Speech

by Hans Dieter Pötsch
Chairman of the executive board and Chief Financial Officer
of Porsche Automobil Holding SE

Annual General Meeting
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Dear shareholders,
ladies and gentlemen!

I would like to warmly welcome you to the Annual General Meeting of Porsche Automobil Holding SE. Welcome to your company.

The executive board and supervisory board are delighted to welcome you here to the Porsche Arena and to report to you today on the fiscal year 2015 at Porsche SE.

There can be no question about it: the past fiscal year did not develop as we had hoped and expected. In light of the diesel issue and the valuation matters resulting from it, Volkswagen AG had to postpone its annual general meeting. At Porsche SE we therefore had no choice but to reschedule our annual general meeting for today as well. We ask for your understanding for any inconvenience this may have caused.

Our investment in Volkswagen represents around 90 percent of Porsche SE's assets, thus making it our core investment. Both the financial ratios of Porsche SE and its share price are therefore significantly influenced by the development of the Volkswagen Group. While we have always benefited from the good Volkswagen figures in earlier years, in 2015 we were unfortunately unable to avoid the effects of the diesel issue.

Ladies and gentlemen,

The events at Volkswagen have made themselves felt not only in Porsche SE's figures. In September 2015, Prof. Dr. Winterkorn assumed political responsibility and resigned as chairman of the board of management of Volkswagen AG and also, a few weeks later, as chairman of the executive board of our company. He was chairman of Porsche SE's executive board for more than six years. During that time, he contributed significantly to realigning the company. I would like to take this opportunity to express my sincere thanks to him for his successful work at Porsche SE.

The supervisory board appointed me as his successor as chairman of the executive board at Porsche SE. I will continue in my function as chief financial officer.

Even given the turbulence at Volkswagen, I would like to confirm that Porsche SE is fully committed to its role as anchor shareholder of the Volkswagen Group. We underscored this clear commitment to Volkswagen last September by acquiring a stake of 1.5 percent of the Volkswagen ordinary shares from Suzuki. We are firmly convinced that the Volkswagen Group has long-term potential for increasing value added and is still working hard to rapidly and fully clarify the diesel issue.

Allow me at this point to comment briefly on our core investment. Given all the difficulties the Volkswagen Group is currently facing in light of the diesel issue, we should keep reminding ourselves that Volkswagen's core business is healthy and robust.

Volkswagen again delivered around ten million vehicles to customers worldwide in the fiscal year 2015. This almost matched the prior-year figure – despite headwind in some key markets. And at the same time, the group achieved the level of sales it had originally planned for 2018 for the second time in succession. This figure emphasizes that Volkswagen is offering the right products in many countries and market segments. Volkswagen's business rests on many strong pillars. And the group benefited from this in 2015 once again.

Volkswagen increased group revenue to 213.3 billion euro. Our core investment made appreciable gains both in the automotive division, with its twelve brands, and in financial services. This demonstrates that the group's broad brand portfolio is not an encumbrance but, rather, one of its greatest strengths, particularly now. That is also evident from the operating profit. Before special items, Volkswagen even slightly exceeded the excellent prior-year figure. This confirms that the Volkswagen Group has solid earnings power.

However, the diesel issue resulted in considerable burdens in the fiscal year 2015. The negative special items arising from it come to a total of around 16.2 billion euro. This figure contains all the burdens that can be estimated up to the compilation of the financial statements, in particular provisions for pending technical modifications and customer-related measures as well as the worldwide legal risks. At the same time, I can assure you that Volkswagen itself has the greatest interest in getting to the bottom of the diesel issue, its causes and responsibilities – and will draw the right conclusions.

Volkswagen's strength in its operating business was not enough to counter the vast burden of the diesel issue in the reporting year. Our core investment therefore reports negative operating profit and a consolidated loss for 2015.

But the good news is that the Volkswagen Group is sufficiently robust to bear the special financial items. The group's substance is strong. In 2015 alone, the net liquidity of the automotive division increased by just under 40 percent to 24.5 billion euro.

