

Audi of America

Barclays Global Automotive Conference

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Disclaimer

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If any of these or other risks occur, or if the assumptions underlying any of these statements prove incorrect, the actual results may significantly differ from those expressed or implied by such statements.

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Audi Brand Identity



Sporty

Progressive



Sophisticated



Audi Premium Segmentation

	Sedan*	SUV	Coupe	Cabrio/ Roadster	Hatchback	Wagon
A0						
A	A3	Q3		A3	A3	
B	A4	Q5	A5 TT	A5 TT		allroad
C	A6 A7	Q7				
D	A8		R8	R8		
E						

*Sedan includes Sportback

90%

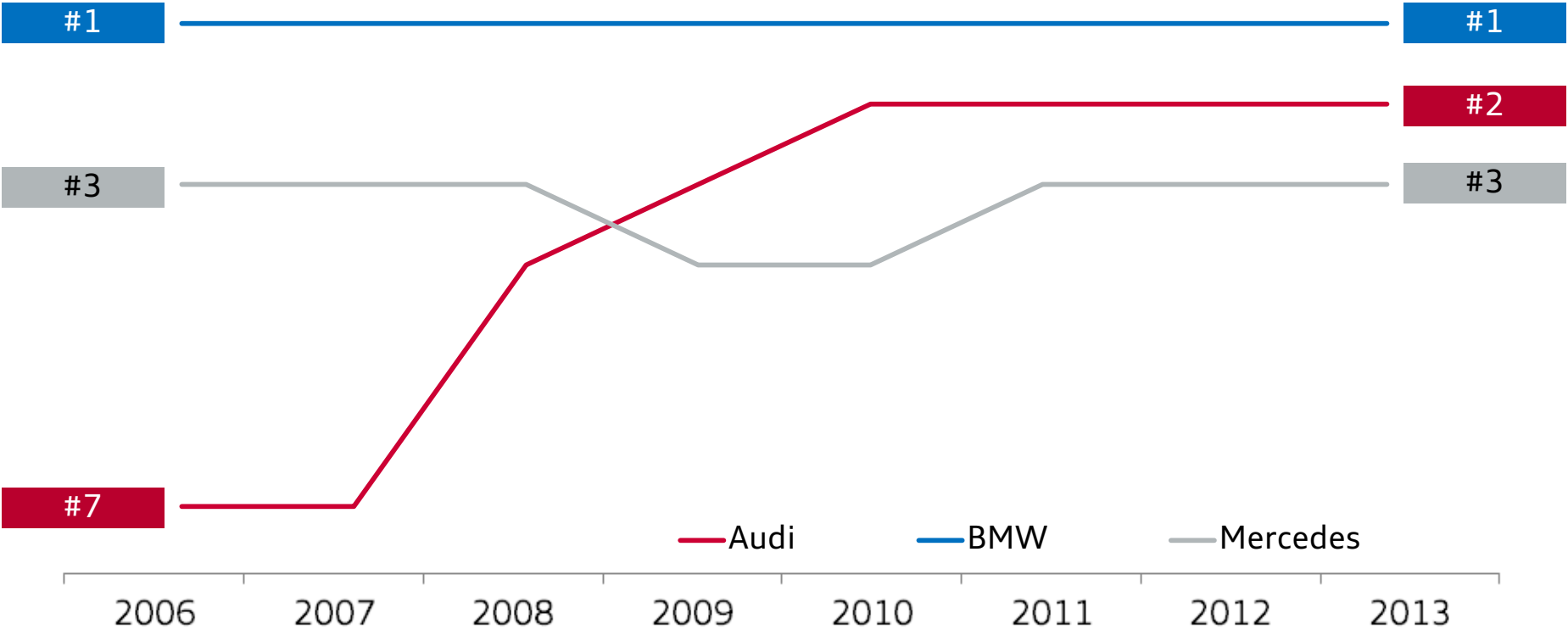
Audi Sales Volume
Growth in U.S.
2009-2013

