PORSCHE SE

Press release 5. July 2012

# Porsche SE and Volkswagen AG create Integrated Automotive Group

Boards pass concept for accelerated creation of the Integrated Automotive Group between Porsche and Volkswagen / One-time positive effect on earnings / Porsche SE as financially strong holding company continues to be significantly involved in growth of Volkswagen AG

Stuttgart, 4 July 2012. Porsche Automobil Holding SE (Porsche SE), Stuttgart, and Volkswagen Aktiengesellschaft (Volkswagen AG), Wolfsburg, are expected to achieve their shared goal of creating the Integrated Automotive Group on 1 August 2012. The competent bodies and the executive boards responsible at both companies have approved a concept for the complete integration of Porsche AG into the Volkswagen Group. According to the concept, Porsche SE will contribute its holding business operations, including its 50.1 percent investment in Porsche's operating business, to Volkswagen AG. The consummation of the transaction will make Volkswagen AG sole owner of Porsche's business operations.

"The accelerated implementation of the shared goal will make Porsche SE a financially strong holding company with attractive potential for increasing value added. We are creating clearly defined, sustainable structures and a solid outlook for Porsche SE's future," said Matthias Müller, member of the Porsche SE executive board. "In their operating business, Porsche and Volkswagen will now be able to leverage synergies at an earlier stage and cooperate more easily. Porsche SE, as the largest Volkswagen shareholder, will also benefit greatly from this."

Porsche SE will receive a cash amount of about 4.46 billion euro from the transaction, as well as one new ordinary Volkswagen AG share. This cash amount includes the base purchase price agreed upon in the basic agreement and discounted to today's fair value for Porsche SE's 50.1 percent share in Porsche's operating business as well as the fair value of dividend payments from this investment due

to Porsche SE from now until 2014. Economically, this means that Porsche SE will be in the same position today, as regards to its 50.1 percent share in Porsche's operating business, as it would be if Volkswagen exercised its call option, as provided for in the basic agreement of 2009, in August 2014. The cash amount of about 4.46 billion euro additionally includes, also at today's fair value, half of the possible additional net synergies made possible by the accelerated creation of the Integrated Automotive Group totaling some 320 million euro, as well as the fair value of the other Porsche SE assets that will be contributed to Volkswagen AG. The accelerated creation of the Integrated Automotive Group can be implemented at economically viable conditions on the basis of the German Transformation Tax Act and the German Transformation Tax Decree published at the end of 2011, as well as binding rulings from the competent financial authorities.

Due to the contribution, the investment in Porsche's operating business will no longer be accounted for at equity in the consolidated financial statements of Porsche SE, probably as of July 2012, with the result that no further profits from investments accounted for at equity will be attributable to Porsche SE from this investment. After the contribution has been performed, Porsche SE will, however, continue to hold a share of 32.2 percent of Volkswagen AG's capital and will therefore participate indirectly in the result of Porsche's operating business as well as benefiting from the realization of the full synergy potential of the Integrated Automotive Group in the future.

The contribution transaction itself will result in a one-time positive effect on earnings presumably in the amount of about 7 billion euro in the consolidated financial statements of Porsche SE. This results in particular from the contribution of Porsche SE's share in Porsche's operating business as well as the put and call options relating to this share. Moreover, the effect on earnings takes into account the effect of the transaction on accounting for the share in Volkswagen AG at equity. As the effect on earnings is determined on the basis of valuations still to be updated as at the envisaged date of contribution, i.e. 1 August 2012, the amount may still be subject to changes. The existing put and call options, which will terminate with consummation of the transaction, will have no further effects on the Porsche SE group's net assets and results of operations.

Porsche SE will initially use the cash of about 4.46 billion euro that it receives to repay bank liabilities of
2.0 billion euro in full. The major portion of the liquidity remaining thereafter is intended to be used for strategic equity investments, focusing along the automotive value chain.

PORSCHE SE

**Contact**
Porsche Automobil Holding SE
Porscheplatz 1
70435 Stuttgart
Telefon: +49 (0)711 911 – 11021