Scott Keogh »

President, Audi of America

Roadshow with Citi

NOVEMBER 7, 2016

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U.S. Market »

Development

01

Audi »

Development

02

The Future »

Investments

03

U.S. Market »
Development

01

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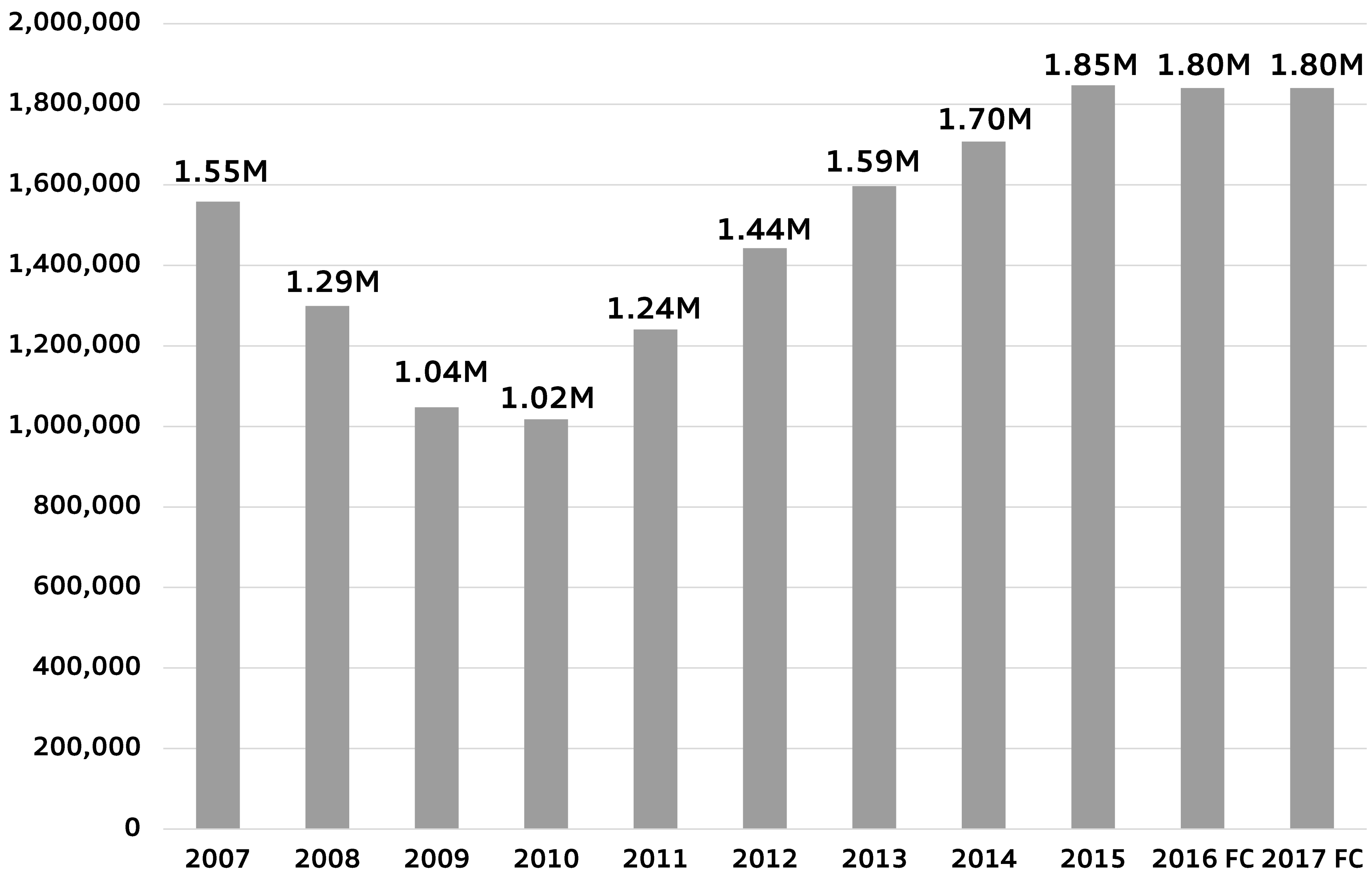


