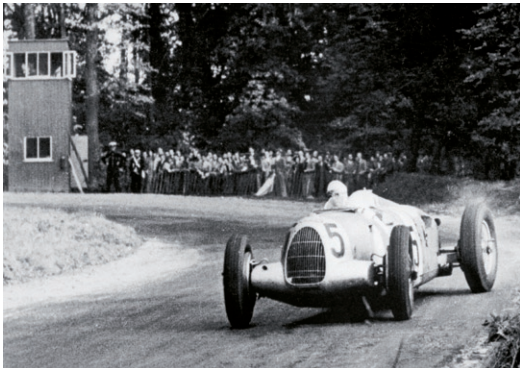




THE MARKET

Audi is a brand in motion. While its products have reached a level of technical and design excellence way ahead of their time, Audi won't rest there.

Now rooted firmly in the premium luxury market, Audi is a challenger with a regal history. Its sporting heritage began with Silver Arrow Formula One cars back in 1930, and today Audi prides itself on being "sporty, progressive and sophisticated". It's a mix not found in many brands.



When Audi talks "sporty", it's talking thrilling to drive, attractive and dynamic with a competitive but fair price tag and exciting design. For Audi, "progressive" encompasses forward thinking, leading standards and visions for modern, innovative vehicles. "Sophisticated"? Take a look at the cockpit architecture, the leather seats . . . it's all about offering the highest quality and perfection of detail to a cultured and refined market that demands style, comfort and muscle.

Audi South Africa has experienced 13 years of growth, with 20 percent compound growth year-on-year since 1994. This formidable growth puts Audi ahead of all other premium automotive brands, closing the gap on key rivals. Simply put, Audi's monthly sales are now equivalent to its annual sales back in 1994. It holds third position in the premium market with annual growth figures standing at the 8.4 percent mark. That's no mean feat in this pressurised and demanding sector of the motor industry.

Car technology changes rapidly and, while sophistication is the cornerstone of the brand, Audi has raced ahead in under-the-hood expertise and sleek design. It is a brand obsessed with customer satisfaction, a superb driving experience and an image synonymous with class. These standards and successes are just a foundation, for Audi now aims to be the most successful premium brand - locally and internationally - by 2015.



ACHIEVEMENTS

Passion and courage have brought great rewards for Audi. A list of achievements that could run the length of the autobahn show success is part of the brand's DNA. These include:

- In the early 1990s, Audi began a series of victories in the European touring car racing that lasted almost 10 years
- Audi won the prestigious and demanding Le Mans race seven out of eight years - and with a diesel engine in 2006 and 2007.
- The Audi A3 Sportback was voted South Africa's Car of the Year in 2006
- In 2007, the Audi TT was awarded World Design of the Year and World Car of the Year
- Audi was named the Number One Premium Brand in the 2007 influential Initial Quality Study (IQS) by JD Power. It was also awarded Number One slot for customer sales and service.
- Synovate's Competitive Customer Satisfaction Index (CCSI) placed the Audi A6 in second position, tied with another luxury brand. The Audi A4 Avant, however, dominated the complex MPV/Station Wagon segment.

HISTORY

Audi's history is one of the most multi-faceted stories in the history of the automobile. The four-ringed Audi emblem identifies one of Germany's oldest and most established automotive manufacturers. It symbolises the amalgamation in 1932 of four previously independent motor-vehicle manufacturers: NSU, DKW, Horch and Wanderer. These companies form the roots of what is today Audi AG.

The first Audi of the modern era was the Audi 100 of 1968. This was soon joined by the Audi 80/Fox in 1972. The brand's image at this time was a conservative one. This changed abruptly when a striking proposal from chassis engineer Jorg Bensinger was accepted: to develop the four-wheel drive technology for an Audi performance car and rally racing car. The performance car was named the "quattro". This turbocharged coupé was also the first production vehicle to feature permanent all-wheel drive through a centre differential.

Commonly referred to as the "Ur-quattro" (the "Ur" prefix is a German augmentative used, in this case, to mean "original") few of these vehicles were produced - all hand-built by a single team - but the model was a great success in rallying. Prominent wins proved the viability of all-wheel drive racing cars, and the Audi name became associated with advances in automotive technology.