46

Consecutive
Months
Record Sales

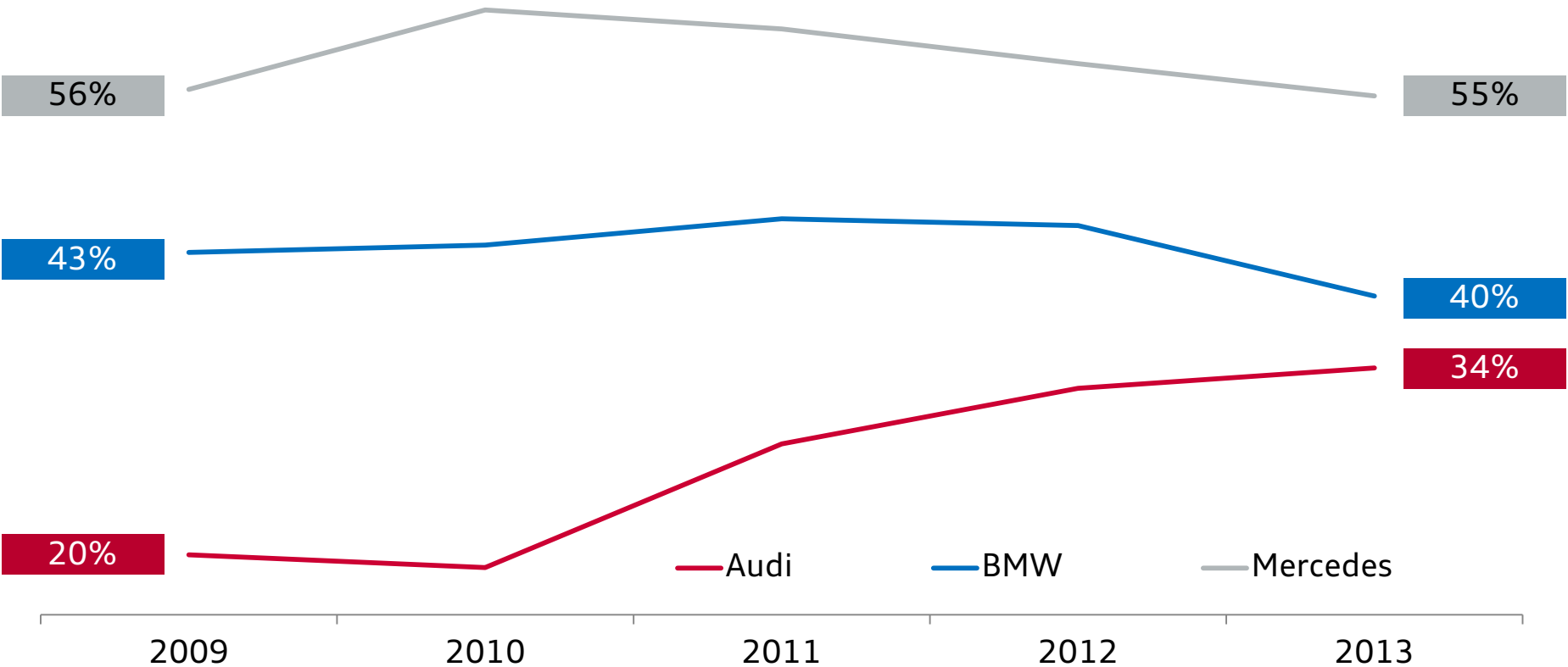


#2 Top Cross Shopped Premium Brand



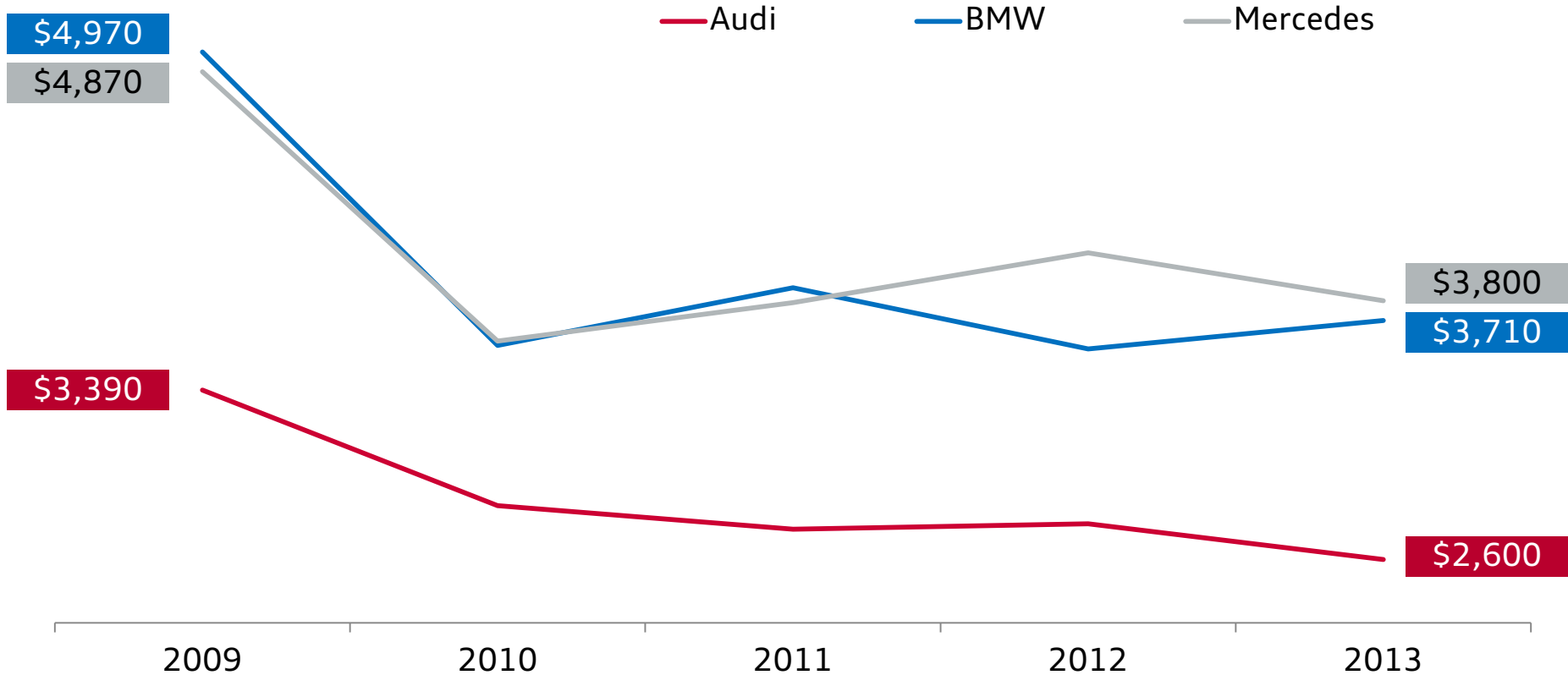
Source: Strategic Vision NVES, 2013 Wave 3

Growth in High End Models (C/D Mix %)



Source: Autodata (U.S. Market)

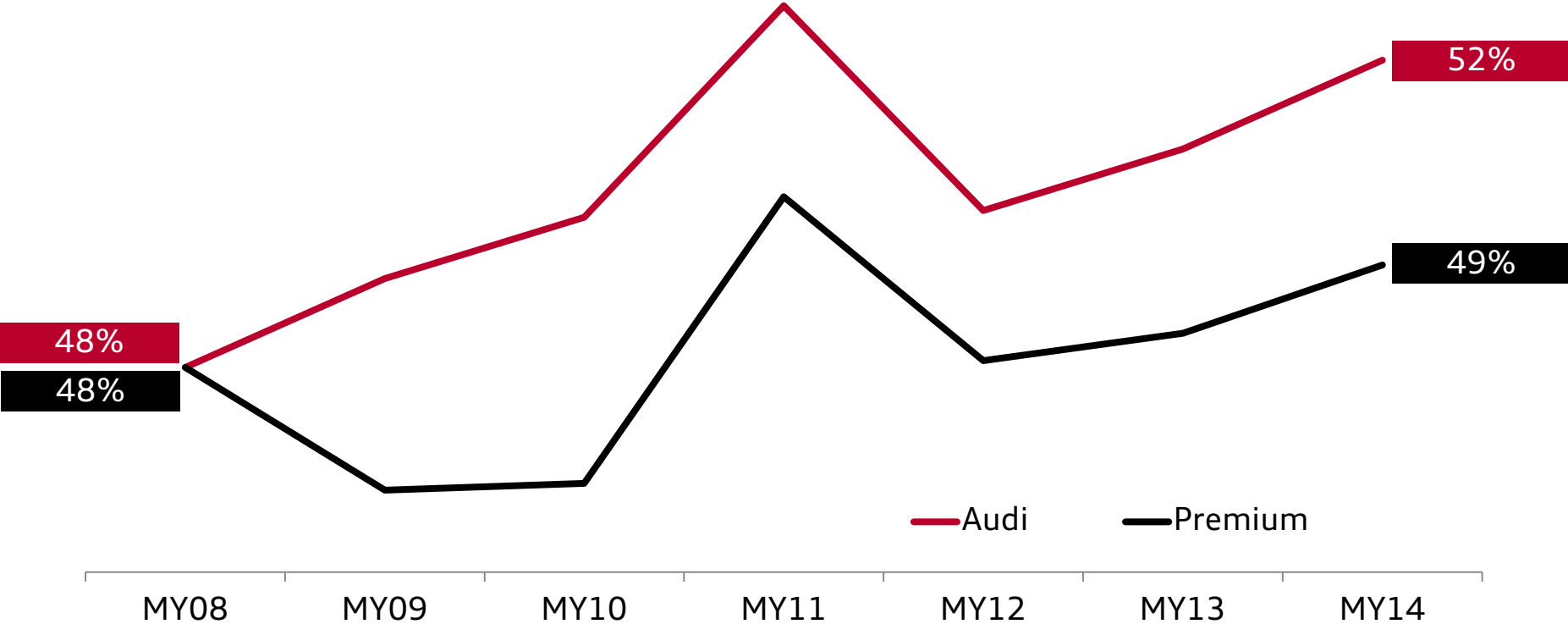
Low Retail Incentive Spend per Vehicle



Source: Autodata (U.S. Market)