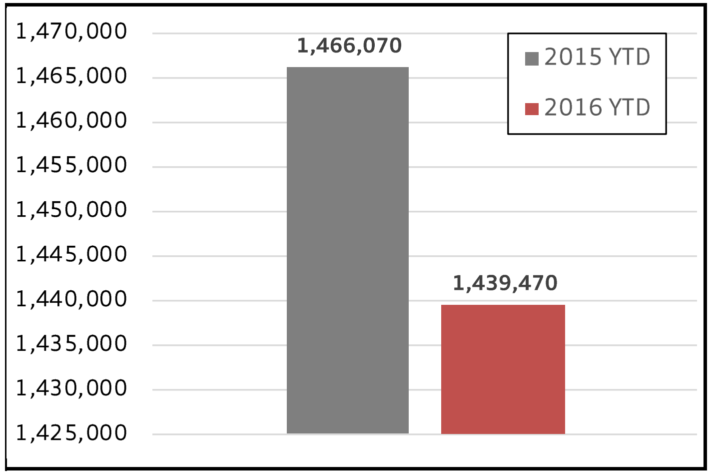
U.S. Market Development »

Volume growth has plateaued, while SUV mix increases.

U.S. Market Development »

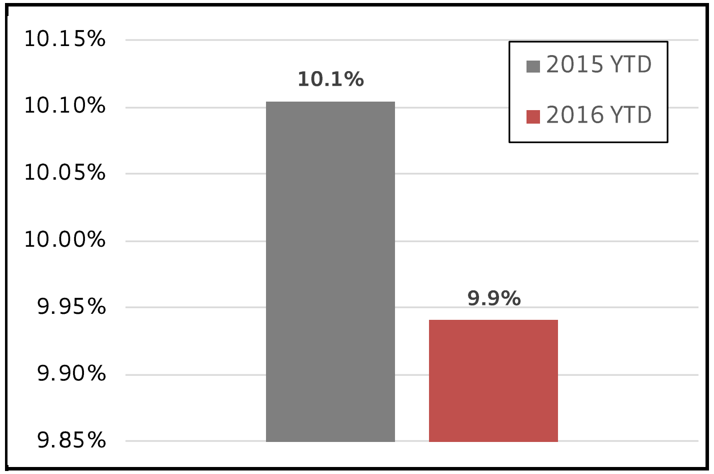
October YTD

PREMIUM MARKET VOLUME



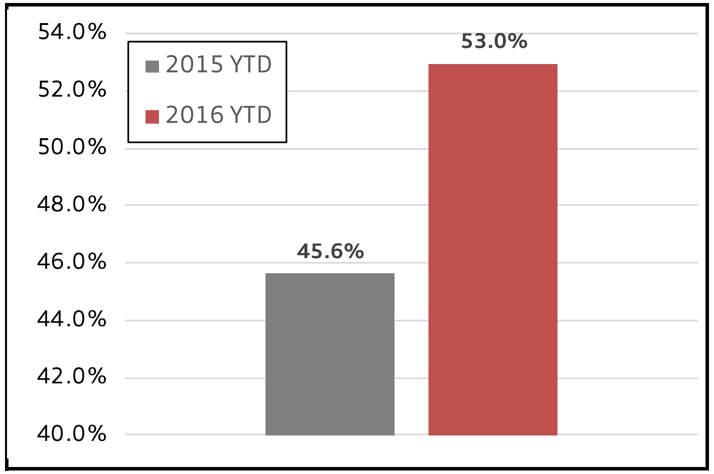
Oct YTD: -1.8%

PREMIUM SHARE OF TOTAL MARKET



Oct YTD: -0.2 ppts

SUV SHARE OF PREMIUM MARKET



Oct YTD: 7.3 ppts

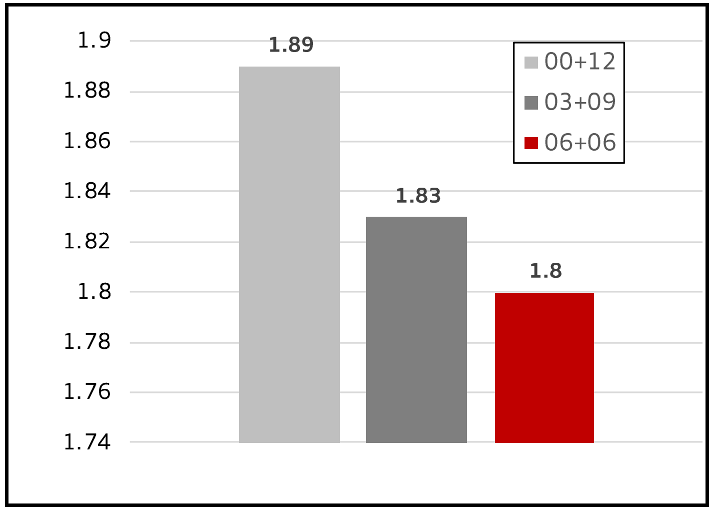
PREMIUM SEDAN SEGMENT YoY PERFORMANCE

