

Annual Report

2014

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Key figures

		2014 IFRS	2013 IFRS	2012 IFRS
Porsche SE Group				
Total assets	€ million	30,465	31,285	29,556
Shareholders' equity	€ million	29,493	30,470	28,504
Investments accounted for at equity	€ million	27,713	28,222	25,862
Profit/loss from investments accounted for at equity	€ million	3,434	2,710	4,376
Personnel expenses	€ million	15	16	14
Financial result	€ million	-76	-69	-30
Profit/loss before tax	€ million	3,287	2,591	7,967
Profit/loss for the year	€ million	3,028	2,408	7,943
Earnings per ordinary share ¹	€	9.88	7.86	25.89
Earnings per preference share ¹	€	9.89	7.87	25.90
Net liquidity	€ million	2,267	2,612	2,562
Employees on 31 December		31	35	29

		2014 HGB	2013 HGB	2012 HGB
Porsche SE				
Net profit	€ million	193	234	1,488
Net profit available for distribution	€ million	615	615	744
Dividend per ordinary share	€	2.004 ²	2.004	2.004
Dividend per preference share	€	2.010 ²	2.010	2.010

¹ Basic and diluted

² Proposal to the annual general meeting of the Porsche SE

Investments of Porsche SE

PORSCHE SE

Core Investment

Stake of ordinary shares: 50.7 %
(Represents a stake of subscribed capital: 31.5 %)

VOLKSWAGEN

AKTIENGESELLSCHAFT



VOLKSWAGEN FINANCIAL SERVICES

AKTIENGESELLSCHAFT

Further Investment

Share of total capital: ~ 10 %





2014

“We are convinced that Porsche SE, as a highly professional investment holding company, is on the right track and has vast potential for increasing value added.”

Prof. Dr. Martin Winterkorn

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Porsche Macan Turbo



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To our shareholders

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Letter to our shareholders



Dear shareholders,

Porsche Automobil Holding SE (Porsche SE) again developed very well in the fiscal year 2014. At 3.03 billion euro, group profit for the year significantly exceeded our expectations. This was due to the profit of 3.43 billion euro from investments in Volkswagen Aktiengesellschaft accounted for at equity, which meant that our company again benefited from the outstanding development of the Volkswagen Group and its 12 strong brands.

In addition, by acquiring a stake of around 10 percent in US technology company INRIX Inc., Kirkland, Washington, USA (INRIX), we have taken the first step toward strategically enhancing our investment portfolio. The company is a leading global provider of connected-car services and real-time traffic information, where we expect continued double-digit growth in the coming years.

It certainly took some time before we realized our first investment in the form of INRIX. And in view of our assets in excess of 30 billion euro, this investment is a relatively small step. However, I am convinced that Porsche SE will benefit from INRIX in the future, not least because, with this investment, our company is positioning itself in one of the largest growth segments in the automotive industry. Connectivity between vehicles and infrastructure is one of the most important trends of the coming years and decades. Rapid advances in the areas of bandwidth and data processing are adding many totally new functions to vehicles. The car itself is increasingly becoming a kind of smartphone on wheels. As a result, demand for traffic information and data-based solutions to problems is growing exponentially. We consider this area to hold vast growth potential and major opportunities, from which Porsche SE can and will benefit.

Our aim is to play a part in shaping change within the automotive industry and, with our investments, to make the right decisions for the long-term. Sifting out the most promising business models requires a wealth of technical expertise, thorough analysis, far-sightedness and, last but not least, patience. In the past two years, we have learned a great deal through our intensive work on potential investment projects. This in-depth insight is exceptionally valuable in our business. I am certain that, on this basis, we can and will make the right decisions at the right time.

**Prof. Dr. Martin
Winterkorn**
Chairman of the
executive board

On the legal side, we also made significant progress in the past year. In the USA, for example, we were able to conclude all pending litigation. We regard the American courts' vindication of our position as a success. We also achieved several stage victories before German courts. In March 2014, for example, the Regional Court of Stuttgart dismissed a 1.36 billion euro claim brought by 23 American hedge funds in the first instance.

Nevertheless, clarification of some cases continues to be a long, drawn out process. This does not, however, change our legal opinion: We consider all allegations to be without merit. We are therefore unimpressed by the tactical maneuvers of the plaintiffs and will continue to defend ourselves using all legal means at our disposal. To date, the courts have held Porsche SE to be in the right in all four cases in which a judgment has been reached. We are therefore optimistic regarding the further course of the legal disputes.

Of course, the favorable development of Porsche SE should also benefit you, our shareholders. The executive board and supervisory board therefore propose to the annual general meeting that a dividend of 2.010 euro per share be distributed to the holders of preference shares for the fiscal year 2014. Holders of ordinary shares will receive 2.004 euro per share. Subject to the approval of the shareholders, the dividend thus remains at the same high level for the third consecutive year. This confirms our dividend policy, which is geared to sustainability.

We expect Porsche SE also to develop favorably in 2015. Based on the current group structure, and without taking into account the dilutive effects of the Volkswagen mandatory convertible notes, Porsche SE expects a group profit for the year of between 2.8 billion euro and 3.8 billion euro for the fiscal year 2015. Furthermore, we aim to achieve positive net liquidity of between 1.7 billion euro and 2.3 billion euro, not taking into consideration future investments. Now more than ever, we are convinced that Porsche SE, as a highly professional investment holding company, is on the right track and has vast potential for increasing value added. And we will therefore continue to count on your trust and support in the future.



Prof. Dr. Martin Winterkorn

Company boards of Porsche Automobil Holding SE and their appointments

Members of the supervisory board

Dr. Wolfgang Porsche

Diplomkaufmann
Chairman

Appointments:

- Dr. Ing. h.c. F. Porsche AG, Stuttgart (chairman)
- Volkswagen AG, Wolfsburg
- AUDI AG, Ingolstadt
- Porsche Holding Gesellschaft m.b.H., Salzburg
- Familie Porsche AG Beteiligungsgesellschaft, Salzburg (chairman)
- Porsche Cars Great Britain Ltd., Reading
- Porsche Cars North America Inc., Wilmington
- Porsche Ibérica S.A., Madrid
- Porsche Italia S.p.A., Padua
- Schmittenhöhebahn Aktiengesellschaft, Zell am See

Uwe Hück*

Deputy chairman
Deputy chairman of the SE works council of Porsche Automobil Holding SE
Chairman of the group and general works council of Dr. Ing. h.c. F. Porsche AG
Chairman of the works council
Zuffenhausen / Ludwigsburg / Sachsenheim

Appointments:

- Dr. Ing. h.c. F. Porsche AG, Stuttgart (deputy chairman)

* Employee representative

** After the reporting date, Porsche SE was informed that His Excellency Sheikh Jassim bin Abdulaziz bin Jassim Al-Thani is laying down his office as shareholder representative on the supervisory board. He will leave the supervisory board effective as of the end of the day on 24 March 2015.

As of 31 December 2014

- Membership in German statutory supervisory boards
- Comparable appointments in Germany and abroad

His Excellency Sheikh Jassim bin Abdulaziz bin Jassim Al-Thani**

Member of the following boards

Appointments:

- o Qatar Foundation Endowment Executive Committee, Doha (chairman)
- o Qatar National Bank, Doha (deputy chairman)
- o Qatar Foundation, Doha
- o InvestCorp, Manama

Berthold Huber*

Präsident IndustriALL Global Union

Appointments:

- Volkswagen AG, Wolfsburg (deputy chairman)
- AUDI AG, Ingolstadt (deputy chairman)
- Siemens AG, Munich (deputy chairman)

Prof. Dr. Ulrich Lehner

Member of the shareholders' committee of Henkel AG & Co. KGaA

Appointments:

- Deutsche Telekom AG, Bonn (chairman)
- E.ON SE, Düsseldorf (deputy chairman)
- ThyssenKrupp AG, Essen (chairman)
- o Henkel AG & Co. KGaA, Düsseldorf
- o Novartis AG, Basle (deputy chairman)

Peter Mosch*

Member of the SE works council of Porsche Automobil Holding SE
Chairman of the AUDI AG general works council

Appointments:

- Volkswagen AG, Wolfsburg
- AUDI AG, Ingolstadt
- Audi Pensionskasse-Altersversorgung der AUTO UNION GmbH, VwAG, Ingolstadt

Bernd Osterloh*

Chairman of the SE works council
of Porsche Automobil Holding SE
Chairman of the general and group works council
of Volkswagen AG

Appointments:

- Autostadt GmbH, Wolfsburg
- Volkswagen AG, Wolfsburg
- Wolfsburg AG, Wolfsburg
- Porsche Holding Gesellschaft m.b.H., Salzburg
- Allianz für die Region GmbH, Braunschweig
- VfL Wolfsburg-Fußball GmbH, Wolfsburg
- Volkswagen Immobilien GmbH, Wolfsburg

Hon.-Prof. Dr. techn. h.c. Ferdinand K. Piëch

Diplom-Ingenieur ETH

Appointments:

- Dr. Ing. h.c. F. Porsche AG, Stuttgart
- Volkswagen AG, Wolfsburg (chairman)
- MAN SE, Munich (chairman)
- AUDI AG, Ingolstadt
- Porsche Holding Gesellschaft m.b.H., Salzburg
- Ducati Motor Holding S.p.A., Bologna
- Scania AB, Södertälje
- Scania CV AB, Södertälje

Dr. Hans Michel Piëch

Attorney at law

Appointments:

- Dr. Ing. h.c. F. Porsche AG, Stuttgart
- Volkswagen AG, Wolfsburg
- AUDI AG, Ingolstadt
- Porsche Holding Gesellschaft m.b.H., Salzburg
- Porsche Cars Great Britain Ltd., Reading
- Porsche Cars North America Inc., Wilmington
- Porsche Ibérica S.A., Madrid
- Porsche Italia S.p.A., Padua
- Volksoper Wien GmbH, Vienna
- Schmittenhöhebahn Aktiengesellschaft,
Zell am See

Dr. Ferdinand Oliver Porsche

Investment management

Appointments:

- Dr. Ing. h.c. F. Porsche AG, Stuttgart
- Volkswagen AG, Wolfsburg
- AUDI AG, Ingolstadt
- Porsche Lizenz- und Handelsgesellschaft
mbH & Co. KG, Ludwigsburg
- Porsche Holding Gesellschaft m.b.H., Salzburg
- PGA S.A., Paris

* Employee representative
As of 31 December 2014

- Membership in German statutory supervisory boards
- Comparable appointments in Germany and abroad

Hansjörg Schmierer*

Manager of IG Metall, Stuttgart

Appointments:

- Dr. Ing. h.c. F. Porsche AG, Stuttgart

Werner Weresch*

Member of the SE works council of

Porsche Automobil Holding SE

Member of the group works council and member
of the general works council of

Dr. Ing. h.c. F. Porsche AG

Deputy chairman of the works council

Zuffenhausen / Ludwigsburg / Sachsenheim

Head of shop stewards' committee

Appointments:

- Dr. Ing. h.c. F. Porsche AG, Stuttgart

**List of all current committees
of the supervisory board of
Porsche Automobil Holding SE
and their members****Executive committee:**

- Dr. Wolfgang Porsche (chairman)
- Uwe Hück (deputy chairman)
- Bernd Osterloh
- Dr. Hans Michel Piëch

Audit committee:

- Prof. Dr. Ulrich Lehner (chairman)
- Uwe Hück (deputy chairman)
- Bernd Osterloh
- Dr. Ferdinand Oliver Porsche

Nomination committee:

- Dr. Wolfgang Porsche (chairman)
- Dr. Hans Michel Piëch (deputy chairman)
- Prof. Dr. Ferdinand K. Piëch
- Dr. Ferdinand Oliver Porsche

Investment committee:

- Dr. Wolfgang Porsche (chairman)
- Uwe Hück (deputy chairman)
- Prof. Dr. Ferdinand K. Piëch
- Bernd Osterloh

Members of the executive board

Prof. Dr. Dr. h.c. mult. Martin Winterkorn

Diplom-Ingenieur

Chairman of the executive board of
Porsche Automobil Holding SE

Chief Executive Officer of Volkswagen AG of the
board of management of Volkswagen AG
Corporate research and development

Appointments:

- Dr. Ing. h.c. F. Porsche AG, Stuttgart
- AUDI AG, Ingolstadt (chairman)
- MAN SE, Munich
- FC Bayern München AG, Munich
- Scania AB, Södertälje (chairman)
- Scania CV AB, Södertälje (chairman)
- ŠKODA AUTO a.s., Mladá Boleslav
- Porsche Holding Gesellschaft m.b.H., Salzburg
- Bentley Motors Ltd., Crewe
- Volkswagen (China) Investment Company Ltd., Beijing (chairman)
- Volkswagen Group of America, Inc., Herndon, Virginia (chairman)
- Porsche Austria Gesellschaft m.b.H., Salzburg
- Porsche Retail GmbH, Salzburg

Hans Dieter Pötsch

Diplom-Wirtschaftsingenieur

Chief Financial Officer
Porsche Automobil Holding SE

Member of the board of management
of Volkswagen AG
Finance and controlling

Appointments:

- Dr. Ing. h.c. F. Porsche AG, Stuttgart
- AUDI AG, Ingolstadt
- Volkswagen Financial Services AG, Braunschweig (chairman)
- Autostadt GmbH, Wolfsburg (chairman)
- MAN SE, Munich
- Bertelsmann SE & Co. KGaA, Gütersloh
- Bertelsmann Management SE, Gütersloh
- Bentley Motors Ltd., Crewe
- Volkswagen (China) Investment Company Ltd., Beijing (deputy chairman)
- Volkswagen Group of America, Inc., Herndon, Virginia
- Scania AB, Södertälje
- Scania CV AB, Södertälje
- Porsche Holding Gesellschaft m.b.H., Salzburg (deputy chairman)
- Porsche Austria Gesellschaft m.b.H., Salzburg (deputy chairman)
- Porsche Retail GmbH, Salzburg (deputy chairman)
- VfL Wolfsburg-Fußball GmbH, Wolfsburg (deputy chairman)

As of 31 December 2014

- Membership in German statutory supervisory boards
- Comparable appointments in Germany and abroad

Matthias Müller

Diplom-Informatiker

Strategy and corporate development
Member of the executive board of
Porsche Automobil Holding SE

Chairman of the executive board of
Dr. Ing. h.c. F. Porsche AG

Appointments:

- Porsche Deutschland GmbH,
Bietigheim-Bissingen
- o Porsche Consulting GmbH, Bietigheim-Bissingen
(chairman)
- o Porsche Cars North America Inc., Wilmington
- o Porsche Cars Great Britain Ltd., Reading
- o Porsche Italia S.p.A., Padua
- o Porsche Ibérica S.A., Madrid
- o Porsche Hong Kong Ltd., Hong Kong
- o Porsche (China) Motors Ltd., Guangzhou
- o Porsche Enterprises Inc., Wilmington
- o SEAT S.A., Martorell

Philipp von Hagen

B.Sc. (Economics), M.Phil. (Economics)

Investment management
Member of the executive board of
Porsche Automobil Holding SE

Appointments:

- o INRIX Inc., Kirkland, Washington

The executive board





Matthias Müller
Strategy and
corporate development
Member of the executive board

Hans Dieter Pötsch
Chief Financial Officer
Member of the executive board

Philipp von Hagen
Investment management
Member of the executive board

**Prof. Dr. Dr. h.c. mult.
Martin Winterkorn**
Chairman of the executive board

Report of the supervisory board



Ladies and gentlemen,

In the past year, the company's core investment, the shareholding in Volkswagen AG, developed excellently: For the first time, the Volkswagen Group sold more than ten million vehicles. In light of the massive turbulence seen in the global economy, this is a superb achievement for which we would like to congratulate the boards of management as well as all employees of the Volkswagen Group. Porsche SE, as investment holding company, once again benefited hugely from the excellent performance of Volkswagen AG.

Furthermore, with its investment in the U.S. technology company INRIX Inc., a well-established provider of real-time traffic information, the company took its first step toward enlarging its investment portfolio. The connectivity of vehicles is one of the mega trends in the automotive industry. We will therefore closely examine further potential investments in this market segment.

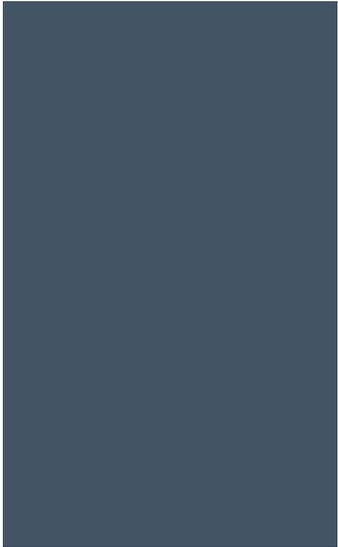
With regard to the claims for damages filed against the company, Porsche SE achieved important stage victories. The claims for damages that were still pending in the U.S. failed, bringing this chapter to a successful close. In addition, the claims for damages filed by several hedge funds with a total claim of €1.36 billion were dismissed by the Regional Court of Stuttgart in the first instance. These successes make us confident that the appeal pending at the Higher Regional Court of Stuttgart and the other proceedings will end with a positive outcome for us.

During the entire fiscal year the supervisory board was occupied with the financial situation and the net assets, financial position and results of operations of Porsche SE and the companies linked with it pursuant to Sec. 15 German Stock Corporations Act (AktG) and carried out the advisory and control functions for which it is responsible by law and according to the company's articles of association.

In the past fiscal year the supervisory board held four ordinary meetings. Supervisory board members who were absent from meetings participated in some resolutions through written votes. Pursuant to the provision in no. 5.4.7 of the German Corporate Governance Code, notification must be made if a member of the supervisory board participated in less than half of the



**Dr. Wolfgang
Porsche**
Chairman of the
supervisory board



supervisory board meetings in one fiscal year. This was the case for his Excellency Sheik Jassim bin Abdulaziz bin Jassim Al-Thani.

Cooperation between the supervisory board and the executive board

Within the framework of its advisory and control responsibilities the supervisory board was kept informed about company performance during the fiscal year by means of written reports by the executive board as well as verbally in meetings. Reporting focused in particular on the company's economic position, business results, business policy and the development of net assets, financial position and results of operations. The supervisory board examined the significant planning and annual financial statement documents submitted to it and satisfied itself of their accuracy and appropriateness. It examined and discussed all reports made available to it in appropriate detail and inquired about them in a critical manner. In addition, the chairman of the supervisory board was in constant contact with the executive board throughout the reporting period.

The supervisory board examined basic questions of corporate planning, especially financial, liquidity and investment planning. After thorough examination it agreed to all matters submitted to it by the executive board for making a resolution or giving consent in accordance with the co-determination agreement, the articles of association or the rules of procedure of the executive board for making a resolution or giving consent. Such matters included in particular voting behavior of the company at the annual general meeting of Volkswagen AG in connection with the exoneration of the members of management for the fiscal year 2013 and the election of three members of the supervisory board as well as the acquisition of an investment in the U.S. company INRIX Inc.

The supervisory board ensured that the executive board carried out its business according to the regulations. Supervision also encompassed appropriate measures for risk avoidance and compliance. The supervisory board also ensured that the executive board carried out the measures for which it is responsible in accordance with Sec. 91 (2) AktG in an appropriate form and that the risk supervision system the act requires is functioning effectively.

Main focus of supervisory and advisory activity of the supervisory board in the fiscal year 2014

At the first ordinary meeting for the fiscal year on 28 February 2014 the supervisory board focused in particular on the extension of the appointment of Mr. Müller as member of the executive board, the separate and consolidated financial statements as well as the combined management report for the fiscal year 2013 and the proposals for resolutions to be made at the annual general meeting of Porsche SE on 27 May 2014. In addition, the executive board reported, among other things, about the status of the claims for damages before the U.S. Federal Court, the claims for damages pending in Germany, the criminal proceedings in connection with allegations of information-based manipulation of the market by statements made by Porsche SE in the period between March and the beginning of October 2008 against former members of the executive board of Porsche SE as well as the investigation due to allegations of jointly aiding and abetting violation of the prohibition on information-based market manipulation by omission against all members of the supervisory board serving in 2008 and the criminal proceedings in connection with the alleged credit fraud brought against, among others, a former member of the executive board.

At its second ordinary meeting on 26 May 2014, the supervisory board focused, among other things, on the extension of the appointment of Mr. von Hagen as member of the executive board, the declaration of compliance under the German Corporate Governance Code and the company's annual general meeting scheduled for the following day. Furthermore, the supervisory board decided on amendments of the executive board's rules of procedure. In addition, the executive board reported on the status of the claims for damages before the U.S. Federal Court, the claims for damages pending in Germany, the action of nullity and for annulment against the resolutions of the annual general meeting for 2013 and the criminal proceedings in connection with allegations of information-based manipulation of the market by omission against all members of the supervisory board serving in 2008. Furthermore, the supervisory board dealt with the decision handed down by the Regional Court of Stuttgart on 24 April 2014, in which the court had dismissed the opening of criminal proceedings in connection with allegations of information-based manipulation of the market by statements made by Porsche SE in the period between March to the beginning of October 2008 against former members of the executive board of Porsche SE.

At its ordinary meeting on 18 September 2014, the supervisory board in particular discussed the status of the claims for damages before the U.S. Federal Court, the claims for damages pending in Germany, proceedings regarding shareholders' actions in connection with the annual general meeting on 27 May 2014 and the ongoing investigations and criminal proceedings and here primarily the decision handed down by the Higher Regional Court of Stuttgart on 18 August 2014 on the dismissal of the opening of criminal proceedings in connection with allegations of information-based manipulation of the market by statements made by Porsche SE in the period between March and the beginning of October 2008 against former members of the executive board of Porsche SE. In addition, the executive board reported on an additional investigation concerning former members of the executive board of Porsche SE in connection with allegations of information-based manipulation of the market by the press release issued by Porsche SE on 26 October 2008. Finally, the executive board reported to the supervisory board about two

regulatory offenses filed against Porsche SE pursuant to Sec. 30 of the German Act against Regulatory Offenses (OWiG) in connection with allegations of information-based market manipulation, the status of the investigation concerning allegations of jointly aiding and abetting violation of the prohibition on information-based market manipulation by omission against all members of the supervisory board serving in 2008 and the final judgment in the criminal proceedings on the alleged credit fraud brought against a former member of the executive board.

At the last meeting of the supervisory board of the fiscal year 2014 held on 3 December 2014, the supervisory board passed a resolution to extend the contracts of employment of two members of the executive board, Mr. Müller and Mr. von Hagen. In this connection, the remuneration system for Mr. Müller was adjusted and the amount of remuneration of the two members of the executive board decided. In addition, the executive board dealt with the effects of the tax field audit concluded on 1 December 2014. The executive board reported in particular on the successful outcome of the remaining U.S. claims for damages before the U.S. Federal Court that had still been pending, the status of the individual claims for damages pending in Germany, the ruling in favor of Porsche SE made by the Regional Court of Stuttgart in the action of nullity and for annulment regarding the resolutions of the annual general meeting in 2013 from 23 September 2014, the status of the ongoing investigations and criminal proceedings as well as the regulatory offenses filed against Porsche SE pursuant to Sec. 30 German Act against Regulatory Offenses (OWiG). Finally, the supervisory board reviewed the efficiency of its activities through self-evaluation.

At all of its ordinary meetings in 2014, the supervisory board obtained information on the status of the implementation of the investment concept.

Efficient work of the supervisory board committees

To carry out its duties, during the period covered by this report the supervisory board formed a total of four committees. These are the executive committee, the audit committee, the nominations committee and the investment committee.

The committees support the supervisory board and prepare supervisory board resolutions as well as topics for discussion by the whole supervisory board. Moreover, the decision-making authority of the supervisory board has been transferred to individual committees to the extent permitted by law.

Executive committee

The executive committee decides in urgent cases on business matters requiring the agreement of the supervisory board as well as on concluding, amending and terminating contracts of employment for members of the executive board where specification of compensation or its reduction is not affected. In addition, the executive committee draws up a proposal for the individual amount of the variable remuneration for each completed fiscal year, taking into account the respective business and earnings situation and based on the specific performance of the individual member of the executive board. This proposal is submitted to the supervisory board of Porsche SE for decision.

The executive committee comprises the chairman of the supervisory board, his deputy and a shareholder representative and employee representative elected from the supervisory board. In addition to the supervisory board chairman Dr. Wolfgang Porsche and his deputy Mr. Uwe Hück, the members of the executive committee are Dr. Hans Michel Piëch as shareholder representative and Mr. Bernd Osterloh as employee representative. The executive committee met four times in the fiscal year 2014, in each case immediately before the supervisory board meetings. At these meetings, in addition to personnel matters of the executive board, the respective agenda items of the subsequent supervisory board meeting were addressed. The full supervisory board was regularly informed of the work of the executive committee.

The mediation committee did not have to be convened.

Audit committee

The audit committee supports the supervisory board in monitoring management of the company and pays particular attention to monitoring accounting processes, the effectiveness of the internal control system, the risk management system and the internal audit function, the audit of the financial statements, including the independence of the auditor and the additional services rendered by the auditor, the issuing of the audit mandate to the auditor, the determination of auditing focal points and the fee agreement as well as compliance.

The audit committee has four members: Prof. Dr. Ulrich Lehner (chairman) and Mr. Uwe Hück, Mr. Bernd Osterloh and Dr. Ferdinand Oliver Porsche. The audit committee met six times in the past fiscal year 2014 and reported to the full supervisory board regularly on its work.

At its meeting on 27 February 2014, the audit committee examined the main points of the separate financial statements and consolidated financial statements for the fiscal year 2013 and the combined management report and the executive board's proposal for profit appropriation. In addition, the audit committee dealt with the current risk report, the status of the tax field audit, the status of the internal audit function and the recommendation for the election of the auditor for the fiscal year 2014. The audit committee also obtained information on the status of legal proceedings and court cases and the provisions recognized therefore.

At the following meeting on 14 May 2014, the audit committee examined the interim report for the first quarter of 2014 and the current risk report. In addition, the audit committee heard a report on the status of legal proceedings and court cases. The main topic of the meeting on 1 August 2014 was in particular the half-yearly financial report for the first half of 2014, the status of the tax field audit, the provisions recognized, the status of legal proceedings and court cases and the current risk report. At its last meeting for the fiscal year 2014 on 10 November 2014 the audit committee dealt in particular with the interim report for the third quarter of 2014 and mainly with the tax field audits as well as in connection with the provisions recognized therefore. The audit committee also obtained information about the status of legal proceedings and court cases and dealt with the current risk report and provisions recognized. In addition, the committee reviewed the efficiency of its activities through self-evaluation.

Nominations committee

The nominations committee makes recommendations for the supervisory board's proposals to the annual general meeting concerning the election of supervisory board members representing shareholders. The nominations committee is made up of the chairman of the supervisory board, Dr. Wolfgang Porsche, who is also chair of the nominations committee, and three further shareholder representatives: Prof. Dr. Ferdinand K. Piëch, Dr. Hans Michel Piëch and Dr. Ferdinand Oliver Porsche. The nominations committee did not meet in the fiscal year 2014.

Investment committee

The investment committee prepares resolutions of the supervisory board as well as addressing in plenary sessions topics which are required for or conducive to implementing the investment concept decided upon by the executive board and makes recommendations in this regard to the supervisory board. Members of the investment committee, which met four times in the fiscal year 2014, are, in addition to chairman of the supervisory board Dr. Wolfgang Porsche and his deputy Mr. Uwe Hück, Prof. Dr. Ferdinand K. Piëch as shareholder representative and Mr. Bernd Osterloh as employees' representative. At its meetings on 28 February 2014, 18 September 2014 and 3 December 2014 the investment committee dealt with the status of the investment concept and current acquisition projects. At its meeting on 1 August 2014 the committee decided to recommend to the supervisory board to approve the acquisition of an investment in the U.S. company INRIX Inc. proposed by the executive board. The full supervisory board was regularly informed of the work of the investment committee.

Corporate governance

The supervisory board and executive board have repeatedly and intensively discussed the recommendations and suggestions of the German Corporate Governance Code, submitted the declaration of compliance in accordance with Sec. 161 AktG in May 2014 and made it permanently accessible to shareholders on the website www.porsche-se.com. The current declaration of compliance is reproduced in full in the corporate governance report published together with the declaration of compliance on the company's website. The supervisory board regularly reviews the efficiency of its activities through self-evaluation.

Due to the influence of individual members of the supervisory board of Porsche SE on individual ordinary shareholders of Porsche SE or the fact that individual supervisory board members are also members of the supervisory boards of Porsche SE and Volkswagen AG or Volkswagen subsidiaries (i.e., all members of the supervisory board except Prof. Ulrich Lehner and His Excellency Sheikh Jassim bin Abdulaziz bin Jassim Al-Thani) conflicts of interest can arise for these members of the supervisory board in individual cases.

To the extent that concrete conflicts of interest existed or were feared, the particular conflict of interest was reported to the supervisory board. In the last fiscal year this involved the resolution by circulation on voting behavior of the company in the annual general meeting of Volkswagen AG in connection with the individual exoneration of the members of supervisory board for the fiscal year 2013: The individually voting shareholders' representatives, who are also members of supervisory board of Volkswagen AG, namely Dr. Wolfgang Porsche, Prof. Dr. Ferdinand K. Piëch, Dr. Hans Michel Piëch and Dr. Ferdinand Oliver Porsche, each abstained from voting in connection with the resolution on voting behavior regarding their own exoneration.

Audit of the separate financial statements and consolidated financial statements for the fiscal year 2014

The separate financial statements and the consolidated financial statements presented by the executive board of Porsche SE for the fiscal year 2014 were examined together with the bookkeeping system and the combined management report by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart. The auditor raised no objections and in keeping with this issued unqualified audit opinions.

The profit before tax of the Porsche SE Group in the fiscal year 2014 amounted to €3,287 million. Profit after tax totaled €3,028 million. The separate financial statements of Porsche SE showed net income for the year of €193 million and net profit available for distribution of €615 million.

The area of focus of the independent audit of the financial statements set by the supervisory board in consultation with the audit committee was recognition and measurement of the legal risks as well as recognition and measurement of the tax risks for Porsche SE.

In accordance with Sec. 313 AktG the executive board's dependent company report (Sec. 312 AktG) was also examined in the annual audit.

On the basis of the findings obtained through their examination the auditor came to the conclusion that the consolidated financial statements met the requirements of the IFRSs as they apply in the EU and the commercial law applicable under Sec. 315a (1) German Commercial Code (HGB), and that the separate financial statements comply with the legal requirements. In the context of the aforementioned regulations, the separate financial statements give a true and fair view of the group's or company's net assets, financial position and results of operations. The auditor also determined that the combined management report of the company and the group is consistent with the separate financial statements or consolidated financial statements and as a whole provides a suitable view of the position of the company and group and suitably presents the opportunities and risks of future development. In the auditor's opinion the early warning system for detecting risk at the level of Porsche SE satisfies the statutory requirements of Sec. 91 (2) AktG.

The separate financial statements of Porsche SE, the consolidated financial statements and combined management report of the company and the group, which have been issued with an unqualified audit opinion by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, as well as the audit reports of the auditor and the proposal of the executive board on appropriation of the net profit available for distribution were submitted to the supervisory board for review.

At its meeting on 5 March 2015, the audit committee examined the separate financial statements, the consolidated financial statements and the combined management report and discussed significant financial statement topics, especially recognition and measurement of the legal risks for Porsche SE, with the auditor. In doing so the audit committee examined the appropriateness of accounting and whether in preparing the separate financial statements and the consolidated financial statements and the combined management report the legal requirements had been fulfilled, and whether the material presented gives a true and fair view of the company's and group's net assets, financial position and results of operations. Representatives of the auditor attended the meeting of the audit committee in connection with the relevant agenda item and reported on the significant results of their examination of the separate financial statements and the consolidated financial statements. The representatives of the auditor explained the net assets, financial position and results of operations of Porsche SE and were available to the committee to provide additional information. In addition, at its meeting on 5 March 2015 the audit committee discussed the executive board's proposal for the appropriation of net profit available for distribution.

The audit committee resolved to recommend to the supervisory board to approve the separate financial statements and the consolidated financial statements and to adopt the executive board's proposal for the appropriation of net profit available for distribution. In addition, the declaration of independence of the auditor was obtained in accordance with No. 7.2.1 of the German Corporate Governance Code. The audit committee then resolved to propose to the supervisory board that Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, be recommended to the annual general meeting on 13 May 2015 for election as auditor.

At its meeting on 6 March 2015 the supervisory board closely examined and discussed the documents provided to it in accordance with Article 9 (1) lit. c (ii) SE-VO and Sec. 170 (1) and (2) AktG as well as the audit reports of the auditor. In connection with this, the chairman of the audit committee gave a detailed report in the audit committee on the discussion of the separate financial statements, the consolidated financial statements, and the combined management report in the audit committee. The supervisory board's review focused especially on recognition and measurement of the legal risks as well as the recognition and measurement of the tax risks of Porsche SE. Representatives of the auditor attended the meeting of the supervisory board when the relevant agenda item was addressed and reported on the significant results of their audit of the separate financial statements and the consolidated financial statements. In particular, the representatives of the auditor discussed the net assets, financial position and results of operations of Porsche SE and the group and were available to the supervisory board to provide supplementary information.

The supervisory board approved the results of the audit by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart. As the final result of its own review the supervisory board determined that there are no grounds for objection. In compliance with the audit committee's recommendation, the supervisory board approved the separate financial statements and consolidated financial statements for the fiscal year 2014. The separate financial statements are thus confirmed. The supervisory board declared its agreement with the combined management report. After examining it, the supervisory board endorsed the suggestion of the executive board for the appropriation of net profit available for distribution.

Pursuant to Article 9 (1) lit. c (ii) SE-VO and Sec. 312 AktG the executive board has prepared a report on related companies (dependent company report) for the fiscal year 2014. The auditors have audited the dependent company report and have rendered the following audit opinion:

"Based on our audit and assessment in accordance with professional standards we confirm that

- (1) the factual disclosures contained in the report are correct,
- (2) the payments made by the company in connection with transactions detailed in the report were not unreasonably high."

Together with the auditor's report, the dependent company report was submitted to the supervisory board in a timely manner. Both reports were thoroughly discussed at the meetings of the audit committee and the supervisory board on 5 and 6 March 2015 respectively and in particular checked for their accuracy and completeness. Representatives of the auditor participated in these meetings and reported on the significant results of their audit of the dependent company report and were available to the audit committee or the supervisory board to provide additional information. The supervisory board concurred with the result of the auditor's audit of the dependent company report. According to the concluding results of its own review, the supervisory board had no objections to raise with respect to the closing declaration of the executive board in the dependent company report.

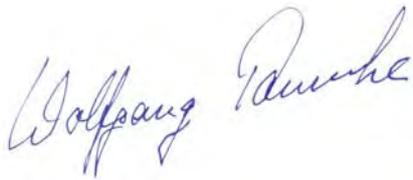
Composition of the executive board and supervisory board

Membership of the executive board remained unchanged in the fiscal year 2014. The appointment of Mr. Matthias Müller to the company's executive board was extended by five years, i.e., until 31 December 2019. The appointment of Mr. Philipp von Hagen to the company's executive board was extended by three years, i.e., until 28 February 2018. His Excellency Sheikh Jassim bin Abdulaziz bin Jassim Al-Thani retired from his position as shareholder representative on the supervisory board effective 24 March 2015. The supervisory board will propose a successor to the annual general meeting in 2015 for election to the supervisory board of Porsche Automobil Holding SE. For the transitional period until the annual general meeting, an application will be made for the court appointment of the successor member of the supervisory board.

Acknowledgment

The supervisory board expresses its gratitude to the executive board and all employees in acknowledgment of the work they have done and their unflagging commitment.

Stuttgart, 6 March 2015

A handwritten signature in blue ink that reads "Wolfgang Porsche". The signature is written in a cursive, flowing style.

Supervisory board
Dr. Wolfgang Porsche
Chairman


 The header image features a dark blue background on the left with the text 'Corporate governance report' in white. To the right is a photograph of a modern, curved architectural structure with a glass facade, set against a bright sky. A vertical orange line is positioned to the left of the text.

Corporate governance report

Responsible, transparent and efficient corporate governance is an integral part of corporate culture at Porsche Automobil Holding SE.

Declaration of compliance required by Sec. 289a German Commercial Code (HGB)

You can find the declaration of compliance required by Sec. 289a HGB on our website at: www.porsche-se.com/pho/en/investorrelations/declaration/.

Corporate statutes of Porsche Automobil Holding SE

The main legal basis for the corporate statutes of Porsche SE is formed by the European SE provisions and the German SE Implementation Act as well as the German Stock Corporation Act (AktG). Compared with the corporate statutes of a stock corporation, the differences primarily pertain to the formation and composition of the supervisory board. The dual management system with a strict separation of executive board and supervisory board, the principle of parity co-determination in the supervisory board, as well as the co-administration and control rights of the shareholders in the annual general meeting are also parts of the company statutes of Porsche SE.

Corporate management by the executive board

The executive board has sole responsibility for the management of Porsche SE and the Porsche Group in the interest of the company and represents the company in transactions with third parties. Its main tasks pertain to the strategy and management of the company as well as the implementation and monitoring of an efficient risk management system. The activity of the executive board is specified in more detail in rules of procedure issued by the supervisory board.

The executive board informs the supervisory board regularly, without delay and comprehensively about the strategy, planning, business development, risk situation and the risk management and compliance of the company and consults with the supervisory board on the strategy of the company. Certain transactions of fundamental significance stipulated in the executive board's rules of procedure may only be carried out by the executive board subject to the prior approval of the supervisory board. These include, among others, the acquisition and sale of companies of a certain size, the establishment and closure of plant locations, the introduction or discontinuation of business divisions as well as legal transactions with holders of ordinary shares or supervisory board members of Porsche SE.



Corporate governance takes into consideration conflicts of interest that can arise, among other things, from membership of two executive boards (at Porsche SE on the one hand, and at Volkswagen AG or at Volkswagen subsidiaries on the other) and addresses these in the interest of Porsche SE. For example, members of the executive board who are also members of the Volkswagen AG board of management do not on principle participate in any resolutions concerning issues relating to Volkswagen AG that constitute a conflict of interest.

In accordance with the provisions of the German Corporate Governance Code, the executive board ensures compliance with legal provisions and internal policies, and works toward ensuring they are observed (compliance). The duties of the Chief Compliance Officer of Porsche SE are to advise the executive board on all questions relating to compliance, to introduce preventive measures, manage these and monitor compliance with regulations. Compliance activities are based on a preventive, proactive strategy. The Chief Compliance Officer of Porsche SE reports directly to the chairman of the executive board.

Monitoring of management by the supervisory board

The supervisory board appoints the members of the executive board and advises and monitors the executive board in its management of the company on a regular basis. The fundamental independence of the supervisory board in controlling the executive board is already structurally guaranteed through the fact that a member of the supervisory board may not simultaneously belong to the executive board and that both boards, including the powers assigned to them, are strictly separated from each other.

The supervisory board consists of twelve members. The size and composition of the supervisory board are governed by European SE provisions. These are supplemented by the co-determination agreement entered into with representatives of the European Porsche employees. This defines the competencies of the employees in the works council of Porsche SE, the procedure for the election of the Porsche SE works council and the representation of the employees in the Porsche SE supervisory board as well as the relevant rulings in the articles of association. Shareholder and employee representatives are equally represented on the supervisory board of Porsche SE, following the basic principles of German co-determination law.



None of the current supervisory board members is a former member of the Porsche SE executive board or Porsche AG executive board. In the judgment of the supervisory board, it has a sufficient number of independent members.

The supervisory board makes decisions on the basis of a simple majority of the members of the supervisory board who participate in the vote. In the case of a tied vote, the supervisory board chairman, who, according to the legal provisions of the SE directive, may only be a member of the supervisory board elected by the shareholders, casts a deciding vote.

To carry out its duties, during the period covered by this report the supervisory board formed a total of four committees which effectively supported or are still supporting the work of the supervisory board as a whole. These are the executive committee, the audit committee, the nominations committee and the investment committee.

The executive committee functions as a personnel committee and, in urgent cases, makes decisions on matters which require the approval of the supervisory board. The audit committee supports the supervisory board in monitoring management of

the company and pays particular attention to monitoring accounting processes, the effectiveness of the internal control system, the risk management system and internal audit, the audit of the financial statements, including the independence of the auditor and the additional services rendered by the auditor, the issuing of the audit engagement to the auditor, the determination of auditing focal points and the fee agreement as well as compliance. The nominations committee makes recommendations to the supervisory board for the supervisory board's proposals to the annual general meeting concerning the election of supervisory board members. The investment committee prepares resolutions of the supervisory board as well as topics to be dealt with in plenary sessions which are required for or conducive to implementing the investment concept decided upon by the executive board and gives recommendations in this regard to the supervisory board.

Shareholders' rights

Porsche SE's share capital is equally divided into ordinary shares and non-voting preference shares. To the extent provided for in the articles of association, the shareholders exercise their rights before or during the annual general meeting, exercising their voting right should they hold ordinary shares. When



passing resolutions, each ordinary share of Porsche SE carries one vote. There are no shares with multiple or preferential voting rights, nor are there maximum voting rights. Every shareholder is entitled to take part in the annual general meeting, to express an opinion on items on the agenda, to table motions and to demand information about company matters if this is needed to properly judge an item on the agenda.

The annual general meeting decides on the appropriation of profits as well as the exoneration of the executive board and supervisory board and elects the shareholder representative to the supervisory board and the auditor. The annual general meeting also decides on the articles of association and purpose of the company, on amendments to the articles of association and on key corporate measures, in particular such as corporate contracts.

The shareholder representatives on the supervisory board are appointed by the annual general meeting. The following applies to the appointing of employee representatives to the supervisory board: The articles of association of Porsche SE provide for the appointment of employee representatives to the supervisory board by the annual general meeting, unless an agreement reached in accordance with the German Act on Employee Involvement in SEs (SEBG)

provides for any other procedure for the appointment of employee representatives to the supervisory board. The latter is currently the case: The agreement on the involvement of employees at Porsche SE contains the provision that employee representatives are directly appointed to office following their election by the Porsche SE works council. Even if no such agreement had been made, the annual general meeting would be bound by the nominations of the employees for employee representatives.

Financial reporting and the annual audit

The Porsche Group's financial reporting is based on the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as adopted by the European Union, as well as the provisions of German commercial law applicable under Sec. 315a (1) HGB. The financial statements of Porsche SE as parent company of the Porsche SE Group are based on the accounting provisions of the German Commercial Code. Both sets of financial statements are audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, as independent auditor. In addition, the underlying facts of the compliance declaration in accordance with Sec. 161 (1) AktG are taken into consideration during the annual audit.





Risk management

The Porsche SE Group has a group-wide risk management system which helps management to recognize major risks at an early stage, thus enabling them to initiate countermeasures in good time. The risk management system at the Porsche SE Group is continuously tested for efficiency and continually optimized to reflect changed conditions. For details, please refer to pages 116 et seq. of the annual report.

Communication and transparency

Porsche SE attaches great importance to transparent communication and regularly keeps shareholders, financial analysts, shareholder associations, the media and the general public informed about the situation of the company and its business development. This information can be accessed, in particular, on the website

www.porsche-se.com

which contains all press releases and financial reports as well as the articles of association of Porsche SE and information about the annual general meeting.

Besides the regular reporting, Porsche SE announces details of circumstances that are not in the public domain in accordance with Sec. 15 German Securities Trading Act (WpHG) which, when they become known, could significantly impact on the market prices of the Porsche SE preference share. These ad hoc announcements are also presented on the homepage of Porsche Automobil Holding SE.

Directors' dealings

Pursuant to Sec. 15a WpHG, members of the executive board and supervisory board as well as certain persons in management position and persons closely related to them must disclose the purchase and sale of Porsche SE shares and related financial instruments. Porsche SE publishes such announcements about transactions of this kind on the Porsche SE homepage.



Declaration of compliance with the German Corporate Governance Code

The background

On 26 February 2002, the Federal German Government Commission on the Corporate Governance Code introduced a standard of good and responsible corporate governance for companies listed on the stock exchange. Pursuant to Sec. 161 (1) AktG, the executive and supervisory boards of listed companies are obliged to make an annual declaration of compliance as to whether they have complied and are continuing to comply with the recommendations of the Code, or which of the recommendations contained in the code have not been or are not applied, and why.

Text of the declaration of compliance of Porsche Automobil Holding SE in accordance with Sec. 161 (1) AktG in the version valid as of the reporting date from May 2014:

“The executive board and supervisory board of Porsche Automobil Holding SE declare in accordance with Sec. 161 (1) AktG that the company has complied with and complies with the recommendations of the Government Commission of the German Corporate Governance Code (GCGC) announced by the Federal Ministry of Justice in the official part of the German Federal Gazette, with the following exceptions. The following recommendations have not been complied with since the most recent declaration of compliance in October 2013 or will not be complied with in the future:

Regarding executive board remuneration paid by Porsche Automobil Holding SE, the recommendation in Sec. 4.2.3 (2) Sentence 6 of the GCGC

was and also will not fully complied with in the future. Based on the judgment of the supervisory board, there are no upper limits of maximum amounts of bonus payments to be made to executive board members for previously agreed targets or a subsequent bonus in recognition of extraordinary performance. The same therefore also applies for compensation on the whole. The supervisory board does not consider this necessary because by exercising its judgment it can ensure that the requirement of reasonableness of Sec. 87 (1) AktG.

The recommendation on the objective regarding the composition of the supervisory board in Sec. 5.4.1 (2) and (3) of the GCGC was not complied with and will not be complied with in the future. The supervisory board advocates a balanced composition for the board as defined in the recommendation in Sec. 5.4.1 (2) and (3) of the Code. Setting concrete targets continues to be inappropriate in the opinion of the supervisory board since decisions should be taken on the candidates proposed in each individual case in the light of the male or female candidates available at that time.

As regards the recommendation in Sec. 5.4.1 (4) of the GCGC regarding the disclosure of certain matters in the supervisory board's election



recommendations to the annual general meeting, the requirements of the Code remain indefinite and their boundaries and scope unclear. Since the most recent declaration of compliance was submitted, no proposals were made to the annual general meeting concerning the election of supervisory board members. The supervisory board will endeavor in the future to meet the requirements of Sec. 5.4.1 (4) of the Code, although, in light of the imprecision, unclear scope and boundaries of the recommendation, it cannot rule out that this recommendation will not be fully complied with in the future. As a result, non-compliance has been declared as a precaution.

The recommendation in Sec. 5.4.6 (2) of the GCGC regarding the orientation of supervisory board compensation toward sustainability has not been complied with nor will it be complied with in the future. In view of the supervisory board's predominantly supervisory activities, which in the shared opinion of the executive board and the supervisory board give rise to a limited risk of short-term action, the current performance-related compensation includes an adequate sustainability component.

The recommendation in Sec. 6.3 of the GCGC to disclose shares held by members of the company's executive bodies has not been complied with and will

not be complied with in the future. Notifications regarding the voting rights of our shareholders in accordance with the Securities Trading Act (WpHG) are published by Porsche Automobil Holding SE as required by this Act. Notifications concerning the purchase and sale of Porsche preference shares by members of the executive board and supervisory board in accordance with Sec. 15a WpHG are published insofar as this is required by Sec. 15a WpHG. The shares in the company and related financial instruments held by members of the company's governing bodies have not been published in the past and will not be published in the future as we believe our complete compliance with statutory disclosure requirements provides the capital markets and our shareholders in particular with sufficient information."

Porsche Automobil Holding SE
Stuttgart, 6 March 2015

The supervisory board

The executive board

Porsche SE share

Stock markets

After 2013, a year in which the European stock markets were characterized by significant price gains, most international indices saw a sideways development in 2014. The EURO STOXX 50, the leading European share index, rose by around 1 percent, closing the year at 3,146 points.

This development was triggered in particular by weak economic data in the euro zone, combined with geopolitical crises. The expansive monetary policy of the central banks created positive incentives for the stock markets.

The performance of the Porsche SE share in the first half of the past year largely matched that of the market as a whole.

