

Audi 2011 Annual Financial Report



Delight | The most powerful drive.



Audi 2011 Annual Financial Report

Delight | The most powerful drive.

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Audi Group Key Figures

		2011	2010	Change in %
Production	Cars	1,365,499	1,150,018	18.7
	Engines	1,884,157	1,648,193	14.3
			1 202 452	1.0.0
Deliveries to customers	Cars	1,512,014	1,293,453	16.9
Audi brand	Cars	1,302,659	1,092,411	19.2
Germany	Cars	254,011	229,157	10.8
Outside Germany	Cars	1,048,648	863,254	21.
Lamborghini brand	Cars	1,602	1,302	23.0
Other Volkswagen Group brands	Cars	207,753	199,740	4.0
Workforce	Average	62,806	59,513	5.5
Revenue	EUR million	44,096	35,441	24.
EBITDA ¹⁾	EUR million	7,141	5,452	31.
Operating profit	EUR million	5,348	3,340	60.
Profit before tax	EUR million	6,041	3,634	66.
Profit after tax	EUR million	4,440	2,630	68.
Operating return on sales	Percent	12.1	9.4	
Return on sales before tax	Percent	13.7	10.3	
Return on investment	Percent	35.4	24.7	
Total capital investments	EUR million	2,970	2,146	38.
Capitalized development costs	EUR million	596	630	- 5.
Depreciation and amortization	EUR million	1,793	2,170	- 17
Cash flow from operating activities	EUR million	6,295	5,797	8.
Balance sheet total (Dec. 31)	EUR million	37,019	30,772	20.
Equity ratio (Dec. 31)	Percent	34.9	36.8	

1) EBITDA = operating profit + balance from impairment losses (reversals) on property, plant and equipment, capitalized development costs, leased assets, goodwill and long-term investments as per the Cash Flow Statement









Dear Readers, Dear Shareholders,

When was the last time that you were truly delighted? Can you remember the last time that someone fulfilled one of your wishes even before you had voiced it? When a product or service truly sent you into raptures and made your eyes sparkle with joy?

That is precisely the feeling we want to evoke in everyone who comes into contact with our brand: in our customers, our employees and our partners. Because this is ultimately a question of esteem. When you delight someone, you show that you respect them and make them feel special.

This goal is not only at the heart of our Strategy 2020, but also the central theme of this Annual Report: "Delight. The most powerful drive." The picture sequences and exciting stories in this publication illustrate how we as a brand generate delight. We place the spotlight especially on the people behind the entire process. Those who create delightful moments while themselves sharing in that delight.

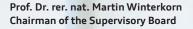
And there were truly plenty of delightful moments for Audi in 2011. In selling 1.3 million cars we actually exceeded our sales target – notwithstanding the global economy taking us all on a real roller coaster ride. We won the classic 24 Hours of Le Mans for the tenth time, and again captured the title in the German Touring Car Masters (DTM).

The most memorable moments included the International Motor Show (IAA), where we presented our connect, ultra and e-tron areas of innovation. These will continue to shape our cars in the future. Values such as responsibility and sustainability will play a special role in the years ahead. I believe that in launching projects such as Audi balanced mobility and the Audi Urban Future Initiative we have chosen the right course.

An account of everything else that defined our fortunes at Audi in 2011 can be found in this report. I hope that you find it entertaining and above all delightful to read.

Kind regards,

Rupert Stadler Chairman of the Board of Management



Ladies and Guntuman, Dear Share Lolders

The global economy continued to expand over the past fiscal year. Nevertheless, economic development was riddled with uncertainty in particular due to the high sovereign debt of a number of countries. The pace of growth thus slowed markedly in the second half. However, demand for cars worldwide continued to rise, thanks mainly to the vigor of the U.S., Chinese and Russian markets.

The Audi brand again brought numerous new models onto the markets in 2011, delighting customers with a steadily expanding product portfolio. For example, a third model in the shape of the new Q3 was added to the range of premium SUVs. The introduction of the Q5 hybrid quattro gives the brand with the four rings its first full hybrid model. And the Audi brand rejuvenated the A6 car line last year by launching new-generation Sedan and Avant versions. The Audi A6 allroad quattro will follow in early 2012, rounding off the brand's range of full-size models in this segment.

2011 saw the Audi brand sell 210,000 more vehicles than in 2010, taking it to a new record tally of 1,302,659 Audi vehicles delivered to customers. The Audi Group also achieved a substantial improvement in revenue and operating profit. This accomplishment owes a great deal to the huge commitment of everyone who works at and for Audi. On behalf of the Supervisory Board I would like to thank everyone concerned for their excellent work over the past year.

The Board of Management gave the Supervisory Board regular, up-to-date and comprehensive accounts of its actions; decisions of fundamental importance to the Company were discussed in depth by the Board of Management and Supervisory Board. The Supervisory Board considered the economic framework and the Company's business progress and business policy as well as its risk management and risk situation at quarterly meetings and by means of regular oral and written reports from the Board of Management, and consulted the Board of Management closely on these matters. At its meetings the Supervisory Board also discussed future mobility concepts and how they are to be realized. It expressly applauds the Audi Group's intensive work on key areas of innovation ranging from lightweight construction to electric mobility in order to systematically extend the Company's technological lead embodied in "Vorsprung durch Technik" further. In this connection, the Supervisory Board also approved strategic investments as a means of safeguarding development expertise and capacity long-term. Other focal topics included the debt situation of a number of countries, including its potential impact on sales and the long-term sales strategy. In approving the human resources, financial and investment plans, the Supervisory Board confirmed the Board of Management's strategic decisions and thus gave its backing to the goal of becoming the world's leading premium brand. The Supervisory Board furthermore approved the content of the annual Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Act (AktG).

All Supervisory Board members were present at more than half of the meetings. The members of the Presiding Committee held full consultations before each meeting. The Negotiating Committee did not need to be convened in 2011.

There were no changes in the composition of the Supervisory Board during the past fiscal year.

The Audit Committee also met once per quarter in the past fiscal year. At its meetings, the committee considered the Annual and Consolidated Financial Statements for 2010 as well as other topics such as risk management and compliance work, changes in key markets and the corresponding decisions of the Board of Management. The Audit Committee moreover scrutinized the 2011 Interim Financial Report prior to its publication and discussed its contents with the Board of Management and representatives of the auditing firm. The Audit Committee in addition advised on the independence of the auditors, the findings of additional audits commissioned and the current situation at the end of 2011.

Upon the proposal of the Supervisory Board, the Annual General Meeting of AUDI AG appointed PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft as auditor of the accounts for the 2011 fiscal year. The Supervisory Board awarded the audit assignment to the auditing firm after its election. The auditor of the accounts confirmed the Annual Financial Statements of AUDI AG and the Consolidated Financial Statements of the Audi Group, as well as the Management Reports for AUDI AG and the Audi Group for the 2011 fiscal year, and in each case issued its unqualified certification.

The members of the Audit Committee and Supervisory Board received the documentation for the Annual and Consolidated Financial Statements, together with the corresponding audit reports by the auditors, well in advance of their meeting on February 17, 2012. The auditing firm's representatives explained the key findings of their audit in detail at the meetings of the Audit Committee and Supervisory Board, and then answered queries from both bodies. According to information supplied by the auditing firm, there were no circumstances that might give cause for concern about the auditors' partiality.

"2011 saw the Audi brand sell 210,000 more vehicles than in 2010, taking it to a new deliveries record."

Prof. Dr. rer. nat. Martin Winterkorn

Following examination of the audit documents received and in-depth discussions with the auditors' representatives, and based on its own conclusions, the Audit Committee recommended to the Supervisory Board at the meeting on February 17, 2012 that the Annual and Consolidated Financial Statements each be signed off. After appropriate discussions, the Supervisory Board accepted this recommendation and signed off the Annual and Consolidated Financial Statements prepared by the Board of Management. The Annual Financial Statements are thus established.

There were no changes in the composition of the Company's Board of Management during the past fiscal year.

The Board of Management has suitably taken account of the economic environment and future challenges when making its plans. The Board of Management intends to pursue the chosen path of growth, based on an attractive product range, efficient engines and new mobility concepts.

The Supervisory Board will continue to support the Board of Management throughout this process in an advisory role.

Ingolstadt, February 17, 2012

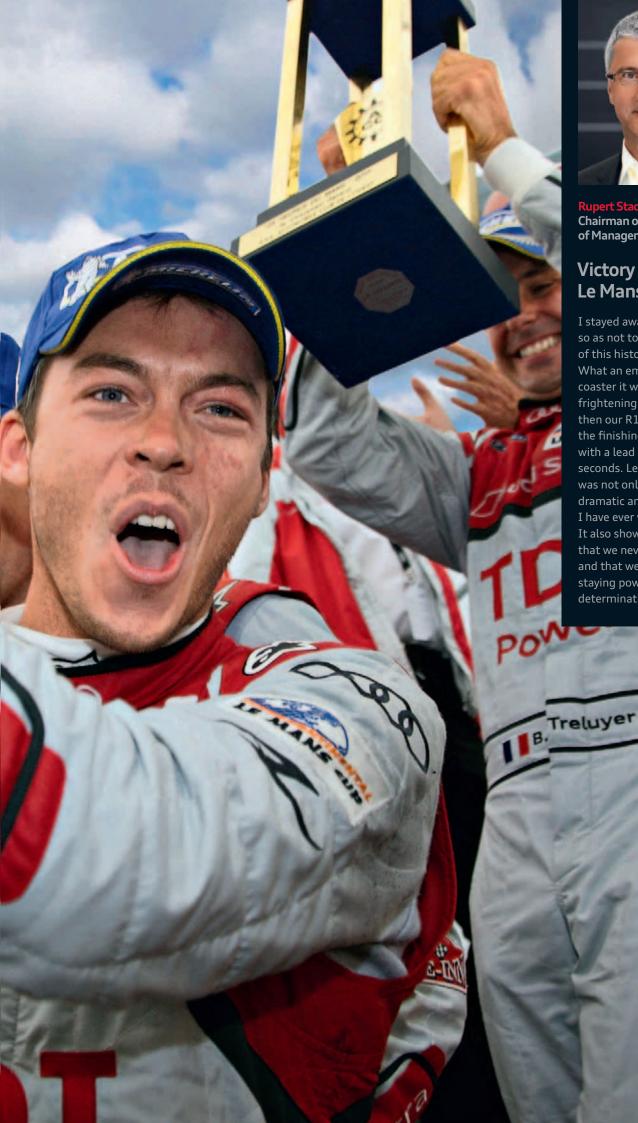
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Prof. Dr. rer. nat. Martin Winterkorn Chairman of the Supervisory Board

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Rut ert Sta Chairman of the Board of Management

Victory at Le Mans

I stayed awake all night so as not to miss a second of this historic race. What an emotional roller coaster it was: first those frightening accidents, then our R18 TDI crossing the finishing line first with a lead of just 13.854 seconds. Le Mans 2011 was not only the most dramatic and exciting race I have ever witnessed. It also showed memorably that we never give up and that we demonstrate staying power and determination to win.

De







Axel Strotbek Finance and Organization

Kieler Woche

I never cease to be impressed by the sight of the boats setting sail at the world's biggest sailing spectacle. International teams compete against each other and excel themselves. The Audi Team too, a mixture of professionals and amateurs for whom this is a dream come true. Together the sailors took part in the competition with great passion and team spirit; within a very short space of time they evolved into a successful team.



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Peter Schwarzenbauer Marketing and Sales

Audi Cup 2011

What an atmosphere! 132,000 fans over two days in a sell-out Allianz Arena, millions more watching on TV in 180 countries: The Audi Cup 2011 was a feast for fans. Their passion and exuberance made this an exceptional occasion and also my Audi moment of 2011. Because it embodies everything that we strive for each and every day at Audi: delight and fascination unleashed time and again. We call it: turning customers into fans.

Vorsprung durch Technik







Michael Dick Technical Development

Audi A2 concept

The A2 concept represents the full creativity and capability of our development departments. Producing this show car was no easy task. After all, we wanted to combine the strong legacy of the A2 with our trailblazing visions for design, electric mobility and connectivity into one sensational concept. Its success at the International Motor Show in 2011 showed that we did everything right and that makes me proud of my team.





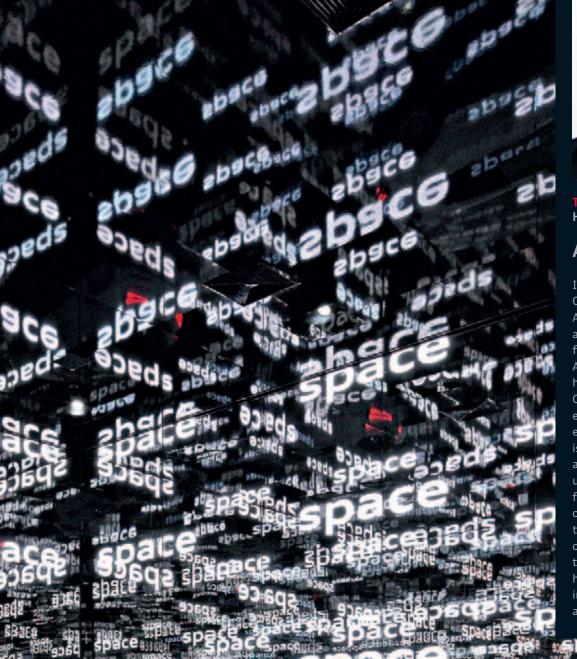


Frank Dreves Production

24 Hours of Audi

My moment of 2011 lasted exactly 24 hours. During that time, 2,259 Audi employees covered a distance equivalent to almost once round the earth in the 24-hour run at the Ingolstadt plant, raising 150,000 euros for charity in the process. That makes me so proud of Audi's workforce. The employees who help to pull off such an event are what make Audi so special. They set about everything they do with motivation, passion and a sparkle in the eye – whether at work or away from their daily workplace.





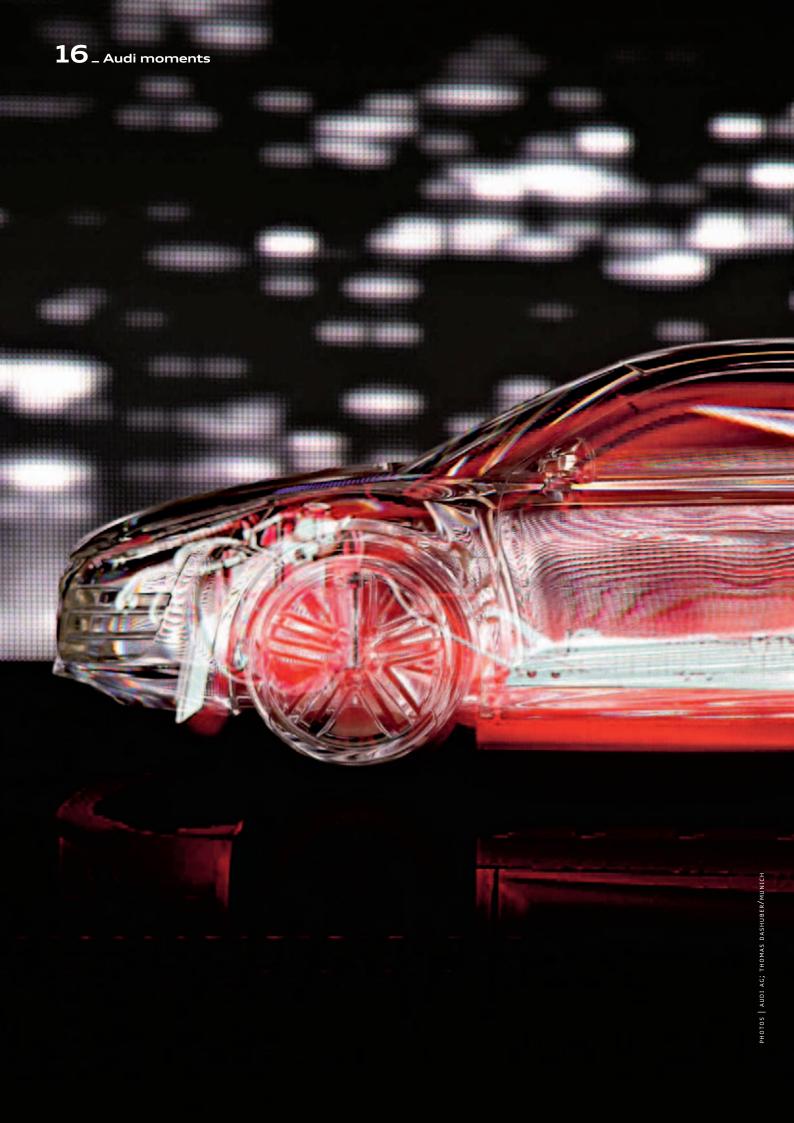
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Thomas Sigi Human Resources

Audi Q3 Cube

In setting foot in the Q3 Cube at Munich Airport, I embarked on a fantasy journey into the future, to the year 2030. Absolute connectivity has become a reality. Cars communicate with each other and with their environment. Driving is now a very efficient affair that gives people unprecedented scope for more communication on all conceivable electronic platforms. The office on wheels permits tailormade working hour models. Jobs are independent of time and place.







Ul<mark>f Berkenhagen</mark> Purchasing

Symbol of the future

The "x-ray" of the R8 e-tron symbolizes how electric mobility will revolutionize automotive manufacturing. The challenge for Purchasing is to find the right suppliers and partners for new technologies, and for us to become involved in the product creation process early on. We maintain an intensive dialog with Technical Development and Production to determine what we need to do to prepare for the arrival of these emotional products.

PHUIUS | SEE PAGE 132

Michael Dick Technical Development Chairman of the Board of Management

Finance and Organization

Peter Schwarzenba Marketing and Sales Human Resources

Ulf Berkenhage Purchasing Frank Dreves Production

EXPERIENCE

22



- **Experience more online** The Audi 2011 Annual Report on the Internet and as an app for iPhone, iPad, Android smartphone and Android tablet.
- 24 Italian temptation Audi driving experience: through Tuscany in the R8 GT Spyder.
- **30 Reason to celebrate** Top-class soccer players delight fans at the Audi Cup 2011.
- 34 Close to the wind
 Professionals and amateurs on a racing yacht: Audi makes dreams come true at the Kieler Woche.
- 42 The ring of rings Festival director Katharina Wagner visits the Audi Ring at the IAA.

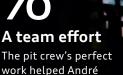
60

China Tour The Audi Q3 treks through the Middle Kingdom.

Connected with the whole world Audi connect ensures that customers are out in front on the data highway too.

- 50 Where Audi develops its technological lead A visit to Technical Development in Ingolstadt.
- 56 The Audi for the slopes Skiing legend Hermann Maier tests the Audi Carbon Ski.
- 60 Through the Middle Kingdom Traveling in the Audi Q3 through China, a land of contrasts.
- 66 Shaping the future Rupert Stadler and Professor Laurence C. Smith discuss the challenges of the future.

NOISSE At The wor Lott Trél Fäss



The pit crew's perfect work helped André Lotterer, Benoît Tréluyer and Marcel Fässler (from left) to victory at Le Mans.

- **Fueling success** Audi celebrated its tenth victory in the 24 Hours of Le Mans in 2011. A look back.
- **Big in Japan** The world premiere of the A1 Sportback at the Tokyo Motor Show.
- Quality The measure of all things On the way to becoming an Audi, the car has to pass countless quality checks.

84

70

76

80

Red-on-white racer Gallardo LP 570-4 Super Trofeo Stradale – the first all-red Lamborghini.

> 56 Downhill The "Herminator" Hermann Maier and the new Audi Carbon Ski.

Fuel consumption and emission figures at the end of the Annual Report





- Audi Urban Future Initiative How will we live in the year 2030? A symposium.
- In harmony with the environment Audi balanced mobility: an initiative for sustainable mobility.

The power within What do biathlete Magdalena Neuner and the Audi S6 have in common?

Sustainable growth Axel Strotbek in dialog with Dr. Eckart John von Freyend.

Pole position Johan Ernst Nilson on his expedition from North to South Pole.

INSPIRATION

Newcomers With Bruno Mars and other artists at the SWR3 New Pop Festival.

108 A glance at the secret Audi e-files How the age of the electric car will change car interiors.

112 A stage for the future Audi sponsors the SWR3 New Pop Festival, a springboard for up-and-coming musicians.

116 Form follows function A selection of lifestyle articles from the Audi collection uniquely presented.

REVIEW



- 124 Review of 2011 Premieres, awards, events – the 2011 fiscal year featured many highlights for Audi.
- 128 Authors and team The faces behind the stories in the Audi 2011 Annual Report.

FINANCES



130	Record year In the 2011 fiscal year, Audi continued on the path to becoming the world's leading premium brand.
134	Group Management Report 2011
188	Consolidated Financial Statements 2011
253	Corporate Governance Report 2011

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RESPONSIBI

88

92

96

100

104

PHOTOS STEFANS

The multimedia Audi Annual Report

The Audi 2011 Annual Report is now a multimedia experience – on the iPhone, iPad, Android tablet or Android smartphone, or on the Internet. Just a click away.



Fuel consumption and emission figures at the end of the Annual Report

The website

See how the Audi brand's racing drivers brought home great victories last year; go on board Audi's racing yacht at the Kieler Woche. Join festival director Katharina Wagner at the International Motor Show (IAA) and try out the new Audi Carbon Ski with skiing legend Hermann Maier. Listen to interviews and see how our spectacular photo shoots came into being. You will find all this and much more online at www.audi.com/ar2011, where the Audi 2011 Annual Report becomes a multimedia and multisensory experience.

Apps

🚥 The Audi Annual Report to go: Simply download our app to your iPhone, iPad, Android smartphone or Android tablet - and navigate through the exciting content with a swipe of the finger.

In addition to the Audi Annual Report, the Apple App Store also offers the Audi magazine and other entertaining apps from the Audi brand. It is well worth exploring!

The QR code



You will see a Quick Response code (QR code) at the end of every Annual Report

article. If an app which can read QR codes is installed on your smartphone, then you can access all kinds of additional information, videos and photos in a matter of seconds. Simply open the app and scan the QR code (connection costs as per cell phone contract).

Internet exclusive xperience more online

Three highlights you can only experience in multimedia form.



Our writer toured Tuscany in an R8 GT Spyder. Turn to page 24 to read his travelogue. Would you also like to explore this amazing part of Italy? Then download our travel guide with insider tips.



In an Audi production facility, our photographer spectacularly spotlighted fashion and Audi lifestyle articles. If you are eager for even more after seeing her photos (from page 116), you can access an extensive making-of feature online.



In 2011, Audi won not only the 24 Hours of Le Mans, but also triumphed in the German Touring Car Masters (DTM). Watch the video to see the highlights of this sensational season again. You won't get much closer than this to the Audi team!

A sight to slow down for: houses bathed in the warm evening glow along the road to Siena.

Fuel consumption and emission figures at the end of the Annual Report

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Audi driving experience

10

TOM SÓLO/

РНОТОS

Italian temptation

The Audi driving experience can make dreams come true – take one of the world's most beautiful cars through landscape that is every bit as beautiful. A love letter describing an unforgettable tour through Tuscany.





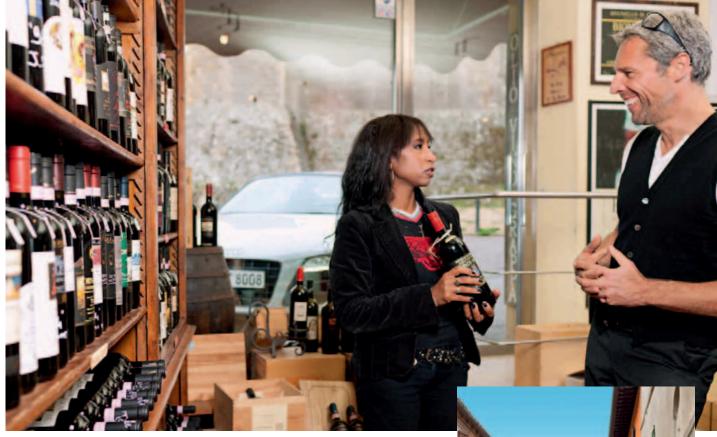
26_Experience





Every town sign is a promise, every curve a joy – and the air cries out for open-top driving.

Fuel consumption and emission figures at the end of the Annual Report



Tuscany in a bottle: In Montalcino's enoteca, wine expert Gail presents something special made from Sangiovese grapes – a bottle of Brunello.

Dearest S.,

I need to make an apology. What for, you ask? Because after this week, our vacation plans for the coming fall will be changing. What do I mean by that? Well, I can explain. And you will need to be very brave now.

You know my passion for Tuscany. After all, we've enjoyed it together many times. How I love to recall our time on that estate south of Siena. How we relished the quiet behind those stone walls that were more than two hundred years old. Those walks in the garden that was more like a park. And I remember how we sat at breakfast the last day, our hearts a little heavy, the air smelling of spring, a few sparrows bathing in a puddle by the pool. You said it had been a long time since you had seen a place of such harmony.

Or lunch near Montefollonico. Though that osteria did not look too inviting from the outside, we asked for a table for two. The landlady led us through the sparsely decorated dining room and onto the terrace, which featured a few metal tables in the shade of a white awning. A wide vista opened up across the village roofs and the Crete hills with Monte Amiata in the background. And then the cuisine, surprisingly good, pappardelle with wild boar ragout, risotto with fresh porcini. And you made a little speech about the link between good food and happiness.

A year later, we took our station wagon to a few wine estates with spectacular architecture – too big and too modern for us. Later, we discovered a little enoteca near Buonconvento. The owner served us his favorite Tuscan wines; we particularly enjoyed a Rosso di Montalcino with berry tones. We lowered our noses into the glasses and held the glasses up to the sun, and you said there was no need to taste the wine – its color alone was reason enough to buy some.

So it must be all the more difficult for you to understand why I will be going to Tuscany next fall without you. You may ask whether this has anything to do with when you begged me two years ago not to "drive like a madman" when I was imitating a Mille Miglia participant on that winding road to Asciano? Could be. Or is it because last fall, you decided to fly to Manhattan



Tradition meets modernity: the key to an idyllic country estate on an R8 GT Spyder's carbon-fiber center console.

"You don't drive a supercar like this fast, you drive it intensively."

with your best friend and not to Florence with me? Yes, that too. But even more – and I know you can see this coming – it's to do with what happened to me when I traveled from Munich to Siena with the Audi driving experience. This was a trip that changed a lot of things for me.

It started one normal weekday. On the Internet, I stumbled upon the Audi driving experience. I was fascinated by the prospect of a oneweek journey through Tuscany in an R8 Spyder. You share a car with a second driver, taking turns for each stage. Set out in the morning and meet up with the other three or four teams at the hotel in the evening. So what, do you ask, is enjoyable about doing mainly one thing for days on end: driving? "You're always complaining about spending too much time sitting in your car!" Well, at first I had no answer to that. I'm really not much of a horsepower freak, and we have a normal vehicle. But later, I found out that there's that yearning in my soul, too, that yearning to get behind the wheel of a car that is impressive in its way.

The trip began one fall day, with driving instructor Markus Fiechtl-

Kerschner explaining the R8 GT Spyder, one of a limited edition of only 333, and one which I was allowed to take on the tour just this once. Its ten-cylinder FSI engine generates 412 kW (560 hp), accelerating the car from 0 to 100 km/h in 3.8 seconds and up to a top speed of 317 km/h. But Markus - we're all on first-name terms – isn't one to wow you with figures. What he cares about is handling: The car's quattro drive is weighted toward the rear wheels, so that's where most of the power goes when you put your foot down. So be careful with the gas. Ceramic brakes and extra-wide tires are there to bring the Spyder to a stop, so be careful with the brakes. Put the transmission into sport mode, and it will fight for every tenth of a second.

Oh, so you think that's just a lot of abstract numbers? Well for me, they held pure promise. I asked Markus how much an R8 GT Spyder will sell for. He replied that the listed price is more than 200,000 euros. And he handed me the key. My palms were damp.

I knew that the R8 has limited luggage space, so I packed light,

though I did throw in a memory card with music – club sounds for highway driving, classics for country roads. I let myself slide into the driver's seat, buckled up and started the car. The engine roared, then dropped back into a gurgling idle. A hoarse rumble, and the Spyder pushed forward, weaving into autobahn traffic playfully and going with the flow. Just a slight push on the gas, and it powered forward. A few more miles, and I knew that I would not be putting on any music in this car. What I wanted to listen to was the symphony coming from the engine compartment behind me.

Before the trip, I had gone for a few practice laps at a kart track following a friend's recommendation. Claus Peter said that was the best way to get acquainted with the handling and especially a sports car's direct steering. And it's true that this was one of the key experiences I had, how precisely the Spyder entered turns, how it went through them, and what a thrill it was to accelerate out of them. But you don't necessarily drive a supercar fast; you drive it intensively, looking for the clean line, the direct route. I hate to admit it,





Experts confer Markus, an Audi driving experience instructor, shows the travel writer the most beautiful roads through Tuscany, including some of the classic "strade bianche."





but I'm glad you weren't there. It was pure driving. Those hills and winding roads in Tuscany are the perfect terrain, and Italy is the perfect country for an outing like that; the people there are crazy about this "bella macchina."

Oh, S., I know there is so much you would like to ask me: which hotel I stayed in, which restaurant I had lunch in, where I shopped for wine. I'm afraid my answers will come as a disappointment. Yes, I did get to see a nice hotel in Siena, but I didn't find out much about it because I was eager to start out early. Yes, I did eat, but mostly simple dishes of pasta because I was in a hurry. Yes, I did buy some wine, a bottle of Brunello. But to be honest, I didn't taste it because I made a point of keeping a clear head.

So what did I take home with me? A bruise on the hip from the seat belt buckle. I found out soon enough that it does take some dexterity to fit into those tight bucket seats in a low-slung sports car. And a new love for this countryside, with its roads that wind across hills like roller coasters. I kicked up dust from unpaved tracks, the strade bianche. I felt the wind in my hair and I heard the crackling that rises with the heat from the engine after a few miles while I discussed the pros and cons of German versus Italian sports cars with a café owner over an espresso. It may sound strange to you, but the Spyder made me see this countryside in a new light. Oh, S., you called it a midlife crisis when you first saw me with the brochure, and I was afraid you were right. But now I know it was a journey to savor. You warned me I shouldn't even think of buying such a "monster." But don't worry. I don't think a supercar belongs in a big city. It needs to roam free. And that's why I'm going to take the Spyder to Tuscany again as soon as I can.

And how about flying to Siena in spring – just the two of us? There's a very nice hotel there that I'd like to try out with you.

Much love, D.



The Audi driving experience and the R8 GT Spyder: Enjoy an unforgettable tour of Tuscany.

Audi driving experience Along for the ride

The road to happiness: The Audi driving experience's Tuscany tour starts near Munich. Following a brief introduction, drivers take six days to reach the charismatic Crete Senesi landscape to the south of Siena. Participants drive Audi R8 Spyder cars to destinations programmed into their navigation systems. Evenings are for comparing notes in select hotels. For more information on the Audi driving experience, go to www.audi.com/driving just a click away!





An enthusiastic Mexican wave sweeps through the stadium. Tens of thousands of fans cheer on their teams.

Reason to celebrate

The Audi Cup is a meeting place for world-class soccer teams. And enthusiastic fans.

Text | Sven Schulte-Rummel

ennaro Gattuso from AC Milan holds firmly onto Nic Philippbaar's small right hand, and Nic bites his bottom lip just as firmly. If Nic's excitement were written across his face, it would be in bold letters covering every inch of his skin. Together they march out through the tunnel beneath the stand and up a few steps, neon light changes to daylight and the glare of floodlights, and the surface under their feet changes from vinyl flooring to the concrete of the steps, then to turf. The red jersey adorned with four rings is fluttering

as much as Nic's nerves. Gattuso, meanwhile, maintains the steady gaze of a general. It won't be long now; half a minute perhaps - at most until the moment for which Nic has waited more than six months. He, the player escort, hand in hand with the professional soccer player, marching from the changing rooms onto the field. Lining up. He goes very quiet as the noise level from outside rises. Even quieter than a few hours ago. when he could barely utter a word and just answered "yes" to every question: "Yes," this was the best thing that had ever happened to him.

In all his ten years – no contest. Just like any ten-year-old would say. Maybe for the next ten years, too? "Yes." Listening to him, you nod as you understand just what this means to him. Gattuso lets go of his hand – Nic's cue to run over to the corner flag. The game is about to start, but Nic doesn't care about the score now. The jersey will be hanging over his bed for a long time to come. And that moment, his moment during the Audi Cup, will stay with him for even longer.

Many sports have spectators, but soccer has fans. Like Nic. Or Christoph Fehlenberg, who has brought his son

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Magnon

n hates



Player escort Nic Philippbaar hand in hand with Gennaro Gattuso (AC Milan). Luis well in advance of the game. On purpose. "It all starts with the pre-game build-up, getting here, having a snack, seeing the crowd arrive, feeling the anticipation and the tension growing by the minute," says Christoph. Luis has been infected by this enthusiasm, holding his father's hand so as not to get separated in the crowd that is gradually gathering. Almost nine years old and beaming, he looks up at Dad feeling so grownup that he has been brought along. And he gazes up at the gigantic Allianz Arena - proud that his first match is at an event that's "only for superstars," as he puts it.

By the time millions of viewers have settled down in front of the TV in time for the 8.15 pm kick-off, the fans waiting outside the stadium have become a crowd of 66,000 inside: guys with girlfriends, men with sons, women with daughters, families. Like a rising tide, the crowd swells in size as kick-off draws closer. Having arrived by car, bus, train or on foot, people stream ever faster through the metal fences, past the marshals, into the steel and concrete structure, up

There are rules governing not only what happens on the field – but also in the stands.

the narrow corridors and stairways, singing as they go. As they are swept into the stadium, the combination of letters and numbers on their ticket directs the fans through the apparent chaos. Once inside the stadium, the torrent of people changes into a wave just 15 minutes after kick-off. A Mexican wave of joy and delight, its crest formed by hands raised high in the air.

"Soccer is an incredibly important part of my life," says Simona Ventura, looking down onto the field from the seats above the coach's bench. The Italian journalist and sports presenter is a professional when it comes to talking soccer. But today she is here to support her team, AC Milan. She looks at her watch excitedly. Just a couple of minutes, and her team will



André Weber

"It's thrilling to see them really doing battle out there on the field. The games are awesome!"



Simona Ventura

"Both as a fan and a journalist, soccer is an incredibly important part of my life." be out there. She hurries to rejoin her friends. And to take her seat – not that she will remain seated for long. After all, whether star or school kid, tradesman or manager, apprentice or engineer, all are united in cheering on their team. And as soon as the stadium announcer's voice reaches the crowd in the remotest corners, the pulse begins to race.

"Out the way!" call two boys from behind. There are rules governing not only what happens on the field but also in the stands. For example, it is not allowed to cheer on the wrong team from the wrong fan block. Or stand for too long in the gangway. People start craning their necks to see round whoever is blocking the view, round the person in front, round Bayern Munich fan André Weber. Down on the field, Bayern are currently playing AC Milan. Bayern are pressing forward toward the man between the posts. André Weber is fully concentrated on the game: ball player – ball. What's going to happen next? Can he sense it? 27 minutes into the game, the players on the field and the fans in the stands are pumped full of adrenalin and tension. A shot saved. But then, less than seven minutes later, the ball is finally in the net. Now André can cheer.

At half-time the fans throng the dimly lit gangways, in the few meters of space that separate the arena's exterior walls from its beating heart. Hungry for a snack, hungry to analyze the game and talk shop, hungry for the next 45 minutes and more unforgettable moments. Such as when they take a few steps out of the shadows into the stands, and gaze out at this huge oval of people around the field, eyes wide open and pupils small. The crowd's energy spills over into the game itself. A cauldron of singing and chanting that is enough to give even a soccer-phobe goosebumps.

This ball game delights people worldwide. From the edge of playing fields in South America to grandstands in Europe and stadiums in Asia, soccer creates a sense of community and transcends boundaries. "It's amazing to be at a huge, peaceful party with so



many people at once," says Pan Yi Qun, who has flown from China to watch the Audi Cup, "and to see top soccer action." Was that his only reason for coming? No, not quite, he explains with a grin. He also wants to drive really fast on a German autobahn.

"It's fantastic being part of such a huge, excited crowd," confirms Anja Buchweiz from Munich, as the Audi Cup gets under way to a tickertape welcome. For the teams and crowd alike, the tournament is all about the same qualities: team spirit, speed, emotion, vitality - positive sentiments that are infectious. "Here they put in 100 percent, not just the 80 percent you see in other pre-season games," analyzes Manuel Martin from Osnabrück. "Because they love doing battle with other big names in soccer." The delight he experienced as part of the crowd is something he will be able to take away with him. To drive him forward in everyday life. •



Audi Cup 2011: world-class tournament and exciting festival of soccer. The best on-field action and more.

Pan Yi Qun

"It's amazing to be at a huge, peaceful party with so many people at once."



^{Audi Cup} Four rings, four teams

Top international soccer, presented by the brand with the four rings: In staging the Audi Cup, AUDI AG acts as a close partner and promoter of the sport both nationally and internationally, in an emotionally charged context. The 2011 tournament at Munich's Allianz Arena pitted four top teams from around the world against each other: Bayern Munich (Germany), AC Milan (Italy), Barcelona (Spain) and SC Internacional de Porto Alegre (Brazil). Like Bayern Munich, the clubs from Spain and Italy are members of Audi's international soccer family. And the Brazilian club injected the Audi Cup with some Latin American flair. Over the event's two days, a total of 132,000 people watched the games in the sell-out Allianz Arena, and the tournament was also broadcast on TV and the Internet in 180 countries.

Kieler Woche

Close to the wind

Nine amateurs, six professionals, one racing yacht. At the Kieler Woche, the world's largest sailing regatta, Audi makes dreams come true. And builds winning teams.

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Text | Tatjana Pokorny

Udi

Kieler

iller Miller

> All for one, one for all: Amateur Holger Neu makes control lines shipshape after setting the foresail.

"It won't be easy out there. We will sail hard and fight for every position. To do this, we need you and your unconditional commitment!"

Audi Saji:

Tim Kröger

100

The Audi Team in the pre-start phase: The boats approach the start line and maneuver for the best starting position. What is needed now are perfect timing, perspective and the ideal strategy.

Experience _ 37





Stronger together: Whether sailing with the gennaker on a downwind reach (top left), working the grinder (top right) or at a briefing in the racing yacht's cockpit – the Audi Team grew as a unit during the Kieler Woche and surpassed expectations.



he wind strains mercilessly on the slender but strong mast. The rig extends just under 30 meters into the sky and defies the stormy conditions. At a brisk Beaufort six wind strength, the pressure on the nearly 100 square meter mainsail is enormous, and the wind gusts are as high as Beaufort seven. Aboard the red-white racing yacht, which glides as though riding on rails - even in this stiff breeze the stress and strain of the crew is palpable. The yacht is sailing to the regatta course in the Stollergrund area near Kiel. Shortly before the first starting gun, each crew member is at his or her post. As skipper Tim Kröger explained in a brief wake-up call on the previous evening and again at the morning briefing: "Guys, it won't be easy out there." And the world circumnavigator and world champion motivates his new team members by telling them: "We will sail hard and fight for every position. And to do this we need you and your unconditional commitment."

Kröger's motivating talk inspires his guest sailors: For the nine ambitious amateurs selected to participate in the Audi project "A dream comes true," their appearance at the Kieler Woche fulfills a heartfelt dream. They are taking part in the world's largest competitive sailing event alongside six sailing professionals. Their objective is the coveted Kiel Cup Alpha. They are not there to watch from the sidelines; rather they are hard-working apprentices. They want to experience what the professionals know and learn how to tame such a high-tech sailing rocket.

"This boat is truly awesome!" marvels Jens Glathe at the stern of the nearly 16 meter long TP52 yacht. "On the way to the regatta course, it is already moving at ten knots driven just by the mainsail. So what will it be like out there?" For the manager from Hamburg, the 117th Kieler Woche is a dream come true. Ever since his non-sailing brother Bernd attended a stopover of the Volvo Ocean Race many years ago, hobby captain Jens has also dreamt of racing for the large regatta cup in wind and waves. And that dream



The skipper A seasoned sailor

Tim Kröger has sailed over 200,000 nautical miles around the planet and is considered one of the best all-round sailors in Germany. In 1994, he officially turned his passion into a professional career: After his first race around the world aboard the European "Intrum Justitia," the Bremen native quit his university studies in Business Administration. He had already built up over a decade of experience in competitive sports, including four years as a national team member and a victory in the Admiral's Cup in 1983, for which he and the rest of the German team were awarded the Silver Laurel -Germany's top sports prize – by Karl Carstens who was German president at the time. After winning a world championship title in 1995, he participated in a second race around the world. Kröger is the only German sailor to have participated in the Admiral's Cup, the Volvo Ocean Race and the America's Cup. The 47-year-old father of twins is also a book author, TV commentator and guest speaker.

Experience _ **39**

did not escape the attention of his perceptive brother. Shortly before the Kieler Woche, he gave Jens the surprise present of a crew entry ticket to the big event. Jens Glathe, who himself owns and sails a boat, recalls that he got goosebumps when he realized just what he had received.

Now he is one of the chosen nine amateur recruits, who together are responsible for either victory or defeat aboard the Audi yacht at the Kieler Woche, for successful maneuvers and also the unsuccessful ones, for joy or agony in the competition.

At Tim Kröger's side, tactician Ulrike Schümann makes sure that operations run smoothly on board and plots the quickest course to the next race mark. Kröger values the expertise of Schümann, who finished fourth in the three-person keelboat at the 2008 Olympics, and he routinely relies on her experience at international events. Another member of his six-person professional team is Eberhard Magg, who was also the driving force behind the first German America's Cup campaign and manager of

The sea spray lashes, the wind howls, and the race day has only just begun.

Match Race Germany on Lake Constance. Each of these three top yachtsmen has written exciting chapters in the history of German sailing. Their task at the Kieler Woche is to quickly bring the amateurs to the top of their game, while instilling a positive regatta attitude on the Audi Team.

The team must learn to work together in challenging sailing conditions. The sea spray lashes, the wind howls and the race day has only just begun. In its first race, the Pro/Am team has not yet found its groove. It finishes back in ninth place.

"We can do better," says Kröger, encouraging his team as the race director gives the preparation signal for the start of the second race. The crew hardly has time to catch its breath. They take a quick drink of water, wipe the drops of sweat from their faces and zip up their sailing jackets again – and they are off. Their movements are more

40_Experience

precise, and in the second race the Audi Team takes eighth place. "That's better," the skipper praises and spurs them on to even greater efforts.

The guest sailors at the grinder positions crank on the winches as hard as their arm muscles, which are more accustomed to desk work, allow them to. They must be careful not to lose grip on the handles while turning, or they could be injured by winch cranks spinning at high speed. After every tack, the massive sails must be trimmed in tight, and quickly, on Kröger's command. The lead professional trimmer decides when and how long the trimmers should crank the sails must not be allowed to luff. The guests give it their all – until their lungs wheeze and their hands burn.

"Go, go, go," is the unrelenting chant coming from the "Red-White" command center in the cockpit, "that has to be done even quicker!" And it is done quicker. The pride that comes with earning the approval of the professionals keeps everyone from giving up.



When working the foredeck, every hand hold must count.

As one of the guests attempts to grasp the mainsheet during a turn, Kröger yells: "Let go of that immediately! That thing could break your arm when it crosses over!" Everything aboard this yacht is larger, more powerful and often more dangerous than on their familiar coastal cruising boats and dinghies at home. The professionals are not only performing to their full capacities, they are also constantly monitoring all of the steps and hand holds of the guest sailors. This is a double challenge, but is something that everyone really enjoys thanks to the keen amateur crew and their enthusiasm.

And that is why their coordinated teamwork continues to improve. There is a sense of urgency here, because the regatta director immediately calls for race number three after they cross the finish line. After another briefing, the Audi yacht speeds across the starting line. Once again, the team improves and finishes in sixth place.





The sponsor

Audi – a strong commitment to sailing

The Audi Team entered the Kieler Woche with a hightech TP52 yacht. This boat with its carbon fiber hull was one of the fastest at the "Kiel Cup Alpha" regatta in 2011. TP52 sailboats are among the most advanced regatta yachts today with a displacement of 7.3 metric tons, of which 4.8 tons alone are in the ballast bulb on the keel.

AUDI AG has been committed to competitive sailing for over ten years. Its focus is increasingly on sailing events in individual countries, whether in boat partnerships, participation in traditional regatta festivals or national regatta series. Since summer 2010, the Company

has also been supporting the German national sailing team, which goes by the name Audi Sailing Team Germany. The next generation of yachtsmen and women is also benefiting from the Company's support. As a partner of the world's largest regatta, the Kieler Woche, the brand offers innovative experience programs for its customers, dealers and employees. Audi is also providing exciting entertainment for numerous sailing fans in its advanced TV and Internet news reporting on sailing, for example using social media and showing live broadcasts on large viewing screens at regatta locations.

Martin Voigt, a dentist from Stralsund, will never forget this day. "A unique and wonderful experience," he says. After the highly celebrated victory of the Audi Team in the 2010 German Championship, Voigt is on the team a second time, and he comments: "The more I know, the more I realize that I know nothing. At club regattas back home we show the others what it's all about. Here it is we who are learning."

Voigt can't help but notice the uncompromising approach with which the entire racing yacht and its equipment are held accountable to the dictates of minimum racing weight. Everything aboard the Audi yacht is reduced to the most essential. The keyword here is "ultra," and this concept could also be seen in the 260 square meter gennaker, a sail that drives the boat very effectively because it captures the wind from behind like a gigantic half balloon. Hull, mast, steering wheels – all of the boat's structural components consist of carbon fiber, making it ultralight. Holger Neu from Stralsund leans on the rail, dripping wet, and takes a deep breath. He is amazed at how well the team works together after a few hours: "We just got to know one another yesterday," he says. The results list that is displayed at regatta headquarters in

A race victory tastes better than any champagne.

the evening – right next to the results of the Olympic sailors – confirms the team's steeply rising performance curve. Entered in the fourth column of the day is a first place for the Audi Team!

That is because the race director took advantage of the favorable wind conditions and sent the competitors out for a fourth race in the evening. Such a decision is rarely made. Usually there are just two or at most three races. Now the most experienced big boat sailors also had to mobilize their last reserves and go back out on the waters of Stollergrund. Kröger motivates his team to give its all in one more race: "People, you can do it!" And the team does it. The race victory at the end of one of the longest and toughest sailing days at the Kieler Woche tastes better than any champagne.

In the final tally – after a total of three days and eight races - the Audi Team and its grand prix racers earned a strong sixth place in the prestigious Kiel Cup Alpha regatta. The most important result, however, is the uplifting feeling of having grown together into a united team. Skipper Kröger praises his guest sailors at the end of the event: "Guys, on the final day we accomplished maneuvers that we would never have dared to try with this team on the first day. You earned this victory yourselves." Such praise from one of the most experienced professional sailors in the world - what else could one wish for? Everyone beams with delight.



Waves, wind and competition: Audi at the world's biggest competitive sailing event.

42_Experience

The entrance to the Audi Ring at the IAA 2011 – the futuristic contours symbolize dynamism, innovation and sophistication.

IAA 2011

- The rings

Audi presented itself at the International Motor Show (IAA) in Frankfurt using a visionary themed world. A tour in three acts with Katharina Wagner, director of the Bayreuth Festival.

Text | Fred Sellin

Would have liked to take a spin right away: Festival director Katharina Wagner takes a seat in the R8 GT Spyder.

orsprung durch Technik

Fuel consumption and emission figures at the end of the Annual Report

(53)

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Audi Vorsprung durch Text

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Visitors closely examined even the finest details.

The Audi Ring – facts and figures

Overall size: 100 meters long, 70 meters wide, 12 meters high Exhibition area: 6,000 square meters Construction time: approx. two months, 250 assemblers at work each day



The Audi Ring – a magnet for visitors at the IAA in Frankfurt.

Prologue

Katharina Wagner, opera director and director of the Bayreuth Festival, is a little nervous, just like before a premiere. In fact, her visit to the Audi Ring at the International Motor Show (IAA) in Frankfurt in September 2011 was a premiere. Except that she was already familiar with the terrain and fond of it. After all, the greatgranddaughter of Richard Wagner developed a liking for automobiles at a very early age: "As far as I know, my first words were not mama or papa, but car and light."

Her destination cannot be overlooked. A futuristic complex rises up like a huge UFO in the middle of the Agora, the central "marketplace" of the Frankfurt exhibition grounds. A curved facade, gleaming in silver, and featuring the words "Audi – Vorsprung durch Technik." A world premiere! For the first time, AUDI AG has its own exhibition hall, the Audi Ring, at the show. The word "ring" immediately takes us back to our celebrity guest, whose curiosity is piqued as she makes her way to the building.

Act One

Six steps, then through a glass door -Katharina Wagner now enters a welllit hall that resembles a huge stage. The main actors are recognizable at a glance: They are the new Audi models, such as the S7 Sportback in Misano Red positioned directly at the entrance, behind it an R8 GT Spyder in Sphere Blue and to the right an Ice Silver Q3. Clad in a mottled gray pant suit, the opera director makes her way forward across the exhibition stand, along the path which is set up as a short journey through time: from the present into the future from technologies like Audi connect and Audi ultra that are synonymous with digital networking and lightweight automobile construction, all the way to the Audi e-tron, the future models for electric mobility. And the A2 concept, a study that combines these innovative technologies to provide a glimpse of the mobility of tomorrow.

Inside the Audi Ring: bringing the car to life - the successful presentation of a brand.

The artist is familiar with visions, and is especially well versed with big productions: "Showcasing cars, particularly in ways such as this, is in keeping with the times. When I look around, I'm impressed!" She is referring to the light PHOTOS | OLIVER SOULAS/LAIF

show, the cars on the revolving stage. Wagner is even more delighted by the large LED wall in the hallway: "Threedimensionality on such a huge scale! Although it actually isn't 3D at all. I know from my experience in the theater how hard it is to create something like this."

Act Two

A brief dialog:

Ms. Wagner, when it comes to cars are you an epicurean or a rationalist?

"Both. A car naturally has to have aesthetic appeal for me. When I do buy a car, however, I also purchase the best safety package available. Audi offers terrific features here, such as the lane assist function."

And what about fuel consumption?

"I drive a diesel because I spend a lot of time on the road."

What equipment is most important to you – the sound system?

"Yes, that is very important to me. But I need a Bluetooth connection to my smartphone as well."

Because you have saved all your favorite operas on it?

"I prefer audio books when driving. Music is often highly emotional. You want to let yourself get caught up in it, but that distracts me too much from what's happening on the road." Speaking of driving – the test drive in the Audi Ring awaits.

Act Three

The director is still standing in the hall, watching the various Audi models drive in circles, almost like satellites. The track forms the artery of the Audi Ring, so to speak. It extends across two levels and is 400 meters long in total. Nine vehicles lap the circuit in a meticulously choreographed plan. The walls have several elongated openings both inside and out, offering frequent glimpses of the cars as they speed past. Not only is the sight impressive, it makes viewers want to get behind the wheel themselves. The festival director passes through a white door and heads to the starting line. Above the track, a clock is counting down the seconds. The next question therefore has to be asked quickly: When is a production perfect in your eyes? "When it triggers something inside people. When they

don't simply consume what they are being offered and then immediately return to life as usual."

Ten seconds, nine, eight ... then she races off smiling in an R8 e-tron in Suzuka Gray.

Epilogue

The car disappears with Wagner into the dark tunnel, the tail lights turning into red dots in the distance – it would be a perfect closing scene. But it is not the end. The highlight is still to come. The R8 e-tron with Katharina Wagner drives right onto the stage. She has a delighted look on her face as she looks out of the electric sports car at the exhibition audience. "An unforgettable experience. The visitor becomes a part of the production here." As an expert in the field, she is now interested in taking a look behind the scenes. In this case, that is the area between the outer skin and the interior, where all the equipment needed for making a show like this run smoothly is concealed. "It looks just like our backstage area," says the festival director. For her, the Audi Ring at the IAA is a successful premiere.



Sheer delight: Experience how the Audi Ring at the IAA fascinates visitors.







Mr. and Mrs. Schertling find out more about the Audi connect services in their new A7 Sportback.

Audi connectConnected with
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Be it Internet access via WLAN hotspot, 360-degree images from Google Street View or online news, Audi connect ensures that customers are out in front on the data highway. Mr. and Mrs. Schertling experienced this firsthand when they took delivery of their new vehicle at the Audi Forum Neckarsulm.

Text | Arne Gottmann and Wolfgang Koser



Audi Forum Neckarsulm Experiences await

The Audi Forum Neckarsulm has welcomed over a million visitors since it opened in 2005. The Audi brand comes to life here across 10,000 square meters. In addition to picking up their new vehicles, customers can choose one of many discovery tours which offer fascinating insights into modern automotive manufacturing. Exhibitions on the Company's history portray key aspects of more than a century of automobiles. Enjoying some outstanding cuisine at the Nuvolari restaurant rounds out the experience. And the Audi Forum is also a popular venue for concerts and other events.

The Audi brand comes to life at the Audi Forum Neckarsulm. Social networking or searching for points of interest is no problem at all – thanks to Audi connect (photos on left).

Audi connect Networked mobility

Audi connect integrates all applications which connect an Audi to its owner, the Internet, the infrastructure and other vehicles. The system supplies online traffic information, navigation currently via Google Earth images and Google Street View, WLAN hotspot and a voice-activated search for points of interest. And things will get better still: Audi successfully tested Long Term Evolution (LTE) - the new mobile communications standard with data rates up to six times faster – in conjunction with Deutsche Telekom.

At the Consumer Electronics Show (CES) 2012, Audi presented still more innovations. These include the modular infotainment platform (MIB) with which, thanks to processors from NVIDIA, the brand can display three-dimensional graphics of the vehicle inside the car – the first manufacturer to do so. The MIB, which will be used for the first time in the new A3, offers numerous infotainment functions. It is operated by voice control and using the MMI terminal. The central component of the MMI terminal is a touchwheel, which combines the functions of a touchpad and a rotary pushbutton.

The head-up display with gesture control, on which digital travel guides, news and video calls can be projected, was also presented. The full video function is available to the front passenger, whereas for safety reasons the driver is only shown static images and simple animations.



homas Schertling was excited when he first saw photos of the Audi A7 Sportback – and he soon visited a dealership. "Everything just clicked," he says. And soon after this he ordered his dream car – with virtually every available option. The S line exterior package for a sporty touch, luxurious comfort seats and a head-up display for safety – there is no doubt that Thomas Schertling knows exactly what he wants. He made some comparisons, did his research, and ultimately chose an Audi A7 Sportback 3.0 TDI quattro in Daytona Gray, pearl effect.

Helga, his wife, accompanies him to the Audi Forum Neckarsulm to pick up their new car. They are both visibly impressed by the beautiful silhouette of their new vehicle. They first admire the exterior, and then the interior. The Schertlings are joined by Audi employee Benjamin Schäfer, who explains the functions of their new car to them.

Mr. Schertling's fascination is evident as soon as Mr. Schäfer prompts an eight-inch TFT monitor to emerge elegantly from the cockpit and the A7 Sportback connects to the Internet. After all, he finds Audi connect services especially exciting. This is his first vehicle which features Internet access.

Mr. Schertling upgraded to the optional MMI navigation plus infotainment system and the Bluetooth online car phone so that he can use Audi connect. He did so with good reason: As an organizational director at a Stuttgart insurance company, he states: "Being online is a must in my line of work, which means it is an advantage to own a car with Internet connection." Especially in light of how much time Mr. Schertling spends behind the wheel. He averages 40,000 kilometers every year.

Mr. Schertling wastes no time intently clicking his way through the MMI menu. His wife, who prefers reading books to going online, is increasingly intrigued. "I've never seen such detailed navigation maps in a vehicle," she says, when route guidance - with crystal-clear Google Earth images appears on the screen. Her husband is impressed by yet more features. Audi online traffic information, for instance, which Audi connect makes possible. By means of online checks every three minutes, this system monitors traffic flows and adjusts the route accordingly. But that is not all that distinguishes Audi online traffic information from conventional navigation technologies. It not only includes freeways and primary roadways, but also monitors traffic flows on secondary roads and city streets, too - it even detects roadwork sites. The fastest route is therefore always displayed. "Wonderful! That will save me a lot of time," says frequent driver Mr. Schertling with delight.

He is also thrilled while operating the MMI – especially the touchpad in the center console. With his finger, he enters some letters one by one via touchpad – with the system quietly announcing each letter. "It's amazing how it recognizes my handwriting. I can enter letters far faster than when I had to use a controller. It's so intuitive that I could even write without looking," he adds.

"But you don't have to!" comments his wife, who has learned from Benjamin Schäfer how to operate the voiceactivated online search for points of interest. She wants to try it out right away. Mrs. Schertling states that her next destination is a hotel in Elmau, Germany. The results of the Google-based search amaze both her and her husband. Photos of the hotel, its address, and guests' rankings are complemented by a weather forecast. And if they wish, they can tell the computer to call the hotel's phone number. One word is all it takes. Just two more words – "Calculate route" – suffice for Audi connect to guide the driver to their destination. Upon request, the system will also search for certain points of interest – such as attractions at the destination. "It's a personal, on-board travel guide," says a pleased Mr. Schertling.

Audi connect also enhances safety. Thanks to networked driver assistance systems such as adaptive light, an automatic speed limit display and adaptive cruise control, the Schertlings can now be more at ease on the road. At the same time, they will always be up to date thanks to the latest online news – something Mr. Schertling appreciates. "News at the touch of a button, fantastic!" He is also fond of the WLAN hotspot. It is easy to set up wireless connectivity for his smartphone and his iPad; Mr. Schertling beams with joy as he surfs the Web. "This is as fast as my office connection."



"A unique experience: on-board Internet. It's exciting and fun." Helga (45) and Thomas (49) Schertling

Thomas Schertling is not merely convinced by the benefits of Audi connect, he is delighted: "This system isn't just nice to have; it makes it easier and faster to do just about anything. And it's fun! Going online in a car – who'd have thought it?"

Now at the very latest, everything has double clicked for him – without a PC or mouse. Connected with the whole world – and Audi makes it happen. If it were not for the "Vorsprung durch Technik" that Audi offers, Mr. Schertling might have opted for a different brand. "Granted, Audi connect is only one detail and not the sole purchasing criterion. But now that I have experienced it personally, I can't really imagine owning a vehicle without an electronic gateway to the world," says this marathoner who enjoys crossing the finish line first. He starts up the engine and rolls out of the Audi Forum Neckarsulm. On the way home. But this time they will traverse two routes simultaneously: the A 81 autobahn and the digital data highway.



Fully networked: from news services to travel information and WLAN hotspot. Experience these and other possibilities of Audi connect in the video.

Talking shop: Michael Dick, Member of the Board of Management for Technical Development at AUDI AG (center), talks with leading developers while standing beside the R8 e-tron in the Audi Pre-Series Center in Ingolstadt.

50

657

Fuel consumption and emission figures at the end of the Annual Report

2

Technical Development

Where Audi develops its technological lead

How do you develop the future? There is no secret formula for this at AUDI AG, either. The "Vorsprung durch Technik" that the brand has represented for more than 40 years must be worked for day after day.

Text | Thomas Ammann

hen Michael Dick, Member of the Board of Management for Technical Development at AUDI AG, meets with his closest colleagues, the subject is almost always the cars of tomorrow. After all, the job of the developers is to focus firmly on the next model generations while never losing sight of great visions. "I have been in the automotive industry for more than 30 years," says Michael Dick, "and it has never been as exciting, never as challenging as it is right now."

What will we be driving in 2015 and beyond? What will the automobile of the future look like? These are the questions considered by the group gathered around AUDI AG Board Member Michael Dick in Ingolstadt: Peter Fromm, Head of Superstructure Development; Dr. Horst Glaser, Head of Chassis Development; Josef Habla, Head of the Pre-Series Center; Heinz Hollerweger, Head of Total Vehicle Development; Ricky Hudi, Head of Electrics/Electronics Development; Franciscus van Meel, Head of Electric Mobility Strategy at Audi; and Markus Auerbach, Concept Vehicle Exterior Design.

What will we be driving in 2015 and beyond? What will the car of the future look like?

At the meeting that is beginning in the presentation hall of the Audi Pre-Series Center (VSC), the Audi developers will be discussing new ideas of mobility to address the major challenges of rising energy prices, finite resources and the need to reduce fuel consumption and emissions. Added to this are global megatrends such as urbanization - the creation of increasingly large metropolises and the breakneck pace of the digitization of society. Michael Dick and the leading developers have defined specific task areas in order to keep the promise of "Vorsprung durch Technik" in the future. Besides the typical Audi design, these include lightweight construction, networking and the electrification of the drivetrain. These technologies – ultra, connect and e-tron - for which the Company is known today will continue to be among the brand's core competences in the future. "Development processes are becoming more complex," explains Michael Dick. "We have to prepare today for the issues of tomorrow."



Michael Dick, Member of the Board of Management for Technical Development at AUDI AG (4th from left), talks with leading developers in the presentation hall of the Audi Pre-Series Center (VSC) in Ingolstadt: Josef Habla, Markus Auerbach, Peter Fromm, Heinz Hollerweger, Ricky Hudi, Franciscus van Meel and Dr. Horst Glaser (from left).

Technical Development in Ingolstadt is hard at work on the next generations of vehicles. The VSC, for example, supports the entire development process of a new model, from design to construction of the prototype and the pre-series phase to the start of series production. This support applies not just to the product itself, but also to the materials and technologies used as well as the work processes that are required later for series production of the vehicles. "The shortened communications paths enable the optimal networking of all departments involved in vehicle construction," explains Josef Habla. Roughly 850 employees work in the high-tech Ingolstadt facility, which was opened in 2008. They are all highly motivated, because they have the opportunity to be involved in all the latest developments and to take a peek into the future.

The VSC helps the Audi engineers to break new ground in many cases. Even complex development processes can be managed more effectively. For instance, the experience gleaned from the A1 e-tron fleet trial launched in 2011 can flow directly into further development. "Such parallel developments would no longer even be possible with a classic test workshop," says Heinz Hollerweger.

In the future, the technologies will be even more intermeshed than is the case today.

It is becoming increasingly important to fine-tune the individual vehicle components to one another at the start of the development process. That's because the technologies will be more intermeshed in the future than is the case today. Electrification of the drivetrain, for example, presents new challenges for the body structure that must be considered in the design and the selection of materials. The Audi brand has long had a core competence in this regard that plays a decisive role for the car of the future: lightweight construction. Since 1994, the Company has produced around 700,000 vehicles with the Audi Space



Electric mobility in a captivating design: The Audi R8 e-tron will take to the streets as a limited series in late 2012.

Optimal networking Audi Pre-Series Center (VSC)

Around 1,800 people worldwide work in the Audi Group's pre-series center workshops and offices, including some 850 employees in Ingolstadt. The 32,500 square meter, five-story facility is dedicated to optimizing the quality and efficiency of the development processes for new automobiles and technologies. This unique organizational form enables products and processes to be verified earlier than ever before. In the "Cave," for example, the feasibility of prototypes can be verified as early as the initial concept phase of a product using virtual reality techniques. The design status of the automobile develops in parallel with prototype construction. With virtual reality, the construction of the automobile can be systematically simulated long before the first vehicle is built. This allows problems to be identified and resolved early on. and production workflows to be designed even more efficiently.

Frame (ASF) - both all-aluminum and hybrid aluminum structures - and demonstrated its expertise in largescale lightweight construction in the process. In the current model lineup, the A8 luxury sedan and the R8 highperformance sports car represent the ASF principle in its purest form. The body of the TT compact sports car is a hybrid aluminum and steel construction, and the bodies of the A7 Sportback and the new A6 include a large proportion of aluminum in addition to steel. The Audi engineers are convinced that the new Audi Space Frame of multimaterial construction. in which components of aluminum, steel and carbon fiber-reinforced polymers are joined together, is the right approach for the future of volume vehicle production. At Audi, lightweight construction does not mean concentrating on one material, but rather working intelligently and flexibly with a variety of materials. "The aim is to use the smallest amount of material possible in the ideal place to achieve the best performance," explains Peter Fromm, "in a way that is suitable for volume production."

Audi pools the know-how required to do this under the term "ultra." The intent is to make the vehicles more agile while reducing fuel consumption and, in the case of electric mobility, offsetting the weight disadvantage



due to the relatively heavy batteries. This requires the development and testing of new materials, new joining technologies and new production methods for series production. "That is the prerequisite for generating efficiency and dynamics in the same vehicle," says Heinz Hollerweger. "The innovations should help us to continue reversing the weight spiral."

Many Audi model families already offer Internet connectivity as an option.

This is a challenging goal – and work on "Vorsprung durch Technik" continues in other areas, too. The brand's technologies for connecting its cars with the owner, the Internet, the infrastructure and other vehicles go by the name Audi connect. Smartphones and tablet computers have made the digital world a constant companion of today's customers. The car must not be the weak link in the chain of communication. "The last decade was characterized by networking the various systems in the car," says Ricky Hudi. "This decade, the car will be networked seamlessly with its



The A2 concept presented at the International Motor Show (IAA) in 2011 embodies the link between the Audi fields of the future – ultra, connect and e-tron.

surroundings and the environment." Many Audi model families, beginning with the compact A1, already offer Internet connectivity as an option. Passengers in the rear seats can go online with their smartphones and other mobile devices using an integrated WLAN hotspot. The fast data connection also delivers specially prepared news and information for the driver to the vehicle. The key requirement here is that this information should make driving more economical and convenient, relieving the driver of additional burdens.

Behind all of these innovations is the vision of tomorrow's driving. The Audi developers are convinced that electric mobility will be one of its pillars. The first all-electric Audi,

"With our unmistakable design, ultra, connect and e-tron, we have strong fields for the future that will shape our brand."

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

A peek at the future (left): testing a prototype of the Audi connect system at the Pre-Series Center in Ingolstadt.

scheduled to take to the streets in late 2012, will be the limitedproduction R8 e-tron sports car.

The first technology platforms have already been built based on the series production of the successful Audi R8 mid-engine sports car. "With the R8 e-tron, we are showing the emotional appeal that electric mobility can have. Every system in this car has been tuned for performance and range," says Franciscus van Meel. Systematic lightweight construction is also one of the most important prerequisites for this in the case of the R8 e-tron. The body is aluminum; thanks to Audi Space Frame (ASF) technology, it weighs barely more than 200 kg. The lightweight body is an important reason why the R8 e-tron weighs just 1,600 kg. "We will also be taking driving dynamics to new heights with the R8 e-tron," says Dr. Horst Glaser.

The broad approach that Audi is also pursuing with the R8 e-tron covers all practical aspects of electrified driving. It extends from charging via thermal and energy management of the battery and mechanical units to the operating strategy, including the areas of torque vectoring, brakes and energy recovery. "The R8 e-tron is a very important project for Audi," explains Franciscus van Meel, "because the competence and experience we gain from it will flow into the volume production of electric automobiles."

The A2 concept presented at the International Motor Show (IAA) in Frankfurt in September 2011 embodies the link between the Audi fields of the future – ultra, connect and e-tron - in fascinating style. Audi is offering a peek at electrified driving in the megacities of the future with the all-electric vehicle. That starts with the design of the 3.80 meter show car. One look is all it takes to recognize that the A2 concept is an Audi, and not just because of the single-frame grille that typifies the brand. It has a typically Audi road stance – elegant, powerful and dynamic. "An Audi has to delight people," says Markus Auerbach, who is responsible for the exterior of concept vehicles, "and the show car radiates dynamics, speed and motion even while standing still."

The future of mobility will be characterized by a variety of technologies existing side by side.

The clear design language continues with the matrix beam LED headlights. An entire bundle of small lightemitting diodes arranged one above the other produces the low beam and high beam light. Microreflectors enable the precise positioning of the light. The LEDs can be switched on and off independently to illuminate the road in virtually any situation. Additional mini-LEDs are used for the daytime running lights.

Another highlight of the concept car is by-wire technology better known from aviation, with which the steering, transmission and brakes operate purely electrically. These new technologies will open up entirely new dimensions of driving dynamics and safety in the future. The A2 concept weighs less than 1,150 kg, despite having an energy storage system that is inherently relatively heavy – the batteries. The low weight is due primarily to its body, which features the most advanced state of Audi's lightweight construction. The show car combines the Audi Space Frame (ASF) with multimaterial construction, in which a wide range of different materials are joined with one another.

The Audi of the future will also be an emotional and impressive product.

The responsible developers at Audi are certain that the future of mobility will be diverse. It will be characterized for many years by a blend of different technologies and energy sources. Audi customers will be able to choose from a wide range of drive technologies. Highefficiency combustion engines and hybrid drives will also have a great future in the broad-based concept. The development spectrum at Audi reflects the full extent of the new technologies. As Heinz Hollerweger explains, "What it ultimately comes down to is offering the best solution for each market and for each customer." The Audi developers' objective is to reduce total emissions over the entire lifecycle of the vehicle, including production, use and recycling.

With their ideas and innovations, the Audi engineers of today are establishing the foundation for the mobility of tomorrow. Michael Dick closed the meeting by telling the leading developers, "With our unmistakable design, ultra, connect and e-tron, we have strong fields for the future that will shape our brand and enable us to create an emotional and impressive product: the Audi of the future." And to further reinforce the brand's "Vorsprung durch Technik."



Inventive spirit: Audi has been delighting customers with "Vorsprung durch Technik" for more than 40 years. "The carbon makes the skis stiffer and gives them more spring. This lets you ski a tighter radius."

Hermann Maier

Audi Carbon Ski

The Audi for the

When the creator of quattro drive designs a ski, the standards are high: It should perform at a highly competitive level and yet be safe. Skiing legend Hermann Maier tested the new Audi Carbon Ski.

Text | Rainer Thide

lack helmet, black ski suit and black skis – the "Herminator" is ready for his first downhill run. Austria's skiing star Hermann Maier was given this honorary nickname after his spectacular crash in the Olympic downhill in 1998 in Nagano, Japan. At a speed of over 100 kilometers per hour, he flew off a bump and hurtled horizontally through the air for 40 meters, hitting the safety netting at full force. The sight made spectators gasp. When Maier returned just three days later to win two Olympic gold medals in the Super-G and Giant Slalom, he became a skiing legend. Now he is standing at the top of a steep slope in the midst of the glacier region of Sölden in Austria. I am eager to know: What will the exceptional skier say about the mysterious black skis mounted to his boots? This ski is what is known in the automotive industry as a test mule: the production version of the first ski designed by Audi being tested in secrecy.

The idea was born at a Christmas party in 2008. Blasius Gerg, whose company builds products that include the carbon fiber monocoques for Audi race cars, Max-Herbert Wagner, who is responsible for CFRP tooling and tool concepts at Audi, and Wolfgang Egger, Head of Design for the Audi Group, discussed a passion they shared: skiing. "We are sponsors of the FIS Ski World Cup, we created quattro, and in our advertising an Audi A6 drives up to the top of a ski jump," reflected Wolfgang Egger, "but we don't have a ski!" And he added: "If we design a ski, then it must be exceptional - in terms of looks, carbon processing and of course the high performance properties."

The first prototype was indeed special: a full carbon ski made of super stiff T800 carbon fiber, a material that is also molded into Audi motorsport monocoques. Thanks to Audi's competence in lightweight construction, it weighed just 960 grams, which is around half the weight of normal production skis. "Because of the ski's tremendous stiffness, you barely notice vibrations in the ski tips that are usual in other skis," reports Wolfgang Egger about initial tests on snow. "It felt as though I was simply skiing on ski boots and gliding over the ski slope – which is a fantastic feeling."

The prototype that was originally designed for ski racing became a technology platform. "It was not considered feasible for production, because its performance properties were too radical, and its manufacturing costs were too high," is how Mark Shipard, the lead designer, summed it up. However, a production model was then developed on the basis of this prototype in collaboration with the ski manufacturer Head. This time it was based on a highly modified yet conventional wooden ski core, around which a full carbon shell was heat-cured. This shell consisted of somewhat more flexible T700 carbon fibers. The resulting ski was still an impressive 200 grams lighter than a comparable production ski,



Hermann Maier "If I win gold now, I'm immortal."

That is what Hermann Maier was thinking after his horrifying crash in the Olympic downhill race at Nagano in 1998. He then proceeded to win two gold medals and is considered one of the most successful ski racers ever. Hermann Maier – born in 1972 and hailing from Flachau, Austria – won ten World Cup titles in individual disciplines and four overall World Cup titles, is two-time Olympic champion and three-time world champion. Since retiring from racing in 2009, Maier has been in demand as a consultant and speaker talking about such experiences as crossing Antarctica in the "Race to the South Pole" in December 2010, as team director of the successful Austrian team.

yet it had much greater torsional strength. In early 2011, at the famous Hahnenkamm downhill race in Kitzbühel, Austria, this model was introduced to its new target group: serious recreational skiers. "The response was overwhelming," recalls Torsten Slawinski, project manager for the Audi Carbon Ski: "Everyone was after our 30 prototypes."

But what will the "Herminator" say about the production ski? As though skiing on rails, Hermann Maier - skiing on a pair of short 170 centimeter race carvers - cuts fast, long curves on the slope, then a series of short arcs with radically tight turns. All of the turns are cut cleanly in the snow with the edges, without even a hint of side slip. It was impressive to see how extremely Hermann Maier leans into each turn so deep that his ski glove on the inside of the curve brushes the snow while turning. He grimaces - in an expression of maximum concentration and power. Maier always gives 100 percent; he cannot do otherwise.

But even for someone like Maier, this extreme lean on turns will only succeed if the ski can hold its edge at the crucial moment and not slip sideways, even under strong pressure. "Especially when you ski with power, it is better if the ski is stiffer and does not twist much," Hermann Maier explains to me as we share a lift ride together. "And that is very apparent," continues the former top ski racer, "because the carbon shell gives the ski added spring." "Is it the right ski for normal skiers?" I want to know. "Absolutely," replies the skiing star. "On a groomed slope, it's really easy to ski with." As a final check before the next descent, Maier examines the ski bottoms and edges, and strokes the fine finish of the ski surface approvingly.

It was actually the ski's visual appearance that took the most time in the final project phase. "First, we tried normal paint," says carbon fiber specialist Max-Herbert Wagner, "but it was completely scratched after just a few ski runs." Then, a special paint was



Carbon fiber specialist Max-Herbert Wagner (left) and Wolfgang Egger, Head of Design for the Audi Group, fused high-tech materials and a progressive design language in the Audi Carbon Ski.

developed which protects the valuable carbon and resists scratching, yet lets the fiber structure of the material shimmer through. When the ski is turned in the light, the carbon fibers inside the ski are exceptionally vivid in appearance - almost 3D. At the tip, where Audi rings made of aluminum are precisely inserted as inlays, the ski has a sophisticated carbon look in combination with the lightweight metal. This successful detail too reveals that design chief Wolfgang Egger is already contemplating many more projects for Audi Design: The Audi Carbon Ski is just the beginning.

"Did all the effort of the designers pay off?" That is what I wanted to know after my day of skiing with the former overall World Cup champion and ski world champion. "The ski's running characteristics are impressive. The skier really notices the high torsional rigidity produced by the carbon," describes Hermann Maier. "It makes the skis livelier, more agile and gives them better tracking stability. They are really fantastic on well-groomed slopes because the skis are very forgiving." And then a broad grin fills his face: "You feel like a world champion on them."



Full power: Join Hermann Maier – the "Herminator" – on his test run with the new Audi Carbon Ski. The four aluminum rings adorn the tips of the Audi Carbon Ski.

60_Innovation

Driving through picturesque landscapes: The Q3 eases its way along a track through rice terraces.

Audi Q3 Trans China Tour 2011

the Middle Kingdom

Whether on dirt roads and gravel tracks or the world's longest sea bridge – the Audi Q3 Trans China Tour 2011 took international journalists on a journey through China, a land of contrasts.

CHANGCHUN 🔴

SHANGHAI

JINAN QINGDAO

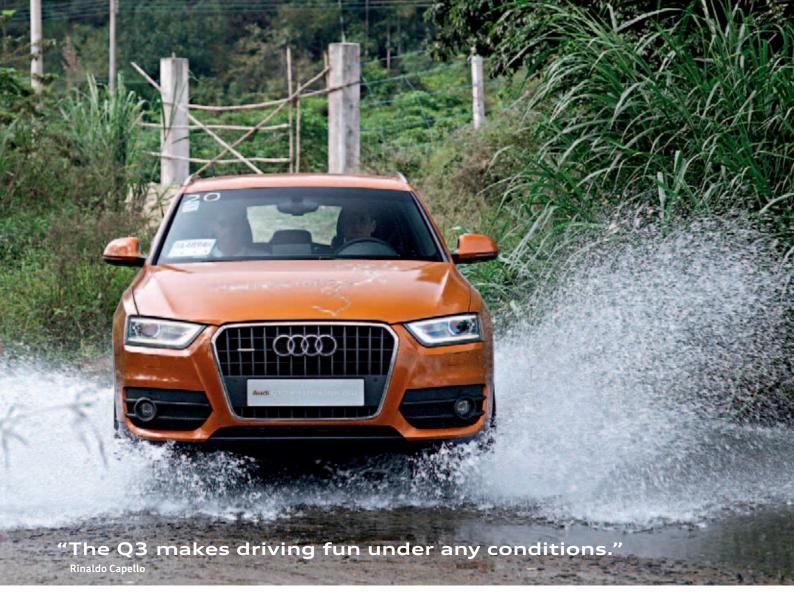
CHINA

With a population of 1.34 billion, China is home to more people than any other country on Earth. Over 90 percent of these live in the eastern half of the country. The Audi Q3 Trans China Tour 2011 began in the capital, Beijing, and made its way some 5,700 kilometers southward. The final destination was the city of Shenzhen, near Hong Kong. In China, Audi manufactures its vehicles in Changchun in the northeast, and will also begin production operations in Foshan, which is located in the south of the country, in 2013.



NANJING

BEIJING



he lion dances. It shakes its body to the beat of the drums, rises up on its hind legs and jumps nimbly over a line-up of tall posts. Then, opening its mouth, it stares wide-eyed into the crowd. Whoever catches its gaze can consider themselves lucky, because in China the lion is a traditional symbol of power and dignity.

On this day, the lion gazes at everyone. That's because the young acrobats beneath the colorful costume are curious to know who they have in front of them. This morning, 20 SUVs in Samoa Orange are parked in front of the Wong Fei Hung school of kung fu, where the acrobats are learning China's oldest martial art. The Audi Q3 Trans China Tour 2011 is making a stop in the southern Chinese city of Foshan.

It is the 12th day of a tour that knows no equal. The Q3 fleet is traveling some 5,700 kilometers through China. On board are car journalists from all over the world. Together, they will explore the intricacies of the country that for years has been the most important growth market in the automotive industry. The breathtaking statistics are well-known, but "seeing one time is better than hearing a hundred times," as one Chinese proverb goes. And what better way to do so than actually getting behind the wheel? After all, experience is only gained by driving.

For the drivers, it is not only the country that is an experience, but also the traffic.

The tour – organized as four oneweek stages with four legs each and a visit to the Audi plant in Changchun in northeastern China – is a journey through a country full of dynamism and contrasts. The tour officially began on October 16, 2011, in the capital, Beijing. From there, the first stage covered over 2,078 kilometers to Shanghai, through the port city of Qingdao, in which remnants of its German colonial heritage can still be seen today, and the former capital, Nanjing. From the economic metropolis of Shanghai, the second stage covered 1,925 kilometers to Shenzhen, near Hong Kong. On the way, tour participants passed through Hangzhou, called "Heaven on Earth" by the Chinese, and Xiamen, which looks and feels like a city on the Mediterranean. The third stage began in the former British Crown colony 835 kilometers away, passed through the industrial region of the Pearl River Delta, and continued on to China's famous natural wonder, the karst mountains of Guilin. From there, the fourth stage took participants past the future production site of Foshan back to Shenzen.

For the drivers, it is not only the country that is an experience, but also the traffic. Of course, there are traffic regulations in force in China, but not everyone pays attention to them. At night, many cars drive with

no headlights, pedestrians can be seen crossing the highway and trucks are notorious for driving along the emergency lane on the wrong side of the road. "It really is very different from Europe," says racing driver Rinaldo Capello, three-time winner of Le Mans, Audi factory driver and participant in the third stage of the Audi Q3 Trans China Tour 2011. "It's not as orderly as on the road in Germany; it's more like Naples in my native Italy, or the racetrack in Le Mans, where cars are driving all over the place and trying to pass each other." The Q3 must be able to handle any type of road surface, as the tour follows field tracks, gravel roads and interurban roads full of potholes, but also state-of-the-art highways - and the world's longest sea bridge, the 42.5-kilometer Qingdao-Haiwan bridge, which opened just weeks before the tour began.

Without a doubt, the tour is a journey through centuries of transportation history. On the interurban roads, you come across farmers bringing fresh hay home on wooden carts. Water buffaloes can be seen pulling plows across the rice fields. Traders make their way to the village market on donkey-drawn wagons. Bicycles are everywhere to be seen, mostly old pedal bikes in the country, but more and more modern electric bikes and mopeds in the cities. Many things can be transported on two wheels: Families of four crowd onto a single seat, stowing shopping carts, chicken cages and even pork sides on the luggage rack. Although it's cheap,

Even today, outdated Chinese-built commercial trucks are a common sight on the road.

it's not comfortable or safe. Thus it is the dream of many Chinese people to own a car. Shortly after the People's Republic was founded in 1949, Mao Zedong built factories with Soviet help, primarily to make cars, and also trucks. Even today, outdated commercial trucks are a common sight on China's interurban roads, but the trend is clearly heading toward modernization. In this respect, private Chinese customers have long since arrived and are now ahead of the curve, rather than trailing behind. For years, Audi has been the undisputed market leader in the Chinese premium segment.

"The Audi brand owes its standing largely to the fact that we have been closely studying the way our customers think and what they want for many years," explains Intakhab Khan. The Indian native is a development engineer at the Audi Infotainment Tec Center (ITC) in China and is responsible for adapting and improving the Audi Multi Media Interface (MMI) for the Chinese market. It is therefore now possible to connect a number of different Chinese cell phones to the vehicle power supply, in addition to televisions that support the Chinese standard for mobile video transmission. "China is now setting its own standards, and is thus on a level with Europe, North America and Japan," says Khan. "In terms of technology, the People's Republic is developing at a rapid pace; for us, this means we must develop along with it, in order to give our customers all the options they want to have."

Without all these new developments, the Q3 drivers would almost certainly encounter some difficulties along their



Characters are entered on a touchpad – almost as if with a paint brush.

"We study the way our customers think and what they want."

Intakhab Khan, development engineer at Audi







Although the lion is not native to the People's Republic, it has been a symbol of power and dignity to the Chinese for over 2,000 years. It is an integral part of any traditional dance.

^{China} Biggest single market

For over two decades, the Audi brand has been the market leader in the Chinese premium segment. In 2011, a total of 313,036 vehicles with the four rings were sold in China (including Hong Kong), an increase of 37.3 percent over the previous year. Most of the vehicles sold in China leave the assembly line in Changchun, in the northeast of the country, where the A6L, A4L and Q5 are all built. The Q3 is also scheduled to be produced there in the future. Starting in 2013, a second production facility will be added in the southern Chinese city of Foshan. The Audi dealer network covers over one hundred Chinese cities. It's no wonder that the People's Republic has become the largest single market for the Ingolstadt-based carmaker.

journey across China. The Audi navigation system guides them with a precision that would amaze European and American eyes. The traffic recognition on the Chinese maps is so precise that you can not only follow the twists and turns of the road as you are driving along, but you can also see exactly which lane you are in. Before a turn-off, the system tells the driver early on which lane to move into, allowing him to reach his destination straight away even in the most confusing

Audi seeks to understand which trends of the future will spread from China to the rest of the world.

tangle of roads in an unfamiliar city. "The system also speaks Chinese, of course," says Khan. It recognizes 29,000 Chinese characters, which can be entered on a touchpad.

This development also benefits other Asian markets, such as the Japanese or Korean market, where the touchpad now recognizes the respective writing system. At the same time, Audi is always seeking to understand which trends of the future will spread from China to the rest of the world. After all, with regard to design in particular Audi is interested in developments in other cultures and countries. As one of the world's most dynamic societies, China provides important stimuli in this respect, which will affect product and design philosophy all over the world.

Racing driver Capello gained his very own impressions during the tour: "The Chinese are fascinated by cars, and a car like the Q3 makes driving fun under any conditions you might find in China," says the Italian native. It's already dark this evening as he arrives in the southern Chinese metropolis of Guangzhou. During rush hour, he sees the brake lights of the other Q3 cars ahead of him, distinctive red triangles. "Whoever designed these LED lights was a genius," says Capello. "They make every Audi immediately recognizable in night-time traffic. And they're just a beautiful sight." The driver in front brakes again, and the red triangle lights up. You could almost think it's a lion, gazing at you. 🔸



The fascination of China: Experience the Audi Q3 on its journey through the Middle Kingdom.



"We cater to the wishes of our Asian customers."



Ulf Berkenhagen Purchasing

Mr. Berkenhagen, is Asia gaining importance as an area to do business in?

Yes, and this development follows the logic of our growth. China has now become our largest sales market, and demand from Asian customers shows no sign of abating. The automotive industry in Asia is becoming ever more important. Special technologies and branches of industry have purposefully established themselves in this area, forming the basis for building an extensive supplier structure. In order to meet the supply needs linked to the increase in local automobile production, we are going to need more capable suppliers locally.

And that will definitely not happen overnight ...

Just as we cater to the wishes of our Asian customers with our products, we must also adapt to the Asian business culture when dealing with suppliers. Building a fruitful partnership with Chinese suppliers requires trust and mutual understanding, as well as common objectives.

Is price the most important criterion for awarding a contract?

Our Audi quality standard is the most important prerequisite. Adherence to turnaround times and a high level of development expertise come next on the list. Of course, all of this must be possible at a competitive price.

Exchange of views

Shaping the future

Rupert Stadler, Chairman of the Board of Management of AUDI AG, talks to American researcher and writer Professor Laurence C. Smith about challenges in the future.

Editor | Dr. Hajo Schumacher

Rupert Stadler: I sometimes need to make predictions about the future, but jumping ahead two whole generations and describing "The World in 2050" sounds really exciting to me.

Prof. Laurence C. Smith: Writing this book was the most exciting time of my life. As a climatologist, I am constantly asking myself how global warming will affect mankind and the ecosystem. I took almost two full years to travel around the world, because I wanted to see with my own eyes how scientists, politicians, businessmen and citizens view the future. Following this research journey, a lot of things have become clearer to me regarding the future of our planet. What I'd like to know myself is: How does it feel to be running a company in an industry that is going through a process of change?

"Our engineers are working relentlessly on innovations enabling more sustainability." Rupert Stadler

Stadler: First and foremost, I feel personally responsible for just under 64,000 staff. I was born in the area. Audi has always been a part of my life, and it has always deeply fascinated me. I take pride in contributing my share every day.

Prof. Smith: We've just reached the figure of seven billion people on Earth. For a major carmaker, strong

population growth is a two-edged sword: plenty of customers on the one hand, increasing problems with resources, the environment and congestion on the other.

Stadler: In the short term, what matters is raising powertrain efficiency. In the medium term, it will be securing individual mobility with a broad spectrum of propulsion options, and long-term, we will need to do without crude oil as a source of energy. Customer needs, too, will become much more diverse in the future. This is why we are evolving from a carmaker into a supplier of mobility. This includes new mobility services and the question of whether some customers will soon be looking for concepts that are no longer tied to buying a car.

Prof. Smith: What might these concepts look like?

Stadler: Perhaps one day the customer will be able to book different vehicles for different needs for a flat fee. We will leave well-trodden paths behind. Prof. Smith: Do you see any country in the world that is making strong headway in developing its transportation system? Stadler: There are a number of emerging-market countries that are much faster than we are in executing infrastructure projects. This creates an advantage for them in global competition. In these countries, mobility is seen as something thoroughly positive, because people



Rupert Stadler explains the operating system of the future to Professor Laurence C. Smith in the A2 concept.

"More cars, better mileage, higher speeds, fewer emissions – this may sound contradictory, but it isn't." Professor Laurence C. Smith



realize it is what their prosperity and innovation capability depend on, enabling them to become more independent. This is a healthy hunger for progress, which I would like to see more of in Germany, as there was in the past.

Prof. Smith: In researching my book, I found that the future holds enormous opportunity for carmakers. Demand is about to rise significantly. However, this could also create serious damage. How does Audi propose to navigate between these two poles? Stadler: Technology is the key. Our engineers are working relentlessly on innovations enabling more sustainability. We aspire to be the best partner for tomorrow's society. The last word, of course, will be the customer's. By the way, may I ask what kind of car you drive? Prof. Smith: My all-time favorite was an Audi TT built in the year 2000. We now drive an SUV because we have a weekend home in the woods. But I promise you: my next car will be electric. Stadler: Purely so?

Prof. Smith: Yes. I don't find a hybrid convincing – two half cars don't necessarily make one good new one. Stadler: Electric propulsion will bring on the next quantum leap, especially in battery technology. A range of 150 kilometers is simply not enough. We are aiming to double battery performance by the year 2020. Between now and then, we will be using hybrids as an interim solution. Prof. Smith: For my daily commute to the University of California, the kind

68_Innovation

of battery range available today would be enough. But I think tomorrow's cars will need to have much greater capabilities: The Internet is going to bring massive change to our mobility and our transportation systems. Stadler: For Audi, I have issued the slogan "Always on." Connectivity in the car means that you will be telling your car where to go via speech recognition, with your car then figuring out the best route and estimated trip time, optimized thanks to satellite navigation and online traffic information. At the same time, all cars will be communicating with each other, easing traffic flow and improving safety. Prof. Smith: That would be a dream come true for me. When I was young, I always wanted to take the wheel myself. But what a waste of time and nerves this constant stop-and-go is! Today, I would rather rely on an autopilot.

"Our customers are curious, technologyfriendly types." Rupert Stadler

Stadler: That is the kind of future scenario that we are developing as part of the Audi Urban Future Initiative, drawing in architects, urban planners and transportation experts. Anyone who is on the road in Beijing, Mumbai or Rio will realize the same thing every

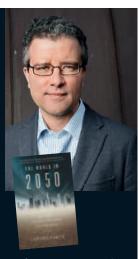
day: standing in traffic means standing still, and standing still is the opposite of progress. We have the knowledge, the resources and the responsibility to participate in shaping the future. **Prof. Smith:** In the USA, just as elsewhere, the Audi brand stands for sophisticated, urban, technology-driven. When do you think we will see the first self-steering vehicle?

"In the USA, the Audi brand stands for sophisticated, urban, technology-driven." Prof. Laurence C. Smith

Stadler: We presented our concept of a driverless TT at the Geneva Motor Show in 2011. But it's going to take a while for people to get used to the idea that sensors in a car can steer it better and faster than a human being can. Prof. Smith: Acceptance is a huge cultural challenge. Many visions have taken too long to come into their own. Stadler: Our customers are curious, technology-friendly types. They want to know: How does an electric car accelerate. how does it handle? The younger generation, in particular, is very open. Smartphones have boosted acceptance of IT incredibly. If you watch science fiction movies from the 1980s, they show things that were unimaginable at the time, like tablet PCs or navigation systems -

Professor Laurence C. Smith The futurologist

Laurence C. Smith, 44, is a professor of geography, earth sciences and astrophysics at the University of California. To write his book "The World in 2050," Smith traveled around the world for almost two years to speak to scientists, politicians and entrepreneurs and to answer important questions about the future: How will we live? What cities will we be living in? Which countries will win, which will lose? What will we be leaving behind for our children? Smith believes that four "global forces" will shape the world of tomorrow: demographics, globalization, scarcity of resources and climate change.



Prof. Laurence C. Smith caused a major sensation with his book "The World in 2050."

things that we think are absolutely normal today.

Prof. Smith: There are dangers in the future, too. Our problem would be less the growth of the population and more increasing prosperity. If all seven billion citizens of the Earth aspired to live at U.S. standards, we would soon be needing resources amounting to the equivalent of about 72 billion people. Stadler: Resource efficiency is the order of the day. If we can achieve that, we can raise prosperity and at the same time contain resource consumption. Growth will only be sustainable if we don't just subscribe to commercial success, but also to society and the environment. This is a field in which we will be investing 13 billion euros over the next five years alone, especially in new propulsion technology and lightweight materials.

"Resource efficiency is the order of the day."

Prof. Smith: More cars, better mileage, higher speeds, fewer emissions – this may sound contradictory, but it isn't. At the same time, the car industry is experiencing a countertrend in big cities: Young people in particular often don't want to own a car anymore. Perhaps they think it's too expensive, perhaps it's because of lack of parking space, or they may be having doubts in principle.

Stadler: Though a car may no longer top the wish list of many young people, they still have a desire for individual mobility. If you want to drive, but don't want a car in your garage, you can opt for temporary offers – a sedan with a driver, or a quattro for a holiday trip. **Prof. Smith:** Your company is going to need to evolve constantly. What does this uncertainty mean for management?

Stadler: It creates an optimistic tension. We know the old is no longer fit for the times, but we don't know the new very well yet. This opens unexpected opportunities for new thinking. Who is to provide sustainable solutions, if not a technology driver such as Audi? The crucial question is: Will government and society prove



"We know the old is no longer fit for the times, but we don't know the new very well yet. This opens unexpected opportunity for new thinking." Rupert Stadler

agile enough? Sometimes it takes moments of shock to speed up innovations, like a dramatic increase in oil prices. What is important is for us to be well prepared so we will be able to react quickly even to unexpected developments.

