



First Quarter Report 2013

January 1 to March 31, 2013

Audi Group maintains growth in deliveries in first quarter

ECONOMIC ENVIRONMENT

The global economy continued to grow slightly in the first quarter of 2013. However global economic development was mixed and many industrial countries in particular again faced major structural challenges. Western Europe's Mediterranean countries especially were faced with growth rates still in negative territory due to the ongoing sovereign debt crises. The German economy proved to be relatively stable and maintained its low growth over the first three months of the fiscal year. In the United States, the economy again grew at a moderate rate, held back by uncertainty about the forthcoming plans for budgetary consolidation. Emerging economies in Asia consequently once again provided the main stimuli for global economic growth. The Chinese economy reasserted its role as the powerhouse of growth.

Worldwide demand for cars in the first three months of the year under review also reflected the mixed performance of the economy as a whole. While there was a downward market trend overall in both Western Europe and Central and Eastern Europe, new registrations increased in the North America and Asia-Pacific regions. In the German automotive market, the reluctance of private customers to make purchases on the back of the eurozone's continuing economic uncertainties was one of the major factors damping the development in new registrations. In other Western European countries, the contracting market trend of recent years continued. There were consequently 8.9 percent fewer new vehicles registered in the first three-month period than one year earlier. By contrast, sales of cars and light commercial vehicles in the United States climbed by 6.4 percent mainly thanks to continuing high levels of replacement demand. The Chinese car market grew at an even more vigorous rate of 17.3 percent. Along with the stable economic environment, the still relatively low vehicle density fueled demand for automobiles.

The international motorcycle markets in the displacement segment above 500 cc also showed little consistency in their performance over the opening three months of 2013. Overall demand in the key markets for the Ducati brand fell back by 17.0 percent. Demand in Western European export markets in particular was down, in some cases significantly. New motorcycle registrations also decreased in the United States and Germany. On the other hand, demand for motorcycles in Japan was slightly above the level of the previous year.

PRODUCTION

We stepped up car production by the Audi Group to a total of 392,818 (386,699) units in the first three months of 2013. This figure includes 87,594 (75,924) Audi vehicles made by the joint venture FAW-Volkswagen Automotive Company, Ltd. in Changchun (China). In total, 392,337 (386,097) cars of the Audi brand and 481 (602) supercars of the Lamborghini brand were built in the first quarter.



Audi RS6 Avant

From January through March 2013, 12,820 sporty motorcycles of the Ducati brand were also built. Motorcycle production in the prior-year period totaled 12,412 units.

CAR PRODUCTION BY MODEL ¹⁾

	1-3/2013	1-3/2012
Audi A1	10,583	17,396
Audi A1 Sportback	22,153	16,544
Audi A3	10,287	6,495
Audi A3 Sportback	38,393	38,676
Audi A3 Cabriolet	2,314	3,529
Audi Q3	31,229	25,254
Audi TT Coupé	3,396	4,961
Audi TT Roadster	1,345	1,937
Audi A4 Sedan	59,696	57,226
Audi A4 Avant	24,088	21,335
Audi A4 allroad quattro	5,035	3,108
Audi A5 Sportback	14,865	15,520
Audi A5 Coupé	8,454	9,618
Audi A5 Cabriolet	6,254	7,392
Audi Q5	55,328	52,682
Audi A6 Sedan	54,354	50,999
Audi A6 Avant	11,612	18,315
Audi A6 allroad quattro	1,999	477
Audi A7 Sportback	7,192	10,295
Audi Q7	13,501	12,942
Audi A8	9,609	10,814
Audi R8 Coupé	390	331
Audi R8 Spyder	260	251
Total, Audi brand	392,337	386,097
Lamborghini Gallardo	204	344
Lamborghini Aventador	277	258
Total, Lamborghini brand	481	602
Total, Automotive segment	392,818	386,699

1) The table includes the vehicles built in China by the joint venture FAW-Volkswagen Automotive Company, Ltd.

