



Rupert Stadler
Chairman of the
Board of Management



Alexander Seitz
Member of the
Board of Management
Finance, IT and Integrity



Speeches

129th Annual General Meeting

May 9, 2018 | AUDI AG, Ingolstadt



Rupert Stadler
Chairman of the Board of Management of AUDI AG

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Part 1

– Check against delivery –

Ladies and gentlemen,

Welcome to Ingolstadt. First of all, I would like to comment on the latest speculation about the engine-management software in the Audi A6 and A7 models. It is important to me that you, as our shareholders, get to know about this first hand. This is the seventh generation of the A6 and A7. Specifically, it is the version with the V6 diesel engine of generation two evo with 200 kilowatts. This model is now being phased out. Already last week, we actively informed the vehicle registration authorities in Luxembourg and the Federal Motor Transport Authority in Germany. Since then, we have been consulting with the authorities. Detailed discussions will be held in the coming days. Furthermore, we stopped deliveries of the affected models to retailers immediately after we became aware of this matter. We have developed a short-term solution for our customers in the form of a software update. Also in this case, recalls are the result of our consistent clarification of the situation. Please understand that we cannot give you any further information until this matter is fully clarified.

Ladies and gentlemen,

In 2017, we mastered an extremely demanding year. It featured three major topics. A positive topic for our brand was the start of a host of new models with the new flagship Audi A8* and the Audi A7*. Secondly, we took fundamental steps to shape our future growth in China. Negotiations with our joint-venture partner FAW and the dealer network adversely affected our sales in the first half of 2017. Nonetheless, as a result of our joint efforts, we were the number one among the premium manufacturers by the end of the year. And thirdly, we have the ongoing diesel crisis. It is tying up enormous capacities at Audi and entails significant expenses.

At this point, I would like to clearly state: The diesel crisis is not yet over for us. We are working untiringly on a thorough resolution and continue to liaise with the authorities on the technical issues. Clarification of the legal issues will require some more time. We regret the uncertainty and the annoyance for our customers, for our employees and VW group partners, for the authorities and the public. Rest assured: We have learnt from these occurrences. We are now focusing even more on acting with integrity, which is the basis of all our decisions.

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In this context, we have implemented significant organizational changes at the company: We have created an Integrity, Compliance and Risk Management department. In the Technical Development division, we have brought together the best experts from various business units into the Technical Conformity department. In the Drive System Development department, we have strengthened and firmly established the multiple-control principle. And we have reorganized our whistleblower system.

We have also dealt intensively with our corporate culture. We have revised the principles upon which our actions are based – our code of conduct. Integrity has top priority; that means behaving impeccably in both moral and legal terms. With this clear orientation, we want to strengthen the trust of our customers and the public step by step. But often crisis situations like the one we have experienced are the basis for a fundamental renewal.

Despite difficult conditions, we achieved good results in 2017. All of our key figures were above the prior-year levels. We will take this momentum into the new financial year – and into our markets. This year, we have a special anniversary in China: 30 years ago, we were the first premium manufacturer to start local production in our largest single market by far. That was with just one model, the Audi 100. Today, together with FAW, we produce six Audi models in China. In the next five years, we will more than double our portfolio from local production.

Together with our partner FAW, we will significantly expand our product range – above all in the area of electrified drive systems and sporty SUVs. Our Chinese customers love the Q family. This is why we will launch ten new SUV variants in the market, of which we will produce seven locally. Five of those ten SUVs will be fully electric. All of that belongs to our comprehensive market initiative in China.

By 2023, we will double our deliveries in China to 1.2 million units. We are restructuring our business in China for this next growth phase. We have signed a memorandum of understanding in that context: We plan to establish two new companies with FAW, both of which are components of our ten-year business plan. One of them is an independent sales company. The other is a joint venture in which we will together develop a digital service offering and new mobility services, tailored to Audi customers in that country. Furthermore, the project for our future cooperation with the Shanghai Automotive Industry Corporation, SAIC, is now taking shape in accordance with our planning. We will inform you about the concrete steps to be taken in due course. Our two other core regions, North America and Europe, also contributed to Audi's record unit sales: 1.88 million cars were delivered worldwide.

