

Bram Schot
Chairman
of the Board of Management



Alexander Seitz
Member of the
Board of Management
Finance, China, Compliance and
Integrity



Peter Kössler
Member of the
Board of Management
Production and Logistics



Speeches

Annual Press Conference

March 14, 2019 | AUDI AG, Ingolstadt



Bram Schot
Chairman of the Board of Management of AUDI AG

Speech at the Annual Press Conference
March 14, 2019

- Check against delivery -

Ladies and gentlemen, welcome to you all.

At our Annual Press Conference, we traditionally give you a review of the previous year. And we talk about how things will continue for Audi in the current year. But before I start, I invite you to go on a mental journey to Finland. Do you remember this one? In 1986, this Audi 100*** drove up the ski-jump in Kaipola. A distance of 47 meters, with a 77 percent gradient. In 2005, we repeated the feat with an Audi A6*** for the 25th quattro anniversary. We wrote advertising history with those two ads. Even if you were born after the first broadcast: Audi, quattro and the ski jump – most people are familiar with the connection.

Why am I telling you this? I am telling you this because Audi must find its way back to that strength. And we will. I do not mean that nostalgically! I mean the style, the attitude. Because if you hear the name Audi today, some of you might have a completely different image in their mind. You might be thinking of a company in crisis. And at first glance, last year's figures prove you right.

In 2018, our deliveries decreased by 3.5 percent. We handed over a total of 1.812 million automobiles to customers, about 65,000 fewer than in the previous year. The operating return on sales also fell – to 6 percent. This includes special items resulting from the diesel crisis. Among other things, they include the fine of 800 million euros that we paid last year. Alexander Seitz will explain the details to you later. Overall, we achieved an operating profit of around 3.5 billion euros. By way of comparison, the figure for the previous year was almost 4.7 billion euros.

There is no question that we are anything but satisfied with these figures. But: these numbers don't show the whole picture. Circumstances were very challenging for us: international crises and severe market fluctuations affect the entire automotive industry. At the same time, future topics such as e-mobility, digitalization and automated driving require high investments. In addition, the following topics affected us at Audi in 2018: our product initiative, the arrest of Rupert Stadler, WLTP, and continuing to work through the diesel issue. In the following I explain these points in detail.

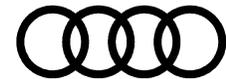
We launched the biggest launch program in our history in 2018. We managed about 20 market launches. They included: completely new models such as the Audi Q8* as well as important model changes such as for the Audi A1*, A6*, A7* and Q3*. And a car that has already made history: the first all-electric Audi. We opened up a new era with the Audi e-tron*. It is the first of its kind – and the feedback from the press, our dealers and the customers is

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already exceptionally positive. The basis for our product initiative was laid by my predecessor, Rupert Stadler. In his more than eleven years as the CEO of this company, he made Audi into a global player. We won't forget that.

The changeover to the new WLTP test cycle in 2018 caused us particular difficulties. Because unlike our competitors, at the same time, we consistently worked on the tasks arising from the diesel crisis. WLTP not only led to gaps in our product portfolio, but also to shift cancellations in our plants. We demanded a lot of our employees – especially in production.

But in all areas, Audi employees showed great commitment in 2018. My colleagues on the Board of Management and I are well aware that we have an exceptional team that performs outstandingly. And on behalf of the entire Board of Management, I would like to thank the team for their great performance last year. This is why there will be a profit-sharing bonus at Audi once again this year. For a skilled worker at the plants in Germany, it will be 3,630 euros. The fine does not affect the employees' bonus. Profit-sharing arrangements exist also at the Audi subsidiaries.

Thanks to our strong team, we have made good progress with the changeover to WLTP. By the end of this month, we will have a general operating permit again for all of our engine-transmission variants. Our customers can then choose from the entire portfolio in the car configurator.

And we are also making progress in the area of diesel. In Europe, we were able to start four recalls of our six-cylinder engines. This represents two thirds of the total volume affected. In the United States, we have progressed even further. There, we have already fulfilled the requirements of the settlement. We have already retrofitted or taken back more than 85 percent of the cars affected. We will continue to process the remaining cases systematically. Diesel continues to have top priority. We have worked tirelessly on complete clarification and in each case are awaiting feedback from the authorities on the individual technical issues. The clarification of legal issues, especially the processing of pending civil proceedings, will continue to take time. We are all agreed here at Audi that there nothing like the diesel crisis should ever have been allowed to happen. And nothing like it will ever happen here in the future: never again.

As a company, we are aware of our responsibility and have taken appropriate measures. For example, we have separated certification from technical development, strengthened the multiple-person check principle, and tightened documentation requirements.

