

Speech

by Matthias Müller

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Ladies and Gentlemen,

I, too, am very pleased to welcome you to the press briefing on the annual results of Porsche Automobil Holding SE.

As you will know, I have been a member of the executive board of Porsche SE and CEO of Porsche AG for only a few days. The positive results of Porsche AG for the past fiscal year 2009/10 that I will present today are therefore not my achievement, but rather the achievement of the entire Porsche executive board chaired by my predecessor, Michael Macht.

Ladies and gentlemen,

To come straight to the point: Porsche can look back at a very successful fiscal year. You heard from Professor Winterkorn how difficult the overall economic environment has been in recent months. And, naturally, our business was not unaffected by these conditions. Nevertheless, the development of Porsche's sales has been very positive: with worldwide sales totaling 81,850 vehicles, we were able to achieve a nine percent increase on the prior-year figure.

- The new Panamera got off to a flying start. We have already sold 20,615 vehicles from our fourth model series – and this despite the fact that it was mid-September 2009 before the phased roll-out of the Gran Turismo to the individual markets kicked off. In the first year, we have already achieved excellent results for this new model – which, from a standing start, even won the “Golden Steering Wheel” award against very tough competition.

- When it came to the 911 series, Porsche notched up sales of 19,663 units. Compared to the prior-year figure, this represents a fall of 27 percent. This decrease is primarily due to the weakness of the sports car market as a whole. In the segments in which the individual 911 models are positioned, Porsche has generally defended its market share and, in some cases, even increased it. In addition, the model mix has improved: almost a third of 911 sales were attributable to the new, particularly high-quality, high-performance Turbo and GT models.
- With 11,717 vehicles, sales of the Boxster series were down eleven percent on the figure for the prior year. However, the Boxster and Cayman models have done comparatively well in their considerably contracted segments worldwide.
- The Cayenne series has again proven itself to be a cornerstone of the Porsche product portfolio. Although we had a generation change in the last quarter of the reporting period, we were able to sell 29,855 units of our sporty off-roader. In comparison to the prior year, this was a relatively moderate decrease of 13 percent. It is encouraging that 11,618 units – more than a third of the sales volume – were from the new generation of models. This shows how sharply demand rose towards the end of the reporting period, although the new models were not yet available on all of the international markets.

Let us take a brief look at some interesting developments in our various sales markets.

- Porsche again saw by far the greatest growth in China: In the reporting year, sales in that country increased to 11,724 units – a new record for this market. This corresponds to market growth of almost 50 percent.
- Overall, around a quarter of our global vehicle sales were in the regions China, the Middle East and Asia-Pacific in the past fiscal year – in the prior year, the figure was just 20 percent.
- In the United States, the economy is slowly picking up again. Porsche was able to benefit from this positive development, increasing its sales in North America by 4.6 percent to 23,705 units.
- While development in the European markets was uneven, the trend here was also slightly positive. Across Europe, sales of new Porsche vehicles rose by 1.4 percent to 30,948 units.
- In Germany, the premium segments were under considerable pressure in the reporting year. However, despite fierce competition, Porsche has successfully defended its strong position in its home market and even increased its market share. The Panamera was also successfully established in the German market. Nevertheless, at 11,857 units, sales in Germany were down 3.5 percent on the prior year.

In line with the overall positive business development, Porsche AG can report encouraging key figures for the reporting year. As Professor Winterkorn has already mentioned:

- Revenue increased by 18 percent to 7.79 billion euro. This is a record in the company's history to date.
- We have used the crisis to further optimize our internal cost structure. As a result, operating profit before tax has leapt to 1.185 billion euro.
- With a return on sales of 16 percent before tax, Porsche's operations remain highly profitable – and this in a year that was difficult for the economy as a whole as well as for our industry.

In the current short fiscal year, which ends on 31 December, this positive trend will not change. To date, our sales and revenue are above the levels for the comparable prior-year period. This is further evidence that Porsche is back on track for growth.