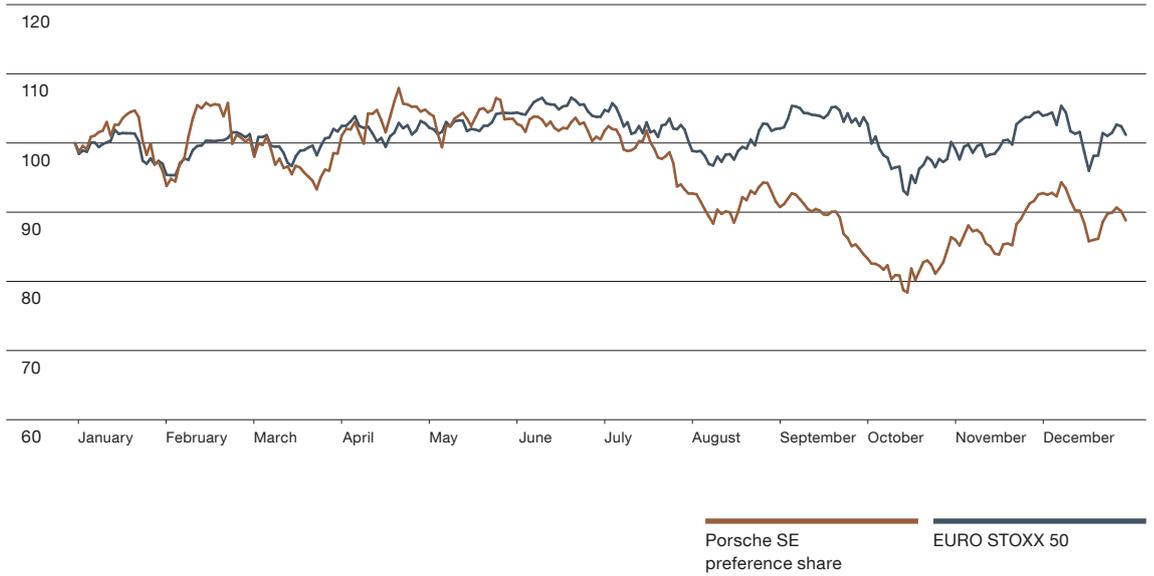
In the second half of the year, the share underperformed the EURO STOXX 50 Index. The share closed the year at 67.16 euro, around 11 percent lower than at the end of the prior year.

2014 annual general meeting

Around 4,000 shareholders attended the annual general meeting of Porsche SE in Stuttgart on 27 May 2014. The dividend approved for the fiscal year 2013 amounts to 2.010 euro per share to holders of preference shares and 2.004 euro per share to holders of ordinary shares. In the prior year before, the dividend had also been 2.010 euro per ordinary share and 2.004 euro per preference share. The amount distributed therefore totaled 614,643,750 euro and was therefore unchanged compared to the year before. The executive board and supervisory board were exonerated.



**Development of the Porsche SE preference share price
(indexed to 31 December 2013)**



Shareholder composition

Porsche SE's subscribed capital comprises 153,125,000 ordinary shares and 153,125,000 non-voting preference shares, each share arithmetically representing a 1 euro notional value of the subscribed capital.

The ordinary shares are indirectly held exclusively by members of the Porsche and Piëch families.

More than half of the preference shares are held by institutional investors, primarily in the USA, UK and Germany. The remaining free float preference shares are distributed between private investors, most of whom are domiciled in Germany.

Porsche SE preference share: basic data

ISIN	DE000PAH0038
WKN	PAH003
Stock codes	PSHG_p.DE, PAH3:GR
Stock exchange	All German stock exchanges
Trading segment	General Standard
Sector	Automotive
Key indices	CDAX, General All Share, STOXX All Europe 800, STOXX Europe 600 Index, MSCI Euro Index, EURO STOXX Auto & Parts, Dow Jones Automobile & Parts Titans 30 Index
Subscribed capital ¹	€306,250,000
Denomination	153,125,000 ordinary and preference shares respectively
Class of shares	No par value bearer shares

¹ Of which half as ordinary shares

Investor relations activities

During the past year, Porsche SE presented itself to various investors at capital market conferences in London, Paris, Geneva, and Frankfurt am Main. Roadshows in the European financial centers of London and Frankfurt am Main, as well as in Hong Kong, Japan, Canada, China and Australia, were another focal point of the Investor Relations team's activities. Private investors were provided with comprehensive information at numerous investor events in Germany.

Throughout the year, the Investor Relations department also answered many inquiries from institutional investors, private investors and analysts throughout the year. The focus here was mainly on business development, the investment strategy and the current status of the legal disputes.

In order to intensify dialogue and improve access to corporate information, the Investor Relations department further developed the IR iPad app launched in 2013. The app supplements the comprehensive information on the corporate website www.porsche-se.com and enables direct access to all financial publications.

Porsche SE share key figures

		2014	2013	2012
Closing price ¹	€	67.16	75.66	61.70
Annual high ¹	€	82.15	75.88	62.37
Annual low ¹	€	57.28	52.73	37.69
Number of ordinary shares issued (31 December)		153,125,000	153,125,000	153,125,000
Number of preference shares issued (31 December)		153,125,000	153,125,000	153,125,000
Market capitalization (31 December) ²	€	20,567,750,000	23,170,875,000	18,895,625,000
Earnings per ordinary share ³	€	9.88	7.86	25.89
Earnings per preference share ³	€	9.89	7.87	25.90
Dividend per ordinary share	€	2.004 ⁴	2.004	2.004
Dividend per preference share	€	2.010 ⁴	2.010	2.010

¹ Preference share in Xetra trading

² Assuming ordinary shares are valued at the market price of the preference shares

³ Diluted and basic

⁴ Proposal to the annual general meeting of Porsche SE



Investment concept of Porsche SE

Porsche SE's investment concept

Since the contribution of Porsche's operating business to Volkswagen AG in August 2012, Porsche SE has operated purely as an investment holding company. In addition to managing the investment in Volkswagen AG, the company has set itself the goal of making strategic investments along the automotive value chain. To achieve this, the company can draw on an attractive industrial network and extensive experience in the automotive segment.

Porsche SE sees the automotive value chain as comprising the entire range of basic technologies for supporting the development and production process through to vehicle- and mobility-related services. The investments are intended to complement the core investment in Volkswagen AG and be of a long-term nature. Porsche SE generally sees itself as a strategic partner to its investments.

The key requirement for a possible investment is that it is a good strategic fit and also contributes to a balanced risk portfolio. Ideal target investments are typically characterized by their potential for long-term growth and increasing value added, as well as by their experienced management team.

While the focus has to date been on acquiring minority shareholdings, majority shareholdings are also conceivable.

In the past year, Porsche SE – on the basis of macro trends such as sustainability and conservation of resources, demographic change, urbanization and connectivity – examined various fields. One particular focus was on the field of connected mobility, where a large number of potential companies were examined. In September 2014, an investment was made in INRIX Inc., a provider of connected-car services and real-time traffic information, headquartered in Kirkland, Washington, USA.



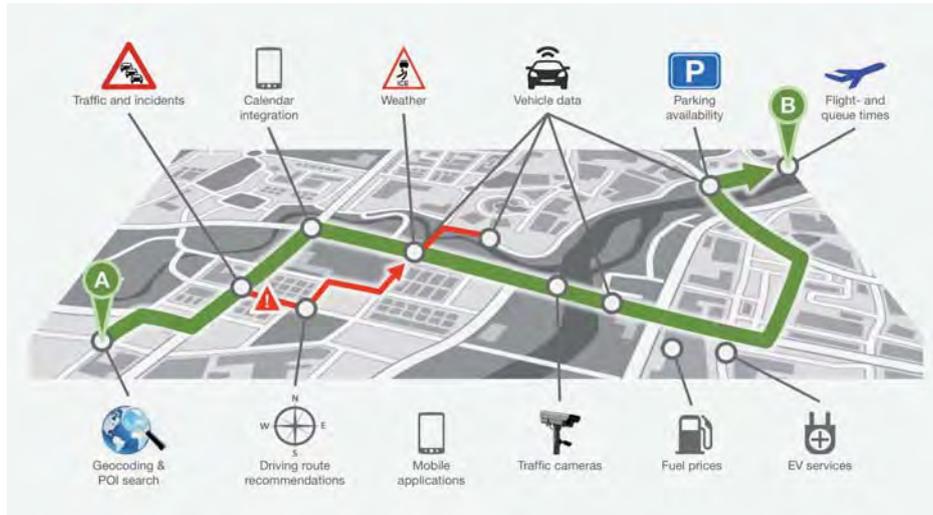
INRIX – a leading global provider of connected-car services

INRIX Inc. was founded in 2004 in Kirkland, Washington, USA, by two former Microsoft employees. They had set themselves the goal of revolutionizing the capture and analysis of traffic information. Based on the large-scale systematic capture of traffic data via many different sources and data providers (crowd-sourcing approach), INRIX has since developed into a leading global provider in the growth markets for connected-car services and real-time traffic information. Moreover, the technologies developed by INRIX represent a basic technology for the autonomous driving of the future.

The foundation for INRIX's services is provided by a network comprising more than 185 million vehicles, smartphones, traffic cameras, road sensors and other data sources, which are used to capture real-time data. The company's core competency is gathering, processing and interpreting these volumes of data. Building on this, INRIX provides its customers with traffic data for a road network currently comprising around 6.4 million kilometers in 40 countries and reaches more than 150 million consumers every day via its contractual partners.

INRIX's broadly diversified customer portfolio primarily consists of companies across the market segments automotive, public sector, mobile applications, media and other industries (e.g., fleets).

Alongside expertise in aggregating real-time information, INRIX has technologies at its disposal for analyzing large volumes of complex traffic data using specially developed algorithms. With its connected-car services, INRIX offers intelligent solutions designed specifically to organize the ever increasing volumes of traffic in metropolitan areas.



INRIX connected car solutions

INRIX solutions for smart cities

INRIX collaborates with leading automakers and public bodies around the globe to aggregate available data and enhance utilization of the existing traffic infrastructure. By analyzing traffic and movement – irrespective of the mode of transport – INRIX is playing a leading role in establishing intelligent urban traffic infrastructures. The constant exchange of information between vehicles and their connected environment is intended to resolve traffic problems, make traffic safer for everyone involved and enable more efficient management of road traffic. Its core competency in data capture and analysis puts INRIX in a position to offer a whole host of value-creating services in this area.

Forecasting congestion

Real-time traffic information provides drivers with early warnings of congestion on their route as well as suggestions for alternative routes – including information on public transport. In addition, these forecasts enable the traffic authorities to better manage and monitor the road network. This results in time and cost savings while at the same time significantly reducing the carbon emissions caused by congestion.

Searching for parking spaces

INRIX connected-car services give customers anytime access to real-time information on parking availability, including price information. Based on their destination, customers can search for the nearest or most reasonably priced place to park and find the appropriate driving route. This helps to actively reduce the number of vehicles in search of a parking space in cities.

Traffic safety

By aggregating and analyzing sensor and instrument data from connected vehicles, INRIX can provide public authorities and drivers with information on road conditions in real time. This makes it possible to prevent accidents and deploy means of transport more efficiently.

INRIX at a glance

Leading global provider of real-time traffic connected-car services, real-time traffic information and traffic forecasts

Founded in 2004, headquartered in Kirkland, Washington, USA

Branches in Germany (Munich), the UK (London and Manchester) and China (Beijing)

Approx. 320 employees worldwide
(Status 31. December 2014)

Cloud-based technology platform with more than 185 million data sources (including GPS data from vehicles and smartphones, mobile network data, road sensors, traffic cameras)

About 300 business customers, mainly in the segments automotive, public sector, mobile applications (app development), media and other industries (e. g., fleets)

Three questions for Bryan Misteale, co-founder, president and CEO of INRIX

Mr. Misteale, what does Porsche SE's entry mean for INRIX?

Bryan Misteale: With Porsche SE, we have gained a long-term strategic partner, whose network of experts in the automotive sector can make an important contribution to our future development. What's more, their entry is an important growth stimulus for us.

How is the cash from Porsche SE's investment to be used specifically?

Bryan Misteale: In recent years, INRIX has mainly grown organically. With the cash from Porsche SE, we can now evolve our technology platform and accelerate our planned growth, including through potential acquisitions and partnerships. In addition, we plan to further increase the size of our team this year.



What developments do you expect to see in the area of connected mobility and what role will INRIX play in them?

Bryan Misteale: Technology in the field of connected mobility has developed rapidly in recent years and is becoming increasingly important from customers' point of view. Connected services offer real added value, especially in and around big cities. I consider real-time information on traffic conditions, parking, fuel prices and links to local public transportation to be particularly important. INRIX is already in position to provide all of this information.

On top of that, we plan to introduce a system that will warn drivers of dangerous road conditions such as ice, snow or heavy rain on the basis of real-time data.



Volkswagen Passat

2

Group management
report and management
report of Porsche
Automobil Holding SE



2

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Fundamental information about the group

Porsche Automobil Holding SE (“Porsche SE” or the “company”), as the ultimate parent of the Porsche SE Group, is a European Company (Societas Europaea) and is headquartered at Porscheplatz 1 in 70435 Stuttgart, Germany. As of 31 December 2014, the Porsche SE Group had 31 employees (31 December 2013: 35 employees).

The business activities of the Porsche SE Group essentially consist in holding and managing investments. The management reports for Porsche SE and for the Porsche SE Group are combined in this report.

Expansion of structures for investment management

On the basis of the structures in connection with the investment in Volkswagen Aktiengesellschaft, Wolfsburg (“Volkswagen AG” or “VW”), which have been in place for several years, Porsche SE has created the conditions in terms of organization and substance for the acquisition and management of new investments. To this end, clearly defined criteria and a systematic process have been created in order to identify and examine future investment opportunities.

Porsche SE’s principal criteria for future investments are the connection to the automotive value chain, and above-average growth potential based on macroeconomic trends and industry-specific trends derived from them.

The automotive value chain comprises the entire spectrum of basic technologies geared to supporting the development and production process through to vehicle- and mobility-related services. The relevant macro trends include, for example, sustainability and conservation of resources, demographic change, urbanization and the increasingly networked automotive world. The industry-specific trends derived from these include new materials and drive concepts, shorter product life cycles and rising customer demands regarding safety and connectivity.

Taking these criteria into account, Porsche SE’s investment focus is on strategic investments in midsize companies in Germany and abroad with experienced management. The main goal is to achieve sustainable value enhancement. New potential investment opportunities are examined on an ongoing basis.



Core management and financial indicator system

Porsche SE's main corporate goal is to invest in companies that contribute to the mid- and long-term profitability of the Porsche SE Group while ensuring liquidity. In line with these corporate goals, profit/loss and liquidity are the core management indicators in the Porsche SE Group.

On the basis of the current group structure, the profit from investments accounted for at equity was used to date at the level of the investments as a financial indicator for the contribution to profit of the investments. For the Porsche SE Group as a whole, this was based on the profit/loss for the year. The profit for the year is significantly influenced by the profit/loss from investments accounted for at equity on the basis of the current group structure. In this respect, there are currently no significant differences in substance in the management and in the forecasting of these two profit/loss figures. For this reason, only group profit for the year will be forecast as a financial performance indicator in the future.

For the liquidity core management indicator, net liquidity is monitored and managed accordingly. By definition, net liquidity is calculated as cash and cash equivalents, time deposits and securities less financial liabilities.

The planning and budgeting process implemented in the Porsche SE Group is designed to enable management to take its decisions on the basis of the development of these indicators. Within the scope of planning, the costs associated with holding and managing the investments at the level of Porsche SE are budgeted in consultation with all departments, and integrated multi-year planning of the results of operations, financial position and net assets of the Porsche SE Group is derived taking into account the respective planning of the investments held.

In the course of the year, the development of the indicators is continuously tracked and made available to the executive board and supervisory board in the form of regular reports. The reporting includes in particular the monthly reports for the Porsche SE Group and Porsche SE as a single entity as well as monthly risk reports.

Report on economic position

Significant events and developments in the Porsche SE Group

Dilution of share in the capital of Volkswagen AG

On 13 May 2014, Volkswagen announced that the voluntary tender offer launched on 17 March 2014 to the shareholders of Scania Aktiebolag ("Scania" or "Scania AB") for the all Scania shares would be completed. To partially refinance this offer, on 3 June 2014 Volkswagen AG resolved a capital increase through the issue of preference shares from authorized capital in exchange for cash contributions in which Porsche SE did not participate (for details of Volkswagen AG's capital increase, we refer to the subsection "Significant events at the Volkswagen Group"). Porsche SE's share in the capital of Volkswagen AG decreased from 32.2% to 31.5% as a result. For explanations of the effects of the dilution on the result of operations and net assets of the Porsche SE Group in the fiscal year 2014, we refer to the section "Results of operations, financial position and net assets".

Annual general meeting

The annual general meeting of Porsche SE, which was attended by around 4,000 shareholders, took place in Stuttgart on 27 May 2014. The dividend approved for the fiscal year 2013 amounted to €2.010 per share to holders of preference shares and €2.004 per share to holders of ordinary shares. In the prior year, the dividend also had been €2.010 per ordinary share and €2.004 per preference share. The amount distributed for the fiscal year 2013 totaled €614,643,750 and therefore remained unchanged compared to the prior year. The executive board and supervisory board were exonerated.

Porsche SE acquires stake in US technology company INRIX

On 3 September 2014, the Porsche SE Group acquired a stake of around 10%¹ in the US technology company INRIX Inc., Kirkland, Washington ("INRIX"). The total investment came to €41 million. As part of this acquisition, Porsche SE took a seat on the board of directors and associated committees, with corresponding possibilities for influencing the financial and operating policy of INRIX. For Porsche SE, the acquisition is the first step towards creating a portfolio of investments complementing the existing shareholding in Volkswagen AG.

¹ This figure anticipates the maximum possible dilution from the stock option plans of INRIX as of the acquisition date. Porsche SE's actual share in the capital of INRIX came to 12.2% as of the acquisition date.



INRIX is a global leader in connected-car services and real-time traffic information, areas in which continued double-digit growth is expected in the coming years. The company is a pioneer in the development of technologies for the collection and interpretation of traffic data. The INRIX Traffic Intelligence platform continuously analyzes real-time data from various sources including a crowd-sourced network of more than 185 million data sources such as vehicles and mobile devices. The company provides real-time traffic information for several million kilometers of roads worldwide and is continuously adding more roads and countries to its coverage.

Apart from comprehensive information on road traffic conditions, INRIX has smart analysis tools for a range of applications such as traffic forecasting. The company offers services for the market segments automotive, public sector, mobile applications, media and other industries. The range of services includes connected-car services as well as forecasting, visualization and analysis of traffic data.

Significant developments and current status relating to litigation risks and legal disputes

For several years, Porsche SE has been involved in various legal proceedings. The essential developments of these proceedings in the fiscal year 2014 are described in the following:

On 15 August 2014, the U.S. Court of Appeals for the Second Circuit affirmed the dismissal of the claims brought by the last eight remaining plaintiffs and remanded the case to the U.S. District Court for the Southern District of New York to consider whether plaintiffs should be permitted to seek leave to amend their complaints. The eight plaintiffs subsequently informed the District Court that they would not seek leave to file amended complaints, and on 24 September 2014 the District Court entered orders closing the cases. The eight plaintiffs had until 13 November 2014 to request discretionary review of the U.S. Court of Appeals decision by the U.S. Supreme Court. None such request was filed by that date. Thus, these cases are closed.



For 12 plaintiffs who participated in the proceeding before the U.S. Court of Appeals an action for damages against Porsche SE has been pending in Germany since December 2011. In this action the plaintiffs last alleged overall damages of about €1.81 billion (plus interest) from their own and allegedly assigned rights based on alleged market manipulation and alleged inaccurate information in connection with the acquisition of the shareholding in Volkswagen AG by Porsche SE. After being referred, the matter is now pending before the Regional Court of Hanover. An oral hearing before the Regional Court of Hanover took place on 14 October 2014. Following an advice of the Regional Court of Hanover during the oral hearing, the plaintiffs amended and supplemented their pleading. The Regional Court of Hanover has announced to decide whether to enter into taking of evidence or to dismiss the action, after examination of the amended and supplemented pleading. A possible taking of evidence could take place in the first half of 2015. Porsche SE considers these claims to be without merit.

Based on the same alleged claims, the aforementioned plaintiffs filed an action against two members of the supervisory board of Porsche SE before the Regional Court of Frankfurt am Main in

September 2013. Porsche SE joined the proceeding as intervenor in support of the two supervisory board members. A trial date for hearing the case has been set for 30 April 2015. Porsche SE considers the claims to be without merit.

On 30 April 2013, 25 plaintiffs filed a complaint against Porsche SE at the Regional Court of Stuttgart and asserted claims for damages based on allegations of market manipulation and inaccurate information in connection with the acquisition of the shareholding in Volkswagen AG in 2008. After the withdrawal of the complaint by one plaintiff, the merger of two other plaintiffs and after the partial correction of the alleged damage claim, the remaining 23 plaintiffs asserted claims for damages in an amount of around €1.36 billion (plus interest) in the proceeding before the Regional Court of Stuttgart. An oral hearing took place on 10 February 2014. The Regional Court of Stuttgart dismissed the action by decision of 17 March 2014. 19 of the 23 plaintiffs filed appeals against this decision on 22 April 2014. The four plaintiffs not filing appeals originally had asserted claims for damages in the amount of approximately €177 million (plus interest). Hence, the remaining claims for damages asserted in the appellate proceedings amount to approximately €1.18 billion (plus interest). An oral hearing



before the Higher Regional Court of Stuttgart took place on 26 February 2015. A date for rendition of a decision has been scheduled for 26 March 2015. Porsche SE considers the claims to be without merit.

At the end of 2011, ARFB Anlegerschutz UG (haftungsbeschränkt), Berlin, brought two actions before the Regional Court of Braunschweig against Porsche SE based on claims for damages in an amount of around €1.92 billion (plus interest) allegedly assigned to it by 69 investment funds, insurance companies and other companies. In each case, the plaintiff alleges that, in 2008, on the basis of inaccurate information and the omission of information as well as market manipulation by Porsche SE, the companies behind the complaints either failed to participate in price increases of shares in Volkswagen AG and, hence, lost profits or entered

into derivatives relating to shares in Volkswagen AG and incurred losses from these transactions due to the share price development in the amount claimed. The Higher Regional Court of Braunschweig dismissed the plaintiff's motions to stay the proceedings by decisions dated 20 January 2014. After substitution of the plaintiff's attorney, oral hearings took place on 10 December 2014. During the oral hearings the Regional Court of Braunschweig indicated that it, due to possible antitrust aspects, may not be the competent court. During the oral hearings the plaintiff filed an application for establishment of a model case according to the Capital Markets Model Case Act (KapMuG) and filed as a precautionary measure a motion to refer the case. Dates for rendition of a decision have been set for 4 March 2015. Porsche SE considers the KapMuG-applications to be inadmissible and the claims to be without merit.





An individual filed an action against the company in the amount of approximately €1.3 million (plus interest) with the Regional Court of Stuttgart in August 2012 based on asserted damage claims due to allegedly inaccurate information and the omission of information. After being referred, the proceeding was initially pending before the Regional Court of Braunschweig. An oral hearing before the Regional Court of Braunschweig took place on 14 May 2014. On 30 July 2014, the Regional Court of Braunschweig indicated that, due to possible antitrust aspects, the Regional Court of Hanover could be the competent court. Following the request of the plaintiff, on 9 September 2014 the Regional Court of Braunschweig declared itself incompetent and referred the case to the antitrust chamber of the Regional Court of Hanover. Porsche SE considers the claim to be without merit.

In September 2012, another company filed an action against Porsche SE in the amount of approximately €213 million (plus interest) with the Regional Court of Braunschweig. The plaintiff claims that it entered into options relating to ordinary shares in Volkswagen AG in 2008 on the basis of inaccurate information and the omission of information by Porsche SE and that it incurred losses from these options due to the share price development in the amount claimed. The Higher Regional Court of Braunschweig dismissed the plaintiff's motion to stay the proceedings by decision dated 20 January 2014. An oral hearing took place on 14 May 2014. The Regional Court of Braunschweig canceled the date scheduled for rendition of a decision, originally set for 30 July 2014, due to a challenge on the grounds of bias against the presiding judge by the plaintiff. The plaintiff withdrew the challenge on the grounds of bias by pleading dated 14 August 2014. A trial date has been set for 24 June 2015. Porsche SE considers the claim to be without merit.



In January 2013, another individual had substantiated his claim in the amount of around €130,000 (plus interest) based on allegedly inaccurate information and omission of information, previously asserted by reminder notice, entering thereby legal proceedings with the Regional Court of Stuttgart. After being referred, the proceeding was pending before the Regional Court of Braunschweig. An oral hearing took place on 30 April 2014. The Regional Court of Braunschweig dismissed the plaintiff's action by decision dated 30 July 2014. The plaintiff has appealed this decision. Until now, no decision on the appeal has been rendered nor has a trial date been set. Porsche SE considers the claim to be without merit.

On 7 June 2012, Porsche SE filed an action for declaratory judgment with the Regional Court of Stuttgart that alleged claims of an investment fund in the amount of around US\$195 million do not exist. The investment fund had asserted out-of-court that Porsche SE had made false and misleading statements in connection with its acquisition of a stake in Volkswagen AG during 2008 and announced that it intended to file the alleged claim before a court in England. On 18 June 2012, the investment fund filed an action against Porsche SE with the Commercial Court in England. On 6 March 2013

the English proceedings were suspended at the request of both parties, until a final decision had been reached in the proceedings begun at the Regional Court of Stuttgart concerning the question of which court is the court first seized. On 24 July 2013, the Regional Court of Stuttgart decided that the Regional Court of Stuttgart is the court first seized. This decision of the Regional Court of Stuttgart was appealed by way of an immediate appeal by one of the defendants. By decision dated 28 November 2013, the Regional Court of Stuttgart did not allow the appeal and submitted the appeal to the Higher Regional Court of Stuttgart for a decision. An oral hearing took place on 28 November 2014. By decision dated 30 January 2015 the Higher Regional Court of Stuttgart dismissed the immediate appeal. The defendant has filed an appeal for points of law to the Federal High Court of Justice. Porsche SE considers the action filed in England to be inadmissible and the claims to be without merit.

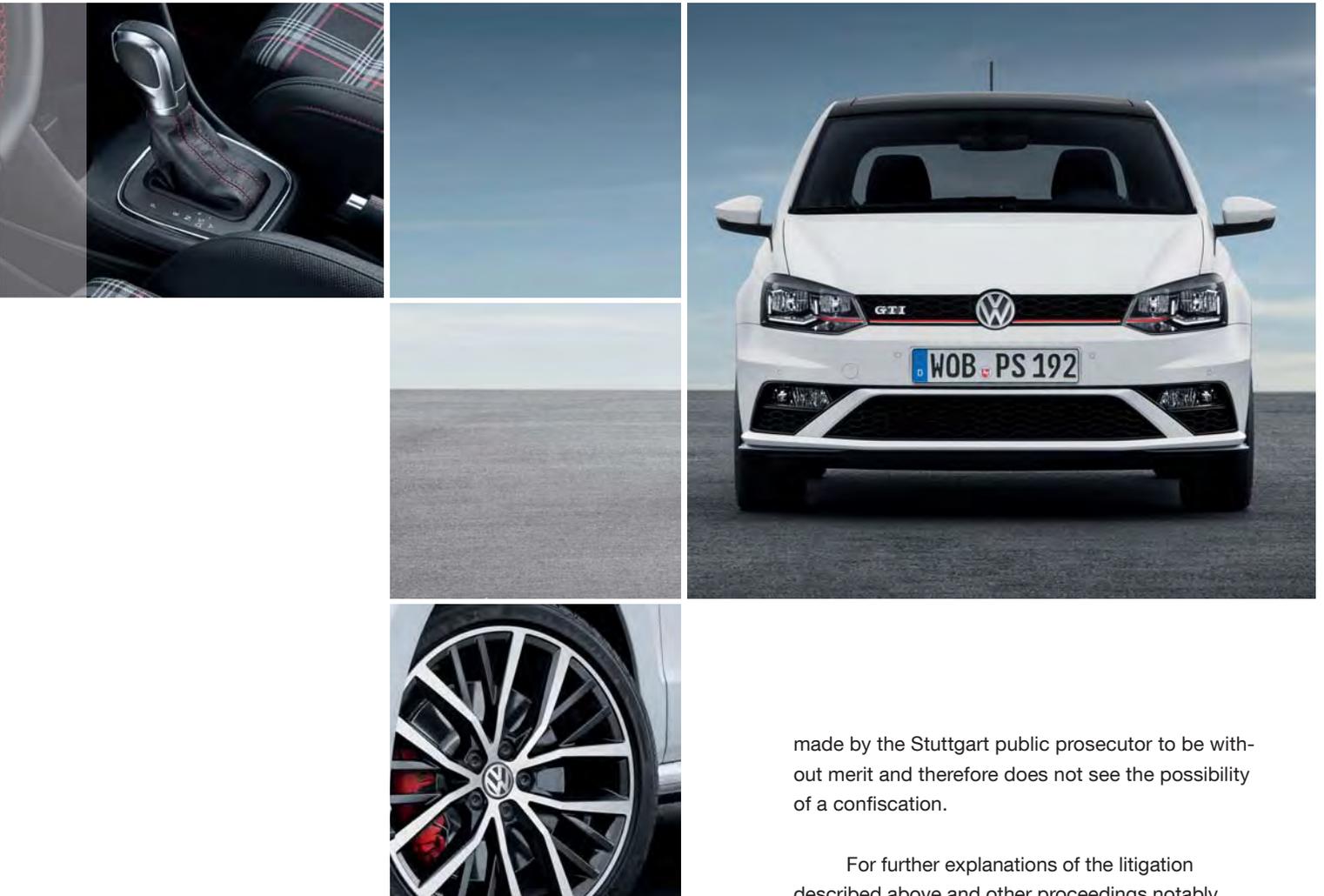
In December 2012, the Stuttgart public prosecutor brought charges against the former members of the executive board Dr. Wendelin Wiedeking and Holger P. Härter with the chamber of the Regional Court of Stuttgart responsible for economic offenses on suspicion of information-based manipulation of the market in Volkswagen shares. According to



the press release by the Stuttgart public prosecutor of 19 December 2012, they are held responsible for false declarations made in public statements of the company at their instigation in 2008 relating to the acquisition of the shareholding in Volkswagen AG. In five statements made in the period from 10 March 2008 to 2 October 2008, Porsche SE is alleged to have denied any intention to step up its investment to 75% of the voting capital despite already planning to do so at the time. In its charges, the public prosecutor assumes, that by February 2008 at the latest, it was already the intent of the accused former members of the executive board to increase Porsche SE's investment in Volkswagen AG to 75% of the voting capital before the end of the first quarter of 2009 in preparation for a control and profit and loss transfer agreement. Porsche SE's denials covered by the charges are alleged to have had an actual impact on the stock market price of Volkswagen ordinary shares. This is alleged to have led specific investors to sell Volkswagen ordinary shares that they already held and to sell short Volkswagen ordinary shares. The Regional Court of Stuttgart dismissed the opening of the main proceedings on 24 April 2014. Following the Stuttgart public prosecutor's appeal, this decision of the Regional Court of Stuttgart was annulled by the Higher Regional Court of Stuttgart on 18 August 2014

and the main proceedings were opened. This decision is final. A date for the main hearing has not yet been set. On 20 October 2014 the Stuttgart public prosecutor requested an order by the Regional Court of Stuttgart for participation of Porsche SE as a secondary party with respect to the imposition of a fine in accordance with Sec. 30 German Act against Regulatory Offenses (OWiG) against Porsche SE concerning the alleged criminal offenses. In this context the Stuttgart prosecutor noted that it currently does not assume that Porsche SE obtained an economic benefit from the alleged criminal offenses (five statements made between 10 March 2008 to 2 October 2008) that could be confiscated. Porsche SE considers the allegations made by the Stuttgart public prosecutor to be without merit.

In September 2014, the Stuttgart public prosecutor launched further investigations against the former executive board members Dr. Wendelin Wiedeking and Holger P. Härter concerning the press release by Porsche SE of 26 October 2008. Allegedly, the put options held by Porsche SE, which were not mentioned in the press release, were deliberately not mentioned. Thus, the press release had allegedly been false or deceptive and capable of influencing the price of Volkswagen shares, which it allegedly did as well. The Stuttgart public prosecutor has launched investigations for administrative and regulatory offenses against Porsche SE regarding these further investigations against the former executive board members Dr. Wendelin Wiedeking and Holger P. Härter, considering whether a fine in accordance with Sec. 30 OWiG shall be imposed on Porsche SE insofar as a body of the company is responsible for a breach of duty in that respect. Should charges be brought



against the former executive board members Dr. Wendelin Wiedeking and Holger P. Härter concerning the press release of 26 October 2008, the Stuttgart public prosecutor would – as the case may be after consolidation with the criminal proceedings already pending – request an order for participation of Porsche SE as a secondary party also in this criminal proceeding with respect to the imposition of a fine in accordance with Sec. 30 OWiG concerning the alleged criminal offense. In case of conviction of the former members of the executive board Dr. Wendelin Wiedeking and Holger P. Härter, the Regional Court of Stuttgart could impose a fine in accordance with Sec. 30 OWiG against Porsche SE. A possible economic benefit obtained by Porsche SE from the alleged criminal offense of the former members of the executive board could also be confiscated. Porsche SE considers the allegations

made by the Stuttgart public prosecutor to be without merit and therefore does not see the possibility of a confiscation.

For further explanations of the litigation described above and other proceedings notably shareholders' actions, we refer to note [22] in the notes to the consolidated financial statements. Porsche SE considers all the damage claims asserted in England to be inadmissible and without merit and all damage claims asserted in Germany to be without merit and is defending itself against them.



Significant events at the Volkswagen Group

Forward-looking changes in the production network

In March 2014, the Volkswagen Group announced that it would be reorganizing significant elements of its international plant capacity utilization.

The next generation of the Crafter van will be built in Poland starting in 2016. Volkswagen is constructing a new plant for this in Wrzesnia, approximately 50 km east of the Poznan location, which is planned to start operating in the second half of 2016. At least 2,300 new jobs will be created by the new plant. The location will comprise body shell production, a paint shop and final assembly.

The Porsche Panamera's body-in-white – produced and painted at the Hanover plant until now – will be manufactured at Porsche's Leipzig location, which will thus produce the model in its entirety, starting in 2016. The Cayenne will be produced in full at Volkswagen's Bratislava plant in the future. To date, the model has only been painted and preassembled at the Slovakian location.

The reorganization of the existing plant capacity utilization demonstrates the high level of production flexibility that the Volkswagen Group achieves by gradually shifting existing and new factories to a modular basis.

Voluntary tender offer made to Scania successfully completed

On 13 May 2014, Volkswagen announced that the voluntary tender offer launched on 17 March 2014 for all Scania shares outstanding would be completed since all of the conditions – including becoming the owner of more than 90% of all Scania shares – had been fulfilled. As of 31 December 2014, Volkswagen held a 99.57% interest in Scania's capital and 99.66% of the voting rights. The squeeze-out for the Scania shares not tendered in the offer has been initiated and Scania's shares were delisted from the NASDAQ OMX in Stockholm at the end of 5 June 2014. On 11 November 2014 the court of arbitration ruled in the squeeze-out proceedings that all Scania shares outstanding will be transferred to Volkswagen AG. Volkswagen AG has been the indirect and direct legal owner of all Scania shares since 14 January 2015 when the decision became final and unappealable. The arbitration proceedings to determine an appropriate



settlement are continuing. Volkswagen aims to create a leading commercial vehicles group through close operational cooperation between Scania, MAN and Volkswagen commercial vehicles.



Capital increase successfully placed

On 3 June 2014, the board of management of Volkswagen AG resolved, with the consent of the supervisory board, to increase the company's capital by issuing new preference shares from authorized capital against cash contributions, while disapplying shareholders' preemptive rights. The implementation of the capital increase increased the share capital in accordance with the articles of association by a notional amount of approximately €26.8 million to approximately €1.2 billion. The placement price of the 10,471,204 new preference shares was set at €191.00 per share, generating gross proceeds of €2.0 billion.

The new shares carry full dividend rights retrospectively from 1 January 2014. The issue proceeds served to partially refinance the voluntary tender offer made to Scania's shareholders.

Capacities and capabilities

The Volkswagen Group will expand its production capacities in China with the construction of two new plants in Qingdao and Tianjin. Together with its Chinese joint venture partner FAW, it is investing around €2 billion in the new factories, which will help meet customer demand locally. The highly qualified workforce and the existing infrastructure in the region were key factors in choosing the cities, which are located on the east coast.

Due to the significant demand for the Porsche Cayenne, Volkswagen's Osnabrück plant will take over part of the final assembly of this model starting in summer 2015. The Cayenne is currently finished exclusively in the Leipzig plant. Relocating part of the final assembly from Leipzig to Osnabrück will optimize plant capacity utilization throughout the group's production network.



At the end of 2016, the new midsize Volkswagen SUV developed specially for the North American market will start production at the Chattanooga location in the USA as the second model alongside the US Passat. The new vehicle, which is based on the CrossBlue study, will play a key role in the Volkswagen Group's presence in the USA. Volkswagen Group of America is investing a total of around US\$ 900 million in the construction of the additional production line and the establishment of an independent National Research & Development and Planning Center in Chattanooga. This will create 2,000 new jobs. The location will be further strengthened by around 200 qualified engineers, who will be responsible for project management for the North American market, ensuring customers' needs are optimally met.

Volkswagen India is investing in a new assembly line for a TDI engine specially developed for the Indian market at the Pune plant. The investment will create more than 260 jobs. Production, which further improves the local value added, started at the end of 2014.

To further expand its expertise and capabilities in the field of vehicle connectivity, the Volkswagen Group acquired BlackBerry's European research and development center in Bochum and established Volkswagen Infotainment GmbH in July 2014. Connectivity between vehicles, with infrastructure, drivers and the internet will be a key feature of the car of the future, particularly where convenience and driving safety are concerned.

The Audi brand opened its high-tech complex in Neuburg an der Donau in August 2014, after a construction period of two years. The complex accommodates the Motorsport Competence Center, the Audi driving experience center and some of the brand's technical development functions under one roof.





Business development

The following statements in this section on deliveries, unit sales and production take into consideration operating developments in the passenger cars and commercial vehicles business areas at the Volkswagen Group. For the business development of Porsche SE, please refer to the sections “Significant events and developments in the Porsche SE Group” and “Results of operations, net assets and financial position”.

General economic development

In the fiscal year 2014, global economic growth increased slightly to 2.7% (prior year: 2.6%). The economic situation in many industrialized nations improved despite the continued presence of structural obstacles. Inflation remained moderate despite the expansionary monetary policies of many central banks. Economic growth in a number of emerging economies was held in check by currency fluctuations and structural deficits. In addition, the falling oil price had a negative impact on the economy in the oil producing countries.

Worldwide new passenger car registrations

Global new passenger car registrations increased by 4.5% to 73.4 million vehicles in 2014, exceeding the prior year’s record level. The primary growth drivers were the Asia-Pacific region, North America, Western Europe and Central Europe. In contrast, the overall markets for passenger cars in Eastern Europe and South America remained clearly below the prior-year level.

Sector-specific environment

The global passenger car markets turned in a very mixed performance in the reporting period. Whereas demand in major industrialized nations recovered and the markets in the Asia-Pacific region again recorded

strong growth, markets in Eastern Europe and South America saw sharp declines in some cases.

The continued development of the major markets of China and Brazil and the expansion of activities in Russia, India and the ASEAN region are still highly important for the automotive industry.

Trade restrictions have been eased in many Asian markets. However, it cannot be ruled out that these countries will fall back on protectionist measures in the event of another global economic slump.

Trends in the market for commercial vehicles

Demand for light commercial vehicles was down slightly year-on-year. Demand for mid-sized and heavy trucks with a gross weight of more than six tonnes fell short of the prior-year level in the fiscal year 2014. Demand for buses, both globally and in the markets that are relevant for the Volkswagen Group, was lower than in the prior year.

Deliveries of passenger cars, light commercial vehicles, trucks and buses¹

	2014	2013	Change %
Regions			
Europe/Other markets	4,392,051	4,201,121	4.5
North America	892,785	890,561	0.2
South America	794,829	992,299	-19.9
Asia-Pacific	4,057,722	3,646,606	11.3
Worldwide	10,137,387	9,730,587	4.2
by brands			
Volkswagen passenger cars	6,118,617	6,021,750	1.6
Audi	1,741,129	1,575,480	10.5
ŠKODA	1,037,226	920,750	12.7
SEAT	390,505	355,004	10.0
Bentley	11,020	10,120	8.9
Lamborghini	2,530	2,121	19.3
Porsche	189,849	162,145	17.1
Bugatti	45	47	-4.3
Volkswagen commercial vehicles	446,596	462,373	-3.4
Scania	79,782	80,464	-0.8
MAN	120,088	140,333	-14.4

¹ Deliveries for 2013 have been updated to reflect subsequent statistical trends. The figures include the Chinese joint venture companies. The Saveiro model, which is sold mainly in South America, is reported in the Volkswagen passenger cars brand retrospectively as of 1 January 2013.



Headcount of the Volkswagen Group

The Volkswagen Group's headcount was 592,586 employees (up 3.5%) at the end of the reporting year 2014. Significant factors in this increase were the volume-related expansion in growth markets, in particular in China, and the recruitment of specialists and experts in Germany, among other places. A total of 271,043 people were employed in Germany (up 4.1%), while 321,543 were employed abroad (up 2.9%).

Sales and production of the Volkswagen Group

In 2014, the Volkswagen Group's worldwide unit sales to the dealer organization – including the Chinese joint ventures – amounted to 10,217,003 vehicles, exceeding the prior-year figure by 5.0%. The Volkswagen Group produced 10,212,562 vehicles worldwide in the reporting period, also representing an increase of 5.0%. The percentage of the group's total production accounted for by Germany was on a level with the prior year, at 25.1% (prior year: 25.3%).

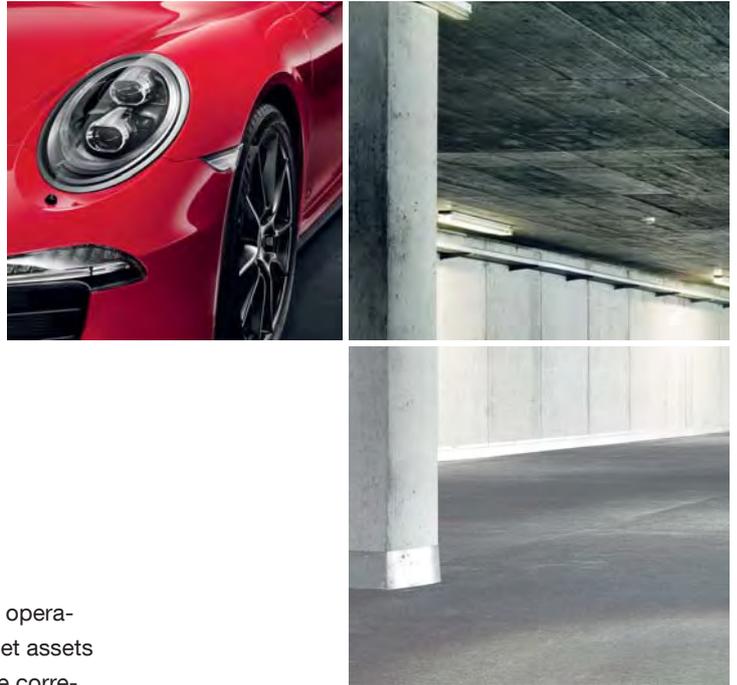




Financial services of the Volkswagen Group

Volkswagen Financial Services combines the Volkswagen Group's dealer and customer financing, leasing, banking and insurance activities, fleet management and mobility offerings in 51 countries. Volkswagen Financial Services AG is responsible for coordinating these global financial services activities of the group – excluding the Scania and Porsche brands and the financial services business of Porsche Holding Salzburg.

The number of new contracts signed worldwide in the Customer Financing/Leasing and Service/Insurance areas rose by 14.3% year-on-year to 5.3 million. The total number of contracts was 13.4 million as at the end of 2014, surpassing the figure at the prior-year reporting date by 13.7%. The number of contracts in the Customer Financing/Leasing area was up 11.5% to 8.3 million, while the number of contracts in the Service/Insurance area increased by 17.5% to 5.0 million. The ratio of leased or financed vehicles to total group deliveries (penetration rate) increased to 30.7% (prior year: 29.1%) in the financial services division's markets.



Results of operations, financial position and net assets

In the following explanations, the results of operations as well as the financial position and net assets for the fiscal year 2014 are compared to the corresponding comparative figures for the period from 1 January to 31 December 2013 (results of operations and financial position) and as of 31 December 2013 (financial position and net assets).

Results of operations

In the fiscal year 2014, the Porsche SE Group recorded a profit for the year of €3,028 million (prior year: €2,408 million). This result was significantly influenced by the profit from the investments accounted for at equity of €3,434 million (prior year: €2,710 million). Both the profit for the year of between €2.2 billion and €2.7 billion forecast in the prior year for the fiscal year 2014 and the forecast profit from investments accounted for at equity of between €2.3 billion and €2.8 billion were therefore exceeded. In both cases, this is attributable to the higher than originally expected profit for the year of the Volkswagen Group in the fiscal year 2014.

Other operating income increased in the fiscal year 2014 in comparison to the prior year from €7 million to €14 million. This increase primarily results from the income from the reversal of provisions, which was higher than in the prior year, and which in the fiscal year 2014 is mainly attributable to the litigation proceedings ended in the USA.

Personnel expenses in the Porsche SE Group came to €15 million in the period from 1 January to 31 December 2014 (prior year: €16 million).

Other operating expenses increased from €41 million in the comparative period to €70 million in the fiscal year 2014. This item mainly relates to legal and consulting fees, and expenses for other external services. In addition, in the fiscal year 2014, it contains refund obligations to associates and additions to provisions for other taxes relating to prior periods.

Profit/loss from investments accounted for at equity increased from €2,710 million to €3,434 million. An amount of €3,435 million thereof is attributable to the investment in Volkswagen AG and minus €1 million to the investment in INRIX. The profit from investments accounted for at equity attributable to Volkswagen contains profit contributions from ongoing equity accounting of €3,459 million (prior year: €2,932 million) as well as the effects from the dilution of the share in capital and from the purchase price allocation. On 3 June 2014, Volkswagen AG resolved a capital increase through the issue of preference shares from authorized capital in exchange for cash contributions in which Porsche SE did not participate. As a result, the



share of Porsche SE in the capital of Volkswagen AG decreased from 32.2% to 31.5%. By contrast, Porsche SE's share in Volkswagen AG's ordinary shares remained unchanged at 50.7%. In the fiscal year 2014, the dilution had a total positive impact of €57 million on the Porsche SE Group, which affected profit but not cash. The profit/loss from investments accounted for at equity also includes effects of the subsequent measurement of the purchase price allocation performed at the time of the renewed inclusion of Volkswagen AG as an associate as well as the first time inclusion of INRIX. The Porsche SE Group's profit/loss from investments accounted for at equity was reduced by €81 million (prior year: €222 million) in total by the subsequent effects of this purchase price allocation, i.e., the subsequent measurement of hidden reserves and liabilities identified in the process. This decrease is mainly attributable to the recognition of deferred tax assets on effects of the purchase price allocation in the Volkswagen Group.

The financial result comes to minus €76 million in the reporting period (prior year: minus €69 million). These figures mainly comprise expenses for interest on tax back payments, in particular in connection with the completed tax field audit for the assessment

periods 2006 to 2008 and with subsequent years (we refer to the statements in the report on opportunities and risks) of €61 million (prior year: €67 million). In addition to these expenses, the finance costs mainly contain loan interest paid to associates, which, as in the prior year, comes to €21 million. Financial revenue contains interest income from time deposits and guarantee fees received. In addition to this, there was a positive effect in the prior year from tax interest received in connection with a tax refund of €14 million.

Profit before tax increased from €2,591 million in the prior year to €3,287 million. The tax expense comes to €259 million (prior year: €183 million). This figure mainly comprises additions to tax provisions in connection with previous assessment periods of €86 million (prior year: €171 million) as well as taxes paid for this of €169 million in the reporting year. A group profit totaling €3,028 million was generated for the fiscal year 2014 (prior year: €2,408 million).



