

## Speech

by Prof. Dr. Martin Winterkorn

Chairman of the executive board of Porsche Automobil Holding SE

Annual general meeting

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Dear shareholders,  
Ladies and gentlemen,

Welcome to the annual general meeting of Porsche Automobil Holding SE.  
Welcome to your company.

The executive board and supervisory board are happy to welcome you all here in the Porsche Arena. And, of course, we are also happy to present our report on a very successful fiscal year 2014 to you today.

In the past year, Porsche SE once again made significant progress. As a strong investment holding company, we benefited considerably from the outstanding development of the Volkswagen Group. This is underscored by our key figures:

Our company closed the fiscal year 2014 with group profit for the year of 3.03 bn euro. This means we have increased our profit by more than a quarter.

This is primarily due to the profit from the investment accounted for at equity in Volkswagen AG of 3.43 bn euro. This key figure also increased significantly in comparison to the prior year and – like the profit for the year – exceeded our expectations.

Not only these figures prove that Porsche SE is making further progress. With our investment in US technology company INRIX, we have additionally created the first milestone in enhancing our investment portfolio. Car connectivity is one of THE megatrends in the automotive industry. We therefore intend to closely examine further investments in this exciting market segment. I will tell you more about this in a moment.

First, let's look at the key financial indicators a little more closely.

The net liquidity of the Porsche SE Group decreased to 2.27 bn euro as of the end of the fiscal year. This was mainly due to tax payments as well as to the acquisition of the stake in INRIX.

The cash flow from operating activities decreased to 311 m euro. The dividend payment from Volkswagen AG had a particularly positive effect of almost 600 m euro. On the other hand, income tax payments totaling 183 m euro as well as operating expenses and interest payments had a negative effect.

We spent 41 m euro on the acquisition of the stake in INRIX. There was a cash outflow from financing activities of 615 m euro – just as in the prior year – for the dividends distributed to the shareholders of Porsche SE.

Despite the profit for the year, our equity decreased slightly to 29.49 bn euro. This was primarily due to a special effect in connection with Volkswagen AG's public offer to the shareholders of Scania AB to tender all shares in Scania to Volkswagen. As a result, the equity ratio of Porsche SE decreased slightly to 96.8 percent.

Let us now turn to the development of our litigation issues. Here, too, we made significant progress during the past year. Without doubt, one of the biggest successes was that we were able to conclude all litigation in the USA.

We have also achieved important stage victories in the actions for damages in Germany, particularly in the major proceedings. In March 2014, for example, the Regional Court of Stuttgart dismissed a claim brought by 23 American hedge funds. In March of this year, the Higher Regional Court of Stuttgart dismissed the appeal of the remaining 19 plaintiffs against this decision. Leave to appeal on points of law was not permitted. The plaintiffs have lodged a complaint against the refusal of leave to appeal on points of law.

Further claims for damages are pending before the Regional Court of Hanover. In one of these actions for damages, the chamber began hearing witnesses last week. Two further cases were only recently referred to the Regional Court of Hanover by the Regional Court of Braunschweig. In December 2014, following proceedings lasting around three years, the plaintiffs suddenly claimed antitrust aspects. In addition, the plaintiffs in these proceedings have each proposed a motion for a model case according to the Capital Markets Model Case Act (KapMuG). We believe these petitions to be inadmissible.

In the meantime, the law firm representing the plaintiffs in the two cases has filed an additional claim of around 500 m euro with the Regional Court of Braunschweig. A motion for a model case according to the Capital Markets Model Case Act (KapMuG) was also proposed with the claim. Porsche SE also regards this to be inadmissible and considers the new claim as a whole to be without merit.

Ladies and gentlemen,

Overall we have to say that clarification of the cases continues to be drawn out. This is due not least to the tactical maneuvers of the plaintiffs. One thing is clear: As in the past, we will not let this put us under pressure. However, we do not expect these legal disputes to be concluded soon.

There was also some movement in the criminal proceedings. For example, the chamber of the Regional Court of Stuttgart responsible for economic offenses set trial dates in the proceedings brought against two former members of the executive board of Porsche SE on suspicion of information-based market manipulation. Proceedings begin on 31 July of this year.

In this context, the Regional Court of Stuttgart, at the request of the public prosecutor, ordered participation of Porsche SE as a secondary party in these proceedings.