If you ask me: Was 2018 a lost year for Audi? Then I will answer very clearly: Not at all! I am extremely proud of our team. Because our employees fought hard for our company. And above all, we have learned from our mistakes and drawn the right conclusions. We know what we have to do and we do right that. Audi has grown very rapidly in the past. But some processes at the company have not grown with it fast enough.

What does that now mean for 2019? This year will be a year of transition, a year in which we tackle things, make changes and improve them. WLTP Second Act will once again be a feat of strength for us. But this time, we are prepared. We have reduced the number of engine-transmission variants by 30 percent. In addition, we have increased our test-bench capacity by 30 percent and added 300 more employees for homologation. Nonetheless, it is clear that despite these measures, WLTP will be a challenge for us. The same applies to the market environment in 2019. Another factor is that in 2019, we will start the second phase of our product initiative. Once again, we have more than 20 market launches ahead of us. In addition to focusing on electrification, we will

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continue to strengthen our upper-class and will launch numerous high-performance models on the market. These are many newcomers all at once – and that will also require great efforts.

In addition, we are doing everything we can to accelerate the transformation massively. We are also engaged in intensive and constructive discussions with the employee representatives to this end. We want to change this company together: fundamentally, and for the better. Larry Thompson and his monitoring team are accompanying us in this process. We are very grateful to you for your support. We have revised our Code of Conduct – the principles of our actions. Integrity is at the top of the list: ethically and legally impeccable conduct. We are also strengthening this behavior with the Group-wide “Together 4 Integrity” program. And we are working on our corporate culture. At Audi, we want problems to be addressed openly, our employees to have scope for action, and the focus to be on value-oriented action. Our employees want to be proud again – and shall be. Because they work for a company that has credibility! And they want to look ahead again.

Believe me, it was a shock to all of us when our CEO was arrested. Of course, this unsettles a team a lot. That is why I took a lot of time. I have been listening a lot. Our employees’ worries have been addressed, and also their ideas for Audi’s future. And we also took a close look: What are our competitors doing? And by that I don’t just mean BMW, Mercedes or Tesla. I also mean new players like Google, Uber or Tencent. What can we learn from them? Above all, however, we asked ourselves: What do our customers want?

I promised to reveal to you the first cornerstones of our realignment today. We already prepared this realignment last fall. We set ourselves five priorities back then. First, to safeguard the Chinese market. Second, to set our targets at benchmark level. Third, to sharpen the brand profile. Fourth, to shape the organization. And fifth, to decide on the right technologies. Five priorities that form the thematic basis. We are laying the financial foundation with the Audi Transformation Plan. By 2022, we want the program to free up 15 billion euros for future topics. The following title now stands above our realignment: “Consistently Audi.” Consistent is the key word here. With this attitude, we want to apply ourselves to all topics within the company in the future. No matter what – we want to do everything consistently.

Let me put that differently: In the future, we want only to do the right things – and then to do them well. That means focusing, and then consistently implementing. We are working consistently on design, innovation, customer experience, the brand, mobility, sustainability, performance, connectivity, leadership, software, the portfolio, brand value, synergies and so on. Consistent also means there will be things we will not do any more in the future.

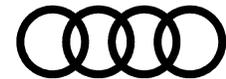
I will talk in more detail about the content of our strategy at the Annual General Meeting in May. Today, I will talk about some key points. Consistently Customer – that is the starting point. Chinese customers are particularly important in this context. China is and will remain our largest single market. Last year, we were once again the most successful premium brand in China. We want to continue to grow profitably there – and to develop products and services that are precisely tailored to that market. We have also implemented a new steering model: With clear responsibilities in the Board of Management, a significantly greater focus on China in the product development process, and a stronger local presence.

Consistently customer also applies to our other markets. We have revolved around ourselves too many times in the past, getting deeper into technical details that the customers didn’t even ask for. We can’t afford that any more. In the future, we will consistently think outside -in. Our new Customer Advisory Board will help us with that. This advisory board is the “voice of our customers” in the company and is closely linked to the product

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development process. With more customer focus, we will increase our efficiency and effectiveness. And we will create a unique premium experience for Audi drivers. We want to have the most satisfied customers! If we want to be the number one in any area, then in this one. We want to delight our customers.