Prof. Smith: We all know that we need to change course and head toward renewable energy sources. But they are not commercially viable yet. Doesn't that make it very difficult for a company to plan investments? Stadler: We will always invest in powerful, emotionally appealing cars, whatever "power" will mean in the future. The important thing is that the customer loves the design, the technology, the functionality ... **Prof. Smith:** ... and I'd like a cordless recharging option.

Stadler: We're working on that, too. The key question remains: how do we add value? People want time for themselves, they want to lead ecologically responsible lives, they want to communicate. And they want a car that enriches their lives. I don't give names to my cars, but I love their power, their precision.

Prof. Smith: I'm convinced there can't be a better fuel for a carmaker

than passion. There's one more thing, though, that I'd like to see in my car soon: an espresso maker. Stadler: You may not believe this, but when we presented the "Roadjet" in Detroit some years ago, it actually came with an espresso maker. Prof. Smith: I should have guessed: "Vorsprung durch Technik."



Visions: What will mobility look like in tomorrow's world?



Standing in front of Audi corporate headquarters in Ingolstadt, Rupert Stadler and Professor Laurence C. Smith discussed the opportunities that electrically powered cars will offer – right beside an A1 e-tron, which the two of them topped up at the "electric filling station" for a test drive.

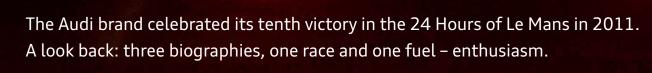


Le Mans

Fueling success



The new Audi R18 TDI is the first closed race car from Audi since 1999 and is brimming with innovations.



MAHLE

Text | Alexander von Wegner

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Dr. Wolfgang Ullrich (left), Head of Audi Motorsport since 1993, directs the Audi R18 TDI to its debut victory at Le Mans. It is Audi's tenth

The 24 Hours of Le Mans has been held since 1923. The current

rules reward the most efficient

design. The new V6 TDI of the Audi R18

symbolizes downsizing in racing.

After 24 hours, the winners are Marcel Fässler, André Lotterer and Benoît Tréluyer in the Audi R18 TDI bearing the number 2.



victory on the Sarthe - thanks among other things to the perfect coordination of the Audi team during the diesel sports car's pit stop (right).





rwin Fischer's enthusiasm was first sparked 46 years ago when he joined NSU Motorenwerke AG in 1966. He began on rotary-piston engines, worked his way up the ladder in Neckarsulm and joined Audi Sport in 1990. Audi has been competing at the 24 Hours of Le Mans since 1999. The race enjoys the reputation of being the world's biggest racing event. Even after 88 years, the Grande Dame of motorsport is considered a source of inspiration, fascination and motivation. A driving force for the biggest brands, their drivers and their employees. And for amazing fans: 249,500 people poured into the department of Sarthe in June 2011. They experienced a fascinating battle that Audi won by a margin of just 13.854 seconds.

It is the last page in Fischer's professional storybook – one which is so typical for his generation. Precision mechanical engineering in Baden-Wuerttemberg, from scratch. A lifetime for the company, nearly half a century of automotive history. People like the 60-year-old master mechanic are the pillars of stability in a fast-paced world. "Vorsprung durch Technik," innovative ideas, brilliantly conceived by engineers. But it is only through the meticulousness of Fischer and his colleagues that they become reality. One mistake during assembly and the ambitions of a global company would go up in smoke before the eyes of millions of television viewers.

Audi factory driver André Lotterer took the checkered flag at 3 p.m. on June 12, 2011, with a mixture of exhaustion



Daniel Mack

A pit stop is classic manual labor. Once the car is back on the track, the engineer turns his attention to the telemetry data.



and satisfaction. Fischer enjoyed a glass of champagne in celebration of the tenth victory. And the start of his retirement. "An unforgettable moment," he recalls. It was his last race, but just the third for technician Daniel Mack. Mack really wanted to become a chef. However, at the advice of his father, who also works at Audi, he became an automobile mechanic in 2001, trading his whisk for a vise.

Mack's enthusiasm was initially tempered by plenty of frustration. Some trainees are allowed to move to Audi Sport after 18 months. "I'd have loved to have been one of them," He pitches in during the pit stops. When the car is on the track, he monitors vehicle data such as pressures, temperatures and the fuel level on his laptop. The 24 Hours are the greatest. Even his calendar is based around the race. "Le Mans is like our New Year's Eve – the new year starts after the race."

Axel Löffler's work is already done when the race starts. "Otherwise I've done something wrong," he says. He still keeps an eye on things for the 24 hours. Löffler and his team are responsible for the design of the complete chassis. He monitors their creation at the track. "Our development times

"Le Mans is like New Year's Eve for us - the new year begins after the race." Daniel Mack

he says. And his wish finally came true in October 2005. "Working at Audi Sport is the ultimate," raves Mack, who is now a development specialist for racing and specialty engines. An engine is an engine. And yet, this one was designed almost from scratch due to radical changes in the technical rules for 2011. The new V6 TDI is significantly smaller, but its specific output is much higher. And that for the ultimate challenge – Le Mans: a good 4,838 kilometers, roughly the distance from Oslo to Rome and back.

Ingolstadt, December 10, 2010: world premiere of the R18 TDI at the Audi Sport finale. The guests are still celebrating as Mack and his colleagues roll away the prototype. "Into the truck at 1 a.m. and off for testing," recalls the 25-year-old. Tests, tests and more tests – until Le Mans. are extremely short, from six to nine months." Nevertheless, everything – aerodynamics, efficiency, safety – must be perfect. He experiences many emotional moments. Allan McNish and Mike Rockenfeller are involved in serious accidents while performing passing maneuvers. But the Audi ultra lightweight technology saves lives. Both drivers free themselves from the wreckage of their race cars. "McNish thanked me for the sturdy cockpit. That was very moving," recalls Löffler. Another 16 hours of adrenaline follow: The last remaining Audi keeps the four Peugeot lions behind it. All the way to victory.



13.854 seconds lead: a spectacular win by the Audi R18 TDI at Le Mans.

Mizuho Sakaguchi and Azusa Iwashimizu (at rear) don't just team up to play soccer, they also joined hands to present the new A1 Sportback.

Fuel consumption and emission figures at the end of the Annual Report

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Audi A1 Sportback

Big in Japan

ssion

A big stage for a small car: At the Tokyo Motor Show, Mizuho Sakaguchi and Azusa Iwashimizu presented the new A1 Sportback. And they were joined on stage by a real samurai.

Text | Peter Lyon





At the Tokyo Motor Show, Mizuho Sakaguchi and Azusa Iwashimizu unveiled the one-of-a-kind "Audi A1 SAMURAI BLUE" – a tribute to Japan's National Football Team.

o let's ask the question: What do Azusa Iwashimizu and Mizuho Sakaguchi have in common with the zippy little compact they just unveiled on stage?

Sure, both the soccer ladies and the car were given a rock star's welcome on this November day in Tokyo. The A1 Sportback was a sensation at the Motor Show for its Samoa Orange body color alone. Iwashimizu and Sakaguchi, defender and midfielder, have risen to stardom in the Land of the Rising Sun following their sensational triumph in Germany in the summer of 2011. They were received by the emperor and the prime minister. Everything they say makes the headlines in the newspapers. More young girls than ever before are joining Japan's soccer clubs. And the champions' distinctive hairdos are

all the rage for an entire generation.

Precision, fighting spirit and technical skill took the ladies all the way to the finals, where they beat the U.S. team in an unforgettable penalty shootout. The soccer ladies have proved that size does not matter: At an average height of 1.63 meters, Japan's 21 kickers were the tournament's shortest by far

Japan's soccer ladies were the shortest in the championship – and the most successful.

(Germany's national team measured an average of 1.73 meters). However, and this is what they have in common with Audi's zippy city runabout, size sometimes takes a back seat. What really counts is the combination of technical ability, motivation and teamwork. This is exactly what designing



the Audi A1 Sportback was about – a small car with a big personality.

Soccer ladies Azusa Iwashimizu and Mizuho Sakaguchi are convinced that the car will win the hearts of urban trendsetters, just as they won the hearts of soccer fans the world over just under a year ago. "The Audi A1 Sportback is a perfect car for cities like Tokyo," says Sakaguchi as she stands at the edge of the stage. "It's great that this sporty-looking compact car now comes with five doors, too. This is really going to make it a big hit especially in Japan with all the megacities we have here." As with the A1, customers can order the A1 Sportback in one of many equipment packages and thus customize it to suit their exact preferences. Sakaguchi's favorite is Samoa Orange with a color contrast roof in Daytona Gray.

Since last year, Audi has been a supporting company for Japan's

National Football Team, providing each Nadeshiko (Women's Team) player with an A1. "Most of my team colleagues including myself have never sat in a European premium car before," says Azusa Iwashimizu. "Now, we commute to training every day in our A1. We love it because of its great looks, its comfort and because it's such fun to drive. And it's a real headturner, too."

For Audi, working with the world champions has been a great benefit. Japan is widely regarded as a defining market. Customers here value technology and design more than in practically any other country. At the same time, Audi's involvement as a supporter of Japan's National Football Team is a commitment to a

What really counts is the combination of technical ability, motivation and teamwork.

country that is only slowly recovering from last year's earthquake and tsunami disaster. A commitment that was expressed at the Tokyo Motor Show with a specially designed model.

The "Audi A1 SAMURAI BLUE" unveiled by Sakaguchi and Iwashimizu is one of a kind. It was designed to commemorate the partnership between Audi and Japan's National Football Team. From the color of its paint, center console and air vents it is obvious at a glance that the car is related to Japan and its National Football Team. Blue and white are the dominant colors, accompanied by the red of the rising sun in the country's national flag.

As powerful and sporty as any real samurai – how's that for size? •



World-class: The new A1 Sportback celebrated its premiere at the Tokyo Motor Show.

A1 Sportback

A small car with a big personality

Launching in early 2012, the Audi A1 Sportback is a new variant of Audi's successful compact car. Designed for a young, urban audience, this vehicle shares much of its body and dimensions with its threedoor sister model. A few more millimeters in height, however, translate into more room on the back seats. Four seats come as standard, but Audi will supply five seats as an option at no extra cost.

At launch, customers can choose from three TFSI and two TDI engines. Their power spectrum ranges from 63 kW (86 hp) to 136 kW (185 hp). Some engines are optionally available with the swift-shifting S tronic 7-speed dual-clutch transmission. Audi connect and the Bluetooth car phone online link up the A1 Sportback to the Internet. Customers can select fresh colors and detail features to give their personal touch to the car's modern interior. They can even choose to have Audi paint the roof in one of three contrast colors. For the rest of the car, a selection of more than 13 color tones is available.

The Audi A1 Sportback is also available in the new color Samoa Orange.





Are the gaps even? Do the actual values match the target values? Deviations can be measured to a tenth of a millimeter in the Audi master jig.

Kanzept

HUBER/AU

BERNHARD

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Fuel consumption and emission figures at the end of the Annual Report

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Audi core competence

Quality The measure of all things

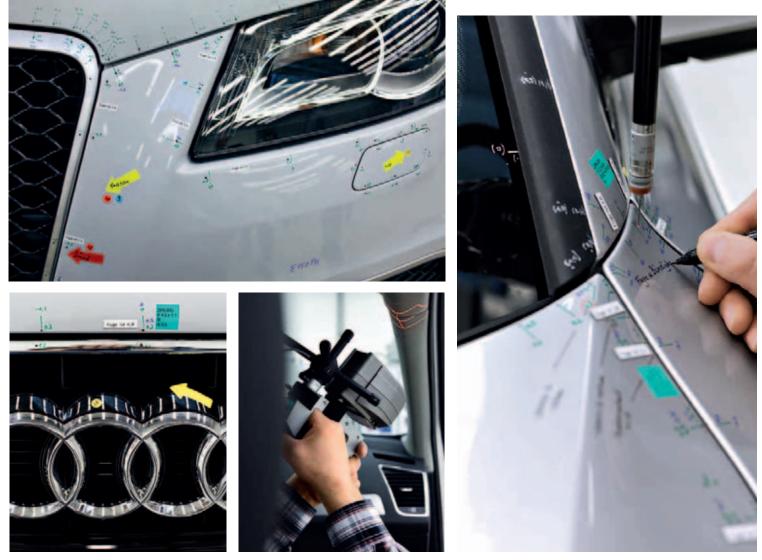
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The third Audi brand value besides sportiness and progressiveness is sophistication. It therefore comes as no surprise that from the initial idea to the finished product, every Audi vehicle has to pass countless quality checks. Like the new Audi RS4, for instance.

Text | Leonie Thim

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Audi vehicles are measured, described and evaluated both inside and out on the master jig. Any deviations are recorded on the car. The objective is to coordinate all components, gaps and flush alignments precisely with one another.

n a bright hall on the grounds of the Ingolstadt plant, the new Audi RS 4 rests on a stand of solid steel, accessible from all sides. The Ibis White paint of the RS 4 is covered with colorful numbers, lines and stickers: Gap, concept, 0.3, 0.2 and 0.1 are written on the engine hood. Every detail of the vehicle is checked here on the master jig. Measurements are taken to make sure, for example, that the Singleframe is flush with the engine hood and the gaps are even. Deviations are precisely measured to a tenth of a millimeter.

The measurements on the master jig are just one of the checks that an Audi has to undergo. Each has a long quality history. From the first design sketch to the finished product and beyond, all specialist areas place great emphasis on quality. Vehicle reliability and durability are just as important here as precision and visual appeal. This holistic approach to quality begins with the choice of materials. From the leather for the seats to the carbon used in the body and the mix of materials in the engine block: Everything is carefully examined. Every piece of leather used in an Audi vehicle – on the steering wheel, in the cabin or on the seats – undergoes 45 tests alone to test its durability. The first stage is completed when all components satisfy the brand's stringent quality requirements.

An Audi comprises some 12,000 parts. With the numerous equipment versions of the individual models, there are millions of possible ways to put them together. Work in the master jig therefore begins long before the start of production. The aim is to fine-tune the fit, the visual appeal and the haptics for both the interior and exterior – and this applies to each and every model.

From the sketch to the finished car, Audi always places great emphasis on quality.

The understanding of quality goes far beyond the reliability so appreciated by the customer. "Quality encompasses everything that a customer can experience in our cars. Quality is what you can see, hear, sense and feel," says Werner Zimmermann, Head of Audi Quality Assurance. "The incomparable Audi experience – high reliability together with comfort and sportiness, precision and sophistication – would not be possible without it." Individual parts are grouped into assemblies or complete vehicles and assessed. "Despite modern digital modeling methods, this tangible master jig is indispensable for us," says Zimmermann.

That's because the master jig enables not just the finetuning of strictly objective criteria, but also the subjective consideration of the whole. The gaps around the fuel tank cap of the RS4, for example, are intentionally different at the top and bottom because this is the only way that a person looking at the car perceives them to be even.

Once the individual parts have been adjusted, the next step is an inspection of the complete car. In addition to the quality of its visual appeal, the functions of an Audi model are now also fine-tuned by testing pre-production models on public roads. The yardstick here is always the customer. Tests covering millions of miles performed under real conditions, in various climate zones and in market-specific

Quality does not come automatically – it must be achieved anew every day.

traffic situations are conducted to ensure that the quality of every Audi vehicle always meets expectations, whether in the stop-and-go traffic of megacities, while driving on the German autobahn or in the rugged terrain of the Chinese mountains.

Because structures, components or combinations of materials in a vehicle can make unwanted noise on certain road surfaces or above certain speeds or temperatures, the acoustics are also studied during road testing. Moving components in particular, such as seats, seat belts, seals, the glove compartment or doors, can cause intrusive noise. "The shakedown drive is one of our most important tools," explains Zimmermann. "It enables us to experience our cars under real conditions and check their function, road behavior and acoustics, among other aspects."

A new Audi model can only go into production after all materials have passed the tests, all components have been fine-tuned to one another and the acoustics and driving characteristics fulfill all specifications.

The work is still not completed at that point, however. "Quality does not come automatically – it must be achieved anew every day," emphasizes Zimmermann.

This is why every Audi that rolls off the assembly line undergoes one final inspection. In addition, individual vehicles chosen at random undergo special tests related to visual appeal and function. All this is done to maintain the standard of quality during series production. The result is the unmistakable Audi quality, which can also be found in the new Audi RS 4.



Beginning where others leave off: What it takes for a car to become an Audi.

Quality is a top priority: Every component is checked and adjusted until it satisfies the Audi brand's stringent requirements. "Quality is passion and the striving for perfection," says Werner Zimmermann, Head of Audi Quality Assurance.



Gallardo LP 570-4 Super Trofeo Stradale

Red-on-white racer

DER PHOTOGRAPHEN

For the first time, Italian sports car maker Lamborghini is adorning a special series with the color Rosso Mars. But the car is awe-inspiring not just for its outfit, but also for its performance. Especially on snow.

Text | Jürgen Lewandowski

Fuel consumption and emission figures at the end of the Annual Report



Better than flying: The Super Trofeo Stradale turns every mile in the snow-covered Carpathian Mountains into pure driving pleasure.

"Dancing red-on-white takes a little practice."

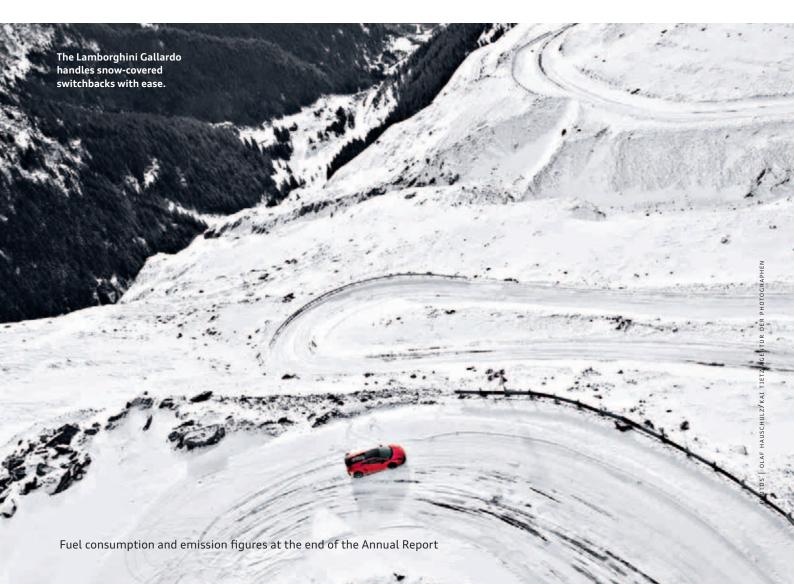


86_Passion

erruccio Lamborghini loved many things: the industrial empire he built from the ground up after the war; the wines he made at his own winery and the high-horsepower sports cars he was able to afford beginning in the mid-1950s. At the time, Lamborghini could not have imagined that this particular passion would end up making him famous. It seems the engineer, annoyed by the poor quality of many of his cars, did what he had to do: In 1963 he began building his own sports cars, and the world had a bright new star - Automobili Lamborghini, headquartered in Sant'Agata Bolognese.

Of course, the engineer and perfectionist in Ferruccio Lamborghini also shone through in the design of his automobiles – even the very first model had a 12-cylinder engine with four overhead camshafts; the 5-speed transmission was designed and built in-house according to Lamborghini's own quality standards, and independent suspension on all four wheels was also still unknown in this form. And when the first Miura with a transversely mounted V12 engine made its appearance at the Geneva Motor Show in March 1966, the mid-engined coupe styled by Carrozzeria Bertone attracted crowds of people, and Ferruccio Lamborghini had finally cemented his reputation as a manufacturer of Italian sports cars. A reputation that would be carried on by Countach, Diablo and Murciélago, and that culminated in the Gallardo and Aventador models being built today.

While the 515 kW (700 hp) Aventador is causing a sensation in the world of supercars, the Gallardo, exuding agility, nimbleness and tailor-made sportiness, is set – for the first time in the long history of Lamborghini – to put its sporty capabilities to the test on the racetracks in the Lamborghini Blancpain Super Trofeo. It's not surprising that customers began asking Lamborghini for a roadgoing version of the LP 570-4 Super Trofeo. A request they couldn't refuse, nor did they want to. The result is the Gallardo LP 570-4 Super Trofeo Stradale, whose very name boldly draws attention to its 419 kW (570 hp) of output and all-wheel drive. 570 powerful cavalli, which the 5,204 cc ten-cylinder deploys at 8,000 revolutions per minute, and which propel the 1,340 kg coupe with relative ease: It reaches 100 km/h in just 3.4 seconds, 200 km/h in 10.4 seconds, and it's not until 320 km/h that acceleration, rolling resistance and aerodynamic drag achieve parity. And thanks to the standard all-wheel drive, this race car domesticated for the road offers, even on snowy mountain passes, the perfect, sporty handling that has long become the hallmark of these masterpieces on wheels from Sant'Agata.





As impressive as the acceleration may be – for Super Trofeo drivers, it's the complete package that makes the difference: performance, transmission, stiffness, handling, braking, downforce. And it is the art of the engineers to transform the extreme demands required here into a coherent, reliable, attractive car that can live up to this high standard 365 days a year.

On the outside, this is most evident by the large rear spoiler. The manually adjustable rear wing is an exact replica of the race car and provides, depending on the setting, one to three times as much downforce as the Gallardo LP 560-4. Another element taken directly from the race car is the removable engine hood with quick-assembly system, which, like the rear spoiler, is made of carbon-fiber composite material. Everywhere you look, you see this very light, yet highly durable material. The side sills, outside mirrors and the bold rear diffuser are made of it.

Of course, the Super Trofeo Stradale also sports a new color, developed exclusively for this coupe: Rosso Mars – a tone that is Italy's traditional racing color and emphasizes the innate Italian character of Lamborghini. But if you should opt for the colors Grigio Telesto or Bianco Monocerus instead, you can also have the roof painted in resplendent black. In commemoration of the 150th anniversary of the founding of the Italian Republic last year, the number of Super Trofeo Stradale units to be built was limited to precisely 150 – after this, there will be no more. Black and red are the dominant colors in the purist interior. At Lamborghini, supercar and everyday suitability are not a contradiction in terms, and this is one of the long-recognized strengths of the brand from Sant'Agata. Thus the

fascinating pictures of the red Super Trofeo Stradale on snowy Romanian mountain passes demonstrate just what cutting-edge technology can do: perfect mastery of a 419 kW (570 hp) coupe in almost all road and weather conditions. This spectacular dance of a red Lamborghini against a white background takes a little practice, there's no question about that. But the select few who have had the privilege of piloting this dream in Rosso Mars declare unanimously that the car handles easily and without complication. A declaration that will have to be accepted at face value, because it takes a skilled hand indeed to master 570 cavalli on the first few miles, regardless of the surface beneath.

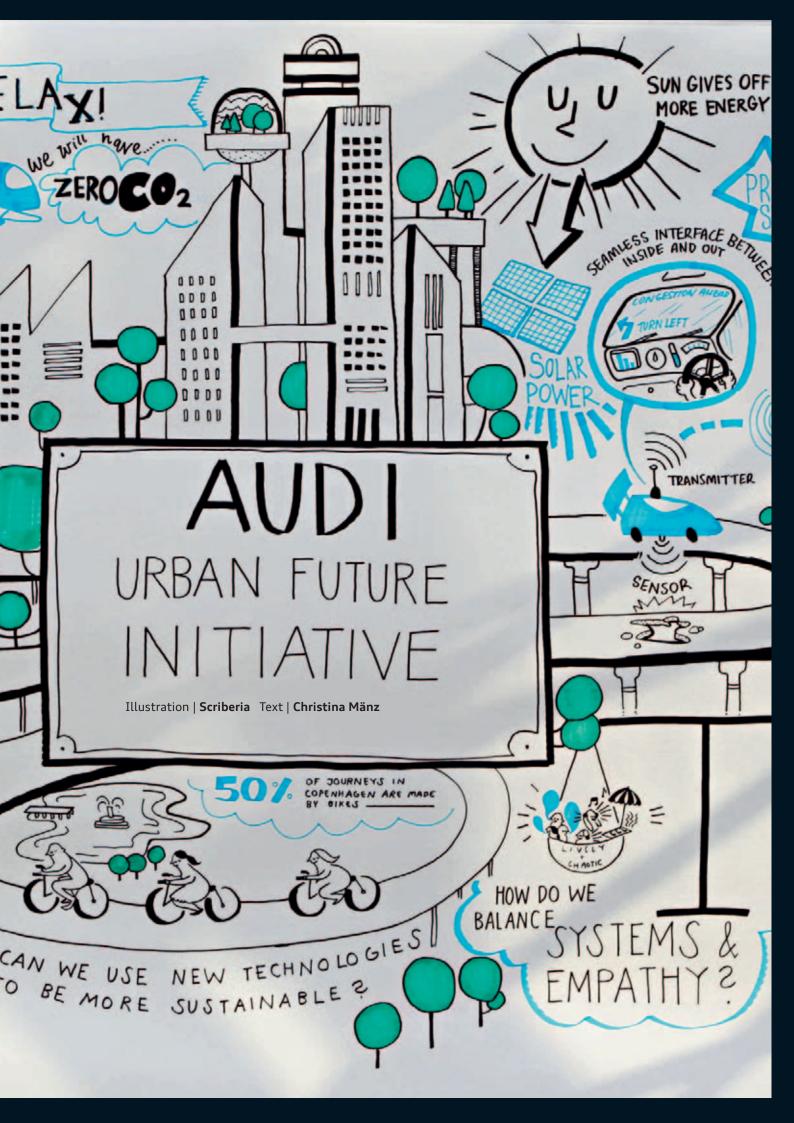


Athlete on the rocks: the Gallardo LP 570-4 Super Trofeo Stradale on ice and snow.



88 _ Responsibility





Audi Urban Future Initiative

Four pillars for the future

What will the overall vision of urban mobility look like in the future? How can AUDI AG, as a provider of premium automobiles, contribute responsibly to realizing such visions? The Audi Urban Future Initiative deals with these complex core questions. Rethinking, interacting, cooperating and networking knowledge – the initiative comprises four pillars:

Award

The Audi architecture award – which carries 100,000 euros in prize money – was presented for the first time in 2010 in Venice. Five international architecture firms presented their visions for sustainable cities of the future. Winner: Jürgen Mayer H. with the "Pokeville" project.

Summit

The international, interdisciplinary conference had its premiere in 2011 in Frankfurt: presentations by renowned researchers and themed workshops with Audi experts and external specialists. The open dialog from the architecture competition was continued here.

Insight Team

A group of Audi employees from various divisions focus on mobility and urban development. They are sources of inspiration, and they develop new perspectives. This actively introduces the dialog about the future within the Company.

Research

This pillar of the initiative ensures the formation of a scientific network. Audi supports such efforts as the research project "Urbanizing Technology: The Mobility Complex." Saskia Sassen, a sociologist and economist, heads the project at Columbia University in New York.

www.audi-urban-future-initiative.com

The distinguished panel of the "Energies of Data" themed workshop (from left): Stefan Sielaff (Head of Group Interior Design, Volkswagen Group), Dr. Steffen P. Walz (Senior Research Fellow at RMIT University, Melbourne), Chris Anderson (Editor-in-Chief of Wired magazine), Carlo Ratti (architect) and Ricky Hudi (Head of Electrics/Electronics Development, AUDI AG).



ake a group of people with different professions, backgrounds and opinions – architects, designers, sociologists, economists and trend researchers. Give them a challenging issue, room for their theories and an audience for their thoughts. The result: inspiring ideas, imaginative visions and innovative approaches.

This perfectly describes the Audi Urban Future Summit that was held for the first time in Frankfurt on September 12, 2011. Audi had invited more than 300 international experts for an interdisciplinary exchange of ideas at the kickoff event for the International Motor Show (IAA). The subject: urban mobility in the future. The goal: an open dialog on socially responsible, new approaches. A real challenge. By the year 2030, about 70 percent of the world's population will live in cities. The number of megacities with over 20 million inhabitants will increase to more than 30, and these will primarily be located in Asia, Africa and Latin America.

So what will these cities of the future look like? How will people live in these megacities? How will they get from one place to another?

"Cities need reliable systems. People need social relationships. With the right combination, these things make a city exciting and livable," according to one of the theories – proposed by trend researcher, author and consultant Charles Leadbeater. The best example, according to the native Briton, is the city of Barcelona. "It flows, it's dynamic, open. It makes you happy." Barcelona has "systempathy" – the right mixture of system and empathy: "Good public transport, a good road network and good infrastructure. There are many large squares and a center. The city is very social, networked and multifaceted. It has the right mixture of pedestrians and other road users."

Megacities will continue to find their own way in the future in order to function. "But the price is high," says the trend researcher. "The quality of life is low and functionality comes at the expense of the environment. Cities can quickly become inhuman." There will be no single solution for these megacities – Charles Leadbeater and other experts at the Audi Urban Future Summit all agree on that. The answers will also come from the cities themselves. "In successful cities, the responsible people will pick up on what the city requires."

Sociologist Saskia Sassen adds: "Cities are complex systems that can bring even the most capable technologies to their knees." Consider a traffic jam: "A busy city center can reduce a high-performance machine like the car to a crawl – it upsets an engineer's logic. The city puts up resistance.



The question is how to urbanize the car," explains the professor, who teaches at Columbia University in New York. "To understand what the city is telling us, we have to think like a city ourselves."

And indeed – where does the data network for the interactive, digitized world of the megacity actually leave people? The conflict between private and public is a big one. "We exchange information for better solutions and in the process lose what we still define as our privacy," says Leadbeater.

People increasingly share their ideas, their knowledge and their data. So perhaps in the future they will share cars as well? "Individuality will change," according to the expert on innovation and creativity. "A car will no longer necessarily be associated with status, freedom and mobility. It will take on a different relevance worldwide." Leadbeater believes that industry must work on the "systempho-car" – a car for a system with empathy. "The car of the future must be extremely efficient in ecological and economic terms, and it must be affordable. It should not stand for a long time in a parking lot, but should usually be in motion and have a social component."

Leadbeater also considers economic models such as "car sharing." "In the future you might be able to buy not only cars from Audi, but also miles; drive a subcompact today, drive a sedan tomorrow."

Leadbeater speaks of a "car cloud" that Audi could offer in places like London. "You would have access to an Audi whenever you need it. The future lies in using existing resources better and more flexibly."

The native Briton believes that Audi is on the right track with the Urban Future Summit. "I'm impressed that the critical issues are discussed openly. The question now is: Will the Company be capable of being open to new ideas from the outside and redesigning the relationship between car and man? The potential is great." •



Future initiative: Here you can find the summary of the first Audi Urban Future Summit.



Final photo: Speakers and workshop participants at the Audi Urban Future Summit 2011.

"We are gradually shifting the boundaries of our business model."



Peter Schwarzenbauer Marketing and Sales

With the Audi Urban Future Initiative, we have dared to leave our comfort zone. For a long time, the automotive industry has been living in an ivory tower. We at Audi know: To actively help shape the future, we must consistently network and have greater social impact. I believe strongly in the concept of "shared value," where the goal is to create both entrepreneurial and social value at the same time. We've committed ourselves to safeguarding natural resources and to mobility within urban centers that is pleasant and efficient – i.e. uncongested. And we rely on innovative technologies and business models: variations of "pool leasing" or the "car cloud" are among our considerations. The initiative we launched prepared the way for well-defined teamwork on designing our future living space. Together with an expanded group of stakeholders, we will join in concrete planning efforts with the goal of safeguarding the highest possible quality of life for all. In doing so, we are gradually shifting the boundaries of our present business model - in the areas of energy supply, urban infrastructure, communication and urban design.



Sustainability In harmony with the environment

Many different methods are being used to achieve energy efficiency, CO₂ reduction and sustainability at Audi. The common denominator and name for these efforts: Audi balanced mobility.

Text | Kay Dohnke

Audi has made an area measuring some 23,000 square meters available for photovoltaic modules at its Ingolstadt plant. The car manufacturer is thus supporting the use of various technologies for harnessing solar energy and in this way is making a major contribution toward further optimizing solar technology.

Audi balanced mobility

hen sustainable mobility is discussed within the Audi Group,

it's about more than just technologies that reduce a car's fuel consumption and therefore also reduce emissions sustainable mobility is viewed in a much more comprehensive sense. "The Company takes its social responsibility seriously on many levels," commented Rupert Stadler, Chairman of the Board of Management of AUDI AG, describing the Company's philosophy. "In the interest of preserving a livable future for coming generations. In addition to international competitiveness and a forward-looking human resources policy, environmental protection and preservation of resources form the cornerstones for sustainable management of the Company."

With this in mind, the Company is active in many fields that go beyond the actual product of the automobile. The commitment begins as early as the product development process. "The production area in particular offers ample potential that we are developing systematically," said Frank Dreves, Member of the Board of Management for Production at AUDI AG. A vehicle's environmental footprint, after all, also depends on how it is built, with particular attention being paid to energy. By 2020 Audi wants to reduce site- and Company-specific CO₂ emissions by 30 percent from the level in 1990. The goal: carbon-neutral car production.

For this, the energy required in the direct production process will be reduced.

The use of hot-shaped steels in body manufacturing makes it possible to combine low weight with high strength. The CO_2 balance is already positive during production: The energy demand for hot-shaping high-strength steel produces 20 percent less CO_2 than when using conventional steel.



94 _ Responsibility

Wind power and Audi e-gas

Sustainable energy generation

Audi's own wind turbines 1 produce renewable electricity. In the electrolyzer 2, this electricity is used to split water into hydrogen and oxygen. In another section of the plant 3, the hydrogen is converted into methane by adding CO_2 . Audi calls the resulting synthetic natural gas "e-gas." The CO_2 could be supplied by sources such as a biogas plant 4.

Storage and tanking up Fuel for future drive systems

For transport or storage, the synthetic natural gas can be fed into the existing natural gas grid **5**. It is then available as a fuel at CNG stations **6**. Electric cars can charge up on the electricity from the wind turbines directly at the charging station **7**.

The Audi e-gas project in miniature.

It is geared toward conserving resources, with significant energy savings made possible by innovative technologies such as more efficient robots, new electric motor-driven welding tongs and especially light CFRP tools for body manufacturing. Sometimes even simple measures can make a crucial contribution toward achieving a positive balance: Reprogramming made it possible for electric hoisting devices to recuperate as they were lowered and therefore to feed energy back into the power grid. And while engines are running on test stands, they produce electricity through generators for the plant power grid.

The process chain during automotive production is energy-efficient as well: lightweight construction materials such as aluminum and carbon fiber-reinforced polymer (CFRP) as well as the use of hot-shaped steels reduce a car's weight and therefore its consumption throughout its entire lifecycle. The Audi balanced mobility concept, which is designed for energy efficiency and environmental conservation, is increasingly being integrated into the workforce, according to Dreves: "The number of suggestions in our internal improvement system for avoiding emissions and protecting the environment has increased significantly – for improving ambient air, for instance, or preparing rechargeable batteries for screwdrivers." Audi balanced mobility has a consistent focus on people, which is why the Company is particularly

By 2020, Audi wants to reduce its site- and Company-specific CO₂ emissions by 30 percent.

committed to improving ergonomic conditions at the workstations.

Clever minds can continuously find potential for savings where it may not immediately be obvious – such as in logistics, where a software program calculates the optimal use of space in packaging and containers. By helping to avoid energy-consuming transport, this increases the potential for saving energy to up to 20 percent. Great potential for saving energy has also been developed in the area of distribution logistics: Audi models shipped overseas from Emden arrive at the port the carbon-neutral way in the "Eco Plus" commercial transport trains of DB Schenker Rail - accounting for a total of 150,000 cars per year. The additional costs for the green electricity that is used are borne by AUDI AG. Up to 70 percent of all cars produced are transported to their destinations by rail.

Numerous measures are bringing the Audi Group closer to the goal of climateneutral car production. "Emissions will never be reduced to zero, however," Dreves explained. "The unavoidable emission of CO_2 is therefore increasingly being offset."

Regarding the car itself as a product: Along with making continuous improvements to the efficiency of conventional drive systems, Audi is also currently field-testing innovative drive systems and fuels under realistic conditions in three test series. These could help lower emissions during driving. The prototype Audi Q5 HFC draws its energy from a fuel cell and tanks up on hydrogen. The batteries for Audi A1 e-tron cars with an electric drive system, which are currently being driven in fleet trials in Munich, can be conveniently charged from the electricity grid. And the Audi A3 TCNG, which will begin rolling off the assembly lines in late 2013, can fill up at any natural gas fueling station.

Still, the Audi Group believes that it is not enough merely to develop innovative automotive drive systems to the point where they are ready to use and then introduce them to the market. As a carmaker that thinks systematically, Audi also has to keep an eye on having an appropriate energy supply. This is why Audi balanced mobility also includes the e-gas project, in which excess wind power is used to produce hydrogen and

The major strength of the e-gas project: the infrastructure already exists.

synthetic methane. This should make carbon-neutral mobility possible.

"At this moment we are realizing a system that should make climate-neutral driving possible for owners of Audi models that run on electricity, hydrogen or natural gas," explained project manager Reiner Mangold. The goal: cars that drive with wind or solar power. Efforts to implement this concept are based on familiar technologies. With the aid of electricity, water is split into oxygen and hydrogen in an electrolyzer. And by adding carbon dioxide, hydrogen can be converted into methane, which has the same properties as natural gas. Thus, it can be liquefied, transported through pipelines, stored in caverns or tanks, converted into electricity or used for heating. It can also be used as a fuel for cars. "So thanks to this technology, there are three energy sources of the future available simultaneously," Mangold emphasized: electricity, hydrogen and synthetic natural gas – known at Audi as e-gas. Plus, there is another

special advantage: if you begin the methanization process with electricity produced from renewable resources and add, for instance, CO₂ from a biogas plant – which would otherwise reach the atmosphere directly as emissions – the synthetic methane produced in this way is climate-neutral when used as a fuel for cars.

Together with the company SolarFuel GmbH, AUDI AG decided in May 2011 to establish the world's first industrialscale experimental plant. The plant, being developed in the town of Werlte in Lower Saxony, is planned to produce about 1,000 tons of e-gas annually in the next few years – which will enable 1,500 A3 TCNG cars to travel 15,000 kilometers each per year. Another 150 tons of e-gas can also be used in the public power grid for other purposes, such as for the production of electricity during low-wind periods.

The plant in Werlte is one link in a comprehensive chain of energy production: It will acquire the renewable electricity from Audi wind turbines in the North Sea offshore wind farm. Electricity for operating the Audi e-tron can then be obtained directly from the power grid. The hydrogen that is produced through electrolysis is converted into e-gas and fed into the existing natural gas grid. Mangold sees an "enormous inherent advantage" here over hydrogen: "The natural gas distribution network already exists. This makes energy-consuming transport and intensive investment unnecessary."

Mangold highlights yet another major strength of the e-gas project: "There's no need to place our hopes on tomorrow; the infrastructure already exists." As soon as the plant in Werlte begins operation, owners of an A3 TCNG will be offered the option to acquire e-gas. The volume of natural gas they use to tank up their cars will be compensated for by feeding the corresponding amount of e-gas into the grid. Its use as a fuel will then be allocated through a balancing group method. This will make climate-neutral driving a reality.



Expedition on a 1:87 scale: learn more about the Audi e-gas project in miniature.

"We have to continuously think outside the box."



Frank Dreves Production

Sustained success is not only defined by positive growth in the key financial figures it is also defined above all by environmental responsibility. We've been setting an example in this area for a long time not because we have to, but because we feel an obligation to do so. We do not wait for external pressure - the best ideas at Audi come from internal sources. This is the pioneering spirit that has made our company what it is today and it is what continues to drive us. It is also behind our commitment to the environment. One of my goals is to neutralize CO₂ emissions at our corporate sites. We are achieving this by forging new paths, researching new technologies and continuously thinking outside the box. We need energy to produce cars. But we can ensure that we acquire this energy in an environmentally compatible way. We have already realized numerous projects at the Ingolstadt site alone. Efficient solutions such as using waste heat, heat recovery systems and trigeneration plants have proved effective for many years now. We are continuing down this path with determination - with ideas that, like Audi itself, might be considered a bit "different."

Audi cylinder on demand

The power within

What do the new Audi cylinder management system and biathlete Magdalena Neuner have in common? Far more than you would think.

IN. S 6001

Text | Alexander von Wegner

Magdalena Neuner and the Audi S6 are two model athletes with special qualities.

Fuel consumption and emission figures at the end of the Annual Report





Magdalena Neuner Likeable record-holder

Born in 1987, Magdalena Neuner first stood on alpine skis at the age of four. She took up the biathlon when she was nine. Neuner's career saw her go quickly from winning the German School Cup to claiming the Junior World Championship. The native of Wallgau was just 20 years old in 2007 when she took part in her first World Championships in Antholz and emerged as the most successful athlete. That same year she was named "Female Athlete of the Year." In 2008, Neuner became the youngest biathlete ever to win the World Cup. And she was the most successful female German athlete at the 2010 Winter Olympics. She set a new record by winning ten gold medals at the 2011 Biathlon World Championships. Last December, she announced her intention to end her career after the season.

"I am completely happy and contented because everything is perfect, just the way I imagined it."

Magdalena Neuner

he transition phase is the greatest challenge. It is difficult, but also particularly intriguing. And you have to find a very good compromise so that everything fits together," says Magdalena Neuner. And Jürgen Königstedt agrees.

The biathlete and the Head of V8/V10 Gasoline Engine Development at AUDI AG are of one mind, but with reference to two different worlds – with astonishing parallels. The professional athlete is describing the transition between cross-country skiing and shooting. The Audi engineer is talking about Audi cylinder on demand, a fascinatingly efficient solution where an eight-cylinder engine temporarily acts as a four-cylinder unit.

Magdalena Neuner doesn't need a lot of muscle to shoot. And the new Audi S6 doesn't need eight cylinders to drive steadily at a moderate speed. Magdalena Neuner always has her muscles "on board." Just like the Audi S6 with the eight cylinders of its 4.0 TFSI engine. They are definitely needed, but are not used all the time.

What sounds like a conflict of aims is cleared up when it comes to making clever use of potential. Rationing energy: muscle in the case of humans, fuel in the car. Cross-country skiing is all about time; shooting is about precision. When the Audi S6 performs an impressive sprint with eight cylinders, it saves time. With four cylinders, it saves fuel.

The solution is very sophisticated. "I have been training since I was a Magdalena Neuner has perfected the transition from cross-country skiing to shooting in the biathlon over many years.

child," reveals Magdalena Neuner. "The most important thing is to prepare the body and the mind for it." Mind and body. Brain and heart. Electronics and engine. Software and hardware. The transition in the human: a flow of data between the brain and the heart muscle. Magdalena Neuner's pulse at the end of a skiing leg is 180 beats per minute. "But I reduce my pace 100 to 150 meters before the firing range," she says. "That's also when the concentration phase begins." The transition in a car: a flow of data between the electronics and the V8 engine. The ignition and fuel injection for cylinders 5-8-3-2 are deactivated. A zero-lift cam on the cam shafts is activated and holds the respective intake and exhaust valves closed. The V8 becomes a V4.

Human parameters: Neuner's pulse is still 170 at the first shot, 150 at the last one. A tight range at a high level. Engine parameters: engine speed between 960 and 3,500 rpm; in third gear or above; coolant temperature at least 30° Celsius. No major movements of the gas pedal, but rather a steady load.

It's about the smart use of potential. Rationing energy: muscle in the case of humans, fuel in the car.

Why these parameters? "Shooting would become much more difficult at a lower pulse," says the biathlete. It sounds like a paradox. Shallow breathing and a relatively high pulse make it easier for biathletes to aim, while also helping them to get started on the next skiing leg. Harmony in athletics. The time for the previous leg is compromised, but only by a few seconds. In the interest of the overall result.

"If we were to shut off the four cylinders for just a very brief time, fuel consumption would in fact be slightly higher," explains the development engineer. It sounds like a paradox. It is not easy to save fuel – the driver's intentions and how he or she operates the gas pedal has to be foreseeable. Audi has developed a prediction module for exactly that. It detects the driving situation, steering and gas pedal movements electronically. It can recognize whether the driver is driving constantly at a given pace or is just briefly cruising through a roundabout. This makes it possible to tell when the transition to four cylinders is worthwhile. In the interest of the overall result.

The path to achieving the goal: This is where human and machine differ more clearly. For Magdalena Neuner, this means mental training, physical fitness and years of practice. The Audi uses a sensitive system of sensors, innovative acoustic systems and active engine bearings. The active noise control

It is not easy to save fuel – the driver's intentions must be foreseeable.

system uses microphones to detect hum frequencies in the cabin during four-cylinder operation. And generates a cancellation sound. The active engine bearings work in a very similar way to generate cancellation impulses for engine vibrations. The driver barely notices whether four or eight cylinders are active.

The greatest compliment in short: Magdalena Neuner's method saves time. Otherwise the elite athlete would not have won multiple world championships and gold medals. And despite all successes, she has kept her authentic, likeable character.

The Audi S6 with cylinder on demand technology saves fuel – a total of around 25 percent compared with the previous model. Yet despite all its economy, the new Audi S6 maintains its authentic V8 character.

A double dose of impressive athleticism in its purest form. •



Exceptional athletes together: Biathlete Magdalena Neuner meets the new Audi S6.



V8 engine

The cylinder on demand technology deactivates four of the eight cylinders when necessary. The intake and exhaust valves marked in green are deactivated, as is the fuel injection for these cylinders. Sophisticated technologies ensure that the transition from eight to four cylinders is virtually imperceptible for the driver.



Magdalena Neuner's engine – her heart – beats 180 times a minute at the end of a skiing leg. She doesn't reduce her pace until just 150 meters before the shooting range.



Neuner has to concentrate at the range. Her pulse slows to 150 beats per minute, which is still high.

Dialog

"We are striving for responsible, sustainable

Dr. Eckart John von Freyend, President of the Cologne Institute for Economic Research, and Axel Strotbek, Member of the Board of Management for Finance and Organization at AUDI AG, discuss the Olympic idea in a globalized business world, the future of the mobile society and the Audi brand's technological responses.

Editor | Michael Kneissler

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Meeting in the City of London: Axel Strotbek (left) met Dr. Eckart John von Freyend in the worldfamous skyscraper "30 St Mary Axe."

"Competition creates innovations. Competition improves quality of life."

Dr. Eckart John von Freyend

Axel Strotbek: I'm very pleased to be meeting up here in London, the host city of the 2012 Olympic Games. On the one hand that's highly fitting for Audi: We are a very sporty brand, with sporty products, sporty ambitions and sporty corporate growth. On the other hand the Olympic motto "Faster, Higher, Stronger" has always been echoed by the business world. But when you think about it, you do wonder whether this can be sustained in the future.

Dr. Eckart John von Freyend: The motto "Faster, Higher, Stronger" encapsulates the essence of competition. Sport is competition. And so is business. Interestingly, that principle is widely accepted in sport – yet in business we have to keep fighting our corner. Remember that competition creates innovation. Competition helps to cut costs. And ultimately, competition improves quality of life. That is why, in business, we have to keep fighting for new competitive structures. But you are in the happy position that your products

unite business with sport, so you are able to keep emphasizing the parallels between competition in these two spheres.

Strotbek: At Audi, we have set ourselves clear goals. Sportiness is part of our brand's essence. But we are not just seeking to grow quantitatively, we are especially eager for qualitative growth. As CFO, I believe it is particularly important for us to focus not just on the sporting challenge of achieving good short-term results, quarter by quarter. We always keep our long-term corporate strategy in focus, too. We've set ourselves four key goals in order to become the world leader in the premium segment: First, we aim to become image leader among the premium manufacturers worldwide. We are not quite there yet, but we are working with great focus toward this goal and are making significant progress.

Second, we want to bolster our volume growth and improve our competitive position. To achieve that, we are increasing our production capacity



Famous "Gherkin"

Strictly speaking, the name of this office block in London is the same as its address: 30 St Mary Axe. But Londoners have dubbed the giant glazed building "The Gherkin." The 41-story tower owes its appearance to the star architects from Foster + Partners, led by Lord Norman Foster. The skeleton consists of interlocking helixes, with the offices arranged in rings around this core. It contains atriums up to six floors high, and natural ventilation is used.

102 _ Responsibility

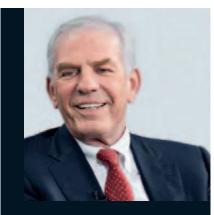
worldwide and also have plans to build cars in North America in the future. Third, in keeping with our valueoriented approach to corporate management, we regard healthy, superior financial strength as the measure of all things.

And fourth, everything depends on having a motivated, well-qualified workforce. That means we want to be an attractive employer at our locations. **Dr. John von Freyend:** I believe the topic of training, human resources and expertise is extraordinarily important. Outstanding, motivated employees are vital for success.

Strotbek: We have a clear picture of our growth pathway. Even throughout the crisis of 2008 and 2009 we kept recruiting, mainly engineers and specialists. We took on about 1,300 experts in 2011 and will be hiring a similar number in 2012. We keep stepping up the pace in an effort to recruit the best on the market for our core areas. Our new employees can look forward to exciting tasks in line with our ambitious growth targets. Dr. John von Freyend: The topic of growth is now the subject of some criticism in Western industrial nations. But economic growth is not simply about constantly generating "more of the same." Rather, growth is about change. Take, for instance, Germany's plans for a radical change in its energy supply. Obviously that will only work if new, intelligent, energy-saving technologies are developed. But at the same time, old technologies will cease to be used. I believe that when the concept of growth is defined properly, there is no longer an inherent contradiction between quality and volume.

Strotbek: Though there isn't much evidence of growth in Europe at present, only Germany is faring relatively well.

Dr. John von Freyend: That's right. America and Asia are still delivering decent growth rates. But there are problems in the eurozone. We at the Cologne Institute for Economic Research don't expect to see that region grow at all this year. Fortunately, Germany is the exception; today it is the powerhouse of growth in Europe,



Economic expert

Dr. Eckart John von Freyend, 68, is regarded as one of the leading representatives of German industry. He worked for the Federation of German Industries (BDI) for 18 years. Between 1990 and 1995 he was Assistant Secretary of State at the German Ministry of Finance. John von Freyend then became Chairman of the Board of Management of IVG Immobilien AG, one of Europe's biggest real estate companies. He is now President of the Cologne Institute for Economic Research and advises international companies.

having achieved about three percent in 2011, and according to our estimates it will still manage around one percent in 2012. Particularly here in London, one of the causes is clearly in evidence. Britain has become a service economy, whereas Germany has remained

"We are not just seeking to grow quantitatively, we are especially eager for qualitative growth." Axel Strotbek

largely an industrial economy. German industry contributes around one-quarter of gross national product and gross added value, and that proportion barely fell even during the economic crisis. That strong industrial base, first-class products and high manufactured quality coupled with the hunger for prosperity of emerging economies have enabled us to increase our exports year after year. I believe that is the very essence of the German economy's strength, and we should let nobody try to persuade us to turn our backs on intelligent industry and industry-oriented services.

Strotbek: I share your view. And for us as carmakers, there are two key aspects: Because there is a strong correlation between demand on car markets and the performance of a national economy, we need a stable economic environment. The second aspect is that we need to shore up our export success long-term. Particularly for us in the car industry, it is hugely important to be technologically at the forefront. That is why we want the Audi brand to take on a pioneering role – true to our brand essence "Vorsprung durch Technik."

Dr. John von Freyend: On the subject of technology ... I get the impression that the automotive industry is facing one of the biggest upheavals in its history. Strotbek: Yes, these are extremely exciting times as we strive to determine the future shape of mobility. We are facing the challenge of not just refining existing technologies, an area in which Audi is very strong and has set many benchmarks, but also promoting the electrification and hybridization of the car. The Audi brand intends to have the widest range of hybrid models in the premium segment with the Q5 hybrid quattro, as well as the A6 hybrid and A8 hybrid, which will be appearing on the market this year. At the end of 2012 we will also be unveiling the small-series R8 e-tron, an electric vehicle in the supercar segment. The next product generations will then build on the plug-in hybrid idea; these cars can travel electrically but still have a combustion engine so as to draw on the advantages of both technologies. As matters stand, we are planning to have an electric vehicle in every major car line by the end of the decade.

Dr. John von Freyend: About half the world's population now lives in cities. The proportion will grow to two-thirds over the next few decades. When we drove into London from the airport

just now, we spent two hours in a traffic jam. That shows just how big the challenges facing the automotive industry are in the field of mobility systems too.

Strotbek: We are already working on products and services for the megacities of the future. The Audi Urban Future Initiative which we launched has already given us vital inspiration. Through this interdisciplinary dialog with scientists, urban planners, sociologists and trend researchers, we discuss socially responsible ways of developing future mobility. We demonstrated how this mobility might look at last year's International Motor Show (IAA) in Frankfurt in showcasing the study of the A2 concept: an electric car specifically built for city driving, with a range of 150 to 200 kilometers. In addition, we are planning to offer a range of mobility services such as car sharing, as part of a venture that is still in the project and trial phase.

Dr. John von Freyend: I wish you the very best of success.

Strotbek: There's one last thing I'd like to ask you: If you had the chance to create a car, what would it have that your current vehicle doesn't?

Dr. John von Freyend: I have been an Audi driver for many years. I have just switched to the Q7 – and to be perfectly honest, it leaves very little to be desired. I could imagine, though, that cars will soon feature some sort of autopilot so that the driver will only need to intervene in certain situations and can otherwise relax and enjoy the journey.

Strotbek: We've already come an extremely long way in introducing various driver assistance systems. While we don't yet have an autopilot, we have made a fair amount of progress in that direction by progressively networking and refining technologies such as adaptive cruise control with stop&go function, active lane assist and side assist.



Dialog: Axel Strotbek and Dr. Eckart John von Freyend talk about responsible growth. Image: With the sector of th

"These are extremely exciting times as we strive to determine the future shape of mobility." Axel Strotbek



Growth also means responsibility: "The Audi brand is already working on products and services for the megacities of the future," explains Strotbek in London.

Audi pole2pole

pole

With support from the Audi brand, Sweden's Johan Ernst Nilson embarked on an expedition from the North to the South Pole, relying only on the power of nature and his own strength. A unique adventure and a dangerous undertaking.

ext | Stephan Seiler

The Audi pole2pole expedition, covering almost 30,000 kilometers, began on April 4, 2011 at the North Pole.



pole2pole

pole2pole

After leaving Vancouver, Nilson relied on an Audi Q5 as a support car. n day 32 the adventure almost came to an abrupt end. It was a clear morning in May 2011 on the southwestern edge of the Arctic. Johan Ernst Nilson had already covered around 1,000 kilometers on his route southward from the North Pole. A few days remained to traverse the Arctic ice and he would reach terra firma: Canada. At six o'clock that morning he and his partner Harald Kippenes planned the trek for the day, and then set out, pulling their sleds behind them. Nilson had an uneasy feeling. With each movement of his skis the ice creaked beneath him.

Later the Swedish adventurer commented that he saw disaster coming. "Suddenly everything collapsed around me. The ice seemed to dissolve beneath me. I was gazing into a dark gaping mouth. The next moment it had swallowed me up."

Nilson crashed through the ice into the sea. The Swede was hardly able to keep his head above water. He flayed around with his arms. "I had to decide there and then," he later recounts. He could have unbuckled his skis in order to swim quickly to the safety of the ice. Which would have meant the end of his adventure, as "without skis I would have had to give up. I didn't want that to happen." So he left his skis on and swam forward inch by inch, while his jacket gradually filled with water. But he made it. His companion pulled him out. It took three days until Nilson's clothes had dried – at temperatures of -40°C.

Nilson tells the tale of the day that might easily have been his last quite calmly.

It's the end of September and the Swede is sitting on the beach at Acapulco in Mexico. The parts of his face that are not covered by his bristly beard are dark red. Nilson nevertheless remains sitting in the blazing sun despite it being 35°C. He had sworn to himself in the Arctic that he would never again complain about heat.

It's about half-time on the Audi pole2pole expedition, which will take around one year in total. A trip from one end of the world to the other in a way that no one has previously dared. Nilson started out from the North Pole on April 4, 2011. A day of historical significance, as almost exactly 102 years earlier Robert Edwin Peary had been the first man to reach the North Pole. Although Peary's destination is Nilson's starting point, as his destination is the South Pole. Which he intends to reach on foot, on skis, by bike, pulled by a kite, and by sailing boat. He will be powered only by his own strength or by the wind. On land he will be accompanied by an Audi support vehicle, which will transport part of his equipment for him.

Johan Ernst Nilson, who originally studied journalism, has been a professional adventurer for 18 years now. He has undertaken expeditions to more than 100 countries. Nilson has climbed the world's highest mountains, crossed the Atlantic on a jet ski, and flown by propeller boat from his home town of Stockholm to Africa. It is not easy for an adventurer such as him to find new challenges. After all, there are hardly any adventures left that someone has not already experienced. By contrast, the Audi pole2pole expedition, which will see

On January 18, Johan Ernst Nilson

reached the South Pole.

Arriving in the Emerald City after 6,000 kilometers: Nilson reached Seattle on July 21, 2011.



"After 125 kilometers in the saddle, I reached the golden beaches of Oregon on July 28, 2011."

Johan Ernst Nilson





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PHOTOS | JOHAN ERNST NILSON

Nilson trek almost 30,000 kilometers, is unique and one of the last great adventures still possible on Earth. Nilson and Audi share this pioneering spirit. The carmaker wants to be a trailblazer – with its systematic Audi ultra lightweight construction, its quattro permanent allwheel drive, its TDI diesel engine and in future with its e-tron electric cars. Audi is supporting Nilson by providing him with modern technology, materials and logistics. Before departing for the Arctic, Nilson tested his survival equipment, such as his tent and sleeping bag, in the cold chamber in Ingolstadt.

But what help is even the best equipment if one of the hottest summers in Arctic history causes the ice to melt? "I had wanted to cross the ice as far as Greenland, but it melted away across a band of 200 kilometers. So we had to find a different way of getting to Canada," Nilson says. After a few days, however, he and his partner found themselves drifting on an ice floe. Their provisions ran out. "We eventually had to call a rescue helicopter and take a ride to firm ice." This resulted in a change of route. Instead of heading south down America's east coast as planned, the route now followed the west coast.

So Nilson's trip got off to an adventurous start. And things stayed that way. He describes how after more than 50 days he reached a Canadian military base, spent an hour under a hot shower and then ate for hours. "The Arctic cost me 17 kilos in body weight." He reports how he cycled through Canadian forests, only to be pursued by black bears and moose. How the

U.S. Highway Patrol did not believe his story and held him in custody for two hours. How he pedaled through the Baja California desert in Mexico although his water rations were too low. "The only gas station was closed," Nilson recalls. After 80 kilometers with virtually no water, he ended up in hospital with heat exhaustion. Yet Nilson also has many beautiful stories to tell. About Canada's virgin countryside, about the endless beaches in Mexico, about the many people along the way who cheered him on while he covered an average of 100 kilometers a day. Who brought him juice when he stopped for a break. Or offered him a bed for the night in their sparse homes.

The expedition route also took Nilson past many Audi centers. "I stopped off at countless Audi dealerships along the way," Nilson reports – for example in Los Angeles, in Guadalajara, Mexico, and later in Panama. Audi employees and customers were all eager to meet Nilson. "They wanted to hear what I'd gone through, why I was doing the trip," Nilson says. "Their support means a lot to me." He primarily visited social institutions en route. The Red Cross in Costa Rica, for example, or a children's clinic run by "Operation Smile" in Mexico. And Nilson emphasized eco-awareness when visiting Audi dealers. One of his primary concerns is the fight against global warming, the effects of which he has felt several times - and not only in the Arctic. A few weeks after his stop in Acapulco, Central America experienced the worst storms in 60 years. It rained for 60 days, from Guatemala via Costa

Rica to Colombia. In the rain of October, Nilson crashed when unable to avoid one of the many potholes. A few days later in Honduras a mountain road was washed away before his very eyes, with trees crashing onto the road.

In November Nilson again had to depart from his chosen route. He took a flight from Ecuador direct to the Antarctic. "An iceberg the size of Berlin was just breaking away, which I would have had to sail around. I would no longer have reached my planned starting point for the South Pole stage on time because of the greater distance. Because of the weather conditions prevailing in this season, the South Pole is only accessible for me until mid-February at the latest," says Nilson.

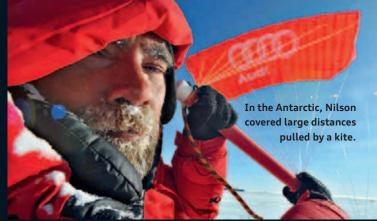
For 49 days, he kited and skied across the Antarctic ice. On some days, he managed more than 30 kilometers. On January 18, 2012, Nilson called in via satellite telephone: "I've done it. After so many months of rain, snow and ice. I can't feel my toes, and I broke two ribs, but I'm happy."

Nilson was taken to a hospital in Cape Town for treatment. His next plan is to return to Ecuador as quickly as possible to begin the rest of the trip to Tierra del Fuego, and sail from there to the Antarctic, where he intends to circumnavigate the floating ice block. "It's the only way I can cover the distance from pole to pole within one year," Nilson explains.



Daring: Johan Ernst Nilson on his exciting expedition from the North to the South Pole.





108_Inspiration

"Design is always emotional to start with." Stefan Sielaff explains how to create a car interior that delights customers.



Stefan Sielaff, Head of Audi Design at the time, now responsible for Group Interior Design in the Volkswagen Group, got into the "seating box" for the interview with our author Dorothea Sundergeld (right). Her topic: How will the age of the electric car change car interiors?

Interview

A glance at the secret Audi e-files

If Audi designers want to make the Board of Management fans of a new interior concept, they host a trial sitting – in the model interior. For our interview on the Audi A2 e-file study Stefan Sielaff, Head of Audi Design at the time, now responsible for Group Interior Design in the Volkswagen Group, got into the "seating box" himself.

Interview | Dorothea Sundergeld



The seating box as an illusion of the interior (left). Futuristic and yet ergonomic - the innovative interior (center).

It looks like a simple wooden box from the outside: What's behind the Audi e-files?

We are forever asking ourselves what the interiors of our vehicles could look like in the future. A few years ago we compiled relevant studies for the A, Q and R families. Because of course they were top secret, we called them x-files. In a second phase we then focused on our e-tron vehicles, hence the name e-files. The objective is to create an image of the future. To redefine the interior in an Audi world, taking the electric drive system into account. The designs we devised on paper and on the PC were then translated into a model so we designers – and the Board members who ultimately take the final product decision – can grasp them in both senses of the word.

How far into the future do you go with these models?

Not too far. The idea is not to create sci-fi. When we launch a project for a volume-produced car, we have five years' lead time until the start of production. In other words, the files are about seven to eight years ahead of reality.

What is new about the interior in the e-files?

Since electric cars no longer have a combustion engine under the hood, the structure of the vehicle can be different. Electric motors are smaller and the batteries do not necessarily have to be located in the space formerly occupied by the engine. So I can place those elements that are currently directly behind the dashboard there instead. Our guiding philosophy for the interior is to create a sense of lightness and introduce the new feeling associated with electric driving. In addition, a new idea also has to benefit the customer. I perceive the entire interior as being airy and spacious. There's almost as much space as in a London cab. And the center console can be lowered so that I can get out quickly on the passenger side if someone has parked too close to me in the city center. That's the advantage of no longer having a center tunnel, as electric cars do not need a transmission. Another plus is that I save a lot of weight, namely the 300 kilos that such a transmission weighs.

Does the fact that driving an electric car feels different affect the design of the interior?

For us designers, the fact that you hardly hear an electric motor almost amounts to a philosophical issue. After all, the act of starting the motor and driving off is a bit like turning on your coffee machine. Relatively unemotional. With a gasoline or diesel-powered car, you turn the key or press the start-stop button and ignite a combustion engine. And you can feel it, the pistons move; and you of course hear it, as there are countless explosions in the combustion chambers. There's none of that in an electric car. You turn it on and ask yourself: Is it on? Or not? We've solved this by placing the user controls horizontally on the dashboard. As soon as I press the start-stop button the user console pops up and a strip of light softly illuminates the cockpit area. This LED strip runs from the driver's door over the dashboard to the door on the passenger's side. This brings the interior to life and indicates to the driver that the system has been activated. Like that little red light on the coffee machine.

What are the ingredients for an interior that car buyers will rave about?

It is the sum of many details. The key factors are the package, the ergonomics and the user concept. Not only the visuals are very important, the acoustics are too. How protected do I feel inside my car? Many customers find it pleasant if the acoustics are dampened inside the car. Feedback from the control elements is also very important. If a dial sounds like the lock on a safe, psychologically it fills you with much more confidence than if it sounds like a plastic toy. And then there's the whole olfactory side to things. What do you smell when you get into the car? At Audi there's a special nose team that deals exclusively with this aspect.



The driver finds all relevant information in the central display (right).

What goes through your mind when you're in a seating box?

You need to be careful. You need a great sense of abstraction to grasp the feeling such an interior offers. Here you first get a feel for the proportions, that's crucial. The seating box is only an illusion of a finished product. What you see here is modeling clay coated with wall paint. Even the leather seam isn't real, but simply molded from clay. There's no real material feel. This study was developed specially for an urban context. After all, in 2030 some 70 percent of people will live in cities. And vehicles will then need an interior that is minimalist in character. The more complex the environment, the better it is if the interior does not distract you, but provides concentrated information. Less is more!

And when you present a study like this to the Board? Well, you feel a bit like a chef presenting a new dish. You've tested it out a few times in the kitchen, changed the seasoning, worked on the details and nuances. Then comes the moment of truth when you have to serve the dish to your guests, when everything just has to click. And you know immediately whether that's happened.

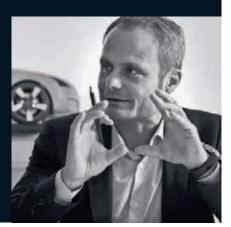
Do you judge a design proposal intuitively or rationally? Design is always emotional to start with, that's what we designers should always strive for. I often say: The design must still feel like an Audi even if you take away the four rings. At the end of the day, the important thing is to create a product that delights and convinces the customer. Ideally, this delight begins with love at first sight and is followed up by long-lasting delight, which results one day in marriage. •



Close-up: Experience the Audi brand's unmistakable interior design in this video featuring the new Audi Q3 premium SUV.

Wolfgang Egger takes over Audi Brand Design

Stefan Sielaff has been responsible for new tasks in the Volkswagen Group since February 1, 2012. His successor is Wolfgang Egger, who is now also in charge of Audi Brand Design on an operational level. After numerous chief designer posts at various car manufacturers, Egger joined the Audi Group in 2007, since which time he has been Head of Audi Group Design. In this position he has overall responsibility for vehicle design at the Lamborghini brand and for vehicle and product design at the Audi brand. Egger attracted considerable attention with his Audi quattro concept show car. By creating the first Audi e-tron concept he also gave visible expression to Audi's progress towards electric mobility.



SWR3 New Pop Festival 2011

A stage for the future

The SWR3 New Pop Festival in Baden-Baden is more than just a stage for well-known artists – it is a springboard for up-and-coming young stars. Audi helped sponsor the three-day event for the first time in 2011.

Text | Marcel Anders



radiates joy. Clare Maguire from Birmingham is standing on the stage of the picturesque 19th century theater. She senses the audience's elation and knows: This is the moment she has spent years waiting for. And it is happening on her 24th birthday. The SWR3 New Pop Festival in Baden-Baden is the chance for her big breakthrough. She seizes the opportunity with a performance nearly unparalleled in fervor and passion.

It is the highlight of the first day. But just one of many – in a very special series of events. This is not a carnivallike festival for the masses. Instead, it is a three-day event in a small, intimate setting for which approximately 19,000 admission tickets are offered. The event has an almost missionary-like goal: showcasing young, intelligent pop music once a year. In venues with perfect acoustics and optimum visibility, performed by ambitious young artists who have released their first albums and for whom Baden-Baden often serves as a springboard to an international career.

"The SWR3 New Pop Festival has always demonstrated an exceptional feel for trends in the scene, making it our ideal partner," says cultural officer Jürgen Bachmann from AUDI AG. The Company appeared for the first time in 2011 as main partner and co-sponsor of the festival, which is organized by SWR3 – the Südwestrundfunk broadcasting company's pop radio station. "This enables us to promote new talents and further strengthen the Audi brand image among a young, cosmopolitan audience," continues Bachmann. Performing at the fall festival has been a popular goal for outstanding new artists and pop groups since 1994. International stars such as Alanis Morissette, Anastacia and the Fugees took their first steps on the big stage here.

Enter Jessica Ellen Cornish from Essex – better known by her stage name Jessie J. At 23, she reached number two on the British album charts with her debut album "Who You Are." With her powerful soul voice, she gives a magnificent performance in the sophisticated

New sound in an old hall: Tim Bendzko performs on the picturesque round stage of the Baden-Baden Theater, built in 1862.

114_Inspiration

Belle Époque-style Kurhaus. No less impressive: the Hawaiian multiinstrumentalist Bruno Mars, who performs a classical soul review – with a fantastic band and a repertoire full of catchy tunes: Just the Way You Are, Grenade, The Lazy Song, The Other Side and lots more. The hall is bubbling with life – people are waving lighters,

"I could well imagine writing my next album here." Brooke Fraser

singing along and giving standing ovations. The overflowing enthusiasm is such a surprise to some of the artists that they forget their inhibitions, leave the safety zone of their hotel room and stroll openly through town: across the squares dotted with fountains, past the cafés and restaurants, down the small alleyways lined with exclusive boutiques and through the parks on the banks of the Oos River. Baden-Baden has a Mediterranean flair, especially when bathed in gleaming sunlight.

This is likely part of the reason that Rumer, the vocal powerhouse from Britain, is happy to mingle with the crowd on the second day of the festival, inviting Zaz, the shooting star from France, to a spontaneous acoustic gig on Konrad-Adenauer-Platz. Brooke Fraser, New Zealand's most successful pop export with her hit Something in the Water, is in fact contemplating a longer stay in the Baden area: "The town is incredibly beautiful and inspiring to me. I could well imagine writing my next album here. Simply because I enjoy the architecture and the people are so nice."

Indeed, it is the people who are another special feature of the SWR3 New Pop Festival: This is not an audience interested in wild partying. The members of the public here are attentive, enthusiastic and receptive to new ideas. They are fully focused on enjoying the music and the performances, and swear by the variety of the program here, the quality of the artists and the relaxed atmosphere. There is a good reason that the festival in Baden-Baden has so many repeat visitors. It is a genuine musical tradition.

The SWR3 New Pop Festival 2011 draws to a melodious close in a festival special on the third and final day of the event with Rea Garvey, Natalia Kills, Gypsy & The Cat and Melanie C rocking the stage. As soon as the last note fades, Baden-Baden begins waiting for the next SWR3 New Pop Festival with new talents, world-class music and unreserved enthusiasm.

Culture: The brand is also involved in the area of classical music in the shape of the Audi Summer Concerts.



"Attracting the right talents and promoting their development is one of the key themes for Audi."



Thomas Sigi Human Resources

The SWR3 New Pop Festival has provided young artists with a platform for presenting themselves to a broader public since 1994. The radio station uses the festival to promote talented young people and some artists are even able to break through to the top. Celebrities like Xavier Naidoo, Laith Al-Deen and Amy Macdonald are all prime examples of this.

Attracting the right talents and promoting their development is a key theme for Audi as well. This is the only way to ensure the supply of skilled employees that Audi needs to stay on its course of global growth. It is thus only fitting that Audi plays the role of sponsor for the SWR3 New Pop Festival. Firstly, we meet talented young people among the fans who we would like to win over for Audi. Secondly, we encounter the target group for our sporty models there. Audi would also like to give something back to the people in the region. In addition to the SWR3 New Pop Festival, the Company is therefore expanding its cultural commitment with summer concerts and its own rock and pop festivals in Ingolstadt and Neckarsulm. What's more, Audi is sparking the enthusiasm of children and youth in technology with events such as "Lernfest," "Girls Day," "Technik Camp" and a variety of vacation activity programs.



Sound from another planet: Bruno Mars delighted the audience with his hits.



The Festspielhaus in Baden-Baden: a grand setting for the SWR3 New Pop Festival.



Jessie J (above) and Clare Maguire (right) sang their way into the audience's hearts in Baden-Baden.



Lightweight automotive construction interpreted as jewelry. C

Ser.

Spiral bracelets made from lightweight spring steel.

Form follows function

Inspiration_117

The lifestyle articles from the Audi collection make it possible to experience the Audi brand not just through vehicles, but via fashion as well. An extraordinary presentation in the Audi body shop.

Text | Marcus Luft



Series production meets precision craftsmanship. Briefcase made from coarse-grained black cowhide nappa leather.

Vorsprung durch Technik down to the finest detail.

Audi chronograph with interchangeable wrist band.

Audi design language

000

Weekend bag made from coarsegrained black cowhide nappa leather. Sunglasses made from spring steel, flat folding.



Luggage set in black seat leather with contrasting stitching in luxor beige, the perfect fit for the Audi R8.

Weekend bag made from coarse-grained black cowhide nappa leather.

Cosmetics case made from perforated black smooth leather.

he clock at the body shop in Ingolstadt is showing 10.30 a.m. when a young woman in an evening dress approaches the body shell of a vehicle. She tilts her head back and touches a curved fender that is destined to become part of a new Audi TT. Behind the dark-haired woman, Audi employees dressed in gray are going about their business. Machines are in motion. Neon lights flood the hall with cold light. The smell of oil is in the air. Suddenly there is a flash. Then another and another, faster and faster. Click, click.

The situation is surreal. In the middle of the technical world of the TT body shop, amongst robots and information displays, a woman in an evening dress is leaning backward and forward. In front of her: a photographer with a camera, lamps, assistants holding brushes and powder puffs. Behind the model, unpainted doors are being mounted onto vehicles. The hall is the site of a very special photo shoot featuring elegant fashion and lifestyle articles from the Audi collection.

For over 25 years now, the brand with the four rings has been transferring Audi design into objects for customers' everyday use (http://collection.audi.de). No matter whether watches, sunglasses, key rings or cuff links: Even when it comes to lifestyle articles, Audi's simple formula is that form should follow function – in the most elegant and sporty way possible. The designers' goal is to ensure that customers recognize the typical Audi look at a glance, even when it comes to lifestyle articles. The cigar punch should be just as uniquely Audi as the sedan.

Audi collection lifestyle articles are made from the same materials used in vehicle construction, including carbon,

aluminum and cowhide nappa leather. The latter is especially soft and smooth and is finished in Germany by hand. Handcraft plays an important role throughout the entire production process, with leather items being stamped and carefully handstitched one by one. The cases in the R8 line, for example, are made from the same leather used to produce seats for the cars. Even the same contrasting stitching is used.

In terms of jewelry as well, the high technological quality of the Audi collection sets standards: An ultralight spring steel bracelet, for example, is an interpretation of Audi's lightweight construction technology. It is precisely this connection between fashion and technology that Andra the photographer seeks to capture during the photo shoot in the Ingolstadt factory halls and convey through her pictures. "I showcased the lifestyle articles in the production landscape, although in theory this doesn't fit," says the resident of Hamburg. "The cool, technical surroundings contrast sharply with the elegant lifestyle articles and beautiful model. That is exactly what I was looking for."

The clock strikes 12. Time for a brief lunch break for Andra behind the camera, the young woman in the evening dress in front of the camera and all the helpers who are frantically moving lamps or carrying in new dresses.

In contrast, the gray-clad workers in the background continue to go about their business, bolting on doors and fenders and programming robots. Soon the fashionable guests will be gone and they will once again be the stars of the hall.



Close-up: Dive into a unique picture world and enjoy selected lifestyle articles from the Audi collection.

Special equipment for everyday products.

1 🔳

Aviator sunglasses with quattro logo, Heritage collection.

Exclusive Audi notepad made from seat leather in chestnut brown and powder beige.

Chrome-plated fountain pen.

Review of **2011**

Grand entry at the Consumer Electronics Show (CES) in Las Vegas: The Audi A8 L W12 quattro rolls onto the stage.

8LW12 guattro

Keynote speech

Rupert Stadler speaks at world's biggest electronics show

Rupert Stadler, Chairman of the Board of Management of AUDI AG, delivered the keynote speech at the Consumer Electronics Show (CES) in Las Vegas on January 6, 2011. "We want to adapt the best technologies available for the automotive world," he declared. The car of the future will be connected with the Internet, with the traffic infrastructure and with other vehicles.



Geneva Motor Show

A3 concept unveiled

Audi took the wraps off its A3 concept, a technology study, at the Geneva Motor Show in March 2011. The four-seat notchback sedan integrates the full breadth of the Audi brand's technological expertise. The study's proportions nevertheless lend it a particularly dynamic character and provide a foretaste of the new-generation Audi A3.

Cooperation

AUDI AG and Voith GmbH form development partnership

In February 2011, AUDI AG and Voith GmbH signed a letter of intent regarding a development partnership. The goal of the partnership between the two companies is to promote industrialization of the manufacture of carbon fiber-reinforced materials for high-volume automotive production, particularly by developing a highly automated process chain. The intention is to make use of the high potential of these innovative materials to benefit lightweight construction and efficiency.

01-03

Employer study

Most attractive company in Hungary

AUDI HUNGARIA MOTOR Kft. was named Hungary's "Most attractive company" once again. This is the result of a survey of 33,000 participants conducted by the business consultants Aon Hewitt and the student organization AIESEC (www.autoevolution.com/news/audi-the-most-attractivecompany-in-hungary-32615.html). The study assesses more than 230 Hungarian companies.

Awards

Multiple successes for Audi

The jury and readers of the British magazine What Car? named the A1 their "Car of the Year" and top "Supermini." The Audi TT was voted "Coupe of the Year" for the fifth time in a row (www.whatcar.com/car-news/ audi-a1-named-car-of-the-year/254884). In the reader poll "The Best Cars of 2011" conducted by auto motor und sport, Audi won four different categories: with the A1, the A4 and A5 models (in the midsize category), the R8 Spyder and the Q5 (issue 4/2011, page 104 ff.). Readers of Automobilwoche voted Audi the "Brand of the Decade" (issue 3/2011, page 3 ff.).

Double celebration

Production milestones at Győr and Brussels

The 20 millionth engine left the production line at the plant in Győr, Hungary, in April. This power unit is a 2.0-liter TDI engine with four cylinders and an output of 125 kW (170 hp); it was installed in a white Audi TT Coupé. Two months later, the 100,000th Audi A1 rolled off the assembly line at the Brussels plant to great applause – in the presence of King Albert II of Belgium.



Campaign

Award for "Magical Moments"

In May, AUDI AG received two Employer Branding Awards from the trendence institute ("trendence Employer Branding Awards 2011," May 24, 2011). The Company won the "Best Careers Website" and "Best Careers Advertisement" categories. In explaining its decision, the jury praised the "credible and personal" character of the "Magical Moments" campaign, in which Audi employees ranging from apprentices to managers described unique moments they have experienced at the Company.

Attractive company

Top employer among graduates

Another double triumph for AUDI AG: Engineering and economics graduates in Germany again voted the Company the most attractive employer. This was the outcome of the employer rankings compiled by the consultants trendence ("trendence Graduate Barometer 2011 – Business and Engineering Edition," April 15, 2011) and Universum ("The Universum German Student Survey 2011," May 16, 2011).

New models Double world premiere

In April, the Company unveiled its compact premium SUV as the Audi Q3 made its debut in Shanghai. A short time later, the new Audi A6 Avant was given its first public showing in Berlin (right). Now in its seventh generation, this lightweight trendsetter in the business class is set to continue the brand's success story.



Classic car rally Audi at the Mille Miglia

Audi Tradition, the heritage department of AUDI AG, became involved as one of the principal sponsors of the Mille Miglia. The classic car rally started in Brescia (Italy) with 375 participants. Audi Tradition also supported the Donau Classic in Ingolstadt by entering ten historic cars. And Audi was represented by two Auto Union Silver Arrows at Goodwood (UK), the ultimate meeting place for automotive legends.





Sponsorship

Basketball players drive an Audi

Bayern Munich's basketball team has now joined the soccer players in flying the flag for the Audi brand. In September, the team received 20 Audi A4 cars. AUDI AG has been supporting the team since the start of 2011 with the aim of bolstering basketball's steadily growing popularity in Germany. The partnership now also has a clearly identified base, with the renaming of the Rudi SedImayer Hall as the Audi Dome.

Culture

Audi hosts classical music concerts

Classics to savor: In July, AUDI AG presented an open-air weekend in Ingolstadt's Klenzepark as part of the Summer Concerts. The performers included the Royal Philharmonic Orchestra from London, the Georgian Chamber Orchestra from Ingolstadt, and the Audi Wind Ensemble. Entry to the open-air concerts was free.



Mobile future World premieres at the IAA



Audi gave a number of models their world premiere at the 64th International Motor Show (IAA) in Frankfurt, with highlights including the S6, S7 Sportback and S8 models. The sporty versions

of the main car lines deliver high power coupled with impressive efficiency thanks to innovative Audi cylinder on demand technology. With the A2 concept, an allelectric-drive study, the Audi brand provided another glimpse of the future shape of electric mobility. The Audi urban concept was also unveiled, an ultra-lightweight study vehicle for urban driving.

Audi's young faces 706 new apprentices

The number of apprentices at Audi remains high. In the fall, the Company welcomed 458 new recruits to pursue training in 22 vocations in Ingolstadt, and 248 young people training in 11 vocations in Neckarsulm.

Festival of soccer Barcelona win the 2011 Audi Cup

Barcelona were the winners of the second Audi Cup in Munich. The Spaniards presented a real festival of soccer in the final against Bayern Munich in front of a crowd of 66,000 people at a sell-out Allianz Arena. Midfielder Thiago Alcántara was the scorer of both goals in Barcelona's 2-0 victory.





Production milestone

Ten millionth Audi A4 and Audi 80

At the start of October, the ten millionth midsize model of the Audi brand left the Ingolstadt production line. The completion of this Audi S4 in Misano Red, with black and alabaster white interior trim, represented a major landmark in the history of the Company. From 1972, the model first passed through four generations as the Audi 80; the Audi A4 took its place in 1994 and has now in turn reached its fourth generation.

Increased capacity

New plant in China

In December, Audi announced plans to increase its presence in China substantially. From 2013 on, vehicles of the brand with the four rings are to be built at a second plant in the southern Chinese city of Foshan. To that end, the German-Chinese joint venture FAW-Volkswagen Automotive Company, Ltd. is to construct a production plant comprising press shop, body shop, paint shop and assembly line on a site covering 100 hectares. Around 4,000 people will be employed at the site.

Motorsport

Clean sweep for Audi at DTM

In the German Touring Car Masters (DTM), the Audi brand won every title available. Martin Tomczyk sealed the Drivers' Championship with one race to spare, and Mattias Ekström took the runner-up slot in the last event of the season at Hockenheim. By then, Edoardo Mortara had already been confirmed as "Rookie of the Year." The team trophy, too, went to Audi.

Success

Audi wins more awards



The Audi brand won several awards in the fall: In Berlin, the A6 was awarded the "Golden Steering Wheel" (left) sponsored by BILD am SONNTAG and the European AUTO BILD Group (AUTO BILD, issue 45/2011, page 57 ff.). The Audi RS 3 Sportback took the design award "Autonis 2011" in the reader poll held by the magazine auto motor und

sport (issue 23/2011, page 136 ff.). According to the ADAC brand index "AutoMarxX 2011" (ADAC Motorwelt, issue 12/2011, page 75 ff.), Audi ranks as Germany's strongest car brand. Then, just a few weeks after the A6, the Q3 also achieved the top score of five stars in the Euro NCAP crash test (www.euroncap.com/results/audi.aspx).

Concert tour

Audi Youth Choir Academy delights Pope

In October, the Audi Youth Choir Academy performed at the Vatican in front of Pope Benedict XVI and an audience of several thousand. The concert with the Bavarian State Orchestra in the Aula Paolo VI marked the high point in the choir's short history. The Pope thanked the 93 singers for their "marvelous gift to everyone here."







Andra Photographer, Hamburg

"I love uniting contrasting worlds in my photographs," says Andra, 32. For five years now, the photographer has been creating fashion shoots for advertising campaigns and fashion magazines. And she especially likes unusual locations. "They enable me to tell a story through my photos." **Page 116**

The faces behind the stories Authors and team



Stefan Schütz Photographer, Munich

Rainer Thide Journalist, Hamburg

Snow is not only their friend, but time and again their co-worker, too. Photographer Stefan Schütz, 46, and lifestyle author Rainer Thide, 55, roam the ski slopes of Europe and North America in the cold season in search of the latest tales from the world of winter. "I love the spontaneity of working outdoors. A rain shower or a snow storm can change everything," enthuses Thide. He appears in the photo above, along with Schütz and skiing legend Hermann Maier. **Page 56**

Fuel consumption and emission figures at the end of the Annual Report

Dirk Lehmann Journalist, Hamburg

As a correspondent for the magazine GEO SAISON, frequent travel is all in a day's work for Dirk Lehmann, 44. Whether trekking through Greenland, paddling a boat in the Swedish archipelago region or hiking in Australia's Simpson Desert: This journalist loves to be out of the office. **Page 24**





Dorothea Sundergeld Journalist, Hamburg

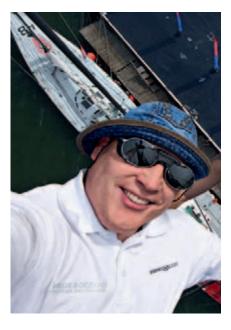
Dorothea Sundergeld, 43, has loved good design more or less since her birth. "I was born in a part of Germany where there are so few stylish things that you grow up either completely disregarding design – or obsessing over it," she says. Sundergeld particularly enjoys writing pieces which explore the overlapping of design, the arts and science for renowned design magazines and her blogs. **Page 108**



Dr. Hajo Schumacher Author, Berlin

One man, many talents: Dr. Hajo Schumacher, 47, has not only worked as an editor-in-chief and Berlin correspondent, but has also written a book about the current German Chancellor. Nowadays, he is known primarily for publishing as well as hosting television programs and appearing as a sidekick on a late-night show. Under the pseudonym Achim Achilles, he also writes about running. He demonstrates genuine passion in this role - just as he does in all others. His next project: the triathlon, one day on Hawaii. Page 66

> Dirk Lehmann touring Tuscany in an R8 GT Spyder.



Alexander von Wegner Author, Hamburg

Alexander von Wegner, 41, caught the motorsport bug at the age of 13 when he watched his first rally race. Since 1996, he has worked either as a motorsport journalist or press agent; he is at racetracks more than 20 weekends every year. He has also witnessed many Audi triumphs live at Le Mans. It is there that von Wegner, who studied political science, works with the Audi Motorsport Communications team. **Page 70**

Richard Walch Photographer, Augsburg

He specializes in extreme assignments: Richard Walch, 41, is a consummate actionsports photographer. Being surrounded by water or snow makes him feel at home. In addition to Audi, his customers include a great many major brand manufacturers. His work entails climbing 15 meters up a ship's mast – or leaping from a helicopter onto a pristine ski slope. "My job is perfect the way it is," adds Walch. **Page 34**



35.4 %

turn on inv

The Audi Group once again proved its high profitability in the 2011 fiscal year. The return on investment rose to 35.4 percent, significantly exceeding the previous year's level.

Deliveries to

The Audi brand delivered more cars in 2011 than in any previous fiscal year. 1,302,659 new cars in total were handed over to customers. This equates to an increase of more than 19 percent or 210,000 vehicles on the previous year.

EUR 44.1 billion

Thanks to strong growth in deliveries and further improvements to the mix of models and countries, the Audi Group increased its revenue by 24.4 percent to a new record level of EUR 44.1 billion.

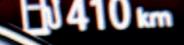
62,806

The number of employees within the Audi Group reached a new record high in 2011. An average of 62,806 people worldwide worked for the Company. Some 1,200 more experts are to be recruited in 2012, mainly in the areas of electric mobility and lightweight construction.

1,302,659 cars

hr prent the developm the biggest investment pr the period from 2012 to 2015 Eur 2.997 billion

РНОТО | AUDI AG



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Finances_131

EUR 5.3 billion

Operating profit The strategy for sustainable and profitable growth paid off once again in the 2011 fiscal year. The Audi Group improved its operating profit by more than EUR 2.0 billion to EUR 5.3 billion. This equates to an increase of around 60 percent.

Kapo

1212%

Operating return on sales With an operating return on sales of 12.1 percent, the Audi Group was among the most profitable companies in the worldwide automotive industry in 2011.

Record year 2011

Audi on course to become the leading premium brand worldwide

sk economics and engineering students to name the most attractive employers in Germany, and their answer will leave little room for doubt: Audi, the successful brand behind the four rings. The students' verdict was confirmed yet again last year by surveys conducted by the renowned consultants trendence ("trendence Graduate Barometer 2011 – Business and Engineering Edition," April 15, 2011) and Universum ("The Universum German Student Survey 2011," May 16, 2011). AUDI AG remains in the elite category for potential employees.

Similarly, customers regard the company from Ingolstadt as one of the world's leading manufacturers of premium automobiles. Because they trust in the unique design, high quality, sportiness and also the proverbial "Vorsprung durch Technik" that it offers.

The Audi Group's sustained success is impressively underscored by the trading figures for 2011: The brand with the four rings increased deliveries to customers to a new record total of 1,302,659 cars. This corresponds to a rise of 19.2 percent within the space of just one year – the sharpest increase in the history of the Company.

Thanks to the steep rise in demand and further improvements to the mix of models and countries, revenue grew by almost one quarter to a new all-time record of EUR 44.1 billion. The Audi Group increased its operating profit by an even steeper rate. At EUR 5.3 billion, this improved on the previous year's record total by around 60 percent. The operating return on sales climbed to 12.1 percent and was therefore higher than the long-term target corridor of 8 to 10 percent.

2011 thus saw the Audi Group move a big step closer to realizing its vision of "Audi: the number one premium brand." The Audi brand aims to be the world leader in the premium segment by 2020.

To achieve that goal, the Company has set its sights on becoming the

global image leader and achieving continuous growth in deliveries, alongside superior financial strength and worldwide attractiveness as an employer.

That is why Audi has already stepped up its activities on international car markets in recent years, and has steadily expanded the worldwide dealer and service network. The focus has been on the United States and, in particular, on key growth markets such as China and India. These efforts are now paying dividends: Deliveries in the United States reached 117,561, meaning that more customers than ever before chose an Audi. In China, too (including Hong Kong), the brand achieved a new record total of 313,036 cars delivered, extending its position as brand leader of the Chinese premium segment. For the first time ever, China has replaced Germany as the biggest national market for Audi vehicles.

As part of the long-term product initiative, a large number of new products were again launched in 2011. The new-generation A6 business sedan celebrated its world premiere in the early part of the year. The new A6 Avant followed in the fall. An attractive new version joined the popular Q family in the guise of the Audi Q3. Other highlights were

Deliveries

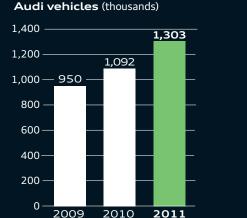
the Audi RS3 Sportback, Audi R8 GT Coupé and Audi R8 GT Spyder, combining emotional design above all with sportiness and driving fun.

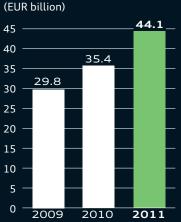
35.4

Audi also brought a full-hybrid model onto the market in 2011 the Q5 hybrid quattro. It will be joined by the A6 hybrid and A8 hybrid in 2012, along with the smallseries Audi R8 e-tron, an all-electric sports car. This range of modern hybrid and electric vehicles is the brand's response to customer interest in innovative drive concepts. Meanwhile, the Company continues to work on further improving the efficiency of combustion-engined vehicles. At the International Motor Show (IAA) in 2011, Audi took the wraps off the new S6, S6 Avant, S7 Sportback and S8 models. These feature a 4.0 TFSI high-performance engine that delivers even more dynamic road performance than the predecessor unit, while being up to 25 percent more fuel-efficient. Alongside these sporty new models, other versions providing fresh demand impetus in 2012 will include the A1 Sportback, the A6 allroad quattro and the new generation of the Audi A3.

The Audi Group is further expanding its worldwide production capacity to accommodate the planned growth in deliveries. At the Spanish plant in Martorell, a total of around

Revenue

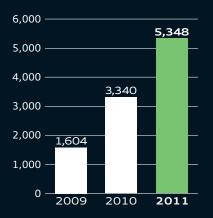




Operating profit (EUR million)

44.1

62,806



EUR 250 million has been invested in the production of the new Audi Q3. Production capacity at the Chinese plant in Changchun has also been increased, work on extending the Győr plant in Hungary has begun, and the decision to erect a new factory in the southern Chinese city of Foshan has been taken. Furthermore, the Company intends to have its own production facilities in North America from 2015 on.

In total, the Audi Group is planning to invest EUR 13 billion by 2016. This marks the biggest investment program in the Company's more than 100-year history. Over two billion euros are to be spent annually on new products and technologies alone. The investment measures center on important core competences such as electric driving (Audi e-tron), lightweight construction (Audi ultra) and networked mobility (Audi connect).

To realize these ambitious growth plans, the Audi Group will also need outstanding employees in future. Having recruited over 1,300 experts in Germany alone in 2011, it now plans to hire around 1,200 more in the current fiscal year. This will safeguard the car manufacturer's "Vorsprung durch Technik" for future years, and help it become the world's leading premium brand.

