## Record year 2010

# Audi continues pattern of growth

In the past fiscal year the Audi Group displayed its international competitiveness impressively and achieved historic peak figures for production, deliveries and in all key financial performance indicators.

### Deliveries to customers

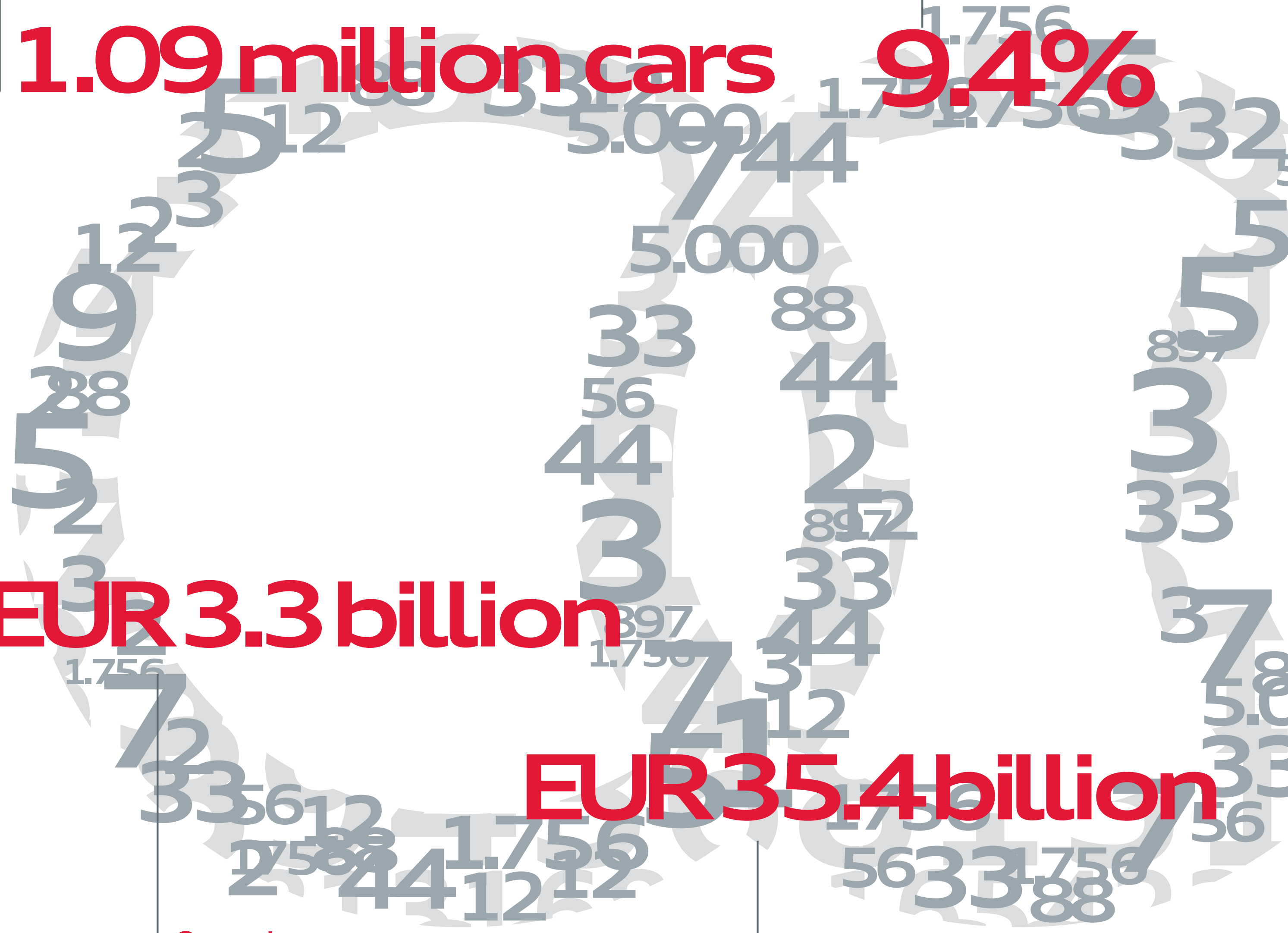
**The Audi brand achieved the strongest sales figures in its history in 2010. In all, 1,092,411 Audi cars were sold worldwide – an increase of 15.0 percent.**

## 1.09 million cars

### Operating return on sales

**The operating return on sales, at 9.4 percent, represents a new peak for the Audi Group. This once again places the Ingolstadt-based premium car manufacturer among the world's most profitable carmakers.**

## 9.4%



## EUR 3.3 billion

## EUR 35.4 billion

### Operating profit

**The Audi Group more than doubled its operating profit in 2010 to over EUR 3.3 billion. The Company achieved the highest profit from operating activities in its history and made further convincing advances in its quest for sustainable and profitable growth.**

### Revenue

**The Audi Group increased its revenue in 2010 by 18.8 percent to a new record level of EUR 35.4 billion. The most decisive factor in this was the increase in worldwide demand for the Audi brand's attractive and efficient cars.**

## Net cash flow

With a net cash flow of more than EUR 3.5 billion, the Audi Group was able to fully finance the investment activities for current operations from the Company's own funds, as has been the case in recent years. The Company meanwhile achieved the biggest surplus in its history.

## Employees

The Audi Group employed an average of 59,513 people worldwide in 2010 – more than ever before. Another 1,200 specialists will be hired in 2011, primarily for the areas of electric mobility and lightweight design.


## Return on investment

Return on investment, at 24.7 percent, significantly surpassed the previous record figure of 19.8 percent from 2008. This is further evidence of the Company's high profitability.

## Investments

The Audi Group increased its total investment volume in 2010 by more than 16 percent to EUR 2.1 billion. The investments were focused primarily on new products and technologies of the future. At the same time, the largest investment program in the Company's history was adopted for the years 2011 to 2016.

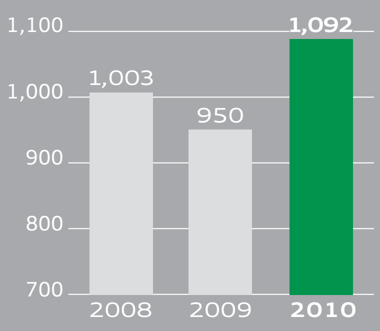
Audi: the number one premium brand. This is the clearly formulated vision for the Audi Group. It calls for Audi to assume worldwide leadership in the premium segment in the long term. To achieve this ambitious goal, the Company is focusing above all on delighting its customers. With expertise, passion and agility, Audi wants to win customers by offering the best brand experience along with innovative and emotional products. The plan calls for 1.5 million Audi brand cars to be delivered to customers in 2015. The Company is therefore intensifying its involvement in international automotive markets and is further developing its worldwide network of dealers and service centers accordingly. Aside from the United States, particular focus is on the growth markets of China and India. At the same time, the attractive product portfolio will be expanded to 42 models by 2015.

As part of the long-term model initiative, the Audi brand also again expanded its range in 2010 with several new arrivals. In addition to the new generation of the Audi A8 and the new Audi R8 Spyder*, the new A1 and A7 Sportback* models in particular have delighted customers with their emotional design, sporty handling, efficiency and a fun driving experience.

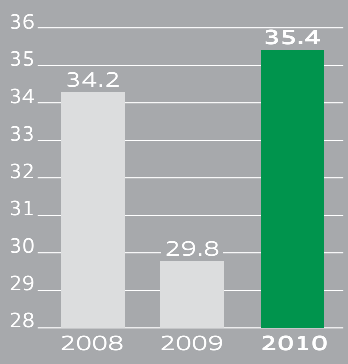
The newly introduced models already had a positive impact on the growth of total deliveries in 2010. The Audi Group increased deliveries of Audi brand cars to the new record amount of 1,092,411 units. With a 15.0 percent increase, the brand with the four rings grew at an above-average pace in comparison with worldwide demand for cars. At the same time, the Audi Group's revenue rose by 18.8 percent to a new record amount of more than EUR 35.4 billion. As part of its qualitative growth strategy, the Audi Group is striving for sustainable, superior financial strength. In addition to stable revenue growth, the Company is primarily focusing on effective and efficient processes and structures, continuous optimization of costs and systematic investment management. The Audi Group more than doubled its operating profit in the past fiscal year and achieved a new record profit of more than EUR 3.3 billion from operating activities. With this, the operating return on sales also reached a new record level of 9.4 percent, after reaching 5.4 percent in the previous year, and once again secured the Audi Group's position among the world's most profitable car manufacturers.

At the same time the Company once again displayed its impressive ability to self-finance. Although investments increased from the previous year, the Audi Group was able to finance these investments completely from its cash flow from operating activities. In the process, the Company actually achieved a significant surplus and increased net cash flow to more than EUR 3.5 billion. This also resulted in an increase in net liquidity to a new record amount of EUR 13.4 billion.

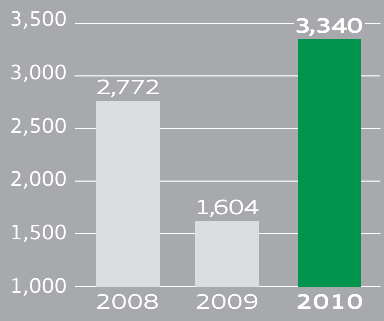
**Deliveries of Audi vehicles**
(thousands)




**Revenue**
(EUR billion)




**Operating profit**
(EUR million)




The 2010 fiscal year was another important milestone for the Audi Group on its way to becoming the world's number one premium brand – and the Company will continue to follow this path to growth in 2011. In addition to the successful market launches of the past year, the new generation of the Audi A6, the new Audi Q3 and other derivatives of the A1 model line in particular will stimulate additional demand. The Audi brand will also offer a full hybrid this year with the new Audi Q5 hybrid quattro*. The A6 hybrid and the A8 hybrid will follow at a later time, along with a small production series of the Audi e-tron supercar, which is powered solely by electricity. The Audi Group's plans calling for the biggest investment program in company history are primarily aimed at developing new, attractive products and advanced technologies such as hybridization and electric mobility. Over the next five years more than EUR 11 billion will be invested in achieving sustainable, profitable growth over the long term, and thereby becoming the world's leading car manufacturer in the premium segment.



* Fuel consumption and emission figures at the end of the Annual Report

# Audi Group Finances 2010



The fuel consumption and emission figures for the vehicles named in the Management Report of the Audi Group are listed from page 249 onward.



Note: All figures are rounded off, which may lead to minor deviations when added up.

## AUDI GROUP
## STRUCTURE

### Company
Comprising the two brands Audi and Lamborghini, the Audi Group is one of the world's leading carmakers in the premium and supercar segments.
At the core of the Company is the Audi brand, whose vehicles delight customers with their outstanding, modern design, technological innovations and high build quality. The focus is always on the ambition to develop pioneering automotive concepts that therefore fulfill customers' high expectations. This philosophy is manifested in the brand essence "Vorsprung durch Technik" – which encompasses the brand values sportiness, sophistication and progressiveness – and is demonstrated to customers through the steadily growing array of Audi models.
Thanks to generally rising demand as well as its attractive product range, the Audi brand increased its vehicle deliveries in over 80 markets in fiscal 2010, achieving the record tally of 1,092,411 vehicles sold.

**AUDI VEHICLE DELIVERIES BY REGION**

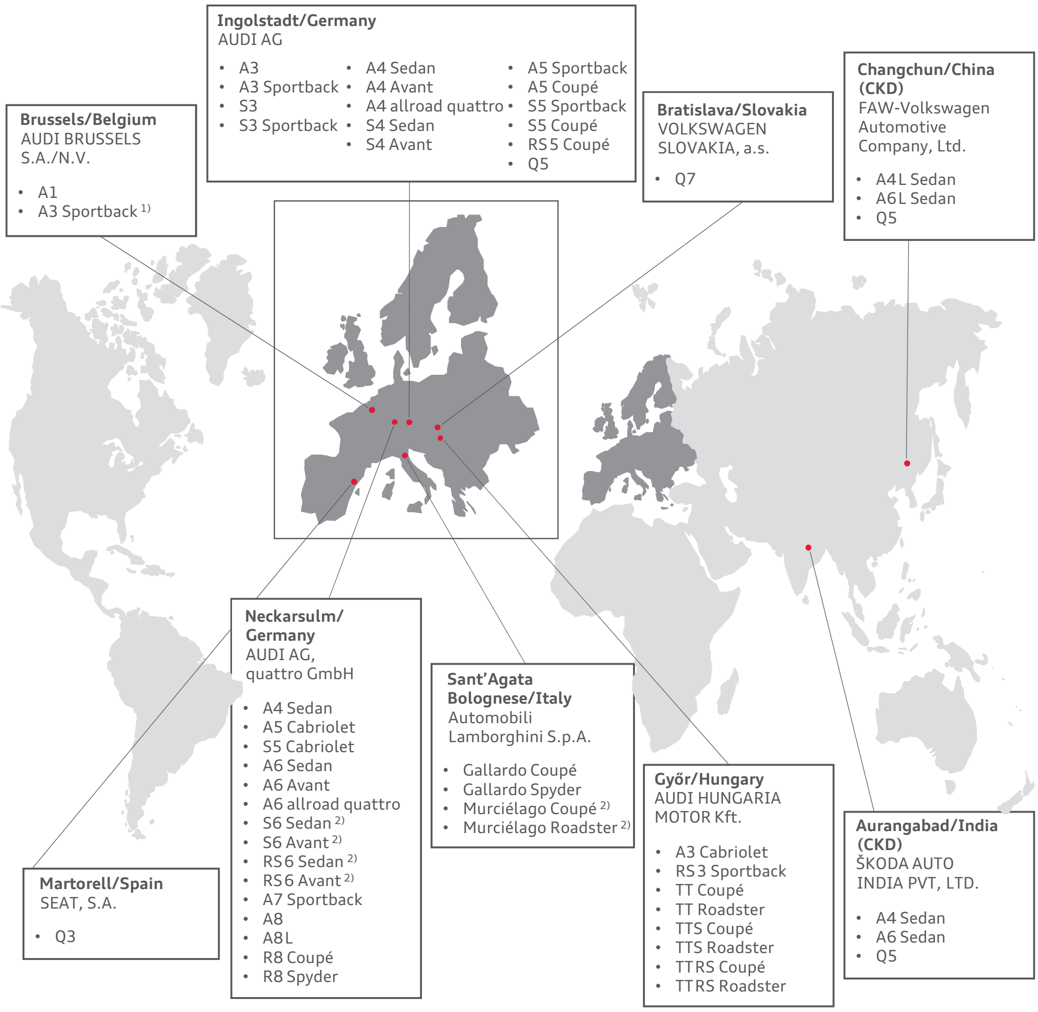
| | 2010 | Share in % |
|---|---|---|
| Germany | 229,157 | 21.0 |
| Europe excluding Germany | 418,474 | 38.3 |
| China (incl. Hong Kong) | 227,938 | 20.9 |
| USA | 101,629 | 9.3 |
| Other | 115,213 | 10.5 |
| Total | 1,092,411 | 100.0 |

With its exclusive, uncompromising supercars the Italian traditional brand Lamborghini embodies fascinating design, technological expertise and impressive driving dynamics.
In addition to the models of the Audi and Lamborghini brands, the Audi Group supplies vehicles of other Volkswagen Group brands through its sales subsidiaries.

### Group structure and principal group companies
The headquarters of the Audi Group are located in Ingolstadt, where Technical Development, Sales and Administration as well as the greater part of vehicle manufacturing operations are based. The Audi A3 and A3 Sportback models, the A4 car line, the A5 Sportback and the A5 Coupé, RS 5 Coupé and Q5 models are built there. Bodies for the A3 Cabriolet and for the TT car line are also made in Ingolstadt.
Neckarsulm is where the models A4 Sedan and A5 Cabriolet, the A6 car line and the A8 luxury sedan are manufactured. Volume production of the new Audi A7 Sportback commenced in 2010. The head offices of quattro GmbH are also located there. This fully owned subsidiary of AUDI AG manufactures high-performance vehicles such as the Audi Q7 V12 TDI and is also responsible for the bespoke manufacturing of the R8 Coupé and R8 Spyder mid-engine sports cars. As well as the vehicles it manufactures, quattro GmbH's product range includes an extensive customization program for all Audi models and exclusive lifestyle articles that embody the spirit of the brand with the four rings.
During the past fiscal year AUDI BRUSSELS S.A./N.V., Brussels (Belgium), commenced volume production of the Audi A1, which appeared on the market in 2010, and also built the Audi A3 Sportback until May. To prepare the Belgian plant as thoroughly as possible for the role of exclusive production plant for the A1, a total of some EUR 300 million has been invested there since 2007. The Brussels plant celebrated the production milestone of its seven millionth vehicle in total during the period under review.

AUDI HUNGARIA MOTOR Kft., Győr (Hungary), manufactures engines for the Audi brand, for other Volkswagen Group companies and for third-party customers, and also builds the models of the TT car line jointly with the Ingolstadt plant. This location, the expansion of which was announced in 2010, is also where the A3 Cabriolet and the RS 3 Sportback are assembled. The Hungarian subsidiary, which reached the production milestone of 500,000 vehicles last year, has evolved into one of the country's leading exporters since its establishment in 1993.
In 2010 Automobili Lamborghini S.p.A. built the Lamborghini Gallardo and Lamborghini Murciélago supercars at Sant'Agata Bolognese, in Northern Italy.
The Audi Group has the Q7 and Q3 models built at the VW Group plants Bratislava (Slovakia) and Martorell (Spain).

MANUFACTURING PLANTS




1) Production of the A3 Sportback at Brussels was halted in 2010 to create the necessary capacity for building the A1 there.
2) Production of these models, which had reached the end of their life-cycle, ceased in 2010.

**Management Report**

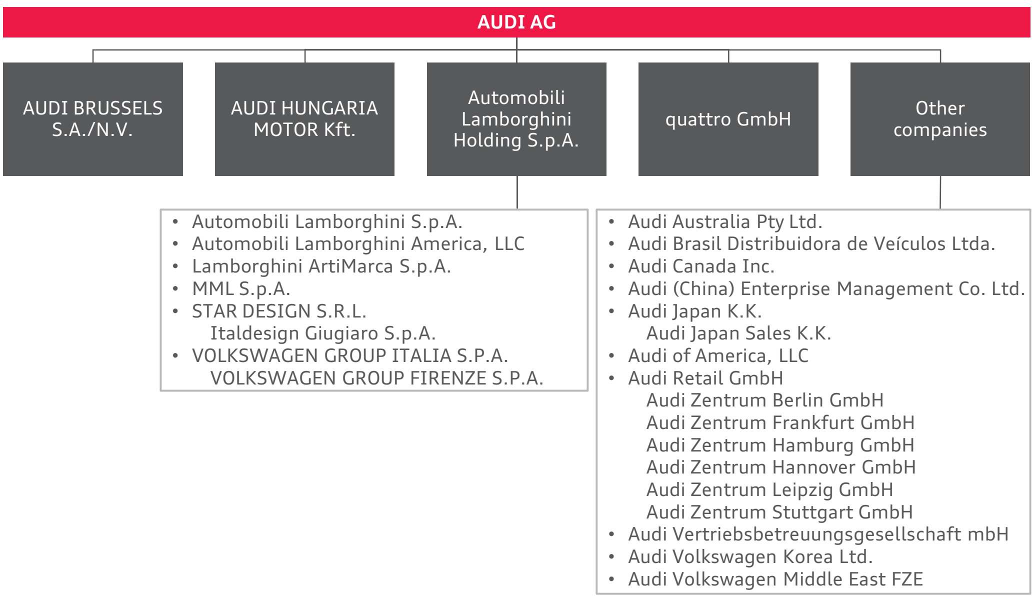
## Consolidated companies

Volkswagen AG, Wolfsburg, is the major shareholder of AUDI AG and controls around 99.55 percent of the share capital. Volkswagen AG includes the Consolidated Financial Statements of the Audi Group in its own Consolidated Financial Statements. Control and profit transfer agreements exist both between Volkswagen AG and AUDI AG, and between AUDI AG and its principal German subsidiaries.

The following companies were consolidated within the Audi Group during the course of 2010: Audi (China) Enterprise Management Co. Ltd., Beijing (China), Audi Zentrum Leipzig GmbH, Leipzig, Audi Zentrum Stuttgart GmbH, Stuttgart, and Audi Zentrum Frankfurt GmbH, Frankfurt. In order to satisfy the requirements of IAS 27.13, Sentence 2 (c), Automobili Lamborghini America, LLC, Wilmington, Delaware (United States) was added to the group of consolidated companies. Further additions were STAR DESIGN S.R.L., Turin (Italy), Italdesign Giugiaro S.p.A., Turin (Italy) and Audi Japan Sales K.K., Tokyo (Japan). The first-time inclusion of these subsidiaries had no overall material effect on the presentation of the situation of the Company.

The Audi Group furthermore acquired 100 percent of the shares in AUDI BRUSSELS S.A./N.V., Brussels (Belgium), which had already previously been consolidated within the Audi Group in accordance with IAS 27.13, Sentence 2 (c), from Volkswagen AG.

FULLY CONSOLIDATED COMPANIES WITHIN THE AUDI GROUP




# STRATEGY

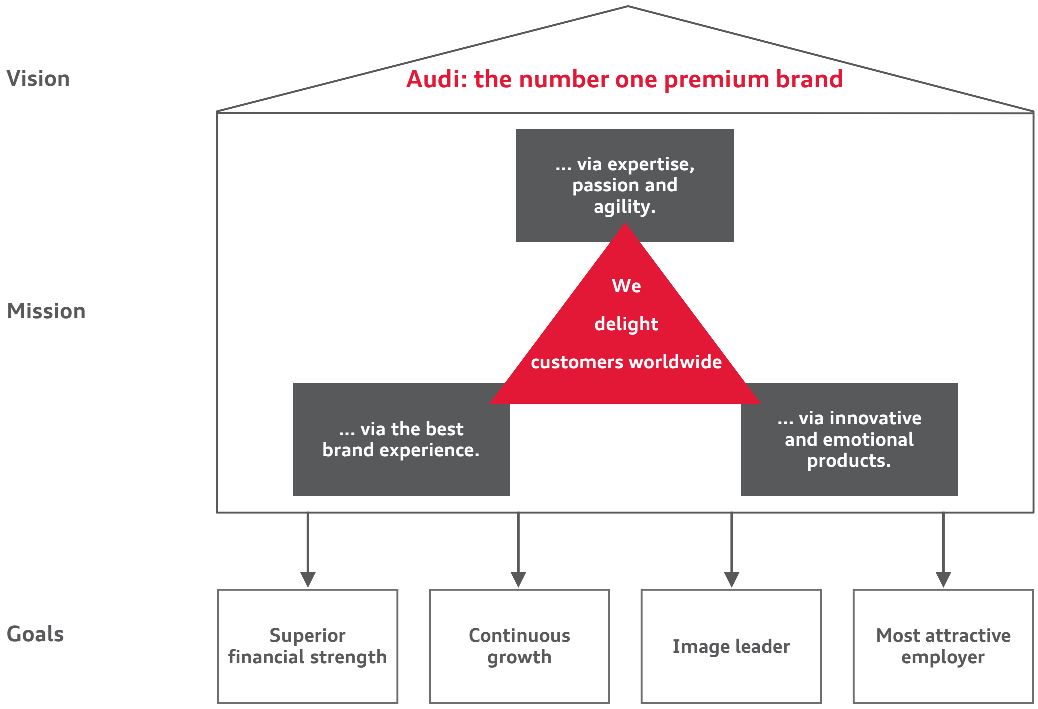
## Audi: the number one premium brand

The debate on climate change, the future availability of fossil fuels and social megatrends such as increasing urbanization are presenting new issues of interest to customers.

In the light of these changes, the Audi Group placed its core brand Audi on a more future-proof footing in the past fiscal year through Strategy 2020. With its vision of “Audi: the number one premium brand,” it has set itself the goal of taking on the lead role in the premium segment worldwide.

The goals of Strategy 2020 focus on lasting corporate success, underpinned by sustainable actions. The Audi Group therefore regards it as a self-evident aspect of corporate responsibility that it takes account of the issues of ecology and social responsibility when defining the strategic direction of its core business (cf. “Social and ecological aspects,” p. 159 ff.).

THE AUDI BRAND'S STRATEGY 2020






## Mission: "To delight customers worldwide"

The mission statement "We delight customers worldwide" is at the very core of the Company's drive to become the number one in the premium segment. This means in practice that the Audi brand offers its customers emotional, technologically advanced products that are particularly noted for their sophistication and reliability. The brand with the four rings furthermore intends to delight its customers with the best brand experience available – hard evidence of the Audi brand values "sophisticated," "progressive" and "sporty" is provided at every point of contact with the customer.

A highlight of 2010 for the Audi brand was the innovative market launch of the Audi A1. As well as making intensive use of the Internet and social media channels, it set up the "A1 City" world of discovery at Munich Airport. Between June and October 2010 the public was given the opportunity for an in-depth encounter with the new model. With the aid of the new showroom configurator, those interested were quickly able to configure their personalized A1 on large-dimension flat screens, giving them lifelike, three-dimensional impressions of their chosen version.

Product and investment decisions likewise focus on delivering customer benefit. Their successful implementation hinges on the employees, who demonstrate immense expertise, agility and passion for the products of the Audi brand.

## Superior financial strength

In keeping with a value-oriented corporate management approach, growth only meets the premium standards of the Audi Group if it is simultaneously profitable. It therefore remains a key focus of Strategy 2020 that qualitative growth is a priority strategic corporate goal.

Long-term superior financial strength can be achieved above all through effective and efficient structures and processes, the ongoing optimization of costs and systematic investment management. A high level of self-financing furthermore helps to preserve the Audi Group's ability to invest and act. The aim therefore remains to cover investment from self-generated cash flow.

### Continuous growth
The basis for continuous growth is the Audi brand’s attractive product range, to which numerous new models were again added in the 2010 fiscal year as part of the long-term model initiative. The new Audi A8 as well as the Audi A1 and A7 Sportback models are delighting customers with their emotional design, sportiness, efficiency and everyday suitability. The market launch of the ultra-sporty models S5 Sportback, RS 5 Coupé and R8 Spyder as well as improved versions of the Audi A3 and Audi TT car lines were also part of the stunning new product portfolio. The model range of the Audi brand will continue to grow – it is set to reach 42 models by 2015.
The Company intends to achieve a delivery volume of 1.5 million vehicles of the Audi brand by 2015. The Audi Group will continue to place the focus on quality alongside continuity of growth. In order to realize its growth plans, the Company is furthermore stepping up its activities in international auto markets. The Audi Group is thus steadily expanding its production network and increasing the number of dealer and service outlets in important sales markets.

### Image leader
A strong brand is the basis for lasting success. The Audi Group is therefore eager to keep steadily improving its image position above all through the Audi brand’s attractive product range, and to establish an emotional bond between its customers and the brand.
The public’s enthusiasm for the Audi brand and its products was again reflected in numerous national and international awards in the 2010 fiscal year.
Audi received the ADAC “Yellow Angel” award and was thus voted the best brand for the third year in a row (ADAC Motorwelt, issue 2/2010, p. 26 ff.).
Audi was in addition voted the brand with the best-looking cars in winning the “Design Trophy 2010” reader poll held by the motoring magazine AUTO ZEITUNG (issue 8/2010, p. 82).
In the renowned reader poll “The Best Cars of 2010” sponsored by the trade publication auto motor und sport, the brand with the four rings maintained the successful track record of recent years (issue 4/2010, p. 132 ff.). The models Audi A4, Audi Q5 and Audi R8 Spyder all came in at the top of their respective categories. This outstanding set of results was rounded off with second places for the Audi A3, Audi A6 and Audi R8 Coupé models.
In the “Golden Steering Wheel” awards for the best new car models each year, the A1 and A8 came in at the top of their respective categories in 2010. With a total of 20 Golden Steering Wheel awards to its name, the Audi brand now enjoys the status of currently the most successful brand in the 35-year history of the competition, which is run by the publications BILD am SONNTAG and AUTO BILD (AUTO BILD, issue 44/2010, p. 51 ff.).
The brand attribute of sportiness also attracted multiple awards in the past fiscal year – the RS 5 Coupé, for instance, was among the winners in the coveted reader poll “SPORTSCARS 2010” sponsored by the magazine AUTO BILD SPORTSCARS (issue 1/2011, p. 84 ff.). The R8 GT and R8 Spyder 5.2 FSI quattro each came in second in their respective categories. On top of this, the Audi R8 5.2 FSI quattro was voted “World Performance Car 2010” (“World Car Awards,” April 1, 2010).
The awards of “4WD Car of the Year” for the quattro versions of the Audi A4 and Audi A8 (AUTO BILD, issue 15/2010, p. 15) as well as numerous other awards in the areas of design, safety, technology and customer satisfaction rounded off the Audi brand’s success in the past fiscal year.
The Lamborghini brand, too, received various awards for its supercars in 2010. The Lamborghini Gallardo LP 570-4 Superleggera, for example, was voted the “Sportiest Car of 2010” in its category in the reader poll held by the periodical sport auto (issue 7/2010, p. 22 ff.).

### Most attractive employer
Steadily improving its appeal as an employer is of particular strategic importance to the Audi Group, because the Company is reliant both now and in the future on having well-qualified, dedicated employees if it is to realize its strategic goal of becoming the number one premium brand.

As well as being able to offer them challenging tasks, the Audi Group provides its personnel with attractive working conditions, commensurate pay and high job security.
Regular internal surveys of the workforce confirm a high level of employee satisfaction. Numerous external surveys have additionally confirmed the high appeal of the Audi Group as an employer – in 2010 AUDI AG was voted the most attractive employer in such leading graduate surveys as those conducted by the consultants trendence and Universum among both engineering and business students ("trendence Graduate Barometer 2010 – Business and Engineering Edition," May 21, 2010; "Universum Student Survey 2010 – Germany," May 3, 2010).

### Strategic target

One of the Audi Group's principal objectives is to consistently increase the value of the Company. The return on investment (RoI) is used as an instrument of internal steering to evaluate the return on the capital employed for different types and scales of investment project. The return on investment reflects the development in a company's profitability and is calculated using the following formula:

$$\text{Return on investment (RoI)} = \frac{\text{Operating profit after tax}}{\text{Average invested assets}} \times 100$$

| EUR million | 2010 | 2009 |
|---|---|---|
| Operating profit after tax | 2,338 | 1,123 |
| Average operating assets | 13,327 | 13,329 |
| – Average non-interest-bearing liabilities | 3,855 | 3,557 |
| = Average invested assets | 9,472 | 9,772 |
| Return on investment (in %) | 24.7 | 11.5 |

The return on investment of 24.7 percent was both higher than in the previous year (11.5 percent) and up on the previous record level dating from 2008 (19.8 percent). In terms of return on investment, the Audi Group therefore ranks as one of the most profitable companies in the automotive industry worldwide.

## SHARES

### Stock market developments

In the early part of 2010 the situation on international stock and capital markets was dominated by the loss of confidence in the stability of the budgets of certain EU countries with large budget deficits. Concerns about the possible consequences of Greece's sovereign debt spilling over into the banking sector and into the European real economy undermined morale. Against this backdrop international stock markets suffered significant downturns, with particularly high losses in the trading prices of financial institutes. Then, from mid-2010, stock markets worldwide by and large staged a recovery. Underpinned by the brighter economic prospects and increasingly positive profit forecasts, trading prices picked up again. The positive trend was further bolstered by companies' surprisingly good quarterly figures. Trading prices worldwide therefore continued to climb through the end of 2010.
German stock markets were initially dominated by price losses at the start of the year. The German Share Index DAX touched its year-low of 5,434 points in February 2010 – a loss of around ten percent compared with the start of the year. The German stock market rallied from March on, at first very strongly. The lead index then moved sideways up until the end of the third quarter, amid high volatility. In the final quarter the index once more made appreciable gains, reaching a year-high of 7,078 points on December 21. The DAX closed the year on 6,914 points, almost 16 percent up on the position at the start of 2010.

Management Report

### Audi trading price trend

Audi shares bucked the trend at the start of the year. While the shares of most German automotive manufacturers mirrored the downward trend in the DAX lead index and initially suffered losses of up to 15 percent in the first quarter, Audi shares started 2010 with gains. In the very first two weeks of trading, its shares were a good 15 percent up on the position at the start of the year. Between then and May, the trading price moved sideways in a corridor between EUR 535 and 598.

The shares temporarily came under pressure mid-way through the second quarter. However, the general uncertainty prompted by the conflicting opinions among experts about the debt crisis and the regulation of the financial market was only short-lived, with the result that Audi shares added 30.0 percent to reach EUR 650 by year-end. Audi shares thus substantially outperformed the DAX, which rose by 15.7 percent over the same period.

Over a five-year horizon, Audi shares have put in an impressive performance notwithstanding the global financial and economic crisis. The trading price has doubled (+111.0 percent) since January 2006 and thus performed much better than the DAX (+27.8 percent). This development reflects the capital market's deep faith in the Company's strategic direction, future fitness and competitiveness when considered in the context of the forthcoming challenges facing the automotive industry.

INDEXED AUDI TRADING PRICE TREND (ISIN: DE0006757008, WKN: 675700)


### Profit transfer and compensatory payment to stockholders

A control and profit transfer agreement is in force between AUDI AG and Volkswagen AG, Wolfsburg, which controls around 99.55 percent of the capital stock of the former. In lieu of a dividend payment, outside stockholders of AUDI AG receive a compensatory payment. The level of this payment is equivalent to the dividend paid on one Volkswagen AG ordinary share for the same fiscal year, as determined by the Annual General Meeting of Volkswagen AG on May 3, 2011.

## DISCLOSURES REQUIRED UNDER TAKEOVER LAW

The following disclosures under takeover law are made pursuant to Section 289, Para. 4 and Section 315, Para. 4 of the German Commercial Code (HGB):

### Capital structure

On December 31, 2010, the issued stock of AUDI AG remained unchanged at EUR 110,080,000 and comprised 43,000,000 no-par bearer shares. Each share represents a mathematical share of EUR 2.56 of the issued capital.

## Stockholders' rights and obligations

Stockholders enjoy property and administrative rights.
The property rights include, above all, the right to a share in the profit (Section 58, Para. 4 of the German Stock Corporation Act [AktG]) and in the proceeds of liquidation (Section 271 of the German Stock Corporation Act), as well as a subscription right to shares in the event of capital increases (Section 186 of the German Stock Corporation Act).
The administrative rights include the right to participate in the Annual General Meeting and the right to speak, ask questions, table motions and exercise voting rights there. Stockholders may assert these rights in particular by means of a disclosure and avoidance action.
Each share carries an entitlement to one vote at the Annual General Meeting. The Annual General Meeting elects the members of the Supervisory Board to be appointed by it, as well as the auditors; in particular, it decides on the ratification of the acts of members of the Board of Management and Supervisory Board, on amendments to the Articles of Incorporation and Bylaws, as well as on capital measures, on authorizations to acquire treasury shares and, if necessary, on the conduct of a special audit, the dismissal of members of the Supervisory Board within their term of office and on liquidation of the Company.
The Annual General Meeting normally adopts resolutions by a simple majority of votes cast, unless a qualified majority is specified by statute. A control and profit transfer agreement exists between AUDI AG and Volkswagen AG, Wolfsburg, as the controlling company. This agreement permits Volkswagen AG to issue instructions. The profit after tax of AUDI AG is transferred to Volkswagen AG. Volkswagen AG is obliged to make good any loss. All Audi stockholders (with the exception of Volkswagen AG) receive a compensatory payment in lieu of a dividend. The amount of the compensatory payment corresponds to the dividend that is distributed in the same fiscal year to Volkswagen AG stockholders for each Volkswagen ordinary share.

## Capital interests exceeding 10 percent of the voting rights

Volkswagen AG, Wolfsburg, holds around 99.55 percent of the voting rights in AUDI AG. For details of the voting rights held in Volkswagen AG, please refer to the Management Report of Volkswagen AG.

## Composition of the Supervisory Board

The Supervisory Board comprises 20 members. Half of them are representatives of the stockholders, elected by the Annual General Meeting; the other half are employee representatives elected by the employees in accordance with the German Codetermination Act. A total of seven of these employee representatives are employees of the Company; the remaining three Supervisory Board members are representatives of the unions. The Chairman of the Supervisory Board, normally a stockholder representative elected by the members of the Supervisory Board, ultimately has two votes on the Supervisory Board in the event of a tie vote, pursuant to Section 13, Para. 3 of the Articles of Incorporation and Bylaws.
Section 9, Para. 3 of the Articles of Incorporation and Bylaws stipulates that the term of office for a Supervisory Board member elected to replace a Supervisory Board member who has not fulfilled his term of office ends upon expiry of the term of office of the Supervisory Board member leaving.

## Statutory requirements and provisions under the Articles of Incorporation and Bylaws on the appointment and dismissal of members of the Board of Management and on the amendment of the Articles of Incorporation and Bylaws

The appointment and dismissal of members of the Board of Management are stipulated in Sections 84 and 85 of the German Stock Corporation Act. Members of the Board of Management are accordingly appointed by the Supervisory Board for a period of no more than five years. Reappointment or an extension of the term of office, in each case for no more than five years, is permitted. Section 6 of the Articles of Incorporation and Bylaws further stipulates that the number of members of the Board of Management is to be determined by the Supervisory Board and that the Board of Management must comprise at least two persons.

### Authorizations of the Board of Management in particular to issue new shares and to re-acquire treasury shares

According to stock corporation regulations, the Annual General Meeting may grant authorization to the Board of Management for a maximum of five years to issue new shares. The meeting may authorize it, again for a maximum of five years, to issue convertible bonds on the basis of which new shares are to be issued. The extent to which the stockholders have an option on these new shares is likewise decided upon by the Annual General Meeting. The acquisition of treasury shares is regulated by Section 71 of the German Stock Corporation Act.

### Key agreements by the parent company that are conditional on a change of control following a takeover bid

AUDI AG has not reached any key agreements that are conditional on a change of control following a takeover bid. Nor has any compensation been agreed with members of the Board of Management or employees in the event of a takeover bid.

## CORPORATE MANAGEMENT DECLARATION

The corporate management declaration pursuant to Section 289a of the German Commercial Code (HGB) is permanently available on the Internet at www.audi.com/corporate-management.

## COMPLIANCE

Responsible, lawful action is as much a core element of Audi’s success as its power to innovate. Complying with statutory requirements and internal company guidelines as well as with ethical standards is therefore an integral aspect of Audi’s corporate culture. To underpin the compliance process and as a preventive measure, AUDI AG’s Board of Management has installed Group-wide compliance structures. These specify that the Chief Compliance Officer of the Audi Group reports directly to the Chairman of the Board of Management of AUDI AG and advises him on all matters of compliance. The former in addition initiates preventive measures, manages and oversees compliance activities and ensures that rules are observed. Through the network that includes Central Risk Management, he ensures that comprehensive, regular risk reports are submitted to the Board of Management and Supervisory Board (Governance, Risk & Compliance – GRC).
AUDI AG continued to expand its Group-wide compliance organization in 2010. Relevant, current compliance topics are analyzed internally on a regular basis and incorporated into new compliance programs.
At the start of 2011, AUDI AG further substantiated the Code of Conduct that is valid Group-wide. The Code of Conduct describes the key principles of action within the Group and serves as an aid to handling legal and ethical challenges in everyday working life. It serves as a binding benchmark for the actions of all employees. The task of the compliance organization in this respect is to ensure that the Code of Conduct is observed.
All Audi Group employees moreover have the opportunity to contact the compliance organization at an internal e-mail address.
Combating corruption and educating Audi Group employees in how to do so are major priorities. Corruption is combated both through the compliance organization and through Audi Group Auditing. The latter is supported in its work by the Volkswagen Group’s anti-corruption system, which takes the form of an ombudsman system: Two highly respected lawyers are available for consultation as neutral ombudsmen. Employees and business partners can contact one of the ombudsmen, who are bound by the lawyer’s duty of confidentiality, if they have information on corruption to disclose. All such information is treated in the strictest confidence.

## SYSTEM OF REMUNERATION FOR THE SUPERVISORY BOARD AND BOARD OF MANAGEMENT

Information on the system of remuneration for the Supervisory Board and Board of Management is provided in the Notes to the Consolidated Financial Statements under “Details relating to the Supervisory Board and Board of Management” and constitutes part of the Group Management Report.

## BUSINESS AND UNDERLYING SITUATION
## ECONOMIC ENVIRONMENT

### Global economic situation

2010 saw the global economy recover unexpectedly quickly from the global economic crisis, even if the speed of the upturn slowed somewhat in the second half of the year. In 2010 as a whole, global economic output grew by 4.1 (–1.9) percent. This development owed much to expansive monetary policies worldwide, as well as to the rapid progress of emerging countries, most notably China. By contrast, the economic recovery in many industrial countries was weaker. Despite price increases for energy and raw materials, the inflation rate in most countries remained low.

The economy in Western Europe expanded by 1.8 (–4.1) percent in 2010, with the debt crisis clouding the economic environment throughout the whole year. Gross domestic product grew by 1.5 (–4.9) percent in the UK, by 1.5 (–2.5) percent as well in France and by 1.0 (–5.1) percent in Italy. Spain, on the other hand, remained in recession with economic output falling by –0.2 (–3.7) percent.

Germany recovered surprisingly fast in 2010, with economic growth reaching 3.6 (–4.7) percent. The economy benefited in particular from high export demand and a recovery in consumer spending thanks to the improved state of the labor market and higher consumer confidence.

Most Central and Eastern European countries regained a course of moderate growth in the year under review. In particular the Russian economy enjoyed clear expansion of 4.0 (–7.9) percent thanks to higher exports of raw materials.

In the United States, the economy cooled in the course of the year after having made a good start. Private consumer spending in particular remained muted because of high unemployment. Overall, gross domestic product in the United States grew by 2.9 (–2.6) percent in 2010.

In Latin America the economic situation improved markedly in 2010. Above all in Brazil and Argentina, gross domestic product bounced back with growth rates of 7.5 (–0.6) and 8.3 (0.9) percent.

Asia’s emerging countries, the economies of which had already been expanding again since early 2009, achieved the highest economic growth rates anywhere in the world during the period under review. In China, gross domestic product was up 10.3 (9.2) percent, while the Indian economy likewise grew vigorously by 8.5 (6.5) percent.

Following the sharp slump in the economy in the previous year, Japan regained an upward trend in 2010 and achieved economic growth of 4.3 (–6.3) percent mainly thanks to increased export demand.

### International car market

Global demand for cars exhibited a marked upward trend in 2010, on the back of the global economic upturn, and gained 11.4 percent to 58.7 (52.7) million passenger cars. The powerhouses of growth were principally the Asian car markets, which expanded at a rapid rate. The car market moreover improved in the United States and in the major Latin American markets. By contrast, demand for passenger cars in Western Europe remained weak.

**Management Report**

Registrations of new cars in Western Europe (excluding Germany) edged up only slightly by 1.9 percent in the year under review, to 10.1 (9.9) million. Market growth was still high especially in the first half of the year thanks to government incentives; registrations of new cars then fell in the latter part of the year along with the expiry of these subsidy programs. Of Western Europe's major car markets, Spain and the UK posted slight growth of 3.0 and 1.8 percent respectively in 2010, after contracting sharply in the previous year. On the other hand, the car market in Italy shed all of 9.2 percent. The French car market, too, shrank by 2.6 percent.
Demand for autos remained weak in most countries of Central and Eastern Europe in 2010. The exception was the Russian car market, which grew by 29.0 percent to 1.8 (1.4) million passenger cars thanks to state subsidies for those purchasing locally built vehicles.
The economic recovery in the United States also helped to stimulate the car market. In a turnaround from the sharp slump in sales in preceding years, vehicle sales rose once more in 2010, growing by 11.1 percent to 11.6 (10.4) million passenger cars and light commercial vehicles.
In Latin America the Brazilian car market achieved a new record of 2.6 (2.5) million vehicles sold, with growth of 6.9 percent. The car market in Argentina, too, gained 27.6 percent to reach a record level of 0.5 (0.4) million passenger cars.
In the Asia-Pacific region the pace of growth increased still further in 2010 compared with its already dynamic performance in the previous year. The sales volume there grew by 24.0 percent to 22.1 (17.8) million passenger cars in total. This development was principally driven by the Chinese car market, which – supported by state incentives – grew by 35.1 percent to 11.5 (8.5) million cars. The car market in India enjoyed similarly high expansion, increasing by 29.8 percent to 2.2 (1.7) million passenger cars. Tax breaks and an environment bonus in Japan fueled market growth of 7.4 percent to 4.2 (3.9) million new car registrations.

### German car market

The German car market suffered a sharp drop of 23.4 percent in 2010 compared with the previous year, when growth had been exceptionally high thanks to the availability of the environment bonus. Registrations of new cars slipped to 2.9 million, the lowest level since German reunification. The manufacturers of small cars and vehicles in the compact category, which had been the main beneficiaries of the environment bonus for private customers in 2009, bore the brunt of this downturn in sales volume in the year under review. By contrast the premium segment remained largely stable, with the result that the suppliers of premium vehicles saw their market shares recover.
The diesel share of total first-time registrations in 2010 rose year on year by 11.2 percentage points to 41.9 percent and thus approached the long-term level again. In 2009 the sharp rise in car purchases by private customers, who mainly wanted gasoline models, temporarily led to a drop in this diesel share.
Along with the worldwide recovery in demand for cars, the export situation of German car manufacturers improved substantially compared with the weak previous year. German car exports in 2010 climbed to 4.2 million units – a growth rate of 23.7 percent. As in previous years, Western European countries remained the most important sales region for German car manufacturers, to which they exported a total of 2.2 million passenger cars (+7.5 percent). Exports to the United States also performed highly positively, rising by 44.4 percent to 0.5 million vehicles. The mainstay of German export growth was the Chinese car market.
Strong export demand prompted a rise in domestic production by German car manufacturers during the period under review. The production volume of 5.6 million passenger cars bettered the prior-year figure by 11.8 percent and thus neared the pre-crisis level achieved in 2007. The number of German-brand cars built abroad also increased year on year by 25.4 percent to 6.1 million units.

## Management's overall assessment

Against the backdrop of the global economy's unexpectedly swift recovery from the consequences of the financial and economic crisis, along with the resulting upturn in numerous car markets, the Audi Group operated very successfully in the past fiscal year.
The Audi Group sold 1,092,411 Audi models, the highest deliveries total in the history of the Company. As well as the positive development in overall market demand, the substantial growth in vehicle deliveries by 15.0 percent is mainly down to the attractive product range, to which numerous sporty and efficient models were again added.
Furthermore, the long-term corporate policy again paid dividends because it focuses on steadily improving processes and cost structures along the entire value chain, and therefore on progressively optimizing productivity.
The Company's success in 2010 is reflected in the operating profit of EUR 3,340 million and an operating return on sales of 9.4 percent. These outstanding key financial indicators mean that last year the Audi Group was one of the most profitable businesses in the automotive industry worldwide.

**Management Report**



# RESEARCH AND DEVELOPMENT

The Audi brand is strongly associated with the development of progressive technological concepts through its declared mission statement of "Vorsprung durch Technik." The Company again brought a large number of innovations to production maturity in the past fiscal year.
An average total of 6,987 (6,599) people were employed in the Research and Development area of the Audi Group in 2010. This total comprised 6,365 (6,308) at AUDI AG, 134 (126) at AUDI HUNGARIA MOTOR Kft. Győr (Hungary), and 187 (165) at Automobili Lamborghini S.p.A., Sant'Agata Bolognese (Italy), as well as 274 at Italdesign Giugiaro S.p.A., Turin (Italy).

