

1. News from Porsche AG

Company

Annual Balance Sheet 2006/2007: Strong Premiere of the New Porsche SE



The historical significance was unmistakable. Porsche Automobile Holding SE presented itself for the first time on the 28th of November at the company press conference in Stuttgart. Chairman of the Board Dr. Wendelin Wiedeking and his team have reached important goals in the past few months.

Looking up was worth it – even for Dr. Wendelin Wiedeking. The Porsche boss turned round on the podium in the Elysée conference room of the Le Méridien Hotel in Stuttgart to have another satisfied look at the writing on the wall behind him. “Porsche SE” was there for all to see. The logo documented the passing of important milestones in the last few months. Porsche Automobile Holding SE presented itself to journalists for the first time at the company press conference. They could hardly have had a better start because Porsche SE was already able to report two-figure growth rates in number of vehicles sold and sales returns at the beginning of the business year 2007/2008. Preliminary figures for the first four months show that sales will increase to 2.36 billion Euros (same period last year: 2.06 billion Euros) and the

number of vehicles sold to approximately 30,700 (25,939). The CEO for Finance Holger P. Härter is therefore convinced that this year will also close with a “very good result”.

“Porsche and Volkswagen must be among the winners.”

Dr. Wendelin Wiedeking

The latest figures from North America confirm this. In November, the number of deliveries to customers rose to 2,776 (last year: 2,723). This represents a growth of two percent. Porsche therefore beat the respective month's figures of the previous year for the seventh time in succession despite the difficult market environment.

In the previous business year 2006/2007, company sales increased by 3.4

percent to 7.368 billion Euros (7.1 billion Euros). “It is the best financial statement we could hope for” said Wiedeking, proudly referring to the company result of 5.857 billion Euros. Positive share option business in connection with the Volkswagen commitment contributed 3.593 billion Euros to the result. Porsche spent almost 2.7 billion Euros last year to increase the Volkswagen share from 21.2 to 30.6 percent. This added up to a total investment in Volkswagen shares of approximately 5.8 billion Euros.

The greatest percentage of sales was achieved by the vehicle business. The comparison with the plus in vehicles sold of 0.7 percent to 97,515 vehicles (96,794) clearly shows that the improved product mix has had a positive effect. To make sure things stay that way, no less than eight new models are being launched onto the market in 2008. Porsche boss Wiedeking is expecting the next great increase in growth with the start of the Panamera 2009.

Relations with the Volkswagen workers council also interested journalists. Wiedeking set a conciliatory note: “When the time comes for the final move, we want to make peace and take on a joint project which will show us a promising future.” Everybody wins. “Porsche and Volkswagen do not just want to, they must be among the winners,” Wiedeking said. But he remained hard in one matter: “The codetermination agreement cannot and will not be undone. It was signed for ten years.”

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Company

Investment in the Zuffenhausen Site: New Paintshop from 2011

Porsche continues to invest heavily in the Zuffenhausen site. The company is building a new paintshop at its headquarter for 200 million Euros. It is planned to go into operation in 2011. "This will secure jobs in Zuffenhausen in the long term," Chairman of the Board Dr. Wendelin Wiedeking stresses.

Porsche relies on Zuffenhausen – and underlines this with its actions. The decision to build a new paintshop at the site secures jobs and ensures that the growth course continues. The new building implements an essential part of the location security agreement between the Board and the Workers Coun-

New building in Zuffenhausen: The computer animation shows the future paintshop and the connecting stages

cil of July 2005. "We have created the conditions to ensure that a premium vehicle like the 911 can be produced in Stuttgart," said the Chairman of the Board Dr. Wendelin Wiedeking.

The new paintshop is being built on the former Dürr AG premises. Porsche bought the land in Spring 2007. Building is to begin in Autumn 2008, the first bodies will be painted in 2011. It is planned to operate the new plant parallel to the existing paintshop for a transitional period.

In order to guarantee a trouble-free procedure in the future, two more transport bridges must be built. One connects the body shop in Plant 5 with the paintshop. Another bridge transports the raw bodies over the Schwieberdinger road to assembly. 170 vehicles a day can be painted in the new plant. The paintshop is designed for three-shift operation.

Representatives of the Porsche Building Department informed the Committee for Environment and Technology in the Stuttgart City Council of the plans at the beginning of December. The Zuffenhausen District Council was also informed. Porsche is planning a special information event for neighbours in the Neuwirtshaus area in the new year. But one thing is already certain: The plant will be state-of-the-art and satisfy all legal requirements.

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Museum

New Porsche Museum: Every millimetre counts for the hovering “Flyer”

One of the most important building phases of the new Porsche Museum in Zuffenhausen has been successfully completed. The steel structure was lowered in with extraordinary precision. Thanks to the meticulous preparation and the successful co-operation of all those involved, this challenge was mastered brilliantly. The interior building is now in full swing.