And Volkswagen continues to have many strengths from which Porsche SE also benefits through its equity investment:

- Twelve fascinating brands, with a great tradition and equally great appeal.
- Technological expertise in automobile manufacturing and drive technology, coupled with unparalleled innovative strength within the integrated group.
- A global presence that is being systematically and intelligently expanded.
- A commitment to quality that is firmly rooted in the identity of all the companies within this group.
- A dedicated workforce of 610,000 people who give their all for their customers, day in and day out.
- The trust and the loyalty of many millions of customers all over the world.
- And last but not least, solid finances that enable ambitious investment programs, despite all the burdens.

With its new Strategy 2025 presented in the middle of this month, the Volkswagen Group is also creating the conditions for long-term success in the mobility world of tomorrow. The aim of the strategic realignment is to make the change over the coming years from one of the best automobile manufacturers in the world to one of the world's leading providers of sustainable mobility. Volkswagen's board of management has thus kicked off the largest change process the group has ever seen. Porsche SE fully supports Volkswagen on its future journey.

Ladies and gentlemen,

There can be no doubt that the Volkswagen Group has excellent prospects for the future. However, it currently finds itself in a very challenging situation, as it has to work through the diesel issue and shoulder the burdens resulting from it.

In this context, the board of management and the supervisory board of Volkswagen emphasized that they are going to do anything to regain lost trust of their customers, of their shareholders and of the general public.

For this purpose, Volkswagen has – among other measures – instructed the internationally renowned law firm Jones Day at the end of September 2015 to conduct a comprehensive and independent investigation of the diesel issue which is being supervised by the supervisory board of Volkswagen AG. In its capacity as Independent Investigator, Jones Day is to clear up the accusations irrespective of the persons involved.

We would like to report to you today which current interim results Volkswagen has achieved in the context of the on-going investigation of the facts of the diesel issue. However, as Volkswagen stated at its annual general meeting one week ago, a disclosure of the current interim results could not be made at this point in time because of legal reasons on the account of the on-going settlement negotiations with U.S. authorities and U.S. plaintiffs. According to information provided by Volkswagen, Jones Day currently intends to conclude the investigation in the fourth quarter of 2016. Volkswagen expects that facts which are subject of the investigation will be published comprehensively after a final settlement with the U.S. Department of Justice – including the Department of Justice Criminal Division – could be reached. This is because such a settlement is customarily accompanied by a detailed statement of facts by the Department of Justice which will also be published and which will contain information on the diesel issue and on the results of the investigation by Jones Day.

Against this background, we are not able to finally assess the future impacts of the diesel issue on Porsche SE until Volkswagen AG has cleared up the facts underlying the diesel issue.

Having said this, I can refer you to news from the United States that Volkswagen announced yesterday. Volkswagen AG and Volkswagen Group of America, Inc. announced that they have reached settlement agreements with the United States Department of Justice and the State of California; the U.S. Federal Trade Commission and private plaintiffs represented by the Plaintiffs' Steering Committee to resolve civil claims regarding eligible Volkswagen and Audi 2.0 liter TDI diesel engine vehicles in the United States. Out of around 499,000 2.0 liter TDI vehicles produced for sale in the United States, there are currently around 460,000 Volkswagen and 15,000 Audi vehicles in use – these are eligible for buybacks, lease terminations or officially approved emissions modifications.

Volkswagen will establish a maximum funding pool for the 2.0 liter TDI settlement program of 10.033 billion U.S. dollar. That amount assumes 100 percent participation and that 100 percent of eligible customers choose a buyback or lease termination. The agreements covering the proposed 2.0 liter TDI settlement program are subject to the approval of Judge Charles R. Breyer of the United

States District Court for the Northern District of California, who presides over the multi-district litigation proceedings related to the diesel issue.

