



# First Quarter Report 2011

January 1 to March 31, 2011

## Audi achieves best first quarter in the Company's history

### ECONOMIC DEVELOPMENT

The global economy was still expanding in the first three months of 2011, with the economy of the emerging markets in Asia in particular experiencing highly dynamic growth. The economic recovery continued in the United States. Moderate economic growth was also posted in Western Europe, while the strong upturn was sustained in Germany.

The global demand for cars continued to show an upward trend in the period under review. The main growth drivers were the United States, Central and Eastern European countries and the Asia-Pacific region, whose strong market growth nonetheless weakened somewhat.

On the German passenger car market, new car registrations recovered compared with the slump in the prior-year quarter; with a rise of 13.9 percent to 0.8 million new cars they once again reached the average level of the past ten years. In contrast, new car registrations in Western Europe (excluding Germany) were down by 6.3 percent. Foremost among the significant factors influencing this development was the end of state purchase incentives in the volume markets of the United Kingdom, Italy and Spain, which resulted in a sharp decline in sales figures here.

On the other hand, demand continued to develop positively in the United States, with sales of passenger cars and lightweight commercial vehicles rising in the period from January to March 2011 by 20.2 percent compared to the same period last year.

The Chinese passenger car market (incl. Hong Kong) increased by 15.5 percent over the high prior-year level.

### DELIVERIES

In the first quarter of 2011, the Audi Group delivered a total of 370,293 (322,820) vehicles worldwide.

At the same time, the Audi brand increased the number of vehicles delivered by 18.4 percent to 312,600 (264,017) units, thus achieving the best first quarter in the Company's history.

In Europe, the Company confirmed its leading position in the premium segment with a rise to 186,526 (162,431) vehicles sold. With 120,645 (104,997) units, the Audi brand delivered 14.9 percent more vehicles in Western Europe (excluding Germany) compared with the prior-year period. In Germany, the brand with the four rings also significantly increased deliveries to 56,283 (49,521) vehicles.

The first quarter of 2011 also developed very successfully in the United States with a 19.1 percent rise in deliveries to 25,383 (21,315) vehicles.

In the Asia-Pacific region, the Audi brand achieved deliveries totaling 79,895 (64,446) vehicles. Here, the Company delivered 64,122 (51,449) vehicles to the Chinese market (incl. Hong Kong) and thus increased the prior-year figure by 24.6 percent, which outstripped the overall market demand.

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



Audi A6

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

	1-3/2011	1-3/2010
Audi A1	30,979	168
Audi A3	8,638	10,304
Audi A3 Sportback	37,778	39,210
Audi A3 Cabriolet	3,112	2,792
Audi TT Coupé	5,664	5,260
Audi TT Roadster	1,916	1,637
Audi A4 Sedan	47,537	47,763
Audi A4 Avant	26,579	29,017
Audi A4 allroad quattro	2,806	2,854
Audi A4 Cabriolet	-	117
Audi A5 Sportback	13,527	13,108
Audi A5 Coupé	9,773	11,135
Audi A5 Cabriolet	5,711	5,556
Audi Q5	41,053	29,840
Audi A6 Sedan	38,308	41,192
Audi A6 Avant	10,029	9,319
Audi A6 allroad quattro	1,332	1,483
Audi A7 Sportback	5,818	151
Audi Q7	13,528	9,081
Audi A8	7,552	3,419
Audi R8 Coupé	408	507
Audi R8 Spyder	422	104
Internal vehicles before launch	130	-
<b>Total, Audi brand</b>	<b>312,600</b>	<b>264,017</b>
Lamborghini Gallardo	289	208
Lamborghini Murciélago	4	92
<b>Total, Lamborghini brand</b>	<b>293</b>	<b>300</b>
Other Volkswagen Group brands	57,400	58,503
<b>Total, Group</b>	<b>370,293</b>	<b>322,820</b>

1) The figures for prior periods have been slightly adjusted.

**EXPANSION OF THE PRODUCT PORTFOLIO**

By launching the new A6 car line and the R8 GT, A8 L W12 quattro and RS3 Sportback models\*, the Audi Group continuously pressed ahead with the expansion of its product portfolio in the new fiscal year, too.

The virtues of the seventh generation of the A6 luxury-class sedan are particularly its light-weight body and the large selection of innovative assistance and multimedia systems. The range already comprises seven powerful and efficient engines with an output of between 130 kW (177 hp) and 220 kW (300 hp). A new generation of the Avant and allroad quattro derivatives as well as the A6 hybrid\* will also be available at a later stage.

In addition, the top version of the R8 car line – the R8 GT – has been on the market as a limited edition of 333 units since the beginning of the year. The 5.2 FSI engine with quattro drive and an output of 412 kW (560 hp) propels the high-performance sports car, whose weight has been reduced to 1,525 kilograms due to its systematic lightweight construction, from 0 to 100 km/h in just 3.6 seconds.

Furthermore, in February the A8 L W12 quattro top model was added to the A8 car line. Besides all the high-class features of the luxury sedan, the vehicle offers particularly outstanding and dynamic performance thanks to its powerful 12-cylinder engine with a 6.3-liter displacement and an output of 368 kW (500 hp).

