

Audi Interim Financial Report 2015



January 1
to
June 30,
2015

Audi Group Key Figures

		1-6/2015	1-6/2014	Change in %
Production				
Automotive segment	Cars ¹⁾	943,605	922,048	2.3
	Engines	1,068,111	1,066,789	0.1
Motorcycles segment	Motorcycles	36,955	30,507	21.1
Deliveries to customers				
Automotive segment ²⁾	Cars	1,024,772	971,530	5.5
Audi brand ²⁾	Cars	902,389	869,357	3.8
Lamborghini brand	Cars	1,882	956	96.9
Other Volkswagen Group brands	Cars	120,501	101,217	19.1
Motorcycles segment ²⁾	Motorcycles	32,608	26,779	21.8
Ducati brand ²⁾	Motorcycles	32,608	26,779	21.8
Workforce	Average	81,640	75,592	8.0
Revenue	EUR million	29,784	26,690	11.6
EBITDA ³⁾	EUR million	4,093	3,800	7.7
Operating profit	EUR million	2,914	2,671	9.1
Profit before tax	EUR million	3,150	3,102	1.6
Profit after tax	EUR million	2,429	2,323	4.6
Operating return on sales	Percent	9.8	10.0	
Return on sales before tax	Percent	10.6	11.6	
Ratio of investments in property, plant and equipment ⁴⁾	Percent	4.4	2.7	
Cash flow from operating activities	EUR million	3,860	3,712	4.0
Net cash flow	EUR million	1,860	2,160	- 13.9
		June 30, 2015	Dec. 31, 2014	Change in %
Balance sheet total	EUR million	54,804	50,769	7.9
Equity ratio	Percent	37.0	37.8	

1) Including vehicles built in China by the partner company FAW-Volkswagen Automotive Company, Ltd., Changchun

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

3) EBITDA = operating profit + balance from depreciation/amortization, impairment losses (reversals) on property, plant and equipment and intangible assets, capitalized development costs, financial assets and investment property as per the Cash Flow Statement

4) Ratio of investments in property, plant and equipment/intangible assets (excluding capitalized development costs) to revenue

Note:

All figures are rounded off, which may lead to minor deviations when added up.
Internet sources refer to the status as of July 17, 2015.



Prof. Rupert Stadler,
Chairman of the Board of Management of AUDI AG

*Dear Readers,
Dear Shareholders,*

The mid-year point of 2015 is not only a time for interim results but, above all, represents a moment of change. Because in the next few weeks we will present the new Audi A4 to the public around the world, the latest generation of a model series that has defined our Company like no other.

The A4 is the heart of our Company. Nearly one in five Audi models sold around the world is an A4. If all units ever built in the series are added up, starting with the first Audi 80 in 1972, we arrive at a total of around 12 million cars. Since 1994 alone, when the car was first given its current name, this total is around six and a half million. That makes the A4 the most produced Audi of all time.

We are manufacturing the new A4 both in Ingolstadt as well as in Neckarsulm. With the help of the Audi production turntable, we are able to share the manufacturing volumes flexibly between both of our home production sites. In this way, we achieve two goals: shorter delivery times for our customers and plants steadily operating at full capacity for the people working there. The A4 is also a symbol of our internationally organized production because it comes off the assembly lines in China and India, too.

Audi's growth phase that still continues today began with the market launch of the first A4 generation. In the past 20 years, we have increased our deliveries to customers well over four fold thanks to the consistently strong popularity of our midsize model. Beginning in November when the car is gradually launched on the markets, the new generation will provide stimulus for further growth.

The new Audi Q7 is already available now. We presented it at the beginning of the year and have been making deliveries to the first markets and customers in recent weeks. Along with the Q5 and Q3, it forms our successful SUV family, which today makes up around one third of our sales. And we are continuing to expand the family: Starting in 2016, we will offer our customers a new compact SUV in the shape of the Audi Q1. We will augment the full-size class in the foreseeable future with the Q8, and our engineers are also working on a highly emotional electric car in the sports activity vehicle segment which we plan to launch from 2018.



More powerful, more efficient, more intelligent: The new Audi A4 raises the bar in its class with numerous high-end technologies.

We experienced varied developments in the markets during the first half of the year. There are no global certainties; while the economy in one region slows down, it takes a turn for the better in another region. In Europe, the good is never far from the bad. In the South, markets like Spain and Italy have come back with a great deal of momentum. The East in contrast is suffering as a result of tension between Russia and Ukraine.

In the formerly booming market of China, we are seeing how slower growth is becoming the economy's new normal. As anticipated, the country is increasingly taking on the characteristics of a mature market. Another factor for us is that Chinese customers are holding off on buying a car right now, particularly in the premium segment. In contrast, our premium business is performing especially well in the United States. Audi grew at around double the rate of the overall market in that country and is on course for a new sales record in 2015.

In dealing with the increasing volatility of major sales markets, we are basing our actions on long-term perspectives. In China, for example, we still see potential for Audi in the long term because the premium segment continues to be underrepresented in that car market. By keeping our sights fixed on the future at all times, we also managed to recover quickly from the challenges presented at the time in Western Europe. And in the United States, the strategy of investing heavily in our brand, our models and our dealer network over the past years is paying off.

From January through June 2015, we handed 902,389 cars of the Audi brand over to customers worldwide, 3.8 percent more than in the prior-year period. Despite the challenges in many important markets, we were able to gain customers in every sales region. Both of our Italian subsidiaries also reported growth. Lamborghini delivered 1,882 supercars to customers around the world, almost double as many as in the same period last year. From January through June, Ducati sold 32,608 motorcycles. That corresponds to a growth rate of 21.8 percent compared with 2014.



Today, we build our motorcycles at three and our cars at 12 sites around the globe. In September, we will start production of Audi models at a further production site in Brazil. First of all, the A3 Sedan will be built in São José dos Pinhais near Curitiba, with the Q3 to follow a few months later.

At the same time, construction of our site in Mexico is in full swing. The Audi plant in San José Chiapa will already open next year, symbolizing the largest step towards internationalization in the history of our brand. Around 1,800 people have already begun working at Audi México including many experts from our German locations. During the first six months, we trained around one third of our Mexican employees in Germany and familiarized them with our production system. Our on-site training and educational center is also extremely busy. We plan to have hired around 2,100 Mexican employees by Christmas of 2015.

Across all brands, companies and sites, we employ over 80,000 people in the Audi Group. And we are still hiring; in this year alone we are bringing 6,000 new employees on board. Experts for IT and networking are the focus of our recruiting efforts because connectivity, infotainment, assistance systems and piloted driving are the innovative fields with the greatest potential to change the mobility of the future. We have an outstanding starting point in the contest for the most creative minds. Studies by the consultancy institutes trendence and Universum show that Audi is a top employer among future IT graduates in Germany.

Successes like these show us how well Audi is doing. We will therefore hold fast to our strategic course. Because no matter what the challenge is and regardless of the ups and downs of the economy, we are acting with the self-assurance of a company in pursuit of a clear goal: creating tomorrow.

Kind regards
B. Stadler

INTERIM MANAGEMENT REPORT OF THE AUDI GROUP FROM JANUARY 1 TO JUNE 30, 2015

BUSINESS AND UNDERLYING SITUATION

/ GLOBAL ECONOMIC SITUATION

Global economic growth slowed somewhat in the first six months of 2015. Positive contributions to the momentum came primarily from the industrialized nations, while the rate of economic expansion in certain emerging economies slowed compared with the past during the period under review.

4 Overall economic recovery continued in Western Europe. The Northern European countries achieved steady growth in gross domestic product, while most of the Southern European economies showed increasing signs that the recession was nearing an end. In Germany, the economy benefited from a favorable situation on the labor market and improved consumer sentiment.

Positive economic development was also seen in most Central European countries in the first six months of 2015. In contrast,

the economic situation in Eastern Europe continued to deteriorate – particularly as a consequence of the political tension between Russia and Ukraine.

The economy of the United States was able to sustain its steady rate of growth in the period under review. Declining unemployment rates, higher consumer confidence and the expansive fiscal policy of the U.S. Federal Reserve were the main drivers of economic development in the United States.

In China, economic growth was not as strong as that of previous years, but still reached a high level by global standards. Japanese economic performance was almost stagnant in the first half of 2015.

/ INTERNATIONAL CAR MARKET

In the first half of 2015, worldwide demand for cars exceeded the level of the previous year by 2.6 percent. Development in the individual sales regions was characterized by a heterogeneous growth pattern. The overall markets in Western Europe, Central Europe, North America and Asia-Pacific each recorded growth in new registrations. In contrast, passenger car sales were sharply down in Eastern Europe and South America.

The German car market benefited from stronger demand among commercial customers and achieved growth of 5.2 percent with 1.6 million new cars registered. As a result of the positive overall economic development, the recovery of the car market also picked up speed in the Western European export markets in the

first half of 2015. The passenger car markets in both Italy and Spain achieved double-digit growth rates. Overall market performance in Spain was boosted significantly by government subsidy programs. Sales of passenger cars in the United Kingdom and France recorded more moderate growth rates.

