



# First Quarter Report 2010

January 1 to March 31, 2010

## Audi Group achieves successful first quarter

### ECONOMIC DEVELOPMENT

The economic recovery continued in the first three months of the new fiscal year, with the economy of the emerging markets of Asia in particular experiencing highly dynamic growth. The economic climate also improved in many industrial nations. While economic growth intensified in the United States, the rate of economic recovery was slow in Western Europe, however. With the improved economic situation, global demand for cars in the period under review reverted to a positive trend, and the demand for passenger cars rose in a large number of key sales markets compared to the previous year's low level.

In the volume markets of the UK, Italy, France and Spain, state incentives to buy ensured that the boom in the automotive industry continued in the first three months of the year, resulting in a sharp rise in new car registrations in Western Europe (excluding Germany) of 23.4 percent. In contrast, the German car market was 22.8 percent down on the same quarter of the previous year, which had achieved a high level due to the environment bonus.

In the U.S. car market, which had been in decline since 2006, the upward trend which started at the end of 2009 continued, with car sales in the United States from January through March 2010 up by 15.5 percent compared to the same period of the previous year.

The Asia-Pacific region recorded a significant rise in vehicle sales in the first quarter of 2010, with sales increasing in particular in the Chinese passenger car market by 63.0 percent.

### DELIVERIES

In the first three months of 2010 the Audi Group delivered a total of 322,880 (261,555) cars worldwide to customers.

The Audi brand delivered 264,077 (209,775) vehicles, which represented an outstanding increase in deliveries compared with the prior-year period of 25.9 percent, and therefore achieved the strongest first quarter in the Company's history. The growth is attributable in particular to the high demand for the new Audi A5 Sportback\* and A5 Cabriolet\* models, and the continued pleasing development in delivery figures for the Audi Q5, A4 and A6.

In the export markets of Western Europe the brand with the four rings recorded a rise in deliveries of 16.4 percent to 105,016 (90,242) vehicles. In the period under review the Company also increased the number of cars delivered in its home market of Germany, where the overall market fell sharply, by 3.8 percent to 49,521 (47,686) vehicles.

In the U.S. market the Audi brand sold over a third more cars than in the prior-year period and, in so doing, delivered a total of 21,315 (15,808) vehicles.

The Company was also very successful in the dynamic market environment of the Asia-Pacific region, increasing its deliveries by 70.0 percent to 64,446 (37,905) units. With 51,449 (29,010) cars, the greatest share of vehicles was sold in China (including Hong Kong), which equates to a significant growth rate of 77.3 percent. The Audi Group therefore once again confirmed its position as market leader in the Chinese premium segment.

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



Audi R8 Spyder 5.2 FSI quattro\*





Audi A1

**DELIVERIES TO CUSTOMERS BY MODEL <sup>1)</sup>**

	1-3/2010	1-3/2009
Audi A3	52,287	48,779
Audi TT	6,896	6,964
Audi A4	79,756	66,634
Audi A5	29,800	12,720
Audi Q5	29,881	17,221
Audi A6	52,011	45,526
Audi Q7	9,096	8,531
Audi A8	3,421	2,669
Audi R8	610	731
Internal vehicles before launch	319	-
Audi brand	264,077	209,775
Lamborghini brand	300	404
Other Volkswagen Group brands	58,503	51,376
<b>Total, Group</b>	<b>322,880</b>	<b>261,555</b>

1) The prior-year figures have been slightly adjusted.

**EXPANDING THE PRODUCT PORTFOLIO**

The Audi Group has continued its product initiative in the current fiscal year by launching three attractive new products in the first quarter of 2010 – the S5 Sportback\* and R8 Spyder 5.2 FSI quattro\* models, and the new generation of the Audi A8.

A sporty top model was added to the A5 car line at the start of the year in the form of the S5 Sportback, which is available with a powerful 3.0-liter TFSI engine with 245 kW (333 hp) output, 7-speed S tronic dual-clutch transmission as standard and quattro permanent all-wheel drive. In addition to its sporty differentiation, the S5 Sportback impresses with what is a low average fuel consumption of 9.4 liters per 100 kilometers for this class, which is equivalent to CO<sub>2</sub> emissions of 219 g/km.

In March a supercar was added to Audi's product portfolio in the shape of the R8 Spyder 5.2 FSI quattro, which combines breathtaking dynamics with the experience of open-top driving. As in the Coupé, the Audi brand's high technological standards are met by a 386 kW (525 hp) V10 mid-engine with gasoline direct injection and the use of advanced technologies such as the lightweight aluminum body in Audi Space Frame (ASF) design and the all-LED headlights.

