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Financial figures after three quarters: Audi on track for comprehensive model and technology initiative

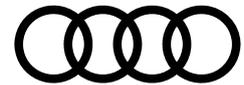
- **Audi Group at the nine-month mark: €44.2 billion revenue, €3.9 billion operating profit, 8.9 percent operating return on sales**
- **CEO Rupert Stadler: “Underpinning profitability targets with far-reaching program of measures”**
- **CFO Alexander Seitz: “Well prepared for challenging fourth quarter”**

Ingolstadt, October 30, 2017 – The Audi Group posts robust financial figures at the end of the third quarter of 2017 and continues to push ahead with the transformation of its business. In the first nine months of the year, despite many challenges the Company achieved revenue of €44.2 billion and operating profit of €3.9 billion. This represents an operating return on sales of 8.9 percent. The coming months will see Audi embark on a densely packed program of production starts for 2018, prepare the market introduction of an array of new models and accelerate on its strategic path towards the future.

“With this robust performance, achieved amid a difficult environment, we are optimistically tackling the tasks that lie ahead,” says Rupert Stadler, Chairman of the Board of Management of AUDI AG. “We are launching the biggest model initiative in our history and at the same time we are preparing every area of the Company for the age of electric propulsion and autonomous driving. And, with a far-reaching program of measures, we are streamlining costs and tapping new revenue potential. This is underpinning our profitability targets also with regard to future mobility.”

The program of measures will accelerate Audi’s strategic transformation by increasing the financial leeway for future technologies such as electric mobility. The coming year will already witness the launch of the Audi e-tron, the brand’s first all-electric volume model, with a range of more than 500 kilometers. Audi will offer its customers over 20 different electrified models by 2025, around half of which will have all-electric drives. To that end, the Company is planning to prepare all plants for the production of electric cars.

Three quarters into the current fiscal year, revenue and operating profit for the Audi Group are each on a par with the prior-year figures – despite a slight dip in cumulative deliveries since the start of the year. The Group’s revenue for the first three quarters amounts to €44,235 million (2016: €44,017 million). €3,941 million operating profit compares with a prior-year figure before special items of €3,918 million. Taking into account the risk provisioning item created in



the prior-year period in connection with the diesel issue and potentially faulty airbags made by Takata, the operating profit after special items at the end of Q3/2016 had been €3,033 million.

Following a clear drop in sales at the start of the year, the Audi Group is now back on its course of growth and has seen deliveries of its core brand rise every month since June. Cumulatively, however, it still falls short of the prior-year figure with 1,380,778 (2016: 1,408,828) automobiles of the Audi brand handed over to customers. Higher depreciation resulting from the expansion of the international production network and of the model and technology portfolio also negatively impacted profit. On the other hand, the year to date has brought positive effects from the successful launch of new models such as the A5 family and the Q2, as well as from currency management. The robust financial performance also reflects achievements from adopted efficiency measures, for example in the form of lower distribution costs.

At the end of the third quarter, the operating return on sales of 8.9 (2016 before special items: 8.9) percent is within the target corridor of 8 to 10 percent.

“This prepares us well for a challenging fourth quarter in which upfront expenditures for our imminent model initiative will have a more noticeable impact,” says Alexander Seitz, Board Member for Finance, IT and Integrity at AUDI AG. “We will pursue our chosen path all the more decisively because on the product side, following the new-generation A8 and A7 we will even be upping the pace next year, starting the production of a new Audi model at the rate of one every three weeks.”

The Audi Group’s profit before tax increased to €4,054 million after three quarters (2016: 2,839 million). Alongside the special items affecting the prior-year figure, a substantially improved financial result is behind this growth. Among other factors it results from a positive effect of €183 million on income from investments accounted for using the equity method following the entry of a new investor in the HERE mapping service in the first quarter.

In the period from July through September, the brand with the four rings delivered 471,826 (2016: 455,535) automobiles. Group revenue climbed to €14,092 (2016: 13,883) million in the third quarter, and the operating profit to €1,261 (2016 before special items: 1,252) million. The corresponding quarter of the previous year had seen the Company increase its risk provisioning by €620 million in connection with the diesel issue; the operating profit after special items for that 2016 period correspondingly came to €632 million. For the third quarter of 2017 the operating return on sales reached 8.9 (2016 before special items: 9.0) percent.

The Audi Group’s net cash flow after three quarters remains below the prior-year figure at €2,489 (2016: 3,086) million due to anticipated payments in connection with the diesel issue. For full-year 2017, the Audi Group continues to expect an operating return on sales within the strategic target corridor of 8 to 10 percent. The Company anticipates slight rises in Audi-brand deliveries and Audi Group revenue.



Selected performance indicators of the Audi Group at a glance

	3rd quarter		Jan. - Sept.	
	2017	2016	2017	2016
Deliveries Audi brand	471,826	455,535	1,380,778	1,408,828
Revenue EUR million	14,092	13,883	44,235	44,017
Operating profit before special items EUR million	1,261	1,252	3,941	3,918
Operating return on sales before special items Percent	8.9	9.0	8.9	8.9
Operating profit EUR million	1,261	632	3,941	3,033

- End -

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The Audi Group, with its brands Audi, Ducati and Lamborghini, is one of the most successful manufacturers of automobiles and motorcycles in the premium segment. It is present in more than 100 markets worldwide and produces at 16 locations in 12 countries. 100 percent subsidiaries of AUDI AG include Audi Sport GmbH (Neckarsulm), Automobili Lamborghini S.p.A. (Sant'Agata Bolognese, Italy) and Ducati Motor Holding S.p.A. (Bologna, Italy).

In 2016, the Audi Group delivered to customers about 1.868 million automobiles of the Audi brand, 3,457 sports cars of the Lamborghini brand and 55,451 motorcycles of the Ducati brand. In the 2016 fiscal year, AUDI AG achieved total revenue of €59.3 billion and an operating profit of €3.1 billion. At present, approximately 88,000 people work for the company all over the world, more than 60,000 of them in Germany. Audi focuses on sustainable products and technologies for the future of mobility.