Audi Group Finances 2011

The fuel consumption and emission figures for the vehicles named in the Management Report of the Audi Group are listed from page 260 onward.

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

AUDI GROUP
STRUCTURE

Company

The Audi Group, comprising the two brands Audi and Lamborghini, is one of the world's leading carmakers in the premium and supercar segment.
The core of the Company comprises the Audi brand, whose vehicles delight customers with their outstanding modern design, technological innovations and high build quality. The ambition to fulfill challenging customer expectations with pioneering vehicle concepts is manifested in the brand essence "Vorsprung durch Technik," which encompasses the brand values sportiness, sophistication and progressiveness.
The brand with the four rings increased its deliveries by 19.2 percent in fiscal 2011 to the record total of 1,302,659 (1,092,411) vehicles.

AUDI VEHICLE DELIVERIES BY REGION

	2011	Share in %
Germany	254,011	19.5
Europe excluding Germany	472,307	36.3
China (incl. Hong Kong)	313,036	24.0
USA	117,561	9.0
Other	145,744	11.2
Total	1,302,659	100.0

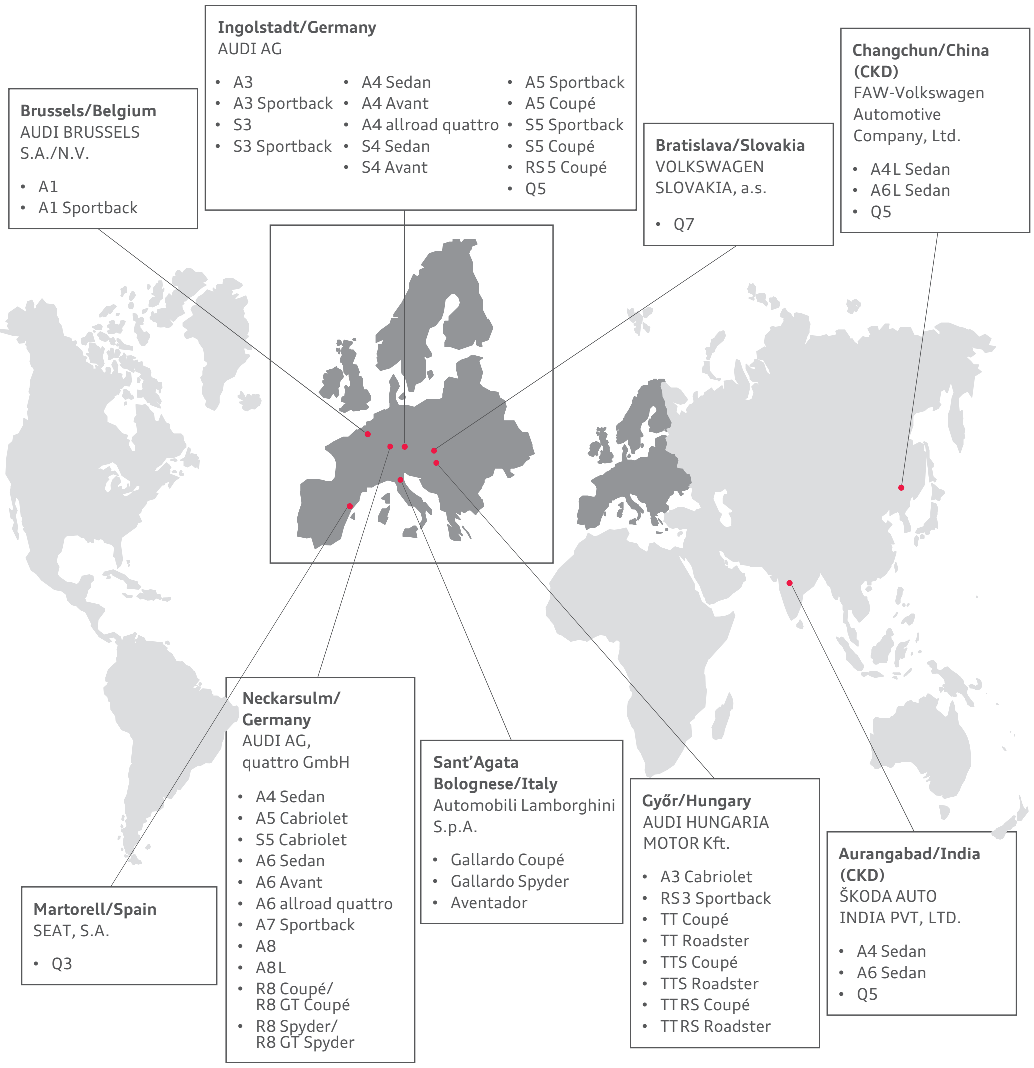
The Italian traditional brand Lamborghini builds exclusive supercars that are the embodiment of technological expertise, captivating design and dynamic handling.
In addition to the models of the Audi and Lamborghini brands, the Audi Group supplies vehicles of other Volkswagen Group brands through its sales subsidiaries.

Main Group locations

The headquarters of the Audi Group are located in Ingolstadt, where Technical Development, Sales and Administration as well as most 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. In addition, the Company makes bodies for the A3 Cabriolet, the RS 3 Sportback and the TT car line in Ingolstadt.
The Neckarsulm plant is where the A4 Sedan and A5 Cabriolet models, the A6 car line, the A7 Sportback and the A8 luxury sedan are manufactured. The head offices of quattro GmbH, a fully owned subsidiary of AUDI AG, are also located there. In addition to building high-performance vehicles such as the Audi Q7 V12 TDI and its bespoke manufacturing of the R8 models, quattro GmbH offers an extensive customization program for all Audi vehicles, along with exclusive lifestyle articles that embody the spirit of the brand with the four rings.
AUDI HUNGARIA MOTOR Kft., Győr (Hungary), develops and builds engines for the Audi brand, for other Volkswagen Group companies and for third parties. Models of the TT car line are also manufactured at the Hungarian plant jointly with Ingolstadt, and the A3 Cabriolet and RS 3 Sportback are assembled there. Since its founding, this company has developed into one of Hungary's biggest exporters.
In Brussels (Belgium), AUDI BRUSSELS S.A./N.V. specializes in the exclusive production of the models of the A1 car line.
Automobili Lamborghini S.p.A. builds the Gallardo and Aventador supercars at Sant'Agata Bolognese, in northern Italy. The 12-cylinder engines for the Aventador are also built there by Lamborghini.
The Q7 and Q3 models are built at other VW Group plants, at Bratislava (Slovakia) and Martorell (Spain) respectively.

At the Changchun plant (China), the joint venture FAW-Volkswagen Automotive Company, Ltd. builds long-wheelbase versions of the A4 Sedan and A6 Sedan, plus the Q5, which are supplied to the local market.
At Aurangabad (India), the A4 Sedan, A6 Sedan and Q5 models are built for the local market at the VW Group plant.

MANUFACTURING PLANTS



The S6, S6 Avant, S7 Sportback and S8 models will go into production at the Neckarsulm plant in early 2012.

Consolidated companies

Volkswagen AG, Wolfsburg, is the major shareholder of AUDI AG and controls approximately 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 group of consolidated companies has grown since December 31, 2010 to include the following companies: AUDI AUSTRALIA RETAIL OPERATIONS PTY LTD., Zetland (Australia), AUDI BRUSSELS PROPERTY S.A./N.V., Brussels (Belgium), AUDI HUNGARIA SERVICES Zrt., Győr (Hungary), AUDI TAIWAN CO., LTD., Taipei (Taiwan) and AUDI SINGAPORE PTE. LTD., Singapore (Singapore). Additionally, SALLIG S.R.L., Turin (Italy), which was previously not consolidated, was merged with

Management Report

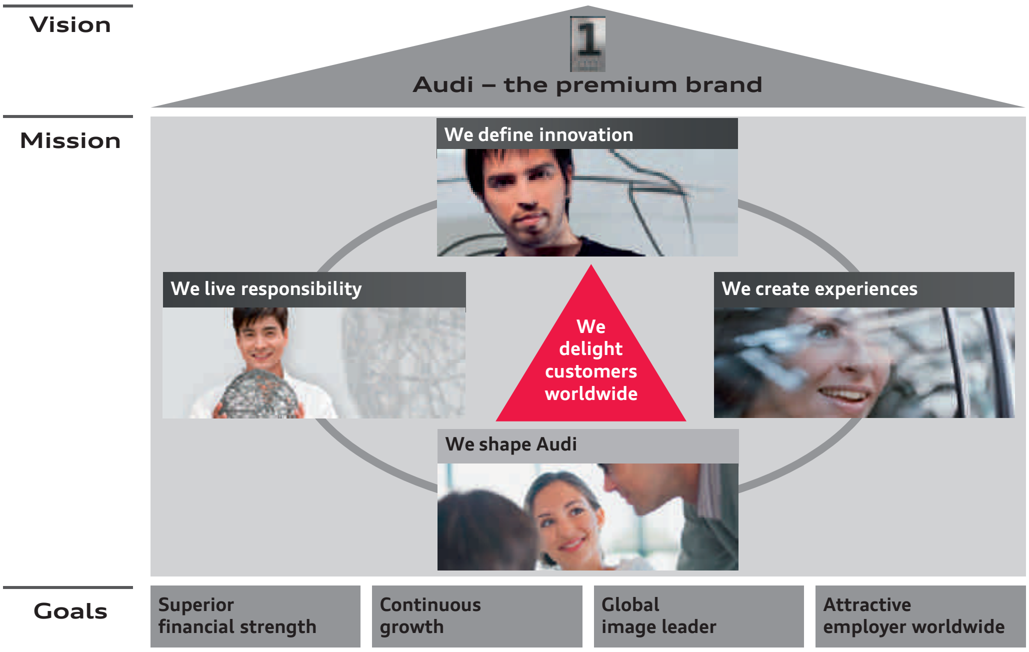
Italdesign Giugiaro S.p.A., Turin (Italy). With effect from July 1, 2011, Automobili Lamborghini S.p.A., Sant'Agata Bolognese (Italy), Lamborghini ArtiMarca S.p.A., Sant'Agata Bolognese (Italy), and STAR Design S.R.L., Turin (Italy), were merged into Automobili Lamborghini Holding S.p.A., Sant'Agata Bolognese (Italy), which was renamed Automobili Lamborghini S.p.A., Sant'Agata Bolognese (Italy).
The first-time inclusion of these subsidiaries had no significant individual or overall impact on the presentation of the Company's situation.

STRATEGY

Vision: "Audi – the premium brand"

In adopting its Strategy 2020, the Audi Group has focused its core brand Audi on the challenges of the future. The strategy took on firmer contours during 2011 as the full potential of the mission "We delight customers worldwide" was explored in greater depth. It now gives more weight to new issues that have emerged as a result of heightened environmental awareness, growing uncertainty about the future availability of fossil fuels and increasing urbanization.

THE AUDI BRAND'S STRATEGY 2020



Mission: "We delight customers worldwide"

The Audi brand's products are compelling examples of the brand values sportiness, progressiveness and sophistication. In addition to building technologically advanced vehicles, the brand with the four rings aims to evoke customer delight in many other ways.
The mission statement "We delight customers worldwide" therefore plays a key role on the path to becoming the leading premium brand. The Audi brand has defined its understanding of customer delight in greater detail in the following four areas of action:

- We define innovation
- We create experiences
- We live responsibility
- We shape Audi

We define innovation

The declared ambition of the Audi brand to offer its customers high-quality, innovative vehicles is expressed in the brand essence “Vorsprung durch Technik.” This is accompanied by a clear design idiom that gives the brand’s progressive character a visual grounding.
The models of the Audi brand feature a wide range of technological innovations. The Company has defined various key technologies that will occupy a special role in the development of new vehicles. For example, all activities involving electric mobility will be grouped together under the umbrella brand Audi e-tron. Audi ultra embodies the lightweight technology that the Audi brand has been pioneering ever since launching the Audi Space Frame (ASF) in 1994. The brand has since intensified its activities in this field with a view to making vehicles ever lighter. Today, the Company focuses on the use of intelligent combinations of materials, which include aluminum, carbon fiber-reinforced polymers (CFRP), modern steel alloys and magnesium. Then there is Audi connect, the umbrella brand launched by the Company to bracket together trendsetting navigation and infotainment functions, as well as technologies that connect drivers with the Internet, the car and their surroundings.
In addition to product-based innovations, the Audi brand is working on new mobility concepts. Since 2011, for example, customers’ mobility behavior in electrically powered cars has been the subject of a study that is part of the A1 e-tron fleet trial in Munich.

We create experiences

To delight its customers time and time again, the Company aims to create special, positive experiences that customers will associate with the Audi brand. These include modern sales concepts such as the showroom configurator, which makes it quick and easy for visitors to an Audi dealership to create the Audi vehicle of their choice on large screens, with life-like, three-dimensional images.
In 2011, the Audi brand came up with a very special way of presenting its new Q3 premium SUV: the “Audi Q3 Cube.” In selected downtown districts of major cities, including Barcelona, Paris and Munich, customers and interested parties were given the opportunity to discover the Q3’s qualities in a mirror-filled cube up to 14 meters high.
Another way of experiencing the Audi brand emotionally is to collect a new car in person from the Audi Forums in Ingolstadt and Neckarsulm. Audi’s premium vehicle handover facilities demonstrate to the customer just how much care and precision go into building Audi vehicles. The program is rounded out by a look at the history of the Company and culinary delights. To make the experience even more special, customers can tailor the handover to their own individual preferences. Accompanied by a customer relationship manager throughout the entire day, they are given a personal tour of the factory, making the occasion a truly memorable one.

We live responsibility

The Audi brand also expresses customer delight through a form of corporate responsibility that seeks to strike an appropriate balance between social or ecological requirements and economic success.
In order to maintain the high regard in which the brand and the Company are held and increase their lead over the competition, Audi has created a department specifically to address this task. Hand in hand with all the divisions, the Corporate Responsibility department pursues the strategic goal of value orientation. It advocates responsible action and behavior as the basis for sustainable success.
The core management tasks of Corporate Responsibility also include defining strategic guidelines and decision-making criteria. These guidelines are derived from the Strategy 2020 goals and are intended to highlight the link between social responsibility, preserving resources and long-term economic activity.
As a global company with nearly 64,000 employees, the Audi Group is very much in the public eye. Its capacity to supply information and reports on corporate responsibility matters is therefore being further expanded.

Management Report

We shape Audi
The Audi brand will continue steadily with its model initiative and expand its development, manufacturing and corporate structures accordingly. In order to maintain its profitable growth, the Audi Group will focus even more closely on flexible, efficient processes, as well as strengthening its global presence and expertise. Product and investment decisions will continue to be made on the basis of how far they produce customer benefit.
Successfully accomplishing qualitative growth hinges on the employees, who demonstrate immense expertise and passion for the products of the Audi brand.

Goals

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. Qualitative growth is therefore a priority strategic corporate goal.
This is achieved through effective and efficient structures and processes, systematic investment management and the ongoing optimization of costs. A high level of self-financing helps to preserve the Company's ability to invest and act. It therefore fundamentally aims to finance investment from self-generated cash flow.

Continuous growth
The Audi brand achieved a new deliveries record in 2011 in selling a total of more than 1.3 million vehicles. This positive development is primarily attributable to the attractive, diverse product range, which was again continuously revitalized and broadened in the period under review. In addition to the successor generation to the popular A6 full-size car line, product events included the arrival of the new Q3 premium SUV and the market introduction of the Q5 hybrid quattro. The Audi brand's product range will continue to be progressively expanded.
The Audi Group has set itself the goal of increasing deliveries of the Audi brand to 1.5 million vehicles by 2015.
The international sales structures will be expanded to handle the scheduled growth. The dealer network in China, for instance, is to be increased from currently around 230 dealerships to over 400 by the year 2013. And there are plans to expand the exclusive sales network in the United States, too, over the coming years.
The Audi Group is also increasing its production capacity worldwide. For instance, it invested a total of some EUR 250 million in the production line for the new Q3 in Martorell (Spain). In China, the Company is increasing its presence with the construction of a new car plant in Foshan by the joint venture FAW-Volkswagen Automotive Company, Ltd., Changchun (China), in which the partners include AUDI AG, FAW Group Corporation, Changchun (China), and Volkswagen AG, Wolfsburg.
The Hungarian plant in Győr is also being expanded and will be home to a new press shop in addition to a body shop, paint shop and assembly line.

Global image leader
For a premium manufacturer, a strong brand is the basis for enduring success. The Audi Group therefore plans to establish an emotional bond between its customers and the brand and to keep steadily improving its image position through the attractive product range.
The numerous national and international awards received in the 2011 fiscal year again reflect the public's huge enthusiasm for the Audi brand.
The readers of the trade journal Automobilwoche voted Audi the "Brand of the Decade" in its "Auto Stars" poll (issue 3/2011, p. 3 ff.).

The brand with the four rings also performed impressively in the reader poll “The Best Cars of 2011” (auto motor und sport, issue 4/2011, p. 104 ff.). The Audi R8 Spyder and the Audi Q5 midsize SUV repeated the success of the previous year in winning their respective categories. The award for best midsize car went to the A4 and A5 model lines for the fourth year in a row. And the newcomer Audi A1 earned a first place at the very first attempt. Rounding out an impressive set of results, there was a second place for the Audi A8.
2011 saw the Audi brand maintain its successful track record in the prestigious competition hosted by BILD am SONNTAG and the European AUTO BILD Group (AUTO BILD, issue 45/2011, p. 57 ff.) with victory for the Audi A6 in the “Golden Steering Wheel” and second place for the gas-powered A3 TCNG in the “Green Steering Wheel.” With a total of 21 first-place finishes to its name, Audi is the most successful brand in the history of the poll, which was first held in 1975.
The reader poll staged by the magazine OFF ROAD shows that the Audi brand is equally impressive off the beaten track. The Audi A6 allroad quattro achieved first place in the “Crossover” category (issue 4/2011, p. 44 ff.).
In the poll “Most Sporty Cars of 2011” hosted by the magazine sport auto, the Audi RS 3 Sportback, the newest member of the Audi brand’s dynamic RS family, emerged top of its class. Three silver awards – for the Audi TT Roadster 2.0 TFSI, the Audi TTS Coupé and the Audi TT RS Roadster – completed an impressive set of results (issue 7/2011, p. 46 ff.).
The brand with the four rings notched up triple honors in the “Auto Trophy 2011” run by the trade journal AUTO ZEITUNG. The Audi Q3 compact premium SUV, the Audi A5 Sportback and the Audi A1 all won their respective categories (issue 25/2011, p. 108 ff.).
The design concept of the A7 Sportback was triumphant in the “Design Summit” held by the magazine AUTO BILD. A top-ranking jury voted the five-door coupe the clear winner (issue 6/2011, p. 52 ff.).
The Audi A6 received the “Eyes on Design Award” in the production models category for the fourth time at the Detroit Auto Show (http://www.brophy.com/NAIAS/).
The Audi brand came away from the “What Car? Award” ceremony in London with three trophies. A jury and the readers of the British auto magazine voted the Audi A1 both “Car of the Year” and winner of the “Supermini” category, while the Audi TT was voted “Coupe of the Year” for the fifth time in a row (http://www.whatcar.com/car-news/audi-a1-named-car-of-the-year/254884).

Attractive employer worldwide

As part of its strategy to become the leading premium brand, the Audi Group regards well-qualified, committed employees as a priceless asset. Particularly as it becomes internationally more diverse, the Audi Group considers it vitally important to be viewed as an attractive employer worldwide.
Against this backdrop, the Audi Group offers its workforce a stimulating working environment with attractive opportunities for development, commensurate pay and high job security. Regular internal surveys reveal a high level of employee satisfaction. In addition, external surveys have attested to the Audi Group’s high attractiveness as an employer both in Germany and internationally.
For instance, it yet again topped the renowned graduate surveys conducted by the consultants Universum and trendence among engineering and economics students (“trendence Graduate Barometer 2011 – Business and Engineering Edition,” April 15, 2011; “The Universum German Student Survey 2011,” May 16, 2011).
AUDI HUNGARIA MOTOR Kft., Győr (Hungary), was yet again voted “Most Attractive Company” in the country by experienced professionals and career-starters in 2011. This was the outcome of a survey conducted by the management consultants Aon Hewitt and the international student organization AIESEC (http://www.autoevolution.com/news/audi-the-most-attractive-company-in-hungary-32615.html).

Strategic target

Consistently increasing the value of the Company is one of the Audi Group's main objectives. The return on investment (RoI) serves as a measure of the return on the capital employed for different types and scales of investment projects. It 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	2011	2010
Operating profit after tax	**3,744**	2,338
Average operating assets	**15,177**	13,327
– Average non-interest-bearing liabilities	**4,607**	3,855
= Average invested assets	**10,571**	9,472
Return on investment (in %)	**35.4**	24.7

The Audi Group achieved a return on investment of 35.4 percent in the past fiscal year. This represented a further improvement on the prior-year figure of 24.7 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

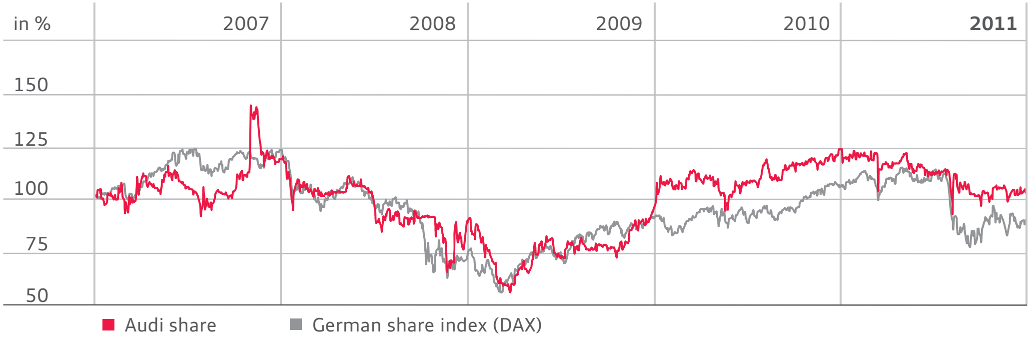
The year started with a continuation in the positive trend on stock markets, bolstered above all by good corporate results. Having started the year at 6,973 points, the DAX for example forged ahead to over 7,400 points by halfway through the first quarter. However, political unrest in North Africa and the consequences of the natural disaster in Japan brought the DAX under increasing pressure, prompting it to fall back to around 6,500 points by mid-March. After a brief recovery the German lead index reached its year-high of 7,528 points in early May, then moved mainly sideways until the end of the second quarter.
The mood progressively darkened as the year continued. The reasons were the deepening debt crisis in Europe, uncertainty surrounding the raising of the debt ceiling in the United States and growing concerns at a slowdown in the global economy, which together fueled fears of a renewed financial crisis. These growing uncertainties periodically drove the German lead index below 5,000 points in the course of the third quarter.
The start of the final quarter brought growing confidence that a solution to Europe's debt crisis could be found before nervousness on financial markets spilled over into the real economy. Although the DAX improved on its all-year low, developments throughout the rest of the fourth quarter remained highly volatile.
The DAX closed the year on 5,898 points, well down on the position at the start of 2011.

Audi trading price trend

Audi shares started 2011 trading at EUR 650 and initially remained flat at the start of the year, in line with other German automotive shares. As the year continued, Audi shares were subsequently unable to resist the pattern of dramatic losses on stock markets worldwide following the natural and nuclear disaster in Japan. The trading price had fallen to EUR 545 by mid-March. However, the shares recovered swiftly and were almost back up where they had started the year by early May, trading at EUR 640. Growing uncertainty on financial markets worldwide meant that Audi shares also retreated to a corridor of EUR 580 to 615 between mid-May and early August.

Audi shares reached an all-year low of EUR 489 on August 9. Fears of a renewed financial crisis – prompted mainly by unresolved questions surrounding the debt problems in Europe and the United States – meant the trading price was unable to match the first half-year's levels and moved sideways at around EUR 550 from mid-August on. On the last day of trading in 2011, the shares were quoted at EUR 542.05.
Looking back over a five-year period, the impressive stability of Audi's business model becomes apparent. The global financial crisis of 2008/2009 undoubtedly influenced the Audi trading price trend, even though the Audi Group itself achieved clearly positive results throughout that difficult period. The general uncertainty caused by the possibility of a protracted recession proved simply too great. The stock markets only rewarded the Company's resilience once the markets' recovery was reasonably certain. Compared with the DAX, which yielded 11.7 percent overall over the period in question, Audi shares recovered much more rapidly, returning to pre-crisis levels by the end of 2011 despite the consequences of the natural disaster in Japan and continuing global uncertainty.

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 April 19, 2012.

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, 2011, 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 conducting 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 expiration 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.

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

The upturn in the global economy continued in 2011. However, there was a marked slowdown in growth in the second half. In 2011 as a whole, global economic output therefore increased by only 3.0 (4.3) percent. The mainstays of growth were emerging economies, whose economic vigor nevertheless lost some of its momentum in the latter part of the year. By contrast, the pace of economic growth in most industrial countries was modest right from the start of the period under review, further weakening as the year progressed. In many countries, expansionary monetary policies and high commodity and food prices caused inflation to rise.

Following a dynamic first quarter, the economy in Western Europe cooled down noticeably. Over the year as a whole, growth in gross domestic product of 1.5 percent was down on the previous year's 1.9 percent. Southern European countries in particular experienced low growth, and in some cases even a downturn in economic output. The escalation of the sovereign debt crisis that has been smoldering since 2010 and the unease this caused among companies and consumers depressed the economic mood. Added to this, the increasingly tough action taken in many countries to consolidate budgets dampened the economic trend.

With GDP growth of 3.0 (3.7) percent, the German economy proved to be the most robust among leading industrial nations. Although export activity declined as the year progressed, buoyant domestic demand on the back of growing corporate investment and a recovery in consumer spending largely compensated for this. The continuing favorable trend in the labor market was a positive factor.

In most countries of Central and Eastern Europe, the economy continued to grow vigorously in the year under review. Gross domestic product in Russia gained 4.3 (4.0) percent.

Economic growth in the United States weakened in 2011, with the rate of 1.7 (3.0) percent well down on the previous year due to consumer spending being damped by the difficult state of the labor market and high inflation.

Latin America also witnessed a slowdown in economic expansion over the period in question. Although the upward trend gained strength in many of the region's smaller countries, growth in Brazil fell by more than half to 2.9 (7.5) percent.

As in the preceding years, Asia's emerging countries again acted as the drivers of global economic growth in 2011. The Chinese economy's growth of 9.2 (10.4) percent dipped only slightly from the previous year's high level. India also continued to expand strongly with gross domestic product growing by 7.0 (8.8) percent.

From March 2011, Japan's economic development experienced a severe setback as a result of the natural disaster and only made a slight recovery in the second half of the year. In a reversal from the previous year's strong growth of 4.4 percent, Japan's economic output in 2011 as a whole fell by 0.7 percent.

International car market

In line with general economic growth, global demand for cars in 2011 maintained the previous year's trend in continuing along the path to recovery and rose by 4.8 percent to a new record level of 62.0 (59.1) million passenger cars. With the exception of Western Europe, all sales regions shared in this growth. This development was promoted in particular by the Chinese, Russian and U.S. markets.

By contrast, in Western Europe (excluding Germany) registrations of new cars amounted to 9.6 (10.1) million in the year under review, a decline of 4.5 percent. This was due on the one hand to a weak first quarter in important volume markets, resulting primarily from the withdrawal of state aid in the course of 2010. In addition, many countries experienced dwindling consumer confidence, rising unemployment and restricted access to vehicle financing, all of which adversely affected the market's performance. Especially the major Western European car markets contracted, in some cases markedly. While overall market demand in France and the UK was down 2.1 and 4.4 percent respectively, the Italian market shrank by 11.6 percent. Sales of passenger cars in Spain tumbled by a further 17.7 percent from the already low prior-year figure.

There was an upward trend in demand for cars in most Central and Eastern European countries. Particularly in Russia, the market moved up a gear compared with the previous year. Thanks to state incentives for buyers and generally growing consumer confidence, sales of passenger cars soared by 39.8 percent to 2.5 (1.8) million units.

Notwithstanding the U.S. economy's loss of momentum in 2011, demand for automobiles in this market showed an upward trend. At 12.8 (11.6) million passenger cars and light commercial vehicles, unit sales were 10.3 percent up on the previous year. Along with the appearance of new vehicle models, growing replacement demand provided a vital growth stimulus.

With 2.6 (2.6) million vehicles sold in Brazil, demand for automobiles in the biggest Latin American car market remained unchanged from the previous year's record level. In Argentina, the market continued to grow strongly over the period under review. The sales volume there gained 28.4 percent to reach a new record total of 0.6 (0.5) million passenger cars.

Markets in the Asia-Pacific region cooled down sharply in 2011 compared with the previous year. With unit sales of 22.7 (22.1) million cars, the volume grew by only 2.5 percent. Within this trend, the Chinese car market's growth slipped to 7.6 percent, bringing total unit sales to 12.3 (11.5) million passenger cars. This was mainly due to scaling back of state aid and was well below the previous year's growth of 35.1 percent. India's car market, which had previously been experiencing strong growth, was also weaker as a result of the high cost of financing and rising fuel prices, growing by just 5.6 percent to 2.3 (2.2) million passenger cars. In Japan, new-car registrations were badly affected by the aftermath of the natural disaster. Overall market volume fell by 16.3 percent in the period under review to 3.5 (4.2) million cars.

German car market

Despite higher fuel prices, 2011 saw the German car market recover from the previous year's sharp slump, rebounding by 8.8 percent to 3.2 (2.9) million passenger cars. The healthy overall economic situation proved beneficial, prompting a rise in demand especially from business customers.

The proportion of diesel versions in total new-car registrations had fallen sharply in 2009 due to high consumer demand for gasoline models, which qualified for an environment bonus; diesels have now been staging a recovery since 2010. The diesel proportion for 2011 as a whole was 47.1 percent, which equates to growth of 5.2 percentage points.

German carmakers profited from the worldwide recovery in demand for passenger cars in the year under review, increasing their vehicle exports by 6.6 percent to the new record total of 4.5 (4.2) million units. As in previous years, Western European export markets were the main sales region. Despite the overall decline in the market, a total of 2.3 (2.2) million vehicles were exported, or 0.8 percent more than in the previous year. The largest national market was the UK, accounting for an export volume of 0.6 (0.6) million cars. China has now moved up to second place with growth of 22.5 percent. 0.6 (0.5) million German-built vehicles were shipped there in 2011. The third-largest export market was the United States with 0.5 (0.5) million export vehicles.
High export demand in the period under review meant that domestic production by German carmakers grew correspondingly sharply and reached 5.9 (5.6) million units, a new all-time record. The volume of German-brand cars built abroad is becoming increasingly significant; in 2011 these reached a total volume of 7.0 (6.1) million units, up 15.7 percent on the previous year.

Management's overall assessment

Despite slower progress in the second half of the year, the global economy as a whole continued to grow in the past fiscal year.
The Audi Group operated very successfully within this environment and, with 1,302,659 (1,092,411) Audi models, achieved the highest deliveries total in the history of the Company. The substantial rise of 19.2 percent can be ascribed in part to higher general demand, but to a greater extent to the Audi brand's attractive product range, to which a number of new models were added in 2011.
Moreover, the long-term corporate policy yet again paid dividends. It focuses on steadily optimizing processes and cost structures along the entire value chain, and therefore on lastingly improving productivity.
The Audi Group was thus able to post an operating profit for 2011 of EUR 5,348 (3,340) million and an operating return on sales of 12.1 (9.4) percent. These key financial indicators mean that the Company was again one of the most profitable businesses in the automotive industry worldwide.

RESEARCH AND DEVELOPMENT

The Research and Development area is of key importance for the success of a manufacturer of premium automobiles. With innovations such as quattro drive, the Audi Space Frame and the TDI engine, the Audi brand has been regularly influencing technological standards in automotive manufacturing for many decades. The Company again brought a large number of technological solutions to production maturity in 2011.
In 2011, an average total of 7,574 (6,987) people were employed in the Research and Development area of the Audi Group. This total comprised 6,586 (6,365) at AUDI AG, 147 (134) at AUDI HUNGARIA MOTOR Kft. Győr (Hungary), 216 (187) at Automobili Lamborghini S.p.A., Sant'Agata Bolognese (Italy), and 566 (274) at Italdesign Giugiaro S.p.A., Turin (Italy).

RESEARCH AND DEVELOPMENT EXPENDITURE RECOGNIZED AS AN EXPENSE

EUR million	2011	2010
Research expense and non-capitalized development costs	**2,243**	1,901
Impairment losses (reversals) on capitalized development costs	**397**	567
Total	**2,641**	2,469

Technical innovations

New engines – driving fun and efficiency

The new 4.0 TFSI engine marks the Audi brand's systematic application of its downsizing strategy to its sporty models in the higher segments. In the Audi S6, S6 Avant and S7 Sportback, the eight-cylinder gasoline engine with direct injection achieves an output of 309 kW (420 hp), and in the Audi S8 luxury sedan it develops an impressive 382 kW (520 hp). Above all thanks to the newly developed cylinder on demand technology, which deactivates four of the eight cylinders in many driving situations at low and moderate revs, the fuel efficiency for instance of the new S6 has been improved by around 25 percent compared with the previous model (cf. "Modular efficiency platform" under "Product-based environmental aspects," p. 172 ff.).