Financial position

The cash flow from operating activities of the Porsche SE Group came to €311 million in the fiscal year 2014 (prior year: €665 million). This includes in particular the positive effect from the dividend payment received from Volkswagen AG of €599 million (prior year: €386 million). In the fiscal year 2014, the gross dividend (i.e., without deducting tax on investment income and solidarity surcharge) resolved by Volkswagen AG for the fiscal year 2013 and attributable to Porsche SE was paid out to Porsche SE for the first time as the necessary tax conditions were created. Prior to this, the inflow from the net dividend and from the refund of the corresponding tax on investment income occurred with a delay. There was a cash outflow from income taxes paid of €183 million (prior year: €3 million). In addition, there was an inflow from income tax refunds of €326 million in the prior year.

There was a cash inflow from investment activities totaling €825 million in the fiscal year 2014 (prior year: outflow of €490 million). In the reporting year, the acquisition of the investment in INRIX and the change in the amount of securities resulted in payments of €41 million and €295 million respectively. There was a counter-effect as a result of the change in the amount of time deposits with an

original term of more than three months, which led to a cash inflow of €1,161 million (prior year: outflow of €490 million).

As in the prior year, there was a cash outflow from financing activities of €615 million in the fiscal year 2014. In both fiscal years, this exclusively concerns the dividends distributed to shareholders of Porsche SE.

Compared to 31 December 2013, cash funds increased by €521 million to €983 million.

Gross liquidity, i.e., cash and cash equivalents, time deposits and securities of the Porsche SE Group, decreased from €2,912 million in the prior year to €2,567 million as of 31 December 2014. Taking into account the loan liabilities of €300 million due to the Volkswagen Group, net liquidity – i.e., gross liquidity less financial liabilities – is clearly positive at €2,267 million as of 31 December 2014. The forecast on the development of net liquidity for the fiscal year 2014 published in the prior year was thus confirmed. Net liquidity had amounted to €2,612 million as of 31 December 2013.



Liabilities to the Volkswagen Group pertain to a loan of €300 million. This is subject to interest on a quarterly basis at a rate of 6.91% per annum and matures on 18 June 2017.

In addition, Porsche SE took advantage of the attractive market environment to prematurely re-finance the revolving credit facility. In this context, the credit facility previously in place, with a term until 30 November 2014, was prematurely terminated as of 9 October 2014, and a new credit facility was concluded with the same volume of €1.0 billion and a term of five years. The agreed commitment fee is due on a quarterly basis and was significantly reduced in the refinancing process.

Net assets

The Porsche SE Group's total assets decreased by €820 million, from €31,285 million as of 31 December 2013 to €30,465 million as of 31 December 2014.

The non-current assets of the Porsche SE Group as of 31 December 2014 totaling €27,715 million (31 December 2013: €28,223 million) almost exclusively comprise the investments accounted for at equity. These include in particular the carrying

amount of the investment in Volkswagen AG accounted for at equity, which fell in comparison to the end of the fiscal year 2013 from €28,222 million to €27,672 million. This decrease is mainly attributable to an effect totaling €1,450 million to be recognized directly in equity with no effect on the consolidated income statement at the level of the Volkswagen Group in connection in particular with Volkswagen AG's voluntary public offer to the shareholders of Scania AB to tender all A and B shares in Scania to Volkswagen. The remaining changes in the carrying amount of the investment accounted for at equity in Volkswagen AG stems from the profit from the investment accounted for at equity (€3,409 million, without taking into account the effects from the reclassification of other comprehensive income) from dividend payments received (minus €599 million) and from the change in other comprehensive income (minus €1,910 million). Since the acquisition of the investment in INRIX, the shares accounted for at equity have also included the carrying amount of the investment in INRIX, which totaled €41 million as of 31 December 2014.

Non-current assets expressed as a percentage of total assets increased slightly from 90.2% as of 31 December 2013 to 91.0% at the end of the fiscal year 2014.



Current assets come to €2,750 million (31 December 2013: €3,062 million). This figure includes the securities acquired in the fiscal year 2014, which amount to €295 million as of 31 December 2014 (31 December 2013: €0 million). Cash, cash equivalents and time deposits of Porsche SE and its subsidiary decreased from €2,912 million as of 31 December 2013 to €2,272 million as of 31 December 2014 especially as a result of the acquisition of the securities, tax payments made and the acquisition of the investment in INRIX. In addition, the current assets also contain income tax receivables of €174 million (31 December 2013: €146 million).

As a percentage of total assets, current assets fell from 9.8% to 9.0% as of 31 December 2014.

As of 31 December 2014, the equity of the Porsche SE Group decreased to a total of €29,493 million despite the profit for the period (31 December 2013: €30,470 million). The decrease is largely attributable to the effect of the voluntary public offer made by Volkswagen AG to the shareholders of Scania AB to be recognized directly in equity as well as other comprehensive expenses from investments accounted for at equity (for further details, we refer to the note [15] of the consolidated financial statements). The equity ratio decreased slightly from 97.4% in the prior year to 96.8% as of 31 December 2014.



Current and non-current provisions increased from €452 million as of 31 December 2013 to €592 million. The increase is attributable in particular to the additions to provisions in connection with the completed tax field audit for the assessment periods 2006 to 2008 and with subsequent years (we refer to the statements in the report on opportunities and risks).

Non-current financial liabilities as of 31 December 2014 remained unchanged compared to 31 December 2013, at €300 million.

Results of operations of the significant investment

The following statements relate to the original profit/loss figures of the Volkswagen Group in the fiscal year 2014. This means that effects from inclusion in



the consolidated financial statements of Porsche SE, particularly relating to the subsequent measurement of the hidden reserves and liabilities identified in the course of the purchase price allocation, as well as from applying uniform group accounting policies, are not taken into consideration.

In the fiscal year 2014, the Volkswagen Group generated sales revenue of €202,458 million, 2.8% higher than in the prior year. The clearly negative exchange rate effects seen in the first half of the year in particular were offset by higher volumes and improvements in the mix. At 80.6% (prior year: 80.9%), a large majority of sales revenue was recorded outside of Germany.

Less costs of sales, gross profit was at €36,524 million in the reporting period (prior year: €35,600 million). Optimized product costs had a positive impact on earnings, while increased depreciation charges resulting from the significant capital expenditures and higher upfront investments in new products had a negative effect. The prior-year figure was impacted by contingency reserves. The gross margin was 18.0% (prior year: 18.1%).

Although distribution expenses rose as a result of the increase in business, the ratio of distribution expenses to sales revenue remained

unchanged. Administrative expenses declined slightly year-on-year, both as an absolute figure and as a proportion of sales revenue. Other operating income rose by €693 million year-on-year to €3,306 million, mainly due to currency-related factors.

At €12,697 million, the Volkswagen Group generated its highest ever operating profit in the fiscal year 2014, beating the previous record set in the prior-year period by €1,026 million. Positive volume and mix effects, as well as optimized product costs, were able to offset negative exchange rate effects, increased depreciation charges, higher research and development costs, and greater fixed costs due to growth factors. The prior-year figure had been negatively impacted by contingency reserves. The operating return on sales improved to 6.3% (prior year: 5.9%).

The Volkswagen Group's profit before tax rose to €14,794 million in the reporting period, up 19.0% on the prior-year figure. The return on sales before tax increased from 6.3% to 7.3%. Profit after tax was €1,923 million higher than in 2013, at €11,068 million. The tax rate was 25.2% (prior year: 26.4%).



Porsche Automobil Holding SE (financial statements pursuant to the German Commercial Code)

The separate financial statements of Porsche SE for the fiscal year 2014 cover the reporting period from 1 January to 31 December 2014.

Results of operations

Porsche SE achieved a net profit of €193 million in the fiscal year 2014 (prior year: €234 million).

Other operating income in the fiscal year 2014 mainly pertains to income from the reversal of provisions of €12 million (prior year: €6 million).

Other operating expenses for the fiscal year 2014 mainly contain legal and consulting costs of €23 million (prior year: €24 million), expenses for other external services of €10 million (prior year: €9 million) and, in the fiscal year 2014, refund obligations toward associates of €14 million.

In the fiscal year 2014, Porsche SE received a dividend from its investment in Volkswagen AG of €599 million (prior year: €524 million).



The interest result for the fiscal year 2014 essentially contains expenses from payments and additions to provisions for interest on tax back payments (we refer to the statements in the report on opportunities and risks). Interest expense decreased slightly overall to €88 million compared to the fiscal year 2013 (€93 million). Interest income decreased from €24 million in the fiscal year 2013 to €11 million in the fiscal year 2014. This decrease is essentially attributable to a positive effect from tax interest received in connection with a tax refund of €14 million in the prior year.

Income from ordinary activities improved from €407 million in the comparative period to €463 million in the fiscal year 2014.



Income tax increased from €171 million in the prior year to €255 million. This figure comprises additions to tax provisions in connection with previous assessment periods of €86 million (prior year: €171 million) as well as taxes of €169 million paid for this in the reporting year.

The net profit comes to €193 million in the fiscal year 2014 (prior year: €234 million).

Income statement of Porsche Automobil Holding SE

€ million	2014	2013
Other operating income	15	7
Personnel expenses	-18	-17
Other operating expenses	-55	-38
Income from investments	598	524
Interest result	-77	-69
Income from ordinary activities	463	407
Income tax	-255	-171
Other tax	-15	-2
Net profit	193	234
Withdrawals from retained earnings	422	381
Net profit available for distribution	615	615



Net assets and financial position

In addition to the investment held in Volkswagen AG, which is recognized at cost amounting to €21,487 million in the separate financial statements, the fixed assets of Porsche SE comprise the investment of €43 million in Porsche Beteiligung GmbH, which in turn holds the investment in INRIX.

Other assets principally relate to income tax receivables based on refund claims relating to dividends received.

In the fiscal year 2014, marketable securities were acquired. As of 31 December 2014 these amounted to €295 million (31 December 2013: €0 million).



Cash and cash equivalents decreased from €2,912 million as of 31 December 2013 to €2,271 million as of 31 December 2014. The decrease mainly results from tax payments made, the acquisition of the investment in INRIX and to the acquisition of securities.

Provisions contain provisions for pensions and similar obligations, tax provisions for prior-year taxes that have not been assessed yet as well as other provisions. The increase in provisions from €458 million as of 31 December 2013 to €590 million as of 31 December 2014 is essentially attributable to additions to tax provisions of €86 million in connection with prior assessment periods (we refer to the statements in the report on opportunities and risks).



Balance sheet of Porsche Automobil Holding SE

€ million	31/12/2014	31/12/2013
Assets		
Financial assets	21,530	21,488
Other assets	181	148
Marketable securities	295	0
Cash and cash equivalents	2,271	2,912
Prepaid expenses	2	2
	24,279	24,550
Equity and liabilities		
Equity	23,351	23,773
Provisions	590	458
Liabilities	338	319
	24,279	24,550

Risks relating to the business development

The risks relating to the development of Porsche SE's business as the parent company of the Porsche SE Group are closely connected to the risks relating to the significant investment in Volkswagen AG. Acting as a holding company also entails additional risks. Please refer to the section "Opportunities and risks of future development" for a description of these risks.

Dividends

Porsche SE's dividend policy is geared to sustainability. The shareholders should participate to an appropriate extent in the success of Porsche SE in the form of an appropriate dividend, while taking the objective of securing sufficient liquidity into consideration, in particular for the purpose of acquiring future investments.





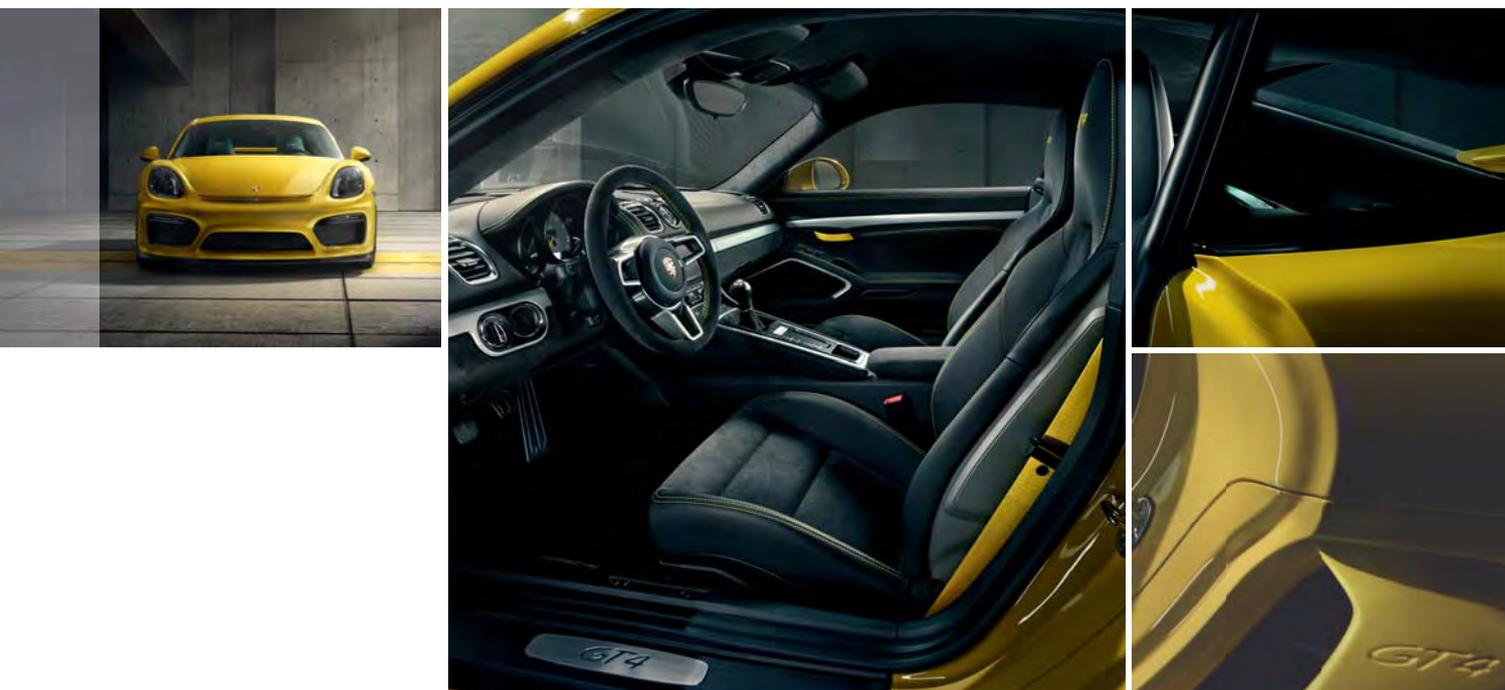
The separate financial statements of Porsche SE as of 31 December 2014 report a net profit available for distribution of €615 million with net profit for the year of €193 million and withdrawals from retained earnings of €422 million. The executive board proposes a resolution for the distribution of a dividend of €2.004 per ordinary share and €2.010 per preference share, i.e., a total distribution of €614,643,750.00. For the fiscal year 2013, the dividend had also been €2.004 per ordinary share and €2.010 per preference share.

Dependent company report drawn up

As in previous years, in accordance with Sec. 312 AktG [“Aktengesetz”: German Stock Corporation Act], Porsche SE has drawn up a report on relations with companies affiliated with holders of its ordinary shares (a dependent company report). The conclusion of this report is as follows: “In accordance with the circumstances known to it when the transactions stated in the report were conducted, Porsche Automobil Holding SE has rendered or, as the case may be, received reasonable payment. The company was not disadvantaged by these transactions. There were no reportable measures in accordance with Sec. 312 (1) Sentence 2 AktG in the fiscal year 2014.”

Outlook

In the separate financial statements prepared in accordance with the German Commercial Code, Porsche SE’s future earnings, based on the current group structure, will essentially depend on income from investments in the form of dividends from Volkswagen AG.



Sustainable value enhancement in the Porsche SE Group and in the Volkswagen Group

With the acquisition of long-term investments, Porsche SE's strategic objective is to promote the development of these investments, thereby generating a sustainable increase in the value of net assets.

Porsche SE's network of experts is a key factor for a successful investment strategy. Excellent integration into one of the largest automotive networks worldwide coupled with the expertise of the ordinary shareholders is a central element when it comes to identifying, implementing and further developing investment projects. Porsche SE will make use of this network under applicable company group law. Moreover, Porsche SE is continuing to expand its network, in particular to include experts from industry, banks and consulting.

Porsche SE's core competencies lie in identifying, reviewing and developing investments, utilizing its entire network. The network plays a particular role in supporting the management teams responsible for investments with the implementation of long-term and sustainable growth strategies.

This section presents the main non-financial key performance indicators of the Volkswagen Group. These value drivers help raise the value of this significant investment held by Porsche SE in the long-term. They include the processes in the areas of research and development, procurement, production, sales and marketing, and quality assurance. Above all, Volkswagen is always aware of its responsibility towards its customers, its employees, the environment and society.

Corporate social responsibility and sustainability at the Volkswagen Group

The Volkswagen Group is committed to transparent and responsible corporate governance. The greatest challenge in implementing this across all levels and every step of the value chain is its complexity: with 12 brands, over 100 production locations and more than 590,000 employees, the Volkswagen Group is one of the largest companies in the world.



Strategy 2018 sets the pace: the Volkswagen Group is aiming to become the most successful, fascinating and sustainable automobile manufacturer in the world by 2018. Sustainability means simultaneously striving for economic, social and environmental goals in a way that gives them equal priority. To Volkswagen this means creating enduring values, facilitating good work, and using the environment and resources with care. Thanks to its corporate culture, Volkswagen is better suited than almost any other company to combine a modern understanding of responsibility and sustainability with the traditional values of running a business to form an integrated corporate social responsibility (CSR) approach. This CSR concept is aimed at ensuring that the Volkswagen Group recognizes and manages at an early stage risks and development opportunities in the areas of environment, society

and governance at every step along the value chain, and further improves its reputation. This is how the CSR activities contribute to increasing the company's value in a long-term and sustainable way.

Management and coordination

The Volkswagen Group has established a clear management structure for coordinating CSR and sustainability. The supreme sustainability board is the group board of management (sustainability board). It is regularly informed by the group CSR & sustainability steering group on the issues of corporate responsibility and sustainability. The group CSR & sustainability steering group's members include executives from central board of management business areas and representatives of the group works council and of the brands and regions. Among other things, the steering group makes decisions on the strategic sustainability goals, monitors the extent to which they are being met using management indicators, identifies key action areas and approves the sustainability report.

The CSR & sustainability office supports the group CSR & sustainability steering group. In addition to coordinating all sustainability activities within the group and the brands, its duties include running



the stakeholder dialog, which is held at group level, for example with sustainability-driven analysts and investors. CSR project teams work on topics across business areas, such as reporting, stakeholder management, or issues relating to sustainability in supplier relationships. This coordination and working structure is also largely established across the brands and is constantly expanding. Since 2009, the CSR & sustainability coordinators for all brands and regions have met once a year to promote exchange across the group, establish consistent structures and learn from one another. This group CSR meeting has proven itself as an integral part of the group-wide coordination structure.

With the help of its IT-based sustainability management system, Volkswagen again gathered comprehensive data and information in near real-time in 2014 for group sustainability reporting. At the same time, Volkswagen expanded its sustainability management system to further increase transparency and the quality of the data, so that it can monitor CSR risks more easily and better identify CSR opportunities.

Research and development

The Volkswagen Group's research and development activities continued to concentrate on two areas in the fiscal year 2014: expanding its product portfolio and improving the functionality, quality, safety and environmental compatibility of its products.

Focus of the Volkswagen Group's research and development activities

It is planned to cut the average CO₂ emissions of the Volkswagen Group's new European passenger car fleet to 120 grams per kilometer by 2015. The Volkswagen Group has already succeeded in reducing CO₂ emissions over the past five years by 25 grams of CO₂ per kilometer to 126 grams of CO₂ per kilometer. Since 2012, the CO₂ emissions for vehicle manufacturers' new European passenger car fleets have been regulated by law: for 2014, the emissions of 80% of the new vehicle fleet were not permitted to exceed the statutory level of 130 grams of CO₂ per kilometer. The figure for the Volkswagen Group in the reporting period was 115 grams of CO₂ per kilometer. The Volkswagen Group currently offers a total of 532 model variants (engine-transmission combinations) that emit less than 130 grams of CO₂



per kilometer. For 416 model variants, Volkswagen is already below the threshold of 120 grams of CO₂ per kilometer. Of these, 85 model variants are even below 100 grams of CO₂ per kilometer.

Recognizing new developments in society, politics, technology, the environment and the economy at an early stage is of core importance to Volkswagen, since these form an important basis for innovations and business success. Volkswagen's Group research function constantly addresses the latest trends and has established research offices in the key global automotive markets. Research offices in China, Japan, the USA and other locations observe technological areas relevant to the automotive industry, conduct cooperative projects with research institutions and local companies, and thus capture new insights for the Volkswagen Group.

In addition to drive train system electrification, development work in 2014 focused on connectivity, i.e., the link between the vehicle and its surrounding environment. The speed at which the functionality and market penetration of networked online systems are growing makes it increasingly important for vehicles to be able to network to the driver's own devices, to other vehicles and to their surrounding environment, particularly infrastructure. This increasing functionality is accompanied by new types of display and control concepts. The shift towards replacing buttons and switches with touchscreen displays and recognition sensors is continuing, and is reflected in the Volkswagen Group's vehicles.

One of the Audi brand's most important development areas is piloted driving. Driver assistance should make the job easier whenever it makes sense – not just when maneuvering in tight parking spaces or in parking lots, but also for example in slow-moving traffic on the highway. Once the necessary conditions (e.g. the legal basis) are in place, functions like these could go into series production in the next few years. Audi has shown what the technology can already do: in the reporting period the Audi RS 7 piloted driving concept completed a lap of the Hockenheim Grand Prix track at racing



speeds of up to 240 km/h – without a driver. The results of this test are being integrated into the development of series models and are helping to increase the safety and comfort of future vehicles.

Volkswagen introduced innovative LED systems for front and rear lighting in the volume segment in 2014, making the technology available to a broader customer base. The latest LED tail light is the first in the world to have an integrated animated brake light function, which increases perception speed. A compact projection model means that the new, highly functional LED headlights incorporate lights for country driving, urban areas and highways, dynamic curve lighting and, with the use of a camera, a dynamic high-beam assistant. Volkswagen will systematically continue to implement LED technology (including the dynamic high-beam assistant) in the volume segment; introduction in the compact class is scheduled for 2015.

Body shell production remains a strategic development focus for the Volkswagen Group. Volkswagen is the first automobile manufacturer to use hot-formed, high-strength steels in series models. It is also pursuing a vehicle- and platform-specific composite material approach in this area, i.e., the use of diverse materials in a body shell.



Volkswagen is also systematically integrating its extensive experience with lightweight materials, in particular aluminum, into the Modular Transverse Toolkit (MQB). Volkswagen has developed and patented resistance element welding for the application of these materials. This new technique is used to bond different materials to steel. Aluminum is also increasingly being used in the development of new platforms on which vehicles such as the Touareg and Phaeton are based. The Volkswagen Group is also researching into economical lightweight construction technologies for series production as part of the Open Hybrid LabFactory public-private partnership in collaboration with the Lower Saxony Research Center for Vehicle Technology (NFF) at the Technical University of Braunschweig, the Fraunhofer Gesellschaft and various other industry partners. The aim is to have around 200



researchers from industry and science jointly developing hybrid lightweight structures by the end of 2015. The foundation stone for the new development center in Wolfsburg was laid in 2014.

Key R&D figures

At €13,120 million, the automotive division's total research and development costs were up 11.7% year-on-year in the reporting period. Alongside new models, the main focus was on the electrification of the vehicle portfolio, an efficient range of engines and lightweight construction; the proportion accounted for by alternative drive technologies increased again. Of these development costs, a total of €4,601 million was capitalized (prior year: €4,021 million). The capitalization ratio rose to 35.1% (prior year: 34.2%). Amortization of capitalized development costs in the reporting year 2014 came to €3,026 million compared to €2,464 million in the prior year. Research and development costs recognized in the income statement in accordance with IFRSs increased to €11,545 million (prior year: €10,186 million). This meant that their ratio to sales revenue in the automotive division amounted to 6.5% (prior year: 5.8%).

On 31 December 2014, the research and development function – including the equity-accounted Chinese joint ventures – employed 45,742 people group-wide (up 4.5%), corresponding to 7.7% of the total headcount.





Procurement

Procurement focused its activities in 2014 in particular on safeguarding new vehicle start-ups, developing new procurement markets and ensuring continuity of supply to production.

Procurement's process optimization program

The optimization and standardization of processes and systems for all group brands and regions was pursued with high priority in fiscal 2014. This enables maximum transparency and a high degree of consultation and integration to be achieved within the group. In order to ensure the sustainability of these optimization measures, Volkswagen regularly conducts process and system audits.

The next step will be to strengthen Volkswagen's focus on the interface to suppliers. The goal is also to work together with them on the basis of optimal processes and systems.

Procured component and supplier management assure quality within the supply process

Procured component management, as the technical area of procurement, employs tool and process experts who safeguard new vehicle start-ups and aggregate projects worldwide in terms of both prevention and response. In addition, the experts underpin series production. In line with the group-wide growth strategy, procured component management is focusing in particular on knowledge transfer at the start of global projects. Procured component management is globally networked. This means that synergy effects can be achieved in both production and process optimization at suppliers.



In the “Quality in Growth” program, procurement focuses on safeguarding start-ups and on managing the subcontractor structure. Cross-business area discussions are held with suppliers to ensure that supplier training corresponds with Volkswagen’s quality and growth targets. The jointly-defined best practice approaches enable continual improvement and are anchored in common aims. The preventive safeguarding of start-ups is not only enhanced by simulated series production at the suppliers, but also by integrating performance tests across all business areas at various stages of the product development process prior to new vehicle start-ups. This enables problems related to supply volume and quality to be identified in good time and counteracted.

Developing new procurement markets

Procurement works in 39 locations across 23 countries, ensuring that the production facilities are supplied with production materials of the required quality and amount for the long term and at competitive conditions. This ensures access to the relevant procurement markets against the background of increasing globalization.



In addition to established sources of supply, the number of qualified suppliers in new growth markets such as the ASEAN region is increasing. Experience from working with local suppliers, for example in Pekan, Malaysia, will be carried over into new projects via the regional procurement organization. This is increasing the size of the global supplier base.

Thanks to these approaches, procurement is able to secure a reliable supplier base for new locations quickly and efficiently.



Production

In the fiscal year 2014, the Volkswagen Group again expanded its production network and increased its global production volume by 5.0%, exceeding 10 million vehicles for the first time. Productivity increased by 4.2% year-on-year despite the continuing difficult conditions in many markets. In the South American market in particular, declining volumes impacted productivity trends. However, this was offset by the increasing unit sales in China and the group's systematic implementation of its production system.

Flexibility in production

The modular toolkits allow production sites to be designed to be flexible. They generate synergy effects that enable capital expenditure to be reduced and better use to be made of existing capacities. With these toolkits, the Volkswagen Group has created the conditions for using the production sites for several brands at the same time, and is implementing these systematically in terms of plant capacity utilization. For example, the ŠKODA Kvasiny location in the Czech Republic will also produce a vehicle for the SEAT brand starting in 2016. Of the 40 passenger car locations, 19 are now already multibrand locations.

As the complexity of products increases, a factory must work at optimal capacity so as to continue manufacturing high-quality products that give customers maximum benefits at competitive prices. This is all made possible by the standardization of production processes and operating equipment at an early stage. Consistent construction and design principles that are clearly defined in the form of product standards form the basis for this. Volkswagen introduced "concept consistency" to enable single-line production of different brands at a single production location. This ensures that common design principles, joining techniques and joining sequences are applied across the brands' development and production areas.

Sales and marketing

The Volkswagen Group's unique product portfolio comprises twelve successful brands, including innovative financial services, that excite millions of customers worldwide, year in and year out. The Volkswagen Group further strengthened these brands' unique features and consolidated its excellent market position in 2014.



Sales structure of the Volkswagen Group

The Volkswagen Group's multibrand structure helps promote the independence of its brands. Nevertheless, Volkswagen uses cross-brand sales activities to increase sales volumes and market share and increase sales efficiency, while cutting costs and improving earnings contributions.

In the reporting period, the Volkswagen Group strengthened dealer profitability in particular. This was achieved firstly with cost-cutting programs and secondly by expanding the business volume for each dealer. The distribution network strategy calls for the Volkswagen Group to work with strong partners and leverage the potential of all business fields, and this, as well as the difficult economic situation in some countries, led to restructuring of the distribution network. The focus was on a close working relationship with dealers and their profitability. Volkswagen uses its group companies to manage its wholesale business in over 20 markets. A central department makes sales activities more transparent and more profitable, as well as creating synergies between the different brands. This allows wholesale companies to learn quickly and efficiently from the group-wide benchmarking process and from the best practices adopted by individual firms. The central department is instrumental in helping

Volkswagen achieve the goals laid down in the Volkswagen Group's Strategy 2018.

Customer satisfaction and customer loyalty in the Volkswagen Group

The Volkswagen Group's sales activities focus consistently on turning its customers into even more satisfied customers – this is the top priority for the group. Thanks to the measures and process improvements it introduced, the Volkswagen Group was able to further increase satisfaction amongst its vehicle buyers, after-sales customers and dealership partners in the reporting period.



The group's brands regularly calculate customer satisfaction levels, focusing on products and services. They derive new measures from the survey results to achieve even greater customer satisfaction.

The e-mobility challenge for group sales

The Volkswagen Group's e-mobility strategy covers the development of customer-centric products and business models to complement its range of electric vehicles.

When selecting products and partners, great care is taken to obtain the greatest possible customer benefits and generate maximum synergies for the group, while, at the same time, preserving the identities of its brands.

Quality assurance

The quality of products and services plays a crucial role in maintaining customer satisfaction across the world. Customers are particularly satisfied and loyal when their expectations of a product or service are met or even exceeded. Reliability, appeal and service determine quality as it is perceived by the customer throughout the entire product experience. The Volkswagen Group's objective is to surprise and excite its customers in all these areas and thus win them over with its outstanding quality. Quality assurance continued to improve its high level of quality in 2014, thus contributing to growth and to increasing the value of the Volkswagen Group.

Volkswagen Group's quality assurance consistently focuses on its customers' wishes and integrates them into product requirements. It also ensures that the company, as the manufacturer, and its products comply with all legal requirements. It defines high quality targets and standards and monitors compliance with them. In addition, it identifies the cause of any faults and manages the process for removing them.



Employees

As of 31 December 2014, the Volkswagen Group, including the Chinese joint ventures, employed 592,586 people, 3.5% more than at the end of fiscal year 2013. Significant factors in this increase were the volume-related expansion of the workforce in growth markets, in particular in China, and the recruitment of specialists and experts in Germany, among other places.

The ratio of group employees in Germany to those abroad remained virtually unchanged in the past year. At the 2014 reporting date, 45.7% were employed in Germany.

Alongside training for employees, development of graduates, the advancement of women and a family-friendly human resources policy, as well as preventive healthcare and occupational safety remained the focus of HR work in fiscal year 2014.

Environment

Environmental management in the Volkswagen Group

The Volkswagen Group aims to be the leading automotive company in ecological terms as well by 2018. To help it achieve this goal, Volkswagen agreed its group environmental strategy encompassing all of its environmental protection activities at the end of 2013.

The modular structure of this group environmental strategy focuses on the value chain and involves all business areas. Ambitious, measurable targets have been established in these areas and are being pursued systematically. This includes reducing CO₂ emissions from the European new car fleet to 95 g CO₂/km by 2020 as well as designing each new model generation to be 10 to 15% more efficient than its predecessor. Both of these objectives are key drivers for the Volkswagen Group's strategic target area of becoming the leader in creating environmentally friendly products.



Another target area in the environmental strategy specifies that the Volkswagen Group is further extending its efforts to conserve resources across the entire lifecycle of its products. Volkswagen plans to reduce CO₂ emissions, energy consumption, water consumption, waste for disposal and organic solvents in the production process. By 2018, the aim is to have reduced these five key environmental indicators for every vehicle produced throughout all of the group's locations by 25% when compared with 2010.

Environmental targets have also been established for the logistics, sales and marketing areas. Beginning in the reporting period, Volkswagen has been a member of the Clean Shipping Network, an

association of marine cargo owners, and is represented on its management board. Volkswagen will use the Clean Shipping Index in future as an assessment tool to analyze and reduce the environmental impact of marine shipments. The group is also successively involving its dealerships in reducing emissions.

The concept of "Intelligent Mobility" in the environmental strategy addresses future mobility solutions. This is where the Volkswagen Group's drive to reduce inefficiencies, satisfy its customers' mobility and comfort requirements and promote environmental protection all comes together. The concept is based on the efficient interplay of people, infrastructure, technologies and means of transport.



Overall statement on the economic situation of Porsche SE and the Porsche SE Group

Porsche SE is a financially strong holding company with attractive potential for increasing value added, with clear, sustainable structures and a solid outlook for the future.

In the past fiscal year 2014, the results of operations of Porsche SE and the Porsche SE Group were primarily characterized by the income from investments and profit contributions of the shares in Volkswagen AG accounted for at equity as well as by expenses for tax matters.

The financial position was influenced to a large extent by dividends received and paid, investment in time deposits and securities, tax payments and the acquisition of the shareholding in INRIX. In addition, there were interest payments from a loan due to the Volkswagen Group.

The executive board of Porsche SE considers the economic situation of the company and its significant investment in Volkswagen AG to be positive. Porsche SE benefited from the positive economic situation in the past fiscal year and from the profit of the Volkswagen Group, which exceeded original expectations. Despite the persistently challenging environment, the Volkswagen Group achieved its forecast delivery volumes, sales revenue and operating profit for 2014 and maintained its market position.



Remuneration report

The remuneration report describes the main features of the remuneration system for members of the executive board and supervisory board of Porsche SE and explains the basic structure, composition and the individualized amounts of remuneration. In addition, the report includes disclosures on benefits granted or promised to active members of the executive board in the event of termination of their service.

Remuneration of the executive board

Remuneration principles at Porsche SE

At regular intervals the supervisory board addresses remuneration matters concerning the executive board, examining the structure and amount of remuneration of the executive board in the process. In the fiscal year 2014, the supervisory board again addressed the structure of the remuneration of the members of the Porsche SE executive board, which was last amended in the fiscal year 2013.

The members of the executive board Prof. Dr. Dr. h.c. mult. Martin Winterkorn (CEO) and

Hans Dieter Pötsch (CFO) receive a fixed basic component, which is paid out as a monthly salary, for their work at the company.

In addition to a fixed basic component paid out in monthly amounts, the member of the executive board Matthias Müller receives variable remuneration from the company up to and including the fiscal year 2014. Philipp von Hagen also receives variable remuneration in addition to a fixed basic component paid out in monthly amounts.

The amount of the hitherto variable remuneration of these members of the executive board of Porsche SE was specified by the supervisory board at its discretion, taking into account the respective business and earnings situation, as well as the performance of the individual executive board member. Performance was measured specifically in terms of the extent to which the individual (in some cases, differently weighted) targets agreed with the member of the executive board for the respective fiscal year have been achieved.

The individual targets are based on the business area of the respective executive board function and refer to the parameters presented below for the term of the agreement.



The parameters specified for Mr. Müller were:

- Implementation of the concept for the investment strategy,
- Professional risk management and coordination in connection with legal and administrative proceedings and
- Cost management with regard to the administration of Porsche SE and its investments.

The parameters specified for Mr. von Hagen are:

- Creation of the organizational foundations for professional investment management,
- Further development and operationalization of the investment strategy,
- Positioning Porsche SE on the capital market as a powerful investment platform and
- Profit- and risk-based management of the investment portfolio.

For each fiscal year completed, the executive committee of the supervisory board of Porsche SE draws up a proposal for the individual amount of the variable remuneration, taking into account the respective business and earnings situation and based on the specific performance of the individual member

of the executive board. This proposal is submitted to the supervisory board of Porsche SE for decision.

The amounts of variable remuneration paid were limited to an amount of €3,500,000 p.a. for Mr. Müller. The limit for Mr. von Hagen is €300,000 p.a.

The timing of payment of the hitherto variable remuneration depends on the achievement of short- and long-term targets. The short-term component, amounting to 40% of the variable remuneration, is paid out three months after the end of the fiscal year concerned, on the condition that the Porsche SE Group has reported a group profit before tax for the respective fiscal year. The remaining 60% of the variable remuneration is paid out depending on the development of the company over several years. A payment is made two years after the short-term variable component is due, but only if the Porsche SE Group has reported a group profit before tax for the respective fiscal year, and if the net liquidity of Porsche SE is positive as of 31 December of the last calendar year before payment falls due.

The employment agreement with Mr. von Hagen was extended to 28 February 2018, effective as of 1 March 2015, with no changes to the terms. The

employment agreement with Mr. Müller was extended to 31 December 2019, effective as of 1 January 2015. The fixed remuneration was carried over without changes. From the fiscal year 2015, Mr. Müller is no longer entitled to the variable component described above; in the future, Mr. Müller will receive variable remuneration components from Dr. Ing. h.c. F. Porsche AG, Stuttgart ("Porsche AG", we refer to the explanations in the subsection "Remuneration in accordance with the German Corporate Governance Code"). Portions of his variable remuneration that fall due in the future, including for fiscal year 2014, will be handled in accordance with the contractual provisions that previously applied.

The supervisory board of Porsche SE explicitly reserves the option of also introducing a variable remuneration system for members of the executive board of the company who have not received performance-related remuneration to date.

Moreover, at its discretion, the supervisory board may grant all the members of the executive board of Porsche SE a special bonus for previously agreed targets or a subsequent bonus in recognition of outstanding performance. As the bonuses of this kind are not capped, Porsche SE has declared non-compliance with the recommendation in No. 4.2.3. (2) Sentence 6 of the German Corporate Governance Code in this respect. The supervisory board does not consider the inclusion of a cap to be necessary, as it can ensure compliance with the requirement of appropriateness in Sec. 87 (1) AktG by exercising its discretion in specific cases.

All active members of the executive board of Porsche SE receive benefits in kind in particular in

the form of the use of company cars. Porsche SE bears any taxes incurred in this connection. Any benefits in kind are included at their tax values in the presentation of the non-performance-related remuneration of the members of the executive board.

The agreements concluded with Prof. Dr. Winterkorn and Mr. Pötsch provide for continued payment of the fixed basic component for a period of 12 months in the event of illness. In the event of death, the fixed basic component will continue to be paid for six months following the month of death. The agreements concluded with Messrs. Müller and von Hagen provide for continued payment of the fixed and variable components for a period of 12 months in the event of illness and for a period of 6 months following the month of death in the event of death.

Remuneration of the executive board

Prof. Dr. Martin Winterkorn (CEO), Hans Dieter Pötsch, Matthias Müller and Philipp von Hagen were members of Porsche SE's executive board during the entire fiscal year 2013 and the entire fiscal year 2014.

The remuneration presented below for the individual members of Porsche SE's executive board comprises only the remuneration in accordance with HGB paid for their service on the executive board of Porsche SE.

**Remuneration of the members of the executive board according to
Secs. 285 No. 9a, 314 (1) No. 6a German Commercial Code (HGB)**

2014	Non-performance- related components	Performance- related components	thereof	Total
			long-term incentive ¹	
in €				
Prof. Dr. Dr. h.c. mult. Martin Winterkorn	822,537	0	0	822,537
Philipp von Hagen	603,380	250,000	150,000	853,380
Matthias Müller	528,557	3,500,000	2,100,000	4,028,557
Hans Dieter Pötsch	577,542	0	0	577,542
Porsche SE Group	2,532,016	3,750,000	2,250,000	6,282,016

2013	Non-performance- related components	Performance- related components	thereof	Total
			long-term incentive ¹	
in €				
Prof. Dr. Dr. h.c. mult. Martin Winterkorn	791,577	0	0	791,577
Philipp von Hagen	625,083	120,000	0	745,083
Matthias Müller	576,400	1,400,000	0	1,976,400
Hans Dieter Pötsch	560,466	0	0	560,466
Porsche SE Group	2,553,526	1,520,000	0	4,073,526

¹ In accordance with the legal requirements and the provisions of German Accounting Standard No. 17 regarding reporting on the remuneration of members of governing bodies, the long-term component amounting to 60% of the variable remuneration is only taken into account when all conditions precedent are met. We refer to the following statements.

For the fiscal year 2014, a variable component totaling €3,500,000 for Mr. Müller (prior year: €3,500,000), and variable remuneration totaling €250,000 for Mr. von Hagen (prior year: €300,000) was provided for. 60% of this variable remuneration is subject to the conditions precedent described in the subsection on the remuneration principles and is therefore not included in the above table. The performance-related remuneration components with a long-term incentive for the fiscal year 2014 contain the amounts of the long-term component of the variable remuneration paid for the fiscal year 2012, as all its conditions precedent were fulfilled for the first time as of the end of the fiscal year 2014.

Post-employment benefits in the event of regular or early termination of service

With the exception of Mr. von Hagen, the members of Porsche SE's executive board do not have any pension benefits from the company. In addition to retirement benefits and surviving dependents' benefits, Mr. von Hagen's pension benefits include benefits in the event of permanent disability. Future benefits are calculated as a percentage of the agreed fixed annual remuneration at the time the benefits fall due. Starting at 25%, this percentage increases by one percentage point for each full year of active service on the executive board of Porsche SE. The defined maximum is 40%. As of 31 December 2014, Mr. von Hagen has a retirement pension entitlement of 27% of his fixed annual remuneration. Immediate vesting was agreed.

The retirement pension is paid in monthly amounts upon reaching the age of 65 or earlier in the event of permanent disability. In the event of entitlement to a retirement pension before reaching the age of 65, the retirement pension is calculated using actuarial principles by annuitization of the pension provision permissible in accordance with tax law prior to the point in time the payment of the retirement pension falls due.

The surviving dependents' benefits comprise a widows' pension of 60% of the retirement pension and orphans' benefits of 20% of the retirement pension for each child, decreasing to 10% for each child if a widow's pension is paid. The total amount of widows' pensions and orphans' benefits may not exceed the amount of the retirement pension. Orphans' benefits are limited to a total of 80% of the retirement pension.

The service cost recognized in the fiscal year 2014 for Mr. von Hagen amounts to €236,757 according to IFRSs (prior year: €242,493), and to €184,320 according to HGB (prior year: €150,580). The present value of the pension obligations for Mr. von Hagen as of 31 December 2014 amounts to €984,081 according to IFRSs (prior year: €453,634), and to €502,692 according to HGB (prior year: €303,500).

Mr. Müller will continue to be entitled to a company car following the date of retirement. The service cost recognized in the fiscal year 2014 amounts to €52,600 according to IFRSs (prior year: €53,316), and to €451,677 according to HGB (prior year: €40,711). The present value of this benefit in kind obligation as of 31 December 2014 amounts to €798,406 according to IFRSs (31 December 2013: €175,296), and to €606,318 according to HGB (31 December 2013: €147,418).

In the event of early termination of service on the executive board without due cause, a severance payment cap is provided for, according to which any severance payments, including benefits in kind, may not exceed a maximum of two years' compensation. Under no circumstances may the payments exceed the amount of remuneration due for the remaining term of the employment agreement. The severance payment cap is calculated on the basis of the total compensation for the past full fiscal year and, if appropriate, also the expected total compensation for the current fiscal year.

In the event of departure from the executive board prior to the date when payment falls due as a result of termination for due cause by Porsche SE, the entitlements to variable components that have not yet been paid out (in full or in part) expire. In the event of departure for other reasons prior to the date when payment falls due, the two executive board members retain their entitlement to payment of their performance-related remuneration. The date when payment falls due is not affected by early departure from the executive board of the company. In the case of Mr. Müller, however, the variable remuneration components still outstanding will be paid only if the Porsche SE Group has reported a group profit before tax for the respective fiscal year and if the net liquidity of Porsche SE is positive as of 31 December of the last calendar year before payment falls due.

Remuneration of former members of the executive board of Porsche SE

Former executive board members of Porsche SE and their surviving dependents received no remuneration from Porsche SE in the fiscal year 2014 or in the fiscal year 2013.

Remuneration of the supervisory board

Principles

The remuneration of Porsche SE's supervisory board is governed by Art. 13 of the company's articles of association. It is composed of a fixed component and an attendance fee for the meetings of the supervisory board and the respective committees. In addition, the supervisory board members receive a performance-related component. This is calculated on the basis of the pre-tax result from ordinary activities from continuing operations

recognized in the consolidated financial statements of Porsche SE. For each full €1 million by which this result at group level exceeds the amount of €300 million in the expired fiscal year, the members of the supervisory board receive an amount of €10. For each full €1 million by which this result at group level exceeds the average amount of €300 million during the three fiscal years preceding the expired fiscal year, the members of the supervisory board of Porsche SE receive a further €10. Supervisory board members who have been a member of the supervisory board or one of its committees for only part of a fiscal year receive the remuneration subject to a reduction pro rata temporis.

The chairman of the supervisory board and the chairman of the audit committee receive twice the amount of fixed remuneration and the variable remuneration, and the deputy chairman of the supervisory board and the members of the audit committee receive one-and-a half times the amount of the fixed remuneration and the variable remuneration of a supervisory board member. If a member of the supervisory board holds several appointments at the same time, such member receives remuneration only for the appointment with the highest remuneration.

Remuneration of the supervisory board

The composition of the members of Porsche SE's supervisory board did not change either in the fiscal year 2014 or in the fiscal year 2013.

In accordance with Art. 13 of Porsche SE's articles of association, the supervisory board received remuneration totaling €1,612,245 (prior year: €1,433,460) for its service at Porsche SE in the fiscal year 2014. This amount includes non-performance-related components of €654,500 (prior year: €684,500) and performance-related components of €957,745 (prior year: €748,960).

Beyond this, the supervisory board members did not receive any other remuneration or benefits in the fiscal year 2014 or in the fiscal year 2013 for any services they provided personally, such as consultancy and referral services.

The remuneration for the individual members of Porsche SE's supervisory board presented below comprises only the remuneration pursuant to HGB paid for their service on the supervisory board of Porsche SE.

Remuneration of the members of the supervisory board according to Secs. 285 No. 9a, 314 (1) No. 6a German Commercial Code (HGB)

2014 in €	Non-performance- related components	Performance- related components	Total
Dr. Wolfgang Porsche	86,000	123,580	209,580
Uwe Hück ¹	85,500	92,685	178,185
Berthold Huber ¹	34,000	61,790	95,790
Prof. Dr. Ulrich Lehner	74,000	123,580	197,580
Peter Mosch ¹	34,000	61,790	95,790
Bernd Osterloh ¹	85,500	92,685	178,185
Hon.-Prof. Dr. techn. h.c. Dipl. Ing. ETH Ferdinand K. Piëch	46,000	61,790	107,790
Dr. Hans Michel Piëch	49,000	61,790	110,790
Dr. Ferdinand Oliver Porsche	61,500	92,685	154,185
Hansjörg Schmierer ¹	37,000	61,790	98,790
His Excellency Sheikh Jassim bin Abdulaziz bin Jassim Al-Thani	25,000	61,790	86,790
Werner Weresch ¹	37,000	61,790	98,790
Total	654,500	957,745	1,612,245

¹ These employee representatives have declared that their supervisory board remuneration is transferred to the Hans-Böckler foundation in accordance with the regulations of the German Federation of Trade Unions.

2013 in €	Non-performance- related components	Performance- related components	Total
Dr. Wolfgang Porsche	86,000	96,640	182,640
Uwe Hück ¹	88,500	72,480	160,980
Berthold Huber ¹	34,000	48,320	82,320
Prof. Dr. Ulrich Lehner	80,000	96,640	176,640
Peter Mosch ¹	40,000	48,320	88,320
Bernd Osterloh ¹	79,500	72,480	151,980
Hon.-Prof. Dr. techn. h.c. Dipl. Ing. ETH Ferdinand K. Piëch	49,000	48,320	97,320
Dr. Hans Michel Piëch	46,000	48,320	94,320
Dr. Ferdinand Oliver Porsche	70,500	72,480	142,980
Hansjörg Schmierer ¹	40,000	48,320	88,320
His Excellency Sheikh Jassim bin Abdulaziz bin Jassim Al-Thani	31,000	48,320	79,320
Werner Weresch ¹	40,000	48,320	88,320
Total	684,500	748,960	1,433,460

¹ These employee representatives have declared that their supervisory board remuneration is transferred to the Hans-Böckler foundation in accordance with the regulations of the German Federation of Trade Unions.

Remuneration in accordance with the German Corporate Governance Code

Remuneration of the executive board

General principles

In the fiscal year 2014, Volkswagen AG and therefore also its group companies such as Porsche Holding Stuttgart GmbH, Stuttgart and Porsche AG remained subsidiaries of Porsche SE as defined by Sec. 18 AktG due to the existing majority of voting rights.