	October YTD YoY	YTD Premium Share
A0	NA	NA
A	-16.7%	3.9%
B	-15.7%	21.6%
C	-15.1%	7.7%
D	-10.0%	2.8%
Total Sedan:	-15.3%	35.9%

PREMIUM SUV SEGMENT YoY PERFORMANCE

	October YTD YoY	YTD Premium Share
A0	-24.3%	0.8%
A	24.1%	4.0%
B	21.5%	24.9%
C	7.1%	19.3%
D	6.9%	4.0%
Total SUV:	13.9%	53.0%

2016 PREMIUM MARKET FORECAST HISTORY



06+06 Forecast: Total reduction of 90k

U.S. Market »
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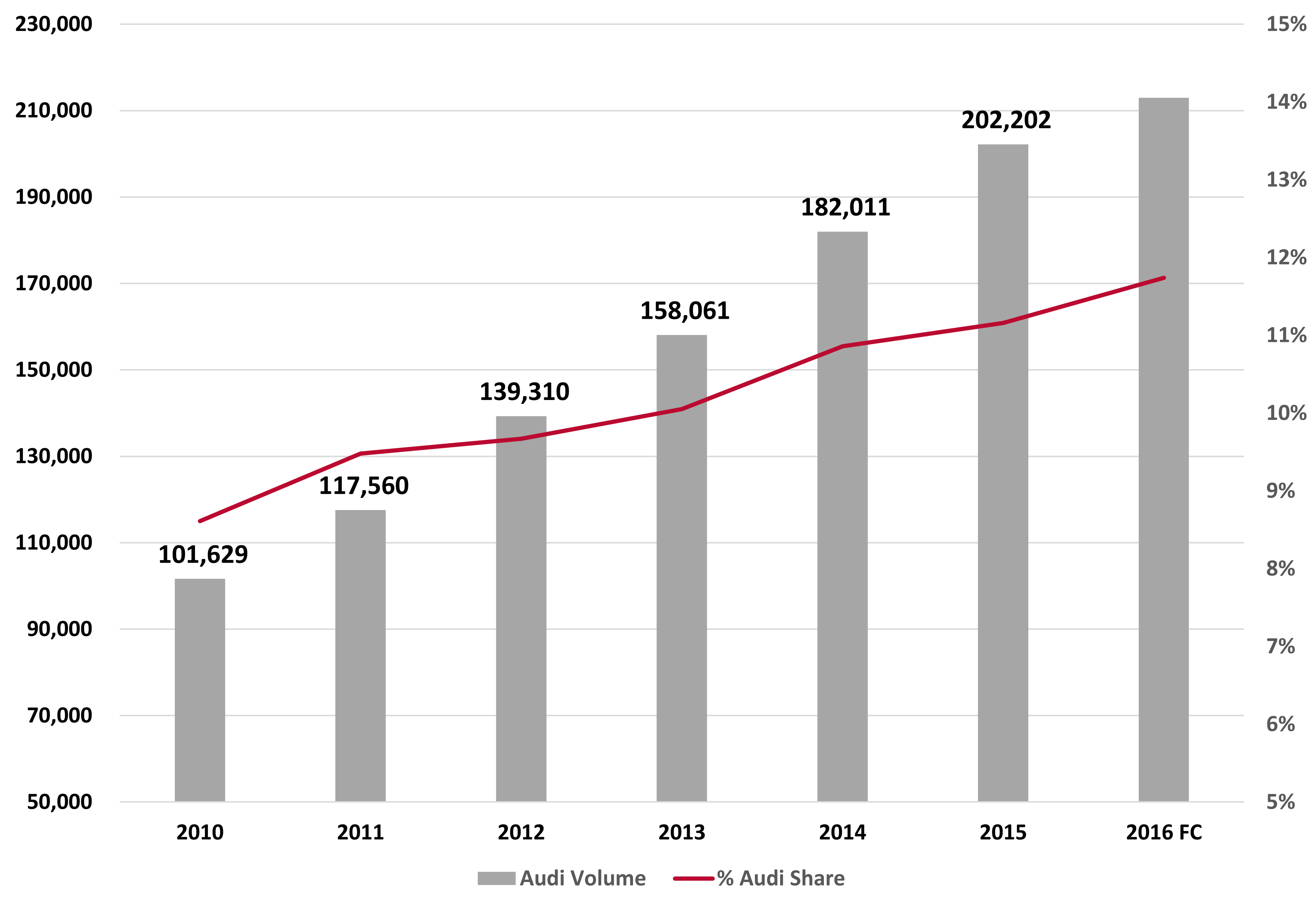
Audi Development »