A total of 155,017 (150,970) vehicles were built at Group headquarters in Ingolstadt in the first quarter of 2013. At the Neckarsulm plant, the Company produced 67,317 (75,755) vehicles in the period under review.

Over the same period, AUDI HUNGARIA MOTOR Kft. built 7,184 (11,312) units of the TT car line and A3 family at the Győr plant in Hungary. The Hungarian company marks its 20th anniversary in 2013. Its anniversary year will see the volume production start of the new A3 Sedan. A production plant covering the entire process chain - press shop, body shop, paint shop and final assembly - has consequently been installed there.

In Belgium, AUDI BRUSSELS S.A./N.V., Brussels, produced 32,736 (33,940) automobiles of the Audi A1 car line in the period under review.

The first quarter also saw 13,501 (12,942) of the Audi Q7 built at Bratislava (Slovakia) and 28,988 (25,254) of the Audi Q3 produced at Martorell (Spain), both of these being Volkswagen Group locations.

The Chinese joint venture FAW-Volkswagen Automotive Company, Ltd., Changchun, manufactured a total of 87,594 (75,924) Audi vehicles of the A4 L, A6 L, Q3 and Q5 car lines.

In all, 1,452 (1,276) parts sets for CKD assembly at Aurangabad (India) were made at the Ingolstadt, Neckarsulm, Bratislava (Slovakia) and Martorell (Spain) sites.



Ducati model range

CAR ENGINE PRODUCTION

	1-3/2013	1-3/2012
Automotive segment	493,973	522,284
AUDI HUNGARIA MOTOR Kft.	493,696	522,010
Automobili Lamborghini S.p.A.	277	274

Engine production for the Automotive segment amounted to 493,973 (522,284) units in the first quarter of 2013.

MOTORCYCLE PRODUCTION BY MODEL

	1-3/2013	1-3/2012 ¹⁾
Ducati Diavel	1,827	-
Ducati Hypermotard	1,597	-
Ducati Monster	3,874	-
Ducati Multistrada	2,590	-
Ducati Streetfighter	1,011	-
Ducati Superbike	1,921	-
Total, Ducati brand	12,820	-
Total, Motorcycles segment	12,820	-

1) Motorcycle production since acquisition of Ducati Group in July 2012

From January through March 2013, Ducati manufactured 12,820 motorcycles worldwide. 11,943 sporty bikes were built at the company headquarters in Bologna (Italy). The period under review also saw Ducati build 877 motorcycles of the Diavel, Monster and Multistrada models at Amphur Pluakdaeng (Thailand).

DELIVERIES

The Audi Group delivered a total of 414,848 (397,591) automobiles in the first quarter of 2013. This figure includes 369,494 (346,105) vehicles of the core brand Audi, for which deliveries to customers increased by 6.8 percent. The Lamborghini brand delivered 519 (505) supercars to customers in the period under review. The deliveries total furthermore included 44,835 (50,981) cars of other Volkswagen Group brands.

In Germany, the Audi brand increased its delivery volume to 59,116 (57,976) cars despite declining overall market demand. In other Western European countries, 114,451 (115,503) Audi vehicles were handed over to customers. This was almost on a par with the previous year's high level despite the decline - in some cases quite sharp - in market demand in countries affected by the sovereign debt crises. The Audi brand put in a particularly pleasing performance in the UK. From January through March 2013, 39,242 (35,777) vehicles of the brand with the four rings were delivered, up 9.7 percent on the prior-year period. Conversely, in France and Italy the Company was again affected by marked consumer restraint, though there was a slight improvement on the previous year's total in Spain.

Demand again developed very healthily in Central and Eastern Europe. In Russia, the region's major export market, we increased the number of vehicles delivered by 15.4 percent in the first quarter of 2013 to 8,278 (7,174) cars.

The positive trend in demand for vehicles of the Audi brand also continued in the U.S. market. In the period under review, 34,186 (29,470) cars were delivered to customers - an increase of 16.0 percent.

