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Performance.

**Annual and
Sustainability Report
of Porsche AG
2018**

PORSCHE

Performance.

Sustainability as routine is Porsche's overarching strategic aim. Financial success, environmental consciousness and social responsibility do not contradict each other as far as Porsche is concerned. Quite the opposite, in fact. They combine to form a whole that determines the company's behaviour.

Financial success is a Porsche watchword. But social sustainability is too. Particularly as a maker of exclusive and powerful sports cars, Porsche sees that it has a responsibility to increase the company's acceptance and that of its products worldwide through socially and ecologically responsible behaviour. Responsible actions that help the company, the environment and society is not just what our customers, business partners and investors expect. Doing business sustainably is also important to our remaining competitive in our business environment.

That is why Porsche combines its annual report with its sustainability report. The report is intended to send out a signal. Namely, that the twin themes of finances and sustainability go hand in hand.

Financial strength, innovative vehicles, customer orientation, protection of the environment and responsibility for employees – in all these areas, Porsche sets the highest standards and is committed to improving continuously and in the long term.

There are two volumes in front of you: *Perspective* is intended to inspire, excite and motivate you – to confront you, challenge you and familiarise you with topics and propositions that a car company like Porsche needs to face up to in a time of dramatic shifts across the industrial landscape.

The future and how to shape it are happening today, because tomorrow is right in front of us. Continuous change is the motor of the future and thus also what drives Porsche to find solutions today for new challenges. But how can we keep ourselves up to speed in times of transformation?

Volume two is called *Performance*. It contains all the results of fiscal year 2018. In it, you will find developments, summaries, explanations, figures – and documentation covering all facets of Porsche's comprehensive commitment to sustainability.

As different as the two volumes are, they have one thing in common: communication on various levels. That is why some articles offer the option of augmented reality. You will find instructions on the pages in question, and no small number of surprises!

Letter from the Executive Board of Porsche AG	6
Important events	8
Business performance	28
Outlook	36
Sustainability strategy and sustainability management	38
Strategy and organisation	40
Stakeholder management	44
Materiality analysis	48
Management approaches	50
Employees, Society, Sport, Communication	62
Employees	64
Society	76
Sport	84
Communication	88
Research and development	94
Sales, Production, Procurement	106
Sales	108
Production	116
Procurement	122
Financial analysis	124
Net assets	126
Financial position	128
Results of operations	130
Financial data	134
Consolidated income statement	136
Consolidated statement of comprehensive income	138
Consolidated statement of financial position	140
Consolidated statement of cash flows	142
Consolidated statement of changes in equity	144
Value added statement	146
Key figures	148
Key economic figures	150
Key figures for environment and energy	152
Key figures for personnel and social matters	154
Further information	156
The Supervisory Board	158
Emission and consumption information	160
GRI Content Index	162
About this report	165
Porsche AG Group – Brief overview	166
Legal notice	168



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of the Executive Board
Finances and IT

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Dear Reader,

2018 was a successful year for Porsche. We posted increased delivery figures once again, with a four-per cent gain over 2017 to 256,255 vehicles. Another bright point is our operating return on sales: at 16.6 per cent it once again exceeds our strategic objective of 15 per cent.

And that at a time when conditions in the industry were anything but ideal in 2018: The earlier-than-expected emissions legislation in Europe confronted the automotive industry with enormous challenges. Let us be clear: we stand unreservedly behind the agreed laws, not least because the measured values based on the WLTP cycle are significantly more realistic than the NEDC cycle used previously. However, the new regulations were introduced one year earlier than initially planned. The early change not only had a major impact on existing product cycles, but also led to severe bottlenecks at the test benches. As a result, we had to prioritize with regard to product launches. With the 911, for example, we promptly equipped the GTS vehicles with particle filters. With the 992, the eighth generation of our icon, all new 911s are already WLTP-certified.

Another topic that presented a lot of challenges in 2018 was diesel. Porsche itself has never developed and produced diesels. The technology has always played a relatively minor role for us. After a good deal of deliberation, we therefore decided to move forward without diesel. As a sports car manufacturer, we concentrate on doing what we do best: highly emotional gasoline engines, powerful plug-in hybrids and, soon, purely electric drive systems. This will enable us to sharpen the core of our brand and resolutely align our company with the mobility of the future.

This was also underscored by the decision of the Supervisory Board under which Porsche will invest six billion euros in e-mobility by 2022. The move will double the volume of the future package that was previously in place. It will now encompass some three billion euros of capital investments and somewhat over three billion in development costs. Roughly one billion of that will be invested in the Zuffenhausen location alone to ensure that the Taycan, our first purely electric Porsche sports car, can roll off the lines there in autumn 2019.

With the new plant for the Taycan, we have created approximately 1,500 new jobs. Our workforce has grown in other locations as well, amounting to an nine per cent increase worldwide. Overall, 32,325 people were working at Porsche at the end of 2018 – more than ever before.

But 2018 was not just a year of outstanding growth and success. It was also a year of grand celebrations: 80 years of the Zuffenhausen location, the 75th birthday for Wolfgang Porsche, and 70 years of Porsche sports cars. Among other things, we marked the anniversary of our brand by founding the charitable Ferry Porsche Foundation, which works to support education, social issues and young people. The anniversary was celebrated around the world.

Always at the centre of events: the 356 “No. 1” Roadster, which became the first car to bear the name Porsche in June, 1948.

The anniversary year also saw some prominent world premieres: in early March, we presented an electrically powered cross utility vehicle concept car that will go into series production as the Taycan Cross Turismo. And with the 911 GT3 RS, a hitherto unequalled radical high-performance sports car debuted in Geneva that would shortly break the record for a street-legal Porsche sports car on the Nurburgring’s famed Nordschleife with a time of 6:56.4 minutes. This was followed in July by adding the new Macan. The Panamera family grew by two GTS models.

Other new additions include the GT2 RS Clubsport, the Macan S, the 718 T and the 911 Speedster, the latter to be produced in a limited run of 1948 units. At the Rennsport Reunion in Laguna Seca, we thrilled those assembled with the Porsche 935, a homage to the legendary 935/78 known as Moby Dick. Finally, at the end of 2018 the new 911 celebrated its world premiere – even faster, more efficient and more abundantly equipped with digital functions than ever before.

Together with the new 911, we launched the apps “Porsche Road Trip” and “Porsche 360+”. They can be bought and used by anyone – even by those who don’t own their own Porsche. This represents our first forays into new target groups and new types of uses. The same applies to “Porsche Host”, a pilot programme operated jointly with our sharing partner Turo in the US.

We regard digitalisation as an opportunity to tap new business fields. We are developing typical Porsche mobility concepts and using new technologies. Innovative start-ups are supporting us in that effort. One example is the young Berlin-based company XAIN, with which we are the first carmaker worldwide to successfully implement blockchain technology in the vehicle. In 2018 we also acquired interests in the Israeli start-up Anagog, Rimac Automobil in Croatia and Miles in the US.

We also joined a new racing series: our application for a place as a manufacturer in the Formula E championship was accepted in April of last year. In other words, at roughly the same as the world premiere of the Taycan, Porsche will kick off its first campaign in this purely electric-powered racing series in late 2019. At the same time, our involvement in the GT class and customer racing will continue. After all, motor racing remains paramount for Porsche, our driver of innovation, efficiency and sustainability. The race track is our laboratory – and where we are at home.

Your Executive Board
Dr. Ing. h.c. F. Porsche AG

Important events
Business performance
Outlook



IMPORTANT EVENTS



PORSCHE FROM 1948 TO 2018

Porsche celebrates 70 years of sports cars

70 years young and as pioneering, passionate and driven as ever – welcome to the world of Porsche in 2018. Worldwide celebrations to mark “70 years of Porsche sports cars” began in January with a New Year reception in the Porsche Museum. The anniversary events are geared around the 356 “No. 1” Roadster, which became the first car to bear the name Porsche in June 1948. It was with this vehicle that Ferry Porsche turned his sports car dream into reality. His vision reflected all the values that are synonymous with the brand today and that will continue to represent Porsche in the future.

New Porsche studio opens in Beirut

Porsche opened the world’s third Porsche Studio in Beirut in late January. The state-of-the-art premises, covering an area of more than 300 square metres, offer customers an insight into the complete range of the brand’s services. A particular highlight is the platform used to display the sports cars, which is reminiscent of a fashion show catwalk.



PORSCHE STUDIO BEIRUT

Billions of euros to be invested in electromobility

Porsche has earmarked more than six billion euros for investment in plug-in hybrids and purely electric vehicles between now and 2022. This follows a decision reached by the Supervisory Board in February, doubling the volume of the future package previously in place. Some 500 million euros of the additional three billion will be allocated to the development of Mission E variants and derivatives, while a billion euros will help fund the electrification and hybridisation of the existing product range. Several hundred euros are to be used to expand Porsche’s sites, while some 700 million euros has been set aside for new technologies, charging infrastructure and smart mobility. Overall, the future package is now worth around three billion euros in capital investment and just over three billion to cover development costs.

Classic parts from a 3D printer

“No longer available” – for collectors of rare classic cars, the unavailability of spare parts can quickly become a problem. In February Porsche Classic came up with a solution. Rare parts that are only needed in small quantities or only requested every now and again can now be manufactured using 3D printers. All parts that are produced this way are true to the original, from both a technical and a visual perspective.



MARC MEURER



MARC OUAYOUN

Change of management at two sales companies

Marc Meurer took over as Managing Director of Porsche France with effect from 1 February, succeeding Marc Ouayoun, who has headed Porsche Cars Canada since the start of the year. Meurer was most recently employed as Managing Director at Audi France, having previously worked as a Marketing Director for Volkswagen France.

World premières in Geneva

At the 88th Geneva International Motor Show at the beginning of March Porsche unveiled its Mission E Cross Turismo, a concept study for an electrically powered Cross Utility Vehicle (CUV). The highlights of this four-door Cross Turismo are its emotional design with striking off-road elements, as well as the innovative display and operating concept with touch-screen and eye-tracking control. It is the perfect vehicle for people with active lifestyles and a passion for travel and the great outdoors. With its 800-volt architecture, this concept vehicle can use the fast-charging network. It can also be charged by induction at a charging station or using the Porsche home energy storage system. Also making its début in Geneva was the new 911 GT3 RS, one of the most radical high-performance sports cars available anywhere.



MISSION E CROSS TURISMO

Testing blockchain technology for automobiles

Together with the Berlin-based start-up XAIN, Porsche tests the use of blockchain applications directly in vehicles. In February, Porsche was the first carmaker to successfully implement and test blockchain technology in an automobile. Transactions based on this technology are particularly safe and also much quicker. The functions being tested include locking and unlocking the vehicle via an app, as well as access authorisations set up for a defined period of time, and even new business models based on encrypted data logging. In this way, functions such as autonomous driving can be further developed and improved. XAIN was the winner of the first Porsche Innovation Contest held in summer 2017.

In February, Porsche was the first carmaker to successfully implement and test blockchain technology in an automobile. Transactions based on this technology are particularly safe and also much quicker.

Reducing CO₂ emissions in logistics

Porsche is getting on board the “green train”, laying the tracks for sustainable actions. All transportation by rail of finished vehicles built in Zuffenhausen and Leipzig has been powered by renewable green energy since the beginning of the year. This means that Porsche’s rail logistics transport is a completely carbon-neutral process. As a result of this change, Porsche will reduce the annual CO₂ emissions of its logistics operations by three per cent, avoiding the generation of more than 6,000 tons of climate-damaging carbon dioxide.



REDUCING CO₂ EMISSIONS IN LOGISTICS

Nine-digit promissory loan

Porsche issued a promissory note to the value of 280 million euros in March. This promissory note is structured in tranches with maturities of five, seven and ten years and with both fixed and variable interest rates on offer. A high level of demand meant that the order book was significantly oversubscribed.



THE 911 TURBO USED AS FIA WEC SAFETY CAR

The 911 Turbo as a safety car

A Porsche 911 Turbo has been used as the safety car at the FIA World Endurance Championship since April. The all-wheel drive 911 produces 540 hp (397 kW) and can sprint from zero to 100 km/h in three seconds. Between now and 2020, Porsche will be supplying a total of five Porsche 911 Turbos to the FIA WEC for use as safety cars. Two of the vehicles accompany the race cars during the global championship, while three are based permanently in Le Mans. A further eleven Porsche cars are driven by the race doctors and safety teams.



ANAGOG FOUNDERS

Investment in start-up company Anagog

Porsche Digital acquired a minority stake in the Israeli start-up Anagog in April. Founded in 2010, the Tel Aviv-based company currently has around 30 employees and specialises in developing artificial intelligence (AI) in the context of mobility. Software programmed and patented by Anagog allows companies to better understand and anticipate customer behaviour in certain situations, resulting in features such as intelligent parking options. By investing in Anagog, Porsche is continuing to drive digital transformation and as a result can now develop and offer context-based and personalised services.

Software programmed and patented by Anagog allows companies to better understand and anticipate customer behaviour in certain situations, resulting in features such as intelligent parking options.



PORSCHE ENTERS FORMULA E

Porsche enters Formula E

The Fédération Internationale de l'Automobile (FIA) accepted Porsche's application as a Formula E manufacturer in April. Porsche plans to be among those competing in the sixth season of the prestigious global electric racing series at the end of 2019. Formula E will provide the chassis as well as the battery. All powertrain components, however, are the competitors' own designs. This enables Porsche to use its own solutions for key technologies such as the electric motor, inverter, brake-by-wire system, transmission, differential, drive-shafts, monocoque and the suspension components attached to the rear axle, as well as the cooling system and ECU.

Accelerator for start-ups

The accelerator venture set up by Porsche Digital and Axel Springer Digital Ventures was given the name APX in April. The abbreviation APX represents the two partner companies and their common goal of supporting start-ups in the early stages of their business establishment and accelerating their development. APX invests in digital business models across sectors and industries, with a particular focus on lifestyle, mobility, travel, finance and insurance technology, media and health.

Porsche plans to be among those competing in the sixth season of the prestigious global electric racing series at the end of 2019. Formula E will provide the chassis as well as the battery. All powertrain components, however, are the competitors' own designs.

New record set for the Nordschleife

In April the new 911 GT3 RS demonstrated the full extent of its power. Porsche works driver Kévin Estre set a lap time for the Nürburgring (Nordschleife) of 6:56.4 minutes, the fastest ever time for a street-legal Porsche sports car. The Frenchman slashed 24 seconds off the previous fastest time recorded for the predecessor model. The time was measured around the 20.6-kilometre lap.



911 GT3 RS ON THE NÜRBURGRING-NORDSCHLEIFE

New Experience Centre in Shanghai

Experience the fascination of Porsche at first hand. This slogan typifies the new Porsche Experience Centre in China, the first centre of its kind in Asia. The centre, located in direct proximity to the Shanghai International Circuit, is the sixth site in the world in this format. On an area covering 110,000 square metres, customers and fans can enjoy a handling course, offroad track, restaurant, café, conference rooms and a Porsche Driver's Selection Store.

41st Porsche Tennis Grand Prix

Karolina Pliskova might not have her driving licence yet but she already has her dream car. As the winner of the Porsche Tennis Grand Prix tournament in April, the 26-year-old Czech was presented with a Porsche 718 Boxster GTS to go her with her prize money and world ranking points. Pliskova faced a tough opponent in the American, Coco Vandeweghe, in a high-quality, exciting final played in Stuttgart's sold-out Porsche Arena



TOURNAMENT WIN FOR KAROLINA PLISKOVA

Porsche acquires sites

Porsche has been operating a development site for SUVs in Hemmingen for 20 years. In May, it acquired what had previously been a leased site. At the same time, Porsche has also purchased additional workshop areas and offices for the Procurement department in Rutesheim. Both sites function as branch offices for the Porsche Development Centre in Weissach and there are plans for expansion at both locations in the years ahead. This investment sees the company preparing for the requirements arising from its hybridisation and electrification strategy.



MARTIN SCHOELLER TOOK PORTRAIT PICTURES OF SIX PORSCHE LMP1 DRIVERS

Experience the fascination of Porsche at first hand. This slogan typifies the new 110,000-square-metre Porsche Experience Centre in China, the first centre of its kind in Asia.

Collaboration with star photographer

Skilful photographs from the Porsche box: the Netherlands Photo Museum in Rotterdam exhibited the works of New York-based German photographer Martin Schoeller from May to September. Featured in this exhibition are Schoeller's portraits of six Porsche LMP1 drivers, photos for which he has received many awards. The collaboration with Martin Schoeller as part of the "Big Heads" exhibition signals the start of what will be a long-term partnership between Porsche and the star photographer.



DR. WOLFGANG PORSCHE

Dr. Wolfgang Porsche's 75th birthday

On 10 May, Dr. Wolfgang Porsche, Chairman of the Porsche AG Supervisory Board, celebrated his 75th birthday. The youngest son of Dorothea and Ferry Porsche, born in Stuttgart, has been a member of the Supervisory Board since 1978. Over the past decades he has played a key role in all of the company's major decision-making. Chairman of the Porsche AG Executive Board Oliver Blume offers the following tribute: "Wolfgang Porsche not only bears the name of our brand. He is also our much-loved role model. He has always been there when needed. He has been loyal to the company, in good times and in bad. That's why we are full of admiration for him. That's why we value him. That's why he deserves our full respect."

Ferry Porsche Foundation established

Porsche stepped up its commitment to social responsibility in May. The sports car manufacturer has established the Ferry Porsche Foundation, intended primarily to support projects in connection with education and social issues, as well as playing an active role in supporting children and young people. The foundation initially has ten million euros at its disposal, after which additional capital will flow into the foundation annually from Porsche AG's company profit. In December, the Porsche Executive Board decided to donate a further ten million euros, roughly doubling the foundation's funding to a total of 22 million euros.

New appointments to the Supervisory Board

Gunnar Kilian, Andreas Renschler and Hiltrud Werner were appointed to the Supervisory Board of Porsche AG with immediate effect in May. The three members of the Board of Management of Volkswagen AG succeed Matthias Müller, Dr Karlheinz Blessing and Dr Francisco Javier Garcia Sanz, who have left the Board. Gunnar Kilian had been the member of the Board of Management of Volkswagen AG responsible for Human Resources and Organisation since April 2018. Andreas Renschler was appointed to the Board of Management of Volkswagen AG in February 2015, where he is responsible for Commercial Vehicles. Hiltrud Werner has been a member of the Board of Management of Volkswagen AG since February 2017 and is responsible for Integrity and Legal Affairs.



PETER SCHÄFER

New Managing Director at Porsche Engineering

The Weissach-based Porsche Engineering Group has expanded its management team: Peter Schäfer, previously Vice President Complete Vehicle Engineering/Quality Management at Porsche AG's Development Centre, took up a newly created position in June as an additional Managing Director at the wholly owned subsidiary.



CREATION OF THE FERRY PORSCHE FOUNDATION



HILTRUD WERNER



GUNNAR KILIAN



ANDREAS RENSCHLER



PORSCHE 911 SPEEDSTER CONCEPT

The 911 goes retro: 911 Speedster Concept

Porsche gave itself the ideal present to mark the 70th anniversary of its sports cars in June. This gift is a new model that embraces purity and emotion combined with historically accurate execution. We are talking about the 911 Speedster Concept, a model that replicates the essence of the Porsche brand. The car's main focus is on a pure driving experience. The drive technology under the two-tone shell of the concept study is derived from the current GT models. As a concept study, this model offers a glimpse of a potential long-term series-production version. In early 2019, a special edition of the 911 Speedster will enter a limited production run of 1,948 units.



TAYCAN ELECTRIC PORSCHE

First electric Porsche is called the Taycan

Porsche's first purely electric-powered car was officially named in June. The Mission E concept study, which now refers to Porsche's entire electrical mobility strategy, has produced the Taycan. The name can be roughly translated as "soul of a spirited young horse", in keeping with the leaping horse that has featured on the Porsche crest since 1952. This name, with its oriental linguistic origins, also signals the arrival of the first electric sports car with the soul of a Porsche.



JENS PUTTFARCKEN



ALEXANDER POLLICH



MARCUS ECKERMANN

Personnel change in sales

Jens Puttfarcken, previously Managing Director of Porsche Deutschland, took over at Porsche China and Porsche Hong Kong in July. His successor in the German sales organisation is Alexander Pollich, previously Managing Director of Porsche Cars Great Britain. Pollich has been succeeded in Great Britain by Marcus Eckermann, previously Managing Director of Porsche's sales organisation for Central and Eastern Europe.

Digital charging service for electric vehicles

Innovative charging service for plug-in and electric vehicles: with its Porsche Charging Service, Porsche launched a digital platform in June covering all charging-related services. The service searches for suitable charging stations and takes care of the invoicing via centrally stored payment details, in any country or currency. This eliminates the need to register with different providers. A free app and the Porsche navigation system direct customers to the selected charging station.

Porsche Consulting on the rise

With the opening of two more offices in June, the management consultancy Porsche Consulting is continuing to grow. Sites in Berlin and Belmont (Silicon Valley, USA) will now join the company's seven existing offices worldwide. An additional 100 experts in new technologies and innovation have also been hired. Porsche Consulting is among the top ten management consultancies in Germany and supports companies with the optimisation of their performance and innovative capacity.

With its Porsche Charging Service, Porsche launched a digital platform in June covering all charging-related services. The service searches for suitable charging stations and takes care of the invoicing via centrally stored payment details.

Double victory in Le Mans

Porsche made history once again in Le Mans in June, winning both GTE classes in the world's toughest long-distance rally, the Le Mans 24 Hours, now in its 86th year. In the pro category, which saw six manufacturers do battle, the Porsche 911 RSR with starting number 92 was the first car to cross the line after 344 laps. The driver trio of Kévin Estre, Laurens Vanthoor and Michael Christensen held the lead for almost the entire distance and controlled the race on the tradition-steeped course. The sister car (number 91) driven by Richard Lietz, Frédéric Makowiecki and Gianmaria Bruni came in second.



PORSCHE WINS PRO CATEGORY AT LE MANS

Investment in Rimac

Porsche acquired a ten per cent stake in the technology and electric sports car company Rimac Automobili in June. The Croatian company develops and produces electric vehicle components and manufactures its own electric super sports cars. As part of its electrification efforts, Porsche is seeking a development partnership with Rimac. The fast-growing Zagreb-based company employs around 400 staff. Rimac's main focus is on high-voltage battery technology, electric powertrains and the development of digital interfaces between man and machine.



GRAND SLAM WIN FOR ANGELIQUE KERBER

Angelique Kerber wins Wimbledon

Angelique Kerber was crowned Wimbledon champion in July after beating Serena Williams in the final of the most famous tennis tournament in the world. The Porsche brand ambassador now has three grand slam titles to her name, having already won the Australian Open and the US Open. Kerber first reached the Wimbledon final back in 2016, when she was beaten by Williams. This time, Kerber was able to overcome the American to win the most sought-after trophy in tennis. She is the first German player to win Wimbledon since Steffi Graf in 1996.

Investment in Miles start-up

Porsche Digital acquired a stake in the US start-up company Miles in July. The company – based in Silicon Valley, California, and founded in 2016 – is launching the first smartphone-based rewards programme for all forms of mobility. Miles has developed a digital platform that rewards users simply for travelling the way they travel every day, across various modes of transport. This enables users to collect points on all of their selected mobility solutions, rather than being restricted to one single form of transport. The additional use of artificial intelligence means that a customer's needs throughout a journey are better understood and anticipated. The platform can, for example, suggest suitable refuelling or recharging points, recommend where to stop for a break or propose transport connections.

New Macan celebrates world première

Porsche launched its new Macan in Shanghai in July. The Macan has been given a full makeover, with a revamp of the design, comfort, connectivity and driving dynamics. The compact SUV remains the sporty flagship of its segment. In keeping with Porsche's design DNA, the new Macan features a three-dimensional LED light panel on the rear of the vehicle. The most striking innovations inside are the new fully interconnected Porsche Communication Management (PCM) module with 11-inch touchscreen, the new-look air vents and also the GT sports steering wheel, famously associated with the 911. The PCM provides access to new digital functions such as intelligent voice control and online navigation, the latter coming as standard. The new-generation Macan is being built in Leipzig. With this decision, Porsche is laying the foundation for continued growth and the production of future models, with investment worth several hundred million euros earmarked for the Leipzig site over the coming years.



HOLGER PETERS

Changing of the guard at Porsche Financial Services

Holger Peters took over as Chief Executive Officer (CEO) of Porsche Financial Services GmbH with effect from 1 August. He succeeds Albert Moser who led and built up the company for 26 years. Prior to his appointment to the Porsche subsidiary's Management Board in September 2017, Peters was responsible for the Controlling department of Porsche AG for eight years. He previously held various management positions both domestically and abroad within the Porsche Group. Albert Moser is thus entering well-earned retirement.



MACAN

The Macan has been given a full makeover, with a revamp of the design, comfort, connectivity and driving dynamics. The compact SUV remains the sporty flagship of its segment. In keeping with Porsche's design DNA, the new Macan features a three-dimensional LED light panel on the rear of the vehicle.