Fuel consumption and emission figures at the end of the Annual Report

PHOTOS PAGES 18/19 | JOHAN ERNST NILSON (2); ANDRA/TANK MANAGEMENT; GORDON WELTERS/LAIF; PICTURE-ALLIANCE/HOCH ZWEI; AUDI AG (12); PICTURE-SERVICE GMBH/AUDI AG (3); RICHARD WALCH/AUDI AG; ANDREW HARRER/GETTY IMAGES; STEFFEN JAHN; VDA; STEFANSCHUETZ.COM; TOM SÓLO/FRÖHLICH MANAGEMENT; OLIVER SOULAS/LAIF; TOBIAS HASE/DPA PICTURE-ALLIANCE; STEFAN WARTER/AUDI AG; OLAF HAUSCHULZ/KAI TIETZ AGENTUR DER PHOTOGRAPHEN; SJOERD TEN KATE/SCHIERK; THOMAS DASHUBER/MUNICH (7)

134 Management Report of the Audi Group for the 2011 fiscal year

- 134 Audi Group
- 143 Business and underlying situation
- 159 Financial performance indicators
- 162 Social and ecological aspects
- 175 Risks, opportunities and outlook
- 187 Disclaimer

The fuel consumption and emission figures for the vehicles named in the Management Report of the Audi Group are listed from page 260 onward.

188 Consolidated Financial Statements of the Audi Group at December 31, 2011

- 188 Income Statement
- 189 Statement of Recognized Income and Expense
- 190 Balance Sheet
- 191 Cash Flow Statement
- 192 Statement of Changes in Equity
- 194 Notes to the Consolidated Financial Statements
- 194 Development of fixed assets in the 2011 fiscal year
- 196 Development of fixed assets in the 2010 fiscal year
- 198 General information
- 204 Recognition and measurement principles
- 212 Notes to the Income Statement
- 218 Notes to the Balance Sheet
- 227 Additional disclosures
- 248 Events occurring subsequent to the balance sheet date
- 249 Statement of Interests
- 250 Responsibility Statement
- 251 Auditor's Report
- 252 Declaration of the AUDI AG Board of Management

253 Corporate Governance Report

- 253 Corporate governance
- 253 Corporate management declaration
- 254 Compliance
- 254 Risk management
- 255 Communication and transparency
- 255 System of remuneration for the Supervisory Board and Board of Management
- 256 Mandates of the Board of Management
- 257 Mandates of the Supervisory Board

Note: All figures are rounded off, which may lead to minor deviations when added up.

Management Report of the Audi Group for the 2011 fiscal year

AUDI GROUP

STRUCTURE

Company

The Audi Group, comprising the two brands Audi and Lamborghini, is one of the world's leading carmakers in the premium and supercar segment.

The core of the Company comprises the Audi brand, whose vehicles delight customers with their outstanding modern design, technological innovations and high build quality. The ambition to fulfill challenging customer expectations with pioneering vehicle concepts is manifested in the brand essence "Vorsprung durch Technik," which encompasses the brand values sportiness, sophistication and progressiveness.

The brand with the four rings increased its deliveries by 19.2 percent in fiscal 2011 to the record total of 1,302,659 (1,092,411) vehicles.

AUDI VEHICLE DELIVERIES BY REGION

	2011	Share in %
Germany	254,011	19.5
Europe excluding Germany	472,307	36.3
China (incl. Hong Kong)	313,036	24.0
USA	117,561	9.0
Other	145,744	11.2
Total	1,302,659	100.0

The Italian traditional brand Lamborghini builds exclusive supercars that are the embodiment of technological expertise, captivating design and dynamic handling.

In addition to the models of the Audi and Lamborghini brands, the Audi Group supplies vehicles of other Volkswagen Group brands through its sales subsidiaries.

Main Group locations

The headquarters of the Audi Group are located in Ingolstadt, where Technical Development, Sales and Administration as well as most vehicle manufacturing operations are based. The Audi A3 and A3 Sportback models, the A4 car line, the A5 Sportback and the A5 Coupé, RS 5 Coupé and Q5 models are built there. In addition, the Company makes bodies for the A3 Cabriolet, the RS 3 Sportback and the TT car line in Ingolstadt.

The Neckarsulm plant is where the A4 Sedan and A5 Cabriolet models, the A6 car line, the A7 Sportback and the A8 luxury sedan are manufactured. The head offices of quattro GmbH, a fully owned subsidiary of AUDI AG, are also located there. In addition to building high-performance vehicles such as the Audi Q7 V12 TDI and its bespoke manufacturing of the R8 models, quattro GmbH offers an extensive customization program for all Audi vehicles, along with exclusive lifestyle articles that embody the spirit of the brand with the four rings. AUDI HUNGARIA MOTOR Kft., Győr (Hungary), develops and builds engines for the Audi brand,

for other Volkswagen Group companies and for third parties. Models of the TT car line are also manufactured at the Hungarian plant jointly with Ingolstadt, and the A3 Cabriolet and RS 3 Sportback are assembled there. Since its founding, this company has developed into one of Hungary's biggest exporters.

In Brussels (Belgium), AUDI BRUSSELS S.A./N.V. specializes in the exclusive production of the models of the A1 car line.

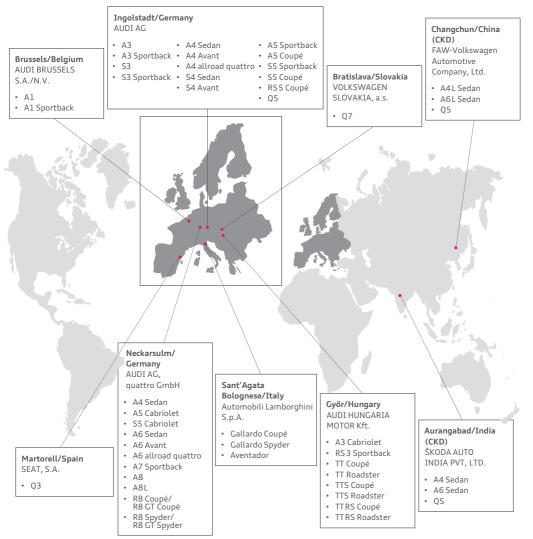
Automobili Lamborghini S.p.A. builds the Gallardo and Aventador supercars at Sant'Agata Bolognese, in northern Italy. The 12-cylinder engines for the Aventador are also built there by Lamborghini.

The Q7 and Q3 models are built at other VW Group plants, at Bratislava (Slovakia) and Martorell (Spain) respectively.

At the Changchun plant (China), the joint venture FAW-Volkswagen Automotive Company, Ltd. builds long-wheelbase versions of the A4 Sedan and A6 Sedan, plus the Q5, which are supplied to the local market.

At Aurangabad (India), the A4 Sedan, A6 Sedan and Q5 models are built for the local market at the VW Group plant.

MANUFACTURING PLANTS



The S6, S6 Avant, S7 Sportback and S8 models will go into production at the Neckarsulm plant in early 2012.

Consolidated companies

Volkswagen AG, Wolfsburg, is the major shareholder of AUDI AG and controls approximately 99.55 percent of the share capital. Volkswagen AG includes the Consolidated Financial Statements of the Audi Group in its own Consolidated Financial Statements. Control and profit transfer agreements exist both between Volkswagen AG and AUDI AG, and between AUDI AG and its principal German subsidiaries.

The group of consolidated companies has grown since December 31, 2010 to include the following companies: AUDI AUSTRALIA RETAIL OPERATIONS PTY LTD., Zetland (Australia), AUDI BRUSSELS PROPERTY S.A./N.V., Brussels (Belgium), AUDI HUNGARIA SERVICES Zrt., Győr (Hungary), AUDI TAIWAN CO., LTD., Taipei (Taiwan) and AUDI SINGAPORE PTE. LTD., Singapore (Singapore). Additionally, SALLIG S.R.L., Turin (Italy), which was previously not consolidated, was merged with

Management Report

134 Audi Group

- 134 Structure 136 Strategy
- 140 Shares
- 141 Disclosures required under takeover law
- 143 System of remuneration for the Supervisory Board and
- Board of Management 143 Business and underlying
- situation 159 Financial performance
- indicators 162 Social and ecological aspects
- 175 Risks, opportunities and outlook
- 187 Disclaimer

Italdesign Giugiaro S.p.A., Turin (Italy). With effect from July 1, 2011, Automobili Lamborghini S.p.A., Sant'Agata Bolognese (Italy), Lamborghini ArtiMarca S.p.A., Sant'Agata Bolognese (Italy), and STAR Design S.R.L., Turin (Italy), were merged into Automobili Lamborghini Holding S.p.A., Sant'Agata Bolognese (Italy), which was renamed Automobili Lamborghini S.p.A., Sant'Agata Bolognese (Italy).

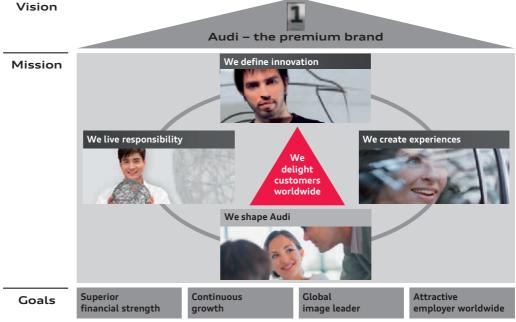
The first-time inclusion of these subsidiaries had no significant individual or overall impact on the presentation of the Company's situation.

STRATEGY

Vision: "Audi – the premium brand"

In adopting its Strategy 2020, the Audi Group has focused its core brand Audi on the challenges of the future. The strategy took on firmer contours during 2011 as the full potential of the mission "We delight customers worldwide" was explored in greater depth. It now gives more weight to new issues that have emerged as a result of heightened environmental awareness, growing uncertainty about the future availability of fossil fuels and increasing urbanization.





Mission: "We delight customers worldwide"

The Audi brand's products are compelling examples of the brand values sportiness, progressiveness and sophistication. In addition to building technologically advanced vehicles, the brand with the four rings aims to evoke customer delight in many other ways.

The mission statement "We delight customers worldwide" therefore plays a key role on the path to becoming the leading premium brand. The Audi brand has defined its understanding of customer delight in greater detail in the following four areas of action:

- We define innovation
- We create experiences
- We live responsibility
- We shape Audi

We define innovation

The declared ambition of the Audi brand to offer its customers high-quality, innovative vehicles is expressed in the brand essence "Vorsprung durch Technik." This is accompanied by a clear design idiom that gives the brand's progressive character a visual grounding.

The models of the Audi brand feature a wide range of technological innovations. The Company has defined various key technologies that will occupy a special role in the development of new vehicles. For example, all activities involving electric mobility will be grouped together under the umbrella brand Audi e-tron. Audi ultra embodies the lightweight technology that the Audi brand has been pioneering ever since launching the Audi Space Frame (ASF) in 1994. The brand has since intensified its activities in this field with a view to making vehicles ever lighter. Today, the Company focuses on the use of intelligent combinations of materials, which include aluminum, carbon fiber-reinforced polymers (CFRP), modern steel alloys and magnesium. Then there is Audi connect, the umbrella brand launched by the Company to bracket together trendsetting navigation and infotainment functions, as well as technologies that connect drivers with the Internet, the car and their surroundings.

In addition to product-based innovations, the Audi brand is working on new mobility concepts. Since 2011, for example, customers' mobility behavior in electrically powered cars has been the subject of a study that is part of the A1 e-tron fleet trial in Munich.

We create experiences

To delight its customers time and time again, the Company aims to create special, positive experiences that customers will associate with the Audi brand. These include modern sales concepts such as the showroom configurator, which makes it quick and easy for visitors to an Audi dealership to create the Audi vehicle of their choice on large screens, with life-like, three-dimensional images.

In 2011, the Audi brand came up with a very special way of presenting its new Q3 premium SUV: the "Audi Q3 Cube." In selected downtown districts of major cities, including Barcelona, Paris and Munich, customers and interested parties were given the opportunity to discover the Q3's qualities in a mirror-filled cube up to 14 meters high.

Another way of experiencing the Audi brand emotionally is to collect a new car in person from the Audi Forums in Ingolstadt and Neckarsulm. Audi's premium vehicle handover facilities demonstrate to the customer just how much care and precision go into building Audi vehicles. The program is rounded out by a look at the history of the Company and culinary delights. To make the experience even more special, customers can tailor the handover to their own individual preferences. Accompanied by a customer relationship manager throughout the entire day, they are given a personal tour of the factory, making the occasion a truly memorable one.

We live responsibility

The Audi brand also expresses customer delight through a form of corporate responsibility that seeks to strike an appropriate balance between social or ecological requirements and economic success.

In order to maintain the high regard in which the brand and the Company are held and increase their lead over the competition, Audi has created a department specifically to address this task. Hand in hand with all the divisions, the Corporate Responsibility department pursues the strategic goal of value orientation. It advocates responsible action and behavior as the basis for sustainable success.

The core management tasks of Corporate Responsibility also include defining strategic guidelines and decision-making criteria. These guidelines are derived from the Strategy 2020 goals and are intended to highlight the link between social responsibility, preserving resources and long-term economic activity.

As a global company with nearly 64,000 employees, the Audi Group is very much in the public eye. Its capacity to supply information and reports on corporate responsibility matters is therefore being further expanded.

Management Report

134 Audi Group

- 134 Structure 136 Strategy
- 136 Strateg 140 Shares
- 141 Disclosures required under
- takeover law 143 System of remuneration for
- the Supervisory Board and Board of Management
- 143 Business and underlying situation
- 159 Financial performance indicators
- 162 Social and ecological aspects175 Risks, opportunities
- and outlook
- 187 Disclaimer

We shape Audi

The Audi brand will continue steadily with its model initiative and expand its development, manufacturing and corporate structures accordingly. In order to maintain its profitable growth, the Audi Group will focus even more closely on flexible, efficient processes, as well as strengthening its global presence and expertise. Product and investment decisions will continue to be made on the basis of how far they produce customer benefit.

Successfully accomplishing qualitative growth hinges on the employees, who demonstrate immense expertise and passion for the products of the Audi brand.

Goals

Superior financial strength

In keeping with a value-oriented corporate management approach, growth only meets the premium standards of the Audi Group if it is simultaneously profitable. Qualitative growth is therefore a priority strategic corporate goal.

This is achieved through effective and efficient structures and processes, systematic investment management and the ongoing optimization of costs. A high level of self-financing helps to preserve the Company's ability to invest and act. It therefore fundamentally aims to finance investment from self-generated cash flow.

Continuous growth

The Audi brand achieved a new deliveries record in 2011 in selling a total of more than 1.3 million vehicles. This positive development is primarily attributable to the attractive, diverse product range, which was again continuously revitalized and broadened in the period under review. In addition to the successor generation to the popular A6 full-size car line, product events included the arrival of the new Q3 premium SUV and the market introduction of the Q5 hybrid quattro. The Audi brand's product range will continue to be progressively expanded.

The Audi Group has set itself the goal of increasing deliveries of the Audi brand to 1.5 million vehicles by 2015.

The international sales structures will be expanded to handle the scheduled growth. The dealer network in China, for instance, is to be increased from currently around 230 dealerships to over 400 by the year 2013. And there are plans to expand the exclusive sales network in the United States, too, over the coming years.

The Audi Group is also increasing its production capacity worldwide. For instance, it invested a total of some EUR 250 million in the production line for the new Q3 in Martorell (Spain). In China, the Company is increasing its presence with the construction of a new car plant in Foshan by the joint venture FAW-Volkswagen Automotive Company, Ltd., Changchun (China), in which the partners include AUDI AG, FAW Group Corporation, Changchun (China), and Volkswagen AG, Wolfsburg.

The Hungarian plant in Győr is also being expanded and will be home to a new press shop in addition to a body shop, paint shop and assembly line.

Global image leader

For a premium manufacturer, a strong brand is the basis for enduring success. The Audi Group therefore plans to establish an emotional bond between its customers and the brand and to keep steadily improving its image position through the attractive product range.

The numerous national and international awards received in the 2011 fiscal year again reflect the public's huge enthusiasm for the Audi brand.

The readers of the trade journal Automobilwoche voted Audi the "Brand of the Decade" in its "Auto Stars" poll (issue 3/2011, p. 3 ff.).

The brand with the four rings also performed impressively in the reader poll "The Best Cars of 2011" (auto motor und sport, issue 4/2011, p. 104 ff.). The Audi R8 Spyder and the Audi Q5 midsize SUV repeated the success of the previous year in winning their respective categories. The award for best midsize car went to the A4 and A5 model lines for the fourth year in a row. And the newcomer Audi A1 earned a first place at the very first attempt. Rounding out an impressive set of results, there was a second place for the Audi A8.

2011 saw the Audi brand maintain its successful track record in the prestigious competition hosted by BILD am SONNTAG and the European AUTO BILD Group (AUTO BILD, issue 45/2011, p. 57 ff.) with victory for the Audi A6 in the "Golden Steering Wheel" and second place for the gas-powered A3 TCNG in the "Green Steering Wheel." With a total of 21 first-place finishes to its name, Audi is the most successful brand in the history of the poll, which was first held in 1975.

The reader poll staged by the magazine OFF ROAD shows that the Audi brand is equally impressive off the beaten track. The Audi A6 allroad quattro achieved first place in the "Crossover" category (issue 4/2011, p. 44 ff.).

In the poll "Most Sporty Cars of 2011" hosted by the magazine sport auto, the Audi RS 3 Sportback, the newest member of the Audi brand's dynamic RS family, emerged top of its class. Three silver awards – for the Audi TT Roadster 2.0 TFSI, the Audi TTS Coupé and the Audi TTRS Roadster – completed an impressive set of results (issue 7/2011, p. 46 ff.). The brand with the four rings notched up triple honors in the "Auto Trophy 2011" run by the

trade journal AUTO ZEITUNG. The Audi Q3 compact premium SUV, the Audi A5 Sportback and the Audi A1 all won their respective categories (issue 25/2011, p. 108 ff.).

The design concept of the A7 Sportback was triumphant in the "Design Summit" held by the magazine AUTO BILD. A top-ranking jury voted the five-door coupe the clear winner (issue 6/2011, p. 52 ff.).

The Audi A6 received the "Eyes on Design Award" in the production models category for the fourth time at the Detroit Auto Show (http://www.brophy.com/NAIAS/).

The Audi brand came away from the "What Car? Award" ceremony in London with three trophies. A jury and the readers of the British auto magazine voted the Audi A1 both "Car of the Year" and winner of the "Supermini" category, while the Audi TT was voted "Coupe of the Year" for the fifth time in a row (http://www.whatcar.com/car-news/audi-a1-named-car-of-the-year/254884).

Attractive employer worldwide

As part of its strategy to become the leading premium brand, the Audi Group regards wellqualified, committed employees as a priceless asset. Particularly as it becomes internationally more diverse, the Audi Group considers it vitally important to be viewed as an attractive employer worldwide.

Against this backdrop, the Audi Group offers its workforce a stimulating working environment with attractive opportunities for development, commensurate pay and high job security. Regular internal surveys reveal a high level of employee satisfaction. In addition, external surveys have attested to the Audi Group's high attractiveness as an employer both in Germany and internationally.

For instance, it yet again topped the renowned graduate surveys conducted by the consultants Universum and trendence among engineering and economics students ("trendence Graduate Barometer 2011 – Business and Engineering Edition," April 15, 2011; "The Universum German Student Survey 2011," May 16, 2011).

AUDI HUNGARIA MOTOR Kft., Győr (Hungary), was yet again voted "Most Attractive Company" in the country by experienced professionals and career-starters in 2011. This was the outcome of a survey conducted by the management consultants Aon Hewitt and the international student organization AIESEC (http://www.autoevolution.com/news/audi-the-most-attractive-company-in-hungary-32615.html).

Management Report

134 Audi Group

134 Structure 136 Strategy

140 Shares

- 141 Disclosures required under
- takeover law 143 System of remuneration for
 - the Supervisory Board and Board of Management
- 143 Business and underlying situation
- 159 Financial performance indicators
- 162 Social and ecological aspects175 Risks, opportunities
- and outlook
- 187 Disclaimer

Strategic target

Consistently increasing the value of the Company is one of the Audi Group's main objectives. The return on investment (RoI) serves as a measure of the return on the capital employed for different types and scales of investment projects. It reflects the development in a company's profitability and is calculated using the following formula:

Return on investment (RoI) =	Operating profit after tax Average invested assets	x 100	
EUR million		2011	2010
Operating profit after tax		3,744	2,338
Average operating assets		15,177	13,327
 Average non-interest-bearing liabilities 		4,607	3,855
= Average invested assets		10,571	9,472
Return on investment (in %)		35.4	24.7

The Audi Group achieved a return on investment of 35.4 percent in the past fiscal year. This represented a further improvement on the prior-year figure of 24.7 percent. In terms of return on investment, the Audi Group therefore ranks as one of the most profitable companies in the automotive industry worldwide.

SHARES

Stock market developments

The year started with a continuation in the positive trend on stock markets, bolstered above all by good corporate results. Having started the year at 6,973 points, the DAX for example forged ahead to over 7,400 points by halfway through the first quarter. However, political unrest in North Africa and the consequences of the natural disaster in Japan brought the DAX under increasing pressure, prompting it to fall back to around 6,500 points by mid-March. After a brief recovery the German lead index reached its year-high of 7,528 points in early May, then moved mainly sideways until the end of the second quarter.

The mood progressively darkened as the year continued. The reasons were the deepening debt crisis in Europe, uncertainty surrounding the raising of the debt ceiling in the United States and growing concerns at a slowdown in the global economy, which together fueled fears of a renewed financial crisis. These growing uncertainties periodically drove the German lead index below 5,000 points in the course of the third quarter.

The start of the final quarter brought growing confidence that a solution to Europe's debt crisis could be found before nervousness on financial markets spilled over into the real economy. Although the DAX improved on its all-year low, developments throughout the rest of the fourth quarter remained highly volatile.

The DAX closed the year on 5,898 points, well down on the position at the start of 2011.

Audi trading price trend

Audi shares started 2011 trading at EUR 650 and initially remained flat at the start of the year, in line with other German automotive shares. As the year continued, Audi shares were subsequently unable to resist the pattern of dramatic losses on stock markets worldwide following the natural and nuclear disaster in Japan. The trading price had fallen to EUR 545 by mid-March. However, the shares recovered swiftly and were almost back up where they had started the year by early May, trading at EUR 640. Growing uncertainty on financial markets worldwide meant that Audi shares also retreated to a corridor of EUR 580 to 615 between mid-May and early August.

Audi shares reached an all-year low of EUR 489 on August 9. Fears of a renewed financial crisis – prompted mainly by unresolved questions surrounding the debt problems in Europe and the United States – meant the trading price was unable to match the first half-year's levels and moved sideways at around EUR 550 from mid-August on. On the last day of trading in 2011, the shares were quoted at EUR 542.05.

Looking back over a five-year period, the impressive stability of Audi's business model becomes apparent. The global financial crisis of 2008/2009 undoubtedly influenced the Audi trading price trend, even though the Audi Group itself achieved clearly positive results throughout that difficult period. The general uncertainty caused by the possibility of a protracted recession proved simply too great. The stock markets only rewarded the Company's resilience once the markets' recovery was reasonably certain. Compared with the DAX, which yielded 11.7 percent overall over the period in question, Audi shares recovered much more rapidly, returning to precrisis levels by the end of 2011 despite the consequences of the natural disaster in Japan and continuing global uncertainty.

INDEXED AUDI TRADING PRICE TREND (ISIN: DE0006757008, WKN: 675700)



Profit transfer and compensatory payment to stockholders

A control and profit transfer agreement is in force between AUDI AG and Volkswagen AG, Wolfsburg, which controls around 99.55 percent of the capital stock of the former. In lieu of a dividend payment, outside stockholders of AUDI AG receive a compensatory payment. The level of this payment is equivalent to the dividend paid on one Volkswagen AG ordinary share for the same fiscal year, as determined by the Annual General Meeting of Volkswagen AG on April 19, 2012.

DISCLOSURES REQUIRED UNDER TAKEOVER LAW

The following disclosures under takeover law are made pursuant to Section 289, Para. 4 and Section 315, Para. 4 of the German Commercial Code (HGB):

Capital structure

On December 31, 2011, the issued stock of AUDI AG remained unchanged at EUR 110,080,000 and comprised 43,000,000 no-par bearer shares. Each share represents a mathematical share of EUR 2.56 of the issued capital.

Stockholders' rights and obligations

Stockholders enjoy property and administrative rights.

The property rights include, above all, the right to a share in the profit (Section 58, Para. 4 of the German Stock Corporation Act [AktG]) and in the proceeds of liquidation (Section 271 of the German Stock Corporation Act), as well as a subscription right to shares in the event of capital increases (Section 186 of the German Stock Corporation Act).

Management Report

- 134 Audi Group
- 134 Structure 136 Strategy
- 136 Strateg 140 Shares
- 141 Disclosures required under takeover law
- 143 System of remuneration for the Supervisory Board and
- Board of Management 143 Business and underlying
- situation 159 Financial performance
- indicators
- 162 Social and ecological aspects175 Risks, opportunities
- and outlook
- 187 Disclaimer

The administrative rights include the right to participate in the Annual General Meeting and the right to speak, ask questions, table motions and exercise voting rights there. Stockholders may assert these rights in particular by means of a disclosure and avoidance action.

Each share carries an entitlement to one vote at the Annual General Meeting. The Annual General Meeting elects the members of the Supervisory Board to be appointed by it, as well as the auditors; in particular, it decides on the ratification of the acts of members of the Board of Management and Supervisory Board, on amendments to the Articles of Incorporation and Bylaws, as well as on capital measures, on authorizations to acquire treasury shares and, if necessary, on the conducting of a special audit, the dismissal of members of the Supervisory Board within their term of office and on liquidation of the Company.

The Annual General Meeting normally adopts resolutions by a simple majority of votes cast, unless a qualified majority is specified by statute. A control and profit transfer agreement exists between AUDI AG and Volkswagen AG, Wolfsburg, as the controlling company. This agreement permits Volkswagen AG to issue instructions. The profit after tax of AUDI AG is transferred to Volkswagen AG. Volkswagen AG is obliged to make good any loss. All Audi stockholders (with the exception of Volkswagen AG) receive a compensatory payment in lieu of a dividend. The amount of the compensatory payment corresponds to the dividend that is distributed in the same fiscal year to Volkswagen AG stockholders for each Volkswagen ordinary share.

Capital interests exceeding 10 percent of the voting rights

Volkswagen AG, Wolfsburg, holds around 99.55 percent of the voting rights in AUDI AG. For details of the voting rights held in Volkswagen AG, please refer to the Management Report of Volkswagen AG.

Composition of the Supervisory Board

The Supervisory Board comprises 20 members. Half of them are representatives of the stockholders, elected by the Annual General Meeting; the other half are employee representatives elected by the employees in accordance with the German Codetermination Act. A total of seven of these employee representatives are employees of the Company; the remaining three Supervisory Board members are representatives of the unions. The Chairman of the Supervisory Board, normally a stockholder representative elected by the members of the Supervisory Board, ultimately has two votes on the Supervisory Board in the event of a tie vote, pursuant to Section 13, Para. 3 of the Articles of Incorporation and Bylaws.

Section 9, Para. 3 of the Articles of Incorporation and Bylaws stipulates that the term of office for a Supervisory Board member elected to replace a Supervisory Board member who has not fulfilled his term of office ends upon expiration of the term of office of the Supervisory Board member leaving.

Statutory requirements and provisions under the Articles of Incorporation and Bylaws on the appointment and dismissal of members of the Board of Management and on the amendment of the Articles of Incorporation and Bylaws

The appointment and dismissal of members of the Board of Management are stipulated in Sections 84 and 85 of the German Stock Corporation Act. Members of the Board of Management are accordingly appointed by the Supervisory Board for a period of no more than five years. Reappointment or an extension of the term of office, in each case for no more than five years, is permitted. Section 6 of the Articles of Incorporation and Bylaws further stipulates that the number of members of the Board of Management is to be determined by the Supervisory Board and that the Board of Management must comprise at least two persons.

Authorizations of the Board of Management in particular to issue new shares and to re-acquire treasury shares

According to stock corporation regulations, the Annual General Meeting may grant authorization to the Board of Management for a maximum of five years to issue new shares. The meeting may authorize it, again for a maximum of five years, to issue convertible bonds on the basis of which new shares are to be issued. The extent to which the stockholders have an option on these new

shares is likewise decided upon by the Annual General Meeting. The acquisition of treasury shares is regulated by Section 71 of the German Stock Corporation Act.

Key agreements by the parent company that are conditional on a change of control following a takeover bid

AUDI AG has not reached any key agreements that are conditional on a change of control following a takeover bid. Nor has any compensation been agreed with members of the Board of Management or employees in the event of a takeover bid.

SYSTEM OF REMUNERATION FOR THE SUPERVISORY BOARD AND BOARD OF MANAGEMENT

Information on the system of remuneration for the Supervisory Board and Board of Management is provided in the Notes to the Consolidated Financial Statements under "Details relating to the Supervisory Board and Board of Management" and constitutes part of the Group Management Report.

BUSINESS AND UNDERLYING SITUATION

ECONOMIC ENVIRONMENT

Global economic situation

The upturn in the global economy continued in 2011. However, there was a marked slowdown in growth in the second half. In 2011 as a whole, global economic output therefore increased by only 3.0 (4.3) percent. The mainstays of growth were emerging economies, whose economic vigor nevertheless lost some of its momentum in the latter part of the year. By contrast, the pace of economic growth in most industrial countries was modest right from the start of the period under review, further weakening as the year progressed. In many countries, expansionary monetary policies and high commodity and food prices caused inflation to rise.

Following a dynamic first quarter, the economy in Western Europe cooled down noticeably. Over the year as a whole, growth in gross domestic product of 1.5 percent was down on the previous year's 1.9 percent. Southern European countries in particular experienced low growth, and in some cases even a downturn in economic output. The escalation of the sovereign debt crisis that has been smoldering since 2010 and the unease this caused among companies and consumers depressed the economic mood. Added to this, the increasingly tough action taken in many countries to consolidate budgets dampened the economic trend.

With GDP growth of 3.0 (3.7) percent, the German economy proved to be the most robust among leading industrial nations. Although export activity declined as the year progressed, buoyant domestic demand on the back of growing corporate investment and a recovery in consumer spending largely compensated for this. The continuing favorable trend in the labor market was a positive factor.

In most countries of Central and Eastern Europe, the economy continued to grow vigorously in the year under review. Gross domestic product in Russia gained 4.3 (4.0) percent.

Economic growth in the United States weakened in 2011, with the rate of 1.7 (3.0) percent well down on the previous year due to consumer spending being damped by the difficult state of the labor market and high inflation.

Latin America also witnessed a slowdown in economic expansion over the period in question. Although the upward trend gained strength in many of the region's smaller countries, growth in Brazil fell by more than half to 2.9 (7.5) percent.

As in the preceding years, Asia's emerging countries again acted as the drivers of global economic growth in 2011. The Chinese economy's growth of 9.2 (10.4) percent dipped only slightly from the previous year's high level. India also continued to expand strongly with gross domestic product growing by 7.0 (8.8) percent.

134	Audi Group	

- 134 Structure
- 136 Strategy 140 Shares
- 141 Disclosures required under
- takeover law 143 System of remuneration for
- the Supervisory Board and Board of Management
- 143 Business and underlying
- situation 143 Economic environment
- 145 Research and development
- 151 Procurement
- 151 Production
- 153 Deliveries and distribution159 Financial performance
- indicators
- Social and ecological aspectsRisks. opportunities
- and outlook
- 187 Disclaimer

From March 2011, Japan's economic development experienced a severe setback as a result of the natural disaster and only made a slight recovery in the second half of the year. In a reversal from the previous year's strong growth of 4.4 percent, Japan's economic output in 2011 as a whole fell by 0.7 percent.

International car market

In line with general economic growth, global demand for cars in 2011 maintained the previous year's trend in continuing along the path to recovery and rose by 4.8 percent to a new record level of 62.0 (59.1) million passenger cars. With the exception of Western Europe, all sales regions shared in this growth. This development was promoted in particular by the Chinese, Russian and U.S. markets.

By contrast, in Western Europe (excluding Germany) registrations of new cars amounted to 9.6 (10.1) million in the year under review, a decline of 4.5 percent. This was due on the one hand to a weak first quarter in important volume markets, resulting primarily from the withdrawal of state aid in the course of 2010. In addition, many countries experienced dwindling consumer confidence, rising unemployment and restricted access to vehicle financing, all of which adversely affected the market's performance. Especially the major Western European car markets contracted, in some cases markedly. While overall market demand in France and the UK was down 2.1 and 4.4 percent respectively, the Italian market shrank by 11.6 percent. Sales of passenger cars in Spain tumbled by a further 17.7 percent from the already low prior-year figure. There was an upward trend in demand for cars in most Central and Eastern European countries. Particularly in Russia, the market moved up a gear compared with the previous year. Thanks to state incentives for buyers and generally growing consumer confidence, sales of passenger cars soared by 39.8 percent to 2.5 (1.8) million units.

Notwithstanding the U.S. economy's loss of momentum in 2011, demand for automobiles in this market showed an upward trend. At 12.8 (11.6) million passenger cars and light commercial vehicles, unit sales were 10.3 percent up on the previous year. Along with the appearance of new vehicle models, growing replacement demand provided a vital growth stimulus. With 2.6 (2.6) million vehicles sold in Brazil, demand for automobiles in the biggest Latin American car market remained unchanged from the previous year's record level. In Argentina, the market continued to grow strongly over the period under review. The sales volume there gained 28.4 percent to reach a new record total of 0.6 (0.5) million passenger cars. Markets in the Asia-Pacific region cooled down sharply in 2011 compared with the previous year. With unit sales of 22.7 (22.1) million cars, the volume grew by only 2.5 percent. Within this trend, the Chinese car market's growth slipped to 7.6 percent, bringing total unit sales to 12.3 (11.5) million passenger cars. This was mainly due to scaling back of state aid and was well below the previous year's growth of 35.1 percent. India's car market, which had previously been experiencing strong growth, was also weaker as a result of the high cost of financing and rising fuel prices, growing by just 5.6 percent to 2.3 (2.2) million passenger cars. In Japan, new-car registrations were badly affected by the aftermath of the natural disaster. Overall market volume fell by 16.3 percent in the period under review to 3.5 (4.2) million cars.

German car market

Despite higher fuel prices, 2011 saw the German car market recover from the previous year's sharp slump, rebounding by 8.8 percent to 3.2 (2.9) million passenger cars. The healthy overall economic situation proved beneficial, prompting a rise in demand especially from business customers.

The proportion of diesel versions in total new-car registrations had fallen sharply in 2009 due to high consumer demand for gasoline models, which qualified for an environment bonus; diesels have now been staging a recovery since 2010. The diesel proportion for 2011 as a whole was 47.1 percent, which equates to growth of 5.2 percentage points.

German carmakers profited from the worldwide recovery in demand for passenger cars in the year under review, increasing their vehicle exports by 6.6 percent to the new record total of 4.5 (4.2) million units. As in previous years, Western European export markets were the main sales region. Despite the overall decline in the market, a total of 2.3 (2.2) million vehicles were exported, or 0.8 percent more than in the previous year. The largest national market was the UK, accounting for an export volume of 0.6 (0.6) million cars. China has now moved up to second place with growth of 22.5 percent. 0.6 (0.5) million German-built vehicles were shipped there in 2011. The third-largest export market was the United States with 0.5 (0.5) million export vehicles. High export demand in the period under review meant that domestic production by German carmakers grew correspondingly sharply and reached 5.9 (5.6) million units, a new all-time record. The volume of German-brand cars built abroad is becoming increasingly significant; in 2011 these reached a total volume of 7.0 (6.1) million units, up 15.7 percent on the previous year.

Management's overall assessment

Despite slower progress in the second half of the year, the global economy as a whole continued to grow in the past fiscal year.

The Audi Group operated very successfully within this environment and, with 1,302,659 (1,092,411) Audi models, achieved the highest deliveries total in the history of the Company. The substantial rise of 19.2 percent can be ascribed in part to higher general demand, but to a greater extent to the Audi brand's attractive product range, to which a number of new models were added in 2011.

Moreover, the long-term corporate policy yet again paid dividends. It focuses on steadily optimizing processes and cost structures along the entire value chain, and therefore on lastingly improving productivity.

The Audi Group was thus able to post an operating profit for 2011 of EUR 5,348 (3,340) million and an operating return on sales of 12.1 (9.4) percent. These key financial indicators mean that the Company was again one of the most profitable businesses in the automotive industry worldwide.

RESEARCH AND DEVELOPMENT

The Research and Development area is of key importance for the success of a manufacturer of premium automobiles. With innovations such as quattro drive, the Audi Space Frame and the TDI engine, the Audi brand has been regularly influencing technological standards in automotive manufacturing for many decades. The Company again brought a large number of technological solutions to production maturity in 2011.

In 2011, an average total of 7,574 (6,987) people were employed in the Research and Development area of the Audi Group. This total comprised 6,586 (6,365) at AUDI AG, 147 (134) at AUDI HUNGARIA MOTOR Kft. Győr (Hungary), 216 (187) at Automobili Lamborghini S.p.A., Sant'Agata Bolognese (Italy), and 566 (274) at Italdesign Giugiaro S.p.A., Turin (Italy).

RESEARCH AND DEVELOPMENT EXPENDITURE RECOGNIZED AS AN EXPENSE

EUR million	2011	2010
Research expense and non-capitalized development costs	2,243	1,901
Impairment losses (reversals) on capitalized development costs	397	567
Total	2,641	2,469

- 134 Audi Group
- .43 Business and underlying situation
- 143 Economic environment
- 145 Research and development
- 151 Procurement
- 151 Production
- 153 Deliveries and distribution159 Financial performance
- indicators
- 162 Social and ecological aspects
- 175 Risks, opportunities and outlook
- 187 Disclaimer

Technical innovations

New engines - driving fun and efficiency

The new 4.0 TFSI engine marks the Audi brand's systematic application of its downsizing strategy to its sporty models in the higher segments. In the Audi S6, S6 Avant and S7 Sportback, the eight-cylinder gasoline engine with direct injection achieves an output of 309 kW (420 hp), and in the Audi S8 luxury sedan it develops an impressive 382 kW (520 hp). Above all thanks to the newly developed cylinder on demand technology, which deactivates four of the eight cylinders in many driving situations at low and moderate revs, the fuel efficiency for instance of the new S6 has been improved by around 25 percent compared with the previous model (cf. "Modular efficiency platform" under "Product-based environmental aspects," p. 172 ff.).

The 1.8 TFSI engine was also refined in the 2011 fiscal year. This power unit, which is used in a large number of car lines, is an excellent example of sportiness allied to efficiency, thanks to an array of new solutions. The fuel economy of this 125 kW (170 hp) high-tech four-cylinder version, which for instance propels the Audi A5 Coupé with manual transmission from 0 to 100 km/h in 7.9 seconds, is up to 18 percent better than that of the previous version. The 1.8 TFSI engine incorporates various innovations that have paved the way for this increased efficiency. For instance, alongside gasoline direct injection, it also uses indirect injection to produce improved mixture swirl. Exhaust gas cooling integrated into the cylinder head and the new all-electronic coolant regulation system create an innovative form of thermal management that effectively reduces internal friction during the warming-up phase (cf. "Modular efficiency platform" under "Product-based environmental aspects," p. 172 ff.).

In the Audi A6 and A7 Sportback, the new 3.0 TDI engine developing 230 kW (313 hp) has spearheaded the diesel engine range since the end of 2011. This biturbo unit is driven by two inline turbochargers connected by a turbine air switching valve. Regulation of the turbine air switching valve improves the way the small turbocharger, designed for low engine speeds, interacts with the large turbocharger. With the new engine, the Audi A7 Sportback with 8-speed tiptronic for example sprints from 0 to 100 km/h in just 5.3 seconds and uses an average of 6.4 liters of diesel over 100 kilometers, equating to CO_2 emissions of 169 g/km.

At the end of 2011, a new version in the shape of the A1 1.4 TFSI was added to the Audi A1 car line. The 1.4 TFSI embodies the Audi brand's downsizing strategy perhaps better than any other engine. Thanks to dual supercharging by a compressor and turbocharger, this four-cylinder engine with a displacement of just 1,390 cubic centimeters produces a hefty 136 kW (185 hp) and accelerates the premium compact car from 0 to 100 km/h in only 7.0 seconds. In conjunction with the technologies from the modular efficiency platform, the new engine version also achieves impressively good fuel efficiency of 5.9 liters of Super Plus gasoline per 100 kilometers in the Audi A1, making for CO_2 emissions of 139 g/km.

Awards for Audi engines

In a repeat of 2010, the 2.5 TFSI engine was again voted "International Engine of the Year" last year by a panel of 76 leading motoring journalists from all over the world (http://www.ukipme.com/engineoftheyear). This successful defense of its title marks the seventh triumph in a row for the Audi brand's TFSI technology. Equipped with turbocharging and FSI direct injection, two core technologies of the Audi brand, the 250 kW (340 hp) engine impressed the jury above all with its torque, power and sound. The 2.5 TFSI engine can be ordered for the Audi RS3 Sportback and for the TTRS Coupé and Roadster models.

Furthermore, the 3.0 TFSI engine secured a top ranking in the Ward's 10 Best Engines competition for the third year in a row in December 2011 (http://wardsauto.com/vehicles-amp-technology/ gdi-dominates-ward-s-10-best-engines-list). This competition, which has been staged every year since 1994 by the magazine Ward's Auto World, rates production engines available on the U.S. market according to criteria such as sportiness, efficiency and sound. The 3.0 TFSI engine is particularly notable for its high power flow across the entire speed range, and for its spontaneity.

Audi connect

The world is becoming increasingly interconnected - and so is the Audi brand. Under the umbrella brand Audi connect, the Company brackets together all applications and developments that link vehicles of the Audi brand to the Internet, the driver and the infrastructure. Pioneering navigation and infotainment functions thus combine with connected driver assistance systems to increase driving pleasure and comfort, and at the same time can boost driving safety.

Most car lines of the Audi brand already offer the full range of Audi connect services that are currently available. For instance, thanks to an integral UMTS module in the vehicle, with the optional "Bluetooth car phone online" passengers can connect up to eight mobile terminal devices to the Internet simultaneously via WLAN hotspot.

The integration of Google Earth and Google Street View into the map mode of the Audi Multi Media Interface (MMI) navigation system plus also makes it possible to navigate using realistic images and display high-resolution aerial and satellite images. With the latest weather and travel information and news at their fingertips, drivers are always well-informed. The range of Audi connect features was broadened in the 2011 fiscal year. The "Audi traffic information online" service now supplies more precise forecasts of the traffic situation along the chosen route thanks to the use of comprehensive real-time data, and also operates faster than the established traffic information services. And drivers can now also navigate by voice control

to special destinations, such as tourist attractions and restaurants, using the Google point of interest (POI) search. Furthermore, in December 2011 the Company joined forces with Deutsche Telekom to successfully test the new wireless communication standard Long Term Evolution (LTE), which has a data rate up to six times faster than current mobile phone networks.

Innovations for safety and comfort

Driver assistance systems

The Audi brand has a broad range of innovative driver assistance systems that make vehicles even more convenient and safer to handle.

The automatic distance control system Audi adaptive cruise control with stop&go function helps to maintain the desired distance from the vehicle in front by automatically accelerating and braking. Audi active lane assist, a driver assistance system that first appeared in 2010 in the Audi A7 Sportback, actively helps the driver to stay in lane by providing gentle steering impulses. The lane change assistant Audi side assist is available for a large number of Audi brand models; it uses a complex system of radar sensors to monitor the traffic behind a vehicle and warns the driver if they try to change lane in a potentially hazardous situation. Then there is Audi pre sense, a safety package that can identify critical driving situations and prepare the vehicle and its occupants as well as possible before a potential collision. For instance, the system automatically starts to close windows and the sunroof, and tighten the seat belts. It also activates the hazard warning flashers to alert following vehicles to the hazard.

- 134 Audi Group
- Business and underlying 143 situation
- Economic environment 143
- 145 Research and development Procurement
- 151 151
- Production
- Deliveries and distribution 153 159 Financial performance
- indicators
- 162 Social and ecological aspects
- 175 Risks, opportunities and outlook
- 187 Disclaimer

The Audi brand's driver assistance systems were further improved and interconnected in the past fiscal year. The Company pursues a philosophy of designing systems that optimally support customers without taking over from them. For all the growing importance of driver assistance systems, the driver remains in charge and responsible for the vehicle.

The Company is also working intensively on the development of new systems. For instance, in future a traffic jam assistant will help the driver to negotiate slow-moving traffic by automatically accelerating and braking, as well as by providing steering assistance.

New Audi models awarded five stars in Euro NCAP crash test

In addition to the new Audi A6, which was awarded the top five-star rating by the renowned European driving safety agency "European New Car Assessment Programme" (Euro NCAP), the Audi Q3 compact premium SUV achieved top marks for passive crash safety (http://www.euroncap.com/results/audi.aspx).

The models scored especially well for adult occupant protection in a front, rear and side collision and in the categories child safety and pedestrian protection.

The Audi brand has given its models a further safety boost by including the ESP stabilization program as standard, alongside the optional driver assistance systems.

Electric mobility

Electric mobility at Audi

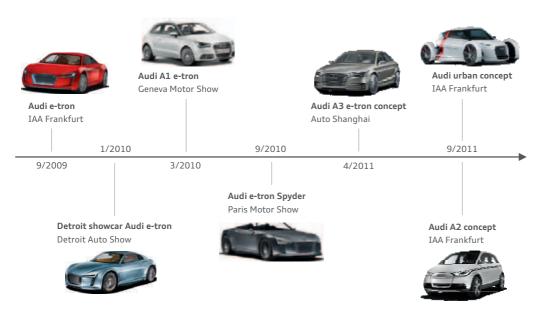
Alongside efficient combustion engines, hybrid drive systems and other alternative forms of drive technology such as gas-powered vehicles, electric mobility is a key cornerstone of the Audi Group's technology strategy (cf. "Future mobility" under "Product-based environmental aspects," p. 170 f.). Amid its quest to identify the future shape of mobility, the Company pursues the broad-based policy of coordinating all systems and components as far as possible in order to exploit the full potential of electric mobility.

The interdisciplinary project house e-performance was launched back in 2009 to pool the skills of all development areas and devise strategic solutions to the questions posed by electric mobility. This Audi think-tank maintains an ongoing dialog with external experts such as universities and research institutes. The new development and test center for electrified drivetrains was opened in 2010. Its cutting-edge infrastructure permits a highly integrated working approach and provides a good basis on which to optimize the key technologies of drives, batteries and power electronics, leading to the practical testing of the entire drivetrain.

AUDI AG is also actively involved in the "National Platform for Electric Mobility" initiative launched in May 2010. This is an advisory body set up by the German government with the goal of making Germany not just the lead market, but also the leading supplier of electric mobility by 2020. The topic of electric mobility was once again a priority research area in fiscal 2011. For example, the pilot project "Munich Model Region for Electric Mobility" supported by the German Federal Ministry of Transport, Building and Urban Development (BMVBS) got off the ground. This fleet test, involving a total of 20 Audi A1 e-tron cars, is intended to explore customers' mobility behavior in greater depth when driving electric vehicles. The all-electric A1 e-tron develops an output of 75 kW (102 hp). If necessary, a compact combustion engine known as a range extender recharges the battery, increasing its range to as much as 250 kilometers. For the first 50 kilometers the Audi A1 e-tron, which is designed specifically for urban use, can run with zero local emissions. Other prestigious partners are involved in the pilot project. E.ON and Munich's public utility company Stadtwerke München are in charge of developing and operating the charging infrastructure - E.ON mainly in outlying areas and Stadtwerke München in the Bavarian capital itself. All charging points supply renewable energy. The Technical University of Munich is monitoring and evaluating mobility behavior over the course of the project.

The Audi Group aims to be among the premium segment's leading players for electric mobility by 2020. In bringing this form of travel to production maturity, the Company uses innovative concept cars as part of a comprehensive approach spanning all practical aspects of electric driving. Further electric study vehicles under the Audi e-tron umbrella brand were presented in the 2011 fiscal year. The Audi A3 e-tron technology demonstrator is a compact car with an operating range fit for everyday use thanks to its powerful electric motor and high-performance lithium-ion battery. This all-rounder, specially designed for urban use, can drive up to 140 kilometers without needing to be recharged and generates zero local emissions. In April 2011 the Audi brand showcased the Audi A3 e-tron concept at Auto Shanghai. The four-seater notchback sedan is a plug-in hybrid. With its two power units and lithium-ion batteries capable of storing enough energy to drive up to 54 kilometers purely electrically, it makes very efficient use of fuel. The Audi urban concept was then unveiled at the International Motor Show (IAA) in September 2011; this is a 1+1-seater for urban driving. Thanks to the systematic use of lightweight materials, most notably carbon fiber-reinforced polymers (CFRP), the all-electric technology study weighs a mere 480 kilograms. The A2 concept, a premium-standard concept car, also made its world debut at the IAA. This electric vehicle achieves a range of up to 200 kilometers over the European standard driving cycle and already features contactless charging (Audi Wireless Charging). Faster charging was a particular development priority for this technology study. The battery can now be charged up fully in just 1.5 hours from a 400-volt three-phase supply. The Audi brand is planning to bring the all-electric Audi R8 e-tron sports car onto the streets in a small series towards the end of the current fiscal year.

AUDI E-TRON STUDIES

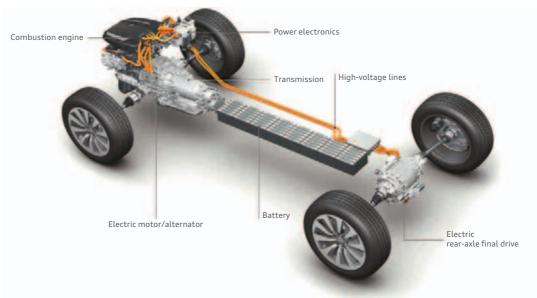


Audi e-tron quattro - the future shape of quattro

For over 30 years, quattro all-wheel drive has combined automotive sportiness with a high degree of everyday suitability. In the Audi e-tron quattro development platform, the Company now combines the familiar advantages of quattro all-wheel drive with electric mobility. Intelligent powertrain management with torque vectoring allows the propulsive power to be distributed variably between both sets of wheels, as well as between each rear wheel, thus contributing to increased driving safety. If for instance the front wheels' grip becomes poorer on slippery surfaces, the drive torque is diverted to the rear wheels as required in a fraction of a second.

- 134 Audi Group
- 143 Business and underlying situation
- 143 Economic environment
- 145 Research and development
- 151 Procurement
- 151 Production
- 153 Deliveries and distribution
- 159 Financial performance indicators
- 162 Social and ecological aspects
- 175 Risks, opportunities
- and outlook 187 Disclaimer

The concept vehicle is powered by a parallel hybrid drive with plug-in technology, supported by a second electric motor on the rear axle. Thanks to the electric motors on the front and rear axles, the Audi e-tron quattro can travel purely electrically at speeds of up to 100 km/h and for up to 40 kilometers. At higher speeds or over longer distances, a 2.0 TFSI engine developing 155 kW (211 hp) gradually takes over.



AUDI E-TRON QUATTRO DRIVE

Audi balanced mobility

The Audi Group seeks to play a leading role within the context of the automotive industry's drive to use natural resources sustainably. The Audi balanced mobility concept was launched against this backdrop, with the aim of achieving overall CO_2 -neutral mobility. In an initial move, the Company plans to invest in an offshore wind farm. The plan is to use the wind power this facility generates for the future production and operation of Audi e-tron models.

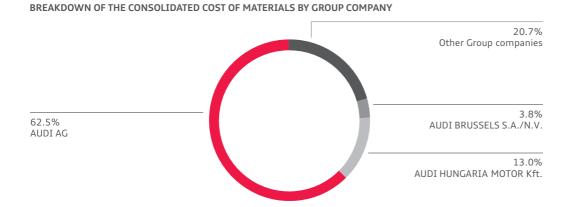
The renewable power can also be used to produce hydrogen by electrolysis. On the one hand, hydrogen serves as an energy source for fuel-cell vehicles, and on the other hand it can be reacted with carbon dioxide to produce methane. For the manufacture of this synthetic natural gas – or Audi "e-gas" – an industrial-scale e-gas plant in North Germany is being built in a venture involving renowned project partners. The plant will use surplus wind power to produce e-gas, which can then be used in gas-powered vehicles such as the Audi A3 TCNG, scheduled for launch in 2013. The e-gas can also be stored in the public gas distribution network or put to other uses. The Audi e-gas project thus provides a fitting solution to the problem that generating power from the wind and sun is dependent on natural fluctuations. And by using the existing natural gas infrastructure, surplus wind and solar power can now be stored.

AUDI AG receives "Best Innovator" award

In June 2011, AUDI AG won the Automobile OEM category of the "Best Innovator" award, which is sponsored jointly by the business journal WirtschaftsWoche and the management consultants A.T. Kearney (WirtschaftsWoche, issue 24/2011, p. 64 ff.). The competition was held for the seventh time in the past fiscal year. AUDI AG impressed the high-ranking jury above all with its systematic approach to innovation management, which nevertheless preserves ample leeway for spontaneity.

PROCUREMENT

A major aim of procurement within the Audi Group is to establish long-term partnerships with efficient suppliers. In addition to overall economy, suppliers are selected according to other factors such as quality, innovation and reliability. The final choice is reached in cooperation with Volkswagen Group Procurement so that both groups can exploit any synergy potential. The cost of materials for the Audi Group came to EUR 28,594 (21,802) million in fiscal 2011 and therefore accounted for the greater part of the cost of sales. This highlights the fundamental importance of procurement for corporate success.



The ever-growing diversity of models and equipment versions poses fresh procurement challenges. The increased number of vehicle launches and the high complexity of the supply chain have necessitated a further intensification of purchased part and supplier management. Together, tool and process experts from the procurement and quality assurance areas make sure that the necessary capacity is available and the required quality standards are maintained, so that production of new models starts successfully and the Audi production network is reliably supplied with parts.

Sustainability occupies a central position within the Company's procurement principles and supply management approach. All suppliers and business partners are expected to uphold environmental and social standards both for themselves and for their supply chain, and to reflect the Audi Group's high benchmark for entrepreneurial responsibility. The prompt involvement of suppliers in the product development process can moreover unlock ways of reducing the amount of materials used or of using alternative materials, for example.

PRODUCTION

The Audi Group substantially increased car production in fiscal 2011 to 1,365,499 (1,150,018) vehicles. This total comprised 1,363,788 (1,148,791) models of the Audi brand and 1,711 (1,227) supercars of the Lamborghini brand. Alongside the market's generally positive development, the rise can be attributed to the continual introduction of new products.

- 134 Audi Group
- Business and underlying 143 situation
- 143 Economic environment
- 145 Research and development
- 151 Procurement 151
- Production
- 153 Deliveries and distribution 159 Financial performance
- indicators 162
- Social and ecological aspects 175 Risks, opportunities
- and outlook
- 187 Disclaimer

VEHICLE PRODUCTION BY MODEL

	2011	2010
Audi A1	116,749	51,937
Audi A1 Sportback	817	-
Audi A3	27,461	35,126
Audi A3 Sportback	149,855	151,486
Audi A3 Cabriolet	11,752	12,309
Audi Q3	19,654	108
Audi TT Coupé	19,704	20,413
Audi TT Roadster	5,804	5,804
Audi A4 Sedan	216,251	190,884
Audi A4 Avant	103,434	109,474
Audi A4 allroad quattro	10,537	10,788
Audi A5 Sportback	53,204	49,803
Audi A5 Coupé	38,095	40,213
Audi A5 Cabriolet	20,459	20,924
Audi Q5	191,987	155,052
Audi A6 Sedan	196,260	166,455
Audi A6 Avant	45,628	40,279
Audi A6 allroad quattro	3,036	5,551
Audi A7 Sportback	37,301	8,496
Audi Q7	53,707	47,769
Audi A8	38,542	22,435
Audi R8 Coupé	2,039	1,610
Audi R8 Spyder	1,512	1,875
Total, Audi brand	1,363,788	1,148,791
Lamborghini Gallardo	1,264	1,064
Lamborghini Murciélago	-	141
Lamborghini Aventador	447	22
Total, Lamborghini brand	1,711	1,227
Total, Group	1,365,499	1,150,018

At Ingolstadt, the Audi Group built 583,942 (553,010) vehicles during the past year, an increase of 5.6 percent on the previous year's level. The higher production volume can be explained in particular by high demand for the Audi Q5. 166,442 (105,341) parts sets were also made for CKD assembly in Changchun (China) and Aurangabad (India). The number of vehicles built at Neckarsulm climbed to 265,622 (216,322) cars in 2011, above all as a result of high demand for the A6 car line and for the A7 Sportback and A8 models. In addition, 117,337 (118,761) parts sets for CKD assembly in China and India were produced there.

Automotive production by AUDI HUNGARIA MOTOR Kft., Győr (Hungary), came to 39,518 (38,541) vehicles. It built 25,508 (26,217) models of the TT car line jointly with the Ingolstadt plant and 11,752 (12,309) of the Audi A3 Cabriolet on behalf of AUDI AG. The Hungarian company furthermore made 2,236 (15) of the RS 3 Sportback.

AUDI BRUSSELS S.A./N.V., Brussels (Belgium), produced 117,566 (51,937) vehicles of the A1 car line in the period under review.

In addition, the Volkswagen Group locations Bratislava (Slovakia) and Martorell (Spain) built 53,707 (47,769) of the Audi Q7 and 19,654 (108) of the Audi Q3 respectively in the past fiscal year.

ENGINE PRODUCTION

	2011	2010
Audi Group	1,884,157	1,648,193
of which AUDI HUNGARIA MOTOR Kft.	1,883,757	1,648,030
of which Automobili Lamborghini S.p.A.	400	163

The Audi Group stepped up engine production to 1,884,157 (1,648,193) units in 2011. The 47.6 (44.7) percent share of diesel engines continues to underscore the Company's extensive expertise in the domain of TDI technology.

The Hungarian subsidiary AUDI HUNGARIA MOTOR Kft., Győr, built a total of 1,883,757 (1,648,030) engines in the period under review, of which 920,773 (812,176) were supplied to Audi Group companies, 798,267 (682,856) to other Volkswagen Group companies and 118,919 (114,168) to third parties.

Furthermore, Automobili Lamborghini S.p.A., Sant'Agata Bolognese (Italy), built 400 (163) 12-cylinder engines.

Expansion of the Győr location

The foundation stone of the plant expansion at the Hungarian location was officially laid last July. The Audi Group announced that, as well as a body shop, paint shop and assembly line, it is building a new press shop. From 2013, an additional A3 version will be built at Győr as well as the existing models. The plans envisage building 125,000 vehicles a year in Hungary in future. The toolmaking operations have also been undergoing expansion since September 2011 and will eventually cover an area of 28,000 square meters. Around one-third of the surface area will be set aside for small production runs of body parts.

Extensions to the Engine Startup Center at AUDI HUNGARIA MOTOR Kft. also started in 2011.

Volume production of the Audi Q3 in Martorell

Volume production of the Audi Q3 started at Martorell (Spain) in June 2011 – adding a further location from within the Volkswagen Group to the Audi Group's production network. A new body shop occupying an area of 30,000 square meters was set up there specifically for the Q3. The Audi Group is planning to build around 100,000 of the Q3 annually.

New plant in China

The Audi Group will increase its presence in China. In December 2011, the Company announced that the joint venture FAW-Volkswagen Automotive Company, Ltd., Changchun (China), which includes the partners AUDI AG, FAW Group Corporation, Changchun (China), and Volkswagen AG, Wolfsburg, is to construct a further car plant in the southern Chinese city of Foshan. This second Chinese location, which will cover all stages of the production process including press shop, body shop, paint shop and assembly line, is to build a new model from the A3 car line from 2013 on.

Production milestones

In October 2011, the Company celebrated the production of the ten millionth midsize Audi vehicle. Four generations of the Audi 80 were built before this model was replaced with the Audi A4 in 1994. The A4 car line has now also reached its fourth generation. The completion of its 20 millionth engine also signaled a major production landmark for AUDI HUNGARIA MOTOR Kft. The Hungarian company has already been building engines for 18 years, and these products are currently fitted in over 40 models throughout the VW Group.

DELIVERIES AND DISTRIBUTION

The 2011 fiscal year saw the Audi Group increase worldwide deliveries to customers by 16.9 percent to 1,512,014 (1,293,453) cars. The core brand Audi increased its deliveries by 19.2 percent to a new record total of 1,302,659 (1,092,411) vehicles delivered, achieving its target of 1.3 million cars.

- 134 Audi Group
- 143 Business and underlying situation
- 143 Economic environment
- 145 Research and development
- 151 Procurement 151 Production
- 151 Production153 Deliveries and distribution
- 159 Financial performance
- indicators
- 162 Social and ecological aspects175 Risks, opportunities
- and outlook
- 187 Disclaimer

The Audi brand succeeded in increasing the number of vehicles delivered in its home market Germany to 254,011 (229,157) and upped its market share slightly from 7.8 to 7.9 percent. In Western European export markets, the Company bucked the negative overall trend in the market by posting double-digit growth to 428,292 (382,748) vehicles. There was a notably positive performance in the UK and French export markets, where the Audi brand increased total deliveries to 115,345 (99,705) and 62,009 (52,520) units respectively, equivalent to increases of 15.7 and 18.1 percent. The brand with the four rings enjoyed a slight increase in deliveries in the Spanish car market; in Italy the number of vehicles it delivered was unchanged from the previous year. The Company thus clearly outperformed these markets as a whole. In Central and Eastern Europe, the Audi brand increased its deliveries quite substantially last year. The improvement owes much to the development of the Russian car market, where the Company increased its vehicle deliveries by 25.6 percent to 23,250 (18,510) units.

The Audi brand also put in a very successful performance in the U.S. market in 2011. With a new record of 117,561 (101,629) vehicles, the Company increased its deliveries by 15.7 percent year on year.

The Asia-Pacific growth region again expanded sharply in the past fiscal year. The Audi brand delivered 35.3 percent more vehicles there in 2011 than one year earlier, or 373,724 (276,241) in total. This growth was driven by the Chinese market (including Hong Kong), where the Company increased deliveries of the Audi brand by 37.3 percent to 313,036 (227,938) units. This meant that China overtook Germany as the Audi brand's biggest market for the first time ever. Despite lower overall market demand in Japan following the natural disaster, the Company increased its deliveries by 22.1 percent to 21,059 (17,251) vehicles.

	2011	2010
Audi A1	118,175	27,898
Audi A3	28,405	37,322
Audi A3 Sportback	146,881	154,574
Audi A3 Cabriolet	11,683	12,429
Audi Q3	9,288	39
Audi TT Coupé	20,923	19,534
Audi TT Roadster	6,316	5,374
Audi A4 Sedan	207,409	180,125
Audi A4 Avant	106,957	110,297
Audi A4 allroad quattro	10,903	11,477
Audi A4 Cabriolet	-	161
Audi A5 Sportback	51,542	51,844
Audi A5 Coupé	36,800	41,365
Audi A5 Cabriolet	20,637	21,324
Audi Q5	176,084	147,088
Audi A6 Sedan	183,244	159,213
Audi A6 Avant	42,240	39,606
Audi A6 allroad quattro	3,732	5,490
Audi A7 Sportback	31,317	3,795
Audi Q7	52,529	43,251
Audi A8	34,245	17,039
Audi R8 Coupé	1,803	1,916
Audi R8 Spyder	1,546	1,250
Total, Audi brand	1,302,659	1,092,411
Lamborghini Gallardo	1,250	1,052
Lamborghini Murciélago	7	250
Lamborghini Aventador	345	-
Total, Lamborghini brand	1,602	1,302
Other Volkswagen Group brands	207,753	199,740
Total, Group	1,512,014	1,293,453

DELIVERIES TO CUSTOMERS BY MODEL

The Audi Group maintained the continuous expansion of its product range in 2011.



Management Report

- 134 Audi Group
- 143 Business and underlying situation
- 143 Economic environment
- 145 Research and development
- 151 Procurement
- 151 Production
- 153 Deliveries and distribution
- 159 Financial performance indicators
- 162 Social and ecological aspects
- 175 Risks, opportunities
- and outlook 187 Disclaimer
- 187 Disclaimer

1) Product improvement of the car line

Audi A1

For the Audi A1, 2011 was the first full year in production. The Audi brand delivered a total of 118,175 (27,898) of its premium compact model to customers.

The A1 appeals above all to a youthful, lifestyle-oriented target group. Its most attractive features include emotional design, a wide range of customization options, and modern information and communication technologies.

After its launch, the Audi A1 was initially available as a three-door version. At the end of the year, the Audi brand then unveiled the A1 Sportback, which has been arriving on markets since February 2012. The five-door version provides more convenient access to the rear compartment and is equipped with four seats as standard, or optionally with five at no extra charge. There are currently five engine versions available – three TFSI and two TDI – with outputs ranging from 63 kW (86 hp) to 136 kW (185 hp). The 1.6 TDI engine with manual transmission is an extra-efficient version that is also available for the three-door A1. Developing 66 kW (90 hp) or 77 kW (105 hp), it achieves average consumption of just 3.8 liters of diesel per 100 kilometers, equivalent to CO_2 emissions of 99 g/km.

The top-of-range A1 quattro will also be appearing in 2012 as a limited edition of 333 units. Its output of 188 kW (256 hp) propels it from 0 to 100 km/h in only 5.7 seconds and on to a top speed of 245 km/h.

Audi A3

A particularly sporty model was added to the A3 car line in early 2011. The RS3 Sportback is outfitted with a 2.5 TFSI engine that was voted "International Engine of the Year" in both 2010 and 2011 (http://www.ukipme.com/engineoftheyear). The five-cylinder engine builds on a lengthy Audi tradition stretching back to the 1980s, when powerful five-cylinder engines took the Audi brand to the top of the sport of rallying.

The Audi brand delivered 186,969 (204,325) vehicles of the A3 car line worldwide in fiscal 2011.

Audi Q3

The introduction of the Audi Q3 in fall 2011 increased the Audi brand's SUV family to three models. The Q3 combines the dynamics of a compact car with the spaciousness and versatility of an SUV. Other impressive attributes are its lightweight body and its highly advanced assistance and multimedia systems. Many of its solutions have been adopted directly from the full-size category. The model is currently available with two TDI and two TFSI engines, with outputs between 103 kW (140 hp) and 155 kW (211 hp).

9,288 of the Audi Q3 were already delivered to customers during 2011.

Audi TT

The compact sports car models Audi TT Coupé and TT Roadster boast dynamic design and sporty performance. Turbocharging and direct injection make the three four-cylinder engines – including one TDI and two TFSI versions – not just powerful, but efficient too. For instance, in the Coupé version the 2.0 TDI engine with an output of 125 kW (170 hp) in conjunction with quattro drive and manual transmission runs on 5.3 liters of diesel fuel per 100 kilometers and produces emissions of 139 g CO_2 /km. The TT Coupé and TT Roadster are also available as S and RS models with ultra-sporty engines.

A total of 27,239 (24,908) of the TT car line were delivered in 2011.

Audi A4

The improved models of the A4 car line have been on the market since last fall and deliveries to customers commenced at the start of 2012. Not only has the design of the A4 Sedan, A4 Avant, A4 allroad quattro and S4 models been made even clearer and more striking, the improved versions also offer new features that enhance driving dynamics, efficiency and infotainment. The models in the A4 car line are propelled by powerful TDI and TFSI engines that have a large number of efficiency technologies as standard. Although many of the engines now produce more power and torque, fuel efficiency has on average improved by 11 percent. The most economical version in the model family is the Audi A4 2.0 TDI developing 100 kW (136 hp), which uses just 4.3 liters of diesel fuel in the sedan version, making for CO₂ emissions of 112 g/km. A highlight of the TFSI family is the new 1.8-liter engine, which realizes fuel savings of 18 percent in the 125 kW (170 hp) version of the A4 Sedan compared with its predecessor. The Company delivered a total of 325,269 (302,060) of its popular A4 car line to customers in 2011.

Audi A5

The A5 car line was also revised in 2011. The engines, suspension and infotainment of the A5 Sportback, A5 Coupé and A5 Cabriolet models are now even more advanced. The design has also been refined, with sharper, more evocative styling and an even more elegant interior. Fuel economy and CO_2 emissions have been improved by up to 18 percent compared with the previous engine versions.

As in the A4 car line, the fundamentally reengineered 1.8 TFSI engine features innovative solutions in many areas of technology such as thermal management, the fuel injection system and turbocharging. In the A5 Coupé, the four-cylinder version with manual transmission and an output of 125 kW (170 hp) consumes an average of 5.7 liters of premium-grade fuel per 100 kilometers and produces 134 g CO_2 /km.

The ultra-sporty models of the A5 car line – the S5 available in Sportback, Coupé and Cabriolet body versions and the RS 5 Coupé – have also been revised as part of the product improvement measures.

Overall, the Audi brand delivered 108,979 (114,533) vehicles of the A5 car line in 2011.

Audi Q5

The Audi brand delivered 176,084 (147,088) of the Audi Q5 to customers during the year. Since appearing on the market at the end of 2008, the midsize SUV has developed into a high-volume car line and a major driver of growth.

In addition, a full hybrid version of the Q5 became available in November 2011. The Q5 hybrid quattro has a 2.0 TFSI engine and an electric motor, and can run on its combustion engine alone, its electric motor alone, or in the hybrid mode. The Q5 hybrid quattro recovers energy during retardation phases; it activates both the engine and the electric motor simultaneously when accelerating rapidly.

Audi A6

In bringing out the new A6 and A6 Avant in 2011, the Audi brand launched the seventh generation of the full-size car line. The new models' principal attractions are a lightweight body and, most notably, a wide choice of assistance and infotainment systems. There are currently seven powerful engine versions of each of the sedan and Avant; intelligent efficiency technologies give them an impressive status in their class for fuel economy. The car line's most efficient engine, for instance – the 2.0 TDI with an output of 130 kW (177 hp) – needs only 4.9 liters of diesel over 100 kilometers in the sedan version, giving it emissions of 129 g CO_2/km .

In the fall, the Audi brand presented the S6 and S6 Avant models that will be available starting in summer 2012. They are powered by a new 4.0 TFSI high-performance engine developing 309 kW (420 hp) that delivers even more sporty performance than the predecessor models' engines, yet is around 25 percent more fuel-efficient. The A6 allroad quattro and A6 hybrid models will then follow in the course of 2012.

The A6 car line again proved very popular during the period under review. A total of 229,216 (204,309) of this model were handed over to customers.

Audi A7 Sportback

The Audi brand ventured into a new market segment in 2010 with the A7 Sportback. The five-door model with the dynamically flowing tail combines the strengths of a coupe, a sedan and an Avant thanks to its sporty emotional character, comfort and high everyday suitability.

The A7 Sportback is currently available with five powerful six-cylinder engines with outputs in the range of 150 kW (204 hp) to 230 kW (313 hp), and features an array of efficiency technologies such as the start-stop system, innovative thermal management and energy recovery. From summer 2012, the S7 Sportback will likewise be available to customers. The powerful 4.0 TFSI engine with 309 kW (420 hp) at its disposal speeds the five-door coupé from 0 to 100 km/h in only 4.9 seconds.

Having made its market entry in fall 2010, last year was the A7 Sportback's first full year in production. In total, 31,317 (3,795) of the A7 Sportback were delivered to customers in 2011.

Audi Q7

Demand for the Audi brand's largest SUV, the Q7, once again rose year on year. The Company delivered 52,529 (43,251) vehicles to customers.

There are currently six engine versions of the Q7 on the market - two TFSI and four TDI versions. The most efficient engine in the Q7 is the 3.0 TDI quattro developing 150 kW (204 hp), with average consumption of only 7.2 liters of diesel fuel per 100 kilometers and emissions of 189 g CO₂/km. The Q7 V12 TDI quattro, which has an output of 368 kW (500 hp), is actually one of the most powerful models in the entire Audi product range.

- 134 Audi Group
- 143 Business and underlying situation
- Economic environment 143
- 145 Research and development
- 151 Procurement
- 151 Production
- Deliveries and distribution 159 Financial performance
- indicators
- 162 Social and ecological aspects Risks, opportunities
- 175 and outlook
- 187 Disclaimer

Audi A8

The A8L W12 quattro, the top version of the A8 car line, was launched on the market by the Audi brand in the course of last year. Together with all the sophisticated qualities of the luxury sedan, this vehicle delivers outstanding, dynamic road performance thanks to its powerful 12-cylinder engine with a displacement of 6.3 liters and an output of 368 kW (500 hp). The S8 will then become available from summer 2012. Although the output of the new 4.0 TFSI engine has gained 51 kW (70 hp), taking it to 382 kW (520 hp), the S8 is up to 23 percent more fuel-efficient than the predecessor version. This is thanks to a large extent to the newly developed cylinder on demand technology, which shuts down four of the eight cylinders in part-load operation, thus boosting efficiency.

From the second quarter of 2012, a hybrid version of the A8 will also become available to order. The A8 hybrid offers remarkable efficiency for a car of its class, with consumption of 6.3 liters of premium-grade fuel per 100 kilometers and CO_2 emissions of 147 g/km.

Demand for the Audi A8 was outstanding in 2011. In total, the Audi brand delivered 34,245 (17,039) of this model, doubling the prior-year value.

Audi R8

The Audi brand again added to its product range in the supercar segment in 2011, with a limited run of 333 of the R8 GT Coupé delivered from the start of the year. The 5.2 FSI engine developing 412 kW (560 hp) accelerates the top model of the R8 car line from 0 to 100 km/h in a breath-taking 3.6 seconds. December saw the start of deliveries of the open-top version R8 GT Spyder, which is again available in a limited run of 333.

In total, 3,349 (3,166) vehicles of the R8 car line were delivered to customers in 2011.

Lamborghini brand

The Italian supercar manufacturer Automobili Lamborghini S.p.A., Sant'Agata Bolognese (Italy), also rejuvenated its product range. In late summer 2011, the Lamborghini Aventador LP 700-4 made its market entry. The Murciélago's successor, a completely new product, features an innovative monocoque made from carbon fiber-reinforced polymer (CFRP), combining lightweight construction with high rigidity and safety. The Aventador is powered by a new 12-cylinder engine with an output of 515 kW (700 hp) that accelerates the car from 0 to 100 km/h in a stunning 2.9 seconds. This supercar's top speed is 350 km/h.

LAMBORGHINI AVENTADOR LP 700-4



Three special editions of the Lamborghini Gallardo also appeared during the past fiscal year. The Gallardo LP 570-4 Super Trofeo Stradale, which is inspired by the racing cars of the Lamborghini Blancpain Super Trofeo championship, is available in a limited edition of 150. The advanced lightweight design of the Gallardo car line's new top model is based on a combination of carbon fiber and aluminum. The Lamborghini Gallardo LP 560-4 Bicolore, another limited edition, is especially notable for its exclusive two-color paint finish. The "Esperienza Italia 150" exhibition showcased the Gallardo LP 550-2 Tricolore, which sports a longitudinal stripe in green, white and red – the colors of the Italian flag. In creating this special edition, the Lamborghini brand is specifically highlighting its Italian heritage.

Towards the end of the year the Lamborghini brand also unveiled the Gallardo LP 550-2 Spyder, adding a further model to its range of open-top supercars.

A total of 1,602 (1,302) vehicles of the Lamborghini brand were delivered to customers in fiscal 2011.

Other Volkswagen Group brands

In the period under review, 207,753 (199,740) vehicles of other Volkswagen Group brands were delivered to customers by the sales companies VOLKSWAGEN GROUP ITALIA S.P.A., Verona (Italy), Audi Volkswagen Korea Ltd., Seoul (South Korea), Audi Volkswagen Middle East FZE, Dubai (United Arab Emirates), and AUDI SINGAPORE PTE. LTD., Singapore (Singapore).

FINANCIAL PERFORMANCE INDICATORS

FINANCIAL PERFORMANCE

The Audi Group increased its revenue to a new record total of EUR 44,096 (35,441) million in fiscal 2011. This steep revenue growth of 24.4 percent was achieved mainly through increased vehicle sales.

Sales of cars of the Audi brand brought the Company revenue amounting to EUR 34,456 (27,423) million in the past fiscal year – a rise of 25.6 percent. The A4 car line was once again the most important source of revenue. In the first full year of production of the new Audi A1, the Company posted a substantial rise in revenue from the compact car segment. Meanwhile, the successful launch of the new generation of the Audi A6, full availability of the new A7 Sportback and lively demand for the Audi A8 pushed up revenue from the full-size and luxury segment significantly. A renewed rise in demand for the Q5 and Q7 SUV models also impacted the revenue trend positively. Overall, the disproportionately high rise in revenue compared to unit sales is attributable to a higher-value model mix and to an improved country mix.

The Lamborghini brand also increased its revenue last year. In addition to models of the Audi and Lamborghini brands, the Audi Group sells vehicles of the Bentley, SEAT, Škoda, VW Passenger Car and VW Commercial Vehicle brands through the sales subsidiaries VOLKSWAGEN GROUP ITALIA S.P.A., Verona (Italy), Audi Volkswagen Korea Ltd., Seoul (South Korea), Audi Volkswagen Middle East FZE, Dubai (United Arab Emirates) and AUDI SINGAPORE PTE. LTD., Singapore (Singapore). Increased demand brought higher revenue from the trading of these brands.

Management Report

- 134 Audi Group
- 143 Business and underlying situation

159

- 143 Economic environment
- 145 Research and development
- 151 Procurement
- 151 Production
- 153 Deliveries and distribution159 Financial performance
- indicators
- 159 Financial performance
- 161 Net worth
- 162 Financial position
- 162 Social and ecological aspects
- 175 Risks, opportunities and outlook
- 187 Disclaimer

As a result of the dynamic business performance, the cost of sales for the Audi Group rose to EUR 36,000 (29,706) million in the period under review. Thanks to ongoing improvements in productivity and processes, this increase of 21.2 percent was below the rate of increase in revenue. The Audi Group's gross profit thus climbed 41.2 percent to EUR 8,096 (5,735) million. Distribution costs rose to EUR 3,599 (3,038) million, above all as a result of the marked increase in volume, the costs incurred in connection with the introduction of new models and the first-time consolidation of a number of companies. Administrative expenses increased to EUR 429 (374) million. The other operating result rose to EUR 1,280 (1,017) million in 2011. The Audi Group thus improved its operating profit for the past fiscal year by 60.1 percent overall, to EUR 5,348 (3,340) million. This new record figure means the Company continues to make impressive progress down the growth pathway envisaged in its Strategy 2020. The financial result was improved to EUR 692 (293) million in the past fiscal year. The substantial increase is above all due to effects from the measurement of hedging transactions as well as to higher interest and similar income. Furthermore, there was a rise in the result from investments accounted for using the equity method thanks to another positive set of business figures for the joint venture FAW-Volkswagen Automotive Company, Ltd., Changchun (China). In all, the Audi Group therefore improved its profit before tax by 66.2 percent to EUR 6,041 (3,634) million. After deduction of income tax expense, the Company posted a profit of EUR

DEVELOPMENT OF OPERATING PROFIT AND OPERATING RETURN ON SALES

4,440 (2,630) million for the period under review, a rise of 68.8 percent.

	2007	2008	2009	2010	2011
6,000					
4,500					
3,000					
1,500					
0					
 Operating profit (EUR million) 	2,705	2,772	1,604	3,340	5,348
 Operating return on sales (%) 	8.0	8.1	5.4	9.4	12.1

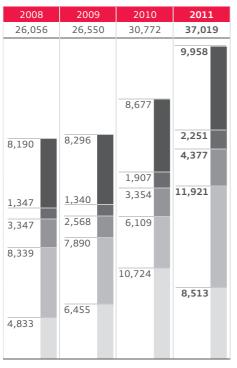
The very successful business performance is also reflected in all key return ratios, with the result that the Audi Group was yet again one of the most profitable players in the automotive industry worldwide in 2011.

For example, the Audi Group increased its operating return on sales to 12.1 (9.4) percent and its return on sales before tax to 13.7 (10.3) percent in the past fiscal year. Over the same period, the return on investment improved to 35.4 (24.7) percent.

KEY EARNINGS DATA

%	2011	2010
Operating return on sales	12.1	9.4
Return on sales before tax	13.7	10.3
Return on investment	35.4	24.7

NET WORTH



BALANCE SHEET STRUCTURE (EUR MILLION)

Non-current assets:

Fixed assets

Other non-current assets

Current assets:

- Inventories
- Other current assets

Cash and cash equivalents

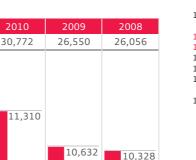
The Audi Group's balance sheet total rose by 20.3 percent in the past fiscal year to EUR 37,019 (30,772) million.

Non-current assets of EUR 12,209 (10,584) million showed a rise of 15.3 percent, which was driven mainly by the increase in property, plant and equipment as a result of the expansion of worldwide production capacity. The Audi Group maintained its efforts to develop new products and technologies over the past year, thus increasing total capital investments to EUR 2,970 (2,146) million.

The significant growth in current assets to EUR 24,811 (20,188) million is largely attributable to the rise in cash and cash equivalents. Higher receivables and inventories as a result of the dynamic business performance also contributed to this increase.

As of the balance sheet date, equity had reached EUR 12,903 (11,310) million. The main factor behind this rise was the cash infusion of EUR 1,005 million by Volkswagen AG, Wolfsburg, into the capital reserve of AUDI AG. The allocation to the other retained earnings of the balance remaining after the transfer of profit also increased equity by EUR 1,251 million. The equity ratio for the Audi Group consequently reached 34.9 (36.8) percent.

Non-current liabilities as of December 31, 2011 were up on the prior-year figure at EUR 8,610 (7,484) million. Higher other provisions and other liabilities contributed towards this increase. Current liabilities climbed to EUR 15,507 (11,979) million in particular as a result of the higher transfer of profit to Volkswagen AG and the increased trade payables in connection with the growth in business volume.



6,425

9.493

6,029

9,699

2011

37,019

12,903

8,610

15,507

Equity

Non-current liabilitiesCurrent liabilities

7,484

11,979

- 134 Audi Group
- 143 Business and underlying situation
- 159 Financial performance indicators
- 159 Financial performance
- 161 Net worth 162 Financial pos
- 162 Financial position162 Social and ecological aspects
- 175 Risks, opportunities
- and outlook 187 Disclaimer

FINANCIAL POSITION

Thanks to the Company's positive development, the Audi Group enjoyed an increase in cash flow from operating activities to EUR 6,295 (5,797) million in 2011.

Over the same period the cash used in investing activities for current operations reached EUR 2,905 (2,260) million. Of this amount, a sum of EUR 2,167 (1,362) million was invested in property, plant and equipment. Alongside spending on new products and the further development of pioneering drive technologies such as electrification, the investment focus was on increasing expertise in lightweight construction. Taking account of cash deposits in the form of securities as well as the rise in fixed deposits and loans extended, the cash used in investing activities totaled EUR 6,911 (3,306) million.

As in previous years, the Audi Group financed capital investments entirely from its own resources and in addition generated a healthy surplus. The net cash flow of EUR 3,390 (3,536) million therefore highlights its sustained financial strength.

The net liquidity at year-end thus increased to EUR 15,716 (13,383) million compared with the previous year.

As of December 31, 2011 the other financial obligations, which largely comprise ordering commitments, amounted to EUR 2,944 (2,192) million. Further information is provided in Section 39 of the Notes: "Other financial obligations."

SOCIAL AND ECOLOGICAL ASPECTS

EMPLOYEES

Workforce

Average for the year	2011	2010
Domestic companies	47,182	45,914
of which:		
AUDI AG	45,386	44,299
Ingolstadt plant	32,165	31,344
Neckarsulm plant	13,221	12,955
Foreign companies	13,017	11,038
of which:		
AUDI BRUSSELS S.A./N.V.	2,361	2,145
AUDI HUNGARIA MOTOR Kft.	6,932	5,833
Automobili Lamborghini S.p.A.	831	803
VOLKSWAGEN GROUP ITALIA S.P.A.	897	883
Employees	60,199	56,952
Apprentices	2,322	2,269
Employees of Audi Group companies	62,521	59,221
Staff employed from other Volkswagen Group companies not belonging to the Audi Group	285	292
Workforce	62,806	59,513

The Audi Group employed an average of 62,806 (59,513) people in fiscal 2011. At year-end, the workforce had increased to a total of 63,839 (60,395) employees.

Alongside recruitment at AUDI AG and temporary workers taken on permanently at AUDI BRUSSELS S.A./N.V., Brussels (Belgium), the substantial year-on-year rise is mainly due to a higher personnel total at AUDI HUNGARIA MOTOR Kft., Győr (Hungary), to handle its increased production volume and following the expansion of that plant.

EMPLOYEE STRUCTURAL DATA (AUDI AG)

		2011	2010
Average age 1)	Years	40.6	40.8
Average length of service ¹⁾	Years	15.6	16.0
Proportion of women ¹⁾	Percent	13.0	12.6
Proportion of academics ²⁾	Percent	40.1	36.3
Proportion of foreign nationals	Percent	7.7	7.7
Proportion of people with severe disabilities	Percent	6.0	6.0
Contracts to workshops for people with mental disabilities	EUR million	6.3	6.2
Frequency of accidents ³⁾		2.3	2.3
Attendance rate	Percent	96.4	96.4
Savings through Audi suggestions award program	EUR million	70.4	55.3
Implementation quota	Percent	57.2	57.5

1) Audi Group

2) Proportion of indirect employees

3) The accident frequency figure indicates how many industrial accidents involving one or more days' work lost occur per million hours worked.

The Audi Group's human resources policy

The mission of Strategy 2020 "We delight customers worldwide" represents a particular challenge for the Audi Group's Human Resources division. Human Resources regards all employees as customers and therefore as a separate, important target group. It strives to deliver customer delight on two human resources planes: First, by creating the conditions that enable all corporate divisions to achieve a demand-centered human resources structure, and second, by acting to increase the Company's attractiveness as an employer.

One of its priorities is establishing good relations between the Company and its employees. The human resources policy must consequently be to create general and working conditions that are both conducive to a good economic performance and suitably meet the needs of employees. Cooperation between the Company and the employees' elected representatives in the spirit of a fair social partnership plays a key role here. For example, a new agreement on partial early retirement has been reached.

Another key tenet of the human resources policy is to translate the Company's success into success for the employees. The management and General Works Council of AUDI AG have therefore reached an agreement on employee profit-sharing that is based on the twin criteria of the Company's profit for the previous year and the attainment of defined target values. Profit-sharing bonuses are also paid at the sites in Belgium and Hungary.

Over 2,500 employees newly recruited

AUDI AG took on more than 2,500 employees in fiscal 2011. Some 1,300 of the new hirings strengthen the teams of specialists, in particular in the electric mobility and lightweight construction areas of expertise. Over 500 skilled workers were taken on, mainly as permanent employees after having been hired on a temporary basis. The Company also welcomed 706 young people starting their vocational training at its Ingolstadt and Neckarsulm locations.

Top rankings again in attractiveness surveys

AUDI AG was again held in high regard as an employer among academic graduates in 2011. As in the previous year, the Company achieved top rankings in the attractiveness surveys conducted by the consultants trendence and Universum to identify the most popular employer for German economics and engineering students nearing the end of their studies ("trendence Graduate Barometer 2011 – Business and Engineering Edition," April 15, 2011; "The Universum German Student Survey 2011," May 16, 2011). AUDI AG topped the trendence and Universum studies among students of both disciplines.

Management Report

134	Audi Group
143	Business and underlying
	situation
159	Financial performance

indicators 159 Financial performance 161 Net worth

162 Financial position

- 162 Social and ecological aspects
- 162 Employees 166 Audi in society
- 166 Audi in society 167 Location-based
- environmental aspects 170 Product-based
- environmental aspects 175 Risks, opportunities

and outlook

187 Disclaimer

The Company was also very popular among engineers already in employment. AUDI AG was ranked second in the study entitled "The German Professional Survey 2011" by Universum, published on December 5, 2011.

Furthermore, AUDI HUNGARIA MOTOR Kft., Győr (Hungary), was again voted the country's "Most attractive company" in fiscal 2011 according to the results of a survey by the business consultants Aon Hewitt and the international student organization AIESEC (http://www.autoevolution.com/news/audi-the-most-attractive-company-in-hungary-32615.html).

It remains the priority goal of Personnel Marketing at AUDI AG to continue developing its identity as an employer brand. Clear positioning and credible communication are important milestones in achieving the strategic corporate objective of "Attractive employer worldwide." To reflect this, the approach to communication was successfully given a new direction. In the "Employer Branding Awards 2011," the "Magical Moments" campaign was an immediate success in the "Best Careers Website" and "Best Careers Advertisement" categories ("trendence Employer Branding Awards 2011," May 24, 2011).

In addition to its image as an employer, internal employee satisfaction is an important indicator of the Audi Group's attractiveness as an employer. Regular online surveys serve to confirm that employee satisfaction is high.

Training and advancement

In September 2011, 706 young people embarked on their vocational training at AUDI AG. Of these, 21 commenced studies at the Baden-Wuerttemberg Cooperative State University. 48 of the participants enrolled in the StEP program (Study and Experience in Practice), which combines vocational training with technical studies.

At the end of the year there were 2,349 apprentices at the two German locations Ingolstadt and Neckarsulm, spanning more than 20 different vocations. The figure includes 184 young people embarking on a dual vocational training program in combination with the entrance qualification for a university of applied science. In completing this training, they are entitled to progress to a university of applied science, while at the same time qualifying as a mechatronics or automotive mechatronics engineer, electronics engineer for automation technology, or tool mechanic. With AUDI AG already having pioneered a supplementary qualification as an electrician in 2010, this qualification will now be incorporated into the vocational training syllabus. As part of a pilot project, 25 automotive mechatronics engineers now for the first time qualified as automotive electricians in 2011 during their training, and passed the corresponding Chamber of Commerce examinations immediately after completing their training. The qualification focuses on the safe handling of high-voltage technology. It equips the apprentices to perform complex tasks on hybrid and electric vehicles, making them suitably prepared for the future challenges of electric mobility.

During the 2011 fiscal year, 30 young people – 20 industrial/technical apprentices and ten clerical trainees – received the opportunity to spend three months working in other European countries. The host companies were 12 locations of the Volkswagen Group. AUDI AG also plays host to apprentices from other group companies.

The Sino-German Automotive Vocational Education (SGAVE) project in China is equally about internationalization. Together with other renowned project partners, five model schools started providing training for automotive mechatronics engineers in the cities Changsha, Beijing, Changchun, Hangzhou and Chengdu from October 2011 onward. Teaching is scheduled to commence at ten further schools during fiscal 2012.

The focus of technical further training in 2011 was on the key technologies lightweight construction and electric mobility. Other training topics were prompted by the requirements of new materials, joining and bodywork technologies, battery technology, power electronics and electric drive technology.

Another major area of qualifications in 2011 involved competence development for the employees of the automotive plant in Győr (Hungary) that is currently undergoing expansion. The Company

devised specific qualification programs here for various target groups. A Project and Training Center was also set up, new vocations were introduced and local trainers at Győr were qualified. In addition, the Training Department at AUDI AG has been providing openings for less able apprenticeship applicants for over 30 years. The arrangements offered by the Company include entry-level qualifications for young people who have not been able to secure an apprenticeship for personal reasons or who need assistance towards acquiring the necessary qualification to train for their chosen career.

Health, job and family

The Company has been offering new preventive health care services since summer 2006. In 2011 alone, over 8,000 employees took a voluntary health check-up. The total number of people taking advantage of this service since its launch has now exceeded 44,000. This thorough preventive health check can be taken during working hours and includes an in-depth consultation with a physician as well as a range of lab tests.

AUDI AG has furthermore established a permanent facility for stem cell typing. Audi Health Care is working in close partnership with the Aktion Knochenmarkspende Bayern (Bavarian Bone Marrow Donation Foundation) and the DMKS Deutsche Knochenmarkspenderdatei (DMKS German Bone Marrow Donor Center). Employees who are interested in this option can be tested and typed at the health centers free of charge at any time.

1,365 Audi employees took the option of parental leave during fiscal 2011. 59 percent of the men entitled to take parental leave took advantage of this arrangement. The average length of parental leave in 2011 was 11 months. Women took on average 24 months' parental leave, and men two months.

A new arrangement to promote the compatibility of working and family life was introduced in August 2011. Under the "Audi Summer Children" program, for the first time employees at the Ingolstadt and Neckarsulm locations were able to take advantage of the offer of professional child care during the summer vacation. A total of 242 children and young people between six and 14 years of age attended the vacation program.

Equal opportunities for women

As an attractive employer, AUDI AG is eager to promote equal opportunities for women, attract women to the Company and offer them good career prospects. As part of a voluntary commitment made during the past fiscal year, the Company adopted differentiated targets for increasing the proportion of women at all hierarchy levels, from apprentices to top managers. Higher proportions of women should promote diversity at AUDI AG, thus further boosting the creative and innovative potential of the workforce.

When hiring female academic graduates, the Company looks at the proportions of women studying each subject. Taking the example of mechanical and electrical engineering, AUDI AG correspondingly aims for 9 percent women in the people it recruits from that course of study. Averaged out across all courses of study that are relevant for the Company, the target proportion of women among new recruits is 28 percent. This increased proportion for highly qualified women taken on by the Company will make it possible to steadily increase the proportion of female managers at the various management levels over time, with 11 percent women in top management by 2020, 12 percent in senior management and 15 percent in management. Another AUDI AG goal is to increase the proportion of female skilled workers to 10 percent and the proportion of women in first line management to 8 percent by 2020.