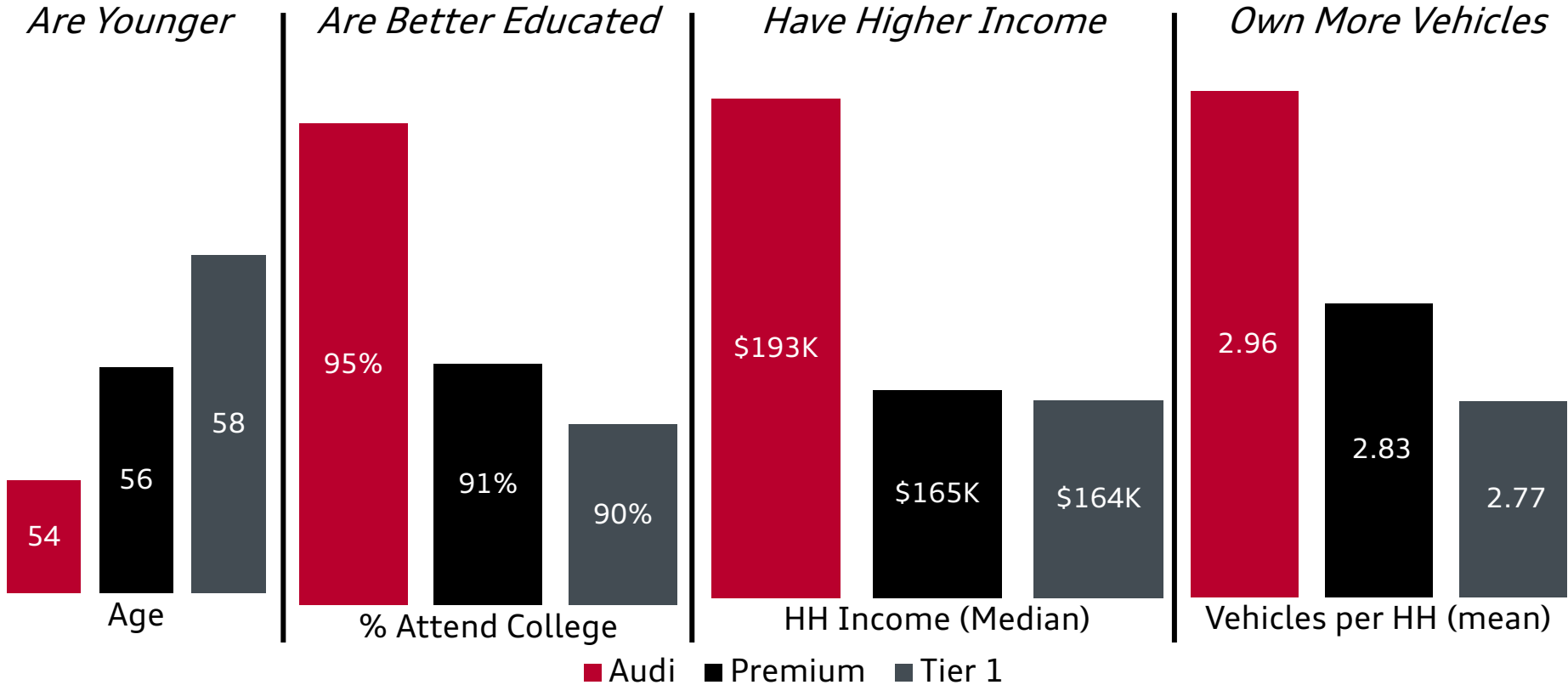


Strong Residual Values



Source: Autodata (U.S. Market)
*Premium Competitive Set: BMW, Mercedes, Lexus, Land Rover, Volvo, Jaguar, Acura, Infiniti, Porsche, Saab, Mini
**Residual values based on 10,000 miles/year, 36 months

Audi customers...



Source: Maritz NVCS, IHS Automotive (U.S. Market, 2013)
Premium Competitive Set: BMW, Mercedes, Lexus, Land Rover, Volvo, Jaguar, Acura, Infiniti, Porsche, Saab, Mini
Tier 1 Competitive Set: BMW, Mercedes, Lexus

90%

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Consecutive
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Growth in High End Models

Low Retail Incentive Spend

Increased Pricing Power

Healthy Lease Penetration

Strong Residual Values

HOW?



