



Annual Report

2013

Key figures

		2013 IFRS	2012 IFRS	2011 IFRS
Porsche SE group				
Total assets	€ million	31,285	29,556 ¹	32,965
Shareholders' equity	€ million	30,470	28,504 ¹	21,645 ²
Investments accounted for at equity	€ million	28,222	25,862 ¹	28,008
Profit/loss from investments accounted for at equity	€ million	2,710	4,376 ¹	4,660
Personnel expenses	€ million	16	14	14
Financial result	€ million	-69	-30	-185
Profit/loss before tax	€ million	2,591	7,967 ¹	28
Profit/loss for the year	€ million	2,408	7,943 ¹	59
Earnings per ordinary share ³	€	7.86	25.89 ¹	0.13
Earnings per preference share ³	€	7.87	25.90 ¹	0.14
Net liquidity	€ million	2,612	2,562	-1,522
Employees on 31 December		35	29	31

		2013 HGB	2012 HGB	2011 HGB
Porsche SE				
Net profit	€ million	234	1,488	146
Dividend per ordinary share	€	2.004 ⁴	2.004	0.754
Dividend per preference share	€	2.010 ⁴	2.010	0.760

¹ Adjusted due to the first-time application of IAS 19 (rev. 2011)

² Including hybrid capital of €345 million

³ Basic and diluted

⁴ Proposal to the annual general meeting of the Porsche SE

Investments of Porsche SE

PORSCHE SE

Stake of ordinary shares: 50.7%
(Represents a stake of subscribed capital: 32.2%)

VOLKSWAGEN

AKTIENGESELLSCHAFT



Audi



SEAT

SKODA



BENTLEY



PORSCHE



Commercial
Vehicles



SCANIA



VOLKSWAGEN FINANCIAL SERVICES

AKTIENGESELLSCHAFT





2013

“Following the creation of the integrated automotive group in August 2012, we used the past fiscal year to adapt the internal structures of our company to our new objective, which is to add strategic investments along the automotive value chain to our core investment in Volkswagen AG.”

Prof. Dr. Martin Winterkorn



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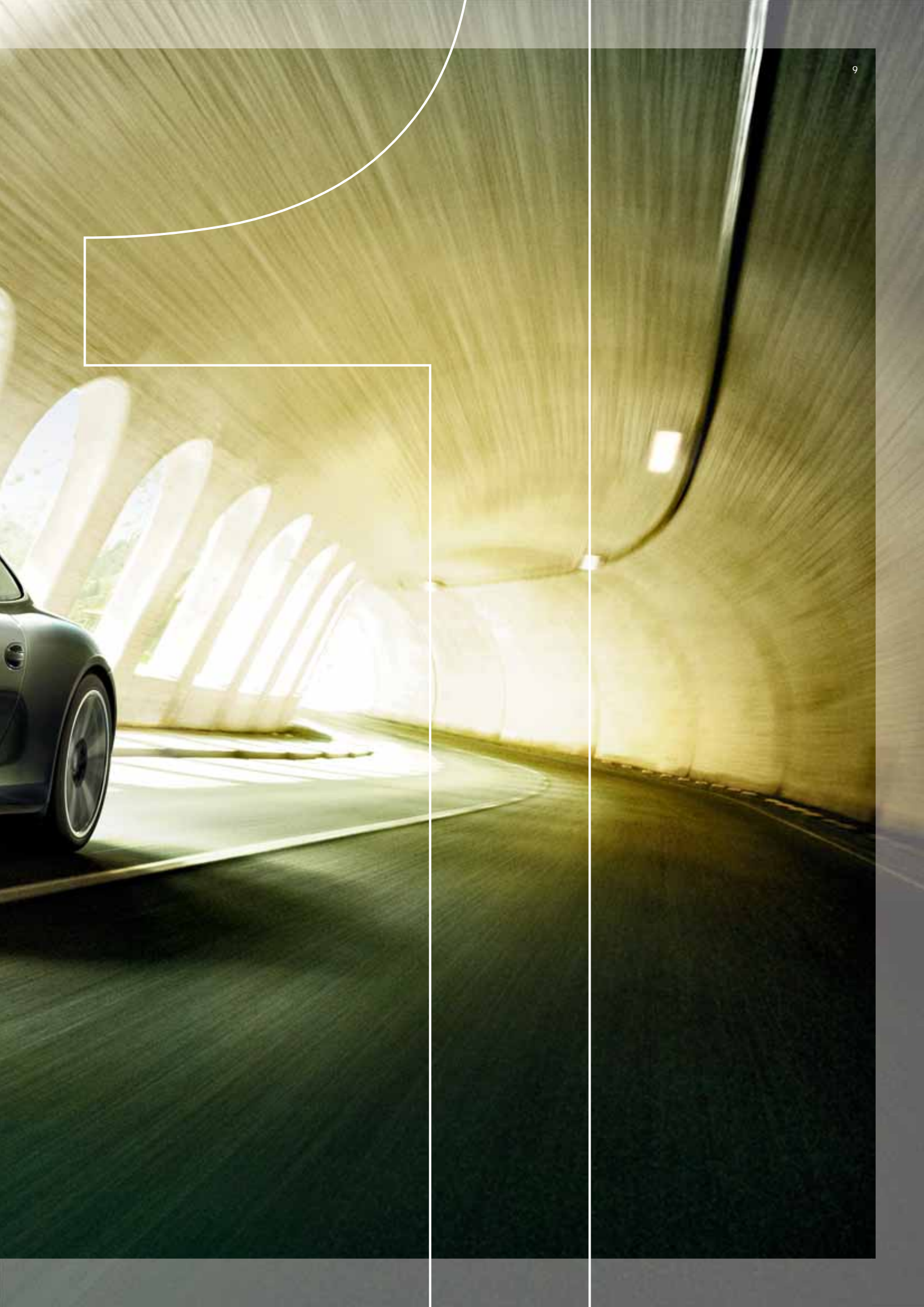
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1 To our shareholders



The Porsche 911 50th Anniversary Edition







7 To our shareholders

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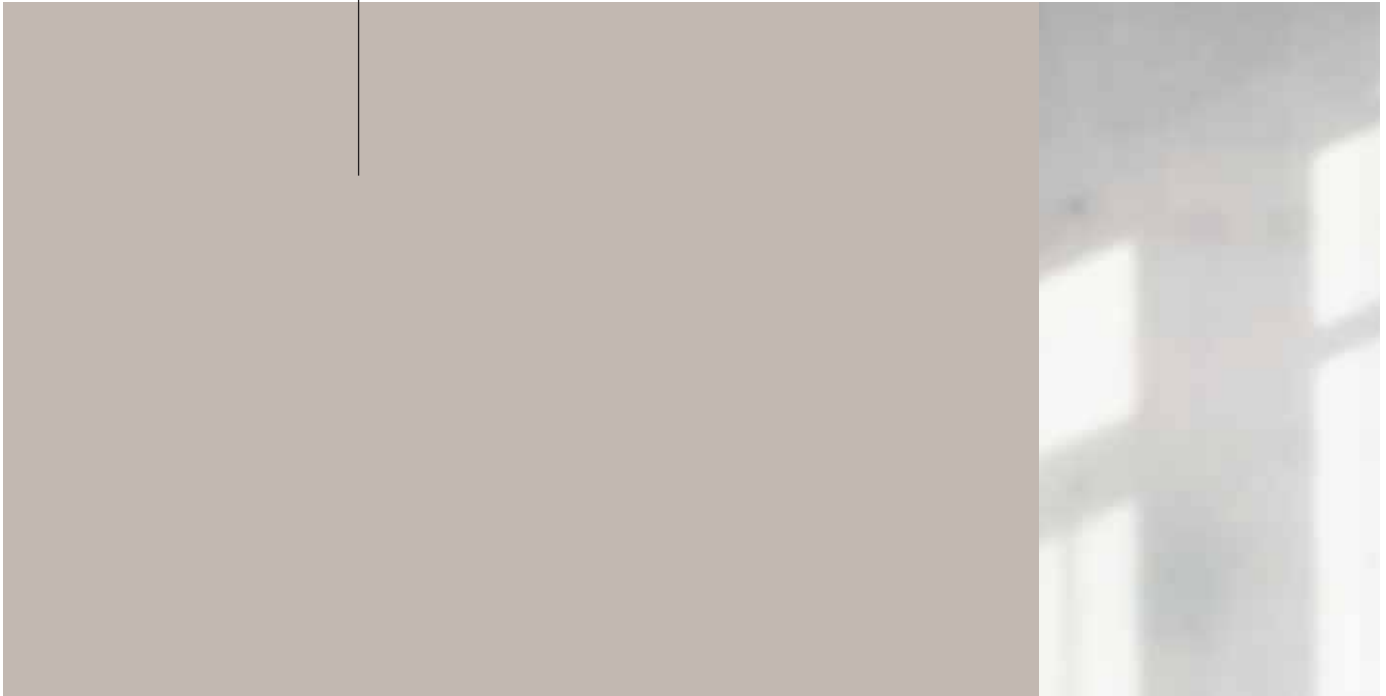
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and Philipp von Hagen



Dear shareholders,

Following the creation of the integrated automotive group in August 2012, we used the past fiscal year to adapt the internal structures of Porsche Automobil Holding SE (Porsche SE) to our new objective, which is to add strategic investments along the automotive value chain to our core investment in Volkswagen AG.

The successful fiscal year 2013 provides ideal conditions for this. The company generated group profit after tax for the year of 2.4 billion euro. Profit from the investments accounted for at equity in Volkswagen AG came to 2.7 billion euro. Through the 32.2 percent shareholding in the capital of Volkswagen AG, our company again benefited significantly from the continued excellent development of the Volkswagen group and its 12 brands.

This also demonstrates that the creation of the integrated automotive group has been worthwhile for all involved. Porsche AG and Volkswagen AG are realizing shared synergies and further enhancing their competitive position on this basis. As a long-term anchor investor, Porsche SE ensures the stability of the Volkswagen group and this, in turn, benefits you as shareholders of our company: Executive board and supervisory board 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 2013. Holders of ordinary shares will receive 2.004 euro per share.

In the fiscal year 2013, we achieved further stage victories on the legal side. We succeeded in persuading all the plaintiffs before the New York State Supreme Court and the majority of the plaintiffs before the U.S. District Court in New York to withdraw their claims. A decision on the claims made by these plaintiffs is now pending in Germany. Of the former 46 plaintiffs before the U.S. District Court only 8 now remain in the USA. We would also have liked the claims pending in Germany to be heard as soon as possible. However, the plaintiffs have repeatedly evaded us, filing a large number of motions, which resulted in considerable delays. From the current perspective, however, we assume that all the claims pending with German courts will be heard and decided in first instance this year.



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

Irrespective of the legal disputes, we have worked hard on implementing our investment strategy during the past year. By expanding our network of experts, we have further improved our links to industry, banks and consultants. This ensures that we have access to appropriate expertise for assessing potential investments. In line with our investment criteria, we have now screened several hundred companies and analyzed more than two dozen in detail.

Porsche SE bears great responsibility for the assets entrusted to it. We wish to increase these successfully, substantially and, most importantly, for the long-term. Our investment decisions therefore have to be well considered and ultimately give rise to an attractive investment portfolio.

However, we are facing a difficult market environment for investments. The market currently contains a large amount of liquidity and the valuations for investments are very high. To date, therefore no investment has been made. Thanks to our outstanding network of experts, however, we are convinced that we will make the right investment decisions at the right time – in the interest of our company and our shareholders.

We expect Porsche SE to develop favorably in 2014. Our investment in Volkswagen AG and our investment strategy will be key factors in this. Porsche SE will gradually establish itself as an investment holding company and has vast potential for increasing value added. As we pursue this course, we will continue to count on your trust and support.

A handwritten signature in blue ink that reads "Dr. Winterkorn". The signature is written in a cursive, slightly stylized font.

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:

- A) Dr. Ing. h.c. F. Porsche AG, Stuttgart
(chairman)
Volkswagen AG, Wolfsburg
AUDI AG, Ingolstadt
- B) Porsche Holding Gesellschaft m.b.H.,
Salzburg
Porsche Gesellschaft m.b.H., Salzburg
(deputy chairman)
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
Porsche Piech Holding GmbH, Salzburg
(deputy chairman)
Porsche Holding Stuttgart GmbH, Stuttgart
(chairman)
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:

- A) Dr. Ing. h.c. F. Porsche AG, Stuttgart
(deputy chairman)
- B) Porsche Holding Stuttgart GmbH, Stuttgart
(deputy chairman)

His Excellency Sheikh Jassim bin Abdulaziz bin Jassim Al-Thani

Chairman of the following boards

Appointments:

- B) Qatar Foundation International LLC., Washington, D.C. (chairman)
 Qatar Foundation Endowment Executive Committee, Doha (chairman)
 Qatar National Broadband Network Company, Doha (chairman)
 Qatar Small and Medium Enterprises Authority, Doha (chairman)
 Supreme Council of Information Communication and Technology, Doha (deputy chairman)
 Qatar National Bank, Doha (deputy chairman)
 Qatar Financial Centre Authority, Doha (deputy chairman)
 Qatar Foundation Board of Trustees, Doha
 InvestCorp, Manama

Berthold Huber*

President
 IndustriALL Global Union

Appointments:

- A) 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:

- A) Deutsche Telekom AG, Bonn (chairman)
 E.ON AG, Düsseldorf (deputy chairman)
 ThyssenKrupp AG, Düsseldorf (chairman)
 B) Dr. August Oetker KG, Bielefeld
 Henkel AG & Co. KGaA, Düsseldorf
 Novartis AG, Basle (deputy chairman)

* Employee representative
 As of 31 December 2013

A) Membership in German statutory supervisory boards
 B) Comparable appointments in Germany and abroad

Peter Mosch*

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

Appointments:

- A) Volkswagen AG, Wolfsburg
AUDI AG, Ingolstadt
Dr.-Richard-Bruhn-Hilfe, Altersversorgung
der AUTO UNION GmbH, VVaG, 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:

- A) Autostadt GmbH, Wolfsburg
Volkswagen AG, Wolfsburg
Wolfsburg AG, Wolfsburg
- B) Porsche Holding Gesellschaft m.b.H.,
Salzburg
Porsche Holding Stuttgart GmbH, Stuttgart
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:

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

Dr. Hans Michel Piëch

Attorney at law

Appointments:

- A) Dr. Ing. h.c. F. Porsche AG, Stuttgart
Volkswagen AG, Wolfsburg
AUDI AG, Ingolstadt
- B) Porsche Holding Gesellschaft m.b.H.,
Salzburg
Porsche Gesellschaft m.b.H., 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
Porsche Piech Holding GmbH, Salzburg
(chairman)
Porsche Holding Stuttgart GmbH, Stuttgart
Volksoper Wien GmbH, Vienna
Schmittenhöhebahn Aktiengesellschaft,
Zell am See

Dr. Ferdinand Oliver Porsche

Investment management

Appointments:

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

* Employee representative
As of 31 December 2013

A) Membership in German statutory supervisory boards
B) Comparable appointments in Germany and abroad

Hansjörg Schmierer*

Manager of IG Metall Stuttgart

Appointments:

- A) Dr. Ing. h.c. F. Porsche AG, Stuttgart
- B) Porsche Holding Stuttgart GmbH, 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

Appointments:

- A) Dr. Ing. h.c. F. Porsche AG, Stuttgart
- B) Porsche Holding Stuttgart GmbH, Stuttgart

* Employee representative
As of 31 December 2013

A) Membership in German statutory supervisory boards
B) Comparable appointments in Germany and abroad

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

Nominations 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

Chairman of the board of management of
Volkswagen AG

Member of the board of management
of Volkswagen AG

Corporate research and development division

Appointments:

- A) Dr. Ing. h.c. F. Porsche AG, Stuttgart
AUDI AG, Ingolstadt (chairman)
MAN SE, Munich
FC Bayern München AG, Munich
- B) 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
Porsche Holding Stuttgart GmbH, Stuttgart
Italdesign-Giugiaro S.p.A., Turin (chairman)

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:

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

Hans Dieter Pötsch

Diplom-Wirtschaftsingenieur

Chief Financial Officer of
Porsche Automobil Holding SE

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

Philipp von Hagen

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

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

Appointments:

- A) 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
- B) 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 Stuttgart GmbH, Stuttgart
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 2013

A) Membership in German statutory supervisory boards

B) Comparable appointments in Germany and abroad



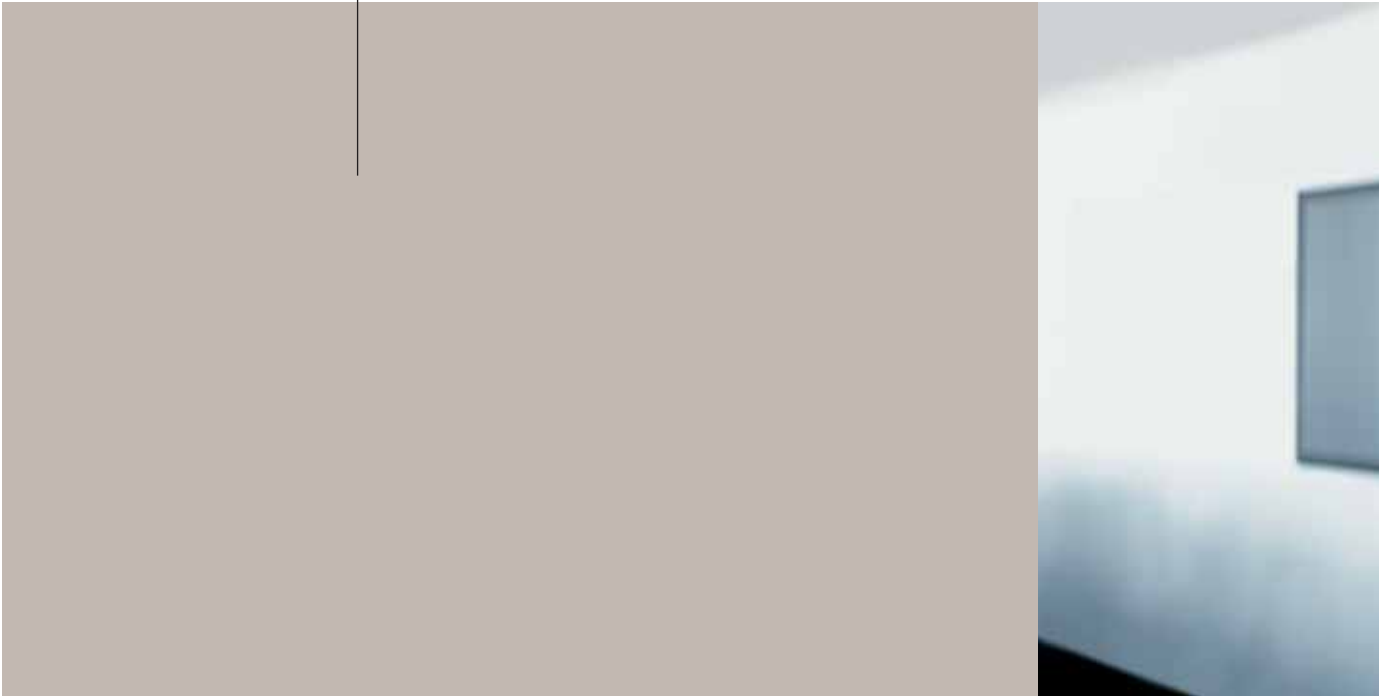


Philipp von Hagen
Investment management
Member of the executive board

Hans Dieter Pötsch
Finance
Member of the executive board

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

Matthias Müller
Strategy and
corporate development
Member of the executive board



Ladies and gentlemen,

Since the creation of the integrated automotive group, Porsche SE has been a financially strong holding company which also has attractive potential for increasing value added.

Porsche SE still holds the majority of ordinary shares in Volkswagen AG and is thus one of the anchor investors in the Wolfsburg-based automotive group. Since creation of the integrated automotive group in 2012, Dr. Ing. h.c. F. Porsche Aktiengesellschaft and Volkswagen AG have been better positioned to leverage synergies in their operating business and cooperate more efficiently and easily. In fiscal 2013 Porsche SE also benefited from this through its shareholding in Volkswagen AG.

Porsche SE is planning to acquire further strategic investments with a focus along the automotive value chain. In fiscal 2013 it was possible to create the organizational and content-related conditions for the acquisition and management of new investments. For this purpose the supervisory board established an investment committee which prepares resolutions of the supervisory board on approval of acquisitions and makes related recommendations to the supervisory board.

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 § 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 and one extraordinary meeting. Supervisory board members who were absent from meetings participated in part in decision-making through written votes. His Excellency Sheikh Jassim Bin Abdulaziz Bin Jassim Al-Thani was present at fewer than half the supervisory board meetings.



Dr. Wolfgang
Porsche,
Chairman of the
supervisory board

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 enterprise'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 determined 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 remained in constant contact with the executive board throughout the reporting period.

The supervisory board examined basic questions of corporate planning, especially financial, liquidity, investment and personnel planning. After intensive 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 in the annual general meeting of Volkswagen AG in connection with the discharge of the members of management for fiscal 2012 and the election of a member of the supervisory board. Other matters included entering into agreements with Volkswagen AG or individual Volkswagen group companies (such as Dr. Ing. h.c. F. Porsche Aktiengesellschaft, AUDI AG, Volkswagen Financial Services AG, Volkswagen Bank GmbH or Volkswagen Versicherungsvermittlung GmbH), the conclusion of a control and profit and loss transfer agreement with Porsche Beteiligung GmbH and agreement on the exchange of a number of ordinary share certificates and the conclusion of an agreement related to this with the family.

The supervisory board ensured that the executive board carried out its business according to 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 § 91 (2) German Stock Corporations Act (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 fiscal 2013

In the first ordinary meeting for the fiscal year on 8 March 2013 the supervisory board focused in particular on the annual financial statements and consolidated financial statements for the fiscal year 2012 and the proposals for resolutions to be made at the annual general meeting of Porsche SE on 30 April 2013.

In the second ordinary meeting on 29 April 2013 the supervisory board focused on among other things the annual general meeting of the company taking place on the following day. In addition, the executive board reported on the conclusion of the damages action before the New York State Supreme Court, the state of the damages action before the U.S. Federal Court, the pending damages actions in Germany, the inquiry concerning alleged information-based market manipulation by former members of the executive board of Porsche SE and the inquiries concerning the accusation of conspiracy to support information-related market manipulation against all members of the supervisory board in office in the year 2008 and the criminal proceedings in connection with alleged credit fraud against, among others, a former member of the supervisory board.

Following the annual general meeting of the company, in which the previous shareholders' representative were re-elected, the constituent meeting of the supervisory board took place. In this meeting Dr. Wolfgang Porsche was elected chairman of the supervisory board and Mr. Uwe Hück was elected deputy chairman. In addition the members of the executive committee, the audit committee and the nominations committee were elected. Finally, the supervisory board formed an investment committee and appointed its members.

In the ordinary meeting on 19 September 2013 the supervisory board also discussed the current status of legal proceedings and court cases in progress, especially the damages claims and investigations, as well as criminal proceedings in connection with the accusation of credit fraud against, among others, a former member of the supervisory board, and their immediate effects. In addition, the supervisory board dealt with the declaration of compliance with the German Corporate Governance Code and resolved to add provisions regarding the newly established investment committee to the rules of procedure.

In the last meeting of the supervisory board in fiscal 2013, which took place on 3 December 2013, the executive board reported on the state of the (single) remaining US damages claim hearing before the Federal Court, the single damages claim hearing pending in Germany and the rescission and annulment action of a holder of preference shares against the resolutions of the annual general

meeting of the company to discharge the executive board and against the supervisory board elections. The executive board went on to report on the status of the investigations and the criminal proceedings in connection with the accusation of credit fraud. In addition, the supervisory board agreed to the exchange of a number of ordinary share certificates and the conclusion of a related agreement with the family ordinary shareholders.

In all ordinary meetings in fiscal 2013 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, which effectively supported or are still supporting the work of the whole supervisory board. These are the executive committee, the audit committee and the nominations committee and, since 30 April 2013, the investment committee.

The committees 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 a 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, 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 2013, 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 compliance system, the risk management system and the internal audit function and the independent audit of the financial statements.

The audit committee has four members, Prof. Ulrich Lehner (chairman) and Mr. Uwe Hück, Mr. Bernd Osterloh and Dr. Ferdinand Oliver Porsche. The audit committee met six times in the completed fiscal year 2013 and reported to the full supervisory board regularly on its work in the past fiscal year 2013.

In its meetings on 4 and 8 March 2013 the audit committee examined the main points of the annual financial statements and consolidated financial statements for fiscal 2012 and the combined management report/group management report. In its meeting on 4 March 2013 the audit committee also dealt with the current risk report and the recommendation on election of the independent auditor for the fiscal year 2013. In its meeting on 13 March 2013 the audit committee discussed the executive board's proposal for dividend payments.