We also made a strong start to the year 2018. In the first quarter, we sold nearly 10 percent more cars worldwide than in the prior-year period. We grew by 10.2 percent in North America. Also in China, we were right on track again and above the prior-year level in the first quarter – thus making up for the impact of last year's negotiations. This shows how attractive the Four Rings' product range is for our customers and how loyal they are to us also in challenging times. In 2018, we are continuing the biggest model initiative in the history of our company. We started it last year. I have already mentioned our flagship: the new Audi A8*. Along with the new, progressive Audi A7, it represents our new design language and pioneering technologies – such as the fully digital operating concept with touchscreens and tactile feedback. They will be followed by the purist Audi R8* as the V10 rear-wheel drive version and the Audi A6*, our bestselling upper-range car, as both Sedan and Avant.

The A6*, A7* and A8* lift the upper range and luxury class from Audi to the next level. By 2020, we aim to grow by 50 percent in this segment.

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The host of new models from Audi will soon also include the Audi A8* as a plug-in hybrid, the prestigious Audi A8 W12** and the Audi A1**, which will convince young customers also in its next generation. And that's not all: We are stirring up the SUV segment.

This year and next, we will launch eleven new derivatives and completely new Q models such as the new face of the Q family, the Audi Q8**, which we will present in Shenzhen in June. Or the new Audi Q3*, which is already a driver of our growth – especially in China and on the American continent. The particularly emotive Audi SQ2** will follow. The Audi Q2* base model achieved growth of 50 percent in the United Kingdom in the first quarter. And exclusively for our customers in China, we will launch the urban Audi Q2** and the versatile Audi Q5**, both as a long version.

Already today, Audi is the Q brand. No premium competitor sells a higher proportion of SUVs. And we are extending that lead: By 2025, every other Audi automobile delivered will be a Q model. This year, we will have altogether more than 20 market launches. We have new products in six core model series and are upgrading two more core model series. This means an enormous feat of strength for us, in parallel with our challenging changeover to the WLTP test cycle, which the entire industry is now going through.

You may already know: The EU Commission has introduced the Real Driving Emission Tests one year earlier than planned. We are currently re-homologating nearly every model in each engine/transmission and equipment version. At the same time, our engine test benches are already well utilized due to the clarification of the diesel crisis. Our goal is clear: We are taking the initiative with many new products. This involves managing a complex phase-out and ramp-up scenario; new models will then develop their full momentum from 2019 onwards. In connection with the changeover to WLTP, this can have a temporary negative impact on our deliveries in some European markets this year. So 2018 remains a year of transition and a new start.

We rely on the strength of our brand. The other brands in the Group's premium brand group once again provided evidence of this strength last year. They are steadily continuing their development and dare to go radical new ways. For example, Lamborghini has presented the Urus*, its first super SUV, which has had a terrific response from the customers. After just one month of taking orders, the entire production of the year 2018 was sold out. In its six years of belonging to the family, Ducati has increased its unit sales by 30 percent and its revenue by approximately 50 percent. Ducati has for the first time launched a series-produced motorcycle with a four-cylinder engine: the Panigale V4. That puts this bike closer than ever before to its counterpart in the MotoGP racing series. And Italdesign together with Airbus has just presented Pop.Up Next in Geneva – this is the further developed study of an air-transport system. So you see the overall picture: We are well prepared for the future.