The 1.8 TFSI engine was also refined in the 2011 fiscal year. This power unit, which is used in a large number of car lines, is an excellent example of sportiness allied to efficiency, thanks to an array of new solutions. The fuel economy of this 125 kW (170 hp) high-tech four-cylinder version, which for instance propels the Audi A5 Coupé with manual transmission from 0 to 100 km/h in 7.9 seconds, is up to 18 percent better than that of the previous version. The 1.8 TFSI engine incorporates various innovations that have paved the way for this increased efficiency. For instance, alongside gasoline direct injection, it also uses indirect injection to produce improved mixture swirl. Exhaust gas cooling integrated into the cylinder head and the new all-electronic coolant regulation system create an innovative form of thermal management that effectively reduces internal friction during the warming-up phase (cf. "Modular efficiency platform" under "Product-based environmental aspects," p. 172 ff.).

In the Audi A6 and A7 Sportback, the new 3.0 TDI engine developing 230 kW (313 hp) has spear-headed the diesel engine range since the end of 2011. This biturbo unit is driven by two inline turbochargers connected by a turbine air switching valve. Regulation of the turbine air switching valve improves the way the small turbocharger, designed for low engine speeds, interacts with the large turbocharger. With the new engine, the Audi A7 Sportback with 8-speed tiptronic for example sprints from 0 to 100 km/h in just 5.3 seconds and uses an average of 6.4 liters of diesel over 100 kilometers, equating to CO_2 emissions of 169 g/km.

At the end of 2011, a new version in the shape of the A1 1.4 TFSI was added to the Audi A1 car line. The 1.4 TFSI embodies the Audi brand's downsizing strategy perhaps better than any other engine. Thanks to dual supercharging by a compressor and turbocharger, this four-cylinder engine with a displacement of just 1,390 cubic centimeters produces a hefty 136 kW (185 hp) and accelerates the premium compact car from 0 to 100 km/h in only 7.0 seconds. In conjunction with the technologies from the modular efficiency platform, the new engine version also achieves impressively good fuel efficiency of 5.9 liters of Super Plus gasoline per 100 kilometers in the Audi A1, making for CO_2 emissions of 139 g/km.

Awards for Audi engines

In a repeat of 2010, the 2.5 TFSI engine was again voted "International Engine of the Year" last year by a panel of 76 leading motoring journalists from all over the world (http://www.ukipme.com/engineoftheyear). This successful defense of its title marks the seventh triumph in a row for the Audi brand's TFSI technology. Equipped with turbocharging and FSI direct injection, two core technologies of the Audi brand, the 250 kW (340 hp) engine impressed the jury above all with its torque, power and sound. The 2.5 TFSI engine can be ordered for the Audi RS 3 Sportback and for the TT RS Coupé and Roadster models.

Furthermore, the 3.0 TFSI engine secured a top ranking in the Ward's 10 Best Engines competition for the third year in a row in December 2011 (http://wardsauto.com/vehicles-amp-technology/gdi-dominates-ward-s-10-best-engines-list). This competition, which has been staged every year since 1994 by the magazine Ward's Auto World, rates production engines available on the U.S. market according to criteria such as sportiness, efficiency and sound. The 3.0 TFSI engine is particularly notable for its high power flow across the entire speed range, and for its spontaneity.

Audi connect

The world is becoming increasingly interconnected – and so is the Audi brand. Under the umbrella brand Audi connect, the Company brackets together all applications and developments that link vehicles of the Audi brand to the Internet, the driver and the infrastructure. Pioneering navigation and infotainment functions thus combine with connected driver assistance systems to increase driving pleasure and comfort, and at the same time can boost driving safety.

Most car lines of the Audi brand already offer the full range of Audi connect services that are currently available. For instance, thanks to an integral UMTS module in the vehicle, with the optional "Bluetooth car phone online" passengers can connect up to eight mobile terminal devices to the Internet simultaneously via WLAN hotspot.

The integration of Google Earth and Google Street View into the map mode of the Audi Multi Media Interface (MMI) navigation system plus also makes it possible to navigate using realistic images and display high-resolution aerial and satellite images. With the latest weather and travel information and news at their fingertips, drivers are always well-informed.

The range of Audi connect features was broadened in the 2011 fiscal year. The "Audi traffic information online" service now supplies more precise forecasts of the traffic situation along the chosen route thanks to the use of comprehensive real-time data, and also operates faster than the established traffic information services. And drivers can now also navigate by voice control to special destinations, such as tourist attractions and restaurants, using the Google point of interest (POI) search. Furthermore, in December 2011 the Company joined forces with Deutsche Telekom to successfully test the new wireless communication standard Long Term Evolution (LTE), which has a data rate up to six times faster than current mobile phone networks.

Innovations for safety and comfort

Driver assistance systems

The Audi brand has a broad range of innovative driver assistance systems that make vehicles even more convenient and safer to handle.

The automatic distance control system Audi adaptive cruise control with stop&go function helps to maintain the desired distance from the vehicle in front by automatically accelerating and braking. Audi active lane assist, a driver assistance system that first appeared in 2010 in the Audi A7 Sportback, actively helps the driver to stay in lane by providing gentle steering impulses. The lane change assistant Audi side assist is available for a large number of Audi brand models; it uses a complex system of radar sensors to monitor the traffic behind a vehicle and warns the driver if they try to change lane in a potentially hazardous situation. Then there is Audi pre sense, a safety package that can identify critical driving situations and prepare the vehicle and its occupants as well as possible before a potential collision. For instance, the system automatically starts to close windows and the sunroof, and tighten the seat belts. It also activates the hazard warning flashers to alert following vehicles to the hazard.

Management Report

The Audi brand’s driver assistance systems were further improved and interconnected in the past fiscal year. The Company pursues a philosophy of designing systems that optimally support customers without taking over from them. For all the growing importance of driver assistance systems, the driver remains in charge and responsible for the vehicle.
The Company is also working intensively on the development of new systems. For instance, in future a traffic jam assistant will help the driver to negotiate slow-moving traffic by automatically accelerating and braking, as well as by providing steering assistance.

New Audi models awarded five stars in Euro NCAP crash test

In addition to the new Audi A6, which was awarded the top five-star rating by the renowned European driving safety agency “European New Car Assessment Programme” (Euro NCAP), the Audi Q3 compact premium SUV achieved top marks for passive crash safety (http://www.euroncap.com/results/audi.aspx).
The models scored especially well for adult occupant protection in a front, rear and side collision and in the categories child safety and pedestrian protection.
The Audi brand has given its models a further safety boost by including the ESP stabilization program as standard, alongside the optional driver assistance systems.

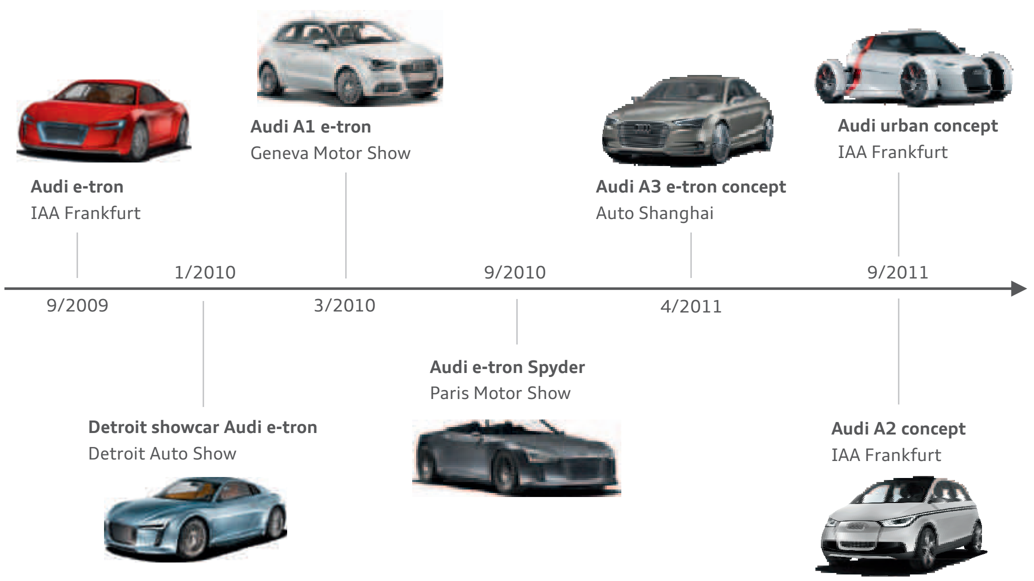
Electric mobility

Electric mobility at Audi

Alongside efficient combustion engines, hybrid drive systems and other alternative forms of drive technology such as gas-powered vehicles, electric mobility is a key cornerstone of the Audi Group’s technology strategy (cf. “Future mobility” under “Product-based environmental aspects,” p. 170 f.). Amid its quest to identify the future shape of mobility, the Company pursues the broad-based policy of coordinating all systems and components as far as possible in order to exploit the full potential of electric mobility.
The interdisciplinary project house e-performance was launched back in 2009 to pool the skills of all development areas and devise strategic solutions to the questions posed by electric mobility. This Audi think-tank maintains an ongoing dialog with external experts such as universities and research institutes. The new development and test center for electrified drivetrains was opened in 2010. Its cutting-edge infrastructure permits a highly integrated working approach and provides a good basis on which to optimize the key technologies of drives, batteries and power electronics, leading to the practical testing of the entire drivetrain.
AUDI AG is also actively involved in the “National Platform for Electric Mobility” initiative launched in May 2010. This is an advisory body set up by the German government with the goal of making Germany not just the lead market, but also the leading supplier of electric mobility by 2020.
The topic of electric mobility was once again a priority research area in fiscal 2011. For example, the pilot project “Munich Model Region for Electric Mobility” supported by the German Federal Ministry of Transport, Building and Urban Development (BMVBS) got off the ground. This fleet test, involving a total of 20 Audi A1 e-tron cars, is intended to explore customers’ mobility behavior in greater depth when driving electric vehicles. The all-electric A1 e-tron develops an output of 75 kW (102 hp). If necessary, a compact combustion engine known as a range extender recharges the battery, increasing its range to as much as 250 kilometers. For the first 50 kilometers the Audi A1 e-tron, which is designed specifically for urban use, can run with zero local emissions. Other prestigious partners are involved in the pilot project. E.ON and Munich’s public utility company Stadtwerke München are in charge of developing and operating the charging infrastructure – E.ON mainly in outlying areas and Stadtwerke München in the Bavarian capital itself. All charging points supply renewable energy. The Technical University of Munich is monitoring and evaluating mobility behavior over the course of the project.

The Audi Group aims to be among the premium segment's leading players for electric mobility by 2020. In bringing this form of travel to production maturity, the Company uses innovative concept cars as part of a comprehensive approach spanning all practical aspects of electric driving. Further electric study vehicles under the Audi e-tron umbrella brand were presented in the 2011 fiscal year. The Audi A3 e-tron technology demonstrator is a compact car with an operating range fit for everyday use thanks to its powerful electric motor and high-performance lithium-ion battery. This all-rounder, specially designed for urban use, can drive up to 140 kilometers without needing to be recharged and generates zero local emissions. In April 2011 the Audi brand showcased the Audi A3 e-tron concept at Auto Shanghai. The four-seater notchback sedan is a plug-in hybrid. With its two power units and lithium-ion batteries capable of storing enough energy to drive up to 54 kilometers purely electrically, it makes very efficient use of fuel.
The Audi urban concept was then unveiled at the International Motor Show (IAA) in September 2011; this is a 1+1-seater for urban driving. Thanks to the systematic use of lightweight materials, most notably carbon fiber-reinforced polymers (CFRP), the all-electric technology study weighs a mere 480 kilograms. The A2 concept, a premium-standard concept car, also made its world debut at the IAA. This electric vehicle achieves a range of up to 200 kilometers over the European standard driving cycle and already features contactless charging (Audi Wireless Charging). Faster charging was a particular development priority for this technology study. The battery can now be charged up fully in just 1.5 hours from a 400-volt three-phase supply.
The Audi brand is planning to bring the all-electric Audi R8 e-tron sports car onto the streets in a small series towards the end of the current fiscal year.

AUDI E-TRON STUDIES

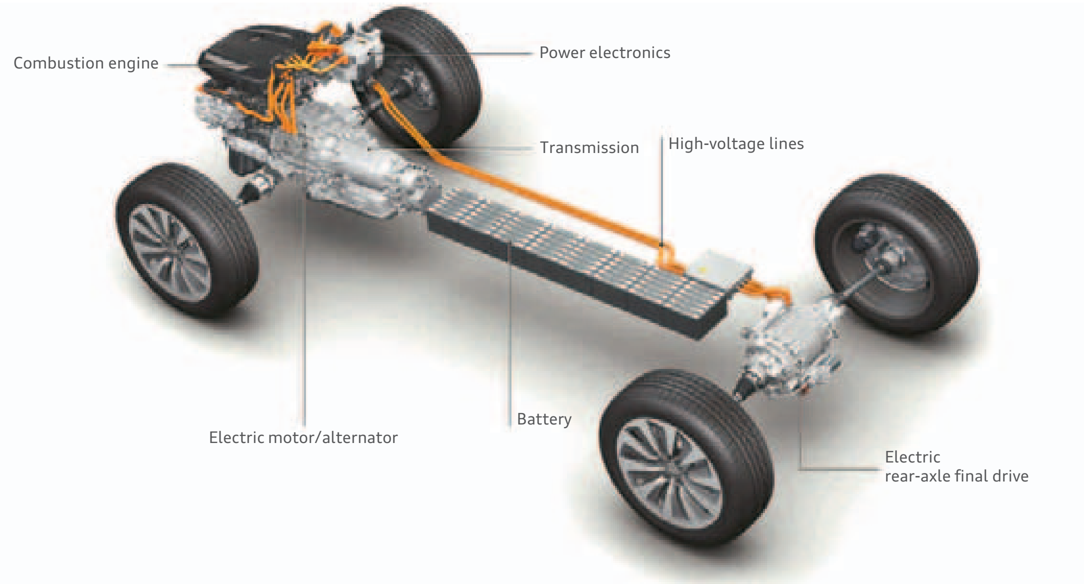


Audi e-tron quattro – the future shape of quattro

For over 30 years, quattro all-wheel drive has combined automotive sportiness with a high degree of everyday suitability. In the Audi e-tron quattro development platform, the Company now combines the familiar advantages of quattro all-wheel drive with electric mobility.
Intelligent powertrain management with torque vectoring allows the propulsive power to be distributed variably between both sets of wheels, as well as between each rear wheel, thus contributing to increased driving safety. If for instance the front wheels' grip becomes poorer on slippery surfaces, the drive torque is diverted to the rear wheels as required in a fraction of a second.

The concept vehicle is powered by a parallel hybrid drive with plug-in technology, supported by a second electric motor on the rear axle. Thanks to the electric motors on the front and rear axles, the Audi e-tron quattro can travel purely electrically at speeds of up to 100 km/h and for up to 40 kilometers. At higher speeds or over longer distances, a 2.0 TFSI engine developing 155 kW (211 hp) gradually takes over.

AUDI E-TRON QUATTRO DRIVE



Audi balanced mobility

The Audi Group seeks to play a leading role within the context of the automotive industry's drive to use natural resources sustainably. The Audi balanced mobility concept was launched against this backdrop, with the aim of achieving overall CO_2-neutral mobility. In an initial move, the Company plans to invest in an offshore wind farm. The plan is to use the wind power this facility generates for the future production and operation of Audi e-tron models.

The renewable power can also be used to produce hydrogen by electrolysis. On the one hand, hydrogen serves as an energy source for fuel-cell vehicles, and on the other hand it can be reacted with carbon dioxide to produce methane. For the manufacture of this synthetic natural gas – or Audi "e-gas" – an industrial-scale e-gas plant in North Germany is being built in a venture involving renowned project partners. The plant will use surplus wind power to produce e-gas, which can then be used in gas-powered vehicles such as the Audi A3 TCNG, scheduled for launch in 2013. The e-gas can also be stored in the public gas distribution network or put to other uses. The Audi e-gas project thus provides a fitting solution to the problem that generating power from the wind and sun is dependent on natural fluctuations. And by using the existing natural gas infrastructure, surplus wind and solar power can now be stored.

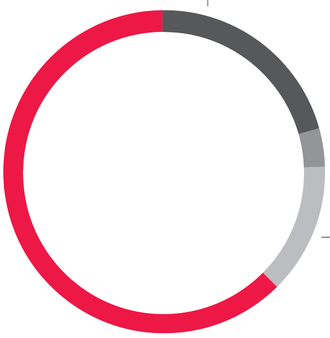
AUDI AG receives "Best Innovator" award

In June 2011, AUDI AG won the Automobile OEM category of the "Best Innovator" award, which is sponsored jointly by the business journal WirtschaftsWoche and the management consultants A.T. Kearney (WirtschaftsWoche, issue 24/2011, p. 64 ff.). The competition was held for the seventh time in the past fiscal year. AUDI AG impressed the high-ranking jury above all with its systematic approach to innovation management, which nevertheless preserves ample leeway for spontaneity.

PROCUREMENT

A major aim of procurement within the Audi Group is to establish long-term partnerships with efficient suppliers. In addition to overall economy, suppliers are selected according to other factors such as quality, innovation and reliability. The final choice is reached in cooperation with Volkswagen Group Procurement so that both groups can exploit any synergy potential.
The cost of materials for the Audi Group came to EUR 28,594 (21,802) million in fiscal 2011 and therefore accounted for the greater part of the cost of sales. This highlights the fundamental importance of procurement for corporate success.

BREAKDOWN OF THE CONSOLIDATED COST OF MATERIALS BY GROUP COMPANY



The ever-growing diversity of models and equipment versions poses fresh procurement challenges. The increased number of vehicle launches and the high complexity of the supply chain have necessitated a further intensification of purchased part and supplier management. Together, tool and process experts from the procurement and quality assurance areas make sure that the necessary capacity is available and the required quality standards are maintained, so that production of new models starts successfully and the Audi production network is reliably supplied with parts.
Sustainability occupies a central position within the Company's procurement principles and supply management approach. All suppliers and business partners are expected to uphold environmental and social standards both for themselves and for their supply chain, and to reflect the Audi Group's high benchmark for entrepreneurial responsibility. The prompt involvement of suppliers in the product development process can moreover unlock ways of reducing the amount of materials used or of using alternative materials, for example.

PRODUCTION

The Audi Group substantially increased car production in fiscal 2011 to 1,365,499 (1,150,018) vehicles. This total comprised 1,363,788 (1,148,791) models of the Audi brand and 1,711 (1,227) supercars of the Lamborghini brand. Alongside the market's generally positive development, the rise can be attributed to the continual introduction of new products.

Management Report

VEHICLE PRODUCTION BY MODEL

	2011	2010
Audi A1	**116,749**	51,937
Audi A1 Sportback	**817**	–
Audi A3	**27,461**	35,126
Audi A3 Sportback	**149,855**	151,486
Audi A3 Cabriolet	**11,752**	12,309
Audi Q3	**19,654**	108
Audi TT Coupé	**19,704**	20,413
Audi TT Roadster	**5,804**	5,804
Audi A4 Sedan	**216,251**	190,884
Audi A4 Avant	**103,434**	109,474
Audi A4 allroad quattro	**10,537**	10,788
Audi A5 Sportback	**53,204**	49,803
Audi A5 Coupé	**38,095**	40,213
Audi A5 Cabriolet	**20,459**	20,924
Audi Q5	**191,987**	155,052
Audi A6 Sedan	**196,260**	166,455
Audi A6 Avant	**45,628**	40,279
Audi A6 allroad quattro	**3,036**	5,551
Audi A7 Sportback	**37,301**	8,496
Audi Q7	**53,707**	47,769
Audi A8	**38,542**	22,435
Audi R8 Coupé	**2,039**	1,610
Audi R8 Spyder	**1,512**	1,875
Total, Audi brand	**1,363,788**	1,148,791
Lamborghini Gallardo	**1,264**	1,064
Lamborghini Murciélago	**–**	141
Lamborghini Aventador	**447**	22
Total, Lamborghini brand	**1,711**	1,227
Total, Group	**1,365,499**	1,150,018

At Ingolstadt, the Audi Group built 583,942 (553,010) vehicles during the past year, an increase of 5.6 percent on the previous year’s level. The higher production volume can be explained in particular by high demand for the Audi Q5. 166,442 (105,341) parts sets were also made for CKD assembly in Changchun (China) and Aurangabad (India). The number of vehicles built at Neckarsulm climbed to 265,622 (216,322) cars in 2011, above all as a result of high demand for the A6 car line and for the A7 Sportback and A8 models. In addition, 117,337 (118,761) parts sets for CKD assembly in China and India were produced there.
Automotive production by AUDI HUNGARIA MOTOR Kft., Győr (Hungary), came to 39,518 (38,541) vehicles. It built 25,508 (26,217) models of the TT car line jointly with the Ingolstadt plant and 11,752 (12,309) of the Audi A3 Cabriolet on behalf of AUDI AG. The Hungarian company furthermore made 2,236 (15) of the RS 3 Sportback.
AUDI BRUSSELS S.A./N.V., Brussels (Belgium), produced 117,566 (51,937) vehicles of the A1 car line in the period under review.
In addition, the Volkswagen Group locations Bratislava (Slovakia) and Martorell (Spain) built 53,707 (47,769) of the Audi Q7 and 19,654 (108) of the Audi Q3 respectively in the past fiscal year.

ENGINE PRODUCTION

	2011	2010
Audi Group	**1,884,157**	1,648,193
of which AUDI HUNGARIA MOTOR Kft.	**1,883,757**	1,648,030
of which Automobili Lamborghini S.p.A.	**400**	163

The Audi Group stepped up engine production to 1,884,157 (1,648,193) units in 2011. The 47.6 (44.7) percent share of diesel engines continues to underscore the Company's extensive expertise in the domain of TDI technology.
The Hungarian subsidiary AUDI HUNGARIA MOTOR Kft., Győr, built a total of 1,883,757 (1,648,030) engines in the period under review, of which 920,773 (812,176) were supplied to Audi Group companies, 798,267 (682,856) to other Volkswagen Group companies and 118,919 (114,168) to third parties.
Furthermore, Automobili Lamborghini S.p.A., Sant'Agata Bolognese (Italy), built 400 (163) 12-cylinder engines.

Expansion of the Győr location

The foundation stone of the plant expansion at the Hungarian location was officially laid last July. The Audi Group announced that, as well as a body shop, paint shop and assembly line, it is building a new press shop. From 2013, an additional A3 version will be built at Győr as well as the existing models. The plans envisage building 125,000 vehicles a year in Hungary in future. The toolmaking operations have also been undergoing expansion since September 2011 and will eventually cover an area of 28,000 square meters. Around one-third of the surface area will be set aside for small production runs of body parts.
Extensions to the Engine Startup Center at AUDI HUNGARIA MOTOR Kft. also started in 2011.

Volume production of the Audi Q3 in Martorell

Volume production of the Audi Q3 started at Martorell (Spain) in June 2011 – adding a further location from within the Volkswagen Group to the Audi Group's production network. A new body shop occupying an area of 30,000 square meters was set up there specifically for the Q3. The Audi Group is planning to build around 100,000 of the Q3 annually.

New plant in China

The Audi Group will increase its presence in China. In December 2011, the Company announced that the joint venture FAW-Volkswagen Automotive Company, Ltd., Changchun (China), which includes the partners AUDI AG, FAW Group Corporation, Changchun (China), and Volkswagen AG, Wolfsburg, is to construct a further car plant in the southern Chinese city of Foshan. This second Chinese location, which will cover all stages of the production process including press shop, body shop, paint shop and assembly line, is to build a new model from the A3 car line from 2013 on.

Production milestones

In October 2011, the Company celebrated the production of the ten millionth midsize Audi vehicle. Four generations of the Audi 80 were built before this model was replaced with the Audi A4 in 1994. The A4 car line has now also reached its fourth generation.
The completion of its 20 millionth engine also signaled a major production landmark for AUDI HUNGARIA MOTOR Kft. The Hungarian company has already been building engines for 18 years, and these products are currently fitted in over 40 models throughout the VW Group.

DELIVERIES AND DISTRIBUTION

The 2011 fiscal year saw the Audi Group increase worldwide deliveries to customers by 16.9 percent to 1,512,014 (1,293,453) cars. The core brand Audi increased its deliveries by 19.2 percent to a new record total of 1,302,659 (1,092,411) vehicles delivered, achieving its target of 1.3 million cars.

Management Report

The Audi brand succeeded in increasing the number of vehicles delivered in its home market Germany to 254,011 (229,157) and upped its market share slightly from 7.8 to 7.9 percent.
In Western European export markets, the Company bucked the negative overall trend in the market by posting double-digit growth to 428,292 (382,748) vehicles. There was a notably positive performance in the UK and French export markets, where the Audi brand increased total deliveries to 115,345 (99,705) and 62,009 (52,520) units respectively, equivalent to increases of 15.7 and 18.1 percent. The brand with the four rings enjoyed a slight increase in deliveries in the Spanish car market; in Italy the number of vehicles it delivered was unchanged from the previous year. The Company thus clearly outperformed these markets as a whole.
In Central and Eastern Europe, the Audi brand increased its deliveries quite substantially last year. The improvement owes much to the development of the Russian car market, where the Company increased its vehicle deliveries by 25.6 percent to 23,250 (18,510) units.
The Audi brand also put in a very successful performance in the U.S. market in 2011. With a new record of 117,561 (101,629) vehicles, the Company increased its deliveries by 15.7 percent year on year.
The Asia-Pacific growth region again expanded sharply in the past fiscal year. The Audi brand delivered 35.3 percent more vehicles there in 2011 than one year earlier, or 373,724 (276,241) in total. This growth was driven by the Chinese market (including Hong Kong), where the Company increased deliveries of the Audi brand by 37.3 percent to 313,036 (227,938) units. This meant that China overtook Germany as the Audi brand's biggest market for the first time ever. Despite lower overall market demand in Japan following the natural disaster, the Company increased its deliveries by 22.1 percent to 21,059 (17,251) vehicles.

DELIVERIES TO CUSTOMERS BY MODEL

	2011	2010
Audi A1	**118,175**	27,898
Audi A3	**28,405**	37,322
Audi A3 Sportback	**146,881**	154,574
Audi A3 Cabriolet	**11,683**	12,429
Audi Q3	**9,288**	39
Audi TT Coupé	**20,923**	19,534
Audi TT Roadster	**6,316**	5,374
Audi A4 Sedan	**207,409**	180,125
Audi A4 Avant	**106,957**	110,297
Audi A4 allroad quattro	**10,903**	11,477
Audi A4 Cabriolet	**–**	161
Audi A5 Sportback	**51,542**	51,844
Audi A5 Coupé	**36,800**	41,365
Audi A5 Cabriolet	**20,637**	21,324
Audi Q5	**176,084**	147,088
Audi A6 Sedan	**183,244**	159,213
Audi A6 Avant	**42,240**	39,606
Audi A6 allroad quattro	**3,732**	5,490
Audi A7 Sportback	**31,317**	3,795
Audi Q7	**52,529**	43,251
Audi A8	**34,245**	17,039
Audi R8 Coupé	**1,803**	1,916
Audi R8 Spyder	**1,546**	1,250
Total, Audi brand	**1,302,659**	1,092,411
Lamborghini Gallardo	**1,250**	1,052
Lamborghini Murciélago	**7**	250
Lamborghini Aventador	**345**	–
Total, Lamborghini brand	**1,602**	1,302
Other Volkswagen Group brands	**207,753**	199,740
Total, Group	**1,512,014**	1,293,453

The Audi Group maintained the continuous expansion of its product range in 2011.

NEW MODELS OF THE AUDI BRAND IN 2011

1) Product improvement of the car line

Audi A1

For the Audi A1, 2011 was the first full year in production. The Audi brand delivered a total of 118,175 (27,898) of its premium compact model to customers.

The A1 appeals above all to a youthful, lifestyle-oriented target group. Its most attractive features include emotional design, a wide range of customization options, and modern information and communication technologies.

After its launch, the Audi A1 was initially available as a three-door version. At the end of the year, the Audi brand then unveiled the A1 Sportback, which has been arriving on markets since February 2012. The five-door version provides more convenient access to the rear compartment and is equipped with four seats as standard, or optionally with five at no extra charge. There are currently five engine versions available – three TFSI and two TDI – with outputs ranging from 63 kW (86 hp) to 136 kW (185 hp). The 1.6 TDI engine with manual transmission is an extra-efficient version that is also available for the three-door A1. Developing 66 kW (90 hp) or 77 kW (105 hp), it achieves average consumption of just 3.8 liters of diesel per 100 kilometers, equivalent to CO_2 emissions of 99 g/km.

The top-of-range A1 quattro will also be appearing in 2012 as a limited edition of 333 units. Its output of 188 kW (256 hp) propels it from 0 to 100 km/h in only 5.7 seconds and on to a top speed of 245 km/h.

Audi A3

A particularly sporty model was added to the A3 car line in early 2011. The RS 3 Sportback is outfitted with a 2.5 TFSI engine that was voted “International Engine of the Year” in both 2010 and 2011 (http://www.ukipme.com/engineoftheyear). The five-cylinder engine builds on a lengthy Audi tradition stretching back to the 1980s, when powerful five-cylinder engines took the Audi brand to the top of the sport of rallying.

The Audi brand delivered 186,969 (204,325) vehicles of the A3 car line worldwide in fiscal 2011.

Management Report

Audi Q3

The introduction of the Audi Q3 in fall 2011 increased the Audi brand's SUV family to three models. The Q3 combines the dynamics of a compact car with the spaciousness and versatility of an SUV. Other impressive attributes are its lightweight body and its highly advanced assistance and multimedia systems. Many of its solutions have been adopted directly from the full-size category. The model is currently available with two TDI and two TFSI engines, with outputs between 103 kW (140 hp) and 155 kW (211 hp).
9,288 of the Audi Q3 were already delivered to customers during 2011.

Audi TT

The compact sports car models Audi TT Coupé and TT Roadster boast dynamic design and sporty performance. Turbocharging and direct injection make the three four-cylinder engines – including one TDI and two TFSI versions – not just powerful, but efficient too. For instance, in the Coupé version the 2.0 TDI engine with an output of 125 kW (170 hp) in conjunction with quattro drive and manual transmission runs on 5.3 liters of diesel fuel per 100 kilometers and produces emissions of 139 g CO_2/km. The TT Coupé and TT Roadster are also available as S and RS models with ultra-sporty engines.
A total of 27,239 (24,908) of the TT car line were delivered in 2011.

Audi A4

The improved models of the A4 car line have been on the market since last fall and deliveries to customers commenced at the start of 2012. Not only has the design of the A4 Sedan, A4 Avant, A4 allroad quattro and S4 models been made even clearer and more striking, the improved versions also offer new features that enhance driving dynamics, efficiency and infotainment.
The models in the A4 car line are propelled by powerful TDI and TFSI engines that have a large number of efficiency technologies as standard. Although many of the engines now produce more power and torque, fuel efficiency has on average improved by 11 percent.
The most economical version in the model family is the Audi A4 2.0 TDI developing 100 kW (136 hp), which uses just 4.3 liters of diesel fuel in the sedan version, making for CO_2 emissions of 112 g/km. A highlight of the TFSI family is the new 1.8-liter engine, which realizes fuel savings of 18 percent in the 125 kW (170 hp) version of the A4 Sedan compared with its predecessor.
The Company delivered a total of 325,269 (302,060) of its popular A4 car line to customers in 2011.

Audi A5

The A5 car line was also revised in 2011. The engines, suspension and infotainment of the A5 Sportback, A5 Coupé and A5 Cabriolet models are now even more advanced. The design has also been refined, with sharper, more evocative styling and an even more elegant interior. Fuel economy and CO_2 emissions have been improved by up to 18 percent compared with the previous engine versions.
As in the A4 car line, the fundamentally reengineered 1.8 TFSI engine features innovative solutions in many areas of technology such as thermal management, the fuel injection system and turbocharging. In the A5 Coupé, the four-cylinder version with manual transmission and an output of 125 kW (170 hp) consumes an average of 5.7 liters of premium-grade fuel per 100 kilometers and produces 134 g CO_2/km.
The ultra-sporty models of the A5 car line – the S5 available in Sportback, Coupé and Cabriolet body versions and the RS 5 Coupé – have also been revised as part of the product improvement measures.
Overall, the Audi brand delivered 108,979 (114,533) vehicles of the A5 car line in 2011.

Audi Q5

The Audi brand delivered 176,084 (147,088) of the Audi Q5 to customers during the year. Since appearing on the market at the end of 2008, the midsize SUV has developed into a high-volume car line and a major driver of growth.
In addition, a full hybrid version of the Q5 became available in November 2011. The Q5 hybrid quattro has a 2.0 TFSI engine and an electric motor, and can run on its combustion engine alone, its electric motor alone, or in the hybrid mode. The Q5 hybrid quattro recovers energy during retardation phases; it activates both the engine and the electric motor simultaneously when accelerating rapidly.

Audi A6

In bringing out the new A6 and A6 Avant in 2011, the Audi brand launched the seventh generation of the full-size car line. The new models' principal attractions are a lightweight body and, most notably, a wide choice of assistance and infotainment systems. There are currently seven powerful engine versions of each of the sedan and Avant; intelligent efficiency technologies give them an impressive status in their class for fuel economy. The car line's most efficient engine, for instance – the 2.0 TDI with an output of 130 kW (177 hp) – needs only 4.9 liters of diesel over 100 kilometers in the sedan version, giving it emissions of 129 g CO_2/km.
In the fall, the Audi brand presented the S6 and S6 Avant models that will be available starting in summer 2012. They are powered by a new 4.0 TFSI high-performance engine developing 309 kW (420 hp) that delivers even more sporty performance than the predecessor models' engines, yet is around 25 percent more fuel-efficient. The A6 allroad quattro and A6 hybrid models will then follow in the course of 2012.
The A6 car line again proved very popular during the period under review. A total of 229,216 (204,309) of this model were handed over to customers.

