PORSCHE SE

Press release 16. March 2012

Porsche SE benefits from positive development at Porsche and Volkswagen

Profit, however, impacted by the valuation adjustment without effect on cash of the put and call options / significantly higher dividend proposed

Stuttgart, 15 March 2012. In the fiscal year 2011, Porsche Automobil Holding SE, Stuttgart (Porsche SE), benefited from the positive development of both its investments. Profit from the investments accounted for at equity, comprising the profit from Volkswagen AG and Porsche Zwischenholding GmbH attributable to Porsche SE, reached 4.66 billion euro. Of this figure, 395 million euro was attributable to the Porsche Zwischenholding GmbH group and 4.27 billion euro to the Volkswagen group. However, the result was impacted by a special effect from the adjustment through profit or loss, but without effect on cash, of the valuation of the put and call options for the shares in Porsche Zwischenholding GmbH held by Porsche SE. This special effect amounted to minus 4.37 billion euro in 2011. Overall, Porsche SE achieved a profit after tax of 59 million euro at group level. The group profit before taxes was 28 million euro; tax income of 31 million euro had a positive impact.

The profit from Porsche SE's investments accounted for at equity reflects the still good development of the two investments. The Porsche Zwischenholding GmbH group sold 116,978 vehicles in the fiscal year 2011. Group revenue came to 10.93 billion euro. The operating profit amounted to 2.05 billion euro. In the reporting year, the Volkswagen group sold 8.36 million vehicles. With group revenue of 159.34 billion euro, the operating profit came to 11.27 billion euro.

Porsche SE's net liquidity as of 31 December 2011 improved significantly in comparison to the figure as of 31 December 2010, from minus 6.34 billion euro to minus 1.52 billion euro. The reason for this improvement is the capital increase successfully performed in April 2011, from which Porsche SE received a net issue volume of around 4.9 billion euro. Porsche SE used the entire proceed of the issue plus additional available liquidity to repay bank loans totaling 5.0 billion euro. The remaining liabilities to banks in a nominal amount of two billion euro were refinanced in October 2011 through a new syndicated loan with considerably improved conditions.

The adjustment of the valuation of the put and call options is based on the assessment of the executive board of Porsche SE and the board of management of Volkswagen AG on 8 September 2011 that the merger of Porsche SE into Volkswagen AG was no longer realistic within the framework and timeframe of the basic agreement entered into by the two companies in 2009. In the event of the failure of the merger, both companies had granted each other put and call options for the 50.1 percent share held by Porsche SE in Porsche Zwischenholding GmbH.

At the end of the short fiscal year 2010 from 1 August to 31 December 2010, the executive board of Porsche SE had estimated the probability of the failure of the merger within the framework and timeframe defined by the basic agreement, and thus the theoretical probability that the put and call options would be exercised, at 50 percent. In the assessment of the executive board, the probability had increased to
100 percent as of 31 December 2011. The increase in this probability was a key reason for the considerable non-cash burden on the profit of Porsche SE.

Another reason is the development of the actual enterprise value of Porsche Zwischenholding GmbH, which is determined to a large extent on the underlying planning. An update of the business planning of Porsche AG in consideration of the announced launch of the Macan, an additional model series in the sporty off-roader segment, resulted in an increase in the enterprise value of Porsche Zwischenholding GmbH in the fiscal year 2011, thus further reducing the profit of Porsche SE. The background of these developments is the fixed price specified in the basic agreement for the put and call options on the shares held by Porsche SE in Porsche Zwischenholding GmbH, which is independent of the current enterprise value. This means that higher enterprise values of Porsche Zwischenholding GmbH result in negative effects on Porsche SE's profit that do not impact liquidity.

Porsche SE also expects a profit after tax at group level in 2012

Based on the positive expectations of its two significant investments, Porsche SE expects the profit or loss attributable to it from investments accounted for at equity to develop positively in the fiscal year 2012. The partial repayment of the previous syndicated loan in the first half of the fiscal year

2011 and the refinancing performed in October 2011 will lead to a considerable reduction in interest expenses. Porsche SE therefore expects to generate a significant profit before special effects at group level in the fiscal year 2012.

In the fiscal year 2012, too, a special effect will arise from an adjustment through profit or loss, but without effect on cash, of the valuation of the put and call options for the shares in Porsche Zwischenholding GmbH remaining with Porsche SE. However, overall, and taking into consideration this special effect, Porsche SE considers a profit after tax in the fiscal year 2012 to be highly probable.

Even now that it is no longer possible to achieve the merger of Porsche SE into Volkswagen AG within the framework and timeframe of the basic agreement, both companies still aim to achieve the integrated automotive group. Porsche SE and Volkswagen AG are continuing to examine whether alternatives to the put and call options provided for in the basic agreement are available.

Dividend in the amount of 76 euro cents per preference share proposed

The dividend proposal for the holders of preference shares which will be submitted for voting to the annual general meeting on 25 June 2012 provides for a distribution for the fiscal year 2011 of 76 euro cents per share to holders of preference shares and of 75.4 euro cents per share for holders of ordinary shares. For the fiscal year 2010, the dividend was 50 euro cents per preference share.

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