PERFORMANCE NEEDS NO WORDS.

YOU WILL RECOGNIZE IT.
You will recognize it.
As each financial year comes to a close, I’m often asked about the top highlight for the year gone by. There were a variety of remarkable achievements from which to choose, yet the answer is an obvious one for me. The emotional climax came with Porsche’s return to the world of high-end motorsports. After 16 years away from the competition, we developed the 919 Hybrid as our entrant in the “World Endurance Championship,” all part of our “Strategy 2018.” We got off to a furious start. In Le Mans, our 919 Hybrid was in second place before breaking down shortly the end of the race. The result was different in São Paulo, a race we won. In both cases, the entire team and I get caught up in every fiber of our being by the fascination that is motorsports.

Naturally we’re all in for victory on the racing track. But the real goal is bringing the best-possible technology out onto the streets. Because Porsche welcomes the expectations among its customers that it will provide the most sporting and technologically advanced vehicles in every segment it serves. Our model strategy and the spectrum of models that we produce have in recent years served as a powerful signal about the future of Porsche as a company.

No vehicle incorporates this more than the 918 Spyder. Just a few months after we delivered the first of these highly innovative vehicles in March 2014, all 918 of the units of the supercar were already sold out. It achieved record times on Germany’s fabled Nürburgring track yet consumed no more fuel than a compact car, letting our customers revel in unparalleled technological advancement and giving fans of our brand a new source of fascination.

This combination of technology and fascination is also in full force for our new Macan sport SUV. The vehicle creates an entirely new segment – the compact sport SUV – which in turn appeals to an entire new range of customers. The proof is in the Macan’s sales figures: the Macan is the right vehicle for the right time. The strategic importance of the series cannot be overstated.

Despite all we’re undertaking, we always remain true to our roots. Which means the 911 is and will remain our gold standard when it comes to sports car construction. We’ll continue to improve this icon constantly. The evolution of sports car construction also applies for our two-seater series, Boxster and Cayman. We will continue with our consistent expansion of model diversity in these series. Between already-presented and future derivatives of our pure-bred sports car, we offer our customers a maximum of individual driving pleasure.

We remain driven to push the limits of the technically feasible further than ever before. The fruit of these labours are unparalleled technology and market prominence. For example, Porsche was the only marque anywhere in the world to offer three plug-in models in the premium segment during 2014. The Cayenne S E-Hybrid was the first plug-in hybrid in the Premium-SUV-Segment; the Panamera S E-Hybrid, which had already been released onto the market, was the first plug-in hybrid vehicle in the luxury class; and the 918 Spyder supercar is loaded with more cutting-edge technology than any other car. These technology standard-bearers will benefit all future vehicles with the Porsche insignia on their hood.

Our engineers know today better than ever that efficiency is crucial for the sports cars of the future. Porsche will continue to pursue this path in future years. Our insights from motorsports will help us with this. For one thing is clear: the recipe for success in our vehicles is maximum energy efficiency. That’s what’s behind the “Engineered by Porsche in Weissach” label.

We can all look forward together to even more highlights to come from Porsche.

Stuttgart, March 2015

Yours faithfully,

Matthias Müller
Chairman of the Executive Board
THE EXECUTIVE BOARD

of the Dr. Ing. h.c. F. Porsche AG
THE SUPERVISORY BOARD

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

DR. WOLFGANG PORSCHE
Chairman of the Supervisory Board
of Dr. Ing. h.c. F. Porsche AG
Diplomkaufmann

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

HON.-PROF. DR. TECHN. H.C. FERDINAND K. PIËCH
Diplom-Ingenieur, ETH

DR. HANS MICHEL PIËCH
Lawyer in private practice

DR. FERDINAND OLIVER PORSCHE
Investment management

HANS-PETER PORSCHE
Ingenieur

PROF. 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 and member of the board of management of Volkswagen AG
Corporate Research and Development

KAI BLEENSENER
until 18 July 2014
General secretary of the Zuffenhausen works council
Member of the general and group works council of Dr. Ing. h.c. F. Porsche AG

WOLFGANG V. DÜHREN
(since 18 July 2014)
Head of Sales Planning

ANTONIO GORNE
Deputy chairman of the group works council
Member of the general works council
Member of the Zuffenhausen/Ludwigsburg/Sachsenheim works council
Member of the works council of Porsche Automobil Holding SE

JOCHEN HELD
(from 18 July 2014 to 13 November 2014)
Member of the group works council and deputy chairman of the general works council
Chairman of the Weissach works council
Member of the works council of Porsche Automobil Holding SE

TANJA JACQUEMIN
(since 18 July 2014)
Section manager, company and industry policy, Executive Board of IG Metall

JÜRGEN KAPFER
(until 18 July 2014)
Project manager, drivetrain Boxster model series

BEIRD KRUPPA
(until 18 July 2014)
Principal authorized representative of the IG Metall trade union administration, Leipzig

HANS-JÖRG LESCHEK
(until 18 July 2014)
Member of the Zuffenhausen/Ludwigsburg works council

MANFRED PACHE
Chairman of the Weissach works council
Deputy chairman of the group works council
Member of the works council of Porsche Automobil Holding SE

HANSJÖRG SCHMIERER
Manager responsible for members and finances of IG Metall trade union, Stuttgart

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 and member of the board of management of Volkswagen AG
Corporate Research and Development

CHRISTIAN KLINGLER
Betriebswirt
Member of the board of management of Volkswagen AG
Sales and Marketing

PROF. DR. RER. POL. HORST NEUMANN
Ökonom
Member of the board of management of Volkswagen AG
Human Resources and Organization

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

DR. RER. POL. H.C. FRANCISCO JAVIER GARCÍA SANZ
Betriebswirt
Member of the board of management of Volkswagen AG
Procurement

JÖRG HOFMANN
(until 3 November 2014)
Chairman of the Weissach works council
Deputy chairman of the group works council
Member of the group works council
Member of the works council of Porsche Automobil Holding SE

MANNFRED PACHE
(since 3 November 2014)
Manager of the Weissach works council

WALTER UHL
Deputy chairman of the works council of Porsche Automobil Holding SE

JORDANA VOGIATZI
Press officer IG Metall
Administrative Office Stuttgart

WERNER WERESCH
Member of the group works council
Member of the general works council of Dr. Ing. h.c. F. Porsche AG
Head of shop stewards’ committee
Deputy chairman of the Zuffenhausen/Ludwigsburg/Sachsenheim works council
Member of the works council of Porsche Automobil Holding SE

AXEL WEYLAND
Head of drivetrain division at Porsche Engineering Services GmbH

034

035
ENERGY. CHARGED.

The future of the sports car has already begun. Point of origin: The Weissach think tank.

Porsche returned to high-end endurance motorsports in 2014 with its rolling research laboratory, the 919 Hybrid. Delivery of the 918 Spyder supercar kicked off at the same time. Both vehicles stand out for their ultra-modern, ultra-high-efficiency “Engineered in Weissach” technology. The Porsche Development Centre once again proved its prowess as a “think tank.”

“I can’t tell you what type of drive will be the dominant one 30 years or so from now. But I do know that Porsche is already working to find it now.”

Wolfgang Hatz, Member of the Executive Board – Research and Development

Porsche never shies away from new roads, especially when it comes to creating the sports car of tomorrow, today. The latest example: the 918 Spyder. It features a complex drive train that differs from its classic predecessors in several important ways. First and foremost: it is designed from top to bottom for optimal energy efficiency. Electric motors on the front and rear axles supplement the combustion engine with an extra electric boost during acceleration. The power comes from lithium-ion batteries, although the system also recuperates a considerable portion during braking. The auxiliary front-wheel drive can be controlled separately and allows for a new driving strategy that keeps cornering safe at extremely high speeds. The ultimate result is optimized fuel consumption and unparalleled driving performance. Or, as Wolfgang Hatz sees it: “To be good at recapturing energy, you need to be not just economical, but fast as well.”

Very fast even, or perhaps simply: the fastest. Such as on the North Loop of the
“The 918 Spyder is a prototype made for the streets. No other vehicle on the market has more technology inside,” Hatz says. “The 918 Spyder contains our collected knowledge – which is why it has kept us ahead of the competition.”

Porsche’s collected knowledge, in one car? Yes – although even that inherently only reflects this brief moment in time. As the abbreviation in its formal name suggests, “Dr. Ing. h.c. F. Porsche AG” is first and foremost an engineering company. It’s in the sports car maker’s DNA to strive to produce the most sporty, technologically advanced vehicles on the market. An engineering company never rests. It drives constantly for improvement. So just a few months after Porsche celebrated the record drive by the 918 Spyder, the next technology-loaded vehicle already approached the starting line.

A spotlight on the 919 Hybrid. The LMP1-class racing car bumps the efficiency bar up by yet another few notches. It is the only racing car in the LMP1 field that recaptures energy during both braking and acceleration. It will be bringing this novel engineering feat into top level of the WEC (World Endurance Championship) competition: The regulations stipulate a maximum consumption level per racing lap, differentiated by drive concept. In 2014, the Le Mans organisers specified the threshold for the 919 Hybrid’s category at just 4.79 l per lap. The 919 isn’t just racing against the clock, it’s also racing against the fuel gauge.

Only the most modern vehicle concepts can achieve that. The 919 Hybrid reached its efficiency target in full for the 2014 racing season. And, as Porsche has done so many times in the past, within a year of joining the top league the car had already claimed one victory and earned several additional trips to the podium. It’s excellently positioned heading into the 2015 racing season. “Even so, the 919 Hybrid is a rolling laboratory for series development. We benefit every time it hits the pavement. Every kilometre it travels produces data and experience for the future,” says Hatz, Member of the Executive Board – Research and Development. “The 919 Hybrid comes from our Development Centre in Weissach. All of the insights flow back to there and are then available for all model lines.”

All vehicles of the brand, whether intended for daily street use or racing competition, run through the different departments at the Weissach Development Centre (known as the EZW in German). Here is where work on the automobile of tomorrow never ends. As soon as one generation is finished, the next is already being set into motion. Parallel lines now allow for completely new models to be added to the portfolio, each of course with its own innovative technology. A programme oriented toward perpetual improvement as, demanded by the philosophy of “Porsche Intelligent Performance.”
Split drive, low centre of gravity: the 918 Spyder’s weight is ideally distributed.

primarily responsible for providing power. The electric motors support through the Boost function.

“Race Hybrid” is the top-performance mode and is especially intended for sporty handling. This also includes the “Hot Lap” mode which for a short period can channel every bit of output into boost performance.

The chassis and suspension on the 918 Spyder have racing in their blood. The chassis and transmission on the 918 Spyder have racing in their blood. The chassis and transmission on the 918 Spyder have racing in their blood.

The extra electric motor on the front axle can channel every bit of output into boost performance. And in particular: the vehicles to achieve these feats will see their first kilometres on the test track in Weissach. Just like so many sports cars with trailblazing technology before them.

UNIQUE TRADITION

Porsche created the test track in Weissach in the early 1960s. Construction began in 1961. The R&G course was built in 1971 around the Skid Pad, as was the mountain course with narrow curves. The R&D buildings to power this progress were also being erected piece by piece at the same time. They have taken on a certain air of mystery, seemingly a distant place from which wondrous technology did and does emerge. The Weissach name stands for success on the racing track, and for the subsequent transfer of that technology from competition vehicles to series-produced models.

Example 1: In 1970, it was the powerhouse 917, at the time developed with verve and style by a young engineer named Ferdinand Piëch, that claimed Porsche’s first overall victory at the 24 hours of Le Mans.” In 1972, in an effort to eke out even greater engine performance from its twelve-cylinder motor, the 917 was outfitted with two turbochargers (“twin turbo”). Valves were used to regulate the injected pressure and prevent an overcharge. One year later this technology was moved to series production, culminating in the famous 911 Turbo 3.0 saloon first presented in 1973, which received further racing technology in form of an additional intercooler in 1977. The 959 was introduced to the public in 1985. This extraordinary technological package brought some cultivated manners to the turbocharger design: it used two complementary units instead of one, each covering a different turbocharge range. The feared “turbogap” was finally a thing of the past. In 2006, the 911 Turbo premiered its Variable Turbine Geometry (VTG) to ensure optimal flow conditions in all operating states. Then and now Porsche is the sole car maker to use the VTG charger in gasoline engines.

Yet the turbocharging technology is more topical than ever, and is considered a cornerstone technology for bringing combustion engines into compliance with the needs of fuel economy and emissions, especially going forward.

Example 2: The Porsche Double Clutch Transmission (PDK). The sports car maker was working on this kind of a power converter as far back as at the end of the 1960s. In the early 1980s, the developers were working on improving the 956/962 sports car when they returned to the idea of a gear shifter that did not interrupt the application of power. The technology is especially well suited for turbocharged engines, since you can continue to supply gas even when shifting, thus maintaining a constant turbocharge – not to mention short shifting times. The PDK proved a valuable commodity in the motorsports arena, but couldn’t yet provide the level of comfort needed in production vehicles. The electronics first needed to be redesigned: In 2008, the 911 Carrera (997) became the first production sports car to feature the double clutch transmission. Over 90 percent of the 911s that Porsche sells today are outfitted with the PDK, and in other models it’s a standard feature – for sporting handling, but also for (and because of) the low fuel consumption.
NEW BUILDINGS, NEW OPPORTUNITIES

In the new studio, Michael Mauer, Vice President Style Porsche, is showing off one of the successful innovations for 2014. “The 911 Targa has an unmistakable and timeless design that skillfully blends the historical attributes of the original 1963 Targa with modern functional style elements,” he explains. “It contains the brand’s design DNA, which evolves with each new vehicle we make.” The new design studio represents an ideal working environment. Vehicle design in all stages has been brought under one roof, meaning the various departments of the design team, previously spread out in different buildings, are now closer to one another. The immediate benefit is clear: the lines of communication are shorter. “Designs can be presented and discussed quickly – an important step forward in our creative work,” Mauer notes.

The new wind tunnel is located directly next to the Design Centre. Michael Pfadenhauer, Director Aerodynamics/Thermal-Management: “The demands put on this technical area have grown immensely in recent years.” The 918 Spyder is the current zenith of that development. “Its active aerodynamics allow for extreme fuel efficiency and maximum performance at the press of a button – characteristics that, before this car, had seemed mutually exclusive,” Pfadenhauer elaborates. “The supercar is also equipped with a thermal management system comprised of five separate cooling circuits and seven air heat exchangers to maintain optimal conditions whatever the driving situation – a massive challenge.”

The links between exterior design and aerodynamics are of course especially tight, so those two buildings feature direct linking passageways – promoting greater flexibility among employees and conferencing options, but also allowing models and prototypes to be transported away from the eyes of the public: what is dreamed up on the one side can be tested confidentially on the other.

“That’s another strength of the EZW,” Michael Mauer says. “We can work behind closed doors here and without distraction. This keeps our projects more confidential,
“Designs can be presented and discussed quickly – an important step forward in our creative work.”

MICHAEL MAUER
Vice President Style Porsche

Uwe Michael, Vice president Electric/Electronic Systems. “They’re distributed among 1,000 control units. Within the final overall vehicle, they all need to work flawlessly with one another. That’s the E2’s job. We bring together the car’s overall electrical and electronic systems, installing them with all individual functions.” This ranges from audio systems to display and control concepts.

The electric drives also fall under the responsibility of the Weissacher team. Wolfgang Hatz says: “We’re on the vanguard of plug-in hybrids. We have the Cayenne S E-Hybrid, the Panamera S E-Hybrid and the 918 Spyder, making us the only marque already offering three plug-in models in the premium segment. This is an important strategic topic for us, because we as a sports car manufacturer need to satisfy a full range of emission regulations. ”

Alongside the ongoing perfection of the plug-in hybrid, such as through longer electric ranges, the developers are also exploring pure electric-powered vehicles such as on a prototype Boxster E. As would be expected from Porsche, the racing track still sets the benchmarks for this: “We’ll only move a given technology into series production once an electric sports car can deliver maximum performance in all conditions,” Hatz maintains. “Even after ten laps on the test track, it must still have enough juice to go around a couple times more at fast speeds.”

The braking system provides a good example of just how closely all of the vehicle components are networked with one another. In modern vehicles the brakes no longer serve just to slow the vehicle, but rather also to recuperate energy and boost efficiency: like a bicycle generator, the kinetic energy of the vehicle is converted into electrical energy. In efficiency-oriented cars, this means achieving the maximum possible efficiency. “We don’t waste even a single kilowatt-second. The brakes are fully embedded in complex drive systems,” emphasizes Michael Lingg, Manager Engineer Brakes/Hydraulics/Actuations. The 918 Spyder kicked off a trend that is increasingly being seen in other model series. Where simple power brakes once ruled, this new, electronically controlled version is now a real high-tech unit, and a central element for optimal recuperation.

March 27–28, 2015 Paul Ricard, France Prologue
April 12, 2015 Silverstone, Great Britain 6-hour race
May 2, 2015 Spa-Francorchamps, Belgium 6-hour race
June 13, 2015 Le Mans, France 24-hour race
August 30, 2015 Nürburgring, Germany 6-hour race
September 19, 2015 Circuit of the Americas, USA 6-hour race
October 11, 2015 Fuji, Japan 6-hour race
November 1, 2015 Shanghai, China 6-hour race
November 21, 2015 Sakhir, Bahrain 6-hour race

We will remain an important player in the WEC, with the 919 Hybrid powered by Porsche’s own developents, and will continue to push the state of the art in long-distance motorsports.

The 919 Hybrid: A modern, lightweight, 908-horsepower car, with great performance and potential. It’s not just a car, but a technological marvel.