We have a solid base also in financial and organizational terms. With our action and transformation plan, we will boost our performance while improving processes and structures at the company. The plan will accelerate new, profitable business models and fascinating products such as the Audi Aicon**, which I will talk about later. As a result of the transformation plan, we will realize four additional models and derivatives from existing budgets. All in all, we have four main strategic thrusts with the transformation plan: products, markets, innovations and efficiency. Alexander Seitz will give you the details in a few minutes. At the end of this program in 2022, we will have completed the most comprehensive corporate reorganization in Audi's recent history. In the next decade, we will be a more agile company that is significantly enriched with new competences and partnerships. We are determined to play a leading role in the radical transformation of our industry. Our employees are the engine of this transformation.

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My Board of Management colleagues and I – we are well aware: Audi’s success is based on our strong team. On behalf of the Board of Management, I would like to express my sincere thanks for the untiring efforts of that team. We have an exceptional team. More than 90,000 Audi employees give their all every day for our company. They are shaping our transformation by pushing forward with innovations, thus to a great extent reinventing the Four Rings time and again. With this team, we as a premium brand will be at the forefront of the transformation of an entire industry. I will explain to you in the second part of my speech how we are making progress with that.



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

Speech at the 129th Annual General Meeting
May 9, 2018

- Check against delivery -

Ladies and gentlemen,

I also would like to bid you a warm welcome to the Annual General Meeting of AUDI AG. Anyone who wants to be successful over the long term has to be fit for the future. For me, this means innovative and versatile, resilient and upright, operationally excellent and – as you also expect – financially successful.

Our Audi Group is currently massively expanding its future viability. On the one hand, we are gradually overcoming the mistakes of the past. We are actively addressing the diesel crisis – financially and technically – and are anchoring integrity within our culture. One example of how we are doing that is the Audi Convention: We have trained more than 3,000 members of our management staff in the subject of integrity at 14 day and 3 night events, with the participation of the Board of Management. They are now carrying this spirit into our team as role models and multipliers. On the other hand, we are rapidly gearing up for the future: We are taking the initiative with new car models and are significantly rejuvenating our portfolio compared with the competition.

With the Audi.Vorsprung.2025. strategy, we are focusing on autonomous and connected mobility, alternative drive systems and new business models. In addition, we are securing our operational excellence and financial targets with our action and transformation plan, which I will present to you in a moment. Our Audi Group has proven that it is resilient to strong headwinds. And that is due not least to your support.

I would like to show you that it is worthwhile accompanying Audi as a shareholder also in the future. Our performance in 2017 is proof of this: Despite intense competition, heterogeneous market developments and the debate about diesel technology, we developed robustly and achieved our targets. Deliveries of the Audi brand were slightly higher than in the previous year and thus at a new record level. With growth of 1.4 percent, we generated revenue of more than 60 billion euros for the first time. And we increased our operating profit before special items by 4.4 percent to 5.1 billion euros.

Let me first give you an insight into the sales performance of the Audi brand. In China, we were able to increase our volume slightly. At the beginning of the year, our deliveries there were affected by intensive negotiations with our local partners. In the second half of the year, however, we were accelerating again. From July to December, we achieved an increase of 14 percent and set a new record in every single month. Deliveries of nearly 600,000 cars are renewed confirmation of our premium market leadership in China.

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In Western Europe, we achieved a slight increase of 0.5 percent and delivered a total of more than 800,000 Audi automobiles to our customers. And we did that despite Brexit in the United Kingdom and despite challenges from the model cycle. We performed very well in Spain and Italy: In Spain, we delivered 8 percent more cars and we achieved growth of 10 percent in Italy. With deliveries of almost 230,000 units, we achieved a record in the United States for the seventh consecutive year. This was a significant increase of 7.8 percent in a declining overall market, and makes us the only major manufacturer to have grown in the US premium segment. More than half of our US customers choose one of our SUV models.

Deliveries of the Audi brand developed very satisfactorily also in some other markets – in Canada, for example, we grew by 18 percent. In some markets with special situations, our volumes were weaker, however. Our total deliveries in the rest of the world were 6 percent below the previous year. However, with 1.9 million deliveries worldwide, we achieved an overall increase of 0.6 percent.

