PORSCHE SE

Separate financial statements
Short Fiscal Year
2010

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN THE UNITED STATES, AUSTRALIA, CANADA OR JAPAN.

These materials do not constitute an offer of securities for sale or a solicitation of an offer to purchase securities in the United States, Germany or any other jurisdiction. The shares (the “Shares”) of Porsche Automobil Holding SE (the “Company”) may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended. The Company does not intend to register any portion of the offering in the United States or to conduct a public offering of Shares in the Company in the United States.

2010

Change in fiscal year

With regard to the creation of the integrated automotive group with Volkswagen, the annual general meeting of Porsche SE decided on 29 January 2010 that the fiscal year of the company, which ran from 1 August to 31 July of the following year, should be changed to run concurrently with the calendar year effective 1 January 2011. A short fiscal year was created for the period from 1 August 2010 to 31 December 2010 and this is the reporting period covered by the accompanying financial statements.

1

This annual report is available in German and English. In case of doubt the german version is binding.


1

The company

Group management report and management report of Porsche Automobil Holding SE

1

Significant events

Capital measures planned by Porsche SE

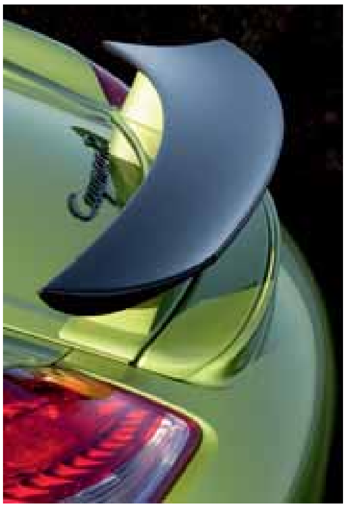
The annual general meeting of Porsche Automobil Holding SE, Stuttgart ("Porsche SE" or "the company") on 30 November 2010 approved with a significant majority the direct capital increase of up to five billion euro, divided into 2.5 billion new shares (up to 1.25 billion new ordinary shares and up to 1.25 billion new preference shares) proposed by the executive board and supervisory board. This capital increase is part of the concept agreed upon in the basic agreement to create an integrated automotive group between Porsche and Volkswagen (we refer to our statements in the section "Implementation of the basic agreement to create an integrated automotive group"). The capital increase provides a further basis for the intended merger of Porsche SE into Volkswagen Aktiengesellschaft, Wolfsburg ("Volkswagen AG"). In accordance with contractual requirements, all the planned proceeds must be used for repayment of the syndicated loan of Porsche SE. This applies specifically to the first tranche of the syndicated loan totaling 2.5 billion euro which falls due on 30 June 2011. The capital increase is scheduled for execution by 30 May 2011.

The capital increase is what is referred to as an "up to" capital increase, i.e. up to a defined amount. This means that the exact number of new shares to be issued will depend on the target issue volume and the subscription price which has not yet been set. The target issue volume of the capital increase is 5 billion euro and is to be raised by issuing an equal number of new ordinary and preference shares. The same subscription price will be set for both types of shares. Holders of shares of one class are precluded from subscribing for shares of the other class ("cross-exclusion of subscription rights").

As part of the overall concept of the basic agreement, the holders of ordinary shares of Porsche SE who are deemed part of the Porsche and Piëch families have undertaken, subject to certain conditions, to ensure that the new ordinary shares issued as part of the capital increase adopted on 30 November 2010, are subscribed for at an estimated total subscription price of 2.5 billion euro.

In addition, the annual general meeting authorized Porsche SE's executive board, subject to the approval of the supervisory board, to issue convertible bonds and corresponding instruments in a total nominal amount of up to 5 billion euro. When issuing convertible bonds, conversion rights and conversion obligations pertaining to ordinary and preference shares are to be granted. Conversion rights or obligations pertaining to preference shares can be served from newly created contingent capital. Conversion rights or obligations pertaining to ordinary shares can be served from newly created authorized capital. The authorized capital can also be used separately. These additional authorizations will only be of significance if the direct capital increase cannot be performed on time or completely. In this case, Porsche SE should have the required flexibility to raise capital as necessary, in particular to repay the first tranche of the syndicated loan maturing on 30 June 2011 and to allow the merger. The proceeds from all capital measures approved by the annual general meeting are limited to 5 billion euro.

The resolution of the annual general meeting on the capital increase was entered into the commercial register on 13 January 2011, rendering it effective. The other amendments to the articles of association approved by the annual general meeting on 30 November 2010 (these are the creation of new contingent capital and authorized capital) were entered into the commercial register and are also effective.



Implementation of the basic agreement on the creation of an integrated automotive group

Porsche SE intends to create an integrated automotive group together with Volkswagen AG and Dr. Ing. h.c. F. Porsche Aktiengesellschaft, Stuttgart, ("Porsche AG").

In recent months, the significant transaction steps described below were implemented on the way to an integrated automotive group.

In the fiscal year 2009/10, Porsche SE sold a significant portion of the cash-settled options relating to the shares of Volkswagen AG to an investor. Moreover, the company restructured its financing arrangements and in November 2009 agreed a new credit line totaling 8.5 billion euro with an international banking syndicate.

In December 2009, Volkswagen AG acquired a 49.9 percent shareholding in Porsche Zwischenholding GmbH, Stuttgart, by means of a capital increase against cash contributions, thereby indirectly acquiring an identical share in Porsche AG. To improve capitalization in preparation for the creation of an integrated automotive group and the associated purchase of this shareholding, as well as the cash outflow associated with this purchase, Volkswagen AG undertook an increase in preferred share capital in April 2010, generating net proceeds of approximately 4.1 billion euro.

As a further part of the basic agreement concept, the family shareholders of Porsche Holding Gesellschaft mbH, Salzburg, resolved on 10 November 2010 to exercise the put option to sell to Volkswagen the operating business of Porsche Holding Salzburg.

According to the basic agreement, the final stage in the creation of the integrated automotive group will be the merger of Porsche SE into Volkswagen AG. In the event of the failure of the merger, as defined by the basic agreement, in other words, if the required merger resolutions from the annual general meetings of Porsche SE and Volkswagen AG are not adopted by 31 December 2011 or, should they have been adopted, if approval proceedings have been unsuccessful and claims filed continue to prevent registration of the merger, Porsche SE and Volkswagen AG have granted each other put and call options pursuant to the basic agreement. These options relate to the remaining 50.1 percent shareholding in Porsche Zwischenholding GmbH that is held by a trustee on behalf of Porsche SE and can be exercised at defined times within the period from 15 November 2012 to 31 January 2015.

There is still uncertainty with regard to the tax framework for the merger. In addition, the effects that the claims for damages brought against Porsche SE in the USA and by various fund companies and a private individual in Germany will have on the merger cannot be conclusively assessed given the current status of litigation. The Stuttgart public prosecutor announced on 22 February 2011 that the investigations against two former executive board members of Porsche SE, inter alia because of allegations of manipulating the market in Volkswagen shares, will take longer than anticipated.

The outcome of the investigations is relevant for the valuation, of damage claims raised against Porsche SE and based on alleged share price manipulation. This valuation must be made for purposes of the merger of Porsche SE into Volkswagen AG (for more information on this point, and on the status of the legal proceedings, please see the section “Litigation risk” in risk report of Porsche SE and the section “Forecast report and outlook” of this management report). Since the end of the investigations can be expected at the earliest at the beginning of 2012, the legal and tax assessments of the merger of Porsche SE into Volkswagen AG to be made under the basic agreement will likely be delayed. From the executive board’s view, this also reduces the probability that the merger can be achieved under the timeline of the basic agreement (which requires that the necessary shareholder resolutions on the merger are made in 2011) from previously 70 percent to 50 percent.

In the view of the Porsche SE executive board, the overall probability of the merger decreases in case of substantial delays in the merger process compared to the timeline of the basic agreement.

However, the executive board of Porsche SE is currently of the opinion that the assessments can be finalized so timely, that the merger can be achieved even after 2011.

Measures to secure liquidity and steps to reduce liabilities

To secure liquidity beyond 30 June 2011, it will be necessary for the planned capital increase of Porsche SE to be performed by 30 May 2011, with an issue volume of at least 2.5 billion euro. For more details on the capital measures approved by the annual general meeting on 30 November 2010, we refer to our statements in the section “Capital measures planned by Porsche SE” of this management report. The proceeds from the planned capital increase must be used to repay the first tranche of the syndicated loan of 2.5 billion euro. Any proceeds exceeding this figure must be used to further reduce liabilities to banks.

Since December 2009, the total loan facility available to Porsche SE has amounted to a total of 8.5 billion euro, of which 7.0 billion euro had been drawn as of 31 December 2010. The collateral for the loan has been provided primarily by pledging all of Porsche SE’s shares in Volkswagen AG.

The lending banks support the proposed capital measures and have expressed their willingness 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, in the event of certain legal obstacles to the implementation of the capital increase.

Change in Porsche SE’s fiscal year

With regard to the creation of the integrated automotive group with Volkswagen, the annual general meeting of Porsche SE decided on 29 January 2010 that the fiscal year of the company, which ran from 1 August to 31 July of the following year, should be changed to run concurrently with the calendar year effective 1 January 2011. A short fiscal year was created for the period from 1 August 2010 to 31 December 2010 and this is the reporting period covered by the accompanying financial statements. Unless otherwise stated, the comparative period is the fiscal year 2009/10 which covered a period of twelve months. Corresponding resolutions were passed by the annual general meeting of Porsche Zwischenholding GmbH as well as by the annual general meeting of Porsche AG for the Porsche Zwischenholding GmbH group.

Disposal of cash-settled stock options

In the prior years, the increases in the shareholding in Volkswagen were hedged to a large extent by means of cash-settled options for Volkswagen AG shares. The remaining cash-settled options held by Porsche SE as of the prior-year reporting date (31 July 2010) relating to about two percent of Volkswagen AG’s ordinary shares were disposed of in full.

Enlargement of the executive board of Porsche SE

At its meeting held on 13 October 2010, the supervisory board of Porsche SE unanimously appointed Matthias Müller to the executive board of Porsche SE (member with responsibility for general technical product issues) with immediate effect. Matthias Müller, who has been CEO of Porsche AG since 1 October 2010, succeeded Dr. Michael Macht on Porsche SE's executive board. The latter was appointed to the board of management of Volkswagen AG effective as of 1 October 2010 where he is responsible for group production.

In addition to Matthias Müller, the other members of Porsche SE's executive board are Prof. Dr. Martin Winterkorn (chairman), Hans Dieter Pötsch (finance and controlling) and Thomas Edig (commercial and administrative issues).

U.S. claims for damages dismissed as legally insufficient at first instance

In 2010, a total of 46 plaintiffs filed a total of six actions for damages against Porsche SE in the United States District Court for the Southern District of New York in the USA. The plaintiffs allege damages of more than 2.5 billion US dollars. In three of the six actions, the former members of the executive board Dr. Wendelin Wiedeking and Holger P. Härter are also named as defendants. Plaintiffs alleged in their complaints that Porsche SE's activities in connection with its acquisition of a stake in Volkswagen AG during the year 2008 constituted market manipulation and securities fraud in violation of the U.S. Securities Exchange Act and common law fraud. Porsche SE believes that the complaints are legally insufficient and without merit, and has sought their dismissal. The U.S. court dismissed all the complaints at first instance as legally insufficient. All plaintiffs appealed this decision in January 2011 (for further explanation, we refer to the section "Litigation risk" in the risk report of Porsche SE in this management report).

Shareholders' legal challenge fails

Two shareholders of Porsche SE who had brought actions against the resolutions of the annual general meeting on 30 January 2009 to have them declared null and void failed on appeal. The lawsuits were dismissed by the Regional Court of Stuttgart in May 2010. The appeals against these rulings were dismissed by the Higher Regional Court of Stuttgart in a judgment of 17 November 2010. Leave to appeal was denied. The plaintiffs then lodged an appeal against the denial of leave to appeal.

Tax treatment of stock option transactions

In the course of stock option transactions relating to various companies listed on the stock exchange, Porsche SE and Porsche AG also entered into transactions that in the company's opinion resulted in tax-free profits and tax-deductible losses. The tax authorities initially did not accept the opinion held by Porsche SE. The company filed an appeal against the tax authorities' decisions. Upon request, the tax authorities granted a stay of execution on the subsequent tax payments until the final ruling on the tax treatment was handed down.

The differences of opinion between the company and the tax authorities were resolved in November 2010. As a result, until the actual maturity date, there will be a cash outflow of some 628 million euro for tax and interest payments at the company, 357 million euro of which had been paid out by the reporting date. The provisions remaining after the payment totaling approximately 717 million euro were released to income but without affecting liquidity.

Supervisory board waives claim to part of performance-related remuneration

At the supervisory board meeting on 13 October 2010, the members of the company's supervisory board announced their intention not to assert their claim regarding a part of their performance-related remuneration for the fiscal year 2009/10 based on the result from ordinary activities from continuing operations in the past fiscal year (remuneration pursuant to article 14 (1) (c) (1st bullet point) of Porsche SE's articles of association). This portion of the remuneration comes to a total of 749,925 euro. The members of the supervisory board do not consider payment of this remuneration component to be appropriate on account of the significant non-recurring accounting effects in the fiscal year 2009/10. The pre-tax result from ordinary activities from continuing operations recognized in the consolidated financial statements for the fiscal year 2009/2010 was very positive. This was due, in particular, to the first-time inclusion of Volkswagen AG at equity. On the other hand, the overall high negative contribution to profit from discontinued operations due to the deconsolidation of the Volkswagen group and the Porsche Zwischenholding GmbH group (Porsche Zwischenholding GmbH and its subsidiaries) was not included in the calculation of the performance-related supervisory board remuneration. The provisions created for this part of the supervisory board remuneration were reversed in the short fiscal year 2010.

Significant events at the Porsche Zwischenholding GmbH group

Matthias Müller was appointed as the new CEO of Porsche AG on 6 July 2010 by Porsche AG's supervisory board effective as of 1 October 2010. He had previously been the head of product planning, product management and model series of the Volkswagen group and the Volkswagen brand. Matthias Müller is taking over from Dr. Michael Macht at Porsche AG, who left the executive board effective as of 30 September 2010. Dr. Michael Macht was appointed by Volkswagen AG's supervisory board to the board of management of Volkswagen AG, effective as of 1 October 2010.

The corresponding change also took place in the management of Porsche Zwischenholding GmbH.

At its meeting of 29 November 2010, the supervisory board of Porsche AG appointed Wolfgang Hatz to the executive board of the company, effective 1 February 2011. He assumed responsibility for research and development. In addition, he remained head of engines and transmissions development at the Volkswagen group. The previous member of the Porsche AG executive board with responsibility for research and development, Wolfgang Dürheimer, assumed the post of Chairman of the executive board at Bentley Motors Ltd., and on 1 February 2011 took up the position of president and managing director of Bugatti S.A., and the function of motorsport director for the Volkswagen group.

New loan agreement

During the reporting period, Porsche AG agreed a new syndicated loan of 1 billion euro that will be used to refinance bonds of 1 billion euro which fell due in early February 2011. The syndicated loan will fall due at the end of 2011 or, if a prolongation option is exercised, one year later.

Porsche plans new model

At its meeting of 29 November 2010, the supervisory board of Porsche AG instructed the executive board to drive forward development of a new model up to series production. With the new model, Porsche AG intends to extend its offering in the sporty off-roader segment which comprises the existing Cayenne model series. Porsche AG had earlier approved capital expenditures of 150 million euro for the construction of a wind tunnel, a design center and an electronics integration center at the Weissach development facility.

Significant events at the Volkswagen group

Group's board of management enlarged

The Volkswagen group extended its board of management as part of its Strategy 2018. With effect as of 1 October 2010, Prof. Dr. Jochem Heizmann, previously in charge of "Group Production", took over the new "Group Commercial Vehicles" portfolio on the board of management and assumed management of the group's truck activities. His previous position on Volkswagen AG's board of management was taken over by Dr. Michael Macht, previously CEO of Porsche AG.

New engine plant in Mexico

Volkswagen is expanding its production capacity in Mexico. Following the opening of a new section in July 2010, the Puebla plant is now one of the group's largest production facilities with an annual capacity of 525,000 vehicles. The group has additional plans to invest up to 1 billion US dollars in Mexico in the next three years.

As part of its growth strategy for North America, the Volkswagen group is also constructing a new engine plant in Silao, Mexico. Up to 330,000 latest generation engines will be produced there each year from 2013. The Silao plant will supply engines to Volkswagen's North American facilities in Puebla (Mexico) and Chattanooga (USA). The investment volume for developing new powertrains and establishing the plant totals 550 million US dollars. Volkswagen aims to employ around 700 people in Silao in the medium term. Other jobs will also be created at suppliers and in the logistic sector.

Strategic partnerships

On 12 August 2010, Volkswagen and the US company Cummins MerCruiser Diesel (CMD) agreed on a strategic partnership for the development and supply of marine engines. As a leading manufacturer of up to 285 kW diesel marine engines, Volkswagen will develop serial production of a new generation of engines at its Salzgitter plant that will meet future emissions standards in the USA and Europe. Starting in 2011, all Volkswagen marine engines will be supplied exclusively to CMD and sold under its name. This cooperation allows Volkswagen to develop another automotive-related area of expertise and to safeguard jobs at its Salzgitter plant for the long term.

On 13 August 2010, Volkswagen and the Malaysian company DRB Hicom signed a memorandum of understanding to examine local vehicle production. The joint plans envisage the manufacture of Volkswagen models in Malaysia from 2012. This move enables Volkswagen to gradually expand its activities in South East Asia as part of its Strategy 2018.

Automobile trading business of Porsche Holding Salzburg

On 10 November 2010, the family shareholders of Porsche Holding Gesellschaft mbH, Salzburg exercised the right granted to them within the framework of the basic agreement on the creation of an integrated automotive group consisting of Volkswagen and Porsche to sell the operating business of Porsche Holding Salzburg to Volkswagen. The shares are expected to be transferred in the course of the first half of 2011, at the latest on 30 September 2011, for a price of 3.3 billion euro, which is fixed in the basic agreement.

The acquisition is a considerable enhancement of Volkswagen's own sales activities. Porsche Holding Gesellschaft mbH is one of the most successful private automobile trading companies in Europe, with a strong presence in particular in Austria, the rest of western Europe and southeast Europe, as well as in China. It will continue to be maintained as a business unit with its own successful business model and all of its divisions and brands.

Business development

Dynamic growth of significant investments

In 2010, the world economy recovered from the deep crisis significantly faster than many experts expected. According to the calculations of the International Monetary Fund (IMF), global growth totaled some 5.0 percent in 2010. The greatest impetus for the recovery of the global economy during the reporting period came from China and Germany. With an increase in GDP of 3.6 percent in 2010, Germany achieved its highest growth rate since reunification. China's economy, which even during the crisis lost little of its dynamism, grew by 10.3 percent in 2010. By contrast, recovery in the USA was sluggish. While the world's largest economy returned to growth, it only achieved a growth rate of 2.8 percent.

The positive developments during the reporting period were clouded by the debt crisis of individual member countries of the euro area. Following the liquidity support of 110 billion euro required for Greece in early 2010, the EU approved an 85 billion euro aid package for Ireland in December 2010. It is unclear whether other states will require assistance and whether the rescue system of the monetary union, which is equipped with a guaranteed amount of 440 billion euro, will have sufficient funds in the medium term. The southern European countries of Portugal, Spain, Italy, Greece, as well as Ireland will certainly be forced to cut spending, which will impact their growth prospects.

During the reporting period, the crisis in the international automotive markets was already a thing of the past. The global automobile market grew by 12 percent in 2010, with 61.7 million cars sold – topping pre-crisis levels. This growth was driven mainly by extremely high demand in the BRIC states of Brazil, Russia, India and China. According to the German Association of the Automobile Industry (VDA), sales in China rose by 34 percent to 11.3 million vehicles. In India, the increase was 31 percent to 2.4 million units; in Russia, 30 percent to 1.9 million vehicles; and in Brazil, 11 percent to 3.3 million units. The American market also contributed to overall growth worldwide, with sales of new passenger cars and light trucks increasing by eleven percent to 11.6 million vehicles.

However, global sports cars sales saw less than average benefits from the renewed overall demand for cars, as the sports car segments are still considerably smaller in the BRIC states, which are driving growth in the world automobile market, than in the mature markets.

In Germany, only 2.9 million new vehicles were sold in 2010; the marked fall in comparison to the prior-year figure (3.8 million passenger cars) was due to the scrappage bonus granted in 2009. As expected, the number of new vehicles registered in western Europe as a whole fell by five percent to just under 13 million units in the wake of the expiration of economic rescue programs. When government recovery programs came to an end, the sales markets returned to their pre-crisis structure. In Germany, it was mainly manufacturers of small and compact cars that benefited from the scrappage bonus in 2009; in 2010, however, luxury car manufacturers came off particularly well.

The following statements on sales, production, financial services and employees only take into consideration operating developments at the Porsche Zwischenholding GmbH group, comprising Porsche AG and its subsidiaries, and at the Volkswagen group. They do not take into account the Porsche SE group. In addition, the following sections compare the sales and production figures of the Porsche Zwischenholding GmbH group for the reporting period from 1 August to 31 December 2010 with the five-month figures for the prior year (1 August to 31 December 2009), as a comparison with the entire prior fiscal year 2009/10 would not be useful since it covered twelve months.

In the current short fiscal year, which was created based on the resolution adopted by the company's annual general meeting on 29 January 2010 to align the fiscal year with the calendar year, Porsche SE has for the first time as of 31 December 2010 included the profit/loss attributable to it from its investment at equity in Volkswagen AG without a one-month delay. In the explanations below, the Volkswagen group's production and sales figures are, like the profit/loss attributable to the investment at equity, taken into account for the period from 1 July 2010 to 31 December 2010 and compared with the figures for the comparative prior-year period.

Considerable increase in sales at significant investments

The Porsche Zwischenholding GmbH group increased its unit sales by 56.6 percent to 40,446 vehicles in the short fiscal year 2010. This significant percentage rise was partly due to the impact of the financial and economic crisis during the prior-year period. On the other hand, this strong growth reflects the market success of the new Cayenne and Porsche's fourth model series, the Gran Turismo Panamera. The new generation of the Cayenne sporty off-roader, which has been available from dealers since May 2010, achieved sales of 20,770 units during the reporting period – a 99.9 percent increase in comparison to the prior-year figures. Overall, sales of the Cayenne break down into 6,054 vehicles with six-cylinder gasoline engines, 7,710 vehicles with eight-cylinder engines, 1,476 vehicles with hybrid drives and 5,530 vehicles with diesel engines. In the short fiscal year, Porsche sold 9,385 Panameras, an increase of 44 percent in comparison to the comparable prior-year period. This figure also reflects the fact that the Panamera was not yet available in all markets worldwide in the prior-year; furthermore, the six-cylinder version, which accounted for 5,418 units, was not introduced until May 2010.

Despite the recognizable trend toward overall economic recovery, sales of the 911 model series during the reporting period remained impacted by the difficult economic conditions that continued to prevail in the sports cars market environment. Unit sales increased by 13.5 percent to 6,255 vehicles for the period from 1 August 2010 to 31 December 2010. Unit sales of vehicles from the Boxster model series, including the Cayman models, increased by 18.5 percent to 4,036 vehicles. Of these, 2,048 vehicles were Boxster vehicles and 1,988 Cayman vehicles.

The Volkswagen group was also able to increase its unit sales. 1,922,494 of the 3,712,319 vehicles sold around the globe in the period from 1 July to 31 December 2010 were from the Volkswagen passenger car brand (prior year: 1,808,766 out of a total of 3,302,144 vehicles sold). There was increased demand for the Polo, Sharan, Tiguan, Touareg, Passat and the Jetta/Bora models.

The Audio brand achieved sales of 660,605 vehicles in the period from 1 July to 31 December 2010 (prior year: 615,769 vehicles). While demand for the Audi Q5 and Audi Q7 models was particularly high in this period, the new Audi A5 Sportback and the new Audi A8 were also very popular with customers. Audi's sales figures include the numbers for the Lamborghini brand. The Škoda brand sold 286,529 vehicles between 1 July and 31 December 2010, compared to 289,244 vehicles in the comparative period. Demand for the Superb models developed especially favorably. 162,839 SEAT vehicles were sold during the reporting period, compared to 161,118 vehicles in the prior year. In particular, demand for the Exeo model developed favorably.

Volkswagen commercial vehicles sold 190,322 vehicles in the second half of the year after 140,099 vehicles in the prior year. The sales figures for Scania were 35,391 vehicles in the reporting period, compared to 22,776 in the prior year.

Regional differences

Porsche Zwischenholding GmbH group achieved significant growth in all key sales regions. Sales rose most sharply in Europe, rising 61.9 percent to 13,893 vehicles. In the German market, Porsche achieved an increase of 49.2 percent to 4,761 units. However, there was also a clear upward trend outside the company's traditional market of Europe during the short fiscal year: in the region Asia / rest of the world, sales increased by 52.3 percent to 13,464 vehicles. The Chinese market alone accounted for 6,830 units, up 77.5 percent on the comparative prior-year period. With the Panamera, Porsche offers a sporty product in the four-door, four-seater sedan segment which is seeing particularly high demand among Chinese customers. In the Americas, the Porsche saw growth of 55.9 percent to 13,089 vehicles in the reporting period. North America alone accounted for 11,862 units (up 50.7 percent).

The Volkswagen group sold 1,758,810 vehicles in the period from 1 July to 31 December 2010 in the Europe / other markets region (prior year: 1,730,018 vehicles). 289,405 units were sold in North America (prior year: 238,595 vehicles). In the South American markets, Volkswagen sold a total of 494,454 vehicles in the reporting period (prior year: 434,245 vehicles). The Volkswagen group's unit sales in markets in the Asia-Pacific region (including the Chinese joint ventures) amounted to 1,169,650 units, after 899,286 vehicles in the comparative prior-year period.

Production expanded

In the reporting period, 41,949 vehicles were produced in the Porsche Zwischenholding GmbH group, an increase of 18.1 percent in comparison to the comparative prior-year period. In Leipzig, 22,343 units of the Cayenne series were built over the period from 1 August 2010 to 31 December 2010, 47.7 percent more vehicles than in the comparative prior-year period. 8,189 Panamera vehicles were produced, 4.6 percent fewer than in the prior year. At the plant in Zuffenhausen, a 2.4 percent reduction in production of the 911 model series resulted in 7,174 units being produced. Production of the Boxster (including the Cayman models) series decreased 4.4 percent to 4,243 units. In Finland, the number of vehicles produced fell by 36.3 percent to 1,986 units. Here it should be considered that some Boxster models have been manufactured in Zuffenhausen since February 2009, and almost all were manufactured there in the short fiscal year 2010.

The Volkswagen group produced 3,771,435 vehicles over the period from 1 July to 31 December 2010, after 3,232,180 vehicles in the period from 1 July to 31 December 2009. As of 31 December 2010, vehicle inventories at group companies and in the retail organization around the world were up on the prior year.

Financial services in demand

Porsche Financial Services offers a comprehensive range of financial services to meet all of the customers' needs with leasing, financing, Porsche insurance services and the Porsche Card. Porsche financial services companies have been established in all major markets. With around 13,000 new contracts, the individual companies managed more than 80,000 financial services contracts throughout the world in the short fiscal year 2010. In addition to this, around 13,000 customers took advantage of Porsche's credit card service. As owners of the Porsche Card or the Porsche Card S, which comes with an extended range of services, customers can take advantage of a multitude of services and personal benefits tailored specifically to the interests and needs of Porsche drivers. Personalized insurance protection is offered by financial services as part of the Porsche insurance services with the Porsche CarPolicy and the Porsche CarPolicy S. Both services allow customers to provide for risks tailored to the value of their vehicle. This applies equally to third-party liability, fully comprehensive and third-party, fire and theft insurance. Porsche insurance services has been working successfully for years with HDI-Gerling Firmen- und Privatversicherung AG and enjoys the trust of some 20,000 satisfied Porsche drivers.

The innovative products offered by Volkswagen's financial services along the automotive value chain met with good response from customers, enabling Volkswagen financial services to make another positive contribution to the Volkswagen group's earnings and sales situation. The "Umwelt-Programm" (Environmental Program) fleet program, which Volkswagen Leasing GmbH initiated in cooperation with Naturschutzbund Deutschland (NABU – Nature and Biodiversity Conservation Union), combines intelligent economic and ecological aspects, allowing fleet operators to lease the most efficient and lowest-emission models available. In September 2010, this innovative program received the "ÖkoGlobe 2010" international environmental award in the "Environmentally Compatible Fleet" category and, following its success in Germany, is to be used as a model for future international projects. In the period from 1 July to 31 December 2010, the number of new contracts concluded in the financing, leasing and insurance business came to 1.4 million after 1.3 million in the period from 1 July to 31 December 2009. The number of accounts managed by Volkswagen Bank direct was 1.4 million at 31 December, 2010. As of the same date, the joint venture company LeasePlan Corporation N.V. managed a total of some 1.3 million vehicles.

New jobs

As of 31 December 2010, the Porsche SE group had 36 employees (31 July 2010: 37 employees).

As of 31 December 2010, the headcount at the Porsche Zwischenholding GmbH group of 13,159 employees was up 3.4 percent on the figure seen as of 31 July 2010. In Germany, the Porsche Zwischenholding GmbH group employed 11,267 as of 31 December 2010. This means that Germany accounts for 86 percent of the total workforce.

The Volkswagen group had 399,381 employees as of 31 December 2010, 5.9 percent more than as of 30 June 2010 (377,074). The number of people employed in Germany came to 181,328, or 45.4 percent of the total workforce.

Capital market

Overall, the mood on the international stock exchanges improved considerably in the course of the reporting period. The German stock exchange index (Dax), which stood at just 6,292 points on 2 August 2010 and therefore on the first trading day in the Porsche short fiscal year 2010, exceeded the 7,000 mark for the first time again at the beginning of December 2010. It closed at 6,914 points on 30 December 2010, recording growth of just under ten percent compared to the end of the prior fiscal year. The Composite Dax (C-Dax) even rose by 31 percent in the five-month reporting period. Porsche SE's preference shares, which were trading at 39 euro at the beginning of the short fiscal year 2010, rose by 54 percent to 60 euro by the end of the fiscal year.

Annual document pursuant to Sec. 10 WpPG

The annual document containing the disclosures required by Sec. 10 (1) German Securities Prospectus Act (WpPG) can be viewed at www.porsche-se.com/pho/en/investorrelations.

Implementation of the requirements of the German Corporate Governance Code

In accordance with the declaration of compliance dated 13 October 2010, Porsche SE complies with the recommendations of the German Corporate Governance Code with two exceptions. The shares in the company and related financial instruments held by members of the company's governing bodies (No. 6.6 of the German Corporate Governance Code) will still not be published in the future as complete compliance with statutory publishing requirements provides the capital markets and Porsche SE's shareholders in particular with sufficient information.

In future concrete objectives will not be specified regarding the composition of the supervisory board which, whilst considering the specifics of the enterprise, take into account the international activities of the enterprise, potential conflicts of interest, an age limit to be specified for the members of the supervisory board and diversity (No. 5.4.1 (2 and 3), version dated 26 May 2010). However, in light of the intended merger with Volkswagen AG and the fact that, at present, no new elections of shareholder representatives to the supervisory board are planned prior to the merger, the specification of concrete goals would not be appropriate at the current point in time.

Publication of the declaration of compliance

Porsche SE has issued the declaration of compliance as required by Sec. 289a German Commercial Code (HGB). It can be viewed at www.porsche-se.com/pho/en/investorrelations.

Porsche SE's annual general meeting well-attended

Around 5,000 people attended the annual general meeting of Porsche SE held on 30 November 2010 at the Stuttgart trade fair center. The dividend approved for the fiscal year 2009/10 is 0.094 euro per ordinary share and 0.10 euro per preference share. The annual general meeting of Porsche SE approved the direct capital increase of up to five billion euro proposed by the executive board and supervisory board. This will involve the issue of equal numbers of ordinary and preference shares. The proposal was unanimously approved by the holders of ordinary shares, all of whom were represented at the meeting. The holders of preference shares approved the proposed direct capital increase with 88.39 percent of votes cast. Over 50 percent of preference shareholders attended the meeting. For more details on the capital measures proposed to the annual general meeting, we refer to our statements in section "Capital measures planned by Porsche SE" of the "Significant events" section of this management report.

Shareholder composition

The share capital of Porsche SE amounts to 175 million euro, and is divided into 87.5 million ordinary shares and 87.5 million listed preference shares, with a pro rata share of capital stock of one euro per no-par value share. Until the end of the 2008/09 fiscal year, the ordinary shares had been held indirectly exclusively by members of the Porsche and Piëch families. In August 2009, Qatar Holding LLC indirectly acquired ten percent of the ordinary shares of Porsche SE.

In the reporting period, more than half of the preference shares were held by institutional investors such as equity funds, banks and insurance firms. Most of these are based in the US and Canada, as well as the UK and Germany, and to a lesser extent in other European countries and Asia. Less than half of the Porsche preference shares are in free float and are held by private investors mainly from Germany. The holders of ordinary shares of Porsche SE also own preference shares.

Indices

Porsche is represented on important international indices such as “Morgan Stanley Capital International” index (MSCI), the “Dow Jones STOXX 600” and the British “FTSE4Good” index on which stock corporations are listed whose corporate policy is guided by ecological, ethical and social considerations.

Net assets, financial position and results of operations

Since deconsolidation of the two former subgroups, Porsche and Volkswagen, in the fiscal year 2009/10 Porsche SE has been functioning as a holding company for its investments in the operating companies Porsche Zwischenholding GmbH and Volkswagen AG. The current short fiscal year 2010 covers a period of five months from 1 August 2010 to 31 December 2010. The comparative prior-year period, fiscal year 2009/10, ran from 1 August 2009 to 31 July 2010, covering a twelve-month period. Due to the different number of months covered by the two fiscal years, the items in Porsche SE's consolidated financial statements for the short fiscal year 2010 and the prior-year figures for the fiscal year 2009/10 are comparable only to a very limited extent, in particular with respect to the financial position and results of operations.

In addition, as a result of the change in Porsche SE's fiscal year in the short fiscal year 2010, the Volkswagen group is now included as of the same reporting date, whereas it had previously been included with a delay of one month. Accordingly, the Volkswagen group has been included in the profit from investments accounted for at equity with the figures for a period of six months (1 July 2010 to 31 December 2010) in the short fiscal year 2010.

Net assets

The total assets of Porsche SE group increased by 1,514 million euro compared to 31 July 2010 to 29,666 million euro.

The non-current assets of the Porsche SE group totaling 28,733 million euro (31 July 2010: 27,026 million euro) essentially pertain to the shares in Porsche Zwischenholding GmbH and Volkswagen AG accounted for at equity. Whereas the carrying amount of the investment in Volkswagen AG accounted for at equity increased by a total of 1,623 million euro to 20,709 million euro – partly also on account of the positive business development – , the carrying amount of the investment in Porsche Zwischenholding GmbH accounted for at equity fell by a total of 72 million euro to 3,549 million euro in particular due to received dividends in the short fiscal year – in spite of a likewise positive development of business. Other receivables and assets as of the end of the reporting period of 4,475 million euro (31 July 2010: 4,319 million euro) relate primarily to non-current other receivables due from Porsche Zwischenholding GmbH and Porsche AG. In addition, the other receivables and assets contain a positive fair value totaling 459 million euro (31 July 2010: 301 million euro) for the put option Porsche SE received from Volkswagen under the basic agreement for the remaining shares that it holds in Porsche Zwischenholding GmbH. It is calculated based on a 50 percent theoretical probability of exercise of the options; in other words, there is a 50 percent probability that the merger will fail within the meaning of the basic agreement.

Non-current assets expressed as a percentage of total assets increased from 96.0 percent at the end of the comparative period to 96.9 percent at the end of the short fiscal year.

Current assets fell by 193 million euro in comparison to 31 July 2010 to 933 million euro. This figure mainly comprises the cash and cash equivalents of Porsche SE and its subsidiaries as well as income tax receivables that primarily relate to reimbursement claims for tax on investment income from dividends received. As a percentage of total assets, current assets fell from 4.0 percent in the prior year to 3.1 percent as of 31 December 2010.

As of 31 December 2010, the equity of the Porsche SE group increased to 17,214 million euro, mostly on account of the group's net profit (as of 31 July 2010: 15,197 million euro). The equity ratio (taking hybrid capital into account) increased from 54.0 percent in the prior year to 58.0 percent as of 31 December 2010 as total assets had risen slightly.

Provisions decreased from 1,550 million euro at the end of the fiscal year 2009/10 to 247 million euro. The decrease compared to 31 July 2010 is essentially due to the decision made by the tax authorities regarding the tax treatment of stock option transactions. Overall, this has reduced tax provisions by 1,250 million euro. An amount of 584 million euro thereof was utilized and 666 million euro thereof was reversed. Provisions of 51 million euro for interest on deferred payments and tax payments in arrears were reversed in connection with a decision by the tax authorities, leading to a corresponding reduction in other provisions in relation to 31 July 2010.

Financial liabilities remained virtually unchanged compared to 31 July 2010, at a total of 10,844 million euro as of the reporting date. The portion of the syndicated loan that had been presented as non-current as of 31 July 2010 was reclassified to current financial liabilities as of the reporting date, as the loan will mature during the fiscal year 2011. This figure includes liabilities to banks and liabilities to companies belonging to the Porsche Zwischenholding GmbH group of 3,880 million euro. Other liabilities increased from 574 million euro at the end of the prior fiscal year to 1,093 million euro as of the reporting date. Non-current other liabilities contain a negative fair value of 942 million euro (31 July 2010: 395 million euro) for Volkswagen AG's call option pursuant to the basic agreement for the remaining shares held by Porsche SE in Porsche Zwischenholding GmbH. The change in the value of the call option, just like the change in the value of the put option presented under non-current assets, is attributable to updated assumptions underlying their valuations, in particular the increase in the theoretical probability of exercise of the options to 50 percent.

Financial position

The following presentation contains the prior-year effects of business operations of the Porsche Zwischenholding GmbH group and the Volkswagen group until their respective date of deconsolidation. Consequently, a comparison of the reporting period and the prior year is possible only to a limited extent.

The cash flow from operating activities came to minus 325 million euro in the short fiscal year 2010 (prior year: 4,785 million euro). The negative cash flow is primarily attributable to income tax payments of 370 million euro. Whereas the dividends received in the short fiscal year of 198 million euro related exclusively to Porsche Zwischenholding GmbH, in the prior year dividends of 240 million euro were attributable to Porsche Zwischenholding GmbH and Volkswagen AG.

The cash inflow from investing activities amounted to 222 million euro in the short fiscal year 2010, compared to cash outflows of 25,745 million euro in the prior year. The cash outflow in the prior year was mainly due to the deconsolidation of the Porsche Zwischenholding GmbH group and the Volkswagen group in the comparative period. In the short fiscal year the cash flow from investing activities principally relates to changes in the cash-settled options relating to shares in Volkswagen AG, which were disposed of in full in the course of the short fiscal year, and also includes the associated effect of the restricted cash as of the end of the prior year being released.

Cash outflows used in financing activities came to 507 million euro in the comparative period and to 28 million euro in the reporting period. In the comparative period, the cash flow from financing activities had been significantly influenced by effects from restructuring and refinancing measures in the Porsche SE group and by the inclusion of the Volkswagen group and the Porsche Zwischenholding GmbH group until their respective dates of deconsolidation. In the short fiscal year the cash flow from financing activities contains only dividends paid to the shareholders of Porsche SE and its hybrid capital investors.

Compared to 31 July 2010 cash funds fell by 131 million euro to 406 million euro.

Gross liquidity, i.e., cash and cash equivalents, fell from 898 million euro one year earlier to 622 million euro. Liabilities to banks rose slightly from a total of 6,945 million euro as of 31 July 2010 to 6,964 million euro as of 31 December 2010.

The net liquidity of the Porsche SE group, i.e., cash and cash equivalents less liabilities to banks, came to minus 6,342 million euro as of 31 December 2010 (31 July 2010: minus 6,047 million euro).

Results of operations

At the end of the short fiscal year 2010, the Porsche SE group reports a profit after tax of 1,286 million euro, following a loss after tax of 454 million euro recorded for the prior year.

Over the period from 1 August 2010 to 31 December 2010 other operating income fell by 709 million euro in relation to the comparative period to 269 million euro. In the short fiscal year this item mainly contains effects from the valuation of the put option relating to the remaining shares held by Porsche SE in Porsche Zwischenholding GmbH at a fair value of 158 million euro and an amount of 102 million euro from the cash-settled options relating to shares in Volkswagen AG, which were disposed of in full in the short fiscal year.

Other operating expenses decreased from 956 million euro to 590 million euro. In the short fiscal year 2010 they mainly contain the effect from the valuation of the call option for the shares in Porsche Zwischenholding GmbH remaining with Porsche SE at a fair value of minus 547 million euro. In addition, expenses arose from the valuation of the cash-settled options relating to Volkswagen AG shares at 10 million euro; they were disposed of in full in the short fiscal year.

Personnel expenses came to 11 million euro in the Porsche SE group (2009/10: 17 million euro).

The profit from investments accounted for at equity amounts to 1,075 million euro (2009/10: 6,792 million euro); an amount of 106 million euro thereof stems from the Porsche Zwischenholding GmbH group and 969 million euro from the Volkswagen group. As a result of the change in Porsche SE's fiscal year in the short fiscal year 2010, the Volkswagen group is now included as of the same reporting date in the reporting period, whereas it had previously been included with a delay of one month. Accordingly, the Volkswagen group has been included in the profit from investments accounted for at equity with the figures for a period of six months (1 July to 31 December 2010) in the short fiscal year 2010. The contributions to profit also include effects of amortization of the purchase price allocations performed at the time of inclusion of Porsche Zwischenholding GmbH as a joint venture and Volkswagen AG as an associate. The profit/loss from investments accounted for at equity – and therefore the Porsche SE group's profit after tax – was reduced by 206 million euro in total by the subsequent effects of the purchase price allocations for the Porsche Zwischenholding GmbH and Volkswagen groups, i.e., the amortization of hidden reserves and liabilities identified in the process. The purchase price allocations required for the purpose of accounting for the entities at equity was completed in early December 2010. No restatements had to be made to the figures contained in the consolidated financial statements for the fiscal year 2009/10.

In the comparative period the profit/loss from investments accounted for at equity included above all non-recurring effects, income of 7,841 million euro from the first-time inclusion of the investment in Volkswagen AG at equity, as well as a dilutive effect of 1,440 million euro from the capital increase performed at Volkswagen AG in March 2010, in which Porsche SE did not participate.

Over the reporting period, the financial result improved from minus 673 million euro to minus 104 million euro. The reasons include not only the different period covered by the comparative periods, but also lower interest payments to banks, attributable to the reduction of the average level of bank liabilities in the reporting period in relation to the

comparative period, as well as to higher expenses for refinancing incurred in the prior year.

The profit before tax totals 639 million euro (prior year: 5,855 million euro). The income of 647 million euro reported under income taxes includes income of 666 million euro arising from the reversal of provisions set up in the prior years relating to the tax treatment of stock option transactions (2009/10: tax expense of 114 million euro).

In the prior year, the profit after tax was reduced by a loss after tax from discontinued operations of 6,195 million euro. The latter included the net profit of discontinued operations until the date of their deconsolidation and the profit contributions arising from deconsolidation. The loss arising from the deconsolidation of the Volkswagen group of 15,902 million euro in the fiscal year 2009/10 was partially offset by the positive contribution to profit/loss from the deconsolidation of the Porsche Zwischenholding GmbH group of 9,027 million euro.

Profit after tax of the Porsche SE group amounted to 1,286 million euro in the short fiscal year 2010 (prior year: loss of 454 million euro).

Operating result of significant equity investments

The following statements relate to the ongoing operating business of the Porsche Zwischenholding GmbH group, Porsche AG and its subsidiaries (Porsche AG group) and the Volkswagen group. Effects from inclusion in the consolidated financial statements of Porsche SE, i.e. particularly relating to amortization of the hidden reserves and liabilities identified in the course of the purchase price allocations are not taken into consideration.

The Porsche Zwischenholding GmbH group sold 40,446 vehicles in the short fiscal year 2010. Revenue came to 3,867 million euro. The operating result of the Porsche Zwischenholding GmbH group for the five months of the short fiscal year amounted to 688 million euro. The Porsche Zwischenholding GmbH group reports a healthy double-digit return on sales.

The Volkswagen group sold 3,712,319 vehicles in the period from 1 July 2010 to 31 December 2010. With revenue of 65,066 million euro, the operating result came to 4,300 million euro in that period.

Overall statement on the economic situation of the Porsche SE group

Due to the corporate restructuring performed in the 2009/10 fiscal year, the Porsche SE group no longer has any vehicle operations itself. Since then Porsche SE has been functioning as a holding company for its investments in the operating companies Porsche Zwischenholding GmbH and Volkswagen AG.

The Porsche SE group's results of operations are therefore impacted most by the profit contributions of the investments accounted for at equity in Porsche Zwischenholding GmbH and Volkswagen AG as well as the finance costs associated with the existing credit line. In addition, the valuation of the put and call options relating to the remaining shares held by Porsche SE in Porsche Zwischenholding GmbH can have a significant effect on the results of operations in the event of changes in the underlying assumptions, in particular the enterprise value of Porsche Zwischenholding GmbH and the executive board's assessment of the likelihood of the failure of the merger as defined in the basic agreement.

The material factors determining net assets remain the development of the carrying amounts of investments held in Porsche Zwischenholding GmbH and Volkswagen AG accounted for at equity, the development of financial liabilities as well as the status and planned repayment of liabilities to banks.

The financial position is determined, on the one hand, by the cash inflows from dividends paid by Porsche Zwischenholding GmbH and Volkswagen AG. On the other, there are cash outflows from interest and principal payments as well as taxes paid, among other things.

Porsche SE's executive board considers the economic situation of its significant investments to be positive. The significant investments have largely overcome the effects of the global financial and economic crisis and have reinforced their earnings power. Porsche SE was able to benefit from these positive developments in the short fiscal year.

Porsche Automobil Holding SE (separate financial statements pursuant to the German Commercial Code)

The reporting period presented in the separate financial statements of Porsche SE pursuant to the German Commercial Code is the short fiscal year 2010, covering a period of five months. The comparative period, however, is the fiscal year 2009/10 which covered a period of twelve months. Due to the different number of months covered by the two fiscal years as well as the restructuring effects in the comparative period, the financial position and results of operations in particular of the short fiscal year 2010 are comparable only to a very limited extent with the fiscal year 2009/10.

Net profit for the period

Porsche SE's net profit for the period is determined mainly by the profit/loss from investments, the interest result and a non-recurring tax effect. In the short fiscal year Porsche SE received a dividend from Porsche Zwischenholding GmbH of 282 million euro and income of 71 million euro from the profit transfer by Porsche Zweite Vermögensverwaltung GmbH. In the comparative period, the company received a dividend via a withdrawal in kind of 9,523 million euro. Porsche SE's withdrawal in kind at Porsche Zwischenholding GmbH related to receivables due from (the new) Porsche AG and from Porsche SE itself. In addition, the company recognized dividend income of 87 million euro from Porsche Zwischenholding GmbH and 240 million euro from Volkswagen AG in the prior year.

The cash-settled options relating to Volkswagen AG shares that Porsche SE held as of the end of the comparative period were disposed of in full in the short fiscal year. The accounting profit for the short fiscal year 2010 includes effects from stock options totaling 21 million euro (prior year: 17 million euro). An amount of 23 million euro thereof (prior year: 392 million euro) is attributable to other operating income and 2 million euro (prior year: 409 million euro) to other operating expenses.