PORSCHE CAYMAN GT4 CLUBSPORT

Rally car concept study

A very special course car, the Porsche Cayman GT4 Clubsport, ran ahead of the starter field at the ADAC Rallye Deutschland in August. For Porsche, the entry of a concept study for the FIA R-GT category based on the near-production GT circuit race car is a critical test under real conditions. Whether this turns into a rally project for customers with a similar vehicle in the medium term will be decided at a later stage.

The Porsche Cayman GT4 Clubsport at the ADAC Rallye Deutschland. For Porsche, the entry of a concept study for the FIA R-GT category based on the series-production GT circuit race car was a critical test under real conditions.

Production launch of new Macan

Series production of the new Macan was launched at the Leipzig site in August, with the first customer vehicle successfully making its way through the body shop, the paint shop and along the assembly line. Parts of the factory have been adapted specifically for production of the Macan. The vehicle shown, in the exterior colour Mamba Green Metallic, is destined for a Chinese customer.



MATHIAS BUSSE

Personnel change at Porsche Taiwan

Mathias Busse, previously Chairman of the Managing Board for the Porsche Centres in Hamburg, became the new CEO of Porsche Taiwan on 1 September 2018. He was previously Managing Director of the Porsche Centre Hamburg Nord-West and Manager of New and Used Cars Sales at the Porsche Centre Berlin.



PRODUCTION LAUNCH OF NEW MACAN

Car body parts joint venture

A joint venture between Porsche and Schuler AG was given the go-ahead in September. The purpose of the joint venture with this world-leading manufacturer of automation and press systems is to build a Smart Press Shop. The idea is that the new, highly flexible press shop will produce complex body parts using pioneering technologies. The focus will be on aluminium outer skin panels, as well as the production of smaller batch sizes. Through this collaboration, Porsche is continuing to chart the course of its sports car production of the future.

New peer-to-peer car sharing programme

The flexibility to drive a Porsche whenever you want, but without actually purchasing or leasing the vehicle: the "Porsche Host" pilot programme makes this possible. As of October, the Porsche driving experience has been opened up to short-term users, with the possibility of hiring a car for a period of between one day and one month. The vehicles on offer belong to Porsche customers who have been specially trained in how to provide the premium experience synonymous with Porsche. This peer-to-peer sharing programme has been developed by Porsche Digital together with its partner Turo.

Six-hour charity run

Nearly 3,500 Porsche employees took part in the run around the site in Zuffenhausen in September, running laps of exactly 911 metres. For each lap completed, the Ferry Porsche Foundation made a five-euro donation to social projects in the Stuttgart region. After notching up an impressive 26,415 laps, the total amount raised was 195,000 euros, having been generously rounded up by the foundation. The money will go to the Olgäle foundation, the children's and young people's hospice in Stuttgart, the Gustav Werner School in Zuffenhausen, the Lebenshilfe disabled charity in Stuttgart, the Neuwirtshausschule in Zuffenhausen and the association "Frühstück für Kinder" (Breakfast for Children).



SIX-HOUR RUN



HEAD-UP DISPLAY TECHNOLOGY

Investment in start-up company WayRay

Porsche bought into WayRay in September as a strategic lead investor. This technology start-up from Zurich develops and produces holographic augmented reality head-up display technologies, which seamlessly integrate virtual objects into the driving experience. The collaboration between WayRay and Porsche forms part of the "Startup Autobahn" innovation platform and will now be strategically developed to actively drive forward the future-oriented technology and its potential areas of use in the automotive industry.

Porsche bought into WayRay in September as a strategic lead investor. This technology start-up from Zurich develops and produces holographic augmented reality head-up display technologies.

A diesel-free future

At the end of September, Porsche decided to drop diesel models altogether. Diesel vehicles have traditionally played a subordinate role at Porsche, accounting for only twelve per cent of sales in 2017 and with demand waning. At the same time, interest in hybrid technology is soaring. Since February 2018 Porsche has no longer included any diesel models in its portfolio.

Greater investment in start-ups

Opening the door to new technologies: in September, Porsche increased its total investment in venture capital activities by 150 million euros for the next five years. The objective of "Porsche Ventures" is to gain access to trends, new technologies and business models. The targeted investment activities build in part on the company's existing start-up investment activities.

80 years at Zuffenhausen

The heart of Porsche beats in Zuffenhausen, as it has done for 80 years. And in September it was time to celebrate this anniversary. It was in 1938 that Ferdinand Porsche moved his design office into the striking brick building that is now Plant 1. Legendary Porsche sports cars have been built at the site since 1950, including the 356, 911, 959 and 918 Spyder. From 2019, the Taycan will also roll off production lines at Porsche's main plant. All of this means Porsche creating more than 1,200 jobs, and investment of 700 million euros in Zuffenhausen.



BRICK BUILDING, THE CURRENT-DAY PLANT 1

The return of the Porsche 935

At the Rennsport Reunion in California in September, Porsche presented the new 935. More than 80,000 Porsche enthusiasts attended this historic motorsport gathering at the Laguna Seca Raceway, which provided the perfect backdrop for the unveiling of the 935. The racing car pays tribute to the legendary Porsche 935/78, which fans dubbed "Moby Dick" on account of its elongated shape, massive fairings and white base colour. Like its historic predecessor, most of the body has been replaced or supplemented by carbon-fibre composite parts (CFRP). The spectacular aerodynamics are a completely new development. The technology behind this racing car is based on the 911 GT2 RS. There will be a limited production run of 77 units.



PORSCHE 935

Exclusive: 911 Targa 4 GTS

Porsche Exclusive has further refined the vehicle's distinct style and developed the new 911 Targa 4 GTS Exclusive Design Edition, which was unveiled in October. The Targa takes its inspiration from the North Sea island of Sylt. This limited edition showcases elegant design elements and exclusive features. The all-wheel drive 911 Targa 4 GTS is the sportiest and most emotional model in the Targa model line.



911 TARGA 4 GTS

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PORSCHE SOUND NIGHT 2018

The roar of engines at the Porsche Arena
 Nearly 4,000 fans gathered to attend the Porsche Sound Night in October and listen to the engines in concert, most of them in full voice. The ten-plus legendary racing and sports cars – among them the 356 “No. 1” Roadster, the 917 and the Porsche 935/78 – were driven by driving royalty from the past and current day. The event was held in the Porsche Arena for the first time, marking “70 years of Porsche sports cars”.

Two new GTS models

Porsche added two extra-sporty models to its Panamera range in October: the Panamera GTS and Panamera GTS Sport Turismo, creating a unique performance package. This combines the power of the four-litre V8 biturbo engine (338 kW/460 hp) with an impressively dynamic chassis with three-chamber air suspension, not to mention specific design elements and features. Porsche has also expanded its portfolio of comfort and assistance systems to include a head-up display with various configuration options for the entire Panamera range.



PANAMERA GTS AND PANAMERA GTS SPORT TURISMO

Foundation stone laid at Hockenheimring

Driving in its purest form: work began in October on the world’s seventh Porsche Experience Centre. At the heart of the historic Hockenheimring racing circuit, a state-of-the-art complex comprising racing tracks and buildings is being built on a site that covers 160,000 square metres, with completion scheduled for late 2019. The main features will include a handling course, several driving dynamics areas and a large off-road course area covering 5,200 square metres with 16 challenging modules.



EXPERIENCE CENTRE

New boss for Central and Eastern Europe

With effect from October, Michael Müller will take over as Managing Director of the Porsche Central and Eastern Europe subsidiary, which is based in the Czech capital, Prague. He has held various executive positions and was previously Executive Director Porsche and VW at Volkswagen Group Saudi Arabia. More recently, he has been responsible for Porsche’s Western Europe sales region.



MICHAEL MÜLLER

New lap record at the Nürburgring

Porsche set another new record on the Nürburgring-Nordschleife in cooperation with Manthey-Racing in October. With Porsche test driver Lars Kern behind the wheel, the 515 kW (700 hp) Porsche GT2 RS MR completed a lap of the 20.6-kilometre long circuit in 6:40.3. No other road-legal vehicle has ever been so fast. Porsche engineers and Manthey-Racing experts had ensured that the sports car was specifically set up for the Nordschleife loop.



GT2 RS MR LAP RECORD

With Porsche test driver Lars Kern behind the wheel, the 515 kW (700 hp) Porsche GT2 RS MR completed a lap of the 20.6-kilometre long circuit in 6:40.3.

Porsche and Hugo Boss cement partnership

The entire Porsche Motorsport team worldwide will be wearing Hugo Boss, as agreed by Porsche and the Metzingen-based fashion house in November. Based on a multi-year cooperation agreement, and in its capacity as official clothing partner, Hugo Boss will equip both the racing teams and the workshop personnel with clothing, including the future Porsche Formula E team.

30 years of Porsche Financial Services

Porsche Leasing GmbH was founded on November 9, 1988. Now known as Porsche Financial Services, the company is one of the most successful entities within Porsche. Today, the financial service provider operates on 17 markets across the world and employs around 300 staff. More than 200,000 customers take advantage of the attractive leasing and financing services, as a result of which this Porsche subsidiary manages and refinances in excess of 6.5 billion euros.

Porsche Consulting now in Silicon Valley
 New mobility, high-performance enterprise and business transformation are the main themes occupying the minds of Porsche Consulting employees at their new base in Belmont (Silicon Valley). The office, which opened in November, is located next to Volkswagen's Electronics Research Laboratory and in close proximity to leading innovators in the IT and high-tech sectors. The aim is to provide clients from across the world with direct access to key innovation networks. Belmont is the ninth site to be opened by Porsche's consulting subsidiary since it was first established in 1994.



WORLD PREMIÈRE OF THE NEW 911

Eighth generation of an icon: the new 911

The new 911 celebrated its world première on the eve of the L.A. Auto Show in November. It continues to set the standard when it comes to exclusive sportiness. Unmistakably committed to the Porsche design DNA, the new generation has a much more muscular look. With a completely new interior featuring a 10.9-inch touchscreen monitor, the new 911 is both timeless and contemporary. The next generation of flat-six turbocharged engines has been further developed for the typical sporty performance, with 331 kW (450 hp) in the S models. The drive efficiency has been increased by an improved injection process and a new layout for the turbochargers and charge air cooling system. Power is delivered by a newly developed eight-speed dual-clutch transmission. Additional highlights are the new assistance systems: these include Porsche Wet Mode to make driving on wet roads even safer, and Night Vision Assist with thermal imaging camera, as well as comprehensive connectivity – which now also uses swarm intelligence.

New digital tour guide: Porsche Road Trip

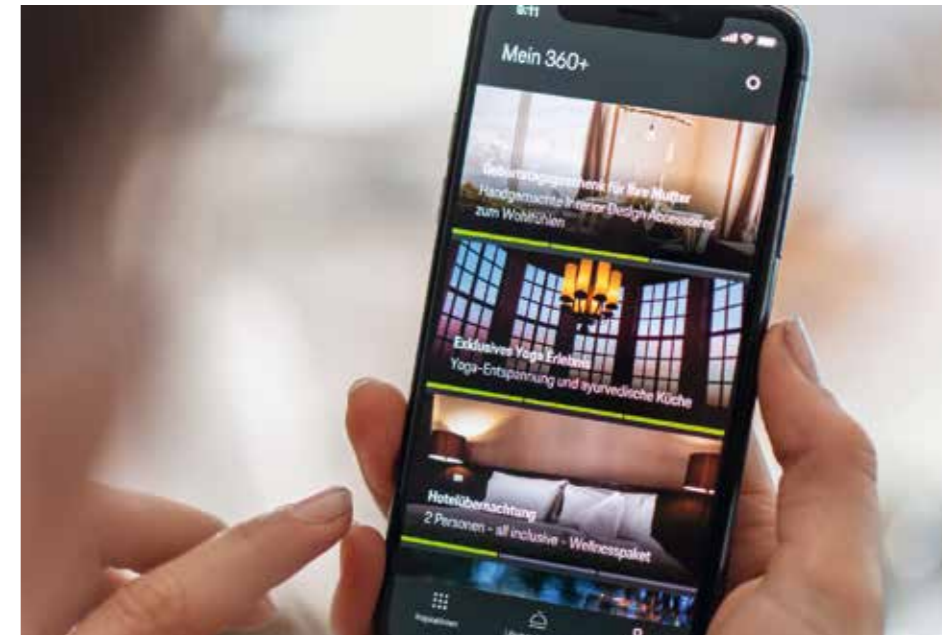
The Porsche Road Trip app unveiled alongside the new 911 helps driving enthusiasts to plan, organise and navigate special trips. The curated routes feature recommendations for selected restaurants and hotels, which can also be booked directly via the app. Porsche Road Trip can also suggest places to stop en route, at points of interest or viewpoints along the way.



PORSCHE ROAD TRIP APP

With its completely new interior featuring a 10.9-inch touchscreen monitor, the new 911 is both timeless and contemporary. The latest generation of flat-six turbocharged engines guarantees the sporty performance for which Porsche is renowned. With 331 kW (450 hp) in the S models, they are more powerful than ever.

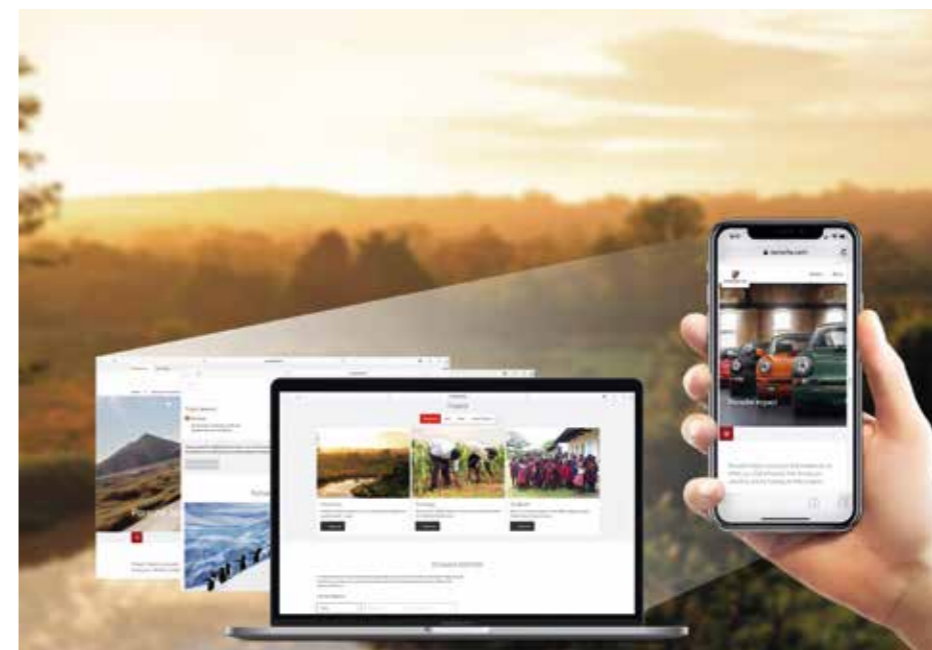
The new lifestyle assistant: Porsche 360+
 Since November, Porsche has been offering a very special service, namely a personal lifestyle assistant available 24/7 in the form of its Porsche 360+ app. The aim of the app is to make everyday life easier, and to provide access to exclusive experiences. The Porsche 360+ app bundles all relevant information in a dashboard format. This makes it possible to track and control requests and to access the suggestions offered by the lifestyle assistant. Users can also use the app to contact their personal assistant via messaging, email or phone. This offer is currently limited to an exclusive group of 911 customers.



PORSCHE 360+ APP

Offsetting carbon emissions with Porsche Impact

Porsche Impact enables drivers to offset their personal CO₂ footprint. Based on mileage, model, and vehicle characteristics, the tool calculates the amount that the Porsche customers should invest in a climate project to offset their emissions. The Porsche driver can then choose which internationally certified projects to support. The available schemes are distributed across the world and are focused on hydropower, wind energy and solar energy, as well as the protection of forests. Porsche Impact was launched in November with the world première of the new 911 and is currently available to customers in Germany, the UK and Poland as part of a pilot project.



PORSCHE IMPACT

Based on mileage, model, and vehicle characteristics, the tool calculates the amount that the Porsche customers should invest in a climate project to offset their emissions.

The new 911 GT2 RS Clubsport

As well as the 911, the 911 GT2 RS Clubsport was also unveiled in Los Angeles in November. The 515 kW (700 hp) racing version of the road-legal 911 GT2 RS sports car is limited to 200 units and can be driven at clubsport events as well as selected motorsport meets. Like the high-performance sports car, the 911 GT2 RS also has a state-of-the-art 3.8-litre flat-six twin-turbo motor. Thanks to a map switch on the centre console, these assistance systems can be adjusted separately or switched off completely, depending on the driving situation.



911 GT2 RS CLUBSPORT

Since its foundation 18 years ago, the Porsche factory in Leipzig has been one of the most modern and sustainable automobile factories in the world. In the years since 2015, for example, energy efficiency measures have saved a total of 9.3 gigawatt hours of electricity.

Commitment to greater sustainability

Porsche joined the Saxony Environmental Alliance in December. The members of the Alliance engage in voluntary environmental actions that are visible and set an example for others to follow. Since its foundation 18 years ago, the Porsche factory in Leipzig has been one of the most modern and sustainable automobile factories in the world. In the years since 2015, for example, energy efficiency measures have saved a total of 9.3 gigawatt hours of electricity. This corresponds to the average annual consumption of approximately 1,900 four-person households.

New Macan S with V6 turbo engine

In December, Porsche expanded its range of compact SUVs with the addition of the powerful Macan S. The latest model features a new three-litre V6 turbocharged petrol engine with a gasoline particulate filter. It delivers 260 kW (354 hp) and has a maximum torque of 480 Nm, representing an increase of 10 kW (14 hp) and 20 Nm compared with the previous model. With the optional Sport Chrono Package, the new Macan S accelerates from zero to 100 km/h in just 5.1 seconds, an improvement of 0.1 of a second. The car's top speed is 254 km/h. The Macan S enjoys all the product innovations of the latest-generation Macan model range including a three-dimensional rear LED light panel, and the new fully connected Porsche Communication Management (PCM) system, which features a 10.9-inch interior touchscreen.



MACAN S

Ultra-high-power charging

It could soon be as quick to charge an electric vehicle as it is to fill up a vehicle with fuel today. This, at least, is the interim result from the "FastCharge" research project, in which Porsche is involved. A prototype for a charging station with an output of up to 450 kW located between Ulm and Augsburg was presented in December. A Porsche research vehicle with a net battery capacity of approximately 90 kWh achieved a charging capacity of over 400 kW, which equates to a charging time of less than three minutes for the first 100 km range. The new charging station is suitable for electric models of all brands with the European standard Type 2 variant of the widely used Combined Charging System (CCS), and is now available for use free of charge.

Puristic design, maximum driving pleasure

With the 718 T, Porsche transferred the puristic design of the 911 T launched back in 1968 to its line of two-seater sports cars in December. The new model in the Boxster and Cayman ranges combines the 220 kW (300 hp) turbo four-cylinder boxer engine with a particularly emotional Porsche driving experience. The high-performance character of the T models is emphasised by an extensive equipment package, which includes 20-inch alloy wheels, the PASM sports chassis lowered by 20 millimetres – which is being offered in combination with the 2.0-litre turbocharged engine for the first time in this line – the shortened gearshift, on which the gears are emblazoned in red, and the Sport Chrono Package. These features can only be enjoyed in combination with the basic engine in the 718 T.



718 T

The new model in the Boxster and Cayman ranges combines the 220 kW (300 hp) turbo four-cylinder boxer engine with a particularly emotional Porsche driving experience.



PORSCHE DESIGN TOWER

New construction project in Stuttgart

Together with Bülow AG as an investor, and its subsidiary, Porsche Design, the sports car manufacturer is planning to make its mark directly at the Pragsattel, an important traffic hub in the north of Stuttgart. Standing some 90 metres tall, the Porsche Design Tower will be one of the tallest office and residential buildings in Stuttgart and will enrich the cityscape with its timeless architecture. The Porsche Centre with a showroom, gallery and workshop will occupy an area of 9,100 square metres. The Porsche branch in Stuttgart, which is currently located opposite the museum at Porscheplatz in Zuffenhausen, will move into its new home in late 2021.

BUSINESS PERFORMANCE

Dynamic global economy

The global economy continued to record robust growth during the year under review, albeit at a slightly reduced pace. Global gross domestic product (GDP) increased by 3.2 per cent in 2018 (2017: +3.3 per cent). Economic momentum in the advanced economies of the world and in the emerging markets was on a par with the previous year. With interest rates remaining comparatively low and higher commodity prices overall compared with 2017, consumer prices also continued to rise across the world. Increasing trade distortions at an international level and geopolitical tensions generated much higher levels of uncertainty.

In Western Europe, the solid growth in GDP lost some momentum over the course of the year, with an increase for the year as a whole of 1.8 per cent (2017: +2.3 per cent). The ongoing Brexit negotiations also created a mood of uncertainty as the future shape of the relationship between the UK and the European Union remained unclear. Unemployment within the eurozone continued to fall, averaging 8.1 per cent (2017: 9.0 per cent). GDP growth in Germany remained robust in 2018, supported by the good situation on the labour market. It was, however, less dynamic than in 2017, at 1.5 per cent (2017: +2.5 per cent). The mood in the corporate sector, along with consumer confidence, deteriorated over the course of the year.

Growth in the US economy rose to 2.9 per cent (2017: +2.2 per cent), buoyed primarily by domestic consumer demand. The stable situation on the labour market and inflation forecasts prompted the Federal Reserve to raise key interest rates in a series of hikes. The US dollar gained in strength against the euro during 2018. Meanwhile, the Brazilian economy recorded slight growth again, expanding by 1.4 per cent (2017: +1.1 per cent). However, the situation in South America's largest economy remained tense not least due to political uncertainty.

The Chinese economy grew by 6.6 per cent in 2018, and therefore not quite as strongly as in the previous year (+6.9 per cent). China's trade dispute with the USA resulted in the Chinese government expanding its programme of state support measures. India's economy continued its positive trend, with GDP up 7.2 per cent (2017: +6.7 per cent).

Car market

For the first time following eight consecutive years of growth, the global automobile market experienced a dip in sales in 2018. Globally, 82.8 million units were sold during the reporting year, 1.2 per cent down on 2017 levels. The fall in sales can be attributed in particular to weaker development in the Asia-Pacific region and in Western Europe in the fourth quarter.

With 14.2 million new vehicle registrations, sales on the Western European market were down 0.7 per cent on the high level recorded in 2017. The healthy state of the economic environment as a whole, positive consumer sentiment and low interest rates combined to generate a slight increase during the first half of 2018. The introduction of the Worldwide Harmonized Light-Duty Vehicles Test Procedure (WLTP) on 1 September 2018 resulted in lower sales, and significant falls in some cases, by the end of December.

New registration figures varied from one major market to another. Sales in Germany, at 3.4 million units, almost matched the previous year's high level (minus 0.2 per cent). Contributory factors included the good overall economic situation in Germany, as well as price discounts in the form of switching and scrap bonuses for older diesel models and an environmental bonus for electric vehicles (both entirely electric and plug-in hybrid models). The switch to the WLTP and resulting impact on the availability of some models subsequently hit the pace of growth.

Spain (+7.0 per cent) and France (+3.0 per cent) continued to post above-average increases, as both countries benefited from the healthy state of their economies. In Italy, meanwhile, falling demand from both private and commercial customers impacted on market development (minus 3.1 per cent). On the UK car market, the negative trend of the previous year was maintained (minus 6.8 per cent), in part due to the uncertainty of Brexit. The proportion of diesel vehicles (cars) in Western Europe fell during the year under review, reaching 36.4 per cent compared with 44.4 per cent in 2017.