It is a big day at the building site at Porscheplatz in Zuffenhausen. All those involved are very excited but at the same time highly concentrated. Every step, every action, every command follows an exact script. Because maximum precision is essential. The body of the museum which, with spans of up to

60 metres just looks like a “flyer”, has to be lowered. The supports are removed and the future exhibition hall put in a kind of hovering state. “This process was extremely exciting,” says Project Manager Armin Wagner. “The technical challenge was unbelievably demanding.” Everything is co-ordinated from

two command centres. A worker is suspended in his harness at each of the 34 presses and turns the adjusting screw down ten millimetres with every command. Approximately 6,000 tons of material went into the building of the support structure of the “flyer”. Due to the partly installed concrete ceilings and other extension loads, the “flyer”

The museum floats: The steel structure which has been resting on 34 presses was lowered with maximum precision



has currently reached a weight of 12,000 tons. This is lowered carefully from the scaffold towers into the steel-reinforced concrete supports. The weight after completion, that is after installing all extension and traffic loads, will grow to an incredible 35,000 tons. The forces acting on the supports are measured and set to nominal values.

The work is proceeding smoothly. The presses covered a total distance of 100 millimetres after only half a day. Lowering is completed. A perfect landing. This completes the steel construction work. "The steel structure and shell have been built with very high precision," says Wagner. It was already clear after ten percent of the lowering

process was complete that "we were going to get a very positive result."

The second part of the intricate work was also completed in half a day. The forces acting on the two distinctive Y-shaped supports at the front of the building have to be set. They are distributed over the downward directed supports by the interaction of horizontal and vertical presses. "This work was just as demanding as the lowering itself," says Wagner. Both measures are very important for the progress of the building. Only then can further work such as the erection of the facade and the installation of the building technology begin. After covering, the steel structure the exhibition hall is "tight" and is already being heated. This is the prerequisite for the interior construction. Further concrete ceilings are installed, the floors laid and all kinds of tradesmen ensure that the project which experts have called "the most ambitious building project in Europe" is gradually taking shape.

Made-to-measure: After the "flyer" had been lowered, the covering work could continue



By the end of March the temporarily closed front facing Porscheplatz will be replaced by a glass facade. The escalator which visitors will ride from the entrance hall to the exhibition room is already installed. "We are right on schedule," Wagner confirms. Not only he is looking forward to an extraordinary museum.

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Retrospective

Premieres and Events 2006/2007

Models: The most important presentations

September 2006

RS Spyder:

It's love at first sight for many. Porsche is presenting the RS Spyder at the Paris Automobile Salon. The racing car developed in Weissach is an evolution of the sport prototype with which the American Penske Racing Team is currently experiencing success in the American Le Mans Series.

911 GT3 RS:

Porsche invites to France for a drive presentation of the 911 GT3 RS. The belligerent offspring of the 911 can demonstrate its qualities particularly impressively in a racing atmosphere at the "Le Ceram" test track. "The biggest compliment for our engineers is when racing drivers' eyes light up in our series vehicle," says motorsport boss Hartmut Kristen.

Targa 4 and Targa 4S:

The two variants of the 911 series are a novelty. The Targa 4 and Targa 4S are offered exclusively with a permanent four-wheel drive and a body which has been widened by 44 millimetres at the back. The sports cars, whose distinctive glass roof has been further developed, are being presented in Portugal. An improved 35 millimetre wind break reduces air turbulence inside to a minimum when driving with the roof down. The roof is one millimetre thinner and 1.9 kg lighter than the predecessor model.



The Masterpiece: The 911 Turbo Cabriolet has been on the starting blocks since June 2007 and is an instant success

January 2007

Cayenne:

The year begins with a strong appearance. The new Cayenne has caused quite a stir at the North American International Auto Show in Detroit. The second generation of the sporty offroad vehicle impresses with a more powerful and more economical engine. The Direct Fuel Injection which reduces the consumption by up to 15 percent is used for the first time. The Porsche Dynamic Chassis Control has also been newly developed.

June 2007

911 Turbo Cabriolet:

It is an engineering masterpiece for many people: The new 911 Turbo Cabriolet shines at the presentation in Koenigstein with handling properties like a Coupé. From 0 to 100 km/h in four seconds, the top speed is 310 km/h.

Events: The most important dates

July 2006

Board

A succession of generations on the Porsche executive: The Supervisory Board appoints Klaus Berning and Thomas Edig as new board members. Berning takes over Sales from Hans Riedel who left the company of his own accord. Edig took over as Head of Personnel and Social Affairs as well as the function of Work Director in May 2007 from Harro Harmel who went into retirement after 25 years service at Porsche.