Volume has doubled since 2010 as Audi outpaces the Luxury market.



Current Market » Closing the Gaps

Units closer YoY

Competitor 1: **30,582**

Competitor 2: **17,682**

Competitor 3: **5,776**

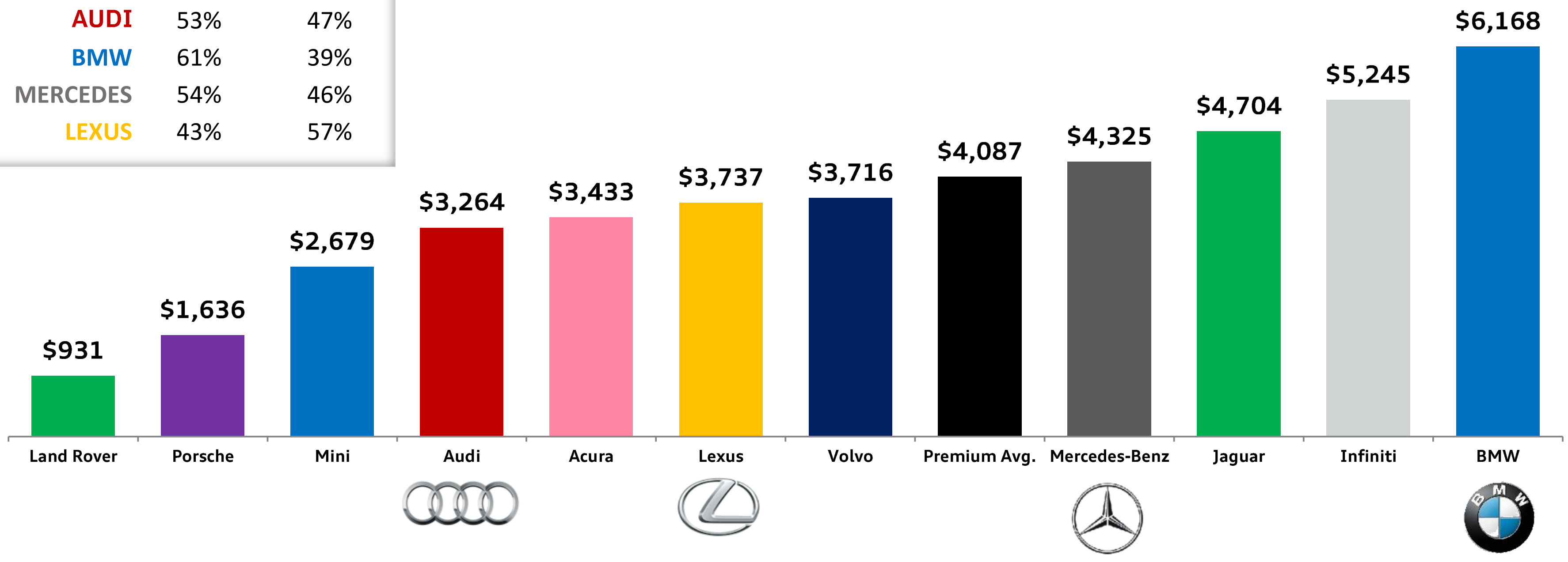
	October 2016	OCTOBER SALES	October 2016 YTD	2016 YTD SALES
Jaguar	167.5%	3,219	81.4%	23,568
Volvo	-14.6%	6,340	20.6%	64,874
Lincoln	6.9%	9,069	8.6%	89,504
Land Rover	-23.2%	5,532	7.8%	59,923
Porsche	10.7%	4,506	3.2%	44,752
Audi	0.1%	17,721	2.9%	169,900
Infiniti	0.6%	11,208	1.2%	107,983
Mercedes-Benz	-1.0%	28,659	-0.4%	277,863
Premium Marques	-7.0%	142,828	-1.8%	1,439,470
Lexus	-6.2%	24,803	-4.7%	260,996
Cadillac	-9.4%	13,948	-5.6%	133,234
BMW	-18.4%	24,017	-9.0%	254,150
Acura	-20.0%	12,869	-10.5%	132,596
Mini	-3.3%	3,954	-12.6%	42,865

