Audi in China
Dr. Dietmar Voggenreiter
President Audi China & Executive Vice President AUDI AG
November 2013
Audi is premium market leader in a global growth market

Audi in China, deliveries (including Hong Kong)

vehicles

<table>
<thead>
<tr>
<th>Year</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>FC 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>102,000</td>
<td>119,600</td>
<td>158,900</td>
<td>227,900</td>
<td>313,000</td>
<td>405,800</td>
<td>Jan – Oct 399,330 +20%</td>
</tr>
</tbody>
</table>
Audi in China

FAW-Volkswagen
Production and Audi Sales Division

Audi China
with Audi R&D Center Asia

FAW-Volkswagen Foshan
(Production start: end of 2013)
Success Factor: Vorsprung durch Technik
Audi has always introduced the latest technology to China

**Products**

- 1st long-wheel-base models for China:
  - Audi A6 L

- 1st locally built premium B-Limousine:
  - Audi A4 L

- 1st locally built premium SUV:
  - Audi Q5

**Technology**

- 1st premium manufacturer to locally produce advanced engine technology

- 1st lightweight production in China:
  - new Audi A6 L

- Multimedia Interface with touchpad for Chinese character input / recognition
Audi is the most fuel efficient premium brand in China

- Weight-based **targets of the Chinese fuel consumption regulation exceeded** in 2012 (No.1 premium brand). Audi will exceed these targets again in 2013.
- 1st to equip all local models with: - efficient **start-stop** technology
  - **brake energy recovery** (recuperation)
- 20 percent reduction of average fuel consumption of local models since 2011
- Soon to produce **engine according to future EU6** European emission standard
- Audi wins “Environment-Friendly Cars” category at “Best Cars 2013” China
Audi is shaping the transition towards electric mobility in China

- Three Audi hybrid cars are already available in China (A6 hybrid, A8L hybrid, Q5 hybrid)
- Audi will bring the e-tron technology to China
- Plug-in-hybrid project especially for the Chinese market with partner FAW
Normalization of growth rates
China’s auto market becomes more mature

Deliveries, Total passenger car market, China vehicles

Growth phase
Boom phase
Mature phase
China’s premium market is changing
Segment distribution moves towards a developed market structure

Premium segment China, 2009 vs. 2012
Volume, vehicles

Total: 396,000

2009

A0
A
B
C
D
E

2012

A0
A
B
C
D
E

Premium segment Europe, 2012
Volume, vehicles

Total: 2,408,000

2012

A0
A
B
C
D
E

Segments with above-average growth
Increasing market share of SUVs and compact cars
Diversification of vehicle types and segments

Premium market share SUVs

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>Q1-3 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>SUV</td>
<td>20%</td>
<td>37%</td>
</tr>
<tr>
<td>Others</td>
<td>80%</td>
<td>63%</td>
</tr>
</tbody>
</table>

Q1-3 growth
SUV Total: +24%
A+B SUV: +36%

Premium market share compact cars

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>Q1-3 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>compact cars (A segment)</td>
<td>1%</td>
<td>13%</td>
</tr>
<tr>
<td>Others</td>
<td>99%</td>
<td>87%</td>
</tr>
</tbody>
</table>

Q1-3 growth
+33%
Localization advantage in new growth segments
Strong potential for premium compact cars

- **Audi Q5**
  - Segment leader with 42% market share (Jan-Oct 2013)

- **Audi Q3**
  - Segment leader with 41% market share (Jan-Oct 2013)

- **Audi A3 sedan & Audi A3 sportback**
  - First locally produced premium compact sedan and first hatchback (2014)
Flexible capacity expansion of Audi in the coming years
Up to 700,000 units annually, adjusted to market demand

Annual production capacity, vehicles

2008: 100,000
2009: 200,000
2012: 350,000
Forecast: 700,000*

*Forecast
The customer structure is changing
Private customers dominate. High share of families & women

- Government customers
- Senior managers
- Over 90% private customers
- 2/3 families
- 1/3 women
- ø age: Mid-thirties
- Over 1/3 are first time buyers
Customer satisfaction creates brand ambassadors
Audi has the largest number of customers in the premium market

Car Park Audi: 1,76 Mio.*

Audi is No. 1

*as of July 2013
Customer service adjusted to local preferences
Verified customer satisfaction
J.D. Power rankings 2013 China

SSI
(Sales Satisfaction Index)

CSI
(After Sales Service Index)
Expansion of sales network – coming closer to new customers
Audi opens about one new dealership in China every week
Disclaimer

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Thank You!