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– English convenience translation –

Interim report

Report on the first three months of the short fiscal year 2010

This interim report by Porsche Automobil Holding SE (“Porsche SE” or “company”) refers to the development of business in the first three months of the short fiscal year 2010 from 1 August 2010 to 31 December 2010 and contains information on the reporting period from 1 August 2010 through to the publication of this interim report on 29 November 2010. Porsche SE operates in the automotive sector through its holdings in Porsche Zwischenholding GmbH and Volkswagen Aktiengesellschaft, Wolfsburg, (“Volkswagen AG”, “Volkswagen” or “VW”). Volkswagen AG as an associate of Porsche SE and Porsche Zwischenholding GmbH as a joint venture of Porsche SE and Volkswagen AG are included in the consolidated financial statements as entities accounted for at equity. The profit/loss of the Porsche SE group (Porsche SE and its subsidiaries) is materially dependent on the results of operations of these two equity investments and the attributable share of profit/loss of the entities accounted for at equity. Volkswagen AG and its subsidiaries (together “Volkswagen group”) have been included in this interim report with the figures for the period from 1 July 2010 to 30 September 2010. The effects of the amortization of hidden reserves and liabilities identified in the course of the purchase price allocation as well as the unit sales and production figures for the Volkswagen group published in this interim report also refer to this period.

Significant events

Basic agreement on the creation of an integrated automotive group

Porsche SE is currently negotiating with Volkswagen AG on a merger of Porsche SE into Volkswagen AG. The merger forms the final stage in creating an integrated automotive group between Porsche and Volkswagen and is planned to take place following a capital increase at Porsche SE. Pursuant to the basic agreement on the creation of an integrated automotive group between Porsche and Volkswagen (“basic agreement”), this capital increase with a target issue volume of 5 billion euro is scheduled for the first half of 2011 (we refer to our statements in the section “Capital measures planned by Porsche SE”).

From today's perspective it remains uncertain whether the timetable for the merger to take place in the course of 2011 as stipulated in the basic agreement can be met. The legal and tax assessment of the complex transaction to be made in accordance with the basic agreement has not yet been completed. This is due to external factors, among them the fact that the tax framework for the merger is not yet set. Further, with regard to the damages claims filed in the US against Porsche SE and the damages claims raised by certain funds in Germany against Porsche SE, at the current stage of those proceedings, no final assessment of the consequences of those claims for the merger is possible (we refer with regard to both matters to the section “Litigation risks and legal disputes”). The executive board of Porsche SE assumes that a successful clarification of the current uncertainties is possible and hence the merger will take place, even though possibly not within the ambitious timetable provided for in the basic agreement.

Under the basic agreement Porsche SE and Volkswagen AG granted each other put and call options for the remaining 50.1 percent share of Porsche Zwischenholding GmbH, which is held in trust on behalf of Porsche SE. These options can be exercised at defined times within the period from 15 November 2012 to 31 January 2015 in the event that the merger resolutions required from the general meetings of Porsche SE and Volkswagen AG are not adopted by 31 December 2011 or, where they have been adopted, if approval proceedings have been unsuccessful and claims filed continue to prevent registration of the merger.

Capital measures planned by Porsche SE

The executive board and the supervisory board of Porsche SE propose various capital measures to the annual general meeting on 30 November 2010. The focus is on the capital increase in return for cash contributions by up to 2.5 billion new shares. This capital increase is part of the concept agreed upon in the basic agreement to create the integrated automotive group between Porsche and Volkswagen. The capital increase forms the basis for the intended merger of Porsche SE into Volkswagen AG. The proceeds are intended to be used to reduce the liabilities originating from the acquisition of the significant investment in Volkswagen AG and specifically to repay the first tranche of Porsche SE’s syndicated loan totaling 2.5 billion euro which falls due on 30 June 2011. The implementation of the capital increase is planned for the first half of 2011.

The capital increase is what is referred to as an “up to” capital increase, i.e. up to a defined amount. This means that the exact number of new shares to be issued will depend on the target issue volume and the subscription price which has not yet been set. The target issue volume of the capital increase is 5 billion euro and is to be raised by issuing an equal number of new ordinary and preference shares. The same subscription price will be set for both types of share.

As part of the overall concept of the basic agreement, the holders of ordinary shares from the Porsche and Piëch families have made a commitment to approve the resolution and to subscribe to the new ordinary shares for an estimated total subscription price of estimated 2.5 billion euro, assuming specific conditions are met. By way of precaution, approval will also be obtained from the holders of preference shares at the annual general meeting.