Therefore, the total remuneration for Porsche SE's executive board members that is required to be published according to the German Corporate Governance Code also includes any remuneration that these members of the executive board received during the period of their membership of the executive board of Porsche SE due to their assuming functions as members of boards at group companies of the Volkswagen Group. Irrespective of this, however, the group companies of the Volkswagen Group and their subsidiaries are not group companies of Porsche SE within the meaning of IFRSs.

Prof. Dr. Winterkorn and Mr. Pötsch are members of the board of management of Volkswagen AG as well as members of various bodies in the Volkswagen Group. Mr. Müller is a member of the management of Porsche Holding Stuttgart GmbH, chairman of the executive board of Porsche AG, as well as a member of various other bodies of group companies of the Volkswagen Group. Mr. von Hagen holds no position on the bodies of group companies of the Volkswagen Group.

For Mr. Müller, therefore, the total remuneration of the members of Porsche SE's executive board for the respective fiscal years presented below includes remuneration for serving on the executive board of Porsche AG in addition to the

remuneration for his appointment on the executive board of the company and for his other appointments in the Volkswagen Group.

In addition to the remuneration received from Porsche SE in the fiscal year, total remuneration for Prof. Dr. Winterkorn and Mr. Pötsch includes remuneration for serving on the board of management of Volkswagen AG, as well as for their other appointments in the Volkswagen Group.

Remuneration principles at Volkswagen AG

The positive business performance of the Volkswagen Group in the past fiscal years made it necessary to modify and realign the existing remuneration system and the remuneration of the Volkswagen AG board of management and the comparative parameters in 2013 on which it is based. The remuneration of the board of management was modified with the assistance of a remuneration consultant, whose independence was assured by the supervisory board and Volkswagen AG.

The level of board of management remuneration should be appropriate and attractive in the context of the company's national and international peer group. Criteria include the tasks of the individual board of management member, their personal performance, the economic situation, the performance of and outlook for the company, as well as how customary the remuneration is when measured against its peer group and the remuneration structure that applies to other areas in the Volkswagen Group. In this context, comparative studies on remuneration are conducted on a regular basis.

The remuneration principles of Volkswagen AG presented below pertain exclusively to the agreements made with Prof. Dr. Winterkorn and Mr. Pötsch.

The remuneration received by them for their service in the Volkswagen Group comprises fixed

and variable components. The fixed components of the package ensure firstly a basic level of remuneration enabling the individual members of the board of management to perform their duties in the interests of the company and to fulfill their obligation to act with proper business prudence without needing to focus on merely short-term performance targets. On the other hand, variable components, dependent among other criteria on the financial performance of the company, serve to ensure the long-term impact of behavioral incentives. Upper limits are in place for both the overall remuneration and the variable remuneration components.

The fixed remuneration comprises fixed remuneration and fringe benefits. In addition to the basic level of remuneration, the fixed remuneration also includes differing levels of remuneration for appointments assumed at group companies. The fringe benefits result from the grant of non-cash benefits and include in particular the use of operating assets such as company cars and the payment of insurance premiums. Taxes due on these non-cash benefits were mainly borne by Volkswagen AG. The basic level of remuneration is reviewed regularly and adjusted if necessary.

The variable remuneration comprises a bonus, which relates to business performance in the reporting period and in the preceding year, and, since 2010, a long-term incentive (LTI) plan, which is based on the reporting period and the previous three fiscal years. Both components of variable remuneration are therefore calculated on a multiyear basis and reflect both positive and negative developments. Members of the board of management can also be awarded bonuses that reflect their individual performance.

The supervisory board may cap the total of variable remuneration components in the event of extraordinary developments.

The bonus rewards the positive business development of the Volkswagen Group and comprises the components bonus and individual performance bonus. The bonus is calculated on the basis of the average operating profit, including the proportionate operating profit in China, over a period of two years. A calculation floor below which no bonus will be paid is in place. This floor was set at €5.0 billion. In addition, a cap for extraordinary developments is explicitly provided for by limiting the maximum theoretical bonus which, subject to the individual performance-related bonus, is at €6.75 million for Prof. Dr. Winterkorn, the chairman of the board of management and at €2.5 million for Mr. Pötsch. The system and the cap are regularly reviewed by the supervisory board to establish whether any adjustments are necessary.

In addition, the supervisory board of Volkswagen AG may increase the theoretical bonus, which is calculated on the basis of average operating profit of the Volkswagen Group, by up to 50% by applying individual adjustment factors that are not linked to the theoretical cap so as to reward members of the board of management for extraordinary individual performance (individual performance bonus). This may take into account extraordinary performance in the area of integration, or the successful implementation of special projects, for example.

The amount of the LTI depends on the achievement of the targets laid down in the Strategy 2018. The target areas are:

- Leader in customer satisfaction, measured using the Customer Satisfaction Index
- Leading employer, measured using the Employee Index
- Unit sales growth, measured using the Growth Index, and
- Increase in the return on sales, measured using the Return Index.

The Customer Satisfaction Index is calculated using indicators that quantify the overall satisfaction of customers with the delivering dealers, new vehicles and the service operations based on the previous workshop visit. The Employee Index is determined using the “employment” and “productivity” indicators as well as the participation rate and results of employee surveys. The Growth Index is calculated using the “deliveries to customers” and “market share” indicators. The Return Index is derived from the return on sales and the dividend per ordinary share.

The indices on customer satisfaction, employees and unit sales are aggregated and the result is multiplied by the Return Index. This method ensures that the LTI is only paid out if the group is also financially successful. If the 1.5% threshold for the return on sales is not exceeded, the Return Index is zero. This would mean that the overall index for the fiscal year concerned is also zero.

The maximum LTI amount is capped at €4.5 million for Prof. Dr. Winterkorn for the chairman of the board of management and €2.0 million for Mr. Pötsch for the other members of the board of management and is based on the four-year average of the overall indices, i.e. the reporting period and the three preceding years.

Prof. Dr. Winterkorn and Mr. Pötsch are entitled to payment of their normal remuneration from Volkswagen AG for 12 months in the event of illness.

Remuneration principles at Porsche AG

The remuneration principles of Porsche AG presented below pertain exclusively to the agreement made with Mr. Matthias Müller.

Mr. Müller received only a fixed annual salary and a fixed annual management bonus at Porsche AG for the fiscal years 2013 and 2014. Mr. Müller did not receive variable remuneration from Porsche AG in these fiscal years.

However, at its discretion, the supervisory board of Porsche AG may grant Mr. Müller a special bonus or a subsequent bonus for these fiscal years in recognition of extraordinary individual performance.

In addition to this, Mr. Müller received benefits in kind, in particular the use of company cars and leased vehicles as well as provision of insurance cover. Moreover, it was agreed in principle to pay the costs for security services and preventive healthcare. Taxes arising in connection with the benefits in kind are generally borne by Porsche AG.

Mr. Müller has also concluded a direct insurance policy. The annual premium of €1,742 is paid by Porsche AG.

Porsche AG will continue to pay Mr. Müller’s fixed component for a period of 12 months in the event of illness. In the event of death, the remuneration agreed with Mr. Müller will continue to be paid for six months following the month of death.

Mr. Müller’s remuneration for his service on the Porsche AG executive board in the fiscal years 2013 and 2014 comprised a fixed annual salary and a fixed annual management bonus each totaling €1,800,000. In addition, he received a bonus in the fiscal year 2014 in recognition of extraordinary performance for the fiscal year 2013 amounting to €150,000 (prior year: €100,000).

By resolution of the supervisory board of Porsche AG dated 28 February 2014, Mr. Müller was appointed chairman of the executive board of Porsche AG for a period of five years, effective as of 1 January 2015. Consequently, a new employment agreement was concluded with Mr. Müller in December 2014 for this new term of office. This provides for a fixed annual salary and a fixed annual management bonus totaling €1,300,000. In addition, Mr. Müller will receive variable remuneration components comprising a personal performance bonus, a company bonus and a long-term incentive bonus.

The supervisory board of Porsche AG decides on the amount of these components on the basis of the Volkswagen Group's current bonus system. The specification of the individual components is based on the specified 100% level at equitable discretion, taking into account personal performance and achievement of targets, the financial performance and economic situation of Porsche AG as well as the achievement of the strategic targets of the Volkswagen Group. All components are generally limited to 200%; in the event of extraordinary developments, the supervisory board can impose a cap. For Mr. Müller, the current 100% level was specified at €750,000 per component. The other contractual provisions were adopted largely unchanged from the employment agreement that previously applied.

On 13 May 2013, the Government Commission of the German Corporate Governance Code resolved the following amendments to the German Corporate Governance Code (GCGC). The amendments pertained to matters including new or amended recommendations on reporting in the remuneration report. These are subject to mandatory adoption for the first time in the fiscal year 2014. These new or amended requirements are taken into account in the following.

Remuneration of the executive board in the fiscal years 2013 and 2014

The table below presents the remuneration of the members of the executive board of Porsche SE for their service at Porsche SE and group companies in accordance with Sec. 18 AktG. The total remuneration of the members of Porsche SE's executive board presented in the table below therefore includes not only remuneration for their service as a member of the company's executive board, but for Mr. Müller additionally remuneration for his service on the executive board of Porsche AG as well as for his other appointments in the Volkswagen Group for the fiscal years 2013 and 2014 and for Prof. Dr. Winterkorn and Mr. Pötsch additionally remuneration for their service on the board of management of Volkswagen AG and for their other appointments in the Volkswagen Group in the fiscal years 2013 and 2014.

Remuneration of the members of the executive board in accordance with the German Corporate Governance Code for the fiscal years 2013 and 2014 – benefits granted

The table below presents the benefits granted in the respective reporting year pursuant to 4.2.5, 1st bullet point of the GCGC:

	Prof. Dr. Winterkorn Chairman of the executive board since 25 November 2009				Pötsch Chief Financial Officer since 25 November 2009			
	2013	2014	2014 (Min)	2014 (Max)	2013	2014	2014 (Min)	2014 (Max)
Benefits granted								
Fixed compensation	2,236,525	2,367,025	2,367,025	2,367,025	1,491,017	1,578,017	1,578,017	1,578,017
Fringe benefits	462,914	372,990	372,990	372,990	310,466	292,393	292,393	292,393
Total	2,699,439	2,740,015	2,740,015	2,740,015	1,801,483	1,870,410	1,870,410	1,870,410
One-year variable compensation	2,885,000	3,001,000	0	3,375,000	1,075,000	1,116,500	0	1,250,000
Multi-year variable compensation	9,710,000	10,097,000	0	11,250,000	3,900,000	4,053,000	0	4,500,000
Special compensation VW (two-year period)	5,770,000	6,002,000	0	6,750,000	2,150,000	2,233,000	0	2,500,000
LTI VW (four-year period)	3,940,000	4,095,000	0	4,500,000	1,750,000	1,820,000	0	2,000,000
Total	15,294,439	15,838,015	2,740,015	17,365,015	6,776,483	7,039,910	1,870,410	7,620,410
Service cost	0	0	0	0	1,453,433	0	0	0
Total	15,294,439	15,838,015	2,740,015	17,365,015	8,229,916	7,039,910	1,870,410	7,620,410

	Müller				von Hagen			
	Executive responsible for strategy and corporate development since 13 October 2010				Executive responsible for investment management since 1 March 2012			
	2013	2014	2014 (Min)	2014 (Max)	2013	2014	2014 (Min)	2014 (Max)
Benefits granted								
Fixed compensation	2,300,000	2,320,000	2,320,000	2,320,000	540,000	540,000	540,000	540,000
Fringe benefits	171,770	98,690	98,690	98,690	85,083	63,380	63,380	63,380
Total	2,471,770	2,418,690	2,418,690	2,418,690	625,083	603,380	603,380	603,380
One-year variable compensation	1,500,000	1,500,000	0	1,500,000	120,000	120,000	0	120,000
Multi-year variable compensation	2,100,000	2,100,000	0	2,100,000	180,000	180,000	0	180,000
LTI Porsche SE (three-year period)	2,100,000	2,100,000	0	2,100,000	180,000	180,000	0	180,000
Total	6,071,770	6,018,690	2,418,690	6,018,690	925,083	903,380	603,380	903,380
Service cost	366,620	341,760	341,760	341,760	242,493	236,757	236,757	236,757
Total	6,438,390	6,360,450	2,760,450	6,360,450	1,167,576	1,140,137	840,137	1,140,137

Remuneration of the members of the executive board in accordance with the German Corporate Governance Code for the fiscal years 2013 and 2014 – allocation

The table below presents the allocation in or for the fiscal year 2013 and 2014, respectively, pursuant to 4.2.5, 2nd bullet point GCGC. In contrast to the figures presented in the benefits granted for variable remuneration, the table below contains the actual value of the variable remuneration allocated in the respective fiscal year.

	Prof. Dr. Winterkorn Chairman of the executive board since 25 November 2009		Pötsch Chief Financial Officer since 25 November 2009		Müller Executive responsible for strategy and corporate development since 13 October 2010		von Hagen Executive responsible for investment management since 1 March 2012	
	2013	2014	2013	2014	2013	2014	2013	2014
Allocation								
Fixed compensation	2,236,525	2,367,025	1,491,017	1,578,017	2,300,000	2,320,000	540,000	540,000
Fringe benefits	462,914	372,990	310,466	292,393	171,770	98,690	85,083	63,380
Total	2,699,439	2,740,015	1,801,483	1,870,410	2,471,770	2,418,690	625,083	603,380
One-year variable compensation	3,001,000	3,148,000	1,116,500	1,169,000	1,500,000	1,550,000	120,000	100,000
Multi-year variable compensation	10,097,000	10,796,000	4,053,000	4,338,000	0	2,100,000	0	150,000
LTI PSE (three-year period)	-	-	-	-	0	2,100,000	0	150,000
Special compensation VW (two-year period)	6,002,000	6,296,000	2,233,000	2,338,000	-	-	-	-
LTI VW (four-year period)	4,095,000	4,500,000	1,820,000	2,000,000	-	-	-	-
Total	15,797,439	16,684,015	6,970,983	7,377,410	3,971,770	6,068,690	745,083	853,380
Service cost	0	0	1,453,433	0	366,620	341,760	242,493	236,757
Total	15,797,439	16,684,015	8,424,416	7,377,410	4,338,390	6,410,450	987,576	1,090,137

Post-employment benefits in the event of regular or early termination of service

In the event of regular termination of their service on the board of management of the Volkswagen Group, Prof. Dr. Winterkorn and Mr. Pötsch are entitled to a pension, including a surviving dependents' pension as well as the use of company cars for the period in which they receive their pension. The agreed benefits are paid or made available on reaching the age of 63. The retirement pension is calculated as a percentage of the fixed basic salary. Starting at 50%, the individual percentage increases by two percentage points for each year of service. The executive committee of Volkswagen AG's supervisory board has defined a maximum of 70%. These benefits are not broken down any further into performance-related components and long-term incentive components. Both Prof. Dr. Winterkorn and Mr. Pötsch have a retirement pension entitlement of 70% as of 31 December 2014.

In the event of disability, they are entitled to the retirement pension. Surviving dependents receive a widows' pension of 66 2/3% and orphans' benefits of 20% of the former member of the board of management's pension. The retirement pension to be granted after leaving Volkswagen AG is payable immediately if their membership of the board of management is not prolonged by Volkswagen AG, and in other cases on reaching the age of 63. Any remuneration received from other sources until the age of 63 is deductible from the benefit entitlement up to a certain fixed amount.

The members of the board of management Prof. Dr. Winterkorn and Mr. Pötsch are also entitled to a pension and to a surviving dependents' pension as well as the use of company cars for the period in which they receive their pension in the event of early termination of their service on the board of management.

Prof. Dr. Winterkorn and Mr. Pötsch are also subject to the following rule for members of the

board of management of Volkswagen AG: if membership of the board of management is terminated for cause through no fault of the board of management member, the claims under board of management contracts entered into since 20 November 2009 are limited to a maximum of two years' remuneration, in accordance with the recommendation in No. 4.2.3 (4) of the German Corporate Governance Code (cap on severance payments). For board of management members who are commencing their third or later term of office, existing rights under contracts entered into before 20 November 2009 are grandfathered.

No severance payment is made if membership of the board of management is terminated for a reason for which the board of management member is responsible.

Matthias Müller will receive future benefits from Porsche AG that amount to 50% of the fixed annual salary agreed with Porsche AG at the date of his retirement. If Mr. Müller retires on reaching the age of 63 or in the event of disability, he is entitled to monthly payment of the pension. If he leaves the executive board of Porsche AG of his own volition, he has a vested right to pension benefits.

Surviving dependents of Mr. Müller receive a widows' pension of 60% and half orphans' benefits of 15% and full orphans' benefits of 30% of the former member of the board of management's retirement pension. The orphans' benefits are limited to a total of 60% of the retirement pension.

Current pensions for Mr. Müller, Prof. Dr. Winterkorn and Mr. Pötsch are index-linked in accordance with the index-linking of the highest collectively agreed salary insofar as the application of Sec. 16 of the German Company Pension Act (BetrAVG) does not lead to a larger increase.

Remuneration of the supervisory board

The remuneration of the members of Porsche SE's supervisory board presented below includes not only remuneration for their service on the company's supervisory board but additionally remuneration for their membership on the supervisory boards and other control bodies within the meaning of Sec. 125 (1) Sentence 5 AktG of the Volkswagen Group. The remuneration paid is based on the respective articles of association of the companies.

Beyond this, the supervisory board members of Porsche SE did not receive any other remuneration or benefits in the fiscal years 2013 and 2014 for any services they provided personally, such as consultancy and referral services.

Remuneration of the members of the supervisory board in accordance with the German Corporate Governance Code for the fiscal year 2014¹

2014 in €	Non-performance- related components	Performance- related components	Total
Dr. Wolfgang Porsche	236,000	766,830	1,002,830
Uwe Hück ²	184,500	92,685	277,185
Berthold Huber ²	72,000	960,790	1,032,790
Prof. Dr. Ulrich Lehner	74,000	123,580	197,580
Peter Mosch ²	64,500	736,040	800,540
Bernd Osterloh ²	100,500	673,935	774,435
Hon.-Prof. Dr. techn. h.c. Dipl. Ing. ETH Ferdinand K. Piëch	217,500	1,365,590	1,583,090
Dr. Hans Michel Piëch	146,000	511,290	657,290
Dr. Ferdinand Oliver Porsche	157,000	960,685	1,117,685
Hansjörg Schmierer ²	111,000	61,790	172,790
His Excellency Sheikh Jassim bin Abdulaziz bin Jassim Al-Thani	25,000	61,790	86,790
Werner Weresch ²	111,000	61,790	172,790
Total	1,499,000	6,376,795	7,875,795

¹ The figures in the table above take into account the remuneration received in the Porsche Holding Stuttgart GmbH Group and in the Volkswagen Group that are not group companies of Porsche SE as defined by IFRSs.

² These employee representatives have declared that their supervisory board remuneration is transferred to the Hans-Böckler foundation in accordance with the regulations of the German Federation of Trade Unions .

Remuneration of the members of the supervisory board in accordance with the German Corporate Governance Code for the fiscal year 2013¹

2013 in €	Non-performance- related components	Performance- related components	Total
Dr. Wolfgang Porsche	135,500	625,090	760,590
Uwe Hück ²	112,500	72,480	184,980
Berthold Huber ²	71,500	784,387	855,887
Prof. Dr. Ulrich Lehner	80,000	96,640	176,640
Peter Mosch ²	69,800	589,676	659,476
Bernd Osterloh ²	93,500	553,730	647,230
Hon.-Prof. Dr. techn. h.c. Dipl. Ing. ETH Ferdinand K. Piëch	170,000	1,116,620	1,286,620
Dr. Hans Michel Piëch	83,500	416,353	499,853
Dr. Ferdinand Oliver Porsche	111,000	784,947	895,947
Hansjörg Schmierer ²	64,000	48,320	112,320
His Excellency Sheikh Jassim bin Abdulaziz bin Jassim Al-Thani	31,000	48,320	79,320
Werner Weresch ²	64,000	48,320	112,320
Total	1,086,300	5,184,883	6,271,183

¹ The figures in the table above take into account the remuneration received in the Porsche Holding Stuttgart GmbH Group and in the Volkswagen Group that are not group companies of Porsche SE as defined by IFRSs.

² These employee representatives have declared that their supervisory board remuneration is transferred to the Hans-Böckler foundation in accordance with the regulations of the German Federation of Trade Unions.



Opportunities and risks of future development

Report on opportunities and risks at Porsche SE

Aims and structure of the
integrated internal control and
risk management system

Objectives and organization

The accounting-related internal control and risk management system that is relevant for the financial statements of Porsche SE and the Porsche SE Group is designed to ensure the complete, accurate and timely transmission of the information required for the preparation of the financial statements and the combined group management report of Porsche SE, and to minimize the risk of material misstatement in the accounts and in the external reporting.

For this purpose, key controls are integrated into Porsche SE's accounting-related internal control and risk management system, covering the areas of finance, treasury, investments, consolidation and reporting with clearly defined responsibilities. On aggregate, they are designed to ensure recording, preparation and assessment of business matters in financial reporting that is accurate and in compliance with the law.

A risk management and internal control system that is relevant for the financial reporting process is also implemented in the Volkswagen Group. Details of its scope are presented in the "Report on opportunities and risks of the Volkswagen Group" subsection. The subsidiary Porsche Beteiligung GmbH is covered by the systems implemented at Porsche SE.

Key features

Porsche SE has implemented an internal control and risk management system relevant for the financial reporting process and corresponding guidelines that also apply for the companies included in the consolidated financial statements.

The reporting packages of the associates as well as the related adjustments to the carrying amount of these investments accounted for at equity and the inclusion and consolidation of the Porsche SE subsidiary's reporting package are processed at group level.

The IFRS accounting manual of Porsche SE and formal instructions ensure uniform recognition and measurement based on the accounting policies applicable at Porsche SE. The components of the



formal reporting packages required to be prepared for Porsche SE are set out in detail and updated regularly. The reporting dates that are relevant for the reporting units are set out in a reporting calendar.

In the course of preparation of the consolidated financial statements, the reporting packages are analyzed in detail and tested for plausibility.

The reporting packages are processed in a consolidation system, which is based on standard software and to which access and rights are restricted by the existing authorization and access rules. During the preparation of the financial statements, the clear segregation of areas of responsibility and the application of the dual control principle are ensured by means of unambiguous rules.

Testing for reasonableness, the clear segregation of areas of responsibility and the application of the dual control principle are control mechanisms also applied during the preparation of the separate financial statements of Porsche SE. At Porsche SE, the accounting for provisions and accruals and deferrals as well as the recoverability of the company's equity investments included in the balance sheet are determined in cooperation with the departments responsible. The accounting processes

implemented at Porsche SE ensure that matters arising from agreements that are relevant in terms of accounting and subject to disclosure requirements are identified in full and presented appropriately in the financial statements. There are authorization and access rules for the IT systems of relevance for the financial reporting process.

The internal control system relevant for the financial reporting process and the corresponding guidelines for Porsche SE and the companies included in the consolidated financial statements were implemented with the involvement of Porsche SE's internal audit. The internal control system relevant for the financial reporting process and the corresponding guidelines are subject to appropriateness reviews and are updated on an ongoing basis.



Group-wide risk management and early risk warning

According to Sec. 91 (2) AktG in conjunction with Art. 9 (1) c (ii) Council Regulation (EC), Porsche SE is required to operate a risk management and early warning system with the aim of enabling the company to identify any risks to the ability of the company to continue as a going concern at an early stage. The risk management system of the Porsche SE Group was set up to identify at an early stage any potential risks to the ability of the group to continue as a going concern as well as any risks that could significantly and negatively impact the results of operations, financial position and net assets of the group and to avoid these by means of suitable countermeasures that allow the group to avoid any risks to its ability to continue as a going concern.

Porsche SE's risk management system focuses on risks of damage and loss. However, on occasion potential opportunities are also analyzed and presented.

There are no material risks which the Porsche SE Group does not generally identify in its risk management system.



The risk management process, which is defined in the corresponding guideline, comprises the following steps: risk identification, risk management and risk management monitoring. The responsibilities for the various risk types are clearly allocated to the various departments of Porsche SE in the individual process steps.

The risk management system of the Porsche SE Group consists of two autonomous risk management subsystems.

One subsystem is located at the level of Volkswagen AG (we refer to the subsection "Report on opportunities and risks of the Volkswagen Group"). This subsystem is intended to identify, manage and monitor the risks resulting from the



operating activities of Volkswagen AG. Volkswagen AG has defined its own risk management system and is responsible for handling its own risks. At the same time, however, Volkswagen AG is required to ensure that Porsche SE as the holding company – within the scope of the legally permissible exchange of information – is informed at an early stage of any risks jeopardizing the investment's ability to continue as a going concern. This information is provided, inter alia, in management talks and by forwarding risk reports. The risks arising from the investment in Volkswagen AG only have an indirect effect on Porsche SE in the form of valuation, consolidation, dividend and liability risks. In addition, there continue to be risks from the basic agreement and the related corporate restructuring.

The second subsystem, the risk management system at the level of Porsche SE, monitors the significant risks of Porsche SE and in particular addresses the indirect risks arising from the investment in Volkswagen AG. At Porsche SE, these risks are the main driver of the financial risks that are typical for a holding company. Together with the legal and tax risks, financial risks represent the majority of the risks of Porsche SE.

Porsche SE thus ensures a synoptic presentation of the particular risks as well as their monitoring and management. The design of the risk management process guarantees that the management of Porsche SE is always informed of significant risk drivers and able to assess the potential impact of the identified risks so as to take suitable countermeasures. Within the scope of risk management monitoring, the audit committee in particular is kept continuously informed of the risk situation in regular reports.

The audit of Porsche SE's consolidated financial statements included the review of the implementation and general effectiveness of the early warning system for the detection of risk.

Porsche SE also established a compliance organization that is specifically tasked with preventing breaches of laws, other legal provisions and company-internal guidelines and rules, and that is closely linked to the risk management system. In particular, a compliance council was set up, which comprises executives from the key departments. The compliance council's meetings in the fiscal year 2014 primarily addressed general compliance-relevant regulations.





In addition, the executive board is supported in monitoring the various departments by Porsche SE's internal audit. The internal control system is regularly reviewed as part of independent audit procedures.

Opportunities and risks at Porsche SE

Porsche SE mainly faces financial, legal and tax risks and opportunities.

Liquidity risks

In the course of business activities, for example in connection with existing liabilities, there is generally the risk that Porsche SE is not in a position to meet its payment obligations.

Net liquidity therefore represents a significant risk indicator that reflects both the financing and the investment strategy and is therefore included in the regular reporting.

As of the reporting date, Porsche SE has clearly positive net liquidity.

In addition, Porsche SE took advantage of the attractive market environment to prematurely refinance the revolving credit facility in the fiscal year 2014. In this context, the credit facility previously in place, with a term until 30 November 2014, was prematurely terminated as of 9 October 2014, and a new credit facility was concluded with the same volume of €1.0 billion and a term of five years. The agreed commitment fee is due on a quarterly basis and was significantly reduced in the refinancing process.

Considering the financial situation of the company, the executive board assesses the liquidity risk as currently not relevant.



Risks originating from financial covenants

For the newly agreed credit facility, ordinary shares of Volkswagen AG are provided as collateral only in the event of credit facility being drawn. No other financial covenants have to be complied with.

There is no longer a financial risk arising from covenants that had to be complied as part of the released credit facility relating to an earnings indicator of Volkswagen AG and relating to the value of the Volkswagen shares pledged by Porsche SE in the event of the credit facility being drawn.



Opportunities and risks arising from the use of financial instruments

In its business activities Porsche SE is exposed to risks arising from the financial instruments used.

Transactions may generally be concluded only in permitted financial instruments and only with approved counterparties.

The financial instruments currently used in the Porsche SE Group mainly comprise cash and cash equivalents, time deposits, securities and non-derivative financial liabilities.



As a result of the investment of cash and cash equivalents, there is a risk that the counterparty may default. To mitigate the risk, Porsche SE monitors the creditworthiness of the counterparties. Moreover, the cash and cash equivalents are invested with different counterparties in order to spread the risk.

The use of fixed-interest financial liabilities results in the risk of the fair value of these liabilities changing due to changes in market interest rates. In the event of a change in the market interest rates, the fair value can increase as well as decrease. Thus, the risk also includes a corresponding opportunity. This applies similarly with regard to cash and cash equivalents invested by Porsche SE at a fixed interest rate, although the risk is considerably mitigated by the short-term nature of the investment.

However, short-term investments (and the more frequent reinvestment that these entail) also enable participation in rising or falling interest rates with an effect on income.

There are no risks arising from the use of financial instruments, which the Porsche SE Group is forbidden to enter into on the basis of internal requirements. Moreover, there are no risks that the Porsche SE Group is forced to take.

Porsche SE's executive board assesses the risks arising from the use of financial instruments to be low overall.

Opportunities and risks of investments

In connection with the investments in Volkswagen AG and INRIX as well as any future investments along the automotive value chain, there is uncertainty for Porsche SE regarding the development of the value of the investments and the amount of cash inflows from these investments. On the one hand, this entails the risk of the need to record an impairment loss with a corresponding negative impact on the profit of the Porsche SE Group or lower dividends. On the other hand, however, it also entails the opportunity of a positive development in these areas.



Valuations of the investments in Volkswagen AG and INRIX are regularly performed by Porsche SE in order to detect a possible impairment at an early stage. In addition, assessments made by analysts are monitored for the investment in Volkswagen AG. Porsche SE will carry out further impairment testing if there is any indication that this asset may be impaired. Porsche SE's valuations are based on a discounted cash flow method and take into consideration the most recent corporate planning approved by the management of the respective investment. A weighted average cost of capital is used to discount cash flows. There was no need to record an impairment loss as of 31 December 2014.

Litigation risk

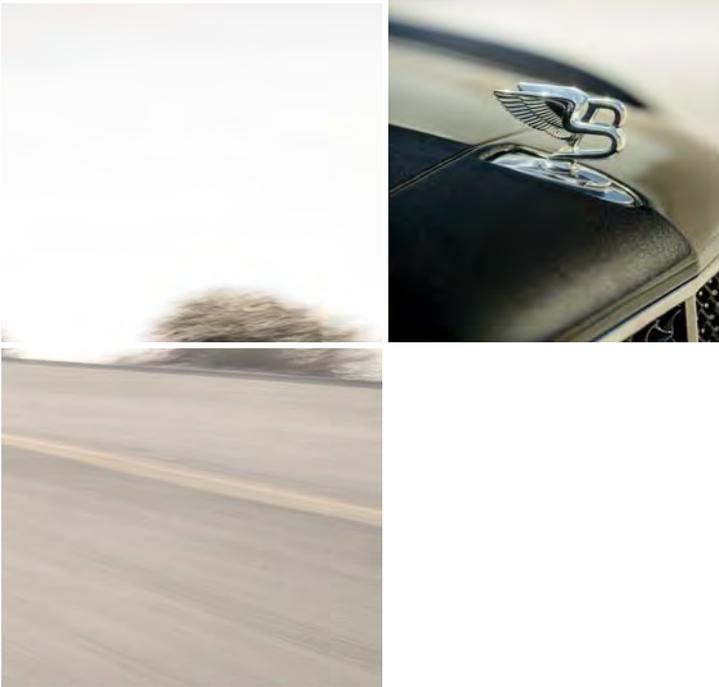
Porsche SE is involved in legal disputes and administrative proceedings both nationally and internationally. Where such risks are foreseeable, adequate provisions are recognized in order to account for any ensuing risks. The amount of the provisions for litigation costs recognized in the reporting year corresponds to the attorneys' fees and litigation expenses anticipated in this connection. The company does not believe, therefore, that these risks will have a sustained effect on the economic position of the group. However, due to the fact that the

outcome of litigation cannot be estimated, or only to a limited degree, it cannot be ruled out that very serious losses may eventuate that are not covered by the provisions already recognized.

For the status of all legal proceedings and for current developments, we refer to the subsection "Significant events and developments in the Porsche SE Group" in the section "Report on economic position" and to note [22] in the notes to the consolidated financial statements on individual litigation.

Tax opportunities and risks

The contribution of the holding business operations of Porsche SE to Volkswagen AG as of 1 August 2012 is generally associated with tax risks. To safeguard the transaction from a tax point of view, and thus avoid tax back payments for the spin-offs performed in the past, rulings were obtained from the competent tax authorities. Porsche SE implemented the necessary measures to execute the contribution transaction in accordance with the rulings received and is monitoring compliance with them. Porsche SE's executive board therefore considers the tax risk from the contribution to be extremely low.



In the fiscal year 2012, a tax field audit commenced for the assessment periods 2006 to 2008 that has been completed in the meantime. During these assessment periods, Porsche SE was initially the legal successor of Porsche AG and later the ultimate tax parent and thus liable for tax payments. In the course of the contribution of the business operations in the fiscal year 2012, the tax obligations of Porsche SE and its subsidiaries for the period up to 31 July 2009 were not transferred to Volkswagen AG. Based on the results and findings of the tax field audit, Porsche SE recognized provisions in the amount of the anticipated outstanding payments plus interest incurred.

Moreover, a tax field audit for the assessment periods 2009 to 2013 was announced. Based on the information available when the financial statements were prepared, additional risks were identified and evaluated for these assessment periods. These risks are covered by provisions recognized on the basis of current information. Future findings may lead to an increase or decrease in the resulting risks. Furthermore, Porsche SE has made payments in connection with a corporate income tax assessment notice for the assessment period 2009 in order to avoid interest on tax back payments. This assessment notice partially diverges from the

Porsche SE's tax law assessment and was therefore appealed. Porsche SE will assert its tax law assessment with regard to any refunds in the further course of the tax field audit announced for the assessment periods 2009 to 2013.

As part of the contribution of the business operations, Volkswagen AG agreed to refund to Porsche SE any tax benefits – for example in the form of a refund, tax reduction or tax saving, a reversal of tax liabilities or provisions or an increase in tax losses – of Porsche Holding Stuttgart GmbH, Porsche AG and its legal predecessors and subsidiaries which pertain to assessment periods up to 31 July 2009. In return, under certain circumstances Porsche SE holds Porsche Holding Stuttgart GmbH, Porsche AG and their legal predecessors harmless from tax disadvantages that exceed the obligations from periods up to and including 31 July 2009 recognized at the level of these entities. If the total tax benefits exceed the total tax disadvantages, Porsche SE has a claim against Volkswagen AG to payment of the amount by which the tax benefits exceed the tax disadvantages. The amount of tax benefits and tax disadvantages to be taken into account is regulated in the contribution agreement. The obligations or risks recognized as provisions at the level of Porsche SE for the assessment periods 2006 to 2009 will in some cases lead to tax benefits in the Volkswagen Group that are expected to partly compensate the tax risks of Porsche SE. However, the provisions in the contribution agreement do not cover all matters and thus not all tax risks of Porsche SE from the tax field audit for the assessment periods 2006 to 2009. A potential refund claim against Volkswagen AG can be reliably determined with regard to its existence and measurement only following completion of the tax field audit for the





assessment period 2009. Based on the result of the completed tax field audit for the assessment periods 2006 to 2008, a compensation claim of a high double-digit million euro amount would arise for Porsche SE. Future findings arising from the tax field audit announced for the assessment period 2009 could lead to an increase or decrease in the potential compensation claim.

Further risks in connection with the creation of the integrated automotive group

As part of the basic agreement and the associated agreements implementing it, Porsche SE entered into a number of agreements with Volkswagen AG and entities of the Porsche Holding Stuttgart GmbH Group. The rules of the basic agreement were updated in the course of the contribution of the holding business operations of Porsche SE to Volkswagen AG and in some cases supplemented. In this connection, Porsche SE has granted individual former subsidiaries and Volkswagen AG in particular various guarantees, hold-harmless agreements and assumptions of liability on the basis of which claims can generally be made against the company. The company's executive board considers the risk that the agreements made could have a significant adverse effect on the results of operations, financial position and net assets of the Porsche SE Group to be low.



Report on opportunities and risks of the Volkswagen Group

Objective of the risk management system and internal control system at Volkswagen

Only by promptly identifying, accurately assessing, and effectively and efficiently managing the risks and opportunities arising from its business activities can the Volkswagen Group ensure its sustainable success and the systematic implementation of its Strategy 2018. The Volkswagen Group's risk management system (RMS) and internal control system (ICS) aims to identify potential risks at an early stage so that suitable countermeasures can be taken to avert the threat of loss to the company, and any risks that might jeopardize its continued existence can be ruled out.

Uniform group principles are used as the basis for managing risks in a transparent and appropriate manner. These include

- promoting a culture of openness with regard to risks
- aligning the RMS/ICS with corporate goals
- weighing up risks and opportunities so as to be able to leverage opportunities where the related risks are transparent and manageable
- complying with rules
- ensuring the adequacy of the RMS/ICS in relation to the nature, scope and complexity of, as well as the risks involved in, the specific business activities and the business environment and
- regularly reviewing the effectiveness and efficiency of the RMS/ICS.

Structure of the risk management system and internal control system at Volkswagen

The organizational design of the Volkswagen group's RMS/ICS is based on the internationally recognized COSO (Committee of Sponsoring Organizations of the Treadway Commission) framework for enterprise risk management. Volkswagen has chosen a holistic, integrated approach that combines a risk management system, an internal control system and a compliance management system (CMS) in a single management strategy (governance, risk and compliance strategy). Structuring the RMS/ICS in accordance with the COSO framework for enterprise risk management ensures that potential risks are covered in full; opportunities are not captured.



In addition to fulfilling legal requirements, particularly with regard to the financial reporting process, this approach enables us to manage significant risks to the group holistically, i.e., by incorporating both tangible and intangible criteria.

Another key element of the RMS/ICS at Volkswagen is the three lines of defense model, a basic element required, among others, by the European Confederation of Institutes of Internal Auditing (ECIIA). In line with this model, the Volkswagen Group's RMS/ICS has three lines of defense that are designed to protect the company from significant risks occurring.

No significant changes were made to the RMS/ICS compared with the prior year.

**First line of defense:
 operational risk management**

The primary line of defense comprises the operational risk management and internal control systems at the individual group companies and business units. The RMS/ICS is an integral part of the Volkswagen Group's structure and workflows. Events that may give rise to risk are identified and assessed locally in the divisions and at the investees. Countermeasures are introduced immediately, their effects are assessed and the information is incorporated into the planning in a timely manner. The results of the operational risk management process are incorporated into budget planning and financial control on an ongoing basis. The targets agreed in the budget planning rounds are continually reviewed in revolving planning updates.

At the same time, the results of risk mitigation measures that have already been taken are incorporated into the monthly forecasts on further business development in a timely manner. This means that the board of management has access to an overall picture of the current risk situation via the documented reporting channels during the year as well.



The minimum requirements for the operational risk management and internal control system are set out for the entire group in uniform guidelines. These also include a process for the timely reporting of material risks.

Second line of defense: capturing systemic risks using the standard governance, risk and compliance process

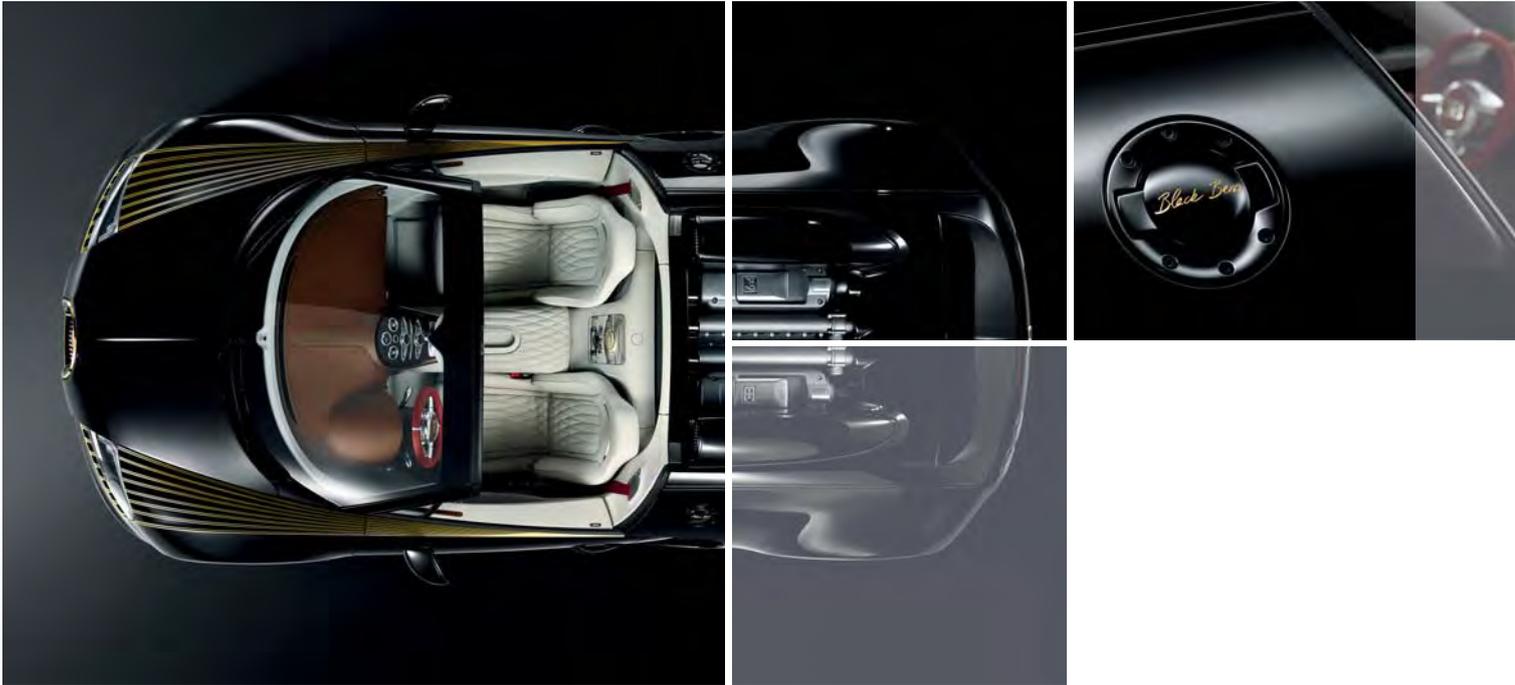
In addition to the units' ongoing operational risk management, the group governance, risk and compliance (GRC) department each year sends standardized surveys on the risk situation and the effectiveness of the RMS/ICS to the material group companies and units worldwide (standard GRC process). The feedback is used to update the overall picture of the potential risk situation and assess the effectiveness of the system.

Each material systemic risk is assessed using the expected likelihood of occurrence and various risk criteria (financial and nonfinancial). In addition, the risk management and control measures taken are documented at management level. This means that risks are assessed in the context of any risk management measures, i.e., in a net analysis. In addition to strategic, operational and reporting



risks, risks arising from potential compliance violations are also integrated into this process. Moreover, the effectiveness of key risk management and control measures is tested and any weaknesses identified in the process are reported and rectified.

All group companies and units selected from among the entities in the consolidated group on the basis of materiality and risk criteria – including the Porsche brand – were subject to the standard GRC process in the fiscal year 2014. Only the MAN and Scania brands were excluded.



The MAN brand already had its own central processes for capturing risks at the time it was consolidated and is included in the Volkswagen Group's annual reporting. The MAN brand's integration into the standard GRC process is expected to be largely completed in the fiscal year 2015.

The Scania brand, which has been consolidated since 22 July 2008, has not yet been included in the Volkswagen Group's risk management system due to various provisions of Swedish company law. According to Scania's corporate governance report, risk management and risk assessment are integral parts of corporate management. Risk areas at Scania are evaluated by the controlling department and reflected in the financial reporting.

**Third line of defense:
 checks by group internal audit**

Group internal audit helps the board of management to monitor the various divisions and corporate units within the group. It regularly checks the risk early warning system and the structure and implementation of the RMS/ICS and the CMS as part of its independent audit procedures.

**Risk early warning system in line with
 the KonTraG**

The company's risk situation is ascertained, assessed and documented in accordance with the requirements of the German Act on Control and Transparency in Business (KonTraG). The requirements for a risk early warning system are met through the elements of the RMS/ICS described above (first and second lines of defense). Independently, the external auditors check the processes and procedures implemented for this as well as the adequacy of the documentation on an annual basis. The plausibility and adequacy of the risk reports are examined on a test basis in detailed interviews with the divisions and companies concerned that also involve the external auditors. The latter assessed the risk early warning system of the Volkswagen Group based on this volume of data and established that the risks identified were presented and communicated accurately. The risk early warning system therefore meets the requirements of the KonTraG.

In addition, the financial services division is subject to scheduled inspections as part of the audit of the annual financial statements and unscheduled inspections, in particular by the European Central



Bank (ECB) and by the German Federal Financial Supervisory Authority (BaFin) within the meaning of Sec. 44 German Banking Act (KWG), as well as inspections by the Auditing Association of German Banks (Prüfungsverband deutscher Banken).

Monitoring the effectiveness of the risk management system and the internal control system

The RMS/ICS is regularly optimized as part of the continuous monitoring and improvement processes. In the process, equal consideration is given to both internal and external requirements – such as the provisions of the German Accounting Law Modernization Act (BilMoG). External appraisers assist in the continuous enhancement of the RMS/ICS on a case-by-case basis. The objective of the monitoring and improvements is to ensure the effectiveness of the RMS/ICS. The results culminate in both regular and event-driven reporting to the board of management and supervisory board of Volkswagen AG.

The risk management and integrated internal control system in the context of the financial reporting process

The accounting-related part of the RMS/ICS that is relevant for the financial statements of Volkswagen AG and the Volkswagen Group comprises measures that are intended to ensure the complete, accurate and timely transmission of the information required for the preparation of the financial statements of Volkswagen AG, the consolidated financial statements and the combined group management report. These measures are designed to minimize the risk of material misstatement in the accounts and in the external reporting.



Main features of the risk management and integrated internal control system relevant for the financial reporting process

The Volkswagen Group's accounting is organized along decentralized lines. For the most part, accounting duties are performed by the consolidated companies themselves or entrusted to the group's shared service centers. The audited financial statements of Volkswagen AG and its subsidiaries prepared in accordance with IFRSs and the Volkswagen IFRS accounting manual are transmitted to the group in encrypted form. A standard market product is used for encryption.

The Volkswagen IFRS accounting manual, which is prepared using external expert opinions in certain cases, ensures the application of uniform accounting policies based on the requirements

applicable to the parent. In particular, it includes more detailed guidance on the application of legal requirements and industry-specific issues. Components of the reporting packages required to be prepared by the group companies are also set out in detail there and requirements established for the presentation and settlement of intragroup transactions and the balance reconciliation process that builds on this.

Control activities at group level include analyzing and, if necessary, adjusting the data reported in the financial statements presented by the subsidiaries, taking into account the reports submitted by the auditors and the outcome of the meetings on the financial statements with representatives of the individual companies. These discussions address both the reasonableness of the single-entity financial statements and specific significant issues at the subsidiaries. Alongside reasonableness reviews, control mechanisms applied during the preparation of the single-entity and consolidated financial statements of Volkswagen AG include the clear delineation of areas of responsibility and the application of the dual control principle.



The group management report is prepared – in accordance with the applicable requirements and regulations – centrally but with the involvement of and in consultation with the group units and companies.

In addition, the accounting-related internal control system is independently reviewed by group internal audit in Germany and abroad.

Integrated consolidation and planning system

The Volkswagen consolidation and corporate management system (VoKUs) enables the Volkswagen Group to consolidate and analyze both financial reporting's backward-looking data and controlling's budget data. VoKUs offers centralized master data management, uniform reporting, an authorization concept and maximum flexibility with regard to changes to the legal environment, providing a future-proof technical platform that benefits group financial reporting and group controlling in equal measure. To verify data consistency, VoKUs has a multi-level validation system that primarily checks content plausibility between the balance sheet, the income statement and the notes.



Opportunities and risks of the Volkswagen Group

The Volkswagen Group uses competitive and environmental analyses and market studies to identify not only risks but also opportunities with a positive impact on the design of its products, the efficiency with which they are produced, their success in the market and its cost structure.