WEC EVENTS IN 2015

The high-performance hybrid braking system on the 918 Spyder features integrated recuperators.
BUSINESS DEVELOPMENT

GLOBAL ECONOMY EXPERIENCES MODERATE GROWTH

The growth rate for the global economy increased slightly to 2.7 percent in financial year 2014 (previous year: 2.6 percent). The economic situation improved in many industrialised countries, including in Western Europe. Gross domestic product here increased by 1.2 percent (previous year: 0.7 percent). Even in the cross-stricken southern European countries, the end of the long recession was in sight. However, the fallout from the conflict between Russia and Ukraine was felt in Eastern Europe. Russia’s economic output increased by only 0.4 percent in the period under review (previous year: 1.3 percent). The German economy proved robust, posting 1.5 percent growth (previous year: 0.2 percent). This growth rate was outstripped by that of the two global economic engines, the United States (2.4 percent; previous year: 2.2 percent) and China (7.4 percent; previous year: 7.7 percent).

The global automobile market grew by 4.5 percent to 73.4 million vehicles in the year under review. This growth was boosted in particular by the regions Asia/Pacific, North America and Western Europe. The passenger car markets in Western Europe had begun to stabilise in the second half of 2013, and this trend continued into financial year 2014. In Germany, new vehicle registrations rose by 2.9 percent to 3.0 million units; this was the first time this figure had increased in four years. The US market was once again in a clearly better state, posting a 5.9 percent increase to 16.5 million vehicle registrations. The Asia/Pacific region recorded the strongest market growth. The Chinese passenger car market in particular contributed to this trend, with a growth rate of 12.1 percent to 17.9 million units. The slight tapering of economic growth in China was not enough to weigh down momentum on the world’s largest automobile market.

PORSCHE DELIVERS JUST UNDER 190,000 VEHICLES

With 189,849 new vehicles delivered, financial year 2014 was the most successful year in Porsche’s history thus far. This represents a 17 percent increase on the prior year, which had also been a strong year. Sales were up year on year during every single month of the year under review and on every continent. December 2014 was the first month in which more than 20,000 new vehicles were delivered to customers in a single month.

This success was due in particular to the market launch of the fifth model series, the Macan, in April 2014. The first 44,636 vehicles in this new series were delivered to customers during the year under review. This positive market response was also reflected in the many awards the Macan has received: for instance, the readers and jurors of Bild am Sonntag and Auto Bild awarded the Macan the “Golden Steering Wheel”, auto motor und sport voted the model one of the year’s best new designs. The new 911 Targa 4 also won these accolades. Overall, 30,510 cars in the 911 model series were delivered to customers. 12,831 Boxsters and 7,916 Caymans were delivered to customers. In addition, Porsche delivered 101 of the new 918 Spyder super sports cars, a limited edition which has now been sold out.

In 2014, the Cayenne was once again the most popular model series with 65,941 vehicles delivered. With the introduction of this new generation, Porsche has also increased its offering of plug-in hybrid vehicles by adding the Cayenne S E-Hybrid. 24,864 Panameras were delivered to customers during this successful financial year; an exclusive series further bolstered the model’s market response during this successful financial year; an exclusive series further bolstered the model’s market position.

AMERICAS

USA: A NEW RECORD IN THE LARGEST MARKET

With 47,007 vehicles delivered, Porsche realised the best annual result in its history in the United States. The United States also remained ahead of China as Porsche’s largest individual market, which grew by 11 percent. The Cayenne was once again the most popular model series. With 16,205 deliveries to customers, the transition to the new generation of the sport off-road has been successfully mastered. The record number of deliveries in the year under review was also attributable to the success of the 911 model series, which saw the delivery of 10,529 new vehicles (including the 918 Spyder) to customers. The highlight for the Boxster and Cayman model series was the introduction of the GTS models. In total, 3,417 Caymans were delivered; the open mid-engined sports car Boxster saw 3,875 new vehicles delivered. Porsche delivered 5,740 new Panameras to customers. The Panamera S E-Hybrid already accounts for 15 percent of the model series with 875 units. Following the introduction of the fifth model series, Macan, in May 2014, 7,241 Macan S and Macan Turbo models were delivered to customers. Construction of the new headquarters of Porsche Cars North America, with an integrated customer experience centre in Atlanta, was in the final phase at the end of the year under review. Porsche will use the grand opening in 2015 to further expand its market presence and offer customers a further opportunity to experience the brand up-close. In addition, in 2014 ground was broken for a new headquarters in Atlanta, which will be fully completed by 2015. Porsche continues on its growth trajectory in Latin America in the reporting year. Given the country-specific import restrictions and unfavourable exchange rate developments in significant Latin American markets, the nine-percent growth in the region represents a solid performance for Porsche there. A total of 3,871 new vehicles were delivered to customers in the markets in Central and South America as well as in the Caribbean. 575 of the mid-engined sports cars Boxster and Cayman were delivered. Deliveries of the 911 model series (including the 918 Spyder) continued to increase. Deliveries of the Panamera model series came to 165 vehicles, representing a 36-percent increase. The Cayenne remained the most popular model series, with 3,166 new vehicles delivered, followed by the new Macan, with 1,263 vehicles delivered. A total of 21 markets with 46 dealers are served by the region’s office located in Miami. The highest-selling markets in the region were Mexico and Brazil, followed by Chile and Puerto Rico; these markets contributed to the positive development during the year under review.

LATIN AMERICA: CONTINUED GROWTH

In financial year 2014, Porsche delivered 23,841 new vehicles to customers in its home market, thus breaking a new record. The sports car manufacturer beat the previous year’s results by 16 percent. One decisive factor in this performance was the delivery of 6,960 new 911 (including the 918 Spyder) to customers – the 911 series was the most-sold model series in Germany. A total of 3,648 of the mid-engined sports cars Boxster and Cayman were delivered to customers. Following the successful introduction of the new Cayenne, a total of 5,348 of the sporty off-road were delivered to customers in 2014. The new Macan also enjoyed a high level of popularity in Germany, and played a key role in breaking
In financial year 2014, 9,204 new cars were delivered to customers, representing a 20-percent growth rate as compared to the previous year. The mid-engined sports car increased by a total of 18 percent despite a tense macroeconomic environment. The market launch of the new Macan was also a positive force behind this trend, with 1,507 units delivered.

RUSSIA: A NEW RECORD
Porsche bucked the general market trend in Russia, delivering 4,772 new cars to customers, representing a 26-percent increase. The most popular model series was again the Cayenne, with 2,452 units delivered to customers. The Macan proved to be the second-most popular in the year in which it was introduced, with 1,417 units delivered to customers. 504 units of the Panamera model series were delivered, a 40-percent increase on the prior-year figure. 250 units of the 911 series (including the 918 Spyder) were delivered to customers, representing a 34-percent growth rate.

EASTERN EUROPE: GROWTH DESPITE THE UKRAINE CRISIS
Despite the Ukraine crisis and a heterogeneous market environment, Porsche outdid its prior-year performance in Eastern Europe with 4,073 new vehicles delivered to customers (previous year: 4,014), particularly thanks to the growing markets in Poland and Turkey. The Cayenne was the most popular model series, with 1,821 units delivered. In its first year available, the Macan proved to be the second-most popular, with 860 units delivered. 524 units of the 911 model series (including the 918 Spyder) were delivered, a twelve-percent increase on the prior-year figure. 684 Panameras were delivered, thus exceeding the already strong prior-year figure.

NORTHERN EUROPE: SIGNIFICANT INCREASE IN DELIVERIES
Despite the Ukrainian crisis and the ongoing expansion of the dealer network, Porsche Middle East and Africa continued along its regional growth trajectory in financial year 2014 by tapping into the markets in Morocco, Algeria and Tunisia, as well as La Réunion and Mauritius. During the year under review, a total of 9,627 (previous year: 11,608) vehicles were delivered to customers. Business in the region was significantly weighed down by political strife in Syria, Iraq, Yemen and Nigeria. In addition, exchange rate developments in South Africa and India represented further challenges. With 4,810 new vehicles of the Cayenne model series delivered, 49 percent of volume in the region was accounted for by SUVs. 1,137 Panameras and 1,331 Macans were delivered to customers in the region. A total of 23 markets with 39 dealers are served by the regional office located in Dubai.

AUSTRIA: ONCE AGAIN MORE THAN 1,000 NEW VEHICLES DELIVERED TO CUSTOMERS
As it did a year earlier, Austria cleared the thousand-unit threshold during financial year 2014, with 1,066 new vehicles delivered to customers. One highlight of the ongoing expansion of the dealer network came with the opening of the new Porsche Centre in Salzburg. Porsche has been welcoming customers there in an urban environment since October 2014. The new standalone operation offers some of the most modern features of any Porsche Centre in Europe, with over 800 square metres of exhibition space and a customer workshop stretching across 1,500 square metres.

ASIA

MIDDLE EAST AND AFRICA: CONSOLIDATION
Porsche Middle East and Africa continued along its regional growth trajectory in financial year 2014 by tapping into the markets in Morocco, Algeria and Tunisia, as well as La Réunion and Mauritius. During the year under review, a total of 9,827 (previous year: 11,608) vehicles were delivered to customers. Business in the region was significantly weighed down by political strife in Syria, Iraq, Yemen and Nigeria. In addition, exchange rate developments in South Africa and India represented further challenges. With 4,810 new vehicles of the Cayenne model series delivered, 49 percent of volume in the region was accounted for by SUVs. 1,137 Panameras and 1,331 Macans were delivered to customers in the region. A total of 23 markets with 39 dealers are served by the regional office located in Dubai.
Following a 19 percent growth spurt to 5,138 new vehicles delivered to customers, Porsche Japan crossed the 5,000-vehicle threshold for the first time. Deliveries of the rear- and mid-engined sports cars once again broke historical records: deliveries of the 911 model series (including the 918 Spyder) increased by 25 percent in comparison to an already successful previous year, to reach 1,550. The Boxster/Cayman model series also saw a twelve-percent jump in deliveries to 1,619 units delivered to customers.

SOUTH KOREA: OFF TO A SUCCESSFUL START

The Porsche subsidiary formed as at 1 January 2014 in South Korea got off to an extremely successful start in its first year, with 2,703 units delivered to customers. This represents a 31 percent increase as compared to the previous year. The 911 contributed to this increase with 304 vehicles delivered and a 10 percent growth. The new Macan had a good start on the market with 667 units delivered. 552 units of the Panamera were delivered to customers, representing a remarkable increase of 69 percent.

ASIA/PACIFIC: SALES ON HIGH

Despite the spinoff of the strong South Korean market as at 1 January 2014, the Asia-Pacific region was able to operate at the same high level as in the previous year, with 4,846 new vehicles delivered. Adjusted for the non-recurring effect, this represented a 53 percent increase in deliveries. The Cayenne and Macan model series played an important role in this growth. With 1,836 vehicles delivered from the second half of the year, the Macan got off to an excellent start on the market. Cayenne deliveries remained stable at 1,723. With 481 vehicles delivered, the Panamera made a valuable contribution to this success. The Taiwanese market reached a new milestone with more than 3,000 new vehicles delivered. In 2014, the import business got off to a successful start in Cambodia and Mongolia. In the reporting year, Porsche was thus represented in 13 countries in the Asia/Pacific region.

AUSTRALIA/New Zealand: another record year

Following an already highly successful year in 2013, Porsche Cars Australia broke yet another record for new vehicle deliveries in financial year 2014, at 3,102. This corresponds to an increase by 48 percent. The model series Macan, available from the middle of the year, was delivered to 890 customers, exceeding already high expectations. The Cayenne model series saw 1,242 vehicles delivered – thus representing a slight increase year on year – and again played a key role in the Company’s overall success. 414 new vehicles in the 911 model series (including the 918 Spyder) were delivered, corresponding to a noteworthy increase of 35 percent.

More vehicles manufactured

The number of vehicles manufactured in the Porsche AG group increased in the reporting year by 23 percent to 203,097 units. At the Leipzig plant, 66,005 vehicles of the Cayenne model series, 59,363 units of the Macan and 22,383 vehicles of the Panamera series rolled off the line. In Stuttgart-Zuffenhausen, 31,590 sports cars of the 911 model series were manufactured. Together, the Boxster and Cayman achieved a production figure of 23,211 vehicles in total. In addition, 545 units of the 918 Spyder were produced in Zuffenhausen.

Unit sales up

The Porsche AG group increased its unit sales by 21 percent to 187,208 vehicles in the 2014 fiscal year. 48,569 units of the Macan were sold. Sales of the 911 increased by three percent to 28,870 vehicles, and Panamera sales rose by six percent to 22,472. 18 percent fewer units (65,091) of the Cayenne model were sold than in the previous year due to the change in generations.

New jobs created

As of 31 December 2014, the headcount at the Porsche AG Group was 22,401 employees, 15 percent higher than the figure as of 31 December 2013.
WEISACH RECEIVES HIGH-TECH FACILITIES

During the year under review, Porsche began operating a new high-tech wind tunnel and opened a new design studio at its development site in Weissach. Investments to expand and renew the Weissach development site—including for a new electronics integration centre, which went into operation in the previous year—have amounted to more than 135 million euro. In addition, a new drive-test facility is also being built at the site. The investments for this amount to approximately 95 million euro.

CENTRAL SPARE PARTS WAREHOUSE

At Porsche’s central spare parts warehouse, located near Sachsenheim in the Eichwald industrial park, a further expansion went into operations at the end of financial year 2014. This meant that storage space has increased from 113,000 to 170,000 square metres. More than 100,000 Porsche parts are stored here and supplied to approximately 800 locations around the globe thanks to state-of-the-art logistics technology. Porsche invested just under 80 million euro to expand the Sachsenheim facility.

TWO BONDS ISSUED

During the year under review, Porsche Financial Services Inc., domiciled in Atlanta, Georgia, issued two ABS bonds for the first time customer contracts for Porsches as well as contracts relating to Bentleys and Lamborghinis. Investors included insurance companies, pension funds, banks, asset management firms and companies. The companies of the Porsche Financial Services Group have adapted their financial services in 15 countries. Thus the Porsche Financial Services Group have 211 employees in nearly every important automotive market in which the Porsche Group is active.

The companies of the Porsche Financial Services (PFS) Group partner with the Porsche retail organisation to offer tailored financial products and innovative financial services to its customers in the automotive market in which the Porsche Group is active. In financial year 2015, the PFS Group will continue its international expansion and support Porsche’s own importers in South Korea by setting up a local financial services company. In addition to the core products of leasing and financing, the extensive product range includes insurance products, the Porsche Card and dealer financing. Under the brand names Bentley Financial Services and Lamborghini Financial Services, exclusive financial services are offered in relation to the Group’s brands Bentley and Lamborghini in Germany, Italy, Switzerland, France, the United States and Canada. In addition, individual solutions are developed for Bugatti customers. Demand for financial services remained strong in financial year 2014, with approximately 46,000 new agreements signed around the world. The Financial Services companies exceeded the 100,000 mark for the first time and now manage more than 103,000 financing agreements with a volume of more than 4 billion euro. In addition, more than 13,000 customers appreciate the comfort and exclusive services offered by the Porsche Card and more than 17,000 customers have taken advantage of the insurance offerings of the Porsche Insurance Service. The companies of the Porsche Financial Services Group have adapted their processes and methods – including for risk management – in their respective markets to ensure compliance with the ever stricter statutory requirements imposed on financial services.

FINANCIAL SERVICES ON A GROWTH PATH

The global economy may experience even stronger growth in 2015 than it had in the year under review. The emerging economies of Asia are likely to continue providing the momentum behind this growth. Economic growth in China will remain at a high level. Economic growth forecasts for the United States are also optimistic. By contrast, the continuation of the recovery in Western Europe depends on the resolution of structural problems. Nevertheless, Germany is likely to experience solid economic performance with stable growth rates similar to the level recorded during the year under review. However, expectations for Russia are highly pessimistic in light of the conflict between it and Ukraine.

PROSPECTS ON THE AUTOMOTIVE MARKETS

Overall, the global automobile market will continue to grow in 2015. However, momentum is expected to slow slightly in the key markets China and the United States according to forecasts by the German Association of the Automobile Industry (VDI). The Association expects the German market to see slight growth at one percent to solid three-million new vehicle registrations.

OUTLOOK

Porsche AG will endeavour to further increase new vehicle deliveries and revenue in financial year 2015 as compared to the year under review 2014. This increase will be driven primarily by the new Macan. Porsche’s fifth model was gradually introduced on the global markets from April 2014 onwards and will be available for twelve months of the year for the first time in financial year 2015. Although investments in vehicle projects and the expansion and renewal of sites are high, continuous productivity and process improvements and strict cost management are intended to ensure that Porsche AG’s high earnings objective continues to be achieved.

ANTICIPATED DEVELOPMENTS

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EXCITING NEW LAUNCHES

In January 2014, Porsche presented the new 911 Targa to the public at the North American International Auto Show (NAIAS) in Detroit. It combines the classic Targa concept with state-of-the-art roof technology. Just like the original Targa, the new model features a characteristic wide bar in place of the B-pillars, a movable roof section above the front seats and a wrap-around rear window with no C-pillar. However, in a departure from the classic models, the roof segment on the new Targa can be opened and closed at the push of a button. The new Targa generation was released exclusively with all-wheel drive. The heart of the 911 Targa 4 is a 3.4-litre 350hp Boxer engine. The 911 Targa 4S’s engine generates 400hp. One year later, another Targa stole the spotlight at the Detroit Auto Show in January 2015 – the 911 Targa 4 GTS. For the first time, Porsche had implemented the successful GTS concept in a Targa. At 430 hp, its engine is even more dynamic. The series includes the Sport Chrono package, black 20-inch centre lock wheels and SportDesign front apron, among other features. Black Alcantara leather on the steering wheel and seats, as well as trim accents finished in black brushed aluminium enhance the Targa 4 GTS’s sporty flair.