In Central Europe, new car registrations developed mainly positively while car markets in Eastern Europe were considerably dampened by political tension between Russia and Ukraine. Accordingly, the number of new car registrations in Russia – the largest single market in the region – fell by 36.4 percent in the first half of 2015.



Audi TTS Roadster

The total market volume in the United States exceeded the previous year by 4.4 percent, reaching 8.5 million newly registered passenger cars and light commercial vehicles. This performance was due mainly to favorable general economic conditions. In addition, the car market in the United States benefited from favorable credit terms and low fuel prices.

In contrast, the significant downturn in demand for passenger cars in South America continued. The car market in Brazil, for instance, recorded a drop in the double-digit percentage range. This decline is attributable to weaker economic conditions in addition to the industrial products tax levied at the beginning of the year.

The Asia-Pacific region recorded the highest absolute growth in new car registrations. Key momentum for this growth came

mainly from China (including Hong Kong) where the number of new registrations climbed by 9.5 percent to 9.3 million cars. Particularly in the second quarter, however, market growth showed a definite downward trend. In June 2015, new car registrations were even lower than the level of the previous year. The premium market relevant for Audi grew at a slower rate than the overall market following a disproportionate expansion in previous years.

In Japan, overall market demand fell by 12.3 percent. Anticipatory effects from a VAT increase as of April 1, 2014, impacted prior-year figures. A higher tax rate on minicars with a displacement of 660 cc or less negatively impacted the Japanese car market in the current fiscal year.

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/ INTERNATIONAL MOTORCYCLE MARKET

In the displacement segment above 500 cc, the established motorcycle markets recorded 4.6 percent higher demand in the period under review. The stronger economic situation boosted the major motorcycle markets in Western Europe – mainly in

Germany, Italy and the United Kingdom. New motorcycle registrations in the United States were on par with the previous year, while sales fell in Japan.

PRODUCTION ¹⁾

The Audi Group manufactured 943,605 (922,048) cars in the first half of 2015. This includes 246,164 (240,928) Audi vehicles produced by the Chinese partner company FAW-Volkswagen Automotive Company, Ltd.

The Company built a total of 941,442 (921,343) cars of the Audi premium brand and 2,163 (705) supercars of the Lamborghini brand worldwide from January to June. 36,955 (30,507) motorcycles of the Ducati brand were manufactured in the same period.

At the Group headquarters in Ingolstadt, we built 292,394 (311,931) cars in the first six months of the current fiscal year. This year-on-year drop is primarily due to preparations for the production of the new A4 line. We produced 144,728 (142,138) Audi vehicles at the Neckarsulm site.

A total of 84,888 (66,640) vehicles of the TT line and A3 family came off the production lines at AUDI HUNGARIA MOTOR Kft. in Győr (Hungary) in the period under review.

AUDI BRUSSELS S.A./N.V., Brussels (Belgium), produced 61,255 (65,296) cars of the Audi A1 line in the first half of the year.

The Volkswagen Group locations in Martorell (Spain) and Bratislava (Slovakia) built a total of 71,474 (61,752) of the Audi Q3 and 40,497 (32,658) of the Audi Q7 in the same period.

As a result of the slower economy, we adjusted our production volume in China to reflect the current demand for premium cars. Consequently, FAW-Volkswagen Automotive Company, Ltd. produced 224,624 (234,102) vehicles of the A4 L, A6 L, Q3 and Q5 models at its company headquarters in Changchun as well as 21,540 (6,826) vehicles of the A3 family in the southern Chinese city of Foshan.

To supply the assembly plant in Aurangabad (India), 4,798 (4,330) parts and components were produced at the Ingolstadt, Neckarsulm, Győr, Bratislava and Martorell locations in the first six months of the 2015 fiscal year.

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

Car production by model ¹⁾

	1-6/2015	1-6/2014
Audi A1	18,511	20,591
Audi A1 Sportback	42,744	44,705
Audi A3	10,680	14,629
Audi A3 Sportback	98,526	94,739
Audi A3 Sedan	65,869	45,750
Audi A3 Cabriolet	12,253	10,756
Audi Q3	104,121	98,188
Audi TT Coupé	14,353	7,895
Audi TT Roadster	4,582	2,411
Audi A4 Sedan	105,996	119,585
Audi A4 Avant	48,231	47,186
Audi A4 allroad quattro	8,272	9,832
Audi A5 Sportback	22,156	25,801
Audi A5 Coupé	10,299	14,529
Audi A5 Cabriolet	9,208	10,716
Audi Q5	135,217	133,432
Audi A6 Sedan	118,710	118,343
Audi A6 Avant	31,411	27,676
Audi A6 allroad quattro	6,342	5,674
Audi A7 Sportback	16,067	13,928
Audi Q7	40,497	32,658
Audi A8	16,417	21,070
Audi R8 Coupé	632	775
Audi R8 Spyder	348	474
Audi brand	941,442	921,343
Lamborghini Huracán	1,591	146
Lamborghini Aventador	572	559
Lamborghini brand	2,163	705
Automotive segment	943,605	922,048

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



Audi A1 Sportback ultra



Ducati Scrambler Icon

Car engine production

	1-6/2015	1-6/2014
AUDI HUNGARIA MOTOR Kft.	1,067,525	1,066,236
Automobili Lamborghini S.p.A.	586	553
Car engine production	1,068,111	1,066,789

In the first half of 2015, the Audi Group manufactured 1,068,111 (1,066,789) engines in the Automotive segment.

Motorcycle production ¹⁾

	1-6/2015	1-6/2014
Scrambler	12,599	5
Naked/Sport Cruiser (Diavel, Monster, Streetfighter)	10,002	16,777
Dual/Hyper (Hypermotard, Multistrada)	7,556	7,559
Sport (Superbike)	6,798	6,166
Ducati brand	36,955	30,507
Motorcycles segment	36,955	30,507

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

The Ducati brand manufactured 36,955 (30,507) motorcycles worldwide between January and June 2015. 29,824 (27,749) of these bikes were produced at the company headquarters in Bologna (Italy). In the same period, 6,671 (2,257) motorcycles of the Scrambler, Diavel, Hypermotard, Monster, Multistrada and Superbike model series rolled from the assembly lines in Amphur Pluakdaeng (Thailand). Ducati produced 460 (501) motorcycles of the Diavel, Hypermotard, Monster, Multistrada and Superbike model lines in Manaus (Brazil) on a contract manufacturing basis.

DELIVERIES ¹⁾

From January through June 2015, the Audi Group increased worldwide deliveries to customers by 5.5 percent to 1,024,772 (971,530) cars. The core brand Audi delivered 902,389 (869,357) vehicles to customers worldwide – a year-on-year increase of 3.8 percent. The Lamborghini brand almost doubled its deliveries to customers, with 1,882 (956) super-cars in the first six months of the fiscal year. In addition, 120,501 (101,217) cars of other Volkswagen Group brands were delivered to customers. During the same period, the Ducati brand delivered 32,608 (26,779) motorcycles to customers worldwide.

Audi brand deliveries to customers once again made healthy progress in our home market Germany. We thus succeeded in boosting deliveries to customers by 5.5 percent to 147,763 (140,003) vehicles in the first six months of 2015. With 246,823 (238,943) cars handed over to customers in other Western European countries, we were able to record a 3.3 percent increase on the prior-year period. Deliveries of the Audi brand in Spain and Italy developed particularly satisfactorily. Compared with the same period in 2014, we stepped up deliveries in these countries by 10.1 percent and 7.9 percent respectively.

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

In the first half of 2015, we delivered a total of 25,306 (31,091) Audi vehicles to customers in Central and Eastern Europe. This year-on-year drop is primarily due to the downturn in the overall market in the Eastern European region.

We continued our growth trend in the United States with an 11.0 percent increase in deliveries. In the period under review, we thus delivered 93,615 (84,349) cars to customers there. In the Asia-Pacific region, we handed over a total of 326,562 (318,725) cars of the brand with the four rings to their new owners from January through June 2015. In China (including Hong Kong), our largest sales market, we delivered 273,853 (268,666) Audi vehicles to customers and were thus once again able to reassert our market lead in the premium segment despite declining market dynamics. Demand for Audi cars in South Korea developed positively. 14,560 (13,360) cars

were delivered to customers in that country, representing a year-on-year increase of 9.0 percent.

Alongside the increase in overall market demand worldwide, the delivery performance can also be attributed to our attractive product portfolio. Primarily the A3 models enjoy strong popularity in this respect. We delivered 195,325 (144,736) cars of our A3 family to customers during the first half of the year – an increase of 35.0 percent. In addition, the new TT models contributed to further growth. The TT family achieved gains of 41.6 percent with 14,291 (10,093) vehicles delivered. In light of the upcoming model change, deliveries of our A4 family fell slightly during the period under review to 157,250 (166,389) vehicles. In contrast, deliveries of our popular SUV models increased to a total of 256,159 (247,105) cars during the first half of 2015.