In the following meeting on 13 May 2013 the audit committee examined the intermediate report for the first quarter of 2013 and the current risk report. In addition, the audit committee heard a report on the status of legal proceedings and court cases, as well as on the annual audit. The main topic in the meeting on 5 August 2013 was in particular the half-yearly financial report for the first half of 2013 and the status of legal proceedings and court cases. In its last meeting for fiscal 2013 on 4 November 2013 the audit committee dealt in particular with the interim report for the third quarter of 2013, the status of legal proceedings and court cases, the current risk report, and the audit report for 2012.

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, who is also chair of the nominations committee, and three further shareholder representatives. In addition to Dr. Wolfgang Porsche as chair, currently Prof. Ferdinand K. Piëch, Dr. Hans Michel Piëch and Dr. Ferdinand Oliver Porsche belong to the nominations committee. The nominations committee met once in fiscal 2013. In its meeting on 8 March 2013 the nominations committee made recommendations to the supervisory board for its nominations to the annual general meeting on 30 April 2013.

Investment committee

The investment committee prepares resolutions of the supervisory board as well as the 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 twice in fiscal 2013, are, in addition to Dr. Wolfgang Porsche and his deputy Mr. Uwe Hück, Prof. Ferdinand K. Piëch as shareholders' representative and Mr. Bernd Osterloh as employees' representative. In its meetings on 19 September 2013 and 3 December 2013 the investment committee dealt with status of the investment concept and current acquisition projects.

Corporate governance

The supervisory board and the 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 October 2013 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 discharge of the members of supervisory board for fiscal 2012: The individually voting shareholders' representatives, who are also members of the 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 discharge. In voting on a resolution by circulation concerning voting behavior of the company in the annual general meeting of Volkswagen AG in connection with the election of Dr. Wolfgang Porsche as a member of the supervisory board, Dr. Wolfgang Porsche abstained from voting.

In connection with the resolution on agreement with transactions of Volkswagen AG and individual Volkswagen subsidiaries, the supervisory board members with a double mandate participated in the voting. In doing this, their voting behavior was guided solely by the interests of Porsche SE.

In the resolution related to an agreement with the ordinary shareholders on the exchange of ordinary share certificates, the supervisory board members with influence on individual ordinary shareholders, Dr. Wolfgang Porsche, Prof. Ferdinand K. Piëch, Dr. Hans Michel Piëch and Dr. Ferdinand Oliver Porsche, took part in the voting. In doing this, their voting behavior was guided solely by the interests of Porsche SE.

Although conflicts of interest could result from the fact that members of the supervisory board are indirectly involved in Porsche SE and that damages claims arising from alleged information-based market manipulation have been made against the members of the supervisory board, Dr. Wolfgang Porsche and Prof. Ferdinand K. Piëch, as well as that a criminal investigation of allegations of being an accessory to information-based market manipulation through failure to take action has been set in motion, there were no such effects in fiscal 2013 because there were no relevant resolution passed in this regard by the supervisory board.

Audit of the annual financial statements and consolidated financial statements for the fiscal year 2013

The annual financial statements and the consolidated financial statements presented by the executive board of Porsche SE for the fiscal year 2013 were examined together with the bookkeeping system and the summary management report/group management report by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart. The auditor raised no objections and in keeping with this issued unqualified audit certificates.

The profit before tax of the Porsche SE group in the fiscal year 2013 amounted to €2,591 million. Profit after tax totaled €2,408 million. The annual financial statements of Porsche SE showed net profit for the year of €234 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 for Porsche SE.

In accordance with § 313 German Stock Corporations Act (AktG) the executive board's report on business relations with affiliated companies (§ 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 IFRS as they apply in the EU and the commercial law applicable under Sec. 315a (1) German Commercial Code (HGB), and that the annual financial statements comply with the legal requirements. In the context of the aforementioned regulations, the annual 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 summary management report of the company and the group is consistent with the annual financial statements or consolidated financial statements and as a whole provides an accurate overall picture of the position of the company and group and accurately depicts the opportunities and risks of future developments. In the auditor's opinion the early warning system for detecting risk at the level of Porsche SE satisfies the statutory requirements of § 91 (2) of the German Stock Corporations Act (AktG).

The annual financial statements of Porsche SE, the consolidated financial statements and summary management report of the company and the group, which have been issued with an unqualified audit certificate 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 its review.

In its meeting on 27 February 2014 the audit committee examined the annual financial statements, the consolidated annual financial statements and the combined management report/group 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 annual financial statements and the consolidated financial statements and the combined management report/group 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 took part in the meeting of the audit committee in connection with the relevant agenda item and reported on the significant results of their examination of the annual 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 made themselves available to the committee to provide additional information. In addition, in its meeting on 27 February 2014 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 annual financial statements and the consolidated financial statements and to adopt the executive board's recommendation for appropriation of net profit available for distribution. In addition, the declaration of independence of the auditor was obtained in accordance with Sec. 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 27 May 2014 for election as auditor.

In its meeting on 28 February 2014 the supervisory board closely examined and discussed the documents provided to it in accordance with Article 9 (1) letter c (ii) SE-VO and § 170 (1) and (2) of the German Stock Corporations Act (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 handling of the annual financial statements, the consolidated financial statements, and the combined management report/group management report. The supervisory board's audit focused especially on recognition and measurement of the legal risks for Porsche SE. Representatives of the auditor took part in the meeting of the supervisory committee when the relevant agenda item was addressed and reported on the significant results of their examination of the annual 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 made themselves available to the supervisory committee for supplementary information.

The supervisory board approved the results of the audit by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart. As the final result of its own audit the supervisory board determined that there are no grounds for objection. In compliance with the audit committee's recommendation, the supervisory board approved the annual financial statements and consolidated financial statements for the fiscal year 2013. The annual financial statements are thus confirmed. The supervisory board declared its agreement with the combined management report/group 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) letter c (ii) SE-VO and § 312 of the German Stock Corporations Act (AktG) the executive board has prepared a report on related companies (dependent company report) for the fiscal year 2013. 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 in the meetings of the audit committee and the supervisory board on 27 and 28 February 2014 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 made themselves available to the audit committee or the supervisory board to provide additional information. The supervisory board concurred with the result of the auditors' review 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 the supervisory board

Membership of the executive board remained unchanged in fiscal 2013.

All shareholders' representatives on the supervisory board were re-elected for a further five-year term of office by the annual general meeting on 30 April 2013. The members of the supervisory board representing employees had already been re-elected with effect from the end of the annual general meeting. A holder of preferred shares lodged a rescission and annulment action against the election resolutions of the annual general meeting, with the exception of the election of His Excellency Sheikh Jassim bin Abdulaziz bin Jassim Al-Thani. The company regards the rescission and annulment action as without foundation.

Acknowledgement

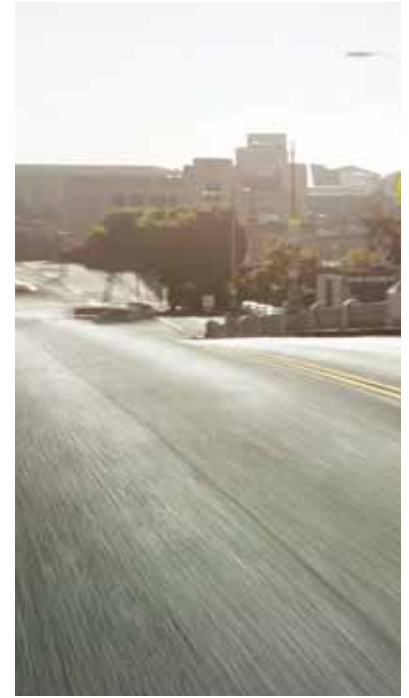
The supervisory board extends its gratitude to the executive board and all employees in acknowledgement of the work they have done and their unflagging commitment.

Stuttgart, 28 February 2014



Supervisory board
Dr. Wolfgang Porsche
Chairman

Corporate governance report



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

Statement on corporate management pursuant to § 289a German Commercial Code (HGB)

The declaration of compliance required by § 289a HGB ("Handelsgesetzbuch": German Commercial Code) is found 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 Corporations Act (AktG). Compared with the corporate statutes of a stock corporation, the differences primarily involve 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 on the supervisory board, as well as the co-administration and control rights of the shareholders in the annual general meeting also constitute parts of the current corporate 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 and represents the company in transactions with third parties. Its main tasks pertain to the strategy and management of the Porsche group as well as carrying out and monitoring 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 planning, business development and the risk management of the company and consults with the supervisory board on the strategy of the company. Certain transactions 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 from membership of two executive boards (at Porsche SE on the one hand, and at Volkswagen AG or at individual Volkswagen subsidiaries on the other) and addresses these in the interest of Porsche SE. For example, members of the executive board who are also member of the Volkswagen AG board of management do not participate in any resolutions concerning issues relating to Volkswagen AG constituting a conflict of interest.

In accordance with the provisions of the German Corporate Governance Code (GCGC), the executive board ensures compliance with legal provisions and internal policies, and works toward ensuring they are observed. 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 Chair of the executive board.

Monitoring of company management by the supervisory board

The supervisory board appoints the members of the executive board and advises and monitors the execu-

utive board in its management of the company. The basic 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 committees, 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 codetermination 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 codetermination 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 judgement 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 always has to 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 and the nominations committee and, since 30 April 2013, the investment committee.

The executive committee functions as a personnel committee and makes decisions on matters which must be voted on in urgent cases. The audit committee supports the supervisory board in monitoring management of the company and reviews the accounting process, the effectiveness of the internal control system, compliance system, the risk management system and audit function, and the independent audit of the financial statements. 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 the treatment of topics





in plenum which are required for or conducive to implementing the investment concept decided upon by the executive board and in gives recommendations in this regard to the supervisory board.

Shareholders' rights

Porsche SE's share capital is equally divided into ordinary shares and preference shares without voting rights. The shareholders exercise their rights in the annual general meeting. 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.

Among other things, the annual general meeting adopts resolutions on granting discharge to the executive board and the supervisory board, the appropriation of profits, carrying out capital measures and making amendments to the articles of association.

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 SE-Beteiligungsgesetz (SEBG – German SE Employee

Involvement Act) 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 participation 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 Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) insofar as they are applicable within the European Union, as well as the provisions of German commercial law applicable under § 315a (1) German Commercial Code (HGB). The financial statements of Porsche SE as parent company of the Porsche group are based on the accounting provisions of the German Commercial Code. Both sets of financial statements are audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft as an independent auditor. In addition, the underlying facts of the compliance declaration in accordance with § 161 German Stock Corporations Act (AktG) are taken into consideration during the annual audit.

Risk management

The Porsche 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 group is continuously tested for efficiency and continually optimized to reflect changed conditions. For details, please refer to pages 112ff. of the annual report.

Communication and transparency

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

Directors' dealings

Pursuant to § 15a German Securities Trading Act (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 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 § 161 (1) German Stock Corporations Act (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.





For the period from 5 October 2011 to 15 June 2012 the declaration below refers to the version of the Code amended 26 May 2010 and for the period from 16 June 2012 to the version of the Code amended 15 May 2012, which was published in the Bundesanzeiger (German Electronic Federal Gazette) on 15 June 2012.

Text of the declaration of compliance of Porsche Automobil Holding SE in accordance with § 161 (1) of the German Stock Corporations Act (AktG) in the version valid on the balance sheet date of October 2013:

The executive board and supervisory board of Porsche Automobil Holding SE declare in accordance with § 161 (1) German Stock Corporations Act (AktG) that the company has complied and does comply with the recommendations of the Government Commission of the German Corporate Governance Code announced by the Federal Ministry of Justice in the official part of the Bundesanzeiger (German Federal Gazette), with the following exceptions. The following recommendations were not or will not be complied with in future:

Regarding executive board remuneration paid by Porsche Automobil Holding SE, the recommendation in Sec. 4.2.3 (2) 6 of the GCGC as amended on 13 May 2013 is not fully complied with. Based on the judgement of the supervisory board, there are

no upper limits of maximum amounts of bonus payments to be made to executive board members based on target agreements or retroactive bonus payments to be made in recognition of special achievements. The supervisory board does not consider this necessary because by exercising its judgement it can ensure that the requirement of reasonableness of § 87 (1) German Stock Corporations Act (AktG).

The recommendation on the objective regarding the composition of the supervisory board in Sec. 5.4.1 (2) and (3) was not complied with and will not be complied with in future. The supervisory board advocates a balanced composition for the committee 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.

The requirements of the code are imprecise and their scope not fully clear with regard to the recommendation in Sec. 5.4.1 (4) of the GCGC to disclose certain circumstances during the nomination of candidates for the supervisory board at the annual general meeting. The executive board and supervisory board thus declare that this recommendation has not

been complied with and will not be complied with in future. Nonetheless, the supervisory board has endeavoured and shall endeavour to meet the requirements of Sec. 5.4.1 (4).

The recommendation on compensation of the members of the supervisory board oriented towards sustainability, as stated in Sec. 5.4.6 (2) of the GCGC, was not complied with and will not be complied with in future. In view of the supervisory board's predominantly monitoring activities, which in the shared opinion of the executive board and the supervisory board do not give rise to any danger of short-term incentives, in the opinion of the executive board and the supervisory board the current

performance-related compensation of the members of the supervisory board includes an adequate sustainability component. Nevertheless, the executive board and the supervisory board declare as a precautionary measure a deviation from Sec. 5.4.6 (2) of the code in view of the imprecise recommendation in the code and the lack of clarity regarding the scope of the requirement to orient the variable remuneration component towards sustainable growth of the company.



The recommendation in Sec. 6.6 of the GCGC as amended on 15 May 2012 or in Sec. 6.3 of the GCGC as amended on 13 May 2013 to disclose shares held by members of the company's executive bodies has not been complied with and will not be complied with in future. Announcements 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. Announcements regarding the acquisition and sale of Porsche preference shares by members of the executive board and supervisory board will be published in accordance with § 15a of the Securities Trading Act (WpHG), to the extent that § 15a of the Securities Trading Act stipulates this. Further announcements concerning shares held by members of the company's executive bodies and any financial instruments relating to them have not been made so far and will not be made in future because the disclosure requirements which we have fully complied with are in our opinion sufficient to provide the capital market and in particular our shareholders with adequate information.



Porsche Automobil Holding SE
Stuttgart, 28 February 2014

The supervisory board

The executive board



Porsche SE share

Stock markets

The international stock indices developed positively on the whole in 2013. The EURO STOXX 50, the leading European stock index, rose by just under 18 percent over the course of the year and closed the year at 3,109 points. One reason for the positive development of the international stock markets is the low interest rate policy of the central banks. In the past year, this resulted in an increase in investments in shares, leading to considerable market

growth. Indications of a global economic recovery further strengthened the positive trend in the second half of the year.

Overall, Porsche SE's preference share followed the generally positive stock market development.

The share closed 2013 at a Xetra price of 75.66 euro. This corresponds to a price increase of around 23 percent for the year as a whole.

Development of the Porsche SE preference share price (indexed to 31 December 2012)



2013 annual general meeting

The annual general meeting of Porsche SE was held in Leipzig on 30 April 2013. The dividend approved by the annual general meeting for the fiscal year 2012 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, the dividend had been 0.760 euro per preference share

and 0.754 euro per ordinary share. The amount distributed for the fiscal year 2012 therefore totaled 614,643,750 euro. The amount distributed for the fiscal year 2011 was 231,831,250 euro. For further resolutions of Porsche SE's annual general meeting of 30 April 2013, please refer to the subsection "Annual general meeting" in the "Report on economic position" contained in the group management report.

Porsche SE preference share 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

Shareholder composition

Since the capital increase in April 2011, Porsche SE's subscribed capital has comprised 153,125,000 ordinary shares and 153,125,000 non-voting preference shares, each share representing a 1 euro notional value of the subscribed capital.

In June 2013, the Porsche and Piëch families bought back the 10 percent of ordinary shares of Porsche SE held by Qatar Holding Germany GmbH,

Frankfurt am Main. They are therefore again the sole holders of all the ordinary shares of Porsche SE. Qatar had acquired ten percent of the ordinary shares in Porsche SE through Qatar Holding LLC, Doha, in August 2009.

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 share key figures

		2013	2012	2011
Closing price ¹	€	75.66	61.70	41.35
Annual high ¹	€	75.88	62.37	65.18
Annual low ¹	€	52.73	37.69	30.24
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	€	23,170,875,000	18,895,625,000	12,663,437,500
Earnings per ordinary share ³	€	7.86	25.89 ⁴	0.13
Earnings per preference share ³	€	7.87	25.90 ⁴	0.14
Dividend per ordinary share	€	2.00 ⁵	2.004	0.754
Dividend per preference share	€	2.01 ⁵	2.01	0.76

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 Adjusted due to the first-time application of IAS 19 (rev. 2011)

⁵ Proposal to the annual general meeting of Porsche SE

Investor Relation activities

The Investor Relations team at Porsche SE further stepped up its activities in the fiscal year 2013. In dialogue with institutional investors, private investors and analysts, Investor Relations reported extensively and effectively on the company's strategic direction and business development, and the current status of its legal disputes. Over the course of the year, Porsche SE was represented at more than a dozen investor conferences and a large number of road shows. These activities focused mainly on

Europe, but demand was also high in Asia and North America. In addition, private investors were provided with comprehensive information at numerous investor events. Throughout the year, the Investor Relations department also answered many inquiries from private and institutional investors. In order to intensify dialogue and improve access to corporate information, on the occasion of the 2013 annual general meeting, Investor Relations presented an IR app for the iPad, which supplements the comprehensive information on the corporate website www.porsche-se.com.

Interview with
Matthias Müller and
Philipp von Hagen

In August 2012, Porsche SE contributed Porsche's business operations to Volkswagen AG in full and became purely an investment holding company. In addition to managing the investment in Volkswagen AG, the goal is to invest in strategic investments along the automotive value chain. In this interview, Matthias Müller (member of the executive board responsible for strategy) and Philipp von Hagen (member of the executive board responsible for investment management) talk about the investment strategy and explain their position on potential investment projects.

Mr. Müller, have Porsche shareholders asked you during the past year whether there is still any Porsche left in Porsche SE?

Matthias Müller: Of course, there have been questions of this kind. But I can reassure our investors that, as Porsche SE shareholders, they continue to participate in the business development of Porsche AG, which remained excellent in the past year. After all, since the contribution of business operations in August 2012 Porsche AG has been a brand of the Volkswagen group, in which Porsche SE holds 50.7 percent of the ordinary shares. The shareholders of Porsche SE thus continue to benefit indirectly from the development of Porsche AG and of all the Volkswagen group's other brands. I think that's a very attractive point of departure.

How would you rate the economic development of Porsche SE since the automotive business was contributed to the Volkswagen group?

Matthias Müller: Following several eventful years, our company is navigating calm waters once again. The integrated automotive group created in 2012 has been worthwhile for all parties involved. Porsche AG and Volkswagen AG benefit considerably from the resulting synergies. And so does Porsche SE, which as the anchor shareholder ensures stability within the Volkswagen group. In short, I'd say we're on a very firm footing. In just a few years, Porsche SE has developed from a company with high debts into a financially strong holding company with net liquidity of around 2.6 billion euro.



What, then, is Porsche SE's future strategy as a holding company?

Matthias Müller: We see ourselves primarily as a reliable anchor investor in Volkswagen AG. In addition, our strategic goal is to utilize our net liquidity for new investments along the automotive value chain. In this context, we do not see ourselves as a financial investor in the traditional sense but rather as a strategic investment holding company with a long-term orientation.

What exactly do you mean by strategic investment?

Matthias Müller: We consider it important that investments have sustainable growth potential. And, as a rule, this requires a long-term corporate strategy. We're particularly interested in majority or minority shareholdings in midsize companies in Germany and abroad with experienced management. Leveraging the outstanding expertise of our automotive network, we wish to promote companies of this kind and contribute significantly to their continued development.

Mr. von Hagen, what can we expect the implementation of this investment strategy to look like?

Philipp von Hagen: On the one hand, we have used the time since the integrated automotive group was created to elaborate our strategy and specify investment criteria. On the other hand, we have adapted our internal structures and processes. At the same time, we immediately started systematically identifying and reviewing suitable investment opportunities. As Volkswagen AG currently accounts for around 90 percent of our assets, it's only logical that we are focusing on companies which, by complementing Volkswagen, offer attractive additions to this investment. But one thing is clear: we are a pure investment holding company. There are no plans to contribute the operating business operations of investments to Porsche SE.

You've repeatedly mentioned investments along the automotive value chain. What exactly do you mean by that?

Matthias Müller: Due to the expertise we have in this area within the group, the automotive value chain forms the foundation for a promising investment strategy. There are many different opportunities, ranging from basic technologies for the development and production process to vehicle- and mobility-related services, for example. At present, we are focusing on major global trends such as sustainability, conservation of resources and the

increasingly networked automotive world. Specifically, this involves new drive concepts and materials as well as technologies for vehicle safety and connectivity, but also mobility services.

When can we expect the first investment to be acquired?

Philipp von Hagen: We bear great responsibility for our shareholders' money, which we want to invest successfully. Our investment in Volkswagen already accounts for more than 90 percent of our assets. We





have therefore established demanding criteria for further investments, where the emphasis is not on short-term returns from investments but rather on the long-term increase in the value of strategic investments. The disciplined approach of rejecting investment opportunities is often more difficult, if more important, than the actual timing of an investment. You have also to take into account that acquiring an investment depends far more on external factors beyond your control than, say, a product launch. As a result, it is not possible to reliably forecast the date of an investment decision.

That being said, could you give us an insight into some of your activities up to now?

Philipp von Hagen: We have examined several hundred companies in 14 selected areas with regard to their suitability and feasibility. This included holding numerous meetings with experts and management and, in individual cases, more in-depth reviews. Our meetings with companies confirmed that our long-term investment strategy as a strategic investor with close ties to the automotive industry is generally very well received. Of course, none of this is visible to outsiders because confidential dialogue is key to developing mutual trust where such sensitive issues are involved.

Porsche SE's core investment is 50.7 percent of the ordinary shares of Volkswagen AG. What is the role of Porsche SE in the integrated automotive group?

Matthias Müller: We are the anchor shareholder and ensure stability in the Volkswagen group. With their long-term commitment, the Porsche and Piëch families embody continuity and great automotive expertise. Both Volkswagen AG and Porsche AG benefit from this stability – as do Porsche SE and our shareholders alike.

How important is the core investment in Volkswagen for Porsche SE?

Matthias Müller: Very important indeed. Our investment in Volkswagen AG represents around 90 percent of Porsche SE's assets. The magnitude of this figure shows the exceptional significance of the Volkswagen AG for our company. We are happy that we have an investment in this group with its 12 strong brands. Despite the difficult market environment in Europe, the Volkswagen group performed well in 2013 and, with a new record number of deliveries of 9.73 million vehicles, achieved profit after tax of 9.15 billion euro.

What is the role of the dividend distributions of Volkswagen AG and its future investments for Porsche SE?

Matthias Müller: Volkswagen AG has set itself the mid-term goal of a distribution level of around 30 percent. With these dividends distributions, Volkswagen ensures a reliable cash inflow to our company. As we are primarily interested in investments with attractive growth potential, dividends will probably not play such an important role in this area. This is because growth calls for capital expenditures, which, in turn, are intended to help sustainably increase the value of our investments. For the coming years, we expect a sustainable dividend distribution to our shareholders.



2 Group management report and management report of Porsche Automobil Holding SE



Volkswagen Golf GTI





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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 2013, the Porsche SE group had 35 employees (31 December 2012: 29 employees).

Since the contribution of Porsche SE's holding business operations to Volkswagen Aktiengesellschaft, Wolfsburg ("Volkswagen AG" or "VW"), with effect as of 1 August 2012 (hereinafter also referred to as "contribution of business operations"), the business activities of the Porsche SE group essentially consist in holding and managing the investment in Volkswagen AG. The management reports for Porsche SE and for the 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 AG, which have been in place for several years, since August 2012 Porsche SE has gradually 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. Various potential investment opportunities are currently being examined.





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 contribution 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 is used 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 is based on the profit/loss for the year.

For the liquidity core management indicator, net liquidity is monitored and managed accordingly. By definition, net liquidity is calculated as cash, cash equivalents and time deposits 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 risk reports.

Report on economic position



Significant events and developments in the Porsche SE group

Family shareholders buy back ordinary shares from Qatar Holding

In June 2013, the Porsche and Piëch families bought back the 10% of ordinary shares of Porsche SE held by Qatar Holding Germany GmbH, Frankfurt am Main. They are therefore again the sole holders of all the ordinary shares of Porsche SE. Qatar had acquired its shareholding of 10% of the ordinary shares of Porsche SE in August 2009.

Annual general meeting

The annual general meeting of Porsche SE, which was attended by over 800 shareholders, took place at the Messe Leipzig exhibition center on 30 April 2013. The dividend approved for the fiscal year 2012 amounted to €2.010 per share to holders of preference shares and €2.004 per share to holders of ordinary shares. The amount distributed for the fiscal year 2012 therefore totaled €614,643,750. The dividend for the fiscal year 2011 had been €231,831,250; this corresponds to a dividend of €0.760 per preference share and €0.754 per ordinary share.