In addition, the executive board of Porsche SE is to be authorized, subject to the approval of the supervisory board, to issue convertible bonds and corresponding instruments of a total nominal amount of up to 5 billion euro. When issuing convertible bonds, conversion rights and conversion obligations pertaining to ordinary and preference shares are to be granted. Conversion rights or obligations pertaining to preference shares are to be served from contingent capital, which will be created. Conversion rights or obligations pertaining to ordinary shares are to be served from authorized capital, which will be created. These additional authorizations will only be of significance if the direct capital increase cannot be performed on time or completely. In that case, Porsche SE shall obtain the required flexibility to raise capital as necessary, in particular to repay the first tranche of the syndicated loan maturing on 30 June 2011 and to provide for the merger. Correspondingly, the proceeds from all capital measures proposed to the annual general meeting are limited to a total of 5 billion euro. Approval for these further capital measures will likewise be obtained from the holders of preference shares by way of precaution.

Measures to secure liquidity and steps to reduce liabilities

To secure liquidity beyond 30 June 2011 it will be necessary for the capital increase of Porsche SE scheduled for the first half of 2011 to be performed by this date with an issue volume of at least 2.5 billion euro. The company's annual general meeting on 30 November 2010 will decide on the corresponding capital measures (we refer to the statements made above in this interim report). The proceeds from the planned capital increase shall be used to repay the first tranche of the syndicated loan of 2.5 billion euro. Any proceeds exceeding this figure will be used to further reduce liabilities.

Since December 2009, the total loan facility available to Porsche SE amounts to a total of 8.5 billion euro, of which 7 billion euro had been drawn as of 31 October 2010. In addition, the company will use on a temporary basis part of the existing, so far unutilized revolving credit line to make tax and interest payments arising from revised tax assessments from the taxauthority relating to the tax treatment of stock option transactions. The revolving credit line will be repaid in full in the first half of 2011. All of Porsche SE's shares in Volkswagen AG, among other things, have been pledged as collateral for the loan.

The lending banks support the proposed capital measures and have agreed, under certain circumstances, to extend the maturity of the first tranche of the credit line of 2.5 billion euro due on 30 June 2011 by up to four months, should this be necessary to ensure prior implementation of the capital measures. For more details on the capital measures proposed to the annual general meeting, we refer to our statements in section "Capital measures planned by Porsche SE" of this interim report.

Further sale of stock options

A large portion of the options held by Porsche SE was sold at their carrying amount to a subsidiary of Qatar Holding LLC, Doha, Qatar, already at the beginning of the fiscal year 2009/10 pursuant to a contract dated 14 August 2009. Another part of the cash-settled options relating to Volkswagen AG shares had been sold by 31 July 2010. Over the next few months Porsche SE plans to sell the remaining cash-settled options it still held as of 31 October 2010 relating to less than one percent of VW's ordinary shares .

Enlargement of the executive board of Porsche SE

At its meeting held on 13 October 2010, the supervisory board of Porsche SE unanimously appointed Matthias Müller to the executive board of Porsche SE (member with responsibility for general technical product issues) with immediate effect. Matthias Müller, who has been CEO of Dr. Ing. h.c. F. Porsche Aktiengesellschaft, Stuttgart ("Porsche AG") since 1 October 2010, succeeded Michael Macht on Porsche SE's executive board. The latter was appointed to the board of management of Volkswagen AG effective as of 1 October 2010 where he is responsible for group production.

In addition to Matthias Müller, the other members of Porsche SE's executive board are Prof. Dr. Martin Winterkorn (chairman), Hans Dieter Pötsch (finance and controlling) and Thomas Edig (commercial and administrative issues).

Litigation risks and legal disputes

39 plaintiffs have filed two claims for damages in the USA against Porsche SE and the former members of its executive board Dr. Wendelin Wiedeking and Holger P. Härter with the United States District Court for the Southern District of New York. It is alleged in the complaints that Porsche SE's activities in connection with its acquisition of a stake in Volkswagen AG during the year 2008 constituted market manipulation and misrepresentation in violation of the U.S. Securities Exchange Act. Porsche believes that the complaints are inadmissible and without merit, and has sought their dismissal. In October 2010, a total of seven plaintiffs have filed four further claims for damages based on similar allegations with the same U.S. court. Porsche SE also regards these claims to be inadmissible and without merit. As stipulated by the parties, the U.S. court has ordered that, to the extent applicable, its rulings on the pending motion to dismiss will apply to these new claims.

In Germany, institutional investors have applied for conciliatory proceedings against Porsche SE with regard to the assertion of claims for damages on the basis of alleged breaches of statutory capital market regulations. These claims relate to the alleged loss of earnings, estimated by the investors to be around 2.5 billion euro. Porsche SE considers the asserted claims to be without merit and will not take part in the conciliatory proceedings.

The company deems that adequate provisions have been made for the anticipated lawyers' fees and litigation expenses.

Shareholders' legal challenge fails

Two shareholders of Porsche SE who had brought actions against the resolutions of the annual general meeting on 30 January 2009 to have them declared null and void failed on appeal. The lawsuits were dismissed by the Stuttgart regional court in May 2010. The appeals against these rulings were dismissed by the Stuttgart higher regional court in a judgment of 17 November 2010.

