

## **Porsche prepares sale of options**

Devaluation of options structure leads to substantial negative impact on earnings

Stuttgart, 29 July 2009. Porsche Automobil Holding SE, Stuttgart, is in advanced talks on the sale of the cash settled options with respect to Volkswagen shares to one or several investors. Amongst these investors is especially Qatar Holding LLC (QH) with whom talks about an investment in Porsche SE also is underway.

The preparation for the sale of the options on Volkswagen shares leads to a devaluation resulting in a substantial book capital loss. Nevertheless Porsche improves its liquidity situation through the sale of the options structure as it would lead to an inflow of cash in a magnitude of more than one billion Euro, currently serving as cash collateral for the options structure.

Another non cash relevant book loss derives from the initial full consolidation of Volkswagen group. With the increase of the stake in VW to 50.76 percent on January 5 2009 Porsche was obliged to fully consolidate Volkswagen. This triggered a so called Purchase Price Allocation (PPA) under which all assets and liabilities of the part group Volkswagen had to be valued and compared with the price paid for the shares to get to the company's valuation. This results in a substantial negative impact. Overall the two measures should lead to earnings before taxes for fiscal year 2008/09 of up to minus five billion Euro.

It is important, that the devaluation of the options and the consequences of the PPA are purely accounting related. They do not effect the valuation of the 50.76 percent stake in common shares in Volkswagen AG on Porsche's balance sheet.

# PORSCHE SE

For Porsche SE the big advantage in the devaluation of the options lies in the improvement of liquidity available. Furthermore the equity ratio after these to steps still is a sound 23 percent.

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