In 1986, just as the Audi 80 was beginning to develop a rather staid "grandfather's car" image, the type 89 was introduced. This completely new development sold extremely well. In 1987, Audi produced the very elegant Audi 90, which had a superior set of standard features. A turning point was the development of the new A4 in 1996, and then the release of the A4/6/8 series.

Audi - and the companies that preceded it - introduced many technical features and innovations that enhanced the development of the modern motor vehicle and gave it the high standards of reliability, safety and ease of operation enjoyed today - entirely in the spirit of Audi's maxim "Vorsprung durch Technik".

THE PRODUCT

Audi's products are unmistakable. Me-too executive vehicles are best left to other manufacturers as Audi raises the bar with beautifully engineered cars of exceptional power.

The luxury saloon Audi A8 is the benchmark for design and technology. Combining quattro four-wheel-drive, an all-aluminium body based on the Audi Space Frame (ASF) principle with adaptive air suspension and high-torque, high-



performance V6 and V8 engines has taken Audi from hot to hottest.

With around 15 products currently on the market, Audi offers a dynamic drive for anyone looking for elegance, muscle, performance and safety in a good-looking package. These products are machine gun wrapped in marshmallow, where the comfort of the car belies its extreme performance.

RECENT DEVELOPMENTS

- The brand is rolling out Audi Terminals, architecturally designed dealerships that embody the look and feel of the vehicles they sell. The concept is sleek and high-tech, concentrating on customer service and an enhanced buying experience
- Audi South Africa has set up a dedicated network of dealerships in rural areas in a move that broadens its reach

PROMOTION

Besides the television, print and Internet marketing mix, Audi is promoted in areas that resonate with the aspirations of the brand's fans. Audi Jo'burg Fashion Week was launched in February 2007 at Nelson Mandela Square, Sandton, in a glittering

event attended by fashionistas and celebrities alike. Local designers were given an opportunity to create outfits that embodied the Audi style, and celebrities modelled them. According to organisers, "Being one of the best-known brands with a heritage of both style and innovation made Audi the perfect partner for this event."

A titan of engineering and design, Audi chooses its marketing opportunities carefully to reflect its prestigious image. Audi's product placement programme sees top businessmen, artists, celebrities and other members of South Africa's elite driving an Audi that fits their particular style. Nurturing the Audi image, the message is that high-profile people drive Audi.

BRAND VALUES

At the heart of every Audi lives the long-standing slogan, Vorsprung durch Technik. These words cleverly encapsulate the Audi philosophy of innovation and elegance, as well as the progressive thinking that anticipates the needs of rapidly changing markets.

The Vorsprung philosophy explained is, simply: "In Audi there is a rare spirit. A spirit of bravery and pioneering. It's what motivates our engineers, our people and ultimately our drivers. It's what makes Audi like no other car in the

world".

Audi values embody the passion, dedication and obsession of Audi staff to deliver products that set standards in the premium vehicle market. From the design, the precision engineering and the manufacturing of the vehicles, through to the careful choice of fabrics used in the interior, core brand values are never forgotten.

With Audi, unleashing the power that lies beneath the hood brings exhilaration - to the driver and to the team that created the drive.

THINGS YOU DIDN'T KNOW ABOUT AUDI

- Audi won the prestigious and demanding Le Mans race seven out of eight years - in 2006 and 2007 with a diesel engine
- Audi's tagline is "Vorsprung durch Technik", meaning "Advantage Through Technology", implying an unfair advantage due to superior technology
- Even before it left the drawing board, the A8 was already one of the safest cars in its class. Digital modelling allowed designers and engineers to take into account every possible angle and situation. When the real vehicle was put to the test, its performance was exactly as predicted - with outstanding levels of occupant safety
- The first Audi of the modern era was the Audi 100 of 1968. This was soon joined by the Audi 80/Fox in 1972. The new R8 shows Audi has leaped several generations in just 30 years
- The use of aluminium in the auto body allows for a saving of up to 200 kilograms in vehicle weight
- The TT Cabriolet automatic top opens in 12 seconds - even at speeds of up to 50kmph
- Audi was voted as Car Company of the Year by the British Car magazine *Autocar* in 2007