Tax treatment of stock option transactions

Porsche SE considers that some of the stock option transactions it has entered into result in tax-free profits and tax-deductible losses. The tax authorities did not accept the opinion held by Porsche SE. The company has filed an appeal against the tax authorities' decisions. Upon request, the tax authorities have granted a stay of execution on the subsequent tax payments until the final ruling on the tax treatment has been handed down. As of 31 October 2010, the risk relating to the Porsche SE group's results of operations is fully covered by existing provisions.

On 19 November 2010, the tax authority informed Porsche SE that shortly revised tax assessments with regard to the final tax treatment of stock option transactions will be issued. Consequently, the company will shortly make tax and interest payments from existing liquidity in the amount of approximately 626 million euro. The provisions in the amount of approximately 719 million euro remaining after payment will be dissolved with effect on the profit, but neutral as regards liquidity. The dissolution of the provisions does not lead to a further tax expense.

Supervisory board waives claim to part of performance-related remuneration

At the supervisory board meeting on 13 October 2010, the members of the company's supervisory board announced their intention not to assert their claim regarding a part of their performance-related remuneration based on the result from ordinary activities from continuing operations in the past fiscal year (remuneration pursuant to article 14 (1) (c) (1st bullet point) of Porsche SE's articles of association). This portion of the remuneration comes to a total of 749,925 euro. The members of the supervisory board do not consider payment of this remuneration component to be appropriate on account of the significant non-recurring accounting effects in the past fiscal year. The pre-tax result from ordinary activities from continuing operations recognized in the consolidated financial statements for the fiscal year 200910 was very positive. This was due, in particular, to the first-time inclusion of Volkswagen AG at equity. However, the overall high negative contribution to profit from discontinued operations due to the deconsolidation of the Volkswagen group and the Porsche Zwischenholding GmbH group (Porsche Zwischenholding GmbH and its subsidiaries) was not included in the calculation of the performance-related supervisory board remuneration.

Significant events at the Porsche Zwischenholding GmbH group

Matthias Müller was appointed as the new CEO of Porsche AG on 6 July 2010 by Porsche AG's supervisory board effective as of 1 October 2010. He had previously been the head of product planning, product management and model series of the Volkswagen group and the Volkswagen brand. Matthias Müller is taking over from Michael Macht at Porsche AG, who left the executive board effective as of 30 September 2010. Michael Macht was appointed by Volkswagen AG's supervisory board to the board of management of Volkswagen AG.

The corresponding change took place in the management of Porsche Zwischenholding GmbH.

Significant events at the Volkswagen group

Group's board of management enlarged

The Volkswagen group extended its board of management as part of its Strategy 2018. With effect as of 1 October 2010, Prof. Dr. Jochem Heizmann, previously in charge of "Group Production", took over the new "Group Commercial Vehicles" portfolio on the board of management and assumed management of the group's truck activities. His previous position on the group's board of management was taken over by Michael Macht, previously CEO of Porsche AG.

Changes in the composition of the supervisory board

David McAllister, Minister-President of the Federal State of Lower Saxony, was appointed by the court as a member of the supervisory board of Volkswagen AG on 1 July 2010. He succeeds Christian Wulff, who was elected Federal President on 30 June 2010 and therefore left the supervisory board.

New engine plant in Mexico

Volkswagen is expanding its production capacity in Mexico. Following the opening of a new section in July 2010, the Puebla plant is now one of the group's largest production facilities with an annual capacity of 525,000 vehicles. The group has additional plans to invest up to 1 billion US dollars in Mexico in the next three years.

As part of its growth strategy for North America, the Volkswagen group is also constructing a new engine plant in Silao, Mexico. Building work will begin in 2010, and up to 330,000 latest generation engines will be produced there each year from 2013. The Silao plant will supply engines to Volkswagen's North American facilities in Puebla (Mexico) and Chattanooga (USA). The investment volume for developing new powertrains and establishing the plant totals 550 million US dollars. Volkswagen aims to employ around 700 people in Silao in the medium term. Other jobs will also be created at suppliers and in the logistic sector.

Strategic partnerships

On 12 August 2010, Volkswagen and the US company Cummins MerCruiser Diesel (CMD) agreed a strategic partnership for the development and supply of marine engines. As a leading manufacturer of up to 285 kW diesel marine engines , Volkswagen will develop serial production of a new generation of engines at its Salzgitter plant that will meet future emissions standards in the USA and Europe. Starting in 2011, all Volkswagen marine engines will be supplied exclusively to CMD and sold under its name. This cooperation allows Volkswagen to develop another automotive-related area of expertise and to safeguard jobs at its Salzgitter plant for the long term.

On 13 August 2010, Volkswagen and the Malaysian company DRB Hicom signed a memorandum of understanding to examine local vehicle production. The joint plans envisage the manufacture of Volkswagen models in Malaysia from 2012. This move enables Volkswagen to gradually expand its activities in South East Asia as part of its Strategy 2018.