The interest result essentially consists of income and expenses from loans. The interest result includes income from the reversal of provisions of 51 million euro for interest on deferred payments and tax payments in arrears that had been recognized in connection with the tax treatment of stock option transactions. The decrease in interest expenses in the short fiscal year is primarily due to the reduced average level of liabilities to banks in the reporting period compared to the comparative period.

Income from ordinary activities fell from 8,991 million euro in the prior year to 217 million euro in the short fiscal year 2010.

The extraordinary expenses of 2 million euro are a result of the first-time adoption of all requirements of the German Accounting Law Modernization Act (BilMoG) in the separate financial statements pursuant to the German Commercial Code.

The taxes of 664 million euro include income of 666 million euro arising from the reversal of provisions set up in prior years relating to the tax treatment of stock option transactions. After taxes and the extraordinary result, the net profit for the period was 879 million euro (prior year: 8,991 million euro).

Income statement of Porsche Automobil Holding SE

€ million	SFY 2010	2009/10
Other operating income	32	641
Personnel expenses	– 11	– 18
Other operating expenses	– 44	– 631
Income from investments	353	9,850
Interest result	– 113	– 851
Income from ordinary activities	**217**	**8,991**
Extraordinary expenses	– 2	0
Taxes	664	0
Net profit	**879**	**8,991**
Transfer to retained earnings	– 439	– 4,495
Net profit available for distribution	**440**	**4,496**

Net assets and financial position

The financial assets of Porsche SE mainly comprise the investments held in Porsche Zwischenholding GmbH and Volkswagen AG, which are recognized at cost in the separate financial statements. Porsche SE's receivables primarily include loan receivables from Porsche Zwischenholding GmbH (2,703 million euro) and from Porsche AG (1,313 million euro) that are due in more than one year.

Other assets principally relate to tax refunds based on the recognition of reimbursement claims against the tax authorities relating to dividends received. In addition, other assets still contain 13 million euro for the put option with Volkswagen AG for the remaining shares in Porsche Zwischenholding GmbH held by Porsche SE.

Prepaid expenses mainly comprises a debt discount of 34 million euro (prior year: 53 million euro) and prepayments for service agreements.

Provisions include provisions for pensions and similar obligations, tax provisions for prior-year taxes that have not been assessed yet as well as other provisions. The decrease compared to 31 July 2010 is first and foremost attributable to the decision by the tax authorities on the tax treatment of stock option transactions and the associated reduction in tax provisions by 1,250 million euro as well as to the related reversal of other provisions for interest on deferred payments and tax payments in arrears of 51 million euro.

Liabilities to banks are virtually unchanged in comparison to 31 July 2010. At 4,653 million euro, sundry liabilities decreased marginally in comparison to the prior year (4,740 million euro). They mostly relate to liabilities due to Porsche Zwischenholding GmbH and Porsche AG. Other liabilities include (unchanged) 10 million euro for Volkswagen AG's call option for the remaining shares in Porsche Zwischenholding GmbH held by Porsche SE.

Balance sheet of Porsche Automobil Holding SE as of 31 December 2010

€ million	31/12/2010	31/7/2010
Assets		
Financial assets	24,771	24,771
Receivables	4,027	4,348
Other receivables and assets	302	230
Cash and cash equivalents	622	887
Prepaid expenses	35	53
	29,757	**30,289**
Equity and liabilities		
Equity	17,839	16,977
Provisions	265	1,572
Liabilities to banks	7,000	7,000
Sundry liabilities	4,653	4,740
	29,757	**30,289**

Risks relating to the business development

The risks relating to the development of Porsche SE's business as the parent company of the Porsche SE group are closely connected to the risks relating to the significant investments in Porsche Zwischenholding GmbH and Volkswagen AG. Acting as a holding company also entails additional risks. Please refer to the report on the opportunities and risks of future development in this management report for a description of the risks.

Risks arising from financial instruments

Porsche SE is exposed to particular risks, partly on account of its management function within the Porsche SE group. These are described in the report on the opportunities and risks of future development in this group management report, along with the risks relating to the significant investments held by Porsche SE.

Proposed dividend

The statutory financial statements of Porsche SE as of 31 December 2010 report a distributable profit of 439,527,668.81 euro. A proposal for the appropriation of profit was not available for submission to the annual general meeting by the time the financial statements were authorized by the executive board.

Dependent company report drawn up

As in previous years, in accordance with Sec. 312 German Stock Corporation Act (AktG), Porsche SE has drawn up a report on relations with companies affiliated with holders of its ordinary shares (a dependent company report). The conclusion of this report is as follows: “In accordance with the circumstances known to it when the transactions stated in the report were conducted, Porsche Automobil Holding SE has rendered or, as the case may be, received reasonable payment. The company was not disadvantaged by these transactions. There were no reportable measures in accordance with Sec. 312 (1) Sentence 2 German Stock Corporations Act (AktG) in the short fiscal year.”

Remuneration report

(Part of the corporate governance report)

The remuneration report describes the remuneration system for members of the executive board and supervisory board of Porsche Automobil Holding SE, Stuttgart, (“Porsche SE” or “the company”) and explains the basic structure, composition and the individualized amount of income. In addition, the report includes disclosures on other benefits promised to members of the executive board in the event of termination of their office.

Remuneration of the executive board

General principles

At the end of the short fiscal year 2010, the members of Porsche SE’s executive board were Prof. Dr. Martin Winterkorn (CEO), Thomas Edig (commercial and administrative issues), Hans Dieter Pötsch (finance and controlling), and Matthias Müller (general technical product issues).

Dr. Michael Macht, who was still a member of the executive board of Porsche SE at the end of the preceding fiscal year, stepped down from the executive board effective as of 30 September 2010. His successor, Matthias Müller, took up his appointment on the executive board of Porsche SE effective as of 13 October 2010.

Besides their membership of the executive board of Porsche SE, the board members are also members of the board of management of Volkswagen Aktiengesellschaft, Wolfsburg, (“Volkswagen AG”) or the executive board of Dr. Ing. h.c. F. Porsche Aktiengesellschaft, Stuttgart (“Porsche AG”). Prof. Dr. Martin Winterkorn and Hans Dieter Pötsch are also members of the board of management of Volkswagen AG, while Thomas Edig and Matthias Müller are also members of the executive board of Porsche AG, the subsidiary of Porsche Zwischenholding GmbH.

Dr. Michael Macht stepped down from the executive board of Porsche AG effective as of 30 September 2010. His successor, Matthias Müller, was appointed as the new CEO of Porsche AG by Porsche AG’s supervisory board effective as of 1 October 2010.

Remuneration of the executive board in the short fiscal year 2010

Remuneration principles at Porsche SE

At regular intervals the supervisory board takes a look at remuneration matters concerning the executive board, examining the structure and amount of remuneration of the executive board in the process. At the beginning of the prior fiscal year 2009/10, Porsche SE’s supervisory board decided to extensively revise the remuneration system for members of the company’s executive board in order to reflect the measures implemented in accordance with the basic agreement as well as the company’s new role.

The presentation of the executive board’s remuneration is in compliance with the legal requirements and the recommendations of the German Corporate Governance Code.

As compensation for their service at Porsche SE, the four executive board members receive a fixed basic component only.

The supervisory board has, however, expressly reserved the right to introduce a variable remuneration system or to make special payments or pay out bonuses subsequently to members of the executive board based on targets agreed beforehand.

In addition, the members of the executive board receive other benefits in kind, such as the use of company cars and provision of insurance cover, for which the company bears the taxes incurred. The deductible provided by Sec. 93 (2) German Stock

Corporations Act (AktG) has been arranged for the D&O insurance policy concluded by the company for its executive board members.

There are no other benefits provided for by the company. In particular, the members of the company's executive board do not receive any pension benefits. The executive board members' individual service agreements with the company do not contain any special regulations regarding premature termination of membership of the executive board.

Remuneration of members of the executive board according to Sec. 314 (1) No. 6a HGB in the short fiscal year 2010

	Non-performance-related components
Prof. Dr. Martin Winterkorn	323,945
Thomas Edig	208,333
Matthias Müller (since 13 October 2010)	109,722
Hans Dieter Pötsch	218,995
Dr. Michael Macht (until 30 September 2010)	83,333
Total	**944,328**

Remuneration of the executive board in fiscal 2009/10

In accordance with the provisions of the law, the presentation of the structure and composition of remuneration for members of the executive board in the fiscal year 2009/10 takes into account not only the remuneration for service as a member of Porsche SE's executive board, but also the pro rata remuneration earned up until the date of deconsolidation of the Volkswagen group on 3 December 2009 and of Porsche Zwischenholding GmbH on 7 December 2009 for membership of those groups' boards.

Remuneration principles at Volkswagen AG

The remuneration of the executive board members Prof. Dr. Martin Winterkorn and Hans Dieter Pötsch for their service to the Porsche SE group as presented in the remuneration report for the fiscal year 2009/10 also contains the remuneration earned from Volkswagen AG for the period from acceptance of their appointment to the company's executive board effective as of 25 November 2009 to the date of deconsolidation of the Volkswagen group on 3 December 2009.

This remuneration comprises a fixed basic salary, including other benefits in kind, and a variable component based on the business development of the previous two years. No remuneration was granted from conversion rights under the stock option plan in effect until the end of 2009.

Instead, the supervisory board of Volkswagen AG decided to introduce a long-term incentive (LTI) as a new variable component for the board of management and management of the Volkswagen group, the amount of which is largely dependent on whether the aims of the Strategy 2018 are met.

The underlying indices of customer satisfaction, in the field of employer appeal and sales growth are added and then multiplied by the return index derived from the development of return on sales. The LTI is consequently paid out only if the group is financially successful. The supervisory board determines the amount of the LTI for each fiscal year on the basis of the total index's four-year average. In the introductory phase, the LTI will be calculated and paid out for the first time in 2011 for the 2010 fiscal year and forecasts for the 2011 fiscal year. This process will successively be applied in the years 2012 and 2013. Calculations will be based on historical figures for four fiscal years for the first time as of the 2014 fiscal year.

Remuneration principles at Porsche AG

In addition to their membership of Porsche SE's executive board, Thomas Edig and Dr. Michael Macht were members of the executive board of Porsche AG in the fiscal year 2009/10 and received remuneration for their service. This remuneration has been considered in the executive board remuneration disclosed for the fiscal year 2009/10 as of the beginning of the comparative period until the date of deconsolidation of the Porsche Zwischenholding GmbH group and thus also of Porsche AG on 7 December 2009. The management of Porsche Zwischenholding GmbH, which comprises the same individuals as the executive board of Porsche AG, does not receive any remuneration for the assumption of its duties at Porsche Zwischenholding GmbH.

The remuneration system for Porsche AG's executive board was adjusted accordingly by the supervisory board when the German Act on the Adequacy of Management Board Compensation (VorstAG) was introduced and the service agreements of the executive board members were changed accordingly in the course of spin-off of operations to (the new) Porsche AG.

The remuneration of Porsche AG's executive board essentially comprises three components:

Each executive board member receives a fixed annual salary, comprising a fixed basic component and a fixed management bonus. The latter is not included in the calculation of the company pension entitlements.

In addition, each executive board member receives a variable component, the amount of which is based on the result from ordinary activities determined (in accordance with International Financial Reporting Standards (IFRSs)) for the Porsche AG group (Porsche AG and its subsidiaries) and the degree of target achievement for certain agreed targets. It is paid out after the close of a fiscal year (short-term incentive). The targets that are arranged in a separate agreement are oriented towards a sustainable development of the Porsche AG group.

In addition, the supervisory board added a long-term incentive (LTI) to the remuneration structure as a variable component, which is also based on the result from ordinary activities determined (in accordance with IFRSs). It is not paid out until two years later and is additionally contingent on the defined long-term targets being reached at the time of payment.

Payment of the LTI component is conditional upon a profit being generated in the last fiscal year before it falls due.

The amount paid out for the LTI component depends to a large extent on the targets set forth in the long-term business plan concerning the fiscal year in question and the objective defined there. If the result falls short of the target figure by 50 percent, the LTI component is forfeited.

Both remuneration components are capped (bonus cap). The supervisory board has the option to reduce the variable remuneration components at its discretion provided it considers this appropriate in light of extraordinary developments. This may in particular be the case if, for example, the result from ordinary activities increases significantly without the executive board or any individual member of the board having been involved to a considerable extent.

The short-term incentive makes up approximately 40 percent of the maximum variable total remuneration, while the long-term incentive accounts for around 60 percent.

In addition, the members of Porsche AG's executive board receive other benefits in kind, such as the use of company cars and provision of insurance cover, for which Porsche AG bears the taxes incurred.

The deductible provided by Sec. 93 (2) German Stock Corporations Act (AktG) has been arranged for the D&O insurance policy concluded by the company for its executive board members.

The executive board members' service agreements with Porsche AG do not contain any special regulations regarding premature termination of membership of the executive board.

Remuneration of the members of the executive board according to Sec. 314 (1) No. 6a HGB for the fiscal year 2009/10[1]

	Non-performance-related components	Performance-related components	thereof long-term incentive	Total
Prof. Dr. Martin Winterkorn				
Porsche SE group	553,570	120,822	–	674,392
thereof Porsche SE	511,644	–	–	511,644
Thomas Edig				
Porsche SE group	789,424	535,226	321,136	1,324,650
thereof Porsche SE	500,000	–	–	500,000
Dr. Michael Macht [2] (until 30 September 2010)				
Porsche SE group	965,741	706,849	–	1,672,590
thereof Porsche SE	500,000	–	–	500,000
Hans Dieter Pötsch				
Porsche SE group	364,528	61,644	–	426,172
thereof Porsche SE	341,096	–	–	341,096
Total				
Porsche SE group	**2,673,263**	**1,424,541**	**321,136**	**4,097,804**
thereof Porsche SE	**1,852,740**	**–**	**–**	**1,852,740**

1 The figures in the table above do **take into account** the **deconsolidation** of the Porsche Zwischenholding GmbH group and of the Volkswagen group as required for the purpose of group reporting in accordance with IFRSs. In addition to the remuneration for service on Porsche SE's executive board, the figures for the Porsche SE group include remuneration paid to Dr. Michael Macht and Thomas Edig in the Porsche Zwischenholding GmbH group from 1 August 2009 **to 7 December 2009** and remuneration paid to Prof. Dr. Martin Winterkorn and Hans Dieter Pötsch in the Volkswagen group from 25 November 2009 **to 3 December 2009**.

2 Dr. Macht left the executive board of Porsche SE and the executive board of Porsche AG at the end of the day on 30 September 2010.

Post-employment benefits

The members of Porsche SE's executive board do not receive any pension benefits from the company.

Executive board members Prof. Dr. Martin Winterkorn and Hans Dieter Pötsch receive a pension commitment for their service for the Volkswagen group. The pension is determined as a percentage of the fixed basic salary. Starting from a rate of 50 percent, the individual percentage rate increases by two percentage points per year of service at the company. The maximum rate determined by the executive committee of Volkswagen AG's supervisory board is 70 percent.

Dr. Michael Macht and Thomas Edig were members of the executive board of Porsche SE and the executive board of Porsche AG in fiscal year 2009/10. Following the departure of Dr. Michael Macht from the executive board of Porsche AG as of

30 September 2010, Matthias Müller was appointed as his successor effective as of 1 October 2010. The members of the executive board of Porsche AG are entitled to future benefits from this company which as a rule range between 25 percent and 40 percent of the most recent basic salary depending on their years of service.

As of the end of the short fiscal year 2010, just like at the end of the comparative period, Porsche SE did not have any pension obligations due to former members of the executive board and their surviving dependants.

Until the date of deconsolidation of the Porsche Zwischenholding GmbH group and the Volkswagen group, benefit payments came to 1.0 million euro for this group of persons in fiscal 2009/10.

Remuneration of the supervisory board

The remuneration of Porsche SE's supervisory board is governed by article 14 of the company's articles of association. It consists of a fixed component and an attendance fee for the meetings of the supervisory board and the respective committees. In addition, the supervisory board members receive a performance-related component based on the profit/loss before tax from continuing operations of the Porsche SE group.

The chairman of the supervisory board, his deputy and the chairperson and members of the audit committee receive twice (chairperson) and one and a half times (deputy and members of the audit committee) the amount of remuneration of a supervisory board member. If a member of the supervisory board holds several offices at the same time, he/she receives remuneration only for the office with the highest remuneration.

In addition, the company refunds each supervisory board member for VAT payable on their remuneration.

Various members of Porsche SE's supervisory board are also members of supervisory boards and other control bodies as defined by Sec. 125 (1), Sentence 3 German Stock Corporations Act (AktG) in the Porsche Zwischenholding GmbH group and the Volkswagen group. The remuneration of Porsche AG's supervisory board is governed by article 13 of the Porsche AG's articles of association. Art. 17 of the articles of association of Volkswagen AG contains the rulings on the remuneration of the supervisory board of Volkswagen AG. The remuneration of the members of the supervisory board of AUDI Aktiengesellschaft, Ingolstadt (AUDI AG) is governed by the rulings in Art. 16 of the articles of association of AUDI AG.

Remuneration of the supervisory board in the short fiscal year 2010

In accordance with article 14 of Porsche SE's articles of association, the supervisory board received remuneration totaling 0.6 million euro for its service at Porsche SE in the short fiscal year 2010. This amount includes fixed components of 0.3 million euro and variable components of 0.3 million euro.

Beyond this, the supervisory board members did not receive any other remuneration or benefits for any services they provided personally, such as consultancy and mediation services.

The remuneration presented below comprises the remuneration paid for work on the supervisory boards of Porsche SE and its subsidiaries.

Supervisory board remuneration according to Sec. 314 (1) No. 6a HGB in the short fiscal year 2010[1]

	Non-performance-related components	Performance-related components	Total
Dr. Wolfgang Porsche	35,833	44,327	80,160
Uwe Hück [1]	36,625	33,245	69,870
Hans Baur [1]	16,417	22,163	38,580
Berthold Huber [1]	16,417	22,163	38,580
Prof. Dr. Ulrich Lehner	35,833	44,327	80,160
Peter Mosch [1]	13,417	22,163	35,580
Bernd Osterloh [1]	33,625	33,245	66,870
Hon.-Prof. Dr. techn. h.c. Dipl. Ing. ETH Ferdinand K. Piëch	19,417	22,163	41,580
Dr. Hans Michel Piëch	25,417	22,163	47,580
Dr. Ferdinand Oliver Porsche	30,625	33,245	63,870
His Excellency Sheik Yassim Bin Abdulaziz Bin Yassim Al-Thani	13,417	22,163	35,580
Werner Weresch [1]	19,417	22,163	41,580
Total	**296,460**	**343,530**	**639,990**

[1] These employee representatives have declared that their supervisory board remuneration is transferred to the Hans-Böckler-Stiftung foundation in accordance with the regulations of the German Federation of Trade Unions (DGB).

Remuneration of the supervisory board in the 2009/10 fiscal year

In accordance with article 14 of Porsche SE's articles of association, the remuneration of the supervisory board for its service at Porsche SE in the fiscal year 2009/10 totaled 2.2 million euro. This amount includes fixed components of 0.9 million euro and variable components of 1.3 million euro.

Performance-related remuneration of the supervisory board as set forth in article 14 of the articles of association of Porsche SE for the fiscal year 2009/10 is also calculated on the basis of the pre-tax result from ordinary activities from continuing operations recognized in the company's consolidated financial statements.

The supervisory board considers this ruling of the articles of association on performance-related remuneration, and the rules on remuneration as a whole, to be appropriate. However, in light of the significant non-recurring accounting effects in the fiscal year 2009/10, which affect performance-related remuneration as set forth in article 14 (1) (c) (1st bullet point) of the articles of association, the members of the supervisory board do not consider this remuneration component to be appropriate. The pre-tax result from ordinary activities from continuing operations recognized in the consolidated financial statements for the fiscal year 2009/10 was very positive. This was due, in particular, to the first-time inclusion of Volkswagen AG at equity. On the other hand, the overall high negative contribution to profit from discontinued operations due to the deconsolidation of the Volkswagen group and the Porsche Zwischenholding GmbH group was not included in the calculation of the performance-related remuneration.

At the supervisory board meeting of 13 October 2010, the members of the supervisory board therefore declared that they would waive the performance-related remuneration for their work on the supervisory board totaling 749,925 euro due to them as set forth in article 14 of the company's articles of association.

Beyond this, the supervisory board members did not receive any other remuneration or benefits in the fiscal year 2009/10 for any services they provided personally, such as consultancy and mediation services.

The remuneration presented below for the individual members of Porsche SE's supervisory board for fiscal 2009/10 comprises the remuneration paid for their work on the supervisory boards of Porsche SE and its subsidiaries. Accordingly, for those members of Porsche SE's supervisory board who are members of the supervisory board or other control bodies in the Porsche Zwischenholding GmbH group and the Volkswagen group, it also includes remuneration for memberships of supervisory board and other control bodies as defined by Section 125 (1) Sentence 3 German Stock Corporation Act (AktG) of these companies until deconsolidation of Volkswagen AG on 3 December 2009 and of Porsche Zwischenholding GmbH on 7 December 2009. In accordance with article 13 (2) of Porsche AG's articles of association, members of Porsche AG's supervisory board who are also on Porsche SE's supervisory board do not receive performance-related remuneration from Porsche AG in order to avoid duplicate payment. The remuneration presented does not take into account the resolution passed by the supervisory board of Porsche SE as of 13 October 2010 to waive part of the performance-related remuneration due to them totaling 749,925 euro.

Supervisory board remuneration according to Sec. 314 (1) No. 6a HGB in the fiscal year 2009/10[1]

	Non-performance-related components	Performance-related components	Total
Dr. Wolfgang Porsche	151,376	250,630	402,006
Uwe Hück [2]	140,625	150,945	291,570
Hans Baur [2]	78,264	100,630	178,894
Berthold Huber [2]	52,666	117,430	170,096
Prof. Dr. Ulrich Lehner	78,264	100,630	178,894
Peter Mosch [2]	65,645	154,611	220,256
Bernd Osterloh [2]	103,507	162,702	266,209
Hon.-Prof. Dr. techn. h.c. Dipl. Ing. ETH Ferdinand K. Piëch	82,678	233,403	316,081
Dr. Hans Michel Piëch	119,900	140,717	260,617
Dr. Ferdinand Oliver Porsche	85,063	171,041	256,104
Hans-Peter Porsche	41,625	49,756	91,381
His Excellency Sheik Yassim Bin Abdulaziz Bin Yassim Al-Thani	15,639	50,874	66,513
Werner Weresch [2]	69,264	100,630	169,894
Total	**1,084,516**	**1,783,999**	**2,868,515**

[1] The figures in the table above **take into account** the **deconsolidation** of the Porsche Zwischenholding GmbH group and of the Volkswagen group as required for the purpose of group reporting in accordance with IFRSs. In addition to remuneration for service on Porsche SE's supervisory board, the figures include remuneration for service on the Porsche Zwischenholding GmbH group's supervisory board **until 7 December 2009** and on the Volkswagen group's supervisory board **until 3 December 2009**. Moreover, the amounts included in the overview **do not take into account** the **resolution** passed by the supervisory board of Porsche SE as of 13 October 2010 to **waive part of the performance-related remuneration** due to them totaling 749,925 euro.

[2] These employee representatives have declared that their supervisory board remuneration is transferred to the Hans-Böckler-Stiftung foundation in accordance with the regulations of the German Federation of Trade Unions (DGB).

Supplementary disclosures in accordance with the German Corporate Governance Code

Notwithstanding the deconsolidation of Porsche Zwischenholding GmbH as well as of Volkswagen AG for the purpose of group reporting in accordance with IFRSs in fiscal 2009/10, Porsche Zwischenholding GmbH (and thus also Porsche AG) as well as of Volkswagen AG were still group entities of Porsche SE as defined by Sec. 18 German Stock Corporations Act (AktG) in the short fiscal year 2010. Therefore, the total remuneration required to be published according to the German Corporate Governance Code for Porsche SE's executive board members also includes any remuneration that the members of the executive board received on account of their service on the boards of the group entities Porsche AG and/or Volkswagen AG as well as of its subsidiaries.

The total remuneration of the members of Porsche SE's executive board for the short fiscal year 2010 given below therefore includes not only remuneration for their service as a member of the company's executive board, but for Dr. Michael Macht, Matthias Müller and Thomas Edig additional remuneration for their service on executive boards in the Porsche Zwischenholding GmbH group for the short fiscal year 2010, and for Prof. Dr. Martin Winterkorn and Hans Dieter Pötsch pro rata temporis for the short fiscal year 2010 of Porsche SE additional remuneration for their service on executive boards in the Volkswagen group in 2010 as well as for their service on the supervisory board of Porsche AG.

The expense recognized for the current addition to pension provisions amounts to 50,726 euro for Matthias Müller and 30,957 euro for Thomas Edig. The vested benefit obligations of Dr. Michael Macht were transferred in full to Volkswagen AG in the short fiscal year 2010. Pro rata temporis for Porsche SE's short fiscal year 2010, the expense recognized at Volkswagen AG for the addition to pension provisions amounts to 375,404 euro for Prof. Dr. Martin Winterkorn and 536,610 euro for Hans Dieter Pötsch.

Remuneration of the members of the executive board in accordance with the German Corporate Governance Code[1]

	Non-performance-related components	Performance-related components	thereof long-term incentive	Total
Prof. Dr. Martin Winterkorn				
Porsche SE group	1,067,283	3,174,620	1,166,667	4,241,903
thereof Porsche SE	323,945	–	–	323,945
Thomas Edig				
Porsche SE group	570,866	872,400	523,440	1,443,266
thereof Porsche SE	208,333	–	–	208,333
Matthias Müller [2] (since 1 resp. 13 October 2010)				
Porsche SE group	347,644	654,300	392,580	1,001,944
thereof Porsche SE	109,722	–	–	109,722
Hans Dieter Pötsch				
Porsche SE group	642,621	1,362,119	520,833	2,004,740
thereof Porsche SE	218,995	–	–	218,995
Dr. Michael Macht [3] (until 30 September 2010)				
Porsche SE group	308,074	–	–	308,074
thereof Porsche SE	83,333	–	–	83,333
Total				
Porsche SE group	**2,936,488**	**6,063,439**	**2,603,520**	**8,999,927**
thereof Porsche SE	**944,328**	**–**	**–**	**944,328**

1 The figures in the table above **take into account** the remuneration in the Porsche Zwischenholding GmbH group and in the Volkswagen group that are no longer group companies of Porsche SE as defined by IFRSs.

2 Mr. Müller was appointed as the new CEO of Porsche AG by Porsche AG's supervisory board effective as of 1 October 2010. He took up his appointment on the executive board of Porsche SE effective as of 13 October 2010.

3 Dr. Macht left the executive board of Porsche SE and the executive board of Porsche AG at the end of the day on 30 September 2010.

As described above, Porsche Zwischenholding GmbH (and thus also Porsche AG) as well as Volkswagen AG were still group entities of Porsche SE as defined by Sec. 18 German Stock Corporations Act (AktG) in the short fiscal year 2010. Therefore, the total remuneration required to be published according to the German Corporate Governance Code for Porsche SE's supervisory board members also includes any remuneration that the members of the supervisory board received on account of their service on the boards of Porsche SE group entities.

In addition to remuneration for service on the company's supervisory board, the remuneration of the members of Porsche SE's supervisory board presented below therefore also includes remuneration for service on supervisory boards of Porsche SE group entities.

The remuneration paid to the company's supervisory board members in their capacity as supervisory board members of Volkswagen AG or AUDI AG is presented pro rata temporis based on the duration of Porsche SE's short fiscal year 2010.

Remuneration of the members of the supervisory board in accordance with the German Corporate Governance Code[1]

	Non-performance-related components	Performance-related components	Total
Dr. Wolfgang Porsche	74,916	151,097	226,013
Uwe Hück [2]	64,250	33,245	97,495
Hans Baur [2]	38,834	22,163	60,997
Berthold Huber [2]	28,646	126,095	154,741
Prof. Dr. Ulrich Lehner	35,833	44,327	80,160
Peter Mosch [2]	24,458	110,344	134,802
Bernd Osterloh [2]	39,875	140,016	179,891
Hon.-Prof. Dr. techn. h.c. Dipl. Ing. ETH Ferdinand K. Piëch	52,292	252,705	304,997
Dr. Hans Michel Piëch	57,417	104,677	162,094
Dr. Ferdinand Oliver Porsche	61,000	192,606	253,606
His Excellency Sheik Yassim Bin Abdulaziz Bin Yassim Al-Thani	13,417	22,163	35,580
Werner Weresch [2]	41,834	22,163	63,997
Total	**532,772**	**1,221,601**	**1,754,373**

1 The figures in the table above **take into account** the remuneration in the Porsche Zwischenholding GmbH group and in the Volkswagen group that are no longer group companies of Porsche SE as defined by IFRSs.

2 These employee representatives have declared that their supervisory board remuneration is transferred to the Hans-Böckler-Stiftung foundation in accordance with the regulations of the German Federation of Trade Unions (DGB).

Value-enhancing factors

This section presents the main non-financial performance indicators of the Porsche Zwischenholding GmbH group and the Volkswagen group. Even after deconsolidation of the two groups, these value drivers help raise the value of these significant investments held by Porsche SE in the long term. They include newly developed products, processes in the fields of research and development, procurement, production, sales and marketing, and the environment, as well as the behavior of company management towards its employees.

Research and development

New launches by the Porsche Zwischenholding GmbH group

The reporting period saw the market launch of the most powerful series-production sports car in Porsche AG's history: The 911 GT2 RS* with an output of 620 hp celebrated its world debut on 25 August 2010 at the Moscow Auto Salon, sales began in September 2010. The small series limited to 500 vehicles had already sold out by mid-October. This high-performance sports car is powered by a 3.6 liter six-cylinder Boxer engine with two turbochargers with variable turbine geometry. Its acceleration rates: 0 to 100 km/h in 3.5 seconds, 0 to 200 km/h in 9.8 seconds and 0 to 300 km/h in 28.9 seconds. Its top speed is 330 km/h.

The Paris Motor Show at the beginning of October saw the world premiere of two further models from the successful 911 series: The 911 Speedster* and the 911 Carrera GTS*. With their 408 hp, the 3.8 liter six-cylinder Boxer engines in the two new 911s produce 23 more hp than the 911 Carrera S. With its markedly sporty fittings, the Carrera GTS forms the new top of the Carrera model series. The coupé and convertible versions of the GTS have been available from dealers since December 2010. Also on sale since December, the new 911 Speedster was produced in a small series limited to 356 cars as a tribute to the first Porsche model to bear the Speedster name – the 356 Speedster. This two-seater is significantly different from the other vehicles in the 911 series. The striking profile of this sports car arises from the flatter front screen, which has been lowered by 60 millimeters, the subtle contours of the roof's sporty design and a characteristic dash cowl.

The new launch at the Los Angeles Auto Show in mid-November was the Cayman R*. Powered by a performance-enhanced 3.4 liter six-cylinder engine with 330 hp, the mid-engined sports car with six-speed manual gearbox can accelerate from a standing start to 100 km/h in 5.0 seconds – or 4.9 seconds with the optional double-clutch gearbox (PDK). Its top speed is 282 km/h (with PDK: 280 km/h). It went on sale in February 2011.

* Fuel consumption and emission data can be found on page 43 of this report.

New launches by the Volkswagen group

The Audi brand introduced the new Audi A7 Sportback to the public at the Pinakothek der Moderne in Munich in July 2010. The vehicle combines the sporty elegance of a coupé with the functionality of a five-door vehicle.

The Volkswagen group presented a large number of new models to the Russian audience at the auto salon in Moscow in August. The highlight of these was the Polo saloon, produced at Volkswagen's Kaluga plant in Russia; development of this vehicle took into account the country's special climate and road conditions.

Volkswagen commercial vehicles presented five innovations offering a high degree of efficiency, functionality and safety to visitors of the International Motor Show (IAA) in Hanover in September 2010. The main focus was on the new Caddy. The compact urban delivery vehicle's design, functionality, safety and equipment have been perfected even further compared with its predecessor. Its innovative and efficient range of engines reduces fuel consumption by up to 21 percent. Another highlight at the Volkswagen stand was the Amarok SingleCab, whose loading space has been extended to 2.20 meters despite having the same vehicle dimensions as the four-door model. The Transporter featuring BlueMotion Technology also celebrated its debut. Compared with the current standard model with the same power, the new Transporter's combined consumption has been reduced by another 0.5 liters, which means that it only requires an average of 6.8 liters of fuel per 100 km.

The Scania brand revealed the new V8 at the Hanover Show, the most powerful truck worldwide. In addition, the Swedish brand unveiled the innovative R series, which sets new standards in efficiency and comfort. Other innovations were the new the Scania Touring coach, the low-floor Scania OmniCity bus and the Ecolution by Scania service program. The program offers customers tailored services designed to reduce CO_2 emissions and fuel consumption, and thus increasing the Scania fleet's environmental compatibility, efficiency and profitability for customers in the long term.

The Volkswagen passenger cars brand scored a particular highlight at the Paris Motor Show with the world premiere of the seventh generation Passat saloon and Passat Variant at the end of September. The vehicles offer a compelling design thanks to their straight lines, clearly structured surfaces and dynamic proportions. The new Passat's perfected comfort, quality and safety features as well as its premium-level assistance systems allow it to again set standards in the mid-range segment. Energy recovery (recuperation), an automatic city emergency braking function, fatigue detection and the masked dynamic light assist are only some of its new technical features. The interior of the Passat has also been extensively revamped, while the nature and quality of the materials used bridge the gap to the segment above.

The Audi brand impressed motor show visitors in Paris with the Audi quattro concept, a modern interpretation of the legendary 1980s Audi quattro. Audi gave a preview of the sports car of the future in the form of the Audi e-tron Spyder, which intelligently combines TDI technology and an electric drive. Its hallmarks are a strikingly powerful design and a highly efficient plug-in hybrid drive. The Paris Motor Show also saw the launch of the Audi R8 GT*, a lighter and more powerful version of the Audi R8 high-performance sports car that is limited to 333 examples.

The Škoda stand focused on environmentally friendly mobility. The brand demonstrated its innovative strength and technical expertise by showcasing the Octavia Green E Line concept car, Škoda's first purely electric powered vehicle. Škoda's second generation GreenLine models also represent sustainable mobility. The brand's eco label stands for state-of-the-art engines and innovative solutions, such as the start-stop system or regenerative braking, and is now available in all Škoda's model series.

* Fuel consumption and emission data can be found on page 43 of this report.

SEAT presented its vision of an electromobile future in Paris by unveiling the IBE concept car. This compact sports coupé with powerful proportions is an enhancement of the concept presented by the brand in March 2010 in Geneva. The SEAT IBE is powered by a 75 kW electric motor and combines dynamic driving pleasure with ecological responsibility. SEAT also showcased the new Alhambra in Paris.

The premiere of the new Bentley Continental GT* was a further highlight of the Volkswagen group at the Paris Motor Show. Lamborghini fascinated show visitors with the Lamborghini Sesto Elemento. The European debut of the world record breaking Bugatti Veyron 16.4 Super Sport* similarly caused quite a sensation at the Paris Motor Show.

Pooling strengths through strategic alliances

In 2010, the Volkswagen group continued its existing cooperation arrangements with Dr. Ing. h.c. F. Porsche AG, Daimler AG and the Chrysler Group on the development and production of vehicles. Volkswagen also entered into a long-term strategic partnership with Suzuki Motor Corporation.

In 2010, the Volkswagen group sought or intensified its cooperation with many expert battery manufacturers to promote the development of high-voltage battery systems for hybrid drives and electric vehicles. Volkswagen and its partner VARTA Microbattery GmbH, Ellwangen, founded the joint venture VOLKSWAGEN VARTA Microbattery Forschungsgesellschaft mbH & Co KG for research into and the development of battery cells suitable for automobiles as well as the associated production technology. The Volkswagen group also built up its expertise in the field of electric traction in cooperation with a large number of universities such as the Institute of Physical Chemistry at the University of Münster.

In the area of renewable second-generation biofuels Volkswagen is continuing to work with CHOREN Industries and IOGEN. Volkswagen has held a financial investment in CHOREN Industries since 2007.

Porsche Intelligent Performance

At the Detroit Auto Show 2011, Porsche presented the 918 RSR – a high-end synthesis of the successful hybrid concepts of 2010. The mid-engined 918 RSR coupé combines the technology of the 911 GT3 R hybrid and the design of the 918 Spyder in a leading-edge super sports car. The V8 engine is a further development of the direct-injection engine used in the successful RS Spyder racing car and delivers an output of 563 hp in the 918 RSR. The electric motors on the two front wheels each contribute 75 kW to the peak drive power of 767 hp. The integrated flywheel accumulator is an electrical motor, with a rotator that spins at up to 36,000 rpm to store rotation energy. Charging occurs when the two electric motors on the front axle reverse their function during braking processes and operate as generators. At the push of a button, the driver is able to call up the energy stored in the charged flywheel accumulator and use it during acceleration or overtaking maneuvers. The flywheel is braked electro-magnetically in this case in order to additionally supply up to 150 kW from its kinetic energy to the two electric motors on the front axle. At the Auto Show in Detroit, the 918 RSR received the Best in Show – AutoWeek Editors' Choice Award 2011.

* Fuel consumption and emission data can be found on page 43 of this report.

Research and development costs

In the short fiscal year 2010, research costs and non-capitalized development costs in the Porsche Zwischenholding GmbH group came to 100 million euro (prior fiscal year 2009/10: 189 million euro). Development costs totaling 175 million euro were capitalized (fiscal year 2009/10: 400 million euro). The capitalization rate, which was 68 percent in the fiscal year 2009/10, was 64 percent in the reporting year.

In the period from 1 July 2010 to 31 December, research costs and non-capitalized development costs in the Volkswagen group totaled 2,352 million euro; in the period from 1 July to 31 December 2010, they came to 1,722 million euro. Development costs totaling 821 million euro were capitalized (comparative period: 1,013 million euro). The capitalization rate from the Volkswagen group was 37.0 percent in the period from 1 July to 31 December 2009; and in the period from 1 July to 31 December 2010, it was 25.9 percent.

Industrial property rights and licenses

The volume of patent applications for innovations and designs in the Porsche Zwischenholding GmbH group remained at a high level. These mainly related to vehicle projects relating to hybrid technology and electromobility. When it comes to patent applications outside Germany, the focus remains firmly on Asia, in particular China, Japan and South Korea. The licensing business has also developed positively, and royalties remain high.

The Volkswagen group also obtained many patents in Germany and abroad during the reporting period. The majority of these innovations related to driver assistance systems and infotainment topics as well as to hybrid and bodywork technology. The large number and the technological quality of the applications showed once again that the employees of the Volkswagen group have exceptional innovative strength.

Consumption and emissions

Model	Output kW (hp)	Fuel consumption urban (l/100km)	Fuel consumption extra-urban (l/100km)	Fuel consumption combined (l/100km)	CO_2-Emissions combined (g/km)
Audi R 8 GT	412 (560)	21.0	9.9	13.9	323
Bentley Continental GT	423 (575)	25.4	11.4	16.5	384
Bugatti Veyron 16.4 Super Sport	882 (1200)	37.2	14.9	23.1	539
Porsche 911 GT2 RS	456 (620)	17.9	8.7	11.9	284
Porsche 911 Carrera GTS	300 (408)	15.9	7.6	10.6	250
Porsche 911 Carrera GTS PDK	300 (408)	15.3	7.2	10.2	240
Porsche 911 Carrera GTS Cabriolet	300 (408)	16.2	7.7	10.8	254
Porsche 911 Carrera GTS PDK Cabriolet	300 (408)	15.5	7.3	10.3	242
Porsche 911 Speedster	300 (408)	15.5	7.3	10.3	242
Porsche Cayman R	243 (330)	14.2	7.1	9.7	228
Porsche Cayman R PDK	243 (330)	14.0	6.6	9.3	218

Procurement

In the short fiscal year 2010, the cost of materials within the Porsche Zwischenholding GmbH group totaled 2,267 million euro. As a result of numerous measures aimed at optimizing products and processes and implemented jointly with suppliers, it was possible to reduce the cost of materials per vehicle, as in previous years. Following the conclusion of several large-scale projects from the prior fiscal year, the volume of procurement of non-production materials and services during the short fiscal year was down on the comparative period of the prior year.

Gradual expansion of collaboration with VW

In the past short fiscal year, joint procurement with Volkswagen in the areas of production and non-production materials was stepped up on the basis of the master cooperation agreement concluded in the prior fiscal year. The procurement volumes of both companies were pooled for defined volumes that offer potential synergies. In addition, the global procurement organization of the Volkswagen group was leveraged. This has delivered sustainable effects on the cost of materials for Porsche AG. Going forward, it is planned to gradually extend joint procurement of production materials and non-production materials. This will positively impact the cost of materials, particularly for new vehicle projects.

In light of the high proportion of value added by third parties, the performance and stability of the supplier base will continue to play a key role under the new conditions.

Production supplies secured at Porsche despite tough conditions

While the automotive supply industry continued to face the ongoing effects of the worldwide financial and economic crisis during the first half of 2010, the economy recovered significantly in the second half of the year. However, the rapid recovery of parts of the world economy led to capacity bottlenecks and increased financing requirements. The extremely cautious lending policy of the banks and rising refinancing costs continue to have a critical impact. Despite this difficult situation, Porsche collaborated successfully with suppliers to identify potential weaknesses at an early stage and improve suppliers' financial stability. This was achieved by systematically leveraging Porsche's risk management system. As a result, the number of supplier insolvencies seen by Porsche was significantly lower than in the industry as a whole. Even in critical cases, it was possible to avoid long-term disruption to the reliability and quality of supplies for vehicle production, while significantly increasing production figures.

In view of the uncertainty regarding the development of the global financial crisis, and the high proportion of value added by third parties, the efficiency of suppliers' production processes and the competitiveness of their cost structures were more important than ever. Throughout the reporting period, supplier management therefore worked hand in hand with suppliers to enhance their value-added processes. Key tasks included providing suppliers with support to safeguard the start-up of new vehicle projects and implementing preventive measures to ensure trouble-free series development.

The performance of Porsche suppliers is regularly evaluated. As in the prior fiscal year, the results of these evaluations confirmed the high performance of the supplier base in ongoing series production; however, results in the product creation process revealed scope for improvement.

Supplier selection at Porsche

The start-ups of the 911 Carrera Speedster and Carrera GTS models marked two significant milestones for Porsche's procurement processes. The kick-off of series development for the 918 Spyder, which integrates plug-in hybrid technology, represents a further major advance in the development of Porsche's hybrid expertise. Selecting suppliers for this model posed particular issues for procurement, as the vehicle combines typical racing components and new electric-mobility technologies with regular series features.

The start of series development for a further model series in the sporty off-roader segment (under the working title of “Cajun”) has set the stage for continuous, successful growth. As with the Cayenne, procurement for the new model makes extensive use of the structures and processes of the Volkswagen group’s procurement organization. The deployment of specific platform components, complemented by specially developed new elements, have effectively contained the costs of materials, investments and development costs for the new vehicle, while ensuring its design and features meet Porsche’s typical standards.

To tailor the standard features of the Panamera to customers’ individual needs, a customization offer has been introduced for this model series.

Purchasing of non-production materials in the Porsche group

Our group procurement activities have centralized the procurement of non-production materials within the Porsche group. Thanks to early identification and pooling of requirements, and professional procurement support, it was possible to exploit potential for savings. In addition to requirements pooling within the Porsche group, joint procurement activities with the Volkswagen group have led to a tangible improvement in the terms of contracts concluded for non-production materials. The second construction phase of the central spare parts warehouse in Sachsenheim, with a total volume of 100 million euro, was completed and went into operation in the short fiscal year 2010.

Increased raw materials prices

The raw materials sectors saw significant price increases in the second half of 2010. This was due not only to industrial demand, but also to the sharp increase in investor demand for commodity and hedge funds. As a result, the automotive industry not only faces a tighter supply situation, but is also in a similar situation to 2008, before the beginning of the global financial crisis. Porsche AG was able to contain the effects on the company by means of targeted hedging measures and compensatory measures in other cost components of production materials.

The Volkswagen group also developed strategies to offset the higher prices of raw materials. It was also necessary to align supplier and procured component management to the new situation in compliance with the sustainability principles of the Volkswagen group. As in prior years, procurement activities concentrated on the development of new markets and the continuous optimization of processes.

Supply situation for procured components and raw materials in the Volkswagen group

Whereas in 2009 the government subsidy programs in many countries triggered an increase in unit sales of compact cars, 2010 saw increased demand for vehicles from the premium segments with luxury equipment features. Procurement succeeded in managing increases and changes in material requirements that this shift in demand entailed, supplying procured components to all component and vehicle plants. This was especially the case at the Volkswagen group’s production facilities in China, which had to contend with a sharp rise in demand. Key factors contributing to this smooth alignment were the systematic improvements in processes, especially in capacity, requirements, and procured component management, and the increasingly close integration with all divisions involved.

During 2010, the commodity markets developed in step with the global economy. The spot markets registered substantial price increases sparked by rising demand, speculation on listed commodities and a changed pricing system for iron ore. As a result, the price situation on the international steel markets remained strained, with large fluctuations in the prices of all commodities.

Volkswagen was quick to take steps to counter this trend and continued in the same vein in 2010.

Based on the globally applicable procurement strategy, the focus of the Volkswagen group was on the strategic orientation of the supplier portfolio. The group closely integrated its local companies in China, India, Russia and the United States in particular into this process.

In addition, Volkswagen is working at high speed on ways of reducing materials usage and increasing the utilization rate – for example by systematically pursuing its lightweight construction strategies or by substituting tools with materials that were optimized for the specific applications.

Greater localization through expansion into new markets by the Volkswagen group

The new production facilities in India, Russia and the United States provide numerous opportunities for group procurement. Firstly, localization – using local markets for local production – allows the Volkswagen group to reduce costs. Secondly, the local suppliers are a potential supply source for the Volkswagen group's production facilities in other regions as well. Through what is known as radical localization Volkswagen is increasing the share of value added generated by locally procured components by trying to find cost-effective supply sources for raw materials in the relevant regions at an early stage and in doing so optimize the cost of materials. Here, Procurement works closely with the Technical Engineering and Quality Assurance divisions, with which it agrees on the proportion of locally procured components.

The C3 Sourcing (Cost-Competitive Country Sourcing) program introduced in 2008 builds on the two above-mentioned strategies of localization and radical localization. The objective of this program is to harness cost advantages in competitive procurement markets for European vehicle projects. Volkswagen has succeeded in leveraging and expanding synergies from local production for the export of components while adhering to Volkswagen's quality standards. Suppliers are supported by the group's own regional offices, both in radical localization in the country in question and when exporting their components to group production facilities in other countries. The C3 Sourcing program is going a long way to helping Volkswagen meet its cost targets for new vehicle projects at the start of series production and also to maintaining the company at a globally competitive level of procurement.

Production

Porsche Zwischenholding GmbH wins top accolade for outstanding

In the short fiscal year 2010, Porsche produced a total of 41,949 vehicles, 18.1 percent up on the comparable prior-year period. 7,174 units of the 911 model series and 2,255 units of the Boxster series were manufactured in Stuttgart Zuffenhausen. 1,986 units of the Boxster model series were manufactured by Finnish partner Valmet, with the Cayman accounting for 1,982 of these vehicles. At the Leipzig plant, 22,343 vehicles of the new Cayenne series were assembled during the reporting period. And 8,189 units of the Gran Turismo Panamera rolled off the Leipzig assembly line.

Customers associate the Porsche brand with superlative quality and reliability. During the reporting period, this outstanding image was again confirmed by the numerous awards garnered by the carmaker. These are also impressive testimony to the company's commitment to producing vehicles that feature innovative technology, outstanding handling characteristics, and unique comfort and design.