The brand also enjoyed substantially higher deliveries in the Asia-Pacific region. Overall, 14.9 percent more cars or 124,155 (108,075) units were delivered to customers there in the three-month period. The main driving force behind this trend was again China (incl. Hong Kong), where 102,810 (90,063) automobiles were delivered.

DELIVERIES OF CARS TO CUSTOMERS BY MODEL ¹⁾

	1-3/2013	1-3/2012
Audi A1	10,361	24,412
Audi A1 Sportback	22,294	5,139
Audi A3	11,835	6,767
Audi A3 Sportback	28,975	36,058
Audi A3 Cabriolet	2,025	2,671
Audi Q3	28,530	18,037
Audi TT Coupé	3,739	4,434
Audi TT Roadster	1,363	1,353
Audi A4 Sedan	54,421	53,105
Audi A4 Avant	24,630	18,925
Audi A4 allroad quattro	4,842	1,930
Audi A5 Sportback	12,300	13,767
Audi A5 Coupé	7,558	8,950
Audi A5 Cabriolet	4,176	5,258
Audi Q5	56,350	48,738
Audi A6 Sedan	54,601	48,447
Audi A6 Avant	11,569	17,056
Audi A6 allroad quattro	2,403	250
Audi A7 Sportback	6,821	8,491
Audi Q7	11,626	12,494
Audi A8	8,283	9,108
Audi R8 Coupé	419	418
Audi R8 Spyder	247	297
Internal vehicles before launch	126	-
Total, Audi brand	369,494	346,105
Lamborghini Gallardo	266	279
Lamborghini Aventador	253	226
Total, Lamborghini brand	519	505
Other Volkswagen Group brands	44,835	50,981
Total, Automotive segment	414,848	397,591

1) The figures for the prior-year period have been marginally adjusted.

Motorcycles

The Ducati brand made a positive impact in the first quarter of 2013 amid a sharply contracting market. Worldwide, 9,817 motorcycles were handed over to their owners in the period January through March. The volume of deliveries in the prior-year period was 10,360 units.

In the United States - the Italian motorcycle manufacturer's biggest sales market - the period under review saw a total of 1,605 customers chose one of these sporty bikes.

MOTORCYCLE DELIVERIES TO CUSTOMERS BY MODEL

	1-3/2013	1-3/2012 ¹⁾
Ducati Diavel	1,309	-
Ducati Hypermotard	567	-
Ducati Monster	3,042	-
Ducati Multistrada	1,890	-
Ducati Streetfighter	906	-
Ducati Superbike	2,088	-
Ducati, others	15	-
Total, Ducati brand	9,817	-
Total, Motorcycles segment	9,817	-

1) Motorcycle deliveries since acquisition of Ducati Group in July 2012

PRODUCT RANGE BOOSTED

We have made steady progress with expanding the Audi Group's product portfolio in the 2013 fiscal year.

At the start of the year, extensive improvements were made to the high-performance Audi R8 models. The high-performance sports car is available with Coupé or Spyder body in three engine versions, the R8 V8, R8 V10 and R8 V10 plus. Thanks to the newly developed 7-speed S tronic transmission, and further weight-reducing measures, the improved versions now offer better fuel efficiency than the corresponding predecessor models.