Sales of passenger cars and light commercial vehicles (up to 6.35 tonnes) were, at 20.7 million vehicles, slightly lower (down 0.6 per cent) than the high level previously recorded in the North America region in the 2018 financial year. Demand on the US-American market amounted to 17.3 million units, which is the same level as 2017 (up 0.2 per cent). The good employment situation and the increase in purchasing power among consumers largely

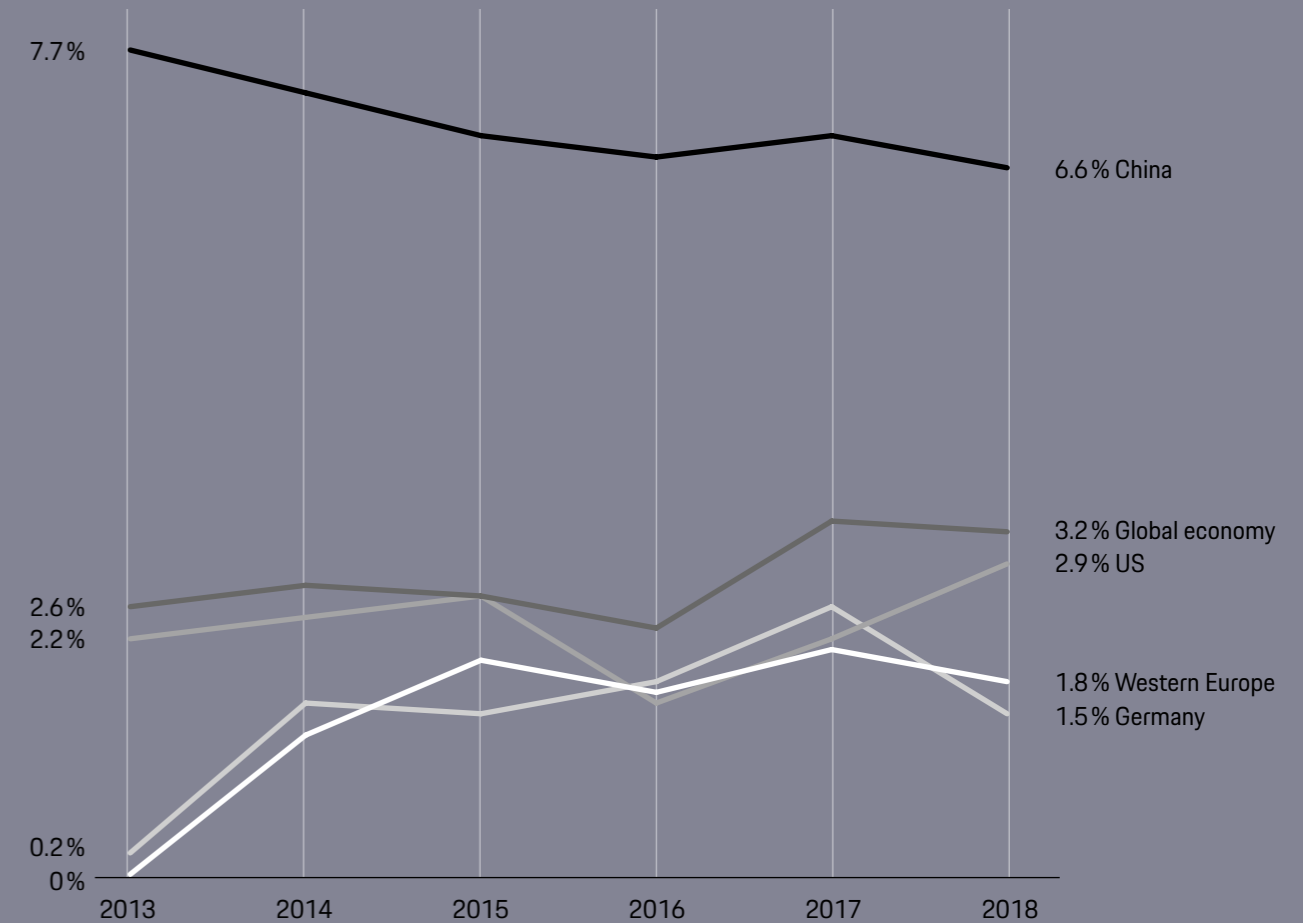
compensated for the increase in financing costs due to higher interest rates. The shift in demand from classic passenger cars (down 13.1 per cent) to light commercial vehicles, such as SUVs and pick-up trucks (up 8.0 per cent), was once again evident in 2018.

The recovery on the South American markets continued in the reporting year – having started at a low level – with a 6.2 per cent increase in demand for passenger cars and light commercial vehicles, thereby reaching 4.5 million units. The major growth driver was the Brazilian automotive market, which stepped up the high growth rates recorded the year before by exhibiting a 13.8 per cent increase.

Following many years of uninterrupted expansion, the market volume in the Asia-Pacific region declined by 2.3 per cent to 36.1 million units in the 2018 financial year. The main reason for this was the weakness of the Chinese passenger car market (down 4.6 per cent). The trade conflict between China and the USA was one factor that had a negative impact on business and consumer confidence in the reporting year, and in the second half of the year in particular, this resulted in a significant decrease in demand. The Indian market, in contrast, was able to continue its growth trajectory, with an increase in passenger car sales of 4.8 per cent.

Economic growth

Percentage change in GDP



2018: New record set for deliveries

Despite major challenges such as the switch to the new WLTP testing cycle and the petrol engine particle filter, as well as the move away from diesel in Europe, and despite the rise in volatility globally, 2018 was a very successful year for Porsche. The company's attractive product range and consistent customer focus were key factors in the renewed rise in global deliveries.

Porsche delivered 256,255 new vehicles to customers in 2018, more than in any previous financial year, and an increase of four per cent on the previous record set in 2017. In terms of models, the Panamera recorded the biggest percentage increase, with sales up by 38 per cent to 38,443 units. The 911 also performed well, recording a double-digit increase on the back of its continued appeal. Despite the generation change, the number of 911 models delivered worldwide was up ten per cent to 35,573 units.

As in the previous year, the Macan and Cayenne SUVs were once again Porsche's most successful products in 2018, despite the Macan model change. This success underscores the sports car manufacturer's strong positioning in this segment too. Worldwide sales of the Macan totalled 86,031 vehicles, consolidating the SUV's position as the number-one Porsche model. Sales of the Cayenne totalled 71,458, marking a twelve per cent increase compared with 2017.

The proportion of hybrid models also increased further during the reporting year. The sporty E-Hybrid Panamera models proved particularly popular among our European customers, accounting for 67 per cent of all Panamera deliveries in Europe. At a global level, the Panamera E-Hybrid now accounts for 27 per cent of all Panamera sales, a rise of ten percentage points.

For the third year in succession, China maintained its position as the strongest individual market for Porsche in terms of volume. Year-on-year growth in China was twelve per cent, with sales rising to 80,108 units.

North America

USA: Nine consecutive years of growth

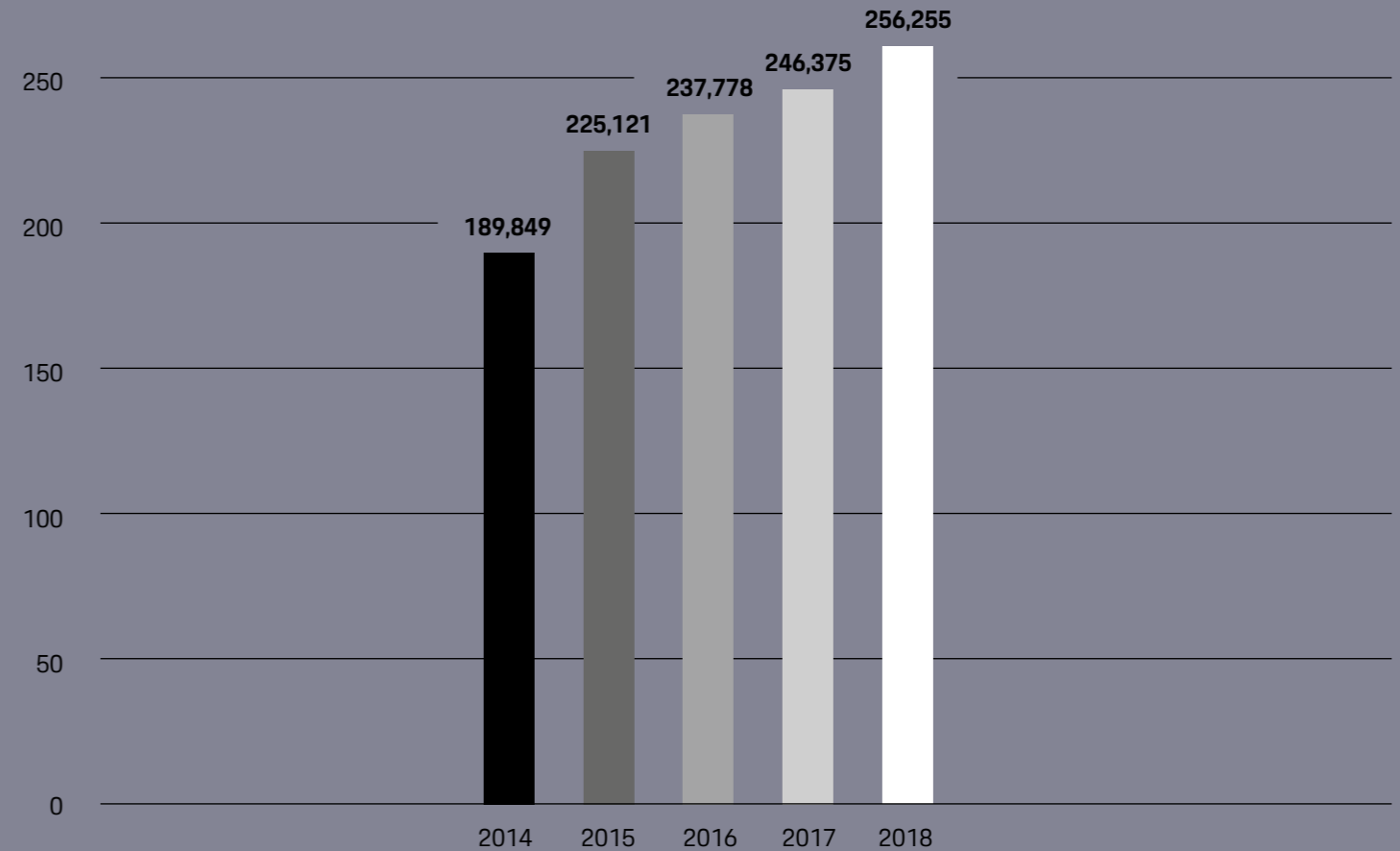
Porsche delivered 57,202 vehicles to customers in the United States in the reporting year – a year-on-year increase of three per cent. This is the ninth year in succession that Porsche has beaten its previous year's record. The Macan once again claimed the top spot among Porsche's models on the US market, with 23,504 models sold, ten per cent more than in 2017. Sales of the Panamera also grew again. Two years on from its market launch, 8,042 units of the new model generation were sold during 2018. Supported by strong demand for GT models, the 911 Carrera recorded growth of around eight per cent in the USA, with 9,647 units sold. This makes the USA the world's strongest market for the 911. Demand for the Cayenne S and Cayenne Turbo, offered for the first time on the US market towards the end of the year, proved particularly strong. A total of 10,733 Cayennes were delivered to customers in 2018. Alongside new vehicles, sales of pre-owned cars also reached an all-time high. With 23,046 units delivered and an increase of 21 per cent, pre-owned vehicles were also a popular choice among US customers.

Canada: Renewed substantial increase

Porsche recorded another marked increase in its sales in Canada in 2018. The high level of professionalism on offer from Porsche Centres and Canadian customers' enthusiasm for the brand contributed to a new sales record on what is the sports car manufacturer's sixth largest market. The highest-selling model was the Macan, with 3,960 units sold, followed by the Cayenne, at 2,107 units. With a year-on-year increase of 40 per cent, demand for the Panamera grew the most strongly, with 783 units sold in Canada during the reporting year. Meanwhile, the 718 Boxster and 718 Cayman also enjoyed greater popularity in Canada, with sales totalling 656 units and thus rising by eight per cent compared with 2017. In total, Porsche sold 8,904 new vehicles on the Canadian market in 2018. This represents a year-on-year increase of eight per cent. The number of pre-owned models, sold after being checked by Porsche, rose by almost 20 per cent, with 2,559 pre-owned cars finding their way to Canadian customers.

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Deliveries of new vehicles



Deliveries in 2018		Year-on-year comparison ↑ +4%
Europe	77,216	
America	70,461	
Asia-Pacific, Africa and Middle East	108,578	

South America: Stability in a volatile region

Porsche was able to maintain its sales at a stable level in Central and South America (excluding Brazil) despite the volatile environment. Sales in this region totalled 2,911 vehicles in 2018. The highest growth was recorded by the Panamera, with an increase of 36 per cent to 262 vehicles. The Cayenne was Porsche's most successful model, up by 25 per cent to 1,150 units. Sales of the 911 also grew, with 528 vehicles sold, four per cent more than in the previous year in Central and South America. The Regional Office based in Miami looks after 22 markets in total and 45 points of sale. Mexico again accounted for the largest proportion of sales, with 1,486 units sold. This market thus made a key contribution to stable sales figures for Latin America.

Brazil: Growth nudging 30 per cent

The Porsche subsidiary established in Brazil in 2015 recorded particularly strong growth in 2018. Deliveries on the South American market grew by 28 per cent on a year-on-year basis, to 1,444 units. The Panamera recorded a disproportionately high level of growth, with 185 vehicles being delivered, an increase of 157 per cent compared with 2017. Other models also performed well. Sales of the 718 series totalled 275 vehicles, 80 per cent higher than the number of Porsche cars delivered in Brazil during the previous year. Demand for the Cayenne was up 18 per cent to 347 units. The 911 Carrera also fared well with Brazilian customers, with sales of 211 units. This equates to an increase of seven per cent. With a view to further strengthening the Porsche brand in Brazil, the company opened its tenth Porsche Centre in 2018.

Europe

Europe region: Slight decline, Cayenne strong

The transition to the new WLTP cycle was one of the biggest challenges for the Europe region in 2018. An additional factor was the end of diesel sales from February 2018 onwards. There was a corresponding drop in the number of new vehicle sales compared with the previous year, down by four per cent to 50,450 (excluding Germany). The Cayenne performed very strongly, with Europe-wide sales in 2018 of 13,016, an increase of 34 per cent. The Macan continued to be the brand's best seller in Europe, with 15,632 units sold. Sales in the 911 sports car were up by eleven per cent to 9,090 vehicles. The mid-engine 718 Boxster and 718 Cayman accounted for 5,395 units. Porsche's plug-in hybrid vehicles again proved very popular. In the case of the Panamera, hybrids accounted for 67 per cent of sales in Europe. Accounting for a share of 42 per cent, the Sport Turismo was another popular choice among European Panamera drivers.

Germany: Holding our own on our home market

Porsche faced numerous challenges in Germany during 2018, particularly during the second half of the financial year. These included the move to the new WLTP cycle and the petrol engine particle filter, as well as the end of diesel sales. Nevertheless, the Stuttgart-based sports car manufacturer was able to hold its own on its home market, delivering 27,541 new vehicles. This equates to a slight year-on-year dip of three per cent. Given the change of generation, the sustained high level of demand for the 911 Carrera was particularly significant in 2018. With double-digit growth of 23 per cent and sales of 9,309 units, this iconic sports car performed exceptionally strongly in what tended to be a weak lifecycle year in Germany, and was the most popular Porsche model there. In second place was the Macan, with 6,430 cars sold. Cayenne sales grew slightly, up three per cent to 5,133 delivered vehicles.

UK: Strong growth in 911 sales

Porsche enjoyed stable demand in the UK during 2018. However, the move to WLTP and the petrol engine particle filter also affected the availability of certain models on the British market. The company also stopped selling diesel vehicles during the reporting year, with a corresponding drop in sales. Overall, Porsche sold 12,521 vehicles to customers in the UK during 2018. The 911 Carrera was the model with the strongest growth. Sales totalled 2,403 units, seven per cent more than in 2017. The most successful car remained the Macan, with 4,239 units sold, while the

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718 models continued to be popular, with deliveries totalling 2,642. This highlights the extent of the British love affair with mid-engine sports cars. There were 2,227 Cayennes sold in the UK during 2018.

France: Panamera hybrid enjoys success

Sales in France were down 16 per cent in 2018 due to the challenges faced right across Europe. Porsche France delivered 4,908 vehicles to its customers. Despite declining numbers, the Macan remained the most popular Porsche model, accounting for 1,508 units. The Cayenne was in third place with 1,009 units sold, an increase of eleven per cent on 2017. The 911 also recorded a slight increase, with 1,122 units sold. Porsche actually recorded double-digit growth in Panamera sales: French customers took delivery of 802 vehicles, 14 per cent more than in 2017. The proportion of E-Hybrid Panamera models is gratifyingly high, with 81 per cent of French Panamera drivers opting for the plug-in hybrid model.

Italy: Macan remains the number-one choice

The already mentioned factors specific to Europe in 2018 also resulted in falling sales in Italy, with a dip of five per cent to 5,230 units. Bucking this trend was the Cayenne, which continued to grow in popularity. Deliveries totalled 1,047 units, a 23 per cent increase on the previous year. Porsche also experienced good demand for its 911 Carrera, delivering 977 vehicles to Italian customers. This equates to an increase of four per cent. Italy's most popular model remains the Macan, with 2,082 units sold. The Panamera was purchased by 579 Italian customers during the year under review, a rise of five per cent compared with 2017. The hybrid models and Sport Turismo fared particularly well, with 67 per cent of Panamera customers opting for an E-Hybrid, and the Sport Turismo accounting for a good half of sales.

Spain/Portugal: Cayenne growing in popularity

Despite slight growth, the economies of Spain and Portugal have not yet made a full recovery, and government debt remained high in both countries in 2018. Overall, 2,965 Porsche vehicles were delivered on the Iberian market, down three per cent on the previous year. The most successful model was the Macan, with 1,203 units. Demand for the Cayenne developed very positively, and it was the second-favourite model on both markets. Porsche sold 644 Cayennes in Spain and Portugal in 2018, 20 per cent more than in 2017. Customers also took delivery of 574 Panameras, while sales of the 911 Carrera totalled 334. A further 210 customers purchased 718 models.

Switzerland: GT and Turbo 911s enjoy success

In Switzerland, Porsche delivered 3,350 new vehicles to customers, which was slightly down from the previous year. As in 2017, the most popular model remained the Macan, accounting for 1,068 units. There were 962 of the iconic 911 sports car sold in Switzerland during the reporting year, an increase of ten per cent on 2017. The GT and Turbo models were particularly sought-after, making up 52 per cent of deliveries. Cayenne sales totalled 675 vehicles, 37 per cent more than in 2017. Sales of the Panamera totalled 459, 59 per cent of which were the plug-in hybrid model. The 718 Boxster and Cayman mid-engine sports cars accounted for 186 sales to Swiss customers, most of whom opted for one of the GTS models.

Austria: Panamera E-Hybrid performs well

Porsche once again grew its sales on the Austrian market, with a rise of seven per cent to 1,399 vehicles. The most popular car was the 911 Carrera, with sales of 473 units, a year-on-year increase of 58 per cent. Demand for the Cayenne also grew strongly, with sales to Austrian customers totalling 294. Panamera sales totalled 288 vehicles, up 22 per cent on 2017 levels. Accounting for 90 per cent of deliveries, the E-Hybrid was more popular in Austrian than in any other individual European market.

Central and Eastern Europe:

One per cent growth

In Central and Eastern Europe, a heterogeneous market affected by political tension, Porsche recorded sales of 6,259 vehicles during the reporting year, a rise of one per cent compared with 2017. The 911 and Cayenne accounted for the slight growth. The Cayenne was the number-one choice in the region, with 2,145 units sold. This is an increase of 34 per cent compared with the year before. The 911 Carrera recorded growth of 25 per cent, with 708

customers purchasing this model. The growth in mid-engine sports cars sales in Central and Eastern Europe also reached double figures, with 405 sales of the 718 Boxster and 718 Cayman, a 16 per cent rise compared with 2017. With 1,919 deliveries, the Macan was the second most popular choice among customers in this region.

Russia: Cayenne and 911 record double-digit growth

In Russia, Porsche recorded double-digit growth and a very successful 2018 for the 911 and Cayenne. The company delivered 5,118 vehicles to Russian customers, twelve per cent more than in 2017. The Cayenne and 911 proved particularly popular, with deliveries of the SUV model up 67 per cent to 2,848 units. The Cayenne was Porsche's best-selling brand on the Russian market in 2018. In terms of the 911, 204 models were sold, five per cent more than in 2017. The Macan also remained a popular choice, occupying second place in the deliveries rankings with 1,451 units. Meanwhile, 506 Porsche customers opted for a Panamera, while 109 customers purchased a 718 model.

Northern Europe: Market continues to grow

The positive development of earlier years continued in Scandinavia and the Benelux countries. Deliveries grew by an average of three per cent to total 8,700 vehicles in 2018. The Cayenne was a strong driver of growth, accounting for 2,127 cars, an increase of 63 per cent. This made it Porsche's top seller in this region for 2018. Significant gains were also made in terms of the 911, with 25 per cent growth to 1,907 units. Sales of the Macan totalled 1,947 vehicles, while there was a one per cent increase in Panamera deliveries, with 2,017 units sold. E-Hybrid vehicles accounted for a high 84 per cent of all Panameras sold.

Asia

China: Still number one

With total deliveries of 80,108, China remained Porsche's strongest individual market in terms of volume, complete with double-digit growth. In 2018, Porsche supplied its Chinese customers with twelve per cent more units than in 2017. The Cayenne accounted for the largest proportion of those sales, with 31,456 units delivered to customers in China and Hong Kong, marking a year-on-year increase of 19 per cent. It was followed by the Macan, with 27,386 units sold. The highest level of growth was recorded for the Panamera, with 13,964 deliveries, a climb of 123 per cent compared with 2017. Around one in ten customers opted for hybrid models, which account for eleven per cent of the market in China. The 718 Boxster and 718 Cayman also remained popular, with sales of 5,882 units. They therefore accounted for around 80 per cent of their segment. The further expansion of Porsche's dealer network in China helped to boost growth: a further 15 Porsche Centres opened their doors in the 2018 financial year, bringing the total number of dealers to 114.

Japan: Cayenne drives growth

The Porsche range continued to be appreciated by Japanese customers in 2018. The sports car manufacturer exceeded the 7,000 mark for delivered vehicles, growing its sales by three per cent compared with 2017. The Cayenne recorded the strongest growth, up by 85 per cent on 2017 with 1,192 vehicles sold. Sales of the Panamera were also up on 2017, rising by 28 per cent to 1,110 units. The two-door 911 accounted for 1,405 units in Japan, while the 718 Boxster and 718 Cayman together accounted for 1,266. The Macan remained out in front, with 2,047 units being sold on the Japanese market.

South Korea: A gain of almost 70 per cent

The young Porsche subsidiary in South Korea significantly improved on its 2017 result during what was its third financial year. The Panamera was a particularly important factor in the 69 per cent growth, with a huge rise in deliveries to 1,968 vehicles. The top-selling model thereby even outperformed 2017's number one, the Macan, which also recorded significant growth with 1,118 deliveries. The 718 Boxster and 718 Cayman were also increasingly in demand among South Korean customers during the reporting year. Sales of 918 units, which is a rise of 18 per cent, clearly demonstrate the growing enthusiasm for Porsche mid-engine sports cars.

Asia-Pacific: Three models record double-digit growth

From its regional head office in Singapore, Porsche serves the Asia-Pacific region, where sales grew once again in 2018. Six per cent growth was recorded, with 2,147 vehicles sold. The Cayenne, Panamera and 911 all recorded double-digit increases. There were 422 Cayennes sold, 86 per cent more than in 2017. Deliveries of the Porsche 911 rose by 51 per cent to 304 units. Customers in the region purchased 473 Panamera vehicles, a big increase of 40 per cent on 2017 levels. Similarly, demand for the 718 Boxster and 718 Cayman was also high, with 357 customers opting for one of these two mid-engine models. The region's top-selling model remains the Macan, with 591 units sold.

Middle East, Africa and India: Growing demand for the Cayenne

Porsche delivered 6,438 vehicles to the Middle East and Africa region during 2018. Despite the challenging political context throughout the Middle East, Porsche achieved slight growth of one per cent. The Cayenne fared particularly well, with the delivery of 2,936 units, 38 per cent up on 2017. It remains the most popular model on this market. Sales of the 911 also grew in double digits, with 1,094 units sold. There were 1,306 deliveries of the Macan.

Australia/New Zealand: A strong year for the Porsche 911

Even in the year of generation change, Australian customers' love for the 911 was undiminished. Deliveries of the iconic sports car were up 28 per cent to 612 units. Sales of the Panamera also rose, with 138 new deliveries, an increase of eight per cent on 2017. Around one in four Panamera customers opted for the Sport Turismo, with 30 per cent choosing a hybrid model. Overall, Porsche delivered 4,294 vehicles to the Australian market during the reporting year.

With total deliveries of 80,108, China remained Porsche's strongest individual market in terms of volume, complete with double-digit growth. In 2018, Porsche supplied its Chinese customers with twelve per cent more units than in 2017.

Porsche 2018 financial year in figures

Figures relate to Porsche AG Group

16.6%

Operating profit margin

Despite very high levels of investment in electromobility and future technologies, the operating return on sales of 16.6 per cent exceeds the strategic target of 15 per cent.

32,325

Employees

Our global workforce grew by nine per cent.

€ 25.8

 billion

Group sales revenue

Revenue increased by ten per cent in comparison with the previous year.

€ 4.3

 billion

Operating profit

The operating result grew by four per cent.

€ 1.9

 billion

Capital expenditure (Automobile sub-group)

Capital expenditure (vehicles business) grew by ten per cent.

256,255

Delivery of new vehicles

Overall, we delivered four per cent more Porsche vehicles than in the previous year.

86,031

Macan sales

The Macan was the best-selling Porsche model.

€ 2.2

 billion

Research and development costs

Our R&D costs decreased by six per cent.

38,443

Panamera deliveries

We delivered around 38 per cent more Panamera vehicles compared with the previous year.