Automobile trading business of Porsche Holding Salzburg to be sold to Volkswagen

The family shareholders of Porsche Holding Gesellschaft mbH, Salzburg, have resolved to exercise the put option to sell to Volkswagen the operating business of Porsche Holding Salzburg. The put option to this effect was exercised on 10 November 2010. The transfer of the automobile trading company will take place at a fixed price of 3.3 billion euro, probably during the first half of 2011 but no later than 30 September 2011. This decision by the Porsche and Piëch families is a clear commitment to implementing the integrated automotive group. The sale of the automobile trading company was already foreseen in the basic agreement concluded last year.

Business development

The following statements on sales, production and employees only take into consideration operating developments at the Porsche Zwischenholding GmbH group and at the Volkswagen group and do not take into account the Porsche SE group.

Significant upward trend

The Porsche Zwischenholding GmbH group, including Porsche AG and its subsidiaries, and the Volkswagen group did well in the first three months of the current short fiscal year.

The Porsche Zwischenholding GmbH group generated unit sales of 21,218 vehicles over the period from 1 August 2010 to 31 October 2010, an increase on the corresponding prior-year figure of 86 percent. The strong growth underlines the market success of the new Cayenne: 10,292 vehicles sold constitute an increase of 151 percent in comparison to the prior year. The new generation of the sporty off-roader has been available from dealers since May 2010. With 5,778 units sold and a growth rate of 94 percent, the new Panamera is also playing a significant role in the Porsche brand’s course for growth. This figure reflects the fact that the Panamera was not yet available in all markets worldwide in the prior-year quarter; furthermore, the six-cylinder version was not introduced until May 2010. With regard to sports cars, the 911 returned sales of 3,130 vehicles, an increase of 20 percent. The Boxster model series generated sales of 2,018 units (up 18 percent); this breaks down into 1,089 Boxster and 929 Cayman models.

Over the period from 1 July 2010 to 30 September 2010 the Volkswagen group sold a total of 1,779,108 vehicles, up 10.6 percent on the sales figures for the comparative prior-year period. Unit sales of Volkswagen passenger car brand came to 902,560 vehicles (up 1.3 percent). The Polo, New Beetle, Tiguan, Jetta and Passat models in particular contributed to this rise.

Unit sales of the Audi brand increased by 8.0 percent to 307,765 vehicles over this period. Demand for the new Audi A4 saloon, the Audi A6 saloon and the Audi Q5 was especially satisfactory. The new Audi A1, the Audi A5 Sportback and the Audi

A8 models were also well received by customers. The Škoda brand sold 128,054 vehicles, which constitutes a drop on the prior year of 12.5 percent. The Octavia, Superb and Yeti models saw increased demand, however. In the period from 1 July 2010 to 30 September 2010, sales of the SEAT brand reached 73,587 vehicles (a drop of 4.0 percent). Unit sales of the Bentley brand increased by 19.7 percent to 1,146 vehicles over this period. The Chinese joint venture entities boosted unit sales by 498,236 vehicles (up 31.5 percent).

Over the period from 1 July to 30 September of this year, Volkswagen commercial vehicles sold 88,625 units (up 28.4 percent). Scania's unit sales came to 15,228 vehicles, which is equivalent to an increase of 68.8 percent in comparison to the prior year. 236,093 vehicles were assigned to the item "Other", which mainly consists of the elimination of intercompany deliveries within the Volkswagen group.

Regional differences

In Europe, unit sales by the Porsche Zwischenholding GmbH group in the first three months of the current short fiscal year rose by 63 percent to 7,082 vehicles; 2,318 vehicles thereof (up 50 percent) were attributable to the German market. Porsche experienced even stronger growth in the Americas, where unit sales rose by 82 percent to 7,268 vehicles (thereof 6,632 vehicles were sold in North America) as well as in Asia and the rest of the world, where sales increased by 126 percent to 6,868 vehicles. This development is mainly driven by strong growth in China.

Over the period from 1 July 2010 to 30 September 2010, the Volkswagen group sold 837,393 vehicles in the Europe/other markets region, thus coming to the level of the corresponding prior-year period in which 833,214 vehicles were sold. In North America, unit sales increased by 17.6 percent to 133,292 units. Unit sales in South America increased by 6.8 percent in comparison to the prior year, coming to 237,199 vehicles. Including the joint ventures in China, the Volkswagen group sold 571,224 vehicles on the passenger car markets in the Asia Pacific region over the period from 1 July 2010 to 30 September 2010 (up 29.9 percent).