Audi Share	Oct 2016: 12.4%	Oct 2015: 11.5%	2016 YTD: 11.8%	2015 YTD: 11.3%

Cadillac and Lincoln and for reference only and are excluded from the Premium total

Current Market »
Rising Incentives

	CAR	SUV
AUDI	53%	47%
BMW	61%	39%
MERCEDES	54%	46%
LEXUS	43%	57%



SOURCE – $$ / UNIT: Autodata October YTD

Portfolio Age

	2012	2013	2014	2015	2016	2017	2018
NEWEST	Competitor 1	Competitor 1	Competitor 1	Competitor 3	Competitor 2		
	Competitor 3	Competitor 3	Competitor 2	Competitor 1	Competitor 3	Competitor 3	Competitor 2
	Competitor 2	Competitor 2	Competitor 3	Competitor 2		Competitor 1	Competitor 3
OLDEST					Competitor 1	Competitor 2	Competitor 1
AVG. AGE	3.4 YRS	4.3 YRS	4.5 YRS	4.6 YRS	3.0 YRS	1.8 YRS	1.6 YRS

Keys to Sustainment

Brand
01

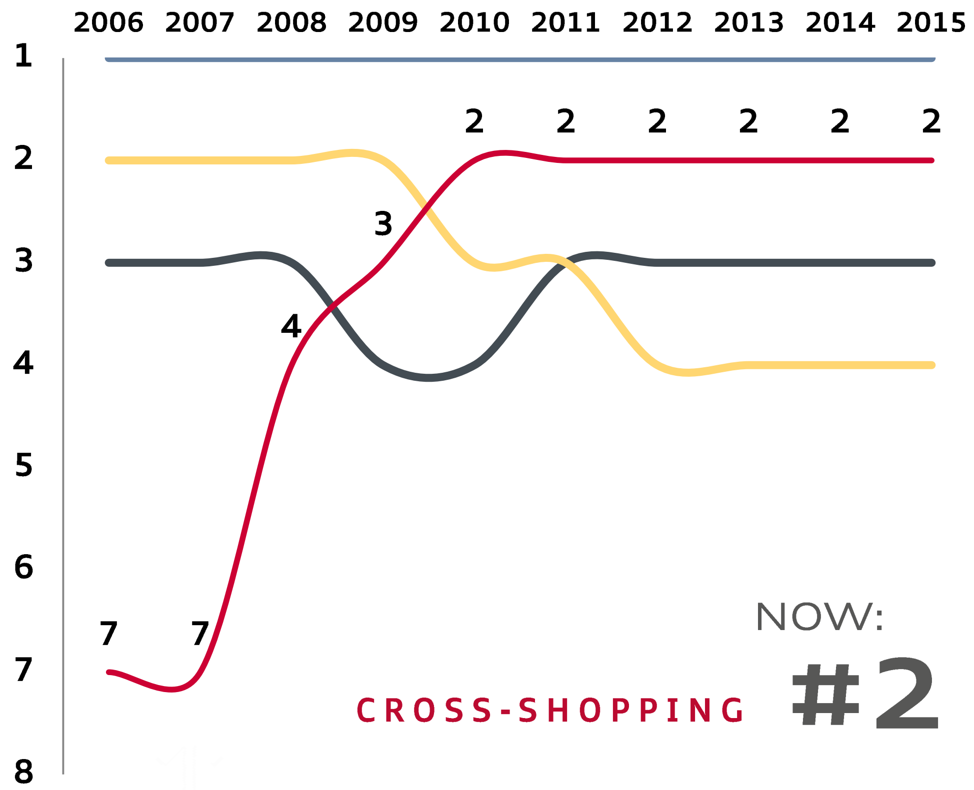
Fixed Operations
02

Products
03

Network
04

Brand

01



CROSS-SHOPPING

NOW:

