Bram Schot
Temporary Chairman of the Board of Management
Board Member for Sales and Marketing
Global Sales YTD

Audi

1,268,564

+5.5 %
### Core regions

<table>
<thead>
<tr>
<th>Region</th>
<th>Cars</th>
<th>Change</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>417,234</td>
<td>(+57,009)</td>
<td>+15.8%</td>
</tr>
<tr>
<td>North America</td>
<td>183,555</td>
<td>(+8,136)</td>
<td>+4.6%</td>
</tr>
<tr>
<td>Western Europe</td>
<td>543,894</td>
<td>(+572)</td>
<td>+0.1%</td>
</tr>
</tbody>
</table>
## Top 10 markets YTD

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>Delta vs. previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. CHINA (incl. Hong Kong)</td>
<td>417,234</td>
<td>+57,009 +15.8%</td>
</tr>
<tr>
<td>2. GERMANY</td>
<td>211,769</td>
<td>+1,684 +0.8%</td>
</tr>
<tr>
<td>3. USA</td>
<td>148,070</td>
<td>+6,464 +4.6%</td>
</tr>
<tr>
<td>4. GREAT BRITAIN</td>
<td>110,265</td>
<td>+1,158 +1.1%</td>
</tr>
<tr>
<td>5. ITALY</td>
<td>44,103</td>
<td>-1,607 -3.5%</td>
</tr>
<tr>
<td>6. SPAIN (incl. Canary Islands)</td>
<td>43,442</td>
<td>+4,972 +12.9%</td>
</tr>
<tr>
<td>7. FRANCE</td>
<td>38,846</td>
<td>-2,767 -6.6%</td>
</tr>
<tr>
<td>8. CANADA</td>
<td>25,814</td>
<td>+1,139 +4.6%</td>
</tr>
<tr>
<td>9. BELGIUM</td>
<td>21,988</td>
<td>-766 -3.4%</td>
</tr>
<tr>
<td>10. JAPAN</td>
<td>17,619</td>
<td>+70 +0.4%</td>
</tr>
<tr>
<td>WORLD</td>
<td>1,268,564</td>
<td>+66,515 +5.5%</td>
</tr>
</tbody>
</table>
100% electric
100%
Audi DNA

holistic approach

360° system offer
e-tron initiative

By 2025, more than 20 electrified models
New full-size class complete
Important A-segment models
Alexander Seitz
Board Member for Finance, China, Compliance & Integrity
now.next.beyond.

H1/18  FY 18e  funding the future
strong revenue development

Revenue
(EUR m)

<table>
<thead>
<tr>
<th></th>
<th>H1/2017</th>
<th>H1/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30,011</td>
<td>31,183</td>
</tr>
</tbody>
</table>

+3.9%
9.2% RoS – best-in-class-profitability

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Operating Profit (EUR m)</th>
<th>Margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>1,244</td>
<td>8.7%</td>
</tr>
<tr>
<td>Q2</td>
<td>1,436</td>
<td>9.2%</td>
</tr>
<tr>
<td>H1/2017</td>
<td>2,680</td>
<td>8.9%</td>
</tr>
<tr>
<td>H1/2018</td>
<td>2,761</td>
<td>8.9%</td>
</tr>
</tbody>
</table>

Strong Q2
keeping Audi on track

growing challenges

focusing on efficiency

China business
continuous cost improvements

<table>
<thead>
<tr>
<th>R&amp;D activities &amp; ratio</th>
<th>H1/2017</th>
<th>H1/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>(EUR m)</td>
<td>2,083</td>
<td>2,020</td>
</tr>
<tr>
<td>R&amp;D ratio within target corridor</td>
<td>6.9%</td>
<td>6.5%</td>
</tr>
</tbody>
</table>

H1/2018 corridor
Capex discipline

Capex ratio
3.4%
H1/2018

Capex & ratio (EUR m)

<table>
<thead>
<tr>
<th>Year</th>
<th>Capital Expenditure</th>
<th>Capex Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1/2017</td>
<td>1,047</td>
<td>3.4%</td>
</tr>
<tr>
<td>H1/2018</td>
<td>1,156</td>
<td>9.5%</td>
</tr>
</tbody>
</table>
China business drives global KPIs

+20% deliveries
H1/2018

customer focus

JV performance

H1/2018
major contributor to VW Group NCF

Net cash flow (EUR m)

- H1/2017: 1,925
- H1/2018: 2,672

+38.8%
ambitious outlook despite WLTP

Deliveries:
FY 2018

Net Revenue

Prior year's
record level

Operating
Margin

Slightly above
prior year level

Cash Flow

Net Operating Cash Flow

€2.7 billion and €3.2 billion
top-priority: funding the future

upfront expenditure €40 bn until 2025
Audi Transformation Plan (ATP)

- transforms and prioritizes resources
- frees up a total of €10bn until 2022
- secures Operating RoS 8-10%
renewed C/D line up adds profitability
success story Audi China

7 attractive models from local production

every third Audi delivered to Chinese customer

1987 today

1987 2017

597,866
China: double deliveries by 2022

- More than double CKD portfolio
- Launch of 10 all new SUVs
- Strengthen local R&D
- Expand product range

