Speech

by Professor Dr. Martin Winterkorn

Chairman of the executive board of Porsche Automobil Holding SE

Press briefing and analysts conference 2011

on 15 March 2012 in Stuttgart

Wire embargoed: Start of speech

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Ladies and gentlemen,

Welcome to our press briefing and analysts conference here in Stuttgart. My colleagues and I are happy to present the annual report of Porsche Automobil Holding SE for the past fiscal year to you today. And I mean: We have every reason to be proud of these financial statements.

2011 was a highly successful year for both investments held by Porsche SE. Both Porsche AG and the Volkswagen group have performed excellently and set new records in unit sales, revenue and profit. Porsche AG has continued on its rapid growth course unhindered. This is represented by nearly 120,000 vehicles delivered. This is more than ever before in Porsche’s history. This translated into an operating profit in excess of two billion euro and an impressive return on sales of 18.7 percent. Porsche therefore still is what it always has been: one of the most profitable automotive manufacturers in the world.

The key figures of the Volkswagen group likewise are more than impressive: With 8.3 million vehicle deliveries, more than one million more vehicles were sold than in the prior year. Revenue increased by 25.6 percent to 159.3 billion euro. And at 11.3 billion euro, operating profit is more than 50% higher than in the prior year. You see: The Volkswagen group continued its course for success seamlessly in 2011.

These figures demonstrate once again: Porsche SE has a stake in two of the highest growth companies in the automotive industry. Naturally, this is reflected by the financial statements for the past fiscal year. Following my speech, Mr. Pötsch will go into detail on Porsche SE’s figures.

Ladies and gentlemen,

With the creation of the integrated automotive group, we have set ourselves clear targets. We want to combine the enormous strengths of Volkswagen and Porsche. We want to leverage the strengths even more efficiently. And we want to exploit the arising synergies to the full. Porsche and Volkswagen will benefit as a result. And that will in turn benefit our customers, employees, business associates and shareholders.

One year ago, we stood here and informed you that there could be a possible delay in the planned merger of Porsche SE and Volkswagen AG. The main reasons were tax and legal hurdles. Nonetheless, we continued to drive forward the planned merger in the following months. We made every effort to put all prerequisites in place in order to take this step by year-end within the planned timeframe. One of the measures to this effect was the successful conclusion of our capital increase. With net issue proceeds of 4.9 billion euro, Porsche SE was able to significantly reduce its liabilities.

However, in September 2011, it became apparent that the merger was not possible within the framework and timeframe of the basic agreement. All parties involved continued to make every effort to realize the integrated automotive group at economically feasible terms and conditions. This is, and will remain, our shared objective. We are committed to and will continue working towards this objective. And I can assure you today: The integrated automotive group of Volkswagen and Porsche will be realized!

Ladies and gentlemen,

2011 was a good, strong year for the automobile sector. This is reflected by a new all-time high of more than 62 million passenger vehicles delivered worldwide. This is an increase of 4.8 percent compared to the prior year. With its multibrand strategy and broad international presence, the Volkswagen group was able to benefit more than average from this trend. This is illustrated by 8.3 million vehicles sold – and strong growth of 14.7 percent in the number of vehicles delivered.

A look at the markets shows: Volkswagen has grown in all regions around the world. Asia/Pacific was a key growth driver once again in 2011: In China alone, the group's largest single market, the group sold 2.3 million vehicles - a good 17 percent more than in the prior year. In India, the group delivered 112,000 vehicles in the reporting year, twice the number of the prior year. On the North American market, especially in the US, the group brands enjoyed a veritable boom, as illustrated by the growth rate of over 21 percent in the number of vehicles delivered. In South America and Europe, too, the figures recorded were positive: In Europe, the number of vehicles delivered was increased by 11.3 percent in the face of an opposite trend on the market. The overall market grew by just 3.6 percent in comparison. In all of these regions, the Volkswagen group has grown faster than the competition and has gained market share. This is also shown by the increase in the group's share of the global passenger car market by one percentage point to 12.3 percent.

All of the group's brands made a contribution in achieving this position of strength: The number of Volkswagen brand passenger cars delivered exceeded 5 million vehicles for the first time in its history. This brand thus remains a strong driving force for the group as a whole.

Audi is on the fast track towards the top of the table in the premium segment. With 1.3 million vehicles delivered, 2011 was the year in this brand's history with the highest sales and level of profitability. For ŠKODA, 2011 was the ninth record year in succession, with 880,000 vehicles delivered. Growth was particularly pleasing in China, Russia and India. SEAT was able to defend its market position in its core European markets despite the difficult situation, increasing the number of vehicle deliveries by 3.1 percent. Bentley is back on the course of success, having sold almost 37 percent more vehicles in the fiscal year 2011. This shows what kind of potential the luxury segment has to offer.

Lamborghini has likewise moved forward at high speed. In 2011, the brand delivered some 1,600 super sports cars – 23 percent more than in the prior year. Volkswagen commercial vehicles, too, continued its upwards trend. 2011 was the first year in which the brand was able to deliver more than half a million vehicles, and it has further improved its international positioning. Scania likewise saw a new record with around 80,000 trucks and buses delivered. Scania also continues to set standards in terms of profitability. Since joining in November 2011, MAN SE has enhanced the Volkswagen group with its broad spectrum of vehicles, engines, drives and services. In the complete consolidation period, from 9 November to 31 December 2011, the company delivered close to 25,000 vehicles.

You see, ladies and gentlemen, 2011 was a truly excellent year for the Volkswagen group. And this is no less true of our other investment, the Porsche Zwischenholding GmbH. The number of vehicles delivered by Porsche worldwide in the reporting year came to almost 120,000 vehicles. This new sales record is more than 22 percent higher than the level reached for the calendar year 2010. Mr. Müller will give you the details about developments at Porsche AG in a few minutes. The new version of Porsche 911 naturally was a cause for excitement among our customers. This car embodies the great appeal and technological competence of the Porsche brand and the skills of our team in Zuffenhausen, Weissach and Leipzig.