Increased production

In the reporting period, 24,020 vehicles were produced in the Porsche Zwischenholding GmbH group, an increase of 20 percent in comparison to the prior year. In Leipzig, 12,699 units of the Cayenne series were built over the period from 1 August 2010 to 31 October 2010, 56 percent more vehicles than in the prior-year quarter. A total of 4,870 vehicles were produced for the fourth model series, the Panamera (down 6 percent). There was a decline in production of the 911 model series at the Zuffenhausen plant amounting to 7 percent: 3,902 units of the 911 were manufactured. Production figures for the Boxster model series increased by a total of 4 percent to 2,549 vehicles, including 1,364 Boxster and 1,185 Cayman models. In Finland, the number of vehicles produced fell by 29 percent to 1,189 units.

Over the period from 1 July 2010 to 30 September 2010, the Volkswagen group produced 1,761,610 vehicles worldwide. This is equivalent to an increase of 14.5 percent in comparison to the prior year.

Further new jobs created

As of 31 October 2010, the Porsche SE group had 37 employees, the same number as at the end of the prior fiscal year. As of 31 October 2010, the headcount at the Porsche Zwischenholding GmbH group of 13,043 employees was up 2.5 percent on the figure seen at the end of the reporting period as of 31 July 2010 (12,722 employees).

The total headcount of the Volkswagen group came to 389,714 as of 30 September 2010. This is an increase of 3.4 percent in comparison to 30 June 2010 and an increase of 5.8 percent in comparison to 31 December 2009. In Germany there were 178,473 employees (up 2.3 percent), accounting for 45.8 percent of the total workforce.

Net assets, financial position and results of operations

Net assets and financial position

The total assets of the Porsche SE group stood at 29,331 million euro as of 31 October 2010, which is an increase of 1,179 million euro compared to 31 July 2010. This is primarily due to the change in the carrying amounts resulting from subsequent measurement of the shares in Porsche Zwischenholding GmbH and Volkswagen AG accounted for at equity.

As of the end of the reporting period, non-current assets further include loan receivables from Porsche Zwischenholding GmbH and Porsche AG. In addition, non-current assets contain a positive fair value totaling 260 million euro (31 July 2010: 301 million euro) for Porsche SE's put option for the remaining shares that it holds in Porsche Zwischenholding GmbH.

As was the case as of the end of the previous reporting period, current assets primarily consist of income tax assets and the cash and cash equivalents of Porsche SE and its subsidiaries.

As of 31 October 2010, the financial liabilities which are virtually unchanged in comparison to 31 July 2010 include liabilities to banks in addition to liabilities to entities of the Porsche Zwischenholding GmbH group. Other non-current liabilities contain a negative fair value of 477 million euro (31 July 2010: 395 million euro) for Volkswagen AG's call option for the remaining shares held by Porsche SE in Porsche Zwischenholding GmbH. The change in the value of the call option, just like the change in the value of the put option, is attributable to updated assumptions underlying their valuations.

The net liquidity of the Porsche SE group, i.e. cash funds less liabilities to banks, came to minus 6.1 billion euro, virtually unchanged in comparison to 31 July 2010 (minus 6.0 billion euro).

Results of operations

In the first three months of the short fiscal year which covers the period from 1 August 2010 to 31 December 2010, the Porsche SE group reported a profit after tax of 155 million euro. In the comparable prior-year period, it reported a loss of 431 million euro. A comparison between the results for the first three months of the short fiscal year with the prior-year period is possible only to a very limited extent as in the comparative period the Volkswagen group and the Porsche Zwischenholding GmbH group were still fully consolidated in the consolidated financial statements of Porsche SE.

The Porsche SE group's other operating expenses essentially contain the effect from the valuation of the put and call option for the shares in Porsche Zwischenholding GmbH remaining with Porsche SE, totaling minus 123 million euro.

The profit from investments accounted for at equity totaling 326 million euro contains the share of net profit generated by the Porsche Zwischenholding GmbH group and the Volkswagen group that is attributable to the Porsche SE group in the reporting period. The profit contributions of the two equity investments also include effects resulting from subsequent accounting of the purchase price allocations begun at the time of first-time inclusion of Porsche Zwischenholding GmbH as a joint venture and Volkswagen AG as an associate, which had not been completely finalized by the date of publication of this interim report. Consequently, the effects arising from the amortization of hidden reserves and liabilities identified in the course of the purchase price allocation, and as a result the profit/loss from investments accounted for at equity, have been determined provisionally. The profit/loss from investments accounted for at equity, and therefore the Porsche SE group's profit after tax in the first three months of the short fiscal year, was reduced by around 114 million euro by the subsequent accounting effects of the purchase price allocations commenced in December 2009 for the Porsche Zwischenholding GmbH group and the Volkswagen group, i.e. the adjustment of hidden reserves and liabilities identified in the process.

The financial result improved significantly in comparison to the prior-year period. This is attributable in particular to a lower level of interest payments to banks.