Let's now turn to our company's financial development. In 2017, our revenue exceeded 60 billion euros for the first time, despite strong challenges. I am talking for example about the general conditions in the Asia-Pacific region, the weaker British pound and product-mix disadvantages from the model cycle. We benefited, however, from the market success of the Audi Q2* and the A5 family*, as well as from our strong business in North America. In addition to FBU sales in China, of imported cars that is, deliveries of parts for local production in China and our engine business also contributed to the revenue growth. We increased our operating profit before special items to 5.1 billion euros and improved our operating margin to 8.4 percent. If we included earning from our joint venture in China in operating profit – as competitors do – that margin would be just over a percentage point higher. We include our China business in financial result.

Overall, we more than offset the negative effects on earnings with our attractive products, strong brand and consistent cost discipline. In the year as a whole, we reduced selling expenses by almost 9 percent compared with the previous year, by systematically prioritizing advertising expenses for example. On the revenue side, we were able to maintain and even improve our price position, so we didn't buy any market share. We improved our product costs despite headwinds from the raw-material markets. Forward-looking currency hedging and a good original parts business also contributed to the positive development of earnings. On the other hand, we had higher fixed costs and depreciation in connection with making our production network more flexible, as well as our model initiative and effects from the model mix and CO₂ measures.

And a brief explanation of the reported special items: In 2017, we increased our provision for the diesel issue in North America because the valuation premises had changed. Special items of 387 million euros include expenses and provisions for technical measures and legal risks in North America. After special items, our operating profit was 4.7 billion euros and the operating margin was 7.8 percent. The earnings trend shows that the Audi Group continued its stable development in a challenging environment in 2017.

Ladies and gentlemen, the Audi Group's balance sheet total grew to 63.7 billion euros at December 31, 2017. And I emphasize, the increase of almost 2.6 billion euros took place entirely in shareholders' equity. This reflects forward-looking currency hedging, higher retained earnings after the profit transfer, and the capital injection by Volkswagen AG in the amount of 459 million euros. Against this backdrop, we increased our equity ratio to more than 44 percent.

Our net cash flow in 2017 was affected by two opposing one-time items and increased significantly overall – to 4.3 billion euros. On the one hand, we had a cash outflow of approximately 1.5 billion euros in connection with

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the diesel issue, which we had already planned in our provisions. On the other hand, we had a cash inflow of 3.3 billion euros related to the sale of a participation to Volkswagen. The background to this is that we divested of our previous minority interest in Volkswagen Group Services. The service company is now fully owned by Volkswagen. But to be quite clear, even without this one-time effect, our net cash flow is significantly positive and was sufficient to offset the outflows for the diesel issue. For you, our shareholders, it's important that in 2017 we again covered all investments from our own cash flow and actually further strengthened our high self-financing capability.

Let's have a brief look at our start to the year 2018. Thanks to a good performance in China and the United States, our deliveries increased significantly compared with the previous year, with growth of 10 percent. In this context and thanks to the market success of the Audi Q5* and the A5 family*, we also increased our revenue significantly. We experienced headwinds, however, from currency effects and first-time adoption of the revised IFRS accounting standard. According to the former calculation, our revenue would have been even higher. Operating profit was reduced by the reclassification of the residual-value hedging model, also due to first-time adoption of the revised IFRS. The bottom line is that we increased our operating profit by 4.5 percent to 1.3 billion euros. Our operating return on sales for the first quarter was 8.5 percent. This demonstrates our successful start to the exceptional year 2018.

An exceptional year because 2018 is a year of transition and of a new start – Mr. Stadler has already mentioned it. On the one hand, a new product will be launched every three weeks on average. This means that older models will be phased out and production will be changed over for more than 20 new products, including our plant in Brussels for our first fully electric model, the series version of the Audi e-tron prototype**. In this context, we are also restructuring our production network to achieve even better Group synergies in the future. 2018 is an exceptional year also because the industry will have to adapt to new homologation requirements, especially the WLTP test cycle. These challenges tie up capacities, temporarily influence business, and can lead to fluctuations in volumes and financial key figures during the year.