The business activities of the Volkswagen Group generally give rise to the following risks and opportunities generally: macroeconomic risks and opportunities, sector-specific risks and market opportunities, research and development risks, opportunities arising from the Modular Transverse Toolkit, risks and opportunities from procurement, production risk, risks from long-term production,



risks arising from changes in demand, risks due to reliance on fleet business, quality risk, personnel risk, IT risk, risks due to environmental protection regulations, opportunities relating to CO₂ certificates, litigation risks, financial risks, risks arising from financial instruments, residual value risks arising from financial service business, and risks from other factors.

Overall statement on the risks faced by the Volkswagen Group

The Volkswagen Group's overall opportunity and risk position results from the specific opportunities and risks listed above. The Volkswagen Group has put in place a comprehensive risk management system to ensure that these risks are controlled. The most significant risks to the Volkswagen Group may result from a negative trend in unit sales of, and markets for, vehicles and genuine parts, from the failure to develop and produce products in line with demand and from quality problems. Taking into account all the information known at present, no risks exist which could pose a threat to the continued existence of significant group companies or the Volkswagen Group.

Overall statement on the risks faced by the Porsche SE Group

The overall risk exposure of the Porsche SE Group is made up of the individual risks relating to the significant investment held in Volkswagen AG listed above and the specific risks of Porsche SE presented. The risk management system ensures that these risks can be controlled. Based on the information currently available, the executive board has not identified any risks which could endanger the ability of the Porsche SE Group to continue as a going concern.

Publication
of the declaration
of compliance



Porsche SE has issued the declaration of compliance as required by Sec. 289a HGB. It can be viewed at <http://www.porsche-se.com/pho/en/investorrelations/declaration/>.

Subsequent events



After the reporting date, Porsche SE was informed that His Excellency Sheikh Jassim bin Abdulaziz bin Jassim Al-Thani is laying down his office as shareholder representative on the supervisory board. He will leave the supervisory board effective as of the end of the day on 24 March 2015.

On 27 February 2015, the supervisory board of Volkswagen AG appointed Mr. Matthias Müller, member of the Porsche SE executive board responsible for strategy and corporate development, as a member of the board of management of Volkswagen AG with functional responsibility as chairman of Dr. Ing. h.c. F. Porsche AG, effective as of 1 March 2015.



Forecast report and outlook

General economic development

The International Monetary Fund (IMF) expects global growth of 3.5% for the current year. According to this forecast, the global economy will develop more slowly than originally expected. The IMF sees the weaker economic outlook in China, Russia, Japan and the euro zone as the prime explanation for this.

The benefits of falling oil prices will hardly be felt in most industrialized countries and emerging economies, according to the IMF due to negative factors such as weak investment levels as a result of modest growth expectations. Moreover, there is a continued threat of economic stagnation and low inflation in the euro zone and Japan. Economists forecast that positive impetus will come primarily from the USA.

By contrast, Russia's economy will continue to contract, particularly due to falling oil exports and geopolitical tension. The IMF expects the economy here to contract by 3.0%. In China, the world's second largest economy, the IMF forecast predicts that the economic slowdown will continue, with growth remaining at 6.8%, while growth of 1.3% and 1.2% is expected for Germany and the euro zone respectively.

Exchange rate trends

The global economy gained a little momentum in 2014. The US Federal Reserve's trimming of its bond-buying program led to an increased inflow of capital in the dollar area. This in turn substantially impacted exchange rates, leading to considerable volatility. After comparative stability in the first half of 2014, the value of the euro fell significantly against the US dollar and the Chinese renminbi as the year progressed. From the beginning of the year, the pound sterling proved to be more robust than the single currency. The Russian ruble depreciated progressively up to the end of the year. For 2015, we expect volatility to remain high in the financial markets. However, there is still an event risk – defined as the risk arising from unforeseen market developments.

Interest rate trends

Interest rates remained extremely low in the fiscal year 2014 due to the expansionary monetary policy many countries are still pursuing and the challenging overall economic environment. While it became apparent in the USA and the UK that the extremely loose monetary policy was drawing to an end, the European Central Bank cut its key interest rate further over the course of the year. In light of further expansionary monetary policy measures in the euro



zone, we therefore consider it unlikely that interest rates will rise significantly in 2015. In the USA and the UK, however, we can expect to see a moderate increase in interest rates.

Commodity price trends

Many commodity prices fell in 2014. This was principally due to excess supply, but also to weaker economic signals from China and the strong US dollar. Assuming somewhat stronger growth in the global economy, we expect prices of most exchange-traded raw materials in 2015 to fluctuate around the current level.

Prospects on the automotive markets

In 2015, we expect to see mixed trends in the passenger car markets in the individual regions. Overall, the increase in global demand for new vehicles will probably be slower than in the reporting period.

The markets for light commercial vehicles will also see mixed trends in the individual regions in 2015. In the markets for mid-sized and heavy trucks that are relevant for the Volkswagen Group, new registrations in 2015 are set to drop noticeably below the prior-year level. For 2015, we expect moderate growth overall in the bus markets that are relevant for the Volkswagen Group.

Anticipated development of the Volkswagen Group

The Volkswagen Group's strengths include in particular its unique brand portfolio, its diverse range of models, its steadily growing presence in all major world markets and its wide selection of financial services. Volkswagen offers an extensive array of attractive, environmentally friendly, cutting-edge, high-quality vehicles for all markets and customer groups. This ranges from motorcycles through compact, sports and luxury cars to heavy trucks and buses, and covers almost all segments. The





Volkswagen Group's brands will press ahead with their product initiative in 2015, modernizing and expanding their offering by introducing new models. The Volkswagen Group's goal is to offer all customers the products and innovations they need, sustainably strengthening its competitive position in the process. To achieve that goal, its customer focus will be extended across all sales levels and in customer service.

The Volkswagen Group expects that it will moderately increase deliveries to customers year-on-year in 2015 in a persistently challenging market environment.

The difficult market environment, fierce competition, interest rate and exchange rate volatility, and fluctuations in raw material prices all pose challenges. We anticipate a positive effect from the efficiency programs implemented by all brands and, increasingly, from the modular toolkits.

Depending on the economic conditions, Volkswagen Group expects 2015 sales revenue for the group and its business areas to increase by up to 4% above the prior-year figure. However, economic trends in Latin America and Eastern Europe will need to be continuously monitored in the commercial vehicles/power engineering business area.

In terms of the group's operating profit, an operating return on sales of between 5.5% and 6.5% is anticipated in 2015 in light of the challenging economic environment. The operating return on sales is expected to be in the 6.0% to 7.0% range in the passenger cars business area and between 2.0% and 4.0% in the commercial vehicles/power engineering business area. For the financial services division, Volkswagen is forecasting an operating profit at the prior-year level.

It is aimed to achieve a sustainable return on sales before tax at group level of at least 8% by 2018 at the latest.



In the automotive division, the ratio of capex to sales revenue will fluctuate around a competitive level of 6 to 7% in 2015. The return on investment (RoI) will be below the prior-year level due to the extensive investment program, but still significantly above the minimum required rate of return of 9%. Net cash flow will probably be moderately lower than in the previous year, but will nevertheless make a significant contribution to strengthening the Volkswagen Group's finances. The goal is also to maintain the positive rating compared with the industry as a whole and to continue the solid liquidity policy.

Volkswagen is working to make even more focused use of the strengths of the multibrand group by constructing new plants and continuously developing new technologies and toolkits. Volkswagen will successfully meet the challenges of today and tomorrow thanks to a first-rate team, which delivers excellence and ensures the quality of its innovations and products at the highest level. Disciplined cost and investment management and the continuous optimization of its processes remain integral elements of the Volkswagen Group's Strategy 2018.

Anticipated development of the Porsche SE Group

The Porsche SE Group's profit/loss will be largely dependent on the results of operations of the Volkswagen Group and therefore on the profit/loss of the investment in it accounted for at equity that is attributable to Porsche SE. The forecasts are therefore largely based on the expectations of the Volkswagen Group regarding its future development. Differences between the forecasts of the Volkswagen Group and the Porsche SE Group can arise, as Porsche SE's forecast cannot be based on the core management indicators forecast by the Volkswagen Group.

The following forecast is based on the current structure of the Porsche SE Group. Effects from future investments of the company are not taken into account as it is not possible to make statements regarding their future effects on the results of operations, financial position and net assets of the group.



As of the end of the fiscal year 2014, Porsche SE had net liquidity of €2,267 million. It is aimed to achieve positive net liquidity for both Porsche SE and the Porsche SE Group. This is expected to be between €1.7 billion and €2.3 billion as of 31 December 2015, not taking future investments into account.

Overall, based on the current group structure, in particular on the basis of the Volkswagen Group's expectations regarding its future development for the fiscal year 2015, without taking into account the expected effect of the dilution Porsche SE's share in capital of Volkswagen AG in connection with the

mandatory convertible bonds issued by Volkswagen AG, Porsche SE expects a group profit for the year of between €2.8 billion and €3.8 billion.

Stuttgart, 2 March 2015

Porsche Automobil Holding SE
The executive board



Audi TT Roadster

3

Financials



3

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Consolidated income statement of Porsche Automobil Holding SE
for the period from 1 January to 31 December 2014

€ million	Note	2014	2013
Other operating income	[1]	14	7
Personnel expenses	[2]	-15	-16
Other operating expenses	[3]	-70	-41
Profit/loss from investments accounted for at equity	[4]	3,434	2,710
Profit/loss before financial result		3,363	2,660
Finance costs	[5]	-87	-94
Financial revenue	[6]	11	25
Financial result		-76	-69
Profit/loss before tax		3,287	2,591
Income tax	[7]	-259	-183
Profit/loss for the year		3,028	2,408
thereof attributable to shareholders of Porsche Automobil Holding SE		3,028	2,408
Earnings per ordinary share (basic)	[8]	9.88	7.86
Earnings per preference share (basic)	[8]	9.89	7.87
Earnings per ordinary share (diluted)	[8]	9.88	7.86
Earnings per preference share (diluted)	[8]	9.89	7.87

Consolidated statement of comprehensive income of
Porsche Automobil Holding SE for the period from 1 January to 31 December 2014

€ million	2014	2013
Profit/loss for the year	3,028	2,408
Actuarial losses after tax	-5	-1
Other comprehensive income not reclassified subsequently to profit or loss from investments accounted for at equity (after tax)	-1,796	504
Total other comprehensive income not reclassified subsequently to profit or loss	-1,801	503
Other comprehensive income reclassified subsequently to profit or loss from investments accounted for at equity (after tax)	-139	-286
Total other comprehensive income reclassified subsequently to profit or loss	-139	-286
Other comprehensive income after tax	-1,940	217
Total comprehensive income	1,088	2,625
thereof attributable to shareholders of Porsche Automobil Holding SE	1,088	2,625

A breakdown of individual components of the statement of comprehensive income is given in note [15].

Consolidated balance sheet of Porsche Automobil Holding SE
 as of 31 December 2014

€ million	Note	31/12/2014	31/12/2013
Assets			
Investments accounted for at equity	[10]	27,713	28,222
Other receivables and assets	[11]	2	1
Non-current assets		27,715	28,223
Other receivables and assets	[11]	9	4
Income tax receivables	[12]	174	146
Securities	[13]	295	0
Cash, cash equivalents and time deposits	[14]	2,272	2,912
Current assets		2,750	3,062
		30,465	31,285
Equity and liabilities			
Subscribed capital	[15]	306	306
Capital reserves	[15]	4,884	4,884
Retained earnings	[15]	24,303	25,280
Equity		29,493	30,470
Provisions for pensions and similar obligations	[16]	20	12
Other provisions	[17]	15	18
Deferred tax liabilities	[7]	38	36
Financial liabilities	[19]	300	300
Non-current liabilities		373	366
Income tax provisions	[17]	336	249
Other provisions	[17]	221	173
Trade payables	[18]	3	10
Income tax liabilities	[12]	11	0
Other liabilities	[20]	28	17
Current liabilities		599	449
		30,465	31,285

Consolidated statement of cash flows of Porsche Automobil Holding SE
for the period from 1 January to 31 December 2014

€ million	2014	2013
1. Operating activities		
Profit/loss for the year	3,028	2,408
Change in provisions for pensions	2	2
Change in other provisions	45	63
Income tax	255	171
Change in deferred tax	4	12
Income tax paid	-183	-3
Income tax received	0	326
Non-cash expenses and income	-3,433	-2,708
Dividends received	599	386
Change in other receivables and other assets	-9	492
Change in trade payables and other liabilities (excluding tax provisions and other provisions)	3	-484
Cash flow from operating activities	311	665
2. Investing activities		
Cash paid for the acquisition of an investment in associates	-41	0
Cash flow from investing activities before investments in securities and time deposits	-41	0
Change in investments in securities	-295	0
Change in investments in time deposits	1,161	-490
Cash flow from investing activities	825	-490
3. Financing activities		
Dividends paid to shareholders of Porsche SE	-615	-615
Cash flow from financing activities	-615	-615
4. Cash funds		
Change in cash funds (subtotal of 1 to 3)	521	-440
Cash funds as of 1 January 2014 and 1 January 2013	462	902
Cash funds as of 31 December 2014 and 31 December 2013	983	462

Note [9] contains further explanations on the statement of cash flows.

Consolidated statement of changes in equity of Porsche Automobil Holding SE for the period from 1 January to 31 December 2014

	Subscribed capital	Capital reserves	Retained earnings		Equity
			Accumulated profit	Investments accounted for at equity ³	
€ million					
As of 1 January 2013	306	4,884	23,452	-138	28,504
Profit/loss for the year			2,408		2,408
Other comprehensive income after tax			-1	218	217
Total comprehensive income for the period	0	0	2,407	218	2,625
Dividend payment			-615 ¹		-615
Other changes in equity arising from the level of investments accounted for at equity			-44		-44
As of 31 December 2013	306	4,884	25,200	80	30,470
As of 1 January 2014	306	4,884	25,200	80	30,470
Profit/loss for the year			3,028		3,028
Other comprehensive income after tax			-5	-1,935	-1,940
Total comprehensive income for the period	0	0	3,023	-1,935	1,088
Dividend payment			-615 ²		-615
Transfer of other comprehensive income not reclassified subsequently to profit or loss			-35	35	0
Other changes in equity arising from the level of investments accounted for at equity			-1,450		-1,450
As of 31 December 2014	306	4,884	26,123	-1,820	29,493

¹ Distribution of a dividend of €2.004 per ordinary share; total €306,862,500

Distribution of a dividend of €2.01 per preference share; total €307,781,250

² Distribution of a dividend of €2.004 per ordinary share; total €306,862,500

Distribution of a dividend of €2.01 per preference share; total €307,781,250

³ Income and expenses recognized directly in equity from investments accounted for at equity

Equity is explained in note [15].

Notes to the consolidated financial statements of Porsche Automobil Holding SE for the fiscal year 2014

Basis of presentation

Porsche Automobil Holding SE ("Porsche SE" or the "company"), as the ultimate parent of the Porsche SE Group, is a European Company (Societas Europaea) and is headquartered at Porscheplatz 1 in 70435 Stuttgart, Germany. The company is registered at the Stuttgart Local Court under HRB 724512. The business purpose comprises the management of companies and the administration of investments in companies active in the following business fields or parts thereof:

- The development, design, manufacture and distribution of vehicles, engines of all kinds and other technical or chemical products as well as of parts and components thereof;
- The provision of advice in the area of development and production, especially in the area of vehicle and engine construction;
- The provision of advice on and development of data processing as well as the creation and distribution of data processing products;
- The marketing of products using trademark rights;
- The provision of financial and mobility services;
- The exploitation, procurement, processing and distribution of raw materials used in the automobile industry;
- The generation and procurement of energy, especially of renewable energies, as well as the trading of energy;
- The acquisition, holding and administration as well as the disposal of real estate.

The purpose of the company includes in particular the acquisition, holding and administration as well as the sale of investments in such companies, their combination under uniform control and the provision of support and advice to them, including the provision of services on behalf of such companies.

The company may also be active itself in the business areas specified. This does not apply to banking transactions and financial services requiring approval. The company may limit its activities to parts of the business fields specified above.

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. To this end, it may also establish branches in Germany and abroad, establish and purchase other companies or acquire interests in such companies.

The consolidated financial statements of Porsche SE as of 31 December 2014 were prepared in accordance with International Financial Reporting Standards (IFRSs) as endorsed by the European Union. The standards published by the International Accounting Standards Board (IASB), London, that have been endorsed as part of the comitology procedure and are applicable as of the reporting date as well as the interpretations issued by the IFRS Interpretations Committee (IFRS IC) that are valid for the fiscal year have been taken into account. The requirements of the standards and interpretations applied were satisfied in full. In addition, all applicable requirements of German commercial law and the provisions of the German Corporate Governance Code were observed in preparing the consolidated financial statements. The financial statements give a true and fair view of the net assets, financial position and results of operations of the Porsche SE Group.

These consolidated financial statements comply with the requirements of Sec. 315a HGB [“Handelsgesetzbuch”: German Commercial Code]. This regulation represents the legal basis for group accounting according to International Financial Reporting Standards in Germany in conjunction with Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the adoption of international accounting standards.

The fiscal year of the Porsche SE Group covers the period from 1 January to 31 December of a year.

The group’s presentation currency is the euro. Unless otherwise stated, all figures are presented in millions of euro (€ million).

The income statement has been prepared using the nature of expense method.

As of the reporting date, the business activities of the Porsche SE Group are essentially limited to holding and managing investments, in particular in Volkswagen Aktiengesellschaft, Wolfsburg, (“Volkswagen AG” or “VW”) (reference is made to the explanations in the section “Consolidated group”). The prerequisites for the application of segment reporting pursuant to IFRS 8 were therefore not satisfied.

The consolidated financial statements and group management report of Porsche SE were authorized for issue to the supervisory board by the executive board by resolution dated 2 March 2015.

List of shareholdings of the group

Changes in the reporting period

On 3 September 2014, the Porsche SE Group acquired a stake of 12.2%* in the US technology company INRIX Inc., Kirkland, Washington ("INRIX") for a purchase price of €41 million. INRIX holds a leading position worldwide in the area of connected car services and real-time traffic information. For Porsche SE, the acquisition is the first step towards creating a portfolio of investments complementing the existing shareholding in Volkswagen AG.

List of shareholdings of the group as of 31 December 2014

	Share in capital as of 31/12/2014	Currency	FX rate 1 €=	Equity	Profit/loss
	%			€thousand	€thousand
Fully consolidated entities					
Germany					
Porsche Beteiligung GmbH, Stuttgart	100.0	€	-	42,785	0 ²
Associates accounted for at equity					
Germany					
Volkswagen Aktiengesellschaft, Wolfsburg	31.5 ¹	€	-	28,483,065	2,475,750
International					
INRIX Inc., Kirkland, Washington	12.2	US\$	1.2141	13,363 ³	-13,081 ³

¹ Diverging from the capital share, the share in voting rights is 50.7% as of the reporting date

² Profit and loss transfer agreement with Porsche SE

³ Figures taken from the 2013 financial statements

Porsche Beteiligung GmbH satisfied the condition of Sec. 264 (3) HGB and makes use of the exemption from the requirement to publish financial statements.

* Considering INRIX's stock option plans as of the acquisition date and assuming maximum dilution, the share would be around 10%.

Full consolidation and at equity accounting

The consolidated financial statements of Porsche SE include by means of full consolidation all entities controlled by Porsche SE, i.e., where Porsche SE is exposed, or has rights, to variable returns from its involvement and has the ability to use power over the investee to affect the amount of such returns. Initial consolidation by way of full consolidation is performed as of the date on which the acquirer obtains control. A company is no longer consolidated upon loss of control.

Entities where Porsche SE is able, directly or indirectly, to significantly influence financial and operating policy decisions (associates), or where Porsche SE, directly or indirectly, shares joint control together with another party (joint ventures), are accounted for at equity.

Where it holds 20% or more of the voting rights, there is a rebuttable presumption that Porsche SE has significant influence over the entity. Conversely, where Porsche SE holds less than 20% of the voting rights, it is presumed that it has no significant influence unless there is clear evidence of such significant influence.

Despite the fact that the Porsche SE Group holds less than 20% of the voting rights in INRIX, the group considers it to be an associate because it has the power to participate in its financial and operating policy decisions through participation rights granted on the board of directors and related committees.

Joint ventures and associates also include companies in which the Porsche SE Group holds the majority of voting rights, but whose articles of association or partnership agreements stipulate that important decisions may not be made without the approval of the other shareholders or where Porsche SE does not have control as defined by IFRSs for other reasons.

The articles of association of Volkswagen AG prescribe that the State of Lower Saxony has a right to appoint two members of the supervisory board, provided that it holds at least 15% of the ordinary shares in Volkswagen AG. On account of the interest held by the State of Lower Saxony in Volkswagen AG, this delegation right prevents Porsche SE from including the Volkswagen Group in the consolidated financial statements of Porsche SE by way of full consolidation because Porsche SE cannot determine the majority on the supervisory board of Volkswagen AG and it consequently does not have control as defined by IFRSs. Due to the significant influence exercised by Porsche SE, however, its investment in Volkswagen AG is accounted for in the consolidated financial statements of Porsche SE at equity.

The number of entities included in the consolidated financial statements of Porsche SE as of the reporting date is shown in the following table:

	31/12/2014	31/12/2013
Fully consolidated subsidiaries		
Germany	1	1
Associates		
Germany	1	1
International	1	0
	3	2

Investments in associates

Volkswagen AG, one of the world's leading automobile manufacturers and the most important investment of Porsche SE, is included in the consolidated financial statements of Porsche SE as an associate. As of 31 December 2014, the fair value of the investment in Volkswagen AG amounted to €26,973 million (31 December 2013: €29,489 million). In the fiscal year, Porsche SE received dividends of €599 million from Volkswagen AG (prior year: €524 million).

The Volkswagen Group reported the following figures:

€ million	31/12/2014	31/12/2013
Non-current assets	221,950	203,386
Current assets	131,157	122,256
Non-current liabilities	129,138	114,971
Current liabilities	130,709	118,628
Equity	93,260	92,043
thereof non-controlling interests and hybrid capital investors	-5,314	-4,346
Effects from preference shares	-46	-36
Equity adjusted for at equity accounting	87,900	87,661
Carrying amount of the investment in Volkswagen AG accounted for at equity	27,672	28,222

€ million	2014	2013
Revenue	202,458	197,007
Profit from continuing operations	10,865	8,507
Other profit/loss	-5,953	-4,671
Total comprehensive income	4,912	3,836
Profit/loss attributable to non-controlling interests and hybrid capital investors	-221	-79
Effects from preference shares	-11	-10
Effects from changes in capital stake during the year	95	0
Profit/loss after tax adjusted for at equity accounting	10,728	8,418
Profit/loss after tax attributable to Porsche SE Group	3,378	2,710
Effects from dilution of share in capital	57	0
Profit/loss from investment in Volkswagen AG accounted for at equity	3,435	2,710

The carrying amount of other investments accounted for at equity amounted to €41 million. The profit or loss from other investments accounted for at equity breaks down as follows:

€ million	2014
Profit from continuing operations	-1
Other profit/loss	0
Total comprehensive income	-1

Consolidation principles

Since the accounting at equity has a significant influence on the net assets and results of operations of the Porsche SE Group, the consolidation principles applicable only within the Volkswagen Group and the INRIX Group (INRIX Inc. and its subsidiaries) are also included in the explanations below.

The financial statements of all subsidiaries and investments accounted for at equity were prepared as of the reporting date of the consolidated financial statements, which is the reporting date of Porsche SE. Where necessary, adjustments are made to uniform group accounting policies.

Business combinations are accounted for by applying the acquisition method pursuant to IFRS 3.

The cost of a business combination is measured in accordance with IFRS 3 as the aggregate of the consideration transferred as of the acquisition date, measured at acquisition-date fair value, and the non-controlling interests in the acquired entity. The non-controlling interests can be measured either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed and therefore do not constitute a component of cost. Contingent consideration is measured at the fair value on the acquisition date. Subsequent changes in value do not generally lead to an adjustment in the measurement as of the acquisition date.

If the business combination is achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value as of the acquisition date and the gain or loss resulting from this remeasurement is recognized in profit or loss.

Where the cost of a business combination exceeds the fair value of identifiable assets acquired net of liabilities assumed as of the acquisition date, the excess is recognized as goodwill. In contrast, where the cost of a business combination is less than the fair value of identifiable assets acquired net of liabilities assumed as of the acquisition date, the difference is recognized in the income statement after reassessing the fair values.

Any difference arising upon acquisition of additional shares or sale of shares after initial consolidation without loss of control in a subsidiary that has already been fully consolidated is recognized within equity.

Intragroup expenses and income as well as receivables, liabilities and provisions are eliminated. Intercompany profits from the sale of assets within the group, which have not yet been resold to third parties, are eliminated. Deferred tax is recognized for intragroup transactions that affect income tax. In addition, guarantees and warranties assumed by Porsche SE or one of its consolidated subsidiaries in favor of other consolidated subsidiaries are eliminated.

In the event that control is lost and the parent company continues to hold shares in the previous subsidiary, such shares are measured at fair value on the date of loss of control. If the shares are listed on the stock exchange, the fair value of the shares on the date when control is lost is the product of the number of shares retained and the quoted market price of the shares as of that date.

When deconsolidating a previous subsidiary, the difference between the consideration received (upon disposal) or the fair value of the investment retained (upon partial sales or loss of control for other reasons) and the net assets disposed of at the date when control is lost (including any goodwill disposed of in the course of acquisition accounting) and the carrying amount of the non-controlling interests disposed of as of the date of loss of control is recognized in profit or loss. Income and expenses recognized directly in the previous subsidiary's equity for foreign currency effects, securities marked to market, cash flow hedges and investments accounted for at equity are also derecognized through profit or loss at the date of loss of control. Actuarial

gains and losses from pension plans recognized in equity are however transferred to accumulated profits without effect on profit or loss. Any revaluation reserve recognized in accordance with IFRS 3 (rev. 2004) is not derecognized through profit or loss at the date of deconsolidation but reclassified to accumulated profits within equity.

Equity accounting

When investments accounted for at equity are acquired, they are recognized at cost as of the date of initial recognition at equity. In the event of partial sale or loss of control of previously fully consolidated subsidiaries for other reasons, they are recognized at fair value as of the date when control is lost. The consolidation procedures generally apply by analogy to investments accounted for at equity. Any goodwill that arises as part of the investment carrying amount is not amortized or tested for impairment separately. Any negative goodwill is reassessed and recognized through profit or loss at the date when the investment is initially accounted for at equity.

In subsequent periods, the carrying amount is changed to reflect the Porsche SE Group's share of changes in net assets of the associate or joint venture. The group's share in profit/loss after tax and after non-controlling interests is recognized in the income statement within the item "profit/loss from investments accounted for at equity". Dilutive effects reducing the investment carrying amount that arise from capital increases at the level of the investment without participation or with disproportionately low participation of the Porsche SE Group and which do not lead to any changes in the status of the investment as an associate or joint venture are also recognized in this item when the dilutive effects arise.

Changes in income and expenses recognized directly in equity at the level of the associate or joint venture are recognized in a separate item within Porsche SE's group equity. Distributions received lead to a reduction of the investment's carrying amount. Other changes in equity at the level of investments accounted for at equity include the proportionate changes in the non-controlling interests within the respective group of investments accounted for at equity attributable to Porsche SE which do not lead to a change in control and are therefore recognized in equity in their consolidated financial statements. Other changes in equity at the level of the investee recognized directly in equity are also recognized in equity in Porsche SE's consolidated financial statements, provided they do not dilute the capital share.

An impairment test is carried out whenever there is any indication in accordance with IAS 39 that the entire carrying amount of the investment is impaired. Where the carrying amount of the investment exceeds its recoverable amount determined in accordance with IAS 36, an impairment loss is recognized in profit or loss to account for the difference. Value in use is determined on the basis of the estimated future cash flows expected to be generated by the investment accounted for at equity in accordance with IAS 28.33a. Where an impairment loss was recognized in prior periods, it is assessed at least once a year whether there is any indication that the reason for a previously recognized impairment loss no longer exists or has decreased. If this is the case, the recoverable amount is recalculated and an impairment previously recognized that no longer exists is reversed.

The most recent five-year plan (prior year: five-year plan) approved by the management of the equity investment was used as a basis for determining the recoverable amount of the investment in Volkswagen AG. In the medium term, the corporate planning of the Volkswagen Group targets a return on sales before tax of at least 8% (prior year: 8%), which is to be reached sustainably. A growth rate of 1% (prior year: 1%) was used to extrapolate the cash flow beyond the detailed planning phase. The sustainable EBIT margin was determined prudently, taking into account the EBIT margins generated in the past and used for detailed planning purposes. A weighted average cost of capital of 6.2% (prior year: 7.4% for the investment in Volkswagen AG) was used to discount cash flows. This was derived from a peer group to reflect a return on capital that is appropriate for the risks involved in the multibrand strategy pursued by the Volkswagen Group. Even an isolated decrease in the sustainable EBIT margin by 20% or a growth rate of 0%, or an isolated increase in the weighted average cost of capital by 20% would not lead to an impairment of the carrying amounts of the investment in Volkswagen AG as of 31 December 2014.

The most recent five-year plan approved by management and a long-term forecast for a further 15 years based thereon was used as a basis for determining the recoverable amount of the investment in INRIX. The significant value drivers in the plan are market growth in the Automotive and Public Sector divisions as well as an improvement in the EBITDA margin to a level customary in the industry. A growth rate of 1.5% was used to extrapolate the cash flow beyond this forecast horizon. A weighted average cost of capital of 10.7% was used to discount cash flows. There was no need to record an impairment loss as of 31 December 2014.

Currency translation

Foreign currency items in the financial statements of the entities included in the consolidated financial statements by way of full consolidation or at equity are measured at the spot exchange rates on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing rate. Non-monetary items denominated in a foreign currency measured at historical cost are translated using the exchange rate on the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate prevailing on the date when the fair value was determined. Exchange rate gains and losses as of the reporting date are recorded in profit or loss.

Goodwill and adjustments to recognize assets and liabilities arising from business combinations at their fair value are expressed in the functional currency of the subsidiary.

Financial statements prepared in a foreign currency are translated to the euro in accordance with IAS 21. The functional currency of the company included in consolidation is the currency of the primary economic environment in which it operates.

Assets, liabilities and contingent liabilities are translated at the closing rate as of the reporting date, while equity is translated at historical rates with the exception of income and expenses recognized directly in equity. The income statement is translated using average exchange rates. Exchange rate differences resulting from the translation of financial statements are recognized as a separate component directly in equity until the disposal of the subsidiary. Upon disposal the separate item is reclassified to profit or loss.

The foreign currency rates applied for translating transactions to the euro are presented in the following tables.

		Balance sheet Closing rate			
		Porsche SE Group	VW Group ¹	Porsche SE Group	VW Group ¹
1€=		31/12/2014	31/12/2014	31/12/2013	31/12/2013
Argentina	ARS	N/A	10.2725	N/A	8.9825
Australia	AUD	N/A	1.4829	N/A	1.5423
Brazil	BRL	N/A	3.2207	N/A	3.2576
Canada	CAD	N/A	1.4063	N/A	1.4671
China	CNY	N/A	7.5358	N/A	8.3491
Czech Republic	CZK	N/A	27.7350	N/A	27.4270
India	INR	N/A	76.7190	N/A	85.3660
Japan	JPY	N/A	145.2300	N/A	144.7200
Mexico	MXN	N/A	17.8679	N/A	18.0731
Poland	PLN	N/A	4.2732	N/A	4.1543
Republic of Korea	KRW	N/A	1,324.8000	N/A	1,450.9300
Russia	RUB	N/A	72.3370	N/A	45.3246
South Africa	ZAR	N/A	14.0353	N/A	14.5660
Sweden	SEK	N/A	9.3930	N/A	8.8591
United Kingdom	GBP	N/A	0.7789	N/A	0.8337
USA	USD	1.2141	1.2141	1.3791	1.3791

¹ Accounted for at equity

		Income statement Average rate			
		Porsche SE Group	VW Group ¹	Porsche SE Group	VW Group ¹
1€=		2014	2014	2013	2013
Argentina	ARS	N/A	10.7723	N/A	7.2741
Australia	AUD	N/A	1.4724	N/A	1.3770
Brazil	BRL	N/A	3.1228	N/A	2.8669
Canada	CAD	N/A	1.4669	N/A	1.3685
China	CNY	N/A	8.1883	N/A	8.1655
Czech Republic	CZK	N/A	27.5358	N/A	25.9872
India	INR	N/A	81.0689	N/A	77.8753
Japan	JPY	N/A	140.3772	N/A	129.6595
Mexico	MXN	N/A	17.6621	N/A	16.9644
Poland	PLN	N/A	4.1845	N/A	4.1971
Republic of Korea	KRW	N/A	1,399.0295	N/A	1,453.8560
Russia	RUB	N/A	51.0113	N/A	42.3248
South Africa	ZAR	N/A	14.4065	N/A	12.8308
Sweden	SEK	N/A	9.0969	N/A	8.6505
United Kingdom	GBP	N/A	0.8064	N/A	0.8493
USA	USD	1.3285	1.3288	1.3284	1.3281

Accounting policies

The assets and liabilities of Porsche SE and the consolidated German and foreign subsidiaries included are accounted for using uniform accounting policies applicable within the Porsche SE Group. The same accounting policies are also used at the level of the associates and joint ventures of Porsche SE. Where necessary, adjustments are made.

Since the contributions to profit or loss made by the investments accounted for at equity have a significant impact on the net assets and results of operations of the Porsche SE Group, those accounting policies applicable at the Porsche SE Group only within the Volkswagen Group and the INRIX Group are also included in the explanations below.

Measurement principles

With the exception of certain items, such as investments accounted for at equity or the provision for pensions and similar obligations, the consolidated financial statements are prepared using the historical cost principle. The measurement principles used are described below in detail.

Intangible assets

Purchased intangible assets that are not acquired in a business combination are initially recognized at cost in accordance with IAS 38. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets acquired for a consideration with a finite useful life are written off on a straight-line basis over their economic useful life, taking any impairments into account. Useful lives generally range from three to five years. Useful lives, residual values and methods of amortization are reviewed, and adjusted if appropriate, at least at the end of the reporting year. If adjustments are made, these are accounted for as changes in estimates.

Intangible assets with indefinite useful lives are not amortized. These include goodwill and brand names from business combinations. The useful lives of brands are considered indefinite based on the assessment that the inflow of economic benefits from these assets cannot be attributed to a specific period. Each asset or cash-generating unit is tested at least once a year for impairment. Intangible assets with indefinite useful lives are reviewed once a year to determine whether the indefinite life assessment continues to be supportable. If this is no longer the case, the change in the useful life assessment from indefinite to finite is made prospectively.

With the exception of their capitalizable portion, development costs are not capitalized, but recognized in profit or loss in the period in which they are incurred. The portion of development expenditure that can be measured reliably and meets all other recognition criteria of IAS 38 is capitalized. Capitalized development costs include all costs and overhead expenditure directly attributable to the development process incurred after the point in time at which all recognition criteria are met. Capitalized development costs are amortized beginning at the start of production using the straight-line method over the expected useful life of the product, taking any impairments into account. The useful life is usually five to ten years. Research costs are expensed as incurred.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation over the useful life of the assets and any accumulated impairment losses. The cost of items of property, plant and equipment acquired as part of a business combination is the fair value as of the date of acquisition. Self-constructed items of property, plant and equipment are recognized at cost. Cost is determined on the basis of the direct and the proportionate indirect production-related costs. Grants are generally deducted from cost. Costs for repairs and maintenance are recognized as an expense.

Depreciation, which is generally charged on a straight-line basis, reflects the pattern of the assets' expected utility to the company. Higher depreciation rates are applied for some equipment used in shift operations.

Depreciation is based on the following useful lives:

	Years
Buildings	25 to 50
Site improvements	9 to 20
Technical equipment and machinery	6 to 20
Other equipment, furniture and fixtures (including special tools)	3 to 15

Residual values, depreciation methods and useful lives are regularly reviewed, and adjusted prospectively as changes in estimates if appropriate.

Property, plant and equipment are either derecognized upon disposal or when no future economic benefits are expected from the continued use or sale of a recognized asset. The gain or loss arising from the derecognition of the asset, determined as the difference between net disposal proceeds and the asset's carrying amount as of the date of disposal, is included in profit or loss for the period when the asset is derecognized.

Leases

Whether an arrangement is, or contains a lease, is determined on the basis of the economic substance of the arrangement at its inception date and requires an assessment whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset. A reassessment after the inception of the lease is only performed under the prerequisites set forth in IFRIC 4.

Operating leases

Leases under which substantially all the risks and rewards incidental to ownership of the asset are not transferred to the lessee are classified as operating leases.

Most of the assets leased to third parties under operating leases are vehicles leased from leasing companies. Leased vehicles are recognized at cost and depreciated on a straight-line basis over the term of the lease to the calculated residual value. Depending on the local circumstances and past experience from used car marketing, continuously updated internal and external information about the development of residual value is incorporated in the residual value forecast.

Where group companies are the lessee in operating leases, i.e. when not all significant risks and rewards incidental to ownership are transferred to the group entities, lease or rental payments are recognized as an expense in the income statement.

Finance leases

A lease is classified as a finance lease if substantially all risks and rewards incidental to ownership are transferred to the lessee.

Where items of property, plant and equipment are used under a finance lease, the lessee recognizes the individual assets and liabilities resulting from the lease at fair value or, if lower, the present value of the minimum lease payments. Items of property, plant and equipment are depreciated on a straight-line basis over the economic useful life or the term of the lease, if shorter. Payment obligations arising from future lease payments are discounted and recognized as a liability.

Where group companies act as the lessor under finance leases, receivables relating to the leases are initially recognized at an amount equal to the net investment.

Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are recognized as part of the cost of that asset. The Porsche SE Group did not capitalize any borrowing costs either in the fiscal year 2014 or in the fiscal year 2013.

Impairment test

At the end of each reporting period, the group assesses whether there is any indication of impairment. An impairment test is performed at least once a year for goodwill, capitalized costs for products under development and intangible assets with an indefinite useful life. For intangible assets with finite useful lives, property, plant and equipment as well as investments accounted for at equity an impairment test is performed when there is an indication that the asset may be impaired. With respect to the procedure for impairment testing of investments accounted for at equity, reference is made to the section "Measurement at equity" under "Consolidation principles" above.

The recoverable amount is determined in the course of impairment testing. The recoverable amount is the higher of fair value less costs to sell and value in use. The fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less any costs to sell. Costs to sell are incremental costs incurred to sell the asset or cash-generating unit. Value in use is determined using the discounted cash flow method or capitalized earnings method on the basis of the estimated future cash flows expected to arise from the continuing use of the asset and its disposal.

The recoverable amount is generally determined separately for each asset. If it is not possible to determine the recoverable amount for an individual asset because it does not generate cash inflows that are largely independent of the cash inflows from other assets, it is determined on the basis of a group of assets that constitutes a cash-generating unit.

If the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, an impairment loss is recognized to account for the difference. It is reviewed on an annual basis whether the reasons for any previously recognized impairment loss still exist. If such reasons no longer exist, the impairments are reversed through profit or loss (with the exception of goodwill). The amount reversed cannot exceed the amount that would have been determined as the carrying amount, net of any depreciation and amortization, had no impairment loss been recognized for the asset in prior years.

Any impairment losses or reversals of impairment losses are recognized through profit or loss in the item amortization of intangible assets and depreciation of property, plant and equipment, leased assets and investment property.

Investment property

Investment property held to generate rental income is accounted for at depreciated cost. The underlying useful lives and depreciation methods used in subsequent measurement correspond to those applied for items of property, plant and equipment used by the group.

Other receivables and financial assets

Other receivables and financial assets (excluding derivative financial instruments) are accounted for at amortized cost. Appropriate allowance is made for known individual risks and general credit risks. An impairment in value is generally recognized in separate allowance accounts.

Inventories

Inventories are stated at the lower of cost or net realizable value as of the reporting date.

The cost of inventories comprise all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. In addition to directly attributable costs, the costs of conversion of the internally produced goods include an appropriate portion of incurred materials and production overheads as well as production-related depreciation and other directly attributable costs.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

If the carrying amounts are no longer realizable as of the reporting date due to a decrease in prices in the sales market, inventories are written down accordingly.

Inventories of similar nature are generally measured using the weighted average cost method.

Financial instruments

According to IAS 39, a financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. If the trade date of a financial asset differs from the settlement date, it is initially accounted for at the settlement date. Initial recognition of a financial instrument is at fair value. Transaction costs are included for financial instruments not designated as at fair value through profit or loss. Subsequent measurement of financial instruments is either at fair value or amortized cost, depending on their category. Each financial instrument is allocated to a category upon initial recognition.

With respect to measurement, IAS 39 distinguishes between the following categories of financial assets:

- Financial assets at fair value through profit or loss (FVtPL) and held for trading (HfT),
- Held-to-maturity investments (HtM),
- Available-for-sale financial assets (AfS), and
- Loans and receivables (LaR).

Financial liabilities are divided into the two categories:

- Financial liabilities at fair value through profit or loss (FVtPL) and held for trading (HfT), and
- Financial liabilities measured at amortized cost (FLAC).

Depending on the category, measurement of financial instruments is either at fair value or amortized cost.

Fair value corresponds to the market price provided the financial instruments measured are traded on an active market. If there is no active market for a financial instrument, fair value is calculated using appropriate valuation techniques (such as generally accepted option price models or discounting future cash flows with the market interest rate, or by referring to the most recent business transactions between knowledgeable, willing and independent business partners for one and the same financial instrument), if necessary confirmed by the banks processing the transactions.

The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, minus any reduction for impairment or uncollectibility, and plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount.

Financial instruments are recognized as soon as the Porsche SE Group becomes a party to the contractual provisions of the financial instrument. Financial assets are generally derecognized when the contractual right to the cash flows expires or this right is transferred to a third party. Financial liabilities are derecognized when the obligation underlying the liability has been fulfilled, canceled or extinguished.

Non-derivative financial instruments

Financial instruments accounted for at fair value include financial instruments held for trading and financial assets classified as at fair value through profit or loss upon initial recognition. Gains and losses from subsequent measurement are recognized in profit or loss. In the Porsche SE Group, financial instruments in the category held for trading can include derivative financial instruments. No financial assets or liabilities were classified as at fair value through profit or loss upon initial recognition in the 2014 reporting period or in the comparative period.

Any financial instruments held to maturity are accounted for at amortized cost. Gains and losses from subsequent measurement are recognized in profit or loss. The Porsche SE Group did not hold any financial instruments in this category as of the reporting date.

Any available-for-sale financial instruments are measured at fair value. Non-derivative financial assets that are classified as available for sale, and that cannot be allocated to any other category, are included in this category. Unrealized gains and losses from subsequent measurement are recognized in equity, taking into account deferred tax until the financial instruments are derecognized or there is objective evidence of impairment. Investments presented as non-current financial assets that are not accounted for at equity also constitute available-for-sale financial instruments and are generally measured at fair value. If no active market exists and fair value cannot be reliably estimated, they are measured at cost. If there is any indication that fair value is lower, they are measured at fair value.

Loans and receivables, held-to-maturity financial instruments and financial liabilities are measured at amortized cost unless they are related to hedging instruments. As of the reporting date, these include in particular securities, other financial receivables, financial guarantees, trade payables, financial liabilities and other financial liabilities.

With regard to financial guarantees, the Porsche SE Group is required to make specified payments if a debtor fails to make payment when due. Financial guarantees are presented on a net basis. The compensation paid for assumption of the liability is not recognized before it is due. It is presented as other receivables and assets or other liabilities. Liabilities are not recognized until the utilization of a financial guarantee becomes probable. No liability had to be recognized in the fiscal year 2014 or in the comparative period.

Financial assets are subject to an impairment test if there is objective evidence that the asset is permanently impaired. An impairment loss is immediately recorded as an expense.

Specific valuation allowances are recognized for individually significant receivables by applying uniform guidelines and are measured at the amount of incurred losses. Indicators of a potential impairment include delayed payments over a certain period of time, the institution of enforcement measures, the threat of insolvency or overindebtedness, application for or the opening of insolvency proceedings or the failure of financial reorganization measures.

An impairment in value of receivables is generally recognized in separate allowance accounts and gives rise to impairment losses that are recognized in profit or loss.

An impairment test is performed on the carrying amount of available-for-sale financial assets if there is objective evidence of permanent impairment. In the case of equity instruments, evidence of impairment is considered to exist, among other things, if the fair value decreases significantly (more than 20%) below cost and the decrease in fair value is prolonged (more than 10% of the average market prices over the course of a year). Where there is evidence of impairment, the cumulative loss of available-for-sale financial instruments – measured as the difference between cost and their current fair value, less any impairment loss previously recognized on that financial instrument in the income statement – is derecognized from equity and recognized in the income statement. Any increase in the value of debt securities at a later date is accounted as a reversal of the impairment loss recognized in profit or loss. In the case of equity instruments, reversals of impairment losses are recognized directly in equity.

Derivative financial instruments

Derivative financial instruments are generally recognized at fair value through profit or loss and remeasured at fair value in subsequent periods.

As soon as the criteria of IAS 39 for hedge accounting are satisfied, the derivative financial instruments are designated from then on either as fair value or cash flow hedges. Otherwise, they are allocated to the category financial assets or liabilities held for trading.

A fair value hedge hedges the exposure to changes in fair value of a recognized asset, a recognized liability or an unrecognized firm commitment. Gains or losses arising from marking hedging instruments to market and the secured portion of the risk of the hedged transaction are recognized in profit or loss. If the fair value hedge ends, the adjustment of the carrying amount arising from fair value hedge accounting for financial instruments measured at amortized cost as hedged transaction is released to profit or loss over the remaining term of the hedged transaction.

In the case of portfolio-based fair value hedges, any changes in fair value are accounted for in the same way as fair value hedges based on the individual contract. Any gains or losses on hedging instruments and hedged transactions or items are recognized in the income statement.

A cash flow hedge is used to hedge exposures from highly probable future cash flows. Hedges are only included in hedge accounting to the extent that they offset changes in the value of the cash flows of the hedged transaction. The ineffective portion is immediately recognized in profit or loss. When included in cash flow hedge accounting, changes in value are recorded directly in other comprehensive income, taking deferred tax into account. When the hedged transaction occurs, the change in value is reclassified from other comprehensive income to profit or loss. If the forecast transaction is no longer expected to occur, the cumulative gain or loss previously recognized in equity is reclassified to profit or loss. Gains or losses from cash flow hedge accounting are presented under other operating income or expenses in the income statement.

Offsetting of financial instruments

Financial assets and liabilities are presented net in the balance sheet only if the group has a present contractual right to settle net and if it intends to settle net or by realizing the liability together with the asset.

Cash, cash equivalents and time deposits

The cash, cash equivalents and time deposits include checks, cash on hand and cash at banks. This item may also include cash and cash equivalents that are not freely available for use by the Porsche SE Group.

Deferred tax

Deferred tax assets are generally recognized for deductible temporary differences between the tax base and carrying amounts in the consolidated balance sheet (taking into account temporary differences arising from consolidation) as well as on unused tax losses and tax credits if it is probable that they will be used. Deferred tax liabilities have to be recorded for all temporary differences between the carrying amounts in the tax accounts and the consolidated balance sheet (temporary concept). Deferred tax liabilities for taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures are not recognized if the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Valuation allowances are recorded on deferred tax assets whose realization in the foreseeable future is not likely. A previously unrecognized deferred tax asset is reassessed and recognized to the extent that it has become probable that future taxable profit will allow it to be realized.

Deferred tax is measured on the basis of the tax rates that apply or that are expected to apply based on the current legislation in the individual countries at the time of realization. Deferred tax is not discounted.

Deferred tax referring to items recognized directly in equity is presented in equity. Deferred tax assets and deferred tax liabilities are offset if the group entities have a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax relates to the same taxable entity and the same taxation authority.

Current tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be refunded by or paid to the taxation authorities. The tax rates and tax laws applied for measurement are those that are enacted or substantively enacted by the reporting date. Adequate provisions were recognized for any identifiable potential tax liabilities relating to prior periods considering a large number of factors such as findings from tax field audits, interpretations, commentaries and jurisdiction on the pertinent tax legislation as well as past experience.

Current tax relating to items recognized directly in equity is likewise recognized directly in equity.

Provisions for pensions and similar obligations

In accordance with IAS 19, the actuarial measurement of pension obligations arising from defined benefit plans is based on the projected unit credit method. This method considers not only the pension payments and the future claims known on the reporting date but also future anticipated increases in salaries and pensions. The calculation of pension obligations is based on actuarial expert opinions taking into account biometric assumptions. The interest rate used to discount provisions is determined on the basis of the return on long-term high-quality corporate bonds at the reporting date.