Porsche and the Volkswagen group have again got off to a strong start into fiscal 2012. The order books are well filled. The number of vehicles delivered is far in excess of the prior-year level. Having introduced fascinating new models on the market, such as the Porsche Boxster, Audi A3, and the next generation of the Golf, we are well positioned to consequently exploit our market opportunities.

At the same time, it is equally clear that we are facing a downturn in the economy. In Europe in particular the debt crisis in some euro zone countries has curbed demand on the market for passenger cars. In other words: 2012 is likely to be a challenging year for the entire automotive industry.

I am convinced that the brands of the Volkswagen group and Porsche will be able to face these challenges with confidence. The reasons I am basing this assessment on are: They have the broadest and most diverse range of models in the automotive world. They offer superior technical solutions and efficient drive technologies. And last, but not least: Our brands possess great strength and appeal the whole world over. Porsche SE will benefit from all of these strengths. And I am sure: In the end, the opportunities will be decisive, not the risks! Because the automotive industry will be and remain one of the key growth industries in the medium and long term.

The global market for passenger vehicles and light commercial vehicles could grow to more than 100 million units by 2018. In this future scenario, Brazil, Russia, India and

China are the key growth drivers.In China, for example, the strongly expanding middle class ensures that the demand for cars will continue to rise considerably. In India, there are 14 cars for every 1,000 inhabitants today. This number is expected to double by the end of the decade. But even established automotive markets such as Western Europe and the US have many opportunities to offer in the next few years. The trend is pointing in one direction only: upwards.

And there is no question about it: the Volkswagen group and Porsche AG will not miss out on these opportunities. Volkswagen and Porsche are excellently positioned for a successful future together. The cost structures are appropriate and are subject to continuous optimization. The processes are lean, flexible and efficient. The development centers in Wolfsburg, Weissach and Ingolstadt set standards in terms of technology. And we have powerful production, procurement and sales functions on a global scale.

And added to that, there is our greatest competitive advantage: A highly motivated and qualified team of 500,000 employees in the Volkswagen group and around 15,000 employees at Porsche. They are all highly committed to building the best cars for our customers. This applies to members of our workforce on the production line as well as to our staff and executives in administration, or our engineers in development. My colleagues on the executive board and I would like to take this opportunity to express our sincere thanks to all Volkswagen and Porsche employees for their performance and commitment.

The Volkswagen group and Porsche are unwaveringly committed to achieving the merger as an integrated automotive group. Cooperation between our two companies at an operating level in many technical projects and areas of business is already running smoothly and successfully today. Examples of this cooperation at arm's length include: Vehicle projects such as the new Porsche Macan, the modular toolkit, on which the group's large vehicles with rear-wheel drive will be based in the future, cooperation in the development of new drives and engines and cooperation in procurement and financial services.

The next logical step – integration in a strong, shared group – offers considerable advantages for both partners. It will allow us to link the operating business even more closely, to exploit existing resources and capacities together on an entirely new scale and systematically pool the extensive experience and skills throughout all units of the companies and in all technology fields in a purposeful manner with no legal boundaries. On this basis, Volkswagen and Porsche are able to considerably strengthen their competitive position once more.

This applies above all in view of the growing pressure to innovate and the great technological challenges that lie ahead of us. Mobility is one of the basic needs that people have. And mobility is the motor for freedom and growth. Here in Europe and around the world. Our task is to make sure that individual mobility also remains possible in the future: affordable, safe and environmentally friendly.

How can we effectively minimize consumption and emissions at competitive costs? How can traffic be organized in the metropolises of this world without restricting individual mobility? And how can we use renewable energies from solar, wind and hydro-electric power in our vehicles and factories? These are all key questions that our industry has to face and to which the world's leading automotive group must find

answers. That is why the Volkswagen group and Porsche have set themselves the goal of taking the lead not just in business, but also in ecological matters.
I am convinced: With joint forces, under one corporate roof, we can and will reach this goal. The 35,000 researchers and developers of the Volkswagen group are already working together successfully with the 3,000 engineers and technicians in Weissach in many areas: in lightweight construction, efficient combustion engines or hybrid and electric drives, for example. Our goal is to combine this wealth of expertise and skills under one roof.

I am convinced: The integrated automotive group will have all conditions in place to become the innovation and technology leader and to remain it in the long term. And that would put us in the lead in the automotive industry in economic terms, too. Porsche SE as major shareholder will benefit from this substantially.

Ladies and gentlemen, looking at the podium, you see: there has been a change on the executive board of Porsche SE. Thomas Edig, member of Porsche SE's executive board in charge of commercial and administrative issues since 2009, decided to resign from the board effective 29 February by mutual agreement with the supervisory board. Mr. Edig will in future focus on his activities on Porsche AG's executive board. He is the deputy chairman of the company's executive board and has been responsible for human resources and social issues as well as labor director since 2007. He has been appointed in all three functions until 2017. I would like to thank Mr. Edig today for his loyal and trusting collaboration and his great commitment to Porsche SE's executive board. I wish him every success and all the best for the future at Porsche AG.

As new member of our executive board, I would like to introduce to you Mr. Philipp von Hagen, who is in charge of investment management. He was appointed to the executive board of Porsche SE by the supervisory board effective 1 March. Mr. von Hagen had previously been Chief Operating Officer and Director at the Global Financial Advisory at Rothschild. He has many years of international experience with advising corporate groups on capital market and financing issues as well as corporate transactions. So once again: welcome, Mr. von Hagen! We are looking forward to working with you.