Operating result of significant investments

The following statements relate to the ongoing operating business of the Porsche Zwischenholding GmbH group, comprising Porsche AG and its subsidiaries (Porsche AG group) and the Volkswagen group in the first three months of the short fiscal year. Effects from inclusion in the consolidated financial statements of Porsche SE, i.e. particularly relating to amortization of the hidden reserves and liabilities identified in the course of the purchase price allocations are not taken into consideration.

In the first three months of the short fiscal year, the Porsche Zwischenholding GmbH group sold 21,218 vehicles. In this respect, revenue increased by 80.3 percent in relation to the comparative period of the prior fiscal year to 2,057 million euro. The operating result of the Porsche Zwischenholding GmbH group for the first three months of the current short fiscal year comes to 395 million euro, following 52 million euro in the comparative prior-year period. The Porsche Zwischenholding GmbH group reports a good double-digit return on sales.

The Volkswagen group sold 1,779,108 vehicles in the period from 1 July 2010 to 30 September 2010. With revenue of 30,738 million euro (prior year: 25,956 million euro), the operating result comes to 1,985 million euro (prior year: 278 million euro).

Attractive new models

The reporting period saw the market launch of the most powerful series-production sports car in Porsche AG's history: The 911 GT2 RS [1] with an output of 620 hp celebrated its world debut on 25 August 2010 at the Moscow auto salon, sales began in September 2010. The small series limited to 500 vehicles was already sold out by mid-October. This high-performance sports car is powered by a 3.6 liter six-cylinder Boxer engine with two turbochargers with variable turbine geometry. Its acceleration rates: 0 to 100 km/h in 3.5 seconds, 0 to 200 km/h in 9.8 seconds and 0 to 300 km/h in 28.9 seconds. Its top speed is 330 km/h.

The Paris motor show at the beginning of October saw the world premiere of two further models from the successful 911 series: The 911 Speedster [1] and the 911 Carrera GTS [1]. With their 408 hp, the 3.8 liter six-cylinder Boxer engines in the two new 911s produce 23 more hp than the 911 Carrera S. With its markedly sporty fittings, the Carrera GTS forms the new top of the Carrera model series. The coupé and convertible versions of the GTS will be available from dealers as of December 2010. Likewise available as of December, the new 911 Speedster will be produced in a small series limited to 356 cars, in reminiscence of the first Porsche model to bear the Speedster name, the 356 Speedster. This two-seater is significantly different from the other vehicles in the 911 series. The striking profile of this sports car arises from the flatter front screen, which has been lowered by 60 millimeters, the subtle contours of the roof's sporty design and a characteristic dash cowl.

The Audi brand introduced the new Audi A7 Sportback to the public at the Pinakothek der Moderne in Munich in July. The vehicle combines the sporty elegance of a coupé with the functionality of a five-door vehicle.

The Volkswagen group presented a large number of new models to the Russian audience at the auto salon in Moscow in August. The highlight of these was the Polo saloon produced at Volkswagen's Kaluga plant in Russia; development of this vehicle took into account the country's special climate and road conditions.

[1] Fuel consumption and emission data can be found on page 21 of this report.

Volkswagen commercial vehicles presented five innovations offering a high degree of efficiency, functionality and safety to visitors of the International Commercial Vehicles Motor Show (IAA) in Hanover in September . The main focus was on the new Caddy. The compact urban delivery vehicle's design, functionality, safety and equipment have been perfected even further compared with its predecessor. Its innovative and efficient range of engines reduces fuel consumption by up to 21 percent. Another highlight at the Volkswagen stand was the Amarok SingleCab, whose loading space has been extended to 2.20 meters despite having the same vehicle dimensions as the four-door model. The Transporter featuring BlueMotion Technology also celebrated its debut. Compared with the current standard model with the same power, the new Transporter's combined consumption has been reduced by further 0.5 liters, which means that it only requires an average of 6.8 liters per 100 km. The Scania brand revealed the new V8 at the Hanover show, the most powerful truck worldwide. In addition, the Swedish brand unveiled the innovative R series, which sets new standards in efficiency and comfort. Other innovations were the new Scania Touring coach, the low-floor Scania OmniCity bus and the Ecolution by Scania service program. The program offers customers tailored services designed to reduce CO_2 emissions and fuel consumption, and thus increasing the Scania fleet's environmental compatibility, efficiency and profitability for customers in the long term.

The Volkswagen passenger cars brand scored a particular highlight at the Paris motor show with the world premiere of the seventh generation Passat saloon and Passat Variant at the end of September. These vehicles offer a compelling design thanks to their straight lines, clearly structured surfaces and dynamic proportions. The new Passat's perfected comfort, quality and safety features as well as its premium-level assistance systems allow it to again set standards in the mid-range segment. Energy recovery (recuperation), an automatic city emergency braking function, fatigue detection and the masked dynamic light assist are only some of its new technical features. The interior of the Passat has also been extensively revamped, while the nature and quality of the materials used bridge the gap to the segment above.

