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 Audi R&D 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)

vehicles

2007  102,000
2008  119,600
2009  158,900
2010  227,900
2011  313,000
2012  405,800
2013  492,000
2014  578,900
2015

Jan. – Apr.
178,612 units, +5.2%
(Premium Mkt: +4.2%)
Driver of the normalization of purchasing power segments in China

Changes in residential property prices in 70 largest cities
[YoY comparison]

<table>
<thead>
<tr>
<th># of cities with decreasing price</th>
<th># of cities with increasing price</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 14 -1</td>
<td>69</td>
</tr>
<tr>
<td>April 15 -69</td>
<td>+1</td>
</tr>
</tbody>
</table>

Source: National Bureau of Statistics

Total profits of industrial enterprises
— YoY growth in %

Aug 14: 18.0%
Mar 14: -8%
Dec 14: -0.4%
Apr 15: +2.6%
Urbanization benefits middle class development

Urbanization rate China, 1949-2020 [in %]

* Estimation
Source: China Statistical Yearbook
Changes in social strata benefit premium market

Source: McKinsey
Premium segment distribution moves towards the pattern of developed markets

**Premium segment China, 2014**
Volume, vehicles
- Total: 1,684,000

**Premium segment Europe, 2014**
Volume, vehicles
- Total: 2,408,000

Segments with above-average growth
Leading trends: Only Audi offers three local compact cars

- **Premium market share of compact cars**: 2% in 2009, 15% in Jan.-Apr. 2015
- **Compact model share of Audi sales**: 14% in Jan.-Apr. 2014, 23% in Jan.-Apr. 2015

**Audi Models**:
- **Audi Q3**
- **Audi A3 Sedan**
- **Audi A3 Sportback**
Leading trends: China outpaces Germany as the largest market for compact cars of Audi

- Germany Jan. – Apr. 2014: 31,810
- Germany Jan. – Apr. 2015: 32,740
- China Jan. – Apr. 2014: 24,209
- China Jan. – Apr. 2015: 41,748

- Audi Q3
- Audi A3 Sedan
- Audi A3 Sportback
Leading trends: Audi as segment leader with local SUV portfolio

<table>
<thead>
<tr>
<th>SUV share of the premium market</th>
<th>Segment leaders</th>
<th>2015: New Audi Q7 (imported)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>Audi Q3</td>
<td></td>
</tr>
<tr>
<td>Jan. - Apr. 2015</td>
<td>Audi Q5</td>
<td></td>
</tr>
<tr>
<td>18%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>82%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>38%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>62%</td>
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</tbody>
</table>

Audi Q3

Audi Q5

2015: New Audi Q7 (imported)
Individual buyers are dominating

<table>
<thead>
<tr>
<th>Audi in China, customer mix 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government</td>
</tr>
<tr>
<td>Fleet</td>
</tr>
<tr>
<td>Individual Buyers</td>
</tr>
</tbody>
</table>

Audi has managed successfully to attract the people who are shaping the future of China.
37 Audi models are available in China (vs. 9 in 2008)
15 S/RS/R models (vs. 2 in 2008)
Chinese consumers want to stick-out from the crowd

A4 allroad

- Launched in 2013, the A4 allroad has proven demand for progressive vehicle concepts

China is already the 3rd biggest market

Coming 2015: A6 allroad

- Market introduction later in 2015 to bring more progressiveness on China’s roads
Leading into the future: Strong focus on efficiency

<table>
<thead>
<tr>
<th>Conventional engines</th>
<th>Imported e-tron</th>
<th>Localized e-tron</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over 20 percent reduction of average fuel consumption of local models since 2011</td>
<td>A3 Sportback e-tron to be imported from 2015</td>
<td>A6 L e-tron to be produced with FAW-Volkswagen in Changchun from 2016</td>
</tr>
</tbody>
</table>
Audi: High dealer satisfaction, according to the China Automobile Dealer Association

Only satisfied dealers will implement OEM strategies and truly delight customers
Based on independent research, Audi is both premium volume & brand leader in China
Thanks to 3 mio. customers over the past 27 years for all the trust and loyalty and a warm welcome to every new Audi owner.
Thank you!