Volkswagen also announced that it has agreed with the attorneys general of 44 U.S. states, the District of Columbia and Puerto Rico to resolve existing and potential state consumer protection claims related to the diesel issue for a total settlement amount of approximately 603 million U.S. dollar.

According to Volkswagen, three agreements have been submitted to the Court for its approval with respect to the proposed 2.0 liter TDI settlement program:

(1) a Consent Decree filed with the Court by the DOJ on behalf of the Environmental Protection Agency (EPA) and by the State of California by and through the California Air Resources Board (CARB) and the California Attorney General;

(2) a Consent Order submitted by the Federal Trade Commission and

(3) a proposed class settlement agreement with the Plaintiffs' Steering Committee on behalf of a nationwide settlement class of current and certain former owners and lessees of eligible 2.0 liter TDI Volkswagen and Audi vehicles.

By their own admission, the parties believe that the class settlement as presented to the Court will provide a fair and reasonable resolution for affected Volkswagen and Audi customers. By its own account, Volkswagen continues to work expeditiously to reach an agreed resolution for affected vehicles with 3.0 liter TDI V6 diesel engines.

On 22 April 2016, Volkswagen recognized total exceptional charges of 16.2 billion euro in its financial statements for 2015 for worldwide provisions related to technical modifications and repurchases, legal risks and other items as a result of the diesel issue. As noted at that time, due to the complexities and legal uncertainties associated with resolving the diesel issue, a future assessment of the risks may be different.

According to Volkswagen, the agreements announced today are not an admission of liability by Volkswagen. By their terms, they are not intended to apply to or affect Volkswagen's obligations under the laws or regulations of any jurisdiction outside the United States.

Regulations governing nitrogen oxide emissions limits for vehicles in the United States are much stricter than those in other parts of the world and the engine variants also differ significantly. This makes the development of technical solutions in the United States more challenging than in Europe and other parts of the world, where, according to Volkswagen, implementation of an approved program to modify TDI vehicles to comply fully with UN/ECE and European emissions standards has already begun by agreement with the relevant authorities.

Subject to Court approval of the proposed 2.0 liter TDI settlement program, Volkswagen has by its own admission agreed, among other terms, to:

- Buy back or terminate the leases of eligible vehicles, or provide free emissions modifications (if approved by the EPA and CARB), and also make cash payments to affected current and certain former owners and lessees. Specifically this means:

- Volkswagen will establish a single funding pool to cover the 2.0 liter TDI settlement program. The maximum funding amount will not exceed 10.033 billion U.S. dollar and is dependent on how many customers participate in the program and which option they choose if proposed modifications are approved.

- Customers can choose to sell back their vehicle to Volkswagen or terminate their lease without penalty, or, if a modification is approved, choose to have their vehicle modified free of charge and keep it. Customers who select any of these options will also receive a cash payment from Volkswagen.

- An eligible vehicle's value for a buyback will be determined based on the Clean Trade-In Value as published in the September 2015 edition of the Used Car Guide of the National Automobil Dealers Association, with adjustments for factory options and mileage.

Volkswagen will support the following environmental programs in the United States by agreement with the EPA and CARB:

- Volkswagen will pay a total of 2.7 billion U.S. dollar over three years into an environmental trust, managed by a trustee appointed by the Court, to remediate excess nitrogen oxide emissions from 2.0 liter TDI vehicles.

- Volkswagen will invest a total of 2.0 billion U.S. dollar over ten years in zero emissions vehicle infrastructure, access and awareness initiatives which support the respective access to and public awareness of this technology.

Volkswagen will begin the settlement program as soon as the Court grants final approval to the settlement agreements. At the earliest, approval will occur in the fall of 2016. The Court granted preliminary approval of the proposed class settlement at a hearing scheduled to take place on 26 July 2016.