Nonetheless, we maintain our ambitious forecast. We plan to achieve deliveries at least at the prior-year level combined with slight revenue growth due to a better model mix. We aim to keep the operating return on sales within the target corridor of 8 to 10 percent. And we will continue to invest in the future from our own resources: Along with high upfront expenditure, we anticipate a net cash flow of between 2.7 and 3.2 billion euros.

Ladies and gentlemen, the long-term success of Audi is important to all of us. As part of the Audi.Vorsprung.2025. strategy, Audi is transforming itself into a provider of digital, autonomous and electric premium mobility. In doing so, we have a firm view of our long-term financial targets for return on sales, cash flow and investment. This is how we create added value for our customers and for our shareholders. We plan high upfront expenditure for digital, electric and autonomous mobility of approximately 40 billion euros by 2025. This is a convincing statement for the future of Audi.

But for me as CFO, it is also clear that an operating return on sales of 8 to 10 percent remains our goal. For me, this is a commitment to premium. The action and transformation plan, which we have drawn up as a new Board of Management team, will help us in this regard. With it, we want to free up a total of 10 billion euros over the next five years – by systematically improving our cost ratios while strengthening our performance side. In order to optimize costs, we are making even better use of synergies within Audi and the Volkswagen Group. We are streamlining our processes and removing unnecessary variety and complexity from areas not relevant to the customer. We are channeling the freed-up resources into top innovations and new products that make a real



difference to the customer. This supports the performance side. For example, with another model series in the A segment alongside the A3*, we will attract even more young people to the Four Rings in the future. And in China, the future market for electric cars, we will seize the opportunity and inspire our customers there with ten new electrified models by 2022.

The premium-mobility experience of the future is digital. That is why we are gradually expanding our mobility services and digital offerings. In a few minutes, Rupert Stadler will explain how new business models will contribute one billion euros of operating profit in 2025 alone.

With two examples, I would like to show you that the action and transformation plan is already working. Within the given budget framework, we have succeeded in deciding on four additional models and derivatives. And since January, we have already implemented the first measures amounting to a low triple-digit million amount. With the action and transformation plan, we even go a step further. We are increasing the pace of change in the company and in the team with new organizational structures and the enhanced development of expertise. We are allocating our resources to new areas of business while increasing efficiency in the core business. More agile processes help us to shorten our innovation cycles. This means that we will be able to implement new technologies already in the context of product upgrades. We are breaking down divisional boundaries and working together on a project-oriented basis. This also applies across company boundaries, that is, to external partners with which we want to collaborate more closely, especially for digitalization and autonomous driving. In order to make the workforce fit for the future in a demand- and competence-oriented manner, we are also increasing our training budget by a third – to more than half a billion euros by 2025.

Ladies and gentlemen, Audi has accelerated along its path into the future and continues to be an attractive investment. With the measures we are taking, we are working as the Board of Management and with our entire team to ensure that this remains the case – for our company.

Thank you.

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Chairman of the Board of Management of AUDI AG

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Part 2

– Check against delivery –

Ladies and gentlemen,

When someone asks me today what Audi stands for, I still think of the same three words: *Vorsprung durch Technik*. That has always been our promise, and it is still our promise today and tomorrow. And we have to keep this promise again and again – every day. Nothing has ever been laid in our laps at Audi. We have never been in the pole position. We have always been the challengers. At the end of the day, it was always *Vorsprung* that made the difference for Audi customers.

That is well documented by 135 prizes in 2017 alone – despite the diesel crisis. To get there, we have invested 34 billion euros in research and development and 25 billion euros in our plants in the past ten years. We always had to work hard for our “place in the sun.” I just say, “We drive up the hills that others ski down.” It is precisely this mentality that makes me so confident about the future.