Audi A7 Sportback

The Audi brand ventured into a new market segment in 2010 with the A7 Sportback. The five-door model with the dynamically flowing tail combines the strengths of a coupe, a sedan and an Avant thanks to its sporty emotional character, comfort and high everyday suitability.
The A7 Sportback is currently available with five powerful six-cylinder engines with outputs in the range of 150 kW (204 hp) to 230 kW (313 hp), and features an array of efficiency technologies such as the start-stop system, innovative thermal management and energy recovery. From summer 2012, the S7 Sportback will likewise be available to customers. The powerful 4.0 TFSI engine with 309 kW (420 hp) at its disposal speeds the five-door coupé from 0 to 100 km/h in only 4.9 seconds.
Having made its market entry in fall 2010, last year was the A7 Sportback's first full year in production. In total, 31,317 (3,795) of the A7 Sportback were delivered to customers in 2011.

Audi Q7

Demand for the Audi brand's largest SUV, the Q7, once again rose year on year. The Company delivered 52,529 (43,251) vehicles to customers.
There are currently six engine versions of the Q7 on the market – two TFSI and four TDI versions. The most efficient engine in the Q7 is the 3.0 TDI quattro developing 150 kW (204 hp), with average consumption of only 7.2 liters of diesel fuel per 100 kilometers and emissions of 189 g CO_2/km. The Q7 V12 TDI quattro, which has an output of 368 kW (500 hp), is actually one of the most powerful models in the entire Audi product range.

Audi A8

The A8 L W12 quattro, the top version of the A8 car line, was launched on the market by the Audi brand in the course of last year. Together with all the sophisticated qualities of the luxury sedan, this vehicle delivers outstanding, dynamic road performance thanks to its powerful 12-cylinder engine with a displacement of 6.3 liters and an output of 368 kW (500 hp). The S8 will then become available from summer 2012. Although the output of the new 4.0 TFSI engine has gained 51 kW (70 hp), taking it to 382 kW (520 hp), the S8 is up to 23 percent more fuel-efficient than the predecessor version. This is thanks to a large extent to the newly developed cylinder on demand technology, which shuts down four of the eight cylinders in part-load operation, thus boosting efficiency.
From the second quarter of 2012, a hybrid version of the A8 will also become available to order. The A8 hybrid offers remarkable efficiency for a car of its class, with consumption of 6.3 liters of premium-grade fuel per 100 kilometers and CO_2 emissions of 147 g/km.
Demand for the Audi A8 was outstanding in 2011. In total, the Audi brand delivered 34,245 (17,039) of this model, doubling the prior-year value.

Audi R8

The Audi brand again added to its product range in the supercar segment in 2011, with a limited run of 333 of the R8 GT Coupé delivered from the start of the year. The 5.2 FSI engine developing 412 kW (560 hp) accelerates the top model of the R8 car line from 0 to 100 km/h in a breath-taking 3.6 seconds. December saw the start of deliveries of the open-top version R8 GT Spyder, which is again available in a limited run of 333.
In total, 3,349 (3,166) vehicles of the R8 car line were delivered to customers in 2011.

Lamborghini brand

The Italian supercar manufacturer Automobili Lamborghini S.p.A., Sant'Agata Bolognese (Italy), also rejuvenated its product range. In late summer 2011, the Lamborghini Aventador LP 700-4 made its market entry. The Murciélago's successor, a completely new product, features an innovative monocoque made from carbon fiber-reinforced polymer (CFRP), combining lightweight construction with high rigidity and safety. The Aventador is powered by a new 12-cylinder engine with an output of 515 kW (700 hp) that accelerates the car from 0 to 100 km/h in a stunning 2.9 seconds. This supercar's top speed is 350 km/h.

LAMBORGHINI AVENTADOR LP 700-4

Three special editions of the Lamborghini Gallardo also appeared during the past fiscal year. The Gallardo LP 570-4 Super Trofeo Stradale, which is inspired by the racing cars of the Lamborghini Blancpain Super Trofeo championship, is available in a limited edition of 150. The advanced lightweight design of the Gallardo car line's new top model is based on a combination of carbon fiber and aluminum. The Lamborghini Gallardo LP 560-4 Bicolore, another limited edition, is especially notable for its exclusive two-color paint finish. The "Esperienza Italia 150" exhibition showcased the Gallardo LP 550-2 Tricolore, which sports a longitudinal stripe in green, white and red – the colors of the Italian flag. In creating this special edition, the Lamborghini brand is specifically highlighting its Italian heritage.
Towards the end of the year the Lamborghini brand also unveiled the Gallardo LP 550-2 Spyder, adding a further model to its range of open-top supercars.
A total of 1,602 (1,302) vehicles of the Lamborghini brand were delivered to customers in fiscal 2011.

Other Volkswagen Group brands

In the period under review, 207,753 (199,740) 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), Audi Volkswagen Middle East FZE, Dubai (United Arab Emirates), and AUDI SINGAPORE PTE. LTD., Singapore (Singapore).

FINANCIAL PERFORMANCE INDICATORS

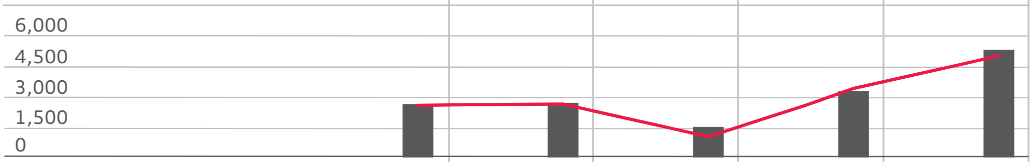
FINANCIAL PERFORMANCE

The Audi Group increased its revenue to a new record total of EUR 44,096 (35,441) million in fiscal 2011. This steep revenue growth of 24.4 percent was achieved mainly through increased vehicle sales.
Sales of cars of the Audi brand brought the Company revenue amounting to EUR 34,456 (27,423) million in the past fiscal year – a rise of 25.6 percent. The A4 car line was once again the most important source of revenue. In the first full year of production of the new Audi A1, the Company posted a substantial rise in revenue from the compact car segment. Meanwhile, the successful launch of the new generation of the Audi A6, full availability of the new A7 Sportback and lively demand for the Audi A8 pushed up revenue from the full-size and luxury segment significantly. A renewed rise in demand for the Q5 and Q7 SUV models also impacted the revenue trend positively. Overall, the disproportionately high rise in revenue compared to unit sales is attributable to a higher-value model mix and to an improved country mix.
The Lamborghini brand also increased its revenue last year. 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), Audi Volkswagen Middle East FZE, Dubai (United Arab Emirates) and AUDI SINGAPORE PTE. LTD., Singapore (Singapore). Increased demand brought higher revenue from the trading of these brands.

Management Report

As a result of the dynamic business performance, the cost of sales for the Audi Group rose to EUR 36,000 (29,706) million in the period under review. Thanks to ongoing improvements in productivity and processes, this increase of 21.2 percent was below the rate of increase in revenue. The Audi Group's gross profit thus climbed 41.2 percent to EUR 8,096 (5,735) million.
Distribution costs rose to EUR 3,599 (3,038) million, above all as a result of the marked increase in volume, the costs incurred in connection with the introduction of new models and the first-time consolidation of a number of companies. Administrative expenses increased to EUR 429 (374) million. The other operating result rose to EUR 1,280 (1,017) million in 2011.
The Audi Group thus improved its operating profit for the past fiscal year by 60.1 percent overall, to EUR 5,348 (3,340) million. This new record figure means the Company continues to make impressive progress down the growth pathway envisaged in its Strategy 2020.
The financial result was improved to EUR 692 (293) million in the past fiscal year. The substantial increase is above all due to effects from the measurement of hedging transactions as well as to higher interest and similar income. Furthermore, there was a rise in the result from investments accounted for using the equity method thanks to another positive set of business figures for the joint venture FAW-Volkswagen Automotive Company, Ltd., Changchun (China).
In all, the Audi Group therefore improved its profit before tax by 66.2 percent to EUR 6,041 (3,634) million. After deduction of income tax expense, the Company posted a profit of EUR 4,440 (2,630) million for the period under review, a rise of 68.8 percent.

DEVELOPMENT OF OPERATING PROFIT AND OPERATING RETURN ON SALES



	2007	2008	2009	2010	**2011**
Operating profit (EUR million)	2,705	2,772	1,604	3,340	**5,348**
Operating return on sales (%)	8.0	8.1	5.4	9.4	**12.1**

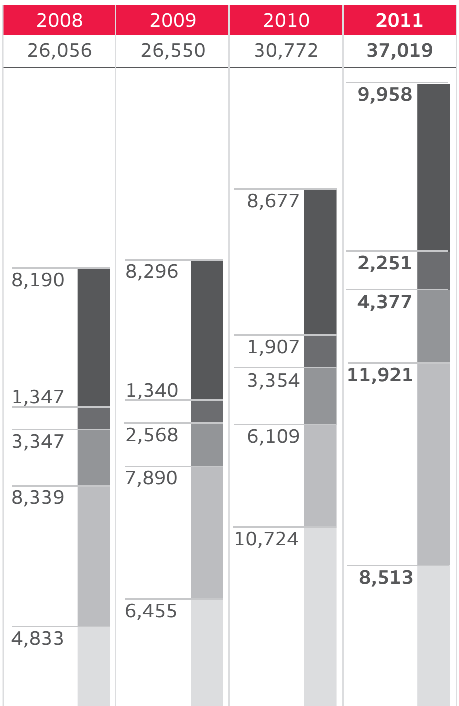
The very successful business performance is also reflected in all key return ratios, with the result that the Audi Group was yet again one of the most profitable players in the automotive industry worldwide in 2011.
For example, the Audi Group increased its operating return on sales to 12.1 (9.4) percent and its return on sales before tax to 13.7 (10.3) percent in the past fiscal year. Over the same period, the return on investment improved to 35.4 (24.7) percent.

KEY EARNINGS DATA

%	**2011**	2010
Operating return on sales	**12.1**	9.4
Return on sales before tax	**13.7**	10.3
Return on investment	**35.4**	24.7

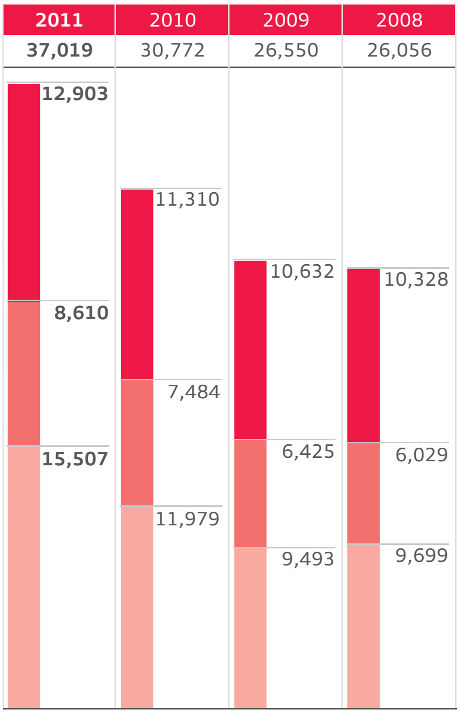
NET WORTH

BALANCE SHEET STRUCTURE (EUR MILLION)



Non-current assets:
- Fixed assets
- Other non-current assets

Current assets:
- Inventories
- Other current assets
- Cash and cash equivalents



- Equity
- Non-current liabilities
- Current liabilities

The Audi Group's balance sheet total rose by 20.3 percent in the past fiscal year to EUR 37,019 (30,772) million.
Non-current assets of EUR 12,209 (10,584) million showed a rise of 15.3 percent, which was driven mainly by the increase in property, plant and equipment as a result of the expansion of worldwide production capacity. The Audi Group maintained its efforts to develop new products and technologies over the past year, thus increasing total capital investments to EUR 2,970 (2,146) million.
The significant growth in current assets to EUR 24,811 (20,188) million is largely attributable to the rise in cash and cash equivalents. Higher receivables and inventories as a result of the dynamic business performance also contributed to this increase.
As of the balance sheet date, equity had reached EUR 12,903 (11,310) million. The main factor behind this rise was the cash infusion of EUR 1,005 million by Volkswagen AG, Wolfsburg, into the capital reserve of AUDI AG. The allocation to the other retained earnings of the balance remaining after the transfer of profit also increased equity by EUR 1,251 million. The equity ratio for the Audi Group consequently reached 34.9 (36.8) percent.
Non-current liabilities as of December 31, 2011 were up on the prior-year figure at EUR 8,610 (7,484) million. Higher other provisions and other liabilities contributed towards this increase.
Current liabilities climbed to EUR 15,507 (11,979) million in particular as a result of the higher transfer of profit to Volkswagen AG and the increased trade payables in connection with the growth in business volume.

FINANCIAL POSITION

Thanks to the Company's positive development, the Audi Group enjoyed an increase in cash flow from operating activities to EUR 6,295 (5,797) million in 2011.
Over the same period the cash used in investing activities for current operations reached EUR 2,905 (2,260) million. Of this amount, a sum of EUR 2,167 (1,362) million was invested in property, plant and equipment. Alongside spending on new products and the further development of pioneering drive technologies such as electrification, the investment focus was on increasing expertise in lightweight construction. Taking account of cash deposits in the form of securities as well as the rise in fixed deposits and loans extended, the cash used in investing activities totaled EUR 6,911 (3,306) million.
As in previous years, the Audi Group financed capital investments entirely from its own resources and in addition generated a healthy surplus. The net cash flow of EUR 3,390 (3,536) million therefore highlights its sustained financial strength.
The net liquidity at year-end thus increased to EUR 15,716 (13,383) million compared with the previous year.
As of December 31, 2011 the other financial obligations, which largely comprise ordering commitments, amounted to EUR 2,944 (2,192) million. Further information is provided in Section 39 of the Notes: "Other financial obligations."

SOCIAL AND ECOLOGICAL ASPECTS
EMPLOYEES

Workforce

Average for the year	2011	2010
Domestic companies	**47,182**	45,914
of which:		
AUDI AG	**45,386**	44,299
Ingolstadt plant	**32,165**	31,344
Neckarsulm plant	**13,221**	12,955
Foreign companies	**13,017**	11,038
of which:		
AUDI BRUSSELS S.A./N.V.	**2,361**	2,145
AUDI HUNGARIA MOTOR Kft.	**6,932**	5,833
Automobili Lamborghini S.p.A.	**831**	803
VOLKSWAGEN GROUP ITALIA S.P.A.	**897**	883
Employees	**60,199**	56,952
Apprentices	**2,322**	2,269
Employees of Audi Group companies	**62,521**	59,221
Staff employed from other Volkswagen Group companies not belonging to the Audi Group	**285**	292
Workforce	**62,806**	59,513

The Audi Group employed an average of 62,806 (59,513) people in fiscal 2011. At year-end, the workforce had increased to a total of 63,839 (60,395) employees.
Alongside recruitment at AUDI AG and temporary workers taken on permanently at AUDI BRUSSELS S.A./N.V., Brussels (Belgium), the substantial year-on-year rise is mainly due to a higher personnel total at AUDI HUNGARIA MOTOR Kft., Győr (Hungary), to handle its increased production volume and following the expansion of that plant.

EMPLOYEE STRUCTURAL DATA (AUDI AG)

		2011	2010
Average age [1]	Years	**40.6**	40.8
Average length of service [1]	Years	**15.6**	16.0
Proportion of women [1]	Percent	**13.0**	12.6
Proportion of academics [2]	Percent	**40.1**	36.3
Proportion of foreign nationals	Percent	**7.7**	7.7
Proportion of people with severe disabilities	Percent	**6.0**	6.0
Contracts to workshops for people with mental disabilities	EUR million	**6.3**	6.2
Frequency of accidents [3]		**2.3**	2.3
Attendance rate	Percent	**96.4**	96.4
Savings through Audi suggestions award program	EUR million	**70.4**	55.3
Implementation quota	Percent	**57.2**	57.5

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

The mission of Strategy 2020 "We delight customers worldwide" represents a particular challenge for the Audi Group's Human Resources division. Human Resources regards all employees as customers and therefore as a separate, important target group. It strives to deliver customer delight on two human resources planes: First, by creating the conditions that enable all corporate divisions to achieve a demand-centered human resources structure, and second, by acting to increase the Company's attractiveness as an employer.

One of its priorities is establishing good relations between the Company and its employees. The human resources policy must consequently be to create general and working conditions that are both conducive to a good economic performance and suitably meet the needs of employees. Cooperation between the Company and the employees' elected representatives in the spirit of a fair social partnership plays a key role here. For example, a new agreement on partial early retirement has been reached.

Another key tenet of the human resources policy is to translate the Company's success into success for the employees. The management and General Works Council of AUDI AG have therefore reached an agreement on employee profit-sharing that is based on the twin criteria of the Company's profit for the previous year and the attainment of defined target values. Profit-sharing bonuses are also paid at the sites in Belgium and Hungary.

Over 2,500 employees newly recruited

AUDI AG took on more than 2,500 employees in fiscal 2011. Some 1,300 of the new hirings strengthen the teams of specialists, in particular in the electric mobility and lightweight construction areas of expertise. Over 500 skilled workers were taken on, mainly as permanent employees after having been hired on a temporary basis. The Company also welcomed 706 young people starting their vocational training at its Ingolstadt and Neckarsulm locations.

Top rankings again in attractiveness surveys

AUDI AG was again held in high regard as an employer among academic graduates in 2011. As in the previous year, the Company achieved top rankings in the attractiveness surveys conducted by the consultants trendence and Universum to identify the most popular employer for German economics and engineering students nearing the end of their studies ("trendence Graduate Barometer 2011 – Business and Engineering Edition," April 15, 2011; "The Universum German Student Survey 2011," May 16, 2011). AUDI AG topped the trendence and Universum studies among students of both disciplines.

Management Report

The Company was also very popular among engineers already in employment. AUDI AG was ranked second in the study entitled “The German Professional Survey 2011” by Universum, published on December 5, 2011.
Furthermore, AUDI HUNGARIA MOTOR Kft., Győr (Hungary), was again voted the country’s “Most attractive company” in fiscal 2011 according to the results of a survey by the business consultants Aon Hewitt and the international student organization AIESEC (http://www.autoevolution.com/news/audi-the-most-attractive-company-in-hungary-32615.html).
It remains the priority goal of Personnel Marketing at AUDI AG to continue developing its identity as an employer brand. Clear positioning and credible communication are important milestones in achieving the strategic corporate objective of “Attractive employer worldwide.” To reflect this, the approach to communication was successfully given a new direction. In the “Employer Branding Awards 2011,” the “Magical Moments” campaign was an immediate success in the “Best Careers Website” and “Best Careers Advertisement” categories (“trendence Employer Branding Awards 2011,” May 24, 2011).
In addition to its image as an employer, internal employee satisfaction is an important indicator of the Audi Group’s attractiveness as an employer. Regular online surveys serve to confirm that employee satisfaction is high.

Training and advancement

In September 2011, 706 young people embarked on their vocational training at AUDI AG. Of these, 21 commenced studies at the Baden-Wuerttemberg Cooperative State University. 48 of the participants enrolled in the StEP program (Study and Experience in Practice), which combines vocational training with technical studies.
At the end of the year there were 2,349 apprentices at the two German locations Ingolstadt and Neckarsulm, spanning more than 20 different vocations. The figure includes 184 young people embarking on a dual vocational training program in combination with the entrance qualification for a university of applied science. In completing this training, they are entitled to progress to a university of applied science, while at the same time qualifying as a mechatronics or automotive mechatronics engineer, electronics engineer for automation technology, or tool mechanic.
With AUDI AG already having pioneered a supplementary qualification as an electrician in 2010, this qualification will now be incorporated into the vocational training syllabus. As part of a pilot project, 25 automotive mechatronics engineers now for the first time qualified as automotive electricians in 2011 during their training, and passed the corresponding Chamber of Commerce examinations immediately after completing their training. The qualification focuses on the safe handling of high-voltage technology. It equips the apprentices to perform complex tasks on hybrid and electric vehicles, making them suitably prepared for the future challenges of electric mobility.
During the 2011 fiscal year, 30 young people – 20 industrial/technical apprentices and ten clerical trainees – received the opportunity to spend three months working in other European countries. The host companies were 12 locations of the Volkswagen Group. AUDI AG also plays host to apprentices from other group companies.
The Sino-German Automotive Vocational Education (SGAVE) project in China is equally about internationalization. Together with other renowned project partners, five model schools started providing training for automotive mechatronics engineers in the cities Changsha, Beijing, Changchun, Hangzhou and Chengdu from October 2011 onward. Teaching is scheduled to commence at ten further schools during fiscal 2012.
The focus of technical further training in 2011 was on the key technologies lightweight construction and electric mobility. Other training topics were prompted by the requirements of new materials, joining and bodywork technologies, battery technology, power electronics and electric drive technology.
Another major area of qualifications in 2011 involved competence development for the employees of the automotive plant in Győr (Hungary) that is currently undergoing expansion. The Company

devised specific qualification programs here for various target groups. A Project and Training Center was also set up, new vocations were introduced and local trainers at Győr were qualified. In addition, the Training Department at AUDI AG has been providing openings for less able apprenticeship applicants for over 30 years. The arrangements offered by the Company include entry-level qualifications for young people who have not been able to secure an apprenticeship for personal reasons or who need assistance towards acquiring the necessary qualification to train for their chosen career.

Health, job and family

The Company has been offering new preventive health care services since summer 2006. In 2011 alone, over 8,000 employees took a voluntary health check-up. The total number of people taking advantage of this service since its launch has now exceeded 44,000. This thorough preventive health check can be taken during working hours and includes an in-depth consultation with a physician as well as a range of lab tests.
AUDI AG has furthermore established a permanent facility for stem cell typing. Audi Health Care is working in close partnership with the Aktion Knochenmarkspende Bayern (Bavarian Bone Marrow Donation Foundation) and the DMKS Deutsche Knochenmarkspenderdatei (DMKS German Bone Marrow Donor Center). Employees who are interested in this option can be tested and typed at the health centers free of charge at any time.
1,365 Audi employees took the option of parental leave during fiscal 2011. 59 percent of the men entitled to take parental leave took advantage of this arrangement. The average length of parental leave in 2011 was 11 months. Women took on average 24 months' parental leave, and men two months.
A new arrangement to promote the compatibility of working and family life was introduced in August 2011. Under the “Audi Summer Children” program, for the first time employees at the Ingolstadt and Neckarsulm locations were able to take advantage of the offer of professional child care during the summer vacation. A total of 242 children and young people between six and 14 years of age attended the vacation program.

Equal opportunities for women

As an attractive employer, AUDI AG is eager to promote equal opportunities for women, attract women to the Company and offer them good career prospects. As part of a voluntary commitment made during the past fiscal year, the Company adopted differentiated targets for increasing the proportion of women at all hierarchy levels, from apprentices to top managers. Higher proportions of women should promote diversity at AUDI AG, thus further boosting the creative and innovative potential of the workforce.
When hiring female academic graduates, the Company looks at the proportions of women studying each subject. Taking the example of mechanical and electrical engineering, AUDI AG correspondingly aims for 9 percent women in the people it recruits from that course of study. Averaged out across all courses of study that are relevant for the Company, the target proportion of women among new recruits is 28 percent. This increased proportion for highly qualified women taken on by the Company will make it possible to steadily increase the proportion of female managers at the various management levels over time, with 11 percent women in top management by 2020, 12 percent in senior management and 15 percent in management. Another AUDI AG goal is to increase the proportion of female skilled workers to 10 percent and the proportion of women in first line management to 8 percent by 2020.
A large number of measures are already in place for attracting women to Audi and furthering their development. For example, AUDI AG specifically directs advertising at talented women and takes account of their specific circumstances. In that context, it offers special fact-finding days on technical vocational training, as well as workplace discovery days for young women. The Company also holds various career orientation events aimed specifically at schoolgirls, such as the “Female Researchers” or “Girls for Technology” camps, and is a long-standing participant in the nationwide Girls' Day. There is a separate series of events entitled CareerDay Women aimed specifically at female graduates and engineers already in employment.

AUDI AG has also been supporting internal and external women's networks for many years. On their career pathway to management, female employees are supported as part of a mentoring program. In addition to optimizing the basic framework for making working and family life compatible, the Company is planning other supporting measures.

PROPORTION OF WOMEN AT AUDI AG

%	2011	2010
Apprentices	**24.2**	24.0
Industrial apprentices	**21.3**	20.9
Clerical trainees	**75.8**	76.5
Management	**9.1**	9.3
Senior Management	**3.7**	3.9
Top Management	**2.6**	0.0

AUDI IN SOCIETY

Employee and corporate donations

Over 99 percent of the Audi workforce contributed to the Christmas fundraising campaign in the 2011 fiscal year. The total amount raised by the employees, and topped up by the Company, reached the new record sum of EUR 800,000. As every year, the fundraising campaign led by the employees' elected representatives is to help charities and organizations in the home regions of the Company locations.
Audi employees and the Company collected a total of EUR 1.3 million for the victims of the natural disaster in Japan and supported the call for donations by the VW Group Works Council for famine relief in East Africa.
The "Spare Cents" campaign – where many employees donate the remaining cents after the decimal point on their monthly payslip – also raised around EUR 225,000 for street children projects run by "terre des hommes."

Research partnerships

122 research students are currently preparing their doctoral theses within the Audi Group on topics spanning technology, economics, the humanities and the social sciences. Around 70 percent of doctoral theses are prepared in tandem with one of the Company's partner universities. In 2011, over 80 percent of research students were given permanent positions by the Audi Group after completing their doctoral theses.
The doctoral students meeting "Pro Motion," where doctoral students present the current status of their research work, took place for the seventh time in 2011; this acts as a vital forum for specialist discussions among doctoral students, employees and members of management.
The Audi Group again facilitated exchanges between the world of research, schools and the public in 2011. AUDI AG organized another series of lectures (INI. and HIN. seminar) last year under the banner of "Hands-On University," where lecturers from partner universities presented the latest findings from their research. Ingolstadt hosted the 50th INI. seminar in the past fiscal year. Together with the partners Friedrich-Alexander University Erlangen-Nuremberg, the Technical University of Munich, the University of Stuttgart and the Karlsruhe Institute of Technology (KIT), the Company also offered advanced events (INI. and HIN.JUGEND.KOLLEG) to introduce school students from eighth grade upward to the world of science and technology. A total of over 2,000 school students and adults attended the "Hands-On University" events in 2011.
The partnership set up in 2010 with the prestigious Tongji University of Shanghai in China took effect last year and was further extended. The "Audi Tongji Joint Lab" embarked upon projects in the areas of marketing, electric mobility, design and IT.

2011 also saw the decision to create endowed chairs at the University of Dortmund and Friedrich-Alexander University Erlangen-Nuremberg on the topics of supply chain and international information logistics/human resources management.

THE AUDI GROUP'S RESEARCH PARTNERSHIPS

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

- 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
- University of Southern California
  University of California, Berkeley
  University of California, San Diego
  University of Michigan Transportation Research Institute (UMTRI)
  Since 2010; university project "Audi Urban Intelligent Assist"
- Audi Tongji Joint Lab, Shanghai
  Since 2010; focus: Automotive Market Research; Marketing, Electric Mobility, Design, IT

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, which rests on reconciling economy with ecology, is therefore an integral aspect of the corporate strategy.
This awareness is reflected not only in the Audi Group's continuing implementation of measures to improve the efficient use of resources, but also in its involvement in numerous initiatives such as the Bavarian Environmental Pact. In addition, the Company maintains a regular dialog with associations, government agencies, politicians and journalists about the principles behind its environmental philosophy. The Audi Group's environmental commitment extends far beyond the statutory requirements. This is the only way to ensure that economic growth is sustainable.

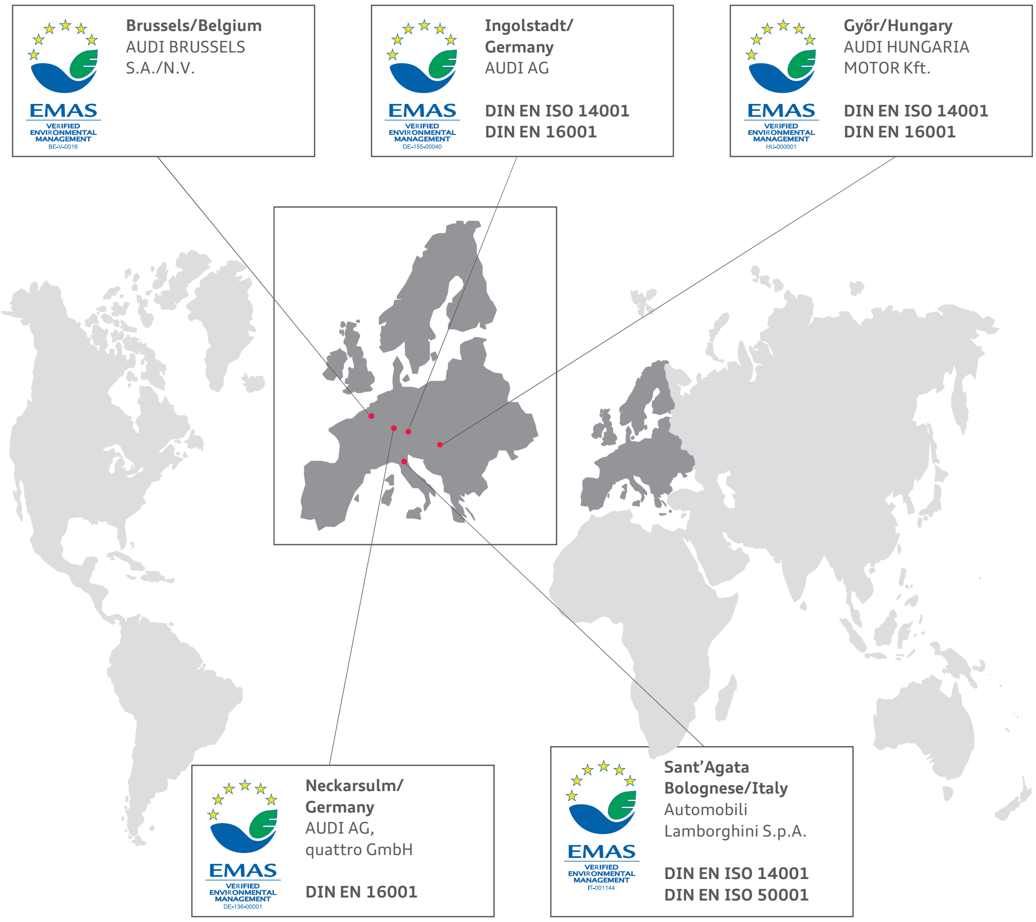
Accreditation

Alongside the use of modern technologies, organizational measures within the environmental management systems form the basis for steadily reducing pollution. These ongoing efforts are documented by internal reviews and external auditing of all production facilities.
All Audi Group locations are for example validated under the European Union's EMAS (Eco Management and Audit Scheme), which goes well beyond the minimum standards required. In 1995 the Audi Group became the first premium-segment carmaker to receive this coveted accreditation when it was awarded to the Neckarsulm location.

Management Report

The Ingolstadt and Győr (Hungary) production plants followed in 1997 and 1999; the Belgian plant in Brussels and the Lamborghini location Sant'Agata Bolognese (Italy) have been entitled to bear the EMAS signet since 2002 and 2009 respectively.
Furthermore, the Ingolstadt, Győr and Sant'Agata Bolognese plants are accredited under the worldwide DIN EN ISO 14001 standard.
The environmental management systems for the Ingolstadt, Neckarsulm, Győr and Sant'Agata Bolognese locations moreover already meet the new European standards DIN EN 16001 or DIN EN ISO 50001, which set especially rigorous conditions for continuous, systematic reductions in energy consumption.
The VW Group manufacturing locations that Audi uses also satisfy environmental management system requirements – the production plants in Bratislava (Slovakia), Martorell (Spain), Aurangabad (India) and Changchun (China) are all accredited in accordance with the worldwide DIN EN ISO 14001 standard.

ACCREDITATION OF AUDI GROUP LOCATIONS

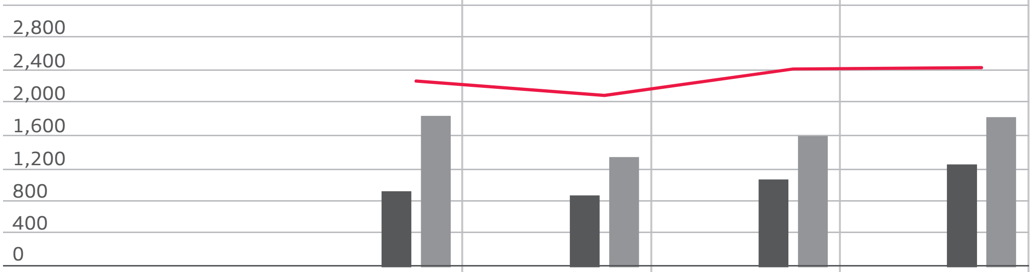


The environmental declarations for the individual locations are each available in the local language on the respective companies' websites.

Emissions reduction and resource efficiency

Reducing energy consumption and related emissions is a particular priority within the Company's environmental activities. By applying a raft of ongoing measures, AUDI AG intends to reduce location-based and company-specific CO_2 emissions by 30 percent by 2020, against the base year of 1990. The potential for energy savings is already considered during the planning phase. Along with infrastructure and logistics, the production and supply facilities are major areas offering scope for permanent efficiency improvements. For example, when the engine test benches at Neckarsulm are running, they generate power that can be used at the plant by being connected to generators. Then there is an extra-light body manufacturing tool made largely from carbon fiber-reinforced polymer (CFRP) and developed by the Audi Toolmaking Shop. Using this tool cuts power consumption by around 43 percent compared with a conventional version. Innovative joining techniques in body manufacturing – such as spot welding, laser welding and bonding techniques – also help to cut consumption of operating materials and energy. A modern combined heat, power and refrigeration plant at Ingolstadt as well as heat recovery systems and the use of district heating have furthermore long proved very successful for the Audi Group.

