

Speech

by Hans Dieter Pötsch

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Annual Press Conference and Analyst Conference
on 17 March 2015 in Stuttgart

Wire embargoed: Start of speech

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Ladies and gentlemen,

I, too, would like to warmly welcome you to the Annual Press and Analyst Conference of Porsche Automobil Holding SE. Let me explain the financial situation of our company and provide you with an overview of the current status of the ongoing litigation.

As Prof. Winterkorn has already explained, Porsche SE reported profit of 3.03bn euro for the fiscal year 2014. In the prior year, group profit was 2.41bn euro.

This result was again influenced by the profit from the investment accounted for at equity in Volkswagen AG. This increased in comparison to the prior year from 2.71bn euro to 3.43bn euro and thus exceeded our expectations. Porsche SE has therefore benefited once again from the outstanding development of the Volkswagen Group.

The net liquidity of the Porsche SE Group decreased from 2.61bn euro as of 31 December 2013 to 2.27bn euro as of 31 December 2014. This was due in particular to the acquisition of the stake in INRIX as well as to tax payments. Net liquidity was within our forecast corridor of 2.1bn euro to 2.6bn euro.

Ladies and gentlemen, let me at this point turn to the current tax situation of Porsche SE. This is characterized by obligations resulting from the past, in particular relating to the period 2006 to 2009.

In connection with these obligations, income tax payments of 204m euro including interest were made in the fourth quarter 2014. Net of receivables, the tax liabilities additionally recognized for these matters including associated tax interest come to a total of 428m euro as of 31 December 2014. We expect this to result in a corresponding cash outflow of this magnitude in the fiscal year 2015.

It is important to note here that the payments mentioned relate to several years in the past for which the tax payments made by Porsche SE to date were, from the point of view of the tax authorities, too low. This resulted from very complex circumstances for which there are no clear and conclusive tax regulations or court rulings.

The facts and circumstances underlying the years 2006 to 2008 were clarified conclusively with the tax authorities. For the subsequent years, clarification will be achieved as soon as possible within the scope of a tax field audit. As we generally have a conservative approach to planning, we are convinced that we have covered the risk arising from any tax liabilities in this connection by recognizing provisions. This notwithstanding, it cannot be ruled out that future findings of the tax field audit could lead to an increase or a decrease in tax and interest payments.

I would like to emphasize that the amount of the payments made to date and still expected is put into perspective if one considers the number of assessment periods involved and the profits recorded during this period.

Moreover, in 2012 as part of the contribution of the holding business operations of Porsche SE to Volkswagen AG, we took precautions for this by agreeing a compensation claim with Volkswagen AG for certain tax matters relating to the years 2006 to 2009. However, this potential claim can be reasonably determined

only once the tax field audit for the 2009 assessment period has been completed. We have therefore not yet recognized it as an asset in the consolidated financial statements.

Porsche SE's cash flow from operating activities decreased from 665m euro in the prior year to its current level of 311m euro. In particular, the cash flow takes into consideration the positive effect from the dividend payment of 599m euro received from Volkswagen AG. On the other hand, income tax payments totaling 183m euro as well as operating expenses and interest payments had a negative effect in the past fiscal year.

41m euro was paid for the acquisition of the stake in INRIX. In addition, there was a cash outflow from financing activities of 615m euro in the fiscal year 2014, just as in the prior year. In both years, this pertains exclusively to the dividends distributed to shareholders of Porsche SE.

Total assets decreased by 820m euro, from 31.29bn euro to 30.47bn euro as of 31 December 2014.

Equity also decreased from 30.47bn euro to 29.49bn euro at the end of the fiscal year 2014, despite the profit for the year. This decrease is primarily attributable to an effect at the level of the Volkswagen Group, which had to be recognized directly in equity with no effect on the consolidated income statement, in connection with Volkswagen AG's public offer to the shareholders of Scania AB to tender all Scania shares to Volkswagen. As a result, the equity ratio of Porsche SE decreased from 97.4 percent in the prior year to 96.8 percent as of 31 December 2014.

To partially refinance the Scania transaction, Volkswagen AG performed a capital increase in June 2014. This was done by issuing preference shares from authorized capital in exchange for cash contributions. As Porsche SE did not participate in the capital increase, its share of Volkswagen AG's total capital was diluted from 32.2 percent to 31.5 percent. Porsche SE's stake in Volkswagen AG's ordinary shares remained unchanged at 50.7 percent.

