PORSCHE SE

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Porsche SE increases profit considerably in the first six months of 2012

Good development of equity investments / positive effect on earnings anticipated from the creation of the Integrated Automotive Group in the second half of 2012

Stuttgart, 31 July 2012. In the first six months of the current fiscal year 2012, Porsche Automobil Holding SE, Stuttgart (Porsche SE) reported a profit for the period of 1.15 billion euro. In the comparative prior-year period, the group had reported a profit of 149 million euro. The considerable profit is primarily attributable to the profit from investments accounted for at equity totaling 2.60 billion euro. This comprises the profit or loss attributable to Porsche SE from its investments in Porsche Zwischenholding GmbH and Volkswagen AG. However, this was counterbalanced in particular by a non-cash special effect on profit/loss from the adjustment of the valuation of the put and call options for the shares in Porsche Zwischenholding GmbH remaining with Porsche SE as of the reporting date 30 June 2012 totaling minus 1.38 billion euro.

In the reporting period, the financial result, which essentially contains income and expenses from loans, came to minus 26 million euro compared to minus 129 million euro in the first half of 2011. This improvement is mainly due to the partial repayment of liabilities to banks and refinancing at more favorable terms in the fiscal year 2011.

Net liquidity, i.e., cash and cash equivalents and time deposits less liabilities to banks, had improved by a further 56 million euro since the end of the first quarter of 2012 to minus 1.45 billion euro as of 30 June 2012.

The Porsche Zwischenholding GmbH group was able to increase its unit sales by 22.5 percent to 68,940 vehicles in the first half of the current fiscal year. As a result, revenue rose by 29.3 percent to

6.76 billion euro. The operating result came to 1.26 billion euro, up 20.6 percent on the comparative period of the prior year. The Volkswagen Group increased its unit sales by 12.4 percent to 4,644,097 vehicles over the period from 1 January 2012 to 30 June 2012. With revenue of 95.38 billion euro (up 22.6 percent), the Volkswagen Group's operating result increased by 6.7 percent to 6.49 billion euro over the same period.

Porsche SE and Volkswagen AG are planning to implement their shared goal of creating an Integrated Automotive Group as of 1 August 2012. The executive board of Porsche SE and the board of management of Volkswagen AG, with the agreement of the competent bodies, approved a concept for the complete integration of Porsche AG into the Volkswagen Group on 4 July 2012. According to the concept,

Porsche SE will contribute its holding business operations including its 50.1 percent investment in Porsche's operating business, i.e., its shareholding in the Porsche Zwischenholding GmbH group, to Volkswagen AG. However, Porsche SE will retain a shareholding of 32.2 percent in the total capital of Volkswagen AG. The execution of the transaction will make Volkswagen AG the sole shareholder of Porsche's operating business. Porsche SE will receive a cash amount of some 4.46 billion euro from the transaction, as well as one new ordinary Volkswagen AG share.

Due to the planned contribution, the investment in Porsche Zwischenholding GmbH will cease to be accounted for at equity in the consolidated financial statements of Porsche SE as of July 2012. As a result, no further profit or loss will be attributable to Porsche SE from accounting for this investment at equity. However, since Porsche SE will continue to hold its investment in Volkswagen AG, it will, in proportion to its share in total capital, indirectly benefit from the results of operations of the Porsche Zwischenholding GmbH group and from the realization of the full synergy potential of the Integrated Automotive Group in the future.

The contribution transaction will result in a one-time positive effect on earnings, expected to be around 6 to 7 billion euro, in the consolidated financial statements of Porsche SE. This results in particular from the contribution of Porsche SE's share in Porsche's operating business as well as the put and call options relating to this share. Moreover, the effect on earnings contains the effect of the transaction on accounting for the investment in Volkswagen AG at equity. As the calculation of this effect on earnings is based on valuations and carrying amounts that have to be updated at the contribution date of 1 August 2012, the amount may be subject to changes. The put and call options will be transferred to Volkswagen AG upon execution of the transaction and will therefore have no further effects on the net assets and results of operations of the Porsche SE group as of this time.

Factoring in this one-time positive effect on earnings, Porsche SE expects a high single-digit billion-euro profit for the year 2012.

After contributing its holding business operations to Volkswagen AG, Porsche SE will initially use the cash received as consideration in the transaction, amounting to some 4.46 billion euro, to repay its existing liabilities to banks of 2.0 billion euro in full. The major portion of the liquidity remaining thereafter is intended to be used for further strategic equity investments, focusing along the automotive value chain. In order to ensure sufficient room for maneuver in the future, Porsche SE's annual general meeting adopted a resolution on 25 June 2012 to amend the articles of association accordingly.

Following conclusion of the transaction, Porsche SE will be a financially strong holding company with attractive potential for increasing value added, with clear, sustainable structures and a solid outlook for the future. After the transaction has been implemented, Porsche AG and Volkswagen AG will be able to leverage synergies in their operating business at an earlier stage and cooperate more easily. Porsche SE, as the largest shareholder in Volkswagen AG, will also greatly benefit from this.

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