The second field of action is: Consistently Electric. We have an ambitious goal: We want to be at the forefront of the changeover to electric mobility. That is why we are currently reviewing our entire portfolio. And asking ourselves: What are we keeping? What are we discontinuing? Where are we rethinking? By the end of next year, we want to have twelve electrified models in our portfolio. Five of them will be fully electric, seven will be plug-in hybrids. You could see most of the models at the Geneva Motor Show. At our press conference there, we presented solely electrified cars for the first time. And we showed that we are serious! The Audi Q4 e-tron concept** provides a glimpse of the first compact SUV that we have developed on the MEB platform. The series-production car will be launched in two years and will provide access to e-mobility for even more people.

By 2025, we will further increase the number of electrified models to 30. We will electrify each of our model series and develop additional highly attractive and emotive electric cars. From compact SUVs to upper-class sedans, at Audi, every customer will find the right e-model!

My next point is Consistently Connected. In the future, a car's drive system will be less decisive. Connectivity and the overall character of a model will be much more important. That is why we are developing digital services with added value. And we are also placing a stronger focus on our mobility services. In software development, we intend to utilize significantly more synergies within the Volkswagen Group in the future.

We are maintaining our target of one billion euros of earnings contribution from digitalization. Step by step, we are creating the conditions for this. For example, the Audi e-tron is our first model with functions on demand – special equipment that can be flexibly added. The “holoride” startup is an example of how we are opening our myAudi platform to third parties. And with the special edition TT Quantum Gray Edition**, we will test the online marketing of new cars as a pilot project in May. Of course, we are including retailers in this.

My fourth point is Consistently Sustainable. This topic has been on our minds for some time. We are clearly committed to the Paris climate targets – in particular the two-degree target. And you will hear it later in Peter Kössler's speech: Our environmental commitment goes back decades. But it is precisely because of the diesel crisis that we now want to tackle this topic consistently. Sustainability is our ambition as part of society. And at the same time, it is an absolute necessity for future success. Acceptance and relevance of our brand depend on it. And thus also the value of the Audi brand. That is why we are considering both factors – ecology and economy – and steering according to return on investment and CO₂ footprint. Alexander Seitz will explain this to you in more detail afterwards. This measure is intended to provide orientation for everyone in the company. And thus to strengthen our employees' freedom of choice.

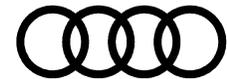
Consistently electric, connected, sustainable, and all thought out from the customer's perspective. How will we implement “Consistently Audi”? We will consistently focus and thus also omit some things. We will consistently use synergies and consistently pay attention to profitability. And consistently strengthen our team. We will make the Audi Spirit great again. We will give our team a shared dream – a shared vision – one goal.

We Audi people want to become a first-class team, a team in which loyalty, competence and trust prevail. A strong community in which the strength of individuals is firmly welded together. A community in which everyone shares the same convictions and values: respect, openness, transparency and integrity.

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We want to have more diversity at Audi. And by that I don't mean labels, like man, woman, young, old, German, Dutchman, assembly worker, engineer. I mean the people behind these labels, diversity of talents and perspectives, because only this diversity makes a company successful.

At Audi, we will become fearless employees: meeting challenges courageously with an undisputable will to succeed. People who remain true to themselves, who question the status quo. People who make courageous decisions, and pursue one goal with every action they take: progress. We are striving for sustainably profitable growth and nothing else.

I was talking about the ski jump earlier. Our special claim is associated with this image. We are not driving down the slope, we are driving up it. The ski jump in Kaipola can no longer be used today. So we looked for a new challenge – with an even more ambitious goal. Not a 77 percent gradient, but 85 percent. Not a conventional all-wheel drive, but the all-electric e-quattro. We wanted to climb the steepest section of the legendary “Streif” – the famous ski run in Kitzbühel. And with Mattias Ekström, we put one of the best from our team behind the wheel. Obviously at the wheel of an Audi e-tron*. Because this car is a symbol for our start into a new era. And this action shows our attitude: ambitious, focused, and consistent.

Will we manage it? See for yourselves!

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Alexander Seitz
Member of the Board of Management of AUDI AG
Finance, China, Compliance and Integrity

Speech at the Annual Press Conference
March 14, 2019

- Check against delivery -

Ladies and gentlemen,

The year 2018 was without a doubt a difficult year for Audi. Markets were volatile, macroeconomic challenges were severe. In the diesel crisis, we paid the fine of 800 million euros. We managed the biggest model initiative in our history. And we changed over our entire portfolio to the new WLTP test cycle, but let's be honest: That was a stress test that we failed, despite intensive preparations. Significant organizational deficits reduced our sales volumes and had a negative impact on our key financials. At the end of the year, we had not achieved the goals we had set ourselves. To put it bluntly: That was a disappointment to us and to me personally.