Car deliveries to customers by model ¹⁾

	1-6/2015	1-6/2014
Audi A1	17,377	19,979
Audi A1 Sportback	38,877	43,047
Audi A3	10,728	15,428
Audi A3 Sportback	101,225	86,086
Audi A3 Sedan	70,864	37,177
Audi A3 Cabriolet	12,508	6,045
Audi Q3	100,930	93,922
Audi TT Coupé	11,660	7,635
Audi TT Roadster	2,631	2,458
Audi A4 Sedan	102,047	113,057
Audi A4 Avant	46,074	44,055
Audi A4 allroad quattro	9,129	9,277
Audi A5 Sportback	23,070	25,919
Audi A5 Coupé	10,977	12,952
Audi A5 Cabriolet	8,422	10,092
Audi Q5	126,223	121,463
Audi A6 Sedan	113,583	119,040
Audi A6 Avant	29,798	27,297
Audi A6 allroad quattro	5,653	5,225
Audi A7 Sportback	14,400	15,706
Audi Q7	29,006	31,720
Audi A8	15,892	20,460
Audi R8 Coupé	800	805
Audi R8 Spyder	515	512
Audi brand	902,389	869,357
Lamborghini Gallardo	–	247
Lamborghini Huracán	1,345	54
Lamborghini Aventador	537	655
Lamborghini brand	1,882	956
Other Volkswagen Group brands	120,501	101,217
Automotive segment	1,024,772	971,530

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

Motorcycle deliveries to customers ¹⁾

	1-6/2015	1-6/2014
Scrambler	8,974	-
Naked/Sport Cruiser (Diavel, Monster, Streetfighter)	11,184	13,759
Dual/Hyper (Hypermotard, Multistrada)	6,915	7,056
Sport (Superbike)	5,535	5,964
Ducati brand	32,608	26,779
Motorcycles segment	32,608	26,779

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

The Ducati brand delivered 32,608 (26,779) motorcycles to customers worldwide in the first half of 2015 – an increase of 21.8 percent. The Italian motorcycle manufacturer was able to record a significant increase in deliveries primarily in its home market. The positive trend in demand for motorcycles of the Ducati brand was sustained in the United Kingdom and the United States. In addition, deliveries to customers on the significant German market also increased.

PRODUCT PORTFOLIO

We have been gradually introducing the revised models of the Audi A1 family into markets since the beginning of the year. The new A1 and A1 Sportback are distinguished by a sporty design, agile suspension and more powerful, more efficient engines. With the new three-cylinder engines – the 1.0 TFSI ultra and the 1.4 TDI ultra – the models offer particularly high efficiency as well as great driving pleasure. The redesigned Audi Q3 and Audi RS Q3 models have also been available on markets since the first quarter of 2015. The main assets of these models are their powerful design and increased performance combined with lower fuel consumption. Since March 2015, the Audi TT Roadster, the TTS Roadster and the TTS Coupé round out the third generation of our successful TT line. With the addition of the 1.8 TFSI as a new entry-level engine version, Audi expanded the model range of the compact sports car in July 2015.

Deliveries of the new Audi Q7 to customers in Europe have been ongoing since June 2015, and its gradual launch in other markets will follow. The full-size SUV demonstrates our expertise in lightweight construction and efficiency as well as with infotainment and assistance systems. Weighing from 1,995 kilograms, the Q7 with 3.0 TDI engine is thus up

to 325 kilograms lighter than its predecessor – fuel consumption has been reduced by up to 28 percent. In addition to innovative assistance systems such as adaptive cruise control Stop&Go including traffic jam assist and an extended range of Audi connect services, the new Q7 is also available with the Audi virtual cockpit – a fully digital instrument cluster offering precise graphics and individually adjustable displays of the instrument dials and MMI.

The Audi Q7 e-tron 3.0 TDI quattro, our premium SUV with diesel plug-in hybrid and quattro drive, will be available for German customers at the beginning of 2016. The Q7 e-tron 3.0 TDI quattro has a system output of 275 kW (373 hp) and, with its lithium ion battery, reaches up to 56 kilometers in all-electric mode in the New European Driving Cycle (NEDC). The new e-tron model achieves average consumption of only 1.7 liters of diesel fuel per 100 kilometers (NEDC), which corresponds to CO₂ emissions of 46 g/km.

We presented the Audi prologue Avant show car at the Geneva Motor Show in March 2015. Its design stands for a reinterpretation of the Avant philosophy and also expresses the Audi quattro genes. On the inside, the linear architecture



Audi prologue Avant show car

unifies with the display and operating concept, highlighting the width of the passenger compartment – thus creating a completely new sense of space.

Since May 2015, the new Audi R8 V10 with a power output of 397 kW (540 hp) and the new Audi R8 V10 plus with 449 kW (610 hp) have been available to order in Europe. The Audi R8 V10 plus top model accelerates from 0 to 100 km/h in only 3.2 seconds and reaches a top speed of up to 330 km/h.

10 The new Audi RS 3 Sportback has been available in Germany since June. Its turbo five-cylinder engine develops 270 kW (367 hp) and accelerates the RS 3 Sportback from 0 to 100 km/h in 4.3 seconds. A top speed of up to 280 km/h can be reached if desired.

The new generation of the Audi A4 and Audi A4 Avant celebrated its world premiere in the middle of 2015. Available starting in the fall of 2015, the models inspire with their aerodynamics and new technologies, which are primarily geared toward reducing CO₂ emissions. Despite larger dimensions, the curb weight was also reduced by up to 120 kilograms compared with the predecessor model. The 2.0 TDI ultra in the new A4 Sedan with an output of 110 kW (150 hp) thus has CO₂ emissions of only 95 g/km. The new models of the A4 line offer numerous infotainment options and driver assistance systems from the full-size class 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 in the new Audi A4.

The Lamborghini brand introduced two new models in the first half of 2015: the newly developed Aventador LP 750-4 Superveloce and the Aventador LP 700-4 Pirelli Edition. The Aventador LP 750-4 Superveloce impresses with more power, 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. In addition, our Italian subsidiary presented the special series Aventador LP 700-4 Pirelli Edition – a homage to the long-standing cooperation between the two brands Lamborghini and Pirelli.

In May 2015, Lamborghini announced a luxury SUV as the third model line to join its range of products. The new model will be produced at the Italian headquarters in Sant'Agata Bolognese and will offer the company additional growth potential. The global market launch is planned for 2018.

The Ducati brand is also systematically expanding its product portfolio, introducing 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. The third generation of the Multistrada 1200 and 1200 S has been available since the beginning of the year. And with the 1299 Panigale, Ducati has launched another superbike with unmistakable design, cutting-edge technology and extreme performance. During the first half of the year, our Italian motorcycle manufacturer also presented the new Diavel Titanium in a limited series of 500 motorcycles.

AWARDS

The Audi Group received a large number of national and international awards in the first half of 2015.

For instance, Automotive News Europe and the Automotive Intelligence Center, Bilbao (Spain), presented Audi with the L.E.A.D.E.R. Award 2015 in the “Original Equipment Manufacturer (OEM)” category. In the opinion of the jury, Audi is setting new standards in the lightweight construction and piloted driving fields of development (www.dpp.de/articles/8917). In February 2015, AUTO ZEITUNG also elected Audi as the “Top Brand 2015” in the “Multimedia and Connectivity” category (AUTO ZEITUNG 6/15, p. 72–73).

The Audi A3 e-tron received several awards in the first half of 2015. Among those, AUTO BILD along with the market research institute Schwacke awarded our e-tron model the title “Wertmeister 2015” as the car with the most stable residual value in its segment (AUTO BILD, 7/2015, p. 56–57).

In the U.S. magazine Consumer Reports, the Audi A6 was chosen as the number one “Luxury Car” for the third year in a row. In the annual survey, around four million U.S. drivers rate their satisfaction with their vehicles (www.consumerreports.org/cro/magazine/2015/04/consumer-reports-10-top-picks-of-2015/index.htm).

The Matrix LED headlights on the Audi TT received a “Red Dot: Best of the Best” award in the “Product Design” category for highest design quality and groundbreaking design. The Audi TT family was also awarded a “Red Dot” (www.red-dot.de/pd/online-exhibition/?lang=en&c=166&a=0&y=2015&i=0&oes=).

During the first half of 2015, the Audi 2.5 TFSI engine was selected as “International Engine of the Year” for the sixth time in succession. The engine was rated by an international panel of experts comprised of 65 engine journalists (www.ukipme.com/engineoftheyear/results.php?id=18).

The Ducati brand also received several awards in the first half of 2015. At the annual “Motorcycle of the Year” awards, the traditional Italian company won over more than 48,000 readers of the German trade publication MOTORRAD. Ducati ranked first in the “Chopper/Cruiser” category with the Diavel Carbon and in the “Crossover” category with the Multistrada 1200 S. Second place awards in their respective categories went to the 1299 Panigale S and Scrambler Icon and Classic, rounding off Ducati’s success (MOTORRAD 6/2015, p. 106–108).



Audi A4 2.0 TFSI quattro and Audi A4 Avant 3.0 TDI quattro

Audi Q3

EMPLOYEES

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Within the context of our growth strategy, the workforce of the Audi Group increased to an average of 81,640 (75,592) employees in the first half of 2015. In 2015 as a whole, the Company plans to hire over 6,000 employees worldwide, primarily to support the development of pioneering technologies as well as for the expansion of our international sites. At the German sites Ingolstadt and Neckarsulm, we are planning to recruit around 4,000 employees including over 760 apprentices and dual system students.

