PORSCHE AUTOMOBIL HOLDING SE

Six-month report as of 31 January 2009

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Interim group management report

Not long after New Year's Day, on 5 January 2009, the time had finally come. On that Monday, Porsche Automobil Holding SE ("Porsche SE") raised its share in Volkswagen AG, Wolfsburg, to 50.76 percent of VW's ordinary shares, giving the company a majority of the voting rights in Europe's largest automotive group. This was an important milestone on Porsche SE's path towards creating one of the most powerful automotive alliances of the future.

Having exceeded the threshold of 50 percent of voting rights for the first time, the Volkswagen Group is consolidated in the consolidated financial statements of Porsche SE. The assets and liabilities held by the automotive manufacturer in Wolfsburg are therefore included in Porsche SE's consolidated financial statements as of 31 January 2009 with their values as of 5 January 2009, which largely correspond to the values in Volkswagen AG's consolidated financial statements as of 31 December 2008. The fact that Volkswagen uses a different balance sheet date means that, compliant with applicable international accounting principles, the Volkswagen Group's income statement as of January 2009 could not be included in Porsche SE's consolidated income statement. The balance sheet carrying amounts assumed in this six-month report are provisional, and mostly correspond to the carrying amounts used by VW. This is because the purchase price allocation did not begin until January 2009. A purchase price allocation involves the comprehensive revaluation of all of VW's assets and liabilities, and comparing their values with the purchase price in order to determine goodwill. The final values will then be considered in the consolidated financial statements of Porsche SE as of 31 July 2009 with retrospective application as of 5 January 2009.

Porsche SE intends to further increase its share in Volkswagen. The company is therefore keeping all its options open. However, a precondition for any investment activity is that the economic conditions support it. The target remains to connect Porsche SE and Volkswagen AG by means of a domination and profit and loss transfer agreement.

Mandatory offer for Scania shares

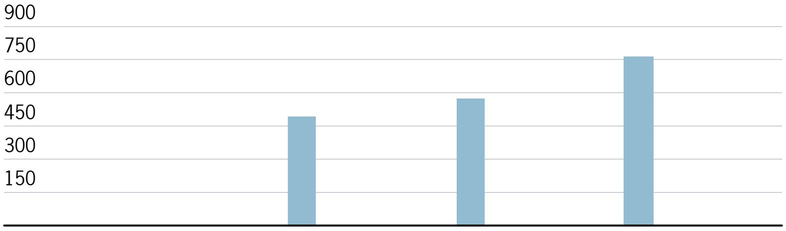
Having exceeded the 50 percent threshold of ordinary shares of Volkswagen, Porsche SE indirectly gained control over Scania AB, Södertälje, Sweden, and was therefore required by Swedish law to submit a mandatory offer for the truck manufacturer. Because Porsche has no strategic interest in Scania, the company only offered the minimum price required by law in the amount of 68.52 Swedish krona per A-share and 67.10 Swedish krona per B-share in the truck manufacturer. This price was calculated on the basis of the average price of Scania shares that was weighted for volume concerning the time period of 20 trading days before the announcement of Porsche's acquisition of a majority share in Volkswagen.

The period for accepting the offer made to Scania's minority shareholders to tender their shares lasted from 21 January 2009 to 10 February 2009. 4,398,139 A-shares and 59,037,822 B-shares were tendered to Porsche SE, i.e. the value of the shares tendered amounts to € 395 million. The shares tendered represent 7.93 percent of capital stock, and 2.34 percent of voting rights. The offer was settled on 20 February 2009. Porsche sold the acquired Scania shares to Volkswagen without a premium. The corresponding agreement was concluded on 13 February 2009.

Audi shares also sold to VW

Porsche SE also had to submit a mandatory offer for Volkswagen's subsidiary, Audi, in the reporting period. This was because at 35.14 percent of the total vot-

Capital expenditures*
€ million



1st half of 2006/07	1st half of 2007/08	**1st half of 2008/09**
495	577	**766**

* excluding investments in financial assets

ing rights, Porsche SE's share in Volkswagen AG as of 16 September 2008 gave it a lasting majority at the VW shareholders' meeting. Again, only the minimum price required by law was offered for the Audi shares, which was calculated as €485.83 per share. Volkswagen AG had previously announced that the offer would not be accepted for its approx. 99.14 percent share in Audi. The mandatory offer therefore concerned only the approx. 0.86 percent of shares in free float, which corresponds to about 370,000 Audi shares. The period for accepting the mandatory offer started on 29 September 2008 and ended on 27 October 2008. 176,547 or 0.4 percent of the shares in Audi were offered to Porsche for purchase. Porsche SE used existing liquidity to finance the purchase of these shares, to the value of €86 million. The acquired Audi shares were also sold to Volkswagen AG without a premium.

Conversion into shares for Porsche SE

In the reporting period, the old share certificates made out to "Dr. Ing. h.c. F. Porsche Aktiengesellschaft" were exchanged for new share certificates. Shareholders received no par value shares made out to "Porsche Automobil Holding SE", with a coupon sheet containing the profit participation certificates numbers 1 to 20 and the renewal coupon. There were certificates for single no par value shares and global certificates for ten or a hundred no par value shares each. Conversion became necessary as the old share certificates had become inaccurate following the redistribution of capital stock (stock split at a ratio of ten for one) which was completed in March 2008, the change of the corporate form to a Societas Europaea (SE) and its renaming as "Porsche Automobil Holding SE". On 9 December 2008, the old share certificates of Dr. Ing. h.c. F. Porsche AG were declared invalid.

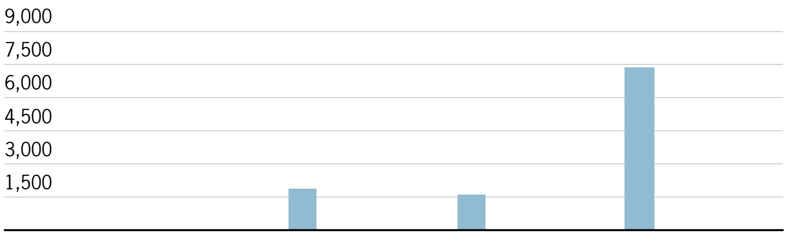
Supervisory Board reshuffle

After gaining 35.14 percent of the voting rights in Volkswagen AG, the SE Works Council was asked to reconstitute itself to integrate the workforce of the VW Group. The founding meeting of the SE's Works Council was held on 15 December 2008. The 40-strong body, with 20 representatives each from Dr. Ing. h.c. F. Porsche AG ("Porsche AG") and Volkswagen, elected Bernd Osterloh, chairman of Volkswagen AG's Group Works Council, as its chairman, and Uwe Hück, chairman of Porsche AG's Group Works Council, as its deputy chairman.

The Supervisory Board of Porsche SE reconstituted itself at Porsche's annual general meeting on 30 January 2009. The body unanimously reelected Dr. Wolfgang Porsche as its chairman and Uwe Hück as his deputy. Previously, the annual general meeting of Porsche SE had unanimously reelected the shareholder representatives on the Supervisory Board for a full tenure of five years. In addition to Dr. Wolfgang Porsche, these are Dr. Ferdinand Oliver Porsche, Hans-Peter Porsche, Dr. Ferdinand K. Piëch, Dr. Hans Michel Piëch and Prof. Dr. Ulrich Lehner.

There were three changes among the employee representatives on Porsche SE's Supervisory Board. The body was joined by Bernd Osterloh, Chairman of Volkswagen AG's Central and Group Works Councils and Chairman of Porsche SE's Works Council, Peter

Profit before taxes
€ million



	1st half of 2006/07	1st half of 2007/08	**1st half of 2008/09**
	1,862	1,658	**7,342**

Mosch, Chairman of Audi AG's General Works Council, and Berthold Huber, Chairman of the IG Metall trade union. The mandates to serve on the Supervisory Board were confirmed for Uwe Hück, Chairman of Porsche AG's Group Works Council and Deputy Chairman of Porsche SE's Works Council, Werner Weresch, member of Porsche AG's Works Council, and Hans Baur, principal authorized representative of the Stuttgart division of the IG Metall trade union.