In terms of deliveries, we were 3.5 percent down on last year – largely due to the changeover to WLTP. That hit us the hardest in Western Europe, where we delivered 14 percent fewer vehicles than in the previous year. Also in the United States, we aimed to achieve more than just maintaining unit sales at the prior-year level. We achieved an increase at least with our SUVs: 57 percent of our US customers decided in favor of a Q-model – 10,000 more than in 2017. In China, we were once again the market leader among the premium manufacturers. With more than 660,000 cars delivered and an increase of 11 percent, China provided the volume push we needed in that difficult year.

This brings me to the financial development of the Audi Group. Our revenue of 59.2 billion euros was close to the prior-year level. Negative factors included the volume lost due to WLTP and the launch situation, but also headwinds from foreign exchange rates. As opposed to the very good China business and the better product mix. The top SUVs Audi Q8* and Lamborghini Urus* had a positive impact on revenue.

At this point, I would like to send greetings to Italy. Our subsidiary Lamborghini achieved a whole new level of business with the market launch of the Urus Super SUV: 51 percent more deliveries and 41 percent more revenue than last year. More than two thirds of Urus buyers are new customers for Lamborghini.

Our operating profit is reduced by special items totaling 1.2 billion euros. The largest of them was the fine imposed by the Munich II Public Prosecutor's Office. That of course hurts us financially. But it was also important progress in overcoming the diesel crisis. Operating profit therefore amounted to 3.5 billion euros – and was thus almost 25 percent lower than in 2017. The operating margin of 6 percent was below our target corridor. What are these numbers worth? Adjusted for the special items, we achieved a return on sales of 7.9 percent and an

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operating profit of 4.7 billion euros. If, like our competitors, we included the China business in our operating profit, the margin would be more than 1 percentage point higher.

I am sure you are now asking, as the saying goes: Is Seitz trying to sell us vinegar as wine? No, this operating performance is insufficient for a proud brand like Audi. It is a clear reflection of our failings with WLTP. We had the pipeline full of highly attractive products, but our customers couldn't buy them. That hurts me for the customers. And it hurts me personally as well, because a lot of earnings potential was lost there.

Once again in 2018, we had high upfront expenditure for new technologies and our production network. These are important, "positive" expenses for our future viability, but will initially reduce our earnings. We were able to offset a lot of those expenses, but not all, with the Audi Transformation Plan (ATP). Of the 1.9 billion euros list of measures implemented, 1.1 billion euros had an impact on earnings compared with the previous year. This shows how much potential there is in the Audi organization, and we will now make consistent use of it; I promise you that. Cash generation remains our strength. The fine of 800 million euros plus a further 400 million euros for diesel issues have been paid. What remains is a net cash flow of 2.1 billion euros. Adjusted for the diesel payments, the figure is 3.4 billion euros.

Once again, we have covered all investments from our own resources, and net liquidity of 20 billion euros is at the previous year's high level. Here too, I could say it is not that bad! But that would not reflect Audi's expectations, or the expectations of our owners and interest groups. And not my personal expectation either.

In 2019, we will apply all our strength to overcome that low point and get back on track. It will be a year of work, of creating order, and there will probably not be a great reward awaiting us at the end of the year. Not yet! That will come later. In the first half of the year, we will still feel the effects of WLTP. And as Bram Schot has just said, the WLTP Second Act will also be a challenge. Over the coming months, we will gradually improve our pipeline and fine-tune our inventories. At the same time, we will launch about 20 new models – you got an advance impression of them at the Geneva Motor Show. In addition, there are difficult markets, currency and raw-material risks with the continuation of high upfront expenditure for the future of Audi.

In terms of deliveries, we lost 5.5 percent year-on-year in the first two months of this year – which was also caused by WLTP. In the course 2019, we expect a push from our attractive, young portfolio, positive effects from inventory optimization, and therefore a moderate increase in unit sales.

This will also be reflected in revenue. However, we anticipate only a slight increase in revenue due to currency headwind. Starting this year, we are adjusting our long-term target corridor for operating return on sales to 9 to 11 percent. A brief explanation: We are focusing more on core activities. From 2019 onwards, we will follow Volkswagen's example to obtain a uniform reporting structure and place the management of foreign multi-brand sales companies within the VW Group. We have therefore deconsolidated those companies and adjusted our key figures accordingly. This creates better comparability and greater transparency. We will probably not achieve our strategic target corridor of 9 to 11 percent this year and anticipate a return on sales of between 7 and 8.5 percent. Net cash flow is expected to be between 2.5 and 3 billion euros.