The executive board and supervisory board were exonerated. In addition, the annual general meeting approved the conclusion of a control and profit and loss transfer agreement with Porsche Beteiligung GmbH, Stuttgart. In the election of the members of the supervisory board at the annual general meeting, all the shareholder representatives were reelected for a further tenure of five years. The members of the supervisory board representing the employees had already been elected with effect as of the end of the annual general meeting on 30 April 2013. At the constituent supervisory board meeting of Porsche SE held directly after the annual general meeting, Dr. Wolfgang Porsche was reelected chairman of the supervisory board. Uwe Hück was reelected as his deputy.

Significant developments 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 2013 are described in the following:

In early March 2013, 12 plaintiffs, and in late April 2013 a further 12 plaintiffs of the most recent total of 32 plaintiffs in the appellate proceeding before the U.S. Court of Appeals for the Second Circuit withdrew their appeal by way of entering into



stipulations with Porsche SE. The appellate proceedings and the claims relating to the remaining eight plaintiffs remain unaffected. Porsche SE continues to consider the actions to be inadmissible and the claims to be without merit.

The two actions for damages pending before the New York State Supreme Court, in which 26 plaintiffs had asserted alleged claims in the amount of at least US\$1.4 billion, were dismissed by the New York State Supreme Court by judgments dated 10 September 2013 under the condition that Porsche SE, to the extent permitted by German Law, waives the statute-of-limitations defense, provided that the plaintiffs file their claims on or before 1 May 2013 before a German court and provided that the claims had not already become time-barred on 25 January 2010 (in case of the first action) or on 22 October 2010 (in case of the second action). These actions before the New York State Supreme Court are, thus, terminated.

For the 12 plaintiffs who withdrew their appeal before the U.S. Court of Appeals for the Second Circuit in early March 2013, an action for damages against Porsche SE was at that time already pending before the Regional Court of Braunschweig which remains unaffected by the withdrawal of the appeal. In this action the plaintiffs last alleged overall damages of about €1.81 billion (plus interest)

based on alleged market manipulation and alleged inaccurate information in connection with the acquisition of the shareholding in Volkswagen AG by Porsche SE, though it remained unclear to what extent the alleged damages were comprised of damages already asserted before the U.S. Court. By decision of 19 June 2013, the Regional Court of Braunschweig referred the matter to the anti-trust chamber of the Regional Court of Hanover due to anti-trust claims alleged by the plaintiffs. At first, the Regional Court of Hanover declined its competence and submitted the question of competence to the Higher Regional Court of Braunschweig. By decision of 29 October 2013, the Higher Regional Court of Braunschweig determined the Regional Court of Hanover to be the competent court. Porsche SE considers this claim to be without merit as well. A trial date for hearing the case has not been scheduled yet.

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. Porsche SE considers the alleged claims to be without merit. A trial date for hearing the case has not been scheduled yet.



On 30 April 2013, 24 of the 26 plaintiffs, whose actions have been dismissed by the New York State Supreme Court, as well as one more company 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. The 25 plaintiffs include 11 of the plaintiffs who withdrew their appeal in the appellate proceeding before the U.S. Court of Appeals for the Second Circuit at the end of April 2013. 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 assert claims for damages in an amount of around €1.36 billion (plus interest). Porsche SE considers the alleged claims to be without merit. An oral hearing took place on 10 February 2014. A date for rendition of a decision has been scheduled for 17 March 2014.

In all five remaining proceedings before the Regional Court of Braunschweig, the plaintiffs who claim damages in an aggregate amount of around €2.16 billion (plus interest) based on alleged market manipulation and alleged inaccurate information in connection with the acquisition of the shareholding in Volkswagen AG by Porsche SE in 2008 have filed a motion to stay the proceedings with a view to the pending criminal proceedings against Porsche SE's former members of the executive board. In all proceedings the Regional Court of Braunschweig has refused to stay the proceedings. Three out of a total of four immediate appeals against such decisions were dismissed by the Higher Regional Court of Braunschweig by decisions dated 20 January 2014. The fourth immediate appeal was withdrawn by the plaintiff. Porsche SE considers the alleged claims to be without merit. Trial dates were scheduled for spring 2014.



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.

For further explanations of the litigation described above, other damage claims asserted, the investigations of the Stuttgart public prosecutor and other proceedings regarding shareholders' actions, we refer to Note [22] in the notes to the consolidated financial statements. Porsche SE considers all damage claims asserted in the USA and 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

Expansion of production capacity

Construction of Audi's first automobile factory in North America began in May 2013 in San José Chiapa, Mexico. The 400-hectare site will house a highly efficient production facility with a press shop, body shell production, paint shop and assembly line. It is expected to be completed by mid-2016 and will have an annual capacity of up to 150,000 vehicles. The successor to the popular Audi Q5 SUV is set to be produced here from 2016. The brand is creating 3,800 jobs with the investment.

In May 2013, the Volkswagen group (hereinafter also "Volkswagen") started construction of a vehicle plant in Changsha in central south China together with the Shanghai-Volkswagen joint venture. The end-to-end automobile production facility will include a press shop, body shell production, paint shop and assembly line, and is scheduled for completion by the end of 2015. The new plant will have an annual capacity of approximately 300,000 vehicles. The Changsha plant is one of seven new factories to be built in China this year and over the coming years and is part of the Chinese joint ventures' investment program.





The Volkswagen group continued its global growth path with the opening of a new engine plant in Changchun, China, in August 2013. The Volkswagen FAW Engine Co. Ltd. joint venture plant is designed to have an initial annual capacity of 300,000 engines and is located in the direct vicinity of the existing vehicle plant. In the future, it will supply modern, highly-efficient engines for Volkswagen passenger cars and Audi brand models. The new production facility meets the highest quality and environmental standards and is a milestone on the road to making Volkswagen the most environmentally friendly automobile company in China.

Also in August 2013, Volkswagen opened its first production facility in western China – a new vehicle plant in Urumqi in the Xinjiang region. The Volkswagen group is expecting purchasing power in western China to rise sharply over the coming years and is again playing a pioneering role in the Chinese automotive market with the new production facilities. The Shanghai-Volkswagen joint venture plant will initially operate as an SKD vehicle assembly facility for Santana models. The paint shop and body shell production is scheduled to go into operation in 2014 and will have a capacity of 50,000 vehicles per year.

In September 2013, the Volkswagen group opened a new vehicle plant in Foshan in southern China via its joint venture, FAW-Volkswagen. The state-of-the-art, resource-friendly production facility in the province of Guangdong has a capacity of 300,000 vehicles per year in the first expansion phase; this is expected to double in the medium term. The plant will produce Volkswagen passenger cars and Audi brand models, and will create 6,500 qualified jobs in southern China.

The Audi brand is systematically driving forward its international expansion, announcing in September 2013 its plans to build new production facilities for the A3 saloon and Q3 models in São José dos Pinhais, Brazil. Audi is investing around €150 million in Brazil for this purpose, laying the foundation for further growth in South America. In addition, the number of dealerships in Brazil is expected to double by the end of the decade.

Successful placement of a mandatory convertible note

In June 2013, the Volkswagen group successfully placed a mandatory convertible note with an aggregate principal amount of €1.2 billion – €1.1 billion of which was classified as a capital contribution and increased the net liquidity of the Volkswagen group – via Volkswagen International Finance N.V., Amsterdam, Netherlands. Like the mandatory convertible note issued in November 2012, which it supplements, this has a coupon of 5.50% and matures on 9 November 2015, though the note terms and conditions provide for early conversion options.





Control and profit and loss transfer agreement approved

The shareholders of MAN SE, Munich, agreed to the conclusion of the control and profit and loss transfer agreement, which Truck & Bus GmbH, Wolfsburg, sought to enter into with MAN SE, at the company's annual general meeting on 6 June 2013. The agreement was entered in the commercial register on 16 July 2013 and has been effective since that date. Truck & Bus GmbH is a wholly-owned subsidiary of Volkswagen AG. Entering into the control and profit and loss transfer agreement is designed to enable the Volkswagen group and MAN to strengthen and simplify their cooperation, increasing the competitiveness of both companies.

In July 2013, the Munich Regional Court (I) served Truck & Bus GmbH with an application in accordance with Sec. 1 No. 1 of the German Award Proceedings Act (SpruchG) for judicial review of the appropriateness of the cash settlement in accordance with Sec. 305 of the German Stock Corporations Act (AktG) and the cash compensation in accordance with Sec. 304 of the AktG for the non-controlling interest shareholders of MAN SE attributable to the control and profit and loss transfer agreement between MAN SE and Truck & Bus GmbH, which was entered in MAN SE's commercial register on 16 July 2013. As a result of the award proceedings, the obligation to the non-controlling

interest shareholders had to be reassessed and the expected present value of the minimum statutory interest rate in accordance with Sec. 305 AktG had to be recognized as a liability. Assuming the award proceedings take seven years, the valuation resulted in expenses of €493 million which were recorded in the other financial result of the Volkswagen group. It is not currently possible to predict the exact duration of the proceedings.

100th location in group production network

Mexican President, Enrique Peña, and the chairman of the board of management of the Volkswagen group, Prof. Dr. Martin Winterkorn, opened the 100th plant in the Volkswagen group's production network on 15 January 2013 in the central Mexican city of Silao. Volkswagen is driving forward its ambitious North American strategy with the new plant. In the medium term, the Silao plant will have an annual capacity of 330,000 drivetrains and will supply Volkswagen's North American plants in Puebla, Mexico, and Chattanooga in the USA with the latest generation of fuel-efficient TSI engines. Production meets the high environmental standards of the "Think Blue. Factory." program developed by Volkswagen.



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

Global economic growth in the reporting period was down on the prior-year level, at 2.5% (prior year: 2.6%). The economic situation in the industrialized nations improved slightly over the course of the year despite the continued presence of structural obstacles. Most emerging economies recorded robust economic growth. Inflation was moderate despite the expansionary monetary policies of many central banks.

Worldwide new passenger car registrations

Global demand for passenger cars increased by 5.0% to 70.1 million vehicles in 2013, exceeding the prior year's record level. This development was driven by the rapid growth in China and the NAFTA region in particular. Global passenger car production rose by 5.6% to 74.6 million units in the reporting period.



Sector-specific environment

The established passenger car markets turned in a very mixed performance in the fiscal year 2013. While some industrialized countries were still negatively affected by the debt crisis and its repercussions, demand remained robust in certain growth markets.

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

Trade restrictions have been reduced in many Asian and African 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

Overall, demand for light commercial vehicles was slightly higher in the fiscal year 2013 than in 2012. Demand for mid-sized and heavy trucks with a gross weight of more than six tonnes was up slightly year-on-year in the fiscal year 2013. Global demand for buses was on a level with the prior year in the fiscal year 2013.

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

€ million	2013	2012 ²	Change %
Regions			
Europe/Remaining markets	4,201,198	4,169,963	0.7
North America	890,561	843,331	5.6
South America	992,262	1,081,848	- 8.3
Asia-Pacific	3,646,659	3,180,541	14.7
Worldwide	9,730,680	9,275,683	4.9
by brands			
Volkswagen passenger cars	5,932,308	5,738,417	3.4
Audi	1,575,480	1,455,123	8.3
ŠKODA	920,750	939,202	- 2.0
SEAT	355,004	321,002	10.6
Bentley	10,120	8,510	18.9
Lamborghini	2,121	2,083	1.8
Porsche ³	162,145	59,513	-
Bugatti	47	31	51.6
Volkswagen commercial vehicles	551,908	550,156	0.3
Scania	80,464	67,401	19.4
MAN	140,333	134,245	4.5

¹ The deliveries for 2012 have been updated to reflect subsequent statistical trends. Including the Chinese joint ventures.

² The prior year was adjusted on the basis of the new reporting structure.

³ Deliveries of the Porsche brand are included from 1 August 2012.

Sales and production of the Volkswagen group

In the reporting period, the Volkswagen group's worldwide unit sales to the dealer organization – including the Chinese joint ventures – amounted to 9,728,250 vehicles, exceeding the 2012 figure by 4.1%. The Volkswagen group produced 9,727,848 vehicles worldwide in the fiscal year 2013, exceeding the prior-year figure by 5.1%. Germany accounted for 25.3% (prior year: 25.1%) of the group's total production, remaining on a level with the prior year.

Headcount of the Volkswagen group

The Volkswagen group's headcount was 572,800 employees at the end of the fiscal year 2013. This corresponds to an increase of 4.2% in comparison to 31 December 2012. Significant factors in this increase were the volume-related expansion in growth markets, particularly China, and the recruitment of specialists and experts in Germany, among other places. A total of 260,449 people were employed in Germany (up 4.4%), while 312,351 were employed abroad (up 4.0%).

Financial services of the Volkswagen group

Volkswagen Financial Services had a very successful year with its products in the market in the fiscal year 2013. 4.3 million new financing, leasing and service/insurance contracts were signed worldwide, a 13.4% increase on the prior-year figure. At 10.7 million, the total number of contracts at year-end 2013 was up 11.3% on the number as of the end of the prior year. The number of contracts in the Customer Financing/Leasing area was up 9.0% to 6.9 million, while the number of contracts in the Service/Insurance area increased by 15.7% to 3.8 million. Assuming unchanged credit eligibility criteria, the total group delivery volumes accounted for by financed or leased vehicles increased from 27.5% in the prior year to 28.9%.





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 2013 are compared to the corresponding comparative figures for the period from 1 January to 31 December 2012 (results of operations and financial position) and as of 31 December 2012 (financial position and net assets).

As a result of the first-time retrospective application of IAS 19 (rev. 2011) "Employee Benefits", certain prior-year comparative figures had to be adjusted. The retrospective application resulted in an increase in profit/loss for the year of the Porsche SE group for the fiscal year 2012 by €114 million from €7,829 million to €7,943 million. The carrying amount of investments accounted for at equity as of 31 December 2012 decreased from an original amount of €27,517 million to €25,862 million, with the result that total assets as of 31 December 2012 decreased from €31,211 million to €29,556 million. As of 31 December 2012, the equity of the Porsche SE group decreased from €30,150 million to €28,504 million for the same reason.

Results of operations

In the fiscal year 2013, the Porsche SE group recorded a profit for the year of €2,408 million (prior year: €7,943 million*, before adjustment: €7,829 million). The profit forecast for the fiscal year 2013 published in the prior year was thus confirmed.

The profit for the year was significantly influenced by the profit/loss from investments accounted for at equity of €2,710 million (prior year: €4,376 million*, before adjustment: €4,332 million). In the prior year, a non-recurring positive effect on earnings from the contribution of the Porsche SE group's holding business operations to Volkswagen AG as of 1 August 2012 in an amount of €4.86 billion* (before adjustment: €4.75 billion) also had a significant influence on the profit for the year. This effect on earnings was primarily attributable to the income from the contribution of the business operations itself (€3.5 billion*, before adjustment: €3.4 billion) and to the positive effect on profit/loss from investments accounted for at equity (€1.4 billion*, before adjustment: €1.3 billion). In addition, the profit for the year in the comparative period includes the positive special effect on earnings, but without an effect on cash, totaling €205 million from the adjustment of the valuation of the put and call options for the shares in Porsche Holding Stuttgart GmbH remaining with Porsche SE until the contribution of its holding business operations.

* Adjusted due to the first-time application of IAS 19 (rev. 2011)



In the fiscal year 2013, other operating income decreased in comparison to the prior year from €3,909 million* (before adjustment: €3,847 million) to €7 million. In the reporting period, this item primarily contains income from the reversal of provisions. In the prior year, other operating income related in particular to the income of €3.5 billion* from the contribution of the business operations and to income of €405 million from the valuation of the call option for the shares in Porsche Holding Stuttgart GmbH remaining with Porsche SE until the contribution of its business operations.

Personnel expenses in the Porsche SE group came to €16 million in the period from 1 January to 31 December 2013 (prior year: €14 million).

Other operating expenses of €41 million (prior year: €274 million) mainly contain legal and consulting costs. In the prior year, other operating expenses also essentially contained the effect of €200 million from the valuation of the put option relating to the remaining shares held by Porsche SE in Porsche Holding Stuttgart GmbH until the contribution of its business operations.

Profit/loss from investments accounted for at equity totals €2,710 million (prior year: €4,376 million*). The profit contribution of the investments accounted for at equity for the fiscal year 2013 published in the prior year was thus confirmed. While in the comparative period the profit contributions of the Volkswagen group for the entire fiscal year and from the Porsche Holding Stuttgart GmbH group for the period up to the contribution of the business operations were contained in

the profit/loss from investments accounted for at equity, in the fiscal year 2013 this pertains only to the profit contribution of the Volkswagen group attributable to Porsche SE. In the comparative period, the effect from the contribution of the holding business operations of €1.4 billion* contributed to the profit/loss from investments accounted for at equity. In addition, it included the negative effect from the adjustment of the valuation of the put and call options at the level of Volkswagen group of €66 million. The profit/loss from investments accounted for at equity for the fiscal year 2013 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. The profit/loss from investments accounted for at equity is reduced by €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. In the comparative period, the corresponding expense came to



* Adjusted due to the first-time application of IAS 19 (rev. 2011)

€361 million. However, until the contribution of the business operations it also included the effects of the subsequent measurement of the purchase price allocation performed at the time of inclusion of Porsche Holding Stuttgart GmbH as a joint venture.

The financial result comes to minus €69 million in the reporting period (prior year: minus €30 million). The deterioration is attributable in particular to additions to provisions for expected interest payments for tax back payments as a result of an ongoing tax field audit for the assessment periods 2006 to 2008 (reference is made to the statements in the report on opportunities and risks). Besides these additions, finance costs in the reporting period essentially include loan interest paid to associates. In the prior year, the finance costs mainly contained interest payments to banks for loans that had been drawn and to joint ventures. Loans from banks were repaid in full in August 2012.

Financial revenue of the fiscal year 2013 mainly contained interest on tax received as well as interest income from time deposits. Financial revenue in the prior year mainly contained loan interest received from joint ventures and the dividend received from Porsche Holding Stuttgart GmbH in July 2012.

In the fiscal year 2013, the Porsche SE group achieved a profit before tax of €2,591 million (prior year: €7,967 million*, before adjustment: €7,861 million). Income tax expense has increased from €24 million* (before adjustment: €32 million) to €183 million. This rise is mainly attributable to additions to income tax provisions of €171 million in connection with the ongoing tax field audit for the assessment periods 2006 to 2008 (reference is made to the statements in the report on opportunities and risks). Profit for the year comes to €2,408 million in the fiscal year 2013 (prior year: €7,943 million*).



Financial position

The cash flow from operating activities of the Porsche SE group came to €665 million in the fiscal year 2013 (prior year: €202 million). This includes in particular the positive effect from the dividend payment received from Volkswagen AG of €386 million (prior year: €330 million). In the prior year, dividends of Porsche Holding Stuttgart GmbH totaling €104 million were also included; in addition, there was a cash outflow from the repayment of a liability to Qatar Holding LLC, Doha, Qatar, of €149 million. Interest paid in the fiscal year 2013 came to €25 million (prior year: €141 million); interest received came to €9 million (prior year: €114 million). In addition, there was an inflow from income tax refunds of €326 million in the fiscal year 2013 (prior year: €1 million). Furthermore, there was a cash outflow from income tax paid of €3 million (prior year: €2 million).

There was a cash outflow from investment activities totaling €490 million in the fiscal year 2013. In the prior year, this item mainly included the payment received from Volkswagen AG in return for the contribution of the holding business operations less the cash and cash equivalents disposed of in connection with the contribution of the business operations totaling €4,486 million. Taking into consideration a counter-effect from the investment of cash and cash equivalents in time deposits with an original term of more than three months amounting to

* Adjusted due to the first-time application of IAS 19 (rev. 2011)



€1,859 million, there was a cash inflow from investment activities of €2,627 million in the prior period.

There was a cash outflow from financing activities of €615 million (prior year: €2,295 million) in the fiscal year 2013. In the fiscal year 2013, this exclusively concerns the dividends distributed to shareholders of Porsche SE (prior year: €232 million). In the prior year, there were also cash outflows from the full repayment of the liabilities to banks of €2.0 billion, which was made using part of the consideration received from Volkswagen AG in return for the contribution of the holding business operations. Moreover, in the prior year, there were payments to the hybrid capital investors of €11 million and a cash outflow of €52 million from the repurchase of hybrid capital.

Compared to 31 December 2012, cash funds decreased by €440 million to €462 million.

Gross liquidity, i.e., cash, cash equivalents and time deposits of the Porsche SE group, increased from €2,862 million in the prior year to €2,912 million as of 31 December 2013. Taking into account the loan liabilities of €300 million due to the Volkswagen group, net liquidity – i.e., cash, cash equivalents and time deposits less financial liabilities – is clearly positive at €2,612 million as of 31 December 2013. This had amounted to €2,562 million as of 31 December 2012.

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.

As of 31 December 2013, Porsche SE has a total credit facility of €1.0 billion, which was not drawn as of the reporting date. The standby fee for this line of credit is due on a quarterly basis and comes to 0.35% per annum. The line of credit originally matured on 30 November 2013 and was extended until 30 November 2014 by exercising an option. There is also still the possibility of prolonging the maturity date until 30 June 2015 under certain circumstances.

Net assets

The Porsche SE group's total assets increased by €1,729 million, from €29,556 million* (before adjustment: €31,211 million) as of 31 December 2012 to €31,285 million as of 31 December 2013.

As of 31 December 2013, the non-current assets of the Porsche SE group essentially comprise the investment accounted for at equity in Volkswagen AG of €28,222 million (31 December 2012: €25,862 million*, before adjustment: €27,517 million). The increase in the carrying amount of this investment of €2,360 million is primarily attributable to the profit of the Volkswagen group. The non-current assets increased by €2,359 million, from €25,864 million* (before adjustment: €27,519 million) as of 31 December 2012 to €28,223 million as of 31 December 2013.

Non-current assets expressed as a percentage of total assets increased from 87.5%* (before adjustment: 88.2%) as of 31 December 2012 to 90.2% at the end of the fiscal year 2013.



Current assets of €3,062 million (31 December 2012: €3,692 million) essentially consist of cash, cash equivalents and time deposits of €2,912 million, which increased slightly in comparison with 31 December 2012 (€2,862 million), as well as income tax assets of €146 million (31 December 2012: €816 million). The decrease in income tax assets is mainly attributable to refunds of tax on investment income (including solidarity surcharge) for profit distributions and dividends received. Of this decrease, €484 million relates to the receivable relating to tax on investment income recognized in this item as of 31 December 2012 (including solidarity surcharge) as a result of the resolution by Porsche Holding Stuttgart GmbH in the prior-year period regarding an advance profit distribution prior to the contribution of business operations. This was assigned as part of the contribution of business operations to the Volkswagen group.

As a percentage of total assets, current assets fell from 12.5%* (before adjustment: 11.8%) in the prior year to 9.8% as of 31 December 2013.

* Adjusted due to the first-time application of IAS 19 (rev. 2011)

In particular, due to the group's profit for the fiscal year 2013, the equity of the Porsche SE group increased. Equity totaled €30,470 million as of 31 December 2013 (31 December 2012: €28,504 million*, before adjustment €30,150 million). The equity ratio increased from 96.4%* (before adjustment: 96.6%) in the prior-year period to 97.4% as of 31 December 2013, accompanied by a rise in total assets.

Current and non-current provisions have increased from €217 million* at the end of the fiscal year 2012 (before adjustment: €215 million) to €452 million as of 31 December 2013. This rise is essentially attributable to additions to income tax provisions of €171 million in connection with the ongoing tax field audit for the assessment periods 2006 to 2008 (reference is made to the statements in the report on opportunities and risks).

* Adjusted due to the first-time application of IAS 19 (rev. 2011)



Non-current financial liabilities remained unchanged compared to 31 December 2012 at a total of €300 million.

In the fiscal year 2012, Porsche SE had assigned to the Volkswagen group the right to income tax refunds, which was associated with the advance profit distribution performed by Porsche Holding Stuttgart GmbH prior to the contribution of business operations. The income tax refund received for this in the reporting period was therefore transferred to the Volkswagen group. Other liabilities decreased from €504 million to €17 million mainly as a result of the settlement of this liability.

Results of operations of the significant investment

The following statements relate to the original profit/loss figures of the Volkswagen group. This means that the effects from inclusion in the consolidated financial statements of Porsche SE 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.

Due to the amendments to IAS 19, accounting for employee benefits was adjusted. For the Volkswagen group, this led to bonus payments for partial retirement agreements in particular. The corresponding prior-year figures were adjusted.

The Volkswagen group's sales revenue in the fiscal year 2013 came to €197,007 million, 2.2% higher than in 2012. Although the slight decline in volumes – excluding the Chinese joint ventures – and in particular negative exchange rate effects depressed sales revenue year-on-year, these effects were more than offset by the initial full-year consolidation of Porsche and the good business performance by the Financial Services Division. The largest proportion of sales revenue, at 80.9% (prior year: 80.4%), was recorded outside of Germany.

