

Communications Corporate

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2008 Annual Press Conference

Audi: Most successful fiscal year of all time

- **New record figures for vehicle sales, revenue and profit: 964,151 vehicles sold, revenue of € 33,617 million, profit before tax of € 2,915 million**
- **Audi Chairman Rupert Stadler: “Highest profit from operating activities in our company’s history to date”**
- **Board Member for Finance Axel Strotbek: “Audi is one of the most profitable companies in the international automotive industry”**
- **Profit-sharing: Average of almost €5,300 per employee**

Ingolstadt – In the 2007 fiscal year, AUDI AG once again achieved record figures for production, vehicle sales, revenue and profit. “We’re looking back on the most successful fiscal year in the history of our company: We have achieved the twelfth consecutive record year for vehicle sales and we were able to increase all of the key financial figures to new record levels – we call that qualitative growth, since only profitable growth can secure our competitiveness in the long term,” said Rupert Stadler, Chairman of the Board of Management of AUDI AG, at today’s Annual Press Conference in Ingolstadt.

With a rise of 5.7 percent in vehicle sales, the Audi Group’s **sales revenue** for the 2007 fiscal year attained a new record high of €33,617 million (€31,142)* – an increase of 7.9 percent. With an **operating result** of €2,705 million (€2,015), the company has registered significant growth of 34.2 percent. “This marks the highest profit from operating activities in the history of the company while also providing convincing evidence of the healthy and sustained growth of the Audi



Group,” emphasized Axel Strotbek, Member of the Board of Management for Finance and Organization of AUDI AG.

This success is particularly attributable to further improvements in the model mix through the sale of highly exclusive cars such as the Audi Q7, models from the TT family, the Audi A5 and the Audi R8 supersportscar. “This is reflected especially in the below-average rise in production costs in relation to the sales revenue – this is what we consider qualitative growth,” Strotbek said.

At €2,915 million (€1,946), the company once again recorded a new best figure for **profit before tax**. This represents a rise of 49.8 percent. **Profit after tax** was at €1,692 million (€1,343), up 26 percent.

The Audi Group achieved significant growth of 4.4 percentage points in the **return on investment**, to 18.6 (14.2) percent. The disproportionately sharp rise in earnings compared with revenue is also shown by the increase in the **rate of return** from 6.2 to 8.7 percent. “This means that Audi is one of the most profitable companies in the international automotive industry today,” was Strotbek’s evaluation of this development.

Twelfth successive record year for vehicle sales

Audi sold 964,151 (905,188) cars in the past year, an increase of over 6.5 percent compared with the previous year. The brand with the four rings chalked up record results in more than 50 markets.

In an otherwise declining overall market, Audi sold 254,014 cars in **Germany** (257,792, down 1.5 percent). With a record market share of 7.9 percent, the company achieved its best level in the national competitive environment in its history as a premium manufacturer.

AUDI AG further developed its position as a premium brand in growth markets as well as in mature markets: The company sold a record number of cars in **Western Europe**, at 650,407 (631,380, up 3 percent). The United Kingdom achieved the highest growth, with 100,712 cars sold (up 17.1 percent). In **Eastern Europe**, vehicle sales increased by one-third to 36,073 (27,083) units.

The biggest single foreign market in 2007 was **China** (including Hong Kong), with 101,996 cars sold (81,708, up 24.8 percent). In China, Audi remains the market leader by some distance in the premium segment. In J.D. Power’s customer satisfaction survey, the carmaker once again took first place in this growth market.



Audi sold 93,506 cars in the **USA** (90,116, up 3.8 percent).

The subsidiary **Lamborghini** recorded 15 percent growth, selling 2,406 of its supersportscars during 2007.

Record levels of car and engine production

The Audi Group produced 980,880 cars (including Lamborghini), thereby once again achieving a production record (up 5.9 percent, 926,180).

