- English Convenience Translation -

Report of the executive board
pursuant to § 203 (2) Sentence 2 German Stock Corporations Act (AktG)
in conjunction with § 186 (4) Sentence 2
German Stock Corporations Act
in conjunction with Art. 9 (1) c) (ii) SE Regulation
on item 7 on the agenda

The executive board is currently authorized to increase the company's share capital, once or several times, by a maximum amount of 22,750,000 euro until 25 January 2012 by issuing new bearer shares (ordinary shares) or non-voting preference shares for contributions in cash or in kind. No use has been made of this authorization to date. The existing authorization is to be replaced by a new authorization for an amount of 87,500,000 euro.

The authorization proposed under item 7 on the agenda to increase the company's share capital, once or several times, by a maximum amount of 87,500,000 euro in total by issuing new bearer shares (ordinary or preference shares) for contributions in cash or in kind is intended to give the company the necessary headroom and flexibility to procure equity at any time depending on the market situation and to use shares as consideration when acquiring entities or other assets.

When use is made of the authorized capital, the company's shareholders generally have a subscription right.

The authorization also allows for new shares to be taken over by a bank with the obligation to offer them to the company's shareholders for subscription. Since the shareholders are ultimately granted the same subscription rights as in the case of direct subscription, this does not constitute a limitation of subscription rights. For technical reasons relating to the transaction, a bank is interposed to take receipt of the shareholders' subscription requests and deliver the shares to those shareholders entitled to subscribe in return for payment of the subscription price once the capital increase has been performed and the shares have been placed.

When issuing new ordinary and preference shares the executive board should however have the right to preclude, in full or in part, the subscription rights of holders of a certain class of shares to shares of the other class if, and only if, new shares of both classes are issued in the same proportion to each other as before ("crossed exclusion of subscription rights"). This is intended to ensure that the proportion of both share classes to each other and the percentage held by the shareholders in the company is maintained in the event of a capital increase. This avoids any economic disadvantage for the shareholders precluded from subscription in either case.

The other possibility proposed of precluding shareholders' subscription rights, subject to the approval of the supervisory board, in the event of capital increases by issuing new ordinary shares in return for contributions in kind should put the executive board in the position to acquire entities, operations, investments in entities or other assets, where suitable, in return for granting ordinary shares in the company. This provides the company with the flexibility to take advantage of attractive offers or other opportunities to acquire suitable assets. It is often necessary to be able to offer the seller not only money, but also shares in the company. In many cases the seller will have an interest in obtaining ordinary shares (with voting rights) in the company – e.g., in order to maintain a certain influence over the contribution in kind made. In order to be capable of taking action in such cases at short notice, it is in the interest of the company to be able to increase the share capital by issuing new ordinary shares and precluding the subscription right in return for contributions in kind.

Where any opportunities arise to acquire specific entities, operations, investments in entities or other assets, the executive board will examine with due care in each case whether it needs to make use of the authorization to increase capital and preclude the subscription right. The executive board will preclude the shareholders' subscription rights only if the acquisition in return for issuing shares in the company is in the company's interest. The issue amount for the new shares will be determined by the executive board in the interest of the company and its shareholders with the approval of the supervisory board.

The authorization also allows precluding any fractional amounts from the shareholders' subscription rights. The preclusion of subscription rights for fractional amounts is necessary in order to have a technically feasible subscription ratio; it therefore only serves to allow the authorization to be used for full amounts. The shares precluded from the shareholders' subscription rights as "free fractional amounts" are either sold on the stock exchange or by other means in the best possible way for the company. Due to the limitation to fractional amounts, the potential dilutive effect is low.

The executive board will report on the details of the use of the authorized capital to the next annual general meeting that follows its use.

15 December 2009
Porsche Automobil Holding SE

The executive board

Prof. Dr. Martin Winterkorn **Hans Dieter Pötsch**
(CEO)

Michael Macht **Thomas Edig**