There is one more thing I would like to reiterate very clearly: Of course, we would prefer to successfully conclude all the cases against our company today rather than tomorrow. But what is decisive is our very clear view of the matter. And this remains unchanged: We consider all allegations made in the criminal and civil proceedings to be without merit. To date, the courts have held Porsche SE to be in the right in all five civil cases in which a judgment has been reached. We are therefore optimistic regarding the further course of the cases.

And that concludes what I have to say on the financial and legal situation.

If we now look back on the development of Porsche SE in the past fiscal year, the focus is naturally on our investment in Volkswagen AG.

In summary, we can say that 2014 was not an easy year for the automotive industry as a whole.

- Important markets such as Brazil and Russia slid deep into the red.
- Of the BRIC countries, the erstwhile growth engines of the global economy, in principle only China remains.
- Volatile exchange rates have put an additional burden on many companies.
- And the uncertainty regarding the further course of the global economy was not exactly good for business.

Despite these adverse conditions, Volkswagen has not faltered.

On the contrary, 2014 was another successful year for the group.

- The Volkswagen Group again brought many convincing products to market. These are symbolized by the “Car of the Year 2015”: the Passat.
- The Volkswagen Group has established pioneering innovations. Particularly in the field of plug-in hybrid technology, the Audi, Porsche and Volkswagen brands are the leaders within the industry.
- In the highly profitable premium segment, the Volkswagen Group has become even stronger. In terms of deliveries, Audi has grown faster than its two major German competitors. And Porsche is also racing from one record to the next, not least thanks to fascinating new models such as the Macan.
- What’s more, Volkswagen has further secured its outstanding position in China. This is underscored by the extension of the cooperation with Chinese partner FAW by 25 years.

These examples show that the Volkswagen Group's goal is not just about getting bigger and bigger. Rather, the focus has been and continues to be on sustainable qualitative growth. In other words: Volkswagen aims to become better and better – when it comes to products and technologies, the satisfaction of its customers and employees, efficiency and environmental protection and, of course and above all, when it comes to profit.

This is also confirmed by the key figures for the fiscal year 2014.

- The Volkswagen Group for the first time delivered more than 10 m vehicles, four years earlier than planned in its “Strategy 2018”.
- And revenue exceeded the 200 bn euro mark for the first time.
- The operating profit rose significantly to 12.7 bn euro.
- And pre-tax profit grew by one percentage point to 7.3 percent.

I believe these record figures show once again that

- Volkswagen is in a robust position and is asserting itself even under the most difficult conditions.
- In a world of uncertainty, in a sector prone to ups and downs, the group stands for special values: for substance and reliability.

Looking ahead to the current year, the entire automotive industry continues to face great challenges – and this naturally also applies to the Volkswagen Group.

These include, to name but a few: the tense situation in many automobile and truck markets, geopolitical conflicts, for example in eastern Europe, and the associated uncertainty regarding the further development of the global economy.

Nevertheless, the Volkswagen Group's declared objective remains to grow yet again in terms of both revenue and operating profit. And we are convinced that Volkswagen has got what it takes to achieve this. This is also underscored by the first quarter of this year with the best start to a year in the company's history.

The Volkswagen Group can count on its proven strengths:

- On three profitable business areas: passenger cars, the commercial vehicles and power engineering area as well as financial services.
- On 12 fascinating brands, covering virtually every customer desire and need worldwide.
- On the innovation of more than 46,000 developers and 11,000 IT specialists.
- On the necessary liquidity as well as financial robustness.
- And last but not least, on a strategy that has proven its worth, even in difficult times.

In short, the Volkswagen Group is ideally placed to achieve its ambitious goals. This is also shown by the efficiency- and future-oriented program "Future Tracks", which was launched in the past year.

Ladies and gentlemen,

All of this enables us at Porsche SE to look to the future with optimism.

Our investment in Volkswagen AG represents around 90 percent of Porsche SE's assets. The current market value of our core investment is an impressive 33 bn euro.

This is further evidence that our association is a true win-win situation: We at Porsche SE benefit considerably from the strong development of the Volkswagen Group. Volkswagen, in turn, benefits from a stable ownership structure, with Porsche SE as anchor shareholder. In uncertain times like the present, this stability is a decisive competitive factor.

The fact remains that the investment in Volkswagen is and will continue to be the strong foundation of Porsche SE. At the same time, we are working hard on implementing our investment strategy.

In the past fiscal year, we made a start: by acquiring a stake of around 10 percent in US company INRIX, we have taken the first step toward strategically enhancing our investment portfolio.