At the start of February 2013, the A3 family welcomed a new addition - the A3 Sportback. Like the established three-door version, the popular five-door model is especially noted for its sporty design and coupé-like styling. And it has shed up to 90 kilograms compared with the previous model. The third quarter of 2013 will see the market introduction of the sporty S3 and S3 Sportback models. These versions will offer abundant power with low fuel consumption. For instance, the S3 Sportback with 2.0 TFSI engine, as showcased at the Geneva Motor Show at the start of this year, has an output of 221 kW (300 hp) and with the optional 6-speed S tronic is capable of accelerating from 0 to 100 km/h in only 4.9 seconds. With combined CO₂ emissions of 159 g/km, the premium compact car achieves an average fuel consumption of only 6.9 liters of Super Plus fuel per 100 kilometers. The A3 Sedan, due for launch starting in fall 2013, will mark our venture into the world's biggest market segment of compact sedans. The dynamic four-door model comes with all the strengths of the A3 family - a relatively low weight, powerful and efficient engines, plus driver assistance systems and infotainment functions that are benchmarks in their segment. The car line's top model is the S3 Sedan, delivering an output of 221 kW (300 hp) and due for a gradual roll-out onto markets a few months after the A3 Sedan. The SQ5 TDI unveiled at the 24 Hours of Le Mans last year went on sale this March. The first diesel-engined S model in Audi's history is equipped with a biturbo 3.0 TDI engine and develops 230 kW (313 hp). In addition, the Audi SQ5 with gasoline engine, developed mainly with an eye to the American and Chinese markets, was presented at the Detroit Motor Show in January 2013.



Audi RS7 Sportback



Audi S3 Sedan

It has a supercharged 3.0 TFSI engine developing 260 kW (354 hp). The high-performance SUV will be arriving at dealers in the USA in the third quarter of this year.

Also on show at Detroit was the new RS 7 Sportback that will be available from fall 2013. Its fascination springs from its impressive driving dynamics and sporty design. Powered by a V8 biturbo, a 4.0 TFSI engine developing 412 kW (560 hp), this top model of the A7 car line accelerates from 0 to 100 km/h in a mere 3.9 seconds.

The new RS 6 Avant made its debut at the Geneva Motor Show in March 2013 and will go on sale from June of this year. It offers a very efficient setup thanks to increased performance and reduced weight. The powerful V8 biturbo, a 4.0 TFSI engine, propels the sporty Avant model from a standstill to 100 km/h in only 3.9 seconds. It has an electronically governed top speed of 250 km/h. The high-performance model uses an average of 9.8 liters of Super Plus fuel and achieves CO₂ emissions of 229 g/km.

Another model showcased by Audi at Geneva was the new RS Q3, the first RS model in the Q car line, and due to go on sale from the fourth quarter of 2013. The sporty SUV blends abundant everyday suitability with dynamic performance and is fitted with a 228 kW (310 hp) 2.5 TFSI engine.

Audi is taking a major step towards sustainable mobility with the A3 Sportback g-tron presented at the Geneva Motor Show. The market launch of this compact five-door vehicle that can run on natural gas or the CO₂-neutral fuel Audi e-gas is scheduled for the end of the year. In future, this fuel will be produced at the new Audi e-gas plant in Werlte (Emsland). The power unit in the A3 Sportback g-tron is based on a newly developed 1.4 TFSI engine that has an output of 81 kW (110 hp) and is capable of a top speed of 190 km/h. On average, the compact five-door model clocks up 100 kilometers on less than 3.5 kilograms of natural gas or Audi e-gas.

We are also making a concerted effort to take our electric drive systems to the next level. At the Geneva Motor Show the A3 Sportback e-tron provided a pointer to the future of electric mobility at Audi. With a system output of 150 kW (204 hp), the premium compact model with plug-in hybrid technology achieves a top speed of 222 km/h. In purely electric mode the five-door car's top speed is 130 km/h. Its electric range is then up to 50 kilometers. The A3 Sportback e-tron uses an average of 1.5 liters of Super Plus fuel and achieves CO₂ emissions of only 35 g/km.

In the year of its 50th anniversary, the Lamborghini brand showed the Veneno supercar at the Geneva Motor Show; it will build and sell only three of this model. With a maximum output of 552 kW (750 hp), the exclusive model accelerates from 0 to 100 km/h in a mere 2.8 seconds and on to a top speed of 355 km/h.

In the Motorcycles segment, the first quarter of 2013 saw the production start of the new Diavel Strada, Hypermotard, Hypermotard SP, Hyperstrada, Multistrada 1200 S Granturismo, and 1199 Panigale R models that have been gradually introduced onto markets since the start of the year.