A Clear Understanding of the Market



Comprehensive Strategy



Dedication to Customer Delight



Marketing Excellence



Exciting Product



Committed Partners

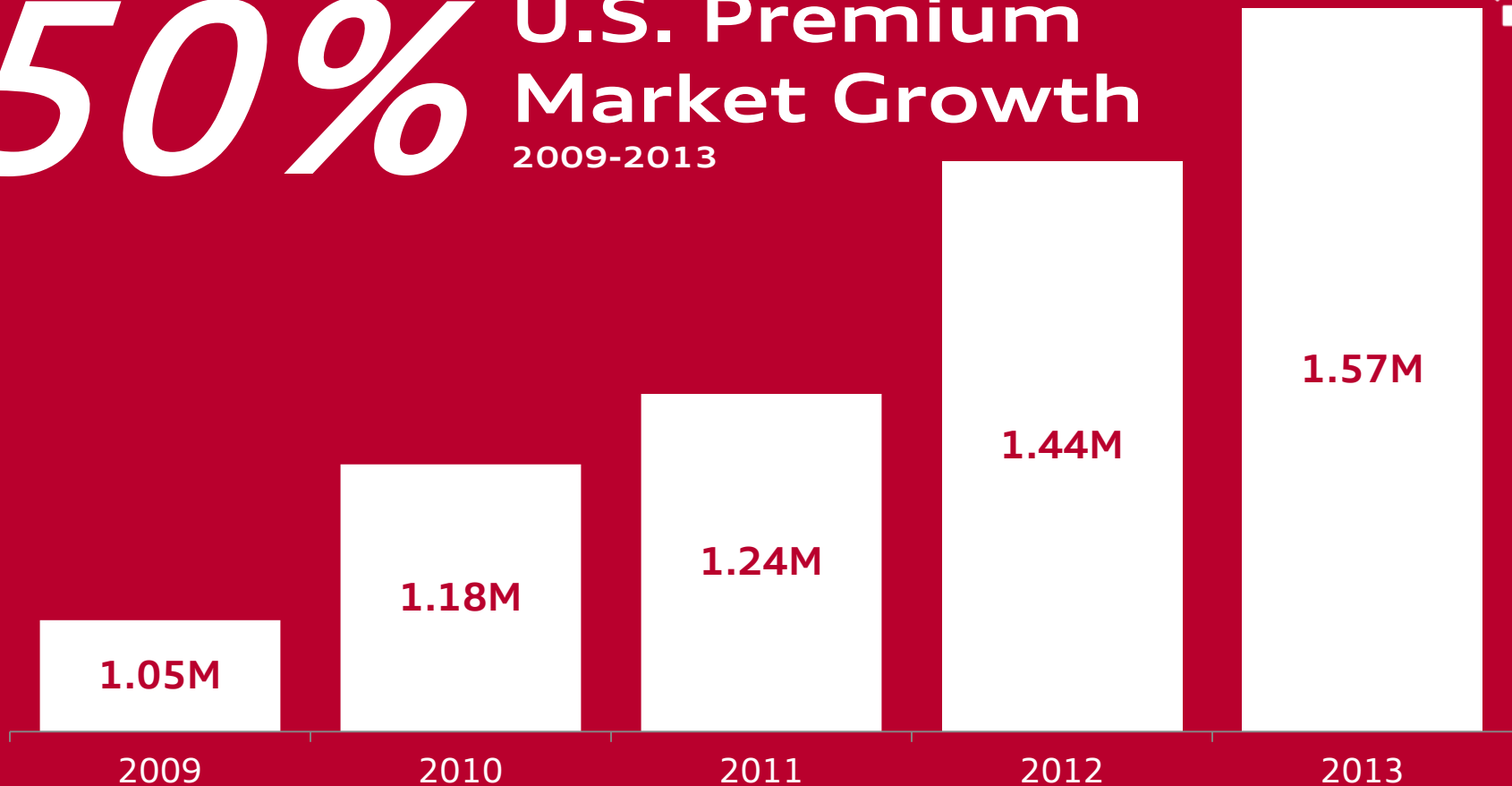


Innovation Aligned with the Future

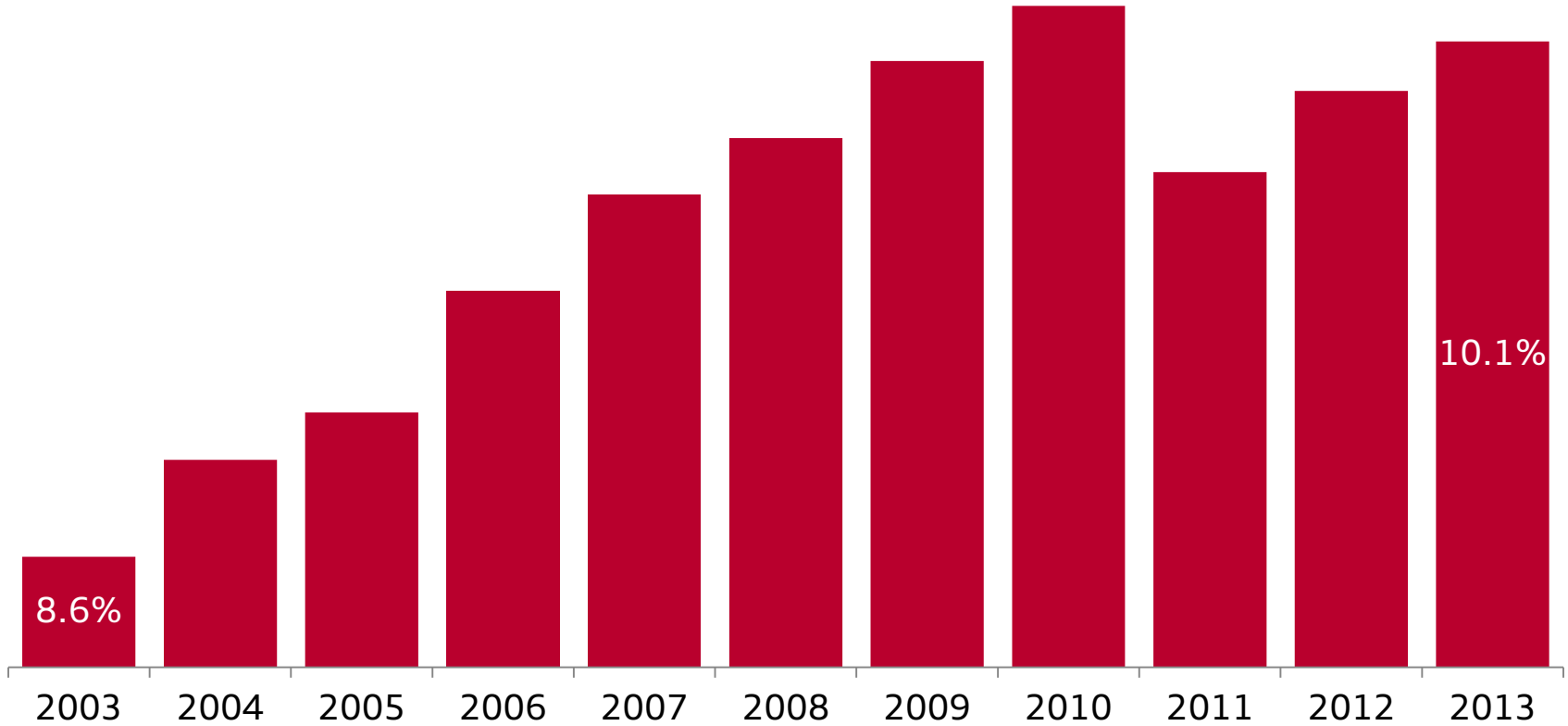


50%

U.S. Premium Market Growth 2009-2013



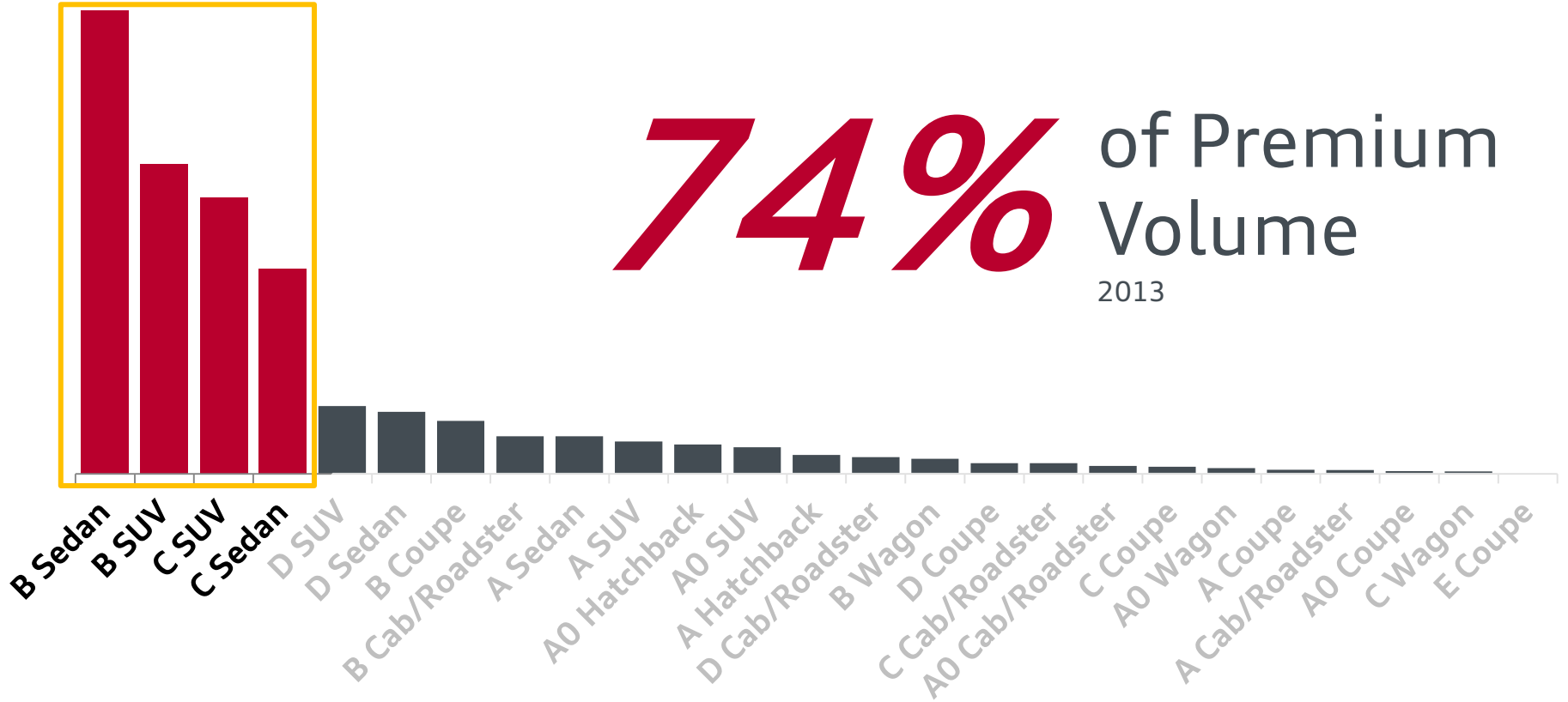
Premium share of U.S. Total Light Vehicle Market