In addition to Dr. Wolfgang Porsche and Uwe Hück, the oversight body also elected Dr. Hans Michel Piëch representing shareholders and Bernd Osterloh representing the employees onto the executive committee of Porsche SE's Supervisory Board.

Porsche appeals

Porsche filed an appeal against the rejection of its motion at the shareholders' meeting of VW on 24 April 2008 to adapt VW's articles of association in full to reflect the VW ruling of the European Court of Justice on 23 October 2007. On 27 November 2008, the Hanover local court rejected Porsche's suit. The company filed an appeal against the ruling with the Higher Regional Court in Celle. The background: At the shareholders' meeting of Volkswagen, Porsche SE tabled a motion to adapt VW's articles of association in response to the VW ruling of the European Court of Justice. The motion involved the deletion of the following three points from VW's articles of association: Firstly, the right of appointment, i.e. the right of the Federal Republic of Germany and the state of Lower Saxony to appoint two member of VW's Supervisory Board irrespective of their level of investment, secondly the limitation of voting rights to a maximum of 20 percent of total voting rights per shareholder, and thirdly the special provision requiring a majority of more than 80 percent for resolutions of the shareholders' meeting where generally applicable stock corporation law only requires a three-quarters majority of voting rights represented. The latter provision of the articles of association reduces the blocking minority from 25 to 20 percent for the benefit of the state of Lower Saxony.

Porsche caught in general negative trend

Porsche AG was not left untouched by the general negative trend that has had the worldwide automotive industry in its grip for the first six months of 2008/09. In the period from 1 August 2008 to 31 January 2009, group sales fell 12.8 percent on the comparable period in the prior year, to € 3,043 billion. Unit sales fell 26.7 percent to a total of 34,266 vehicles. From all the individual model series the 911 performed best, with a drop in sales of just 16.7 percent to 13,543 vehicles. The numbers reflect the success of the new 911 Carrera models with emission-reducing direct fuel injection and the new Porsche dual clutch transmission. The Cayenne also performed well, with a decrease of 18.7 percent to 16,773 units. Boxster unit sales including the Cayman models that form part of the same model series fell 59.8 percent to 3,950 vehicles. With 1,978 units sold, 47.1 percent fewer Roadster Boxsters were sold than in the comparable period in the prior year. Sales of the Cayman fell 67.7 percent to 1,972 vehicles. The numbers reflect in particular the approaching change of models in this series.

A regional comparison reveals that the general negative trend in the automotive industry has had a relatively uniform impact on Porsche AG throughout the world. In Germany, Porsche sold exactly 4,152 vehicles in the first six months of 2008/09 which represents a 26.3 percent drop. In North America, sales fell 26.0 percent to 11,998 units, in the remaining regions by 27.2 percent to 18,116 vehicles.

Downscaled production

In the first six months of the current year, Porsche AG produced a total of 41,507 vehicles, i.e. 20.0 percent fewer than in the comparable period in the prior year. 14,880 units of the 911 series rolled off the line at the headquarters in Zuffenhausen, a decrease of 18.0 percent. At its Leipzig plant, Porsche produced 20,170 Cayenne vehicles in the reporting period, 9.4 percent less than in the first half of the prior fiscal year. 6,455 vehicles of the Boxster series, including the Cayman models, were assembled in Finland. Overall, 6,457 units of the mid-engined model series were produced, 43.7 percent fewer than in the corresponding period of the prior year.

More jobs created

Despite reticent spending by customers in international sales markets, Porsche was once again able to create more jobs in the first six months of 2008/09. On the reporting date (31 January 2009), the number of Porsche employees was 4.7 percent higher than on 31 July 2008, with a total of 12,774 employees. The increase in personnel was caused in particular at the Leipzig plant, where the production of the Gran Turismo started up, and in the services sector. Porsche's fourth model series will be on sale starting in the 2009/10 fiscal year.

After the acquisition of the majority of Volkswagen AG's ordinary shares, the total number of employees, including the employees of the Chinese joint-ventures in the Volkswagen sub-group, rose to 382,702. Of this total, 185,236 are employed in Germany and 197,466 in other countries.

Improved results

Profit before tax continued to rise in the first six months of 2008/09. Although operating income decreased due to the development of sales, it continues to give a double-figure return on sales, despite increased development costs for the Gran Turismo Panamera and the Cayenne's hybrid drive. Income from cash-settled stock option transactions, which Porsche used to participate in the increase in the market price of VW's shares, was higher than in the prior year, rising from € 850.0 million to € 6.840 billion.

In total, Porsche SE achieved a pre-tax group profit of € 7.342 billion. The comparable prior-year figure was € 1.658 billion. Prior to first-time consolidation on 5 January 2009, the share of VW's profits allocable to Porsche reached € 444.4 million in accordance with its 37.4 percent share in Volkswagen's subscribed capital, down from € 483.9 million. Besides that, the Volkswagen Group has not contributed to Group results due to its inclusion in Porsche SE's consolidated financial statements with the figures as of 5 January 2009.

Capital expenditures remain high

Capital expenditures on intangible assets and property, plant and equipment at Porsche rose 58.5 percent to € 467.5 million. The financial services companies accounted for capital expenditures of € 298.1 (prior year: 282.4) million. In the first six months of 2008/2009, Porsche invested mainly in expanding the plant in Leipzig, the new Porsche Museum at the headquarters in Zuffenhausen and the preparation of future model projects such as the four-door Gran Turismo Panamera.

Significant rise in total net assets

Having exceeded the threshold of 50 percent of voting rights on 5 January 2009, the Volkswagen Group is consolidated for the first time in the consolidated financial statements of Porsche SE. The assets and liabilities held by the Group based in Wolfsburg are included in Porsche's consolidated financial statements as of 31 January 2009 with their values as of 5 January 2009, which largely correspond to those in Volkswagen's consolidated balance sheet as of 31 December 2008. Because the purchase price allocation has only just begun, the assets and liabilities are mainly reported provisionally by using the carrying amounts recorded by VW.

Due to the initial consolidation of VW, the value of intangible assets including provisional goodwill from the first-time consolidation, of property, plant and equipment and of non-current receivables from financial services rose sharply. Overall, non-current assets held by the Porsche Group rose from €14.4 billion to €108.9 billion. Current assets, in particular inventories and current receivables from financial services, also rose for this reason, from €31.2 billion to €90.8 billion. The high volume of inventory stock within the Volkswagen sub-group is primarily caused by the decrease in unit sales, an increase in stocks and the first-time consolidation of Scania.

The equity of the Porsche Group excluding minority interests rose around 29.1 percent on account of the favorable development of pre-tax results at Porsche SE, from €15.1 billion to €19.5 billion. Taking minority interests held by minority shareholders of VW into account, equity increased €27.2 billion to €44.0 billion. Non-current provisions and liabilities rose from €6.0 billion to €72.0 billion. Similarly to the increase in current provisions and liabilities from €22.7 billion to €83.7 billion as of 31 January 2009, this rise is mainly due to the first-time consolidation of Volkswagen.

Overall, total net assets have risen €154.1 billion since 31 July 2008 to €199.7 billion as of 31 January 2009.

Resende plant sold

On 17 March 2009, the Volkswagen sub-group finalized the disposal of all shares in Caminhões e Ônibus Indústria e Comércio de Veículos Comerciais Ltda, Resende/Brazil to a Brazilian subsidiary of MAN AG. The Brazilian plant, which was part of the Volkswagen commercial vehicle division, produced trucks and bus chassis. The transfer of the shares took place with retrospective effect as of 1 January 2009.

Acquisition of VW affects net liquidity

Porsche SE's net liquidity, i.e. cash and cash equivalents less financial liabilities but excluding the financial services business and excluding liquidity at VW, was minus €9.0 billion as of the end of January 2009. This includes the entire increase of the VW investment from 30.30 percent of ordinary shares as of 31 July 2008 to 50.76 percent as of 5 January 2009.

Well-attended annual general meeting

The annual general meeting of Porsche Automobil Holding SE, which was held at the Porsche Arena in Stuttgart on 30 January 2009, proved highly popular, with attendance of around 8,500. Porsche even offered shareholders an exclusive visit to the new Porsche Museum in Zuffenhausen.

