



Corporate Communications

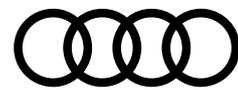
Susanne Killian
Spokeswoman Sales and Marketing
Phone: +49 841 89 715569
E-mail: susanne.killian@audi.de
www.audi-mediacyenter.com

October 2018

BASIC PRESS INFORMATION

Audi City

▶ Summary	2
▶ Audi City: The mission	3
▶ Locations	5
▶ Audi City Berlin	5
▶ Audi City Istanbul	6
▶ Audi City Paris	7
▶ Audi City Moscow	8
▶ Technology and architecture	10
▶ Visiting Audi City	10
▶ Audi City facts	12



► **Summary**

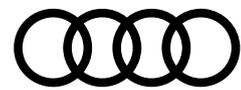
Audi City points the way in the future of premium car sales: This physical cyberstore presents Audi's entire model range using virtual technology throughout, and offers top-caliber personal advice and service. The showroom concept therefore blends digital innovation with the strengths of the physical dealership, and acts as the main innovation lab for digitally connected sales activities at Audi. At the forefront of developments in this pioneering field, the Company opened the first Audi City in 2012 and has since been gradually refining the successful formula.

The showroom concept welcomes guests to a new type of location for automotive sales: prime downtown sites in major international cities – from Berlin, Paris and Istanbul to Moscow and Warsaw. It is the first place where – with its compact dimensions – the entire model portfolio of the four rings can be experienced almost true to life, in virtual technology.

Using innovative media technology, fans and customers of the brand can customize their dream Audi from several hundred million different possible configurations, then experience it on almost 1:1 scale on floor-to-ceiling mega-screens .

Audi City offers a special brand experience, with no pressure. It doesn't matter whether visitors are there to surf through the world of Audi out of sheer curiosity, find out more about the latest technologies and services, or configure their own individual model with a specific intention to buy and place an order. On top of that, every guest visiting Audi City can access almost the entire range of services offered by a classic dealership – because in organizational terms the cyberstore acts as a satellite outlet of a conventional dealership.

AUDI AG is systematically extending its pioneering sales concept: Following on from the opening of the first Audi City in 2012, it has established additional locations like on Berlin's Kurfürstendamm (2014). In May 2016, Audi City Istanbul went online, with a further enhanced experience factor. The virtual Audi models are now represented with photorealism, and the digital technologies are now even more efficient in terms of energy consumption and cost. In June 2016, the Audi Cities in Paris and Moscow joined the network. The latest concept in Warsaw is benefiting from the experience of other locations since October 2018.



In parallel, the premium manufacturer is strengthening the integration of Audi City into its international dealer network by developing central elements from the digital showroom for flexible, modular use within dealerships. By the start of 2016, 30 dealers worldwide had already introduced digital modules from Audi City on their premises, with the figure set to reach around 800 dealerships by the end of 2018.

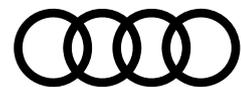
► **Audi City: The mission**

The automotive world is changing fast – and with it, the expectations and needs that people bring with them when looking to purchase a premium car. Today, nine out of ten customers thinking of buying a new car first do some fact-finding online. Ratings of products and brands on social networks are some of the most prominent sources of information available today, amid an almost unlimited range of digital formats. With most of the initial information being gathered in advance of the visit to the dealership, the expectations surrounding a sales consultation with dealership experts make the task all the more demanding – when it comes to comparing, weighing up and selecting from a steadily growing product offering. When considering tailor-made financial services, too, dialogue with the dealer is essential for add-on services such as mobility solutions, inspection packages or the trade-in of a used car.

For many people, spontaneous and uncomplicated contact with the brand is becoming increasingly important, be it on digital platforms or in real life – in a lunch break, during a weekend shopping trip or from the convenience of their own home. Audi has set itself the task of bringing together the benefits of the real and the digital worlds, to fully integrate them and thus create a perfect brand experience for the customer in a seamless fusion of the two worlds.

Audi City is one of the Company's responses to this development. The concept was developed specifically for prime locations at the center of international metropolises – for those places where trends are born, where social diversity is lived and breathed and leading brands from other sectors are located. Here, in the best retail locations, Audi City presents itself as a real-life cyberstore that connects physical space with the virtual world.

Center-stage is the digital and almost true-to-life representation of Audi models on floor-to-ceiling projection surfaces – the powerwalls. They enable dealerships to display

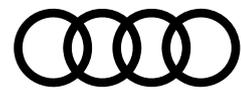


for the very first time the complete Audi portfolio. In the course of its model initiative, the brand has expanded the product lineup substantially over the last few years – from 23 basic models in 2007 to now over 50 at the end of 2015. With all colors, equipment options and functions there are now several hundred million possible configurations to choose from across the entire model range. Audi City evokes every single one in detail, thus picking up on the worldwide trend towards custom offerings. More and more customers want to drive their very own, customized Audi, and they want to see it in as much detail as possible right there in the dealership.