Independent studies conducted in Germany and abroad highlight the strong appeal of the Company as an employer and confirm the manner in which we consistently, sustainably and internationally pursue our strategic goal of being an “attractive employer worldwide.”

For instance, in the prestigious employer rankings compiled by the consultancy institutes trendence and Universum we once

again took the top spots in German graduate surveys. The Company's strong appeal for future engineers is documented by its first place in both surveys. In addition, Audi is considered by economists and IT graduates to be one of the most attractive employers (www.trendence.com/unternehmen/awards/gewinner-2009-2015.html; www.universumglobal.com/rankings/germany/).

Automobili Lamborghini S.p.A., Sant'Agata Bolognese (Italy), and Ducati Motor Holding S.p.A., Bologna (Italy), also inspired confidence as attractive employers. Both companies were honored with the renowned “Top Employer Italia 2015” award. Each year, the Top Employers Institute presents this award to companies meeting the criteria for an excellent work environment and outstanding human resources management (www.top-employers.com/companyprofiles/IT/ducati/; www.top-employers.com/companyprofiles/IT/automobili-lamborghini/).

/ WORKFORCE

Average for the year	1-6/2015	1-6/2014
Domestic companies ¹⁾	56,617	52,917
of which AUDI AG	55,272	51,210
Ingolstadt plant	40,046	36,479
Neckarsulm plant	15,226	14,731
Foreign companies	22,378	20,121
of which AUDI BRUSSELS S.A./N.V.	2,522	2,530
of which AUDI HUNGARIA MOTOR Kft.	11,334	10,697
of which AUDI MÉXICO S.A. de C.V.	1,707	662
of which Automobili Lamborghini S.p.A.	1,110	1,039
of which Ducati Motor Holding S.p.A.	1,215	1,136
Employees	78,995	73,038
Apprentices	2,261	2,201
Employees of Audi Group companies	81,256	75,239
Staff employed from other Volkswagen Group companies not belonging to the Audi Group	384	353
Workforce of the Audi Group	81,640	75,592

1) Of these, 1,204 (1,752) employees were in the passive stage of their partial retirement.

PERSONNEL CHANGES

As of April 25, 2015, Hon.-Prof. Dr. techn. h. c. Dipl.-Ing. ETH Ferdinand K. Piëch and Ursula Piëch resigned from the Supervisory Board of AUDI AG effective immediately.

ENVIRONMENTAL ASPECTS

Living responsibility is at the core of our self-perception. It is our ambition to make our products and processes sustainable and efficient along the entire value chain. In addition to developing sporty, sophisticated and progressive vehicles, we therefore place a special emphasis on continually reducing CO₂ emissions throughout the entire product life cycle. For instance, all of those technologies that support the reduction of fuel consumption and CO₂ emissions in our products are packaged into the modular efficiency platform. Electric drive concepts constitute one focal area.

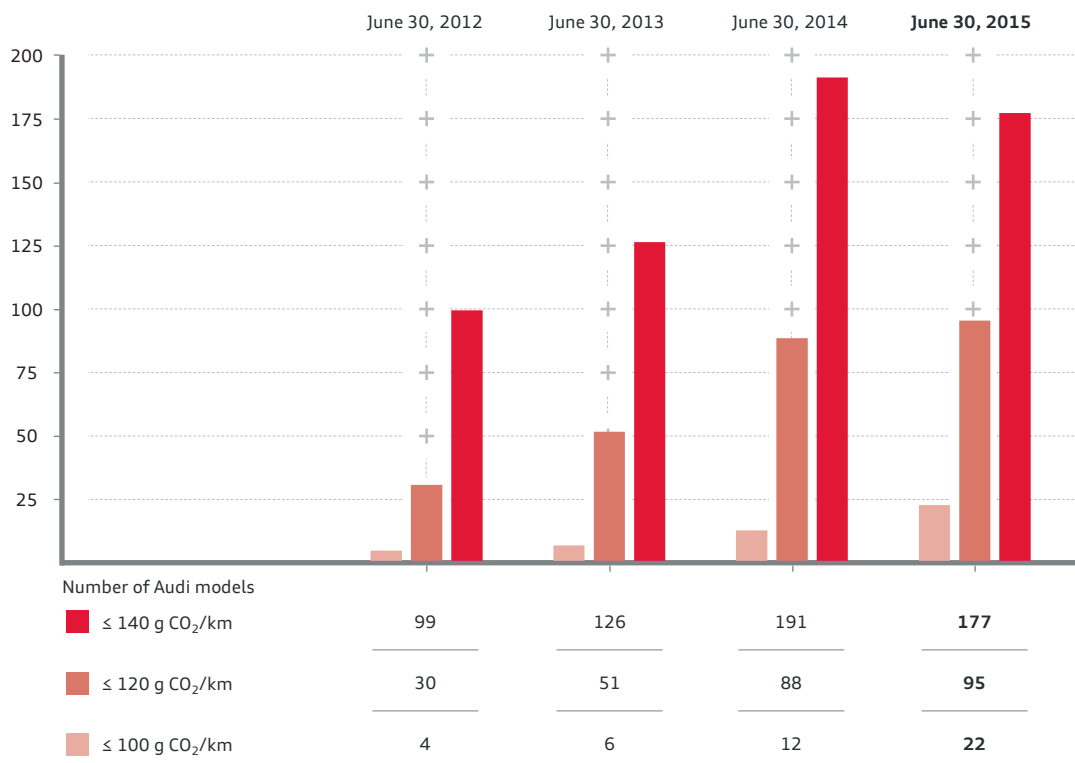
As a bridge to all-electric driving we give particular priority to the plug-in hybrid technology which is already available in the Audi A3 Sportback e-tron and can also be experienced by our customers in the Audi Q7 e-tron 3.0 TDI quattro beginning in the spring of 2016.

In the future, we want to gradually expand our range of e-tron models and plan to introduce a plug-in hybrid in every model line in upcoming years.

In addition to the innovative e-tron models, our high-efficiency Audi ultra models and the A3 Sportback g-tron are helping contribute to a further reduction in our product portfolio's average CO₂ emissions.

As part of the transition to the Euro 6 emission standard, we reduced the number of available drive versions in the first half of 2015. By the end of the first six months, there were 177 models available with CO₂ emissions averaging 140 g/km or less. Compared with the previous year, we have nearly doubled the number of drive versions with CO₂ emissions averaging 100 g/km or less.

Audi models with CO₂ emissions up to an average of 140 g/km, 120 g/km and 100 g/km



We have set ourselves the goal for 2018 of cutting specific location-based and company-related CO₂ emissions by 25 percent compared with the specific value for 2010. In light of this, we make our Company-wide greenhouse gas emissions transparent along the entire value chain, thus laying the groundwork

to analyze them even more closely and reduce them in the future. In 2014, we already became the first premium automobile manufacturer to have our corporate carbon footprint certified according to the international standard ISO 14064.

CONSOLIDATED COMPANIES

14 In the first half 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. The company continues to be accounted for in the Audi Group using the equity method.

FINANCIAL PERFORMANCE INDICATORS

/ FINANCIAL PERFORMANCE

In the first half of 2015, the Audi Group increased its revenue by 11.6 percent to EUR 29,784 (26,690) million as a result of an increase in deliveries and favorable exchange rate effects. We increased revenue in the Automotive segment to EUR 29,348 (26,321) million, while we generated revenue of EUR 436 (370) million in the Motorcycles segment. In particular the higher demand for our SUV and A3 models as well as growth in the Western Europe and North America regions had a positive impact on Audi Group revenue.

From January through June 2015, the cost of goods sold for the Audi Group increased by 8.1 percent to EUR 23,636 (21,870) million primarily due to growth. The gross profit of the Audi Group thus reached EUR 6,148 (4,820) million in the period under review.

Distribution costs for the Audi Group rose to EUR 2,592 (2,419) million in the first six months of 2015 as a result of our growth in volume and the market launch of new models. Administrative expenses reached EUR 312 (300) million. The other operating result of the Audi Group was EUR -331 (570) million, primarily as a result of higher expenses for settled currency hedging transactions.

In total, we increased the operating profit of the Audi Group to EUR 2,914 (2,671) million in the first half of 2015. The operating return on sales reached 9.8 (10.0) percent.

In the Automotive segment, we generated an operating profit of EUR 2,868 (2,630) million and an operating return on sales of 9.8 (10.0) percent. Here, we were able to take advantage of a favorable currency environment. At the same time, however,



Audi Q7 e-tron 3.0 TDI quattro



Audi R8 V10 plus

the continuing rise in upfront expenditures for our future model and technology portfolio as well as the expansion of our international production structures negatively affected our profit performance.

Considering mix effects and expenses for launching new models, we increased operating profit in the Motorcycles segment to EUR 46 (41) million, thus reaching an operating return on sales of 10.5 (11.1) percent. Adjusted for the effects of purchase price allocation, operating profit came to EUR 58 (54) million and the operating return on sales was 13.2 (14.5) percent.