Source: Autodata (U.S. Market)

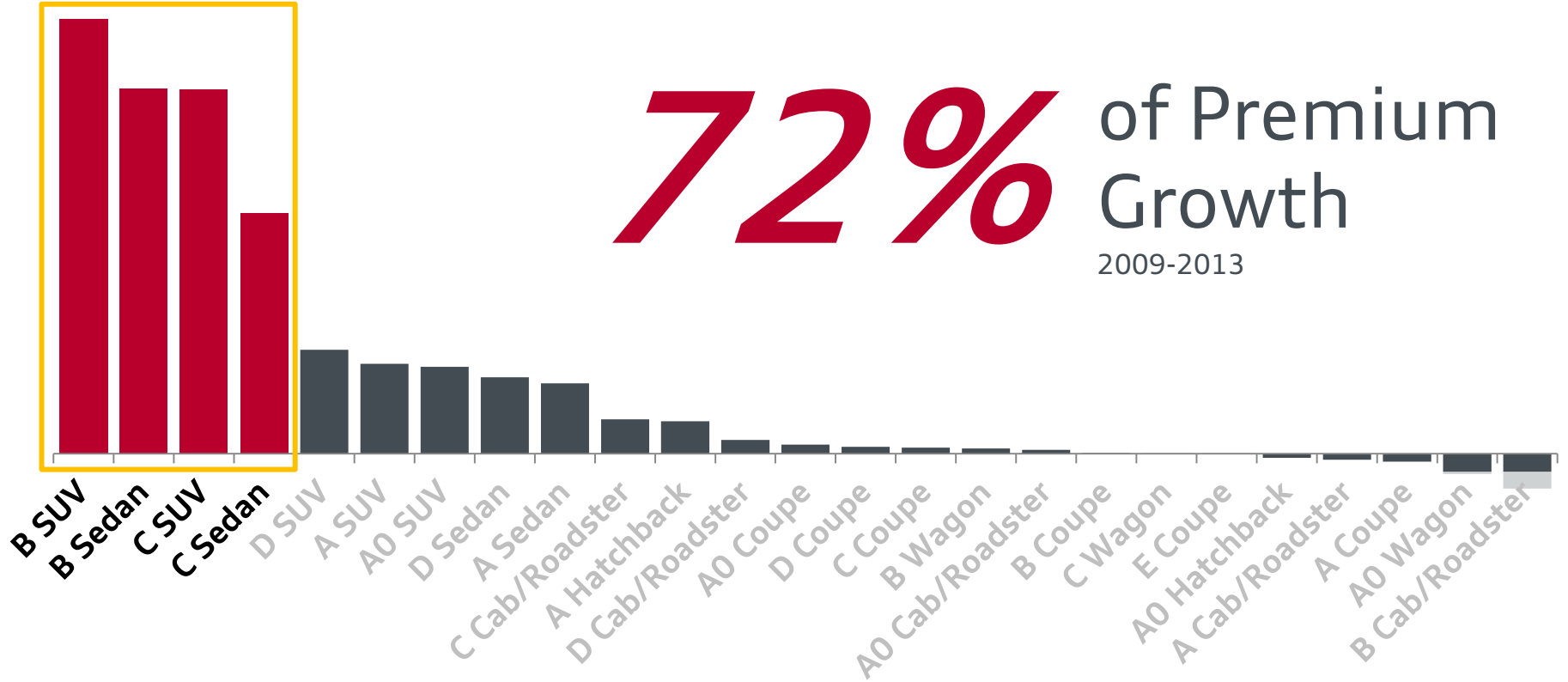


The Core 4 Segments



Source: IHS Automotive (U.S. Market, 2013)

The Core 4 Segments

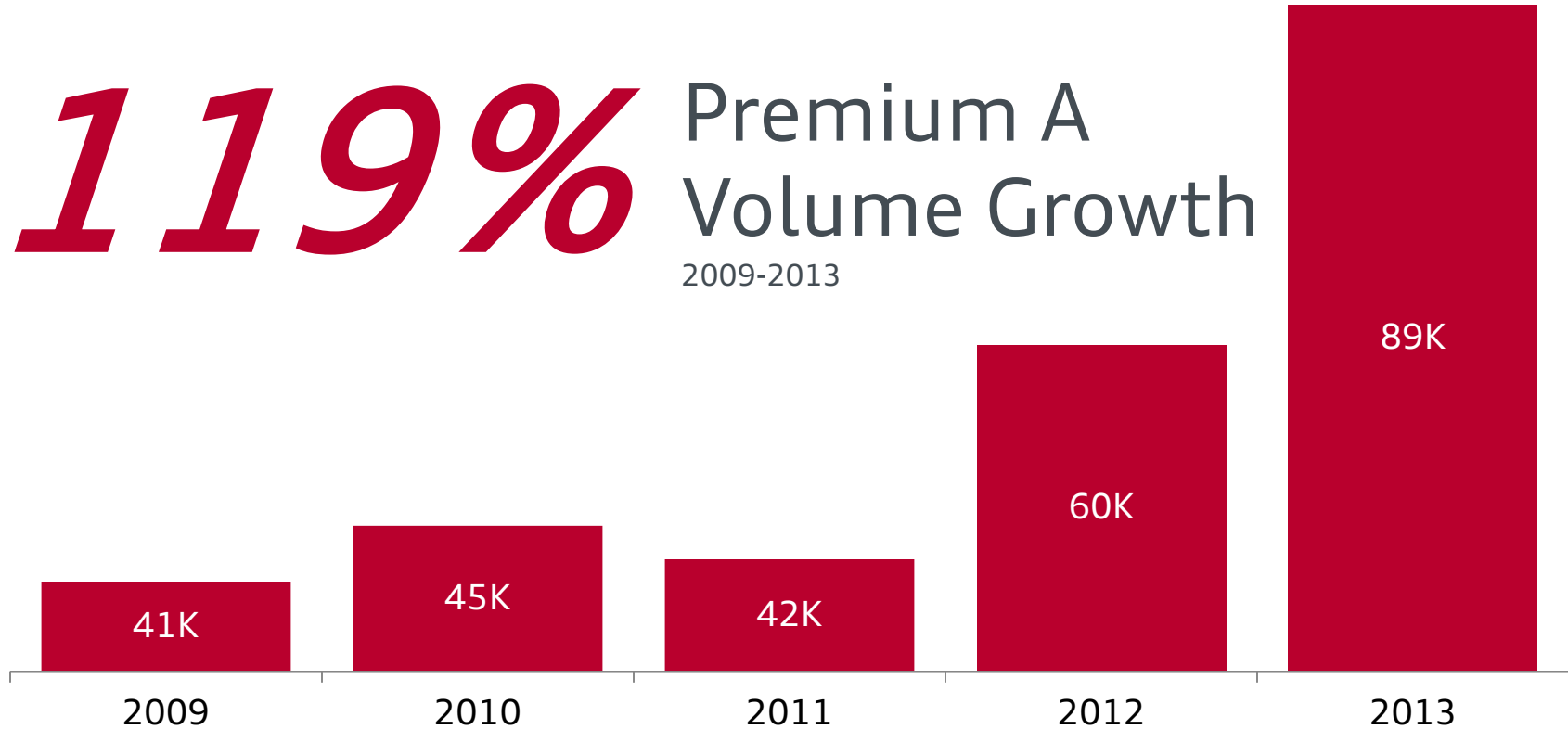


Source: IHS Automotive (U.S. Market, 2009-2013)

