 17th-century port city. Because this is how Cape Town is: a city of incongruities, its history rubbing up

against its future, full of people from somewhere else, passing through. Nothing is quite what it appears to be, or exactly where you expect it to be, or doing quite what it was designed to do. Boundaries shift, plans change. A fallen billboard gets pressed into service as the wall of someone's shack; a mountain sits smack in the city centre; spaceships dock in the harbour. Maybe it's the wind which muddles things up: the gusty south-easter, which features annually in a front-page photo in the Cape Times, lifting some poor citizen's skirts as she clings to a lamp-post.

Even the roads and bridges seem blown off course, ending up in odd places. Like scenic Chapman's Peak Drive, teetering on the very edge of the sea cliffs – every year raining down boulders, every year hopefully repaired. Or the railway line running next to the sea at Kalk Bay, where the waves sometimes spatter the train windows; as you ride you can wave at bare-chested surfers frolicking in the water, or seals looping their sleek bodies through the surf.

You might notice, in central Cape Town, the flyover arcing overhead. An impressive ramp of concrete, designed to slingshot cars right across the unsightly harbour-end of the city and on to the cosmopolitan delights of Sea Point. Except something's missing. There's two broken-ended halves of a swooping highway – and a great big gap of unused sky in between. If you tried to drive it, you'd swan-dive into the busy intersection below, a long way down.

Consider also the main taxi-rank, which is not on the ground as you might expect, but up in the sky, on top of the railway station, where once the trains and platforms were divided into White and Non-white. What used to be an austere concrete rooftop has been transformed into an African marketplace. Fancy a snack, a haircut, a pair of cheap sunglasses? Here, this lushly dreadlocked gentleman will provide you with obscure medicinal herbs, if you're feeling queasy; these tall, smooth-talking guys from up north will sell you knock-off Nigerian videos; this trio of voluble mamas have brought their bags of ten-cent sweets all the way from a distant township – for you! These sassy teens in skin-tight jeans will braid your hair or embellish you with extensions; and over there's an old man selling pots and pans – and machetes too, should you feel the need for personal protection.

The taxis congregate here from all over – gunning through the rush-hour traffic, skidding in and out of the fast lane, stopping at will, packed tight with bodies, shuddering with the bone-vibrating sounds of township house. Taxi? Mitchells Plain, Mowbray, Grassy Park? The spry little guy in the baseball cap



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who's shouting at us now is the gaardjie, the taxi door-operator, money-collector, customer-wrangler, seat-packer and general driver's sidekick. Shall we grab a ride? Which taxi should we pick – "Mister Lover Man", "Funky Titanic", "Rock of Ages"? Jam in, jam in where you can, slide your grubby five-rand coins over to the gaardjie, let's move! We still have a few more sights to see ...

Seeing as this is billed as a safari, no doubt you will not be satisfied with your African Experience if we don't spot a few real live animals. But nothing as obvious, as mundane as rhino or cheetah. Roaring along the highway, face smeared against the glass of a speeding taxi, you can't help but note one of Cape Town's most delightful oddities. Even lifelong Capetonians shake their heads every now and then in disbelief at this pastoral scene. What are those creatures, gambolling on the grassy slope? Zebras? Not quite ... those are quaggas, fantastic experimental beasts from the past. They're hybrids, the products of a breeding project to recreate an extinct sub-species. In spitting distance of rush-hour traffic, they browse and twitch their pale rumps, coyly naked where one would expect conventional zebra stripes.

Less exotic, but to my mind more fully citizens of the city, are the birds: those specialists of antigravity and upside-down worlds, those connoisseurs of sudden reversals of wind. They thrive here. We have immigrant birds, refugees from up north, like the hadedas with their mad mocking haa-haaah cry; or the sweetly pair-bonded Egyptian geese that are everywhere now – in the forest, on the beach, on top of five-storey buildings, balancing their plump bodies on the tips of lamp-posts all over town. Like any city, we also have our disreputable street pigeons, scrapping on street-corners; as well as flocks of more elegant racing birds, circling above the old Malay quarter, with its bright little houses from another century. All mixed up, of course, with the raucous gulls, blown in from the bay like sailors on shore leave. And every now and then, high, high off the corner of Table Mountain, you'll spot the twin dots of a pair of black eagles, way up there.

Which brings us back, inevitably, to the mountain: the glorious tyrant of our skyline. All stories about Cape Town begin and end here, it seems. So too our tour.

So wave goodbye to the taxi-driver, check your possessions, and count up your souvenirs: a flake of rust from a tanker in the bay; a bedraggled gull feather; a twist of quagga hair; a fallen number-plate from a speeding taxi. Jumbled together, they don't look like much, and they probably won't get through security







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# 2009 Financial Calendar

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April 27, 2009

**Annual General Meeting**

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