/ NET WORTH

The balance sheet total of the Audi Group rose by 7.9 percent to EUR 54,804 million as of June 30, 2015, compared with EUR 50,769 million as of December 31, 2014.

Non-current assets reached EUR 23,929 (22,538) million, in particular due to higher deferred tax assets and an investment-related rise in property, plant, and equipment.

The ratio of investments in property, plant and equipment increased to 4.4 percent in the first half of 2015 compared with the prior-year value of 2.7 percent.

The growth in current assets to EUR 30,875 million compared with EUR 28,231 million as of December 31, 2014, is largely attributable to higher receivables and inventories from expanded business operations.

The Audi Group's equity climbed to EUR 20,267 (19,199) million as of June 30, 2015, compared with the end of 2014 –

The financial result of the Audi Group declined to EUR 236 (430) million during the first half of 2015 mainly due to a lower result from the measurement of currency hedging transactions.

In the first six months of 2015, the Audi Group achieved a profit before tax of EUR 3,150 (3,102) million und a return on sales before tax of 10.6 (11.6) percent. A profit after tax of EUR 2,429 (2,323) million was generated.

an increase of 5.6 percent. The increase is substantially a result of the cash infusion of EUR 1,620 million by Volkswagen AG, Wolfsburg, into the capital reserve of AUDI AG. Allocation of the balance remaining after the transfer of profit increased equity by EUR 496 million. In contrast, measurement effects to be recognized under IFRS rules with no effect on profit or loss reduced equity by a total of EUR 1,133 million. These effects mainly stemmed from fluctuations in the market value of hedge-effective currency hedging instruments prompted by the fall in the external value of the euro.

As of the first half of 2015, the equity ratio for the Audi Group was 37.0 (37.8) percent compared with December 31, 2014.

The non-current liabilities of the Audi Group rose to EUR 13,907 (12,844) million. The rise in current liabilities to EUR 20,630 (18,725) million is primarily attributable to the higher trade payables that are a consequence of higher business volume.

/ FINANCIAL POSITION

In the first six months of 2015, the cash flow from operating activities for the Audi Group reached EUR 3,860 (3,712) million.

The cash used in investing activities for current operations amounted to EUR 2,001 (1,552) million in the first half of 2015. The cash used for investments in property, plant and equipment and other intangible assets rose to EUR 1,296 (720) million. In the first half of the year, the cash used for changes in participations amounted to EUR 139 (99) million.

Net cash flow came to EUR 1,860 (2,160) million in the first six months of 2015.

The cash flow from investing activities increased above all as a result of the restructuring of cash deposits from longer-term into short-term investments.

In the first half of 2015, the net liquidity of the Audi Group increased by 8.8 percent to EUR 16,668 (15,324) million.

Condensed cash flow statement of the Audi Group

EUR million	1-6/2015	1-6/2014
Cash flow from operating activities	3,860	3,712
Investing activities attributable to operating activities	- 2,001	- 1,552
<i>of which investments in property plant and equipment and other intangible assets</i>	- 1,296	- 720
<i>of which development costs</i>	- 579	- 743
<i>of which acquisition and sale of participations</i>	- 139	- 99
Net cash flow	1,860	2,160
Change in investments in securities and loans extended	3,227	- 3,605
Cash flow from investing activities	1,226	- 5,157
Cash flow from financing activities	- 1,612	- 1,613
Change in cash and cash equivalents due to changes in exchange rates	94	33
Change in cash and cash equivalents	3,569	- 3,025

REPORT ON EXPECTED DEVELOPMENTS, RISKS AND OPPORTUNITIES

/ REPORT ON EXPECTED DEVELOPMENTS

For 2015 as a whole and based on current underlying conditions, the Audi Group anticipates a continuation of global economic growth at the same level of the previous year. In the 2014 Annual Report, we had still anticipated a slight rise in market dynamics.

On the one hand, impetus for growth will be provided by the major industrialized nations where a moderate economic recovery is expected. On the other hand, the economic expansion of certain 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 cars will continue to increase in 2015 – however, with lower growth rates than in previous years. We anticipate rising new registrations in the Western Europe, North America and Asia-Pacific regions in particular. Sales are likely to fall in Eastern Europe and South America.

For the forecasting period, we still expect a moderate rise in overall demand in the displacement segment above 500 cc in established motorcycle markets.

The Board of Management considers the Audi Group to be well equipped to handle current and future challenges. With the strategic goals explained in detail in the 2014 Annual Report, we intend to maintain our course of qualitative growth in 2015 and beyond. In principle, we adhere to the priority key figures forecast for the 2015 fiscal year. These are outlined in detail in the 2014 Annual Report on pages 192 and 193. In China, however, our most important single market, the growth dynamics on the premium market have weakened even more

than anticipated. This is accompanied by further intensification of the competitive situation. In light of this, we now expect worldwide deliveries of the Audi brand to grow moderately in 2015 as a whole. The report on expected developments in the 2014 Combined Management Report had forecast significant growth.

As a result of changes in the currency assumptions since the beginning of the year, we currently expect that the ratio of investments in property, plant and equipment will be slightly higher than our strategic target corridor of 5.0 to 5.5 percent. In the 2014 Annual Report, we assumed that the ratio of investments in property, plant and equipment would be moderately higher than the strategic target corridor.

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/ 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 Audi Group is subject are described in detail in the 2014 Annual

Report on pages 194 to 203. The additional market opportunities in the Asia-Pacific region referenced there no longer exist as a result of weakened demand patterns for premium vehicles in China and due to the intensified competitive situation. The market risks for China mentioned in the 2014 Combined Management Report have already been taken into consideration in the updated forecast for 2015 as a whole. Furthermore, we are continually monitoring how the Chinese car market develops.



Lamborghini Aventador LP 750-4 Superveloce

EVENTS OCCURRING SUBSEQUENT TO THE BALANCE SHEET DATE

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

DISCLAIMER

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18 The Interim 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.

CONSOLIDATED FINANCIAL STATEMENTS OF THE AUDI GROUP AS OF JUNE 30, 2015

INCOME STATEMENT OF THE AUDI GROUP

<i>EUR million</i>	Notes	1-6/2015	1-6/2014
Revenue	1	29,784	26,690
Cost of goods sold	2	- 23,636	- 21,870
Gross profit		6,148	4,820
Distribution costs		- 2,592	- 2,419
Administrative expenses		- 312	- 300
Other operating income	4	1,312	995
Other operating expenses	4	- 1,643	- 425
Operating profit		2,914	2,671
Result from investments accounted for using the equity method		226	265
Finance expenses		- 133	- 139
Other financial results		143	304
Financial result		236	430
Profit before tax		3,150	3,102
Income tax expense		- 721	- 779
Profit after tax		2,429	2,323
<i>of which profit share of AUDI AG shareholders</i>		<i>2,344</i>	<i>2,246</i>
<i>of which profit share of non-controlling interests</i>		<i>85</i>	<i>76</i>
Profit share to which Volkswagen AG is entitled in event of profit transfer based on profit in accordance with the German Commercial Code		1,848	1,733
<i>EUR</i>		1-6/2015	1-6/2014
Earnings per share	5	54.50	52.23
Diluted earnings per share	5	54.50	52.23

STATEMENT OF COMPREHENSIVE INCOME OF THE AUDI GROUP

<i>EUR million</i>	1-6/2015	1-6/2014
Profit after tax	2,429	2,323
Revaluations from pension plans recognized in other comprehensive income		
Revaluations from pension plans before tax recognized in other comprehensive income	358	-435
Deferred taxes on revaluations from pension plans recognized in other comprehensive income	-107	130
Revaluations from pension plans after tax recognized in other comprehensive income	251	-305
Share of other comprehensive income of equity-accounted investments that will not be reclassified subsequently to profit or loss after tax	-	-
Items that will not be reclassified to profit/loss after tax	251	-305
Currency translation differences		
Gains/losses from currency translation recognized in other comprehensive income	114	18
Currency translation differences transferred to profit or loss	-	-
Currency translation differences before tax	114	18
Deferred taxes on currency translation differences	-	-
Currency translation differences after tax	114	18
Cash flow hedges		
Fair value changes recognized in other comprehensive income	-3,068	-271
Fair value changes transferred to profit or loss	927	-164
Cash flow hedges before tax	-2,141	-435
Deferred taxes on cash flow hedges	638	131
Cash flow hedges after tax	-1,503	-304
Available-for-sale financial assets		
Fair value changes recognized in other comprehensive income	23	49
Fair value changes transferred to profit or loss	-112	-11
Available-for-sale financial assets before tax	-89	39
Deferred taxes on available-for-sale financial assets	27	-11
Available-for-sale financial assets after tax	-63	27
Share of other comprehensive income of equity-accounted investments that will be reclassified subsequently to profit or loss after tax	80	-20
Items that will be reclassified subsequently to profit/loss after tax	-1,371	-278
Other comprehensive income before tax	-1,678	-833
Deferred taxes relating to other comprehensive income	558	249
Other comprehensive income after tax¹⁾	-1,120	-583
Total comprehensive income	1,309	1,739
<i>of which profit share of AUDI AG shareholders</i>	<i>1,196</i>	<i>1,660</i>
<i>of which profit share of non-controlling interests</i>	<i>113</i>	<i>80</i>

1) A share of EUR 28 (3) million of the profit after tax from currency translation differences with no effect on profit or loss is attributable to non-controlling interests.