OUTLOOK

For the purpose of our planning, we expect global economic growth to slow down in 2019. We consider protectionist tendencies, turbulence on the financial markets and structural deficits in some countries to be a source of risk. At the same time, growth prospects are being kept in check by ongoing geopolitical tension and conflict. We therefore expect economies to be less dynamic than in 2018, both in the advanced nations and in the emerging markets. The highest rates of growth are likely to be recorded in the emerging economies of Asia. Our planning is also based on growth in the world economy during the period from 2020 to 2023.

According to our forecasts, economic growth in Western Europe will weaken in 2019. Structural problems and the unknown impact of Brexit continue to pose major challenges. As far as Germany is concerned, we expect to see gross domestic product (GDP) rise less strongly in 2019 than in 2018. It is our view that the situation on the labour market will remain stable and support private consumption.

Looking to the USA, we expect the economic situation to remain stable in 2019. However, we anticipate lower growth than during the year under review. The Federal Reserve is likely to raise interest rates again over the course of 2019. Based on our forecasts, the Brazilian economy will stabilise again and grow somewhat less strongly than in 2018.

With regard to China, we expect to see a continuation of relatively high growth in 2019. Given China's trade dispute with the USA, we do, however, anticipate a less dynamic economy than in previous years. We expect the rate of expansion in India to remain at the same level as in previous years.

Heterogeneous automotive markets

As far as the world's automobile markets are concerned, we expect to see a variety of developments across the different regions in 2019. For the purpose of our planning, we are assuming that overall demand for new vehicles will remain on a par with levels of demand during the reporting year. Looking at the period from 2020 to 2023, we expect to see growing demand for passenger vehicles worldwide.

Our 2019 forecasts for Western Europe indicate a market volume in line with the previous year. The unknown impact of Brexit will add to ongoing consumer uncertainty in the wake of the financial and debt crisis, and continue to stifle demand. With regard to the German

automobile market, we are expecting a slight year-on-year fall in sales in 2019. Based on our forecasts, demand in Italy will rise slightly, while we expect it to remain stable in France and the UK.

Demand for passenger cars and light commercial vehicles (up to 6.35 tonnes) in 2019 will fall by a small amount in the USA and in North America as a whole according to our forecasts. However, demand for vehicles in the SUV and pick-up segments can be expected to remain high. In the largest South American market, Brazil, forecasts point to a significant increase in volumes in 2019 following the already strong performance of the past year. South America as a whole will experience moderate growth.

In the Asia-Pacific region we expect market volumes in 2019 to be slightly higher than in the previous year. We expect demand in China to pick up again in 2019 having fallen during the past financial year. Good-value, entry-level SUV models in particular can be expected to remain very popular. The trade dispute between China and the USA will impact on business and consumer confidence, unless a solution emerges. As far as the Indian market is concerned, we are anticipating somewhat stronger growth than in 2018.

Anticipated development of Porsche AG

Porsche is expecting to increase its delivery volume in the 2019 financial year in comparison to the 2018 reporting year – despite the challenges involved in changing over to the new WLTP testing cycle and the petrol engine particulate filter, as well as the discontinuation of diesel models. The company is also expecting a slight increase in revenue. The attractive range of products that Porsche offers will form the basis for this – above all, the new generation of the 911, which is being rolled out in all global markets in 2019, more derivatives of the 718 and Cayenne, and the launch of the Taycan. Despite the very high level of investments that are still being made in electrification of the product range, the digital transformation and the expansion and refurbishment of the sites, the aim is to ensure that the high earnings target at Porsche AG will continue to be met. This will be achieved by means of measures that contribute to increasing efficiency, and by tapping into new and profitable business areas.

Automotive market development

Porsche AG forecast for 2019

North America

Demand for passenger cars and light commercial vehicles (up to 6.35 tonnes) will fall slightly in the USA and in North America as a whole. However, demand for vehicles in the SUV and pick-up segments can be expected to remain high.

Germany

With regard to the German automobile market, we are expecting a slightly lower volume of sales in 2019.

China

Demand will rise somewhat again following a decline in 2018. Good-value, entry-level SUV models in particular can be expected to remain very popular.



Western Europe

The market volume for Western Europe will remain at the previous year's level.

Brazil

In the largest market in South America, demand is expected to soar again after already climbing in 2018.

Asia-Pacific

Volumes on the passenger car markets of the Asia-Pacific region will slightly exceed the previous year's levels.

Sustainability strategy and sustainability management

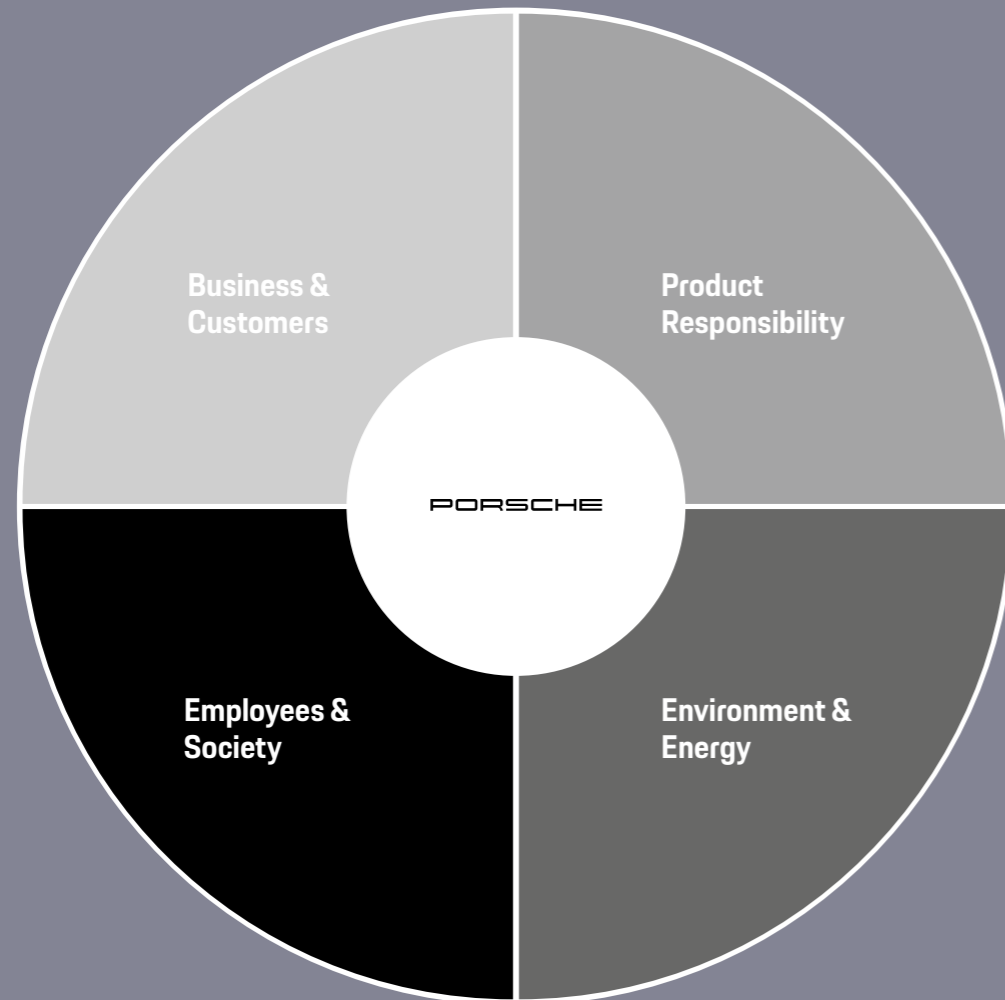
Strategy and organisation

Stakeholder management

Materiality analysis

Management approaches





STRATEGY AND ORGANISATION

(GRI 102-46)

Sustainability is a top priority for Porsche. We consider it our entrepreneurial duty to make sure that our actions benefit the environment and society. Our stakeholders also expect Porsche to strive for economic, social and ecological goals equally. This gives sustainability a central significance for Porsche when it comes to safeguarding its competitiveness.

Assuming responsibility for society and the environment does not run counter to our aims of efficiency and economic success. Sustainability is therefore a key cross-cutting issue in the Porsche Strategy 2025. Responsibility for this lies directly with the Chairman of the Management Board. Our aim is very clear: Porsche wants to be the most sustainable sports car manufacturer in the premium segment. Consequently, the issue of sustainability is firmly embedded throughout the company and broken down into four core action areas:

- Business & Customers
- Product Responsibility
- Environment & Energy
- Employees & Society

All activities relating to sustainability, and all strategic considerations and aims are structured around these four areas.

In order to implement sustainable action in daily practice and to achieve even more stringent implementation in the company, Porsche is working on a "Group Sustainability Directive". The Directive will contain binding rules on organisational processes, topic management, project implementation and communication of all sustainability topics.

Sustainability is implemented on a Group-wide basis. Porsche has therefore incorporated further relevant subsidiaries into its Sustainability Expert Group. Each part of the business is also represented by employees in this Expert Group which is responsible for implementation of the cross-cutting strategy on sustainability.

In order to reduce the complexity of sustainable actions while also improving measurability and control, the company developed the Porsche Sustainability Index during the year under review. This Index defines sustainability aspects using key figures and also depicts the key indicators of value-creating growth and environmental footprint. Based on the classic sustainability dimensions of economic, ecological and social issues, the index is based on the Porsche value chain. The central goal of

the Porsche Sustainability Index is to combine economically successful action with social commitment and simultaneous reduction in the company's environmental impact. The aim for the sustainability index is to be recorded half-yearly in future, and compared against the targets set. In this way, Porsche can consistently develop its commitment to sustainability.

Assuming responsibility for society and the environment does not run counter to our aims of efficiency and economic success. Sustainability is therefore a key cross-cutting issue in the Porsche Strategy 2025.

Sustainable Development Goals

In autumn 2015 the General Assembly of the United Nations adopted its seventeen Sustainable Development Goals (SDGs). The SDGs are at the heart of the 2030 Agenda for Sustainable Development, the aim of which is to reconcile economic progress, social justice and environmental compatibility.

The SDGs are primarily aimed at states and governments, yet Porsche too wants to counter the depletion of natural resources and climate change and have a positive impact on social development. The company is focusing on those issues that its own business model and related value creation processes can materially influence.

The expectations of its internal and external stakeholders are important to Porsche. With this in mind, in 2017 stakeholders were surveyed on what they regarded as the most relevant SDGs for Porsche. Seven goals were identified, and are now areas in which the company is using its sustainability activities to make a real difference:

SDG 4 – Quality education

For Porsche, education is the key to sustainable development. This is why the company offers its trainees and staff an exceptionally diverse programme of vocational and professional training, giving every single employee the opportunity to engage in systematic training tailored to their needs. Internationally too, Porsche is heavily committed to education and science, not least through its Porsche Training and Recruitment Centers in Manila and South Africa, and its Mobile Education Training and Resource Units (METRU), a joint project with UNICEF.

SDG 8 – Decent work and economic growth

Creating jobs and respecting human rights along the entire supply chain are prerequisites for value-creating, sustainable growth. Porsche not only assumes responsibility for its employees and invests in their future. It also imposes strict, internationally recognised standards on its suppliers in the area of social and human rights. In this way, Porsche supports humane working conditions while categorically rejecting any form of forced or child labour.

SDG 9 – Industry, innovation and infrastructure

Porsche is synonymous with innovative products and services, and the theme of mobility of the future is a top priority. By expanding a high-performance charging infrastructure for

electric vehicles, permanently working to find innovative solutions, and trialling digital technologies and future trends, the company is playing an instrumental role in this field.

SDG 11 – Sustainable cities and communities

Sports car production at the main plant in Zuffenhausen is located in a mixed-use zone, surrounded by residential areas. Consequently, the company is directly confronted with the challenges posed by increasing urbanisation. This is another reason why Porsche feels a sense of duty to actively contribute to the sustainable development of cities by providing smart solutions. Resource-efficient production processes and products, as well as technological and social innovation, are the key factors for the company in this regard.

SDG 12 – Responsible consumption and production

As well as consistently working to create environmentally sound products that use fewer resources, Porsche is also constantly developing efficient, environmentally compatible production processes. The economic, ecological, sociocultural, functional and technical process qualities all play a central role. Meanwhile, the company sees it as just as important that internationally accepted rules governing health and safety and environmental protection are upheld. Ethical considerations and standards take precedence along the entire Porsche supply chain as the overriding sustainability requirements.

SDG 13 – Climate action

Porsche is embracing the challenge of pushing technological boundaries, reducing fuel consumption and developing innovative drive systems. The conservation of raw materials and energy is another huge priority. The company now uses 100 per cent green energy to supply the power needed for production. In 2019, Porsche's first fully electric sports car, the Taycan, is due to leave the production line in Zuffenhausen. The production process for this model is carbon neutral. Meanwhile, the company is consistently cutting levels of CO₂ emissions from its own fleet. As its development of hybrid and electric models gathers pace, Porsche is making an important contribution to global climate protection and to improving air quality in cities.

SDG 17 – Partnerships for the goals

Sustainable mobility solutions and a livable world for the future can only be created by working together. This is why a process of permanent exchange with stakeholders and the strengthening of partnerships are two of the main goals of Porsche's sustainability strategy.

The expectations of its internal and external stakeholders are important to Porsche. With this in mind, in 2017 stakeholders were surveyed on what they regarded as the most relevant SDGs for Porsche. Seven goals were identified, and are now areas in which the company is using its sustainability activities to make a real difference.

The company is actively involved in a range of networks and is committed to sustainability initiatives. Through these collaborations, Porsche is supporting the transfer of knowledge for innovative and future-oriented approaches shaped around sustainability.



<p>1 </p> <p>No poverty</p>	<p>2 </p> <p>Zero hunger</p>
<p>3 </p> <p>Good health and well-being</p>	<p>4 </p> <p>Quality education</p>
<p>5 </p> <p>Gender equality</p>	<p>6 </p> <p>Clean water and sanitation</p>
<p>7 </p> <p>Affordable and clean energy</p>	<p>8 </p> <p>Decent work and economic growth</p>
<p>9 </p> <p>Industry, innovation and infrastructure</p>	<p>10 </p> <p>Reduced inequalities</p>
<p>11 </p> <p>Sustainable cities and communities</p>	<p>12 </p> <p>Responsible consumption and production</p>
<p>13 </p> <p>Climate action</p>	<p>14 </p> <p>Life below water</p>
<p>15 </p> <p>Life on land</p>	<p>16 </p> <p>Peace, justice and strong institutions</p>
<p>17 </p> <p>Partnerships for the goals</p>	

STAKEHOLDER MANAGEMENT

Stakeholder communication and dialogue

(GRI 102-40, 102-42, 102-43, 102-44, 102-46)

Porsche is particularly concerned with fostering and consistently building on a process of exchange with its stakeholders. The company is aware that its business activities impact on the interests of many different groups. The expectations of these groups must be taken into consideration when dealing with central issues. The open and transparent exchange of information and arguments lays the foundation for mutual understanding and social acceptance. At the same time, this dialogue provides the company with important suggestions and new impetus. Once again during the reporting year Porsche continued to pursue its goal of engaging in exchange that benefits all stakeholders, stepping up its dialogue activities to improve stakeholder relations. Porsche's first Sustainability Days promoted proactive exchange with employees. Working relationships at the heart of initiatives, associations and working groups dedicated to entrepreneurial sustainability were advanced further. Since 2018, for example, Porsche has been supporting the competence platform "nachhaltig.digital" in order to be intensively involved in the link-up between the two themes, sustainability and digitalisation.

External dialogue

(GRI 102-40, 102-43, 102-44, 102-47, 102-48)

External stakeholder dialogue is based on trust which is at the heart of any long-term relationship between Porsche and its dialogue partners. Credible exchange with the stakeholders must be geared towards the long term and be nurtured on an ongoing basis.

This takes place via a diverse range of communication channels and event formats. The most important sources of information for thought leaders, decision makers and customers include the Porsche magazine *Christophorus*, published in twelve languages around the world, the online newsroom with its Twitter and Instagram channels, the web-based TV channel *9:11 Magazin* and the Porsche website. The community newspaper "targa – Nachrichten für die Nachbarn" ("targa", the residents' journal), launched in 2015, keeps local residents who live in proximity to Porsche's sites up to date with the latest news. Information letters are also used to keep stakeholders informed on, for example, plans for future construction work.

Stakeholder surveys are carried out every two years as part of a systematic process to learn about relevant groups' views and expectations in relation to the issue of sustainability. In 2017 around 7,200 stakeholders from Germany, China and the UK were invited to complete an online survey. The respondents included customers, business partners, representatives from authorities, associations, trade unions and non-governmental organisations, and politicians, scientists and sustainability experts. The issues identified provide the basis for sustainability aspects which are closely linked to other aspects of the corporate strategy.

Porsche highly values direct feedback from its interest groups. Through a dedicated e-mail address (sustainability@porsche.com), the company offers stakeholders a way of contacting the responsible department directly.

Porsche also seeks to address stakeholders personally. Regular dialogue events have been held across Porsche sites since 2016. These events give local residents a chance to raise specific questions with the experts directly. Porsche held two events in 2018 designed to update its neighbours on the state of building work at its sites. More than 500 members of the public took up this opportunity to learn about the projects, ask questions, make suggestions or express their opinions.

Cooperating in networks and engaging in sustainability initiatives and working groups also form part of Porsche's stakeholder dialogue as it works to drive forward ecological, economic and social issues. Against this background, Porsche has been a member of the Bundesdeutscher Arbeitskreis für Umweltbewusstes Management e.V. (B.A.U.M. – German Environmental Management Association) since 2016. In 2017, Porsche joined the German Business Ethics Network (DNWE) and became a signatory to the state of Baden-Württemberg's WIN! charter for sustainable business, marking its commitment to entrepreneurial responsibility. Since 2018, Porsche has also been one of the cooperation partners involved in the "nachhaltig.digital" competence platform. The aim of the joint project on the part of B.A.U.M. e.V. and the German Federal Environmental Foundation (DBU) is to make digitalisation a tool for future-proof, sustainable development. The company also engages in dialogue with local politicians through an inter-municipal working group.

Internal dialogue

(GRI 102-40, 102-43, 102-44, 102-47)

Direct dialogue is an essential component of Porsche's corporate culture. Employees have a wide range of opportunities to contribute their own concerns and have broad access to transparent interaction channels and information, for example through the employee magazine, local site newsletters, the in-house TV channel and also the intranet, for up-to-the-minute news. Since 2017, employees have been able to download an app to access the Porsche intranet on their own devices. Regular works and departmental meetings, employee information events and specific topic and innovation weeks also form part of the diverse programme of internal communications.

During the year under review two Porsche sites organised a week dedicated to the topic of sustainability. Featuring an interactive experiential world and various expert talks, this initiative helped to further raise awareness of sustainability issues among Porsche staff. Employees made numerous new suggestions on how the company could improve its everyday sustainability even further. These proposals are now being carefully considered in the relevant departments and will be followed up. Internal stakeholder dialogue on sustainability issues is to be extended further still in future in order to promote understanding of the subject within the company and to build on employees' role as knowledge multipliers in the outside world.

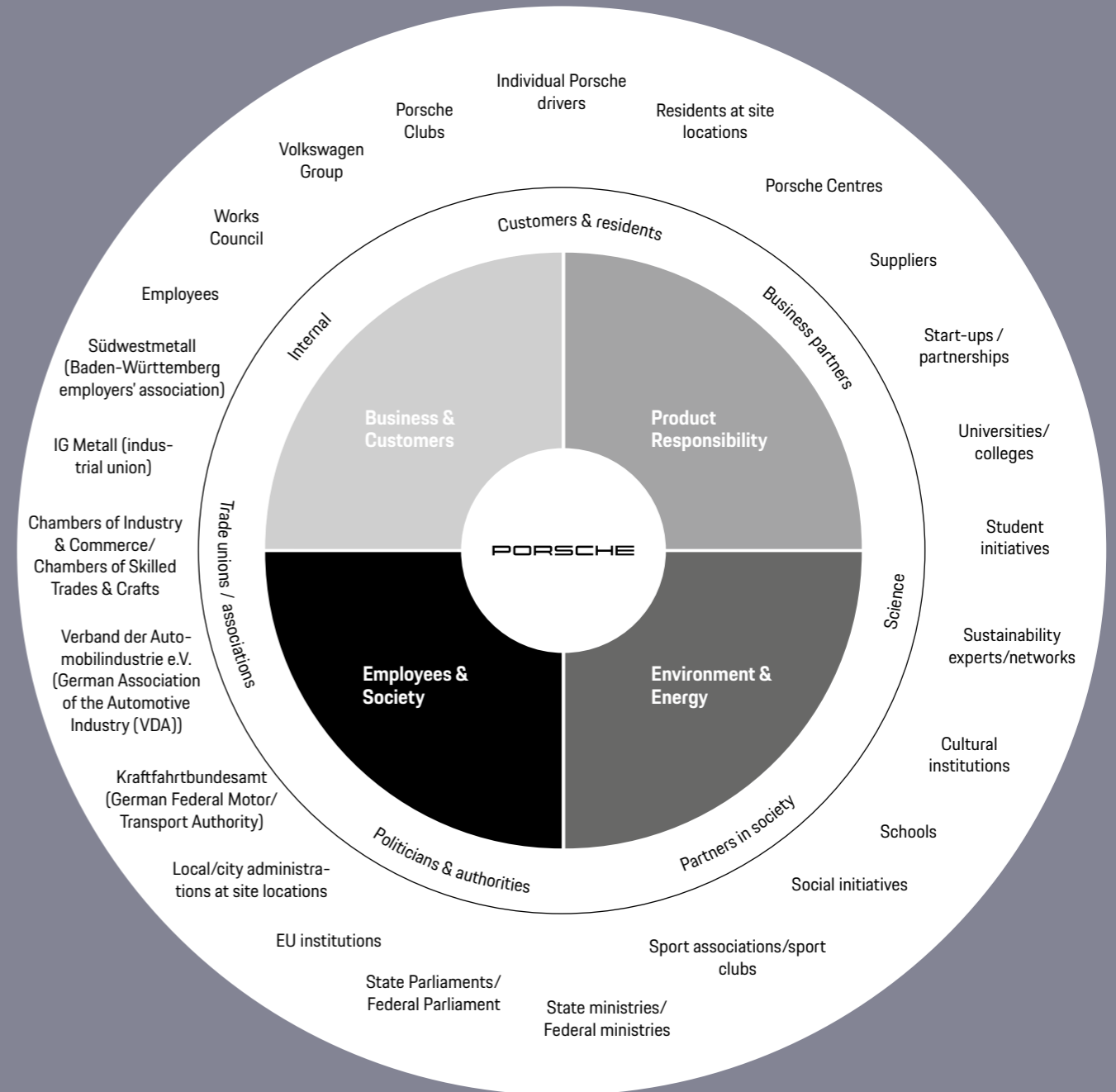
The company always encourages its employees to contribute their own ideas through its internal ideas and innovation management set-up. Complaints and personal concerns are treated in confidence where requested. Porsche has an ombudsman system to handle anonymous complaints and reports on any illegal behaviour in relation to the company.

At Porsche all staff and their elected representatives are informed comprehensively and in good time of any major operational changes. Adherence to this corporate practice is ensured in several different ways, including by means of a Supervisory Board with equal representation, the Works Council committees, regular works meetings and the continuous maintenance of the works agreement database on the intranet.

Our stakeholders

(GRI 102-40, 102-42, 102-43, 102-44)

The most important internal and external stakeholders for the company, established on the basis of internal analysis.



Sustainability organisation

(GRI 102-46, 103-1)

A transparent internal structure with defined roles and responsibilities allows sustainability topics to be handled rigorously and effectively throughout the business.

The Executive Board of Porsche AG acts as the highest authority on sustainability, meeting regularly as the Sustainability Board and setting the company's basic strategic direction. It also decides on the realisation of far-reaching sustainability measures and lighthouse projects.

The sustainability team of the Policy and External Relations department acts as an interface for all aspects of sustainability within the business. It is responsible for the coordination of all sustainability activities, implementation of the sustainability strategy and reporting, as well as integration with the Volkswagen Group's encompassing sustainability activities. Additionally, it organises internal and external communications and the continual expansion of stakeholder dialogue.

The Sustainability Expert Group is responsible for developing the content of sustainability activities and submitting appropriate proposals to the Executive Board. It brings together members from all departments and meets four times per year. The standing members of the Expert Group represent all of the relevant specialist departments in the company, where they act as multipliers for sustainability topics. During the reporting year the Group was extended to include representatives from the relevant German subsidiaries. In order to further reduce the complexity of sustainability management within the Porsche Group, the Expert Group is being expanded on an on-going basis.