For example, the Porsche 911 won the ADAC's "Yellow Angel" award for Germany's highest quality and most reliable car of the year. The vehicle scored top marks in the automobile club's customer satisfaction study, in which 43,000 readers of the magazine "ADAC Motorwelt" participated, as well as in breakdown statistics based on analysis of some two million reports by ADAC patrolmen.

In the TÜV Report 2011, Porsche was honored as the manufacturer of Germany's most reliable cars. Porsche sports cars topped four out of five of the TÜV report's categories, based on the vehicle age, as the vehicles with the lowest number of defects. The 911 dominated the categories for six- to eleven-year-old vehicles; and the Boxster was the vehicle with fewest defects in the four- to five-year class. Every year, the impressive reliability of Porsche vehicles wins them top places in the TÜV report which documents defects identified in the general inspections required by law.

Leipzig: Production at full throttle

Following the start-up of production of the new Panamera and the launch of the new Cayenne in the past fiscal years, the Leipzig plant focused on further ramping up production of the sporty off-roader during the reporting period. High market demand meant that daily production volume had to be increased repeatedly. This challenge was mastered thanks to the motivation and flexibility of the team. In addition, the integration of forward-looking hybrid-drive technology into the sporty off-roader, which places entirely new demands on production, went off without a hitch. Many adjustments to vehicle assembly were required to integrate the totally new technology into the assembly process without jeopardizing the high efficiency and flexibility of the system.

The Leipzig facility systematically applies lean production principles, making it one of the world's most advanced automobile factories. For example, the logistics system introduced with the new Panamera further enhances productivity. An exact timeline and process description, involving all suppliers, now allows parts to be delivered in rapid succession with inventory of materials on hand measured in hours. The assembly of an off-roader and a luxury premium sedan in highly individual configurations on a single production line is unique worldwide.

Wide range of models at the main Porsche plant

During the reporting period, several attractive special models were integrated into the assembly lines at the Zuffenhausen plant. Porsche produced 500 units of the top-of-the-range 911 GTS RS, which debuted in August. The most powerful series-production sports car in the company's history rapidly sold out. The fourth edition of the legendary 911 Speedster is limited to just 356 units. Earlier, another 911 model – the new 911 Carrera GTS – was integrated into production at the Zuffenhausen plant.

The integration of additional variants into the existing mix increased the number of models assembled on one line. In addition, it demonstrated the benefits of the extraordinarily efficient and flexible production system, as well as the competence of the highly skilled workforce. To maintain and enhance the skills of the Porsche workforce, a number of training courses were again held during the reporting period. These are of key importance – not least because they contribute to ensuring Porsche's high standards of quality.

The concept of team work is particularly important for efficient production. Porsche places value on enabling workers to help shape assembly processes and contribute their ideas. This not only improves productivity, it also promotes identification with the company. The continuing active involvement of employees and the many ideas for optimizations are impressive testimony to the fact that teamwork is now firmly established in Porsche's lean production.

New paint shop on schedule

The new paint shop is currently the company's largest construction project and is an investment in the long-term security of jobs at the company's headquarters. Worth some 200 million euro, this major undertaking will ensure the continued high quality of Porsche's vehicle production in Zuffenhausen, while cutting costs and reducing environmental impact through highly efficient use of resources. Work is progressing on schedule, and the new paint shop will go into operation as planned in early 2011.

Central supplies from Sachsenheim

The second section of the central spare parts warehouse in Sachsenheim (near Stuttgart) went into operation in September 2010, marking the completion of this construction project. The facility supplies spare parts to over 700 Porsche dealers in all parts of the world. Porsche has invested more than 100 million euro in the project. The building was designed with an emphasis not only on productivity and effectiveness, but also on environmental friendliness. For example, 8,500 photovoltaic modules on the roof generate approximately two million kilowatt hours of electricity annually. This also reduces CO_2 emissions by around 1,780 metric tons per year. Moreover, the new warehouse has created additional jobs in the region.

At present, 82,000 different Porsche parts are available in Sachsenheim. Sophisticated, exceptionally lean logistics processes ensure excellence in the international supply of spare parts – ensuring top quality customer service worldwide.

High product quality in the Volkswagen group

The Volkswagen group produced 3,771,435 vehicles in the period from 1 July to 31 December 2010. Between 1 July and 31 December 2009, the Volkswagen group produced 3,232,180 vehicles.

Volkswagen brands principally rate the quality of a product on its reliability and appeal, but also on the basis of the after-sales service provided. The Volkswagen group's goal is to become the product quality leader in the global market.

The variety of models in the group and the rise in the delivery volume worldwide are presenting Quality Assurance with huge challenges, among them the growing number of production facilities and market-specific model derivatives, as well as the ever-increasing range of equipment features and the multitude of innovations. All these require consistent alignment of all elements along the value chain with standardized processes and continuous optimization of these processes. This led to the initiation of the cross-divisional "Quality in Growth" program in 2009 by the Volkswagen passenger cars brand, for example. In collaboration with Sales, Quality Assurance also regularly reviews the product safety and reliability of models that are already established in the market, which allows any necessary measures for improvement to be taken right away. Originally conceived for the German core market, the "Quality in Growth" program proved so successful that it was also rolled out in other countries in 2010 with the cooperation of the Volkswagen group's importers.

The knowledge gained from this program is an integral part of the measures that the Volkswagen group is taking to drive up Volkswagen's quality in the markets and increase customer satisfaction – one of the main objectives of the group Strategy 2018. The aim is to secure a pole position in terms of customer satisfaction and brand loyalty with the Volkswagen passenger cars brand and its products by 2018 at the latest. All areas of the company are working hard to achieve this goal. The large-scale activities are coordinated by the Quality Assurance and Sales functions and are regularly presented in the "Customer Satisfaction Forum". The defined target of obtaining a leading position in terms of customer satisfaction and customer loyalty applies equally to all other group brands, which are developing and implementing measures in their own programs and bodies for this purpose.

In spite of the large number of production start-ups and the growing volume of vehicles manufactured, the Volkswagen group's high level of quality was reaffirmed in 2010 across all group brands and corporate locations and the number of repairs was maintained at a consistently low level.

The Volkswagen group's production locations

At the end of 2010, the Volkswagen group had 61 locations, with production facilities at 40 of these. After commencing full production in 2009, the Russian site in Kaluga added two more vehicle models to its production range, bringing the number of vehicle launches to four in just eleven months. The facility in Pune, India, now produces a total of four different models as well. Construction is progressing at the Volkswagen plant in Chattanooga, USA, where production of a model developed specially for the North American market will begin in 2011. Volkswagen Osnabrück GmbH will also start building vehicles in the same year. In China, the group – in line with its long-term growth strategy – is building two new vehicle plants in Yizheng and Foshan, both of which will become operational in 2013. The new engine plant in the Mexican city of Silao will start producing the latest generation of engines for the North American market in the same year. Following an extensive overhaul, Scania now has efficient, state-of-the-art bus production at its site in Slupsk, Poland. Volkswagen's plant in Chemnitz, Saxony, was rated "Factory of the Year 2009" in the "outstanding innovation management" category by management consultants A.T. Kearney and the German magazine "Produktion".

The Volkswagen group's production system

The Volkswagen group's value-driven synchronous production system has been designed with the aim of improving quality and adherence to schedules while simultaneously reducing costs. The core element of the system is a consistent, systematic organization of work and processes that will be achieved through a uniform group-wide production system and the methodical approach of the continuous improvement process. Employees, employee representatives and management have together made it their business to turn the company into a learning organization.

Around the world, Lean Centers are currently being established in the group brands along with training centers at the plants. These will offer training courses for employees, from skilled workers to top managers, thus broadening their fields of expertise. The Lean Center in Chattanooga opened its doors in 2010; other new training centers have been set up at the Chemnitz plant for engine assembly and at the Kassel facility for mechanical production and gearbox assembly.

On account of the demographic trend, Volkswagen is facing the challenge of achieving its ambitious goals as the age structure of its workforce changes. In this context, people are the group's most important resource. For employees to keep performing at high levels, their workstations must be designed ergonomically and appropriate to their age. This must be taken into account early on, in the product development process. By making ergonomics a particular priority in this process, Volkswagen ensures an improvement in the quality of production employees' workstations, resulting in shorter production cycles and a lower error rate. The Volkswagen group also creates job opportunities for employees with reduced capabilities. All these measures help to safeguard the company's competitiveness.

Sales and distribution

Sales and distribution network in the Porsche Zwischenholding GmbH group

Porsche's dealership network has grown steadily in recent years. Since the launch of the Panamera was announced in 2006, almost 100 additional Porsche centers have opened their doors worldwide. On average, our sales partners have invested more than 200 million euro to adapt their selling and service capacities in line with increased sales potential, and offer our customers a purchasing and service experience that is appropriate for the brand. At the end of the short fiscal year 2010, a total of 700 dealers served Porsche customers worldwide.

To provide additional support for Porsche's planned growth, sales-network development focused on two tasks during the reporting period: On the one hand, activities to pave the way for further growth in the individual regions, particularly in the BRIC states (Brazil, Russia, India and China); on the other, activities to step up the quality of the worldwide dealership network. Taking into consideration expected economic development in the relevant countries, a detailed roadmap was drawn up for the expansion of the dealership network in the growth regions during the coming years. At the same time, the necessary organizational foundations were laid. Based on positive experience, various programs such as mystery shopping, product and process training, and the international exchange of best practices were evolved and implemented with a view to enhancing the quality of the sales network.

Porsche tops customer satisfaction ratings

The great appeal of the Porsche brand and the attractiveness of the company's product range are reflected in the high level of customer brand loyalty. Most Porsche owners buy more than one Porsche vehicle in their lifetime; and many Porsche drivers own more than one Porsche. This level of loyalty is also fostered by made-to-measure and

Porsche-specific customer care. In addition, comprehensive international monitoring of customer satisfaction with products and services is used to identify additional opportunities for consistently communicating the Porsche brand experience and the high quality of customer care. The dedicated and highly professional partners at the Porsche centers play a key role in delivering and ensuring the quality of this care. The retail organization is actively integrated into the chain comprising customer satisfaction, customer feedback and improvement processes.

Porsche's top ratings in a wide range of polls are testimony to the success of Porsche's firm focus on customers. In the reporting year, readers of the magazine "Consumer Reports" voted the Porsche Boxster the best vehicle in the entire market. The magazine polled 1.3 million U.S. vehicle customers and readers on their experiences during the previous twelve months. The Porsche brand took second place overall. Visitors to the edmunds.com car portal again rated the Boxster as the consumers' favorite in the Best Convertible category. In addition, the prestigious "Car and Driver Magazine" included the Boxster and Cayman in its 10 Best list of cars sold in the USA; and "Automobile Magazine" honored both models with its coveted All-Star award.

In addition to providing outstanding care for existing customers, Porsche has been very successful in acquiring new customers and sparking their enthusiasm for the Porsche brand. The company's own studies deliver detailed insight into the series and variants that hold the greatest appeal for drivers of other brands. When it came to attracting new customer groups for Porsche, the Panamera and new Cayenne were particularly successful: the attractiveness of Porsche for potential customers is clearly indicated by the Panamera's top ranking in a large number of relevant customer surveys. For example, the Panamera won the "Golden Steering Wheel" for the year's best new car in the luxury class. The accolade is awarded by German magazines "Bild am Sonntag", "Auto Bild" and affiliated European titles on the basis of 250,000 readers' votes. The Cayenne took the "Golden Steering Wheel" in the SUV category. Moreover, readers of "Autozeitung" voted the Panamera overall winner in the Luxury Class category. In the same poll, the Porsche 911 took top honors in the Sports Car category.

Sales structure of the Volkswagen group

The Volkswagen group's multibrand structure promotes the independence of its brands and was honed further in 2010. The board of management sales function was reorganized in 2010 with the goal of optimizing the Volkswagen group's cross-brand sales activities. This enabled us to create ideal conditions for steadily increasing volume and market share and for lifting earnings contributions and sales efficiency while optimizing costs.

To leverage synergies and to optimize the exchange of information among dealers and with the Volkswagen group's wholesale operations, the integration of dealers into the group's IT system was driven forward in 2010. The group's close working relationship with dealers and their profitability is a focus of its distribution network strategy. The Volkswagen group handles 85 percent of its wholesale business through companies within the group. In 2010, this business was strengthened by setting up a central department for the national sales companies that is tasked with increasing the transparency of sales activities, improving cost management and integrating the activities of the brands more closely for better use of synergies. This enables the best practice approaches of individual companies to be transferred to the other wholesale companies quickly and efficiently. The central department will be instrumental in helping the Volkswagen group achieve the goals laid down in the Group Strategy 2018.

Customer satisfaction and customer loyalty in the Volkswagen group

Against the background of growing customer demands, one of the areas on which the Volkswagen group's sales activities have focused – and will continue to focus – is on improving customer satisfaction. In 2010, the Volkswagen group therefore specifically implemented processes and measures that further increased the satisfaction of its vehicle buyers and customers in the after-sales area, as well as that of its dealership partners.

The Volkswagen group's brands regularly measure the satisfaction of their customers in the individual markets with the help of specialized questionnaires that concentrate primarily on product and service quality. The brands analyze the results and derive measures for progressively increasing customer satisfaction.

In terms of customer satisfaction with product quality, the Audi brand occupies a leading position in the core European markets, in comparison with both the group brands and the company's competitors. The Volkswagen group's other brands also score just as highly or even higher than competing brands for overall satisfaction.

Customers who are satisfied with the quality of the Volkswagen group's products and services are very likely to remain loyal to its brands. The loyalty figures, which are measured regularly, clearly reflect customers' confidence in the group's brands: for example, the Volkswagen passenger cars brand has maintained customer loyalty at a high level in its European core markets for several years. Škoda also ranked among the leaders in terms of brand loyalty – as in previous years.

Professional service

When it comes to service, Porsche promotes customer satisfaction and customer loyalty. Customer-oriented action and stable processes are key to achieving this goal. To ensure high-quality processes within the retail organization, comprehensive training programs were developed which provide skills across the entire service process. This offering is rounded out by ongoing auditing of the Porsche centers. On the basis of this and market research findings, measures were defined that are being implemented by the sales companies and retail organization. This has initiated a continuous improvement process with long-term effects. As a result, Porsche not only maintains a high level of customer satisfaction, it also ensures that over 70 percent of all Porsches ever built remain on the road.

After-sales and customer service in the Volkswagen group focuses primarily on establishing and maintaining long-term relationships with customers and partners worldwide. Volkswagen's aim is to captivate customers with an outstanding commitment to good service combined with high quality standards. This is the reason Volkswagen always considers customers' individual wishes and needs as guidelines, and aims to not just meet, but to exceed their expectations of the group.

For dealers, quality means creating all the requirements for maximizing customer satisfaction as regards advising, scheduling appointments, vehicle handover, order execution, billing and after-sales services. When communicating with partners around the world, the Volkswagen group is careful to make adjustments so as to live up to customers' expectations and cater to market trends, also with the goal of identifying and meeting unspoken expectations. Volkswagen is a leader in the field of state-of-the-art technologies and innovative vehicle concepts and gives its dealers full support during the launch of new models. Early on in the product development phase, Quality Assurance systematically provides guidance on product concepts so as to facilitate service-friendly, low-cost repair solutions and minimize repair times. Volkswagen also took further steps in 2010 to ensure a high quality of customer and trade literature such as the owner's manual or technical product information.

Employees

Employment situation at Porsche

In the reporting period, the great commitment of the company's employees, their high level of motivation, and their close identification both with the company and its products continued to provide the basis for a good working atmosphere and successful business development. One of Porsche's success factors was the renewed increase in the number of employees at the Porsche Zwischenholding GmbH group. As of the reporting date, the Porsche SE group had 36 employees (31 July 2010: 37 employees); one employee was in the passive phase of the German special phased retirement scheme. As of the reporting date, the Porsche Zwischenholding GmbH group employed a workforce of 13,159 – a 3.4 percent increase on 31 July 2010. 211 of these employees were in the passive phase of the German special phased retirement scheme. 411 young people were in training.

Initiative to safeguard Porsche locations

As part of the new agreement to safeguard company locations, the management and group works council reached an agreement in late July 2010 on a number of measures and investments aimed at securing jobs, as well as measures for further increasing the productivity and flexibility of the workforce. From August 2010, the first implementation activities were initiated by all departments, in close coordination with employee representatives.

At the same time, negotiations between company management and the central works council were initiated with the aim of reaching a corresponding agreement for employees of German subsidiaries represented on the central works council. These discussions are slated for completion in the first quarter of fiscal 2011.

Great interest in VW vehicles

Since 1 November 2010, Porsche employees have had the opportunity to participate in the vehicle program for VW plant employees. This enables them to lease or buy Volkswagen or Audi vehicles on the same special terms as staff at Volkswagen AG plants. The program was well received by Porsche employees.

Porsche's vocational training is fit for the future

The agreement to secure Porsche's production locations includes important rules on recruiting new skilled employees via in-house training: Over the next five fiscal years, 100 trainees will be taken on annually, and the same number will be offered a permanent post after successfully completing their training. During the coming years, Porsche will place special emphasis on training in the fields of auto-electrics, electronics and electromobility, as well as in lightweight aluminum and steel body construction. Porsche will continue to give particular attention to providing training in soft skills, especially when it comes to ensuring that individuals are motivated to work in teams.

Targeted marketing at universities

In view of its growth strategy in Germany and key markets such as China, Porsche participated actively in various events at schools and universities during the reporting period in order to meet the constant demand for skilled and motivated new employees. Human resources representatives and staff from various departments fielded questions from interested pupils and students.

Manager development

The Porsche Management Assessment and Development (PFE) process was continued as planned during the short fiscal year. The results are decisive for placement decisions and succession planning. In addition, the process provides structured feedback and made-to-measure development activities, ensuring that managers are systematically promoted in line with business requirements. As the key tool in the strategic management process, PFE significantly contributes to maintaining and enhancing the high quality of management within the company.

Supporting change processes at Porsche

During the short fiscal year, human resources continued to support change processes. This support starts with consulting and assistance for projects during the concept phase. Accompanying communication and training measures ensure that changes are implemented successfully.

Employment situation in the Volkswagen group

As of 31 December 2010, the Volkswagen group had 384,058 active employees; 4,778 were in the passive phase of phased early retirement. 10,545 people were in training. The Volkswagen group's total headcount amounted to 399,381 employees at the end of 2010. This was a 5.9 percent increase on the figure as of 30 June 2010. A total of 181,328 people were employed in Germany (plus 4.0 percent). The German share of the workforce fell from 46.3 percent as of 30 June 2010 to 45.4 percent as of 31 December 2010. This trend toward an increase in the percentage of the workforce employed abroad is expected to continue in the coming years and is a reflection of Volkswagen's global expansion and the group's particularly strong growth in emerging markets.

Starting a career at Volkswagen

Most employees start their career at Volkswagen as trainees. The quality of this vocational training is essential for the development of specialist skills in the workforce. Volkswagen has stepped up its commitment to the training of young people in the last few years: in September 2010, the number of employees in vocational training across the Volkswagen group exceeded 10,000 for the first time. At the end of 2010, Volkswagen AG was training approximately 4,500 apprentices and students in 32 professions and 21 degree courses at its six German locations.

Volkswagen is also nurturing particularly talented vocational trainees in talent groups for young specialists. Talent groups have existed at all Volkswagen AG sites since the end of 2010. These are an invaluable tool for providing support for technically and intellectually gifted employees in managing the transition from vocational training to professional work and help participants make a smooth switch to a department in which they have already acquired specialized knowledge.

Since 2006, on completion of their training, young people at the start of their career have had the opportunity to take part in the “Wanderjahre” (Years Abroad) program, spending twelve months at one of the group’s international locations. So far, over 200 young employees of the Volkswagen group have taken this chance to gain initial work experience outside Germany. 17 companies in 13 different countries now participate in the “Wanderjahre” program.

Every year, the Group Board of Management and the World Works Council present the “Best Apprentice Award” to the group’s best trainees. The 2010 ceremony was held in Emden at the end of October, when the Group Board of Management and World Works Council presented Best Apprentice Awards to 22 trainees from twelve countries. It was the first time in the Award’s ten-year history that a Scania trainee was honored as one of the best apprentices.

Going forward, uniform standards of expertise will form the basis of vocational training and securing a job at Volkswagen. These standards, which have been developed for the five core automotive vocations, are already being used in vocational training. Standards of expertise are currently being developed for three more vocations. These will not only help to further standardize the quality of vocational training, but also to systematically focus the training on the areas of expertise required in the workplace.

In 2008, Volkswagen launched the StartUp Direct trainee program to give young university graduates a head start in the company. Over a two-year period, participants in the program not only work in their own department and familiarize themselves with the company, but also attend supplementary training seminars. The program additionally includes multiple-week placements in production and sales as well as an optional foreign placement.

University graduates with an international focus can alternatively enter the StartUp Cross program. This 18-month international trainee program includes a three-month international placement. Over 800 trainees have passed through one of these two programs since their launch in 2008.

In the last ten years, about 1,400 young people who demonstrated outstanding abilities and dedication during their internships at Volkswagen have been included in the Student Talent Bank, Volkswagen's staff development program for people who are still at university. Volkswagen supports and nurtures these former interns until they finish their studies with events such as workshops, specialist presentations, seminars, or visits to Volkswagen sites, building ties with talented students in the process.

Training programs at the Volkswagen group's international locations

After successfully implementing the "Profi room concept" at its Russian site in Kaluga in 2009, Volkswagen also rolled it out in 2010 in Pune, India, where the concept is being used for assembly, body shell production and painting. In Profi rooms, employees learn all the basic skills needed for assembly work under conditions similar to production.

In early October 2010, the "Volkswagen India Academy" opened its doors in Pune. This training institution is the cornerstone of Volkswagen's vocational training in India and is currently training over 70 apprentices as welders, painters, fitters, electricians and tool mechanics. Apprentices thus receive the best possible training to prepare them for the high level of quality and state-of-the-art production methods at the Pune facility.

The new production plant in Chattanooga, Tennessee, USA, is working hard on preparing the start-up and subsequent regular production with a training program. By organizing extensive training courses, Volkswagen ensures that its employees acquire and continue to expand both basic and expert knowledge for their field of activity. In addition, the Volkswagen Academy was set up in cooperation with the State of Tennessee and boasts its own teaching buildings for factory automation, automotive production and vocational training, as well as Profi rooms for body shell production, painting and assembly. The primary focus of all training programs is on practical relevance.

Environment

Environmental management in the Porsche Zwischenholding GmbH group

The mobility of tomorrow presents challenges and opportunities for Germany in terms of business and technology. New concepts and technologies offer solutions for protecting the environment and saving resources. They are an important indicator of growth and employment in the German automobile and automotive supplier industry. In light of this, the German federal government launched the National Development Plan for Electric Mobility in 2009. This provided the basis for the foundation of the National Platform for Electric Mobility on 3 May 2010. The platform comprises representatives from industry, science, politics, trades unions and society, with the common goal of making Germany a leading market for and supplier of electromobility solutions – and putting at least a million electric vehicles on Germany's roads by 2020. Porsche supports these goals with innovative technology, forward-looking concepts and solutions, including vehicles powered entirely by electricity.

Since early 2010, the company has participated in the joint Stuttgart Electric Mobility Pilot Region initiative, part of the National Development Plan for Electric Mobility. From 2009 to mid-2011, the German federal government will provide total funding of 500 million euro to support measures for promoting market readiness and the expansion of electric mobility nationwide. Within the scope of its Electric Mobility in Pilot Regions program, the German Federal Ministry of Transport, Building and Urban Development is funding eight pilot regions to the tune of 115 million euro from this support package. The individual projects are aimed at raising public awareness of electric mobility, testing various ways of introducing it, and accelerating the launch of electrical vehicles on the mass market.

Under the umbrella of the pilot region, the group is building and testing three electric sports cars based on the Porsche Boxster. Various aspects – including battery durability, charge and discharge cycles, range and acceptance of electrical vehicles and charging stations, and traffic safety in everyday conditions – will be comprehensively tested. Customers' specific expectations of sports cars will also be taken into consideration.

Smart combination of drive concepts

With Porsche Intelligent Performance, Porsche is proving that sports car appeal and exclusive premium quality are compatible with lower fuel consumption, and that increased performance does not have to exclude reduced CO_2 emissions. 2010 saw the launch of the Cayenne S Hybrid, for which a technically sophisticated parallel full hybrid drive was developed. The system is characterized by a complex interplay between a gasoline engine and an electric motor. On the one hand, the car can be powered by the gasoline engine, with the electric motor acting as an electricity generator. On the other, the nickel-metal-hydride battery allows the Cayenne Hybrid to be run on electricity alone at speeds of up to 60 km/h. Based on the NEDC (New European Driving Cycle), fuel consumption is 8.2 liters per 100 kilometers. And with CO_2 emissions of 193 grams per kilometer, the Cayenne S Hybrid boasts the lowest CO_2 levels in the Porsche subgroup's model portfolio to date.

The Panamera S Hybrid will go on the market in June 2011. The vehicle, which debuted at the Geneva International Motor Show in March 2011, boasts even lower CO_2 emissions than the Cayenne S Hybrid. Without sacrificing sportiness or elegance, the new Gran Turismo combines a total mechanical output of 380 hp (279 kW) with fuel consumption of just 6.8 liters per 100 km in the best-case scenario, based on the NEDC (New European Driving Cycle). This is equivalent to CO_2 emissions of 159 g/km, making the Panamera S Hybrid the most economical Porsche of all time. These figures are achieved with the optional all-season low-rolling-resistance tires, specially developed for the Panamera by Michelin.

Continuous, sustainable improvements

Porsche is aware of its responsibility for the future and has made a commitment to environmental protection. The express aim of Porsche's environmental policy is to minimize the detrimental consequences of all of its activities on the environment and save resources, while supporting international efforts to solve global environmental problems. The management coordinates targeted measures for the continuous and sustainable improvement of environmental protection. To this end, Porsche has implemented an environmental management system. Based on the provisions of the EU's Eco-Management and Audit Scheme (EMAS) and ISO 14001, the company's environmental protection policy is conceived as an end-to-end system of interlocking measures. The environmental management system at the Zuffenhausen production plant was first validated according to EMAS as long ago as 1996. Since 1999, the Zuffenhausen plant has also been certified to the internationally applicable ISO 14001 standard. Since 2002, 2005 and 2008, the Leipzig, Weissach and Sachsenheim facilities have also been certified to DIN EN ISO 14001. At the Porsche subgroup, accountability for actions and economic success are inextricably intertwined. The following projects and environmental targets demonstrate how seriously the sustainable use of eco-friendly plant technology and resources is taken at Porsche.

During the planning and construction of the new paint shop at the Zuffenhausen plant, Porsche is investing in state-of-the-art technology. The exceptionally eco-friendly facility is due to go into operation in early 2011. 100 percent containment will ensure that the painting process is completely protected from dust. An innovative electrostatic separator system for paint overspray keeps particle and solvent emissions to a minimum. Thanks to an increased volume of circulated air and an extremely efficient exhaust air purification system using a 10-meter (33-foot) chimney stack, the process does not require the otherwise mandatory 60-meter (200-foot) stack. The paint shop's state-of-the-art production technology keeps its emissions well below statutory limits.

At the engine assembly shop, Porsche achieved its environmental goal of reducing single-use extra packaging by five percent. A number of workshops were conducted to examine the delivery and, in particular, the packaging of engine parts. This enabled a large number of parts to be identified with packaging that could be reduced by more than five percent.

Around 70 percent of new vehicles in the Cayenne and Panamera model series are shipped to destinations worldwide from the ports of Emden and Bremerhaven. The logistics department therefore agreed the goal of reducing existing and preventing further film adhesion on new vehicles by using closed rail cars. The move to closed rail cars further optimized the rail transport that had been successfully implemented for new Cayenne and Panamera vehicles. Time-consuming and costly car-wrapping of the new vehicles is reduced and avoided completely.

Successful environmental protection is the result not only of a well-functioning and integrated environmental management system. The personal commitment of all employees also plays a key role. Motivated and skilled employees whose ideas are incorporated into the company's processes are Porsche's most valuable asset. It is only with their expertise, experience and knowledge that the company can put into practice an efficient environmental management system that delivers forward-looking improvements for our environment.

Environmental management in the Volkswagen group

Environmentally focused management is one of the pillars of the Volkswagen group's corporate culture. Taking social, economic and ecological aspects into account in the group's business activities is the foundation for sustainable development, environmentally responsible action and safeguarding jobs. The Volkswagen group's environmental policy is primarily based on the environmental efficiency of its products as well as on resource-friendly production. Since 2010, an effective energy management system has been helping the Volkswagen group achieve its goal of becoming the environmental leader in the automotive industry by the year 2018.

Since 1995, Volkswagen's German sites have participated voluntarily in the EU Eco-Management and Audit Scheme (EMAS), making Volkswagen one of the first automakers to get involved in this program, while the group's sites worldwide have participated in environmental certification processes in accordance with the international standard EN ISO 14001. From 1996, this last standard has also been applied to the environmental management system used by Volkswagen's Technical Engineering division, which has additionally been certified in accordance with DIN ISO/TR 14062 since 2009. In the course of the recertifications, Volkswagen confirmed its role as a trailblazer. For example, the group identifies environmentally relevant aspects early on and integrates them into the product development process. The Volkswagen group complies with the requirement to take environmental considerations into account at all stages of the product lifecycle.

Environmentally friendly production processes at Volkswagen

In view of the climate debate and the increasing scarcity of raw materials, Volkswagen uses not only environmentally compatible products but also fuel-efficient and environmentally friendly production processes. The group improved its key environmental indicators in production once again in the reporting period. Volkswagen collects and validates the environmental data for its manufacturing locations in line with an internal standard and a process standard before approving it. Annual updates to the environmental data enable the group's environmental pollution trends to be identified. The data captured includes 65 corporate locations.

The latest developments in paintshop technology are helping to protect the environment and reduce costs at the same time. After six years of researching and testing, the first catalytic units were installed in the paintshop in Wolfsburg at the beginning of 2010. Catalysts constructed using the bypass principle clean the exhaust air from the paint dryers, thus enhancing the exhaust gas treatment. This enables the Volkswagen group to reduce its emissions to well below the legal limits and additionally cut its consumption of natural gas by 40 percent. By decoupling the dryer heating from the exhaust air treatment, temperature equilibrium was created for the thermal afterburner (heat generator) and the body dryer (heat consumer). This reduced the reaction temperatures by around 200°C for each system, generating savings of approximately 1.0 million euro for the Wolfsburg site and lowering its carbon emissions by around 10,000 tons per year. The Volkswagen group is already looking into or preparing the conversion of further locations.

Going forward, the Volkswagen group intends to continue its pioneering role in the field of sustainable mobility using innovative, environmentally friendly technologies. This explains Volkswagen's involvement in a research project for the recycling of lithium-ion batteries, a key technology in the development of hybrid and electric vehicles. There is currently no commercial process for recycling these batteries. Volkswagen and 15 partners are taking on this challenge and participating in the LithoRec research project sponsored by the German Federal Ministry for the Environment, Nature Conservation and Reactor Safety (BMU), which aims to develop and test efficient processes and lifecycle-spanning concepts for the institution of industrial recycling of lithium-ion batteries. The processes and concepts cover the battery's entire journey starting with its removal from the vehicle, through transportation, collection and storage, to recycling and the production of new battery cells. The project will culminate in the construction of a pilot plant.

The world's most powerful wind energy plant went on stream in 2010 at Volkswagen's site in Emden. This will increase the share of energy generated from renewable sources at the Emden location and is taking the North German facility one step closer to its goal of becoming a carbon-neutral plant.

Fuel and powertrain strategy

The general vision of e-mobility in recent years was followed at the end of 2010 by a new level of objectivity in the discussion on the electrification of the powertrain. Policymakers and the general public are increasingly better informed about the opportunities and challenges presented by e-mobility and are following the strategy communicated by Volkswagen of coexistence between different powertrain concepts: while carbon-neutral mobility is the future, electric drives and conventional combustion engines will continue to exist side by side for several more decades.

This coexistence of powertrain concepts will be accompanied by a steady increase in the share of carbon-neutral fuels, either in the form of power for electric vehicles generated from renewable energy sources or in the form of carbon-neutral biofuels – for example from plant residue or straw (biomass), the latter being used in conventional combustion engines that are progressively becoming more efficient.

The successful TSI, TFSI and TDI engines, ideally combined with innovative dual clutch gearboxes (DSG), provide an excellent starting point for the continuing electrification of the Volkswagen group's vehicle fleet.

In spring 2010, Volkswagen impressed the world with its expertise in this field when it unveiled the Touareg Hybrid, the first fully off-road hybrid SUV worldwide. The combination of a highly efficient 3.0 l V6 TSI engine and an electric engine with an output of 38 kW (52 hp) reduces fuel consumption to just 8.2 l per 100 km with CO_2 emissions of only 193 g per km (combined)* – outstanding values for a vehicle in this class. Hybrid versions of the Golf, the new Jetta, the Audi Q5 and the Audi A8 will shortly be launched, and there are other projects in the pipeline.

The road to pure e-mobility, a key component of the group's forward-looking fuel and powertrain strategy, is already clearly marked. In June 2010, the Volkswagen passenger cars brand presented the prototype of the Golf blue e-motion – a vehicle run solely on electricity with a range of around 150 km that does not require customers to make any concessions as regards safety, comfort and suitability for everyday use. Beginning with fleet trials starting in 2011, Volkswagen will usher in the age of pure e-mobility in the group in 2013, taking the electric car out of the niche and bringing it to the mass market. This will kick off with the rollout of the UP! blue e-motion, whose electric motor and battery system will be manufactured in the Volkswagen group's component plants. Electric versions of the Golf and the Jetta and also of the Lavida for the Chinese market will follow.

The strategy for e-mobility at Audi is also clearly defined. Similar to the Golf blue e-motion, fleet trials with the Audi A1 e-tron began recently in the Munich pilot region. The group's SEAT and Škoda brands will follow with their own test fleets.

Efforts to make conventional combustion engines more efficient were also a major focus of engine development activities last year. The Volkswagen group believes that in growth markets, e.g. Russia, India and the Far East, combustion engines will continue to provide the basis for responsible use of sustainable, forward-looking mobility in the medium term. So that it can effectively meet the challenges of the future, the Volkswagen group has started developing a whole new generation of petrol and diesel engines. The refinement of technologies such as variable valve timing, intelligent thermal management, requirements-based control of auxiliary units and minimization of mechanical and energy loss provide the potential to increase the efficiency of both diesel and petrol engines by up to 15 percent in the coming years. Volkswagen is working very hard on these areas.

* Fuel consumption and emission data can be found on page 43 of this report.

Substantial savings can already be made by combining efficient conventional drives and vehicle-related measures such as rolling resistance-optimized tires or aerodynamic measures, as shown by the group's efficiency models marketed by the Volkswagen passenger cars brand under the name BlueMotion, as GreenLine models at Škoda and as ECOMOTIVE models at SEAT. Efficiency technologies are also being used in series production at Audi. The group's portfolio currently includes 220 model variants with carbon emissions below 130 g per km, while 20 model variants actually emit less than 100 g of CO_2 per km. The Polo BlueMotion* is the most environmentally friendly five-seater in the world with carbon emissions of 87 g per km. The sixth generation Passat BlueMotion, which is powered by a 1.6 l TDI engine, traveled 2,463 km on just one tank of fuel, an achievement that was entered in the Guinness Book of Records.

The Volkswagen group made significant advances in the area of gearbox development as well: the seven-gear direct shift gearbox (DSG) introduced in 2010 for the first time in the new Multivan/Transporter is now also being used in the Tiguan and in the Audi TT-RS. Volkswagen's direct shift gearboxes marry comfort, sportiness and fuel efficiency in a unique way. They are as suitable for four-wheel drives as they are for high engine torques of up to 500 Nm and for sporty vehicle concepts – the latest DSG clearly demonstrates that Volkswagen is the unchallenged leader in the field of gearbox development.

* Fuel consumption and emission data can be found on page 43 of this report.

Opportunities and risks of future development

Risk report of Porsche SE

Integrated control and risk management system relevant for the financial reporting process

Organization and responsibilities

The accounting-related internal control and risk management system that is relevant for the financial statements of Porsche SE and the Porsche SE group is designed to ensure the complete, accurate and timely transmission of the information required for the preparation of the financial statements and the group management report of Porsche SE, and to minimize the risk of material misstatements in the accounts and in external reporting.

For this purpose, key controls are integrated into Porsche SE's accounting-related internal control and risk management system, covering the areas of finance, treasury, investments, consolidation and reporting with clearly defined responsibilities. On aggregate, they are designed to ensure recording, preparation and assessment of business matters in financial reporting that is accurate and in compliance with the law.

Internal control and risk management systems that are relevant for the financial reporting process are also implemented in the Porsche Zwischenholding GmbH group and the Volkswagen group. Details of their scope are presented in the sections on significant investments held by Porsche SE. The subsidiaries included in the consolidated financial statements of Porsche SE – in addition to these investments – are covered by the systems implemented at Porsche SE.

In the short fiscal year 2010, Porsche SE also decided to establish a compliance organization that is specifically tasked with preventing breaches of laws, other legal provisions and company-internal guidelines and rules, and is integrated into the internal risk management system as a control system.

Key features

For the purpose of group accounting, Porsche SE lost control as defined by the IFRSs of the Volkswagen group on 3 December 2009 and of the Porsche Zwischenholding GmbH group on 7 December 2009. Since then, the investments in Volkswagen AG and Porsche Zwischenholding GmbH have been included at equity in the consolidated financial statements of Porsche SE.

The reporting packages of the Porsche Zwischenholding GmbH group and the Volkswagen group as well as the related adjustments to the carrying amounts of these two investments accounted for at equity and the inclusion and consolidation of the remaining Porsche SE subsidiaries' reporting packages are processed at group level.

The group accounting manual of Porsche SE and formal instructions ensure uniform recognition and measurement based on the accounting policies applicable at Porsche SE, also after deconsolidation of the Porsche Zwischenholding GmbH group and the Volkswagen group in fiscal year 2009/10. The components of the formal reporting packages required to be prepared for Porsche SE are set out in detail and updated regularly. The reporting dates that are relevant for the reporting units are set out in a reporting calendar.

In the course of preparation of the consolidated financial statements, the reporting packages are analyzed in detail, tested for plausibility and audited. In addition, interviews are held with representatives of the significant investments and the subsidiaries of Porsche SE as part of the financial statements closing process.

The data reports are processed in a consolidation system, which is based on standard software and to which access and rights are restricted by the existing authorization and access rules. The clear delineation of areas of responsibility and the application of the dual control principle during preparation of the financial statements is ensured by means of unambiguous rules.

Testing for reasonableness, the clear delineation of areas of responsibility and the application of the dual control principle are control mechanisms applied during the preparation of the financial statements of Porsche SE. At Porsche SE, provisions and accruals and deferrals are set up, and the recoverability of the company's equity investments included in the balance sheet are checked in cooperation with the departments and are recognized only after they have been approved internally. The accounting processes implemented at Porsche SE ensure that matters arising from agreements that are relevant in terms of accounting and subject to disclosure requirements are identified in full and presented appropriately in the financial statements. There are authorization and access rules for the IT systems of relevance for the financial reporting process.

The internal control system relevant for the financial reporting process and the guidelines for Porsche SE and its remaining subsidiaries were implemented with the involvement of Porsche SE's internal audit function. The control system and the guidelines are subject to appropriateness reviews and are updated on an ongoing basis.

Risk management and early risk warning

According to Sec. 91 (2) German Stock Corporation Act (AktG), Porsche SE is required to operate a risk management and early warning system which allows the company to identify any risks to the ability of the company to continue as a going concern at an early stage. The risk management system of the Porsche SE group was set up to identify at an early stage any potential risks to the ability of the group to continue as a going concern as well as any risks that could significantly and negatively impact the net assets, financial position and results of operations of the group and to avoid these by means of suitable countermeasures that allow the group to rule out any risks to its ability to continue as a going concern.

Since deconsolidation of the Volkswagen group and the Porsche Zwischenholding GmbH group on 3 December 2009 and 7 December 2009, respectively, for group accounting purposes in accordance with IFRSs, Porsche SE now acts as a holding company for its investments in the operating companies Porsche Zwischenholding GmbH and Volkswagen AG. The income of Porsche SE consists mainly of the dividend payments of these two equity investments. The risks from investments now only have an indirect effect on Porsche SE in the form of valuation, consolidation, dividend and liability risks. In addition, there are risks from the basic agreement and the associated corporate restructuring as well as from the investment held by Volkswagen AG in Porsche Zwischenholding GmbH.

These structural changes are also considered in the Porsche SE group's risk management, which consists of three autonomous, but nevertheless integrated risk management subsystems. Two of these subsystems are located at the level of Porsche Zwischenholding GmbH and Volkswagen AG respectively (we refer to the section "Opportunities and risks of significant investments"). The risks of relevance at the level of Porsche Zwischenholding GmbH are covered by Porsche AG's early risk warning system which is required by Sec. 91 (2) German Stock Corporations Act (AktG) to establish for the Porsche AG group. The subsystems are intended to identify, manage and monitor the risks resulting from the operating activities of the two investments that could jeopardize the investment's ability to continue as a going concern. The two investments are themselves responsible for their local risk management, but are required at the same time to inform Porsche SE as the holding company at an early stage of any risks jeopardizing the investment's ability to continue as a going concern.

The third subsystem, the risk management system at the level of Porsche SE, monitors the direct risks of Porsche SE as a single entity, the risks at the level of its subsidiaries and, as part of its integration function, the indirect risks from investments. The direct risks of Porsche SE as a single entity mainly comprise the financial and legal risks that are typical for a holding company.

The indirect effect of risks from investments in the operating companies is taken into account by integrating the three subsystems in one group risk management system. Regular communication, in management talks among other things, ensures that Porsche SE is informed directly of any risks to the company's ability to continue as a going concern should any such risks arise at the investments.

Porsche SE thus bears the responsibility for monitoring its own risks and, moreover, draws together all the findings from the existing risk early warning systems of the Porsche Zwischenholding GmbH group and Volkswagen group. It thereby ensures that risks are aggregated, consolidated, monitored and managed. The design of information flows and decision-making bodies at group level guarantees that the executive board of Porsche SE is always informed of significant risk drivers and the potential impact of the identified risks so as to take suitable countermeasures. The audit committee and the entire supervisory board are kept informed of the risk situation in regular reports.

The implementation and general effectiveness of the early warning system for the detection of risk was checked during the audit of Porsche SE's consolidated financial statements

In addition, the financial services segment in the Volkswagen group is subject to regular special audits by the Federal Financial Supervisory Authority pursuant to Sec. 44 of the German Banking Act (KWG) and other controls by association auditors.

Specific risks faced by Porsche SE

Due its function as a holding company managing its investments in the two operating companies, Porsche SE faces mainly financial and legal risks. Financial risks are managed using a comprehensive liquidity and financial management system that constitutes the central component of the integrated early warning system for the detection of risk. Freely available liquidity is a significant financial and risk indicator as it reflects both the financing and the investment strategy and is therefore included in the regular reporting.

Risks originating from the capital and credit markets

Day-to-day monitoring ensures that the executive board is informed at an early stage about changes in the conditions on the credit and capital markets allowing it to develop and decide on suitable methods of handling and transferring the risk. The main focus is placed on the liquidity of the markets and the development of the cost of capital in comparison to competitors. The relationship to creditors is another key aspect of the strategic considerations and risk analyses.

Liquidity has been secured until 30 June 2011 by a credit line with a total volume of up to 8.5 billion euro arranged through Porsche SE's refinancing completed in 2009. The implementation of the financing strategy also includes the fundamental attempt to transfer interest risks to a large extent to third parties at conditions that are economically reasonable. In the process, potential risks inherent in the interest components of the debt capital carried by Porsche SE are analyzed in terms of the expected development of interest rates and transferred to third parties if appropriate.

Liquidity risk

The Porsche SE group's liquidity has decreased since 31 July 2010. This is attributable, in particular, to the tax and interest paid in part in December in connection with the revised tax assessments from the tax authorities relating to the final tax treatment of the stock option transactions (for further information on this point, we refer to our statements in the section "Tax risk" in this risk report). Cash inflows arose in particular from dividends paid by Porsche Zwischenholding GmbH and the disposal of all of the remaining cash-settled options relating to Volkswagen AG shares as of 31 July 2010.

Porsche SE has a total loan facility of 8.5 billion euro, of which 7.0 billion euro has currently been drawn. All of Porsche SE's shares in Volkswagen AG are used as collateral for the loan. If a potential sale of the pledged shares in Volkswagen AG does not satisfy the banks, further collateral has been provided in the form of a lien on the 50.1 percent shareholding in Porsche Zwischenholding GmbH, as well as on the claims accruing to Porsche SE in the event that the call or put option relating to the 50.1 percent shareholding in Porsche Zwischenholding GmbH is exercised. The 50.1 percent shareholding in Porsche Zwischenholding GmbH has been assigned to a trustee as collateral.

The cash and cash equivalents of Porsche SE totaled 0.6 billion euro as of 31 December 2010. In principle, Porsche SE additionally has at its disposal the aforementioned, currently unused line of credit of 1.5 billion euro.

To secure liquidity beyond 30 June 2011 it will be necessary for the planned capital increase of Porsche SE to be performed by 30 May 2011, with an issue volume of at least 2.5 billion euro. The company's annual general meeting on 30 November 2010 decided on the corresponding capital measures. The resolution for a capital increase was entered in the commercial register on 13 January 2011. The proceeds from the capital increase must be used to repay to the banks the first loan tranche of 2.5 billion euro, which according to the conditions of the syndicated loan falls due for payment on 30 June 2011. The syndicated loan agreement stipulates that the funds used to repay the first tranche may not stem from the sale of Volkswagen AG shares or Porsche Zwischenholding GmbH shares. The remaining funds from the capital increase of up to 2.5 billion euro must also be used to repay the liabilities from the syndicated loan. If the timetable for the direct capital increase is delayed, Porsche SE's lending banks have expressed their willingness to extend repayment of the first tranche of the syndicated loan by up to four months, in the event of certain legal obstacles to the implementation of the capital increase. In the event that the capital increase cannot be implemented or implemented completely, the annual general meeting of the company on 30 November 2010 approved other measures for increasing capital (for further details we refer to our statements in the section "Capital measures planned by Porsche SE" in the section "Significant events"). The second tranche of the syndicated loan amounting to 4.5 billion euro and the currently unused revolving loan fall due for payment on 31 December 2011. The company can, under certain circumstance, request that the maturity date be postponed until 31 December 2012.

As part of the overall concept of the basic agreement, the holders of ordinary shares of Porsche SE who are deemed part of the Porsche and Piëch families have undertaken, subject to certain conditions, to ensure that the new ordinary shares issued as part of the capital increase adopted on 30 November 2010, are subscribed for at an estimated total subscription price of 2.5 billion euro. These conditions stipulate that Porsche SE must not be insolvent or illiquid, nor should there be a threat of insolvency or illiquidity, nor should there be an event of default under the syndicated loan agreement. In addition, the goodwill of the investment in Volkswagen must not be impaired. Moreover, according to the commitment to increase capital, the above holders of ordinary shares and Porsche Gesellschaft mbH, Salzburg, Austria, have undertaken to give their approval only if the minimum value of the automotive trading business of Porsche Familienholding as specified in the capital increase commitment as of the date of approval by the above holders of ordinary shares and Porsche Gesellschaft mbH is confirmed by an expert commissioned by Porsche SE. A further requirement is that the above holders of ordinary shares and Porsche Gesellschaft mbH approve the price range proposed by Porsche SE for the subscription price of new shares and that the subscription within this range is set in a specific timeframe.

If the steps involved in the merger of Porsche SE and Volkswagen AG do not take place as planned (please refer to the section "Implementation of the basic agreement on the creation of an integrated automotive group" in the section "Significant events"), Porsche SE might be left, following the repayment of the aforementioned first tranche, with residual debt that may have to be repaid by selling shares of Porsche Zwischenholding GmbH or Volkswagen AG.