Less cost of sales, gross profit was at €35,600 million in the fiscal year 2013 (prior year: €35,154 million). Depreciation charges resulting from increased capital expenditures, higher research and development costs, negative mix effects as well as contingency reserves had a negative impact. The gross margin was virtually unchanged at 18.1% (prior year: 18.2%).

The Volkswagen group generated an operating profit of €11,671 million in fiscal 2013, surpassing the record prior-year figure (€11,498 million). Distribution and administrative expenses increased as a result of the initial full-year consolidation of Porsche. At €2,613 million, other operating income exceeded the prior-year figure (€1,415 million), mainly as a result of lower expenses related to exchange rate factors. The operating return on sales was 5.9% (prior year: 6.0%).

At €12,428 million, the Volkswagen group's profit before tax in fiscal 2013 was down on the prior-year figure (€25,487 million), when measurement effects in connection with the integration of Porsche (€12.3 billion) had a clearly positive impact on the financial result. The return on sales before tax declined from 13.2% to 6.3%. Profit for the year consequently declined by €12,736 million to €9,145 million. The tax rate rose to 26.4% (prior year: 14.1%); the effects from the updated measurement of options relating to Porsche and the remeasurement of the existing shares held did not affect tax expense in the prior year.





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

These separate financial statements of Porsche SE for the fiscal year 2013 cover the reporting period from 1 January to 31 December 2013.

Results of operations

Porsche SE achieved a net profit of €234 million in the fiscal year 2013 (prior year: €1,488 million). In the prior year, the net profit for the year pursuant to the German Commercial Code was still determined to a large extent by the effect of the restructuring measures undertaken as part of the contribution of Porsche SE's holding business operations to Volkswagen AG on earnings totaling €1.1 billion.

Other operating income in the fiscal year 2013 mainly pertains to income from the reversal of provisions of €6 million (prior year: €5 million). In the prior year, other operating income also contained income of €16 million resulting from the contribution of various assets and liabilities to Porsche Siebte Vermögensverwaltung GmbH, Stuttgart, and the assumption of certain liabilities of Porsche Siebte Vermögensverwaltung GmbH at fair value.

Other operating expenses for the fiscal year 2013 mainly contain legal and consulting costs of €24 million (prior year: €28 million). In the prior year, they also contained in particular costs assumed in connection with the contribution of the holding business operations of €17 million.

In the fiscal year 2013, Porsche SE received a dividend from its investment in Volkswagen AG of €524 million (prior year: €449 million). In the prior year, income from investments also included dividend income from the investment in Porsche Holding Stuttgart GmbH of €1,930 million.



Immediately after the advance profit distribution in connection with the contribution of the business operations of €1,839 million in the prior year, the investment in Porsche Holding Stuttgart GmbH had to be written down to its fair value, resulting in a loss of €782 million. There was no need to recognize an impairment loss on financial assets in the fiscal year 2013.

The interest result for the fiscal year 2013 essentially contains expenses from the additions to provisions for expected interest on tax back payments as well as income from tax interest received (reference is made to the statements in the report on opportunities and risks). Despite this addition, interest expense decreased to €93 million compared to the fiscal year 2012 (€159 million). This is attributable to the contribution to Volkswagen AG of the loan liabilities due to companies of the Porsche Holding Stuttgart GmbH group and to the repayment of the liabilities to banks in the prior year. Interest income decreased from €116 million in the fiscal year 2012 to €24 million, in particular as a result of the contribution to Volkswagen AG of loan receivables due to companies of the Porsche Holding Stuttgart GmbH group.



Income from ordinary activities fell from €1,499 million in the comparative period to €407 million in the fiscal year 2013.

Income tax increased from €4 million to €171 million. This rise is attributable to additions to tax provisions of €171 million in connection with the ongoing tax field audit for the assessment periods 2006 to 2008 (reference is made to the statements in the report on opportunities and risks).

The net profit comes to €234 million in the fiscal year 2013 (prior year: €1,488 million).



Income statement of Porsche Automobil Holding SE

€ million	2013	2012
Other operating income	7	28
Personnel expenses	- 17	- 14
Other operating expenses	- 38	- 69
Income from investments	524	2,379
Impairment losses on financial assets	0	- 782
Interest result	- 69	- 43
Income from ordinary activities	407	1,499
Income tax	- 171	- 4
Other tax	- 2	- 7
Net profit	234	1,488
Withdrawals from retained earnings	381	0
Transfers to retained earnings	0	- 744
Net profit available for distribution	615	744

Net assets and financial position

The fixed assets of Porsche SE predominantly comprise the investment held in Volkswagen AG, which is recognized at cost amounting to €21,487 million in the financial statements.

Other assets principally relate to tax refunds based on the reimbursement claims against the tax authorities relating to dividends received. The decrease in other assets is attributable to the reimbursement of income tax claims in the fiscal year 2013.

Cash and cash equivalents come to €2,912 million as of 31 December 2013 (31 December 2012: €2,862 million).

Provisions contain provisions for pensions and similar obligations, tax provisions for prior-year tax that have not been assessed yet as well as other provisions. The increase in provisions from €221 million as of 31 December 2012 to €458 million as of 31 December 2013 is essentially attributable to additions to tax provisions of €171 million in connection with the ongoing tax field audit for the assessment periods 2006 to 2008 (reference is made to the statements in the report on opportunities and risks).



In the fiscal year 2012, Porsche SE had assigned to the Volkswagen group the right to income tax refunds, which was associated with the advance profit distribution performed by Porsche Holding Stuttgart GmbH prior to the contribution of business operations. The income tax refund received for this in the reporting period was therefore transferred to the Volkswagen group. Liabilities decreased significantly from €805 million to €319 million in particular due to the settlement of this liability resulting from this assignment. As of 31 December 2013, they mainly pertain to liabilities to affiliated companies of €316 million (31 December 2012: €803 million).



Balance sheet of Porsche Automobil Holding SE

€ million	31/12/2013	31/12/2012
Assets		
Fixed assets	21,488	21,487
Receivables	0	5
Other assets	148	823
Cash and cash equivalents	2,912	2,862
Prepaid expenses	2	3
	24,550	25,180
Equity and liabilities		
Equity	23,773	24,154
Provisions	458	221
Liabilities	319	805
	24,550	25,180



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 2013 report a net profit available for distribution of €615 million with net profit for the year of €234 million and withdrawals from retained earnings of €381 million. The executive board proposes a resolution for the distribution of a dividend of €2.004 per ordinary share and €2.01 per preference share, i.e., a total distribution of €614,643,750.00 for the fiscal year 2013. For the fiscal year 2012, the dividend had also been €2.004 per ordinary share and €2.01 per preference share.

Dependent company report drawn up

As in previous years, in accordance with Sec. 312 AktG, 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 2013".

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

Within the scope of the planned development of a portfolio of investments, Porsche SE's headcount has been selectively increased in order to systematically enhance existing expertise.

In addition, Porsche SE's network of experts is a key success 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, society and the environment.



Corporate social responsibility and sustainability at the Volkswagen group

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 CSR approach.

In the traditional sense, corporate social responsibility (CSR) means that a company actively contributes to charitable measures and social welfare, in the form of donations or corporate volunteering. Although such a contribution is expected of

a company, it is a voluntary service in recognition of its social responsibility. Today, CSR is considered to be an integrated component of a company's core competency. CSR is therefore oriented on Volkswagen's strategic goals and comprises a concept of corporate responsibility along the entire value chain. While under the traditional definition of CSR, various stakeholders ask how funds are used, the question posed under the new definition is how a company generates its funds. This relates both to responsibility for social and ecological standards at the company's own production sites and along the supply chain, and for the product itself.



Sustainability means simultaneously striving for economic, social and environmental goals in a way that gives them equal priority. Consequently, to Volkswagen this means creating enduring value, facilitating good work, and using the environment and resources with care. Volkswagen's integrated 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 CSR contributes to increasing the company's value in a long-term and sustainable way.

Management and coordination

The Volkswagen group's integrated CSR management concept is closely linked with the functional areas at all levels of the company. The group board of management is also the supreme sustainability board in the company. It regularly receives information on the issues of responsibility and sustainability from the group CSR & Sustainability steering group, whose members include senior executives from central board of management business areas, in addition to the group works council and representatives of the brands and regions. This steering group is responsible for the sustainability strategy, on the basis of which the Volkswagen group aims to become the most sustainable automaker in the world by 2018. The steering group formulates the strategic goals and statements on CSR and sustainability, establishes and monitors the company-wide CSR management indicators, and makes decisions about sustainability reporting.

Since 2006, the CSR & Sustainability office has coordinated all CSR activities within the Volkswagen group and the brands, using standardized structures, processes and reports. It strategically aligns the CSR activities and guides internal management processes and stakeholder relationships. The CSR project teams in the group as well as the brands and regions work on current topics across business areas, such as sustainability in supplier relationships



and stakeholder management. Since 2009, the international CSR coordinators of all brands and regions have exchanged information each year.

Research and development

Research and development activities in the Volkswagen group again concentrated on two areas in 2013: 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 23 grams of CO₂ per kilometer to 128 grams of CO₂ per kilometer. Since 2012, the CO₂ emissions for vehicle manufacturers' new European passenger car fleets have been regulated by law: for 2013, the emissions of 75% of the new vehicle fleet had to comply with the statutory level of 130 grams of CO₂/km. The figure for the Volkswagen group in the reporting period was 117 g CO₂/km. The Volkswagen group currently offers a total of 438 model variants (engine-transmission combinations) that emit less than 130 grams of CO₂ per kilometer. For 324 model variants, Volkswagen is already below the threshold of 120 grams of CO₂ per kilometer. Of these, 54 model variants are even below 100 grams of CO₂ per kilometer.

A focus of the Technical Development function in 2013 was on continuing to roll out the Modular Transverse Toolkit. After the first models to be based on the Modular Transverse Toolkit – the Audi A3, the new Golf and the SEAT Leon – were launched in the market in 2012, further derivatives of these models followed during the reporting period, as well as the new ŠKODA Octavia. Other vehicles, such as the Golf Sportsvan that has already been unveiled, will follow.

Automatic driving functions promote predictive driving and offer the potential for increasing efficiency. They make steering safer by reducing the probability of human error, and increase comfort. They also enhance the flow of traffic, thus contributing to the better use of infrastructure. In the near future, a roadworks assistance function will help to reduce or completely avoid accidents around roadworks, for example. Volkswagen is also conducting research into highly and fully automated driving.

Another focus of research and development in the past year was on mobile online services. These promote comfort, safety and traffic efficiency and support the vision of cooperative, environmentally friendly and accident-free driving. Volkswagen's group research function proved that these technologies are practicable in the grant-assisted project it completed in mid-2013 entitled "Safe and Intelligent Mobility Test Field Germany" (simTD). The first elements the Volkswagen group tested were warnings about danger zones and the ends of traffic jams, intervention by active safety systems and information about traffic light phases.

When it comes to Volkswagen's ambitious target to reduce CO₂ emissions, lightweight construction for large series is becoming increasingly important. The cooperation between group research and the production and components departments is accelerating research into lightweight construction and its future production technologies within the group. Since 2012, the Volkswagen group has also been researching economical lightweight construction technologies as part of the public-private part-

nership "Open Hybrid LabFactory" in collaboration with the Lower Saxony Research Center for Vehicle Technology (NFF) at the Technical University of Braunschweig and other industry partners. We agreed on a contractual framework in 2013 and established the focuses of its research and technology activities. The aim is to have around 200 researchers from industry and science jointly developing hybrid lightweight structures by the end of 2015.

The Volkswagen group is constantly extending the use of virtual technologies in its processes, so as to speed up and improve the vehicle development, production, or service process. Smartphones play an increasingly key role in this. The primary focus is on augmented reality technology, in which the real world is recognized and enriched with virtual information. The Audi brand already employs this technology, and Volkswagen is making use of it for the first time in the XL1. Further applications are





being developed by Volkswagen's group research function. In addition, Volkswagen uses virtual technologies to improve the ergonomics of work sequences in production, for example.

Recognizing new developments in society, technology, politics, the environment and the economy at an early stage is an important basis for innovations and business success. This is why group research constantly addresses the latest social and technological trends. It has established interfaces to key global automotive markets to do this. Research offices in China, Japan and the USA observe technological areas relevant to the automotive industry, conduct cooperative projects with research institutions and local companies, and thus capture new data for the Volkswagen group.

New models from the Volkswagen group

The Volkswagen group selectively expanded its model portfolio in key segments in the reporting period. Additionally, new products were introduced based on the Modular Transverse Toolkit, which was launched in 2012. This will also form the basis for many other new models in the coming years. The Volkswagen group's range now comprises around 315 passenger cars, commercial vehicle and motorcycle models and their derivatives. The group covers almost all key segments and body types, with offerings from small cars to super sports cars in the passenger car sector, and from pickups to heavy trucks and buses in the commercial vehicles sector, as well as motorcycles. The Volkswagen group will continue to resolutely move into unoccupied market segments that offer profitable opportunities.

Key R&D figures

The total research and development spend in the Automotive Division for the fiscal year 2013 increased by 23.4% year-on-year to €11,743 million. Alongside new models, the main focus was on the electrification of the vehicle portfolio and increasing the efficiency of the range of engines; the proportion accounted for by alternative drive technologies again increased. Of these development costs, a total of €4,021 million was capitalized (prior year: €2,615 million). The capitalization ratio therefore rose to 34.2% (prior year: 27.5%). Amortization of capitalized development costs in the reporting year 2013 came to €2,464 million compared to €1,951 million in the prior year. Research and development costs recognized in the income statement in accordance with IFRSs increased to €10,186 million (prior year: €8,851 million). This meant that their ratio to sales revenue in the Automotive Division amounted to 5.8% (prior year: 5.1%).

On 31 December 2013, the research and development function – including the equity-accounted joint venture companies in China – employed 43,756 people group-wide (up 4.0%), corresponding to 7.6% of the total headcount.





Procurement

Procurement at the Volkswagen group focused its work in the reporting period on safeguarding new vehicle start-ups, developing new procurement markets and ensuring continuity of supply to production.

Procurement's process optimization program

Continuous process optimization has become a core component of the global procurement organization. In 2013, the Volkswagen group's experts also continued work on improving and standardizing a large number of workflows worldwide as part of the process optimization program, in particular at the interface with processes in other functions. This enables Volkswagen to reduce frictional losses and create synergies. For example, requirements planning for equipment variants was improved, enabling capacity for procured components to be planned significantly more precisely.

In 2013, Volkswagen also began benchmarking the indicators, comparing them across all of the procurement organizations. This enables the Volkswagen group to more quickly recognize and take advantage of best practice processes and areas for improvement.

Procured component and supplier management assure quality within the supply process

Procured components management is firmly established in the Volkswagen group's global procurement organizations in the brands and regions. Tool and process experts support new vehicle start-ups around the world using group-wide standards. As the automotive industry becomes more complex, Volkswagen has helped suppliers secure parts for its series production.



Enhancing procured components management in the engines and transmissions areas is a particular focus for implementing the group-wide growth strategy. Procured component management will strengthen its activities in this action area in the future.

In addition, the "Quality in Growth" program is focused on safeguarding start-ups in the context of internationalization and on managing the subcontractor structure. Cross-business area discussions are held with suppliers on best practices and lessons learned.

Other tools for preventive safeguarding of vehicle start-ups include simulated series production at the suppliers as part of preliminary series production and a multi-step performance test across all business areas. This enables Volkswagen to identify supplier problems related to volume and quality in good time and to counteract any potential risks.

Developing new procurement markets

In order to achieve the cost targets derived from the Group Strategy 2018, the Volkswagen group is developing affordable procurement markets under the C3 Sourcing (Cost-Competitive Country Sourcing) program.

In the reporting period, additional measures were taken to integrate these activities in the markets. These include common sourcing – bundling volumes between different procurement markets. These common market-wide requests for the same or similar components will generate synergies for the participating locations and projects. This type of transregional awarding strategy is a win-win situation for Volkswagen and its business partners, as the latter can thus offer more affordable prices because of higher volumes and can become established competitors in new regions.

Production

In the fiscal year 2013, the Volkswagen group again expanded its production network and increased its global production volume by 5.1% to 9.7 million vehicles. Productivity improved year-on-year by 5.7% despite difficult conditions in many markets. In the European market, declining volumes impacted productivity trends for some vehicle segments. However, this was more than offset by the increasing unit sales in China and the group's systematic implementation of its production system.

Flexibility in production

Customers increasingly want more customized vehicles. A growing offering of vehicle and power-train derivatives enables Volkswagen to cater to this wish. Thanks to the modular toolkits developed by the group, Volkswagen can produce a wide variety of vehicle and drive concepts with a minimum of effort using a uniform vehicle architecture. Using modular toolkits across all brands – accompanied by the resulting standardization and synergies in the production process – allows different models to be efficiently produced on a single production line.



Sales and marketing

The Volkswagen group's unique product portfolio comprises 12 successful brands that excite millions of customers worldwide, year in and year out. In 2013, the Volkswagen group systematically reinforced the distinct and individual image of each brand and optimized their market positioning.

Sales structure of the Volkswagen group

The independence of the Volkswagen group's brands is backed by its multibrand structure. Nevertheless, Volkswagen uses cross-brand sales activities to increase sales volumes and market share and increase sales efficiency, while cutting costs and lifting 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, which calls for cooperation with strong partners and leveraging of all business fields, as well as the difficult economic situation in some countries led to the distribution network being restructured. The focus is on a close working relationship with dealers and their profitability. The wholesale business is managed using group companies in over 20 markets. A central department makes sales activities more transparent and more profitable, as well as creating synergies between the different brands. Wholesale companies can learn quickly and efficiently from the best practices adopted by individual firms. The central department is instrumental in helping achieve the goals laid down in the group's Strategy 2018.



Following the integration of Porsche Holding Salzburg, trading activities in the Volkswagen group were reorganized so as to be able to take full advantage of this company's specific skills. The majority of the group's proprietary trading activities are now managed by Porsche Holding Salzburg. The company is a key element for strengthening Volkswagen group's position in the emerging markets; for example, it took over the function of importer in Chile in March 2013. Volkswagen also systematically and rapidly expanded Porsche Holding Salzburg's presence in China in the reporting period.

Customer satisfaction and customer loyalty in the Volkswagen group

The Volkswagen group's sales activities focus consistently on making its customers satisfied customers – this is the top priority for the group. The Volkswagen group further increased the satisfaction of its vehicle buyers, after-sales customers and dealership partners with the measures and process improvements it implemented in 2013.

The group brands regularly measure the satisfaction of their customers, focusing on products and services and derive measures from the survey results to improve customer satisfaction even further.





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.

In the reporting period, the Volkswagen group entered into partnerships with green energy utilities such as LichtBlick and installation service providers for the charging infrastructure, including Bosch. These partners will help Volkswagen provide its customers with comprehensive vehicle-related offerings. When selecting products and partners, great care was taken to preserve the identities of the Volkswagen brands while, at the same time, generating maximum synergies for the Volkswagen group.

Quality assurance

The satisfaction of customers worldwide is crucially driven by the quality of the Volkswagen group's products and services. Customers are satisfied and loyal only when their expectations of a product or service are met or even exceeded. Reliability, appeal and service determine the quality perceived by the customer throughout the entire product experience. The objective of the Volkswagen group is to surprise and excite its customers in all these areas so that the company can win them over with its outstanding quality. Quality assurance continued to improve the high level of quality in 2013, thus contributing to growth and to increasing the value of the Volkswagen group.

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

Employees

As of 31 December 2013, the Volkswagen group, including the Chinese joint ventures, employed 572,800 people, 4.2% more than at the end of the fiscal year 2012. Significant factors in this increase were the volume-related expansion of the workforce in the 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 unchanged in the past year: 45.4% of employees worked in Germany at the reporting date, the same as at the end of 2012.

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 2013.



Environment

Environmental management in the Volkswagen group

The Volkswagen group has set itself the target of becoming the most sustainable automobile company in the world by 2018. The group's environmental strategy is the framework through which the company will become a leader in ecological terms. By 2018, the Volkswagen group aims to reduce energy and water consumption, emissions and waste in relation to vehicles at all of its sites by 25% compared with 2010.

Alongside efficient and resource-friendly production as well as the design of intelligent mobility concepts for the future the development of environmentally friendly vehicles is also one of the key action areas: Volkswagen aims to reduce the CO₂ emissions of its European new vehicle fleet to 95 g CO₂/km by 2020. In addition, every new model generation is designed to be 10% to 15% more efficient than its immediate predecessor.

In order to successfully implement its environmental strategy, Volkswagen must model all environmentally relevant aspects in its organizational and decision-making processes, both in product development and production at all locations. This is ensured by the holistic environmental management program, which has already been established in the Volkswagen group for many years. The main pillars of this are the group's globally applicable environmental principles for products and production and

the environmental goals of the Technical Development function. Since 2010, these efforts have been supported by a group-wide energy management system. Teaching employees about ecological issues is also an important factor in reaching the group's goals. For this reason, Volkswagen employs environmental protection experts and environmental officers around the world, who help to build a broad foundation for environmental protection within the group.

Since 1995, Volkswagen's German locations have voluntarily participated in the EU's Eco-Management and Audit Scheme as well as worldwide in the environmental certification process under international standard ISO 14001. Since 1996, the environmental management system used by Volkswagen's Technical Development function has been certified in accordance with ISO 14001 and, since 2009, additionally in accordance with ISO/TR 14062. By means of recertifications and external validations, the Volkswagen group also confirmed its role as a trailblazer in the reporting period.

The group's environmental strategy takes a holistic approach that takes into account the lifecycles of its products. To do this, Volkswagen chose a modular structure whereby the modules are oriented on business areas along the entire value chain. Thus the Volkswagen group not only addresses environmental issues relating to production and the products themselves, but also in logistics or recycling, for example. A fixed committee and reporting structure was defined to manage these issues. The responsible parties are globally networked, enabling the systematic exchange of examples of best practice. In the fiscal year 2013, at a global group strategy workshop, an ambitious package of measures was put together in cooperation with all of the business areas and the responsibilities and reporting structures were established.

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 2013, 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 additions to provisions for tax matters.

The financial position is significantly affected by dividends received and paid as well as by investment in time deposits. In addition, there are interest payments from a loan due to the Volkswagen group. However, following the repayment in full of liabilities to banks in the prior fiscal year, the interest payments decreased considerably overall in the fiscal year 2013.

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 remains significant. Despite the persistently challenging environment, the Volkswagen group achieved its forecast delivery volumes, sales revenue and operating profit for 2013 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 other benefits granted or promised to active members of the executive board in the event of termination of their service.

Remuneration of the executive board

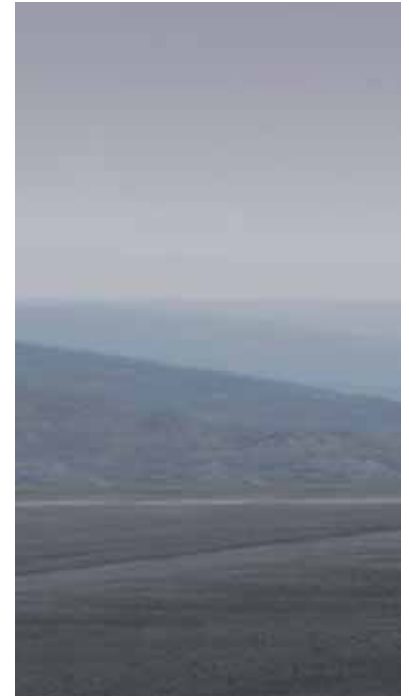
Remuneration principles at Porsche SE

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 2013, 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 2012, and concluded that no further amendments are required.

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. This was also the case for Mr. Thomas Edig, who left the executive board of Porsche SE in the comparative period as of the end of the day on 29 February 2012, and who had been responsible for commercial and administrative issues up to that time.

The member of the executive board Matthias Müller receives variable remuneration from the company in addition to a fixed basic component paid out in monthly amounts. Mr. von Hagen also receives variable remuneration in addition to a fixed basic component paid out in monthly amounts.

The amount of the variable remuneration of these members of the executive board of Porsche SE is 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 is 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 are:

- 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 are limited to €3,500,000 for Mr. Müller and to €300,000 for Mr. von Hagen.

The timing of payment of 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 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 the individual members of the executive board of Porsche SE a special bonus for previously agreed targets or a subsequent bonus in recognition of extraordinary 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 the form of the use of company cars. Porsche SE bears any tax incurred in this connection. In addition, the company provides Messrs. Müller and von Hagen with insurance cover. This also applied for Mr. Edig until he left the executive board of Porsche SE in the comparative period. The company also bears costs for security services for Mr. von Hagen. 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 for the entire fiscal year 2013.

Prof. Dr. Winterkorn (CEO), Mr. Pötsch and Mr. Müller were members of the company's executive board for the entire fiscal year 2012. Mr. Edig, who was still a member of the executive board of Porsche SE at the beginning of the fiscal year 2012, left the executive board as of the end of the day on 29 February 2012. His successor, Mr. von Hagen, was appointed to Porsche SE's executive board with effect as of 1 March 2012.