A large number of measures are already in place for attracting women to Audi and furthering their development. For example, AUDI AG specifically directs advertising at talented women and takes account of their specific circumstances. In that context, it offers special fact-finding days on technical vocational training, as well as workplace discovery days for young women. The Company also holds various career orientation events aimed specifically at schoolgirls, such as the "Female Researchers" or "Girls for Technology" camps, and is a long-standing participant in the nationwide Girls' Day. There is a separate series of events entitled CareerDay Women aimed specifically at female graduates and engineers already in employment.

- 134 Audi Group
- 143 Business and underlying situation
 159 Financial performance
- 159 Financial performance indicators162 Social and ecological aspects
- 162 Social and ecolog 162 Employees
- 166 Audi in society
- 167 Location-based environmental aspects
- 170 Product-based environmental aspects
- 175 Risks, opportunities and outlook
- 187 Disclaimer

AUDI AG has also been supporting internal and external women's networks for many years. On their career pathway to management, female employees are supported as part of a mentoring program. In addition to optimizing the basic framework for making working and family life compatible, the Company is planning other supporting measures.

PROPORTION OF WOMEN AT AUDI AG

%	2011	2010
Apprentices	24.2	24.0
Industrial apprentices	21.3	20.9
Clerical trainees	75.8	76.5
Management	9.1	9.3
Senior Management	3.7	3.9
Top Management	2.6	0.0

AUDI IN SOCIETY

Employee and corporate donations

Over 99 percent of the Audi workforce contributed to the Christmas fundraising campaign in the 2011 fiscal year. The total amount raised by the employees, and topped up by the Company, reached the new record sum of EUR 800,000. As every year, the fundraising campaign led by the employees' elected representatives is to help charities and organizations in the home regions of the Company locations.

Audi employees and the Company collected a total of EUR 1.3 million for the victims of the natural disaster in Japan and supported the call for donations by the VW Group Works Council for famine relief in East Africa.

The "Spare Cents" campaign – where many employees donate the remaining cents after the decimal point on their monthly payslip – also raised around EUR 225,000 for street children projects run by "terre des hommes."

Research partnerships

122 research students are currently preparing their doctoral theses within the Audi Group on topics spanning technology, economics, the humanities and the social sciences. Around 70 percent of doctoral theses are prepared in tandem with one of the Company's partner universities. In 2011, over 80 percent of research students were given permanent positions by the Audi Group after completing their doctoral theses.

The doctoral students meeting "Pro Motion," where doctoral students present the current status of their research work, took place for the seventh time in 2011; this acts as a vital forum for specialist discussions among doctoral students, employees and members of management. The Audi Group again facilitated exchanges between the world of research, schools and the public in 2011. AUDI AG organized another series of lectures (INI. and HIN. seminar) last year under the banner of "Hands-On University," where lecturers from partner universities presented the latest findings from their research. Ingolstadt hosted the 50th INI. seminar in the past fiscal year. Together with the partners Friedrich-Alexander University Erlangen-Nuremberg, the Technical University of Munich, the University of Stuttgart and the Karlsruhe Institute of Technology (KIT), the Company also offered advanced events (INI. and HIN.]UGEND.KOLLEG) to introduce school students from eighth grade upward to the world of science and technology. A total of over 2,000 school students and adults attended the "Hands-On University" events in 2011. The partnership set up in 2010 with the prestigious Tongji University of Shanghai in China took effect last year and was further extended. The "Audi Tongji Joint Lab" embarked upon projects in the areas of marketing, electric mobility, design and IT.

2011 also saw the decision to create endowed chairs at the University of Dortmund and Friedrich-Alexander University Erlangen-Nuremberg on the topics of supply chain and international information logistics/human resources management.

THE AUDI GROUP'S RESEARCH PARTNERSHIPS

Ingolstadt location		
 INI.KU – Ingolstadt Institutes of the Catholic University of Eichstätt- Ingolstadt Since 2008; focus: Human Resources, Leadership, Purchasing 	 INI.FAU – Ingolstadt Institutes of Friedrich-Alexander University Erlangen-Nuremberg Since 2006; focus: Information Technology and New Materials 	 INI.TUM – Ingolstadt Institutes of the Technical University of Munich Since 2003; focus: Driving Analysis, Simulation
 INI.LMU – Ingolstadt Institutes of Ludwig-Maximilian University of Munich Since 2008; focus: Human Resources, Marketing and Sales 	 IAF – Institute for Applied Research, Ingolstadt University of Applied Science Since 2004; focus: Development and Production 	 INI.UniBw – University of the Federal Armed Forces, Munich Since 2010; focus: Leadership and Electric Mobility
Neckarsulm location	Győr location	
 HIN -Neckarsulm University Institutes: Karlsruhe Institute of Technology (KIT), University of Stuttgart and Heilbronn University Since 2005; focus: Engines and Lightweight Design; Human Resources, Production and Logistics 	 Audi Hungaria Chair of Internal Combustion Engines – SZE Győr Since 2008; focus: Engine Manufacturing and Technology 	 AHI – Audi Hungaria Institutes: Technical University of Budapest and SZE Győr Since 2006; focus: Engines and Production
Institutes: Karlsruhe Institute of Technology (KIT), University of Stuttgart and Heilbronn University Since 2005; focus: Engines and Lightweight Design; Human	Combustion Engines – SZE Győr Since 2008; focus: Engine	Technical University of Budapest and SZE Győr Since 2006; focus: Engines and

Management Report

- 134 Audi Group
- 143 Business and underlying situation
- 159 Financial performance indicators
- 162 Social and ecological aspects162 Employees
- 166 Audi in society
- 167 Location-based environmental aspects
- 170 Product-based environmental aspects
- 175 Risks, opportunities and outlook
- 187 Disclaimer

 ALL – Audi Logistics Laboratory, Fraunhofer Institute for Material Flow and Logistics (IML), Dortmund Graduate School of Production Engineering and Logistics, Technical University of Dortmund Since 2007; focus: Logistics

- University of Southern California University of California, Berkeley University of California, San Diego University of Michigan Transportation Research Institute (UMTRI) Since 2010; university project "Audi Urban Intelligent Assist"
- Audi Tongji Joint Lab, Shanghai Since 2010; focus: Automotive Market Research; Marketing, Electric Mobility, Design, IT

LOCATION-BASED ENVIRONMENTAL ASPECTS

As a company that operates worldwide, the Audi Group actively embraces the principle of social responsibility. The idea of sustainable management, which rests on reconciling economy with ecology, is therefore an integral aspect of the corporate strategy.

This awareness is reflected not only in the Audi Group's continuing implementation of measures to improve the efficient use of resources, but also in its involvement in numerous initiatives such as the Bavarian Environmental Pact. In addition, the Company maintains a regular dialog with associations, government agencies, politicians and journalists about the principles behind its environmental philosophy. The Audi Group's environmental commitment extends far beyond the statutory requirements. This is the only way to ensure that economic growth is sustainable.

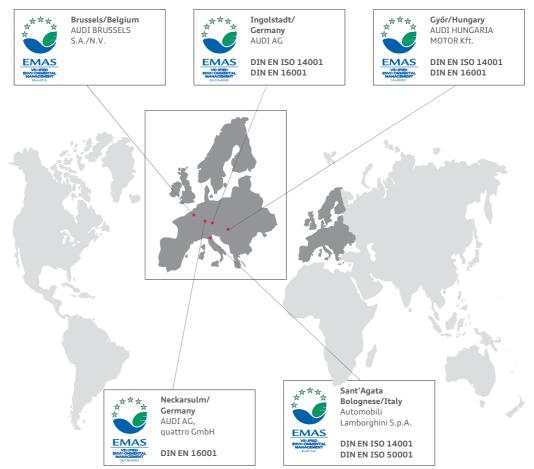
Accreditation

Alongside the use of modern technologies, organizational measures within the environmental management systems form the basis for steadily reducing pollution. These ongoing efforts are documented by internal reviews and external auditing of all production facilities. All Audi Group locations are for example validated under the European Union's EMAS (Eco Management and Audit Scheme), which goes well beyond the minimum standards required. In 1995 the Audi Group became the first premium-segment carmaker to receive this coveted accreditation when it was awarded to the Neckarsulm location. The Ingolstadt and Győr (Hungary) production plants followed in 1997 and 1999; the Belgian plant in Brussels and the Lamborghini location Sant'Agata Bolognese (Italy) have been entitled to bear the EMAS signet since 2002 and 2009 respectively.

Furthermore, the Ingolstadt, Győr and Sant'Agata Bolognese plants are accredited under the worldwide DIN EN ISO 14001 standard.

The environmental management systems for the Ingolstadt, Neckarsulm, Győr and Sant'Agata Bolognese locations moreover already meet the new European standards DIN EN 16001 or DIN EN ISO 50001, which set especially rigorous conditions for continuous, systematic reductions in energy consumption.

The VW Group manufacturing locations that Audi uses also satisfy environmental management system requirements – the production plants in Bratislava (Slovakia), Martorell (Spain), Aurangabad (India) and Changchun (China) are all accredited in accordance with the worldwide DIN EN ISO 14001 standard.



ACCREDITATION OF AUDI GROUP LOCATIONS

The environmental declarations for the individual locations are each available in the local language on the respective companies' websites.

Emissions reduction and resource efficiency

Reducing energy consumption and related emissions is a particular priority within the Company's environmental activities. By applying a raft of ongoing measures, AUDI AG intends to reduce location-based and company-specific CO₂ emissions by 30 percent by 2020, against the base year of 1990. The potential for energy savings is already considered during the planning phase. Along with infrastructure and logistics, the production and supply facilities are major areas offering scope for permanent efficiency improvements. For example, when the engine test

benches at Neckarsulm are running, they generate power that can be used at the plant by being connected to generators. Then there is an extra-light body manufacturing tool made largely from carbon fiber-reinforced polymer (CFRP) and developed by the Audi Toolmaking Shop. Using this tool cuts power consumption by around 43 percent compared with a conventional version. Innovative joining techniques in body manufacturing – such as spot welding, laser welding and bonding techniques – also help to cut consumption of operating materials and energy. A modern combined heat, power and refrigeration plant at Ingolstadt as well as heat recovery systems and the use of district heating have furthermore long proved very successful for the Audi Group.

DEVELOPMENT IN OVERALL ENERGY CONSUMPTION, VEHICLE AND ENGINE PRODUCTION BY THE AUDI GROUP 1)

	2008	2009	2010	2011
2,800				
2,400				
2,000				
1,600				
1,200				
800				
400				
0				
Vehicle production (thousand units)	953	902	1,102	1,292
Engine production (thousand units)	1,902	1,384	1,648	1,884
 Total energy consumption ²⁾ (in GWh) 	2,337	2,157	2,491	2,509

1) Ingolstadt, Neckarsulm, Brussels (excluding Volkswagen Polo), Győr and Sant'Agata Bolognese plants; incl. CKD production 2) 2011 figures provisional

The Audi Group's overall energy consumption has been kept virtually stable in recent years. Energy consumption in the past fiscal year showed only a slight year-on-year rise despite the increased production volume. A large number of efficiency measures meant that it increased at a lower rate than the production volume.

The other key environmental figures that the Audi Group observes in addition to energy consumption also reflect the increased production volume.

ENVIRONMENTAL STRUCTURAL DATA 1)

		2011	2010
VOC emissions ²⁾	t	2,380	1,913
Direct CO ₂ emissions ³⁾	t	196,137	203,277
Volume of waste water	m³	2,180,472	2,057,863
Fresh water purchased	m³	3,229,515	2,991,498
Total volume of waste 4)	t	68,312	60,513
of which recyclable waste	t	56,130	51,922
of which disposable waste	t	12,182	8,591
Metallic waste (scrap)	t	335,286	323,497

1) Ingolstadt, Neckarsulm, Brussels, Győr and Sant'Agata Bolognese plants; 2011 figures provisional

2) VOC emissions (volatile organic compounds): This figure comprises emissions from the paint shops, test rigs and other facilities.

3) Direct CO_2 emissions: This figure is made up of CO_2 emissions generated by the use of fuel at the plant, and CO_2 emissions produced by the operation of test rigs.

4) As a result of changed processes (Neckarsulm), statutory changes (Győr) and the remediation of legacy contamination from other reporting periods (Ingolstadt), overall waste volumes rose.

- 134 Audi Group
- 143 Business and underlying situation
- 159 Financial performance indicators
- 162 Social and ecological aspects
- 162 Employees
- 166 Audi in society 167 Location-based
- environmental aspects
- 170 Product-based environmental aspects
- 175 Risks, opportunities and outlook
- 187 Disclaimer

Examples of current environmental projects

AUDI AG is promoting a sustainable environmental policy through the charitable environmental foundation Audi Stiftung für Umwelt GmbH. The foundation's goal is to protect the natural live-lihood of humans, animals and plants. It supports measures and research activities that promote environmental education and the development of environmentally acceptable technologies outside the sphere of the car. The foundation's initial projects include providing long-term research backup for the "Oak Forest" research project launched in 2008, for which Audi is collaborating with the Bavarian State Forestry and the Chair of Forest Yield Science at the Technical University of Munich. In the first phase of the project, a total of around 60,000 English oaks were planted close to the Company locations Ingolstadt, Győr (Hungary) and Neckarsulm. Two further test sites were added in 2011 – one close to the Lamborghini location Sant'Agata Bolognese (Italy), and one in Hungary – on which a further 10,000 oak seedlings were planted. The research project seeks among other things to investigate the interaction between stand density on the one hand, and the potential for capturing CO_2 and for biodiversity on the other.

The Audi Group is also implementing numerous measures to use renewables. For instance, it ships its cars from the Company headquarters in Ingolstadt to Emden, the port of loading on the North Sea coast, by trains running on power generated from renewables. Photovoltaic systems are also in use at numerous locations throughout the Audi Group. In addition, AUDI AG has entered into a partnership with the industrial initiative Dii GmbH, Munich, whose long-term goal is to transform the DESERTEC vision into a reality. This vision describes the prospects for capturing solar and wind power in desert regions to supply Europe, the Middle East and North Africa.

CURRENT ENVIRONMENTAL PROJECTS



Oak Forest project



Rail freight on green power



Solar power from the desert

Emissions trading

In introducing the trading of CO_2 emissions rights in 2005, the European Union took on a leading role in matters of climate protection. The second trading period in which the Ingolstadt, Neckarsulm and Brussels manufacturing plants are participating runs from 2008 to 2012. As matters stand, thanks to the wide range of measures to improve energy efficiency and the reduced emissions that are the result, the position remains that the Audi Group does not expect to incur any major costs from emissions trading.

PRODUCT-BASED ENVIRONMENTAL ASPECTS

Future mobility

From pioneering engine concepts such as TDI, FSI and TFSI to lightweight construction in the shape of the Audi Space Frame, the Audi brand has repeatedly contributed to efficiency standards in automotive manufacturing over the past decades. To influence the future shape of mobility through "Vorsprung durch Technik," the Company regards it as a major priority to strike a fitting balance between fuel efficiency, comfort and driving enjoyment. AUDI AG advocates a diversified concept involving a variety of energy sources and technologies, so that customers can choose the option that best meets their individual requirements from a wide range of drive technology versions.

The combustion engine will remain the principal power source for the foreseeable future. The Audi brand therefore intends to broaden its successful TDI, FSI and TFSI engine range and further reduce fuel consumption and CO_2 emissions by implementing the technologies from its modular efficiency platform.

Electrified drive concepts are a further focal area within the technology matrix. Hybrid technology will play an important role in paving the way for purely electric travel. The Audi Q5 hybrid quattro has thus been on the market since the end of 2011. The Audi A6 hybrid and A8 hybrid models will appear on markets in the course of 2012. Under the umbrella brand Audi e-tron, which encompasses all-electric drive, plug-in hybrids and vehicles with a range extender, the Audi brand is stepping up its development activities in the sphere of electric mobility. In the past fiscal year the technical concept cars that it showcased included the A3 e-tron concept, A2 concept and Audi urban concept (cf. "Electric mobility" under "Research and Development," p. 148 ff.). For electric vehicles to be a genuinely climate-neutral form of mobility, they need to run on renewable power. AUDI AG has already launched various projects to promote the use of renewables such as wind power. In this context, the Company is also investigating the practical use of alternative fuels such as second-generation biofuels. The Audi Brand is also planning to start production of its first natural-gas vehicle in 2013, the Audi A3 TCNG.

MILESTONES IN EFFICIENCY TECHNOLOGY FROM THE AUDI BRAND

	201	
Launch of Audi A6 hybrid and Audi A8 hybrid		
 101 models < 140 g CO₂/km; 32 models < 120 g CO₂/km; 5 models < 100 g CO₂/km Presentation of new 4.0 TFSI engine with cylinder on demand technology Launch of Q5 hybrid quattro Launch of freewheeling function on the Audi Q3 Participation of e-gas powered Audi A3 TCNG in the Michelin Challenge Bibendum 2011 	201	
Launch of start-stop system and driver information system with efficiency program	200	
Launch of Audi valvelift system (AVS)	200	
Launch of Audi S tronic	200	
Launch of FSI technology	200	
Volume-produced car with all-aluminum body: Audi A2		
Launch of Audi Space Frame (ASF)		
 Launch of TDI technology Audi duo hybrid model 	198	

Hybrid models

The Audi brand first demonstrated its expertise in the field of hybrid technology as long ago as 1989, when it unveiled the Audi duo, a technical study based on the Audi 100 Avant. In the past year, the Audi brand brought the Audi Q5 hybrid quattro onto the market. The portfolio of hybrids will be extended in 2012 with a full-size sedan, the Audi A6 hybrid and a luxury-class sedan, the Audi A8 hybrid.

All three models have a 2.0 TFSI engine and an electric motor with a combined system output of 180 kW (245 hp), and can run on the combustion engine alone, the electric motor alone or in the hybrid mode. They also recover energy during retardation phases, and when accelerating hard the electric motor supports the gasoline engine.

Assuring a high proportion of electric operation was a key development objective. These vehicles are capable of traveling at a speed of up to 100 km/h purely electrically – at a constant 60 km/h they cover around three kilometers with zero local emissions.

Over the standard European driving cycle the Audi Q5 hybrid quattro uses an average of just 6.9 liters of premium-grade fuel per 100 kilometers – equivalent to CO_2 emissions of 159 g/km. The average fuel consumption of the A6 and A8 hybrid versions is even lower, at 6.2 and 6.3 liters of premium-grade gasoline per 100 kilometers respectively. The combined-cycle CO_2 emissions of the Audi A6 hybrid are expected to be 145 g/km, and 147 g/km for the Audi A8 hybrid.

- 134 Audi Group
- 143 Business and underlying situation
 159 Financial performance
- 59 Financial performance indicators
- 162 Social and ecological aspects162 Employees
- 162 Employees 166 Audi in society
- 167 Location-based
- environmental aspects 170 Product-based
- environmental aspects
- 175 Risks, opportunities and outlook
- 187 Disclaimer

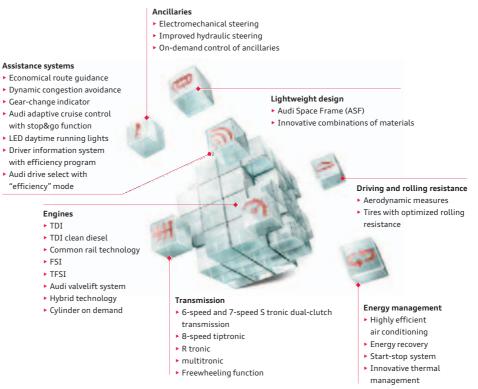
The hybridization process is to be rolled out across other car lines, too. In developing future product generations, the Audi brand will prioritize plug-in hybrids with batteries that can also be recharged from the grid.

Modular efficiency platform

The Audi brand's modular efficiency platform brings together all technologies that help to realize further reductions in fuel consumption and CO₂ emissions. It comprises components from diverse areas of technology, such as engines, auxiliaries, transmissions, energy management, body manufacturing and driver assistance systems.

The modular efficiency platform is being steadily widened; innovative technologies such as the freewheeling function, cylinder on demand and electromechanical steering were added in 2011. At the same time, the existing components are being rolled out across the entire range. For example, most models of the Audi brand are now already fitted with a start-stop system as standard.

THE AUDI MODULAR EFFICIENCY PLATFORM



Freewheeling function

Another technology has been added to the modular efficiency platform in the shape of the freewheeling function in the new Audi Q3, available in conjunction with the 7-speed S tronic dual-clutch transmission.

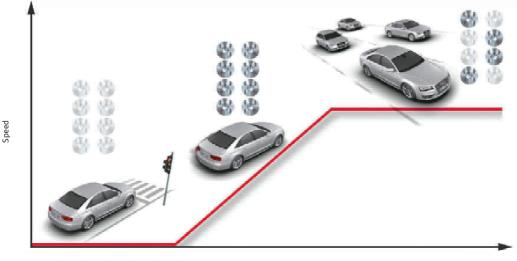
To use the freewheeling function, the "efficiency" mode must be activated in the optional driving dynamics system Audi drive select. When coasting, in other words when the vehicle is moving purely under its own momentum, such as when rolling downhill, the clutch opens. The compact premium SUV then freewheels, reducing its fuel consumption.

The "efficiency" mode of the Audi drive select driving dynamics system first appeared on the successor generation of the Audi A6 in 2011, alongside the existing options "comfort," "auto" and "dynamic." The new driving mode promotes an enhanced-efficiency form of operation that brings together the individual vehicle systems such as engine, transmission, suspension and air conditioning. The net effect is an efficiency gain of up to 10 percent.

Cylinder on demand

Cylinder on demand technology in the new 4.0 TFSI engine also helps to deliver further efficiency gains. At part loads, the high-performance eight-cylinder engine deactivates four of its cylinders. This makes the remaining cylinders operate with improved efficiency, boosting fuel economy. Above all thanks to cylinder management, the fuel efficiency of the new Audi S6 has been improved by around 25 percent compared with the previous model. The transition between the two modes goes unnoticed by the customer. For example, active noise control (ANC) detects noise interference inside the car by means of microphones built into the headlining and generates an equivalent noise via the sound system to cancel it out. In addition, active engine mounts reduce potential vibration to an imperceptible level by means of out-of-phase counter-oscillations. The new 4.0 TFSI engine with cylinder on demand will appear in the S6, S6 Avant, S7 Sportback and S8 models available from summer 2012.

CYLINDER ON DEMAND TECHNOLOGY IN THE NEW AUDI S8



Stop at traffic lights

Acceleration

Constant-speed driving

Innovative thermal management

A cold start at low temperatures entails significant efficiency losses because more energy input is needed to circulate the cold, highly viscous oil in the engine, differential and transmission. Another technology added to the modular efficiency platform in the past fiscal year is an advanced form of innovative thermal management, which shortens the warming-up phase when there is increased internal friction, thus improving fuel efficiency and reducing CO₂ emissions. It achieves this by distributing the heat flows between the engine, transmission and interior intelligently so that the drive assemblies reach their operating temperature sooner after a cold start.

- 134 Audi Group
- 143 Business and underlying situation
- 159 Financial performance indicators
- 162 Social and ecological aspects
- 162 Employees
- 166 Audi in society 167 Location-based
- environmental aspects 170 Product-based
- environmental aspects
- 175 Risks, opportunities and outlook
- 187 Disclaimer

Electromechanical steering

The electromechanical steering underwent technological refinement as part of the A4 car line product improvement.

The steering gear incorporates an electric motor that generates the servo power to assist the driver with steering. With this advanced electromechanical steering system, the electric motor now no longer needs to provide steering assistance when the car is traveling in a straight line, thus cutting energy consumption. Thanks to the electromechanical steering, fuel consumption is reduced on average by up to 0.3 liters per 100 kilometers depending on engine version, cutting CO_2 emissions by up to 7 g/km.

The advanced electromechanical steering can also boost driving safety – for instance by regulating power assistance intelligently if there is a risk of skidding. The electromechanical steering also promotes driving safety in combination with the optional lane departure warning system Audi active lane assist, which actively helps the driver to stay in lane by providing gentle steering impulses.

Audi ultra

Vehicle weights have been steadily rising in recent years, above all due to higher comfort and convenience expectations and tougher safety requirements. Because fuel consumption falls by about 0.3 liters per 100 kilometers for every 100 kilogram reduction in a vehicle's overall weight, reversing this upward spiral is a vital aspect of improving efficiency.

Lightweight construction has acquired new importance along with the emergence of electric mobility, because savings need to be made elsewhere to compensate for the battery's high weight. A lower power-to-weight ratio also means greater agility.

The Audi brand has therefore grouped all lightweight technologies and activities under the umbrella brand Audi ultra within the framework of its Strategy 2020. At the same time, the Company has the declared target to make every new Audi model lighter than its predecessor. The Audi brand boasts a long and successful track record in lightweight construction. Most notably its Audi Space Frame (ASF) technology proved a trailblazing development when it was launched on the Audi A8 in 1994, the world's first volume-built vehicle with unitary aluminum body. The Company has since produced around 700,000 vehicles using the ASF principle – whether made entirely from aluminum or aluminum hybrid designs – as hard evidence of its expertise in handling lightweight construction on a large scale.

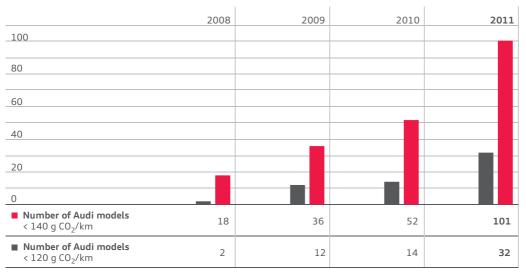
Today, the Audi brand places emphasis on using an intelligent mix of materials to achieve maximum performance at every point in the car through use of the optimum material. As well as aluminum and high-strength steels, the Company is increasingly turning to carbon fiber-reinforced polymers (CFRP) and magnesium. Thanks to extensive lightweight construction measures, the brand with the four rings succeeded in reducing the weight of its new Audi A6 full-size sedan by as much as 80 kilograms compared with its predecessor, despite its even better safety features and improved comfort and convenience.

The Audi brand also consistently applies lightweight construction principles in the R8 GT Coupé and R8 GT Spyder, both launched in 2011. For instance, the curb weight of the R8 GT Coupé was cut by 100 kilograms compared with the R8 Coupé, to 1,525 kilograms.

Models below 140 g CO₂/km

The Audi brand does not regard dynamic handling and efficiency as mutually exclusive. By using technologies from its modular efficiency platform, the Audi brand has steadily been able to improve the efficiency of its vehicles. At the end of the past fiscal year, it was able to supply 101 model versions with average CO_2 emissions of less than 140 g/km. 32 drivetrain versions even achieve CO_2 emissions figures below 120 g/km. Five different model versions from the Audi A1 and A3 car lines post the best value of 99 g CO_2 /km.

AUDI MODELS BELOW 140 GRAMS CO2/KM AND BELOW 120 GRAMS CO2/KM (YEAR-END POSITION)



Management Report

- 134 Audi Group
- 143 Business and underlying situation
- 159 Financial performance
- indicators 162 Social and ecological aspects
- 162 Employees
- 166 Audi in society
- 167 Location-based
- environmental aspects 170 Product-based
- environmental aspects 175 Risks, opportunities

and outlook

- 175 Risk report
- 183 Report on post-balance sheet date events
- 183 Report on expected
- developments
- . 187 Disclaimer

Further remarks on the subject of the environment can be found on the Internet at www.audi.com/environmental-protection and on the Group portal at www.volkswagen-sustainability.com.

RISKS, OPPORTUNITIES AND OUTLOOK

RISK REPORT

The risk management system within the Audi Group

Risk management approach

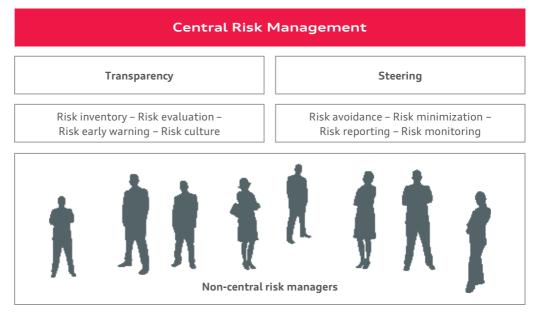
The entrepreneurial activity of an automotive manufacturer with global operations entails risks as well as opportunities. For this reason, the Audi Group introduced a Group-wide risk management system many years ago and is now systematically refining and extending it. In view of the high strategic relevance of the risk management system, its organizational structure is enshrined in an internal Board Directive.

The primary goal of the risk management system is to identify the risks associated with the Company's business activities as early as possible, to minimize or, where possible, to exclude them altogether.

Entrepreneurial risks are deliberately taken only where they are moderate and commensurate with the anticipated benefit from that operational activity.

In order to be prepared for increasingly volatile and heterogeneous developments on global automotive markets, and so that the Company can respond swiftly and efficiently, Central Risk Management operates in partnership with the non-central risk managers in the divisions. Operational risk management tasks remain part of the processes handled by the individual divisions and subsidiaries, while Central Risk Management performs a coordinating and supporting role. It sets standards that apply Group-wide and implements regulations that ensure risks are recorded and evaluated uniformly. At the same time, Central Risk Management monitors the effectiveness of the risk management instruments in use non-centrally (internal controlling system) with the aim of achieving ongoing improvements. Applying and controlling risk management instruments remains the responsibility of non-central risk management functions. Within the scope of a risk early warning system, risk management analyzes developments in the Company's operating sphere to identify changed or new risk indicators. Preventive measures are then developed and implemented by the risk managers in the areas concerned. This broad-based policy is designed to increase risk transparency and risk awareness within the Audi Group. The effectiveness of the early warning system for risks is assured by an ongoing, structured exchange of information between Central Risk Management and non-central risk managers. Improved risk management serves to place the business model on more stable footing. It thus

supports the attainment of the strategic corporate targets. Together with the compliance organization, Central Risk Management reports to the Board of Management and Supervisory Board on an ongoing basis in order to support the strategic decisionmaking process in the Company. The risks identified in the Audi Group and the countermeasures adopted for them are an integral part of corporate planning and management.



RISK MANAGEMENT WITHIN THE AUDI GROUP

Integrated internal control and risk management system for the financial reporting process

The internal control process for financial reporting purposes aims to minimize or eliminate altogether the risk of misstatements both in the bookkeeping and in external reporting. The internal control process for the Audi Group comprises measures and checks that ensure the prompt, complete and accurate communication of all information needed for the preparation of its Consolidated Financial Statements and Group Management Report.

The accounting system of the Audi Group is based on a non-central organization. However, in individual instances, tasks may be transferred by the subsidiaries' accounting departments to AUDI AG on the basis of service agreements. The individual financial statements of AUDI AG and the subsidiaries comply with the national accounting standards applicable in each case. For AUDI AG, the fully consolidated Group companies and the equity investments, these are then adopted into IFRS consolidated financial statements. Electronic encryption is used to assure data security during data transfer to Group Accounting at AUDI AG.

The Group accounting guideline serves to maintain uniformity in the recognition and measurement principles, based on the IFRS rules governing the parent company. In addition to the Group accounting guideline, there are other Group-wide accounting standards for both AUDI AG and the subsidiaries. These standards regulate the reporting scopes and the consolidated companies included in the Consolidated Financial Statements, as well as the application of statutory requirements. There are specific standards governing the reporting and treatment of intra-Group business transactions; these provide a basis for reconciling balances and defining specific topics to be dealt with by the Group companies.

The individual financial statements prepared by the subsidiaries are evaluated at Group level, including by making reference to the reports prepared by the independent auditors. The findings of the concluding discussions with the individual companies' representatives are also considered. Both the plausibility of the individual financial statements and critical individual matters concerning the subsidiaries are discussed.

Significant instruments of control, such as the use of the dual control principle, a clear separation between spheres of responsibility and plausibility checks, are used in the preparation of the Group companies' individual financial statements. In addition, Group Auditing contributes towards the internal control process for financial reporting purposes by conducting examinations both in Germany and abroad.

Group Accounting at AUDI AG is coordinated with Volkswagen AG, Wolfsburg, and the Volkswagen Consolidation and Corporate Steering System (VoKUs). Based on a future-proof technical platform, the system permits the consolidation and analysis of data from Accounting and Controlling. As well as permitting central master data management, this approach assures a uniform reporting system coupled with high flexibility in the event of changes to the legal framework. Group Accounting and Group Controlling benefit from it in equal measure.

VoKUs also offers various functions that minimize or avoid potential sources of error within the financial reporting process. For instance, data consistency is examined in a multi-stage validation system. The main emphasis of this process is on checking the completeness of the incoming data material and cross-checking the content of the Balance Sheet and Income Statement. VoKUs also assists with the conducting of other plausibility checks on the data material.

- 134 Audi Group
- 143 Business and underlying situation
- 159 Financial performance indicators
- Social and ecological aspectsRisks, opportunities
- and outlook
- 175 Risk report 183 Report on r
- 83 Report on post-balance sheet date events
- 183 Report on expected
 - developments
 - 187 Disclaimer

Risk identification, assessment and documentation

Risk management within the Audi Group satisfies both the latest statutory requirements and internal regulations. The statutory framework is regularly examined and new requirements are clearly identified and implemented.

Appropriate risk surveys are sent out by Central Risk Management to the risk managers of the individual divisions and subsidiaries from which considerable risks to the Audi Group could spread.

In a standardized risk survey conducted annually by Central Risk Management, the risk compliance coordinators from each division of AUDI AG and the risk compliance officers from the subsidiaries each record their risks. Central Risk Management checks compliance with Group-wide standards and processes of risk recording, and assists the risk compliance coordinators with compiling their risk reports, which serve as the basis for defining the risk profile of the Group as a whole. The plausibility and appropriateness of the risk reports are scrutinized with the aid of more indepth interviews conducted in selected divisions and subsidiaries.

Each individual risk is assessed initially in terms of its probability. The potential loss is then evaluated, along with the risk management instruments implemented and their effectiveness. All the necessary precautions are taken to minimize or prevent identified risks.

In addition to the standardized risk report, all departments are required to notify Central Risk Management of short-term changes in the risk exposure by means of ad hoc announcements. Central Risk Management is responsible for providing the Board of Management and Supervisory Board with regular, prompt updates on the Audi Group's corporate risk profile, using the reporting channels defined Group-wide.

In their examination the independent auditors assess whether the Board of Management has taken the measures incumbent upon it as defined in Section 91, Para. 2 of the German Stock Corporation Act (AktG) in an appropriate manner, and whether the monitoring system to be set up under this act is fit for purpose. The Audi Group thus satisfies the requirements of German corporate governance legislation (KonTraG). The requirements under KonTraG are furthermore incorporated into reporting to comply with the German Commercial Code (HGB).

Ongoing examination and refinement

The processes of the internal control and risk management system within the Audi Group are continually being revised and improved. The findings of the internal Auditing department and external independent auditors provide a basis for ongoing improvements and promote the creation of a learning organization. The Auditing department and independent auditors constitute impartial bodies with the task of monitoring correctness and effectiveness. The Board of Management and Supervisory Board are informed of topical developments both according to a regular cycle and ad hoc.

Individual risks

The Audi Group encounters a large number of individual risk areas within the context of its business activities. The risks highlighted in each case refer to the period 2012 through 2014.

Economic risks

As a globally active automotive manufacturer, the Audi Group's business operations are influenced to a high degree by the international economic framework. The principal sales markets that are of importance to the Company – Europe, China and the United States – are especially significant in this respect.

The upturn in the global economy continued in the past fiscal year, although the upswing lost momentum in the second half, especially in Western Europe. Global demand for cars benefited from the positive economic trend and reached a new record level in 2011. While Japan and a number of Western European markets reported lower levels of new registrations, demand for automobiles particularly in China, Russia and the United States was a key driver of global market growth.

In particular the emerging Asian and Latin American car markets are likely to continue posting high growth rates in the next few years, whereas a downturn in demand for passenger cars is expected in Western Europe in 2012. However, new risks could fundamentally arise as a result of changing framework conditions, such as increased customs, tax and trade barriers. Extensive risk early-warning indicators are used and the market is continually monitored so as to plan production in accordance with demand and also adjust it at short notice to fluctuations in demand. The ability to transfer production between the various locations under the production turntable principle and the effective use of timebanking also bring increased flexibility. The continual monitoring of all relevant commodity markets is an important activity for the Audi Group, because this helps to secure adequate supplies of production materials while simultaneously minimizing the cost risks and paving the way for comprehensive hedging strategies. Oil price movements present a further risk for a carmaker such as the Audi Group. A permanent rise in the price not only leads to increased energy and production costs, but also pushes up fuel prices and therefore ultimately makes customers more reluctant to buy cars. The Audi Group aims to respond to growing calls for efficiency by swiftly developing and introducing fuel economy technologies for conventional combustion engines. For example, the Audi brand already has a comprehensive product range featuring high-efficiency, progressive vehicle concepts that use technologies from the modular efficiency platform. Meanwhile, alternative forms of drive such as hybrid and electric vehicles are a central component of the Company's strategy of diversified drive principles.

The continuing internationalization of the Audi Group is resulting in increased revenue denominated in foreign currency. The growing volatility of currency markets, exacerbated in particular by sovereign debt crises in various countries, is creating risks that are difficult to anticipate and could adversely affect the profit performance of the Audi Group. Movements in the U.S. dollar, the Japanese yen, the pound sterling and the Chinese renminbi against the euro are of particular significance for the Audi Group. To counter the potential risks, the Company employs appropriate hedging instruments to an economically reasonable extent and in close, continuous consultation with the Volkswagen Group.

Finally, events that cannot be anticipated such as political intervention in the economy, terror attacks, escalating political conflicts, natural disasters and emerging pandemics can adversely affect economic activity and the international financial and capital markets. These could also have a detrimental effect on the Audi Group's business performance. The Company restricts such risks by preparing emergency plans or, where appropriate, by taking out adequate insurance cover.

Industry risks

The increasingly volatile and varied development of car markets worldwide, rising technological demands and ever tougher efficiency requirements are creating a more demanding environment for the entire automotive industry.

Management Report

- 134 Audi Group
- 143 Business and underlying situation
- 159 Financial performance indicators
- 162 Social and ecological aspects175 Risks, opportunities
- and outlook 175 Risk report
- 175 Risk report183 Report on post-balance sheet
- date events
- 183 Report on expected developments
- 187 Disclaimer

This change in the framework conditions is prompting more intense competition and the more widespread use of sales incentives. The spread of such practices can fundamentally lead to price erosion and inflated marketing costs, especially in the principal sales markets Europe, China and the United States, and may ultimately filter through to the Audi Group's revenue and profit performance. There are also risks to revenue and profit from the price structures of direct competitors, because the Audi brand will be unable to ignore a downward trend in the long term. State subsidies for individual manufacturers or vehicle categories could distort competition, thereby adversely affecting the profit performance of the Audi Group.

Growing pressure to improve fuel efficiency and cut vehicle emissions constitutes a major challenge for the automotive industry. As well as worldwide variation in the statutory requirements such as CO₂ limits, heightened environmental awareness among customers is becoming an increasingly significant factor. The increased sensitivity of customers to environmental acceptability and fuel economy moreover means that a permanent shift in demand in individual markets towards smaller cars cannot be excluded. However, the Audi Group is responding successfully to such challenges by steadily reducing the consumption and emissions of its product range and introducing compact models such as the Audi A1. An array of efficiency technologies already supply ample evidence of the brand essence "Vorsprung durch Technik." In addition to optimizing conventional drive technologies, the Company is focusing its attention on researching alternative fuels and new drive concepts. The Audi Group is moreover responding to its customers' desire for sustainable mobility through a systematic hybridization and electrification strategy.

Risks from operating activities

Through its operating activities the Audi Group is exposed to a number of risks that could adversely affect its net worth, financial position and financial performance.

These include for instance unforeseeable events such as explosions and major fires which could destroy or damage the Group's assets, but also cause serious disruption to production processes. There is also the risk of disruptions to production operations as a result of power supply failures or technical failures, in particular of IT systems. Although the potential for losses from the above risks is considerable, their probability is viewed as low. To reduce such risks, the Company has implemented preventive measures such as fire protection systems, emergency plans and company fire departments, and taken out adequate insurance cover. The Audi production network's high flexibility also envisages transferring production capacity to reduce the risks of lost production.

Lasting disruption to the production process could also be caused by delayed delivery or nondelivery as a result of tool breakage, losses from natural disasters and strikes at suppliers or in the transportation sector. The Audi Group uses detailed selection, monitoring, steering and supporting processes to minimize financial difficulties at dealers and suppliers that could in the worst instance result in their bankruptcy.

Within the automotive industry there is close cooperation between manufacturers and suppliers, possibly extending to the research and development sphere and other strategically significant sections of the value chain. This partnership-based collaboration brings both economic advantages and growing mutual dependence. The exclusive use of innovative technologies by suppliers with global operations is reinforcing this trend. The Audi Group addresses the associated risks by defining appropriate contractual terms or retaining title over tools used by third-party companies. Risks can also result from the failure to communicate certain situations promptly or appropriately. To minimize these risks, developments within and outside the Company are permanently observed and analyzed to ensure that communications always reflect the situation.

As an innovative premium carmaker, the Audi Group is continually extending its range of products and services. The Company also brings new technologies such as production methods, assistance or safety systems and drive concepts to production maturity. Despite intensive preparations – in the form of comprehensive market studies and conscientious planning and steering work – it is not always possible to forecast accurately the market success of new vehicle projects, technologies or services.

The development of new vehicles and technologies entails further risks. In addition to delays and changes to the product at short notice, the loss of expertise to service providers outside the Group can adversely affect the Audi Group's business activities. The Company guards against this risk by systematically granting and asserting industrial property rights as well as by consciously and meticulously selecting dependable system partners.

Legal risks

All activities by the corporate bodies, management personnel and employees of the Audi Group must comply with the current legal framework and with internal corporate guidelines. As a flanking measure to Group-wide codes of conduct, regular training courses help to inform the workforce of legal and internal requirements, and of any changes to these. This approach enables the Company to ensure that its actions are always lawful.

Nevertheless, the growing complexity of legal and fiscal requirements creates corresponding risks. As a result of the growing internationalization and expansion of the Audi Group's business activities, there is a risk of legal uncertainty due to differences of interpretation. Nor can the possibility of deliberate misdemeanors by individual persons be excluded altogether. The preventive approach of the Audi Group's compliance organization actively seeks to counter potential misdemeanors mainly through training.

As a manufacturer of premium automobiles, the Audi Group aims to satisfy its customers' high quality expectations in every respect. Nevertheless, the possibility of product liability claims cannot be excluded. Especially in the U.S market, these may lead to financial losses and significant reputational harm that could undermine the Company's long-term financial performance. The Audi Group counteracts such risks by upholding high quality standards for its products and addressing quality management systematically. In addition to taking appropriate precautions, it takes out economically reasonable levels of insurance cover and creates provisions. The same applies to lawsuits brought against the Company in the United States by commercial patent exploiters. Defending them is a costly business, and defeat involves financial losses for the Company.

The Audi Group is not currently involved in any legal or arbitration proceedings anywhere in the world that could have a lasting influence on the economic position of the Group.

Personnel risks

For a manufacturer of technologically pioneering and high-quality premium cars, qualified specialists and managers and a high degree of commitment are a vital part of the Company's success. Its human resources work therefore focuses on targeted, demand-centered human resources development and training for its employees. As an attractive employer, the Audi Group is wellplaced to assert itself amid intensive competition to recruit well-qualified employees. Offering a broad in-house training program moreover helps it to selectively create resources of qualified young employees.

The Audi Group actively guards against the potential loss of expertise through fluctuation by ensuring high employee satisfaction, providing an extensive and demand-based incentive system and applying intensive competence management. The Company responds to the loss of retiring employees by systematically transferring knowledge to the successors of the experts and managers who are retiring.

Management Report

- 134 Audi Group
- 143 Business and underlying situation
- 159 Financial performance indicators
- Social and ecological aspectsRisks, opportunities
- and outlook
- 175Risk report183Report on
- 83 Report on post-balance sheet date events
- 183 Report on expected

developments

187 Disclaimer

The situation on the labor market in Germany continues to change as a result of an aging, shrinking population. The Audi Group responded early on to demographic change and took appropriate action. Human resources management focuses on adapting working conditions to suit an employee's age, developing models for the individual's working life, and offering special part-time arrangements. Other priorities are to offer preventive health care programs and strengthen awareness among employees of their individual responsibility for their own financial future.

Information and IT risks

The Audi Group's enduring success owes a great deal to its ability to realize sustainable productivity advances on a regular basis. To achieve these, it needs effective, low-cost processes and information technologies that reflect the needs of an automotive manufacturer with global operations. In light of the gradual spread in the Company's worldwide presence, the ready availability of data and information flows across all Group and production locations is of growing importance in keeping procedures throughout the Company swift and efficient.

The growing prevalence of electronic networks harbors increased information and IT risks, which could undermine the financial position, financial performance and net worth of the Audi Group. Alongside the failure of important IT systems within the value chain and unauthorized access to the system, one major risk source could be the emergence of heterogeneous system landscapes. To avert the risks of unauthorized access to data, ongoing measures are taken to safeguard stable, highly available IT infrastructures.

The risks are also reduced by Group-wide security standards that are designed to uphold the continuity of internal processes and thus make a major contribution towards Company security.

Financial risks

The Audi Group is also exposed to financial risks through its business activities. These essentially comprise creditworthiness and liquidity risks, as well as market price risks such as from interest rates and commodity prices. As a result of the continuing internationalization of the Audi Group's business activities, foreign exchange risks concerning in particular the U.S. dollar, the pound sterling, the Japanese yen and the Chinese renminbi cannot be ruled out. To hold these risks in check effectively, by way of medium-term precautions the Audi Group has concluded extensive hedging transactions for foreign currency and purchases of commodities. Above all in the recent past, financial markets have been experiencing high volatility and in some cases have suffered considerable upheaval in particular as a result of the sovereign debt crisis in Europe. Detailed information on the hedging policy and risk management in the area of financial risks can be found in the Notes in "Additional disclosures" under Section 34 "Management of financial risks." The use of derivative financial instruments in connection with hedging transactions is also explained in full there.

Overall assessment of the risk position

Following the unexpectedly swift recovery from the global financial and economic crisis, economic activity in a number of countries – in particular in Western Europe – has once again slowed down since the second half of the past fiscal year. Moreover, increasingly volatile financial markets and growing uncertainty worldwide especially in the wake of the sovereign debt crises in various countries make it more difficult to forecast future economic developments.

At the same time, the volatile and varied development of individual car markets that is expected represents a substantial risk for all carmakers.

However, on the basis of all known circumstances and facts, no risks currently exist that could endanger the Company's survival for the foreseeable future.

REPORT ON POST-BALANCE SHEET DATE EVENTS

There were no reportable events of material significance after December 31, 2011.

REPORT ON EXPECTED DEVELOPMENTS

Anticipated development of the economic environment

General economic situation

The Audi Group expects the global upswing to continue in 2012 with less vigor. There are signs of the economy cooling down in Western Europe in particular. On the other hand the emerging economies in Asia and Latin America are likely to achieve relatively high growth. Slower global economic growth means the inflationary pressure in many countries should ease, despite commodity price levels remaining high. The Audi Group expects global growth to continue in 2013 as well.

The sovereign debt crisis in the eurozone will continue to overshadow Western Europe's economic development in 2012. According to the Audi Group's estimates, most countries in the region will enjoy only minimal economic growth, and some Western European countries could be at risk of slipping back into recession in the course of the year. Assuming clear progress can be made with regard to solving the sovereign debt crisis, the Audi Group expects there to be a slight recovery in 2013.

Germany will probably be caught up in the general negative cyclical pattern being experienced in other Western European countries, particularly as exports to the rest of Western Europe will fall. After strong GDP growth in the previous two years, the Company therefore expects growth there to be low in 2012. The German economy should then expand at a faster rate again in 2013. There will probably be a marked slowdown in economic development in most Central and Eastern European countries, too. However, the Russian economy should achieve robust growth thanks to stable demand for commodities worldwide. The Company expects to see Central and Eastern European economies grow more strongly in 2013.

The Audi Group expects the United States to maintain a moderate growth rate in 2012. Nonetheless, consumer spending is expected to provide only little stimulus for the overall economy in view of the continuing tight state of the labor market and high levels of household debt. The economy will probably only stage a stronger recovery in 2013.

In Latin America, economic expansion is expected to lose pace somewhat in 2012 due to the global slowdown, before bouncing back to deliver above-average growth in economic output in 2013. In the Audi Group's assessment, the emerging economies of Asia will continue to make dynamic progress in both 2012 and 2013, though the rate of growth in China will probably ease back somewhat due to a tighter monetary policy and weaker export demand. By contrast, the Company expects India's economy to gather pace a little. The Japanese economy should continue to recover from the natural disaster of March 2011 in the course of 2012. The upward trend will probably become more solid in 2013.

The car industry

The Audi Group expects worldwide demand for cars to rise in 2012, even though the rate of growth will probably be down on last year. With the exception of Western Europe, all sales regions worldwide should see a rise in unit sales. The Company then expects the global market to forge ahead more strongly in 2013.

Management Report

- 134 Audi Group
- 143 Business and underlying situation
 159 Financial performance
- 159 Financial performance indicators162 Social and ecological aspects
- 175 Risks, opportunities and outlook
- 175 Risk report
- 183 Report on post-balance sheet
- date events 183 Report on expected
- developments
- 187 Disclaimer

The Company expects to see registrations of new cars in Western Europe decline yet again in 2012. The Audi Group believes that almost all Western European car markets will remain flat or contract. Growing uncertainty among consumers as a result of the sovereign debt crisis in the eurozone is likely to be a major negative factor. The resulting consumer reticence will probably spill over into the German car market in 2012 and cause a slight dip in registrations of new cars. Assuming the economic environment in Western Europe regains its stability, the Audi Group believes demand for cars there will rise in 2013.

Central and Eastern European countries are likely to see a weakening of the previous year's high rate of growth. The Audi Group expects that sales in the Russian car market in particular will show only slight year-on-year growth. A major factor behind this development is the withdrawal of state aid, which played a key role in the high market growth of 2011. The region's markets are then likely to regain momentum in 2013.

On the back of moderate economic growth in the United States, the upward trend in demand for cars will probably continue in 2012 and 2013. However, the market's development will continue to be held back by lenders' restrictive practices for vehicle financing and by high fuel prices. The Audi Group believes that demand for cars in the Asia-Pacific region will continue to rise in 2012, growing at a slightly slower rate in 2013. The previous upward trend in the Chinese car market is expected to continue in 2012 and 2013. However, high fuel prices, more stringent emission standards and restricted access to urban areas may slow down market development. On the other hand, the Company anticipates faster growth for India's car market in 2012 compared with the previous year. The upward trend will then intensify once again in 2013. In Japan, the Audi Group expects new car registrations in 2012 to recover from the previous year's slump, because the natural disaster created a backlog of replacement demand that could not be met in 2011. This growth in demand should continue in 2013.

Anticipated development of the Audi Group

The global economy as a whole continued to grow in the past fiscal year. Weaker activity since the second half, the general uncertainty about the economy's direction – especially bearing in mind the debt crisis in many countries – and the highly varied development of individual car markets represent challenges for the Audi Group. In addition, there is the industry's transformation brought on by new drive technologies and mobility concepts, along with a steady increase in the intensity of competition.

However, the Audi Group believes it is well equipped to handle the challenges of the future and maintain a course of growth over the next few years.

Anticipated development of deliveries

For 2012 and 2013, the Audi Group expects to be able to increase deliveries of the Audi brand. The Company intends to increase its market shares in numerous sales markets and thus improve the strong overall competitive position in the premium segment worldwide. The Audi brand has set itself the goal of increasing deliveries to 1.5 million vehicles by 2015. Unless the economic framework deteriorates markedly, it may be possible to achieve that goal sooner.

In its home market of Germany, the Audi brand expects the number of vehicles delivered in 2012 and 2013 to show an improvement on the total for the past fiscal year. Despite the expected fall in overall market demand, the Company plans a moderate increase in deliveries in Western European export markets. In Central and Eastern Europe, the Audi brand is planning substantial growth, driven mainly by an increase in deliveries in the Russian market. Deliveries in the United States in 2012 and 2013 will probably rise further. The dynamic pattern of growth is also likely to be maintained in the Chinese market. This development will be supported especially by the expansion of the dealer network from around 230 dealerships to over 400 by the year 2013. The Company's presence in China will be further boosted by the construction of a second production plant there.

The Audi brand intends to continue broadening its product portfolio in order to achieve even greater brand appeal and customer delight. The Company already offers a diverse, attractive product range extending from the Audi A1, through the SUV family – Audi Q3, Q5 and Q7 – to the R8 Spyder.

For 2012, AUDI AG has planned a large number of new products that will provide additional sales impetus. For example, the successor generation of the popular A3 car line will arrive on markets. In addition, the Audi brand will extend the A1 car line by introducing the A1 Sportback and A1 quattro models. The updated models of the A5 and A4 car lines have moreover been on sale to customers since the end of 2011 and start of 2012 respectively. The A6 allroad quattro and the S6, S6 Avant, S7 Sportback and S8 will add to the appeal of the higher segments during the course of the year.

By launching modern hybrid and electric drive versions, the Audi brand would like to fulfill the wishes of customers who want innovative drive and mobility concepts that explore a new dimension beyond efficient combustion engines. Following the launch of the Q5 hybrid quattro in 2011, hybrid versions of two further car lines will become available in the course of 2012 – the A6 hybrid and the A8 hybrid. The small-series electric R8 e-tron will then appear towards the end of the year. The Company also expects demand in 2012 to be lifted by the full availability of the new A6 generation and the new Q3 premium SUV, both of which have been gradually rolled out on markets since last year.

Anticipated financial performance

The planned increases in deliveries in 2012 and 2013 mean that the Audi Group's revenue will also rise. Despite higher expenses for new models, technologies and expanded production structures, the Audi Group expects operating profit for 2012 and 2013 to remain at the high level of 2011 provided the economic framework does not change significantly. In particular, the young, attractive product range and the effects of further process and cost optimization measures as well as systematic investment management will benefit the profit performance.

Anticipated financial position

The Audi Group again intends to finance its growth in 2012 and 2013 entirely from internally generated cash flow. Although cash used in investing activities will continue to rise because of the long-term nature of the product initiative and the development of innovative technological concepts, the net cash flow is to remain positive.

Management Report

- 134 Audi Group
- 143 Business and underlying situation
 159 Financial performance
- 59 Financial performance indicators
- 162 Social and ecological aspects175 Risks, opportunities
- and outlook 175 Risk report
- 183 Report on post-balance sheet
- date events
- 183 Report on expected developments
- 187 Disclaimer

Capital investments

The Audi Group is planning to invest a total of EUR 13 billion in property, plant and equipment over the period 2012 through 2016, paving the way for its future growth through what will be the biggest investment program in the history of the Company.

The priorities for the investment plans include the steady broadening and rejuvenation of the product range and the accompanying expansion of production structures. In addition, in light of the anticipated growth the investment plans will extend to development capacity, the dealer and service network and ongoing productivity and quality improvements. Technological innovations such as continuous improvements to vehicle efficiency and the development of new mobility concepts also remain priority activities. The purpose of all investment measures is to lastingly strengthen the Company's competitive position.

Anticipated development of the workforce

In line with the Company's plans for growth, the number of employees at the Audi Group will rise still further in 2012 and 2013.

Opportunities for future development

The Audi Group pursues a large number of measures in order to seize opportunities for future development and thus safeguard the Company's sustainable, profitable growth. One of the most prominent measures in this regard is the model initiative, which is to continue throughout 2012 and 2013. As well as the addition of the A1 Sportback to the A1 family, the forthcoming renewal of the high-volume Audi A3 car line will create fresh sales potential in 2012. The continuing roll-out of the new-generation A6 and A6 Avant models, which were launched in 2011, and of the new Q3 will lend added stimulus to demand.

The Audi brand intends to demonstrate its "Vorsprung durch Technik" not simply with new models, but also by introducing innovative technologies. Such opportunities include the development of new mobility concepts and the continuing emphasis on systematically improving efficiency – achieved, in the case of the Audi brand, by implementing the modular efficiency platform. The Audi Group has both the necessary infrastructure and qualified specialists to realize the product and technological innovations it is planning. Its reputation as an attractive employer will help the Audi Group in its continuing efforts to recruit well-qualified specialists to cement the Company's future growth.

Numerous awards confirm a steady rise in the Audi brand's recognition and popularity ratings worldwide. The four rings are the embodiment of sportiness, sophistication and progressive-ness. Alongside its attractive product range, the Audi Group's brand image provides an opportunity for further qualitative growth in the future.

The Audi Group expects to be able to continue increasing deliveries of the Audi brand worldwide. For 2012 and 2013, the Audi brand identifies growth opportunities especially in the Asian sales markets China and India, but also in the United States and Russia. The Company is planning the further expansion of its international dealer and service network in those markets so that it can actively capitalize on their future potential.

In addition to factors that are within the Company's scope of action, external developments may also create opportunities – for instance, both social and political advances harbor potential for further corporate growth.

Overall assessment of anticipated future developments

The past fiscal year proved very successful for the Audi Group. New record production, vehicle deliveries and key financial indicators emphasize the Company's high competitiveness and profitability.

Even after taking present challenges into account, the Board of Management considers the Audi Group to be well-placed to maintain its qualitative growth in the future.

The Company has laid the foundations for its planned growth with a steadily growing model range and the development of new mobility concepts. It will continue to pursue measures already put in place to improve costs long-term and optimize processes.

On this basis, the Company expects to continue its course of growth in 2012 and 2013.

DISCLAIMER

The Management Report contains forward-looking statements relating to anticipated developments. These statements are based upon current assessments and are by their very nature subject to risks and uncertainties. Actual outcomes may differ from those predicted in these statements.

Management Report

- 134 Audi Group
- 143 Business and underlying situation
- 159 Financial performance indicators
- Social and ecological aspectsRisks, opportunities

187

- and outlook
- 175 Risk report
- 183 Report on post-balance sheet date events
- 183 Report on expected
- developments 187 Disclaimer

Consolidated Financial Statements of the Audi Group at December 31, 2011

Income Statement of the Audi Group

EUR million	Notes	2011	2010
Revenue	1	44,096	35,441
Cost of sales	2	-36,000	-29,706
Gross profit		8,096	5,735
Distribution costs	3	-3,599	-3,038
Administrative expenses	4	-429	-374
Total other operating income	5	1,967	1,684
Total other operating expenses	6	-687	-667
Operating profit		5,348	3,340
Result from investments accounted for using the equity method	7	270	220
Financing costs	8	-264	-294
Total other financial results	9	687	368
Financial result		692	293
Profit before tax		6,041	3,634
Income tax expense	10	-1,601	-1,004
Profit after tax		4,440	2,630
of which profit share of minority interests		51	45
of which profit share of AUDI AG stockholders		4,389	2,586
Appropriation of profit share due to AUDI AG stockholders			
Profit transfer to Volkswagen AG	11	-3,138	-2,010
Transfer to retained earnings		1,251	576

EUR	Notes	2011	2010
Earnings per share	12	102.06	60.13
Diluted earnings per share	12	102.06	60.13

Statement of Recognized Income and Expense of the Audi Group

EUR million	Audi stoo	kholders	Minority	interests		Total
	2011	2010	2011	2010	2011	2010
Profit after tax	4,389	2,586	51	45	4,440	2,630
Actuarial gains and losses (pensions) before tax	-143	-186	-	-	-143	-186
Deferred taxes on actuarial gains and losses	42	55	-	_	42	55
Actuarial gains and losses (pensions) after tax	-101	-131	-	-	-101	-131
Currency translation differences before tax						
Changes recognized directly in equity without affecting income	11	25	9	6	20	31
Currency translation differences after tax	11	25	9	6	20	31
Cash flow hedges before tax						
Changes in fair value recognized directly in equity without affecting income	-890	-402	-	_	-890	-402
Included in the Income Statement	-55	-46	-	-	-55	-46
Deferred taxes on cash flow hedges	279	132	-	-	279	132
Cash flow hedges after tax	-666	-316	-	-	-666	-316
Securities available for sale before tax						
Changes in fair value recognized directly in equity without affecting income	11	15	-	-	11	15
Included in the Income Statement	3	-25	-	-	3	-25
Deferred taxes on securities available for sale	-4	3	-	-	-4	3
Securities available for sale after tax	10	-7	-	-	10	-7
Income and expenditure after tax from equity- accounted investments recognized directly in equity	23	19	-	_	23	19
Total other result before tax	-1,040	-600	9	6	-1,030	-594
Total deferred taxes on other result	317	190	-	-	317	190
Total other result after tax	-723	-410	9	6	-714	-404
Overall result	3,666	2,176	60	50	3,726	2,227

Consolidated Financial

Statements

- 188 Income Statement189 Statement of Recognized
- Income and Expense 190 Balance Sheet
- 190 ваlance Sheet 191 Cash Flow Statement
- 192 Statement of Changes in Equity

Notes to the Consolidated Financial Statements

- 194 Development of fixed assets in the 2011 fiscal year
- 196 Development of fixed assets in the 2010 fiscal year
- 198 General information204 Recognition and measurement principles
- 212 Notes to the Income Statement
- 218 Notes to the Balance Sheet
- 227 Additional disclosures
- 248 Events occurring subsequent
- to the balance sheet date 249 Statement of Interests
- held by the Audi Group

Changes in the fair value of effective portions of cash flow hedges, primarily due to a change in the external value of the euro as of December 31, 2011, had a negative impact of EUR 890 million on the overall result in the 2011 fiscal year.

However, due to the effectiveness of the hedges, these negative changes in the fair value of cash flow hedges exist alongside corresponding profit potential in almost the same amount from the underlying transactions (vehicle sales). This profit potential will not yet be recognized as of December 31, 2011 and will only be incorporated into the Statement of Recognized Income and Expense for future periods at the time of performance of the underlying transactions.

Balance Sheet of the Audi Group

ASSETS in EUR million	Notes	Dec. 31, 2011	Dec. 31, 2010
Non-current assets		12,209	10,584
Fixed assets		9,958	8,677
Intangible assets	14	2,531	2,357
Property, plant and equipment	15	6,716	5,803
Investment property	16	8	12
Investments accounted for using the equity method		460	326
Other long-term investments	17	244	180
Deferred tax assets	18	1,839	1,347
Other receivables and other financial assets	19	412	560
Current assets		24,811	20,188
Inventories	20	4,377	3,354
Trade receivables	21	3,009	2,099
Effective income tax assets	22	11	13
Other receivables and other financial assets	19	7,307	2,658
Securities	23	1,594	1,339
Cash and cash equivalents	23	8,513	10,724
Balance sheet total		37,019	30,772

LIABILITIES in EUR million	Notes	Dec. 31, 2011	Dec. 31, 2010
Equity		12,903	11,310
AUDI AG stockholders' interests	24	12,705	11,172
Issued capital	24	110	110
Capital reserve	24	3,515	2,510
Retained earnings	24	9,080	8,552
Minority interests	24	198	138
Liabilities		24,117	19,462
Non-current liabilities		8,610	7,484
Financial liabilities	25	21	15
Deferred tax liabilities	26	16	22
Other liabilities	27	1,080	712
Provisions for pensions	28	2,505	2,331
Effective income tax obligations	29	754	636
Other provisions	30	4,234	3,768
Current liabilities		15,507	11,979
Financial liabilities	25	1,172	810
Trade payables	31	4,193	3,510
Effective income tax obligations	29	929	857
Other liabilities	27	6,355	4,447
Other provisions	30	2,858	2,354
Balance sheet total		37,019	30,772

Cash Flow Statement of the Audi Group

January 1 to December 31

Consolidated Financial

- Statements 188 Income Statement
- 189 Statement of Recognized
- Income and Expense
- 190 Balance Sheet191 Cash Flow Statement
- 192 Statement of Changes in Equity

Notes to the Consolidated

- **Financial Statements** 194 Development of fixed assets
- in the 2011 fiscal year 196 Development of fixed assets
- in the 2010 fiscal year 198 General information
- 204 Recognition and
- measurement principles
- 212 Notes to the Income Statement218 Notes to the Balance Sheet227 Additional disclosures
- 248 Events occurring subsequent
 - to the balance sheet date
- 249 Statement of Interests held by the Audi Group

		from
EUR million	2011	2010
Profit before profit transfer and income taxes	6,041	3,634
Income tax payments	-1,584	-941
Impairment losses (reversals) on capitalized development costs	397	567
Impairment losses (reversals) on property, plant and equipment and other intangible assets	1,395	1,542
Impairment losses (reversals) on financial assets	0	1
Depreciation of investment property	1	1
Result from the disposal of assets	1	3
Result from investments accounted for using the equity method	-111	-95
Change in inventories	-933	-599
Change in receivables	-1,004	213
Change in liabilities	1,313	969
Change in provisions	957	600
Other non-cash income and expenses	-177	-97
Cash flow from operating activities	6,295	5,797
Additions of capitalized development costs	-596	-630
Investments in property, plant and equipment and other intangible assets	-2,266	-1,449
Acquisition of subsidiaries	-37	-145
Acquisition of other participating interests	-27	-63
Other cash changes	21	26
Change in investments in securities	-239	-498
Change in fixed deposits and loans extended	-3,767	-548
Cash flow from investing activities	-6,911	-3,306
Capital contributions	1,005	586
Transfer of profit	-2,010	-1,172
Capital transactions with minority interests	-	-125
Change in financial liabilities	253	61
Lease payments	1	0
Cash flow from financing activities	-753	-650
Change in cash and cash equivalents due to changes in exchange rates	82	68
Change in cash and cash equivalents	-1,287	1,908
Cash and cash equivalents at beginning of period	5,961	4,053
Cash and cash equivalents at end of period	4,675	5,961

EUR million	2011	2010
Cash and cash equivalents	4,675	5,961
Fixed deposits, securities and loans extended	12,235	8,247
Gross liquidity	16,909	14,208
Credit outstanding	-1,193	-825
Net liquidity	15,716	13,383

The Cash Flow Statement is explained in Note 35.

Statement of Changes in Equity of the Audi Group

EUR million	Issued capital	Capital reserve	
D ''' () 1 2010	110	1.024	
Position as of Jan. 1, 2010	110	1,924	
Profit after tax	-	-	
Other result after tax	-	-	
Overall result	-	-	
Capital increase	-	586	
Profit transfer to Volkswagen AG	_	-	
Capital transactions producing a change of participating interests	-	-	
Position as of Dec. 31, 2010	110	2,510	
Position as of Jan. 1, 2011	110	2,510	
Profit after tax	-	-	
Other result after tax	-	-	
Overall result	-	-	
Capital increase	-	1,005	
Profit transfer to Volkswagen AG	_	_	
Position as of Dec. 31, 2011	110	3,515	

				Re	etained earnings			Equity
Legal reserve and other retained earnings	Currency exchange reserve	Reserve for cash flow hedges	Reserve for remeasurement to fair value of securities	Actuarial gains and losses	Investments accounted for using the equity method	AUDI AG stockholders' interests	Minority interests	Total
7,993	3	412	-4	-206	-11	10,221	411	10,632
2,586	-	-	-	-	-	2,586	45	2,630
-	25	-316	-7	-131	19	-410	6	-404
2,586	25	-316	-7	-131	19	2,176	50	2,227
-	-	-	-	-	-	586	-	586
-2,010	-	-	-	-	-	-2,010	-	-2,010
208	-	-	-	-9	-	199	-324	-125
8,776	28	97	-11	-346	8	11,172	138	11,310
8,776	28	97	-11	-346	8	11,172	138	11,310
4,389	-	-	-	_	-	4,389	51	4,440
-	11	-666	10	-101	23	-723	9	-714
4,389	11	-666	10	-101	23	3,666	60	3,726
-	-	-	-	_	-	1,005	-	1,005
-3,138	-	_	_	_	_	-3,138	-	-3,138
10,027	39	-569	-1	-447	31	12,705	198	12,903

Notes to the Consolidated Financial Statements

DEVELOPMENT OF FIXED ASSETS IN THE 2011 FISCAL YEAR

EUR million							Gross ca	rrying amounts	
	Costs	Changes in group of consolidated companies	Currency changes	Additions	Changes from measurement at equity	Transfers	Disposals	Costs	
	Jan. 1, 2011							Dec. 31, 2011	
Intangible assets	5,532	4	1	694	-	12	962	5,281	
Concessions, industrial property rights and similar rights and assets, as well as licenses thereto	676	4	1	98	_	14	7	785	
Goodwill	72	-	-	-	-	-	-	72	
Capitalized development costs, products currently under development	900	_	_	343	_	-554	_	689	
Capitalized development costs, products currently in use	3,883	_	_	252	-	554	955	3,735	
Payments on account for intangible assets	1	-	-	1	-	-1	-	1	
Property, plant and equipment	21,085	11	10	2,186	-	-12	455	22,824	
Land, land rights and buildings, including buildings on land owned by others, and leased land and buildings	4,396	8	8	193	_	53	55	4,602	
Plant and machinery	4,848	1	0	169	-	149	202	4,965	
Other plant and office equipment, as well as leased plant and office equipment	11,345	2	1	842	-	116	196	12,111	
Payments on account and assets under construction	496	_	0	982	_	-330	2	1,146	
Investment property	19	-	0	-	_	_	3	16	
Investments accounted for using the equity method	326	-	31	-	103	-	-	460	
Other long-term investments	183	-25	-	89	-	-	0	247	
Investments in affiliated companies	106	-25	-	62	-	-	0	143	
Shares in associated companies and participating interests	76	0	_	27	-	_	_	103	
Total fixed assets	27,145	-10	42	2,970	103	-	1,421	28,829	

	Value adjustments in gross carrying amounts									
Cumulative depreciation	Changes in group of				Value au			Cumulative depreciation	<u> </u>	rrying amounts
and amortization	consolidated companies	Currency changes	Additions, scheduled	Additions, unscheduled	Transfers	Disposals	Write- ups	and amortization		
Jan. 1, 2011								Dec. 31, 2011	Dec. 31, 2011	Dec. 31, 2010
3,176	3	1	458	75	-	962	-	2,751	2,531	2,357
444	3	1	101	35	-	7	-	576	209	232
-	-	-	-	-	-	-	-	-	72	72
64	_	_	-	40	-44	_	_	60	629	836
2,668			357		44	955		2,114	1,620	1,215
-	-			-			-	-	1	1
15,281	1	3	1,241	17	-	436	-	16,108	6,716	5,803
2,206	0	2	146			51		2,303	2,299	2,190
3,689	0	0	316		-	196	-	3,809	1,157	1,159
9,386	1	1	780	17		189	-	9,997	2,114	1,958
-	-	_	-	_	-	-	-	-	1,146	496
										1.5
8	-	0	1	-	-	1	-	9	8	12
-	-	-	-	-	-	-	-	-	460	326
3	-	-	-	-	-	0	-	3	244	180
0	-	-	-	_	-	0	-	-	143	106
3	_	_		_	-	-	-	3	100	73
18,468	4	4	1,700	93	-	1,399	-	18,871	9,958	8,677
								10,071	0,000	

DEVELOPMENT OF FIXED ASSETS IN THE 2010 FISCAL YEAR

EUR million				1			Gross ca	rrying amounts	1	
	Costs Jan. 1, 2010	Changes in group of consolidated companies	Currency changes	Additions	Changes from measurement at equity	Transfers	Disposals	Costs Dec. 31, 2010		
Intangible assets	4.684	150	1	717	_	7	26	5.532		
Concessions, industrial property rights and similar rights and assets, as well as licenses thereto	509	78	1	87	_	7	6	676		
Goodwill	-	72	-	-	-	-	-	72		
Capitalized development costs, products currently under development	866	-		502	-	-468	-	900		
Capitalized development costs, products currently in use	3,307	_	-	128	_	468	21	3,883		
Payments on account for intangible assets	1	0	-	0	-	0	-	1	<u> </u>	
Property, plant and equipment	20,145	100	20	1,362	-	-7	534	21,085		
Land, land rights and buildings, including buildings on land owned by others, and leased land and buildings	4,121	55	17	156	_	62	16	4,396		
Plant and machinery	4,789	13	0	127	-	137	219	4,848		
Other plant and office equipment, as well as leased plant and office equipment	10,616	28	2	686	_	298	285	11,345		
Payments on account and assets under construction	618	3	0	393	_	-503	15	496		
Investment property	17	-	2	-	-	-	0	19		
Investments accounted for using the equity method	212	-	24	-	91	-	-	326		
Other long-term investments	140	-22	2	67	-	-	4	183		
Investments in affiliated companies	126	-24	2	4	-	-	1	106		
Shares in associated companies and participating interests	11	2	-	63	_	-	-	76		
Securities	2	-	-	-	-	-	2	-		
Total fixed assets	25,197	227	49	2,146	91	-	564	27,145		

					Value ad	iustments in	dross ca	rrying amounts	Ca	rrying amounts
Cumulative depreciation and amortization	Changes in group of consolidated companies	Currency changes	Additions, scheduled	Additions, unscheduled	Transfers	Disposals	Write- ups	Cumulative depreciation and amortization		
Jan. 1, 2010								Dec. 31, 2010	Dec. 31, 2010	Dec. 31, 2009
2,512	5	1	531	210	1	26	58	3,176	2,357	2,171
327	5	1	94	21	1	6	_	444	232	182
-		-		-			-	-	72	-
49	_	_	-	30	-15	-	0	64	836	817
2,136		_	437	159	15	21	58	2,668	1,215	1,171
-		-	-	-	-	-	-	-	1	1
14,351	9	3	1,173	253	-1	506	-	15,281	5,803	5,795
2,047	4	3	165	_	_	13	_	2,206	2,190	2,075
3,565	2	0	335	1	0	214	_	3,689	1,159	1,224
5,505				-				3,005	1,100	1,221
8,738	3	1	673	252	-2	279	-	9,386	1,958	1,879
-	-	_	_	-	_	_	_	-	496	618
C		1	1			0		0	10	10
6	-	1	1	-	-	0	-	8	12	12
-	-	_	_	_	_	_	_	_	326	212
33	-31	2	-	1	-	1	-	3	180	107
31	-31	2	-	0	-	1	-	0	106	95
2	_	_	_	1	_	_	_	3	73	9
-	-	-	-	_	-	-	-	-	-	2
16,900	-18	7	1,706	464	-	533	58	18,468	8,677	8,296

GENERAL INFORMATION

AUDI AG has the legal form of a German stock corporation (Aktiengesellschaft). Its registered office is at Ettinger Strasse, Ingolstadt, and the company is recorded in the Commercial Register of Ingolstadt under HR B 1.

Around 99.55 percent of the issued capital of AUDI AG is held by Volkswagen AG, Wolfsburg, with which a control and profit transfer agreement is in force. The Consolidated Financial Statements of AUDI AG are included in the Consolidated Financial Statements of Volkswagen AG, which are held on file at the Local Court of Wolfsburg. The purpose of the Company is the development, production and sale of motor vehicles, other vehicles and engines of all kinds, together with their accessories, as well as machinery, tools and other technical articles.

ACCOUNTING PRINCIPLES

AUDI AG prepares its Consolidated Financial Statements on the basis of the International Financial Reporting Standards (IFRS) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC). All pronouncements of the International Accounting Standards Board (IASB) whose application is mandatory in the EU have been observed. The prior-year figures were calculated according to the same principles.

The Income Statement is prepared according to the internationally practiced cost of sales method. AUDI AG prepares its Consolidated Financial Statements in euros (EUR).

The Consolidated Financial Statements provide a true and fair view of the net worth, financial performance and financial position of the Audi Group.

The requirements pursuant to Section 315a of the German Commercial Code (HGB) regarding the preparation of consolidated financial statements in accordance with IFRS, as endorsed by the EU, are met.

All requirements that must be applied under German commercial law are additionally observed in preparing the Consolidated Financial Statements. The German Corporate Governance Code is also complied with and is permanently available on the Internet at www.audi.com/cgk-declaration.

The Board of Management prepared the Consolidated Financial Statements on February 6, 2012. This date marks the end of the adjusting events period.

Effects of new or revised standards

The Audi Group has implemented all of the accounting standards whose application became mandatory with effect from the 2011 fiscal year.

The revised version of IAS 24 provides the option of simplifying reporting to public institutions and their subsidiaries. The Audi Group has not made use of this right. Additionally, the revised version of IAS 24 clarifies the definition of related parties and of transactions that must be disclosed. The range of transactions with related parties that must be disclosed has been extended in this regard to include further contractual obligations. The previous year's figures have been adjusted accordingly.

In line with the amendments to IFRS 7 made in the context of the Improvements to the International Financial Reporting Standards 2010, the disclosure rules on the type and extent of risks associated with financial instruments have been adjusted. One of the changes is that information must be provided on the financial impact of the collateral held and on credit enhancements. Additionally, it is no longer necessary to disclose the carrying amounts of financial instruments with regard to which contractual changes have been made to avoid them becoming past due.

The following standards and interpretations were also applied for the first time during the current fiscal year without this having any major impact on the presentation of the Consolidated Financial Statements.

- IFRS 1: Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters
- IAS 32: Classification of Rights Issues
- Improvements to the International Financial Reporting Standards 2010 Minor revisions to a variety of standards (IFRS 1, IFRS 3, IFRS 7, IAS 1, IAS 27, IAS 34, IFRIC 13) and resulting changes
- IFRIC 14: Prepayments of a Minimum Funding Requirement
- IFRIC 19: Extinguishing Financial Liabilities with Equity Instruments

Consolidated Financial Statements

- 188 Income Statement
- 189 Statement of Recognized
- Income and Expense
- 190 Balance Sheet 191 Cash Flow Statement
- 192 Statement of Changes in Equity

Notes to the Consolidated Financial Statements

- 194 Development of fixed assets in the 2011 fiscal year
- 196 Development of fixed assets in the 2010 fiscal year
- 198 General information 198 Accounting principle
- 198Accounting principles201Group of consolidated
 - companies
- 202 Consolidation principles
- 203 Foreign currency translation
- 204 Recognition and measurement principles
- 212 Notes to the Income Statement
- 218 Notes to the Balance Sheet
- 227 Additional disclosures
- 248 Events occurring subsequent to the balance sheet date
 249 Statement of Interests held by the Audi Group

199

New or revised standards not applied

The following new or revised accounting standards already approved by the IASB were not applied in the Consolidated Financial Statements for the 2011 fiscal year because their application was not yet mandatory:

Standard	'Interpretation	Published by the IASB	Mandatory effective ¹⁾	Endorsed by EU ²⁾	Effects
IFRS 1	Hyperinflation and Fixed Changeover Date	Dec. 20, 2010	Jan. 1, 2012	No	None
IFRS 7	Disclosures on Transfer of Financial Instruments in the Notes	Oct. 7, 2010	Jan. 1, 2012	Yes	Extended notes on transfer of financial instruments
IFRS 7/ IFRS 9	Notes on Offsetting Financial Assets and Liabilities	Dec. 16, 2011	Jan. 1, 2013	No	Extended notes on offsetting of financial instruments
IFRS 9	Financial Instruments: Classification and Measurement	Nov. 12, 2009/ Oct. 28, 2010	Jan. 1, 2015 3)	No	Modified reporting of fair value changes relating to financial instruments previously classed as available for sale
IFRS 10	Control of Companies	May 12, 2011	Jan. 1, 2013	No	None
IFRS 11	Joint Arrangements	May 12, 2011	Jan. 1, 2013	No	No significant changes
IFRS 12	Disclosure of Interests in Other Entities	May 12, 2011	Jan. 1, 2013	No	Extended notes on group of companies
IFRS 13	Fair Value Measurement	May 12, 2011	Jan. 1, 2013	No	Changes and extended notes on fair value measurements
IAS 1	Presentation of Financial Statements	Jun. 16, 2011	Jan. 1, 2013	No	Changed presentation of other comprehensive income
IAS 12	Deferred Tax: Realization of Underlying Assets	Dec. 20, 2010	Jan. 1, 2012	No	No significant changes
IAS 19	Employee Benefits	Jun. 16, 2011	Jan. 1, 2013	No	Changed presentation and extended notes on employee benefits
IAS 27	Separate Financial Statements	May 12, 2011	Jan. 1, 2013	No	None
IAS 28	Investments in Associates and Joint Ventures	May 12, 2011	Jan. 1, 2013	No	None
IAS 32	Financial Instruments: Offsetting of Financial Assets and Liabilities	Dec. 16, 2011	Jan. 1, 2014	No	No significant changes
IFRIC 20	Costs of Overburden Removal during Open Pit Mining	Oct. 19, 2011	Jan. 1, 2013	No	None

1) Mandatory first-time application from AUDI AG's perspective

2) Until Dec. 31, 2011

3) First-time application postponed from 2013 until 2015 by the Mandatory Effective Date Project

GROUP OF CONSOLIDATED COMPANIES

In addition to AUDI AG, the Consolidated Financial Statements include all principal companies in which AUDI AG can directly or indirectly determine the financial and business policy in order to benefit from the activities of the companies (subsidiaries) in question. Consolidation begins at that point in time when AUDI AG acquires the opportunity for control; it ends when that opportunity ceases to be available.

Associated companies are accounted for using the equity method.

Non-consolidated subsidiaries as well as participating interests are always reported at amortized cost because no active market exists for the shares of these companies and no fair value can reliably be determined with a justifiable amount of effort. Where there is evidence that the fair value is lower, this fair value is recognized. These subsidiaries are principally companies with only limited business operations.

The group of consolidated companies has grown since December 31, 2010 to include the following companies that have been founded or were not consolidated during the previous year:

- AUDI AUSTRALIA RETAIL OPERATIONS PTY LTD., Zetland (Australia), founded in 2007
- AUDI BRUSSELS PROPERTY S.A./N.V., Brussels (Belgium), founded in 2011
- AUDI HUNGARIA SERVICES Zrt., Győr (Hungary), founded in 2011
- AUDI SINGAPORE PTE. LTD., Singapore (Singapore), founded in 2008
- AUDI TAIWAN CO., LTD., Taipei (Taiwan), founded in 2008

Additionally, SALLIG S.R.L., Turin (Italy), which was previously not consolidated, was merged with Italdesign Giugiaro S.p.A., Turin (Italy). With effect from July 1, 2011, Automobili Lamborghini S.p.A., Sant'Agata Bolognese (Italy), Lamborghini ArtiMarca S.p.A., Sant'Agata Bolognese (Italy) and STAR DESIGN S.R.L., Turin (Italy), were merged into Automobili Lamborghini Holding S.p.A., Sant'Agata Bolognese (Italy), which was renamed Automobili Lamborghini S.p.A., Sant'Agata Bolognese (Italy).

The first-time inclusion of these subsidiaries had no significant individual or overall impact on the presentation of the Company's situation.

The following table shows the composition of the Audi Group:

Total	2011	2010
AUDI AG and fully consolidated subsidiaries		
Germany	10	10
Other countries	22	20
Investments accounted for using the equity method		
Other countries	1	1
Non-consolidated subsidiaries		
Germany	16	12
Other countries	10	15
Total	59	58

The principal companies within the Audi Group are listed following the Notes. The full list of companies in which shares are held is recorded in the Commercial Register of Ingolstadt under HR B 1 and is also available on the Audi website under www.audi.com/subsidiaries. This list can additionally be requested directly from AUDI AG, Financial Communication/Financial Analysis, I/FF-3, 85045 Ingolstadt, Germany.

Consolidated Financial Statements

- 188 Income Statement
- 189 Statement of Recognized
- Income and Expense
- 190 Balance Sheet 191 Cash Flow Stat
- 191 Cash Flow Statement192 Statement of Changes in Equity

- 194 Development of fixed assets in the 2011 fiscal year
- 196 Development of fixed assets in the 2010 fiscal year
- 198General information198Accounting principles
- 201 Group of consolidated
- companies 202 Consolidation principles
- 203 Foreign currency translation
- 204 Recognition and
- measurement principles
- 212 Notes to the Income Statement
- 218 Notes to the Balance Sheet227 Additional disclosures
- 248 Events occurring subsequent
- to the balance sheet date 249 Statement of Interests held by the Audi Group

By virtue of their inclusion in the Audi Group's Consolidated Financial Statements, the following companies have fulfilled the requirements of Section 264, Para. 3 of the German Commercial Code (HGB) and make use of the exemption rule:

- Audi Retail GmbH, Ingolstadt
- Audi Vertriebsbetreuungsgesellschaft mbH, Ingolstadt
- Audi Zentrum Berlin GmbH, Berlin
- Audi Zentrum Frankfurt GmbH, Frankfurt
- Audi Zentrum Hamburg GmbH, Hamburg
- Audi Zentrum Hannover GmbH, Hanover
- Audi Zentrum Leipzig GmbH, Leipzig
- Audi Zentrum Stuttgart GmbH, Stuttgart
- quattro GmbH, Neckarsulm

Participating interests in associated companies

As of the balance sheet date, FAW-Volkswagen Automotive Company, Ltd., Changchun (China), in which an interest of 10 percent is held, is accounted for using the equity method. Audi is represented on the management and supervisory board and, as a result, has a significant influence on the participating interest. This means that it is required to account for the participating interest using the equity method.

On the basis of this interest, the following values are attributable to the Audi Group:

EUR million	2011	2010
Non-current assets	398	252
Current assets	820	733
Non-current liabilities	79	67
Current liabilities	679	592
Revenues	2,378	1,748
Net profit for the period	270	220

CONSOLIDATION PRINCIPLES

The assets and liabilities of the domestic and foreign companies included in the Consolidated Financial Statements are recognized in accordance with the standard accounting and measurement policies of the Audi Group.

In the case of subsidiaries that are being consolidated for the first time, the assets and liabilities are to be measured at their fair value at the time of acquisition. Any realized hidden reserves and expenses are amortized, depreciated or reversed in accordance with the development of the corresponding assets and liabilities as part of the subsequent consolidation process. Where the acquisition values of the investments exceed the Group share in the equity of the relevant company as calculated in this manner, goodwill is created. Goodwill acquired in a business combination is tested for impairment regularly at the balance sheet date, and an impairment loss is recognized if necessary. Within the Audi Group, the predecessor method is applied in relation to common control transactions. Under this method, the assets and liabilities of the acquired company or business operations are measured at the gross carrying amounts of the previous parent company. The predecessor method thus means that no adjustment to the fair value of the acquired assets and liabilities is performed at the time of acquisition; any goodwill arising during initial consolidation is adjusted against equity, without affecting income. Contingent considerations are measured at their fair value at the time of acquisition. Subsequent changes to the value of contingent consideration do not as a rule result in an adjustment of the measurement at the time of acquisition. Other costs of purchase that are not associated with the procurement of equity are not counted towards the purchase price but are immediately recognized as an expense.

The Consolidated Financial Statements also include securities funds whose assets are attributable in substance to the Group.

Receivables and liabilities between consolidated companies are netted, and expenses and income eliminated. Interim profits and losses are eliminated from Group inventories and fixed assets. Consolidation processes affecting income are subject to deferrals of income taxes; deferred tax assets and liabilities are offset where the term and tax creditor are the same.

The same accounting policies for determining the pro rata equity are applied to Audi Group companies accounted for using the equity method. This is done on the basis of the last set of audited financial statements of the company in question.

FOREIGN CURRENCY TRANSLATION

The currency of the Audi Group is the euro (EUR). Foreign currency transactions in the individual financial statements of AUDI AG and the subsidiaries are translated on the basis of the exchange rates at the time of the transaction. Monetary items in foreign currencies are translated at the exchange rate applicable on the balance sheet date. Exchange differences are recognized in the current-period income statements of the respective Group companies.

The foreign companies belonging to the Audi Group are independent entities and prepare their financial statements in their local currency. The only exceptions are AUDI HUNGARIA SERVICES Zrt., Győr (Hungary), AUDI HUNGARIA MOTOR Kft., Győr (Hungary), and Audi Volkswagen Middle East FZE, Dubai (United Arab Emirates), which prepare their annual financial statements in euros and U.S. dollars respectively rather than in local currency. The concept of the "functional currency" is applied when translating financial statements prepared in foreign currency. Assets and liabilities, with the exception of equity, are translated at the year-end exchange rate. The effects of foreign currency translation on equity are reported in the currency exchange reserve with no effect on income. The items in the Income Statement are translated using weighted average monthly rates. Currency translation variances arising from the differing exchange rates used in the Balance Sheet and Income Statement are recognized in equity, without affecting income, until the disposal of the subsidiary.

The development of the exchange rates serving as the basis for currency translation is shown below:

1 EUR in foreign currency		Dec. 31, 2011	Dec. 31, 2010	2011	2010
		Year-end exchange rate		Average exchange rate	
Australia	AUD	1.2723	1.3136	1.3484	1.4423
Brazil	BRL	2.4159	2.2177	2.3265	2.3314
Japan	JPY	100.2000	108.6500	110.9586	116.2386
Canada	CAD	1.3215	1.3322	1.3761	1.3651
Singapore	SGD	1.6819	1.7136	1.7489	1.8055
South Korea	KRW	1,498.6900	1,499.0600	1,541.2341	1,531.8212
Taiwan	TWD	39.2297	38.9450	40.9119	41.7924
USA	USD	1.2939	1.3362	1.3920	1.3257
People's Republic of China	CNY	8.1588	8.8220	8.9960	8.9712

Consolidated Financial Statements

- 188 Income Statement Statement of Recognized 189
- Income and Expense
- 190 Balance Sheet 191 Cash Flow Statement
- 192 Statement of Changes in Equity

- 194 Development of fixed assets in the 2011 fiscal year
- 196 Development of fixed assets in the 2010 fiscal year 198
- General information 198 Accounting principles
- 201 Group of consolidated
- companies 202 Consolidation principles
- 203 Foreign currency translation
- 204 Recognition and
 - measurement principles
- 212 Notes to the Income Statement Notes to the Balance Sheet
- 218 227 Additional disclosures
- 248 Events occurring subsequent
- to the balance sheet date 249 Statement of Interests held by the Audi Group

RECOGNITION AND MEASUREMENT PRINCIPLES

RECOGNITION OF INCOME AND EXPENSES

Revenue, interest income and other operating income are always recorded when the services are rendered or the goods or products are delivered (in other words, when the risk and reward is transferred to the customer).

Proceeds from the sale of vehicles for which buy-back agreements exist are not realized immediately, but instead are realized on a straight-line basis over the period between sale and buy-back, on the basis of the difference between the selling price and the anticipated buy-back price. These vehicles are reported under inventories.

Operating expenses are recognized as income when the service is used or at the time they are economically incurred.

Where additional services have been contractually agreed with the customer in addition to the sale of a vehicle, such as warranty extensions or the completion of maintenance work over a fixed period, the related revenues and expenses are recorded in the Income Statement in accordance with the provisions of IAS 18 governing arrangements with multiple deliverables based on the economic content of the individual contractual components (partial services). Performance-based grants are recognized as income.

INTANGIBLE ASSETS

Intangible assets acquired for consideration are recognized at cost of purchase, taking into account ancillary costs and cost reductions, and are amortized on a scheduled straight-line basis over their useful life.

Concessions, rights and licenses relate to purchased computer software, rights of use and subsidies paid.

Research costs are treated as current expenses in accordance with IAS 38. The development expenditure for products going into series production is recognized as an intangible asset, provided that production of these products is likely to bring economic benefit to the Audi Group. If the conditions stated in IAS 38 for capitalization are not met, the costs are expensed in the Income Statement in the year in which they occur.

Capitalized development costs encompass all direct and indirect costs that can be directly allocated to the development process. No interest was capitalized in relation to borrowing costs due to the fact that there were no significant borrowings as defined in the criteria of IAS 23 given that the Audi Group maintains sufficient levels of net liquidity at all times. Capitalized development costs are amortized on a straight-line basis from the start of production over the anticipated model life of the developed products.

The amortization plan is based principally on the following useful lives:

	Useful life
Concessions, industrial property rights and similar rights and assets	3–15 years
of which software	3 years
Capitalized development costs	5–9 years

The amortization is allocated to the corresponding functional areas.

In the case of subsidiaries that are being consolidated for the first time, the assets and liabilities are to be measured at their fair value at the time of acquisition. These values are amortized in the subsequent year. If the purchase price of the investment exceeds the fair value of the identified assets minus liabilities, goodwill is created.

The goodwill resulting from company acquisitions is assigned to the identifiable groups of assets (cash flow-generating units) that are expected to benefit from the synergies created by the acquisition.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at acquisition cost or cost of construction, with scheduled straight-line depreciation applied pro rata temporis over the expected useful life. The costs of purchase include the purchase price, ancillary costs and cost reductions. Investment subsidies are as a general rule deducted from the acquisition cost or cost of construction. In the case of self-constructed fixed assets, the cost of construction includes both the directly attributable cost of materials and cost of labor as well as indirect materials and indirect labor, which must be capitalized, together with pro rata depreciation. No interest was capitalized in relation to borrowing costs due to the fact that there were no significant borrowings as defined in the criteria of IAS 23 given that the Audi Group maintains sufficient levels of net liquidity at all times. The depreciation plan is generally based on the following useful lives, which are reassessed yearly:

	Useful life
Buildings	14-50 years
Land improvements	10–33 years
Plant and machinery	6–12 years
Plant and office equipment including special tools	3–15 years

In accordance with IAS 17, property, plant and equipment used on the basis of lease agreements is capitalized in the Balance Sheet if the conditions of a finance lease are met (in other words, if the significant risks and opportunities which result from its use have passed to the lessee). Capitalization is performed at the time of the agreement, at the lower of fair value or present value of the minimum lease payments. The straight-line depreciation method is based on the shorter of economic life or term of lease contract. The payment obligations resulting from the future lease installments are recognized as a liability at the present value of the leasing installments. Where Group companies have entered into operating leases as the lessee, in other words if not all risks and opportunities associated with title have passed to them, leasing installments and rents are expensed directly in the Income Statement.