The dividend for 2007/08 approved by the annual general meeting amounts to €0.694 plus an extra dividend of €2.00 per ordinary share, and €0.70 plus an extra dividend of €2.00 for each preference share. In the past year, taking the stock split into account, a dividend of €0.694 plus an extra dividend of €1.50 was paid out per ordinary share and of €0.70 plus an extra dividend of €1.50 per preference share. This raised the total amount paid from €384.5 million to €471.9 million, an increase of 22.7 percent.

Loan of billions of Euro to be increased

In the prior year, Porsche SE fully utilized a credit facility of €10 billion provided by a syndicate of banks. At the end of March 2009 the company finalized negotiations to secure a new credit of €10 billion to redeem the existing credit. As originally planned, there was made an arrangement with the bank syndicate that on basis of the loan agreement an additional amount up to €2.5 billion can be drawn within a certain period of time. The increase of the loan intends to achieve the strategic objectives as well as to satisfy future capital needs.

Preparation for rating

Porsche SE is working towards receiving a rating from two internationally recognized agencies in the near future. Porsche hopes this will improve its ability to refinance in particular. The company had not previously considered a rating necessary, as it did not issue bonds on a regular basis and did not see any other benefit.

Opportunities and risks

As an automotive manufacturer with operations throughout the world, Porsche SE faces a range of opportunities and risks that could have a positive or negative impact on its business.

With regard to the Porsche sub-group, these are described in detail in Porsche SE's annual report for 2007/08 (pages 19 – 22). The outlook describes an increase in the level of risk for the development of business compared to previous years on account of the financial crisis in the US. Today, we see that the financial crisis has escalated into a worldwide economic crisis with a significant recessionary character. Like other automotive manufacturers, Porsche's vehicle sales decreased significantly across all markets in the first half of 2008/09. Incentives to buy will take the form of new, more fuel-efficient vehicles in order to overcome the current reticence among customers.

The decrease in sales among automotive manufacturers on the one hand and the reluctance of banks to provide suppliers with finance at reasonable conditions on the other are having a dramatic impact on the economic situation of many suppliers. Difficulties with meeting payment obligations and insolvencies would severely effect joint development projects as well as the supply of parts to manufacturers. The risk of disruptions to production on account of missed deliveries is combated by increasing the volume of parts held in stock. It is not known whether the price of crude oil, which has recently fallen, will stagnate or begin to climb again in the future.

Volkswagen AG and all of its subsidiaries were consolidated for the first time in the Porsche Group as a result of the acquisition of a majority of its voting rights as of 5 January 2009. From that point of time, the opportunities and risks faced by Volkswagen have a direct impact on the Porsche Group. The Volkswagen Group's risk management system has not yet been integrated into the risk early warning and management system of the Porsche Group. However, we believe it to have a similar structure. The Volkswagen Group's risk early warning system was audited by Volkswagen AG's auditor on 31 December 2008, who came to the conclusion that the risks identified are reported accurately, and that the measures and regulations are assigned to them appropriately. This means that the existing system meets the requirements of Sec. 91 (2) AktG.

The following describes the main risks for Volkswagen, which are also described in Volkswagen AG's annual report for 2008, on pages 170 - 177. The Volkswagen Group sees itself as exposed to general economic risks, such as high prices for energy and raw materials, ongoing liquidity constraints, increasing protectionism and ongoing imbalances in international trade, as well as changes in legislation, taxes or customs duties and a long-term increase in levels of state intervention. These factors could have a significant impact on the Volkswagen Group's international activities. Also, risks relating to R&D, quality and personnel, and general risks relating to litigation and environmental standards could all negatively affect Volkswagen in the future. There are also IT risks, residual value risks in the financial services business, production risks relating to changes in demand as well as the risk of changes in demand itself.

Volkswagen mitigates its heightened dependency on high-volume corporate customers by diversifying its product portfolio and providing targeted customer support.

As a high-volume manufacturer, an increase in the sweeping discounts provided by other manufacturers, particularly in the US but also in western Europe and China, would hit Volkswagen particularly hard. Volkswagen combats this risk with a clear, customer-friendly and innovative product and pricing policy.

Volkswagen is exposed to risks related to financial instruments in the same manner as Porsche. Volkswagen mitigates its exchange rate risks additionally by using a “natural hedging” strategy, which involves expanding production capacity in the most important currency zones, such as India, Russia and the US.

Volkswagen uses a range of measures to minimize existing liquidity risks. For example, the increased costs of refinancing due to the current situation on the financial markets can be mitigated by further diversifying the refinancing structure. Low-interest loans from subsidy banks were used alongside other sources to finance projects. In addition, the Special Fund for the Stabilization of the Financial Markets (SoFFin) announced on 17 February 2009, that Volkswagen Bank GmbH, Braunschweig, has obtained a guarantee facility to refinance their vehicle loans.

Volkswagen does not see any risks that jeopardize its ability to continue as a going concern.

Related parties

We refer to Note [27] of this six-month report regarding significant transactions with related parties.

Appealing new models

From today’s perspective, the global economy is not expected to grow in 2009 according to our current knowledge. A decrease in new vehicle registrations is anticipated for almost all world markets. Only the Indian market could grow marginally. In this situation, it is more important than ever to enhance the appeal of the broad product portfolios of the Group’s brands.

The Porsche sub-group introduced the next-generation Boxster and Cayman with new-developed boxer engines in February 2009. These are not only more powerful, they are also more economical than the engines of preceding models. Porsche’s dual clutch transmissions allow further improvements with regard to fuel consumption, emissions and driving performance. The consumption figures for vehicles equipped with both direct fuel injection and a dual clutch transmission are up to 16 percent lower than those of the first-generation Boxster.

The Cayenne diesel has also been at dealerships since February. This sporty all-terrain vehicle is equipped with a three-liter V6 turbo diesel engine with 240 hp (176 kW). The engine offers a sporty experience, while at the same time conveying the joy of driving that is typical for Porsche. Despite this, the Cayenne diesel consumes just 9.3 liters of fuel for every 100 kilometers driven, while CO2 emissions are 244 grams per kilometer. The diesel version is the seventh member of the Cayenne family.

The new Gran Turismo Panamera will be launched in markets throughout the world in September 2009, after premiering at the Shanghai Auto Show in April 2009.

The Volkswagen sub-group continues to successfully follow its strategy of offering particularly fuel-efficient vehicles in every model series. Hence, BlueMotion versions will be available for a multitude of models of the VW passenger cars brand. The most recent generation of the Golf will continue to be the top brand bar in its class. With average consumption of 3.8 liters for every 100 kilometers driven, the new Golf BlueMotion which goes on sale in mid-2009 is the first in its segment to break the four-liter barrier. Seat will continue to expand its model series “Ecomotive” as well. In 2008, Škoda has already introduced a further model of its “Greenline”-series in the market and Audi presented a remarkably efficient e-model for the first time.

Currently, the Volkswagen passenger brand is focusing on the new Polo. The completely redesigned vehicle with an emphasis on quality will be launched onto the market in the first half of 2009. The Polo BlueMotion will then follow in the second half of the year.

The Audi brand is going to add a cabriolet and sports coupé model to its A5 series, taking a new course in this market segment. SEAT will add the Exeo, shown at the Paris Auto Show 2008, to the top of its range in order to be present in the important segment of medium-sized limousines and station wagons.

For the first time, Škoda will launch a compact SUV onto the market, proving once again its talent for ingenious solutions at affordable prices. Volkswagen Utility Vehicles will completely facelift its Multivan/ Transporter, Caravelle and California models.

Bentley will add the Continental GTC Speed and Azure T to its portfolio, while Bugatti is to introduce the Veyron Grand Sport.

Outlook

The crisis in markets across the globe is forcing all vehicle manufacturers to reduce their production volumes some even drastically. Porsche AG had already extended the Christmas break by three days and stopped work on additional eight days at its main plant in Zuffenhausen. There are also additional 13 days between now and the summer on which no work will be done. One thing is clear for Porsche: the company always produces one car less than the market demands.

In addition, part of the production of the Boxster was relocated to Zuffenhausen in February 2009, which will make better usage of that plant's capacity in future.

Porsche AG has also initiated a savings program covering hundreds of millions. This does not concern projects that are crucial to the continuing success of the company. These include, for example, the market launch of the Gran Turismo Panamera, the development of the hybrid drive and the ongoing development of the existing model series.