The Audi brand impressed motor show visitors in Paris with the Audi quattro concept, a modern interpretation of the legendary 1980s Audi quattro. Audi gave a preview of the sports car of the future in the form of the Audi e-tron Spyder, which intelligently combines TDI technology and an electric drive. Its hallmarks are a strikingly powerful design and a highly efficient plug-in hybrid drive. The Paris show also saw the launch of the Audi R8 GT [1], a lighter and more powerful version of the Audi R8 high-performance sports car that is limited to 333 examples.

The Škoda stand focused on environmentally friendly mobility. The brand demonstrated its innovative strength and technical expertise by showcasing the Octavia Green E Line concept car, Škoda's first purely electric powered vehicle. Škoda's second generation GreenLine models also represent sustainable mobility. The brand's eco label stands for state-of-the-art engines and innovative solutions, such as the start-stop system or regenerative breaking, and is now available in all Škoda's model series.

SEAT presented its vision of an electromobile future in Paris by unveiling the IBE concept car. This compact sports coupé with powerful proportions is an enhancement of the concept presented by the brand in March 2010 in Geneva. The SEAT IBE is powered by a 75 kW electric motor and combines dynamic driving pleasure with ecological responsibility. SEAT also showcased the new Alhambra in Paris.

The premiere of the new Bentley Continental GT [1] was a further highlight of the Volkswagen group at the Paris motor show. Lamborghini thrilled motor show visitors with the Lamborghini Sesto Elemento. The European premiere of the world record-breaking Bugatti Veyron 16.4 Super Sport [1] similarly caused quite a stir at the Paris Motor Show

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[1] Fuel consumption and emission data can be found on page 21 of this report.

Emission and consumption data

Model	Output kW (hp)	Fuel consumption urban (l/100km)	Fuel consumption extra-urban (l/100km)	Fuel consumption combined (l/100km)	CO_2 emissions combined (g/km)
Audi R 8 GT	412 (560)	20.7	9.6	13.7	327
Bentley Continental GT	423 (575)	25.4	11.4	16.5	384
Bugatti Veyron Super Sport	882 (1200)	37.2	14.9	23.1	539
Porsche 911 GT2 RS	456 (620)	17.9	8.7	11.9	284
Porsche 911 Carrera GTS	300 (408)	15.9	7.6	10.6	250
Porsche 911 Carrera GTS PDK	300 (408)	15.3	7.2	10.2	240
Porsche 911 Carrera GTS Cabriolet	300 (408)	16.2	7.7	10.8	254
Porsche 911 Carrera GTS PDK Cabriolet	300 (408)	15.5	7.3	10.3	242
Porsche 911 Speedster	300 (408)	15.2	7.3	10.3	242

Outlook

Anticipated development of significant investments

The Porsche Zwischenholding GmbH group expects the trend that became apparent in the past fiscal year to continue in the short fiscal year, with sales and revenue increasing again. This is substantiated not only by the steadily increasing demand for Porsche vehicles in China and the Middle East – unit sales are also forecast to rise overall on the traditional sales markets of Europe and North America, not least due to the great interest shown by customers in the new generation of Cayenne models and Porsche's fourth model series, the Panamera.

The Volkswagen group's presence in all key regions around the world, its multi-brand strategy and technological expertise and the most up-to-date, most environmentally friendly and broadest vehicle range that has resulted from that expertise are key advantages. Once again in the fourth quarter of 2010, the nine brands of the Volkswagen group will unveil new models, thus systematically extending the Volkswagen group's position in the global markets. The Volkswagen group therefore continues to anticipate that the deliveries to customers by 31 December 2010 will be significantly higher than in 2009, due among other factors to the positive business growth in China.

The successful business growth of the Volkswagen group in the first nine months of 2010 will not continue as strongly in the fourth quarter. Nevertheless, the Volkswagen group believes that its revenue and operating profit in 2010 to continue to perform positively despite shifts in volumes between the markets. In addition, exchange rate effects will have a positive effect on earnings. Volkswagen will also continue to focus on disciplined cost and investment management and the continuous optimization of its processes. In doing so, Volkswagen will systematically pursue the core elements of its “18plus” strategy – ecological relevance and the return on its vehicle projects.

Anticipated development of the Porsche SE group

Since deconsolidation of the Porsche Zwischenholding GmbH group and the Volkswagen group, Porsche SE has been functioning as a holding company. The Porsche SE group's profit/loss is highly dependent on the results of operations and therefore the profit/loss of the significant investments accounted for at equity in Porsche Zwischenholding GmbH and Volkswagen AG attributable to Porsche SE.

In the current short fiscal year, which was created based on the resolution adopted by the company's annual general meeting on 29 January 2010 to align the fiscal year with the calendar year, Porsche SE will for the first time as of 31 December 2010 not include the profit/loss attributable to it from its investment at equity in Volkswagen AG with a delay of one month. Consequently, the Volkswagen group will be included at equity for the period from 1 July 2010 to 31 December 2010 in Porsche SE's profit/loss for the short fiscal year running from 1 August 2010 to 31 December 2010.