Growth of Premium A segment



119% Premium A
Volume Growth
2009-2013

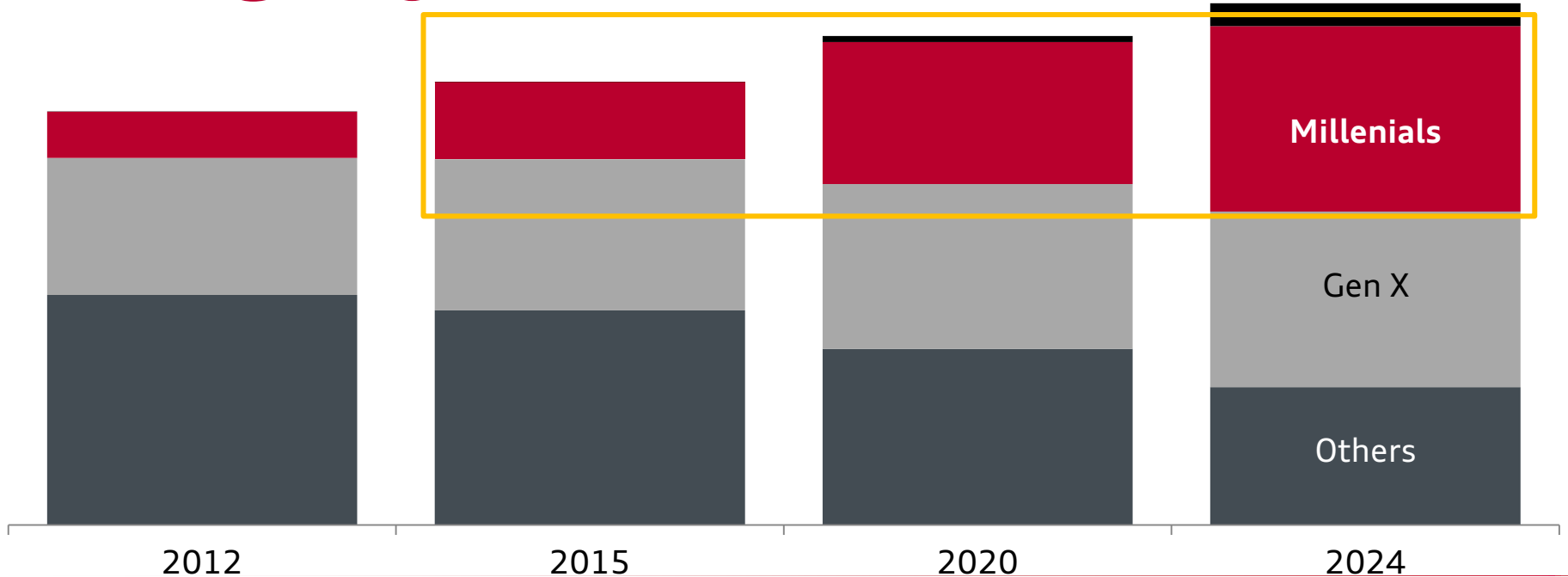




Demographics of Premium Market Growth

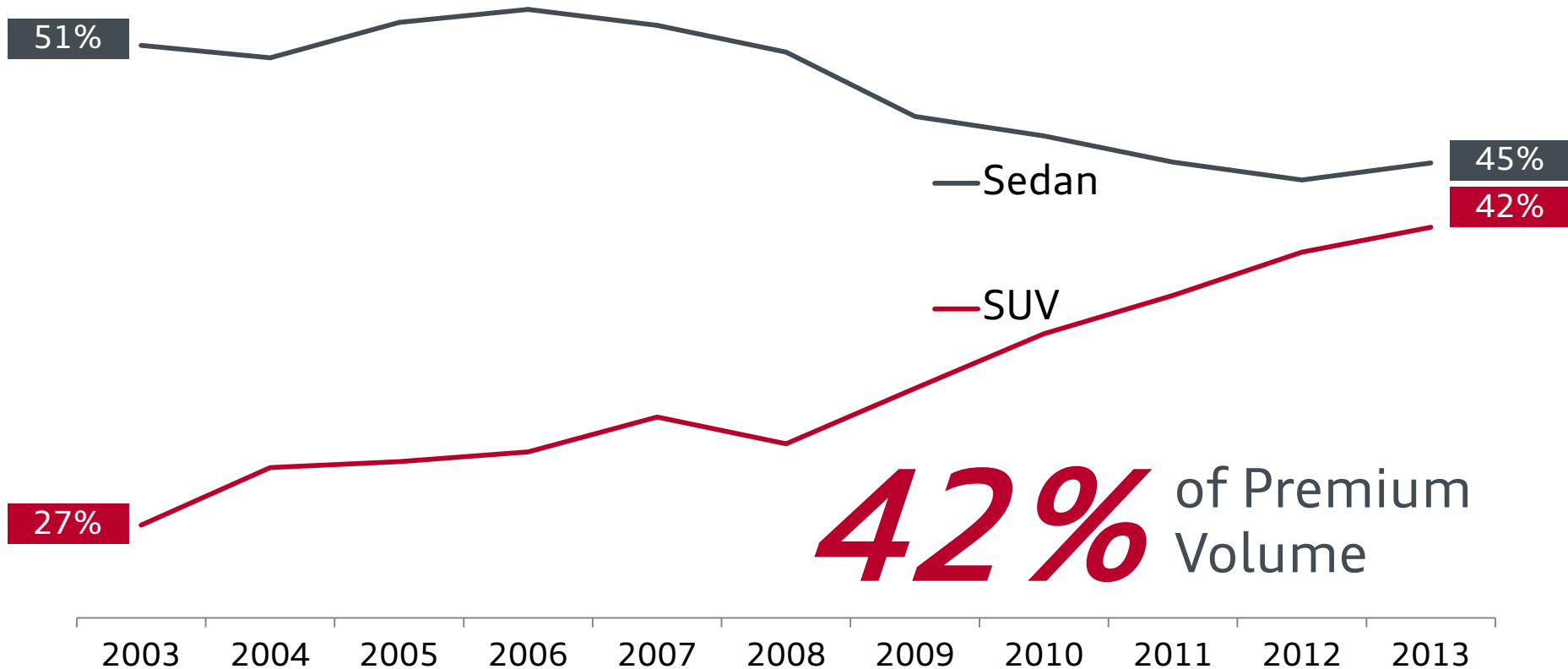
From 2015-2024,

70% of \$100K+ Household Growth



Source: Market Outlook, 2013 (\$100K+ Households), 2015-2024

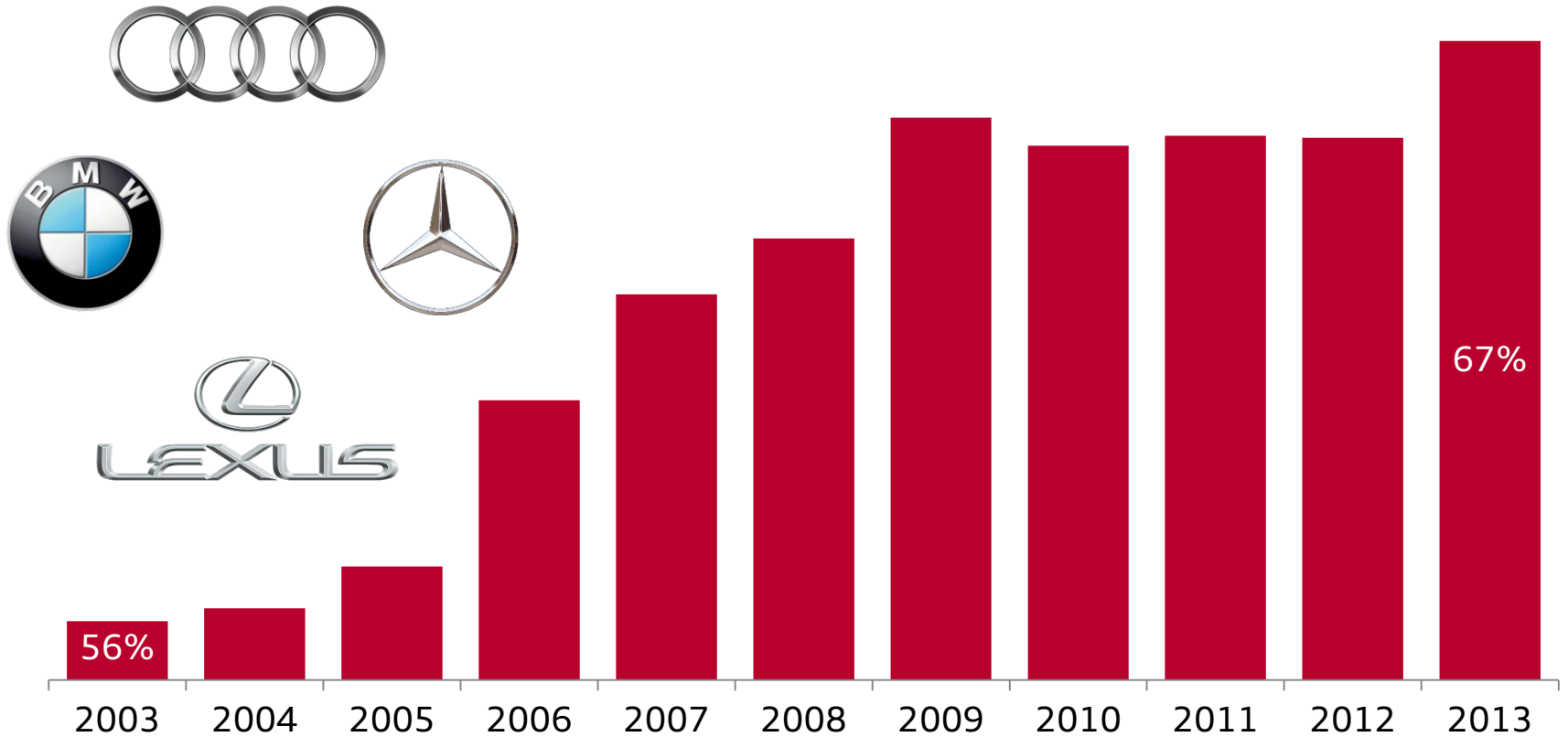
America's Love Affair with Premium SUVs



Source: IHS Automotive (U.S. Market, 2003-2013)

* The unaccounted percentages came from the other bodystyles (ex. Coupe, Cabrio/Roadster, Wagon)

Tier 1 Brand Share of Premium Market

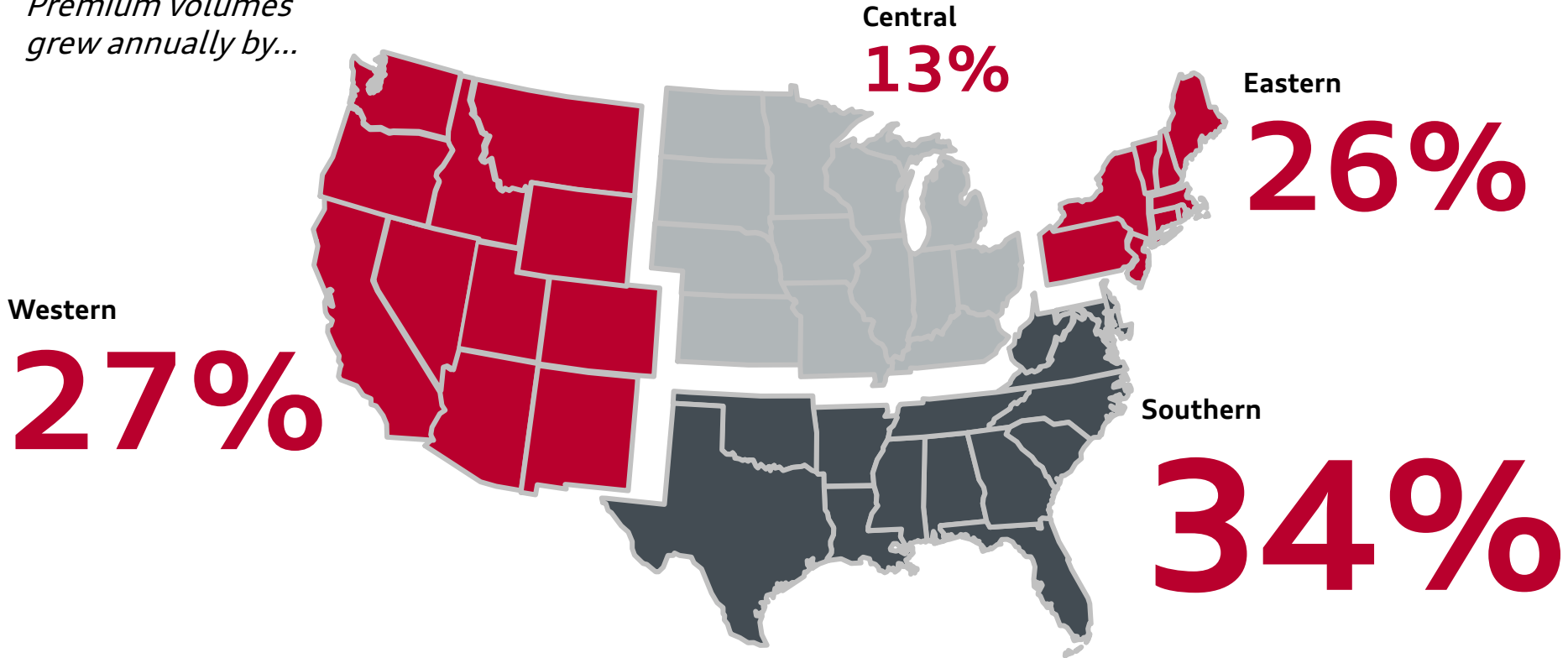


Source: IHS Automotive (U.S. Market, 2003-2013)



Regional Growth

*From 2009-2013,
Premium volumes
grew annually by...*



Source: Polk (U.S. Market)



Comprehensive Strategy

Putting it in perspective



Win trust of market

Strategy:

- ▶ Build Brand
- ▶ Capitalize on product quality

Actions:

- ▶ Invest in network and top priority markets
- ▶ Product portfolio
- ▶ Reduce incentives
- ▶ Strengthen residuals



Putting it in perspective



Aspirational, Familiar Brand

Strategy:

- ▶ Expand customer base
- ▶ Leverage products
- ▶ Drive traffic
- ▶ Growth via conquest

Actions:

- ▶ Assertive marketing
- ▶ Strengthen organization
- ▶ Dealer partnerships
- ▶ Execute product portfolio