For that, customers have the assistance of the Audi expert. These staff members function as central contacts for all services – from the purchase of a new car to after sales matters. For more detailed discussions, there are Customer Private Lounges available in the Audi City – these are comfortable consultation suites in the style of an exclusive studio.

The Audi expert continues to provide assistance to their customers even after the sales conversation – organizing, for instance, Collect and Return services. To that end, every Audi City location is affiliated to a nearby Audi dealership. It serves as a center of expertise and a channel for arranging test drives and servicing, for example.

With Audi City, the brand is successfully developing premium car sales to the next level and is conquering new customers for the Four Rings. The response at the locations already opened confirms just how successful the concept is.



► **Locations**

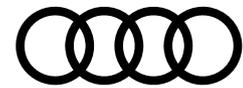
Audi City Berlin

The first all-digital showroom in Germany is situated directly on Kurfürstendamm, which has recaptured its status as an exclusive shopping boulevard and is at the very heart of the renaissance of the former West Berlin's downtown district.

Including the functional and office areas, the flagship store occupies around 800 square meters of floor space on the first two levels of a mixed-use building housing both stores and offices. The visitor is immediately greeted by a powerful statement of IT capability on the entrance level of Audi City, with three multi-touch tables communicating with five powerwall modules. Each floor-to-ceiling module is three meters high and five meters wide, with a total of more than 120 million pixels working in harmony. The virtual projection surfaces at Audi City Berlin measure almost 90 square meters in total. The upper and lower floors of the showroom house three Customer Private Lounges.

There are nine high-performance computers and six servers working in the background, with the power to transmit around 20 to 30 gigabytes of data per Audi model. Four physical display vehicles also complement the virtual brand and product presentation.

Audi City Berlin acts as a vital platform for occasions and events; this makes it a key location for the brand's wider role in the cultural life of the German capital, such as the Berlinale, which AUDI AG has been partnering since 2014.

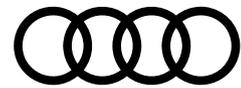


Audi City Istanbul

The second Audi City location worldwide internationally opened in May 2016 in Istanbul's İstinye Park shopping mall. The mall, one of the most exclusive of its kind in the Turkish metropolis, attracts some 17 million visitors each year.

For the latest development stage of the Audi City concept, both energy consumption and the hardware and running costs were halved. The digital technologies are even higher-performance and now offer photorealistic representations of the virtual Audi models.

The Istanbul location moreover uses the available space highly efficiently. The entire Audi portfolio can be called up on less than 250 square meters of floor space. This involves three powerwalls spanning a total of 87 square meters of wall surface. Tablets communicating directly with the powerwalls are used to configure and control the digital content. A Customer Private Lounge complete with its own multi-media wall is also available.

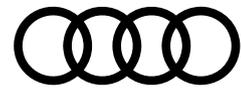


Audi City Paris

In June 2016, the fifth Audi City worldwide opened its doors at one of the top addresses in Paris. The brand with the four rings is now digitally represented right in the heart of the French capital, at its flagship store on the Place du Marché Saint-Honoré – in the direct vicinity of the famous Place Vendôme and Rue Saint-Honoré.

On an area covering around 355 square meters (*3,821 sq ft*), Audi City Paris offers a total of four Customer Private Lounges with space for personal consultations. For the first time, guests in Paris are also treated to an Audi Intelligence Lounge for a relaxed stay in an exclusive atmosphere.

The ceiling-high megascreens at Audi City Paris, which cover a total of around 40 square meters (*431 sq ft*), can also be used for impressive live broadcasts. All screens are interconnected for this purpose.

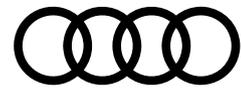


Audi City Moscow

The fourth location of the Audi City concept opened at the end of June 2016 in the Russian capital Moscow. Visitors can now experience the digital showroom of the brand with the four rings inside the bustling Nikol'skaya Plaza shopping center, in the direct vicinity of Red Square.

Audi City Moscow covers two stories and a space of around 600 square meters (6,458 sq ft). The floor-to-ceiling powerwalls give customers an intuitive way to configure their new cars. They can assemble their personal dream Audi here from several hundred million equipment combinations, and then admire a true-to-life image of it on the powerwalls. Two Customer Private Lounges with separate multi-touch tables and a multimedia wall are available for personal consultations.

The VIP Room on the upper floor of Audi City Moscow offers a place to relax in an exclusive atmosphere. On the ground floor there is an exclusive Audi Sport area where visitors can immerse themselves in the high-performance world of the brand.