At the Geneva International Motor Show in March 2014, Porsche focussed on its return to the big motor-sports stage. The highlight of the event was the world premiere of the 919 Hybrid, which competed in the 2014 World Endurance Championship (WEC). Just as in all eight of the WEC races, the prototype in Geneva was marked by the 919 LSR. The Macan S Diesel, the fuel-efficient endurance champion in the Macan model series, also celebrated its premiere at the Swiss auto show. With fuel consumption between a mere 6.1 and 6.3 litres/100 km, the Macan S Diesel’s CO₂ emissions range from 159 to 164 g/km. Despite these numbers, the Macan S Diesel, with its 3.0-litre V6 turbo diesel engine (245 hp), accelerates from 0 to 100 km/h in just 6.3 seconds and tops out at a speed of 230 km/h.

Development efforts in financial year 2014 focussed on the new generation of the Cayenne model series, which not only impresses with its sharper design, increased efficiency and comprehensive series fitting, but with the introduction of the Cayenne S E Hybrid, also presented at the phagen hybrid vehicle in the premium SUV segment. Additional efforts focused on the new GT vehicles Cayman GT4 and the 911 GT3 RS. Porsche Motorsport also developed the second generation of the Le Mans prototype: The new Porsche 919 Hybrid is a powerful evolution of the successful version which debuted in 2014. The new generation’s initial roll-out took place in mid-December 2014.

In addition, the engineers’ tasks at the Weissach Development Centre in financial year 2014 included work on the standard drive module toolkit based on the Panamera concept. The module serves as the foundation for vehicles whose engine is installed longitudinally and which feature rear-wheel drive in the base version. In future, the module could also be used by other vehicles in the Volkswagen Group. The toolkits are intended to tap into considerable synergies in development, procurement and production.
In April 2014, the Boxster GTS and Cayman GTS made their debut at the Auto China in Beijing. The six-cylinder Boxer engines are based on the 3.4-litre drive trains from the Boxster S and Cayman S. Thanks to their optimised calibration, they each generate an additional 15 hp. This brings the Boxster GTS up to 330 hp and the Cayman GTS to 340 hp. Both mid-engined sports cars come standard with the Sport Chrono package. Equipped with an optional double-clutch transmission, the Boxster GTS – with Sport Plus mode activated – catapults from a standing start to 100 km/h in 4.7 seconds; the Cayman GTS edges out its cousin by a tenth of a second.

**NEW CAYENNE IN THE SPOTLIGHT**

The new generation of the Cayenne was the centre of attention at the Paris auto show in October 2014. The Cayenne S E-Hybrid was also the first-ever plug-in hybrid in the premium SUV segment. With the Cayenne S E-Hybrid, the Panamera S E-Hybrid and the 918 Spyder, Porsche was now the only brand in the premium segment which offered three plug-in models. Thanks to its hybrid technology, the Cayenne S E-Hybrid boasts fuel consumption of just 3.4 litres/100 km and CO₂ emissions of merely 79 g/km. In absolute terms, these are top numbers, especially for an all-wheel drive vehicle.

The Cayenne S E-Hybrid uses a lithium ion battery with a capacity of 10.8 kWh, which, depending on driving style and terrain, provides for an all-electric range of 18 to 26 kilometres. The electric motor generates 95 hp, which combines with the output of the 3.0-litre V6 compressor motor (333 hp) to produce 416 hp in total. In Sports mode, the Cayenne S E-Hybrid can accelerate to 100 km/h in 5.9 seconds and boasts a top speed of 284 km/h.

In addition to the Cayenne S E-Hybrid, Porsche presented updates to the Cayenne S, Cayenne Turbo, Cayenne Diesel and Cayenne S Diesel. The vehicles’ most significant features were increased efficiency, more precise handling, sharper design and more comprehensive series fitting. In addition, the 3.6-litre V6 twin-turbo engine in the Cayenne S was all new and developed solely by Porsche. The front apron, front mud flaps and bonnet were all redesigned. The rear of the new Cayenne has also been given a completely new look: The rear lights are arranged three-dimensionally and the brake lights are divided into four parts, similar to the LED daytime running lights up front. The licence plate, handle and lighting have been more elegantly integrated into the rear hatch. An automatic hatch is part of the standard series fitting.

All the new Cayenne models consume significantly less fuel thanks to the coasting function, an improved auto start-stop function and an optimised thermal management system. The Cayenne S’s new 3.6-litre V6 twin-turbo engine achieves fuel efficiency between 9.5 and 9.8 litres/100 km – a full litre less than the previously offered V8 engine. The twin-turbo V6 generates a maximum output of 420 hp. With its standard 8-speed Tiptronic S, the Cayenne S accelerates from zero to 100 km/h in 5.5 seconds. The Cayenne Turbo’s 4.8 litres displacement, eight cylinders and twin-turbo engine enable it to generate 520 hp. The Turbo thus goes from zero to 100 km/h in 4.5 seconds. Its fuel consumption is between 11.2 and 11.5 litres/100 km. The diesel variants combine high performance with even higher fuel efficiency. The Cayenne Diesel’s 3.0-litre V6 engine generates 262 hp with a fuel efficiency of 6.6 to 6.8 litres/100 km. The Cayenne S Diesel’s 4.2-litre V8 engine has 385 hp. Its fuel consumption is 8.0 litres/100 km.

As the financial year drew to a close, Porsche unveiled two more new GTS models at the 2014 Los Angeles Auto Show – the 911 Carrera GTS and the Cayenne GTS. The four variants of the 911 Carrera GTS close the gap between the 911 Carrera S and the 911 GT3. The model is available as a coupé or convertible, each with rear or all-wheel drive and 430 hp. The Sport Chrono package and other markedly athletic trim options are standard. The Cayenne GTS generates 440 hp and has an even more athletically tuned PASM suspension; the chassis sags 24 mm lower, making the vehicle even more aerodynamic.

Porsche presented an even higher-performing Cayenne model at the 2015 North American International Auto Show in Detroit in January 2015: the Cayenne Turbo S. The new “top model” of the newest Cayenne generation stands out in particular thanks to its new charging concept with turbochargers integrated into the exhaust manifolds. This feature pushes the Cayenne Turbo S past its predecessor, adding 20 hp for a total of 570 hp. The car’s maximum torque, which was increased by 50 Nm (36.8 ft lb) to 800 Nm (590 ft lb), enables superlative performance, and the new turbochargers have further improved the responsiveness of the twin-turbo engine. The Turbo S turned a lap of the North Loop of the Nürburgring in 7:59.74, a new SUV record, proving that every Porsche is a genuine sports car, even in this vehicle segment. The Cayenne Turbo S accelerates from zero to 100 km/h in 4.1 seconds and reaches a top speed of 284 km/h.

**RESEARCH AND DEVELOPMENT COSTS RISE**

In financial year 2014, research costs and non-capitalised development costs (excluding amortisation and depreciation) of the Porsche AG group came to 886 million euro (previous year: 762 million euro). Development costs totalled 1.07 billion euro, 1.01 billion euro were capitalised (previous year: 815 million euro). Research and development costs (excluding amortisation and depreciation) amounted to 1.95 billion euro (previous year: 1.58 billion euro). The capitalisation ratio in financial year 2014 remained unchanged at 55 percent.
STRONG IMPULSES FROM LEIPZIG

Lutz Meschke, Member of the Executive Board – Finance and IT, speaking with students at the Graduate School of Management about current challenges faced by the global economy.

Leipzig has become a trusted second home base for Porsche. The Cayenne, Panamera and (as of 2014) Macan compact SUV all roll off the assembly line just outside the city. Porsche AG has invested hundreds of millions of euro in the Saxon city, yet the company’s commitment goes far beyond pure business concerns.
Porsche has been a long-time sponsor of the Gewandhaus Leipzig, one of the world’s most venerable orchestras. Last year, the sports car maker also began supporting the youth development programme at second-division Bundesliga soccer team RB Leipzig. The stadium is just a stone’s throw from the Leipzig Graduate School of Management (HHL). For the past two years, Porsche has endowed a teaching chair for Strategic Management and Family-Run Companies here, under the direction of Professor Stephan Stubner. Lutz Meschke, Member of the Executive Board – Finance and IT at Porsche, has supported the work of the HHL since 2013 as a member of its supervisory board. The cooperation with HHL is for Lutz Meschke an important element for intensifying the transfers between business and research and as an instrument for companies to promote the training of young people.

IMPETUS FOR GROWTH IN EUROPE

Mr. Meschke, the media has been dominated by stories related to the crisis in the eurozone. Wouldn’t it be more honest to let Greece and other southern European countries simply drive off the economic cliff?

The debt crisis in Europe is really anything but over. A conscious decision to let Greece or even the EU itself drive over the cliff is certainly not a good approach. A bankruptcy by Greece could trigger a chain reaction. What Greece and other states in the EU need is something else entirely: they need something to drive growth. But that growth needs time. Just like politics needs time. And there isn’t much time left.

The new Greek government didn’t need much time to make a 180-degree turn-around. Austerity measures are being rolled back and fired government employees will supposedly be rehired.

There’s no disputing that the new socialist government won the election decisively. And can we really be surprised by the election results when a significant portion of the population is approaching the poverty line? How else should a population react? And austerity alone isn’t enough to reform a country. Cutting expenditures is very important, but austerity alone just makes everything worse. Much of what the new government has been promising isn’t actually possible because there aren’t the resources for it. What’s important for all states in crisis is that they show a readiness for real structural reform and that the support from the EU is comprised of targeted economic stimulation programmes.

“What Greece and other states in the EU need is something else entirely: they need something to drive growth. But that growth needs time.”
The Leipzig location

What in your view are concrete measures to help stricken states get back on their feet?

States in crisis must improve competitiveness, in particular through external efforts. Structural reforms to the labour market can lead to reduced incidental wage costs, more consistent job placement programmes and subsidies for those setting up a new business would be examples for such activities. Another measure specific to Greece might be further privatization, so as to attract more private investors to the country. One could also see targeted activities. Another measure specific to Greece might be further privatization, such as South Korea are developing very positively. We’ve built up our own import organisation there in recent years. We’ll continue pushing forward the expansion of our dealer network in many promising emerging markets.

How do you as a car maker regard the current economic trends in China?

If you want to talk about China, you actually need to take a bit of a step back to get a better understanding of the current situation and the future challenges there. If you drive through the large cities of China, you’ll see giant, newly built residential buildings that are completely dark. The houses are empty. Even now we can already see a bit of a bubble forming for residential buildings that are completely dark. The houses are empty. Even now we can already see a bit of a bubble forming for the real estate market. Growth is already hitting its limits. At the same time most of the large cities are facing strong pollution concerns. The tolerance values for air pollution are several times higher than ours. And even so the values are routinely exceeded. In this regard, new vehicle registrations in the large cities like Peking are increasingly being restricted. So we can’t go around thinking that issues in China won’t affect us for ten years. That would be a big mistake. The goal is instead to think broadly, with parallel strategies across different fields, instead of betting everything on one card. This applies for the drive technology of the future as well.

spent – I’m formulating carefully here – on projects that are not goal-oriented. What we need in Europe is precisely the opposite of that. We should not ease up on our efforts to continue reforming our national economies. What’s important is that there is a focus on sustainable investment to support a country’s competitiveness in the medium and long time. As I’ve already mentioned, we need a broad package of measures. But sustainable reforms are the only way to remain competitive in the global economy for the long run.

CHALLENGES IN CHINA

Naturally what interests our students in this regard is the strategy at Porsche. You export almost 90 percent of all vehicles built in Germany for international sale. Your largest markets are the USA and China. If you look at the unsatisfactory trends in southern Europe and hold them up against the annual sales records in China, you get the impression that your prosperity has come to rely on China, or hasn’t it?

Right now China is our most important market, together with the USA, although it is one we need to watch very closely. Let me express at this point one very important item from Porsche’s point of view: the crisis in the eurozone in particular has affirmed our strategy of sustainable globalization. Porsche is positioned properly on the global stage right now. With the right products on the right markets. This allows us to deal with market fluctuations. We’ve been enjoying a great deal of success in the USA, which helps compensate for the crisis on the southern European markets among other things. Even some of the countries that just a few years ago were being celebrated, Brazil for example, are going through a soft period. On the flip side, other emerging markets such as South Korea are developing very positively. We’ve built up our own import organisation there in recent years. We’ll continue pushing forward the expansion of our dealer network in many promising emerging markets.

FUTURE FACTOR E-MOBILITY

What has Porsche done to date in terms of e-Mobility?

Our strategy is forward-looking, so we of course have incorporated electric mobility into our plans. And we’ve already delivered some answers. Porsche is currently the world’s only car maker to offer three plug-in hybrid models in the premium segment: the Panamera S E-Hybrid, the Cayenne S E-Hybrid and the 918 Spyder supercar, which is already sold out. Through these vehicles we’ve put our innovative leadership to the test. I’m interested to hear in highly concrete terms what your expectations are for a modern vehicle?

My observation is that the older generation mostly still just listens to radio when they’re in the car. The younger generation in particular demands entirely different things from a vehicle. It’s already the case that many people view their car as...
That is truly a key question, since more than 70 percent of our revenues come from outside the eurozone. So right now we’re intensively focused on minimising our currency exposure risks. Our goal is to reduce uncertainty and lay the groundwork for solid forecasting. We hedge proactively against future foreign currency income to ensure a stable planning basis. To do so, we secure all key currencies in which we generate revenues. This currency hedging is particularly important in cases in which the euro gains in value against a currency, such as is the case with the ruble right now. These hedges have been an important factor in ensuring that Porsche is at least partially protected against the current dramatic fall of the Russian currency.

Many manufacturers are also trying to shield themselves by moving production to a country with a different currency. We have no value creation in other countries, but another option for safeguarding involves making purchases in foreign currencies to create a so-called natural hedge. That means that as foreign currency revenues fall due to the strong euro, our purchasing costs in the respective foreign currency fall with it. This is the case in Japan, for example. By making a certain volume of purchases in yen, we mitigate the exchange rate risks for Porsche between euro and yen.

WOMEN IN LEADERSHIP POSITIONS

You routinely rank in the top ten when it comes to “Employer Attractiveness.” As an “Old Economy” company, do you feel that you’ve done enough to promote equal development between men and women?

There’s truly been a lot of movement in this area in recent years. The essential thing when you’re addressing this topic is that it really needs to penetrate into the heads of management. Pretty glossy brochures alone aren’t going to do much. You have to do more than just project that culture externally. You need to live it internally as well.

Mr. Meschke, Porsche sells the majority of its vehicles outside the eurozone. That means that you have very high revenues in currencies such as the US dollar, British pound, Japanese yen, Chinese renminbi and Russian ruble. How have you managed to keep a handle on the enormous fluctuations in currency exchange rates and react to them? Or are you more or less at their mercy? Which would mean that your results are constantly influenced by it?

SIGHTS SET ON CURRENCY RISKS

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Have you thought about implementing a mandatory quota in the future?

A mandatory quota would give rise to massive dissatisfaction within the company. But you do need to set goals. One of those for us is increasing the share of female graduates from the relevant degree programmes among new hires to establish a sufficiently broad personnel substructure. Because that’s the only way that we can ensure that the share of women in management positions will rise. And we’ve achieved a lot within the company in recent years. But I want to make one thing clear: the particular female candidate has to have the right profile.

Mr. Meschke, many thanks for this interesting and profitable event.

I’d like also to express my personal thanks and look forward to further collaborations with the HHL.
The Leipzig location

The morning is foggy and cool. Just looking at the India Red Porsche GT3 positioned in front of the course’s signal lights gives a jolt of warmth. Not to mention the thought of soon occupying the passenger seat while female racer Michelle Gatting takes on that track. With confident steps and an impish smile on her lips, the young woman in white racing overalls heads over toward her favourite toy. She opens the driver side door and glides into the seat. Michelle Gatting buckles up, turns the key in the ignition, activates the button with the dual exhaust symbol on the centre console, releases the brake pedal and asks: “Slow or fast?” Oh! Fast, please. One, maybe two blinks later, we’re out on the course. “It’s a little slippery today,” she notes after the first curve to the right. “When the track is wet, things get difficult. You can’t overestimate yourself, especially not in the GT3,” Michelle says. This coming from a woman who at the tender age of 13 celebrated her first championship on the Danish go-kart circuit.

PILOT WITH DEVOTION

But there’s a fair dose of respect in her voice: “The GT3 is practically a race car. If you monkey around with it, it’ll make an even bigger monkey out of you.” The words have barely passed her lips and already the infernal sound pouring from the dual exhaust, a sound that penetrates through every fiber of the body, seems to react to her words on the first long straightaway. The thrust on this little brother to the Cupready 911 presses us back into the seats – man and machine become one. The six-cylinder Boxer engine screams up to 9,000 rpm, producing 475 hp from 3.8 l of displacement. “It is after all a Porsche,” our pro driver says with a smile. “There will always be a massive difference between a Porsche and other cars. Especially on the GT3.” The Danish driver’s knowledge of her racing materials is not in question – she successfully passed a selection process at the FIA Institute Academy. No European posted a faster time on the test track than Michelle.

The street-legal competition car blazes forward. It accelerates from 0 to 100 km/h in just 3.5 seconds. 7.9 seconds later the needle clears 200. It doesn’t top out until 315 km/h. An acceleration that is felt in the internal organs first. The pro racer still has more than enough air in her lungs to describe the quality of the Leipzig track. “When I come here, my heart transforms into a Porsche logo.”