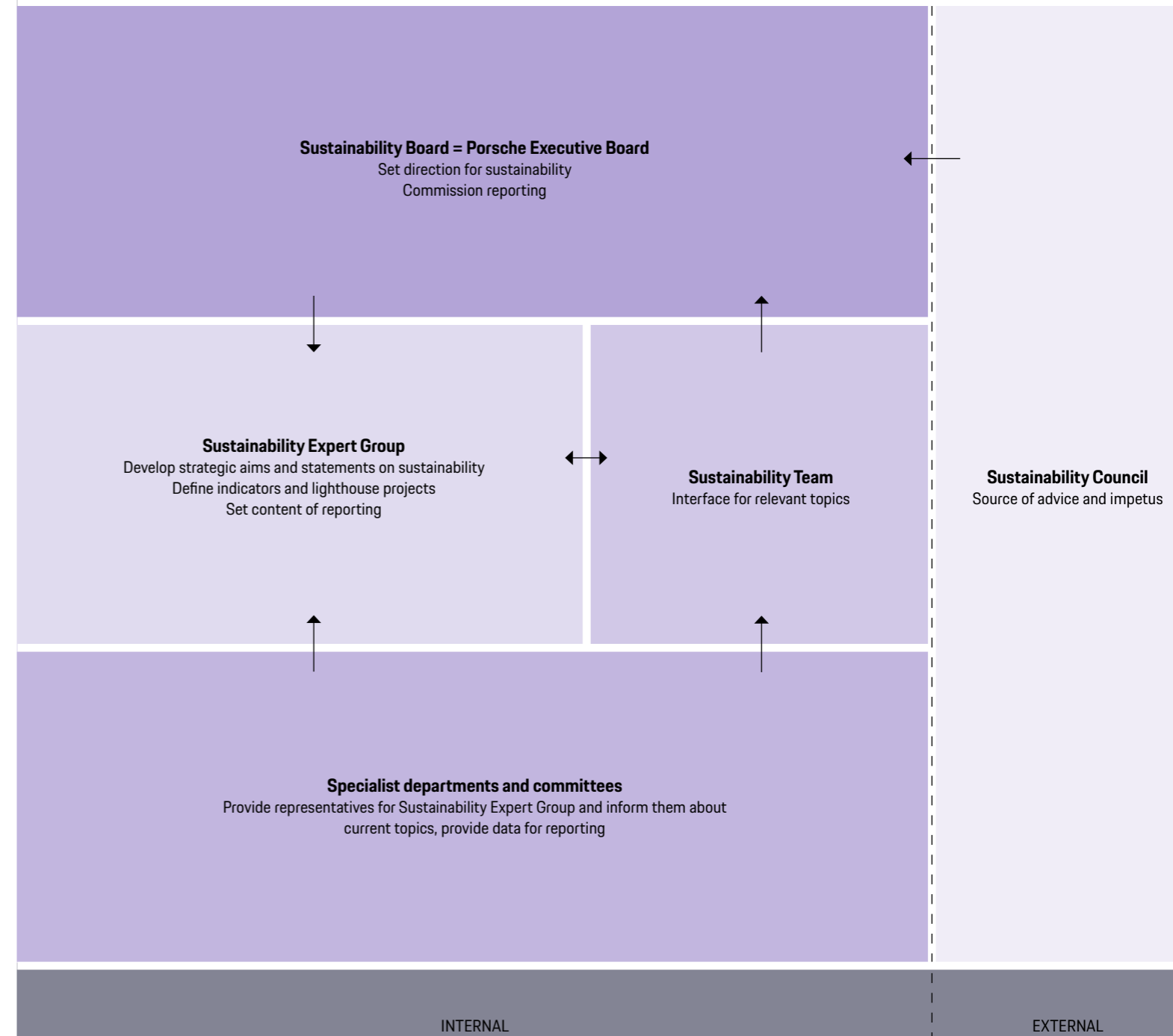
Meanwhile, the Porsche Sustainability Council was established back in 2016, marking a key step forwards in terms of greater stakeholder dialogue. This Council has been an important source of ideas and impetus ever since. It is composed of internationally renowned representatives from the scientific and public communities. Its current members are: Prof. Sonja Peterson, Prof. Lucia Reisch, Prof. Maximilian Gege, Prof. Ortwin Renn and Prof. Klaus Töpfer.

The Porsche Sustainability Council was convened on two occasions in 2018, on one occasion sitting together with the Porsche AG Executive Board. The members of the Council were given greater involvement in processes relevant to management during the year under review, including during discussion of strategic

sustainability management and the intensification of stakeholder dialogue. Both of these areas have been consistently taken forward. Cooperation with the Council is to be stepped up even further in 2019.

A transparent internal structure with defined roles and responsibilities allows sustainability topics to be handled rigorously and effectively throughout the business. The Executive Board of Porsche AG acts as the highest authority on sustainability, meeting regularly as the Sustainability Board and setting the company's basic strategic direction.

Porsche Strategy 2025 Sustainability management



MATERIALITY ANALYSIS

Stakeholder survey

(GRI 102-40, 102-42, 102-43, 102-44, 102-46, 102-47, 102-48, 103-1)
 Since 2013, Porsche has conducted a survey every two years to gather the views and expectations of its stakeholders on the subject of sustainability. In autumn 2017, approximately 7,200 representatives of relevant stakeholders were contacted as part of an anonymous and international online survey. This was three times as many stakeholders as in the 2015 survey. Responses were received from some 950 people including customers (67.3%), business partners and analysts/investors (7.5%), politicians and public authorities (4.8%), NGOs (3.0%), Porsche employees (2.7%), academics (2.4%) and other participants (12.3%). The survey was also completed by respondents from China and the UK for the first time.

More than two thirds of those surveyed reported being "very satisfied" or "satisfied" with Porsche's sustainability efforts, an improvement of twelve percentage points compared with the previous survey. This is a clear indication that Porsche is on the right track but has yet to reach the home straight. The survey respondents did not see any conflict, generally speaking, between sustainability and the manufacture of premium sports cars, with 89 per cent not believing there to be any general contradiction. More than half of participants (58%) stated that their impression of Porsche had been "hardly" or "not at all" affected by the diesel affair. Just under a third (29%) felt that their views had changed, however. All stakeholder groups expect open, honest and transparent communication on this matter as well as a clear response to the challenge of low-emission sustainable mobility.

Porsche consistently aligns its product range with its customers' wishes and with state-of-the-art technology. On this basis, it is stepping up its activities in relation to hybrid technology and electric vehicles, and no longer offers any diesel models. The company is embracing its responsibility for rebuilding any loss of trust and credibility by means of solid actions. Overall, the 2017 survey respondents listed "vehicle safety", "fuel consumption and vehicle emissions" and "long-term customer relationships" as their priorities.

The members of the Sustainability Council also had the chance to provide detailed feedback on sustainability at Porsche and on the opportunities and risks during individual expert interviews. They presented specific

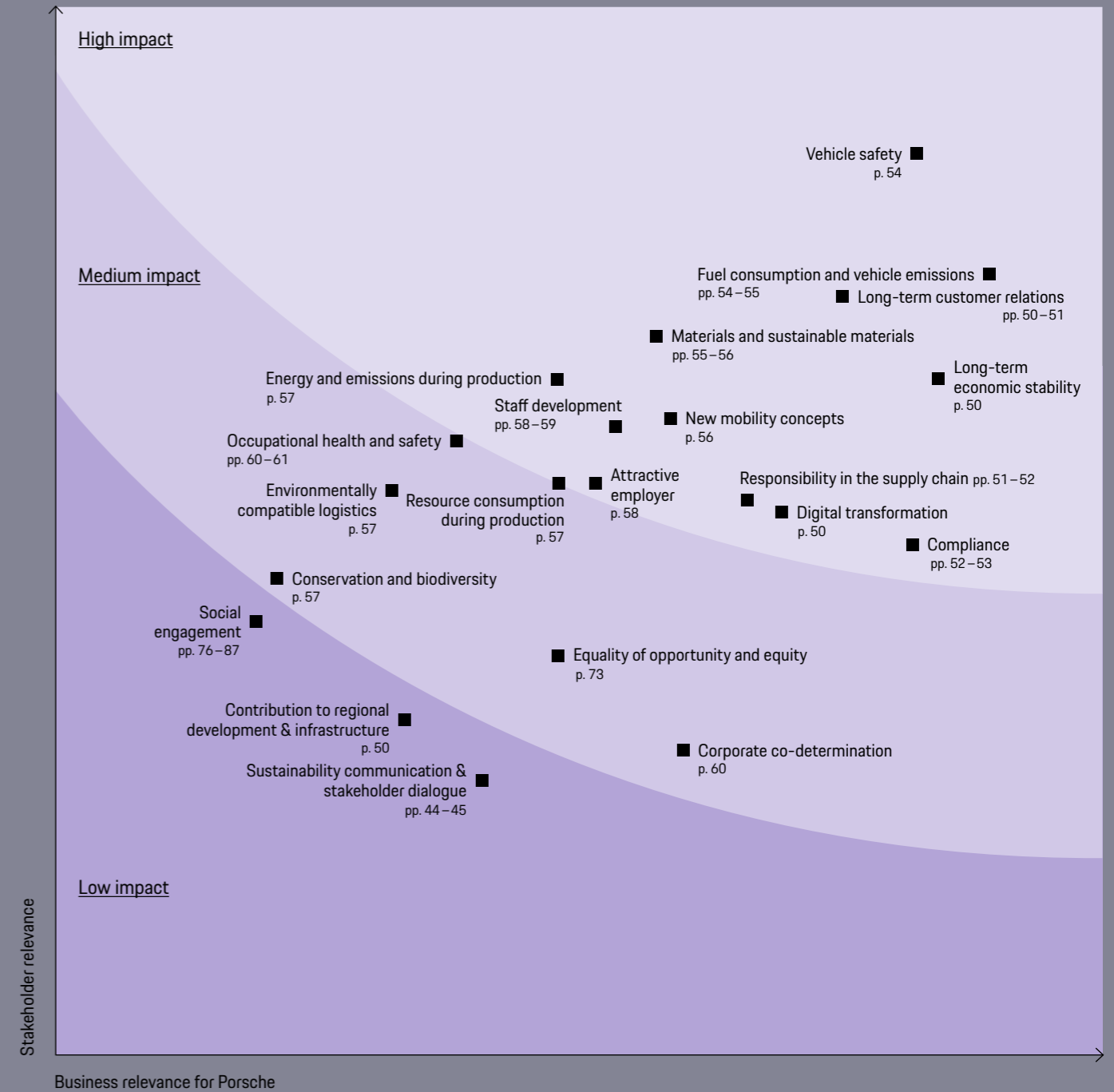
recommendations for action to further shape Porsche's engagement. Key areas of discussion included alternative drives, a reduction in corporate CO₂ emissions, and the expansion of the charging infrastructure. The members of the Sustainability Council discussed the impetus around these issues at two joint meetings with the Porsche Executive Board during the reporting year, using it as the basis for appropriate measures. The working relationship with the Council is to be further strengthened. The first significant step will be a joint dialogue format with representatives of external stakeholders in 2019. The next Porsche stakeholder survey is scheduled for autumn 2019 and will have a greater international focus.

Materiality analysis

(GRI 102-44, 102-46, 102-47, 103-1)
 A workshop for members of the Sustainability Expert Group and representatives of the relevant departments at Porsche was staged in autumn 2017, providing an opportunity to evaluate defined topics in terms of their impact on the environment, employees and society. Porsche pooled the results of this process in the form of a materiality matrix for 2017. This illustrates the link between the issues that are most important to stakeholders and those that are most relevant to the company's operations. The matrix helped to determine the main focuses of this report and was also used to review the ongoing development of the company's sustainability strategy.

Porsche pooled the results of this process in the form of a materiality matrix. This illustrates the link between the issues that are most important to stakeholders and those that are most relevant to the company's operations.

Materiality matrix
 (GRI 102-44, 102-46, 102-47, 103-1)



MANAGEMENT APPROACHES OUR FIELDS OF ACTION

BUSINESS & CUSTOMERS

Sustainability principle

Satisfied customers, economic stability, value-generating growth and social acceptance are the focus of all of our business activities at Porsche. Corporate responsibility begins with our self-image of actively helping to protect the natural conditions for life on earth and of benefiting our business environment. Economic efficiency, environmental consciousness and social responsibility are not mutually exclusive. On the contrary – by combining them we create more value for our stakeholders. As a company, Porsche is an integral part of society. Ethical behaviour is therefore essential. Porsche embraces fair competition and acts not only lawfully but also legitimately. The company systematically combats corruption, respects and complies with international standards of human rights, and categorically rejects all forms of forced and child labour.

The “Business & Customers” action area covers the following topics identified in the 2017 materiality analysis: “long-term economic stability”, “long-term customer relations”, “compliance”, “responsibility in the supply chain” and “digital transformation”. All of these topics feature clearly defined processes and areas of responsibility, as well as established evaluation procedures.

Economic stability and digital transformation

The automotive industry is facing radical change across the world. Electrification, digitalisation and connectivity are the hallmarks of a new era in individual mobility. This view is shared by Porsche’s stakeholders who assigned correspondingly high degrees of relevance to the topics of “economic stability” and “digital transformation” in the 2017 materiality analysis. From the company’s perspective, these two topics must be handled successfully in order to secure Porsche’s long-term economic success.

The company enjoys excellent profitability and has set itself the strategic target of a minimum operating return on sales of 15 per cent. At the same time, Porsche is making major investments to ensure it retains its innovative capacity and can embrace the digital revolution. Digitalisation is impacting on all areas of the company – from internal processes to our interaction with customers and the develop-

ment of new products and services. An innovation management system that extends across all of the company supports the generation of new impetus, driving the testing of technologies and trends, and encouraging Porsche’s employees to take the initiative to shape mobility in sustainable ways.

In accordance with the Global Reporting Initiative (GRI) standards, Porsche covers the topic of “long-term economic stability” through its disclosures pursuant to *GRI 201: Economic Performance*. This information is measured and reported on the basis of the Porsche AG Group’s financial analysis, financial data and calculations of added value.

Long-term customer relations

Porsche sets high standards with regard to maintaining long-term customer relations, and consistently seeks to improve and develop its range of exclusive sports cars and mobility services in the interests of its customers. “Inspiring customers with a unique product and brand experience” is one of the four main aims of the Porsche Strategy 2025. The 2017 materiality analysis also underscores the importance attached to “long-term customer relations”. Consequently, the Sales and Marketing division uses a variety of measures to strengthen customer satisfaction and loyalty over the long term and to further optimise the customer journey at Porsche.

We strengthen relations with all of our stakeholders through personal interaction and open dialogue. New apps, expanded social media channels, the integration of chat functions and the overarching, personalised “My Porsche” customer portal are all simplifying and speeding up digital communications between the company and its customers. Yet these new approaches are by no means replacing personal contact, which will remain just as essential in future as Porsche fosters stable, long-term relationships based on trust. This is why Porsche supports individual support for its customers across the world throughout their customer journey, updating the technical systems deployed for this purpose, staging exclusive customer events and ensuring that its sales staff are given the necessary customer-focused training.

Porsche regards constructive criticism as an opportunity to keep on improving its products, services and processes. The company’s global market research team sends out more than 250,000 questionnaires every year in order to gain a better understanding of its customers and to identify new customer expectations in good time so that these can be fully interpreted.

“Inspiring customers with a unique product and brand experience” is one of the four main aims of the Porsche Strategy 2025. The 2017 materiality analysis also underscores the importance attached to “long-term customer relations”.

Particularly with regard to new vehicle technology and mobility trends, the findings from the company’s surveys are fed into the process of developing new products and services at an early stage. Porsche takes customer feedback very seriously. In a monthly product quality and customer satisfaction forum, the Executive Board of Porsche AG evaluates the results and consequences of the feedback that it receives with developers, as well as with representatives from the Quality Assurance, Aftersales and Customer Relations departments. The results of these efforts to look after and communicate with clients in cooperation with Porsche’s trade partners are clear to see. For the fourteenth year in succession, Porsche occupied one of the top rankings in the Automotive Performance, Execution and Layout Study (APEAL) quality study conducted by the US market research institute J.D. Power in 2018.

In accordance with the Global Reporting Initiative (GRI) standards, Porsche covers the topic of “long-term customer relations” through its disclosures pursuant to *GRI 418: Customer Privacy*. Porsche takes individual data privacy very seriously and respects every data subject’s right to determine what is done with their data. Data protection is integrated – independently and without instruction – into all relevant company processes. Porsche’s data protection system and the relevant business processes are consistently designed to ensure that the statutory requirements are upheld at all times. Over and above the statutory requirements, Porsche has issued its own guidelines committing the company to further data protection principles, including data economy, purpose-based collection and confidentiality. A full-company programme was launched in order to guarantee implementation throughout Porsche of the new requirements imposed by the EU’s General Data Protection Regulation (GDPR). This programme covers documentation and information obligations, the rights of data subjects, and data protection management processes. Due to internal confidentiality guidelines, any reports received on specific data protection violations are not published, however.

Responsibility in the supply chain

Economic success, the extension of the product portfolio, and the use of new technologies are focusing ever more attention on companies’ supply chain. Two examples illustrating this development are higher delivery figures driving growth in supply parts, while new products frequently also need innovative components that must be procured responsibly. Porsche stakeholders also assigned a high level of

relevance to the topic of “responsibility in the supply chain” in the 2017 materiality analysis. Together with its suppliers and sub-suppliers, Porsche makes every effort to make its supply chain as sustainable and value-adding as possible.

When Porsche was incorporated into the Volkswagen Group, its procurement division was also largely integrated into the Group’s organisational structure. Shared purchasing structures, processes and systems were specified in a cooperation agreement back in 2011. This means that Porsche’s procurement decisions are largely coordinated and agreed upon with the Volkswagen Group. Cooperation between Porsche AG and the Group is also consistently being driven forward and the relevant structures expanded and strengthened.

A supply chain based on responsibility is built around trust-based cooperation, shared values and strict compliance with the sustainability requirements defined in the Volkswagen Group. The concept of “sustainability in supplier relations” and the corresponding code of conduct compel all parties to observe and comply with the high environmental, social and human rights standards in the International Chamber of Commerce’s charter and the OECD’s guidelines for long-term, sustainable development. The relevant key labour standards from the International Labour Organization (ILO) serve as the foundation for the sustainability requirements that Porsche once again helped to revise and update during the year under review. All suppliers are also expected to follow the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Porsche is active in this area in the context of the Group’s responsible minerals initiative (RMI) activities. These sustainability requirements are enshrined in supply contracts, the violation of which can result in reviews, formal statements and potentially also the termination of the business relationship. Sustainability audits in the 2018 reporting year yielded two cases in which specific sustainability requirements were not met. Appropriate measures were agreed upon with two suppliers, and the introduction of these measures was monitored. As at the end of the reporting year, one case was still open and being reviewed.

Porsche always conducts integrity checks before entering into business relations with new suppliers. Once the cooperation arrangement is in place, monitoring and development are carried out on a continuous basis, supported by questionnaires, risk analyses of the supplier

countries, and e-learning modules and training sessions. Porsche has also been carrying out its own sustainability audits of selected suppliers since 2016. Audits are followed up by detailed reports and plans of action. In this way, and combined with a broad range of other activities including regular employee seminars on sustainability requirements in the supply chain and supplier workshops, the company is putting one of the Porsche Strategy 2025 measures into practice. Sustainability in the supply chain is also a separate area of action within the company's purchasing strategy. A new guideline in the Volkswagen Group on sustainability in supplier management has also governed all internal processes and areas of responsibility since 2017. Porsche incorporated the requirements defined in this guideline into its own brand-specific guidelines in 2018.

In accordance with the Global Reporting Initiative (GRI) standards, Porsche covers the topic of "responsibility in the supply chain" in the following content-specific disclosures: *GRI 204: Procurement Practices, GRI 308/414: Supplier Environmental/Social Assessment, GRI 408/409: Child Labor/Forced or Compulsory Labor and GRI 412: Human Rights Assessment.*

Compliance

Acting responsibly means acting in strict compliance with laws and regulations. Porsche's stakeholders share this view, duly assigning a high level of importance to the topic "Compliance" in the 2017 materiality analysis.

The company has put in place a compliance structure based around its business model to ensure that it acts lawfully, with legally secure processes and preventive and reactive measures. The Porsche compliance management system encompasses seven areas of compliance. In order to avoid any infringements of the law and to help its employees act in accordance with legal and statutory provisions, Porsche has had a compliance system in place for many years now. This system includes a chief compliance officer, and compliance officers at Porsche AG and at the Group member companies covering every area of the business. The compliance programme encompasses a range of different preventive and reactive measures.

Regular risk analysis is carried out to define areas that require action and preventive measures. The company's business model, relevant environmental conditions and the relationships with business partners are all taken into account. Key preventive measures at Porsche include the adoption and communication of

binding rules, while managers and employee have access to confidential advice and risk-based training and information on relevant compliance issues. Ultimately, the code of conduct sets out the most important rules to be applied at Porsche in accordance with the company's business model. This code documents the expectations of managers and staff in terms of the responsibility they must assume for compliance as a member of society, as a business partner and at the workplace. The rules are also set out in guidelines, covering such areas as how to avoid corruption or violations of antitrust law, how to handle conflicts of interest or the receipt of gifts, and how to prevent money laundering. To ensure and promote lawful behaviour over the long term, all managers and employees are given regular information and training on compliance and the related risks.

Porsche's central compliance help desk provides information and advice on compliance issues internally, providing expert answers to all questions from managers and employees alike. The help desk can also be contacted confidentially to report (potentially) unlawful actions, such as criminal acts or serious irregularities. Outside the company, Porsche managers, employees, customers and business partners, as well as public officials and other external individuals, can report legal violations anonymously via the ombudsman system. All of the information received is carefully examined, and any violations found are responded to appropriately in accordance with the relevant provisions of the employment and co-determination laws. This includes introducing suitable countermeasures and sanctioning cases of individual misconduct. The Executive Board of Porsche AG receives regular reports on actions taken by the compliance organisation and on preventive and response measures implemented in the Porsche Group.

Compliance training

The compliance officers for each area, together with the HR department, are responsible for compliance training. Most of the training currently being delivered takes the form of classroom-based sessions. In addition, web-based training sessions devoted to "Technical Compliance" and "Data Protection" were also available. The range of e-learning options is to be gradually extended to include more compliance issues in future.

The compliance managers deliver the training on the basis of a subject-specific plan, which uses risk analyses to identify target groups and key areas of content, and also defines

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organisational aspects such as the number and frequency of events and the capacities needed. A regular programme of set training events is in place for (new) managers and employees, as well as for junior managers and trainees. In addition, training courses on selected topics and with specific target groups are held.

For example: since the relaunch of Porsche's programme for junior managers (PE programme) in 2018, compliance training has been available in various formats and covering a range of issues through classroom-based and online modules. Participants can also gain an insight into the company's compliance culture, management and rules, and its code of conduct, via an online offering. Using Skype for Business, participants can take a live multiple choice test and ask questions at the end of the session. Compliance issues including anti-corruption, anti-money laundering measures and antitrust law are presented by compliance officers during the classroom-based sessions. As well as presentations and case studies, some sessions involve group work where case studies are tackled with the help of a board game.

New employees are familiarised with the company's compliance culture during the Porsche Warm-up event, an introductory training session generally held monthly. The event is based around the World Café, in which newly hired staff have the chance to look intensively at the code of conduct and basic rules on avoiding corruption, tackling specific cases before presenting their solutions to the full group. The compliance image film rounds off the event which also covers the most important rules and expectations in relation to the issue of compliance.

All compliance trainings at Porsche are binding. The amount of training undertaken by compliance officers is monitored over the course of the year, with the final status being reported to the Compliance Council and to the Executive Board and Supervisory Board. Since the beginning of 2018, employees' attendance at compliance seminars has been recorded in their continuing professional development file.

Information for employees

Information about the Compliance department's training programme is available to Porsche employees on the intranet. In addition to relevant Group and company guidelines, this information includes contact persons and ways to report concerns either internally or externally, along with a range of materials such as compliance videos, flyers, note cards and check lists.

Porsche's code of conduct

The Volkswagen Group's code of conduct has also applied to Porsche since the end of 2017. These guidelines set out all aspects of employees' responsibility for compliance:

- as members of society: human rights; equal opportunity and equal treatment; product conformity and product safety; environmental protection; donations, sponsorships and charity; communications and marketing; political lobbying.
- as business partners: conflicts of interest; gifts, hospitality and invitations; prohibition of corruption; dealings with public officials and holders of political office; prohibition of money laundering and terrorism financing; accounting and financial reporting; taxes and customs; fair and free competition; procurement; export control; prohibition of insider trading
- in the workplace: occupational safety and healthcare; data protection; security and protection of information, know-how and intellectual property; IT security; handling company assets. Illustrative examples that employees might face on the job are provided for each topic.

There is also a self-administered test designed to help employees make decisions in case of doubt. Porsche's code of conduct is published on the internet and intranet. All staff are also sent the code of conduct by e-mail and informed about it during training and information events, and all new employees are provided with a hard copy in the form of a brochure at the welcome event on their first day.