Putting it in perspective



Audi of America STRATEGY **1** / 2020





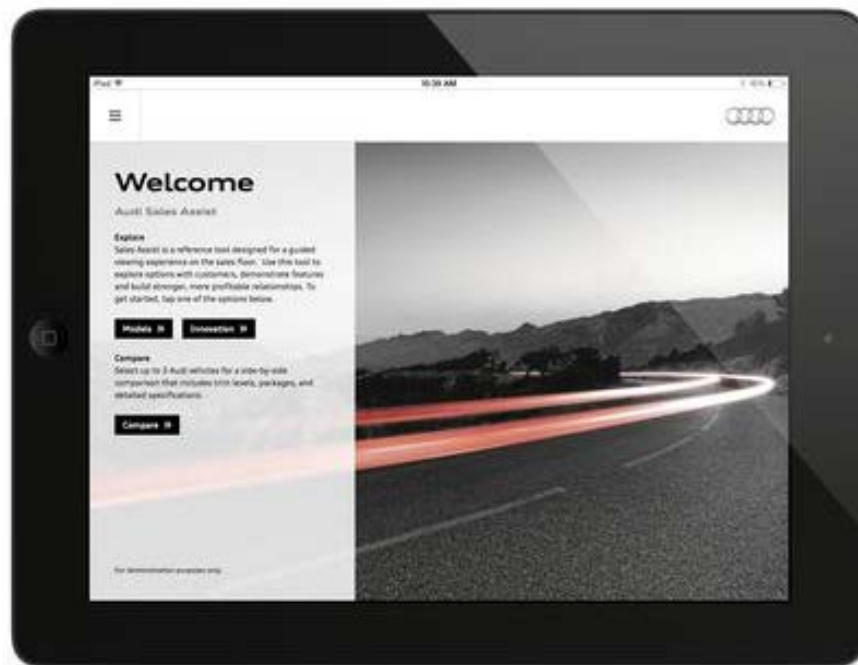
Kunden begeis terung.

Kundenbegeisterung is more
than a word.

It's our *mission*.

*Simply translated it means
"inspiring customer delight."
But it's more than that. It's
going above and beyond to
create lifelong Audi fans.*

*Without you, it's just a word.
With you, it's our mission.*



Significant Progress since 2009



2009

Today

SSI

26th

9th

2014

CSI

12th

2nd

2014

Loyalty

40%

46%

2014



Marketing Excellence

Leveraging Traditional and Digital Marketing



13.5M Views

20M Impressions

36M Impressions



Innovative Marketing



Red Carpet Sponsorships





Exciting Products

Audi Q5



Audi A6



Audi A3



2014
IIHS

TOP
SAFETY
PICK



WORLD CAR OF THE YEAR
WORLD CAR AWARDS



Truth in Engineering



2015+ Exciting new product refreshes and launches



2015+ Exciting new product refreshes and launches





Committed Partners



Nearly \$1 Billion in U.S. Dealer Investments



45 new terminals through 2013

28 new terminals in 2014

23 new terminals in 2015

Currently **116** active projects

41% of Dealers

Committed Employees



STRATEGY 1 2020

AoA is dedicated to becoming a top US employer with highly motivated, efficient and engaged individuals. AoA will achieve this goal by enhancing system support, reviewing core business processes to overcome bottlenecks, improving communications between employees and the dealer organization, and providing specific training to allow all professionals to reach their full potential.

GREAT
PLACE
TO
WORK[®]



\$30B

Audi AG Investment
through 2018

New
Products
Facilities
Technologies

Innovation at 149 MPH



...And 5 MPH



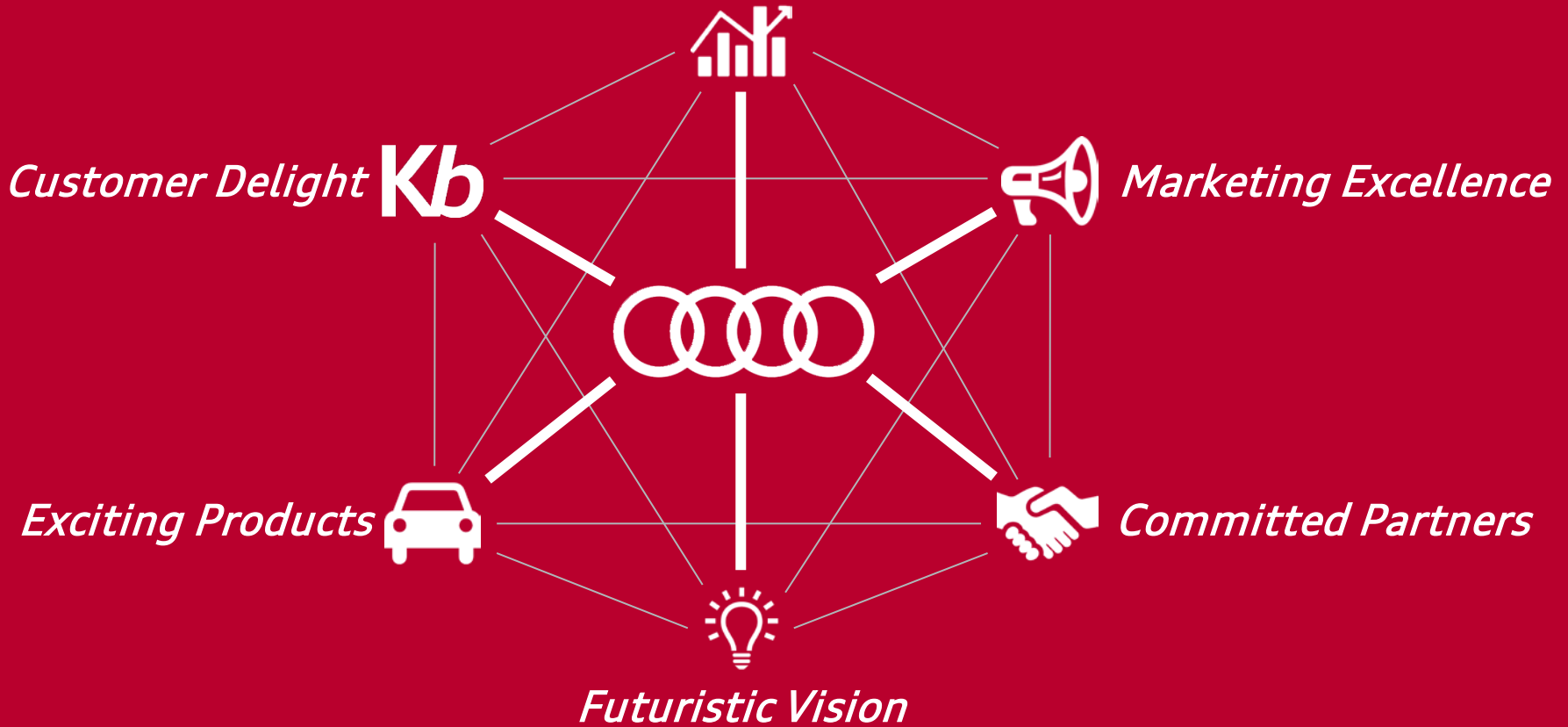
Audi Virtual Cockpit



Progressive Design



Market Understanding



90%

Audi Sales Volume
Growth in U.S.
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Source: Autodata (U.S. Market)

Growth in High End Models

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Healthy Lease Penetration

Strong Residual Values

Audi is ready.



Are you?