Ladies and gentlemen,

Let me now come to Porsche SE’s business development in the fiscal year 2015. It must also be seen in connection with the diesel issue, as the profit/loss of the Porsche SE Group is largely influenced by the profit/loss from the investment accounted for at equity in Volkswagen AG which affect profit but not cash. As a consequence of the diesel issue, Volkswagen AG’s group profit/loss decreased to a loss of 1.36 billion euro in the fiscal year 2015. In particular as a result of this development, Porsche SE’s loss from investments accounted for at equity came to 436 million euro.

Porsche SE’s group profit/loss before tax decreased from 3.29 billion euro to minus 456 million euro in the fiscal year 2015.

As a result of tax refunds received in the fourth quarter, the group loss for the year came to 273 million euro. The comparable prior-year figure was a group profit of 3.04 billion euro.

Mainly as a result of the Volkswagen AG dividend for the fiscal year 2014 received in the fiscal year 2015, net income in Porsche SE's financial statements came to 871 million euro.

The financial result in the group increased from minus 76 million euro in the prior year to plus 19 million euro. This improvement is attributable in particular to income from tax interest of 59 million euro. This relates to refunds of tax interest paid in the past and interest received on tax refunds.

The positive effect from income taxes of 183 million euro comprises current income taxes of 169 million euro and deferred taxes of 14 million euro.

The Porsche SE Group's net liquidity decreased from 2.27 billion euro as of 31 December 2014 to 1.70 billion euro as of 31 December 2015. This was due in particular to the acquisition of 1.5 percent of the Volkswagen ordinary shares from Suzuki. As a result, net liquidity was within our forecast range of 1.7 billion euro to 2.3 billion euro communicated for 2015.

The cash flow from operating activities increased in the past fiscal year from 311 million euro to 599 million euro. In particular, the cash flow takes into account the positive effect from the dividend payment of 719 million euro received from Volkswagen AG in 2015. In addition, refunds of income tax resulted in a cash inflow of 424 million euro. There was a cash outflow from income taxes paid of 384 million euro.

There were other cash outflows in particular from interest payments – including interest paid on taxes – and from operating expenses.

There was a cash outflow from financing activities of 615 million euro in the fiscal year 2015, as in the prior year. This exclusively concerned the dividends distributed to the shareholders of Porsche SE.

The group’s total assets decreased from 30.16 billion euro as of 31 December 2014 to 27.63 billion euro as of 31 December 2015.

The group’s equity decreased, particularly due to the negative result taking into consideration effects from the dilution of the capital share in Volkswagen AG as well as the dividend distributed for the fiscal year 2014, from 29.19 billion euro to 27.11 billion euro. By contrast, the equity ratio increased from 96.8 percent in the prior year to 98.1 percent as a result of lower provisions.

Ladies and gentlemen,

I would now like to turn to the status of the legal proceedings, where we achieved further stage victories in the fiscal year 2015 and in the first few months of this year.

Let me begin by looking at the criminal proceedings. Last August, the Stuttgart public prosecutor dropped the investigations against the members of the supervisory board of Porsche SE serving in 2008. The allegation that they had jointly aided and abetted violation of the prohibition on information-based market manipulation by omission in connection with Porsche SE’s acquisition of the shareholding in Volkswagen AG had proven to be unfounded.

In October 2015, the criminal proceedings against the former members of the Porsche SE executive board Wendelin Wiedeking and Holger Härter, and Porsche SE as a secondary party began. After unusually thorough taking of evidence, lasting nearly five months, the Regional Court of Stuttgart acquitted the former executive board members, based on factual reasons, of all the allegations made against them and as a result rejected the request of the public prosecutor to impose a fine of 807 million euro on Porsche SE. Neither the comprehensive documents before the court nor the many witness statements had provided so much as circumstantial evidence of the market manipulation alleged by the Stuttgart public prosecutor, said the presiding judge in his oral opinion.