Porsche's results for the first six months of 2008/09 were positively influenced by income from cash-settled stock option transactions through which Porsche participates in the change in the market price of Volkswagen's shares. Porsche was able to benefit directly from the high value of VW's shares. On the other hand, a decrease in the market value of VW's shares until 31 July 2009 would directly reduce the income from stock option transactions, and therefore the results of the entire Porsche Group.

The subsequent measurement for hidden reserves recognized in the purchase price allocation will also reduce the Porsche Group's results. Porsche SE will also have to take into account the increasing cost of refinancing.

The Volkswagen sub-group has responded to decreasing sales by implementing flexible working models. In addition, temporary workers and, in special circumstances, working hours were reduced. The scaling down of production also serves to reduce inventory levels, and therefore takes into account the unexpectedly severe drop in demand in the second half of 2008.

In recent years, VW has made progress with regard to improving its processes, competitiveness and profitability. This has led to increased margins and profit contributions, as well as financial stability. Together with its unique brand portfolio, its young model range, its broad international positioning with local value added in important regions, its synergies with regard to the group-wide development of models and new technologies and its financial strength, Volkswagen considers itself well-placed to deal with the challenging situation.

In the North American market, the Volkswagen Group is also pursuing the goal of progressing from a niche supplier to a high-volume supplier with local production, market-specific products and efficient distribution networks. The expansion of local production facilities in Chattanooga, Tennessee, is intended to penetrate the US dollar zone on a long-term basis. This will also reduce sales risks resulting from exchange rate fluctuations. Production is planned to go on line at the Chattanooga plant in 2011.

Despite all of its money-saving efforts, Volkswagen has no plans to discontinue certain key product developments. Priority will be given to the development of engines, with new standards in efficiency and environmental friendliness as well as alternative drive systems, while investment in the expansion of capacity or renewal of structures will be postponed.

Reliable statements regarding the near future are impossible due to continuing uncertainty with regard to the future development of markets. Neither Porsche nor Volkswagen will be able to escape the general negative trend in their segments, however. Nevertheless, Volkswagen expects the Group to perform better than the market average, and gain market share as a result of the crisis. The subgroup's sales will, however, be lower in 2009 on account of the drop in unit sales. The increasing cost of refinancing and an adverse shift in international sales patterns will have an additional negative impact on results. Exceptionally poor business in early 2009 has made it impossible to match the good results of the prior year.

As the Volkswagen Group has been consolidated in the consolidated financial statements of Porsche Automobil Holding SE for the first time, the values for the first six months of 2008/09 cannot be compared with those for the prior year. However, there is no question that both Porsche and Volkswagen's sales and unit sales will fall short of the prior-year figures due to the general decline in the automotive industry.

Interim condensed consolidated financial statements
as of 31 January 2009

Consolidated income statement of the Porsche Group for the period from 1 August 2008 to 31 January 2009

€ million	Note	1st half of 2008/09	1st half of 2007/08
Sales	[1]	**3,043**	3,489
Changes in inventories and own work capitalized	[2]	**282**	174
Total operating performance		**3,325**	3,663
Other operating income	[3]	**46,347**	7,212
Cost of materials	[4]	**– 1,900**	– 1,982
Personnel expenses	[5]	**– 661**	– 619
Amortization of intangible assets and depreciation of property, plant and equipment and leased assets		**– 302**	– 279
Other operating expenses	[6]	**– 39,629**	– 6,769
Profit before financial result		**7,180**	1,226
Share of profit from associates	[7]	**444**	484
Finance costs	[8]	**– 385**	– 135
Other financial result	[9]	**103**	83
Financial result		**162**	432
Profit before tax		**7,342**	1,658
Income tax expense	[10]	**– 1,723**	– 363
Profit after tax		**5,619**	1,295
thereof profit attributable to minority interests	[11]	**7**	2
thereof profit attributable to hybrid capital investors	[11]	**59**	33
thereof profit attributable to shareholders of Porsche SE	[11]	**5,553**	1,260
Earnings per ordinary share (basic and diluted)	[11]	**31.72**	7.20*
Earnings per preference share (basic and diluted)	[11]	**31.73**	7.21*

* adjusted (for additional explanations please see note [11])

Consolidated balance sheet of the Porsche Group as of 31 January 2009

	€ million	Note	31/1/2009	31/7/2008
Assets	Intangible assets	[12]	**23,251**	359
	Property, plant and equipment	[12]	**24,944**	1,668
	Investments in associates	[12]	**6,373**	8,130
	Other financial assets	[12]	**639**	64
	Leased assets	[12]	**11,012**	947
	Investment property	[12]	**399**	0
	Trade receivables		**5**	3
	Receivables from financial services	[14]	**33,697**	1,301
	Other receivables and assets	[15]	**3,868**	732
	Income tax assets		**820**	57
	Securities		**93**	1,021
	Deferred tax assets		**3,774**	95
	Non-current assets		**108,875**	14,377
	Inventories	[13]	**18,739**	757
	Trade receivables		**6,149**	265
	Receivables from financial services	[14]	**27,566**	472
	Other receivables and assets	[15]	**18,544**	19,299
	Income tax assets		**1,085**	34
	Securities		**4,139**	3,383
	Cash and cash equivalents		**13,588**	6,990
			89,810	31,200
	Assets classified as held for sale	[16]	**1,007**	0
	Current assets		**90,817**	31,200
			199,692	45,577
Equity and liabilities	Subscribed capital	[17]	**175**	175
	Capital reserves	[17]	**122**	122
	Retained earnings	[17]	**19,170**	14,769*
	Equity before minority interests	[17]	**19,467**	15,066
	Hybrid capital	[17]	**1,787**	1,780
	Minority interests	[17]	**22,770**	0
	Equity		**44,024**	16,846
	Provisions for pensions and similar obligations		**13,794**	777
	Income tax provisions	[18]	**3,555**	0
	Other provisions	[18]	**9,686**	650
	Deferred tax liabilities		**4,210**	1,015
	Financial liabilities	[19]	**37,307**	3,489
	Trade payables		**9**	5
	Other liabilities	[20]	**3,425**	47
	Non-current provisions and liabilities		**71,986**	5,983
	Income tax provisions	[18]	**5,332**	2,008
	Other provisions	[18]	**9,269**	1,190
	Financial liabilities	[19]	**48,522**	12,897
	Trade payables		**9,956**	581
	Income tax liabilities	[20]	**193**	22*
	Other liabilities	[20]	**9,644**	6,050*
			82,916	22,748
	Liabilities classified as held for sale	[16]	**766**	0
	Current provisions and liabilities		**83,682**	22,748
			199,692	45,577

* adjusted (for additional explanations please see notes [17] and [20])

Consolidated statement of cash flows of the Porsche Group for the period 1 August 2008 to 31 January 2009

	€ million	1st half of 2008/09	1st half of 2007/08
1. Operating activities	Profit after tax	**5,619**	1,295
	Amortization and depreciation	**302**	279
	Change in provisions for pensions and similar obligations	**61**	36
	Cash flow	**5,982**	1,610
	Change in tax provisions and other provisions	**1,740**	604
	Extended cash flow	**7,722**	2,214
	Change in deferred taxes	**– 750**	– 567
	Other non-cash expenses and income	**– 997**	– 515
	Gain/loss from disposal of intangible assets, property, plant and equipment and leased assets	**– 19**	– 36
	Change in inventories. trade receivables and other assets	**7,244**	– 1,146
	Change in trade payables and other liabilities (without tax provisions and other provisions)	**– 4,699**	– 396
	Cash flow from operating activities	**8,501**	– 446
2. Investing activities	Cash received from the disposal of intangible assets, property, plant and equipment and leased assets	**196**	209
	Cash paid for investments in intangible assets, property, plant and equipment and leased assets	**– 766**	– 577
	Cash paid for investments in financial assets	**0**	– 22
	Cash paid for the acquisition of subsidiaries less cash and cash equivalents received	**– 6,264**	– 6
	Change in receivables from financial services	**– 1**	32
	Cash flow from investing activities	**– 6,835**	– 364
	Change in investments in securities	**4,079**	470
	Cash flow from investing activities including investments in securities	**– 2,756**	106

€ million		1st half of 2008/09	1st half of 2007/08
3. Financing activities	Cash paid to shareholders	**0**	– 384
	Cash paid to minority interests	**– 2**	0
	Cash paid to hybrid capital investors	**– 59**	– 26
	Cash paid for stock options	**– 303**	– 322
	Capital contributions	**0**	959
	Cash paid/received for loans/borrowings	**– 529**	– 233
	Cash received from stock options	**0**	77
	Cash received from other financial liabilities	**25**	37
	Cash flow from financing activities	**– 868**	108
4. Cash funds	Change in cash funds (subtotal of 1 to 3)	**4,877**	– 232
	Exchange-rate related change in cash funds	**32**	– 6
	Cash funds as of 1 August 2008 and 1 August 2007	**6,990**	2,410
	Cash funds as of 31 January 2009 and 31 January 2008	**11,899**	2,172

Note [21] contains further information about the statement of cash flows.