INVESTMENT PROPERTY

Investment property comprises real estate held as a financial investment and vehicles leased as part of operating lease agreements with a contractual term of more than one year. Real estate held as investment property is reported in the Balance Sheet at amortized cost. Buildings are depreciated on a straight-line basis over a useful life of 33 years. Leased vehicles, in the case of operating lease agreements, are capitalized at cost of sales and depreciated to the calculated residual value on a straight-line basis over the contractual term. Unscheduled reductions for impairment and adjustments to depreciation rates are made to take account of impairment losses calculated on the basis of impairment testing pursuant to IAS 36. Based on local factors and historical values from used car marketing, updated internal and external information on residual value developments is incorporated into the residual value fore-casts on an ongoing basis.

Consolidated Financial Statements

- 188 Income Statement
- 189 Statement of Recognized
- Income and Expense
- 190 Balance Sheet
- 191 Cash Flow Statement192 Statement of Changes in Equity

- 194 Development of fixed assets in the 2011 fiscal year
- 196 Development of fixed assets in the 2010 fiscal year
- 198 General information204 Recognition and
- measurement principles
- 204 Recognition of income and expenses
- 204 Intangible assets
- 205 Property, plant
- and equipment 205 Investment property
- 206 Investments accounted for
- using the equity method 206 Impairment tests
- 206 Financial instruments
- 209 Other receivables and
- financial assets
- 209 Deferred tax
- 209 Inventories210 Securities, cash and
- cash equivalents
- 210 Provisions for pensions
- 210 Other provisions
- 210 Liabilities 210 Managem
 - 10 Management's estimates and assessments
- 212 Notes to the Income Statement218 Notes to the Balance Sheet
- 227 Additional disclosures
- 248 Events occurring subsequent
- to the balance sheet date 249 Statement of Interests held by the Audi Group

INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Companies in which AUDI AG is directly or indirectly able to exercise significant influence on financial and operating policy decisions (associated companies) are accounted for using the equity method. The pro rata equity of these companies is regularly recorded under long-term investments and the share of earnings recorded as income under the financial result.

IMPAIRMENT TESTS

Fixed assets are tested regularly for impairment as of the balance sheet date.

Impairment testing of goodwill and intangible assets with a non-determined useful life is generally carried out in the Audi Group on the basis of the useful value of the Group's automotive business as a cash flow-generating unit. The current planning prepared by management provides the basis for this process. As a general rule the planning period covers a period of five years. Plausible assumptions about future development are made for the subsequent years. The planning premises are in each case adjusted in line with current findings. Appropriate assumptions based on macroeconomic trends and historical developments are taken into account. When calculating useful value as part of goodwill impairment testing, a country-specific discounting rate of 6.0 (5.5) percent before taxes is applied. Cash flows are generally calculated on the basis of the expected growth rates in the automotive markets concerned. Estimated cash flow after the end of the planning period is based on a maximum rate of growth of 2.0 (2.0) percent per year. Impairment tests are carried out for development activities, acquired property rights, and property, plant and equipment on the basis of expected product life cycles, the respective revenue and cost situation, current market expectations and currency-specific factors. Expected future cash flows to other intangible assets and fixed tangible assets are discounted with country-specific discount rates that adequately reflect the risk and amount to 6.8 (6.4) percent before tax. Impairment losses pursuant to IAS 36 are recognized where the recoverable amount, i.e. the higher amount from either the use or disposal of the asset in question, has declined below its carrying amount. If necessary, an impairment loss resulting from this test is recognized.

FINANCIAL INSTRUMENTS

Financial instruments are contracts that create financial assets at one company and, at the same time, create financial debts or equity instruments at another company. Financial instruments are recognized and measured in accordance with IAS 39. According to this, financial instruments are divided into the following categories:

- financial assets measured at fair value through profit or loss,
- loans and receivables,
- held-to-maturity investments,
- available-for-sale financial assets.

The Audi Group does not have any financial assets that fall into the category of "held-to-maturity investments."

Financial liabilities are classed as follows:

- financial liabilities measured at fair value through profit or loss,
- financial liabilities measured at amortized cost.

The Audi Group does not make use of the fair value option. Assignment to a category depends on the purpose for which the financial instruments were acquired and is reviewed at the end of each reporting period. For purchases and sales in the customary manner, recognition takes place using settlement date accounting (in other words, on the day on which an asset is delivered).

Initial measurement of financial assets and liabilities is carried out at fair value.

Subsequent measurement is dependent on the category assigned in accordance with IAS 39 and is carried out either at amortized cost or at fair value.

The amortized cost of a financial asset or financial liability, using the effective interest method, is the amount at which a financial instrument was measured at initial recognition minus any principal repayments, impairment losses or uncollectible debts.

In the case of current financial assets and liabilities, the amortized cost basically corresponds to the nominal value or the repayment value.

Fair value generally corresponds to the market value or trading price. If no active market exists, fair value is determined using investment mathematics methods, for example by discounting future cash flows at the market rate or applying established option pricing models.

Financial instruments are abandoned if the rights to payments from the investment have expired or been transferred and the Audi Group has substantially transferred all risks and opportunities associated with their title.

Financial assets and liabilities include both non-derivative and derivative claims or commitments, as detailed below.

Non-derivative financial instruments

The "Loans and receivables" and "Financial liabilities measured at amortized cost" categories include non-derivative financial instruments measured at amortized cost. These include, in particular:

- loans advanced,
- trade receivables and payables,
- other current assets and liabilities,
- financial liabilities,
- cash and cash equivalents.

Assets and liabilities in foreign currency are measured at the exchange rate on the reporting date. In the case of current items, the fair values to be additionally indicated in the Notes correspond to the amortized cost. For assets and liabilities with more than one year to maturity, fair values are determined by discounting future cash flows at market rates.

Recognizable credit risks associated with "Loans and receivables" are accounted for by carrying out specific value adjustments. Impairment losses on receivables are regularly posted to separate impairment accounts.

The item "Available-for-sale financial assets" includes non-derivative financial instruments that are either specifically allocated to this category or cannot be allocated to any of the other categories.

This includes equity instruments, such as equities, and debt instruments, such as interestbearing securities.

As a general rule, financial instruments that fall into this category are reported at their fair value. In the case of listed financial instruments – exclusively securities in the case of the Audi Group – the fair value corresponds to the market value on the balance sheet date.

Consolidated Financial Statements

100 -

- 188 Income Statement189 Statement of Recognized
- Income and Expense
- 190 Balance Sheet
- 191 Cash Flow Statement192 Statement of Changes in Equity

- 194 Development of fixed assets in the 2011 fiscal year
- 196 Development of fixed assets in the 2010 fiscal year
- 198 General information204 Recognition and
- measurement principles
- 204 Recognition of income and expenses
- 204 Intangible assets
- 205 Property, plant
- and equipment
- 205 Investment property206 Investments accounted for
 - using the equity method
- 206 Impairment tests
- 206 Financial instruments209 Other receivables and
- financial assets
- 209 Deferred tax
- 209 Inventories210 Securities, cash and
 - cash equivalents
- 210 Provisions for pensions210 Other provisions
- 210 Other prov 210 Liabilities
- 210 Management's estimates
- and assessments 212 Notes to the Income Statement
- 212 Notes to the Balance Sheet
- 227 Additional disclosures
- 248 Events occurring subsequent
- to the balance sheet date 249 Statement of Interests held by the Audi Group

Fluctuations in value are accounted for within equity in the reserve for the market valuation of securities, after taking deferred tax into account. Unless there is evidence of lasting impairment, the financial result includes only capital gains or losses realized through disposal.

"Available-for-sale financial assets" are impaired if there is objective evidence of a long-term loss of value. In the case of equity instruments, a long-term loss of value is deemed to have occurred if the market value falls below the cost of purchase on a significant basis (more than 20 percent) or on a long-term basis (more than 10 percent of the average market prices throughout a year). Debt instruments are impaired if future payment flows from the financial asset are expected to fall. Any rise in risk-free interest rates or credit spreads, however, does not constitute objective evidence of a loss in value.

As soon as impairment occurs, the cumulative loss is removed from the reserve for the market valuation of securities and recognized in the Income Statement. Reversals of impairments – provided that the securities affected are equity instruments – are recognized without affecting income. If, on the other hand, the securities concerned are debt instruments, impairment losses are reversed with an effect on income if the increase in the fair value, when viewed objectively, is based on an event that occurred after the impairment loss was recorded with an effect on income.

As well as securities, the item "Available-for-sale financial assets" also contains other long-term investments that are not valued according to the equity method. As there is no active market for the other financial assets, they are carried at amortized cost. Where there is evidence that the fair value is lower, corresponding value adjustments are carried out.

Derivative financial instruments and hedge accounting

Derivative financial instruments are used as a hedge against foreign exchange and commodity price risks for items on the Balance Sheet and for future cash flows (underlying transactions). Futures, as well as options in the case of foreign exchange risks, are used for this purpose. Additionally, under the rules of IAS 39, some contracts are classed as derivative financial instruments:

- Rights to acquire shares in companies
- Agreements entered into by the Audi Group with approved dealers with a view to hedging
 against potential losses from buy-back obligations for leased vehicles.

A requirement of hedge accounting is that a clear hedging relationship between the underlying transaction and the hedge must be documented and its effectiveness demonstrated. Recognition of the fair value changes in hedges depends on the nature of the hedging relationship. When hedging against exchange rate risks from future cash flows (cash flow hedges), the fluctuations in the market value of the effective portion of a derivative financial instrument are initially reported within equity in the reserve for cash flow hedges, with no effect on income, and are only recognized as income or expense once the hedged item is due. The ineffective portion of a hedge is recognized immediately in income.

Derivative financial instruments that are used to hedge market risks according to commercial criteria but that do not fully meet the requirements of IAS 39 with regard to effectiveness of hedging relationships are classified as "measured at fair value through profit or loss." Rights to acquire shares in companies, and the model for dealer hedging against potential losses from buy-back obligations for leased vehicles, are also reported in accordance with the rules for "financial instruments measured at fair value through profit or loss."

OTHER RECEIVABLES AND FINANCIAL ASSETS

Other receivables and financial assets (except for derivatives) are recognized at amortized cost. Provision is made for discernible non-recurring risks and general credit risks in the form of corresponding value adjustments.

DEFERRED TAX

Pursuant to IAS 12, deferred tax is determined according to the balance sheet liability-focused method. This method specifies that tax deferrals are to be created for all temporary differences between the tax base of assets and liabilities and their carrying amounts in the Consolidated Balance Sheet (temporary concept). Deferred tax assets relating to carryforward of unused tax losses must also be recognized.

Deferrals amounting to the anticipated tax burden or tax relief in subsequent fiscal years are created on the basis of the anticipated tax rate at the time of realization. In accordance with IAS 12, the tax consequences of distributions of profit are not recognized until the resolution on the appropriation of profits is adopted.

Deferred tax assets include future tax relief resulting from temporary differences between the carrying amounts in the Consolidated Balance Sheet and the valuations in the Balance Sheet for tax purposes. Deferred tax assets relating to carryforward of unused tax losses that can be realized in the future and deferred tax assets from tax relief are also recognized.

Deferred tax assets and deferred tax liabilities are netted if the tax creditors and maturities are identical.

Pursuant to IAS 1.70, deferred tax is reported as non-current.

The carrying amount is reduced for deferred tax assets that are unlikely to be realized.

INVENTORIES

Raw materials and supplies are measured at the lower of average cost of acquisition or net realizable value. Other costs of purchase and purchase cost reductions are taken into account as appropriate.

Work in progress and finished goods are valued at the lower of cost of conversion or net realizable value. Cost of conversion includes direct materials and direct productive wages, as well as a directly attributable portion of the necessary indirect materials and indirect labor costs, scheduled production-related depreciation, and expenses attributable to the products from the scheduled amortization of capitalized production development costs. Distribution costs, general administrative expenses and interest on borrowings are not capitalized.

Merchandise is valued at the lower of cost of purchase or net realizable value.

Provision has been made for all discernible storage and inventory risks in the form of appropriate reductions in the carrying amounts. Individual adjustments are made on all inventories as soon as the probable proceeds realizable from their sale or use are lower than the carrying amounts of the inventories. The net realizable value is deemed to be the estimated proceeds of sale less the estimated costs incurred up until the sale.

Current leased assets comprise leased vehicles with an operating lease of up to one year and vehicles which are subject to a buy-back obligation within one year (owing to buy-back agreements). These vehicles are capitalized at cost of sales and valued in accordance with the expected loss of value and likely useful life. Based on local factors and historical values from used car marketing, updated internal and external information is incorporated into the measurement on an ongoing basis.

Consolidated Financial Statements

100 *

- 188 Income Statement189 Statement of Recognized
- Income and Expense
- 190 Balance Sheet191 Cash Flow Statement
- 192 Statement of Changes in Equity

- 194 Development of fixed assets in the 2011 fiscal year
- 196 Development of fixed assets in the 2010 fiscal year
- 198 General information204 Recognition and
- measurement principles
- 204 Recognition of income and expenses
- 204 Intangible assets
- 205 Property, plant
- and equipment 205 Investment property
- 206 Investments accounted for
- using the equity method 206 Impairment tests
- 206 Financial instruments
- 209 Other receivables and
- financial assets 209 Deferred tax
- 209 Inventories
- 210 Securities, cash and
 - cash equivalents 0 Provisions for pensions
- 210 Provisions for pe 210 Other provisions
- 210 Liabilities
- 210 Management's estimates
- and assessments 212 Notes to the Income Statement
- 218 Notes to the Balance Sheet
- 227 Additional disclosures
- 248 Events occurring subsequent to the balance sheet date
- 249 Statement of Interests held by the Audi Group

SECURITIES, CASH AND CASH EQUIVALENTS

Securities held as current assets are measured at market value, i.e. at the trading price on the balance sheet date.

Cash and cash equivalents are stated at their nominal value.

PROVISIONS FOR PENSIONS

Actuarial measurement of provisions for pensions is based on the projected unit credit method for defined retirement benefit plans as specified in IAS 19 (Employee Benefits). This method takes account of pensions and entitlements to future pensions known at the balance sheet date as well as anticipated future pay and pension increases.

Actuarial gains and losses are reported in a separate line item within equity, with no effect on income, after taking deferred tax into account.

OTHER PROVISIONS

In accordance with IAS 37, provisions are recognized if an obligation existing toward third parties is likely to lead to cash outflows and where the amount of the obligation can reliably be estimated.

Pursuant to IAS 37, the other provisions for all discernible risks and uncertain liabilities are reported at their probable cost and are not offset against recourse entitlements. Provisions with over one year to maturity are measured at their discounted settlement value as of the balance sheet date. Market rates are used as the discount rates. Since the settlement value pursuant to IAS 37 also includes the cost increases to be taken into account on the balance sheet date, a nominal interest rate of 1.8 (2.1) percent was applied in Germany.

LIABILITIES

Non-current liabilities are reported in the Balance Sheet at amortized cost. Any differences between the historical costs and the repayment value are taken into account using the effective interest method.

Liabilities from financial lease agreements are reported in the Balance Sheet at the present value of the leasing installments.

Current liabilities are recognized at the repayment value or settlement amounts.

MANAGEMENT'S ESTIMATES AND ASSESSMENTS

To some degree, the preparation of the Consolidated Financial Statements entails assumptions and estimates with regard to the level and disclosure of the recognized assets and liabilities, income and expenditure, and disclosures with regard to contingent obligations and liabilities for the reporting period. The assumptions and estimates relate principally to the following contents:

Impairment testing of non-financial assets (particularly goodwill, brand names and capitalized development costs) and of investments accounted for using the equity method or at the cost of purchase requires that assumptions be made with regard to future cash flows during the planning

period and, where applicable, with regard to the discounting rate to be applied. Any impairment of the Group's leased assets is also dependent in particular on the residual value of the leased vehicles after the expiry of the lease period, as this represents an essential portion of the expected incoming payment flows. Further information on impairment testing and on the measurement parameters applied can be found in the disclosures on the recognition and measurement principles.

Carrying out impairment testing on financial assets requires estimates on the scale and likelihood of occurrence of future events. Where possible, these estimates are based on historical values. An overview of the value adjustments is included in the additional Notes to the Balance Sheet according to IFRS 7 (Financial Instruments).

Provisions are also recognized and measured on the basis of an estimate of the scale and likelihood of occurrence of future events and on an estimate of the discounting rate of interest. As far as possible, use is also made of past experience or external expert reports. Measurement of provisions for pensions is additionally dependent on the estimated development of the plan assets. The assumptions on which the calculation of provisions for pensions is based are described in Note 28. Actuarial gains and losses are reported in equity with no effect on income and have no impact on the profit reported in the Income Statement. Changes to estimates relating to the amount of other provisions are always recorded with an effect on income. The expected value approach means that subsequent allocations are regularly made to provisions and unused provisions are released on a regular basis. The release of provisions is recorded as other operating income, while the expense associated with the creation of new provisions is directly allocated to the relevant functional area. Warranty claims resulting from sales operations are determined on the basis of previous or estimated future losses. An overview of other provisions is provided in Note 30. Details with regard to litigation are provided in Note 37.

When calculating deferred tax assets, assumptions are required with regard to future taxable income and the dates on which the deferred tax assets are likely to be realized.

The assumptions and estimates are based on premises that reflect the facts as known at any given time. In particular, the circumstances at the time of preparation of the Consolidated Financial Statements as well as the realistically assumed future development of the global and industry-specific environment are used as a basis for estimating expected future business development. Given that future business development is subject to various uncertain factors, some of which are outside the Group's control, the assumptions and estimates applied continue to be exposed to a high level of uncertainty. This is particularly true of short and medium-term cash flow forecasts and of the discounting rates used in forecasts.

Developments in this environment that deviate from assumptions and are beyond the management's sphere of influence may cause the actual amounts to differ from the estimates originally anticipated. If the actual development varies from the anticipated development, the premises and, if necessary, the carrying amounts for the assets and liabilities in question are adjusted accordingly.

The global economy continued to grow during the reporting year, albeit at a clearly reduced pace during the second six months. The Audi Group expects the global upturn to continue in 2012 with a lower level of dynamism. Consequently, as things currently stand, no major adjustment is expected in the carrying amounts of assets and liabilities in the Consolidated Balance Sheet in the coming fiscal year.

Management's estimates and assumptions were based in particular on assumptions regarding the development of the economy as a whole, the development of automotive markets and the development of the basic legal parameters. These aspects, as well as further assumptions, are described in detail in the report on expected developments.

Consolidated Financial Statements

100 1.....

- 188 Income Statement189 Statement of Recognized
- Income and Expense
- 190 Balance Sheet191 Cash Flow Statement
- 192 Statement of Changes in Equity

- 194 Development of fixed assets in the 2011 fiscal year
- 196 Development of fixed assets in the 2010 fiscal year
- 198 General information204 Recognition and
- measurement principles
- 204 Recognition of income and expenses
- 204 Intangible assets
- 205 Property, plant
- and equipment 205 Investment proper
 - 5 Investment property 5 Investments accounted for
- 206 Investments accounted for using the equity method
- 206 Impairment tests
- 206 Financial instruments209 Other receivables and
 - financial assets
- 209 Deferred tax
- 209 Inventories
- 210 Securities, cash and cash equivalents
- 210 Provisions for pensions
- 210 Other provisions
- 210 Liabilities
- 210 Management's estimates
- and assessments 212 Notes to the Income Statement
- 218 Notes to the Balance Sheet
- 227 Additional disclosures
- 248 Events occurring subsequent to the balance sheet date
- 249 Statement of Interests held by the Audi Group

NOTES TO THE INCOME STATEMENT

1 Revenue

The composition of the revenue of the Group, by brand, is as follows:

EUR million	2011	2010
Audi brand	34,456	27,423
Lamborghini brand	268	227
Other Volkswagen Group brands	3,444	3,047
Vehicle sales	38,168	30,697
Other car business	5,928	4,744
Revenue	44,096	35,441

Vehicle revenue includes proceeds from the Audi Group from the sale of vehicles of the Audi and Lamborghini brands as well as of other brands of the Volkswagen Group. Revenue from other car business primarily includes proceeds from the sale of engines and genuine parts.

2 Cost of sales

Amounting to EUR 36,000 (29,706) million, cost of sales comprises the costs incurred in generating revenue and purchase prices in trading transactions. This item also includes expenses resulting from the formation of provisions for warranty costs, for development costs that cannot be capitalized, for scheduled and unscheduled amortization of capitalized development costs, and for property, plant and equipment for manufacturing purposes. Cost of sales includes unscheduled impairment losses on intangible assets and property, plant and equipment amounting to EUR 93 (463) million. The impairment losses were recorded on the basis of updated impairment tests and took particular account of market risks and exchange rate risks.

3 Distribution costs

Distribution costs of EUR 3,599 (3,038) million substantially comprise labor and materials costs for marketing and sales promotion, advertising, public relations activities and outward freight, as well as depreciation attributable to the sales organization.

4 Administrative expenses

Administrative expenses of EUR 429 (374) million include labor and materials costs, as well as depreciation attributable to administrative operations.

5 Other operating income

EUR million	2011	2010
Income from derivative hedging transactions	369	297
Income from rebilling	368	379
Income from the dissolution of provisions	278	174
Income from the processing of payments in foreign currency	233	181
Income from ancillary business	188	162
Income from the write-up of intangible assets	-	58
Income from the disposal of assets	9	6
Income from the reversal of reductions for impairment on receivables and other assets	6	3
Miscellaneous operating income	516	423
Total other operating income	1,967	1,684

Income from derivative hedging transactions mainly results from the settlement of currency hedging instruments. The total position in relation to hedging transactions is presented under Note 34.5, "Methods of monitoring the effectiveness of hedging relationships."

Income from ancillary business includes rental income from investment property in the amount of EUR 0.2 (0.4) million.

Income from the processing of payments in foreign currency substantially comprises gains resulting from exchange-rate movements between the dates of output and payment, as well as exchange-rate gains resulting from measurement at the mean of the buying and selling rate on the closing date. Similarly, exchange rate losses are reported under other operating expenses. Furthermore, grants for future-oriented technologies in the amount of EUR 4 (4) million were recognized in income.

6 Other operating expenses

EUR million	2011	2010
Expenses from derivative hedging transactions	277	246
Expenses from the processing of payments in foreign currency	162	126
Expenses from the allocation and recharging of costs	22	35
Impairment losses on receivables	19	12
Losses on the disposal of assets	10	8
Miscellaneous operating expenses	197	241
Total other operating expenses	687	667

Expenses from derivative hedging transactions mainly result from currency option premiums and the settlement of currency hedging instruments. The total position in relation to hedging transactions is presented under Note 34.5, "Methods of monitoring the effectiveness of hedging relationships."

7 Result from investments accounted for using the equity method

The result from investments accounted for using the equity method reached EUR 270 (220) million.

8 Financing costs

EUR million	2011	2010
Interest and similar expenses	-119	-82
of which to affiliated companies	-113	-78
Interest expense	-119	-82
Interest effect from the measurement of provisions for pensions	-112	-112
Interest effect from the measurement of other provisions	-33	-101
Interest on provisions	-145	-212
Financing costs	-264	-294

Interest expense is attributed on an accrual basis.

Consolidated Financial Statements

100 1-

- 188 Income Statement189 Statement of Recognized
- Income and Expense
- 190 Balance Sheet 191 Cash Flow Statement
- 192 Statement of Changes in Equity

- 194 Development of fixed assets in the 2011 fiscal year
- 196 Development of fixed assets in the 2010 fiscal year
- 198 General information204 Recognition and
- measurement principles
- 212 Notes to the Income Statement218 Notes to the Balance Sheet
- 227 Additional disclosures
- 248 Events occurring subsequent
- to the balance sheet date 249 Statement of Interests
- held by the Audi Group

9 Other financial results

EUR million	2011	2010
Investment result	52	49
of which income from investments	44	45
of which income from profit transfer agreements	8	5
of which expenses from investments	-0	-1
Net income from the sale of securities	-43	-3
Income and expense from the measurement of non-derivative financial instruments	-1	2
Income and expense from fair value measurement of derivative financial instruments	47	-98
Interest and similar income	267	157
of which from affiliated companies	182	99
Other income	365	261
of which from affiliated companies	365	261
Total other financial results	687	368

Income from investments primarily relates to a share in the profits of Volkswagen Logistics GmbH & Co. OHG, Wolfsburg.

Income and expense from the fair value measurement of derivative financial instruments comprise the ineffective portions of cash flow hedges and the fluctuations in the fair value of derivative financial instruments that do not fully meet the effectiveness criteria set out under IAS 39. The total position in relation to hedging instruments is presented under Note 34.5, "Methods of monitoring the effectiveness of hedging relationships."

Interest income is attributed on an accrual basis.

10 Income tax expense

Income tax expense includes taxes passed on by Volkswagen AG, Wolfsburg, on the basis of the single-entity relationship between the two companies for tax purposes, along with taxes owed by AUDI AG and its consolidated subsidiaries, as well as deferred taxes. Tax expense consists of the following:

EUR million	2011	2010
Actual income tax expense	1,889	1,356
of which for Germany	1,607	1,174
of which for other countries	281	182
of which income from the reversal of tax provisions	0	-22
Deferred tax income	-288	-352
of which for Germany	34	-171
of which for other countries	-322	-181
Income tax expense	1,601	1,004
of which non-periodic tax expenses	5	0

EUR 1,587 (1,160) million of the actual income tax expense was passed on by Volkswagen AG. The actual taxes in Germany are calculated at a tax rate of 29.5 (29.5) percent. This represents the sum of the corporation income tax rate of 15.0 percent, the solidarity surcharge of 5.5 percent and the average trade earnings tax rate for the Group. The deferred taxes for companies in Germany are calculated at a rate of 29.5 (29.5) percent. The local income tax rates applied to foreign companies range from 0 percent to 41 percent.

The effects arising as a result of the tax benefits on research and development expenditure in Hungary are reported under tax-exempt income in the reconciliation accounts.

There are loss carryforwards totaling EUR 114 (135) million, of which the amount of EUR 99 (50) million can be used indefinitely. In the 2011 fiscal year, the realization of tax losses led to a reduction in current income tax expense of EUR 5 (1) million. Deferred tax assets of EUR 2 (10) million relating to carryforward of unused tax losses were not reported due to impairment.

Of the deferred taxes reported in the Balance Sheet, a total of EUR 317 (190) million was recorded with a resulting increase in equity, without influencing the Income Statement. The recording of actuarial gains and losses without affecting income, pursuant to IAS 19, led in the current fiscal year to an increase in equity of EUR 42 (55) million from the creation of deferred taxes. The change in deferred taxes on the effects for derivative financial instruments and securities recognized in equity led to a rise of EUR 275 (135) million in equity.

The reporting and measurement differences in the individual Balance Sheet items can be attributed to the following deferred tax assets and liabilities carried in the Balance Sheet:

EUR million	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010
	D	eferred tax assets	Defer	red tax liabilities
Intangible assets	56	112	515	524
Property, plant and equipment	198	365	70	235
Long-term investments	2	158	-	1
Inventories	38	64	1	36
Receivables and other assets	193	179	39	230
Other current assets	15	73	-	-
Provisions for pensions	165	140	3	3
Liabilities and other provisions	1,583	1,089	9	4
Loss carryforwards	27	27	-	_
Gross value	2,277	2,207	637	1,032
of which non-current	1,280	1,458	596	685
Offsetting measures	-621	-1,010	-621	-1,010
Consolidation measures	183	150	-	_
Carrying amount	1,839	1,347	16	22

Reconciliation of anticipated and reported income tax expense

The anticipated tax expense is higher than the reported tax expense. The reasons for the difference between the anticipated and the reported tax expense can be found in the reconciliation accounts as follows:

2011	2010
6,041	3,634
1,782	1,072
-29	-38
-243	-277
10	27
30	207
5	0
-41	34
87	-21
1,601	1,004
26.5	27.6
	1,782 -29 -243 10 30 5 -41 87 1,601

Consolidated Financial Statements

100 T

- 188 Income Statement189 Statement of Recognized
- Income and Expense
- 190 Balance Sheet
- 191 Cash Flow Statement192 Statement of Changes in Equity

- 194 Development of fixed assets in the 2011 fiscal year
- 196 Development of fixed assets in the 2010 fiscal year
- 198 General information
- 204 Recognition and measurement principles
- 212 Notes to the Income Statement
- 218 Notes to the Balance Sheet
- 227 Additional disclosures
- 248 Events occurring subsequent to the balance sheet date
- 249 Statement of Interests held by the Audi Group

11 Profit transfer to Volkswagen AG

The amount of EUR 3,138 (2,010) million will be transferred to Volkswagen AG, Wolfsburg, under the profit transfer agreement with AUDI AG.

12 Earnings per share

Basic earnings per share are calculated by dividing the share of profit due to AUDI AG stockholders by the weighted average number of shares in circulation during the fiscal year.

In the case of AUDI AG, the diluted earnings per share are the same as the basic earnings per share, since there were no potential shares of AUDI AG in existence at either December 31, 2011 or December 31, 2010.

	2011	2010
Profit share of AUDI AG stockholders (EUR million)	4,389	2,586
Weighted average number of shares	43,000,000	43,000,000
Earnings per share in EUR	102.06	60.13

Outside stockholders of AUDI AG will receive a compensatory payment for each no-par share in lieu of a dividend for the 2011 fiscal year. The level of this payment corresponds to the dividend that is paid on one ordinary share of Volkswagen AG, Wolfsburg. The dividend payment will be resolved by the Annual General Meeting of Volkswagen AG on April 19, 2012.

13 Additional disclosures on financial instruments in the Income Statement

Categories

Financial instruments are categorized as follows in accordance with IFRS 7:

- measured at fair value,
- measured at amortized cost,
- not under the scope of IFRS 7.

Not under the scope of IFRS 7 are, in particular, investments accounted for using the equity method that are neither financial instruments as defined in IAS 39 nor as defined in IFRS 7.

Net results for financial instruments

The net results for financial instruments – as categorized under IAS 39 – are as follows:

EUR million	2011	2010
Financial instruments measured at fair value through profit or loss	134	-15
Loans and receivables	250	175
Available-for-sale financial assets	49	78
Financial liabilities measured at amortized cost	-16	-27

The net results for financial instruments include the net income or expense from interest, fair value measurements, foreign currency translation, reductions for impairment and disposal gains.

The "Financial instruments measured at fair value through profit or loss" category presents the results from the settlement and measurement of derivative financial instruments not allocated to hedge accounting.

The "Loans and receivables" category essentially consists of interest income and expenses, impairment losses on receivables, and factoring expenses.

The net result for available-for-sale financial assets predominantly comprises income from investments in securities and from other long-term investments not accounted for using the equity method.

Interest income and expense for financial instruments not measured at fair value

EUR million	2011	2010
Interest income	224	125
Interest expense	-43	-21
Interest income and expense	181	104

Interest income and expense for financial instruments not measured at fair value constitute part of the net result for financial instruments that fall into the category of "Loans and receivables." Interest income primarily covers interest from the Audi Group's cash and cash equivalents, fixed deposits and loans extended. Interest expense largely comprises factoring expenses arising in connection with the loan asset sales to subsidiaries of Volkswagen AG, Wolfsburg, that are not part of the Audi Group.

Impairment losses for financial assets by category

EUR million	2011	2010
Measured at fair value	1	-
Measured at amortized cost	19	13
Impairment losses	20	13

The impairment losses relate to value adjustments of financial assets, such as impairment losses on receivables, securities and non-consolidated subsidiaries.

Gains and losses from hedging activities

From the cash flow hedge reserve, the sum of EUR 55 (46) million was included under cost of sales and other operating expenses.

Consolidated Financial Statements

100 To

- 188 Income Statement189 Statement of Recognized
- Income and Expense
- 190 Balance Sheet 191 Cash Flow Statement
- 192 Statement of Changes in Equity

- 194 Development of fixed assets in the 2011 fiscal year
- 196 Development of fixed assets in the 2010 fiscal year
- 198 General information204 Recognition and
- measurement principles
- 212 Notes to the Income Statement218 Notes to the Balance Sheet
- 227 Additional disclosures
- 248 Events occurring subsequent
- to the balance sheet date 249 Statement of Interests
- held by the Audi Group

NOTES TO THE BALANCE SHEET

14 Intangible assets

EUR million	Dec. 31, 2011	Dec. 31, 2010
Concessions, industrial property rights and similar rights and assets, as well as licenses thereto	209	232
Goodwill	72	72
Capitalized development costs	2,249	2,051
of which products currently under development	629	836
of which products currently in use	1,620	1,215
Payments on account for intangible assets	1	1
Total	2,531	2,357

Research and development expenditure recognized as an expense

EUR million	2011	2010
Research expense and non-capitalized development costs	2,243	1,901
Impairment losses (reversals) on capitalized development costs	397	567
Total	2,641	2,469

A total of EUR 2,839 (2,531) million was spent on research and development during the 2011 fiscal year. Of this total, EUR 596 (630) million fulfilled the capitalization criteria set out in IAS 38.

15 Property, plant and equipment

EUR million	Dec. 31, 2011	Dec. 31, 2010
Land, land rights and buildings, including buildings on land owned by others	2,299	2,190
of which finance leases	19	-
Plant and machinery	1,157	1,159
Other plant and office equipment	2,114	1,958
Payments on account and assets under construction	1,146	496
Total	6,716	5,803

There is no purchase option with regard to the land and buildings leased on the basis of a financial lease agreement. The rate of interest on which the agreement is based is 3.5 percent. The financial lease payments due in future, together with their present values, are listed in the following table:

EUR million	2012	2013 to 2016	from 2017	Total
Lease payments	2	10	12	24
Interest elements	1	2	2	5
Carrying amount/present value	1	7	10	19

Payments totaling EUR 125 (102) million for assets rented on the basis of operating lease agreements were recognized as an expense.

16 Investment property

EUR million	Dec. 31, 2011	Dec. 31, 2010
Investment property	3	5
Other investment property	5	6
Total	8	12

The carrying amounts of investment property correspond to the fair values.

17 Other long-term investments

EUR million	Dec. 31, 2011	Dec. 31, 2010
Investments in affiliated companies	143	106
Shares in associated companies and participating interests	100	73
Total	244	180

18 Deferred tax assets

The temporary differences between tax bases and carrying amounts in the Consolidated Financial Statements are explained under "Deferred tax" in the recognition and measurement principles, and under Note 10, "Income tax expense."

19 Other receivables and other financial assets

Non-current other receivables and other financial assets

EUR million	Dec. 31, 2011	Dec. 31, 2010
Loans advanced	131	96
of which to affiliated companies	130	95
Positive fair values of derivative financial instruments	236	417
of which to affiliated companies	152	362
Other tax assets	2	1
Other assets	44	45
Total	412	560

With regard to loans and other non-current assets, the fair values for 2011 correspond to the carrying amounts. Loans advanced are subject to interest rates of up to 4.5 (4.5) percent. Derivative financial instruments are measured at market value. The total position in relation to hedging instruments is presented under Note 34.5, "Methods of monitoring the effectiveness of hedging relationships."

Current other receivables and other financial assets

EUR million	Dec. 31, 2011	Dec. 31, 2010
Fixed deposits and loans extended	6,697	2,040
of which to affiliated companies	6,671	2,040
Positive fair values of derivative financial instruments	97	210
of which to affiliated companies	90	210
Other tax assets	157	135
Other receivables and assets	355	273
of which to affiliated companies	169	122
Total	7,307	2,658

All current other receivables and financial assets are due within one year of the balance sheet date. The carrying amounts correspond to the fair values.

The positive fair values of derivative financial instruments are composed as follows:

EUR million	Dec. 31, 2011	Dec. 31, 2010
Cash flow hedges to hedge against		
currency risks from future payment streams	137	355
commodity price risks from future payment streams	38	125
Other derivative financial instruments	157	147
Positive fair values of derivative financial instruments	332	628

Consolidated Financial Statements

Statements

- 188 Income Statement189 Statement of Recognized
- Income and Expense
- 190 Balance Sheet
- 191 Cash Flow Statement
- 192 Statement of Changes in Equity

- 194 Development of fixed assets in the 2011 fiscal year
- 196 Development of fixed assets in the 2010 fiscal year
- 198 General information204 Recognition and
- measurement principles
- 212 Notes to the Income Statement
- 218 Notes to the Balance Sheet
- 222 Liabilities
- 227 Additional disclosures248 Events occurring subsequent to the balance sheet date
- 249 Statement of Interests held by the Audi Group

20 Inventories

EUR million	Dec. 31, 2011	Dec. 31, 2010
Raw materials and supplies	433	353
Work in progress	463	368
Finished goods and merchandise	2,832	2,118
Current leased assets	650	515
Total	4,377	3,354

Inventories amounting to EUR 32,697 (26,866) million were recorded as cost of sales at the same time that the revenue from them was realized.

EUR 1,008 (818) million of the total inventories was capitalized at the net realizable value. The impairment resulting from the measurement of inventories on the basis of sales markets amounted to EUR 65 (63) million.

No reversal of write-downs was performed in the fiscal year.

Of the finished goods inventory, a portion of the company car fleet valued at EUR 227 (180) million has been pledged as collateral for commitments toward employees, in particular under the partial early retirement block model. The other reported inventories are not subject to any significant restrictions on ownership or disposal.

Leased vehicles with an operating lease term of up to one year were reported under inventories in the amount of EUR 650 (515) million. In the 2012 fiscal year, payments in the amount of EUR 43 million are expected from irrevocable leasing relationships.

21 Trade receivables

EUR million	Dec. 31, 2011	Dec. 31, 2010
Trade receivables from		
third parties	1,421	1,155
affiliated companies	1,060	755
associated companies and participating interests	529	189
Total	3,009	2,099

The carrying amounts of the trade receivables correspond to the fair values due to their short-term nature.

All receivables will be realized within the next twelve months. Impairment losses on trade receivables are detailed under Note 34.2 "Credit risks."

22 Effective income tax claims

Entitlements to income tax rebates, predominantly for foreign Group companies, are reported under this item.

23 Securities, cash and cash equivalents

Securities include fixed or variable-interest securities and equities in the amount of EUR 1,594 (1,339) million.

Cash and cash equivalents essentially comprise credit balances with banks and affiliated companies amounting to EUR 8,513 (10,724) million. The credit balances with banks are held at various banks in various different currencies. Balances with affiliated companies include daily and shortterm investments with only marginal risk of fluctuations in value.

24 Equity

Information on the composition and development of equity is provided on pages 192 and 193 in the Statement of Changes in Equity.

The share capital of AUDI AG is EUR 110,080,000. One share grants an arithmetical share of EUR 2.56 of the issued capital. This capital is divided into 43,000,000 no-par bearer shares. The capital reserves contain premiums paid in connection with the issuance of shares of the Company. In the year under review, the capital reserves of AUDI AG rose to EUR 3,515 million as a result of a contribution in the amount of EUR 1,005 million by Volkswagen AG, Wolfsburg. The opportunities and risks under foreign exchange, currency option, commodity price and interest hedging transactions serving as hedges for future cash flows are deferred in the reserve for cash flow hedges with no effect on income. When the cash flow hedges become due, the results from the settlement of the hedging contracts are reported under the operating profit. Unrealized gains and losses from the measurement at fair value of financial assets available for sale are recognized in the reserve for the market-price measurement of securities. Upon disposal of the securities, share price gains and losses realized are reported under the financial result. Adjustments to actuarial assumptions on retirement benefit obligations, with no effect on income, are recognized in the provisions for actuarial gains and losses.

Pursuant to IAS 28.39, foreign currency translation differences that do not affect income from the accounting of FAW-Volkswagen Automotive Company, Ltd., Changchun (China), using the equity method are included in the reserve for investments accounted for using the equity method. The shares held by minority interests in the equity capital can be broken down as follows, with each shareholder holding 100 percent of the shares in the listed companies and to whom the result achieved by the company is attributable:

Fully consolidated group company	Minority interests
Audi Canada Inc., Ajax (Canada)	Volkswagen Group Canada, Inc., Ajax (Canada)
Audi of America, LLC, Herndon (USA)	VOLKSWAGEN GROUP OF AMERICA, INC., Herndon, (USA)
Automobili Lamborghini America, LLC, Wilmington, Delaware (USA)	VOLKSWAGEN GROUP OF AMERICA, INC., Herndon, (USA)

The balance of EUR 1,251 (576) million remaining after the transfer of profit to Volkswagen AG is allocated to the other retained earnings.

Consolidated Financial Statements

- 188 Income Statement
- 189 Statement of Recognized
- Income and Expense
- 190 Balance Sheet 191 Cash Flow Statement
- 192 Statement of Changes in Equity

- 194 Development of fixed assets in the 2011 fiscal year
- 196 Development of fixed assets in the 2010 fiscal year
- 198 General information204 Recognition and
- measurement principles
- 212 Notes to the Income Statement
- 218 Notes to the Balance Sheet
- 222 Liabilities
- 227 Additional disclosures248 Events occurring subsequent
- to the balance sheet date
- 249 Statement of Interests held by the Audi Group

LIABILITIES

25 Financial liabilities

Non-current financial liabilities

EUR million	Dec. 31, 2011	Dec. 31, 2010
Liabilities from loans	3	15
Liabilities from financial lease agreements	18	-
Total	21	15

The carrying amounts correspond to the fair values.

Current financial liabilities

EUR million	Dec. 31, 2011	Dec. 31, 2010
Liabilities to affiliated factoring companies	1,001	714
Loans from affiliated companies	158	88
Liabilities to banks	12	8
Liabilities from financial lease agreements	1	-
Total	1,172	810

Measurement of the non-current and current financial lease agreements is based on market interest rates in each case.

The carrying amounts correspond to the fair values due to the short-term maturities.

26 Deferred tax liabilities

The temporary differences between tax bases and carrying amounts in the Consolidated Financial Statements are explained under "Deferred tax" in the recognition and measurement principles, and under Note 10, "Income tax expense."

Pursuant to IAS 1, deferred tax liabilities are reported as non-current liabilities, irrespective of their maturities.

27 Other liabilities

The derivative currency hedging instruments reported under other liabilities are measured at market values. The total item of currency hedging instruments is presented under Note 34, "Management of financial risks."

Non-current other liabilities

EUR million	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010
		Carrying amounts		Fair values
Negative fair values of derivative financial instruments	545	229	545	229
of which to affiliated companies	538	204	538	204
Liabilities from other taxes	47	24	47	24
Social security liabilities	38	33	38	33
Liabilities from payroll accounting	82	71	82	71
Other liabilities	368	355	368	353
of which to affiliated companies	151	208	151	206
of which advances received	192	126	192	126
Total	1,080	712	1,080	710

Liabilities having a time to maturity of more than five years amount to EUR 101 (91) million.

Current other liabilities

EUR million	Dec. 31, 2011	Dec. 31, 2010
Liabilities from the transfer of profit	3,138	2,010
of which to affiliated companies	3,138	2,010
Advances received	685	544
of which from affiliated companies	8	64
of which from associated companies	76	112
Negative fair values of derivative financial instruments	461	291
of which to affiliated companies	435	188
Liabilities from other taxes	131	205
of which to affiliated companies	67	56
Social security liabilities	118	121
Liabilities from payroll accounting	1,104	742
Other liabilities	719	535
of which to affiliated companies	441	340
Total	6,355	4,447

The negative fair values of derivative financial instruments are composed as follows:

EUR million	Dec. 31, 2011	Dec. 31, 2010
Cash flow hedges to hedge against		
currency risks from future payment streams	871	389
commodity price risks from future payment streams (cash flow hedges)	10	0
Other derivative financial instruments	125	132
Negative fair values of derivative financial instruments	1,005	521

28 Provisions for pensions

Provisions for pensions are created on the basis of plans to provide retirement, disability and surviving dependant benefits. The benefit amounts are generally contingent on the length of service and the remuneration of the employees.

Both defined contribution and defined benefit plans exist within the Audi Group for retirement benefit arrangements. In the case of defined contribution plans, the Company pays contributions to public or private-sector pension plans on the basis of statutory or contractual requirements, or on a voluntary basis. Payment of these contributions releases the Company from any other benefit obligations. Current contribution payments are reported as an expense for the year in question. With regard to the Audi Group they total EUR 281 (269) million. Of this, contributions of EUR 268 (251) million were paid in Germany toward statutory pension insurance. The retirement benefit systems are based predominantly on defined benefit plans, with a distinction being made between systems based on provisions and externally financed benefit systems. The domestic and foreign benefit claims of those with entitlement to a pension from the company pension scheme are calculated in accordance with IAS 19 (Employee Benefits) on the basis of the projected unit credit method. This measures future obligations on the basis of the pro rata benefit entitlements acquired as of the balance sheet date. For purposes of measurement, trend assumptions are used for the relevant variables affecting the level of benefits. The retirement benefit scheme within the Audi Group was evolved into a pension fund model in

The retirement benefit scheme within the Audi Group was evolved into a pension fund model in Germany on January 1, 2001. The retirement benefit commitments for this model are also classified as defined benefits in accordance with the requirements of IAS 19. The remunerationbased annual cost of providing employee benefits is invested in mutual funds on a fiduciary basis by Volkswagen Pension Trust e.V., Wolfsburg. This model offers employees the opportunity of increasing their pension entitlements, while providing full risk coverage. As the mutual fund units administered on a fiduciary basis satisfy the requirements of IAS 19 as plan assets, these funds were offset against the derived retirement benefit obligations.

Consolidated Financial Statements

5	La	Le	 ie	 LS	
1	~				

- 188 Income Statement189 Statement of Recognized
- Income and Expense
- 190 Balance Sheet 191 Cash Flow Stat
- 191 Cash Flow Statement192 Statement of Changes in Equity

- 194 Development of fixed assets in the 2011 fiscal year
- 196 Development of fixed assets in the 2010 fiscal year198 General information
- 204 Recognition and
- measurement principles
- 212 Notes to the Income Statement218 Notes to the Balance Sheet
- 222 Liabilities
- 227 Additional disclosures
- 248 Events occurring subsequent to the balance sheet date
- 249 Statement of Interests held by the Audi Group

EUR million	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008	Dec. 31, 2007
Present value of externally funded defined benefit obligations	723	679	586	464	368
Fair value of plan assets	714	670	583	471	368
Financing status (balance)	10	9	3	-7	-
Due to the limit on a defined benefit asset amount not capitalized under IAS 19	_	_	_	7	_
Present value of defined benefit obligations not externally funded	2,495	2,322	2,096	1,946	1,957
Provisions for pensions recognized in the Balance Sheet	2,505	2,331	2,098	1,946	1,957

The amounts recorded in the Balance Sheet for benefit commitments are presented in the following table:

The present value of the defined benefit commitments changed as follows:

EUR million	2011	2010
Present value on January 1	3,001	2,681
Changes in the group of consolidated companies and first-time adoption of IAS 19	1	12
Service cost	79	80
Interest cost	141	142
Actuarial gains (-)/losses (+)	+ 92	+ 180
Pension payments from company assets	-92	-87
Effects from transfers	-1	-2
Pension payments from fund assets	-4	-5
Currency differences	1	1
Present value on December 31	3,218	3,001

The reconciliation for the fair value of the plan assets is as follows:

EUR million	2011	2010
Plan assets on January 1	670	583
Changes in the group of consolidated companies and first-time adoption of IAS 19	-	-
Expected return on plan assets	29	30
Actuarial gains (+)/losses (-)	-51	-6
Employer contributions	69	68
Benefits paid	-4	-5
Effects of transfers	0	0
Plan assets on December 31	714	670

In the past fiscal year, actual losses from the plan assets amounted to EUR 21 million. The actual gains in the prior year totaled EUR 24 million.

The long-term overall yield on the plan assets is determined on a uniform basis and depends on the actual long-term earnings of the portfolio, historical overall market yields, and a forecast of the anticipated yields of the classes of security in the portfolio.

Employer contributions to the fund assets totaling EUR 70 (67) million are expected for the following fiscal year.

The composition of fund assets is as follows, by category:

as % of fund assets	2011	2010
Shares	28.6	31.2
Fixed-income securities	62.2	42.4
Cash	4.4	9.3
Real estate	2.6	3.1
Other	2.2	14.0
Total	100.0	100.0

Actuarial gains and losses result from changes in the entitlement base and from deviations in the actual trends (e.g. increases in pay or retirement benefits) from the figures assumed for calculation purposes. In accordance with the requirements of IAS 19, such gains and losses are recognized without affecting income under a separate line item within equity, taking deferred tax into account.

The following amounts were recognized in the Income Statement:

EUR million	2011	2010
Current service cost for services provided by the employees in the fiscal year	-79	-80
Interest cost	-141	-142
Expected return on plan assets	29	30
Total	-191	-192

The interest element in pension costs is shown under financing costs. The expected return on plan assets is also shown under this item.

The provisions for pensions recognized in the Balance Sheet are determined by offsetting the present value against the fund assets pursuant to IAS 19. The development of the net liability recognized as provisions for pensions was as follows:

EUR million	2011	2010
Provisions for pensions on January 1	2,331	2,098
Changes in the group of consolidated companies and first-time adoption of IAS 19	1	12
Employee benefit expenses	191	192
Actuarial gains (-)/losses (+)	+ 143	+ 186
Pension payments from company assets	-92	-87
Contributions paid to external pension funds	-69	-68
Effects from transfers	-1	-2
Currency differences	1	1
Provisions for pensions on December 31	2,505	2,331

The experience-based adjustments, i.e. the effects of differences between actuarial assumptions and what has actually transpired, are presented in the following table:

%	2011	2010	2009	2008	2007
Difference between anticipated and actual performance					
as % of the present value of the obligation	0.88	-0.31	1.37	0.17	-1.46
as % of fair value of plan assets	-7.12	0.84	-4.86	-9.88	-5.26

Consolidated Financial Statements

100 T

- 188 Income Statement189 Statement of Recognized
- Income and Expense
- 190 Balance Sheet 191 Cash Flow Statement
- 192 Statement of Changes in Equity

- 194 Development of fixed assets in the 2011 fiscal year
- 196 Development of fixed assets in the 2010 fiscal year
- 198 General information204 Recognition and
- measurement principles
- 212 Notes to the Income Statement
- 218 Notes to the Balance Sheet222 Liabilities
- 222 Liabilities227 Additional disclosures
- 248 Events occurring subsequent to the balance sheet date
- 249 Statement of Interests held by the Audi Group

In detail, the calculation of the retirement benefit obligation for staff employed in Germany is based on the following actuarial assumptions:

%	Dec. 31, 2011	Dec. 31, 2010
Remuneration trend	2.80	2.70
Retirement benefit trend	1.60	1.60
Discount rate	4.60	4.90
Staff turnover rate	1.00	1.00
Anticipated yield on plan assets	3.75	4.25

The "2005 G Reference Tables" published by HEUBECK-RICHTTAFELN-GmbH, Cologne, served as the biometric basis for calculation of retirement benefits.

29 Effective income tax obligations

Effective income tax obligations consist primarily of tax liabilities to Volkswagen AG, Wolfsburg, under allocation plans.

30 Other provisions

EUR million		Dec. 31, 2011		Dec. 31, 2010
	Total	Of which due within one year	Total	Of which due within one year
Obligations from sales operations	5,020	1,806	4,651	1,459
Workforce-related provisions	937	249	570	194
Other provisions	1,135	802	901	702
Total	7,092	2,858	6,122	2,354

Obligations from sales operations primarily comprise warranty claims from the sale of vehicles, components and genuine parts, including the disposal of end-of-life vehicles. Warranty claims are determined on the basis of previous or estimated future loss experience. This item additionally includes rebates, bonuses and similar discounts due to be granted and arising subsequent to the balance sheet date but occasioned by revenue prior to the balance sheet date.

The workforce-related provisions are created for such purposes as service anniversary awards, partial early retirement arrangements and proposals for improvements. The refund claims against the German Federal Employment Agency as part of implementation of the partial early retirement model are reported under other assets (Note 19, "Other receivables and other financial assets"). The other provisions relate to various one-off obligations.

Anticipated outflows from other provisions are 40 percent in the following year, 50 percent in the years 2013 through 2016 and 10 percent thereafter.

The provisions developed as follows:

EUR million	Jan. 1, 2011	Currency differences	Changes in the group of consolidated companies	Utili- zation	Disso- lution	Addi- tion	Interest effect from measure- ment	Dec. 31, 2011
Obligations from sales operations	4,651	31	4	1,425	117	1,846	30	5,020
Workforce-related provisions	570	1	0	146	21	531	2	937
Other provisions	901	6	0	113	140	479	2	1,135
Total	6,122	37	5	1,683	278	2,856	33	7,092

31 Trade payables

EUR million	Dec. 31, 2011	Dec. 31, 2010
Trade payables to		
third parties	3,383	2,986
affiliated companies	797	511
associated companies and participating interests	14	13
Total	4,193	3,510

The fair values of the trade payables correspond to the carrying amounts due to their short-term nature.

The customary retention of title applies to liabilities from deliveries of goods.

ADDITIONAL DISCLOSURES

32 Capital management

The primary goal of capital management within the Audi Group is to assure financial flexibility in order to achieve business and growth targets, and to enable continuous, steady growth in the value of the Company. In particular, management is focused on achieving the minimum return demanded by the capital market on the invested assets. The capital structure is steered specifically with this in mind, and the economic environment is kept under constant observation. The objectives, methods and procedures for optimizing capital management remained unchanged at December 31, 2011. For this purpose, the development of key cost and value factors are analyzed regularly; appropriate optimization measures are then defined and their implementation is monitored on an ongoing basis. To ensure that resources are deployed as efficiently as possible, and to measure success in this regard, the Audi Group has been using the return on investment as an indicator based on capital expenditure for several years now.

The equity and financial liabilities from the transfer of profit are summarized in the following table:

EUR million	Dec. 31, 2011	Dec. 31, 2010
Equity	12,903	11,310
as % of total capital	75	80
Financial liabilities from the transfer of profit	4,330	2,835
Current financial liabilities	1,172	810
Non-current financial liabilities	21	15
Liabilities from the transfer of profit	3,138	2,010
as % of total capital	25	20
Total capital	17,233	14,144

Around 99.55 percent of the issued capital is held by Volkswagen AG, Wolfsburg, with which a control and profit transfer agreement exists.

In the 2011 fiscal year, equity rose by 14.1 percent compared with the prior year. This is primarily due to the allocation to other retained earnings and a cash injection to the capital reserve by Volkswagen AG.

Consolidated Financial Statements

100 1

- 188 Income Statement189 Statement of Recognized
- Income and Expense
- 190 Balance Sheet
- 191 Cash Flow Statement192 Statement of Changes in Equity
- 152 Statement of changes in L

- 194 Development of fixed assets in the 2011 fiscal year
- 196 Development of fixed assets in the 2010 fiscal year
- 198 General information204 Recognition and
- measurement principles
- 212 Notes to the Income Statement
- 218 Notes to the Balance Sheet222 Liabilities
- 227 Additional disclosures
- 248 Events occurring subsequent to the balance sheet date
- 249 Statement of Interests held by the Audi Group

33 Additional disclosures on financial instruments in the Balance Sheet

Carrying amounts of financial instruments

The following table presents a reconciliation of the carrying amounts of the Balance Sheet items with the individual IFRS 7 categories:

EUR million					
	Carrying amount as per Balance Sheet as of Dec. 31, 2011	Measured at fair value through profit or loss	Available for sale	Loans and receivables	
ASSETS					
Non-current					
Other long-term investments	246	-	246	-	
Other receivables and assets	410				
of which from positive fair values of derivative financial instruments	236	124	-	-	
of which miscellaneous other receivables and assets	174	-	_	153	
Current					
Trade receivables	3,009	-	-	3,009	
Other receivables and assets	7,307				
of which from positive fair values of derivative financial instruments	97	45	_	-	
of which miscellaneous other receivables and assets	7,210	-	-	6,937	
Securities	1,594	_	1,594	-	
Cash and cash equivalents	8,513	-	-	8,513	
Total financial assets	21,078	169	1,840	18,612	
LIABILITIES AND SHAREHOLDERS' EQUITY					
Non-current					
Financial liabilities	21	_	-	-	
Other liabilities	1,080				
of which from negative fair values of derivative financial instruments	545	55	_	-	
of which miscellaneous other liabilities	535	-	-	-	
Current					
Financial liabilities	1,172	-	_	-	
Trade payables	4,193	-	_	-	
Other liabilities	6,355				
of which from negative fair values of derivative financial instruments	461	71	_	_	
of which miscellaneous other liabilities	5,894	-	-	-	
Total financial liabilities	12,821	126		-	

Measurement of financial instruments at fair value is based on a three-level hierarchy and on the proximity of the measurement factors used to an active market. An active market is one in which homogenous products are traded, where willing buyers and sellers can be found for them at all times, and where their prices are publicly available.

Level 1 involves the measurement of financial instruments, such as securities, listed on active markets.

Level 2 involves the measurement of financial instruments such as derivatives based on marketrelated, recognized financial valuation models, where the measurement factors, such as exchange rates or interest rates, can be observed directly or indirectly on active markets.

In the Audi Group, level 3 mainly covers residual value hedging arrangements with the retail trade. The input factors for measuring the future development of used car prices cannot be observed on active markets; they are forecasted by various independent institutions. The residual value hedging model is explained in Note 34.4, "Market risks."

Assignment	to IAS 39 categories	Division into classes of				
Financial liabilities			М	easured at fair value		
measured at amortized cost	No IAS 39 category allocated	Level 1	Level 2	Level 3	Measured at amortized cost	Not under scope of IFRS 7
	_			_	246	
-	111	-	140	96	-	-
-	21	-	-	-	153	21
-	_	-	-	-	3,009	
_	51	_	90	6	_	
	273			-	6,937	273
-		1,594	_	-	-	
-	_	-	_	-	8,513	_
-	457	1,594	230	102	18,857	294
3	18	-	-	-	21	-
	491		521	24	_	
24	511	-	-	-	24	511
						<u> </u>
1,171	1	-	-	-	1,172	_
4,193	-	-	-	-	4,193	
_	390	_	436	25	_	
3,813	2,082	-	-	-	3,813	2,082
9,204	3,492	-	957	49	9,222	2,593

Furthermore, non-current commodity futures are also measured according to level 3, as the key parameters for their measurement cannot be observed on active markets owing to the long-term nature of the contracts, but are extrapolated. During the previous year, rights to acquire shares in companies were also assigned to fair value level 3, at which input factors that are not derived from active markets can be used for measurement.

The fair values of financial assets within the "measured at amortized cost" category amount to EUR 18,857 (15,355) million and are indicated in the relevant sections, under the Notes to the Balance Sheet. The fair values of financial liabilities within the "measured at amortized cost" category amount to EUR 9,222 (6,864) million and are indicated under the notes to the relevant Balance Sheet items. In the case of current financial assets and liabilities measured at amortized cost, the fair values correspond to the carrying amounts.

EUR million					
	Carrying amount as per Balance Sheet as of Dec. 31, 2010	Measured at fair value through profit or loss	Available for sale	Loans and receivables	
ASSETS					
Non-current					
Other long-term investments	190	-	182	9	
Other receivables and assets	550		· · · · · · · · · · · · · · · · · · ·		
of which from positive fair values of derivative financial instruments	417	72	-	-	
of which miscellaneous other receivables and assets	132		-	114	
Current					
Trade receivables	2,099	-	-	2,099	
Other receivables and assets	2,658				
of which from positive fair values of derivative financial instruments	210	75	-		
of which miscellaneous other receivables and assets	2,448	-	-	2,228	
Securities	1,339	-	1,339	-	
Cash and cash equivalents	10,724	-	_	10,724	
Total financial assets	17,560	147	1,521	15,173	
LIABILITIES AND SHAREHOLDERS' EQUITY					-
Non-current	1	ĺ	1		
Financial liabilities	15	-	-	-	
Other liabilities	712				
of which from negative fair values of derivative financial instruments	229	25	-	-	
of which miscellaneous other liabilities	483	-	-	-	1
Current					
Financial liabilities	810	-	-	-	
Trade payables	3,510	-	-	-	
Other liabilities	4,447				
of which from negative fair values of derivative financial instruments	291	107	-	-	
of which miscellaneous other liabilities	4,156	-	-	-	
Total financial liabilities	9,494	132			

Financial liabilities measured at amortized cost No IAS 39 category allocated Level 1 Level 2 Level 3 Measured at amortized cost Measured at of Image: Image	
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6,866 2,496 - 394 127 6,866	2,107

EUR million	2011	2010
Positive fair values of level 3 derivative financial instruments as of Jan. 1	71	55
Income and expense (-) recognized in the operating profit	34	56
Income and expense (-) recognized in the financial result	3	0
Income and expense (-) recognized in equity	27	4
Reclassification from level 3 to level 2	-33	-45
Positive fair values of level 3 derivative financial instruments as of Dec. 31	102	71
Income and expense (–) recognized in the operating profit from level 3 derivative financial instruments still held at Dec. 31	34	56
Income and expense (–) recognized in the financial result from level 3 derivative financial instruments still held at Dec. 31	-	1
Negative fair values of level 3 derivative financial instruments as of Jan. 1	-127	-224
Income and expense (–) recognized in the operating profit	11	43
Income and expense (-) recognized in the financial result	-17	-2
Income and expense (-) recognized in equity	6	0
Realizations	83	55
Reclassification from level 3 to level 2	6	2
Negative fair values of level 3 derivative financial instruments as of Dec. 31	-49	-127
Income and expense (–) recognized in the operating profit from level 3 derivative financial instruments still held at Dec. 31	14	43
Income and expense (–) recognized in the financial result from level 3 derivative financial instruments still held at Dec. 31	11	_

Reconciliation statement for financial instruments measured according to level 3

The residual value hedging model is categorically allocated to level 3. The reclassifications from level 3 to level 2 contain commodity futures for whose measurement it is no longer necessary to extrapolate the exchange rates because these can now be observed again on the active market. The effects of changes in the market price of used cars resulting from hedging arrangements are shown in detail under Note 34.4, "Market risks."

Risks resulting from fair value fluctuations in the derivative financial instruments measured according to level 3 are calculated within the Audi Group by means of sensitivity analyses. In this way, effects of changes in commodity price listings on profit and equity are shown. A 10 percent rise (fall) in the commodity prices of commodity futures measured according to level 3 at December 31, 2011 would impact on equity in the amount of EUR 12 (14) million. The effect on profit of this rise (fall) would be EUR 11 (2) million.

34 Management of financial risks

34.1 Hedging guidelines and principles of financial risk management

The principles and responsibilities involved in managing and controlling risks associated with financial instruments are stipulated by the Board of Management in accordance with the Volkswagen Group guidelines and statutory parameters, and monitored by the Supervisory Board.

Operational risk management is carried out by the Group Treasury, as well as by AUDI AG and Volkswagen AG, Wolfsburg. The Board of Management and Supervisory Board of AUDI AG are regularly briefed on the current risk situation. Additionally, the Volkswagen Executive Committee for Liquidity and Foreign Currency is regularly updated on the current financial risks.

Further details are provided in the Management Report on page 182.

34.2 Credit risks

Credit risks from financial assets comprise the risk of default by a contractual party and therefore do not exceed the positive fair values in respect of the contractual party in question. The risk from non-derivative financial instruments is covered by value adjustments for loss of receivables. The contractual partners for cash and capital investments, as well as currency and raw materials hedging instruments, have impeccable credit standings. Over and above this, the risks are restricted by a limit system that is based on the credit ratings of international rating agencies and the equity base of the contractual parties.

The Group's global business operations and resulting diversification meant that there were no major risk concentrations during the past fiscal year.

The credit quality of financial assets measured at amortized cost is shown in the following table:

EUR million	Gross carrying amount as of Dec. 31, 2011	Neither past due nor impaired	Past due and not impaired	Impaired
Measured at amortized cost				
Trade receivables	3,059	2,459	533	67
Other receivables	7,138	7,027	61	50
of which receivables from loans	6,827	6,827	-	-
of which miscellaneous receivables	311	199	61	50
Total	10,197	9,486	594	117

EUR million	Gross carrying amount as of Dec. 31, 2010	Neither past due nor impaired	Past due and not impaired	Impaired
Measured at amortized cost				
Trade receivables	2,145	1,646	437	62
Other receivables	7,152	7,054	43	55
of which receivables from loans	6,897	6,891	-	6
of which miscellaneous receivables	255	163	43	49
Total	9,297	8,700	480	116

The Audi Group's trading partners, borrowers and debtors are regularly monitored under the risk management system. All receivables that are "neither past due nor impaired," amounting to EUR 9,486 (8,700) million, are allocable to risk category 1. Risk category 1 is the highest rating category within the Volkswagen Group; it exclusively comprises "receivables owing from customers of high creditworthiness."

Within the Audi Group, there are absolutely no past due financial instruments measured at fair value. The fair values of these financial instruments are determined based on their market prices.

Consolidated Financial Statements

- 188 Income Statement
- 189 Statement of Recognized
- Income and Expense 190 Balance Sheet
- 190 Balance Sneet 191 Cash Flow Statement
- 192 Statement of Changes in Equity

- 194 Development of fixed assets in the 2011 fiscal year
- 196 Development of fixed assets in the 2010 fiscal year
- 198 General information204 Recognition and
- measurement principles
- 212 Notes to the Income Statement
- 218 Notes to the Balance Sheet
- 227 Additional disclosures
- 248 Events occurring subsequent to the balance sheet date
- 249 Statement of Interests held by the Audi Group

Financial assets that are past due and not impaired are presented in the following analysis by maturity dates of gross carrying amounts:

EUR million	Past due and not impaired			Past due
	Dec. 31, 2011	Up to 30 days	30 to 90 days	More than 90 days
Measured at amortized cost				
Trade receivables	533	407	82	43
Other receivables	61	42	16	4
Total	594	449	98	47

EUR million	Past due and not impaired			Past due
	Dec. 31, 2010	Up to 30 days	30 to 90 days	More than 90 days
Measured at amortized cost				
Trade receivables	437	310	81	46
Other receivables	43	26	14	2
Total	480	337	96	48

The credit risk is low overall, as the vast majority of the past due and not impaired financial assets are past due by only a short period – predominantly owing to the customer's purchase invoice and payment processes.

Value adjustments

Developments of value adjustments of claims that existed on the balance sheet date and that were measured at amortized cost can be broken down as follows for the 2011 and 2010 fiscal years:

EUR million	2011	Specific value adjustment	2010	Specific value adjustment
Position as of January 1	94	94	98	98
Addition as of January 1 from changes in group of consolidated companies	0	0	6	6
Addition	19	19	12	12
Utilization	-10	-10	-18	-18
Dissolution	-6	-6	-3	-3
Position as of December 31	98	98	94	94

Portfolio-based write-downs are not used within the Audi Group.

Collateral

The credit risk is reduced by collateral held of EUR 1,472 (940) million. In the Audi Group, collateral is primarily held in relation to trade receivables. Vehicles, bank guarantees and banker's bonds are the main forms of collateral provided.

34.3 Liquidity risks

Liquidity risks arise from financial liabilities if current payment obligations can no longer be met. A liquidity forecast based on a fixed planning horizon coupled with available yet unused lines of credit assures adequate liquidity at all times in the Audi Group.

Analysis by maturity date of undiscounted cash used for financial liabilities The undiscounted, contractually agreed cash used for financial instruments is categorized separately by maturity date in the following table:

EUR million	Total	Residual contractual maturities			
	Dec. 31, 2011	Up to 1 year	1 to 5 years	Over 5 years	
Financial liabilities	1,198	1,173	13	12	
Trade payables	4,193	4,193	-	-	
Other financial liabilities and obligations	4,070	4,041	24	-	
Derivative financial instruments	28,221	10,422	17,799	_	
Total	37,682	19,829	17,836	12	

EUR million	Total	Residual contractual maturities			
	Dec. 31, 2010	Up to 1 year	1 to 5 years	Over 5 years	
Financial liabilities	825	810	15	-	
Trade payables	3,510	3,510	0	0	
Other financial liabilities and obligations	2,742	2,720	22	-	
Derivative financial instruments	21,370	6,310	15,047	13	
Total	28,447	13,350	15,084	13	

The cash used for derivatives where gross settlement has been agreed is offset by cash received. These cash receipts are not presented in the analysis by maturity date. Had the cash receipts also been taken into account, the cash used would have been significantly lower in the analysis by maturity date.

Collateral

The Audi Group recorded financial assets as collateral for liabilities in the amount of EUR 234 (211) million. This collateral is used by contractual parties primarily as soon as credit periods for secured liabilities are exceeded.

34.4 Market risks

Given the global nature of its operations, the Audi Group is exposed to various market risks, which are described below. The individual risk types and the respective risk management measures are also described. Additionally, these risks are quantified by means of sensitivity analyses.

Hedging policy and financial derivatives

The market risks to which the Audi Group is exposed include, in particular, currency, interest rate, commodity price and fund price risks. As part of the risk management process, these risks are limited by entering into hedging transactions. All necessary hedging measures are implemented centrally by the Group Treasury of Volkswagen AG, Wolfsburg, or coordinated via the Group Treasury of AUDI AG. There were no risk concentrations during the past fiscal year. The market price risks associated with derivative and non-derivative financial instruments pursuant to IFRS 7 are calculated in the Audi Group using sensitivity analyses. Changes to the risk variables within the respective market price risks are used to calculate the impact on equity and on profit after tax.

Consolidated Financial Statements

- 188 Income Statement
- 189 Statement of Recognized
- Income and Expense
- 190 Balance Sheet 191 Cash Flow Statement
- 192 Statement of Changes in Equity

- 194 Development of fixed assets in the 2011 fiscal year
- 196 Development of fixed assets in the 2010 fiscal year
- 198 General information204 Recognition and
- measurement principles
- 212 Notes to the Income Statement218 Notes to the Balance Sheet
- 227 Additional disclosures
- 248 Events occurring subsequent
- to the balance sheet date 249 Statement of Interests
- held by the Audi Group

Currency risks

The Audi Group is exposed to exchange rate fluctuations in view of its international business activities. The measures implemented to hedge against these currency risks are coordinated regularly between AUDI AG and the Group Treasury of Volkswagen AG, Wolfsburg, in accordance with Volkswagen's organizational guideline.

These risks are limited by concluding appropriate hedges for matching amounts and maturities. The hedging transactions are performed centrally for the Audi Group by Volkswagen AG on the basis of an agency agreement. The results from hedging transactions are credited or debited each month by the Group Treasury of Volkswagen AG on the basis of the contract volume allocated to the Audi Group.

In accordance with the Volkswagen organizational guideline, AUDI AG additionally concludes hedging transactions of its own to a limited extent, where this helps to simplify current operations.

Marketable derivative financial instruments (foreign exchange contracts, currency option transactions and currency swaps) are used for this purpose. Contracts are concluded exclusively with first-rate national and international banks whose creditworthiness is regularly examined by leading rating agencies and Central Risk Management at Volkswagen AG.

For the purpose of managing currency risks, exchange rate hedging in the 2011 fiscal year focused on the U.S. dollar, the pound sterling, the Japanese yen and the Chinese renminbi.

Currency risks pursuant to IFRS 7 arise as a result of financial instruments that are denominated in a currency other than the functional currency and are of a monetary nature. Exchange rate variances from the translation of financial statements into the Group currency (translation risk) are disregarded. Within the Audi Group, the principal non-derivative monetary financial instruments (liquid assets, receivables, securities held and equity instruments held, interest-bearing liabilities, interest-free liabilities) are either denominated directly in the functional currency or substantially transferred to the functional currency through the use of derivatives. Above all, the generally short maturity of the instruments also means that potential exchange rate movements have only a very minor impact on profit or equity.

Currency risks are measured using sensitivity analyses, during which the impact on profit after tax and equity of hypothetical changes to relevant risk variables is assessed. All non-functional currencies in which the Audi Group enters into financial instruments are fundamentally treated as relevant risk variables.

The periodic effects are determined by applying the hypothetical changes in the risk variables to the inventory of financial instruments on the reporting date. It is assumed for this purpose that the inventory on the reporting date is representative of the entire year. Movements in the exchange rates of the underlying currencies for the hedged transactions affect the cash flow hedge reserve in equity and the fair value of these hedging transactions.

Fund price risks

The securities funds created using surplus liquidity are exposed, in particular, to an equity and bond price risk that may arise from fluctuations in stock market prices and indices, and market interest rates. Changes in bond prices resulting from a change in market interest rates, and the measurement of currency risks and other interest rate risks from the securities funds, are quantified separately in the corresponding notes on "Currency risks" and "Interest rate risks." Risks from securities funds are generally countered by maintaining a broad mix of products, issuers and regional markets when making investments, as stipulated in the investment guide-lines. Where necessitated by the market situation, currency hedges in the form of futures contracts are also used. Such measures are coordinated by AUDI AG in agreement with the Group Treasury of Volkswagen AG, Wolfsburg, and implemented at operational level by the securities funds' risk management teams.

Fund price risks are measured within the Audi Group in accordance with IFRS 7 using sensitivity analyses. Hypothetical changes to risk variables on the balance sheet date are examined to calculate their impact on the prices of the financial instruments in the funds. Market prices and indices are particularly relevant risk variables in the case of fund price risks.

Commodity price risks

Commodities are subject to the risk of fluctuating prices given the volatile nature of the commodity markets. Commodity futures are used to limit these risks. The hedging measures are coordinated regularly between AUDI AG and Volkswagen AG, Wolfsburg, in accordance with the existing Volkswagen organizational guideline. The hedging transactions are performed centrally for AUDI AG by Volkswagen AG on the basis of an agency agreement. The results from hedging contracts are credited or debited to the Audi Group on a monthly basis.

Hedging measures relate principally to significant quantities of the commodities aluminum and copper. Contracts are concluded exclusively with first-rate national and international banks whose creditworthiness is regularly examined by leading rating agencies and Central Risk Management at Volkswagen AG.

Commodity price risks are also calculated using sensitivity analyses. Hypothetical changes in listed prices are used to quantify the impact of changes in value of the hedging transactions on equity and on profit after tax.

Interest rate risks

Interest rate risks stem from changes in market rates, above all for medium and long-term variable-rate assets and liabilities.

The Audi Group limits interest rate risks, particularly with regard to the granting of loans and credit, by agreeing fixed interest rates and also through interest rate swaps.

The risks associated with changing interest rates are presented in accordance with IFRS 7 using sensitivity analyses. These involve presenting the effects of hypothetical changes in market interest rates at the balance sheet date on interest payments, interest income and expenses, and, where applicable, equity and profit after tax.

Residual value risks

Residual value risks arise from hedging arrangements with the retail trade or partner companies according to which, in the context of buy-back obligations resulting from concluded lease agreements, effects on profit caused by market-related fluctuations in residual values are partly borne by the Audi Group.

The hedging arrangements are based on residual value recommendations, as adopted by the residual value committee at the time of the contract being concluded, and then on current dealer purchase values on the market at the time of the residual value hedging being settled. The residual value recommendations are based on the forecasts provided by various independent institutions using transaction prices.

Residual value risks are also calculated using sensitivity analyses. Hypothetical changes in the market prices of used cars at the balance sheet date are used to quantify the impact on profit after tax.

Quantifying currency risks by means of sensitivity analyses

If the functional currencies had in each case increased or decreased in value by 10 percent compared with the other currencies as of the balance sheet date, the following major effects on the hedging provision in equity and on profit would have resulted. From the 2011 fiscal year onward, the effect of currency changes is reported after taxes. The previous year's figures have been adjusted accordingly for the purposes of comparison. Adding up the individual figures is not an appropriate approach, as the results for each functional currency are based on differing scenarios.

Consolidated Financial Statements

100 T

- 188 Income Statement189 Statement of Recognized
- Income and Expense
- 190 Balance Sheet
- 191 Cash Flow Statement
- 192 Statement of Changes in Equity

- 194 Development of fixed assets in the 2011 fiscal year
- 196 Development of fixed assets in the 2010 fiscal year
- 198 General information 204 Recognition and
- measurement principles
- 212 Notes to the Income Statement
- 218 Notes to the Balance Sheet227 Additional disclosures
- 248 Events occurring subsequent
 - to the balance sheet date
- 249 Statement of Interests held by the Audi Group

EUR million	D	Dec. 31, 2011		Dec. 31, 2010	
	+10%	-10%	+10%	-10%	
Currency relation					
EUR/USD		Ì	Î		
Hedging provision	900	-873	880	-833	
Profit after income taxes	-116	104	14	-34	
EUR/GBP					
Hedging provision	331	-331	229	-229	
Profit after income taxes	0	-0	0	-0	
EUR/JPY					
Hedging provision	184	-184	89	-89	
Profit after income taxes	1	-1	-1	1	
EUR/CNY					
Hedging provision	150	-150	-	-	
Profit after income taxes	-37	37	0	-0	

Quantifying other market risks by means of sensitivity analyses

The measurement of other market risks pursuant to IFRS 7 is also carried out using sensitivity analyses in the Audi Group. Hypothetical changes to risk variables on the balance sheet date are examined to calculate their impact on the corresponding Balance Sheet items and on the result. Depending on the type of risk, there are various possible risk variables (primarily equity prices, commodity prices, market interest rates, market prices of used cars). From the 2011 fiscal year onward, the effect of changes to these factors is reported after taxes. The previous year's figures have been adjusted accordingly for the purposes of comparison.

The sensitivity analyses carried out enabled the following other market risks to be quantified for the Audi Group:

	Data in		2011		2010
Fund price risks					
Change in share prices	Percent	+10	-10	+10	-10
Effects on equity capital	EUR million	-5	5	6	-6
Commodity price risks					
Change in commodity prices	Percent	+10	-10	+10	-10
Effects on equity capital	EUR million	26	-26	32	-32
Effects on results	EUR million	59	-59	31	-31
Interest rate change risks					
Change in market interest rate	Basis points	+100	-100	+100	-100
Effects on equity capital	EUR million	18	-17	-9	10
Effects on results	EUR million	13	-14	5	-5
Residual value risks					
Change in market prices of used cars	Percent	+10	-10	+10	-10
Effects on results	EUR million	141	-127	159	-90

34.5 Methods of monitoring the effectiveness of hedging relationships

Within the Audi Group, the effectiveness of hedging relationships is evaluated prospectively using the critical terms match method, as well as by means of statistical methods in the form of a regression analysis. Retrospective evaluation of the effectiveness of hedges involves an effectiveness test in the form of the dollar offset method or in the form of a regression analysis. In the case of the dollar offset method, the changes in value of the underlying transaction, expressed in monetary units, are compared with the changes in value of the hedge, expressed in monetary units. All hedge relationships were effective within the range specified in IAS 39 (80 to 125 percent).

In the case of regression analysis, the performance of the underlying transaction is viewed as an independent variable, while that of the hedging transaction is regarded as a dependent variable. The transaction is classed as effective hedging if the coefficients of determination and escalation factors are appropriate. All of the hedging relationships verified using this statistical method proved to be effective as of the year-end date.

In 2011 there was ineffectiveness resulting from cash flow hedges amounting to EUR 3 (10) million.

Nominal volume of cash flow hedges

The nominal volumes of the presented cash flow hedges for hedging currency risks and commodity price risks represent the total of all buying and selling prices on which the transactions are based.

EUR million	Nominal volumes				
	Dec. 31, 2011	Residual time to maturity up to 1 year	Residual time to maturity up to 5 years	Dec. 31, 2010	
Cash flow hedges	27,961	10,232	17,729	21,664	
Foreign exchange contracts	27,156	10,011	17,145	20,330	
Currency option transactions	454	144	310	989	
Commodity futures	351	77	274	345	

The derivative financial instruments used exhibit a maximum hedging term of five years.

35 Cash Flow Statement

The Cash Flow Statement details the payment streams for both the 2011 fiscal year and the previous year, categorized according to cash used and received for operating, investing and financing activities. The effects of changes in foreign exchange rates on cash flows are presented separately.

Cash flow from operating activities includes all payment streams in connection with ordinary activities and is presented using the indirect calculation method. Starting from the profit before profit transfer and tax, all income and expenses with no impact on cash flow (mainly write-downs) are excluded.

The cash and cash equivalents item has been more narrowly defined for the purposes of the Cash Flow Statement in line with internal liquidity management. The figures from 2010 included in the Cash Flow Statement have been adjusted accordingly.

EUR million	Dec. 31, 2011	Jan. 1, 2011	Jan. 1, 2010
Cash and cash equivalents as per Cash Flow Statement (bank assets and cash deposits with maturities of			
no more than three months)	4,675	5,961	4,053
Currently due fixed deposits	3,838	4,763	2,402
Cash and cash equivalents as per Balance Sheet	8,513	10,724	6,455
Fixed deposits and loans with maturities of more than three months	6,801	2,134	3,965
Securities	1,596	1,350	824
Gross liquidity	16,909	14,208	11,244
Credit outstanding	-1,193	-825	-579
Net liquidity	15,716	13,383	10,665

Consolidated Financial Statements

100 1----

- 188 Income Statement189 Statement of Recognized
- Income and Expense
- 190 Balance Sheet 191 Cash Flow Stat
- 191 Cash Flow Statement192 Statement of Changes in Equity

- 194 Development of fixed assets in the 2011 fiscal year
- 196 Development of fixed assets in the 2010 fiscal year
- 198 General information204 Recognition and
- measurement principles
- 212 Notes to the Income Statement
- 218 Notes to the Balance Sheet
- 227 Additional disclosures
- 248 Events occurring subsequent
- to the balance sheet date 249 Statement of Interests held by the Audi Group

The adjusted figures for cash and cash equivalents pursuant to IAS 7 are EUR 5,961 million (previously: EUR 10,724 million) as of December 31, 2010 and EUR 4,053 million (previously: EUR 6,455 million) as of January 1, 2010; the figures for cash flow from investment activity have been adjusted accordingly. Fixed deposits with a maturity of more than three months are not classed as cash equivalents on the reporting date regardless of the maturity date. There is no impact on gross or net liquidity.

Cash flow from operating activities in 2011 included payments for interest received amounting to EUR 180 (98) million and for interest paid amounting to EUR 45 (19) million. In 2011, the Audi Group received dividends and profit transfers totaling EUR 211 (173) million. The income tax payments item substantially comprises payments made to Volkswagen AG, Wolfsburg, on the basis of the single-entity relationship for tax purposes in Germany, as well as payments to for-eign tax authorities.

Cash flow from investing activities includes capitalized development costs as well as additions to other intangible assets, property, plant and equipment, long-term investments and non-current loans extended. The proceeds from the disposal of assets, the proceeds from the sale of shares, and the change in securities and fixed deposits are similarly reported in cash flow from investing activities.

The acquisition of subsidiaries resulted in an outflow of EUR 37 (145) million, which includes changes to cash and cash equivalents from first-time consolidations and capital increases in the case of non-consolidated subsidiary companies. The acquisition of investments in other participating interests resulted in an outflow of EUR 27 (63) million.

Cash flow from financing activities includes cash used for the transfer of profit, as well as changes in financial liabilities.

The changes in the Balance Sheet items that are presented in the Cash Flow Statement cannot be derived directly from the Balance Sheet because the effects of currency translation and of changes in the group of consolidated companies do not affect cash and are segregated.

EUR million	Dec. 31, 2011	Dec. 31, 2010
Cash and cash equivalents as per Balance Sheet	8,513	10,724
Currently due fixed deposits	-3,838	-4,763
Cash and cash equivalents as per Cash Flow Statement (bank assets and cash deposits with maturities of no more than three months)	4,675	5,961

36 Contingencies

Contingencies are unrecognized contingent liabilities whose amount corresponds to the maximum possible use as of the balance sheet date.

EUR million	Dec. 31, 2011	Dec. 31, 2010
Liabilities from guarantees	61	39
Furnishing of collateral for outside liabilities	70	49
Total	131	89

37 Litigation

Neither AUDI AG nor any of its Group companies are involved in ongoing or prospective legal or arbitration proceedings which could have a significant influence on their economic position. Appropriate provisions have been created within each Group company, or adequate insurance benefits are anticipated, for potential financial charges resulting from other legal or arbitrational proceedings.

38 Change of control agreements

Change of control clauses are contractual agreements between a company and third parties to provide for legal succession should there be a direct or indirect change in the ownership structure of any party to the contract.

The main contractual agreements between the Audi Group and third parties do not contain any change of control clauses in the event of a change in the ownership structure of AUDI AG or its subsidiaries.

39 Other financial obligations

EUR million	Due Dec. 31, 2011			Due Dec. 31, 2010		
	Within 1 year	1 to 5 years	Over 5 years	Total	Over 1 year	Total
Ordering commitments for						
property, plant and equipment	1,145	365	-	1,511	465	1,309
intangible assets	165	45	-	210	22	158
Commitments from long-term rental and lease agreements	67	214	161	442	240	295
Miscellaneous financial obligations	391	360	30	781	302	431
Total	1,769	984	191	2,944	1,028	2,192

Supply contracts are in place for series production material. Binding orders are placed and contracts are activated for the material as such material is needed on the basis of the detailed production and sales schedule.

40 Discontinued operations

There are no plans to discontinue or cease operations as defined by IFRS 5.

41 Cost of materials

EUR million	2011	2010
Raw materials and consumables used, as well as purchased goods	26,334	19,665
Purchased services	2,259	2,137
Total	28,594	21,802

42 Personnel costs

EUR million	2011	2010
Wages and salaries	4,289	3,573
Social insurance and expenses for retirement benefits and support payments	787	701
of which relating to retirement benefit plans	88	88
of which defined contribution pension plans	281	269
Total	5,076	4,274

Subsidies from the German Federal Employment Agency in the amount of EUR 21 (5) million were recognized in other operating income. The subsidies are paid in accordance with the conditions defined in the German Law on Partial Early Retirement.

Consolidated Financial Statements

- 188 Income Statement 189 Statement of Recognized
- Income and Expense
- 190 Balance Sheet 191
- Cash Flow Statement 192 Statement of Changes in Equity

- 194 Development of fixed assets in the 2011 fiscal year
- 196 Development of fixed assets in the 2010 fiscal year
- 198 General information 204 Recognition and
- measurement principles
- 212 Notes to the Income Statement
- 218 Notes to the Balance Sheet 227 Additional disclosures
- 248 Events occurring subsequent
 - to the balance sheet date
- 249 Statement of Interests held by the Audi Group

43 Total average number of employees for the year

	2011	2010
Domestic companies	47,182	45,914
Foreign companies	13,017	11,038
Employees	60,199	56,952
Apprentices	2,322	2,269
Employees of Audi Group companies	62,521	59,221
Staff employed from other Volkswagen Group companies not belonging to the Audi Group	285	292
Workforce	62,806	59,513

44 Related party disclosures

Related parties as defined in IAS 24 are:

- the parent company, Volkswagen AG, Wolfsburg, and its subsidiaries and main participating interests outside the Audi Group,
- Porsche Automobil Holding SE, Stuttgart, and its affiliated companies and related parties (the company's voting interest in Volkswagen AG on December 31, 2011 was 50.73 percent),
- other parties (individuals and companies) that could be affected by the reporting entity or that could influence the reporting entity, such as
 - the members of the Board of Management and Supervisory Board of AUDI AG,
 - the members of the Board of Management and Supervisory Board of Volkswagen AG,
 - associated companies,
 - non-consolidated subsidiaries.

The volume of transactions with the parent company, Volkswagen AG, and with other subsidiaries that do not belong to the Audi Group is presented in the following overview:

EUR million	2011	2010
Sales and services supplied to		
Volkswagen AG	4,623	3,586
Volkswagen AG subsidiaries and participating interests not belonging to the Audi Group	10,421	7,860
Purchases and services received from		
Volkswagen AG	5,729	5,156
Volkswagen AG subsidiaries and participating interests not belonging to the Audi Group	3,645	2,804
Receivables from		
Volkswagen AG	9,290	8,059
Volkswagen AG subsidiaries and participating interests not belonging to the Audi Group	6,796	5,861
Commitments ¹⁾ toward		
Volkswagen AG	5,596	5,675
Volkswagen AG subsidiaries and participating interests not belonging to the Audi Group	3,954	1,384
Contingent liabilities to		
Volkswagen AG	-	-
Volkswagen AG subsidiaries and participating interests not belonging to the Audi Group	101	68
Collateral posted with		
Volkswagen AG	-	-
Volkswagen AG subsidiaries and participating interests not belonging to the Audi Group	150	150

1) Previous year adjusted due to the first-time application of amended IAS 24.

As of December 31, 2011, sales of receivables to Volkswagen AG subsidiaries not belonging to the Audi Group amounted to EUR 3,109 (2,290) million.

The possibility of a claim arising from contingencies is not regarded as likely. The extent of business relations between fully consolidated companies of the Audi Group and non-consolidated subsidiaries and associated companies of AUDI AG as well as other related parties is presented in the following tables:

EUR million	2011	2010	2011	2010
	Goods and	services supplied	Goods and	services received
Associated companies of AUDI AG	8,184	2,789	95	77
Non-consolidated subsidiaries of AUDI AG	112	227	305	86
Porsche companies	124	818	7	41

EUR million	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010
		Receivables from		Liabilities to
Associated companies of AUDI AG	484	169	83	123
Non-consolidated subsidiaries of AUDI AG	66	39	45	48
Porsche companies	1	10	0	2

The "Porsche companies" group encompasses the business relationships with Porsche Holding Gesellschaft m.b.H., Salzburg (Austria), and its subsidiaries. Up to and including February 28, 2011, Porsche Holding Gesellschaft m.b.H., Salzburg (Austria), and its majority shareholdings were included among the Audi Group's related parties. Since being taken over by Volkswagen AG, Wolfsburg, with effect from March 1, 2011, they are now included in the group of "Consolidated Volkswagen AG subsidiaries not belonging to the Audi Group."

No business relations existed with Porsche Automobil Holding SE, Stuttgart.

All business transactions with related parties have been conducted on the basis of international comparable uncontrolled price methods pursuant to IAS 24, according to the terms that customarily apply to outside third parties. The goods and services procured from related parties primarily include supplies for production and supplies of genuine parts, as well as development, transportation, financial and distribution services, and, to a lesser extent, design, training and other services. Business transacted for related parties mainly comprises sales of new and used cars, engines and components, and allocation of cash and cash equivalents in the form of loans, fixed deposits and overnight deposits.

Members of the Boards of Management or Supervisory Boards of Volkswagen AG and AUDI AG also belong to the supervisory or management boards of other companies with which the Audi Group maintains business relations. All transactions with such companies are similarly conducted according to the terms that customarily apply to outside third parties. In this connection, goods and services amounting to a total value of EUR 320 (200) thousand were provided to the German state of Lower Saxony and to companies in which the state of Lower Saxony holds a majority stake.

A full list of the supervisory board mandates of members of the Board of Management and Supervisory Board of AUDI AG is presented in the 2011 Annual Financial Report of AUDI AG. The service relationships with the members of the Boards of Management and Supervisory Boards of Volkswagen AG and AUDI AG were conducted at arm's length. As in the previous year, the volume of transactions was low. Overall, services in the amount of EUR 700 (443) thousand were procured from this group of individuals during the reporting year, with services in the amount of EUR 113 (23) thousand being rendered on the part of the Audi Group. Receivables totaled EUR 21 thousand. For details of the remuneration paid to the members of the Board of Management and Supervisory Board of AUDI AG, please refer to Note 48, "Details relating to the Supervisory Board and Board of Management."

The employee representatives employed at AUDI AG in the Supervisory Board continue to receive their normal salary in accordance with their employment contract. This is based on the provisions of the German Works Constitution Act and corresponds to an appropriate remuneration for the function or activity exercised in the company. This similarly applies to representatives of executive staff.

Consolidated Financial Statements

- 188 Income Statement
- 189 Statement of Recognized
- Income and Expense
- 190 Balance Sheet 191 Cash Flow Stat
- 191 Cash Flow Statement192 Statement of Changes in Equity

- 194 Development of fixed assets in the 2011 fiscal year
- 196 Development of fixed assets in the 2010 fiscal year
- 198 General information204 Recognition and
- measurement principles
- 212 Notes to the Income Statement218 Notes to the Balance Sheet
- 227 Additional disclosures
- 248 Events occurring subsequent
- to the balance sheet date 249 Statement of Interests
- held by the Audi Group

AUDI AG and its Group companies primarily deposit their cash funds with the Volkswagen Group or take up cash funds from the Volkswagen Group. All transactions are processed under market conditions.

45 Auditor's fees

EUR thousand	2011	2010
Auditing of the financial statements	1,015	732
Other assurance services	243	169
Tax consultancy services	84	87
Other services	108	103
Total	1,450	1,091

Based on the requirements of commercial law, the auditor's fees include auditing of the Consolidated Financial Statements and auditing of the annual financial statements of the domestic consolidated companies.

46 Segment reporting

The segmentation of business activities is based on the internal management of the Company in accordance with IFRS 8.

The Audi Group focuses its economic activities on automotive business. As a result, both internal reporting and the voting, management and decision-making processes at the level of the full Board of Management are geared toward the Audi Group as a corporate unit in the sense of a single-segment structure focused on the automotive business. There is therefore no further segmentation of the Group as defined in IFRS 8.

The central performance and management key figure for the Audi Group is its "operating profit." Internal reporting corresponds to external IFRS reporting.

