

Audi

Third Quarter Report
2015

January 1
to
September 30,
2015



ECONOMIC ENVIRONMENT

The global economy lost a little momentum over the first nine months of 2015. The economic situation of industrial nations improved, while most emerging countries saw their economies expand at a slower rate than in the previous year. In Western Europe, economic recovery continued at a moderate rate. Most northern countries in Western Europe enjoyed solid growth and the majority of southern countries also registered higher growth rates for gross domestic product. There was equally a positive development in Central European countries. On the other hand, the economic situation in Eastern Europe deteriorated – the conflict between Russia and Ukraine pushed both countries into recession. In the United States, the economy achieved stable growth in the first nine months of 2015 thanks to the fall in unemployment and consistently good consumer sentiment. The recession in Brazil deepened against a backdrop of slack domestic demand and falling commodity prices. China witnessed a weakening of economic momentum in the first nine months. Its economic growth nevertheless reached a comparatively high level by global standards.

Global demand for automobiles continued to rise over the year through to the end of September, but with growth slower than one year earlier. Registrations of new cars increased in Western Europe, Central Europe, North America and the Asia-Pacific region. In contrast, passenger car sales were sharply down in Eastern Europe and South America. The German car market developed positively, with new registrations showing an in-

crease of 5.5 percent thanks to rising demand from commercial customers. In light of the improved overall economic environment, sales of passenger cars in Western European countries outside Germany rose even more steeply by 9.7 percent. On the other hand, registrations of new cars in Russia decreased by 33.2 percent under the shadow of political tensions with Ukraine. In the United States, sales of passenger cars and light commercial vehicles grew by 5.0 percent, favored by the healthy overall economic development. Registrations of new passenger cars in the Asia-Pacific region increased overall in the first nine months of 2015, though the market was virtually flat in the third quarter. In addition to the weaker development in demand for cars in Japan, this is also attributable to the Chinese passenger car market. Over the period from January through September, new registrations in China recorded lower growth than in the past with a rise of 6.7 percent. Over the first nine months, the premium market that is relevant for Audi grew at a slower rate than the overall market, in a reversal of its disproportionate expansion in previous years.

The established motorcycle markets in the displacement segment above 500 cc enjoyed a 4.7 percent rise in demand from January through September. A large number of Western European motorcycle markets benefited from the improved economic situation. New motorcycle registrations in the United States were up on the previous year, while sales dipped slightly in Japan.

PRODUCTION

The Audi Group built 1,362,713 (1,341,886) vehicles worldwide in the first three quarters of the fiscal year. This figure includes 350,329 (371,358) Audi vehicles made by the Chinese partner company FAW-Volkswagen Automotive Company, Ltd., Changchun. The Audi Group built a total of 1,359,802

(1,340,247) cars of the Audi brand and 2,911 (1,639) supercars of the Lamborghini brand from January through September. 46,147 (38,874) motorcycles of the Ducati brand were produced in the same period.



At the Group headquarters in Ingolstadt, we built a total of 430,421 (441,148) cars in the first nine months of 2015. This year-on-year drop is primarily due to production preparations and the production start of the new Audi A4 model line.

208,877 (206,063) vehicles were produced at our Neckarsulm location between January and September.

In the same period, AUDI HUNGARIA MOTOR Kft. manufactured 122,219 (98,151) cars of the TT model line and A3 family in Győr (Hungary).

AUDI BRUSSELS S.A./N.V. produced a total of 87,035 (91,027) vehicles of the Audi A1 model line in Brussels (Belgium) in the first three quarters of 2015.

Meanwhile, the two Volkswagen Group locations Bratislava (Slovakia) and Martorell (Spain) built 59,835 (47,546) of the Audi Q7 and 100,942 (84,954) of the Audi Q3 respectively.

In response to China's slower economic development, we adjusted our production volume there to reflect the current demand for premium cars. Over the first three quarters, FAW-Volkswagen Automotive Company, Ltd. built 311,502

(348,642) cars of the A4 L, A6 L, Q3 and Q5 models at its company headquarters in Changchun and 38,827 (22,716) vehicles of the A3 family in the southern Chinese city of Foshan.