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



	2008	2009	2010	**2011**
Vehicle production (thousand units)	953	902	1,102	**1,292**
Engine production (thousand units)	1,902	1,384	1,648	**1,884**
Total energy consumption [2)] (in GWh)	2,337	2,157	2,491	**2,509**

1) Ingolstadt, Neckarsulm, Brussels (excluding Volkswagen Polo), Győr and Sant'Agata Bolognese plants; incl. CKD production

2) 2011 figures provisional

The Audi Group's overall energy consumption has been kept virtually stable in recent years. Energy consumption in the past fiscal year showed only a slight year-on-year rise despite the increased production volume. A large number of efficiency measures meant that it increased at a lower rate than the production volume.
The other key environmental figures that the Audi Group observes in addition to energy consumption also reflect the increased production volume.

ENVIRONMENTAL STRUCTURAL DATA [1)]

		2011	2010
VOC emissions [2)]	t	**2,380**	1,913
Direct CO_2 emissions [3)]	t	**196,137**	203,277
Volume of waste water	m^3	**2,180,472**	2,057,863
Fresh water purchased	m^3	**3,229,515**	2,991,498
Total volume of waste [4)]	t	**68,312**	60,513
of which recyclable waste	t	**56,130**	51,922
of which disposable waste	t	**12,182**	8,591
Metallic waste (scrap)	t	**335,286**	323,497

1) Ingolstadt, Neckarsulm, Brussels, Győr and Sant'Agata Bolognese plants; 2011 figures provisional

2) VOC emissions (volatile organic compounds): This figure comprises emissions from the paint shops, test rigs and other facilities.

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.

4) As a result of changed processes (Neckarsulm), statutory changes (Győr) and the remediation of legacy contamination from other reporting periods (Ingolstadt), overall waste volumes rose.

Management Report

Examples of current environmental projects

AUDI AG is promoting a sustainable environmental policy through the charitable environmental foundation Audi Stiftung für Umwelt GmbH. The foundation's goal is to protect the natural livelihood of humans, animals and plants. It supports measures and research activities that promote environmental education and the development of environmentally acceptable technologies outside the sphere of the car. The foundation's initial projects include providing long-term research backup for the "Oak Forest" research project launched in 2008, for which Audi is collaborating with the Bavarian State Forestry and the Chair of Forest Yield Science at the Technical University of Munich. In the first phase of the project, a total of around 60,000 English oaks were planted close to the Company locations Ingolstadt, Győr (Hungary) and Neckarsulm. Two further test sites were added in 2011 – one close to the Lamborghini location Sant'Agata Bolognese (Italy), and one in Hungary – on which a further 10,000 oak seedlings were planted. The research project 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.
The Audi Group is also implementing numerous measures to use renewables. For instance, it ships its cars from the Company headquarters in Ingolstadt to Emden, the port of loading on the North Sea coast, by trains running on power generated from renewables. Photovoltaic systems are also in use at numerous locations throughout the Audi Group. In addition, AUDI AG has entered into a partnership with the industrial initiative Dii GmbH, Munich, whose long-term goal is to transform the DESERTEC vision into a reality. This vision describes the prospects for capturing solar and wind power in desert regions to supply Europe, the Middle East and North Africa.

CURRENT ENVIRONMENTAL PROJECTS


Oak Forest project


Rail freight on green power


Solar power from the desert

Emissions trading

In introducing the trading of CO_2 emissions rights in 2005, the European Union took on a leading role in matters of climate protection. The second trading period in which the Ingolstadt, Neckarsulm and Brussels manufacturing plants are participating runs from 2008 to 2012. As matters stand, thanks to the wide range of measures to improve energy efficiency and the reduced emissions that are the result, the position remains that the Audi Group does not expect to incur any major costs from emissions trading.

PRODUCT-BASED ENVIRONMENTAL ASPECTS

Future mobility

From pioneering engine concepts such as TDI, FSI and TFSI to lightweight construction in the shape of the Audi Space Frame, the Audi brand has repeatedly contributed to efficiency standards in automotive manufacturing over the past decades. To influence the future shape of mobility through "Vorsprung durch Technik," the Company regards it as a major priority to strike a fitting balance between fuel efficiency, comfort and driving enjoyment. AUDI AG advocates a diversified concept involving a variety of energy sources and technologies, so that customers can choose the option that best meets their individual requirements from a wide range of drive technology versions.
The combustion engine will remain the principal power source for the foreseeable future. The Audi brand therefore intends to broaden its successful TDI, FSI and TFSI engine range and further reduce fuel consumption and CO_2 emissions by implementing the technologies from its modular efficiency platform.

Electrified drive concepts are a further focal area within the technology matrix. Hybrid technology will play an important role in paving the way for purely electric travel. The Audi Q5 hybrid quattro has thus been on the market since the end of 2011. The Audi A6 hybrid and A8 hybrid models will appear on markets in the course of 2012. Under the umbrella brand Audi e-tron, which encompasses all-electric drive, plug-in hybrids and vehicles with a range extender, the Audi brand is stepping up its development activities in the sphere of electric mobility. In the past fiscal year the technical concept cars that it showcased included the A3 e-tron concept, A2 concept and Audi urban concept (cf. “Electric mobility” under “Research and Development,” p. 148 ff.).
For electric vehicles to be a genuinely climate-neutral form of mobility, they need to run on renewable power. AUDI AG has already launched various projects to promote the use of renewables such as wind power. In this context, the Company is also investigating the practical use of alternative fuels such as second-generation biofuels. The Audi brand is also planning to start production of its first natural-gas vehicle in 2013, the Audi A3 TCNG.

MILESTONES IN EFFICIENCY TECHNOLOGY FROM THE AUDI BRAND

Launch of Audi A6 hybrid and Audi A8 hybrid	2012
101 models < 140 g CO_2/km; 32 models < 120 g CO_2/km; 5 models < 100 g CO_2/km Presentation of new 4.0 TFSI engine with cylinder on demand technology Launch of Q5 hybrid quattro Launch of freewheeling function on the Audi Q3 Participation of e-gas powered Audi A3 TCNG in the Michelin Challenge Bibendum 2011	2011
Launch of start-stop system and driver information system with efficiency program	2009
Launch of Audi valvelift system (AVS)	2006
Launch of Audi S tronic	2003
Launch of FSI technology	2002
Volume-produced car with all-aluminum body: Audi A2	1999
Launch of Audi Space Frame (ASF)	1994
Launch of TDI technology Audi duo hybrid model	1989

Hybrid models

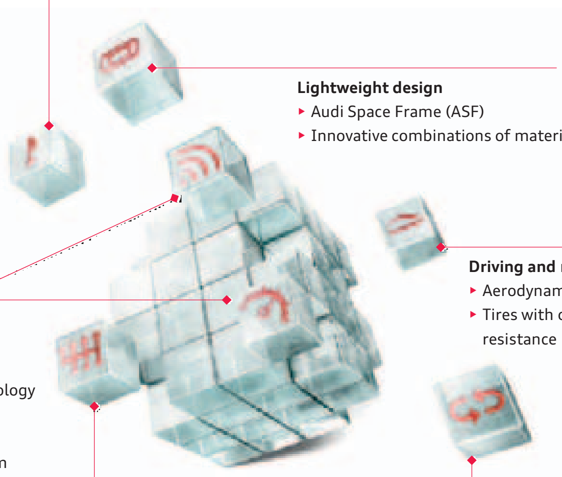
The Audi brand first demonstrated its expertise in the field of hybrid technology as long ago as 1989, when it unveiled the Audi duo, a technical study based on the Audi 100 Avant. In the past year, the Audi brand brought the Audi Q5 hybrid quattro onto the market. The portfolio of hybrids will be extended in 2012 with a full-size sedan, the Audi A6 hybrid and a luxury-class sedan, the Audi A8 hybrid.
All three models have a 2.0 TFSI engine and an electric motor with a combined system output of 180 kW (245 hp), and can run on the combustion engine alone, the electric motor alone or in the hybrid mode. They also recover energy during retardation phases, and when accelerating hard the electric motor supports the gasoline engine.
Assuring a high proportion of electric operation was a key development objective. These vehicles are capable of traveling at a speed of up to 100 km/h purely electrically – at a constant 60 km/h they cover around three kilometers with zero local emissions.
Over the standard European driving cycle the Audi Q5 hybrid quattro uses an average of just 6.9 liters of premium-grade fuel per 100 kilometers – equivalent to CO_2 emissions of 159 g/km. The average fuel consumption of the A6 and A8 hybrid versions is even lower, at 6.2 and 6.3 liters of premium-grade gasoline per 100 kilometers respectively. The combined-cycle CO_2 emissions of the Audi A6 hybrid are expected to be 145 g/km, and 147 g/km for the Audi A8 hybrid.

The hybridization process is to be rolled out across other car lines, too. In developing future product generations, the Audi brand will prioritize plug-in hybrids with batteries that can also be recharged from the grid.

Modular efficiency platform

The Audi brand's modular efficiency platform brings together all technologies that help to realize further reductions in fuel consumption and CO_2 emissions. It comprises components from diverse areas of technology, such as engines, auxiliaries, transmissions, energy management, body manufacturing and driver assistance systems.
The modular efficiency platform is being steadily widened; innovative technologies such as the freewheeling function, cylinder on demand and electromechanical steering were added in 2011. At the same time, the existing components are being rolled out across the entire range. For example, most models of the Audi brand are now already fitted with a start-stop system as standard.

THE AUDI MODULAR EFFICIENCY PLATFORM



Freewheeling function

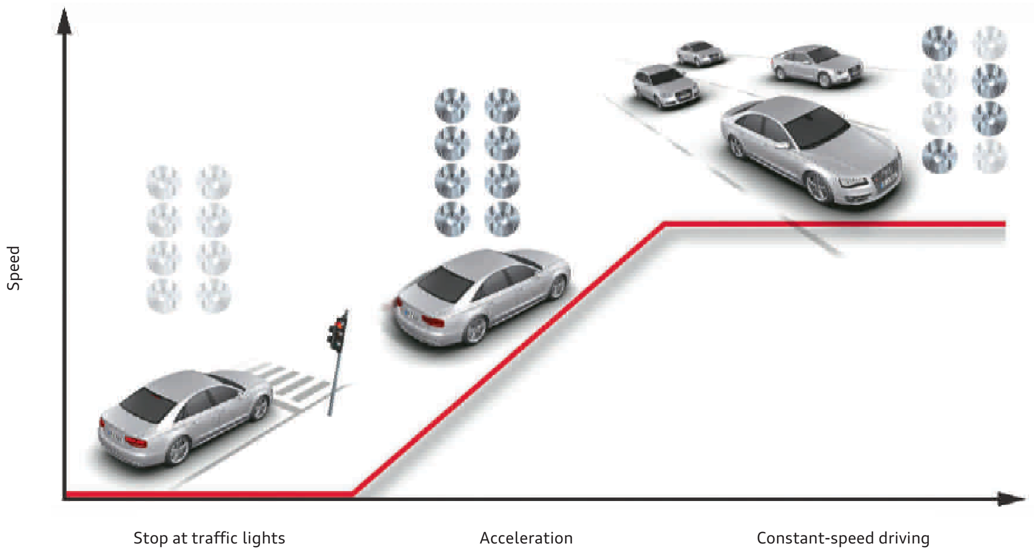
Another technology has been added to the modular efficiency platform in the shape of the freewheeling function in the new Audi Q3, available in conjunction with the 7-speed S tronic dual-clutch transmission.
To use the freewheeling function, the "efficiency" mode must be activated in the optional driving dynamics system Audi drive select. When coasting, in other words when the vehicle is moving purely under its own momentum, such as when rolling downhill, the clutch opens. The compact premium SUV then freewheels, reducing its fuel consumption.

The “efficiency” mode of the Audi drive select driving dynamics system first appeared on the successor generation of the Audi A6 in 2011, alongside the existing options “comfort,” “auto” and “dynamic.” The new driving mode promotes an enhanced-efficiency form of operation that brings together the individual vehicle systems such as engine, transmission, suspension and air conditioning. The net effect is an efficiency gain of up to 10 percent.

Cylinder on demand

Cylinder on demand technology in the new 4.0 TFSI engine also helps to deliver further efficiency gains. At part loads, the high-performance eight-cylinder engine deactivates four of its cylinders. This makes the remaining cylinders operate with improved efficiency, boosting fuel economy. Above all thanks to cylinder management, the fuel efficiency of the new Audi S6 has been improved by around 25 percent compared with the previous model. The transition between the two modes goes unnoticed by the customer. For example, active noise control (ANC) detects noise interference inside the car by means of microphones built into the headlining and generates an equivalent noise via the sound system to cancel it out. In addition, active engine mounts reduce potential vibration to an imperceptible level by means of out-of-phase counter-oscillations.
The new 4.0 TFSI engine with cylinder on demand will appear in the S6, S6 Avant, S7 Sportback and S8 models available from summer 2012.

CYLINDER ON DEMAND TECHNOLOGY IN THE NEW AUDI S8



Innovative thermal management

A cold start at low temperatures entails significant efficiency losses because more energy input is needed to circulate the cold, highly viscous oil in the engine, differential and transmission. Another technology added to the modular efficiency platform in the past fiscal year is an advanced form of innovative thermal management, which shortens the warming-up phase when there is increased internal friction, thus improving fuel efficiency and reducing CO_2 emissions.
It achieves this by distributing the heat flows between the engine, transmission and interior intelligently so that the drive assemblies reach their operating temperature sooner after a cold start.

Management Report

Electromechanical steering

The electromechanical steering underwent technological refinement as part of the A4 car line product improvement.
The steering gear incorporates an electric motor that generates the servo power to assist the driver with steering. With this advanced electromechanical steering system, the electric motor now no longer needs to provide steering assistance when the car is traveling in a straight line, thus cutting energy consumption. Thanks to the electromechanical steering, fuel consumption is reduced on average by up to 0.3 liters per 100 kilometers depending on engine version, cutting CO_2 emissions by up to 7 g/km.
The advanced electromechanical steering can also boost driving safety – for instance by regulating power assistance intelligently if there is a risk of skidding. The electromechanical steering also promotes driving safety in combination with the optional lane departure warning system Audi active lane assist, which actively helps the driver to stay in lane by providing gentle steering impulses.

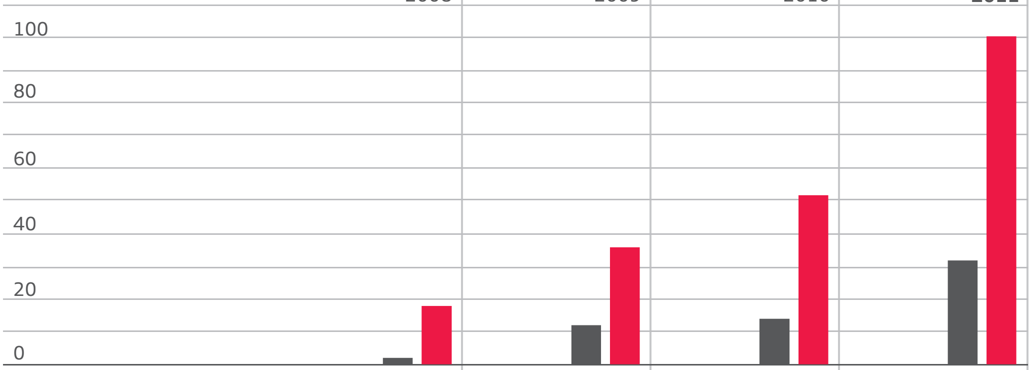
Audi ultra

Vehicle weights have been steadily rising in recent years, above all due to higher comfort and convenience expectations and tougher safety requirements. Because fuel consumption falls by about 0.3 liters per 100 kilometers for every 100 kilogram reduction in a vehicle's overall weight, reversing this upward spiral is a vital aspect of improving efficiency.
Lightweight construction has acquired new importance along with the emergence of electric mobility, because savings need to be made elsewhere to compensate for the battery's high weight. A lower power-to-weight ratio also means greater agility.
The Audi brand has therefore grouped all lightweight technologies and activities under the umbrella brand Audi ultra within the framework of its Strategy 2020. At the same time, the Company has the declared target to make every new Audi model lighter than its predecessor.
The Audi brand boasts a long and successful track record in lightweight construction. Most notably its Audi Space Frame (ASF) technology proved a trailblazing development when it was launched on the Audi A8 in 1994, the world's first volume-built vehicle with unitary aluminum body. The Company has since produced around 700,000 vehicles using the ASF principle – whether made entirely from aluminum or aluminum hybrid designs – as hard evidence of its expertise in handling lightweight construction on a large scale.
Today, the Audi brand places emphasis on using an intelligent mix of materials to achieve maximum performance at every point in the car through use of the optimum material. As well as aluminum and high-strength steels, the Company is increasingly turning to carbon fiber-reinforced polymers (CFRP) and magnesium. Thanks to extensive lightweight construction measures, the brand with the four rings succeeded in reducing the weight of its new Audi A6 full-size sedan by as much as 80 kilograms compared with its predecessor, despite its even better safety features and improved comfort and convenience.
The Audi brand also consistently applies lightweight construction principles in the R8 GT Coupé and R8 GT Spyder, both launched in 2011. For instance, the curb weight of the R8 GT Coupé was cut by 100 kilograms compared with the R8 Coupé, to 1,525 kilograms.

Models below 140 g CO_2/km

The Audi brand does not regard dynamic handling and efficiency as mutually exclusive. By using technologies from its modular efficiency platform, the Audi brand has steadily been able to improve the efficiency of its vehicles. At the end of the past fiscal year, it was able to supply 101 model versions with average CO_2 emissions of less than 140 g/km. 32 drivetrain versions even achieve CO_2 emissions figures below 120 g/km. Five different model versions from the Audi A1 and A3 car lines post the best value of 99 g CO_2/km.

AUDI MODELS BELOW 140 GRAMS CO_2/KM AND BELOW 120 GRAMS CO_2/KM (YEAR-END POSITION)



	2008	2009	2010	**2011**
Number of Audi models < 140 g CO_2/km	18	36	52	**101**
Number of Audi models < 120 g CO_2/km	2	12	14	**32**

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

Risk management approach

The entrepreneurial activity of an automotive manufacturer with global operations entails risks as well as opportunities. For this reason, the Audi Group introduced a Group-wide risk management system many years ago and is now systematically refining and extending it. In view of the high strategic relevance of the risk management system, its organizational structure is enshrined in an internal Board Directive.

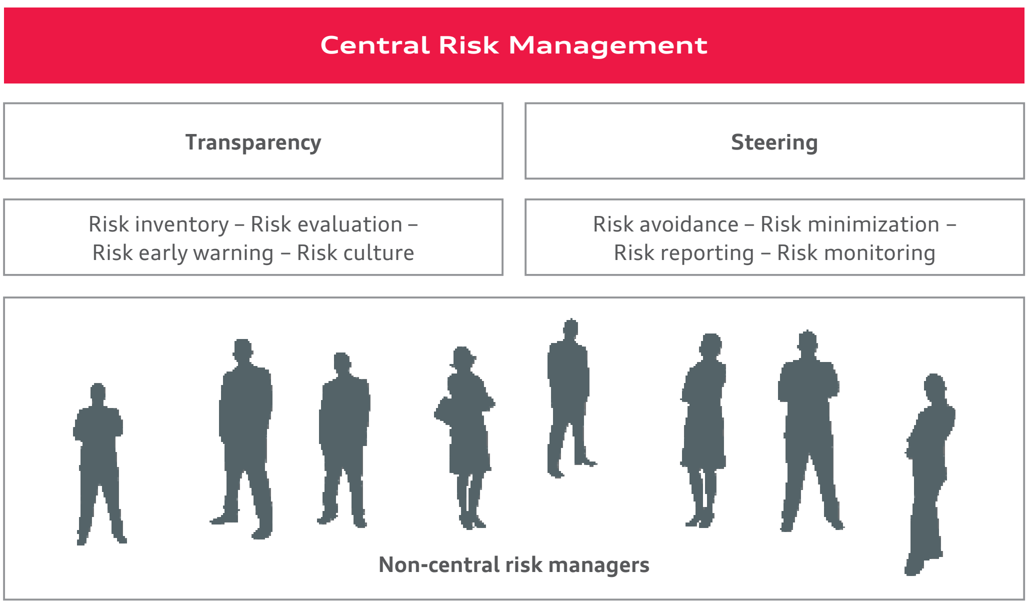
The primary goal of the risk management system is to identify the risks associated with the Company's business activities as early as possible, to minimize or, where possible, to exclude them altogether.

Entrepreneurial risks are deliberately taken only where they are moderate and commensurate with the anticipated benefit from that operational activity.

Management Report

In order to be prepared for increasingly volatile and heterogeneous developments on global automotive markets, and so that the Company can respond swiftly and efficiently, Central Risk Management operates in partnership with the non-central risk managers in the divisions. Operational risk management tasks remain part of the processes handled by the individual divisions and subsidiaries, while Central Risk Management performs a coordinating and supporting role. It sets standards that apply Group-wide and implements regulations that ensure risks are recorded and evaluated uniformly. At the same time, Central Risk Management monitors the effectiveness of the risk management instruments in use non-centrally (internal controlling system) with the aim of achieving ongoing improvements. Applying and controlling risk management instruments remains the responsibility of non-central risk management functions.
Within the scope of a risk early warning system, risk management analyzes developments in the Company's operating sphere to identify changed or new risk indicators. Preventive measures are then developed and implemented by the risk managers in the areas concerned. This broad-based policy is designed to increase risk transparency and risk awareness within the Audi Group. The effectiveness of the early warning system for risks is assured by an ongoing, structured exchange of information between Central Risk Management and non-central risk managers.
Improved risk management serves to place the business model on more stable footing. It thus supports the attainment of the strategic corporate targets.
Together with the compliance organization, Central Risk Management reports to the Board of Management and Supervisory Board on an ongoing basis in order to support the strategic decision-making process in the Company. The risks identified in the Audi Group and the countermeasures adopted for them are an integral part of corporate planning and management.

RISK MANAGEMENT WITHIN THE AUDI GROUP



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

The internal control process for financial reporting purposes aims to minimize or eliminate altogether the risk of misstatements both in the bookkeeping and in external reporting. The internal control process for the Audi Group comprises measures and checks that ensure the prompt, complete and accurate communication of all information needed for the preparation of its Consolidated Financial Statements and Group Management Report.

The accounting system of the Audi Group is based on a non-central organization. However, in individual instances, tasks may be transferred by the subsidiaries' accounting departments to AUDI AG on the basis of service agreements. The individual financial statements of AUDI AG and the subsidiaries comply with the national accounting standards applicable in each case. For AUDI AG, the fully consolidated Group companies and the equity investments, these are then adopted into IFRS consolidated financial statements. Electronic encryption is used to assure data security during data transfer to Group Accounting at AUDI AG.

The Group accounting guideline serves to maintain uniformity in the recognition and measurement principles, based on the IFRS rules governing the parent company. In addition to the Group accounting guideline, there are other Group-wide accounting standards for both AUDI AG and the subsidiaries. These standards regulate the reporting scopes and the consolidated companies included in the Consolidated Financial Statements, as well as the application of statutory requirements. There are specific standards governing the reporting and treatment of intra-Group business transactions; these provide a basis for reconciling balances and defining specific topics to be dealt with by the Group companies.

The individual financial statements prepared by the subsidiaries are evaluated at Group level, including by making reference to the reports prepared by the independent auditors. The findings of the concluding discussions with the individual companies' representatives are also considered. Both the plausibility of the individual financial statements and critical individual matters concerning the subsidiaries are discussed.

Significant instruments of control, such as the use of the dual control principle, a clear separation between spheres of responsibility and plausibility checks, are used in the preparation of the Group companies' individual financial statements. In addition, Group Auditing contributes towards the internal control process for financial reporting purposes by conducting examinations both in Germany and abroad.

Group Accounting at AUDI AG is coordinated with Volkswagen AG, Wolfsburg, and the Volkswagen Consolidation and Corporate Steering System (VoKUs). Based on a future-proof technical platform, the system permits the consolidation and analysis of data from Accounting and Controlling. As well as permitting central master data management, this approach assures a uniform reporting system coupled with high flexibility in the event of changes to the legal framework. Group Accounting and Group Controlling benefit from it in equal measure.

VoKUs also offers various functions that minimize or avoid potential sources of error within the financial reporting process. For instance, data consistency is examined in a multi-stage validation system. The main emphasis of this process is on 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 identification, assessment and documentation

Risk management within the Audi Group satisfies both the latest statutory requirements and internal regulations. The statutory framework is regularly examined and new requirements are clearly identified and implemented.

Appropriate risk surveys are sent out by Central Risk Management to the risk managers of the individual divisions and subsidiaries from which considerable risks to the Audi Group could spread.

In a standardized risk survey conducted annually by Central Risk Management, the risk compliance coordinators from each division of AUDI AG and the risk compliance officers from the subsidiaries each record their risks. Central Risk Management checks compliance with Group-wide standards and processes of risk recording, and assists the risk compliance coordinators with compiling their risk reports, which serve as the basis for defining the risk profile of the Group as a whole. The plausibility and appropriateness of the risk reports are scrutinized with the aid of more in-depth interviews conducted in selected divisions and subsidiaries.

Each individual risk is assessed initially in terms of its probability. The potential loss is then evaluated, along with the risk management instruments implemented and their effectiveness. All the necessary precautions are taken to minimize or prevent identified risks.

In addition to the standardized risk report, all departments are required to notify Central Risk Management of short-term changes in the risk exposure by means of ad hoc announcements. Central Risk Management is responsible for providing the Board of Management and Supervisory Board with regular, prompt updates on the Audi Group's corporate risk profile, using the reporting channels defined Group-wide.

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 incorporated into reporting to comply with the German Commercial Code (HGB).

Ongoing examination and refinement

The processes of the internal control and risk management system within the Audi Group are continually being revised and improved. The findings of the internal Auditing department and external independent auditors provide a basis for ongoing improvements and promote the creation of a learning organization. The Auditing department and independent auditors constitute impartial bodies with the task of monitoring correctness and effectiveness. The Board of Management and Supervisory Board are informed of topical developments both according to a regular cycle and ad hoc.

Individual risks

The Audi Group encounters a large number of individual risk areas within the context of its business activities. The risks highlighted in each case refer to the period 2012 through 2014.

Economic risks

As a globally active automotive manufacturer, the Audi Group's business operations are influenced to a high degree by the international economic framework. The principal sales markets that are of importance to the Company – Europe, China and the United States – are especially significant in this respect.

The upturn in the global economy continued in the past fiscal year, although the upswing lost momentum in the second half, especially in Western Europe. Global demand for cars benefited from the positive economic trend and reached a new record level in 2011. While Japan and a number of Western European markets reported lower levels of new registrations, demand for automobiles particularly in China, Russia and the United States was a key driver of global market growth.
In particular the emerging Asian and Latin American car markets are likely to continue posting high growth rates in the next few years, whereas a downturn in demand for passenger cars is expected in Western Europe in 2012. However, new risks could fundamentally arise as a result of changing framework conditions, such as increased customs, tax and trade barriers.
Extensive risk early-warning indicators are used and the market is continually monitored so as to plan production in accordance with demand and also adjust it at short notice to fluctuations in demand. The ability to transfer production between the various locations under the production turntable principle and the effective use of timebanking also bring increased flexibility.
The continual monitoring of all relevant commodity markets is an important activity for the Audi Group, because this helps to secure adequate supplies of production materials while simultaneously minimizing the cost risks and paving the way for comprehensive hedging strategies.
Oil price movements present a further risk for a carmaker such as the Audi Group. A permanent rise in the price not only leads to increased energy and production costs, but also pushes up fuel prices and therefore ultimately makes customers more reluctant to buy cars. The Audi Group aims to respond to growing calls for efficiency by swiftly developing and introducing fuel economy technologies for conventional combustion engines. For example, the Audi brand already has a comprehensive product range featuring high-efficiency, progressive vehicle concepts that use technologies from the modular efficiency platform. Meanwhile, alternative forms of drive such as hybrid and electric vehicles are a central component of the Company's strategy of diversified drive principles.
The continuing internationalization of the Audi Group is resulting in increased revenue denominated in foreign currency. The growing volatility of currency markets, exacerbated in particular by sovereign debt crises in various countries, is creating risks that are difficult to anticipate and could adversely affect the profit performance of the Audi Group. Movements in the U.S. dollar, the Japanese yen, the pound sterling and the Chinese renminbi against the euro are of particular significance for the Audi Group. To counter the potential risks, the Company employs appropriate hedging instruments to an economically reasonable extent and in close, continuous consultation with the Volkswagen Group.
Finally, events that cannot be anticipated such as political intervention in the economy, terror attacks, escalating political conflicts, natural disasters and emerging pandemics can adversely affect economic activity and the international financial and capital markets. These could also have a detrimental effect on the Audi Group's business performance. The Company restricts such risks by preparing emergency plans or, where appropriate, by taking out adequate insurance cover.

Industry risks

The increasingly volatile and varied development of car markets worldwide, rising technological demands and ever tougher efficiency requirements are creating a more demanding environment for the entire automotive industry.

This change in the framework conditions is prompting more intense competition and the more widespread use of sales incentives. The spread of such practices can fundamentally lead to price erosion and inflated marketing costs, especially in the principal sales markets Europe, China and the United States, and may ultimately filter through to the Audi Group's revenue and profit performance. There are also risks to revenue and profit from the price structures of direct competitors, because the Audi brand will be unable to ignore a downward trend in the long term. State subsidies for individual manufacturers or vehicle categories could distort competition, thereby adversely affecting the profit performance of the Audi Group.

Growing pressure to improve fuel efficiency and cut vehicle emissions constitutes a major challenge for the automotive industry. As well as worldwide variation in the statutory requirements such as CO_2 limits, heightened environmental awareness among customers is becoming an increasingly significant factor. The increased sensitivity of customers to environmental acceptability and fuel economy moreover means that a permanent shift in demand in individual markets towards smaller cars cannot be excluded. However, the Audi Group is responding successfully to such challenges by steadily reducing the consumption and emissions of its product range and introducing compact models such as the Audi A1. An array of efficiency technologies already supply ample evidence of the brand essence "Vorsprung durch Technik." In addition to optimizing conventional drive technologies, the Company is focusing its attention on researching alternative fuels and new drive concepts. The Audi Group is moreover responding to its customers' desire for sustainable mobility through a systematic hybridization and electrification strategy.

Risks from operating activities

Through its operating activities the Audi Group is exposed to a number of risks that could adversely affect its net worth, financial position and financial performance.

These include for instance unforeseeable events such as explosions and major fires which could destroy or damage the Group's assets, but also cause serious disruption to production processes. There is also the risk of disruptions to production operations as a result of power supply failures or technical failures, in particular of IT systems. Although the potential for losses from the above risks is considerable, their probability is viewed as low. To reduce such risks, the Company has implemented preventive measures such as fire protection systems, emergency plans and company fire departments, and taken out adequate insurance cover. The Audi production network's high flexibility also envisages transferring production capacity to reduce the risks of lost production.

Lasting disruption to the production process could also be caused by delayed delivery or non-delivery as a result of tool breakage, losses from natural disasters and strikes at suppliers or in the transportation sector. The Audi Group uses detailed selection, monitoring, steering and supporting processes to minimize financial difficulties at dealers and suppliers that could in the worst instance result in their bankruptcy.

Within the automotive industry there is close cooperation between manufacturers and suppliers, possibly extending to the research and development sphere and other strategically significant sections of the value chain. This partnership-based collaboration brings both economic advantages and growing mutual dependence. The exclusive use of innovative technologies by suppliers with global operations is reinforcing this trend. The Audi Group addresses the associated risks by defining appropriate contractual terms or retaining title over tools used by third-party companies.

Risks can also result from the failure to communicate certain situations promptly or appropriately. To minimize these risks, developments within and outside the Company are permanently observed and analyzed to ensure that communications always reflect the situation.

As an innovative premium carmaker, the Audi Group is continually extending its range of products and services. The Company also brings new technologies such as production methods, assistance or safety systems and drive concepts to production maturity. Despite intensive preparations – in the form of comprehensive market studies and conscientious planning and steering work – it is not always possible to forecast accurately the market success of new vehicle projects, technologies or services.
The development of new vehicles and technologies entails further risks. In addition to delays and changes to the product at short notice, the loss of expertise to service providers outside the Group can adversely affect the Audi Group's business activities. The Company guards against this risk by systematically granting and asserting industrial property rights as well as by consciously and meticulously selecting dependable system partners.