I don’t need to tell you about the immense challenges facing the automotive industry. The mobility of tomorrow will have little to do with that of today. We are witnesses of a technological race in which completely new players with no automotive history are appearing on the scene. I am very confident that we will not only perform well in this race, but that we will also be trendsetters, pacesetters and benchmarks in many respects. We have the potential to revolutionize mobility. Yes, we are already revolutionizing in many areas. We have a clear strategic plan – a roadmap – to redefine mobility in the premium segment.

You are familiar with the big megatrends with which we align our activities: digitalization, sustainability and urbanization – three megatrends that are of course intertwined; three megatrends that present us, each on its own, with enormous technical and financial challenges. So we all ask ourselves: How much money do we invest in which technology and when? Where do we set our priorities? We keep coming to the conclusion that we have to do one thing without leaving out the other. We are constantly further developing our strategy.

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The constant element is our ambition to set the benchmark in all areas: We are taking electric mobility to the next level in terms of technology and quality. We are trendsetters for autonomous mobility. We define the digital experience of tomorrow – safe, convenient and individual. This is the recipe for the new premium. We are making individual premium mobility fit for the future.

But one thing at a time: I'll start with electric mobility. Our clear goal is to become the number one premium supplier for electric mobility – no more and no less. There's no question about it, we didn't start in pole position: not because we couldn't, but because we didn't want to. When battery technology did not yet permit ranges suitable for everyday use, we preferred plug-in hybrids over half-hearted electric cars. We calmly created the conditions to take electric mobility to this next level.

One can win a race without starting in pole position. We didn't invent electric mobility, but we are now charging it with our DNA. Our e-cars will be the best in the premium class: technologically and qualitatively superior, more attractive, and more emotive. We will have *Vorsprung* in electric mobility through technological excellence and quality. And we are taking decisive action. By 2025, every Audi model series will have an electrified version, either fully electric or as a plug-in hybrid. We are combining this product diversity with the ambitious goal of selling about 800,000 electric cars and plug-in hybrids by 2025. Our goal is for about every third car we sell to be electrified in the middle of the next decade.

Ladies and gentlemen, 2018 is the year of the Audi e-tron**. The series version of the Audi e-tron prototype comes from our CO₂-neutral certified plant in Brussels. We have just decided in the Board of Management: Following this role model, we will make all production sites CO₂ neutral by 2030. The Audi e-tron** is equipped with electric motors from our competence center in Győr. Our Hungarian site celebrates its 25th anniversary this year. About 33 million combustion engines since its foundation – that's a proud achievement. In the next 25 years, our Hungarian employees will certainly produce the same number of electric motors.

The Audi e-tron** will have its world premiere in Brussels this summer. Advance sales have already begun in some markets; 4,300 reservations have already been received from Norway, and 1,200 reservations just in the first three weeks from the Netherlands. We will offer our valued customers high-power charging already at market launch, with a charging capacity of up to 150 kilowatts. The Audi e-tron** is ready for the next long journey in less than 30 minutes. This is *Vorsprung durch Technik!*

We are establishing the charging infrastructure in cooperation with partners. In Europe, our joint venture Ionity is developing a charging network along the continent's main transport routes: 400 fast-charging stations will be built with six pillars each by 2020. Porsche, Volkswagen, the BMW Group, Daimler and Ford are on board. In the United States, our customers will benefit from Electrify America as of late 2019. The Volkswagen Group is building 650 charging locations in 17 metropolitan regions and more than 300 additional stations along the highways.