Audi do Brasil Indústria e Comércio de Veículos Ltda., São Paulo, produced its first vehicles at the Brazilian plant in São José dos Pinhais, near Curitiba. 122 Audi A3 Sedans have already left the production line there.

The Ingolstadt, Neckarsulm, Győr, Bratislava and Martorell sites supplied parts and components for the assembly of a total of 8,096 (7,324) cars at the plant in Aurangabad (India) over the period January through September 2015.

The Audi Group produced a total of 419,108 (419,838) cars worldwide in the third quarter of 2015. This total included 418,360 (418,904) vehicles of the core brand Audi. In the same period Lamborghini built 748 (934) supercars. 9,192 (8,367) motorcycles of the Ducati brand were manufactured from July through September 2015.

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Car production by model ¹⁾

	1-9/2015	1-9/2014
Audi A1	25,260	27,999
Audi A1 Sportback	61,775	63,028
Audi A3	15,124	19,979
Audi A3 Sportback	142,348	141,984
Audi A3 Sedan	101,592	78,394
Audi A3 Cabriolet	14,182	16,197
Audi Q3	149,427	145,114
Audi TT Coupé	22,273	8,731
Audi TT Roadster	6,236	2,512
Audi A4 Sedan	152,388	165,309
Audi A4 Avant	69,156	66,172
Audi A4 allroad quattro	13,088	14,711
Audi A5 Sportback	34,312	36,695
Audi A5 Coupé	15,305	19,334
Audi A5 Cabriolet	11,341	13,798
Audi Q5	204,026	191,315
Audi A6 Sedan	160,886	180,735
Audi A6 Avant	45,435	39,367
Audi A6 allroad quattro	9,391	8,415
Audi A7 Sportback	22,640	20,589
Audi Q7	59,835	47,546
Audi A8	22,484	30,664
Audi R8 Coupé	950	1,012
Audi R8 Spyder	348	647
Audi brand	1,359,802	1,340,247
Lamborghini Huracán	2,096	798
Lamborghini Aventador	815	841
Lamborghini brand	2,911	1,639
Automotive segment	1,362,713	1,341,886

1) The table also includes the vehicles built in China by the partner company FAW-Volkswagen Automotive Company, Ltd.



Ducati Monster 1200 R

Car engine production

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	1-9/2015	1-9/2014
AUDI HUNGARIA MOTOR Kft.	1,554,559	1,499,764
Automobili Lamborghini S.p.A.	823	836
Car engine production	1,555,382	1,500,600

The Audi Group's Automotive segment produced 1,555,382 (1,500,600) engines in the first three quarters of fiscal 2015.

Motorcycle production

	1-9/2015	1-9/2014
Scrambler	16,990	16
Naked/Sport Cruiser (Diavel, Monster, Streetfighter)	12,108	23,013
Dual/Hyper (Hypermotard, Multistrada)	9,543	8,528
Sport (Superbike)	7,506	7,317
Ducati	46,147	38,874
Motorcycles segment	46,147	38,874

Worldwide, the Ducati brand produced 46,147 (38,874) motorcycles in the first nine months of 2015. 36,554 (34,528) bikes were built at the company headquarters in Bologna (Italy). Over the same period, Ducati produced 8,910 (3,575) motorcycles of the Scrambler, Diavel, Hypermotard, Monster, Multistrada and Superbike lines at the Amphur Pluakdaeng plant (Thailand). Ducati built 683 (771) bikes of the Scrambler, Diavel, Hypermotard, Monster, Multistrada and Superbike models in Manaus (Brazil) on a contract manufacturing basis.

