Audi in China
Dr. Dietmar Voggenreiter, President, Audi China
Audi is premium market leader in a global growth market
Audi target 2012: double-digit growth rate in China

Audi in China, deliveries (including Hong Kong)
Premium segment outpaces the total market
Audi outpaces the premium segment

Growth rates (%), January – September 2012 (without Hong Kong)

Overall passenger car market: 7.7%
Premium car market: 28.1%
Audi: 31.9%
Audi in China
Two companies, three locations

- **Beijing**
- **Changchun**
- **Foshan**

- **FAW-Volkswagen (FAW-VW)**
  - Production and Audi Sales Division
  - FAW-VW Foshan Plant (Under construction)
Audi keeps expanding in the Chinese market
3 billion Euro investment – new plant in Foshan

► Audi (with our local partner) will invest 3 billion Euro in China in the coming years.

► Capacity increase: up to 700,000 units annually in China (Changchun & Foshan)

► New plant in Foshan (under construction): future production of a member of the Audi A3 family

► Audi Q3 to be built in Changchun
**Success Factor: Vorsprung durch Technik**
Audi has always introduced the newest technology to China

<table>
<thead>
<tr>
<th>Products</th>
<th>Technology</th>
</tr>
</thead>
<tbody>
<tr>
<td>▶ 1st long-wheel-base models for China: Audi A6 L</td>
<td>▶ 1st premium manufacturer to locally produce advanced engine technology</td>
</tr>
<tr>
<td>▶ 1st locally built premium B Sedan: Audi A4 L</td>
<td>▶ 1st manufacturer to introduce Start-Stop into the series production:</td>
</tr>
<tr>
<td>▶ 1st locally built premium SUV: Audi Q5</td>
<td>new Audi A6 L</td>
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<td></td>
<td>▶ 1st lightweight (ultra) production in China: new Audi A6 L</td>
</tr>
</tbody>
</table>
Success factor: Local production
All locally produced Audi models are leaders of their market segments
Jan-Sep 2012

<table>
<thead>
<tr>
<th>Segment</th>
<th>Model</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>C Sedan</td>
<td>A6 L</td>
<td>96.1</td>
</tr>
<tr>
<td>B Sedan</td>
<td>A4 L</td>
<td>77.8</td>
</tr>
<tr>
<td>B SUV</td>
<td>Q5</td>
<td>76.5</td>
</tr>
</tbody>
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Together, the C Sedan, B Sedan and B SUV segments constitute around 60 percent of the premium market in China.

*estimates ** including imports
Private customers drive the deliveries
Diversification of model line-up

- Over 90% of Audi deliveries in China are to private customers
- About 1/3 of Audi deliveries are SUVs, Coupes, Convertibles and Roadsters
Drivers for growth: increasing incomes and new products

Increasing number of households with an average annual income above 250,000 RMB

New premium segments in the price range below 300,000 RMB, e.g. Audi A3, Audi Q3.
Success Factor: Imported Audi models

Deliveries of imported Audi models (without Hong Kong)

2008 2009 2010 2011

12,159 14,821 30,668 57,888

+22% +107% +89%

Jan-Sep 2011 Jan-Sep 2012

40,549 57,803

+43%
Verified Service Excellence
J.D. Power Ranking 2012 China

**IQS**  
(Initial Quality Study)  
No. 1

**SSI**  
(Sales Satisfaction Index)  
No. 1

**CSI**  
(Customer Service Index)  
No. 1 Premium Brand
Success Factor: Brand image

The perception of Audi as a premium brand in China is on par with its main competitors.

Overall Impression

Source: Bekanntheits- und Imagecheck 2012, BIC Study

Source: auto motor und sport (China), “BEST CARS 2012”
Expansion of sales network
Audi will double its number of dealerships in China until the end of 2013

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>160</td>
</tr>
<tr>
<td>2010</td>
<td>&gt; 180</td>
</tr>
<tr>
<td>2011</td>
<td>&gt; 200</td>
</tr>
<tr>
<td>2012</td>
<td>~ 300</td>
</tr>
</tbody>
</table>
Audi to strengthen the dealer network in 2\textsuperscript{nd} and 3\textsuperscript{rd} tier cities

Current and Future Agglomeration (top areas, schematic)

- Current Audi Network agglomeration
- Focus Future Extension of Audi Network (next to additional dealerships in already covered cities)
Audi will further expand its product line-up
Vielen Dank.