The remuneration presented below for the individual members of Porsche SE's executive board comprises only the remuneration 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)**

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

2012	Non-performance- related components	Performance- related components	thereof	Total
			long-term incentive ¹	
in €				
Prof. Dr. Dr. h.c. mult. Martin Winterkorn	765,838	0	0	765,838
Thomas Edig (until 29 February 2012)	83,333	0	0	83,333
Philipp von Hagen (since 1 March 2012)	463,472	100,000	0	563,472
Matthias Müller	500,000	1,400,000	0	1,900,000
Hans Dieter Pötsch	520,506	0	0	520,506
Total	2,333,149	1,500,000	0	3,833,149

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 2013, a variable component totaling €3,500,000 for Mr. Müller (prior year: €3,500,000), and variable remuneration totaling €300,000 for Mr. von Hagen (prior year: €250,000) 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.

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 2013, Mr. von Hagen has a retirement pension entitlement of 26% 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 expense recognized for the current addition to the pension provision for Mr. von Hagen in the fiscal year 2013 amounts to €250,468 according to IFRSs (prior year: €227,863), and to €157,945 according to the German Commercial Code (prior year: €145,555). The present value of the pension obligations for Mr. von Hagen as of 31 December 2013 amounts to €453,634 according to IFRSs (prior year: €227,863), and to €303,500 according to the German Commercial Code (prior year: €145,555).

Mr. Müller will continue to be entitled to a company car following the date of retirement. The expense recognized for the current addition to the provision recognized for this purpose in the fiscal year 2013 amounts to €57,681 according to IFRSs (prior year: €124,705), and to €45,850 according to the German Commercial Code (prior year: €101,568). The present value of this benefit in kind obligation as of 31 December 2013 amounts to €175,296 according to IFRSs (31 December 2012: €124,705), and to €147,418 according to the German Commercial Code (31 December 2012: €101,568).

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.

Messrs. Müller and von Hagen receive variable remuneration components from the company. 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 2013 or in the fiscal year 2012.

Benefits granted in connection with termination of service in the fiscal year 2012

The company paid Mr. Edig an amount of €460,000 in the comparative period in connection with his departure. Of this amount, €196,237 arithmetically pertains to compensation for all income that he would have received as non-performance-related remuneration after the end of the day on 29 February 2012 until the end of the term of the employment agreement on 22 July 2012. The arithmetically remaining amount of €263,763 was granted to him as compensation for all disadvantages arising as a result of terminating his service and in recognition of his extraordinary performance and is thus performance-related.

Remuneration of the supervisory board

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 group result 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 offices at the same time, such member receives remuneration only for the office with the highest remuneration.

Remuneration of the supervisory board

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

The composition of the members of Porsche SE's supervisory board had changed in the fiscal year 2012. Effective 23 January 2012, Mr. Hansjörg Schmierer was appointed to the supervisory board of Porsche SE by the court as an employee representative. He took over this function from Mr. Hans Baur, who had laid down his office effective as of the end of the day on 31 December 2011.

In accordance with Art. 13 of Porsche SE's articles of association, the supervisory board received remuneration totaling €1,433,460 (prior year: €2,181,631) for its service at Porsche SE in the fiscal year 2013. This amount includes fixed com-

ponents of €684,500 (prior year: €724,972) and variable components of €748,960 (prior year: €1,456,659).

Beyond this, the supervisory board members did not receive any other remuneration or benefits in the fiscal year 2013 or in the fiscal year 2012 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 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)

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 (DGB).

2012 in €	Non-performance- related components	Performance- related components	Total
Dr. Wolfgang Porsche	92,000	188,700	280,700
Uwe Hück ¹	91,500	141,525	233,025
Berthold Huber ¹	37,000	94,350	131,350
Prof. Dr. Ulrich Lehner	83,000	188,700	271,700
Peter Mosch ¹	43,000	94,350	137,350
Bernd Osterloh ¹	79,500	141,525	221,025
Hon.-Prof. Dr. techn. h.c. Dipl. Ing. ETH Ferdinand K. Piëch	43,000	94,350	137,350
Dr. Hans Michel Piëch	67,000	94,350	161,350
Dr. Ferdinand Oliver Porsche	61,500	141,525	203,025
Hansjörg Schmierer ¹ (since 23 January 2012)	47,472	88,584	136,056
His Excellency Sheikh Jassim bin Abdulaziz bin Jassim Al-Thani	31,000	94,350	125,350
Werner Weresch ¹	49,000	94,350	143,350
Total	724,972	1,456,659	2,181,631

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 (DGB).

Supplementary disclosures in accordance with the German Corporate Governance Code

Remuneration of the executive board

General principles

In the fiscal year 2013, Volkswagen AG and therefore also Porsche Holding Stuttgart GmbH, Stuttgart, and Porsche AG remained group companies 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 the company due to their service on the boards of Porsche AG and/or Volkswagen AG as well as for holding other offices in the Porsche Holding Stuttgart GmbH group and, if applicable, elsewhere in the Volkswagen group. Irrespective of this, the companies named above and their subsidiaries are not subsidiaries of Porsche SE as 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 bodies within the Porsche Holding Stuttgart GmbH group. Mr. von Hagen does not hold any other positions on executive boards or supervisory boards in addition to his position on the company's executive board.

For Mr. Müller, therefore, the total remuneration of the members of Porsche SE's executive board for the fiscal year 2013 presented below includes

remuneration for serving on the executive board of Porsche AG in addition to the remuneration for his office on the executive board of the company. He received no remuneration for holding other offices in the Volkswagen group for the fiscal year 2013.

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 holding other offices 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 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 management board and Volkswagen AG.

Material changes to the remuneration system relate to the bonus, the calculation of which was realigned to reflect business development. It explicitly takes also into account the individual performance of members of the board of management.

Due to the retroactive adjustment of the comparative parameters for the bonus, a departure from the recommendation in No. 4.2.3 (3) Sentence 3 of the German Corporate Governance Code (in the version of 15 May 2012) was declared on 22 February 2013, which precludes retroactive adjustment of performance targets or comparative parameters. This was a non-recurring departure in connection with the bonus for the fiscal year 2012. This recommendation is now being complied with again.

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 of Volkswagen. 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.

The fixed remuneration also includes differing levels of remuneration for appointments assumed at Volkswagen group companies as well as the cost or cash equivalent of non-cash and other benefits, such as the use of company cars and the payment of insurance premiums. Tax due on the non-cash benefits were mainly borne by Volkswagen AG. The basic remuneration is reviewed regularly and adjusted if necessary.

The variable remuneration comprises a bonus, which relates to business performance over the previous two years, and, since 2010, a Long-Term

Incentive (LTI) plan, which is based on the previous four fiscal years, subject to an introductory phase. Both components of variable remuneration are therefore calculated on a multiyear basis and reflect both positive and negative developments.

The bonus rewards the positive business development of the Volkswagen group. The basis for calculating the bonus is adjusted to reflect the positive business development in recent years in connection with the changes to the board of management remuneration. The bonus is calculated on the basis of the average operating profit of the Volkswagen group, including the share of the operating profit in China, over a period of two years. A significant change since 22 February 2013 was the introduction of a calculation floor below which no bonus will be paid. This floor was set at €5.0 billion for the fiscal years 2012 and 2013. In addition, a cap for extraordinary developments is explicitly provided for by limiting the maximum theoretical bonus. The theoretical cap for 2012 and 2013 is €6.75 million for Prof. Dr. Winterkorn, the chairman of the board of management, and €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.

Since 22 February 2013, another material change relates to the supervisory board of Volkswagen AG's ability to 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. This can be adjusted by the supervisory board in the event of extraordinary individual performance by a member of the board of management that strengthens the company's long-term growth. This may take into account extraordinary performance in the area of integration, or the successful implementation of special projects, for example.

The existing Long-Term Incentive plan was not adjusted in connection with changes to the board of management remuneration. The amount of the LTI depends on the achievement of the targets laid down in the Strategy 2018. The target areas are:

- Top customer satisfaction, measured using the Customer Satisfaction Index,
- Top 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 Volkswagen 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.

Each fiscal year, the supervisory board can set a new LTI target on the basis of the four-year average of the overall indices. During the reporting period, the LTI target was €2.25 million for Prof. Dr. Winterkorn, the chairman of the board of management of Volkswagen AG, and €1.0 million for Mr. Pötsch in his function as a member of the board of management of Volkswagen AG. The maximum

amount payable is €4.5 million for Prof. Dr. Winterkorn and €2.0 million for Mr. Pötsch. The LTI was calculated and paid to the board of management for the first time in 2011 for the fiscal year 2010 using an introductory scenario and on the basis of the likely performance for 2011. The performance for fiscal years 2010 and 2011 was reflected in the calculation in the fiscal year 2012, and the performance for 2010 to 2012 will be reflected in the calculation for the fiscal year 2013. From 2014 onwards, the previous four years will be used as a basis for analysis.

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

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

Remuneration principles at Porsche AG

The remuneration principles of Porsche AG presented below pertain exclusively to the agreement made with Mr. Matthias Müller. In addition to his membership of Porsche SE's executive board, Mr. Müller was chairman of the executive board of Porsche AG in the fiscal year 2013 and received remuneration for his service. The management of Porsche Holding Stuttgart GmbH does not receive any remuneration for the assumption of its duties.

Since 1 January 2012, Mr. Müller has received only a fixed annual salary and a fixed annual management bonus. Since this time, Mr. Müller has no longer received variable remuneration from Porsche AG.

However, at its discretion, the supervisory board of Porsche AG may grant Mr. Müller a special bonus or a subsequent bonus 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. Tax arising in connection with the benefits in kind is 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 year 2013 comprises a fixed annual salary and a fixed annual management bonus totaling €1,800,000. In addition, he received a bonus in the fiscal year 2013 in recognition of extraordinary individual performance for the fiscal year 2012 amounting to €100,000.

Remuneration of the executive board in the fiscal year 2013

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 for the fiscal year 2013 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 offices in the Volkswagen group in the fiscal year 2013.

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

	Non-performance- related components	Performance- related components	thereof	Total
			long-term incentive	
in €				
Prof. Dr. Dr. h.c. mult. Martin Winterkorn	2,699,439	13,098,000	4,095,000	15,797,439
Philipp von Hagen	625,083	120,000	0	745,083
Matthias Müller	2,471,770	1,500,000	0	3,971,770
Hans Dieter Pötsch	1,801,483	5,169,500	1,820,000	6,970,983
Porsche SE group	7,597,775	19,887,500	5,915,000	27,485,275

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.

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, which accounts for most of the fixed individual remuneration for members of the board of management received from Volkswagen AG. 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 2013. 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 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. The retirement pension to be granted after leaving Volkswagen AG is payable immediately if their membership of the board of management is terminated 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.

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.

Of the current addition to pension provisions an amount €703,869 was recognized according to IFRSs in the fiscal year 2013 at Porsche AG for Mr. Müller. The present value of these pension obligations as of 31 December 2013 amounts to €11,549,894 according to IFRSs. The amount recognized at Volkswagen AG for the addition to pension provisions in accordance with IFRSs amounts to €730,734 for Prof. Dr. Winterkorn and €1,926,251 for Mr. Pötsch. The present value of these pension obligations as of 31 December 2013 amounts to €22,075,213 for Prof. Dr. Winterkorn and to €15,994,320 for Mr. Pötsch according to IFRSs. 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 in 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 past fiscal year 2013 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 2013¹

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 (DGB).

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. Porsche Beteiligung GmbH, which is included in the consolidated financial statements of Porsche SE as of 31 December 2013 in addition to the Volkswagen group, 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 package of the Volkswagen group as well as the related adjustments to the carrying amount of this investment 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 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 significant risks which the Porsche SE group does not generally recognize 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.

Porsche SE's risk management system consists of two autonomous risk management subsystems.

One subsystem is located at the level of Volkswagen AG (we refer to the section "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 group 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 audit 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 2013 led in particular to the creation of guidelines and other 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 was 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 a clearly positive net liquidity.

In addition, the group has a currently undrawn €1.0 billion revolving line of credit at its disposal. This originally matured on 30 November 2013 and was extended until 30 November 2014 by exercising an option. There is also still the possibility of prolonging the maturity date until 30 June 2015 under certain circumstances.

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

Risks originating from financial covenants

Porsche SE and the syndicate of banks agreed on financial covenants in connection with the existing syndicated loan. These have to be complied with, even if Porsche SE, as at the moment, does not draw the €1.0 billion line of credit.

On the one hand, the covenants relate to an earnings indicator of Volkswagen AG; on the other hand, they relate to the value of the Volkswagen shares pledged by Porsche SE for the purposes of the existing syndicated loan in the event of the line of credit being drawn. The covenants therefore cannot be directly influenced by Porsche SE. The clauses of the syndicated loan agreement provide



for four dates per year on which the two financial covenants must be simultaneously checked and complied with. The loan agreement is deemed to have been infringed only if the two financial covenants are breached at the same time. In that case, the banking syndicate is entitled to terminate the syndicated loan. Under certain circumstances, this would give rise to a short-term refinancing requirement at Porsche SE.

Compliance with the covenants is continuously monitored. During the entire fiscal year 2013, the financial covenants were complied with. The executive board continues to see no indication that the covenants will not be met in the future.

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 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 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 generally avoids. 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 investment in Volkswagen and 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.

The regular valuations performed by Porsche SE and monitoring of assessments made by analysts for early detection of a possible impairment currently pertain exclusively to the investment in Volkswagen AG. Porsche SE would carry out further impairment testing if there were an 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 Volkswagen AG. A weighted average cost of capital is used to discount cash flows. There were no indications of a need to record an impairment loss as of 31 December 2013.

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 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 risk

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 not yet been completed. During these assessment periods Porsche SE was initially the legal successor of Porsche AG and later the ultimate parent company of the consolidated tax group 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 until 31 July 2009 were not transferred to Volkswagen AG. Based on the results and findings available so far from the ongoing tax field audit, Porsche SE identified and evaluated potential tax risks from transfer pricing regulations between Porsche AG and foreign sales companies within the Porsche AG group as well as from other tax matters. As of 31 December 2013, provisions totaling €296 million were recognized for these matters and for corresponding tax interest, which in the view of the executive board cover the existing risk based on current knowledge. As the tax field audit has still not been completed, its findings must be regarded as provisional. Risks recognized as liabilities on this basis in the separate financial statements and consolidated financial statements may be subject to change due to new findings or the further progress of the tax field audit.





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 until 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 until 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 for payment of the amount exceeding the tax disadvantages. The amount of tax benefits and tax disadvantages to be taken into account is set out in the provisions of the contribution agreement. The risks recognized as provisions at the level of Porsche SE will in some cases lead to tax benefits in the Volkswagen group that are expected to compensate for 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 ongoing tax field audit for the assessment periods 2006 to 2008. As the tax field audit is still at a provisional stage, a possible reimbursement claim against Volkswagen AG continues to be subject to uncertainties.

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

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

Only by promptly identifying, accurately assessing and effectively 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) aim 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
- 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 framework for enterprise risk management (COSO: Committee of Sponsoring Organizations of the Treadway Commission). Volkswagen has chosen a holistic, integrated approach that combines a risk management system, an internal control system and a compliance management system 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 Volkswagen 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 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 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 controlling on an ongoing basis. The targets agreed in the budget planning rounds are continually verified 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 through 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). This 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.

Based on materiality and risk criteria from among the entities in the consolidated group, all selected group companies and units – including Ducati Motor Holding S.p.A., which was consolidated in 2012 – were subject to the standard GRC process in the fiscal year 2013. Only the Scania, MAN and Porsche brands were excluded.



The Scania brand, which has been consolidated in the group 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 are evaluated there by the Controlling department and reflected in the financial reporting.

MAN SE and Dr. Ing. h.c. F. Porsche AG had already implemented their own central processes for capturing risks at the time they were consolidated and are included in the Volkswagen group's annual 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 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). Separately, the 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 auditors. The auditors assessed the risk early warning system 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 checks as part of the audit of the annual financial statements and unscheduled checks within the meaning of Sec. 44 of the German Banking Act (KWG) by the German Federal Financial Supervisory Authority (BaFin), as well as checks 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 Volkswagen group's 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 and reported on by the auditors 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 regarding 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 the group's 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, risks arising from court cases, 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 shown 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 German Commercial Code (HGB). It can be viewed at <http://www.porsche-se.com/pho/en/investor-relations/declaration/>.



Subsequent events

On 21 February 2014, Volkswagen AG resolved to submit a voluntary tender offer to the shareholders of Scania Aktiebolag ("Scania") for all A and B shares in Scania. Volkswagen AG is offering SEK 200 (corresponding to approximately €22.26) for each Scania share. Based on this offer price, the 298,910,903 shares not directly or indirectly controlled by Volkswagen AG correspond to a total value of approximately €6.7 billion. The offer represents a premium of 57.0% and 53.3% for A and B shares in Scania, respectively, based on the 90-day volume-weighted average prices up to and including 21 February 2014. The offer will be subject to conditions including that Volkswagen AG becomes the owner of more than 90% of the total number of shares in Scania through the offer. After exceeding the threshold of 90%, Volkswagen AG will perform a squeeze-out and promote delisting of the Scania shares from the stock exchange.

The full takeover of Scania is an essential step for the Volkswagen group on its way to the completion of the integrated commercial vehicles group. It shall remove the existing legal restrictions and will thereby allow the faster and more comprehensive implementation of the common strategy for the commercial vehicles business, to realize important common projects more easily and by this means to achieve additional growth opportunities and synergies from

the cooperation between Volkswagen, Scania and MAN. On average, the Volkswagen group expects additional long-term synergy potential of at least €650 million operating profit per year. In light of the long product lifecycles in the commercial vehicles industry, it will be 10 to 15 years before this potential can be fully leveraged.

Volkswagen AG will achieve partial refinancing through the issuance of new preference shares in the amount of up to €2 billion using the existing authorized capital as well as through the issuance of hybrid capital.

Volkswagen AG's acquisition of the Scania shares as a result of the offer will not directly affect the financial position and results of operations at the level of the Porsche SE group. The effects of the acquisition on the carrying amount of the investment accounted for at equity and on the accumulated profits of the Porsche SE group depend, in particular, on the number of Scania shares actually acquired by Volkswagen AG within the scope of the voluntary tender offer and squeeze-out, and the carrying amount of the shares of non-controlling interests to be derecognized at the level of the Volkswagen group as of the respective acquisition dates. The Porsche SE group will participate in additional potential synergy created in the amount





of its share in the capital of Volkswagen AG. Should Volkswagen AG issue preference shares to refinance the acquisition of the Scania shares, Porsche SE's share in the capital of Volkswagen AG will decrease if Porsche SE does not participate in the capital increase in the amount of its share in capital.

The acquisition of the Scania shares will not directly affect the net assets, financial position and results of operations in the separate financial statements of Porsche SE.

Forecast report and outlook



General economic development

The International Monetary Fund (IMF) expects stronger global growth of 3.7% for the current year. The economists forecast that the industrialized nations will again provide more positive impetus for this faster global economic development. According to the IMF, the euro zone countries are entering a transitional phase leading away from the general recession and toward economic recovery. The IMF therefore expects slight growth of 1% for the economic area for the current year. By contrast, the economists expect growth of the US economy to leap almost one percentage point year-on-year to 2.8%. China, the world's second-largest economy, will grow by 7.5% in 2014, according to the forecast. For Germany, the IMF forecasts economic growth of 1.6% for 2014.

Exchange rate trends

Exchange rates fluctuated considerably in 2013. Higher capital outflows, above all from countries with high interest currencies, were a consequence of the US central bank's announcement of its intention to scale back its bond buying program in the foreseeable future. This had a considerable impact on exchange rates. At the beginning of 2013, the euro gained against the US dollar, but weakened again by July. A renewed increase in the value

of the euro was then seen as the year went on. Despite continued volatility on the financial markets, Porsche SE expects the euro to be relatively stable against the US dollar, the British pound (sterling), the Chinese renminbi and other major currencies. However, the risk from unforeseeable market developments remains.

Interest rate trends

Interest rates remained extremely low in the fiscal year 2013 due to the ongoing expansionary monetary policy and the difficult overall economic environment. For 2014, we expect neither Europe nor the USA to adopt a more restrictive monetary policy; an increase in interest rates appears unlikely. We consider a significant rise in short- and long-term interest rates to be possible only in the event of a sharp increase in inflation.

Commodity price trends

Commodity prices fell in 2013. After peaking at the beginning of the year, prices decreased in the course of the year, mainly as a result of weaker economic signals from China and oversupply. On the basis of current assumptions regarding global financial growth, Porsche SE expects the price of most exchange-traded commodities to fluctuate around the current level in 2014.



Growth of global automobile markets

In our opinion, the global automobile market will continue to develop moderately in 2014. China is again expected to be a key growth driver. The automobile market in the USA will continue to grow, but at a much lower rate than the Chinese market. The European market presents a mixed picture. While the economic preconditions for increasing growth rates already exist in Germany and the UK, the recovery for the automobile markets in southern Europe will be more protracted.

Anticipated development of the Volkswagen group

The Volkswagen group's strengths include its unique brand portfolio covering almost all segments, from motorcycles through subcompact cars to heavy trucks and buses, its steadily growing presence in all major markets in the world and its wide range of financial services. Volkswagen offers an extensive range of environmentally friendly, cutting-edge, high-quality vehicles for all markets and customer groups that is unparalleled in the industry. The group will press ahead with its product initiative across all brands in 2014, and will modernize and expand its offering by introducing attractive new vehicles. The Volkswagen group is pursuing the goal of offering all customers the mobility and innovation

they need, sustainably strengthening its competitive position in the process.

The Volkswagen group expects that it will moderately increase deliveries to customers year-on-year in 2014 in a still challenging market environment. The new production facilities at its Chinese joint ventures will make a significant contribution to this development. Volkswagen will also sharpen its customer focus across all sales levels and in customer service.

Challenges for the Volkswagen group will come from the difficult market environment and fierce competition, as well as interest rate and exchange rate volatility and fluctuations in raw materials prices. The modular toolkit system, which is being continuously expanded, will have an increasingly positive effect on the group's cost structure.

Depending on the economic conditions, Volkswagen expects 2014 sales revenue for the group and its business areas to move within a range of 3% of the prior-year figure.

In terms of the Volkswagen group's operating profit, an operating return on sales of between 5.5% and 6.5% is expected in 2014, in light of the challenging economic environment, and the same range for the passenger cars business area. The



commercial vehicles/power engineering business area is likely to moderately exceed the 2013 figure. The operating return on sales in the Financial Services Division is expected to be between 8% and 9%. 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 capital expenditure to sales revenue will fluctuate around a competitive level of 6 to 7% in 2014. The return on investment (RoI) will be below the prior-year level due to the extensive investment program, but still well above the Volkswagen group's minimum required rate of return of 9%. Net cash flow will probably be moderately lower than in the prior year, but will nevertheless make a significant contribution to strengthening the group's finances. In addition, the goal is 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 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 Volkswagen group and therefore on the profit/loss of the investment in it accounted for at equity that is attributable to Porsche SE.

As of the end of the fiscal year 2013, Porsche SE had net liquidity of €2,612 million. With regard to its anchor investment in Volkswagen AG, one of the largest and most successful automobile manufacturers in the world, Porsche SE plans to use the major portion of the net liquidity to acquire investments along the automotive value chain.

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.

In view of the Volkswagen group's expectations regarding future developments in the fiscal year 2014, the company expects a profit attributable to it from investments accounted for at equity of between €2.3 billion and €2.8 billion.

Furthermore, it is aimed to achieve positive net liquidity for both Porsche SE and the Porsche SE group. This is expected to be between €2.1 billion and €2.6 billion as of 31 December 2014, not taking future investments into account. The available liquidity of Porsche SE is invested at an interest rate that is in line with the market. From this investment, the amount of which depends in particular on the scope and timing of future investments, Porsche SE will earn interest income. This will depend on the development of the absolute sum invested and the interest rates. Finance costs will primarily arise from interest expenses for an existing loan liability due to the Volkswagen group.

Overall, based on the current group structure, Porsche SE expects a group profit for the year of between €2.2 billion and €2.7 billion for the fiscal year 2014.

Stuttgart, 25 February 2014

Porsche Automobil Holding SE
The executive board



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Consolidated income statement of Porsche Automobil Holding SE
for the period from 1 January to 31 December 2013

€ million	Note	2013	2012
Other operating income	[1]	7	3,909 ¹
Personnel expenses	[2]	-16	-14
Other operating expenses	[3]	-41	-274
Profit/loss from investments accounted for at equity	[4]	2,710	4,376 ¹
Profit/loss before financial result		2,660	7,997 ¹
Finance costs	[5]	-94	-159
Financial revenue	[6]	25	129
Financial result		-69	-30
Profit/loss before tax		2,591	7,967¹
Income tax	[7]	-183	-24 ¹
Profit/loss for the year		2,408	7,943¹
thereof attributable to			
shareholders of Porsche Automobil Holding SE		2,408	7,932 ¹
non-controlling interests – hybrid capital investors	[8]	0	11
Earnings per ordinary share (basic)	[9]	7.86	25.89 ¹
Earnings per preference share (basic)	[9]	7.87	25.90 ¹
Earnings per ordinary share (diluted)	[9]	7.86	25.89 ¹
Earnings per preference share (diluted)	[9]	7.87	25.90 ¹

¹ Adjusted due to the first-time application of IAS 19 (rev. 2011); reference is made to the section "New accounting standards".