DELIVERIES ¹⁾

In the first nine months of 2015, the Audi Group increased deliveries to customers by 5.1 percent to 1,517,464 (1,443,679) cars worldwide. The core brand Audi delivered 1,347,972 (1,298,638) vehicles to customers – an increase of 3.8 percent. Over the same period, the Lamborghini brand stepped up its deliveries to customers to 2,696 (1,570) supercars. Total deliveries for the first three quarters of 2015 included 166,796 (143,471) cars of other Volkswagen Group brands. From January through September 2015, the Ducati brand increased its deliveries by 23.0 percent to 46,105 (37,494) motorcycles worldwide.

Demand for vehicles of the Audi brand again made healthy progress in our home market Germany. We increased deliveries to customers there in the first nine months of 2015 by 5.2 percent to 208,367 (198,043) cars. We also registered higher deliveries to customers in other Western European countries. With 365,020 (347,262) vehicles

of the Audi brand, we delivered 5.1 percent more cars in that region than in the same period of the previous year. The development in deliveries in Spain and Italy was especially satisfying, with increases of 13.2 percent and 9.5 percent respectively compared with the prior-year period.

In the United Kingdom, the brand with the four rings also enjoyed continuing popularity. The total number of cars delivered there in the first three quarters came to 133,570 (126,840) – a rise of 5.3 percent.

From January through September 2015, we delivered 39,266 (44,672) Audi vehicles to customers in the Central and Eastern Europe region. The 12.1 percent year-on-year drop can be attributed primarily to the downturn in the overall market in the Eastern Europe region.

With 147,403 (130,983) cars delivered – an increase of 12.5 percent – we continued our growth in the United States in the first three quarters of 2015.

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

495,069 (491,483) Audi vehicles were delivered to customers in the Asia-Pacific region – an increase of 0.7 percent. In China (including Hong Kong), we handed over 414,411 (415,704) cars to customers, thus almost maintaining our deliveries at the level of the prior-year period despite the slowdown in the premium segment of the market. In South Korea, demand for vehicles of the Audi brand continued to rise. Between January and September 2015, we handed over 23,367 (21,334) cars to customers there, 9.5 percent more than in the corresponding period of the previous year.

The Audi Group delivered 492,823 (472,149) cars to customers worldwide in the period from July through September 2015. This total included 445,642 (429,281) vehicles of the core brand Audi. In the same period our customers received 46,367 (42,254) cars of other Volkswagen Group brands. The Lamborghini brand increased its deliveries to customers to 814 (614) supercars in the third quarter of the fiscal year. In addition, the Ducati brand delivered 13,459 (10,715) motorcycles to customers in this period.

Car deliveries to customers by model ¹⁾

	1-9/2015	1-9/2014
Audi A1	25,467	28,144
Audi A1 Sportback	58,895	62,746
Audi A3	15,069	21,275
Audi A3 Sportback	145,020	129,665
Audi A3 Sedan	104,558	61,451
Audi A3 Cabriolet	16,539	10,433
Audi Q3	149,449	144,784
Audi TT Coupé	18,602	9,916
Audi TT Roadster	4,180	2,879
Audi A4 Sedan	154,140	167,967
Audi A4 Avant	69,425	63,585
Audi A4 allroad quattro	13,166	14,379
Audi A5 Sportback	34,158	37,706
Audi A5 Coupé	16,041	20,103
Audi A5 Cabriolet	11,316	13,886
Audi Q5	195,229	182,271
Audi A6 Sedan	166,166	180,789
Audi A6 Avant	43,187	39,475
Audi A6 allroad quattro	8,615	7,928
Audi A7 Sportback	21,515	22,191
Audi Q7	52,179	46,796
Audi A8	23,325	28,476
Audi R8 Coupé	1,166	1,089
Audi R8 Spyder	565	704
Audi brand	1,347,972	1,298,638
Lamborghini Gallardo	–	259
Lamborghini Huracán	1,909	413
Lamborghini Aventador	787	898
Lamborghini brand	2,696	1,570
Other Volkswagen Group brands	166,796	143,471
Automotive segment	1,517,464	1,443,679