Statement of changes in equity of the Porsche Group for the period from 1 August 2008 to 31 January 2009

€ million	Subscribed capital	Capital reserves	Retained earnings		
			Accumulated profit	Accum. other compreh. income	
				Securities marked to market	Cash flow hedges
As of 31 July 2007	45	122	8,278	13	255
Foreign currency change			6		
Translation differences					
Investments in associates			5	– 11	184
Financial instruments pursuant to IAS 39				– 20	338
Taxes recognized directly in equity				– 12	– 138
Income and expenses recognized directly in equity			11	– 43	384
Profit after tax			1,260		
Total income and expenses for the period			1,271	– 43	384
Borrowing of hybrid capital					
Profit attributable to hybrid capital investors					
Dividends paid[1]			– 384		
Put options of minority interests			9		
As of 31 January 2008	45	122	9,174	– 30	639
As of 31 July 2008	**175**	**122**	**13,994**	**– 74**	**910**
Foreign currency change			**12**		
Translation differences					
Investments in associates			**43**	**95**	**– 540**
Financial instruments pursuant to IAS 39				**16**	**– 803**
Taxes recognized directly in equity				**– 26**	**409**
Income and expenses recognized directly in equity			**55**	**85**	**– 934**
Profit after tax			**5,553**		
Total income and expenses for the period			**5,608**	**85**	**– 934**
Profit attributable to hybrid capital investors					
Dividends[2]			**– 472**		
Put options of minority interests					**– 6**
Deferred taxes on put options of minority interests					**1**
Effects arising from initial consolidation			**50**		
As of 31 January 2009	**175**	**122**	**19,180**	**11**	**– 29**

[1] Distribution of a dividend of € 0.694 + € 1.50 per ordinary share; total € 191,975,000 (taking the stock split into account)
Distribution of a dividend of € 0.70 + € 1.50 per preference share; total € 192,500,000 (taking the stock split into account)

[2] Resolution to distribute a dividend of € 0.694 + € 2.00 per ordinary share; total € 235,725,000
Resolution to distribute a dividend of € 0.70 + € 2.00 per preference share; total € 236,250,000

Currency translation	Equity before minority interests	Hybrid capital	Minority interests	Equity
– 42	8,671	810	0	9,481
	6			6
– 8	– 8			– 8
– 42	136			136
	318			318
	– 150	4		– 146
– 50	302	4	0	306
	1,260	33	1	1,294
– 50	1,562	37	1	1,600
		959		959
		– 33		– 33
	– 384			– 384
	9		– 1	8
– 92	9,858	1,773	0	11,631
– 61	**15,066**	**1,780**	**0**	**16,846**
	12			**12**
22	**22**		**1**	**23**
46	**– 356**			**– 356**
	– 787		**– 6**	**– 793**
	383	**8**	**2**	**393**
68	**– 726**	**8**	**– 3**	**– 721**
	5,553	**59**	**7**	**5,619**
68	**4,827**	**67**	**4**	**4,898**
		– 60		**– 60**
	– 472		**– 2**	**– 474**
1	**– 5**			**– 5**
	1		**– 2**	**– 1**
	50		**22,770**	**22,820**
8	**19,467**	**1,787**	**22,770**	**44,024**

Notes to the interim condensed consolidated financial statements as of 31 January 2009

Basis of presentation

Porsche Automobil Holding SE ("Porsche SE") is a European Company (Societas Europaea) and is headquartered at Porscheplatz 1 in 70435 Stuttgart, Germany. The business objective of Porsche SE is is the management of companies and the administration of interests in companies, in particular companies active in the following business fields: the development, construction, manufacture and distribution of vehicles and engines of all kind and other technical products as well as of parts and components thereof. The Company may engage in all kinds of business and take all measures that are related to the business purpose or that it deems directly or indirectly useful for achieving that purpose. This also includes financial services, consisting of financing, leasing and insurance services particularly for customers and dealers.

The interim condensed consolidated financial statements of Porsche SE for the first half of the fiscal year 2008/09 were prepared in accordance with IAS 34 "Interim Financial Reporting". In accordance with IAS 34, the interim condensed consolidated financial statements do not contain all the information and disclosures required for consolidated financial statements.

The consolidated financial statements of Porsche SE as of 31 July 2008 were prepared in accordance with International Financial Reporting Standards (IFRS) as applicable in the EU. With the exception of the new IFRS standards and interpretations applied for the first time, the accounting policies applied in preparing the consolidated financial statements as of 31 July 2008 have been applied unchanged. For further information about the accounting policies applied in particular, please refer to the consolidated financial statements of Porsche SE as of 31 July 2008. Group currency is the euro. Unless otherwise stated, all figures in the notes are presented in millions of euro (€ million).

The responsibility statement has been made in accordance with German Accounting Standard No. 16 (GAS 16) "Interim Financial Reporting" of the German Accounting Standards Committee (GASC).

The condensed consolidated interim financial statements are neither audited nor reviewed by the auditor of the consolidated financial statements, Ernst & Young AG, Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft, Stuttgart.

The interim condensed consolidated financial statements and the interim group management report of Porsche SE for the first half of the fiscal year 2008/2009 were discussed with the Supervisory Board before being released by the Executive Board for publication on 30 March 2009.

Consolidated group

The interim condensed consolidated financial statements of Porsche SE for the first half of 2008/09 include all significant companies over which Porsche SE has the power to govern their financial and operating policies, either directly or indirectly, so as to obtain benefits from the activity of the entity (control concept). First-time consolidation is as of the date on which the acquirer obtains the power to control. An entity is no longer consolidated when control of the entity is lost.

In the period from 16 September 2008 to 5 January 2009, the Porsche Group (Porsche SE and its subsidiaries) increased its investment in Volkswagen AG, Wolfsburg ("Volkswagen Group"), Europe's largest vehicle manufacturer, in several tranches by a further 20.21 %. Having reached a voting share of 50.76 %, Porsche SE now owns the majority of voting rights in Volkswagen AG ("control" according to IAS 27). For the first time, the Volkswagen Group has therefore been consolidated in the interim condensed consolidated financial statements of Porsche SE as of 31 January 2009. Volkswagen operates in the automobile and financial services sectors and has a large number of production facilities worldwide. The consolidation of the Volkswagen Group as of 5 January 2009 increases the number of fully consolidated companies included in the Porsche SE consolidated financial statements by 342. The consolidated financial statements therefore comprise Porsche SE and a total of 428 fully consolidated companies (prior year: 81) as of 31 January 2009.

When the reporting date of a subsidiary is different from that of the parent company, IAS 27.26 et seq. (rev. 2004) allows the use of financial statements of the subsidiary as of a different reporting date in the preparation of consolidated financial statements if it is impracticable for the subsidiary to prepare interim financial statements as of the reporting date of the parent company. Applying this exception, the Volkswagen Group has been consolidated in the interim condensed consolidated financial statements of Porsche SE on the basis of the carrying amounts as of 5 January 2009, which largely correspond to the figures as of 31 December 2008. Due to extensive annual accounting operations in connection with the consolidated financial statements of the Volkswagen Group, the data needed for external reporting purposes for January 2009 was not available. Therefore effects of the Volkswagen Group on profit or loss are not considered in the consolidated income statement of Porsche SE. There were no significant transactions or events between 5 January 2009 and 31 January 2009 which would have resulted in an adjustment of the carrying amounts of the Volkswagen Group and to a change in the income statement.