Audi City Warsaw

The two stories of Audi City Warsaw showcase the new interior concept: Here, all of the contents are presented even more compactly and flexibly. As a result, the cars on display come into focus more, while virtual reality also plays a key role. A digital configuration of a customer's dream Audi, including all special equipment and customization options, can be created at various stations and viewed using VR headsets.

Two fully digitalized modules, called Customer Private Lounges, provide the conditions for a personal consultation in a private setting.

The latest development stage of the pioneering sales concept is also becoming far more efficient: Energy consumption as well as the costs for hardware and operation have fallen to a quarter.



► **Technology and architecture**

In highly desirable city-center locations, space is in particularly short supply – the Audi City concept turns this to its advantage: At an average of around 400 square meters, these compact stores have a floor area barely one-third of the showroom space available in most classic dealerships. This is made possible by digital product presentation, which gives Audi City a high degree of flexibility.

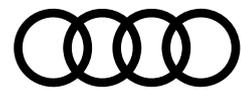
The content of the virtual presentations in Audi City can be adapted to the specific conditions of the individual markets and the main interests of the local visitors with just a few clicks. All Audi City locations are networked with one another and with a central server in Ingolstadt. Current product information, advertising campaigns and news from the world of Audi, as well as new visualization options, are directly uploaded into the presentation program.

Furthermore, the individual powerwalls in an Audi City can be switched together to create one giant screen – enabling room-filling broadcasts of events such as Audi motorsport activities or cultural events in which the Company is a supporting partner. These often present opportunities for exceptional events at the city stores. Audi City creates new contexts for a brand in dialogue, making it an integral part of urban life.

Audi City opens up new possibilities in product presentation – consciously placing its architectural concept in the background. Being clad almost entirely in digital projection surfaces and having a minimalist design language and color selection, the space takes a back seat to the content. The high-performance technology remains largely invisible to the visitor. Take the sophisticated sound concept, for example: It directs the sound so that only certain visitors can hear it – thus creating experiential spaces without the need for visible segregation.

Within its environment, the Audi City structure blends into its surrounding architecture. The showroom nevertheless defines the streetscape by enabling large-area media projections that are visible from outside through its almost fully glazed facade. It stands for the openness of Audi City and connects the brand to the public space of the city street.

► **Visiting Audi City**



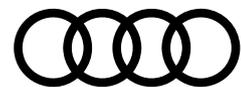
Audi City makes car buying a memorable experience, even before the first test drive. Visitors load their chosen car on tablets or the multi-touch tables and surf through the menus with finger gestures to explore the options in HD quality. If they so wish, they can consult the Audi guides, who will then explain the extensive information available and the digital experiential technology.

With a hand gesture, the customer can then transfer their personal configuration to the floor-to-ceiling powerwall, where they can experience the car almost on a 1:1 scale. The dynamic acoustic system ensures that the sounds that can be heard in front of the wall are the ones that fit specifically to the selected car and the content presented – e.g. engine sound, special music or spoken information.

For guests with a specific intention to buy, there are also separate Customer Private Lounges equipped with their own multi-touch tables and mega-screens. To enable visitors to personalize their individual dream car further, there are actual fabric, leather and paint samples, each with their own QR code. If the customer would like to try out different color and equipment combinations to assess their overall effect, the codes of the materials and colors on show can be scanned and integrated into the digital configuration on the powerwall.

Together with the Audi expert, the visitor can then place a direct order for their new car with the Audi factory. Alternatively, there is the option of saving an individual combination on the customer's smart phone via a QR code created at the end of the vehicle configuration process. This enables them to take their personal selection home and work on it there, during a subsequent visit to Audi City or at another Audi partner.

There are also reading devices on the multi-touch tables that recognize the customer's current configuration via the QR function and can reload them to the powerwall in a matter of seconds. In a conversation, the Audi City employee can immediately tune into the current status of the customer's decision-making process, thus saving time and improving the quality of advice provided.



▶ **Audi City facts**

Concept

- ▶ A retail format developed for city-center locations in major international cities
- ▶ Digital product presentation in exclusive stores of small to medium size
- ▶ Lifelike presentation of the entire model lineup, including all Audi technologies, equipment options and customization variables
- ▶ Personal advice and an exceptionally high service level
- ▶ Combination of extensive information options and outstanding experience quality
- ▶ Complete spectrum of sales and service offerings through networking with classic dealership
- ▶ Downtown locations for exclusive events
- ▶ Flexible integration into existing architecture
- ▶ Modular transfer of core technologies into the classic dealership format

Average display area

Approx. 400 m²

Number of possible vehicle display combinations

Several hundred million

Architecture

AUDI AG

Locations

Berlin:	Since February 2014
Istanbul	Since May 2016
Paris	Since June 2016
Moscow	Since June 2016
Warsaw	Since October 2018