In light of the cautious recovery of the automotive markets seen in the past few months, Porsche SE expects the profit/loss from its investments accounted for at equity to show a positive development. The profit/loss from its investments accounted for at equity will, however, continue to include the effects, albeit decreasing over time, resulting from amortization of the purchase price allocations begun at the time of inclusion of Porsche Zwischenholding GmbH as a joint venture and Volkswagen AG as an associate. In addition, the interest payments associated with the existing syndicated loan will have a negative impact on the group's profit/loss until this loan has been repaid. Even without taking into account the positive effect caused by the reversal of the provisions recognized in connection with the tax treatment of stock option transactions, Porsche SE anticipates that, on the basis of the current figures, the group will at least break even in the current short fiscal year. In the fiscal year 2011, which corresponds to the calendar year, the company expects to record a profit at group level.

Porsche SE will push ahead over the next few months with preparations for the capital increase, which is intended to play a decisive role in reducing the company's liabilities. After implementation of the capital increase in 2011, Porsche SE in accordance with the basic agreement shall be merged into Volkswagen AG. The proceeds from the capital increase shall be used for repayment of the syndicated loan of Porsche SE; among others, this shall lay the foundations for the merger. The basic agreement provides that the shareholders' resolutions for the merger shall be taken until 31 December 2011.

From today's perspective it remains uncertain whether the timetable for the merger provided for in the basic agreement can be met. The legal and tax assessment of the complex transaction to be made in accordance with the basic agreement has not yet been completed. This is due to external factors, among them the fact that the tax framework for the merger is not yet set. Further, with regard to the damages claims filed in the US against Porsche SE and the damages claims raised by certain funds in Germany against Porsche SE, at the current stage of those proceedings, no final assessment of the consequences of those claims for the merger is possible (we refer with regard to both matters to the section "Litigation risks and legal disputes" in this interim report). The executive board of Porsche SE currently assumes that a successful clarification of the current uncertainties is possible and hence the merger will take place, even though possibly not within the ambitious timetable provided for in the basic agreement.

Porsche Zwischenholding GmbH group in numbers

		SFY 2010* (Aug.–Oct.)	FY 2009/10* (Aug.–Oct.)	Change in percent
Revenue	Billions of euro	2.06	1.14	+ 80.3
Unit sales (new cars)	**Vehicles**	**21,218**	**11,385**	**+ 86.4**
911		3,130	2,600	+ 20.4
Boxster/Cayman		2,018	1,717	+ 17.5
Cayenne		10,292	4,095	+ 151.3
Panamera		5,778	2,973	+ 94.3
Regions	**Vehicles**	**21,218**	**11,385**	**+ 86.4**
Europe		7,082	4,357	+ 62.5
thereof Germany		2,318	1,544	+ 50.1
Asia/Rest of world		6,868	3,033	+ 126.4
Americas		7,268	3,995	+ 81.9
thereof North America		6,632	3,656	+ 81.4
Production	**Vehicles**	**24,020**	**20,009**	**+ 20.0**
911		3,902	4,197	– 7.0
Boxster/Cayman		2,549	2,447	+ 4.2
Cayenne		12,699	8,160	+ 55.6
Panamera		4,870	5,205	– 6.4
Headcount (31 October 2010 or 31 July 2010)		13,043	12,722	+ 2.5

* Short fiscal year or fiscal year

Volkswagen group in numbers

		SFY Porsche SE 2010* (Jul. – Sep.)	FY Porsche SE 2009/10* (Jul. – Sep.)	Change in percent
Revenue	Billions of euro	30.74	25.96	+ 18.4
Unit sales (new cars)	**Vehicles**	**1,779,108**	**1,608,383**	**+ 10.6**
VW passenger cars		902,560	891,335	+ 1.3
Audi		307,765	285,044	+ 8.0
Škoda		128,054	146,281	– 12.5
SEAT		73,587	76,638	– 4.0
Bentley		1,146	957	+ 19.7
VW commercial vehicles		88,625	69,048	+ 28.4
Scania		15,228	9,023	+ 68.8
VW China		498,236	378,871	+ 31.5
Other**		– 236,093	– 248,814	–
Regions	**Vehicles**	**1,779,108**	**1,608,383**	**+ 10.6**
Europe / other markets		837,393	833,214	+ 0.5
North America		133,292	113,342	+ 17.6
South America		237,199	222,174	+ 6.8
Asia-Pacific		571,224	439,653	+ 29.9
Production	**Vehicles**	**1,761,610**	**1,538,795**	**+ 14.5**
Headcount (30 September 2010 or 30 June 2010)		389,714	377,074	+ 3.4

* Short fiscal year or fiscal year

** Elimination of intercompany deliveries