Legal risks

All activities by the corporate bodies, management personnel and employees of the Audi Group must comply with the current legal framework and with internal corporate guidelines. As a flanking measure to Group-wide codes of conduct, regular training courses help to inform the workforce of legal and internal requirements, and of any changes to these. This approach enables the Company to ensure that its actions are always lawful.
Nevertheless, the growing complexity of legal and fiscal requirements creates corresponding risks. As a result of the growing internationalization and expansion of the Audi Group's business activities, there is a risk of legal uncertainty due to differences of interpretation. Nor can the possibility of deliberate misdemeanors by individual persons be excluded altogether. The preventive approach of the Audi Group's compliance organization actively seeks to counter potential misdemeanors mainly through training.
As a manufacturer of premium automobiles, the Audi Group aims to satisfy its customers' high quality expectations in every respect. Nevertheless, the possibility of product liability claims cannot be excluded. Especially in the U.S market, these may lead to financial losses and significant reputational harm that could undermine the Company's long-term financial performance. The Audi Group counteracts such risks by upholding high quality standards for its products and addressing quality management systematically. In addition to taking appropriate precautions, it takes out economically reasonable levels of insurance cover and creates provisions. The same applies to lawsuits brought against the Company in the United States by commercial patent exploiters. Defending them is a costly business, and defeat involves financial losses for the Company.
The Audi Group is not currently involved in any legal or arbitration proceedings anywhere in the world that could have a lasting influence on the economic position of the Group.

Personnel risks

For a manufacturer of technologically pioneering and high-quality premium cars, qualified specialists and managers and a high degree of commitment are a vital part of the Company's success. Its human resources work therefore focuses on targeted, demand-centered human resources development and training for its employees. As an attractive employer, the Audi Group is well-placed to assert itself amid intensive competition to recruit well-qualified employees. Offering a broad in-house training program moreover helps it to selectively create resources of qualified young employees.
The Audi Group actively guards against the potential loss of expertise through fluctuation by ensuring high employee satisfaction, providing an extensive and demand-based incentive system and applying intensive competence management. The Company responds to the loss of retiring employees by systematically transferring knowledge to the successors of the experts and managers who are retiring.

The situation on the labor market in Germany continues to change as a result of an aging, shrinking population. The Audi Group responded early on to demographic change and took appropriate action. Human resources management focuses on adapting working conditions to suit an employee's age, developing models for the individual's working life, and offering special part-time arrangements. Other priorities are to offer preventive health care programs and strengthen awareness among employees of their individual responsibility for their own financial future.

Information and IT risks

The Audi Group's enduring success owes a great deal to its ability to realize sustainable productivity advances on a regular basis. To achieve these, it needs effective, low-cost processes and information technologies that reflect the needs of an automotive manufacturer with global operations. In light of the gradual spread in the Company's worldwide presence, the ready availability of data and information flows across all Group and production locations is of growing importance in keeping procedures throughout the Company swift and efficient.
The growing prevalence of electronic networks harbors increased information and IT risks, which could undermine the financial position, financial performance and net worth of the Audi Group. Alongside the failure of important IT systems within the value chain and unauthorized access to the system, one major risk source could be the emergence of heterogeneous system landscapes. To avert the risks of unauthorized access to data, ongoing measures are taken to safeguard stable, highly available IT infrastructures.
The risks are also reduced by Group-wide security standards that are designed to uphold the continuity of internal processes and thus make a major contribution towards Company security.

Financial risks

The Audi Group is also exposed to financial risks through its business activities. These essentially comprise creditworthiness and liquidity risks, as well as market price risks such as from interest rates and commodity prices. As a result of the continuing internationalization of the Audi Group's business activities, foreign exchange risks concerning in particular the U.S. dollar, the pound sterling, the Japanese yen and the Chinese renminbi cannot be ruled out. To hold these risks in check effectively, by way of medium-term precautions the Audi Group has concluded extensive hedging transactions for foreign currency and purchases of commodities. Above all in the recent past, financial markets have been experiencing high volatility and in some cases have suffered considerable upheaval in particular as a result of the sovereign debt crisis in Europe.
Detailed information on the hedging policy and risk management in the area of financial risks can be found in the Notes in "Additional disclosures" under Section 34 "Management of financial risks." The use of derivative financial instruments in connection with hedging transactions is also explained in full there.

Overall assessment of the risk position

Following the unexpectedly swift recovery from the global financial and economic crisis, economic activity in a number of countries – in particular in Western Europe – has once again slowed down since the second half of the past fiscal year. Moreover, increasingly volatile financial markets and growing uncertainty worldwide especially in the wake of the sovereign debt crises in various countries make it more difficult to forecast future economic developments.
At the same time, the volatile and varied development of individual car markets that is expected represents a substantial risk for all carmakers.
However, on the basis of all known circumstances and facts, no risks currently exist that could endanger the Company's survival for the foreseeable future.

REPORT ON POST-BALANCE SHEET DATE EVENTS

There were no reportable events of material significance after December 31, 2011.

REPORT ON EXPECTED DEVELOPMENTS

Anticipated development of the economic environment

General economic situation

The Audi Group expects the global upswing to continue in 2012 with less vigor. There are signs of the economy cooling down in Western Europe in particular. On the other hand the emerging economies in Asia and Latin America are likely to achieve relatively high growth. Slower global economic growth means the inflationary pressure in many countries should ease, despite commodity price levels remaining high. The Audi Group expects global growth to continue in 2013 as well.

The sovereign debt crisis in the eurozone will continue to overshadow Western Europe's economic development in 2012. According to the Audi Group's estimates, most countries in the region will enjoy only minimal economic growth, and some Western European countries could be at risk of slipping back into recession in the course of the year. Assuming clear progress can be made with regard to solving the sovereign debt crisis, the Audi Group expects there to be a slight recovery in 2013.

Germany will probably be caught up in the general negative cyclical pattern being experienced in other Western European countries, particularly as exports to the rest of Western Europe will fall. After strong GDP growth in the previous two years, the Company therefore expects growth there to be low in 2012. The German economy should then expand at a faster rate again in 2013.

There will probably be a marked slowdown in economic development in most Central and Eastern European countries, too. However, the Russian economy should achieve robust growth thanks to stable demand for commodities worldwide. The Company expects to see Central and Eastern European economies grow more strongly in 2013.

The Audi Group expects the United States to maintain a moderate growth rate in 2012. Nonetheless, consumer spending is expected to provide only little stimulus for the overall economy in view of the continuing tight state of the labor market and high levels of household debt. The economy will probably only stage a stronger recovery in 2013.

In Latin America, economic expansion is expected to lose pace somewhat in 2012 due to the global slowdown, before bouncing back to deliver above-average growth in economic output in 2013.

In the Audi Group's assessment, the emerging economies of Asia will continue to make dynamic progress in both 2012 and 2013, though the rate of growth in China will probably ease back somewhat due to a tighter monetary policy and weaker export demand. By contrast, the Company expects India's economy to gather pace a little. The Japanese economy should continue to recover from the natural disaster of March 2011 in the course of 2012. The upward trend will probably become more solid in 2013.

The car industry

The Audi Group expects worldwide demand for cars to rise in 2012, even though the rate of growth will probably be down on last year. With the exception of Western Europe, all sales regions worldwide should see a rise in unit sales. The Company then expects the global market to forge ahead more strongly in 2013.

The Company expects to see registrations of new cars in Western Europe decline yet again in 2012. The Audi Group believes that almost all Western European car markets will remain flat or contract. Growing uncertainty among consumers as a result of the sovereign debt crisis in the eurozone is likely to be a major negative factor. The resulting consumer reticence will probably spill over into the German car market in 2012 and cause a slight dip in registrations of new cars. Assuming the economic environment in Western Europe regains its stability, the Audi Group believes demand for cars there will rise in 2013.

Central and Eastern European countries are likely to see a weakening of the previous year's high rate of growth. The Audi Group expects that sales in the Russian car market in particular will show only slight year-on-year growth. A major factor behind this development is the withdrawal of state aid, which played a key role in the high market growth of 2011. The region's markets are then likely to regain momentum in 2013.

On the back of moderate economic growth in the United States, the upward trend in demand for cars will probably continue in 2012 and 2013. However, the market's development will continue to be held back by lenders' restrictive practices for vehicle financing and by high fuel prices.

The Audi Group believes that demand for cars in the Asia-Pacific region will continue to rise in 2012, growing at a slightly slower rate in 2013. The previous upward trend in the Chinese car market is expected to continue in 2012 and 2013. However, high fuel prices, more stringent emission standards and restricted access to urban areas may slow down market development. On the other hand, the Company anticipates faster growth for India's car market in 2012 compared with the previous year. The upward trend will then intensify once again in 2013. In Japan, the Audi Group expects new car registrations in 2012 to recover from the previous year's slump, because the natural disaster created a backlog of replacement demand that could not be met in 2011. This growth in demand should continue in 2013.

Anticipated development of the Audi Group

The global economy as a whole continued to grow in the past fiscal year. Weaker activity since the second half, the general uncertainty about the economy's direction – especially bearing in mind the debt crisis in many countries – and the highly varied development of individual car markets represent challenges for the Audi Group. In addition, there is the industry's transformation brought on by new drive technologies and mobility concepts, along with a steady increase in the intensity of competition.

However, the Audi Group believes it is well equipped to handle the challenges of the future and maintain a course of growth over the next few years.

Anticipated development of deliveries

For 2012 and 2013, the Audi Group expects to be able to increase deliveries of the Audi brand. The Company intends to increase its market shares in numerous sales markets and thus improve the strong overall competitive position in the premium segment worldwide. The Audi brand has set itself the goal of increasing deliveries to 1.5 million vehicles by 2015. Unless the economic framework deteriorates markedly, it may be possible to achieve that goal sooner.

In its home market of Germany, the Audi brand expects the number of vehicles delivered in 2012 and 2013 to show an improvement on the total for the past fiscal year. Despite the expected fall in overall market demand, the Company plans a moderate increase in deliveries in Western European export markets. In Central and Eastern Europe, the Audi brand is planning substantial growth, driven mainly by an increase in deliveries in the Russian market. Deliveries in the United States in 2012 and 2013 will probably rise further. The dynamic pattern of growth is also likely to be maintained in the Chinese market. This development will be supported especially by the expansion of the dealer network from around 230 dealerships to over 400 by the year 2013. The Company's presence in China will be further boosted by the construction of a second production plant there.
The Audi brand intends to continue broadening its product portfolio in order to achieve even greater brand appeal and customer delight. The Company already offers a diverse, attractive product range extending from the Audi A1, through the SUV family – Audi Q3, Q5 and Q7 – to the R8 Spyder.
For 2012, AUDI AG has planned a large number of new products that will provide additional sales impetus. For example, the successor generation of the popular A3 car line will arrive on markets. In addition, the Audi brand will extend the A1 car line by introducing the A1 Sportback and A1 quattro models. The updated models of the A5 and A4 car lines have moreover been on sale to customers since the end of 2011 and start of 2012 respectively. The A6 allroad quattro and the S6, S6 Avant, S7 Sportback and S8 will add to the appeal of the higher segments during the course of the year.
By launching modern hybrid and electric drive versions, the Audi brand would like to fulfill the wishes of customers who want innovative drive and mobility concepts that explore a new dimension beyond efficient combustion engines. Following the launch of the Q5 hybrid quattro in 2011, hybrid versions of two further car lines will become available in the course of 2012 – the A6 hybrid and the A8 hybrid. The small-series electric R8 e-tron will then appear towards the end of the year. The Company also expects demand in 2012 to be lifted by the full availability of the new A6 generation and the new Q3 premium SUV, both of which have been gradually rolled out on markets since last year.

Anticipated financial performance

The planned increases in deliveries in 2012 and 2013 mean that the Audi Group's revenue will also rise. Despite higher expenses for new models, technologies and expanded production structures, the Audi Group expects operating profit for 2012 and 2013 to remain at the high level of 2011 provided the economic framework does not change significantly. In particular, the young, attractive product range and the effects of further process and cost optimization measures as well as systematic investment management will benefit the profit performance.

Anticipated financial position

The Audi Group again intends to finance its growth in 2012 and 2013 entirely from internally generated cash flow. Although cash used in investing activities will continue to rise because of the long-term nature of the product initiative and the development of innovative technological concepts, the net cash flow is to remain positive.

Capital investments

The Audi Group is planning to invest a total of EUR 13 billion in property, plant and equipment over the period 2012 through 2016, paving the way for its future growth through what will be the biggest investment program in the history of the Company.
The priorities for the investment plans include the steady broadening and rejuvenation of the product range and the accompanying expansion of production structures. In addition, in light of the anticipated growth the investment plans will extend to development capacity, the dealer and service network and ongoing productivity and quality improvements. Technological innovations such as continuous improvements to vehicle efficiency and the development of new mobility concepts also remain priority activities. The purpose of all investment measures is to lastingly strengthen the Company's competitive position.

Anticipated development of the workforce

In line with the Company's plans for growth, the number of employees at the Audi Group will rise still further in 2012 and 2013.

Opportunities for future development

The Audi Group pursues a large number of measures in order to seize opportunities for future development and thus safeguard the Company's sustainable, profitable growth.
One of the most prominent measures in this regard is the model initiative, which is to continue throughout 2012 and 2013. As well as the addition of the A1 Sportback to the A1 family, the forthcoming renewal of the high-volume Audi A3 car line will create fresh sales potential in 2012. The continuing roll-out of the new-generation A6 and A6 Avant models, which were launched in 2011, and of the new Q3 will lend added stimulus to demand.
The Audi brand intends to demonstrate its "Vorsprung durch Technik" not simply with new models, but also by introducing innovative technologies. Such opportunities include the development of new mobility concepts and the continuing emphasis on systematically improving efficiency – achieved, in the case of the Audi brand, by implementing the modular efficiency platform.
The Audi Group has both the necessary infrastructure and qualified specialists to realize the product and technological innovations it is planning. Its reputation as an attractive employer will help the Audi Group in its continuing efforts to recruit well-qualified specialists to cement the Company's future growth.
Numerous awards confirm a steady rise in the Audi brand's recognition and popularity ratings worldwide. The four rings are the embodiment of sportiness, sophistication and progressiveness. Alongside its attractive product range, the Audi Group's brand image provides an opportunity for further qualitative growth in the future.
The Audi Group expects to be able to continue increasing deliveries of the Audi brand worldwide. For 2012 and 2013, the Audi brand identifies growth opportunities especially in the Asian sales markets China and India, but also in the United States and Russia. The Company is planning the further expansion of its international dealer and service network in those markets so that it can actively capitalize on their future potential.
In addition to factors that are within the Company's scope of action, external developments may also create opportunities – for instance, both social and political advances harbor potential for further corporate growth.

Overall assessment of anticipated future developments

The past fiscal year proved very successful for the Audi Group. New record production, vehicle deliveries and key financial indicators emphasize the Company's high competitiveness and profitability.
Even after taking present challenges into account, the Board of Management considers the Audi Group to be well-placed to maintain its qualitative growth in the future.
The Company has laid the foundations for its planned growth with a steadily growing model range and the development of new mobility concepts. It will continue to pursue measures already put in place to improve costs long-term and optimize processes.
On this basis, the Company expects to continue its course of growth in 2012 and 2013.

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, 2011

Income Statement of the Audi Group

EUR million	Notes	**2011**	2010
Revenue	1	**44,096**	35,441
Cost of sales	2	**–36,000**	–29,706
Gross profit		**8,096**	5,735
Distribution costs	3	**–3,599**	–3,038
Administrative expenses	4	**–429**	–374
Total other operating income	5	**1,967**	1,684
Total other operating expenses	6	**–687**	–667
Operating profit		**5,348**	3,340
Result from investments accounted for using the equity method	7	**270**	220
Financing costs	8	**–264**	–294
Total other financial results	9	**687**	368
Financial result		**692**	293
Profit before tax		**6,041**	3,634
Income tax expense	10	**–1,601**	–1,004
Profit after tax		**4,440**	2,630
of which profit share of minority interests		**51**	45
of which profit share of AUDI AG stockholders		**4,389**	2,586
Appropriation of profit share due to AUDI AG stockholders			
Profit transfer to Volkswagen AG	11	**–3,138**	–2,010
Transfer to retained earnings		**1,251**	576

EUR	Notes	**2011**	2010
Earnings per share	12	**102.06**	60.13
Diluted earnings per share	12	**102.06**	60.13

Statement of Recognized Income and Expense of the Audi Group

EUR million	Audi stockholders		Minority interests		Total	
	2011	2010	**2011**	2010	**2011**	2010
Profit after tax	**4,389**	2,586	**51**	45	**4,440**	2,630
Actuarial gains and losses (pensions) before tax	**–143**	–186	**–**	–	**–143**	–186
Deferred taxes on actuarial gains and losses	**42**	55	**–**	–	**42**	55
Actuarial gains and losses (pensions) after tax	**–101**	–131	**–**	–	**–101**	–131
Currency translation differences before tax						
Changes recognized directly in equity without affecting income	**11**	25	**9**	6	**20**	31
Currency translation differences after tax	**11**	25	**9**	6	**20**	31
Cash flow hedges before tax						
Changes in fair value recognized directly in equity without affecting income	**–890**	–402	**–**	–	**–890**	–402
Included in the Income Statement	**–55**	–46	**–**	–	**–55**	–46
Deferred taxes on cash flow hedges	**279**	132	**–**	–	**279**	132
Cash flow hedges after tax	**–666**	–316	**–**	–	**–666**	–316
Securities available for sale before tax						
Changes in fair value recognized directly in equity without affecting income	**11**	15	**–**	–	**11**	15
Included in the Income Statement	**3**	–25	**–**	–	**3**	–25
Deferred taxes on securities available for sale	**–4**	3	**–**	–	**–4**	3
Securities available for sale after tax	**10**	–7	**–**	–	**10**	–7
Income and expenditure after tax from equity-accounted investments recognized directly in equity	**23**	19	**–**	–	**23**	19
Total other result before tax	**–1,040**	–600	**9**	6	**–1,030**	–594
Total deferred taxes on other result	**317**	190	**–**	–	**317**	190
Total other result after tax	**–723**	–410	**9**	6	**–714**	–404
Overall result	**3,666**	2,176	**60**	50	**3,726**	2,227

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, 2011, had a negative impact of EUR 890 million on the overall result in the 2011 fiscal year.
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). This profit potential will not yet be recognized as of December 31, 2011 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.

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Balance Sheet of the Audi Group

ASSETS in EUR million	Notes	Dec. 31, 2011	Dec. 31, 2010
Non-current assets		**12,209**	10,584
Fixed assets		**9,958**	8,677
Intangible assets	14	**2,531**	2,357
Property, plant and equipment	15	**6,716**	5,803
Investment property	16	**8**	12
Investments accounted for using the equity method		**460**	326
Other long-term investments	17	**244**	180
Deferred tax assets	18	**1,839**	1,347
Other receivables and other financial assets	19	**412**	560
Current assets		**24,811**	20,188
Inventories	20	**4,377**	3,354
Trade receivables	21	**3,009**	2,099
Effective income tax assets	22	**11**	13
Other receivables and other financial assets	19	**7,307**	2,658
Securities	23	**1,594**	1,339
Cash and cash equivalents	23	**8,513**	10,724
Balance sheet total		**37,019**	30,772

LIABILITIES in EUR million	Notes	Dec. 31, 2011	Dec. 31, 2010
Equity		**12,903**	11,310
AUDI AG stockholders' interests	24	**12,705**	11,172
Issued capital	24	**110**	110
Capital reserve	24	**3,515**	2,510
Retained earnings	24	**9,080**	8,552
Minority interests	24	**198**	138
Liabilities		**24,117**	19,462
Non-current liabilities		**8,610**	7,484
Financial liabilities	25	**21**	15
Deferred tax liabilities	26	**16**	22
Other liabilities	27	**1,080**	712
Provisions for pensions	28	**2,505**	2,331
Effective income tax obligations	29	**754**	636
Other provisions	30	**4,234**	3,768
Current liabilities		**15,507**	11,979
Financial liabilities	25	**1,172**	810
Trade payables	31	**4,193**	3,510
Effective income tax obligations	29	**929**	857
Other liabilities	27	**6,355**	4,447
Other provisions	30	**2,858**	2,354
Balance sheet total		**37,019**	30,772

Cash Flow Statement of the Audi Group

from January 1 to December 31

EUR million	2011	2010
Profit before profit transfer and income taxes	**6,041**	3,634
Income tax payments	**–1,584**	–941
Impairment losses (reversals) on capitalized development costs	**397**	567
Impairment losses (reversals) on property, plant and equipment and other intangible assets	**1,395**	1,542
Impairment losses (reversals) on financial assets	**0**	1
Depreciation of investment property	**1**	1
Result from the disposal of assets	**1**	3
Result from investments accounted for using the equity method	**–111**	–95
Change in inventories	**–933**	–599
Change in receivables	**–1,004**	213
Change in liabilities	**1,313**	969
Change in provisions	**957**	600
Other non-cash income and expenses	**–177**	–97
Cash flow from operating activities	**6,295**	5,797
Additions of capitalized development costs	**–596**	–630
Investments in property, plant and equipment and other intangible assets	**–2,266**	–1,449
Acquisition of subsidiaries	**–37**	–145
Acquisition of other participating interests	**–27**	–63
Other cash changes	**21**	26
Change in investments in securities	**–239**	–498
Change in fixed deposits and loans extended	**–3,767**	–548
Cash flow from investing activities	**–6,911**	–3,306
Capital contributions	**1,005**	586
Transfer of profit	**–2,010**	–1,172
Capital transactions with minority interests	**–**	–125
Change in financial liabilities	**253**	61
Lease payments	**1**	0
Cash flow from financing activities	**–753**	–650
Change in cash and cash equivalents due to changes in exchange rates	**82**	68
Change in cash and cash equivalents	**–1,287**	1,908
Cash and cash equivalents at beginning of period	**5,961**	4,053
Cash and cash equivalents at end of period	**4,675**	5,961

EUR million	2011	2010
Cash and cash equivalents	**4,675**	5,961
Fixed deposits, securities and loans extended	**12,235**	8,247
Gross liquidity	**16,909**	14,208
Credit outstanding	**–1,193**	–825
Net liquidity	**15,716**	13,383

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, 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
Position as of Jan. 1, 2011	110	2,510
Profit after tax	–	–
Other result after tax	–	–
Overall result	–	–
Capital increase	–	1,005
Profit transfer to Volkswagen AG	–	–
Position as of Dec. 31, 2011	**110**	**3,515**

					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
7,993	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
8,776	28	97	–11	–346	8	11,172	138	11,310
4,389	–	–	–	–	–	4,389	51	4,440
–	11	–666	10	–101	23	–723	9	–714
4,389	11	–666	10	–101	23	3,666	60	3,726
–	–	–	–	–	–	1,005	–	1,005
–3,138	–	–	–	–	–	–3,138	–	–3,138
10,027	**39**	**–569**	**–1**	**–447**	**31**	**12,705**	**198**	**12,903**

Notes to the Consolidated Financial Statements

DEVELOPMENT OF FIXED ASSETS IN THE 2011 FISCAL YEAR

EUR million	Gross carrying amounts							
	Costs Jan. 1, 2011	Changes in group of consolidated companies	Currency changes	Additions	Changes from measurement at equity	Transfers	Disposals	Costs Dec. 31, 2011
Intangible assets	5,532	4	1	694	–	12	962	5,281
Concessions, industrial property rights and similar rights and assets, as well as licenses thereto	676	4	1	98	–	14	7	785
Goodwill	72	–	–	–	–	–	–	72
Capitalized development costs, products currently under development	900	–	–	343	–	–554	–	689
Capitalized development costs, products currently in use	3,883	–	–	252	–	554	955	3,735
Payments on account for intangible assets	1	–	–	1	–	–1	–	1
Property, plant and equipment	21,085	11	10	2,186	–	–12	455	22,824
Land, land rights and buildings, including buildings on land owned by others, and leased land and buildings	4,396	8	8	193	–	53	55	4,602
Plant and machinery	4,848	1	0	169	–	149	202	4,965
Other plant and office equipment, as well as leased plant and office equipment	11,345	2	1	842	–	116	196	12,111
Payments on account and assets under construction	496	–	0	982	–	–330	2	1,146
Investment property	19	–	0	–	–	–	3	16
Investments accounted for using the equity method	326	–	31	–	103	–	–	460
Other long-term investments	183	–25	–	89	–	–	0	247
Investments in affiliated companies	106	–25	–	62	–	–	0	143
Shares in associated companies and participating interests	76	0	–	27	–	–	–	103
Total fixed assets	**27,145**	**–10**	**42**	**2,970**	**103**	**–**	**1,421**	**28,829**

	Value adjustments in gross carrying amounts									Carrying amounts	
	Cumulative depreciation and amortization Jan. 1, 2011	Changes in group of consolidated companies	Currency changes	Additions, scheduled	Additions, unscheduled	Transfers	Disposals	Write-ups	Cumulative depreciation and amortization Dec. 31, 2011	**Dec. 31, 2011**	Dec. 31, 2010
	3,176	3	1	458	75	–	962	–	2,751	**2,531**	2,357
	444	3	1	101	35	–	7	–	576	**209**	232
	–	–	–	–	–	–	–	–	–	**72**	72
	64	–	–	–	40	–44	–	–	60	**629**	836
	2,668	–	–	357	–	44	955	–	2,114	**1,620**	1,215
	–	–	–	–	–	–	–	–	–	**1**	1
	15,281	1	3	1,241	17	–	436	–	16,108	**6,716**	5,803
	2,206	0	2	146	–	–	51	–	2,303	**2,299**	2,190
	3,689	0	0	316	–	–	196	–	3,809	**1,157**	1,159
	9,386	1	1	780	17	–	189	–	9,997	**2,114**	1,958
	–	–	–	–	–	–	–	–	–	**1,146**	496
	8	–	0	1	–	–	1	–	9	**8**	12
	–	–	–	–	–	–	–	–	–	**460**	326
	3	–	–	–	–	–	0	–	3	**244**	180
	0	–	–	–	–	–	0	–	–	**143**	106
	3	–	–	–	–	–	–	–	3	**100**	73
	18,468	**4**	**4**	**1,700**	**93**	**–**	**1,399**	**–**	**18,871**	**9,958**	**8,677**

DEVELOPMENT OF FIXED ASSETS IN THE 2010 FISCAL YEAR

EUR million	Gross carrying amounts							
	Costs Jan. 1, 2010	Changes in group of consolidated companies	Currency changes	Additions	Changes from measurement at equity	Transfers	Disposals	Costs 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 land and 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**

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 6, 2012. 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 2011 fiscal year.
The revised version of IAS 24 provides the option of simplifying reporting to public institutions and their subsidiaries. The Audi Group has not made use of this right. Additionally, the revised version of IAS 24 clarifies the definition of related parties and of transactions that must be disclosed. The range of transactions with related parties that must be disclosed has been extended in this regard to include further contractual obligations. The previous year's figures have been adjusted accordingly.
In line with the amendments to IFRS 7 made in the context of the Improvements to the International Financial Reporting Standards 2010, the disclosure rules on the type and extent of risks associated with financial instruments have been adjusted. One of the changes is that information must be provided on the financial impact of the collateral held and on credit enhancements. Additionally, it is no longer necessary to disclose the carrying amounts of financial instruments with regard to which contractual changes have been made to avoid them becoming past due.

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: Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters
- IAS 32: Classification of Rights Issues
- Improvements to the International Financial Reporting Standards 2010 – Minor revisions to a variety of standards (IFRS 1, IFRS 3, IFRS 7, IAS 1, IAS 27, IAS 34, IFRIC 13) and resulting changes
- IFRIC 14: Prepayments of a Minimum Funding Requirement
- IFRIC 19: Extinguishing Financial Liabilities with Equity Instruments

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

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 2011 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	Hyperinflation and Fixed Changeover Date	Dec. 20, 2010	Jan. 1, 2012	No	None
IFRS 7	Disclosures on Transfer of Financial Instruments in the Notes	Oct. 7, 2010	Jan. 1, 2012	Yes	Extended notes on transfer of financial instruments
IFRS 7/ IFRS 9	Notes on Offsetting Financial Assets and Liabilities	Dec. 16, 2011	Jan. 1, 2013	No	Extended notes on offsetting of financial instruments
IFRS 9	Financial Instruments: Classification and Measurement	Nov. 12, 2009/ Oct. 28, 2010	Jan. 1, 2015 [3]	No	Modified reporting of fair value changes relating to financial instruments previously classed as available for sale
IFRS 10	Control of Companies	May 12, 2011	Jan. 1, 2013	No	None
IFRS 11	Joint Arrangements	May 12, 2011	Jan. 1, 2013	No	No significant changes
IFRS 12	Disclosure of Interests in Other Entities	May 12, 2011	Jan. 1, 2013	No	Extended notes on group of companies
IFRS 13	Fair Value Measurement	May 12, 2011	Jan. 1, 2013	No	Changes and extended notes on fair value measurements
IAS 1	Presentation of Financial Statements	Jun. 16, 2011	Jan. 1, 2013	No	Changed presentation of other comprehensive income
IAS 12	Deferred Tax: Realization of Underlying Assets	Dec. 20, 2010	Jan. 1, 2012	No	No significant changes
IAS 19	Employee Benefits	Jun. 16, 2011	Jan. 1, 2013	No	Changed presentation and extended notes on employee benefits
IAS 27	Separate Financial Statements	May 12, 2011	Jan. 1, 2013	No	None
IAS 28	Investments in Associates and Joint Ventures	May 12, 2011	Jan. 1, 2013	No	None
IAS 32	Financial Instruments: Offsetting of Financial Assets and Liabilities	Dec. 16, 2011	Jan. 1, 2014	No	No significant changes
IFRIC 20	Costs of Overburden Removal during Open Pit Mining	Oct. 19, 2011	Jan. 1, 2013	No	None

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

2) Until Dec. 31, 2011

3) First-time application postponed from 2013 until 2015 by the Mandatory Effective Date Project

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, 2010 to include the following companies that have been founded or were not consolidated during the previous year:
– AUDI AUSTRALIA RETAIL OPERATIONS PTY LTD., Zetland (Australia), founded in 2007
– AUDI BRUSSELS PROPERTY S.A./N.V., Brussels (Belgium), founded in 2011
– AUDI HUNGARIA SERVICES Zrt., Győr (Hungary), founded in 2011
– AUDI SINGAPORE PTE. LTD., Singapore (Singapore), founded in 2008
– AUDI TAIWAN CO., LTD., Taipei (Taiwan), founded in 2008

Additionally, SALLIG S.R.L., Turin (Italy), which was previously not consolidated, was merged with Italdesign Giugiaro S.p.A., Turin (Italy). With effect from July 1, 2011, Automobili Lamborghini S.p.A., Sant’Agata Bolognese (Italy), Lamborghini ArtiMarca S.p.A., Sant’Agata Bolognese (Italy) and STAR DESIGN S.R.L., Turin (Italy), were merged into Automobili Lamborghini Holding S.p.A., Sant’Agata Bolognese (Italy), which was renamed Automobili Lamborghini S.p.A., Sant’Agata Bolognese (Italy).

The first-time inclusion of these subsidiaries had no significant individual or overall impact on the presentation of the Company’s situation.

The following table shows the composition of the Audi Group:

Total	2011	2010
AUDI AG and fully consolidated subsidiaries		
Germany	**10**	10
Other countries	**22**	20
Investments accounted for using the equity method		
Other countries	**1**	1
Non-consolidated subsidiaries		
Germany	**16**	12
Other countries	**10**	15
Total	**59**	58

The principal companies within the Audi Group are listed following the Notes. The full list of companies in which shares are held is recorded in the Commercial Register of Ingolstadt under HR B 1 and is also available on the Audi website under www.audi.com/subsidiaries. This list can additionally be requested directly from AUDI AG, Financial Communication/Financial Analysis, I/FF-3, 85045 Ingolstadt, Germany.

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

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 (HGB) and make use of the exemption rule:

- 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
- quattro GmbH, Neckarsulm

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. Audi is represented on the management and supervisory board and, as a result, has a significant influence on the participating interest. This means that it is required to account for the participating interest using the equity method.
On the basis of this interest, the following values are attributable to the Audi Group:

EUR million	**2011**	2010
Non-current assets	**398**	252
Current assets	**820**	733
Non-current liabilities	**79**	67
Current liabilities	**679**	592
Revenues	**2,378**	1,748
Net profit for the period	**270**	220

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. Contingent considerations are measured at their fair value at the time of acquisition. Subsequent changes to the value of contingent consideration do not as a rule result in an adjustment of the measurement at the time of acquisition. Other costs of purchase that are not associated with the procurement of equity are not counted towards the purchase price but are immediately recognized as an expense.

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 independent entities and prepare their financial statements in their local currency. The only exceptions are AUDI HUNGARIA SERVICES Zrt., Győr (Hungary), 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, with the exception of equity, are 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, 2011**	Dec. 31, 2010	**2011**	2010
		Year-end exchange rate		Average exchange rate	
Australia	AUD	**1.2723**	1.3136	**1.3484**	1.4423
Brazil	BRL	**2.4159**	2.2177	**2.3265**	2.3314
Japan	JPY	**100.2000**	108.6500	**110.9586**	116.2386
Canada	CAD	**1.3215**	1.3322	**1.3761**	1.3651
Singapore	SGD	**1.6819**	1.7136	**1.7489**	1.8055
South Korea	KRW	**1,498.6900**	1,499.0600	**1,541.2341**	1,531.8212
Taiwan	TWD	**39.2297**	38.9450	**40.9119**	41.7924
USA	USD	**1.2939**	1.3362	**1.3920**	1.3257
People’s Republic of China	CNY	**8.1588**	8.8220	**8.9960**	8.9712

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).
Performance-based grants are recognized as income.

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 over the expected useful life.
The costs of purchase include the purchase price, ancillary costs and cost reductions. Investment subsidies are as a general rule deducted from the acquisition cost or cost of construction.
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 re-assessed 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.

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

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. When calculating useful value as part of goodwill impairment testing, a country-specific discounting rate of 6.0 (5.5) percent before taxes is applied. Cash flows are generally calculated on the basis of the expected growth rates in the automotive markets concerned. Estimated cash flow after the end of the planning period is based on a maximum rate of growth of 2.0 (2.0) percent per year.
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 6.8 (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 instruments are contracts that create financial assets at one company and, at the same time, create financial debts or equity instruments at another company.
Financial instruments are recognized and measured in accordance with IAS 39.
According to this, financial instruments are divided into the following categories:
- 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:
- financial liabilities measured at fair value through profit or loss,
- financial liabilities measured at amortized cost.