**RESEARCH AND DEVELOPMENT EXPENDITURE RECOGNIZED AS AN EXPENSE**

| EUR million | **2010** | 2009 |
|---|---|---|
| Research expense and non-capitalized development costs | **1,901** | 1,569 |
| Impairment losses (reversals) on capitalized development costs | **567** | 480 |
| Total | **2,469** | 2,050 |

## Technical innovations

### 30 years of quattro

The Audi brand's quattro technology celebrated its 30th anniversary in 2010. Since the unveiling of the first Audi quattro in 1980, the Company has built around 3,700,000 vehicles with permanent all-wheel drive.
By distributing the propulsive power among all four wheels, a vehicle with quattro drive can generate a higher cornering force at each wheel than rear-wheel-drive or front-wheel-drive vehicles, and thus produce better traction and superior cornering behavior. As well as evoking technological expertise, the term quattro encapsulates emotion and a dynamic driving feel, serving to combine superlative sports performance with a high degree of everyday suitability.
The Audi brand has steadily increased its technology lead in the domain of all-wheel drive over the past 30 years. At the 2010 Geneva Motor Show the Company presented a further evolutionary stage – quattro drive with crown gear center differential and torque vectoring. This technology, making its first appearance in the RS 5 Coupé, is even more efficient, effective and precise.

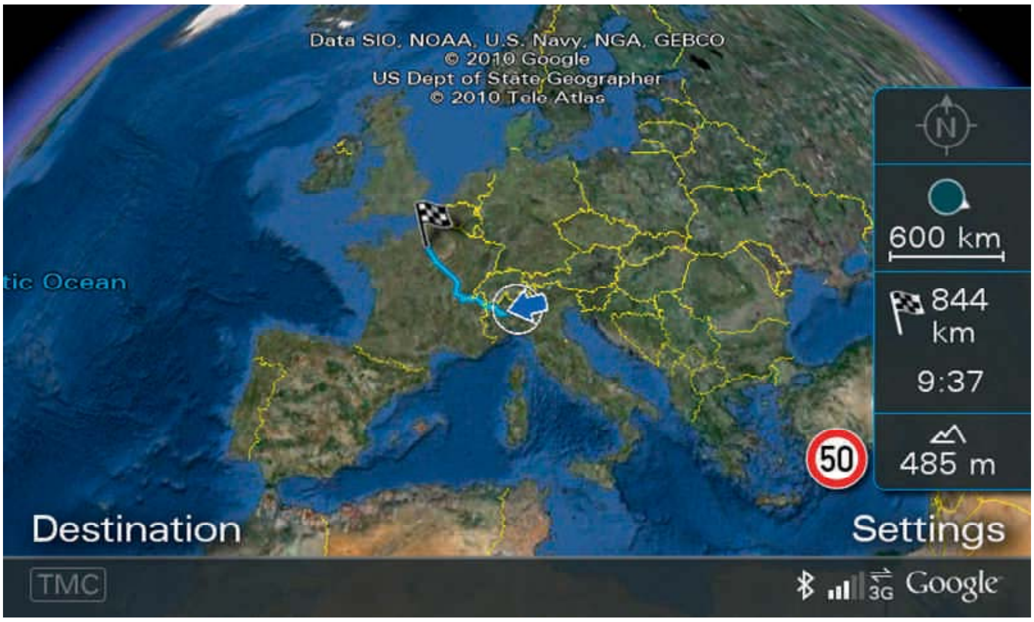
## 2.5 TFSI engine is "International Engine of the Year"

In the past fiscal year an international jury of 71 leading trade journalists voted the 2.5 TFSI engine "International Engine of the Year" (June 23, 2010). The Audi brand's TFSI technology has thus emerged from this renowned competition as best in class for the sixth year in succession. The engine is equipped with FSI direct injection and turbocharging, combining two key technologies of the Audi brand in a single power unit. This engine made its debut in summer 2009 in the guise of a powerful five-cylinder power unit in the TT RS – extending a lengthy Audi tradition stretching back to the 1980s of powerful five-cylinder engines that brought victory to the Audi brand's racing cars. The RS 3 Sportback that will be available from 2011 will also feature the award-winning engine.

## Audi pioneering automotive connectivity

Along with the A8 and A7 Sportback models launched in 2010 and the appearance of the new A6, the Audi brand is providing the option of a WLAN hotspot for wireless on-board Internet access in combination with the optional Bluetooth car phone online. This feature enables rear passengers to connect up to eight mobile terminal devices to the Internet simultaneously via a UMTS module built into the vehicle. Encryption using the WPA2 standard provides the necessary degree of security for data transmission.
The Google Earth service has moreover been incorporated into an automotive navigation system for the first time in the world. Google Earth images and a three-dimensional terrain model are combined with the road network from the navigation database in the Audi Multi Media Interface (MMI) navigation system plus. The user can also search for places online in Google directly from the MMI, via free-text input – the results can then be used directly for calculating a route.

INTEGRATION OF GOOGLE EARTH INTO MMI NAVIGATION SYSTEM PLUS




In June 2010 the brands Google and Audi, which unveiled the prototype version of their online services back in January 2006, received the award for "Best Embedded Telematics Navigation Product" at the Telematics Awards in recognition of the result of their collaboration (June 7, 2010). In the new Audi A6 a voice-controlled online search facility and the "Audi traffic information online" function have been added to the range of mobile online services. These new features take account of the current traffic flow and permit much more accurate route guidance along freeways, highways and important secondary roads by means of a more easily understood color concept. These innovations will also be made available in the A7 Sportback and A8 models in the course of 2011.

### Cylinder management for improved efficiency

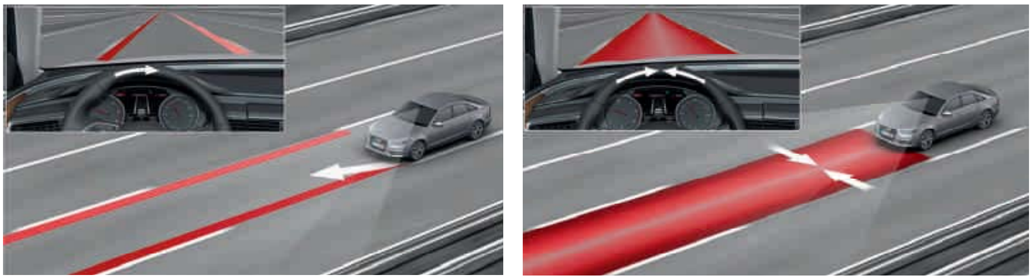
Audi engineers have turned to cylinder management as a solution to the problem that large-capacity, high-performance engines run predominantly at low to moderate part loads in normal driving conditions, leading to high specific fuel consumption and high $CO_2$ emissions. Shutting down several cylinders – for instance four cylinders on an eight-cylinder TFSI engine – produces the result that the remaining cylinders operate more efficiently, improving fuel economy and emissions. The changeover process goes unnoticed by the customer. Thanks to the use of active engine mounts and Active Noise Cancellation ANC, comfort and acoustics remain outstanding even when running on four cylinders. Cylinder management will be introduced from fall 2011 in the Audi brand's new turbocharged eight-cylinder gasoline engines.

## Innovations for safety

### Audi active lane assist

An evolutionary version of Audi lane assist, the driver assistance system Audi active lane assist, made its first appearance in the Audi A7 Sportback in 2010. The system actively helps the driver to stay in the lane by means of gentle steering impulses, bringing greater driving comfort particularly on highways and main roads. If the activated system detects lane markings and the car is traveling at a speed of at least 65 km/h, Audi active lane assist intervenes by gently manipulating the steering wheel shortly before the car leaves its lane, and unintentional drifting out of lane is prevented if necessary. If the driver wishes to take this form of assistance to the next level, Audi active lane assist can also provide ongoing assistance to keep the vehicle traveling right in the center of its lane. The driver remains fully in control of the car throughout these intuitive prompts by Audi active lane assist.

OPERATING PRINCIPLE OF AUDI ACTIVE LANE ASSIST



Audi active lane assist can either intervene shortly before the vehicle leaves its lane (left picture) or provide continuous assistance in keeping it in lane (right picture).

### "Euro NCAP Advanced" seal for A4 with Audi side assist

In October 2010 the renowned European vehicle safety testing body "European New Car Assessment Programme" (Euro NCAP) awarded the A4 with Audi side assist the "Euro NCAP Advanced" seal (October 1, 2010). The lane-change assistant, active from a speed of 30 km/h, uses two rear radar sensors to monitor traffic behind the vehicle. As soon as another vehicle is detected there, the sensors establish its distance and the speed with which it is approaching. The driver is informed by a warning lamp that lights up in the side mirror if a detected vehicle is assessed to represent a hazard when changing lane. If the driver nevertheless sets the turn indicator, Audi side assist switches to the warning mode – the yellow LED display becomes brighter and flashes at high frequency. This coveted award endorses the Audi brand philosophy of promoting comfort and safety through active driver assistance systems.

### Audi A1 successful in Euro NCAP crash test

The Euro NCAP consortium, which tests the crash properties of new vehicles, confirmed the outstanding crash safety of the Audi A1 in 2010 and gave the model its top rating of five stars (November 24, 2010). The vehicle impressed the testers with its standard of safety for the driver and front passenger in frontal, rear and side impact tests, as well as in the child protection category. The Audi A1's road safety is further boosted by the inclusion of the ESP electronic stabilization program with electronic differential lock as standard.

## Electric mobility

### Electric mobility at Audi

The Audi Group expects to see electric mobility play a decisive role in the future, alongside efficient combustion engines and hybrid concepts (cf. "Product-based environmental aspects," p. 167 ff.). The Company continues to pursue the broad-based policy of coordinating all systems and components in order to exploit the full potential of electric drive.
To achieve the goal of making the Audi brand the leading premium manufacturer of electric vehicles in the long term, the Audi Group again put considerable effort into developing electric drive in the past fiscal year. In Ingolstadt the Company opened a new development and test center for electrified drivetrains in 2010, having already invested some EUR 65 million in it over the past two years; this center will now facilitate the optimization of drivetrains, batteries and power electronics. With all activities housed under one roof, a highly integrated approach to working should keep communication channels short and pave the way for efficient solutions.

### Audi e-tron

After the unveiling of the Audi brand's first showcar with electric drive in 2009, the Audi e-tron, three further electric studies followed in 2010. The name e-tron is to become the brand name for all electrically powered Audi models, in the same way that the term quattro denotes all-wheel-drive Audi vehicles.
The Detroit showcar Audi e-tron, powered by two electric motors mounted on the rear axle, was unveiled at the Detroit Auto Show at the very start of the year. The A1 e-tron intended predominantly for city driving was showcased at the Geneva Motor Show in the spring. The showcar can travel exclusively electrically, but as well as an electric motor it has a Wankel engine on board to charge up the battery if necessary in order to extend the car's range. Most recently, the Company exhibited the Audi e-tron Spyder at the Paris Motor Show, an open-top sports car with plug-in hybrid drive with both a 3.0 TDI engine and two electric motors.

**AUDI E-TRON STUDIES**

In June 2010 the Audi A1 e-tron was voted winner of the “e-car award” created by the motoring magazine AUTO TEST by over 36,000 readers (issue 8/2010, p. 64 ff.).
An Audi e-tron technology demonstrator based on the R8 fended off 23 other electric vehicles to capture first place in its first outing in the “Silvretta E-Auto Rally Montafon 2010” in summer 2010.

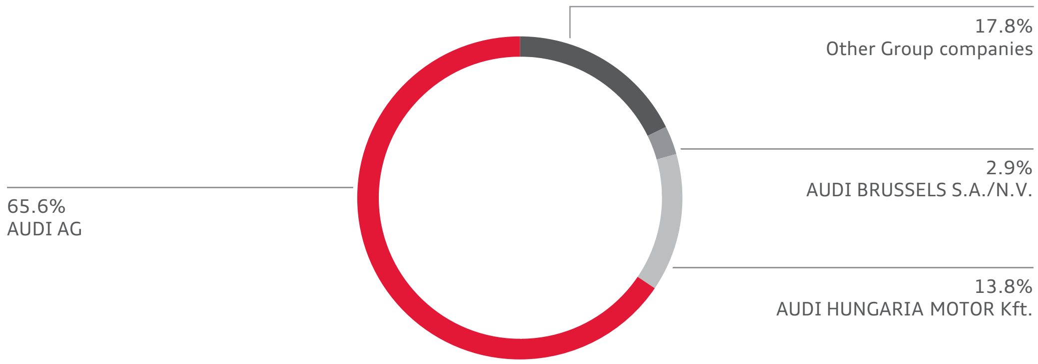
### Audi helping to prepare the way for electric mobility

The creation of a functioning infrastructure is a critically important preliminary task that will pave the way for implementing electric mobility concepts.
AUDI AG is therefore actively involved in the “National Platform for Electric Mobility” initiative launched in May 2010, through which Germany’s politicians have set themselves the objective of making the country a lead market for electric mobility. Michael Dick, member of the Board of Management of AUDI AG with responsibility for Technical Development, is chairing the “Standardization and Certification Work Group” that is part of this initiative. The work group has already drawn up a “German Standardization Roadmap for Electric Mobility” that both identifies the framework that must be put in place and recommends specific action.
In addition, AUDI AG has joined forces with other German carmakers to promote a modular plug system for charging electric vehicles. The aim is to create a globally uniform standard that will ensure customers have easy access to the grid supply irrespective of their make of car and the energy supplier.
Another initiative comes in the guise of the “eflott” fleet trial of the A1 e-tron that got under way in fall 2010 with the support of the German Federal Ministry of Transport. The project based in and around the model region of Munich is investigating such aspects as the data transfer between driver, vehicle and charging point. For this venture AUDI AG is being partnered by the Technical University of Munich, the energy supplier E.ON and the public utility Stadtwerke München. In particular the Audi brand intends to find out more about the behavior and expectations of customers when they use electric vehicles. The first A1 e-tron models should take to the region’s roads by mid-2011 and around 200 new charging stations are to be installed.
With an eye to the overall energy balance, the Company is also involved in projects to exploit renewable energy sources. In 2010, AUDI AG entered into a partnership with the industrial initiative Dii GmbH, Munich, whose long-term goal is to transform the DESERTEC vision into reality. This vision describes the prospects for capturing solar and wind power in desert regions to supply Europe, the Middle East and North Africa.

## PROCUREMENT

Establishing long-term partnerships with the world’s top-performing suppliers is one of the core procurement targets for the Audi Group. As well as overall economy, suppliers are selected according to other factors such as reliability, innovation and quality. To make optimum use of synergy potential, the selection process is handled in close partnership with Volkswagen Group Procurement.
The cost of materials for the Audi Group in the 2010 fiscal year amounted to EUR 21,802 (18,512) million. This figure includes all raw materials and consumables used, as well as purchased goods and services.

**BREAKDOWN OF THE CONSOLIDATED COST OF MATERIALS BY GROUP COMPANY**




**Management Report**

Procurement will continue to gain strategic importance in the future as a result of the steady expansion of the Audi product range. Collaboration with the supply industry is gradually being intensified as a result. The latter's involvement makes it possible to find joint solutions at an early stage of the development process, for example as a means of reducing the amount of material consumed. As well as cost savings, non-economic aspects such as the use of recyclable materials are also part of the equation.
A smooth supply process for the Audi Group's production network hinges on a clear delivery chain and a close, efficient partnership between the Purchasing Division and the direct suppliers. The growing product range of the Audi brand confronts the Purchasing Division with the challenge of assuring the reliable supply and quality of purchased parts for an ever growing number of models and equipment versions. Reliability is therefore a cornerstone of partnership between the Audi Group's Purchasing Division and its many suppliers and service providers.
Potential partners can demonstrate their range of products and services as well as how innovative they are at "TechShows" organized jointly by the Audi Group's Technical Development and Purchasing Divisions. The Company also organizes events for suppliers with the objective of promoting informal exchanges and networking. In partnership with the Volkswagen Group, the Audi Group also operates a web-based B2B supplier platform to increase the efficiency of the procurement process by speeding up communication for all parties involved.

## PRODUCTION

The Audi Group substantially increased car production in fiscal 2010 to the record total of 1,150,018 (932,260) vehicles, reflecting the market's positive development and the launching of a large number of new products. It built 1,148,791 (931,007) models of the Audi premium brand as well as 1,227 (1,253) supercars of the Lamborghini brand.

**VEHICLE PRODUCTION BY MODEL**

| | 2010 | 2009 |
|---|---|---|
| Audi A1 | **51,937** | 226 |
| Audi A3 | **35,126** | 43,641 |
| Audi A3 Sportback | **151,486** | 153,074 |
| Audi A3 Cabriolet | **12,309** | 9,782 |
| Audi Q3 | **108** | 24 |
| Audi TT Coupé | **20,413** | 18,010 |
| Audi TT Roadster | **5,804** | 4,811 |
| Audi A4 Sedan | **190,884** | 163,897 |
| Audi A4 Avant | **109,474** | 111,283 |
| Audi A4 allroad quattro | **10,788** | 9,291 |
| Audi A4 Cabriolet | **–** | 2,409 |
| Audi A5 Sportback | **49,803** | 20,613 |
| Audi A5 Coupé | **40,213** | 48,858 |
| Audi A5 Cabriolet | **20,924** | 15,388 |
| Audi Q5 | **155,052** | 109,117 |
| Audi A6 Sedan | **166,455** | 139,704 |
| Audi A6 Avant | **40,279** | 37,895 |
| Audi A6 allroad quattro | **5,551** | 4,104 |
| Audi A7 Sportback | **8,496** | 251 |
| Audi Q7 | **47,769** | 27,929 |
| Audi A8 | **22,435** | 8,599 |
| Audi R8 Coupé | **1,610** | 2,024 |
| Audi R8 Spyder | **1,875** | 77 |
| Total, Audi brand | **1,148,791** | 931,007 |
| Lamborghini Gallardo | **1,064** | 922 |
| Lamborghini Murciélago [1)] | **163** | 331 |
| Total, Lamborghini brand | **1,227** | 1,253 |
| Total, Group | **1,150,018** | 932,260 |

1) Including Murciélago successor

At the Ingolstadt Group headquarters the Company manufactured 553,010 (514,493) vehicles in total in the past fiscal year, a substantial rise on the previous year. The higher production output is largely attributable to high demand for the Audi A4, A5 and Q5 car lines. In addition, it manufactured 105,341 (51,665) parts sets for CKD assembly at the Changchun plant (China), and at the Indian plant in Aurangabad. The production volume at the Ingolstadt plant consequently totaled 658,351 (566,158) units.
The number of vehicles built at Neckarsulm also rose sharply to 216,322 (177,820). The Neckarsulm plant, too, produced 118,761 (100,276) parts sets for CKD assembly in China and India. Neckarsulm witnessed the arrival of various major new products in 2010: The new-generation Audi A8 and Audi A8 L, as well as the new Audi R8 Spyder and Audi A7 Sportback models, all got off to a successful start of volume production. The new generation of the Audi A6 also went into production at Neckarsulm in December 2010. The Neckarsulm plant produced a total of 335,083 (278,096) units.
AUDI HUNGARIA MOTOR Kft. produced a total of 38,541 (32,603) vehicles at its Győr (Hungary) plant. It built 26,217 (22,821) models of the TT car line and, jointly with the Ingolstadt plant, 12,309 (9,782) of the Audi A3 Cabriolet on behalf of AUDI AG. Production of the RS 3 Sportback also commenced recently at Győr.
At AUDI BRUSSELS S.A./N.V., Brussels (Belgium), activities in 2010 focused on the launch of the Audi A1, of which 51,937 models were built in its very first year in production. The Belgian location in addition built 17,002 (23,562) vehicles of the A3 car line; production of this model at Brussels was halted in May 2010 to free up the necessary capacity for high-volume production of the A1.

ENGINE PRODUCTION

| | 2010 | 2009 |
|---|---|---|
| Audi Group | **1,648,193** | 1,384,240 |
| of which AUDI HUNGARIA MOTOR Kft. | **1,648,030** | 1,383,909 |
| of which Automobili Lamborghini S.p.A. | **163** | 331 |

The Audi Group stepped up engine production to 1,648,193 (1,384,240) units in the past fiscal year. The 44.7 (42.7) percent share of diesel engines continues to underscore the Company's extensive expertise in the domain of TDI technology.
The Group subsidiary AUDI HUNGARIA MOTOR Kft., Győr (Hungary), built a total of 1,648,030 (1,383,909) engines in 2010, of which 812,176 (698,133) units were supplied to Audi Group companies, 682,856 (560,954) to other Volkswagen Group companies and 114,168 (102,131) to third parties.
Furthermore, Automobili Lamborghini S.p.A. in Sant'Agata Bolognese (Italy) built 163 (331) 12-cylinder engines.

### Investments in production locations
In order to maintain its course of growth and achieve the goals of its Strategy 2020, the Audi Group is creating the capacity needed first and foremost through investing steadily in its production locations.
The Company announced plans to expand the Győr location. In future, the vehicle manufacturing operations there will include body manufacturing and a paint shop, in addition to the existing assembly line. From 2013 Győr will host the production of a further A3 derivative model for which a production turntable with the Ingolstadt location is to be introduced. The Audi Group envisages building a total of 125,000 vehicles per year in this way. Toolmaking operations at the Hungarian plant are also to be expanded in 2011.
The huge market success of the Audi A1 has furthermore prompted the Audi Group to increase the Brussels plant's capacity for 2011 by 20 percent, to 120,000 units. A sum of EUR 300 million was already invested in the Belgian plant to prepare it for becoming the exclusive production plant for the A1. The Company has plans to invest a further EUR 270 million there.
The production start of the Audi Q3 at Martorell (Spain) meant a further location from within the Volkswagen Group was added to the Audi Group's production network.

The Company is also extending the production network at the Ingolstadt Group headquarters. Work on the new A3 body shop progressed during the period under review. The first vehicle bodies are due to leave the hall, which has a total floor area of around 50,000 square meters, from mid-2011. It will be home to some 800 employees, and over 700 robots will be in operation. AUDI AG is investing a total of more than EUR 300 million in the new production facility, EUR 200 million of this amount being earmarked for plant engineering. A new toolmaking building has also gone into use.
As well as extensions to production facilities to accommodate the five new model launches, last year the Neckarsulm location celebrated the topping-out ceremony for a new engine test center that is due for completion by 2012, at a total outlay of EUR 90 million. It was also announced that the Audi e-tron, of which a small number will come onto the market at the end of 2012, will be built at Neckarsulm.

### Automotive Lean Production Award

In September 2010, AUDI AG repeated the previous year's feat of winning the coveted "Automotive Lean Production Award" (AUTOMOBIL PRODUKTION, issue 9/2010, p. 20 f.). For the first time the "Manufacturers" prize was awarded not simply to an individual production area, but to an entire automotive production line – that of the Audi A4, A5 and Q5 models at Ingolstadt.
The prize, which focuses on improvements to production processes, was jointly sponsored for the fifth time by the trade publication AUTOMOBIL PRODUKTION and the management consultants Agamus Consult. Over 60 companies in five categories took part in the competition.

## DELIVERIES AND DISTRIBUTION

In the past fiscal year the Audi Group profited fully from the recovery in global demand for cars thanks to its young, attractive product portfolio and extensive range of modern, highly efficient engines. The Company was able to boost worldwide deliveries to customers by 12.9 percent to 1,293,453 (1,145,360) vehicles.
The core brand Audi grew faster than the worldwide auto market overall; it increased by 15.0 percent to take its tally to 1,092,411 (949,729) cars, comfortably beating the previous deliveries record of just over one million premium vehicles established in 2008.
The brand with the four rings also set new records for deliveries of vehicles in major national markets. Deliveries were stimulated in particular by the A5 Sportback and Audi Q5, which enjoyed considerable demand. Additionally, the A1, the A7 Sportback and A8 were successfully brought onto markets in the year under review.
In the home market Germany, which contracted by 23.4 percent in 2010 following the expiry of the environment bonus, the Audi brand kept total deliveries stable compared with the previous year at 229,157 (228,844) Audi vehicles. Its market share thus rose from 6.2 to 7.8 percent.
The Audi brand increased its deliveries in almost all Western European export markets in the past fiscal year. In the UK, 99,705 (90,513) Audi vehicles were delivered to customers, a rise of 10.2 percent. In France and Italy, too, the Audi brand bucked the general market trend and increased its deliveries by 9.4 and 5.5 percent respectively. Overall, the Company delivered 382,748 (359,465) Audi models in Western Europe (excluding Germany), a rise of 6.5 percent, thus reasserting its position as market leader in the premium segment.

In Central and Eastern Europe the Audi brand saw its deliveries increase once more in 2010, whereas the Company had been unable to stave off the high impact of the overall slump in these markets in the previous year. Deliveries in the Russian car market climbed by 23.3 percent to 18,510 (15,009) vehicles.
The Audi brand enjoyed a very successful fiscal year in the U.S. car market in 2010. With growth of 22.9 percent to the new record total of 101,629 (82,716) vehicles, the brand with the four rings increased its deliveries much more steeply than the market as a whole. This makes the Audi brand one of the fastest-growing players in the premium segment. A major source of growth was the Audi Q5, which proved to be very popular in the United States.
The Asia-Pacific region represented a cornerstone of the Audi Group's growth strategy in the past fiscal year. In China (including Hong Kong), the Audi brand continued to grow unabated last year and remains the undisputed leader in the premium segment. Deliveries rose by 43.4 percent to 227,938 (158,941) vehicles, crossing the threshold of 200,000 Audi models sold for the first time. Major factors in its success included most notably the Audi A4 L and A6 L models with long wheelbase created specially for the Chinese market, along with the gradual expansion of the dealer and service network. There was also an upward trend in Audi deliveries in Japan in 2010. 17,251 (15,854) vehicles, 8.8 percent more Audi models than in the previous year, were delivered to customers.



## DELIVERIES TO CUSTOMERS BY MODEL

| | 2010 | 2009 |
|---|---|---|
| Audi A1 | **27,898** | 116 |
| Audi A3 | **37,322** | 45,146 |
| Audi A3 Sportback | **154,574** | 150,684 |
| Audi A3 Cabriolet | **12,429** | 12,987 |
| Audi TT Coupé | **19,534** | 20,770 |
| Audi TT Roadster | **5,374** | 6,209 |
| Audi A4 Sedan | **180,125** | 164,854 |
| Audi A4 Avant | **110,297** | 118,642 |
| Audi A4 allroad quattro | **11,477** | 7,162 |
| Audi A4 Cabriolet | **161** | 7,461 |
| Audi A5 Sportback | **51,844** | 10,021 |
| Audi A5 Coupé | **41,365** | 49,785 |
| Audi A5 Cabriolet | **21,324** | 10,937 |
| Audi Q5 | **147,088** | 99,812 |
| Audi A6 Sedan | **159,213** | 149,079 |
| Audi A6 Avant | **39,606** | 40,154 |
| Audi A6 allroad quattro | **5,490** | 5,387 |
| Audi A7 Sportback | **3,795** | 140 |
| Audi Q7 | **43,251** | 35,606 |
| Audi A8 | **17,039** | 11,703 |
| Audi R8 Coupé | **1,916** | 2,985 |
| Audi R8 Spyder | **1,250** | 89 |
| Internal vehicles before launch | **39** | – |
| Total, Audi brand | **1,092,411** | 949,729 |
| Lamborghini Gallardo | **1,052** | 1,112 |
| Lamborghini Murciélago | **250** | 403 |
| Total, Lamborghini brand | **1,302** | 1,515 |
| Other Volkswagen Group brands | **199,740** | 194,116 |
| Total, Group | **1,293,453** | 1,145,360 |

The Audi Group maintained its model initiative by unveiling numerous new products.

**NEW MODELS OF THE AUDI BRAND IN 2010**


1) Product improvement

## Audi A1

2010 saw the Audi brand make a very successful entry into the segment of premium subcompact vehicles with the new A1. Between its market launch in August and the end of the year, 27,898 vehicles were already delivered to customers. The Audi A1 appeals above all to a youthful, urban, lifestyle-oriented target group and is notable for its emotionally charged design and the sporty driving experience it delivers. Customers can also choose from a wide range of exterior and interior customization options, as well as modern information and communication technologies. Three attractive, efficient engine versions were available at market launch – the 1.2 TFSI, the 1.4 TFSI and the 1.6 TDI. All engine versions feature direct injection and turbocharging, plus a start-stop system with braking energy recovery. The A1 is the only car in this segment to combine a start-stop system with automatic transmission.
In September the brand with the four rings then unveiled a new top engine version for the car line. This model has a twin-charged 1.4 TFSI engine developing 136 kW (185 hp) which, combined with the 7-speed S tronic dual-clutch transmission, provides sporty handling. The A1 1.4 TFSI (136 kW) is also pioneering for its efficiency – it uses an average of 5.9 liters of Super Plus fuel per 100 kilometers, equating to $CO_2$ emissions of just 139 g/km.

## Audi A3

The popular Audi A3 car line underwent improvements in the early summer. The premium character of all models was made even more explicit both inside and out thanks to various new details. In November the brand with the four rings then unveiled the new top model in the A3 car line – the Audi RS 3 Sportback. This vehicle has a five-cylinder gasoline engine with turbocharging and direct injection. From a displacement of 2.5 liters, this unit produces 250 kW (340 hp) of power and 450 Nm of torque. Its average consumption is only 9.1 liters of Super Plus fuel per 100 kilometers and its $CO_2$ emissions are 212 g/km. The 7-speed S tronic and quattro permanent all-wheel drive provide outstanding power transmission and traction.
Of the A3 car line, a total of 204,325 (208,817) vehicles were delivered to customers in the period under review.

## Audi TT
The Company further enhanced the appeal of the TT car line in the past fiscal year. The improved versions of the compact sports car models TT Coupé and TT Roadster have been available from July 2010, with an evolutionary design for the hybrid aluminum/steel body and improved fuel economy. There was a new addition to the range of engines in the shape of a powerful, efficient 2.0 TFSI engine that accelerates the Coupé with 155 kW (211 hp) output and manual transmission from 0 to 100 km/h in only 6.1 seconds and consumes an average of only 6.6 liters of premium-grade fuel per 100 kilometers, equivalent to $CO_2$ emissions of 154 g/km.
A total of 24,908 (26,979) Audi TT models were delivered in the period under review.

## Audi A4
The brand with the four rings realized further efficiency improvements for its highest-volume car line. The new A4 models now use technologies from the modular efficiency platform such as tires with lower rolling resistance, improved aerodynamics and the on-board computer that displays the recommended gearshift point for optimum fuel economy. The fuel consumption of the A4 2.0 TDI with 100 kW (136 hp) engine averages only 4.4 liters of diesel fuel – and its $CO_2$ emissions are an exemplary 115 g/km.
Of the popular A4 car line, 302,060 (298,119) vehicles in total were delivered to customers in 2010.

## Audi A5
Two particularly sporty models were added to the A5 car line in 2010: the S5 Sportback and the RS 5 Coupé. The S5 Sportback was available from the start of the year, equipped with the powerful 3.0 TFSI engine with an output of 245 kW (333 hp), plus 7-speed S tronic and quattro permanent all-wheel drive as standard. It achieves impressively good fuel economy for its performance category in averaging 9.4 liters of premium-grade fuel per 100 kilometers and $CO_2$ emissions of 219 g/km over the combined cycle.
The high-performance model Audi RS 5 Coupé, a dynamic and powerfully elegant car, became available in June 2010. The model possesses a high-revving 4.2 FSI engine that propels the car from 0 to 100 km/h in 4.6 seconds thanks to its output of 331 kW (450 hp). The latest-generation quattro permanent all-wheel drive provides outstanding traction and agility.
The A5 car line again enjoyed strong demand in the past fiscal year. In 2010 a total of 114,533 (70,743) Audi models were delivered to customers, an increase of 61.9 percent.

## Audi Q5
The Audi Q5, a midsize SUV, saw its popularity rise further in the past fiscal year thanks to its sportiness and versatility. Deliveries of the Q5 rose by 47.4 percent to 147,088 (99,812); since being launched in fall 2008 it has now emerged as a high-volume car line.
The Audi Q5 hybrid quattro was unveiled at the Geneva Motor Show in March. The model has a 2.0 TFSI engine with an output of 155 kW (211 hp) and an electric motor generating 40 kW (54 hp) of power. As a genuine full hybrid, the Q5 hybrid quattro can run exclusively on the combustion engine, on just the electric motor, or in the hybrid mode where both drives operate in tandem. The Audi Q5 hybrid quattro is scheduled to appear on the market in 2011.

## Audi A6
The Audi brand took the wraps off the new generation of its successful full-size sedan, the Audi A6, in December 2010. This model, which is set to arrive on markets from early 2011, boasts innovative technical solutions in a wide variety of areas. As well as the lightweight body with high aluminum content and modern, efficient engines, it is particularly notable for its wide selection of new assistance and multimedia systems.

There are five powerful, highly efficient engines to choose from at launch. The two gasoline and three TDI units have power outputs ranging from 130 kW (177 hp) to 220 kW (300 hp) and use important technologies from the modular efficiency platform: the start-stop system, energy recovery and innovative thermo-management. The car line's most efficient engine at the time of its launch is the 2.0 TDI. In combination with the manual transmission, it requires only 4.9 liters of diesel fuel on average per 100 kilometers – representing $CO_2$ emissions of 129 g/km. Compared with its predecessor the fuel economy of the new A6 has been improved by as much as 19 percent across the entire car line, making the new A6 one of the most economical models in its field of competitors. Other versions that will eventually follow include the derivative models Avant and allroad quattro, as well as the A6 hybrid, which combines the power of a large six-cylinder engine with the fuel economy of a four-cylinder version thanks to its 2.0 TFSI and electric motor with a combined output of 180 kW (245 hp).
The A6 car line impressively reasserted its huge popularity in the full-size category in 2010. In the period under review 204,309 (194,620) vehicles were delivered worldwide.

**Audi A7**
The Audi A7 Sportback, a new model, was launched in October 2010. The five-door car combines the emotional character of a coupe with the comfort and prestige of a sedan and the functionality of an Avant. The A7 Sportback is the benchmark in many different respects – as well as the lightweight body with numerous aluminum components, its most notable features are its array of innovative assistance, infotainment and safety systems. For example the optional head-up display that projects important driver information such as speed and navigation instructions onto the windshield puts in its first appearance. At launch, the engine range for the new model comprises two gasoline and two diesel engines, these powerful units spanning outputs from 150 kW (204 hp) to 220 kW (300 hp).
The A7 Sportback already achieved a delivery volume of 3,795 vehicles.

**Audi Q7**
New, more efficient engines were introduced in the Q7 car line in the past fiscal year. All power units combine the technologies of turbocharging and direct fuel injection. An energy recovery system that captures braking energy and the newly developed 8-speed tiptronic with tall top gears also help to improve efficiency. The Q7 3.0 TDI with an output of 150 kW (204 hp) thus consumes only 7.2 liters of diesel fuel on average over 100 kilometers. $CO_2$ emissions are 189 g/km.
There was a marked increase in demand for the Audi Q7 in the period under review. At 43,251 (35,606) units, the delivery volume was 21.5 percent up on the prior-year total.

**Audi A8**
The new generation of the Audi A8 made a successful market debut in the early part of 2010. The new flagship model in the Audi range blends alluring sportiness with superb comfort and innovative technology, and demonstrates the Audi brand's clear "Vorsprung durch Technik." The new A8 is equipped with a lightweight all-aluminum body using the Audi Space Frame principle, with powerful, highly efficient engines and a luxurious interior with a finish of handcrafted standard. The A8 also redefines the benchmark when it comes to technical innovations. Thanks to an optional touchpad, the Multi Media Interface (MMI) is now even easier and more convenient to operate. Furthermore, numerous driver assistance systems such as the night vision assistant and the Audi pre sense safety system make their first appearance in the new A8. With the option of all-LED headlights, which realize all lighting functions by means of light-emitting diodes, the Audi brand is making cutting-edge lighting technology available on a volume scale.
The A8's engine range comprises two diesel and two gasoline power units, which achieve outstanding fuel economy figures thanks to intelligent efficiency technologies such as energy recovery and thermo-management. For instance the 3.0 TDI quattro developing 184 kW (250 hp) averages just 6.6 liters of diesel fuel per 100 kilometers and thus emits only 174 g $CO_2$/km.

The A8 L, the long-wheelbase version of the A8, was launched in fall 2010. The A8 L W12 quattro was also given its first public showing. With a 130 millimeter longer wheelbase, these models offer the benefit of a substantially more comfortable and spacious rear compartment. Exclusively for the A8 L W12 quattro, there is a 12-cylinder engine with a displacement of 6.3 liters and gasoline direct injection. This accelerates the long-wheelbase A8 from 0 to 100 km/h in only 4.7 seconds thanks to its output of 368 kW (500 hp) and gives its occupants a superbly refined ride. Demand for the A8 luxury sedan reached an excellent level in its very first year on the market. In 2010 a total of 17,039 (11,703) vehicles were delivered, a rise of 45.6 percent.

## Audi R8

The Audi brand extended its product range in the supercar segment during the past fiscal year. In March 2010 the first specimens of the R8 Spyder 5.2 FSI quattro were delivered to customers. This vehicle blends breathtaking dynamism with the experience of open-top driving. As in the Coupé, a 386 kW (525 hp) V10 high-revving mid-engine with gasoline direct injection delivers spectacular road performance. The light aluminum body using the Audi Space Frame principle (ASF), all-LED headlights and the quattro permanent all-wheel drive system which directs more of the propulsive power to the rear wheels demonstrate the high technological standards of the brand with the four rings.

The top version of the R8 car line, the R8 GT, was unveiled in May 2010. This supercar is available in a limited edition of 333 units. The R8 GT's curb weight is just 1,525 kilograms thanks to the use of innovative lightweight materials such as carbon fiber and magnesium, some 100 kilograms lighter than the R8 5.2 FSI quattro. The ten-cylinder engine's output was increased to 412 kW (560 hp). The Audi R8 GT consequently has a power-to-weight ratio of 2.72 kg/hp and accelerates from 0 to 100 km/h in a breathtaking 3.6 seconds. In July 2010 the model range gained a new member, the R8 Spyder 4.2 FSI quattro, with an eight-cylinder 4.2-liter engine and developing 316 kW (430 hp).

In total, 3,166 (3,074) vehicles of the R8 car line were delivered to customers in the period under review.

## Supercars of the Lamborghini brand

The Italian supercar manufacturer Lamborghini added to its product range in the year under review. In March 2010 this fully-owned subsidiary of AUDI AG introduced the new top model of the Gallardo car line, the Lamborghini Gallardo LP 570-4 Superleggera. It weighs 70 kilograms less than the Gallardo LP 560-4, at 1,340 kilograms. The use of carbon fibers on the interior and exterior, a core competence of the brand with the bull, was the key to this weight reduction. In conjunction with an output of 419 kW (570 hp) from the ten-cylinder engine with 5.2 liters displacement, the Gallardo LP 570-4 Superleggera achieves a power-to-weight ratio of 2.35 kg/hp, opening the way for remarkable road performance.

In addition, the new Lamborghini Gallardo LP 570-4 Spyder Performante was unveiled to the public in November 2010. The model marks the brand's systematic application of its lightweight design strategy to the Gallardo Spyder. This model is now 65 kilograms lighter than the Gallardo LP 560-4 Spyder at just 1,485 kilograms – an outstanding figure in the exclusive segment of open-top supercars. Like the Gallardo Superleggera, the Gallardo LP 570-4 Spyder Performante is fitted with a ten-cylinder engine with an output of 419 kW (570 hp) that delivers a particularly intense open-top driving experience.

Lamborghini deliveries totaled 1,302 (1,515) vehicles in 2010. While the Gallardo car line was slightly down on the previous year at 1,052 (1,112) sports cars delivered, the top model Murciélago did not match the previous year's figure because its production ceased in May 2010, with a total of 250 (403) units built. Over a production period of almost ten years, 4,099 of the Murciélago were delivered to customers, making the most-built Lamborghini model with 12-cylinder engine the most popular supercar in the world.

### Other Volkswagen Group brands

In the 2010 fiscal year 199,740 (194,116) vehicles of other Volkswagen Group brands were delivered to customers by the sales companies VOLKSWAGEN GROUP ITALIA S.P.A., Verona (Italy), Audi Volkswagen Korea Ltd., Seoul (South Korea), and Audi Volkswagen Middle East FZE, Dubai (United Arab Emirates).

## FINANCIAL PERFORMANCE INDICATORS
## FINANCIAL PERFORMANCE

The Audi Group increased its revenue by 18.8 percent to EUR 35,441 (29,840) million in fiscal 2010 – the highest level in the Company's history, which now goes back over a century. Increased vehicle sales and higher revenue from sales of engines were the main factors behind this positive development.

The Company increased revenue brought in by sales of Audi brand cars by 21.1 percent to EUR 27,423 (22,652) million.

Thanks to high demand, the Audi A4 car line reasserted its position as the revenue mainstay. Meanwhile there was a substantial boost to revenue from increased unit sales of the A5 and Q5 models. These two car lines thus successfully carved out a place in the Audi brand's portfolio. Following the gradual market launch of the new-generation A8 model, revenue from the luxury sedan was more than doubled. The revenue realized from sales of the Audi Q7 in particular also developed highly satisfactorily.

The two new models Audi A1 and A7 Sportback only appeared on individual markets from the third and fourth quarters respectively. The high level of demand that they generated is already reflected in the extremely positive development in revenue.

Revenue for the Lamborghini brand reached the previous year's level. In addition to models of the Audi and Lamborghini brands, the Audi Group sells vehicles of the Bentley, SEAT, Škoda, VW Passenger Car and VW Commercial Vehicle brands through the sales subsidiaries VOLKSWAGEN GROUP ITALIA S.P.A., Verona (Italy), Audi Volkswagen Korea Ltd., Seoul (South Korea), and Audi Volkswagen Middle East FZE, Dubai (United Arab Emirates). Revenue from the trading of these brands rose in line with the increased demand that they enjoyed.

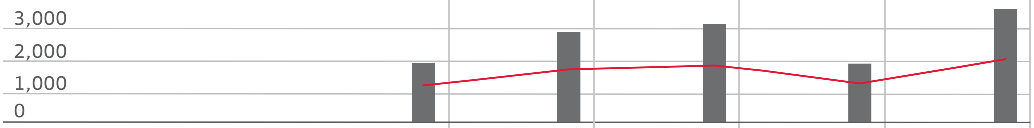
The cost of sales increased to EUR 29,706 (25,649) million in the past fiscal year as a result of the dynamic business performance. However, thanks to the positive effects of further productivity advances and process improvements, this rise of 15.8 percent was below the rate of increase in revenue.

The Audi Group thus generated a gross profit of EUR 5,735 (4,191) million, 36.8 percent more than in the previous year.

The Audi Group succeeded in reducing distribution costs to EUR 3,038 (3,138) million in the past fiscal year, a drop of 3.2 percent, despite the substantially higher volume and numerous market launches. Lower costs from residual value risks were one of the determining factors. The rise in administrative expenses to EUR 374 (301) million was largely attributable to the first-time consolidation of various companies.

The other operating result was improved to EUR 1,017 (852) million in 2010.
The Audi Group therefore more than doubled its operating profit in the past fiscal year, with the figure of EUR 3,340 (1,604) million the highest operating profit in its history. This keeps the Company emphatically on the course of growth that it has been following for the past few years.
The financial result almost matched the previous year's figure, at EUR 293 (324) million. It was diminished in particular by the lower market interest rate for cash and cash equivalents invested. On the other hand, the investment result performed very positively.

**DEVELOPMENT OF PROFIT BEFORE TAX AND RETURN ON SALES BEFORE TAX**




| | 2006 | 2007 | 2008 | 2009 | **2010** |
|---|---|---|---|---|---|
| **Profit before tax** (EUR million) | 1,946 | 2,915 | 3,177 | 1,928 | **3,634** |
| **Return on sales before tax** (%) | 6.2 | 8.7 | 9.3 | 6.5 | **10.3** |

In all, the Audi Group therefore improved its profit before tax by 88.5 percent to EUR 3,634 (1,928) million. After deduction of income tax expense, the Company posted a profit after tax of EUR 2,630 (1,347) million for the period under review, an increase of 95.2 percent.

**KEY EARNINGS DATA**

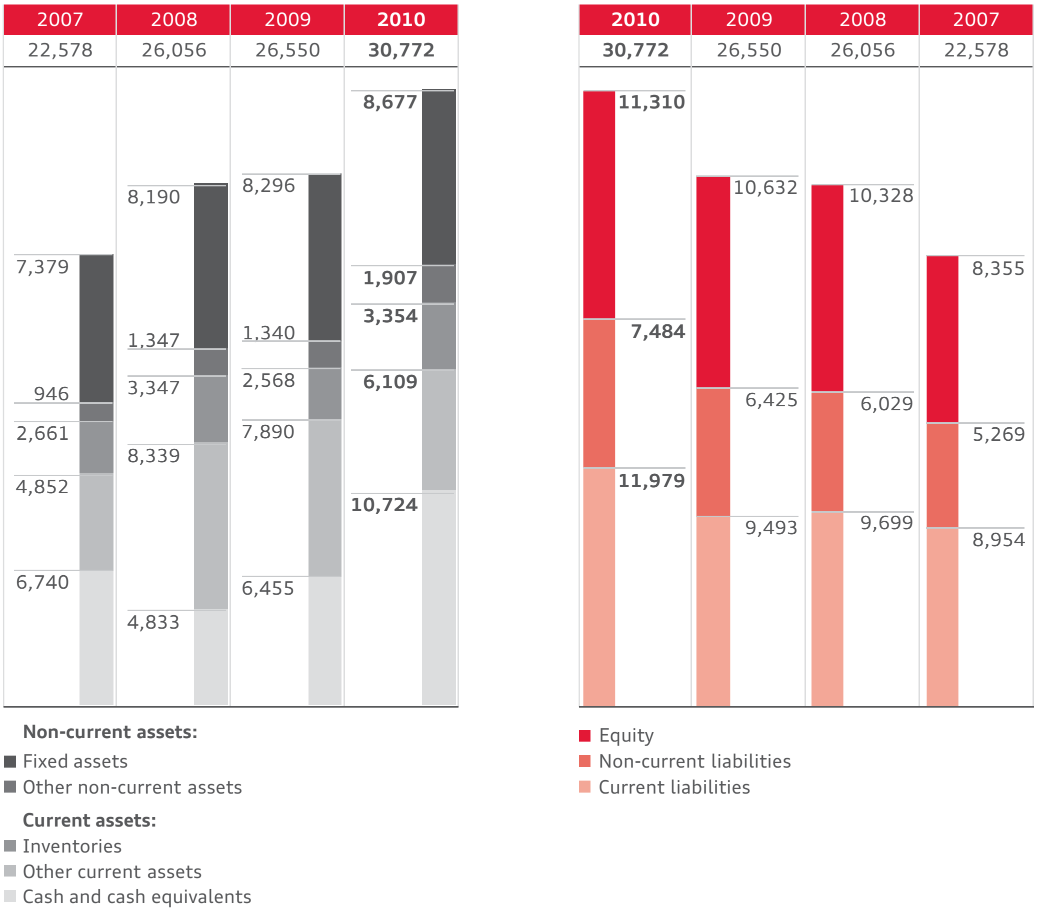
| % | **2010** | 2009 |
|---|---|---|
| Operating return on sales | **9.4** | 5.4 |
| Return on sales before tax | **10.3** | 6.5 |
| Equity return after tax | **24.0** | 12.9 |
| Return on investment | **24.7** | 11.5 |

The Company's high profitability is also reflected in all key return ratios.
For example, the Audi Group increased its operating return on sales to 9.4 (5.4) percent and its return on sales before tax to 10.3 (6.5) percent in the past fiscal year. The Company's return on investment over the same period was an impressive 24.7 (11.5) percent. This meant the Audi Group was again one of the most profitable premium-segment automotive manufacturers in the world in 2010.

**Management Report**

## NET WORTH

BALANCE SHEET STRUCTURE (EUR MILLION)




The Audi Group's balance sheet total increased to EUR 30,772 (26,550) million in the past fiscal year.