If pension obligations are funded by plan assets, the obligation and the assets are offset. The company uses the defined benefit obligation to measure the pension obligations and determine the pension cost. Actuarial gains and losses from the plan are recognized directly in equity, taking deferred taxes into account. Past service cost is recognized immediately in profit or loss. Service cost is presented as personnel expense while the net interest expense from additions to provisions and return on plan assets are presented in finance costs.

Other provisions

Other provisions are recognized if a past event has led to a current legal or constructive obligation to third parties which is expected to lead to a future outflow of resources that can be estimated reliably. Provisions are generally measured at the expected settlement amount taking into account all identifiable risks. The settlement amount is calculated using best estimates, including estimated cost increases.

Insurance contracts are accounted for in accordance with the provisions of IFRS 4. Reinsurance acceptances are accounted for without any time delay in the year in which they arise; provisions are generally recognized based on the cedant's contractual duties. Estimation techniques based on assumptions about future changes in claims are used to calculate the claims provision.

Litigation costs relating to legal proceedings where the group is the defendant are provided for at the amount of the expected legal fees. Any obligations to pay damages or penalties are taken into account in the measurement only if Porsche SE considers their occurrence to be probable.

Interest on tax liabilities is recognized separately in other provisions or other liabilities at the best estimate based on the tax liability calculated or at the amount of the payment obligation arising from the tax assessment notices.

Non-current provisions are stated at their present value at the reporting date. The interest rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The interest expense resulting from the unwinding of the discount is presented in finance costs.

Provisions are not offset against reimbursement claims from third parties. Reimbursement claims are recognized separately in other assets if it is virtually certain that the Porsche SE Group will receive the reimbursement when it settles the obligation.

Accruals are not presented under provisions, but under trade payables or other liabilities, depending on their nature.

Liabilities

Non-current liabilities are recognized at amortized cost. Differences between their historical cost and their repayment amount are accounted for using the effective interest method. Current liabilities are recognized at their repayment or settlement value.

Government grants

Government grants for assets are deducted from the carrying amount and recognized in profit or loss over the useful life of the depreciable asset by way of a reduced depreciation charge. Government grants that compensate the group for expenses incurred are recognized in profit or loss in the period and in the items where the expenses to be compensated were incurred. The Porsche SE Group did not recognize any government grants in the fiscal years 2013 or 2014.

Revenue and expenses

Revenue is generally recognized to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured.

Revenue from the sale of products is generally not recognized until the point in time when the significant opportunities and risks associated with ownership of the goods and products being sold are transferred to the buyer, the amount of the revenue can be determined reliably and its settlement can be assumed. Revenue is reported net of discounts, customer bonuses and rebates. Revenue from customer financing and financial leasing is recognized under revenue using the effective interest method. Where vehicle financing bears no interest or interest below market rates, the interest incentives granted are deducted from revenue. Revenue from operating leases is recognized on a straight-line basis over the term of the lease agreement. Revenue from extended guarantees or maintenance agreements is recognized upon delivery of the goods or rendering of the services. In the event of advance payments, deferred revenue is recognized in proportion to the expected costs to be incurred based on past experience. Where there is insufficient past experience, revenue is spread over the term of the agreement on a straight-line basis. Losses are recognized for the respective agreements wherever the anticipated costs exceed deferred revenue.

Income from assets for which a group entity has a buyback obligation cannot be realized until the assets have definitely left the group. If a fixed repurchase price was agreed when the contract was concluded, the difference between the selling and repurchase price is recognized as income ratably over the term of the contract. Up until that date, the assets are recognized under inventories if the term of the agreement is short, or under leased assets in the event of long-term agreements.

Revenue is generally recorded separately for each business transaction. If two or more transactions are linked in such a way that the commercial effect cannot be understood without reference to the series of transactions as a whole, the criteria for revenue recognition are applied to these transactions as a whole.

Revenue from long-term development contracts is recognized in accordance with the percentage of completion method. Future receivables from long-term development contracts are recognized according to their percentage of completion. The percentage of completion to be recognized per contract is calculated by comparing the accumulated costs with the total costs expected (cost-to-cost method). In individual cases, in particular for novel and complex contracts, the percentage of completion is determined using contractually agreed milestones. If the result of a development contract cannot be estimated reliably, income is only recognized at the amount of the contract costs incurred (zero profit method). If the total of accumulated contract costs and reported profits exceeds advance payments received, the development contracts are recognized as an asset under trade receivables as future receivables from long-term development contracts. Any negative balance is reported under trade payables. Anticipated losses from customer-specific construction contracts are recognized in full as an expense by impairing any assets recognized and, if necessary, recognizing provisions.

Interest income and expenses are determined using the effective interest method for financial instruments measured at amortized cost and interest-bearing securities held for sale.

Dividend income is recognized when the group's right to receive the payment is established.

Production-related expenses are recognized upon delivery or utilization of the service, while all other expenses are recognized as an expense as incurred. The same applies for development costs not eligible for recognition as part of the cost of an asset.

Contingent liabilities and contingent assets

A contingent liability is a possible obligation to third parties that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Porsche SE Group. A contingent liability may also be a present obligation that arises from past events but is not recognized because an outflow of resources is not probable or the amount of the obligation cannot be measured with sufficient reliability. The amount of contingent liabilities is only stated in cases where the probability of an outflow of resources is not classified as remote by management.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. Contingent assets are not recognized as an asset, as this would result in the recognition of income that potentially may never be realized. If the realization of income is virtually certain, however, the asset in question is no longer regarded as a contingent asset and recognition as an asset is appropriate. An explanation is provided in the notes if an inflow of economic benefits is probable.

Significant accounting judgments and estimates

The preparation of consolidated financial statements requires certain judgments and estimates that have an effect on recognition, measurement, presentation and disclosure of assets, liabilities, income and expenses as well as contingent assets and contingent liabilities. These judgments and estimates reflect the current information available.

The main matters affected by estimates at the level of the investees and which thus influence the profit/loss attributable to the Porsche SE Group from investments accounted for at equity include, for example, the determination of fair value for the assets and liabilities in the course of purchase price allocations for which there are no observable market inputs, the impairment test of financial and non-financial assets such as goodwill, brands, receivables from financial services, investments accounted for at equity, useful life and depreciation methods, residual values of leased assets and measurement of pension and other provisions. Additional key sources of estimations at the level of Porsche SE in particular include the testing of the carrying amounts of investments for impairment or any need to reverse a prior impairment (reference is also made to the section on “Equity accounting” under “Consolidation principles”), the measurement of income taxes, other provisions (reference is made to note [17] in particular) and contingent liabilities.

The carrying amounts of the assets and liabilities affected by estimates can be seen in the breakdowns of the individual balance sheet items.

Key sources of judgment are deciding which indicators are indicative of an impairment of associates (reference is made to the section “Equity accounting” under “Consolidation principles”) as well as the recognition of current and deferred tax assets, provisions (reference is made to note [22] on litigation in particular) and contingent liabilities. At the level of the investees, further key sources of judgment include determining the starting point for the recognition of development costs as an asset, the classification of leases as operating or finance leases and deciding which indicators are indicative of an impairment of items of property, plant and equipment and leased assets.

Taxes constitute another key source of estimations and judgment. A tax field audit that had been commenced in the fiscal year 2012 for the assessment periods 2006 to 2008 was completed in the fiscal year 2014. During these assessment periods Porsche SE was initially the legal successor of Porsche AG and later the ultimate parent company in the consolidated tax group and thus liable for the tax payments. In the course of the contribution of the operating business in the fiscal year 2012, the tax obligations of Porsche SE and its subsidiaries for the period up to 31 July 2009 were not transferred to Volkswagen AG. Based on the results of the tax field audit, Porsche SE has set up provisions at the amount of the payments expected to be incurred plus accrued interest.

In addition, a tax field audit has been announced for the assessment periods 2009 to 2013. Based on the information available at the date when the consolidated financial statements were prepared, payments were already made or provisions recognized for these assessment periods (reference is made to the explanations in note [7]).

Any offsetting tax reduction at a later stage at the level of Porsche Holding Stuttgart GmbH, Porsche AG or the subsidiaries concerned in the Porsche AG Group cannot be recognized in the consolidated financial statements of Porsche SE, as these companies no longer belong to the group of fully consolidated subsidiaries of the Porsche SE Group in accordance with IFRS regulations. These incur instead at the level of the Volkswagen Group. In connection with the business contribution, Volkswagen AG agreed in principle to refund to Porsche SE tax benefits – for example in the form of a refund, tax reduction or tax saving, a reversal of tax liabilities or provisions or an increase in tax losses – of Porsche Holding Stuttgart GmbH, Porsche AG and its legal predecessors and subsidiaries which pertain to assessment periods through 31 July 2009 (reference is made to the explanations in note [25]). In return, under certain circumstances Porsche SE holds Porsche Holding Stuttgart GmbH, Porsche AG and their legal predecessors harmless from tax disadvantages that exceed the obligations from periods through 31 July 2009 recognized at the level of these entities. If the total tax benefits exceed the total tax disadvantages, Porsche SE has a claim against Volkswagen AG to payment of the amount by which the tax benefits exceed the tax disadvantages. The amount of tax benefits and tax disadvantages to be taken into account is regulated in the contribution agreement. The obligations or risks recognized as provisions at the level of Porsche SE for the assessment periods 2006 to 2009 will in some cases lead to tax benefits in the Volkswagen Group that are expected to partly compensate the tax risks of Porsche SE. However, the provisions in the contribution agreement do not cover all matters and thus not all tax risks of Porsche SE from the tax field audit for the assessment periods 2006 to 2009. A potential claim cannot be determined with sufficient certainty until the tax field audit has been completed for the 2009 assessment period, and accordingly no claim has been recognized as an asset in the consolidated financial statements. Based on the result of the completed tax field audit for the assessment periods 2006 to 2008 a compensation claim of a high double-digit million euro amount would arise for Porsche SE. Future findings arising from the tax field audit announced for the assessment period 2009 may lead to an increase or decrease in the potential compensation claim.

Income tax payments of €169 million were made for the above matters in the fiscal year 2014. Provisions and liabilities for income and other taxes recognized in this respect amount to €358 million as of the reporting date. In addition, with respect to tax interest provisions and liabilities totaling €103 million were recognized and a payment of €35 million was made in the reporting period. On the asset side of the balance sheet, income tax receivables of €27 million and receivables for income tax interest of €6 million were recognized in connection with subsequent effects of tax field audits. Future findings may lead to an increase or decrease in tax and interest payments due or any payments already made could be partially repaid (reference is made to the explanations given in note [7]).

The judgments and estimates are based on assumptions that are derived from the current information available. In particular, the circumstances given when preparing the consolidated financial statements and assumptions as to the expected future development of the global and industry environment were used to estimate the company's future business performance. Future business performance is associated with uncertainties. A factor which may cause variances from expectations at the level of Porsche SE is in particular the outcome of the tax field audit for the assessment periods 2009 to 2013 and litigation proceedings. Factors which may cause variances from assumptions and estimates at the level of associates include in particular short and medium-term forecast cash flows as well as the discount rates used and expectations regarding the global and industry-specific environment.

In such cases, the assumptions, and if necessary the carrying amounts of the assets and liabilities concerned, will be adjusted accordingly. Prior to the date of authorization of the financial statements by the executive board for issue to the supervisory board, there were no indications that the carrying amounts of the assets and liabilities presented in the consolidated balance sheet would require any significant adjustment in the following reporting period. Judgments and estimates by management included assumptions relating to macroeconomic development and the development of automotive markets that are described in the forecast report as part of Porsche SE's Group management report for the 2014 reporting period.

New accounting standards

a) New or revised standards adopted for the first time in the fiscal year

The new or revised standards adopted for the first time in the fiscal year 2014 in accordance with the respective transitional provisions are presented below. None of these were early adopted on a voluntary basis.

Amendments to IAS 32: Offsetting

With these amendments, some details relating to the offsetting of financial assets and financial liabilities have been clarified and additional disclosure requirements included in IAS 32. The IASB does not intend to change the existing offsetting principle of IAS 32 with this amendment.

IFRS 10 “Consolidated Financial Statements”

The main focus of IFRS 10 is to introduce a single consolidation principle for all entities based on the parent’s control of the subsidiary. The principle of control hence applies to parent-subsidiary relationships based on voting rights as well as parent-subsidiary relationships resulting from other contractual arrangements. Consequently, the control principle is also applicable to special purpose entities, which were previously consolidated based on the risks and rewards concept. The control principle in accordance with IFRS 10 consists of three elements: (1) power, (2) variable returns and (3) the ability to affect those returns through its power over the investee. All three elements of the control principle must be satisfied. IFRS 10 replaces the rules of IAS 27 “Consolidated and Separate Financial Statements” with respect to consolidation and SIC 12 “Consolidation – Special Purpose Entities”. The rules of IAS 27 relating to separate financial statements remain unchanged, and the standard was renamed “Separate Financial Statements”.

IFRS 11 “Joint Arrangements”

IFRS 11 requires accounting for joint arrangements to be based on the rights and obligations of the parties to the joint arrangement rather than on the legal form. It is no longer permitted to use proportionate consolidation for joint ventures. The new standard replaces IAS 31 “Interests in Joint Ventures”. As a result, IAS 28 “Investments in Associates” was expanded accordingly and renamed “Investments in Associates and Joint Ventures”.

IFRS 12 “Disclosure of Interests in Other Entities”

IFRS 12 is a new and comprehensive standard dealing with presentation requirements for all kinds of interests in other entities, including joint arrangements, associates, special purpose entities, and other unconsolidated structured entities. The corresponding rules in other standards relating to such interests were removed.

Amendments to IFRS 10-12: Transition Guidance

The amendments have specified and clarified the transitional provisions in IFRS 10 “Consolidated Financial Statements”. In addition, they grant relief by limiting the comparative figures required upon first-time application to the immediately preceding comparative period and removing the presentation requirement for comparative information on unconsolidated structured entities when IFRS 12 is adopted for the first time.

Amendment to IFRS 10, IFRS 12 and IAS 27: Investment Entities

This amendment defines investment entities as a distinct kind of entity which, as parent, is exempt from the consolidation principle of IFRS 10 “Consolidated Financial Statements”. Instead, such entities have to account for at fair value, which is intended to provide more useful information for users of the financial reporting.

Amendments to IAS 39: Novation of Derivatives and Continuation of Hedge Accounting

Based on this amendment, an accounting hedge is not deemed terminated when a derivative is formally derecognized because novations lead to a change in the counterpart.

Amendments to IAS 36: Disclosures

These amendments related to the disclosure of information regarding measurement of the recoverable amount of impaired assets if this amount is based on the fair value less costs to sell.

IFRIC 21 “Levies”

This new interpretation regulates when an entity has to recognize a liability if it is participating in a specific market and a corresponding levy is imposed by a competent public authority.

The amendments and new standards and interpretations issued have not had any impact on the presentation of the net assets, financial position and results of operations in Porsche SE's consolidated financial statements.

b) Standards and interpretations not applied (published but whose adoption is not yet mandatory or which are not yet applicable in the EU)

2012-2014 Annual Improvements Cycle

The changes affect the following standards:

- IFRS 5 – Held for Sale and discontinued operations – changes in methods of disposals,
- IFRS 7 – Transfer Disclosures for Servicing,
- IFRS 7 – Applicability of amendments to condensed interim financial statements,
- IAS 19 – Discount rate: regional market issued and
- IAS 34 – Disclosure of information elsewhere in the interim report.

The changes are effective for fiscal years beginning on or after 1 January 2016 and are partially applicable prospectively and partially retrospectively.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

This amendment removes an inconsistency existing between IFRS 10 and IAS 28. It clarifies the recognition of unrealized gains and losses from transactions between an investor and an associate or joint venture. Where the transaction relates to a business as defined by IFRS 3, the investor is required to recognize all gains and losses. Where the transaction relates only to the sale of assets that do not constitute a business, the investor has to recognize the gains and losses partially. The amendment becomes effective for fiscal years beginning on or after 1 January 2016.

IFRS 9 “Financial Instruments”

The IASB has issued the final version of IFRS 9. IFRS 9 sets out rules on the classification, measurement and impairment of financial instruments as well as hedge accounting. The new version of IFRS 9 includes the new concept of expected losses with respect to impairment losses and limited changes to the classification and measurement of financial assets. The standard replaces all earlier versions of IFRS 9 and becomes effective for fiscal years beginning on or after 1 January 2018.

Amendments to IAS 16 and IAS 41: Agriculture: Bearer Plants

These amendments remove from the scope of IAS 16 bearer plants that are no longer undergoing significant biological transformation. As a result, they are accounted for in accordance with the rules applying to property, plant and equipment. The amendments are applicable for fiscal years beginning on or after 1 January 2016.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortization

These amendments provide guidance on the methods of depreciation and amortization that can be used for property, plant and equipment and intangible assets. The amendments are applicable for fiscal years beginning on or after 1 January 2016.

Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations

These amendments clarify the accounting for interests in joint operations in which the activity constitutes a business as defined by IFRS 3. Entities must apply the principles on business combinations accounting in IFRS 3 except for those principles that conflict with the guidance in IFRS 11. The amendments become effective for fiscal years beginning on or after 1 January 2016.

IFRS 15 “Revenue from Contracts with Customers”

IFRS 15 sets forth rules about when and in what amount revenue is recognized. In addition, it requires more extensive disclosures on revenue recognition than before. IFRS 15 replaces IAS 11, IAS 18 and a number of interpretations relating to revenue. The standard becomes effective for fiscal years beginning on or after 1 January 2017.

Amendments to IAS 27: Equity Method in Separate Financial Statements

The amendments permit using the equity method for investments in subsidiaries, associates and joint ventures in the investor's separate financial statements. The amendment becomes effective for fiscal years beginning on or after 1 January 2016.

Amendments to IAS 1: Disclosure Initiative

The amendments contains clarifications in particular with respect to:

- Assessment of the materiality of disclosures made in the financial statements
- Presentation of additional line items in the balance sheet and the statement of comprehensive income

- Presentation of other comprehensive income attributable to associates and joint ventures accounted for at equity
- Structure of disclosures made in the notes
- Presentation of significant accounting policies

The amendment becomes effective for fiscal years beginning on or after 1 January 2016.

Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities: Applying the Consolidation Exception

These amendments serve to clarify questions in relation to investment entities applying the consolidation exception and presenting their subsidiaries at fair value instead. The amendments issued confirm that the exception from the duty to consolidate subsidiaries also applies to subsidiaries of an investment entity that is a parent. In addition, they clarify the extent to which an investment entity has to consolidate a subsidiary that performs investment-related services.

With respect to application of the equity method, simplification has been introduced by permitting a non-investment entity to use fair value measurement instead of applying the equity method even for entities that are not themselves an investment entity, but hold an investment in an associate or a joint venture that is an investment entity.

In addition, amendments to IFRS 12 are included which clarify that investment entities that measure all subsidiaries at fair value through profit or loss nevertheless fall within the scope of IFRS 12.

These amendments become effective for fiscal years beginning on or after 1 January 2016.

Except for the presentation of other comprehensive income attributable to associates accounted for at equity, Porsche SE does not expect these changes to have any significant impact on the group's net assets, financial position and results of operations. Potential effects of the changes described on Porsche SE's associates are currently being analyzed. In addition, the consolidated financial statements for prior years already presented new standards or amendments that have still not been applied in the fiscal year 2014. There are no changes regarding the assessment of potential effects resulting from this on future consolidated financial statements. The Annual Improvements 2010-2012 and 2011-2013 that are effective for the first time in fiscal year 2015 and the amendments to IAS 19 concerning employee contributions are not expected to have a significant effect on the consolidated financial statements of Porsche SE.

Voluntary early adoption of the amendments before they become mandatory under the transitional provisions of IASB is not planned.

Notes to the consolidated income statement and consolidated statement of cash flows

[1] Other operating income

Other operating income breaks down as follows:

€ million	2014	2013
Income from reversal of provisions and accruals	12	6
Income from changes in exchange rates	1	0
Sundry other operating income	1	1
	14	7

In the reporting period, income from the reversal of provisions and accruals was attributable in particular to the reversal of provisions for litigation costs for the court proceedings that were brought to a close in the US. The figure presented for the comparative period mainly contained income from the reversal of provisions for personnel costs.

[2] Personnel expenses

€ million	2014	2013
Wages and salaries	14	15
Social security contribution, pension and other benefit costs	1	1
	15	16
Employees (annual average)		
Salaried staff	35	34
Employees according to Section 314 (1) No. 4 HGB	35	34
Other	1	2
Total	36	36

[3] Other operating expenses

Other operating expenses consist of:

€ million	2014	2013
Legal and consulting fees	23	24
Other tax	15	2
Assumption of obligations related to tax matters	14	0
Other external services	10	9
Sundry other operating expenses	8	6
	70	41

The line item “assumption of obligations related to tax matters” comprises amounts from refund obligations to associates from prior periods.

The other external services principally contained expenses relating to the organization of Porsche SE’s annual general meetings.

Other tax mostly relates to additions to provisions for prior years.

[4] Profit/loss from investments accounted for at equity

The profit or loss from investments accounted for at equity breaks down as follows:

€ million	2014	2013
Profit/loss from ongoing equity accounting before purchase price allocations	3,458	2,932
Effects from purchase price allocations	–81	–222
Profit/loss from ongoing equity accounting	3,377	2,710
Effects from dilution of share in capital	57	0
	3,434	2,710

Profit/loss from investments accounted for at equity relates almost exclusively to the earnings contribution from the investment in Volkswagen AG. The effects from dilution of the share in capital of €57 million are attributable to the capital increase by issue of preference shares in return for a contribution in cash approved at the level of Volkswagen AG on 3 July 2014, in which Porsche SE did not participate. The effects comprise the proportionate disposal of the

carrying amount at equity of €31 million and the derecognition of proportionate reclassifiable gains and losses of €26 million recognized directly in equity.

[5] Finance costs

€ million	2014	2013
Interest on tax back payments	61	67
Interest expenses from loans issued by associates	21	21
Other interest and similar expenses	5	6
	87	94

The interest on tax back payments includes payments as well as additions to provisions for expected interest on tax back payments on account of findings in connection with the completed tax field audit for the assessment periods 2006 to 2008 and subsequent years (reference is made to the section “Significant accounting judgments and estimates” and note [7]).

Finance costs contain interest expenses of €26 million (prior year: €27 million) from financial instruments that are not measured at fair value through profit or loss.

[6] Financial revenue

€ million	2014	2013
Tax interest received	0	14
Income from financial investments and guarantee fees	11	11
	11	25

The tax interest received in the prior year relates to interest on refunded income tax for past assessment periods.

Financial revenue contains interest income of €11 million (prior year: €11 million) from financial instruments that are not measured at fair value through profit or loss.

[7] Income tax

The income tax expense (+) and income (–) disclosed breaks down into:

€ million	2014	2013
Current tax income/expense	255	171
thereof income/expenses relating to other periods	255	171
Deferred tax income/expense	4	12
Income tax	259	183

All income taxes are incurred in Germany.

The tax field audit for the assessment periods 2006 to 2008 was completed in the fiscal year 2014. Since the respective tax assessment notices are still outstanding, any resulting income tax obligations are still recognized under income tax provisions. Provisions for risks arising from the tax field audit for the assessment periods 2009 to 2013 have been recognized and measured based on current information and experience from the completed tax field audit.

In addition, Porsche SE received an amended corporate income tax assessment notice in the fiscal year 2014 which partially diverges from Porsche SE's tax law assessment and against which the company has therefore filed an appeal. Porsche SE will assert its interpretation of tax law in the further course of the tax field audit for the assessment periods 2009 to 2013. The tax assessment notice diverging from Porsche SE's tax law assessment led to an income tax payment including solidarity surcharge of €169 million in the fiscal year 2014, which was fully paid in order to avoid Porsche SE incurring interest on tax back payments. Taking into account subsequent effects from the completed tax field audit for the assessment periods 2006 to 2008, provisions and liabilities, respectively, of €130 million have been recognized for outstanding trade tax back payments for the 2009 assessment period. In addition, tax receivables of €27 million have been recognized in this context. An additional claim to a refund potentially arising on account of the payments made or provisions recognized – despite Porsche SE's diverging tax law assessment – was not recognized as an asset due to the current uncertainty.

The overall income tax rate for the German entities is 30.5% (prior year: 30%).

Previously unused tax losses for which no deferred tax assets were recognized amounted to €2,328 million (prior year: €2,213 million) and are unforfeitable.

Deductible temporary differences on which no deferred tax was recognized amount to €23 million in the reporting period (prior year: €31 million).

The following reconciliation shows the differences between the expected income tax expense calculated at the group tax rate of 30.5% (prior year: 30%) and the reported income tax expense:

€ million	2014	2013
Profit/loss before tax	3,287	2,591
Group tax rate	30.5 %	30 %
Expected income tax expense	1,003	777
Tax rate related differences	1	0
Difference in tax base	-1,018	-748
Recognition and measurement of deferred tax	18	-17
Tax relating to other periods	255	171
Reported income tax expense	259	183

In the reporting period the item "Difference in tax base" mainly relates to the tax exemption of profit/loss from investments accounted for at equity and the non-deductibility of interest on tax back payments and the additions to the provision for interest on tax back payments. The reconciliation item "Recognition and measurement of deferred tax" mainly contains unrecognized deferred tax, and reversed deferred tax assets on tax loss carryforwards of €21 million (prior year: additional recognition of deferred tax assets on tax loss carryforwards of €23 million). The effects relating to other periods resulted from tax back payments made in fiscal year 2014 for prior years and related additions to the provisions. In the prior year, the tax relating to other periods related to additions to provisions for expected tax back payments of Porsche SE in connection with the tax field audit for the assessment periods 2006 to 2008.

The deferred tax assets and liabilities break down by item in the balance sheet as follows:

€ million	Deferred tax assets		Deferred tax liabilities	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Investments accounted for at equity	0	0	94	101
Other receivables and assets	0	0	1	0
Tax loss carryforwards	54	64	0	0
Provisions for pensions and similar obligations	3	1	0	0
Other provisions	0	0	0	0
Other liabilities	0	0	0	0
Valuation allowances on deferred tax assets	0	0	0	0
Reversal of an impairment loss on deferred tax assets	0	0	0	0
Gross value	57	65	95	101
Offsetting	-57	-65	-57	-65
Balance according to consolidated balance sheet	0	0	38	36

[8] Earnings per share

		2014	2013
Profit/loss for the year	€ million	3,028	2,408
Thereof profit/loss attributable to shareholders of Porsche SE	€ million	3,028	2,408
Profit/loss attributable to ordinary shares (basic)	€ million	1,513.5	1,203.5
Profit/loss attributable to preference shares (basic)	€ million	1,514.5	1,204.5
Profit/loss attributable to ordinary shares (diluted)	€ million	1,513.5	1,203.5
Profit/loss attributable to preference shares (diluted)	€ million	1,514.5	1,204.5
Average number of ordinary shares outstanding	Number	153,125,000	153,125,000
Average number of preference shares outstanding	Number	153,125,000	153,125,000
Earnings per ordinary share (basic)	€	9.88	7.86
Earnings per preference share (basic)	€	9.89	7.87
Earnings per ordinary share (diluted)	€	9.88	7.86
Earnings per preference share (diluted)	€	9.89	7.87

Earnings per share are calculated by dividing the profit or loss attributable to the shareholders of Porsche SE by the total average number of shares outstanding in the reporting period. The additional dividend of 0.6 cents per share to which the preference shares are entitled was deducted when calculating earnings per share for ordinary shares. This gave rise to the difference in earnings per share between ordinary and preference shares.

There were no dilutive effects.

[9] Notes to the consolidated statement of cash flows

The statement of cash flows shows how the cash funds of Porsche SE Group have changed during the reporting year as a result of cash inflows and outflows. For this purpose, the cash flows in the statement of cash flows are categorized into operating activities, investing activities (including investments in securities and time deposits), and financing activities. Cash inflows and outflows from investing and financing activities are presented using the direct method.

Cash inflows and outflows from investing activities relate to changes in investments in time deposits and in the fiscal year 2014 to payments for the acquisition of investments in associates as well as changes in investments in securities.

The cash outflow from financing activities concerns cash outflows from dividend payments.

In contrast, the cash flow from operating activities is derived indirectly, starting from profit/loss for the year. Therefore, all non-cash expenses and income – mainly changes in provisions and non-cash income as well as the profit/loss from investments accounted for at equity contained in non-cash income and expenses – are eliminated from profit/loss for the year and adjusted for changes in operating assets and liabilities.

The cash inflow from operating activities includes:

€ million	2014	2013
Interest paid	-24	-25
Interest received	7	9

The table below reconciles the cash, cash equivalents and time deposits as recognized in the balance sheet to cash funds reported in the statement of cash flows:

€ million	31/12/2014	31/12/2013
Cash, cash equivalents and time deposits	2,272	2,912
– time deposits	– 1,289	– 2,450
Cash funds according to statement of cash flows	983	462

Cash funds according to the statement of cash flows comprise cash and cash equivalents with an original term of up to three months.

The time deposits represent current investments with an original term of more than three months.

Notes to the consolidated balance sheet

[10] Investments accounted for at equity

The investments accounted for at equity almost exclusively comprise the carrying amount of the investment in Volkswagen AG.

On 21 February 2014, Volkswagen AG announced a voluntary offer to the shareholders of Scania Aktiebolag ("Scania") to acquire all Scania shares for a price of SEK 200 in cash per share regardless of the class of shares. Volkswagen AG declared on 13 May 2014 that the offer will be executed. Volkswagen has initiated a squeeze-out procedure with respect to the Scania shares not sold in the offer. The effect resulting at the level of the Volkswagen Group, which had to be recognized directly in equity, led to a decrease of €1,471 million in the investments accounted for at equity of Porsche SE, which was likewise recognized directly in equity.

For the purpose of partial refinancing, Volkswagen AG resolved on 3 June 2014 to perform a capital increase through the issue of preference shares from authorized capital in exchange for cash contributions in which Porsche SE did not participate. As a result, Porsche SE's share in capital of Volkswagen AG decreased from 32.2% to 31.5%. This dilution increased the carrying amount of the investment accounted for at equity by €31 million.

In October 2014, Porsche SE prematurely terminated the credit facility previously in place with a term until 30 November 2014 and concluded a new credit facility with the same volume of €1,000 million and a term of five years. The commitment fee is payable on a quarterly basis and was reduced considerably through the refinancing. If the credit facility is drawn, Volkswagen AG ordinary shares worth 150% of the amount drawn must be provided as collateral. No other financial covenants have to be complied with.

The clauses attached to the credit facility previously in place stipulated that 70 million of the ordinary shares held by Porsche SE in Volkswagen AG had been pledged as collateral for an unused revolving line of credit and for any liabilities to banks recognized as a result of the utilization of the credit line until they are settled or otherwise canceled (reference is made to note [19]). The main receivable of the syndicate of banks, which is secured by first-rank security, is not effective at present as the line of credit has not been utilized. The lien secured the repayment claims of any potential future use by the company of the revolving line of credit. Porsche SE could still exercise its voting rights and was also entitled to dividends from the ordinary shares subject to the creditors' right to issue instructions otherwise in restrictively defined, exceptional cases. All of the pledged ordinary shares could not be sold without the prior written approval of a trustee of the collateral before the liabilities with first-rank security are repaid, or the corresponding loan commitments are canceled. However, Porsche SE was entitled to obtain the approval of the trustee of the collateral provided the proceeds from the sale are used to repay the line of credit or reduce the loan commitments and all shares in Volkswagen AG not pledged as collateral have or had been sold previously or concurrently. In addition, Porsche SE could sell subscription rights associated with the shares.

[11] Non-current and current other receivables and assets

€ million	31/12/2014	31/12/2013
Sundry other receivables and assets	11	5
	11	5
thereof non-current	2	1
thereof current	9	4

Valuation allowances are recognized to take account of any default risks. The maximum default risk corresponds to the carrying amounts of the other receivables and assets. The current other receivables and assets are non-interest-bearing.

The carrying amount of other receivables and assets comprises financial receivables with a carrying amount of €7 million (prior year: €2 million) and other non-financial receivables and assets with a carrying amount of €4 million (prior year: €3 million). The non-financial other receivables and assets mainly contain interest claims.

[12] Income tax receivables and income tax liabilities

Income tax receivables mainly comprise tax refund claims for withholding tax on investment income. In addition, tax receivables of €27 million were recognized for the 2009 assessment period. The income tax liabilities relate to back payments of trade tax for the 2009 assessment period.

[13] Securities

Securities include interest-bearing asset-backed commercial papers with a remaining term of less than three months.

[14] Cash, cash equivalents and time deposits

Bank balances are held at various banks in different currencies. The maximum default risk is equivalent to the carrying amount of cash, cash equivalents and time deposits.

[15] Equity

The development of equity is presented in the Porsche SE Group's consolidated statement of changes in equity and in the consolidated statement of comprehensive income.

Subscribed capital

Unchanged from the figure at the end of the prior year, Porsche SE's subscribed capital totals €306.25 million and continues to be divided into 153,125,000 ordinary shares and 153,125,000 non-voting preference shares which have been fully paid in. Each share represents a €1 notional value of the subscribed capital. The preference shares carry an additional dividend of 0.6 cents per share in the event of there being net profit available for distribution and a corresponding resolution on a distribution.

Capital reserves

The capital reserves contain additions from share premiums reduced by the transaction costs incurred.

Retained earnings

The retained earnings include the reserve for investments accounted for at equity and the reserve for accumulated profits. Expenses and income from investments accounted for at equity recognized directly in equity are presented in the separate reserve for investments accounted for at equity. Due to the dilution of Porsche SE's share in capital of Volkswagen AG, reclassifiable after-tax income and expenses previously recognized in equity totaling €26 million were transferred to profit or loss (reference is made to note [4]). In addition, non-reclassifiable expenses after tax of €35 million from pension plans (prior year: €0 million) were transferred to retained earnings.

The reserve for accumulated profits includes the profits of Porsche SE and its consolidated subsidiaries earned in prior years and the reporting period that have not yet been distributed. In addition, this item includes any reclassified revaluation reserves of deconsolidated subsidiaries, non-reclassifiable expenses and income reclassified due to dilution of the share in capital of associates, and the reserve for actuarial gains and losses from pensions taking into account the allocable deferred tax.

As of 31 December 2014, actuarial gains and losses from pensions came to €11 million (31 December 2013: €4 million); the allocable deferred tax came to €3 million as of 31 December 2014 (31 December 2013: €1 million).

The changes in equity at the level of investments accounted for at equity presented in the consolidated statement of changes in equity include the proportionate changes in the non-controlling interests within the Volkswagen Group attributable to Porsche SE which did not lead to a change in control and therefore had to be recognized directly in equity with no effect on the consolidated income statement in the Volkswagen Group's consolidated financial statements (for changes in retained earnings recognized in the fiscal year 2014 reference is made to note [10]). In addition, other changes in equity of the Volkswagen Group of €21 million that are not part of total comprehensive income are reported in this item.

The separate financial statements of Porsche SE as of 31 December 2014 report net income available for distribution of €615 million (prior year: €615 million) with net income for the year of €193 million and withdrawals from retained earnings of €422 million. The executive board proposes a resolution for the distribution of a dividend of €2.004 per ordinary share and €2.010 per preference share, i.e., a total distribution of €615 million for the fiscal year 2014. The dividend approved for the fiscal year 2013 was also €2.004 per ordinary share and €2.010 per preference share.

The reclassifiable expenses and income recognized directly in equity which arose from investments accounted for at equity include the following: income before tax from currency translation of €846 million (prior year: €479 million), income before tax from marking securities to market of €412 million (prior year: €241 million), expenses before tax from cash flow hedges of €752 million (prior year: income of €844 million), income after tax recognized directly in equity arising from investments accounted for at equity of €461 million (prior year: €4 million) and tax income of €198 million (prior year: expenses of €264 million). Income of €26 million (prior year: €0 million) recognized directly in equity was transferred to the income statement in the fiscal year 2014. A pre-tax expense of €4,234 million (prior year: €1,738 million) was recognized for the non-reclassifiable actuarial gains and losses from pensions; the corresponding income from tax amounts to €1,249 million (prior year: €514 million).

Capital management

The target of capital management at Porsche SE is the continuous increase in enterprise value, securing its liquidity and a return on investment that is commensurate with the risk involved. These goals aim to sustainably protect the interests of the shareholders and employees and other stakeholders. By means of a systematic investment and financial management system, Porsche SE continually ensures that costs of capital as well as capital structure are optimized considering its function as a holding company.

The Porsche SE Group's total capital, defined for capital management purposes as the sum of equity and financial liabilities, is as follows as of the reporting date:

€ million	31/12/2014	31/12/2013
Equity	29,493	30,470
Share of total capital	99%	99%
Non-current financial liabilities	300	300
Total financial liabilities	300	300
Share of total capital	1%	1%
Total capital	29,793	30,770

[16] Provisions for pensions and similar obligations

The Porsche SE Group provides both defined contribution and defined benefit plans.

In the case of defined contribution plans, the company makes contributions to state or private pension schemes based on legal or contractual requirements, or on a voluntary basis. Once the contributions have been paid, there are no further obligations for the company. Contributions are recognized as expenses of the period concerned and were immaterial.

The Porsche SE Group's pension plans are unfunded defined benefit plans. The obligations for defined benefit plans are measured using the projected unit credit method in accordance with IAS 19. The defined benefit obligations are recognized at the present value of vested benefits as of the measurement date taking probable future increases in pensions and salaries into account. The defined benefit obligation for active employees increases annually by the interest cost plus the present value of the new benefit entitlements earned in the current period. Actuarial gains or losses result from changes in the composition of the plan and deviations of actual parameters (for example, increases in income and pensions or changes in interest rates) compared to the assumptions made in the valuation.

Provisions for pensions and similar obligations are recognized for benefits in the form of retirement, invalidity and dependents' benefits payable under pension plans. The benefits generally depend on the length of service, remuneration and working hours arrangements of the employees. The direct and indirect obligations include both current pension obligations and future pension and retirement benefit obligations. In addition, personal retirement capital is accumulated in Germany by way of employee contributions to Porsche VarioRente.

Actuarial assumptions

The defined benefit obligations are calculated using actuarial methods. These include assumptions concerning future wage and salary developments and pension trends. The measurement is based on the following assumptions:

%	Germany	
	2014	2013
Discount rate	2.25	3.50
Increase in wages and salaries	3.00	3.00
Career progress	0.50	0.50
Increase in pensions	1.80	1.80

Changes in the present value of pension obligations:

€ million	2014	2013
As of 1 January	12	9
Current service cost	1	1
Interest expenses	1	0
Actuarial gains (-) and losses (+) arising from changes in demographic assumptions	0	0
Actuarial gains (-) and losses (+) arising from changes in financial assumptions	4	0
Actuarial gains (-) and losses (+) arising from experience adjustments	3	2
Benefits paid	0	0
Past service cost	0	0
Other changes	-1	0
As of 31 December	20	12

The amounts recognized through profit or loss relate to current service cost of €1 million (prior year: €1 million) as well as interest expenses of €1 million (prior year: €0 million).

The present value of pension obligations funded by provisions corresponds to the net obligation and thus also the amounts recognized as liabilities.

An increase in the discount rate of 50 base points would lead to a drop of €1 million (prior year: €1 million) in the present value of pension obligations. A decrease in the discount rate of 50 base points would lead to an increase of €3 million (prior year: €1 million) in the present value of pension obligations. A comparable increase or decrease in other actuarial assumptions would not lead to an adjustment of more than €1 million (prior year: no adjustment in the region of millions of euros).

The weighted average term of pension obligations is 19 years (prior year: 18 years). The cash outflow of pension provisions is expected to amount to €2 million (prior year: €1 million) in a period of between one and five years and €18 million (prior year: €11 million) in a period of more than five years.

[17] Non-current and current income tax provisions and other provisions

€ million	31/12/2014		31/12/2013	
		thereof due within one year		thereof due within one year
Income tax provisions	336	336	249	249
Other provisions	236	221	191	173
Provisions for personnel costs	9	7	8	6
Provisions for costs of litigation	31	18	36	20
Provisions for interest on tax back payments	119	119	92	92
Sundry other provisions	77	77	55	55

The increase in income tax provisions and provisions for interest on tax back payments as of 31 December 2014 compared to 31 December 2013 is attributable to more recent findings in connection with prior assessment periods (reference is made to the section "Significant accounting judgments and estimates" and note [7]).

Provisions for personnel costs are recognized for bonuses, long-service awards and similar obligations.

The amount reported for provisions for costs of litigation represents the expected settlement amount for all litigation in which Porsche SE is involved directly or indirectly. They have been set up at the amount of the respective expected attorneys' fees and litigation expenses (reference is made to the description of the litigation underlying these provisions in note [22]).

Sundry other provisions mainly comprise provisions for other tax.

93% of the other provisions are expected to result in cash outflow in the following year and 7% in between one and five years.

Other provisions developed as follows:

€ million	As of 1/1/2014	Additions	Utilization	Reversal	As of 31/12/2014
Provisions for personnel costs	8	7	5	1	9
Provisions for costs of litigation	36	12	7	10	31
Provisions for interest on tax back payments	92	29	2	0	119
Sundry other provisions	55	37	14	1	77
	191	85	28	12	236

The effects of unwinding the discount on provisions were immaterial in the fiscal year 2014 and in the fiscal year 2013.

[18] Trade payables

The trade payables disclosed, amounting to €3 million (prior year: €10 million), are mainly liabilities for legal and consulting services.

[19] Financial liabilities

Non-current and current financial liabilities are due entirely to associates and are recognized at amortized cost.

In the comparable period, the previously undrawn credit line was extended until 30 November 2014 by exercising an option. The credit line was still secured by a first-rank lien on 70 million VW ordinary shares of Porsche SE to the benefit of the syndicate of banks. The main receivable of the syndicate of banks, which is secured by first-rank security, was not effective as the line of credit has not been utilized. The existing credit facility was refinanced prematurely in October 2014 (reference is made to note [10]).

[20] Non-current and current other liabilities

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

€ million	31/12/2014	31/12/2013
Liabilities to associates	23	15
Sundry other liabilities	5	2
	28	17
thereof non-current	0	0
thereof current	28	17

Of the carrying amount totaling €28 million (prior year: €17 million) an amount of €26 million (prior year: €17 million) relates to other financial liabilities.

Other notes

[21] Financial risk management and financial instruments

1 Financial risk management principles

The principles and responsibilities for managing and controlling the risks that could arise from financial instruments are defined by the executive board and monitored by the supervisory board. The overall risk management process in the Porsche SE Group is clearly defined. The individual (sub-)processes govern in particular the ongoing monitoring of the liquidity situation in the Porsche SE Group, the monitoring of the enterprise value of Volkswagen AG, the development of interest levels on the capital markets and the monitoring of the financial covenants. Any concentrations of risk within the Porsche SE Group are also analyzed using these processes. The processes are based on statutory requirements. The risks are identified, analyzed, evaluated, controlled and monitored using suitable information systems.

The guidelines and the supporting systems are checked regularly and brought into line with current market development. The Porsche SE Group manages and monitors these risks primarily via its business operations and financing activities and, where necessary, by using derivative financial instruments.

For further details on risks relating to financial instruments, reference is made to the “Opportunities and risks of future development” section in Porsche SE’s group management report.

2 Credit and default risk

The credit and default risk arising from financial assets involves the risk of default by counterparties, and therefore comprises at a maximum the amount of the positive fair values of claims against them. In addition, there is a credit and default risk at the amount of financial guarantees issued. The default risk of financial assets is generally taken into account through adequate valuation allowances considering collateral that has already been provided. Various measures are taken into account as needed to reduce the default risk for non-derivative financial instruments, such as monitoring the credit rating of counterparties or requesting hold harmless agreements. Moreover, cash and cash equivalents, time deposits and securities are invested with different counterparties in order to spread risk. The contracting partners for monetary investments, capital investments and, if necessary, derivative financial instruments are domestic and, to a lesser extent, international counterparties.

There are no significant concentrations of risk that are not evident from the notes to the financial statements and management report.

The table below shows the credit and default risk of financial assets by gross carrying amount:

€ million	Neither past due nor impaired
31/12/2014	
Other financial receivables	7
Securities	295
Cash, cash equivalents and time deposits	2,272
	2,574
31/12/2013	
Other financial receivables	2
Securities	0
Cash, cash equivalents and time deposits	2,912
	2,914

There are no past due or impaired financial assets in the Porsche SE Group.

The credit ratings of the gross carrying amounts of financial assets that are neither past due nor impaired were as follows:

€ million	Risk class 1	Risk class 2	Total
31/12/2014			
Other financial receivables	7	0	7
Securities	295	0	295
Cash, cash equivalents and time deposits	2,272	0	2,272
	2,574	0	2,574
31/12/2013			
Other financial receivables	2	0	2
Securities	0	0	0
Cash, cash equivalents and time deposits	2,912	0	2,912
	2,914	0	2,914

The receivables rated as good are allocated to risk class 1. Receivables from customers whose credit rating is not good, but have not yet defaulted, are allocated to risk class 2. Allocation to the risk classes is based on external ratings.

3 Liquidity risk

The solvency and liquidity of the Porsche SE Group is continuously monitored by means of liquidity planning. Solvency and liquidity are additionally secured by a cash liquidity reserve and a guaranteed credit line. Porsche SE's line of credit amounts to €1,000 million as of the reporting date (prior year: €1,000 million), and had been drawn down neither as of the end of the reporting period nor as of the end of the comparative period. Reference is made to explanations on the management of liquidity risks in the Porsche SE Group and risks originating from financial covenants presented in the risk report as part of the group management report.

The following overview shows the contractual undiscounted cash outflows from financial liabilities and financial guarantees:

€ million	Remaining contractual maturities		
	within one year	in 1 to 5 years	Total
31/12/2014			
Financial liabilities	21	333	354
Trade payables	3	0	3
Other financial liabilities	26	0	26
Financial guarantees	1,351	0	1,351
	1,401	333	1,734
31/12/2013			
Financial liabilities	21	355	376
Trade payables	10	0	10
Other financial liabilities	17	0	17
Financial guarantees	1,310	0	1,310
	1,358	355	1,713

The financial guarantees were issued for financial liabilities of the Volkswagen Group. Volkswagen AG has issued a hold harmless agreement for 100% of these financial guarantees.

There are no significant concentrations of risk that are not evident from the notes to the financial statements and management report.

4 Market risk

4.1 Hedging policy and financial derivatives

The Porsche SE Group was exposed to interest rate risks in the reporting period. The risks arise in particular from fluctuations in the general interest rate level and from cash deposits. It is company policy to exclude or limit some of these risks if necessary by entering into hedge transactions. All necessary hedging activities are coordinated by Porsche SE's finance department.

The nature and volume of hedging transactions is generally chosen with regard to the hedged item. Hedging transactions may only be concluded to hedge existing underlyings or forecast transactions. Only financial instruments approved by type and volume may be entered into.

There are no significant concentrations of risk that are not evident from the notes to the financial statements and management report.

4.2 Market price risks

The interest rate risk essentially results from changes in market interest rates. At Porsche SE this affects only the market value of its fixed-interest bearing deposits, receivables and liabilities. Accordingly, changes in market interest rates do not have any direct effect on profit or loss or on equity in the Porsche SE Group. Porsche SE will continue to permanently monitor the development of interest rates and, if necessary, enter into economically feasible hedges of exposure to changes in interest rates on a case-by-case basis.

5 Measurement of financial instruments

Porsche SE did not hold any derivative financial instruments as of 31 December 2014 or 31 December 2013.

The following table shows the reconciliation of the items of the balance sheet to the classes of financial instruments, as well as the comparison of carrying amount and fair value:

	Measurement category under IAS 39	31/12/2014		31/12/2013	
		Carrying amount	Fair value	Carrying amount	Fair value
€ million					
Assets					
Other financial receivables	LaR	7	7	2	2
Securities	LaR	295	295	0	0
Cash, cash equivalents and time deposits	LaR	2,272	2,272	2,912	2,912
Equity and liabilities					
Financial liabilities	FLAC	300	350	300	360
Trade payables	FLAC	3	3	10	10
Other financial liabilities	FLAC	26	26	17	17

The allocation of fair values is based on the availability of observable market data on an active market. Level 1 shows the fair values of financial instruments, such as securities, where a quoted price is directly available on active markets for identical financial instruments. The fair value of financial instruments in level 2, such as derivatives, is derived from market data such as exchange rates or interest rate curves using market valuation techniques. The fair value of financial instruments in level 3 is calculated using valuation techniques with inputs that are not based on observable market data. These include options for equity instruments of non-listed companies.