So 2019 will not be a record year in financial terms – but we will do our homework consistently; because we cannot continue as before. Audi must become a high performer again and get into the headlines for that reason. That's what we as the Board of Management want to achieve. That is also what our employees, our customers and

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the capital market expect. To achieve it, we need to accelerate the transformation, and we will only succeed in doing so if we establish the change in our organization and structures in a sustainable manner.

The Audi Transformation Plan will play a key role in 2019. It is the basis for our successful change. We are using it to finance upfront expenditure for automated driving, digital services and electric mobility. We are planning 14 billion euros for these areas alone by the end of 2023. We are releasing the required funds through targeted measures on the revenue and cost side. This requires prioritization, focus and consistency. It won't be comfortable – but we are placing the profit zone clearly ahead of the comfort zone. In this way, we will create scope for upfront expenditure and will secure our operating return on sales target and thus Audi's future. An analysis of our cost and revenue structures has shown that there is a lot of potential. This is why we have tightened our ATP target from 10 to 15 billion euros over the planned period. 70 percent of that is already covered by concrete measures.

Let me give you a few examples of how we are tackling costs along the entire value chain: We are streamlining our portfolio. This will reduce complexity and significantly lower our product costs. In development, we are increasingly using virtual instead of physical prototypes – so we develop new cars faster and more efficiently than before. With cost-conscious and intelligent design, our vehicle designers make a significant contribution to optimizing target costs right from the early stages. We are eliminating so-called “historically grown” duplicate structures and bringing together what belongs together, functions that affect the Chinese market for example. We are deleting the sentence, “We have always done it this way,” from the Audi vocabulary.

We will be even more selective in hiring new employees in the future. When colleagues retire, we will put the need for replacements to the test. When vacancies become available, we will question them: Is it a job for the future? Do we need a specialist from outside? Or can we make someone from the existing team fit for the job? We need the right people in the right positions. One successful example is the 300 employees from our pre-series center who have been qualified for homologation. I am delighted that our colleagues are now on board in this important future field. Against the background of ever stricter and more complex emissions regulations worldwide, this is exactly where they are needed.

On the revenue side, we are well positioned with a completely rejuvenated portfolio in the upper-class. This year, we will follow up with the launch of numerous S models. More models and derivatives for a lower budget – this principle must be implemented in all model series. I see the greatest revenue potential in our electric vehicle initiative. The excellent feedback on the Audi e-tron* proves us right. I am convinced that BEV penetration will develop better than was at first planned because the total cost of ownership, that is, the costs for the customer over the entire vehicle lifetime, will be significantly more attractive than for a car with a combustion engine. By 2025, we will offer our customers about 30 electrified models. With the MEB (Modular Electrification Platform) and PPE (Premium Architecture Electrification) Group architectures, we will leverage unique economies of scale over the competition – a clear USP.

We want to continue to lead in China, the market of the future. In 2018, we were the leading premium manufacturer there. Local research and development, strong local partnerships and China-only products will enable us to respond even better to the needs of our Chinese customers. That applies to digital services as well. If we think nothing is possible without a smartphone in Europe, that attitude is even more widespread in China. Perhaps the most important purchase criterion is connecting with the digital world of our customers. But only attractive digital services can turn a car into a highly intelligent smartphone on wheels. By 2022, we will produce twelve models locally in China. Our medium-term goal is more than one million deliveries each year.

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Another word on the return on investment: We all expect Audi to generate a return on our investments of more than 10 percent. I am therefore looking forward to our new strategy, because it will make Audi more profitable and more valuable. For example, in the future, we will prioritize our product portfolio according to its capital value and CO₂ contribution. This means the CO₂ advantage that we achieve with electric vehicles and the negative impact from the worse CO₂ footprint of conventional cars will be offset against the project margin of the respective vehicle project. So with electric vehicles, we will actively avoid CO₂ penalty payments, hence costs. So each Audi e-tron* sold is valuable in two ways, and has a direct impact on our return on investment.

But beyond these considerations, it applies that wherever we place investments and resources in the future, significantly more value must be generated. More products, more return, more premium. Only then will the efficiency calculation work out.

What does that mean in concrete terms, in terms of value creation for example? In dialogue with our social partners, we are questioning ourselves critically: Where should we reduce the depth of production or service provision? How can we increase our productivity? What is the most economical allocation of work and tasks between the plants? In order to improve resource costs and capacity utilization, we are merging model platforms and making production more flexible. If we do this right, we will ensure future viability at every Audi plant.

Yes, we have a lot to do in 2019 and the upcoming years. A lot, but not too much. It is ambitious, but not unrealistic. I am convinced of the potential of the Audi brand. The transformation will be hard work for the entire Audi team and it will challenge us every day. But I am sure that Audi will emerge from it with new strength.