Admittedly, it took some time before we signed and sealed this investment. And in view of our assets of around 30 bn euro, the investment in INRIX is certainly a relatively small step. But I am certain that INRIX is exactly the right investment for your company. And INRIX points the direction for Porsche SE's further investments.

Why is this the case? INRIX is a leading global provider of connected-car services and traffic information in real time. In other words, its focus is on data-based services and digital connectivity of vehicles, an area in which we expect continued double-digit growth in the coming years.

The foundation for INRIX's business is a network comprising more than 185 m vehicles, smartphones and road sensors. The data acquired here is collected, processed and analyzed. On this basis, INRIX provides its customers with traffic data for a road network comprising around 6.4 m kilometers in 40 countries. INRIX reaches more than 150 m consumers every day via its contractual partners.

The data generated in this way is extremely valuable as it can be used in a wide range of ways: INRIX collaborates around the globe, including with leading automakers and public bodies, to intelligently aggregate traffic data.

This enables, for example, accurate traffic flow forecasts to be created, congestion avoided and driving safety enhanced. As a result the traffic infrastructure can be used far better and more efficiently. With connected-car services, INRIX also offers intelligent solutions designed to intelligently organize the ever increasing volumes of traffic in the big cities of the world.

In addition, real-time traffic information is one of the requirements for automatic driving. We are convinced that this key technology will play a major role in shaping the automotive industry in the coming years. And it has long been promoted by the Volkswagen Group's brands in particular.

Ladies and gentlemen,

As I pointed out earlier, connectivity between vehicles and infrastructure is one of THE megatrends in the automotive industry. Demand for traffic information and data-based solutions is growing at a correspondingly rapid rate. Porsche SE sees considerable market and growth potential in this area. We intend to leverage this potential.

When acquiring new investments, we continue to exercise exceptional diligence. Everything has to be right – in terms of strategy, business case and valuation.

Whenever we consider a particular investment, we are aware that we shoulder great responsibility for the assets you have entrusted to us. This is why substance and profitability take precedence over speed. This is the principle we have always abided by; and this principle will continue to apply in the future. I am convinced that, on this basis and with this attitude, we can and will make the right investment decisions.

Dear shareholders,

You too should benefit from the successful year 2014. The executive board and supervisory board therefore propose a dividend of 2.01 euro per preference share. It is proposed that holders of ordinary shares will receive 2.004 euro per share. The dividend thus remains at the same high level for the third consecutive year. I believe that this confirms our dividend policy, which is geared to sustainability.

I would like to take this opportunity to express my sincere thanks to the employees of Porsche SE. With their expertise and hard work, they ensured that 2014 was a good year for our company. And we would like here to thank the entire team most sincerely for this.

Ladies and gentlemen,

Let me briefly sum up:

In 2014, Porsche SE successfully implemented the first step of its investment strategy with the investment in INRIX. We are working hard on acquiring additional investments.

We expect Porsche SE also to develop well in 2015. Based on the current group structure, and not taking into account special effects, we expect Porsche SE to record a profit for the current fiscal year of between 2.8 bn euro and 3.8 bn euro. Furthermore, we aim to achieve positive net liquidity of between 1.7 bn euro and 2.3 bn euro, not taking into consideration future investments.

Just in time for today's annual general meeting, we have announced the business figures for the first three months. And these confirm our outlook:

- In the first quarter of 2015, Porsche SE generated group profit for the period of 870 m euro, thus exceeding the prior-year quarter by 19.5 percent.
- As of 31 March 2015, net liquidity stood at 2.25 bn euro – virtually unchanged compared to year-end 2014.

Dear shareholders,

We are now more than ever convinced that your company, Porsche SE, has vast potential for increasing value added and also offers an attractive dividend. And this is why my colleagues and I continue to ask for your continued trust and support.

Ladies and gentlemen,

It is a good tradition that the annual general meeting of Porsche SE is not just about key financial indicators. And this is why we have organized a major exhibition of vehicles for you in the Hanns-Martin-Schleyer-Halle, where you will find the current model range of the Porsche brand. I think this demonstrates our commitment to our Swabian roots in a clear and appealing way.

We cordially invite you to visit the vehicle exhibition. This year's highlights include the 911 GT3 RS, the Boxster Spyder and the Cayman GT4 – all true sports cars that perfectly embody Porsche's DNA. In addition, trainees will take a Porsche engine apart before your eyes – and, of course, put it back together again. This will give you a chance to see firsthand just how skilled and committed the young people at Porsche are.

I wish you all a good time in the Schleyer-Halle.

Thank you.