Consolidated statement of comprehensive income of Porsche Automobil Holding SE
for the period from 1 January to 31 December 2013

€ million	2013	2012
Profit/loss for the year	2,408	7,943¹
Actuarial losses after tax	- 1	- 1 ¹
Other comprehensive income not reclassified subsequently to profit or loss from investments accounted for at equity (after tax)	504	- 1,308 ¹
Total other comprehensive income not reclassified subsequently to profit or loss	503	- 1,309 ¹
Other comprehensive income reclassified subsequently to profit or loss from investments accounted for at equity (after tax)	- 286	858
Total other comprehensive income reclassified subsequently to profit or loss	- 286	858
Other comprehensive income after tax	217	- 451¹
Total comprehensive income	2,625	7,492¹
thereof attributable to		
shareholders of Porsche Automobil Holding SE	2,625	7,481 ¹
non-controlling interests – hybrid capital investors	0	11

¹ Adjusted due to the first-time application of IAS 19 (rev. 2011); reference is made to the section "New accounting standards".

Consolidated balance sheet of Porsche Automobil Holding SE as of 31 December 2013

€ million	Note	31/12/2013	31/12/2012	1/1/2012
Assets				
Investments accounted for at equity	[11]	28,222	25,862 ¹	27,555 ¹
Other receivables and assets	[12]	1	2	4,253
Non-current assets		28,223	25,864¹	31,808¹
Other receivables and assets	[12]	4	14	21
Income tax assets	[13]	146	816	214
Cash, cash equivalents and time deposits	[14]	2,912	2,862	469
Current assets		3,062	3,692	704
		31,285	29,556¹	32,512¹
Equity and liabilities				
Subscribed capital	[15]	306	306	306
Capital reserves	[15]	4,884	4,884	4,884
Retained earnings	[15]	25,280	23,314 ¹	15,659 ¹
Equity before non-controlling interests	[15]	30,470	28,504¹	20,849¹
Non-controlling interests – hybrid capital investors	[15]	0	0	345
Equity		30,470	28,504¹	21,194¹
Provisions for pensions and similar obligations	[16]	12	9 ¹	7
Other provisions	[17]	18	14	17
Deferred tax liabilities	[7]	36	24 ¹	6 ¹
Financial liabilities	[19]	300	300	5,871
Other liabilities	[20]	0	0	5,087
Non-current liabilities		366	347¹	10,988¹
Income tax provisions	[17]	249	81	79
Other provisions	[17]	173	113	92
Trade payables	[18]	10	7	9
Other liabilities	[20]	17	504	150
Current liabilities		449	705	330
		31,285	29,556¹	32,512¹

¹ Adjusted due to the first-time application of IAS 19 (rev. 2011); reference is made to the section "New accounting standards".

Consolidated statement of cash flows of Porsche Automobil Holding SE
for the period from 1 January to 31 December 2013

€ million	2013	2012
1. Operating activities		
Profit/loss for the year	2,408	7,943 ¹
Change in provisions for pensions	2	0
Change in other provisions	63	18
Current tax	171	5
Change in deferred tax	12	19 ¹
Income tax paid	-3	-2
Income tax received	326	1
Income from investments	0	-13
Income from the contribution of the operating business	0	-3,492 ¹
Non-cash expenses and income	-2,708	-4,565 ¹
Dividends received	386	434
Change in other receivables and other assets	492	-9
Change in trade payables and other liabilities (excluding tax provisions and other provisions)	-484	-137
Cash flow from operating activities	665	202
2. Investing activities		
Net payment from the contribution of the holding business operations	0	4,486
Cash flow from investing activities before investments in time deposits	0	4,486
Change in investments in time deposits	-490	-1,859
Cash flow from investing activities	-490	2,627
3. Financing activities		
Dividends paid to shareholders of Porsche SE	-615	-232
Dividends paid to non-controlling interests – hybrid capital investors	0	-11
Cash paid for the repurchase of hybrid capital	0	-52
Cash paid for the settlement of loans	0	-2,000
Cash flow from financing activities	-615	-2,295
4. Cash funds		
Change in cash funds (subtotal of 1 to 3)	-440	534
Cash funds as of 1 January 2013 and 1 January 2012	902	368
Cash funds as of 31 December 2013 and 31 December 2012	462	902
Presentation of gross liquidity		
Cash, cash equivalents and time deposits	2,912	2,862
Gross liquidity	2,912	2,862

¹ Adjusted due to the first-time application of IAS 19 (rev. 2011); reference is made to the section "New accounting standards".

Note [10] 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 2013

	Subscribed capital	Capital reserves	Retained earnings		Equity before non-controlling interests	Non-controlling interests – hybrid capital	Group equity
			Accumulated profit	Investments accounted for at equity ³			
€ million							
As of 1 January 2012 before adjustment	306	4,884	15,378	732	21,300	345	21,645
Adjustment due to the first-time application of IAS 19 (rev. 2011) ⁴			83	– 534	– 451		– 451
As of 1 January 2012 after adjustment	306	4,884	15,461	198	20,849	345	21,194
Profit/loss for the year ⁴			7,932		7,932	11	7,943
Other comprehensive income after tax ⁴			– 1	– 450	– 451		– 451
Total comprehensive income for the period ⁴	0	0	7,931	– 450	7,481	11	7,492
Dividend payment			– 232 ¹		– 232	– 11	– 243
Repurchase of hybrid capital			– 4		– 4	– 48	– 52
Effect from deconsolidations						– 297	– 297
Other changes in equity arising from the level of investments accounted for at equity			295	114	409		409
Other changes			1		1		1
As of 31 December 2012⁴	306	4,884	23,452	– 138	28,504	0	28,504
As of 1 January 2013 before adjustment	306	4,884	23,370	1,590	30,150	0	30,150
Adjustment due to the first-time application of IAS 19 (rev. 2011)			82	– 1,728	– 1,646		– 1,646
As of 1 January 2013 after adjustment	306	4,884	23,452	– 138	28,504		28,504
Profit/loss for the year			2,408		2,408		2,408
Other comprehensive income after tax			– 1	218	217		217
Total comprehensive income for the period	0	0	2,407	218	2,625		2,625
Dividend payment			– 615 ²		– 615		– 615
Other changes in equity arising from the level of investments accounted for at equity			– 44		– 44		– 44
As of 31 December 2013	306	4,884	25,200	80	30,470	0	30,470

¹ Distribution of a dividend of €0.754 per ordinary share; total €115,456,250
Distribution of a dividend of €0.76 per preference share; total €116,375,000

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

⁴ Adjusted due to the first-time application of IAS 19 (rev. 2011); reference is made to the section "New accounting standards".

Equity is explained in note [15].

Notes to the consolidated financial statements of Porsche Automobil Holding SE for the fiscal year 2013

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 2013 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 were taken into account in the preparation. 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.

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 the investment 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 25 February 2014.

Consolidated group

The consolidated financial statements of Porsche SE essentially include by means of full consolidation all companies in which Porsche SE has the power to govern the financial and operating policy, either directly or indirectly, so as to obtain benefits from its activities (control concept). Initial consolidation by way of full consolidation is performed as of the date on which the acquirer obtains the possibility of control. A company is no longer consolidated upon loss of control. Subsidiaries where Porsche SE is able, directly or indirectly, to significantly influence financial and operations policy decisions and to benefit therefrom but that are immaterial on a stand-alone basis and in total for a true and fair presentation of the net assets, financial position and

results of operations may, as an alternative, also be accounted for at cost in the consolidated financial statements.

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

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.

Prior to the contribution of the holding business operations to Volkswagen AG, Porsche SE did not have control within the meaning of IFRSs over Porsche Holding Stuttgart GmbH, Stuttgart, despite holding the majority of the voting rights at 50.1% due to the rulings established in the articles of association of this company and other agreements. It was therefore accounted for at equity as a joint venture of Porsche SE and Volkswagen AG in the comparative period prior to the resolution to make the contribution.

Porsche SE contributed its entire holding business operations (hereinafter also referred to as "contribution of business operations"), and thus the remaining indirect share in Porsche's operating business, to Volkswagen AG as of 1 August 2012. Since then, Volkswagen AG has held 100% of the shares in Porsche Holding Stuttgart GmbH and therefore also indirectly holds 100% of the shares in Dr. Ing. h. c. F. Porsche Aktiengesellschaft, Stuttgart ("Porsche AG"). Porsche SE's shareholding in the capital of Volkswagen AG remains unchanged at 32.2%.

Consequences of the contribution of the holding business operations of Porsche SE to Volkswagen AG in the fiscal year 2012

On 4 July 2012, the executive board of Porsche SE and the board of management of Volkswagen AG, with the agreement of the competent bodies, approved a concept for the accelerated creation of the integrated automotive group. In order to implement the concept, the two companies entered on 12 July 2012 into a contribution agreement that provides for the creation of the integrated automotive group, after various restructuring measures have taken effect, by means of the contribution of the holding business operations of Porsche SE to Volkswagen AG by way of singular succession with effect as of 1 August 2012 as part of a

capital increase with a mixed non-cash contribution. In return for the contribution of the holding business operations of Porsche SE, Volkswagen AG issued one new ordinary Volkswagen AG share, created by partly using an existing authorization, to Porsche SE and made a total payment of €4,495 million to Porsche SE.

From the point of view of the Porsche SE group, the executed restructuring measures prior to the contribution of the holding business operations mainly pertained to the merger of the Porsche Holding Stuttgart GmbH into Porsche Sechste Vermögensverwaltung GmbH, which is also held by Porsche SE and Volkswagen AG, which was renamed Porsche Zweite Zwischenholding GmbH prior to the merger (now named Porsche Holding Stuttgart GmbH), effective 1 January 2012 as well as – after the merger was completed – a resolution on an advance profit distribution from Porsche Holding Stuttgart GmbH being adopted.

As a result of contributing Porsche SE's holding business operations to Volkswagen AG, particularly the investment in Porsche Holding Stuttgart GmbH and all of Porsche SE's other equity investments of Porsche SE were transferred at the time of the contribution (with the exception of the investment in Volkswagen AG). The carrying amounts of the assets, equity and liabilities of the holding business operations contributed to Volkswagen AG broke down as follows at the time of the contribution:

€ million	Carrying amount
Assets	
Investment in Porsche Holding Stuttgart GmbH	2,006 ¹
Other receivables due from joint ventures	4,016
Dividend receivables	1,354
Other receivables from derivative financial instruments	32
Cash and cash equivalents	9
	7,417¹
Equity and liabilities	
Non-controlling interests – hybrid capital investors	297
Financial liabilities due to joint ventures	3,880
Other liabilities from derivative financial instruments	4,682
Other liabilities	2
	8,861

¹ Adjusted due to the first-time application of IAS 19 (rev. 2011); reference is made to the section "New accounting standards".

Due to the contribution and the resulting deconsolidation of subsidiaries, financial liabilities of €300 million and other liabilities of €489 million had to be recognized in the consolidated financial statements of Porsche SE that were previously eliminated in the course of consolidation measures, reducing the income from the contribution of the holding business operations accordingly.

As the contribution was made to Volkswagen AG, which is an associate of Porsche SE, an intercompany profit of €1,658 million¹ had to be eliminated. This led to a corresponding decrease in the carrying amount of the investment in Volkswagen AG which is accounted for at equity. The contribution thus directly resulted in income of €3,492 million¹, which was recognized in other operating income.

Due to the resolution to make the contribution, the investment in Porsche Holding Stuttgart GmbH ceased to be accounted for at equity in the Porsche SE consolidated financial statements in July 2012. As a result of the disposal of this investment, expenses and income from the recognition of the investment in Porsche Holding Stuttgart GmbH at equity in the amount of €184 million, which had previously been recognized under other comprehensive income, had to be derecognized and recognized as an expense in the result from associates.

The contribution also had effects at the level of Volkswagen AG that, taking into account adjustments to the group's uniform accounting policies, increased the result from Porsche SE's investments accounted for at equity by €1,574 million¹.

Other expenses in connection with the contribution came to €22 million.

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

	31/12/2013	31/12/2012
Fully consolidated subsidiaries		
Germany	1	1
Associates		
Germany	1	1
	2	2

¹ Adjusted due to the first-time application of IAS 19 (rev. 2011); reference is made to the section "New accounting standards".

List of shareholdings of the group

	Share in capital as of 31/12/2013	Equity	Profit/loss
	%	€ thousand	€ thousand
Fully consolidated entities			
Germany			
Porsche Beteiligung GmbH, Stuttgart	100.0	24	0 ²
Associates accounted for at equity			
Germany			
Volkswagen Aktiengesellschaft, Wolfsburg	32.2 ¹	25,874,476	3,078,171

¹ Diverging from the capital share; the share in voting rights is 50.73% as of the reporting date.

² Profit and loss transfer agreement with Porsche SE.

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

Investments in associates

Volkswagen AG is included in the consolidated financial statements of Porsche SE as an associate. As of 31 December 2013, the market value of the investment in Volkswagen AG amounted to €29,489 million (31 December 2012: €24,375 million).

The Volkswagen group reported the following figures:

€ million	2013	2012
Non-current assets	202,141	196,457 ¹
Current assets	122,192	113,061
Non-current liabilities	115,672	121,996 ¹
Current liabilities	118,625	105,526 ¹
Revenue	197,007	192,676
Profit share of the shareholders of Volkswagen AG	9.066	21,712 ¹

¹ Adjusted due to the first-time application of IAS 19 (rev. 2011); reference is made to the section "New accounting standards".

The figures presented above have not been adjusted for the purpose of accounting for the investment at equity at the level of Porsche SE.

Investments in joint ventures

Prior to the resolution to contribute the holding business operations of Porsche SE to Volkswagen AG, Porsche Holding Stuttgart GmbH was included as a joint venture accounted for at equity in the consolidated financial statements of Porsche SE in the fiscal year 2012.

The Porsche Holding Stuttgart GmbH group reports the following figures (the disclosures relate to the period from the start of the fiscal year until the end of at-equity accounting in the prior-year period):

€ million	2013	2012
Income	–	7,569
Expenses	–	6,814 ¹

¹ Adjusted due to the first-time application of IAS 19 (rev. 2011); reference is made to the section "New accounting standards".

The figures presented above have not been adjusted for the purpose of accounting for the investment at equity at the level of Porsche SE.

Consolidation principles

As the at-equity accounting has a significant influence on the net assets and results of operations of the Porsche SE group, the consolidation principles that are or were applicable only within the Volkswagen group and in the comparative period up until the contribution of the holding business operations of Porsche SE to Volkswagen AG in the Porsche Holding Stuttgart GmbH group 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 (rev. 2008).

The cost of a business combination is measured in accordance with IFRS 3 (rev. 2008) as the aggregate of the consideration transferred at fair value as of the acquisition date, measured at acquisition date fair value, and the non-controlling interests in the 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 remeasurement 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. 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.

An impairment test was carried out in the reporting period and the comparative period for the investment in Volkswagen AG and, in the comparative period directly prior to classification as held for sale, for the investment in Porsche Holding Stuttgart GmbH. The recoverable amount of these investments was determined using the discounted cash flow method. The most recent five-year plan (prior year: three-year plan) for Volkswagen AG and the five-year plan for the Porsche Holding GmbH group in the comparative period approved by the management of the equity investments was used as a basis. One major component of the corporate planning for the Porsche Holding Stuttgart GmbH group was the increase in the annual sales volume to around 200,000 vehicles by 2018 and a return on sales of 15%. 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% 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 7.4% (prior year: 7.1% for the investment in Volkswagen AG, and 7.0% for the investment in Porsche Holding Stuttgart GmbH respectively) was used to discount cash flows. This was derived from a peer group for each equity investment to reflect a return on capital that is appropriate for the risks involved in the respective business operations. When selecting the two peer groups, the special aspects of the multibrand strategy pursued by the Volkswagen group as well as of those of the sports car business of the Porsche Holding Stuttgart GmbH group were taken into consideration. Even an isolated decrease in the sustainable EBIT margin by 20% or a growth rate of 0%, 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 2013.

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€=		31/12/2013	31/12/2013	31/12/2012	31/12/2012
Argentina	ARS	N/A	8.9825	N/A	6.4840
Australia	AUD	N/A	1.5423	N/A	1.2712
Brazil	BRL	N/A	3.2576	N/A	2.7036
Canada	CAD	N/A	1.4671	N/A	1.3137
China	CNY	N/A	8.3491	N/A	8.2207
Czech Republic	CZK	N/A	27.4270	N/A	25.1510
India	INR	N/A	85.3660	N/A	72.5600
Japan	JPY	N/A	144.7200	N/A	113.6100
Mexico	MXN	N/A	18.0731	N/A	17.1845
Poland	PLN	N/A	4.1543	N/A	4.0740
Republic of Korea	KRW	N/A	1,450.9300	N/A	1,406.2300
Russia	RUB	N/A	45.3246	N/A	40.3295
South Africa	ZAR	N/A	14.5660	N/A	11.1727
Sweden	SEK	N/A	8.8591	N/A	8.5820
United Kingdom	GBP	N/A	0.8337	N/A	0.8161
USA	USD	1.3791	1.3791	1.3194	1.3194

¹ Accounted for at equity.

		Income statement Average rate				
		Porsche SE group	VW group ¹	Porsche SE group	Porsche Holding Stuttgart GmbH group ²	VW group ¹
1€=		2013	2013	2012	2012	2012
Argentina	ARS	N/A	7.2741	N/A	N/A	5.8444
Australia	AUD	N/A	1.3770	N/A	1.2562	1.2413
Brazil	BRL	N/A	2.8669	N/A	2.4147	2.5097
Canada	CAD	N/A	1.3685	N/A	1.3047	1.2848
China	CNY	N/A	8.1655	N/A	8.2013	8.1094
Czech Republic	CZK	N/A	25.9872	N/A	25.133	25.1457
India	INR	N/A	77.8753	N/A	N/A	68.6295
Japan	JPY	N/A	129.6595	N/A	103.4547	102.6212
Mexico	MXN	N/A	16.9644	N/A	17.1680	16.9087
Poland	PLN	N/A	4.1971	N/A	N/A	4.1843
Republic of Korea	KRW	N/A	1,453.8560	N/A	1,480.3535	1,448.2000
Russia	RUB	N/A	42.3248	N/A	39.7015	39.9238
South Africa	ZAR	N/A	12.8308	N/A	10.2883	10.5546
Sweden	SEK	N/A	8.6505	N/A	N/A	8.7067
United Kingdom	GBP	N/A	0.8493	N/A	0.8227	0.8111
USA	USD	1.3284	1.3281	1.2856	1.2977	1.2856

¹ Accounted for at equity.

² The disclosures on average exchange rates in the fiscal year 2012 pertain to the period from the start of the fiscal year to the end of at-equity accounting in July 2012.

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 Porsche Holding Stuttgart GmbH group (until the contribution of the holding business operations of Porsche SE to Volkswagen AG in the prior-year period) and the Volkswagen group are also included in the explanations below.

With the exception of certain items, such as investments accounted for at equity or derivative financial instruments, 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. The 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 reviewed, and adjusted prospectively as changes in estimates if appropriate, at each reporting date.

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 the group's leasing companies. Leased vehicles are recognized at cost and depreciated on a straight-line basis over the term of the lease to the lower of estimated residual value and fair value.

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.

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 2013 reporting period or in the fiscal year 2012.

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 latter, 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.

Inventories

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

The cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. In addition to costs directly attributable, 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.

Long-term development contracts

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). If the result of a development contract cannot be determined 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. The principle of measuring assets at the lower of carrying amount and net realizable value is taken into consideration.

Financial instruments

According to IAS 39, a financial instrument is any contract that gives rise to a financial asset at one entity and a financial liability or equity instrument at 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.

Amortized cost corresponds to the original cost less redemption, impairment losses and the release of any difference between costs and the amount repayable upon maturity calculated by applying the effective interest method. 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 2013 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.

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 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 2013 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 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 below cost and the decrease in fair value is prolonged. 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

Prior to the contribution of the holding business operations of Porsche SE to Volkswagen AG in the prior-year period, Porsche SE had a put option and Volkswagen AG a call option for Porsche SE's 50.1% of shares in Porsche Holding Stuttgart GmbH remaining prior to the contribution of the holding business operations to Volkswagen AG. For options that are not traded on an active market, IAS 39.48 et seq. requires that a suitable valuation technique or recent transaction be used for measurement purposes. Options were measured using generally accepted valuation techniques based on observable market data and historical values.

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, the accounting for changes in fair value corresponds to the accounting for fair value hedges. Gains or losses from changes in measurement are recognized through profit or loss.

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 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 recovered.

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 future probable tax liabilities, 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.

Discontinued operations and non-current assets held for sale

Discontinued operations are components of an entity that have either been disposed of or are classified as held for sale and which

- represent a separate major line of business or geographical area of operations,
- are part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or
- are a subsidiary acquired exclusively with a view to resale.

Discontinued operations are presented separately in accordance with IFRS 5. The income and expenses associated with discontinued operations and any gain or loss arising from discontinuation are disclosed separately in the income statement as profit from discontinued operations below the profit from continuing operations. The prior-year information in the income statement is restated accordingly.

Under IFRS 5, non-current assets or groups of assets and liabilities are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Such assets are carried at the lower of their carrying amount and fair value less costs to sell, and are presented separately in current assets and liabilities in the balance sheet.

Hybrid capital

Provided the bond conditions of the hybrid capital issued satisfy the criteria, hybrid capital is accounted for as an equity instrument of the group in accordance with IAS 32. If the hybrid capital is classified as equity, the deductible interest is not presented as interest expenses but accounted for corresponding to the accounting for dividends to the shareholders. Any transaction costs are deducted from the hybrid capital, taking tax effects into account.

If classified as a debt instrument, hybrid capital is presented under bonds. Interest is included in other interest and similar expenses.

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. 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.

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 and 2012.

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. Revenue is reported net of discounts, customer bonuses and rebates.

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. Prior to that time, the assets are accounted for as inventories.

Revenue from receivables from financial services is realized using the effective interest method.

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. If, for example, loans in the financial services sector are issued at below market interest rates to promote sales of new vehicles, revenue is reduced by the incentive arising from the loan.

Revenue from long-term development contracts is recognized in accordance with the percentage of completion method.

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. Key sources of estimations at the level of investees thereby influencing the profit or loss from investments accounted for at equity include the determination of the fair value of assets and liabilities for which observable market data are not available when performing purchase price allocations, the measurement of options to company shares not traded on an active market, the impairment testing of financial and non-financial assets such as goodwill, brand names, receivables from financial services, investments accounted for at equity, useful lives and amortization or depreciation methods, residual values of leased assets as well as the 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 other provisions (reference is made to note [17] in particular) and contingent liabilities (reference is made to note [22] in particular with regard to litigation).

Income tax provisions constitute another key source of estimations. In the fiscal year 2012, a tax field audit commenced for the assessment periods 2006 to 2008 that has not yet been completed. 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 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 until 31 July 2009 were not transferred to Volkswagen AG. Based on the results and findings available so far from the ongoing tax field audit, Porsche SE has identified and evaluated potential tax risks from transfer pricing regulations between Porsche AG and foreign sales companies within the Porsche AG group as well as from other tax matters. The income tax provision recognized for these matters as of the reporting date totals €226 million. Additionally, provisions of €70 million were recognized for resulting interest on tax back payments. Newer findings in the future course of this tax field audit may lead to an increase or decrease in the tax and interest payable.

Any offsetting tax relief at a later stage at the level of Porsche Holding Stuttgart GmbH, Porsche AG or the sales companies 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 will be recognized 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 up until 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 go beyond the obligations from periods up until 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 risks recognized as provisions at the level of Porsche SE will in some cases lead to tax benefits in the Volkswagen group that are expected to compensate partly 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 current tax field audit for the assessment periods 2006 to 2008. A reimbursement claim to such compensation was not yet more certain than not as of 31 December 2013 and was thus not recognized as an asset in the consolidated financial statements. The amount of a possible reimbursement claim cannot yet be reliably estimated from the current status of the tax field audit for the assessment periods 2006 to 2008.

Key sources of judgment are deciding which indicators are indicative of an impairment of associates and joint ventures (reference is made to the section "Equity accounting" under "Consolidation principles") as well as the recognition of deferred tax assets, provisions and contingent liabilities (reference is made to note [22] on litigation in particular). 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.

In individual cases, amounts realized may differ from the judgments and estimates. The carrying amounts of the assets and liabilities affected by estimates can be seen in the breakdowns of the individual balance sheet items.

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.

