



**Corporate Communications**

Moritz Drechsel  
Spokesman Finance, IT and Integrity  
Telephone: +49 841 89 39914  
E-mail: [moritz.drechsel@audi.de](mailto:moritz.drechsel@audi.de)  
[www.audi-mediacyenter.com](http://www.audi-mediacyenter.com)

## **Audi starts challenging year with successful first quarter**

- **Audi Group: €15.3 billion revenue, €1.3 billion operating profit, operating return on sales of 8.5 percent**
- **CFO Alexander Seitz: “A solid basis to meet growing challenges”**
- **High self-financing strength: Significant increase in net cash flow to €1.9 billion**

**Ingolstadt, April 27, 2018 – In the first quarter of 2018, the Audi Group surpassed its revenue and operating profit of the prior-year period. The operating return on sales of 8.5 percent was once again within the strategic target corridor. This year, the brand with the Four Rings will launch more new models than ever before in the company’s history, including the first fully electric Audi as a volume model. In addition to the management of model launches and phase-outs in the context of the Audi model initiative, which will be particularly intensive in the second half of the year, challenges arise from new industry-wide homologation requirements.**

From January through March, the company delivered 463,788 automobiles of the Audi brand (2017: 422,481), which is 9.8 percent more than in the same period of last year. Unit sales increased significantly especially in North America (+10.2%) and China (+41.9%). Deliveries of Audi cars had decreased in China in the prior-year period in connection with the company’s discussions on its strategic alignment in that market. Assigned profits from the Chinese joint-venture business are included in the financial result of AUDI AG and do not flow into operating profit.

Despite slightly negative exchange-rate effects, the Audi Group’s revenue increased in the first three months of this year by 6.6 percent to €15,320 million (2017: €14,378 million). Positive impacts originated from new models that have been successfully established in the market such as the second generations of the Audi Q5 and A5. First-quarter operating profit amounts to €1,300 million (2017: €1,244 million), which is 4.5 percent more than in the first quarter of last year. There was a negative impact of about €0.1 billion on operating profit from first-time adoption of new IFRS accounting standards involving changes to revenue recognition and the measurement of financial instruments. This does not affect profit before and after tax, however.



The operating return on sales for the first quarter is 8.5 percent (2017: 8.7%). If the business in China were included in the calculation, the operating margin would be approximately one percentage point higher.

“With these results, we have prepared solid foundations for the exceptional year 2018,” says Alexander Seitz, Member of the Board of Management of AUDI AG for Finance, IT and Integrity. “Our unparalleled model and technology initiative will challenge us even more in the coming months. In this context, it will help that we are systematically implementing our Action and Transformation Plan on a broad basis and are continuing to strengthen our efficiency. Since January, we have already taken the first measures amounting to a low three-digit million figure.”

With this program of measures, the company is underpinning its profitability targets and self-financing strength for the far-reaching strategic change in line with the strategy “Audi. Vorsprung. 2025.” Key objectives of the Action and Transformation Plan are positive earnings effects totaling €10 billion by 2022, as well as the organizational realignment for future business models and the brand’s initiative in electric mobility.

The Audi Group achieved profit before tax of €1,426 million in the first quarter, at the level of the prior-year period (2017: €1,427 million). Financial result was slightly lower than in the first quarter of last year, when it had been driven above all by a positive one-time effect of €183 million from the sale and remeasurement of shares held in the HERE mapping service.

Increased cost and investment discipline along with consistent prioritization of future projects, as called for by the Action and Transformation Plan, contributed to a significant increase in the net cash flow in the first quarter. Despite high upfront expenditures for new models, technologies and production equipment, it amounted to €1,919 million (2017: €1,487 million). This increase also reflects cash inflows from changes in equity interests.

For full-year 2018, the Audi Group continues to expect an operating return on sales within the strategic target corridor of 8 to 10 percent. The company anticipates deliveries of Audi automobiles at the prior-year level and a slight increase in the revenue of the Audi Group. As forecast in the current annual report, there may be considerable fluctuations in deliveries and financial key figures during the year. In addition to the intensive management of model launches and phase-outs in the context of the Audi model initiative, challenges arise from industry-wide homologation requirements relating to the changeover to the Worldwide Harmonized Light Vehicles Test Procedure (WLTP).



Overview of selected key figures of the Audi Group

	<b>Q1 2018</b>	<b>Q1 2017</b>
<b>Car deliveries</b> Audi brand	463,788	422,481
<b>Revenue</b> in EUR million	15,320	14,378
<b>Operating profit</b> in EUR million	1,300	1,244
<b>Operating return on sales</b> in percent	8.5	8.7

- End -

Download Audi Quarterly Report:

[www.audi.com/quarterly-report2018\\_q1](http://www.audi.com/quarterly-report2018_q1)

The Audi Group, with its brands Audi, Ducati and Lamborghini, is one of the most successful manufacturers of automobiles and motorcycles in the premium segment. It is present in more than 100 markets worldwide and produces at 16 locations in twelve countries. 100 percent subsidiaries of AUDI AG include Audi Sport GmbH (Neckarsulm), Automobili Lamborghini S.p.A. (Sant'Agata Bolognese, Italy) and Ducati Motor Holding S.p.A. (Bologna, Italy).

In 2017, the Audi Group delivered to customers about 1.878 million automobiles of the Audi brand, 3,815 sports cars of the Lamborghini brand and 55,900 motorcycles of the Ducati brand. In the 2017 fiscal year, AUDI AG achieved total revenue of €60.1 billion and an operating profit of €5.1 billion. At present, approximately 90,000 people work for the company all over the world, more than 60,000 of them in Germany. Audi focuses on sustainable products and technologies for the future of mobility.