And with its lean structures, efficient processes and high levels of flexibility, our company is also ideally equipped for the challenges of the future. We will exploit this favorable initial situation, in conjunction with the synergies from our cooperation with Volkswagen, to continue systematically improving our market position relative to our competitors.

Ladies and gentlemen,

At Porsche, we have set ourselves ambitious goals for the near future. At the International Motor Show in Geneva in February, we already gave you a foretaste of what to expect in future, with the 918 Spyder. Since then, the executive board and supervisory board have decided that the super sports car with hybrid drive will be built in an exclusive limited edition.

But this sensational, technologically innovative plug-in hybrid vehicle, which combines the performance of a racing car with the consumption of a small car, is just the first in a series of spectacular innovations that we are now on the verge of launching. There will be a major product campaign with a long-term impact. And we will pull out all the stops – from new generations of models, to additional model series, through to cross-brand modules and platforms.

For example, we are currently seriously looking into the possibility of adding a smaller model to our successful sporty off-roader, the Cayenne, in order to enhance the growing compact SUV segment with an attractive Porsche product. While the final decision has yet to be taken, you can assume that it will be taken soon.

Ladies and gentlemen,

I can assure you that our engineers in Weissach currently have many more interesting ideas and concepts up their sleeve that will enable us to further increase the high appeal of our brand. And we will scrutinize every single one of them before making our decisions.

Of course, the topic of “alternative drives” is also high on the agenda at Porsche. We are working flat out to equip the Porsche fleet with hybrid drives – and the initial results, such as the Cayenne Hybrid, the 911 GT3 R Hybrid, and the 918 Spyder that I mentioned earlier, are certainly impressive. But this is just the beginning. Wait and see what Porsche has in store. And you will be pleasantly surprised, ladies and gentlemen – by the new heights to which the Porsche brand is about to soar.

I know that the entire Porsche team can hardly wait to unleash more of the brand's potential. Our employees will give their all to ensure that Porsche's success story continues at an even greater pace.

This success story of course includes our motorsport activities. These are a good, worthwhile investment in the brand and should be supported and encouraged. However, we intend to do this with intelligence, a sense of proportion, and cost consciousness. This is, and will remain, our principle.

Let us look ahead, ladies and gentlemen. The goals we have set ourselves for the future are clearly defined:

1. In the mid-term, we will increase our annual sales in the direction of 150,000 units – though this figure is not set in stone. The most important thing is this: We want to play a key role and make our customers the very best offer in every segment that our models cater to.
2. We will sharpen the profile of the Porsche brand and systematically maintain its value at a high level. Our core values – which include exclusiveness, as well as uncompromising sportiness and impeccable performance – remain unchanged. And we will not lose sight of our vehicles' suitability for day-to-day use.
3. When it comes to product quality, Porsche will maintain its uncompromising approach. We also want to take top honors in J.D. Power surveys in future.
4. The development of technological innovations in the fields of handling, safety and the environment will continue to be among our core competencies.

5. We will continue to achieve a double-digit operational return on sales – as one would expect from Porsche. In future, we will remain the most profitable carmaker and earn good money.

You see, ladies and gentlemen,

We at Porsche have set ourselves ambitious goals for the future. And not without reason. Our close collaboration with the Volkswagen group is giving rise to totally new prospects and opportunities for our company. And we naturally intend to make the very most of them. In conjunction with the Volkswagen group, we will be able to even better exploit the vast potential of the Porsche brand and further increase our competitiveness.

For my entire professional life to date, I have worked at the Volkswagen group. As a result, I have a close knowledge of the processes and decision makers in this multibrand group, and am very familiar with the group's strategy.

Now I am bringing this knowledge to bear in my work at Porsche. I will dedicate myself whole-heartedly to ensuring the success of this unique sports car manufacturer. My experience will help me to play an active part in shaping the operational integration of Porsche and the Volkswagen group. Together, we will bring this project to a successful conclusion.

I am fully aware that this is a great challenge. But it is a challenge that I face willingly and with confidence. I very much look forward to the interesting tasks that await me at Porsche in the future.