Non-current assets were up on the previous year's level at EUR 10,584 (9,637) million. This change is attributable to both higher long-term investments and, for example, the rise in other financial assets that stems from the higher market values of long-term hedging transactions.

Current assets increased substantially to EUR 20,188 (16,913) million. After the crisis-led elimination of inventories in the previous year, the dynamic business performance in 2010 meant that inventories were increased accordingly again. The rise in this line item is also due in particular to the higher amount of cash and cash equivalents as well as to higher investments in securities.

The Audi Group increased its total capital investments to EUR 2,146 (1,844) million in the 2010 fiscal year. In allocating its financial resources the Company focused on new products and technologies. All investment measures were completed as planned, without cutbacks.

The equity of the Audi Group rose by 6.4 percent to EUR 11,310 (10,632) million in the period under review. The rise is attributable primarily to the cash infusion of EUR 586 million by Volkswagen AG, Wolfsburg, into the capital reserve of AUDI AG. Furthermore, the balance of EUR 576 million remaining after the transfer of profit was allocated to the other retained earnings. The equity ratio for the Audi Group consequently reached 36.8 (40.0) percent.

Non-current liabilities were up on the prior-year figure at EUR 7,484 (6,425) million. Higher other liabilities, provisions for pensions and other provisions all contributed towards this increase.

Current liabilities climbed to EUR 11,979 (9,493) million due to such factors as the sales-related rise in trade payables, higher effective income tax obligations and the higher transfer of profit to Volkswagen AG.

## FINANCIAL POSITION

The Audi Group enjoyed a substantial increase in cash flow from operating activities to EUR 5,797 (4,119) million in the past fiscal year.
In the same period, the cash used in investing activities for current operations amounted to EUR 2,260 (1,798) million. Investments in property, plant and equipment in 2010 reached EUR 1,362 (1,172) million. The investment focus was mainly on new products and the further development of pioneering technologies in the spheres of drive technology, lightweight design and electrification.
Including cash deposits in securities and the change in fixed deposits and loans extended, the cash used in investing activities totaled EUR 946 (1,433) million. The year-on-year decrease is essentially attributable to the change in fixed deposits and loans.
The Audi Group again succeeded in financing capital investments entirely from its own resources, at the same time generating an easily positive net cash flow of EUR 3,536 (2,321) million. This underlines the enduring financial strength of the Company.
The net liquidity on December 31, 2010 of EUR 13,383 (10,665) million was once again well up on the prior-year figure.
The other financial obligations as of year-end amounted to EUR 2,192 (1,813) million, mainly in the form of ordering commitments. Further details are provided in Section 39 of the Notes: “Other financial obligations.”

## SOCIAL AND ECOLOGICAL ASPECTS
### EMPLOYEES

#### Workforce

| Average for the year | 2010 | 2009 |
|---|---|---|
| Domestic companies | 45,914 | 45,408 |
| of which: | | |
| AUDI AG | 44,299 | 44,344 |
| Ingolstadt plant | 31,344 | 31,409 |
| Neckarsulm plant | 12,955 | 12,935 |
| Foreign companies | 11,038 | 10,200 |
| of which: | | |
| AUDI BRUSSELS S.A./N.V. | 2,145 | 2,153 |
| AUDI HUNGARIA MOTOR Kft. | 5,833 | 5,614 |
| Lamborghini Group | 803 | 1,000 |
| VOLKSWAGEN GROUP ITALIA S.P.A. | 883 | 902 |
| Employees | 56,952 | 55,608 |
| Apprentices | 2,269 | 2,115 |
| Employees of Audi Group companies | 59,221 | 57,723 |
| Staff employed from other Volkswagen Group companies not belonging to the Audi Group | 292 | 288 |
| Workforce | 59,513 | 58,011 |

The Audi Group employed an average of 59,513 (58,011) people in fiscal 2010.
The slight increase compared with the previous year is largely down to the one-time creation of 100 positions for apprentices at AUDI AG and the first-time consolidation of various companies. The personnel total at AUDI HUNGARIA MOTOR Kft., Győr (Hungary), likewise rose slightly as a result of the increased production volume.

Management Report

EMPLOYEE STRUCTURAL DATA (AUDI AG)

| | | 2010 | 2009 |
|---|---|---|---|
| Average age [1] | Years | **40.8** | 40.5 |
| Average length of service [1] | Years | **16.0** | 15.8 |
| Proportion of women [1] | Percent | **12.6** | 12.3 |
| Proportion of academics [2] | Percent | **36.3** | 35.1 |
| Proportion of foreign nationals | Percent | **7.7** | 7.9 |
| Proportion of people with severe disabilities | Percent | **6.0** | 5.7 |
| Contracts to workshops for people with mental disabilities | EUR million | **6.2** | 5.6 |
| Frequency of accidents [3] | | **2.3** | 2.4 |
| Attendance rate | Percent | **96.4** | 96.8 |
| Savings through Audi suggestions award program | EUR million | **51.2** | 51.1 |
| Implementation quota | Percent | **57.5** | 54.8 |

1) Audi Group

2) Proportion of indirect employees

3) The accident frequency figure indicates how many industrial accidents involving one or more days' work lost occur per million hours worked.

## The Audi Group's human resources policy

As part of its strategic corporate plan, the Audi Group has set itself the goal of being the most attractive employer. Having already achieved top ratings in surveys of engineering and business graduates and students in Germany, the Audi Group is now aiming to secure an equivalent status in the international context.

A core attribute of an attractive employer is good relations between the company and its employees. In other words, the general and working conditions must be both conducive to a good economic performance and suitably meet the needs of employees. Furthermore, the employees' elected representatives play a major role: At AUDI AG, codetermination is regarded as the sharing of responsibility.

Job security is another key attribute of an attractive employer. To flank the plant extensions at AUDI HUNGARIA MOTOR Kft., Győr (Hungary), the management and Works Council therefore recently agreed on a guarantee of employment for AUDI AG employees until the end of 2014. The employment guarantee enshrined in the agreement "Audi's Future – Performance, Success, Sharing" was previously valid through December 2011.

One key component of the human resources policy is that the Company's success translates into success for the employees. Bonuses averaging EUR 3,500 per employee were therefore paid out in 2010. These bonuses included a one-off special payment of EUR 1,200, which was made in June 2010 in recognition of the exceptional dedication shown by employees throughout the global financial and economic crisis. Last fall the management and Works Council moreover agreed to bring forward the collectively negotiated pay increase from April 2011 to February 2011.

Regular surveys serve to confirm that employee satisfaction is very high. In addition, numerous external surveys have attested that the Audi Group is a highly attractive employer.

## Top ratings in attractiveness surveys

In 2010 AUDI AG emerged from the attractiveness surveys conducted by the consultants trendence ("trendence Graduate Barometer 2010 – Business and Engineering Edition," May 21, 2010) and Universum ("Universum Student Survey 2010 – Germany," May 3, 2010) as the most popular employer in Germany. AUDI AG became the first company ever to achieve a quartet of first places by topping the categories "Engineers" and "Economists" in both studies. Compared to the previous year's findings, AUDI AG gained ground most notably among economists – in 2009 the Company had only come fourth (Universum) and second (trendence) among that group. Among engineers the Company retained top spot, giving it three wins in a row.

In a Universum study of engineers already in employment, AUDI AG again came first in the survey to find the most attractive employer ("The German Professional Survey 2010," December 6, 2010).

## 520 experts newly recruited

AUDI AG recruited around 520 experts in 2010 – first and foremost for the growth area of electric mobility as well as for lightweight automotive design and production planning. Over and above increasing its workforce in line with growth, AUDI AG provides specific training and advancement for its existing employees.

## Health, job and family

The corporate benchmarking study “oekom Industry Report Automobile” published in 2010 awarded AUDI AG the top grade of A+ in the categories “Work-Life Balance” and “Health and Safety” (“oekom Industry Report Automobile,” April 2010). The subject of this rating report, in which a total of 15 carmakers from the United States, Europe and Asia participated, was management sustainability. AUDI AG’s positive results for the above criteria are down to its programs designed to steadily improve ergonomics, a very high standard of health and safety at work, and the wide-ranging options for flexible working hours and health protection.

The Company has further stepped up its preventive measures since summer 2006. By the end of 2010, for example, a total of around 30,000 employees had taken a voluntary health check-up. This thorough preventive health check can be taken during working hours and includes lab tests and an in-depth consultation with a physician.

The number of Audi employees taking up the option of parental leave rose to around 900 (780) in the period under review. The popularity of parental leave has thus gradually increased since its introduction in 2001. The length of parental leave taken by AUDI AG employees averages 12 months. 79 percent of the men entitled to parental leave take advantage of this arrangement.

## Training and advancement

788 young people started apprenticeships at AUDI AG in September 2010. Behind this record figure lay the pledge made by the Company in the previous year – when the Audi brand celebrated its 100th anniversary – to create an additional 100 positions for apprentices. As of the end of 2010 there were slightly more than 2,350 apprentices at the two German locations Ingolstadt and Neckarsulm, spanning about 20 different vocations. The figure includes around 100 young people embarking on a sandwich course leading to the entrance qualification for a university of applied science. In parallel with training as an automotive mechatronics engineer, electronics engineer for automation technology or tool mechanic, they can acquire a subject-specific university entrance qualification.

The StEP scheme (Study and Experience in Practice) is a program offered by AUDI AG combining vocational training with studies of a technical subject. To accommodate the double number of school-leavers produced by the introduction of the higher school-leaving certificate after 12 school years, the Company is to double the number of places available. For the extra places in the StEP program, priority will be given to school-leavers from those federal states where there will be a particularly high number of young people commencing their studies as a result of the elimination of the thirteenth high-school year.

In March 2010 the first graduates of the new “Automotive technology electrician” qualification received their certificates. The concept for certifying further training was developed by experts from AUDI AG in partnership with IHK Akademie München in response to the electrification of the driveline. The qualification, which takes a maximum of eight weeks, centers on working with high-voltage technology and health and safety at work. From the 2010 intake on, this qualification is integrated into the apprenticeship for automotive mechatronics engineers at AUDI AG. All apprentices are furthermore receiving training in hybrid technology and electric mobility.

The topic of lightweight design is also extensively covered during vocational training. Additional course content on new joining techniques and combinations of materials has been added for existing vocations. The new vocation of foundry mechanic is a new addition to the training range.

In the sphere of further training, diverse qualification projects were held in 2010 in preparation for model launches. In view of the growing complexity of products and technologies and the increased number of launches to be handled over the next few years, a new process was adopted for this. It has already been implemented for launch training for the new Audi A8, A7 Sportback and A6 models at Neckarsulm and the Q3 at the SEAT S.A. plant in Martorell (Spain).

## AUDI IN SOCIETY

### Donations by employees and Company reach record level

In 2010 the Christmas fundraising campaign brought in EUR 770,000 – the highest amount since it was introduced in 1977. 99 percent of employees at Neckarsulm and Ingolstadt contributed towards the campaign, with the total topped up by the Company. Charities and organizations in the regions around these two Company locations were the beneficiaries of the fundraising campaign, which was pioneered by the Works Council.
Audi employees also raised funds to help the victims of the natural disasters in Pakistan and Haiti. Along with other fundraising campaigns and a donation of EUR 500,000 by the Company to help those affected by the chemical accident in western Hungary, the total amount raised by the employees and management at AUDI AG was EUR 1.8 million.

### Additional research partnerships

Last year AUDI AG built on the research partnerships it has been establishing since 2003 by establishing ties with new partner universities and providing the funding for professorships.
The partnership with the renowned Tongji University of Shanghai in the field of electric drive development was sealed at an event attended by the Chinese Minister of Science and the Chairman of the Board of Management of AUDI AG, Rupert Stadler. The first project for the “Audi Tongji Joint Lab” is to develop an electric driveline for the Chinese-built Audi A6 L with long wheelbase.
Heilbronn University became a new research partner of the existing Audi Neckarsulm University Institutes in April 2010. This new research partnership will be working mainly in the research fields of engine development and lightweight design. A new research partnership with the Universität der Bundeswehr (University of the Federal Armed Forces) in Munich will concentrate on the subject areas of leadership and electric mobility.
In addition, the Company funded its first endowed chair and guest professorship in 2010. AUDI AG joined forces with Stifterverband für die Deutsche Wissenschaft, a German industry initiative promoting science and learning, to set up a five-year professorship in the area of “Acoustics and Technical Mechanics” at Ingolstadt University of Applied Science, because vehicle acoustics is increasingly becoming a differentiating feature particularly in the premium car market. At the Catholic University of Eichstätt-Ingolstadt, AUDI AG is funding a three-year guest professorship for “International Trends in Economics and Research.” The first incumbent of this post, in summer 2010, was a Chinese economics professor from the Sun Yat-sen Business School in Guangzhou.
AUDI AG organized its own series of lectures last year under the banner of “Hands-On University,” where lecturers from partner universities presented the latest findings from their research (INI. and HIN. seminar). Together with the partners Friedrich-Alexander University Erlangen-Nuremberg, the University of Stuttgart and the Karlsruhe Institute of Technology (KIT), the Company also offered half-day advanced events (INI. and HIN.JUGEND.KOLLEG), which introduced school students from eighth to tenth grade to the world of technology. A total of over 2,000 school students and adults attended the “Hands-On University” in 2010.
Last summer AUDI AG was also involved in setting up the University Foundation of the Technical University of Munich, in the capacity of institutional benefactor. The purpose of the foundation is to provide both moral and material support for research and teaching at the Technical University of Munich, including in the form of funding for outstanding students and lecturers.

AUDI GROUP PARTNERSHIPS WITH UNIVERSITIES

**Ingolstadt location**

- INI.KU – Ingolstadt Institutes of the Catholic University of Eichstätt-Ingolstadt
  Since 2008; focus:
  Human Resources, Leadership, Purchasing
- INI.FAU – Ingolstadt Institutes of Friedrich-Alexander University Erlangen-Nuremberg
  Since 2006; focus: Information Technology and New Materials
- INI.TUM – Ingolstadt Institutes of the Technical University of Munich
  Since 2003; focus: Driving Analysis, Simulation
- INI.LMU – Ingolstadt Institutes of Ludwig-Maximilian University of Munich
  Since 2008; focus:
  Human Resources, Marketing and Sales
- IAF – Institute for Applied Research, Ingolstadt University of Applied Science
  Since 2004; focus:
  Development and Production
- INI.UniBw – University of the Federal Armed Forces, Munich
  Since 2010; focus:
  Leadership and Electric Mobility

**Neckarsulm location**

- HIN –Neckarsulm University Institutes: Karlsruhe Institute of Technology (KIT), University of Stuttgart and Heilbronn University
  Since 2005; focus: Engines and Lightweight Design; Human Resources, Production and Logistics

**Győr location**

- Audi Hungaria Chair of Internal Combustion Engines – SZE Győr
  Since 2008; focus: Engine Manufacturing and Technology
- AHI – Audi Hungaria Institutes:
  Technical University of Budapest and SZE Győr
  Since 2006; focus: Engines and Production

**Other cooperation partners**

- EBS – European Business School, Oestrich-Winkel
  Since 2007; focus: Human Resources Management and Business Administration
- ALL – Audi Logistics Laboratory, Fraunhofer Institute for Material Flow and Logistics (IML), Dortmund, Graduate School of Production Engineering and Logistics, Technical University of Dortmund
  Since 2007; focus: Logistics

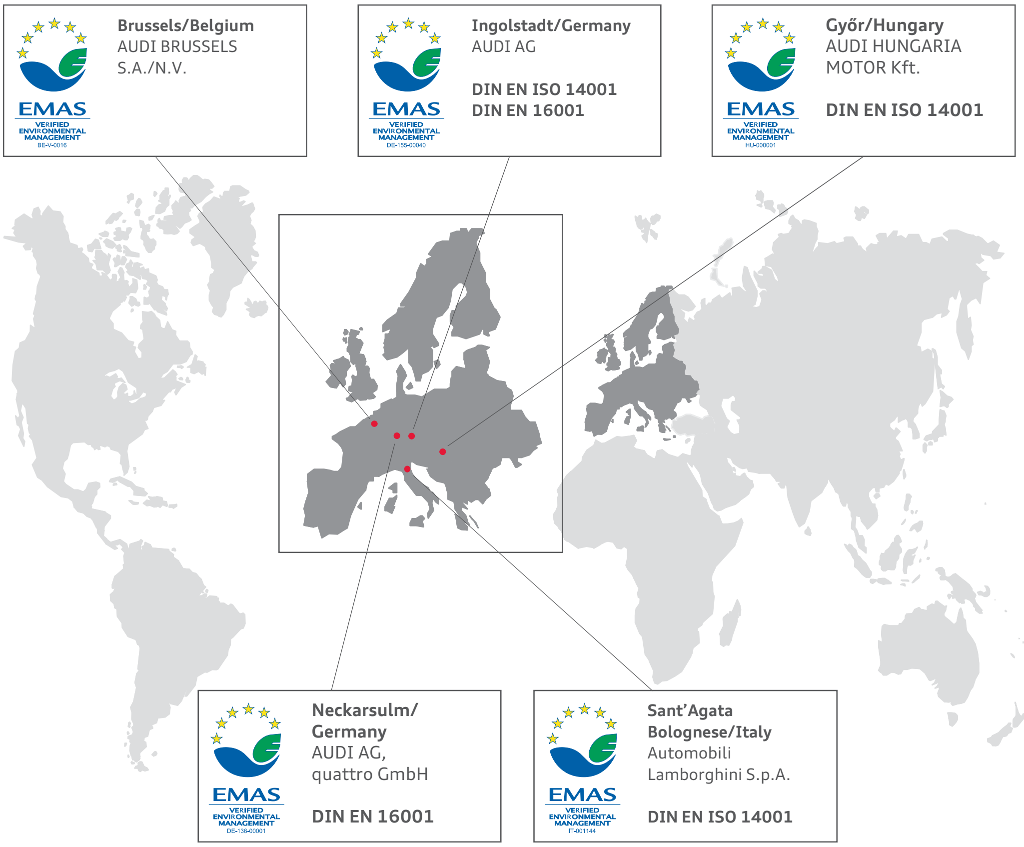
## LOCATION-BASED ENVIRONMENTAL ASPECTS

As a company that operates worldwide, the Audi Group actively embraces the principle of social responsibility. The idea of sustainable management, resting on ongoing efforts to reconcile economy and ecology, is therefore an integral aspect of the corporate strategy. The Audi Group recognizes the importance of maximum efficiency and the preservation of resources in every area of the Company and is therefore a pioneer of location-based environmental protection in the automotive industry both in Germany and abroad. Environmental compatibility is thus a fundamental consideration in the development and production of an Audi vehicle. As well as continually implementing measures to improve the efficient use of resources, the Audi Group exercises its environmental responsibility through its extensive involvement in numerous initiatives. The Company for instance maintains a constant dialog with politicians, associations, government agencies and journalists about its environmental philosophy, and is also deeply involved in joint projects between government and industry. Its renewed participation in now the fourth Bavarian Environmental Pact emphasizes how the Audi Group's environmental commitment goes far beyond the statutory requirements. It believes this is the only way to achieve the goal of enhanced innovativeness harnessed to an environmentally acceptable and thus sustainable form of economic growth.

### Accreditation

Organizational measures within its environmental management systems and pioneering technologies provide a basis for steadily reducing pollution at all its locations. Regular internal reviews and external auditing of all production facilities testify to these ongoing efforts. In recognition of its environmental activities, the Company bears the European Union's symbol of environmental excellence as a mark of its efforts to protect the environment. All locations in the Audi Group are thus validated under the European Union's EMAS (Eco Management and Audit Scheme), which goes well beyond the minimum standards required. In 1995, the Company became the first premium-segment carmaker to be awarded this prestigious certification for its Neckarsulm location. The two production plants Ingolstadt and Győr (Hungary) followed in 1997 and 1999. The Belgian plant in Brussels has held the EMAS certificate since 2002, being joined in 2009 by the Lamborghini location Sant'Agata Bolognese (Italy). The Ingolstadt, Győr and Sant'Agata Bolognese manufacturing plants are moreover accredited under the worldwide DIN EN ISO 14001 standard. In addition, the environmental management systems of the Ingolstadt and Neckarsulm plants already satisfy the new European standard DIN EN 16001, which sets particularly ambitious targets for the gradual, systematic reduction of energy consumption.

ACCREDITATION OF AUDI GROUP LOCATIONS



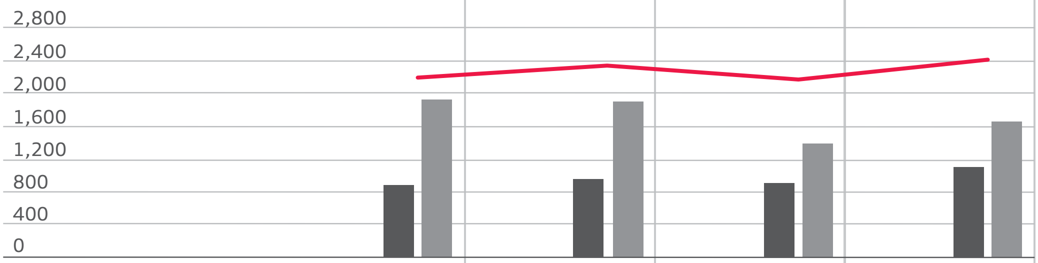

The environmental declarations for the individual locations are each available in the local language on the respective companies' websites.

## Emissions reduction and resource efficiency

Environmental activities place particular focus on reducing energy consumption and related emissions; the potential for saving energy is already taken into account in the planning phase. AUDI AG has set itself the overall goal of reducing location-based and company-specific $CO_2$ emissions by 30 percent by 2020, against the base year of 1990, through a wide range of ongoing measures.

As well as infrastructure and logistics, the production and supply facilities are key areas offering scope for permanent efficiency gains. For example, when the engine test benches at Neckarsulm are running, they can generate power for use at the plant by being connected up to generators. The use of an extra-light body manufacturing tool made largely from carbon fiber and developed by the Audi Toolmaking Shop cuts power consumption by around 43 percent compared with a conventional tool. The adoption of innovative joining techniques in body manufacturing, such as spot welding, laser welding and bonding techniques, also cuts consumption of operating materials and energy. Technical solutions such as a modern combined heat, power and refrigeration plant at Ingolstadt as well as heat recovery systems and the use of district heating have furthermore proved very successful for the Audi Group. The district heating contract for the Ingolstadt plant concluded in 2009 means that the amount of waste heat from neighboring industrial enterprises being used will continue to rise in the future.

**DEVELOPMENT IN OVERALL ENERGY CONSUMPTION, VEHICLE AND ENGINE PRODUCTION BY THE AUDI GROUP** [1)]




| | 2007 | 2008 | 2009 | **2010** |
|---|---|---|---|---|
| ■ **Vehicle production** (thousand units) | 867 | 953 | 902 | **1,102** |
| ■ **Engine production** (thousand units) | 1,916 | 1,902 | 1,384 | **1,648** |
| ■ **Total energy consumption** (GWh) | 2,193 | 2,337 | 2,157 | **2,407** |

1) Ingolstadt, Neckarsulm, Brussels (from 2008; excluding Volkswagen Polo), Győr and Sant'Agata Bolognese plants; 2010 figures provisional

The slight rise in overall energy consumption and $CO_2$ emissions is mainly attributable to the increased production volume. The pattern of recent years demonstrates that total energy consumption has nevertheless been kept virtually stable.
The other key environmental figures that the Audi Group observes over and above energy consumption also reflect the increased production volume.

**ENVIRONMENTAL STRUCTURAL DATA** [1)]

| | | **2010** | 2009 |
|---|---|---|---|
| VOC emissions [2)] | t | **1,945** | 1,750 |
| Direct $CO_2$ emissions [3)] | t | **206,370** | 188,339 |
| Volume of waste water | $m^3$ | **2,080,582** | 1,708,808 |
| Fresh water purchased | $m^3$ | **2,991,498** | 2,702,821 |
| Total volume of waste | t | **57,103** | 51,896 |
| of which recyclable waste | t | **48,970** | 42,624 |
| of which disposable waste | t | **8,133** | 9,272 |
| Metallic waste (scrap) | t | **306,533** | 282,517 |

1) Ingolstadt, Neckarsulm, Brussels (excluding Volkswagen Polo), Győr and Sant'Agata Bolognese plants; 2010 figures provisional

2) VOC emissions (volatile organic compounds): This figure comprises emissions from the paint shops, test rigs and other facilities. From 2010 new calculation basis for the Ingolstadt plant to comply with new statutory requirements.

3) Direct $CO_2$ emissions: This figure is made up of $CO_2$ emissions generated by the use of fuel at the plant, and $CO_2$ emissions produced by the operation of test rigs.

**Management Report**

NEW ENVIRONMENTAL PROJECTS IN 2010

Oak Forest project

Rail freight on green power

Solar power from the desert

### Oak Forest project makes further progress

Amid the international drive to implement a sustainable environmental policy, AUDI AG gave an important lead in fall 2009 by establishing the charitable environmental foundation "Audi Stiftung für Umwelt GmbH." The goal of the foundation is to protect the natural livelihood of humans, animals and plants. It will support measures and research activities that further the development of environmentally acceptable technologies outside the sphere of the car, and will promote environmental education as well as the sustainability of the human-environment system. One of the first projects of the newly established foundation involves providing long-term research backup for the "Oak Forest" international research project launched by AUDI AG, which seeks among other things to investigate the interaction between stand density on the one hand, and the potential for capturing $CO_2$ and for biodiversity on the other. AUDI AG had already paved the way for the project in 2008 in planting around 36,000 English oaks in Kösching Forest, not far from the Group headquarters in Ingolstadt, in partnership with the Bavarian State Forestry and the Chair of Forest Yield Science at the Technical University of Munich. A second area was added near the Hungarian site in Győr in 2009, and planted with over 13,000 English oaks. Most recently, an additional 10,000 trees were planted near the Audi Neckarsulm plant in late November 2010. Additional sites at international Audi Group locations are currently in the pipeline.

### Audi vehicles shipped using green power

The Audi Group has been using resource-saving logistics for many years now. Up to 70 percent of all vehicles are shipped to their destination on freight trains. Ingenious systems help to make optimum use of the packaging and transport facilities. In August 2010 the Audi Group became the first company in Germany to ship its cars from its headquarters in Ingolstadt to Emden, the port of loading on the North Sea coast, by trains running on power generated from renewables. In becoming the first company to use green power for freight traffic and as a development partner of DB Schenker, the transport and logistics division of Deutsche Bahn, Berlin, the Audi Group yet again underscores its pioneering position in the automotive industry.

### Use of renewables

As well as taking measures to reduce its consumption of energy and resources, the Audi Group is mindful of how energy is sourced and therefore eager to increase its use of renewables. One such example is its collaboration with Green City Energy GmbH, Munich. AUDI AG allowed the energy service provider to install photovoltaic modules for power generation on various roofs at the Ingolstadt factory site, initially over an area of 11,600 square meters.

Photovoltaic modules covering a further 7,500 square meters of the new body shop for the Audi A3 were subsequently installed in 2010, bringing the total area set aside for this technology to around 19,000 square meters. The newer modules bring the total yield of all photovoltaic systems at the Ingolstadt plant to around 1,500 MWh per year. Around one-third of this is used directly in situ, reducing transmission losses. As well as new charging stations for electric cars, various production machinery will use this green power.
A photovoltaic plant comprising 10,700 modules was also installed on the parking lot roofs at the Neckarsulm plant in October 2010 to generate power from the sun's rays.
A 17,000 square meter photovoltaic system was commissioned at Automobili Lamborghini S.p.A. in 2010 at its Sant'Agata Bolognese plant. In 2010, VOLKSWAGEN GROUP ITALIA S.P.A., Verona (Italy), completed the installation of a photovoltaic plant covering a total of 28,500 square meters on the roof of its own parts store.
Furthermore, in April 2010 AUDI AG entered into a partnership with the industrial initiative Dii GmbH, Munich, whose long-term goal is to transform the DESERTEC vision into reality. This vision describes the prospects for capturing solar and wind power in desert regions to supply Europe, the Middle East and North Africa.

### Emissions trading

The European Union assumed a pioneering role in matters of climate protection when it introduced the $CO_2$ emissions trading scheme in 2005. The second trading period (2008 to 2012) in which the Ingolstadt, Neckarsulm and Brussels manufacturing plants are participating already began in 2008. Thanks to the early adoption of measures to improve energy efficiency and the targeted reduction of emissions, the Audi Group does not currently expect to incur any costs from emissions trading in this second trading period.

## PRODUCT-BASED ENVIRONMENTAL ASPECTS

### Future mobility

For many years the Audi brand has been steadily helping to define efficiency standards in automotive manufacturing through its wide range of innovations. The Company advocates a diversified concept based on a variety of technologies and energy sources, so that customers can choose the option that best meets their individual requirements from a wide range of drive technologies.
For the time being, the combustion engine will remain the principal drive assembly. The Audi brand will therefore systematically optimize its TDI and TFSI engines by consistently implementing advanced technologies from its modular efficiency platform, and thus build on its success. The Company is also investigating the scope for further reducing $CO_2$ emissions through the use of biofuels. Over the next few years hybrid drive in particular will play a major role in preparing the way for electric travel – two Audi-brand full hybrids in the shape of the Q5 hybrid quattro and the A6 hybrid are set to appear from 2011 and early 2012 respectively. In unveiling e-tron studies illustrating various different technical concepts in 2010, the Company also demonstrated that developments in electric mobility have advanced by leaps and bounds (cf. "Electric mobility" under "Research and Development," p. 146 f.). By blending sportiness, dynamism and driving pleasure with an efficient form of travel, the Audi brand will continue to live up to its claim to technology leadership.

THE AUDI BRAND'S MILESTONES IN EFFICIENCY TECHNOLOGY

**2011**
- Launch of Q5 hybrid quattro
- Audi A1 fleet trial "eflott"

**2010**
- 52 engine versions < 140 g $CO_2$/km
- Presentation of e-tron models:
  Detroit showcar Audi e-tron; Audi A1 e-tron with range extender; Audi e-tron Spyder
- 1st place for Audi e-tron Silvretta in the "Silvretta E-Auto Rally Montafon 2010"

**2009**
- Launch of start-stop system and driver information system with efficiency program
- Presentation of Audi e-tron and test drives
- "Green Car of the Year Award" for the A3 TDI clean diesel

**2006**
- 1st win for Audi R10 with 12-cylinder TDI engine in 24 Hours of Le Mans
- Launch of Audi valvelift system (AVS)

**2003**
- Launch of Audi S tronic

**2002**
- Launch of FSI technology

**2001**
- Five-door three-liter car: Audi A2 1.2 TDI

**1999**
- Volume-produced car with all-aluminum body: Audi A2

**1994**
- Launch of Audi Space Frame (ASF)

**1989**
- Launch of TDI technology
- Audi duo hybrid model

**1982**
- Audi 100 achieves impressively low Cd of 0.30

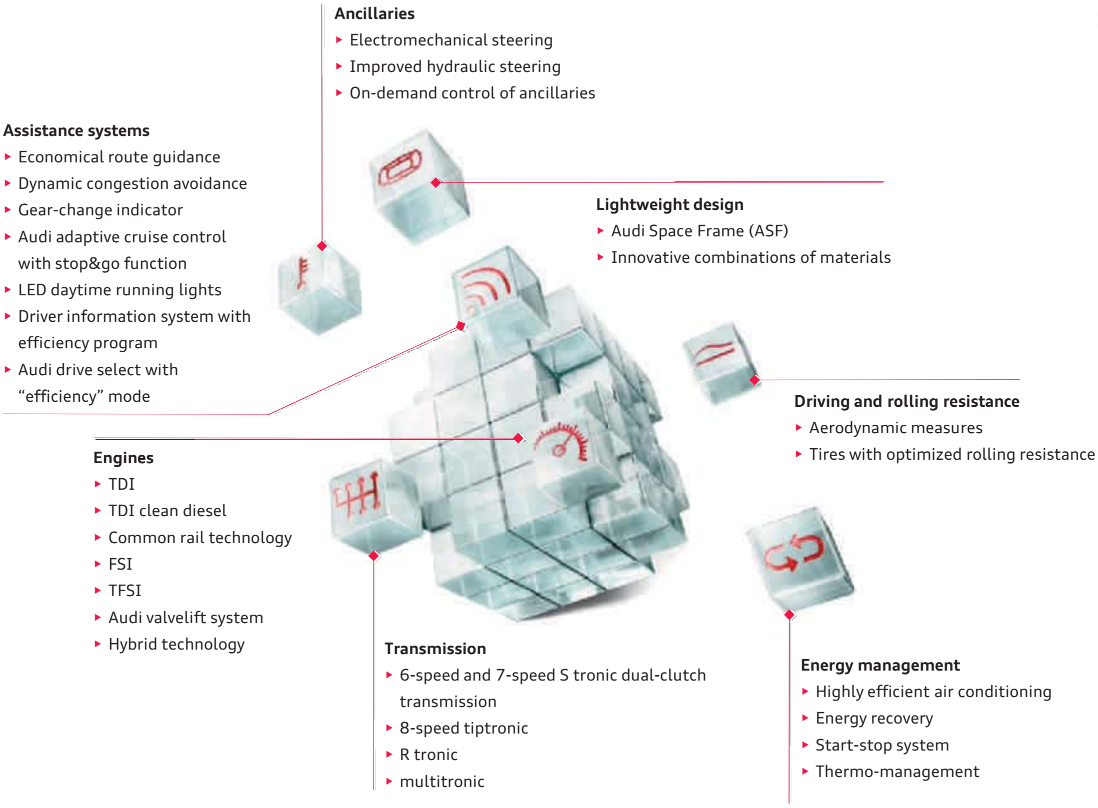
## Hybrid models

The Audi brand will be launching its first hybrid model, the Audi Q5 hybrid quattro, in 2011, to be followed by the Audi A6 hybrid at the start of 2012. As full hybrids, these two vehicles can drive on their combustion engine, on solely their electric motor or in the hybrid mode. Moreover, during retardation phases they recover energy, and activate both the engine and the electric motor simultaneously when accelerating rapidly.
This enables them to travel at a speed of up to 100 km/h purely electrically – with a range of up to three kilometers at a constant 60 km/h.
The two drive units, a 2.0 TFSI and an electric motor arranged one directly after the other in a parallel hybrid system, produce extremely dynamic road performance with a system output of 180 kW (245 hp) and 480 Nm system torque. The average fuel consumption and the combined $CO_2$ emissions of the Q5 hybrid quattro are 6.9 liters of premium-grade fuel and 159 g $CO_2$/km. The A6 hybrid, too, achieves standard average consumption of 6.1 liters of premium-grade fuel per 100 kilometers, equating to $CO_2$ emissions of 142 g/km (fuel consumption and emissions figures provisional).
In the course of 2012, the A8 hybrid will also go on sale; this model was already showcased as a technology study at the Geneva Motor Show in early 2010.

## Modular efficiency platform

The innovative technologies that constitute the modular efficiency platform play an important part in improving fuel efficiency and cutting $CO_2$ emissions in all Audi brand vehicles. The steadily growing range encompasses various efficiency modules that have already been adopted as standard features in numerous Audi models. The technologies are continually being refined – for instance the start-stop system became available for automatic as well as manual models in fiscal 2010.

THE AUDI MODULAR EFFICIENCY PLATFORM




## Predictive gearshift strategy

Advances in transmission technology, under the umbrella of the modular efficiency platform, likewise improve efficiency. Transmission functions have already previously been improved by incorporating information from other sensors and control units – for instance, the driver can now see on a gear-change indicator how best to time gearshifts from an efficiency viewpoint. A new feature is that route data from the navigation system is now evaluated in order to optimize changes of gear. This supplementary information for example avoids unnecessary upshifts just before a curve, promoting an altogether more economical driving style. The "predictive gearshift strategy" was adopted for the first time in 2010 in the 8-speed tiptronic in the new Audi A8.

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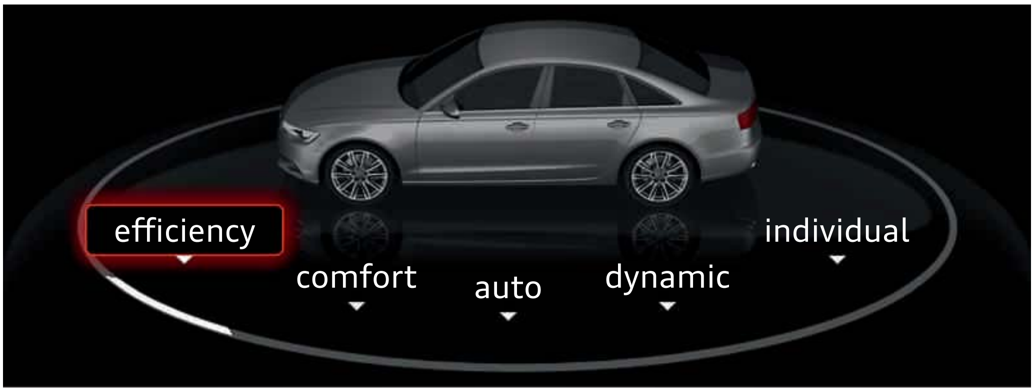
### Aerodynamics

Vehicle aerodynamics are another important element of the modular efficiency platform because tractive resistance has a major impact on efficiency. Much effort was again made to ensure that the models launched in 2010 exhibited good aerodynamics:
The new Audi A7 Sportback is among the best in its category for aerodynamics, with a drag coefficient (Cd) of 0.28. The Audi A6 unveiled at the end of 2010 is also aerodynamically outstanding. With a drag coefficient of 0.26, the new Audi A8 is moreover the most aerodynamically efficient luxury-class vehicle in the world.
Low aerodynamic driving resistance combines with other efficiency measures to produce outstanding fuel consumption and $CO_2$ emissions.

### The “efficiency” mode in Audi drive select

The “efficiency” mode is available for the first time in the driving dynamics system Audi drive select in the new-generation Audi A6. The new driving mode promotes a consumption-optimized driving style that brings together the individual vehicle systems such as engine, transmission, suspension and air conditioning to realize an efficiency gain of up to 13 percent. Thanks to its integration into Audi drive select, it is activated conveniently simply at the push of a button.

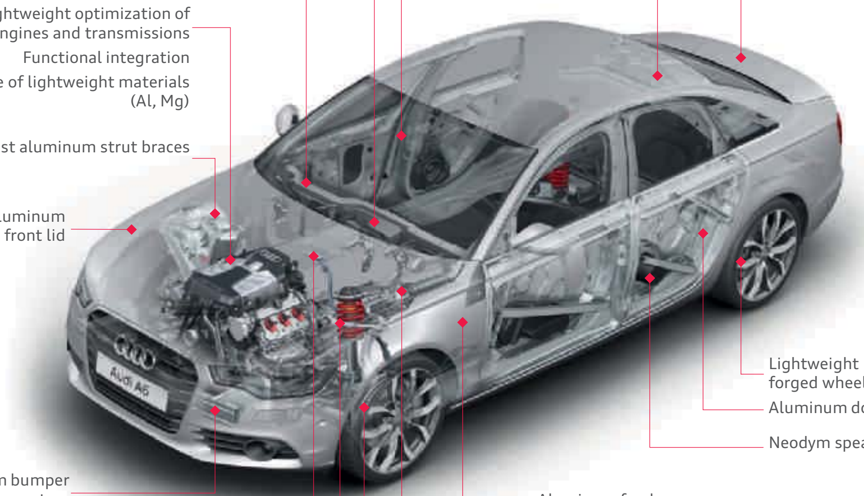
THE NEW “EFFICIENCY” MODE




### Core competence of lightweight design

Vehicle weights have spiraled upwards in recent years, above all as a result of new statutory requirements and rising comfort and convenience expectations. Because fuel consumption falls by about 0.3 liters per 100 kilometers for every 100 kilograms of weight saved, reversing this spiral is a vital aspect of improving efficiency. Lightweight design is also becoming ever more important as electric mobility takes shape, because the heavy battery’s weight needs to be compensated for.
Lightweight automotive design is traditionally a forte of the Audi brand – the Company already pioneered developments in this field over 15 years ago when it launched its Audi Space Frame technology (ASF). Today, the Audi Group implements an intelligent approach to lightweight design that centers on using the right materials at the right points in order to reverse spiraling weights. As well as aluminum, a wide range of other materials such as high-strength steels, magnesium and fiber-reinforced plastics are used.
The body harbors considerable potential for weight savings. Over 600,000 vehicles with bodies built using the ASF principle – and made entirely from aluminum or from a composite aluminum design – have been manufactured and delivered to customers since 1994. In fall 2010 the all-aluminum body of the new Audi A8, which is around 40 percent lighter than an equivalent steel structure, received the renowned “EuroCarBody Award” declaring it the most innovative volume-production body (“Euro Car Body 2010,” October 21, 2010). The body of the new Audi A6, again a hybrid aluminum construction, is around 15 percent lighter than a conventional steel design. Despite its improved comfort and convenience features and enhanced safety technology, this model thus weighs as much as 80 kilograms less than its predecessor.

LIGHTWEIGHT DESIGN IN THE NEW AUDI A6




Considerably greater use will be made of fiber-reinforced plastics in the future. The models of the R8 car line, for example, already feature not just design components, but also exterior skin elements and supporting structural components withstanding high mechanical loads made from carbon-fiber-reinforced plastic (CFRP). In addition, the volume use of fiber-reinforced plastics as well as suitable production methods are being propagated at a specially established facility at the Lightweight Design Center in Neckarsulm.
The group brand Lamborghini is also a major proponent of automotive lightweight design in its supercars. For example, the Lamborghini Sesto Elemento technology study that it exhibited at the 2010 Paris Motor Show weighs a mere 999 kilograms despite having a ten-cylinder engine and all-wheel drive. Its weight was largely reduced thanks to the use of CFRP, with the outer skin and numerous structural components, for instance, made from carbon-fiber-reinforced plastic.

## Efficiency modules launched: A7 Sportback and A6

In the A7 Sportback and the new A6, the Audi brand has again achieved the goal of blending a dynamic driving feel with good fuel economy by using a large number of items from the modular efficiency platform.
The systematic application of lightweight design for the body, engine and transmission has reduced the vehicle weight, for example. Highly efficient automatic air conditioning, innovative thermo-management, the start-stop system and energy recovery furthermore result in excellent energy management.
Aerodynamic measures and low-resistance tires also help to improve efficiency. On-demand control of ancillaries, electromechanical power steering and the use of assistance systems have likewise helped to improve fuel efficiency and $CO_2$ emissions.

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The combined effect of these measures is that the front-wheel-drive version of the A7 Sportback with the new-generation 3.0 TDI engine developing 150 kW (204 hp) achieves average fuel consumption of only 5.3 liters of diesel per 100 kilometers, which translates into emissions of 139 g $CO_2$/km. Likewise the new A6 Sedan with front-wheel drive and developing 150 kW (204 hp) uses just 5.2 liters of diesel over 100 kilometers, representing $CO_2$ emissions of 137 g/km. The even more sporty version of the six-cylinder model with an output of 180 kW (245 hp) and quattro drive manages on a mere 6.0 liters per 100 kilometers in both the A7 Sportback and the new A6, amounting to emissions of 158 g $CO_2$/km.

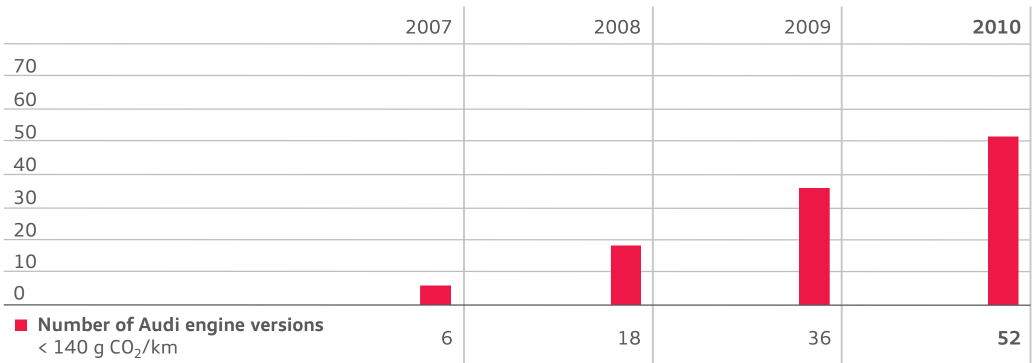
### Second generation of 3.0 TDI engine

The second generation of the 3.0 TDI engine brings many new features that optimize its output and efficiency. The most outstanding features of the six-cylinder engine with a displacement of 3.0 liters are its low weight, low friction and modern cooling concept. These attributes and the way they combine with other items from the modular efficiency platform produce outstanding fuel efficiency and $CO_2$ emissions.
The 3.0 TDI engine is used in a variety of Audi models, its output ranging from 150 kW (204 hp) to 184 kW (250 hp). Alongside the A7 Sportback and the new Audi A6, it appeared in the Q7 family in fall 2010, for example. The new Audi Q7 3.0 TDI quattro with an output of 150 kW (204 hp) has average fuel economy of 7.2 liters of diesel per 100 kilometers, corresponding to 189 g $CO_2$/km. This particularly efficient engine version will also become available in the Audi A8. With an output of 150 kW (204 hp), the A8 Sedan with front-wheel drive consequently averages only 6.0 liters of diesel per 100 kilometers and achieves emissions of 158 g $CO_2$/km.

### Models below 140 g $CO_2$/km

Thanks to the use of efficiency technologies from the modular efficiency platform, numerous Audi models with powerful TDI and TFSI engines already achieve fuel economy figures that prove there is no inherent contradiction between sportiness and efficiency.
The Audi brand has thus significantly increased the number of models with $CO_2$ emissions below 140 g/km in recent years. At the end of 2010 it already had 52 engine versions in this bracket, one-third of which actually achieved $CO_2$ emissions of less than 120 g $CO_2$/km.
As well as economical TDI engines, these efficient models include many TFSI versions. For example the powerful 1.4 TFSI engine in the Audi A1 with an output of 90 kW (122 hp) and S tronic transmission uses a mere 5.2 liters of premium-grade fuel per 100 kilometers and therefore emits 119 g $CO_2$/km.

AUDI MODELS BELOW 140 G $CO_2$/KM (YEAR-END POSITION)




Further remarks on the subject of the environment can be found on the Internet at www.audi.com/environmental-protection and on the Group portal at www.volkswagen-sustainability.com.

# RISKS, OPPORTUNITIES AND OUTLOOK
## RISK REPORT

### The risk management system within the Audi Group

#### Further development of risk management
The Audi Group's entrepreneurial activity naturally entails risks as well as opportunities. For this reason, the Audi Group has operated a Company-wide risk management system for many years. It has proven invaluable particularly in the wake of the global financial and economic crisis. Thanks especially to its ability to identify potential risks early on and take appropriate countermeasures, the Company has succeeded in generating a clear profit even throughout the most severe economic crisis of the post-war era.
Along with the passing of the German Accounting Law Modernization Act (BilMoG), the statutory framework for risk management in Germany became even more tightly regulated. The rapid, drastic downturn in economic activity in the crisis followed by an immediate recovery furthermore suggests that there will be growing volatility in global markets in future. This makes it more difficult for companies to draw up long-term plans and forecasts, which are consequently significantly less reliable.
The Audi Group has comprehensively responded to this development and installed a central risk management system in the past fiscal year, over and above its non-central risk organization. The objective is to identify the many risks inseparably associated with the Company's business activities as early as possible in order to minimize or eliminate them, amid an increasingly difficult environment. Entrepreneurial risks are deliberately taken only where they are controllable and commensurate with the anticipated benefit from that business activity.