For materiality reasons, the fair value of current items of the balance sheet is assumed to equal the amount recognized in the balance sheet. The fair values of non-current financial liabilities were calculated based on interest rates observable on the market pursuant to level 2.

There were no financial assets or financial liabilities measured at fair value as of 31 December 2014 or 31 December 2013.

The carrying amounts of financial assets and liabilities are allocated to the measurement categories in accordance with IAS 39 as follows:

€ million	31/12/2014	31/12/2013
Loans and receivables (LaR)	2,574	2,914
Financial liabilities measured at amortized cost (FLAC)	329	327

The net gains or losses of the respective measurement categories are as follows:

€ million	2014	2013
Loans and receivables (LaR)	6	6
Financial liabilities measured at amortized cost (FLAC)	-20	-22

The net gains or losses from the loans and receivables category include interest income.

The net gains or losses from financial liabilities at amortized cost essentially comprise interest expenses.

[22] Litigation

Actions for damages in the USA, Germany and England

For several years, Porsche SE has been involved in various legal proceedings. The essential developments of these legal proceedings in the fiscal year 2014 are described in the following:

In 2010, 46 plaintiffs filed claims for damages of more than US\$2.5 billion in the USA against Porsche SE and, in some cases, also against the former members of the executive board Dr. Wendelin Wiedeking and Holger P. Härter with the U.S. District Court for the Southern District of New York based on alleged market manipulation and common law fraud in connection with the acquisition of a stake in Volkswagen AG by Porsche SE during the year 2008. On 30 December 2010, the District Court dismissed all damage claims in their entirety. Of the 32 plaintiffs who appealed such decision 12 plaintiffs withdrew their appeal in early March 2013 and a further 12 plaintiffs withdrew their appeal at the end of April 2013 in the appellate proceedings before the U.S. Court of Appeals for the Second Circuit by way of entering into stipulations with Porsche SE, leaving eight plaintiffs remaining in the appeal. On 15 August 2014, the U.S. Court of Appeals affirmed the dismissal of the claims brought by the eight remaining plaintiffs and remanded the case to the District Court to consider whether plaintiffs should be permitted to

seek leave to amend their complaints. The eight plaintiffs subsequently informed the District Court that they would not seek leave to file amended complaints, and on 24 September 2014, the District Court entered orders closing the cases. The eight plaintiffs had until 13 November 2014 to request discretionary review of the U.S. Court of Appeals decision by the U.S. Supreme Court. No such request had been filed by that date. Thus, these cases are closed.

For the 12 plaintiffs who withdrew their appeal before the U.S. Court of Appeals in early March 2013, an action for damages against Porsche SE was at that time already pending before the Regional Court of Braunschweig which remained unaffected by the withdrawal of the appeal. In this action the plaintiffs last alleged overall damages of about €1.81 billion (plus interest) from their own and allegedly assigned rights based on alleged market manipulation and alleged inaccurate information in connection with the acquisition of the shareholding in Volkswagen AG by Porsche SE. After being referred, the matter is now pending before the Regional Court of Hanover. An oral hearing before the Regional Court of Hanover took place on 14 October 2014. Following an advice of the Regional Court of Hanover during the oral hearing, the plaintiffs have amended and supplemented their pleading. The Regional Court of Hanover has announced to decide whether to enter into taking of evidence or to dismiss the action, after examination of the amended and supplemented pleading. A possible taking of evidence could take place in the first half of 2015. Porsche SE considers these claims to be without merit.

Based on the same alleged claims, the aforementioned plaintiffs filed an action against two members of the supervisory board of Porsche SE before the Regional Court of Frankfurt am Main in September 2013. Porsche SE has joined the proceeding as intervenor in support of the two supervisory board members. A trial date for hearing the case has been set for 30 April 2015. Porsche SE considers the claims to be without merit.

On 30 April 2013, 25 plaintiffs filed a complaint against Porsche SE at the Regional Court of Stuttgart and asserted claims for damages based on allegations of market manipulation and inaccurate information in connection with the acquisition of the shareholding in Volkswagen AG in 2008. After the withdrawal of the complaint by one plaintiff, the merger of two other plaintiffs and after the partial correction of the alleged damage claim, the remaining 23 plaintiffs asserted claims for damages in an amount of around €1.36 billion (plus interest) in the proceeding before the Regional Court of Stuttgart. An oral hearing took place on 10 February 2014. The Regional Court of Stuttgart dismissed the action by decision of 17 March 2014. 19 of the 23 plaintiffs filed appeals against this decision on 22 April 2014. The four plaintiffs not filing appeals originally had asserted claims for damages in the amount of approximately €177 million (plus interest). Hence, the remaining claims for damages asserted in the appellate proceedings amount to approximately €1.18 billion (plus interest). An oral hearing before the Higher Regional Court of Stuttgart took place on 26 February 2015. A date for rendition of a decision has been scheduled for 26 March 2015. Porsche SE considers the claims to be without merit.

At the end of 2011, ARFB Anlegerschutz UG (haftungsbeschränkt), Berlin, brought two actions before the Regional Court of Braunschweig against Porsche SE based on claims for damages in an amount of around €1.92 billion (plus interest) allegedly assigned to it by 69 investment funds, insurance companies and other companies. In each case, the plaintiff alleges that, in 2008, on the basis of inaccurate information and the omission of information as well as market manipulation by Porsche SE, the companies behind the complaints either failed to participate in price increases of shares in Volkswagen AG and, hence, lost profits or entered into derivatives relating to shares in Volkswagen AG and incurred losses from these transactions due to the share price development in the amount claimed. The Higher Regional Court of Braunschweig dismissed the plaintiff's motions to stay the proceedings by decisions dated 20 January 2014. After substitution of the plaintiff's attorney, oral hearings took place on 10 December 2014. At the court hearings the Regional Court of Braunschweig stated its doubts as to its competence in view of the fact that the plaintiff has based its alleged claims on antitrust law. During the oral hearings the plaintiff filed an application for establishment of a model case according to the Capital Markets Model Case Act (KapMuG) and filed precautionary a motion to refer the case. The date for rendition of a decision has been set for 4 March 2015 in each case. Porsche SE considers the motions to be inadmissible and the claims to be without merit.

An individual filed an action against the company in the amount of approximately €1.3 million (plus interest) with the Regional Court of Stuttgart in August 2012 based on asserted damage claims due to allegedly inaccurate information and the omission of information. After being referred, the proceeding was initially pending before the Regional Court of Braunschweig. An oral hearing before the Regional Court of Braunschweig took place on 14 May 2014. On 30 July 2014, the Regional Court of Braunschweig indicated that, due to possible antitrust aspects, the Regional Court of Hanover could be the competent court. Following the request of the plaintiff, on 9 September 2014 the Regional Court of Braunschweig declared itself incompetent and referred the case to the antitrust chamber of the Regional Court of Hanover. Porsche SE considers the claim to be without merit.

In September 2012, another company filed an action against Porsche SE in the amount of approximately €213 million (plus interest) with the Regional Court of Braunschweig. The plaintiff claims that it entered into options relating to ordinary shares in Volkswagen AG in 2008 on the basis of inaccurate information and the omission of information by Porsche SE and that it incurred losses from these options due to the share price development in the amount claimed. The Higher Regional Court of Braunschweig dismissed the plaintiff's motion to stay the proceedings by decision dated 20 January 2014. An oral hearing took place on 14 May 2014. The Regional Court of Braunschweig canceled the date scheduled for rendition of a decision, originally set for 30 July 2014, due to a challenge on the grounds of bias against the presiding judge by the plaintiff. The plaintiff withdrew the challenge on the grounds of bias by pleading dated 14 August 2014. A trial date has been set for 24 June 2015. Porsche SE considers the claim to be without merit.

In January 2013, another individual had substantiated his claim in the amount of around €130,000 (plus interest) based on allegedly inaccurate information and omission of information, previously asserted by reminder notice, entering thereby legal proceedings with the Regional Court of Stuttgart. After being referred, the proceeding was pending before the Regional Court of Braunschweig. An oral hearing took place on 30 April 2014. The Regional Court of Braunschweig dismissed the plaintiff's action by decision dated 30 July 2014. The plaintiff has appealed this decision. Until now, no decision on the appeal has been rendered nor has a trial date been set. Porsche SE considers the claim to be without merit.

On 7 June 2012, Porsche SE filed an action for declaratory judgment with the Regional Court of Stuttgart that alleged claims of an investment fund in the amount of around US\$ 195 million do not exist. The investment fund had asserted out-of-court that Porsche SE had made false and misleading statements in connection with its acquisition of a stake in Volkswagen AG during 2008 and announced that it intended to file the alleged claim before a court in England. On 18 June 2012, the investment fund filed an action against Porsche SE with the Commercial Court in England. On 6 March 2013 the English proceedings were suspended at the request of both parties, until a final decision has been reached in the proceedings begun at the Regional Court of Stuttgart concerning the question of which court is the court first seized. On 24 July 2013, the Regional Court of Stuttgart decided that the Regional Court of Stuttgart is the court first seized. This decision of the Regional Court of Stuttgart has been appealed by way of an immediate appeal by one of the defendants. By decision dated 28 November 2013, the Regional Court of Stuttgart did not allow the appeal and submitted the appeal to the Higher Regional Court of Stuttgart for a decision. An oral hearing took place on 28 November 2014. By decision dated 30 January 2015 the Higher Regional Court of Stuttgart dismissed the immediate appeal. The defendant has filed an appeal for points of law to the Federal High Court of Justice. Porsche SE considers the action filed in England to be inadmissible and the claims to be without merit.

Proceedings regarding shareholders' actions

A shareholder has filed an action of nullity and for annulment before the Regional Court of Stuttgart regarding the resolutions of the annual general meeting on 30 April 2013 on the exoneration of the executive board and the supervisory board for the fiscal year 2012, the election of five persons as members of the supervisory board as well as the resolution to refuse the motion to vote out the chairman of the general meeting. The Regional Court of Stuttgart dismissed the action by decision of 23 September 2014. The plaintiff appealed this decision. The Higher Regional Court of Stuttgart has scheduled a trial date for 19 June 2015. Porsche SE considers the action to be partially inadmissible and in any event to be without merit.

The same shareholder also has filed an action of nullity and for annulment regarding the resolutions of the annual general meeting on 27 May 2014 as well as a precautionary action for determination that a shareholders' resolution has been adopted before the Regional Court of Stuttgart. Subject of the actions are the shareholders' resolutions on the exoneration of the executive board and the supervisory board for the fiscal year 2013 as well as the resolution to refuse the motion to vote out the chairman of the general meeting. For reasons of precaution the

shareholder additionally filed an action for determination that a shareholders' resolution has been adopted regarding the motion to vote out the chairman of the general meeting. A trial date has been set for 14 July 2015. Porsche SE considers the action to be partially inadmissible and in any event to be without merit.

Furthermore, the same shareholder claims a right to information against Porsche SE before the Regional Court of Stuttgart. With this motion the disclosure of questions asked at the annual general meeting in 27 May 2014 is demanded. A trial date has not been set yet. Porsche SE considers the motion to be without merit.

Investigations and criminal proceedings

On 4 June 2013, the Regional Court of Stuttgart sentenced the former CFO and a former manager of the finance department of Porsche SE to fines due to joint credit fraud assumed by the court. The accusation is that false information was allegedly provided to one of the banks involved during the negotiations for follow-up financing for the €10 billion loan due for repayment in March 2009. The judgment is final. The loan in question was repaid by Porsche SE punctually and completely.

In December 2012, the Stuttgart public prosecutor brought charges against the former members of the executive board Dr. Wendelin Wiedeking and Holger P. Härter with the chamber of the Regional Court of Stuttgart responsible for economic offenses on suspicion of information-based manipulation of the market in Volkswagen shares. According to the press release by the Stuttgart public prosecutor of 19 December 2012, they are held responsible for false declarations made in public statements of the company at their instigation in 2008 relating to the acquisition of the shareholding in Volkswagen AG. In five statements made in the period from 10 March 2008 to 2 October 2008, Porsche SE is alleged to have denied any intention to step up its investment to 75% of the voting capital despite already planning to do so at the time. In its charges, the public prosecutor assumes, that by February 2008 at the latest, it was already the intent of the accused former members of the executive board to increase Porsche SE's investment in Volkswagen AG to 75% of the voting capital before the end of the first quarter of 2009 in preparation for a control and profit and loss transfer agreement. Porsche SE's denials covered by the charges are alleged to have had an actual impact on the stock market price of Volkswagen ordinary shares. This is alleged to have led specific investors to sell Volkswagen ordinary shares that they already held and to sell short Volkswagen ordinary shares. The Regional Court of Stuttgart dismissed the opening of the main proceedings on 24 April 2014. Following the Stuttgart public prosecutor's appeal, this decision of the Regional Court of Stuttgart was annulled by the Higher Regional Court of Stuttgart on 18 August 2014 and the main proceedings were opened. This decision is final. A date for the main hearing has not yet been set. On 20 October 2014 the Stuttgart public prosecutor requested an order by the Regional Court of Stuttgart for participation of Porsche SE as a secondary party with respect to the imposition of a fine in accordance with Sec. 30 German Act against Regulatory Offenses (OWiG) against Porsche SE concerning the alleged criminal offenses. In this context the Stuttgart prosecutor noted that it currently does not assume that Porsche SE obtained an economic

benefit from the alleged criminal offenses (five statements made between 10 March 2008 to 2 October 2008) that could be confiscated.

In February 2013, it became known that the Stuttgart public prosecutor had launched investigations against all members of the supervisory board of Porsche SE from 2008 and a former employee with the allegation of jointly aiding and abetting violation of the prohibition on market manipulation by omission as charged against Dr. Wendelin Wiedeking and Holger P. Härter in the indictment of 17 December 2012.

In September 2014, the Stuttgart public prosecutor launched further investigations against the former executive board members Dr. Wendelin Wiedeking and Holger P. Härter concerning the press release by Porsche SE of 26 October 2008. Allegedly, the put options held by Porsche SE, which were not mentioned in the press release, were deliberately not mentioned. Thus, the press release had allegedly been false or deceptive and capable of influencing the price of Volkswagen shares, which it allegedly did as well. The Stuttgart public prosecutor has launched investigations for administrative and regulatory offenses against Porsche SE regarding these further investigations against the former executive board members Dr. Wendelin Wiedeking and Holger P. Härter, considering whether a fine in accordance with Sec. 30 OWiG shall be imposed on Porsche SE insofar as a body of the company is responsible for a breach of duty in that respect. Should charges be brought against the former executive board members Dr. Wendelin Wiedeking and Holger P. Härter concerning the press release of 26 October 2008, the Stuttgart public prosecutor would – as the case may be after consolidation with the criminal proceedings already pending – request an order for participation of Porsche SE as a secondary party also in this criminal proceeding with respect to the imposition of a fine in accordance with Sec. 30 OWiG concerning the alleged criminal offense. In case of conviction of the former members of the executive board Dr. Wendelin Wiedeking and Holger P. Härter, the Regional Court of Stuttgart could impose a fine in accordance with Sec. 30 OWiG against Porsche SE. A possible economic benefit obtained by Porsche SE from the alleged criminal offense of the former members of the executive board could also be confiscated. Porsche SE considers the allegations made by the Stuttgart public prosecutor to be without merit and therefore does not see the possibility of a confiscation.

Porsche SE considers all allegations made in the aforementioned proceedings to be without merit.

[23] Subsequent events

After the reporting date, Porsche SE was informed that His Excellency Sheikh Jassim bin Abdulaziz bin Jassim Al-Thani is laying down his office as shareholder representative on the supervisory board. He will leave the supervisory board effective as of the end of the day on 24 March 2015.

On 27 February 2015, the supervisory board of Volkswagen AG appointed Mr. Matthias Müller, member of the Porsche SE executive board responsible for strategy and corporate development, as a member of the board of management of Volkswagen AG with functional responsibility as chairman of Dr. Ing. h.c. F. Porsche AG, effective as of 1 March 2015.

[24] Disclosure pursuant to Sec. 160 (1) No. 8 AktG [“Aktengesetz”: German Stock Corporation Act]

Notification on 29 January 2008:

Prof. Dr. Ing. h.c. Ferdinand Porsche and others, Austria, notified us of the following on 29 January 2008 in accordance with Sec. 21 (1) Sentence 1 WpHG [“Wertpapierhandelsgesetz”: German Securities Trading Act]:

“The two parties who have signed this notification hereby announce to you on behalf of and with the authorization of the individuals or entities listed under no. 1 and 2 below, which at the time of this notification directly or indirectly held shares in Porsche Automobil Holding SE (then operating under the name of Dr. Ing. h.c. F. Porsche Aktiengesellschaft) or their heirs and legal successors (hereinafter also referred to as the “notifying parties”) in accordance with Sec. 21 (1) WpHG, as a correction to the notification of 5 February 1997:

The voting share held by each notifying party in Porsche Automobil Holding SE (formerly: Dr. Ing. h.c. F. Porsche Aktiengesellschaft), Porscheplatz 1, 70435 Stuttgart, Germany, exceeded the voting right threshold of 75% on 3 February 1997 and on that date amounted to 100% of the voting rights (875,000 voting rights). As of today, it also amounts to 100% for the persons that still exist today (8,750,000 voting rights).

The following voting rights were allocated to the individual notifying parties based on the existing consortium agreement pursuant to Sec. 22 (1) No. 3 WpHG in the version dated 26 June 1994 (“old version”) or Sec. 22 (2) WpHG in the currently applicable version (“new version”):

Notifying party and address	Pursuant to	
	Sec. 22 – 1 No. 3 WpHG old version or	Sec. 22 – 2 WpHG new version
	%	Voting rights
Prof. Dr. Ing. h.c. Ferdinand Porsche, Zell am See, Austria	99.84	873,569
Prof. Ferdinand Alexander Porsche, Gries/Pinzgau, Austria	87.82	768,461
Hans-Peter Porsche, Salzburg, Austria	87.82	768,461
Gerhard Anton Porsche, Mondsee, Austria	94.27	824,895
Dr. Wolfgang Porsche, Munich	87.82	768,461
Dr. Oliver Porsche, Salzburg, Austria	99.96	874,625
Kommerzialrat Louise Piëch, Thumersbach, Austria	99.80	873,216
Louise Daxer-Piëch, Vienna, Austria	93.89	821,499
Mag. Josef Ahorner, Vienna, Austria	99.24	868,313
Mag. Louise Kiesling, Vienna, Austria	99.24	868,313
Dr. techn. h.c. Ferdinand Piëch, Salzburg, Austria	86.94	760,719
Dr. Hans Michel Piëch, Salzburg, Austria	86.94	760,719
Porsche GmbH, Porscheplatz 1, 70435 Stuttgart	76.43	668,749

A share in voting rights of 23.57% (206,251 voting rights) was allocated to the former company Porsche Holding KG, Fanny-von-Lehnert Strasse 1, A-5020 Salzburg (current legal successor: Porsche Holding Gesellschaft m.b.H., Vogelweiderstrasse 75, A-5020 Salzburg) and Porsche GmbH, Vogelweiderstrasse 75, A-5020 Salzburg each in accordance with Sec. 22 (1) No. 2 WpHG, old version, and Sec. 22 (1) No. 1 WpHG, new version, and a share of voting rights of 76.43% (668,749 voting rights) was allocated pursuant to Sec. 22 (1) No. 3 WpHG, old version, or Sec. 22 (2) WpHG, new version.

The share in voting rights of Porsche GmbH, Salzburg, allocated to the notifying parties pursuant to Sec. 22 (1) No. 2 WpHG, old version, or Sec. 22 (1) No. 1 WpHG, new version, were actually held via Porsche GmbH, Stuttgart. The share in voting rights of Porsche Holding KG allocated to the notifying parties pursuant to Sec. 22 (1) No. 2 WpHG, old version, or Sec. 22 (1) No. 1 WpHG, new version, were actually held via Porsche GmbH, Salzburg and Porsche GmbH, Stuttgart. In both cases, the share in voting rights held in Porsche GmbH, Stuttgart, allocated to the notifying parties pursuant to Sec. 22 (1) No. 2 WpHG, old version, or Sec. 22 (1) No. 1 WpHG, new version, amounted to 3% or more.

The share in voting rights allocated to the other notifying parties pursuant to Sec. 22 (1) No. 3 WpHG, old version, or Sec. 22 (2) WpHG, new version, amounted to 3% or more:

Prof. Ferdinand Alexander Porsche, Hans-Peter Porsche, Dr. Wolfgang Porsche, Louise Daxer-Piëch, Dr. h.c. Ferdinand Piëch, Dr. Hans-Michel Piëch, Porsche GmbH, Stuttgart.

Dr. Wolfgang Hils

– representing the notifying parties Kommerzialrat Louise Piëch, Dr. techn. h. c. Ferdinand Piëch and Dr. Hans Michel Piëch –

Dr. Oliver Porsche

– representing the other notifying parties – ”

Notification on 1 September 2009:

We were notified of the following on 1 September 2009:

“(1) Pursuant to Sec. 21 (1) WpHG we hereby notify for and on behalf of the State of Qatar, acting by and through the Qatar Investment Authority, P.O. Box: 23224, Doha, Qatar, that its indirect voting rights in Porsche Automobil Holding SE exceeded the thresholds of 3% and 5% and reached the threshold of 10% on 28 August 2009 and amounted to 10% of the voting rights of Porsche Automobil Holding SE (8,750,000 voting rights) as per this date, all of which are attributed to the State of Qatar pursuant to Sec. 22 (1) Sentence 1 No. 1 WpHG. Voting rights that are attributed to the State of Qatar are held via the following entities which are controlled by it and whose attributed proportion of voting rights in Porsche Automobil Holding SE amounts to 3% each or more:

- (a) Qatar Investment Authority, P.O. Box: 23224, Doha, Qatar;
- (b) Qatar Holding LLC, Qatar Finance Centre, 8th Floor, Q-Tel Tower, West Bay, Doha, Qatar;
- (c) Qatar Holding Luxembourg II S.à.r.l., 65 Boulevard Grande-Duchesse Charlotte, L-1331, Luxembourg;
- (d) Qatar Holding Netherlands B.V., Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands.

(2) Pursuant to Sec. 21 (1) WpHG we hereby notify for and on behalf of Qatar Investment Authority, P.O. Box: 23224, Doha, Qatar, that its indirect voting rights in Porsche Automobil Holding SE exceeded the thresholds of 3% and 5% and reached the threshold of 10% on 28 August 2009 and amounted to 10% of the voting rights of Porsche Automobil Holding SE (8,750,000 voting rights) as per this date, all of which are attributed to the Qatar Investment Authority pursuant to Sec. 22 (1) Sentence 1 No. 1 WpHG. Voting rights that are attributed to the Qatar Investment Authority are held via the entities as set forth in (1) (b) through (d) which are controlled by it and whose proportion of voting rights in Porsche Automobil Holding SE amounts to 3% each or more.

(3) Pursuant to Sec. 21 (1) WpHG we hereby notify for and on behalf of Qatar Holding LLC, Qatar Finance Centre, 8th Floor, Q-Tel Tower, West Bay, Doha, Qatar, that its indirect voting rights in Porsche Automobil Holding SE exceeded the thresholds of 3% and 5% and reached the threshold of 10% on 28 August 2009 and amounted to 10% of the voting rights of Porsche Automobil Holding SE (8,750,000 voting rights) as per this date, all of which are attributed to Qatar Holding LLC pursuant to Sec. 22 (1) Sentence 1 No. 1 WpHG. Voting rights that are attributed to Qatar Holding LLC are held via the entities as set forth in (1) (c) through (d) which are controlled by it and whose proportion of voting rights in Porsche Automobil Holding SE amounts to 3% each or more.

(4) Pursuant to Sec. 21 (1) WpHG we hereby notify for and on behalf of Qatar Holding Luxembourg II S.à.r.l., 65 Boulevard Grande-Duchesse Charlotte, L-1331, Luxembourg, that its indirect voting rights in Porsche Automobil Holding SE exceeded the thresholds of 3% and 5% and reached the threshold of 10% on 28 August 2009 and amounted to 10% of the voting rights of Porsche Automobil Holding SE (8,750,000 voting rights) as per this date, all of which are attributed to Qatar Holding Luxembourg II S.à.r.l. pursuant to Sec. 22 (1) Sentence 1 No. 1 WpHG. Voting rights that are attributed to Qatar Holding Luxembourg II S.à.r.l. are held via the entity as set forth in (1) (d) which is controlled by it and whose attributed proportion of voting rights in Porsche Automobil Holding SE amounts to 3% or more.

(5) Pursuant to Sec. 21 (1) WpHG we hereby notify for and on behalf of Qatar Holding Netherlands B.V., Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands, that its direct voting rights in Porsche Automobil Holding SE exceeded the thresholds of 3% and 5% and reached the threshold of 10% on 28 August 2009 and amounted to 10% of the voting rights of Porsche Automobil Holding SE (8,750,000 voting rights) as per this date.

Frankfurt am Main, 1 September 2009”

Notification on 18 December 2009:

We were notified of the following on 18 December 2009:

“Pursuant to Sec. 21 (1) WpHG we hereby notify for and on behalf of Qatar Holding Germany GmbH, Frankfurt am Main, Germany, that its direct voting rights in Porsche Automobil Holding SE exceeded the thresholds of 3% and 5% and reached the threshold of 10% on 18 December 2009 and amounted to 10% of the voting rights of Porsche Automobil Holding SE (8,750,000 voting rights) as per this date.

Frankfurt am Main, 18 December 2009”

Notification on 30 May 2011:

On 30 May 2011, we were informed of the following pursuant to Sec. 21 (1) WpHG:

“The percentage of voting rights held by the following notifying parties in Porsche Automobil Holding SE, Porscheplatz 1, 70435 Stuttgart (“Porsche SE”), fell below the voting rights threshold of 75% on 24 May 2011 and, including the allocations in accordance with Sec. 22 WpHG, amounts to 57.88% (88,627,458 voting rights) as of that date in each case.

1. Dipl.-Ing. Prof. Dr. h.c. Ferdinand Piëch, Salzburg, Austria
2. Ferdinand Karl Alpha Privatstiftung, Vienna, Austria
3. Dr. Hans Michel Piëch, Salzburg, Austria
4. Dipl.-Ing. Dr. h.c. Ferdinand Piëch GmbH, Salzburg, Austria
5. Dr. Hans Michel Piëch GmbH, Salzburg, Austria
6. Ferdinand Piëch GmbH, Grünwald, Germany
7. Hans Michel Piëch GmbH, Grünwald, Germany

A share of 13.97% of the voting rights (21,394,758 voting rights) is allocable to the notifying parties 1 through 5 in accordance with Sec. 22 (1) Sentence 1 No. 1 WpHG and 43.91% (67,232,700 voting rights) is allocable in accordance with Sec. 22 (2) WpHG.

A share of 43.91% of the voting rights (67,232,700 voting rights) is allocable to the notifying parties 6 and 7 in accordance with Sec. 22 (2) WpHG.

The voting rights allocable to the notifying parties listed in the investment chain below are actually held by the controlled entities listed in the investment chain below, whose voting share in Porsche SE amounts to 3% or more in each case:

Investment chain Dipl.-Ing. Dr. h.c. Ferdinand Piëch, Salzburg

1. Dipl.-Ing. Prof. Dr. h.c. Ferdinand Piëch, Salzburg (notifying party)
2. Ferdinand Karl Alpha Privatstiftung, Vienna (notifying party and controlled entity)
3. Dipl.-Ing. Dr. h.c. Ferdinand Piëch GmbH, Salzburg (notifying party and controlled entity)
4. Ferdinand Piëch GmbH, Grünwald (notifying party and controlled entity)

Investment chain Dr. Hans Michel Piëch, Salzburg

1. Dr. Hans Michel Piëch, Salzburg (notifying party)
2. Dr. Hans Michel Piëch GmbH, Salzburg (notifying party and controlled entity)
3. Hans Michel Piëch GmbH, Grünwald (notifying party and controlled entity)

3% or more of the voting rights arising from the shares of the following shareholders were allocated to the other notifying parties in accordance with Sec. 22 (2) WpHG (excluding those notifying parties that have already been allocated voting rights arising from the shares of the respective shareholder in accordance with Sec. 22 (1) No. 1 WpHG): Familien Porsche-Daxer-Piëch Beteiligung GmbH, Grünwald, Familie Porsche Beteiligung GmbH, Grünwald, Porsche GmbH, Stuttgart, Ferdinand Piëch GmbH, Grünwald, Hans Michel Piëch GmbH, Grünwald.”

Notification on 30 May 2011:

On 30 May 2011, we were informed of the following pursuant to Sec. 21 (1) Sentence 1 WpHG:

I.

1. The percentage of voting rights held by the following notifying parties in Porsche Automobil Holding SE, Porscheplatz 1, 70435 Stuttgart, fell below the voting rights threshold of 75% on 24 May 2011 and amounts to 64.20% (98,310,794 voting rights) as of that date.

- a) Mag. Josef Ahorner, Vienna, Austria
- b) Mag. Louise Kiesling, Vienna, Austria
- c) Prof. Ferdinand Alexander Porsche, Gries/Pinzgau, Austria
- d) Dr. Ferdinand Oliver Porsche, Salzburg, Austria
- e) Kai Alexander Porsche, Innsbruck, Austria
- f) Mag. Mark Philipp Porsche, Salzburg, Austria
- g) Gerhard Anton Porsche, Mondsee, Austria
- h) Ferdinand Porsche Privatstiftung, Salzburg, Austria
- i) Ferdinand Porsche Holding GmbH, Salzburg, Austria
- j) Louise Daxer-Piëch GmbH, Salzburg, Austria
- k) Louise Daxer-Piech GmbH, Grünwald, Germany
- l) Prof. Ferdinand Alexander Porsche GmbH, Salzburg, Austria
- m) Ferdinand Alexander Porsche GmbH, Grünwald, Germany
- n) Gerhard Anton Porsche GmbH, Salzburg, Austria
- o) Gerhard Porsche GmbH, Grünwald, Germany
- p) Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald, Germany

2. A share of 27.44% of the voting rights in the issuer (42,021,894 voting rights) is allocable to the notifying parties 1.a) through 1.o) of this section I in accordance with Sec. 22 (1) Sentence 1 No. 1 WpHG and 36.76% (56,288,900 voting rights) is allocable on account of an existing consortium agreement in accordance with Sec. 22 (2) WpHG.

3. A share of 36.76% of the voting rights in the issuer (56,288,900 voting rights) is allocable to Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald, as listed under no. 1.p) of this section I on account of an existing consortium agreement in accordance with Sec. 22 (2) WpHG.

4. The voting rights allocated to Mag. Josef Ahorner, Vienna, Mag. Louise Kiesling, Vienna, Prof. Ferdinand Alexander Porsche, Gries/Pinzgau, Dr. Ferdinand Oliver Porsche, Salzburg, Kai Alexander Porsche, Innsbruck, Mark Philipp Porsche, Salzburg, and Gerhard Anton Porsche, Mondsee, are actually held via the following controlled entities, whose voting share in Porsche SE amounts to 3% or more in each case:

Ferdinand Porsche Privatstiftung, Salzburg, Ferdinand Porsche Holding GmbH, Salzburg, Louise Daxer-Piëch GmbH, Salzburg, Louise Daxer-Piech GmbH, Grünwald, Prof. Ferdinand

Alexander Porsche GmbH, Salzburg, Ferdinand Alexander Porsche GmbH, Grünwald, Gerhard Anton Porsche GmbH, Salzburg, Gerhard Porsche GmbH, Grünwald, Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald

5. The voting rights allocable to Ferdinand Porsche Privatstiftung, Salzburg, are actually held by the following controlled entities, whose voting share in Porsche SE amounts to 3% or more in each case:

Ferdinand Porsche Holding GmbH, Salzburg, Louise Daxer-Piëch GmbH, Salzburg, Louise Daxer-Piech GmbH, Grünwald, Prof. Ferdinand Alexander Porsche GmbH, Salzburg, Ferdinand Alexander Porsche GmbH, Grünwald, Gerhard Anton Porsche GmbH, Salzburg, Gerhard Porsche GmbH, Grünwald, Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald

6. The voting rights allocable to Ferdinand Porsche Holding GmbH, Salzburg, are actually held by the following controlled entities, whose voting share in Porsche SE amounts to 3% or more in each case:

Louise Daxer-Piëch GmbH, Salzburg, Louise Daxer-Piech GmbH, Grünwald, Prof. Ferdinand Alexander Porsche GmbH, Salzburg, Ferdinand Alexander Porsche GmbH, Grünwald, Gerhard Anton Porsche GmbH, Salzburg, Gerhard Porsche GmbH, Grünwald, Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald

7. The voting rights allocable to Louise Daxer-Piëch GmbH, Salzburg, are actually held by the following controlled entities, whose voting share in Porsche SE amounts to 3% or more in each case:

Louise Daxer-Piech GmbH, Grünwald, Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald

8. The voting rights allocable to Prof. Ferdinand Alexander Porsche GmbH, Salzburg, are actually held by the following controlled entities, whose voting share in Porsche SE amounts to 3% or more in each case:

Ferdinand Alexander Porsche GmbH, Grünwald, Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald

9. The voting rights allocable to Gerhard Anton Porsche GmbH, Salzburg, are actually held by the following controlled entities, whose voting share in Porsche SE amounts to 3% or more in each case:

Gerhard Porsche GmbH, Grünwald, Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald

10. The voting rights allocable to Louise Daxer-Piech GmbH, Grünwald, Ferdinand Alexander Porsche GmbH, Grünwald, and Gerhard Porsche GmbH, Grünwald, are actually held by the following controlled entity, whose voting share in Porsche SE amounts to 3% or more:

Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald

11. 3% or more of the voting rights arising from the shares of the following shareholders were allocated to the notifying parties listed under no. 1.a) through 1.p) of this section I in accordance with Sec. 22 (2) WpHG: Familie Porsche Beteiligung GmbH, Grünwald, Porsche Gesellschaft mit beschränkter Haftung, Stuttgart, Ferdinand Piech GmbH, Grünwald, Hans Michel Piech GmbH, Grünwald.

II.

1. The percentage of voting rights held by the following individuals and legal entities in Porsche Automobil Holding SE, Porscheplatz 1, 70435 Stuttgart, fell below the voting rights threshold of 75% on 24 May 2011 and amounts to 63.21% (96,784,524 voting rights) as of that date:

- a) Ing. Hans-Peter Porsche, Salzburg, Austria
- b) Peter Daniell Porsche, Salzburg, Austria
- c) Dr. Wolfgang Porsche, Salzburg, Austria
- d) Familie Porsche Privatstiftung, Salzburg, Austria
- e) Familie Porsche Holding GmbH, Salzburg, Austria
- f) Ing. Hans-Peter Porsche GmbH, Salzburg, Austria
- g) Hans-Peter Porsche GmbH, Grünwald, Germany
- h) Porsche Wolfgang 1. Beteiligungs GmbH & Co. KG, Stuttgart, Germany
- i) Wolfgang Porsche GmbH, Stuttgart, Germany
- j) Familie Porsche Beteiligung GmbH, Grünwald, Germany

2. A share of 25.74% of the voting rights in the issuer (39,413,724 voting rights) is allocable to the notifying parties 1a) through i) in this section II in accordance with Sec. 22 (1) Sentence 1 No. 1 WpHG and 37.47% (57,370,800 voting rights) is allocable in accordance with Sec. 22 (2) WpHG.

3. A share of 37.47% of the voting rights in the issuer (57,370,800 voting rights) is allocable to Familie Porsche Beteiligung GmbH, Grünwald, as listed under no. 2 j) of this section II in accordance with Sec. 22 (2) WpHG.

4. The voting rights allocable to Ing. Hans-Peter Porsche, Salzburg, and Peter Daniell Porsche, Salzburg/Aigen, are actually held by the following controlled entities, whose voting share in Porsche SE amounts to 3% or more in each case:

Familie Porsche Privatstiftung, Salzburg, Familie Porsche Holding GmbH, Salzburg, Ing. Hans-Peter Porsche GmbH, Salzburg, Hans-Peter Porsche GmbH, Grünwald, Familie Porsche Beteiligung GmbH, Grünwald

5. The voting rights allocable to Dr. Wolfgang Porsche, Salzburg, are actually held by the following controlled entities, whose voting share in Porsche SE amounts to 3% or more in each case:

Familie Porsche Privatstiftung, Salzburg, Familie Porsche Holding GmbH, Salzburg, Ing. Hans-Peter Porsche GmbH, Salzburg, Hans-Peter Porsche GmbH, Grünwald, Porsche Wolfgang 1. Beteiligungs GmbH & Co. KG, Stuttgart, Wolfgang Porsche GmbH, Stuttgart, Familie Porsche Beteiligung GmbH, Grünwald

6. The voting rights allocable to Familie Porsche Privatstiftung, Salzburg, are actually held by the following controlled entities, whose voting share in Porsche SE amounts to 3% or more in each case:

Familie Porsche Holding GmbH, Salzburg, Ing. Hans-Peter Porsche GmbH, Salzburg, Hans-Peter Porsche GmbH, Grünwald, Familie Porsche Beteiligung GmbH, Grünwald

7. The voting rights allocable to Familie Porsche Holding GmbH, Salzburg, are actually held by the following controlled entities, whose voting share in Porsche SE amounts to 3% or more in each case:

Ing. Hans-Peter Porsche GmbH, Salzburg, Hans-Peter Porsche GmbH, Grünwald, Familie Porsche Beteiligung GmbH, Grünwald

8. The voting rights allocable to Ing. Hans-Peter Porsche GmbH, Salzburg, are actually held by the following controlled entities, whose voting share in Porsche SE amounts to 3% or more in each case:

Hans-Peter Porsche GmbH, Grünwald, Familie Porsche Beteiligung GmbH, Grünwald

9. The voting rights allocable to Porsche Wolfgang 1. Beteiligungs GmbH & Co. KG, Stuttgart, are actually held by the following controlled entities, whose voting share in Porsche SE amounts to 3% or more in each case:

Wolfgang Porsche GmbH, Stuttgart, Familie Porsche Beteiligung GmbH, Grünwald

10. The voting rights allocable to Hans-Peter Porsche GmbH, Grünwald, and Wolfgang Porsche GmbH, Stuttgart, are actually held by the following controlled entity, whose voting share in Porsche SE amounts to 3% or more:

Familie Porsche Beteiligung GmbH, Grünwald

11. 3% or more of the voting rights arising from the shares of the following shareholders were allocated to the notifying parties listed under no. 1.a) through 1.j) of this section II in accordance with Sec. 22 (2) WpHG: Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald, Porsche Gesellschaft mit beschränkter Haftung, Stuttgart, Ferdinand Piech GmbH, Grünwald, Hans Michel Piech GmbH, Grünwald.

III.

1. The percentage of voting rights held by Porsche Gesellschaft mit beschränkter Haftung, Stuttgart, in Porsche Automobil Holding SE, Porscheplatz 1, 70435 Stuttgart, fell below the voting rights threshold of 75% on 24 May 2011 and amounts to 52.55% (80,462,267 voting rights) as of that date.

2. A share of 43.67% of the voting rights in the issuer (66,874,900 voting rights) is allocable to Porsche Gesellschaft mit beschränkter Haftung, Stuttgart, in accordance with Sec. 22 (2) WpHG.

3. 3% or more of the voting rights arising from the shares of the following shareholders were allocated to Porsche Gesellschaft mit beschränkter Haftung, Stuttgart, in accordance with Sec. 22 (2) WpHG: Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald, Familie Porsche Beteiligung GmbH, Grünwald, Ferdinand Piech GmbH, Grünwald, Hans Michel Piech GmbH, Grünwald.

IV.

1. The percentage of voting rights held by Porsche Familienholding GmbH, Salzburg, Austria, and Porsche Gesellschaft m.b.H., Salzburg, Austria, in Porsche Automobil Holding SE, Porscheplatz 1, 70435 Stuttgart, fell below the voting rights threshold of 75% on 24 May 2011 and amounts to 73.28% (112,205,710 voting rights) as of that date.

2. A share of 8.87% of the voting rights in the issuer (13,587,367 voting rights) is allocable to Porsche Familienholding GmbH, Salzburg, and Porsche Gesellschaft m.b.H., Salzburg, in accordance with Sec. 22 (1) Sentence 1 No. 1 WpHG (in conjunction with Sec. 22 (1) Sentence 2 WpHG), 20.73% of the voting rights in the issuer (31,743,443 voting rights) in accordance with Sec. 22 (1) Sentence 1 No. 2 WpHG and 43.67% (66,874,900 voting rights) is allocable on account of an existing consortium agreement in accordance with Sec. 22 (2) WpHG.

3. The voting rights allocated to Porsche Familienholding GmbH, Salzburg, in accordance with Sec. 22 (1) Sentence 1 No. 1 WpHG are actually held via the following controlled entities, whose voting share in Porsche SE amounts to 3% or more in each case:

Porsche Gesellschaft m.b.H., Salzburg, Porsche Gesellschaft mit beschränkter Haftung, Stuttgart

4. The voting rights allocated to Porsche Gesellschaft m.b.H., Salzburg, in accordance with Sec. 22 (1) Sentence 1 No. 1 WpHG are actually held via the following controlled entity whose voting share in Porsche SE amounts to 3% or more:

Porsche Gesellschaft mit beschränkter Haftung, Stuttgart

5. 3% or more of the voting rights arising from the shares of the following shareholders are allocated to Porsche Familienholding GmbH, Salzburg, and Porsche Gesellschaft m.b.H., Salzburg, in accordance with Sec. 22 (1) Sentence 1 No. 2 WpHG (in conjunction with Sec. 22 (1) Sentence 2 WpHG):

Familie Porsche Beteiligung GmbH, Stuttgart, Familien Porsche-Daxer-Piech Beteiligung GmbH, Stuttgart

6. 3% or more of the voting rights arising from the shares of the following shareholders are allocated to Porsche Familienholding GmbH, Salzburg, and Porsche Gesellschaft m.b.H., Salzburg, in accordance with Sec. 22 (2) WpHG: Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald, Familie Porsche Beteiligung GmbH, Grünwald, Ferdinand Piech GmbH, Grünwald, Hans Michel Piech GmbH, Grünwald

Notification on 30 May 2011:

On 30 May 2011, we were informed of the following pursuant to Sec. 21 (1) Sentence 1 WpHG:

“1. The percentage of voting rights held by ESP 1520 GmbH, PP 1320 GmbH, ESP 1530 GmbH and PP 1330 GmbH, all based in Grünwald, Germany, in Porsche Automobil Holding SE, Porscheplatz 1, 70435 Stuttgart, exceeded the voting rights threshold of 3% on 24 May 2011 and amounts to 4.89% in each case (7,481,664 voting rights) as of that date. All of these voting rights are allocated to ESP 1520 GmbH and ESP 1530 GmbH and PP 1320 GmbH and PP 1330 GmbH each in accordance with Sec. 22 (1) Sentence 1 No. 2 WpHG (the latter in conjunction with Sec. 22 (1) Sentence 2 WpHG). 3% or more of the shares held by Familie Porsche Beteiligung GmbH, Stuttgart, are allocated to ESP 1520 GmbH, PP 1320 GmbH, ESP 1530 GmbH and PP 1330 GmbH in each case.

2. The percentage of voting rights held by PP 1480 GmbH and PP 1420 GmbH, both based in Grünwald, Germany, in Porsche Automobil Holding SE, Porscheplatz 1, 70435 Stuttgart, exceeded the voting rights threshold of 3% on 24 May 2011 and amounts to 4.91% in each case (7,514,342 voting rights) as of that date. All of these voting rights are allocated to PP 1480 GmbH and PP 1420 GmbH each in accordance with Sec. 22 (1) Sentence 1 No. 2 WpHG (the latter in conjunction with Sec. 22 (1) Sentence 2 WpHG). 3% or more of the shares held by

Familien Porsche-Daxer-Piech Beteiligung GmbH, Stuttgart, are allocated to PP 1480 GmbH and PP 1420 GmbH in each case.

3. The percentage of voting rights held by Porsche Verwaltungs GmbH, Salzburg, Austria, in Porsche Automobil Holding SE, Porscheplatz 1, 70435 Stuttgart, exceeded the voting rights threshold of 20% on 24 May 2011 and amounts to 20.73% (31,743,443 voting rights) as of that date. All of these voting rights are allocated to Porsche Verwaltungs GmbH in accordance with Sec. 22 (1) Sentence 1 No. 2 WpHG (in conjunction with Sec. 22 (1) Sentence 2 WpHG). 3% or more of the voting rights arising from the shares of the following shareholders were allocated to Porsche Verwaltungs GmbH: Familie Porsche Beteiligung GmbH, Stuttgart, Familien Porsche-Daxer-Piech Beteiligung GmbH, Stuttgart. These voting rights were not obtained by exercise of purchase rights resulting from financial instruments according to Sec. 25 (1) Sentence 1 WpHG.”

Notification on 21 June 2011:

With reference to its voting rights notification dated 30 May 2011, Porsche Verwaltungs GmbH, Salzburg, Austria, informed Porsche Automobil Holding SE, Stuttgart, Germany, on 21 June 2011 in accordance with Sec. 21 (1) WpHG of the following:

“Correcting the voting rights notification by Porsche Verwaltungs GmbH dated 30 May 2011, we hereby inform you that the percentage of voting rights held by Porsche Verwaltungs GmbH, Salzburg, Austria, in Porsche Automobil Holding SE, Stuttgart, Germany, exceeded the voting rights threshold of 3%, 5%, 10%, 15% and 20% on 24 May 2011 and amounts to 20.73% as of that date (31,743,443 voting rights). All of these voting rights are allocated to Porsche Verwaltungs GmbH in accordance with Sec. 22 (1) Sentence 1 No. 2 WpHG (in conjunction with Sec. 22 (1) Sentence 2 WpHG). 3% or more of the voting rights arising from the shares of the following shareholders were allocated to Porsche Verwaltungs GmbH: Familie Porsche Beteiligung GmbH, Stuttgart, Familien Porsche-Daxer-Piech Beteiligung GmbH, Stuttgart. These voting rights were not obtained by exercise of purchase rights resulting from financial instruments according to Sec. 25 (1) Sentence 1 WpHG.”

Notification on 5 October 2011:

Porsche Automobil Holding SE, Porscheplatz 1, 70435 Stuttgart, Germany, was informed of the following on 5 October 2011 pursuant to Sec. 21 (1) Sentence 1 WpHG:

I.

1. The percentage of voting rights held by the following notifying party in Porsche Automobil Holding SE, Porscheplatz 1, 70435 Stuttgart, exceeded the voting rights threshold of 75% on 4 October 2011 and amounts to 80.23% (122,849,172 voting rights) as of that date.

- a) Mag. Josef Ahorner, Vienna, Austria
- b) Mag. Louise Kiesling, Vienna, Austria
- c) Prof. Ferdinand Alexander Porsche, Gries/Pinzgau, Austria
- d) Dr. Ferdinand Oliver Porsche, Salzburg, Austria
- e) Kai Alexander Porsche, Innsbruck, Austria
- f) Mag. Mark Philipp Porsche, Salzburg, Austria
- g) Gerhard Anton Porsche, Mondsee, Austria
- h) Ferdinand Porsche Privatstiftung, Salzburg, Austria
- i) Ferdinand Porsche Holding GmbH, Salzburg, Austria
- j) Louise Daxer-Piech GmbH, Salzburg, Austria
- k) Louise Daxer-Piech GmbH, Grünwald, Germany
- l) Prof. Ferdinand Alexander Porsche GmbH, Salzburg, Austria
- m) Ferdinand Alexander Porsche GmbH, Grünwald, Germany
- n) Gerhard Anton Porsche GmbH, Salzburg, Austria
- o) Gerhard Porsche GmbH, Grünwald, Germany
- p) Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald, Germany

2. A share of 27.44% of the voting rights in the issuer (42,021,894 voting rights) is allocable to the notifying parties 1.a) through 1.o) of this section I in accordance with Sec. 22 (1) Sentence 1 No. 1 WpHG and 52.79% (80,827,278 voting rights) is allocable on account of a consortium agreement in accordance with Sec. 22 (2) WpHG.