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

Motorcycle deliveries to customers¹⁾

	1-9/2015	1-9/2014
Scrambler	13,609	–
Naked/Sport Cruiser (Diavel, Monster, Streetfighter)	15,096	19,990
Dual/Hyper (Hypermotard, Multistrada)	9,953	9,446
Sport (Superbike)	7,447	8,058
Ducati brand	46,105	37,494
Motorcycles segment	46,105	37,494

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

In the first nine months of 2015, the Ducati brand delivered 46,105 (37,494) motorcycles to customers worldwide – an increase of 23.0 percent. The Italian motorcycle manufacturer was able to record a significant increase in deliveries primarily in its home market. Demand for motorcycles of the Ducati brand also made good progress in the United Kingdom and the United States. Over the same period, there was a substantial rise in deliveries to customers in the important German market as well.

PRODUCT PORTFOLIO

We have been gradually introducing the improved models of the Audi A1 and Q3 model lines into markets since the start of the year. The products Audi A1 and A1 Sportback are particularly noted for their sporty design, agile suspension and high-performance, efficient engines. The restyled models Audi Q3 and Audi RS Q3 offer a powerful design and increased performance. Furthermore, we have added the Audi TT Roadster, TTS Roadster and TTS Coupé to the third generation of our TT family. Since July 2015, our design icon has also been available with a 1.8 TFSI engine that serves as the new entry-level power unit.

In March 2015, we unveiled our Audi prologue Avant show car at the Geneva Motor Show. Its design embodies a new interpretation of the Avant philosophy and expresses the quattro DNA of the Audi brand. Its interior creates an entirely new sense of space through its architecture of straight lines. Following on from the Audi prologue and Audi prologue Avant, the Audi prologue allroad show car made its debut at Auto Shanghai in April 2015. This third member of the Audi prologue family is a particularly impressive blend of new technologies and high efficiency. For example, the five-door model comes

with an innovative display and operating concept for digital interaction between driver and passengers. Its plug-in hybrid drive has a system output of 540 kW (734 hp).

Deliveries of the new Audi Q7 to customers in Europe started in June 2015, with a gradual roll-out following in other markets. The full-size SUV underscores our expertise in lightweight construction and efficiency as well as in infotainment and assistance systems. The new Q7 weighs up to 325 kilograms less than its predecessor model. As well as the Audi virtual cockpit, innovative assistance systems such as adaptive cruise control Stop&Go including traffic jam assist and Audi connect with new functions can be ordered for our premium SUV.

In addition, the new Audi Q7 e-tron 3.0 TDI quattro, a premium SUV with diesel plug-in hybrid and quattro drive, will go on sale in our home market Germany from early 2016.

The new Audi RS3 Sportback has been available in Germany since June. Its 2.5 TFSI engine develops 270 kW (367 hp) and accelerates the car from 0 to 100 km/h in 4.3 seconds. A top speed of up to 280 km/h can be reached as an option.



Audi e-tron quattro concept

In mid-October 2015, the first models of the new Audi R8 V10 with a power output of 397 kW (540 hp) and of the new Audi R8 V10 plus with 449 kW (610 hp) were delivered to customers in Germany. The range-topping model – the Audi R8 V10 plus – accelerates from 0 to 100 km/h in 3.2 seconds and is capable of a top speed of up to 330 km/h.

The new generation of the Audi A4 and Audi A4 Avant made its world debut mid-way through 2015 and will gradually be introduced into the markets from November 2015. The new models of our best-seller family impress with their aerodynamics and new technologies that are designed principally to increase efficiency. Despite their larger dimensions, the unladen weight has also been reduced by up to 120 kilograms compared with the predecessor model. As well as extensive infotainment offerings and driver assistance systems adopted from the full-size category, such as the predictive efficiency assistant and adaptive cruise control Stop&Go including traffic jam assist, the Audi virtual cockpit is also available as an option for the new models of the A4 line.