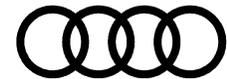
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Peter Kössler
Member of the Board of Management of AUDI AG
Production and Logistics

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- Check against delivery -

Ladies and gentlemen, once again, also from myself: Welcome to you all!

Acting responsibly is the basis for trust. We want to regain that trust. Sustainability has been a key corporate objective for a long time. It means future viability. As Bram Schot has just said, Audi is to achieve a new Vorsprung, with sustainable products from a sustainable company. We in the Board of Management know: Genuine sustainability first of all costs energy – and money as well. But the responsible use of resources is also economically sustainable in the end. We have been convinced of that for years.

Worldwide, more and more people are changing their attitude. And they are changing their behavior: with their daily shopping, with major decisions like building a house or buying a car, and also with investments. For example, more than 22 trillion US dollars worldwide has been put into sustainable investments – and this trend is accelerating. We want to convince such investors as well. With human rights, equal opportunities, and the environment, we are committed to high standards. We let ourselves be assessed – by ratings for example.

The entire Board of Management stands behind the goal of sustainability. I, as the Board of Management Member for Production and Logistics, am speaking here on behalf of all my colleagues. We have been doing a lot for sustainability also in production – for a long time now – for decades in some areas. In a few minutes, I will give you some examples of sustainable business methods.

Bram Schot has just emphasized: We are committed to the Paris climate goals – especially to the two-degrees target. Audi is the first premium car manufacturer to have its CO₂ footprint independently certified. We are working along the entire value chain on CO₂-neutral production and supply lines, closed resource loops, and sustainable products.

The Four Rings of Sustainability form the concept of our actions: REDUCE. RE-USE. RECYCLE and RETHINK. Reduce environmental impacts significantly. Re-use resources systematically. Recycle raw materials in high quality. And rethink – by going completely new ways.

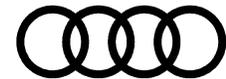
The first ring of sustainability is REDUCE: We want to consume fewer natural resources. The biggest lever here is energy. That applies by the way to us all – industry, retailing and private consumers. Nearly half of all resources consumed are for energy production. And still mainly coal, oil, gas and uranium. These are all energy sources with

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well-known risks. Reductions here are particularly effective. Audi has a clear agenda: We will make all our plants CO₂-neutral by 2030. We are expanding this goal: reducing our consumption of energy, reducing our consumption of raw materials, and reducing our transport needs.

The Brussels plant has been CO₂-neutral since 2018. We are the first manufacturer to achieve that in the premium segment on a large scale. This makes the production of our e-tron* a genuine role model. And we are really proud of that. Other plants have also made great progress. Here in Ingolstadt for example, we are increasingly using energy from hydropower, solar power and the waste heat of our own factories and industry nearby. In this way, we reduce CO₂ emissions by a total of more than 330,000 tons per annum. In Győr, Audi utilizes geothermal energy and solar energy. Europe's largest roof-mounted photovoltaic system will go into operation in Hungary in 2020. This alone reduces CO₂ emissions by 6,000 tons each year. In addition to such measures, we have avoided CO₂ emissions of more than 23,000 tons at our four European plants alone since 2010 through consistent energy saving. And that's every year.

Our rail transport from the plants in Germany to the North Sea ports has been powered by green electricity for a long time. We became the first company in Germany with completely climate-neutral rail logistics in 2017. That avoids 13,000 tons of carbon-dioxide emissions every year. For Audi, sustainability does not stop at the factory gate.

In the value chain, retailing is the main customer contact. The first Audi pilot dealerships are already nearly climate neutral. For our independent dealers, we have developed an environmental concept. The Audi Center in Hof is a prime example. The owner there is already using photovoltaic systems, remote heating, and an almost complete water cycle.

We want to reduce CO₂ emissions also in the supply chain. We have developed a sustainability rating system for suppliers. It involves a dozen criteria from the areas of the environment and social aspects. By the end of last year, we had already checked and assessed more than 1,100 partner companies on their sites. The ratings are decisive for awarding contracts as of July.

Now let's turn to the second ring of sustainability – RE-USE. Many of the resources we use remain in a cycle for as long as possible: water and air for example. Our factory in Mexico is already completely free of waste water. Used water is cleaned. We then re-use it, in production for example. San José Chiapa is therefore a pilot plant. The other plants are also optimizing their water consumption, for example, here in Ingolstadt with new technology such as a membrane bioreactor.