Another all-time high: 82 percent of total production came from Audi's Ingolstadt and Neckarsulm locations.

Engine production by the Audi Group climbed 1.1 percent to 1,915,633 units.

Growth secures employment and creates new jobs

Audi invests €2 billion per year in new products alone. The carmaker will expand its product portfolio over the next eight years from the current 25 models to 40. In 2015, the brand is targeting sales of 1.5 million cars. "In order to achieve our ambitious growth objectives, we need a dedicated team," Stadler emphasized. "After all, the basis of our success, aside from our cars, is the people who develop, produce and sell the cars – our employees."

Audi is rewarding employee performance with a performance-related profit share, which will be distributed in May. This year's total profit-sharing bonus will amount to an average of almost €5,300 per employee. "Compared with the competition, we are in an extremely strong position with this high profit-sharing bonus and are thus once again proving our attractiveness as an employer," Stadler said.

Audi recognized the company's growing need for university graduates, especially engineers, with 600 new hires in 2007. "While many other carmakers are cutting back on jobs, we're creating additional ones," Stadler added. This year, Audi will hire 800 university graduates and around 700 apprentices.

The number of employees in the Audi Group went up slightly on average to the previous year to 53,347 people (up 2 percent, 52,297). Of these, 44,698 (44,701) were employed at AUDI AG, including 31,369 (31,276) in Ingolstadt and 13,329 (13,425) in Neckarsulm. With 2,002 (2,031) apprentices in 20 different trades, AUDI AG has maintained the number of those in training at the German plants at the previous year's high level.



Outlook for 2008: securing sustainable, profitable growth

Audi has experienced a superb start to 2008: The brand recorded a sales increase of 4.7 percent in January. This positive trend continued with 71,348 vehicles sold in February, a rise of 2.6 percent. The new Audi A4 Avant will have positive effects in both quantitative and qualitative growth this year. "We are on course to exceed the million mark for vehicle sales this year. We are going to consistently follow our path of profitable growth," Stadler said. With the record levels achieved in 2007, Audi is among the most profitable companies in the international automotive industry. "This lays the financial foundation for future growth based on our own strength," Stadler emphasized.

Audi will also meet the external challenges to the automotive industry. The company has long been conscious of its responsibility toward protecting the environment: Compared with 1990, Audi now requires 36 percent less fuel to generate a kilowatt (1.36 hp) of power. And in the future, the carmaker will offer an efficiency model in each of its high-volume model lines. "We will further strengthen our capabilities in lightweight design, improve aerodynamics, minimize frictional losses and optimize electronic components," was the Audi Chairman's outlook.

The company will continue to focus on a host of measures as part of its innovation strategy, and on diesel technology in particular. "Our TDI will become the cleanest diesel in the world this year, and will achieve this through our ultra low emission system," Stadler said. This will reduce nitric oxide emissions by up to 90 percent. "With systems like this, we will play an active part in shaping the future of the automotive industry."

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*) Growth rates compared to the previous year and, if applicable, previous year's levels are in parentheses

Photographs and information can be obtained at www.audi-mediaservices.com/en

AUDI AG sold a total of 964,151 cars in 2007 and thus achieved its twelfth consecutive record year. Audi produces vehicles in Ingolstadt and Neckarsulm (Germany), Győr (Hungary), Changchun (China) and Brussels (Belgium). At the end of 2007, production of the Audi A6 started in Aurangabad, India. The company is active in more than 100 markets worldwide. AUDI AG's wholly owned subsidiaries include Automobili Lamborghini Holding S.p.A. in Sant'Agata Bolognese, Italy, and quattro GmbH in Neckarsulm. Audi employs about 54,000 people worldwide, including 45,000 in Germany. The brand with the four rings invests more than € 2 billion each year in order to sustain the company's technological lead embodied in its "Vorsprung durch Technik" slogan. Audi plans to nearly double the number of models in its portfolio by 2015, from the 25 currently on offer to 40.