#### Risk management approach
The operational tasks involved in risk management continue to be implemented in the business processes through non-central organizational processes at the individual divisions and subsidiaries. The additional function of Central Risk Management acts as partner to the non-central risk managers and passes Group-wide processes and standards on the identification and evaluation of risks. It also monitors the effectiveness of the risk management instruments used non-centrally (internal controlling system) and ensures that they are continually optimized. At the same time Central Risk Management observes and analyzes developments in the Company's environment in respect of changing or new risk indicators and thus endeavors to ensure that preventive measures are implemented early on by the risk managers.

THE RISK MANAGEMENT SYSTEM WITHIN THE AUDI GROUP

This broad-based policy is designed to increase risk transparency and risk awareness at the Company. An ongoing structured dialog between Central Risk Management and the non-central risk managers seeks to boost the effectiveness of the early warning system for risks. Meanwhile this continuing dialog promotes an open risk culture within the Audi Group.
Greater transparency makes it easier to manage risks effectively and promotes the stability of the business model. It thus helps to ensure that the strategic corporate objectives are achieved. Central Risk Management, together with the compliance organization, reports to the Board of Management and Supervisory Board on an ongoing basis and thus supports the strategic decision-making process in the Company. The risks identified in the Audi Group and the corresponding countermeasures adopted are an integral part of corporate planning and management.

### Integrated internal control and risk management system for the financial reporting process

Particular importance is attached to the integrated internal control and risk management system for the financial reporting process.
The aim of this control system is to minimize the risk of misstatements both in the bookkeeping and in external reporting. The internal control process for financial reporting purposes for the Financial Statements of the Audi Group thus comprises those measures that ensure the prompt, complete and accurate communication of the information needed for the preparation of the Consolidated Financial Statements and Group Management Report.
Within the Audi Group, the accounting system is fundamentally decentralized. In individual instances AUDI AG takes charge of accounting tasks on behalf of subsidiaries on the basis of service agreements. The individual financial statements of AUDI AG and its subsidiaries are prepared in accordance with the national regulations applicable in each case. For AUDI AG, the fully consolidated Group companies and the equity investments, these are then reconciled with IFRS financial statements. A commercial encryption product is then used to assure data security for subsequently forwarding them to Audi Group Accounting.
The Group accounting guideline maintains uniformity in the recognition and measurement principles based on the IFRS rules applicable to the parent company.
These and other Group-wide accounting standards thus regulate in detail both the reporting scopes for AUDI AG and the Group companies, and the consolidated companies included in the Consolidated Financial Statements, as well as the application of statutory requirements. Specific requirements for the reporting and treatment of intra-Group business transactions and for the reconciliation of balances on that basis as well as specific subjects to be covered by the Group companies are furthermore defined.
At Group level, the individual financial statements prepared by the subsidiaries are evaluated and discussed. In addition to the reports prepared by the independent auditors, the findings of the concluding discussions with representatives of the individual companies covering both the plausibility of the individual financial statements and individual matters concerning the subsidiaries are considered at this point.
A clear separation between spheres of responsibility and use of the “dual control principle” as well as plausibility checks are other significant instruments of control that serve as the basis for the preparation of the Group companies’ individual financial statements. Group Auditing in addition conducts examinations to support the internal control process for financial reporting purposes.
Group Accounting at AUDI AG has used the Volkswagen Consolidation and Corporate Steering System (VoKUs) in close consultation with Volkswagen AG, Wolfsburg, since 2009. This system permits the consolidation and analysis of data from Accounting and Controlling. It therefore constitutes a future-proof technical platform that will assure a uniform reporting system and

the greatest possible flexibility of response to changes in the legal framework, as well as a central system for master data management. Group Accounting and Group Controlling benefit from it in equal measure.
To minimize potential sources of error within the financial reporting process, VoKUs offers various additional functions. These include a multi-stage validation system for data consistency that in essence has the purpose of checking the completeness of the incoming data material and cross-checking the content of the Balance Sheet and Income Statement. VoKUs also assists with the conducting of other plausibility checks on the data material.

### Risk documentation

The risk exposure of the Audi Group is documented in line with the statutory requirements. Appropriate risk surveys are sent out by Central Risk Management to the risk managers of the individual AUDI AG divisions and subsidiaries from which considerable risks to the parent company could spread.
For each identified individual risk the probability, an assessment of the potential loss, the risk management instruments and their effectiveness are determined.
The plausibility and appropriateness of the risk reports are examined by Central Risk Management. Talks involving the independent auditors are also held on a case-by-case basis. Based on the risk reports, Central Risk Management compiles a risk profile for the Audi Group.
In their examination the independent auditors assess whether the Board of Management has taken the measures incumbent upon it as defined in Section 91, Para. 2 of the German Stock Corporation Act (AktG) in an appropriate manner, and whether the monitoring system to be set up under this act is fit for purpose.
The Audi Group thus satisfies the requirements of German corporate governance legislation (KonTraG). The requirements under KonTraG are furthermore gradually incorporated into reporting to comply with the new German Accounting Law Modernization Act (BilMoG).

### Ongoing examination and refinement

The processes of the internal control and risk management system within the Audi Group are continually being revised and optimized. The recommendations of internal audits and the independent auditors are also incorporated, as independent bodies monitoring their correctness and effectiveness.

## Individual risks

The business activities of the Audi Group involve a wide variety of risk areas, which are explained in greater detail below. The risks described relate to the period 2011 to 2013.

### Economic risks

As a globally active company, the Audi Group is highly dependent on the development in the global economic framework. The sales markets that are of major importance to the Company – Europe, North America, China and Japan – are especially relevant in this respect.
In the past fiscal year the global economy recovered with surprising vigor from the consequences of the global financial and economic crisis. The performance of individual car markets was distinctly mixed and volatile. Whereas car markets particularly in Asia, Latin America and the United States achieved high growth rates, demand in Western European auto markets remained predominantly slack. The expiry of state aid programs in various Western European countries proved a particular burden. Although premium manufacturers were only marginally affected by the impact of state aid, demand for premium-segment vehicles remains exposed to certain risks because of the high volatility in car markets that has been observed.

The Audi Group performed exceptionally well amid this environment and posted new record levels of vehicle deliveries and profit.
One major factor behind this success has been the Audi Group’s young, attractive product range. Another has been the extensive, sustained measures implemented by the Company in the past to improve costs and processes, optimize structures and reduce fixed costs in order to respond more flexibly to major fluctuations in demand.
Furthermore, the Audi Group continually monitors the market with the aid of early indicators in order to anticipate fluctuations in sales and be in a position to respond by adjusting manufacturing output accordingly. Additional flexibility is created by its ability to transfer production between the various locations under the production turntable principle and the effective use of timebanking.
The development of international raw materials markets presents a further risk for the Audi Group. All raw materials markets of relevance for the Company are continually monitored in order to secure adequate supplies of production materials and minimize the cost risks. In addition, comprehensive hedging strategies are implemented.
As a car manufacturer, the development in the crude oil price is moreover hugely significant to the Audi Group. An unremitting rise in the price of oil, coupled with higher production and energy costs for the Company, could also lead to rising fuel costs. This would then potentially make customers more reluctant to buy cars. The Audi Group has already responded promptly by steadily optimizing conventional drive systems, implementing far-reaching efficiency measures on vehicles and developing alternative fuels and new drive concepts such as hybrid and electric vehicles. The Company is already able to offer its customers a wide range of vehicles that are ideal for those eager to drive particularly efficient, progressive automotive concepts.
As a company with worldwide operations, the Audi Group generates a large portion of its revenue in foreign currency. This exposes it to unforeseeable exchange rate fluctuations in the euro, which could adversely affect consolidated net profit. The main foreign exchange risks involve the pound sterling, the Japanese yen and the U.S. dollar. To counter these risks, the Audi Group employs appropriate hedging instruments to an economically reasonable extent and in close, continuous consultation with the Volkswagen Group.
Other risk factors constitute unforeseeable political intervention in the economy, an escalation in political tension, terrorist attacks, natural disasters and possible pandemics, all of which could also have a detrimental effect on the Audi Group’s business performance by undermining economic activity or international capital markets. The Audi Group restricts such risks by preparing emergency plans and taking out adequate insurance cover.

### Industry risks

Now that the financial and economic crisis has been overcome, the situation on international financial markets has further eased. There has been a marked improvement in access to borrowed capital and banks’ elevated risk surcharges for large sections of the automotive industry. Thanks to the Audi Group’s successful business performance in recent years, it has high liquidity at its disposal and therefore considers itself to be well equipped to tackle the challenges of the future without needing recourse to external financial resources.
Along with the sharp rise in global demand for cars, the situation in the used-car market has likewise improved substantially. This has ultimately had a positive effect on the measurement of residual value risks. Thanks to the Audi Group’s cautious use of vehicle financing instruments within its profit-oriented growth strategy, it is exposed to only modest economic risk here. Its long-established conservative approach to the assessment of residual values by the residual value committee when concluding vehicle financing is effective in mitigating risks. In the absence of a dramatic deterioration in the situation on the used-car market, the Audi Group assumes that the risks from sales of used cars are adequately covered.

The generally more difficult conditions in the automotive industry have engendered increased predatory competition, characterized by the growing use of sales subsidies. This may result in price erosion and higher marketing costs particularly in the Company's key sales regions of Europe, the United States, China and Japan, which would in turn adversely affect its revenue and earnings performance. Any trend among direct competitors towards reducing prices will likewise undermine revenue and profit, because the Audi Group will be unable to entirely ignore such practices in the long term. Moreover, potential state subsidies for individual manufacturers or vehicle categories could distort competition, thereby having a major adverse effect on the financial position of the Audi Group.
A further major challenge for the entire automotive industry stems from the growing pressure to reduce the fuel consumption and emissions of vehicles.
For example, various legal requirements are being discussed and introduced in various parts of the world, such as $CO_2$ limits. Furthermore, a protracted public debate could adversely affect the image of all manufacturers and so ultimately be to the detriment of the Audi Group's financial performance. In addition, the heightened sensitivity of customers to environmental acceptability and fuel economy means that a permanent shift in the demand profile in individual markets towards smaller vehicles cannot be excluded.
The Audi Group is prepared to tackle this challenge and not only through the expansion of its product range to include smaller models like the Audi A1. It has employed a wide range of technological innovations in the fields of drive technology, lightweight design, aerodynamics and energy efficiency to improve the fuel economy and $CO_2$ emissions of the entire vehicle fleet quite substantially over the past few years. The Company is also intensively researching alternative fuels and will respond decisively to its customers' desire for sustainable mobility by developing advanced hybrid and electric vehicles.

## Risks from operating activities

Through its operating activities the Audi Group is exposed to a number of risks that could lastingly affect its net worth, financial position and financial performance.
These include, most notably, events with serious consequences such as explosions and major fires which destroy or damage the Group's assets but also hinder the production process. Major production problems could also be precipitated by disruptions to the energy supply or technical disruptions, in particular to information technology.
Although such risks tend to harbor considerable potential for losses, their probability is viewed as being relatively low. The Audi Group counteracts these risks through preventive measures, such as fire protection systems and emergency plans, company fire departments and health centers, as well as through adequate insurance coverage. The high flexibility of the Audi production network makes it possible to move production capacity to other locations and thus additionally reduces the risk.
Delivery delays or non-delivery by suppliers and logistics providers as a result of tool breakage, emergency losses and strikes represent a further potential source of disruptions to the production process. The financial and economic crisis has moreover led to growing financial problems at individual suppliers and dealers, in some cases leading to their insolvency. The Audi Group limits such risks by implementing detailed supplier selection, monitoring, steering and supporting processes.
There is evidence of increasingly close partnerships between manufacturers and suppliers in the automotive industry. As well as bringing economic advantages, this trend is creating greater dependence and is gaining added momentum from the exclusive use of innovative technologies created by globally active suppliers. In order to protect itself against the risks that this trend is creating, the Audi Group for example defines appropriate contractual terms or retains title over tools used by third-party companies.

As an innovative carmaker, the Audi Group is gradually broadening its model range and entering diverse new product segments. The Company is also continually adopting new technologies such as production methods, assistance or safety systems and drive concepts in volume production. The entire decision-making process for new products and technologies is based on careful planning and extensive market research. In spite of these comprehensive preparations, the market success of new products and technologies cannot always be taken for granted.
The development of new products and technologies moreover goes hand in hand with many other potential risks. In addition to delays and changes to the product at short notice, these include the loss of expertise to service providers outside the Group. The Audi Group protects itself against this risk by methodically safeguarding its intellectual proprietorship of core competences and consciously selecting reliable system partners.

### Legal risks

The current legal framework is the basis for all activities by the corporate bodies, management personnel and employees of the Audi Group. The Company takes a larger number of measures to ensure that all actions taken are lawful. For example, Group-wide codes of conduct are handed out to all employees and regular employee training on new legal requirements is offered.
In light of the growing complexity of legal requirements, the expansion of business activities and the high international spread of the Audi Group, there is nevertheless an increasing risk of unwittingly and therefore unintentionally acting unlawfully. In addition, it is impossible to rule out deliberate misdemeanors by individual persons.
The compliance organization within the Company was further expanded in the past fiscal year in order to actively counter these risks.
As a manufacturer of premium vehicles, the Audi Group has set itself the objective of comprehensively satisfying its customers' high quality expectations. Like every company, it is impossible to exclude product liability claims altogether. These can have major financial consequences, particularly if they lead to lawsuits in the U.S. market. In addition the Audi brand's image can come to considerable harm, permanently undermining the financial performance of the Company. The Audi Group counteracts this risk through effective, systematic quality management and by assuring the high quality standard of its products. Furthermore, insurance cover is taken out and provisions are created to guard against product liability risks.
The Audi Group is not currently involved in any legal or arbitration proceedings that could have a lasting impact on the economic position of the Group.

### Personnel risks

The success of the Audi Group, as a manufacturer of technologically pioneering, high-quality premium vehicles, will continue to hinge on the high commitment and qualifications of its specialists and managers. Targeted human resources development and further training for the workforce are therefore a focal area of human resources management. As an attractive employer, the Audi Group moreover occupies an excellent position amid intense competition to recruit well-qualified employees, and its comprehensive in-house training program actively helps to create resources of junior personnel.
The Audi Group seeks to minimize a potential loss of expertise through fluctuation or partial early retirement by creating high employee satisfaction, implementing wide-ranging, demand-based incentive systems and applying intensive skills management. These involve in particular the systematic transfer of knowledge from departing experts and managers to their successors.
The demographic change observed in Germany, which has an aging, shrinking population, presents all companies with a major challenge. The Audi Group identified this long ago and took prompt initiatives in order to counter this development correctly. These include programs to adapt working conditions to suit an employee's age, models for the individual's working life and special part-time arrangements. They also include in-house preventive health care programs and strengthening employee awareness about taking responsibility for their own financial future.

### Information and IT risks

A key success factor behind ongoing, sustainable productivity advances is efficient, cost-effective processes and information technologies that meet the business requirements of the Audi Group. Moreover, the ready availability of data and information flows across all corporate locations is of growing importance in keeping procedures throughout the Company swift and efficient. At the same time the growing prevalence of electronic networks does, however, harbor potential information and IT risks, which could have a lasting impact on financial performance.
The principal risks are the failure of important IT systems within the value chain, unauthorized access to the system, and the creation of heterogeneous system landscapes.
These risks are largely mitigated through stable, highly available IT infrastructures. Furthermore, Group-wide security standards play a major role in assuring high continuity in internal processes and protect the Company against external intervention.

### Financial risks

The Audi Group is exposed to financial risks through its business activities. These comprise market price risks such as from interest rates and raw material prices, as well as issuer risks and liquidity risks. As a result of the Company's highly international nature, foreign exchange risks relating in particular to the U.S. dollar, the pound sterling and the Japanese yen are of special relevance.
Further information on the hedging policy and risk management in the area of financial risks, in particular relating to the use of derivative financial instruments in hedging transactions, is provided in the Notes in "Additional disclosures" under Section 34 "Management of financial risks," and constitutes part of this Management Report.

### Overall assessment of the risk position

Although worldwide demand for cars has recovered much more quickly than expected from the consequences of the global financial and economic crisis, the further fortunes of the industry remain very difficult to predict. In particular, the fact that the performance of car markets worldwide is expected to remain both volatile and heterogeneous represents a substantial risk to all businesses in the automotive industry.
However, on the basis of all known circumstances and facts, no risks currently exist that could endanger the Company's survival in the foreseeable future.

## REPORT ON POST-BALANCE SHEET DATE EVENTS

There were no reportable events of material significance after December 31, 2010.

## REPORT ON EXPECTED DEVELOPMENTS

### Anticipated development of the economic environment

### General economic situation

The Audi Group believes that the upturn in the global economy will continue in 2011. The emerging countries of Asia and Latin America will make dynamic progress, while the pace of growth in many industrial countries will remain slow.
The Audi Group estimates that most Western European countries will enjoy moderate economic growth in 2011. Germany's stable upward trend in the business cycle will be maintained, though with slightly less vigorous growth. Export activity is likely to decline somewhat, while domestic demand will become more solid thanks to rising corporate investment and stronger consumer spending. A further improvement in the labor market will have a positive influence.

The economic performance of Central and Eastern European countries is likely to gain increasing momentum in 2011. Russia in particular will benefit from rising demand for raw materials and achieve strong economic growth.

In the United States, economic growth should be slightly higher than in the previous year. Nevertheless, consumer spending is expected to deliver only little impetus for overall economic activity due to the continuing tight state of the labor market and high levels of household debt.

The Audi Group estimates that in Latin America economic growth will be down on the previous year in 2011. In international terms, however, the region's economies continue to expand at above-average rates.

The Audi Group believes economic growth in emerging Asian countries will remain dynamic in 2011. The Chinese economy is likely to expand by a similarly steep rate as in the previous year. The Indian economy, too, will be a strong performer. By contrast, the Audi Group expects to see a marked weakening of growth in the Japanese economy.

The Audi Group moreover expects that the global economy will remain buoyant in 2012. There is likely to be continuing variation in economic vigor between individual regions.

### The car industry

The Audi Group expects to see car markets globally put in a mixed performance in 2011. All sales regions worldwide, with the exception of Western Europe, will register rising demand for new vehicles. However, the pace of growth in Asian and Latin American markets will be slower. Overall, demand for automobiles worldwide will be bolstered by the upturn in the global economy and will grow further.

The Audi Group estimates that in Germany the car market will gradually return to normal in 2011, after experiencing major fluctuations in the previous two years as a result of the temporary introduction of the government environment bonus. The Audi Group therefore expects the current year to bring a moderate recovery compared with the low level of 2010.

On the other hand new car registrations elsewhere in Western Europe, but especially in major markets such as the UK and France, will be down. Factors adversely affecting demand include the expiry of government incentives and consumer reticence against the backdrop of the sovereign debt crisis in certain EU countries.

The car market in Central and Eastern European countries will enjoy better fortunes in the current year. In Russia in particular, the Audi Group expects the upward trend in car sales to continue.

The Audi Group estimates that demand for automobiles in the United States will continue to recover in 2011, though the market's development will remain muted especially because of high fuel prices.

The Asia-Pacific region is expected to maintain its vigorous market growth in 2011, further cementing its position as the world's major sales region. Nevertheless, growth in China is expected to weaken slightly from the previously high level. As well as tougher emission standards and reduced state aid, further regulatory intervention by the central government and city authorities is to be expected, damping sales mainly in the volume segment. Likewise in the Indian car market, the rate of growth in 2011 will be slightly down on the previous year. On the other hand the Audi Group estimates that there will be a substantial fall in the Japanese car market this year.

The Audi Group expects to see a further rise in global demand for cars in 2012. All sales regions worldwide should see new vehicle registrations rise.

## Anticipated development of the Audi Group

The economic environment improved significantly in the past fiscal year. The recent huge fluctuations in demand for cars worldwide and the decidedly mixed performance of major car markets nevertheless remain a major challenge for the Audi Group. On top of this, competition is becoming noticeably more intense and the automotive industry is in the throes of a technological revolution as it prepares for electric mobility. The Board of Management nevertheless believes that the Company is well prepared to maintain the Audi Group's course of growth over the next two years and develop Audi into the world's leading premium brand under the auspices of Strategy 2020.

### Anticipated development of deliveries

The Audi Group is planning to be able to increase deliveries over the next two years beyond the previous year's figure as the result of a widely forecast rise in worldwide demand for cars. It expects, for example, to deliver over 1.2 million cars of the Audi brand to customers in 2011.
The objective is to further increase the Company's market shares in numerous major sales markets, in order to extend its strong competitive position in the premium segment worldwide.
It plans to achieve that goal by adding many more new models and derivative versions to Audi's young, attractive product range. The brand with the four rings already has the broadest product range of any premium brand, with vehicles from the Audi A1 to the Audi R8 Spyder. Over the next two years, amid an increasingly intensive competitive environment, innovative and highly emotional vehicle concepts should help to access new customer segments and give the Audi brand's appeal a lasting boost. Over and above the new vehicles very successfully introduced last year – the Audi A1, Audi A7 Sportback and Audi A8 – the new-generation Audi A6, the new Audi Q3 and additional models in the A1 car line in particular should provide a further positive impetus.
Steady efficiency improvements across the entire model and engine range mean the Audi brand will continue to fulfill its customers' expectations of sporty yet economical mobility concepts in every respect. In addition, the Company intends to provide attractive technical solutions to the mobility requirements of the future, in the shape of modern hybrid and electric drive systems. In March of last year, the hybrid study of the Audi A8 luxury sedan was unveiled to the world public. With the new Audi Q5 hybrid quattro scheduled for launch in the course of 2011, the brand with the four rings will have a full hybrid model in its range. Its appearance will be followed shortly by the new Audi A6 hybrid, an attractive hybrid version of the popular business sedan. 2012 will then see the arrival on the market of the Audi e-tron, a low-volume supercar with all-electric drive. The Audi e-tron study generated a huge amount of interest at the 2009 International Motor Show (IAA) in Frankfurt thanks to its technologically pioneering concept.
In the German auto market, the Audi brand is planning a further increase in deliveries to customers over the next two years, producing a higher market share of the premium segment.
Despite the difficult conditions that it is expected to encounter in Western European export markets, the brand with the four rings nevertheless expects to achieve further growth in vehicle sales and thus strengthen its leading position in the premium segment.
In the Central and Eastern European region, especially Russia, the Company is striving for a substantial rise in deliveries to customers in 2011 and 2012. The Audi brand plans to build on its good competitive position here.
At some point in the next two years the Chinese auto market is likely to overtake Germany as the biggest market for Audi vehicles. The brand with the four rings is planning to maintain its expansion of recent years in the Chinese premium market and consolidate its leading position in 2011 and 2012. It intends to do so by further increasing local production capacity and the brand's product range in China, and expanding the dealer network to over 400 establishments by 2013.

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India will remain a major growth market for the Audi brand. The Company intends to further expand the sales and dealer structure in that country over the next two years, keep improving the brand's image and significantly increase the number of vehicles it sells there.
The Audi brand aims to maintain its positive momentum in the U.S. market throughout 2011 and 2012. By launching new, attractive Audi models and promoting its high-performance but economical diesel engine technology, the Audi brand is targeting new record deliveries in the United States.

### Anticipated financial performance

The increase in vehicle sales being targeted for fiscal 2011 and 2012 is also likely to bring a substantial rise in revenue for the Audi Group. In addition, the Company is planning to increase its operating profit in parallel on the basis of its effective and efficient structures and processes and by realizing steady cost optimizations and adopting a systematic approach to investment management in all divisions. The operating return on sales is set to remain at the high level of 2010.

### Anticipated financial position

The Audi Group again intends to finance its planned growth entirely from internally generated cash flow in the next two fiscal years. Despite the much higher planned use of cash in investing activities for the continuing long-term model initiative and the development of new technologies, it is set to earn a comfortable profit. The cash flow from operating activities of the Audi Group is likely to rise further in 2011 and 2012.

### Capital investments

The Audi Group's investment plans envisage customer-oriented additions to the model and engine range, along with the expansion of development and production structures necessitated by these. These plans also focus on improving the productivity and quality of process chains, and on building up the dealer and service network in order to increase customer delight. Another priority area involves efficiency measures for the overall vehicle, the further optimization of conventional drive concepts, and the development of alternative fuels and new mobility concepts such as electric and hybrid models. All investment measures share the common objective of improving the Audi Group's market position sustainably through a forward-looking model, technology and brand strategy.
Overall, the Audi Group is planning property, plant and equipment spending in excess of EUR 11 billion over the period 2011 through 2015. In embarking on the biggest investment program in the Company's history, the Audi Group is preparing the ground for sustainable, profitable growth and underlining its ambition to become the world's leading manufacturer of premium vehicles. Systematic investment management ensures that all investment projects will be completed on schedule and according to the Audi Group's high quality standards.

### Anticipated development of the workforce

The size of the Audi Group's workforce is expected to increase slightly in 2011 and 2012 in line with the Company's scheduled growth.

### Opportunities for future development

Under the umbrella strategy of developing Audi into the world's leading premium brand, the Audi Group's management is pursuing a large number of measures designed to safeguard the Company's sustainable, profitable growth. These also give rise to potential and opportunities that are continually incorporated into the plans so that they can be realized rapidly.
Systematically following through with the product initiative is among the top priorities in this respect. After nine successful model launches in 2010, a large number of new models due to appear in 2011 and 2012 will generate extra sales potential. The rejuvenation of the high-volume

Audi A6 car line is one of the major product events in the period in question. The Audi Q3 will in addition increase the range of premium SUV models. Having already made a very successful market entry, the Audi A1 car line will be extended by the arrival of new, attractive variants.
The Company wants to continue to demonstrate its “Vorsprung durch Technik” through a great many automotive innovations. There are immense opportunities to develop, for example, competition-beating technologies that pave the way for electric mobility. The Audi Group has both the necessary infrastructure and suitably trained specialists and engineers to carve out a technological advantage in this domain.
The Audi brand has seen its recognition and popularity ratings rise sharply over the past few years. The four rings are now regarded as being synonymous with innovation, quality, sportiness and efficiency in many sales markets. This brand image gives the Company an opportunity to build effectively on its qualitative growth in the years ahead.
It plans to increase its market shares yet further in key sales markets. In markets that are already saturated, the Audi Group intends to step up its efforts to defend and strengthen its outstanding position in the premium segment. There are bright growth prospects for the Audi brand especially in the United States.
The Company aims to maintain its very good performance in young, burgeoning growth markets over the next two years. It will be giving prime importance to the Indian and Chinese car markets, where the Audi brand actively seeks to tap into their huge growth potential by extending the exclusive Audi dealer and service network and tailoring the range of vehicles available to local requirements.
In addition to the strategic determinants, external factors could create opportunities for the Audi Group. The global economic environment and the associated demand for premium vehicles, as well as social and political developments, all harbor potential for business progress.

### Overall assessment of anticipated future developments

In the past fiscal year the Audi Group returned to the path of growth enjoyed in recent years, interrupted in 2009 by the crisis. The Company moreover impressively demonstrated its high profitability and competitiveness in posting new record deliveries and profit.
The Board of Management equally believes that the Company is well positioned to tackle future challenges and should continue to achieve sustained, profitable growth.
The measures already underway that seek to improve processes and costs in all divisions in the long term will be rigorously pursued. The Audi brand’s attractive product range will also gradually be extended. Furthermore, continuing efficiency improvements across the entire model and engine range, as well as the systematic development of new mobility concepts such as electric and hybrid models, have set the direction for the Company’s aspired long-term growth early on in the process. The successful implementation of these plans will serve as a huge motivation for the workforce and help it to identify closely with the Company.
For fiscal 2011 and 2012, the Audi Group expects to see a further rise in worldwide demand for premium automobiles. The Audi Group’s goal is for this development and the Company’s very competitive position to be reflected positively in the key ratios for the Group. The Audi Group would consequently like to adhere to its course of growth in vehicle deliveries and the key financial indicators.

## DISCLAIMER

The Management Report contains forward-looking statements relating to anticipated developments. These statements are based upon current assessments and are by their very nature subject to risks and uncertainties. Actual outcomes may differ from those predicted in these statements.

# Consolidated Financial Statements of the Audi Group at December 31, 2010

## Income Statement of the Audi Group

| EUR million | Notes | 2010 | 2009 |
|---|---|---|---|
| Revenue | 1 | **35,441** | 29,840 |
| Cost of sales | 2 | **–29,706** | –25,649 |
| Gross profit | | **5,735** | 4,191 |
| Distribution costs | 3 | **–3,038** | –3,138 |
| Administrative expenses | 4 | **–374** | –301 |
| Total other operating income | 5 | **1,684** | 1,475 |
| Total other operating expenses | 6 | **–667** | –622 |
| Operating profit | | **3,340** | 1,604 |
| Result from investments accounted for using the equity method | 7 | **220** | 110 |
| Financing costs | 8 | **–294** | –269 |
| Total other financial results | 9 | **368** | 483 |
| Financial result | | **293** | 324 |
| Profit before tax | | **3,634** | 1,928 |
| Income tax expense | 10 | **–1,004** | –581 |
| Profit after tax | | **2,630** | 1,347 |
| of which profit share of minority interests | | **45** | 48 |
| of which profit share of AUDI AG stockholders | | **2,586** | 1,300 |
| Appropriation of profit share due to AUDI AG stockholders | | | |
| Profit transfer to Volkswagen AG | 11 | **–2,010** | –1,172 |
| Transfer to retained earnings | | **576** | 128 |

| EUR | Notes | 2010 | 2009 |
|---|---|---|---|
| Earnings per share | 12 | **60.13** | 30.23 |
| Diluted earnings per share | 12 | **60.13** | 30.23 |

# Statement of Recognized Income and Expense of the Audi Group

| EUR million | 2010 | 2009 |
|---|---|---|
| Profit after tax | 2,630 | 1,347 |
| Securities available for sale | | |
| Changes in fair value recognized directly in equity without affecting income | 15 | 16 |
| Included in the Income Statement | –25 | 13 |
| Cash flow hedges | | |
| Changes in fair value recognized directly in equity without affecting income | –402 | 163 |
| Included in the Income Statement | –46 | –341 |
| Currency translation differences | | |
| Changes recognized directly in equity without affecting income | 31 | 6 |
| Included in the Income Statement | – | – |
| Deferred tax items netted directly against equity | 190 | 78 |
| Actuarial gains and losses | –186 | –113 |
| Income and expenditure after tax from equity-accounted investments recognized directly in equity | 19 | –1 |
| Other result after tax | –404 | –178 |
| Overall result | 2,227 | 1,169 |
| Attributable to AUDI AG stockholders | 2,176 | 1,126 |
| Attributable to minority interests | 50 | 43 |



Of the overall result during the 2010 fiscal year, EUR –402 million relates to changes in the fair value of effective portions of cash flow hedges, primarily due to a change in the external value of the euro as of December 31, 2010.
However, due to the effectiveness of the hedges, these negative changes in the fair value of cash flow hedges exist alongside corresponding profit potential in almost the same amount from the underlying transactions (vehicle sales, purchases of materials). This profit potential will not yet be recognized as of December 31, 2010 and will only be incorporated into the Statement of Recognized Income and Expense for future periods at the time of performance of the underlying transactions.

The breakdown of the overall result between Audi stockholders and minority interests is as follows:

| EUR million | Audi stockholders | | Minority interests | | Total | |
|---|---|---|---|---|---|---|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Profit after tax | 2,586 | 1,300 | 45 | 48 | 2,630 | 1,347 |
| Securities available for sale | –10 | 29 | – | – | –10 | 29 |
| Attributable deferred taxes | 3 | –8 | – | – | 3 | –8 |
| Cash flow hedges | –448 | –178 | – | – | –448 | –178 |
| Attributable deferred taxes | 132 | 53 | – | – | 132 | 53 |
| Currency translation differences | 25 | 10 | 6 | –3 | 31 | 6 |
| Actuarial gains and losses | –186 | –110 | – | –2 | –186 | –113 |
| Attributable deferred taxes | 55 | 33 | – | 1 | 55 | 34 |
| Investments accounted for using the equity method after tax | 19 | –1 | – | – | 19 | –1 |
| Other result after tax | –410 | –174 | 6 | –4 | –404 | –178 |
| Overall result | 2,176 | 1,126 | 50 | 43 | 2,227 | 1,169 |

# Balance Sheet of the Audi Group

| ASSETS in EUR million | Notes | Dec. 31, 2010 | Dec. 31, 2009 |
|---|---|---|---|
| Non-current assets | | **10,584** | 9,637 |
| Fixed assets | | **8,677** | 8,296 |
| Intangible assets | 14 | **2,357** | 2,171 |
| Property, plant and equipment | 15 | **5,803** | 5,795 |
| Investment property | 16 | **12** | 12 |
| Investments accounted for using the equity method | | **326** | 212 |
| Other long-term investments | 17 | **180** | 107 |
| Deferred tax assets | 18 | **1,347** | 919 |
| Other receivables and other financial assets | 19 | **560** | 422 |
| Current assets | | **20,188** | 16,913 |
| Inventories | 20 | **3,354** | 2,568 |
| Trade receivables | 21 | **2,099** | 2,281 |
| Effective income tax assets | 22 | **13** | 23 |
| Other receivables and other financial assets | 19 | **2,658** | 4,764 |
| Securities | 23 | **1,339** | 821 |
| Cash and cash equivalents | 23 | **10,724** | 6,455 |
| Balance sheet total | | **30,772** | **26,550** |

| LIABILITIES in EUR million | Notes | Dec. 31, 2010 | Dec. 31, 2009 |
|---|---|---|---|
| Equity | | **11,310** | 10,632 |
| AUDI AG stockholders' interests | 24 | **11,172** | 10,221 |
| Issued capital | 24 | **110** | 110 |
| Capital reserve | 24 | **2,510** | 1,924 |
| Retained earnings | 24 | **8,552** | 8,187 |
| Minority interests | 24 | **138** | 411 |
| Liabilities | | **19,462** | 15,918 |
| Non-current liabilities | | **7,484** | 6,425 |
| Financial liabilities | 25 | **15** | 2 |
| Deferred tax liabilities | 26 | **22** | 45 |
| Other liabilities | 27 | **712** | 527 |
| Provisions for pensions | 28 | **2,331** | 2,098 |
| Effective income tax obligations | 29 | **636** | 773 |
| Other provisions | 30 | **3,768** | 2,979 |
| Current liabilities | | **11,979** | 9,493 |
| Financial liabilities | 25 | **810** | 577 |
| Trade payables | 31 | **3,510** | 3,114 |
| Effective income tax obligations | 29 | **857** | 405 |
| Other liabilities | 27 | **4,447** | 2,895 |
| Other provisions | 30 | **2,354** | 2,502 |
| Balance sheet total | | **30,772** | 26,550 |

# Cash Flow Statement of the Audi Group

from January 1 to December 31

| EUR million | 2010 | 2009 |
|---|---|---|
| Profit before profit transfer and income taxes | 3,634 | 1,928 |
| Income tax payments | –941 | –574 |
| Impairment losses (reversals) on capitalized development costs | 567 | 480 |
| Impairment losses (reversals) on property, plant and equipment and other intangible assets | 1,542 | 1,285 |
| Impairment losses (reversals) on financial assets | 1 | 9 |
| Depreciation of investment property | 1 | 1 |
| Result from the disposal of assets | 3 | –5 |
| Result from investments accounted for using the equity method | –95 | –60 |
| Change in inventories | –599 | 827 |
| Change in receivables | 213 | 103 |
| Change in liabilities | 969 | –339 |
| Change in provisions | 600 | 327 |
| Change in investment property | 0 | –8 |
| Other non-cash income and expenses | –97 | 144 |
| Cash flow from operating activities | 5,797 | 4,119 |
| Additions of capitalized development costs | –630 | –528 |
| Investments in property, plant and equipment and other intangible assets | –1,449 | –1,265 |
| Acquisition of subsidiaries and shares | –207 | –42 |
| Sale of shares | – | 2 |
| Other cash changes | 26 | 36 |
| Change in investments in securities | –498 | –12 |
| Change in fixed deposits and loans extended | 1,812 | 377 |
| Cash flow from investing activities | –946 | –1,433 |
| Capital contributions | 586 | 308 |
| Transfer of profit | –1,172 | –1,230 |
| Capital transactions with non-controlling minority interests | –125 | – |
| Change in financial liabilities | 61 | –138 |
| Lease payments | 0 | –1 |
| Cash flow from financing activities | –650 | –1,061 |
| Change in cash and cash equivalents due to changes in exchange rates | 68 | –3 |
| Change in cash and cash equivalents | 4,268 | 1,622 |
| Cash and cash equivalents at beginning of period | 6,455 | 4,833 |
| Cash and cash equivalents at end of period | 10,724 | 6,455 |

| EUR million | 2010 | 2009 |
|---|---|---|
| Cash and cash equivalents | 10,724 | 6,455 |
| Fixed deposits, securities and loans extended | 3,484 | 4,789 |
| Gross liquidity | 14,208 | 11,244 |
| Credit outstanding | –825 | –579 |
| Net liquidity | 13,383 | 10,665 |

The Cash Flow Statement is explained in Note 35.

# Statement of Changes in Equity of the Audi Group

| EUR million | Issued capital | Capital reserve |
|---|---|---|
| Position as of Jan. 1, 2009 | 110 | 1,617 |
| Profit after tax | – | – |
| Other result after tax | – | – |
| Overall result | – | – |
| Capital increase | – | 308 |
| Profit transfer to Volkswagen AG | – | – |
| Position as of Dec. 31, 2009 | 110 | 1,924 |
| Position as of Jan. 1, 2010 | 110 | 1,924 |
| Profit after tax | – | – |
| Other result after tax | – | – |
| Overall result | – | – |
| Capital increase | – | 586 |
| Profit transfer to Volkswagen AG | – | – |
| Capital transactions producing a change of participating interests | – | – |
| **Position as of Dec. 31, 2010** | **110** | **2,510** |

| | | | | | Retained earnings | | | Equity |
|---|---|---|---|---|---|---|---|---|
| Legal reserve and other retained earnings | Currency exchange reserve | Reserve for cash flow hedges | Reserve for remeasurement to fair value of securities | Actuarial gains and losses | Investments accounted for using the equity method | AUDI AG stockholders' interests | Minority interests | **Total** |
| 7,865 | –6 | 538 | –24 | –129 | –11 | 9,960 | 368 | **10,328** |
| 1,300 | – | – | – | – | – | 1,300 | 48 | **1,347** |
| – | 10 | –126 | 20 | –78 | –1 | –174 | –4 | **–178** |
| 1,300 | 10 | –126 | 20 | –78 | –1 | 1,126 | 43 | **1,169** |
| – | – | – | – | – | – | 308 | – | **308** |
| –1,172 | – | – | – | – | – | –1,172 | – | **–1,172** |
| 7,993 | 3 | 412 | –4 | –206 | –11 | 10,221 | 411 | **10,632** |
| 7,993 | 3 | 412 | –4 | –206 | –11 | 10,221 | 411 | **10,632** |
| 2,586 | – | – | – | – | – | 2,586 | 45 | **2,630** |
| – | 25 | –316 | –7 | –131 | 19 | –410 | 6 | **–404** |
| 2,586 | 25 | –316 | –7 | –131 | 19 | 2,176 | 50 | **2,227** |
| – | – | – | – | – | – | 586 | – | **586** |
| –2,010 | – | – | – | – | – | –2,010 | – | **–2,010** |
| 208 | – | – | – | –9 | – | 199 | –324 | **–125** |
| **8,776** | **28** | **97** | **–11** | **–346** | **8** | **11,172** | **138** | **11,310** |

# Notes to the Consolidated Financial Statements

## DEVELOPMENT OF FIXED ASSETS IN THE 2010 FISCAL YEAR

| EUR million | | | | | | | | Gross carrying amounts |
|---|---|---|---|---|---|---|---|---|
| | Costs | Changes in group of consolidated companies | Currency changes | Additions | Changes from measurement at equity | Transfers | Dis-posals | Costs |
| | Jan. 1, 2010 | | | | | | | Dec. 31, 2010 |
| Intangible assets | 4,684 | 150 | 1 | 717 | – | 7 | 26 | 5,532 |
| Concessions, industrial property rights and similar rights and assets, as well as licenses thereto | 509 | 78 | 1 | 87 | – | 7 | 6 | 676 |
| Goodwill | – | 72 | – | – | – | – | – | 72 |
| Capitalized development costs, products currently under development | 866 | – | – | 502 | – | –468 | – | 900 |
| Capitalized development costs, products currently in use | 3,307 | – | – | 128 | – | 468 | 21 | 3,883 |
| Payments on account for intangible assets | 1 | 0 | – | 0 | – | 0 | – | 1 |
| | | | | | | | | |
| Property, plant and equipment | 20,145 | 100 | 20 | 1,362 | – | –7 | 534 | 21,085 |
| Land, land rights and buildings, including buildings on land owned by others and leased buildings | 4,121 | 55 | 17 | 156 | – | 62 | 16 | 4,396 |
| Plant and machinery | 4,789 | 13 | 0 | 127 | – | 137 | 219 | 4,848 |
| Other plant and office equipment, as well as leased plant and office equipment | 10,616 | 28 | 2 | 686 | – | 298 | 285 | 11,345 |
| Payments on account and assets under construction | 618 | 3 | 0 | 393 | – | –503 | 15 | 496 |
| | | | | | | | | |
| Investment property | 17 | – | 2 | – | – | – | 0 | 19 |
| | | | | | | | | |
| Investments accounted for using the equity method | 212 | – | 24 | – | 91 | – | – | 326 |
| | | | | | | | | |
| Other long-term investments | 140 | –22 | 2 | 67 | – | – | 4 | 183 |
| Investments in affiliated companies | 126 | –24 | 2 | 4 | – | – | 1 | 106 |
| Shares in associated companies and participating interests | 11 | 2 | – | 63 | – | – | – | 76 |
| Securities | 2 | – | – | – | – | – | 2 | – |
| | | | | | | | | |
| **Total fixed assets** | **25,197** | **227** | **49** | **2,146** | **91** | **–** | **564** | **27,145** |

| Value adjustments in gross carrying amounts | | | | | | | | | Carrying amounts | |
|---|---|---|---|---|---|---|---|---|---|---|
| Cumulative depreciation and amortization Jan. 1, 2010 | Changes in group of consolidated companies | Currency changes | Additions, scheduled | Additions, unscheduled | Transfers | Disposals | Write-ups | Cumulative depreciation and amortization Dec. 31, 2010 | **Dec. 31, 2010** | Dec. 31, 2009 |
| 2,512 | 5 | 1 | 531 | 210 | 1 | 26 | 58 | 3,176 | **2,357** | 2,171 |
| 327 | 5 | 1 | 94 | 21 | 1 | 6 | – | 444 | **232** | 182 |
| – | – | – | – | – | – | – | – | – | **72** | – |
| 49 | – | – | – | 30 | –15 | – | 0 | 64 | **836** | 817 |
| 2,136 | – | – | 437 | 159 | 15 | 21 | 58 | 2,668 | **1,215** | 1,171 |
| – | – | – | – | – | – | – | – | – | **1** | 1 |
| 14,351 | 9 | 3 | 1,173 | 253 | –1 | 506 | – | 15,281 | **5,803** | 5,795 |
| 2,047 | 4 | 3 | 165 | – | – | 13 | – | 2,206 | **2,190** | 2,075 |
| 3,565 | 2 | 0 | 335 | 1 | 0 | 214 | – | 3,689 | **1,159** | 1,224 |
| 8,738 | 3 | 1 | 673 | 252 | –2 | 279 | – | 9,386 | **1,958** | 1,879 |
| – | – | – | – | – | – | – | – | – | **496** | 618 |
| 6 | – | 1 | 1 | – | – | 0 | – | 8 | **12** | 12 |
| – | – | – | – | – | – | – | – | – | **326** | 212 |
| 33 | –31 | 2 | – | 1 | – | 1 | – | 3 | **180** | 107 |
| 31 | –31 | 2 | – | 0 | – | 1 | – | 0 | **106** | 95 |
| 2 | – | – | – | 1 | – | – | – | 3 | **73** | 9 |
| – | – | – | – | – | – | – | – | – | **–** | 2 |
| **16,900** | **–18** | **7** | **1,706** | **464** | **–** | **533** | **58** | **18,468** | **8,677** | **8,296** |

## DEVELOPMENT OF FIXED ASSETS IN THE 2009 FISCAL YEAR

| EUR million | | | | | | | | Gross carrying amounts |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| | Costs Jan. 1, 2009 | Changes in group of consolidated companies | Currency changes | Additions | Changes from measurement at equity | Transfers | Dis-posals | Costs Dec. 31, 2009 |
| Intangible assets | 4,106 | – | 0 | 622 | – | 6 | 50 | 4,684 |
| Concessions, industrial property rights and similar rights and assets, as well as licenses thereto | 435 | – | 0 | 93 | – | 8 | 27 | 509 |
| Capitalized development costs, products currently under development | 630 | – | – | 485 | – | –247 | – | 866 |
| Capitalized development costs, products currently in use | 3,039 | – | – | 44 | – | 247 | 23 | 3,307 |
| Payments on account for intangible assets | 2 | – | – | 1 | – | –2 | – | 1 |
| | | | | | | | | |
| Property, plant and equipment | 19,251 | – | 4 | 1,172 | – | –6 | 274 | 20,145 |
| Land, land rights and buildings, including buildings on land owned by others and leased buildings | 3,935 | – | 1 | 114 | – | 90 | 18 | 4,121 |
| Plant and machinery | 4,518 | – | 0 | 199 | – | 166 | 94 | 4,789 |
| Other plant and office equipment, as well as leased plant and office equipment | 10,195 | – | 0 | 379 | – | 205 | 162 | 10,616 |
| Payments on account and assets under construction | 603 | – | 3 | 480 | – | –467 | 1 | 618 |
| | | | | | | | | |
| Investment property | 10 | – | 0 | 8 | – | – | – | 17 |
| | | | | | | | | |
| Investments accounted for using the equity method | 152 | – | – | – | 59 | – | – | 212 |
| | | | | | | | | |
| Other long-term investments | 100 | – | 0 | 42 | – | – | 2 | 140 |
| Investments in affiliated companies | 87 | | 0 | 42 | – | – | 2 | 126 |
| Participating interests | 11 | – | – | 0 | – | – | – | 11 |
| Securities | 2 | – | – | – | – | – | – | 2 |
| | | | | | | | | |
| **Total fixed assets** | **23,619** | **–** | **4** | **1,844** | **59** | **–** | **327** | **25,197** |

| Value adjustments in gross carrying amounts | | | | | | | | | Carrying amounts | |
|---|---|---|---|---|---|---|---|---|---|---|
| Cumulative depreciation and amortization Jan. 1, 2009 | Changes in group of consolidated companies | Currency changes | Additions, scheduled | Additions, unscheduled | Transfers | Disposals | Write-ups | Cumulative depreciation and amortization Dec. 31, 2009 | **Dec. 31, 2009** | Dec. 31, 2008 |
| 1,994 | – | 0 | 531 | 35 | 2 | 50 | – | 2,512 | **2,171** | 2,112 |
| 265 | – | 0 | 83 | 3 | 2 | 26 | – | 327 | **182** | 170 |
| 142 | – | – | – | 21 | – 113 | – | – | 49 | **817** | 488 |
| 1,587 | – | – | 448 | 11 | 113 | 23 | – | 2,136 | **1,171** | 1,452 |
| – | – | – | – | – | – | – | – | – | **1** | 2 |
| | | | | | | | | | | |
| 13,405 | – | – 1 | 1,163 | 37 | – 2 | 250 | – | 14,351 | **5,795** | 5,846 |
| 1,936 | – | – 1 | 131 | – | – | 19 | – | 2,047 | **2,075** | 1,999 |
| 3,307 | – | 0 | 349 | – | – | 91 | – | 3,565 | **1,224** | 1,211 |
| 8,162 | – | 0 | 683 | 37 | – 2 | 141 | – | 8,738 | **1,879** | 2,033 |
| – | – | 0 | 0 | – | – | 0 | – | – | **618** | 603 |
| | | | | | | | | | | |
| 5 | – | 0 | 1 | – | – | – | – | 6 | **12** | 5 |
| | | | | | | | | | | |
| – | – | – | – | – | – | – | – | – | **212** | 152 |
| | | | | | | | | | | |
| 25 | – | – | – | 9 | – | – | – | 33 | **107** | 75 |
| 23 | – | – | – | 9 | – | – | – | 31 | **95** | 64 |
| 2 | – | – | – | – | – | – | – | 2 | **9** | 9 |
| – | – | – | – | – | – | – | – | – | **2** | 2 |
| | | | | | | | | | | |
| **15,429** | **–** | **– 2** | **1,695** | **80** | **–** | **300** | **–** | **16,900** | **8,296** | **8,190** |

## GENERAL INFORMATION

AUDI AG has the legal form of a German stock corporation (Aktiengesellschaft). Its registered office is at Ettinger Strasse, Ingolstadt, and the company is recorded in the Commercial Register of Ingolstadt under HR B 1.
Around 99.55 percent of the issued capital of AUDI AG is held by Volkswagen AG, Wolfsburg, with which a control and profit transfer agreement is in force. The Consolidated Financial Statements of AUDI AG are included in the Consolidated Financial Statements of Volkswagen AG, which are held on file at the Local Court of Wolfsburg. The purpose of the Company is the development, production and sale of motor vehicles, other vehicles and engines of all kinds, together with their accessories, as well as machinery, tools and other technical articles.