In accordance with the Global Reporting Initiative (GRI) standards, Porsche covers the topic of "compliance" through the following disclosures: *GRI 205: Anti-corruption, GRI 206: Anti-competitive Behavior, GRI 307: Environmental Compliance, GRI 419: Socio-economic Compliance.*

PRODUCT RESPONSIBILITY

Sustainability principle

Porsche develops high-quality, innovative and long-lasting products. With each new model generation, Porsche consistently sets new standards in quality, environmental friendliness and safety across the entire life cycle of all vehicles.

The Product responsibility action area covers the topics identified in 2017's materiality analysis, namely "Vehicle safety", "Fuel consumption and vehicle emissions", "Materials and sustainable raw materials" and "New mobility concepts". Clearly defined processes and skills are in place for these topics, alongside transparent evaluation procedures.

Vehicle safety

Vehicle safety is of the utmost importance to Porsche, with the safety of the vehicle's occupants being the top priority. In addition, making sure that other road users are also kept safe is another key aim. For their part, Porsche stakeholders place a great deal of importance on vehicle safety. During the sustainability survey conducted as part of 2017's materiality analysis, stakeholders ranked this topic in first place, not least due to its economic relevance and social importance.

Vehicle safety is a decisive criterion from the outset in the development of innovative, state-of-the-art vehicles. Alongside accident prevention – by fitting vehicles with ABS or ESP systems or automatic emergency braking systems – one of the main goals is to reduce the effect of an accident on the vehicle's occupants. With this in mind, during the development phase of a new model the deformation behaviour of the vehicle body is precisely defined for a variety of frontal, lateral and rear end impacts. Vehicles are also fitted with a smart restraint system consisting of airbags and seatbelts. Crash tests are used to check the effectiveness of the safety systems. In a controlled crash the impact of the entire vehicle slamming into an object, such as a wall, is investigated. Crash test dummies with sensors are used, which allows an evaluation of the possible injuries of the occupants. Specific biomechanical limits must be adhered to, stipulating such parameters as maximum acceleration or deceleration of the head.

In addition to carrying out complete vehicle crash tests, component tests and computer simulations are used during development to tune the complete vehicle system and its behaviour in an impact and continuously

improve it until it is ready for series production. The Porsche safety strategy defines the underlying requirements, not only complying with statutory rules across the world but also meeting internal company requirements. The latter extend beyond the minimum required by law and involve a significantly broader load case portfolio. In this way, Porsche can ensure that, in the event of an accident, its drivers and their passengers, as well as other road users, benefit from the high level of protection synonymous with Porsche.

The ultimate vision in terms of vehicle safety is the general avoidance of accidents. Porsche is therefore consistently working on the development of anticipatory systems. In this way, vehicle safety at Porsche will continue to make an important contribution to general road safety in the future.

In accordance with the rules of the Global Reporting Initiative, the topic of "vehicle safety" is covered in this report by the indicator *GRI 416: Customer Health and Safety*.

Fuel consumption and vehicle emissions

Electrification and digitalisation are responsible for radical change in automotive construction. For its part, Porsche is embracing this challenge. The company builds sports cars that reconcile apparent contradictions: tradition and innovation, performance and day-to-day usability, functionality and design, and exclusivity and social acceptance.

At the same time, fuel consumption and vehicle emissions have a key role to play. After vehicle safety, they were identified as the second-most important topic by stakeholders in the 2017 materiality analysis. Their materiality to Porsche is also evidently clear within the company: fuel consumption and vehicle emissions are key issues with regard to commercial relevance, yet they also have significant ecological and social consequences. Continuous efficiency gains, the development of alternative drive technologies, falling fuel consumption and lower emissions – for Porsche, resource-saving and environmentally friendly mobility is a primary strategic target.

In addition to a wide range of measures to increase efficiency – from lightweight construction and technologies for the optimisation of conventional combustion engines to the use of smart assistance systems – Porsche is increasingly exploiting hybridisation and the complete electrification of its model range. The themes of "electromobility" and "vehicle architecture of the future" are cornerstones of the Porsche Strategy 2025. The Taycan,

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Porsche's first all-electric model, is redefining sports car construction in terms of performance, driving dynamism and range.

Optimising consumption is one side of resource-saving mobility; reducing harmful emissions is the other. Modern exhaust after-treatment systems reduce emissions, regardless of the current discussion surrounding diesel engines. In late October 2018, Porsche recalled its diesel Macan with the 3.0-litre V6 engine in emission class Euro 6 for a software update after irregularities were found in the engine control software. Germany's Federal Motor Transport Authority (KBA) had ordered a recall for a software update in July 2018 in order to remedy the issue. On 1 August 2018, the KBA approved Porsche's proposed software update for the Macan with the 3.0-litre V6 diesel engine in emission class Euro 6.

Porsche had already recalled diesel Cayennes with the 3.0-litre V6 engine in emission class Euro 6 in Germany during the previous year. Investigations had revealed irregularities in the engine control software for these vehicles. The KBA had ordered a recall for a software update in order to remedy the issue. In mid-October 2017, the FBA approved Porsche's proposed software update for its diesel Cayenne with the 3.0-litre V6 engine in emission class Euro 6. Porsche has since recalled the vehicles concerned for a free software update.

During the reporting year, the KBA issued Porsche with recall notices for the Cayenne 4.2-litre V8 diesel (Euro 5 and Euro 6) and Panamera 4.0-litre V8 diesel (Euro 6). As soon as the technical solution has been approved, vehicle owners will be contacted accordingly by their Porsche dealers.

Porsche consistently aligns its product range with its customers' wishes and strives to achieve technological leadership. Demand for diesel vehicles is falling. Traditionally, the diesel segment has been less important to Porsche, accounting for just 12 per cent of business in 2017. At the same time, interest in hybrid models is soaring. As far as the Panamera is concerned, 63 per cent of the vehicles delivered in Europe are hybrids. As of February 2018 Porsche no longer included any diesel models in its portfolio. The company made the decision in September 2018 to no longer offer any diesel models.

In accordance with the rules of the Global Reporting Initiative, the topic of fuel consumption and vehicle emissions is covered in this report by the indicator *GRI 305: Emissions*. The figures in this report that are required for

this indicator refer, however, solely to emissions that arise in production and administrative operations. For this reason, the consumption and emission figures for all vehicle models are reported instead.

Materials and sustainable materials

Materials and sustainable raw materials are the building blocks of modern, future-ready vehicle architecture. The Porsche stakeholders surveyed as part of the 2017 materiality analysis also assigned a high level of relevance to this issue.

The long service life of Porsche vehicles, their high-quality workmanship and the use of low-wear materials all form part and parcel of the Porsche principle. The company is focusing to an ever greater extent on the environmental effects of a vehicle across its entire life cycle, from the acquisition of raw materials and the vehicle's manufacture and use through to its disposal. The aim is to achieve a total ecological optimum.

Electric vehicles, for example, do not cause environmental damage when they are being driven, which helps to improve air quality in built-up areas. Conversely, however, the environmental impact of the manufacturing process is on the increase as a result of the raw materials and production processes used for components such as traction batteries. Together with its suppliers, Porsche is therefore working to make improvements to the battery manufacturing process in order to conserve resources, cut the energy density further and improve performance. Against this background, the Battery Recycling Working Group was set up during the year under review in order to tackle the key questions of what happens to old batteries once they are no longer fit for use. Information and project findings from the relevant departments are being analysed, and the Working Group is submitting recommendations to the Porsche Group which are then being put into practice. A pilot project is running in parallel in the Aftersales department, as part of which used traction batteries are being recycled for use as energy stores as part of a second life concept. In this way, resources can be conserved and sustainability enhanced.

Optimal and environmentally compliant vehicle production is an ongoing task for Porsche. This naturally also applies to the selection of sustainable materials and consideration of life cycles. The company has been scrutinising both of these areas as part of its 2025 strategy. Consequently, environmental aspects are already being given greater weighting in the

pre-development phase and taken into account at an early stage in the project award process. Measures are also in place to raise project managers' awareness of ecological issues even further. The company is also a heavy promoter of the recycling of raw materials, the extraction and processing of which required a high level of effort.

In this report, the topic of "Materials and sustainable raw materials" is covered in accordance with the rules of the Global Reporting Initiative by the indicator *GRI 301: Materials*. The indicator is measured and reported in terms of the annual consumption of materials.

New mobility concepts

Urbanisation, increasing prosperity, a world-wide increase in mobility and the associated higher environmental pollution trigger innovation and market dynamics for the adaptation of the automobile and its use. These factors are leading to a diversification of drive concepts in a move towards highly efficient, alternative concepts. At the same time, however, more and more new and attractive mobility concepts are also being researched and developed. Digitalisation and connectivity, as well as customers' desire for more flexibility and sustainability, are accelerating this change. In the 2017 materiality analysis, Porsche stakeholders underlined the huge significance of this turnaround.

Porsche is developing innovative products and services to shape flexible and comfortable mobility. These include innovative parking solutions, needs-driven vehicle usage, seamless integration with other forms of transport and the best possible use of electric vehicles thanks to optimised charging options. Agile and interdisciplinary teams are developing models that take their lead from customers' latest requirements. This development is underpinned by close cooperation between the company's different departments and an open information policy, as well as by early piloting and stakeholder involvement.

The mobility options offered to employees are another key area. An interdepartmental project has been launched to determine how to improve the traffic situation and the mobility of staff at Porsche's sites around the world for the long term. The project is particularly relevant to the main plant in Zuffenhausen, which is located in an urban area. The employees based there receive a monthly subsidy towards local public transport costs. In addition, the availability of parking at the plant, and mobility around the site grounds have also been significantly improved. Porsche manages the daily

delivery traffic as efficiently as possible which is why Logistics is already making use of three natural-gas trucks, one e-hybrid truck and two electric trucks.

In order to make mobility fit for the future and make smart cities a reality, Porsche also combines attractive mobility offers, technical expertise and digital solutions. In the year under review, Porsche and the PTV Group, the world market leader in the development of intelligent software solutions and integrated traffic concepts, examined measures for the liquefaction and relocation of traffic in the Ludwigsburg model area. These included innovative approaches such as a change in traffic management, a shift to public transport or the strengthening of inner-city cycling.

Porsche Consulting has also optimized the road construction site "Am Kräherwald" in a cooperation with the city of Stuttgart sponsored by Porsche. The aim was to significantly accelerate the construction project compared to a road section completed in 2017. The Porsche subsidiary introduced a new system for planning and controlling the construction site, which accelerated the construction time by more than 80 per cent and thus reduced congestion and emissions.

ENVIRONMENT & ENERGY

Sustainability principle

Porsche views the conservation of natural resources as an entrepreneurial obligation. Whether in development or in production, the objective is to impact the environment as little as possible, to use energy efficiently and to increase the share of renewable energies. All the steps taken to this end are scrutinised on a continuous basis along the entire value chain, and improvements are made where necessary.

The "Environment and Energy" action area constantly reviews the themes identified in the 2017 materiality analysis: "energy and emissions during production", "environmentally compatible logistics" and "resource consumption during production". Porsche has put in place clearly defined processes and responsibilities for all its divisions. Options for feedback and evaluating processes have also been firmly enshrined in the organisational structure.

Energy, emissions and resource consumption during production

Global climate change, scarcity of resources and advancing urbanisation all pose enormous challenges to the economy and society. In Porsche's 2017 materiality analysis, the Porsche stakeholders who are impacted directly or indirectly by the company's activities assign a great deal of importance to "energy and emissions during production" and "resource consumption during production".

Environmentally conscious and energy-efficient activity at all sites and across all levels is an essential element of Porsche's day-to-day business. A Group-wide environment and energy management policy continually checks all work processes along the entire value chain with regard to their ecological impact and any irregularities. Internal sets of rules and strategic guiding principles provide the relevant frame of reference. A dedicated Group guideline defines standardised procedures and responsibilities within the Porsche Group. This supports the Group companies in the systematic investigation, observance and checking of the regulatory environmental and energy requirements.

The energy and environment management policy covers emissions (air/noise) and soil protection, dealing with contaminated sites, hazardous materials and waste, as well as emergency preparedness, water and nature conservation and energy efficiency.

Responsibility for and the systematic implementation of the necessary steps lies with the Member of the Executive Board for Production and Logistics, supported by the Environment and Energy Management department. The fundamental aim is that every Porsche employee should be informed about the effects of his or her work on the environment. Every employee is called upon to observe the Group and company guidelines in order to minimise, or ideally avoid, any negative impact on the environment.

The strategy field "sustainability in production" in the Porsche Strategy 2025 defines short-term, medium-term and long-term measures. The "Environment and energy efficiency strategy" and the company's own "Environmental policy" are additional strategic guiding principles. In this way the company is implementing a requirement of the international standards for environment and energy management, ISO 14001 and ISO 50001, around which Porsche's internal specifications and processes are based. The sports-car maker also complies with the EMAS (Eco-Management and Audit Scheme) standards, a voluntary community environmental management and auditing instrument developed by the European Union. The Porsche site at Stuttgart-Zuffenhausen has been validated according to EMAS for more than 20 years and was also the first automotive industry plant in the world to fulfil the ISO 50001 standard. Since then, Porsche Leipzig GmbH, the Research and Development Centre in Weissach including its external locations, the central parts warehouse in Sachsenheim and Porsche Werkzeugbau GmbH have all been certified as compliant with this standard and with the ISO 14001 environmental management system.

In addition to the official certifications, Porsche also carries out internal reviews of compliance with environmental and energy legislation as part of its annual system and process audits (compliance audits). These audits are based on high standards and involve the hiring of external environment and energy auditors. The site results method records the impact that a site has on the environment: data and key figures are used to rate essential environmental aspects on a scale of high, medium and low relevance. On this basis, Porsche can determine all measures needed to ensure that potential negative impacts on the environment are reduced if not eliminated altogether. The Environment and Energy steering committee carries out regular progress checks on the pre-defined goals and initiates appropriate steps. The steering committee works cross-departmentally.

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Porsche strives to achieve a balanced environmental performance. Using water as efficiently as possible, through circulation systems and multiple reuse, and the careful handling of contaminated production waste water are important aspects in this regard. Avoiding waste, harnessing low-waste technologies and deploying sustainable disposal solutions are key elements of Porsche's waste management concept. The company's "environmental protection" resource regulation serves as an internal guideline and is also binding on suppliers.

Generally, environment and energy management staff are always at the disposal of company stakeholders – internal and external – to answer questions or listen to suggestions on the topic of "environment and energy". The goal is to foster open and transparent stakeholder dialogue. One example of this approach is the central complaints management system within the environment and construction management structure. Porsche's neighbours may contact central contact persons with any complaints or suggested improvements. All issues raised are dealt with individually. This system enables Porsche to react as quickly as possible and to incorporate suggestions into its long-term planning for the improvement of its sites.

In accordance with the Global Reporting Initiative (GRI) standards, Porsche covers the topic of "energy, emissions and resource consumption during production" in the form of the following disclosures: *GRI 302: Energy*, *GRI 303: Water*, *GRI 305: Emissions*, *GRI 306: Effluents and Waste*.

EMPLOYEES & SOCIETY

Sustainability principle

At Porsche, people are at the centre of the company. It assumes responsibility for its employees and invests in their future. Continuous professional development and qualification are hallmarks of the Porsche culture. At the same time, key importance is attached to equal opportunities, diversity and co-determination as well as the ongoing improvement of our employees' worklife balance along with fair and performance-based remuneration. As part of our local and international social commitment in the areas of social matters, education and science, culture and sport, Porsche initiates its own projects and supports external partners in conducting their own important social activities.

Under the "Employees & Society" action area, Porsche covers, among other issues, the important topics identified in the 2017 materiality analysis, namely "attractive employer," "staff development," "corporate co-determination," and "occupational health and safety." In all four areas, Porsche has clearly defined processes and remits in place, as well as established avenues of evaluation and feedback.

Attractive employer

The basis for successful HR work is Porsche's continual positioning as an attractive employer. Indeed, Porsche's stakeholders attributed a great deal of importance to this aspect in the 2017 materiality analysis. Porsche scores particularly highly for its excellent general conditions, the strong corporate culture and co-determination, and the extensive options for reconciling a career and family life. Firmly anchored in Porsche's HR strategy, employer attractiveness is one of four central priorities enshrined in the overarching Porsche Strategy 2025. Other benchmarks include the codes of conduct and the "Porsche Business Rules".

The continuous development of its corporate culture is exceptionally important to Porsche, particularly against the backdrop of the strong growth in staff numbers in recent years, and the company's new focus on electric technology, digitalisation and connectivity.

The patrons of this corporate culture are Porsche Chairman of the Executive Board Oliver Blume, Porsche HR Board Member Andreas Haffner and Uwe Hück, Chairman of the Group Works Council. These individuals embody the Porsche code, which draws on the new culture guidelines comprising the four elements of dedication, pioneering spirit, sportiness and

family. The Porsche code replaced the previous leadership guidelines during the year under review, and all Porsche managers are taking part in "leadership labs" to help implement it.

Porsche greatly strives to ensure that its staff can achieve a work-life balance. Employees receive support through a wide variety of different measures. Thanks to local cooperation partners, sufficient childcare places are available in nurseries located in proximity to the company's sites. Through its family service, Porsche offers free, individualised and comprehensive support for all family life situations. Porsche also provides flexible working options with respect to place of work and working hours. Options agreed with the Works Council range from arrangements for working from home and flexitime aligned to the employee's current phase of life through to time off to care for family members. Employees may also take voluntary sabbaticals. Job sharing in leadership roles has also proven to be successful in a pilot project and is now being rolled out further.

In this report, the topic of "employer attractiveness" is covered in accordance with the rules of the Global Reporting Initiative by the indicator *GRI 401: Employment*. This indicator is measured and reported on the basis of the following key figures: total workforce, employee structure, new hires and employee turnover, and parental leave claims.

Staff development

To be optimally prepared for the challenges facing the automotive industry, Porsche identifies and retains qualified and enthusiastic professionals and managers. The pillars of HR work at Porsche include needs-based training that focuses on future requirements, ongoing skills acquisition, and options and routes for internal development. In the 2017 materiality analysis, stakeholders rated the topic of employee development as highly important. Consequently, Porsche is striving to achieve continuous improvement in this area.

Staff development is founded on professional training as well as the support and qualification of students, for example through training options for dual-study programme students and the Porsche Trainee Programme. Another important component is the hiring on the basis of permanent contacts of all apprentices who pass their final examination. Throughout their careers, employees have access to a diverse range of programs for their systematic professional development on all levels. These include the "Porsche Warm-up" introduction programme for all new hires, the "Porsche Development Programme" to prepare

The continuous development of its corporate culture is exceptionally important to Porsche, particularly against the backdrop of the strong growth in staff numbers in recent years, and the company's new focus on electric technology, digitalisation and connectivity.

candidates to take on management roles, and specific qualification and talent promotion measures tailored to the target group in the field of production.

Porsche also runs two modular and internationally oriented training programmes for managers: the "Porsche International Management Programme", which has been specially designed for second level managers, and the "Porsche Advanced Management Programme" targeted at senior managers.

Employee support and qualification is not only a central component of the Porsche culture and code, but is also firmly anchored in the Porsche Strategy 2025. The digital revolution in particular is placing new demands on the workforce. This is why it is important to foster shared knowledge of the various aspects of the digital revolution in general and of digitalisation at Porsche in particular. With this in mind, the Fit for Digit@l initiative launched during the previous year was rolled out across the Group with significantly more content added. "Work and values in transition", "The core of digitalisation" and "Digital transformation at Porsche" are now fixed components of the programme.

Employee support and qualification is also a tool used for strategic leadership and planning processes. Individual training requirements are identified during annual employee appraisals, and relevant development opportunities established on this basis. The comprehensive range of training opportunities and individual staff development programmes are continuously being expanded and optimised in consultation with the Works Council. Here too, skills relating to the digital world and the digital mindset are crucial.

Important cornerstones for digital learning are the Porsche learning platform introduced last year and the new media laboratory, enabling the departments to produce their own digital learning formats. HR Development and more than 150 trained representatives from the individual departments regularly update the platform content. The fact that there are now over 24,000 user profiles illustrates the extent to which self-managed learning is being actively embraced by Porsche employees as they look to advance their skills.

The "Lernen@Porsche-Community" group was created during the development of the learning platform. Led by HR Development, this community is composed of stakeholders who are responsible for specialist training in their particular areas. The aim of the group is to enable

an exchange of knowledge across departments on all areas relating to skills, digital learning and blended learning. Meanwhile, the didactic and methodological structure of digital learning formats is also discussed. In this way, synergies can be harnessed across the network as a whole, creating opportunities for more flexible and sustainable learning.

Against the background of the Porsche Strategy 2025 and the far-reaching changes in the automotive industry, the structured creation and expansion of critical skills among all employees is a vital aspect of HR development activities. The "Strategic Skills Management" pilot project initiated during the previous year has been successfully concluded. The process of upscaling the project to encompass a full department began in 2018. The aim of strategic skills management is to systematically determine the skills needed for the future and to introduce measures to achieve these. Based on current and future roles, the required skills, capacities, job descriptions and requirements are recorded. Future tasks and skills yet to be acquired are then compared against each other by means of a fit-gap analysis. Any identified skill gaps can thus be addressed at an early stage through targeted re-training and further training, recruitment and new priorities in ongoing training.

In this report, the topic of "staff development" is covered in accordance with the rules of the Global Reporting Initiative by the indicator *GRI 404: Training and Education*. This indicator is measured and reported on the basis of the following key figures: the number of participants in training measures and the average training hours per employee. A survey is currently being carried out for Porsche AG and Porsche Leipzig GmbH with an ongoing expansion to include the Porsche AG Group planned for the future.

Corporate co-determination

One of the pillars of Porsche's corporate culture is corporate co-determination. The relevance of the topic was also highlighted by the 2017 materiality analysis. Porsche benefits from continuous dialogue as well as open, direct communication across all levels of the organisation. The employer and the Works Council have traditionally worked together closely on all issues affecting the staff and the company. Internal media keep employees of Porsche AG up to date on current issues. In addition, the Works Council offers a comprehensive information and discussion platform with its works meetings, which take place at the individual Porsche locations in Germany. In additional information and specific departmental events, the members of the Board of Management and the Works Council report transparently on current topics and developments. It is also established practice at Porsche to inform all employees and their elected representatives about important operational changes, doing so comprehensively and in a timely manner. This is done in compliance with national laws, applicable collective bargaining agreements and works agreements. Adherence to this corporate practice is ensured in a number of other ways, including through a Supervisory Board with equal representation, the Works Council committees, and the works agreement database on the intranet.

At the same time, there are numerous ways for employees to bring their suggestions, problems or complaints to the attention of committees and decision-making bodies, be it openly or discreetly through special channels. The mood barometer involves an anonymous survey of employees throughout the company about topics relating to the working relationship with colleagues and supervisors, the quality of work and the provision of information. A detailed evaluation of the results is followed by a discussion involving the Works Council in all areas of the company. Potential improvements are identified and measures to optimise work procedures and conditions are agreed on.

In this report, the topic of "corporate co-determination" is covered in accordance with the rules of the Global Reporting Initiative by the indicator *GRI 402: Labor/Management Relations* and *GRI 407: Freedom of Association and Collective Bargaining*.

Occupational health and safety

Porsche's most important resource is its motivated and capable workforce. Porsche health management has a key role to play in ensuring that the company can continue to develop, produce and sell exclusive vehicles in the future too. Alongside the well-established tools to secure productivity at the development and production sites, new occupational health promotion measures are now also available to certain areas. Porsche employees may also arrange to have a thorough medical check-up and obtain medical advice on any health issues. This voluntary health check is carried out by qualified doctors during working hours. The Porsche health management system also includes courses on nutrition, mental health strategies and effective self-management. Employees can also access individual physiotherapy advice at the workplace.

Occupational safety is a top priority for Porsche and its employees. An organised and structured system for occupational health and safety ensures a uniform approach and the implementation of legal provisions. This system helps to prevent accidents at work and occupational illnesses as far as possible.

The central processes are standardised and regulated by the Group guideline on occupational safety. This guideline represents an essential element of the company's compliance management system and applies to all employees. The managers ensure that their employees are familiar and comply with the provisions of this guideline. Specialists in occupational safety, Works Council members and works doctors are available to all employees in an advisory capacity. All staff members are also represented through the legally defined representatives in the occupational safety committees in accordance with the Occupational Safety Act.

Safety experts design work stations, equipment and installations with the focus on prevention and safety. In order to guarantee the highest possible level of safety for all project partners working on construction and installation sites, the occupational safety team has been extended to include construction site experts, thereby exceeding the statutory requirements. These experts monitor compliance with the safety standards, which are permanently being updated.

Thanks to the joint dedication, the injury rate has been significantly reduced in recent years. With a current rate of 5.8 accidents per million working hours, Porsche AG and Porsche Leipzig GmbH are at the same level as in previous years.

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In this report, the topic of "occupational health and safety" is covered in accordance with the rules of the Global Reporting Initiative by the indicator *GRI 403: Occupational Health and Safety*. This indicator is measured and reported on the basis of the following key figures: number of accidents, work days lost and cases of death, as well as injury rate. The key figures are currently being gathered for Porsche AG and Porsche Leipzig GmbH with an expansion to include the Porsche AG Group planned for the future.