In September, the brand with the four rings in addition took the wraps off the new top models of the A4 family at the International Motor Show (IAA) in Frankfurt. The Audi S4 and Audi S4 Avant are outfitted with a 3.0 TFSI engine developing 260 kW (354 hp) of power, and optionally also come with an extensive package of infotainment and driver assistance systems. The two new S models will be available on the market from 2016.

In October 2015, we presented the Audi A4 g-tron as a further addition to our A4 family. This vehicle, which is largely carbon-neutral when run on Audi e-gas, is now the second model of our brand alongside the Audi A3 Sportback g-tron to use natural gas or climate-friendly Audi e-gas. The A4 g-tron will be given a gradual market roll-out from the end of 2016.

We also presented our Audi e-tron quattro concept technology study at the IAA. The all-electric sport SUV offers a concrete foretaste of electric mobility at Audi. The technology study impresses with its powerful e-tron quattro drive with three electric motors and an output of up to 370 kW and draws attention with an aerodynamic design. The new aerodynamics concept combines measures to reduce aerodynamic drag with creative design solutions. The Audi e-tron quattro concept is also equipped with all the technologies that Audi has devel-

oped for piloted driving and, with a range of over 500 kilometers, underscores its suitability for everyday driving.

In addition, we gave the Audi SQ5 TDI plus and the Audi S8 plus their first public showing during the period under review.

The Lamborghini brand launched four new models in the period under review: the newly developed Aventador LP 750-4 Superveloce, the Roadster version of the Aventador Superveloce, the Aventador LP 700-4 Pirelli Edition and the Lamborghini Huracán LP 610-4 Spyder. The Aventador LP 750-4 Superveloce offers more power coupled with a lower weight, improved aerodynamics and optimized handling. Its V12 aspirated engine develops 552 kW (750 hp) and accelerates the supercar from 0 to 100 km/h in just 2.8 seconds. The special series Aventador LP 700-4 Pirelli Edition is a homage to the long-standing cooperation between the two brands Lamborghini and Pirelli. All three Aventador models are already available on the market at the end of the period under review.

The Huracán LP 610-4 Spyder, which was given its first showing at the IAA in Frankfurt, is a new model from Lamborghini that combines the technology and power of the Huracán with the emotion of a Spyder. Deliveries of the Huracán LP 610-4 Spyder will commence at the start of 2016.

In May 2015, Lamborghini announced a luxury SUV as the third model line to join its range of products. The new model will bring the carmaker extra potential for growth and will be built at its headquarters in Sant'Agata Bolognese (Italy). The global market launch is planned for 2018.

The Italian motorcycle manufacturer Ducati also systematically expanded its product portfolio in the first three quarters of 2015. For example, the third generation of the Multistrada 1200 and 1200S has been available since the beginning of the year. Ducati also introduced the new models of the Scrambler series including the Icon, Urban Enduro, Classic and Full Throttle to markets in the first half of the year. With the 1299 Panigale, Ducati has launched another superbike with unmistakable design, cutting-edge technology and extreme performance. In addition, the period under review saw Ducati present the new Diavel Titanium in a limited run of 500 motorcycles, along with the new Monster 1200R – Ducati's most powerful and exclusive naked bike to date.

FINANCIAL PERFORMANCE

In the first nine months of the 2015 fiscal year, the Audi Group increased its revenue by 11.2 percent to EUR 43,695 (39,300) million mainly as a result of increased deliveries and favorable exchange rate effects. We generated revenue of EUR 43,120 (38,824) million in the Automotive segment, while we increased revenue in the Motorcycles segment to EUR 575 (476) million. In particular the high demand for our SUV models and the growth in the North America and Western Europe regions positively impacted revenue, thus more than compensating for the weaker development in China (including Hong Kong) that was due to economic and market factors.

