PORSCHE SE

Press release 30. April 2008

# Judgment in favor of Porsche

Labor Court Rejects Action of VW’s Works Council

Stuttgart, 29 April 2008. Porsche Automobil Holding SE, Stuttgart, welcomes the decision of the Stuttgart Labor Court to reject the action filed by the VW Group's Works Council. The VW employees' representatives held the legal opinion that the automobile manufacturer from Wolfsburg was dominated by Porsche, and therefore ought to have been included in the formation of Porsche SE's co-determination agreement. In his verdict, the judge at the Stuttgart Labor Court, Dr. Roland Kammerer, emphasized that, at the time of the negotiations in March 2007, there had not been a relationship of dependence between Porsche and VW, nor was there one today, with Porsche holding just over 30 percent of the voting rights in Volkswagen AG. He deemed the formation of the co-determination agreement to be lawful.

After the verdict had been announced, Holger P. Härter, Deputy Chairman of the Managing Board of Porsche SE, said: "Apart from any other reason, Porsche cannot be said to control VW because the Federal State of Lower Saxony holds over 20 percent of the voting rights in Volkswagen AG and, for instance, stands on the side of the employees in the context of the VW Law."

According to the co-determination agreement of Porsche SE, the employees of Porsche and VW can claim an equal number of seats on the SE Works Council, with the votes being weighted according to the size of the workforce. This means that VW employees have clear voting predominance in future.

The employees' representatives of both enterprises had negotiated out of court on a compromise proposal put forward by Porsche SE. The Chairman of the Porsche Group's Works Council, Uwe Hück, elucidated: "Bernd Osterloh and I were already in agreement with regard to content, but VW's Group's Works Council Committee turned our proposal down. Porsche's Works Council, on the other

hand, agreed to the proposal." Both Uwe Hück and Holger P. Härter underlined that Porsche continues to be very interested in a constructive cooperation with the employees' representatives from Wolfsburg. They are naturally prepared to participate in fruitful discussions.

In November of last year, the VW Group's Works Council had already failed in an attempt to prevent the company of Porsche Automobil Holding SE from being registered in the German Commercial Register by means of an interim injunction against the codetermination agreement.

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