- JV digital services & mobility
- Independent sales company
- JV with SAIC
- Expand business model

China: double deliveries by 2022
continuous cost improvements

material costs

focus on USPs

transformation of skills
early-to-market

built for series production at Brussels plant

designed on MLB modules

strong pricing paves the way for “New Premium”
next: group synergies enhance EV-profitability

MEB  PPE

electric architectures within VW Group

30% efficiency gains
Dr. Stefan Niemand
Head of Electrification
Why are we going electric?
How did we address the questions we had?
e.readiness program

started early to address the fields of action for going electric
Why with a fullsize SUV?
CUSTOMER DEMAND in C SEGMENT

GROWING SEGMENT

MAKING ELECTRIC CARS SEXY
Is it based on a combustion engine platform?
New platform design for a full electrical car considering characteristics like battery position & crash behavior.

No restriction from ICE platforms.
Is it a „one-off“?
THE AUDI E-TRON is the beginning...

...of an ELECTRIC MODEL OFFENSIVE
Audi e-tron GT 2020
What about the battery?
Battery assembly at carbon-neutral factory in Brussels
BATTERY

Car life construction

432 Li-Ion cells
36 modules

699kg weight

Dimensions:
2.28 m * 1.63 m * 0.34 m

Biggest challenges

too heavy   too big   too expensive

~ 33% material costs
What happens with the battery after car life?
SECOND LIFE

Stationary energy storage from a sustainable and economic point of view

RECYCLING

Running pilot projects on the retrieval, disassembly of batteries and separation of the several raw materials
Why are we going to Brussels?
Chances and synergy effects by shifting the Audi A1 to Martorell (Spain)

Learning in a dedicated “e-plant“

Bundling of know how & expertise

In the future...

Electric cars in all of our plants worldwide

Overall flexibility - ICE & electric cars on one production line
What is the role of our factory in Győr?
Pre-development & knowledge building started early in the technical center

Series production of electric motors started in July 2018

Actually installed capacity of 400 electric motors per day can be increased gradually

New winding and inserting center

Modular method in production cell
How can the customer use an electric car with ease?
PRIVATE

~85% of charging events

Private parking space

At the workplace

PUBLIC

5-10% of charging events

Motorway services

5-10% of charging events

Customer parking

Public car parks
How long does charging take?
At home, charging over night is sufficient, on the road every minute counts

- **Home charging**: 8.5 / 4.5 hours
- **Today’s standard**: ~ 80 min
- **Today’s benchmark**: ~ 40 min.
- **Audi 2018**: ~ 30 min.
- **350 kW**: ~ 12 min.

**Typical rest stop on long distance drives**: 20-30 min

**Customer expectation (typical gasoline station visit)**: <10 min
How do we ease private charging?
Everyday charging solution with up to 11 kW as standard equipment

CHARGING SYSTEM
COMPACT

Double charging power & smart charging functions with photovoltaic integration

CHARGING SYSTEM
CONNECT

Everyday backbone for charging the Audi e-tron

Premium Turnkey Solutions through installation service

Offers & Solutions differ regionally
Is intelligent charging necessary?
**Home-Energy Management System (HEMS)**

- **Forecasted Household Load**
  - Grid Price Table: 29c/kWh
  - 12c/kWh

- **PV Output**
  - Forecasted PV: 12c/kWh

- **EV Charging Profile**
  - House Consumption
  - PV Production
  - Grid Price Table

---

**Key Components**

- **HEMS**
- **Grid Price Table**
- **Forecasted Household Load**
- **PV Output**
Is a long distance trip a challenge?
USA
484 stations
by the end of 2019

EUROPE
400 stations
by 2020

electrify
america

IONITY
What about other public charging facilities?
E-TRON CHARGING SERVICE
ONE Premium Access Europe-wide

› 70.000+ AC/DC charging points with up to 50 kW

› 2000+ High Power Charging points with up to 350 kW

› International roaming via Hubject, e-Clearing, etc.

› 220+ Charge point operators in 16 countries
Do I have to use several apps & maps?
RELAXED TRAVELLING

with the e-tron route planner

Convenient route planning in the car or via myAudi App

- Calculation of the required charging stations taking account of the current traffic situation
- Display of the arrival time including the necessary charging time
- Navigation continues outside of the vehicle (First/Last Mile)
Can I charge my EV at my workplace?
Audi invests 115 Mio. EUR in charging infrastructure

- Ingolstadt: 3,240
- Neckarsulm: 1,000
- Brussels: 74
- Győr: 14
- San José Chiapa: 23
e.readiness program started early to address the fields of action for going electric
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Consequently, a negative impact relating to ongoing claims or investigations, any unexpected fall in demand or economic stagnation in our key sales markets, such as in Western Europe (and especially Germany) or in the USA, Brazil or China, will have a corresponding impact on the development of our business. The same applies in the event of a significant shift in current exchange rates in particular relative to the US dollar, sterling, yen, Brazilian real, Chinese renminbi and Czech koruna.

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