## ACCOUNTING PRINCIPLES

AUDI AG prepares its Consolidated Financial Statements on the basis of the International Financial Reporting Standards (IFRS) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC). All pronouncements of the International Accounting Standards Board (IASB) whose application is mandatory in the EU have been observed. The prior-year figures were calculated according to the same principles.
The Income Statement is prepared according to the internationally practiced cost of sales method.
AUDI AG prepares its Consolidated Financial Statements in euros (EUR).
The Consolidated Financial Statements provide a true and fair view of the net worth, financial performance and financial position of the Audi Group.
The requirements pursuant to Section 315a of the German Commercial Code (HGB) regarding the preparation of consolidated financial statements in accordance with IFRS, as endorsed by the EU, are met.
All requirements that must be applied under German commercial law are additionally observed in preparing the Consolidated Financial Statements. The German Corporate Governance Code is also complied with and is permanently available on the Internet at www.audi.com/cgk-declaration.

The Board of Management prepared the Consolidated Financial Statements on February 8, 2011. This date marks the end of the adjusting events period.

### Effects of new or revised standards

The Audi Group has implemented all of the accounting standards whose application became mandatory with effect from the 2010 fiscal year.
The revised version of IAS 27/IFRS 3 changes the way in which future corporate mergers are presented. In particular, there is the option of capitalizing the pro rata amount of goodwill attributable to minority shareholders. Old interests that were already recognized in the balance sheet prior to the transfer of control are measured at fair value through profit or loss at the time of acquisition. Additionally, interests in a subsidiary that continue to be held following loss of control are recognized at fair value through profit or loss at initial consolidation. Changes in the proportion of shares held in fully consolidated subsidiaries that do not result in a loss of control continue to be recognized directly in equity.
In accordance with the revision of IFRS 8 as part of the improvement of the 2009 International Financial Reporting Standards, no disclosures are made of segment assets. This capital key figure does not form part of the Audi Group's internal reporting.

The following standards and interpretations were also applied for the first time during the current fiscal year without this having any major impact on the presentation of the Consolidated Financial Statements.

- IFRS 1: First-time Adoption of IFRS (revised)
- IFRS 1: Additional Exceptions for First-time Adopters
- IFRS 1/IFRS 5: Improvement of 2008 International Financial Reporting Standards
- IFRS 2: Group Cash-settled Share-based Payment Transactions
- IFRS 39/IFRS 7: Reclassification of Financial Assets – Effective Date and Transition
- IAS 39: Eligible Hedged Items – Changes to IAS 39
- Improvements to the 2009 International Financial Reporting Standards – Minor changes to a variety of standards (IFRS 2, IFRS 5, IAS 1, IAS 7, IAS 17, IAS 18, IAS 36, IAS 38, IAS 39, IFRIC 9, IFRIC 16) and resulting changes
- IFRIC 12: Service Concession Arrangements
- IFRIC 15: Agreements for the Construction of Real Estate
- IFRIC 16: Hedge of a Net Investment in a Foreign Operation
- IFRIC 17: Distribution of Non-cash Assets to Owners
- IFRIC 18: Transfers of Assets from Customers

## New or revised standards not applied

The following new or revised accounting standards already approved by the IASB were not applied in the Consolidated Financial Statements for the 2010 fiscal year because their application was not yet mandatory:

| Standard/Interpretation | | Published by the IASB | Mandatory effective [1] | Endorsed by EU [2] | Effects |
|---|---|---|---|---|---|
| IFRS 1 | Limited Exemption from Capital Comparative IFRS 7 Disclosures for First-time Adopters | Jan. 28, 2010 | Jan. 1, 2011 | Yes | None |
| IFRS 1 | Hyperinflation and Fixed Changeover Date | Dec. 20, 2010 | Jan. 1, 2012 | No | None |
| IFRS 7 | Disclosures on Transfer of Financial Instruments in the Notes | Jan. 7, 2009 | Jan. 1, 2012 | No | Extended disclosures on transfer of financial instruments in the Notes |
| IFRS 9 | Financial Instruments: Classification and Measurement | Nov. 12, 2009/ Oct. 28, 2010 | Jan. 1, 2013 | No | Modified reporting of fair value changes relating to financial instruments previously classed as available for sale |
| IAS 12 | Deferred Taxes – Realization of the Carrying Amount of an Asset | Dec. 20, 2010 | Jan. 1, 2012 | No | No significant changes |
| IAS 24 | Related Party Disclosures | Nov. 4, 2009 | Jan. 1, 2011 | Yes | Simplification of reporting to public institutions and their subsidiaries |
| IAS 32 | Classification of Rights Issues | Oct. 8, 2009 | Jan. 1, 2011 | Yes | None |
| | Improvement of 2010 International Financial Reporting Standards [3] | May 6, 2010 | Jan. 1, 2011 | No | Change to disclosures on financial instruments in the Notes |
| IFRIC 14 | Advance Payments as part of Minimum Funding Requirements | Nov. 26, 2009 | Jan. 1, 2011 | Yes | None |
| IFRIC 19 | Extinguishing Financial Liabilities with Equity Instruments | Nov. 26, 2009 | Jan. 1, 2011 | Yes | None |

1) Mandatory first-time application from AUDI AG's perspective

2) By December 31, 2010

3) Minor changes to a variety of standards and interpretations (IFRS 1, IFRS 3, IFRS 7, IAS 1, IAS 27, IAS 34, IFRIC 13) and resulting changes

## GROUP OF CONSOLIDATED COMPANIES

In addition to AUDI AG, the Consolidated Financial Statements include all principal companies in which AUDI AG can directly or indirectly determine the financial and business policy in order to benefit from the activities of the companies (subsidiaries) in question. Consolidation begins at that point in time when AUDI AG acquires the opportunity for control; it ends when that opportunity ceases to be available.
Associated companies are accounted for using the equity method.
Non-consolidated subsidiaries as well as participating interests are always reported at amortized cost because no active market exists for the shares of these companies and no fair value can reliably be determined with a justifiable amount of effort. Where there is evidence that the fair value is lower, this fair value is recognized. These subsidiaries are principally companies with only limited business operations.

The group of consolidated companies has grown since December 31, 2009 to include the following companies that have been founded or acquired:
- Audi (China) Enterprise Management Co. Ltd., Beijing (China)
- Audi Japan Sales K.K., Tokyo (Japan)
- Audi Zentrum Frankfurt GmbH, Frankfurt
- Audi Zentrum Leipzig GmbH, Leipzig
- Audi Zentrum Stuttgart GmbH, Stuttgart
- Italdesign Giugiaro S.p.A., Turin (Italy)
- STAR DESIGN S.R.L., Turin (Italy)

Additionally, Automobili Lamborghini America, LLC, Wilmington, Delaware (USA), was consolidated for the first time on the basis of the condition set out in IAS 27.13, Sentence 2 (c).
The first-time inclusion of these subsidiaries had no significant individual or overall impact on the presentation of the Company's situation.

With effect from June 1, 2010, the Group acquired 100 percent of the shares in AUDI BRUSSELS S.A./N.V., Brussels (Belgium). This company has been included in the Audi Group since 2008 based on the conditions set out in IAS 27.13, Sentence 2 (c).

The following table shows the composition of the Audi Group:

| Total | 2010 | 2009 |
|---|---|---|
| AUDI AG and fully consolidated subsidiaries | | |
| Germany | **10** | 7 |
| Other countries | **20** | 15 |
| Investments accounted for using the equity method | | |
| Other countries | **1** | 1 |
| Non-consolidated subsidiaries | | |
| Germany | **12** | 14 |
| Other countries | **15** | 14 |
| Total | **58** | 51 |

The principal companies within the Audi Group are listed following the Notes. The full list of companies in which shares are held is provided in AUDI AG's published Annual Financial Report and is also available on the Audi website at www.audi.com/subsidiaries. This list can additionally be requested directly from AUDI AG, Financial Communication/Financial Analysis, I/FF-12, 85045 Ingolstadt, Germany.

By virtue of their inclusion in the Audi Group's Consolidated Financial Statements, the following companies have fulfilled the requirements of Section 264, Para. 3 of the German Commercial Code and make use of the exemption rule:
- quattro GmbH, Neckarsulm
- Audi Retail GmbH, Ingolstadt
- Audi Vertriebsbetreuungsgesellschaft mbH, Ingolstadt
- Audi Zentrum Berlin GmbH, Berlin
- Audi Zentrum Frankfurt GmbH, Frankfurt
- Audi Zentrum Hamburg GmbH, Hamburg
- Audi Zentrum Hannover GmbH, Hanover
- Audi Zentrum Leipzig GmbH, Leipzig
- Audi Zentrum Stuttgart GmbH, Stuttgart

## Fully consolidated subsidiaries

To expand its design and development capacities, the Audi Group acquired 90.1 percent of the voting rights in the design and development service provider Italdesign Giugiaro S.p.A., Turin (Italy), on July 27, 2010 via Automobili Lamborghini Holding S.p.A., Sant'Agata Bolognese (Italy), an AUDI AG subsidiary. The remaining shares in Italdesign Giugiaro S.p.A. remain in the hands of the previous owners. The total purchase price of EUR 180 million includes options granted to these shareholders to sell the outstanding shares, measured at fair value. In conjunction with the acquisition, existing contractual relations of Italdesign Giugiaro S.p.A. were dissolved in advance by mutual consent with the agreement that no claims for damages or other claims would be asserted by either side. The value of these relations, totaling EUR 35 million, was classed as a separate transaction and recognized as other operating expenses for the fiscal year. The total purchase price can be broken down as follows:

| EUR million | 2010 |
|---|---|
| Purchase price for 90.1 % of voting rights | 194 |
| + Option on outstanding voting rights | 21 |
| – Settlement for termination of existing contracts | 35 |
| = Total purchase price | 180 |

The merger resulted in goodwill of EUR 72 million, primarily determined by expected synergies in the Audi Group's automotive business as a cash-generating unit that determines value. The allocation of the purchase price to the assets and liabilities of Italdesign Giugiaro S.p.A. is shown in the following table:

| EUR million | Carrying amount immediately prior to time of acquisition | Purchase price allocation | Fair value at time of acquisition |
|---|---|---|---|
| Brand name | 18 | 36 | 55 |
| Other non-current assets [1] | 82 | 37 | 119 |
| Current assets | 45 | 0 | 45 |
| of which cash and cash equivalents | 6 | 0 | 6 |
| Total assets | 145 | 73 | 218 |
| Non-current liabilities [2] | 40 | 23 | 62 |
| Current liabilities | 49 | 0 | 49 |
| Total liabilities | 88 | 23 | 111 |

1) Excluding goodwill

2) Including deferred taxes

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The gross carrying amount of the acquired claims at the time of purchase totaled EUR 42 million, with the net carrying amount (corresponding to fair value) amounting to EUR 39 million.
The inclusion of the company increased the Audi Group's revenue by EUR 37 million and reduced its profit after tax by EUR 4 million. If Italdesign Giugiaro S.p.A. had been included with effect from January 1, 2010, Group sales before consolidation would have been EUR 57 million higher; profit after tax would have risen by EUR 3 million.
The fair values of the assets and liabilities were primarily determined using observable market prices. Where it was not possible to determine a market price based on observable market values, processes based on income value were used to measure the acquired assets and assumed liabilities.

### Participating interests in associated companies

As of the balance sheet date, FAW-Volkswagen Automotive Company, Ltd., Changchun (China), in which an interest of 10 percent is held, is accounted for using the equity method. The holding is accounted for in accordance with the requirements of IAS 28.7 (a).
On the basis of this interest, the following values are attributable to the Audi Group:

| EUR million | **2010** | 2009 |
|---|---|---|
| Non-current assets | **252** | 187 |
| Current assets | **733** | 404 |
| Non-current liabilities | **67** | 53 |
| Current liabilities | **592** | 324 |
| Revenues | **1,748** | 1,232 |
| Net profit for the period | **220** | 110 |

## CONSOLIDATION PRINCIPLES

The assets and liabilities of the domestic and foreign companies included in the Consolidated Financial Statements are recognized in accordance with the standard accounting and measurement policies of the Audi Group.
In the case of subsidiaries that are being consolidated for the first time, the assets and liabilities are to be measured at their fair value at the time of acquisition. Any realized hidden reserves and expenses are amortized, depreciated or reversed in accordance with the development of the corresponding assets and liabilities as part of the subsequent consolidation process. Where the acquisition values of the investments exceed the Group share in the equity of the relevant company as calculated in this manner, goodwill is created. Goodwill acquired in a business combination is tested for impairment regularly at the balance sheet date, and an impairment loss is recognized if necessary. Within the Audi Group, the predecessor method is applied in relation to common control transactions. Under this method, the assets and liabilities of the acquired company or business operations are measured at the gross carrying amounts of the previous parent company. The predecessor method thus means that no adjustment to the fair value of the acquired assets and liabilities is performed at the time of acquisition; any goodwill arising during initial consolidation is adjusted against equity, without affecting income.

The Consolidated Financial Statements also include securities funds whose assets are attributable in substance to the Group.
Receivables and liabilities between consolidated companies are netted, and expenses and income eliminated. Interim profits and losses are eliminated from Group inventories and fixed assets. Consolidation processes affecting income are subject to deferrals of income taxes; deferred tax assets and liabilities are offset where the term and tax creditor are the same.
The same accounting policies for determining the pro rata equity are applied to Audi Group companies accounted for using the equity method. This is done on the basis of the last set of audited financial statements of the company in question.

## FOREIGN CURRENCY TRANSLATION

The currency of the Audi Group is the euro (EUR). Foreign currency transactions in the individual financial statements of AUDI AG and the subsidiaries are translated on the basis of the exchange rates at the time of the transaction. Monetary items in foreign currencies are translated at the exchange rate applicable on the balance sheet date. Exchange differences are recognized in the current-period income statements of the respective Group companies.
The foreign companies belonging to the Audi Group are foreign entities and prepare their financial statements in their local currency. The only exceptions are AUDI HUNGARIA MOTOR Kft., Győr (Hungary), and Audi Volkswagen Middle East FZE, Dubai (United Arab Emirates), which prepare their annual financial statements in euros and U.S. dollars respectively rather than in local currency. The concept of the "functional currency" is applied when translating financial statements prepared in foreign currency. Assets and liabilities are, with the exception of equity, translated at the year-end exchange rate. The effects of foreign currency translation on equity are reported in the currency exchange reserve with no effect on income. The items in the Income Statement are translated using weighted average monthly rates. Currency translation variances arising from the differing exchange rates used in the Balance Sheet and Income Statement are recognized in equity, without affecting income, until the disposal of the subsidiary.
The development of the exchange rates serving as the basis for currency translation is shown below:

| 1 EUR in foreign currency | | Dec. 31, 2010 | Dec. 31, 2009 | 2010 | 2009 |
|---|---|---|---|---|---|
| | | Year-end exchange rate | | Average exchange rate | |
| Australia | AUD | **1.3136** | 1.6008 | **1.4423** | 1.7727 |
| Brazil | BRL | **2.2177** | 2.5113 | **2.3314** | 2.7674 |
| Japan | JPY | **108.6500** | 133.1600 | **116.2386** | 130.3366 |
| Canada | CAD | **1.3322** | 1.5128 | **1.3651** | 1.5850 |
| South Korea | KRW | **1,499.0600** | 1,666.9700 | **1,531.8212** | 1,772.9039 |
| USA | USD | **1.3362** | 1.4406 | **1.3257** | 1.3948 |
| People's Republic of China | CNY | **8.8220** | 9.8350 | **8.9712** | 9.5277 |

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**Notes to the Consolidated Financial Statements**

## RECOGNITION AND MEASUREMENT PRINCIPLES

### RECOGNITION OF INCOME AND EXPENSES

Revenue, interest income and other operating income are always recorded when the services are rendered or the goods or products are delivered (in other words, when the risk and reward is transferred to the customer).
Proceeds from the sale of vehicles for which buy-back agreements exist are not realized immediately, but instead are realized on a straight-line basis over the period between sale and buy-back, on the basis of the difference between the selling price and the anticipated buy-back price. These vehicles are reported under inventories.
Operating expenses are recognized as income when the service is used or at the time they are economically incurred.
Where additional services have been contractually agreed with the customer in addition to the sale of a vehicle, such as warranty extensions or the completion of maintenance work over a fixed period, the related revenues and expenses are recorded in the Income Statement in accordance with the provisions of IAS 18 governing arrangements with multiple deliverables based on the economic content of the individual contractual components (partial services).

### INTANGIBLE ASSETS

Intangible assets acquired for consideration are recognized at cost of purchase, taking into account ancillary costs and cost reductions, and are amortized on a scheduled straight-line basis over their useful life.
Concessions, rights and licenses relate to purchased computer software, rights of use and subsidies paid.
Research costs are treated as current expenses in accordance with IAS 38. The development expenditure for products going into series production is recognized as an intangible asset, provided that production of these products is likely to bring economic benefit to the Audi Group. If the conditions stated in IAS 38 for capitalization are not met, the costs are expensed in the Income Statement in the year in which they occur.
Capitalized development costs encompass all direct and indirect costs that can be directly allocated to the development process. No interest was capitalized in relation to borrowing costs due to the fact that there were no significant borrowings as defined in the criteria of IAS 23 given that the Audi Group maintains sufficient levels of net liquidity at all times. Capitalized development costs are amortized on a straight-line basis from the start of production over the anticipated model life of the developed products.
The amortization plan is based principally on the following useful lives:

| | Useful life |
|---|---|
| Concessions, industrial property rights and similar rights and assets | 3–15 years |
| of which software | 3 years |
| Capitalized development costs | 5–9 years |

The amortization is allocated to the corresponding functional areas.
In the case of subsidiaries that are being consolidated for the first time, the assets and liabilities are to be measured at their fair value at the time of acquisition. These values are amortized in the subsequent year. If the purchase price of the investment exceeds the fair value of the identified assets minus liabilities, goodwill is created.
The goodwill resulting from company acquisitions is assigned to the identifiable groups of assets (cash flow-generating units) that are expected to benefit from the synergies created by the acquisition.

## PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at acquisition cost or cost of construction, with scheduled straight-line depreciation applied pro rata temporis.
The costs of purchase include the purchase price, ancillary costs and cost reductions.
In the case of self-constructed fixed assets, the cost of construction includes both the directly attributable cost of materials and cost of labor as well as indirect materials and indirect labor, which must be capitalized, together with pro rata depreciation. No interest was capitalized in relation to borrowing costs due to the fact that there were no significant borrowings as defined in the criteria of IAS 23 given that the Audi Group maintains sufficient levels of net liquidity at all times. The depreciation plan is generally based on the following useful lives, which are reassessed yearly:

| | Useful life |
|---|---|
| Buildings | 14–50 years |
| Land improvements | 10–33 years |
| Plant and machinery | 6–12 years |
| Plant and office equipment including special tools | 3–15 years |

In accordance with IAS 17, property, plant and equipment used on the basis of lease agreements is capitalized in the Balance Sheet if the conditions of a finance lease are met (in other words, if the significant risks and opportunities which result from its use have passed to the lessee). Capitalization is performed at the time of the agreement, at the lower of fair value or present value of the minimum lease payments. The straight-line depreciation method is based on the shorter of economic life or term of lease contract. The payment obligations resulting from the future lease installments are recognized as a liability at the present value of the leasing installments.
Where Group companies have entered into operating leases as the lessee, in other words if not all risks and opportunities associated with title have passed to them, leasing installments and rents are expensed directly in the Income Statement.

## INVESTMENT PROPERTY

Investment property comprises real estate held as a financial investment and vehicles leased as part of operating lease agreements with a contractual term of more than one year.
Real estate held as investment property is reported in the Balance Sheet at amortized cost. Buildings are depreciated on a straight-line basis over a useful life of 33 years.
Leased vehicles, in the case of operating lease agreements, are capitalized at cost of sales and depreciated to the calculated residual value on a straight-line basis over the contractual term. Unscheduled reductions for impairment and adjustments to depreciation rates are made to take account of impairment losses calculated on the basis of impairment testing pursuant to IAS 36. Based on local factors and historical values from used car marketing, updated internal and external information on residual value developments is incorporated into the residual value forecasts on an ongoing basis.

## INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Companies in which AUDI AG is directly or indirectly able to exercise significant influence on financial and operating policy decisions (associated companies) are accounted for using the equity method. The pro rata equity of these companies is regularly recorded under long-term investments and the share of earnings recorded as income under the financial result.

## IMPAIRMENT TESTS

Fixed assets are tested regularly for impairment as of the balance sheet date. Impairment testing of goodwill and intangible assets with a non-determined useful life is generally carried out in the Audi Group on the basis of the useful value of the Group's automotive business as a cash flow-generating unit. The current planning prepared by management provides the basis for this process. As a general rule the planning period covers a period of five years. Plausible assumptions about future development are made for the subsequent years. The planning premises are in each case adjusted in line with current findings. Appropriate assumptions based on macroeconomic trends and historical developments are taken into account. Cash flows are generally calculated on the basis of the expected growth rates in the automotive markets concerned. When calculating useful value as part of goodwill impairment testing, a country-specific discounting rate of 5.5 percent before taxes is applied.
Impairment tests are carried out for development activities, acquired property rights, and property, plant and equipment on the basis of expected product life cycles, the respective revenue and cost situation, current market expectations and currency-specific factors. Expected future cash flows to other intangible assets and fixed tangible assets are discounted with country-specific discount rates that adequately reflect the risk and amount to 6.4 percent before tax. Impairment losses pursuant to IAS 36 are recognized where the recoverable amount, i.e. the higher amount from either the use or disposal of the asset in question, has declined below its carrying amount. If necessary, an impairment loss resulting from this test is recognized.

## FINANCIAL INSTRUMENTS

Financial assets and liabilities (financial instruments) are recognized and measured in accordance with IAS 39.
Pursuant to IAS 39, financial assets are divided into the following categories based on the purpose for which they were acquired:
– financial assets measured at fair value through profit or loss,
– loans and receivables,
– held-to-maturity investments,
– available-for-sale financial assets.

The Audi Group does not have any financial assets that fall into the category of "held-to-maturity investments."

Financial liabilities are classed as follows depending on the reasons for their acquisition:
– financial liabilities measured at fair value through profit or loss,
– financial liabilities measured at amortized cost.

Assignment to a category depends on the purpose for which the financial instruments were acquired and is reviewed at the end of each reporting period.

Where financial instruments are purchased or sold in the customary manner, they are recognized using settlement date accounting (in other words, at the value on the day on which the asset is delivered).
Initial measurement of financial assets and liabilities is carried out at fair value.
Subsequent measurement of financial instruments is dependent on the category assigned to the instrument in accordance with IAS 39 and is carried out either at amortized cost (using the effective interest method) or at fair value.
The amortized cost of a financial asset or financial liability, using the effective interest method, is the amount at which a financial instrument was measured at initial recognition minus any principal repayments, impairment losses or uncollectible debts.
In the case of current financial assets and liabilities, the amortized cost basically corresponds to the nominal value or the repayment value. Fair value generally corresponds to the market value or trading price. If no active market exists, fair value is determined using investment mathematics methods, for example by discounting future cash flows at the market rate or applying established option pricing models.
Measurement of financial instruments at fair value is based on a three-level hierarchy which describes the proximity of the measurement factors used to an active market (cf. Note 33, “Additional disclosures on financial instruments in the Balance Sheet”).
Recognizable credit risks associated with “Loans and receivables” are accounted for by carrying out specific value adjustments. “Available-for-sale financial assets” are impaired if there is objective evidence of a long-term loss of value.
Financial instruments are abandoned if the rights to payments from the investment have expired or been transferred and the Audi Group has substantially transferred all risks and opportunities associated with their title.
Financial assets and liabilities include both non-derivative and derivative claims or commitments, as detailed below.

### Non-derivative financial instruments

The “Loans and receivables” and “Financial liabilities measured at amortized cost” categories include non-derivative financial instruments measured at amortized cost. These include, in particular:

- loans advanced,
- trade receivables and payables,
- other current assets and liabilities,
- financial liabilities,
- cash and cash equivalents.

Assets and liabilities in foreign currency are measured at the exchange rate on the reporting date.

In the case of current items, the fair values to be additionally indicated in the Notes correspond to the amortized cost. For non-current assets and liabilities with more than one year to maturity, fair values are determined by discounting future cash flows at market rates.
Liabilities from financial lease agreements are carried at the present value of the leasing installments.

“Available-for-sale financial assets” include non-derivative financial instruments that are designated as such or that cannot be allocated to any other IAS 39 category, and are as a general rule carried at fair value. Securities and other financial assets that are not valued according to the equity method both fall into this category.

In the case of listed financial instruments – exclusively securities in the case of the Audi Group – the fair value corresponds to its market value on the balance sheet date.

The fluctuations in value of securities available for sale are initially accounted for within a separate equity reserve with no effect on income, after taking deferred tax into account. Unless there is evidence of lasting impairment, the financial result includes only capital gains or losses realized through disposal. If there is evidence of a lasting decline in value, the cumulative loss is removed from the equity reserve and recognized in the Income Statement. Impairments already recorded in the Income Statement – to the extent that the securities concerned are equity instruments – are not reversed with an effect on income. If, on the other hand, the securities concerned are debt instruments, impairment losses are reversed with an effect on income if the increase in the fair value, when viewed objectively, is based on an event that occurred after the impairment loss was recorded with an effect on income.

As there is no active market for the other long-term investments, they are carried at amortized cost. Where there is evidence that the fair value is lower, corresponding value adjustments are carried out.

### Derivative financial instruments and hedge accounting

Derivative financial instruments are used as a hedge against foreign exchange and commodity price risks for items on the Balance Sheet and for future cash flows. Futures, as well as options in the case of foreign exchange risks, are used for this purpose.
Additionally, under the rules of IAS 39, some contracts are classed as derivative financial instruments:

- Rights to acquire shares in companies
- Agreements entered into by the Audi Group with approved dealers with a view to hedging against potential losses from buy-back obligations for leased vehicles.

A requirement of hedge accounting is that a clear hedging relationship between the underlying transaction and the hedge must be documented and its effectiveness demonstrated.
Recognition of the fair value changes in hedges depends on the nature of the hedging relationship.
When hedging against exchange rate risks from future cash flows (cash flow hedges), the fluctuations in the market value of the effective portion of a derivative financial instrument are initially reported in a special reserve within equity, with no effect on income, and are only recognized as income or expense once the hedged item is due. The ineffective portion of a hedge is recognized immediately in income.
Derivative financial instruments that are used to hedge market risks according to commercial criteria but that do not fully meet the requirements of IAS 39 with regard to effectiveness of hedging relationships are classified as "financial instruments measured at fair value through profit or loss."
Rights to acquire shares in companies are also reported in accordance with the rules for "financial instruments measured at fair value through profit or loss."

## OTHER RECEIVABLES AND FINANCIAL ASSETS

Other receivables and financial assets (except for derivatives) are recognized at amortized cost. Provision is made for discernible non-recurring risks and general credit risks in the form of corresponding value adjustments.

## DEFERRED TAX

Pursuant to IAS 12, deferred tax is determined according to the balance sheet-focused liability method. This method specifies that tax deferrals are to be created for all temporary differences between the tax base of assets and liabilities and their carrying amounts in the Consolidated Balance Sheet (temporary concept). Deferred tax assets relating to carryforward of unused tax losses must also be recognized.
Deferrals amounting to the anticipated tax burden or tax relief in subsequent fiscal years are created on the basis of the anticipated tax rate at the time of realization. In accordance with IAS 12, the tax consequences of distributions of profit are not recognized until the resolution on the appropriation of profits is adopted.
Deferred tax assets include future tax relief resulting from temporary differences between the carrying amounts in the Consolidated Balance Sheet and the valuations in the Balance Sheet for tax purposes. Deferred tax assets relating to carryforward of unused tax losses that can be realized in the future and deferred tax assets from tax relief are also recognized.
Deferred tax assets and deferred tax liabilities are netted if the tax creditors and maturities are identical.
Pursuant to IAS 1.70, deferred tax is reported as non-current.
The carrying amount is reduced for deferred tax assets that are unlikely to be realized.

## INVENTORIES

Raw materials and supplies are measured at the lower of average cost of acquisition or net realizable value. Generally, an average value or a value calculated on the basis of the FIFO (first in, first out) process is used. Other costs of purchase and purchase cost reductions are taken into account as appropriate.
Work in progress and finished goods are valued at the lower of cost of conversion or net realizable value. Cost of conversion includes direct materials and direct productive wages, as well as a directly attributable portion of the necessary indirect materials and indirect labor costs, scheduled production-related depreciation, and expenses attributable to the products from the scheduled amortization of capitalized production development costs. Distribution costs, general administrative expenses and interest on borrowings are not capitalized.
Merchandise is valued at the lower of cost of purchase or net realizable value.
Provision has been made for all discernible storage and inventory risks in the form of appropriate reductions in the carrying amounts. Individual adjustments are made on all inventories as soon as the probable proceeds realizable from their sale or use are lower than the carrying amounts of the inventories. The net realizable value is deemed to be the estimated proceeds of sale less the estimated costs incurred up until the sale.
Current leased assets comprise leased vehicles with an operating lease of up to one year and vehicles which are subject to a buy-back obligation within one year (owing to buy-back agreements). These vehicles are capitalized at cost of sales and valued in accordance with the expected loss of value and likely useful life. Based on local factors and historical values from used car marketing, updated internal and external information is incorporated into the measurement on an ongoing basis.

## SECURITIES, CASH AND CASH EQUIVALENTS

Securities held as current assets are measured at market value, i.e. at the trading price on the balance sheet date.
Cash and cash equivalents are stated at their nominal value.

## PROVISIONS FOR PENSIONS

Actuarial measurement of provisions for pensions is based on the projected unit credit method for defined retirement benefit plans as specified in IAS 19 (Employee Benefits). This method takes account of pensions and entitlements to future pensions known at the balance sheet date as well as anticipated future pay and pension increases.
Actuarial gains and losses are reported in a separate line item within equity, with no effect on income, after taking deferred tax into account.

## OTHER PROVISIONS

In accordance with IAS 37, provisions are recognized if an obligation existing toward third parties is likely to lead to cash outflows and where the amount of the obligation can reliably be estimated.
Pursuant to IAS 37, the other provisions for all discernible risks and uncertain liabilities are reported at their probable cost and are not offset against recourse entitlements.
Provisions with over one year to maturity are measured at their discounted settlement value as of the balance sheet date. Market rates are used as the discount rates. Since the settlement value pursuant to IAS 37 also includes the cost increases to be taken into account on the balance sheet date, a nominal interest rate of 2.1 percent was applied in Germany.

## MANAGEMENT'S ESTIMATES AND ASSESSMENTS

To some degree, the preparation of the Consolidated Financial Statements entails assumptions and estimates with regard to the level and disclosure of the recognized assets and liabilities, income and expenditure, and contingent liabilities for the reporting period.
The assumptions and estimates relate principally to the reporting of intangible assets, the Group-wide determination of the useful life of property, plant and equipment and investment property, any impairment of fixed assets and inventories, the collectability of receivables, and the recognition and measurement of provisions.
The assumptions and estimates are based on premises that reflect the facts as known at any given time. In particular, the circumstances at the time of preparation of the Consolidated Financial Statements as well as the realistically assumed future development of the global and industry-specific environment are used as a basis for estimating expected future business development. Developments in this environment that deviate from assumptions and are beyond the management's sphere of influence may cause the actual amounts to differ from the estimates originally anticipated. If the actual development varies from the anticipated development, the premises and, if necessary, the carrying amounts for the assets and liabilities in question are adjusted accordingly.
At the time of preparation of the Consolidated Financial Statements, the underlying assumptions and estimates were not exposed to any material risks. At present, the management does not therefore believe that there will be a requirement in the following fiscal year for any material adjustment to the carrying amounts of assets and liabilities reported in the Consolidated Balance Sheet.
Estimates and assumptions by the management were based on assumptions that are explained in the report on expected developments in the Management Report.

# NOTES TO THE INCOME STATEMENT

## 1 Revenue

The composition of the revenue of the Group, by brand, is as follows:

| EUR million | 2010 | 2009 |
|---|---|---|
| Audi brand | **27,423** | 22,652 |
| Lamborghini brand | **227** | 227 |
| Other Volkswagen Group brands | **3,047** | 2,707 |
| Vehicle sales | **30,697** | 25,586 |
| Other car business | **4,744** | 4,254 |
| Revenue | **35,441** | 29,840 |

Vehicle revenue includes proceeds from the Audi Group from the sale of vehicles of the Audi and Lamborghini brands as well as of other brands of the Volkswagen Group.
Revenue from other car business primarily includes proceeds from the sale of engines and genuine parts as well as proceeds of AUDI BRUSSELS S.A./N.V., Brussels (Belgium), deriving from the contract manufacture of VW Polo vehicles for Volkswagen AG, Wolfsburg, which amounted to EUR 456 million during the previous year.

## 2 Cost of sales

Amounting to EUR 29,706 (25,649) million, cost of sales comprises the costs incurred in generating revenue and purchase prices in trading transactions. This item also includes expenses resulting from the formation of provisions for warranty costs, for development costs that cannot be capitalized, for scheduled and unscheduled amortization of capitalized development costs, and for property, plant and equipment for manufacturing purposes. Cost of sales includes unscheduled impairment losses on intangible assets and property, plant and equipment amounting to EUR 463 (72) million. The impairment losses were recorded on the basis of updated impairment tests and took particular account of market risks and exchange rate risks.

## 3 Distribution costs

Distribution costs of EUR 3,038 (3,138) million substantially comprise labor and materials costs for marketing and sales promotion, advertising, public relations activities and outward freight, as well as depreciation attributable to the sales organization.

## 4 Administrative expenses

Administrative expenses of EUR 374 (301) million include labor and materials costs, as well as depreciation attributable to administrative operations.

## 5 Other operating income

| EUR million | 2010 | 2009 |
|---|---|---|
| Income from derivative hedging transactions | **297** | 488 |
| Income from rebilling | **379** | 325 |
| Income from the processing of payments in foreign currency | **181** | 137 |
| Income from the dissolution of provisions | **174** | 125 |
| Income from ancillary business | **162** | 128 |
| Income from the write-up of intangible assets | **58** | – |
| Income from the disposal of assets | **6** | 8 |
| Income from the reversal of reductions for impairment on receivables and other assets | **3** | 2 |
| Miscellaneous operating income | **423** | 261 |
| Total other operating income | **1,684** | 1,475 |

Income from derivative hedging transactions mainly results from the settlement of currency hedging instruments. The total position in relation to hedging transactions is presented under Note 34.4, "Methods of monitoring the effectiveness of hedging relationships."
Income from ancillary business includes rental income from investment property in the amount of EUR 0.4 (0.4) million.
Income from the processing of payments in foreign currency substantially comprises gains resulting from exchange-rate movements between the dates of output and payment, as well as exchange-rate gains resulting from measurement at the mean of the buying and selling rate on the closing date. Similarly, exchange rate losses are reported under other operating expenses.

## 6 Other operating expenses

| EUR million | 2010 | 2009 |
|---|---|---|
| Expenses from the processing of payments in foreign currency | 126 | 122 |
| Expenses from derivative hedging transactions | 246 | 224 |
| Expenses from the allocation and recharging of costs | 35 | 43 |
| Impairment losses on receivables | 12 | 76 |
| Losses on the disposal of assets | 8 | 4 |
| Miscellaneous operating expenses | 241 | 153 |
| Total other operating expenses | 667 | 622 |

Expenses from derivative hedging transactions mainly result from currency option premiums and the settlement of currency hedging instruments. The total position in relation to hedging transactions is presented under Note 34.4, "Methods of monitoring the effectiveness of hedging relationships."

## 7 Result from investments accounted for using the equity method

The result from investments accounted for using the equity method reached EUR 220 (110) million.

## 8 Financing costs

| EUR million | 2010 | 2009 |
|---|---|---|
| Interest and similar expenses | –82 | –78 |
| of which to affiliated companies | –78 | –73 |
| Interest expense | –82 | –78 |
| Interest effect from the measurement of provisions for pensions | –112 | –111 |
| Interest effect from the measurement of other provisions | –101 | –80 |
| Interest on provisions | –212 | –191 |
| Financing costs | –294 | –269 |

Interest expense is attributed on an accrual basis.

## 9 Other financial results

| EUR million | 2010 | 2009 |
|---|---|---|
| Investment result | 49 | 21 |
| of which income from investments | 45 | 45 |
| of which income from profit transfer agreements | 5 | 5 |
| of which expenses from the transfer of losses | 0 | – 20 |
| of which expenses from investments | – 1 | – 9 |
| Net income from the sale of securities | – 3 | – 18 |
| Income and expense from the measurement of non-derivative financial instruments | 2 | – 3 |
| Income and expense from fair value measurement of derivative financial instruments | – 98 | 106 |
| Interest and similar income | 157 | 274 |
| of which from affiliated companies | 99 | 235 |
| Other income | 261 | 103 |
| of which from affiliated companies | 261 | 103 |
| Total other financial results | 368 | 483 |

Income from investments primarily relates to a share in the profits of Volkswagen Logistics GmbH & Co. OHG, Wolfsburg.
Income and expense from the fair value measurement of derivative financial instruments comprise the ineffective portions of cash flow hedges and the fluctuations in the fair value of derivative financial instruments that do not fully meet the effectiveness criteria set out under IAS 39. The total position in relation to hedging instruments is presented under Note 34.4, “Methods of monitoring the effectiveness of hedging relationships.”
Interest income is attributed on an accrual basis.

## 10 Income tax expense

Income tax expense includes taxes passed on by Volkswagen AG, Wolfsburg, on the basis of the single-entity relationship between the two companies for tax purposes, along with taxes owed by AUDI AG and its consolidated subsidiaries, as well as deferred taxes.
Tax expense consists of the following:

| EUR million | 2010 | 2009 |
|---|---|---|
| Actual income tax expense | 1,356 | 789 |
| of which for Germany | 1,174 | 680 |
| of which for other countries | 182 | 109 |
| of which income from the reversal of tax provisions | – 22 | – 6 |
| Deferred tax income | – 352 | – 208 |
| of which for Germany | – 171 | – 185 |
| of which for other countries | – 181 | – 23 |
| Income tax expense | 1,004 | 581 |
| of which non-periodic tax expenses | 0 | 15 |

**Consolidated Financial Statements**



**Notes to the Consolidated Financial Statements**

EUR 1,160 (673) million of the actual income tax expense was passed on by Volkswagen AG. The actual taxes in Germany are calculated at a tax rate of 29.5 (29.5) percent. This represents the sum of the corporation income tax rate of 15.0 percent, the solidarity surcharge of 5.5 percent and the average trade earnings tax rate for the Group. The deferred taxes for companies in Germany are calculated at a rate of 29.5 (29.5) percent. The local income tax rates applied to foreign companies range from 0 percent to 41 percent.
The effects arising as a result of the tax benefits on research and development expenditure in Hungary are reported under tax-exempt income in the reconciliation accounts.
There are loss carryforwards totaling EUR 135 (104) million, of which the amount of EUR 50 (46) million can be used indefinitely. The realization of tax losses led to a reduction in current income tax expense of EUR 1 (2) million in the 2010 fiscal year. Deferred tax assets of EUR 106 (160) million were not reported due to impairment. Of this amount, unused tax loss carryforwards accounted for EUR 10 (7) million, and tax relief for EUR 96 (153) million.

The reporting and measurement differences in the individual Balance Sheet items can be attributed to the following deferred tax assets and liabilities carried in the Balance Sheet:

| EUR million | **Dec. 31, 2010** | Dec. 31, 2009 | **Dec. 31, 2010** | Dec. 31, 2009 |
|---|---|---|---|---|
| | Deferred tax assets | | Deferred tax liabilities | |
| Intangible assets | **112** | 100 | **524** | 476 |
| Property, plant and equipment | **365** | 279 | **235** | 224 |
| Long-term investments | **158** | 157 | **1** | – |
| Inventories | **64** | 61 | **36** | 41 |
| Receivables and other assets | **179** | 37 | **230** | 226 |
| Other current assets | **73** | 50 | **–** | – |
| Provisions for pensions | **140** | 105 | **3** | 1 |
| Other provisions | **908** | 878 | **–** | 0 |
| Liabilities | **181** | 121 | **4** | 3 |
| Loss carryforwards | **27** | 18 | **–** | – |
| Gross value | **2,207** | 1,806 | **1,032** | 971 |
| of which non-current | **1,458** | 1,272 | **685** | 580 |
| Offsetting measures | **–1,010** | –931 | **–1,010** | –931 |
| Consolidation measures | **150** | 44 | **0** | 5 |
| Carrying amount | **1,347** | 919 | **22** | 45 |

Deferred taxes are explained in detail in the recognition and measurement principles.

## Reconciliation of anticipated and reported income tax expense

The anticipated tax expense is higher than the reported tax expense. The reasons for the difference between the anticipated and the reported tax expense can be found in the reconciliation accounts as follows:

| EUR million | 2010 | 2009 |
|---|---|---|
| Profit before tax | 3,634 | 1,928 |
| Anticipated income tax expense 29.5 % (29.5 %) | 1,072 | 569 |
| Reconciliation: | | |
| Divergent foreign tax burden | –38 | –2 |
| Tax portion for: | | |
| tax-exempt income | –277 | –123 |
| expenses not deductible for tax purposes | 27 | 18 |
| temporary differences and losses for which no deferred tax has been recorded | 207 | 132 |
| Non-periodic tax expenses | 0 | 15 |
| Effects of tax rate changes | 34 | 2 |
| Other tax effects | –21 | –30 |
| Income tax expense reported | 1,004 | 581 |
| Effective tax rate in % | 27.6 | 30.1 |

## Tax effects in relation to income and expense recognized directly in equity

Of the deferred taxes reported in the Balance Sheet, a total of EUR 190 (78) million was recorded with a resulting increase in equity, without influencing the Income Statement. The individual effects are shown below:

| EUR million | Dec. 31, 2010 | | | Dec. 31, 2009 | | |
|---|---|---|---|---|---|---|
| | Profit before tax | Taxes | Profit after tax | Profit before tax | Taxes | Profit after tax |
| Foreign currency translation differences | 31 | – | 31 | 6 | – | 6 |
| Actuarial gains and losses | –186 | 55 | –131 | –113 | 34 | –79 |
| Cash flow hedges | –448 | 132 | –316 | –178 | 53 | –126 |
| Available-for-sale financial assets (securities) | –10 | 3 | –7 | 29 | –8 | 20 |
| Income and expenditure after tax from equity-accounted companies recognized directly in equity | 19 | – | 19 | –1 | – | –1 |
| Income (+) and expenditure (–) recognized directly in equity | –594 | 190 | –404 | –256 | 78 | –178 |

## 11 Profit transfer to Volkswagen AG

The amount of EUR 2,010 (1,172) million will be transferred to Volkswagen AG, Wolfsburg, under the profit transfer agreement with AUDI AG.

## 12 Earnings per share

Basic earnings per share are calculated by dividing the share of profit due to AUDI AG stockholders by the weighted average number of shares in circulation during the fiscal year.
In the case of AUDI AG, the diluted earnings per share are the same as the basic earnings per share, since there were no potential shares of AUDI AG in existence at either December 31, 2010 or December 31, 2009.

| | 2010 | 2009 |
|---|---|---|
| Profit share of AUDI AG stockholders (EUR million) | **2,586** | 1,300 |
| Weighted average number of shares (basic and diluted totals are identical) | **43,000,000** | 43,000,000 |
| Earnings per share in EUR | **60.13** | 30.23 |

Outside stockholders of AUDI AG will receive a compensatory payment for each no-par share in lieu of a dividend for the 2010 fiscal year. The level of this payment corresponds to the dividend that is paid on one ordinary share of Volkswagen AG, Wolfsburg. The dividend payment will be resolved by the Annual General Meeting of Volkswagen AG on May 3, 2011.

## 13 Additional disclosures on financial instruments in the Income Statement

### Categories

Financial instruments are categorized as follows in accordance with IFRS 7:
- measured at fair value,
- measured at amortized cost,
- not under the scope of IFRS 7.

Those financial instruments not within the scope of IFRS 7 are investments accounted for using the equity method, which are neither financial instruments as defined in IAS 39 nor financial instruments as defined in IFRS 7.

### Net results for financial instruments

The net results for financial instruments – as categorized under IAS 39 – are as follows:

| EUR million | 2010 | 2009 |
|---|---|---|
| Financial instruments measured at fair value through profit or loss | **–15** | –248 |
| Loans and receivables | **175** | 179 |
| Available-for-sale financial assets | **78** | 29 |
| Financial liabilities measured at amortized cost | **–27** | –17 |

The net results for financial instruments include the net income or expense from interest, fair value measurements, foreign currency translation, reductions for impairment and disposal gains.
The "Financial instruments measured at fair value through profit or loss" category presents the results from the settlement and measurement of derivative financial instruments not allocated to hedge accounting. The "Loans and receivables" category essentially consists of interest income and expenses, impairment losses on receivables, and factoring expenses. The net result for available-for-sale financial assets predominantly comprises income from other long-term investments not accounted for using the equity method and from investments in securities. The financial instruments are accounted for and measured in accordance with IAS 39 and are described in the recognition and measurement principles under "Financial instruments."

## Interest income and expense for financial instruments not measured at fair value

| EUR million | 2010 | 2009 |
|---|---|---|
| Interest income | 125 | 248 |
| Interest expense | –21 | –24 |
| Interest income and expense | 104 | 224 |

Interest income and expense for financial instruments not measured at fair value constitute part of the net result for financial instruments that fall into the category of "Loans and receivables." Interest income primarily covers interest from the Audi Group's cash and cash equivalents, fixed deposits and loans extended. Interest expense largely comprises factoring expenses arising in connection with the loan asset sales to subsidiaries of Volkswagen AG, Wolfsburg, that are not part of the Audi Group.

## Impairment losses for financial assets by category

| EUR million | 2010 | 2009 |
|---|---|---|
| Measured at fair value | – | 3 |
| Measured at amortized cost | 13 | 84 |
| Impairment losses | 13 | 87 |

The impairment losses relate to value adjustments of financial assets, such as impairment losses on receivables, securities and non-consolidated subsidiaries.

## Gains and losses from hedging activities

From the cash flow hedge reserve, the sum of EUR 46 (341) million was included under cost of sales and other operating expenses.

