PORSCHE SE

Speech

by Hans Dieter Pötsch

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Ladies and gentlemen,

One year ago, in my function as the CFO of Porsche Automobil Holding SE, I presented the company's consolidated financial statements to you for the first time. Today, I have this task for the second time. And again, as in the previous year, there are a number of special aspects that must be taken into account.

The special aspects of the current annual report are due to the deconsolidation of Volkswagen AG and Porsche Zwischenholding GmbH in December 2009. The consolidated financial statements for 2008/09 still recorded the Porsche business in its entirety and also – for a six-month period – the entire business of Volkswagen. On the other hand, the full consolidation of the Volkswagen group and the Porsche Zwischenholding GmbH group in fiscal 2009/10 only continued until December. The two groups were deconsolidated on 3 December 2009 and 7 December 2009 respectively. Since then, Porsche SE has acted as a holding which includes Volkswagen AG in its consolidated financial statements as an associate, Porsche Zwischenholding GmbH as a joint venture of Porsche SE and Volkswagen AG at equity. As a result, the financial indicators that I will present to you today cannot be compared to the prior year.

This is immediately apparent from the income statement of Porsche SE: at the point where consolidated revenue of 57.1 billion euro was disclosed in the prior year, there is now no disclosure at all. The simple reason is this: Porsche SE does not itself generate any revenue from operating business – since December last year, it has acted merely as a holding company for its investments. In light of this fact, the results that I will

present in the following may appear surprising, particular to anyone reading the income statement for the first time.

Broken down roughly, earnings comprise two components: first, earnings from continuing operations, which comprises the earnings of Porsche SE and its remaining subsidiaries, as well as the earnings of investments of Porsche Zwischenholding GmbH and Volkswagen AG accounted for at equity following deconsolidation. And second, earnings from discontinued operations, which comprises the earnings of Porsche Zwischenholding GmbH group and of the Volkswagen group up to the date of deconsolidation, as well as – and this is particularly noteworthy – the earnings resulting from the deconsolidation of both groups.

In accordance with International Financial Reporting Standards (IFRSs), these contributions to earnings due to deconsolidation effects are the result of the difference between the fair value of the investment and the net assets disposed of – in other words, the difference between the assets disposed of and the liabilities disposed of. For Volkswagen, fair value is determined by the market value of the investment in Volkswagen AG at the date of deconsolidation on 3 December 2009. For Porsche, fair value is derived from the value of the company as a whole, namely 12.4 billion euro. The deconsolidation of Volkswagen resulted in a loss of 15.9 billion euro, and the deconsolidation of Porsche resulted in a gain of 9.0 billion euro. All in all, the deconsolidation of the two groups therefore leads to a loss of 6.9 billion euro. The overall loss after tax from discontinued operations came to 6.2 billion euro.

On the other hand, profit after tax from continuing operations was 5.74 billion euro. This is due, in the first instance, to the profit from investments accounted for at equity of

6.79 billion euro. This includes the positive effect arising from the first-time inclusion of the investment in Volkswagen AG at equity of 7.84 billion euro. This income results from the difference between the value of the investment in Volkswagen AG and the pro rata revalued equity of Volkswagen. Here, too, the value of the investment in Volkswagen AG was determined on the basis of the market value on 3 December 2009, the date of deconsolidation. In addition, the profit from investments accounted for at equity also includes the dilutive effect recognized as a non-cash expense of 1.4 billion euro arising from the capital increase performed at Volkswagen AG in March 2010, in which Porsche SE did not participate. In this context, Porsche SE's share in the total capital of Volkswagen AG fell by around 37.4 percent to around 32.2 percent; the share of voting rights remained unchanged at around 50.7 percent.

Last but not least, this item includes the profit of the Porsche Zwischenholding GmbH group since its inclusion at equity, which is attributable to Porsche SE. This comes to 30 million euro. This item also includes the profit of the Volkswagen group of 361 million euro. These contributions to profit also include effects of amortization of the purchase price allocations commenced at the time of inclusion of Porsche Zwischenholding GmbH as a joint venture and Volkswagen AG as an associate. These purchase price allocations have not been completed yet. This means that the contributions to profit are preliminary. Their impact on profit or loss is 606 million euro.