For the period January through September 2015, the Audi Group increased its operating profit to EUR 4,024 (3,831) million, representing an operating return on sales of 9.2 (9.7) percent. The Automotive segment generated an operating profit of EUR 3,984 (3,802) million which was facilitated above all by growth in deliveries and a favorable currency environment from our perspective. However, there was an opposite effect from further increases in upfront expenditures for our future model and technology portfolio as well as for the expansion of the international production structures. The operating return on sales reached 9.2 (9.8) percent. In the Motorcycles segment, growth in deliveries and exchange rate effects had a positive impact on the development of operating profit. Taking account of mix effects and expenditure for launches of new models, operating profit totaled EUR 40 (29) million. Operating return on sales reached 7.0 (6.1) percent. Adjusted for the effects of purchase price allocation, operating profit came to EUR 57 (48) million and the operating return on sales was 10.0 (10.1) percent.

The financial result of the Audi Group for the first nine months of the 2015 fiscal year declined to EUR 225 (737) million, mainly due to a lower result from currency hedging transactions.

The Audi Group achieved EUR 4,249 (4,568) million in profit before tax in the first three quarters of 2015, representing a return on sales before tax of 9.7 (11.6) percent. Profit after tax came to EUR 3,284 (3,435) million.

The above factors were also major factors in our business performance in the third quarter of 2015.

The Audi Group thus achieved revenue of EUR 13,911 (12,610) million from July through September 2015. EUR 13,773 (12,503) million of this amount is attributable to the Automotive segment. The Motorcycles segment generated revenue of EUR 138 (107) million.

The Audi Group's operating profit for the third quarter of 2015 came to EUR 1,110 (1,160) million, while the operating return on sales was 8.0 (9.2) percent. Against the backdrop of the current and impending switch to new model generations and the expansion of our international production network, the Automotive segment posted an operating profit of EUR 1,116 (1,172) million in the third quarter when the exchange rate effect had become neutral. Seasonal factors meant that the Motorcycles segment achieved an operating profit for the quarter of EUR -6 (-12) million.

The financial result declined to EUR -11 (307) million from July through September, mainly due to a lower result from currency hedging transactions.

The Audi Group's profit before tax in the third quarter of 2015 totaled EUR 1,099 (1,467) million, the return on sales before tax came to EUR 7.9 (11.6) percent. Profit after tax amounted to EUR 856 (1,113) million.



The balance sheet total of the Audi Group rose by 9.4 percent to EUR 55,545 million as of September 30, 2015, compared with EUR 50,769 million as of December 31, 2014. Of this total, non-current assets accounted for EUR 23,961 (22,538) million. Current assets totaled EUR 31,584 million, compared with EUR 28,231 million as of December 31, 2014.

The Audi Group's equity rose to EUR 21,523 (19,199) million as of September 30, 2015 – an increase of 12.1 percent since the end of 2014. The equity ratio increased to 38.7 (37.8) percent.

The non-current liabilities of the Audi Group totaled EUR 13,085 (12,844) million, while current liabilities as of September 30 of this fiscal year amounted to EUR 20,937 (18,725) million.

In the first nine months, the Audi Group generated a cash flow from operating activities of EUR 5,167 (5,617) million. Net cash flow came to EUR 2,261 (2,761) million, underlining our Company's self-financing capacity. The net liquidity of the Audi Group amounted to EUR 16,897 (16,032) million.

In the first three quarters of 2015, there were no changes within the group of consolidated companies with a material impact on the presentation of the net worth, financial position and financial performance. In addition, AUDI AG increased its shareholding in Volkswagen Automatic Transmission (Tianjin) Company Limited, Tianjin (China), from 40.0 percent to 49.0 percent. This company continues to be accounted for in the Audi Group using the equity method.

In August 2015, AUDI AG, the BMW Group and Daimler AG signed an agreement with Nokia Corporation to acquire Nokia's "HERE" maps and location services business, with each partner to hold an equal stake. AUDI AG's share of the purchase price will amount to approximately EUR 0.85 billion. Pending approval by the relevant antitrust authorities, the transaction is expected to close in the next six months. The participation is to be reported in the Audi consolidated financial statements under investments accounted for using the equity method.