Risks originating from financial covenants

Porsche SE and various banks agreed on financial covenants that must be complied with in connection with the new syndicated loan concluded in late 2009. They relate to earnings and share indicators of Volkswagen AG and therefore cannot be directly influenced by Porsche SE. During the short fiscal year 2010 and as of 31 December 2010, the financial covenants were complied with. They are reviewed on a monthly or quarterly basis. The loan agreement is deemed to have been infringed only if all financial covenants are breached at the same time. In that case, the banking syndicate is entitled to terminate the syndicated loan. This would give rise to a short-term refinancing requirement at Porsche SE. The executive board currently does not see any indication that these covenants will not be met in the future.

Valuation risk

In addition, Porsche SE is exposed to potential risks from the recoverability of its investments in Volkswagen AG and Porsche Zwischenholding GmbH. If the financial position and results of operations of the Porsche Zwischenholding GmbH group and the Volkswagen group were to deteriorate materially, this could lead to an impairment loss recognized on the significant investments in Porsche Zwischenholding GmbH and Volkswagen AG recognized in Porsche SE's consolidated financial statements and could reduce the profit or loss reported by the Porsche SE group. In order to ascertain any need to record an impairment, the company's own evaluations are prepared regularly and the assessments made by analysts are also monitored with regard to the investment in Volkswagen AG.

Risk arising from the use of financial instruments

In its business activities Porsche SE is exposed to risks arising from the primary or derivative financial instruments used.

The principles and responsibilities for managing and controlling these risks are defined by the executive board and monitored by the supervisory board. The risk controlling processes implemented in particular govern the ongoing monitoring of the liquidity situation in the Porsche SE group, the development of interest levels on the capital markets and monitoring of the financial indicators. At the beginning of the short fiscal year, the risks relating to the remaining cash-settled options relating to shares in Volkswagen AG were also monitored, as in the prior fiscal years. The requirement to monitor these options expired with their disposal in full. Porsche SE's risk controlling ensures that risks are identified, analyzed and monitored using suitable information systems. Moreover, transactions may only be concluded in permitted financial instruments, only with approved counterparties and to the admissible extent.

The remaining cash-settled options held by Porsche SE as of 31 July 2010, relating to about two percent of Volkswagen AG's ordinary shares, were disposed of in full.

Derivative financial instruments used by Porsche SE and its remaining subsidiaries are entered into mainly to manage interest rate risks as well as in relation to the sale of the remaining shares in Porsche Zwischenholding GmbH.

Any default on Porsche SE's receivables, most of which are due to companies of the Porsche Zwischenholding GmbH group, could have a negative impact on Porsche SE's liquidity situation. In addition, the investment of cash also gives rise to counterparty risks. Regarding the term and call money investments at Porsche SE, however, they are hedged using hedging systems customary in the banking business. Cash investments are also exposed to interest rate risks.

Under the basic agreement Porsche SE and Volkswagen AG granted each other put and call options for the remaining 50.1 percent share held by Porsche SE in Porsche Zwischenholding GmbH. Regarding valuation of these options there is a risk of future changes in value that could have a negative impact on the Porsche SE group's results of operations. Changes in value can primarily arise from changes in the valuation of the underlying enterprise value of Porsche Zwischenholding GmbH and changes in the executive board's assessment of the likelihood of the failure of the merger as defined in the basic agreement. In addition, if the merger as defined by the basic agreement fails, Porsche SE's put option and Volkswagen AG's call option for the 50.1 percent share held by Porsche SE in Porsche Zwischenholding GmbH would theoretically be exercisable as of the end of the fiscal year 2011. In this case, the theoretical probability of exercise of the put and call options, on which the evaluation is based, would increase to 100 percent and significantly influence the results of operations. As of 31 December 2010, the executive board of Porsche SE estimates a 50-percent theoretical probability of exercise of the options. The exercise price for the options is 3,883 million euro in each case and is subject to certain adjustments. In order to secure any remaining claims of Volkswagen AG from the agreement between Porsche SE and Volkswagen AG on the investment held by Volkswagen AG in Porsche Zwischenholding GmbH, a retention mechanism was agreed in favor of Volkswagen AG for the purchase price payable in the event of the put or call options being exercised. If any retained amount has not been used to fulfill claims of Volkswagen AG, the retained amount must be paid to Porsche SE on 30 June 2016, unless it is likely that claims for indemnity will be made against the company as of that date.

A large portion of Porsche SE's financial liabilities is subject to floating interest rates and, as a result, interest payments are exposed to fluctuation over time that cannot be foreseen. Should interest rates rise, this would have an adverse effect on the company's liquidity situation. Porsche SE partially limits this risk by using interest rate hedges (cap structures). The amounts capitalized in connection with interest rate hedges are also exposed to fluctuations in value depending on the development of interest rate levels and the remaining term. Interest rate hedges are also exposed to counterparty risks.

For the risks from financial covenant rules regarding the syndicated loan concluded in 2009, please refer to “Risks originating from financial covenants” in this section of the management report.

Overall, Porsche SE's executive board considers the risks arising from the use of financial instruments – with the exception of the possible effects relating to the put and call options for the 50.1 percent share held by Porsche SE in Porsche Zwischenholding GmbH – to be low.

For further information on financial risk management, financial instruments used and the associated risks, please also refer to note [24] of the consolidated financial statements of Porsche SE as of 31 December 2010.

Further risks relating to the basic agreement and the associated corporate restructuring

As part of the basic agreement and the associated agreements implementing it, Porsche SE entered into a number of agreements with Volkswagen AG and entities of the Porsche Zwischenholding GmbH group. For further details, we refer to our disclosures on related parties in note [29] of the consolidated financial statements of Porsche SE as of 31 December 2010. The company's executive board considers the risk that the agreements made could have a significant adverse effect on the net assets, financial position and results of operations of the Porsche SE group to be low.

Litigation risk

Porsche SE and the entities in which it holds a direct or indirect investment are involved in legal disputes and administrative proceedings both nationally and internationally within the framework of their operating activities. Where such risks are foreseeable, appropriate provisions are created to cover any ensuing losses. The company does not believe, therefore, that these risks will have a sustained effect on the economic position of the group. However, due to the fact that some risks cannot be estimated, or only to a limited degree, it cannot be ruled out that very serious losses may eventuate that are not covered by the provisions already created.

To the knowledge of Porsche SE – which is not a party to the investigations and therefore has only limited knowledge of the subject matter and status of investigations – the Stuttgart public prosecutor has initiated investigations against the former members of the executive board Dr. Wendelin Wiedeking and Holger P. Härter in connection with allegations of manipulating the market in Volkswagen shares. According to the public prosecutor, the allegations involve public statements made by representatives of Porsche SE and the failure to make certain required statements regarding the acquisition of the shareholding in Volkswagen AG between 2007 and 2009. In addition, the public prosecutor is investigating the two former members of the executive board in connection with allegations of breach of fiduciary duty to the detriment of Porsche SE. According to the public prosecutor, there is reason to suspect that the two former members of the executive board may have taken risks jeopardizing the company's ability to continue as a going concern by entering into share price hedging transactions in the course of acquiring the shareholding in Volkswagen AG. Furthermore, the public prosecutor has launched investigations against Holger P. Härter and two employees of Porsche SE on suspicion of obtaining credit by deception in connection with a loan that has already been repaid. The investigations are not expected to be concluded before the start of 2012.

The investigations could not only have very serious and direct effects (in particular in the case of a forfeiture or freezing order, should the requirements for such an order be found to exist) or indirect effects on the net assets of the company; they are also relevant for the valuation of damage claims raised against Porsche SE and based on alleged market manipulation. This valuation must be made for the purposes of the merger of Porsche SE into Volkswagen AG. Since the end of the investigations can be expected at the earliest at the beginning of 2012, the legal and tax assessments of the merger of Porsche SE into Volkswagen AG to be made under the basic agreement will likely be delayed. From the executive board's view this also reduces the probability that the merger can be achieved under the timeline of the basic agreement (which requires that the necessary shareholder resolutions on the merger are made in 2011) from previous 70 percent to 50 percent.

In the view of the Porsche SE executive board, the overall probability of the merger decreases in case of substantial delays in the merger process compared to the timeline of the basic agreement. Should charges be brought or some or all of the defendants be sentenced, this could cause a loss of reputation for the company and potentially also be to the detriment of its significant investments.

Forty-six plaintiffs have filed six actions for damages against Porsche SE in the United States District Court for the Southern District of New York. The plaintiffs allege damages of more than 2.5 billion US dollars. In three of the six actions, the former members of the executive board Dr. Wendelin Wiedeking and Holger P. Härter are also named as defendants. Plaintiffs alleged in their complaints that Porsche SE's activities in connection with its acquisition of a stake in Volkswagen AG during the year 2008 constituted market manipulation and securities fraud in violation of the U.S. Securities Exchange Act and common law fraud. Porsche believes that both complaints are legally insufficient and without merit, and has sought their dismissal. The U.S. court dismissed all the complaints as legally insufficient at first instance. All plaintiffs appealed this decision in January 2011.

In addition, three of the plaintiffs filed an action for damages in New York state court on 18 February 2011. In their complaint, which has not yet been served on Porsche SE, they allege common law fraud and unjust enrichment based on allegations similar to those made in their aforementioned claims. The plaintiffs claim to have lost at least 390 million US dollars. Porsche SE believes this claim to be legally insufficient and without merit. It is possible that other plaintiffs may file similar claims with courts in individual US states.

In Germany, institutional investors have applied for conciliatory proceedings against Porsche SE with regard to the assertion of claims for damages on the basis of alleged breaches of statutory capital market regulations. The alleged claims relate to alleged lost profits, estimated by the investors to total approximately 2.5 billion euro. Porsche SE considers the asserted claims to be without merit and has not taken part in the proceedings.

In January 2011, a private investor filed a claim for damages against Porsche SE and another defendant in the amount of approximately 3 million euro. The plaintiff claims to have entered into options relating to shares in Volkswagen AG in 2008 on the basis of inaccurate information and the omission of information as well as market manipulation by Porsche SE and to have incurred losses from these options due to the share price development in 2008 in the amounts claimed. The action is currently pending in the Regional Court of Stuttgart. Porsche SE considers the asserted claims to be without merit and will defend itself against the claims.

In 2010, the appointment of a special auditor was applied for before the Regional Court of Stuttgart. The application relates to the examination of the management activities of the company's executive board and supervisory board in connection with hedging transactions that Porsche SE concluded to economically secure the ability to undertake potential purchases of Volkswagen shares that it might have later decided to undertake, as well as payment agreements with, and severance payments to, former members of Porsche SE's executive board. If the application is granted, the special auditor would have to report on the results of the audit even if facts capable of causing not insubstantial detriment to the company were to become known. This would carry the risk of business secrets being exposed. If a special auditor came to the conclusion that there had been any dishonesty or gross violations of the law in connection with the activity under examination, the content of his report could offer grounds for further actions for damages against the company and its boards, and considerably weaken the legal position adopted by the company in the proceedings relating to the actions for damages in the USA and Germany, as well as in any future proceedings. Porsche SE considers the application to be without merit and will defend itself against the application. The company believes that adequate provisions have been recognized for the anticipated attorneys' fees and litigation expenses.

Tax risk

The differences of opinion between the company and the tax authorities regarding the tax treatment of stock option transactions, which were reported in the risk report for the fiscal year 2009/10, have been resolved. As a result, the risk relating to the Porsche SE group's results of operations which existed as of 31 July 2010 no longer exists as of 31 December 2010.

For further information, we refer to our statements in the sections "Significant events" and Net assets, financial position and results of operations in this management report.

Opportunities and risks of cooperation projects

Cooperation projects include opportunities and risks, particularly in the areas of development and production.

The cooperation between the Porsche Zwischenholding GmbH group and its important cooperation partner, the Volkswagen group, can lead to additional synergies for these significant investments held by Porsche SE in future. The two groups have already cooperated for many years on the Colorado project, in which a platform was developed for the Porsche Cayenne, the VW Touareg and the Audi Q7. This project serves as a model for new cooperation projects. For example, cooperation on a new Porsche model in the sporty off-roader segment is currently being discussed. Potential synergies could arise in the design of additional shared platforms and in the field of new technologies as well as auto-electrics and electronics. By avoiding duplicate investment, the annual depreciation charge could be reduced. Moreover, the results of operations of both groups and thereby the profit/loss from investments accounted for at equity in the Porsche SE group can also be improved by combining purchasing functions and sharing existing sales channels.

The main risks relating to cooperation concern changes desired by a cooperation partner, for example to a platform and/or parts. As a result, achieving the planned development and production goals (and therefore the start of production) may involve delays, and additional expenses. Production at different locations (as, for example, in the case of the Cayenne, which is produced in Leipzig and Bratislava) may cause interface problems, particularly in the later production phase, which can result in interruption to production. Where the cooperation partner procures parts for prototypes and series production, this can also present a risk as it creates a dependency that cannot be countered by direct influence, in particular on the cooperation partner's suppliers. To promote cooperation and avoid risks of this kind, Porsche and its partner are equally represented in the organization for cooperation projects. The ultimate decision-making body, with representatives of both companies, has sole responsibility for key topics and issues such as project strategy, key figures, technology, quality, deadlines, finances and model updates, and meets several times a year.

Opportunities and Risks of significant investments

Risk report of the Porsche Zwischenholding GmbH group

Integrated internal control and risk management system relevant for the financial reporting process

The accounting-related internal control system that is relevant for the financial statements of Porsche Zwischenholding GmbH and the Porsche Zwischenholding GmbH group is designed to ensure the complete, accurate and timely transmission of the information required for the preparation of the separate financial statements of Porsche Zwischenholding GmbH and the consolidated financial statements and the group management report of Porsche Zwischenholding GmbH, and to minimize the risk of material misstatements in the accounts and in external reporting.

The separate financial statements of Porsche Zwischenholding GmbH and the subsidiaries are prepared in accordance with the applicable national laws, reconciled to IFRSs and transmitted to the group. The Porsche Zwischenholding GmbH group monitors developments in IFRSs centrally on an ongoing basis, checks their relevance and defines uniform, intragroup rules for implementing new accounting requirements. The group accounting manual ensures the application of uniform accounting policies based on the requirements applicable to the parent. Components of the reporting packages required to be prepared by the group companies are also set out in detail and requirements established regarding the presentation and settlement of intragroup transactions and the associated balance reconciliation process.

Control activities at group level include analyzing and, if necessary, adjusting the separate financial statements presented by subsidiaries, taking into account the reports submitted by the auditors and the meetings on the financial statements with representatives of the individual companies, at which both the plausibility of the separate financial statements and specific critical issues at the subsidiaries are discussed.

Alongside reasonableness reviews, the clear delineation of areas of responsibility and the application of the dual control principle are further control mechanisms applied during the preparation of the financial statements of Porsche AG, which are significant for the Porsche Zwischenholding GmbH group. Provisions and accruals/deferrals recognized are tested for plausibility at Porsche AG by the finance department and only recognized in the statement of financial position following internal approval. The department with central responsibility for certain global risks (processes, warranty, etc.) ensures that these are completely documented and consistently measured. Moreover, material movement data from feeder systems is automatically compared with the movements presented in financial accounting, and errors immediately rectified. Matters arising from agreements that are relevant in terms of accounting and subject to disclosure requirements are identified in full and presented appropriately as part of the accounting process. In addition, there are authorization and access rules that apply to IT systems of relevance for the financial reporting process.

Risk management in line with the KonTraG

All shares in Porsche AG are held by Porsche Zwischenholding GmbH. A domination and profit and loss transfer agreement is in place between the companies that requires Porsche Zwischenholding GmbH as the controlling company to absorb any loss. This is why risks of Porsche AG and its group companies can also constitute risks for Porsche Zwischenholding GmbH and the Porsche Zwischenholding GmbH group. For this reason,

the group maintains an early warning system for the detection of risk pursuant to Sec. 91 (2) German Stock Corporation Act (AktG). The group's risk situation and risk management is reviewed and documented annually in accordance with the requirements of the German Act on Control and Transparency in Business (KonTraG). Risk management, which forms an operational component of the business processes, is designed to identify risks in a timely manner, assess their extent and, where appropriate, take countermeasures.

Updating the risk documentation

Function-specific surveys of risks and measures carried out at certain divisions of the group defined in advance are used to record and update the potential risk position at appropriate rolling intervals. In the process, the qualitative likelihood of occurrence and the relative extent of any loss are assigned to each risk identified considering the countermeasures taken. The continuous updating of the risk documentation is coordinated centrally by Porsche AG's risk management department in cooperation with the planning department. The plausibility and adequacy of the risk reports are examined in detailed interviews with the divisions concerned.

The leasing and hire-purchase business operated in the group's financial services division is additionally subject to regulatory supervision for finance leases as defined by Sec. 1 (1a) Sentence 2 No. 10 German Banking Act (KWG). As part of the reporting duties that apply for leasing companies, the group's financial services division has to fulfill certain formal, qualitative and quantitative requirements. Implementation of the minimum requirements for risk management is documented in a division-specific risk management manual and updated on an ongoing basis to reflect changes in law and new requirements.

Adherence to process organization rules, guidelines, instructions and descriptions is assured by internal controls performed by the risk officers appointed in this area and by the internal audit function.

The risk management system – goals and operation

The group's risk management system is designed to identify potential risks at any early stage so that suitable countermeasures can be taken to avoid any developments that might jeopardize the company's ability to continue as a going concern.

The risk management system is an integral part of the group's structure and process organization and is embedded in all of its daily business processes. The opportunities and risks in the group are assessed during the annual planning. Constant monitoring is provided throughout the year by means of the reporting system. Deviations are analyzed, recorded, and countermeasures initiated in the event of negative developments. In addition, the risk management and internal audit departments monitor and document the risks and early warning systems. If new or changed risks are discovered, these departments report immediately to management and propose solutions. This procedure allows negative trends to be identified promptly and immediate countermeasures to be taken. The documented reporting channels mean that management always has access to an overall picture of the current risk situation.

Porsche Zwischenholding GmbH and the Porsche Zwischenholding GmbH group are only prepared to take transparent risks that are proportionate to the benefits expected from the business.

Continuous enhancement

The internal control system and risk management system are constantly optimized as part of Porsche's improvement process. Equal importance is attached to both internal and external requirements – such as the provisions of the German Accounting Law Modernization Act (BilMoG). The objective of the improvements made to the systems is to ensure continuous monitoring of the relevant risk areas, including the organizational units responsible, and more efficient structuring of risk processes.

Individual risks of the Porsche Zwischenholding GmbH group

Macroeconomic risk

The global economy has not yet recovered entirely from the effects of the global financial crisis. The recovery has been hampered, for instance, by the risk of illiquidity of some countries. Experts are also warning of a "real estate bubble" bursting in China, which could lead to inflation, among other things. This may also impact on the business operations of Porsche as a group with global operations, for which China represents a major sales market. The situation of the economy as a whole may make potential Porsche customers reluctant to buy a vehicle. Significant risks are also the continuing high prices for energy and raw materials, increasing protectionism and the persisting imbalance in foreign trade. Changes in the legislation, taxes and customs duties as well as a greater degree of permanent state intervention could also have a significant negative impact on the international activities of the group.

Sector-specific risk

In the automotive industry the financial crisis gave rise to new risks or increased existing ones. Lower purchasing power among potential automotive customers has meant that a large number of automotive manufacturers have had to reduce their prices; cost-intensive marketing measures were implemented to gain an edge on the competition. Porsche also had to offer purchase incentives on several markets in order to optimize sales.

The automotive industry is the center of attention in the environmental debate. There is great public pressure to minimize fuel consumption, which could in turn impact sales. Some markets are threatening to levy taxes or tolls in an attempt to reduce fuel consumption and CO_2 figures. Other markets have already introduced such regulations. Porsche is continuously working on improving fuel consumption and CO_2 figures of the vehicles to meet existing regulations or potential new regulations. So as not to adversely impact demand and sales, drive systems with reduced emissions are offered such as the hybrid drive for the Cayenne.

Risks arising from operations

Risks can never be completely eliminated. Incidents such as fires or explosions can severely disrupt operating processes. Regular safety checks and protective measures integrated into buildings and processes offer preventive protection. Moreover, business interruptions and damage to property are covered by insurance. Natural disasters, terrorist activities, pandemics and changes in the law are risks that can be difficult to predict in some cases but have a sizeable economic impact if they come to pass.

The statistics show that natural perils such as storm, hail, or earthquakes (property risks) are becoming more frequent. In order to reduce such risks and the resulting interruption to production, the group has set up an emergency team that can take quick action in a coordinated manner to minimize the loss. Each case of loss leads to new findings. If these findings reveal a need to optimize the existing processes, the findings are evaluated in detail and, if need be, implemented in the risk mitigation organization. In addition, property risks are insured on the basis of a commercial cost-benefit analysis, taking insurance methods into account. However, it is not possible to guarantee full insurance cover for all claims.

Risks related to demand

Levels of demand and sales are also influenced by the changing economic landscape. The key markets for the group’s products are western Europe and North America, which have recently been joined by China. However, growth in China could be jeopardized if major cities such as Beijing wish to dramatically reduce the volume of new vehicles registered annually by introducing corresponding regulations. Intensive monitoring of local markets and early warning signs enable the group to quickly spot a potential fall in sales. The general decline in demand for premium vehicles in the wake of the financial crisis has hit Porsche and its competitors alike. The fall in sales has been confronted by reallocating the geographical distribution of sales and introducing country-specific sales promotion packages. Despite these measures, Porsche had to maintain short-time work in production in Zuffenhausen in the reporting period.

The retail organization is granted terms of payment that involve the individual recipients being rated positively in terms of their economic performance, a rating that is reviewed regularly by a credit committee. Risk diversification and active risk management, such as obtaining the collateral customarily expected by banks as well as obtaining information and monitoring it daily also contribute to reducing the risk of default for the group.

Procurement risk

The prices of raw materials and oil remain volatile. At the same time, they have an impact on production costs. The scarcity of raw materials, particularly in the face of increasing demand, is leading to a significant increase in the price of end products, as well as assemblies and components. Commodity markets are permanently monitored and analyzed in order to enable Porsche AG to effectively plan for future materials costs and secure the materials it needs. Long-term contracts with suppliers also hedge against bottlenecks and the risk of price fluctuations. The global financial crisis has also affected the automotive supply industry, led to the risk of insolvency or, in isolated cases, to actual insolvency of suppliers. A comprehensive, proactive and reactive supplier risk management system, which was implemented back in 2005, ensures at the level of Porsche AG that potential supplier defaults are identified in good time, ideally avoiding disruption to the supply situation by means of suitable action (on this point, see also the statements in the section “Procurement” in the section “Value-enhancing factors”). In the past, this systematic approach has prevented supply bottlenecks due to suppliers in a critical financial situation.

Liquidity risk

The Porsche Zwischenholding GmbH group is reliant on adequate refinancing to meet its capital requirements. The terms of the refinancing depend not only on general market conditions, but also on the assessment of Porsche’s credit rating. If the general market conditions were to deteriorate, or if the banks rated the credit-worthiness, in particular of Porsche AG, low, this could negatively impact refinancing options and thus liquidity.

When it comes to safeguarding liquidity, Porsche pursues a policy of maximum financial security. To ensure its credit rating and liquidity, Porsche AG has negotiated a syndicated line of credit with a banking syndicate which falls due at the end of 2011 or, if Porsche AG exercises a unilateral option, one year later. In conjunction with the loan agreement, it was arranged with the banks involved that the group will deliver and comply with two financial covenants. In this fiscal year, the group satisfied these covenants which relate primarily to a rolling twelve-month EBITDA (earnings before tax, financial result, depreciation and amortization) in relation to the net debt of the group’s vehicle division. The second covenant refers to the financial services division’s total assets, adjusted to eliminate intangible assets, in relation to its overall financial liabilities. The covenants are reviewed internally in the group on a monthly basis and reported to the banking syndicate on a quarterly basis. The loan agreements are deemed to have been infringed if any one of the covenants is breached. In that case, the banking syndicate is entitled to terminate and immediately call the syndicated loan. The risk of non-compliance is deemed by the management of Porsche Zwischenholding GmbH to be low.

In early February 2011, a bond of one billion euro fell due. The bond was directly refinanced via a syndicated loan of one billion euro, which falls due at the end of 2011 or, following the exercise of a unilateral option by Porsche AG, one year later.

The financial services business of the Porsche Zwischenholding GmbH group is financed primarily via securitization of loan and leasing receivables (asset-backed securities programs), sales and leaseback programs, bonds and bank loans.

Risks arising from financial instruments

In its business activities the group is exposed to risks arising from the primary or derivative financial instruments used. The primary aim of using financial instruments is to limit the financial risk position for the group's ability to continue as a going concern and its earnings power. In order to manage these risks, the group has set out guidelines to ensure that transactions are concluded only in financial instruments approved in advance, only with approved counterparties and on the admissible scale. Without using such instruments, the group would be exposed to higher financial risks.

The financial instruments entered into for hedging purposes lead to accounting risks in addition to counterparty default risks. This risk of effects on the presentation of results of operations in the income statement is limited by way of hedge accounting.

Default risks in receivables are reduced by means of a strict receivables management system.

Channeling excess liquidity into investments exposes the group to further counterparty risks. Partial or complete failure by a counterparty to perform its obligation to pay interest and repay principal would have a negative impact on liquidity and accordingly on the net assets, financial position and results of operations. The group has set out clearly defined guidelines to manage these default risks and to ensure that only approved financial instruments are entered into with approved counterparties.

Interest rate risks arising from the refinancing of the financial services business of Porsche Financial Services are fully hedged through the use of suitable derivatives (e.g., interest swaps). In the case of fixed-rate bonds of the Porsche Zwischenholding GmbH group, there is no interest risk. For the syndicated lines of credit that fall due at the end of 2011 or optionally at the end of 2012, variable interest, which is hedged against increasing short-term interest, is paid on the basis of a one-to six-month Euribor.

The currency risk from future sales revenue denominated in foreign currencies is hedged through the use of exchange rate hedging instruments for a period of up to four years. The main hedging instruments used are forward exchange transactions, currency options, repayment of foreign currency liabilities, and currency swaps. The volume of exchange rate hedges is determined on the basis of the planned sales figures in the respective foreign currency. The counterparties for the exchange rate hedges are major international financing partners. Cooperation is subject to standard regulations and continuous monitoring.

Residual value and credit risk in the financial services business

The risk inherent in leasing business results from a negative deviation between the residual value calculated when the agreement is concluded and the market value of the leased vehicle when it is sold following expiry of the agreed leasing period.

In some markets, the Porsche Zwischenholding GmbH group bears this residual value risk. Operational risk management is provided via ongoing monitoring of the development of used car prices by means of data available within and outside the company. Residual value forecasts are used to check the appropriateness of risk provisioning and the residual value risk potential.

The default risk quantifies the unexpected loss which arises if a borrower cannot fulfill the contractually agreed payment obligations within the scope of the loan agreement. To monitor the default risks that exist for customers and dealers in financing arrangements as well as leasing business, rating procedures are used with dealers and commercial fleet customers, and scoring procedures for business and private customers. Due to the type of financing activity, the collateral for the outstanding financing volumes is mainly the financed vehicles. Conservative risk provisioning has been set up to cover the default risk.

Development risk

Porsche is constantly developing new products in pursuit of its sales strategy. Misjudging customers' needs in individual markets can result in lower sales in the short term and, if such misjudgments recur, to loss of customers and investment errors in the long term. In order to avoid developing products that do not meet the needs of consumers, Porsche conducts trend studies and market surveys before making decisions on new vehicle projects. Porsche hedges against potential breaches of industrial property rights, which could lead to considerable compensation claims, market-specific export barriers or cost-intensive new development, by conducting research into worldwide industrial property rights when developing new vehicles. In this way, it is possible to quickly identify whether the industrial property rights of third parties are affected.

IT risk

The failure of IT systems can cause considerable losses if, for example, the production of vehicles is interrupted. Although the likelihood of the IT system failing is low, Porsche has introduced an emergency and disaster contingency program which duplicates important data and machines. The program is continuously adapted to meet operating requirements. Sensitive data can also be misused due to unauthorized access to data. In order to guard against this, the group has detailed access authorization concepts, as well as binding instructions for the handling of sensitive data. There are also technical countermeasures such as virus scanners and firewall systems in place.

To minimize delays in production, the group has an escalation model. If defined thresholds are exceeded – e.g. an unacceptably high number of vehicles are on the assembly line in the wrong order – a meeting of a certain group of persons is convened in order to take appropriate countermeasures without delay. This process helps to ensure that vehicles are manufactured to plan.

Personnel risk

A positive image is crucial to any company. The communication strategy of the group ensures that communication and actions are decisive and professional in the event of crisis scenarios or events that could tarnish the company's image. Porsche's positive image as an employer, as revealed by surveys, enables the company to find and keep qualified personnel. The group combats the risk of qualified specialists and management leaving the company taking their experience and knowledge with them by offering attractive employment conditions and training programs. As a result of the five-year agreement to safeguard company locations concluded at Porsche AG in July 2010, which precludes redundancies, there is a danger that it will not be possible to respond rapidly to a change in economic conditions by making staff reductions.

Litigation risk

Like any other company, group entities may become involved in court or arbitration proceedings. At present there are no proceedings which could have a material impact on the economic position of the group.

Quality risk

High-quality products are crucial to the company's image. The development department works closely together with suppliers in order to achieve this. In addition to economic benefits, this collaboration also creates dependencies. Delayed deliveries or even failure to deliver can quickly lead to a standstill in production due to the “just-in-time” nature of parts deliveries. The group’s risk management system therefore prescribes the careful selection and monitoring of suppliers. A technical and business profile is created, and the supplier’s creditworthiness is continuously monitored. The credit assessment enables recognition of companies running the risk of insolvency at an early stage. Short development times and pressure on costs place high demands on suppliers. Parts deliveries are regularly subjected to quality and punctuality checks.

The group sets itself high quality goals in both the production and the development of new vehicles, taking care to ensure that all technical and qualitative requirements are taken into account and achieved. Warranty claims, product liability claims and recalls can incur considerable costs. The quality gate systems used by the group ensure the requisite quality. This cross-functional project management instrument is used to make sure that the level of target achievement can be measured following pre-defined development phases, in order to monitor project progress. If development goals have not been met, the departments responsible must propose solutions for meeting them without significantly delaying the development project. Development gates for the most important milestones have been positioned below the quality gates in the development chain to help manage development processes. The goal is to recognize any critical issues in development at an early stage (between the quality gates) and limit their impact.

If product defects are extant after the start of production despite these risk avoidance measures, these defects are recorded and assessed in the sales markets. The aim is to determine and remedy the cause. To this end, Porsche AG has set up an interdisciplinary working group that introduces remedial measures to the production process either at Porsche or the supplier. Provisions have been set up in an effort to counter the risk from warranty claims and recalls. Coverage for product liability claims is provided by the company’s business liability insurance.

Environmental protection regulations

At the Major Economies Forum (MEF) in L’Aquila, Italy, the G8 states and the group of the 16 largest industrial nations and emerging economies meeting recognized the 2-degree goal for reducing the continuing global warming. This means that the Forum has approved the goal advocated by the Intergovernmental Panel on Climate Change (IPCC) to reduce global greenhouse gas emissions by 50 percent measured on the value of 1990 by 2050. According to the analyses of the International Energy Agency and the IPCC this goal will only be attainable by reducing emissions in all sectors of the global economy, from power generation, industry, household consumption, agriculture and to transport. Some countries are already in the process of introducing the necessary policies. It can be expected that such policies will become tighter across the globe in future. The group is affected by this development, both in terms of its manufacturing facilities and in terms of its products, particularly with regard to energy efficiency and rising prices for energy in general. The group is countering the possible consequences by managing its resources and energy as part of its environmental management system as well as devoting special working committees to energy management.

In the regulation of 23 April 2009 on CO_2 emission performance standards, the EU Commission set an upper limit of 130 g/km for the mean emissions of the entire European fleet of new vehicles from 2012. A further ten grams should be attained by supplementary measures, such as the use of bio-fuels, low-drag tires, effective air conditioners and other technical improvements.

The regulation sets European manufacturers the target of average emissions of 95 g/km from 2020, to be achieved through phased reductions. As of 2012, the Commission will impose an annual excess emissions premium on any manufacturer that exceeds its emission target. The regulation has a major impact on the variety of products, the distribution among the segments and the earnings on the European market.

Moreover, companies like Porsche Zwischenholding GmbH and its subsidiaries, which have a very special product portfolio and small production runs, have the possibility of applying for a special ruling so as to avoid losing their economic foundation. Alternatively, they can form an emissions pool together with other manufacturers and be considered as one manufacturer with regard to the regulation. Emission and CO_2 levels are also being reduced this way in the USA. As a small series manufacturer, Porsche has been granted an exemption until 2016, according to which Porsche vehicles may have a 25 percent higher fuel consumption compared to products of other (mass) producers.

Compliance with the environmental protection regulations is technologically demanding and cost intensive. However, as a result of its leading technologies and products, Porsche Zwischenholding GmbH group sees itself in a position to master most of these future challenges.

Other factors

Going beyond the risks already outlined, there are other factors that cannot be predicted and are therefore difficult to manage. Should these transpire, they could have an adverse effect on the further development of the group. These factors include natural disasters, epidemics and terror attacks.

Overall statement on the risks faced by the Porsche Zwischenholding GmbH group

Based on the information currently available, no developments were identified in the Porsche Zwischenholding GmbH group that could jeopardize the ability of the group to continue as a going concern or that could significantly and negatively impact the net assets, financial position and results of operations of the group. The overall risk exposure of the Porsche Zwischenholding GmbH group is made up of the individual risks presented above, which are managed using the risk management system.

Risk report of the Volkswagen group

Integrated internal control and risk management system relevant for the financial reporting process

The accounting-related internal control and risk management system that is relevant for the financial statements of Volkswagen AG and the Volkswagen group comprises measures that are intended to ensure the complete, accurate and timely transmission of the information required for the preparation of the financial statements of Volkswagen AG, the consolidated financial statements and the group management report, and to minimize the risk of material misstatement in the accounts and in the external reporting.

Main features of the integrated internal control and risk management system relevant for the financial reporting process

The Volkswagen group's accounting is organized along decentralized lines. For the most part, accounting duties are performed by the companies themselves or transferred to the group's centralized shared-service centers. The single-entity financial statements of Volkswagen AG and the subsidiaries are prepared in accordance with the applicable national laws, reconciled to IFRSs and transmitted to the group in encrypted form. A standard market product is used for encryption.

The group accounting manual ensures the application of uniform accounting policies based on the requirements applicable to the parent. This manual and other group-wide accounting regulations contain rules applicable to the financial statements of Volkswagen AG prepared in accordance with the German Commercial Code (HGB) and stipulate precisely defined formal requirements to be met by the consolidated financial statements prepared in accordance with IFRSs. In particular, these include more detailed guidance on the application of legal requirements and the determination of the entities to be included in the consolidated financial statements. Components of the reporting packages required to be prepared by the group companies are also set out in detail and requirements established regarding the presentation and settlement of intra-group transactions and the balance reconciliation process that builds on that.

Control activities at group level include analyzing and, if necessary, adjusting the data reported in the single-entity financial statements presented by the subsidiaries, taking into account the reports submitted by the auditors and the outcome of the meetings on the financial statements with representatives of the individual companies, at which both the reasonableness of the single-entity financial statements and specific critical issues at the subsidiaries are discussed. Alongside reasonableness reviews, the clear delineation of areas of responsibility and the application of the dual control principle are further control mechanisms applied during the preparation of the financial statements of Volkswagen AG.

In addition, the financial reporting-related internal control system is independently reviewed by group internal audit in Germany and abroad.

Integrated consolidation and planning system

The consolidation and corporate management system (VoKUs) employed in the Volkswagen group can be used to consolidate and analyze both financial reporting's backward-looking data and controlling's forward-looking data. The system offers centralized master data management, uniform reporting and maximum flexibility with regard to changes to the legal environment, thus providing a future-proof technical platform that benefits group financial reporting and group controlling in equal measure. To verify data consistency, VoKUs has a multi-level validation system that primarily checks the completeness of the data delivered and carries out content plausibility checks between the balance sheet and the income statement. VoKUs supports further plausibility checks through materiality analyses and data screening for anomalies.

Risk management in line with the KonTraG

The company's risk situation is documented annually in accordance with the requirements of the German Act on Control and Transparency in Business (KonTraG). The auditors check the adequacy of this documentation. Risk management, which forms an operational component of the business processes, is designed to identify risks in a timely manner, assess their extent and, where appropriate, take counter-measures. The Scania brand, which has been consolidated in the group since 22 July, 2008, has not yet been incorporated into the Volkswagen group's risk management system due to various provisions of Swedish company law. According to Scania's corporate governance report, risk management and risk assessment are integral parts of corporate management. Risk areas are evaluated by the controlling department and reflected in the financial reporting.

Updating the risk documentation

Standardized risk position surveys of both the risk managers of the individual divisions and the members of the boards of management and managing directors of investees are performed annually. Their responses are used to update the overall picture of the potential risk situation. In the process, the qualitative likelihood of occurrence and the relative extent of any loss are assigned to each risk identified and appropriate measures are specified for each risk category in the shape of guidelines and organizational instructions, so as to counter the risks concerned. The continuous updating of the risk documentation is coordinated centrally by the governance, risk and compliance function set up in 2010, working in conjunction with group internal audit. Under the guidance of the auditors, the plausibility and adequacy of the risk reports are examined on a test basis in detailed interviews with the divisions and companies concerned. The Volkswagen AG auditors assessed the effectiveness of the group's risk early warning system based on this information and established both that the risks identified were presented in a suitable manner and that measures and rules have been assigned to the risks adequately and in full. Volkswagen AG therefore meets the requirements of the KonTraG. In addition, the Financial Services Division is subject to regular special audits by the German Federal Financial Supervisory Authority (BaFin) in accordance with Sec. 44 German Banking Act (KWG) and controls by association auditors.

Workflow rules, guidelines, instructions and descriptions are systematically recorded and can for the most part be accessed online. Adherence to these rules is assured by internal controls performed by the heads of the group internal audit, quality assurance, group treasury, brand controlling and group controlling organizational units.

The risk management system – goals and operation

The Volkswagen group's risk management system is designed to identify potential risks at any early stage so that suitable counter-measures can be taken to avert the threat of loss to the company, and any risks that might jeopardize its continued existence can be ruled out.

The risk management system is an integral part of the Volkswagen group's structure and workflows and is embedded in its daily business processes. Events that entail a risk are identified and assessed on a decentralized basis in the divisions and at the investees. Countermeasures are introduced immediately, their effects are assessed and the information is incorporated into the planning in a timely manner. The results of the risk management process are used to support budget planning and controlling on an ongoing basis. The targets agreed in the budget planning rounds are continually verified in revolving planning reviews.

At the same time, the results of risk mitigation measures that have already been taken are incorporated into the monthly forecasts on further business development in a timely manner. This means that the board of management always has access to an overall picture of the current risk situation through the documented reporting channels.

The Volkswagen group is prepared to enter into transparent risks that are proportionate to the benefits expected from the business.

Continuous enhancement

The Volkswagen group constantly optimizes the internal control system and the risk management system as part of its continuous improvement processes. In doing so, equal consideration is given to both internal and external requirements – such as the provisions of the German Accounting Law Modernization Act (BilMoG). The objective of the improvements made to the systems is to ensure continuous monitoring of the relevant risk areas, including the organizational units responsible. The focus is on reviewing the effectiveness of the management and monitoring instruments identified. This concept culminates in both regular and event-driven reporting to the board of management and supervisory board of Volkswagen AG, into which the reporting in accordance with the KonTraG is now being gradually integrated.

Specific risks faced by the Volkswagen group

The following section explains the individual risks arising from the business activities of the Volkswagen group.

Macroeconomic risk

High energy and commodity prices, increasing international trade restrictions, persistent imbalances in foreign trade and ongoing political conflicts present significant risks to the global economy. The high level of debt in many countries is also a major potential threat. Although the risk of renewed global recession is relatively low at present, the above-mentioned factors could result in a prolonged period of below-average global economic growth. Likewise, changes in legislation, taxes, or customs duties in individual countries may have a severe adverse effect on international trade and present significant risks to the Volkswagen group.

Sector-specific risk

The growth markets of Asia, South America, and central and eastern Europe are particularly important in terms of the global trend in demand for passenger cars. Although these markets harbor the greatest potential, the overall environment in some of the countries in these regions makes it difficult to increase unit sales figures; some have high customs barriers or minimum local content requirements for domestic production, for example. The announced reduction in the number of new vehicles allowed to be registered in Beijing could be followed by further restrictions on registrations in other metropolitan areas in China. In established markets, meanwhile, there is a risk of price pressure due to the high level of market coverage. In the automotive markets of western Europe, the USA and China in particular, various manufacturers are using massive discounts to promote sales of their own vehicles, thereby putting the entire sector under pressure. This is a particular challenge for the Volkswagen group as a supplier of volume models, as it would be especially affected if competing automakers were to further step up their sales incentives.

Freight transportation faces the risk of transported volumes being shifted from commercial vehicles to other means of transport.

Volkswagen sells most of its vehicles in western Europe. Consequently, a sustained drop in prices and resulting fall in demand in this region would have a particularly strong impact on the company's earnings. Volkswagen counters this risk with a clear, customer-oriented and innovative product and pricing policy. By contrast, its overall delivery volume outside western Europe is broadly diversified across the markets of North America, South America, Asia-Pacific, and central and eastern Europe, with the Chinese market accounting for an increasing share of the volume. The Volkswagen group is already market leader in numerous existing and developing markets or is working resolutely to become market leader. In addition, strategic partnerships are enabling us to increase the presence of the Volkswagen group in the relevant countries and regions and cater to regional requirements.

The Volkswagen group continues to approve loans for vehicle finance on the basis of the same cautious principles applied in the past, taking into account the regulatory requirements of Sec. 25a (1) German Banking Act (KWG).

The economy recovered markedly overall during the past fiscal year. However, the Volkswagen group's trading and sales companies continue to feel the effects of the financial and economic crisis, as it remains difficult to raise bank loans to finance business operations. A group support program that granted automotive dealers and outlets financing on attractive terms via the group's financial services companies during the financial and economic crisis, thus reducing the risk of their insolvency, was therefore very well received. In addition, the Volkswagen group has established a risk management system to identify in good time and counteract liquidity bottlenecks that could hinder smooth business operations.

The provisions of the new Block Exemption Regulation and European legislative initiatives could result in further liberalization and therefore increasing competition, particularly in after-sales service and the sale of genuine parts.

The European Commission is planning to end design protection for visible vehicle parts. If this plan is actually implemented, it could adversely affect the Volkswagen group's genuine parts business.

Research and development risk

The Volkswagen group combats the risk of failing to give its customers' requirements adequate consideration during the development process by conducting extensive trend analyses, customer surveys and scouting activities. These measures also ensure that trends are recognized at an early stage and that their relevance for customers is verified in good time.

In addition, there is a risk that it may not be possible to develop products or modules within the specified timeframe, to the required quality standards, or in line with cost specifications. To avoid this, the progress of all projects is continuously and systematically monitored and compared with the original targets. In addition, the Volkswagen group regularly compares this progress with the original targets; in the event of deviations, suitable countermeasures are initiated in good time. The group's end-to-end project organization supports effective cooperation among all areas involved in the process. It ensures that specific requirements are incorporated into the development process as early as possible and their implementation planned in good time.

The Volkswagen group's wide variety of research and development activities means that risks are not concentrated on particular patents or licenses.

Procurement risk

As a result of the global recovery in the automotive markets, the automotive supplier industry also stabilized in 2010. The number of insolvencies declined significantly year-on-year. Suppliers that weathered the financial and economic crisis well are currently using their position to drive the industry's consolidation, thus helping to reduce default risk. In establishing and expanding a comprehensive procurement risk management system, Volkswagen placed particular emphasis on risk prevention. Risk management continuously monitors suppliers' economic stability. If there is evidence of negative developments, the appropriate measures are taken to ensure supplies and reduce additional risks. To date, ongoing risk classification and monitoring has enabled the Volkswagen group to avoid supply risks due to supplier defaults.

Production risk relating to demand

Following the slump in the global economy, some passenger car markets recovered faster than expected in 2010 and the Volkswagen group therefore expanded production at its international locations significantly in the course of the year. In order to ensure the necessary capacity, the group's suppliers also increased their deliveries above and beyond what was originally agreed. Volkswagen expects demand to remain high in 2011 and possibly cause fluctuations, particularly in installation rates of features and components. Through its turntable concept and highly flexible logistics operations, Volkswagen ensures that it optimally adapts the programs at its vehicle and component plants to current market conditions. The ability to implement extensive flexibility measures within the existing working time models as the situation demands also mitigates the risk.

Risks arising from changes in demand

Consumer demand depends not only on real factors such as disposable income, but also to a significant extent on psychological factors that are impossible to plan for. Increased fuel and energy prices could lead to unexpected buyer reluctance, which could be further exacerbated by media reports. This is particularly the case in saturated automotive markets such as western Europe, where demand could drop as a result of owners then holding on to their vehicles for longer.

In 2010, the effects of these psychological factors that cannot be planned for were again exacerbated by the impact of the economic and financial crisis on the global economic trend and the entire automotive industry. Many automotive markets were in a downward spiral, which in some cases assumed dramatic proportions, while others had to be supported through government intervention. The Volkswagen group countered the risk of buyer reluctance with its attractive range of models and in-depth customer orientation.

In addition to buyer reluctance as a result of the crisis, a combination of vehicle taxes based on CO_2 emissions – like those already structured in some European countries – and high oil and energy prices is causing a shift in demand towards smaller segments and engines. The Volkswagen group is countering the risk that a shift negatively impacts its financial result by continuously developing new, fuel-efficient vehicles and alternative fuels on the basis of its fuel and drive train strategy. In the rapidly expanding markets of Asia and eastern Europe, risks may also arise due to government intervention in the form of restrictive lending or tax increases, for example, which could adversely affect private consumption.

Dependence on fleet customer business

As in the past, the fleet customer business is experiencing increasing concentration and internationalization. Thanks to its broad product portfolio, the group is also well positioned in view of the growing importance of the issue of CO_2 and the trend towards downsizing. No default risk concentrations exist for individual corporate customers.

Quality risk

The continuing positive trend in sales and the Volkswagen group's strong growth in core markets such as China pose new challenges for quality assurance. Ever-growing competitive pressure means that product quality is becoming more and more important. In addition, the continuous increase in vehicle complexity and the new drive systems that are becoming established are resulting in a growing number of quality assurance tasks. It is essential to identify the associated risks at an early stage so that they can be countered effectively.

Achieving the highest product quality is key to the Volkswagen group's business success. Across all divisions, Volkswagen therefore systematically analyzes the possible risks arising from quality defects and takes effective measures to minimize them. Customer expectations and practical experience are taken into account during the design and development of new vehicles and technologies. This is done in close cooperation with all divisions and with suppliers. Quality assurance acts as an interface between all the parties involved in this ongoing process.

Adopting this approach always creates an opportunity to jointly enhance and optimize established processes in all areas. By pursuing it, the Volkswagen group will continue to ensure the quality of its products and therefore its business success in the future.

Personnel risk

The individual skills and knowledge of employees are a major factor contributing to the Volkswagen group's success. The aim of becoming top employer in the automotive industry at all levels of the company improves Volkswagen's chances of recruiting and retaining the most talented employees.

The strategic, end-to-end personnel development gives all employees attractive training and development opportunities, with particular emphasis placed on increasing technical expertise in the company's different vocational groups. The Volkswagen group counters the risk that knowledge will be lost as a result of employee fluctuation and retirement with intensive, department-specific training. In addition to the standard twin-track vocational training, programs such as the StIP integrated degree and traineeship scheme ensure a steady rise in the number of highly qualified new employees in the company. The Volkswagen group has also expanded its base of senior experts in the group to ensure that the valuable knowledge of specialists retiring from Volkswagen is transferred to other employees.