My second example is the air cycle. In the paint shops in Ingolstadt, Győr and San José Chiapa, this vision is already reality. Re-using air enormously reduces the amount of energy we need. And a sophisticated exhaust-air purification system reduces the emission of volatile organic compounds by more than 90 percent.

Reducing emissions. Saving energy and thus cutting costs. Creating closed loops. This is a major topic with conventional combustion engines. They are becoming increasingly efficient and more environmentally friendly. We are also working hard on sustainable environmental friendliness in the field of electric mobility. Take for example the batteries of an Audi e-tron. They are designed for the entire life of the vehicle. After that, the batteries still have a large proportion of their original capacity. Dismantle and recycle – it would be far too early for that. We are therefore now testing re-use concepts for batteries: in production, in retailing, and for other users. These lithium-ion batteries continue to be extremely valuable for energy storage. For example, for green electricity from solar, wind or hydro power.

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The third ring of sustainability is RECYCLE. Worthless waste, that was long ago. We have long regarded it as a valuable raw material. Our goal is to separate by type of waste, recycle while maintaining quality, and re-use innovatively. We are already developing recycling concepts for electric mobility, although we will only need them in a few years. Because elements used in high-voltage batteries, such as cobalt, copper or nickel, are very valuable. A battery contains eight kilos of cobalt for example. We want to recover it and use it for new batteries. We have initiated research cooperation with the recycling specialist Umicore. This is bearing fruit. In a lab test, we have been able to recycle 95 percent of these materials.

With aluminum, Audi is a pioneer. Not only with our spaceframe in the car. Lightweight construction reduces fuel consumption sustainably. But we are also well aware of the negative impacts from the production of aluminum. That is why we act where we can exert a direct influence: with recycling. We separate all waste aluminum from steel in the press shop. Then we press the waste metal, to save space in railway wagons, and also to save money and energy. It is then re-used by our partners and by us at the plant. So with steel and aluminum, nothing is thrown away. The complete recycling of aluminum alone avoided more than 90,000 tons of carbon-dioxide emissions in 2018 – 30 percent more than in the year before.

Achievements like this spur us on. This is how we come up with new ideas: in search of Vorsprung.

RETHINK is our fourth ring of sustainability. Rethinking means reflecting, thinking beyond the company and acting accordingly. Here in Ingolstadt, for example, we have planted some roofs with valuable meadow herbs and wildflowers. Or take our plant in Mexico: We have planted more than 100,000 trees in the immediate vicinity. At our factory in Münchsmünster, countless insects fly between large flower meadows and rare varieties of fruit trees. Regular monitoring shows us the increase in biodiversity. You might have noticed: I can be enthusiastic about it.

We are convinced: Our sites should provide a habitat for plants and insects. In the world around us, this habitat is becoming increasingly scarce. That is why we are creating space for biodiversity.

Ladies and gentlemen,

We as car manufacturers must do even more for sustainability. And we want to do that as well. But we can't do everything alone. Rethinking – leads to the conclusion that sustainable mobility or the energy turnaround or climate protection: No-one can manage all that alone. We must do it together: Audi is working on it in many alliances and partnerships.

In a few months, Ingolstadt will get its third train station. It will be directly here on the plant grounds. We have planned and financed this project together with German Railways, the State of Bavaria and the City of Ingolstadt. This is a strong complement to cars, buses and bicycles. It will reduce urban traffic and reduce emissions.

For global challenges, we need worldwide cooperation, such as the global aluminum alliance, ASI. We have been working in it with great commitment since 2013. This has resulted in a global sustainability standard, with environmental, social and business-ethics criteria. Audi is the first car manufacturer to receive the ASI sustainability certificate.

Many of our activities are not reflected in the financial statements.

We want to contribute to improving our environment. After all, our families and neighbors, we all live here near our plants. You can have a closer look at one example afterwards: In the middle of the Danube meadows there is a



former oil refinery. The area was heavily contaminated. We will have 600,000 tons of soil taken out and cleaned. We will return one part of the site, as big as 20 soccer fields, completely to nature, with a holistic concept of biodiversity. We are applying a wide range of new technologies to do this. The result is the biggest reclamation project of the kind in the country: the IN Campus, Ingolstadt's new think tank. For bright minds at Audi, for startups, and for scientists. Take the opportunity to have a look around: this afternoon, as part of your program at Audi.

We are also proud of the work of the Audi Environmental Foundation. It will already celebrate its tenth birthday this year. The Foundation promotes innovative ideas for environmental protection: ideas from the fields of science, education and society, and often also ideas from our employees. Meanwhile, this non-profit foundation is globally networked. It helps fantastic ideas to become reality. For example, how we can remove plastic waste from the rivers, before it gets into the sea. Or how oak forests remove carbon dioxide from the air. We have connected many trees with sensors, to find out more about this.