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



The RS3 Sportback\* was also rolled out onto the market in the spring. The top model of the A3 car line is fitted with a 2.5 TFSI engine which received the “International Engine of the Year” award in 2010 (<http://www.ukipme.com/engineoftheyear>). With five cylinders, this unit is continuing a long Audi tradition which dates back to the 1980s, when powerful five-cylinder engines placed the Audi brand firmly at the top of rally racing.

At the 2011 Geneva Motor Show the Audi Group presented the Q5 hybrid quattro\* for the first time, which will go on sale in the course of 2011. The full hybrid, which has a 2.0-liter TFSI engine and an electric motor, can be driven either solely with the combustion engine, the electric motor or in hybrid mode. The vehicle also recovers energy during braking and activates both units at the same time when accelerating sharply.

The A8 L Security, which will be available from the late summer of 2011, was also presented to the public in Geneva. The model has strong armor-plating and a host of other security features yet in visual terms is almost identical to the series-production version.

In addition, the Audi Group presented the Audi Urban Mobility technology demonstrator and the A3 concept showcar at the Geneva Motor Show.

## FINANCIAL PERFORMANCE

As a result of the positive trend in deliveries, the Audi Group also succeeded in improving its financial performance, net worth and financial position.

For example, revenue increased by 27.3 percent to EUR 10,514 (8,260) million in the first three months of the fiscal year.

At the same time, the Audi Group boosted its operating profit by 133.4 percent to EUR 1,115 (478) million. Apart from the positive effects resulting from continuous cost and process enhancements, the increase in operating profit, which significantly outstripped the development in revenue, can also be attributed to an improvement in the model mix.

The Audi Group thus achieved an operating return on sales of 10.6 (5.8) percent and has proven once again that it is highly competitive in the international automotive industry.

There have been no changes to the group of consolidated companies in the period under review.

## OUTLOOK

The Audi Group expects that global economic growth will continue in the 2011 fiscal year, which the automotive business would benefit from as a whole. According to the estimates of the Audi Group, the demand for new vehicles will rise in all significant sales regions with the exception of Western Europe.

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



Audi A7 Sportback\*



Audi R8 GT\*

In addition to the risks stated in the 2010 Annual Report, the economic development in Japan and possibly other countries is now also expected to be severely affected as a result of the natural disaster in Japan. This could have a negative impact on vehicle production and deliveries. The Audi Group is nonetheless making plans to increase deliveries of the Audi core brand to around 1.2 million vehicles in 2011. This growth can be explained by the general economic trend and, in particular, by the high level of attractiveness of the Audi brand's product range. In this context, the successor generation of the Audi A6, the new A7 Sportback\* and the Audi Q3 in particular will create additional stimuli.

Due to the increase in deliveries, the key financial performance indicators of the Audi Group are also expected to improve. For example, the Company expects a tangible rise in sales revenue and, thanks to continuous cost enhancements and systematic investment management, also an increase in operating profit.

## PERSONNEL CHANGES

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There were no personnel changes on the Supervisory Board and the Board of Management 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 on 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: April 2011 (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
RS 3 Sportback 2.5 TFSI quattro	250	S tronic, 7-speed	Super Plus	13.1	6.8	9.1	212
Q5 hybrid quattro	180	tiptronic, 8-speed	Premium	6.6	7.1	6.9	159
Audi A6 Sedan							
A6 2.8 FSI	150	multitronic, CVT	Premium	9.6	6.1	7.4	172
A6 2.8 FSI quattro	150	S tronic, 7-speed	Premium	10.7	6.5	8.0	187
A6 3.0 TFSI quattro	220	S tronic, 7-speed	Premium	10.8	6.6	8.2	190
A6 2.0 TDI	130	6-speed	Diesel	6.0	4.4	4.9	129
A6 3.0 TDI	150	multitronic, CVT	Diesel	6.0	4.7	5.2	137
A6 3.0 TDI quattro	150	S tronic, 7-speed	Diesel	6.7	5.0	5.7	149
A6 3.0 TDI quattro	180	S tronic, 7-speed	Diesel	7.2	5.3	6.0	158
A6 hybrid <sup>1)</sup>	180	tiptronic, 8-speed	Premium				
Audi A7 Sportback							
A7 Sportback 2.8 FSI	150	multitronic, CVT	Premium	9.6	6.1	7.4	172
A7 Sportback 2.8 FSI quattro	150	S tronic, 7-speed	Premium	10.7	6.5	8.0	187
A7 Sportback 3.0 TFSI quattro	220	S tronic, 7-speed	Premium	10.8	6.6	8.2	190
A7 Sportback 3.0 TDI	150	multitronic, CVT	Diesel	6.1	4.8	5.3	139
A7 Sportback 3.0 TDI quattro	180	S tronic, 7-speed	Diesel	7.2	5.3	6.0	158
A8 L W12 quattro	368	tiptronic, 8-speed	Premium	18.2	9.0	12.4	290
R8 GT 5.2 FSI quattro	412	R tronic, 6-speed	Super Plus	21.0	9.9	13.9	323

1) This model is not yet on sale. It does not yet have type approval and therefore does not comply with Directive 1999/94/EC.

Further information on official fuel consumption figures and the official specific CO<sub>2</sub> emissions of new passenger cars can be found in the guide "Information on the fuel consumption and CO<sub>2</sub> 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.

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