The estimates on which accounting is based are associated with uncertainties. A factor which may cause variances from expectations at the level of Porsche SE is in particular the outcome of ongoing tax field audit 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 other than as described under subsequent events. Judgments and estimates by management included assumptions relating to macroeconomic development, the development of automotive markets and the legal environment that are described in the forecast report as part of Porsche SE's group management report for the 2013 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 2013 in accordance with the respective transitional provisions are presented below. None of these were early adopted on a voluntary basis.

Amendments to IAS 1 "Presentation of Financial Statements"

The revised version of IAS 1 leads to a revised presentation of the statement of comprehensive income. Pursuant to the revised standard, items of other comprehensive income have to be differentiated into those that are not reclassified to the income statement and items that are reclassified to the income statements in certain cases. In addition, the corresponding tax effects have to be allocated to these two groups. The statement of comprehensive income in the consolidated financial statements was therefore adjusted retrospectively. The remaining amendments to IAS 1 had no effect on the presentation of the net assets, financial position and results of operations.

Amendments to IAS 19 "Employee Benefits"

Porsche SE adopted the version of IAS 19 revised in 2011 for the first time in the fiscal year 2013. The amendments essentially concern:

- the removal of the deferred recording of actuarial gains and losses (corridor method); instead actuarial gains and losses are recognized in other comprehensive income in the reporting period in which they occur; resulting changes at the level of investments accounted for at equity are recognized in the reserve for investments accounted for at equity; changes to provisions for pensions are reported in accumulated profits;
- the immediate recognition through profit or loss of past service cost for pension obligations;
- the proportional accumulation of top-up amounts under phased retirement scheme obligations when using what is referred to as the block model; and
- the use of a uniform interest rate for plan assets and pension obligations.

This mainly had consequences at the level of investments accounted for at equity. Due to the retrospective application of the amendment, the following adjustments were made:

€ million	Before adjustment	Adjustment	After adjustment
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1/1/2012

Consolidated balance sheet

Reserve for investments accounted for at equity	732	- 534	198
Accumulated profit	15,378	83	15,461
Investments accounted for at equity	28,008	- 453	27,555
Deferred tax liabilities	8	- 2	6

€ million	Before adjustment	Adjustment	After adjustment
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2012

Consolidated statement of comprehensive income

Change in actuarial gains and losses	0	- 1	- 1
Change in reserve for investments accounted for at equity	858	- 1,308	- 450

Consolidated income statement

Profit/loss before tax	7,861	106	7,967
thereof profit/loss from investments accounted for at equity	4,332	44	4,376
Income tax	- 32	8	- 24
Profit/loss for the year	7,829	114	7,943
thereof profit/loss attributable to shareholders of Porsche Automobil Holding SE	7,818	114	7,932
Earnings per ordinary share (basic and diluted)	25.52	0.37	25.89
Earnings per preference share (basic and diluted)	25.53	0.37	25.90

€ million	Before adjustment	Adjustment	After adjustment
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1/1/2013

Consolidated balance sheet

Reserve for investments accounted for at equity	1,590	- 1,728	- 138
Accumulated profit	23,370	82	23,452
Investments accounted for at equity	27,517	- 1,655	25,862
Provisions for pensions and similar obligations	7	2	9
Deferred tax liabilities	35	- 11	24

In the fiscal year 2013, total comprehensive income would have increased by €411 million if IAS 19 (rev. 2011) had not been applied. The net income of the group for the year reported in the income statement would have been €93 million lower. The carrying amount of the investment in Volkswagen AG as of 31 December 2013 would have been €29,301 million if IAS 19 (rev. 2011) had not been applied.

IFRS 13 “Fair Value Measurement”

IFRS 13 contains general requirements for determining fair value. In the consolidated financial statements of Porsche SE, the new standard affects the calculation of disclosures in the notes pursuant to IFRS 7, the calculation of the fair value less costs to sell as part of the impairment test and indirectly on the accounting for investments accounted for at equity. This did not have any material effects on the presentation of net assets, financial position and results of operations. These amendments were applied prospectively.

Annual Improvements 2009-2011

These amendments were made to clarify various standards. This did not have any effects on the consolidated financial statements of Porsche SE.

Amendments to IAS 12 “Income Taxes”

In accordance with IAS 12, the measurement of deferred tax depends on whether an entity expects to recover an asset’s carrying amount by using it or by selling it. The distinction may be difficult and involve judgment in certain circumstances. The amendment introduces a rebuttable presumption that the carrying amount will normally be recovered through sale. The scope of application of this rebuttable presumption is limited to investment property measured at fair value and property, plant and equipment or intangible assets measured using the revaluation model in IAS 16 or IAS 38. As part of the amendments made, the regulations of SIC 21 were incorporated in IAS 12 and SIC 21 was withdrawn accordingly. The amendments did not have any effects on the consolidated financial statements of Porsche SE.

Amendments to IFRS 7 “Financial Instruments: Disclosures”

With these amendments the IASB clarifies some details relating to the netting of financial assets against financial liabilities and requires additional disclosures. This did not have any effects on the consolidated financial statements of Porsche SE.

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

Amendment to IAS 36: “Impairment of Assets”

These amendments relate 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. The amendments are effective for reporting periods beginning on or after 1 January 2014.

Amendments to IFRS 9: “Hedge Accounting”

This amendment contains new rules on hedge accounting that were added to IFRS 9, replacing the hedge accounting rules in IAS 39. However, companies have the possibility to continue to apply the hedge accounting rules in IAS 39 as an alternative. Furthermore, there is a possibility when applying the new rules on hedge accounting contained in IFRS 9 to additionally apply the special rules in IAS 39 concerning portfolio fair value hedges for interest risks. This amendment also makes it permissible to early adopt the rule on recognition in profit or loss of fair value changes for liabilities measured at fair value through profit or loss that are related to credit ratings without applying the other rules in IFRS 9. The new version of IFRS 9 does not contain any date for first-time adoption.

Amendments to IAS 39 and IFRS 9: Novation of Derivatives and Continuation of Hedge Accounting

Based on this amendment, in future an accounting hedge is not deemed terminated when a derivative is formally derecognized, as novations lead to a change in the counterpart. The amendments are effective for reporting periods beginning on or after 1 January 2014.

Amendments to IAS 19: Defined Contribution Plans: Employee Contributions

Based on this amendment, companies are now permitted to recognize employee contributions or contributions by third parties as a reduction in current service cost in the period in which the related service is rendered. The prerequisite is that the contributions are independent of the number of years of service. This is the case, for example, if the contribution is a fixed percentage of salary. By contrast, there is no independence, for example, if the percentage share of salary increases as the years of service increase. In such a case, the payments resulting from the employee contributions or contributions by third parties must be distributed over the period of service.

In addition to this main change, the amendments clarify wording issues. The amendments are applicable for fiscal years beginning on or after 30 June 2014.

Annual Improvements 2010-2012 and 2011-2013

This amendment was made to clarify various standards. The amendments are applicable for fiscal years beginning on or after 1 July 2014.

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 interpretation is effective for reporting periods beginning on or after 1 January 2014.

Porsche SE does not expect these changes to have any material effect on the group's net assets, financial position and results of operations. In addition, the consolidated financial statements for prior years already presented amendments that have still not been applied in the fiscal year 2013. There are no changes regarding the assessment of potential effects resulting from this on future consolidated financial statements. With the exception of new disclosures in the notes, no material effects on the consolidated financial statements of Porsche SE are expected to stem from IFRS 10-12, IAS 27, IAS 28, IAS 32, IAS 36 and IAS 39, all of which are subject to mandatory adoption for the first time in the fiscal year 2014.

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	2013	2012
Income from reversal of provisions and accruals	6	5
Income from the contribution of the operating business	0	3,492 ¹
Income from valuation of options on non-stock company shares	0	405
Sundry other operating income	1	7
	7	3,909¹

¹ Adjusted due to the first-time application of IAS 19 (rev. 2011); reference is made to the section "New accounting standards".

The income from the contribution of the operating business in the prior-year period stemmed from the contribution of the holding business operations – i.e., the contribution of corresponding assets and liabilities – of Porsche SE to Volkswagen AG and takes into account the effect from the elimination of related intercompany profits. Reference is made to the section "Consolidated group" in these notes.

The income from the valuation of options on non-stock company shares concerned the change in the fair value of the call option of Volkswagen AG relating to the remaining shares held by Porsche SE in Porsche Holding Stuttgart GmbH prior to the contribution of the holding business operations to Volkswagen AG.

[2] Personnel expenses

€ million	2013	2012
Wages and salaries	15	13
Social security contribution, pension and other benefit costs	1	1
	16	14
Employees (annual average)		
Salaried staff	34	31
Employees according to Section 314 – 1 No. 4 HGB	34	31
Other	2	2
Total	36	33

[3] Other operating expenses

Other operating expenses consist of:

€ million	2013	2012
Legal and consulting fees	24	29
Expenses from valuation of options on non-stock company shares	0	200
Cost transfer	0	17
Other tax	2	7
Sundry other operating expenses	15	21
	41	274

Expenses from the valuation of options on non-stock company shares in the prior-year period pertain to the change in the fair value of the put option of Porsche SE relating to the remaining shares held by the company in Porsche Holding Stuttgart GmbH prior to the contribution of the holding business operations to Volkswagen AG.

Other tax mainly relates to additions to tax provisions.

The cost transfer item concerned costs assumed by Porsche SE for the transferred investments in connection with the contribution of the holding business operations of Porsche SE to Volkswagen AG.

[4] Profit/loss from investments accounted for at equity

The profit or loss from investments accounted for at equity breaks down as follows:

€ million	2013	2012
Profit/loss from ongoing equity accounting before purchase price allocation	2,932	4,737 ¹
Effects from purchase price allocation	-222	-361
	2,710	4,376¹

¹ Adjusted due to the first-time application of IAS 19 (rev. 2011); reference is made to the section "New accounting standards".

In the fiscal year 2013, profit/loss from investments accounted for at equity relate entirely to the earnings contribution from the investment in Volkswagen AG. In addition to a contribution from the investment in Volkswagen AG amounting to €4,255 million¹, in the comparative period the figure for earnings from investments accounted for at equity still contained an amount of €121 million¹ from the investment in Porsche Holding Stuttgart GmbH until measurement at equity ceased in July 2012.

The profit/loss from ongoing equity accounting before purchase price allocation was mainly influenced as follows in the prior year through the contribution of the holding business operations: on the one hand, the contribution resulted in income at the level of Volkswagen AG totaling €1,574 million¹; on the other hand, expenses of €184 million resulted from the derecognition of income and expenses from the investment in Porsche Holding Stuttgart GmbH previously recorded in accumulated other comprehensive income. Reference is made to the section "Consolidated group" in these notes.

[5] Finance costs

€ million	2013	2012
Interest on expected tax back payments	67	2
Interest expenses from loans issued by associates	21	9
Interest expenses from loans issued by joint ventures	0	102
Loan interest due to banks	0	27
Interest from using the effective interest rate method	0	9
Other interest and similar expenses	6	10
	94	159

The interest on expected tax back payments contain additions to provisions for expected interest on subsequent tax payments (reference is made to the section "Significant accounting judgments and estimates").

The interest expenses from loans issued by joint ventures stemmed from loans to entities in the Porsche Holding Stuttgart GmbH group that were transferred to the Volkswagen group in the prior-year period as part of the contribution of the holding business operations of Porsche SE to Volkswagen AG.

The interest from using the effective interest rate method related to the total interest expenses from financing activities determined using the effective interest method. The finance costs contain interest expenses of €27 million (prior year: €156 million) from financial instruments that are not measured at fair value through profit or loss.

¹ Adjusted due to the first-time application of IAS 19 (rev. 2011); reference is made to the section "New accounting standards".

[6] Financial revenue

€ million	2013	2012
Interest on tax received	14	0
Interest income on loans issued to joint ventures	0	105
Income from investments	0	13
Other interest and similar income	11	11
	25	129

The tax interest received relates to interest on refunded income tax for assessment periods in the past.

The interest income from loans to joint ventures stemmed from loans to entities in the Porsche Holding Stuttgart GmbH group that were transferred to the Volkswagen group in the prior-year period as part of the contribution of the holding business operations of Porsche SE to Volkswagen AG.

The income from investments in the comparative period relates to dividends received from Porsche Holding Stuttgart GmbH in the period between the end of at-equity accounting and the disposal of this investment.

Finance revenue contains interest income of €11 million (prior year: €116 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	2013	2012
Current tax income/expense, Germany	171	3
Current tax income/expense, other countries	0	2
Current tax income/expense	171	5
thereof income/expenses relating to other periods	171	-1
Deferred tax income/expense, Germany	12	19 ¹
Deferred tax income/expense, other countries	0	0
Deferred tax	12	19 ¹
Income tax	183	24¹

¹ Adjusted due to the first-time application of IAS 19 (rev. 2011); reference is made to the section "New accounting standards".

The current tax expense in the fiscal year 2013 contains additions to provisions for expected tax back payments by Porsche SE in connection with an ongoing tax field audit for the assessment periods 2006 to 2008 (reference is made to section "Significant accounting judgments and estimates").

The overall income tax rate for the German entities is 30% (prior year: 30%). The tax rate applied for the foreign subsidiary was 12.5% in the prior year. There were no changes to the tax rates in either reporting period.

The current tax expense was reduced by €0 million (prior year: €7 million) as a result of the utilization of previously unrecognized unused tax losses.

Previously unused tax losses for which no deferred tax assets were recognized amounted to €2,213 million (prior year: €2,290 million¹) and are unforfeitable.

Deductible temporary differences on which no deferred tax was recognized amount to €31 million in the reporting period (prior year: €19 million).

The following reconciliation shows the differences between the expected income tax expense from continuing operations calculated at the theoretical group tax rate of 30% (prior year: 30%) and the reported income tax expense:

€ million	2013	2012
Profit/loss before tax	2,591	7,967 ¹
Group tax rate	30 %	30 %
Expected income tax expense	777	2,390¹
Tax rate related differences	0	-2
Difference in tax base	-748	-2,363
Recognition and measurement of deferred tax	-17	7 ¹
Tax relating to other periods	171	-8
Reported income tax expense	183	24¹

The reconciliation item "Recognition and measurement of deferred tax" mainly contains deferred tax not recognized on unused tax losses and deductible temporary differences and, conversely, the additional recognition of deferred tax assets on unused tax losses of €23 million

¹ Adjusted due to the first-time application of IAS 19 (rev. 2011); reference is made to the section "New accounting standards".

(prior year: reduction of €1 million¹). 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 the additions to the provision for interest on tax back payments as well as in the prior year to effects in connection with the preparation and execution of the contribution of the holding business operations, including the related deconsolidation entries. In the fiscal year 2013, the effects relating to other periods stem from the additions to the provisions for expected subsequent tax payments by Porsche SE in connection with an ongoing 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	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Investments accounted for at equity	0	0	101	66 ¹
Other receivables and assets	0	0	0	1
Unused tax losses	64	41 ¹	0	0
Provisions for pensions and similar obligations	1	1 ¹	0	0
Other provisions	0	1	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	65	43	101	67 ¹
Offsetting	-65	-43 ¹	-65	-43 ¹
Balance according to consolidated balance sheet	0	0	36	24 ¹

¹ Adjusted due to the first-time application of IAS 19 (rev. 2011); reference is made to the section "New accounting standards".

[8] Profit/loss attributable to non-controlling interests

The profit/loss attributable to non-controlling interests, which in the prior-year period was attributable to the investors in hybrid capital prior to its disposal as a result of the contribution of the business operations (reference is made to section "Consolidated group"), amounted to €11 million.

[9] Earnings per share

		2013	2012
Profit/loss for the year	€ million	2,408	7,943 ¹
Profit/loss attributable to non-controlling interests – hybrid capital investors	€ million	0	11
Profit/loss attributable to shareholders of Porsche SE	€ million	2,408	7,932 ¹
Profit/loss attributable to ordinary shares (basic)	€ million	1,203.5	3,965.5 ¹
Profit/loss attributable to preference shares (basic)	€ million	1,204.5	3,966.5 ¹
Profit/loss attributable to ordinary shares (diluted)	€ million	1,203.5	3,965.5 ¹
Profit/loss attributable to preference shares (diluted)	€ million	1,204.5	3,966.5 ¹
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)	€	7.86	25.89 ¹
Earnings per preference share (basic)	€	7.87	25.90 ¹
Earnings per ordinary share (diluted)	€	7.86	25.89 ¹
Earnings per preference share (diluted)	€	7.87	25.90 ¹

¹ Adjusted due to the first-time application of IAS 19 (rev. 2011); reference is made to the section “New accounting standards”.

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.

[10] 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 time deposits), and financing activities. Cash inflows and outflows from investing and financing activities are presented using the direct method.

Cash outflows from investing activities relate to changes of cash deposits to time deposits. As the net cash inflow from the contribution of the holding business operations of Porsche SE to Volkswagen AG exceeded the cash outflow from changes in cash deposits to time deposits, there was a net cash inflow from investing activities in the comparative period.

The cash outflow from financing activities concerns cash outflows from dividend payments as well as, in the prior year, from the repayment of loans, the distributions to hybrid capital investors and the repurchase of hybrid capital.

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 and expenses as well as, in the comparative period, the gain from the contribution of business operations made in the fiscal year 2012 – are eliminated from profit/loss for the year and adjusted for changes in operating assets and liabilities. Non-cash income and expenses mainly contain income and expenses from the subsequent measurement of the investments accounted for at equity.

The cash inflow from operating activities includes:

€ million	2013	2012
Interest paid	-25	-141
Interest received	9	114

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	31/12/2013	31/12/2012
Cash, cash equivalents and time deposits	2,912	2,862
- time deposits	-2,450	-1,960
Cash funds according to statement of cash flows	462	902

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

[11] Development of investments accounted for at equity

The shares accounted for at equity solely comprise the carrying amount of the investment in Volkswagen AG. The required elimination of the intercompany profit in the income from the contribution of the business operations in the prior year reduced the carrying amount by €1,658 million¹. Reference is made to the section "Consolidated group" in these notes.

70 million of the ordinary shares held by Porsche SE in Volkswagen AG have 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 drawn yet. The lien secures the repayment claims of any potential future use by the company of the revolving line of credit. Porsche SE can still exercise its voting rights and is 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 cannot 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 is 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 been sold previously or concurrently. In addition, Porsche SE may sell stock options associated with the shares. Even before the complete repayment of the utilized syndicated loan and prior to the contribution of its holding business operations in Volkswagen AG, Porsche SE was already able to exercise its voting rights and was entitled to dividends from ordinary and preference shares subject to the creditors' right to issue instructions otherwise in restrictively defined, exceptional cases.

[12] Non-current and current other receivables and assets

€ million	31/12/2013	31/12/2012
Other receivables and assets from associates	0	5
Sundry other receivables and assets	5	11
	5	16
thereof non-current	1	2
thereof current	4	14

¹ Adjusted due to the first-time application of IAS 19 (rev. 2011); reference is made to the section "New accounting standards".

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 €2 million (prior year: €10 million) and other non-financial receivables and assets with a carrying amount of €3 million (prior year: €6 million). The non-financial other receivables and assets mainly contain prepaid expenses.

[13] Income tax assets

The income tax assets fell from €816 million as of 31 December 2012 to €146 million as of 31 December 2013 due to tax refunds received. The decrease is mainly attributable to refunds of tax on investment income (including solidarity surcharge) for profit distributions and dividends received. Of this decrease, €484 million relates to the receivable relating to tax on investment income recognized as of 31 December 2012 (including solidarity surcharge) as a result of the resolution by Porsche Holding Stuttgart GmbH in the prior-year period regarding an advance profit distribution resolution prior to the contribution of business operations. This refund was assigned to the Volkswagen group. Other liabilities decreased accordingly in the first half of 2013, as Porsche SE had undertaken to assign the refund to the Volkswagen group in connection with the contribution of business operations (reference is made to note [20]).

[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.

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. 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. This also includes reclassified revaluation reserves of deconsolidated subsidiaries and the reserve for actuarial gains and losses from pensions taking into account the allocable deferred tax. This item also recognizes tax effects from accounting for hybrid capital that was attributable to non-controlling interests.

As of 31 December 2013, actuarial gains and losses from pensions came to €4 million (31 December 2012: €2 million); the allocable deferred tax came to €1 million as of 31 December 2013 (31 December 2012: €1 million).

The changes in equity at the level of investments accounted for at equity presented in the 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. In addition, other changes in equity of the Volkswagen group that are not part of total comprehensive income are reported in this item.

The separate financial statements of Porsche SE as of 31 December 2013 report a net profit available for distribution of €615 million (prior year: €744 million) with net profit for the year of €234 million and withdrawals from retained earnings of €381 million. The executive board proposes a resolution for the distribution of a dividend of €2.004 per ordinary share and €2.01 per preference share, i.e., a total distribution of €614,643,750 for the fiscal year 2013. For the fiscal year 2012, the dividend had also been €2.004 per ordinary share and €2.01 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 €479 million (prior year: €1,199 million), income before tax from marking securities to market of €241 million (prior year: €206 million), income before tax from cash flow hedges of €844 million (prior year: €131 million), income after tax recognized directly in equity arising from investments accounted for at equity of €4 million (prior year: €105 million) and tax expenses of €264 million (prior year: €51 million). In the fiscal year 2013, expenses of €0 million (prior year: €184 million) recognized directly in equity were released to the income statement (reference is made to the

section "Consolidated group" for the prior-year disclosure). A pre-tax expense of €1,738 million (prior year: €2,440 million) was recognized for the non-reclassifiable actuarial gains and losses from pensions; the corresponding income from tax amounts to €514 million (prior year: €712 million).

Non-controlling interests – hybrid capital investors

At the beginning of the prior fiscal year, the hybrid capital had a nominal volume of €360 million. It had an indefinite term to maturity and represented equity of the group pursuant to the regulations set forth in IAS 32.

During the first half of the fiscal year 2012, the Porsche SE group repurchased hybrid capital with a nominal volume of €50 million. The difference between the purchase price of €52 million and the share of the carrying amount of €48 million was offset against the accumulated profits. In the course of the contribution of the holding business operations of Porsche SE to Volkswagen AG, the remaining hybrid capital with a nominal volume of €310 million was transferred and therefore derecognized (reference is made to the section "Consolidated group").

Capital management

The target of capital management at Porsche SE is the continuous increase in the 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.

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	31/12/2013	31/12/2012
Equity	30,470	28,504 ¹
Share of total capital	99%	99%
Financial liabilities	300	300
Share of total capital	1%	1%
Total capital	30,770	28,804¹

¹ Adjusted due to the first-time application of IAS 19 (rev. 2011); reference is made to the section "New accounting standards".

[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	
	2013	2012
%		
Discount rate	3.50	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	2013	2012
As of 1 January	9	8
Current service cost	1	1
Interest expenses	0	0
Actuarial gains (-) and losses (+) arising from changes in demographic assumptions	0	2
Actuarial gains (-) and losses (+) arising from changes in financial assumptions	0	0
Actuarial gains (-) and losses (+) arising from experience adjustments	2	0
Benefits paid	0	0
Past service cost	0	0
Other changes	0	-2
As of 31 December	12	9

The amounts recognized through profit or loss relate to current service cost of €1 million (prior year: €1 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 in the present value of pension obligations. A decrease in the discount rate of 50 base points would lead to a rise of €1 million in the present value of pension obligations. A comparable increase or decrease in other actuarial assumptions would not lead to an adjustment in the region of millions of euros.

As in the prior year, the weighted average term of pension obligations is 18 years. The cash outflow of pension provisions is expected to amount to €1 million (prior year: €1 million) in a period of between one and five years and €11 million (prior year: €8 million) in a period of more than five years.

[17] Non-current and current income tax provisions and other provisions

€ million	31/12/2013		31/12/2012	
		thereof due within one year		thereof due within one year
Income tax provisions	249	249	81	81
Other provisions	191	173	127	113
Provisions for employee expenses	8	6	7	7
Provisions for costs of litigation	36	20	41	27
Sundry other provisions	147	147	79	79

The increase in income tax provisions as of 31 December 2013 compared with 31 December 2012 is attributable primarily to expected tax back payments by Porsche SE in connection with an ongoing tax field audit for the assessment periods 2006 to 2008 (reference is made to the section "Significant accounting judgments and estimates").

Provisions for employee expenses are recognized for bonuses, long-service awards and similar obligations.

Sundry other provisions mainly comprise provisions for expected interest on tax back payments, for other tax and for delay interest on deferred tax payments.

90% of the other provisions are expected to result in cash outflow in the following year and 10% in between one and five years.

Other provisions developed as follows:

€ million	As of 1/1/2013	Additions	Utilization	Reversal	As of 31/12/2013
Provisions for employee expenses	7	8	5	2	8
Provisions for costs of litigation	41	9	10	4	36
Sundry other provisions	79	79	11	0	147
	127	96	26	6	191

The addition to the sundry other provisions is due mainly to expected interest from tax back payments by Porsche SE in connection with an ongoing tax field audit for the assessment periods 2006 to 2008. The effects of unwinding the discount on provisions were immaterial in the fiscal year 2013 and in the fiscal year 2012.