The costs of the combination total €23.0 billion, including all costs directly attributable to the acquisition. They were largely settled in cash and, to a small extent, using forwards.

The process of determining the fair values of the acquired assets and liabilities, for the purchase price allocation had only begun at the time the interim condensed consolidated financial statements are authorized for issue. Due to the size and complexity of the Volkswagen Group – with a few exceptions – no fair values are available as of the acquisition date for the identifiable assets and liabilities which were purchased. The Volkswagen Group has therefore largely been included provisionally in the consolidated financial statements of Porsche SE with IFRS carrying amounts as of the acquisition date. To a large extent, the accounting of the assets and liabilities included in the consolidated financial statements should therefore be viewed as provisional. The figures will be adjusted after the completion of the purchase price allocation. The goodwill has, therefore, also only been determined provisionally.

The table below shows the provisional figures of the assets and liabilities included in the consolidated financial statements.

€ million	Carrying amount on acquisition acc. to IFRS	Purchase price allocation (provisional)	**Amounts recognized in the consolidated financial statements (provisional)**
Intangible assets	12.291	10.479	**22.770**
Property, plant and equipment and leased assets	33.010	0	**33.010**
Non-current receivables from financial services	31.855	511	**32.366**
Other non-current assets	14.600	354	**14.954**
Inventories	17.816	0	**17.816**
Current receivables from financial services	27.035	0	**27.035**
Other current assets	31.312	1	**31.313**
Total assets	167.919	11.345	**179.264**
Non-current financial liabilities	33.257	253	**33.510**
Pensions and other non-current liabilities	32.472	233	**32.705**
Current financial liabilities	36.123	0	**36.123**
Other current liabilities	28.679	0	**28.679**
Total liabilities	130.531	486	**131.017**

The provisionally determined goodwill of € 10.5 billion comprises (besides assets and liabilities which have not yet been recorded separately and adjustments of assets and liabilities to their fair value that have not yet been recorded) intangible assets not accounted for separately such as employee know-how in the Volkswagen Group and synergy effects.

If the Volkswagen Group had already been consolidated as of 1 August 2008, Group sales would amount to around € 60.0 billion and the Group profit after tax would amount to around € 7.6 billion.

At the time of the preparation of the interim condensed consolidated financial statements, IFRS 3 (rev. 2008) had not yet been adopted by the EU by the comitology procedures. Porsche has not finally decided whether IFRS 3 (rev. 2008) should be applied to this business combination in the consolidated financial statements as of 31 July 2009, if the application of this standard is permitted under EU law at that point in time, or whether the business combination should be presented on the basis of IFRS 3 (2004).

To improve comparability with previous reporting periods, our explanations on the Group's assets and liabilities include the amounts which would have applied if the Volkswagen Group had not been consolidated in the interim condensed consolidated financial statements of Porsche SE.

New accounting standards

The Group adopted the following new and amended IFRSs and interpretations for the first time as of 1 August 2008. Adoption of these standards and interpretations did not affect the net assets, financial position and results of operations of the Group in these interim consolidated financial statements.

Amendment to IAS 39 "Financial Instruments: Recognition and Measurement" and IFRS 7 "Financial Instruments: Disclosures"
The amendments allow companies to reclassify certain financial instruments from the category "at fair value through profit and loss" to another category in which they are measured at amortized cost taking impairment losses into account.

IFRIC 12 "Service Concession Arrangements"
IFRIC 12 gives guidance on how operators under service concession arrangements have to apply existing IFRSs in order to account for the obligations and the rights arising from these arrangements.

IFRIC 13 "Customer Loyalty Programmes"
IFRIC 13 regulates the accounting of customer bonus programmes which are run by manufacturers or service providers or by third parties.

IFRIC 14 "The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction"
IFRIC 14 deals with the interaction between an obligation existing on the balance sheet date to pay additional amounts to a pension plan (minimum funding requirement) and the provisions in IAS 19 on the upper limit of a positive balance between plan assets and the defined benefit obligation (asset ceiling).

Notes to the consolidated income statement

[1] Sales

Sales arise from the following type of products:

€ million	1st half of 2008/09	1st half of 2007/08
Type of products		
Vehicles	**2,430**	2,906
Parts and accessories	**253**	255
Other	**360**	328
	3,043	3,489

A breakdown of sales by geographical segments is provided in the segment reporting.

[2] Changes in inventories and own work capitalized

Own work capitalized results mainly from the capitalization of vehicles and development costs.

[3] Other operating income

Other operating income breaks down as follows:

€ million	1st half of 2008/09	1st half of 2007/08
Income from stock price hedging	**45,718**	6,848
Income from the reversal of impairments and provisions	**24**	111
Foreign exchange gains	**220**	78
Sundry operating income	**385**	175
	46,347	7,212

Income from stock price hedges results from cash-settled stock options and forwards.

[4] Cost of materials

Cost of materials breaks down as follows:

€ million	1st half of 2008/09	1st half of 2007/08
Cost of raw materials, consumables and supplies and of purchased goods	**1,637**	1,699
Cost of purchased services	**263**	283
	1,900	1,982

[5] Personnel expenses

€ million	1st half of 2008/09	1st half of 2007/08
Wages and salaries	**559**	541
Social security contributions, pension and other benefit costs	**102**	78
	661	619

[6] Other operating expenses

Other operating expenses consist of:

€ million	1st half of 2008/09	1st half of 2007/08
Expenses from stock options	**38,878**	5,998
Advertising	**127**	109
Selling and general administrative expenses	**78**	75
Dues, charges, fees, legal and advisory costs	**22**	17
Repairs and maintenance	**33**	31
Rent and leases	**22**	17
Sundry operating expenses	**469**	522
	39,629	6,769

The expenses from stock options were incurred as a result of stock price hedging.

[7] Share of profit from associates

Until the acquisition of the majority of voting rights in Volkswagen AG on 5 January 2009, the Volkswagen Group was included in the consolidated financial statements of Porsche SE using the equity method. The share of profit from associates therefore contains a provisionally calculated pro rata profit of the Volkswagen Group for the period between the beginning of the fiscal year and the initial consolidation of € 444 million. The profit attributable to Porsche SE may change due to the results of the purchase price allocation that has just commenced. The share of profit of the Volkswagen Group attributable to Porsche SE in the first half year 2007/08 amounted to € 484 million.

[8] Finance costs

€ million	1st half of 2008/09	1st half of 2007/08
Interest expenses for unwinding the discount on pension provisions	**22**	18
Interest expenses for unwinding the discount on other provisions	**23**	18
Unwinding the discount on liabilities	**45**	36
Other interest and similar expenses	**340**	99
	385	135

Other interest and similar expenses comprises interest expenses from operations and from the issue of bonds.

[9] Other financial result

€ million	1st half of 2008/09	1st half of 2007/08
Other interest and similar income	**179**	80
Result from available-for-sale securities	**– 69**	3
Result from securities accounted for at fair value	**– 7**	0
	103	83

Other interest and similar income is mainly attributable to fixed-interest securities and time deposits.

[10] Income tax expense

The income tax expense disclosed breaks down into:

€ million	1st half of 2008/09	1st half of 2007/08
Current taxes	**2,473**	930
Deferred taxes	**– 750**	– 567
	1,723	363

[11] Earnings per share

		1st half of 2008/09	1st half of 2007/08
Profit after tax	€ million	**5,619**	1,295
Profit attributable to minority interests	€ million	**7**	2
Profit attributable to hybrid capital investors	€ million	**59**	33
Profit attributable to shareholders of Porsche SE	€ million	**5,553**	1,260
Profit attributable to ordinary shares	€ million	**2,776**	630
Profit attributable to preference shares	€ million	**2,777**	630
Average number of ordinary shares outstanding	number	**87,500,000**	87,500,000*
Average number of preference shares outstanding	number	**87,500,000**	87,500,000*
Earnings per ordinary share (basic and diluted)	€	**31.72**	7.20*
Earnings per preference share (basic and diluted)	€	**31.73**	7.21*

* adjusted

Earnings per share are calculated by dividing the profit attributable to the shareholders of Porsche SE by the total number of shares outstanding in the first half year. There were no dilutive effects.