#2

CONQUESTING

Conquest is Strong

+16,473

European Competitors

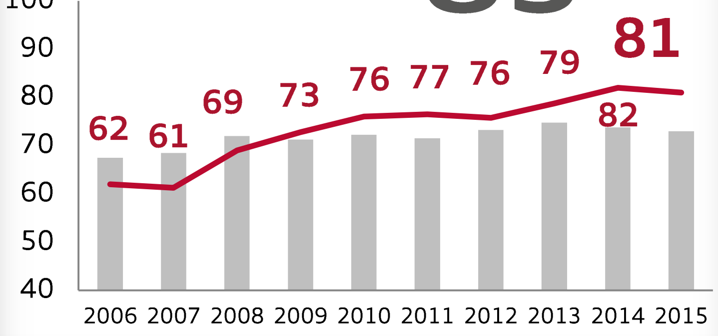
& Mass Market

Aug YTD

AWARENESS

Goal:

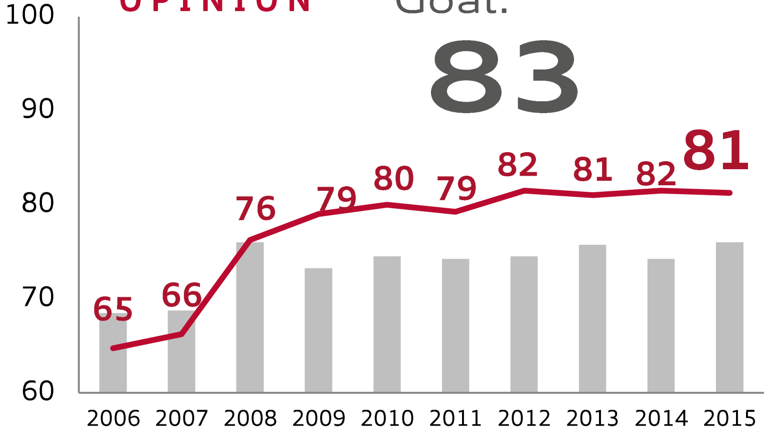
83



OPINION

Goal:

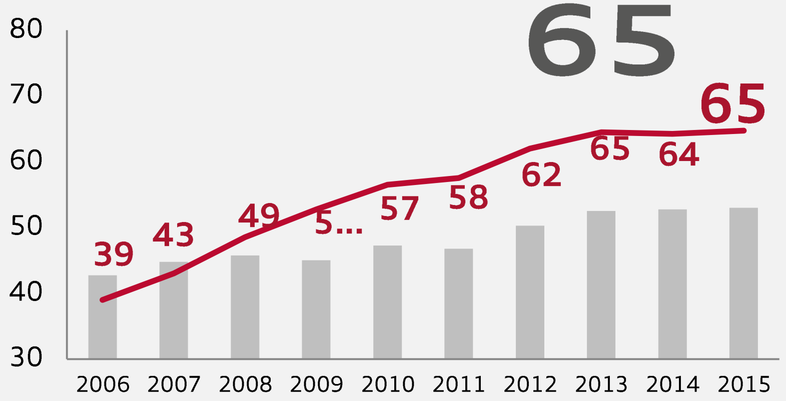
83



CONSIDERATION

Goal:

65



Fixed Operations

02

#1

Customer Service Index

+73.68%

Service Market Share (Sept YTD)

