Audi in China

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Audi in China

- **FAW-Volkswagen**
  - Audi Production and Audi Sales Division
  - (A6 L, A4 L, Q5, Q3)

- **Audi China**
  - with R&D Center Beijing

- **FAW-Volkswagen**
  - Audi Production
  - Foshan
  - (A3 Sportback, A3 Sedan)
Audi deliveries in China nearly increased six-fold since 2007

Audi in China, deliveries (including Hong Kong)

<table>
<thead>
<tr>
<th>Year</th>
<th>Vehicles</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>102,000</td>
</tr>
<tr>
<td>2008</td>
<td>119,600</td>
</tr>
<tr>
<td>2009</td>
<td>158,900</td>
</tr>
<tr>
<td>2010</td>
<td>227,900</td>
</tr>
<tr>
<td>2011</td>
<td>313,000</td>
</tr>
<tr>
<td>2012</td>
<td>405,800</td>
</tr>
<tr>
<td>2013</td>
<td>492,000</td>
</tr>
<tr>
<td>2014</td>
<td>578,900</td>
</tr>
<tr>
<td>2015</td>
<td></td>
</tr>
</tbody>
</table>

Jan. – Feb. 84,960 units +10.5%
Strong local model portfolio, flexible capacity expansion

**Annual production capacity, vehicles**

- **2008**: 100,000
- **2010**: 200,000
- **2013**: 400,000
- **2014**: 500,000
- **2017**: Up to 700,000

- Audi A3 Sportback
- Audi A3 Sedan
- Audi A4 L
- Audi A6 L
- Audi Q3
- Audi Q5
Leading trends: Only Audi offers two local SUV models

### SUV share of the premium market

<table>
<thead>
<tr>
<th>Year</th>
<th>Audi Q3 Share</th>
<th>Audi Q5 Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>18%</td>
<td>82%</td>
</tr>
<tr>
<td>Jan-Feb 2015</td>
<td>38%</td>
<td>62%</td>
</tr>
</tbody>
</table>

### Segment leaders

- **Audi Q3**
- **Audi Q5**

### 2015: New Audi Q7 (imported)
Leading trends: Only Audi offers three local compact cars

Premium market share of compact cars

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2%</td>
<td>15%</td>
</tr>
</tbody>
</table>

Compact model share of Audi sales

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jan.-Feb. 2014</td>
<td>14%</td>
<td>23%</td>
</tr>
<tr>
<td>Jan.-Feb. 2015</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Audi Q3
Audi A3 Sedan
Audi A3 Sportback
Leading into the future: Strong focus on efficiency

Conventional engines

Over 20 percent reduction of average fuel consumption of local models since 2011

Imported e-tron

A3 Sportback e-tron to be imported from 2015
Followed by Q7 e-tron

Localized e-tron

A6 L e-tron to be produced with FAW-Volkswagen in Changchun from 2016
Leading a diverse market: Private buyers dominate

Audi in China, customer mix 2014

- Government: 0%
- Fleet customers: < 10%
- Private customers: > 90%
Verified Top Service: Audi in J.D. Power Rankings China

SSI 2014
(Sales Satisfaction Index)

CSI 2014
(After Sales Service Index)
Financial services business is growing

Financing in percent of Audi car sales in China

- 2011: 22%
- 2012: 28%
- 2013: 36%
- 2014: 39%
Training for sustainable service quality

- **Audi training man days for The dealer network**
  - Unit: `000 man days
  - 2010: 74
  - 2014: 268 (+360%)

- **Five regional training centers** in China
  - Including the **two largest worldwide**, in Beijing and Chengdu
  - **Beijing and Chengdu** can each train around 10,000 people/year

- **Beijing**
  - Opening soon

- **Chengdu**
  - Opened 2014

Map showing locations:
- Beijing
- Chengdu
- Hangzhou
- Dongguan
- Changchun
Growth market: Audi has the largest used car network in China

Used car market transactions in China, per each new car sale, 2014

<table>
<thead>
<tr>
<th></th>
<th>Used cars</th>
<th>New cars</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>0.19</td>
<td>1</td>
</tr>
<tr>
<td>Germany</td>
<td>2.2</td>
<td>1</td>
</tr>
<tr>
<td>UK</td>
<td>3.5</td>
<td>1</td>
</tr>
</tbody>
</table>

Over 330 licensed Audi used car dealers, including 77 exclusive used car showrooms
Sustainable expansion of sales network

Number of Audi dealerships in China

- 2009: ~150
- 2010: ~170
- 2011: ~230
- 2012: ~290
- 2013: ~340
- 2014: ~400
- 2017: 500
Thank you!