Environmental protection regulations

Following the entry into force in April 2009 of EU Regulation 443/2009 capping CO_2 emissions from passenger cars, the EU forged ahead in 2010 with the parliamentary decision-making process for a CO_2 regulation for light commercial vehicles. At the same time, the European rules lead the way for further international regulations planned for fuel consumption and greenhouse gases, for example in China, India, the USA and Korea. The draft international regulations specify a concrete time horizon to the year 2020, or in some cases 2025.

The increasing global convergence of regulatory approaches and targets concerning emission control may lead to significant economic benefits worldwide in introducing new and sustainable technologies. However, there is a risk that these regulations will be formulated to benefit the domestic industry of the nations concerned.

Goals to dramatically reduce greenhouse gas emissions by 2030 and almost completely avoid the use of fossil carbon by 2050 are already the subject of public and political debate. However, it will only be possible to meet these goals by using mostly non-fossil sources of energy such as renewable electromobility.

The representatives at the most recent World Climate Conference in Cancun, Mexico, at the end of 2010 did take a small step towards establishing a uniform global framework for climate protection: with the exception of Bolivia, all member states officially pledged to limit global warming to 2°C. Concrete steps towards this goal will not be identified until the next conference at the end of 2011. However, it was agreed to assist developing countries to limit increases in their emissions by transferring technology from the industrialized nations. At present, it is impossible to predict whether this could force Volkswagen AG to pass on expertise in the future.

In preparation for the third emissions trading period beginning in 2013, the Volkswagen group calculated the CO_2 emissions requirements to be reported for the plants of the Volkswagen Passenger Cars brand in accordance with the German Data Collection Regulation (DEV 2020). The assessment showed that we only need to report installations for the plants in Salzgitter and Zwickau: we reported an additional requirement of approximately 3,000 tons of CO_2 a year for the Salzgitter site and around 20,000 tons of CO_2 a year for the Zwickau site. Appropriate checks were also carried out at the other plants in the European Union in accordance with the national laws in force at those locations. The number of Volkswagen group installations included in the EU Emissions Trading System as of 2013 will not rise significantly overall.

The main change to the emissions trading system starting in 2013 is that the emissions certificates required will no longer be allocated free of charge on the basis of National Allocation Plans. Instead, all certificates for CO_2 emissions from pure power generation and an annually increasing percentage of certificates for other emissions will have to be purchased (auctioning). Provisional estimates indicate that the energy costs incurred by the Volkswagen group's European sites will increase dramatically solely as a result of purchasing the emission allowances required for the operation of their own incineration installations.

Legal cases

In the course of their operating activities, Volkswagen AG and the companies in which it is directly or indirectly invested become involved in legal disputes and official proceedings in Germany and internationally. In particular, such proceedings may occur in relation to suppliers, dealers, customers, or investors. For the companies involved, these may result in payment or other obligations. Particularly in cases where US customers assert claims for vehicle defects individually or by way of a class action, highly cost-intensive measures may have to be taken and substantial compensation or punitive damages paid. Corresponding risks also result from US patent infringement proceedings.

Where transparent and economically viable, adequate insurance cover is taken out for these risks and appropriate provisions recognized for the remaining identifiable risks. The company does not believe, therefore, that these risks will have a sustained effect on the economic position of the group.

However, as some risks cannot be assessed or can only be assessed to a limited extent, the possibility of loss or damage not being covered by the insured amounts and provisions cannot be ruled out.

In fiscal year 2010, the United Kingdom Office of Fair Trading (OFT) started an investigation into Volkswagen subsidiary Scania. In fiscal year 2011, Scania also became the subject of an investigation launched by the European Commission concerning alleged inappropriate exchange of information. Besides other truck manufacturers, the EU probe also includes MAN SE, in which Volkswagen holds a 28.67 percent interest. Such investigations normally take several years. It is still too early to judge whether these investigations pose any risk to Scania or MAN.

Strategies for hedging financial risks

The Volkswagen group’s business activities entail financial risks that may arise from changes in interest rates, exchange rates, commodity prices and fund prices. Management of these financial risks as well as liquidity risk is the responsibility of the central group treasury department. The Volkswagen group limits these risks using non-derivative and derivative financial instruments. The Volkswagen group board of management is informed of the current risk situation on a regular basis.

The group hedges interest rate risk, where appropriate in combination with currency risk, and risks arising from fluctuations in the value of financial instruments by means of interest rate swaps, cross-currency swaps and other interest rate contracts with matching amounts and maturity dates. This also applies to financing arrangements within the Volkswagen group.

Foreign currency risk is reduced primarily through natural hedging, i.e., by flexibly adapting production capacity at locations around the world, establishing new production facilities in the most important currency regions and also procuring a large percentage of components locally, currently for instance in India, Russia and the USA. The residual foreign currency risk is hedged using hedging instruments. These include currency forwards, currency options and cross-currency swaps. These transactions are used to limit the currency risk associated with forecast cash flows from operating activities and intragroup financing in currencies other than the respective functional currency. The currency forwards and currency options can have a term of up to six years. The Volkswagen group thus hedges its principal foreign currency risks associated with forecasted cash flows in the following currencies: US dollars, pound sterling, Czech koruna, Swedish krona, Russian rubles, Australian dollars, Polish zloty, Swiss francs, Mexican pesos and Japanese yen – mostly against the euro.

The purchasing of raw materials gives rise to risks relating to availability and price trends. The risks are limited mainly by entering into forward transactions and swaps. Appropriate contracts are used to hedge some of the commodities required such as aluminum, copper, lead, platinum, rhodium, palladium and coal over a period of up to eight years. Similar transactions have been entered into for the purpose of supplementing and improving allocations of CO_2 emission certificates.

The solvency of the company is ensured at all times by providing sufficient liquidity reserves, access to confirmed credit lines and tried-and-tested money market and capital market programs. The capital requirements of the growing financial services business are covered mainly through borrowings at matching maturities raised in the national and international financial markets. Risk premiums, a component of refinancing costs that had risen sharply when the financial and economic crisis broke, almost dropped back to pre-crisis levels in 2010. Thanks to the broadly diversified structure of its refinancing sources, the Volkswagen group was able to raise sufficient liquidity in the various markets throughout 2010.

By diversifying when it invests excess liquidity and by entering into financial instruments for hedging purposes, the Volkswagen group ensures that it remains solvent at all times, even in the event of a default by individual counterparties.

Credit lines from banks are generally only ever used within the group to cover short-term working capital requirements. Projects are financed by, among other things, loans provided at favorable interest rates by development banks such as the European Investment Bank and the European Bank for Reconstruction and Development (EBRD), or by national development banks such as KfW and Banco Nacional de Desenvolvimento Econômico e Social (BNDES). This extensive range of options means that the liquidity risk to the Volkswagen group is extremely low.

Risks arising from financial instruments

Channeling excess liquidity into investments gives rise to counterparty risk. Partial or complete failure by a counterparty to perform its obligation to pay interest and repay principal would have a negative impact on earnings and liquidity. The Volkswagen group counters this risk through its counterparty risk management. In addition to counterparty risk, the financial instruments held for hedging purposes hedge balance sheet risks, which are limited by applying hedge accounting.

Liquidity risk

A rating downgrade could adversely affect the terms attached to the Volkswagen group's borrowings. One important factor in this context is Volkswagen AG's interest in Dr. Ing. h.c. F. Porsche AG, which resulted in a high outflow of liquidity in late 2009. In addition, at the beginning of 2010, Volkswagen acquired an interest in the Suzuki Motor Corporation at a total cost of around 1.8 billion euro. In the first half of 2010, Volkswagen AG implemented a capital increase by issuing new preferred shares. At the same time, this transaction strengthened Volkswagen's financial stability and flexibility and enabled the group to maintain its existing credit rating. The acquisition of the automobile trading operations of Porsche Holding Gesellschaft mbH (Porsche Holding Salzburg) in 2011 will result in a further significant outflow of liquidity in the near future. Due primarily to its current liquidity and the inflow of funds from the capital increase, the company does not anticipate any liquidity risks.

Residual value risk in the financial services business

In the financial services business, the Volkswagen group agrees to buy back selected vehicles at a residual value that is fixed at inception of the contract. Residual values are set realistically so that market opportunities can be leveraged. The Volkswagen group evaluates the underlying lease contracts at regular intervals and takes the necessary precautions if any potential risks are identified.

Management of the residual value risk is based on a defined feedback loop ensuring the full assessment, monitoring, management and communication of risks. The process design ensures not only professional management of residual risks but also that the handling of residual value risks is systematically improved and enhanced.

As part of its risk management, the Volkswagen group uses residual value forecasts to regularly assess the appropriateness of the provisions for risks and the potential for residual value risk. The contractually agreed residual values are compared with the fair values obtainable. These are produced from data from external providers and internal marketing data. The upside of residual market values is not taken into account when making provisions for risks.

IT risk

At Volkswagen, a global company geared towards further growth, the information technology (IT) used in all divisions group-wide is assuming an increasingly important role. IT risks include unauthorized access to sensitive electronic corporate data and information as well as limited availability as a consequence of systems failure or natural disasters. The Volkswagen group addresses the risk of unauthorized access to corporate data by using virus scanners and firewall and intrusion prevention systems. It achieves additional protection by restricting the allocation of access rights to systems and information and by keeping backup copies of critical data resources. For this, the Volkswagen group uses technical resources that have been tried and tested in the market, adhering to standards applicable throughout the company. By implementing redundant IT infrastructures, the Volkswagen group protects itself against risks that occur in the event of a systems failure or natural disaster.

As Volkswagen's importance as a multinational corporation grows, so do the intensity and sophistication of the attacks on its IT systems and data resources. This is why Volkswagen continuously takes measures against identified and anticipated risks during the software development process, when protecting the IT infrastructure and also in the allocation of access rights to systems and data resources.

Rapid technological advancement creates a residual risk in relation to IT security that cannot be managed completely.

Other factors

Going beyond the risks already outlined, there are other factors that cannot be predicted and are therefore difficult to control. Should these transpire, they could have an adverse effect on the further development of the Volkswagen group. These factors include natural disasters, epidemics and terror attacks.

Summary of the risk situation of the Volkswagen group

The Volkswagen group's overall risk situation results from the specific risks shown above. The Volkswagen group's comprehensive risk management system ensures that these risks are controlled. Taking into account all the information currently available, no risks exist which could pose a threat to the continued existence of the Volkswagen group.

Overall statement on the risks faced by the Porsche SE group

The overall risk exposure of the Porsche SE group is made up of the individual risks relating to the significant investments held in Porsche Zwischenholding GmbH and Volkswagen AG presented above and the specific risks of Porsche SE. The risk management system ensures that these risks can be controlled. Based on of the information currently available to us, the executive board has not identified any risks which could endanger the ability of the Porsche SE group to continue as a going concern.

Subsequent events

In January 2011, all plaintiffs appealed against the dismissal by the United States District Court for the Southern District of New York of actions for damages against Porsche SE.

In January 2011, a private investor filed a claim for damages against Porsche SE and another defendant in the amount of approximately 3 million euro. The plaintiff claims to have entered into options relating to shares in Volkswagen AG in 2008 on the basis of inaccurate information and the omission of information as well as market manipulation by Porsche SE and to have incurred losses from these options due to the share price development in 2008 in the amounts claimed. The action is currently pending in the Regional Court of Stuttgart. Porsche SE considers the asserted claims to be without merit and will defend itself against the claims.

On 18 February 2011, three plaintiffs filed an action for damages in New York state court. In their complaint, which has not yet been served on Porsche SE, they allege common law fraud and unjust enrichment based on allegations similar to those made in the US claims set out above. The plaintiffs claim to have lost at least 390 million US dollars. Porsche SE believes this claim to be legally insufficient and without merit.

In addition, the Stuttgart public prosecutor announced on 22 February 2011 that the investigations against the former members of the executive board Dr. Wendelin Wiedeking and Holger P. Härter in connection with allegations of manipulating the market in Volkswagen shares were taking longer than planned. They are not expected to be concluded before the start of 2012. In addition, the public prosecutor is investigating the two former members of the executive board in connection with allegations of breach of fiduciary duty to the detriment of Porsche SE. According to the public prosecutor, there is reason to suspect that the two former members of the executive board may have taken risks jeopardizing the company's ability to continue as a going concern by entering into share price hedging transactions in the course of acquiring the shareholding in Volkswagen AG. According to the public prosecutor, the investigations on suspicion of trading-based (not information-based) market manipulation have been dropped.

For further details of the status of the legal proceedings, please see the section "Litigation risk" in the risk report of Porsche SE in this management report.

Moreover, the section "Anticipated development of the Porsche SE group" in the section "Forecast report and outlook" of this management report contains further statements on events that occurred after the close of the short fiscal year 2010.

Forecast report and outlook

Overall economic development

The marked upturn in the global economy in 2010 is expected to abate in 2011. The high levels of public indebtedness in many countries, and increased raw materials prices are putting the brakes on the development of the economy. This year and next year, Germany is expected to be the only nation in the European Union that will succeed in complying with the Maastricht reference figure for budget deficits of three percent of GDP. But it is not only the southern European countries of Portugal, Spain, Italy and Greece that are being forced to implement cost-cutting measures. According to the International Monetary Fund, even the major economic powers of the USA and Japan must swiftly reorganize their budgets. As a result, China and other developing emerging economies, such as India and Brazil, will remain the key growth drivers in the world economy in 2011. In Europe, this role will continue to be played by Germany and France.

The growing international significance of the Chinese economy involves the risk that the traditional industrialized countries will become increasingly dependent on high levels of exports to the Far East. Should demand from China significantly decrease, this would have negative repercussions for the global economy as a whole.

Exchange rate developments

In the reporting period, there were major fluctuations in the exchange rates between important currencies. These were due to the high levels of public indebtedness of some member countries of the euro area, as well as of the USA. The resulting concerns regarding the stability of the euro and the US dollar will continue to hold the currency markets in suspense, and the US dollar and the euro will continue to be volatile. Because the Asian currencies are linked to the US dollar, they will also continue to fluctuate in a similar way to the euro. By contrast, the currently strong Swiss franc and Japanese yen are expected to gradually return to normal.

Interest rate developments

At the end of the reporting period, it remained unclear which central bank would be first to increase the key interest rates, and when. These points are not expected to be clarified for several months. At present, not even the rising global risk of inflation has been a cause of concern for the central bankers. As a result, a change in the key interest rates can be expected at the end of 2011 or beginning of 2012 at the earliest – and is likely to be relatively moderate. Irrespective of this, the reversal of the trend in the capital markets started last fall.

Commodity price developments

The strong economic upturn also had effects on the commodity markets. However, the price increases seen during the reporting period, some of them substantial, are to some extent driven by postponed investment – the marked upward trend in the markets is expected to slow down in the course of 2011. This is also indicated by the Chinese government's efforts to curb the enormous growth by increasing interest rates, thereby moderating demand for commodities.

Prospects on the automotive markets

Overall, the global automobile market will continue to grow in 2011. The western European market, which last year saw a drop in new vehicles registered, will recover this year. The German Association of the Automotive Industry (VDA) expects a market volume of 3.1 million vehicles (prior year: 2.9 million) in Germany in 2011. The eastern European market is expected to develop more favorably. In North America, the upward trend is likely to continue. Stronger growth can be expected in the BRIC states of Brazil, Russia, India and China.

Anticipated development of significant investments

The Porsche Zwischenholding GmbH group expects that sales and revenue will continue to grow in fiscal 2011 in comparison to 2010. However, it is unlikely that the extraordinarily high growth rates seen in the short fiscal year 2010 will be repeated. On the one hand, this is because this growth was partly due to the effects of the financial and economic crisis on the sales situation, which burdened the first months of the fiscal year 2009/10. On the other, the anticipated slight slowdown in the growth of the global economy can also be expected to curb growth. Nevertheless, the Porsche Zwischenholding GmbH group expects higher sales and revenue in fiscal 2011 than in 2010. This growth is likely to be fueled by continued high demand for Porsche vehicles in China and other emerging markets. Moreover, the Porsche Zwischenholding GmbH group expects its attractive product range to fuel further growth in demand in the main markets of Europe and North America.

In the next two fiscal years, this development and the strong competitiveness of the Porsche Zwischenholding GmbH group and the Porsche brand should have a positive impact on revenue and on income from ordinary activities, as well as on cash flow from operating activities. For example, the group plans to increase sales and revenue for the coming two years and to repeat the double-digit return on sales before tax.

The Volkswagen group's key competitive advantages are its unique brand portfolio and its continually growing presence in all key regions of the world. Thanks to the group's expertise in technology and design, it has a diverse, attractive and environmentally friendly range of products that meets all customer desires and needs. In addition, the modular toolkit system, which Volkswagen is continually optimizing, will have an increasingly positive effect on the group's cost structure. In 2011, the Volkswagen group's nine brands will once again introduce a large number of fascinating new models to the market, thus further expanding the group's strong position in the global markets. Volkswagen therefore expects its deliveries to customers to increase as against the previous year.

The Volkswagen group expects its sales revenue and operating profit in 2011 to be higher than the previous year. However, the continuing volatility in interest and exchange rate trends and commodities prices will weaken the positive volume effect. Disciplined cost and investment management and the continuous optimization of processes remain core components of the Volkswagen group's "Strategy 2018".

Anticipated development of the Porsche SE group

The Porsche SE group's profit/loss hinges on the results of operations and the profit/loss of the significant investments in Porsche Zwischenholding GmbH and Volkswagen AG, which are accounted for at equity, that is attributable to Porsche SE. Porsche SE records investment income in the form of dividends in its separate financial statements prepared in accordance with the German Commercial Code.

In view of the recovery of the automotive markets and the growth enjoyed by China and other emerging markets, Porsche SE expects the profit/loss attributable to it from investments accounted for at equity to develop positively in 2011 and, should the merger not take place, also in 2012. The profit/loss attributable to it from investments accounted for at equity will, however, continue to include the effects resulting from amortization of the purchase price allocations begun at the time of inclusion of Porsche Zwischenholding GmbH as a joint venture and Volkswagen AG as an associate. In addition, the interest expenses associated with the existing syndicated loan will have a negative impact on the group's profit/loss until this loan has been partially repaid as planned as of 30 June 2011. Once it has been partially repaid as planned, interest expenses are expected to fall significantly. Therefore, Porsche SE expects to generate a profit for the period before special effects at group level in the fiscal year 2011.

The special effects on the group's profit for the year 2011 could arise from an adjustment through profit or loss of the valuation of the put and call options for the shares in Porsche Zwischenholding GmbH remaining with Porsche SE. At the time of publishing this management report, it is not possible to conclusively assess the amount of such adjustment. The factors underlying the valuation are not wholly within the control of Porsche SE and may change over time. This concerns above all the probability that the merger, as defined by the basic agreement, will fail i.e., the theoretical probability of the exercise of the options, as well as the actual enterprise value of Porsche Zwischenholding GmbH, which in turn depends to a large extent on the underlying planning and the cost of capital derived as of the valuation date. An increase in the theoretical probability of the exercise of the options, as well as a sustained improvement in the profit forecasts of the Porsche Zwischenholding GmbH group could lead to an adjustment in the valuation of the put and call options that reduces the profit for the year. An increase in the cost of capital in determining the enterprise value could, however, have a positive impact on the net valuation result. Depending on the changes in the significant parameters in the fiscal year 2011, Porsche SE cannot rule out that the valuation of the put and call options may give rise to effects on profit or loss that might produce a net loss for the year at group level despite the profit before special effects.

Based on the loan liability of 2.5 billion euro maturing, in principle, on 30 June 2011 and the need to make a sufficient level of liquidity available at Porsche SE by the end of the fiscal year 2011, further equity or debt capital will need to be injected and is being planned accordingly. Porsche SE will push ahead over the coming weeks with the implementation of the capital increase, which is intended to play a decisive role in reducing the company's liabilities. The proceeds from the capital increase are to be used to repay Porsche SE's syndicated loan, thereby laying the foundations for the merger. As part of the overall concept of the basic agreement, the holders of ordinary shares who are deemed part of the Porsche and Piëch families have undertaken, subject to certain conditions, to ensure that the new ordinary shares issued as part of the capital increase resolved on 30 November 2010 are subscribed for at an estimated total subscription price of 2.5 billion euro. In the event that the direct capital increase cannot be performed on time or completely, on 30 November 2010 the annual general meeting of Porsche SE additionally authorized Porsche SE's executive board, subject to the approval of the supervisory board, to issue convertible bonds and corresponding instruments in a total nominal amount of up to 5 billion euro. The above commitment made by the holders of ordinary shares belonging to the Porsche and Piëch families also relates, in principle, to capital measures based on the authorization approved on 30 November 2010 to issue convertible bonds and corresponding instruments. The executive board believes that all conditions stipulated in the commitment will be satisfied and that the loan liability maturing on 30 June 2011 can therefore be repaid as planned.

There is still uncertainty with regard to the tax framework for the merger. In addition, the effects that the claims for damages brought against Porsche SE in the USA and by various fund companies and a private individual in Germany will have on the merger cannot be conclusively assessed given the current status of litigation. The Stuttgart public prosecutor announced on 22 February 2011 that the investigations against two former executive board members of Porsche SE, inter alia because of allegations of manipulating the market in Volkswagen shares, will take longer than anticipated. The outcome of the investigations is relevant for the valuation, of damage claims raised against Porsche SE and based on alleged share price manipulation. This valuation must be made for purposes of the merger of Porsche SE into Volkswagen AG (please also refer to the details provided in the section "Significant events" and in the section "Litigation risk" in Porsche SE's risk report in this management report). Since the end of the investigations can be expected at the earliest at the beginning of 2012, the legal and tax assessments of the merger of Porsche SE into Volkswagen AG to be made under the basic agreement will likely be delayed. From the executive board's view this also reduces the probability that the merger can be achieved under the timeline of the basic agreement (which requires that the necessary shareholder resolutions on the merger are made in 2011) from previously 70 percent to 50 percent.

In the view of the Porsche SE executive board, the overall probability of the merger decreases in case of substantial delays in the merger process compared to the timeline of the basic agreement.

However, the executive board of Porsche SE is currently of the opinion that the assessments can be finalized so timely, that the merger can be achieved even after 2011.

Stuttgart, 28 February 2011

Porsche Automobil Holding SE

The executive board

2

Separate financial statements

Balance sheet of Porsche Automobil Holding SE as of 31 December 2010

EUR000	Note	31/12/2010	31/7/2010
Assets			
Fixed assets	[1]		
Intangible assets		2	3
Property, plant and equipment		366	399
Financial assets		24,770,873	24,770,873
		24,771,241	24,771,275
Current assets			
Receivables	[2]	4,027,419	4,347,535
Other assets	[3]	301,737	229,868
Cash and cash equivalents	[4]	621,521	886,560
		4,950,677	5,463,963
Prepaid expenses	[5]	35,040	53,294
		29,756,958	**30,288,532**
Equity and liabilities			
Equity			
Subscribed capital	[6]	175,000	175,000
Capital reserves	[7]	121,969	121,969
Retained earnings	[8]	17,102,292	12,184,016
Net profit available for distribution		439,528	4,495,724
		17,838,789	16,976,709
Provisions	[9]		
Provisions for pensions and similar obligations		7,089	6,449
Sundry provisions		257,546	1,565,990
		264,635	1,572,439
Liabilities	[10]		
Liabilities to banks		7,000,000	7,000,000
Trade payables		17,868	2,486
Liabilities to affiliated companies		4,239,787	4,552,649
Other liabilities		395,879	184,249
		11,653,534	11,739,384
		29,756,958	**30,288,532**

Income statement of Porsche Automobil Holding SE for the period from 1 August 2010 to 31 December 2010

EUR000	Note	SFY 2010	2009/10
Other operating income	[11]	32,145	641,494
Personnel expenses	[12]	– 11,026	– 17,826
Amortization and depreciation		– 38	– 108
Other operating expenses	[13]	– 43,823	– 631,111
Investment result	[14]	352,467	9,849,593
Interest result	[15]	– 112,731	– 850,595
Income from ordinary activities		**216,994**	**8,991,447**
Extraordinary expenses	[16]	– 1,570	0
Taxes	[17]	663,631	0
Net profit		**879,055**	**8,991,447**
Transfer to retained earnings		– 439,527	– 4,495,723
Net profit available for distribution	**[8]**	**439,528**	**4,495,724**

Notes to the financial statements of Porsche Automobil Holding SE as of 31 December 2010

Notes to the financial statements

Basis of accounting

The financial statements of Porsche Automobil Holding SE, Stuttgart, (hereinafter referred to as "Porsche SE") have been prepared in euro in accordance with the provisions of the HGB ["Handelsgesetzbuch": German Commercial Code] and the special accounting provisions of the AktG ["Aktiengesetz": German Stock Corporation Act].

Porsche SE applied all requirements of the BilMoG ["Bilanzrechtsmodernisierungsgesetz": German Accounting Law Modernization Act] this fiscal year. The prior-year figures were not restated.

The fiscal year of the Porsche SE group (Porsche SE and its subsidiaries) used to cover the period from 1 August of a year until 31 July of the following year. With regard to the creation of an integrated automotive group with the Volkswagen group (Volkswagen AG, Wolfsburg, and its subsidiaries), the annual general meeting of Porsche SE adopted a resolution on 29 January 2010 to change the fiscal year of the company to run concurrently with the calendar year, effective 1 January 2011. A short fiscal year ("SFY") has been created for the period from 1 August 2010 to 31 December 2010. The reporting period, i.e., SFY 2010, covers a period of five months, while the fiscal year 2009/10 presented as comparative period comprises a period of twelve months. As a result, the figures presented for the reporting period and the comparative period are not fully comparable.

In order to improve the clarity of the financial statements, individual balance sheet and income statement items have been combined and presented separately in the notes to the financial statements. All figures in the financial statements have been rounded to thousands of euro (EUR thousand). The figures stated in the notes are also in thousands of euro unless stated otherwise. The income statement has been prepared using the nature of expense method.

Accounting policies

Intangible assets and property, plant and equipment are stated at cost less amortization and depreciation over the useful life of the assets and any extraordinary write-downs.

Shares in affiliated companies are stated at the lower of cost or market. Affiliated companies are those entities that Porsche SE would include as subsidiaries in consolidated financial statements prepared in accordance with the HGB. From the perspective of Porsche SE these include above all Volkswagen AG and its subsidiaries as well as Porsche Zwischenholding GmbH, Stuttgart, and its subsidiaries due to the majority of voting rights held.

Any net deferred tax assets remaining after netting with deferred tax liabilities are not recognized in the balance sheet.

Receivables and other assets are valued at the lower of cost or market. Specific bad debt allowances provide for all foreseeable risks.

With regard to derivative financial instruments that do not qualify for hedge accounting, fair value is compared with their carrying amount. Any resulting loss is recognized as an expense. Positive differences (gains on valuation) are not recognized.

Debt discounts are recognized as prepaid expenses and distributed over the liability's entire term to maturity.

Provisions for pensions and similar obligations are recognized using the projected unit credit method in accordance with actuarial principles on the basis of the current 2005 G mortality tables from Prof. Dr. Klaus Heubeck and an interest rate of 5.16 percent, a rate of increase in wages and salaries (including due to career developments) of 3.5 percent and an inflation rate of 1.5 percent. Assets that serve exclusively to fulfill pension and similar long-term obligations (assets available for offsetting) are offset against the obligations.

Sundry provisions are recognized at the settlement value deemed necessary according to prudent business judgment and, if they have a remaining life of more than one year, are discounted at the average market interest rate for the last seven fiscal years.

Liabilities are recognized at their settlement value. In some cases, Porsche SE made use of the option to use hedge accounting for liabilities and financial instruments where changes in value from the occurrence of comparable risks offset each other fully.

Foreign currency receivables and liabilities with a remaining life of up to one year are recognized at the average spot rate as of the reporting date. Foreign currency receivables with a remaining life of more than one year are valued at the historical rate or the closing rate, whichever is lower. Foreign currency liabilities with a remaining life of more than one year are valued at the historical rate or the closing rate, whichever is higher.

The amounts presented under contingent liabilities reflect the contractual scope of liability.

[1] Fixed assets

The development of fixed assets of Porsche SE is shown in the statement of changes in fixed assets.

The full list of Porsche SE's shareholdings is presented in note [25].

Statement of changes in fixed assets

EUR000	1/8/2010	Additions	Disposals
Intangible assets			
Purchased franchises, industrial and similar rights and assets, and licenses in such rights and assets	6	0	0
Total intangible assets	**6**	**0**	**0**
Property, plant and equipment			
Other equipment, furniture and fixtures	546	4	0
Total property, plant and equipment	**546**	**4**	**0**
Financial assets			
Shares in affiliated companies	24,770,873	0	0
Total financial assets	**24,770,873**	**0**	**0**
Total fixed assets	**24,771,425**	**4**	**0**

As of 31 December 2010, the market value of the investment in Volkswagen AG amounted to EUR 15,861,165 thousand. The carrying amount of the investment is EUR 21,487,371 thousand. It was not necessary to recognize an extraordinary write-down because the fundamental data for Volkswagen AG are not reflected in full in the share price of Volkswagen AG and an impairment test based on a discounted cash flow method did not reveal any need to recognize an impairment loss.

	Cost		Amortization and depreciation		Carrying amounts	
Reclassifications	**31/12/2010**	accumulated	in the fiscal year	**31/12/2010**	**31/7/2010**
0	6	4	1	2	3
0	**6**	**4**	**1**	**2**	**3**
0	550	184	37	366	399
0	**550**	**184**	**37**	**366**	**399**
0	24,770,873	0	0	24,770,873	24,770,873
0	**24,770,873**	**0**	**0**	**24,770,873**	**24,770,873**
0	**24,771,429**	**188**	**38**	**24,771,241**	**24,771,275**

[2] Receivables

All receivables are due from affiliated companies. They mainly include loan receivables from Porsche Zwischenholding GmbH (EUR 2,702,648 thousand) and from Dr. Ing. h.c. F. Porsche Aktiengesellschaft, Stuttgart ("Porsche AG") (EUR 1,312,847 thousand) that are due in more than one year. Should Porsche Zwischenholding GmbH become insolvent, Volkswagen AG will assume the loan obligations of this company due to Porsche SE provided it would have been possible to offset the obligations against claims against Porsche SE had the company not become insolvent. Volkswagen AG has a corresponding obligation relating to a loan receivable from Porsche AG in the case of Porsche AG's insolvency. The loan agreement contains a premature repayment clause in the event of Porsche AG's insolvency.

The receivables from Porsche Zweite Vermögensverwaltung GmbH amounting to EUR 320,554 thousand were offset against liabilities due to the company of EUR 320,159 thousand for the first time in SFY 2010. The net amount after offsetting is presented under receivables.

[3] Other assets

Other assets include above all tax refund claims. In addition, other assets contain a put option for the shares in Porsche Zwischenholding GmbH remaining at Porsche SE with a value of EUR 13,029 thousand. The put option is part of the basic agreement concluded between Porsche SE and Volkswagen AG on the creation of an integrated automotive group on 18/22 September 2009. This option relates to Volkswagen AG only and is due in more than one year. The right to exercise the put option has been assigned as collateral for liabilities to banks. The claims against Volkswagen AG arising if the put option is exercised were pledged as collateral for liabilities to banks.

[4] Cash and cash equivalents

The item cash and cash equivalents is composed of bank balances. There are no restrictions on cash (prior year: restricted cash of EUR 45,000 thousand).

[5] Prepaid expenses

This item mainly comprises a debt discount of EUR 34,077 thousand (prior year: EUR 52,569 thousand) and prepayments for service agreements.

[6] Subscribed capital

Porsche SE's subscribed capital totals EUR 175,000 thousand (prior year: EUR 175,000 thousand) and is divided into 87,500,000 fully paid-in ordinary shares and 87,500,000 fully paid-in non-voting preference shares. Each share represents a notional share of EUR 1 of the share capital. The preference shares carry an additional dividend of 0.6 cents per share in the event of there being net profit available for distribution.

On 30 November 2010, the annual general meeting adopted resolutions on a capital increase in return for cash contributions, on the authorization to issue convertible bonds, participation rights, participating bonds or a combination of these instruments and on the creation of contingent capital and new authorized capital. The maximum gross issue proceeds from these instruments amount to EUR 5 billion.

The Porsche and Piëch families, in their capacity as holders of ordinary shares in Porsche SE and Porsche Gesellschaft m.b.H., Salzburg, agreed within the framework of the overall concept of the basic agreement to increase capital as part of the planned capital increase at Porsche SE. In their commitment to increase capital, the holders of ordinary shares in Porsche SE agreed to a capital increase at Porsche SE with an issue volume of up to EUR 5.0 billion (half in ordinary and half in preference shares) under certain circumstances and to make a contribution of an estimated EUR 2.5 billion. The requisite resolutions on a capital increase implementing this undertaking were adopted by the annual general meeting on 30 November 2010. Porsche Gesellschaft m.b.H., Salzburg, has entered into a commitment to ensure subscription to the new ordinary shares from this capital increase at Porsche SE under certain circumstances and conditions in return for a contribution of an estimated EUR 2.5 billion and under certain other circumstances and conditions to subscribe to convertible bonds or ordinary shares issued from authorized capital with a total subscription price of an estimated EUR 2.5 billion.

Capital increase in return for cash contributions

The company's share capital will be increased by up to EUR 2.5 billion to up to EUR 2.675 billion in return for cash contributions by issuing up to 1.25 billion new ordinary shares and up to 1.25 billion new preference shares, each share representing a notional share of EUR 1 of the share capital. The executive board is authorized, subject to the approval of the supervisory board, to set the subscription price as high as possible, but at no less than EUR 2.00 per share, taking into account the market situation prevailing prior to performance of the capital increase. The number of new ordinary and preference shares to be issued is to be determined by dividing the targeted gross issue proceeds of EUR 2.5 billion for each class of shares by the subscription price, which is yet to be determined. The resolution on the capital increase excludes ordinary shareholders' subscription rights to preference shares and preference shareholders' subscription rights to ordinary shares ("cross exclusion of subscription rights"). Based on new requirements under German stock corporation law, the number of new preference shares issued may not exceed the number of new ordinary shares issued. The resolution on the capital increase was entered into the commercial register of the Stuttgart district court on 13 January 2011. The resolution is void if the implementation of the capital increase has not been entered into the commercial register of the Stuttgart district court by the end of the day on 30 May 2011 or, under the conditions described in the resolution, by 30 August 2011.

Authorization to issue convertible bonds, participation rights, participating bonds or a combination of these instruments

The executive board is authorized, subject to the approval of the supervisory board, to issue, on one or more occasions, convertible bonds, participation rights, participating bonds or a combination of these instruments with a total nominal amount of up to EUR 5 billion until 29 November 2015. The granting of conversion rights or imposing of conversion obligations into ordinary shares and preference shares is limited to a total of 87,500 thousand ordinary shares and 87,500 thousand preference shares. The executive board is authorized to issue convertible bonds with conversion rights or obligations only if convertible bonds with conversion rights or obligations to ordinary shares and convertible bonds with conversion rights or obligations to non-voting preference shares are offered for subscription at the same time in proportion to their respective shares of the total share capital and subscription rights are excluded for holders of shares of one class to convertible bonds with conversion rights or obligations to shares of the other class of shares ("cross exclusion of subscription rights"). The subscription ratio set for convertible bonds with conversion rights or obligations and the conversion price must be the same for holders of both classes of shares. The conversion price per ordinary or preference share may not be lower than EUR 2.00. In addition, the conversion price may not fall short of the subscription or conversion price set for partial performance of the capital increase described above or partial utilization of the authorized capital or in the course of a previous issue of convertible bonds with conversion rights or obligations.

Contingent capital

The share capital has been contingently increased by up to EUR 87,500,000.00 through the issue of up to 87,500,000 new non-voting preference bearer shares (no par value shares) that are subject to the same rights pursuant to the articles of association as the non-voting preference shares described in the company's articles of association. The purpose of the contingent capital increase is to grant any non-voting preference bearer shares to holders of convertible bonds, participating rights, participating bonds or a combination of these instruments exercising conversion rights or satisfying conversion obligations. New shares are issued in accordance with the authorizing resolution described above at the respective conversion price that has yet to be set. The contingent capital was entered into the commercial register of the Stuttgart district court on 13 January 2011.

Authorized capital

The executive board is authorized until 29 November 2015, and subject to the approval of the supervisory board, to increase the company's share capital, on one or more occasions, by a maximum amount of EUR 87,500,000.00 by issuing new ordinary shares or non-voting preference shares in return for contributions in cash or in kind. The authorization may only be exercised in such a way that the proportion of the share capital contributed by non-voting preference shares does not at any time exceed the proportion of the share capital contributed by ordinary shares. The authorization includes the right to issue non-voting preference shares that are placed on a par with any non-voting preference shares issued in the past with regard to the distribution of the profits or assets of the company. The authorized capital was entered into the commercial register of the Stuttgart district court on 13 January 2011.

The shareholders must generally be granted subscription rights. However, in the event that ordinary shares and non-voting preference shares are issued at the same time in proportion to their respective shares in the total share capital, the executive board is authorized, subject to the approval of the supervisory board, to preclude the holders of shares of one class from subscribing to shares of the other class ("cross exclusion of subscription rights"). Moreover, the executive board is authorized, subject to the approval of the supervisory board, to preclude the subscription rights of shareholders if new ordinary bearer shares are issued in return for a contribution in kind to effect the acquisition of other entities, operations of other entities, equity investments in other entities or other assets. The subscription price, which has yet to be determined, may not be lower than EUR 2.00. In addition, the subscription price may not fall short of the subscription or conversion price set for partial performance of the capital increase described above in return for cash contribution or in the course of an issue of convertible bonds with conversion rights or obligations.

[7] Capital reserves

The capital reserves only contain additions from premiums.

[8] Retained earnings, net profit available for distribution

Retained earnings relate exclusively to other revenue reserves. In the reporting year, half of Porsche SE's net income for the year, EUR 439,527 thousand, was transferred to retained earnings in accordance with Sec. 58 (2) AktG ["Aktiengesetz": German Stock Corporation Act]. Of the net profit available for distribution in the prior year amounting to EUR 4,495,724 thousand, an amount of EUR 4,478,749 thousand was transferred to retained earnings based on the resolution adopted by the annual general meeting on 30 November 2010. EUR 16,975 thousand was distributed as a dividend.

A proposal for the appropriation of profit was not available for submission to the annual general meeting by the time the financial statements were authorized by the executive board.

[9] Provisions

EUR000	31/12/2010	31/7/2010
Provisions for pensions and similar obligations	7,089	6,449
Tax provisions	150,327	1,416,471
Other provisions	107,219	149,519
	264,635	**1,572,439**

The provisions for pensions and similar obligations primarily relate to retirement benefits for employees of Porsche SE. The pension obligations are covered in full by provisions.

Tax provisions include amounts for prior-year taxes that have not been assessed yet.

Other provisions relate primarily to outstanding invoices, litigation costs, interest on tax payments, uncertain liabilities and personnel and welfare obligations. Adequate provision was made for all recognizable risks.

Assets with an acquisition cost of EUR 432 thousand and fair value of the same amount were offset against obligations from phased retirement arrangements with a settlement value of EUR 592 thousand. Fair value was determined using the most recent cash transaction.

[10] Liabilities

The liabilities to affiliated companies, which had been summarized with other liabilities in the fiscal year 2009/10, are presented separately in SFY 2010 in the interest of improving transparency. The presentation of the prior-year figures has been restated accordingly.

EUR000	Thereof due within 1 year	1 to 5 years	more than 5 years	Total amount	Thereof amounts secured
Liabilities to banks	7,000,000	–	–	7,000,000	7,000,000
Trade payables	17,868	–	–	17,868	–
Liabilities to affiliated companies	11,247	3,879,801	348,739	4,239,787	3,879,801
Other liabilities	237,252	158,627	–	395,879	–
Total 31 December 2010	**7,266,367**	**4,038,428**	**348,739**	**11,653,534**	**10,879,801**

EUR000	Thereof due within 1 year	1 to 5 years	more than 5 years	Total amount	Thereof amounts secured
Liabilities to banks	2,500,000	4,500,000	–	7,000,000	7,000,000
Trade payables	2,486	–	–	2,486	–
Liabilities to affiliated companies	323,360	3,880,550	348,739	4,552,649	3,879,801
Other liabilities	25,622	158,627	–	184,249	–
Total 31 July 2010	**2,851,468**	**8,539,177**	**348,739**	**11,739,384**	**10,879,801**

Liabilities to banks comprise loans only. Shares held in Volkswagen AG and Porsche Zwischenholding GmbH as well as other assets (see note [3]) have been pledged in order to secure all loans. The pledged shares in Porsche Zwischenholding GmbH have been assigned as collateral to a trustee. Porsche SE remains economic owner.

Receivables and shares have been pledged as collateral for EUR 3,879,801 thousand of the liabilities to affiliated companies (prior year: EUR 3,879,801 thousand).

Other liabilities include income tax liabilities of EUR 234,953 thousand. In addition, they comprise EUR 9,627 thousand for Volkswagen AG's call option relating to the remaining shares in Porsche Zwischenholding GmbH held by Porsche SE. The claims arising at the level of Porsche SE if the call option is exercised were pledged as collateral for liabilities to banks.

[11] Other operating income

EUR000	SFY 2010	2009/10
Income from stock price hedging derivatives	23,436	395,852
Income from reversal of provisions	7,961	11,251
Income from foreign exchange gains	55	142,621
Sundry operating income	693	91,770
	32,145	**641,494**

[12] Personnel expenses

EUR000	SFY 2010	2009/10
Salaries	10,829	16,633
Social security contributions, pension and other benefit costs	197	1,193
thereof for pension expenses	(44)	(483)
	11,026	**17,826**

Shares	SFY 2010	2009/10
Employees (annual average)		
Salaried employees (employees acc. to Sec. 285 No. 7 HGB)	37	40
Interns	7	6
	44	**46**

As of the reporting date, the company had 36 employees and 9 interns.

[13] Other operating expenses

EUR000	SFY 2010	2009/10
Legal and consulting fees	26,934	111,465
Other third-party services	9,189	10,341
Expenses from hedging derivatives	2,919	434,240
Foreign exchange losses	5	62
Sundry operating expenses	4,776	75,003
	43,823	**631,111**

[14] Investment result

EUR000	SFY 2010	2009/10
Income from investments	281,967	9,849,592
thereof from affiliated companies	(281,967)	(9,849,592)
Income from profit and loss transfer agreements	70,500	1
	352,467	**9,849,593**

The income from investments exclusively comprises profit distributions from Porsche Zwischenholding GmbH.

The income from the profit and loss transfer agreement between Porsche Automobil Holding SE and Porsche Zweite Vermögensverwaltung GmbH also includes tax refunds.

[15] Interest result

EUR000	SFY 2010	2009/10
Interest and similar income	130,916	166,730
thereof from affiliated companies	(77,149)	(161,410)
Interest and similar expenses	– 243,647	– 1,017,325
thereof to affiliated companies	(-82,996)	(-308,826)
	– 112,731	**– 850,595**

The interest result essentially consists of income and expenses from loans. Interest and similar income includes income from discounting provisions of EUR 783 thousand and income relating to other periods from the reversal of provisions for interest of EUR 50,327 thousand on tax payments.

Interest and similar expenses include expenses of EUR 163 thousand from unwinding the discount on provisions.

[16] Extraordinary expenses

Extraordinary expenses exclusively relate to expenses from the first-time adoption of the BilMoG.

[17] Taxes

The income reported under taxes relates primarily to other periods and arose from the reversal of provisions set up in prior years relating to the tax treatment of stock options. The provisions were reversed based on amended tax notices.

[18] Contingent liabilities

Porsche SE guarantees the payment of interest and repayment of bonds totaling EUR 2,823,185 thousand to the bond creditors of Porsche International Finance plc., Dublin, Ireland.

Porsche SE has issued a guarantee of EUR 474,534 thousand to the investors of the US private placement of Porsche Financial Services Inc., Wilmington/Delaware, USA.

Furthermore, Porsche SE issued a letter of comfort in favor of Porsche Financial Services GmbH & Co. KG, Bietigheim-Bissingen, in which the company guarantees to ensure that Porsche Financial Services GmbH & Co. KG is always in a position to meet its obligations arising from a sale and leaseback agreement. The scope of liability amounts to EUR 130,000 thousand as of the reporting date. Volkswagen AG has signed a hold harmless agreement for 49.9% regarding the aforementioned guarantees.

The risk of claims arising from these potential obligations is considered low based on the current net assets, financial position and results of operations of the Porsche Zwischenholding GmbH group.

In addition, Porsche SE guarantees the payment of interest and repayment of bonds totaling EUR 360,000 thousand to the bond creditors of Porsche Holding Finance plc., Dublin, Ireland.

Porsche SE and Volkswagen AG entered into a basic agreement on 18/22 September 2009 that sets forth the steps for the creation of an integrated automotive group. As part of the basic agreement and the associated agreements implementing it, Porsche SE has agreed to hold Volkswagen AG and entities of the Porsche Zwischenholding GmbH group harmless from the following risks, provided they originated before Volkswagen AG made an investment in Porsche Zwischenholding GmbH:

- Porsche SE holds Volkswagen AG as well as Porsche Zwischenholding GmbH and Porsche AG harmless from obligations resulting from certain litigation, tax liabilities (plus interest) and for certain major losses. Provisions have already been recognized for some of these obligations.
- In addition, Porsche SE has granted Volkswagen AG various guarantees regarding Porsche Zwischenholding GmbH and Porsche AG. These relate, among other things, to the proper issue and full payment of the shares in Porsche AG, to the ownership of shares in Porsche Zwischenholding GmbH and Porsche AG as well as to the licenses, permits and industrial property rights required for Porsche AG's operations.
- In addition, Porsche SE will under certain circumstances hold Porsche Zwischenholding GmbH, Porsche AG and their legal predecessors harmless from tax burdens that go beyond the obligations from periods up until and including 31 July 2009 accounted for at the level of these entities.
- In order to secure any remaining claims of Volkswagen AG from the agreement between Porsche SE and Volkswagen AG on the investment held by Volkswagen AG in Porsche Zwischenholding GmbH, a retention mechanism was agreed in favor of Volkswagen AG for the purchase price payable in the event of the put or call options relating to the remaining Porsche Zwischenholding GmbH shares held by Porsche SE being exercised.

All of the liability risks described above relate in full to affiliated companies.

To secure any claims against Porsche SE relating to the agreement regulating the implementation of the basic agreement, a bank guarantee of EUR 1,000,000 thousand was provided for Volkswagen AG, for which Porsche SE issued an acknowledgement of debt. Shares were pledged as collateral for the bank guarantee.

Porsche SE issued a hold harmless declaration to the deposit guarantee fund agency as required by the Association of German Banks in August 2009. Volkswagen AG has agreed to hold Porsche SE harmless for internal purposes from any claims of the deposit guarantee fund agency.

The company is exposed to a risk of liability under Sec. 133 UmwG ["Umwandlungsgesetz": German Law of Reorganizations] relating to the spin-off in 2007. As transferor, Porsche SE is liable for any liabilities as of the reporting date at the level of Porsche Zwischenholding GmbH and / or Porsche AG that originated prior to the spin-off.

Provisions have been recognized for some of these matters. The remaining risk of claims arising from these potential obligations that go beyond the provisions is considered low since there is no indication, either based on past experience or as of the reporting date, that claims may be made.