BEST IN INDUSTRY

+Repair Order increase 47%
562k to 842K
2010 - 2015

+Units in Operation increase 50%
1.35M to 1.99M
2010 - 2015

Products

03

#1 Consumer Reports Best European Brand

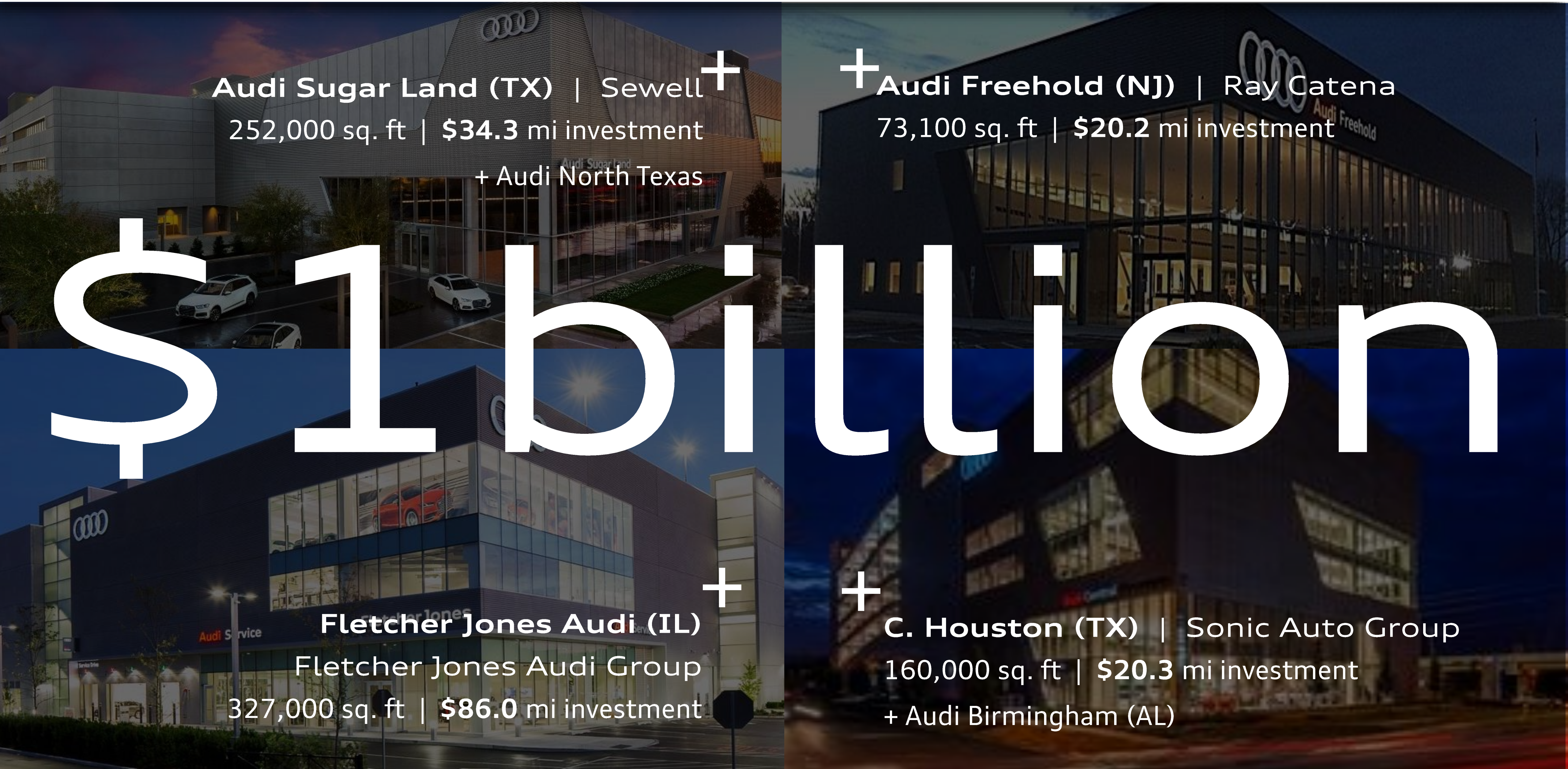
Transaction Price

$41,400 → $49,400

2008 2016

+$8,000

04 Network



$1 billion

Audi Sugar Land (TX) | Sewell +
252,000 sq. ft | **$34.3** mi investment
+ Audi North Texas

+ **Audi Freehold (NJ)** | Ray Catena
73,100 sq. ft | **$20.2** mi investment

+ **Fletcher Jones Audi (IL)**
Fletcher Jones Audi Group
327,000 sq. ft | **$86.0** mi investment

+ **C. Houston (TX)** | Sonic Auto Group
160,000 sq. ft | **$20.3** mi investment
+ Audi Birmingham (AL)

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Audi Development » Product Strategy

[R8 Spyder] [A5 Family]

2017

[Q5] [S4] [RS3]

2018

[A6] [A7] [A8]

