PORSCHE SE

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Porsche SE benefits from excellent development of the Volkswagen group

Group profit of 2.41 billion euro / net liquidity rises to 2.61 billion euro / claim for damages dismissed / dividend (prefs) unchanged at 2.010 euro

Stuttgart, 18 March 2014. Porsche Automobil Holding SE, Stuttgart, (Porsche SE) reported group profit for the fiscal year 2013 of 2.41 billion euro. This was significantly influenced by the profit from the investment accounted for at equity in Volkswagen AG of 2.71 billion euro. In the prior year, group profit for the year was characterized mainly by a non-recurring positive effect on earnings from the contribution of the holding business operations to Volkswagen AG and came to 7.94 billion euro. As of 31 December 2013, Porsche SE had net liquidity of 2.61 billion euro (prior year: 2.56 billion euro).

At today's Annual Press Conference, Porsche SE's CEO, Prof. Dr. Martin Winterkorn, emphasized the company's good future prospects. He stated that the creation of the integrated automotive group in August 2012 had been worthwhile for all involved. "Porsche and Volkswagen are realizing considerable synergies under the umbrella of the shared group. The alliance of 12 strong brands, from Volkswagen to Audi and Porsche, and from Ducati to MAN and Scania, is unique within the automobile industry. Porsche SE and its shareholders benefit very considerably from this," said Winterkorn. At the same time, Porsche SE as anchor shareholder ensures that the Volkswagen group has a long-term and sustainable orientation.

Porsche SE's financial result came to minus 69 million euro in the fiscal year 2013 (prior year: minus 30 million euro). This development is attributable in particular to the recognition of provisions of 64 million euro for interest on expected tax payments from an ongoing tax field audit for the assessment period 2006 to 2008.

The cash flow from Porsche SE's operating activities came to 665 million euro and contains the positive effect from the dividend payment from Volkswagen AG of 386 million euro. In addition, there was an inflow of 326 million euro from income tax refunds.

The dividend distribution to the shareholders of Porsche SE resulted in cash outflow from financing activities of 615 million euro.

Porsche SE's equity increased to 30.47 billion euro in the past fiscal year. One year ago, it amounted to 28.50 billion euro. As a result, the equity ratio increased from 96.4 percent in the prior year to 97.4 percent.

Winterkorn: merely a matter of time until the first transaction

Professor Winterkorn underscored the company's intention to complement its core investment in Volkswagen by adding investments along the automotive value chain. These are to be financed from the available net liquidity. Winterkorn stated that both the Volkswagen group and Porsche SE boast outstanding automobile expertise. "During the past year, we took a closer look at more than two dozen companies, and they included interesting candidates. However, various specific issues stood in the way of an investment." He explained that the valuations for investments are currently high and that there is a large amount of liquidity in the market. "We bear great responsibility for the assets entrusted to us, which we want to increase successfully. We are therefore not prepared to acquire attractive investments at any price. Substance and profitability take precedence over speed. This principle remains unchanged," said Winterkorn.

He added that the company's focus on investments along the automotive value chain had not changed, ranging from basic technologies for the development and production process to vehicle- and mobility-related services. The emphasis, he continued, is first and foremost on the major global trends in the automotive industry: sustainability, conservation of resources and the increasingly networked automotive world. Specific examples include new drive concepts and materials as well as technologies for vehicle safety and connectivity, explained Winterkorn.

Porsche SE averts damages claims worth billions

On the legal side, Porsche SE achieved further stage victories during the past fiscal year. The company succeeded in persuading all the plaintiffs before the New York State Supreme Court and

the majority of plaintiffs before the U.S. District Court in New York to withdraw their claims. A decision on the claims made by these plaintiffs is now pending in Germany. Only 8 of the former 46 plaintiffs before the U.S. District Court remain in the USA.

The remaining proceedings pending in Germany were delayed in 2013, in some cases significantly. For example, the plaintiffs in the total of six proceedings before the Regional Court of Braunschweig filed a large number of motions. Five of these six proceedings are expected to be heard this spring. The sixth case was referred to the Regional Court of Hanover after the plaintiffs had added anti-trust claims to their assertion. Based on the same alleged claims, the plaintiffs also filed an action against two members of the supervisory board of Porsche SE before the Regional Court of Frankfurt am Main in the fall of 2013. In Porsche SE's view, this action is of a purely tactical nature and is intended to put pressure on the defendants. Porsche SE has joined the proceedings on the side of the defendants.

A claim by American hedge funds for an amount of around 1.36 billion euro was yesterday dismissed by the Regional Court of Stuttgart. The judgment vindicated the legal opinion of Porsche SE.

Dividend of 2.010 euro per preference share proposed

The dividend proposal that will be submitted for voting to the annual general meeting in Stuttgart on 27 May 2014 provides for a distribution of 2.010 (prior year: 2.010) euro per preference share and of 2.004 (2.004) euro per ordinary share.

Based on the current group structure and expected business development, Porsche SE anticipates a profit for the current fiscal year of between 2.2 billion euro and 2.7 billion euro. In this context, the company benefits from the strengths of the Volkswagen group and has corresponding potential for increasing value added in the coming years.

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