Litigation:

To the knowledge of Porsche SE – which is not a party to the investigations and therefore has only limited knowledge of the subject matter and status of investigations – the Stuttgart public prosecutor has initiated investigations against the former members of the executive board Dr. Wendelin Wiedeking and Holger P. Härter in connection with allegations of manipulating the market in Volkswagen shares. According to the public prosecutor, the allegations involve public statements made by representatives of Porsche SE and the failure to make certain required statements regarding the acquisition of the shareholding in Volkswagen AG between 2007 and 2009. In addition, the public prosecutor is investigating the two former members of the executive board in connection with allegations of breach of fiduciary duty to the detriment of Porsche SE. According to the public prosecutor, there is reason to suspect that the two former members of the executive board may have taken risks jeopardizing the company's ability to continue as a going concern by entering into share price hedging transactions in the course of acquiring the shareholding in Volkswagen AG. Furthermore, the public prosecutor has launched investigations against Holger P. Härter and two employees of Porsche SE on suspicion of obtaining credit by deception in connection with a loan that has already been repaid. The investigations are not expected to be concluded before the start of 2012.

In the USA, forty-six plaintiffs have filed six actions for damages against Porsche SE in the United States District Court for the Southern District of New York. The plaintiffs allege damages of more than USD 2.5 billion. In three of the six actions, the former members of the executive board Dr. Wendelin Wiedeking and Holger P. Härter are also named as defendants. Plaintiffs alleged in their complaints that Porsche SE's activities in connection with its acquisition of a stake in Volkswagen AG during the year 2008 constituted market manipulation and securities fraud in violation of the U.S. Securities Exchange Act and common law fraud. Porsche believes that the complaints are legally insufficient and without merit, and has sought their dismissal. The U.S. court dismissed all the complaints at first instance as legally insufficient. All plaintiffs appealed this decision in January 2011.

In Germany, institutional investors have applied for conciliatory proceedings against Porsche SE with regard to the assertion of claims for damages on the basis of alleged breaches of statutory capital market regulations. The alleged claims relate to alleged lost profits, estimated by the investors to total approximately EUR 2.5 billion. Porsche SE considers the asserted claims to be without merit and has not taken part in the proceedings.

In 2010, the appointment of a special auditor was applied for before the Regional Court of Stuttgart. The application relates to the examination of the management activities of the company's executive board and supervisory board in connection with hedging transactions that Porsche SE concluded to economically secure the ability to undertake potential purchases of Volkswagen shares that it might have later decided to undertake, as well as payment agreements with, and severance payments to, former members of Porsche SE's executive board. If the application is granted, the special auditor would have to report on the results of the audit even if facts capable of causing not insubstantial detriment to the company were to become known. This would carry the risk of business secrets being exposed. If a special auditor came to the conclusion that there had been any dishonesty or gross violations of the law in connection with the activity under examination, the content of his report could offer grounds for further actions for damages against the company and its boards, and considerably weaken the legal position adopted by the company in the proceedings relating to the actions for damages in the USA and Germany, as well as in any future proceedings. Porsche SE considers the application to be without merit and will defend itself against the application.

The company believes that adequate provisions have been recognized for the anticipated attorneys' fees and litigation expenses.

Adequate provisions have been recognized for potential financial costs from other court or arbitration proceedings.

In January 2011, a private investor filed a claim for damages against Porsche SE and another defendant in the amount of approximately EUR 3 million. The plaintiff claims to have entered into options relating to shares in Volkswagen AG in 2008 on the basis of inaccurate information and the omission of information as well as market manipulation by Porsche SE and to have incurred losses from these options due to the share price development in 2008 in the amounts claimed. The action is currently pending in the Regional Court of Stuttgart. Porsche SE considers the asserted claims to be without merit and will defend itself against the claims.

On 18 February 2011, three plaintiffs filed an action for damages in New York state court. In their complaint, which has not yet been served on Porsche SE, they allege common law fraud and unjust enrichment based on allegations similar to those made in the US claims set out above. The plaintiffs claim to have lost at least USD 390 million. Porsche SE believes this claim to be legally insufficient and without merit.

[19] Other financial obligations

As of the reporting date there are other financial obligations for guarantee commission and trust fees totaling EUR 6,360 thousand (prior year: EUR 6,360 thousand).

[20] Derivative financial instruments

EUR000	Balance sheet item	Nominal volume		Carrying amount	
		Assets	Equity	Assets	Equity
Interest rate hedge	Other assets	7,000,000	0	409	0
Options for shares in Porsche Zwischenholding GmbH	Other assets Other liabilities	3,892,750	3,892,750	13,029	9,627

The stock price derivatives disclosed in the prior year were disposed of in full in the reporting period (prior year: EUR 22,534 thousand).

The fair values of the interest rate hedges were determined using market data as of the reporting date.

The put option under the basic agreement for the remaining shares in Porsche Zwischenholding GmbH held by Porsche SE was recognized at its value as of the date of initial recognition. The put option's positive fair value is presented under other assets. In accordance with the imparity principle, the higher fair value (EUR 459,210 thousand; prior year: EUR 301,517 thousand) was not recognized as of the reporting date. The short position from the call option for the remaining shares in Porsche Zwischenholding GmbH with a negative fair value of EUR 941,732 thousand (prior year: EUR 394,870 thousand) is presented under other liabilities at a carrying amount of EUR 9,627 thousand (prior year: EUR 9,627 thousand). It was not reclassified as of the reporting date, as the option to hedge the risk of price changes is accounted for as a micro-hedge together with a hypothetical derivative relating to underlying, which is owned by the company. The positive fair value of the hypothetical derivative is EUR 941,732 thousand (prior year: EUR 394,870 thousand) and is exposed to the same risks as well as conditions and parameters influencing value as the short position from the call option. All changes in value are offset over the term of the call option.

[21] Disclosure pursuant to Sec. 160 (1) No. 8 AktG ["Aktiengesetz": German Stock Corporation Act]

Notification on 7 January 2004:

Porsche AG received the following notification on 7 January 2004:

"We are writing to inform you on behalf of Familien Porsche-Daxer-Piëch Beteiligung GmbH, which we represent in legal matters, with registered offices in Stuttgart, Kronenstrasse 30, D-70174 Stuttgart, in accordance with Sec. 21 (1) Sentence 1 WpHG ["Wertpapierhandelsgesetz": German Securities Trading Act] that the share of voting rights in Dr. Ing. h.c. F. Porsche Aktiengesellschaft held by Familien Porsche-Daxer-Piëch Beteiligung GmbH exceeded the thresholds of 5%, 10%, 25%, 50% and 75% of the voting rights as of 19 December 2003 and amounted to 100%. 74.33% of the voting rights are allocated to Familien Porsche-Daxer-Piëch Beteiligung GmbH in accordance with Sec. 22 (2) WpHG due to it joining an existing consortium agreement."

Notification on 27 October 2006:

Ferdinand Porsche Privatstiftung, Salzburg (Austria), and Ferdinand Porsche Holding GmbH, Salzburg (Austria), announced the following to us on 27 October 2006 in accordance with Sec. 21 (1) Sentence 1 WpHG:

"The voting share held by Ferdinand Porsche Privatstiftung, Salzburg (Austria), and by Ferdinand Porsche Holding GmbH, Salzburg (Austria) in Dr. Ing. h.c. F. Porsche Aktiengesellschaft exceeded the voting right thresholds of 5%, 10%, 25%, 50% and 75% on 20 October 2006 and now amounts to 100%. A share of 25.67% in voting rights thereof is allocated to both notifying parties pursuant to Sec. 22 (1) Sentence 1 No. 1 WpHG based on voting rights arising from shares held by a subsidiary of the notifying parties. A share of 74.33% in voting rights thereof is additionally allocated to both notifying parties pursuant to Sec. 22 (2) WpHG based on voting rights arising from shares held by third parties with whom a subsidiary of the notifying parties arranges any steps taken with respect to Dr. Ing. h.c. F. Porsche Aktiengesellschaft based on an existing consortium agreement."

Notification on 17 November 2006:

Familie Porsche Privatstiftung, Salzburg (Austria), and Familie Porsche Holding GmbH, Salzburg (Austria), announced the following to us on 17 November 2006 in accordance with Sec. 21 (1) Sentence 1 WpHG:

"The voting share held by Familie Porsche Privatstiftung, Salzburg (Austria), and by Familie Porsche Holding GmbH, Salzburg (Austria) in Dr. Ing. h.c. F. Porsche Aktiengesellschaft exceeded the voting right thresholds of 5%, 10%, 25%, 50% and 75% on 13 November 2006 and now amounts to 100%. A share of 24.44% in voting rights thereof is allocated to both notifying parties pursuant to Sec. 22 (1) Sentence 1 No. 1 WpHG based on voting rights arising from shares held by a subsidiary of the notifying parties. A share of 75.56% in voting rights thereof is additionally allocated to both notifying parties pursuant to Sec. 22 (2) WpHG based on voting rights arising from shares held by third parties with whom a subsidiary of the notifying parties arranges any steps taken with respect to Dr. Ing. h.c. F. Porsche Aktiengesellschaft based on an existing consortium agreement."

Notification on 29 January 2008:

Ferdinand Alexander Porsche GmbH and others notified us of the following on 29 January 2008 in accordance with Sec. 21 (1) Sentence 1 WpHG:

"The two parties who have signed this notification hereby announce to you on behalf of and with the authorization of the entities listed below (hereinafter also referred to as the "notifying parties") and represented by them, which at the time of this notification directly or indirectly held shares in Porsche Automobil Holding SE (then operating under the name of Dr. Ing. h.c. F. Porsche Aktiengesellschaft) in accordance with Sec. 21 (1) WpHG, as a correction to the notification of 22 December 2000:

The voting share held by each notifying party in Porsche Automobil Holding SE (formerly: Dr. Ing. h.c. F. Porsche Aktiengesellschaft), Porscheplatz 1, 70435 Stuttgart, Germany, exceeded the voting right thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75% on 21 December 2000 and on that date amounted to 100% of the voting rights (875,000 voting rights). As of today, it also amounts to 100% (8,750,000 voting rights).

The voting rights allocated to the individual notifying parties based on the existing consortium agreement pursuant to Sec. 22 (1) No.3 WpHG in the version dated 9 September 1998 ("old version") or Sec. 22 (2) WpHG in the currently applicable version ("new version") and pursuant to Sec. 22 (1) No. 2 WpHG, old version, or Sec. 22 (1) No. 1 WpHG, new version were as follows:

Notifying party and address	Pursuant to Sec. 22 (1) No. 3 WpHG old version or Sec. 22 (2) WpHG new version		Pursuant to Sec. 22 (1) No. 2 WpHG old version or Sec. 22 (1) No. 1 WpHG new version	
	%	Voting rights	%	Voting rights
Ferdinand Alexander Porsche GmbH, Stuttgart	87.74	767,726		
Prof. Ferdinand Alexander Porsche GmbH, Salzburg, Austria	87.74	767,726	12.26	107,274
Hans-Peter Porsche GmbH, Stuttgart	87.78	768,104		
Ing. Hans-Peter Porsche GmbH, Salzburg, Austria	87.78	768,104	12.22	106,896
Wolfgang Porsche GmbH, Stuttgart	87.78	768,104		
Gerhard Porsche GmbH, Stuttgart	94.23	824,538		
Gerhard Anton Porsche GmbH, Salzburg, Austria	94.23	824,538	5.77	50,462
Louise Daxer-Piëch GmbH, Stuttgart	92.36	808,125		
Louise Daxer-Piëch GmbH, Salzburg, Austria	92.36	808,125	7.64	66,875
Ferdinand Piëch GmbH, Grünwald	86.84	759,827		
Dipl.-Ing. Dr. h.c. Ferdinand Piëch GmbH, Salzburg, Austria	86.84	759,827	13.16	115,173
Hans Michel Piëch GmbH, Grünwald	86.84	759,827		
Dr. Hans Michel Piëch GmbH, Salzburg, Austria	86.84	759,827	13.16	115,173

The allocated voting rights of the following notifying parties pursuant to Sec. 22 (1) No. 2 WpHG old version or Sec. 22 (1) No. 1 WpHG new version were held via the following controlled companies, whose share of voting rights amounted to 3% or more each:

Notifying party	Controlled company
Prof. Ferdinand Alexander Porsche GmbH, Salzburg, Austria	Ferdinand Alexander Porsche GmbH, Stuttgart
Ing. Hans-Peter Porsche GmbH, Salzburg, Austria	Hans-Peter Porsche GmbH, Stuttgart
Gerhard Anton Porsche GmbH, Salzburg, Austria	Gerhard Porsche GmbH, Stuttgart
Louise Daxer-Piëch GmbH, Salzburg, Austria	Louise Daxer-Piëch GmbH, Stuttgart
Dipl. Ing. Dr. h.c. Ferdinand Piëch, Salzburg, Austria	Ferdinand Piëch GmbH, Grünwald
Dr. Hans Michel Piëch GmbH, Salzburg, Austria	Hans Michel Piëch GmbH, Grünwald

3% or more of the voting rights arising from the shares of the following shareholders (notifying parties and third parties) were allocated to other notifying parties (excluding those notifying parties that have already been allocated voting rights arising from the shares of the respective shareholder in accordance with Sec. 22 (1) No. 2 WpHG, old version, or Sec. 22 (1) No. 1 WpHG, new version) in accordance with Sec. 22 (1) No. 3 WpHG, old version, or Sec. 22 (2) WpHG, new version: Ferdinand Alexander Porsche GmbH, Hans-Peter Porsche GmbH, Wolfgang Porsche GmbH, Gerhard Porsche GmbH, Louise Daxer-Piëch GmbH, Ferdinand Piëch GmbH, Hans-Michel Piëch GmbH, Porsche GmbH, all based in Stuttgart.

Dr. Wolfgang Hils
– representing the notifying parties Ferdinand Piëch GmbH, Dipl.-Ing. Dr. h.c. Ferdinand Piëch GmbH, Hans Michel Piëch GmbH, Dr. Hans Michel Piëch GmbH –

Dr. Oliver Porsche
– representing the other notifying parties – ”

Notification on 29 January 2008:

Porsche Holding Gesellschaft mbH, Salzburg, Austria, notified us of the following on 29 January 2008 in accordance with Sec. 21 (1) Sentence 1 WpHG:

“I am writing to announce to you on behalf of Porsche Holding Gesellschaft m.b.H., Vogelweiderstrasse 75, A-5020 Salzburg (“notifying party”) in accordance with Sec. 21 (1) WpHG that its share of the voting rights held in Porsche Automobil Holding SE (formerly: Dr. Ing. h.c. F. Porsche Aktiengesellschaft), Porscheplatz 1, 70435 Stuttgart, exceeded the voting right thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75% on 27 February 1997 and on that date amounted to 100% of the voting rights (875,000 voting rights). As of today, it also amounts to 100% (8,750,000 voting rights).

A share in voting rights of 23.57% (206,251 voting rights) was allocated to the individual notifying parties pursuant to Sec. 22 (1) No. 2 WpHG in the version dated 26 June 1994 (“old version”) or Sec. 22 (1) No. 1 WpHG in the currently applicable version (“new version”) and a share of 76.43% (668,749 voting rights) was allocated pursuant to Sec. 22 (1) No. 3 WpHG, old version, or Sec. 22 (2) WpHG, new version.

The voting rights share allocated to the notifying parties pursuant to Sec. 22 (1) No. 2 WpHG, old version, or Sec. 22 (1) No. 1 WpHG, new version, amounting to 3% or more, were held via Porsche GmbH, Salzburg and Porsche GmbH, Stuttgart:

The share in voting rights allocated to the notifying parties pursuant to Sec. 22 (1) No. 3 WpHG, old version, or Sec. 22 (2) WpHG, new version, amounted to 3% or more: Prof. Ferdinand Alexander Porsche, Hans-Peter Porsche, Gerhard Anton Porsche, Dr. Wolfgang Porsche, Louise Daxer-Piëch, Dr. h.c. Ferdinand Piëch, Dr. Hans-Michel Piëch.

Dr. Oliver Porsche”

Notification on 29 January 2008:

Prof. Dr. Ing. h.c. Ferdinand Porsche and others, Austria, notified us of the following on 29 January 2008 in accordance with Sec. 21 (1) Sentence 1 WpHG:

"The two parties who have signed this notification hereby announce to you on behalf of and with the authorization of the individuals or entities listed under no. 1 and 2 below, which at the time of this notification directly or indirectly held shares in Porsche Automobil Holding SE (then operating under the name of Dr. Ing. h.c. F. Porsche Aktiengesellschaft) or their heirs and legal successors (hereinafter also referred to as the "notifying parties") in accordance with Sec. 21 (1) WpHG, as a correction to the notification of 5 February 1997:

The voting share held by each notifying party in Porsche Automobil Holding SE (formerly: Dr. Ing. h.c. F. Porsche Aktiengesellschaft), Porscheplatz 1, 70435 Stuttgart, Germany, exceeded the voting right threshold of 75% on 3 February 1997 and on that date amounted to 100% of the voting rights (875,000 voting rights). As of today, it also amounts to 100% for the persons that still exist today (8,750,000 voting rights).

The following voting rights were allocated to the individual notifying parties based on the existing consortium agreement pursuant to Sec. 22 (1) No. 3 WpHG in the version dated 26 June 1994 ("old version") or Sec. 22 (2) WpHG in the currently applicable version ("new version"):

	Pursuant to Sec. 22 (1) No. 3 WpHG old version or Sec. 22 (2) WpHG new version	
Notifying party and address	**%**	**Voting rights**
Prof. Dr. Ing. h.c. Ferdinand Porsche, Zell am See, Austria	99.84	873,569
Prof. Ferdinand Alexander Porsche, Gries/Pinzgau, Austria	87.82	768,461
Hans-Peter Porsche, Salzburg, Austria	87.82	768,461
Gerhard Anton Porsche, Mondsee, Austria	94.27	824,895
Dr. Wolfgang Porsche, Munich	87.82	768,461
Dr. Oliver Porsche, Salzburg, Austria	99.96	874,625
Kommerzialrat Louise Piëch, Thumersbach, Austria	99.80	873,216
Louise Daxer-Piëch, Vienna, Austria	93.89	821,499
Mag. Josef Ahorner, Vienna, Austria	99.24	868,313
Mag. Louise Kiesling, Vienna, Austria	99.24	868,313
Dr. techn. h.c. Ferdinand Piëch, Salzburg, Austria	86.94	760,719
Dr. Hans Michel Piëch, Salzburg, Austria	86.94	760,719
Porsche GmbH, Porscheplatz 1, 70435 Stuttgart	76.43	668,749

A share in voting rights of 23.57% (206,251 voting rights) was allocated to the former company Porsche Holding KG, Fanny-von-Lehnert Strasse 1, A-5020 Salzburg (current legal successor: Porsche Holding Gesellschaft m.b.H., Vogelweiderstrasse 75, A-5020 Salzburg) and Porsche GmbH, Vogelweiderstrasse 75, A-5020 Salzburg each in accordance with Sec. 22 (1) No. 2 WpHG, old version, and Sec. 22 (1) No. 1 WpHG, new version, and a share of voting rights of 76.43% (668,749 voting rights) was allocated pursuant to Sec. 22 (1) No. 3 WpHG, old version, or Sec. 22 (2) WpHG, new version.

The share in voting rights of Porsche GmbH, Salzburg, allocated to the notifying parties pursuant to Sec. 22 (1) No. 2 WpHG, old version, or Sec. 22 (1) No. 1 WpHG, new version, were actually held via Porsche GmbH, Stuttgart. The share in voting rights of Porsche Holding KG allocated to the notifying parties pursuant to Sec. 22 (1) No. 2 WpHG, old version, or Sec. 22 (1) No. 1 WpHG, new version, were actually held via Porsche GmbH, Salzburg and Porsche GmbH, Stuttgart. In both cases, the share in voting rights held in Porsche GmbH, Stuttgart, allocated to the notifying parties pursuant to Sec. 22 (1) No. 2 WpHG, old version, or Sec. 22 (1) No. 1 WpHG, new version, amounted to 3% or more.

The share in voting rights allocated to the other notifying parties pursuant to Sec. 22 (1) No. 3 WpHG, old version, or Sec. 22 (2) WpHG, new version, amounted to 3% or more: Prof. Ferdinand Alexander Porsche, Hans-Peter Porsche, Dr. Wolfgang Porsche, Louise Daxer-Piëch, Dr. h.c. Ferdinand Piëch, Dr. Hans-Michel Piëch, Porsche GmbH, Stuttgart.

Dr. Wolfgang Hils
– representing the notifying parties Kommerzialrat Louise Piëch, Dr. techn. h.c. Ferdinand Piëch and Dr. Hans Michel Piëch –

Dr. Oliver Porsche
– representing the other notifying parties – ”

Notification on 6 August 2008:

On 6 August 2008, Ferdinand Karl Alpha Privatstiftung with registered office in Vienna, Austria made the following announcement as a correction to their announcement of 5 August 2008:

“The voting share of Ferdinand Karl Alpha Privatstiftung, Vienna, Austria in Porsche Automobil Holding SE, registered under HRB 724512 at the Stuttgart local court, with registered office in Stuttgart and the business address Porscheplatz 1, D-70435 Stuttgart, exceeded on 30 July 2008 the voting right thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75% and on that date amounted to 100% of the voting rights. Of these, 13.16% of the voting rights (11,517,300 of a total of 87,500,000 voting rights) are allocated to Ferdinand Karl Alpha Privatstiftung in accordance with Sec. 22 (1) Sentence 1 No. 1 WpHG. The voting rights allocated to Ferdinand Karl Alpha Privatstiftung pursuant to Sec. 22 (1) Sentence 1 No. 1 WpHG are held via the following dependent companies whose voting share in Porsche Automobil Holding SE is 3% or more: Dipl. Ing. Dr. h.c. Ferdinand Piëch GmbH, FN 202342 m, with registered office in Salzburg, Austria; Ferdinand Piëch GmbH, HRB 163967 of the Munich local court, with registered office in Grünwald, Germany.
Moreover, 86.84% of the voting rights (75,982,700 voting rights of a total of 87,500,000 voting rights) of shareholders whose voting share in Porsche Automobil Holding SE amounts to 3% or more are allocated to Ferdinand Karl Alpha Privatstiftung in accordance with Sec. 22 (2) WpHG because, as a subsidiary of Ferdinand Karl Alpha Privatstiftung, Ferdinand Piëch GmbH coordinates its actions regarding Porsche Automobil Holding SE on account of the existing consortium agreement with these shareholders. The voting rights allocated to Ferdinand Karl Alpha Privatstiftung pursuant to Sec. 22 (2) WpHG are held by the following companies: Hans-Michel Piëch GmbH, Familie Porsche Beteiligung GmbH, Familien Porsche-Daxer-Piëch Beteiligung GmbH, Porsche Gesellschaft mit beschränkter Haftung.”

Notification on 19 December 2008:

On 19 December 2008, Dr. Oliver Porsche, Austria, announced, on behalf of and with the authorization of Familie Porsche Beteiligung GmbH, Grünwald, Germany, as a correction to the announcement of 3 January 2003 pursuant to Sec. 21 (1) WpHG, that the share of voting rights in Porsche Automobil Holding SE (at that time operating under the name Dr. Ing. h.c. F. Porsche Aktiengesellschaft), Porscheplatz 1, 70435 Stuttgart held by Familie Porsche Beteiligung GmbH as of 30 December 2002 exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75%, and amounted to 100% as of that date (8,750,000 voting rights). As of today, it also amounts to 100% (87,500,000 voting rights).

Allocation as of 30 December 2002
49.90% of the voting rights (4,365,970 voting rights) were allocated to Familie Porsche Beteiligung GmbH as of 30 December 2002 in accordance with Sec. 22 (2) WpHG on the basis of a consortium agreement. The share of voting rights allocated to the following shareholders in accordance with Sec. 22 (2) WpHG came to 3% or more: Ferdinand Piëch GmbH, Hans-Michel Piëch GmbH, Porsche GmbH, all based in Stuttgart, Germany.

Allocation as of today
75.57% of the voting rights (661,208,000 voting rights) are allocated to Familie Porsche Beteiligung GmbH as of today in accordance with Sec. 22 (2) WpHG on the basis of a consortium agreement. The share of voting rights allocated to the following shareholders in accordance with Sec. 22 (2) WpHG comes to 3% or more: Familien Porsche-Daxer-Piëch Beteiligung GmbH, Ferdinand Piëch GmbH, Hans-Michel Piëch GmbH, all based in Grünwald, Germany, Porsche GmbH, Stuttgart, Germany.

Notification on 19 December 2008:

On 19 December 2008, Dr. Oliver Porsche, Austria, announced on his own behalf and on behalf of and with the authorization of the persons listed below (hereinafter also referred to as the “notifying parties”) as a correction to the correction from January 2007 and published on 2 February 2007 in accordance with Sec. 41 (2) Sentence 1 WpHG that their respective shares in the voting rights of Porsche Automobil Holding SE (at that time operating under the name Dr. Ing. h.c. F. Porsche Aktiengesellschaft), Porscheplatz 1, 70435 Stuttgart amounted to 100% (8,750,000 voting rights) as of 1 April, 2002. As of today, it also amounts to 100% (87,500,000 voting rights).

Allocation as of 1 April 2002
These voting rights were allocated to the individual notifying parties as follows on 1 April 2002 pursuant to Sec. 41 (2) Sentence 1, Sec. 22 (1) Sentence 1 No. 1, Sec. 22 (2) WpHG:

	Pursuant to Sec. 41 (2) Sentence 1, Sec. 22 (1) Sentence 1 No. 1 WpHG		**Pursuant to Sec. 41 (2) Sentence 1, Sec. 22 (2) WpHG**	
Notifying party and address	**%**	**Voting rights**	**%**	**Voting rights**
Mag. Josef Ahorner, Austria	7.64	668,750	92.36	8,081,250
Mag. Louise Kiesling, Austria	7.64	668,750	92.36	8,081,250
Dr. Oliver Porsche, Austria	12.26	1,072,740	87.74	7,677,260
Kai Alexander Porsche, Austria	12.26%	1,072,740	87.74	7,677,260
Mark Philipp Porsche, Austria	12.26%	1,072,740	87.74	7,677,260
Peter Daniell Porsche, Austria	12.22%	1,068,960	87.78	7,681,040

The allocated voting rights of the following notifying parties pursuant to Sec. 41 (2) Sentence 1, Sec. 22 (1) Sentence 1 No. 1 WpHG were held via the following controlled companies, whose attributable share of voting rights amounted to 3% or more each:

Notifying party	Controlled company
Mag. Josef Ahorner, Mag. Louise Kiesling	Louise Daxer-Piëch GmbH, Salzburg Louise Daxer-Piëch GmbH, Stuttgart
Dr. Oliver Porsche, Kai Alexander Porsche, Mark Philipp Porsche	Prof. Ferdinand Alexander Porsche GmbH, Salzburg, Ferdinand Alexander Porsche GmbH, Stuttgart
Peter Daniell Porsche	Ing. Hans-Peter Porsche GmbH, Salzburg, Hans-Peter Porsche GmbH, Stuttgart

3% or more of the voting rights arising from the shares of the following shareholders were allocated to the notifying parties in accordance with Sec. 41 (2) Sentence 1, Sec. 22 (2) WpHG (excluding those notifying parties that have already been allocated voting rights arising from the shares of the respective shareholder in accordance with Sec. 41 (2) Sentence 1, Sec. 22 (1) Sentence 1 No. 1 WpHG): Ferdinand Alexander Porsche GmbH, Hans-Peter Porsche GmbH, Wolfgang Porsche GmbH, Gerhard Porsche GmbH, Louise Daxer-Piëch GmbH, Ferdinand Piëch GmbH, Hans-Michel Piëch GmbH, Porsche GmbH, all based in Stuttgart, Germany.

Allocation as of today
As of today, these voting rights are allocated to the individual notifying parties pursuant to Sec. 41 (2) Sentence 1, Sec. 22 (1) Sentence 1 No. 1, Sec. 22 (2) WpHG as follows:

	Pursuant to Sec. 22 (1) Sentence 1 No. 1 WpHG		Pursuant to Sec. 22 (2) WpHG	
Notifying party and address	**%**	**Voting rights**	**%**	**Voting rights**
Mag. Louise Kiesling, Austria	25.67	224,611,000	74.33	650,389,000
Dr. Oliver Porsche, Austria	25.67	224,611,000	74.33	650,389,000
Kai Alexander Porsche, Austria	25.67	224,611,000	74.33	650,389,000
Mark Philipp Porsche, Austria	25.67	224,611,000	74.33	650,389,000
Peter Daniell Porsche, Austria	24.43	223,792,000	75.57	661,208,000

As of today, the allocated voting rights of the following notifying parties pursuant to Sec. 41 (2) Sentence 1, Sec. 22 (1) Sentence 1 No. 1 WpHG are held via the following controlled companies, whose attributable share of voting rights amounts to 3% or more each:

Notifying party	Controlled company
Mag. Josef Ahorner, Austria, Mag. Louise Kiesling, Austria, Dr. Oliver Porsche, Austria, Kai Alexander Porsche, Austria, Mark Philipp Porsche, Austria	Ferdinand Porsche Privatstiftung, Salzburg, Ferdinand Porsche Holding GmbH, Salzburg, Louise Daxer-Piëch GmbH, Salzburg, Louise Daxer-Piëch GmbH, Grünwald, Prof. Ferdinand Alexander Porsche GmbH, Salzburg, Ferdinand Alexander Porsche GmbH, Grünwald, Gerhard Anton Porsche GmbH, Salzburg, Gerhard Porsche GmbH, Grünwald, Familien Porsche-Daxer-Piëch Beteiligung GmbH, Grünwald
Peter Daniell Porsche	Familie Porsche Privatstiftung, Salzburg, Familie Porsche Holding GmbH, Salzburg, Ing. Hans-Peter Porsche GmbH, Salzburg, Hans-Peter Porsche GmbH, Grünwald, Familie Porsche Beteiligung GmbH, Grünwald

As of today, 3% or more of the voting rights arising from the shares of the following shareholders are allocated to the notifying parties in accordance with Sec. 41 (2) Sentence 1, Sec. 22 (2) WpHG (excluding those notifying parties that are already allocated voting rights arising from the shares of the respective shareholder in accordance with Sec. 41 (2) Sentence 1, Sec. 22 (1) Sentence 1 No. 1 WpHG): Familie Porsche Beteiligung GmbH, Familien Porsche-Daxer-Piëch Beteiligung GmbH, Ferdinand Piëch GmbH, Hans-Michel Piëch GmbH, all based in Grünwald, Germany, Porsche GmbH, Stuttgart, Germany.

Notification on 14 May 2009:

On 23 December 2008, at 7.22 p.m., Porsche Automobil Holding SE issued a ‘Correction to the publication of a miscellaneous voting right announcement’ entitled ‘Correction of a publication pursuant to Sec. 25 (1) WpHG, old version’. As a correction, it is hereby announced that this was a 'Correction to the publication of a miscellaneous voting right announcement pursuant to Sec. 21 (1) WpHG’ and 'Correction of a publication pursuant to Sec. 26 (1) WpHG’.
The publication on 23 December 2008 at 7.22 p.m. was worded as follows:
On 19 December 2008, Dr. Oliver Porsche, Austria, announced, on behalf of and with the authorization of Familie Porsche Beteiligung GmbH, Grünwald, Germany, as a correction to the announcement of 3 January 2003 pursuant to Sec. 21 (1) WpHG, that the share of voting rights in Porsche Automobil Holding SE (at that time operating under the name Dr. Ing. h.c. F. Porsche Aktiengesellschaft), Porscheplatz 1, 70435 Stuttgart held by Familie Porsche Beteiligung GmbH as of 30 December 2002 exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75%, and amounted to 100% as of that date (8,750,000 voting rights). As of today, it also amounts to 100% (87,500,000 voting rights).

Allocation as of 30 December 2002
49.90% of the voting rights (4,365,970 voting rights) were allocated to Familie Porsche Beteiligung GmbH as of 30 December 2002 in accordance with Sec. 22 (2) WpHG on the basis of a consortium agreement.

The share of voting rights allocated to the following shareholders in accordance with Sec. 22 (2) WpHG came to 3% or more: Ferdinand Piëch GmbH, Hans-Michel Piëch GmbH, Porsche GmbH, all based in Stuttgart, Germany.

Allocation as of today
75.57% of the voting rights (661,208,000 voting rights) are allocated to Familie Porsche Beteiligung GmbH as of today in accordance with Sec. 22 (2) WpHG on the basis of a consortium agreement.

The share of voting rights allocated to the following shareholders in accordance with Sec. 22 (2) WpHG comes to 3% or more: Familien Porsche-Daxer-Piëch Beteiligung GmbH, Ferdinand Piëch GmbH, Hans-Michel Piëch GmbH, all based in Grünwald, Deutschland Porsche GmbH, Stuttgart, Germany.’

Notification on 1 September 2009:

We were notified of the following on 1 September 2009:

“(1) Pursuant to Sec. 21 (1) WpHG we hereby notify for and on behalf of the State of Qatar, acting by and through the Qatar Investment Authority, P.O. Box: 23224, Doha, Qatar, that its indirect voting rights in Porsche Automobil Holding SE exceeded the thresholds of 3% and 5% and reached the threshold of 10% on 28 August 2009 and amounted to 10% of the voting rights of Porsche Automobil Holding SE (8,750,000 voting rights) as per this date, all of which are attributed to the State of Qatar pursuant to Sec. 22 (1) Sentence 1 No. 1 WpHG. Voting rights that are attributed to the State of Qatar are held via the following entities which are controlled by it and whose attributed proportion of voting rights in Porsche Automobil Holding SE amounts to 3% each or more:

(a) Qatar Investment Authority, P.O. Box: 23224, Doha, Qatar;

(b) Qatar Holding LLC, Qatar Finance Centre, 8th Floor, Q-Tel Tower, West Bay, Doha, Qatar;

(c) Qatar Holding Luxembourg II S.à.r.l., 65 Boulevard Grande-Duchesse Charlotte, L-1331, Luxembourg;

(d) Qatar Holding Netherlands B.V., Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands.

(2) Pursuant to Sec. 21 (1) WpHG we hereby notify for and on behalf of Qatar Investment Authority, P.O. Box: 23224, Doha, Qatar, that its indirect voting rights in Porsche Automobil Holding SE exceeded the thresholds of 3% and 5% and reached the threshold of 10% on 28 August 2009 and amounted to 10% of the voting rights of Porsche Automobil Holding SE (8,750,000 voting rights) as per this date, all of which are attributed to the Qatar Investment Authority pursuant to Sec. 22 (1) Sentence 1 No. 1 WpHG. Voting rights that are attributed to the Qatar Investment Authority are held via the entities as set forth in (1) (b) through (d) which are controlled by it and whose proportion of voting rights in Porsche Automobil Holding SE amounts to 3% each or more.

(3) Pursuant to Sec. 21 (1) WpHG we hereby notify for and on behalf of Qatar Holding LLC, Qatar Finance Centre, 8th Floor, Q-Tel Tower, West Bay, Doha, Qatar, that its indirect voting rights in Porsche Automobil Holding SE exceeded the thresholds of 3% and 5% and reached the threshold of 10% on 28 August 2009 and amounted to 10% of the voting rights of Porsche Automobil Holding SE (8,750,000 voting rights) as per this date, all of which are attributed to Qatar Holding LLC pursuant to Sec. 22 (1) Sentence 1 No. 1 WpHG. Voting rights that are attributed to Qatar Holding LLC are held via the entities as set forth in (1) (c) through (d) which are controlled by it and whose proportion of voting rights in Porsche Automobil Holding SE amounts to 3% each or more.

(4) Pursuant to Sec. 21 (1) WpHG we hereby notify for and on behalf of Qatar Holding Luxembourg II S.à.r.l., 65 Boulevard Grande-Duchesse Charlotte, L-1331, Luxembourg, that its indirect voting rights in Porsche Automobil Holding SE exceeded the thresholds of 3% and 5% and reached the threshold of 10% on 28 August 2009 and amounted to 10% of the voting rights of Porsche Automobil Holding SE (8,750,000 voting rights) as per this date, all of which are attributed to Qatar Holding Luxembourg II S.à.r.l. pursuant to Sec. 22 (1) Sentence 1 No. 1 WpHG. Voting rights that are attributed to Qatar Holding Luxembourg II S.à.r.l. are held via the entity as set forth in (1) (d) which is controlled by it and whose attributed proportion of voting rights in Porsche Automobil Holding SE amounts to 3% or more.

(5) Pursuant to Sec. 21 (1) WpHG we hereby notify for and on behalf of Qatar Holding Netherlands B.V., Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands, that its direct voting rights in Porsche Automobil Holding SE exceeded the thresholds of 3% and 5% and reached the threshold of 10% on 28 August 2009 and amounted to 10% of the voting rights of Porsche Automobil Holding SE (8,750,000 voting rights) as per this date.

Frankfurt am Main, 1 September 2009"

Notification on 18 December 2009:

We were notified of the following on 18 December 2009:

"Pursuant to Sec. 21 (1) WpHG we hereby notify for and on behalf of Qatar Holding Germany GmbH, Frankfurt am Main, Germany, that its direct voting rights in Porsche Automobil Holding SE exceeded the thresholds of 3% and 5% and reached the threshold of 10% on 18 December 2009 and amounted to 10% of the voting rights of Porsche Automobil Holding SE (8,750,000 voting rights) as per this date.

Frankfurt am Main, 18 December 2009"

Notification on 5 October 2010:

On 5 October 2010, Porsche Wolfgang 1. Beteiligungs GmbH & Co. KG, Stuttgart informed us in accordance with Sec. 21 (1) WpHG that its voting rights share in Porsche Automobil Holding SE exceeded the thresholds of 3%, 5%, 10%, 15%,20%, 25%, 30%, 50% and 75% on 29 September 2010, reaching 90.00% of the voting rights (78,750,000 voting rights) on this day.

1. Of these voting rights, 24.43% (21,379,200 voting rights) are to be allocated to Porsche Wolfgang 1. Beteiligungs GmbH & Co. KG according to Sec. 22 (1) Sentence 1 No. 1 WpHG. The names of the controlled companies of Porsche Wolfgang 1. Beteiligungs GmbH & Co. KG through which the voting rights are in fact held and to which 3% or more of the voting rights in Porsche Automobil Holding SE are allocated are the following: Wolfgang Porsche GmbH and Familie Porsche Beteiligung GmbH, all based in Grünwald.

2. Furthermore, of these voting rights, 65.57% (57,370,800 voting rights) are allocated to Porsche Wolfgang 1. Beteiligungs GmbH & Co. KG according to Sec. 22 (2) Sentence 1 WpHG. The names of the controlled companies of Porsche Wolfgang 1. Beteiligungs GmbH & Co. KG through which the voting rights are in fact held and to which 3% or more of the voting rights in Porsche Automobil Holding SE are allocated are the following: Familien Porsche-Daxer-Piëch Beteiligung GmbH, Ferdinand Piëch GmbH, Hans-Michel Piëch GmbH, all based in Grünwald, and Porsche Gesellschaft mit beschränkter Haftung, Stuttgart.

These voting rights were not obtained by exercise of purchase rights resulting from financial instruments according to Sec. 25 (1) Sentence 1 WpHG.

[22] Declaration on the German Corporate Governance Code

The executive board and supervisory board of Porsche SE issued the declaration required by Sec. 161 AktG on 13 October 2010 and made it permanently accessible to the shareholders of Porsche SE on the webpage www.porsche-se.com.

[23] Fees

The auditor’s fees charged by the auditor Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, for the short fiscal year in accordance with Sec. 285 No. 17 HGB break down as follows:

EUR000	SFY 2010	2009/10
Audits of financial statements	330	253
Other assurance services	0	993
Tax advisory services	1,000	1,885
Other services	787	1,101
	2,117	**4,232**

The item audit of financial statements contains the entire fee for the audit of the separate financial statements and for the audit of the consolidated financial statements of Porsche SE.

[24] Remuneration of the supervisory board and the executive board

The total remuneration of the executive board amounted to EUR 944 thousand for SFY 2010 (fiscal year 2009/10: EUR 1,853 thousand). The total remuneration of the supervisory board for the short fiscal year 2010 amounted to EUR 640 thousand (fiscal year 2009/10: EUR 2,209 thousand). Remuneration is presented on an individualized basis in the management report.

[25] List of shareholdings

Name and registered office	Currency	FX rate (EUR 1=) 31/12/2010	Share in capital % Direct	Share in capital % Indirect	Share in capital % Total	Equity in thousands Local currency	Profit in thousands Local currency	Footnote	Year
Affiliated companies – Germany									
Porsche Erste Vermögensverwaltung GmbH, Stuttgart	EUR		100.00	-	-	23	0	4) 5)	2010
Porsche Zweite Vermögensverwaltung GmbH, Stuttgart	EUR		100.00	-	-	25	-	1) 4)	2010
Porsche Zwischenholding group									
Porsche Zwischenholding GmbH, Stuttgart	EUR		50.10	49.90	100.00	7,335,481	205,321	4)	2010
Dr. Ing. h.c. F. Porsche AG, Stuttgart	EUR		-	100.00	100.00	5,876,457	-	1) 4)	2010
ING Leasing GmbH & Co. Fox OHG, Börnsen	EUR		-	95.00	95.00	96,403	1,218	4)	2010
Karosseriewerk Porsche GmbH & Co. KG, Stuttgart	EUR		-	100.00	100.00	1,534	40	4)	2010
Mieschke Hofmann und Partner Gesellschaft für Management- und IT-Beratung mbH, Freiberg am Neckar	EUR		-	74.80	74.80	4,922	4,304	4)	2010
PIKS Porsche-Information-Kommunikation-Services GmbH, Stuttgart	EUR		-	100.00	100.00	790	-	1) 4)	2010
Porsche Consulting GmbH, Bietigheim-Bissingen	EUR		-	100.00	100.00	700	-	1) 4)	2010
Porsche Deutschland GmbH, Bietigheim-Bissingen	EUR		-	100.00	100.00	9,125	-	1) 4)	2010
Porsche Dienstleistungs GmbH, Stuttgart	EUR		-	100.00	100.00	43	-	1) 4)	2010
Porsche Dritte Vermögensverwaltung GmbH, Stuttgart	EUR		-	100.00	100.00	23	0	4)	2010
Porsche Engineering Group GmbH, Weissach	EUR		-	100.00	100.00	4,000	-	1) 4)	2010
Porsche Engineering Services GmbH, Bietigheim-Bissingen	EUR		-	100.00	100.00	1,601	-	1) 4)	2010
Porsche Financial Services GmbH & Co. KG, Bietigheim-Bissingen	EUR		-	100.00	100.00	-65,910	904	4)	2010
Porsche Financial Services GmbH, Bietigheim-Bissingen	EUR		-	100.00	100.00	24,052	-	1) 4)	2010
Porsche Financial Services Verwaltungsgesellschaft mbH, Bietigheim-Bissingen	EUR		-	100.00	100.00	57	2	4)	2010
Porsche Leipzig GmbH, Leipzig	EUR		-	100.00	100.00	2,500	-	1) 4)	2010
Porsche Lizenz- und Handelsgesellschaft mbH & Co. KG, Bietigheim-Bissingen	EUR		-	65.00	65.00	15,848	-531	4)	2010
Porsche Logistik GmbH, Stuttgart	EUR		-	100.00	100.00	1,000	-	1) 4)	2010
Porsche Niederlassung Berlin GmbH, Berlin	EUR		-	100.00	100.00	2,500	-	1) 4)	2010

Name and registered office	Currency	FX rate (EUR 1=) 31/12/2010	Share in capital % Direct	Indirect	Total	Equity in thousands Local currency	Profit in thousands Local currency	Footnote	Year
Porsche Niederlassung Berlin-Potsdam GmbH, Berlin	EUR		-	100.00	100.00	1,700	-	1) 4)	2010
Porsche Niederlassung Hamburg GmbH, Bietigheim-Bissingen	EUR		-	100.00	100.00	24	-1	4)	2010
Porsche Niederlassung Mannheim GmbH, Mannheim	EUR		-	100.00	100.00	2,433	-	1) 4)	2010
Porsche Niederlassung Stuttgart GmbH, Stuttgart	EUR		-	100.00	100.00	2,500	-	1) 4)	2010
Porsche Nordamerika Holding GmbH , Ludwigsburg	EUR		-	100.00	100.00	58,311	-	1) 4)	2010
Porsche Verwaltungsgesellschaft mbH, Bietigheim-Bissingen	EUR		-	65.00	65.00	31	1	4)	2010
Porsche Vierte Vermögensverwaltung GmbH, Stuttgart	EUR		-	100.00	100.00	24	0	4)	2010
Porsche Zentrum Hoppegarten GmbH, Stuttgart	EUR		-	100.00	100.00	2,556	-	1) 4)	2010
Widro GmbH, Stuttgart	EUR		-	100.00	100.00	23	0		2009
Volkswagen group									
Volkswagen AG, Wolfsburg	EUR		32.19	-	32.19	17,072,034	1,549,524		2010
4Collection GmbH, Braunschweig	EUR		-	100.00	100.00	25	-	1)	2009
ASB Autohaus Berlin GmbH, Berlin	EUR		-	100.00	100.00	-	-	1) 7)	2010
ASB Versicherungs- und Finanzierungsdienst GmbH, Berlin	EUR		-	100.00	100.00	-	-	1) 7)	2010
AUDI AG, Ingolstadt	EUR		-	99.55	99.55	3,451,399	-	1)	2009
Audi Akademie GmbH, Ingolstadt	EUR		-	100.00	100.00	2,280	-	1)	2010
Audi Electronics Venture GmbH, Gaimersheim	EUR		-	100.00	100.00	15,703	-	1)	2010
AUDI Immobilien GmbH & Co. KG, Ingolstadt	EUR		-	100.00	100.00	7	39		2010
AUDI Immobilien Verwaltung GmbH, Ingolstadt	EUR		-	100.00	100.00	4,256	348		2010
Audi Qualifizierungsgesellschaft mbH, Ingolstadt	EUR		-	100.00	100.00	25	-	1)	2010
Audi Retail GmbH, Ingolstadt	EUR		-	100.00	100.00	77,052	-	1)	2010
Audi Stiftung für Umwelt GmbH, Ingolstadt	EUR		-	100.00	100.00	5,013	13	4)	2009
Audi Vertriebsbetreuungsgesellschaft mbH, Ingolstadt	EUR		-	100.00	100.00	100	-	1)	2010
Audi Zentrum Berlin GmbH, Berlin	EUR		-	100.00	100.00	4,600	-	1)	2010
AUDI Zentrum Berlin Lichtenberg GmbH, Berlin	EUR		-	100.00	100.00	-	-	7)	2010
Audi Zentrum Frankfurt GmbH, Frankfurt am Main	EUR		-	100.00	100.00	8,500	-	1)	2010
Audi Zentrum Hamburg GmbH, Hamburg	EUR		-	100.00	100.00	13,400	-	1)	2010
Audi Zentrum Hannover GmbH, Hanover	EUR		-	100.00	100.00	11,800	3,300	1)	2010
Audi Zentrum Leipzig GmbH, Leipzig	EUR		-	100.00	100.00	9,500	-	1)	2010
Audi Zentrum Stuttgart GmbH, Stuttgart	EUR		-	100.00	100.00	6,700	-	1)	2010
Auto 5000 GmbH, Wolfsburg	EUR		-	100.00	100.00	10,000	-	1)	2010
Auto Union GmbH, Ingolstadt	EUR		-	100.00	100.00	354	-	1)	2010
Autohaus Albrechtstraße GmbH, Munich	EUR		-	100.00	100.00	-	-	1) 7)	2010
Autohaus Gawe GmbH, Berlin	EUR		-	100.00	100.00	-	-	1) 7)	2010
Autohaus Hochstraße GmbH, Munich	EUR		-	100.00	100.00	27	-	1) 7)	2010
Autohaus Leonrodstraße GmbH, Munich	EUR		-	100.00	100.00	243	-	1) 7)	2010
Auto-Lackier-Center GmbH, Chemnitz	EUR		-	100.00	100.00	650	219		2009
Automobilmanufaktur Dresden GmbH, Dresden	EUR			100.00	100.00	80,090	-	1)	2010
Automotive Safety Technologies GmbH, Gaimersheim	EUR		-	75.50	75.50	1,513	12		2009
Autostadt GmbH, Wolfsburg	EUR			100.00	100.00	50	-	1)	2009
AutoVision GmbH, Wolfsburg	EUR			100.00	100.00	41,130	-	1)	2010
AVG Automobil Vertriebsgesellschaft mbH, Hanover	EUR		-	100.00	100.00	0	0		2009
AZU Autoteile und -zubehör Vertriebs GmbH, Dreieich	EUR		-	100.00	100.00	56	-3		2009
B. +V. Grundstücks- Verwaltungs- und Verwertungs-GmbH, Koblenz	EUR			100.00	100.00	71	5		2009
B. +V. Grundstücksverwertungs-GmbH & Co KG, Koblenz	EUR		-	100.00	100.00	13,196	-364		2009
Brandenburgische Automobil GmbH, Potsdam	EUR		-	100.00	100.00	2,580	-124		2009
Bugatti Engineering GmbH, Wolfsburg	EUR		-	100.00	100.00	25	-	1)	2010
Carmeq GmbH, Berlin	EUR		-	100.00	100.00	3,100	-	1)	2009
carmobility GmbH, Munich	EUR		-	100.00	100.00	-	-	1) 7)	2010
CC WellCom GmbH, Potsdam	EUR		-	100.00	100.00	124,351	-	1)	2010
Daraja Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG, Mainz-Kastel - Wiesbaden	EUR		-	94.00	94.00	-	-	7)	2010
Eberhardt Kraftfahrzeug GmbH & Co. KG, Ulm	EUR		-	98.59	98.59	512	1,131	7)	2010
Eberhardt Verwaltungsgesellschaft mbH, Ulm	EUR		-	100.00	100.00	-	-	7)	2010
F. Haberl & Co. GmbH, Munich	EUR		-	100.00	100.00	-	-	7)	2010
Fahr- und Sicherheitstraining FuS GmbH, Ingolstadt	EUR		-	27.45	27.45	53	888		2009
Groupe Volkswagen France Grundstücksgesellschaft mbH, Wolfsburg	EUR		-	100.00	100.00	27	1		2009
H & S Versicherungs- und Finanzierungs- Vermittlung GmbH, Ulm	EUR		-	100.00	100.00	-	-	1) 7)	2010
Haberl Beteiligungs-GmbH, Munich	EUR		-	100.00	100.00	16,174	-	1) 7)	2010
Held & Ströhle GmbH & Co. KG, Ulm	EUR		-	70.30	70.30	1,417	730	7)	2010
Held & Ströhle GmbH, Ulm	EUR		-	70.30	70.30	-	-	7)	2010
Italdesign-Giugiaro Deutschland GmbH, Göttingen	EUR		-	100.00	100.00	27	152	7)	2010
Karosserie- und Lackierzentrum Potsdam GmbH & Co. KG, Potsdam	EUR		-	100.00	100.00	957	192		2009
Karosserie- und Lackierzentrum Potsdam Verwaltungs-GmbH, Potsdam	EUR		-	100.00	100.00	47	-1		2009
Kunden Club GmbH des Volkswagen-Konzerns, Wolfsburg	EUR		-	100.00	100.00	144	-	1)	2009
LOCATOR Grundstücks-Vermietungsgesellschaft mbH und Volkswagen AG in GbR, Pullach	EUR		-	-	-	-	-		2009
MAHAG Automobilhandel und Service GmbH & Co. oHG, Munich	EUR		-	100.00	100.00	11,267	-2,621	7)	2010
MAHAG Beteiligungs GmbH, Munich	EUR		-	100.00	100.00	-	-	7)	2010

