PORSCHE SE

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# Porsche SE increases group profit for the year by 143 percent

## Net liquidity amounts to 937 million euro / PTV Group acquired / dividend increased significantly to 1.76 euro per preference share

Stuttgart, 20 March 2018. Porsche Automobil Holding SE (Porsche SE), Stuttgart, increased its group profit for the year by 143 percent to 3.33 billion euro in the fiscal year 2017 compared to 1.37 billion euro in the prior year. Group profit for the year was predominantly influenced by the profit of 3.41 billion euro from the investment accounted for at equity in Volkswagen AG, Wolfsburg. Net liquidity of the Porsche SE Group decreased to 937 million euro as of 31 December 2017. This decrease is primarily attributable to the acquisition of the PTV Group, Karlsruhe.

Hans Dieter Pötsch, chairman of the executive board of Porsche SE, said at today’s annual press and analyst conference: “Economically speaking, the past fiscal year 2017 was extraordinarily successful for Porsche SE. We have also further advanced our acquisition of investments and have made progress with important legal proceedings.”

The acquisition of the PTV Group in 2017 was the first time that we have almost entirely taken over a company. PTV is a leading provider of software for traffic planning and management as well as transport logistics. In the past fiscal year, Porsche SE widened its investment focus to include start-ups and acquired venture capital investments in the two US companies Markforged Inc. and Seurat Technologies Inc., each with stakes in the single-digit percentage range. The two companies work in the field of additive manufacturing.

As of 31 December 2017, the equity of the Porsche SE Group increased to 31.41 billion euro, largely due to the net profit for the period. In the prior year, equity had amounted to 27.89 billion euro. The equity ratio thus increased slightly from 98.3 percent to 99.1 percent.

**Legal disputes continue**

On the legal side, there was movement again in the fiscal year 2017. A model case according to the Capital Markets Model Case Act (KapMuG) in connection with the acquisition of the shareholding in Volkswagen AG is pending against Porsche SE with the Higher Regional Court of Celle. The initial proceedings concern 40 plaintiffs asserting alleged claims for damages of around 5.4 billion euro. At the first trial date on 12 October 2017, the Higher Regional Court of Celle explained its preliminary view on the state of affairs and of the dispute and confirmed Porsche SE’s position on all significant points.

Porsche SE is also facing investor lawsuits in connection with the diesel issue. The plaintiffs accuse the company of alleged nonfeasance of capital market information. Porsche SE regards all lawsuits brought against the company in connection with the acquisition of the shareholding in Volkswagen AG in the years from 2005 to 2009 and also in connection with the diesel issue to be without merit and in some cases also to be inadmissible.

**Change in the ownership structure – expansion of the supervisory board**

In 2017, the withdrawal of Prof. Dr. Ferdinand K. Piëch from the supervisory board signaled the end of an era for Porsche SE. The Porsche and Piëch families acquired the majority of the ordinary shares held by him, thus demonstrating a strong commitment to Porsche SE. By means of an amendment to the articles of association, to the annual general meeting in Stuttgart on 15 May 2018 it will be proposed to expand the supervisory board from six to ten members. “The aim of this measure is to strengthen the supervisory board by adding additional fourthgeneration family members as well as additional external experts,” explained Pötsch.

The new members proposed for the board are lawyer Dr. Günther Horvath, the managers Marianne Heiß and Prof. Siegfried Wolf as well as the entrepreneurs Mag. Josef Michael Ahorner, Dr. Stefan Piëch and Peter Daniell Porsche. Hans-Peter Porsche will retire from his position on the supervisory board effective as of the end of the coming annual general meeting.

**Dividend increased significantly to 1.76 euro per preference share**

Porsche SE plans to distribute a dividend of 1.76 euro per share for the fiscal year 2017 to the holders of preference shares. Holders of ordinary shares should receive 1.754 euro per share. This proposed dividend will be presented for decision to the annual general meeting on 15 May 2018. The significant increase in the dividend compared to the prior year underlines the fact that Porsche SE’s dividend policy is geared to sustainability.

**Forecast for 2018**

Based on the current group structure, Porsche SE expects a group profit for the year of between 3.4 billion euro and 4.4 billion euro for the fiscal year 2018. This forecast is based in particular on the Volkswagen Group’s expectations regarding its future development and the uncertainty that continues to surround possible special effects in connection with the diesel issue. Porsche SE aims to achieve positive net liquidity. This is expected to be between 0.7 billion euro and 1.2 billion euro as of 31 December 2018, not taking future equity investments into account.

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