Although the Stuttgart public prosecutor has lodged an appeal on points of law to the Federal Court of Justice, we are delighted with this clear and unambiguous verdict. Since the public prosecutor’s investigations started in 2009, our company has always been of the opinion that the investment in Volkswagen AG was built up in accordance with the legal requirements relating to the capital market. At all events, this verdict will give us tailwind for the civil proceedings that are still pending.

Even before this unambiguous verdict in the criminal proceedings, hedge funds and private investors had failed in their claims for damages before civil courts six times in succession. In March 2015, for example, the Higher Regional Court of Stuttgart dismissed the appeal by 19 US hedge funds. Moreover, owing to the unambiguous legal situation, the Higher Regional Court did not allow a further appeal to the Federal Court of Justice. The plaintiffs, who are claiming around 1.2 billion euro from Porsche SE, have filed a complaint with the Federal Court of Justice against the Higher Regional Court of Stuttgart’s refusal of leave to appeal. We remain extremely confident that the Federal Court of Justice will reject this complaint. If this happens, the first claim for billions would have been finally and conclusively dismissed.

In Braunschweig, too, there are no longer any proceedings pending. Most recently, in January 2016, the Higher Regional Court there dismissed an appeal against a judgment of the Regional Court of Braunschweig brought by a private investor, who has not lodged an appeal. The judgment is therefore final.

The vast majority of the actions brought against Porsche SE in Germany – six out of a total of seven – are pending before the Regional Court of Hanover. In four of them, plaintiffs filed an application for establishment of model proceedings according to the Capital Markets Model Case Act in the past year.

On 13 April 2016 and again on 11 May 2016, the Regional Court of Hanover announced rulings with regard to the motion for model proceedings. As a result, the questions asserted by the plaintiffs relating to all proceedings will be submitted to the Higher Regional Court of Celle for decision. This model proceeding now offers the opportunity to collectively, and thus rapidly and bindingly, clarify before the Higher Regional Court of Celle the allegations of the plaintiffs in the civil proceedings pending against Porsche SE. The court has suspended the proceedings pending in Hanover until the answers are available. In one of the proceedings, the plaintiff immediately appealed the suspension decision. The suspension decisions in the other proceedings are final.

However, I would like to emphasize that the order for reference to the Higher Regional Court of Celle is merely a decision on how to proceed further. This decision says nothing about the substantive legal situation. Following and on the basis of the decision of the Higher Regional Court of Celle in the model proceedings, the Regional Court of Hanover will remain responsible for deciding on the individual lawsuits.

As I have done in prior years, I would again like to point out that Porsche SE continues to consider all the allegations to be without merit. The fact that, to date, no court has shared the view of the plaintiffs reinforces us in our opinion. We have staying power and are not under time pressure.

Ladies and gentlemen,

In the past fiscal year, as in prior years, we continued our search for investments to complement our core investment in Volkswagen. Our focus here was primarily on companies with forward-looking business models along the automotive value chain. They should be of long-term strategic importance for the industry.

The automobile industry is undergoing fundamental change, driven by major technological breakthroughs – above all in the areas of electromobility and digitization. This goes hand in hand with a change in the needs and wishes of many customers around the globe. Intelligent, networked mobility is increasingly becoming an independent product. New competitors, for example from the software industry, are in search of new business opportunities and are aggressively entering the market with considerable financial resources and specific skills. Their new mindset and approach are giving rise to innovative business models.

In light of this, in the fiscal year 2015, as in earlier years, we closely examined the question of which technical possibilities and business models will play a part for automobile manufacturers in the mobility environment of the future. We agree with our colleagues at Volkswagen that three technologies will play a key role: the networking of vehicles and their surroundings, the electrification of the drive train and autonomous driving.

This is one of the reasons why back in 2014 we invested in INRIX, the American specialist for cloud-based real-time processing of location data. As a market leader in its segments, the company INRIX plays an important role in the development of connected-car services and traffic information. Even today, INRIX leverages an extensive crowd-sourcing network of data sources that draws on data from more than 275 million vehicles, smartphones and road sensors. This is supplemented with additional information, e.g., local weather data. Machine learning and predictive algorithms thus mean that route recommendations can constantly improve. In the past nine months, INRIX also acquired two companies: ParkMe and OpenCar.