I am particularly fascinated by our bee project: One hundred beehives are being digitally connected. High-tech sensors turn the bees' swarm intelligence into a seismograph for biodiversity and pollution, and in the long term perhaps also for weather phenomena. That is rethinking: The Audi Environmental Foundation connects know-how, resulting in projects for a better world.

Ladies and gentlemen,

Reduce. Re-use. Recycle. Rethink. The Four Rings of Sustainability – one goal: Vorsprung. Sustainably.

We have already taken great steps in this direction. By 2025, we want to further reduce the environmental impact per vehicle produced by 35 percent compared with base year 2010. We have already achieved 23.7 percent.

We accept greater responsibility, going beyond our own entrepreneurial activities. For the environment, nature and society. For a shared future.

Thank you.

– End –



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Fuel consumption of the models mentioned

The fuel consumption and CO₂ emissions of each car vary depending on the wheels and tires fitted, and are influenced not only by the car's efficient use of fuel, but also by the driver's behavior and other non-technical factors.

Audi A1 Sportback

Combined fuel consumption in l/100 km: 6 – 4.6

Combined CO₂-emissions in g/km: 137 – 104

Audi A6

Combined fuel consumption in l/100 km: 7.4 – 4

Combined CO₂-emissions in g/km: 169 – 104

Audi A7 Sportback

Combined fuel consumption in l/100 km: 7.3 – 4.4

Combined CO₂-emissions in g/km: 167 – 115

Audi Q3

Combined fuel consumption in l/100 km: 7.6 – 4.7

Combined CO₂-emissions in g/km: 173 – 123

Audi Q8

Combined fuel consumption in l/100 km: 9.1 – 6.4

Combined CO₂-emissions in g/km: 207 – 169

Audi e-tron

Combined electric energy consumption in kWh/100 km: 24.6 – 23.7

Combined CO₂-emissions in g/km: 0

Audi TT Quantumgrau Edition

Lamborghini Urus

Combined fuel consumption in l/100 km: 12.7

Combined CO₂-emissions in g/km: 325

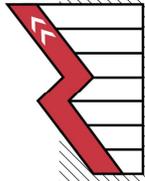
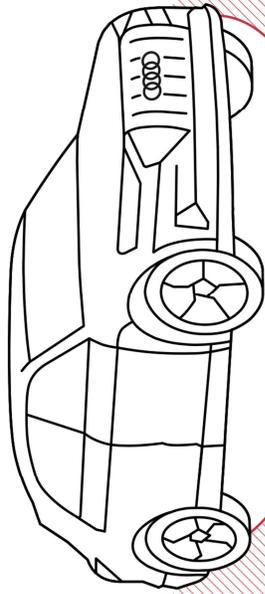
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AUDI AT A GLANCE



Revenue 2018

59,248

EUR million

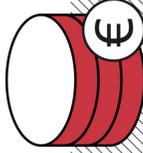
>> With lower deliveries and an improved product mix, the Audi Group generated revenue amounting to EUR 59.2 billion.

Deliveries Audi brand 2018

-3.5%

1,812,485

>> Above all switching the entire product portfolio to the new WLTP test procedure caused deliveries of the Audi brand to decline by 3.5% to 1,812,485 units.



Operating profit 2018

3,529

EUR million

>> At EUR 3.5 billion, operating profit was lower than in the previous year (2017: EUR 4.7 billion).

E-mobility

12 electrified models by 2020
(five all-electric cars, seven plug-in hybrids)
30 by 2025

>> With cars like the Audi e-tron, the e-tron Sportback and the e-tron GT, the premium brand is focusing fully on e-mobility.



Operating return on sales 2018

>> **6.0%**

>> The operating return on sales was negatively affected particularly by the special items in connection with the diesel crisis as well as by WLTP effects. The successful launch of the Audi Transformation Plan had a positive impact. Before special items, the operating return on sales came to 7.9%.

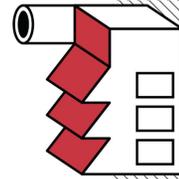


Net cash flow 2018

2,141

EUR million

>> Despite high outflows as a result of the diesel crisis and extensive investments, the net cash flow was again clearly positive in 2018 and reached EUR 2.1 billion.



Ratio of capex 2018

>> **5.9%**

>> The ratio of capex was 5.9% in 2018. This reflects high upfront expenditures in connection with the model and technology initiative.