## NOTES TO THE BALANCE SHEET

### 14 Intangible assets

| EUR million | Dec. 31, 2010 | Dec. 31, 2009 |
|---|---|---|
| Concessions, industrial property rights and similar rights and assets, as well as licenses thereto | 232 | 182 |
| Goodwill | 72 | – |
| Capitalized development costs | 2,051 | 1,989 |
| of which products currently under development | 836 | 817 |
| of which products currently in use | 1,215 | 1,171 |
| Payments on account for intangible assets | 1 | 1 |
| Total | 2,357 | 2,171 |

### Research and development expenditure recognized as an expense

| EUR million | 2010 | 2009 |
|---|---|---|
| Research expense and non-capitalized development costs | 1,901 | 1,569 |
| Impairment losses (reversals) on capitalized development costs | 567 | 480 |
| Total | 2,469 | 2,050 |

A total of EUR 2,531 (2,098) million was spent on research and development during the 2010 fiscal year. Of this total, EUR 630 (528) million fulfilled the capitalization criteria set out in IAS 38.

### 15 Property, plant and equipment

| EUR million | Dec. 31, 2010 | Dec. 31, 2009 |
|---|---|---|
| Land, land rights and buildings, including buildings on land owned by others | 2,190 | 2,075 |
| Plant and machinery | 1,159 | 1,224 |
| Other plant and office equipment | 1,958 | 1,879 |
| Payments on account and assets under construction | 496 | 618 |
| Total | 5,803 | 5,795 |

Payments totaling EUR 102 (85) million for assets rented on the basis of operating lease agreements were recognized as an expense.

### 16 Investment property

Investment property, in accordance with IAS 40, comprises land and buildings held to generate rental income, and vehicles leased as part of operating lease agreements with a contractual term of more than one year.

The fair values of the rented real estate, calculated on the basis of valuations, totaled EUR 6 (5) million. Investment property in the form of leased vehicles with a contractual term of more than one year amounted to EUR 7 (7) million.

Total payments of EUR 3 million are expected from irrevocable vehicle leasing agreements in the period from 2011 to 2015, of which EUR 2 million will fall due in fiscal 2011.

### 17 Other long-term investments

| EUR million | Dec. 31, 2010 | Dec. 31, 2009 |
|---|---|---|
| Investments in affiliated companies | 106 | 95 |
| Investments in associated companies and participating interests | 73 | 9 |
| Securities | – | 2 |
| Total | 180 | 107 |

## 18 Deferred tax assets

The temporary differences between tax bases and carrying amounts in the Consolidated Financial Statements are explained under "Deferred tax" in the recognition and measurement principles, and under Note 10, "Income tax expense."
Pursuant to IAS 1, deferred tax assets are reported as non-current assets, irrespective of their maturities.

## 19 Other receivables and other financial assets

### Non-current other receivables and other financial assets

| EUR million | Dec. 31, 2010 | Dec. 31, 2009 |
|---|---|---|
| Loans advanced | **96** | 75 |
| of which to affiliated companies | **95** | 74 |
| Positive fair values of derivative financial instruments | **417** | 310 |
| of which to affiliated companies | **362** | 310 |
| Other tax assets | **1** | 6 |
| Other assets | **45** | 31 |
| Total | **560** | 422 |

With regard to loans advanced, the fair values correspond to the carrying amounts. Miscellaneous non-current assets have a fair value of EUR 463 (347) million. Loans advanced are subject to interest rates of up to 4.5 (4.5) percent.
Derivative financial instruments are measured at market value. The total position in relation to hedging instruments is presented under Note 34.4, "Methods of monitoring the effectiveness of hedging relationships."

### Current other receivables and other financial assets

| EUR million | Dec. 31, 2010 | Dec. 31, 2009 |
|---|---|---|
| Fixed deposits and loans extended | **2,040** | 3,891 |
| of which to affiliated companies | **2,040** | 3,891 |
| Positive fair values of derivative financial instruments | **210** | 505 |
| of which to affiliated companies | **210** | 502 |
| Other tax assets | **135** | 99 |
| Other receivables and assets | **273** | 269 |
| of which to affiliated companies | **122** | 33 |
| of which to associated companies | **–** | 20 |
| Total | **2,658** | 4,764 |

All current other receivables and financial assets are due within one year of the balance sheet date. The carrying amounts correspond to the fair values.

The positive fair values of derivative financial instruments are composed as follows:

| EUR million | Dec. 31, 2010 | Dec. 31, 2009 |
|---|---|---|
| Cash flow hedges to hedge against | | |
| currency risks from future payment streams | **355** | 606 |
| commodity price risks from future payment streams | **125** | 90 |
| Other derivative financial instruments | **147** | 118 |
| Positive fair values of derivative financial instruments | **628** | 815 |

## 20 Inventories

| EUR million | Dec. 31, 2010 | Dec. 31, 2009 |
|---|---|---|
| Raw materials and supplies | **353** | 324 |
| Work in progress | **368** | 297 |
| Finished goods and merchandise | **2,118** | 1,619 |
| Current leased assets | **515** | 328 |
| Total | **3,354** | 2,568 |

Inventories amounting to EUR 26,866 (23,401) million were recorded as cost of sales at the same time that the revenue from them was realized.
The impairment resulting from the measurement of inventories on the basis of sales markets amounted to EUR 63 (83) million.
No reversal of write-downs was performed in the fiscal year.
Of the finished goods inventory, a portion of the company car fleet valued at EUR 180 (142) million has been pledged as collateral for commitments toward employees, in particular under the partial early retirement block model. The other reported inventories are not subject to any significant restrictions on ownership or disposal.
Leased vehicles with an operating lease term of up to one year were reported under inventories in the amount of EUR 515 (328) million. Payments in the amount of EUR 38 million are expected in the 2011 fiscal year from irrevocable leasing relationships.

## 21 Trade receivables

| EUR million | Dec. 31, 2010 | Dec. 31, 2009 |
|---|---|---|
| Trade receivables from | | |
| third parties | **1,155** | 1,125 |
| affiliated companies | **755** | 803 |
| associated companies and participating interests | **189** | 353 |
| Total | **2,099** | 2,281 |

The carrying amounts of the trade receivables correspond to the fair values due to their short-term nature.
Those trade receivables that will not be realized until more than twelve months subsequent to the balance sheet date amount to EUR 0 (5) million. Impairment losses on trade receivables are detailed under Note 34.1 "Credit risks."

## 22 Effective income tax claims

Entitlements to income tax rebates, predominantly for foreign Group companies, are reported under this item.

## 23 Securities, cash and cash equivalents

Securities include fixed or variable-interest securities and equities in the amount of EUR 1,339 (821) million.
Cash and cash equivalents essentially comprise credit balances with banks and affiliated companies amounting to EUR 10,724 (6,455) million. The credit balances with banks are held at various banks in various different currencies. Balances with affiliated companies include daily and short-term investments with only marginal risk of fluctuations in value.

## 24 Equity

Information on the composition and development of equity is provided on pages 188 and 189 in the Statement of Changes in Equity.

The share capital of AUDI AG is EUR 110,080,000. One share grants an arithmetical share of EUR 2.56 of the issued capital. This capital is divided into 43,000,000 no-par bearer shares.
The capital reserves contain premiums paid in connection with the issuance of shares of the Company. In the year under review, capital reserves rose to EUR 2,510 million as a result of a contribution in the amount of EUR 586 million by Volkswagen AG, Wolfsburg, to the capital reserve of AUDI AG.
The opportunities and risks under foreign exchange, currency option, commodity price and interest hedging transactions serving as hedges for future cash flows are deferred in the reserve for cash flow hedges with no effect on income. When the cash flow hedges become due, the results from the settlement of the hedging contracts are reported under the operating profit.
Unrealized gains and losses from the measurement at fair value of securities available for sale are recognized in the reserve for the market-price measurement of securities. Upon disposal of the securities, share price gains and losses realized are reported under the financial result.
Adjustments to actuarial assumptions on retirement benefit obligations, with no effect on income, are recognized in the provisions for actuarial gains and losses.
Pursuant to IAS 28.39, foreign currency translation differences that do not affect income from the accounting of FAW-Volkswagen Automotive Company, Ltd., Changchun (China), using the equity method are included in the reserve for investments accounted for using the equity method.
With effect from June 1, 2010, the Group acquired 100 percent of the shares in AUDI BRUSSELS S.A./N.V., Brussels (Belgium), for a purchase price of EUR 125 million. The equity of AUDI BRUSSELS S.A./N.V. remaining after deduction of the purchase price was reclassified from minority interests to AUDI AG stockholders' interests.
The shares held by minority interests in the equity capital can be broken down as follows, with each shareholder holding 100 percent of the shares in the listed companies and to whom the result achieved by the company is attributable:

| Fully consolidated group company | Minority interests |
|---|---|
| Audi Canada Inc., Ajax (Canada) | Volkswagen Group Canada, Inc., Ajax (Canada) |
| Audi of America, LLC, Herndon (USA) | VOLKSWAGEN GROUP OF AMERICA, INC., Herndon (USA) |
| Automobili Lamborghini America, LLC, Wilmington, Delaware (USA) | VOLKSWAGEN GROUP OF AMERICA, INC., Herndon (USA) |

The balance of EUR 576 (128) million remaining after the transfer of profit to Volkswagen AG is allocated to the other retained earnings.

## LIABILITIES

### 25 Financial liabilities

#### Non-current financial liabilities

Non-current financial liabilities amount to EUR 15 (2) million and have a time to maturity of between one and five years. The carrying amounts correspond to the fair values.

#### Current financial liabilities

| EUR million | Dec. 31, 2010 | Dec. 31, 2009 |
|---|---|---|
| Liabilities to affiliated factoring companies | 714 | 514 |
| Loans from affiliated companies | 88 | 62 |
| Liabilities to banks | 8 | – |
| Total | 810 | 577 |

Measurement of the non-current and current financial lease agreements is based on market interest rates in each case.
The carrying amounts correspond to the fair values due to the short-term maturities.

## 26 Deferred tax liabilities

The temporary differences between tax bases and carrying amounts in the Consolidated Financial Statements are explained under “Deferred tax” in the recognition and measurement principles, and under Note 10, “Income tax expense.” Pursuant to IAS 1, deferred tax liabilities are reported as non-current liabilities, irrespective of their maturities.

## 27 Other liabilities

The derivative currency hedging instruments reported under other liabilities are measured at market values. The total item of currency hedging instruments is presented under Note 34, “Management of financial risks.”

### Non-current other liabilities

| EUR million | Dec. 31, 2010 | Dec. 31, 2009 | Dec. 31, 2010 | Dec. 31, 2009 |
|---|---|---|---|---|
| | Carrying amounts | | Fair values | |
| Negative fair values of derivative financial instruments | **229** | 179 | **229** | 179 |
| of which to affiliated companies | **204** | 33 | **204** | 33 |
| Liabilities from other taxes | **24** | 9 | **24** | 9 |
| Social security liabilities | **33** | 28 | **33** | 28 |
| Liabilities from payroll accounting | **71** | 61 | **71** | 61 |
| Other liabilities | **355** | 250 | **353** | 235 |
| of which to affiliated companies | **208** | 249 | **206** | 234 |
| of which advances received | **126** | 1 | **126** | 1 |
| Total | **712** | 527 | **710** | 512 |

Liabilities having a time to maturity of more than five years amount to EUR 91 (181) million.

### Current other liabilities

| EUR million | Dec. 31, 2010 | Dec. 31, 2009 |
|---|---|---|
| Advances received | **544** | 443 |
| of which from affiliated companies | **64** | 84 |
| of which from associated companies | **112** | 71 |
| Negative fair values of derivative financial instruments | **291** | 120 |
| of which to affiliated companies | **188** | 40 |
| Liabilities from other taxes | **205** | 176 |
| of which to affiliated companies | **56** | 46 |
| Social security liabilities | **121** | 84 |
| Liabilities from payroll accounting | **742** | 470 |
| Other liabilities | **2,545** | 1,603 |
| of which to affiliated companies | **2,350** | 1,445 |
| Total | **4,447** | 2,895 |

The negative fair values of derivative financial instruments are composed as follows:

| EUR million | Dec. 31, 2010 | Dec. 31, 2009 |
|---|---|---|
| Cash flow hedges to hedge against | | |
| currency risks from future payment streams | **389** | 61 |
| commodity price risks from future payment streams | **0** | 2 |
| Other derivative financial instruments | **132** | 236 |
| Negative fair values of derivative financial instruments | **521** | 298 |

## 28 Provisions for pensions

Provisions for pensions are created on the basis of plans to provide retirement, disability and surviving dependant benefits. The benefit amounts are generally contingent on the length of service and the remuneration of the employees.

Both defined contribution and defined benefit plans exist within the Audi Group for retirement benefit arrangements. In the case of defined contribution plans, the Company pays contributions to public or private-sector pension plans on the basis of statutory or contractual requirements, or on a voluntary basis. Payment of these contributions releases the Company from any other benefit obligations. Current contribution payments are reported as an expense for the year in question. With regard to the Audi Group they total EUR 269 (261) million. Of this, contributions of EUR 251 (249) million were paid in Germany toward statutory pension insurance.

The retirement benefit systems are based predominantly on defined benefit plans, with a distinction being made between systems based on provisions and externally financed benefit systems. The domestic and foreign benefit claims of those with entitlement to a pension from the company pension scheme are calculated in accordance with IAS 19 (Employee Benefits) on the basis of the projected unit credit method. This measures future obligations on the basis of the pro rata benefit entitlements acquired as of the balance sheet date. For purposes of measurement, trend assumptions are used for the relevant variables affecting the level of benefits.

The retirement benefit scheme within the Audi Group was evolved into a pension fund model in Germany on January 1, 2001. The retirement benefit commitments for this model are also classified as defined benefits in accordance with the requirements of IAS 19. The remuneration-based annual cost of providing employee benefits is invested in mutual funds on a fiduciary basis by Volkswagen Pension Trust e.V., Wolfsburg. This model offers employees the opportunity of increasing their pension entitlements, while providing full risk coverage. As the mutual fund units administered on a fiduciary basis satisfy the requirements of IAS 19 as plan assets, these funds were offset against the derived retirement benefit obligations.

The amounts recorded in the Balance Sheet for benefit commitments are presented in the following table:

| EUR million | **Dec. 31, 2010** | Dec. 31, 2009 | Dec. 31, 2008 | Dec. 31, 2007 | Dec. 31, 2006 |
|---|---|---|---|---|---|
| Present value of externally funded defined benefit obligations | **679** | 586 | 464 | 368 | 306 |
| Fair value of plan assets | **670** | 583 | 471 | 368 | 306 |
| Financing status (balance) | **9** | 3 | –7 | – | – |
| Due to the limit on a defined benefit asset amount not capitalized under IAS 19 | **–** | – | 7 | – | – |
| Present value of defined benefit obligations not externally funded | **2,322** | 2,096 | 1,946 | 1,957 | 1,974 |
| Provisions for pensions recognized in the Balance Sheet | **2,331** | 2,098 | 1,946 | 1,957 | 1,974 |

The present value of the defined benefit commitments changed as follows:

| EUR million | 2010 | 2009 |
|---|---|---|
| Present value on January 1 | 2,681 | 2,410 |
| Changes in the group of consolidated companies and first-time adoption of IAS 19 | 12 | – |
| Service cost | 80 | 74 |
| Interest cost | 142 | 135 |
| Actuarial gains (–) / losses (+) | +180 | +148 |
| Pension payments from company assets | –87 | –79 |
| Effects from transfers | –2 | –1 |
| Pension payments from fund assets | –5 | –4 |
| Currency differences | 1 | – |
| Present value on December 31 | 3,001 | 2,681 |

The reconciliation for the fair value of the plan assets is as follows:

| EUR million | 2010 | 2009 |
|---|---|---|
| Plan assets on January 1 | 583 | 471 |
| Changes in the group of consolidated companies and first-time adoption of IAS 19 | – | – |
| Expected return on plan assets | 30 | 24 |
| Actuarial gains (+) / losses (–) | –6 | +36 |
| Employer contributions | 68 | 64 |
| Benefits paid | –5 | –4 |
| Effects of transfers | 0 | – |
| Other reconciliation effects | – | –7 |
| Plan assets on December 31 | 670 | 583 |

In the past fiscal year, actual gains from the plan assets amounted to EUR 24 million.
The long-term overall yield on the plan assets is determined on a uniform basis and depends on the actual long-term earnings of the portfolio, historical overall market yields, and a forecast of the anticipated yields of the classes of security in the portfolio.
Employer contributions to the fund assets totaling EUR 67 (65) million are expected for the following fiscal year.
The composition of fund assets is as follows, by category:

| % of fund assets | 2010 | 2009 |
|---|---|---|
| Shares | 31.2 | 31.1 |
| Fixed-income securities | 42.4 | 42.8 |
| Cash | 9.3 | 7.4 |
| Real estate | 3.1 | 3.3 |
| Other | 14.0 | 15.5 |
| Total | 100.0 | 100.0 |

Actuarial gains and losses result from changes in the entitlement base and from deviations in the actual trends (e.g. increases in pay or retirement benefits) from the figures assumed for calculation purposes. In accordance with the requirements of IAS 19, such gains and losses are recognized without affecting income under a separate line item within equity, taking deferred tax into account.

The following amounts were recognized in the Income Statement:

| EUR million | 2010 | 2009 |
|---|---|---|
| Current service cost for services provided by the employees in the fiscal year | –80 | –74 |
| Interest cost | –142 | –135 |
| Expected return on plan assets | 30 | 24 |
| Total | –192 | –185 |

The interest element in pension costs is shown under financing costs. The expected return on plan assets is also shown under this item.

The provisions for pensions recognized in the Balance Sheet are determined by offsetting the present value against the fund assets pursuant to IAS 19. The development of the net liability recognized as provisions for pensions was as follows:

| EUR million | 2010 | 2009 |
|---|---|---|
| Provisions for pensions on January 1 | 2,098 | 1,946 |
| Changes in the group of consolidated companies and first-time adoption of IAS 19 | 12 | – |
| Employee benefit expenses | 192 | 185 |
| Actuarial gains (–) / losses (+) | +186 | +113 |
| Pension payments from company assets | –87 | –79 |
| Contributions paid to external pension funds | –68 | –64 |
| Effects from transfers | –2 | –1 |
| Currency differences | 1 | 0 |
| Provisions for pensions on December 31 | 2,331 | 2,098 |

The experience-based adjustments, i.e. the effects of differences between actuarial assumptions and what has actually transpired, are presented in the following table:

| % | 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|
| Difference between anticipated and actual performance | | | | | |
| as % of the present value of the obligation | –0.31 | 1.37 | 0.17 | –1.46 | 0.29 |
| as % of fair value of plan assets | 0.84 | –4.86 | –9.88 | –5.26 | 1.65 |

In detail, the calculation of the retirement benefit obligation for staff employed in Germany is based on the following actuarial assumptions:

| % | Dec. 31, 2010 | Dec. 31, 2009 |
|---|---|---|
| Remuneration trend | 2.70 | 2.50 |
| Retirement benefit trend | 1.60 | 1.60 |
| Discount rate | 4.90 | 5.40 |
| Staff turnover rate | 1.00 | 1.00 |
| Anticipated yield on plan assets | 4.25 | 5.00 |

The “2005 G Reference Tables” published by HEUBECK-RICHTTAFELN-GmbH served as the biometric basis for calculation of retirement benefits.

## 29 Effective income tax obligations

Effective income tax obligations consist primarily of tax liabilities to Volkswagen AG, Wolfsburg, under allocation plans.

## 30 Other provisions

| EUR million | Dec. 31, 2010 | | Dec. 31, 2009 | |
|---|---|---|---|---|
| | **Total** | **Of which due within one year** | Total | Of which due within one year |
| Obligations from sales operations | **4,651** | **1,459** | 4,161 | 1,673 |
| Workforce-related provisions | **570** | **194** | 517 | 115 |
| Other provisions | **901** | **702** | 804 | 715 |
| Total | **6,122** | **2,354** | 5,482 | 2,502 |

Obligations from sales operations primarily comprise warranty claims from the sale of vehicles, components and genuine parts, including the disposal of end-of-life vehicles. Warranty claims are determined on the basis of previous or estimated future loss experience. This item additionally includes rebates, bonuses and similar discounts due to be granted and arising subsequent to the balance sheet date but occasioned by revenue prior to the balance sheet date.
The workforce-related provisions are created for such purposes as service anniversary awards, partial early retirement arrangements and proposals for improvements. The refund claims against the German Federal Employment Agency as part of implementation of the partial early retirement model are reported under other assets (Note 19, “Other receivables and other financial assets”).
The other provisions relate to various one-off obligations.
Anticipated outflows from other provisions are 39 percent in the following year, 55 percent in the years 2012 through 2015 and 6 percent thereafter.

The provisions developed as follows:

| EUR million | Jan. 1, 2010 | Currency differences | Changes in the group of consolidated companies | Utili-zation | Disso-lution | Addi-tion | Interest effect from measure-ment | **Dec. 31, 2010** |
|---|---|---|---|---|---|---|---|---|
| Obligations from sales operations | 4,161 | 46 | 15 | 1,281 | 62 | 1,680 | 92 | **4,651** |
| Workforce-related provisions | 517 | 0 | 4 | 250 | 8 | 300 | 7 | **570** |
| Other provisions | 804 | 0 | 9 | 223 | 104 | 414 | 2 | **901** |
| Total | 5,482 | 46 | 28 | 1,754 | 174 | 2,394 | 101 | **6,122** |

## 31 Trade payables

| EUR million | Dec. 31, 2010 | Dec. 31, 2009 |
|---|---|---|
| Trade payables to | | |
| third parties | **2,986** | 2,592 |
| affiliated companies | **511** | 512 |
| associated companies and participating interests | **13** | 9 |
| Total | **3,510** | 3,114 |

The fair values of the trade payables correspond to the carrying amounts due to their short-term nature.
The customary retention of title applies to liabilities from deliveries of goods.

# ADDITIONAL DISCLOSURES

## 32 Capital management

The primary goal of capital management within the Audi Group is to assure financial flexibility in order to achieve business and growth targets, and to enable continuous, steady growth in the value of the Company. In particular, management is focused on achieving the minimum return demanded by the capital market on the invested assets. The capital structure is steered specifically with this in mind, and the economic environment is kept under constant observation. The objectives, methods and procedures for optimizing capital management remained unchanged at December 31, 2010. For this purpose, the development of key cost and value factors are analyzed regularly; appropriate optimization measures are then defined and their implementation is monitored on an ongoing basis. To ensure that resources are deployed as efficiently as possible, and to measure success in this regard, the Audi Group has been using the return on investment as an indicator based on capital expenditure for several years now.
The equity and financial liabilities from the transfer of profit are summarized in the following table:

| EUR million | Dec. 31, 2010 | Dec. 31, 2009 |
|---|---|---|
| Equity | **11,310** | 10,632 |
| as % of total capital | **80** | 86 |
| Financial liabilities from the transfer of profit | **2,835** | 1,751 |
| Current financial liabilities | **810** | 577 |
| Non-current financial liabilities | **15** | 2 |
| Liabilities from the transfer of profit | **2,010** | 1,172 |
| as % of total capital | **20** | 14 |
| Total capital | **14,144** | 12,383 |

Around 99.55 percent of the issued capital is held by Volkswagen AG, Wolfsburg, with which a control and profit transfer agreement exists.
In the 2010 fiscal year, equity rose by 6.4 percent compared with the prior year. This is primarily due to the allocation to other retained earnings and a cash injection to the capital reserve by Volkswagen AG.

## 33 Additional disclosures on financial instruments in the Balance Sheet

### Carrying amounts of financial instruments

The following table presents a reconciliation of the carrying amounts of the Balance Sheet items with the individual IFRS 7 categories:

| EUR million | Carrying amount as per balance sheet as of Dec. 31, 2010 | Measured at fair value through profit or loss | Available for sale | Loans and receivables |
|---|---|---|---|---|
| ASSETS | | | | |
| Non-current | | | | |
| Other long-term investments | **190** | – | 182 | 9 |
| Other receivables and assets | **550** | | | |
| of which from positive fair values of derivative financial instruments | **417** | 72 | – | – |
| of which miscellaneous other receivables and assets | **132** | – | – | 114 |
| Current | | | | |
| Trade receivables | **2,099** | – | – | 2,099 |
| Other receivables and assets | **2,658** | | | |
| of which from positive fair values of derivative financial instruments | **210** | 75 | – | – |
| of which miscellaneous other receivables and assets | **2,448** | – | – | 2,228 |
| Securities | **1,339** | – | 1,339 | – |
| Cash and cash equivalents | **10,724** | – | – | 10,724 |
| Total financial assets | **17,560** | 147 | 1,521 | 15,173 |
| | | | | |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | |
| Non-current | | | | |
| Financial liabilities | **15** | – | – | – |
| Other liabilities | **712** | | | |
| of which from negative fair values of derivative financial instruments | **229** | 25 | – | – |
| of which miscellaneous other liabilities | **483** | – | – | – |
| Current | | | | |
| Financial liabilities | **810** | – | – | – |
| Trade payables | **3,510** | – | – | – |
| Other liabilities | **4,447** | | | |
| of which from negative fair values of derivative financial instruments | **291** | 107 | – | – |
| of which miscellaneous other liabilities | **4,156** | – | – | – |
| Total financial liabilities | **9,494** | 132 | – | – |

For the purposes of harmonizing the IAS 39 measurement categories in the Audi Group, cash and cash equivalents in the amount of EUR 10,724 (6,455) million were recategorized within the IAS 39 categories during the 2010 fiscal year. They are no longer recognized as "available for sale" but are posted as "Loans and receivables" at cost of acquisition. To facilitate comparisons, the previous year's figures have also been adjusted accordingly. This reclassification did not result in any changes in value or effects on the overall result due to the short-term nature of the assets.

Measurement of financial instruments at fair value is based on a three-level hierarchy and on the proximity of the measurement factors used to an active market. An active market is one in which homogenous products are traded, where willing buyers and sellers can be found for them at all times, and where their prices are publicly available.

Level 1 involves the measurement of financial instruments, such as securities, listed on active markets.

Level 2 involves the measurement of financial instruments such as derivatives based on market-related, recognized financial valuation models, where the measurement factors, such as exchange rates or interest rates, can be observed directly or indirectly on active markets.

| Assignment to IAS 39 categories | | Division into classes of IFRS 7 | | | | |
|---|---|---|---|---|---|---|
| | | Measured at fair value | | | | |
| Financial liabilities measured at amortized cost | No IAS 39 category allocated | Level 1 | Level 2 | Level 3 | Measured at amortized cost | Not under scope of IFRS 7 |
| | | | | | | |
| | | | | | | |
| – | – | – | – | – | 190 | – |
| | | | | | | |
| – | 345 | – | 347 | 70 | – | – |
| – | 18 | – | – | – | 114 | 18 |
| | | | | | | |
| – | – | – | – | – | 2,099 | – |
| | | | | | | |
| – | 136 | – | 210 | 0 | – | – |
| – | 220 | – | – | – | 2,228 | 220 |
| – | – | 1,339 | – | – | – | – |
| – | – | – | – | – | 10,724 | – |
| – | 719 | 1,339 | 557 | 71 | 15,355 | 238 |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| 15 | – | – | – | – | 15 | – |
| | | | | | | |
| – | 204 | – | 206 | 24 | – | – |
| 22 | 461 | – | – | – | 22 | 461 |
| | | | | | | |
| 810 | – | – | – | – | 810 | – |
| 3,510 | – | – | – | – | 3,510 | – |
| | | | | | | |
| – | 185 | – | 188 | 103 | – | – |
| 2,510 | 1,646 | – | – | – | 2,510 | 1,646 |
| 6,866 | 2,496 | – | 394 | 127 | 6,866 | 2,107 |

In the Audi Group, level 3 mainly covers residual value hedging arrangements with the retail trade. The input factors for measuring the future development of used car prices cannot be observed on active markets; they are forecasted by various independent institutions. The residual value hedging model is explained in Note 34.3, “Market risks.”

Furthermore, non-current commodity futures are also measured according to level 3, as the key parameters for their measurement cannot be observed on active markets owing to the long-term nature of the contracts, but are extrapolated. Additionally, rights to acquire shares in companies are also assigned to fair value level 3, where input factors that are not derived from active markets can be used for measurement.

The fair values of financial assets within the “measured at amortized cost” category amount to EUR 15,355 (13,019) million and are indicated in the relevant sections, under the Notes to the Balance Sheet. The fair values of financial liabilities within the “measured at amortized cost” category amount to EUR 6,864 (5,282) million and are indicated under the notes to the relevant Balance Sheet items. In the case of current financial assets and liabilities measured at amortized cost, the fair values correspond to the carrying amounts.

| EUR million | Carrying amount as per balance sheet as of Dec. 31, 2009 | Measured at fair value through profit or loss | Available for sale | Loans and receivables |
|---|---|---|---|---|
| ASSETS | | | | |
| Non-current | | | | |
| Other long-term investments | **107** | – | 107 | – |
| Other receivables and assets | **422** | | | |
| of which from positive fair values of derivative financial instruments | **310** | 29 | – | – |
| of which miscellaneous other receivables and assets | **111** | – | – | 105 |
| Current | | | | |
| Trade receivables | **2,281** | – | – | 2,281 |
| Other receivables and assets | **4,764** | | | |
| of which from positive fair values of derivative financial instruments | **505** | 89 | – | – |
| of which miscellaneous other receivables and assets | **4,260** | – | – | 4,073 |
| Securities | **821** | – | 821 | – |
| Cash and cash equivalents | **6,455** | – | – | 6,455 |
| Total financial assets | **14,850** | 118 | 928 | 12,914 |
| | | | | |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | |
| Non-current | | | | |
| Financial liabilities | **2** | – | – | – |
| Other liabilities | **527** | | | |
| of which from negative fair values of derivative financial instruments | **179** | 151 | – | – |
| of which miscellaneous other liabilities | **348** | – | – | – |
| Current | | | | |
| Financial liabilities | **577** | – | – | – |
| Trade payables | **3,114** | – | – | – |
| Other liabilities | **2,895** | | | |
| of which from negative fair values of derivative financial instruments | **120** | 85 | – | – |
| of which miscellaneous other liabilities | **2,776** | – | – | – |
| Total financial liabilities | **7,115** | 236 | – | – |

| Assignment to IAS 39 categories | | Division into classes of IFRS 7 | | | | |
|---|---|---|---|---|---|---|
| | | Measured at fair value | | | | |
| Financial liabilities measured at amortized cost | No IAS 39 category allocated | Level 1 | Level 2 | Level 3 | Measured at amortized cost | Not under scope of IFRS 7 |
| | | | | | | |
| | | | | | | |
| – | – | – | 2 | – | 105 | – |
| | | | | | | |
| – | 282 | – | 255 | 55 | – | – |
| – | 6 | – | – | – | 105 | 6 |
| | | | | | | |
| – | – | – | – | – | 2,281 | – |
| | | | | | | |
| – | 415 | – | 505 | – | – | – |
| – | 186 | – | – | – | 4,073 | 186 |
| – | – | 821 | – | – | – | – |
| – | – | – | – | – | 6,455 | – |
| – | 890 | 821 | 762 | 55 | 13,019 | 193 |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| 2 | – | – | – | – | 2 | – |
| | | | | | | |
| – | 28 | – | 33 | 146 | – | – |
| 5 | 343 | – | – | – | 5 | 343 |
| | | | | | | |
| 577 | – | – | – | – | 577 | – |
| 3,114 | – | – | – | – | 3,114 | – |
| | | | | | | |
| – | 35 | – | 41 | 79 | – | – |
| 1,599 | 1,177 | – | – | – | 1,599 | 1,177 |
| 5,297 | 1,582 | – | 74 | 224 | 5,297 | 1,519 |

### Reconciliation statement for financial instruments measured according to level 3

| EUR million | 2010 | 2009 |
|---|---|---|
| Positive fair values of level 3 derivative financial instruments as of Jan. 1 | 55 | – |
| Income and expense (–) recognized in the operating profit | 56 | – |
| Income and expense (–) recognized in the financial result | 0 | 15 |
| Income and expense (–) recognized in equity | 4 | 53 |
| Reclassification from level 3 to level 2 | –45 | –12 |
| Positive fair values of level 3 derivative financial instruments as of Dec. 31 | 71 | 55 |
| Income and expense (–) recognized in the operating profit from level 3 derivative financial instruments still held at Dec. 31 | 56 | – |
| Income and expense (–) recognized in the financial result from level 3 derivative financial instruments still held at Dec. 31 | 1 | 4 |
| | | |
| Negative fair values of level 3 derivative financial instruments as of Jan. 1 | –224 | –23 |
| Income and expense (–) recognized in the operating profit | 43 | –224 |
| Income and expense (–) recognized in the financial result | –2 | 2 |
| Income and expense (–) recognized in equity | 0 | 11 |
| Realizations | 55 | – |
| Reclassification from level 3 to level 2 | 2 | 10 |
| Negative fair values of level 3 derivative financial instruments as of Dec. 31 | –127 | –224 |
| Income and expense (–) recognized in the operating profit from level 3 derivative financial instruments still held at Dec. 31 | 43 | –224 |
| Income and expense (–) recognized in the financial result from level 3 derivative financial instruments still held at Dec. 31 | – | – |

The residual value hedging model is categorically allocated to level 3. The reclassifications from level 3 to level 2 contain commodity futures for whose measurement it is no longer necessary to extrapolate the exchange rates because these can now be observed again on the active market. The effects of market price changes of used cars resulting from hedging arrangements are shown in detail under Note 34.3, “Market risks.”
Risks resulting from fair value fluctuations in the derivative financial instruments measured according to level 3 are calculated within the Audi Group by means of sensitivity analyses. In this way, effects of changes in commodity price listings on profit and equity are shown. A 10 percent rise (fall) in the commodity prices of commodity futures measured according to level 3 at December 31, 2010 would impact on equity in the amount of EUR 20 (21) million. The effect on profit of this rise (fall) would be EUR 3 million.

## 34 Management of financial risks

### 34.1 Credit risks

Credit risks from financial assets comprise the risk of default by a contractual party and therefore do not exceed the positive fair values in respect of the contractual party in question. The risk from non-derivative financial instruments is covered by value adjustments for expected loss of receivables. The contractual partners for cash and capital investments, as well as currency and raw materials hedging instruments, have impeccable credit standings. Over and above this, the risks are restricted by a limit system that is based on the credit ratings of international rating agencies and the equity base of the contractual parties.

The credit quality of financial assets measured at amortized cost is shown in the following table:

| EUR million | **Gross carrying amount as of Dec. 31, 2010** | Neither past due nor impaired | Past due and not impaired | Impaired |
|---|---|---|---|---|
| Measured at amortized cost | | | | |
| Trade receivables | **2,145** | 1,646 | 437 | 62 |
| Other receivables | **7,152** | 7,054 | 43 | 55 |
| of which receivables from loans | **6,897** | 6,891 | – | 6 |
| of which miscellaneous receivables | **255** | 163 | 43 | 49 |
| Total | **9,297** | 8,700 | 480 | 116 |

| EUR million | Gross carrying amount as of Dec. 31, 2009 | Neither past due nor impaired | Past due and not impaired | Impaired |
|---|---|---|---|---|
| Measured at amortized cost | | | | |
| Trade receivables | 2,314 | 1,682 | 573 | 60 |
| Other receivables | 4,243 | 4,132 | 43 | 68 |
| of which receivables from loans | 3,966 | 3,965 | 0 | 1 |
| of which miscellaneous receivables | 277 | 167 | 42 | 67 |
| Total | 6,557 | 5,814 | 615 | 128 |

The Audi Group's trading partners, borrowers and debtors are regularly monitored under the risk management system. All receivables that are "neither past due nor impaired," amounting to EUR 8,700 (5,814) million, are allocable to risk category 1. Risk category 1 is the highest rating category within the Volkswagen Group; it exclusively comprises "receivables owing from customers of high creditworthiness."

Within the Audi Group, there are absolutely no past due financial instruments measured at fair value. The fair values of these financial instruments are determined based on their market prices. In fiscal 2010, specific value adjustments of EUR 2 million relating to securities measured at fair value were reversed at the Audi Group. During the prior year, individual bad debt allowances were made for securities measured at fair value with a cost of purchase of EUR 18 million. Financial assets that are past due and not impaired are presented in the following analysis by maturity dates of gross carrying amounts:

| EUR million | Past due and not impaired | | | Past due |
|---|---|---|---|---|
| | **Dec. 31, 2010** | Up to 30 days | 30 to 90 days | More than 90 days |
| Measured at amortized cost | | | | |
| Trade receivables | **437** | 310 | 81 | 46 |
| Other receivables | **43** | 26 | 14 | 2 |
| Total | **480** | 337 | 96 | 48 |

| EUR million | Past due and not impaired | | | Past due |
|---|---|---|---|---|
| | Dec. 31, 2009 | Up to 30 days | 30 to 90 days | More than 90 days |
| Measured at amortized cost | | | | |
| Trade receivables | 573 | 265 | 256 | 51 |
| Other receivables | 43 | 22 | 19 | 2 |
| Total | 615 | 287 | 275 | 53 |

The credit risk is low overall, as the vast majority of the past due and not impaired financial assets are past due by only a short period – predominantly owing to the customer's purchase invoice and payment processes. It was therefore not necessary to implement any contractual changes to prevent financial instruments from becoming past due.

### Value adjustments

Developments of value adjustments of claims that existed on the balance sheet date and that were measured at amortized cost can be broken down as follows for the 2010 and 2009 fiscal years:

| EUR million | **2010** | **Specific value adjustment** | 2009 | Specific value adjustment |
|---|---|---|---|---|
| Position as of January 1 | **98** | **98** | 37 | 37 |
| Addition as of January 1 from changes in group of consolidated companies | **6** | **6** | – | – |
| Addition | **12** | **12** | 76 | 76 |
| Utilization | **–18** | **–18** | –13 | –13 |
| Dissolution | **–3** | **–3** | –2 | –2 |
| Position as of December 31 | **94** | **94** | 98 | 98 |

Portfolio-based write-downs are not used within the Audi Group.

### Collateral

The Audi Group recorded financial assets as collateral for liabilities in the amount of EUR 211 (170) million. This collateral is used by contractual parties primarily as soon as credit periods for secured liabilities are exceeded.

Conversely, the Audi Group also receives collateral, primarily for trade receivables. Vehicles, bank guarantees and banker's bonds are primarily used as collateral.

## 34.2 Liquidity risks

Liquidity risks arise from financial liabilities if current payment obligations can no longer be met. A liquidity forecast based on a fixed planning horizon coupled with available yet unused lines of credit assure adequate liquidity at all times in the Audi Group.

### Analysis by maturity date of undiscounted cash used for financial liabilities
The undiscounted, contractually agreed cash used for financial instruments is categorized separately by maturity date in the following table:

| EUR million | Total | Residual contractual maturities | | |
|---|---|---|---|---|
| | **Dec. 31, 2010** | Up to 1 year | 1 to 5 years | Over 5 years |
| Financial liabilities | **825** | 810 | 15 | – |
| Trade payables | **3,510** | 3,510 | 0 | 0 |
| Other financial liabilities and obligations | **2,742** | 2,720 | 22 | – |
| Derivative financial instruments | **21,370** | 6,310 | 15,047 | 13 |
| Total | **28,447** | 13,350 | 15,084 | 13 |

| EUR million | Total | Residual contractual maturities | | |
|---|---|---|---|---|
| | Dec. 31, 2009 | Up to 1 year | 1 to 5 years | Over 5 years |
| Financial liabilities | 579 | 577 | – | 2 |
| Trade payables | 3,114 | 3,114 | – | – |
| Other financial liabilities and obligations | 1,599 | 1,473 | 5 | 120 |
| Derivative financial instruments | 9,413 | 4,608 | 4,780 | 25 |
| Total | 14,705 | 9,772 | 4,786 | 147 |

The cash used for derivatives where gross settlement has been agreed is offset by cash received. These cash receipts are not presented in the analysis by maturity date. Had the cash receipts also been taken into account, the cash used would have been significantly lower in the analysis by maturity date.

## 34.3 Market risks
Given the global nature of its operations, the Audi Group is exposed to various market risks, which are described below. The individual risk types and the respective risk management measures are also described. Additionally, these risks are quantified by means of sensitivity analyses.

### Currency risks
The Audi Group is exposed to exchange rate fluctuations in view of its international business activities. The measures implemented to hedge against these currency risks are coordinated regularly between AUDI AG and the Group Treasury of Volkswagen AG, Wolfsburg, in accordance with Volkswagen's organizational guideline.
These risks are limited by concluding appropriate hedges for matching amounts and maturities. The hedging transactions are performed centrally for the Audi Group by Volkswagen AG on the basis of an agency agreement. The results from hedging contracts are credited or debited to the Audi Group each month on the basis of the proportionate share of the Volkswagen Group's overall hedging volume.
In accordance with the Volkswagen organizational guideline, AUDI AG additionally concludes hedging transactions of its own to a limited extent, where this helps to simplify current operations.

Marketable derivative financial instruments (foreign exchange contracts, currency option transactions and currency swaps) are used for this purpose. Contracts are concluded exclusively with first-rate national and international banks whose creditworthiness is regularly examined by leading rating agencies.
For the purpose of managing currency risks, exchange rate hedging in the 2010 fiscal year focused on the U.S. dollar, the pound sterling and the Japanese yen.
Currency risks pursuant to IFRS 7 arise as a result of financial instruments that are denominated in a currency other than the functional currency and are of a monetary nature. Exchange rate variances from the translation of financial statements into the Group currency (translation risk) are disregarded. Within the Audi Group, the principal non-derivative monetary financial instruments (liquid assets, receivables, securities held and equity instruments held, interest-bearing liabilities, interest-free liabilities) are either denominated directly in the functional currency or substantially transferred to the functional currency through the use of derivatives. Above all, the generally short maturity of the instruments also means that potential exchange rate movements have only a very minor impact on profit or equity.
Currency risks are measured using sensitivity analyses, during which the impact on profit and equity of hypothetical changes to relevant risk variables is assessed. All non-functional currencies in which the Audi Group enters into financial instruments are fundamentally treated as relevant risk variables.
The periodic effects are determined by applying the hypothetical changes in the risk variables to the inventory of financial instruments on the reporting date. It is assumed for this purpose that the inventory on the reporting date is representative of the entire year. Movements in the exchange rate against the underlying currencies for the hedged transactions affect the cash flow hedge reserve in equity and the fair value of these hedging transactions.

### Fund price risks

The securities funds created using surplus liquidity are exposed, in particular, to an equity and bond price risk that may arise from fluctuations in stock market prices and indices, and market interest rates. The changes in bond prices resulting from a variation in market interest rates, like the measurement of currency and other interest rate risks arising from the securities funds, are quantified separately in the corresponding notes on “Currency risks” and “Interest rate risks.”
Risks from securities funds are generally countered by maintaining a broad mix of products, issuers and regional markets when investing funds, as stipulated in the investment guidelines. Where necessitated by the market situation, currency hedges in the form of futures contracts are also used. Such measures are coordinated by AUDI AG in agreement with the Group Treasury of Volkswagen AG, Wolfsburg, and implemented at operational level by the securities funds’ risk management teams.
Fund price risks are measured within the Audi Group in accordance with IFRS 7 using sensitivity analyses. Hypothetical changes to risk variables on the balance sheet date are examined to calculate their impact on the prices of the financial instruments in the funds. Market prices and indices are particularly relevant risk variables in the case of fund price risks.

### Commodity price risks

Commodities are subject to the risk of fluctuating prices given the volatile nature of the commodity markets. Commodity futures are used to limit these risks. The hedging measures are coordinated regularly between AUDI AG and Volkswagen AG, Wolfsburg, in accordance with the existing Volkswagen organizational guideline. The hedging transactions are performed centrally for AUDI AG by Volkswagen AG on the basis of an agency agreement. The results from hedging contracts are credited or debited to the Audi Group on the basis of the proportionate share of the Volkswagen Group’s overall hedging volume.

Hedging measures relate principally to significant quantities of the commodities aluminum and copper. Contracts are concluded exclusively with first-rate national and international banks whose creditworthiness is regularly examined by leading rating agencies.
Commodity price risks are also calculated using sensitivity analyses. Hypothetical changes in listed prices are used to quantify the impact of changes in value of the hedging transactions on equity and on profit before tax.

### Interest rate risks

Interest rate risks stem from changes in market rates, above all for medium and long-term variable-rate assets and liabilities.
The Audi Group limits interest rate risks, particularly with regard to the granting of loans and credit, by agreeing fixed interest rates and also through interest rate swaps.
The risks associated with changing interest rates are presented in accordance with IFRS 7 using sensitivity analyses. These involve presenting the effects of hypothetical changes in market interest rates at the balance sheet date on interest payments, interest income and expenses, and, where applicable, equity.

### Residual value risks

Residual value risks arise from hedging arrangements with the retail trade or partner companies according to which, in the context of buy-back obligations resulting from concluded lease agreements, effects on profit caused by market-related fluctuations in residual values are partly borne by the Audi Group.
The hedging arrangements are based on residual value recommendations, as adopted on a quarterly basis by the residual value committee at the time of the contract being concluded, and then on current dealer purchase values on the market at the time of the residual value hedging being settled. The residual value recommendations are based on the forecasts provided by various independent institutions using transaction prices.
Residual value risks are also calculated using sensitivity analyses. Hypothetical changes in the market prices of used cars at the balance sheet date are used to quantify the impact on profit before tax.

### Quantifying currency risks by means of sensitivity analyses

If the functional currencies had in each case increased or decreased in value by 10 percent compared with the other currencies, the following major effects on the hedging provision in equity and on profit before tax would have resulted. Adding up the individual figures is not an appropriate approach, as the results for each functional currency are based on differing scenarios.

| EUR million | **Dec. 31, 2010** | | Dec. 31, 2009 | |
|---|---|---|---|---|
| | **+10%** | **–10%** | +10% | –10% |
| Currency relation | | | | |
| EUR/USD | | | | |
| Hedging provision | **1,249** | **–1,181** | 487 | –365 |
| Profit before tax | **20** | **–49** | –24 | –40 |
| EUR/GBP | | | | |
| Hedging provision | **325** | **–325** | 184 | –182 |
| Profit before tax | **0** | **–0** | –3 | 8 |
| EUR/JPY | | | | |
| Hedging provision | **126** | **–126** | 49 | –49 |
| Profit before tax | **–1** | **1** | –2 | 2 |

### Quantifying other market risks by means of sensitivity analyses

The measurement of other market risks pursuant to IFRS 7 is also carried out using sensitivity analyses in the Audi Group. Hypothetical changes to risk variables on the balance sheet date are examined to calculate their impact on the corresponding balance sheet items and on the result. Depending on the type of risk, there are various possible risk variables (primarily equity prices, commodity prices, market interest rates, market prices of used cars).