Other operating income of 709 million euro, other operating expenses of 956 million euro and the financial result of minus 673 million euro continue to affect the results of operations of Porsche SE. This yields profit before tax from continuing operations of 5.86 billion euro. If the tax burden of 114 million euro is deducted from this figure, what remains is the profit after tax from continuing operations of 5.74 billion euro mentioned

earlier. Together with the loss after tax from discontinued operations of 6.2 million euro mentioned earlier, this results in a loss for the year of the Porsche SE group at the end of the 2009/10 fiscal year of 454 million euro.

This means that the result we have achieved at Porsche SE is a considerable improvement on our expectations of six months ago. When we published our six-monthly financial report, we forecast a low single-digit billion-euro loss at the end of the fiscal year. The better-than-expected result is primarily attributable to the positive development of the earnings from Porsche SE's significant investments accounted for at equity. As you can see, the economic situation of Porsche SE in the fiscal year 2009/10 was heavily influenced by the corporate restructuring described earlier. An additional factor was the dilutive effect of not participating in the capital increase performed at Volkswagen. On the other hand, the operating development of the two investments was positive. In his speech, Professor Winterkorn went into the key figures of the investments – particularly those of Volkswagen AG; and following my speech, Mr. Müller will present some details of Porsche's operating result.

Ladies and gentlemen,

I'm sure you will now want to know what the current short fiscal year holds in store for Porsche SE. In light of the cautious recovery of the automotive markets seen in the past few months, we can expect the profit or loss from Porsche SE's investments accounted for at equity to develop positively. This profit or loss will, however, continue to include the effects, which will decrease over time, of amortization of the purchase price allocations commenced when Porsche Zwischenholding GmbH was included as a joint venture and Volkswagen AG as an associate. In addition, until the existing

syndicated loan has been repaid, the associated interest payments will have a negative impact on the group's profit or loss. Overall, the executive board of Porsche SE expects at least to break even in the current short fiscal year. In the 2011 fiscal year, which for the first time corresponds to the calendar year, the company expects to record a profit at group level. We can therefore state that Porsche SE is an absolutely solid company, which certainly represents an attractive investment for our shareholders.

With regard to reducing the company's liabilities, we have made a major step forward. Net liquidity – that is, cash and cash equivalents less liabilities to banks – improved considerably in comparison to the prior year. While the figure disclosed on 31 July 2009 was minus 11.4 billion euro, on 31 July 2010 it was 6.0 billion euro. This positive development in the financial position is chiefly attributable to the cash received in connection with Volkswagen AG's investment in Porsche Zwischenholding GmbH amounting to 3.9 billion euro.

The liabilities of the Porsche SE group will be further reduced by the planned capital increase. The aim is to raise issue proceeds of five billion euro. The capital increase is what is referred to as an "up to" capital increase, i.e. up to a defined amount. The same number of ordinary and preference shares will be offered for subscription and a "crossed exclusion of subscription rights" is planned. In other words, holders of shares of one class will be precluded from subscribing to shares of the other class.

The motion for the resolution to the annual general meeting proposes that up to 1.25 billion shares from each class of shares can be issued. The underlying idea is to

provide sufficient flexibility and security when issuing new shares in order to ensure that the intended issue proceeds for the capital increase are achieved.

The subscription price for ordinary and preference shares, which still has to be determined, will be identical. The actual number of new shares for issue can be calculated only after the subscription price has been decided. The capital increase is scheduled for the first half of 2011. It is intended to use the income to repay the 2.5 billion euro tranche A of the existing syndicated loan, which is due on 30 June 2011. Any income exceeding this figure will be used to further reduce liabilities.

The corresponding resolutions will be on the agenda at the annual general meeting of Porsche SE, which will be held in Stuttgart on 30 November. To avoid any risk, and merely as a precautionary measure, we will also obtain the approval of holders of our preference shares. As part of the overall basic agreement concept, holders of ordinary shares from the Porsche and Piëch families have made a commitment to approve the resolution and to subscribe to the new ordinary shares under certain circumstances. The required financial resources will come from the income resulting from the sale of the operating business of Porsche Salzburg Holding to Volkswagen AG.

To ensure the greatest possible flexibility, the agenda of the annual general meeting of Porsche SE includes, as additional capital measures, resolutions on the authorization to issue convertible bonds and on the creation of contingent capital and new authorized capital. However, the capital measures resulting from these authorizations, including the income from the direct capital increase, are intended to generate no more than five billion euro. These authorizations will be of significance particularly if the direct capital increase cannot be performed on time or completely. In this connection, the Porsche

SE's lending banks have expressed their willingness, under certain circumstances, to extend the first tranche of the credit line of 2.5 billion euro, which is due on 30 June 2011, by up to four months – should this be necessary to ensure prior implementation of the capital measures. This is evidence that the banks involved have every confidence in the process.