The Audi Group does not make use of the fair value option.
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.

For purchases and sales in the customary manner, recognition takes place using settlement date accounting (in other words, on the day on which an asset is delivered).
Initial measurement of financial assets and liabilities is carried out at fair value.
Subsequent measurement is dependent on the category assigned in accordance with IAS 39 and is carried out either at amortized cost 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.

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 assets and liabilities with more than one year to maturity, fair values are determined by discounting future cash flows at market rates.
Recognizable credit risks associated with “Loans and receivables” are accounted for by carrying out specific value adjustments. Impairment losses on receivables are regularly posted to separate impairment accounts.

The item “Available-for-sale financial assets” includes non-derivative financial instruments that are either specifically allocated to this category or cannot be allocated to any of the other categories.
This includes equity instruments, such as equities, and debt instruments, such as interest-bearing securities.
As a general rule, financial instruments that fall into this category are reported at their fair value. In the case of listed financial instruments – exclusively securities in the case of the Audi Group – the fair value corresponds to the market value on the balance sheet date.

Fluctuations in value are accounted for within equity in the reserve for the market valuation of securities, 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.

“Available-for-sale financial assets” are impaired if there is objective evidence of a long-term loss of value. In the case of equity instruments, a long-term loss of value is deemed to have occurred if the market value falls below the cost of purchase on a significant basis (more than 20 percent) or on a long-term basis (more than 10 percent of the average market prices throughout a year). Debt instruments are impaired if future payment flows from the financial asset are expected to fall. Any rise in risk-free interest rates or credit spreads, however, does not constitute objective evidence of a loss in value.
As soon as impairment occurs, the cumulative loss is removed from the reserve for the market valuation of securities and recognized in the Income Statement. Reversals of impairments – provided that the securities affected are equity instruments – are recognized without affecting 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 well as securities, the item “Available-for-sale financial assets” also contains other long-term investments that are not valued according to the equity method. As there is no active market for the other financial assets, 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 (underlying transactions). 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 within equity in the reserve for cash flow hedges, 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 “measured at fair value through profit or loss.”
Rights to acquire shares in companies, and the model for dealer hedging against potential losses from buy-back obligations for leased vehicles, 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 liability-focused 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. 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 1.8 (2.1) percent was applied in Germany.

LIABILITIES

Non-current liabilities are reported in the Balance Sheet at amortized cost. Any differences between the historical costs and the repayment value are taken into account using the effective interest method.
Liabilities from financial lease agreements are reported in the Balance Sheet at the present value of the leasing installments.
Current liabilities are recognized at the repayment value or settlement amounts.

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 disclosures with regard to contingent obligations and liabilities for the reporting period. The assumptions and estimates relate principally to the following contents:
Impairment testing of non-financial assets (particularly goodwill, brand names and capitalized development costs) and of investments accounted for using the equity method or at the cost of purchase requires that assumptions be made with regard to future cash flows during the planning

period and, where applicable, with regard to the discounting rate to be applied. Any impairment of the Group's leased assets is also dependent in particular on the residual value of the leased vehicles after the expiry of the lease period, as this represents an essential portion of the expected incoming payment flows. Further information on impairment testing and on the measurement parameters applied can be found in the disclosures on the recognition and measurement principles.

Carrying out impairment testing on financial assets requires estimates on the scale and likelihood of occurrence of future events. Where possible, these estimates are based on historical values. An overview of the value adjustments is included in the additional Notes to the Balance Sheet according to IFRS 7 (Financial Instruments).

Provisions are also recognized and measured on the basis of an estimate of the scale and likelihood of occurrence of future events and on an estimate of the discounting rate of interest. As far as possible, use is also made of past experience or external expert reports. Measurement of provisions for pensions is additionally dependent on the estimated development of the plan assets. The assumptions on which the calculation of provisions for pensions is based are described in Note 28. Actuarial gains and losses are reported in equity with no effect on income and have no impact on the profit reported in the Income Statement. Changes to estimates relating to the amount of other provisions are always recorded with an effect on income. The expected value approach means that subsequent allocations are regularly made to provisions and unused provisions are released on a regular basis. The release of provisions is recorded as other operating income, while the expense associated with the creation of new provisions is directly allocated to the relevant functional area. Warranty claims resulting from sales operations are determined on the basis of previous or estimated future losses. An overview of other provisions is provided in Note 30. Details with regard to litigation are provided in Note 37.

When calculating deferred tax assets, assumptions are required with regard to future taxable income and the dates on which the deferred tax assets are likely to be realized.

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. Given that future business development is subject to various uncertain factors, some of which are outside the Group's control, the assumptions and estimates applied continue to be exposed to a high level of uncertainty. This is particularly true of short and medium-term cash flow forecasts and of the discounting rates used in forecasts.

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.

The global economy continued to grow during the reporting year, albeit at a clearly reduced pace during the second six months. The Audi Group expects the global upturn to continue in 2012 with a lower level of dynamism. Consequently, as things currently stand, no major adjustment is expected in the carrying amounts of assets and liabilities in the Consolidated Balance Sheet in the coming fiscal year.

Management's estimates and assumptions were based in particular on assumptions regarding the development of the economy as a whole, the development of automotive markets and the development of the basic legal parameters. These aspects, as well as further assumptions, are described in detail in the report on expected developments.

NOTES TO THE INCOME STATEMENT

1 Revenue

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

EUR million	2011	2010
Audi brand	34,456	27,423
Lamborghini brand	268	227
Other Volkswagen Group brands	3,444	3,047
Vehicle sales	38,168	30,697
Other car business	5,928	4,744
Revenue	44,096	35,441

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.

2 Cost of sales

Amounting to EUR 36,000 (29,706) 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 93 (463) 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 3,599 (3,038) 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 429 (374) million include labor and materials costs, as well as depreciation attributable to administrative operations.

5 Other operating income

EUR million	2011	2010
Income from derivative hedging transactions	369	297
Income from rebilling	368	379
Income from the dissolution of provisions	278	174
Income from the processing of payments in foreign currency	233	181
Income from ancillary business	188	162
Income from the write-up of intangible assets	–	58
Income from the disposal of assets	9	6
Income from the reversal of reductions for impairment on receivables and other assets	6	3
Miscellaneous operating income	516	423
Total other operating income	1,967	1,684

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 34.5, “Methods of monitoring the effectiveness of hedging relationships.”
Income from ancillary business includes rental income from investment property in the amount of EUR 0.2 (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. Furthermore, grants for future-oriented technologies in the amount of EUR 4 (4) million were recognized in income.

6 Other operating expenses

EUR million	2011	2010
Expenses from derivative hedging transactions	**277**	246
Expenses from the processing of payments in foreign currency	**162**	126
Expenses from the allocation and recharging of costs	**22**	35
Impairment losses on receivables	**19**	12
Losses on the disposal of assets	**10**	8
Miscellaneous operating expenses	**197**	241
Total other operating expenses	**687**	667

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 34.5, “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 270 (220) million.

8 Financing costs

EUR million	2011	2010
Interest and similar expenses	**–119**	–82
of which to affiliated companies	**–113**	–78
Interest expense	**–119**	–82
Interest effect from the measurement of provisions for pensions	**–112**	–112
Interest effect from the measurement of other provisions	**–33**	–101
Interest on provisions	**–145**	–212
Financing costs	**–264**	–294

Interest expense is attributed on an accrual basis.

9 Other financial results

EUR million	2011	2010
Investment result	52	49
of which income from investments	44	45
of which income from profit transfer agreements	8	5
of which expenses from investments	–0	–1
Net income from the sale of securities	–43	–3
Income and expense from the measurement of non-derivative financial instruments	–1	2
Income and expense from fair value measurement of derivative financial instruments	47	–98
Interest and similar income	267	157
of which from affiliated companies	182	99
Other income	365	261
of which from affiliated companies	365	261
Total other financial results	687	368

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 34.5, “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	2011	2010
Actual income tax expense	1,889	1,356
of which for Germany	1,607	1,174
of which for other countries	281	182
of which income from the reversal of tax provisions	0	–22
Deferred tax income	–288	–352
of which for Germany	34	–171
of which for other countries	–322	–181
Income tax expense	1,601	1,004
of which non-periodic tax expenses	5	0

EUR 1,587 (1,160) 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 114 (135) million, of which the amount of EUR 99 (50) million can be used indefinitely. In the 2011 fiscal year, the realization of tax losses led to a reduction in current income tax expense of EUR 5 (1) million. Deferred tax assets of EUR 2 (10) million relating to carryforward of unused tax losses were not reported due to impairment.
Of the deferred taxes reported in the Balance Sheet, a total of EUR 317 (190) million was recorded with a resulting increase in equity, without influencing the Income Statement. The recording of actuarial gains and losses without affecting income, pursuant to IAS 19, led in the current fiscal year to an increase in equity of EUR 42 (55) million from the creation of deferred taxes. The change in deferred taxes on the effects for derivative financial instruments and securities recognized in equity led to a rise of EUR 275 (135) million in equity.

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, 2011**	Dec. 31, 2010	**Dec. 31, 2011**	Dec. 31, 2010
	Deferred tax assets		Deferred tax liabilities	
Intangible assets	**56**	112	**515**	524
Property, plant and equipment	**198**	365	**70**	235
Long-term investments	**2**	158	**–**	1
Inventories	**38**	64	**1**	36
Receivables and other assets	**193**	179	**39**	230
Other current assets	**15**	73	**–**	–
Provisions for pensions	**165**	140	**3**	3
Liabilities and other provisions	**1,583**	1,089	**9**	4
Loss carryforwards	**27**	27	**–**	–
Gross value	**2,277**	2,207	**637**	1,032
of which non-current	**1,280**	1,458	**596**	685
Offsetting measures	**–621**	–1,010	**–621**	–1,010
Consolidation measures	**183**	150	**–**	–
Carrying amount	**1,839**	1,347	**16**	22

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	**2011**	2010
Profit before tax	**6,041**	3,634
Anticipated income tax expense 29.5% (29.5%)	**1,782**	1,072
Reconciliation:		
Divergent foreign tax burden	**–29**	–38
Tax portion for:		
tax-exempt income	**–243**	–277
expenses not deductible for tax purposes	**10**	27
temporary differences and losses for which no deferred tax has been recorded	**30**	207
Non-periodic tax expenses	**5**	0
Effects of tax rate changes	**–41**	34
Other tax effects	**87**	–21
Income tax expense reported	**1,601**	1,004
Effective tax rate in %	**26.5**	27.6

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

11 Profit transfer to Volkswagen AG

The amount of EUR 3,138 (2,010) 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, 2011 or December 31, 2010.

	2011	2010
Profit share of AUDI AG stockholders (EUR million)	4,389	2,586
Weighted average number of shares	43,000,000	43,000,000
Earnings per share in EUR	102.06	60.13

Outside stockholders of AUDI AG will receive a compensatory payment for each no-par share in lieu of a dividend for the 2011 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 April 19, 2012.

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.

Not under the scope of IFRS 7 are, in particular, investments accounted for using the equity method that are neither financial instruments as defined in IAS 39 nor 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	2011	2010
Financial instruments measured at fair value through profit or loss	134	–15
Loans and receivables	250	175
Available-for-sale financial assets	49	78
Financial liabilities measured at amortized cost	–16	–27

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 investments in securities and from other long-term investments not accounted for using the equity method.

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

EUR million	2011	2010
Interest income	224	125
Interest expense	–43	–21
Interest income and expense	181	104

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	2011	2010
Measured at fair value	1	–
Measured at amortized cost	19	13
Impairment losses	20	13

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 55 (46) million was included under cost of sales and other operating expenses.

NOTES TO THE BALANCE SHEET

14 Intangible assets

EUR million	Dec. 31, 2011	Dec. 31, 2010
Concessions, industrial property rights and similar rights and assets, as well as licenses thereto	209	232
Goodwill	72	72
Capitalized development costs	2,249	2,051
of which products currently under development	629	836
of which products currently in use	1,620	1,215
Payments on account for intangible assets	1	1
Total	2,531	2,357

Research and development expenditure recognized as an expense

EUR million	2011	2010
Research expense and non-capitalized development costs	2,243	1,901
Impairment losses (reversals) on capitalized development costs	397	567
Total	2,641	2,469

A total of EUR 2,839 (2,531) million was spent on research and development during the 2011 fiscal year. Of this total, EUR 596 (630) million fulfilled the capitalization criteria set out in IAS 38.

15 Property, plant and equipment

EUR million	Dec. 31, 2011	Dec. 31, 2010
Land, land rights and buildings, including buildings on land owned by others	2,299	2,190
of which finance leases	19	–
Plant and machinery	1,157	1,159
Other plant and office equipment	2,114	1,958
Payments on account and assets under construction	1,146	496
Total	6,716	5,803

There is no purchase option with regard to the land and buildings leased on the basis of a financial lease agreement. The rate of interest on which the agreement is based is 3.5 percent.
The financial lease payments due in future, together with their present values, are listed in the following table:

EUR million	2012	2013 to 2016	from 2017	Total
Lease payments	2	10	12	24
Interest elements	1	2	2	5
Carrying amount/present value	1	7	10	19

Payments totaling EUR 125 (102) million for assets rented on the basis of operating lease agreements were recognized as an expense.

16 Investment property

EUR million	Dec. 31, 2011	Dec. 31, 2010
Investment property	3	5
Other investment property	5	6
Total	8	12

The carrying amounts of investment property correspond to the fair values.

17 Other long-term investments

EUR million	Dec. 31, 2011	Dec. 31, 2010
Investments in affiliated companies	143	106
Shares in associated companies and participating interests	100	73
Total	244	180

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."

19 Other receivables and other financial assets

Non-current other receivables and other financial assets

EUR million	Dec. 31, 2011	Dec. 31, 2010
Loans advanced	131	96
of which to affiliated companies	130	95
Positive fair values of derivative financial instruments	236	417
of which to affiliated companies	152	362
Other tax assets	2	1
Other assets	44	45
Total	412	560

With regard to loans and other non-current assets, the fair values for 2011 correspond to the carrying amounts. 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 34.5, "Methods of monitoring the effectiveness of hedging relationships."

Current other receivables and other financial assets

EUR million	Dec. 31, 2011	Dec. 31, 2010
Fixed deposits and loans extended	6,697	2,040
of which to affiliated companies	6,671	2,040
Positive fair values of derivative financial instruments	97	210
of which to affiliated companies	90	210
Other tax assets	157	135
Other receivables and assets	355	273
of which to affiliated companies	169	122
Total	7,307	2,658

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, 2011	Dec. 31, 2010
Cash flow hedges to hedge against		
currency risks from future payment streams	137	355
commodity price risks from future payment streams	38	125
Other derivative financial instruments	157	147
Positive fair values of derivative financial instruments	332	628

20 Inventories

EUR million	Dec. 31, 2011	Dec. 31, 2010
Raw materials and supplies	**433**	353
Work in progress	**463**	368
Finished goods and merchandise	**2,832**	2,118
Current leased assets	**650**	515
Total	**4,377**	3,354

Inventories amounting to EUR 32,697 (26,866) million were recorded as cost of sales at the same time that the revenue from them was realized.
EUR 1,008 (818) million of the total inventories was capitalized at the net realizable value. The impairment resulting from the measurement of inventories on the basis of sales markets amounted to EUR 65 (63) 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 227 (180) 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 650 (515) million. In the 2012 fiscal year, payments in the amount of EUR 43 million are expected from irrevocable leasing relationships.

21 Trade receivables

EUR million	Dec. 31, 2011	Dec. 31, 2010
Trade receivables from		
third parties	**1,421**	1,155
affiliated companies	**1,060**	755
associated companies and participating interests	**529**	189
Total	**3,009**	2,099

The carrying amounts of the trade receivables correspond to the fair values due to their short-term nature.
All receivables will be realized within the next twelve months. Impairment losses on trade receivables are detailed under Note 34.2 “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 1,594 (1,339) million.

Cash and cash equivalents essentially comprise credit balances with banks and affiliated companies amounting to EUR 8,513 (10,724) 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 192 and 193 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, the capital reserves of AUDI AG rose to EUR 3,515 million as a result of a contribution in the amount of EUR 1,005 million by Volkswagen AG, Wolfsburg.

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 financial assets 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.

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 1,251 (576) 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

EUR million	Dec. 31, 2011	Dec. 31, 2010
Liabilities from loans	3	15
Liabilities from financial lease agreements	18	–
Total	21	15

The carrying amounts correspond to the fair values.

Current financial liabilities

EUR million	Dec. 31, 2011	Dec. 31, 2010
Liabilities to affiliated factoring companies	1,001	714
Loans from affiliated companies	158	88
Liabilities to banks	12	8
Liabilities from financial lease agreements	1	–
Total	1,172	810

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, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010
	Carrying amounts		Fair values	
Negative fair values of derivative financial instruments	545	229	545	229
of which to affiliated companies	538	204	538	204
Liabilities from other taxes	47	24	47	24
Social security liabilities	38	33	38	33
Liabilities from payroll accounting	82	71	82	71
Other liabilities	368	355	368	353
of which to affiliated companies	151	208	151	206
of which advances received	192	126	192	126
Total	1,080	712	1,080	710

Liabilities having a time to maturity of more than five years amount to EUR 101 (91) million.

Current other liabilities

EUR million	Dec. 31, 2011	Dec. 31, 2010
Liabilities from the transfer of profit	3,138	2,010
of which to affiliated companies	3,138	2,010
Advances received	685	544
of which from affiliated companies	8	64
of which from associated companies	76	112
Negative fair values of derivative financial instruments	461	291
of which to affiliated companies	435	188
Liabilities from other taxes	131	205
of which to affiliated companies	67	56
Social security liabilities	118	121
Liabilities from payroll accounting	1,104	742
Other liabilities	719	535
of which to affiliated companies	441	340
Total	6,355	4,447

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

EUR million	Dec. 31, 2011	Dec. 31, 2010
Cash flow hedges to hedge against		
currency risks from future payment streams	871	389
commodity price risks from future payment streams (cash flow hedges)	10	0
Other derivative financial instruments	125	132
Negative fair values of derivative financial instruments	1,005	521

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 281 (269) million. Of this, contributions of EUR 268 (251) 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, 2011**	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008	Dec. 31, 2007
Present value of externally funded defined benefit obligations	**723**	679	586	464	368
Fair value of plan assets	**714**	670	583	471	368
Financing status (balance)	**10**	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	**2,495**	2,322	2,096	1,946	1,957
Provisions for pensions recognized in the Balance Sheet	**2,505**	2,331	2,098	1,946	1,957

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

EUR million	**2011**	2010
Present value on January 1	**3,001**	2,681
Changes in the group of consolidated companies and first-time adoption of IAS 19	**1**	12
Service cost	**79**	80
Interest cost	**141**	142
Actuarial gains (–)/losses (+)	**+ 92**	+ 180
Pension payments from company assets	**–92**	–87
Effects from transfers	**–1**	–2
Pension payments from fund assets	**–4**	–5
Currency differences	**1**	1
Present value on December 31	**3,218**	3,001

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

EUR million	**2011**	2010
Plan assets on January 1	**670**	583
Changes in the group of consolidated companies and first-time adoption of IAS 19	**–**	–
Expected return on plan assets	**29**	30
Actuarial gains (+)/losses (–)	**–51**	–6
Employer contributions	**69**	68
Benefits paid	**–4**	–5
Effects of transfers	**0**	0
Plan assets on December 31	**714**	670

In the past fiscal year, actual losses from the plan assets amounted to EUR 21 million. The actual gains in the prior year totaled 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 70 (67) million are expected for the following fiscal year.

The composition of fund assets is as follows, by category:

as % of fund assets	2011	2010
Shares	**28.6**	31.2
Fixed-income securities	**62.2**	42.4
Cash	**4.4**	9.3
Real estate	**2.6**	3.1
Other	**2.2**	14.0
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	2011	2010
Current service cost for services provided by the employees in the fiscal year	**–79**	–80
Interest cost	**–141**	–142
Expected return on plan assets	**29**	30
Total	**–191**	–192

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	2011	2010
Provisions for pensions on January 1	**2,331**	2,098
Changes in the group of consolidated companies and first-time adoption of IAS 19	**1**	12
Employee benefit expenses	**191**	192
Actuarial gains (–)/losses (+)	**+ 143**	+ 186
Pension payments from company assets	**–92**	–87
Contributions paid to external pension funds	**–69**	–68
Effects from transfers	**–1**	–2
Currency differences	**1**	1
Provisions for pensions on December 31	**2,505**	2,331

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

%	2011	2010	2009	2008	2007
Difference between anticipated and actual performance					
as % of the present value of the obligation	**0.88**	–0.31	1.37	0.17	–1.46
as % of fair value of plan assets	**–7.12**	0.84	–4.86	–9.88	–5.26

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

%	**Dec. 31, 2011**	Dec. 31, 2010
Remuneration trend	**2.80**	2.70
Retirement benefit trend	**1.60**	1.60
Discount rate	**4.60**	4.90
Staff turnover rate	**1.00**	1.00
Anticipated yield on plan assets	**3.75**	4.25

The “2005 G Reference Tables” published by HEUBECK-RICHTTAFELN-GmbH, Cologne, 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, 2011**		Dec. 31, 2010	
	Total	**Of which due within one year**	Total	Of which due within one year
Obligations from sales operations	**5,020**	**1,806**	4,651	1,459
Workforce-related provisions	**937**	**249**	570	194
Other provisions	**1,135**	**802**	901	702
Total	**7,092**	**2,858**	6,122	2,354

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 40 percent in the following year, 50 percent in the years 2013 through 2016 and 10 percent thereafter.

The provisions developed as follows:

EUR million	Jan. 1, 2011	Currency differences	Changes in the group of consolidated companies	Utilization	Dissolution	Addition	Interest effect from measurement	**Dec. 31, 2011**
Obligations from sales operations	4,651	31	4	1,425	117	1,846	30	**5,020**
Workforce-related provisions	570	1	0	146	21	531	2	**937**
Other provisions	901	6	0	113	140	479	2	**1,135**
Total	6,122	37	5	1,683	278	2,856	33	**7,092**

31 Trade payables

EUR million	Dec. 31, 2011	Dec. 31, 2010
Trade payables to		
third parties	3,383	2,986
affiliated companies	797	511
associated companies and participating interests	14	13
Total	4,193	3,510

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, 2011. 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, 2011	Dec. 31, 2010
Equity	12,903	11,310
as % of total capital	75	80
Financial liabilities from the transfer of profit	4,330	2,835
Current financial liabilities	1,172	810
Non-current financial liabilities	21	15
Liabilities from the transfer of profit	3,138	2,010
as % of total capital	25	20
Total capital	17,233	14,144

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 2011 fiscal year, equity rose by 14.1 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, 2011	Measured at fair value through profit or loss	Available for sale	Loans and receivables
ASSETS				
Non-current				
Other long-term investments	**246**	–	246	–
Other receivables and assets	**410**			
of which from positive fair values of derivative financial instruments	**236**	124	–	–
of which miscellaneous other receivables and assets	**174**	–	–	153
Current				
Trade receivables	**3,009**	–	–	3,009
Other receivables and assets	**7,307**			
of which from positive fair values of derivative financial instruments	**97**	45	–	–
of which miscellaneous other receivables and assets	**7,210**	–	–	6,937
Securities	**1,594**	–	1,594	–
Cash and cash equivalents	**8,513**	–	–	8,513
Total financial assets	**21,078**	169	1,840	18,612
LIABILITIES AND SHAREHOLDERS' EQUITY				
Non-current				
Financial liabilities	**21**	–	–	–
Other liabilities	**1,080**			
of which from negative fair values of derivative financial instruments	**545**	55	–	–
of which miscellaneous other liabilities	**535**	–	–	–
Current				
Financial liabilities	**1,172**	–	–	–
Trade payables	**4,193**	–	–	–
Other liabilities	**6,355**			
of which from negative fair values of derivative financial instruments	**461**	71	–	–
of which miscellaneous other liabilities	**5,894**	–	–	–
Total financial liabilities	**12,821**	126	–	–

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.
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 34.4, "Market risks."

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
–	–	–	–	–	246	–
–	111	–	140	96	–	–
–	21	–	–	–	153	21
–	–	–	–	–	3,009	–
–	51	–	90	6	–	–
–	273	–	–	–	6,937	273
–	–	1,594	–	–	–	–
–	–	–	–	–	8,513	–
–	457	1,594	230	102	18,857	294
3	18	–	–	–	21	–
–	491	–	521	24	–	–
24	511	–	–	–	24	511
1,171	1	–	–	–	1,172	–
4,193	–	–	–	–	4,193	–
–	390	–	436	25	–	–
3,813	2,082	–	–	–	3,813	2,082
9,204	3,492	–	957	49	9,222	2,593

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. During the previous year, rights to acquire shares in companies were also assigned to fair value level 3, at which 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 18,857 (15,355) 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 9,222 (6,864) 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, 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	–	–

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

Reconciliation statement for financial instruments measured according to level 3

EUR million	2011	2010
Positive fair values of level 3 derivative financial instruments as of Jan. 1	71	55
Income and expense (–) recognized in the operating profit	34	56
Income and expense (–) recognized in the financial result	3	0
Income and expense (–) recognized in equity	27	4
Reclassification from level 3 to level 2	–33	–45
Positive fair values of level 3 derivative financial instruments as of Dec. 31	102	71
Income and expense (–) recognized in the operating profit from level 3 derivative financial instruments still held at Dec. 31	34	56
Income and expense (–) recognized in the financial result from level 3 derivative financial instruments still held at Dec. 31	–	1
Negative fair values of level 3 derivative financial instruments as of Jan. 1	–127	–224
Income and expense (–) recognized in the operating profit	11	43
Income and expense (–) recognized in the financial result	–17	–2
Income and expense (–) recognized in equity	6	0
Realizations	83	55
Reclassification from level 3 to level 2	6	2
Negative fair values of level 3 derivative financial instruments as of Dec. 31	–49	–127
Income and expense (–) recognized in the operating profit from level 3 derivative financial instruments still held at Dec. 31	14	43
Income and expense (–) recognized in the financial result from level 3 derivative financial instruments still held at Dec. 31	11	–

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 changes in the market price of used cars resulting from hedging arrangements are shown in detail under Note 34.4, “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, 2011 would impact on equity in the amount of EUR 12 (14) million. The effect on profit of this rise (fall) would be EUR 11 (2) million.

34 Management of financial risks

34.1 Hedging guidelines and principles of financial risk management

The principles and responsibilities involved in managing and controlling risks associated with financial instruments are stipulated by the Board of Management in accordance with the Volkswagen Group guidelines and statutory parameters, and monitored by the Supervisory Board.

Operational risk management is carried out by the Group Treasury, as well as by AUDI AG and Volkswagen AG, Wolfsburg. The Board of Management and Supervisory Board of AUDI AG are regularly briefed on the current risk situation. Additionally, the Volkswagen Executive Committee for Liquidity and Foreign Currency is regularly updated on the current financial risks.

Further details are provided in the Management Report on page 182.

34.2 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 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 Group's global business operations and resulting diversification meant that there were no major risk concentrations during the past fiscal year.

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, 2011**	Neither past due nor impaired	Past due and not impaired	Impaired
Measured at amortized cost				
Trade receivables	**3,059**	2,459	533	67
Other receivables	**7,138**	7,027	61	50
of which receivables from loans	**6,827**	6,827	–	–
of which miscellaneous receivables	**311**	199	61	50
Total	**10,197**	9,486	594	117

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

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 9,486 (8,700) 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.

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, 2011	Up to 30 days	30 to 90 days	More than 90 days
Measured at amortized cost				
Trade receivables	**533**	407	82	43
Other receivables	**61**	42	16	4
Total	**594**	449	98	47

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

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.

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 2011 and 2010 fiscal years:

EUR million	**2011**	**Specific value adjustment**	2010	Specific value adjustment
Position as of January 1	**94**	**94**	98	98
Addition as of January 1 from changes in group of consolidated companies	**0**	**0**	6	6
Addition	**19**	**19**	12	12
Utilization	**–10**	**–10**	–18	–18
Dissolution	**–6**	**–6**	–3	–3
Position as of December 31	**98**	**98**	94	94

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

Collateral

The credit risk is reduced by collateral held of EUR 1,472 (940) million. In the Audi Group, collateral is primarily held in relation to trade receivables. Vehicles, bank guarantees and banker's bonds are the main forms of collateral provided.

34.3 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 assures 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, 2011	Up to 1 year	1 to 5 years	Over 5 years
Financial liabilities	**1,198**	1,173	13	12
Trade payables	**4,193**	4,193	–	–
Other financial liabilities and obligations	**4,070**	4,041	24	–
Derivative financial instruments	**28,221**	10,422	17,799	–
Total	**37,682**	19,829	17,836	12

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

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.

Collateral

The Audi Group recorded financial assets as collateral for liabilities in the amount of EUR 234 (211) million. This collateral is used by contractual parties primarily as soon as credit periods for secured liabilities are exceeded.

34.4 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.

Hedging policy and financial derivatives

The market risks to which the Audi Group is exposed include, in particular, currency, interest rate, commodity price and fund price risks. As part of the risk management process, these risks are limited by entering into hedging transactions. All necessary hedging measures are implemented centrally by the Group Treasury of Volkswagen AG, Wolfsburg, or coordinated via the Group Treasury of AUDI AG. There were no risk concentrations during the past fiscal year.
The market price risks associated with derivative and non-derivative financial instruments pursuant to IFRS 7 are calculated in the Audi Group using sensitivity analyses. Changes to the risk variables within the respective market price risks are used to calculate the impact on equity and on profit after tax.

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

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 transactions are credited or debited each month by the Group Treasury of Volkswagen AG on the basis of the contract volume allocated to the Audi Group.
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 and Central Risk Management at Volkswagen AG.
For the purpose of managing currency risks, exchange rate hedging in the 2011 fiscal year focused on the U.S. dollar, the pound sterling, the Japanese yen and the Chinese renminbi.
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 after tax 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 rates of 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. Changes in bond prices resulting from a change in market interest rates, and the measurement of currency risks and other interest rate risks 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 making investments, 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 a monthly basis.
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 and Central Risk Management at Volkswagen AG.
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 after 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 and profit after tax.

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 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 after 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 as of the balance sheet date, the following major effects on the hedging provision in equity and on profit would have resulted. From the 2011 fiscal year onward, the effect of currency changes is reported after taxes. The previous year's figures have been adjusted accordingly for the purposes of comparison. 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, 2011		Dec. 31, 2010	
	+10%	**–10%**	+10%	–10%
Currency relation				
EUR/USD				
Hedging provision	**900**	**–873**	880	–833
Profit after income taxes	**–116**	**104**	14	–34
EUR/GBP				
Hedging provision	**331**	**–331**	229	–229
Profit after income taxes	**0**	**–0**	0	–0
EUR/JPY				
Hedging provision	**184**	**–184**	89	–89
Profit after income taxes	**1**	**–1**	–1	1
EUR/CNY				
Hedging provision	**150**	**–150**	–	–
Profit after income taxes	**–37**	**37**	0	–0

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). From the 2011 fiscal year onward, the effect of changes to these factors is reported after taxes. The previous year's figures have been adjusted accordingly for the purposes of comparison.
The sensitivity analyses carried out enabled the following other market risks to be quantified for the Audi Group:

	Data in	2011		2010	
Fund price risks					
Change in share prices	Percent	**+10**	**–10**	+10	–10
Effects on equity capital	EUR million	**–5**	**5**	6	–6
Commodity price risks					
Change in commodity prices	Percent	**+10**	**–10**	+10	–10
Effects on equity capital	EUR million	**26**	**–26**	32	–32
Effects on results	EUR million	**59**	**–59**	31	–31
Interest rate change risks					
Change in market interest rate	Basis points	**+100**	**–100**	+100	–100
Effects on equity capital	EUR million	**18**	**–17**	–9	10
Effects on results	EUR million	**13**	**–14**	5	–5
Residual value risks					
Change in market prices of used cars	Percent	**+10**	**–10**	+10	–10
Effects on results	EUR million	**141**	**–127**	159	–90

34.5 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 2011 there was ineffectiveness resulting from cash flow hedges amounting to EUR 3 (10) 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, 2011	Residual time to maturity up to 1 year	Residual time to maturity up to 5 years	Dec. 31, 2010
Cash flow hedges	**27,961**	10,232	17,729	21,664
Foreign exchange contracts	**27,156**	10,011	17,145	20,330
Currency option transactions	**454**	144	310	989
Commodity futures	**351**	77	274	345

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

35 Cash Flow Statement

The Cash Flow Statement details the payment streams for both the 2011 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.
The cash and cash equivalents item has been more narrowly defined for the purposes of the Cash Flow Statement in line with internal liquidity management. The figures from 2010 included in the Cash Flow Statement have been adjusted accordingly.

EUR million	Dec. 31, 2011	Jan. 1, 2011	Jan. 1, 2010
Cash and cash equivalents as per Cash Flow Statement (bank assets and cash deposits with maturities of no more than three months)	4,675	5,961	4,053
Currently due fixed deposits	3,838	4,763	2,402
Cash and cash equivalents as per Balance Sheet	8,513	10,724	6,455
Fixed deposits and loans with maturities of more than three months	6,801	2,134	3,965
Securities	1,596	1,350	824
Gross liquidity	16,909	14,208	11,244
Credit outstanding	–1,193	–825	–579
Net liquidity	15,716	13,383	10,665

The adjusted figures for cash and cash equivalents pursuant to IAS 7 are EUR 5,961 million (previously: EUR 10,724 million) as of December 31, 2010 and EUR 4,053 million (previously: EUR 6,455 million) as of January 1, 2010; the figures for cash flow from investment activity have been adjusted accordingly. Fixed deposits with a maturity of more than three months are not classed as cash equivalents on the reporting date regardless of the maturity date. There is no impact on gross or net liquidity.

