Speech

by Prof. Dr. Martin Winterkorn

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Good afternoon, ladies and gentlemen,

Welcome to the Annual Press and Analyst Conference of Porsche Automobil Holding SE here in Stuttgart-Zuffenhausen. My colleagues and I are happy to present the report on the fiscal year 2013 to you today.

2013 was a year of consolidation for Porsche SE.

Following the creation of the integrated automotive group in August 2012, we adapted the internal structures of our company to our new objective: we intend to add strategic investments along the automotive value chain to our core investment in Volkswagen AG and we can and will do so.

All the preconditions for this have been created. **Porsche SE has developed into a financially strong holding company and is very well positioned for the future.**

But first, let’s look at the development of Porsche SE in the past 12 months. The focus here is naturally on our investment in Volkswagen AG.

2013 was an extremely challenging year for the automotive industry, especially for European automakers. Neither the domestic market nor the exchange rates were very helpful. Quite the reverse, in fact.

It is therefore an even greater achievement for us to be able to say that, in spite of everything, the Volkswagen group kept its word – meeting its goals for 2013 and even exceeding them.

- The group for the first time delivered more than 9.7 million vehicles worldwide – an increase of almost 5 percent compared to the prior year.
- Sales revenue increased to 197 billion euro.
- And, at 11.7 billion euro, operating profit was again at a high level.

In summary, we can say that the Volkswagen group cut an excellent figure in a challenging environment.

One key reason for this is the company's global presence. In the past year, the Volkswagen group continued to grow in virtually all regions of the world. Only in South America did the weak market and upcoming makeover of the model range leave their mark. In other regions of the world, such as North America, however, the group saw growth and even bucked the market trend – for example, in Europe. Development was particularly dynamic in the Asia-Pacific region, where deliveries increased by 14.7 percent.

The picture presented by the group's brands is similarly gratifying. Let's start with passenger cars, the first pillar of the Volkswagen group.

Porsche, SEAT and Bentley saw double-digit growth. Volkswagen passenger cars and Audi also performed well despite adverse conditions. Only ŠKODA was slightly below the prior-year level, but ultimately picked up again considerably.

Volkswagen masters the balance between the volume and premium segments like no other automotive group. Today, Audi, Porsche, Bentley, Lamborghini and Bugatti are together synonymous with the best that the automotive world has to offer. This strength in the premium segment literally pays off.

- Audi has already achieved its target of 1.5 million deliveries two years ahead of schedule.
- Porsche is growing in every respect – from its return on sales to its innovative power to its range of models.
- And Lamborghini and Bentley have yet again proved that out-of-the-ordinary vehicles will always have their place in the automotive world.

The commercial vehicle business of Scania, MAN and Volkswagen commercial vehicles is increasingly becoming the second key pillar of the Volkswagen group. Here, the volatile economic situation made itself clearly felt. Nonetheless, MAN grew by 4.5 percent and Scania by an impressive 19.4 percent.

Financial services are the third strong pillar. They support the group's brands not only when it comes to winning new customers around the globe and retaining them for the long-term; they also remain an important source of earnings.

On the basis of this broad footprint, the Volkswagen group will systematically continue on its course to the very top of the automobile industry. Its starting position is as sound as it is promising thanks to:

- 12 fascinating brands and more than 310 models, covering virtually every customer desire and need
- Its global presence and a leading role in many key regions
- The technological innovation of more than 40,000 developers and the modular toolkits, representing even greater innovation and economy
- The necessary financial substance and solidity
- And a persuasive strategy for the future

In short, the Volkswagen group has everything it needs to achieve its ambitious goals.

Now more than ever, the focus is on qualitative growth. In other words: the Volkswagen group is working very hard to become even better, more efficient, environmentally friendly and customer-oriented: with all brands, in all regions and all departments – from development to production and sales to personnel.

In the coming years, for the automotive industry a great deal will depend on how the economy and the markets develop. But I am convinced that our current course toward qualitative growth will have a long-term positive impact on the quality of the Volkswagen group's profit.

Let me summarize:

- The Volkswagen group is looking back on a very successful fiscal year 2013.
- Now more than ever, the focus is on qualitative growth.
- And the Volkswagen group offers excellent prospects.

Ladies and gentlemen,
The shares held in Volkswagen represent around 90 percent of Porsche SE's assets. One can justifiably say that Volkswagen is our core investment. The aim is now to complement this investment usefully and step-by-step.

We intend to invest the majority of the net liquidity of 2.6 billion euro available to us in investments along the automotive value chain

In this context, we benefit from the fact that both the Volkswagen group and Porsche SE boast outstanding automotive expertise.

On this solid foundation, we can and will make the right investment decisions at the right time.

During the past year, we took a closer look at more than two dozen companies, and they included interesting candidates. However, various specific issues stood in the way of an investment.

It remains true that there are many opportunities for promising investments, ranging from basic technologies for the development and production process through to vehicle- and mobility-related services. The emphasis for us is first and foremost on the major global trends in the automotive industry: sustainability, conservation of resources and the increasingly networked automotive world. Specific examples include new drive concepts and materials as well as innovative technologies for vehicle safety and connectivity.

However, it became clear in the past fiscal year that we are operating in a highly demanding market environment for strategic investments. There is a large amount of liquidity in the market. As a result, valuations for investments are currently very high.

We bear great responsibility for the assets entrusted to us, which we want to increase successfully. We are therefore not prepared to acquire attractive investments at any price. Substance and profitability take precedence over speed. This principle remains unchanged.

However, I am convinced that we will master the task of investing the available liquidity usefully. In the interests of our company and its shareholders.

To this end, we further expanded our network of experts in the past year. Today, we have excellent links to industry, to banks and to consultants. This ensures that we have appropriate expertise for carefully and comprehensively assessing potential investments.

All the preconditions for successfully implementing our investment strategy have been created. **I therefore see it as merely a matter of time before we report on the first exciting transaction.**

Mr. von Hagen and Mr. Müller will be happy to answer your questions on this matter afterwards.

At this point, I have more good news for our shareholders: This year, as in prior years, they will naturally participate in the positive development of our company.

Porsche SE plans to distribute a dividend of 2.010 euro per share for the fiscal 2013 to the holders of preference shares. Holders of ordinary shares are to receive 2.004 euro per share. This proposed dividend will be presented for decision to the annual general meeting on 27 May 2014 in Stuttgart**. For Porsche SE, this proposal is an important step towards a sustainable development of dividends.**

Ladies and gentlemen,

Let me briefly sum up: **The creation of the integrated automotive group in August 2012 has been worthwhile for all involved.** Porsche and Volkswagen are realizing considerable synergies under the umbrella of the shared group.

Overall, we can say: **the alliance of 12 strong brands, from Volkswagen to Audi and Porsche, and from Ducati to MAN and Scania, is unique within the automobile industry. Porsche SE and its shareholders benefit very considerably from this**. At the same time, as the anchor investor, our company ensures that Volkswagen has a long-term, stable and sustainable orientation.

On the basis of everything we currently know, 2014 promises favorable development for Porsche SE. Our investment in Volkswagen and our investment strategy will be key factors in this.

Based on the current group structure, we expect Porsche SE to record a profit for the current fiscal year of between 2.2 billion euro and 2.7 billion euro.

We are convinced that **Porsche SE will gradually establish itself as an attractive investment holding company in the market and has vast potential for increasing value added.** We are therefore looking to the future with optimism and will tackle the tasks ahead systematically and with determination.

That concludes my contribution. Mr. Pötsch will now explain the financial and legal situation of Porsche SE to you.

Thank you!