The sensitivity analyses carried out enabled the following other market risks to be quantified for the Audi Group:

| | Data in | 2010 | | 2009 | |
|---|---|---|---|---|---|
| Fund price risks | | | | | |
| Change in share prices | Percent | **+10** | **–10** | +10 | –10 |
| Effects on equity capital | EUR million | **8** | **–9** | 4 | –4 |
| Commodity price risks | | | | | |
| Change in commodity prices | Percent | **+10** | **–10** | +10 | –10 |
| Effects on equity capital | EUR million | **46** | **–46** | 41 | –41 |
| Effects on results | EUR million | **44** | **–44** | 16 | –16 |
| Interest rate change risks | | | | | |
| Change in market interest rate | Basis points | **+100** | **–100** | +100 | –100 |
| Effects on equity capital | EUR million | **–12** | **14** | –11 | 12 |
| Effects on results | EUR million | **7** | **–8** | –3 | 4 |
| Residual value risks | | | | | |
| Change in market prices of used cars | Percent | **+10** | **–10** | +10 | –10 |
| Effects on results | EUR million | **226** | **–127** | 200 | –46 |

## 34.4 Methods of monitoring the effectiveness of hedging relationships

Within the Audi Group, the effectiveness of hedging relationships is evaluated prospectively using the critical terms match method, as well as by means of statistical methods in the form of a regression analysis. Retrospective evaluation of the effectiveness of hedges involves an effectiveness test in the form of the dollar offset method or in the form of a regression analysis.
In the case of the dollar offset method, the changes in value of the underlying transaction, expressed in monetary units, are compared with the changes in value of the hedge, expressed in monetary units. All hedge relationships were effective within the range specified in IAS 39 (80 to 125 percent).
In the case of regression analysis, the performance of the underlying transaction is viewed as an independent variable, while that of the hedging transaction is regarded as a dependent variable. The transaction is classed as effective hedging if the coefficients of determination and escalation factors are appropriate. All of the hedging relationships verified using this statistical method proved to be effective as of the year-end date.
In 2010, there was ineffectiveness resulting from cash flow hedges amounting to EUR 10 (3) million.

### Nominal volume of cash flow hedges

The nominal volumes of the presented cash flow hedges for hedging currency risks and commodity price risks represent the total of all buying and selling prices on which the transactions are based.

| EUR million | Nominal volumes | | | | |
|---|---|---|---|---|---|
| | **Dec. 31, 2010** | Residual time to maturity up to 1 year | Residual time to maturity up to 5 years | Residual time to maturity more than 5 years | Dec. 31, 2009 |
| Cash flow hedges | **21,664** | 6,508 | 15,129 | 28 | 9,289 |
| Foreign exchange contracts | **20,330** | 5,692 | 14,624 | 14 | 7,143 |
| Currency option transactions | **989** | 728 | 261 | – | 1,806 |
| Commodity futures | **345** | 87 | 244 | 14 | 340 |

The derivative financial instruments used exhibit a maximum hedging term of six years.

## 35 Cash Flow Statement

The Cash Flow Statement details the payment streams for both the 2010 fiscal year and the previous year, categorized according to cash used and received for operating, investing and financing activities. The effects of changes in foreign exchange rates on cash flows are presented separately.

Cash flow from operating activities includes all payment streams in connection with ordinary activities and is presented using the indirect calculation method. Starting from the profit before profit transfer and tax, all income and expenses with no impact on cash flow (mainly write-downs) are excluded.

Cash flow from operating activities included payments for interest received amounting to EUR 98 (292) million and for interest paid amounting to EUR 19 (25) million. The Audi Group received dividends and profit transfers totaling EUR 173 (91) million in 2010. The income tax payments item substantially comprises payments made to Volkswagen AG, Wolfsburg, on the basis of the single-entity relationship for tax purposes in Germany, as well as payments to foreign tax authorities.

Cash flow from investing activities includes capitalized development costs as well as additions to other intangible assets, property, plant and equipment, long-term investments and non-current loans extended. The proceeds from the disposal of assets, the proceeds from the sale of shares, and the change in securities and fixed deposits are similarly reported in cash flow from investing activities.

The purchase of participating interests resulted in a cash outflow of EUR 208 (42) million, mainly due to the acquisition of Italdesign Giugiaro S.p.A., Turin (Italy), and a stake in FC Bayern München AG, Munich. The change in cash and cash equivalents due to first-time consolidations was offset against the purchase prices.

Cash flow from financing activities includes cash used for the transfer of profit, as well as changes in financial liabilities.

Capital transactions with minorities related to the acquisition, with an effect on cash, of AUDI BRUSSELS S.A./N.V., Brussels (Belgium).

The changes in the Balance Sheet items that are presented in the Cash Flow Statement cannot be derived directly from the Balance Sheet because the effects of currency translation and of changes in the group of consolidated companies do not affect cash and are segregated.

## 36 Contingencies

Contingencies are unrecognized contingent liabilities whose amount corresponds to the maximum possible use as of the balance sheet date.

| EUR million | Dec. 31, 2010 | Dec. 31, 2009 |
|---|---|---|
| Liabilities from guarantees | 39 | 54 |
| Furnishing of collateral for outside liabilities | 49 | 108 |
| Total | 89 | 162 |

## 37 Litigation

Neither AUDI AG nor any of its Group companies are involved in ongoing or prospective legal or arbitration proceedings which could have a significant influence on their economic position. Appropriate provisions have been created within each Group company, or adequate insurance benefits are anticipated, for potential financial charges resulting from other legal or arbitrational proceedings.

## 38 Change of control agreements

Change of control clauses are contractual agreements between a company and third parties to provide for legal succession should there be a direct or indirect change in the ownership structure of any party to the contract.

The main contractual agreements between the Audi Group and third parties do not contain any change of control clauses in the event of a change in the ownership structure of AUDI AG or its subsidiaries.

## 39 Other financial obligations

| EUR million | | | Due Dec. 31, 2010 | | Due Dec. 31, 2009 | |
|---|---|---|---|---|---|---|
| | Within 1 year | 1 to 5 years | Over 5 years | Total | Over 1 year | Total |
| Ordering commitments for | | | | | | |
| property, plant and equipment | 844 | 465 | – | 1,309 | 350 | 1,311 |
| intangible assets | 136 | 22 | – | 158 | 42 | 177 |
| Commitments from long-term rental and lease agreements | 55 | 172 | 68 | 295 | 82 | 113 |
| Miscellaneous financial obligations | 129 | 267 | 35 | 431 | 180 | 213 |
| Total | 1,164 | 925 | 103 | 2,192 | 654 | 1,813 |

## 40 Discontinued operations

There are no plans to discontinue or cease operations as defined by IFRS 5.

## 41 Cost of materials

| EUR million | 2010 | 2009 |
|---|---|---|
| Raw materials and consumables used, as well as purchased goods | 19,665 | 16,945 |
| Purchased services | 2,137 | 1,567 |
| Total | 21,802 | 18,512 |

## 42 Personnel costs

| EUR million | 2010 | 2009 |
|---|---|---|
| Wages and salaries | 3,573 | 2,872 |
| Social insurance and expenses for retirement benefits and support payments | 701 | 646 |
| of which relating to retirement benefit plans | 88 | 98 |
| of which defined contribution pension plans | 269 | 261 |
| Total | 4,274 | 3,519 |

Subsidies from the German Federal Employment Agency in the amount of EUR 5 (17) million were reported under wages and salaries, thus reducing costs. The subsidies were paid in accordance with the conditions defined in the German Law on Partial Early Retirement.
Social contributions include credits of EUR 1 (7) million received from the German Federal Employment Agency for short-time working, thus reducing costs. These payments are made in accordance with the provisions of the German Social Code.

## 43 Total average number of employees for the year

| | 2010 | 2009 |
|---|---|---|
| Domestic companies | 45,914 | 45,408 |
| Foreign companies | 11,038 | 10,200 |
| Employees | 56,952 | 55,608 |
| Apprentices | 2,269 | 2,115 |
| Employees of Audi Group companies | 59,221 | 57,723 |
| Staff employed from other Volkswagen Group companies not belonging to the Audi Group | 292 | 288 |
| Workforce | 59,513 | 58,011 |

## 44 Related party disclosures

Related parties as defined in IAS 24 are:

- the parent company, Volkswagen AG, Wolfsburg, and its subsidiaries and main participating interests outside the Audi Group,
- Porsche Automobil Holding SE, Stuttgart, and its affiliated companies and related parties (the company's voting interest in Volkswagen AG was 50.74 percent on December 31, 2010,
- other parties (individuals and companies) that could be affected by the reporting entity or that could influence the reporting entity, such as
  - the members of the Board of Management and Supervisory Board of AUDI AG,
  - the members of the Board of Management and Supervisory Board of Volkswagen AG,
  - associated companies,
  - non-consolidated subsidiaries.

The volume of transactions with the parent company, Volkswagen AG, and with other subsidiaries that do not belong to the Audi Group is presented in the following overview:

| EUR million | 2010 | 2009 |
|---|---|---|
| Sales and services supplied to | | |
| Volkswagen AG | **3,586** | 4,078 |
| Volkswagen AG subsidiaries and participating interests not belonging to the Audi Group | **7,860** | 6,147 |
| Purchases and services received from | | |
| Volkswagen AG | **5,156** | 4,427 |
| Volkswagen AG subsidiaries and participating interests not belonging to the Audi Group | **2,804** | 2,088 |
| Receivables from | | |
| Volkswagen AG | **8,059** | 7,776 |
| Volkswagen AG subsidiaries and participating interests not belonging to the Audi Group | **5,861** | 3,985 |
| Liabilities to | | |
| Volkswagen AG | **4,361** | 2,866 |
| Volkswagen AG subsidiaries and participating interests not belonging to the Audi Group | **1,296** | 1,122 |
| Contingent liabilities to | | |
| Volkswagen AG | **–** | – |
| Volkswagen AG subsidiaries and participating interests not belonging to the Audi Group | **68** | 131 |
| Collateral posted with | | |
| Volkswagen AG | **–** | – |
| Volkswagen AG subsidiaries and participating interests not belonging to the Audi Group | **150** | 62 |

As of December 31, 2010, sales of receivables to Volkswagen AG subsidiaries not belonging to the Audi Group amounted to EUR 2,290 (1,927) million.
The possibility of a claim arising from contingencies is not regarded as likely.
The extent of business relations between fully consolidated companies of the Audi Group and non-consolidated subsidiaries and associated companies of AUDI AG as well as other related parties is presented in the following tables:

| EUR million | 2010 | 2009 | 2010 | 2009 |
|---|---|---|---|---|
| | Goods and services supplied | | Goods and services received | |
| Associated companies of AUDI AG | **2,789** | 1,905 | **77** | 34 |
| Non-consolidated subsidiaries of AUDI AG | **227** | 562 | **86** | 103 |
| Porsche companies | **818** | 728 | **41** | 42 |

| EUR million | Dec. 31, 2010 | Dec. 31, 2009 | Dec. 31, 2010 | Dec. 31, 2009 |
|---|---|---|---|---|
| | Receivables from | | Liabilities to | |
| Associated companies of AUDI AG | **169** | 352 | **123** | 71 |
| Non-consolidated subsidiaries of AUDI AG | **39** | 111 | **48** | 28 |
| Porsche companies | **10** | 9 | **2** | 3 |

The “Porsche companies” group encompasses the business relationships with Porsche Holding GmbH, Salzburg (Austria), and its subsidiaries. No business relations existed with Porsche Automobil Holding SE (Stuttgart).
All business transactions with related parties have been conducted on the basis of internationally comparable uncontrolled price methods pursuant to IAS 24, according to the terms that customarily apply to outside third parties. The goods and services procured from related parties primarily include supplies for production and supplies of genuine parts, as well as development, transportation, financial and distribution services, and, to a lesser extent, design, training and other services. Business transacted for related parties mainly comprises sales of new and used cars, engines and components, and allocation of cash and cash equivalents in the form of loans, fixed deposits and overnight deposits.
Members of the Boards of Management or Supervisory Boards of Volkswagen AG and AUDI AG also belong to the supervisory or management boards of other companies with which the Audi Group maintains business relations. All transactions with such companies are similarly conducted according to the terms that customarily apply to outside third parties. In this connection, goods and services amounting to a total value of EUR 200 (418) thousand were provided to the German state of Lower Saxony and to companies in which the state of Lower Saxony holds a majority stake.
A full list of the supervisory board mandates of members of the Board of Management and Supervisory Board of AUDI AG is presented in the 2010 Annual Financial Report of AUDI AG.
In the same manner, the service relationships with the members of the Boards of Management and Supervisory Boards of Volkswagen AG and AUDI AG were conducted at arm’s length. As in the previous year, the volume of transactions was low. Overall, services in the amount of EUR 443 (572) thousand were procured from this group of individuals during the reporting year, with services in the amount of EUR 23 (16) thousand being rendered on the part of the Audi Group.
For details of the remuneration paid to the members of the Board of Management and Supervisory Board of AUDI AG, please refer to Note 48, “Details relating to the Supervisory Board and Board of Management.”
AUDI AG and its Group companies primarily deposit their cash funds with the Volkswagen Group or take up cash funds from the Volkswagen Group. All transactions are processed under market conditions.

## 45 Auditor’s fees

| EUR thousand | 2010 | 2009 |
|---|---|---|
| Auditing of the financial statements | **732** | 851 |
| Other certification or valuation services | **169** | 98 |
| Tax consultancy services | **87** | – |
| Other services | **103** | 87 |
| Total | **1,091** | 1,035 |

Based on the requirements of commercial law, the auditor’s fees include auditing of the Consolidated Financial Statements and auditing of the annual financial statements of the domestic consolidated companies.

## 46 Segment reporting

The segmentation of business activities is based on the internal management of the Company in accordance with IFRS 8.

The Audi Group focuses its economic activities on automotive business. As a result, both internal reporting and the voting, management and decision-making processes at the level of the full Board of Management are geared toward the Audi Group as a corporate unit in the sense of a single-segment structure focused on the automotive business. There is therefore no further segmentation of the Group as defined in IFRS 8.

The central performance and management key figure for the Audi Group is its “operating profit.” Internal reporting corresponds to external IFRS reporting.

| EUR million | 2010 | 2009 |
|---|---|---|
| Operating profit | **3,340** | 1,604 |

The full Board of Management regularly monitors, among others, the following financial and economic key figures (also on a Group basis):

| | | 2010 | 2009 |
|---|---|---|---|
| Profit before tax | EUR million | **3,634** | 1,928 |
| Deliveries to customers – Audi brand | Vehicles | **1,092,411** | 949,729 |
| Audi brand sales | Vehicles | **1,124,295** | 954,802 |
| Audi brand production | Vehicles | **1,148,791** | 931,007 |
| Investments in property, plant and equipment and intangible assets (without development work) | EUR million | **1,449** | 1,266 |
| Capex ratio [1] | % | **4.1** | 4.2 |
| Inventories (including current leased assets) | EUR million | **3,354** | 2,568 |
| Net liquidity | EUR million | **13,383** | 10,665 |
| Workforce at Dec. 31 | | **60,395** | 58,046 |
| Return on investment | % | **24.7** | 11.5 |
| Capital turnover [2] | | **3.7** | 3.1 |

1) Capex ratio = Investments in property, plant and equipment and intangible assets (without development work)/revenue

2) Capital turnover = Revenue/average invested assets

Investment and depreciation and amortization developed as follows:

| EUR million | 2010 | 2009 |
|---|---|---|
| Investments in property, plant and equipment and intangible assets | **1,449** | 1,266 |
| Additions of capitalized development work | **630** | 528 |
| Long-term investments | **67** | 42 |
| Investments in leased assets | **–** | 8 |
| Total | **2,146** | 1,844 |

| EUR million | 2010 | 2009 |
|---|---|---|
| Impairment losses on property, plant and equipment and intangible assets | **1,542** | 1,285 |
| Amortization of capitalized development work | **626** | 480 |
| Impairment losses on long-term investments | **1** | 9 |
| Depreciation of leased assets | **1** | 1 |
| Total | **2,170** | 1,775 |

During the 2010 fiscal year, write-ups of capitalized development costs totaled EUR 58 million. The Audi Group primarily generates revenues from the sale of cars. In addition to the Audi brand, sales also comprise vehicles of the Lamborghini brand and vehicles of the other brands in the Volkswagen Group.

| EUR million | 2010 | 2009 |
|---|---|---|
| Audi brand | 27,423 | 22,652 |
| Lamborghini brand | 227 | 227 |
| Volkswagen brand | 2,611 | 2,281 |
| SEAT brand | 189 | 218 |
| Škoda brand | 235 | 197 |
| Bentley brand | 11 | 11 |
| Vehicle sales | 30,697 | 25,586 |
| Other car business | 4,744 | 4,254 |
| Revenue | 35,441 | 29,840 |

The Audi Group, through Volkswagen AG, Wolfsburg, and also through the affiliated companies of the VW Group, has key accounts with whom there exists a relationship of dependence:

| Revenue with key accounts | 2010 | | 2009 | |
|---|---|---|---|---|
| | EUR million | % | EUR million | % |
| Volkswagen AG, Wolfsburg | 3,156 | 8.9 | 3,350 | 11.2 |
| Affiliated companies of the Volkswagen Group excluding fully consolidated companies of the Audi Group | 7,747 | 21.9 | 6,356 | 21.3 |

The Audi Group's revenue was generated in the following regions:

| Sales revenues by region | 2010 | | 2009 | |
|---|---|---|---|---|
| | EUR million | % | EUR million | % |
| Germany | 8,546 | 24.1 | 8,727 | 29.2 |
| Rest of Europe | 15,017 | 42.4 | 13,176 | 44.2 |
| Asia-Pacific | 7,044 | 19.9 | 4,650 | 15.6 |
| North America | 4,125 | 11.6 | 2,856 | 9.6 |
| Africa | 337 | 1.0 | 240 | 0.8 |
| South America | 371 | 1.0 | 193 | 0.6 |
| Total | 35,441 | 100.0 | 29,840 | 100.0 |

## 47 German Corporate Governance Code

The Board of Management and Supervisory Board of AUDI AG submitted the declaration pursuant to Section 161 of the German Stock Corporation Act relating to the German Corporate Governance Code on November 29, 2010, and made it permanently accessible on the Internet at www.audi.com/cgk-declaration.

## 48 Details relating to the Supervisory Board and Board of Management

The remuneration paid to members of the Board of Management complies with the legal requirements as well as with the recommendations of the German Corporate Governance Code. The total short-term remuneration comprises fixed and variable components. The fixed components assure a base remuneration that enables the members of the Board of Management to execute their duties conscientiously and in the best interests of the Company, without becoming dependent upon the attainment of short-term targets. Conversely, variable components that are contingent on the economic position of the Company reconcile the interests of the Board of Management with those of the other stakeholders.

The remuneration paid to members of the Board of Management for the 2010 fiscal year was EUR 10,136 (7,547) thousand, of which EUR 6,875 (4,525) thousand related to variable components. Fixed components paid to the members of the Board of Management in the 2010 fiscal year totaled EUR 3,261 (3,022) thousand. Disclosure of the remuneration paid to each individual member of the Board of Management, by name, pursuant to Section 314, Para. 1, No. 6a), Sentences 5 to 9 of the German Commercial Code has not been effected, as the 2006 Annual General Meeting adopted a corresponding resolution that is valid for a period of five years.

In addition to fixed payments in cash, there are varying levels of contributions in kind, including, in particular, the use of company cars.

The variable remuneration component paid to each member of the Board of Management comprises a bonus in relation to the business performance of the previous two years and, since 2010, a long-term incentive (LTI). Using a launch scenario, the LTI will be granted to the Board for the first time in 2011, based on the 2010 fiscal year and the anticipated performance in 2011. In 2012, the performance of the 2010 and 2011 fiscal years will be taken into account; in 2013, the performance of 2010 to 2012 will be considered. From 2014 onwards, the preceding four years will be used as a basis.

Under certain circumstances, members of the Board of Management are entitled to retirement benefits and a disability pension. EUR 3,419 (2,218) thousand was allocated to the provisions for pensions for current members of the Board of Management in the 2010 fiscal year. The provisions totaled EUR 10,070 (9,842) thousand as at December 31, 2010.

Former members of the Board of Management and their dependents received EUR 4,193 (2,388) thousand. This included payments resulting from termination of office of EUR 2,600 (368) thousand. The provisions for pensions for this group of individuals amount to EUR 25,520 (22,241) thousand.

The members of the Board of Management and details of their seats on other supervisory boards and regulatory bodies – as defined in Section 285, Sentence 1, No. 10 of the German Commercial Code and Section 125, Para. 1, Sentence 3 of the German Stock Corporation Act (AktG) – are listed in the Notes to the Annual Financial Report of AUDI AG.

The basic features of the remuneration paid to members of the Supervisory Board are stipulated in Section 16 of the Articles of Incorporation and Bylaws. The total short-term remuneration comprises fixed and variable components. The level of the variable remuneration components is based on the compensatory payment made for the 2010 fiscal year in accordance with the applicable provision in the Articles of Incorporation and Bylaws. The total remuneration paid to the Supervisory Board of AUDI AG, pursuant to Section 285, Para. 9a of the German Commercial Code, was EUR 698 (638) thousand, of which EUR 195 (189) thousand related to fixed components and EUR 503 (450) thousand to variable components.

### EXPENSES FOR REMUNERATION OF THE SUPERVISORY BOARD

| EUR | Fixed | Variable | Total 2010 |
|---|---|---|---|
| Prof. Dr. rer. nat. Martin Winterkorn | – | – | **–** |
| Berthold Huber [1] | 19,500 | 54,400 | **73,900** |
| Dr. rer. pol. h.c. Bruno Adelt | 11,000 | 27,200 | **38,200** |
| Senator h.c. Helmut Aurenz | 11,000 | 27,200 | **38,200** |
| Heinz Eyer [1] | 11,000 | 27,200 | **38,200** |
| Wolfgang Förster (until May 20, 2010) [1] | 6,250 | 15,867 | **22,117** |
| Dr. rer. pol. h.c. Francisco Javier Garcia Sanz | – | – | **–** |
| Johann Horn [1] | 10,500 | 27,200 | **37,700** |
| Peter Kössler | 11,000 | 27,200 | **38,200** |
| Peter Mosch [1] | 15,500 | 40,800 | **56,300** |
| Wolfgang Müller [1] | 11,000 | 27,200 | **38,200** |
| Prof. Dr. rer. pol. Horst Neumann | – | – | **–** |
| Dr.-Ing. Franz-Josef Paefgen | – | – | **–** |
| Hon.-Prof. Dr. techn. h.c. Dipl.-Ing. ETH Ferdinand K. Piëch | 15,500 | 40,800 | **56,300** |
| Dr. jur. Hans Michel Piëch | 11,000 | 27,200 | **38,200** |
| Dipl.-Wirtsch.-Ing. Hans Dieter Pötsch | – | – | **–** |
| Dr. jur. Ferdinand Oliver Porsche | 15,500 | 40,800 | **56,300** |
| Norbert Rank [1] | 15,500 | 40,800 | **56,300** |
| Jörg Schlagbauer [1] | 13,763 | 35,549 | **49,312** |
| Helmut Späth (from May 25, 2010) [1] | 6,400 | 16,320 | **22,720** |
| Max Wäcker [1] | 11,000 | 27,200 | **38,200** |
| Total | 195,413 | 502,936 | **698,349** |

1) The employees' elected representatives have stated that their remuneration as Supervisory Board members shall be paid to the Hans Böckler Foundation, in accordance with the guidelines of the German Confederation of Trade Unions.

The actual payment of individual parts of the total remuneration will be made in fiscal 2011, pursuant to Section 16 of the Articles of Incorporation and Bylaws.

## Supervisory Board [1)]

| As of December 31, 2010 | |
|---|---|
| Prof. Dr. rer. nat. Martin Winterkorn | Chairman [2)]<br>Stockholder representative |
| Berthold Huber | Deputy Chairman [2)]<br>Employee representative |
| Dr. rer. pol. h.c. Bruno Adelt | Stockholder representative |
| Senator h.c. Helmut Aurenz | Stockholder representative |
| Heinz Eyer | Employee representative |
| Dr. rer. pol. h.c. Francisco Javier Garcia Sanz | Stockholder representative |
| Johann Horn | Employee representative |
| Peter Kössler | Employee representative |
| Peter Mosch | Employee representative [2)] |
| Wolfgang Müller | Employee representative |
| Prof. Dr. rer. pol. Horst Neumann | Stockholder representative |
| Dr.-Ing. Franz-Josef Paefgen | Stockholder representative |
| Hon.-Prof. Dr. techn. h.c. Dipl.-Ing. ETH Ferdinand K. Piëch | Stockholder representative [2)] |
| Dr. jur. Hans Michel Piëch | Stockholder representative |
| Dipl.-Wirtsch.-Ing. Hans Dieter Pötsch | Stockholder representative [3)] |
| Dr. jur. Ferdinand Oliver Porsche | Stockholder representative [5)] |
| Norbert Rank | Employee representative [4)] |
| Jörg Schlagbauer | Employee representative [5)] |
| Helmut Späth | Employee representative |
| Max Wäcker | Employee representative |
| Prof. Dr. rer. pol. Carl H. Hahn | Honorary Chairman |

1) The profession and company of the members of the Supervisory Board, together with other non-executive directorships, are presented in the Annual Financial Report of AUDI AG.

2) Member of the Presiding Committee and the Negotiating Committee

3) Chairman of the Audit Committee

4) Deputy Chairman of the Audit Committee

5) Member of the Audit Committee

## EVENTS OCCURRING SUBSEQUENT TO THE BALANCE SHEET DATE

There were no events after December 31, 2010 subject to a reporting obligation in accordance with IAS 10.

# Statement of Interests held by the Audi Group

for the fiscal year ended December 31, 2010

## PRINCIPAL GROUP COMPANIES

| Name and registered office | Capital share in % |
|---|---|
| Fully consolidated companies | |
| AUDI AG, Ingolstadt | |
| Audi Retail GmbH, Ingolstadt | 100.0 |
| Audi Zentrum Berlin GmbH, Berlin | 100.0 |
| Audi Zentrum Frankfurt GmbH, Frankfurt | 100.0 |
| Audi Zentrum Hamburg GmbH, Hamburg | 100.0 |
| Audi Zentrum Hannover GmbH, Hanover | 100.0 |
| Audi Zentrum Leipzig GmbH, Leipzig | 100.0 |
| Audi Zentrum Stuttgart GmbH, Stuttgart | 100.0 |
| Audi Vertriebsbetreuungsgesellschaft mbH, Ingolstadt | 100.0 |
| quattro GmbH, Neckarsulm | 100.0 |
| Audi Australia Pty Ltd., Zetland (Australia) | 100.0 |
| Audi Brasil Distribuidora de Veículos Ltda., São Paulo (Brazil) | 100.0 |
| AUDI BRUSSELS S.A./N.V., Brussels (Belgium) | 100.0 |
| Audi (China) Enterprise Management Co. Ltd., Beijing (China) | 100.0 |
| AUDI HUNGARIA MOTOR Kft., Győr (Hungary) | 100.0 |
| Audi Japan K.K., Tokyo (Japan) | 100.0 |
| Audi Japan Sales K.K., Tokyo (Japan) | 100.0 |
| Audi Volkswagen Korea Ltd., Seoul (South Korea) | 100.0 |
| Audi Volkswagen Middle East FZE, Dubai (United Arab Emirates) | 100.0 |
| Automobili Lamborghini Holding S.p.A., Sant'Agata Bolognese (Italy) | 100.0 |
| Automobili Lamborghini S.p.A., Sant'Agata Bolognese (Italy) | 100.0 |
| Lamborghini ArtiMarca S.p.A., Sant'Agata Bolognese (Italy) | 100.0 |
| MML S.p.A., Sant'Agata Bolognese (Italy) | 100.0 |
| STAR DESIGN S.R.L., Turin (Italy) | 100.0 |
| Italdesign Giugiaro S.p.A., Turin (Italy) | 90.1 |
| VOLKSWAGEN GROUP ITALIA S.P.A., Verona (Italy) | 100.0 |
| VOLKSWAGEN GROUP FIRENZE S.P.A., Florence (Italy) | 100.0 |
| Audi Canada Inc., Ajax (Canada) [1] | – |
| Audi of America, LLC, Herndon, Virginia (USA) [1] | – |
| Automobili Lamborghini America, LLC, Wilmington, Delaware (USA) [1] | – |
| | |
| Companies accounted for using the equity method | |
| FAW-Volkswagen Automotive Company Ltd., Changchun (China) | 10.0 |

1) AUDI AG exercises control pursuant to IAS 27.13, Sentence 2 (c).

# Corporate Governance

### Code amended in 2010
On July 2, 2010, the Federal Ministry of Justice announced a new version of the German Corporate Governance Code dated on May 26, 2010. The Board of Management and Supervisory Board of AUDI AG discussed the amendments at length during the past fiscal year and passed the appropriate resolutions.

### Implementation of the recommendations and suggestions
The recommendations of the Code in the version of June 18, 2009 were generally adhered to during the period until the announcement of the new version on July 2, 2010. However, the Supervisory Board did not form a nominating committee (Section 5.3.3 of the Code) and the elections to the Supervisory Board were not held as elections of individuals (Section 5.4.3, Sentence 1 of the Code). Since November 23, 2009 a cap on severance payments has been agreed when entering into new contracts with members of the Board of Management, in compliance with Section 4.2.3 of the Code.
Contracts that were signed prior to this date remain unaffected by the new rules due to the protection of vested rights. With effect from January 1, 2010 the D&O insurance arrangements have made provision for an excess in accordance with the recommendation set out in Section 3.8 of the Code, ensuring compliance with this recommendation. The new remuneration system adopted for members of the Board of Management with effect from February 22, 2010, as approved by the Annual General Meeting on May 20, 2010 in accordance with Section 120, Para. 4 of the German Stock Corporation Act (AktG), also ensures compliance with the recommendations of Section 4.2.3 of the Code (challenging, appropriate comparison parameters for variable remuneration and no subsequent change of performance targets or of comparison parameters).

Since the announcement of the new version dated July 2, 2010, the recommendations in the Code have been met with the following exceptions:
The Supervisory Board has not formed a nominating committee (Section 5.3.3 of the Code). In the opinion of the Board, such a committee would merely increase the number of committees without noticeably improving the work done by the Supervisory Board. The elections to the Supervisory Board do not take the form of elections of individuals (Section 5.4.3, Sentence 1 of the Code). Elections by list are common practice in democratic elections. The recommendations of Section 5.4.1 of the Code have been newly created. Following consultation, the Supervisory Board has set out specific goals in relation to its composition, thereby meeting the recommendations of Section 5.4.1 of the Code since November 29, 2010. In accordance with the Company's own specific situation, the Supervisory Board has named the following objectives for its composition, which are also to be taken into account in the proposals for election which it makes to the Annual General Meeting:
- Two seats on the Supervisory Board are to be filled with persons who fulfill the criteria of internationality to a particular extent.
- One seat on the Supervisory Board is to be filled with a person who has no business or personal ties with AUDI AG or its Board of Management and performs no advisory or executive functions at customers, suppliers, lenders or other business partners of the Audi Group.
- At least two non-executive directorships are to be held by women, at least one of whom is to be a stockholder representative.
- An age limit for the members of the Supervisory Board was already specified in its rules of procedure. According to these rules, normally only persons who have not yet reached the age of 70 at the time of the election are to be proposed for election as members of the Supervisory Board. The Supervisory Board has confirmed this age limit.

The response to the suggestions made in the Code is as follows:
From now on, AUDI AG will broadcast the Annual General Meeting on the Internet up until the start of the discussion. This strikes a balance between the need for information and the general right to privacy of the individual stockholder. This procedure means that there is no need to ensure that stockholders who are not attending the meeting can contact a voting proxy of the Company during the Annual General Meeting (Section 2.3.3, Sentence 3, 2nd half of sentence of the Code). Additionally, the performance-based remuneration paid to members of the Supervisory Board does not contain any components relating to the long-term business performance of the Company (Section 5.4.6, Para. 2, Sentence 2 of the Code). Public discussion of this issue among experts will continue to be monitored.

### Particulars pursuant to Section 6.6 of the Code
No reportable acquisition or sales transactions were conducted during the past fiscal year.

### Stock option plans and similar securities-based incentive arrangements
AUDI AG does not offer any such plans or incentive arrangements.

### System of remuneration
The basic principles of the remuneration system for the members of the Board of Management are outlined in the Notes to this Annual Report under “Details relating to the Supervisory Board and Board of Management.” This information is also available on the Company’s website (www.audi.com/notes).

### Declaration relating to the Code on the Internet
The joint declaration of the Board of Management and Supervisory Board of AUDI AG on the recommendations of the German Corporate Governance Code was published on the Audi website (www.audi.com/cgk-declaration) on November 29, 2010.

# Responsibility Statement

**"Responsibility Statement**
To the best of our knowledge, and in accordance with the applicable reporting principles, the Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Group Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group."

Ingolstadt, February 8, 2011

The Board of Management

Rupert Stadler

Ulf Berkenhagen

Michael Dick

Frank Dreves

Peter Schwarzenbauer

Thomas Sigi

Axel Strotbek

# Auditor's Report

This report was originally prepared in the German language. In case of ambiguities the German version shall prevail:

**"Auditor's Report**

We have audited the Consolidated Financial Statements prepared by AUDI Aktiengesellschaft, Ingolstadt – comprising the income statement and statement of recognized income and expense, the balance sheet, the cash flow statement, the statement of changes in equity and the notes to the Consolidated Financial Statements – together with the Group Management Report for the business year from January 1 to December 31, 2010. The preparation of the Consolidated Financial Statements and the Group Management Report in accordance with the IFRS, as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315a, Para. 1 of the German Commercial Code (HGB) are the responsibility of the parent company's Board of Managing Directors. Our responsibility is to express an opinion on the Consolidated Financial Statements and on the Group Management Report based on our audit.

We conducted our audit of the Consolidated Financial Statements in accordance with Section 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany, IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the Consolidated Financial Statements in accordance with the applicable financial reporting framework and in the Group Management Report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the Consolidated Financial Statements and the Group Management Report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of the entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the Company's Board of Managing Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements and the Group Management Report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based on the findings of our audit, the Consolidated Financial Statements comply with the IFRS as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315a, Para. 1 HGB, and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The Group Management Report is consistent with the Consolidated Financial Statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development."

Munich, February 8, 2011

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

| | |
|---|---|
| Franz Wagner | Klaus Schuster |
| Wirtschaftsprüfer | Wirtschaftsprüfer |

# Declaration of the AUDI AG Board of Management

on the 2010 Consolidated Financial Statements

The Board of Management of AUDI AG is responsible for the preparation of the Consolidated Financial Statements and Group Management Report. Reporting is performed on the basis of the International Financial Reporting Standards (IFRS) as applicable within the European Union, and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC). The Group Management Report is prepared in accordance with the requirements of the German Commercial Code. Under Section 315a of the German Commercial Code, AUDI AG is obliged to prepare its Consolidated Financial Statements in accordance with the requirements of the International Accounting Standards Board (IASB).

The regularity of the Consolidated Financial Statements and Group Management Report is assured by means of internal controlling systems, the implementation of uniform guidelines throughout the Group, and employee training and advancement measures. Compliance with the legal requirements and with internal Group guidelines, as well as the reliability and functioning of the systems of controlling, are checked on an ongoing basis throughout the Group. The early warning function required by law is achieved by means of a Group-wide risk management system that enables the Board of Management to identify potential risks at an early stage and initiate corrective action as necessary.

PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Munich, has examined the Consolidated Financial Statements and Group Management Report in its capacity as independent auditor, in accordance with the resolution of the Annual General Meeting, and issued its unqualified certification as shown on the previous page.

The Consolidated Financial Statements, the Group Management Report, the Audit Report and the measures to be taken by the Board of Management for the prompt identification of risks which could pose a threat to the Company's survival were discussed at length by the Supervisory Board in the presence of the auditors. The findings of this examination are indicated in the Report of the Supervisory Board.

# Fuel consumption and emission figures

As at: February 2011 (all data apply to features of the German market)

| Model | Power output (kW) | Transmission | Fuel | Fuel consumption (l/100 km) | | | $CO_2$ emissions (g/km) |
|---|---|---|---|---|---|---|---|
| | | | | urban | extra urban | combined | combined |
| Audi A1 | | | | | | | |
| A1 1.2 TFSI | 63 | 5-speed | Premium | 6.2 | 4.4 | 5.1 | 118 |
| A1 1.4 TFSI | 90 | 6-speed | Premium | 6.8 | 4.4 | 5.3 | 124 |
| A1 1.4 TFSI (119 g $CO_2$/km) [1)] | 90 | S tronic, 7-speed | Premium | 6.5 | 4.4 | 5.2 | 119 |
| A1 1.4 TFSI | 90 | S tronic, 7-speed | Premium | 6.5 | 4.6 | 5.3 | 122 |
| A1 1.4 TFSI | 136 | S tronic, 7-speed | Super Plus | 7.5 | 5.1 | 5.9 | 139 |
| A1 1.6 TDI | 77 | 5-speed | Diesel | 4.4 | 3.4 | 3.8 | 99 |
| Audi A3 | | | | | | | |
| A3 1.2 TFSI | 77 | 6-speed | Premium | 6.7 | 4.7 | 5.5 | 127 |
| A3 1.2 TFSI | 77 | S tronic, 7-speed | Premium | 6.5 | 4.6 | 5.3 | 123 |
| A3 1.4 TFSI | 92 | 6-speed | Premium | 7.3 | 4.8 | 5.7 | 132 |
| A3 1.4 TFSI | 92 | S tronic, 7-speed | Premium | 6.4 | 4.7 | 5.3 | 124 |
| A3 1.8 TFSI | 118 | 6-speed | Premium | 8.7 | 5.3 | 6.6 | 152 |
| A3 1.8 TFSI | 118 | S tronic, 7-speed | Premium | 8.5 | 5.2 | 6.5 | 149 |
| A3 1.8 TFSI quattro | 118 | 6-speed | Premium | 9.7 | 6.0 | 7.3 | 170 |
| A3 2.0 TFSI | 147 | 6-speed | Premium | 9.8 | 5.5 | 7.1 | 164 |
| A3 2.0 TFSI | 147 | S tronic, 6-speed | Premium | 9.9 | 5.8 | 7.3 | 168 |
| A3 2.0 TFSI quattro | 147 | S tronic, 6-speed | Premium | 9.9 | 6.1 | 7.5 | 174 |
| A3 1.6 TDI | 66 | 5-speed | Diesel | 5.6 | 3.7 | 4.4 | 114 |
| A3 1.6 TDI (99 g $CO_2$/km ) [1)] | 77 | 5-speed | Diesel | 4.7 | 3.3 | 3.8 | 99 |
| A3 1.6 TDI | 77 | 5-speed | Diesel | 5.0 | 3.7 | 4.1 | 109 |
| A3 1.6 TDI | 77 | S tronic, 7-speed | Diesel | 4.5 | 3.9 | 4.2 | 109 |
| A3 2.0 TDI | 103 | 6-speed | Diesel | 5.5 | 3.8 | 4.4 | 115 |
| A3 2.0 TDI | 103 | S tronic, 6-speed | Diesel | 5.8 | 4.4 | 4.9 | 129 |
| A3 2.0 TDI quattro | 103 | 6-speed | Diesel | 6.3 | 4.2 | 5.0 | 129 |
| A3 2.0 TDI | 125 | 6-speed | Diesel | 5.7 | 4.2 | 4.7 | 123 |
| A3 2.0 TDI | 125 | S tronic, 6-speed | Diesel | 5.6 | 4.5 | 4.9 | 128 |
| A3 2.0 TDI quattro | 125 | 6-speed | Diesel | 6.1 | 4.6 | 5.2 | 135 |
| S3 2.0 TFSI quattro | 195 | 6-speed | Super Plus | 11.8 | 6.6 | 8.5 | 198 |
| S3 2.0 TFSI quattro | 195 | S tronic, 6-speed | Super Plus | 11.1 | 6.7 | 8.3 | 193 |
| Audi A3 Sportback | | | | | | | |
| A3 Sportback 1.2 TFSI | 77 | 6-speed | Premium | 6.7 | 4.7 | 5.5 | 127 |
| A3 Sportback 1.2 TFSI | 77 | S tronic, 7-speed | Premium | 6.5 | 4.6 | 5.3 | 123 |
| A3 Sportback 1.4 TFSI | 92 | 6-speed | Premium | 7.3 | 4.9 | 5.8 | 134 |
| A3 Sportback 1.4 TFSI | 92 | S tronic, 7-speed | Premium | 6.6 | 4.8 | 5.5 | 127 |
| A3 Sportback 1.8 TFSI | 118 | 6-speed | Premium | 8.7 | 5.3 | 6.6 | 153 |
| A3 Sportback 1.8 TFSI | 118 | S tronic, 7-speed | Premium | 8.5 | 5.2 | 6.5 | 149 |
| A3 Sportback 1.8 TFSI quattro | 118 | 6-speed | Premium | 9.8 | 6.1 | 7.4 | 173 |
| A3 Sportback 2.0 TFSI | 147 | 6-speed | Premium | 9.9 | 5.6 | 7.2 | 168 |
| A3 Sportback 2.0 TFSI | 147 | S tronic, 6-speed | Premium | 9.9 | 5.8 | 7.3 | 168 |
| A3 Sportback 2.0 TFSI quattro | 147 | S tronic, 6-speed | Premium | 10.0 | 6.2 | 7.6 | 176 |
| A3 Sportback 1.6 TDI | 66 | 5-speed | Diesel | 5.3 | 3.9 | 4.4 | 116 |
| A3 Sportback 1.6 TDI (102 g $CO_2$/km) [1)] | 77 | 5-speed | Diesel | 4.8 | 3.4 | 3.9 | 102 |
| A3 Sportback 1.6 TDI | 77 | 5-speed | Diesel | 5.1 | 3.8 | 4.2 | 112 |
| A3 Sportback 1.6 TDI | 77 | S tronic, 7-speed | Diesel | 4.9 | 3.9 | 4.3 | 112 |
| A3 Sportback 2.0 TDI | 103 | 6-speed | Diesel | 5.5 | 3.8 | 4.4 | 115 |
| A3 Sportback 2.0 TDI | 103 | S tronic, 6-speed | Diesel | 5.8 | 4.4 | 4.9 | 129 |
| A3 Sportback 2.0 TDI quattro | 103 | 6-speed | Diesel | 6.3 | 4.2 | 5.0 | 129 |
| A3 Sportback 2.0 TDI | 125 | 6-speed | Diesel | 5.7 | 4.2 | 4.7 | 123 |
| A3 Sportback 2.0 TDI | 125 | S tronic, 6-speed | Diesel | 5.6 | 4.6 | 5.0 | 130 |
| A3 Sportback 2.0 TDI quattro | 125 | 6-speed | Diesel | 6.1 | 4.6 | 5.2 | 135 |
| S3 Sportback 2.0 TFSI quattro | 195 | 6-speed | Super Plus | 11.8 | 6.7 | 8.5 | 199 |
| S3 Sportback 2.0 TFSI quattro | 195 | S tronic, 6-speed | Super Plus | 11.2 | 6.8 | 8.4 | 195 |
| RS 3 Sportback 2.5 TFSI quattro | 250 | S tronic, 7-speed | Super Plus | 13.1 | 6.8 | 9.1 | 212 |
| Audi A3 Cabriolet | | | | | | | |
| A3 Cabriolet 1.2 TFSI | 77 | 6-speed | Premium | 7.0 | 5.0 | 5.7 | 132 |
| A3 Cabriolet 1.4 TFSI | 92 | 6-speed | Premium | 7.4 | 5.2 | 6.0 | 139 |
| A3 Cabriolet 1.8 TFSI | 118 | 6-speed | Premium | 8.9 | 5.5 | 6.7 | 156 |
| A3 Cabriolet 1.8 TFSI | 118 | S tronic, 7-speed | Premium | 8.7 | 5.4 | 6.6 | 154 |
| A3 Cabriolet 2.0 TFSI | 147 | 6-speed | Premium | 10.0 | 5.6 | 7.2 | 169 |
| A3 Cabriolet 2.0 TFSI | 147 | S tronic, 6-speed | Premium | 9.9 | 5.9 | 7.4 | 171 |
| A3 Cabriolet 1.6 TDI | 77 | 5-speed | Diesel | 5.2 | 3.9 | 4.3 | 114 |
| A3 Cabriolet 2.0 TDI | 103 | 6-speed | Diesel | 5.7 | 3.9 | 4.6 | 119 |
| A3 Cabriolet 2.0 TDI | 103 | S tronic, 6-speed | Diesel | 6.0 | 4.6 | 5.1 | 134 |