At this point, I would like to point out that the invitation to our shareholders for the annual general meeting of Porsche SE will be published tomorrow.

Ladies and gentlemen,

It is the firm belief of the Porsche SE executive board that the direct capital increase is in the interest of all stakeholders. The capital increase scheduled for 2011 is intended as the second major step towards reducing the liabilities of Porsche SE that arose in the course of the significant investment in Volkswagen AG.

It is intended to use the income from the capital increase to repay the syndicated loan taken out by Porsche SE; among other things, this is to create the basis for the merger. However, if you now ask me whether the planned merger will follow rapidly as the next step of the capital increase, I cannot give this assurance at the moment. From today's perspective, we cannot rule out that the timetable for the merger in the basic agreement may not be fulfilled. The main reason for my reticence is that the legal and tax reviews of the entire transaction required by the basic agreement have not yet been completed. This is due to external factors, including the fact that the tax framework conditions of the merger have still to be finalized. In addition, the effects that the claim for damages brought against Porsche SE in the USA and by various fund companies in

Germany will have on the merger cannot be conclusively assessed given the current status of litigation.

The executive board of Porsche SE currently assumes that it will be possible to clarify the existing uncertainties and that the merger will ultimately be successful – albeit, as mentioned, possibly not within the ambitious time frame set out in the basic agreement.

Ladies and gentlemen,

Before I conclude, I would like to say here that the basic agreement – as communicated from the outset – also includes the creation of an integrated automotive group through an increase in Volkswagen AG's investment in Porsche Zwischenholding GmbH. As you presumably know, a trustee holds the remaining 50.1 percent of Porsche Zwischenholding GmbH on behalf of Porsche SE. And Porsche SE and Volkswagen AG have granted each other put and call options for this share, which can be exercised at defined times in the period from 15 November 2012 to 31 January 2015 in the event that the required merger resolutions from the annual general meetings of Porsche SE and Volkswagen AG are not adopted by 31 December 2011 or, where they have been adopted, if approval proceedings have been unsuccessful and claims filed continue to prevent registration of the merger.

If this path were to be taken, the income from the transfer of the remaining 50.1 percent of Porsche Zwischenholding GmbH and the income from the capital increase would put Porsche SE on a solid financial basis. In addition, due to its investment in Volkswagen AG of just under 51 percent of the ordinary shares, Porsche SE would continue to profit from the positive development of the Volkswagen group.

Let me sum up in this way: we continue to support the merger to create the integrated automotive group of Volkswagen and Porsche but cannot, from today's perspective, rule out a delay to the original schedule. Whichever approach we decide on: these unforeseeable factors were taken into consideration in the basic agreement and provision was made for the eventuality of different approaches having to be taken. As a result, no matter what transpires, we are on a solid foundation.

Ladies and gentlemen,

In conclusion, I would like to briefly address another two points. The first concerns the dividend: the executive board and supervisory board of Porsche SE will propose to the annual general meeting the distribution of a dividend of 0.094 euro per ordinary share and 0.10 euro per preference share. This doubling of the prior-year figure reflects the positive development of our company.

In addition, I would like to draw your attention to the fact that Porsche SE has for the first time included a remuneration report in its annual report. The report contains four tables, two for the executive board and two for the supervisory board. One of the tables for the executive board and one for the supervisory board takes into consideration the deconsolidation in the IFRS consolidated financial statements; the others, which are based on the provisions of the German Corporate Governance Code, do not take the deconsolidation into account. This is because, as defined by the German Stock Corporation Act, Volkswagen AG and Porsche Zwischenholding GmbH were still group companies as of the reporting date.

The four tables list the basic and performance-related components of the individual members of the executive board and supervisory board. In this connection, I would like to emphasize that the members of the supervisory board have declared that they will waive payment of the performance-related remuneration for the past fiscal year for their work on the supervisory board to which they are entitled in accordance with the articles of association. The supervisory board members do not consider payment to be appropriate as this part of the performance-related remuneration was calculated on the basis of the significant non-recurring accounting effects in the past fiscal year.

Thank you.