EUR million	2011	2010
Operating profit	5,348	3,340

The full Board of Management regularly monitors, among others, the following financial and economic key figures (also on a Group basis):

		2011	2010
Profit before tax	EUR million	6,041	3,634
Deliveries to customers – Audi brand	Vehicles	1,302,659	1,092,411
Audi brand sales	Vehicles	1,327,544	1,124,295
Audi brand production	Vehicles	1,363,788	1,148,791
Investments in property, plant and equipment and intangible assets (excluding development work and financial leasing)	EUR million	2,266	1,449
Capex ratio ¹⁾	%	5.1	4.1
Inventories (including current leased assets)	EUR million	4,377	3,354
Net liquidity	EUR million	15,716	13,383
Workforce at Dec. 31		63,839	60,395
Return on investment	%	35.4	24.7
Capital turnover ²⁾		4.2	3.7

1) Capex ratio = Investments in property, plant and equipment and intangible assets (excluding development work and financial leasing)/revenue

2) Capital turnover = Turnover/average invested assets

Investment and depreciation and amortization developed as follows:

EUR million	2011	2010
Investments in property, plant and equipment and intangible assets	2,285	1,449
Additions of capitalized development work	596	630
Long-term investments	89	67
Total	2,970	2,146

EUR million	2011	2010
Impairment losses on property, plant and equipment and intangible assets	1,395	1,542
Amortization of capitalized development work	397	626
Impairment losses on long-term investments	-	1
Depreciation of leased assets	1	1
Total	1,793	2,170

The Audi Group primarily generates revenues from the sale of cars. In addition to the Audi brand, sales also comprise vehicles of the Lamborghini brand and vehicles of the other brands in the Volkswagen Group.

EUR million	2011	2010
Audi brand	34,456	27,423
Lamborghini brand	268	227
Volkswagen brand	2,991	2,611
SEAT brand	204	189
Škoda brand	226	235
Bentley brand	23	11
Vehicle sales	38,168	30,697
Other car business	5,928	4,744
Revenue	44,096	35,441

The Audi Group, through Volkswagen AG, Wolfsburg, and also through the affiliated companies of the VW Group, has key accounts with whom there exists a relationship of dependence:

Revenue with key accounts		2011		2010
	EUR million	%	EUR million	%
Volkswagen AG, Wolfsburg	3,684	8.4	3,156	8.9
Affiliated companies of the Volkswagen Group excluding fully consolidated companies of the Audi Group	9,877	22.4	7,747	21.9

The Audi Group's revenue was generated in the following regions:

Sales revenues by region		2011		2010
	EUR million	%	EUR million	%
Germany	9,212	20.9	8,546	24.1
Rest of Europe	16,814	38.1	15,017	42.4
Asia-Pacific	12,127	27.5	7,044	19.9
North America	5,003	11.3	4,125	11.6
South America	550	1.2	371	1.0
Africa	389	0.9	337	1.0
Total	44,096	100.0	35,441	100.0

Consolidated Financial Statements

State	ments	
100	T	~

- 188 Income Statement189 Statement of Recognized
- Income and Expense
- 190 Balance Sheet
- 191 Cash Flow Statement192 Statement of Changes in Equity

Notes to the Consolidated Financial Statements

- 194 Development of fixed assets in the 2011 fiscal year
- 196 Development of fixed assets in the 2010 fiscal year
- 198 General information 204 Recognition and
 - measurement principles
- 212 Notes to the Income Statement
- 218 Notes to the Balance Sheet227 Additional disclosures
- 248 Events occurring subsequent

held by the Audi Group

to the balance sheet date 249 Statement of Interests

47 German Corporate Governance Code

The Board of Management and Supervisory Board of AUDI AG submitted the declaration pursuant to Section 161 of the German Stock Corporation Act (AktG) relating to the German Corporate Governance Code on November 23, 2011, and made it permanently accessible on the Internet at www.audi.com/cgk-declaration.

48 Details relating to the Supervisory Board and Board of Management

The remuneration paid to members of the Board of Management complies with the legal requirements as well as with the recommendations of the German Corporate Governance Code. The total short-term remuneration comprises fixed and variable components. The fixed components assure a base remuneration that enables the members of the Board of Management to execute their duties conscientiously and in the best interests of the Company, without becoming dependent upon the attainment of short-term targets. Conversely, variable components that are contingent on the economic position of the Company reconcile the interests of the Board of Management with those of the other stakeholders.

The remuneration paid to members of the Board of Management for the 2011 fiscal year was EUR 14,286 (10,136) thousand, of which EUR 4,084 (3,261) thousand related to fixed remuneration components and EUR 10,202 (6,875) thousand to variable components.

Disclosure of the remuneration paid to each individual member of the Board of Management, by name, pursuant to Section 314, Para. 1, No. 6a), Sentences 5 to 9 of the German Commercial Code (HGB) has not been effected, as the Annual General Meeting on May 12, 2011 adopted a corresponding resolution that is valid for the fiscal years 2011 to 2016.

In addition to fixed payments in cash, there are varying levels of contributions in kind, including, in particular, the use of company cars.

The variable remuneration component paid to each member of the Board of Management comprises a bonus based on the business performance of the previous two years and, since 2010, has also comprised a long-term incentive (LTI). Using a launch scenario, the LTI will be granted to the Board for the first time in 2011, based on the 2010 fiscal year and the anticipated performance in 2011. In 2012, the performance of the 2010 and 2011 fiscal years will be taken into account; in 2013, the performance of 2010 to 2012 will be considered. From 2014 onward, the preceding four years will be used as a basis.

Under certain circumstances, members of the Board of Management are entitled to retirement benefits and a disability pension. In the 2011 fiscal year, EUR 6,090 (3,419) thousand was allocated to the provisions for pensions for current members of the Board of Management. As at December 31, 2011, the provisions for pensions totaled EUR 16,161 (10,070) thousand. Former members of the Board of Management and their dependents received

EUR 2,987 (4,193) thousand. This included payments resulting from termination of office of EUR 1,367 (2,600) thousand. The provisions for pensions for this group of individuals amount to EUR 31,843 (25,520) thousand.

The members of the Board of Management and details of their seats on other supervisory boards and regulatory bodies – as defined in Section 285, Sentence 1, No. 10 of the German Commercial Code (HGB) and Section 125, Para. 1, Sentence 3 of the German Stock Corporation Act (AktG) – are listed in the Notes to the Annual Financial Report of AUDI AG.

The basic features of the remuneration paid to members of the Supervisory Board are stipulated in Section 16 of the Articles of Incorporation and Bylaws. The total short-term remuneration comprises fixed and variable components. The level of the variable remuneration components is based on the compensatory payment made for the 2011 fiscal year in accordance with the applicable provision in the Articles of Incorporation and Bylaws. The total remuneration paid to the Supervisory Board of AUDI AG, pursuant to Section 285, Para. 9a of the German Commercial Code (HGB), was EUR 973 (698) thousand, of which EUR 202 (195) thousand related to fixed components and EUR 771 (503) thousand to variable components.

EXPENSES FOR REMUNERATION OF THE SUPERVISORY BOARD

EUR	Fixed	Variable	Total 2011
Prof. Dr. rer. nat. DrIng. e. h. Martin Winterkorn	-	-	-
Berthold Huber ¹⁾	20,000	80,800	100,800
Dr. rer. pol. h. c. Bruno Adelt	11,000	40,400	51,400
Senator h. c. Helmut Aurenz	11,000	40,400	51,400
Heinz Eyer 1)	11,000	40,400	51,400
Dr. rer. pol. h. c. Francisco Javier Garcia Sanz	-	-	-
Johann Horn 1)	10,500	40,400	50,900
Peter Kössler	11,000	40,400	51,400
Peter Mosch 1)	15,500	60,600	76,100
Wolfgang Müller ¹⁾	11,000	40,400	51,400
Prof. Dr. rer. pol. Horst Neumann	-	-	-
DrIng. Franz-Josef Paefgen	6,250	23,567	29,817
HonProf. Dr. techn. h. c. DiplIng. ETH Ferdinand K. Piëch	15,500	60,600	76,100
Dr. jur. Hans Michel Piëch	11,000	40,400	51,400
DiplWirtschIng. Hans Dieter Pötsch	-	-	-
Dr. jur. Ferdinand Oliver Porsche	15,500	60,600	76,100
Norbert Rank ¹⁾	15,500	60,600	76,100
Jörg Schlagbauer ¹⁾	15,500	60,600	76,100
Helmut Späth ¹⁾	11,000	40,400	51,400
Max Wäcker ¹⁾	11,000	40,400	51,400
Total	202,250	770,967	973,217

1) The employees' elected representatives have stated that their remuneration as Supervisory Board members shall be paid to the Hans Böckler Foundation, in accordance with the guidelines of the German Confederation of Trade Unions.

The actual payment of individual parts of the total remuneration will be made in fiscal 2012, pursuant to Section 16 of the Articles of Incorporation and Bylaws.

Consolidated Financial Statements

- 188 Income Statement
- 189 Statement of Recognized
- Income and Expense 190 Balance Sheet
- 190 Balance Sheet 191 Cash Flow Statement
- 192 Statement of Changes in Equity

- 194 Development of fixed assets in the 2011 fiscal year
- 196 Development of fixed assets in the 2010 fiscal year
 198 General information
- 198 General information204 Recognition and
- measurement principles
- 212 Notes to the Income Statement
- 218 Notes to the Balance Sheet
- 227 Additional disclosures
- 248 Events occurring subsequent to the balance sheet date
- 249 Statement of Interests held by the Audi Group

Supervisory Board 1)

Position as of Dec. 31, 2011	
Prof. Dr. rer. nat. DrIng. e. h. Martin Winterkorn	Chairman ²⁾ Stockholder representative
Berthold Huber	Deputy Chairman Employee representative
Dr. rer. pol. h. c. Bruno Adelt	Stockholder representative
Senator h. c. Helmut Aurenz	Stockholder representative
Heinz Eyer	Employee representative
Dr. rer. pol. h. c. Francisco Javier Garcia Sanz	Stockholder representative
Johann Horn	Employee representative
Peter Kössler	Employee representative
Peter Mosch	Employee representative ²⁾
Wolfgang Müller	Employee representative
Prof. Dr. rer. pol. Horst Neumann	Stockholder representative
DrIng. Franz-Josef Paefgen	Stockholder representative
HonProf. Dr. techn. h. c. DiplIng. ETH Ferdinand K. Piëch	Stockholder representative ²⁾
Dr. jur. Hans Michel Piëch	Stockholder representative
DiplWirtschIng. Hans Dieter Pötsch	Stockholder representative ³⁾
Dr. jur. Ferdinand Oliver Porsche	Stockholder representative ⁵⁾
Norbert Rank	Employee representative 4)
Jörg Schlagbauer	Employee representative ⁵⁾
Helmut Späth	Employee representative
Max Wäcker	Employee representative
Dr. rer. pol. Carl H. Hahn	Honorary Chairman

1) The profession and company of the members of the Supervisory Board, together with other non-executive directorships, are presented in the Notes to AUDI AG's Annual Financial Report.

2) Member of the Presiding Committee and the Negotiating Committee

3) Chairman of the Audit Committee

4) Deputy Chairman of the Audit Committee

5) Member of the Audit Committee

EVENTS OCCURRING SUBSEQUENT TO THE BALANCE SHEET DATE

There were no events after December 31, 2011 subject to a reporting obligation in accordance with IAS 10.

Statement of Interests held by the Audi Group

for the fiscal year ended December 31, 2011

PRINCIPAL GROUP COMPANIES

Consolidated	Financial
Ctatomonto	

State	ments	
100	T	CLA

188	Income Statement
189	Statement of Recognized

- Income and Expense
- 190 Balance Sheet
- 190 Batance Street191 Cash Flow Statement192 Statement of Changes in Equity

Notes to the Consolidated **Financial Statements**

- 194 Development of fixed assets in the 2011 fiscal year
- 196 Development of fixed assets in the 2010 fiscal year
- 198 General information 204 Recognition and
 - measurement principles
- 212 Notes to the Income Statement 218 Notes to the Balance Sheet
- 227 Additional disclosures
- 248 Events occurring subsequent
 - to the balance sheet date
- 249 Statement of Interests held by the Audi Group

ame and registered office	Capital share in %
Illy consolidated companies	
Germany	
AUDI AG, Ingolstadt	
Audi Retail GmbH, Ingolstadt	100.0
Audi Zentrum Berlin GmbH, Berlin	100.0
Audi Zentrum Frankfurt GmbH, Frankfurt	100.0
Audi Zentrum Hamburg GmbH, Hamburg	100.0
Audi Zentrum Hannover GmbH, Hanover	100.0
Audi Zentrum Leipzig GmbH, Leipzig	100.0
Audi Zentrum Stuttgart GmbH, Stuttgart	100.0
Audi Vertriebsbetreuungsgesellschaft mbH, Ingolstadt	100.0
quattro GmbH, Neckarsulm	100.0
Other countries	
Audi Australia Pty Ltd., Zetland (Australia)	100.0
AUDI AUSTRALIA RETAIL OPERATIONS PTY LTD., Zetland (Australia)	100.0
Audi Brasil Distribuidora de Veículos Ltda., São Paulo (Brazil)	100.0
AUDI BRUSSELS S.A./N.V., Brussels (Belgium)	100.0
AUDI BRUSSELS PROPERTY S.A./N.V., Brussels (Belgium)	100.0
Audi (China) Enterprise Management Co. Ltd., Beijing (China)	100.0
AUDI HUNGARIA SERVICES Zrt., Győr (Hungary)	100.0
AUDI HUNGARIA MOTOR Kft., Győr (Hungary)	100.0
Audi Japan K.K., Tokyo (Japan)	100.0
Audi Japan Sales K.K., Tokyo (Japan)	100.0
AUDI SINGAPORE PTE. LTD., Singapore (Singapore)	100.0
AUDI TAIWAN CO., LTD., Taipei (Taiwan)	100.0
Audi Volkswagen Korea Ltd., Seoul (South Korea)	100.0
Audi Volkswagen Middle East FZE, Dubai (United Arab Emirates)	100.0
Automobili Lamborghini S.p.A., Sant'Agata Bolognese (Italy)	100.0
MML S.p.A., Sant'Agata Bolognese (Italy)	100.0
Italdesign Giugiaro S.p.A., Turin (Italy)	90.1
VOLKSWAGEN GROUP ITALIA S.P.A., Verona (Italy)	100.0
VOLKSWAGEN GROUP FIRENZE S.P.A., Florence (Italy)	100.0
Audi Canada Inc., Ajax (Canada) 1)	-
Audi of America, LLC, Herndon, Virginia (USA) ¹⁾	-
Automobili Lamborghini America, LLC, Wilmington, Delaware (USA) ¹⁾	-
Companies accounted for using the equity method	
Other countries	
FAW-Volkswagen Automotive Company, Ltd., Changchun (China)	10.0

1) AUDI AG exercises control pursuant to IAS 27.13, Sentence 2 (c).

Responsibility Statement

"Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Group Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group."

Ingolstadt, February 6, 2012

The Board of Management

Rupert Stadler

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Ulf Berkenhagen

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Michael Dick

, Ler Frank Dreves

fitungin

Peter Schwarzenbauer

Thomas Sigi

Axel Strotbek

This report was originally prepared in the German language. In case of ambiguities the German version shall prevail:

"Auditor's Report

We have audited the Consolidated Financial Statements prepared by AUDI Aktiengesellschaft, Ingolstadt – comprising the income statement and statement of recognized income and expense, the balance sheet, the cash flow statement, the statement of changes in equity and the notes to the Consolidated Financial Statements – together with the Group Management Report for the business year from January 1 to December 31, 2011. The preparation of the Consolidated Financial Statements and the Group Management Report in accordance with the IFRS, as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315a, Para. 1 of the German Commercial Code (HGB) are the responsibility of the parent company's Board of Managing Directors. Our responsibility is to express an opinion on the Consolidated Financial Statements and on the Group Management Report based on our audit.

We conducted our audit of the Consolidated Financial Statements in accordance with Section 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany, IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the Consolidated Financial Statements in accordance with the applicable financial reporting framework and in the Group Management Report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the Consolidated Financial Statements and the Group Management Report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of the entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the Company's Board of Managing Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements and the Group Management Report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based on the findings of our audit, the Consolidated Financial Statements comply with the IFRS as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315a, Para. 1 HGB, and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The Group Management Report is consistent with the Consolidated Financial Statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development."

Munich, February 6, 2012

PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft

Harald Kayser Wirtschaftsprüfer Klaus Schuster Wirtschaftsprüfer

Declaration of the AUDI AG Board of Management

on the 2011 Consolidated Financial Statements

The Board of Management of AUDI AG is responsible for the preparation of the Consolidated Financial Statements and Group Management Report. Reporting is performed on the basis of the International Financial Reporting Standards (IFRS) as applicable within the European Union, and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC). The Group Management Report is prepared in accordance with the requirements of the German Commercial Code. Under Section 315a of the German Commercial Code, AUDI AG is obliged to prepare its Consolidated Financial Statements in accordance with the requirements of the International Statements in Accounting Standards Board (IASB).

The regularity of the Consolidated Financial Statements and Group Management Report is assured by means of internal controlling systems, the implementation of uniform guidelines throughout the Group, and employee training and advancement measures. Compliance with the legal requirements and with internal Group guidelines, as well as the reliability and functioning of the systems of controlling, are checked on an ongoing basis throughout the Group. The early warning function required by law is achieved by means of a Group-wide risk management system that enables the Board of Management to identify potential risks at an early stage and initiate corrective action as necessary.

PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Munich, has examined the Consolidated Financial Statements and Group Management Report in its capacity as independent auditor, in accordance with the resolution of the Annual General Meeting, and issued its unqualified certification as shown on the previous page.

The Consolidated Financial Statements, the Group Management Report, the Audit Report and the measures to be taken by the Board of Management for the prompt identification of risks which could pose a threat to the Company's survival were discussed at length by the Supervisory Board in the presence of the auditors. The findings of this examination are indicated in the Report of the Supervisory Board.

Corporate Governance Report

CORPORATE GOVERNANCE

German Corporate Governance Code in 2011

On July 2, 2010, the Federal Ministry of Justice announced a new version of the German Corporate Governance Code dated May 26, 2010 in the official section of the electronic version of the German Federal Gazette. The Board of Management and Supervisory Board of AUDI AG again discussed at length the recommendations and suggestions in the Code during the past fiscal year and passed the appropriate resolutions.

Implementation of the recommendations and suggestions

The recommendations of the Code in the version from May 26, 2010 were adhered to. However, the Supervisory Board did not form a nominating committee (Section 5.3.3 of the Code). In the opinion of the Board, such a committee would merely increase the number of committees without noticeably improving the work done by the Supervisory Board. Furthermore, the elections to the Supervisory Board do not take the form of elections of individuals (Section 5.4.3, Sentence 1 of the Code). Elections by list are common practice in democratic elections. Since November 23, 2009, a cap on severance payments has been agreed when entering into new contracts with members of the Board of Management, in compliance with Section 4.2.3 of the Code. However, contracts that were signed prior to this date remain unaffected by the rules due to the protection of vested rights.

The response to the suggestions made in the Code is as follows:

AUDI AG will broadcast the Annual General Meeting on the Internet up until the start of the discussion. This strikes a balance between the need for information and the general right to privacy of the individual stockholder. This procedure means that there is no need to ensure that stockholders who are not attending the meeting can contact a voting proxy of the Company during the Annual General Meeting (Section 2.3.3, Sentence 3, 2nd half of sentence of the Code). Additionally, the performance-based remuneration paid to members of the Supervisory Board does not contain any components relating to the long-term business performance of the Company (Section 5.4.6, Para. 2, Sentence 2 of the Code). Public discussion of this issue among experts will continue to be monitored.

Particulars pursuant to Section 6.6 of the Code

No reportable acquisition or sales transactions were conducted during the past fiscal year.

Stock option plans and similar securities-based incentive arrangements

AUDI AG does not offer any such plans or incentive arrangements.

System of remuneration

The basic principles of the remuneration system for the members of the Supervisory Board and Board of Management are outlined in the Notes to this Annual Report under "Details relating to the Supervisory Board and Board of Management." This information is also available on the Company's website (www.audi.com/notes).

Declaration relating to the Code on the Internet

The joint declaration of the Board of Management and Supervisory Board of AUDI AG on the recommendations of the German Corporate Governance Code was published on the Audi website (www.audi.com/cgk-declaration) on November 23, 2011.

CORPORATE MANAGEMENT DECLARATION

The corporate management declaration pursuant to Section 289a of the German Commercial Code (HGB) is permanently available on the Internet at www.audi.com/corporate-management.

Corporate Governance Report

- 253 Corporate governance253 Corporate management declaration
- 254 Compliance
- 254 Risk management
- 255 Communication and transparency
- 255 System of remuneration for the Supervisory Board and Board of Management
- 256 Mandates of the Board of Management
- 257 Mandates of the Supervisory Board

COMPLIANCE

Responsible and lawful actions are a fundamental aspect of corporate management at the Audi Group. Compliance as understood in the German Corporate Governance Code means that the Board of Management must ensure that the statutory provisions and internal company guidelines are satisfied, and must endeavor to ensure that the Group companies observe them. The Audi Group has translated this principle into a preventive, forward-looking understanding of compliance that globally seeks to ensure that the members of the Company's corporate bodies and its employees operate within the rules with regard to the relevant statutory requirements and prohibitions.

Modeled after the Volkswagen Group, which adopts an integrated approach to compliance and risk management matters by bracketing them together organizationally and thematically within the Governance, Risk & Compliance area, the compliance organization was restructured in the year under review and an area reporting directly to the Board of Management and led by a Chief Compliance Officer was created within the Audi Group.

The tasks of the Audi Group's Chief Compliance Officer include in particular advising and supporting the Board of Management, as well as coordinating all necessary measures to assure compliance. In order to follow through with this approach, Risk Compliance Delegates were appointed for every division of AUDI AG. In addition, the compliance officers appointed by the Group companies are the direct points of contact in situ for the Chief Compliance Officer. Progress on compliance activities was made both nationally and internationally during the period under review. For example, a Code of Conduct was drawn up for the Audi Group and communicated throughout the Company. In addition, important aspects of the Code of Conduct were integrated into corporate processes.

Other priority areas of the compliance program in 2011 involved preventive measures on the topic of anti-corruption, such as the introduction of web-based training courses. Moreover, the Board of Management of AUDI AG has declared its unreserved commitment to the compliance program.

The Audi Group is linked into the Volkswagen Group's worldwide corruption prevention system. Independent lawyers acting as ombudsmen and the Volkswagen Group's Anti-Corruption Officer both serve as the points of contact on such matters. The latter is available to advise all employees as well as business partners and third parties on matters relating to corruption such as the admissibility of accepting gifts. All Audi employees may in addition contact the Audi Group's compliance organization with queries on any compliance-related topics and for assistance.

The early identification and evaluation of risks is a key aspect of the Audi Group's approach to compliance. To that end, a Group-wide risk record of relevant compliance topics was compiled in the period under review.

Activities within the compliance program in 2012 will continue to concentrate on preventive measures to avoid corruption and on the subject of antitrust law. Here, too, the focus is on training and informing employees.

RISK MANAGEMENT

Considerable importance is attached to a cautious approach to potential risks within the Audi Group. The Group-wide risk management system implemented for this purpose helps to identify and minimize risks, and exclude them altogether if possible. It also provides a basis for responding swiftly and comprehensively to changing framework conditions.

Central Risk Management operates in partnership with the non-central risk managers in the divisions and subsidiaries. Central Risk Management sets standards that apply Group-wide and implements regulations that ensure risks are recorded and evaluated uniformly, as enshrined for example in an internal Board Directive. Fact-finding events and training courses tailored to specific target groups were held in order to communicate topics and methods.

In addition, information on risk management was made accessible via internal communication media such as the intranet.

The regular standardized risk analysis conducted within the Audi Group serves as the basis for identifying priority topics. These topics are investigated in depth, with the objective of managing them comprehensively and effectively.

Detailed information on the risk management system and an explanation of the internal control system for financial reporting can be found on pages 175 to 182 in the Risk Report section of the Management Report of the Audi Group.

The Audit Committee set up by the Supervisory Board considers in particular questions regarding risk management and the internal control systems. Central Risk Management is responsible for providing the Board of Management and Supervisory Board with regular updates on the Audi Group's risk profile, using the reporting channels defined Group-wide.

COMMUNICATION AND TRANSPARENCY

The Audi Group publishes a Financial Calendar, showing all important publication dates as well as the date of the Annual General Meeting, in its Annual Report and on the website www.audi.com/investor-relations. In addition, the Company publishes an invitation to the Annual General Meeting on this website, along with the agenda and any countermotions received. Stockholders have the choice of exercising their voting rights in person at the Annual General Meeting, having these rights exercised by their chosen proxy, or using a proxy appointed by the Company and bound by their instructions. AUDI AG moreover broadcasts the Annual General Meeting on the Internet up until the start of the discussion.

The German Securities Trading Act (Section 15 of WpHG) obliges domestic issuers of financial instruments to publish and disclose inside information that has a direct bearing on them without delay. The obligation to immediately publish information of relevance to the trading price is intended to prevent insiders from using advance knowledge to trade shares to their advantage. The Company's ad hoc announcements are published on the Internet at www.audi.com/investorrelations in the "News and Ad hoc" section, under the menu item "Ad hoc announcements." The "News and Ad hoc" section also contains further news and information about the Audi Group, reporting of voting rights according to Sections 21 ff. of the German Securities Trading Act (WpHG) and other legal issues. The notices and information published there are also available in English. Furthermore, the annual document pursuant to Section 10 of the German Securities Trading Act (WpPG) can be called up in the "Corporate Governance" section of the above website. This document contains a detailed list of all communications published in fiscal 2011 relating to the capital market.

Communications relating to share dealings by management members pursuant to Section 15a of the German Securities Trading Act (WpHG) can be called up at www.audi.com/investor-relations in the "Corporate Governance" section under the menu item "Directors' Dealings."

SYSTEM OF REMUNERATION FOR THE SUPERVISORY BOARD AND BOARD OF MANAGEMENT

Information on the system of remuneration for the Supervisory Board and Board of Management is provided in the Notes to the Consolidated Financial Statements under "Details relating to the Supervisory Board and Board of Management" and constitutes part of the Group Management Report.

Corporate Governance Report

- 253 Corporate governance253 Corporate management
- declaration 254 Compliance
- 254 Risk management
- 255 Communication and
- transparency 255 System of remuneration for the Supervisory Board and Board of Management
- 256 Mandates of the Board of Management
- 257 Mandates of the Supervisory Board

MANDATES OF THE BOARD OF MANAGEMENT

Status of all data: December 31, 2011

Rupert Stadler (48)

Chairman of the Board of Management

Mandates:

- FC Bayern München AG, Munich
- MAN SE, Munich
- MAN Truck & Bus AG, Munich (Chairman)
- Porsche Holding Gesellschaft m.b.H., Salzburg, Austria

Ulf Berkenhagen (50) Purchasing Mandate:

MAN SE, Munich

Michael Dick (59)

Technical Development

Mandate:

TÜV SÜD AG, Munich

Frank Dreves (59) Production

Peter Schwarzenbauer (52) Marketing and Sales

Thomas Sigi (47) Human Resources

Axel Strotbek (47)

Finance and Organization Mandate:

Volkswagen Financial Services AG, Braunschweig

In connection with their duties of Group steering and governance within the Audi Group, the members of the Board of Management in addition hold supervisory board seats at Group companies and significant associated companies.

- Membership of statutorily constituted domestic supervisory boards
- Membership of comparable domestic and foreign regulatory bodies

MANDATES OF THE SUPERVISORY BOARD

Status of all data: December 31, 2011

Prof. Dr. rer. nat. Dr.-Ing. e. h. Martin Winterkorn (64)¹⁾

Chairman Chairman of the Board of Management of Volkswagen AG, Wolfsburg Chairman of the Board of Management of Porsche Automobil Holding SE, Stuttgart

Mandates:

- FC Bayern München AG, Munich
- Salzgitter AG, Salzgitter

Berthold Huber (61)

Deputy Chairman

Chairman of the IG Metall trade union, Frankfurt

Mandates:

- Porsche Automobil Holding SE, Stuttgart
- Siemens AG, Munich (Deputy Chairman)
- Volkswagen AG, Wolfsburg (Deputy Chairman)

Dr. rer. pol. h. c. Bruno Adelt (72)

Former Member of the Board of Management of Volkswagen AG, Wolfsburg

Senator h. c. Helmut Aurenz (74)

Owner of the ASB Group, Ludwigsburg

Mandates:

- Automobili Lamborghini S.p.A., Sant'Agata Bolognese, Italy
- Scania AB, Södertälje, Sweden

Heinz Eyer (54)

Member of the Works Council of AUDI AG, Neckarsulm plant

Dr. rer. pol. h. c. Francisco Javier Garcia Sanz (54)¹⁾

Member of the Board of Management of Volkswagen AG, Wolfsburg

Mandate:

Criteria Caixaholding S.A., Barcelona, Spain

Johann Horn (53)

Chief Executive of the Ingolstadt office of the IG Metall trade union

Mandate:

Conti Temic microelectronic GmbH, Nuremberg

Peter Kössler (52)

Ingolstadt Plant Manager, AUDI AG

Peter Mosch (39)

Chairman of the General Works Council of AUDI AG

Mandates:

- Porsche Automobil Holding SE, Stuttgart
- Volkswagen AG, Wolfsburg

Corporate Governance Report

- 253 Corporate governance253 Corporate management
- declaration 254 Compliance
- 254 Risk management
- 255 Communication and
- transparency 255 System of remuneration for the Supervisory Board and
- Board of Management
- 256 Mandates of the Board of Management
- 257 Mandates of the Supervisory Board

Wolfgang Müller (63)

IG Metall trade union, Bavarian regional headquarters, Munich

Mandate:

Schaeffler AG, Herzogenaurach

Prof. Dr. rer. pol. Horst Neumann (62)¹⁾

Member of the Board of Management of Volkswagen AG, Wolfsburg

Mandate:

Wolfsburg AG, Wolfsburg

Dr.-Ing. Franz-Josef Paefgen (65)

Former Chairman and Chief Executive of Bentley Motors Ltd., Crewe, United Kingdom

Mandates:

- ZF Friedrichshafen AG, Friedrichshafen
- ◆ Automobili Lamborghini S.p.A., Sant'Agata Bolognese, Italy
- Valmet Automotive Inc., Uusikaupunki, Finland

Hon.-Prof. Dr. techn. h. c. Dipl.-Ing. ETH Ferdinand K. Piëch (74)

Chairman of the Supervisory Board of Volkswagen AG, Wolfsburg

Mandates:

- Dr. Ing. h. c. F. Porsche AG, Stuttgart
- MAN SE, Munich (Chairman)
- Porsche Automobil Holding SE, Stuttgart
- Volkswagen AG, Wolfsburg (Chairman)
- Porsche Gesellschaft m.b.H., Salzburg, Austria
- Porsche Holding Gesellschaft m.b.H., Salzburg, Austria
- Porsche Piech Holding AG, Salzburg, Austria

Dr. jur. Hans Michel Piëch (69)

Attorney, Vienna, Austria

Mandates:

- Dr. Ing. h. c. F. Porsche AG, Stuttgart
- Porsche Automobil Holding SE, Stuttgart
- Volkswagen AG, Wolfsburg
- Porsche Cars Great Britain Ltd., Reading, United Kingdom
- Porsche Cars North America, Inc., Wilmington, USA
- Porsche Gesellschaft m.b.H., Salzburg, Austria (Chairman)
- Porsche Holding Gesellschaft m.b.H., Salzburg, Austria
- Porsche Ibérica S.A., Madrid, Spain
- Porsche Italia S.p.A., Padua, Italy
- Porsche Piech Holding AG, Salzburg, Austria (Chairman)
- Schmittenhöhebahn AG, Zell am See, Austria
- Volksoper Wien GmbH, Vienna, Austria

Dipl.-Wirtsch.-Ing. Hans Dieter Pötsch (60)¹⁾

Member of the Board of Management of Volkswagen AG, Wolfsburg

Member of the Board of Management of Porsche Automobil Holding SE, Stuttgart

- Mandate:
- Bertelsmann AG, Gütersloh

Dr. jur. Ferdinand Oliver Porsche (50)

Member of the Board of Management of Familie Porsche AG Beteiligungsgesellschaft, Salzburg, Austria

Mandates:

- Dr. Ing. h. c. F. Porsche AG, Stuttgart
- Porsche Automobil Holding SE, Stuttgart
- Volkswagen AG, Wolfsburg
- PGA S.A., Paris, France
- Porsche Holding Gesellschaft m.b.H., Salzburg, Austria
- Porsche Lizenz- und Handelsgesellschaft mbH & Co. KG, Bietigheim-Bissingen
- Voith GmbH, Heidenheim

Norbert Rank (56)

Chairman of the Works Council of AUDI AG, Neckarsulm plant

Jörg Schlagbauer (34) Member of the Works Council of AUDI AG, Ingolstadt plant

Helmut Späth (55) Member of the Works Council of AUDI AG, Ingolstadt plant

Max Wäcker (57)

Deputy Chairman of the Works Council of AUDI AG, Ingolstadt plant

1) In connection with his duties of Group steering and governance within the Volkswagen Group, this member of the Supervisory Board additionally holds further non-executive directorships at Group companies and significant associated companies.

- Membership of statutorily constituted domestic supervisory boards
- Membership of comparable domestic and foreign regulatory bodies

Corporate Governance Report

- 253 Corporate governance253 Corporate management
- declaration
- 254 Compliance
- 254 Risk management
- 255 Communication and
- transparency 255 System of remuneration for the Supervisory Board and
- Board of Management
- 256 Mandates of the Board of Management
- 257 Mandates of the Supervisory Board

Fuel consumption and emission figures

As at: February 2012 (all data apply to features of the German market)

Powe Model	r output (kW)	Transmission	Fuel		Fuel c	onsumption (l/100 km)	CO ₂ emissions (g/km)	Efficiency class
				urban	extra urban	combined	combined	
Audi A1				dibuli	extra arban	combined	combined	
A1 1.2 TFSI	63	5-speed	Premium	6.2	4.4	5.1	118	C
A1 1.4 TFSI	90	6-speed	Premium	6.8	4.4	5.3	124	C
A1 1.4 TFSI (119 g CO ₂ /km) ¹⁾	90	S tronic, 7-speed	Premium	6.5	4.4	5.2	119	C
A1 1.4 TFSI	90	S tronic, 7-speed	Premium	6.5	4.6	5.3	122	C
A1 1.4 TFSI	136	S tronic, 7-speed	Super Plus	7.5	5.1	5.9	139	D
A1 2.0 TFSI quattro ²⁾	188	6-speed	Premium		2.4	2.0	0.0	
A1 1.6 TDI	66 66	5-speed S tronic, 7-speed	Diesel	4.4	3.4 3.7	3.8 4.2	99 110	AB
A1 1.6 TDI A1 1.6 TDI	77	5-speed	Diesel Diesel	4.4	3.4	3.8	99	A
A1 2.0 TDI	105	6-speed	Diesel	5.0	3.6	4.1	108	A
Audi A1 Sportback	100	o speed	Dieser	5.0	5.0	-1.1	100	
A1 Sportback 1.2 TFSI	63	5-speed	Premium	6.2	4.4	5.1	118	C
A1 Sportback 1.4 TFSI	90	6-speed	Premium	6.9	4.6	5.4	126	C
A1 Sportback 1.4 TFSI	90	S tronic, 7-speed	Premium	6.5	4.6	5.3	122	C
A1 Sportback 1.4 TFSI	136	S tronic, 7-speed	Super Plus	7.5	5.1	5.9	139	D
A1 Sportback 1.6 TDI	66	5-speed	Diesel	4.4	3.4	3.8	99	A
A1 Sportback 1.6 TDI	66	S tronic, 7-speed	Diesel	5.1	3.7	4.2	110	В
A1 Sportback 1.6 TDI	77	5-speed	Diesel	4.4	3.4	3.8	99	A
Audi A3								
A3 1.2 TFSI	77	6-speed	Premium	6.7	4.7	5.5	127	C
A3 1.2 TFSI	77	S tronic, 7-speed	Premium	6.5	4.6	5.3	123	В
A3 1.4 TFSI	92	6-speed	Premium	7.3	4.8	5.7	132	C
A3 1.4 TFSI	92 118	S tronic, 7-speed	Premium	6.4	4.7 5.3	5.3 6.6	124 152	B
A3 1.8 TFSI A3 1.8 TFSI	118	6-speed S tronic, 7-speed	Premium Premium	8.7 8.5	5.3	6.5	152	D
A3 1.8 TFSI quattro	118	6-speed	Premium	9.7	6.0	7.3	149	E
A3 2.0 TFSI	147	6-speed	Premium	9.8	5.5	7.1	164	E
A3 2.0 TFSI	147	S tronic, 6-speed	Premium	9.9	5.8	7.3	168	E
A3 2.0 TFSI quattro	147	S tronic, 6-speed	Premium	9.9	6.1	7.5	174	E
A3 1.6 TDI	66	5-speed	Diesel	5.6	3.7	4.4	114	В
A3 1.6 TDI (99 g CO ₂ /km) ¹⁾	77	5-speed	Diesel	4.7	3.3	3.8	99	A+
A3 1.6 TDI	77	5-speed	Diesel	5.0	3.7	4.1	109	A
A3 1.6 TDI	77	S tronic, 7-speed	Diesel	4.5	3.9	4.2	109	A
A3 2.0 TDI	103	6-speed	Diesel	5.5	3.8	4.4	115	А
A3 2.0 TDI	103	S tronic, 6-speed	Diesel	5.8	4.4	4.9	129	В
A3 2.0 TDI quattro	103	6-speed	Diesel	6.3	4.2	5.0	129	В
A3 2.0 TDI	125	6-speed	Diesel	5.7	4.2	4.7	123	В
A3 2.0 TDI	125	S tronic, 6-speed	Diesel	5.6	4.5	4.9	128	B
A3 2.0 TDI quattro	125	6-speed	Diesel	6.1	4.6	5.2	135	B
S3 2.0 TFSI quattro S3 2.0 TFSI quattro	195 195	6-speed S tronic, 6-speed	Super Plus Super Plus	11.8	6.6 6.7	8.5 8.3	198 193	F
Audi A3 Sportback	193	5 tronic, 6-speed	Super Flus	11.1	0.7	0.5	195	Г
A3 Sportback 1.2 TFSI	77	6-speed	Premium	6.7	4.7	5.5	127	C
A3 Sportback 1.2 TFSI	77	S tronic, 7-speed	Premium	6.5	4.6	5.3	123	B
A3 Sportback 1.4 TFSI	92	6-speed	Premium	7.3	4.9	5.8	134	C
A3 Sportback 1.4 TFSI	92	S tronic, 7-speed	Premium	6.6	4.8	5.5	127	В
A3 Sportback 1.8 TFSI	118	6-speed	Premium	8.7	5.3	6.6	153	D
A3 Sportback 1.8 TFSI	118	S tronic, 7-speed	Premium	8.5	5.2	6.5	149	D
A3 Sportback 1.8 TFSI quattro	118	6-speed	Premium	9.8	6.1	7.4	173	E
A3 Sportback 2.0 TFSI	147	6-speed	Premium	9.9	5.6	7.2	168	E
A3 Sportback 2.0 TFSI	147	S tronic, 6-speed	Premium	9.9	5.8	7.3	168	E
A3 Sportback 2.0 TFSI quattro	147	S tronic, 6-speed	Premium	10.0	6.2	7.6	176	E
A3 Sportback 1.6 TDI	66	5-speed	Diesel	5.3	3.9	4.4	116	A
A3 Sportback 1.6 TDI (102 g CO ₂ /km) ¹⁾	77	5-speed	Diesel	4.8	3.4	3.9	102	A+
A3 Sportback 1.6 TDI	77	5-speed	Diesel	5.1	3.8	4.2	112	A
A3 Sportback 1.6 TDI A3 Sportback 2.0 TDI	77	S tronic, 7-speed 6-speed	Diesel Diesel	4.9 5.5	3.9 3.8	4.3 4.4	112 115	A
A3 Sportback 2.0 TDI	103	S tronic, 6-speed	Diesel	5.8	4.4	4.4	115	B
A3 Sportback 2.0 TDI quattro	103	6-speed	Diesel	6.3	4.4	4.9	129	B
A3 Sportback 2.0 TDI quattio	105	6-speed	Diesel	5.7	4.2	4.7	123	B
A3 Sportback 2.0 TDI	125	S tronic, 6-speed	Diesel	5.6	4.6	5.0	130	B
A3 Sportback 2.0 TDI quattro	125	6-speed	Diesel	6.1	4.6	5.0	135	B
S3 Sportback 2.0 TFSI quattro	195	6-speed	Super Plus	11.8	6.7	8.5	199	F
S3 Sportback 2.0 TFSI quattro	195	S tronic, 6-speed	Super Plus	11.2	6.8	8.4	195	F
RS 3 Sportback 2.5 TFSI quattro	250	S tronic, 7-speed	Super Plus	13.1	6.8	9.1	212	F

	Power output				Fuel consumption			
Model	(kW)	Transmission	Fuel			(l/100 km)	(g/km)	class
				urban	extra urban	combined	combined	
Audi A3 Cabriolet			-					
A3 Cabriolet 1.2 TFSI A3 Cabriolet 1.4 TFSI	77	6-speed	Premium	7.0	5.0	5.7	132	B
A3 Cabriolet 1.4 TFSI A3 Cabriolet 1.8 TFSI	92 118	6-speed 6-speed	Premium Premium	7.4	5.2	6.0 6.7	139 156	D
A3 Cabriolet 1.8 TFSI	118	S tronic, 7-speed	Premium	8.7	5.4	6.6	154	C
A3 Cabriolet 2.0 TFSI	147	6-speed	Premium	10.0	5.6	7.2	169	D
A3 Cabriolet 2.0 TFSI	147	S tronic, 6-speed	Premium	9.9	5.9	7.4	171	D
A3 Cabriolet 1.6 TDI	77	5-speed	Diesel	5.2	3.9	4.3	114	A
A3 Cabriolet 2.0 TDI	103	6-speed	Diesel	5.7	3.9	4.6	119	A
A3 Cabriolet 2.0 TDI	103	S tronic, 6-speed	Diesel	6.0	4.6	5.1	134	В
Audi Q3								
Q3 2.0 TFSI quattro	125	6-speed	Premium	9.5	6.1	7.3	174	D
Q3 2.0 TFSI quattro	125	S tronic, 7-speed	Premium	10.2	6.4	7.7	179	D
Q3 2.0 TFSI quattro	155 103	S tronic, 7-speed	Premium	10.2 6.2	6.4 4.7	7.7	179 137	D
Q3 2.0 TDI Q3 2.0 TDI quattro	103	6-speed S tronic, 7-speed	Diesel Diesel	7.0	5.3	5.2	156	C
Audi TT Coupé	150	5 tronic, 7-speed	Dieset	7.0	5.5	5.5	150	C
TT Coupé 1.8 TFSI	118	6-speed	Premium	8.5	5.2	6.4	149	D
TT Coupé 1.8 TFSI	118	S tronic, 7-speed	Premium	8.4	5.2	6.4	147	D
TT Coupé 2.0 TFSI	155	6-speed	Premium	8.9	5.2	6.6	154	D
TT Coupé 2.0 TFSI	155	S tronic, 6-speed	Premium	9.9	5.4	7.1	164	E
TT Coupé 2.0 TFSI quattro	155	S tronic, 6-speed	Premium	9.9	5.7	7.2	169	E
TT Coupé 2.0 TDI quattro	125	6-speed	Diesel	7.0	4.3	5.3	139	C
TT Coupé 2.0 TDI quattro	125	S tronic, 6-speed	Diesel	7.0	4.7	5.5	144	C
TTS Coupé 2.0 TFSI quattro	200	6-speed	Super Plus	10.8	6.2	7.9	184	F
TTS Coupé 2.0 TFSI quattro	200	S tronic, 6-speed	Super Plus	10.6	6.0	7.7	179	E
TT RS Coupé 2.5 TFSI quattro TT RS Coupé 2.5 TFSI quattro	250 250	6-speed S tronic, 7-speed	Super Plus Super Plus	12.6 12.3	6.8 6.3	9.0 8.5	209 197	G
Audi TT Roadster	230	5 tronic, 7-speed	Super Flus	12.5	0.5	0.3	197	Г
TT Roadster 1.8 TFSI	118	6-speed	Premium	8.6	5.3	6.5	152	D
TT Roadster 1.8 TFSI	118	S tronic, 7-speed	Premium	8.6	5.3	6.6	152	D
TT Roadster 2.0 TFSI	155	6-speed	Premium	9.0	5.4	6.7	156	D
TT Roadster 2.0 TFSI	155	S tronic, 6-speed	Premium	10.0	5.6	7.2	168	E
TT Roadster 2.0 TFSI quattro	155	S tronic, 6-speed	Premium	10.2	5.7	7.4	172	E
TT Roadster 2.0 TDI quattro	125	6-speed	Diesel	7.2	4.5	5.5	144	C
TT Roadster 2.0 TDI quattro	125	S tronic, 6-speed	Diesel	7.1	4.8	5.6	146	C
TTS Roadster 2.0 TFSI quattro	200	6-speed	Super Plus	10.9	6.4	8.1	189	F
TTS Roadster 2.0 TFSI quattro	200	S tronic, 6-speed 6-speed	Super Plus	10.8	6.2 7.0	7.9 9.1	184 212	E
TT RS Roadster 2.5 TFSI quattro TT RS Roadster 2.5 TFSI quattro	250 250	S tronic, 7-speed	Super Plus Super Plus	12.8 12.4	6.4	9.1	199	G
Audi A4 Sedan	250	5 tronic, 7-speed	Super Flus	12.4	0.4	0.0	155	
A4 1.8 TFSI	88	6-speed	Premium	8.6	5.3	6.5	151	С
A4 1.8 TFSI	88	multitronic, CVT	Premium	7.6	5.4	6.2	144	C
A4 1.8 TFSI	125	6-speed	Premium	7.4	4.8	5.7	134	В
A4 1.8 TFSI	125	multitronic, CVT	Premium	6.9	5.1	5.8	134	В
A4 1.8 TFSI quattro	125	6-speed	Premium	8.1	5.2	6.2	144	В
A4 2.0 TFSI flexible fuel	132	6-speed	Premium	8.2	5.1	6.2	144	C
			E85	11.1	6.9	8.5	139	В
A4 2.0 TFSI quattro flexible fuel	132	6-speed	Premium E85	9.0 12.4	5.5 7.7	6.8 9.4	159 154	C C
A4 2.0 TFSI	155	multitronic, CVT	Premium	7.7	5.0	9.4 6.0	154	В
A4 2.0 TFSI quattro	155	6-speed	Premium	8.9	5.6	6.8	140	C
A4 2.0 TFSI quattro	155	S tronic, 7-speed	Premium	8.8	5.8	7.0	159	C
A4 3.0 TFSI quattro	200	S tronic, 7-speed	Premium	10.7	6.6	8.1	190	D
A4 2.0 TDI	88	6-speed	Diesel	5.4	3.9	4.5	117	A
A4 2.0 TDI	100	6-speed	Diesel	5.2	3.7	4.3	112	A
A4 2.0 TDI	105	6-speed	Diesel	5.4	4.0	4.5	119	A
A4 2.0 TDI	105	multitronic, CVT	Diesel	5.7	4.4	4.8	127	A
A4 2.0 TDI	120	6-speed	Diesel	5.4	3.8	4.4	115	A
A4 2.0 TDI	130	6-speed	Diesel	5.5	4.1	4.6	120	A
A4 2.0 TDI	130	multitronic, CVT	Diesel	5.7	4.4	4.8	127	A
A4 2.0 TDI quattro	130	6-speed	Diesel	6.1	4.5	5.1	134	B
A4 3.0 TDI	150 180	multitronic, CVT	Diesel	5.5	4.6	4.9	129 152	AB
A4 3.0 TDI quattro A4 3.0 TDI quattro	180	6-speed S tronic, 7-speed	Diesel Diesel	6.8	4.9 5.1	5.8	152	B
		S tronic, 7-speed	Diesel	6.8	5.1	5.7	149	B
A4 3.0 TDI clean diesel quattro	180	Stronic /-sneen	I JIACAI					

								F.C
Power (Model	output (kW)	Transmission	Fuel		Fuel c	onsumption (l/100 km)	CO ₂ emissions (g/km)	Efficiency class
	(111)			urban	ovtro urban			class
Audi A4 Avant				UIDdii	extra urban	combined	combined	
A4 Avant 1.8 TFSI	88	6-speed	Premium	8.6	5.5	6.6	154	C
A4 Avant 1.8 TFSI	88	multitronic, CVT	Premium	7.6	5.7	6.4	149	C
A4 Avant 1.8 TFSI	125	6-speed	Premium	7.7	5.2	6.1	141	В
A4 Avant 1.8 TFSI	125	multitronic, CVT	Premium	7.0	5.4	6.0	139	В
A4 Avant 1.8 TFSI quattro	125	6-speed	Premium	8.1	5.5	6.5	149	В
A4 Avant 2.0 TFSI flexible fuel	132	6-speed	Premium	8.2	5.3	6.4	149	C
Ad August 2 O TECT suggesting flowible final	122	6-speed	E85	11.3	7.3 5.8	8.8	144	B
A4 Avant 2.0 TFSI quattro flexible fuel	132	6-speed	Premium E85	9.0 12.4	5.8 7.9	6.9 9.5	162 157	C
A4 Avant 2.0 TFSI	155	multitronic, CVT	Premium	7.7	5.4	6.2	144	B
A4 Avant 2.0 TFSI guattro	155	6-speed	Premium	9.0	5.8	7.0	162	C
A4 Avant 2.0 TFSI quattro	155	S tronic, 7-speed	Premium	8.7	6.0	7.1	163	C
A4 Avant 3.0 TFSI quattro	200	S tronic, 7-speed	Premium	11.2	6.8	8.4	197	E
A4 Avant 2.0 TDI	88	6-speed	Diesel	5.6	4.2	4.7	123	A
A4 Avant 2.0 TDI	100	6-speed	Diesel	5.3	3.9	4.4	116	A
A4 Avant 2.0 TDI	105	6-speed	Diesel	5.6	4.2	4.7	124	A
A4 Avant 2.0 TDI	105	multitronic, CVT	Diesel	5.6	4.5	4.9	129	A
A4 Avant 2.0 TDI	120	6-speed	Diesel	5.4	4.0	4.5	120	A
A4 Avant 2.0 TDI A4 Avant 2.0 TDI	130 130	6-speed	Diesel Diesel	5.7	4.3 4.5	4.8	126 129	A
A4 Avant 2.0 TDI A4 Avant 2.0 TDI guattro	130	multitronic, CVT 6-speed	Diesel	6.3	4.5	4.9 5.3	129	B
A4 Avant 2.0 TDI quatto	150	multitronic, CVT	Diesel	5.7	4.7	5.1	135	A
A4 Avant 3.0 TDI quattro	180	6-speed	Diesel	7.3	5.1	5.9	155	В
A4 Avant 3.0 TDI quattro	180	S tronic, 7-speed	Diesel	7.0	5.2	5.9	154	B
A4 Avant 3.0 TDI clean diesel quattro	180	S tronic, 7-speed	Diesel	6.9	5.2	5.9	154	В
S4 Avant 3.0 TFSI quattro	245	S tronic, 7-speed	Premium	11.1	6.8	8.4	197	D
Audi A4 allroad quattro								
A4 allroad quattro 2.0 TFSI	155	6-speed	Premium	9.1	6.1	7.2	169	C
A4 allroad quattro 2.0 TFSI	155	S tronic, 7-speed	Premium	9.0	6.3	7.3	170	C
A4 allroad quattro 2.0 TDI	130	6-speed	Diesel	6.9	5.3	5.8	153	В
A4 allroad quattro 2.0 TDI	130	S tronic, 7-speed	Diesel	7.0	5.4	6.0	156	В
A4 allroad quattro 3.0 TDI A4 allroad quattro 3.0 TDI clean diesel	180 180	S tronic, 7-speed S tronic, 7-speed	Diesel Diesel	7.2	5.5 5.4	6.2	161 159	B
Audi A5 Sportback	100	5 tronic, 7-speed	Dieset	/.1		0.0	155	D
A5 Sportback 1.8 TFSI	125	6-speed	Premium	7.5	4.9	5.8	136	В
A5 Sportback 1.8 TFSI	125	multitronic, CVT	Premium	7.0	5.2	5.9	136	В
A5 Sportback 2.0 TFSI	155	6-speed	Premium	8.3	5.1	6.3	144	В
A5 Sportback 2.0 TFSI	155	multitronic, CVT	Premium	7.7	5.3	6.2	144	В
A5 Sportback 2.0 TFSI quattro	155	6-speed	Premium	8.9	5.6	6.8	159	C
A5 Sportback 2.0 TFSI quattro	155	S tronic, 7-speed	Premium	8.8	5.8	7.0	159	C
A5 Sportback 3.0 TFSI quattro	200	S tronic, 7-speed	Premium	10.7	6.6	8.1	190	D
A5 Sportback 2.0 TDI	105	6-speed	Diesel	5.4	4.0	4.5	119	A
A5 Sportback 2.0 TDI A5 Sportback 2.0 TDI	105 130	multitronic, CVT 6-speed	Diesel Diesel	5.7	4.4	4.8 4.6	127 120	A
A5 Sportback 2.0 TDI	130	multitronic, CVT	Diesel	5.7	4.1	4.8	120	A
A5 Sportback 2.0 TDI quattro	130	6-speed	Diesel	6.1	4.5	5.1	134	B
A5 Sportback 3.0 TDI	150	6-speed	Diesel	6.4	4.3	5.1	133	A
A5 Sportback 3.0 TDI	150	multitronic, CVT	Diesel	5.5	4.6	4.9	129	A
A5 Sportback 3.0 TDI quattro	180	6-speed	Diesel	7.2	4.9	5.8	152	В
A5 Sportback 3.0 TDI quattro	180	S tronic, 7-speed	Diesel	6.8	5.1	5.7	149	В
A5 Sportback 3.0 TDI clean diesel quattro	180	S tronic, 7-speed	Diesel	6.9	5.1	5.8	152	В
S5 Sportback 3.0 TFSI quattro	245	S tronic, 7-speed	Premium	10.7	6.6	8.1	190	D
Audi A5 Coupé								
A5 Coupé 1.8 TFSI	125	6-speed	Premium	7.4	4.8	5.7	134	В
A5 Coupé 1.8 TFSI A5 Coupé 2.0 TFSI	125 155	multitronic, CVT 6-speed	Premium Premium	6.9	5.1 5.1	5.8 6.3	134 144	B
AS Coupé 2.0 TFSI AS Coupé 2.0 TFSI	155	multitronic, CVT	Premium	8.3	5.1	6.0	144	B
A5 Coupé 2.0 TFSI quattro	155	6-speed	Premium	8.9	5.6	6.8	140	C
A5 Coupé 2.0 TFSI quattro	155	S tronic, 7-speed	Premium	8.8	5.8	7.0	159	C
A5 Coupé 3.0 TFSI quattro	200	S tronic, 7-speed	Premium	10.7	6.6	8.1	190	D
A5 Coupé 2.0 TDI	130	6-speed	Diesel	5.5	4.1	4.6	120	A
A5 Coupé 2.0 TDI	130	multitronic, CVT	Diesel	5.5	4.3	4.7	123	A
A5 Coupé 2.0 TDI quattro	130	6-speed	Diesel	6.1	4.5	5.1	134	В
A5 Coupé 3.0 TDI	150	multitronic, CVT	Diesel	5.5	4.6	4.9	129	A
A5 Coupé 3.0 TDI quattro	180	6-speed	Diesel	7.3	4.9	5.8	151	В
A5 Coupé 3.0 TDI quattro	180	S tronic, 7-speed	Diesel	6.8	5.1	5.7	149	В

Powe	r output				Fuel c	onsumption	CO ₂ emissions	Efficiency
Model	(kW)	Transmission	Fuel			(l/100 km)	(g/km)	class
				urban	extra urban	combined	combined	
A5 Coupé 3.0 TDI clean diesel quattro	180	S tronic, 7-speed	Diesel	6.8	5.0	5.7	149	В
S5 Coupé 3.0 TFSI quattro	245	S tronic, 7-speed	Premium	10.7	6.6	8.1	190	D
RS 5 Coupé 4.2 FSI quattro	331	S tronic, 7-speed	Super Plus	14.4	8.3	10.5	246	G
Audi A5 Cabriolet								
A5 Cabriolet 1.8 TFSI	125	6-speed	Premium	7.9	5.1	6.2	143	В
A5 Cabriolet 1.8 TFSI	125	multitronic, CVT	Premium	7.2	5.6	6.2	143	B
A5 Cabriolet 2.0 TFSI	155	6-speed	Premium	8.6	5.4	6.6	154	CB
A5 Cabriolet 2.0 TFSI A5 Cabriolet 2.0 TFSI quattro	155 155	multitronic, CVT S tronic, 7-speed	Premium Premium	7.8	5.6 6.1	6.4 7.2	149 164	C
A5 Cabriolet 2.0 TFSI quattro	200	S tronic, 7-speed	Premium	11.2	6.9	8.5	104	D
A5 Cabriolet 2.0 TDI	105	6-speed	Diesel	5.6	4.2	4.7	124	A
A5 Cabriolet 2.0 TDI	130	6-speed	Diesel	5.7	4.3	4.8	126	A
A5 Cabriolet 2.0 TDI	130	multitronic, CVT	Diesel	5.8	4.6	5.0	132	A
A5 Cabriolet 2.0 TDI quattro	130	6-speed	Diesel	6.5	4.9	5.4	142	A
A5 Cabriolet 3.0 TDI	150	multitronic, CVT	Diesel	5.8	4.9	5.2	138	A
A5 Cabriolet 3.0 TDI quattro	180	S tronic, 7-speed	Diesel	7.0	5.2	5.9	154	В
S5 Cabriolet 3.0 TFSI quattro	245	S tronic, 7-speed	Premium	11.2	6.9	8.5	199	D
Audi Q5								
Q5 2.0 TFSI quattro	132	6-speed	Premium	10.3	6.8	8.1	188	D
Q5 2.0 TFSI quattro	155	6-speed	Premium	10.3	6.8	8.1	188	D
Q5 2.0 TFSI quattro	155	tiptronic, 8-speed	Premium	11.0	7.1	8.6	199	D
Q5 3.2 FSI quattro	199	S tronic, 7-speed	Premium	12.3	7.6	9.3	218	E
Q5 2.0 TDI	105	6-speed	Diesel	6.2	5.4	5.7	149	B
Q5 2.0 TDI quattro	105	6-speed	Diesel	7.2	5.6 5.6	6.2 6.2	162 163	B
Q5 2.0 TDI quattro Q5 2.0 TDI quattro	125 125	6-speed S tronic, 7-speed	Diesel	8.8	5.0	7.0	163	C
Q5 3.0 TDI quattro	176	S tronic, 7-speed	Diesel	9.2	6.6	7.5	184	D
Q5 2.0 TFSI hybrid quattro	180 3)		Premium	6.6	7.1	6.9	159	B
Audi A6 Sedan	100	aptionic, o speed	Treman	0.0	7.1	0.5	100	
A6 2.0 TFSI	132	6-speed	Premium	8.3	5.4	6.5	151	C
A6 2.0 TFSI	132	multitronic, CVT	Premium	8.1	5.4	6.4	149	В
A6 2.8 FSI	150	6-speed	Premium	10.5	6.0	7.7	177	D
A6 2.8 FSI	150	multitronic, CVT	Premium	9.6	6.1	7.4	172	D
A6 2.8 FSI quattro	150	S tronic, 7-speed	Premium	10.7	6.5	8.0	187	D
A6 3.0 TFSI quattro	220	S tronic, 7-speed	Premium	10.8	6.6	8.2	190	D
A6 2.0 TDI	130	6-speed	Diesel	6.0	4.4	4.9	129	A
A6 2.0 TDI	130	multitronic, CVT	Diesel	6.0	4.4	5.0	132	A
A6 3.0 TDI	150	6-speed	Diesel	6.5	4.4	5.3	139	В
A6 3.0 TDI	150	multitronic, CVT	Diesel	5.8	4.6	5.1	133	A
A6 3.0 TDI quattro	150	S tronic, 7-speed	Diesel	6.7	5.0	5.7	149	B
A6 3.0 TDI quattro	180	S tronic, 7-speed	Diesel	7.2	5.2	5.9	156	B
A6 3.0 TDI clean diesel quattro A6 3.0 TDI quattro	180 230	S tronic, 7-speed tiptronic, 8-speed	Diesel Diesel	7.3	5.1	5.9 6.4	156 169	B C
A6 2.0 TFSI hybrid ²⁾	180 3)		Premium	0.0	5.0	0.4	109	C
S6 4.0 TFSI quattro ²⁾	309	S tronic, 7-speed	Premium					
Audi A6 Avant	505	, / speca	. remain					
A6 Avant 2.0 TFSI	132	6-speed	Premium	8.4	5.5	6.6	154	C
A6 Avant 2.0 TFSI	132	multitronic, CVT	Premium	8.2	5.5	6.5	152	B
A6 Avant 2.8 FSI	150	6-speed	Premium	10.5	6.0	7.7	177	D
A6 Avant 2.8 FSI	150	multitronic, CVT	Premium	9.6	6.1	7.4	172	C
A6 Avant 2.8 FSI quattro	150	S tronic, 7-speed	Premium	10.7	6.5	8.0	187	D
A6 Avant 3.0 TFSI quattro	220	S tronic, 7-speed	Premium	10.8	6.6	8.2	190	D
A6 Avant 2.0 TDI	130	6-speed	Diesel	6.1	4.5	5.0	132	A
A6 Avant 2.0 TDI	130	multitronic, CVT	Diesel	6.1	4.5	5.1	135	A
A6 Avant 3.0 TDI	150	6-speed	Diesel	6.5	4.4	5.3	139	A
A6 Avant 3.0 TDI	150	multitronic, CVT	Diesel	5.9	4.7	5.2	136	A
A6 Avant 3.0 TDI quattro	150	S tronic, 7-speed	Diesel	6.8	5.1	5.8	152	B
A6 Avant 3.0 TDI quattro	180	S tronic, 7-speed	Diesel	7.2	5.2	5.9	156	B
A6 Avant 3.0 TDI clean diesel quattro	180	S tronic, 7-speed	Diesel	7.3	5.1	5.9	156	B
A6 Avant 3.0 TDI quattro S6 Avant 4.0 TFSI quattro ²⁾	230 309	tiptronic, 8-speed	Diesel	8.0	5.6	6.4	169	В
Audi A6 allroad quattro	309	S tronic, 7-speed	Premium					
AG allroad quattro 3.0 TFSI	228	S tronic, 7-speed	Premium	11.8	7.1	8.9	206	D
A6 allroad quattro 3.0 TDI	150	S tronic, 7-speed	Diesel	7.0	5.5	6.1	159	B
	200	= nonic, r speca	Sieser	7.5	5.5	0.1		
A6 allroad quattro 3.0 TDI	180	S tronic, 7-speed	Diesel	7.4	5.6	6.3	165	В

Power Model	r output (kW)		Fuel		Fuel o	consumption (l/100 km)	CO ₂ emissions (g/km)	Efficiency class
				urban	extra urban	combined	combined	
Audi A7 Sportback								
A7 Sportback 2.8 FSI	150	multitronic, CVT	Premium	9.6	6.1	7.4	172	С
A7 Sportback 2.8 FSI quattro	150	S tronic, 7-speed	Premium	10.7	6.5	8.0	187	D
A7 Sportback 3.0 TFSI quattro	220	S tronic, 7-speed	Premium	10.8	6.6	8.2	190	D
A7 Sportback 3.0 TDI	150	multitronic, CVT	Diesel	5.9	4.7	5.1	135	A
A7 Sportback 3.0 TDI quattro	150	S tronic, 7-speed	Diesel	6.8	5.1	5.8	152	B
A7 Sportback 3.0 TDI quattro	180	S tronic, 7-speed	Diesel	7.2	5.2	5.9	156	B
A7 Sportback 3.0 TDI clean diesel quattro		S tronic, 7-speed	Diesel	7.3	5.1	5.9	156	B
A7 Sportback 3.0 TDI quattro S7 Sportback 4.0 TFSI quattro ²⁾	230 309	tiptronic, 8-speed S tronic, 7-speed	Diesel Premium	8.0	5.6	6.4	169	В
Audi Q7	309	5 tronic, 7-speed	Fleinluin					
Q7 3.0 TFSI quattro	200	tiptronic, 8-speed	Premium	14.4	8.5	10.7	249	E
Q7 3.0 TFSI quattro	245	tiptronic, 8-speed	Premium	14.4	8.5	10.7	249	E
Q7 3.0 TDI quattro	150	tiptronic, 8-speed	Diesel	8.2	6.5	7.2	189	B
Q7 3.0 TDI quattro	180	tiptronic, 8-speed	Diesel	8.6	6.7	7.4	195	B
Q7 3.0 TDI clean diesel quattro	180	tiptronic, 8-speed	Diesel	8.8	6.6	7.4	195	B
Q7 4.2 TDI quattro	250	tiptronic, 8-speed	Diesel	12.0	7.6	9.2	242	D
Q7 V12 TDI quattro	368	tiptronic, 6-speed	Diesel	14.8	9.3	11.3	298	E
Audi A8								
A8 3.0 TFSI quattro	213	tiptronic, 8-speed	Premium	11.7	7.1	8.8	204	D
A8 4.2 FSI quattro	273	tiptronic, 8-speed	Premium	13.3	7.2	9.5	219	E
A8 3.0 TDI	150	tiptronic, 8-speed	Diesel	7.4	5.2	6.0	158	В
A8 3.0 TDI quattro	184	tiptronic, 8-speed	Diesel	7.9	5.6	6.4	169	В
A8 3.0 TDI clean diesel quattro	184	tiptronic, 8-speed	Diesel	8.1	5.6	6.4	169	В
A8 4.2 TDI quattro	258	tiptronic, 8-speed	Diesel	9.3	6.3	7.4	195	С
S8 4.0 TFSI quattro ²⁾	382	tiptronic, 8-speed	Super Plus					
A8 2.0 TFSI hybrid ²⁾	180 ³	⁾ tiptronic, 8-speed	Premium					
Audi A8 L								
A8L 3.0 TFSI quattro	213	tiptronic, 8-speed	Premium	11.7	7.1	8.8	205	D
A8L 4.2 FSI quattro	273	tiptronic, 8-speed	Premium	13.6	7.4	9.7	224	E
A8 L 3.0 TDI quattro A8 L 3.0 TDI clean diesel quattro	184 184	tiptronic, 8-speed	Diesel Diesel	7.9	5.7	6.5	171 171	B
A8L 4.2 TDI quattro	258	tiptronic, 8-speed tiptronic, 8-speed	Diesel	9.4	6.4	7.5	171	C
A8L W12 quattro	368	tiptronic, 8-speed	Premium	16.6	9.1	11.9	277	G
Audi R8 Coupé	500	tiptionic, o speed	Trennum	10.0	5.1	11.5	277	0
R8 4.2 FSI quattro	316	6-speed	Super Plus	21.3	10.0	14.2	332	G
R8 4.2 FSI guattro	316	R tronic, 6-speed	Super Plus	20.1	9.4	13.3	310	G
R8 5.2 FSI quattro	386	6-speed	Super Plus	22.2	10.6	14.9	346	G
R8 5.2 FSI quattro	386	R tronic, 6-speed	Super Plus	21.1	9.9	13.9	326	G
R8 GT 5.2 FSI quattro	412	R tronic, 6-speed	Super Plus	21.0	9.9	13.9	323	G
Audi R8 Spyder								
R8 Spyder 4.2 FSI quattro	316	6-speed	Super Plus	21.3	10.3	14.4	337	G
R8 Spyder 4.2 FSI quattro	316	R tronic, 6-speed	Super Plus	20.1	9.6	13.5	315	G
R8 Spyder 5.2 FSI quattro	386	6-speed	Super Plus	22.2	10.7	14.9	349	G
R8 Spyder 5.2 FSI quattro	386	R tronic, 6-speed	Super Plus	21.5	10.2	14.2	332	G
R8 GT Spyder 5.2 FSI quattro	412	R tronic, 6-speed	Super Plus	21.5	10.2	14.2	332	G
Lamborghini Gallardo								
Gallardo LP 550-2	405	6-speed	Super Plus	22.0	9.9	14.4	341	G
Gallardo LP 550-2	405	e-gear, 6-speed	Super Plus	20.1	9.2	13.3	315	G
Gallardo LP 560-4	412	6-speed	Super Plus	22.6	10.2	14.7	351	G
Gallardo LP 560-4	412	e-gear, 6-speed	Super Plus	20.7	9.6	13.7	325	G G
Gallardo LP 570-4 Superleggera Gallardo LP 570-4 Superleggera	419 419	6-speed e-gear, 6-speed	Super Plus Super Plus	22.2	10.0 9.4	14.4 13.5	344 319	G
Gallardo LP 570-4 Super Trofeo Stradale	419	6-speed	Super Plus	20.4	10.0	14.4	344	G
Gallardo LP 570-4 Super Trofeo Stradale	419	e-gear, 6-speed	Super Plus	22.2	9.4	14.4	344	G
Lamborghini Gallardo Spyder	-117	e gear, o speca	Superitus	20.4	5.4	10.0	515	5
Gallardo LP 550-2 Spyder	405	6-speed	Super Plus	22.7	10.3	14.8	354	G
Gallardo LP 550-2 Spyder	405	e-gear, 6-speed	Super Plus	20.8	9.7	13.8	330	G
Gallardo LP 560-4 Spyder	412	6-speed	Super Plus	22.7	10.3	14.8	354	G
Gallardo LP 560-4 Spyder	412	e-gear, 6-speed	Super Plus	20.8	9.7	13.8	330	G
Gallardo LP 570-4 Spyder Performante	419	6-speed	Super Plus	22.4	10.1	14.6	350	G
Gallardo LP 570-4 Spyder Performante	419	e-gear, 6-speed	Super Plus	20.5	9.6	13.6	327	G
Lamborghini Aventador								
Aventador LP 700-4	515	ISR, 7-speed	Super Plus	27.3	11.3	17.2	398	G

 1) Contains restrictions with regard to optional extras.

 2) This model is not yet on sale. It does not yet have type approval and therefore does not comply with Directive 1999/94/EC.

 3) Total system output (briefly)

Further information on official fuel consumption figures and the official specific CO₂ emissions of new passenger cars can be found in the guide "Information on the fuel consumption and CO₂ emissions of new cars," which is available free of charge at all sales dealerships and from DAT Deutsche Automobil Treuhand GmbH, Hellmuth-Hirth-Str. 1, 73760 Ostfildern-Scharnhausen, Germany.

STATEMENT OF INTERESTS PURSUANT TO SECTIONS 285 AND 313 OF THE GERMAN COMMERCIAL CODE

for AUDI AG and the Audi Group as at December 31, 2011

Name and registered office of company		Capital share held by AUDI AG in %		Profit ¹
	direct	indirect	Equity EUR million	EUR millio
I. Parent company				
AUDI AG, Ingolstadt				
II. Affiliated companies				
A. Fully consolidated companies				
1. Germany				
Audi Retail GmbH, Ingolstadt	100.00		79	_2)
Audi Zentrum Berlin GmbH, Berlin		100.00	5	_2)
Audi Zentrum Hamburg GmbH, Hamburg		100.00	13	-2)
Audi Zentrum Hannover GmbH, Hanover		100.00	13	1 ²⁾
Audi Zentrum Stuttgart GmbH, Stuttgart		100.00	7	_2) _2)
Audi Zentrum Leipzig GmbH, Leipzig		100.00	10	
Audi Zentrum Frankfurt GmbH, Frankfurt	100.00	100.00	8	_2)
Audi Vertriebsbetreuungsgesellschaft mbH, Ingolstadt	100.00		0	
quattro GmbH, Neckarsulm	100.00		0	-2)
2. Other countries Audi Australia Pty Ltd., Zetland (Australia)	100.00		73	5
AUDI AUSTRALIA RETAIL OPERATIONS PTY LTD., Zetland (Australia)	100.00	100.00	1	0
Audi Brasil Distribuidora de Veículos Ltda., São Paulo (Brazil)	100.00	100.00	62	44
AUDI BRUSSELS S.A./N.V., Brussels (Belgium)	100.00		431	24
AUDI BRUSSELS S.A./N.V., Brussels (Belgium) AUDI BRUSSELS PROPERTY S.A./N.V., Brussels (Belgium)	100.00	100.00	78	1 ¹⁰⁾¹
Audi (China) Enterprise Management Co. Ltd., Beijing (China)	100.00	100.00	27	20
AUDI HUNGARIA SERVICES Zrt., Győr (Hungary)	100.00		8,980	010)1
AUDI HUNGARIA MOTOR Kft., Győr (Hungary)	100.00	100.00	5,972	759
Audi Japan K.K., Tokyo (Japan)	100.00	100.00	74	2
Audi Japan Sales K.K., Tokyo (Japan)	100.00	100.00	14	3
Audi Volkswagen Korea Ltd., Seoul (South Korea)	100.00	100.00	43	15
Audi Volkswagen Middle East FZE, Dubai (United Arab Emirates)	100.00		41	12
Automobili Lamborghini S.p.A., Sant'Agata Bolognese (Italy)	100.00		837	-24
MML S.p.A., Sant'Agata Bolognese (Italy)		100.00	3	0
Italdesign Giugiaro S.p.A., Turin (Italy)		90.10	120	1
VOLKSWAGEN GROUP ITALIA S.P.A., Verona (Italy)		100.00	379	385)
VOLKSWAGEN GROUP FIRENZE S.P.A., Florence (Italy)		100.00	4	0
Audi Canada Inc., Ajax (Canada)	-	-	15	114)
Audi of America, LLC, Herndon, Virginia (USA)	-	-	163	51 ⁴⁾
Automobili Lamborghini America, LLC, Wilmington, Delaware (USA)	-	-	1	14)
AUDI SINGAPORE PTE. LTD., Singapore (Singapore)	100.00		17	5 ⁵⁾
AUDI TAIWAN CO., LTD., Taipei (Taiwan)	100.00		19	8
		Î		
B. Non-consolidated companies				
1. Germany				
Audi Akademie GmbH, Ingolstadt	100.00		2	_2)
Audi Qualifizierungsgesellschaft mbH, Ingolstadt		100.00	0	02)
Audi Electronics Venture GmbH, Gaimersheim	100.00		16	_2)
Audi Immobilien GmbH & Co. KG, Ingolstadt	100.00		39	1
Audi Immobilien Verwaltung GmbH, Ingolstadt	100.00		0	0
Audi Stiftung für Umwelt GmbH, Ingolstadt	100.00		5	0
Audi Zentrum München GmbH, Munich		100.00	0	_2) 10
Audi Zentrum Berlin Lichtenberg GmbH, Berlin		100.00	2	_2) 9)
Auto Union GmbH, Ingolstadt	100.00		0	_2)
Automotive Safety Technologies GmbH, Gaimersheim		75.50	2	06)
CC WellCom GmbH, Potsdam		100.00	1	-2)
Fahr- und Sicherheitstraining FuS GmbH, Ingolstadt	27.45		0	1 ^{4) 6)}
Italdesign-Giugiaro Deutschland GmbH, Göttingen		100.00	0	0
NSU GmbH, Neckarsulm	100.00		0	-2)
PSW automotive engineering GmbH, Gaimersheim	91.00		6	4 ⁶⁾
Volkswagen Logistics GmbH & Co. OHG, Wolfsburg	19.00		1	232 ⁶⁾

Name and registered office of company		share held DI AG in %	Equity	Profit ¹	
	by Au	DI AU III 76	Equity	FIOIIC	
	direct	indirect	EUR million	EUR millio	
2. Other countries					
Audi Akademie Hungaria Kft., Győr (Hungary)		100.00	0	06)	
Audi Real Estate S.L., El Prat de Llobregat (Spain)	100.00		24	06)	
Audi Tooling Barcelona, S.L., Barcelona (Spain)	100.00		3	1 ⁶⁾	
Centro Usato Sangallo S.r.l., Florence (Italy)		100.00	0	0	
Italdesign-Giugiaro Berci S.a.s., Paris (France)		100.00	0	07) 12	
Italdesign Giugiaro Barcelona SL, Barcelona (Spain)		100.00	5	0	
NIRA Dynamics AB, Linköping (Sweden)		94.66	4	0 ⁶⁾	
PUTT ESTATES (PROPRIETARY) LIMITED, Upington (South Africa)	100.00		0	03)	
SOCIETE IMMOBILIERE AUDI SARL, Paris (France)	100.00		18	0	
VOLKSWAGEN GROUP MILANO S.R.L., Milan (Italy)		100.00	0	0	
III. Associated companies					
1. Germany					
_					
2. Other countries	i				
FAW-Volkswagen Automotive Company Ltd., Changchun (China)	10.00		4,601	2,9705)	
IV. Participating interests					
1. Germany	i				
August Horch Museum Zwickau GmbH, Zwickau	50.00		1	06)	
LGI Logistikzentrum im Güterverkehrszentrum Ingolstadt Betreibergesellschaft mbH, Ingolstadt	50.00		0	0.6)	
Entity Audi Zentrum Berlin-Charlottenburg Verwaltungsgesellschaft mbH,	30.00		0		
Berlin	50.00		0	0	
Special-purpose entity Audi Zentrum Berlin-Charlottenburg mbH & Co. KG,					
Berlin	50.00		5	0	
PMDTechnologies GmbH, Siegen		50.00	6	06)	
e.solutions GmbH, Gaimersheim		49.00	2	16)	
Elektronische Fahrwerksysteme GmbH, Gaimersheim		49.00	1	06)	
GIF Gewerbe- und Industriepark Bad Friedrichshall GmbH, Bad Friedrichshall	30.00		3	06)	
MOST Cooperation GbR, Karlsruhe	20.00		0	08)	
PAKT Zukunft Heilbronn-Franken gGmbH, Heilbronn	20.00		0	06)	
PDB-Partnership for Dummy Technology and Biomechanics (GbR), Ingolstadt	20.00		0	08)	
Abgaszentrum der Automobilindustrie GbR, Weissach	12.50	Î	0	0 6) 8)	
2. Other countries					
Model Master S.p.A., Moncalieri (Italy)		40.00	2	_6)	
TTTech Computertechnik AG, Vienna (Austria)	24.99	Î	20	-46)	

1) Based on the individual financial statements in accordance with national law; profit after tax

2) Profit transfer agreement

3) Divergent fiscal year

4) AUDI AG exercises control pursuant to IAS 27.13

5) Figures pursuant to IFRS

6) 2010 fiscal year

7) In liquidation

8) AUDI AG is a general partner (stated pursuant to Section 285, No. 11a of the German Commercial Code)

9) Takeover on Jan. 1, 2011

10) Established in 2011

11) Short 2011 fiscal year

12) 2009 fiscal year

AUDI AG also holds a stake in FC Bayern München AG, Munich, with a voting interest of more than five percent.

268 Management Report of AUDI AG for the 2011 fiscal year

- 268 AUDI AG
- 275 Business and underlying situation
- 287 Financial performance indicators
- 289 Social and ecological aspects
- 298 Risks, opportunities and outlook
- 307 Disclaimer

The fuel consumption and emission figures for the vehicles named in the Management Report of AUDI AG are listed from page 334 onward.

308 Financial Statements of AUDI AG at December 31, 2011

- 308 Balance Sheet
- 309 Income Statement

310 Notes to the Financial Statements

- 310 Development of fixed assets in the 2011 fiscal year
- 312 General comments on the Balance Sheet and Income Statement
- 312 Notes to the Balance Sheet
- 319 Notes to the Income Statement
- 321 Other particulars
- 326 Statement of Interests
- 328 Mandates of the Board of Management
- 329 Mandates of the Supervisory Board
- 332 Responsibility Statement
- 333 Auditor's Report

Management Report of AUDI AG for the 2011 fiscal year

AUDI AG

STRUCTURE

Company

The products of AUDI AG make it one of the world's leading carmakers in the premium segment. The vehicles of the Audi brand delight customers with their outstanding modern design, technological innovations and high build quality. The ambition to fulfill challenging customer expectations with pioneering vehicle concepts is manifested in the brand essence "Vorsprung durch Technik," which encompasses the brand values sportiness, sophistication and progressiveness.

The brand with the four rings increased its deliveries by 19.2 percent in fiscal 2011 to the record total of 1,302,659 (1,092,411) vehicles.

AUDI VEHICLE DELIVERIES BY REGION

	2011	Share in %
Germany	254,011	19.5
Europe excluding Germany	472,307	36.3
China (incl. Hong Kong)	313,036	24.0
USA	117,561	9.0
Other	145,744	11.2
Total	1,302,659	100.0

The headquarters of AUDI AG are located in Ingolstadt, where Technical Development, Sales and Administration as well as most vehicle manufacturing operations are based. The Audi A3 and A3 Sportback models, the A4 car line, the A5 Sportback and the A5 Coupé, RS 5 Coupé and Q5 models are built there. In addition, the Company makes bodies for the A3 Cabriolet, the RS 3 Sportback and the TT car line in Ingolstadt.

The Neckarsulm plant is where the A4 Sedan and A5 Cabriolet models, the A6 car line, the A7 Sportback and the A8 luxury sedan are manufactured.

Other models are produced at subsidiaries of AUDI AG and elsewhere within the Volkswagen Group on behalf of the Audi brand.

Volkswagen AG, Wolfsburg, is the major shareholder of AUDI AG and controls approximately 99.55 percent of the share capital. A control and profit transfer agreement is in effect between Volkswagen AG and AUDI AG.

STRATEGY

Vision: "Audi – the premium brand"

The Audi brand has focused on the challenges of the future in adopting its Strategy 2020. The strategy took on firmer contours during 2011 as the full potential of the mission "We delight customers worldwide" was explored in greater depth. It now gives more weight to new issues that have emerged as a result of heightened environmental awareness, growing uncertainty about the future availability of fossil fuels and increasing urbanization.

Mission: "We delight customers worldwide"

The Audi brand's products are compelling examples of the brand values sportiness, progressiveness and sophistication. In addition to building technologically advanced vehicles, the brand with the four rings aims to evoke customer delight in many other ways.

The mission statement "We delight customers worldwide" therefore plays a key role on the path to becoming the leading premium brand. The Audi brand has defined its understanding of customer delight in greater detail in the following four areas of action:

- We define innovation
- We create experiences
- We live responsibility
- We shape Audi

We define innovation

The declared ambition of the Audi brand to offer its customers high-quality, innovative vehicles is expressed in the brand essence "Vorsprung durch Technik." This is accompanied by a clear design idiom that gives the brand's progressive character a visual grounding.

The models of the Audi brand feature a wide range of technological innovations. The Company has defined various key technologies that will occupy a special role in the development of new vehicles. For example, all activities involving electric mobility will be grouped together under the umbrella brand Audi e-tron. Audi ultra embodies the lightweight technology that the Audi brand has been pioneering ever since launching the Audi Space Frame (ASF) in 1994. The brand has since intensified its activities in this field with a view to making vehicles ever lighter. Today, the Company focuses on the use of intelligent combinations of materials, which include aluminum, carbon fiber-reinforced polymers (CFRP), modern steel alloys and magnesium. Then there is Audi connect, the umbrella brand launched by the Company to bracket together trendsetting navigation and infotainment functions, as well as technologies that connect drivers with the Internet, the car and their surroundings.

In addition to product-based innovations, the Audi brand is working on new mobility concepts. Since 2011, for example, customers' mobility behavior in electrically powered cars has been the subject of a study that is part of the A1 e-tron fleet trial in Munich.

We create experiences

To delight its customers time and time again, the Company aims to create special, positive experiences that customers will associate with the Audi brand. These include modern sales concepts such as the showroom configurator, which makes it quick and easy for visitors to an Audi dealer-ship to create the Audi vehicle of their choice on large screens, with life-like, three-dimensional images.

In 2011, the Audi brand came up with a very special way of presenting its new Q3 premium SUV: the "Audi Q3 Cube." In selected downtown districts of major cities, including Barcelona, Paris and Munich, customers and interested parties were given the opportunity to discover the Q3's qualities in a mirror-filled cube up to 14 meters high.

Another way of experiencing the Audi brand emotionally is to collect a new car in person from the Audi Forums in Ingolstadt and Neckarsulm. Audi's premium vehicle handover facilities demonstrate to the customer just how much care and precision go into building Audi vehicles. The program is rounded out by a look at the history of the Company and culinary delights. To make the experience even more special, customers can tailor the handover to their own individual preferences. Accompanied by a customer relationship manager throughout the entire day, they are given a personal tour of the factory, making the occasion a truly memorable one.

We live responsibility

The Audi brand also expresses customer delight through a form of corporate responsibility that seeks to strike an appropriate balance between social or ecological requirements and economic success.

In order to maintain the high regard in which the brand and the Company are held and increase their lead over the competition, Audi has created a department specifically to address this task. Hand in hand with all the divisions, the Corporate Responsibility department pursues the strategic goal of value orientation. It advocates responsible action and behavior as the basis for sustainable success.

The core management tasks of Corporate Responsibility also include defining strategic guidelines and decision-making criteria. These guidelines are derived from the Strategy 2020 goals and are intended to highlight the link between social responsibility, preserving resources and long-term economic activity.

As a global company with around 48,000 employees, AUDI AG is very much in the public eye. Its capacity to supply information and reports on corporate responsibility matters is therefore being further expanded.

We shape Audi

The Audi brand will continue steadily with its model initiative and expand its development, manufacturing and corporate structures accordingly. In order to maintain its profitable growth, AUDI AG will focus even more closely on flexible, efficient processes, as well as strengthening its global presence and expertise. Product and investment decisions will continue to be made on the basis of how far they produce customer benefit.

Successfully accomplishing qualitative growth hinges on the employees, who demonstrate immense expertise and passion for the products of the Audi brand.

Goals

Superior financial strength

In keeping with a value-oriented corporate management approach, growth only meets the premium standards of AUDI AG if it is simultaneously profitable. Qualitative growth is therefore a priority strategic corporate goal.

This is achieved through effective and efficient structures and processes, systematic investment management and the ongoing optimization of costs. A high level of self-financing helps to preserve the Company's ability to invest and act. It therefore fundamentally aims to finance investment from self-generated cash flow.

Continuous growth

The Audi brand achieved a new deliveries record in 2011 in selling a total of more than 1.3 million vehicles. This positive development is primarily attributable to the attractive, diverse product range, which was again continuously revitalized and broadened in the period under review. In addition to the successor generation to the popular A6 full-size car line, product events included the arrival of the new Q3 premium SUV and the market introduction of the Q5 hybrid quattro. The Audi brand's product range will continue to be progressively expanded.

The Company has set itself the goal of increasing deliveries of the Audi brand to 1.5 million vehicles by 2015.

Global image leader

For a premium manufacturer, a strong brand is the basis for enduring success. The Company therefore plans to establish an emotional bond between its customers and the Audi brand and to keep steadily improving its image position through the attractive product range. The numerous national and international awards received in the 2011 fiscal year again reflect the public's huge enthusiasm for the Audi brand.

The readers of the trade journal Automobilwoche voted Audi the "Brand of the Decade" in its "Auto Stars" poll (issue 3/2011, p. 3 ff.).

The brand with the four rings also performed impressively in the reader poll "The Best Cars of 2011" (auto motor und sport, issue 4/2011, p. 104 ff.). The Audi R8 Spyder and the Audi Q5 midsize SUV repeated the success of the previous year in winning their respective categories. The award for best midsize car went to the A4 and A5 model lines for the fourth year in a row. And the newcomer Audi A1 earned a first place at the very first attempt. Rounding out an impressive set of results, there was a second place for the Audi A8.

2011 saw the Audi brand maintain its successful track record in the prestigious competition hosted by BILD am SONNTAG and the European AUTO BILD Group (AUTO BILD, issue 45/2011, p. 57 ff.) with victory for the Audi A6 in the "Golden Steering Wheel" and second place for the gas-powered A3 TCNG in the "Green Steering Wheel." With a total of 21 first-place finishes to its name, Audi is the most successful brand in the history of the poll, which was first held in 1975. The reader poll staged by the magazine OFF ROAD shows that the Audi brand is equally impres-

sive off the beaten track. The Audi A6 allroad quattro achieved first place in the "Crossover" category (issue 4/2011, p. 44 ff.).

In the poll "Most Sporty Cars of 2011" hosted by the magazine sport auto, the Audi RS 3 Sportback, the newest member of the Audi brand's dynamic RS family, emerged top of its class. Three silver awards – for the Audi TT Roadster 2.0 TFSI, the Audi TTS Coupé and the Audi TTRS Roadster – completed an impressive set of results (issue 7/2011, p. 46 ff.). The brand with the four rings notched up triple honors in the "Auto Trophy 2011" run by the trade journal AUTO ZEITUNG. The Audi Q3 compact premium SUV, the Audi A5 Sportback and the Audi A1 all won their respective categories (issue 25/2011, p. 108 ff.).

The design concept of the A7 Sportback was triumphant in the "Design Summit" held by the magazine AUTO BILD. A top-ranking jury voted the five-door coupe the clear winner (issue 6/2011, p. 52 ff.).

The Audi A6 received the "Eyes on Design Award" in the production models category for the fourth time at the Detroit Auto Show (http://www.brophy.com/NAIAS/).

The Audi brand came away from the "What Car? Award" ceremony in London with three trophies. A jury and the readers of the British auto magazine voted the Audi A1 both "Car of the Year" and winner of the "Supermini" category, while the Audi TT was voted "Coupe of the Year" for the fifth time in a row (http://www.whatcar.com/car-news/audi-a1-named-car-of-the-year/254884).

Attractive employer worldwide

As part of its strategy to become the leading premium brand, AUDI AG regards well-qualified, committed employees as a priceless asset. Particularly as it becomes internationally more diverse, the Company considers it vitally important to be viewed as an attractive employer worldwide. Against this backdrop, AUDI AG offers its workforce a stimulating working environment with attractive opportunities for development, commensurate pay and high job security. Regular internal surveys reveal a high level of employee satisfaction. In addition, external surveys have attested to AUDI AG's high attractiveness as an employer both in Germany and internationally. For instance it yet again topped the renowned graduate surveys conducted by the consultants Universum and trendence among engineering and economics students ("trendence Graduate Barometer 2011 – Business and Engineering Edition," April 15, 2011; "The Universum German Student Survey 2011," May 16, 2011).

SHARES

Stock market developments

The year started with a continuation in the positive trend on stock markets, bolstered above all by good corporate results. Having started the year at 6,973 points, the DAX for example forged ahead to over 7,400 points by halfway through the first quarter. However, political unrest in North Africa and the consequences of the natural disaster in Japan brought the DAX under increasing pressure, prompting it to fall back to around 6,500 points by mid-March. After a brief recovery the German lead index reached its year-high of 7,528 points in early May, then moved mainly sideways until the end of the second quarter.

The mood progressively darkened as the year continued. The reasons were the deepening debt crisis in Europe, uncertainty surrounding the raising of the debt ceiling in the United States and growing concerns at a slowdown in the global economy, which together fueled fears of a renewed financial crisis. These growing uncertainties periodically drove the German lead index below 5,000 points in the course of the third quarter.

The start of the final quarter brought growing confidence that a solution to Europe's debt crisis could be found before nervousness on financial markets spilled over into the real economy. Although the DAX improved on its all-year low, developments throughout the rest of the fourth quarter remained highly volatile.

The DAX closed the year on 5,898 points, well down on the position at the start of 2011.

Audi trading price trend

Audi shares started 2011 trading at EUR 650 and initially remained flat at the start of the year, in line with other German automotive shares. As the year continued, Audi shares were subsequently unable to resist the pattern of dramatic losses on stock markets worldwide following the natural and nuclear disaster in Japan. The trading price had fallen to EUR 545 by mid-March. However, the shares recovered swiftly and were almost back up where they had started the year by early May, trading at EUR 640. Growing uncertainty on financial markets worldwide meant that Audi shares also retreated to a corridor of EUR 580 to 615 between mid-May and early August. Audi shares reached an all-year low of EUR 489 on August 9. Fears of a renewed financial crisis – prompted mainly by unresolved questions surrounding the debt problems in Europe and the United States – meant the trading price was unable to match the first half-year's levels and moved sideways at around EUR 550 from mid-August on. On the last day of trading in 2011, the shares were quoted at EUR 542.05.

Looking back over a five-year period, the impressive stability of Audi's business model becomes apparent. The global financial crisis of 2008/2009 undoubtedly influenced the Audi trading price trend, even though AUDI AG itself achieved clearly positive results throughout that difficult period. The general uncertainty caused by the possibility of a protracted recession proved simply too great. The stock markets only rewarded the Company's resilience once the markets' recovery was reasonably certain. Compared with the DAX, which yielded 11.7 percent overall over the period in question, Audi shares recovered much more rapidly, returning to pre-crisis levels by the end of 2011 despite the consequences of the natural disaster in Japan and continuing global uncertainty.

Profit transfer and compensatory payment to stockholders

A control and profit transfer agreement is in force between AUDI AG and Volkswagen AG, Wolfsburg, which controls around 99.55 percent of the capital stock of the former. In lieu of a dividend payment, outside stockholders of AUDI AG receive a compensatory payment. The level of this payment is equivalent to the dividend paid on one Volkswagen AG ordinary share for the same fiscal year, as determined by the Annual General Meeting of Volkswagen AG on April 19, 2012.

DISCLOSURES REQUIRED UNDER TAKEOVER LAW

The following disclosures under takeover law are made pursuant to Section 289, Para. 4 and Section 315, Para. 4 of the German Commercial Code (HGB):

Capital structure

On December 31, 2011, the issued stock of AUDI AG remained unchanged at EUR 110,080,000 and comprised 43,000,000 no-par bearer shares. Each share represents a mathematical share of EUR 2.56 of the issued capital.

Stockholders' rights and obligations

Stockholders enjoy property and administrative rights.

The property rights include, above all, the right to a share in the profit (Section 58, Para. 4 of the German Stock Corporation Act [AktG]) and in the proceeds of liquidation (Section 271 of the German Stock Corporation Act), as well as a subscription right to shares in the event of capital increases (Section 186 of the German Stock Corporation Act).