Name and registered office	Currency	FX rate (EUR 1=) 31/12/2010	Share in capital % Direct	Indirect	Total	Equity in thousands Local currency	Profit in thousands Local currency	Footnote	Year
MAHAG GmbH, Munich	EUR		-	100.00	100.00	78,338	-	7) 13)	2010
MAHAG Holding GmbH & Co. oHG, Munich	EUR		-	100.00	100.00	3,336	1,538	7)	2010
MAHAG Münchener Automobil-Handel Haberl GmbH Dresden, Dresden	EUR		-	100.00	100.00	-	-	1) 7)	2010
MAHAG Sportwagen Zentrum Albrechtstraße GmbH, Munich	EUR		-	100.00	100.00	-	-	1) 7)	2010
MAHAG Sportwagen Zentrum München Süd GmbH, Munich	EUR		-	100.00	100.00	2,205	-	1) 7)	2010
MAHAG Sportwagen-Zentrum GmbH, Munich	EUR		-	100.00	100.00	5,056	-	1) 7)	2010
MAHAG Verwaltungs GmbH, Munich	EUR		-	100.00	100.00	-	-	7)	2010
MMI Marketing Management Institut GmbH, Braunschweig	EUR		-	100.00	100.00	512	-	1)	2009
Motorent München Autovermietung GmbH, Munich	EUR		-	100.00	100.00	-	-	1) 7)	2010
NSU GmbH, Neckarsulm	EUR		-	100.00	100.00	326	-	1)	2010
quattro GmbH, Neckarsulm	EUR		-	100.00	100.00	100	-	1)	2010
Raffay Versicherungsdienst GmbH, Hamburg	EUR		-	100.00	100.00	153	-	1)	2009
Scania CV Deutschland Holding GmbH, Koblenz	EUR		-	100.00	100.00	41,143	1,832		2009
Scania Danmark GmbH, Flensburg	EUR		-	100.00	100.00	212	11		2009
Scania Deutschland GmbH, Koblenz	EUR		-	100.00	100.00	35,289	0		2009
Scania Finance Deutschland GmbH, Koblenz	EUR		-	100.00	100.00	37,221	1,798		2009
Scania Flensburg GmbH, Flensburg	EUR		-	100.00	100.00	362	3		2009
Scania Vertrieb und Service GmbH, Kerpen	EUR		-	100.00	100.00	5,332	0		2009
Scania Vertrieb und Service GmbH, Koblenz	EUR		-	100.00	100.00	868	629		2009
Seat Deutschland GmbH, Mörfelden-Walldorf	EUR		-	100.00	100.00	28,710	8,444		2009
SEAT Deutschland Niederlassung GmbH, Frankfurt	EUR		-	100.00	100.00	244	-66		2009
SITECH Sitztechnik GmbH, Wolfsburg	EUR		-	100.00	100.00	45,834	3,109		2009
SkodaAuto Deutschland GmbH, Weiterstadt	EUR		-	100.00	100.00	16,153	8,280		2010
Sportwagen am Olympiapark GmbH, Munich	EUR		-	100.00	100.00	4,646	-	1) 7)	2010
Sportwagen GmbH Donautal, Ulm	EUR		-	100.00	100.00	1,805	-	1) 7)	2010
Vehicle Trading International (VTI) GmbH, Braunschweig	EUR		-	100.00	100.00	2,763	-	1)	2009
Versicherungs- und Finanzierungsdienst München Haberl GmbH, Munich	EUR		-	100.00	100.00	-	-	1) 7)	2010
VfL Wolfsburg-Fußball GmbH, Wolfsburg	EUR		-	100.00	100.00	3,127	690	3)	2009
Volim Volkswagen Immobilien Vermietgesellschaft für VW-/Audi-Händlerbetriebe mbH, Braunschweig	EUR		-	100.00	100.00	26	-	1)	2010
Volkswagen Automobile Berlin GmbH, Berlin	EUR		-	100.00	100.00	6,026	-	1) 14)	2009
Volkswagen Automobile Chemnitz GmbH, Chemnitz	EUR		-	100.00	100.00	6,439	-	1)	2009
Volkswagen Automobile Frankfurt GmbH, Frankfurt a.M.	EUR		-	100.00	100.00	2,979	-	13)	2009
Volkswagen Automobile Hamburg GmbH, Hamburg	EUR		-	100.00	100.00	35,371	-	1)	2009
VOLKSWAGEN Automobile Leipzig GmbH, Leipzig	EUR		-	100.00	100.00	12,902	-	1)	2009
Volkswagen Automobile Ostfriesland GmbH, Aurich	EUR		-	100.00	100.00	1,733	-	1)	2009
Volkswagen Automobile Rhein-Neckar GmbH, Mannheim	EUR		-	100.00	100.00	7,382	-	1)	2009
Volkswagen Automobile Stuttgart GmbH, Stuttgart	EUR		-	100.00	100.00	4,407	-	1)	2009
Volkswagen Bank GmbH, Braunschweig	EUR		-	100.00	100.00	3,929,684	-	1)	2010
Volkswagen Business Services GmbH, Braunschweig	EUR		-	100.00	100.00	26	-	1)	2010
Volkswagen Coaching GmbH, Wolfsburg	EUR		-	100.00	100.00	5,369	-	1)	2010
Volkswagen Design Center Potsdam GmbH, Potsdam	EUR		-	100.00	100.00	2,521	-	1)	2009
VOLKSWAGEN FINANCIAL SERVICES AG, Braunschweig	EUR		-	100.00	100.00	3,951,495	-	1)	2010
Volkswagen Financial Services Beteiligungsgesellschaft mbH, Braunschweig	EUR		-	100.00	100.00	507,814	-	1)	2010
Volkswagen Gebrauchtfahrzeughandels und Service GmbH, Langenhagen	EUR		-	100.00	100.00	100	-	1)	2009
Volkswagen Gewerbegrund GmbH, Wolfsburg	EUR		-	100.00	100.00	86,012	-	1)	2009
Volkswagen Group Real Estate GmbH & Co. KG, Wolfsburg	EUR		-	100.00	100.00	154,330	5,780		2009
Volkswagen Immobilien Service GmbH, Wolfsburg	EUR		-	100.00	100.00	5,761	31		2009
Volkswagen Insurance Brokers GmbH, Braunschweig	EUR		-	100.00	100.00	816	-260		2009
Volkswagen Klassik GmbH, Wolfsburg	EUR		-	100.00	100.00	25	-	1) 5)	2010
Volkswagen Leasing GmbH, Braunschweig	EUR		-	100.00	100.00	219,123	-	1)	2010
Volkswagen Logistics GmbH & Co. OHG, Wolfsburg	EUR		-	100.00	100.00	511	232,470		2010
Volkswagen Logistics GmbH, Wolfsburg	EUR		-	100.00	100.00	745	100		2009
Volkswagen Motorsport GmbH, Hanover	EUR		-	100.00	100.00	2,034	-	1) 14)	2009
Volkswagen Original Teile Logistik Beteiligungs-GmbH, Baunatal	EUR		-	51.40	51.40	29	0		2009
Volkswagen Original Teile Logistik GmbH & Co. KG, Baunatal	EUR		-	53.37	53.37	47,000	72,547		2009
Volkswagen Osnabrück GmbH, Osnabrück	EUR		-	100.00	100.00	10,130	-	13)	2010
Volkswagen Procurement Services GmbH, Wolfsburg	EUR		-	100.00	100.00	100	-	1)	2009
Volkswagen Qualifizierungsgesellschaft mbH, Wolfsburg	EUR		-	100.00	100.00	503	-	1)	2010
Volkswagen R GmbH, Wolfsburg	EUR		-	100.00	100.00	7,900	-	1)	2010
Volkswagen Retail Dienstleistungsgesellschaft mbH, Berlin	EUR		-	100.00	100.00	26	0	13) 14)	2009
VOLKSWAGEN Retail GmbH, Wolfsburg	EUR		-	100.00	100.00	135,234	-	1)	2009
Volkswagen Sachsen GmbH, Zwickau	EUR		-	100.00	100.00	515,718	-	1)	2010
Volkswagen Sachsen Immobilienverwaltungs GmbH, Zwickau	EUR		-	100.00	100.00	76,695	-	1)	2010
Volkswagen Versicherung Aktiengesellschaft, Braunschweig	EUR		-	100.00	100.00	42,055	-	1)	2010
Volkswagen Versicherungsvermittlung GmbH, Braunschweig	EUR		-	100.00	100.00	49,529	12,560		2010
Volkswagen Vertriebsbetreuungsgesellschaft mbH, Chemnitz	EUR		-	100.00	100.00	695	14		2009
Volkswagen Zentrum Bochum GmbH, Bochum	EUR		-	100.00	100.00	-	-	1) 5)	2010
Volkswagen Zentrum Bochum Verwaltungsgesellschaft mbH, Bochum	EUR		-	100.00	100.00	-	-	1) 5)	2010
Volkswagen Zubehör GmbH, Dreieich	EUR		-	100.00	100.00	8,969	-	1)	2010

		FX rate	Share in capital			Equity	Profit		
		(EUR 1=)		%		in thousands	in thousands		
Name and registered office	Currency	31/12/2010	Direct	Indirect	Total	Local currency	Local currency	Footnote	Year
Volkswagen-Bildungsinstitut GmbH, Zwickau	EUR		-	100.00	100.00	256	-	1)	2010
Volkswagen-Versicherungsdienst GmbH, Braunschweig	EUR		-	100.00	100.00	54,369	-	1)	2010
VW Kraftwerk GmbH, Wolfsburg	EUR		-	100.00	100.00	134,414	-	1)	2010
VW Wohnungs GmbH & Co. KG, Wolfsburg	EUR		-	100.00	100.00	83,865	15,499		2009
VWL Funding 2008-1 GmbH, Braunschweig	EUR		-	100.00	100.00	25	-	5)	2010
Weser-Ems Vertriebsgesellschaft mbH, Bremen	EUR		-	81.25	81.25	6,467	2,453		2009
ZENDA Dienstleistungen GmbH, Würzburg	EUR		-	100.00	100.00	841	248		2009
Affiliated companies - other countries									
Porsche Holding Finance plc., Dublin	EUR		100.00	-	-	5,901	416	4)	2010
Porsche Zwischenholding group									
Centro Porsche Padova S.r.L., Padua, Italia	EUR		-	100.00	100.00	62	-148	4)	2010
EURO Select Quality Parts, Inc., Wilmington/Delaware, USA	USD	1.3388	-	100.00	100.00	-4		4)	2010
Farsund Aluminium Casting AS, Farsund	NOK	7.8105	-	70.00	70.00	15,100	0		2009
LLC Porsche Center Moscow, Moscow, Russia	RUB	40.9449	-	100.00	100.00	78,786	-2,858		2010
LLC Porsche Financial Services Russland, Moscow, Russia	RUB	40.9449	-	100.00	100.00	6,172	2,925		2010
LLC Porsche Russland, Moscow, Russia	RUB	40.9449	-	100.00	100.00	364,228	-204,413		2010
Mieschke Hofmann und Partner (Schweiz) AG, Zurich	CHF	1.2515	-	74.80	74.80	879	586	4)	2010
PCREST Ltd., Halifax/Nova Scotia, Canada	CAD	1.3355	-	100.00	100.00	3		4)	2010
PCTX LLC, Wilmington/Delaware, USA	USD	1.3388	-	100.00	100.00	497	-3	4)	2010
Porsacentre S.L., Barcelona, Spain	EUR		-	100.00	100.00	686	-26	4)	2010
Porsamadrid S.L., Madrid, Spain	EUR		-	100.00	100.00	2,265	-37	4)	2010
Porsche (China) Motors Limited, Guangzhou, China	CNY	8.8212	-	75.00	75.00	821,563	682,564		2010
Porsche Asia Pacific Pte. Ltd., Singapore	SGD	1.7162	-	100.00	100.00	2,889	130	4)	2010
Porsche Aviation Products, Inc., Wilmington/Delaware, USA	USD	1.3388	-	100.00	100.00	619	1	4)	2010
Porsche Business Services, Inc., Wilmington/Delaware, USA	USD	1.3388	-	100.00	100.00	7,685	5,793	4)	2010
Porsche Canadian Funding Limited Partnership, Ontario, Canada	CAD	1.3355	-	100.00	100.00	33,609	871	4)	2010
Porsche Canadian Investment ULC, Halifax/Nova Scotia, Canada	CAD	1.3355	-	100.00	100.00	742	-1	4)	2010
Porsche Capital LLC, Wilmington/Delaware, USA	USD	1.3388	-	100.00	100.00	22,282	2,313	4)	2010
Porsche Cars Australia Pty. Ltd., Collingwood, Australia	AUD	1.3157	-	100.00	100.00	34,880	709	4)	2010
Porsche Cars Canada Ltd., Toronto/Ontario, Canada	CAD	1.3355	-	100.00	100.00	9,518	-3,832	4)	2010
Porsche Cars Great Britain Ltd., Reading	GBP	0.8623	-	100.00	100.00	45,985	2,319	4)	2010
Porsche Cars North America, Inc., Wilmington/Delaware, USA	USD	1.3388	-	100.00	100.00	152,890	20,672	4)	2010
Porsche Center Pudong Ltd., Shanghai, China	CNY	8.8212	-	75.00	75.00	25,577	5,094		2010
Porsche Central Eastern Europe s.r.o., Prague, Czech Republik	CZK	25.0958	-	100.00	100.00	14,627	1,794	4)	2010
Porsche Consulting Brasil Ltda., Sao Paulo, Brasil	BRL	2.2212	-	100.00	100.00	-1,088	-1,162	4)	2010
Porsche Consulting Italia S.r.L., Milan, Italia	EUR		-	100.00	100.00	1,182	86	4)	2010
Porsche Design GmbH, Zell am See, Austria	EUR		-	65.00	65.00	5,003	156	4)	2010
Porsche Design Great Britain Limited, London, Great Britain	GBP	0.8623	-	65.00	65.00	-14	91	4)	2010
Porsche Design Italia S.r.L., Padua, Italia	EUR		-	65.00	65.00	63	-1	4)	2010
Porsche Design of America, Inc., Wilmington/Delaware, USA	USD	1.3388	-	65.00	65.00	-2,393	60	4)	2010
Porsche Design of France SARL, Serris, France	EUR		-	65.00	65.00	262	49	4)	2010
Porsche Design Studio North America, Inc., Los Angeles/California, USA	USD	1.3388	-	65.00	65.00	48		4)	2010
Porsche Distribution S.A.S., Levallois-Perret, France	EUR		-	100.00	100.00	12,917	739	4)	2010
Porsche Engineering Services s.r.o., Prague, Czech Republik	CZK	25.0958	-	100.00	100.00	18,038	3,832	4)	2010
Porsche Enterprises, Inc., Wilmington/Delaware, USA	USD	1.3388	-	100.00	100.00	151,556		4)	2010
Porsche Financial Management Services Ltd., Dublin, Ireland	EUR		-	100.00	100.00	354	42	4)	2010
Porsche Financial Services Australia, Pty. Ltd., Collingwood, Australia	AUD	1.3157	-	100.00	100.00	599	152	4)	2010
Porsche Financial Services Canada G.P., Mississauga/Ontario, Canada	CAD	1.3355	-	100.00	100.00	16,548	-95	4)	2010
Porsche Financial Services France S.A., Boulogne-Billancourt, France	EUR		-	100.00	100.00	8,340	436	4)	2010
Porsche Financial Services Great Britain Ltd., Reading, England	GBP	0.8623	-	100.00	100.00	57,766	5,052	4)	2010
Porsche Financial Services Italia S.p.A., Padua, Italia	EUR		-	100.00	100.00	20,099	1,443	4)	2010
Porsche Financial Services Japan K.K., Tokyo, Japan	JPY	108.86	-	100.00	100.00	3,079,376	72,473	4)	2010
Porsche Financial Services Schweiz AG, Zug/Steinhausen, Switzerland	CHF	1.2515	-	100.00	100.00	2,094	1,729	16)	2010
Porsche Financial Services, Inc., Wilmington/Delaware, USA	USD	1.3388	-	100.00	100.00	32,157	2,200	4)	2010
Porsche France S.A., Boulogne-Billancourt, France	EUR		-	100.00	100.00	54,329	2,424	4)	2010
Porsche Funding LLC, Wilmington/Delaware, USA	USD	1.3388	-	100.00	100.00	0		4)	2010
Porsche Funding Ltd. Partnership, Wilmington/Delaware, USA	USD	1.3388	-	100.00	100.00	260,749	1,332	4)	2010
Porsche Haus S.r.L., Milan, Italia	EUR		-	100.00	100.00	16	-290	4)	2010
Porsche Hong Kong Limited, Hong Kong, China	HKD	1.4510	-	75.00	75.00	220,964	165,704		2010
Porsche Ibérica S.A., Madrid, Spain	EUR		-	100.00	100.00	61,635	1,070	4)	2010
Porsche International Financing plc., Dublin, Ireland	EUR		-	100.00	100.00	40,773	24	4)	2010
Porsche International Reinsurance Ltd., Dublin, Ireland	EUR		-	100.00	100.00	20,256	6,707	4)	2010
Porsche Investment Corporation, Wilmington/Delaware, USA	USD	1.3388	-	100.00	100.00	105	0	4)	2010
Porsche Italia S.p.A., Padua, Italia	EUR		-	100.00	100.00	94,592	-983	4)	2010
Porsche Japan K.K., Tokyo, Japan	JPY	108.86	-	100.00	100.00	2,326,338	149,501	4)	2010

Name and registered office	Currency	FX rate (EUR 1=) 31/12/2010	Share in capital % Direct	Indirect	Total	Equity in thousands Local currency	Profit in thousands Local currency	Footnote	Year
Porsche Latin America, Inc., Wilmington/Delaware, USA	USD	1.3388	-	100.00	100.00	1,107	72	4)	2010
Porsche Lease Owner Trust 2009, Wilmington/Delaware, USA	USD	1.3388	-	100.00	100.00	25,159	742	4)	2010
Porsche Leasing Ltd., Wilmington/Delaware, USA	USD	1.3388	-	100.00	100.00	0		4)	2010
Porsche Liquidity LLC, Wilmington/Delaware, USA	USD	1.3388	-	100.00	100.00	22,298	6,946	4)	2010
Porsche Logistic Services LLC, Wilmington/Delaware, USA	USD	1.3388	-	100.00	100.00	643	-132	4)	2010
Porsche Middle East FZE, Dubai, United Arab Emirates	USD	1.3388	-	100.00	100.00	21,446	2,184	4)	2010
Porsche Motorsport North America, Inc., Wilmington/Delaware, USA	USD	1.3388	-	100.00	100.00	4,769	-76	4)	2010
Porsche Retail Group Australia Pty. Ltd., Collingwood, Australia	AUD	1.3157	-	100.00	100.00	10,159	748	4)	2010
Porsche Retail Group Ltd., Reading, England	GBP	0.8623	-	100.00	100.00	14,590	798	4)	2010
Porsche Reverse Inquiry Venerable Amortizing Trust, Wilmington/Delaware, USA	USD	1.3388	-	100.00	100.00	-308	-49	4)	2010
Porsche Schweiz AG, Zug/Steinhausen, Switzerland	CHF	1.2515	-	100.00	100.00	3,409	-117	16)	2010
Porsche Services España S.L., Madrid, Spain	EUR		-	100.00	100.00	493	-83	4)	2010
PPF Holding AG, Zug, Switzerland	CHF	1.2515	-	100.00	100.00	4,280	-5	4)	2010
Volkswagen group									
1998 Ltd., Springfield, Virginia	USD	1.3362	-	100.00	100.00	-	-500		2009
Aconcagua Vehiculos Comerciales S.A., Mendoza	ARS	5.3086	-	100.00	100.00	10,223	632		2009
Aktiebolaget Tönseth & Co, Södertälje	SEK	8.9655	-	100.00	100.00	9,167	1,152		2009
Amer Assurantien B.V., Amersfoort	EUR		-	100.00	100.00	-	-	11)	2009
Apolo Administradora de Bens S/S Ltda., São Bernardo do Campo, SP	BRL	2.2177	-	100.00	100.00	-	0		2009
ASSIVALO PRESTAÇÃO DE SERVIÇOS AUXILIARES DO SETOR DE SEGUROS LTDA., São Paulo	BRL	2.2177	-	70.00	70.00	1,621	84		2009
Astur Wagen, S.A., Gijón	EUR		-	100.00	100.00	3,297	-74		2009
Audi (China) Enterprise Management Co. Ltd., Peking	CNY	8.8220	-	100.00	100.00	57,872	5,921		2010
Audi Akademie Hungaria Kft., Györ	HUF	277.9500	-	100.00	100.00	53,388	14,821		2009
Audi Australia Pty. Ltd., Zetland	AUD	1.3136	-	100.00	100.00	86,440	8,494		2010
AUDI AUSTRALIA RETAIL OPERATIONS PTY LTD, Zetland	AUD	1.3136	-	100.00	100.00	1,269	-168		2010
Audi Brasil Distribuidora de Veículos Ltda., São Paulo	BRL	2.2177	-	100.00	100.00	62,070	31,190		2010
AUDI BRUSSELS S.A./N.V., Brussels	EUR		-	100.00	100.00	407,168	21,004		2010
Audi Canada Inc., Ajax, Ontario	CAD	1.3322	-	100.00	100.00	5,432	6,672		2010
AUDI HUNGARIA MOTOR Kft., Györ	EUR		-	100.00	100.00	5,213,202	597,779		2010
Audi Japan K.K., Tokyo	JPY	108.6500	-	100.00	100.00	7,205,613	1,192,337		2010
Audi Japan Sales K.K., Tokyo	JPY	108.6500	-	100.00	100.00	1,096,353	117,637		2010
Audi of America, LLC, Herndon, Virginia	USD	1.3362	-	100.00	100.00	145,119	39,549		2010
Audi Real Estate S.L., El Prat de Llobregat	EUR		-	100.00	100.00	24,399	-28		2009
AUDI SINGAPORE PTE. LTD., Singapore	SGD	1.7136	-	100.00	100.00	10,925	5,425		2009
AUDI TAIWAN CO., LTD., Taipeh	TWD	38.9450	-	100.00	100.00	337,458	-234,960		2009
Audi Tooling Barcelona, S.L., Barcelona	EUR		-	100.00	100.00	3,132	354		2009
Audi Volkswagen Korea Ltd., Seoul	KRW	1,499.0600	-	100.00	100.00	43,313,619	24,962,213		2010
Audi Volkswagen Middle East FZE, Dubai	USD	1.3362	-	100.00	100.00	42,811	12,042		2010
Automobiles Villers Services S.A.S., Villers-Cotterêts	EUR		-	100.00	100.00	202	86		2009
Automobili Lamborghini America, LLC, Wilmington, Delaware	USD	1.3362	-	100.00	100.00	703	636		2010
Automobili Lamborghini Holding S.p.A., Sant´Agata Bolognese	EUR		-	100.00	100.00	933,213	-57,184	12)	2010
Automobili Lamborghini S.p.A., Sant´Agata Bolognese	EUR		-	100.00	100.00	343,974	-31,802		2009
Automotores del Atlantico S.A., Mar del Plata	ARS	5.3086	-	100.00	100.00	13,852	691		2009
Automotores Pesados S.A., Tucumán	ARS	5.3086	-	99.38	99.38	27,075	4,601		2009
Autovisão Brasil Desenvolvimento de Negócios Ltda., São Bernardo do Campo	BRL	2.2177	-	100.00	100.00	143	-38		2009
AutoVision Magyarország Kft., Györ	HUF	277.9500	-	100.00	100.00	287,017	72,523		2009
AutoVision S.A., Brussels	EUR		-	100.00	100.00	2,476	240		2009
AUTOVISION SLOVAKIA, s.r.o., Bratislava	EUR		-	100.00	100.00	-	-67		2009
A-Vision - Prestação de Serviços á Indústria Automóvel, unipessoal, Lda., Palmela	EUR		-	100.00	100.00	1,882	526		2009
A-Vision People, Empresa de trabalho temporário, unipessoal, Lda., Palmela	EUR		-	100.00	100.00	56	-5		2009
Banco Volkswagen S.A., São Paulo	BRL	2.2177	-	100.00	100.00	1,583,096	63,591		2009
Barna Wagen, S.A., Barcelona	EUR		-	100.00	100.00	-	-1,126		2009
Beers N.V., Breda	EUR		-	100.00	100.00	116,951	-9,631		2009
Bentley Insurance Services Ltd., Crewe	GBP	0.8608	-	100.00	100.00	221	-		2009
Bentley Motor Cars Export Ltd., Crewe	GBP	0.8608	-	100.00	100.00	-	-	5)	2010
Bentley Motor Cars, Inc., Boston	USD	1.3362	-	100.00	100.00	-	-	5)	2010
Bentley Motor Export Services Ltd., Crewe	GBP	0.8608	-	100.00	100.00	-	-	5)	2010
Bentley Motors Canada Ltd./ Ltee., Montreal	CAD	1.3322	-	100.00	100.00	1,749	-722	12)	2009
Bentley Motors Ltd., Crewe	GBP	0.8608	-	100.00	100.00	-	-231,100		2009
Bentley Motors, Inc., Boston	USD	1.3362	-	100.00	100.00	-	-	11)	2009
Bugatti Automobiles S.A.S., Molsheim	EUR		-	100.00	100.00	21,629	1,051		2010
Bugatti International S.A., Luxemburg	EUR		-	100.00	100.00	4,084	921		2009
Cariviera S.A.S., Nice	EUR		-	100.00	100.00	9	-626		2009
Castellana Wagen, S.A., Madrid	EUR		-	100.00	100.00	2,773	-2,166		2009
Cataluña Wagen, S.A., Barcelona	EUR		-	100.00	100.00	3,459	-1,165		2009
Centre Automobile De La Riviera Car S.A.S., Nice	EUR		-	100.00	100.00	1,094	-729		2009

Name and registered office	Currency	FX rate (EUR 1=) 31/12/2010	Share in capital % Direct	Indirect	Total	Equity in thousands Local currency	Profit in thousands Local currency	Footnote	Year
Centro Técnico de SEAT, S.A., Martorell	EUR		-	100.00	100.00	133,285	887		2009
Centro Usato Sangallo S.r.l., Florence	EUR		-	100.00	100.00	56	5		2010
Codema Comercial e Importadora Ltda., Guarulhos	BRL	2.2177	-	99.99	99.99	108,156	12,358		2009
Conimco N.V., Neder-Over-Heembeek	EUR		-	100.00	100.00	3,424	434		2009
Consórcio Nacional Volkswagen - Administradora de Consórcio Ltda., São Paulo	BRL	2.2177	-	100.00	100.00	140,679	25,774		2009
Crewe Genuine Ltd., Crewe	GBP	0.8608	-	100.00	100.00	-	-	5)	2010
DFM Verzekeringen B.V., Diemen	EUR		-	100.00	100.00	-	-	11)	2009
Din Bil Fastigheter Malmö AB, Malmö	SEK	8.9655	-	100.00	100.00	661	-23		2009
Din Bil Helsingborg AB, Helsingborg	SEK	8.9655	-	100.00	100.00	13,322	228		2009
Din Bil Stockholm Norr AB, Kista	SEK	8.9655	-	100.00	100.00	11,632	57		2009
Din Bil Stockholm Söder AB, Stockholm	SEK	8.9655	-	100.00	100.00	25,516	293		2009
Din Bil Sverige AB, Stockholm	SEK	8.9655	-	100.00	100.00	292,545	26,208		2009
Donbas-Scan-Service LLC, Makeyevka	UAH	10.6560	-	100.00	100.00	20,014	-1,458		2009
Dynamate AB, Södertälje	SEK	8.9655	-	100.00	100.00	37,110	62,341		2009
Dynamate Industrial Services AB, Södertälje	SEK	8.9655	-	100.00	100.00	12,214	-2,156		2009
DynaMate IntraLog AB, Södertälje	SEK	8.9655	-	100.00	100.00	6,100	-11,084		2009
European Engineering Enterprise S.R.L., Turin	EUR		-	100.00	100.00	-	-	2) 7)	2010
Europeisk Biluthyrning AB, Stockholm	SEK	8.9655	-	100.00	100.00	26,145	-4,269		2009
Fastighets AB Katalysatorn, Södertälje	SEK	8.9655	-	100.00	100.00	-	-	5)	2010
Fastighetsaktiebolaget Flygmotorn, Malmö	SEK	8.9655	-	100.00	100.00	18,821	2,137		2009
Fastighetsaktiebolaget Hjulnavet, Stockholm	SEK	8.9655	-	100.00	100.00	79,933	4,257		2009
Fastighetsaktiebolaget Motorblocket, Södertälje	SEK	8.9655	-	100.00	100.00	100	3		2009
Fastighetsaktiebolaget Vindbron, Göteborg	SEK	8.9655	-	100.00	100.00	33,466	2,227		2009
Ferruform AB, Luleå	SEK	8.9655	-	100.00	100.00	281,542	-167,657		2009
FMF Fahrzeug Miet und Finanz AG, Seuzach	CHF	1.2504	-	100.00	100.00	-	-	7)	2010
Garage Vetterli AG, Seuzach	CHF	1.2504	-	100.00	100.00	-	-	7)	2010
GB&M Garage et Carrosserie SA, Geneva	CHF	1.2504	-	100.00	100.00	5,465	1,086		2009
Gearbox del Prat, S.A., El Prat de Llobregat	EUR		-	100.00	100.00	115,267	7,585		2009
Giugiaro (Shanghai) Automotive Design Co. Ltd, Shanghai	CNY	8.8220	-	100.00	100.00	-	-103	2) 7)	2010
Global Automotive C.V., Amsterdam	EUR		-	100.00	100.00	4,163,122	1,949,810		2010
Global Automotive Finance C.V., Amsterdam	EUR		-	100.00	100.00	507,497	-133		2010
Global VW Automotive B.V., Amsterdam	EUR		-	100.00	100.00	100,961	8,415		2010
Griffin Automotive Ltd., Road Town, British Virgin Islands	TWD	38.9450	-	100.00	100.00	17,534	-3,378		2009
Groupe VOLKSWAGEN France s.a., Villers-Cotterêts	EUR		-	100.00	100.00	416,457	61,148		2009
H. J. Mulliner & Co. Ltd., Crewe	GBP	0.8608	-	100.00	100.00	-	-	5)	2010
Hamlin Services LLC, Wilmington, Delaware	USD	1.3362	-	100.00	100.00	-	-	11)	2010
Import Volkswagen Group s.r.o., Prague	CZK	25.0610	-	100.00	100.00	559,360	138,713		2009
INIS International Insurance Service s.r.o., Mladá Boleslav	CZK	25.0610	-	100.00	100.00	43,356	37,856		2009
Instituto para Formación y Desarollo Volkswagen, S.C., Puebla/Pue.	MXN	16.5475	-	100.00	100.00	9,363	8,364		2009
InterRent Biluthyrning AB, Södertälje	SEK	8.9655	-	100.00	100.00	-	-	5)	2010
Italdesign Giugiaro Barcelona S.L., Barcelona	EUR		-	100.00	100.00	4,223	13	7)	2010
Italdesign-Giugiaro Berci S.a.s, Paris	EUR		-	100.00	100.00	0	-2,535	2) 7)	2009
Italdesign-Giugiaro S.p.A., Turin	EUR		-	90.10	90.10	125,898	-2,227	7)	2010
Italscania S.p.A., Trento	EUR		-	100.00	100.00	44,464	8,958		2009
James Young Ltd., Crewe	GBP	0.8608	-	100.00	100.00	-	-	5)	2010
Kiev-Scan LLC, Makarow	UAH	10.6560	-	100.00	100.00	22,926	-2,545		2009
Lamborghini ArtiMarca S.p.A., Sant´Agata Bolognese	EUR		-	100.00	100.00	16,121	2,146		2009
Lark Air Ltd., George Town, Cayman Islands	USD	1.3362	-	100.00	100.00	-	-	11)	2010
Lauken International S.A., Montevideo	UYU	26.5965	-	100.00	100.00	110,252	19,024		2009
Lauken S.A., Montevideo	UYU	26.5965	-	100.00	100.00	-	-	5)	2010
Leioa Wagen, S.A., Lejona (Vizcaya)	EUR		-	100.00	100.00	3,730	432		2009
Levante Wagen, S.A., Valencia	EUR		-	100.00	100.00	4,158	405		2009
Limited Liability Company Volkswagen Bank RUS, Moscow	RUB	40.8200	-	100.00	100.00	-	-	6)	2010
Limited Liability Company Volkswagen Financial Services RUS, Moscow	RUB	40.8200	-	100.00	100.00	434,972	114,856		2009
Limited Liability Company Volkswagen Group Finanz, Moscow	RUB	40.8200	-	100.00	100.00	292,235	125,438		2009
Lion Air Services, Inc., George Town	USD	1.3362	-	100.00	100.00	-	-	11)	2010
LLC Autobusnaya Leasingovaya Compania Scania, Moscow	RUB	40.8200	-	100.00	100.00	-	-5,706		2009
LLC Automotive Components International RUS, Kaluga	RUB	40.8200	-	100.00	100.00	-	-	5)	2010
LLC Petroscan, St. Petersburg	RUB	40.8200	-	100.00	100.00	-	-99,030		2009
LLC Scania Leasing, Moscow	RUB	40.8200	-	100.00	100.00	64,403	216,174		2009
LLC Scania Peter, St. Petersburg	RUB	40.8200	-	100.00	100.00	247,223	5,646		2009
LLC Scania Service, Golitsino	RUB	40.8200	-	100.00	100.00	733,306	43,444		2009
LLC Scania-Rus, Moscow	RUB	40.8200	-	100.00	100.00	1,921,921	-146,065		2009
LLC Volkswagen Group Rus, Kaluga	RUB	40.8200	-	93.78	93.78	14,165,479	1,359,744		2009
MAHAG Kufstein GmbH, Kufstein	EUR		-	100.00	100.00	-	-	7)	2010
Málaga Wagen, S.A., Málaga	EUR		-	100.00	100.00	1,197	-1,276		2009
MML S.p.A., Sant´Agata Bolognese	EUR		-	100.00	100.00	2,358	-3,990		2009
Motorcam S.A., Buenos Aires	ARS	5.3086	-	100.00	100.00	35,016	4,503		2009
MULTIMARCAS CORRETORA DE SEGUROS S/S LTDA., São Paulo	BRL	2.2177	-	99.98	99.98	19	6		2009
NIRA Dynamics AB, Linköping	SEK	8.9655	-	94.66	94.66	37,038	3,399		2009

		FX rate	Share in capital			Equity	Profit		
		(EUR 1=)	%			in thousands	in thousands		
Name and registered office	Currency	31/12/2010	Direct	Indirect	Total	Local currency	Local currency	Footnote	Year
Norsk Scania AS, Oslo	NOK	7.8000	-	100.00	100.00	213,378	94,242		2009
Norsk Scania Eindom AS, Oslo	NOK	7.8000	-	100.00	100.00	-	-	6)	2010
Oy Maakunnan Auto Ab, Seinäjoki	EUR		-	100.00	100.00	636	12		2009
Oy Scan-Auto Ab, Helsinki	EUR		-	100.00	100.00	26,772	12,169		2009
Park Ward & Co. Ltd., Crewe	GBP	0.8608	-	100.00	100.00	-	-	5)	2010
Park Ward Motors Inc., Boston	USD	1.3362	-	100.00	100.00	-	-	5)	2010
Power Vehicle Co. Ltd., Bangkok	THB	40.1700	-	100.00	100.00	511	0		2009
Proarga, S.L., Pontevedra	EUR		-	100.00	100.00	598	102		2009
PSE Sverige AB, Södertälje	SEK	8.9655	-	100.00	100.00	607	538		2009
PUTT ESTATES (PROPRIETARY) LIMITED, Upington	ZAR	8.8625	-	100.00	100.00	1,946	400	3)	2010
Raven Air Ltd., George Town, Cayman Islands	USD	1.3362	-	100.00	100.00	-	-	11)	2010
Reliable Vehicles Ltd., London	GBP	0.8608	-	100.00	100.00	-	-	5)	2010
Riviera Technic S.A.S., Mougins	EUR		-	100.00	100.00	675	-507		2009
S.A.S. Scania Holding France, Angers	EUR		-	100.00	100.00	59,115	17,276		2009
SALLIG S.R.L, Turin	EUR		-	100.00	100.00	7,027	-298	7)	2010
Scan Siam Service Co. Ltd., Bangkok	THB	40.1700	-	100.00	100.00	5,195	2,980		2009
Scanexpo International S.A., Montevideo	UYU	26.5965	-	100.00	100.00	213,486	13,256		2009
Scanexpo S.A., Montevideo	UYU	26.5965	-	100.00	100.00	-	-	5)	2010
Scania (Hong Kong) Limited, Hong Kong	HKD	10.3856	-	100.00	100.00	-	825		2009
Scania (Malaysia) SDN BHD, Kuala Lumpur	MYR	4.0950	-	100.00	100.00	43,245	13,182		2009
Scania AB, Södertälje	SEK	8.9655	-	49.29	49.29	12,201,000	2,611,000		2009
Scania Administradora de Consórcios Ltda., Cotia	BRL	2.2177	-	99.99	99.99	24,238	6,791		2009
Scania Argentina S.A., Buenos Aires	ARS	5.3086	-	100.00	100.00	229,296	14,475		2009
Scania Asset Management AB, Södertälje	SEK	8.9655	-	100.00	100.00	10,649,308	-2,528		2009
Scania Australia Pty. Ltd., Melbourne	AUD	1.3136	-	100.00	100.00	31,346	6,630		2009
Scania Banco Brazil, São Paulo	BRL	2.2177	-	100.00	100.00	40,664	664		2009
Scania Beers B.V., Breda	EUR		-	100.00	100.00	30,069	-13,156		2009
Scania Belgium SA-NV, Neder-Over-Heembeek	EUR		-	100.00	100.00	59,141	-4,949		2009
Scania Biler A/S, Kolding	DKK	7.4535	-	100.00	100.00	29,211	-45,001		2009
Scania Bosnia Herzegovina d.o.o., Sarajevo	BAM	1.9558	-	100.00	100.00	2,874	-173		2009
Scania Botswana (Pty) Ltd., Gaborone	BWP	8.6254	-	100.00	100.00	5,592	3,273		2009
Scania Bulgaria EOOD, Sofia	BGN	1.9558	-	100.00	100.00	10,831	912		2009
Scania Bus Belgium N.V.-S.A., Brussels	EUR		-	100.00	100.00	26,714	732		2009
Scania Bus Financing AB, Stockholm	SEK	8.9655	-	100.00	100.00	1,030,767	4,011		2009
Scania Central Asia LLP, Almaty	KZT	196.9600	-	100.00	100.00	1,475,000	-9,901		2009
Scania Chile S.A., Santiago de Chile	CLP	625.4150	-	100.00	100.00	6,124,996	-1,096,908		2009
Scania Colombia S.A., Bogota	COP	2,579.9200	-	100.00	100.00	-	-	7)	2010
Scania Comercial, S.A. de C.V., Queretaro	MXN	16.5475	-	100.00	100.00	44,318	-5,178	14)	2009
Scania Commercial Vehicles Renting S.L., Madrid	EUR		-	100.00	100.00	5,899	894		2009
Scania Commerciale S.p.A., Trento	EUR		-	100.00	100.00	6,068	147		2009
Scania Credit AB, Södertälje	EUR		-	100.00	100.00	4,273	-5,242		2009
Scania Credit Hrvatska d.o.o., Rakitje	HRK	7.3830	-	100.00	100.00	-	-3,540		2009
Scania Credit Romania IFN S.A., Ciorogârla	RON	4.2620	-	100.00	100.00	-	9,036		2009
Scania Credit Ukraine Ltd., Kiev	UAH	10.6560	-	100.00	100.00	-	-16,536		2009
Scania CV AB, Södertälje	SEK	8.9655	-	100.00	100.00	22,125	14,331		2009
Scania Czech Republic s.r.o., Prague	CZK	25.0610	-	100.00	100.00	272,927	-59,970		2009
Scania Danmark A/S, Herlev	DKK	7.4535	-	100.00	100.00	91,805	-36,525		2009
Scania Danmark Eiendom ApS, Ishöj	DKK	7.4535	-	100.00	100.00	-	-	7)	2010
Scania de Venezuela S.A., Valencia	VEF	5.7398	-	100.00	100.00	8,222	2,019		2009
Scania del Peru S.A., Lima	PEN	3.7741	-	100.00	100.00	46,791	-3,832		2009
Scania Delivery Center AB, Södertälje	SEK	8.9655	-	100.00	100.00	2,392	-2,218		2009
Scania Driver Training SRL, Ilfov	RON	4.2620	-	100.00	100.00	-	-	7)	2010
Scania East Adriatic Region d.o.o., Ljubliana	EUR		-	100.00	100.00	131	-441		2009
Scania Eesti AS, Tallinn	EEK	15.6466	-	100.00	100.00	54,055	-4,916		2009
Scania Europe Holding B.V., Zwolle	EUR		-	100.00	100.00	21,625	-18,600		2009
Scania Finance Belgium N.V.-S.A., Neder-Over-Heembeek	EUR		-	100.00	100.00	15,084	1,130		2009
Scania Finance Bulgaria EOOD, Sofia	BGN	1.9558	-	100.00	100.00	-	-3,467		2009
Scania Finance Chile S.A., Santiago de Chile	CLP	625.4150	-	100.00	100.00	407,174	504,871		2009
Scania Finance Czech Republic Spol. s.r.o., Prague	CZK	25.0610	-	100.00	100.00	428,530	-103,538		2009
Scania Finance France S.A.S., Angers	EUR		-	100.00	100.00	17,743	1,599		2009
Scania Finance Great Britain Ltd., London	GBP	0.8608	-	100.00	100.00	36,706	2,133		2009
Scania Finance Hispania EFC S.A., Madrid	EUR		-	100.00	100.00	14,214	-4,859		2009
Scania Finance Holding AB, Södertälje	SEK	8.9655	-	100.00	100.00	-	-64,645		2009
Scania Finance Holding Great Britain Ltd., London	GBP	0.8608	-	100.00	100.00	3,769	0		2009
Scania Finance Ireland Ltd., Dublin	GBP	0.8608	-	100.00	100.00	-	-	6)	2010
Scania Finance Italy S.p.A, Milan	EUR		-	100.00	100.00	28,841	-407		2009
Scania Finance Korea Ltd., Seoul	KRW	1,499.0600	-	100.00	100.00	35,123,190	1,638,631		2009
Scania Finance Luxembourg S.A., Münsbach	EUR		-	100.00	100.00	2,233	-465		2009
Scania Finance Magyarország zrt., Biatorbágy	HUF	277.9500	-	100.00	100.00	289,397	-178,130		2009
Scania Finance Nederland B.V., Breda	EUR		-	100.00	100.00	35,653	3,247		2009

