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## **Year of new departures: Audi informs its shareholders about the company's transformation**

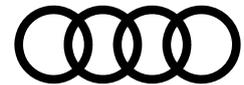
- **More than 20 market launches in 2018 – focus on new design language and fully digital operation**
- **Audi Summit in Brussels: electric initiative starts with all-electric SUV Audi e-tron**
- **Audi is developing an integrated IT platform for connectivity and digital services**
- **Newly established product management for digital products reports to the CEO**
- **Challenges in 2018 from complex management of model launches and phase-outs as well as new industry-wide homologation requirements**

**Ingolstadt, May 9, 2018 – New production launches every three weeks, new segments and drive technologies, new organizational structures: Audi has started an extremely eventful and ambitious year. At this Wednesday's 129th Annual General Meeting in Ingolstadt, the Board of Management informs the shareholders about the current course of business, the model and technology initiative, and the objectives of the Action and Transformation Plan as an enabler for the strategy "Audi.Vorsprung.2025."**

"2018 is a key year for Audi with an enormously high speed of change, that will gradually put us back on the offensive," says Rupert Stadler, Chairman of the Board of Management of AUDI AG. "We will continue clearing up the diesel crisis and will restructure large parts of our global organization for the course we have set for the future. At the same time, we are approaching the climax of the biggest model fireworks in our company's history and are entering the age of electric mobility with the Audi e-tron."

As the brand's first fully electric volume model, the Audi e-tron SUV will have its world premiere at the Audi Summit in Brussels on August 30. With the rapid expansion of the portfolio of fully electric cars and plug-in hybrids in each model range, the company aims to sell approximately 800,000 electrified automobiles per annum by 2025. For the production version of the Audi e-tron prototype, customers will for the first time be able to book various functions flexibly online. In total, the brand aims to generate an annual contribution to operating profit of €1 billion with digital services via the myAudi customer portal by the year 2025.

Audi is installing a central product management unit reporting directly to the CEO to steer the planning, implementation and operation of digital products, and is thus establishing digital value added organizationally at the same level as the existing core business. For this purpose,



Audi is also developing an integrated IT platform for vehicle connectivity and digital services. By means of a shared high-performance backend, the models from Audi and the other brands of the Volkswagen Group will be usable compatibly; this means for example that customers' settings and content will be smoothly transferred between the automobiles of the various Group brands.

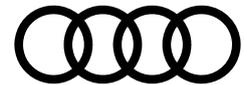
“We want to have premium electric cars and digital services that are also attractive in economic terms. That is our clear ambition for the mobility of the future,” points out Alexander Seitz, Member of the Board of Management for Finance, IT and Integrity. “To that end, we are utilizing Group synergies significantly more effectively and are releasing resources for strategy projects with our Action and Transformation Plan.”

With its successfully started Action and Transformation Plan, Audi aims to achieve positive earnings effects totaling €10 billion by 2022 through reduced costs and new sources of revenue. Audi is systematically prioritizing the resources gained from efficiency progress for innovations with high customer relevance as well as *Vorsprung durch Technik* in the competitive arena.

In the current financial year, Audi is rejuvenating and expanding its model portfolio with more than 20 new market launches. The new Audi design language and the new, fully digital operating concept in the interior will be introduced in all segments, starting with the premium full-size class. Following the launch of the new A8 in late 2017 and the A7 in March 2018 in first markets, a new top model will come onto the market as of the middle of this year: the new generation of the A6. By 2020, Audi plans to increase its unit sales in the brand-defining full-size segment by about 50 percent. Before the end of this year, the two high-end SUVs, the Q8 and the Audi e-tron, will extend the Four Rings' product offering in this prestigious segment.

Audi will launch new sporty SUVs also in the compact and midsize segments in 2018, thus significantly strengthening its market position for premium SUVs, for which demand is strong all over the world. In addition to the new Q3 generation, the sporty SQ2\* will have its premiere in the coming months. In China, Audi SUVs will be available for the first time as long-wheelbase versions: the Q2 L and the Q5 L. By the end of 2019, Audi will launch a total of eleven new SUVs, including further models without predecessors such as the Audi Q4, which is to be launched next year.

At Lamborghini, this year features the market launch of the world's first super SUV: The Lamborghini Urus (Combined fuel consumption in l/100 km: 12.3; Combined CO<sub>2</sub>-emissions in g/km: 279\*\*) will be delivered to the first customers this summer. Before it is even in the showrooms, advance orders have been received for the model in just one month in the volume of the total production in 2018. Ducati is continuing the expansion of its portfolio this year with five new motorcycles, including two without any predecessors. The Ducati Panigale V4 is the first bike to put racetrack technology on the road in the form of a four-cylinder series-produced engine, and the Scrambler 1100 extends the scrambler series, which is particularly popular with younger customers.



The large number of model launches and phase-outs in the context of the Audi model initiative, which will be particularly intensive in the second half of the year, will at first have a negative impact this year. Further challenges will result in 2018 from industry-wide homologation requirements in connection with the changeover to the Worldwide Harmonized Light Vehicles Test Procedure (WLTP).

In the first quarter of 2018, the Audi Group achieved revenue of €15,320 million (2017: €14,378 million) and operating profit of €1,300 million (2017: €1,244 million). The first-time adoption of new IFRS accounting standards led to a negative impact of approximately €0.1 billion on operating profit. The operating return on sales for the period of January through March was 8.5 percent (2017: 8.7 percent). Despite high upfront expenditures for new models, technologies and production equipment, the net cash flow amounted to €1,919 million (2017: €1,487 million).

For full-year 2018, AUDI AG maintains its target of an operating return on sales within the strategic target corridor of 8 to 10 percent, despite its ambitious agenda and challenging conditions. The company anticipates deliveries of Audi automobiles at the record level of 2017, when 1,878,105 automobiles were handed over to customers. Revenue at the Audi Group should rise slightly from last year's level of €60,128 million. As forecast in the current annual report, there may be considerable fluctuations in deliveries and financial key figures during the year.

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*\*This car is not yet on sale. It has not yet been homologated and is therefore not subject to the 1999/94/EG guideline.*

*\*\* Fuel consumption and CO2 emissions figures given in ranges depend on the tires/wheels used.*

*Further information on official fuel consumption figures and the official specific CO2 emissions of new passenger cars can be found in the "Guide on the fuel economy, CO2 emissions and power consumption of all new passenger car models," which is available free of charge at all sales dealerships and from DAT Deutsche Automobil Treuhand GmbH, Hellmuth-Hirth-Str. 1, 73760 Ostfildern-Scharnhausen, Germany ([www.dat.de](http://www.dat.de)).*

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 twelve 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 2017, the Audi Group delivered to customers about 1.878 million automobiles of the Audi brand, 3,815 sports cars of the Lamborghini brand and 55,900 motorcycles of the Ducati brand. In the 2017 fiscal year, AUDI AG achieved total revenue of €60.1 billion and an operating profit of €5.1 billion. At present, approximately 90,000 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.