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Audi is financially on track after the first quarter

- **Audi Group: €14.4 billion revenue, €1.2 billion operating profit, operating return on sales of 8.7 percent**
- **Audi CFO Axel Strotbek: “We are on target, and we continue to prioritize cost discipline in a challenging environment.”**
- **Profit before tax up by nearly 50 percent to €1.4 billion**

Ingolstadt, May 4, 2017 – In the first quarter of 2017, the Audi Group achieved a robust operating profit. While revenue remained at the level of the first quarter of last year the earnings figure actually rose slightly compared to the prior-year period which had been negatively influenced by special items. The operating return on sales for the first quarter is 8.7 percent.

In the months of January through March, the company delivered 422,603 automobiles of the Audi brand to customers, posting its best-ever first quarter of a year in Western Europe as well as North America. Due to a temporary special situation in China, where the Ingolstadt-based company is currently working with its local partners to define the strategic plan for the next growth phase, worldwide deliveries were 7.3 percent below the number sold in the first quarter of last year (455,869).

However, first-quarter revenue of €14,378 million was close to the prior-year figure (€14,511 million). New models such as the Audi Q2 and A5 contributed positively to this development. The operating profit of €1,244 million (Q1 2016: €1,202 million) reflects not only the success of the new models but also higher income from the settlement of currency hedges. On the other hand, there were negative effects from higher depreciation resulting from the expansion of the international production network and of the model and technology portfolio. Unlike in the prior-year period, operating profit in the first quarter of 2017 was not reduced by special items (Q1 2016: €100 million).

“With an operating return on sales of 8.7 percent, we are significantly within our target corridor of 8 to 10 percent at the end of a difficult quarter,” stated Axel Strotbek, Member of the Board of Management of AUDI AG for Finance and IT. That metric was 8.3 percent for the first quarter of last year. “We anticipate challenging conditions also in the coming months, but believe we are well prepared for them with our new models and market launches,” continued Strotbek.



Furthermore, Audi is systematically increasing its spending discipline and implementing its “Speed up!” program to ensure that it can continue to finance its strategic transformation out of its own cash flows.

The Audi Group achieved profit before tax of €1,425 million for the period of January through March, which is an increase of 48.6 percent compared with the prior-year period (Q1 2006: €959 million). The growth primarily reflects a significant increase in financial income. For example, the involvement of new investors in mapping provider HERE led to a positive effect of €183 million on income from investments accounted for using the equity method.

The net cash inflow in the first quarter increased to €1,517 million (Q1 2016: €1,185 million). This was the result not only of “Speed Up!” but also of lower cash outflows for investments in companies and for capital increases.

The company’s forecast for the full year remains unchanged. It aims to achieve slight growth in deliveries of Audi-brand cars as well as revenue compared with 2016. Operating profit is expected to be within the strategic return corridor of 8 to 10 percent of revenue.

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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 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 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.