The second trick will follow in 2019: the series version of the Audi e-tron Sportback**, another element of our premium strategy. And things will continue in rapid succession. Starting in 2020, the series version of the Audi e-tron GT** will be produced at Böllinger Höfe in Heilbronn, near our Neckarsulm plant. Here you can see a design sketch of this highly emotive Gran Turismo from Audi Sport. It has the right DNA to push the Audi brand – like the TT* or the Q7 Pikes Peak or the R8* did. The Audi e-tron GT** is proof of electric high performance. The Audi e-tron family is representative of many other electric cars that we will present to you in the coming years.



We are systematically utilizing two major synergy levers. One lever is the modular electric system developed by Volkswagen for the compact segment. The other is our premium architecture electrification, with which we are creating mid-, upper- and luxury class electric cars together with Porsche. In this way, we are making e-mobility profitable while quickly offering our customers a variety of attractive models for emission-free driving. These cooperative projects enable us to reduce development and investment costs substantially. On our Roadmap E (*shown*), you can see that these models will be coming thick and fast. Without giving away too many details: Two sports utility vehicles and two sports activity vehicles will be among the first five electric cars from our brand.

We have big plans: We will electrify all our models – one after the other. By 2025, we will have more than 20 electrified models on offer across the entire portfolio. More than half of them will be battery electric vehicles; the others will be plug-in hybrids.

This drive-system strategy also includes an initial small series with fuel cells, which we will put on the road in 2020; because hydrogen is another perfect energy source for the e-mobility of tomorrow. We are also continuing our research into synthetic fuels that can be used in existing engines to conserve resources and protect the climate.

Ladies and gentlemen, how effectively we maintain our customers' loyalty in the future depends to a great extent on how we connect their mobility experience with the digital world. The Audi e-tron** will be the first Audi to offer flexibly bookable functions. Customers will be able to continuously adapt their cars to their individual needs also after delivery. With the myAudi app, they will be able to activate special lighting, driver assistance systems or infotainment, for example.

The “my Audi” digital ecosystem will play a major role in transforming our business model into a premium digital car company. We want our digital services to contribute one billion euros of operating profit in 2025 alone. The myAudi customer portal will make a significant contribution: By 2020, we want to serve three million active users every month.

The myAudi app serves as a direct interface to the customer. We launched the app last year and it is meanwhile used by approximately 1.3 million customers. Via their smartphones, our customers are informed about their Audi at all times, can send navigation destinations from the sofa or desk to their MMI, and can plan the route to the ultimate destination including portions on foot. As you can see, we rely on mobility concepts with *Vorsprung*. This is the core of our brand and our promise.

We are pioneers for key technologies and continually adapt to new conditions in our environment. We have learnt a lot in a number of pilot projects with new mobility services. We are now bringing together our findings in a comprehensive premium service called Audi on demand. The motto is: Rent my dream Audi– when I want and for as long as I want. We will implement Audi on demand in more than 15 markets by 2020. Those hubs are the starting point for a profitable network with which we aim to activate one million mobility customers by 2025. Worldwide, we see a market volume of around 6 billion euros for this service in the premium segment. We will take our share of that!

In 2017, we launched Audi on demand in Beijing and Hong Kong; Singapore and Manchester followed in recent months. We are now expanding step by step – in Europe, the United States and Asia. Tokyo is next.

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And we are the trendsetter for autonomous mobility. We at Audi are working on that for example at our Autonomous Intelligent Driving GmbH. The goal is to launch a software module for autonomous driving ready for series production in 2021. This module will be used in so-called robo-taxis, as well as very likely in private cars driving fully autonomously, without a steering wheel or pedals. Top experts from 15 nations are working on this project with their entire know-how and a strong network. They come from the fields of robotics, machine learning, software development and the automotive industry. Recruitment is now taking place and approximately 600 employees will work in this area in the medium term. Autonomous Intelligent Driving is now testing the technology on the roads. Starting in September, the first autonomous vehicles with electric drive will operate as shuttles for vehicle logistics at the Neckarsulm plant.