The negative fair value changes in the cash flow hedges are matched, due to the effectiveness of the hedges, by corresponding potential gains in almost the same amount from the underlying transactions (vehicle sales). These potential gains, however, are not taken into account at June 30, 2015, as they can only be included in total comprehensive income in future periods once the underlying transactions are fulfilled.

BALANCE SHEET OF THE AUDI GROUP

ASSETS <i>in EUR million</i>	Notes	June 30, 2015	Dec. 31, 2014
Intangible assets		5,514	5,292
Property, plant and equipment		10,194	9,673
Investment property		290	293
Investments accounted for using the equity method		3,875	4,022
Other participations		306	268
Deferred tax assets		3,124	2,351
Other financial assets		609	590
Other receivables		17	50
Non-current assets	6	23,929	22,538
Inventories	7	5,826	5,071
Trade receivables		4,690	3,648
Effective income tax assets		46	40
Other financial assets		5,964	4,100
Other receivables		898	610
Securities		4,637	3,370
Cash funds		8,814	11,391
Current assets		30,875	28,231
Total assets		54,804	50,769
EQUITY AND LIABILITIES <i>in EUR million</i>	Notes	June 30, 2015	Dec. 31, 2014
Subscribed capital		110	110
Capital reserve		10,190	8,570
Retained earnings		11,362	10,628
Other reserves		-1,911	-513
AUDI AG shareholders' interest		19,751	18,796
Non-controlling interests		516	403
Equity		20,267	19,199
Financial liabilities		214	215
Other financial liabilities		2,008	741
Other liabilities		1,013	958
Provisions for pensions		4,229	4,585
Other provisions		5,417	5,246
Effective income tax obligations		819	889
Deferred tax liabilities		207	211
Non-current liabilities		13,907	12,844
Financial liabilities		1,634	1,422
Trade payables		6,772	5,824
Other financial liabilities		5,439	5,454
Other liabilities		2,550	2,008
Other provisions		3,576	3,353
Effective income tax obligations		659	665
Current liabilities		20,630	18,725
Liabilities		34,537	31,570
Total equity and liabilities		54,804	50,769

CASH FLOW STATEMENT OF THE AUDI GROUP

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<i>EUR million</i>	1-6/2015	1-6/2014
Profit before profit transfer and income taxes	3,150	3,102
Income tax payments	- 997	- 562
Amortization of and impairment losses (reversals) on capitalized development costs	335	310
Depreciation and amortization of and impairment losses (reversals) on property, plant and equipment, investment property and other intangible assets	843	814
Depreciation of and impairment losses (reversals) on financial investments	-	4
Result from the disposal of assets	- 2	- 1
Result from investments accounted for using the equity method	316	85
Change in inventories	- 630	- 482
Change in receivables	- 1,227	- 1,292
Change in liabilities	1,770	1,363
Change in provisions	302	510
Other non-cash income and expenses	- 1	- 140
Cash flow from operating activities	3,860	3,712
Additions of capitalized development costs	- 579	- 743
Investments in property, plant and equipment, investment property and other intangible assets	- 1,296	- 720
Acquisition of subsidiaries, other participations and changes in capital	- 153	- 99
Sale of subsidiaries, other participations and changes in capital	15	0
Other cash changes	12	10
Change in investments in securities, fixed deposits and loans extended	3,227	- 3,605
Cash flow from investing activities	1,226	- 5,157
Capital contributions	1,620	1,591
Transfer of profit	- 3,239	- 3,182
Change in financial liabilities	12	- 18
Lease payments	- 4	- 4
Cash flow from financing activities	- 1,612	- 1,613
Change in cash and cash equivalents due to changes in exchange rates	94	33
Change in cash and cash equivalents	3,569	- 3,025
Cash and cash equivalents at beginning of period	3,689	6,540
Cash and cash equivalents at end of period	7,258	3,515

<i>EUR million</i>	June 30, 2015	June 30, 2014
Cash and cash equivalents as per Cash Flow Statement (bank assets and cash deposits with maturities of no more than three months)	7,258	3,515
Currently due fixed deposits with a remaining term of < 3 months	1,556	4,223
Cash funds as per Balance Sheet	8,814	7,738
Securities, loans extended and currently due fixed deposits with an investment period > 3 months	9,701	9,027
Gross liquidity	18,515	16,765
Credit outstanding	- 1,848	- 1,441
Net liquidity	16,668	15,324

STATEMENT OF CHANGES IN EQUITY OF THE AUDI GROUP

<i>EUR million</i>	Sub- scribed capital	Capital reserve	Retained earnings	Other reserves				Equity		
			Statutory reserve and other retained earnings	Reserve for currency translation differences	Reserve for cash flow hedges	Reserve for fair value measurement of securities	Investments accounted for using the equity method	AUDI AG share- holders' interest	Non- controlling interests	Total
Position as of Jan. 1, 2014	110	6,979	10,470	- 17	717	12	0	18,271	294	18,565
Profit after tax	-	-	2,246	-	-	-	-	2,246	76	2,323
Other comprehensive income after tax	-	-	- 305	15	- 304	27	- 20	- 587	3	- 583
Total comprehensive income	-	-	1,941	15	- 304	27	- 20	1,660	80	1,739
Capital increase	-	1,591	-	-	-	-	-	1,591	-	1,591
Miscellaneous changes ¹⁾	-	-	- 1,733	-	-	-	-	- 1,733	-	- 1,733
Position as of June 30, 2014	110	8,570	10,678	- 2	414	39	- 20	19,789	373	20,162
Position as of Jan. 1, 2015	110	8,570	10,628	70	- 702	32	87	18,796	403	19,199
Profit after tax	-	-	2,344	-	-	-	-	2,344	85	2,429
Other comprehensive income after tax	-	-	251	87	- 1,503	- 63	80	- 1,147	28	- 1,120
Total comprehensive income	-	-	2,595	87	- 1,503	- 63	80	1,196	113	1,309
Capital increase	-	1,620	-	-	-	-	-	1,620	-	1,620
Miscellaneous changes ¹⁾	-	-	- 1,861	-	-	-	-	- 1,861	-	- 1,861
Position as of June 30, 2015	110	10,190	11,362	157	- 2,205	- 30	167	19,751	516	20,267

1) The miscellaneous changes relate to the profit share to which Volkswagen AG, Wolfsburg, is entitled in event of profit transfer in accordance with the German Commercial Code as well as the settlement of the difference arising from the acquisition of further equity interests in Volkswagen Automatic Transmission (Tianjin) Company Limited, Tianjin (China).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GENERAL INFORMATION

/ 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 Standards Interpretations Committee (IFRS IC). All pronouncements of the International Accounting Standards Board (IASB), whose application is mandatory in the European Union (EU), have been observed. The Interim Financial Report as of June 30, 2015, was prepared on the basis of IAS 34. The prior-year figures have been calculated according to the same principles. All figures have been rounded in accordance with standard commercial practice, with the result that minor discrepancies may occur when adding these amounts.

/ RECOGNITION AND MEASUREMENT PRINCIPLES

For the first half of 2015, all standards whose application became mandatory from January 1, 2015, have been observed. For 2015, various amendments to IFRS 1, IFRS 3, IFRS 13 and IAS 40 entered into effect within the scope of Improvements to International Financial Reporting Standards 2013 (Annual Improvement Project 2013). In addition, IFRIC 21 must be applied. This interpretation specifies when to recognize a liability in the financial statements for payment of a public levy not subject to IAS 12. These new rules do not have any impact on the net worth, financial position and financial performance of the Audi Group.

For this Interim Financial Report, a discount rate of 2.6 (December 31, 2014: 2.3) percent was applied to provisions for pensions in Germany. The increase in the interest rate resulted in decreased actuarial losses for pension obligations that are recognized directly in equity.

Income tax expense for the interim reporting period is, in accordance with IAS 34, determined on the basis of the weighted average annual tax rate that is expected for the entire fiscal year.

Moreover, the same accounting and measurement methods have been applied in the condensed presentation of the Consolidated Financial Statements for the first half of 2015 as for the Consolidated Financial Statements for the 2014 fiscal year. A detailed description of these methods is published in the 2014 Annual Report. That report is also available on the internet at www.audi.com/annualreport.

/ CONSOLIDATED COMPANIES

In addition to AUDI AG, all of the material domestic and foreign subsidiaries and structured entities are included in the Consolidated Financial Statements in cases where AUDI AG has decision-making power over the relevant activities that can be used to control variable returns. No companies were consolidated for the first time or deconsolidated during the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 / REVENUE

<i>EUR million</i>	1-6/2015	1-6/2014
Audi brand	21,219	19,384
Lamborghini brand	455	198
Other Volkswagen Group brands	2,077	1,495
Other automotive business	5,597	5,244
Automotive	29,348	26,321
Ducati brand	361	308
Other motorcycles business	75	62
Motorcycles	436	370
Revenue	29,784	26,690

Revenue from other automotive business primarily includes the supply of parts sets to China, as well as the proceeds from the sale of engines and genuine parts.