Name and registered office	Currency	FX rate (EUR 1=) 31/12/2010	Share in capital % Direct	Indirect	Total	Equity in thousands Local currency	Profit in thousands Local currency	Footnote	Year
Scania Finance Polska Sp.z.o.o., Nadarzyn	PLN	3.9750	-	100.00	100.00	94,742	6,367		2009
Scania Finance Pty. Ltd., Melbourne	AUD	1.3136	-	100.00	100.00	2	0		2009
Scania Finance Schweiz AG, Kloten	CHF	1.2504	-	100.00	100.00	1,484	-935		2009
Scania Finance Slovak Republic s.r.o., Senec	EUR		-	100.00	100.00	6,248	-966		2009
Scania Finance Southern Africa (Pty) Ltd., Aeroton Gauteng	ZAR	8.8625	-	100.00	100.00	164,165	51,823		2009
Scania Finans AB, Södertälje	SEK	8.9655	-	100.00	100.00	164,838	39,913		2009
Scania France S.A.S., Angers	EUR		-	100.00	100.00	41,052	5,623		2009
Scania Great Britain Ltd., Milton Keynes	GBP	0.8608	-	100.00	100.00	36,505	21,365		2009
Scania Group Treasury Belgium N.V., Neder-Over-Heembeek	EUR		-	100.00	100.00	23,318,050	658,271		2009
Scania Hispania Holding S.L., Madrid	EUR		-	100.00	100.00	4,612	10,964		2009
Scania Hispania S.A., Madrid	EUR		-	100.00	100.00	8,691	841		2009
Scania Holding Europe AB, Södertälje	SEK	8.9655	-	100.00	100.00	-	-	8)	2010
Scania Holding Inc., Wilmington	USD	1.3362	-	100.00	100.00	11,492	-374		2009
Scania Hrvatska d.o.o., Zagreb	HRK	7.3830	-	100.00	100.00	3,796	-12,201		2009
Scania Hungaria Kft., Biatorbágy	HUF	277.9500	-	100.00	100.00	1,728,597	100,859		2009
Scania Infomate, Zwolle	EUR		-	100.00	100.00	2,015	72		2009
Scania Insurance Belgium N.V., Neder-Over-Heembeek	EUR		-	100.00	100.00	-	-	6)	2010
Scania Insurance Nederland B.V., Middelharnis	EUR		-	100.00	100.00	668	105		2009
Scania Investimentos Imobiliários S.A., Santa Iria de Azóla	EUR		-	100.00	100.00	-	-66		2009
Scania IT AB, Södertälje	SEK	8.9655	-	100.00	100.00	56,424	88,058		2009
Scania IT Angers S.A.S., Angers	EUR		-	100.00	100.00	1,154	108		2009
Scania Japan Limited, Tokyo	JPY	108.6500	-	100.00	100.00	10,000	0		2009
Scania Korea Ltd., Seoul	KRW	1,499.0600	-	100.00	100.00	27,431,144	3,055,821		2009
Scania Latin America Ltda., São Bernardo do Campo	BRL	2.2177	-	100.00	100.00	547,061	403,653		2009
Scania Latvia SIA, Riga	LVL	0.7094	-	100.00	100.00	3,004	-501		2009
Scania Leasing d.o.o., Ljubliana	EUR		-	100.00	100.00	660	-40		2009
Scania Leasing Österreich Ges.m.b.H., Brunn am Gebirge	EUR		-	100.00	100.00	10,518	-2,584		2009
Scania Lízing Kft., Biatorbágy	HUF	277.9500	-	100.00	100.00	440,741	-213,048		2009
Scania Locations S.A.S., Angers	EUR		-	100.00	100.00	10,917	1,877		2009
Scania Luxembourg S.A., Münsbach	EUR		-	99.90	99.90	2,844	-626		2009
Scania Maroc S.A., Casablanca	MAD	11.1525	-	100.00	100.00	18,813	9,466		2009
Scania Milano S.p.A., Trento	EUR		-	100.00	100.00	-	-	7)	2010
Scania Multi Services S.A.S., Angers, in Liquidation	EUR		-	100.00	100.00	269	-1	2)	2009
Scania Nederland Holding B.V., Zwolle	EUR		-	100.00	100.00	-	-	5)	2010
Scania Networks B.V., Den Haag	EUR		-	100.00	100.00	2,718	416		2009
Scania Omni AB, Södertälje	SEK	8.9655	-	100.00	100.00	5,705	119		2009
Scania Österreich GmbH, Brunn am Gebirge	EUR		-	100.00	100.00	7,119	245		2009
Scania Österreich Holding GmbH, Brunn am Gebirge	EUR		-	100.00	100.00	18,650	-2		2009
Scania Overseas AB, Södertälje	SEK	8.9655	-	100.00	100.00	43,572	-831		2009
Scania Parts Logistics AB, Södertälje	SEK	8.9655	-	100.00	100.00	961	28,172		2009
Scania Plan S.A., Buenos Aires	ARS	5.3086	-	100.00	100.00	4,139	195		2009
Scania Polska S.A., Warsaw	PLN	3.9750	-	100.00	100.00	103,345	13,401		2009
Scania Portugal S.A., Santa Iria de Azóia	EUR		-	100.00	100.00	2,928	-1,721		2009
Scania Production Angers S.A.S., Angers	EUR		-	100.00	100.00	28,639	526		2009
Scania Production Meppel B.V., Meppel	EUR		-	100.00	100.00	9,754	846		2009
Scania Production Slupsk S.A., Slupsk	PLN	3.9750	-	100.00	100.00	38,120	3,481		2009
Scania Production Zwolle B.V., Zwolle	EUR		-	100.00	100.00	45,318	4,405		2009
Scania Real Estate AB, Södertälje	SEK	8.9655	-	100.00	100.00	83,625	-7,183		2009
Scania Real Estate Belgrad d.o.o., Belgrad	RSD	106.0000	-	100.00	100.00	-	-	7)	2010
Scania Real Estate Lund AB, Lund	SEK	8.9655	-	100.00	100.00	-	-	7)	2010
Scania Real Estate s.r.o., Bratislava	EUR		-	100.00	100.00	5	0		2009
Scania Real Estate Schweiz AG, Zurich	CHF	1.2504	-	100.00	100.00	-	-	7)	2010
Scania Real Estate Services AB, Södertälje	SEK	8.9655	-	100.00	100.00	120	0		2009
Scania Real Estate The Netherlands B.V., Breda	EUR		-	100.00	100.00	-	-	6)	2010
Scania Rent Romania SRL, Ciorogârla	RON	4.2620	-	100.00	100.00	0	0		2009
Scania Romania SRL, Bukarest	RON	4.2620	-	100.00	100.00	15,798	-1,316		2009
Scania Sales (China) Co. Ltd., Peking	CNY	8.8220	-	100.00	100.00	41,043	-10,888		2009
Scania Sales and Services AB, Södertälje	SEK	8.9655	-	100.00	100.00	1,767,497	773,076		2009
Scania Schweiz AG, Kloten	CHF	1.2504	-	100.00	100.00	13,213	9,745	14)	2009
Scania Services S.A., Buenos Aires	ARS	5.3086	-	100.00	100.00	7,509	592		2009
Scania Servicios, S.A. de C.V., Queretaro	MXN	16.5475	-	99.99	99.99	10,719	322		2009
Scania Siam Co. Ltd., Bangkok	THB	40.1700	-	99.99	99.99	223,205	34,963		2009
Scania Siam Leasing Co. Ltd., Bangkok	THB	40.1700	-	100.00	100.00	70,125	1,592		2009
Scania Singapore Pte. Ltd., Singapore	SGD	1.7136	-	100.00	100.00	5,004	-248		2009
Scania Slovakia s.r.o., Bratislava	EUR		-	100.00	100.00	11,931	-640		2009
Scania Slovenija d.o.o., Ljubljana	EUR		-	100.00	100.00	4,333	228		2009
Scania South Africa Pty. Ltd., Sandton	ZAR	8.8625	-	100.00	100.00	327,366	112,966		2009
Scania Srbia d.o.o., Belgrad	RSD	106.0000	-	100.00	100.00	79,676	14,155		2009
Scania Tanzania Ltd., Dar Es Salaam	TZS	1,978.9723	-	100.00	100.00	8,355,636	642,479		2009
Scania Thailand Co. Ltd., Bangkok	THB	40.1700	-	99.99	99.99	52,755	7,618		2009

Name and registered office	Currency	FX rate (EUR 1=) 31/12/2010	Share in capital % Direct	Indirect	Total	Equity in thousands Local currency	Profit in thousands Local currency	Footnote	Year
Scania Trade Development AB, Södertälje	SEK	8.9655	-	100.00	100.00	271,301	-3,252		2009
Scania Transportlaboratorium AB, Södertälje	SEK	8.9655	-	100.00	100.00	1,400	0		2009
Scania Treasury AB, Södertälje	SEK	8.9655	-	100.00	100.00	6,707,833	149,921		2009
Scania Treasury Belgium N.V., Neder-Over-Heembeek	SEK	8.9655	-	100.00	100.00	22,078,072	333,273		2009
Scania Treasury Luxembourg S.a.r.l, Luxemburg	EUR		-	100.00	100.00	-	-	7)	2010
Scania Truck Financing AB, Södertälje	SEK	8.9655	-	100.00	100.00	292,231	1,568		2009
Scania Trucks & Buses AB, Södertälje	SEK	8.9655	-	100.00	100.00	137,595	-606		2009
Scania Tüketici Finansmani A.S., Istanbul	TRY	2.0694	-	100.00	100.00	14,598	-11,258		2009
Scania Ukraine LLC, Kiev	UAH	10.6560	-	100.00	100.00	11,354	-13,028		2009
Scania USA Inc., San Antonio, Texas	USD	1.3362	-	100.00	100.00	3	-1		2009
Scania Used Vehicles AB, Södertälje	SEK	8.9655	-	100.00	100.00	100	0		2009
Scania-Bilar Sverige AB, Södertälje	SEK	8.9655	-	100.00	100.00	123,284	87,300		2009
Scanlink Ltd., Milton Keynes	GBP	0.8608	-	100.00	100.00	-	-	5)	2010
SCANRENT - Alguer de Viaturas sem Condutor, S.A., Lissabon	EUR		-	100.00	100.00	399	-725		2009
SEAT Center Arrabida Lda., Setúbal	EUR		-	100.00	100.00	284	-304		2009
SEAT Motor España S.A., Barcelona	EUR		-	100.00	100.00	10,221	-3,758		2009
SEAT Portugal Unipessoal, Lda., Lissabon	EUR		-	100.00	100.00	1,121	13		2009
Seat Saint-Martin S.A.S., Paris	EUR		-	100.00	100.00	386	-340		2009
SEAT Sport S.A., Martorell	EUR		-	100.00	100.00	3,961	8		2009
SEAT, S.A., Martorell	EUR		-	100.00	100.00	837,864	-186,517		2009
SERVILEASE, S.A., Madrid	EUR		-	100.00	100.00	5,288	6,606		2009
Sevilla Wagen, S.A., Sevilla	EUR		-	100.00	100.00	6,070	173		2009
SITECH Sp.z o.o., Polkowice	PLN	3.9750	-	100.00	100.00	438,365	39,334		2009
ŠKODA AUTO a.s., Mladá Boleslav	CZK	25.0610	-	100.00	100.00	68,519,363	3,439,304	12)	2009
SKODA AUTO India Private Limited, Aurangabad	INR	59.7580	-	100.00	100.00	2,352,372	-134,386		2010
SKODA AUTO POLSKA S.A., Poznan	PLN	3.9750	-	51.00	51.00	58,990	18,787		2010
SKODA AUTO Slovensko, s.r.o., Bratislava	EUR		-	100.00	100.00	15,553	1,631		2010
ŠkoFIN s.r.o., Prague	CZK	25.0610	-	100.00	100.00	4,674,640	521,275		2010
SOCIÉTÉ IMMOBILIÈRE AUDI SARL, Paris	EUR		-	100.00	100.00	17,784	39		2010
Södertälje Bil Invest AB, Södertälje	SEK	8.9655	-	100.00	100.00	213,000	58,703		2009
STAR DESIGN S.R.L., Turin	EUR		-	100.00	100.00	47,525	967	3) 7)	2010
Stockholms Industriassistans AB, Stockholm	SEK	8.9655	-	100.00	100.00	11,321	7,351		2009
Suvesa Super Veics Pesados Ltda., Eldorado do Sul	BRL	2.2177	-	99.98	99.98	48,071	8,028		2009
Svenska Mektek AB, Enköping	SEK	8.9655	-	100.00	100.00	2,197	-12,630		2009
Trembler Air Ltd., George Town, Cayman Islands	USD	1.3362	-	100.00	100.00	-	-	6) 11)	2010
Truck Namibia (Pty) Ltd., Windhoek	NAD	8.8477	-	100.00	100.00	19,888	8,561		2009
UAB Scania Lietuva, Vilnius	LTL	3.4528	-	100.00	100.00	14,482	391		2009
V.V.S. Assuradeuren B.V., Diemen	EUR		-	100.00	100.00	-	-	11)	2009
Vabis Försäkrings AB, Södertälje	SEK	8.9655	-	100.00	100.00	132,091	-3,415		2009
Valladolid Wagen, S.A., Valladolid	EUR		-	100.00	100.00	2,828	430		2009
Vallehermoso Wagen, S.A., Madrid	EUR		-	100.00	100.00	2,230	-726		2009
VAREC Ltd., Tokyo	JPY	108.6500	-	100.00	100.00	133,126	27,189		2009
VCI Loan Services, LLC, Salt Lake City, Utah	USD	1.3362	-	100.00	100.00	-	-	11)	2010
Villers Services Center S.A.S., Paris	EUR		-	100.00	100.00	-	-2,572		2009
Volkswagen - Versicherungsdienst AG, Wallisellen	CHF	1.2504	-	100.00	100.00	3,075	725		2009
Volkswagen (China) Investment Company Ltd., Peking	CNY	8.8220	-	100.00	100.00	6,422,266	1,970,436		2009
Volkswagen Argentina S.A., Buenos Aires	ARS	5.3086	-	100.00	100.00	239,345	438,173		2010
Volkswagen Audi Retail Spain, S.L., Barcelona	EUR		-	100.00	100.00	-	-	15)	2009
Volkswagen Auto Lease Entity, LLC, Wilmington, Delaware	USD	1.3362	-	100.00	100.00	-	-	11)	2010
Volkswagen Auto Lease Loan Underwritten Funding, LLC, Wilmington, Delaware	USD	1.3362	-	100.00	100.00	-	-	11)	2010
Volkswagen Auto Loan Vehicle, LLC, Wilmington, Delaware	USD	1.3362	-	100.00	100.00	-	-	11)	2010
Volkswagen Auto Securitization Transaction, L.L.C., Wilmington, Delaware	USD	1.3362	-	100.00	100.00	-	-	11)	2010
Volkswagen Autoeuropa, Lda., Quinta do Anjo	EUR		-	100.00	100.00	361,009	36,883		2010
VOLKSWAGEN Automatic Transmission (Dalian) Co., Ltd., Dalian	CNY	8.8220	-	100.00	100.00	420,573	-144,765		2009
Volkswagen Automotive Finance, LLC, Wilmington, Delaware	USD	1.3362	-	100.00	100.00	-	-	11)	2010
VOLKSWAGEN BANK SA INSTITUCION DE BANCA MULTIPLE, Puebla	MXN	16.5475	-	100.00	100.00	487,949	-16,642		2010
VOLKSWAGEN CORRETORA DE SEGUROS LTDA., São Paulo	BRL	2.2177	-	100.00	100.00	3,339	4,606		2009
Volkswagen Credit Compañía Financiera S.A., Buenos Aires	ARS	5.3086	-	100.00	100.00	34,129	556		2009
Volkswagen de México, S.A. de C.V., Puebla/Pue.	MXN	16.5475	-	100.00	100.00	22,326,000	-203,400		2009
Volkswagen Dealer Finance, LLC, Wilmington, Delaware	USD	1.3362	-	100.00	100.00	-	-	11)	2010
Volkswagen do Brasil Indústria de Veículos Automotores Ltda., São Bernardo do Campo	BRL	2.2177	-	100.00	100.00	2,746,882	571,564		2009
Volkswagen Enhanced Auto Loan, LLC., Wilmington, Delaware	USD	1.3362	-	100.00	100.00	-	-	11)	2010
Volkswagen Finance (China) Co., Ltd., Peking	CNY	8.8220	-	100.00	100.00	873,044	-42,189		2009
VOLKSWAGEN FINANCE BELGIUM S.A., Brussels	EUR		-	100.00	100.00	11,321	2,221		2010
Volkswagen Finance Cooperation B.V., Amsterdam	EUR		-	100.00	100.00	-	-99		2010
Volkswagen Finance Overseas B.V., Amsterdam	EUR		-	100.00	100.00	507,540	-101		2010
VOLKSWAGEN FINANCE PRIVATE LIMITED, Mumbai	INR	59.7580	-	100.00	100.00	135,656	-33,220	3) 4)	2010
VOLKSWAGEN FINANCE, S.A. - ESTABLECIMIENTO FINANCIERO DE CRÉDITO - , Madrid	EUR		-	100.00	100.00	315,373	8,058		2009
Volkswagen Financial Services (UK) (June) Ltd., Milton Keynes	GBP	0.8608	-	100.00	100.00	-	-	5)	2010

Name and registered office	Currency	FX rate (EUR 1=) 31/12/2010	Share in capital % Direct	Indirect	Total	Equity in thousands Local currency	Profit in thousands Local currency	Footnote	Year
Volkswagen Financial Services (UK) (March) Ltd., Milton Keynes	GBP	0.8608	-	100.00	100.00	-	-	5)	2010
Volkswagen Financial Services (UK) (September) Ltd., Milton Keynes	GBP	0.8608	-	100.00	100.00	-	-	5)	2010
Volkswagen Financial Services (UK) Ltd., Milton Keynes	GBP	0.8608	-	100.00	100.00	173,057	42,578		2009
VOLKSWAGEN FINANCIAL SERVICES AUSTRALIA PTY LIMITED, Botany	AUD	1.3136	-	100.00	100.00	74,916	1,246		2009
VOLKSWAGEN FINANCIAL SERVICES JAPAN LTD., Tokyo	JPY	108.6500	-	100.00	100.00	6,633,119	677,660		2010
Volkswagen Financial Services Korea Co., Ltd., Seoul	KRW	1,499.0600	-	100.00	100.00	-	-	6)	2010
Volkswagen Financial Services N.V., Amsterdam	EUR		-	100.00	100.00	507,425	4,549		2010
VOLKSWAGEN FINANCIAL SERVICES SINGAPORE LTD., Singapore	SGD	1.7136	-	100.00	100.00	1,011	378		2009
Volkswagen Financial Services Taiwan LTD., Taipei	TWD	38.9450	-	100.00	100.00	213,822	20,075		2009
Volkswagen Finans Sverige AB, Södertälje	SEK	8.9655	-	100.00	100.00	153,454	2,903		2010
Volkswagen Global Finance Holding B.V., Amsterdam	EUR		-	100.00	100.00	54	21		2010
Volkswagen Group Australia Pty Limited, Botany	AUD	1.3136	-	100.00	100.00	52,007	1,326		2009
Volkswagen Group Canada, Inc., Ajax, Ontario	CAD	1.3322	-	100.00	100.00	183,102	3,864	12)	2010
VOLKSWAGEN GROUP FIRENZE S.P.A., Florence	EUR		-	100.00	100.00	3,823	196		2010
Volkswagen Group Insurance and Risk Management Services Ltd., Milton Keynes	GBP	0.8608	-	100.00	100.00	-	-	5)	2010
Volkswagen Group Ireland Ltd., Dublin	EUR		-	100.00	100.00	2,560	341		2009
VOLKSWAGEN GROUP ITALIA S.P.A., Verona	EUR		-	100.00	100.00	340,616	30,364	12)	2010
VOLKSWAGEN Group Japan K.K., Toyohashi	JPY	108.6500	-	100.00	100.00	25,659,136	1,010,264		2010
Volkswagen Group Latin America, Inc., Miami, Florida	USD	1.3362	-	100.00	100.00	-	-641		2009
Volkswagen Group Malaysia Sdn. Bhd., Kuala Lumpur	MYR	4.0950	-	100.00	100.00	22,304	490		2009
VOLKSWAGEN GROUP MILANO S.R.L., Milan	EUR		-	100.00	100.00	448	-97		2009
Volkswagen Group of America Chattanooga Operations, LLC., Chattanooga	USD	1.3362	-	100.00	100.00	38,418	22,450	12)	2010
Volkswagen Group of America, Inc., Herndon, Virginia	USD	1.3362	-	100.00	100.00	449,421	-94,299	10) 12)	2010
Volkswagen Group Pension Scheme Trustee Ltd., Milton Keynes	GBP	0.8608	-	100.00	100.00	-	-	5)	2010
Volkswagen Group Sales India P.L., Mumbai	INR	59.7580	-	100.00	100.00	2,077,537	902,519	3)	2010
Volkswagen Group Services S.A., Brussels	EUR		-	100.00	100.00	6,869,810	71,827		2010
Volkswagen Group Singapore Pte. Ltd., Singapore	SGD	1.7136	-	100.00	100.00	14,596	4,098		2009
Volkswagen Group Sverige Aktiebolag, Södertälje	SEK	8.9655	-	100.00	100.00	623,588	141,395		2009
VOLKSWAGEN Group United Kingdom Ltd., Milton Keynes	GBP	0.8608	-	100.00	100.00	544,700	53,400		2009
Volkswagen Grundbesitz GmbH, Salzburg	EUR		-	100.00	100.00	35	-		2009
VOLKSWAGEN HOLDING FINANCIÈRE S.A., Villers-Cotterêts	EUR		-	100.00	100.00	186,530	3,098		2009
Volkswagen Holding Österreich GmbH, Salzburg	EUR		-	100.00	100.00	28	-7		2009
Volkswagen Hong Kong Ltd., Hong Kong	HKD	10.3856	-	89.40	89.40	999	-41,857		2009
Volkswagen Import Company Ltd., Tianjin	CNY	8.8220	-	100.00	100.00	197,695	108,722		2009
Volkswagen Independent Borrowing Entity, LLC, Wilmington, Delaware	USD	1.3362	-	100.00	100.00	-	-	11)	2010
Volkswagen India Private Ltd., Pune	INR	59.7580	-	100.00	100.00	14,386,815	-3,658		2009
Volkswagen Insurance Company Ltd., Dublin	EUR		-	100.00	100.00	27,843	1,299		2009
VOLKSWAGEN INSURANCE SERVICE LTD., Milton Keynes	GBP	0.8608	-	100.00	100.00	985	905		2009
VOLKSWAGEN INSURANCE SERVICES, CORREDURIA DE SEGUROS, S.L., Barcelona	EUR		-	100.00	100.00	2,786	2,395		2009
Volkswagen International Finance N.V., Amsterdam	EUR		-	100.00	100.00	3,652,175	1,137,708		2010
Volkswagen International Payment Services N.V., Amsterdam	EUR		-	100.00	100.00	25,870	9,941		2010
Volkswagen IT Service Sverige AB, Södertälje	SEK	8.9655	-	100.00	100.00	7,333	450		2009
VOLKSWAGEN LEASING SA DE CV, Puebla	MXN	16.5475	-	100.00	100.00	1,420,805	374,322		2010
Volkswagen Logistics Prestação de Serviços de Logística e Transporte Ltda., Saõ Bernardo do Campo	BRL	2.2177	-	100.00	100.00	7,805	4,205		2009
Volkswagen Management Österreich GmbH, Salzburg	EUR		-	100.00	100.00	-	-	6)	2010
Volkswagen Motor Polska Sp.z o.o., Polkowice	PLN	3.9750	-	100.00	100.00	560,032	71,501	12)	2009
Volkswagen Navarra, S.A., Polígono de Landaben, s/n, Arazurí (Navarra)	EUR		-	100.00	100.00	608,593	13,222		2009
Volkswagen of South Africa (Pty.) Ltd., Uitenhage	ZAR	8.8625	-	100.00	100.00	5,551,135	124,692		2009
Volkswagen Operating Lease Transaction, LLC, Wilmington, Delaware	USD	1.3362	-	100.00	100.00	-	-	11)	2010
Volkswagen Participações Ltda., São Paulo	BRL	2.2177	-	100.00	100.00	1,591,109	71,184		2009
Volkswagen Parts Logistics Sverige AB, Södertälje	SEK	8.9655	-	100.00	100.00	-	-	5)	2010
Volkswagen Poznan Sp.z o.o., Poznan	PLN	3.9750	-	100.00	100.00	2,386,176	290,108		2010
Volkswagen Public Auto Loan Securitization, LLC, Wilmington, Delaware	USD	1.3362	-	100.00	100.00	-	-	11)	2010
Volkswagen S.A. de Ahorro Para Fines Determinados, Buenos Aires	ARS	5.3086	-	100.00	100.00	34,637	16,157		2009
VOLKSWAGEN SARAJEVO, d.o.o, Vogosca	BAM	1.9558	-	58.00	58.00	37,183	-1,856		2009
Volkswagen Servicios de Administración de Personal, S.A. de C.V., Puebla	MXN	16.5475	-	100.00	100.00	22,589	11,604		2009
VOLKSWAGEN SERVICIOS SA DE CV, Puebla	MXN	16.5475	-	100.00	100.00	-	2,274		2009
Volkswagen Serviços Ltda., São Paulo	BRL	2.2177	-	100.00	100.00	4,510	5,654		2009
VOLKSWAGEN SLOVAKIA, a.s., Bratislava	EUR		-	100.00	100.00	1,409,790	75,200		2010
VOLKSWAGEN Tokyo K.K., Tokyo	JPY	108.6500	-	100.00	100.00	1,404,677	235,230		2010
Volkswagen-Audi España, S.A., El Prat de Llobregat	EUR		-	100.00	100.00	214,130	30,913		2009
Volkswagen-Versicherungsdienst Gesellschaft m.b.H., Vienna	EUR		-	100.00	100.00	3,386	2,646		2010
VVS Verzekerings-Service N.V., Amsterdam	EUR		-	60.00	60.00	1,142	915	10)	2009
VW Credit Canada, Inc., St. Laurent, Quebec	CAD	1.3322	-	100.00	100.00	257,333	48,453	12)	2010
VW Credit Leasing Ltd., Wilmington, Delaware	USD	1.3362	-	100.00	100.00	-	-	11)	2010
VW Credit, Inc., Wilmington	USD	1.3362	-	100.00	100.00	1,357,384	123,646	10) 12)	2010
VWT Participações Ltda. - Participações em Outras Sociedades e Prestação de Serviços em Geral, São Bernardo do Campo	BRL	2.2177	-	100.00	100.00	4,744	2,512		2009

Name and registered office	Currency	FX rate (EUR 1=) 31/12/2010	Share in capital % Direct	Indirect	Total	Equity in thousands Local currency	Profit in thousands Local currency	Footnote	Year
Equity investments - Germany									
Porsche Zwischenholding group									
Bertrandt AG, Ehningen	EUR		-	25.01	25.01	99,883	28,132	17)	2009
Volkswagen group									
Abgaszentrum der Automobilindustrie (GbR), Weissach	EUR		-	-	-	-	-		
August Horch Museum Zwickau GmbH, Zwickau	EUR		-	50.00	50.00	792	38		2009
Autoport Emden GmbH, Emden	EUR		-	33.33	33.33	68	6		2009
e.solutions GmbH, Gaimersheim	EUR		-	49.00	49.00	891	366		2009
Elektronische Fahrwerksysteme GmbH, Gaimersheim	EUR		-	49.00	49.00	913	0		2009
Fahrzeugteile Service-Zentrum Mellendorf GmbH, Wedemark (Mellendorf)	EUR		-	49.70	49.70	918	-2,145		2009
GIF Gewerbe- und Industriepark Bad Friedrichshall GmbH, Bad Friedrichshall	EUR		-	30.00	30.00	2,712	517		2009
GKH Gemeinschaftskraftwerk Hannover GmbH, Hanover	EUR		-	15.30	15.30	10,226	-	1)	2009
GVZ Entwicklungsgesellschaft Wolfsburg mbH, Wolfsburg	EUR		-	30.81	30.81	1,639	229		2009
Hönigsberg & Düvel Datentechnik GmbH, Wolfsburg	EUR		-	87.10	87.10	6,537	1,607		2009
IAV GmbH Ingenieurgesellschaft Auto und Verkehr, Berlin	EUR		-	50.00	50.00	52,248	-8,912		2009
LGI Logistikzentrum im Güterverkehrszentrum Ingolstadt Betreibergesellschaft mbH, Ingolstadt	EUR		-	50.00	50.00	528	-1,217		2009
LivingSolids GmbH, Magdeburg	EUR		-	24.89	24.89	0	1		2009
MAN SE, Munich	EUR		-	28.67	28.67	1,827,623	-298,086		2009
MOST Cooperation GbR, Karlsruhe	EUR		-	20.00	20.00	392	-26		2009
NEULAND Wohnungsgesellschaft mbH, Wolfsburg	EUR		-	20.00	20.00	80,311	4,435		2009
Niedersächsische Gesellschaft zur Endablagerung von Sonderabfall mbH, Hanover	EUR		-	10.00	10.00	9,700	1,066		2009
Objekt Audi Zentrum Berlin-Charlottenburg Verwaltungsgesellschaft mbH, Berlin	EUR		-	50.00	50.00	63	2		2010
Objektgesellschaft Audi Zentrum Berlin-Charlottenburg GmbH & Co. KG, Berlin	EUR		-	50.00	50.00	5,444	318		2010
PDB - Partnership for Dummy Technology and Biomechanics (GbR), Ingolstadt	EUR		-	-	-	-	-		
PMDTechnologies GmbH, Siegen	EUR		-	50.00	50.00	6,663	-87		2009
POLYSIL GmbH - in Insolvenz, Wolfsburg	EUR		-	24.92	24.92	0	-334		2008
Theater der Stadt Wolfsburg GmbH, Wolfsburg	EUR		-	25.40	25.40	124	0	3)	2009
VOLKSWAGEN VARTA Microbattery Forschungsgesellschaft mbH & Co. KG, Ellwangen	EUR		-	50.00	50.00	-	-	15)	2009
VOLKSWAGEN VARTA Microbattery Verwaltungsgesellschaft mbH, Ellwangen	EUR		-	50.00	50.00	-	-	15)	2009
Wolfsburg AG, Wolfsburg	EUR		-	50.00	50.00	29,529	9,960		2009
WTH AG, Wolfsburg	EUR		-	22.95	22.95	-	-847		2008
Equity investments - other countries									
Porsche Zwischenholding group									
Buhive AS, Farsund	NOK	7.8105	-	30.00	30.00	1,397	3,572		2009
Volkswagen group									
Bits Data i Södertälje AB, Södertälje	SEK	8.9655	-	33.00	33.00	12,309	-4,797		2009
Central Eléctrica Anhangüera Ltda., São Paulo	BRL	2.2177	-	40.00	40.00	17,474	-2,327		2009
Cummins-Scania high pressure injection L.L.C., Columbus	USD	1.3362	-	30.00	30.00	6,540	208		2009
Cummins-Scania XPI Manufacturing L.L.C., Columbus	USD	1.3362	-	50.00	50.00	108,926	1,025		2009
DFM N.V., Amersfoort	EUR		-	100.00	100.00	-	-	11)	2009
DutchLease B.V., Amersfoort	EUR		-	100.00	100.00	-	-	11)	2009
e4t electronics for transportation s.r.o., Prague	CZK	25.0610	-	49.00	49.00	41,488	3,605		2009
FAW-Volkswagen Automotive Company, Ltd., Changchun	CNY	8.8220	-	40.00	40.00	28,774,585	19,704,384	12)	2010
Global Mobility Holding B.V., Amsterdam	EUR		-	50.00	50.00	2,090,353	-104	12)	2009
H.R. Owen Plc., London	GBP	0.8608	-	27.91	27.91	12,059	4,810	10) 12)	2009
Laxå Specialvehicles AB, Laxå	SEK	8.9655	-	30.00	30.00	-	-	7)	2010
Lease + B.V., Amersfoort	EUR		-	100.00	100.00	-	-	11)	2009
Lease+Balans B.V., Amersfoort	EUR		-	100.00	100.00	-	-	11)	2009
LeasePlan Corporation N.V., Amsterdam	EUR		-	-	9)	1,618,335	165,233	12)	2009
Midland Beheer B.V., Amersfoort	EUR		-	100.00	100.00	-	-	11)	2009
Model Master, S.p.A., Moncalieri	EUR		-	40.00	40.00	4,847	-1,839	7)	2009
Módulos Automotivos do Brasil Ltda., São José dos Pinhais	BRL	2.2177	-	100.00	100.00	-	-12,968		2009
Montepo - Moncalieri TecnoPolo S.p.A., Turin	EUR		-	10.00	10.00	-	-	7)	2010

Name and registered office	Currency	FX rate (EUR 1=) 31/12/2010	Share in capital % Direct	Indirect	Total	Equity in thousands Local currency	Profit in thousands Local currency	Footnote	Year
Oppland Tungbilservice AS, Fagernes	NOK	7.8000	-	50.00	50.00	3,154	1,203		2009
SAIC-VOLKSWAGEN Sales Company Ltd., Shanghai	CNY	8.8220	-	40.00	40.00	546,862	121,838		2009
Scamadrid S.A., Madrid	EUR		-	49.00	49.00	4,627	-446		2009
ScaValencia, S.A., Valencia	EUR		-	26.00	26.00	9,223	603		2009
Servicios Especiales de Ventas Automotrices, S.A. de C.V., México, D.F.	MXN	16.5475	-	25.00	25.00	56,005	5,316		2009
Shanghai Volkswagen Powertrain Company Ltd., Shanghai	CNY	8.8220	-	60.00	60.00	1,073,770	396,679		2009
Shanghai-Volkswagen Automotive Company Ltd., Shanghai	CNY	8.8220	-	50.00	50.00	20,231,311	4,938,606		2009
SITECH Dongchang Automotive Seating Technology, Ltd., Shanghai	CNY	8.8220	-	60.00	60.00	101,724	26,093		2009
SKO-ENERGO s.r.o., Mladá Boleslav	CZK	25.0610	-	67.00	67.00	57,338	2,190		2009
SKO-ENERGO-FIN s.r.o., Mladá Boleslav	CZK	25.0610	-	52.50	52.50	951,010	268,088		2009
Smart Material Corp., Sarasota (Florida)	USD	1.3362	-	24.90	24.90	962	-39		2009
Sturups Bilservice AB, Malmö	SEK	8.9655	-	50.00	50.00	286,189	9,248		2009
Suzuki Motor Corporation, Hamamatsu, Shizuoka	JPY	108.6500	-	19.89	19.89	656,721,000	7,086,000	3) 7)	2010
TAS Tvornica Automobila Sarajevo d.o.o, Vogosca	BAM	1.9558	-	50.00	50.00	-	-	5)	2010
Trio Bilservice AB, Västerås	SEK	8.9655	-	33.33	33.33	131	0		2009
TTTech Computertechnik AG, Vienna	EUR		-	24.99	24.99	19,733	-3,961		2009
Tynset Diesel AS, Tynset	NOK	7.8000	-	50.00	50.00	3,982	1,221		2009
VDF FAKTORİNG HİZMETLERİ A.Ş., Istanbul	TRY	2.0694	-	99.96	99.96	3,727	-1,273	4)	2009
VDF Servis Holding A.Ş., Istanbul	TRY	2.0694	-	51.00	51.00	5,035	158		2009
VDF SIGORTA ARACILIK HIZMETLERI A.Ş., Istanbul	TRY	2.0694	-	99.99	99.99	3,100	1,054		2009
VOLKSWAGEN BANK POLSKA S.A., Warsaw	PLN	3.9750	-	60.00	60.00	216,603	17,122	12)	2009
Volkswagen Beijing Center Company Ltd., Peking	CNY	8.8220	-	70.00	70.00	39,499	638		2009
VOLKSWAGEN DOĞUŞ TÜKETICI FINANSMANI ANONIM ŞIRKETI, Maslak-Istanbul	TRY	2.0694	-	51.00	51.00	64,326	37,909		2009
VOLKSWAGEN FAW Engine (Dalian) Co., Ltd., Dalian	CNY	8.8220	-	60.00	60.00	1,115,935	335,237		2009
Volkswagen FAW Platform Company Ltd., Changchun	CNY	8.8220	-	60.00	60.00	552,573	70,657		2009
VOLKSWAGEN Finančné služby Maklérska s.r.o., Bratislava	EUR		-	58.00	58.00	2,259	2,252		2009
VOLKSWAGEN Finančné služby Slovensko s.r.o., Bratislava	EUR		-	58.00	58.00	34,766	3,352	12)	2009
Volkswagen Leasing B.V., Amersfoort	EUR		-	100.00	100.00	-	-	11)	2009
Volkswagen Leasing Polska Sp. z o.o., Warsaw	PLN	3.9750	-	60.00	60.00	44,044	18,920	12)	2009
VOLKSWAGEN MØLLER BILFINANS AS, Oslo	NOK	7.8000	-	51.00	51.00	148,967	-1,133	4) 12)	2009
Volkswagen Pon Financial Services B.V., Amersfoort	EUR		-	60.00	60.00	230,126	38,172	10)	2009
VOLKSWAGEN SERWIS UBEZPIECZENIOWY SP. Z O.O., Warsaw	PLN	3.9750	-	100.00	100.00	14,690	14,640		2009
VOLKSWAGEN Transmission (Shanghai) Company Ltd., Shanghai	CNY	8.8220	-	60.00	60.00	470,544	116,313		2009

1) Profit and loss transfer agreement
2) In liquidation
3) Diverging fiscal year
4) Short fiscal year
5) Currently no operations
6) Newly founded
7) Newly acquired
8) Start of operations in 2010
9) Global Mobility Holding B.V., Amsterdam, holds 100% of the shares in LeasePlan Corporation N.V., Amsterdam,
10) Consolidated financial statements
11) Figures included in the parent company's consolidated financial statements
12) Figures in accordance with IFRSs
13) Profit and loss transfer agreement as of 2010
14) Merger
15) Newly acquired/founded in the prior year
16) Financial statements as of 31 December 2010
(period from 1 August 2009 to 31 December 2010)
17) Financial statements as of 30 September 2009

[26] Company boards of Porsche Automobil Holding SE

Members of the supervisory board

Dr. Wolfgang Porsche

Diplom-Kaufmann
Chairman

Uwe Hück*

Deputy chairman
Deputy chairman of the
Porsche Automobil Holding SE
works council
Chairman of the general and
group works council of
Dr. Ing. h.c. F. Porsche AG
Chairman of the works council
Zuffenhausen and Ludwigsburg

Hans Baur*

Diplom-Ingenieur
Trade union secretary

Berthold Huber*

1st chairman of IG-Metall trade union

His Excellency Sheik Yassim Bin Abdulaziz Bin Yassim Al-Thani

Minister of business and trade
Chairman of the board of Qatar Foundation
International, USA
Member of the boards of Qatar National Bank, of
InvestCorp and of Qatar Foundation
Endowment Fund

Prof. Dr. Ulrich Lehner

Member of the shareholders' committee
of Henkel AG & Co. KGaA

Peter Mosch*

Member of the
Porsche Automobil Holding SE
works council
Chairman of the AUDI AG general works council

Bernd Osterloh*

Chairman of the
Porsche Automobil Holding SE
works council
Chairman of the general and group works council
of Volkswagen AG

Hon.-Prof. Dr. techn. h.c. Ferdinand K. Piëch

Diplom-Ingenieur ETH

Dr. Hans Michel Piëch

Attorney at law

Dr. Ferdinand Oliver Porsche

Investment management

Werner Weresch*

Member of the
Porsche Automobil Holding SE
works council
Member of the
Dr. Ing. h.c. F. Porsche AG
works council

* Employee representatives
As of 31 December 2010

Members of the executive board

Prof. Dr. rer. nat. Martin Winterkorn

Diplom-Ingenieur

Chairman of executive board of
Porsche Automobil Holding SE
Chief Executive Officer of Volkswagen AG and
member of the board of management of
Volkswagen AG
Corporate research and development

Hans Dieter Pötsch

Diplom-Wirtschaftsingenieur

Chief Finance Officer of
Porsche Automobil Holding SE
Member of the board of management of
Volkswagen AG
Finance and controlling

Dr. Ing. E. h. Michael Macht
(until 30 September 2010)

Diplom-Ingenieur

General technical
product issues
Chairman of the executive board
of Dr. Ing. h.c. F. Porsche AG
(until 30 September 2010)

Matthias Müller

Diplom-Informatiker

General technical product issues
Chairman of the executive board
of Dr. Ing. h.c. F. Porsche AG
(since 1 October 2010)

Thomas Edig

Diplom-Betriebswirt (BA)

Commercial and administrative
issues
Deputy chairman of
the executive board of
Dr. Ing. h.c. F. Porsche AG

[27] Membership in other statutory supervisory boards and comparable domestic and foreign control bodies

Members of the supervisory board of Porsche Automobil Holding SE

Dr. Wolfgang Porsche
(chairman)

A) Dr. Ing. h.c. F. Porsche AG, Stuttgart (chairman)
Volkswagen AG, Wolfsburg

B) Porsche Holding GmbH, Salzburg (deputy chairman)
Porsche Ges.m.b.H., Salzburg (deputy chairman)
Porsche Retail GmbH, Salzburg (deputy chairman)
Porsche Austria GmbH, Salzburg (deputy chairman)
Familie Porsche AG Beteiligungsgesellschaft, Salzburg (chairman)
Porsche Bank AG, Salzburg (deputy chairman)
Porsche Cars Great Britain Ltd., Reading
Porsche Cars North America Inc., Wilmington
Porsche Ibérica S.A., Madrid
Porsche Italia S.p.A., Padua
Eterna S.A., Grenchen (chairman)
Schmittenhöhebahnen AG, Zell am See

Uwe Hück
(deputy chairman)

A) Dr. Ing. h.c. F. Porsche AG, Stuttgart (deputy chairman)

Hans Baur

A) Dr. Ing. h.c. F. Porsche AG, Stuttgart
Berthold Leibinger GmbH, Ditzingen

Berthold Huber

A) Volkswagen AG, Wolfsburg (deputy chairman)
AUDI AG, Ingolstadt (deputy chairman)
Siemens AG, Munich (deputy chairman)

His Excellency Sheik Yassim Bin Abdulaziz Bin Yassim Al-Thani

B) Qatar Foundation Board, Doha (chairman)
Qatar Foundation Endowment Fund, Doha
Investcorp, Manama
Qatar National Bank, Doha

Prof. Dr. Ulrich Lehner

A) Deutsche Telekom AG, Bonn (chairman)
HSBC Trinkaus & Burkhardt AG, Düsseldorf
E.ON AG, Düsseldorf
ThyssenKrupp AG, Düsseldorf
Henkel Management AG, Düsseldorf

B) Dr. August Oetker KG, Bielefeld
Henkel AG & Co. KGaA, Düsseldorf
Novartis AG, Basel

Peter Mosch

A) Volkswagen AG, Wolfsburg
AUDI AG, Ingolstadt

Bernd Osterloh

A) Volkswagen AG, Wolfsburg
Autostadt GmbH, Wolfsburg
Wolfsburg AG, Wolfsburg

B) Auto 5000 GmbH, Wolfsburg
Projekt Region Braunschweig GmbH, Braunschweig
Volkswagen Coaching GmbH, Wolfsburg
VfL Wolfsburg Fussball GmbH, Wolfsburg

Hon.-Prof. Dr. techn. h.c. Dipl. Ing. ETH Ferdinand K. Piëch

A) Dr. Ing. h.c. F. Porsche AG, Stuttgart
Volkswagen AG, Wolfsburg (chairman)
MAN SE, Munich (chairman)
AUDI AG, Ingolstadt
B) Porsche Holding GmbH, Salzburg
Porsche Ges.m.b.H., Salzburg
Porsche Retail GmbH, Salzburg
Porsche Austria GmbH, Salzburg

Dr. Hans Michel Piëch

A) Dr. Ing. h.c. F. Porsche AG, Stuttgart
Volkswagen AG, Wolfsburg
AUDI AG, Ingolstadt
B) Porsche Holding GmbH, Salzburg (chairman)
Porsche Ges.m.b.H., Salzburg (chairman)
Porsche Retail GmbH, Salzburg (chairman)
Porsche Austria GmbH, Salzburg (chairman)
Porsche Bank AG, Salzburg
Porsche Cars Great Britain Ltd., Reading
Porsche Cars North America Inc., Wilmington
Porsche Ibérica S.A., Madrid
Porsche Italia S.p.A., Padua
Volksoper Wien GmbH, Vienna
Schmittenhöhebahnen AG, Zell am See

Dr. Ferdinand Oliver Porsche

A) Dr. Ing. h.c. F. Porsche AG, Stuttgart
Volkswagen AG, Wolfsburg
AUDI AG, Ingolstadt
Voith GmbH, Heidenheim
B) Porsche Lizenz- und Handelsgesellschaft mbH & Co. KG, Bietigheim-Bissingen
PGA S.A., Paris
Eterna S.A., Grenchen

Werner Weresch

A) Dr. Ing. h.c. F. Porsche AG, Stuttgart

(Disclosures pursuant to Sec. 285 No. 10 HGB)
As of 31 December 2010
A) Membership in German statutory supervisory boards
B) Comparable offices in Germany and abroad

Members of the executive board of Porsche Automobil Holding SE

Prof. Dr. rer. nat. Martin Winterkorn (chairman)

A) Dr. Ing. h.c. F. Porsche AG, Stuttgart
AUDI AG, Ingolstadt (chairman)
Salzgitter AG, Salzgitter
FC Bayern München AG, Munich

B) Scania AB, Södertälje (chairman)
ŠKODA AUTO a.s., Mladá Boleslav (chairman)
Porsche Holding GmbH, Salzburg
Porsche Ges.m.b.H., Salzburg
Bentley Motors Ltd., Crewe
Volkswagen (China) Investment Company Ltd., Beijing (chairman)
Volkswagen Group of America, Inc., Herndon, Virginia (chairman)

Hans Dieter Pötsch

A) Dr. Ing. h.c. F. Porsche AG, Stuttgart
AUDI AG, Ingolstadt
Volkswagen Financial Services AG, Braunschweig (chairman)
Autostadt GmbH, Wolfsburg (chairman)
Allianz Versicherungs-AG, Munich (until 21 December 2010)

B) Bentley Motors Ltd., Crewe
Volkswagen Group of America, Inc., Herndon, Virginia
Scania AB, Södertälje
Porsche Holding GmbH, Salzburg
Porsche Ges.m.b.H., Salzburg
VfL Wolfsburg Fussball GmbH, Wolfsburg

Dr. Ing. E. h. Michael Macht (until 30 September 2010)

B) Porsche Consulting GmbH, Bietigheim-Bissingen (chairman)
Porsche Cars North America Inc., Wilmington
Porsche Cars Great Britain Ltd., Reading
Porsche Italia S.p.A., Padua
Porsche Ibérica S.A., Madrid
Porsche Japan K.K., Tokyo
Porsche Enterprises Inc., Wilmington

Thomas Edig

A) DEKRA Automobil GmbH, Stuttgart

B) Porsche Consulting GmbH, Bietigheim-Bissingen
Porsche Logistik GmbH, Stuttgart
Porsche Leipzig GmbH, Leipzig
Mieschke Hofmann und Partner Gesellschaft für Management- und IT-Beratung mbH, Freiberg/N.

Matthias Müller (since 13 October 2010)

A) Porsche Deutschland GmbH, Bietigheim-Bissingen

B) Porsche Cars North America Inc., Wilmington
Porsche Cars Great Britain Ltd., Reading
Porsche Italia S.p.A., Padua
Porsche Ibérica S.A., Madrid
Porsche Hong Kong Ltd., Hong Kong
Porsche (China) Motors Ltd., Guangzhou
Porsche Enterprises Inc., Wilmington
SEAT S.A., Martorell

(Disclosures pursuant to Sec. 285 No. 10 HGB)
As of 31 December 2010 or the date on which the member left the executive board of Porsche Automobil Holding SE
A) Membership in German statutory supervisory boards
B) Comparable offices in Germany and abroad

Stuttgart, 28 February 2011

Porsche Automobil Holding SE

The executive board

Prof. Dr. Martin Winterkorn

Thomas Edig

Matthias Müller

Hans Dieter Pötsch

Audit opinion

“We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the management report, which has been combined with the group management report, of Porsche Automobil Holding SE, Stuttgart, for the short fiscal year from 1 August to 31 December 2010. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the Company’s management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with Sec. 317 HGB [“Handelsgesetzbuch”: German Commercial Code] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with [German] principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the company in accordance with [German] principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company’s position and suitably presents the opportunities and risks of future development.”

Stuttgart, 28 February 2011

Ernst & Young GmbH

Wirtschaftsprüfungsgesellschaft

Prof. Dr. Wollmert	Matischiok
Wirtschaftsprüfer [German Public Auditor]	Wirtschaftsprüfer [German Public Auditor]