The stock listing of Porsche SE was converted at a ratio of 1:10 on 3 March 2008. By means of the stock split, the capital stock of Porsche SE which had been increased to € 175 million (prior year: € 45.5 million) was split into a total of 175,000,000 no par value shares, of which 87,500,000 are ordinary shares and 87,500,000 are preference shares, each representing a €1.00 share of the subscribed capital. This had been decided by the annual general meeting of Porsche SE on 25 January 2008. The necessary amendments to the articles of incorporation and bylaws were entered into the commercial register of the Stuttgart local court on 21 February 2008. The calculation of the basic and diluted earnings per share was adjusted for the comparative period to reflect the changed number of ordinary and preference shares.

Notes to the balance sheet

[12] Non-current assets

In the period from 1 August 2008 to 31 January 2009, the main items of non-current assets developed as follows:

€ million	Net carrying amount 1/8/2008	Additions	Additions through business combination	Amortization and depreciation	Disposals / Other	**Net carrying amount 31/1/2009**
Intangible assets	359	160	22,770	38	0	**23,251**
Property, plant and equipment	1,668	308	23,120	130	22	**24,944**
Investments in associates	8,130	17,065	6,373	0	25,195	**6,373**
Other financial assets	64	0	593	0	18	**639**
Leased assets	947	298	9,889	134	– 12	**11,012**
Investment property	0	0	399	0	0	**399**

The additions to intangible assets mainly concern goodwill and technologies and brands already accounted for by the Volkswagen Group upon first-time consolidation.

Total research and development expenditures, i.e. research and non-capitalizable development costs as well as the investments in capitalized development costs, developed as follows:

€ million	**1st half of 2008/09**	1st half of 2007/08
Research and development costs recognized as expenses	**320**	355
Depreciation and amortization included therein	**– 22**	– 17
Investment in capitalized development costs	**51**	15
	349	353

[13] Inventories

Inventories disclosed break down as follows:

€ million	**31/1/2009 total**	**31/1/2009 Porsche without VW**	31/7/2008
Raw materials, consumables and supplies	**2,101**	**92**	83
Work in progress	**1,702**	**46**	42
Finished goods and merchandise	**14,884**	**786**	632
Advance payments made	**52**	**0**	0
	18,739	**924**	757

[14] Receivables from financial services

The receivables from financial services totaling € 61,263 million (31 July 2008: € 1,773 million) mainly contain receivables from customer and dealer financing as well as receivables from finance leases. Of the total amount of receivables from financial services, an amount of € 33,697 million (31 July 2008: € 1,301 million) is due in more than one year.

Without taking the Volkswagen Group into account, receivables from financial services come to a total of € 1,862 million, of which € 1,331 million is due in more than one year.

[15] Other receivables and assets

€ million	31/1/2009 total	31/1/2009 Porsche without VW	31/7/2008
Derivative financial instruments	**13,284**	**8,698**	18,330
Other receivables			
due to affiliates	**167**	**0**	0
due to joint ventures	**3,548**	**0**	0
Other tax assets	**1,467**	**58**	153
Other receivables	**3,946**	**181**	1,548
	22,412	**8,937**	20,031
thereof non-current	**3,868**	**459**	732
thereof current	**18,544**	**8,478**	19,299

Derivative financial instruments mainly comprise interest rate hedges, foreign currency exchange forwards and options, stock price options and compounders.

[16] Assets and liabilities classified as held for sale

The assets and liabilities held for sale relate to Caminhões e Ônibus Indústria e Comércio de Veículos Comerciais Ltda, Resende, Brazil. By contract dated 23 December 2008 and effective as of 1 January 2009, the Volkswagen Group sold all shares to a Brazilian subsidiary of MAN AG, Munich. After regulatory approval has been received, the shares will presumably be transferred in the first quarter of 2009.

[17] Equity and minority interests

Changes in equity and minority interests are presented in the statement of changes in equity. The currency translation reserve presented separately in the consolidated balance sheet as of 31 July 2008 was included in retained earnings in order to achieve a consistent treatment of all elements of other comprehensive income.

Minority interests

The additions to minority interests mainly concern minority shareholders of Volkswagen AG and Scania AB, Södertälje, Sweden.

Dividend payments

In the first half year the annual general meeting of Porsche SE decided to pay a dividend for the year 2007/08 of € 0,694 plus an extra dividend of € 2.00 (prior year taking into account the stock split: € 0,694 plus an extra dividend of € 1.50) per ordinary share and per preference share € 0.70 plus an extra dividend of € 2.00 (prior year taking into account the stock split: € 0.70 plus an extra dividend of € 1.50). The dividend paid for ordinary shares thus amounts to € 235.7 million (prior year: € 192,0 million) and for preference shares to € 236.2 million (prior year: € 192,5 million).

[18] Other provisions and income tax provisions

Other provisions mainly comprise personnel-related obligations, warranty obligations, bonuses and discounts. As of 31 January 2009, other provisions amount to € 18,955 million (31 July 2008: € 1,840 million), of which as of 31 January 2009 an amount of € 9,269 million (31 July 2008: € 1,190 million) is due within one year. Of the total tax provisions of € 8,887 million (31 July 2008: € 2,008 million), an amount of € 5,332 million (31 July 2008: € 2,008 million) is due in less than one year.

Without taking the Volkswagen Group into account, other provisions amount to € 1,433 million (of which € 817 million are due within one year), while tax provisions amount to € 4,172 million. These tax provisions are due in less than one year.

[19] Financial liabilities

All obligations which can be classified as financing activities are presented under financial liabilities:

€ million	Total	Porsche without VW	Current	Porsche without VW	Non-current	Porsche without VW
31/1/2009						
Bonds	**29,443**	**2,393**	**7,125**	**0**	**22,318**	**2,393**
Commercial papers and notes	**14,151**	**0**	**9,274**	**0**	**4,877**	**0**
Liabilities to banks	**39,784**	**11,695**	**31,165**	**11,608**	**8,619**	**87**
Other financial liabilities	**2,451**	**2,108**	**958**	**791**	**1,493**	**1,317**
	85,829	**16,196**	**48,522**	**12,399**	**37,307**	**3,797**
31/7/2008						
Bonds	2,295	2,295	0	0	2,295	2,295
Commercial papers and notes	0	0	0	0	0	0
Liabilities to banks	12,175	12,175	12,116	12,116	59	59
Other financial liabilities	1,916	1,916	781	781	1,135	1,135
	16,386	16,386	12,897	12,897	3,489	3,489

Liabilities to banks contain deposits from direct banking business of €12,835 million (31 July 2008: €0 million). Other financial liabilities include liabilities for re-financing the financial services business and arose in the context of non-recourse financing, sale-and-leaseback and asset-backed securities programs.

[20] Other liabilities

As of the end of the reporting period, other liabilities break down as follows:

€ million	31/1/2009 total	31/1/2009 Porsche without VW	31/7/2008
Advance payments received on account of orders	**1,254**	**61**	127
Personnel liabilities	**1,742**	**1**	2
Liabilities relating to social security	**289**	**0**	3
Liabilities from other taxes	**1,223**	**81**	96
Derivative financial instruments marked to market	**2,942**	**603**	5,696
Sundry liabilities	**5,619**	**469**	173*
	13,069	**1,215**	6,097
thereof non-current	**3,425**	**190**	47
thereof current	**9,644**	**1,025**	6,050

* adjusted: the income tax liabilities of € 22 million disclosed as of 31 July 2008 under other liabilities is shown separately in the balance sheet as of 31 January 2009

On the whole, the fair values of other liabilities correspond to the carrying amounts.

Other notes

[21] Cash flow statement
The cash flow from operating activities includes:

€ million	1st half of 2008/09	1st half of 2007/08
Interest paid	**344**	78
Interest received	**273**	67
Income taxes paid	**314**	271
Income taxes reimbursed	**10**	5
Dividends received	**0**	4

The cash fund does not contain liquid assets whose disposal is subject to restrictions.