Employees, Society, Sport, Communication

Employees

Society

Sport

Communication



EMPLOYEES

It is the people at Porsche that make the company so successful – with their expertise, their commitment and their passion. They affirm the values and aims of the company without reservation.

The number of employees at Porsche AG exceeded the 30,000 mark for the first time in the year under review. On the reporting date, 31 December 2018, the company counted 32,325 employees, nine per cent more than at the end of the previous year. A significant driver of jobs is the Taycan, which will come onto the market at the end of 2019. For the production and assembly of Porsche's future electric sports car alone, 1,500 new employees are being hired at the Zuffenhausen site.

The company's rapid growth presents Porsche with big challenges, which can only be mastered if everyone involved pulls together. This means that constructive cooperation with the Works Council, its committees and IG Metall are another important success factor. Collective bargaining agreements and works agreements form the stable foundation for Porsche's long-term success, benefiting employees and shareholders in equal measure.

Personnel strategy and innovation management

Employees are at the centre of our personnel strategy. This describes "what we do" in order to remain an outstanding employer. The personnel strategy is supplemented by the culture guideline, which explains "who we are".

In order to prepare its employees individually for the workplace of the future, Porsche is investing in future-orientated expertise and talent management. Performance-boosting working environments and innovative working methods and tools create the ideal conditions for modern teamwork in both factory and office. In addition, efficient processes and networked IT solutions form the basis for modern personnel work in the digital workplace.

The established strategic process is supported by innovation management in the HR and Social Policy department. Relevant search fields are identified by means of scouting, trend analyses and new technologies. Innovation initiatives are piloted in an iterative process and then incorporated into the personnel strategy. New working methods and environments, such as design thinking workshops or innovation areas, also enhance the innovative strength in the entire company.

Digitalisation of personnel processes

The company-wide platform "My Porsche Cockpit" was expanded further in the year under review. This enables continuous and constant optimisation of personnel and company processes. The most important factors are the networking, integration and automation of processes, which always occur in close coordination with the employee representation and under strict compliance with the data privacy and data security requirements. For example, each employee can manage their own personal data, such as additional qualifications obtained outside Porsche, using "My Porsche Cockpit".

The fully integrated digital application and staffing process has been further developed in the year under review. This significantly reduces both the administrative burden and the processing times. In addition, the system-related prerequisites for the digitalisation of numerous other personnel processes have been created.

Comprehensive connectivity of all Group companies to the integrated HR IT system landscape is an essential part of the personnel strategy. An important milestone was reached with the piloting of SAP SuccessFactors at the first international Group companies and a clear roll-out plan.

Process management and optimisation

The employees are actively involved in the continuous optimisation of personnel processes. New methods and formats such as creative workshops, for example, were successfully tested in the year under review. In addition, the digital process management tool was further enhanced: in the HR and Social Policy department, the respective process owner can now change and maintain processes directly in the system.

Successful ideas management

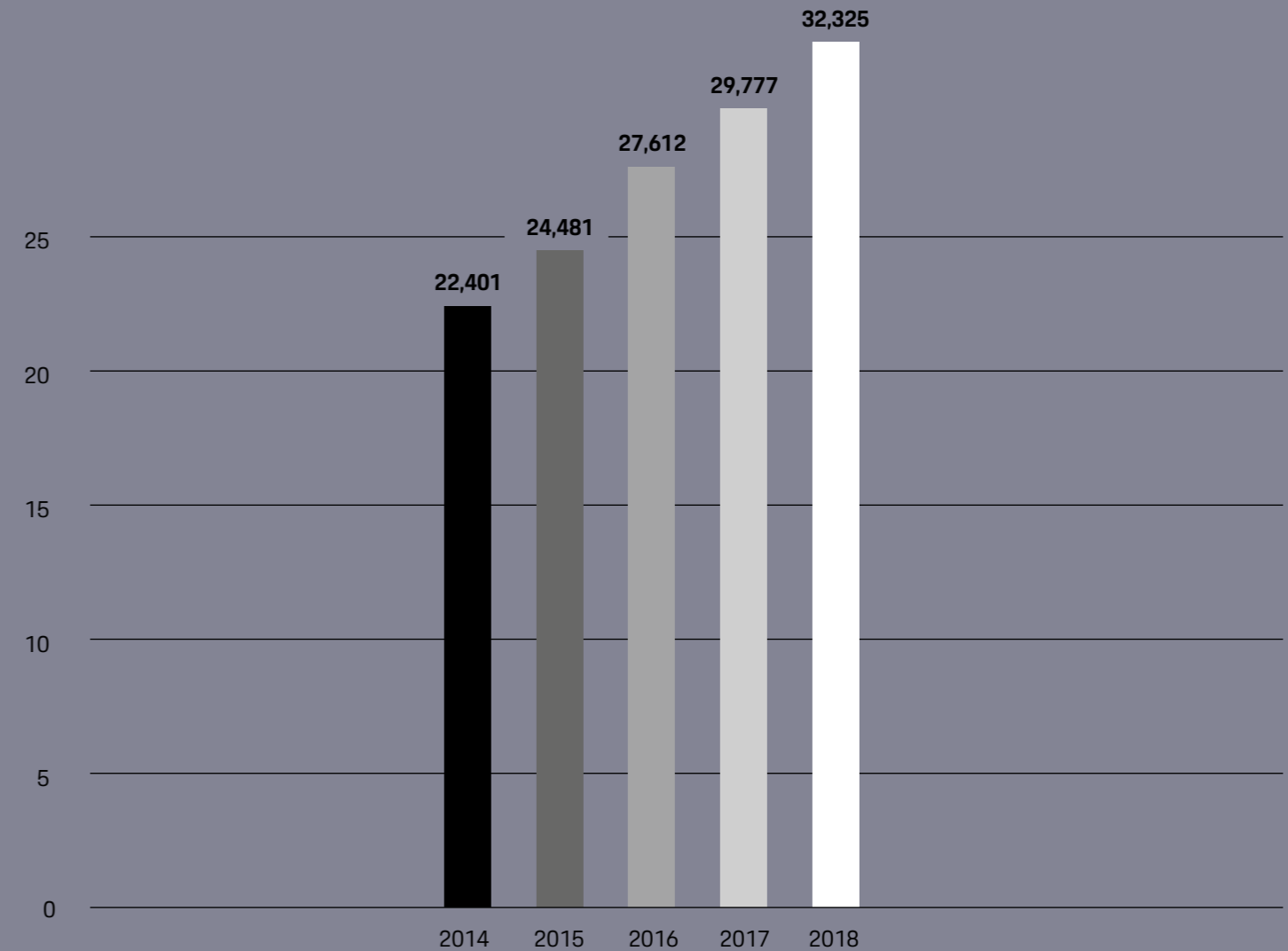
In the year under review, Porsche ideas management continued to offer employees the chance to participate in company affairs beyond their own area of activity. Shorter processing times and the new "idea of the month/year" campaign are making this programme even more attractive: around 3,000 ideas to improve efficiency were proposed in 2018. New ideas can now be submitted digitally in the production areas as well.

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INNOVATION AREAS

Employees Porsche



Employer attractiveness and encouraging young talents

Porsche's long-term positioning as an attractive employer is the basis for its successful HR work. To maintain this, the company supports numerous young talent initiatives, cooperates with universities and implements various communication measures. And this has brought success: in 2018, Porsche again occupied top positions among students in relevant employer rankings. The evaluations in the Universum Student Survey were particularly successful, with Porsche earning two first-place rankings for the first time, among both engineers and economists. Porsche's strong employer attractiveness is also demonstrated by the rising number of applicants: the Porsche Group received more than 160,000 applications in the year under review.

To promote young professional talents, Porsche relies on its partnership with relevant universities and organisations – such as "Formula Student Germany", an international design competition sponsored by the Association of German Engineers (VDI).

Cooperation with renowned universities is being further expanded, with a specific focus on the topic of digitalisation. The cooperation with the newly founded CODE University in Berlin, initiated in 2017, was brought to life this year by the implementation of the first joint projects. In an "Open Innovation Contest", student teams from the HHL Leipzig Graduate School of Management and CODE University Berlin jointly address questions on the topic of "New Work at Porsche". The format connects students at the partner universities even more closely with the Porsche experts and is part of the university campaign.



OPEN INNOVATION CONTEST

The latter also comprises a new scholarship programme for IT students at RWTH Aachen University, which Porsche launched together with the university to start in the winter semester 2018/19. Each year, 15 students on IT BSc and IT MSc courses will be sponsored. The Porsche IT scholarships are awarded through the RWTH education fund and include a special framework programme in addition to financial support. In addition to specialist events, general support programmes by the education fund, such as networking events, further training possibilities and social events, are on the agenda.

International university contacts are also carefully maintained and continually developed. Examples include the internship programmes with Tongji University in Shanghai (China) and Massachusetts Institute of Technology in Cambridge, near Boston (USA), as well as the cooperation with the IT chair at Babes-Bolyai University in Cluj (Romania).

However, the support of young talents begins even before university. For the last 18 years, the best high-school leavers of their year in Baden-Württemberg have been awarded the Ferry Porsche Prize in the main subjects mathematics, physics and technology. In 2018, the coveted award was presented to 221 young people. Six of them additionally received a one-year scholarship. The scholars are selected by drawing lots during the annual award ceremony in Porsche's Research and Development Centre.

Porsche is specifically targeting young applicants with a new, modern campaign: high-quality black and white pictures of employees convey an authentic impression of the working world at the sports car manufacturer. At the same time, central messages of the Porsche corporate culture – such as practicality, collegiality, innovation – are conveyed to the outside world. Soon after it was launched, the campaign was already awarded the "HR Excellence Award 2018".

Another focus in the year under review was on addressing candidates for the manufacture of the Taycan electric sports car at the Zuffenhausen site, where a further 1,500 skilled workers are being hired. Social media is predominantly used for communication with the applicants. Personnel marketing has significantly expanded its activities in this area. Since 2017, a chatbot run by artificial intelligence has been used on Facebook, for which the company has also received an HR Excellence Award in the category "HR tech and data". The existing social media portfolio was expanded this year to include Instagram. This enables young target groups in particular to gain authentic insights into working life at Porsche.

The Porsche Code replaces the previous management guidelines. It was enhanced and developed in 2018. The objective is to link the Porsche Code to all the HR processes.



PORSCHE CODE

Porsche corporate culture

The significant increase in employee numbers and the digital transformation are crucially changing how we work together. The initiative launched in 2017 to strengthen Porsche's corporate culture is therefore being given priority. Chairman of the Executive Board Oliver Blume and HR Board Member Andreas Haffner, as well as the chairman of the Works Council, Uwe Hück, have been involved in the project from the beginning. They are sponsoring various campaigns, thus emphasising the importance of this topic for Porsche.

The culture guideline defined in the previous year, with its four dimensions "dedication", "sportiness", "pioneering spirit" and "family", continued to be actively pursued and communicated into the company in 2018. A Porsche culture film was created in the spirit of the new guideline: employees were actively involved in this, too, and played the lead roles in the film.

The Porsche Code replaces the previous management guidelines. It was enhanced and developed in 2018. The objective is to link the Porsche Code to all the HR processes. Key to this are what are known as Management Labs. In the labs, managers prepare themselves for future challenges. By means of critical reflection and external inspiration, they also internalise the Porsche management culture in the long term. All disciplinary managers are to take part in a Management Lab in 2018 and 2019 as part of this initiative.

Porsche mood barometer

In 2018, all employees of Porsche AG and its German subsidiaries were asked to give an assessment of their current work situation using a mood barometer. More than 21,000 people voluntarily participated in the online survey. The contents concerned topics such as cooperation, quality of work and integrity. After the questionnaires were evaluated, the results in the respective corporate unit were discussed in detail, with the involvement of the Works Council. Managers and employees identify potential for improvement and jointly define specific measures in order to optimise processes or working conditions, for example.

Integrity at Porsche

At Porsche, integrity comes first – because acting responsibly, resolutely and from personal conviction in accordance with ethical principles is the prerequisite for honest and respectful cooperation, which constitutes the basis of the Porsche culture.

A high value is placed on integrity at Porsche, as a fixed component of our strategic guidelines. The bottom-up development of a culture guideline was initiated as early as 2016, and included integrity as a central value. In the year under review, the topic was also anchored in the management guideline, which was likewise developed by the employees and managers. Acting with integrity is also indispensable in retail, which is why it was included in the Porsche service standards as the highest value.

As well as the strategic guidelines, structural conditions were created in 2018 to raise awareness of the topic. Similarly to the topic of compliance, integrity is also implemented as a function in the steering committee and responsible committees. Regular reporting to the Executive Board is also planned.

Internal communication measures have been initiated in order to sensitise the workforce to the topic of integrity. Integrity in working life is also actively addressed in the annual employee survey. Should there be any notable findings in connection with the question of acting with integrity in the company organisation, optimisation measures will be initiated, with the involvement of HR and the responsible managers.

Integrity is also discussed within the existing personnel development programmes. To enable dialogue events on the values and culture of the company to be established in every corporate unit, Personnel Development has created an additional format to qualify employees appropriately. In addition, all disciplinary managers are reminded during an in-person event to introduce their employees to the topic of integrity, to be a role model for integrity, and to create an environment in which every employee can speak their mind openly and honestly.

Training

The pillars of Porsche's personnel policy include needs-based training that focuses on future requirements, ongoing skills acquisition, and internal development. The Porsche vocational training has been the basis of this for 76 years. Learning contents and training places are adapted predictively to technological progress and social development. At the Zuffenhausen site, the company currently offers 200 training places in ten technical and commercial training professions, as well as eight degree programmes in cooperation with the Baden-Württemberg Cooperative State University (DHBW).

At its headquarters in Zuffenhausen, Porsche is preparing for the manufacture of the Taycan and has again increased the number of technical training places in the year under review, from 106 to 156. Training is offered in the following fields: auto mechanics with a focus on passenger car technology, auto mechanics with a focus on system and high-voltage technology, warehouse logistics specialists, body and vehicle construction mechanics, automotive painters, vehicle interior designers, industrial mechanics for automobile construction, and electronics engineers for operating technology.

There were also 34 dual study places provided in 2018. The degree courses IT, IT Automotive and Digital Business Management were established. The degree course in electrical engineering is now offered with two specialisations: vehicle electronics and mechatronic systems, as well as vehicle electronics and embedded IT. In the course of electromobility and the progressive digitalisation of all areas

of automobile construction, around 50 per cent of places are now filled in the IT and electrical engineering courses.

In 2018, as in the previous year, ten industrial salespersons started their training. In the commercial field, the trainees are prepared for the new working world from the very first day. Paper-based processes are virtually entirely replaced by digital applications.

Part of the future-orientated training comprises the promise to take on all graduates of the vocational training and the dual study programme as permanent employees. Thus, in the financial year under review, 159 trainees and DHBW students started a permanent job after successfully completing their studies.

The internationalisation of the vocational training is an important milestone in order to qualify young, highly motivated talents further and to prepare them for the workplace of the future. The foreign postings encourage intercultural exchange, aid personal development and increase the flexibility and mobility of the trainees. In the year under review, 30 technical trainees, ten commercial trainees and 33 dual students gathered professional experience abroad. The postings lasted from two weeks to four months. The focus in 2018 was on expanding the foreign postings in the context of the "Synergy and Integration Project" by the brand group Luxus und Sport, consisting of Porsche, Bentley and Bugatti. The rotation programme between these brands was developed further: at Porsche and Bentley, 20 exchange programmes took place in the context of technical vocational training. In addition, 16 dual study programme

students spent several weeks at Bentley and Bugatti.

The percentage of female trainees underwent a positive development – reaching 29 per cent in the year under review. In the dual study programmes, the proportion of female students was 43 per cent. It remains a challenge to find young women for technical or engineering and IT degree courses. Various activities have been conducted in order to obtain more applications from suitable candidates in the next few years. For example, Girls' Day has been taking place within the vocation training programme for many years. Its aim is to get young women interested in technical professions at an early stage. Girls' Day was realigned this year under the motto "#Digital-&TecChallenge". 90 girls took the opportunity to sample the training of the future in Zuffenhausen. A further 40 schoolgirls received exciting insights into the working world of Porsche at the Leipzig and Bietigheim-Bissingen sites. In addition, the first Digital Day for Girls took place within the vocational training to encourage young women to take a dual study programme in one of the IT degree courses on offer – and it was successful.

All technical trainees learn the current manufacturing and vehicle technologies in order to prepare them optimally for their profession. For this reason, their training deals with topics such as e-mobility, hybrid technology, driver assist systems, digital learning media and Industry 4.0. A good example of how these innovations are integrated into the training is the Learning Factory 4.0. Developed by trainers and set up together with trainees, the Learning Factory offers system-based manual



TRAINEES, LEIPZIG

workplaces, control technology and a robot cell. A driverless carrier system and a light-weight robot are also planned for the future. In the Learning Factory, the trainees experience how to handle digital manufacturing technologies in training courses, while they assemble a 911 model, for example, at a scale of 1:10. They also gather initial experience of series processes, communication channels, troubleshooting, quality aspects and the evaluation of data, which they will meet again later when manufacturing the Taycan.

Also in 2018, a digital printing robot was installed and put into operation together with Production. The trainees use it to learn the programming and optimisation of the parameters in order to ensure flawlessly high-quality printing. In the run-up to production of the Taycan, pilot training courses on the operating principle of 3D printing, 3D scanning and the assembly of the e-drive for the Taycan were also conducted.

Since many applicants have no prospect of a training place according to the general selection criteria, Porsche relies on an entry qualification, which is known as the Year of Support. Since 2012, 85 young adults have completed a Year of Support on the basis of the collective wage agreement. 91 per cent of them were able to qualify for a subsequent training at Porsche. Because of its great success, the Year of Support was continued, and the original number of participants was raised from 15 to 20 in both 2017 and 2018.

Porsche has also successfully continued the integration year for refugees. 15 young people took part in the project, and almost all of

them were successfully integrated into the training and job market in cooperation with handicraft businesses.

The vocational training of severely disabled candidates has been exemplary. Currently, 23 persons with a disability are completing training or a dual study programme with Porsche. If training in the company is not possible on the grounds of individual restrictions, the cooperative training model applies: the young people complete the theoretical part of their training at a vocational training centre which is appropriate to their individual support needs. For the practical part of the training, they are deployed to the extent of their possibilities in the various departments of the company. Internship placements for young people with a disability are also enabled individually in cooperation with various vocational training centres.

In the 2017/2018 school year, Porsche launched a new project in vocational training, known as the after-school learning centre. On two mornings of every week, the Porsche training workshop was turned into a classroom for technology classes for years five to ten. The secondary school pupils were taught by their own technology teacher according to the curriculum – and depending on the topic, the trainers and training supervisors then gave the pupils insights into the Porsche world. In total, around 170 school pupils were welcomed in this capacity here in the last school year. The project is being continued on the same scale in the current school year.

At the Leipzig site, Porsche was again very heavily involved in the vocational orientation and promotion of MINT professions in 2018. In cooperation with the VDI (Association of German Engineers) GaraGe, the Porsche school workshop in Leipzig Plagwitz offers the chance to experience technology.

At the Leipzig site, Porsche was again very heavily involved in the vocational orientation and promotion of MINT professions in 2018. In cooperation with the VDI (Association of German Engineers) GaraGe, the Porsche school workshop in Leipzig Plagwitz offers the chance to experience technology. The intention is to inspire schoolchildren to train in a technical profession. At the Leipzig site, Porsche recruits around 30 per cent of each training year from participants of the courses in the VDI GaraGe. The range offered by the Porsche pupils' workshop was expanded in 2018 to include the topics of electromobility and Connected Car.

In the last two years, Porsche was the main sponsor of the school competition on entrepreneurship, "Jugend gründet". The aim of the competition is for young people to gain a feeling for entrepreneurial thought and action in order to use this in future as entrepreneurs and intrapreneurs. Since 2018, the national final has taken place in the Porsche training centre in Zuffenhausen. The Porsche special "Digital Future" prize was also successfully implemented. With this award, Porsche underlines the importance of digital transformation for society. In the year under review, the prize was awarded to three schoolgirls from Mühlendorf. They had applied with a business plan for their business idea "sign language aid". The concept aims to help deaf and dumb people to communicate better with other people. The solution they thought up was a headset with an integrated camera which could recognise and directly translate sign language.



TRAINEES, ZUFFENHAUSEN

Staff development

Within Strategy 2025, the majority of the strategy areas are devoted to the challenges and opportunities of digitalisation. The digital transformation places new, or at least significantly altered, requirements on all employees and managers. The work of personnel and management development therefore essentially consisted of tasks concerning digital transformation in the year under review. The aim is to build and develop digital competencies that are crucial to company success in all employees and managers in a structured and long-term way. The high-quality and comprehensive range of training opportunities and individual and target group-specific staff development programmes are continuously being expanded and optimised in consultation with the Works Council.

Porsche Warm Up

Qualification and interdepartmental exchange begin on the first day at Porsche: during the Porsche Warm Up, new employees are given comprehensive information about fundamental topics. During the two-day event, they get to know the Porsche Strategy 2025 and the integrity and compliance principles, among other things. They are also informed about equal opportunities and the services offered by the Works Council. In 2018, around 1,845 employees participated in the Porsche Warm Up and 48 in the Porsche Warm Up International.

Seminars for shift workers

In the year under review, Porsche expanded the existing seminar range to include formats which are specifically geared towards specialist shift workers. A total of six seminars were devised, including "Fit for internal application" and "Personal development". The positive feedback from the participants has confirmed the great interest and relevance of an offering for skilled workers who work in shifts.

International trainee programme

Following the successful completion of the fourth wave of the trainee programme, a further round with ten participants started in October 2018. The international programme lasts twelve months. In the project work, the graduates get to know the work processes of various divisions, main departments and departments.

Porsche development programme

In the Porsche development programme, employees are qualified professionally and personally for a possible assumption of managerial tasks. The contents of the programme are strictly orientated towards Strategy 2025: digitalisation, innovative strength, internationalisation and lifelong learning are central elements. The Porsche development programme was launched in January 2018, with around 250 employees from Porsche AG and 17 participants from the subsidiaries. A second wave began in December 2018.

Programmes at management level

Porsche is preparing managers for the challenges of the future with customised qualification offers. Among other things, two high-quality modular programmes have been developed with internationally leading business schools. In the year under review, 50 participants completed the newly created "Porsche International Management Programme" under the banner of: "A distinctive agility trip for Porsche leaders". The programme is tailored to the special requirements of second-tier managers. They are to shape the digital transformation process in the company even more actively. The focal points are therefore the systematic development of leadership competencies, the strengthening of the required mindset and the expansion of the methodological repertoire.

The "Porsche Advanced Management Programme" focuses on the development of leadership competencies. These are necessary in order to be able to act successfully in a global and volatile environment and to actively control Porsche's strategic direction. The second wave was successfully completed in June 2018 with 22 participants from Porsche AG, the worldwide Group subsidiaries and Bentley.

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Strategic competency management

With Strategy 2025, Porsche is preparing for the future. The digital transformation with its new technologies and processes, as well as the aspiration to build environmentally sustainable vehicles, lead in some cases to entirely new products. This means that the continuous and structured establishment and development of success-critical competencies is a mandatory aim of personnel development for all employees.

Within the context of strategic competency management, a systematic procedure was developed for this: today's core tasks and competencies are recorded using Fit-Gap analysis and compared with future tasks and the abilities which will be necessary for them. Any skill gaps identified in this way can be addressed at an early stage through targeted re-training and further training, proactive recruitment and new priorities in ongoing training. The pilot project, launched in 2017, was successfully rolled out in one department with 300 participants and 54 workshops in 2018.

Knowledge campaign "Fit for digit@l" significantly expanded

The digital transformation places new and significantly altered requirements on the workforce. It is therefore important to sensitise and motivate all employees for the transformation.

The knowledge campaign "Fit for Digit@l", successfully launched the previous year, was further developed in 2018 in the Porsche Group. The aim is to convey knowledge relating to digitalisation to all Porsche employees. As well as digital learning tools, diverse events offer the possibility of actively helping to shape the digital transformation.

"Fit for Digit@l" concentrates on three areas. Firstly, on the core of digitalisation and its effects on the automotive industry and its employees. Secondly, on the drivers of the digital transformation – for example, new technologies, business models and mobility concepts. And thirdly, on the fields of action of digital transformation at Porsche. These areas are derived from Strategy 2025 and encompass products and services, customers and retail, company and processes, and people and culture.

Porsche learning platform, media laboratory and learning community

The Porsche learning platform is the central basis for all further training topics at Porsche. Employees can find the entire range of qualifications offered and can learn autonomously here. Together with personnel development and more than 150 trained representatives from different departments, the offer on the platform is regularly expanded. An essential precondition for the creation of digital learning contents is the introduction of a media laboratory with which the departments can develop digital learning formats simply and autonomously. More than 24,000 active user profiles confirm the success of the concept.