The new Audi A8, too, impresses not just with its high-class comfort and fascinating sportiness but also in particular with its innovative technologies. In addition to the ASF design and all-LED headlights, the night-vision assistant and the standard Audi pre sense safety system are being used for the first time in the flagship of the Audi model range. The Multi Media Interface (MMI) navigation plus has also been revised and is simple and convenient to operate thanks to a touch-pad. The new Audi A8 is initially available with a 4.2-liter FSI engine with 273 kW (372 hp) and a 4.2-liter TDI engine with 258 kW (350 hp), which thanks to the use of intelligent efficiency technologies achieve outstanding fuel economy in spite of their increased performance\*.

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

At the Geneva Motor Show the Audi Group presented a highlight in the form of the Audi A1, which is aimed particularly at a young and urban target market. The dynamic premium vehicle offers numerous customization options with which the customer can express his or her own personal style, modern efficiency technologies and a high-class range of infotainment options. Even before its launch in the summer of 2010, the A1 was chosen by thousands of readers of "What Car?" magazine as the "Most Exciting Car of 2010" (January 18, 2010).

The Audi RS 5\* was also presented in Geneva, a high-performance model which impresses with its dynamic and powerful elegance. With a hand-made 4.2-liter FSI engine developing 331 kW (450 hp), the Coupé can accelerate from 0 to 100 km/h in 4.6 seconds. A newly developed center differential in the quattro driveline and the standard 7-speed S tronic dual-clutch transmission direct the forces to all four wheels. Deliveries of the RS 5 will start in the spring of 2010. The Audi Group is also working intensively on future mobility. In the first quarter of 2010, the Company consequently presented three concept cars with alternative drive strategies: the A8 hybrid, the Detroit showcar Audi e-tron and the A1 e-tron. The A8 hybrid, fitted with a 2.0-liter TFSI engine and an electric motor, is a full hybrid, which means that it can be driven either solely with the combustion engine or the electric motor, or with the power of both units combined. In addition to developing hybrid drive systems, the Audi brand has also extended the e-tron car line. The recently presented technology studies follow different concepts: For example, the Detroit showcar Audi e-tron is powered purely by electricity with two electric motors fitted on the rear axle. The Audi A1 e-tron, which is designed primarily for city traffic, has an electric-drive system; however, in addition to the electric motor, it also has a compact combustion engine on board. This so-called range extender is used to recharge the battery, allowing the range to be increased for longer journeys.

## FINANCIAL PERFORMANCE

Due to the economic recovery and the resulting positive impact on deliveries, the Audi Group was also able to improve its financial performance, net worth and financial position in the first quarter of 2010.

For example, the Company successfully increased its sales revenue by 23.3 percent to a total of EUR 8,260 (6,700) million.

The Audi Group therefore achieved an operating profit in the first three months of the fiscal year which was, at EUR 478 (363) million, more than 30 percent above the previous year's figure. This disproportionately high increase compared with the development in sales revenue is primarily attributable to the positive impact of continuous process improvements and systematic cost reductions. With this impressive qualitative growth and an operating return on sales of 5.8 (5.4) percent, the Audi Group has proven once again that it is highly competitive and consolidated its position as one of the leaders in the international automotive industry. There have been no changes to the group of consolidated companies in the period under review.

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



Audi RS 5





Audi S5 Sportback\*

## OUTLOOK

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In view of the improvement in the global economic situation, the Audi Group is assuming that the global demand for cars will rise for 2010 as a whole. At the same time, the rate of growth in the Asia-Pacific region will remain high. In the United States the Company is expecting a significant recovery in vehicle sales compared with the previous year's low level. In contrast, the end of state aid programs in the market of Western Europe will result in a noticeable fall in new vehicle registrations. Within the context of its business activities the Audi Group is confronted with various risk areas which are described in detail in the 2009 Annual Report. These risks remain unchanged.

Due to the expected recovery in the demand for premium cars and thanks to the young and attractive product portfolio, the Audi Group is anticipating a significant rise in deliveries in fiscal 2010 compared with the previous year and expects to sell more than one million Audi vehicles. The Company is expecting in particular the launch of the new generation of the Audi A8, and the Audi A7 and Audi A1 models to have a positive impact on growth and further enhance the attractiveness of the Audi brand.

Based on the targeted rise in deliveries, the Audi Group is also planning to increase its sales revenue. Due to systematic cost and investment management, as well as continuous process and productivity improvements, the Company is expecting that it will be also able to improve its operating profit and operating return on sales.

## PERSONNEL CHANGES

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There were no personnel changes on the Board of Management and Supervisory Board of AUDI AG during the period under review.

## DISCLAIMER

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This Quarterly 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.

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

## Fuel consumption and emission figures

As at: May 2010 (all data apply to features of the German market)

Model	Power output (kW)	Transmission	Fuel	Fuel consumption (l/100 km)			CO <sub>2</sub> emissions (g/km)
				urban	extra urban	combined	combined
Audi A5 Sportback							
A5 Sportback 1.8 TFSI	118	6-speed	Premium	9.6	5.8	7.2	169
A5 Sportback 1.8 TFSI	118	multitronic, CVT	Premium	9.4	5.9	7.2	169
A5 Sportback 2.0 TFSI	132	6-speed	Premium	8.4	5.4	6.5	152
A5 Sportback 2.0 TFSI	132	multitronic, CVT	Premium	9.5	5.8	7.2	169
A5 Sportback 2.0 TFSI	155	6-speed	Premium	8.4	5.4	6.5	152
A5 Sportback 2.0 TFSI	155	multitronic, CVT	Premium	9.5	5.8	7.2	169
A5 Sportback 2.0 TFSI quattro	155	6-speed	Premium	9.8	5.9	7.3	172
A5 Sportback 2.0 TFSI quattro	155	S tronic, 7-speed	Premium	9.4	6.4	7.5	175
A5 Sportback 3.2 FSI quattro	195	S tronic, 7-speed	Premium	13.5	6.8	9.3	216
A5 Sportback 2.0 TDI	105	6-speed	Diesel	6.4	4.5	5.2	135
A5 Sportback 2.0 TDI	105	multitronic, CVT	Diesel	7.5	4.8	5.8	152
A5 Sportback 2.0 TDI	125	6-speed	Diesel	6.5	4.5	5.2	137
A5 Sportback 2.0 TDI quattro	125	6-speed	Diesel	7.0	4.8	5.6	147
A5 Sportback 2.7 TDI	140	6-speed	Diesel	8.1	4.8	6.0	159
A5 Sportback 2.7 TDI	140	multitronic, CVT	Diesel	8.0	5.6	6.5	169
A5 Sportback 3.0 TDI quattro	176	6-speed	Diesel	8.9	5.4	6.7	176
A5 Sportback 3.0 TDI quattro	176	S tronic, 7-speed	Diesel	8.3	5.7	6.6	174
S5 Sportback 3.0 TFSI quattro	245	S tronic, 7-speed	Premium	13.5	7.0	9.4	219
Audi A5 Cabriolet							
A5 Cabriolet 1.8 TFSI	118	6-speed	Premium	10.0	5.9	7.4	172
A5 Cabriolet 1.8 TFSI	118	multitronic, CVT	Premium	9.5	6.4	7.5	174
A5 Cabriolet 2.0 TFSI	132	multitronic, CVT	Premium	9.9	6.0	7.4	174
A5 Cabriolet 2.0 TFSI	155	6-speed	Premium	9.1	5.4	6.8	159
A5 Cabriolet 2.0 TFSI	155	multitronic, CVT	Premium	9.9	6.0	7.4	174
A5 Cabriolet 2.0 TFSI quattro	155	S tronic, 7-speed	Premium	9.5	6.6	7.7	179
A5 Cabriolet 3.2 FSI	195	multitronic, CVT	Premium	12.1	6.5	8.6	199
A5 Cabriolet 3.2 FSI quattro	195	S tronic, 7-speed	Premium	13.8	7.0	9.5	219
A5 Cabriolet 2.0 TDI	125	6-speed	Diesel	6.7	4.7	5.5	144
A5 Cabriolet 2.7 TDI	140	6-speed	Diesel	8.1	5.2	6.2	164
A5 Cabriolet 2.7 TDI	140	multitronic, CVT	Diesel	7.7	5.8	6.5	169
A5 Cabriolet 3.0 TDI quattro	176	S tronic, 7-speed	Diesel	8.5	5.8	6.8	179
Audi RS 5							
RS 5 4.2 FSI quattro	331	S tronic, 7-speed	Premium	14.9	8.5	10.8	252
Audi A8							
A8 4.2 FSI quattro	273	tiptronic, 8-stufig	Premium	13.3	7.2	9.5	219
A8 4.2 TDI quattro	258	tiptronic, 8-stufig	Diesel	10.2	6.1	7.6	199
Audi R8 Spyder							
R8 Spyder 5.2 FSI quattro	386	6-speed	Super Plus	22.7	10.4	14.9	356
R8 Spyder 5.2 FSI quattro	386	R tronic, 6-speed	Super Plus	20.9	9.9	13.9	332

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