3. A share of 52.79% of the voting rights in the issuer (80,827,278 voting rights) is allocable to Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald, as listed under no. 1.p) of this section I on account of a consortium agreement in accordance with Sec. 22 (2) WpHG.

4. The voting rights allocated to Mag. Josef Ahorner, Vienna, Mag. Louise Kiesling, Vienna, Prof. Ferdinand Alexander Porsche, Gries/Pinzgau, Dr. Ferdinand Oliver Porsche, Salzburg, Kai Alexander Porsche, Innsbruck, Mark Philipp Porsche, Salzburg, and Gerhard Anton Porsche, Mondsee, are actually held via the following controlled entities, whose voting share in Porsche SE amounts to 3% or more in each case:

Ferdinand Porsche Privatstiftung, Salzburg, Ferdinand Porsche Holding GmbH, Salzburg, Louise Daxer-Piech GmbH, Salzburg, Louise Daxer-Piech GmbH, Grünwald, Prof. Ferdinand Alexander Porsche GmbH, Salzburg, Ferdinand Alexander Porsche GmbH, Grünwald, Gerhard Anton Porsche GmbH, Salzburg, Gerhard Porsche GmbH, Grünwald, Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald

5. The voting rights allocable to Ferdinand Porsche Privatstiftung, Salzburg, are actually held by the following controlled entities, whose voting share in Porsche SE amounts to 3% or more in each case:

Ferdinand Porsche Holding GmbH, Salzburg, Louise Daxer-Piech GmbH, Salzburg, Louise Daxer-Piech GmbH, Grünwald, Prof. Ferdinand Alexander Porsche GmbH, Salzburg, Ferdinand

Alexander Porsche GmbH, Grünwald, Gerhard Anton Porsche GmbH, Salzburg, Gerhard Porsche GmbH, Grünwald, Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald

6. The voting rights allocable to Ferdinand Porsche Holding GmbH, Salzburg, are actually held by the following controlled entities, whose voting share in Porsche SE amounts to 3% or more in each case:

Louise Daxer-Piech GmbH, Salzburg, Louise Daxer-Piech GmbH, Grünwald, Prof. Ferdinand Alexander Porsche GmbH, Salzburg, Ferdinand Alexander Porsche GmbH, Grünwald, Gerhard Anton Porsche GmbH, Salzburg, Gerhard Porsche GmbH, Grünwald, Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald

7. The voting rights allocable to Louise Daxer-Piech GmbH, Salzburg, are actually held by the following controlled entities, whose voting share in Porsche SE amounts to 3% or more in each case:

Louise Daxer-Piech GmbH, Grünwald, Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald

8. The voting rights allocable to Prof. Ferdinand Alexander Porsche GmbH, Salzburg, are actually held by the following controlled entities, whose voting share in Porsche SE amounts to 3% or more in each case:

Ferdinand Alexander Porsche GmbH, Grünwald, Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald

9. The voting rights allocable to Gerhard Anton Porsche GmbH, Salzburg, are actually held by the following controlled entities, whose voting share in Porsche SE amounts to 3% or more in each case:

Gerhard Porsche GmbH, Grünwald, Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald

10. The voting rights allocable to Louise Daxer-Piech GmbH, Grünwald, Ferdinand Alexander Porsche GmbH, Grünwald, and Gerhard Porsche GmbH, Grünwald, are actually held by the following controlled entity, whose voting share in Porsche SE amounts to 3% or more:

Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald

11. 3% or more of the voting rights arising from the shares of the following shareholders were allocated to the notifying parties listed under no. 1.a) through 1.p) of this section I in accordance with Sec. 22 (2) WpHG: Familie Porsche Beteiligung GmbH, Grünwald, Porsche Gesellschaft mit beschränkter Haftung, Stuttgart, Ferdinand Piëch GmbH, Grünwald, Hans Michel Piëch GmbH, Grünwald.

II.

1. The percentage of voting rights held by the following individuals and legal entities in Porsche Automobil Holding SE, Porscheplatz 1, 70435 Stuttgart, exceeded the voting rights threshold of 75% on 4 October 2011 and amounts to 79.33% (121,478,320 voting rights) as of that date:

- a) Ing. Hans-Peter Porsche, Salzburg, Austria
- b) Peter Daniell Porsche, Salzburg, Austria
- c) Dr. Wolfgang Porsche, Salzburg, Austria
- d) Familie Porsche Privatstiftung, Salzburg, Austria
- e) Familie Porsche Holding GmbH, Salzburg, Austria
- f) Ing. Hans-Peter Porsche GmbH, Salzburg, Austria
- g) Hans-Peter Porsche GmbH, Grünwald, Germany
- h) Porsche Wolfgang 1. Beteiligungs GmbH & Co. KG, Stuttgart, Germany
- i) Wolfgang Porsche GmbH, Stuttgart, Germany
- j) Familie Porsche Beteiligung GmbH, Grünwald, Germany

2. A share of 25.74% of the voting rights in the issuer (39,413,724 voting rights) is allocable to the notifying parties 1.a) through i) in this section II in accordance with Sec. 22 (1) Sentence 1 No. 1 WpHG and 53.59% (82,064,596 voting rights) is allocable in accordance with Sec. 22 (2) WpHG.

3. A share of 53.59% of the voting rights in the issuer (82,064,596 voting rights) is allocable to Familie Porsche Beteiligung GmbH, Grünwald, as listed under no. 2 j) of this section II in accordance with Sec. 22 (2) WpHG.

4. The voting rights allocable to Ing. Hans-Peter Porsche, Salzburg, and Peter Daniell Porsche, Salzburg, are actually held by the following controlled entities, whose voting share in Porsche SE amounts to 3% or more in each case:

Familie Porsche Privatstiftung, Salzburg, Familie Porsche Holding GmbH, Salzburg, Ing. Hans-Peter Porsche GmbH, Salzburg, Hans-Peter Porsche GmbH, Grünwald, Familie Porsche Beteiligung GmbH, Grünwald

5. The voting rights allocable to Dr. Wolfgang Porsche, Salzburg, are actually held by the following controlled entities, whose voting share in Porsche SE amounts to 3% or more in each case:

Familie Porsche Privatstiftung, Salzburg, Familie Porsche Holding GmbH, Salzburg, Ing. Hans-Peter Porsche GmbH, Salzburg, Hans-Peter Porsche GmbH, Grünwald, Porsche Wolfgang 1. Beteiligungs GmbH & Co. KG, Stuttgart, Wolfgang Porsche GmbH, Stuttgart, Familie Porsche Beteiligung GmbH, Grünwald

6. The voting rights allocable to Familie Porsche Privatstiftung, Salzburg, are actually held by the following controlled entities, whose voting share in Porsche SE amounts to 3% or more in each case:

Familie Porsche Holding GmbH, Salzburg, Ing. Hans-Peter Porsche GmbH, Salzburg, Hans-Peter Porsche GmbH, Grünwald, Familie Porsche Beteiligung GmbH, Grünwald

7. The voting rights allocable to Familie Porsche Holding GmbH, Salzburg, are actually held by the following controlled entities, whose voting share in Porsche SE amounts to 3% or more in each case:

Ing. Hans-Peter Porsche GmbH, Salzburg, Hans-Peter Porsche GmbH, Grünwald, Familie Porsche Beteiligung GmbH, Grünwald

8. The voting rights allocable to Ing. Hans-Peter Porsche GmbH, Salzburg, are actually held by the following controlled entities, whose voting share in Porsche SE amounts to 3% or more in each case:

Hans-Peter Porsche GmbH, Grünwald, Familie Porsche Beteiligung GmbH, Grünwald

9. The voting rights allocable to Porsche Wolfgang 1. Beteiligungs GmbH & Co. KG, Stuttgart, are actually held by the following controlled entities, whose voting share in Porsche SE amounts to 3% or more in each case:

Wolfgang Porsche GmbH, Stuttgart, Familie Porsche Beteiligung GmbH, Grünwald

10. The voting rights allocable to Hans-Peter Porsche GmbH, Grünwald, and Wolfgang Porsche GmbH, Stuttgart, are actually held by the following controlled entity, whose voting share in Porsche SE amounts to 3% or more:

Familie Porsche Beteiligung GmbH, Grünwald

11. 3% or more of the voting rights arising from the shares of the following shareholders were allocated to the notifying parties listed under no. 1.a) through 1.j) of this section II in accordance with Sec. 22 (2) WpHG: Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald, Porsche Gesellschaft mit beschränkter Haftung, Stuttgart, Ferdinand Piëch GmbH, Grünwald, Hans Michel Piëch GmbH, Grünwald.

III.

1. The percentage of voting rights held by Porsche Piech Holding GmbH, Salzburg, in Porsche Automobil Holding SE, Porscheplatz 1, 70435 Stuttgart, exceeded the voting rights threshold of 75% on 4 October 2011 and amounts to 90.00% (137,812,500 voting rights) as of that date.

2. A share of 8.87% of the voting rights in the issuer (13,587,367 voting rights) is allocable to Porsche Piech Holding GmbH, Salzburg, in accordance with Sec. 22 (1) Sentence 1 No. 1 WpHG, 20.44% of the voting rights in the issuer (31,297,508 voting rights) is allocable in accordance with Sec. 22 (1) Sentence 1 No. 2 WpHG (in conjunction with Sec. 22 (1) Sentence 2 WpHG) and 60.69% of the voting rights in the issuer (92,927,625 voting rights) is allocable on account of a consortium agreement in accordance with Sec. 22 (2) WpHG.

3. The voting rights allocated to Porsche Piech Holding GmbH, Salzburg, in accordance with Sec. 22 (1) Sentence 1 No. 1 WpHG are actually held via the following controlled entities, whose voting share in Porsche SE amounts to 3% or more in each case:

Porsche Gesellschaft m.b.H., Salzburg, Porsche Gesellschaft mit beschränkter Haftung, Stuttgart

4. 3% or more of the voting rights arising from the shares of the following shareholders are allocated to Porsche Piech Holding GmbH, Salzburg, in accordance with Sec. 22 (1) Sentence 1 No. 2 WpHG (in conjunction with Sec. 22 (1) Sentence 2 WpHG):

Familie Porsche Beteiligung GmbH, Grünwald, Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald

5. 3% or more of the voting rights arising from the shares of the following shareholders were allocated to Porsche Piech Holding GmbH, Salzburg, in accordance with Sec. 22 (2) WpHG:

Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald, Familie Porsche Beteiligung GmbH, Grünwald, Ferdinand Piëch GmbH, Grünwald, Hans Michel Piëch GmbH, Grünwald

The voting rights pursuant to sections I to III were not obtained by exercise of rights resulting from financial instruments according to Sec. 25 (1) Sentence 1 WpHG to acquire shares in the issuer.”

Notification on 5 October 2011:

Porsche Automobil Holding SE, Porscheplatz 1, 70435 Stuttgart, Germany, was informed of the following on 5 October 2011 pursuant to Sec. 21 (1) Sentence 1 WpHG:

“1. The percentage of voting rights held by Porsche Piech Holding GmbH, Salzburg, Austria, in Porsche Automobil Holding SE, Porscheplatz 1, 70435 Stuttgart, fell below the voting rights

threshold of 75% on 5 October 2011 and amounts to 69.56% (106,514,992 voting rights) as of that date. A share of 8.87% of the voting rights (13,587,367 voting rights) is allocable to Porsche Piech Holding GmbH in accordance with Sec. 22 (1) Sentence 1 No. 1 WpHG and 60.69% of the voting rights in the issuer (92,927,625 voting rights) is allocable on account of an existing consortium agreement in accordance with Sec. 22 (2) WpHG. The voting rights allocated to Porsche Piech Holding GmbH in accordance with Sec. 22 (1) Sentence 1 No. 1 WpHG are actually held via the following controlled entities, whose voting share in Porsche SE amounts to 3% or more: Porsche Gesellschaft m.b.H., Salzburg, Porsche Gesellschaft mit beschränkter Haftung, Stuttgart.

3% or more of the voting rights arising from the shares of the following shareholders were allocated to Porsche Piech Holding GmbH in accordance with Sec. 22 (2) WpHG: Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald, Germany, Familie Porsche Beteiligung GmbH, Grünwald, Germany, Ferdinand Piëch GmbH, Grünwald, Germany, Hans Michel Piëch GmbH, Grünwald, Germany.

2. The percentage of voting rights held by Porsche Piech Zweite Familienholding Neu GmbH, Salzburg, Austria, in Porsche Automobil Holding SE, Porscheplatz 1, 70435 Stuttgart, exceeded the voting rights thresholds of 3%, 5%, 10%, 15% and 20% on 5 October 2011 and amounts to 20.44% (31,297,508 voting rights) as of that date. All of these voting rights are allocated to Porsche Piech Zweite Familienholding Neu GmbH in accordance with Sec. 22 (1) Sentence 1 No. 2 WpHG (in conjunction with Sec. 22 (1) Sentence 2 WpHG). 3% or more of the voting rights arising from the shares of the following shareholders were allocated to Porsche Piech Zweite Familienholding Neu GmbH:

Familie Porsche Beteiligung GmbH, Grünwald, Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald.

These voting rights were not obtained by exercise of purchase rights resulting from financial instruments according to Sec. 25 (1) Sentence 1 WpHG.”

Notification on 3 November 2011:

Porsche Automobil Holding SE, Porscheplatz 1, 70435 Stuttgart, Germany, was informed of the following on 3 November 2011 pursuant to Sec. 21 (1) Sentence 1 WpHG:

“1. The percentage of voting rights held by ZH 1320 GmbH, Salzburg, Austria, in Porsche Automobil Holding SE, Porscheplatz 1, 70435 Stuttgart, exceeded the voting rights threshold of 3% on 28 October 2011 and amounts to 4.89% (7,481,664 voting rights) as of that date. All of these voting rights are allocated to ZH 1320 GmbH in accordance with Sec. 22 (1) Sentence 1 No. 2 WpHG in conjunction with Sec. 22 (1) Sentence 2 WpHG. 3% or more of the voting rights arising from the shares of the following shareholder were allocated to ZH 1320 GmbH: Familie Porsche Beteiligung GmbH, Grünwald, Germany.

2. The percentage of voting rights held by ZH 1330 GmbH, Salzburg, Austria, in Porsche Automobil Holding SE, Porscheplatz 1, 70435 Stuttgart, exceeded the voting rights threshold of 3% on 28 October 2011 and amounts to 4.89% (7,481,664 voting rights) as of that date. All of these voting rights are allocated to ZH 1330 GmbH in accordance with Sec. 22 (1) Sentence 1 No. 2 WpHG in conjunction with Sec. 22 (1) Sentence 2 WpHG. 3% or more of the voting rights arising from the shares of the following shareholder were allocated to ZH 1330 GmbH: Familie Porsche Beteiligung GmbH, Grünwald, Germany.

3. The percentage of voting rights held by ZH 1420 GmbH, Salzburg, Austria, in Porsche Automobil Holding SE, Porscheplatz 1, 70435 Stuttgart, exceeded the voting rights threshold of 3% on 28 October 2011 and amounts to 4.91% (7,514,342 voting rights) as of that date. All of these voting rights are allocated to ZH 1420 GmbH in accordance with Sec. 22 (1) Sentence 1 No. 2 WpHG in conjunction with Sec. 22 (1) Sentence 2 WpHG. 3% or more of the voting rights arising from the shares of the following shareholder were allocated to ZH 1420 GmbH: Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald, Germany. These voting rights were not obtained by exercise of purchase rights resulting from financial instruments according to Sec. 25 (1) Sentence 1 WpHG.”

In addition, Porsche Automobil Holding SE, Porscheplatz 1, 70435 Stuttgart, Germany, was informed that:

“4. Porsche Verwaltungs GmbH, Salzburg, Austria, has been dissolved through merger.

5. Porsche Piech Zweite Familienholding Neu GmbH, Salzburg, Austria, has been dissolved through spin-off.”

Notification on 3 November 2011:

Porsche Automobil Holding SE, Porscheplatz 1, 70435 Stuttgart, Germany, was informed by Porsche Wolfgang 2. Beteiligungs GmbH & Co. KG, Stuttgart, Germany, on 3 November 2011 pursuant to Sec. 21 (1) Sentence 1 WpHG that the voting share held by this entity in Porsche Automobil Holding SE, Porscheplatz 1, 70435 Stuttgart, exceeded the voting rights threshold of 3% on 28 October 2011 and amounted to 4.89% of the voting rights in the issuer (7,481,664 voting rights) as of that date.

All of these voting rights are allocated to Porsche Wolfgang 2. Beteiligungs GmbH & Co. KG in accordance with Sec. 22 (1) Sentence 1 No. 2 WpHG in conjunction with Sec. 22 (1) Sentence 2 WpHG.

3% or more of the voting rights arising from the shares of the following shareholder were allocated to Porsche Wolfgang 2. Beteiligungs GmbH & Co. KG:

Familie Porsche Beteiligung GmbH, Grünwald, Germany.

These voting rights were not obtained by exercise of purchase rights resulting from financial instruments according to Sec. 25 (1) Sentence 1 WpHG.

Notification on 7 December 2011:

Porsche Automobil Holding SE, Porscheplatz 1, 70435 Stuttgart, Germany, was informed of the following on 7 December 2011 pursuant to Sec. 21 (1) WpHG:

“The percentage of voting rights held by each of the following individuals and legal entities (“notifying parties”) in Porsche Automobil Holding SE, Porscheplatz 1, 70435 Stuttgart, Germany, exceeded the voting rights threshold of 75% on 5 December 2011 and amounts to 78.63% (120,395,572 of a total of 153,125,000 voting rights in Porsche Automobil Holding SE) as of that date:

1. Prof. Dipl.-Ing. Dr. h.c. Ferdinand Karl Piëch, Salzburg, Austria;
2. Ferdinand Karl Alpha Privatstiftung, Vienna, Austria;
3. Dipl.-Ing. Dr. h.c. Ferdinand Piëch GmbH, Salzburg, Austria;
4. Dr. Hans Michel Piëch, Vienna, Austria;
5. Dr. Hans Michel Piech GmbH, Salzburg, Austria;
6. Ferdinand Piëch GmbH, Grünwald, Germany;
7. Hans-Michel Piëch GmbH, Grünwald, Germany.

A share of 13.97% of the voting rights (21,394,758 voting rights) is allocable to the notifying parties 1 through 3 in accordance with Sec. 22 (1) Sentence 1 No. 1 WpHG and 64.65% (99,000,814 voting rights) is allocable in accordance with Sec. 22 (2) WpHG.

A share of 13.97% of the voting rights (21,394,757 voting rights) is allocable to the notifying parties 4 and 5 in accordance with Sec. 22 (1) Sentence 1 No. 1 WpHG and 64.65% (99,000,815 voting rights) is allocable in accordance with Sec. 22 (2) WpHG.

A share of 64.65% of the voting rights (99,000,814 voting rights) is allocable to the notifying party 6 in accordance with Sec. 22 (2) WpHG.

A share of 64.65% of the voting rights (99,000,815 voting rights) is allocable to the notifying party 7 in accordance with Sec. 22 (2) WpHG.

The voting rights allocated to the notifying parties 1 through 5 in accordance with Sec. 22 (1) Sentence 1 No. 1 WpHG were allocated to each notifying party via the following subsidiaries as defined by Sec. 22 (3) WpHG:

1. Notifying party: Prof. Dipl.-Ing. Dr. h.c. Ferdinand Karl Piëch, Salzburg, Austria
Subsidiaries as defined by Sec. 22 (1) Sentence 1 No. 1, (3) WpHG:*

* Ferdinand Karl Alpha Privatstiftung, Vienna, Austria;

- * Dipl.-Ing. Dr. h.c. Ferdinand Piech GmbH, Salzburg, Austria;
- * Ferdinand Piëch GmbH, Grünwald, Germany;

2. Notifying party: Ferdinand Karl Alpha Privatstiftung, Vienna, Austria
Subsidiaries as defined by Sec. 22 (1) Sentence 1 No. 1, (3) WpHG:

- * Dipl.-Ing. Dr. h.c. Ferdinand Piech GmbH, Salzburg, Austria;
- * Ferdinand Piëch GmbH, Grünwald, Germany;

3. Notifying party: Dipl.-Ing. Dr. h.c. Ferdinand Piech GmbH, Salzburg, Austria
Subsidiaries as defined by Sec. 22 (1) Sentence 1 No. 1, (3) WpHG:

- * Ferdinand Piëch GmbH, Grünwald, Germany;

4. Notifying party: Dr. Hans Michel Piëch, Vienna, Austria
Subsidiaries as defined by Sec. 22 (1) Sentence 1 No. 1, (3) WpHG:

- * Dr. Hans Michel Piech GmbH, Salzburg, Austria;
- * Hans-Michel Piëch GmbH, Grünwald, Germany;

5. Notifying party: Dr. Hans Michel Piech GmbH, Salzburg, Austria
Subsidiaries as defined by Sec. 22 (1) Sentence 1 No. 1, (3) WpHG:

- * Hans-Michel Piëch GmbH, Grünwald, Germany.

3% or more of the voting rights arising from the shares of the following shareholders were allocated to the other notifying parties in accordance with Sec. 22 (2) WpHG (excluding those notifying parties that have already been allocated voting rights arising from the shares of the respective shareholder in accordance with Sec. 22 (1) Sentence 1 No. 1 WpHG):

- * Ferdinand Piëch GmbH, Grünwald, Germany;
- * Hans-Michel Piëch GmbH, Grünwald, Germany;
- * Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald, Germany;
- * Porsche Gesellschaft mit beschränkter Haftung, Stuttgart, Germany;
- * Familie Porsche Beteiligung GmbH, Grünwald, Germany.”

Notification on 7 December 2011:

Porsche Automobil Holding SE, Porscheplatz 1, 70435 Stuttgart, Germany, was informed of the following on 7 December 2011 pursuant to Sec. 21 (1) WpHG:

“The percentage of voting rights held by ZH 1420 GmbH, Salzburg, Austria, and PP 1420 GmbH, Grünwald, Germany, in Porsche Automobil Holding SE, Porscheplatz 1, 70435 Stuttgart, fell below the voting rights threshold of 3% on 5 December 2011 and amounts to 0.00% of voting rights in the issuer in each case (0 voting rights) as of that date.

PP 1480 GmbH, Grünwald, Germany, has been dissolved through merger.”

Notification on 7 December 2011:

Porsche Automobil Holding SE, Porscheplatz 1, 70435 Stuttgart, Germany, was informed of the following on 7 December 2011 pursuant to Sec. 21 (1) WpHG:

“1. The percentage of voting rights held by Porsche Piech Holding AG, Salzburg, Austria, in Porsche Automobil Holding SE, Porscheplatz 1, 70435 Stuttgart, exceeded the voting rights threshold of 75% on 5 December 2011 and amounts to 78.63% (120,395,572 voting rights) as of that date. A share of 8.87% of the voting rights (13,587,367 voting rights) is allocable to Porsche Piech Holding AG in accordance with Sec. 22 (1) Sentence 1 No. 1 WpHG and 69.75% (106,808,205 voting rights) is allocable on account of an existing consortium agreement in accordance with Sec. 22 (2) WpHG. The voting rights allocated to Porsche Piech Holding AG in accordance with Sec. 22 (1) Sentence 1 No. 1 WpHG are actually held via the following controlled entities, whose voting share in Porsche SE amounts to 3% or more in each case: Porsche Gesellschaft m.b.H., Salzburg, Austria, Porsche Gesellschaft mit beschränkter Haftung, Stuttgart, Germany. 3% or more of the voting rights arising from the shares of the following shareholders were allocated to Porsche Piech Holding AG in accordance with Sec. 22 (2) WpHG: Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald, Germany, Familie Porsche Beteiligung GmbH, Grünwald, Germany, Ferdinand Piëch GmbH, Grünwald, Germany, Hans Michel Piëch GmbH, Grünwald, Germany.

2. The percentage of voting rights held by Porsche Gesellschaft m.b.H., Salzburg, Austria, in Porsche Automobil Holding SE, Porscheplatz 1, 70435 Stuttgart, exceeded the voting rights threshold of 75% on 5 December 2011 and amounts to 78.63% (120,395,572 voting rights) as of that date. A share of 8.87% of the voting rights (13,587,367 voting rights) is allocable to Porsche Gesellschaft m.b.H., Salzburg, Austria, in accordance with Sec. 22 (1) Sentence 1 No. 1 WpHG and 69.75% (106,808,205 voting rights) is allocable on account of an existing consortium agreement in accordance with Sec. 22 (2) WpHG. The voting rights allocated to Porsche Gesellschaft m.b.H., Salzburg, Austria, in accordance with Sec. 22 (1) Sentence 1 No. 1 WpHG are actually held via the following controlled entity, whose voting share in Porsche SE amounts to 3% or more: Porsche Gesellschaft mit beschränkter Haftung, Stuttgart, Germany. 3% or more of the voting rights arising from the shares of the following shareholders were allocated to Porsche Gesellschaft m.b.H., Salzburg, Austria, in accordance with Sec. 22 (2) WpHG: Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald, Germany, Familie Porsche Beteiligung GmbH, Grünwald, Germany, Ferdinand Piëch GmbH, Grünwald, Germany, Hans Michel Piëch GmbH, Grünwald, Germany.

3. The percentage of voting rights held by Porsche Gesellschaft mit beschränkter Haftung, Stuttgart, Germany, in Porsche Automobil Holding SE, Porscheplatz 1, 70435 Stuttgart, exceeded the voting rights threshold of 75% on 5 December 2011 and amounts to 78.63% (120,395,572 voting rights) as of that date. A share of 69.75% of the voting rights (106,808,205 voting rights) is allocable to Porsche Gesellschaft mit beschränkter Haftung, Stuttgart, Germany, on account of an existing consortium agreement in accordance with Sec. 22 (2) WpHG. 3% or more of the voting rights arising from the shares of the following shareholders were allocated to Porsche Gesellschaft mit beschränkter Haftung, Stuttgart, in accordance with Sec. 22 (2)

WpHG: Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald, Germany, Familie Porsche Beteiligung GmbH, Grünwald, Germany, Ferdinand Piëch GmbH, Grünwald, Germany, Hans Michel Piëch GmbH, Grünwald, Germany.

These voting rights were not obtained by exercise of purchase rights resulting from financial instruments according to Sec. 25 (1) Sentence 1 WpHG.”

Notification on 24 January 2012:

Porsche Automobil Holding SE, Porscheplatz 1, 70435 Stuttgart, Germany, was informed of the following on 24 January 2012 pursuant to Sec. 21 (1) Sentence 1 WpHG:

“The percentage of voting rights held by

* Porsche Wolfgang 2. Beteiligungs GmbH & Co. KG, Stuttgart, Germany

* ZH 1320 GmbH, Salzburg, Austria

* PP 1320 GmbH, Grünwald, Germany

* ZH 1330 GmbH, Salzburg, Austria

* PP 1330 GmbH, Grünwald, Germany,

in Porsche Automobil Holding SE, Porscheplatz 1, 70435 Stuttgart, fell below the voting rights threshold of 3% on 23 January 2012 and amounts to 0.00% of voting rights in the issuer in each case (0 voting rights) as of that date.”

In addition, Porsche Automobil Holding SE, Stuttgart, Germany, was informed that PP 1520 GmbH (formerly: ESP 1520 GmbH), Grünwald, Germany, and PP 1530 GmbH (formerly: ESP 1530 GmbH), Grünwald, Germany, have both been dissolved by merger.

Notification on 14 June 2013:

On 14 June 2013, Qatar Holding Germany GmbH, Frankfurt a.M., Germany, informed us pursuant to Sec. 21 (1) WpHG that as of 14 June 2013 its voting interest in Porsche Automobil Holding SE, Stuttgart, Germany, fell below the thresholds of 10%, 5% and 3% of the voting rights and amounted to 0% on that date (0 voting rights).

Notification on 14 June 2013:

On 14 June 2013, Qatar Holding Netherlands B.V., Amsterdam, Netherlands, informed us pursuant to Sec. 21 (1) WpHG that as of 14 June 2013 its voting interest in Porsche Automobil Holding SE, Stuttgart, Germany, fell below the thresholds of 10%, 5% and 3% of the voting rights and amounted to 0% on that date (0 voting rights).

Notification on 14 June 2013:

On 14 June 2013, Qatar Holding Luxembourg II S.a.r.l., Luxembourg, Luxembourg, informed us pursuant to Sec. 21 (1) WpHG that as of 14 June 2013 its voting interest in Porsche Automobil Holding SE, Stuttgart, Germany, fell below the thresholds of 10%, 5% and 3% of the voting rights and amounted to 0% on that date (0 voting rights).

Notification on 14 June 2013:

On 14 June 2013, Qatar Holding LLC, Doha, Qatar, informed us pursuant to Sec. 21 (1) WpHG that as of 14 June 2013 its voting interest in Porsche Automobil Holding SE, Stuttgart, Germany, fell below the thresholds of 10%, 5% and 3% of the voting rights and amounted to 0% on that date (0 voting rights).

Notification on 14 June 2013:

On 14 June 2013, Qatar Investment Authority, Doha, Qatar, informed us pursuant to Sec. 21 (1) WpHG that as of 14 June 2013 its voting interest in Porsche Automobil Holding SE, Stuttgart, Germany, fell below the thresholds of 10%, 5% and 3% of the voting rights and amounted to 0% on that date (0 voting rights).

Notification on 14 June 2013:

On 14 June 2013, the State of Qatar, Doha, Qatar, informed us pursuant to Sec. 21 (1) WpHG that as of 14 June 2013 its voting interest in Porsche Automobil Holding SE, Stuttgart, Germany, fell below the thresholds of 10%, 5% and 3% of the voting rights and amounted to 0% on that date (0 voting rights).

Notification on 12 August 2013:

On 12 August 2013, LK Holding GmbH, Salzburg, Austria, informed us pursuant to Sec. 21 (1) WpHG that as of 10 August 2013 its voting interest in Porsche Automobil Holding SE, Stuttgart, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25 %, 30%, 50% and 75% of the voting rights and amounted to 97.30% on that date (148,987,607 voting rights). 26.36% of the voting rights (corresponding to 40,361,059 voting rights) are attributed to the company in accordance with Sec. 22 (1) Sentence 1 No. 1 WpHG via Familien Porsche-Kiesling Beteiligung GmbH and Louise Daxer-Piech GmbH. 70.94% of the voting rights (corresponding to 108,626,548 voting rights) are attributed to the company in accordance with Sec. 22 (2) WpHG via Familie Porsche Beteiligung GmbH, Porsche Gesellschaft mit beschränkter Haftung, Hans-Michel Piëch GmbH and Ferdinand Piëch GmbH.

Notification on 12 August 2013:

On 12 August 2013, Louise Daxer-Piech GmbH, Salzburg, Austria, informed us pursuant to Sec. 21 (1) WpHG that as of 10 August 2013 its voting interest in Porsche Automobil Holding SE, Stuttgart, Germany, fell below the thresholds of 75%, 50%, 30%, 25%, 20%, 15%, 10%, 5% and 3% of the voting rights and amounted to 2.70% on that date (4,137,393 voting rights). 2.70% of the voting rights (corresponding to 4,137,393 voting rights) are attributed to the company in accordance with Sec. 22 (1) Sentence 1 No. 1 WpHG.

Notification on 11 September 2013:

On 11 September 2013, Ahorner Alpha Beteiligungs GmbH, Grünwald, Germany, informed us pursuant to Sec. 21 (1) WpHG that as of 11 September 2013 its voting interest in Porsche Automobil Holding SE, Stuttgart, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75% of the voting rights and amounted to 98.40% on that date (150,671,400 voting rights). 95.70% of the voting rights (corresponding to 146,534,007 voting rights) are attributed to the company in accordance with Sec. 22 (2) WpHG via Familien Porsche-Kiesling Beteiligung GmbH, Grünwald, Familie Porsche Beteiligung GmbH, Grünwald, Porsche Gesellschaft mit beschränkter Haftung, Stuttgart, Hans-Michel Piëch GmbH, Grünwald, and Ferdinand Piëch GmbH, Grünwald.

Notification on 13 September 2013:

On 13 September 2013, Ahorner Beta Beteiligungs GmbH, Grünwald, Germany, informed us pursuant to Sec. 21 (1) WpHG that as of 11 September 2013 its voting interest in Porsche Automobil Holding SE, Stuttgart, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75% of the voting rights and amounted to 98.40% on that date (150,671,400 voting rights). 2.70% of the voting rights (corresponding to 4,137,393 voting rights) are attributed to the company in accordance with Sec. 22 (1) Sentence 1 No. 1 WpHG. 95.70% of the voting rights (corresponding to 146,534,007 voting rights) are attributed to the company in accordance with Sec. 22 (2) WpHG via Familien Porsche-Kiesling Beteiligung GmbH, Grünwald, Familie Porsche Beteiligung GmbH, Grünwald, Porsche Gesellschaft mit beschränkter Haftung, Stuttgart, Hans-Michel Piëch GmbH, Grünwald, and Ferdinand Piëch GmbH, Grünwald.

Notification on 13 September 2013:

On 13 September 2013, Louise Daxer-Piech GmbH, Salzburg, Austria, informed us pursuant to Sec. 21 (1) WpHG that as of 11 September 2013 its voting interest in Porsche Automobil Holding SE, Stuttgart, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75% of the voting rights and amounted to 98.40% on that date (150,671,400 voting rights). 2.70% of the voting rights (corresponding to 4,137,393 voting rights) are attributed to the company in accordance with Sec. 22 (1) Sentence 1 No. 1 WpHG. 95.70% of the voting rights (corresponding to 146,534,007 voting rights) are attributed to the company in accordance with Sec. 22 (2) WpHG via Familien Porsche-Kiesling Beteiligung GmbH, Grünwald, Familie Porsche

Beteiligung GmbH, Grünwald, Porsche Gesellschaft mit beschränkter Haftung, Stuttgart, Hans-Michel Piëch GmbH, Grünwald, and Ferdinand Piëch GmbH, Grünwald.

Notification on 13 September 2013:

On 13 September 2013, Ahorner Holding GmbH, Salzburg, Austria, informed us pursuant to Sec. 21 (1) WpHG that as of 11 September 2013 its voting interest in Porsche Automobil Holding SE, Stuttgart, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75% of the voting rights and amounted to 98.40% on that date (150,671,400 voting rights). 2.70% of the voting rights (corresponding to 4,137,393 voting rights) are attributed to the company in accordance with Sec. 22 (1) Sentence 1 No. 1 WpHG. 95.70% of the voting rights (corresponding to 146,534,007 voting rights) are attributed to the company in accordance with Sec. 22 (2) WpHG via Familien Porsche-Kiesling Beteiligung GmbH, Grünwald, Familie Porsche Beteiligung GmbH, Grünwald, Porsche Gesellschaft mit beschränkter Haftung, Stuttgart, Hans-Michel Piëch GmbH, Grünwald, and Ferdinand Piëch GmbH, Grünwald.

Notification on 16 December 2014

On 16 December 2014, Porsche Wolfgang 1. Beteiligungsverwaltungs GmbH, Stuttgart, Germany, informed us pursuant to Sec. 21 (1) WpHG that as of 15 December 2014 its voting interest in Porsche Automobil Holding SE, Stuttgart, Germany, fell below the thresholds of 75%, 50%, 30%, 25%, 20%, 15%, 10%, 5% and 3% of the voting rights and amounted to 0% on that date (corresponding to 0 voting rights).

Notification on 17 December 2014

On 17 December 2014, Dr. Wolfgang Porsche Holding GmbH, Salzburg, Austria, informed us pursuant to Sec. 21 (1) WpHG that as of 15 December 2014 its voting interest in Porsche Automobil Holding SE, Stuttgart, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75% of the voting rights and amounted to 100% on that date (corresponding to 153,125,000 voting rights). 26.93% of the voting rights (corresponding to 41,238,260 voting rights) are attributed to the company in accordance with Sec. 22 (1) Sentence 1 No. 1 WpHG. Attributed voting rights are held via the following controlled entities whose voting share in Porsche Automobil Holding SE amounts to 3% or more in each case: Wolfgang Porsche GmbH, Grünwald, Germany, Familie Porsche Beteiligung GmbH, Grünwald, Germany. 73.07% of the voting rights (corresponding to 111,886,740 voting rights) are attributed to the company in accordance with Sec. 22 (2) WpHG. Attributed voting rights are held via the following controlled entities whose voting share in Porsche Automobil Holding SE amounts to 3% or more in each case: Familien Porsche-Kiesling Beteiligung GmbH, Porsche Gesellschaft mit beschränkter Haftung, Stuttgart, Germany, Hans-Michel Piëch GmbH, Grünwald, Germany, Ferdinand Piëch-GmbH, Grünwald, Germany, Ahorner GmbH, Salzburg, Austria.

[25] Related parties

In accordance with IAS 24, persons or entities which are in control of or controlled by the Porsche SE Group must be disclosed. Pursuant to a consortium agreement, the Porsche and Piëch families have direct and indirect control, respectively, of the parent company Porsche SE.

There were other service transactions between the Porsche SE Group and the Porsche and Piëch families and their affiliates, for which €1 million were charged (prior year: no transactions).

The disclosure requirements under IAS 24 also extend to persons, and their close family members, who have the power to exercise significant influence over the entity, i.e. who have the power to participate in the financial and operating policies of the entity, but do not control it. In the fiscal year 2014 and in the comparative period, this concerns members of the supervisory board and the executive board of Porsche SE as well as their close family members. No transactions (prior year: only immaterial transactions) were conducted by entities of the Porsche SE Group with members of the supervisory board or executive board as key management personnel and their close family members or with any other entities having these persons on their executive or supervisory board and over which Porsche SE has no significant influence or does not exercise joint control.

The disclosure requirements pursuant to IAS 24 also include persons and entities over which the Porsche SE Group can exercise a significant influence.

In the reporting period and the comparative period, Porsche SE exercised significant influence over the Volkswagen Group. In addition, it has exercised significant influence over the INRIX Group since 3 September 2014.

All relationships to the respective parent companies and subsidiaries of both of these groups are presented. Supplies and services rendered include dividends received from Volkswagen AG totaling €599 million (prior year: €524 million). Direct obligations resulting from the contribution of the holding business operations of Porsche SE to Volkswagen AG in the fiscal year 2012 (hereinafter also: "contribution of business operations" or "contribution") are reported within liabilities at an amount of €12 million (prior year: €12 million).

In addition, financial and other guarantees with a nominal volume of €1,310 million (prior year: €1,310 million) plus interest were issued to entities of the Volkswagen Group. The probability of claims being made based on the guarantees is considered remote and Volkswagen AG has signed a hold harmless agreement for 100%.

Since the contribution of the business operations Porsche SE and the Volkswagen Group have also a relationship in the financial services sector. This led to financial revenue of €6 million (prior year: €6 million), which was counterbalanced by finance costs of €21 million (prior year: €21 million). In connection with this relationship, receivables came to €0 million (prior year: €400 million) and liabilities to €303 million (prior year: €303 million).

In addition, there were relationships in the services-sector in the fiscal year 2014 that led to the recognition of goods and services received totaling €31 million (prior year: €7 million); these totals include refund obligations in connection with tax matters and subsequent charges for prior years of €19 million (prior year: €0 million). In connection with this relationship, liabilities came to €7 million (prior year: €0 million). The goods and services provided as a result of these relationships were immaterial in the fiscal year 2014 and the prior year.

The following agreements were entered into by Porsche SE, Volkswagen AG and entities of the Porsche Holding Stuttgart GmbH Group in connection with the contribution of the holding business operations of Porsche SE to Volkswagen AG and the basic agreement prior to that as well as the associated agreements implementing it:

- Volkswagen AG holds Porsche SE harmless from certain financial guarantees issued by Porsche SE to creditors of entities in the Porsche Holding Stuttgart GmbH Group (reference is made to note [21]). The hold harmless agreement also extends to financial guarantees given by Porsche SE to the bond creditors of Porsche Holding Finance plc, Dublin/Ireland, with respect to the interest payment and redemption of bonds with a total volume of €310 million. Under the contribution of the holding business operations of Porsche SE to Volkswagen AG, Volkswagen AG undertook to assume a liability compensation as is customary in the market for guarantees issued vis-à-vis external creditors while holding Porsche SE harmless for internal purposes.
- Under the contribution agreement, Porsche SE in certain circumstances holds Porsche Holding Stuttgart GmbH, Porsche AG and their legal predecessors harmless from tax disadvantages that exceed the obligations from periods up until and including 31 July 2009 recognized at the level of these entities. Volkswagen AG has generally undertaken to transfer any tax advantages of Porsche Holding Stuttgart GmbH, Porsche AG or their legal predecessors and subsidiaries for assessment periods up until and including 31 July 2009 to Porsche SE (reference is made to the section “Significant accounting judgments and estimates”).

- Porsche SE granted Volkswagen AG various guarantees relating to Porsche Holding Stuttgart GmbH, Porsche AG and its other investments transferred. These concern amongst other things the proper issue and complete payment of shares and/or contributions and/or the ownership of the shares in Porsche Holding Stuttgart GmbH and Porsche AG.
- Under the contribution of its holding business operations, Porsche SE also granted Volkswagen AG guarantees for other assets and liabilities transferred. Under these guarantees, Porsche SE assures that these are not pledged and are unencumbered by third-party rights prior up to the execution date of the contribution.
- As part of the contribution agreement, Porsche SE's liability for these guarantees is limited to the consideration from Volkswagen AG.
- Porsche SE under certain circumstances holds its subsidiaries transferred under the contribution agreement, Porsche Holding Stuttgart GmbH and Porsche AG, harmless from certain obligations towards Porsche SE pertaining to the period up to and including 31 December 2011 and that go beyond the obligations recognized for these entities for this period.
- Porsche SE holds Porsche Holding Stuttgart GmbH and Porsche AG harmless from obligations resulting from certain litigation, including the cost of appropriate legal counsel.
- In addition, Porsche SE holds Volkswagen AG harmless from half of the amount of the tax (with the exception of income tax) of Porsche Holding Stuttgart GmbH, Porsche AG and their subsidiaries arising at their respective levels in connection with the contribution and that would not have been incurred had the call options been exercised for the shares in Porsche Holding Stuttgart GmbH remaining at Porsche SE prior to the contribution. Accordingly, Volkswagen AG holds Porsche SE harmless for half the amount of such tax incurred there. In addition, Porsche Holding Stuttgart GmbH will be held harmless for half of the amount of the real estate transfer tax and other costs triggered as a result of the merger.
- It was also agreed to allocate based on causation any subsequent VAT receivables and/or VAT liabilities from transactions up to 31 December 2009 between Porsche SE and Porsche AG.
- Various information, conduct and cooperation duties were agreed in the contribution agreement between Porsche SE and the Volkswagen Group.
- Within the scope of the basic agreement, Porsche SE and Volkswagen AG had granted each other put and call options relating to the 50.1% share in Porsche Holding Stuttgart GmbH remaining at Porsche SE prior to the contribution of its holding business operations to Volkswagen AG. Both Volkswagen AG (in the event that it exercises its call options) as well as Porsche SE (in the event that it exercises its put options) had both agreed to bear any tax expenses arising from exercising the options and from any downstream measures with respect

to the investments in Porsche Holding Stuttgart GmbH (e.g., from back taxes on the 2007 and/or 2009 spin-off). If Volkswagen AG, Porsche Holding Stuttgart GmbH, Porsche AG or their respective subsidiaries had enjoyed tax benefits as a result of subsequent taxation of the 2007 and/or 2009 spin-off, the purchase price payable by Volkswagen AG for the transfer of the remaining 50.1% share in Porsche Holding Stuttgart GmbH would have increased by the present value of the tax benefits if Porsche SE had exercised its put options. This rule was taken over in the course of the contribution agreement to the extent that Porsche SE has a payment claim against Volkswagen AG equivalent to the present value of the recoverable tax benefits as a result of back tax payments on the 2007 spin-off owing to the contribution. In connection with the contribution it was also agreed that Porsche SE would release Volkswagen AG, Porsche Holding Stuttgart GmbH and its subsidiaries from any tax liability with respect to subsequent taxation in 2012 resulting from a measure taken or omitted by Porsche SE upon or subsequent to the execution of the contribution. Also in that event, Porsche SE has a payment claim against Volkswagen AG in the amount of the present value of the recoverable tax benefits resulting from such a transaction at the level of Volkswagen AG or one of its subsidiaries.

- Volkswagen AG has agreed to hold Porsche SE harmless for internal purposes from any claims of the deposit guarantee fund agency after Porsche SE issued a hold harmless declaration to the deposit guarantee fund agency as required by the Association of German Banks in August 2009. In addition, Volkswagen AG has undertaken to hold the deposit guarantee fund agency harmless from any losses incurred as a result of its measures in favor of a bank in which it holds the majority.

The table below shows the supplies and services rendered and received between the Porsche SE Group and its related parties as well as existing receivables and liabilities.

€ million	Supplies and services rendered		Supplies and services received	
	2014	2013	2014	2013
Porsche and Piëch families	1	0	0	0
Associates	605	530	52	28
	606	530	52	28

€ million	Receivables		Liabilities	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Associates	0	400	322	315
	0	400	322	315

The following benefits and payments were recorded for the board work of the members of the executive board and the supervisory board of Porsche SE.

€ million	2014	2013
Short-term employee benefits	5.6	5.5
Other long-term benefits	2.3	1.5
Post-employment benefits	0.3	0.3
Termination benefits	0.0	0.0

Other long-term benefits concern the addition to provisions for the long-term component of the variable incentive of the members of the executive board of Porsche SE. The expenses for post-employment benefits contain the addition to the pension provisions.

As of the end of the fiscal year, the outstanding balances for remuneration of members of Porsche SE's executive board and supervisory board amounted to €7.8 million (prior year: €5.7 million).

[26] Remuneration of the supervisory board and the executive board

The total remuneration of members of Porsche SE's executive board amounted to €6.3 million in fiscal year 2014 (prior year: €4.1 million). As in the prior year, no benefits were paid to former members of Porsche SE's executive board in the fiscal year 2014.

The total remuneration of the supervisory board for the fiscal year 2014 amounts to €1.6 million (prior year: €1.4 million).

Individual information on the remuneration of the executive board and of the supervisory board of Porsche SE as well as a breakdown into individual components are contained in the remuneration report which is included in the combined management report for the group and for Porsche SE.

[27] Auditor's fees

The auditor's fees charged by the auditor Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, for the fiscal year in accordance with Sec. 314 (1) No. 9 HGB break down as follows:

€'000	2014	2013
Audit of financial statements	185	199
Other assurance services	42	45
Tax advisory services	1,230	2,203
Other services	312	768
	1,769	3,215

The item for the audit of financial statements contains the entire fee for the audit of the separate financial statements and for the audit of the consolidated financial statements of Porsche SE.

[28] Declaration on the German Corporate Governance Code

The executive board and supervisory board of Porsche SE issued the declaration required by Sec. 161 AktG in May 2014 and made it permanently accessible to the shareholders of Porsche SE on the website www.porsche-se.com.

Stuttgart, 2 March 2015

Porsche Automobil Holding SE
The executive board

Prof. Dr. Martin Winterkorn Matthias Müller Hans Dieter Pötsch Philipp von Hagen

Responsibility statement

We assure to the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the group management report, which has been combined with the management report of Porsche SE, includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group.

Stuttgart, 2 March 2015

Porsche Automobil Holding SE
The executive board

Prof. Dr. Martin Winterkorn Matthias Müller Hans Dieter Pötsch Philipp von Hagen

Auditors' report of the group auditor

We have audited the consolidated financial statements prepared by Porsche Automobil Holding SE, Stuttgart, comprising the income statement, the statement of comprehensive income, the balance sheet, the statement of cash flows, the statement of changes in equity as well as the notes to the financial statements, together with the combined management report for the fiscal year from 1 January to 31 December 2014. The preparation of the consolidated financial statements and the group management report in accordance with IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB ["Handelsgesetzbuch": German Commercial Code] is the responsibility of the company's management. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Sec. 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB and give a true and fair view of the net assets, financial position and results of operations of the group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the group's position and suitably presents the opportunities and risks of future development.

Stuttgart, 2 March 2015

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Prof. Dr. Wollmert
Wirtschaftsprüfer
[German Public Auditor]

Matischiok
Wirtschaftsprüfer
[German Public Auditor]

Financial calendar

17 March 2015

Annual press conference and analyst conference

13 May 2015

Interim report 1 January – 12 May 2015

13 May 2015

Annual general meeting

3 August 2015

Six-monthly financial report

10 November 2015

Interim report 1 January – 9 November 2015

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