

Speech

by Prof. Dr. Martin Winterkorn

Chairman of the executive board of Porsche Automobil Holding SE

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Good afternoon, ladies and gentlemen,

And welcome to the Annual Press Conference 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 2014 to you today.

In 2014, Porsche SE again made significant progress. As a strong investment holding company, Porsche SE benefited considerably from the outstanding development of the Volkswagen Group.

Our company closed the fiscal year 2014 with group profit for the year of 3.03bn euro. This is primarily due to the profit from the investment accounted for at equity in Volkswagen AG of 3.43bn euro.

On the basis of Volkswagen's current dividend proposal of 4.80 euro per ordinary share, we can also expect a dividend inflow of around 719m euro in May.

Following my speech, Mr. Pötsch will explain our business figures to you in detail.

Not only the key figures show that Porsche SE is making further progress.

With our investment in US technology company INRIX, we have also created the first important 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 later.

But first, let's look at the development of Porsche SE in the past fiscal year. The focus here is on our investment in Volkswagen AG.

2014 was not an easy year for the automotive industry as a whole.

- Important markets such as Brazil and Russia slid into the red.
- Of the BRIC countries, the erstwhile growth engines of the global economy, in principle only China remains.
- The 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.

- Volkswagen 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 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 leading 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 in the past year was 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, 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 10m vehicles, four years earlier than planned in its “Strategy 2018”.
- And revenue exceeded the 200bn euro mark for the first time.
- The operating profit rose significantly to 12.7bn 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 faces great challenges – and this naturally also applies the Volkswagen Group.

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

Nevertheless, the Volkswagen Group's declared objective is to grow yet again in terms of both revenue and operating profit.

And to achieve this, the company can count on its familiar strengths:

- On three profitable business areas: passenger cars, commercial vehicles/power engineering and financial services.
- On 12 fascinating brands, covering virtually every customer desire and need worldwide.
- On the innovation of more than 46,000 developers and 10,000 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 36bn 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 ordinary shareholders of Porsche SE, the Porsche and Piëch families, are investors with a long-term mindset. They have been involved in the automotive industry for many decades. And they have a fundamental interest in the Volkswagen Group not only achieving short-term successes but also being successful in the long term and investing in the future.

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 in excess of 38bn euro, the investment in INRIX is certainly a relatively small step. But I am certain that INRIX is exactly the right investment for us – and at the same time INRIX points the direction for Porsche SE's further investments.

INRIX is a leading global provider of connected-car services and real-time traffic information, 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 185m 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 currently comprising around 6.4m kilometers in 40 countries. INRIX reaches more than 150m consumers every day via its contractual partners.

The data generated 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 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 in particular.

Ladies and gentlemen,

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 – and we intend to leverage this potential.

The digital revolution in the automotive industry is well under way. Software and technology companies from outside the industry are actively investing in key areas of the automotive value chain. This shows us how just exciting the automobile is and what a promising future it has. And this will continue to be the case for a long time to come.

Digitization is continually giving rise to new business models here. In addition to the processing and use of traffic data, this applies to neighboring areas such as new mobility services for vehicles. Offerings such as proactive maintenance or software updates in drivers' own garages not only enhance convenience for customers but also increase revenue potential for manufacturers. And these are only the obvious areas. We at Porsche SE want to and must answer the question of which business models will win out in the long term in an increasingly interconnected world.

And it is not just the automobile itself, but the entire automotive supply chain that is undergoing fundamental change due to digitization. Part of this change can be summed up under the heading of Industry 4.0. In essence, this is about connecting people, machines and buildings on the basis of intelligent processes and data. From Porsche SE's point of view, this offers opportunities mainly in the areas of systems and tools, production-related services as well as development and other services.

I would go so far as to say that we are currently in the middle of a transition to a new era. A transition that will bring a quantum leap in the development of the automobile and its users. One thing is clear: We at Porsche SE want to promote this development with the right investments and systematically leverage the opportunities it offers. We see this as an extremely interesting and profitable field for future investments.

We are convinced that Porsche SE has the necessary experience and automotive expertise to invest in the most promising business models in this area. And last but not least, we also have the necessary patience.

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

Ladies and gentlemen,

Of course, our shareholders should and must also benefit from the successful development of our company in 2014. The executive board and supervisory board of Porsche SE therefore propose an unchanged dividend of 2.01 euro per preference share. Holders of ordinary shares will receive 2.004 euro per share. This proposed dividend will be presented for decision to the annual general meeting on 13 May 2015 in Stuttgart.

Subject to the approval of the shareholders, the dividend thus remains at the same high level for the third consecutive year. This confirms our dividend policy, which is geared to sustainability.

I would like to take this opportunity to thank 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 our entire team for this.

Ladies and gentlemen,

Let me briefly sum up:

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

Connected mobility and Industry 4.0 are highly attractive areas for investment, which we are currently focusing on. We want to help shape change in the automotive industry by making the right investments. And by so doing, we want to further sharpen Porsche SE's profile as a highly professional investment holding company.

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 2.8bn and 3.8bn euro. Furthermore, we aim to achieve positive net liquidity of between 1.7bn and 2.3bn euro, not taking into consideration future investments.

Now more than ever, we are convinced that our company, Porsche SE, has vast potential for increasing value added and also offers an attractive dividend.

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