MICHELLE GATTING

The FIA-certified oval track was designed by Hermann Tilke, a constructor of race courses from Malaysia to Bahrain who

FAVOURITE TOY WITHIN EXTENDED LIMITS

Expressly recommended for imitation – A ride in the Porsche GT3 around the track at the Leipzig factory with racer Michelle Gatting.
Michelle Gatting was born on 12/31/1993 in Rungsted. She drove her first go-kart at age seven. From 2006 – 2010 she was a two-time Go-Kart Champion (Denmark) and twice runner up (Germany). In 2011, Gatting moved to Formula Ford Denmark and became her Rookie Champion. From 2012 – 2013 she raced in the Volkswagen Scirocco R-Cup, finishing in 12th place in the final rankings. Since 2013, Michelle Gatting has been part of the junior selection for Porsche Motorsport for the Carrera Cup. In 2014, Gatting was awarded a driver’s spot in the Porsche Carrera Cup. Hobbies: Boxing and Crossfit. Idol: Michael Schumacher.

Actually received yet another commission last year: the recreation of a legendary piece of the fabled Nürburgring, in its original dimensions, in Leipzig. The Caracciola Carousel – a 450-metre long banking turn on the North Loop of the Green Hell.

Also on site: the “Handling Course,” which resembles a country road. Here, not the speed is in the foreground, but especially the skills of the driver. The course offers 2.2 kilometres of realistic rural driving. To test out the braking performance on a wet driving surface, there is also a 150-metre long dynamic surface with a wetting system. The third new element comes in the form of a 120-metre circumference circle. Here drivers learn about the forces that arise during a turn, and how to handle those passages properly. The Saxon metropolis has so many different focuses on offer for a passionate driver. For our dynamic Dane, the expansion of the facility means mainly one thing: “If you’re a Porsche freak, you’ve got to come here. There are also a lot of competent people in Leipzig you can learn from.” A typical Gatting quote. Although she’s already made a name for herself in a rough-and-tumble motorsports world more typically dominated by men, she remains grounded and humble. She frequently mentions the support of her parents and the family of her boyfriend, without whom a career in racing would be unthinkable.

**ELEGANT AS A PIANIST**

In the meanwhile, Michelle has absolute mastery over the GT3. She works the shifting switches on the steering wheel with the deftness and grace of a pianist. She maneuvers through the left/right combo Suzaka S heading toward Sunset Bend, a right-hand corner that demands a bold shift from second into fourth gear and propels the GT3 with the unmistakable view along the longest straightaway of the course toward the Loews curve. A right-hand turn with a slight rise; the connection between the fastest and the slowest sections of the course. While braking ahead of the early crest, she has to drop speed consistently and shift three times cleanly. Her gaze is firmly on the pavement, since all of her control elements are within arm’s reach.

The perfect performance through the Victoria Turn comes courtesy of the magnificently harmonized interplay between the rear-axle steering, standard 7-gear Porsche double clutch transmission and the short gear transmission ratios for which the GT3 is known. And don’t forget about the rear track that is 31 mm wider and wheelbase that is 100 mm longer than its predecessor. Taken as a whole: flawless lateral dynamics and maximum on-road stability. Thanks to Porsche Torque Vectoring Plus and the skill of this race-proven driver, the GT3 powers precisely on all four wheels through the turn. No question: The GT3 owns our heart. No if, ands or buts. And Michelle? Her whole heart belongs to Porsche too. Of course!
SALES, PRODUCTION AND PROCUREMENT

SALES

PROFESSIONAL SERVICE

The focus of activities in financial year 2014 was squarely on the market launches of the new Macan SUV series and the super sports car 918 Spyder. Porsche brilliantly mastered the challenge of simultaneously meeting the new customer requirements of the high-volume Macan segment and delivering exclusive and individualised customer service for the 918 Spyder. The paramount objective of Porsche After Sales is to offer every customer a tailored and unique service experience.

Extensive construction measures have been realised at a large number of Porsche Centres around the world in order to make it possible to provide optimal service for the significantly increased volume of vehicles following the introduction of the Macan. In addition, Porsche has provided extensive training to more than 4,000 After Sales employees in its global retail organisation, thus preparing them to service all of the new vehicle models and their customers. At the same time, the Porsche Centres were supplied with all of the new spare parts and special tools. The further expansion of the central spare parts warehouse in Sachsenheim played a key role in this aspect.

Groundbreaking new technology and exclusivity are the hallmarks of the 918 Spyder. It is only logical that a sports car of this calibre would also set the bar higher where service and repairs are concerned. Porsche’s solution: an exclusive, specially tailored, multi-level service concept for the 918 Spyder. This concept provides for a specially trained team of national and international experts to help Porsche’s retail partners find the right approach to every challenge. It therefore ensures that the right specialist is available to perform any work required on any 918 Spyder.

Porsche’s premium service offering has been systematically expanded in order to ensure brand and customer excellence as well as to enhance long-term customer satisfaction and loyalty following their purchase and in their daily experience of driving the vehicle. The continued development of the spare-parts portfolio for engine repairs means that it is now possible to offer customers repairs at prices which reflect the current value of their vehicle. Following the introduction of the Porsche Intelligent Repair Solutions System (PIRS), repair solutions are systematically exchanged throughout the global retail organisation. This has made it possible to drastically reduce the time it takes to diagnose problems and to further increase the quality of repairs.

Growth over recent years means that Porsche After Sales currently serves approximately 1.65 million vehicles around the world. That figure will continue to grow in the future. At the same time, Porsche’s primary goal will be to offer an exclusive, individualised and unique service experience to Porsche customers.

CUSTOMERS FOR LIFE THANKS TO CUSTOMER ENTHUSIASM

Porsche has been very successful in acquiring new customers and spurring their enthusiasm for the Porsche brand. While satisfied customers will buy another Porsche, enthusiastic customers will recommend a Porsche as die-hard brand ambassadors. The Macan can now be the first taste of the brand by driving this model. Porsche has been very successful in acquiring new customers and spurring their enthusiasm for the Porsche brand. While satisfied customers will buy another Porsche, enthusiastic customers will recommend a Porsche as die-hard brand ambassadors. The Macan can now be the first taste of the brand by driving this model.

Many customers buy Porsche after Porsche, and often even more than one at a time. This marked loyalty of drivers is anchored in the high level of product quality and the premium customer service throughout the entire customer life cycle. Dedicated and professional partners at the Porsche Centres around the world play a vital role in implementing and ensuring compliance with the high level of service offered. Moreover, Porsche was one of the first automotive manufacturers to systematically maintain all key customer contact information in an international Customer Experience Management initiative to ensure that customers receive an exciting customer experience. Porsche customers and prospective customers are contacted approximately 20 times per year. With some five million existing and prospective customers, that makes 100 million opportunities to generate customer enthusiasm every year. The systematic development and introduction of customer service processes take place on a global scale to ensure that customers in every Porsche market can experience the unique experience of buying and owning a Porsche.

THE MOST ATTRACTIVE BRAND

The uniqueness of this customer experience is confirmed by a number of international studies. For instance, according to the renowned U.S.-based market research institution J.D. Power and Associates, Porsche is the most attractive brand. In the Automotive Performance, Execution and Layout Study (APEAL), Porsche was ranked first with a record-breaking number of points, for the tenth time in a row. The 911, Cayenne, Boxster and Cayman models were once again voted best-in-class for their respective segments in the study. The annual survey is conducted on the basis of information provided by more than 86,000 new owners of a total of 239 different models.

In Germany, too, Porsche leads the pack: in the J.D. Power V.O.S.S. (Vehicle Ownership Satisfaction Study), drivers ranked Porsche as the best automotive brand. Porsche also received extremely high marks in Germany in one of the most wide-ranging auto-related surveys – more than 115,000 readers of “auto, motor und sport” magazine (ams) voted for their candidates for Best Cars 2014 in ten categories; Porsche finished first with the 911 and 911 Cabrio in the sports car and convertible categories.

The readers of the “sport auto” magazine named six Porsche sports cars as the most popular models for the third time in a row. The 911 Carrera S Cabrio, the 911 Turbo S, the 911 Turbo S Cabrio, the 911 GT3, the Boxster and the 918 Spyder all beat their competitors in their respective categories. Two vehicles won the title “2014 World Champion” for the smallest loss of value in percentage terms in the luxury and sports car categories of Auto Bild and Schwacke: the Porsche Panamera 4S Executive and the 911 Carrera S Cabrio. These two are considered the best cars in their classes in terms of stable value.

Porsche received special mention as best automotive manufacturer in the “Germany’s Customer Champions 2014” competition. In a competition based on a representative customer survey, the brand’s image, performance and frequency of recommendation are assessed, as well as the competence and reliability of employees. In a direct comparison with its competition, Porsche clearly outperforms. In the U.S., Porsche’s Lost Customer Programme initiated to win back lost customers was awarded the Stevie Award for Sales and Customer Service, which is bestowed each year by a jury of 200 experts. In addition, the premier consumer advice magazine Kelley Blue Book presented Porsche with the “Best-in-Class Award”. After taking the prize in 2011 and 2012, Porsche won the Best Performance Luxury Brand award for the third time in 2014. In addition, the Macan was voted Most Fun SUV of 2014. The 918 Spyder was celebrated by Popular Science with the Best of what’s New Award for being the Most Advanced Hybrid Supercar. At the same time, Porsche was named Top Luxury Brand for the second time in a row in Autopacific’s 2014 Ideal Vehicle Awards.

Porsche is focusing on building up and deepening long-term customer relationships. The maxim “customer for life” is an integral component of Porsche’s corporate culture. The high level of customer satisfaction underlines this. For this reason, customer enthusiasm is a top priority of the Strategy 2018 initiative.
In the financial year 2014, Porsche produced a total of 203,097 vehicles, 22.5 percent more than in the comparable prior-year period. All vehicles of the 911 and 918 model series as well as parts of production of the Boxster rolled off the line at the main plant in Stuttgart-Zuffenhausen. A total of 41,774 sports cars were produced, 31,590 of them 911s. 13,562 units of the Boxster and Cayman were assembled at Volkswagen Osnabrück GmbH. At the Leipzig plant, Porsche produced a total of 147,751 vehicles, with the Cayenne model series accounting for 66,005 units, the Macan model series for 59,363 units and the Panamera model series for 22,383 vehicles.

**FLEXIBLE MANUFACTURING OF 39 ENGINE VARIANTS**

Porsche manufactures petrol engines for the Cayenne, Macan, Panamera, Boxster, Cayman and 911 models at the Zuffenhausen plant. A total of 39 different engine variants are built to the highest degree of precision on two assembly lines for Boxer engines and V engines. The V8 engine for the super sports car 918 Spyder is also produced at the plant. In the near future, the engines and components area will further expand its range of expertise and take on a supplier role within the Volkswagen Group. Going forward, the new generation of the Group’s V8 petrol engines will be assembled in Zuffenhausen. Work began in May 2014 to renew and expand the engine assembly line used for this. The engine plant is being expanded by approximately 57,000 square metres. Installation of the production facilities will be kicked off in mid-2015.

**EXPANSION OF THE LEIPZIG PLANT**

At its Leipzig plant, Porsche resumed up production of its new sports off-road Macan, which got off to a start in January 2014, reaching full capacity as planned at the middle of the financial year. April saw the model’s market launch. Porsche has been running at full speed in Leipzig from the very beginning of financial year 2015, meaning it will manufacture even more vehicles than in the year under review.

Several months after wrapping up its plant expansion for the Porsche Macan (new body shell production and paint shop, enhanced infrastructure), Porsche officially kicked off the next stage in its production plant expansion. Porsche is building a new and innovative body shell production facility in Leipzig for the next generation of its Panamera model. In addition, Panamera manufacturing will also use the newly built paint shop. Porsche is investing approximately 500 million euro to expand its Leipzig plant to facilitate the bumper-tobumper assembly of the Panamera.

The new body shell production facility at Leipzig is being built at the southern end of the plant. The hall will offer approximately 60,000 square metres of production space. Porsche’s new body shell production facility will be among the world’s most state-of-the-art; a large number of production processes within the Volkswagen Group will also be transferred to Leipzig. Porsche places a great deal of value on structuring its production processes in a sustainable and environmentally friendly manner. For instance, it seeks to integrate production technologies, but also particularly efficient energy supply. This includes the roof photovoltaic system, which already supplies the Macan’s body shell production facility with up to 800,000 kWh of CO₂-free solar power – equivalent to the annual electricity consumption of more than 150 four-head households in Western Europe. As it sells off the grounds, Porsche is creating new green spaces and biotopes – including forests, lakes and preserves – elsewhere in Leipzig.
A completely innovative separator system for paint mist has been integrated into the new paint shop at the Macan production facility. This rock-powder-based dry separation method and downstream wet-chemical air purification helps minimise the emission of solvents and fine dust during the painting process. Another unique feature is the use of waste heat from a wood chip power plant used to generate electricity. This biomasses power plant covers up to 80 percent of the heating needs of the paint shop using natural resources.

**EXPANSION OF THE SACHSENHEIM SPARE PARTS WAREHOUSE**

In 2014, the central spare parts warehouse in Sachsenheim saw a 50-percent expansion of its space which went into operation in December. The warehouse, which was expanded from 113,000 to 170,000 square metres, houses more than 100,000 Porsche parts, which are supplied to more than 800 locations around the globe using a state-of-the-art logistics system. A total of nearly 80 million euro was invested in the expansion.

Porsche Logistik GmbH forms the logistical backbone of Porsche’s spare parts organisation. It is located a mere 19 kilometres from Porsche’s main plant in Zuffenhausen. Ground was first broken in October 2007. A sophisticated, state-of-the-art logistics system using streamlined, efficient processes ensures the highest supply quality at the central spare parts warehouse. More than 500 specialised and dedicated staff handle the logistics and can usually deliver spare parts to all Porsche Centres and dealers around the world within 24 hours. The regional warehouses outside of Germany are also supplied with Porsche parts directly from Sachsenheim. 150 floor conveyors and eleven hauling trains are put to use to transport Porsche parts directly from Sachsenheim.

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**TOP QUALITY CONFIRMED**

As in the previous year, Porsche again scored top marks overall in the U.S. market research institution J.D. Power’s “Initial Quality Study” during the year under review. In addition, the Panamera was named the best vehicle in the entire survey due to the extremely low number of complaints. For the third time in a row, the 911 was named the top “Midsize Premium Sporty Car.” As in the previous year, the Boxster placed first in the “Compact Premium Sporty Car” segment, followed directly by the mid-engined Cayman Coupé. In addition to taking the overall trophy, the Panamera was judged the best Large Premium Car. The Cayenne climbed one spot on year to year to earn silver in the “Midsize Premium Sporty Car” segment, followed directly by the mid-engined Cayman Coupé. In addition to taking the overall trophy, the Panamera was judged the best Large Premium Car. The Cayenne climbed one spot on year to year to earn silver in the Midsize Premium SUV segment. Each year, J.D. Power surveys new car owners for its “Initial Quality Study” 90 days after they took delivery of their new car. In the 28th edition of the study, drivers of new cars in the U.S. were surveyed between February and May 2014 on 233 criteria from a variety of categories. The U.S.-based market researchers also included numerous processes were made leaner in 2014, which were consistent with supplier partners. Procurement successfully ramped up ambitious projects such as the new Cayenne, the GTS derivatives of the sports cars and the 911 Targa thanks to close cooperation with supplier partners.

**PROCUREMENT OF NON-PRODUCTION MATERIALS**

In expanding its central spare parts warehouse, Porsche is also sending clear signals when it comes to sustainability. Porsche placed considerable value on sustainable construction to expand its Sachsenheim facility. For instance, the facility has been ISO 50001 certified for energy management since 2011. Under ISO 50001, the facility is audited for compliance with an energy management policy that conserves resources. In addition, new projects are currently looking into innovative ideas. Thus, milestones for energy efficiency enhancement were set as early as the planning stages of the expansion. Overall, the facility uses 44 percent of the energy threshold stipulated in the German Energy Savings Regulation (Energieeinsparverordnung, “EnEV”).

As in years past, the cost of materials per vehicle was optimised in the reporting year. By involving business partners in various cost-focused workshops at an early stage, the Company and its partners achieved long-term cost savings.

In 2014, Porsche AG’s cost of materials came to 3,608 million euro (financial year 2013: 2,751 million euro). As in years past, the cost of materials per vehicle was optimised in the reporting year. By involving business partners in various cost-focused workshops at an early stage, the Company and its partners achieved long-term cost savings.

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**PROCUREMENT OF NON-PRODUCTION MATERIALS**

In the reporting period, costs were also significantly reduced for non-production materials and services. Due to the large number of infrastructure projects, the purchasing volume was higher in 2014 than in the previous year.

In 2014, Porsche AG’s procurement volume came to 1,374 million euro (financial year 2013: 969 million euro).

**ENSURING PRODUCT QUALITY**

In financial year 2014, the Company’s focus was again on guaranteeing optimal purchased parts quality for all models. Due to the increasing complexity of value chains, procurement launched an initiative to optimise its sub-supplier management system in the reporting period. The improved transparency enabled the Company to identify risks earlier and therefore optimise quality.

**STABLE SUPPLY SITUATION FOR PROCURED COMPONENTS**

Porsche AG delivered 189,850 vehicles to customers in the reporting year, a new record for the Company. Procurement ensured that all vehicles were supplied at all times.

**OPTIMISATION OF PROCESSES AND SYSTEMS**

In 2014, procurement also generated synergies by optimising established processes and using standardised IT software as part of the Porsche improvement process. By harnessing the Group’s communications and information systems, efficiency was improved. Moreover, numerous processes were made leaner in 2014, which reduced employee workloads.

**EMPLOYEE SATISFACTION WITHIN PROCUREMENT**

Motivated, satisfied employees were the foundation of the success experienced in the past financial year. We work hand in hand with our team to solve problems and optimise processes. This is also underscored by the results of the 2014 employee survey.

**SUSTAINABILITY WITHIN PROCUREMENT**

Due to the ongoing trend toward more globalised value chains and the growing markets outside of Europe, procurement also focussed on long-term supplier relationships in financial year 2014. Suppliers must now accept our sustainability principles in order to establish a supplier relationship with Porsche AG. This is coordinated in cross-brand strategy teams.
A REAL LOVE STORY

The American success story spans over 60 years, and the love knows no end. No country in the world has more admirers of the Porsche mystique.

The USA is the world number one. Last year, Porsche sold more vehicles there than in any country. The brand continues to excite its customers in every way. Americans love Porsche for its feeling of “everyday magic.” Whether in daily traffic, along fabled dream routes or on the race track. A unique worldwide fan club scene brings added excitement every year, with thousands of events centred on “Fascination Porsche.” We accompanied two extraordinary people – representative of the entire Porsche community in the USA – for a short spell in their way of life with Porsche. Nice to meet you: Brenda Spence from Knoxville, Tennessee and Bob Ingram from Durham, North Carolina.
A late autumn day in the Smoky Mountains between Tennessee and North Carolina. Traveling with Brenda Spence along High way 129. The blonde lady from Knoxville skims, surges and corners through the Tail of the Dragon. The legendary stretch along the southern Appalachians seems to be tailor-made for her Cayman. Once a centuries-old secret route of the Cherokee Indians, now a paved, eleven-mile wonderland peppered with 318 curves. The 30 most spectacular of those turns bear names like Rebels Revenge, Gravity Cavity and Porsche Pulloff. Brenda is unflappable: accelerating, shifting and braking. No bucking, no stuttering. Woman and vehicle are one. Pure pleasure. The asphalt strip through the Appalachian Mountains holds a truly special meaning for Brenda. After all, the Tail of the Dragon was the start of a real love story.

It’s where she took her first-ever ride in a Porsche. Ross, now her husband, gave her a turn at the wheel the first time they went on a drive together three years ago. A drive with lasting consequences. An instant fixation. An absolute delirium. “I fell in love with the brand on that day – my love for Ross came later,” Brenda laughs. Ross gushes about his wife and how she drives. “She’s got it in her blood. She only needs a couple of minutes to understand how a vehicle needs to be handled. She’s an outstanding driver.”

BERNHARD MAIER
Member of the Executive Board – Sales and Marketing

onto the circuit on a Saturday morning, and then gliding over to the opera at night – it’s a unique experience that only owners can appreciate. This feeling of “every day magic” has been winning the hearts and minds of a growing circle of customers. In 2014, the USA ended up as Porsche’s strongest market in the world, with more than 47,000 delivered vehicles sold.

1950: SUCCESSFUL LAUNCH

Porsche’s success as a company is unimaginable without America. In 1950, the first models were displayed in one single showroom in New York. Five years later, one out of every two Porsches sold was in the USA. The first dealer, a man named Maximilian E. Hoffman, was Austrian by birth and looked back on a successful career as an amateur car racer. This experience gave him a good feel for what his customers wanted: extremely light racing cars. The 356 America Roadster was precisely that kind of radical vehicle. With an aluminium chassis, a cloth roof and plastic slip-in windows, the car weighed “only” 600 kilogrammes, a full 170 kilogrammes lighter than the base model. The reward for this uncompromising model strategy: a string of racing successes. “Win on Sunday, sell on Monday,” was the dealer’s unofficial motto. The spectacular victories were the most pulse-pounding – and effective – advertising of the young sports car brand. “To identify chances and seize them, that’s what distinguishes Porsche,” says Bernhard Maier, Member of the Executive Board – Sales and Marketing, in describing the company’s practical philosophy, especially in the USA.
For generations of Americans, the 356 and 911 models are tied to images and stories of their idols. Racing the 1979 Le Mans, Paul Newman drove his Porsche to a second place overall finish. James Dean, Steve McQueen and Robert Redford were or are high-profile Porsche drivers. “Porsche was always rebellious,” Bernhard Maier says. “This image of coolness, forged in America more than anywhere else, helped make the Porsche brand cool in Europe as well,” Maier emphasizes, drawing attention to the importance of Porsche’s sports car success in the USA. For PCNA President and CEO, von Platen, it’s the “fusion of famous German high-quality workmanship and the primal American urge for freedom.”

The latest example is the new 911 Targa. The original Targa celebrated its premiere over 40 years ago, and interest from the USA in particular paved the way for the classic model’s comeback. “Anyone who wants to succeed at the global level has to be successful in the USA,” says Bernhard Maier.

PASSION BINDS

The transatlantic success has another unique element in its favour: The Porsche Club of America. Legend holds that twelve Porsche drivers came together in 1955 at a steakhouse in Washington, D.C. – with a VW Beetle driver politely but firmly sent on her way. This intimate get-together was the start of a fan culture that has proliferated incredibly over the years. Today there’s nothing like it in the automotive world. One club has dubbed itself “Riesentöter” (Giant Killer) – a blunt play on the high-powered, large-engine models from American manufacturers. The lightweight, almost delicate models from Zuffenhausen clearly tapped a strong desire: the customer’s wish for a technologically advanced sports car made in outstanding quality and head-turning aesthetics.

The brand’s loyal fans are a powerful block today. The club currently numbers 115,000 members at its 60-year anniversary in 2015, spread out across 143 regions under the aegis of the Porsche Club of America (PCA). Based on those numbers, the PCA is the world’s largest single-marque auto club. Enthusiasts from every state are celebrating their vehicles, and themselves. The PCA even runs a custom series of amateur races with over 2,200 licensed drivers, letting contestants test their mettle at 30 different tracks scattered around North America. There are an amazing 3,500 different events that draw the fans year after year, including rallies, races, parades, the “Concours d’Elegance” and events out in the open countryside.

“I absolutely agree with Ferry Porsche’s quote that the next Porsche is always the best Porsche.”

BOB INGRAM

Porsche Collector, Durham, North Carolina

von Platen is perpetually interested in redefining coolness and freedom as sales arguments. One example is the newest U.S. headquarters in Atlanta, where the architecture centres on a racing track, not the administrative building itself. The Experience Centre in this southern metropolis, scheduled to open in May. The sister facility in Carson, California, is expected to open at the end of 2015. Von Platen notes: “By driving to the limits, our customers experience the Porsche magic in a radical and intensive way. They also learn just how safely the cars handle in these extreme situations.” Porsche North America was at the forefront of the movement to harness this customer enthusiasm. All the way back in 1971, Porsche was already offering driver training sessions at tracks on New York’s Long Island.

FACTS FROM THE USA

Porsche Cars North America will open its new headquarters in Atlanta in 2015, including a new integrated customer experience centre. The extensive construction project is currently in its final phase. The new opening is part of Porsche’s campaign to expand its brand presence and offer its customers a new opportunity to experience the marque firsthand on the track. 2014 also saw ground broken on another customer experience centre near Los Angeles, expected to be completed in late 2015.

Collector Bob Ingram in front of the former headquarters of American Tobacco in Durham, North Carolina. Only 54 copies of his 1974 911 Carrera RS 3.0 were ever built.
HISTORY AND HIGH-TECH

“The cars are the stars, not the drivers,” is Bob Ingram’s motto. A well-preserved man in his mid-70s, Ingram seems in fact like a tailor-made big-time car guy. The retired executive from the pharmaceuticals industry and long-time CEO of a global corporation has put together a relatively unique collection of historical Porsches in recent years. Few if any collections can compete with the quality of the Ingram collection, is the verdict of many aficionados — sorry: “carrerados.”

The Ingram trove is well hidden in the Durham, North Carolina city centre. There are 80 vehicles in this star parade, lined up in a custom show space whose red brick facade gives no indication of the prizes inside. It is a breathtaking review of automotive design history, reaching from the 918 Spyder back to the third oldest 356 model still in existence, built in Gmünd in Austria’s Kärnten region. The 918 Spyder super-sports car has only been placed inside the brick hall a few days ago. Purple metal finish. Purple? Sure, it’s his wife Jeanie’s favourite color. The combination with the green “hybrid” script makes for a truly unusual color combination. What Bob Ingram values in particular is the technological leadership that his new acquisition encompasses. “When it comes to the 918 Spyder, Porsche has achieved a technological breakthrough. The full dimensions of this breakthrough will only be clear in ten to twenty years,” gushes the new owner. “And for this reason I agree unconditionally with Ferry Porsche’s statement that the next Porsche is always the best Porsche.”

History and high-tech are for Ingram the elements from which his passion flows. Porsche is the sole premium manufacturer to offer three plug-in hybrid vehicles in the premium segment, a fact Ingram singles out for praise. Even a car guy like himself goes with the times. He’d be willing to buy a hybrid 911.

The man was hardly born with a silver spoon in his mouth, nor was he predestined to a career as a serious collector. He grew up as the lone son of a single mother who eked out an existence running a mom-and-pop store, enough to pay for a college education for her son. Ingram was 31 when his friend and professional mentor, a father figure in his life, let him drive his brand-new 911 S. After 45 minutes behind the wheel in Florida, Ingram knew that some things in life are worth working hard for. While Brenda from Tennessee caught the Porsche bug in an instant, Bob’s incubation time for Porsche Fever lasted over 20 years. It wasn’t until 1993 that he could finally stick his own key into the ignition of a 911. “Up to that point I hadn’t had any time at all to drive Porsche,” says the former top manager, who moved almost 20 times over the course of his professional career.

The long-dormant virus then slowly began to gain ground with the entire Ingram family. His oldest son Rory manages the collection, while the youngest scion Cameron, known to all as “Cam,” has made a reputation as one of the USA’s finest Porsche restorers. Interestingly enough, the youngest son seemed to be immune to the bug that bit his father so hard. “I couldn’t do anything at all with the passion of my father,” Cam notes with a grin. It wasn’t until the first joint father/son trip to the racetrack in Laguna Seca for the 50th anniversary of the Porsche brand that the trained artist, a specialist in “metal sculpture,” finally got hooked. “At one point there was a silver 356 Coupe out ahead of us on the track,” Cam remembers, “and all at once I was entranced with the iconic design.” So entranced that he went on to specialize in the restoration of historical Porsches.

PORSCHE CLUB COMMUNITY

National Club President Manny Alban considers the chance to view these perfectly restored rarities as the highlight of the annual parade, an event that is borne by the same pure idealism as the work and organization of the PCA itself. Throw in the chance to talk with a member of the Porsche family, and it’s enough for any PCA member to declare it a perfect day. In many of the 143 PCA regions there are close ties between the Porsche
Company and individual members of the Porsche family, forged over six decades. “The engagement of the family radiates down into our clubs. Our members are always thrilled when they get to meet Peter, Wolfgang or other members of the family,” says Manny Alban by way of describing a perfect parade day. In the past four decades, Hans-Peter Porsche has been to almost every parade.

“The countless sports cars and conversations with Porsche family members are highlights of any Porsche Parade.”

MANNY ALBAN
President of the Porsche Club of America

Outstanding routes right outside the front door: Brenda Spence knows how to get her Cayman moving just right.

Blood may be thicker than water, but a love for Porsche appears to form a very solid bond of its own. His own family “has grown even closer through Porsche,” says Bob Ingram. However full his event calendar might be, the Saturday morning club meeting over “Cars and Coffee” at a simple cafeteria is always circled in red. Talking shop in front of a typical American rest area. A Styrofoam cup of coffee and a donut are all the refreshments needed. It’s all about the conversations. Experts swapping ideas, not fancy cooking. The biggest concern is finding a parking lot that’s big enough. And by 9 am the meeting breaks up for the ride home. “That’s how things work for most Porsche drivers,” says Bob Ingram with a smile. “I’d better be home on time for breakfast with my wife.”

Porsche turns one person into an early riser and another couple, Brenda and Ross Spence, into delayed newlyweds. The highlight of their honeymoon was to be the 24-hour race in Le Mans. “To fit Le Mans into our travel plans, we had to push back the wedding date by almost a year,” says Brenda. Ross counters: “Although if I’d known that Porsche would be heading to the 2014 starting line in Le Mans in the LMP1 class, we’d have waited another year for the wedding too.”

“60 YEARS OF PCA
The Porsche Club of America (PCA) is the brand’s largest club organization anywhere in the world. It counts roughly 115,000 members, organized into 143 regions. The PCA was founded 60 years ago on September 13, 1955. The annual Porsche Parade, a centralized celebration, is held in a different city each year, with members traveling to join in from around the country — and often from abroad. The 60th Porsche Parade will be held from June 21-27, 2015 in French Lick, Indiana, and will include an extra-large 60th anniversary celebration.”

www.pca.org

BRENDA SPENCE
Porsche Club Member, Knoxville, Tennessee

“Porsche in the USA
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www.pca.org
This positive trend was also visible in the latest increase in applications to the Porsche Group, which set a new record at over 100,000 in financial year 2014. The new Porsche eRecruiter application system aids in processing the large number of applications. The introduction of eRecruiter in the reporting period standardised the application processes within Porsche AG and the various subsidiaries, making them more consistent. Interested candidates are able to save and subscribe to searches for relevant job listings. With this new functionality, eRecruiter is making an important contribution to the “excellent HR management” strategy and enhancing Porsche’s appeal as an employer.

Porsche AG intends to further increase its competitiveness and attractiveness as an employer. In 2014, the company therefore continued its systematic work to implement the package of measures decided on in 2012 and geared toward additional flexibility and productivity, and an even better work-life balance; numerous programmes and initiatives were rolled out to implement these measures.

EXPANDING EXECUTIVE COMMUNICATIONS

Porsche considers it particularly important that executives communicate transparently and comprehensively. For this reason, a new plan to optimise executive communications was introduced in the reporting period. The plan focused on increasing the relevance and transparency of information as well as being provided in a timely, well-structured fashion. In this context, a critical review was performed and all communications channels were then reconfigured.

PROMOTING WORK-LIFE BALANCE

In addition to offering its employees an excellent working environment, Porsche wants to enable them to enjoy the highest possible quality of life; as in the past, enhancing the work-family balance was therefore a key area of activity in the reporting year.

For the first time, informational events were held in 2014 for expectant parents and employees on parental leave at the Zuffenhausen and Weissach sites. Employees received information at these events on the topics of birth and finances as well as on internal offers and policies at Porsche.

In order to offer employees on parental leave the opportunity to exchange information amongst themselves, a networking event for these employees was held in the reporting period. In addition to facilitating information sharing, the event was also an opportunity for employees to network with colleagues at the company.

The number of childcare spots was significantly increased through cooperation with day-care centres at the company’s sites. In addition, the cooperation agreements referenced above, Porsche also works closely with pm Familienservice GmbH, which offers individual daycare solutions for all life situations. Porsche employees can also use this service to provide support if they have to care for relatives, for example.

Flexible arrangements regarding where and when employees work are also a focus at Porsche. In addition to the option of working from home and options for setting working hours based on an employee’s life situation, a work agreement on sabbaticals introduced additional related opportunities for employees in the reporting period. Personal, social or volunteer projects are a means for why employees may wish to take time off. By offering the option of a sabbatical, Porsche enables its employees to achieve a better work-life balance. As part of this option, employees reduce their monthly salary over a period set by them in order to accrue an amount which will then be paid out at a later date.
Employees, Sustainability

In the reporting year, Porsche took part in the Germany-wide Girls’ Day event for the eleventh time. More than 100 girls from local high schools and secondary schools accepted Porsche’s invitation and gained fascinating insights into technical occupations and courses of study at various sites.

Porsche took first place in the “Large company” category of a statewide competition entitled “Diversity world: A good education for young immigrants” for promoting cultural diversity among trainees.

CONTINUED DEVELOPMENT OF HR MARKETING, MARKETING AIMED AT UNIVERSITIES AND THE PORSCHE TALENT NETWORK

Numerous measures aimed at further strengthening Porsche’s excellent employer image were implemented and improved on in the area of HR marketing and marketing aimed at universities in financial year 2014. For instance, more of the new employer image campaign was rolled out in 2014.

In the reporting period, Porsche also increased the number of marketing events at universities in Germany and further stepped up its international activities in this area. As a result, a large number of students were inspired to join Porsche as interns or working students, or to write their final thesis. Following their internships, a large number of them joined the ranks of the Porsche Talent Network and received support in the form of various events and informational offerings.

Equal Opportunities and Diversity

The equal treatment and advancement of women in the working world is a particular priority for Porsche. For this reason, the goal of increasing the percentage of women in the workforce comprises a significant component of the Strategy 2018 in the form of the “Promoting Diversity” initiative. The desired increase is being achieved through targeted basic and advanced training measures, such as workshops and seminars, exchanges involving women experts and specialists, and mentoring opportunities.

These initiatives are already bearing their first fruits. For instance, the number of women executives on the first reporting level has increased to five. The percentage of internal promotions to positions above the collective pay scale and to managerial positions which were awarded to women remained at 15 percent for the financial year.

Established in 2001, the Company’s cooperation with Femtec, an important career network committed to promoting young female professionals and management trainees in engineering and scientific professions, was continued in the reporting year and stepped up by offering plant visits and innovation labs as well as providing internships, opportunities to write student theses and direct hiring opportunities.

In the reporting year, Porsche awarded a further 45 “Germany Scholarships” and six PMK scholarships to students at a total of 14 selected universities throughout Germany. The aim is to further strengthen teaching and research in Bachelor’s and Master’s programmes, while providing financial support for outstanding students who are active in their communities.

Educational Partnerships

Together with the Baden-Württemberg Ministry for Culture, Youth and Sport, Porsche AG presented the Ferry-Porsche Prize for the 13th time in financial year 2014. Prizes went to 250 particularly outstanding school leavers studying mathematics and physics/technology.

The prize is intended to increase the appeal of mathematics and natural sciences while motivating the prospective students to study engineering.

In the reporting year 2014, Porsche sponsored for the second time the state prize for vocational schools (Werkrealschulen) established by the Baden-Württemberg Ministry for Culture, Youth and Sport. The prize was awarded for outstanding achievement in the various elective subjects at the vocational schools. Porsche sponsored the 10 prize winners in the elective subject “Nature and Technology”. In addition to promoting real-world vocational learning at vocational schools, the aim is to help students transition as directly as possible from school to dual education and training track.

In addition, the close cooperation with the two Stuttgart MINT (math, informatics, natural sciences and technology) high schools, Ferdinand Porsche Gymnasium and Friedrich–Eugens-Gymnasium was continued in the reporting period. Porsche was also actively involved in a large number of activities in 2014, such as organising career fairs, presentations by specialists and field trips for teaching staff and students from the higher years.

Forward-looking, Requirements-based HR and Executive Development

HR and executive development at Porsche promotes lifelong learning for all groups of employees. The focus is on systematic, forward-looking development of the required abilities and skills as well as on improving prospects and opportunities for professional development at all levels of the Company. This focus is backed by a broad, high-quality range of training options as well as custom HR development programmes which closely involve internal experts. The current offerings for training were therefore increased further in the reporting period; for instance, a multi-sensory, interactive brand training programme was expanded.
The Porsche Trainee Programme was introduced in October as an alternative to direct hiring, but with equal status. The 12-month introductory programme offers university graduates the opportunity to become familiar with the company without being limited by departments and specialty areas, to learn the ropes well and to permanently integrate themselves into the Company. In addition to fundamentals, the programme consists of project phases lasting several months, both in Germany and abroad, as well as assignments in production and a Porsche branch.

In the reporting year, 2,054 new employees from the Porsche Group participated in the national and international induction programmes known as "Porsche Warm Up." "Porsche Warm Up" disseminates key corporate information and values and promotes the rapid development of a cross-departmental network.

Financial year 2014 was the eighth time the Porsche group is appropriately leveraged over the long term. The high quality of management at Porsche group is managed through early and well-structured interventions, an optimised risk assessments. The Executive Board would like to personally thank each culture, both within the Company and in the wider world.

A WORD OF THANKS TO OUR EMPLOYEES

The high level of commitment displayed by our workforce and their outstanding dedication to repeatedly achieving ambitious targets are the keys to our Company's success. The passion, enthusiasm and manifold ideas of our employees are the hallmarks of Porsche's unique culture, both within the Company and in the wider world. The Executive Board would like to personally thank each and every employee for their contribution. This gratitude also extends to all of our employee representatives, as the Company's success is founded on balanced interests pursued with fairness and mutual respect.

A seminar has been developed and implemented for executives with disciplinary management responsibilities in order to provide them with skills to manage employees suffering from mental strain or illness by using preventative measures and intervention. The training objectives include imparting the ability to recognise and estimate excessive mental strain, among other skills. Connections are identified between an executive’s own management style and employee health, deepening the executive’s understanding of his or her own mental health as well.

The continuous growth at Porsche AG also presented the work safety department with numerous challenges in 2014. Intelligent solutions must be developed for renovation and construction projects in order to uphold the high safety and health standards in new offices. Examples include the construction of the engine plant on a plot measuring some 10,000 square metres, an education centre for over 450 new hires, and a quality and analysis centre built on approximately 3,000 square metres at the Zuffenhausen site. Individual, pragmatic measures were developed and implemented for the projects at the Weissach and Sachsenheim sites by involving the work safety department at an early stage. In this financial year, work security experts focussed on safety inspections of offices and on advising executives as they carried out risk assessments.

The demographic impact of an ageing workforce in combination with rising productivity presents substantial challenges when it comes to integrating employees whose abilities have changed over time into the production of high quality and sophisticated vehicles. Factory offices in production and logistics are systematically assessed with regard to agreed ergonomic criteria and continually optimised. By staging early and well-structured interventions, an integration team ensures, for instance, that employees suffering from long-term illnesses are gradually reincorporated into work processes and that their skills can be appropriately leveraged over the long term.

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Porsche and the second-division football club RB Leipzig entered into a forward-looking partnership at the Saxony site. The partnership is focused on fostering young players. By promoting young talents, Porsche wants to be active in the community and encourage children to play sports. RB Leipzig and Porsche are planning numerous partnership projects to benefit youth: Starting in 2015, a new city tournament will make football accessible to children. An additional project is RB Leipzig’s “football school” holiday programme, which Porsche will invite disadvantaged children to participate in. The company also supports the most talented youth teams by sponsoring its own Porsche youth promotion award in collaboration with the Rote Bullen’s youth talent centre. Starting in the 2015-2016 season, Porsche is entering into a partnership with the Stuttgarter Kickers, a well-established football club. The company will foster the Kickers’ football-playing youth and its name will be incorporated into that of the football academy. Furthermore, many additional measures in line with the “Turbo for talent” principles have been planned in order to bolster the Kickers’ talent-fostering efforts. One goal of these measures will be to obtain certification from the Deutscher Fußball-Bund for the youth talent centre.

Porsche sponsors sustainable projects
With donations totalling 500,000 euro, Porsche AG supported 20 sports clubs in Baden-Württemberg and Saxony in the reporting year. Porsche’s sport-related sponsorships in 2014 focused on the responsible management of resources. Clubs were chosen which show their tremendous dedication to the environment in many different ways.

In 2014, Porsche’s sport-related sponsorships were awarded for the third time in close coordination with the German state sport associations in Baden-Württemberg and Saxony. Sport clubs were able to apply to receive sponsorships. For Porsche, the most important criterion is that the clubs take their responsibility to give back to the community seriously. This also includes the contribution which clubs make to protecting the environment.

Ten clubs each from Baden-Württemberg and Saxony convinced Porsche sport sponsoring that their plans deserved sponsorship. The sponsorship winners all set themselves apart in many different ways by showing their commitment to responsibly managing natural resources. The Malsch diving club in Nordbaden, for instance, is active in cleaning up the water and shoreline of Jordan Lake. Another sponsorship was awarded to SG 90 Braunsdorf e.V. for the club’s installation of a solar-powered water pump. Additional projects, which garnered sponsorships, included modernising sporting arenas to be energy-efficient and organising environmentally friendly sporting events by making changes to catering and waste collection. Also this year, Porsche sport sponsoring specifically recognised projects and programmes carried out by clubs which generally had not found their way into the public spotlight. Porsche also awarded funds to sponsor football to both German states in the amount of 25,000 euro each.

CULTURE
Partner of the Gewandhaus Orchestra
Porsche has been the main sponsor of the Gewandhaus concert hall in Leipzig since 2011. As a Porsche ambassador, the world-renowned orchestra – like the Cayenne, Panamera and Macan model series which are manufactured in Saxony – proudly proclaims it was “Made in Leipzig” on its international tours and at concerts around the globe. The highlights of the reporting year were the concerts in London and Vienna as well as the tours which saw the Gewandhaus Orchestra travel to China, Japan and the U.S. in 2014.

In 2014, the Gewandhaus Orchestra also featured at the opening of the Leipzig Opera Ball. Porsche hosted the event for the second time. For 270 years, Leipzig’s support of the oldest civilian orchestra in the world has formed the basis of this cultural landmark’s success. To mark the beginning of the new concert season in September 2014, the Gewandhaus Orchestra played in front of an audience of more than 15,000 on the Augustusplatz square in Leipzig.

For the first time after a five-year hiatus, Porsche’s sponsorship made it possible for the orchestra to resume its widely enjoyed outdoor “Rosental concerts.” The Great Concerts (Große Concerte) offer orchestra-goers the opportunity to experience works from the “Last Night of the Proms” with pieces by Georg Friedrich Händel and Benjamin Britten. The soprano Victoria Joyce from the UK was the guest star. Admission to the summer concerts on the Große Wiese was free for all attendees.

Commitment to Stuttgart Ballet
Porsche and the Stuttgart Ballet also have close ties. The absolutely top-class company takes on the role of a Porsche ambassador on its world tours. Last year’s highlights were the performances in Bangkok and Singapore. In its hometown, the Stuttgart company awarded audiences with its “Ball in the Park” event in addition to numerous classical and modern pieces at the Staatsstheater. During one weekend in July of the reporting year, the company’s professional dancers and members of the John Cranko Schule put on a free performance at the Schlossgarten.

Porsche feels a particular responsibility to the young talent of the Stuttgart Ballet. With a donation of 10 million euro, Porsche is sponsoring the construction of a new building for the John Cranko Schule. This contribution will be paid in four instalments into the “Foundation for the Promotion of the John Cranko Schule of the Württemberg Staatstheater,” which was established for this purpose. This donation will contribute substantially to the school’s ability to build a new practice facility for the ballet students. By contributing in this way, Porsche is making clear its intention to maintain a long-term, mutually beneficial partnership.

SOCIAL COMMITMENT
Active in communities worldwide
In the reporting year, Porsche again supported numerous social institutions and projects – mainly at the company’s sites. In Stuttgart, these included Trotzwar, a street newspaper, children’s wards and clinics such as the “Olgäle,” the Stuttgart civil foundation (Bürgerstiftung Stuttgart), hospices, projects to assist disabled persons and various religious organisations. At its Leipzig site, Porsche provides assistance to similar projects and institutions.

Abroad, Porsche sponsors the foundation “Un Techo Para Mi País” (“A roof for my country”). Since 2011, volunteer workers have helped slum residents build wooden houses to provide them with improved prospects for their lives. Children particularly benefit from the improved hygienic conditions and from the increased security their new homes provide. The project was initially launched in Mexico, Uruguay and El Salvador. At present, “Un Techo Para Mi País” is active in more than 15 countries in Latin America. In the reporting year, 93 new houses were built. In addition, the foundation also started work on two new pilot projects in Paraguay and El Salvador. The projects provide young people with assistance in starting lives of their own.

Education
Porsche has entered into many partnerships with universities and provides assistance with research projects. Furthermore, the company runs its own doctoral programme. In the reporting year, Porsche established an endorsement chair at the Esslingen University of Applied Sciences, which will concern itself with issues surrounding modern vehicle manufacture in the near future. Other examples of partnerships include those with the Centre for Advanced Studies in Heilbronn, the University of Stuttgart, KIT in Karlsruhe and RWTH in Aachen.
Electromobility

Porsche AG is an ardent supporter of the plan to establish Germany as a leading supplier of and market for electric vehicles by 2020. The “National Platform for Electromobility” (NPE), an advisory council to the German federal government, remarked that the foundation had been laid in the reporting year for a market ramp-up and for the establishment of a leading international market. Even if the target of 100,000 electric vehicles is not reached by the end of 2014 and instead only 24,000 are produced, the goals of becoming a leading supplier and market will still be within reach. However, this will require enormous effort on the part of all those involved as well as a comprehensive set of measures which must be taken quickly in order to reach the target of putting one million electric vehicles on Germany’s streets by 2020.

At the Paris auto show in the reporting year, Porsche became the first manufacturer to unveil a plug-in hybrid in the premium SUV segment with the Cayenne S E-Hybrid. Depending on driving style and terrain, the new Cayenne S E-Hybrid can be driven up to 36 kilometres solely on electric power. Porsche is the only manufacturer which offers three plug-in hybrids as production models: the Cayenne S E-Hybrid, the Panamera S E-Hybrid and the Cayenne S E-Hybrid. Till Schweiger, CEO of Porsche, noted that in 2011, Porsche was the only manufacturer which could rely on the energy management system to limit the use of fossil fuels and to ensure that the electric power was produced from sustainable energy sources.

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Zuffenhausen – Raising the bar for sustainability

The master plan for renovating the entire “Porsche Plant 4” industrial zone at the headquarters in Stuttgart-Zuffenhausen with a plot measuring over 28 hectares was released in March 2014. The plan was described as a comprehensive set of measures which must be taken quickly in order to reach the target of putting one million electric vehicles on Germany’s streets by 2020.

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With regard to conservation, Porsche was already proving today that measures could be taken, even on an industrial site in the middle of a city such as Zuffenhausen. For instance, Porsche worked with the local conservation authority in the reporting year to install additional nesting and brooding aids for peregrine falcons on a facade. Thanks to this effort, there are now three falcon eyries on the Company’s premises.

Currently, there are additional Porsche plots under review for certification by DGNB. The Company’s goal is to standardise socio-cultural and environmental aspects of sustainability in harmony with the environment at the site.

As regards procurement logistics, shipping companies engaged by the Company are obliged to comply with requirements affecting the environment, such as those prescribing the use of low-emissions vehicles, regular driver training and agreements on the required maintenance intervals for trucks. Since 2014, all trucks used by shipping companies on behalf of Porsche have at least been in the Euro 5 emissions class.

On the production floor, Porsche subscribes to the short distances principle. Once delivered, materials are funneled directly to the station for assembly, avoiding any unnecessary warehousing steps. This model minimizes the number of handling steps and reduces noise pollution.

Materials are supplied internally for production with the help of paper-free order picking systems, such as “pick by light.” The employee tasked with picking is able to view which components to pick directly on the compartment. No pick list is needed when using this system.

After all the components have been picked from the compartments, these are returned to the supplier in a direct exchange. Folding mechanisms on the compartments greatly reduce their transport volume. When returning empty compartments, this system reduces the overall volume by some 80 percent, and more compartments can be loaded onto trucks, thereby minimising transport and the environmental impact.

Porsche invests in green funds

The Executive Board’s decision to implement a green fund at Porsche was another milestone for sustainability in the reporting year. The aim is to fund internal projects which contribute to more efficient resource management and environmental protection. A superordinate environment and energy committee will select the projects from a pool of ideas which have the greatest environmental value for the Company. Any cost reductions will flow back into the green fund over the amortisation period. This will ensure that innovative, sustainable ideas are financed over the long term.
LESS IS MORE

The Porsche Cayman GT4 is a pure sports car. Making it perfect for the racetrack.

Flat, wide, low-slung, boiled down to the very essence of its characteristics. The new Cayman GT4 stands apart, like the product of a long evolution where all superfluous elements have been cleared away and the strengths have been emphasized. It is the first GT3 sports car in the two-seater mid-engine series and the first Cayman bearing the components of its larger role model, the 911 GT3.

The Cayman GT4 bears its association with the GT family openly. It crouches 30 millimetres closer to the ground, with three striking air intakes on the nose and the large, fixed spoiler differentiating it from the rest of the Cayman series. Everything you’d need for racing is there. Beyond this, there’s nothing on it without a good reason. “Naturally, you can always look at a vehicle for its performance. But there’s nothing cosmetic here. Every part of this car has a function,” says Andreas Preuninger, Director GT product line in Weissach. His hands trace the topography of a chassis that’s been shaped on the track, but his words portray an image of innovation and engineering.

RACETRACK-READY AERODYNAMICS

The small, black gridded slits on the front mask: underpressure draws heated air upward here after the large openings below have guided it through the central cooling unit. The side blades on the flanks: they allow air to flow in high volumes into the intake tract for the mid-engine. The large spoiler on the rear, adjustable based on the driving conditions: inherited from motorsports, generating optimal downforce in combination with the diffuser.
The GT4 was created in Weissach. The same place where pure racers like the LMP1 prototype 919 Hybrid were constructed. “Types such as the Cayman R and Cayman GTS come from production and have another objective. The Cayman GT4 is different: more focused, stronger, uncompromising,” Preuninger says. It was designed by the same engineers who work on our racer cars. You can see it in the Cayman GT4: it’s a purist vehicle with a racing soul. Ready for the racetrack and at the same time an emotional highlight on winding country roads.

The Cayman GT4 is a driver’s car, a message to the global Porsche GT community of amateur and pro racers who use their own cars on the race track. Reliability was always one of the Porsche GT models’ trump cards: “The cars are driven hard. And they take the punishment,” Preuninger says. The new GT4 and its 385 hp top out at 295 km/h. No Cayman has ever been quicker or more powerful.

GROUNDING IN PORSCHE’S GT TRADITION

At the same time, it is building bridges between the traditional and the modern. Like the legendary “Nd. 1” from 1948, the engine on the Cayman GT4 is placed at its centre, behind the backs of the passengers. That first Porsche eventually led to mass production, with the fast and light 356 becoming the first representative of the GT family: the 356 A 1500 GS Carrera “Grand Tourisme.” With the domesticated four-cam engine from the 550 Spyder that had claimed victory in the Carrera Panamericana, the 356 A Carrera GT was more race car than passenger vehicle. As the first GT, it hardened the bond between the race course and daily life, creating the base vehicle for a racing genre of car. Across years and series, the Cayman GT4’s style, as do the 20-inch wheels. The rear lights glow in a special dark cherry red, while the inside is dominated by a minimalist style. Pull handles in the same color as the vehicle itself are used to open the doors – reminiscent of earlier sports models. The volumes of the luggage space in the front and rear have both not been reduced by a litre, the flexibility is still retained. The Cayman GT4 is pure reason and pure seduction all at once.

“We could have made it even faster, with 300 km/h no problem at all from a technical standpoint. But the balance between the cw value and downforce must also be optimal, and the extra 5 km/h were essentially meaningless.” The well-formed Porsche GT customer base, Preuninger says, understands the benefits of the mid-engine placement. “The pilot is extremely involved in the driving. For this reason the Cayman GT4 also only comes with a six-gear manual transmission. Absolutely, the PDK shifts quicker, but is also heavier and more complex. The control system on the transmission can be deactivated in stages, but the Porsche Active Suspension Management is standard – the mix of price, performance and emotion is perfect. The Cayman GT4 is unmatched in its market segment,” says Andreas Preuninger.

Less is not always more. The POGG ceramic braking system and the Clubsport package with roll cage, fire extinguisher and full bucket seats made of light, carbon reinforced plastic and a six-point safety belt are optional. The Cayman GT4 is unlike any Porsche that came before it, but it also isn’t underivable by a Porsche. “7.40 minutes for a lap on the North Loop of the Nürburgring – that’s the gold standard for its class. The little guy has gotten mighty big,” says Andreas Preuninger with satisfaction. Or in other words: the Cayman GT4 is a real Porsche.