In September 2015, the U.S. agencies California Air Resources Board (CARB) and Environmental Protection Agency (EPA) publicly announced that irregularities in relation to nitrogen oxide emissions had been discovered in emission tests on vehicles with Volkswagen diesel engines. These irregularities also affect more than two million Audi vehicles worldwide that were fitted with the type EA 189 diesel engines in question. These vehicles remain technically safe and legal to drive. Volkswagen is working hard to resolve the irregularities by appropriate technical measures and is also in contact with the responsible authorities as well as with the German Federal Motor Transport Authority (KBA). Volkswagen presented a timetable and an action plan in early October. Rectification of the vehicles – including the Audi models affected – is scheduled to begin in January 2016. On the basis of existing agreements with Volkswagen AG, there was no effect on the profit or loss of the Audi Group resulting from the diesel issue.

WORKFORCE

In the course of its growth strategy, the Audi Group is planning to hire over 6,000 new employees worldwide in the 2015 fiscal year, including around 4,000 in Germany.

In addition, more than 750 young people commenced vocational training with AUDI AG at the Ingolstadt and Neckarsulm locations in September 2015.

PERSONNEL CHANGES

On November 1, 2015, Dr. Dietmar Voggenreiter took over as Member of the Board of Management for Marketing and Sales at AUDI AG. He was previously in charge of Audi's China business for nine years. Dr. Dietmar Voggenreiter succeeds

Luca de Meo, who switches to SEAT, S.A. as its Chairman of the Board of Management after three years on the Board of Management of AUDI AG.

REPORT ON EXPECTED DEVELOPMENTS, RISKS AND OPPORTUNITIES

Report on expected developments

The Audi Group anticipates that the global economy will broadly match the growth rate of the previous year in 2015 as a whole. Impetus for growth will be provided by the major industrialized nations, where a continuing moderate economic recovery is expected as a result of the expansionary monetary policy of numerous central banks, among other factors. The economic expansion of many emerging countries is expected to continue to some extent, even if the high growth rates of previous years are unlikely to be reached.

In our assessment, global demand for automobiles will exhibit merely slight growth over the year as a whole, though there will be no consistent pattern across the various different regions. While we anticipate increasing new registrations in Western Europe, Central Europe, North America and Asia-Pacific, sales of passenger cars in Eastern Europe and South America will probably decline significantly.

For 2015 overall, we continue to expect a moderate increase in demand in the established motorcycle markets in the displacement segment above 500 cc.

Report on risks and opportunities

The central task of risk management is to systematically render risks transparent and improve their controllability, while also providing the impetus to generate or exploit opportunities. The focus is always on the goal of increasing the value of the Company.

The function of the risk and opportunity management system as well as the general opportunities and risks to which the

The Board of Management considers the Audi Group to be well equipped to handle current and future challenges. Based on the strategic goals explained in detail in the 2014 Annual Report, we intend to maintain our course of growth in 2015 and beyond. The forecast for the key performance indicators for the full year of 2015, which are outlined on pages 192 and 193 of the Audi 2014 Annual Report, was adjusted in light of the 2015 Interim Financial Report. These estimations remain valid. In August 2015, AUDI AG, the BMW Group and Daimler AG signed an agreement with Nokia Corporation to acquire Nokia's "HERE" maps and location services business, with each partner to hold an equal stake. AUDI AG's share of the purchase price will amount to approximately EUR 0.85 billion. Pending approval by the relevant antitrust authorities, the transaction is expected to close in the next six months. The completion of the transaction in the further course of the 2015 fiscal year would impact the forecasted net cash flow.

At the time of reporting, the diesel issue did not have any effect on the forecast for our key performance indicators.

Audi Group is subject are described in detail in the 2014 Annual Report on pages 194 to 203. The assessment of risks and opportunities was updated in the 2015 Interim Financial Report.

Due to the diesel issue, the Audi Group could experience changes affecting the organizational and economic business process.

EVENTS OCCURRING SUBSEQUENT TO THE BALANCE SHEET DATE

There were no reportable events of material significance after September 30, 2015.

DISCLAIMER

The Third Quarter 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.



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