Let us now turn to the developments of our litigation issues. We made significant progress in this area during the past year.

Without doubt, one of the most important results in 2014 was that we were able to conclude all litigation in the USA. First, a US Court of Appeals dismissed the appeals of the remaining eight plaintiffs in August 2014. When the plaintiffs filed no further appeals, the New York District Court then declared the cases closed in September 2014. The alleged claims asserted by some of these plaintiffs are now heard in Germany.

Since 2010, when the first actions were filed in the USA, we have always emphasized that we regard the claims before US courts to be unjustified. We therefore see the American courts' decisions as vindication of our legal opinion as a success.

As regards the other actions for damages pending in Germany, we achieved important stage victories. In March 2014, for example, the Regional Court of Stuttgart dismissed a 1.36bn euro claim brought by 23 American hedge funds. Following this decision in the first instance, four plaintiffs withdrew, and the remaining 19 filed appeals with the Higher Regional Court of Stuttgart. In the oral hearing at the end of February this year, this court also expressed doubts regarding

the assertions of the plaintiffs and scheduled a rendition of decision for 26 March 2015.

A further claim for damages, with a disputed value of 1.8bn euro, is pending before the Regional Court of Hanover. The court recently decided to hear witnesses. We expected this decision, as in October the court had already scheduled corresponding dates for a possible hearing of witnesses for late April and early May 2015. However, we are convinced that the market manipulation alleged by the plaintiffs will be refuted by the questioning of the witnesses.

Two further cases, with a disputed value of 1.9bn euro, were recently referred to the Regional Court of Hanover by the Regional Court of Braunschweig. In December 2014, following proceedings lasting more than two years, the plaintiffs suddenly claimed antitrust aspects. In addition, the Regional Court of Hanover will have to decide on the motion for model proceedings for capital investors (Kapitalanleger-Musterverfahrensgesetz, KapMuG) proposed in connection with the claim. We believe this petition to be without merit. The first oral hearing is expected to take place after the summer break, at the earliest.

Ladies and gentlemen, overall we have to say that clarification of the cases continues to be drawn out by the tactical maneuvers of the plaintiffs. While we are not letting this put us under pressure, we do not expect these legal disputes to be concluded soon.

However, not only with the civil proceedings made progress in the past year; important decisions were also reached in the criminal proceedings.

For example, for 15 months the Criminal Division of the Regional Court of Stuttgart closely examined the charges brought against two former members of the executive board of Porsche SE on suspicion of information-based market manipulation . In spring 2014, the court then decided not to open the main proceedings.

The Stuttgart public prosecutor appealed against this decision to the Higher Regional Court of Stuttgart, which in August 2014 decided to open the main proceedings. The Regional Court of Stuttgart has not yet announced when the main proceedings will commence.

In this context, in October 2014 the Stuttgart public prosecutor requested an order by the Regional Court of Stuttgart for participation of Porsche SE as a secondary party in the proceedings against the two former members of the executive board. The competent court has also still to reach a decision in this matter.

In addition, the Stuttgart public prosecutor launched further investigations against the two former members of the Porsche SE executive board in September 2014. The accusation is that, there was no mention in the press release of 26 October 2008 of the put options on Volkswagen shares held at that time, and that the press release was therefore false or deceptive. With reference to this, the Stuttgart public prosecutor launched investigations for administrative and regulatory offenses (Ordnungswidrigkeitengesetz, OWiG) against Porsche SE.

As you can see, ladies and gentlemen, the criminal proceedings may also drag on. In this connection, I can only reiterate what I have said in past years: on the basis of the documents available to it, Porsche SE considers all the allegations made in the criminal proceedings to be without merit.

There is one more thing I would like to emphasize again: Of course, we would prefer to conclude the court cases today rather than tomorrow. But that does not change our view of the matter. To date, the courts have held Porsche SE to be in the right in all four civil proceedings in which they have reached a judgment. We are therefore optimistic regarding the further course of the cases.

Let me conclude by summing up: In 2014, Porsche SE again made significant progress – both on the legal side and through the acquisition of our first investment. In addition, we have again benefited considerably from the outstanding development of Volkswagen AG, which is reflected in the group profit in excess of 3bn euro.

And that concludes what I have to say on the financial and legal situation of Porsche SE.

Thank you for your attention.