2016

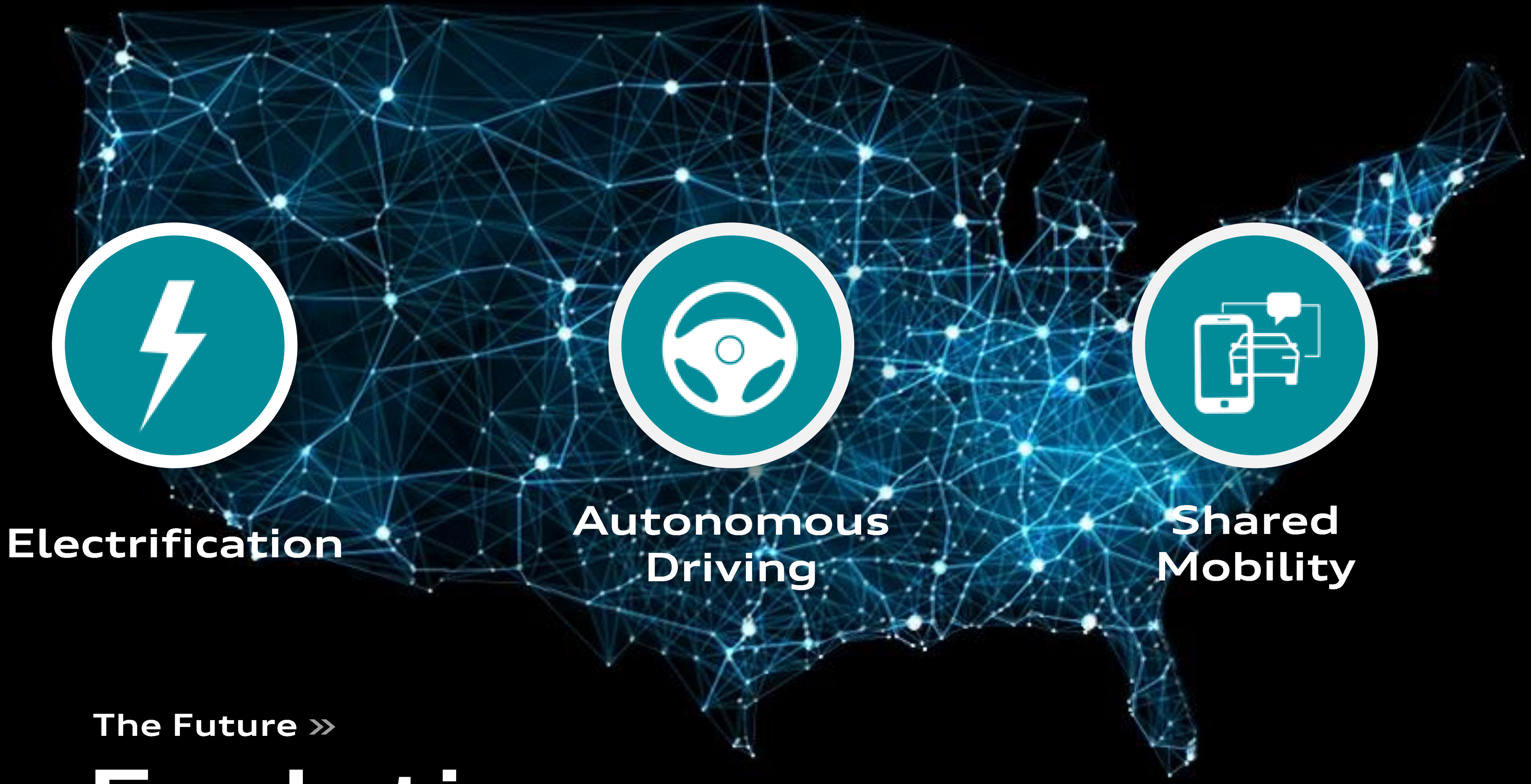
[Q7] [A4] [R8]

74% of Audi volume (lifecycle) will launch over the next three years.

Q7 +49.3% YoY
+3.0 pts share YoY

A4 +17.6% YoY
Segment down 15.7%

Future Investment » Q5 Factory



The Future »

Evolution

In the Industry

Our BEV Strategy

250 miles
to the charge

Expand to 3 BEV
models by 2020

The Future » Regulatory Environment

ASSIST | **PILOT**

CONTINUAL WITHDRAWAL OF THE DRIVER
FROM THE TASK OF DRIVING

CONTINUALLY GROWING
AUTOMATION OF DRIVING TASKS

AUTOMATION LEVELS PER SAE	LEVEL 0	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4	LEVEL 5
	MANUAL	ASSISTED	SEMI-AUTOMATED	HIGHLY-AUTOMATED	FULLY-AUTOMATED	AUTONOMOUS

A6
(model year 1999)

A8 (MY 2003)
with adaptive cruise control

Connect with the Brand

not just the car

Industry Leading Tech
Virtual Cockpit
Traffic Light Online
Google integration

On-Demand Content

V2V and V2I Communication

Cloud-based Infrastructure

The Future >>

Connected Future

Data Driven Business Models

Thank you »