On the basis of the learning platform, the "Lernen@Porsche-Community" was created in the year under review. This steadily growing group is managed by personnel development and currently consists of more than 50 contact persons who are responsible for specialist qualification in prescribed areas. The aim of the community is to exchange views across the departments on the topics of qualification, digital learning and blended learning. This creates networks which use positive, sustainable synergy effects and develop joint training formats – for example, by an intensive exchange of views on the didactic and methodological development of digital learning formats.

With Strategy 2025, Porsche is preparing for the future. The digital transformation with its new technologies and processes, as well as the aspiration to build environmentally sustainable vehicles, lead in some cases to entirely new products.



FIT FOR DIGIT@L

Work and family

Balancing work and family plays an important role for Porsche. There are numerous offers which can be used in the context of agreements made jointly with the Works Council. For example, at the various Porsche sites, child-care places are offered in nurseries in cooperation with local cooperation partners. In addition, children of employees are supervised at the sites around Stuttgart throughout the summer holidays – including a shuttle service. As a highlight, a “Code Camp” is being offered this year for the first time, together with the “Code + Design Initiative”. Here, young future programmers can expand their knowledge in exciting projects. With the exception of the Christmas holidays, the children are also supervised during the remaining school holidays.

Through its family service, Porsche offers free, individualised and comprehensive advice and support for all family life situations. The offer ranges from advice for prospective parents to the selection and arrangement of qualified carers for children and seniors. The company also offers professional support in the search for and selection of appropriate care institutions for family members.

This commitment to reconciling career and family was honoured in detail in the year under review by the magazine *ELTERN*: in a nationwide survey, Porsche was awarded the highest grade as one of the “Best companies for families”.

Porsche also provides flexible working options with respect to place of work and working hours. Home office, life phase-orientated flexible working hours and a voluntary personal sabbatical are just a few examples of this. Job-sharing in management functions has also proven successful in a pilot project and is now offered throughout the company as a possible option.



CODE CAMP

Co-determination

The workforce is informed about the various offers for employees via Porsche AG’s various internal media. In addition, the Works Council offers a comprehensive platform for information and discussion in its regular works meetings at the German Porsche locations. Co-determination is valued highly at Porsche and is an important pillar of business success. This also includes the numerous collective wage agreements and works agreements which were agreed between the company parties in the year under review.

The Works Council is also an important partner and driving force in the organisation and implementation of the traditional Hocketse for employees and their families at the Zuffenhausen site. In 2018, more than 16,000 guests attended the family festival in and around the main plant. The 6-hour run in Zuffenhausen was also initiated by the Works Council. A distance of 911 metres is run here on the plant premises. For every lap completed, five euros are donated to charitable organisations from Stuttgart and Zuffenhausen. In September, over 3,500 employees participated in the run and collected a total of 195,000 euros for charitable causes.



HOCKETSE

As a highlight, a “Code Camp” is being offered this year for the first time, together with the “Code + Design Initiative”. Here, young future programmers can expand their knowledge in exciting projects. With the exception of the Christmas holidays, the children are also supervised during the remaining school holidays.

Equal opportunities and diversity

The Porsche workforce is characterised by its diversity: employees from more than 80 nations, with the most diverse personal skills, ensure that Porsche is so successful today. It is anchored in the culture guideline, and the Porsche Code derived from it, that managers should actively promote diversity. In addition, equal opportunities and equal treatment for all employees are prescribed in the Porsche code of conduct. In order to support managers and employees at all levels in implementing equal opportunities and diversity, dialogue platforms and training components are being continually developed.

In June 2018, Porsche participated in the German Diversity Day for the second time. Under the banner of “Everyone is individual. As a group, we are diverse. Together, we are successful”, the HR department, the Group Works Council and the representative body for the severely disabled showcase diversity at twelve sites around Stuttgart. This exemplifies the contribution that each individual can make to equal opportunities and diversity. The event also offers numerous possibilities for dialogue. In various training components – for example, in the context of the Porsche Young Professional Development or the Porsche Management Labs – opportunities, challenges and options for action in handling diversity are treated in depth.

For their special commitment to the inclusion of people with severe disabilities, Porsche already received the “Disability-friendly employer” award given by the Youth and Social Policy municipal association in 2017. In the year under review, the internal inclusion measures were further promoted under the leadership of the inclusion officer, and cooperation arrangements were developed. During the “Day of Persons with Disabilities”, a “sensitisation guided tour” was offered together with the Porsche Museum for managers from all areas of the company. The tour gave management an impression of life with a physical disability, for example by using a wheelchair, blindfolds or headphones. The active change of perspective resulting from this encourages the understanding of managers for colleagues with disabilities. The Porsche employees were also invited to take part in the sensitisation tours by the museum. This enables inclusion to be promoted in the long term.

An important aim towards which Porsche is continuously working remains the increase in the percentage of women at all company levels. Since 2012, Porsche has significantly increased the percentage of women in the

company to around 16 per cent. During the same period, the number of women in managerial positions almost trebled. The percentage of women in management is around ten per cent.

Guaranteeing measurable and binding equal opportunities is a fixed component of the target agreements which are concluded individually with all the managers. For the promotion of women in management, as well as in the collective agreement areas, Porsche has set itself targets which go beyond the legal requirements. Qualification and further training measures, as well as mentoring offers, support female employees in their career planning.

In increasing the percentage of women, the promotion of young talent also plays an important role for Porsche. Thus, in 2018, half the trainees were female, and the proportion of women among the interns and thesis applicants was 28 per cent. In order to win female young talented professionals for Porsche, the cooperation with Femtec, an international career platform for women in IT, engineering and natural sciences, which has existed for over 15 years, was successfully enhanced. In the year under review, two excursions took place which provided insights into the working world at Porsche at the Weissach and Zuffenhausen sites. In addition, the company is involved in the Femtec Alumnae network, for example in the context of the festivities for the tenth anniversary of Femtec. At the Alumnae LIVE 2018 conference, Porsche organised a workshop on the topic “The transformation of Porsche into a software company”.

At trade fairs and during formats specially for women, the company regularly gives information about entry opportunities. In 2018, for example, Porsche was present at “WoMenPower”, the “Future day for female students” at RWTH Aachen University and at the “Ladies Lounge” as part of Formula Student Germany 2018. In addition, the cooperation with the University of Stuttgart, concluded in 2017, was continued successfully. The event “TryScience at Porsche” gives interested schoolgirls, female students and PhD students at the University of Stuttgart insights into possible professions in the company which are based on MINT (mathematics, IT, natural sciences and technology) subjects. In the year under review, Porsche was also the host of PANDA Automotive, a network event for women who are already experienced managers or aspire to a management position.

Targets for the percentage of women in the Supervisory Board, Executive Board and management

As part of the implementation of the law on the equal participation of women and men in management positions in the private economy, the following target figures for the percentage of women in the Supervisory Board, Executive Board and upper management levels by 31 December 2021 apply to Porsche AG: with a view to the long-term commitments of its members, the Porsche Supervisory Board has confirmed the status quo of ten per cent as a target figure for the Supervisory Board. At the time of the resolution, the Executive Board positions for all departments were occupied exclusively by men; the respective contractual periods extend over several years. For this reason, the target figure for the Executive Board was set at the status quo (0%). However, Porsche’s Supervisory Board has set itself the target of increasing the percentage of women on the Executive Board in the long term. For the first and second management level beneath the Executive Board, the target figure is 15 per cent, which means that Porsche AG is aiming for almost double the status quo.

Occupational health and safety

A motivated and capable workforce is Porsche’s most important resource. In order to maintain employees’ physical fitness so that they can continue to develop, produce and sell exclusive, sporty cars today and in the future, Porsche health management supports the workforce with various measures to promote health and prevent illness.

Employees may also arrange to have a thorough medical check-up and obtain medical advice on any health issues. This health check is carried out by specially qualified doctors. It is voluntary and takes place during working hours. After a very successful pilot phase, the roll-out was launched in the year under review. This means that an essential aspect of health provision for employees is supported within the company. If necessary, physiotherapists also advise employees directly at the workplace. Porsche’s health management pursues a holistic approach. Courses on optimal nutrition, mental strategies or effective self-management are therefore also offered.

The protection of the employee has top priority for Porsche. An organised and structured system for occupational health and safety guarantees a targeted and uniform approach and ensures the implementation of legal provisions. This system helps to prevent accidents at work and occupational illnesses as far as possible. The central processes of

occupational safety are standardised and regulated by a Group guideline. This guideline is an essential element of the company's compliance management system and applies to all Porsche employees. It is the managers' responsibility that employees know the provisions of the guideline and comply with its directives. Specialists in occupational safety, Works Council members and company physicians are available to all employees in an advisory capacity with regard to occupational safety. All staff members are also represented through the legally defined representatives in committees in accordance with the Occupational Safety Act.

In addition, the company employs qualified safety engineers who concentrate on preventative measures for accident protection. The design of workstations, machines and equipment is orientated towards the applicable safety requirements. In order to guarantee the best possible safety standard for all partners involved during building and modernisation projects, the occupational safety team has been expanded beyond the legal requirements to include building site experts. These experts monitor compliance with the safety standards at the building and assembly sites and continue to develop them.

Thanks to a collective commitment, the injury rate has been significantly reduced in recent years. With a current rate of 5.8 accidents per million working hours, Porsche AG and Porsche Leipzig GmbH are at the same level as in previous years.

Porsche Gastronomy

Porsche Gastronomy is an important component of the corporate culture, which is also reflected in employer attractiveness. With 14 company canteens and 15 self-service shops at the German sites, Porsche Gastronomy provides healthy, varied and diverse meals for all employees. In the year under review, more than 3.7 million meals were served in the canteens.

In May, the largest Porsche company canteen to date was successfully put into operation at the development site in Weissach. Up to 3,400 meals are served here each day. Regional products such as vegetables and local butchers' products are regularly on the menu. Two further company canteens are planned for the production site in Zuffenhausen.

Porsche Gastronomy also planned the catering for numerous events with up to 25,000 guests in the year under review, treating local guests to culinary delicacies – for example, at the Porsche Tennis Grand Prix and the Porsche Hocketse.

The company's rapid growth presents Porsche with big challenges, which can only be mastered if everyone involved pulls together. This means that constructive cooperation with the Works Council, its committees and IG Metall are another important success factor.

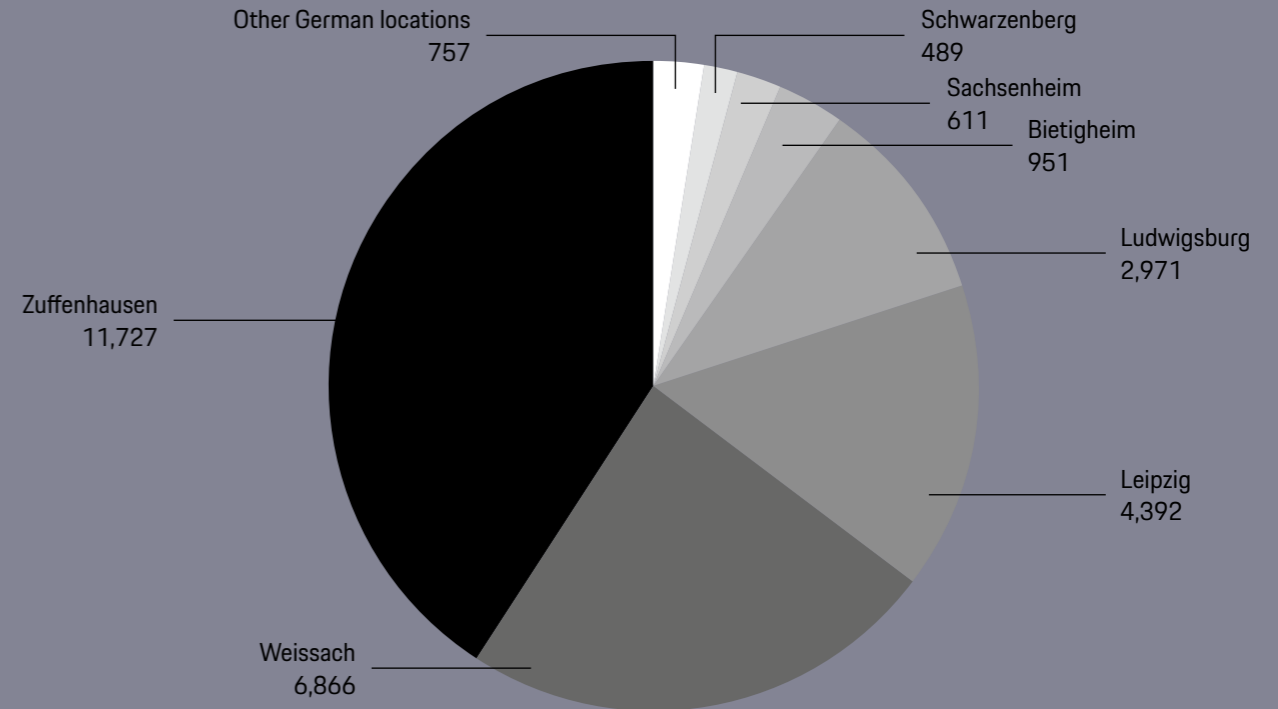


PORSCHE GASTRONOMY



WEISSACH CANTEEN

Employees at locations in Germany



Total workforce in Germany			Compared to previous year
2018	28,764		+9%
2017	26,506		
2016	24,681		

SOCIETY

As a successful company, Porsche feels an obligation to society as a whole. The sports car manufacturer accepts social responsibility, particularly at its plant locations. In 2018 alone, Porsche has supported more than 100 individual projects from the areas of education and science, culture, social affairs, sport and environment, through donations and CSR sponsorship activities.

The company has also created the Ferry Porsche Foundation on the occasion of the sports car brand's 70th anniversary. The foundation will primarily focus activities on the company sites in Stuttgart, Weissach and Leipzig. There are also projects at the international sites, where the foundation supports projects in science, research and training as well as schooling and education. Alongside this, it supports initiatives in the areas of culture and environmental conservation and helps socially deprived people. Support for children and young people is at the centre of the foundation's work. Porsche plans increasingly to create its own programmes within the framework of the foundation.

The foundation initially has ten million euros at its disposal. A further ten million euros will follow in a second step, after which additional capital will flow into the foundation annually from Porsche AG's company profit. With this initiative, the company is enhancing its social activities in the long term.



FERRY PORSCHE FOUNDATION

On the occasion of the 70th anniversary of the sports car brand, the company has created the Ferry Porsche Foundation. The foundation will primarily focus activities on at the company sites in Stuttgart, Weissach and Leipzig. There are also projects at the international sites, where the foundation supports projects in science, research and training as well as schooling and education.

Education and science

Opportunities for refugees

In 2018, as part of the Porsche year of integration, the sports car manufacturer is once again preparing 15 young refugees for vocational training. After successfully completing this development measure, they will be offered trainee positions in partner companies in industries suffering from a shortage of skilled labour.

Porsche is also supporting a range of other initiatives which offer refugees good prospects in the German labour market. For example, the company is one of the main backers of Joblinge gAG Stuttgart. This charitable initiative helps young people with a difficult start in life to find apprenticeships. The Berufliche Anerkennung in Baden-Württemberg (Vocational Recognition in Baden-Württemberg) bursary programme, organised by the Baden-Württemberg Foundation, helps refugees to get the qualifications and training that they have completed abroad recognised without experiencing excessive red tape. As the only federal state in Germany to offer this type of assistance, Baden-Württemberg is supported by Porsche through the *Stifterverband* association of German companies and foundations.

How are young people and young refugees successfully brought into training and work? How do companies obtain the necessary information and support when they want to train and hire refugees? The Bürgerstiftung Stuttgart civic foundation opened an education campus in the Cannstatter Carré in 2016. The City is providing the premises. The special thing about this campus is that the usual rigid separation of responsibilities does not apply here. The employment agency, the job centre, the advice centres of the social welfare and youth welfare offices, independent sponsors, the Chamber of Industry and Commerce and the Chamber of Crafts in the Stuttgart region are represented on the campus side by side. The young people receive advice about vocational orientation; they can learn German, make contact with sponsors or create an application portfolio. Porsche continued to financially support the Bürgerstiftung Stuttgart's project in the year under review.



INTEGRATION YEAR

Talent Company for schoolchildren

At the beginning of 2018, a special offering was launched at the Rilke secondary school in Stuttgart-Rot: the Talent Company. This provides a specialist room with computer equipment, modern presentation technology and a lounge area. Here, schoolchildren are offered vocational orientation, contact with regional companies and internship placements. The emphasis is on the strengths and talents of the pupils, while school grades play only a secondary role. The initiative was started by the Strahlemann Foundation from Heppenheim, in Hesse. One of the foundation's aims is to offer young people opportunities and to form synergetic links between industry and school. Porsche supported the foundation in setting up the Talent Company. The patron is Dr. Susanne Eisenmann, Minister of Education and the Arts for Baden-Württemberg. There are 25 further locations across Germany.



VDI GARAGE

Technology workshop in VDI GaraGe

Porsche is supporting young people in Leipzig, too: each year, more than 1,500 young people attend the Porsche pupils' workshop in the VDI GaraGe, a technology centre in the Plagwitz district. Under the supervision of a Porsche senior trainer, they learn the basics of vehicle mechanics and electronics in various courses. The programmes are intended to arouse interest in technical vocations and, at the same time, to contribute towards university and vocational orientation.

Porsche Cars North America: diverse commitment

Porsche is internationally positioned as a company. For this reason, the sports car manufacturer also shows social commitment abroad, for example in the USA. Porsche Cars North America (PCNA), headquartered in Atlanta, took the "70 years of Porsche sports cars" anniversary as an opportunity to support various campaigns for the 70th anniversary of the UN Human Rights Charta. On 10 December 1948 in Paris, the UN General Assembly announced the Universal Declaration of Human Rights. This is regarded as one of the most significant achievements of the post-war period. As part of its sponsorship of the National Center for Civil and Human Rights in Atlanta, PCNA supported 70 events, programmes and tours on the topic of human rights in the anniversary year. Thanks to this support, for example, the centre was able to waive the entry fee for visitors on 10 December, Human Rights Day. In addition, 750 schoolchildren from the region were invited on this day.

PCNA also supports the American Cancer Society, the Automobile Hall of Fame, the liberal private Ogelthorpe University in Atlanta, Stanford University and the Woodruff Arts Centre, one of the world's largest centres for the visual and performing arts.

Porsche China gets fit for the future

Since the earthquake in Wenchuan in 2008, Porsche China has been securing long-term educational opportunities for children and young people from this region. In 2009, this commitment was given a name: "Empowering the Future". Since then, it has developed into a comprehensive, multi-layered CSR programme, including the following: Mobile Educational Training and Resource Units (METRU), Integrated Early Childhood Development and METRU Plus & Effective Teaching and Learning. The aim is to improve children's early development and to encourage promising young artistic talents.

Culture

“Jugend musiziert”

As well as its commitment to education, Porsche also supports numerous cultural topics, such as, for example, the federal competition “Jugend musiziert”. Since its foundation in 1963, this competition has developed into the most important sponsorship project for young musicians in Germany. Just under a million children and young people have participated in the musical competition in the last 55 years. For many of them, winning “Jugend musiziert” was the first step towards a successful career in music.



STUTTGART “BALLET IN THE PARK”

Stuttgart “Ballet in the Park”

The Stuttgart ballet ensemble has an excellent international reputation. Porsche has been the principal sponsor of the Stuttgart Ballet since 2012. Porsche is also giving financial support to the new building for the John Cranko School for young ballet dancers. In July 2018, Porsche presented the open-air event “Ballet in the Park” for the seventh time; this was also a farewell to Reid Anderson, who had been artistic director of the Stuttgart Ballet for 22 years. Thousands of ballet fans were able to enjoy a free performance by the world-famous ensemble from the state capital of Baden-Württemberg.

In July 2018, Porsche presented the open-air event “Ballet in the Park” for the seventh time; this was also a farewell to Reid Anderson, who had been artistic director of the Stuttgart ballet for 22 years.

Klassik erleben

Music is at the centre of Porsche’s cultural commitment in Leipzig: 70,000 visitors flocked to the “Klassik erleben” summer concerts in Rosental, Leipzig, in the year under review. Porsche was the principal sponsor of the free concerts for the fifth time and offered classical music lovers from the region the opportunity to enjoy the excellent Leipzig Gewandhaus Orchestra live. Porsche has been a Global Partner since 2011 and supports not only the concerts in the Gewandhaus in Leipzig, but also the orchestra’s international tours.

Porsche was the principal sponsor of the free concerts for the fifth time and offered classical music lovers from the region the opportunity to enjoy the excellent Leipzig Gewandhaus Orchestra live.

Opera Ball with large raffle

A partnership of many years also exists with another institution in Leipzig: in October 2018, Porsche presented the Leipzig Opera Ball for the sixth time. Among the highlights of this social event is a raffle, the proceeds from which are donated to a good cause. Porsche donates the attractive main prize – this year, a 718 Boxster in GT Silver Metallic with a red hood and leather interior in the same colour.

In the year under review, the proceeds from the raffle were donated, among others, to the “Leipzig helps children” foundation and the “großstadtKINDER – Theatrium” association. In this Leipzig institution, children and young people put on theatre projects with pedagogical guidance. An important component of the work is connecting the educational mission with artistic aspirations. Another part of the raffle proceeds went to the “Wolfsträne” association, in which qualified therapists support children and young people who have lost one or both parents, or siblings. The “Bemmchen” association, which works towards offering a healthy breakfast for schoolchildren, was another recipient of a donation from the opera ball raffle. Particularly in socially deprived parts of the city, children and young people do not always start their school day optimally nourished. In order to change this, the association provides a breakfast which the children can eat together before lessons begin. The objective of this commitment is to create equal opportunities.



MAIN PRIZE: 718 BOXSTER

In October 2018, Porsche presented the Leipzig Opera Ball for the sixth time. Among the highlights of this social event is a raffle, the proceeds from which are donated to a good cause.



LEIPZIG OPERA BALL

Porsche China promotes talented artists

One of the main focuses of Porsche China’s cultural commitment is support for talented young artists. The company launched a co-operation with the Sichuan Fine Arts Institute back in 2010. Within the CSR programme “Empowering the Future”, seven Porsche art competitions have been organised so far, with participation by more than 2,000 art students.

In 2017, Porsche China started a cooperation with ART021, a leading trade fair for contemporary Chinese art: together, they announced the “Young Chinese Artist of the Year” (YAOY) competition. Its objective is to find the most innovative and pioneering young artists in China. They are given financial support to continue along their artistic path. Wu Junyong was one of the winners of the first YAOY. In May 2018, Porsche China and ART021 devoted a special new media art exhibition to him in Beijing. In November 2018, Porsche China and the Cc Foundation opened an exhibition at the “2018 ART021 Shanghai Contemporary Art Fair” as part of the “Porsche 2019 Young Chinese Artist of the Year” press conference. All three YAOY prize-winners of 2017 – Wu Junyong, together with Yao Qingmei and Zhang Ding – presented their latest work here.

Social affairs

Charity Run staged for the fourth time

For the Porsche staff in Zuffenhausen, social commitment is a point of pride: over 3,500 employees took part in a charity run in September 2018. At the fourth edition of the Porsche 6-hour charity run, the main plant once again had to negotiate a 911-metre circuit. For each lap completed, the Ferry Porsche Foundation made a five-euro donation to social projects in the Stuttgart region. After an impressive 26,415 laps, six charitable organisations from Stuttgart and Zuffenhausen were able to share the donation amount, which had been generously topped up by the Foundation to 195,000 euros: the Olgäle Foundation, the Stuttgart Hospice for Children and Young People, the Gustav-Werner school in Zuffenhausen, Lebenshilfe Stuttgart (a counselling service), the Neuwirtshaussschule school in Zuffenhausen and "Breakfast for children".



CHARITY RUN

Football challenge for children

At the Porsche Leipzig benefit football tournament in 2018, 30 company teams from regional firms competed for the coveted challenge cup – and for a good cause. The total entry money, amounting to 15,000 euros, was donated to the Leipzig association "Minilöwen" and the foundation "A Place for Children". The promotional association "Minilöwen" for premature and sick newborn babies aims to provide optimal care for the infants. Two special devices for lung replacement therapy are to be purchased with the donation money. The foundation "A Place for Children" helps affected adolescents to process traumatic experiences such as violence, neglect or abuse. The proceeds from the benefit tournament will be invested in the planned new building of a refuge house for abused children in Leipzig's neighbouring city Halle/Saale.

In the year under review, five new reading clubs were opened at the Porsche locations Ludwigsburg, Weissach, Sachsenheim and Leipzig. In Zuffenhausen, Porsche's main location, there are two reading clubs founded in 2017. Children meet here after school to read, play or work with different media.



READING CLUB

Reading makes you smart

In cooperation with "Stiftung Lesen" (the Reading Foundation), the company is supporting the establishment of reading clubs for children: In the year under review, five new reading clubs were opened at the Porsche locations Ludwigsburg, Weissach, Sachsenheim and Leipzig. In Zuffenhausen, