

Joint report
of the executive board of Porsche Automobil Holding SE
and
the management of Porsche Zweite Vermögensverwaltung GmbH
on the domination and profit and loss transfer agreement of 9 December
2009
between
Porsche Automobil Holding SE
and
Porsche Zweite Vermögensverwaltung GmbH
pursuant to § 293a AktG

In order to inform the shareholders of Porsche Automobil Holding SE ("**Porsche SE**") and to prepare the resolution at Porsche SE's annual general meeting and the shareholder meeting of Porsche Zweite Vermögensverwaltung GmbH ("**PZV**"), Porsche SE's executive board and PZV's management make the following report pursuant to § 293a German Stock Corporation Act (AktG) on the domination and profit and loss transfer agreement between Porsche SE and PZV ("**Agreement**").

I.

Conclusion of Agreement; effective date

The Agreement between Porsche SE and PZV was signed on 9 December 2009.

A domination and profit and loss transfer agreement between an SE and a wholly-owned subsidiary GmbH (German limited liability company) is subject, at the level of the SE to §§ 291 et seq. AktG (through Art. 9 (1) c. ii. of the SE Regulation) and, at the level of the GmbH, primarily to §§ 53 et seq. German Limited Liability Companies Act (GmbHG) *mutatis mutandis* and, additionally, to §§ 291 et seq. AktG. Pursuant to § 53 GmbHG applied *mutatis mutandis*, the effectiveness of the Agreement requires the approval of PZV's shareholder meeting and pursuant to

§ 293 AktG *mutatis mutandis*, the approval of Porsche SE's annual general meeting to become effective. The Agreement will be presented to the annual general meeting of Porsche SE on 29 January 2010 and the shareholder meeting of PZV for approval prior to the annual general meeting. It is also necessary to register the existence of the Agreement in the commercial register responsible for PZV's registered office for the Agreement to become effective.

II. Contracting parties

PZV was founded on 10 July 2009 and was entered in the commercial register under HRB 730524 at Stuttgart local court on 16 July 2009. The capital stock amounts to € 25,000. The purpose of the company is to hold and manage its own assets for its own account. The company may perform all transactions and take all measures related to the purpose of the company or are indirectly or directly suited to serving the purpose of the company. The company may take over other similar companies and participate in such companies. PZV's assets currently almost exclusively consist of cash settled stock options on Volkswagen AG shares that were transferred from Porsche SE to PZV on 31 July 2009. In the course of this transaction, Porsche SE undertook to reimburse all expenses incurred in connection with the options. In light of this, PZV does not anticipate any economically significant loss for the current fiscal year.

Porsche SE is the lead company of the Porsche group. Its share capital totals 175,000,000 euro.

III. Explanation of the Agreement

The Agreement essentially pertains to the following:

a) Right to issue instructions (§ 1)

PZV becomes a dependent company by placing itself under the management of Porsche SE which becomes the dominating company. Porsche SE is entitled to issue instructions to PZV's executives concerning the management of the company. This right to issue instructions does not affect the fact that PZV continues to be a legally independent entity with its own company boards. Consequently, PZV's executives will continue to be responsible for the management and representation of the company. If no instructions are issued, PZV's management may, and is obliged to, manage the company at its own responsibility and in the best interest of PZV.

The extent of the right to issue instructions is defined pursuant to § 308 AktG. PZV's management is obliged to follow permissible instructions. Pursuant to § 308 AktG, it is permissible to issue instructions that are detrimental to PZV if they serve the interests of Porsche SE or any companies affiliated to it and PZV. The management must not comply with any instructions that may, in exceptional cases, not be permitted because, for example, compliance would breach mandatory statutory provisions or the provisions of PZV's articles of association or cause damage to PZV to such an extent that it would cease to exist.

It is not permissible to issue instructions to amend, maintain or terminate the Agreement – as pursuant to the corresponding provision contained in § 299 AktG. The right to issue instructions may only be exercised after the Agreement has become effective, but not retroactively.

b) Transfer of profits (§ 2)

PZV agrees to transfer its total profits to Porsche SE. The net income for the year is to be transferred, such net income being calculated as if no profit and loss transfer agreement were in place, allowing for the creation or reversal of reserves and less any loss carryforward from the prior year and the amount barred for distribution pursuant to § 268 (8) German Commercial Code (HGB). PZV may, with the consent of Porsche SE, transfer part of the net income for the year to other revenue reserves to the extent that this is admissible under commercial law and economically justified if applying prudent business judgment. Other revenue reserves set up during the term of this Agreement shall be released at the request of Porsche SE and used to offset any net loss for the year or transferred as profit. This provisions corresponds to the limits on profit transfer set in § 301 AktG and applicable here *mutatis mutandis*. This excludes the transfer of income resulting from the reversal of other reserves – also in cases where they were created during the term of this Agreement – or using such reserves to balance out any net loss for the year. The same shall apply to any profit carryforward in existence at the beginning of the term of the Agreement.

c) Loss absorption (§ 3)

Applying § 302 AktG *mutatis mutandis*, Porsche SE is obliged to absorb any losses. According to this provision, Porsche SE must offset any net loss for the year incurred during the term of the Agreement, to the extent that said losses are not offset by amounts from the free reserves that are set up during the term of the Agreement. In application of § 302 (3) AktG *mutatis mutandis*, PZV may not waive, or enter into a settlement relating to, the entitlement to loss absorption until three years after the date on which entry of the termination of the Agreement in the commercial register has been published.

The entitlement to the absorption of losses becomes statute-barred pursuant to § 302 (4) AktG ten years after the date on which entry of termination of the Agreement in the commercial register has been published.

d) Due date and interest (§ 4)

§ 4 governs how and when the entitlements to profit transfer pursuant to § 2 and loss absorption pursuant to § 3 are incurred in accordance with the provisions of law and supreme court precedents. The entitlements must be settled, in either case, within three months of approval of PZV's annual financial statements. Interest of the statutory rate applicable to transactions between merchants is payable for the period between the due date and the date of actual settlement (§§ 352, 353 HGB). Furthermore, it is made clear that the statutory provisions on delayed payment are not affected by the provisions agreed in § 4.

e) Effective date and term of the Agreement (§ 5)

This Agreement becomes effective on the date of its entry in the commercial register responsible for PZV's registered offices and is effective – with the exception of the right to issue instructions – retroactively for the period from the beginning of PZV's fiscal year in which the Agreement is registered. The Agreement may be terminated with six months notice to the end of any given fiscal year, but not before the end of that fiscal year of PZV ending five calendar years following the beginning of the fiscal year in which the Agreement becomes effective. If the Agreement is not terminated, it is automatically renewed for a further fiscal year each time with the same conditions for termination applying. In addition, the Agreement can be terminated for due cause without notice. Due cause includes but is not limited to a situation where Porsche SE no longer holds the majority shareholding in PZV or in the event of a merger, division or liquidation of PZV or Porsche SE.

The Agreement has to be concluded for a term of at least five calendar years in order to ensure that it is recognized for the purpose of fiscal unity. The contracting parties have agreed that the Agreement is to be retroactively effective as detailed above in order to be already able to use the tax-related advantages of fiscal unit in the year in which the Agreement is registered.

f) No compensation payments for minority interests

The Agreement does not provide for any compensation payments for minority shareholders as Porsche SE is the sole shareholder of PZV.

g) No review of the Agreement

As Porsche SE holds all of the shares of PZV, it will not be necessary, applying § 293b (1) AktG *mutatis mutandis*, to have the Agreement reviewed by an expert (contract reviewer) or to prepare a corresponding review report pursuant to § 293e AktG.

IV.

Economic significance and purpose of the Agreement

Among other things, the Agreement serves to create fiscal unity between Porsche SE and PZV for corporate income tax and trade tax purposes. The Agreement contains the usual provisions of a domination and profit and loss transfer agreement concluded to create fiscal unity within a group.

Fiscal unity for corporate income tax and trade tax purposes means that the respective earnings of PZV (dependent company) and Porsche SE (controlling company) are aggregated at the level of Porsche SE. This avoids any stand-alone profits or losses for tax purposes at PZV and ensures that the best use can be made of PZV's profits or losses for tax purposes. Fiscal unity does not mean that the general fiscal law obligations incumbent upon PZV no longer apply. PZV has to determine its earnings for tax purposes according to general provisions and separately from Porsche SE. PZV's taxable (trade) income established in this way is attributed to Porsche SE.

In addition, the domination agreement makes it easier to exercise common control over PZV. In this context, the domination agreement ensures that Porsche SE is able to issue instructions to PZV's executives in accordance with the Agreement with regard to the management of the company. While GmbHG grants PZV shareholder meeting the right to issue instructions, such instructions issued by the shareholder meeting additionally require a formal resolution in each case. The right of the shareholder meeting to issue instructions is, for this reason, not as suitable as a domination agreement to safeguard the intended common control of PZV. Similarly, there is no legal certainty as to the extent to which the shareholder meeting can also issue instructions to the management that are detrimental to PZV. The domination agreement creates the necessary legal clarity in this respect.

V.

Alternatives to concluding the Agreement

There was no economically rational alternative to concluding the agreement between Porsche SE and PZV under which the aims detailed above could have been achieved equally well or better. Specifically, the conclusion of any other kind of company agreement as defined in § 292 AktG (lease of undertaking, agreement

to relinquish undertaking, profit pool or partial profit transfer agreement) or an operating agreement would not facilitate joint taxation of Porsche SE and PZV.

VI.

Documents available on the internet

The Agreement, the annual financial statements and the management reports pertaining to Porsche SE's last three fiscal years, PZV's annual financial statements for the first abbreviated fiscal year ending 31 July 2009 and this report will be available at the following website as of the date on which the annual general meeting is called:

<http://www.porsche-se.com/investorrelations/hv>

The aforementioned documents will also be available at the annual general meeting itself.

As PZV was not formed until July 2009, there are no other annual financial statements relating to it other than those for the abbreviated fiscal year ending 31 July 2009.

11 December 2009

Porsche Automobil Holding SE

The executive board

Prof. Dr. Martin Winterkorn (CEO)

Hans Dieter Pötsch

Michael Macht

Thomas Edig

Porsche Zweite Vermögensverwaltung GmbH

The management

Wolfgang Peter

Christian Nicklis