The administrative rights include the right to participate in the Annual General Meeting and the right to speak, ask questions, table motions and exercise voting rights there. Stockholders may assert these rights in particular by means of a disclosure and avoidance action.

Each share carries an entitlement to one vote at the Annual General Meeting. The Annual General Meeting elects the members of the Supervisory Board to be appointed by it, as well as the auditors; in particular, it decides on the ratification of the acts of members of the Board of Management and Supervisory Board, on amendments to the Articles of Incorporation and Bylaws, as well as on capital measures, on authorizations to acquire treasury shares and, if necessary, on the conducting of a special audit, the dismissal of members of the Supervisory Board within their term of office and on liquidation of the Company.

The Annual General Meeting normally adopts resolutions by a simple majority of votes cast, unless a qualified majority is specified by statute. A control and profit transfer agreement exists between AUDI AG and Volkswagen AG, Wolfsburg, as the controlling company. This agreement permits Volkswagen AG to issue instructions. The profit after tax of AUDI AG is transferred to Volkswagen AG. Volkswagen AG is obliged to make good any loss. All Audi stockholders (with the exception of Volkswagen AG) receive a compensatory payment in lieu of a dividend. The amount of the compensatory payment corresponds to the dividend that is distributed in the same fiscal year to Volkswagen AG stockholders for each Volkswagen ordinary share.

Capital interests exceeding 10 percent of the voting rights

Volkswagen AG, Wolfsburg, holds around 99.55 percent of the voting rights in AUDI AG. For details of the voting rights held in Volkswagen AG, please refer to the Management Report of Volkswagen AG.

Composition of the Supervisory Board

The Supervisory Board comprises 20 members. Half of them are representatives of the stockholders, elected by the Annual General Meeting; the other half are employee representatives elected by the employees in accordance with the German Codetermination Act. A total of seven of these employee representatives are employees of the Company; the remaining three Supervisory Board members are representatives of the unions. The Chairman of the Supervisory Board, normally a stockholder representative elected by the members of the Supervisory Board, ultimately has two votes on the Supervisory Board in the event of a tie vote, pursuant to Section 13, Para. 3 of the Articles of Incorporation and Bylaws.

Section 9, Para. 3 of the Articles of Incorporation and Bylaws stipulates that the term of office for a Supervisory Board member elected to replace a Supervisory Board member who has not fulfilled his term of office ends upon expiration of the term of office of the Supervisory Board member leaving.

Statutory requirements and provisions under the Articles of Incorporation and Bylaws on the appointment and dismissal of members of the Board of Management and on the amendment of the Articles of Incorporation and Bylaws

The appointment and dismissal of members of the Board of Management are stipulated in Sections 84 and 85 of the German Stock Corporation Act. Members of the Board of Management are accordingly appointed by the Supervisory Board for a period of no more than five years. Reappointment or an extension of the term of office, in each case for no more than five years, is permitted. Section 6 of the Articles of Incorporation and Bylaws further stipulates that the number of members of the Board of Management is to be determined by the Supervisory Board and that the Board of Management must comprise at least two persons.

Authorizations of the Board of Management in particular to issue new shares and to re-acquire treasury shares

According to stock corporation regulations, the Annual General Meeting may grant authorization to the Board of Management for a maximum of five years to issue new shares. The meeting may authorize it, again for a maximum of five years, to issue convertible bonds on the basis of which new shares are to be issued. The extent to which the stockholders have an option on these new shares is likewise decided upon by the Annual General Meeting. The acquisition of treasury shares is regulated by Section 71 of the German Stock Corporation Act.

Key agreements by the parent company that are conditional on a change of control following a takeover bid

AUDI AG has not reached any key agreements that are conditional on a change of control following a takeover bid. Nor has any compensation been agreed with members of the Board of Management or employees in the event of a takeover bid.

CORPORATE MANAGEMENT DECLARATION

The corporate management declaration pursuant to Section 289a of the German Commercial Code (HGB) is permanently available on the Internet at www.audi.com/corporate-management.

COMPLIANCE

Responsible and lawful actions are a fundamental aspect of corporate management at AUDI AG. Compliance as understood in the German Corporate Governance Code means that the Board of Management must ensure that the statutory provisions and internal company guidelines are satisfied. AUDI AG has translated this principle into a preventive, forward-looking understanding of compliance that globally seeks to ensure that members of the Company's corporate bodies and its employees operate within the rules with regard to the relevant statutory requirements and prohibitions. Along the lines practiced by the Volkswagen Group, which adopts an integrated approach to compliance and risk management matters by bracketing them together organizationally and thematically within the Governance, Risk & Compliance area, the compliance organization was restructured in the year under review and an area reporting directly to the Board of Management created at AUDI AG, led by a Chief Compliance Officer.

The tasks of the Chief Compliance Officer include in particular advising and supporting the Board of Management, as well as coordinating all necessary measures to assure compliance. In order to follow through with this approach, Risk Compliance Delegates were appointed for every division of AUDI AG.

Progress with compliance activities was made both nationally and internationally during the period under review. For example, a Code of Conduct was drawn up for AUDI AG and communicated throughout the Company. In addition, important aspects of the Code of Conduct were integrated into corporate processes.

Other priority areas of the compliance program in 2011 involved preventive measures on the topic of anti-corruption, such as the introduction of web-based training courses. Moreover, the Board of Management of AUDI AG has declared its unreserved commitment to the compliance program. AUDI AG is linked into the Volkswagen Group's worldwide corruption prevention system. Both independent lawyers acting as ombudsmen and the Volkswagen Group's Anti-Corruption Officer serve as the points of contact on such matters. The latter is available to advise every employee, as well as business partners and third parties, on matters relating to corruption such as the admissibility of accepting gifts. All Audi employees may in addition contact AUDI AG's compliance organization with queries on any compliance-related topics and for assistance.

The early identification and evaluation of risks is a key aspect of AUDI AG's approach to compliance. To that end, a Company-wide risk record of relevant compliance topics was compiled in the period under review.

Activities within the compliance program in 2012 will continue to concentrate on preventive measures to avoid corruption and on the subject of antitrust law. Here too, the focus is on training and informing employees.

SYSTEM OF REMUNERATION FOR THE SUPERVISORY BOARD AND BOARD OF MANAGEMENT

Information on the system of remuneration for the Supervisory Board and Board of Management is provided in the Notes to the Financial Statements under "Details relating to the Supervisory Board and Board of Management" and constitutes part of the Management Report.

BUSINESS AND UNDERLYING SITUATION

ECONOMIC ENVIRONMENT

Global economic situation

The upturn in the global economy continued in 2011. However, there was a marked slowdown in growth in the second half. In 2011 as a whole, global economic output therefore increased by only 3.0 (4.3) percent. The mainstays of growth were emerging economies, whose economic vigor nevertheless lost some of its momentum in the latter part of the year. By contrast, the pace of economic growth in most industrial countries was modest right from the start of the period under review, further weakening as the year progressed. In many countries, expansionary monetary policies and high commodity and food prices caused inflation to rise.

Following a dynamic first quarter, the economy in Western Europe cooled down noticeably. Over the year as a whole, growth in gross domestic product of 1.5 percent was down on the previous year's 1.9 percent. Southern European countries in particular experienced low growth, and in some cases even a downturn in economic output. The escalation of the sovereign debt crisis that has been smoldering since 2010 and the unease this caused among companies and consumers depressed the economic mood. Added to this, the increasingly tough action taken in many countries to consolidate budgets dampened the economic trend.

With GDP growth of 3.0 (3.7) percent, the German economy proved to be the most robust among leading industrial nations. Although export activity declined as the year progressed, buoyant domestic demand on the back of growing corporate investment and a recovery in consumer spending largely compensated for this. The continuing favorable trend in the labor market was a positive factor.

In most countries of Central and Eastern Europe, the economy continued to grow vigorously in the year under review. Gross domestic product in Russia gained 4.3 (4.0) percent.

Economic growth in the United States weakened in 2011, with the rate of 1.7 (3.0) percent well down on the previous year due to consumer spending being damped by the difficult state of the labor market and high inflation.

Latin America also witnessed a slowdown in economic expansion over the period in question. Although the upward trend gained strength in many of the region's smaller countries, growth in Brazil fell by more than half to 2.9 (7.5) percent.

As in the preceding years, Asia's emerging countries again acted as the drivers of global economic growth in 2011. The Chinese economy's growth of 9.2 (10.4) percent dipped only slightly from the previous year's high level. India also continued to expand strongly with gross domestic product growing by 7.0 (8.8) percent.

From March 2011, Japan's economic development experienced a severe setback as a result of the natural disaster and only made a slight recovery in the second half of the year. In a reversal from the previous year's strong growth of 4.4 percent, Japan's economic output in 2011 as a whole fell by 0.7 percent.

International car market

In line with general economic growth, global demand for cars in 2011 maintained the previous year's trend in continuing along the path to recovery and rose by 4.8 percent to a new record level of 62.0 (59.1) million passenger cars. With the exception of Western Europe, all sales regions shared in this growth. This development was promoted in particular by the Chinese, Russian and U.S. markets.

By contrast, in Western Europe (excluding Germany) registrations of new cars amounted to 9.6 (10.1) million in the year under review, a decline of 4.5 percent. This was due on the one hand to a weak first quarter in important volume markets, resulting primarily from the withdrawal of state aid in the course of 2010. In addition, many countries experienced dwindling consumer confidence, rising unemployment and restricted access to vehicle financing, all of which adversely affected the market's performance. Especially the major Western European car markets contracted, in some cases markedly. While overall market demand in France and the UK was down 2.1 and 4.4 percent respectively, the Italian market shrank by 11.6 percent. Sales of passenger cars in Spain tumbled by a further 17.7 percent from the already low prior-year figure. There was an upward trend in demand for cars in most Central and Eastern European countries. Particularly in Russia, the market moved up a gear compared with the previous year. Thanks to state incentives for buyers and generally growing consumer confidence, sales of passenger cars soared by 39.8 percent to 2.5 (1.8) million units.

Notwithstanding the U.S. economy's loss of momentum in 2011, demand for automobiles in this market showed an upward trend. At 12.8 (11.6) million passenger cars and light commercial vehicles, unit sales were 10.3 percent up on the previous year. Along with the appearance of new vehicle models, growing replacement demand provided a vital growth stimulus.

With 2.6 (2.6) million vehicles sold in Brazil, demand for automobiles in the biggest Latin American car market remained unchanged from the previous year's record level. In Argentina, the market continued to grow strongly over the period under review. The sales volume there gained 28.4 percent to reach a new record total of 0.6 (0.5) million passenger cars. Markets in the Asia-Pacific region cooled down sharply in 2011 compared with the previous year. With unit sales of 22.7 (22.1) million cars, the volume grew by only 2.5 percent. Within this trend, the Chinese car market's growth slipped to 7.6 percent, bringing total unit sales to 12.3 (11.5) million passenger cars. This was mainly due to scaling back of state aid and was well below the previous year's growth of 35.1 percent. India's car market, which had previously been experiencing strong growth, was also weaker as a result of the high cost of financing and rising fuel prices, growing by just 5.6 percent to 2.3 (2.2) million passenger cars. In Japan, new-car registrations were badly affected by the aftermath of the natural disaster. Overall market volume fell by 16.3 percent in the period under review to 3.5 (4.2) million cars.

German car market

Despite higher fuel prices, 2011 saw the German car market recover from the previous year's sharp slump, rebounding by 8.8 percent to 3.2 (2.9) million passenger cars. The healthy overall economic situation proved beneficial, prompting a rise in demand especially from business customers.

The proportion of diesel versions in total new-car registrations had fallen sharply in 2009 due to high consumer demand for gasoline models, which qualified for an environment bonus; diesels have now been staging a recovery since 2010. The diesel proportion for 2011 as a whole was 47.1 percent, which equates to growth of 5.2 percentage points.

German carmakers profited from the worldwide recovery in demand for passenger cars in the year under review, increasing their vehicle exports by 6.6 percent to the new record total of 4.5 (4.2) million units. As in previous years, Western European export markets were the main sales region. Despite the overall decline in the market, a total of 2.3 (2.2) million vehicles were exported, or 0.8 percent more than in the previous year. The largest national market was the UK, accounting for an export volume of 0.6 (0.6) million cars. China has now moved up to second place with growth of 22.5 percent. 0.6 (0.5) million German-built vehicles were shipped there in 2011. The third-largest export market was the United States with 0.5 (0.5) million export vehicles. High export demand in the period under review meant that domestic production by German carmakers grew correspondingly sharply and reached 5.9 (5.6) million units, a new all-time record. The volume of German-brand cars built abroad is becoming increasingly significant; in 2011 these reached a total volume of 7.0 (6.1) million units, up 15.7 percent on the previous year.

Management's overall assessment

Despite slower progress in the second half of the year, the global economy as a whole continued to grow in the past fiscal year.

AUDI AG operated very successfully within this environment and, in selling 1,302,659 (1,092,411) Audi models, achieved the highest deliveries total in the history of the Company. The substantial rise of 19.2 percent can be ascribed in part to higher general demand, but to a greater extent to the Audi brand's attractive product range, to which a number of new models were added in 2011.

Moreover, the long-term corporate policy yet again paid dividends. It focuses on steadily optimizing processes and cost structures along the entire value chain, and therefore on lastingly improving productivity.

AUDI AG was thus able to post a profit from ordinary business activities for 2011 of EUR 5,090 (3,552) million and a return on sales after tax of 8.7 (6.6) percent.

RESEARCH AND DEVELOPMENT

The Research and Development area is of key importance for the success of a manufacturer of premium automobiles. With innovations such as quattro drive, the Audi Space Frame and the TDI engine, the Audi brand has been regularly influencing technological standards in automotive manufacturing for many decades. The Company again brought a large number of technological solutions to production maturity in 2011.

In 2011, an average total of 6,586 (6,365) people were employed at AUDI AG in the Research and Development area.

Technical innovations

New engines - driving fun and efficiency

The new 4.0 TFSI engine marks the Audi brand's systematic application of its downsizing strategy to its sporty models in the higher segments. In the Audi S6, S6 Avant and S7 Sportback, the eight-cylinder gasoline engine with direct injection achieves an output of 309 kW (420 hp), and in the Audi S8 luxury sedan it develops an impressive 382 kW (520 hp). Above all thanks to the newly developed cylinder on demand technology, which deactivates four of the eight cylinders in many driving situations at low and moderate revs, the fuel efficiency for instance of the new S6 has been improved by around 25 percent compared with the previous model (cf. "Modular efficiency platform" under "Product-based environmental aspects," p. 296 f.).

The 1.8 TFSI engine was also refined in the 2011 fiscal year. This power unit, which is used in a large number of car lines, is an excellent example of sportiness allied to efficiency, thanks to an array of new solutions. The fuel economy of this 125 kW (170 hp) high-tech four-cylinder version, which for instance propels the Audi A5 Coupé with manual transmission from 0 to 100 km/h in 7.9 seconds, is up to 18 percent better than that of the previous version. The 1.8 TFSI engine incorporates various innovations that have paved the way for this increased efficiency. For instance, alongside gasoline direct injection, it also uses indirect injection to produce improved mixture swirl. Exhaust gas cooling integrated into the cylinder head and the new all-electronic coolant regulation system create an innovative form of thermal management that effectively reduces internal friction during the warming-up phase (cf. "Modular efficiency platform" under "Product-based environmental aspects," p. 296 f.).

In the Audi A6 and A7 Sportback, the new 3.0 TDI engine developing 230 kW (313 hp) has spearheaded the diesel engine range since the end of 2011. This biturbo unit is driven by two inline turbochargers connected by a turbine air switching valve. Regulation of the turbine air switching valve improves the way the small turbocharger, designed for low engine speeds, interacts with the large turbocharger. With the new engine, the Audi A7 Sportback with 8-speed tiptronic for example sprints from 0 to 100 km/h in just 5.3 seconds and uses an average of 6.4 liters of diesel over 100 kilometers, equating to CO_2 emissions of 169 g/km. At the end of 2011, a new version in the shape of the A1 1.4 TFSI was added to the Audi A1 car line. The 1.4 TFSI embodies the Audi brand's downsizing strategy perhaps better than any other engine. Thanks to dual supercharging by a compressor and turbocharger, this four-cylinder engine with a displacement of just 1,390 cubic centimeters produces a hefty 136 kW (185 hp) and accelerates the premium compact car from 0 to 100 km/h in only 7.0 seconds. In conjunction with the technologies from the modular efficiency platform, the new engine version also achieves impressively good fuel efficiency of 5.9 liters of Super Plus gasoline per 100 kilometers in the Audi A1, making for CO_2 emissions of 139 g/km.

Awards for Audi engines

In a repeat of 2010, the 2.5 TFSI engine was again voted "International Engine of the Year" last year by a panel of 76 leading motoring journalists from all over the world (<u>http://www/</u>http://www.ukipme.com/engineoftheyear). This successful defense of its title marks the seventh triumph in a row for the Audi brand's TFSI technology. Equipped with turbo-charging and FSI direct

injection, two core technologies of the Audi brand, the 250 kW (340 hp) engine impressed the jury above all with its torque, power and sound. The 2.5 TFSI engine can be ordered for the Audi RS 3 Sportback and for the TTRS Coupé and Roadster models.

Furthermore, the 3.0 TFSI engine secured a top ranking in the Ward's 10 Best Engines competition for the third year in a row in December 2011 (http://wardsauto.com/vehicles-amp-technology/gdi-dominates-ward-s-10-best-engines-list). This competition, which has been staged every year since 1994 by the magazine Ward's Auto World, rates production engines available on the U.S. market according to criteria such as sportiness, efficiency and sound. The 3.0 TFSI engine is particularly notable for its high power flow across the entire speed range, and for its spontaneity.

Audi connect

The world is becoming increasingly interconnected – and so is the Audi brand. Under the umbrella brand Audi connect, the Company brackets together all applications and developments that link vehicles of the Audi brand to the Internet, the driver and the infrastructure. Pioneering navigation and infotainment functions thus combine with connected driver assistance systems to increase driving pleasure and comfort, and at the same time can boost driving safety.

Most car lines of the Audi brand already offer the full range of Audi connect services that are currently available. For instance, thanks to an integral UMTS module in the vehicle, with the optional "Bluetooth car phone online" passengers can connect up to eight mobile terminal devices to the Internet simultaneously via WLAN hotspot.

The integration of Google Earth and Google Street View into the map mode of the Audi Multi Media Interface (MMI) navigation system plus also makes it possible to navigate using realistic images and display high-resolution aerial and satellite images. With the latest weather and travel information and news at their fingertips, drivers are always well-informed.

The range of Audi connect features was broadened in the 2011 fiscal year. The "Audi traffic information online" service now supplies more precise forecasts of the traffic situation along the chosen route thanks to the use of comprehensive real-time data, and also operates faster than the established traffic information services. And drivers can now also navigate by voice control to special destinations, such as tourist attractions and restaurants, using the Google point of interest (POI) search. Furthermore, in December 2011 the Company joined forces with Deutsche Telekom to successfully test the new wireless communication standard Long Term Evolution (LTE), which has a data rate up to six times faster than current mobile phone networks.

Innovations for safety and comfort

Driver assistance systems

The Audi brand has a broad range of innovative driver assistance systems that make vehicles even more convenient and safer to handle.

The automatic distance control system Audi adaptive cruise control with stop&go function helps to maintain the desired distance from the vehicle in front by automatically accelerating and braking. Audi active lane assist, a driver assistance system that first appeared in 2010 in the Audi A7 Sportback, actively helps the driver to stay in lane by providing gentle steering impulses. The lane change assistant Audi side assist is available for a large number of Audi brand models; it uses a complex system of radar sensors to monitor the traffic behind a vehicle and warns the driver if they try to change lane in a potentially hazardous situation. Then there is Audi pre sense, a safety package that can identify critical driving situations and prepare the vehicle and its occupants as well as possible before a potential collision. For instance, the system automatically starts to close windows and the sunroof, and tighten the seat belts. It also activates the hazard warning flashers to alert following vehicles to the hazard.

The Audi brand's driver assistance systems were further improved and interconnected in the past fiscal year. The Company pursues a philosophy of designing systems that optimally support customers without taking over from them. For all the growing importance of driver assistance systems, the driver remains in charge and responsible for the vehicle.

The Company is also working intensively on the development of new systems. For instance, in future a traffic jam assistant will help the driver to negotiate slow-moving traffic by automatically accelerating and braking, as well as by providing steering assistance.

New Audi models awarded five stars in Euro NCAP crash test

In addition to the new Audi A6, which was awarded the top five-star rating by the renowned European driving safety agency "European New Car Assessment Programme" (Euro NCAP), the Audi Q3 compact premium SUV achieved top marks for passive crash safety (http://www.euroncap.com/results/audi.aspx).

The models scored especially well for adult occupant protection in a front, rear and side collision and in the categories child safety and pedestrian protection.

The Audi brand has given its models a further safety boost by including the ESP stabilization program as standard, alongside the optional driver assistance systems.

Electric mobility

Electric mobility at Audi

Alongside efficient combustion engines, hybrid drive systems and other alternative forms of drive technology such as gas-powered vehicles, electric mobility is a key cornerstone of AUDI AG's technology strategy (cf. "Future mobility" under "Product-based environmental aspects," p. 295). Amid its quest to identify the future shape of mobility, the Company pursues the broad-based policy of coordinating all systems and components as far as possible in order to exploit the full potential of electric mobility.

The interdisciplinary project house e-performance was launched back in 2009 to pool the skills of all development areas and devise strategic solutions to the questions posed by electric mobility. This Audi think-tank maintains an ongoing dialog with external experts such as universities and research institutes. The new development and test center for electrified drivetrains was opened in 2010. Its cutting-edge infrastructure permits a highly integrated working approach and provides a good basis on which to optimize the key technologies of drives, batteries and power electronics, leading to the practical testing of the entire drivetrain.

AUDI AG is also actively involved in the "National Platform for Electric Mobility" initiative launched in May 2010. This is an advisory body set up by the German government with the goal of making Germany not just the lead market, but also the leading supplier of electric mobility by 2020. The topic of electric mobility was once again a priority research area in fiscal 2011. For example, the pilot project "Munich Model Region for Electric Mobility" supported by the German Federal Ministry of Transport, Building and Urban Development (BMVBS) got off the ground. This fleet test, involving a total of 20 Audi A1 e-tron cars, is intended to explore customers' mobility behavior in greater depth when driving electric vehicles. The all-electric A1 e-tron develops an output of 75 kW (102 hp). If necessary, a compact combustion engine known as a range extender recharges the battery, increasing its range to as much as 250 kilometers. For the first 50 kilometers the Audi A1 e-tron, which is designed specifically for urban use, can run with zero local emissions. Other prestigious partners are involved in the pilot project. E.ON and Munich's public utility company Stadtwerke München are in charge of developing and operating the charging infrastructure - E.ON mainly in outlying areas and Stadtwerke München in the Bavarian capital itself. All charging points supply renewable energy. The Technical University of Munich is monitoring and evaluating mobility behavior over the course of the project.

AUDI AG aims to be among the premium segment's leading players for electric mobility by 2020. In bringing this form of travel to production maturity, the Company uses innovative concept cars as part of a comprehensive approach spanning all practical aspects of electric driving. Further electric study vehicles under the Audi e-tron umbrella brand were presented in the 2011 fiscal year. The Audi A3 e-tron technology demonstrator is a compact car with an operating range fit for everyday use thanks to its powerful electric motor and high-performance lithium-ion battery. This all-rounder, specially designed for urban use, can drive up to 140 kilometers without needing to be recharged and generates zero local emissions. In April 2011 the Audi brand showcased the Audi A3 e-tron concept at Auto Shanghai. The four-seater notchback sedan is a plug-in hybrid. With its two power units and lithium-ion batteries capable of storing enough energy to drive up to 54 kilometers purely electrically, it makes very efficient use of fuel. The Audi urban concept was then unveiled at the International Motor Show (IAA) in September 2011; this is a 1+1-seater for urban driving. Thanks to the systematic use of lightweight materials, most notably carbon fiberreinforced polymers (CFRP), the all-electric technology study weighs a mere 480 kilograms. The A2 concept, a premium-standard concept car, also made its world debut at the IAA. This electric vehicle achieves a range of up to 200 kilometers over the European standard driving cycle and already features contactless charging (Audi Wireless Charging). Faster charging was a particular development priority for this technology study. The battery can now be charged up fully in just 1.5 hours from a 400-volt three-phase supply.

The Audi brand is planning to bring the all-electric Audi R8 e-tron sports car onto the streets in a small series towards the end of the current fiscal year.

Audi e-tron quattro - the future shape of quattro

For over 30 years, quattro all-wheel drive has combined automotive sportiness with a high degree of everyday suitability. In the Audi e-tron quattro development platform, the Company now combines the familiar advantages of quattro all-wheel drive with electric mobility. Intelligent powertrain management with torque vectoring allows the propulsive power to be distributed variably between both sets of wheels, as well as between each rear wheel, thus contributing to increased driving safety. If for instance the front wheels' grip becomes poorer on

slippery surfaces, the drive torque is diverted to the rear wheels as required in a fraction of a second.

The concept vehicle is powered by a parallel hybrid drive with plug-in technology, supported by a second electric motor on the rear axle. Thanks to the electric motors on the front and rear axles, the Audi e-tron quattro can travel purely electrically at speeds of up to 100 km/h and for up to 40 kilometers. At higher speeds or over longer distances, a 2.0 TFSI engine developing 155 kW (211 hp) gradually takes over.

Audi balanced mobility

AUDI AG seeks to play a leading role within the context of the automotive industry's drive to use natural resources sustainably. The Audi balanced mobility concept was launched against this backdrop, with the aim of achieving overall CO₂-neutral mobility. In an initial move, the Company plans to invest in an offshore wind farm. The plan is to use the wind power this facility generates for the future production and operation of Audi e-tron models.

The renewable power can also be used to produce hydrogen by electrolysis. On the one hand, hydrogen serves as an energy source for fuel-cell vehicles, and on the other hand it can be reacted with carbon dioxide to produce methane. For the manufacture of this synthetic natural gas – or Audi "e-gas" – an industrial-scale e-gas plant in North Germany is being built in a venture involving renowned project partners. The plant will use surplus wind power to produce e-gas, which can then be used in gas-powered vehicles such as the Audi A3 TCNG, scheduled for launch in 2013. The e-gas can also be stored in the public gas distribution network or put to other uses. The Audi e-gas project thus provides a fitting solution to the problem that generating power from the wind and sun is dependent on natural fluctuations. And by using the existing natural gas infrastructure, surplus wind and solar power can now be stored.

AUDI AG receives "Best Innovator" award

In June 2011, AUDI AG won the Automobile OEM category of the "Best Innovator" award, which is sponsored jointly by the business journal WirtschaftsWoche and the management consultants A.T. Kearney (WirtschaftsWoche, issue 24/2011, p. 64 ff.). The competition was held for the seventh time in the past fiscal year. AUDI AG impressed the high-ranking jury above all with its systematic approach to innovation management, which nevertheless preserves ample leeway for spontaneity.

PROCUREMENT

A major aim of procurement within AUDI AG is to establish long-term partnerships with efficient suppliers. In addition to overall economy, suppliers are selected according to other factors such as quality, innovation and reliability. The final choice is reached in cooperation with Volkswagen Group Procurement so that both companies can exploit any synergy potential.

The cost of materials for AUDI AG came to EUR 24,457 (19,072) million in fiscal 2011 and therefore accounted for the greater part of the cost of sales. This highlights the fundamental importance of procurement for corporate success.

The ever-growing diversity of models and equipment versions poses fresh procurement challenges. The increased number of vehicle launches and the high complexity of the supply chain have necessitated a further intensification of purchased part and supplier management. Together, tool and process experts from the procurement and quality assurance areas make sure that the necessary capacity is available and the required quality standards are maintained, so that production of new models starts successfully and the Audi production network is reliably supplied with parts.

Sustainability occupies a central position within the Company's procurement principles and supply management approach. All suppliers and business partners are expected to uphold environmental and social standards both for themselves and for their supply chain, and to reflect AUDI AG's high benchmark for entrepreneurial responsibility. The prompt involvement of suppliers in the product development process can moreover unlock ways of reducing the amount of materials used or of using alternative materials, for example.

PRODUCTION

AUDI AG substantially increased car production in fiscal 2011 to 1,338,280 (1,122,574) vehicles. Alongside the market's generally positive development, the rise can be attributed to the continual introduction of new products.

VEHICLE PRODUCTION BY MODEL¹⁾

	2011	2010
Audi A1	116,749	51,937
Audi A1 Sportback	817	-
Audi A3	27,461	35,126
Audi A3 Sportback	149,855	151,486
Audi A3 Cabriolet	11,752	12,309
Audi Q3	19,654	108
Audi A4 Sedan	216,251	190,884
Audi A4 Avant	103,434	109,474
Audi A4 allroad quattro	10,537	10,788
Audi A5 Sportback	53,204	49,803
Audi A5 Coupé	38,095	40,213
Audi A5 Cabriolet	20,459	20,924
Audi Q5	191,987	155,052
Audi A6 Sedan	196,260	166,455
Audi A6 Avant	45,628	40,279
Audi A6 allroad quattro	3,036	5,551
Audi A7 Sportback	37,301	8,496
Audi Q7	53,707	47,769
Audi A8	38,542	22,435
Audi R8 Coupé	2,039	1,610
Audi R8 Spyder	1,512	1,875
Total, AUDI AG	1,338,280	1,122,574

1) Including vehicles built for quattro GmbH

At Ingolstadt, AUDI AG built 583,942 (553,010) vehicles during the past year, an increase of 5.6 percent on the previous year's level. The higher production volume can be explained in particular by high demand for the Audi Q5. 166,442 (105,341) parts sets were also made for CKD assembly in Changchun (China) and Aurangabad (India). The number of vehicles built at Neckarsulm climbed to 265,622 (216,322) cars in 2011, above all as a result of high demand for the A6 car line and for the A7 Sportback and A8 models. In addition, 117,337 (118,761) parts sets for CKD assembly in China and India were produced there.

Production milestone

In October 2011, the Company celebrated the production of the ten millionth midsize Audi vehicle. Four generations of the Audi 80 were built before this model was replaced with the Audi A4 in 1994. The A4 car line has now also reached its fourth generation.

DELIVERIES AND DISTRIBUTION

The 2011 fiscal year saw the Audi brand increase its deliveries to customers worldwide by 19.2 percent to the new record total of 1,302,659 (1,092,411) vehicles, achieving its delivery target of 1.3 million cars.

The number of vehicles delivered in the home market Germany was increased to 254,011 (229,157), improving the market share slightly from 7.8 to 7.9 percent.

In Western European export markets, the Company bucked the negative overall trend in the market by posting double-digit growth to 428,292 (382,748) vehicles. There was a notably positive performance in the UK and French export markets, where the Audi brand increased total deliveries to 115,345 (99,705) and 62,009 (52,520) units respectively, equivalent to increases of 15.7 and 18.1 percent. The brand with the four rings enjoyed a slight increase in deliveries in the Spanish car market; in Italy the number of vehicles it delivered was unchanged from the previous year. The Company thus clearly outperformed these markets as a whole.

In Central and Eastern Europe, the Audi brand increased its deliveries quite substantially last year. The improvement owes much to the development of the Russian car market, where the Company increased its vehicle deliveries by 25.6 percent to 23,250 (18,510) units.

The Audi brand also put in a very successful performance in the U.S. market in 2011. With a new record of 117,561 (101,629) vehicles, the Company increased its deliveries by 15.7 percent year on year.

The Asia-Pacific growth region again expanded sharply in the past fiscal year. The Audi brand delivered 35.3 percent more vehicles there in 2011 than one year earlier, or 373,724 (276,241) in total. This growth was driven by the Chinese market (including Hong Kong), where the Company increased deliveries of the Audi brand by 37.3 percent to 313,036 (227,938) units. This meant that China overtook Germany as the Audi brand's biggest market for the first time ever. Despite lower overall market demand in Japan following the natural disaster, the Company increased its deliveries by 22.1 percent to 21,059 (17,251) vehicles.

DELIVERIES TO CUSTOMERS BY MODEL

	2011	2010
Audi A1	118,175	27,898
Audi A3	28,405	37,322
Audi A3 Sportback	146,881	154,574
Audi A3 Cabriolet	11,683	12,429
Audi Q3	9,288	39
Audi TT Coupé	20,923	19,534
Audi TT Roadster	6,316	5,374
Audi A4 Sedan	207,409	180,125
Audi A4 Avant	106,957	110,297
Audi A4 allroad quattro	10,903	11,477
Audi A4 Cabriolet	-	161
Audi A5 Sportback	51,542	51,844
Audi A5 Coupé	36,800	41,365
Audi A5 Cabriolet	20,637	21,324
Audi Q5	176,084	147,088
Audi A6 Sedan	183,244	159,213
Audi A6 Avant	42,240	39,606
Audi A6 allroad quattro	3,732	5,490
Audi A7 Sportback	31,317	3,795
Audi Q7	52,529	43,251
Audi A8	34,245	17,039
Audi R8 Coupé	1,803	1,916
Audi R8 Spyder	1,546	1,250
Total, Audi brand	1,302,659	1,092,411

The Audi brand maintained the continuous expansion of its product range in 2011.

Audi A1

For the Audi A1, 2011 was the first full year in production. The Audi brand delivered a total of 118,175 (27,898) of its premium compact model to customers.

The A1 appeals above all to a youthful, lifestyle-oriented target group. Its most attractive features include emotional design, a wide range of customization options, and modern information and communication technologies.

After its launch, the Audi A1 was initially available as a three-door version. At the end of the year, the Audi brand then unveiled the A1 Sportback, which has been arriving on markets since February 2012. The five-door version provides more convenient access to the rear compartment and is equipped with four seats as standard, or optionally with five at no extra charge. There are

currently five engine versions available – three TFSI and two TDI – with outputs ranging from 63 kW (86 hp) to 136 kW (185 hp). The 1.6 TDI engine with manual transmission is an extraefficient version that is also available for the three-door A1. Developing 66 kW (90 hp) or 77 kW (105 hp), it achieves average consumption of just 3.8 liters of diesel per 100 kilometers, equivalent to CO_2 emissions of 99 g/km.

The top-of-range A1 quattro will also be appearing in 2012 as a limited edition of 333 units. Its output of 188 kW (256 hp) propels it from 0 to 100 km/h in only 5.7 seconds and on to a top speed of 245 km/h.

Audi A3

A particularly sporty model was added to the A3 car line in early 2011. The RS3 Sportback is outfitted with a 2.5 TFSI engine that was voted "International Engine of the Year" in both 2010 and 2011 (http://www.ukipme.com/engineoftheyear). The five-cylinder engine builds on a lengthy Audi tradition stretching back to the 1980s, when powerful five-cylinder engines took the Audi brand to the top of the sport of rallying.

The Audi brand delivered 186,969 (204,325) vehicles of the A3 car line worldwide in fiscal 2011.

Audi Q3

The introduction of the Audi Q3 in fall 2011 increased the Audi brand's SUV family to three models. The Q3 combines the dynamics of a compact car with the spaciousness and versatility of an SUV. Other impressive attributes are its lightweight body and its highly advanced assistance and multimedia systems. Many of its solutions have been adopted directly from the full-size category. The model is currently available with two TDI and two TFSI engines, with outputs between 103 kW (140 hp) and 155 kW (211 hp).

9,288 of the Audi Q3 were already delivered to customers during 2011.

Audi TT

The compact sports car models Audi TT Coupé and TT Roadster boast dynamic design and sporty performance. Turbocharging and direct injection make the three four-cylinder engines – including one TDI and two TFSI versions – not just powerful, but efficient too. For instance, in the Coupé version the 2.0 TDI engine with an output of 125 kW (170 hp) in conjunction with quattro drive and manual transmission runs on 5.3 liters of diesel fuel per 100 kilometers and produces emissions of 139 g CO_2 /km. The TT Coupé and TT Roadster are also available as S and RS models with ultra-sporty engines.

A total of 27,239 (24,908) of the TT car line were delivered in 2011.

Audi A4

The improved models of the A4 car line have been on the market since last fall and deliveries to customers commenced at the start of 2012. Not only has the design of the A4 Sedan, A4 Avant, A4 allroad quattro and S4 models been made even clearer and more striking, the improved versions also offer new features that enhance driving dynamics, efficiency and infotainment. The models in the A4 car line are propelled by powerful TDI and TFSI engines that have a large number of efficiency technologies as standard. Although many of the engines now produce more power and torque, fuel efficiency has on average improved by 11 percent. The most economical version in the model family is the Audi A4 2.0 TDI developing 100 kW (136 hp), which uses just 4.3 liters of diesel fuel in the sedan version, making for CO₂ emissions of 112 g/km. A highlight of the TFSI family is the new 1.8-liter engine, which realizes fuel savings of 18 percent in the 125 kW (170 hp) version of the A4 Sedan compared with its predecessor. The Company delivered a total of 325,269 (302,060) of its popular A4 car line to customers in 2011.

Audi A5

The A5 car line was also revised in 2011. The engines, suspension and infotainment of the A5 Sportback, A5 Coupé and A5 Cabriolet models are now even more advanced. The design has also been refined, with sharper, more evocative styling and an even more elegant interior. Fuel economy and CO_2 emissions have been improved by up to 18 percent compared with the previous engine versions.

As in the A4 car line, the fundamentally reengineered 1.8 TFSI engine features innovative solutions in many areas of technology such as thermal management, the fuel injection system and turbocharging. In the A5 Coupé, the four-cylinder version with manual transmission and an output of 125 kW (170 hp) consumes an average of 5.7 liters of premium-grade fuel per 100 kilometers and produces 134 g CO_2 /km.

The ultra-sporty models of the A5 car line – the S5 available in Sportback, Coupé and Cabriolet body versions and the RS 5 Coupé – have also been revised as part of the product improvement measures.

Overall, the Audi brand delivered 108,979 (114,533) vehicles of the A5 car line in 2011.

Audi Q5

The Audi brand delivered 176,084 (147,088) of the Audi Q5 to customers during the year. Since appearing on the market at the end of 2008, the midsize SUV has developed into a high-volume car line and a major driver of growth.

In addition, a full hybrid version of the Q5 became available in November 2011. The Q5 hybrid quattro has a 2.0 TFSI engine and an electric motor, and can run on its combustion engine alone, its electric motor alone, or in the hybrid mode. The Q5 hybrid quattro recovers energy during retardation phases; it activates both the engine and the electric motor simultaneously when accelerating rapidly.

Audi A6

In bringing out the new A6 and A6 Avant in 2011, the Audi brand launched the seventh generation of the full-size car line. The new models' principal attractions are a lightweight body and, most notably, a wide choice of assistance and infotainment systems. There are currently seven powerful engine versions of each of the sedan and Avant; intelligent efficiency technologies give them an impressive status in their class for fuel economy. The car line's most efficient engine, for instance – the 2.0 TDI with an output of 130 kW (177 hp) – needs only 4.9 liters of diesel over 100 kilometers in the sedan version, giving it emissions of 129 g CO_2/km . In the fall, the Audi brand presented the S6 and S6 Avant models that will be available starting in summer 2012. They are powered by a new 4.0 TFSI high-performance engine developing 309 kW (420 hp) that delivers even more sporty performance than the predecessor models' engines, yet is around 25 percent more fuel-efficient. The A6 allroad quattro and A6 hybrid

models will then follow in the course of 2012. The A6 car line again proved very popular during the period under review. A total of 229,216 (204,309) of this model were handed over to customers.

Audi A7 Sportback

The Audi brand ventured into a new market segment in 2010 with the A7 Sportback. The five-door model with the dynamically flowing tail combines the strengths of a coupe, a sedan and an Avant thanks to its sporty emotional character, comfort and high everyday suitability.

The A7 Sportback is currently available with five powerful six-cylinder engines with outputs in the range of 150 kW (204 hp) to 230 kW (313 hp), and features an array of efficiency technologies such as the start-stop system, innovative thermal management and energy recovery. From summer 2012, the S7 Sportback will likewise be available to customers. The powerful 4.0 TFSI engine with 309 kW (420 hp) at its disposal speeds the five-door coupé from 0 to 100 km/h in only 4.9 seconds.

Having made its market entry in fall 2010, last year was the A7 Sportback's first full year in production. In total, 31,317 (3,795) of the A7 Sportback were delivered to customers in 2011.

Audi Q7

Demand for the Audi brand's largest SUV, the Q7, once again rose year on year. The Company delivered 52,529 (43,251) vehicles to customers.

There are currently six engine versions of the Q7 on the market – two TFSI and four TDI versions. The most efficient engine in the Q7 is the 3.0 TDI quattro developing 150 kW (204 hp), with average consumption of only 7.2 liters of diesel fuel per 100 kilometers and emissions of 189 g CO_2 /km. The Q7 V12 TDI quattro, which has an output of 368 kW (500 hp), is actually one of the most powerful models in the entire Audi product range.

Audi A8

The A8 L W12 quattro, the top version of the A8 car line, was launched on the market by the Audi brand in the course of last year. Together with all the sophisticated qualities of the luxury sedan, this vehicle delivers outstanding, dynamic road performance thanks to its powerful 12-cylinder engine with a displacement of 6.3 liters and an output of 368 kW (500 hp). The S8 will then become available from summer 2012. Although the output of the new 4.0 TFSI engine has gained 51 kW (70 hp), taking it to 382 kW (520 hp), the S8 is up to 23 percent more fuel-efficient than the predecessor version. This is thanks to a large extent to the newly developed cylinder on demand technology, which shuts down four of the eight cylinders in part-load operation, thus boosting efficiency.

From the second quarter of 2012, a hybrid version of the A8 will also become available to order. The A8 hybrid offers remarkable efficiency for a car of its class, with consumption of 6.3 liters of premium-grade fuel per 100 kilometers and CO_2 emissions of 147 g/km.

Demand for the Audi A8 was outstanding in 2011. In total, the Audi brand delivered 34,245 (17,039) of this model, doubling the prior-year value.

Audi R8

The Audi brand again added to its product range in the supercar segment in 2011, with a limited run of 333 of the R8 GT Coupé delivered from the start of the year. The 5.2 FSI engine developing 412 kW (560 hp) accelerates the top model of the R8 car line from 0 to 100 km/h in a breath-taking 3.6 seconds. December saw the start of deliveries of the open-top version R8 GT Spyder, which is again available in a limited run of 333.

In total, 3,349 (3,166) vehicles of the R8 car line were delivered to customers in 2011.

FINANCIAL PERFORMANCE INDICATORS

FINANCIAL PERFORMANCE

AUDI AG increased its revenue to a new record total of EUR 35,998 (30,233) million in fiscal 2011. This steep revenue growth of 19.1 percent was achieved mainly through increased vehicle sales. Sales of cars of the Audi brand brought the Company revenue amounting to EUR 32,367 (27,108) million in the past fiscal year – a rise of 19.4 percent. The A4 car line was once again the most important source of revenue. In the first full year of production of the new Audi A1, the Company posted a substantial rise in revenue from the compact car segment. Meanwhile, the successful launch of the new generation of the Audi A6, full availability of the new A7 Sportback and lively demand for the Audi A8 pushed up revenue from the full-size and luxury segment significantly. A renewed rise in demand for the Q5 and Q7 SUV models also impacted the revenue trend positively.

As a result of the dynamic business performance, the cost of sales for AUDI AG rose to EUR 30,449 (26,038) million in the period under review. Thanks to ongoing improvements in productivity and processes, this increase of 16.9 percent was below the rate of increase in revenue. AUDI AG's gross profit thus climbed 32.3 percent to EUR 5,549 (4,195) million. Distribution costs rose to EUR 2,261 (1,947) million in particular as a result of the marked increase

in volume and the costs incurred in connection with the introduction of new models. Furthermore, administrative expenses increased to EUR 202 (179) million. The other operating result was improved to EUR 1,658 (1,182) million in 2011.

The investment result remained virtually unchanged at EUR 424 (422) million. The net interest of EUR –76 (–112) million includes expenses from interest on long-term commitments. AUDI AG thus improved its profit from ordinary business activities for the past fiscal year by 43.3 percent overall, to EUR 5,090 (3,552) million. This new record figure means the Company continues to make impressive progress down the growth pathway envisaged in its Strategy 2020.

As a result of changes to the measurement of pension obligations under the German Accounting Law Modernization Act, there was an extraordinary result of EUR – 345 (– 368) million for the last time in fiscal 2011.

After deduction of income tax expense, the Company posted a profit of EUR 3,138 (2,010) million for the period under review, a rise of 56.1 percent.

The return on sales after tax consequently reached a considerable 8.7 (6.6) percent.

NET WORTH

The balance sheet total for AUDI AG rose by 21.1 percent in the past fiscal year to EUR 23,157 (19,117) million.

Fixed assets of EUR 7,260 (6,743) million were up on the previous year's level mainly as a result of the increase in property, plant and equipment.

Total capital investments reached EUR 1,841 (2,074) million. In allocating its financial resources the Company focused on new products and technologies.

Current assets (including deferred charges) were markedly higher at EUR 15,897 (12,323) million. As a result of the dynamic business performance, inventories in particular have grown. The rise in this line item is also due in particular to the higher amount of term money placed, as well as to higher investments in securities.

As of the balance sheet date, equity (including special items with an equity portion) had risen to EUR 5,051 (4,047) million. The main factor behind this increase was the cash infusion of EUR 1,005 million by Volkswagen AG, Wolfsburg. The equity ratio for AUDI AG consequently reached 21.8 (21.2) percent.

Borrowed capital (including deferred income) as of December 31, 2011 was up on the prior-year level at EUR 18,106 (15,070) million. There was a largely volume-driven increase in provisions to EUR 10,056 (8,889) million.

Liabilities climbed to EUR 7,927 (6,124) million due to such factors as higher income tax obligations and the increased transfer of profit to Volkswagen AG, Wolfsburg.

FINANCIAL POSITION

Thanks to the Company's positive development, AUDI AG enjoyed an increase in cash flow from operating activities to EUR 4,733 (3,933) million in 2011.

Over the same period the cash used in investing activities for current operations (excluding change in securities) reached EUR 1,790 (2,063) million. Including cash deposits in securities, it totaled EUR 2,081 (2,575) million.

Alongside spending on new products and the further development of pioneering drive technologies such as electrification, the investment focus was on increasing expertise in lightweight construction.

As in previous years, the Company financed capital investments entirely from its own resources and in addition a healthy surplus was generated. The net cash flow of EUR 2,652 (1,358) million therefore highlights AUDI AG's sustained financial strength. The net liquidity at year-end thus increased to EUR 10,146 (8,178) million compared with the previous year.

EUR million	2011	2010
Cash flow from operating activities	4,733	3,933
Cash flow from investing activities ¹⁾	-1,790	-2,063
Change in securities	-291	-512
Net cash flow	2,652	1,358
Cash flow from financing activities	-1,005	-581
Net liquidity	10,146	8,178

1) Excluding change in securities

SOCIAL AND ECOLOGICAL ASPECTS

EMPLOYEES

Workforce

Average for the year	2011	2010
Ingolstadt plant	32,165	31,344
Neckarsulm plant	13,221	12,955
Employees	45,386	44,299
Apprentices	2,167	2,123
Workforce	47,553	46,422

AUDI AG employed an average of 47,553 (46,422) people in fiscal 2011. At year-end, the work-force had increased to 47,976 (46,613) employees.

The increase compared with the previous year is mainly due to the hiring of personnel in the electric mobility and lightweight construction areas of expertise.

EMPLOYEE STRUCTURAL DATA

		2011	2010
Average age	Years	41.2	41.2
Average length of service	Years	17.3	17.5
Proportion of women	Percent	13.3	13.0
Proportion of academics 1)	Percent	40.1	36.3
Proportion of foreign nationals	Percent	7.7	7.7
Proportion of people with severe disabilities	Percent	6.0	6.0
Contracts to workshops for people with mental disabilities	EUR million	6.3	6.2
Frequency of accidents ²⁾		2.3	2.3
Attendance rate	Percent	96.4	96.4
Savings through Audi suggestions award program	EUR million	70.4	55.3
Implementation quota	Percent	57.2	57.5

1) Proportion of indirect employees

2) The accident frequency figure indicates how many industrial accidents involving one or more days' work lost occur per million hours worked.

AUDI AG's human resources policy

The mission of Strategy 2020 "We delight customers worldwide" represents a particular challenge for AUDI AG's Human Resources division. Human Resources regards all employees as customers and therefore as a separate, important target group. It strives to deliver customer delight on two human resources planes: First, by creating the conditions that enable all corporate divisions to achieve a demand-centered human resources structure, and second, by acting to increase the Company's attractiveness as an employer.

One of its priorities is establishing good relations between the Company and its employees. The human resources policy must consequently be to create general and working conditions that are both conducive to a good economic performance and suitably meet the needs of employees. Cooperation between the Company and the employees' elected representatives in the spirit of a fair social partnership plays a key role here. For example, a new agreement on partial early retirement has been reached.

Another key tenet of the human resources policy is to translate the Company's success into success for the employees. The management and General Works Council of AUDI AG have therefore reached an agreement on employee profit-sharing that is based on the twin criteria of the Company's profit for the previous year and the attainment of defined target values.

Over 2,500 employees newly recruited

AUDI AG took on more than 2,500 employees in fiscal 2011. Some 1,300 of the new hirings strengthen the teams of specialists, in particular in the electric mobility and lightweight construction areas of expertise. Over 500 skilled workers were taken on, mainly as permanent employees after having been hired on a temporary basis. The Company also welcomed 706 young people starting their vocational training at its Ingolstadt and Neckarsulm locations.

Top rankings again in attractiveness surveys

AUDI AG was again held in high regard as an employer among academic graduates in 2011. As in the previous year, the Company achieved top rankings in the attractiveness surveys conducted by the consultants trendence and Universum to identify the most popular employer for German economics and engineering students nearing the end of their studies ("trendence Graduate Barometer 2011 – Business and Engineering Edition," April 15, 2011; "The Universum German Student Survey 2011," May 16, 2011). AUDI AG topped the trendence and Universum studies among students of both disciplines.

The Company was also very popular among engineers already in employment. AUDI AG was ranked second in the study entitled "The German Professional Survey 2011" by Universum, published on December 5, 2011.

It remains the priority goal of Personnel Marketing at AUDI AG to continue developing its identity as an employer brand. Clear positioning and credible communication are important milestones in achieving the strategic corporate objective of "Attractive employer worldwide." To reflect this, the approach to communication was successfully given a new direction. In the "Employer Branding Awards 2011," the "Magical Moments" campaign was an immediate success in the "Best Careers Website" and "Best Careers Advertisement" categories ("trendence Employer Branding Awards 2011," May 24, 2011).

In addition to its image as an employer, internal employee satisfaction is an important indicator of AUDI AG's attractiveness as an employer. Regular online surveys serve to confirm that employee satisfaction is high.

Training and advancement

In September 2011, 706 young people embarked on their vocational training at AUDI AG. Of these, 21 commenced studies at the Baden-Wuerttemberg Cooperative State University. 48 of the participants enrolled in the StEP program (Study and Experience in Practice), which combines vocational training with technical studies.

At the end of the year there were 2,349 apprentices at the two German locations Ingolstadt and Neckarsulm, spanning more than 20 different vocations. The figure includes 184 young people embarking on a dual vocational training program in combination with the entrance qualification for a university of applied science. In completing this training, they are entitled to progress to a university of applied science, while at the same time qualifying as a mechatronics or automotive mechatronics engineer, electronics engineer for automation technology, or tool mechanic. With AUDI AG already having pioneered a supplementary qualification as an electrician in 2010, this qualification will now be incorporated into the vocational training syllabus. As part of a pilot project, 25 automotive mechatronics engineers now for the first time qualified as automotive electricians in 2011 during their training, and passed the corresponding Chamber of Commerce examinations immediately after completing their training. The qualification focuses on the safe handling of high-voltage technology. It equips the apprentices to perform complex tasks on hybrid and electric vehicles, making them suitably prepared for the future challenges of electric mobility.

During the 2011 fiscal year, 30 young people – 20 industrial/technical apprentices and ten clerical trainees – received the opportunity to spend three months working in other European countries. The host companies were 12 locations of the Volkswagen Group. AUDI AG also plays host to apprentices from other group companies.

The Sino-German Automotive Vocational Education (SGAVE) project in China is equally about internationalization. Together with other renowned project partners, five model schools started providing training for automotive mechatronics engineers in the cities Changsha, Beijing, Changchun, Hangzhou and Chengdu from October 2011 onward. Teaching is scheduled to commence at ten further schools during fiscal 2012.

The focus of technical further training in 2011 was on the key technologies lightweight construction and electric mobility. Other training topics were prompted by the requirements of new materials, joining and bodywork technologies, battery technology, power electronics and electric drive technology.

In addition, the Training Department at AUDI AG has been providing openings for less able apprenticeship applicants for over 30 years. The arrangements offered by the Company include entrylevel qualifications for young people who have not been able to secure an apprenticeship for personal reasons or who need assistance towards acquiring the necessary qualification to train for their chosen career.

Health, job and family

The Company has been offering new preventive health care services since summer 2006. In 2011 alone, over 8,000 employees took a voluntary health check-up. The total number of people taking advantage of this service since its launch has now exceeded 44,000. This thorough preventive health check can be taken during working hours and includes an in-depth consultation with a physician as well as a range of lab tests.

AUDI AG has furthermore established a permanent facility for stem cell typing. Audi Health Care is working in close partnership with the Aktion Knochenmarkspende Bayern (Bavarian Bone Marrow Donation Foundation) and the DMKS Deutsche Knochenmarkspenderdatei (DMKS German Bone Marrow Donor Center). Employees who are interested in this option can be tested and typed at the health centers free of charge at any time.

1,365 Audi employees took the option of parental leave during fiscal 2011. 59 percent of the men entitled to take parental leave took advantage of this arrangement. The average length of parental leave in 2011 was 11 months. Women took on average 24 months' parental leave, and men two months.

A new arrangement to promote the compatibility of working and family life was introduced in August 2011. Under the "Audi Summer Children" program, for the first time employees at the Ingolstadt and Neckarsulm locations were able to take advantage of the offer of professional child care during the summer vacation. A total of 242 children and young people between six and 14 years of age attended the vacation program.

Equal opportunities for women

As an attractive employer, AUDI AG is eager to promote equal opportunities for women, attract women to the Company and offer them good career prospects. As part of a voluntary commitment made during the past fiscal year, the Company adopted differentiated targets for increasing the proportion of women at all hierarchy levels, from apprentices to top managers. Higher proportions of women should promote diversity at AUDI AG, thus further boosting the creative and innovative potential of the workforce.

When hiring female academic graduates, the Company looks at the proportions of women studying each subject. Taking the example of mechanical and electrical engineering, AUDI AG correspondingly aims for 9 percent women in the people it recruits from that course of study. Averaged out across all courses of study that are relevant for the Company, the target proportion of women among new recruits is 28 percent. This increased proportion for highly qualified women taken on by the Company will make it possible to steadily increase the proportion of female managers at the various management levels over time, with 11 percent women in top management by 2020, 12 percent in senior management and 15 percent in management. Another AUDI AG goal is to increase the proportion of female skilled workers to 10 percent and the proportion of women in first line management to 8 percent by 2020.

A large number of measures are already in place for attracting women to Audi and furthering their development. For example, AUDI AG specifically directs advertising at talented women and takes account of their specific circumstances. In that context, it offers special fact-finding days on technical vocational training, as well as workplace discovery days for young women. The Company also holds various career orientation events aimed specifically at schoolgirls, such as the "Female Researchers" or "Girls for Technology" camps, and is a long-standing participant in the nationwide Girls' Day. There is a separate series of events entitled CareerDay Women aimed specifically at female graduates and engineers already in employment. AUDI AG has also been supporting internal and external women's networks for many years. On their career pathway to management, female employees are supported as part of a mentoring program. In addition to optimizing the basic framework for making working and family life compatible, the Company is planning other supporting measures.

%	2011	2010
Apprentices	24.2	24.0
Industrial apprentices	21.3	20.9
Clerical trainees	75.8	76.5
Management	9.1	9.3
Senior Management	3.7	3.9
Top Management	2.6	0.0

PROPORTION OF WOMEN

AUDI IN SOCIETY

Employee and corporate donations

Over 99 percent of the Audi workforce contributed to the Christmas fundraising campaign in the 2011 fiscal year. The total amount raised by the employees, and topped up by the Company, reached the new record sum of EUR 800,000. As every year, the fundraising campaign led by the employees' elected representatives is to help charities and organizations in the home regions of the Company locations.

Audi employees and the Company collected a total of EUR 1.3 million for the victims of the natural disaster in Japan and supported the call for donations by the VW Group Works Council for famine relief in East Africa.

The "Spare Cents" campaign – where many employees donate the remaining cents after the decimal point on their monthly payslip – also raised around EUR 225,000 for street children projects run by "terre des hommes."

Research partnerships

122 research students are currently preparing their doctoral theses within AUDI AG on topics spanning technology, economics, the humanities and the social sciences. Around 70 percent of doctoral theses are prepared in tandem with one of the Company's partner universities. In 2011, over 80 percent of research students were given permanent positions by AUDI AG after completing their doctoral theses.

The doctoral students meeting "Pro Motion," where doctoral students present the current status of their research work, took place for the seventh time in 2011; this acts as a vital forum for specialist discussions among doctoral students, employees and members of management. AUDI AG again facilitated exchanges between the world of research, schools and the public in 2011. The Company organized another series of lectures (INI. and HIN. seminar) last year under the banner of "Hands-On University," where lecturers from partner universities presented the latest findings from their research. Ingolstadt hosted the 50th INI. seminar in the past fiscal year. Together with the partners Friedrich-Alexander University Erlangen-Nuremberg, the Technical University of Munich, the University of Stuttgart and the Karlsruhe Institute of Technology (KIT), AUDI AG also offered advanced events (INI. and HIN.JUGEND.KOLLEG) to introduce school students from eighth grade upward to the world of science and technology. A total of over 2,000 school students and adults attended the "Hands-On University" events in 2011. The partnership set up in 2010 with the prestigious Tongji University of Shanghai in China took effect last year and was further extended. The "Audi Tongji Joint Lab" embarked upon projects in the areas of marketing, electric mobility, design and IT.

2011 also saw the decision to create endowed chairs at the University of Dortmund and Friedrich-Alexander University Erlangen-Nuremberg on the topics of supply chain and international information logistics/human resources management.

LOCATION-BASED ENVIRONMENTAL ASPECTS

As a company that operates worldwide, AUDI AG actively embraces the principle of social responsibility. The idea of sustainable management, which rests on reconciling economy with ecology, is therefore an integral aspect of the corporate strategy.

This awareness is reflected not only in AUDI AG's continuing implementation of measures to improve the efficient use of resources, but also in its involvement in numerous initiatives such as the Bavarian Environmental Pact. In addition, the Company maintains a regular dialog with associations, government agencies, politicians and journalists about the principles behind its environmental philosophy. AUDI AG's environmental commitment extends far beyond the statutory requirements. This is the only way to ensure that economic growth is sustainable.

Accreditation

Alongside the use of modern technologies, organizational measures within the environmental management systems form the basis for steadily reducing pollution. These ongoing efforts are documented by internal reviews and external auditing of all production facilities.

All AUDI AG locations are for example validated under the European Union's EMAS (Eco Management and Audit Scheme), which goes well beyond the minimum standards required. In 1995 the Company became the first premium-segment carmaker to receive this coveted accreditation when it was awarded to the Neckarsulm location. The Ingolstadt production plant followed in 1997; it is also certified according to the worldwide DIN EN ISO 14001 standard. The environmental management systems for the Ingolstadt and Neckarsulm locations moreover already meet the new European standard DIN EN 16001, which sets especially rigorous conditions for continuous, systematic reductions in energy consumption.

Emissions reduction and resource efficiency

Reducing energy consumption and related emissions is a particular priority within the Company's environmental activities. By applying a raft of ongoing measures, AUDI AG intends to reduce location-based and company-specific CO₂ emissions by 30 percent by 2020, against the base year of 1990. The potential for energy savings is already considered during the planning phase. Along with infrastructure and logistics, the production and supply facilities are major areas offering scope for permanent efficiency improvements. For example, when the engine test benches at Neckarsulm are running, they generate power that can be used at the plant by being connected to generators. Then there is an extra-light body manufacturing tool made largely from carbon fiber-reinforced polymer (CFRP) and developed by the Audi Toolmaking Shop. Using this tool cuts power consumption by around 43 percent compared with a conventional version. Innovative joining techniques in body manufacturing – such as spot welding, laser welding and bonding techniques – also help to cut consumption of operating materials and energy. A modern combined heat, power and refrigeration plant at Ingolstadt as well as heat recovery systems and the use of district heating have furthermore long proved very successful.

Examples of current environmental projects

AUDI AG is promoting a sustainable environmental policy through the charitable environmental foundation Audi Stiftung für Umwelt GmbH. The foundation's goal is to protect the natural livelihood of humans, animals and plants. It supports measures and research activities that promote environmental education and the development of environmentally acceptable technologies outside the sphere of the car. The foundation's initial projects include providing long-term research backup for the "Oak Forest" research project launched in 2008, for which Audi is collaborating with the Bavarian State Forestry and the Chair of Forest Yield Science at the Technical University of Munich. It involved planting a total of around 46,000 English oaks close to the Company locations Ingolstadt and Neckarsulm. The research project seeks among other things to investigate the interaction between stand density on the one hand, and the potential for capturing CO₂ and for biodiversity on the other.

AUDI AG is also implementing numerous measures to use renewables. For instance it ships its cars from the Company headquarters in Ingolstadt to Emden, the port of loading on the North Sea coast, by trains running on power generated from renewables. Photovoltaic systems are also in use at AUDI AG's locations. In addition, AUDI AG has entered into a partnership with the industrial initiative Dii GmbH, Munich, whose long-term goal is to transform the DESERTEC vision into a reality. This vision describes the prospects for capturing solar and wind power in desert regions to supply Europe, the Middle East and North Africa.

Emissions trading

In introducing the trading of CO_2 emissions rights in 2005, the European Union took on a leading role in matters of climate protection. The second trading period in which the Ingolstadt and Neckarsulm manufacturing plants are participating runs from 2008 to 2012. As matters stand, thanks to the wide range of measures to improve energy efficiency and the reduced emissions that are the result, the position remains that AUDI AG does not expect to incur any major costs from emissions trading.

PRODUCT-BASED ENVIRONMENTAL ASPECTS

Future mobility

From pioneering engine concepts such as TDI, FSI and TFSI to lightweight construction in the shape of the Audi Space Frame, the Audi brand has repeatedly contributed to efficiency standards in automotive manufacturing over the past decades. To influence the future shape of mobility through "Vorsprung durch Technik," the Company regards it as a major priority to strike a fitting balance between fuel efficiency, comfort and driving enjoyment. AUDI AG advocates a diversified concept involving a variety of energy sources and technologies, so that customers can choose the option that best meets their individual requirements from a wide range of drive technology versions.

The combustion engine will remain the principal power source for the foreseeable future. The Audi brand therefore intends to broaden its successful TDI, FSI and TFSI engine range and further reduce fuel consumption and CO_2 emissions by implementing the technologies from its modular efficiency platform.

Electrified drive concepts are a further focal area within the technology matrix. Hybrid technology will play an important role in paving the way for purely electric travel. The Audi Q5 hybrid quattro has thus been on the market since the end of 2011. The Audi A6 hybrid and A8 hybrid models will appear on markets in the course of 2012. Under the umbrella brand Audi e-tron, which encompasses all-electric drive, plug-in hybrids and vehicles with a range extender, the Audi brand is stepping up its development activities in the sphere of electric mobility. In the past fiscal year the technical concept cars that it showcased included the A3 e-tron concept, A2 concept and Audi urban concept (cf. "Electric mobility" under "Research and Development," p. 280 f.). For electric vehicles to be a genuinely climate-neutral form of mobility, they need to run on renewable power. AUDI AG has already launched various projects to promote the use of renewables such as wind power. In this context, the Company is also investigating the practical use of alternative fuels such as second-generation biofuels. The Audi brand is also planning to start production of its first natural-gas vehicle in 2013, the Audi A3 TCNG.

Hybrid models

The Audi brand first demonstrated its expertise in the field of hybrid technology as long ago as 1989, when it unveiled the Audi duo, a technical study based on the Audi 100 Avant. In the past year, the Audi brand brought the Audi Q5 hybrid quattro onto the market. The portfolio of hybrids will be extended in 2012 with a full-size sedan, the Audi A6 hybrid and a luxury-class sedan, the Audi A8 hybrid.

All three models have a 2.0 TFSI engine and an electric motor with a combined system output of 180 kW (245 hp), and can run on the combustion engine alone, the electric motor alone or in the hybrid mode. They also recover energy during retardation phases, and when accelerating hard the electric motor supports the gasoline engine.

Assuring a high proportion of electric operation was a key development objective. These vehicles are capable of traveling at a speed of up to 100 km/h purely electrically – at a constant 60 km/h they cover around three kilometers with zero local emissions.

Over the standard European driving cycle the Audi Q5 hybrid quattro uses an average of just 6.9 liters of premium-grade fuel per 100 kilometers – equivalent to CO_2 emissions of 159 g/km. The average fuel consumption of the A6 and A8 hybrid versions is even lower, at 6.2 and 6.3 liters of premium-grade gasoline per 100 kilometers respectively. The combined-cycle CO_2 emissions of the Audi A6 hybrid are expected to be 145 g/km, and 147 g/km for the Audi A8 hybrid.

The hybridization process is to be rolled out across other car lines, too. In developing future product generations, the Audi brand will prioritize plug-in hybrids with batteries that can also be recharged from the grid.

Modular efficiency platform

The Audi brand's modular efficiency platform brings together all technologies that help to realize further reductions in fuel consumption and CO₂ emissions. It comprises components from diverse areas of technology, such as engines, auxiliaries, transmissions, energy management, body manufacturing and driver assistance systems.

The modular efficiency platform is being steadily widened; innovative technologies such as the freewheeling function, cylinder on demand and electromechanical steering were added in 2011. At the same time, the existing components are being rolled out across the entire range. For example, most models of the Audi brand are now already fitted with a start-stop system as standard.

Freewheeling function

Another technology has been added to the modular efficiency platform in the shape of the freewheeling function in the new Audi Q3, available in conjunction with the 7-speed S tronic dual-clutch transmission.

To use the freewheeling function, the "efficiency" mode must be activated in the optional driving dynamics system Audi drive select. When coasting, in other words when the vehicle is moving purely under its own momentum, such as when rolling downhill, the clutch opens. The compact premium SUV then freewheels, reducing its fuel consumption.

The "efficiency" mode of the Audi drive select driving dynamics system first appeared on the successor generation of the Audi A6 in 2011, alongside the existing options "comfort," "auto" and "dynamic." The new driving mode promotes an enhanced-efficiency form of operation that brings together the individual vehicle systems such as engine, transmission, suspension and air conditioning. The net effect is an efficiency gain of up to 10 percent.

Cylinder on demand

Cylinder on demand technology in the new 4.0 TFSI engine also helps to deliver further efficiency gains. At part loads, the high-performance eight-cylinder engine deactivates four of its cylinders. This makes the remaining cylinders operate with improved efficiency, boosting fuel economy. Above all thanks to cylinder management, the fuel efficiency of the new Audi S6 has been improved by around 25 percent compared with the previous model. The transition between the two modes goes unnoticed by the customer. For example, active noise control (ANC) detects noise interference inside the car by means of microphones built into the headlining and generates an equivalent noise via the sound system to cancel it out. In addition, active engine mounts reduce potential vibration to an imperceptible level by means of out-of-phase counter-oscillations. The new 4.0 TFSI engine with cylinder on demand will appear in the S6, S6 Avant, S7 Sportback and S8 models available from summer 2012.

Innovative thermal management

A cold start at low temperatures entails significant efficiency losses because more energy input is needed to circulate the cold, highly viscous oil in the engine, differential and transmission. Another technology added to the modular efficiency platform in the past fiscal year is an advanced form of innovative thermal management, which shortens the warming-up phase when there is increased internal friction, thus improving fuel efficiency and reducing CO_2 emissions. It achieves this by distributing the heat flows between the engine, transmission and interior intelligently so that the drive assemblies reach their operating temperature sooner after a cold start.

Electromechanical steering

The electromechanical steering underwent technological refinement as part of the A4 car line product improvement.

The steering gear incorporates an electric motor that generates the servo power to assist the driver with steering. With this advanced electromechanical steering system, the electric motor now no longer needs to provide steering assistance when the car is traveling in a straight line, thus cutting energy consumption. Thanks to the electromechanical steering, fuel consumption is reduced on average by up to 0.3 liters per 100 kilometers depending on engine version, cutting CO_2 emissions by up to 7 g/km.

The advanced electromechanical steering can also boost driving safety – for instance by regulating power assistance intelligently if there is a risk of skidding. The electromechanical steering also promotes driving safety in combination with the optional lane departure warning system Audi active lane assist, which actively helps the driver to stay in lane by providing gentle steering impulses.

Audi ultra

Vehicle weights have been steadily rising in recent years, above all due to higher comfort and convenience expectations and tougher safety requirements. Because fuel consumption falls by about 0.3 liters per 100 kilometers for every 100 kilogram reduction in a vehicle's overall weight, reversing this upward spiral is a vital aspect of improving efficiency.

Lightweight construction has acquired new importance along with the emergence of electric mobility, because savings need to be made elsewhere to compensate for the battery's high weight. A lower power-to-weight ratio also means greater agility.

The Audi brand has therefore grouped all lightweight technologies and activities under the umbrella brand Audi ultra within the framework of its Strategy 2020. At the same time the Company has the declared target to make every new Audi model lighter than its predecessor. The Audi brand boasts a long and successful track record in lightweight construction. Most notably its Audi Space Frame (ASF) technology proved a trailblazing development when it was launched on the Audi A8 in 1994, the world's first volume-built vehicle with unitary aluminum body. The Company has since produced around 700,000 vehicles using the ASF principle –

whether made entirely from aluminum or aluminum hybrid designs – as hard evidence of its expertise in handling lightweight construction on a large scale.

Today, the Audi brand places emphasis on using an intelligent mix of materials to achieve maximum performance at every point in the car through use of the optimum material. As well as aluminum and high-strength steels, the Company is increasingly turning to carbon fiber-reinforced polymers (CFRP) and magnesium. Thanks to extensive lightweight construction measures, the brand with the four rings succeeded in reducing the weight of its new Audi A6 full-size sedan by as much as 80 kilograms compared with its predecessor, despite its even better safety features and improved comfort and convenience.

The Audi brand also consistently applies lightweight construction principles in the R8 GT Coupé and R8 GT Spyder, both launched in 2011. For instance, the curb weight of the R8 GT Coupé was cut by 100 kilograms compared with the R8 Coupé, to 1,525 kilograms.

Models below 140 g CO₂/km

The Audi brand does not regard dynamic handling and efficiency as mutually exclusive. By using technologies from its modular efficiency platform, the Audi brand has steadily been able to improve the efficiency of its vehicles. At the end of the past fiscal year, it was able to supply 101 model versions with average CO_2 emissions of less than 140 g/km. 32 drivetrain versions even achieve CO_2 emissions figures below 120 g/km. Five different model versions from the Audi A1 and A3 car lines post the best value of 99 g CO_2 /km.

Further remarks on the subject of the environment can be found on the Internet at www.audi.com/environmental-protection and on the Group portal at www.volkswagen-sustainability.com.

RISKS, OPPORTUNITIES AND OUTLOOK

RISK REPORT

The risk management system within AUDI AG

Risk management approach

The entrepreneurial activity of an automotive manufacturer with global operations entails risks as well as opportunities. For this reason, AUDI AG introduced a risk management system many years ago and is now systematically refining and extending it. In view of the high strategic relevance of the risk management system, its organizational structure is enshrined in an internal Board Directive.

The primary goal of the risk management system is to identify the risks associated with the Company's business activities as early as possible, to minimize or, where possible, to exclude them altogether.

Entrepreneurial risks are deliberately taken only where they are moderate and commensurate with the anticipated benefit from that operational activity.

In order to be prepared for increasingly volatile and heterogeneous developments on global automotive markets, and so that the Company can respond swiftly and efficiently, Central Risk Management operates in partnership with the non-central risk managers in the divisions. Operational risk management tasks remain part of the processes handled by the individual divisions, while Central Risk Management performs a coordinating and supporting role. It sets standards that apply Company-wide and implements regulations that ensure risks are recorded and evaluated uniformly. At the same time, Central Risk Management monitors the effectiveness of the risk management instruments in use non-centrally (internal controlling system) with the aim of achieving ongoing improvements. Applying and controlling risk management instruments remains the responsibility of non-central risk management functions.

Within the scope of a risk early warning system, risk management analyzes developments in the Company's operating sphere to identify changed or new risk indicators. Preventive measures are then developed and implemented by the risk managers in the areas concerned. This broad-based policy is designed to increase risk transparency and risk awareness within AUDI AG. The effectiveness of the early warning system for risks is assured by an ongoing, structured exchange of information between Central Risk Management and non-central risk managers.

Improved risk management serves to place the business model on more stable footing. It thus supports the attainment of the strategic corporate targets.

Together with the compliance organization, Central Risk Management reports to the Board of Management and Supervisory Board on an ongoing basis in order to support the strategic decision-making process in the Company. The risks identified within AUDI AG and the countermeasures adopted for them are an integral part of corporate planning and management.

Integrated internal control and risk management system for the financial reporting process

The internal control process for financial reporting purposes aims to minimize or eliminate altogether the risk of misstatements both in the bookkeeping and in external reporting. The internal control process for AUDI AG comprises measures and checks that ensure the prompt, complete and accurate communication of all information needed for the preparation of its annual financial statements and management report.

The financial statements are prepared in accordance with the requirements of German commercial law. These and other accounting standards thus regulate in detail both the reporting scopes for AUDI AG that are to be included in the annual financial statements, and the application of statutory requirements.

Significant instruments of control, such as the use of the "dual control principle," a clear separation between spheres of responsibility and plausibility checks, are used in the preparation of AUDI AG's individual financial statements. The internal Auditing Department also conducts examinations to support the internal control process for financial reporting purposes.

The SAP ERP system used at AUDI AG integrates various business administration applications for the Company's Finance and Accounting Departments. The Finance module satisfies the statutory requirements for the Accounting Department. The integrated data flow simplifies the business decision-making process to a very great extent.

Prompt processing of all business transactions ensures that accounting is complete and reconciled. A key aspect is that the central component of the general ledger contains evidence of all business transactions. Documentation of the individual transactions is available at various levels in the form of vouchers, individual items and movements.

For consolidation purposes, the AUDI AG Accounting Department uses the Volkswagen Consolidation and Corporate Steering System (VoKUs).

Risk identification, assessment and documentation

Risk management within AUDI AG satisfies both the latest statutory requirements and internal regulations. The statutory framework is regularly examined and new requirements are clearly identified and implemented.

Appropriate risk surveys are sent out by Central Risk Management to the risk managers of the individual divisions from which considerable risks to AUDI AG could spread.

In a standardized risk survey conducted annually by Central Risk Management, the risk compliance coordinators from each division of AUDI AG record their risks. Central Risk Management checks compliance with Company-wide standards and processes of risk recording, and assists the risk compliance coordinators with compiling their risk reports, which serve as the basis for defining the risk profile of the Company as a whole. The plausibility and appropriateness of the risk reports are scrutinized with the aid of more in-depth interviews conducted in selected divisions. Each individual risk is assessed initially in terms of its probability. The potential loss is then evaluated, along with the risk management instruments implemented and their effectiveness. All the necessary precautions are taken to minimize or prevent identified risks.

In addition to the standardized risk report, all departments are required to notify Central Risk Management of short-term changes in the risk exposure by means of ad hoc announcements. Central Risk Management is responsible for providing the Board of Management and Supervisory Board with regular, prompt updates on AUDI AG's corporate risk profile, using the defined reporting channels.

In their examination the independent auditors assess whether the Board of Management has taken the measures incumbent upon it as defined in Section 91, Para. 2 of the German Stock Corporation Act (AktG) in an appropriate manner, and whether the monitoring system to be set up under this act is fit for purpose. AUDI AG thus satisfies the requirements of German corporate governance legislation (KonTraG). The requirements under KonTraG are furthermore incorporated into reporting to comply with the German Commercial Code (HGB).

Ongoing examination and refinement

The processes of the internal control and risk management system at AUDI AG are continually being revised and improved. The findings of the internal Auditing department and external independent auditor provide a basis for ongoing improvements and promote the creation of a learning organization. The Auditing department and independent auditors constitute impartial bodies with the task of monitoring correctness and effectiveness. The Board of Management and Supervisory Board are informed of topical developments both according to a regular cycle and ad hoc.

Individual risks

AUDI AG encounters a large number of individual risk areas within the context of its business activities. The risks highlighted in each case refer to the period 2012 through 2014.

Economic risks

As a globally active automotive manufacturer, AUDI AG's business operations are influenced to a high degree by the international economic framework. The principal sales markets that are of importance to the Company – Europe, China and the United States – are especially significant in this respect.

The upturn in the global economy continued in the past fiscal year, although the upswing lost momentum in the second half, especially in Western Europe. Global demand for cars benefited from the positive economic trend and reached a new record level in 2011. While Japan and a number of Western European markets reported lower levels of new registrations, demand for automobiles particularly in China, Russia and the United States was a key driver of global market growth.

In particular the emerging Asian and Latin American car markets are likely to continue posting high growth rates in the next few years, whereas a downturn in demand for passenger cars is expected in Western Europe in 2012. However, new risks could fundamentally arise as a result of changing framework conditions, such as increased customs, tax and trade barriers. Extensive risk early-warning indicators are used and the market is continually monitored so as to plan production in accordance with demand and also adjust it at short notice to fluctuations in demand. The ability to transfer production between the various locations under the production turntable principle and the effective use of timebanking also bring increased flexibility. The continual monitoring of all relevant commodity markets is an important activity of AUDI AG, because this helps to secure adequate supplies of production materials while simultaneously minimizing the cost risks and paving the way for comprehensive hedging strategies. Oil price movements present a further risk for a carmaker such as AUDI AG. A permanent rise in the price not only leads to increased energy and production costs, but also pushes up fuel prices and therefore ultimately makes customers more reluctant to buy cars. AUDI AG aims to respond to growing calls for efficiency by swiftly developing and introducing fuel economy technologies for conventional combustion engines. For example, the Audi brand already has a comprehensive product range featuring high-efficiency, progressive vehicle concepts that use technologies from the modular efficiency platform. Meanwhile, alternative forms of drive such as hybrid and electric vehicles are a central component of the Company's strategy of diversified drive principles. The continuing internationalization of AUDI AG is resulting in increased revenue denominated in foreign currency. The growing volatility of currency markets, exacerbated in particular by sovereign debt crises in various countries, is creating risks that are difficult to anticipate and could adversely affect the profit performance of AUDI AG. Movements in the U.S. dollar, the Japanese yen, the pound sterling and the Chinese renminbi against the euro are of particular significance

for AUDI AG. To counter the potential risks, the Company employs appropriate hedging instruments to an economically reasonable extent and in close, continuous consultation with the Volkswagen Group.

Finally, events that cannot be anticipated such as political intervention in the economy, terror attacks, escalating political conflicts, natural disasters and emerging pandemics can adversely affect economic activity and the international financial and capital markets. These could also have a detrimental effect on AUDI AG's business performance. The Company restricts such risks by preparing emergency plans or, where appropriate, by taking out adequate insurance cover.

Industry risks

The increasingly volatile and varied development of car markets worldwide, rising technological demands and ever tougher efficiency requirements are creating a more demanding environment for the entire automotive industry. This change in the framework conditions is prompting more intense competition and the more widespread use of sales incentives. The spread of such practices can fundamentally lead to price erosion and inflated marketing costs, especially in the principal

sales markets Europe, China and the United States, and may ultimately filter through to AUDI AG's revenue and profit performance. There are also risks to revenue and profit from the price structures of direct competitors, because the Audi brand will be unable to ignore a downward trend in the long term. State subsidies for individual manufacturers or vehicle categories could distort competition, thereby adversely affecting the profit performance of AUDI AG.

Growing pressure to improve fuel efficiency and cut vehicle emissions constitutes a major challenge for the automotive industry. As well as worldwide variation in the statutory requirements such as CO₂ limits, heightened environmental awareness among customers is becoming an increasingly significant factor. The increased sensitivity of customers to environmental acceptability and fuel economy moreover means that a permanent shift in demand in individual markets towards smaller cars cannot be excluded. However, AUDI AG is responding successfully to such challenges by steadily reducing the consumption and emissions of its product range and introducing compact models such as the Audi A1. An array of efficiency technologies already supply ample evidence of the brand essence "Vorsprung durch Technik." In addition to optimizing conventional drive technologies, the Company is focusing its attention on researching alternative fuels and new drive concepts. AUDI AG is moreover responding to its customers' desire for sustainable mobility through a systematic hybridization and electrification strategy.

Risks from operating activities

Through its operating activities AUDI AG is exposed to a number of risks that could adversely affect its net worth, financial position and financial performance.

These include for instance unforeseeable events such as explosions and major fires which could destroy or damage the Company's assets, but also cause serious disruption to production processes. There is also the risk of disruptions to production operations as a result of power supply failures or technical failures, in particular of IT systems. Although the potential for losses from the above risks is considerable, their probability is viewed as low. To reduce such risks, the Company has implemented preventive measures such as fire protection systems, emergency plans and company fire departments, and taken out adequate insurance cover. The Audi production network's high flexibility also envisages transferring production capacity to reduce the risks of lost production.

Lasting disruption to the production process could also be caused by delayed delivery or nondelivery as a result of tool breakage, losses from natural disasters and strikes at suppliers or in the transportation sector. AUDI AG uses detailed selection, monitoring, steering and supporting processes to minimize financial difficulties at dealers and suppliers that could in the worst instance result in their bankruptcy.

Within the automotive industry there is close cooperation between manufacturers and suppliers, possibly extending to the research and development sphere and other strategically significant sections of the value chain. This partnership-based collaboration brings both economic advantages and growing mutual dependence. The exclusive use of innovative technologies by suppliers with global operations is reinforcing this trend. AUDI AG addresses the associated risks by defining appropriate contractual terms or retaining title over tools used by third-party companies. Risks can also result from the failure to communicate certain situations promptly or appropriately. To minimize these risks, developments within and outside the Company are permanently observed and analyzed to ensure that communications always reflect the situation.

As an innovative premium carmaker, AUDI AG is continually extending its range of products and services. The Company also brings new technologies such as production methods, assistance or safety systems and drive concepts to production maturity. Despite intensive preparations – in the form of comprehensive market studies and conscientious planning and steering work – it is not always possible to forecast accurately the market success of new vehicle projects, technologies or services.

The development of new vehicles and technologies entails further risks. In addition to delays and changes to the product at short notice, the loss of expertise to external service providers can adversely affect AUDI AG's business activities. The Company guards against this risk by systematically granting and asserting industrial property rights as well as by consciously and meticulously selecting dependable system partners.

Legal risks

All activities by the corporate bodies, management personnel and employees of AUDI AG must comply with the current legal framework and with internal corporate guidelines. As a flanking measure to Company-wide codes of conduct, regular training courses help to inform the work-force of legal and internal requirements, and of any changes to these. This approach enables the Company to ensure that its actions are always lawful.

Nevertheless, the growing complexity of legal and fiscal requirements creates corresponding risks. As a result of the growing internationalization and expansion of AUDI AG's business activities, there is a risk of legal uncertainty due to differences of interpretation. Nor can the possibility of deliberate misdemeanors by individual persons be excluded altogether. The preventive approach of AUDI AG's compliance organization actively seeks to counter potential misdemeanors mainly through training.

As a manufacturer of premium automobiles, AUDI AG aims to satisfy its customers' high quality expectations in every respect. Nevertheless, the possibility of product liability claims cannot be excluded. Especially in the U.S market, these may lead to financial losses and significant reputational harm that could undermine the Company's long-term financial performance. AUDI AG counteracts such risks by upholding high quality standards for its products and addressing quality management systematically. In addition to taking appropriate precautions, it takes out economically reasonable levels of insurance cover and creates provisions. The same applies to lawsuits brought against the Company in the United States by commercial patent exploiters. Defending them is a costly business, and defeat involves financial losses for the Company.

AUDI AG is not currently involved in any legal or arbitration proceedings anywhere in the world that could have a lasting influence on the economic position of the Company.

Personnel risks

For a manufacturer of technologically pioneering and high-quality premium cars, qualified specialists and managers and a high degree of commitment are a vital part of the Company's success. Its human resources work therefore focuses on targeted, demand-centered human resources development and training for its employees. As an attractive employer, AUDI AG is well-placed to assert itself amid intensive competition to recruit well-qualified employees. Offering a broad in-house training program moreover helps it to selectively create resources of qualified young employees.

AUDI AG actively guards against the potential loss of expertise through fluctuation by ensuring high employee satisfaction, providing an extensive and demand-based incentive system and applying intensive competence management. The Company responds to the loss of retiring employees by systematically transferring knowledge to the successors of the experts and managers who are retiring.

The situation on the labor market in Germany continues to change as a result of an aging, shrinking population. AUDI AG responded early on to demographic change and took appropriate action. Human resources management focuses on adapting working conditions to suit an employee's age, developing models for the individual's working life, and offering special part-time arrangements. Other priorities are to offer preventive health care programs and strengthen awareness among employees of their individual responsibility for their own financial future.

Information and IT risks

AUDI AG's enduring success owes a great deal to its ability to realize sustainable productivity advances on a regular basis. To achieve these, it needs effective, low-cost processes and information technologies that reflect the needs of an automotive manufacturer with global operations. In light of the gradual spread in the Company's worldwide presence, the ready availability of data and information flows across the production locations is of growing importance in keeping procedures throughout the Company swift and efficient.

The growing prevalence of electronic networks harbors increased information and IT risks, which could undermine the financial position, financial performance and net worth of AUDI AG. Along-side the failure of important IT systems within the value chain and unauthorized access to the system, one major risk source could be the emergence of heterogeneous system landscapes. To avert the risks of unauthorized access to data, ongoing measures are taken to safeguard stable, highly available IT infrastructures.

The risks are also reduced by security standards that are designed to uphold the continuity of internal processes and thus make a major contribution towards Company security.

Financial risks

AUDI AG is also exposed to financial risks through its business activities. These essentially comprise creditworthiness and liquidity risks, as well as market price risks such as from interest rates and commodity prices. As a result of the continuing internationalization of AUDI AG's business activities, foreign exchange risks concerning in particular the U.S. dollar, the pound sterling, the Japanese yen and the Chinese renminbi cannot be ruled out. To hold these risks in check effectively, by way of medium-term precautions AUDI AG has concluded extensive hedging transactions for foreign currency and purchases of commodities. Above all in the recent past, financial markets have been experiencing high volatility and in some cases have suffered considerable upheaval in particular as a result of the sovereign debt crisis in Europe.

Overall assessment of the risk position

Following the unexpectedly swift recovery from the global financial and economic crisis, economic activity in a number of countries – in particular in Western Europe – has once again slowed down since the second half of the past fiscal year. Moreover, increasingly volatile financial markets and growing uncertainty worldwide especially in the wake of the sovereign debt crises in various countries make it more difficult to forecast future economic developments.

At the same time, the volatile and varied development of individual car markets that is expected represents a substantial risk for all carmakers.

However, on the basis of all known circumstances and facts, no risks currently exist that could endanger the Company's survival for the foreseeable future.

REPORT ON POST-BALANCE SHEET DATE EVENTS

There were no reportable events of material significance after December 31, 2011.

REPORT ON EXPECTED DEVELOPMENTS

Anticipated development of the economic environment

General economic situation

AUDI AG expects the global upswing to continue in 2012 with less vigor. There are signs of the economy cooling down in Western Europe in particular. On the other hand the emerging economies in Asia and Latin America are likely to achieve relatively high growth. Slower global economic growth means the inflationary pressure in many countries should ease, despite commodity price levels remaining high. AUDI AG expects global growth to continue in 2013 as well. The sovereign debt crisis in the eurozone will continue to overshadow Western Europe's economic development in 2012. According to AUDI AG's estimates, most countries in the region will enjoy only minimal economic growth, and some Western European countries could be at risk of slipping back into recession in the course of the year. Assuming clear progress can be made with solving the sovereign debt crisis, AUDI AG expects there to be a slight recovery in 2013.

Germany will probably be caught up in the general negative cyclical pattern being experienced in other Western European countries, particularly as exports to the rest of Western Europe will fall. After strong GDP growth in the previous two years, the Company therefore expects growth there to be low in 2012. The German economy should then expand at a faster rate again in 2013. There will probably be a marked slowdown in economic development in most Central and Eastern European countries, too. However, the Russian economy should achieve robust growth thanks to stable demand for commodities worldwide. The Company expects to see Central and Eastern European economies grow more strongly in 2013.

AUDI AG expects the United States to maintain a moderate growth rate in 2012. Nonetheless, consumer spending is expected to provide only little stimulus for the overall economy in view of the continuing tight state of the labor market and high levels of household debt. The economy will probably only stage a stronger recovery in 2013.

In Latin America, economic expansion is expected to lose pace somewhat in 2012 due to the global slowdown, before bouncing back to deliver above-average growth in economic output in 2013.

In AUDI AG's assessment, the emerging economies of Asia will continue to make dynamic progress in both 2012 and 2013, though the rate of growth in China will probably ease back somewhat due to a tighter monetary policy and weaker export demand. By contrast, the Company expects India's economy to gather pace a little. The Japanese economy should continue to recover from the natural disaster of March 2011 in the course of 2012. The upward trend will probably become more solid in 2013.

The car industry

AUDI AG expects worldwide demand for cars to rise in 2012, even though the rate of growth will probably be down on last year. With the exception of Western Europe, all sales regions worldwide should see a rise in unit sales. The Company then expects the global market to forge ahead more strongly in 2013.

The Company expects to see registrations of new cars in Western Europe decline yet again in 2012. AUDI AG believes that almost all Western European car markets will remain flat or contract. Growing uncertainty among consumers as a result of the sovereign debt crisis in the eurozone is likely to be a major negative factor. The resulting consumer reticence will probably spill over into the German car market in 2012 and cause a slight dip in registrations of new cars. Assuming the economic environment in Western Europe regains its stability, AUDI AG believes demand for cars there will rise in 2013.

Central and Eastern European countries are likely to see a weakening of the previous year's high rate of growth. AUDI AG expects that sales in the Russian car market in particular will show only slight year-on-year growth. A major factor behind this development is the withdrawal of state aid, which played a key role in the high market growth of 2011. The region's markets are then likely to regain momentum in 2013.

On the back of moderate economic growth in the United States, the upward trend in demand for cars will probably continue in 2012 and 2013. However, the market's development will continue to be held back by lenders' restrictive practices for vehicle financing and by high fuel prices. AUDI AG believes that demand for cars in the Asia-Pacific region will continue to rise in 2012, growing at a slightly slower rate in 2013. The previous upward trend in the Chinese car market is expected to continue in 2012 and 2013. However, high fuel prices, more stringent emission standards and restricted access to urban areas may slow down market development. On the other hand, the Company anticipates faster growth for India's car market in 2012 compared with the previous year. The upward trend will then intensify once again in 2013. In Japan, AUDI AG expects new car registrations in 2012 to recover from the previous year's slump, because the natural disaster created a backlog of replacement demand that could not be met in 2011. This growth in demand should continue in 2013.

Anticipated developments at AUDI AG

The global economy as a whole continued to grow in the past fiscal year. Weaker activity since the second half, the general uncertainty about the economy's direction – especially bearing in mind the debt crisis in many countries – and the highly varied development of individual car markets represent challenges for AUDI AG. In addition, there is the industry's transformation brought on by new drive technologies and mobility concepts, along with a steady increase in the intensity of competition.

However, AUDI AG believes it is well equipped to handle the challenges of the future and maintain a course of growth over the next few years.

Anticipated development of deliveries

For 2012 and 2013, AUDI AG expects to be able to increase deliveries of the Audi brand. AUDI AG intends to increase its market shares in numerous sales markets and thus improve the strong overall competitive position in the premium segment worldwide. The Audi brand has set itself the goal of increasing deliveries to 1.5 million vehicles by 2015. Unless the economic framework deteriorates markedly, it may be possible to achieve that goal sooner.

In its home market of Germany, the Audi brand expects the number of vehicles delivered in 2012 and 2013 to show an improvement on the total for the past fiscal year. Despite the expected fall in overall market demand, the Company plans a moderate increase in deliveries in Western European export markets. In Central and Eastern Europe, the Audi brand is planning substantial growth, driven mainly by an increase in deliveries in the Russian market. Deliveries in the United States in 2012 and 2013 will probably rise further. The dynamic pattern of growth is also likely to be maintained in the Chinese market.

The Audi brand intends to continue broadening its product portfolio in order to achieve even greater brand appeal and customer delight. The Company already offers a diverse, attractive product range extending from the Audi A1, through the SUV family – Audi Q3, Q5 and Q7 – to the R8 Spyder.

For 2012, AUDI AG has planned a large number of new products that will provide additional sales impetus. For example, the successor generation of the popular A3 car line will arrive on markets. In addition, the Audi brand will extend the A1 car line by introducing the A1 Sportback and A1 quattro models. The updated models of the A5 and A4 car lines have moreover been on sale to customers since the end of 2011 and start of 2012 respectively. The A6 allroad quattro and the S6, S6 Avant, S7 Sportback and S8 will add to the appeal of the higher segments during the course of the year.