[18] Trade payables

The trade payables disclosed, amounting to €10 million (prior year: €7 million), are mainly liabilities for legal and consulting services.

[19] Non-current and current financial liabilities

Non-current and current financial liabilities solely comprise items to associates and are recognized at amortized cost.

Porsche SE's syndicated loan of nominal €2,000 million was repaid in full in the prior-year period following the execution of the contribution of business operations and using a portion of the cash received from it. The previously undrawn revolving credit line for an original amount of €1,500 million was reduced to €1,000 million as a result of the repayment. This previously undrawn credit line was extended until 30 November 2014 by exercising an option. There is also still the possibility of prolonging the maturity date until 30 June 2015 under certain circumstances. The credit line is 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, is not effective at present as the line of credit has not been drawn yet.

[20] Non-current and current other liabilities

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

€ million	31/12/2013	31/12/2012
Liabilities to associates	15	503
Sundry other liabilities	2	1
	17	504
thereof non-current	0	0
thereof current	17	504

The obligation from the assignment to the Volkswagen group of pending tax refunds amounting to €484 million still recognized in this item as of 31 December 2012 and that related to the advance profit distribution resolved by Porsche Holding Stuttgart GmbH prior to the contribution of the business operations was settled in the fiscal year 2013. The income tax receivables decreased accordingly in the first half of 2013 (reference is made to note [13]).

The carrying amount of €17 million (prior year: €504 million) relates entirely to other financial liabilities.

Other notes

[21] Financial risk management and financial instruments

1 Hedging guidelines and 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, cash equivalents and time deposits are invested with different counterparties in order to spread risk. The contracting partners for monetary investments, capital investments and, if necessary, derivative financial instruments needed 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
31/12/2013	
Other financial receivables	2
Cash, cash equivalents and time deposits	2,912
	2,914
31/12/2012	
Other financial receivables	10
Cash, cash equivalents and time deposits	2,862
	2,872

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
31/12/2013			
Other financial receivables	2	0	2
Cash, cash equivalents and time deposits	2,912	0	2,912
	2,914	0	2,914
31/12/2012			
Other financial receivables	10	0	10
Cash, cash equivalents and time deposits	2,862	0	2,862
	2,872	0	2,872

The receivables rated as good are allocated to risk class 1. Receivables from customers whose credit rating are not good, but have not yet defaulted, are allocated to risk class 2. Allocation to the risk classes is based on the borrower's external rating or liquidity planning, which documents their solvency. In the latter case, compliance with any existing covenants from other loan agreements is checked as of the reporting date.

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 not been drawn down either as of the end of the reporting period or as of the cut-off date in 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.

Liquid funds comprise the cash, cash equivalents and time deposits reported in the balance sheet.

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
31/12/2013			
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
31/12/2012			
Financial liabilities	21	376	397
Trade payables	7	0	7
Other financial liabilities	504	0	504
Financial guarantees	1,674	0	1,674
	2,206	376	2,582

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 and in the comparative period until they were transferred under the contribution of the holding business operations of Porsche SE to Volkswagen AG, to risks from the put and call options for Porsche SE's shares in Porsche Holding Stuttgart GmbH remaining prior to the contribution of the holding business operations. The risks arise in particular from fluctuations in the general interest rate level, from cash deposits and in the comparative period also from fluctuations in the enterprise value of Porsche Holding Stuttgart GmbH. 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 market price risk from fluctuations in the general interest rate was calculated using a sensitivity analysis. In the course of the sensitivity analysis, the effect on equity and profit or loss is determined by modifying risk variables within the respective market risk.

The interest rate risk essentially results from changes in market interest rates. This affects the current interest result for short-term deposits and medium- and long-term variable-rate liabilities, but can equally impact on the fair value of fixed-interest receivables and liabilities. 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.

The effects on the financial result and on equity arising from market interest rates as risk variables are presented in the following. As in the prior year, an increase in the market interest rates by 100 base points as of 31 December 2013 (prior year: 100 base points) would not have affected income and expenses recognized directly in equity. As in the prior year, a decrease in the market interest rates by 100 base points as of 31 December 2013 would not have affected income and expenses recognized directly in equity either. If market interest rates had been 100 base points (prior year: 100 base points) higher in the fiscal year 2013, profit would have been €0 million lower (prior year: €12 million lower). If market interest rates had been 100 base points (prior year: 100 base points) lower in the fiscal year 2013, profit would have been €0 million higher (prior year: €12 million higher).

5 Measurement of financial instruments

Porsche SE did not hold any derivative financial instruments as of 31 December 2013 or 31 December 2012.

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:

€ million	Measurement category under IAS 39	31/12/2013		31/12/2012	
		Carrying amount	Fair value	Carrying amount	Fair value
Assets					
Other financial receivables	LaR	2	2	10	10
Cash, cash equivalents and time deposits	LaR	2,912	2,912	2,862	2,862
Equity and liabilities					
Financial liabilities	FLAC	300	360	300	374
Trade payables	FLAC	10	10	7	7
Other financial liabilities	FLAC	17	17	504	504

The allocation of fair value 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. The put and call options relating to the shares in Porsche Holding Stuttgart GmbH remaining at Porsche SE prior to the contribution of the holding business operations were therefore allocated to level 3.

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 2013 or 31 December 2012.

The changes in fair values of financial assets and financial liabilities that were allocable to level 3 in the prior-year period are shown in the table below:

€ million	Financial assets at fair value through profit or loss	Financial liabilities at fair value through profit or loss
As of 1 January 2012	232	- 5,087
Additions (acquisitions)	0	0
Reclassification from level 2 to level 3	0	0
Total comprehensive income	0	0
with effect on profit/loss	- 200	405
recognized directly in equity	0	0
Disposal (sales)	32	4,682
As of 31 December 2012	0	0
Results recognized in profit or loss in fiscal year 2012		
Other operating profit/loss	- 200	405
thereof attributable to assets/liabilities held on reporting date	0	0

The carrying amounts of financial assets and liabilities are allocated to the measurement categories in accordance with IAS 39 as follows:

€ million	31/12/2013	31/12/2012
Loans and receivables (LaR)	2,914	2,872
Financial liabilities measured at amortized cost (FLAC)	327	811

The net gains or losses of the respective measurement categories are as follows:

€ million	2013	2012
Financial instruments at fair value through profit or loss	0	205
thereof held for trading (HfT)	0	205
Loans and receivables (LaR)	6	112
Financial liabilities measured at amortized cost (FLAC)	- 22	- 152

The net gains or losses from financial instruments at fair value through profit or loss are derived from the fair value measurement.

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

Investigations of the Stuttgart public prosecutor

To the knowledge of Porsche SE – which is not a party to the criminal proceedings and therefore has only limited knowledge of the subject matter and status of investigations – 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 has not yet decided on the opening of the main proceedings.

The Regional Court of Stuttgart – according to a press release by the Regional Court of Stuttgart of 4 June 2013 – sentenced on 4 June 2013 the former CFO and a 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 a follow-up financing for the €10 billion loan due for repayment in March 2009. To the knowledge of Porsche SE, the judgment has been appealed by the former CFO of Porsche SE. The loan in question was repaid by Porsche SE punctually and completely.

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.

Porsche SE considers all allegations made in the aforementioned proceedings to be without merit.

Actions for damages in the USA, Germany and England

For several years, Porsche SE has been involved in different legal proceedings in the USA, Germany and England. Porsche SE considers all damage claims asserted in the USA and England to be inadmissible and without merit and all damage claims asserted in Germany to be without merit and is defending itself against such claims. The essential developments of these actions for damages in the financial year 2013 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 U.S. District Court for the Southern District of New York dismissed all damage claims in their entirety. Of the 32 plaintiffs who appealed such decision twelve plaintiffs withdrew their appeal in early March 2013 and a further twelve 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. The appellate proceedings and the claims in respect of the remaining eight plaintiffs remain unaffected. Porsche SE continues to consider these actions to be inadmissible and the claims to be without merit.

The two actions for damages pending before the New York State Supreme Court, in which 26 plaintiffs had asserted alleged claims in the amount of at least US\$1.4 billion, were dismissed by the court by judgments dated 10 September 2013 under the condition that Porsche SE, to the extent permitted by German Law, waives the statute-of-limitations defense, provided that the plaintiffs file their claims on or before 1 May 2013 before a German court and provided that the claims had not already become time-barred on 25 January 2010 (in case of the first action) or on 22 October 2010 (in case of the second action). These actions before the New York State Supreme Court are, thus, terminated.

For the twelve plaintiffs who withdrew their appeal before the U.S. Court of Appeals for the Second Circuit in early March 2013, an action for damages against Porsche SE was at that time already pending before the Regional Court of Braunschweig which remains unaffected by the withdrawal of the appeal. In this action the plaintiffs last alleged overall damages of about €1.81 billion (plus interest) based on alleged market manipulation and alleged inaccurate information in connection with the acquisition of the shareholding in Volkswagen AG by Porsche SE, though it

remained unclear to what extent the alleged damages were comprised of damages already asserted before the U.S. Court. By decision of 19 June 2013, the Regional Court of Braunschweig referred the matter to the anti-trust chamber of the Regional Court of Hanover due to anti-trust claims alleged by the plaintiffs. At first, the Regional Court of Hanover declined its competence and submitted the question of competence to the Higher Regional Court of Braunschweig. By decision of 29 October 2013, the Higher Regional Court of Braunschweig determined the Regional Court of Hanover to be the competent court. Porsche SE considers this claim to be without merit as well. A trial date for hearing the case has not yet been set.

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. Porsche SE considers the alleged claims to be without merit. A trial date for hearing the case has not yet been set.

On 30 April 2013, 24 of the 26 plaintiffs, whose actions have been dismissed by the New York State Supreme Court, as well as one more company 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. The 25 plaintiffs include eleven of the plaintiffs who withdrew their appeal in the appellate proceeding before the U.S. Court of Appeals for the Second Circuit at the end of April 2013. 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 assert claims for damages in an amount of around €1.36 billion (plus interest). Porsche SE considers the alleged claims to be without merit. An oral hearing took place on 10 February 2014. A date for rendition of a decision has been scheduled for 17 March 2014.

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 plaintiff had filed a motion to stay the proceedings with a view to the pending criminal proceedings against Porsche SE's former members of the executive board and appealed a decision of the Regional Court of Braunschweig dated 1 October 2013, in which the court refused to stay the proceedings, but the Higher Regional Court of Braunschweig dismissed such appeals by decision dated 20 January 2014. The trial dates initially scheduled for 30 October 2013 were canceled due to the appeals of the plaintiffs against the decision not to stay the proceedings. New trial dates have been set for 21 May 2014. Porsche SE considers 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. The Regional Court of Stuttgart referred the action to the Regional Court of Braunschweig by decision of 17 October 2012. The plaintiff had filed a motion to stay the proceeding with a view to the pending criminal proceedings against Porsche SE's former members of the executive board and appealed a decision of the Regional Court of Braunschweig dated 5 November 2013 not to stay the proceedings, but later withdrew its appeal. The trial date initially scheduled for 30 October 2013 was canceled due to the appeal of the plaintiff against the decision not to stay the proceedings. A new trial date has been set for 14 May 2014. 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 plaintiff had filed a motion to stay the proceedings with a view to the pending criminal proceedings against Porsche SE's former members of the executive board and appealed the decision of the Regional Court of Braunschweig dated 19 September 2013 in which the court refused to stay the proceedings, but the Higher Regional Court of Braunschweig dismissed such appeal by decision dated 20 January 2014. The trial date initially scheduled for 30 October 2013 was canceled due to the appeal of the plaintiff against the decision not to stay the proceeding. A new trial date has been set for 14 May 2014. 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) previously asserted by reminder notice, entering thereby legal proceedings with the Regional Court of Stuttgart. The Regional Court of Stuttgart referred the action to the Regional Court of Braunschweig by decision of 11 February 2013. The plaintiff's motion to stay the proceedings with a view to the pending criminal proceedings against Porsche SE's former members of the executive board was dismissed by the Regional Court of Braunschweig by decision of 5 November 2013. The trial date initially scheduled for 30 October 2013 was canceled due to the plaintiff's motion to stay the proceedings. A new trial date has been set for 30 April 2014. Porsche SE considers the claim to be without merit.

In July 2013, two individuals, who had already in 2011 applied for conciliatory proceedings against Porsche SE with regard to the assertion of claims for alleged damages in the amount of approximately €2 million on the basis of alleged market manipulation by Porsche SE, obtained a reminder notice in the amount of around €1 million against Porsche SE. The company considers the alleged claim to be without merit. Consequently, the company has not taken part in the conciliatory proceedings and has filed an objection against the reminder notice.

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.

Since 2009, market participants in Germany applied for conciliatory proceedings against Porsche SE and in part against Volkswagen AG with regard to the assertion of claims for damages on the basis of alleged breaches of statutory capital market regulations in connection with the acquisition of a shareholding in Volkswagen AG. All of the claims alleged in conciliatory proceedings relate to alleged lost profits or alleged losses incurred estimated by the market participants to total approximately €3.3 billion. Porsche SE has not taken part in the conciliatory proceedings. Of the mentioned amount, some €850 million was claimed in the meantime as subject of the aforementioned actions filed. Porsche SE considers the claims to be without merit and is defending itself against the actions filed.

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. Porsche SE considers the action to be without merit. A trial date for hearing the case has been set for 1 April 2014.

[23] Subsequent events

On 21 February 2014, Volkswagen AG resolved to submit a voluntary tender offer to the shareholders of Scania Aktiebolag ("Scania") for all A and B shares in Scania. Volkswagen AG is offering SEK 200 (corresponding to approximately €22.26) for each Scania share. Based on this offer price, the 298,910,903 shares not directly or indirectly controlled by Volkswagen AG correspond to a total value of approximately €6.7 billion. The offer represents a premium of 57.0% and 53.3% for A and B shares in Scania, respectively, based on the 90-day volume-weighted average prices up to and including 21 February 2014. The offer will be subject to conditions including that Volkswagen AG becomes the owner of more than 90% of the total number of shares in Scania through the offer. After exceeding the threshold of 90%, Volkswagen AG will perform a squeeze-out and promote delisting of the Scania shares from the stock exchange.

The full takeover of Scania is an essential step for the Volkswagen group on its way to the completion of the integrated commercial vehicles group. It shall remove the existing legal restrictions and will thereby allow the faster and more comprehensive implementation of the common strategy for the commercial vehicles business, to realize important common projects more easily and by this means to achieve additional growth opportunities and synergies from the cooperation between Volkswagen, Scania and MAN. On average, the Volkswagen group expects additional long-term synergy potential of at least €650 million operating profit per year. In light of the long product lifecycles in the commercial vehicles industry, it will be 10 to 15 years before this potential can be fully leveraged.

Volkswagen AG will achieve partial refinancing through the issuance of new preference shares in the amount of up to €2 billion using the existing authorized capital as well as through the issuance of hybrid capital.

Volkswagen AG's acquisition of the Scania shares as a result of the offer will not directly affect the financial position and results of operations at the level of the Porsche SE group. The effects of the acquisition on the carrying amount of the investment accounted for at equity and on the accumulated profits of the Porsche SE group depend, in particular, on the number of Scania shares actually acquired by Volkswagen AG within the scope of the voluntary tender offer and squeeze-out, and the carrying amount of the shares of non-controlling interests to be de-recognized at the level of the Volkswagen group as of the respective acquisition dates. The Porsche SE group will participate in additional potential synergy created in the amount of its share in the capital of Volkswagen AG. Should Volkswagen AG issue preference shares to re-finance the acquisition of the Scania shares, Porsche SE's share in the capital of Volkswagen AG will decrease if Porsche SE does not participate in the capital increase in the amount of its share in capital.

**[24] Disclosure pursuant to Sec. 160 (1) No. 8 AktG [“Aktiengesetz”:
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 group WpHG are actually held via the following controlled entities, whose voting share in Porsche Automobil Holding 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 4 December 2013:

On 4 December 2013, Porsche Wolfgang 1. Beteiligungsverwaltungs GmbH, Stuttgart, Germany, informed us pursuant to Sec. 21 (1) WpHG that as of 2 December 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). 71.47% of the voting rights (corresponding to 109,433,140 voting rights) are attributed to the company in accordance with Sec. 22 (2) WpHG via Familien Porsche-Kiesling Beteiligung GmbH, Grünwald, Porsche Gesellschaft mit beschränkter Haftung, Stuttgart, Hans-Michel Piëch GmbH, Grünwald, and Ferdinand Piëch GmbH, Grünwald. 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 via Porsche Wolfgang 1. Beteiligungs GmbH & Co. KG, Stuttgart, Wolfgang Porsche GmbH, Stuttgart, and Familie Porsche Beteiligung GmbH, Grünwald.

[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 are no trade transactions between the Porsche SE group and the Porsche and Piëch families and their affiliates (prior year: immaterial 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 2013 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. In the fiscal year 2013, 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 or joint control.

In the reporting period and the prior-year period, Porsche SE exercised significant influence over the Volkswagen group (associate) and, until the contribution of its holding business operations to Volkswagen AG, also exercised joint control over the Porsche Holding Stuttgart GmbH group (joint venture) in the prior-year period. With regard to the effects of the contribution of holding business operations of Porsche SE, reference is made to the explanations in the section "Consolidated group".

All relationships to the respective parent companies and subsidiaries of both of these groups are presented. Supplies and services rendered include dividends and profit distributions totaling €524 million received from these groups (prior year: €540 million). The advance profit distribution resolved in the prior year as part of the restructuring and contribution is not included therein. In the comparative period, it is taken into account in the goods delivered and services rendered as part of the income from the contribution of the holding business operations of Porsche SE to Volkswagen AG, of which an amount of €3,492 million¹ is attributable to transactions between Porsche SE and the Volkswagen group. Expenses from transactions between Porsche SE and the Porsche Holding Stuttgart GmbH group that relate to the contribution of the holding business operations of Porsche SE to Volkswagen AG of €17 million were taken into account in the goods and services received in the comparative period. The obligations directly resulting from the contribution are recognized under liabilities at €12 million (prior year: €499 million) (reference is also made to note [20]).

¹ Adjusted due to the first-time application of IAS 19 (rev. 2011); reference is made to the section "New accounting standards".

Prior to the contribution of the holding business operations of Porsche SE to Volkswagen AG there were relationships in the prior-year period to the Porsche Holding Stuttgart GmbH group in the form of receivables and liabilities subject to market interest rates. Prior to the execution of the contribution in the comparative period, financial services were rendered to entities in that group, giving rise to finance revenue totaling €107 million in the fiscal year 2012; this was countered by the cost of purchased services in this area of €102 million in the fiscal year 2012. In addition, financial and other guarantees with a total volume of €1,310 million (prior year: €1,674 million) were issued to entities of that group. The probability of claims being made based on the guarantees is considered very low and Volkswagen AG has signed a hold harmless agreement in the amount of its share in capital (i.e., 49.9% prior to the contribution of Porsche SE's holding business operations to Volkswagen AG and 100% thereafter) (for further details, reference is made to note [21]).

Since the contribution of the business operations Porsche SE and the Volkswagen group have also had a relationship in the financial services sector. This led to finance revenue of €6 million (prior year: €4 million), which was counterbalanced by finance costs of €21 million (prior year: €9 million). In connection with this relationship, receivables came to €400 million (prior year: €871 million) and liabilities to €303 million (prior year: €303 million). In addition, in the fiscal year 2013 there were relationships for services that led to the recognition of goods and services received of €7 million (prior year: €3 million). The goods and services provided as a result of these relationships were immaterial in the fiscal year 2013 and the prior year.

The contribution of the holding business operations of Porsche SE to Volkswagen AG had the following impact on the agreements already existing prior to the contribution and entered into by Porsche SE, Volkswagen AG and entities of the Porsche Holding Stuttgart GmbH group as part of the basic agreement and the associated agreements implementing it:

- Under an agreement implementing the basic agreement Porsche SE had agreed to hold Volkswagen AG as well as Porsche Holding Stuttgart GmbH and Porsche AG harmless from obligations resulting from certain lawsuits, tax liabilities (including interest pursuant to Sec. 233a AO ["Abgabenordnung": German Fiscal Code]) and for certain major losses. Owing to the contribution of the holding business operations of Porsche SE to Volkswagen AG, this obligation ceased to exist effective 1 August 2012 unless otherwise described below.
- In addition, Porsche SE had granted Volkswagen AG various guarantees regarding Porsche Holding Stuttgart GmbH and Porsche AG under an agreement implementing the basic agreement. These related, among other things, to the proper issue and full payment of shares or contributions, to the ownership of shares in Porsche Holding Stuttgart GmbH and Porsche AG as well as to the licenses, permits and industrial property rights required for Porsche AG's operations. Due to the contribution of the holding business operations of Porsche SE to Volkswagen AG, these obligations ceased to exist effective 1 August 2012.

- Prior to the date of the contribution in the prior-year period, if the loan obligations of Porsche Holding Stuttgart GmbH or Porsche AG due to Porsche SE had fallen due and been uncollectible in the event of insolvency of Porsche Holding Stuttgart GmbH or Porsche AG, Volkswagen AG would have assumed these obligations provided it would have been possible when they fell due to offset the obligations against claims against Porsche SE had the companies not become insolvent. As a result of the contribution of the business operations, these loan obligations were transferred to the Volkswagen group releasing it from all liability, such that this cannot lead to any obligations of Volkswagen AG towards Porsche SE.
- Porsche SE had pledged a loan receivable due from Porsche Holding Stuttgart GmbH and 70 million of the ordinary shares that it holds in Volkswagen AG as collateral for two loan liabilities to entities of the Porsche Holding Stuttgart GmbH group. The lien was canceled upon transfer of the loan liabilities in the course of the contribution, releasing Porsche SE from all liability.
- 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 for the amount of its share in Porsche Holding Stuttgart GmbH's capital which, since the contribution of the holding business operations of Porsche SE to Volkswagen AG effective 1 August 2012, amounts to 100% (reference is made to note [21]). As part of the contribution, Porsche Holding Finance plc, Dublin, Ireland, was also contributed to the Volkswagen group. Since then, the hold harmless agreement also extends to financial guarantees given by Porsche SE to the bond creditors of Porsche Holding Finance plc 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, effective as of 1 August 2012.

It remained unchanged that under certain circumstances, Porsche SE holds Porsche Holding Stuttgart GmbH, Porsche AG and their legal predecessors harmless from tax disadvantages that go beyond the obligations from periods up until and including 31 July 2009 recognized at the level of these entities. In return, 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").

The following are the main new agreements concluded under the contribution agreement:

- Under the contribution agreement, 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.
- Porsche SE's liability for these guarantees is limited to the consideration from Volkswagen AG.
- Porsche SE under certain circumstances holds its transferred subsidiaries, 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. The exercise price for the two options was €3,883 million and subject to certain adjustments. Under the contribution, the put and call options were transferred to Volkswagen AG, such that these ceased to exist post merger in the comparative period.

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.

In order to secure any remaining claims of Volkswagen AG from the agreement between Porsche SE and Volkswagen AG on the investment held by Volkswagen AG in Porsche Holding Stuttgart GmbH, a retention mechanism was agreed in favor of Volkswagen AG for the purchase price payable in the event of the put or call option being exercised. In the course of the contribution of the holding business operations of Porsche SE to Volkswagen AG in the prior-year period, the corresponding obligations were eliminated.

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	
	2013	2012	2013	2012
Joint ventures	0	198	0	121
Associates	530	4,356 ¹	28	212
	530	4,554¹	28	333

€ million	Receivables		Liabilities	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Associates	400	876	315	803
	400	876	315	803

¹ Adjusted due to the first-time application of IAS 19 (rev. 2011); reference is made to the section "New accounting standards".

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	2013	2012
Short-term employee benefits	5.5	6.0
Other long-term benefits	1.5	0.8
Post-employment benefits	0.3	0.2
Termination benefits	0.0	0.5

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 €5.7 million (prior year: €4.3 million).

[26] Remuneration of the supervisory board and the executive board

The total remuneration of members of Porsche SE's executive board amounted to €4.1 million in the fiscal year 2013 (prior year: €3.8 million). No benefits were paid to former members of Porsche SE's executive board in the fiscal year 2013 (prior year: €0.5 million).

The total remuneration of the supervisory board for the fiscal year 2013 amounts to €1.4 million (prior year: €2.2 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:

€ thousand	2013	2012
Audit of financial statements	199	227
Other assurance services	45	120
Tax advisory services	2,203	2,705
Other services	768	651
	3,215	3,703

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 October 2013 and made it permanently accessible to the shareholders of Porsche SE on the website www.porsche-se.com.

Stuttgart, 25 February 2014

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, 25 February 2014

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 2013. 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, 25 February 2014

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Prof. Dr. Wollmert	Matischiok
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Financial calendar

18 March 2014

Annual press conference and analyst conference

15 May 2014

Interim report 1 January – 14 May 2014

27 May 2014

Annual general meeting

6 August 2014

Six-monthly financial report

11 November 2014

Interim report 1 January – 10 November 2014

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