2 / COST OF GOODS SOLD

Amounting to EUR 23,636 (21,870) million, cost of goods sold comprises the costs incurred in generating revenue and purchase prices in trading transactions.

3 / RESEARCH AND DEVELOPMENT COSTS

<i>EUR million</i>	1-6/2015	1-6/2014
Total research and development costs	2,204	2,236
<i>of which capitalized development costs</i>	<i>579</i>	<i>743</i>
Capitalization quota	26.3%	33.2%
Amortization of and impairment losses on capitalized development costs	335	331
Reversals on capitalized development costs	-	20
Research and development costs affecting income	1,961	1,803

4 / OTHER OPERATING INCOME AND EXPENSES

The other operating result of EUR –331 (570) million contains, among other things, income and expenses arising from the settlement of foreign currency and commodity hedging transactions, from rebilling and from the reversal of provisions.

5 / EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the share of profit attributable to AUDI AG shareholders by the weighted average number of shares in circulation during the period under review. 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 in existence as of either June 30, 2015, or June 30, 2014.

	1-6/2015	1-6/2014
Profit share of AUDI AG shareholders (EUR million)	2,344	2,246
Weighted average number of shares	43,000,000	43,000,000
Earnings per share in EUR	54.50	52.23

6 / NON-CURRENT ASSETS

EUR million	Net carrying amount as of Jan. 1, 2015	Additions	Disposals/other movements	Depreciation and amortization	Net carrying amount as of June 30, 2015
Intangible assets	5,292	633	– 2	409	5,514
Property, plant and equipment	9,673	1,242	42	764	10,194

7 / INVENTORIES

EUR million	June 30, 2015	Dec. 31, 2014
Raw materials and supplies	618	553
Work and services in progress	522	623
Finished goods and products	3,780	3,239
Current leased assets	906	656
Inventories	5,826	5,071

8 / FINANCIAL INSTRUMENTS DISCLOSURES
// FAIR VALUE DISCLOSURES

EUR million	Measured at fair value	Measured at amortized cost		Carrying amount as per Balance Sheet as of June 30, 2015
	Carrying amount	Carrying amount	Fair value	
Other participations	-	306	306	306
Other financial assets	299	310	310	609
<i>of which from the positive fair values of derivative financial instruments</i>	299	-	-	299
<i>of which fixed deposits and extended loans</i>	-	283	283	283
<i>of which miscellaneous other financial assets</i>	-	27	27	27
Non-current financial assets	299	616	616	915
Trade receivables	-	4,690	4,690	4,690
Other financial assets	355	5,609	5,609	5,964
<i>of which from the positive fair values of derivative financial instruments</i>	355	-	-	355
<i>of which fixed deposits and extended loans</i>	-	4,784	4,784	4,784
<i>of which miscellaneous other financial assets</i>	-	825	825	825
Securities	4,637	-	-	4,637
Cash funds	-	8,814	8,814	8,814
Current financial assets	4,992	19,113	19,113	24,106
Financial assets	5,291	19,729	19,729	25,021
Financial liabilities	-	214	214	214
Other financial liabilities	2,007	1	1	2,008
<i>of which from the negative fair values of derivative financial instruments</i>	2,007	-	-	2,007
<i>of which miscellaneous other financial liabilities</i>	-	1	1	1
Non-current financial liabilities	2,007	215	215	2,222
Financial liabilities	-	1,634	1,634	1,634
Trade payables	-	6,772	6,772	6,772
Other financial liabilities	2,031	3,408	3,408	5,439
<i>of which from the negative fair values of derivative financial instruments</i>	2,031	-	-	2,031
<i>of which miscellaneous other financial liabilities</i>	-	3,408	3,408	3,408
Current financial liabilities	2,031	11,814	11,814	13,846
Financial liabilities	4,038	12,029	12,029	16,068

EUR million	Measured at fair value	Measured at amortized cost		Carrying amount as per Balance Sheet as of Dec. 31, 2014
	Carrying amount	Carrying amount	Fair value	
Other participations	-	268	268	268
Other financial assets	302	287	287	590
<i>of which from the positive fair values of derivative financial instruments</i>	302	-	-	302
<i>of which fixed deposits and extended loans</i>	-	261	261	261
<i>of which miscellaneous other financial assets</i>	-	26	26	26
Non-current financial assets	302	555	555	857
Trade receivables	-	3,648	3,648	3,648
Other financial assets	268	3,833	3,833	4,100
<i>of which from the positive fair values of derivative financial instruments</i>	268	-	-	268
<i>of which fixed deposits and extended loans</i>	-	2,947	2,947	2,947
<i>of which miscellaneous other financial assets</i>	-	885	885	885
Securities	3,370	-	-	3,370
Cash funds	-	11,391	11,391	11,391
Current financial assets	3,637	18,872	18,872	22,510
Financial assets	3,940	19,427	19,427	23,367
Financial liabilities	-	215	215	215
Other financial liabilities	739	1	1	741
<i>of which from the negative fair values of derivative financial instruments</i>	739	-	-	739
<i>of which miscellaneous other financial liabilities</i>	-	1	1	1
Non-current financial liabilities	739	217	217	956
Financial liabilities	-	1,422	1,422	1,422
Trade payables	-	5,824	5,824	5,824
Other financial liabilities	975	4,479	4,479	5,454
<i>of which from the negative fair values of derivative financial instruments</i>	975	-	-	975
<i>of which miscellaneous other financial liabilities</i>	-	4,479	4,479	4,479
Current financial liabilities	975	11,725	11,725	12,700
Financial liabilities	1,714	11,942	11,942	13,656

The methods used to measure fair value remain fundamentally unchanged from the Consolidated Financial Statements for the 2014 fiscal year. Detailed notes on the measurement methods can be found in the 2014 Annual Report.

The fair value of the financial instruments measured at amortized cost, such as receivables and liabilities, is determined by

discounting at a risk-adequate market rate with a matching maturity. Within non-current assets and liabilities, there were no significant changes in the ratios between carrying amount and fair value compared with December 31, 2014. For reasons of materiality, the fair value for current balance sheet items is equated with the balance sheet value.

// ALLOCATION OF FAIR VALUES TO THE LEVELS OF THE FAIR VALUE HIERARCHY

EUR million	June 30, 2015	Level 1	Level 2	Level 3
Other financial assets	299	-	292	7
Non-current financial assets	299	-	292	7
Other financial assets	355	-	348	7
Securities	4,637	4,637	-	-
Current financial assets	4,992	4,637	348	7
Financial assets	5,291	4,637	640	14
Other financial liabilities	2,007	-	1,852	155
Non-current financial liabilities	2,007	-	1,852	155
Other financial liabilities	2,031	-	1,951	80
Current financial liabilities	2,031	-	1,951	80
Financial liabilities	4,038	-	3,803	235

EUR million	Dec. 31, 2014	Level 1	Level 2	Level 3
Other financial assets	302	-	294	9
Non-current financial assets	302	-	294	9
Other financial assets	268	-	259	9
Securities	3,370	3,370	-	-
Current financial assets	3,637	3,370	259	9
Financial assets	3,940	3,370	553	17
Other financial liabilities	739	-	587	152
Non-current financial liabilities	739	-	587	152
Other financial liabilities	975	-	900	74
Current financial liabilities	975	-	900	74
Financial liabilities	1,714	-	1,488	227

The allocation of fair values to the three levels of the fair value hierarchy is based on the availability of observable market prices on an active market. Level 1 shows fair values of financial instruments for which a market price can be directly determined. These financial instruments are securities. Level 2 involves the measurement of financial instruments such as derivatives, where the fair value is calculated using measurement processes based on observable market data. Particular use is made of exchange rates, interest rates and commodity

prices, which can be observed on the corresponding markets and are acquired via price service agencies. Fair values on level 3 are calculated using measurement methods that include factors that cannot be observed directly on an active market. In the Audi Group, non-current commodity futures are allocated to level 3 because the prices available on the market need to be extrapolated for measurement purposes. The extrapolation for the different commodities is carried out on the basis of observable input factors, acquired via price service agencies.

Furthermore, level 3 shows the residual value hedging model which is valued based on input factors (model-related residual values of used cars) which cannot be observed on active markets and are instead forecast by various independent institutions.