THE CAYMAN GT4 IS DIFFERENT: MORE FOCUSED, POWERFUL, UNCOMPROMISING. IT WAS DESIGNED BY THE SAME ENGINEERS WHO WORK ON OUR RACING CARS.”

ANDREAS PREUNINGER
Director GT product line
A STRONG LINE OF ANCESTORS

The GT formula. Two letters, an abbreviation, a promise: faster than the rest.

From daily life to the race track and back. The commute to work during the week, a trip to the podium on the weekend. Almost 60 years ago the GT formula was launched as a mix of performance, lightweight construction and emotion.

The first Porsche with the term “Gran Turismo” in its name appeared in 1957: the 100 hp 356 A 1500 GS Carrera. The abbreviation in the name of this vehicle, which proved capable of hitting 200 km/h, actually stood for “GranTurismo Sport.” A little later, the 1500 GS was joined by the even more powerful GT, although thereafter the reduced GT package was reserved for the 356 A Coupé and Speedster. In 1958, the displacement was boosted from 1,498 to 1,588 ccm, with the output jumping to 115 hp. Taken together with aluminium doors, hoods and wheels, the 356 A Carrera would ultimately shape Porsche’s thinking for the GT line, with the 145 hp of that model showing how a lightweight yet powerful street-legal vehicle could still claim a place on the racetrack.

In the 60s, the terms Porsche and GT went through a series of different interpretations. The uncompromising 356 Carrera B GTL Abarth stood for pure racing prowess, while the 356 Carrera B 2000 GS-GT (140 hp) was the most powerful production-class GT of an entire Porsche generation. The groundbreaking 904 Carrera GT3 from 1964 – designed by Ferdinand Alexander “Butzi” Porsche, father of the 911 designs – took this even further, combining the construction principle behind the mid-engine with the ultra-modern chassis made of lightweight GFRP.

Since 1964 it has been the new Porsche 911 that has earned plaudits from testers, customers and racers. Models like the 911 R, ST and the legendary Carrera RS 2.7 roll off the line with a reduced features package and boosted performance, taking upon themselves at varying levels of intensity the role that the 356 GT once played.

It wasn’t until 1980 that a model appeared bearing the tradition-rich GT tag. The 924 Carrera GT was a worthy representative of the line originally founded in 1955, as it stood out for a lack of frills, a shape clearly derived from the racing line and an enhanced-performance four-cylinder turbo motor. There is also a GT with eight cylinders. The key handling 928 GT with a five-speed manual transmission appeared in 1989.

The 911 GT2 (993) marked the beginning of a new era in the mid-90s. 40 years after the debut of the 356 A 1500 GS Carrera, the first GT version of a 911 was released, with the GT2 relying on supercharging instead of RPMs – up until today. Based on the new all-wheel drive 911 Turbo (993), “Porsche continues its tradition of offering its customers a competitive car model for a broad range of sporting leisure.” For weight reasons, the GT2 Biturbo supercharger, 430 hp, top speed 295 km/h is only offered with rear-wheel drive. The seats cannot be leaned backward, the trunk hood and doors are made of aluminium, while the rear windows and side panes are made of thin glass. 911 GT is written on the rear – and to save weight, the lettering is only glued on. 1995’s GT2 marks the start of a new, distinct GT history, which in 2010 found its climax in the GT2 RS. only 500 units of this 620-hp machine were produced – the most powerful street-legal Porsche ever.

The GT3, introduced in 1999, remains even today the embodiment of lightweight construction, power and emotion – and thus the core of the entire Porsche brand. The water-cooled, 360 hp prototype. It is available for delivery in a Clubsport version for racing use at the same price as the street-legal version of the GT3. The high-revving engine concept and rear-wheel drive are mandatory elements, including for the 911 GT3 RS, whose appearance in 2003 laid the groundwork for future models such as the GT3 RSR and GT3 R Hybrid.

The GT3 boasts 500 hp in its current RS version, with a 4.4-litre induction motor capable of revving up to 8,880 revolutions per minute. The GT3 RS can go from zero to 200 km/h in just 10.9 seconds. For the first time, a street-legal Porsche 911 model features a magnesium roof and mixed tires (21 inches at the rear) and wheelwell ventilation in the front fiber-glass fender of the kind normally seen on the racetrack. The GT formula continues to adapt and rise above. 
Driving cars in the last paradise – that’s the Ennstal-Classic, held annually on Austria’s loveliest alpine routes. Roughly 200 classic automobiles will be participating, making it as much as rolling museum as a race. Porsche has been the primary sponsor for this renowned competition since 2014.

The Porsche 356 rolls slowly down the start ramp. It’s just after eight in the morning. Despite the early hour, throngs of spectators line the street from Gröbming in Styria’s Ennstal Valley as it runs toward Stoderzinken. Andreas Kainer listens intently to the uniform sounds from the compact four-cylinder Boxer motor, then casts an expert eye over the sports car’s instrument panel – everything seems fine. He’s giddy with anticipation about what lies ahead, and a bit worked up as well: the Ennstal-Classic is slated to see his 356 Coupé make a triumphant return to the streets after extensive restorations. Kainer fiddles a bit with the gas pedal, checks the precision of the steering and gets a feel for how the tires are gripping the roadway. His co-pilot gives the thumbs up sign from the passenger seat, followed by a broad grin. The experienced team approaches the start line for the first special review of this Ennstal-Classic – and then his 356 passes through the light barrier at the foot of the mountain. Their route will take them 8,258 metres in total along the winding (and closed) road to Stoderzinken. The goal is not to go as fast as possible, but rather as precisely as possible at the proscribed average speed of 48.2 km/h, all documented through a merciless set of timing checkpoints. Kainer is responsible for keeping the car rolling smoothly and steadily, while his colleague keeps a mechanical stopwatch running to help get the timing just right. They move quickly up the 2,000-metre mountain, and after roughly ten minutes they trip the light barrier and...
When we held the event for the first time back in 1993, we drew our line in the sand at 1972 models, because from our vantage point there are just so many fascinating cars built before then,” explains organizer Michael Glöckner. “And we just ended up leaving it there. One side effect: the starting field gets older and as such more interesting every year.” Glöckner, formerly a motorsports photographer and tourism director in Gröbming, created the Ennstal-Classic in collaboration with Formula 1 journalist Helmut Zwickl. “The mix of competitive driving, grand landscapes, Austrian hospitality and relaxed shop talk are what make the Ennstal-Classic special,” Zwickl says. “Where else can you find this kind of combination?”

This is precisely the recipe cooked up by the Ennstal-Classic for the international classic car circuit. Fans flock to the event. Some love the idea of piloting their own oldtimer through carefully selected, low-traffic streets across four Austrian provinces – the number of applications far outstrips the capacity every year. Others look forward to standing at the start, finish or way stations of this rolling museum.

ON THE HUNT FOR SPECIAL MOMENTS

2014 marks Andreas Kainer’s fourth year in the race. He’s already returned back from Stoderzinken, following a carefully laid-out route that runs along the Nockalm and the Turracher Höhe toward the Red Bull Ring in Spielberg, one of the further laid-out route that runs along the Nockalm from Stoderzinken, following a carefully selected, low-traffic streets across four Austrian provinces – the number of applications far outstrips the capacity every year. Others look forward to standing at the start, finish or way stations of this rolling museum.

Marc Lieb proves a major head-turner among the spectators after taking an unofficial exhibition run in a 911 GT1 from 1998.

Walter Röhrl, considered by many the finest rally driver in the world, is a familiar face in Gröbming. He and his wife were on hand for the inaugural Ennstal-Classic in 1993, and in fact claimed the event’s first victory. He repeated the feat in 1997 together with former Porsche engineer and racing director Peter Falk. For 2014, Röhrl decided to participate in the Chopard Racecar Trophy, a separate competition...
Tradition and Emotion

Annual Report
Porsche AG
2014

exquisite vehicles from the Porsche museum

The participants are all enthusiastic about Porsche's commitment to the event. "It fits so perfectly because the brand has its origins in Austria," Andreas Kainer says. Company founder Ferdinand Porsche was born in Austria/Hungary, built the first 356 in the early days after World War II and, even today, many of the family's members actually live in this alpine country.

Dr. Wolfgang Porsche himself has driven in the Ennstal-Classic several times.

Demanding tasks for on the go

The two events share a competitive nature: speed and skill are decisive for victory. To be fair, the Ennstal-Classic isn't aiming for maximum speeds, but rather precision adherence to specific time requirements for each section of the course. And only mechanical stopwatches are allowed – all electronic aids are banned. "The level of qualification for the participants is immensely high," says Michael Göckner. "Hundredths of a second make the difference between victory and defeat. It's a real battle." For this reason the winner's cup from the Chopard Racecar sponsors, involves normal street-legal cars in the annual Classic and race car drivers were the idols of my youth. Now we're driving in the same car scene. As Göckner expresses it: "Competitive auto driving is at the heart of our event. The beautiful landscape and the atmosphere all around are magnificent side benefits." The fields will cover more than 800 kilometres within four days – a demanding task for both man and machine. The weather also has its own demands to make the difference between victory and defeat. It's a real battle." For this reason the winner's cup from the Chopard Racecar sponsors, involves normal street-legal cars in the annual Classic and race car drivers were the idols of my youth. Now we're driving in the same car scene. As Göckner expresses it: "Competitive auto driving is at the heart of our event. The beautiful landscape and the atmosphere all around are magnificent side benefits." The fields will cover more than 800 kilometres within four days – a demanding task for both man and machine. The weather also has its own magic ambiance of this Ennstal-Classic: joyous noise – in other words, the entire connection between the driver, seat and chassis and the pavement, his foot treading the pedal, the sound of rolling tires and wind, the transmission, the motor – everything is working with unbeatable precision. You'd never believe that you're sitting in a car that's more than 50 years old." Spurred by this experience, he took the tight curves along the closed-off mountain roads, including up to the Tauri Lake, and then for a lap on the Red Bull Ring. "What a true pleasure. Tremendous roads and tremendous old cars – the organisers have really done an ideal job of combining both ingredients."

While the Ennstal-Classic, which Porsche sponsors, involves normal street-legal classic cars driving at moderate speeds on public roads, the Chopard Racecar Trophy (inaugural running: 2013) has been bringing together racing vehicles from 1983 and earlier. They drive on faster tires – but also solely on closed-off roads.

The participants are all enthusiastic about Porsche's commitment to the event. "It fits so perfectly because the brand has its origins in Austria," Andreas Kainer says. Company founder Ferdinand Porsche was born in Austria/Hungary, built the first 356 in the early days after World War II and, even today, many of the family's members actually live in this alpine country. Dr. Wolfgang Porsche himself has driven in the Ennstal-Classic several times.

The real treat is the vehicles brought down from the company's museum. "Super being able to experience these cars here," Kainer says. And naturally the celebrity drivers as well. "By bringing them along, Porsche is really giving a gift to all participants and spectators. The rally and race car drivers were the idols of my youth. Now we're driving in the same event – really a dream come true for me."

That said, it's not just about the presence of the illustrious guests, but rather the accessibility. "There's a very familiar atmosphere at the Ennstal-Classic: Everybody talks with everyone, and stands on equal footing as they talk about their experiences on the road." Yet it's the cars that are the real VIPs.

At lunchtime, Kainer checks the oil level on his 356 – the amber-coloured liquid is within the markings on the dipstick. It's not his only classic Porsche model. "I drive often with my antique sports cars, every day in summer, and I've never broken down yet," he explains. "Despite their age, the cars are really unstoppable. Sure, you can't demand too much of them and they need to be maintained professionally. But in exchange they still provide a tremendously fun ride."

He and his passenger are making preparations to head off on the next segment of the course. Using both force and a fine touch, Kainer pushes the hood into its latch. His hands feel the residual warmth in the metal, which will soon be heating back up once the motor is running hard. He'll turn the ignition key, listen to the boxer engine purr, wait for the start signal and head out onto the course with his sports car. The impressive environment, the sound of rolling tires and wind, the connection between the driver, seat and chassis and the pavement, his foot feeding or starving the motor of gas, the joyous noise – in other words, the entire magic ambiance of this Ennstal-Classic: and then he's off, a hunter of special moments.

July 15 – 18, 2015

This year's Ennstal-Classic and Chopard Racecar Trophy will be held from July 15 – 18, 2015. The start field has already been set – and the rolling museum is ready to head to the starting line. Porsche will once again be contributing special vehicles for the collectors, piloted by notable race and rally drivers.
FINANCIAL ANALYSIS

NET ASSETS,
FINANCIAL POSITION AND RESULTS OF OPERATIONS

NET ASSETS

As of December 31, 2014, the total assets of the Porsche AG group stood at 26,060 million euro, 6 percent higher than on the prior-year reporting date.

Non-current assets increased by 1,389 million euro to 19,781 million euro. The absolute increase relates mainly to fixed assets and to deferred taxes. This was counterbalanced in other receivables and assets by a decrease in non-current derivative financial instruments. Non-current assets expressed as a percentage of total assets amounted to 76 percent (prior year: 75 percent).

At the end of the reporting period, the fixed assets of the Porsche AG group – i.e., the intangible assets, property, plant and equipment, leased assets, equity-accounted investments and other equity investments – came to 9,691 million euro, compared with 8,539 million euro in the previous year. Since the acquisition of additional shares of 4 percent, Bertrandt AG, Ehingen, has been included in the consolidated financial statements of the Porsche AG group and accounted for using the equity method.

Fixed assets expressed as a percentage of total assets increased to 37 percent (prior year: 35 percent). Intangible assets increased from 2,590 million euro to 2,953 million euro. The increase mainly relates to capitalised development costs. The largest additions relate to the Panamera and 911 model series. Property, plant and equipment increased in comparison to the prior year by 152 million euro to 4,087 million euro, primarily due to additions to other equipment, furniture and fixtures. These additions consist mainly of tools for the new generations of vehicles. Leased assets increased by 586 million euro in comparison to the prior year to 2,294 million euro. This item contains vehicles leased to customers under operating leases.

Non-current other receivables and assets decreased by 285 million euro, primarily as a result of currency effects relating to the derivative financial instruments.

Deferred tax assets totalled 562 million euro compared to 165 million euro in the prior year. The change in the cash flow hedge reserve of 632 million euro after tax, the effect of marking securities to market amounting to 254 million euro and a charge of 458 million euro resulting from the remeasurement of pension plans all represented reductions in equity.

As a percentage of total assets, current assets amount to 24 percent compared to 25 percent in the prior year. Inventories increased from 1,589 million euro in the prior year to 2,157 million euro at the end of the reporting period. In comparison to the prior reporting date, there was an increase of approximately 7,700 units in new vehicle inventories.

Non-current and current receivables from financial services rose from 1,550 million euro to 1,696 million euro. This item mainly contains receivables from finance leases and receivables from customer and dealer financing.

Current other receivables and assets declined by 629 million euro to 1,304 million euro. The decrease in current loan receivables is countered by a slightly higher balance on the clearing account with Porsche Holding Stuttgart GmbH. A loan receivable of 1,177 million euro outstanding in the previous year was offset against a corresponding financial liability in August 2014. The financial liability of 136 million euro remaining after the offset was repaid.

Cash and cash equivalents were almost unchanged compared with the previous year at 1,560 million euro. The equity of the Porsche AG group increased by 560 million euro to 9,599 million euro compared to the prior-year reporting date. The profit after tax and profit transfer of 971 million euro together with currency translation differences and a capital contribution by Porsche Holding Stuttgart GmbH amounting to 829 million euro generated increases in equity.

Non-current liabilities mainly relate to financial liabilities, pension provisions, deferred tax liabilities, other liabilities and other provisions. They recorded a significant increase of 990 million euro to 7,950 million euro in comparison to the prior year. Non-current liabilities expressed as a percentage of total capital rose from 26 percent in the prior year to 30 percent at the end of the financial year. At the same time, non-current financial liabilities fell by 256 million euro. This decrease mainly reflects the change in the remaining term of debenture bonds classified as non-current in the previous year.
Provisions for pensions and similar obligations rose by 817 million euro. The increase resulted mainly from the change in the German actuarial rate of interest applied from 3.7 percent to 2.3 percent.

Non-current other liabilities recorded growth of 370 million euro. The increase mainly relates to marking derivative financial instruments to market.

Current liabilities fell only slightly from 8,561 million euro to 8,511 million euro. Current liabilities expressed as a percentage of total capital declined from 35 percent in the prior year to 33 percent as of December 31, 2014. Current financial liabilities fell by 1,062 million euro. The reduction resulting from the offset against loan receivables (see current other receivables) was set against an increase due to the change in the maturity structure of the debenture bonds.

Deferred tax liabilities amounted to 684 million euro compared with 719 million euro in the prior year. The significant increase in the outflow of funds compared with the previous year is mainly attributable to higher volumes of investments and business.

Current other liabilities amounted to 2,868 million euro (prior year: 2,524 million euro).

FINANCIAL POSITION

Cash flows from operating activities came to 3,179 million euro in the 2014 reporting period following 2,917 million euro in the prior year. The significant factors were an increased profit, depreciation and amortization, conversely higher income tax payments, and a higher level of funds tied up in working capital.

The cash flows from investing activities resulted in a cash outflow of 2,248 million euro in the reporting period following 2,090 million euro in the prior year. Investments in intangible assets (excluding development costs capitalized) and property, plant and equipment declined from 1,421 million euro in the previous year to 1,047 million euro in the period under review. Additions to capitalized development costs amounted to 1,067 million euro following 815 million euro in financial year 2013.

There was a change in cash flows from financing activities from minus 197 million euro in the prior year to minus 978 million euro in the most recent financial year.