FINANCIAL PERFORMANCE

As part of our growth strategy, we pursue a strategy of successful long-term business development for the Audi Group, based on stable financial performance, financial position and net worth.

In the first three months of 2013, Audi Group revenue reached EUR 11,734 (12,389) million, almost on a par with the previous year's record level despite the ongoing difficult economic environment. The Automotive segment contributed EUR 11,569 (12,389) million, while the Motorcycles segment brought in revenue of EUR 165 million in the first quarter.

The operating profit for the Audi Group reached EUR 1,307 (1,410) million in the period under review. It should be noted in this connection that the prior-year figure was reduced by EUR 2 million as a result of the amended accounting standard IAS 19R. The Automotive segment generated an operating profit of EUR 1,287 (1,410) million. Meanwhile the Motorcycles segment posted an operating profit of EUR 20 million in the first three months of the fiscal year. The operating return on sales for the Audi Group of 11.1 (11.4) percent for the first quarter of 2013 was again above the strategic target corridor of eight to ten percent. In the Automotive segment, the operating return on sales likewise reached 11.1 (11.4) percent. The Motorcycles segment contributed 12.3 percent towards the operating return on sales.

Before tax, the Audi Group earned EUR 1,432 (1,511) million in the first three months of 2013, almost matching the high prior-year profit and equivalent to a return on sales before tax of 12.2 (12.2) percent.

After income tax expense, profit was up slightly on the previous year at EUR 1,055 (1,031) million.

The period under review brought no changes in the scope of consolidated companies within the Audi Group.

EMPLOYEES

Audi's ongoing growth strategy means there are again plans to recruit a large number of new employees in the 2013 fiscal year. In Germany alone, we intend to take on around 1,500 new people at AUDI AG. In addition, some 700 young people are expected to embark on vocational training at the AUDI AG locations Ingolstadt and Neckarsulm.

PERSONNEL CHANGES

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

RISK REPORT

Handling potential risks with care is a high priority for the Audi Group. A Group-wide risk management system that helps to identify, minimize and avoid risks is consequently in place. Furthermore, it provides a basis for responding swiftly and comprehensively to changing framework conditions.

The Audi Group is exposed to industry-typical risks that are explained in detail in the 2012 Annual Report and remain valid.

OUTLOOK

The Audi Group expects global economic growth to continue in the 2013 fiscal year. While the economic development of many industrial nations is likely to remain severely hampered by high sovereign debt levels and structural challenges, the emerging economies especially in Asia should continue to achieve dynamic growth rates. However major uncertainties still surround the direction of the global economy as a whole.

For 2013, we nevertheless expect a mildly positive development in worldwide demand for cars, with the individual sales regions likely to produce a distinctly mixed picture. In addition to the Asia-Pacific region, developments above all in North America should continue to provide a positive stimulus for vehicle sales worldwide. Registrations of new cars in the other major sales regions will probably be on a par with the previous year; by contrast, the overall market in Western Europe is expected to contract again in 2013.

With regard to motorcycle markets in the displacement segment above 500 cc, we anticipate a slight year-on-year decline in demand for 2013 in the markets that are relevant to Ducati.

For 2013 as a whole, the Audi Group intends to build further on the Audi brand's volume of deliveries. Thanks to a broad, attractive product portfolio and the introduction of new models, the company aims to capture additional market share and extend its already strong competitive position. The new A3 and the new A3 Sportback in particular are expected to have a positive impact on demand. Moreover, the new A3 Sedan will extend the car line in the second half of the year.

The Audi Group is working on the assumption that an increased volume of deliveries will also translate into further slight revenue growth. Meanwhile expenditure on new products and technologies and for the expansion of the worldwide production network is also expected to rise.

Barring any materially significant changes in the economic environment, we expect the current financial year to bring an operating return on sales at the upper end of the strategic target corridor of eight to ten percent.

EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There were no reportable events of material significance after March 31, 2013.

DISCLAIMER

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



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