| Model | Power output (kW) | Transmission | Fuel | Fuel consumption (l/100 km) | | | $CO_2$ emissions (g/km) |
|---|---|---|---|---|---|---|---|
| | | | | urban | extra urban | combined | combined |
| Audi TT Coupé | | | | | | | |
| TT Coupé 1.8 TFSI | 118 | 6-speed | Premium | 8.5 | 5.2 | 6.4 | 149 |
| TT Coupé 2.0 TFSI | 155 | 6-speed | Premium | 8.9 | 5.2 | 6.6 | 154 |
| TT Coupé 2.0 TFSI | 155 | S tronic, 6-speed | Premium | 9.9 | 5.4 | 7.1 | 164 |
| TT Coupé 2.0 TFSI quattro | 155 | S tronic, 6-speed | Premium | 9.9 | 5.7 | 7.2 | 169 |
| TT Coupé 2.0 TDI quattro | 125 | 6-speed | Diesel | 7.0 | 4.3 | 5.3 | 139 |
| TTS Coupé 2.0 TFSI quattro | 200 | 6-speed | Super Plus | 10.8 | 6.2 | 7.9 | 184 |
| TTS Coupé 2.0 TFSI quattro | 200 | S tronic, 6-speed | Super Plus | 10.6 | 6.0 | 7.7 | 179 |
| TT RS Coupé 2.5 TFSI quattro | 250 | 6-speed | Super Plus | 12.6 | 6.8 | 9.0 | 209 |
| TT RS Coupé 2.5 TFSI quattro | 250 | S tronic, 7-speed | Super Plus | 12.3 | 6.3 | 8.5 | 197 |
| Audi TT Roadster | | | | | | | |
| TT Roadster 1.8 TFSI | 118 | 6-speed | Premium | 8.6 | 5.3 | 6.5 | 152 |
| TT Roadster 2.0 TFSI | 155 | 6-speed | Premium | 9.0 | 5.4 | 6.7 | 156 |
| TT Roadster 2.0 TFSI | 155 | S tronic, 6-speed | Premium | 10.0 | 5.6 | 7.2 | 168 |
| TT Roadster 2.0 TFSI quattro | 155 | S tronic, 6-speed | Premium | 10.2 | 5.7 | 7.4 | 172 |
| TT Roadster 2.0 TDI quattro | 125 | 6-speed | Diesel | 7.2 | 4.5 | 5.5 | 144 |
| TTS Roadster 2.0 TFSI quattro | 200 | 6-speed | Super Plus | 10.9 | 6.4 | 8.1 | 189 |
| TTS Roadster 2.0 TFSI quattro | 200 | S tronic, 6-speed | Super Plus | 10.8 | 6.2 | 7.9 | 184 |
| TT RS Roadster 2.5 TFSI quattro | 250 | 6-speed | Super Plus | 12.8 | 7.0 | 9.1 | 212 |
| TT RS Roadster 2.5 TFSI quattro | 250 | S tronic, 7-speed | Super Plus | 12.4 | 6.4 | 8.6 | 199 |
| Audi A4 Sedan | | | | | | | |
| A4 1.8 TFSI | 88 | 6-speed | Premium | 9.5 | 5.6 | 7.1 | 164 |
| A4 1.8 TFSI | 88 | multitronic, CVT | Premium | 9.4 | 5.9 | 7.2 | 169 |
| A4 1.8 TFSI | 118 | 6-speed | Premium | 9.5 | 5.6 | 7.1 | 164 |
| A4 1.8 TFSI | 118 | multitronic, CVT | Premium | 9.4 | 5.9 | 7.2 | 169 |
| A4 1.8 TFSI quattro | 118 | 6-speed | Premium | 10.3 | 6.1 | 7.6 | 176 |
| A4 2.0 TFSI | 132 | 6-speed | Premium | 8.3 | 5.3 | 6.4 | 149 |
| A4 2.0 TFSI | 132 | multitronic, CVT | Premium | 9.4 | 5.7 | 7.1 | 167 |
| A4 2.0 TFSI flexible fuel | 132 | 6-speed | Premium/E85 | 8.3/12.2 | 5.3/7.1 | 6.4/9.0 | 149 |
| A4 2.0 TFSI quattro flexible fuel | 132 | 6-speed | Premium/E85 | 9.8/13.8 | 5.8/8.2 | 7.3/10.2 | 169 |
| A4 2.0 TFSI | 155 | 6-speed | Premium | 8.3 | 5.3 | 6.4 | 149 |
| A4 2.0 TFSI | 155 | multitronic, CVT | Premium | 9.4 | 5.7 | 7.1 | 167 |
| A4 2.0 TFSI quattro | 155 | 6-speed | Premium | 9.7 | 5.8 | 7.3 | 169 |
| A4 2.0 TFSI quattro | 155 | S tronic, 7-speed | Premium | 9.4 | 6.4 | 7.5 | 175 |
| A4 3.2 FSI | 195 | multitronic, CVT | Premium | 11.6 | 6.2 | 8.2 | 192 |
| A4 3.2 FSI quattro | 195 | 6-speed | Premium | 13.4 | 6.7 | 9.1 | 214 |
| A4 3.2 FSI quattro | 195 | tiptronic, 6-speed | Premium | 13.1 | 7.0 | 9.3 | 215 |
| A4 2.0 TDI | 88 | 6-speed | Diesel | 6.1 | 4.2 | 4.9 | 127 |
| A4 2.0 TDI (115 g $CO_2$/km) [1] | 100 | 6-speed | Diesel | 5.2 | 3.9 | 4.4 | 115 |
| A4 2.0 TDI | 105 | 6-speed | Diesel | 6.4 | 4.2 | 5.0 | 131 |
| A4 2.0 TDI | 105 | multitronic, CVT | Diesel | 7.3 | 4.8 | 5.7 | 149 |
| A4 2.0 TDI quattro | 105 | 6-speed | Diesel | 6.9 | 4.7 | 5.5 | 144 |
| A4 2.0 TDI | 125 | 6-speed | Diesel | 6.2 | 4.4 | 5.1 | 134 |
| A4 2.0 TDI quattro | 125 | 6-speed | Diesel | 6.9 | 4.7 | 5.5 | 145 |
| A4 2.7 TDI | 140 | 6-speed | Diesel | 8.1 | 4.8 | 6.0 | 159 |
| A4 2.7 TDI | 140 | multitronic, CVT | Diesel | 7.9 | 5.5 | 6.4 | 167 |
| A4 3.0 TDI quattro | 176 | 6-speed | Diesel | 8.8 | 5.3 | 6.6 | 173 |
| A4 3.0 TDI quattro | 176 | S tronic, 7-speed | Diesel | 8.3 | 5.7 | 6.6 | 174 |
| A4 3.0 TDI clean diesel quattro | 176 | tiptronic, 6-speed | Diesel | 8.7 | 5.5 | 6.7 | 175 |
| S4 3.0 TFSI quattro | 245 | 6-speed | Premium | 14.0 | 7.6 | 10.0 | 234 |
| S4 3.0 TFSI quattro | 245 | S tronic, 7-speed | Premium | 13.5 | 7.0 | 9.4 | 219 |
| Audi A4 Avant | | | | | | | |
| A4 Avant 1.8 TFSI | 88 | 6-speed | Premium | 9.6 | 5.8 | 7.2 | 169 |
| A4 Avant 1.8 TFSI | 88 | multitronic, CVT | Premium | 9.6 | 6.3 | 7.5 | 174 |
| A4 Avant 1.8 TFSI | 118 | 6-speed | Premium | 9.6 | 5.8 | 7.2 | 169 |
| A4 Avant 1.8 TFSI | 118 | multitronic, CVT | Premium | 9.6 | 6.3 | 7.5 | 174 |
| A4 Avant 1.8 TFSI quattro | 118 | 6-speed | Premium | 10.3 | 6.2 | 7.7 | 179 |
| A4 Avant 2.0 TFSI | 132 | 6-speed | Premium | 8.4 | 5.6 | 6.6 | 154 |
| A4 Avant 2.0 TFSI | 132 | multitronic, CVT | Premium | 9.8 | 5.9 | 7.3 | 172 |
| A4 Avant 2.0 TFSI flexible fuel | 132 | 6-speed | Premium/E85 | 8.4/12.6 | 5.6/7.3 | 6.6/9.2 | 154 |
| A4 Avant 2.0 TFSI quattro flexible fuel | 132 | 6-speed | Premium/E85 | 9.9/14.0 | 6.1/8.6 | 7.5/10.6 | 174 |
| A4 Avant 2.0 TFSI | 155 | 6-speed | Premium | 8.4 | 5.6 | 6.6 | 154 |
| A4 Avant 2.0 TFSI | 155 | multitronic, CVT | Premium | 9.8 | 5.9 | 7.3 | 172 |
| A4 Avant 2.0 TFSI quattro | 155 | 6-speed | Premium | 9.8 | 6.1 | 7.5 | 174 |
| A4 Avant 2.0 TFSI quattro | 155 | S tronic, 7-speed | Premium | 9.6 | 6.7 | 7.8 | 179 |

| Model | Power output (kW) | Transmission | Fuel | Fuel consumption (l/100 km) | | | $CO_2$ emissions (g/km) |
|---|---|---|---|---|---|---|---|
| | | | | urban | extra urban | combined | combined |
| A4 Avant 3.2 FSI | 195 | multitronic, CVT | Premium | 11.6 | 6.5 | 8.4 | 197 |
| A4 Avant 3.2 FSI quattro | 195 | 6-speed | Premium | 13.6 | 6.9 | 9.4 | 219 |
| A4 Avant 3.2 FSI quattro | 195 | tiptronic, 6-speed | Premium | 13.2 | 7.1 | 9.4 | 219 |
| A4 Avant 2.0 TDI | 88 | 6-speed | Diesel | 6.3 | 4.5 | 5.1 | 134 |
| A4 Avant 2.0 TDI (120 g $CO_2$/km) [1)] | 100 | 6-speed | Diesel | 5.4 | 4.1 | 4.6 | 120 |
| A4 Avant 2.0 TDI | 105 | 6-speed | Diesel | 6.4 | 4.5 | 5.2 | 135 |
| A4 Avant 2.0 TDI | 105 | multitronic, CVT | Diesel | 7.5 | 5.0 | 5.9 | 155 |
| A4 Avant 2.0 TDI quattro | 105 | 6-speed | Diesel | 6.9 | 5.0 | 5.7 | 149 |
| A4 Avant 2.0 TDI | 125 | 6-speed | Diesel | 6.7 | 4.7 | 5.5 | 144 |
| A4 Avant 2.0 TDI quattro | 125 | 6-speed | Diesel | 6.9 | 5.0 | 5.7 | 149 |
| A4 Avant 2.7 TDI | 140 | 6-speed | Diesel | 8.1 | 5.2 | 6.2 | 164 |
| A4 Avant 2.7 TDI | 140 | multitronic, CVT | Diesel | 7.7 | 5.8 | 6.5 | 169 |
| A4 Avant 3.0 TDI quattro | 176 | 6-speed | Diesel | 8.8 | 5.5 | 6.8 | 176 |
| A4 Avant 3.0 TDI quattro | 176 | S tronic, 7-speed | Diesel | 8.5 | 5.8 | 6.8 | 179 |
| A4 Avant 3.0 TDI clean diesel | 176 | tiptronic, 6-speed | Diesel | 8.8 | 5.8 | 6.9 | 180 |
| S4 Avant 3.0 TFSI quattro | 245 | 6-speed | Premium | 14.2 | 7.8 | 10.2 | 239 |
| S4 Avant 3.0 TFSI quattro | 245 | S tronic, 7-speed | Premium | 13.8 | 7.3 | 9.7 | 224 |
| Audi A4 allroad quattro | | | | | | | |
| A4 allroad quattro 2.0 TFSI | 155 | 6-speed | Premium | 10.2 | 6.5 | 7.9 | 184 |
| A4 allroad quattro 2.0 TFSI | 155 | S tronic, 7-speed | Premium | 10.4 | 7.0 | 8.3 | 194 |
| A4 allroad quattro 2.0 TDI | 105 | 6-speed | Diesel | 7.5 | 5.5 | 6.2 | 164 |
| A4 allroad quattro 2.0 TDI | 125 | 6-speed | Diesel | 7.5 | 5.5 | 6.2 | 164 |
| A4 allroad quattro 3.0 TDI | 176 | 6-speed | Diesel | 9.6 | 5.8 | 7.2 | 189 |
| A4 allroad quattro 3.0 TDI | 176 | S tronic, 7-speed | Diesel | 8.7 | 6.1 | 7.1 | 189 |
| Audi A5 Sportback | | | | | | | |
| A5 Sportback 1.8 TFSI | 118 | 6-speed | Premium | 9.6 | 5.8 | 7.2 | 169 |
| A5 Sportback 1.8 TFSI | 118 | multitronic, CVT | Premium | 9.4 | 5.9 | 7.2 | 169 |
| A5 Sportback 2.0 TFSI | 132 | 6-speed | Premium | 8.4 | 5.4 | 6.5 | 152 |
| A5 Sportback 2.0 TFSI | 132 | multitronic, CVT | Premium | 9.5 | 5.8 | 7.2 | 169 |
| A5 Sportback 2.0 TFSI | 155 | 6-speed | Premium | 8.4 | 5.4 | 6.5 | 152 |
| A5 Sportback 2.0 TFSI | 155 | multitronic, CVT | Premium | 9.5 | 5.8 | 7.2 | 169 |
| A5 Sportback 2.0 TFSI quattro | 155 | 6-speed | Premium | 9.8 | 5.9 | 7.3 | 172 |
| A5 Sportback 2.0 TFSI quattro | 155 | S tronic, 7-speed | Premium | 9.4 | 6.4 | 7.5 | 175 |
| A5 Sportback 3.2 FSI quattro | 195 | S tronic, 7-speed | Premium | 13.5 | 6.8 | 9.3 | 216 |
| A5 Sportback 2.0 TDI | 105 | 6-speed | Diesel | 6.4 | 4.5 | 5.2 | 135 |
| A5 Sportback 2.0 TDI | 105 | multitronic, CVT | Diesel | 7.5 | 4.8 | 5.8 | 152 |
| A5 Sportback 2.0 TDI | 125 | 6-speed | Diesel | 6.2 | 4.4 | 5.1 | 134 |
| A5 Sportback 2.0 TDI quattro | 125 | 6-speed | Diesel | 7.0 | 4.8 | 5.6 | 147 |
| A5 Sportback 2.7 TDI | 140 | 6-speed | Diesel | 8.1 | 4.8 | 6.0 | 159 |
| A5 Sportback 2.7 TDI | 140 | multitronic, CVT | Diesel | 8.0 | 5.6 | 6.5 | 169 |
| A5 Sportback 3.0 TDI quattro | 176 | 6-speed | Diesel | 8.9 | 5.4 | 6.7 | 176 |
| A5 Sportback 3.0 TDI quattro | 176 | S tronic, 7-speed | Diesel | 8.3 | 5.7 | 6.6 | 174 |
| S5 Sportback 3.0 TFSI quattro | 245 | S tronic, 7-speed | Premium | 13.5 | 7.0 | 9.4 | 219 |
| Audi A5 Coupé | | | | | | | |
| A5 Coupé 1.8 TFSI | 118 | 6-speed | Premium | 9.5 | 5.6 | 7.1 | 164 |
| A5 Coupé 1.8 TFSI | 118 | multitronic, CVT | Premium | 9.4 | 5.9 | 7.2 | 169 |
| A5 Coupé 2.0 TFSI | 132 | 6-speed | Premium | 8.3 | 5.3 | 6.4 | 149 |
| A5 Coupé 2.0 TFSI | 132 | multitronic, CVT | Premium | 9.4 | 5.7 | 7.1 | 167 |
| A5 Coupé 2.0 TFSI | 155 | 6-speed | Premium | 8.3 | 5.3 | 6.4 | 149 |
| A5 Coupé 2.0 TFSI | 155 | multitronic, CVT | Premium | 9.4 | 5.7 | 7.1 | 167 |
| A5 Coupé 2.0 TFSI quattro | 155 | 6-speed | Premium | 9.7 | 5.8 | 7.3 | 169 |
| A5 Coupé 2.0 TFSI quattro | 155 | S tronic, 7-speed | Premium | 9.4 | 6.4 | 7.5 | 175 |
| A5 Coupé 3.2 FSI | 195 | multitronic, CVT | Premium | 11.6 | 6.2 | 8.2 | 192 |
| A5 Coupé 3.2 FSI quattro | 195 | 6-speed | Premium | 13.4 | 6.7 | 9.1 | 214 |
| A5 Coupé 3.2 FSI quattro | 195 | tiptronic, 6-speed | Premium | 13.0 | 6.9 | 9.2 | 213 |
| A5 Coupé 2.0 TDI | 125 | 6-speed | Diesel | 6.2 | 4.4 | 5.1 | 134 |
| A5 Coupé 2.0 TDI quattro | 125 | 6-speed | Diesel | 6.9 | 4.7 | 5.5 | 144 |
| A5 Coupé 2.7 TDI | 140 | 6-speed | Diesel | 8.1 | 4.8 | 6.0 | 159 |
| A5 Coupé 2.7 TDI | 140 | multitronic, CVT | Diesel | 7.9 | 5.5 | 6.4 | 167 |
| A5 Coupé 3.0 TDI quattro | 176 | 6-speed | Diesel | 8.8 | 5.3 | 6.6 | 173 |
| A5 Coupé 3.0 TDI quattro | 176 | S tronic, 7-speed | Diesel | 8.3 | 5.7 | 6.6 | 174 |
| S5 Coupé 4.2 FSI quattro | 260 | 6-speed | Super Plus | 17.3 | 9.1 | 12.1 | 283 |
| S5 Coupé 4.2 FSI quattro | 260 | tiptronic, 6-speed | Super Plus | 15.0 | 8.2 | 10.7 | 249 |
| RS 5 Coupé 4.2 FSI quattro | 331 | S tronic, 7-speed | Super Plus | 14.9 | 8.5 | 10.8 | 252 |

| Model | Power output (kW) | Transmission | Fuel | Fuel consumption (l/100 km) | | | $CO_2$ emissions (g/km) |
|---|---|---|---|---|---|---|---|
| | | | | urban | extra urban | combined | combined |
| Audi A5 Cabriolet | | | | | | | |
| A5 Cabriolet 1.8 TFSI | 118 | 6-speed | Premium | 10.0 | 5.9 | 7.4 | 172 |
| A5 Cabriolet 1.8 TFSI | 118 | multitronic, CVT | Premium | 9.5 | 6.4 | 7.5 | 174 |
| A5 Cabriolet 2.0 TFSI | 132 | multitronic, CVT | Premium | 9.9 | 6.0 | 7.4 | 174 |
| A5 Cabriolet 2.0 TFSI | 155 | 6-speed | Premium | 9.1 | 5.4 | 6.8 | 159 |
| A5 Cabriolet 2.0 TFSI | 155 | multitronic, CVT | Premium | 9.9 | 6.0 | 7.4 | 174 |
| A5 Cabriolet 2.0 TFSI quattro | 155 | S tronic, 7-speed | Premium | 9.5 | 6.6 | 7.7 | 179 |
| A5 Cabriolet 3.2 FSI | 195 | multitronic, CVT | Premium | 12.1 | 6.5 | 8.6 | 199 |
| A5 Cabriolet 3.2 FSI quattro | 195 | S tronic, 7-speed | Premium | 13.8 | 7.0 | 9.5 | 219 |
| A5 Cabriolet 2.0 TDI | 125 | 6-speed | Diesel | 6.7 | 4.7 | 5.5 | 144 |
| A5 Cabriolet 2.7 TDI | 140 | 6-speed | Diesel | 8.1 | 5.2 | 6.2 | 164 |
| A5 Cabriolet 2.7 TDI | 140 | multitronic, CVT | Diesel | 7.7 | 5.8 | 6.5 | 169 |
| A5 Cabriolet 3.0 TDI quattro | 176 | S tronic, 7-speed | Diesel | 8.5 | 5.8 | 6.8 | 179 |
| S5 Cabriolet 3.0 TFSI quattro | 245 | S tronic, 7-speed | Premium | 13.8 | 7.3 | 9.7 | 224 |
| Audi Q5 | | | | | | | |
| Q5 2.0 TFSI quattro | 132 | 6-speed | Premium | 10.3 | 6.8 | 8.1 | 188 |
| Q5 2.0 TFSI quattro | 155 | 6-speed | Premium | 10.3 | 6.8 | 8.1 | 188 |
| Q5 2.0 TFSI quattro | 155 | S tronic, 7-speed | Premium | 10.5 | 7.5 | 8.6 | 199 |
| Q5 3.2 FSI quattro | 199 | S tronic, 7-speed | Premium | 12.3 | 7.6 | 9.3 | 218 |
| Q5 2.0 TDI quattro | 105 | 6-speed | Diesel | 7.2 | 5.6 | 6.2 | 162 |
| Q5 2.0 TDI quattro | 125 | 6-speed | Diesel | 7.3 | 5.6 | 6.2 | 163 |
| Q5 2.0 TDI quattro | 125 | S tronic, 7-speed | Diesel | 8.8 | 5.9 | 7.0 | 184 |
| Q5 3.0 TDI quattro | 176 | S tronic, 7-speed | Diesel | 9.2 | 6.6 | 7.5 | 199 |
| Q5 hybrid quattro [2)] | 180 | tiptronic, 8-speed | Premium | | | 6.9 | 159 |
| Audi A6 Sedan | | | | | | | |
| A6 2.8 FSI | 150 | multitronic, CVT | Premium | 9.6 | 6.1 | 7.4 | 172 |
| A6 2.8 FSI quattro | 150 | S tronic, 7-speed | Premium | 10.7 | 6.5 | 8.0 | 187 |
| A6 3.0 TFSI quattro | 220 | S tronic, 7-speed | Premium | 10.8 | 6.6 | 8.2 | 190 |
| A6 2.0 TDI | 130 | 6-speed | Diesel | 6.0 | 4.4 | 4.9 | 129 |
| A6 3.0 TDI | 150 | multitronic, CVT | Diesel | 6.0 | 4.7 | 5.2 | 137 |
| A6 3.0 TDI quattro | 150 | S tronic, 7-speed | Diesel | 6.7 | 5.0 | 5.7 | 149 |
| A6 3.0 TDI quattro | 180 | S tronic, 7-speed | Diesel | 7.2 | 5.3 | 6.0 | 158 |
| A6 hybrid [2)] | 180 | tiptronic, 8-speed | Premium | | | 6.1 | 142 |
| Audi A6 Avant | | | | | | | |
| A6 Avant 2.0 TFSI | 125 | 6-speed | Premium | 10.2 | 5.9 | 7.5 | 174 |
| A6 Avant 2.0 TFSI | 125 | multitronic, CVT | Premium | 10.5 | 6.2 | 7.8 | 181 |
| A6 Avant 2.8 FSI | 140 | 6-speed | Premium | 12.0 | 6.2 | 8.3 | 194 |
| A6 Avant 2.8 FSI | 140 | multitronic, CVT | Premium | 12.1 | 6.5 | 8.6 | 199 |
| A6 Avant 2.8 FSI quattro | 140 | 6-speed | Premium | 12.4 | 6.5 | 8.7 | 204 |
| A6 Avant 2.8 FSI | 162 | multitronic, CVT | Premium | 12.0 | 6.5 | 8.5 | 197 |
| A6 Avant 2.8 FSI quattro | 162 | tiptronic, 6-speed | Premium | 12.8 | 7.0 | 9.1 | 214 |
| A6 Avant 3.0 TFSI quattro | 213 | tiptronic, 6-speed | Premium | 13.3 | 7.2 | 9.5 | 223 |
| A6 Avant 2.0 TDI e | 100 | 6-speed | Diesel | 7.0 | 4.3 | 5.3 | 139 |
| A6 Avant 2.0 TDI | 100 | multitronic, CVT | Diesel | 7.5 | 5.0 | 5.9 | 155 |
| A6 Avant 2.0 TDI | 125 | 6-speed | Diesel | 7.5 | 4.8 | 5.8 | 152 |
| A6 Avant 2.0 TDI | 125 | multitronic, CVT | Diesel | 7.4 | 5.0 | 5.9 | 154 |
| A6 Avant 2.7 TDI | 140 | 6-speed | Diesel | 8.3 | 5.0 | 6.2 | 164 |
| A6 Avant 2.7 TDI | 140 | multitronic, CVT | Diesel | 8.1 | 5.6 | 6.5 | 172 |
| A6 Avant 2.7 TDI quattro | 140 | tiptronic, 6-speed | Diesel | 9.4 | 5.8 | 7.1 | 189 |
| A6 Avant 3.0 TDI quattro | 176 | 6-speed | Diesel | 8.9 | 5.4 | 6.7 | 179 |
| A6 Avant 3.0 TDI quattro | 176 | tiptronic, 6-speed | Diesel | 9.3 | 5.8 | 7.1 | 189 |
| Audi A6 allroad quattro | | | | | | | |
| A6 allroad quattro 3.0 TFSI | 213 | tiptronic, 6-speed | Premium | 13.3 | 7.6 | 9.7 | 225 |
| A6 allroad quattro 2.7 TDI | 140 | tiptronic, 6-speed | Diesel | 9.9 | 6.2 | 7.5 | 199 |
| A6 allroad quattro 3.0 TDI | 176 | 6-speed | Diesel | 9.4 | 5.9 | 7.2 | 189 |
| A6 allroad quattro 3.0 TDI | 176 | tiptronic, 6-speed | Diesel | 9.7 | 6.2 | 7.5 | 199 |
| Audi A7 Sportback | | | | | | | |
| A7 Sportback 2.8 FSI | 150 | multitronic, CVT | Premium | 9.6 | 6.1 | 7.4 | 172 |
| A7 Sportback 2.8 FSI quattro | 150 | S tronic, 7-speed | Premium | 10.7 | 6.5 | 8.0 | 187 |
| A7 Sportback 3.0 TFSI quattro | 220 | S tronic, 7-speed | Premium | 10.8 | 6.6 | 8.2 | 190 |
| A7 Sportback 3.0 TDI | 150 | multitronic, CVT | Diesel | 6.1 | 4.8 | 5.3 | 139 |
| A7 Sportback 3.0 TDI quattro | 180 | S tronic, 7-speed | Diesel | 7.2 | 5.3 | 6.0 | 158 |

| Model | Power output (kW) | Transmission | Fuel | Fuel consumption (l/100 km) | | | $CO_2$ emissions (g/km) |
|---|---|---|---|---|---|---|---|
| | | | | urban | extra urban | combined | combined |
| Audi Q7 | | | | | | | |
| Q7 3.0 TFSI quattro | 200 | tiptronic, 8-speed | Premium | 14.4 | 8.5 | 10.7 | 249 |
| Q7 3.0 TFSI quattro | 245 | tiptronic, 8-speed | Premium | 14.4 | 8.5 | 10.7 | 249 |
| Q7 3.0 TDI quattro | 150 | tiptronic, 8-speed | Diesel | 8.2 | 6.5 | 7.2 | 189 |
| Q7 3.0 TDI quattro | 176 | tiptronic, 8-speed | Diesel | 8.6 | 6.7 | 7.4 | 195 |
| Q7 3.0 TDI clean diesel quattro | 176 | tiptronic, 8-speed | Diesel | 10.9 | 6.9 | 8.4 | 219 |
| Q7 4.2 TDI quattro | 250 | tiptronic, 8-speed | Diesel | 12.0 | 7.6 | 9.2 | 242 |
| Q7 V12 TDI quattro | 368 | tiptronic, 6-speed | Diesel | 14.8 | 9.3 | 11.3 | 298 |
| Audi A8 | | | | | | | |
| A8 3.0 TFSI quattro | 213 | tiptronic, 8-speed | Premium | 12.9 | 6.9 | 9.1 | 213 |
| A8 4.2 FSI quattro | 273 | tiptronic, 8-speed | Premium | 13.3 | 7.2 | 9.5 | 219 |
| A8 3.0 TDI [2)] | 150 | tiptronic, 8-speed | Diesel | | | 6.0 | 158 |
| A8 3.0 TDI quattro | 184 | tiptronic, 8-speed | Diesel | 8.0 | 5.8 | 6.6 | 174 |
| A8 4.2 TDI quattro | 258 | tiptronic, 8-speed | Diesel | 10.2 | 6.1 | 7.6 | 199 |
| A8 hybrid [2)] | 180 | tiptronic, 8-speed | Premium | | | 6.2 | 144 |
| Audi A8 L | | | | | | | |
| A8 L 3.0 TFSI quattro | 213 | tiptronic, 8-speed | Premium | 13.1 | 7.1 | 9.3 | 217 |
| A8 L 4.2 FSI quattro | 273 | tiptronic, 8-speed | Premium | 13.6 | 7.4 | 9.7 | 224 |
| A8 L 3.0 TDI quattro | 184 | tiptronic, 8-speed | Diesel | 8.0 | 5.8 | 6.6 | 176 |
| A8 L 4.2 TDI quattro | 258 | tiptronic, 8-speed | Diesel | 10.3 | 6.2 | 7.8 | 204 |
| A8 L W12 quattro | 368 | tiptronic, 8-speed | Premium | 18.2 | 9.0 | 12.4 | 290 |
| Audi R8 Coupé | | | | | | | |
| R8 4.2 FSI quattro | 316 | 6-speed | Super Plus | 21.3 | 10.0 | 14.2 | 332 |
| R8 4.2 FSI quattro | 316 | R tronic, 6-speed | Super Plus | 20.1 | 9.4 | 13.3 | 310 |
| R8 5.2 FSI quattro | 386 | 6-speed | Super Plus | 22.2 | 10.6 | 14.9 | 346 |
| R8 5.2 FSI quattro | 386 | R tronic, 6-speed | Super Plus | 21.1 | 9.9 | 13.9 | 326 |
| R8 GT 5.2 FSI quattro | 412 | R tronic, 6-speed | Super Plus | 21.0 | 9.9 | 13.9 | 323 |
| Audi R8 Spyder | | | | | | | |
| R8 Spyder 4.2 FSI quattro | 316 | 6-speed | Super Plus | 21.3 | 10.3 | 14.4 | 337 |
| R8 Spyder 4.2 FSI quattro | 316 | R tronic, 6-speed | Super Plus | 20.1 | 9.6 | 13.5 | 315 |
| R8 Spyder 5.2 FSI quattro | 386 | 6-speed | Super Plus | 22.2 | 10.7 | 14.9 | 349 |
| R8 Spyder 5.2 FSI quattro | 386 | R tronic, 6-speed | Super Plus | 21.5 | 10.2 | 14.2 | 332 |
| Lamborghini Gallardo | | | | | | | |
| Gallardo LP 550-2 | 405 | 6-speed | Super Plus | 22.0 | 9.9 | 14.4 | 341 |
| Gallardo LP 550-2 | 405 | e-gear, 6-speed | Super Plus | 20.1 | 9.2 | 13.3 | 315 |
| Gallardo LP 560-4 | 412 | 6-speed | Super Plus | 22.6 | 10.2 | 14.7 | 351 |
| Gallardo LP 560-4 | 412 | e-gear, 6-speed | Super Plus | 20.7 | 9.6 | 13.7 | 325 |
| Gallardo LP 570-4 Superleggera | 419 | 6-speed | Super Plus | 22.2 | 10.0 | 14.4 | 344 |
| Gallardo LP 570-4 Superleggera | 419 | e-gear, 6-speed | Super Plus | 20.4 | 9.4 | 13.5 | 319 |
| Lamborghini Gallardo Spyder | | | | | | | |
| Gallardo LP 560-4 Spyder | 412 | 6-speed | Super Plus | 22.7 | 10.3 | 14.8 | 354 |
| Gallardo LP 560-4 Spyder | 412 | e-gear, 6-speed | Super Plus | 20.8 | 9.7 | 13.8 | 330 |
| Gallardo LP 570-4 Spyder Performante | 419 | 6-speed | Super Plus | 22.4 | 10.1 | 14.6 | 350 |
| Gallardo LP 570-4 Spyder Performante | 419 | e-gear, 6-speed | Super Plus | 20.5 | 9.6 | 13.6 | 327 |
| Lamborghini Aventador | | | | | | | |
| Aventador LP 700-4 | 515 | ISR, 7-speed | Super Plus | 27.3 | 11.3 | 17.2 | 398 |

1) Contains restrictions with regard to optional extras.

2) This model is not yet on sale. It does not yet have type approval and therefore does not comply with Directive 1999/94/EC; the stated fuel consumption and emission figures are provisional values.

Further information on official fuel consumption figures and the official specific $CO_2$ emissions of new passenger cars can be found in the guide “Information on the fuel consumption and $CO_2$ emissions of new cars,” which is available free of charge at all sales dealerships and from DAT Deutsche Automobil Treuhand GmbH, Helmuth-Hirth-Str. 1, 73760 Ostfildern-Scharnhausen, Germany.

# News


Find out more about the year 2010 at:
www.audi.com/ar2010/news

## 01-03

### January 23
## World class on the slopes

Audi presents the 2011 FIS Alpine World Ski Championships in Garmisch-Partenkirchen (Germany), and the 2013 event in Schladming (Austria). With these events the brand with the four rings is continuing to develop its involvement in international winter sports. Audi has supported three previous Alpine World Ski Championships.

### January 27
## Driving and presentation grounds planned in Neuburg

Audi is planning new driving and presentation grounds as well as a new development center in Neuburg an der Donau. Journalists will be able to inspect future Audi models on the premises, and customers can drive their new cars for the first time. A center for developing new, innovative driver assistance and passenger protection systems is also planned for the site.



### March 3
## One-of-a-kind driving experience

The Audi driving experience has expanded its portfolio. Since March 2010 Audi customers have been able to book exclusive races with the Audi R8 LMS at a partner. Audi was able to rely on the support of Joest Racing for this “race experience.” The Audi racing team Joest recorded a one-two-three victory at Le Mans in 2010.

### March 3
## 30 years of quattro

The quattro permanent all-wheel drive system celebrated its third decade in 2010. The first Audi quattro stood in the glare of the spotlights at the Geneva Motor Show on March 1, 1980. It was the start of a triumphant reign in motorsports and on the road. To date the quattro drive system has been delivered in more than 3.7 million Audi cars – currently, every third Audi coming off the assembly line is a quattro.


### March 9
## Special bonus for staff

Despite the financial crisis, AUDI AG again in 2010 paid out a profit-sharing payment as well as a special bonus of 1,200 euros to the 43,000 employees in Ingolstadt and Neckarsulm. This bonus honored the employees for their exceptional performance during the year of crisis in 2009.

### March 31
## Audi makes the most beautiful cars

In March 2010, readers of the car magazine AUTO ZEITUNG crowned Audi the “most beautiful brand” (8/2010 issue, p. 82). They could choose from the 50 best-selling car brands in Germany. The R8 Spyder* also contributed to the success of the Audi family during the premiere of the Design Trophy in 2010. It was named the “most beautiful convertible.”

COPY | CHRISTINE MAUKEL

PHOTOS | AUDI AG (6); PICTURE-ALLIANCE/DPA/SOEREN STACHE


# 04-06

**April 28**

## Audi has its own MedCup team

For the first time since Audi became involved in the MedCup, in 2010 the carmaker sent its own boat to the regatta. The “Audi A1 Team powered by ALL4ONE,” piloted by the renowned sailor Jochen Schümann, achieved several podium positions and took home seventh place following the final in the supreme TP52 class. In addition to lending its name to the race, the Audi brand also shapes the visual design of the series, handles hospitality services and supplies the shuttle vehicle fleet for each event with the latest models.

**May 3**

## Audi participates in the National Platform for Electromobility

In Berlin, German Chancellor Angela Merkel kicked off the National Platform for Electromobility. This is an initiative in which AUDI AG plays an active part, with Audi Board Member Michael Dick chairing the Standardization and Certification task force. The aim of the initiative is to develop Germany into a leading market for electric mobility.

**May 21**

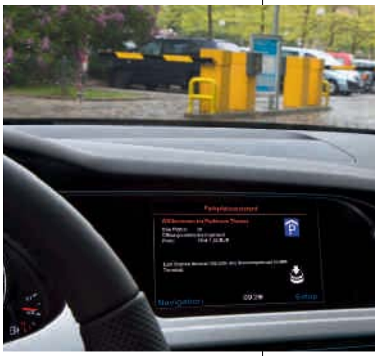
## Audi is Germany’s most popular employer

Students graduating from engineering and business administration programs selected AUDI AG as Germany’s most attractive employer in the renowned employer rankings compiled by the consulting institutes trendence (trendence Graduate Barometer 2010 – Business and Engineering Edition, May 21, 2010) and Universum (Universum Student Survey 2010 – Germany, May 3, 2010).

**June 2**

## “travolution” improves efficiency

In mid-2010 Audi presented the latest developments in the travolution project to journalists and traffic planners. Test drives demonstrated the current ability of cars to communicate directly with traffic light systems via WLAN and UMTS. With travolution, stop periods, acceleration phases and fuel consumption can be reduced.



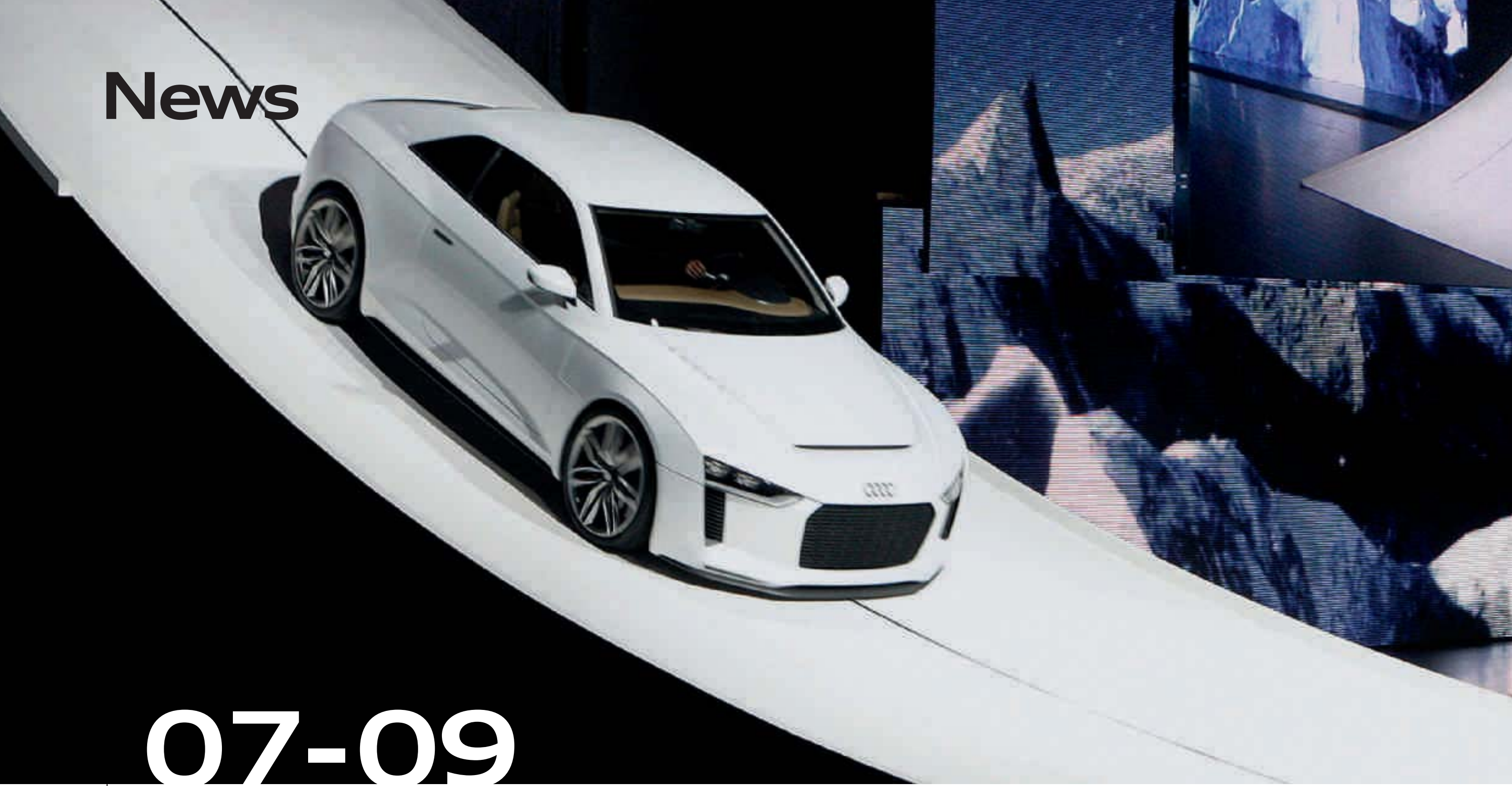
**June 8**

## A1 experience at the airport

Starting in June, Audi transformed the open area between Terminals 1 and 2 at Munich Airport into an Audi A1 experience. For five months, airport visitors were able to gather information and advice regarding the A1, or create and experience their dream A1 on a 3D configurator. A1 City was also the site for training 10,000 Audi sales representatives from all over the world.

* Fuel consumption and emission figures at the end of the Annual Report

# News



# 07-09

July 21

## A revamped quattro

To mark the 30-year anniversary of quattro at the Paris Motor Show, Audi presented the Audi quattro concept – a show car with a 300 kW (408 hp) turbocharged five-cylinder engine, a lightweight body and the latest generation of permanent all-wheel drive.


July 24

## Audi Sportpark opens

The Audi Sportpark in Ingolstadt was opened with a blitz soccer tournament and an extensive program of events. This new venue offers room for around 15,000 spectators and is the new home stadium for FC Ingolstadt.

August 12

## Green-powered railway transport

Audi is the first company in Germany to use trains powered by green electricity to transport cars to the loading port in Emden. Deutsche Bahn purchases the renewable energy additionally, and AUDI AG pays for any costs exceeding the price of conventional electricity. By using green electricity, Audi avoids emission of about 5,250 tons of $CO_2$ per year – more than 35 kilograms per transported car.


September 7

## Chinese Audi customers highly satisfied

The range of services offered by Audi won over more Chinese customers in 2010 than those of any other premium car manufacturer. This was found in a study conducted by the J.D. Power market research institute. For the 2010 Sales Satisfaction Index, the institute surveyed Chinese new car buyers about their satisfaction with the contract negotiations, the sales process and competence of the sales staff.


September 29

## Audi forms cultural partnership with Bavarian State Painting Collections

In September 2010, AUDI AG concluded a partnership with the Bayerische Staatsgemäldesammlungen (Bavarian State Painting Collections), thus adding an internationally prominent partner to its involvement in the arts. The Collections' holdings include some of the world's most famous museums, such as the Pinakothek galleries in Munich's Kunstareal art district, the Brandhorst Museum and the Schack Gallery.

PHOTOS | DB AG/AUDI AG; AUDI AG (5); PICTURE-ALLIANCE/EVENTPRESS/TILLMANN COPY | CHRISTINE MAUKEL

# 2010


## 10-12

**October 20**

### One millionth Audi in China

In the past fiscal year Audi celebrated selling its millionth car in China. A ceremony marking the occasion was held in Changchun and was attended by representatives of AUDI AG and of its partner First Automobile Works (FAW), along with more than 7,000 guests.


**October 29**

### Audi A7 Sportback now at dealerships

The Audi A7 Sportback* celebrated its market launch in Europe in late October. The five-door car sets a new standard by combining the emotional character of a coupe with the prestige of a sedan and the functionality of an Avant. Also premiering was the Audi head-up display, which projects important information including navigation data on the windshield.

**November 3**

### Two Golden Steering Wheel awards

Audi scored a double victory in the prestigious 2010 Golden Steering Wheel award: The A1 topped the small car category, and the A8 won the luxury car category (AUTO BILD, 44/2010 issue, p. 51). The Audi A7 Sportback took second place in the mid-size/full-size class to round out this excellent showing. With 20 Golden Steering Wheel awards, Audi is the most successful brand in the 35-year history of the competition, which is presented by BILD am SONNTAG and AUTO BILD magazine.

**December 1**

### World premiere of the Audi A6

The new A6 was presented to the public for the first time in late 2010. In spring 2011 it will arrive at dealerships, bringing with it trend-setting solutions in every field of technology. Thanks to an intelligent combination of materials the car's body is unusually light, the controls are simple despite offering a wealth of functions, and a wide array of assistance and multimedia systems are included. In addition to conventional drive concepts, a hybrid version of the new business sedan* is also planned.

**December 27**

### Largest investment program in company history

Audi wants to grow further. The Company provided proof of this intention by announcing the largest investment program in its history: Between 2011 and 2015, more than 11 billion euros will be invested primarily in new products and technologies and also on extending the production sites. Furthermore, Audi is planning to hire some 1,200 new specialists in 2011.

* Fuel consumption and emission figures at the end of the Annual Report

# 10-Year Overview

| IFRS | | 2001 | 2002 | 2003 [1] |
|---|---|---|---|---|
| Production | Cars | 727,033 | 735,913 | 761,582 |
| | Engines | 1,225,448 | 1,284,488 | 1,342,883 |
| Deliveries to customers | | | | |
| Audi Group | Cars | 991,444 | 995,531 | 1,003,791 |
| Audi brand | Cars | 726,134 | 742,128 | 769,893 |
| Germany | Cars | 254,866 | 243,650 | 237,786 |
| Outside Germany | Cars | 471,268 | 498,478 | 532,107 |
| Outside Germany | Percent | 64.9 | 67.2 | 69.1 |
| Market share, Germany | Percent | 7.5 | 7.4 | 7.4 |
| Lamborghini brand | Cars | 297 | 424 | 1,305 |
| Other Volkswagen Group brands | Cars | 265,013 | 252,979 | 232,593 |
| Workforce | Average | 51,141 | 51,198 | 52,689 |
| From the Income Statement | | | | |
| Revenue | EUR million | 22,032 | 22,603 | 23,406 |
| Cost of materials | EUR million | 15,860 | 16,726 | 17,163 |
| Personnel costs | EUR million | 2,660 | 2,739 | 2,938 |
| Personnel costs per employee | EUR | 52,018 | 53,496 | 55,763 |
| Depreciation and amortization | EUR million | 1,412 | 1,614 | 1,833 |
| Operating profit | EUR million | 1,385 | 1,301 | 1,051 |
| Profit before tax | EUR million | 1,286 | 1,219 | 1,101 |
| Profit after tax | EUR million | 747 | 752 | 811 |
| From the Balance Sheet (Dec. 31) | | | | |
| Non-current assets | EUR million | 7,685 | 8,308 | 8,588 |
| Current assets | EUR million | 3,437 | 4,342 | 5,475 |
| Equity | EUR million | 4,222 | 4,761 | 5,487 |
| Liabilities | EUR million | 6,900 | 7,889 | 8,576 |
| Balance sheet total | EUR million | 11,122 | 12,650 | 14,063 |
| From the Cash Flow Statement | | | | |
| Cash flow from operating activities | EUR million | 2,393 | 2,440 | 2,786 |
| Investing activities [2] | EUR million | 2,028 | 2,305 | 2,015 |
| Net liquidity (Dec. 31) | EUR million | 1,093 | 877 | 1,530 |
| Financial ratios | | | | |
| Operating return on sales | Percent | 6.3 | 5.8 | 4.5 |
| Return on sales before tax | Percent | 5.8 | 5.4 | 4.7 |
| Equity ratio (Dec. 31) | Percent | 38.0 | 37.6 | 39.0 |
| Audi share | | | | |
| Share price (year-end price) [3] | EUR | 160.00 | 191.00 | 225.00 |
| Compensatory payment | EUR | 1.30 | 1.30 | 1.05 |

1) Financial data adjusted to take account of amendments to IAS 19 and IAS 38
2) Not including securities, fixed deposits and loans
3) Year-end price on Munich Stock Exchange
4) In accordance with the resolution to be passed by the Annual General Meeting of Volkswagen AG, Wolfsburg, on May 3, 2011

| 2004 1) | 2005 1) | 2006 | 2007 | 2008 | 2009 | **2010** |
|---|---|---|---|---|---|---|
| | | | | | | |
| 784,972 | 811,522 | 926,180 | 980,880 | 1,029,041 | 932,260 | **1,150,018** |
| 1,485,536 | 1,695,045 | 1,895,695 | 1,915,633 | 1,901,760 | 1,384,240 | **1,648,193** |
| | | | | | | |
| | | | | | | |
| 971,832 | 1,045,114 | 1,135,554 | 1,200,701 | 1,223,506 | 1,145,360 | **1,293,453** |
| 779,441 | 829,109 | 905,188 | 964,151 | 1,003,469 | 949,729 | **1,092,411** |
| 235,092 | 247,125 | 257,792 | 254,014 | 258,111 | 228,844 | **229,157** |
| 544,349 | 581,984 | 647,396 | 710,137 | 745,358 | 720,885 | **863,254** |
| 69.8 | 70.2 | 71.5 | 73.7 | 74.3 | 75.9 | **79.0** |
| 7.2 | 7.4 | 7.6 | 7.9 | 8.1 | 6.2 | **7.8** |
| 1,592 | 1,600 | 2,087 | 2,406 | 2,430 | 1,515 | **1,302** |
| 190,799 | 214,405 | 228,279 | 234,144 | 217,607 | 194,116 | **199,740** |
| | | | | | | |
| 53,144 | 52,412 | 52,297 | 53,347 | 57,822 | 58,011 | **59,513** |
| | | | | | | |
| | | | | | | |
| 24,506 | 26,591 | 31,142 | 33,617 | 34,196 | 29,840 | **35,441** |
| 17,676 | 19,139 | 21,627 | 23,092 | 23,430 | 18,512 | **21,802** |
| 3,072 | 3,136 | 3,440 | 3,406 | 3,709 | 3,519 | **4,274** |
| 57,798 | 59,834 | 65,771 | 63,846 | 64,467 | 60,656 | **71,818** |
| 1,852 | 1,930 | 2,515 | 2,287 | 1,908 | 1,775 | **2,170** |
| 1,238 | 1,407 | 2,015 | 2,705 | 2,772 | 1,604 | **3,340** |
| 1,143 | 1,310 | 1,946 | 2,915 | 3,177 | 1,928 | **3,634** |
| 871 | 824 | 1,343 | 1,692 | 2,207 | 1,347 | **2,630** |
| | | | | | | |
| | | | | | | |
| 8,970 | 8,597 | 8,285 | 8,325 | 9,537 | 9,637 | **10,584** |
| 5,934 | 7,515 | 10,625 | 14,253 | 16,519 | 16,913 | **20,188** |
| 5,828 | 6,104 | 7,265 | 8,355 | 10,328 | 10,632 | **11,310** |
| 9,076 | 10,008 | 11,645 | 14,223 | 15,728 | 15,918 | **19,462** |
| 14,904 | 16,112 | 18,910 | 22,578 | 26,056 | 26,550 | **30,772** |
| | | | | | | |
| | | | | | | |
| 2,690 | 3,252 | 4,428 | 4,876 | 4,338 | 4,119 | **5,797** |
| 2,041 | 1,670 | 1,890 | 2,084 | 2,412 | 1,798 | **2,260** |
| 2,033 | 3,391 | 5,720 | 7,860 | 9,292 | 10,665 | **13,383** |
| | | | | | | |
| | | | | | | |
| 5.1 | 5.3 | 6.5 | 8.0 | 8.1 | 5.4 | **9.4** |
| 4.7 | 4.9 | 6.2 | 8.7 | 9.3 | 6.5 | **10.3** |
| 39.1 | 37.9 | 38.4 | 37.0 | 39.6 | 40.0 | **36.8** |
| | | | | | | |
| | | | | | | |
| 220.15 | 308.00 | 540.00 | 625.00 | 466.49 | 500.00 | **650.00** |
| 1.05 | 1.15 | 1.25 | 1.80 | 1.93 | 1.60 | **X 4)** |