By launching modern hybrid and electric drive versions, the Audi brand would like to fulfill the wishes of customers who want innovative drive and mobility concepts that explore a new dimension beyond efficient combustion engines. Following the launch of the Q5 hybrid quattro in 2011, hybrid versions of two further car lines will become available in the course of 2012 – the A6 hybrid and the A8 hybrid. The small-series electric R8 e-tron will then appear towards the end of the year. The Company also expects demand in 2012 to be lifted by the full availability of the new A6 generation and the new Q3 premium SUV, both of which have been gradually rolled out on markets since last year.

Anticipated financial performance

The planned increases in deliveries in 2012 and 2013 mean that AUDI AG's revenue will also rise. Despite higher expenses for new models, technologies and expanded production structures, AUDI AG expects profit from ordinary business activities for 2012 and 2013 to remain at the high level of 2011, provided the economic framework does not change significantly. In particular, the young, attractive product range and the effects of further process and cost optimization measures as well as systematic investment management will benefit the profit performance.

Anticipated financial position

AUDI AG again intends to finance its growth in 2012 and 2013 entirely from internally generated cash flow. Although cash used in investing activities will continue to rise because of the long-term nature of the product initiative and the development of innovative technological concepts, the net cash flow is to remain positive.

Capital investments

AUDI AG is planning to invest over EUR 9 billion in property, plant and equipment over the period 2012 through 2016, paving the way for its future growth through what will be the biggest investment program in the history of the Company.

The priorities for the investment plans include the steady broadening and rejuvenation of the product range and the accompanying expansion of production structures. In addition, in light of the anticipated growth the investment plans will extend to development capacity, the dealer and service network and ongoing productivity and quality improvements. Technological innovations such as continuous improvements to vehicle efficiency and the development of new mobility concepts also remain priority activities. The purpose of all investment measures is to lastingly strengthen the Company's competitive position.

Anticipated development of the workforce

In line with the Company's plans for growth, the number of employees at AUDI AG will rise still further in 2012 and 2013.

Opportunities for future development

AUDI AG pursues a large number of measures in order to seize opportunities for future development and thus safeguard the Company's sustainable, profitable growth.

One of the most prominent measures in this regard is the model initiative, which is to continue throughout 2012 and 2013. As well as the addition of the A1 Sportback to the A1 family, the forthcoming renewal of the high-volume Audi A3 car line will create fresh sales potential in 2012. The continuing roll-out of the new-generation A6 and A6 Avant models, which were launched in 2011, and of the new Q3 will lend added stimulus to demand.

The Audi brand intends to demonstrate its "Vorsprung durch Technik" not simply with new models, but also by introducing innovative technologies. Such opportunities include the development of new mobility concepts and the continuing emphasis on systematically improving efficiency – achieved, in the case of the Audi brand, by implementing the modular efficiency platform. AUDI AG has both the necessary infrastructure and qualified specialists to realize the product and technological innovations it is planning. Its reputation as an attractive employer will help AUDI AG in its continuing efforts to recruit well-qualified specialists to cement the Company's future growth.

Numerous awards confirm a steady rise in the Audi brand's recognition and popularity ratings worldwide. The four rings are the embodiment of sportiness, sophistication and progressive-ness. Alongside its attractive product range, AUDI AG's brand image provides an opportunity for further qualitative growth in the future.

The Company expects to be able to continue increasing deliveries of the Audi brand worldwide. For 2012 and 2013, AUDI AG identifies growth opportunities especially in the Asian sales markets China and India, but also in the United States and Russia. The Company is planning the further expansion of its international dealer and service network in those markets so that it can actively capitalize on their future potential.

In addition to factors that are within the Company's scope of action, external developments may also create opportunities – for instance, both social and political advances harbor potential for further corporate growth.

Overall assessment of anticipated future developments

The past fiscal year proved very successful for AUDI AG. New record production, vehicle deliveries and key financial indicators emphasize the Company's high competitiveness and profitability. Even after taking present challenges into account, the Board of Management considers AUDI AG to be well-placed to maintain its qualitative growth in the future.

The Company has laid the foundations for its planned growth with a steadily growing model range and the development of new mobility concepts. It will continue to pursue measures already put in place to improve costs long-term and optimize processes.

On this basis, the Company expects to continue its course of growth in 2012 and 2013.

DISCLAIMER

The Management Report contains forward-looking statements relating to anticipated developments. These statements are based upon current assessments and are by their very nature subject to risks and uncertainties. Actual outcomes may differ from those predicted in these statements.

Financial Statements of AUDI AG at December 31, 2011

Balance Sheet of AUDI AG

	N. I	D 01 0011	D 21 2010
ASSETS in EUR million	Notes	Dec. 31, 2011	Dec. 31, 2010
Fixed assets		7,260	6,743
Intangible assets	1	280	293
Property, plant and equipment	2	4,936	4,523
Long-term investments	3,6	2,044	1,927
Current assets		15,890	12,318
Inventories	4	1,860	1,452
Receivables and other assets	5	12,117	9,274
Other securities	6	1,663	1,372
Cash on hand and balances with banks	7	250	220
Deferred charges	8	7	5
Excess of plan assets over pension liability		-	51
Balance sheet total		23,157	19,117

LIABILITIES in EUR million	Notes	Dec. 31, 2011	Dec. 31, 2010
Equity		5,042	4,037
Issued capital	9	110	110
Capital reserve	10	3,515	2,510
Retained earnings	11	1,417	1,417
Special items with an equity portion	12	9	10
Provisions	13	10,056	8,889
Liabilities	14	7,927	6,124
Deferred income	15	123	57
Balance sheet total		23,157	19,117

Income Statement of AUDI AG

EUR million	Notes	2011	2010
Revenue	16	35,998	30,233
Cost of sales	17	-30,449	-26,038
Gross profit		5,549	4,195
Distribution costs	18	-2,261	-1,947
Administrative expenses		-202	-179
Other operating income	19	2,439	1,741
Other operating expenses	20	-781	-559
Investment result	21	424	422
Net interest	22	-76	-112
Depreciation of long-term investments and marketable securities	23	-2	-9
Profit from ordinary business activities		5,090	3,552
Extraordinary income		-	57
Extraordinary charges	24	-345	-425
Extraordinary result		-345	-368
Income tax expense	25	-1,607	-1,174
Profit transferred under a profit transfer agreement	26	-3,138	-2,010
Net profit for the year		-	-

DEVELOPMENT OF FIXED ASSETS IN THE 2011 FISCAL YEAR

EUR million				Gross	s carrying amounts	
	Costs Jan. 1, 2011	Additions	Transfers	Disposals	Costs Dec. 31, 2011	
	Jun 2, 2022	/ date of the		Disposato		
Intangible assets	645	89	8	0	742	
Concessions, industrial property rights and similar rights and assets, as well as licenses						
thereto	645	89	8	0	742	
		<u> </u>	<u> </u>			
Property, plant and equipment	17,700	1,597	-8	365	18,924	
Land, land rights and buildings, including buildings on land owned by others	3,295	148	48	55	3,436	
Plant and machinery	3,411	123	80	120	3,494	
Other plant and office equipment	10,620	860	127	189	11,418	
Payments on account and assets under construction	374	466	-263	1	576	
Long-term investments	2,006	155	-	36	2,125	
Investments in affiliated companies	1,777	63	-	-	1,840	
Loans advanced to affiliated companies	89	65	-	35	119	
Participating interests	137	27	-	-	164	
Other loans advanced	3	-	-	1	2	
Total fixed assets	20,351	1,841	-	401	21,791	

			Value a	djustments in gross	carrying amounts	Ca	rrying amounts
				ajustiments in gross	rearrying amounts	Ca	in ying amounts
Cumulative depreciation and amortization, Jan. 1, 2011	Depreciation and amortization for current year	Transfers	Disposals	Write-ups	Cumulative depreciation and amortization, Dec. 31, 2011	Dec. 31, 2011	Dec. 31, 2010
352	110	-	0	-	462	280	293
352	110	_	0	_	462	280	293
552	110		0		402	200	255
13,177	1,155	-	344	-	13,988	4,936	4,523
1,952	89	-	47	_	1,994	1,442	1,343
2,926	201	0	117	_	3,010	484	485
8,299	865	0	180	-	8,984	2,434	2,321
-	_	_	_	_	_	576	374
79	2	-	0	0	81	2,044	1,927
77	2	-	-	-	79	1,761	1,700
0	-	-	0	-	-	119	89
2	-	-	_	-	2	162	135
0	-	-	-	0	0	2	3
13,608	1,267	-	344	0	14,531	7,260	6,743

GENERAL COMMENTS ON THE BALANCE SHEET AND INCOME STATEMENT

The Annual Financial Statements of AUDI AG have been prepared in accordance with the provisions of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG). For the sake of greater clarity and visibility, certain individual items in the Balance Sheet and Income Statement have been combined. These items are presented separately in the Notes to the Financial Statements.

The Income Statement has been prepared in accordance with the cost of sales method. There have been no changes compared with the accounting, measurement, reporting and conversion methods applied in 2010.

NOTES TO THE BALANCE SHEET

1 Intangible assets

Intangible assets comprise purchased development services, computer software and licenses to such rights and assets, as well as subsidies paid. Self-created intangible assets are not recognized as assets.

Measurement principles

Intangible assets are recognized at cost of purchase and amortized pro rata temporis over a period of five to eight years in accordance with their likely useful economic lives.

2 Property, plant and equipment

EUR million	Dec. 31, 2011	Dec. 31, 2010
Land, land rights and buildings, including buildings on land owned by others	1,442	1,343
Plant and machinery	484	485
Other plant and office equipment	2,434	2,321
Payments on account and assets under construction	576	374
Total	4,936	4,523

Measurement principles

Property, plant and equipment are measured at cost of purchase or cost of construction, less depreciation.

The costs of purchase include the purchase price, ancillary costs and cost reductions. Property, plant and equipment paid for in foreign currency are translated at the mean spot exchange rates on the transaction date.

In the case of self-constructed fixed assets, the cost of construction includes both the directly attributable cost of materials and cost of labor as well as variable materials and indirect labor, including pro rata depreciation. Interest on borrowings is not included.

Property, plant and equipment that were acquired or produced prior to January 1, 2010 are depreciated on a scheduled basis using either the straight-line method or, to the extent permissible under tax law, the declining balance method. A scheduled changeover is made from the declining balance method to the straight-line method as soon as the latter produces higher levels of depreciation. Additions to movable fixed assets from January 1, 2010 onwards are depreciated on a straight-line basis.

Depreciation of depreciable assets is generally dated from the time of their acquisition or operational capability. Our depreciation plan is based on the following estimates of useful economic lives:

	Useful life
Buildings (excluding plant fixtures)	25–33 years
Plant fixtures	8-30 years
Production machinery	5–14 years
Other plant and office equipment, including special tools, jigs and fixtures	3–10 years

Variances by comparison with depreciation under commercial law resulting from higher deductions under Section 7d of the German Income Tax Act (EStG) (environmental protection), as well as from accelerated depreciation under Section 82d of the German Income Tax Directive (EStDV) (research and development) and pursuant to Section 6b of EStG (transfer of capital gains) are presented under special items with an equity portion and amortized in accordance with the applicable rules.

3 Long-term investments

EUR million	Dec. 31, 2011	Dec. 31, 2010
Investments in affiliated companies	1,761	1,700
Loans advanced to affiliated companies	119	89
Participating interests	162	135
Other loans advanced	2	3
Total	2,044	1,927

The change in investments in affiliated companies is primarily due to a capital increase at a domestic company and the acquisition of an investment in a company providing development services. There was an unscheduled reduction for impairment to the lower fair value of one domestic company amounting to EUR 2 (9) million.

Investment securities, consisting of time credit and pension funds, are offset against the corresponding obligations.

Measurement principles

Investments in affiliated companies, participating interests and investment securities are fundamentally measured at cost of purchase. Where impairment losses are likely to be permanent, they are depreciated to the lower fair value as of the balance sheet date.

Non-interest-bearing and low-interest loans advanced are measured at present value on the basis of an arm's length interest rate; other loans advanced are measured at their nominal value.

Additions to investments in foreign currency are translated at the mean spot exchange rate on the day of the transaction.

Time credit and pension funds that are protected from creditors and that serve to settle liabilities relating to retirement benefit obligations are measured at fair value. The fair value of such assets corresponds to their market price. Due to the fair value measurement of the time credit and pension funds, changes in value are immediately recognized as income or expense.

4 Inventories

EUR million	Dec. 31, 2011	Dec. 31, 2010
Raw materials and supplies	204	175
Work in progress	377	305
Finished goods and merchandise	1,279	972
Payments on account	-	0
Total	1,860	1,452

Measurement principles

Raw materials and supplies are recognized at the lower of the updated average cost of purchase or replacement value. Materials invoiced in foreign currencies are measured on the day of the transaction, at the mean spot exchange rate.

Other costs of purchase and purchase cost reductions are taken into account.

Emission allowances acquired for consideration are measured at amortized costs in accordance with the strict principle of valuation at the lower of cost or market. A pro memoria value is recognized for emission allowances that are not acquired for consideration.

In the case of work in progress and finished goods, which are measured at cost of conversion, direct materials are also included on an average cost of purchase basis. The amounts presented also comprise direct labor costs, together with other costs which must be capitalized under tax law. Interest on borrowings is not included.

Company cars are included under finished goods and are measured according to the expected depreciation and the likely useful life.

Merchandise is measured at cost of purchase.

Provision has been made for all discernible storage and inventory risks by way of value adjustments. In this connection, work in progress and finished goods, as well as merchandise, are measured loss-free as soon as the values derived from the sales market are lower than the amortized cost of purchase or cost of conversion.

5 Receivables and other assets

EUR million	Dec. 31, 2011	Dec. 31, 2010
Trade receivables	1,519	1,037
of which due in more than one year	0	0
Receivables from affiliated companies	9,870	7,807
of which trade payables	1,397	943
Receivables from companies linked through participation	385	148
of which trade payables	385	148
Other assets	343	282
of which due in more than one year	158	147
of which to affiliated companies	76	94
Total	12,117	9,274

Measurement principles

Receivables and other assets are recognized at their nominal value or at cost of purchase. Provision is made for discernible non-recurring risks and general credit risks in the form of appropriate value adjustments.

Receivables and other assets with a maturity of more than one year are reported at their present value on the balance sheet date using a market interest rate appropriate for the duration.

Receivables in foreign currencies are converted when recorded for the first time at the mean spot exchange rate. Receivables with a residual term of less than one year are converted using the mean spot exchange rate on the balance sheet date. For receivables with a longer term, a lower price on the balance sheet date results in a lower recognized measurement of the receivable while a higher price (measurement gain) has no effect.

6 Other securities

Other securities primarily include two treasury funds and capital market papers. Units or shares in investment funds must be reported together. In addition to the treasury funds, the reported item also includes the time credit and pension funds, which are allocated to longterm investments and offset against the corresponding time credit and pension obligations as of the balance sheet date.

EUR million	Carrying amount (CA)	Fair value (FV)	FV-CA	2011 distribution	Daily surrender possible	Omission of write-downs
Investment securities						
Time credit fund	83	76	-7	3 ¹⁾	Yes	No
Pension fund	608	623	15	181)	Yes	No
Marketable securities						
Treasury fund 1	71	63	-8	No	Yes	No
Treasury fund 2	1,549	1,569	20	No	Yes	No
Total	2,311	2,331	20	21		

1) For the 2010 fiscal year

The investment aim of the security funds is to generate a suitable rate of return for the term, with the risk being diversified appropriately. The following security classes are included: fixed-income securities, shares and other assets.

Measurement principles

Other securities are recognized at the lower of cost of purchase or fair value on the balance sheet date.

7 Cash on hand and balances with banks

Of the balances with banks, EUR 250 (220) million relates to balances with an affiliated company.

Measurement principles

Cash on hand and balances with banks are recognized at their nominal value. Balances with banks in foreign currencies are translated at the mean spot exchange rate on the balance sheet date.

8 Deferred charges

Deferred charges relate to expenditure before the year-end date provided that the expenses relate to a particular period after that date. The item mainly includes motor vehicle taxes and insurance.

9 Issued capital

On December 31, 2011, the issued capital remained unchanged at EUR 110,080,000. This capital is divided into 43,000,000 no-par bearer shares.

10 Capital reserve

The capital reserve contains shareholder contributions from the issuance of shares in the company, as well as a cash injection by Volkswagen AG, Wolfsburg, in the 2011 fiscal year amounting to EUR 1,005 (586) million.

11 Retained earnings

The statutory reserves as of the balance sheet date were EUR 131 (131) thousand, with other retained earnings totaling EUR 1,417 (1,417) million.

There has been no change in retained earnings as a result of the transfer of the entire profit for the 2011 fiscal year to Volkswagen AG, Wolfsburg.

12 Special items with an equity portion

EUR million	Dec. 31, 2011	Dec. 31, 2010
Adjustment to the value of fixed assets in accordance with:		
Section 7d of the German Income Tax Act (environmental protection)	0	1
Section 82d of the German Income Tax Directive (research and development)	1	1
Section 6b of the German Income Tax Act (transfer of capital gains)	8	8
Total	9	10

13 Provisions

EUR million	Dec. 31, 2011	Dec. 31, 2010
Provisions for pensions and similar obligations	2,274	1,916
Tax provisions	7	5
Other provisions	7,775	6,968
Total	10,056	8,889

Provisions for pensions and similar obligations are created on the basis of plans to provide retirement, disability and surviving dependant benefits. The benefit amounts are generally contingent on the length of service and the remuneration of employees. Retirement benefit systems are based on defined benefit plans, with a distinction being made between those benefit systems financed through provisions and those that are financed externally.

Other provisions relate mainly to warranty claims coverage, distribution costs and workforcerelated costs, legal expenses and product liability risks, as well as provisions relating to purchasing and development.

Measurement principles

Pension provisions are measured as the settlement amount calculated on the basis of sound business judgment.

The projected unit credit method is used for the actuarial measurement of defined benefit plans. This measures future obligations on the basis of the pro rata benefit entitlements acquired as of the balance sheet date.

This method takes account of pensions and entitlements to pensions known at the balance sheet date as well as anticipated pay and pension increases and any other relevant variables.

The interest rate used is the discounting rate published by the German Bundesbank for December 2011 with a residual maturity of 15 years.

Pension provisions are calculated on the basis of the following assumptions:

	Dec. 31, 2011	Dec. 31, 2010
Actuarial interest rate	5.14%	5.15%
Remuneration trend	2.80%	2.70%
Retirement benefit trend	1.60%	1.60%
Income from assets	3.75%	4.25%
Fluctuation	1.00%	1.00%
Accounting basis	2005 G Reference Tables	2005 G Reference Tables
Age limits	German Pension Insurance – Retirement Age Adjustment Act 2007	German Pension Insurance – Retirement Age Adjustment Act 2007

Pension obligations that are not financed via a fund are recognized as follows in the Balance Sheet:

EUR million	Dec. 31, 2011	Dec. 31, 2010
Settlement value of obligations not financed via a fund	2,267	2,203
Amounts not yet allocated from transition to BilMoG	-	294
Provisions for pensions not financed via a fund	2,267	1,909

The remuneration-based annual cost of providing unit-linked employee benefits is invested in funds by Volkswagen Pension Trust e.V., Wolfsburg.

The fund units administered on a fiduciary basis fulfill the conditions required of cover assets and are therefore offset against the pension obligations. The cover assets are measured at their fair value. Given that the corresponding benefit obligation exceeds the minimum defined benefit of EUR 448 (384) million, with the amount of this obligation being determined solely by the fair value of the assets, it is also measured at fair value.

The cover assets performed as follows during the 2011 fiscal year:

EUR million	Dec. 31, 2011	Dec. 31, 2010
Fair value of pension fund	623	584
Amortized cost of the pension fund	608	527

Pension obligations in the pension fund model are recorded as follows in the Balance Sheet:

EUR million	Dec. 31, 2011	Dec. 31, 2010
Settlement value of obligations financed via a pension fund = fair value of pension fund	623	584
Amounts not yet allocated from transition to BilMoG	-	51
Fund-financed pension provision	623	533
Offsetting with pension fund fair value	623	584
Excess from offsetting of assets	-	51

The following amounts were recognized in the Income Statement:

EUR million	2011	2010
	Offset expenses a obligations finar fund inclue	
Financial result		
Interest income (performance of pension fund)	24	22
Interest expense	24	22
Extraordinary result		
Income from fair value adjustment of pension fund	-	36
Expenses from adjustment of pension obligations	51	95
Balance of income and expenses offset in the income statement	51	59

Retirement benefit expenses are included in the personnel costs for the functional areas. The interest expenses related to the obligation and the income from the change in fair value of the pension fund assets are netted under the financial result.

The transitional amount of EUR 345 million still outstanding from the change in measurement method for provisions for pensions as a result of the German Accounting Law Modernization Act (BilMoG) was allocated in full during the 2011 fiscal year. There is therefore no excess of plan assets over pension liabilities as of the balance sheet date.

Provisions for service anniversary awards have been discounted at a rate of 5.1 (5.2) percent, applying actuarial principles.

Pursuant to the transitional provisions of BilMoG, the value of provisions as of January 1, 2010 was not discounted. As of December 31, 2011, the non-recorded discounting amount on this old total was EUR 68 (136) million.

Liabilities from the fair value balance of employees are secured by assets and are offset against these.

The cover assets performed as follows during the 2011 fiscal year:

EUR million	Dec. 31, 2011	Dec. 31, 2010
Settlement value of obligations = fair value of time credit fund	76	72
Amortized cost of the time credit fund	83	77

14 Liabilities

EUR million	Remaining term		Dec. 31, 2011	Dec. 31, 2010
	Up to 1 year	Over 5 years		Total
Advances received for orders from customers	9	-	9	14
Trade payables	1,568	_	1,568	1,235
Liabilities to affiliated companies	4,917	260	5,861	4,428
of which trade payables	468	-	468	433
Liabilities to companies linked through participation	84	-	84	113
of which trade payables	8	-	8	1
Other liabilities	292	-	405	334
of which taxes	117	-	117	101
of which relating to social insurance	33	-	71	60
Total	6,870	260	7,927	6,124

The medium-term liabilities amount to EUR 797 million. They include liabilities to affiliated companies amounting to EUR 684 million and other liabilities amounting to EUR 113 million. The other medium-term liabilities relate to the payroll amounting to EUR 75 million and liabilities in connection with social security amounting to EUR 38 million.

Liabilities to employees from the partial retirement block model in the amount of EUR 148 (120) million that are included in other liabilities are secured by assignment of the company car fleet as collateral.

Measurement principles

Liabilities are recognized at the amounts to be repaid/settlement amounts.

Short-term liabilities in foreign currencies with one year or less to maturity are measured at the mean spot exchange rate on the day of the transaction. If the price is higher on the balance sheet date, the long-term liabilities in foreign currencies are reported at the higher amount accordingly. If the price is lower (measurement gain), it is not taken into account.

15 Deferred income

Deferred income includes revenues from multiple elements arrangements which are offset at the reporting date by service obligations in future fiscal years.

NOTES TO THE INCOME STATEMENT

16 Revenue

EUR million	2011	Share in %	2010	Share in %
Germany	9,429	26.2	8,861	29.3
Rest of Europe	13,402	37.2	11,860	39.2
Asia-Pacific	8,472	23.5	5,680	18.8
North America	3,902	10.8	3,213	10.6
South America	412	1.2	291	1.0
Africa	381	1.1	328	1.1
Other countries	26,569	73.8	21,372	70.7
Total	35,998	100.0	30,233	100.0

Vehicle business accounted for 90 (90) percent of revenue. The vehicle export business accounts for a share of 77 (75) percent. As in the previous year, the greatest source of revenue was the Audi A4 car line.

Other revenue, comprising 10 (10) percent of total revenue, includes goods and services supplied to affiliated companies and sales to third parties.

17 Cost of sales

Cost of sales includes the production costs of the products sold, as well as the purchase costs of merchandise sold. This item also comprises research and development costs, warranty costs and adjustments to the value of inventories.

18 Distribution costs

Distribution costs substantially comprise expenses for marketing and sales promotion, advertising, public relations activities and outward freight.

19 Other operating income

EUR million	2011	2010
Income from the reversal of special items with an equity portion	1	0
Dissolution of provisions	494	248
Other income	1,944	1,493
Total	2,439	1,741

Other income principally comprises income from rebilled costs, recourse actions, and foreign currency and commodity hedging transactions. Income from foreign currency translation amounting to EUR 184 (162) million is also included.

20 Other operating expenses

Other operating expenses substantially comprise expenses for currency and commodity hedging transactions. Expenses resulting from foreign currency translation amount to EUR 106 (108) million.

21 Investment result

EUR million	2011	2010
Income from profit transfer agreements	216	260
Income from investments	211	172
of which from affiliated companies	52	47
Expense from the transfer of losses	-3	-10
Total	424	422

Income from profit transfer agreements (in particular with quattro GmbH, Neckarsulm, Audi Vertriebsbetreuungsgesellschaft mbH, Ingolstadt and Audi Akademie GmbH, Ingolstadt) includes taxes passed on which are contingent on profit.

Income from investments primarily comprises the profit distribution of FAW-Volkswagen Automotive Company, Ltd., Changchun (China) and investment income from Volkswagen Logistics GmbH & Co. OHG, Wolfsburg.

Expense from the transfer of losses relates to Audi Retail GmbH, Ingolstadt.

22 Net interest

EUR million	2011	2010
Other interest and similar income	172	100
of which from affiliated companies	129	68
Interest and similar expenses	-248	-212
of which to affiliated companies	-114	-69
Total	-76	-112

The net interest comprises income from discounting amounting to EUR 19 (–) million and expenses from interest amounting to EUR 138 (142) million.

23 Depreciation of long-term investments and marketable securities

The depreciation of long-term investments and marketable securities resulted from the lower fair values on the balance sheet date.

24 Extraordinary expenses

The application of BilMoG meant that there was a change to the measurement of provisions for pensions and similar obligations. In the 2011 fiscal year, this resulted in extraordinary expenses of EUR 345 (425) million for the last time.

25 Income tax expense

Income tax expense includes taxes passed on by Volkswagen AG, Wolfsburg, on the basis of the single-entity relationship between the two companies for tax purposes, along with taxes owed by AUDI AG.

Due to a profit and loss transfer agreement, deferred taxes are taken into account for Volkswagen AG as parent company.

Other taxes

Other taxes, amounting to EUR 26 (29) million, are allocated to cost of sales, distribution costs and general administrative expenses.

26 Profit transferred under a profit transfer agreement

Pursuant to the profit transfer agreement, the amount of EUR 3,138 (2,010) million will be transferred to Volkswagen AG, Wolfsburg.

Factors influencing net profit for the year and future charges

Expenses to be allocated to other fiscal years amount to EUR 71 (41) million; of this sum, allocations to provisions relating to prior periods account for EUR 54 (29) million. Income not allocable to the current period amounts to EUR 522 (274) million; this includes income from the dissolution of provisions amounting to EUR 494 (248) million.

OTHER PARTICULARS

Cost of materials

EUR million	2011	2010
Cost of raw materials and supplies and purchased goods	22,325	17,030
Purchased services	2,132	2,042
Total	24,457	19,072

Personnel costs

EUR million	2011	2010
Wages and salaries	3,715	3,084
Social insurance and expenses for retirement benefits and support payments	647	561
of which relating to retirement benefit plans	101	84
Total	4,362	3,645

Total average number of employees for the year

	2011	2010
Ingolstadt plant	32,165	31,344
Neckarsulm plant	13,221	12,955
Employees	45,386	44,299
Apprentices	2,167	2,123
Workforce	47,553	46,422

Derivative financial instruments

Nature and extent

AUDI AG is exposed to exchange rate fluctuations in view of its international business activities. These risks are limited by concluding appropriate hedges for matching amounts and maturities. Commodities are subject to the risk of fluctuating prices given the volatile nature of the commodity markets. Commodity futures are used to limit these risks.

The total nominal volume of derivative transactions is EUR 29,924 (22,474) million. The nominal volumes of the cash flow hedges for hedging currency risks and commodity price risks represent the total of all buying and selling prices on which the transactions are based. The derivative financial instruments used exhibit a maximum hedging term of five years.

The following table shows the nominal volumes and fair values of derivative financial instruments not included in valuation units:

EUR million	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010
		Nominal volumes		Fair values
Foreign exchange contracts	1,381	747	61	10
of which positive fair values			62	18
of which negative fair values			-1	-8
Currency option transactions	453	989	27	24
Commodity futures	1,293	730	-54	180
of which positive fair values			46	180
of which negative fair values			-100	0
Other derivative financial instruments	-	27	-	0

Valuation units are formed for the remaining risk volume of EUR 26,797 (19,981) million. As of the balance sheet date, this resulted in positive fair values of EUR 121 (314) million and negative fair values of EUR 856 (363) million. The foreign exchange contracts included therein serve to hedge the exchange rate risk of expected transactions. The hedging relationship is sufficient insofar as underlying and hedging transactions are exposed to similar and opposite risks.

Measurement methods

The fair values of foreign currency hedging transactions and commodity hedging transactions generally correspond to the market value or trading price. If no active market exists, fair value is determined using valuation techniques, such as by discounting the future cash flows at the market interest rate, or by using recognized option pricing models, and is verified by confirmations from the banks that handle the transactions.

The other derivative financial instruments are evaluated using fair value estimates, taking account of comparative data as well as changes to the opportunities and risks.

For many foreign exchange contracts used for hedging purposes, opposite transactions are grouped together to create measurement portfolios. Any impairments incurred as a result of the underlying transaction or impending losses are recognized in off-balance-sheet accounts with opposite effects resulting from the hedging transaction; only remaining negative balance surpluses are recorded (net hedge presentation method). The effectiveness of valuation units is evaluated prospectively using the critical terms match method, as well as by means of statistical methods in the form of a regression analysis. Retrospective evaluation of the effectiveness of hedges involves an effectiveness test in the form of the dollar offset method or in the form of a regression analysis. All of the valuation units formed were effective.

Balance Sheet items and carrying amounts

Derivative financial instruments are included in the following Balance Sheet items:

EUR million		Dec. 31, 2011	Dec. 31, 2010
Nature	Balance Sheet item		Carrying amounts
Impending losses from foreign exchange contracts	Liabilities to affiliated companies	1	8
Currency option premiums	Receivables from affiliated companies	27	24
Impending losses from commodity futures	Liabilities to affiliated companies	100	0

Currency hedging transactions are fundamentally performed by Volkswagen AG, Wolfsburg, on behalf of AUDI AG on the basis of an agency agreement.

Details of the hedged risks and the hedging strategy are provided in the Management Report.

Contingencies

EUR million	Dec. 31, 2011	Dec. 31, 2010
Liabilities from guarantees and similar contingencies	77	34
Furnishing of collateral for outside liabilities	220	199

In light of the current creditworthiness and the previous payment behavior of the beneficiary, the possibility that use will be made of the liabilities from guarantees reported in the Balance Sheet is judged to be low. This also applies to the greater part of the collateral that is furnished for outside liabilities. There are no recognizable indicators that a different assessment would be required.

Other financial obligations

Other obligations not posted in the Balance Sheet arising from rental, leasing and other agreements spanning several years total EUR 266 (185) million. Of this, EUR 16 (3) million relates to affiliated companies. The total amount can be broken down into the following maturity dates: short-term EUR 55 (49) million, medium-term EUR 164 (94) million and long-term EUR 47 (42) million. AUDI AG is liable on the basis of its participating interests in commercial partnerships. Buy-back obligations exist from buy-back transactions with car rental companies in the amount of EUR 430 (271) million.

The remaining other financial obligations, particularly ordering commitments, are well within the bounds of standard business practice.

Parent company

Around 99.55 percent of the share capital of AUDI AG is held by Volkswagen AG, Wolfsburg, with which a control and profit transfer agreement exists.

The Consolidated Financial Statements of the parent company are available from Volkswagen AG.

Auditor's fees

EUR thousand	2011	2010
Auditing of the financial statements	785	508
Other certification or valuation services	243	169
Tax consultancy services	84	87
Other services	108	103
Total	1,220	867

Details relating to the Supervisory Board and Board of Management

The members of the Board of Management and the Supervisory Board, together with details of their seats on other supervisory boards and regulatory bodies, are presented on the following pages.

The remuneration paid to members of the Board of Management complies with the legal requirements as well as with the recommendations of the German Corporate Governance Code. The overall remuneration comprises fixed and variable components.

The fixed components assure a base remuneration that enables the members of the Board of Management to execute their duties conscientiously and in the best interests of the Company, without becoming dependent upon the attainment of short-term targets. Conversely, variable components that are contingent on the economic position of the Company reconcile the interests of the Board of Management with those of the other stakeholders.

The remuneration paid to members of the Board of Management for the 2011 fiscal year was EUR 14,286 (10,136) thousand, of which EUR 4,084 (3,261) thousand related to fixed remuneration components and EUR 10,202 (6,875) thousand to variable components.

Disclosure has not been made of the remuneration paid to each individual member of the Board of Management, by name, pursuant to Section 285, No. 9a, Sentences 5 to 8 of the German Commercial Code, as the 2011 Annual General Meeting had adopted a corresponding resolution valid for a period of five years.

In addition to fixed payments, there are varying levels of contributions in kind, including, in particular, the use of company cars.

The variable remuneration component paid to each member of the Board of Management comprises a bonus in relation to the business performance of the previous two years and, since 2010, a long-term incentive (LTI). Using a launch scenario, the LTI was granted to the Board of Management for the first time in 2011, based on the 2010 fiscal year and the anticipated performance in 2011. In 2012, the performance of the 2010 and 2011 fiscal years will be taken into account; in 2013, the performance of 2010 to 2012 will be considered. From 2014 onwards, the preceding four years will be used as a basis.

Under certain circumstances, members of the Board of Management are entitled to retirement benefits and a disability pension.

Payments to former members of the Board of Management or their surviving dependants amount to EUR 2,987 (4,193) thousand. The sum provisioned for pension obligations to former members of the Board of Management and their surviving dependants is EUR 29,943 (24,863) thousand.

The basic features of the remuneration paid to members of the Supervisory Board are stipulated in Section 16 of the Articles of Incorporation and Bylaws. The overall remuneration comprises fixed and variable components. The level of the variable remuneration components is based on the compensatory payment made for the 2011 fiscal year in accordance with the applicable provision in the Articles of Incorporation and Bylaws. The total remuneration paid to the Supervisory Board of AUDI AG, pursuant to Section 285, No. 9a of the German Commercial Code, was EUR 973 (698) thousand, of which EUR 202 (195) thousand related to fixed components and EUR 771 (503) thousand to variable components.

EXPENSES FOR REMUNERATION OF THE SUPERVISORY BOARD

EUR	Fixed	Variable	Total 2011
Prof. Dr. rer. nat. DrIng. e. h. Martin Winterkorn	-	-	-
Berthold Huber ¹⁾	20,000	80,800	100,800
Dr. rer. pol. h. c. Bruno Adelt	11,000	40,400	51,400
Senator h. c. Helmut Aurenz	11,000	40,400	51,400
Heinz Eyer ¹⁾	11,000	40,400	51,400
Dr. rer. pol. h. c. Francisco Javier Garcia Sanz	-	-	-
Johann Horn 1)	10,500	40,400	50,900
Peter Kössler	11,000	40,400	51,400
Peter Mosch 1)	15,500	60,600	76,100
Wolfgang Müller 1)	11,000	40,400	51,400
Prof. Dr. rer. pol. Horst Neumann	-	-	-
DrIng. Franz-Josef Paefgen	6,250	23,567	29,817
HonProf. Dr. techn. h. c. DiplIng. ETH Ferdinand K. Piëch	15,500	60,600	76,100
Dr. jur. Hans Michel Piëch	11,000	40,400	51,400
DiplWirtschIng. Hans Dieter Pötsch	-	-	-
Dr. jur. Ferdinand Oliver Porsche	15,500	60,600	76,100
Norbert Rank ¹⁾	15,500	60,600	76,100
Jörg Schlagbauer ¹⁾	15,500	60,600	76,100
Helmut Späth ¹⁾	11,000	40,400	51,400
Max Wäcker ¹⁾	11,000	40,400	51,400
Total	202,250	770,967	973,217

1) The employees' elected representatives have stated that their remuneration as Supervisory Board members shall be paid to the Hans Böckler Foundation, in accordance with the guidelines of the German Confederation of Trade Unions.

The actual payment of individual parts of the total remuneration will be made in fiscal 2012, pursuant to Section 16 of the Articles of Incorporation and Bylaws.

Declaration of Compliance

The Board of Management and Supervisory Board of AUDI AG submitted the declaration pursuant to Section 161 of the German Stock Corporation Act relating to the German Corporate Governance Code on November 23, 2011, and made it permanently accessible on the Audi website at www.audi.de/cgk-erklaerung. An English translation of the Declaration of Compliance can be found at www.audi.com/cgk-declaration.

STATEMENT OF INTERESTS PURSUANT TO SECTIONS 285 AND 313 OF THE GERMAN COMMERCIAL CODE

for AUDI AG and the Audi Group as at December 31, 2011

Name and registered office of company		share held DI AG in %	Equity	Profit ¹⁾	
	direct	indirect	EUR million	EUR millior	
I. Parent company					
AUDI AG, Ingolstadt	ĺ	ĺ			
II. Affiliated companies					
A. Fully consolidated companies					
1. Germany				2)	
Audi Retail GmbH, Ingolstadt	100.00	100.00	79	- ²⁾	
Audi Zentrum Berlin GmbH, Berlin		100.00	5	_2)	
Audi Zentrum Hamburg GmbH, Hamburg		100.00	13	1 ²⁾	
Audi Zentrum Hannover GmbH, Hanover Audi Zentrum Stuttgart GmbH, Stuttgart		100.00	13		
Audi Zentrum Stuttgart GmbH, Stuttgart Audi Zentrum Leipzig GmbH, Leipzig		100.00	10		
Audi Zentrum Frankfurt GmbH, Frankfurt		100.00	8	2)	
Audi Vertriebsbetreuungsgesellschaft mbH, Ingolstadt	100.00	100.00	0	2)	
quattro GmbH, Neckarsulm	100.00		0	2)	
2. Other countries	100.00		0		
Audi Australia Pty Ltd., Zetland (Australia)	100.00		73	5	
AUDI AUSTRALIA RETAIL OPERATIONS PTY LTD., Zetland (Australia)	100.00	100.00	1	0	
Audi Brasil Distribuidora de Veículos Ltda., São Paulo (Brazil)	100.00	100100	62	44	
AUDI BRUSSELS S.A./N.V., Brussels (Belgium)	100.00		431	24	
AUDI BRUSSELS PROPERTY S.A./N.V., Brussels (Belgium)		100.00	78	110)1	
Audi (China) Enterprise Management Co. Ltd., Beijing (China)	100.00		27	20	
AUDI HUNGARIA SERVICES Zrt., Győr (Hungary)	100.00		8,980	0 ¹⁰⁾¹	
AUDI HUNGARIA MOTOR Kft., Győr (Hungary)		100.00	5,972	759	
Audi Japan K.K., Tokyo (Japan)	100.00	İ	74	2	
Audi Japan Sales K.K., Tokyo (Japan)		100.00	14	3	
Audi Volkswagen Korea Ltd., Seoul (South Korea)	100.00		43	15	
Audi Volkswagen Middle East FZE, Dubai (United Arab Emirates)	100.00		41	12	
Automobili Lamborghini S.p.A., Sant'Agata Bolognese (Italy)	100.00		837	-24	
MML S.p.A., Sant'Agata Bolognese (Italy)		100.00	3	0	
Italdesign Giugiaro S.p.A., Turin (Italy)		90.10	120	1	
VOLKSWAGEN GROUP ITALIA S.P.A., Verona (Italy)		100.00	379	38 ⁵⁾	
VOLKSWAGEN GROUP FIRENZE S.P.A., Florence (Italy)		100.00	4	0	
Audi Canada Inc., Ajax (Canada)	-	-	15	114)	
Audi of America, LLC, Herndon, Virginia (USA)	-	-	163	51 ⁴⁾	
Automobili Lamborghini America, LLC, Wilmington, Delaware (USA)	-	-	1	14)	
AUDI SINGAPORE PTE. LTD., Singapore (Singapore)	100.00		17	5 ⁵⁾	
AUDI TAIWAN CO., LTD., Taipei (Taiwan)	100.00		19	8	
B. Non-consolidated companies					
1. Germany					
Audi Akademie GmbH, Ingolstadt	100.00		2	_2)	
Audi Qualifizierungsgesellschaft mbH, Ingolstadt	100.00	100.00	0	0 ²⁾	
Audi Electronics Venture GmbH, Gaimersheim	100.00		16	2)	
Audi Immobilien GmbH & Co. KG, Ingolstadt	100.00		39	1	
Audi Immobilien Verwaltung GmbH, Ingolstadt	100.00		0	0	
Audi Stiftung für Umwelt GmbH, Ingolstadt	100.00		5	0	
Audi Zentrum München GmbH, Munich	l l	100.00	0	_2) 10	
Audi Zentrum Berlin Lichtenberg GmbH, Berlin		100.00	2	_2) 9)	
Auto Union GmbH, Ingolstadt	100.00		0	_2)	
Automotive Safety Technologies GmbH, Gaimersheim		75.50	2	06)	
CC WellCom GmbH, Potsdam		100.00	1	-2)	
Fahr- und Sicherheitstraining FuS GmbH, Ingolstadt	27.45		0	1 ^{4) 6)}	
Italdesign-Giugiaro Deutschland GmbH, Göttingen		100.00	0	0	
NSU GmbH, Neckarsulm	100.00		0	_2)	
PSW automotive engineering GmbH, Gaimersheim	91.00]	6	4 ⁶⁾	
Volkswagen Logistics GmbH & Co. OHG, Wolfsburg	19.00		1	232 ⁶⁾	

Name and registered office of company		share held DI AG in %	Equity	Profit
	by Au	DI AU III 76	Lquity	FIOIIC
	direct	indirect	EUR million	EUR millio
2. Other countries				
Audi Akademie Hungaria Kft., Győr (Hungary)		100.00	0	06)
Audi Real Estate S.L., El Prat de Llobregat (Spain)	100.00		24	06)
Audi Tooling Barcelona, S.L., Barcelona (Spain)	100.00		3	1 ⁶⁾
Centro Usato Sangallo S.r.l., Florence (Italy)		100.00	0	0
Italdesign-Giugiaro Berci S.a.s., Paris (France)		100.00	0	07) 12
Italdesign Giugiaro Barcelona SL, Barcelona (Spain)		100.00	5	0
NIRA Dynamics AB, Linköping (Sweden)		94.66	4	06)
PUTT ESTATES (PROPRIETARY) LIMITED, Upington (South Africa)	100.00		0	03)
SOCIETE IMMOBILIERE AUDI SARL, Paris (France)	100.00		18	0
VOLKSWAGEN GROUP MILANO S.R.L., Milan (Italy)		100.00	0	0
III. Associated companies				
1. Germany				
– 2. Other countries				
FAW-Volkswagen Automotive Company Ltd., Changchun (China)	10.00		4,601	2,9705)
IV. Participating interests				
1. Germany	i			
August Horch Museum Zwickau GmbH, Zwickau	50.00		1	06)
LGI Logistikzentrum im Güterverkehrszentrum Ingolstadt Betreibergesellschaft mbH, Ingolstadt	50.00		0	0.6)
Entity Audi Zentrum Berlin-Charlottenburg Verwaltungsgesellschaft mbH,	50.00		0	
Berlin	50.00		0	0
Special-purpose entity Audi Zentrum Berlin-Charlottenburg mbH & Co. KG,				
Berlin	50.00		5	0
PMDTechnologies GmbH, Siegen		50.00	6	06)
e.solutions GmbH, Gaimersheim		49.00	2	1 ⁶⁾
Elektronische Fahrwerksysteme GmbH, Gaimersheim		49.00	1	0 ⁶⁾
GIF Gewerbe- und Industriepark Bad Friedrichshall GmbH, Bad Friedrichshall	30.00		3	06)
MOST Cooperation GbR, Karlsruhe	20.00		0	08)
PAKT Zukunft Heilbronn-Franken gGmbH, Heilbronn	20.00		0	06)
PDB-Partnership for Dummy Technology and Biomechanics (GbR), Ingolstadt	20.00		0	08)
Abgaszentrum der Automobilindustrie GbR, Weissach	12.50		0	0 6) 8)
2. Other countries				
Model Master S.p.A., Moncalieri (Italy)		40.00	2	_6)
TTTech Computertechnik AG, Vienna (Austria)	24.99		20	-46)

1) Based on the individual financial statements in accordance with national law; profit after tax

2) Profit transfer agreement

3) Divergent fiscal year

4) AUDI AG exercises control pursuant to IAS 27.13

5) Figures pursuant to IFRS

6) 2010 fiscal year

7) In liquidation

8) AUDI AG is a general partner (stated pursuant to Section 285, No. 11a of the German Commercial Code)

9) Takeover on Jan. 1, 2011

10) Established in 2011

11) Short 2011 fiscal year

12) 2009 fiscal year

AUDI AG also holds a stake in FC Bayern München AG, Munich, with a voting interest of more than five percent.

Status of all data: December 31, 2011

Rupert Stadler (48)

Chairman of the Board of Management

Mandates:

- FC Bayern München AG, Munich
- MAN SE, Munich
- MAN Truck & Bus AG, Munich (Chairman)
- Porsche Holding Gesellschaft m.b.H., Salzburg, Austria

Ulf Berkenhagen (50)

Purchasing

Mandate:

MAN SE, Munich

Michael Dick (59) Technical Development Mandate:

TÜV SÜD AG, Munich

Frank Dreves (59) Production

Peter Schwarzenbauer (52) Marketing and Sales

Thomas Sigi (47)

Human Resources

Axel Strotbek (47)

Finance and Organization

Mandate:

Volkswagen Financial Services AG, Braunschweig

In connection with their duties of Group steering and governance within the Audi Group, the members of the Board of Management in addition hold supervisory board seats at Group companies and significant associated companies.

- Membership of statutorily constituted domestic supervisory boards
- Membership of comparable domestic and foreign regulatory bodies

Status of all data: December 31, 2011

Prof. Dr. rer. nat. Dr.-Ing. e. h. Martin Winterkorn (64)¹⁾

Chairman

Chairman of the Board of Management of Volkswagen AG, Wolfsburg

Chairman of the Board of Management of Porsche Automobil Holding SE, Stuttgart

Mandates:

- FC Bayern München AG, Munich
- Salzgitter AG, Salzgitter

Berthold Huber (61)

Deputy Chairman

Chairman of the IG Metall trade union, Frankfurt

Mandates:

- Porsche Automobil Holding SE, Stuttgart
- Siemens AG, Munich (Deputy Chairman)
- Volkswagen AG, Wolfsburg (Deputy Chairman)

Dr. rer. pol. h. c. Bruno Adelt (72)

Former Member of the Board of Management of Volkswagen AG, Wolfsburg

Senator h. c. Helmut Aurenz (74)

Owner of the ASB Group, Ludwigsburg

Mandates:

- ◆ Automobili Lamborghini S.p.A., Sant'Agata Bolognese, Italy
- ◆ Scania AB, Södertälje, Sweden

Heinz Eyer (54)

Member of the Works Council of AUDI AG, Neckarsulm plant

Dr. rer. pol. h. c. Francisco Javier Garcia Sanz (54)¹⁾

Member of the Board of Management of Volkswagen AG, Wolfsburg

Mandate:

Criteria Caixaholding S.A., Barcelona, Spain

Johann Horn (53)

Chief Executive of the Ingolstadt office of the IG Metall trade union

Mandate:

Conti Temic microelectronic GmbH, Nuremberg

Peter Kössler (52)

Ingolstadt Plant Manager, AUDI AG

Peter Mosch (39)

Chairman of the General Works Council of AUDI AG

Mandates:

- Porsche Automobil Holding SE, Stuttgart
- Volkswagen AG, Wolfsburg

Wolfgang Müller (63)

IG Metall trade union, Bavarian regional headquarters, Munich

Mandate:

Schaeffler AG, Herzogenaurach

Prof. Dr. rer. pol. Horst Neumann (62)¹⁾

Member of the Board of Management of Volkswagen AG, Wolfsburg

Mandate:

Wolfsburg AG, Wolfsburg

Dr.-Ing. Franz-Josef Paefgen (65)

Former Chairman and Chief Executive of Bentley Motors Ltd., Crewe, United Kingdom

Mandates:

- ZF Friedrichshafen AG, Friedrichshafen
- ◆ Automobili Lamborghini S.p.A., Sant'Agata Bolognese, Italy
- Valmet Automotive Inc., Uusikaupunki, Finland

Hon.-Prof. Dr. techn. h. c. Dipl.-Ing. ETH Ferdinand K. Piëch (74)

Chairman of the Supervisory Board of Volkswagen AG, Wolfsburg

Mandates:

- Dr. Ing. h. c. F. Porsche AG, Stuttgart
- MAN SE, Munich (Chairman)
- Porsche Automobil Holding SE, Stuttgart
- Volkswagen AG, Wolfsburg (Chairman)
- Porsche Gesellschaft m.b.H., Salzburg, Austria
- ◆ Porsche Holding Gesellschaft m.b.H., Salzburg, Austria
- Porsche Piech Holding AG, Salzburg, Austria

Dr. jur. Hans Michel Piëch (69)

Attorney, Vienna, Austria

Mandates:

- Dr. Ing. h. c. F. Porsche AG, Stuttgart
- Porsche Automobil Holding SE, Stuttgart
- Volkswagen AG, Wolfsburg
- Porsche Cars Great Britain Ltd., Reading, United Kingdom
- Porsche Cars North America, Inc., Wilmington, USA
- Porsche Gesellschaft m.b.H., Salzburg, Austria (Chairman)
- Porsche Holding Gesellschaft m.b.H., Salzburg, Austria
- Porsche Ibérica S.A., Madrid, Spain
- Porsche Italia S.p.A., Padua, Italy
- Porsche Piech Holding AG, Salzburg, Austria (Chairman)
- Schmittenhöhebahn AG, Zell am See, Austria
- Volksoper Wien GmbH, Vienna, Austria

Dipl.-Wirtsch.-Ing. Hans Dieter Pötsch (60)¹⁾

Member of the Board of Management of Volkswagen AG, Wolfsburg

Member of the Board of Management of Porsche Automobil Holding SE, Stuttgart

Mandate:

Bertelsmann AG, Gütersloh

Dr. jur. Ferdinand Oliver Porsche (50)

Member of the Board of Management of Familie Porsche AG Beteiligungsgesellschaft, Salzburg, Austria

Mandates:

- Dr. Ing. h. c. F. Porsche AG, Stuttgart
- Porsche Automobil Holding SE, Stuttgart
- Volkswagen AG, Wolfsburg
- ◆ PGA S.A., Paris, France
- Porsche Holding Gesellschaft m.b.H., Salzburg, Austria
- Porsche Lizenz- und Handelsgesellschaft mbH & Co. KG, Bietigheim-Bissingen
- Voith GmbH, Heidenheim

Norbert Rank (56)

Chairman of the Works Council of AUDI AG, Neckarsulm plant

Jörg Schlagbauer (34) Member of the Works Council of AUDI AG, Ingolstadt plant

Helmut Späth (55) Member of the Works Council of AUDI AG, Ingolstadt plant

Max Wäcker (57) Deputy Chairman of the Works Council of AUDI AG, Ingolstadt plant

 In connection with his duties of Group steering and governance within the Volkswagen Group, this member of the Supervisory Board additionally holds further non-executive directorships at Group companies and significant associated companies.

- Membership of statutorily constituted domestic supervisory boards
- Membership of comparable domestic and foreign regulatory bodies

Responsibility Statement

"Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for financial reporting, the Annual Financial Statements present a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and the Management Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company."

Ingolstadt, February 6, 2012

The Board of Management

Rupert Stadler

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Ulf Berkenhagen

M. din

Michael Dick

rurs Frank Dreves

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Peter Schwarzenbauer

Thomas Sigi

Axel Strotbek

This report was originally prepared in the German language. In case of ambiguities the German version shall prevail:

"Auditor's Report

We have audited the Annual Financial Statements – comprising the balance sheet, the income statement and the notes to the financial statements – together with the bookkeeping system, and the Management Report of AUDI Aktiengesellschaft, Ingolstadt, for the business year from January 1 to December 31, 2011. The maintenance of the books and records and the preparation of the Annual Financial Statements and Management Report in accordance with German commercial law are the responsibility of the Company's Board of Managing Directors. Our responsibility is to express an opinion on the Annual Financial Statements, together with the bookkeeping system, and the Management Report based on our audit.

We conducted our audit of the Annual Financial Statements in accordance with Section 317 of the German Commercial Code (HGB) and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany, IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the Annual Financial Statements in accordance with (German) principles of proper accounting and in the Management Report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the Annual Financial Statements and the Management Report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the Company's Board of Managing Directors, as well as evaluating the overall presentation of the Annual Financial Statements and Management Report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based on the findings of our audit, the Annual Financial Statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with (German) principles of proper accounting. The Management Report is consistent with the Annual Financial Statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development."

Munich, February 6, 2012

PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft

Harald Kayser Wirtschaftsprüfer Klaus Schuster Wirtschaftsprüfer

Fuel consumption and emission figures

As at: February 2012 (all data apply to features of the German market)

Po	ower output (kW)	Transmission	Fuel		Fuel o	onsumption (l/100 km)	CO ₂ emissions (g/km)	Efficiency class
				urban	extra urban	combined	combined	
Audi A1								
A1 1.2 TFSI	63	5-speed	Premium	6.2	4.4	5.1	118	C
A1 1.4 TFSI	90	6-speed	Premium	6.8	4.4	5.3	124	C
A1 1.4 TFSI (119 g CO ₂ /km) ¹⁾	90	S tronic, 7-speed	Premium	6.5	4.4	5.2	119	C
A1 1.4 TFSI A1 1.4 TFSI	90 136	S tronic, 7-speed S tronic, 7-speed	Premium Super Plus	6.5 7.5	4.6	5.3 5.9	122 139	C D
A1 2.0 TFSI quattro ²⁾	130	6-speed	Premium	7.5	5.1	5.5	139	D
A1 1.6 TDI	66	5-speed	Diesel	4.4	3.4	3.8	99	A
A1 1.6 TDI	66	S tronic, 7-speed	Diesel	5.1	3.7	4.2	110	В
A1 1.6 TDI	77	5-speed	Diesel	4.4	3.4	3.8	99	A
A1 2.0 TDI	105	6-speed	Diesel	5.0	3.6	4.1	108	A
Audi A1 Sportback								
A1 Sportback 1.2 TFSI	63	5-speed	Premium	6.2	4.4	5.1	118	C
A1 Sportback 1.4 TFSI	90	6-speed	Premium	6.9	4.6	5.4	126	C
A1 Sportback 1.4 TFSI	90	S tronic, 7-speed	Premium	6.5	4.6	5.3	122	C
A1 Sportback 1.4 TFSI	136	S tronic, 7-speed	Super Plus	7.5	5.1	5.9	139	D
A1 Sportback 1.6 TDI	66	5-speed	Diesel	4.4	3.4	3.8	99	A
A1 Sportback 1.6 TDI	66	S tronic, 7-speed	Diesel	5.1	3.7	4.2	110 99	B
A1 Sportback 1.6 TDI Audi A3	77	5-speed	Diesel	4.4	3.4	3.8	99	A
A3 1.2 TFSI	77	6-speed	Premium	6.7	4.7	5.5	127	C
A3 1.2 TFSI	77	S tronic, 7-speed	Premium	6.5	4.6	5.3	127	B
A3 1.4 TFSI	92	6-speed	Premium	7.3	4.8	5.7	132	C
A3 1.4 TFSI	92	S tronic, 7-speed	Premium	6.4	4.7	5.3	124	В
A3 1.8 TFSI	118	6-speed	Premium	8.7	5.3	6.6	152	D
A3 1.8 TFSI	118	S tronic, 7-speed	Premium	8.5	5.2	6.5	149	D
A3 1.8 TFSI quattro	118	6-speed	Premium	9.7	6.0	7.3	170	E
A3 2.0 TFSI	147	6-speed	Premium	9.8	5.5	7.1	164	E
A3 2.0 TFSI	147	S tronic, 6-speed	Premium	9.9	5.8	7.3	168	E
A3 2.0 TFSI quattro	147	S tronic, 6-speed	Premium	9.9	6.1	7.5	174	E
A3 1.6 TDI	66	5-speed	Diesel	5.6	3.7	4.4	114	В
A3 1.6 TDI (99 g CO ₂ /km) ¹⁾	77	5-speed	Diesel	4.7	3.3	3.8	99 109	A+
A3 1.6 TDI A3 1.6 TDI	77	5-speed S tronic, 7-speed	Diesel Diesel	4.5	3.7	4.1	109	A
A3 2.0 TDI	103	6-speed	Diesel	5.5	3.8	4.2	105	A
A3 2.0 TDI	103	S tronic, 6-speed	Diesel	5.8	4.4	4.9	129	B
A3 2.0 TDI quattro	103	6-speed	Diesel	6.3	4.2	5.0	129	B
A3 2.0 TDI	125	6-speed	Diesel	5.7	4.2	4.7	123	В
A3 2.0 TDI	125	S tronic, 6-speed	Diesel	5.6	4.5	4.9	128	В
A3 2.0 TDI quattro	125	6-speed	Diesel	6.1	4.6	5.2	135	В
S3 2.0 TFSI quattro	195	6-speed	Super Plus	11.8	6.6	8.5	198	F
S3 2.0 TFSI quattro	195	S tronic, 6-speed	Super Plus	11.1	6.7	8.3	193	F
Audi A3 Sportback								
A3 Sportback 1.2 TFSI	77	6-speed	Premium	6.7	4.7	5.5	127	C
A3 Sportback 1.2 TFSI A3 Sportback 1.4 TFSI	77 92	S tronic, 7-speed 6-speed	Premium	6.5 7.3	4.6	5.3 5.8	123 134	B
A3 Sportback 1.4 TFSI A3 Sportback 1.4 TFSI	92	S tronic, 7-speed	Premium Premium	6.6	4.9	5.5	134	B
A3 Sportback 1.8 TFSI	118	6-speed	Premium	8.7	5.3	6.6	153	D
A3 Sportback 1.8 TFSI	118	S tronic, 7-speed	Premium	8.5	5.2	6.5	149	D
A3 Sportback 1.8 TFSI guattro	118	6-speed	Premium	9.8	6.1	7.4	173	E
A3 Sportback 2.0 TFSI	147	6-speed	Premium	9.9	5.6	7.2	168	E
A3 Sportback 2.0 TFSI	147	S tronic, 6-speed	Premium	9.9	5.8	7.3	168	E
A3 Sportback 2.0 TFSI quattro	147	S tronic, 6-speed	Premium	10.0	6.2	7.6	176	E
A3 Sportback 1.6 TDI	66	5-speed	Diesel	5.3	3.9	4.4	116	А
A3 Sportback 1.6 TDI (102 g CO ₂ /km)		5-speed	Diesel	4.8	3.4	3.9	102	A+
A3 Sportback 1.6 TDI	77	5-speed	Diesel	5.1	3.8	4.2	112	A
A3 Sportback 1.6 TDI	77	S tronic, 7-speed	Diesel	4.9	3.9	4.3	112	A
A3 Sportback 2.0 TDI	103	6-speed S tronic, 6-speed	Diesel	5.5	3.8	4.4	115	AB
A3 Sportback 2.0 TDI A3 Sportback 2.0 TDI quattro	103 103	6-speed	Diesel Diesel	5.8 6.3	4.4	4.9 5.0	129 129	B
A3 Sportback 2.0 TDI quattro	103	6-speed	Diesel	5.7	4.2	4.7	129	B
A3 Sportback 2.0 TDI	125	S tronic, 6-speed	Diesel	5.6	4.2	5.0	125	B
A3 Sportback 2.0 TDI quattro	125	6-speed	Diesel	6.1	4.6	5.2	135	B
S3 Sportback 2.0 TFSI quattro	195	6-speed	Super Plus	11.8	6.7	8.5	199	F
S3 Sportback 2.0 TFSI quattro	195	S tronic, 6-speed	Super Plus	11.2	6.8	8.4	195	F
RS 3 Sportback 2.5 TFSI guattro	250	S tronic, 7-speed	Super Plus	13.1	6.8	9.1	212	F

Madal	Power output				Fuel c	onsumption		Efficiency
Model	(kW)	Transmission	Fuel			(l/100 km)	(g/km)	class
				urban	extra urban	combined	combined	
Audi A3 Cabriolet A3 Cabriolet 1.2 TFSI	77	6-speed	Premium	7.0	5.0	5.7	132	В
A3 Cabriolet 1.2 TFSI A3 Cabriolet 1.4 TFSI	92	6-speed	Premium	7.0	5.2	6.0	132	C
A3 Cabriolet 1.8 TFSI	118	6-speed	Premium	8.9	5.5	6.7	155	D
A3 Cabriolet 1.8 TFSI	118	S tronic, 7-speed	Premium	8.7	5.4	6.6	154	C
A3 Cabriolet 2.0 TFSI	147	6-speed	Premium	10.0	5.6	7.2	169	D
A3 Cabriolet 2.0 TFSI	147	S tronic, 6-speed	Premium	9.9	5.9	7.4	171	D
A3 Cabriolet 1.6 TDI	77	5-speed	Diesel	5.2	3.9	4.3	114	A
A3 Cabriolet 2.0 TDI	103	6-speed	Diesel	5.7	3.9	4.6	119	A
A3 Cabriolet 2.0 TDI	103	S tronic, 6-speed	Diesel	6.0	4.6	5.1	134	В
Audi Q3	125	Caraad	Deservices	0.5	C 1	7.2	174	
Q3 2.0 TFSI quattro Q3 2.0 TFSI quattro	125 125	6-speed S tronic, 7-speed	Premium Premium	9.5 10.2	6.1 6.4	7.3	174 179	D
Q3 2.0 TFSI quattro	125	S tronic, 7-speed	Premium	10.2	6.4	7.7	179	D
Q3 2.0 TDI	103	6-speed	Diesel	6.2	4.7	5.2	175	B
Q3 2.0 TDI quattro	130	S tronic, 7-speed	Diesel	7.0	5.3	5.9	156	C
Audi TT Coupé								
TT Coupé 1.8 TFSI	118	6-speed	Premium	8.5	5.2	6.4	149	D
TT Coupé 1.8 TFSI	118	S tronic, 7-speed	Premium	8.4	5.2	6.4	147	D
TT Coupé 2.0 TFSI	155	6-speed	Premium	8.9	5.2	6.6	154	D
TT Coupé 2.0 TFSI	155	S tronic, 6-speed	Premium	9.9	5.4	7.1	164	E
TT Coupé 2.0 TFSI quattro	155	S tronic, 6-speed	Premium	9.9	5.7	7.2	169	E
TT Coupé 2.0 TDI quattro	125	6-speed	Diesel	7.0	4.3	5.3	139	C
TT Coupé 2.0 TDI quattro	125	S tronic, 6-speed	Diesel	7.0	4.7	5.5 7.9	144 184	C F
TTS Coupé 2.0 TFSI quattro TTS Coupé 2.0 TFSI quattro	200	6-speed S tronic, 6-speed	Super Plus Super Plus	10.8	6.2 6.0	7.9	184	E
TT RS Coupé 2.5 TFSI quattro	250	6-speed	Super Plus	10.0	6.8	9.0	209	G
TT RS Coupé 2.5 TFSI quattro	250	S tronic, 7-speed	Super Plus	12.3	6.3	8.5	197	F
Audi TT Roadster								
TT Roadster 1.8 TFSI	118	6-speed	Premium	8.6	5.3	6.5	152	D
TT Roadster 1.8 TFSI	118	S tronic, 7-speed	Premium	8.6	5.3	6.6	152	D
TT Roadster 2.0 TFSI	155	6-speed	Premium	9.0	5.4	6.7	156	D
TT Roadster 2.0 TFSI	155	S tronic, 6-speed	Premium	10.0	5.6	7.2	168	E
TT Roadster 2.0 TFSI quattro	155	S tronic, 6-speed	Premium	10.2	5.7	7.4	172	E
TT Roadster 2.0 TDI quattro	125	6-speed	Diesel	7.2	4.5	5.5	144	C
TT Roadster 2.0 TDI quattro TTS Roadster 2.0 TFSI quattro	125	S tronic, 6-speed	Diesel Super Plus	7.1	4.8	5.6	146 189	C F
TTS Roadster 2.0 TFSI quattro	200	6-speed S tronic, 6-speed	Super Plus Super Plus	10.9 10.8	6.4 6.2	8.1 7.9	189	E
TT RS Roadster 2.5 TFSI quattro	250	6-speed	Super Plus	12.8	7.0	9.1	212	G
TT RS Roadster 2.5 TFSI quattro	250	S tronic, 7-speed	Super Plus	12.4	6.4	8.6	199	F
Audi A4 Sedan		,						
A4 1.8 TFSI	88	6-speed	Premium	8.6	5.3	6.5	151	C
A4 1.8 TFSI	88	multitronic, CVT	Premium	7.6	5.4	6.2	144	C
A4 1.8 TFSI	125	6-speed	Premium	7.4	4.8	5.7	134	В
A4 1.8 TFSI	125	multitronic, CVT	Premium	6.9	5.1	5.8	134	В
A4 1.8 TFSI quattro	125	6-speed	Premium	8.1	5.2	6.2	144	В
A4 2.0 TFSI flexible fuel	132	6-speed	Premium	8.2	5.1	6.2	144	C
A4 2.0 TFSI quattro flexible fuel	132	6-speed	E85 Premium	9.0	6.9 5.5	8.5 6.8	139 159	B
A4 2.0 TFSI qualito nexible fuer	152	0-speed	E85	12.4	7.7	9.4	154	c
A4 2.0 TFSI	155	multitronic, CVT	Premium	7.7	5.0	6.0	140	B
A4 2.0 TFSI quattro	155	6-speed	Premium	8.9	5.6	6.8	159	C
A4 2.0 TFSI quattro	155	S tronic, 7-speed	Premium	8.8	5.8	7.0	159	C
A4 3.0 TFSI quattro	200	S tronic, 7-speed	Premium	10.7	6.6	8.1	190	D
A4 2.0 TDI	88	6-speed	Diesel	5.4	3.9	4.5	117	A
A4 2.0 TDI	100	6-speed	Diesel	5.2	3.7	4.3	112	A
A4 2.0 TDI	105	6-speed	Diesel	5.4	4.0	4.5	119	A
A4 2.0 TDI	105	multitronic, CVT	Diesel	5.7	4.4	4.8	127	A
A4 2.0 TDI	120	6-speed	Diesel	5.4	3.8	4.4	115	A
A4 2.0 TDI	130	6-speed	Diesel	5.5	4.1	4.6	120	A
A4 2.0 TDI A4 2.0 TDI quattro	130 130	multitronic, CVT 6-speed	Diesel Diesel	5.7 6.1	4.4 4.5	4.8 5.1	127 134	AB
A4 3.0 TDI quattio	150	multitronic, CVT	Diesel	5.5	4.5	4.9	134	A
A4 3.0 TDI quattro	180	6-speed	Diesel	7.2	4.0	5.8	125	B
A4 3.0 TDI quattro	180	S tronic, 7-speed	Diesel	6.8	5.1	5.7	149	B
A4 3.0 TDI clean diesel quattro	180	S tronic, 7-speed	Diesel	6.8	5.0	5.7	149	В
S4 3.0 TFSI quattro	245	S tronic, 7-speed	Premium	10.7	6.6	8.1	190	D

Роми	er output				Fuel o	onsumption	CO ₂ emissions	Efficiency
Model	(kW)	Transmission	Fuel		Tucto	(l/100 km)	(g/km)	class
				urban	extra urban	combined	combined 154 149 141 139 149 144 162 157 144 162 157 144 162 157 144 162 157 144 162 153 161 120 120 121 120 121 120 121 120 121 120 121 131 135 144 154 157 169 151 156 161 156 161 156 161 152 159 159 159 159	
Audi A4 Avant								
A4 Avant 1.8 TFSI	88	6-speed	Premium	8.6	5.5	6.6	154	С
A4 Avant 1.8 TFSI	88	multitronic, CVT	Premium	7.6	5.7	6.4	-	C
A4 Avant 1.8 TFSI	125	6-speed	Premium	7.7	5.2	6.1		В
A4 Avant 1.8 TFSI	125	multitronic, CVT	Premium	7.0	5.4	6.0		B
A4 Avant 1.8 TFSI quattro	125	6-speed	Premium	8.1	5.5	6.5		B
A4 Avant 2.0 TFSI flexible fuel	132	6-speed	Premium E85	8.2 11.3	5.3 7.3	6.4 8.8		B
A4 Avant 2.0 TFSI quattro flexible fuel	132	6-speed	Premium	9.0	5.8	6.9		C
	102	ospeca	E85	12.4	7.9	9.5		C
A4 Avant 2.0 TFSI	155	multitronic, CVT	Premium	7.7	5.4	6.2	144	В
A4 Avant 2.0 TFSI quattro	155	6-speed	Premium	9.0	5.8	7.0	162	С
A4 Avant 2.0 TFSI quattro	155	S tronic, 7-speed	Premium	8.7	6.0	7.1	163	С
A4 Avant 3.0 TFSI quattro	200	S tronic, 7-speed	Premium	11.2	6.8	8.4	197	E
A4 Avant 2.0 TDI	88	6-speed	Diesel	5.6	4.2	4.7	-	A
A4 Avant 2.0 TDI	100	6-speed	Diesel	5.3	3.9	4.4		A
A4 Avant 2.0 TDI	105	6-speed	Diesel	5.6	4.2	4.7		A
A4 Avant 2.0 TDI A4 Avant 2.0 TDI	105 120	multitronic, CVT	Diesel Diesel	5.6	4.5	4.9 4.5		<u>A</u>
A4 Avant 2.0 TDI A4 Avant 2.0 TDI	120	6-speed 6-speed	Diesel	5.4	4.0	4.5		A A
A4 Avant 2.0 TDI	130	multitronic, CVT	Diesel	5.6	4.5	4.8		A
A4 Avant 2.0 TDI quattro	130	6-speed	Diesel	6.3	4.7	5.3	-	B
A4 Avant 3.0 TDI	150	multitronic, CVT	Diesel	5.7	4.8	5.1		A
A4 Avant 3.0 TDI guattro	180	6-speed	Diesel	7.3	5.1	5.9		B
A4 Avant 3.0 TDI quattro	180	S tronic, 7-speed	Diesel	7.0	5.2	5.9		В
A4 Avant 3.0 TDI clean diesel quattro	180	S tronic, 7-speed	Diesel	6.9	5.2	5.9	154	В
S4 Avant 3.0 TFSI quattro	245	S tronic, 7-speed	Premium	11.1	6.8	8.4	197	D
Audi A4 allroad quattro								
A4 allroad quattro 2.0 TFSI	155	6-speed	Premium	9.1	6.1	7.2	169	С
A4 allroad quattro 2.0 TFSI	155	S tronic, 7-speed	Premium	9.0	6.3	7.3	170	C
A4 allroad quattro 2.0 TDI	130	6-speed	Diesel	6.9	5.3	5.8		В
A4 allroad quattro 2.0 TDI	130	S tronic, 7-speed	Diesel	7.0	5.4	6.0		В
A4 allroad quattro 3.0 TDI	180	S tronic, 7-speed	Diesel	7.2	5.5	6.2		B
A4 allroad quattro 3.0 TDI clean diesel	180	S tronic, 7-speed	Diesel	7.1	5.4	6.0	159	В
Audi A5 Sportback A5 Sportback 1.8 TFSI	125	6-speed	Premium	7.5	4.9	5.8	136	В
AS Sportback 1.8 TFSI	125	multitronic, CVT	Premium	7.0	5.2	5.9		B
A5 Sportback 2.0 TFSI	155	6-speed	Premium	8.3	5.1	6.3		B
A5 Sportback 2.0 TFSI	155	multitronic, CVT	Premium	7.7	5.3	6.2		В
A5 Sportback 2.0 TFSI quattro	155	6-speed	Premium	8.9	5.6	6.8	159	С
A5 Sportback 2.0 TFSI quattro	155	S tronic, 7-speed	Premium	8.8	5.8	7.0	159	C
A5 Sportback 3.0 TFSI quattro	200	S tronic, 7-speed	Premium	10.7	6.6	8.1	190	D
A5 Sportback 2.0 TDI	105	6-speed	Diesel	5.4	4.0	4.5	119	А
A5 Sportback 2.0 TDI	105	multitronic, CVT	Diesel	5.7	4.4	4.8	127	А
A5 Sportback 2.0 TDI	130	6-speed	Diesel	5.5	4.1	4.6		A
A5 Sportback 2.0 TDI	130	multitronic, CVT	Diesel	5.7	4.4	4.8		A
A5 Sportback 2.0 TDI quattro	130	6-speed	Diesel	6.1	4.5	5.1		B
A5 Sportback 3.0 TDI	150	6-speed	Diesel	6.4	4.3	5.1		A
A5 Sportback 3.0 TDI	150	multitronic, CVT	Diesel	5.5	4.6	4.9		<u>A</u>
A5 Sportback 3.0 TDI quattro A5 Sportback 3.0 TDI quattro	180 180	6-speed S tronic, 7-speed	Diesel Diesel	7.2 6.8	4.9 5.1	5.8 5.7		B
AS Sportback 3.0 TDI quattio		S tronic, 7-speed	Diesel	6.9	5.1	5.8		B
S5 Sportback 3.0 TFSI quattro	245	S tronic, 7-speed	Premium	10.7	6.6	8.1		D
Audi A5 Coupé	243	5 tronic, 7 speed	Tremum	10.7	0.0	0.1	150	
A5 Coupé 1.8 TFSI	125	6-speed	Premium	7.4	4.8	5.7	134	В
A5 Coupé 1.8 TFSI	125	multitronic, CVT	Premium	6.9	5.1	5.8		В
A5 Coupé 2.0 TFSI	155	6-speed	Premium	8.3	5.1	6.3	144	С
A5 Coupé 2.0 TFSI	155	multitronic, CVT	Premium	7.7	5.0	6.0	140	В
A5 Coupé 2.0 TFSI quattro	155	6-speed	Premium	8.9	5.6	6.8	159	C
A5 Coupé 2.0 TFSI quattro	155	S tronic, 7-speed	Premium	8.8	5.8	7.0	159	С
A5 Coupé 3.0 TFSI quattro	200	S tronic, 7-speed	Premium	10.7	6.6	8.1	190	D
A5 Coupé 2.0 TDI	130	6-speed	Diesel	5.5	4.1	4.6	120	А
A5 Coupé 2.0 TDI	130	multitronic, CVT	Diesel	5.5	4.3	4.7	123	А
A5 Coupé 2.0 TDI quattro	130	6-speed	Diesel	6.1	4.5	5.1	134	B
A5 Coupé 3.0 TDI	150	multitronic, CVT	Diesel	5.5	4.6	4.9	129	A
A5 Coupé 3.0 TDI quattro	180	6-speed	Diesel	7.3	4.9	5.8	151	B
A5 Coupé 3.0 TDI quattro	180	S tronic, 7-speed	Diesel	6.8	5.1	5.7	149	В

Powe	er output				Fuel c	onsumption	CO ₂ emissions	Efficiency
Model	(kW)	Transmission	Fuel			(l/100 km)	(g/km)	class
				urban	extra urban	combined	combined	
A5 Coupé 3.0 TDI clean diesel quattro	180	S tronic, 7-speed	Diesel	6.8	5.0	5.7	149	В
S5 Coupé 3.0 TFSI quattro	245	S tronic, 7-speed	Premium	10.7	6.6	8.1	190	D
RS 5 Coupé 4.2 FSI quattro	331	S tronic, 7-speed	Super Plus	14.4	8.3	10.5	246	G
Audi A5 Cabriolet	105			7.0	5.1	6.0	1.42	
A5 Cabriolet 1.8 TFSI	125	6-speed	Premium	7.9	5.1 5.6	6.2 6.2	143	B
A5 Cabriolet 1.8 TFSI A5 Cabriolet 2.0 TFSI	125 155	multitronic, CVT 6-speed	Premium Premium	8.6	5.6	6.6	143 154	C
A5 Cabriolet 2.0 TFSI	155	multitronic, CVT	Premium	7.8	5.6	6.4	134	В
A5 Cabriolet 2.0 TFSI quattro	155	S tronic, 7-speed	Premium	8.8	6.1	7.2	164	C
A5 Cabriolet 3.0 TFSI quattro	200	S tronic, 7-speed	Premium	11.2	6.9	8.5	199	D
A5 Cabriolet 2.0 TDI	105	6-speed	Diesel	5.6	4.2	4.7	124	A
A5 Cabriolet 2.0 TDI	130	6-speed	Diesel	5.7	4.3	4.8	126	А
A5 Cabriolet 2.0 TDI	130	multitronic, CVT	Diesel	5.8	4.6	5.0	132	A
A5 Cabriolet 2.0 TDI quattro	130	6-speed	Diesel	6.5	4.9	5.4	142	A
A5 Cabriolet 3.0 TDI	150	multitronic, CVT	Diesel	5.8	4.9	5.2	138	A
A5 Cabriolet 3.0 TDI quattro	180 245	S tronic, 7-speed	Diesel	7.0	5.2 6.9	5.9 8.5	154 199	B
S5 Cabriolet 3.0 TFSI quattro Audi Q5	245	S tronic, 7-speed	Premium	11.2	0.9	0.5	199	D
Q5 2.0 TFSI quattro	132	6-speed	Premium	10.3	6.8	8.1	188	D
Q5 2.0 TFSI quattro	155	6-speed	Premium	10.3	6.8	8.1	188	D
Q5 2.0 TFSI quattro	155	tiptronic, 8-speed	Premium	11.0	7.1	8.6	199	D
Q5 3.2 FSI quattro	199	S tronic, 7-speed	Premium	12.3	7.6	9.3	218	E
Q5 2.0 TDI	105	6-speed	Diesel	6.2	5.4	5.7	149	В
Q5 2.0 TDI quattro	105	6-speed	Diesel	7.2	5.6	6.2	162	В
Q5 2.0 TDI quattro	125	6-speed	Diesel	7.3	5.6	6.2	163	C
Q5 2.0 TDI quattro	125	S tronic, 7-speed	Diesel	8.8	5.9	7.0	184	C
Q5 3.0 TDI quattro	176	S tronic, 7-speed	Diesel	9.2	6.6	7.5	199	D
Q5 2.0 TFSI hybrid quattro Audi A6 Sedan	180 ³⁾	tiptronic, 8-speed	Premium	6.6	7.1	6.9	159	В
Addr Ao Sedan A6 2.0 TFSI	132	6-speed	Premium	8.3	5.4	6.5	151	C
A6 2.0 TFSI	132	multitronic, CVT	Premium	8.1	5.4	6.4	149	В
A6 2.8 FSI	150	6-speed	Premium	10.5	6.0	7.7	177	D
A6 2.8 FSI	150	multitronic, CVT	Premium	9.6	6.1	7.4	172	D
A6 2.8 FSI quattro	150	S tronic, 7-speed	Premium	10.7	6.5	8.0	187	D
A6 3.0 TFSI quattro	220	S tronic, 7-speed	Premium	10.8	6.6	8.2	190	D
A6 2.0 TDI	130	6-speed	Diesel	6.0	4.4	4.9	129	A
A6 2.0 TDI	130	multitronic, CVT	Diesel	6.0	4.4	5.0	132	A
A6 3.0 TDI	150	6-speed	Diesel	6.5	4.4	5.3 5.1	139 133	B
A6 3.0 TDI A6 3.0 TDI quattro	150 150	multitronic, CVT S tronic, 7-speed	Diesel Diesel	5.8 6.7	4.6 5.0	5.1	133	AB
A6 3.0 TDI quattro	130	S tronic, 7-speed	Diesel	7.2	5.2	5.9	149	B
A6 3.0 TDI clean diesel quattro	180	S tronic, 7-speed	Diesel	7.2	5.1	5.9	156	B
A6 3.0 TDI quattro	230	tiptronic, 8-speed	Diesel	8.0	5.6	6.4	169	C
A6 2.0 TFSI hybrid ²⁾	180 ³⁾	tiptronic, 8-speed	Premium					
S6 4.0 TFSI quattro ²⁾	309	S tronic, 7-speed	Premium					
Audi A6 Avant								
A6 Avant 2.0 TFSI	132	6-speed	Premium	8.4	5.5	6.6	154	C
A6 Avant 2.0 TFSI	132	multitronic, CVT	Premium	8.2	5.5	6.5	152	В
A6 Avant 2.8 FSI	150	6-speed multitronic, CVT	Premium	10.5	6.0	7.7	177	D C
A6 Avant 2.8 FSI A6 Avant 2.8 FSI quattro	150 150	S tronic, 7-speed	Premium Premium	9.6 10.7	6.1 6.5	7.4	172 187	D
A6 Avant 3.0 TFSI quattro	220	S tronic, 7-speed	Premium	10.7	6.6	8.2	190	D
A6 Avant 2.0 TDI	130	6-speed	Diesel	6.1	4.5	5.0	132	A
A6 Avant 2.0 TDI	130	multitronic, CVT	Diesel	6.1	4.5	5.1	135	A
A6 Avant 3.0 TDI	150	6-speed	Diesel	6.5	4.4	5.3	139	А
A6 Avant 3.0 TDI	150	multitronic, CVT	Diesel	5.9	4.7	5.2	136	A
A6 Avant 3.0 TDI quattro	150	S tronic, 7-speed	Diesel	6.8	5.1	5.8	152	В
A6 Avant 3.0 TDI quattro	180	S tronic, 7-speed	Diesel	7.2	5.2	5.9	156	В
A6 Avant 3.0 TDI clean diesel quattro	180	S tronic, 7-speed	Diesel	7.3	5.1	5.9	156	B
A6 Avant 3.0 TDI quattro	230	tiptronic, 8-speed	Diesel	8.0	5.6	6.4	169	В
S6 Avant 4.0 TFSI quattro ²⁾ Audi A6 allroad quattro	309	S tronic, 7-speed	Premium					
Addi A6 allroad quattro A6 allroad quattro 3.0 TFSI	228	S tronic, 7-speed	Premium	11.8	7.1	8.9	206	D
A6 allroad quattro 3.0 TDI	150	S tronic, 7-speed	Diesel	7.0	5.5	6.1	159	B
	180	S tronic, 7-speed	Diesel	7.4	5.6	6.3	165	B
A6 allroad quattro 3.0 TDI	100	S cronic, 7 Speca	Dieber					

Power of Model	ower output (kW)			Fuel o	onsumption (l/100 km)	CO ₂ emissions (g/km)	Efficiency class	
	((()))	indiristini siton	Tucc	urban	extra urban	combined	combined	ctub
Audi A7 Sportback				arban		combined	combined	
A7 Sportback 2.8 FSI	150	multitronic, CVT	Premium	9.6	6.1	7.4	172	(
A7 Sportback 2.8 FSI guattro	150	S tronic, 7-speed	Premium	10.7	6.5	8.0	187	C
A7 Sportback 3.0 TFSI quattro	220	S tronic, 7-speed	Premium	10.8	6.6	8.2	190	C
A7 Sportback 3.0 TDI	150	multitronic, CVT	Diesel	5.9	4.7	5.1	135	A
A7 Sportback 3.0 TDI quattro	150	S tronic, 7-speed	Diesel	6.8	5.1	5.8	152	E
A7 Sportback 3.0 TDI quattro	180	S tronic, 7-speed	Diesel	7.2	5.2	5.9	156	E
A7 Sportback 3.0 TDI clean diesel quattro	180	S tronic, 7-speed	Diesel	7.3	5.1	5.9	156	E
A7 Sportback 3.0 TDI quattro	230	tiptronic, 8-speed	Diesel	8.0	5.6	6.4	169	E
S7 Sportback 4.0 TFSI quattro ²⁾	309	S tronic, 7-speed	Premium	0.0	510	0	100	-
Audi Q7	000	s cronney / speed	e					
Q7 3.0 TFSI quattro	200	tiptronic, 8-speed	Premium	14.4	8.5	10.7	249	E
Q7 3.0 TFSI quattro	245	tiptronic, 8-speed	Premium	14.4	8.5	10.7	249	E
Q7 3.0 TDI quattro	150	tiptronic, 8-speed	Diesel	8.2	6.5	7.2	189	E
Q7 3.0 TDI quattro	180	tiptronic, 8-speed	Diesel	8.6	6.7	7.4	195	E
Q7 3.0 TDI clean diesel quattro	180	tiptronic, 8-speed	Diesel	8.8	6.6	7.4	195	E
Q7 4.2 TDI guattro	250	tiptronic, 8-speed	Diesel	12.0	7.6	9.2	242	C
Q7 V12 TDI quattro	368	tiptronic, 6-speed	Diesel	14.8	9.3	11.3	298	E
Audi A8	500	tiptionic, o speed	Dieset	14.0	5.5	11.5	250	
A8 3.0 TFSI quattro	213	tiptronic, 8-speed	Premium	11.7	7.1	8.8	204	D
A8 4.2 FSI quattro	273	tiptronic, 8-speed	Premium	13.3	7.1	9.5	204	E
A8 3.0 TDI	150	tiptronic, 8-speed	Diesel	7.4	5.2	6.0	158	E
A8 3.0 TDI guattro	184	tiptronic, 8-speed	Diesel	7.9	5.6	6.4	158	E
A8 3.0 TDI clean diesel quattro	184	tiptronic, 8-speed	Diesel	8.1	5.6	6.4	169	E
A8 4.2 TDI quattro	258	tiptronic, 8-speed	Diesel	9.3	6.3	7.4	105	(
S8 4.0 TFSI quattro ²⁾	382	tiptronic, 8-speed	Super Plus	5.5	0.5	7.4	155	
A8 2.0 TFSI hybrid ²⁾	180 3		Premium					
Audi A8 L	100	tiptionic, o-speed	Fleinluiti					
ABL 3.0 TFSI guattro	213	tiptronic, 8-speed	Premium	11.7	7.1	8.8	205	C
A8L 4.2 FSI quattro	273	tiptronic, 8-speed	Premium	13.6	7.1	9.7	203	E
A8L 3.0 TDI quattro	184		Diesel	7.9	5.7	6.5	171	E
1	184	tiptronic, 8-speed	Diesel	8.1	5.7	6.5	171	E
A8 L 3.0 TDI clean diesel quattro A8 L 4.2 TDI quattro	258	tiptronic, 8-speed tiptronic, 8-speed	Diesel	9.4	6.4	7.5	171	(
A8L W12 guattro	368	tiptronic, 8-speed	Premium	9.4	9.1	11.9	277	
Audi R8 Coupé	200	tiptronic, o-speed	Premium	10.0	9.1	11.9	277	C
R8 4.2 FSI quattro	316	6-speed	Super Plus	21.3	10.0	14.2	332	C
R8 4.2 FSI quattro	316	R tronic, 6-speed	Super Plus	21.3	9.4	14.2	310	
R8 5.2 FSI quattro	386	6-speed	Super Plus	20.1	10.6	13.3	346	
	386			22.2	9.9	14.9	326	
R8 5.2 FSI quattro R8 GT 5.2 FSI quattro	412	R tronic, 6-speed	Super Plus	21.1	9.9	13.9	326	
	412	R tronic, 6-speed	Super Plus	21.0	9.9	13.9	323	C
Audi R8 Spyder	216	6 speed	Cuper Dlu-	21.3	10.2	14.4	227	
R8 Spyder 4.2 FSI quattro	316	6-speed	Super Plus	-	10.3	14.4	337	C
R8 Spyder 4.2 FSI quattro	316	R tronic, 6-speed	Super Plus	20.1	9.6		315	C
R8 Spyder 5.2 FSI quattro	386	6-speed	Super Plus	22.2 21.5	10.7	14.9 14.2	349 332	C
R8 Spyder 5.2 FSI quattro	386 412	R tronic, 6-speed R tronic, 6-speed	Super Plus Super Plus	21.5	10.2	14.2	332	

1) Contains restrictions with regard to optional extras.

2) This model is not yet on sale. It does not yet have type approval and therefore does not comply with Directive 1999/94/EC. 3) Total system output (briefly)

Further information on official fuel consumption figures and the official specific CO₂ emissions of new passenger cars can be found in the guide "Information on the fuel consumption and CO₂ emissions of new cars," which is available free of charge at all sales dealerships and from DAT Deutsche Automobil Treuhand GmbH, Hellmuth-Hirth-Str. 1, 73760 Ostfildern-Scharnhausen, Germany.

IFRS		2002	2003 ¹⁾	2004 ¹⁾	2005 ¹⁾	2006	2007	2008	2009	2010	2011
Draduction	Cars	735,913	761,582	784,972	811,522	926,180	980,880	1,029,041	932,260	1,150,018	1,365,499
Production			1,342,883					1,901,760			1,365,499
	Engines	1,284,488	1,342,003	1,485,536	1,695,045	1,895,695	1,915,633	1,901,760	1,384,240	1,648,193	1,004,157
Deliveries to customers											
Audi Group	Cars	995,531	1,003,791	971,832	1,045,114	1,135,554	1,200,701	1,223,506	1,145,360	1,293,453	1,512,014
Audi brand	Cars	742,128	769,893	779,441	829,109	905,188	964,151	1,003,469	949,729	1,092,411	1,302,659
Germany	Cars	243,650	237,786	235,092	247,125	257,792	254,014	258,111	228,844	229,157	254,011
Outside Germany	Cars	498,478	532,107	544,349	581,984	647,396	710,137	745,358	720,885	863,254	1,048,648
Outside Germany	Percent	67.2	69.1	69.8	70.2	71.5	73.7	74.3	75.9	79.0	80.5
Market share, Germany	Percent	7.4	7.4	7.2	7.4	7.6	7.9	8.1	6.2	7.8	7.9
Lamborghini brand	Cars	424	1,305	1,592	1,600	2,087	2,406	2,430	1,515	1,302	1,602
Other Volkswagen Group brands	Cars	252,979	232,593	190,799	214,405	228,279	234,144	217,607	194,116	199,740	207,753
Workforce	Average	51,198	52,689	53,144	52,412	52,297	53,347	57,822	58,011	59,513	62,806
From the Income Statement											
From the Income Statement Revenue	EUR million	22,603	23,406	24,506	26,591	31,142	33,617	34,196	29,840	35,441	44,096
Cost of materials	EUR million	16,726	17,163	17,676	19,139	21,627	23,092	23,430	18,512	21,802	28,594
	EUR million	2,739	2,938	3,072	3,136	3,440	3,406	3,709	3,519	4,274	5,076
Personnel costs Personnel costs per employee	EUR	53,496	55,763	57,798	59,834	65,771	63,846	64,467	60,656	71,818	80,819
	EUR million	1,614	1,833	1,852	1,930	2,515	2,287	1,908	1,775	2,170	1,793
Depreciation and amortization	EUR million	1,301	1,055	1,238	1,407	2,015	2,287	2,772	1,604	3,340	5,348
Operating profit	EUR million					1,946	2,703	3,177		3,634	
Profit before tax Profit after tax	EUR million	1,219 752	1,101 811	1,143 871	1,310	1,946	1,692	2,207	1,928 1,347	2,630	6,041
Profit after tax	EURIMILION	/52	110	0/1	824	1,343	1,092	2,207	1,547	2,030	4,440
From the Balance Sheet (Dec. 31)											
Non-current assets	EUR million	8,308	8,588	8,970	8,597	8,285	8,325	9,537	9,637	10,584	12,209
Current assets	EUR million	4,342	5,475	5,934	7,515	10,625	14,253	16,519	16,913	20,188	24,811
Equity	EUR million	4,761	5,487	5,828	6,104	7,265	8,355	10,328	10,632	11,310	12,903
Liabilities	EUR million	7,889	8,576	9,076	10,008	11,645	14,223	15,728	15,918	19,462	24,117
Balance sheet total	EUR million	12,650	14,063	14,904	16,112	18,910	22,578	26,056	26,550	30,772	37,019
From the Cash Flow Statement											
Cash flow from operating activities	EUR million	2,440	2,786	2,690	3,252	4,428	4,876	4,338	4,119	5,797	6,295
Investing activities ²⁾	EUR million	2,305	2,015	2,041	1,670	1,890	2,084	2,412	1,798	2,260	2,905
Net liquidity (Dec. 31)	EUR million	877	1,530	2,033	3,391	5,720	7,860	9,292	10,665	13,383	15,716
Financial ratios											
Operating return on sales	Percent	5.8	4.5	5.1	5.3	6.5	8.0	8.1	5.4	9.4	12.1
Return on sales before tax	Percent	5.4	4.3	4.7	4.9	6.2	8.7	9.3	6.5	10.3	12.1
Equity ratio (Dec. 31)	Percent	37.6	39.0	39.1	37.9	38.4	37.0	39.6	40.0	36.8	34.9
	rercent	57.0	55.0	55.1	51.5	50.4	57.0	55.0	40.0	50.0	34.5
Audi share											
Share price (year-end price) ³⁾	EUR	191.00	225.00	220.15	308.00	540.00	625.00	466.49	500.00	650.00	542.05
Compensatory payment	EUR	1.30	1.05	1.05	1.15	1.25	1.80	1.93	1.60	2.20	X ⁴⁾

1) Financial data adjusted to take account of amendments to IAS 19 and IAS 38 $\,$

2) Not including securities, fixed deposits and loans 3) Year-end price on Munich Stock Exchange

4) In accordance with the resolution to be passed by the Annual General Meeting of Volkswagen AG, Wolfsburg, on April 19, 2012

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2012 Financial Calendar

Quarterly Report, 1st quarter May 2, 2012

Annual General Meeting May 10, 2012 Audi Forum Ingolstadt

Interim Financial Report July 31, 2012

Quarterly Report, 3rd quarter October 29, 2012