// RECONCILIATION OF FINANCIAL INSTRUMENTS MEASURED ACCORDING TO LEVEL 3

EUR million	2015	2014
Positive fair values of level 3 derivative financial instruments as of Jan. 1	17	30
Income (+) and expense (-) recognized in the financial result	+ 0	+ 1
Income (+) and expense (-) recognized in other comprehensive income	-	+ 3
Settlements	- 4	- 5
Transfer from level 3 to level 2	-	- 2
Positive fair values of level 3 derivative financial instruments as of June 30	14	27
Income (+) and expense (-) recognized in the financial result from level 3 derivative financial instruments still held as of June 30	+ 0	+ 1

EUR million	2015	2014
Negative fair values of level 3 derivative financial instruments as of Jan. 1	227	176
Income (-) and expense (+) recognized in the financial result	+ 50	+ 45
Income (-) and expense (+) recognized in other comprehensive income	+ 1	+ 2
Settlements	- 36	- 19
Transfer from level 3 to level 2	- 6	- 3
Negative fair values of level 3 derivative financial instruments as of June 30	235	201
Income (-) and expense (+) recognized in the financial result from level 3 derivative financial instruments still held as of June 30	+ 50	+ 45

Reclassifications between the levels of the fair value hierarchy are taken into account at the respective reporting dates. The reclassifications from level 3 to level 2 include commodity futures that no longer require the exchange rates to be extrapolated for their valuation because exchange rates which can be observed are now available. There were no shifts between the other levels of the fair value hierarchy.

The commodity price is the principal risk variable for the fair value of commodity futures. Sensitivity analysis reveals the effect of commodity price changes on profit after tax and equity.

If the commodity prices of commodity futures, which are allocated to level 3, had been 10 percent higher (lower) as of June 30, 2015, profit after tax would have been EUR 4 million higher (lower). There would be no effect on equity.

Residual value risks arise from hedging arrangements with the retail trade 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 market prices of used cars are the main risk variable for the fair value of the options from residual value risks. The impact of changes in used car prices on the profit after tax is estimated using sensitivity analyses. If the used car prices of the vehicles in the residual value hedging model had been 10 percent higher (lower) as of June 30, 2015, profit after tax would have been EUR 208 million higher (lower).

9 / CONTINGENCIES

There are no significant changes in contingent liabilities compared with the position as of December 31, 2014.

10 / LITIGATION

There have been no significant changes in litigation since December 31, 2014.

11 / OTHER FINANCIAL OBLIGATIONS

Other financial obligations were higher compared with December 31, 2014, primarily due to an increase of EUR 988 million to EUR 8,301 million in purchase orders for property, plant and equipment and inventories.

12 / RELATED PARTY DISCLOSURES

EUR million	Goods and services supplied to		Goods and services received	
	1-6/2015	1-6/2014	1-6/2015	1-6/2014
Volkswagen AG	3,278	3,080	3,706	3,078
Volkswagen AG subsidiaries and other participations not belonging to the Audi Group	8,065	6,886	3,222	2,832
Associated companies	4,354	5,074	178	106
Non-consolidated subsidiaries of AUDI AG	24	11	53	46

In the first half of 2015, goods and services with a total value of EUR 166 (161) thousand were provided to the German State of Lower Saxony and to companies in which the State of Lower Saxony holds a majority stake.

Goods and services provided to members of the Board of Management or Supervisory Board of AUDI AG and Volkswagen AG, Wolfsburg, in the first half of 2015 totaled EUR 27 (61) thousand.

EUR million	Receivables		Liabilities and obligations	
	June 30, 2015	Dec. 31, 2014	June 30, 2015	Dec. 31, 2014
Volkswagen AG	5,708	4,746	7,614	7,153
Volkswagen AG subsidiaries and other participations not belonging to the Audi Group	1,529	2,575	4,687	3,918
Associated companies	1,570	1,827	1,927	1,598
Non-consolidated subsidiaries of AUDI AG	136	118	7	30

13 / SEGMENT REPORTING

The segmentation of business activities is based on the internal management and reporting of the Company in accordance with IFRS 8. The decision-making body for both segments with regard to the allocation of resources and the valuation of profitability is the full Board of Management.

The Audi Group focuses its economic activities on the Automotive and Motorcycles segments, both of which are subject to reporting requirements. Whilst the Motorcycles segment can be considered to be immaterial pursuant to IFRS 8, it is reported here as a segment in its own right for information purposes.

The activities of the Automotive segment encompass the development, production, assembly and distribution of vehicles of the Audi and Lamborghini brands, and the distribution of vehicles of other Volkswagen Group brands as well as the accompanying accessories and spare parts business.

The activities of the Motorcycles segment comprise the development, production, assembly and distribution of Ducati brand motorcycles, including the accessories and spare parts business.

As a general rule, the segment reporting is based on the same reporting, recognition and measurement methods as applied to the Consolidated Financial Statements. Business relations

between the companies of the segments in the Audi Group are generally based on the same prices as those agreed with third parties. Consolidation between the segments is carried out in the Reconciliation column.

The definition and composition of operating profit are shown in the Income Statement of the Audi Group on page 19 of the Interim Financial Report. For a breakdown of revenue, please refer to the corresponding note on page 25.

Internal reporting corresponds to external IFRS reporting. The central key performance indicators used to manage the Automotive and Motorcycles segments include operating profit and operating return on sales.

The Automotive segment recorded an operating return on sales of 9.8 (10.0) percent. After taking into account additional depreciation due to the revaluation of assets and liabilities as part of the historical purchase price allocation, the Motorcycles segment recorded an operating profit of EUR 46 (41) million and an operating return on sales of 10.5 (11.1) percent. Adjusted to take account of these one-off effects, the operating profit totaled EUR 58 (54) million and the operating return on sales 13.2 (14.5) percent.

The operating return on sales of the Audi Group totaled 9.8 (10.0) percent.

// RECONCILIATION OF THE SEGMENTS

EUR million	1-6/2015			
	Automotive	Motorcycles	Reconciliation	Audi Group
Revenue with third parties	29,348	436	-	29,784
Revenue with other segments	-	0	0	-
Revenue	29,348	436	0	29,784
Segment profit (operating profit)	2,868	46	-	2,914

EUR million	1-6/2014			
	Automotive	Motorcycles	Reconciliation	Audi Group
Revenue with third parties	26,321	369	-	26,690
Revenue with other segments	0	0	0	-
Revenue	26,321	370	0	26,690
Segment profit (operating profit)	2,630	41	-	2,671

// RECONCILIATION TO GROUP PROFIT

<i>EUR million</i>	1-6/2015	1-6/2014
Segment profit (operating profit)	2,914	2,671
Consolidation	-	-
Operating profit	2,914	2,671
Financial result	236	430
Group profit before tax	3,150	3,102

// REVENUES BY REGION

	1-6/2015		1-6/2014	
	<i>EUR million</i>	<i>in %</i>	<i>EUR million</i>	<i>in %</i>
Germany	6,094	20.5	5,583	20.9
Rest of Europe	9,919	33.3	8,842	33.1
Asia-Pacific	8,009	26.9	8,036	30.1
North America	5,269	17.7	3,708	13.9
South America	316	1.1	310	1.2
Africa	178	0.6	211	0.8
Revenue	29,784	100.0	26,690	100.0

The sales revenues by region pursuant to IFRS 8.33 have been determined on the basis of the country of origin of external customers.

GERMAN CORPORATE GOVERNANCE CODE

The current declarations on the German Corporate Governance Code by the Board of Management and Supervisory Board of AUDI AG pursuant to Section 161 of the German Stock Corporation Act (AktG) are permanently available on the website www.audi.com/cgk-declaration.

EVENTS OCCURRING SUBSEQUENT TO THE BALANCE SHEET DATE

There were no events after June 30, 2015, subject to a reporting obligation in accordance with IAS 10.

“RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the condensed Interim Consolidated Financial Statements in accordance with the principles of proper accounting give a true and fair view of the net worth, financial position and financial performance of the Group, and the Interim Group

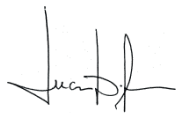
Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the fiscal year.”

Ingolstadt, July 17, 2015

The Board of Management



Prof. Rupert Stadler



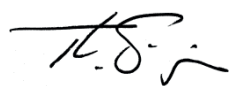
Luca de Meo



Prof. Dr.-Ing. Ulrich Hackenberg



Dr. Bernd Martens



Prof. h. c. Thomas Sigi



Axel Strotbek



Prof. Dr.-Ing. Hubert Walzl

“REVIEW REPORT

To AUDI Aktiengesellschaft, Ingolstadt

We have reviewed the condensed Interim Consolidated Financial Statements – comprising the income statement, statement of comprehensive income, balance sheet, cash flow statement, statement of changes in equity, and selected explanatory notes – and the Interim Group Management Report of AUDI Aktiengesellschaft, Ingolstadt, for the period from January 1 to June 30, 2015, which are part of the Interim Financial Report pursuant to § (Article) 37w WpHG (“Wertpapierhandelsgesetz”: German Securities Trading Act). The preparation of the condensed Interim Consolidated Financial Statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the Interim Group Management Report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent company’s Board of Management. Our responsibility is to issue a review report on the condensed Interim Consolidated Financial Statements and on the Interim Group Management Report based on our review.

We conducted our review of the condensed Interim Consolidated Financial Statements and the Interim Group Management Report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Audi-

tors in Germany, IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with reasonable assurance, that the condensed Interim Consolidated Financial Statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the Interim Group Management Report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor’s report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed Interim Consolidated Financial Statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the Interim Group Management Report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.”

Munich, July 17, 2015

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Frank Hübner
Wirtschaftsprüfer
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