October 2006

Porsche-Tennis-Grand-Prix:

The first tournament in Stuttgart's Porsche Arena sets new standards. Praise came from all sides. "It was the best tournament of the year by far," Stacey Allaster, President of the Ladies World Tennis Association praises. The prize car, a 911 Targa 4S, was won by Nadia Petrova (Russia) with a 6:3 and 7:6 vic-

tory in the final against Tatiana Golovin (France).

November 2006

Leipzig Factory:

The 150,000th Cayenne of the first generation since the factory opened in 2002 runs off the production line. "With this success behind us and with a large portion of optimism, we will produce the new model with just as much motivation," says Siegfried Bülow, CEO of Porsche Leipzig GmbH.

January 2007

Annual General Meeting:

The end of an era at the Stuttgart Porsche Arena: Professor Dr. Helmut Sihler headed the Supervisory Board for 14 years. He is now retiring at the age of 76. The new Chairman is Dr. Wolfgang Porsche.

April 2007

Topping-out Ceremony:

The preparations for the production of the Panamera in Leipzig are in full swing. The topping-out ceremony for the production hall and logistics centre is being celebrated on the 12th of April. Porsche is investing 150 million Euros in the site.

Congratulations:

Pope Benedict XVI. is celebrating his 80th birthday on the 16th of April in Rome. Porsche enables the TV and radio broadcast of the birthday concert given by the Stuttgart Radio Symphony Orchestra.

June 2007

Founder Prize:

Porsche gets involved in the German Founder Prize for the first time and awards prizes together with the "stern" magazine, the Sparkasse savings bank



and the German TV station ZDF. The prizes are awarded in five categories. To turn the ideas into a lucrative business, the nominees and winners receive training from Porsche Consulting.

July 2007

Greenpeace:

A Premiere is held in Zuffenhausen. Greenpeace demonstrates for the first time in the history of Porsche. But the company is prepared for the visit by the environment activists. Porsche wel-

German Founder Prize: Porsche shows commitment for the future

comes the guests with its own placards and refutes the accusations with convincing arguments such as: "Porsche accounts for less than 0.1 percent of CO₂ emissions in road traffic. Porsche has the lowest CO₂ emission per h.p."

Awards

Welcome: Greenpeace as a guest in Zuffenhausen



The Most Important Successes

January 2007

Event Award:

Porsche receives the coveted Event Award 2006 for the international dealer presentation of the 911 Carrera 4 and the Cayman S. Porsche is on the list of winners for the third time. The company wins silver in the top category of Corporate Events. The two different vehicles were presented impressively on a cruise between Majorca and Ibiza.

Calendar:

The historical Porsche Calendar "On The Move" offers unusual but excellent interior impressions. The extraordinary calendar won silver in the Advertising and Image Calendar category of the Baden-Wuerttemberg Ministry of the Economy Award.

April 2007

Market Research:

Porsche is voted the premium brand with the best reputation for the third time in succession on the most important sales market, the USA. The study carried out by Luxury Institute Market Research (New York) interviewed more than 1,600 top earners. They rate Porsche vehicles as powerful, very high quality, highly exclusive and elegant.

Poll:

Readers of the Off Road magazine vote the Cayenne the most popular offroad vehicle of 2007.

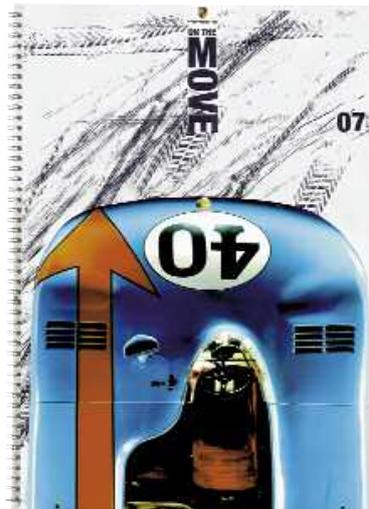
PACE Award:

Porsche wins two out of three special prizes at the 13th award of the most important supplier in the USA.

June 2007

J.D. Power:

Porsche quality impresses – especially the customers. The company defends its pole position of the previous year in the study conducted by the J.D. Power market research institute. Porsche therefore remains the best quality automobile brand in the USA. One month later J.D. Power pronounces Porsche



the most attractive automobile brand in the "Automotive Performance, Execution and Layout (APEAL) Study" poll for the third time in succession.

Design:

The 911 Targa 4 is awarded the "Best of the best" seal of quality by the "red dot design museum" of the Nordrhein-Westfalen Design Centre in Essen. The jury praises "creativity, innovative production and high quality".

Award winning: The historical Porsche Calendar and the 911 Targa 4