Cash flow from operating activities in 2011 included payments for interest received amounting to EUR 180 (98) million and for interest paid amounting to EUR 45 (19) million. In 2011, the Audi Group received dividends and profit transfers totaling EUR 211 (173) million. 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 acquisition of subsidiaries resulted in an outflow of EUR 37 (145) million, which includes changes to cash and cash equivalents from first-time consolidations and capital increases in the case of non-consolidated subsidiary companies. The acquisition of investments in other participating interests resulted in an outflow of EUR 27 (63) million.

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

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.

EUR million	**Dec. 31, 2011**	Dec. 31, 2010
Cash and cash equivalents as per Balance Sheet	**8,513**	10,724
Currently due fixed deposits	**–3,838**	–4,763
Cash and cash equivalents as per Cash Flow Statement (bank assets and cash deposits with maturities of no more than three months)	**4,675**	5,961

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, 2011**	Dec. 31, 2010
Liabilities from guarantees	**61**	39
Furnishing of collateral for outside liabilities	**70**	49
Total	**131**	89

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, 2011		Due Dec. 31, 2010	
	Within 1 year	1 to 5 years	Over 5 years	Total	Over 1 year	Total
Ordering commitments for						
property, plant and equipment	1,145	365	–	1,511	465	1,309
intangible assets	165	45	–	210	22	158
Commitments from long-term rental and lease agreements	67	214	161	442	240	295
Miscellaneous financial obligations	391	360	30	781	302	431
Total	1,769	984	191	2,944	1,028	2,192

Supply contracts are in place for series production material. Binding orders are placed and contracts are activated for the material as such material is needed on the basis of the detailed production and sales schedule.

40 Discontinued operations

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

41 Cost of materials

EUR million	2011	2010
Raw materials and consumables used, as well as purchased goods	26,334	19,665
Purchased services	2,259	2,137
Total	28,594	21,802

42 Personnel costs

EUR million	2011	2010
Wages and salaries	4,289	3,573
Social insurance and expenses for retirement benefits and support payments	787	701
of which relating to retirement benefit plans	88	88
of which defined contribution pension plans	281	269
Total	5,076	4,274

Subsidies from the German Federal Employment Agency in the amount of EUR 21 (5) million were recognized in other operating income. The subsidies are paid in accordance with the conditions defined in the German Law on Partial Early Retirement.

43 Total average number of employees for the year

	2011	2010
Domestic companies	**47,182**	45,914
Foreign companies	**13,017**	11,038
Employees	**60,199**	56,952
Apprentices	**2,322**	2,269
Employees of Audi Group companies	**62,521**	59,221
Staff employed from other Volkswagen Group companies not belonging to the Audi Group	**285**	292
Workforce	**62,806**	59,513

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 on December 31, 2011 was 50.73 percent),
- 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	2011	2010
Sales and services supplied to		
Volkswagen AG	**4,623**	3,586
Volkswagen AG subsidiaries and participating interests not belonging to the Audi Group	**10,421**	7,860
Purchases and services received from		
Volkswagen AG	**5,729**	5,156
Volkswagen AG subsidiaries and participating interests not belonging to the Audi Group	**3,645**	2,804
Receivables from		
Volkswagen AG	**9,290**	8,059
Volkswagen AG subsidiaries and participating interests not belonging to the Audi Group	**6,796**	5,861
Commitments 1) toward		
Volkswagen AG	**5,596**	5,675
Volkswagen AG subsidiaries and participating interests not belonging to the Audi Group	**3,954**	1,384
Contingent liabilities to		
Volkswagen AG	**–**	–
Volkswagen AG subsidiaries and participating interests not belonging to the Audi Group	**101**	68
Collateral posted with		
Volkswagen AG	**–**	–
Volkswagen AG subsidiaries and participating interests not belonging to the Audi Group	**150**	150

1) Previous year adjusted due to the first-time application of amended IAS 24.

As of December 31, 2011, sales of receivables to Volkswagen AG subsidiaries not belonging to the Audi Group amounted to EUR 3,109 (2,290) 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	2011	2010	2011	2010
	Goods and services supplied		Goods and services received	
Associated companies of AUDI AG	8,184	2,789	95	77
Non-consolidated subsidiaries of AUDI AG	112	227	305	86
Porsche companies	124	818	7	41

EUR million	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010
	Receivables from		Liabilities to	
Associated companies of AUDI AG	484	169	83	123
Non-consolidated subsidiaries of AUDI AG	66	39	45	48
Porsche companies	1	10	0	2

The “Porsche companies” group encompasses the business relationships with Porsche Holding Gesellschaft m.b.H., Salzburg (Austria), and its subsidiaries. Up to and including February 28, 2011, Porsche Holding Gesellschaft m.b.H., Salzburg (Austria), and its majority shareholdings were included among the Audi Group’s related parties. Since being taken over by Volkswagen AG, Wolfsburg, with effect from March 1, 2011, they are now included in the group of “Consolidated Volkswagen AG subsidiaries not belonging to the Audi Group.”
No business relations existed with Porsche Automobil Holding SE, Stuttgart.
All business transactions with related parties have been conducted on the basis of international 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 320 (200) 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 2011 Annual Financial Report of AUDI AG.
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 700 (443) thousand were procured from this group of individuals during the reporting year, with services in the amount of EUR 113 (23) thousand being rendered on the part of the Audi Group. Receivables totaled EUR 21 thousand. 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.”
The employee representatives employed at AUDI AG in the Supervisory Board continue to receive their normal salary in accordance with their employment contract. This is based on the provisions of the German Works Constitution Act and corresponds to an appropriate remuneration for the function or activity exercised in the company. This similarly applies to representatives of executive staff.

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	2011	2010
Auditing of the financial statements	**1,015**	732
Other assurance services	**243**	169
Tax consultancy services	**84**	87
Other services	**108**	103
Total	**1,450**	1,091

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	2011	2010
Operating profit	**5,348**	3,340

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

		2011	2010
Profit before tax	EUR million	**6,041**	3,634
Deliveries to customers – Audi brand	Vehicles	**1,302,659**	1,092,411
Audi brand sales	Vehicles	**1,327,544**	1,124,295
Audi brand production	Vehicles	**1,363,788**	1,148,791
Investments in property, plant and equipment and intangible assets (excluding development work and financial leasing)	EUR million	**2,266**	1,449
Capex ratio [1]	%	**5.1**	4.1
Inventories (including current leased assets)	EUR million	**4,377**	3,354
Net liquidity	EUR million	**15,716**	13,383
Workforce at Dec. 31		**63,839**	60,395
Return on investment	%	**35.4**	24.7
Capital turnover [2]		**4.2**	3.7

1) Capex ratio = Investments in property, plant and equipment and intangible assets (excluding development work and financial leasing)/revenue

2) Capital turnover = Turnover/average invested assets

Investment and depreciation and amortization developed as follows:

EUR million	2011	2010
Investments in property, plant and equipment and intangible assets	**2,285**	1,449
Additions of capitalized development work	**596**	630
Long-term investments	**89**	67
Total	**2,970**	2,146

EUR million	2011	2010
Impairment losses on property, plant and equipment and intangible assets	**1,395**	1,542
Amortization of capitalized development work	**397**	626
Impairment losses on long-term investments	**–**	1
Depreciation of leased assets	**1**	1
Total	**1,793**	2,170

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	2011	2010
Audi brand	**34,456**	27,423
Lamborghini brand	**268**	227
Volkswagen brand	**2,991**	2,611
SEAT brand	**204**	189
Škoda brand	**226**	235
Bentley brand	**23**	11
Vehicle sales	**38,168**	30,697
Other car business	**5,928**	4,744
Revenue	**44,096**	35,441

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	2011		2010	
	EUR million	**%**	EUR million	%
Volkswagen AG, Wolfsburg	**3,684**	**8.4**	3,156	8.9
Affiliated companies of the Volkswagen Group excluding fully consolidated companies of the Audi Group	**9,877**	**22.4**	7,747	21.9

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

Sales revenues by region	2011		2010	
	EUR million	**%**	EUR million	%
Germany	**9,212**	**20.9**	8,546	24.1
Rest of Europe	**16,814**	**38.1**	15,017	42.4
Asia-Pacific	**12,127**	**27.5**	7,044	19.9
North America	**5,003**	**11.3**	4,125	11.6
South America	**550**	**1.2**	371	1.0
Africa	**389**	**0.9**	337	1.0
Total	**44,096**	**100.0**	35,441	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 (AktG) relating to the German Corporate Governance Code on November 23, 2011, 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 2011 fiscal year was EUR 14,286 (10,136) thousand, of which EUR 4,084 (3,261) thousand related to fixed remuneration components and EUR 10,202 (6,875) thousand to variable components.
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 (HGB) has not been effected, as the Annual General Meeting on May 12, 2011 adopted a corresponding resolution that is valid for the fiscal years 2011 to 2016.
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 based on the business performance of the previous two years and, since 2010, has also comprised 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 onward, 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. In the 2011 fiscal year, EUR 6,090 (3,419) thousand was allocated to the provisions for pensions for current members of the Board of Management. As at December 31, 2011, the provisions for pensions totaled EUR 16,161 (10,070) thousand.
Former members of the Board of Management and their dependents received EUR 2,987 (4,193) thousand. This included payments resulting from termination of office of EUR 1,367 (2,600) thousand. The provisions for pensions for this group of individuals amount to EUR 31,843 (25,520) 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 (HGB) 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 2011 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 (HGB), was EUR 973 (698) thousand, of which EUR 202 (195) thousand related to fixed components and EUR 771 (503) thousand to variable components.

EXPENSES FOR REMUNERATION OF THE SUPERVISORY BOARD

EUR	Fixed	Variable	**Total 2011**
Prof. Dr. rer. nat. Dr.-Ing. e. h. Martin Winterkorn	–	–	**–**
Berthold Huber 1)	20,000	80,800	**100,800**
Dr. rer. pol. h. c. Bruno Adelt	11,000	40,400	**51,400**
Senator h. c. Helmut Aurenz	11,000	40,400	**51,400**
Heinz Eyer 1)	11,000	40,400	**51,400**
Dr. rer. pol. h. c. Francisco Javier Garcia Sanz	–	–	**–**
Johann Horn 1)	10,500	40,400	**50,900**
Peter Kössler	11,000	40,400	**51,400**
Peter Mosch 1)	15,500	60,600	**76,100**
Wolfgang Müller 1)	11,000	40,400	**51,400**
Prof. Dr. rer. pol. Horst Neumann	–	–	**–**
Dr.-Ing. Franz-Josef Paefgen	6,250	23,567	**29,817**
Hon.-Prof. Dr. techn. h. c. Dipl.-Ing. ETH Ferdinand K. Piëch	15,500	60,600	**76,100**
Dr. jur. Hans Michel Piëch	11,000	40,400	**51,400**
Dipl.-Wirtsch.-Ing. Hans Dieter Pötsch	–	–	**–**
Dr. jur. Ferdinand Oliver Porsche	15,500	60,600	**76,100**
Norbert Rank 1)	15,500	60,600	**76,100**
Jörg Schlagbauer 1)	15,500	60,600	**76,100**
Helmut Späth 1)	11,000	40,400	**51,400**
Max Wäcker 1)	11,000	40,400	**51,400**
Total	202,250	770,967	**973,217**

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 2012, pursuant to Section 16 of the Articles of Incorporation and Bylaws.

Supervisory Board [1]

Position as of Dec. 31, 2011	
Prof. Dr. rer. nat. Dr.-Ing. e. h. Martin Winterkorn	Chairman [2] Stockholder representative
Berthold Huber	Deputy Chairman 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
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 Notes to AUDI AG's Annual Financial Report.

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, 2011 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, 2011

PRINCIPAL GROUP COMPANIES

Name and registered office	Capital share in %
Fully consolidated companies	
Germany	
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
Other countries	
Audi Australia Pty Ltd., Zetland (Australia)	100.0
AUDI AUSTRALIA RETAIL OPERATIONS 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 BRUSSELS PROPERTY S.A./N.V., Brussels (Belgium)	100.0
Audi (China) Enterprise Management Co. Ltd., Beijing (China)	100.0
AUDI HUNGARIA SERVICES Zrt., Győr (Hungary)	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 SINGAPORE PTE. LTD., Singapore (Singapore)	100.0
AUDI TAIWAN CO., LTD., Taipei (Taiwan)	100.0
Audi Volkswagen Korea Ltd., Seoul (South Korea)	100.0
Audi Volkswagen Middle East FZE, Dubai (United Arab Emirates)	100.0
Automobili Lamborghini S.p.A., Sant'Agata Bolognese (Italy)	100.0
MML S.p.A., Sant'Agata Bolognese (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	
Other countries	
FAW-Volkswagen Automotive Company, Ltd., Changchun (China)	10.0

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

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 6, 2012

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, 2011. 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 6, 2012

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Harald Kayser	Klaus Schuster
Wirtschaftsprüfer	Wirtschaftsprüfer

Declaration of the AUDI AG Board of Management

on the 2011 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.

CORPORATE GOVERNANCE

German Corporate Governance Code in 2011

On July 2, 2010, the Federal Ministry of Justice announced a new version of the German Corporate Governance Code dated May 26, 2010 in the official section of the electronic version of the German Federal Gazette. The Board of Management and Supervisory Board of AUDI AG again discussed at length the recommendations and suggestions in the Code during the past fiscal year and passed the appropriate resolutions.

Implementation of the recommendations and suggestions

The recommendations of the Code in the version from May 26, 2010 were adhered to. However, the Supervisory Board did not form 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. Furthermore, 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. 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. However, contracts that were signed prior to this date remain unaffected by the rules due to the protection of vested rights.

The response to the suggestions made in the Code is as follows:
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 Supervisory Board and 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 23, 2011.

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.

Corporate Governance Report

COMPLIANCE

Responsible and lawful actions are a fundamental aspect of corporate management at the Audi Group. Compliance as understood in the German Corporate Governance Code means that the Board of Management must ensure that the statutory provisions and internal company guidelines are satisfied, and must endeavor to ensure that the Group companies observe them. The Audi Group has translated this principle into a preventive, forward-looking understanding of compliance that globally seeks to ensure that the members of the Company's corporate bodies and its employees operate within the rules with regard to the relevant statutory requirements and prohibitions.

Modeled after the Volkswagen Group, which adopts an integrated approach to compliance and risk management matters by bracketing them together organizationally and thematically within the Governance, Risk & Compliance area, the compliance organization was restructured in the year under review and an area reporting directly to the Board of Management and led by a Chief Compliance Officer was created within the Audi Group.

The tasks of the Audi Group's Chief Compliance Officer include in particular advising and supporting the Board of Management, as well as coordinating all necessary measures to assure compliance. In order to follow through with this approach, Risk Compliance Delegates were appointed for every division of AUDI AG. In addition, the compliance officers appointed by the Group companies are the direct points of contact in situ for the Chief Compliance Officer.

Progress on compliance activities was made both nationally and internationally during the period under review. For example, a Code of Conduct was drawn up for the Audi Group and communicated throughout the Company. In addition, important aspects of the Code of Conduct were integrated into corporate processes.

Other priority areas of the compliance program in 2011 involved preventive measures on the topic of anti-corruption, such as the introduction of web-based training courses. Moreover, the Board of Management of AUDI AG has declared its unreserved commitment to the compliance program.

The Audi Group is linked into the Volkswagen Group's worldwide corruption prevention system. Independent lawyers acting as ombudsmen and the Volkswagen Group's Anti-Corruption Officer both serve as the points of contact on such matters. The latter is available to advise all employees as well as business partners and third parties on matters relating to corruption such as the admissibility of accepting gifts. All Audi employees may in addition contact the Audi Group's compliance organization with queries on any compliance-related topics and for assistance.

The early identification and evaluation of risks is a key aspect of the Audi Group's approach to compliance. To that end, a Group-wide risk record of relevant compliance topics was compiled in the period under review.

Activities within the compliance program in 2012 will continue to concentrate on preventive measures to avoid corruption and on the subject of antitrust law. Here, too, the focus is on training and informing employees.

RISK MANAGEMENT

Considerable importance is attached to a cautious approach to potential risks within the Audi Group. The Group-wide risk management system implemented for this purpose helps to identify and minimize risks, and exclude them altogether if possible. It also provides a basis for responding swiftly and comprehensively to changing framework conditions.

Central Risk Management operates in partnership with the non-central risk managers in the divisions and subsidiaries. Central Risk Management sets standards that apply Group-wide and implements regulations that ensure risks are recorded and evaluated uniformly, as enshrined for example in an internal Board Directive. Fact-finding events and training courses tailored to specific target groups were held in order to communicate topics and methods.

In addition, information on risk management was made accessible via internal communication media such as the intranet.

The regular standardized risk analysis conducted within the Audi Group serves as the basis for identifying priority topics. These topics are investigated in depth, with the objective of managing them comprehensively and effectively.
Detailed information on the risk management system and an explanation of the internal control system for financial reporting can be found on pages 175 to 182 in the Risk Report section of the Management Report of the Audi Group.
The Audit Committee set up by the Supervisory Board considers in particular questions regarding risk management and the internal control systems. Central Risk Management is responsible for providing the Board of Management and Supervisory Board with regular updates on the Audi Group's risk profile, using the reporting channels defined Group-wide.

Corporate Governance Report

COMMUNICATION AND TRANSPARENCY

The Audi Group publishes a Financial Calendar, showing all important publication dates as well as the date of the Annual General Meeting, in its Annual Report and on the website www.audi.com/investor-relations. In addition, the Company publishes an invitation to the Annual General Meeting on this website, along with the agenda and any countermotions received. Stockholders have the choice of exercising their voting rights in person at the Annual General Meeting, having these rights exercised by their chosen proxy, or using a proxy appointed by the Company and bound by their instructions. AUDI AG moreover broadcasts the Annual General Meeting on the Internet up until the start of the discussion.
The German Securities Trading Act (Section 15 of WpHG) obliges domestic issuers of financial instruments to publish and disclose inside information that has a direct bearing on them without delay. The obligation to immediately publish information of relevance to the trading price is intended to prevent insiders from using advance knowledge to trade shares to their advantage. The Company's ad hoc announcements are published on the Internet at www.audi.com/investor-relations in the "News and Ad hoc" section, under the menu item "Ad hoc announcements." The "News and Ad hoc" section also contains further news and information about the Audi Group, reporting of voting rights according to Sections 21 ff. of the German Securities Trading Act (WpHG) and other legal issues. The notices and information published there are also available in English. Furthermore, the annual document pursuant to Section 10 of the German Securities Trading Act (WpPG) can be called up in the "Corporate Governance" section of the above website. This document contains a detailed list of all communications published in fiscal 2011 relating to the capital market.
Communications relating to share dealings by management members pursuant to Section 15a of the German Securities Trading Act (WpHG) can be called up at www.audi.com/investor-relations in the "Corporate Governance" section under the menu item "Directors' Dealings."

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.

MANDATES OF THE BOARD OF MANAGEMENT

Status of all data: December 31, 2011

Rupert Stadler (48)
Chairman of the Board of Management

Mandates:
- ■ FC Bayern München AG, Munich
- ■ MAN SE, Munich
- ■ MAN Truck & Bus AG, Munich (Chairman)
- ◆ Porsche Holding Gesellschaft m.b.H., Salzburg, Austria

Ulf Berkenhagen (50)
Purchasing

Mandate:
- ■ MAN SE, Munich

Michael Dick (59)
Technical Development

Mandate:
- ■ TÜV SÜD AG, Munich

Frank Dreves (59)
Production

Peter Schwarzenbauer (52)
Marketing and Sales

Thomas Sigi (47)
Human Resources

Axel Strotbek (47)
Finance and Organization

Mandate:
- ■ Volkswagen Financial Services AG, Braunschweig

In connection with their duties of Group steering and governance within the Audi Group, the members of the Board of Management in addition hold supervisory board seats at Group companies and significant associated companies.

■ Membership of statutorily constituted domestic supervisory boards

◆ Membership of comparable domestic and foreign regulatory bodies

MANDATES OF THE SUPERVISORY BOARD

Status of all data: December 31, 2011

Prof. Dr. rer. nat. Dr.-Ing. e. h. Martin Winterkorn (64) [1)]
Chairman
Chairman of the Board of Management of Volkswagen AG, Wolfsburg
Chairman of the Board of Management of Porsche Automobil Holding SE, Stuttgart

Mandates:
- ■ FC Bayern München AG, Munich
- ■ Salzgitter AG, Salzgitter

Berthold Huber (61)
Deputy Chairman
Chairman of the IG Metall trade union, Frankfurt

Mandates:
- ■ Porsche Automobil Holding SE, Stuttgart
- ■ Siemens AG, Munich (Deputy Chairman)
- ■ Volkswagen AG, Wolfsburg (Deputy Chairman)

Dr. rer. pol. h. c. Bruno Adelt (72)
Former Member of the Board of Management of Volkswagen AG, Wolfsburg

Senator h. c. Helmut Aurenz (74)
Owner of the ASB Group, Ludwigsburg

Mandates:
- ◆ Automobili Lamborghini S.p.A., Sant'Agata Bolognese, Italy
- ◆ Scania AB, Södertälje, Sweden

Heinz Eyer (54)
Member of the Works Council of AUDI AG, Neckarsulm plant

Dr. rer. pol. h. c. Francisco Javier Garcia Sanz (54) [1)]
Member of the Board of Management of Volkswagen AG, Wolfsburg

Mandate:
- ◆ Criteria Caixaholding S.A., Barcelona, Spain

Johann Horn (53)
Chief Executive of the Ingolstadt office of the IG Metall trade union

Mandate:
- ■ Conti Temic microelectronic GmbH, Nuremberg

Peter Kössler (52)
Ingolstadt Plant Manager, AUDI AG

Peter Mosch (39)
Chairman of the General Works Council of AUDI AG

Mandates:
- ■ Porsche Automobil Holding SE, Stuttgart
- ■ Volkswagen AG, Wolfsburg

Corporate Governance Report

Wolfgang Müller (63)
IG Metall trade union, Bavarian regional headquarters, Munich
Mandate:
- ■ Schaeffler AG, Herzogenaurach

Prof. Dr. rer. pol. Horst Neumann (62) [1)]
Member of the Board of Management of Volkswagen AG, Wolfsburg
Mandate:
- ■ Wolfsburg AG, Wolfsburg

Dr.-Ing. Franz-Josef Paefgen (65)
Former Chairman and Chief Executive of Bentley Motors Ltd., Crewe, United Kingdom
Mandates:
- ■ ZF Friedrichshafen AG, Friedrichshafen
- ◆ Automobili Lamborghini S.p.A., Sant'Agata Bolognese, Italy
- ◆ Valmet Automotive Inc., Uusikaupunki, Finland

Hon.-Prof. Dr. techn. h. c. Dipl.-Ing. ETH Ferdinand K. Piëch (74)
Chairman of the Supervisory Board of Volkswagen AG, Wolfsburg
Mandates:
- ■ Dr. Ing. h. c. F. Porsche AG, Stuttgart
- ■ MAN SE, Munich (Chairman)
- ■ Porsche Automobil Holding SE, Stuttgart
- ■ Volkswagen AG, Wolfsburg (Chairman)
- ◆ Porsche Gesellschaft m.b.H., Salzburg, Austria
- ◆ Porsche Holding Gesellschaft m.b.H., Salzburg, Austria
- ◆ Porsche Piech Holding AG, Salzburg, Austria

Dr. jur. Hans Michel Piëch (69)
Attorney, Vienna, Austria
Mandates:
- ■ Dr. Ing. h. c. F. Porsche AG, Stuttgart
- ■ Porsche Automobil Holding SE, Stuttgart
- ■ Volkswagen AG, Wolfsburg
- ◆ Porsche Cars Great Britain Ltd., Reading, United Kingdom
- ◆ Porsche Cars North America, Inc., Wilmington, USA
- ◆ Porsche Gesellschaft m.b.H., Salzburg, Austria (Chairman)
- ◆ Porsche Holding Gesellschaft m.b.H., Salzburg, Austria
- ◆ Porsche Ibérica S.A., Madrid, Spain
- ◆ Porsche Italia S.p.A., Padua, Italy
- ◆ Porsche Piech Holding AG, Salzburg, Austria (Chairman)
- ◆ Schmittenhöhebahn AG, Zell am See, Austria
- ◆ Volksoper Wien GmbH, Vienna, Austria

Dipl.-Wirtsch.-Ing. Hans Dieter Pötsch (60) [1)]
Member of the Board of Management of Volkswagen AG, Wolfsburg
Member of the Board of Management of Porsche Automobil Holding SE, Stuttgart

Mandate:
- ■ Bertelsmann AG, Gütersloh

Dr. jur. Ferdinand Oliver Porsche (50)
Member of the Board of Management of Familie Porsche AG Beteiligungsgesellschaft, Salzburg, Austria

Mandates:
- ■ Dr. Ing. h. c. F. Porsche AG, Stuttgart
- ■ Porsche Automobil Holding SE, Stuttgart
- ■ Volkswagen AG, Wolfsburg
- ◆ PGA S.A., Paris, France
- ◆ Porsche Holding Gesellschaft m.b.H., Salzburg, Austria
- ◆ Porsche Lizenz- und Handelsgesellschaft mbH & Co. KG, Bietigheim-Bissingen
- ◆ Voith GmbH, Heidenheim

Norbert Rank (56)
Chairman of the Works Council of AUDI AG,
Neckarsulm plant

Jörg Schlagbauer (34)
Member of the Works Council of AUDI AG,
Ingolstadt plant

Helmut Späth (55)
Member of the Works Council of AUDI AG,
Ingolstadt plant

Max Wäcker (57)
Deputy Chairman of the Works Council of AUDI AG,
Ingolstadt plant

1) In connection with his duties of Group steering and governance within the Volkswagen Group, this member of the Supervisory Board additionally holds further non-executive directorships at Group companies and significant associated companies.

■ Membership of statutorily constituted domestic supervisory boards
◆ Membership of comparable domestic and foreign regulatory bodies

Fuel consumption and emission figures

As at: February 2012 (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)	Efficiency class
				urban	extra urban	combined	combined	
Audi A1								
A1 1.2 TFSI	63	5-speed	Premium	6.2	4.4	5.1	118	C
A1 1.4 TFSI	90	6-speed	Premium	6.8	4.4	5.3	124	C
A1 1.4 TFSI (119 g CO_2/km) [1)]	90	S tronic, 7-speed	Premium	6.5	4.4	5.2	119	C
A1 1.4 TFSI	90	S tronic, 7-speed	Premium	6.5	4.6	5.3	122	C
A1 1.4 TFSI	136	S tronic, 7-speed	Super Plus	7.5	5.1	5.9	139	D
A1 2.0 TFSI quattro [2)]	188	6-speed	Premium					
A1 1.6 TDI	66	5-speed	Diesel	4.4	3.4	3.8	99	A
A1 1.6 TDI	66	S tronic, 7-speed	Diesel	5.1	3.7	4.2	110	B
A1 1.6 TDI	77	5-speed	Diesel	4.4	3.4	3.8	99	A
A1 2.0 TDI	105	6-speed	Diesel	5.0	3.6	4.1	108	A
Audi A1 Sportback								
A1 Sportback 1.2 TFSI	63	5-speed	Premium	6.2	4.4	5.1	118	C
A1 Sportback 1.4 TFSI	90	6-speed	Premium	6.9	4.6	5.4	126	C
A1 Sportback 1.4 TFSI	90	S tronic, 7-speed	Premium	6.5	4.6	5.3	122	C
A1 Sportback 1.4 TFSI	136	S tronic, 7-speed	Super Plus	7.5	5.1	5.9	139	D
A1 Sportback 1.6 TDI	66	5-speed	Diesel	4.4	3.4	3.8	99	A
A1 Sportback 1.6 TDI	66	S tronic, 7-speed	Diesel	5.1	3.7	4.2	110	B
A1 Sportback 1.6 TDI	77	5-speed	Diesel	4.4	3.4	3.8	99	A
Audi A3								
A3 1.2 TFSI	77	6-speed	Premium	6.7	4.7	5.5	127	C
A3 1.2 TFSI	77	S tronic, 7-speed	Premium	6.5	4.6	5.3	123	B
A3 1.4 TFSI	92	6-speed	Premium	7.3	4.8	5.7	132	C
A3 1.4 TFSI	92	S tronic, 7-speed	Premium	6.4	4.7	5.3	124	B
A3 1.8 TFSI	118	6-speed	Premium	8.7	5.3	6.6	152	D
A3 1.8 TFSI	118	S tronic, 7-speed	Premium	8.5	5.2	6.5	149	D
A3 1.8 TFSI quattro	118	6-speed	Premium	9.7	6.0	7.3	170	E
A3 2.0 TFSI	147	6-speed	Premium	9.8	5.5	7.1	164	E
A3 2.0 TFSI	147	S tronic, 6-speed	Premium	9.9	5.8	7.3	168	E
A3 2.0 TFSI quattro	147	S tronic, 6-speed	Premium	9.9	6.1	7.5	174	E
A3 1.6 TDI	66	5-speed	Diesel	5.6	3.7	4.4	114	B
A3 1.6 TDI (99 g CO_2/km) [1)]	77	5-speed	Diesel	4.7	3.3	3.8	99	A+
A3 1.6 TDI	77	5-speed	Diesel	5.0	3.7	4.1	109	A
A3 1.6 TDI	77	S tronic, 7-speed	Diesel	4.5	3.9	4.2	109	A
A3 2.0 TDI	103	6-speed	Diesel	5.5	3.8	4.4	115	A
A3 2.0 TDI	103	S tronic, 6-speed	Diesel	5.8	4.4	4.9	129	B
A3 2.0 TDI quattro	103	6-speed	Diesel	6.3	4.2	5.0	129	B
A3 2.0 TDI	125	6-speed	Diesel	5.7	4.2	4.7	123	B
A3 2.0 TDI	125	S tronic, 6-speed	Diesel	5.6	4.5	4.9	128	B
A3 2.0 TDI quattro	125	6-speed	Diesel	6.1	4.6	5.2	135	B
S3 2.0 TFSI quattro	195	6-speed	Super Plus	11.8	6.6	8.5	198	F
S3 2.0 TFSI quattro	195	S tronic, 6-speed	Super Plus	11.1	6.7	8.3	193	F
Audi A3 Sportback								
A3 Sportback 1.2 TFSI	77	6-speed	Premium	6.7	4.7	5.5	127	C
A3 Sportback 1.2 TFSI	77	S tronic, 7-speed	Premium	6.5	4.6	5.3	123	B
A3 Sportback 1.4 TFSI	92	6-speed	Premium	7.3	4.9	5.8	134	C
A3 Sportback 1.4 TFSI	92	S tronic, 7-speed	Premium	6.6	4.8	5.5	127	B
A3 Sportback 1.8 TFSI	118	6-speed	Premium	8.7	5.3	6.6	153	D
A3 Sportback 1.8 TFSI	118	S tronic, 7-speed	Premium	8.5	5.2	6.5	149	D
A3 Sportback 1.8 TFSI quattro	118	6-speed	Premium	9.8	6.1	7.4	173	E
A3 Sportback 2.0 TFSI	147	6-speed	Premium	9.9	5.6	7.2	168	E
A3 Sportback 2.0 TFSI	147	S tronic, 6-speed	Premium	9.9	5.8	7.3	168	E
A3 Sportback 2.0 TFSI quattro	147	S tronic, 6-speed	Premium	10.0	6.2	7.6	176	E
A3 Sportback 1.6 TDI	66	5-speed	Diesel	5.3	3.9	4.4	116	A
A3 Sportback 1.6 TDI (102 g CO_2/km) [1)]	77	5-speed	Diesel	4.8	3.4	3.9	102	A+
A3 Sportback 1.6 TDI	77	5-speed	Diesel	5.1	3.8	4.2	112	A
A3 Sportback 1.6 TDI	77	S tronic, 7-speed	Diesel	4.9	3.9	4.3	112	A
A3 Sportback 2.0 TDI	103	6-speed	Diesel	5.5	3.8	4.4	115	A
A3 Sportback 2.0 TDI	103	S tronic, 6-speed	Diesel	5.8	4.4	4.9	129	B
A3 Sportback 2.0 TDI quattro	103	6-speed	Diesel	6.3	4.2	5.0	129	B
A3 Sportback 2.0 TDI	125	6-speed	Diesel	5.7	4.2	4.7	123	B
A3 Sportback 2.0 TDI	125	S tronic, 6-speed	Diesel	5.6	4.6	5.0	130	B
A3 Sportback 2.0 TDI quattro	125	6-speed	Diesel	6.1	4.6	5.2	135	B
S3 Sportback 2.0 TFSI quattro	195	6-speed	Super Plus	11.8	6.7	8.5	199	F
S3 Sportback 2.0 TFSI quattro	195	S tronic, 6-speed	Super Plus	11.2	6.8	8.4	195	F
RS 3 Sportback 2.5 TFSI quattro	250	S tronic, 7-speed	Super Plus	13.1	6.8	9.1	212	F

Model	Power output (kW)	Transmission	Fuel	Fuel consumption (l/100 km)			CO_2 emissions (g/km)	Efficiency class
				urban	extra urban	combined	combined	
Audi A3 Cabriolet								
A3 Cabriolet 1.2 TFSI	77	6-speed	Premium	7.0	5.0	5.7	132	B
A3 Cabriolet 1.4 TFSI	92	6-speed	Premium	7.4	5.2	6.0	139	C
A3 Cabriolet 1.8 TFSI	118	6-speed	Premium	8.9	5.5	6.7	156	D
A3 Cabriolet 1.8 TFSI	118	S tronic, 7-speed	Premium	8.7	5.4	6.6	154	C
A3 Cabriolet 2.0 TFSI	147	6-speed	Premium	10.0	5.6	7.2	169	D
A3 Cabriolet 2.0 TFSI	147	S tronic, 6-speed	Premium	9.9	5.9	7.4	171	D
A3 Cabriolet 1.6 TDI	77	5-speed	Diesel	5.2	3.9	4.3	114	A
A3 Cabriolet 2.0 TDI	103	6-speed	Diesel	5.7	3.9	4.6	119	A
A3 Cabriolet 2.0 TDI	103	S tronic, 6-speed	Diesel	6.0	4.6	5.1	134	B
Audi Q3								
Q3 2.0 TFSI quattro	125	6-speed	Premium	9.5	6.1	7.3	174	D
Q3 2.0 TFSI quattro	125	S tronic, 7-speed	Premium	10.2	6.4	7.7	179	D
Q3 2.0 TFSI quattro	155	S tronic, 7-speed	Premium	10.2	6.4	7.7	179	D
Q3 2.0 TDI	103	6-speed	Diesel	6.2	4.7	5.2	137	B
Q3 2.0 TDI quattro	130	S tronic, 7-speed	Diesel	7.0	5.3	5.9	156	C
Audi TT Coupé								
TT Coupé 1.8 TFSI	118	6-speed	Premium	8.5	5.2	6.4	149	D
TT Coupé 1.8 TFSI	118	S tronic, 7-speed	Premium	8.4	5.2	6.4	147	D
TT Coupé 2.0 TFSI	155	6-speed	Premium	8.9	5.2	6.6	154	D
TT Coupé 2.0 TFSI	155	S tronic, 6-speed	Premium	9.9	5.4	7.1	164	E
TT Coupé 2.0 TFSI quattro	155	S tronic, 6-speed	Premium	9.9	5.7	7.2	169	E
TT Coupé 2.0 TDI quattro	125	6-speed	Diesel	7.0	4.3	5.3	139	C
TT Coupé 2.0 TDI quattro	125	S tronic, 6-speed	Diesel	7.0	4.7	5.5	144	C
TTS Coupé 2.0 TFSI quattro	200	6-speed	Super Plus	10.8	6.2	7.9	184	F
TTS Coupé 2.0 TFSI quattro	200	S tronic, 6-speed	Super Plus	10.6	6.0	7.7	179	E
TT RS Coupé 2.5 TFSI quattro	250	6-speed	Super Plus	12.6	6.8	9.0	209	G
TT RS Coupé 2.5 TFSI quattro	250	S tronic, 7-speed	Super Plus	12.3	6.3	8.5	197	F
Audi TT Roadster								
TT Roadster 1.8 TFSI	118	6-speed	Premium	8.6	5.3	6.5	152	D
TT Roadster 1.8 TFSI	118	S tronic, 7-speed	Premium	8.6	5.3	6.6	152	D
TT Roadster 2.0 TFSI	155	6-speed	Premium	9.0	5.4	6.7	156	D
TT Roadster 2.0 TFSI	155	S tronic, 6-speed	Premium	10.0	5.6	7.2	168	E
TT Roadster 2.0 TFSI quattro	155	S tronic, 6-speed	Premium	10.2	5.7	7.4	172	E
TT Roadster 2.0 TDI quattro	125	6-speed	Diesel	7.2	4.5	5.5	144	C
TT Roadster 2.0 TDI quattro	125	S tronic, 6-speed	Diesel	7.1	4.8	5.6	146	C
TTS Roadster 2.0 TFSI quattro	200	6-speed	Super Plus	10.9	6.4	8.1	189	F
TTS Roadster 2.0 TFSI quattro	200	S tronic, 6-speed	Super Plus	10.8	6.2	7.9	184	E
TT RS Roadster 2.5 TFSI quattro	250	6-speed	Super Plus	12.8	7.0	9.1	212	G
TT RS Roadster 2.5 TFSI quattro	250	S tronic, 7-speed	Super Plus	12.4	6.4	8.6	199	F
Audi A4 Sedan								
A4 1.8 TFSI	88	6-speed	Premium	8.6	5.3	6.5	151	C
A4 1.8 TFSI	88	multitronic, CVT	Premium	7.6	5.4	6.2	144	C
A4 1.8 TFSI	125	6-speed	Premium	7.4	4.8	5.7	134	B
A4 1.8 TFSI	125	multitronic, CVT	Premium	6.9	5.1	5.8	134	B
A4 1.8 TFSI quattro	125	6-speed	Premium	8.1	5.2	6.2	144	B
A4 2.0 TFSI flexible fuel	132	6-speed	Premium	8.2	5.1	6.2	144	C
			E85	11.1	6.9	8.5	139	B
A4 2.0 TFSI quattro flexible fuel	132	6-speed	Premium	9.0	5.5	6.8	159	C
			E85	12.4	7.7	9.4	154	C
A4 2.0 TFSI	155	multitronic, CVT	Premium	7.7	5.0	6.0	140	B
A4 2.0 TFSI quattro	155	6-speed	Premium	8.9	5.6	6.8	159	C
A4 2.0 TFSI quattro	155	S tronic, 7-speed	Premium	8.8	5.8	7.0	159	C
A4 3.0 TFSI quattro	200	S tronic, 7-speed	Premium	10.7	6.6	8.1	190	D
A4 2.0 TDI	88	6-speed	Diesel	5.4	3.9	4.5	117	A
A4 2.0 TDI	100	6-speed	Diesel	5.2	3.7	4.3	112	A
A4 2.0 TDI	105	6-speed	Diesel	5.4	4.0	4.5	119	A
A4 2.0 TDI	105	multitronic, CVT	Diesel	5.7	4.4	4.8	127	A
A4 2.0 TDI	120	6-speed	Diesel	5.4	3.8	4.4	115	A
A4 2.0 TDI	130	6-speed	Diesel	5.5	4.1	4.6	120	A
A4 2.0 TDI	130	multitronic, CVT	Diesel	5.7	4.4	4.8	127	A
A4 2.0 TDI quattro	130	6-speed	Diesel	6.1	4.5	5.1	134	B
A4 3.0 TDI	150	multitronic, CVT	Diesel	5.5	4.6	4.9	129	A
A4 3.0 TDI quattro	180	6-speed	Diesel	7.2	4.9	5.8	152	B
A4 3.0 TDI quattro	180	S tronic, 7-speed	Diesel	6.8	5.1	5.7	149	B
A4 3.0 TDI clean diesel quattro	180	S tronic, 7-speed	Diesel	6.8	5.0	5.7	149	B
S4 3.0 TFSI quattro	245	S tronic, 7-speed	Premium	10.7	6.6	8.1	190	D

Model	Power output (kW)	Transmission	Fuel	Fuel consumption (l/100 km)			CO_2 emissions (g/km)	Efficiency class
				urban	extra urban	combined	combined	
Audi A4 Avant								
A4 Avant 1.8 TFSI	88	6-speed	Premium	8.6	5.5	6.6	154	C
A4 Avant 1.8 TFSI	88	multitronic, CVT	Premium	7.6	5.7	6.4	149	C
A4 Avant 1.8 TFSI	125	6-speed	Premium	7.7	5.2	6.1	141	B
A4 Avant 1.8 TFSI	125	multitronic, CVT	Premium	7.0	5.4	6.0	139	B
A4 Avant 1.8 TFSI quattro	125	6-speed	Premium	8.1	5.5	6.5	149	B
A4 Avant 2.0 TFSI flexible fuel	132	6-speed	Premium	8.2	5.3	6.4	149	C
			E85	11.3	7.3	8.8	144	B
A4 Avant 2.0 TFSI quattro flexible fuel	132	6-speed	Premium	9.0	5.8	6.9	162	C
			E85	12.4	7.9	9.5	157	C
A4 Avant 2.0 TFSI	155	multitronic, CVT	Premium	7.7	5.4	6.2	144	B
A4 Avant 2.0 TFSI quattro	155	6-speed	Premium	9.0	5.8	7.0	162	C
A4 Avant 2.0 TFSI quattro	155	S tronic, 7-speed	Premium	8.7	6.0	7.1	163	C
A4 Avant 3.0 TFSI quattro	200	S tronic, 7-speed	Premium	11.2	6.8	8.4	197	E
A4 Avant 2.0 TDI	88	6-speed	Diesel	5.6	4.2	4.7	123	A
A4 Avant 2.0 TDI	100	6-speed	Diesel	5.3	3.9	4.4	116	A
A4 Avant 2.0 TDI	105	6-speed	Diesel	5.6	4.2	4.7	124	A
A4 Avant 2.0 TDI	105	multitronic, CVT	Diesel	5.6	4.5	4.9	129	A
A4 Avant 2.0 TDI	120	6-speed	Diesel	5.4	4.0	4.5	120	A
A4 Avant 2.0 TDI	130	6-speed	Diesel	5.7	4.3	4.8	126	A
A4 Avant 2.0 TDI	130	multitronic, CVT	Diesel	5.6	4.5	4.9	129	A
A4 Avant 2.0 TDI quattro	130	6-speed	Diesel	6.3	4.7	5.3	139	B
A4 Avant 3.0 TDI	150	multitronic, CVT	Diesel	5.7	4.8	5.1	135	A
A4 Avant 3.0 TDI quattro	180	6-speed	Diesel	7.3	5.1	5.9	154	B
A4 Avant 3.0 TDI quattro	180	S tronic, 7-speed	Diesel	7.0	5.2	5.9	154	B
A4 Avant 3.0 TDI clean diesel quattro	180	S tronic, 7-speed	Diesel	6.9	5.2	5.9	154	B
S4 Avant 3.0 TFSI quattro	245	S tronic, 7-speed	Premium	11.1	6.8	8.4	197	D
Audi A4 allroad quattro								
A4 allroad quattro 2.0 TFSI	155	6-speed	Premium	9.1	6.1	7.2	169	C
A4 allroad quattro 2.0 TFSI	155	S tronic, 7-speed	Premium	9.0	6.3	7.3	170	C
A4 allroad quattro 2.0 TDI	130	6-speed	Diesel	6.9	5.3	5.8	153	B
A4 allroad quattro 2.0 TDI	130	S tronic, 7-speed	Diesel	7.0	5.4	6.0	156	B
A4 allroad quattro 3.0 TDI	180	S tronic, 7-speed	Diesel	7.2	5.5	6.2	161	B
A4 allroad quattro 3.0 TDI clean diesel	180	S tronic, 7-speed	Diesel	7.1	5.4	6.0	159	B
Audi A5 Sportback								
A5 Sportback 1.8 TFSI	125	6-speed	Premium	7.5	4.9	5.8	136	B
A5 Sportback 1.8 TFSI	125	multitronic, CVT	Premium	7.0	5.2	5.9	136	B
A5 Sportback 2.0 TFSI	155	6-speed	Premium	8.3	5.1	6.3	144	B
A5 Sportback 2.0 TFSI	155	multitronic, CVT	Premium	7.7	5.3	6.2	144	B
A5 Sportback 2.0 TFSI quattro	155	6-speed	Premium	8.9	5.6	6.8	159	C
A5 Sportback 2.0 TFSI quattro	155	S tronic, 7-speed	Premium	8.8	5.8	7.0	159	C
A5 Sportback 3.0 TFSI quattro	200	S tronic, 7-speed	Premium	10.7	6.6	8.1	190	D
A5 Sportback 2.0 TDI	105	6-speed	Diesel	5.4	4.0	4.5	119	A
A5 Sportback 2.0 TDI	105	multitronic, CVT	Diesel	5.7	4.4	4.8	127	A
A5 Sportback 2.0 TDI	130	6-speed	Diesel	5.5	4.1	4.6	120	A
A5 Sportback 2.0 TDI	130	multitronic, CVT	Diesel	5.7	4.4	4.8	127	A
A5 Sportback 2.0 TDI quattro	130	6-speed	Diesel	6.1	4.5	5.1	134	B
A5 Sportback 3.0 TDI	150	6-speed	Diesel	6.4	4.3	5.1	133	A
A5 Sportback 3.0 TDI	150	multitronic, CVT	Diesel	5.5	4.6	4.9	129	A
A5 Sportback 3.0 TDI quattro	180	6-speed	Diesel	7.2	4.9	5.8	152	B
A5 Sportback 3.0 TDI quattro	180	S tronic, 7-speed	Diesel	6.8	5.1	5.7	149	B
A5 Sportback 3.0 TDI clean diesel quattro	180	S tronic, 7-speed	Diesel	6.9	5.1	5.8	152	B
S5 Sportback 3.0 TFSI quattro	245	S tronic, 7-speed	Premium	10.7	6.6	8.1	190	D
Audi A5 Coupé								
A5 Coupé 1.8 TFSI	125	6-speed	Premium	7.4	4.8	5.7	134	B
A5 Coupé 1.8 TFSI	125	multitronic, CVT	Premium	6.9	5.1	5.8	134	B
A5 Coupé 2.0 TFSI	155	6-speed	Premium	8.3	5.1	6.3	144	C
A5 Coupé 2.0 TFSI	155	multitronic, CVT	Premium	7.7	5.0	6.0	140	B
A5 Coupé 2.0 TFSI quattro	155	6-speed	Premium	8.9	5.6	6.8	159	C
A5 Coupé 2.0 TFSI quattro	155	S tronic, 7-speed	Premium	8.8	5.8	7.0	159	C
A5 Coupé 3.0 TFSI quattro	200	S tronic, 7-speed	Premium	10.7	6.6	8.1	190	D
A5 Coupé 2.0 TDI	130	6-speed	Diesel	5.5	4.1	4.6	120	A
A5 Coupé 2.0 TDI	130	multitronic, CVT	Diesel	5.5	4.3	4.7	123	A
A5 Coupé 2.0 TDI quattro	130	6-speed	Diesel	6.1	4.5	5.1	134	B
A5 Coupé 3.0 TDI	150	multitronic, CVT	Diesel	5.5	4.6	4.9	129	A
A5 Coupé 3.0 TDI quattro	180	6-speed	Diesel	7.3	4.9	5.8	151	B
A5 Coupé 3.0 TDI quattro	180	S tronic, 7-speed	Diesel	6.8	5.1	5.7	149	B

Model	Power output (kW)	Transmission	Fuel	Fuel consumption (l/100 km)			CO_2 emissions (g/km)	Efficiency class
				urban	extra urban	combined	combined	
A5 Coupé 3.0 TDI clean diesel quattro	180	S tronic, 7-speed	Diesel	6.8	5.0	5.7	149	B
S5 Coupé 3.0 TFSI quattro	245	S tronic, 7-speed	Premium	10.7	6.6	8.1	190	D
RS 5 Coupé 4.2 FSI quattro	331	S tronic, 7-speed	Super Plus	14.4	8.3	10.5	246	G
Audi A5 Cabriolet								
A5 Cabriolet 1.8 TFSI	125	6-speed	Premium	7.9	5.1	6.2	143	B
A5 Cabriolet 1.8 TFSI	125	multitronic, CVT	Premium	7.2	5.6	6.2	143	B
A5 Cabriolet 2.0 TFSI	155	6-speed	Premium	8.6	5.4	6.6	154	C
A5 Cabriolet 2.0 TFSI	155	multitronic, CVT	Premium	7.8	5.6	6.4	149	B
A5 Cabriolet 2.0 TFSI quattro	155	S tronic, 7-speed	Premium	8.8	6.1	7.2	164	C
A5 Cabriolet 3.0 TFSI quattro	200	S tronic, 7-speed	Premium	11.2	6.9	8.5	199	D
A5 Cabriolet 2.0 TDI	105	6-speed	Diesel	5.6	4.2	4.7	124	A
A5 Cabriolet 2.0 TDI	130	6-speed	Diesel	5.7	4.3	4.8	126	A
A5 Cabriolet 2.0 TDI	130	multitronic, CVT	Diesel	5.8	4.6	5.0	132	A
A5 Cabriolet 2.0 TDI quattro	130	6-speed	Diesel	6.5	4.9	5.4	142	A
A5 Cabriolet 3.0 TDI	150	multitronic, CVT	Diesel	5.8	4.9	5.2	138	A
A5 Cabriolet 3.0 TDI quattro	180	S tronic, 7-speed	Diesel	7.0	5.2	5.9	154	B
S5 Cabriolet 3.0 TFSI quattro	245	S tronic, 7-speed	Premium	11.2	6.9	8.5	199	D
Audi Q5								
Q5 2.0 TFSI quattro	132	6-speed	Premium	10.3	6.8	8.1	188	D
Q5 2.0 TFSI quattro	155	6-speed	Premium	10.3	6.8	8.1	188	D
Q5 2.0 TFSI quattro	155	tiptronic, 8-speed	Premium	11.0	7.1	8.6	199	D
Q5 3.2 FSI quattro	199	S tronic, 7-speed	Premium	12.3	7.6	9.3	218	E
Q5 2.0 TDI	105	6-speed	Diesel	6.2	5.4	5.7	149	B
Q5 2.0 TDI quattro	105	6-speed	Diesel	7.2	5.6	6.2	162	B
Q5 2.0 TDI quattro	125	6-speed	Diesel	7.3	5.6	6.2	163	C
Q5 2.0 TDI quattro	125	S tronic, 7-speed	Diesel	8.8	5.9	7.0	184	C
Q5 3.0 TDI quattro	176	S tronic, 7-speed	Diesel	9.2	6.6	7.5	199	D
Q5 2.0 TFSI hybrid quattro	180[3)]	tiptronic, 8-speed	Premium	6.6	7.1	6.9	159	B
Audi A6 Sedan								
A6 2.0 TFSI	132	6-speed	Premium	8.3	5.4	6.5	151	C
A6 2.0 TFSI	132	multitronic, CVT	Premium	8.1	5.4	6.4	149	B
A6 2.8 FSI	150	6-speed	Premium	10.5	6.0	7.7	177	D
A6 2.8 FSI	150	multitronic, CVT	Premium	9.6	6.1	7.4	172	D
A6 2.8 FSI quattro	150	S tronic, 7-speed	Premium	10.7	6.5	8.0	187	D
A6 3.0 TFSI quattro	220	S tronic, 7-speed	Premium	10.8	6.6	8.2	190	D
A6 2.0 TDI	130	6-speed	Diesel	6.0	4.4	4.9	129	A
A6 2.0 TDI	130	multitronic, CVT	Diesel	6.0	4.4	5.0	132	A
A6 3.0 TDI	150	6-speed	Diesel	6.5	4.4	5.3	139	B
A6 3.0 TDI	150	multitronic, CVT	Diesel	5.8	4.6	5.1	133	A
A6 3.0 TDI quattro	150	S tronic, 7-speed	Diesel	6.7	5.0	5.7	149	B
A6 3.0 TDI quattro	180	S tronic, 7-speed	Diesel	7.2	5.2	5.9	156	B
A6 3.0 TDI clean diesel quattro	180	S tronic, 7-speed	Diesel	7.3	5.1	5.9	156	B
A6 3.0 TDI quattro	230	tiptronic, 8-speed	Diesel	8.0	5.6	6.4	169	C
A6 2.0 TFSI hybrid[2)]	180[3)]	tiptronic, 8-speed	Premium					
S6 4.0 TFSI quattro[2)]	309	S tronic, 7-speed	Premium					
Audi A6 Avant								
A6 Avant 2.0 TFSI	132	6-speed	Premium	8.4	5.5	6.6	154	C
A6 Avant 2.0 TFSI	132	multitronic, CVT	Premium	8.2	5.5	6.5	152	B
A6 Avant 2.8 FSI	150	6-speed	Premium	10.5	6.0	7.7	177	D
A6 Avant 2.8 FSI	150	multitronic, CVT	Premium	9.6	6.1	7.4	172	C
A6 Avant 2.8 FSI quattro	150	S tronic, 7-speed	Premium	10.7	6.5	8.0	187	D
A6 Avant 3.0 TFSI quattro	220	S tronic, 7-speed	Premium	10.8	6.6	8.2	190	D
A6 Avant 2.0 TDI	130	6-speed	Diesel	6.1	4.5	5.0	132	A
A6 Avant 2.0 TDI	130	multitronic, CVT	Diesel	6.1	4.5	5.1	135	A
A6 Avant 3.0 TDI	150	6-speed	Diesel	6.5	4.4	5.3	139	A
A6 Avant 3.0 TDI	150	multitronic, CVT	Diesel	5.9	4.7	5.2	136	A
A6 Avant 3.0 TDI quattro	150	S tronic, 7-speed	Diesel	6.8	5.1	5.8	152	B
A6 Avant 3.0 TDI quattro	180	S tronic, 7-speed	Diesel	7.2	5.2	5.9	156	B
A6 Avant 3.0 TDI clean diesel quattro	180	S tronic, 7-speed	Diesel	7.3	5.1	5.9	156	B
A6 Avant 3.0 TDI quattro	230	tiptronic, 8-speed	Diesel	8.0	5.6	6.4	169	B
S6 Avant 4.0 TFSI quattro[2)]	309	S tronic, 7-speed	Premium					
Audi A6 allroad quattro								
A6 allroad quattro 3.0 TFSI	228	S tronic, 7-speed	Premium	11.8	7.1	8.9	206	D
A6 allroad quattro 3.0 TDI	150	S tronic, 7-speed	Diesel	7.0	5.5	6.1	159	B
A6 allroad quattro 3.0 TDI	180	S tronic, 7-speed	Diesel	7.4	5.6	6.3	165	B
A6 allroad quattro 3.0 TDI	230	tiptronic, 8-speed	Diesel	7.9	6.0	6.7	176	C

Model	Power output (kW)	Transmission	Fuel	Fuel consumption (l/100 km)			CO_2 emissions (g/km)	Efficiency class
				urban	extra urban	combined	combined	
Audi A7 Sportback								
A7 Sportback 2.8 FSI	150	multitronic, CVT	Premium	9.6	6.1	7.4	172	C
A7 Sportback 2.8 FSI quattro	150	S tronic, 7-speed	Premium	10.7	6.5	8.0	187	D
A7 Sportback 3.0 TFSI quattro	220	S tronic, 7-speed	Premium	10.8	6.6	8.2	190	D
A7 Sportback 3.0 TDI	150	multitronic, CVT	Diesel	5.9	4.7	5.1	135	A
A7 Sportback 3.0 TDI quattro	150	S tronic, 7-speed	Diesel	6.8	5.1	5.8	152	B
A7 Sportback 3.0 TDI quattro	180	S tronic, 7-speed	Diesel	7.2	5.2	5.9	156	B
A7 Sportback 3.0 TDI clean diesel quattro	180	S tronic, 7-speed	Diesel	7.3	5.1	5.9	156	B
A7 Sportback 3.0 TDI quattro	230	tiptronic, 8-speed	Diesel	8.0	5.6	6.4	169	B
S7 Sportback 4.0 TFSI quattro [2)]	309	S tronic, 7-speed	Premium					
Audi Q7								
Q7 3.0 TFSI quattro	200	tiptronic, 8-speed	Premium	14.4	8.5	10.7	249	E
Q7 3.0 TFSI quattro	245	tiptronic, 8-speed	Premium	14.4	8.5	10.7	249	E
Q7 3.0 TDI quattro	150	tiptronic, 8-speed	Diesel	8.2	6.5	7.2	189	B
Q7 3.0 TDI quattro	180	tiptronic, 8-speed	Diesel	8.6	6.7	7.4	195	B
Q7 3.0 TDI clean diesel quattro	180	tiptronic, 8-speed	Diesel	8.8	6.6	7.4	195	B
Q7 4.2 TDI quattro	250	tiptronic, 8-speed	Diesel	12.0	7.6	9.2	242	D
Q7 V12 TDI quattro	368	tiptronic, 6-speed	Diesel	14.8	9.3	11.3	298	E
Audi A8								
A8 3.0 TFSI quattro	213	tiptronic, 8-speed	Premium	11.7	7.1	8.8	204	D
A8 4.2 FSI quattro	273	tiptronic, 8-speed	Premium	13.3	7.2	9.5	219	E
A8 3.0 TDI	150	tiptronic, 8-speed	Diesel	7.4	5.2	6.0	158	B
A8 3.0 TDI quattro	184	tiptronic, 8-speed	Diesel	7.9	5.6	6.4	169	B
A8 3.0 TDI clean diesel quattro	184	tiptronic, 8-speed	Diesel	8.1	5.6	6.4	169	B
A8 4.2 TDI quattro	258	tiptronic, 8-speed	Diesel	9.3	6.3	7.4	195	C
S8 4.0 TFSI quattro [2)]	382	tiptronic, 8-speed	Super Plus					
A8 2.0 TFSI hybrid [2)]	180 [3)]	tiptronic, 8-speed	Premium					
Audi A8 L								
A8 L 3.0 TFSI quattro	213	tiptronic, 8-speed	Premium	11.7	7.1	8.8	205	D
A8 L 4.2 FSI quattro	273	tiptronic, 8-speed	Premium	13.6	7.4	9.7	224	E
A8 L 3.0 TDI quattro	184	tiptronic, 8-speed	Diesel	7.9	5.7	6.5	171	B
A8 L 3.0 TDI clean diesel quattro	184	tiptronic, 8-speed	Diesel	8.1	5.7	6.5	171	B
A8 L 4.2 TDI quattro	258	tiptronic, 8-speed	Diesel	9.4	6.4	7.5	198	C
A8 L W12 quattro	368	tiptronic, 8-speed	Premium	16.6	9.1	11.9	277	G
Audi R8 Coupé								
R8 4.2 FSI quattro	316	6-speed	Super Plus	21.3	10.0	14.2	332	G
R8 4.2 FSI quattro	316	R tronic, 6-speed	Super Plus	20.1	9.4	13.3	310	G
R8 5.2 FSI quattro	386	6-speed	Super Plus	22.2	10.6	14.9	346	G
R8 5.2 FSI quattro	386	R tronic, 6-speed	Super Plus	21.1	9.9	13.9	326	G
R8 GT 5.2 FSI quattro	412	R tronic, 6-speed	Super Plus	21.0	9.9	13.9	323	G
Audi R8 Spyder								
R8 Spyder 4.2 FSI quattro	316	6-speed	Super Plus	21.3	10.3	14.4	337	G
R8 Spyder 4.2 FSI quattro	316	R tronic, 6-speed	Super Plus	20.1	9.6	13.5	315	G
R8 Spyder 5.2 FSI quattro	386	6-speed	Super Plus	22.2	10.7	14.9	349	G
R8 Spyder 5.2 FSI quattro	386	R tronic, 6-speed	Super Plus	21.5	10.2	14.2	332	G
R8 GT Spyder 5.2 FSI quattro	412	R tronic, 6-speed	Super Plus	21.5	10.2	14.2	332	G
Lamborghini Gallardo								
Gallardo LP 550-2	405	6-speed	Super Plus	22.0	9.9	14.4	341	G
Gallardo LP 550-2	405	e-gear, 6-speed	Super Plus	20.1	9.2	13.3	315	G
Gallardo LP 560-4	412	6-speed	Super Plus	22.6	10.2	14.7	351	G
Gallardo LP 560-4	412	e-gear, 6-speed	Super Plus	20.7	9.6	13.7	325	G
Gallardo LP 570-4 Superleggera	419	6-speed	Super Plus	22.2	10.0	14.4	344	G
Gallardo LP 570-4 Superleggera	419	e-gear, 6-speed	Super Plus	20.4	9.4	13.5	319	G
Gallardo LP 570-4 Super Trofeo Stradale	419	6-speed	Super Plus	22.2	10.0	14.4	344	G
Gallardo LP 570-4 Super Trofeo Stradale	419	e-gear, 6-speed	Super Plus	20.4	9.4	13.5	319	G
Lamborghini Gallardo Spyder								
Gallardo LP 550-2 Spyder	405	6-speed	Super Plus	22.7	10.3	14.8	354	G
Gallardo LP 550-2 Spyder	405	e-gear, 6-speed	Super Plus	20.8	9.7	13.8	330	G
Gallardo LP 560-4 Spyder	412	6-speed	Super Plus	22.7	10.3	14.8	354	G
Gallardo LP 560-4 Spyder	412	e-gear, 6-speed	Super Plus	20.8	9.7	13.8	330	G
Gallardo LP 570-4 Spyder Performante	419	6-speed	Super Plus	22.4	10.1	14.6	350	G
Gallardo LP 570-4 Spyder Performante	419	e-gear, 6-speed	Super Plus	20.5	9.6	13.6	327	G
Lamborghini Aventador								
Aventador LP 700-4	515	ISR, 7-speed	Super Plus	27.3	11.3	17.2	398	G

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.
3) Total system output (briefly)

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, Hellmuth-Hirth-Str. 1, 73760 Ostfildern-Scharnhausen, Germany.

10-Year Overview

IFRS		2002	2003 [1)]	2004 [1)]
Production	Cars	735,913	761,582	784,972
	Engines	1,284,488	1,342,883	1,485,536
Deliveries to customers				
Audi Group	Cars	995,531	1,003,791	971,832
Audi brand	Cars	742,128	769,893	779,441
Germany	Cars	243,650	237,786	235,092
Outside Germany	Cars	498,478	532,107	544,349
Outside Germany	Percent	67.2	69.1	69.8
Market share, Germany	Percent	7.4	7.4	7.2
Lamborghini brand	Cars	424	1,305	1,592
Other Volkswagen Group brands	Cars	252,979	232,593	190,799
Workforce	Average	51,198	52,689	53,144
From the Income Statement				
Revenue	EUR million	22,603	23,406	24,506
Cost of materials	EUR million	16,726	17,163	17,676
Personnel costs	EUR million	2,739	2,938	3,072
Personnel costs per employee	EUR	53,496	55,763	57,798
Depreciation and amortization	EUR million	1,614	1,833	1,852
Operating profit	EUR million	1,301	1,051	1,238
Profit before tax	EUR million	1,219	1,101	1,143
Profit after tax	EUR million	752	811	871
From the Balance Sheet (Dec. 31)				
Non-current assets	EUR million	8,308	8,588	8,970
Current assets	EUR million	4,342	5,475	5,934
Equity	EUR million	4,761	5,487	5,828
Liabilities	EUR million	7,889	8,576	9,076
Balance sheet total	EUR million	12,650	14,063	14,904
From the Cash Flow Statement				
Cash flow from operating activities	EUR million	2,440	2,786	2,690
Investing activities [2)]	EUR million	2,305	2,015	2,041
Net liquidity (Dec. 31)	EUR million	877	1,530	2,033
Financial ratios				
Operating return on sales	Percent	5.8	4.5	5.1
Return on sales before tax	Percent	5.4	4.7	4.7
Equity ratio (Dec. 31)	Percent	37.6	39.0	39.1
Audi share				
Share price (year-end price) [3)]	EUR	191.00	225.00	220.15
Compensatory payment	EUR	1.30	1.05	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 April 19, 2012

2005 [1]	2006	2007	2008	2009	2010	**2011**
811,522	926,180	980,880	1,029,041	932,260	1,150,018	**1,365,499**
1,695,045	1,895,695	1,915,633	1,901,760	1,384,240	1,648,193	**1,884,157**
1,045,114	1,135,554	1,200,701	1,223,506	1,145,360	1,293,453	**1,512,014**
829,109	905,188	964,151	1,003,469	949,729	1,092,411	**1,302,659**
247,125	257,792	254,014	258,111	228,844	229,157	**254,011**
581,984	647,396	710,137	745,358	720,885	863,254	**1,048,648**
70.2	71.5	73.7	74.3	75.9	79.0	**80.5**
7.4	7.6	7.9	8.1	6.2	7.8	**7.9**
1,600	2,087	2,406	2,430	1,515	1,302	**1,602**
214,405	228,279	234,144	217,607	194,116	199,740	**207,753**
52,412	52,297	53,347	57,822	58,011	59,513	**62,806**
26,591	31,142	33,617	34,196	29,840	35,441	**44,096**
19,139	21,627	23,092	23,430	18,512	21,802	**28,594**
3,136	3,440	3,406	3,709	3,519	4,274	**5,076**
59,834	65,771	63,846	64,467	60,656	71,818	**80,819**
1,930	2,515	2,287	1,908	1,775	2,170	**1,793**
1,407	2,015	2,705	2,772	1,604	3,340	**5,348**
1,310	1,946	2,915	3,177	1,928	3,634	**6,041**
824	1,343	1,692	2,207	1,347	2,630	**4,440**
8,597	8,285	8,325	9,537	9,637	10,584	**12,209**
7,515	10,625	14,253	16,519	16,913	20,188	**24,811**
6,104	7,265	8,355	10,328	10,632	11,310	**12,903**
10,008	11,645	14,223	15,728	15,918	19,462	**24,117**
16,112	18,910	22,578	26,056	26,550	30,772	**37,019**
3,252	4,428	4,876	4,338	4,119	5,797	**6,295**
1,670	1,890	2,084	2,412	1,798	2,260	**2,905**
3,391	5,720	7,860	9,292	10,665	13,383	**15,716**
5.3	6.5	8.0	8.1	5.4	9.4	**12.1**
4.9	6.2	8.7	9.3	6.5	10.3	**13.7**
37.9	38.4	37.0	39.6	40.0	36.8	**34.9**
308.00	540.00	625.00	466.49	500.00	650.00	**542.05**
1.15	1.25	1.80	1.93	1.60	2.20	**X** [4]