The acquisition of ParkMe company, which analyzes data on 31 million parking spaces worldwide, enables INRIX to utilize a holistic perspective to offer even better solutions for drivers and cities in the future.

With the acquisition of the company OpenCar, INRIX offers the industry’s only standardized virtual development environment for the preparation and adjustment of apps for a secure and contextual application within the vehicle with already 1,700 registered developers. Unlike prominent competitors, which limit brand-specific individualization by the automobile manufacturer and require access to sensitive sensor and user data, the OpenCar platform is controlled entirely by the automobile manufacturer. This allows for brand, model and region-specific touch and voice control beyond the entire infotainment program, which is constantly updated just like with smartphones.

To date, the results of our investing activities have been externally visible only through the investment in INRIX. However, we again analyzed several companies and reviewed them in detail. In addition, we supported the investment of Audi, BMW and Daimler in Nokia HERE.

We are constantly in close contact with the strategy and development experts of the Volkswagen Group, a relationship that is extremely fruitful for both parties. But I would like to emphasize here that we will continue to observe the automotive value chain as a whole and reserve the right to respond flexibly to opportunities that present themselves to us.

Dear shareholders,

In recent years, we had always emphasized that a dividend policy geared to sustainability is important for Porsche SE.

However, Volkswagen AG greatly reduced its dividend payments for the fiscal year 2015 due to the diesel issue and the resulting group loss. The distribution of 0.11 euro per Volkswagen ordinary share resulted in a dividend inflow of around 17 million euro in total for Porsche SE.

In light of this, the executive board and supervisory board of Porsche SE also decided to lower the dividend, although not to the same extent as Volkswagen. For this reason, the executive board and supervisory board of Porsche SE propose a dividend per preference share of 1.01 euro and a dividend per ordinary share of 1.004 euro. The total amount for distribution is around 308 million euro.

I would like to take this opportunity to extend our and my thanks to the employees of Porsche SE. With great competence and commitment, this past year again saw them keep Porsche SE on its chosen course in an environment shaped by uncertainty. We would like to express our heartfelt thanks to the whole team.

Ladies and gentlemen,

Let me give a quick outlook:

Porsche SE was unable to avoid the consequences of the diesel issue in the Volkswagen Group in 2015. However, we already expect a return to group profit for the current fiscal year.

Based on the current group structure, in particular on the basis of the Volkswagen Group’s expectations regarding its future development and the uncertainties with regard to possible special effects in connection with the diesel issue, we expect a group profit of between 1.4 billion euro and 2.4 billion euro for the fiscal year 2016. In addition, we aim to achieve positive net liquidity, which is forecast at between 1.0 billion euro and 1.5 billion euro as of 31 December 2016, not taking into account possible future investments.

The business figures for the first three months of 2016 confirm this outlook:

- In the first quarter of 2016, Porsche SE generated a group profit of 661 million euro.
- Equity increased from 27.11 billion euro as of 31 December 2015 to 27.35 billion euro as of 31 March 2016.
- Net liquidity decreased slightly compared to the end of 2015 to 1.66 billion euro.

We are convinced that our company, Porsche SE, still has vast potential for increasing value added.

Dear shareholders,

At the annual general meeting of Porsche SE, we cannot of course allow the cars themselves to get lost among all the figures. We have therefore once again prepared a car exhibition in the Hanns-Martin-Schleyer-Halle for you this year. Here you will find current Porsche models. In this way, we would like once again to demonstrate our company's commitment to its Swabian roots.

We cordially invite you to visit the car exhibition. This year's highlights are two new models, the 718 Boxster S and 718 Cayman S – real sports cars that embody Porsche's DNA perfectly.

I hope you enjoy your visit to the Schleyer-Halle.
Thank you for your attention