The significant increase in the outflow of funds compared with the previous year is mainly attributable to the payment of 1,414 million euro made during the reporting year in respect of the profit transfer to shareholders. This was offset by a capital contribution amounting to 829 million euro made by Porsche Holding Stuttgart GmbH.

The net available liquidity of the automotive division – i.e. its gross liquidity less financial liabilities and excluding the financial services business in each case – improved from minus 899 million euro as at December 31, 2013 to 195 million euro as at December 31, 2014.
RESULTS OF OPERATIONS

The Porsche AG group’s profit after tax increased by 262 million euro from 1,939 million euro in the corresponding prior-year period to 2,201 million euro in the reporting period. The tax rate in the reporting period was 28 percent (prior year: 30 percent).

Group revenue of the Porsche AG group was 17,205 million euro in the reporting period (prior year: 14,326 million euro). In the past financial year, the Porsche AG group sold 187,208 vehicles. This corresponds to an increase in unit sales of 21 percent compared to the prior year. The principal contribution to the growth in sales volume and revenue was made by the new Macan model with 48,569 vehicles sold. Sales of the Cayenne model declined by 13,883 vehicles due to a change of model.

The cost of sales increased dependent on revenue to 12,885 million euro (prior year: 10,139 million euro) which represents 75 percent of revenue (prior year: 71 percent). The reduction in the gross margin from 29 percent to 25 percent is mainly the result of changes in the product mix following the introduction of the Macan model as well as increased expenses in the area of research and development. The capitalization rate for research and development costs amounts to 55 percent (prior year: 52 percent). The import duties and consumption taxes incurred in the Chinese market also contributed to the decline in the gross margin.

Distribution expenses rose from 1,075 million euro to 1,257 million euro due to the higher volume of sales. Administrative expenses declined slightly from 792 million euro to 789 million euro. Distribution expenses remained with 7 percent and administrative expenses with 5 percent unchanged in relation to revenue.

The personnel expenses across all functions of the Porsche AG group increased from 1,865 million euro to 2,165 million euro. The average number of employees during the year rose by 2,746 to 21,303. The increase mainly results from the expansion of the number of employees at the Leipzig plant.

Depreciation and amortization across all functions increased to 1,878 million euro compared to 1,415 million euro in the prior year. This mainly relates to the amortization of development costs and depreciation of tools that are disclosed under other equipment, furniture and fixtures. Depreciation of leased assets also increased significantly.

Other operating income rose from 610 million euro to 895 million euro, an increase of 140 million euro in comparison to the previous year.

The financial result amounts to 341 million euro (prior year: 205 million euro). This item includes income of 271 million euro relating to the change in accounting for the investment in Bertrandt AG using the equity method. In contrast, an increase was recorded in the expenses from fair value measurement relating principally to exchange rate and interest rate hedging transactions that are not included in hedge accounting.

The healthy cost structure and the sustainably high earnings power of the group are also reflected in the key performance indicators. The Porsche AG group achieved an operating return on sales of 16 percent in the past financial year (prior year: 18 percent). The pretax return on sales was 18 percent (prior year: 19 percent). The return on capital, defined as the ratio of the operating result after tax to the average invested assets of the automotive division, amounts to 27 percent (prior year: 30 percent). The posttax return on equity was 24 percent (prior year: 24 percent).
# FINANCIAL DATA

SUMMARY OF THE CONSOLIDATED FINANCIAL STATEMENTS OF PORSCHE AG WITHOUT THE NOTES

## CONSOLIDATED INCOME STATEMENT
OF PORSCHE AG FOR THE PERIOD JANUARY 1 TO DECEMBER 31, 2014

<table>
<thead>
<tr>
<th>€ million</th>
<th>FY 2014</th>
<th>FY 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>17,205</td>
<td>14,326</td>
</tr>
<tr>
<td>Cost of sales</td>
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<td>-10,139</td>
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<tr>
<td>Gross profit</td>
<td>4,320</td>
<td>4,187</td>
</tr>
<tr>
<td>Distribution expenses</td>
<td>-1,257</td>
<td>-1,075</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>-789</td>
<td>-792</td>
</tr>
<tr>
<td>Other operating income</td>
<td>895</td>
<td>610</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>-450</td>
<td>-351</td>
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<tr>
<td>Operating profit</td>
<td>2,719</td>
<td>2,579</td>
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<tr>
<td>Share of profits and losses of equity-accounted investments</td>
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<td>-</td>
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<tr>
<td>Fair value changes in available-for-sale financial assets</td>
<td>-255</td>
<td>-337</td>
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<tr>
<td>Other financial result</td>
<td>545</td>
<td>427</td>
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<tr>
<td>Financial result</td>
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<td>205</td>
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<tr>
<td>Profit before tax</td>
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<td>2,784</td>
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<tr>
<td>Income tax</td>
<td>-809</td>
<td>-845</td>
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<tr>
<td>Profit after tax</td>
<td>2,201</td>
<td>1,939</td>
</tr>
<tr>
<td>Profit attributable to shareholders</td>
<td>2,199</td>
<td>1,939</td>
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<tr>
<td>Profit attributable to non-controlling interests</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>Profit transferred to Porsche Holding Stuttgart GmbH</td>
<td>-1,230</td>
<td>-1,414</td>
</tr>
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</table>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
OF PORSCHE AG FOR THE PERIOD JANUARY 1 TO DECEMBER 31, 2014

<table>
<thead>
<tr>
<th>€ million</th>
<th>FY 2014</th>
<th>FY 2013</th>
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<tbody>
<tr>
<td>Profit after tax</td>
<td>2,201</td>
<td>1,939</td>
</tr>
<tr>
<td>Revaluations from pension plans recognized in other comprehensive income</td>
<td>-627</td>
<td>136</td>
</tr>
<tr>
<td>Revaluations from pension plans recognized in other comprehensive income, before tax</td>
<td>-627</td>
<td>136</td>
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<tr>
<td>Deferred taxes relating to revaluations from pension plans recognized in other comprehensive income</td>
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<td>-46</td>
</tr>
<tr>
<td>Revaluations from pension plans recognized in other comprehensive income, net of tax</td>
<td>-458</td>
<td>108</td>
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<tr>
<td>Items that will not be reclassified to profit or loss</td>
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<td>108</td>
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<tr>
<td>Revaluations from translating foreign operations</td>
<td>103</td>
<td>-61</td>
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<tr>
<td>Unrealized currency gains/losses</td>
<td>-203</td>
<td>-217</td>
</tr>
<tr>
<td>Transferred to profit or loss</td>
<td>-203</td>
<td>-217</td>
</tr>
<tr>
<td>Deferred taxes relating to translating foreign operations, before tax</td>
<td>-175</td>
<td>-52</td>
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<tr>
<td>Deferred taxes relating to translating foreign operations, net of tax</td>
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<tr>
<td>Exchange differences on translating foreign operations, net of tax</td>
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<td>-61</td>
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<tr>
<td>Cash flow hedges</td>
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<td>-</td>
</tr>
<tr>
<td>Fair value changes recognized in other comprehensive income</td>
<td>-1,029</td>
<td>568</td>
</tr>
<tr>
<td>Transferred to profit or loss</td>
<td>-1,029</td>
<td>568</td>
</tr>
<tr>
<td>Cash flow hedges, before tax</td>
<td>-809</td>
<td>-699</td>
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<tr>
<td>Deferred taxes relating to cash flow hedges</td>
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<td>Cash flow hedges, net of tax</td>
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<td>462</td>
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<tr>
<td>Available-for-sale financial assets</td>
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<tr>
<td>Fair value changes recognized in other comprehensive income</td>
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<td>89</td>
</tr>
<tr>
<td>Transferred to profit or loss</td>
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<td>89</td>
</tr>
<tr>
<td>Available-for-sale financial assets, before tax</td>
<td>-255</td>
<td>-88</td>
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<tr>
<td>Deferred taxes relating to available-for-sale financial assets</td>
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<tr>
<td>Available-for-sale financial assets, net of tax</td>
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<tr>
<td>Items that may be reclassified subsequently to profit or loss</td>
<td>-783</td>
<td>499</td>
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<tr>
<td>Other comprehensive income, before tax</td>
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<tr>
<td>Deferred taxes relating to other comprehensive income</td>
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<td>Other comprehensive income, net of tax</td>
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<tr>
<td>Total comprehensive income</td>
<td>960</td>
<td>2,535</td>
</tr>
<tr>
<td>Profit attributable to shareholders</td>
<td>960</td>
<td>2,535</td>
</tr>
<tr>
<td>Profit attributable to non-controlling interests</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
## Consolidated Statement of Financial Position

**OF PORSCHE AG AS OF DECEMBER 31, 2014**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangible assets</td>
<td>2,953</td>
<td>2,590</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>4,087</td>
<td>3,935</td>
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<tr>
<td>Equity-accounted investments</td>
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<td>–</td>
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<tr>
<td>Other equity investments</td>
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<td>306</td>
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<tr>
<td>Leased assets</td>
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<td>1,708</td>
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<td>Receivables from financial services</td>
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<td>1,006</td>
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<tr>
<td>Other receivables and assets</td>
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<td>8,657</td>
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<tr>
<td>Income tax assets</td>
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<td>76</td>
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<tr>
<td>Deferred tax assets</td>
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<td>–</td>
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<tr>
<td>Non-current assets</td>
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<td>18,392</td>
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<tr>
<td>Inventories</td>
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<tr>
<td>Trade receivables</td>
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<td>424</td>
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<tr>
<td>Receivables from financial services</td>
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<td>544</td>
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<tr>
<td>Other receivables and assets</td>
<td>1,304</td>
<td>1,933</td>
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<tr>
<td>Income tax assets</td>
<td>141</td>
<td>54</td>
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<tr>
<td>Securities</td>
<td>39</td>
<td>54</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
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<td>1,570</td>
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<tr>
<td>Current assets</td>
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<td>6,168</td>
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<tr>
<td><strong>EQUITY AND LIABILITIES</strong></td>
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<td></td>
</tr>
<tr>
<td>Subscribed capital</td>
<td>45</td>
<td>45</td>
</tr>
<tr>
<td>Capital reserves</td>
<td>7,150</td>
<td>6,321</td>
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<tr>
<td>Retained earnings</td>
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<tr>
<td>Equity before non-controlling interests</td>
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<td></td>
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<tr>
<td>Equity</td>
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<td>9,039</td>
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<tr>
<td>Provisions for pensions and similar obligations</td>
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<tr>
<td>Current liabilities</td>
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<td>8,561</td>
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| **CONSOLIDATED STATEMENT OF CASH FLOWS**

**OF PORSCHE AG FOR THE PERIOD JANUARY 1 TO DECEMBER 31, 2014**

<table>
<thead>
<tr>
<th>€ million</th>
<th>FY 2014</th>
<th>FY 2013</th>
</tr>
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<tbody>
<tr>
<td>Profit before tax</td>
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<tr>
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<td>– 351</td>
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<td>1,405</td>
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<td>Losses on the disposal of intangible assets and property, plant and equipment</td>
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<td>– 79</td>
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<td>–</td>
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<tr>
<td>Other non-cash revenue/income</td>
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<td>22</td>
</tr>
<tr>
<td>Change in inventories</td>
<td>971</td>
<td>– 921</td>
</tr>
<tr>
<td>Change in receivables (excluding financial services)</td>
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<td>– 127</td>
</tr>
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<td>Change in liabilities (excluding financial liabilities)</td>
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<td>102</td>
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<td>125</td>
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<td>Cash flow from operating activities</td>
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<td>2,917</td>
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<td>Investments in intangible assets (excluding capitalized development costs) and property, plant and equipment</td>
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<td>– 1,431</td>
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<td>Additions to capitalized development costs</td>
<td>– 1,567</td>
<td>– 815</td>
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<td>Change in equity investments</td>
<td>– 52</td>
<td>–</td>
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<td>Change in inventories</td>
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<td>– 48</td>
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<td>– 2,090</td>
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<td>–</td>
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<tr>
<td>Cash and cash equivalents at the end of the period</td>
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<td>15,70</td>
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<td>Gross liquidity</td>
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<td>2,968</td>
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### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
OF PORSCHE AG FOR THE PERIOD JANUARY 1 TO DECEMBER 31, 2014

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<thead>
<tr>
<th>€ million</th>
<th>Subscribed capital</th>
<th>Capital reserve</th>
<th>Retained earnings</th>
<th>Equity before non-controlling interests</th>
<th>Non-controlling interests</th>
<th>Group equity</th>
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<tr>
<td>Financial instruments pursuant to IAS 39</td>
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<tr>
<td>Taxes recognized in other comprehensive income</td>
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</tr>
<tr>
<td>Other comprehensive income</td>
<td></td>
<td>–</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit after tax</td>
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<td>–</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Total comprehensive income</td>
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<td></td>
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<tr>
<td>Capital contribution</td>
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</tr>
<tr>
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<td>Revaluations from pension plans</td>
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<tr>
<td>Financial instruments pursuant to IAS 39</td>
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</tr>
<tr>
<td>Taxes recognized in other comprehensive income</td>
<td></td>
<td>–</td>
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</tr>
<tr>
<td>Profit transfer</td>
<td></td>
<td>–</td>
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<td></td>
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<tr>
<td>As of December 31, 2014</td>
<td>45</td>
<td>7,150</td>
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</table>

**Note:** The table above provides a detailed breakdown of changes in equity for Porsche AG for the period January 1 to December 31, 2014, including subordinated capital, capital reserve, retained earnings, and equity before non-controlling interests. Each entry is cross-referenced to specific items such as profits, losses, and capital contributions, providing a comprehensive view of the company's financial position over the specified period.
FURTHER INFORMATION
## EMISSION AND CONSUMPTION DATA

<table>
<thead>
<tr>
<th>Model</th>
<th>Output (kW)</th>
<th>Output (hp)</th>
<th>Fuel consumption urban (l/100 km)</th>
<th>Fuel consumption extra-urban (l/100 km)</th>
<th>CO2-emissions combined (g/km)</th>
<th>CO2-efficiency class (Germany)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boxster</td>
<td>195</td>
<td>263</td>
<td>11.8</td>
<td>6.4</td>
<td>199</td>
<td>G</td>
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<tr>
<td>Boxster GTS</td>
<td>240</td>
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<td>G</td>
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<tr>
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<td>315</td>
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<td>7.1</td>
<td>211</td>
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<tr>
<td>Cayenne</td>
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<tr>
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<td>6.4</td>
<td>199</td>
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<tr>
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<td>319</td>
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<td>7.1</td>
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<td>7.0</td>
<td>211</td>
<td>G</td>
</tr>
<tr>
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</tr>
<tr>
<td>911 Targa S</td>
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<tr>
<td>911 Turbo</td>
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<td>G</td>
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</tr>
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<td>G</td>
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<td>6.9</td>
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<tr>
<td>Cayenne GTS</td>
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<td>12.3–12.5</td>
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<td>442</td>
<td>15.9–15.9</td>
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<td>15.9</td>
<td>8.9</td>
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<tr>
<td>Plug-in hybrid</td>
<td>Output (kWh)</td>
<td>Output (hp)</td>
<td>Power consumption (kWh/100 km)</td>
<td>Fuel consumption combined (l/100 km)</td>
<td>CO2-emissions combined (g/km)</td>
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1) Overall performance
2) Unusually depending on the type used
3) CO2-efficiency class (Germany)
### Key Performance Indicators of the Porsche AG Group

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
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</thead>
<tbody>
<tr>
<td><strong>Deliveries</strong></td>
<td>units</td>
<td>units</td>
<td>units</td>
</tr>
<tr>
<td>911</td>
<td>189,449</td>
<td>162,145</td>
<td>141,075</td>
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<tr>
<td>918 Spyder</td>
<td>30,510</td>
<td>30,205</td>
<td>25,457</td>
</tr>
<tr>
<td>918 Spyder (PDK)</td>
<td>301</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td>Boxster/Cayman</td>
<td>23,007</td>
<td>27,704</td>
<td>11,825</td>
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<tr>
<td>Macan</td>
<td>49,080</td>
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<td>...</td>
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<tr>
<td>Macan</td>
<td>63,961</td>
<td>64,045</td>
<td>74,703</td>
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<tr>
<td>Panamera</td>
<td>25,007</td>
<td>24,087</td>
<td>20,000</td>
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<tr>
<td><strong>Production</strong></td>
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<td>203,097</td>
<td>165,808</td>
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<td>29,751</td>
<td>28,419</td>
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<td>918 Spyder (PDK)</td>
<td>545</td>
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<td>Boxster/Cayman</td>
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<td>28,996</td>
<td>13,316</td>
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<td>22,363</td>
<td>24,764</td>
<td>27,006</td>
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<tr>
<td>Panamera</td>
<td>22,401</td>
<td>19,456</td>
<td>17,502</td>
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<td><strong>Employees</strong></td>
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<td>22,401</td>
<td>19,456</td>
<td>17,502</td>
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<td><strong>Revenue</strong></td>
<td>€ million</td>
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<td></td>
<td>17,205</td>
<td>14,326</td>
<td>13,865</td>
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<tr>
<td><strong>Financials</strong></td>
<td>€ million</td>
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<td>Total assets</td>
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<td>Equity</td>
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<td>Fixed assets</td>
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<td>Capital reserves</td>
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<td>Cost of materials</td>
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<tr>
<td>Depreciation</td>
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<tr>
<td>Cash flow from operating activities</td>
<td>€ million</td>
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<td>Operating result (EBIT)</td>
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<td></td>
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<tr>
<td>Profit before tax</td>
<td>€ million</td>
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</tr>
<tr>
<td>Profit after tax</td>
<td>€ million</td>
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</tbody>
</table>

1) As of December 31.
2) Relates to investments in intangible assets and property, plant and equipment.