[22] Segment reporting
For details on the segmentation by geographical region, please refer to the consolidated financial statements of Porsche SE as of 31 July 2008. The segment information for the first half of 2008/09 is as follows:

	Germany		North America	
€ million	1st half of 2008/09	1st half of 2007/08	1st half of 2008/09	1st half of 2007/08
Sales to third parties	**838**	1,299	**888**	1,022
Intersegment sales	**1,574**	1,823	**0**	0
Segment result	**6,983**	1,196	**– 2**	66

	Europe without Germany		Rest of world	
€ million	1st half of 2008/09	1st half of 2007/08	1st half of 2008/09	1st half of 2007/08
Sales to third parties	**488**	722	**829**	446
Intersegment sales	**2**	2	**0**	0
Segment result	**4**	41	**53**	22

	Consolidation		Group	
€ million	1st half of 2008/09	1st half of 2007/08	1st half of 2008/09	1st half of 2007/08
Sales to third parties	**0**	0	**3,043**	3,489
Intersegment sales	**– 1,576**	– 1,825	**0**	0
Segment result	**142**	– 99	**7,180**	1,226

[23] German Corporate Governance Code
The current declarations of the Executive Boards and the Supervisory Boards of Porsche SE, Volkswagen AG and Audi AG, Ingolstadt, issued in accordance with Sec. 161 German Stock Corporations Act (AktG) can be downloaded from the internet at www.porsche-se.com, www.volkswagenag.com and www.audi.de.

[24] Contingent liabilities

€ million	31/1/2009 total	31/1/2009 Porsche without VW	31/1/2008
Guarantees	**78**	**0**	0
Warranties	**57**	**27**	27
Collateral for third-party liabilities	**153**	**138**	101
Other contingent liabilities	**642**	**0**	0

The changes in contingent liabilities were mainly due to the business combination which took place in the interim reporting period.

In the course of the acquisition of all shares in LeasePlan Corporation N.V., Amsterdam, Netherlands, in 2004 and the subsequent sale of 50% of the shares to two co-investors, Volkswagen AG agreed with the co-investors to sell put options which entitle the latter to sell their shares to Volkswagen AG. The co-investors exercised this option on 22 December 2008. The parties to the agreement have commenced negotiations on the purchase price and the transfer of economic title. The Porsche Group currently assumes that the payment obligation will be €1.3 billion.

[25] Purchase commitments
The Group has purchase commitments from projects initiated for investments in property, plant and equipment of € 2,368 million (31 July 2008: € 423 million), for investments in intangible assets of € 303 million (31 July 2008: € 119 million) and in investment property of € 1 million (31 July 2008: € 0 million).

[26] Subsequent events
The period allowed for the acceptance of the mandatory offer made by Porsche SE to the shareholders of Scania AB elapsed on Tuesday, 10 February 2009. Porsche was offered shares in Scania worth a total of €395 million (4,398,139 A shares and 59,037,822 B shares). This represents approx. 7.93% of the share capital and approx. 2.34% of the voting rights. The settlement of the offer took place on 20 February 2009. Porsche SE resold the Scania shares internally to Volkswagen AG.

On 17 February 2009, the Sonderfonds Finanzmarktstabilisierung (SoFFin) announced that Volkswagen Bank GmbH, Braunschweig, had obtained a guarantee facility for the refinancing of vehicle loans of up to €2.0 billion. Accepting the guarantee is the weakest form of support by SoFFin. The guarantee facility for the refinancing does not include any equity subsidies from the government.

In the prior year, Porsche SE fully exploited the credit facility of €10.0 billion which had been provided by a bank syndicate. At the end of March 2009 the company finalized negotiations to secure a new credit of €10.0 billion to redeem the existing credit. As originally planned, there was made an arrangement with the bank syndicate that on basis of the loan agreement an additional amount up to €2.5 billion can be drawn within a certain period of time. The increase of the loan intends to achieve the strategic objectives as well as to satisfy future capital needs.

On 17 March 2009, Volkswagen finalized the sale of its shares in Caminhões e Ônibus Indústria e Comércio de Veículos Comerciais Ltda, Resende, Brazil, to a Brazilian subsidiary of MAN AG. The transfer of shares is effected retrospectively with an effective date as of 1 January 2009.

The Porsche Group's profit for the first six months of 2008/09 was positively influenced by cash-settled stock option transactions as a result of which Porsche participates in the change in the market price of Volkswagen shares. The contribution to income and the fair value of these hedging transactions depends on the share price. As the price of Volkswagen's shares was negative until the date the interim consolidated financial statements were authorized for issue, the contribution of these hedging transactions to profit was reduced accordingly. The determining factor for their impact on total net income in 2008/09 is the development of the value of Volkswagen's shares until 31 July 2009.

[27] Related parties

IAS 24 requires that persons or entities which are in control of or controlled by Porsche SE must be disclosed. Under a syndicate agreement, the Porsche und Piëch families have direct or indirect control over Porsche SE.

The disclosure requirements under IAS 24 also extend to persons who have the power to exercise significant influence over the company, i.e. who have the power to participate in the financial and operating policies of the company, but do not control it, including close family members. In the first half of 2008/09, this concerns members of the Supervisory Board and the Executive Board of Porsche SE as well as their close family members.

The volume of trade in the course of ordinary operations in the vehicles and parts business with the Porsche und Piëch families and their affiliates came to € 42 million (prior year: € 53 million) and trade in the design business to € 1 million (prior year: € 2 million).

In addition, the Porsche und Piëch families provided automotive services and delivered clocks and related spare parts to Porsche SE. These supplies and services are not material for the Porsche Group and were charged at arm's length conditions without exception. The Porsche und Piëch families granted an interest-free loan of € 2 million (31 July 2008: € 2 million) to Porsche Lizenz- und Handelsgesellschaft mbH & Co. KG.

Financial services provided to members of the Executive and Supervisory Boards came to € 4 k (prior year: € 0 k), supplies and services came to € 4 k (prior year: € 32 k) and other services to € 47 k (prior year: € 3 k). They were billed at arm's length conditions. Other than that, no transactions requiring disclosure were conducted by entities of the Porsche Group with members of the Supervisory Board or Executive Board as key management personnel or with any other entities in the executive or supervisory board of which any such persons are represented. The same applies for close relatives of the aforementioned persons.

The disclosure requirements pursuant to IAS 24 also include disclosing persons and entities on which Porsche SE can exert a significant influence. Before obtaining the majority of voting rights in Volkswagen AG, i.e. between 1 August 2008 and 5 January 2009, Porsche SE was able to exercise a significant influence on the Volkswagen Group. During that time, business relations existed with the Volkswagen Group from deliveries relating to the vehicle and parts business and from consulting and development services. They were billed at arm's length conditions. Since 5 January 2009 Porsche SE controls (in terms of IAS 27) unconsolidated subsidiaries and has joint control over joint ventures or can exercise significant influence over associates of the Volkswagen Group.

Related parties

€ million	Supplies and services rendered		Supplies and services received	
	1st half of 2008/09	1st half of 2007/08	**1st half of 2008/09**	1st half of 2007/08
Porsche and Piëch families	**80**	54	**2**	1
Volkswagen AG Group (before first-time consolidation)	**46**	38	**529**	426
Non-consolidated subsidiaries	**0**	0	**0**	0
Associates	**2**	0	**0**	0
Joint ventures	**1**	0	**3**	0
	129	92	**534**	427

€ million	Receivables		Liabilities	
	31/1/2009	31/7/2008	**31/1/2009**	31/7/2008
Porsche and Piëch families	**155**	3	**10**	2
Non-consolidated subsidiaries	**324**	0	**339**	0
Associates	**33**	18	**14**	21
Joint ventures	**3,866**	0	**46**	0
Other	**0**	0	**1**	0
	4,378	21	**410**	23

Stuttgart, 30 March 2009

Porsche Automobil Holding SE

Executive Board

Dr. Wendelin Wiedeking

Holger P. Härter

Assurance of the legal representatives

We assure to the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the group includes a fair view of the development and performance of the business including the result and the position of the Group and also describes the significant opportunities and risks relating to the anticipated development of the Group for the rest of the fiscal year.

Stuttgart, 30 March 2009

Porsche Automobil Holding SE

Executive Board

Dr. Wendelin Wiedeking Holger P. Härter