With the new technology, we will create new services. They are to supplement the value added of piloted driving and parking. The Audi Aicon** embodies our vision of autonomous driving. It's a strong symbol of our technological vision. You can see the Audi Aicon** here today: fully electric, fully autonomous and completely connected. It's part of the digital world. More than that, it's ahead of it and sets trends. The Audi Aicon** underscores our leading role in autonomous driving. With this car, we are taking a big step towards the mobility of the future.

Today, I can announce an exciting pilot fleet for the 50th anniversary of *Vorsprung durch Technik* in 2021. In three years' time, we will present our first autonomous electric car based on the Audi Aicon** show car: an interurban shuttle with lounge character. Towards the middle of the next decade, we will offer an autonomous series-production car on this basis.

Ladies and gentlemen, all of that is not a dream of the future. This is our future that we are shaping today. We will invest approximately 40 billion euros in this future by 2025. It will be digital, electric and autonomous. We want to help shape the future by revolutionizing mobility. I know revolution is a big word. But depoliticized, it just means that an existing order is fundamentally changed. And this is exactly what is happening to mobility. And who, if not us, should lead the way? Our action and transformation plan will help us to gain the necessary resources for this revolution. Alexander Seitz has just explained the plan. So we are considerably increasing our scope for investment. Only by investing in the future can we live up to our ambition to set the standards and deliver *Vorsprung durch Technik*. At the same time, we are pioneers in new business fields. The bottom line is that we are securing our margins within the strategic target corridor over the long-term.

We have talked a lot today about the transformation of Audi. Transformation is not an end in itself. It puts us in a position to develop attractive services and products that are always close to our customers' needs. Why are we changing our organization and our mindset so fundamentally? We are doing it for our customers. Sustainability is much more than complying with environmental laws. It is a task for society that we take very seriously. Read about how Audi is tackling this task in our 2017 Sustainability Report, which is available online as of today.

I am convinced: Customers of tomorrow will make their purchasing decisions dependent also on how credibly and sustainably a brand acts. At the end of the day, that will also determine the value of a brand. That's why we're working so hard. And that is why we will continue working so hard to keep delivering on our promise of *Vorsprung durch Technik* – time and again.

Thank you for your trust.

– 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 A3

Fuel consumption combined in l/100 km: 8.4 – 3.9

CO₂ emissions combined in g/km: 192 – 102

Audi A5

Fuel consumption combined in l/100 km: 8.7 – 4.0

CO₂ emissions combined in g/km: 197 – 105

Audi A6

Fuel consumption combined in l/100 km: 9.6 – 4.4

CO₂ emissions combined in g/km: 224 – 114

Audi A7 Sportback

Fuel consumption combined in l/100 km: 7.2 – 5.5

CO₂ emissions combined in g/km: 163 – 142

Audi A8

Fuel consumption combined in l/100 km: 8.0 – 5.6

CO₂ emissions combined in g/km: 182 – 145

Audi Q2

Fuel consumption combined in l/100 km: 6.4 – 4.1

CO₂ emissions combined in g/km: 146 – 109

Audi Q3

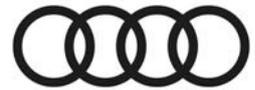
Fuel consumption combined in l/100 km: 8.6 – 4.2

CO₂ emissions combined in g/km: 203 – 109

Audi Q5

Fuel consumption combined in l/100 km: 8.5 – 4.5

CO₂ emissions combined in g/km: 195 – 117



Audi R8

Fuel consumption combined in l/100 km: 13,6 – 12,4

CO₂ emissions combined in g/km: 309 – 283

Audi R8 RWS

Fuel consumption combined in l/100 km: 12.6 – 12.4

CO₂ emissions combined in g/km: 286 – 283

Audi TT

Fuel consumption combined in l/100 km: 8,5 – 4,6

CO₂ emissions combined in g/km: 194 – 122

Lamborghini Urus

Fuel consumption combined in l/100 km: 12.3

CO₂ emissions combined in g/km: 279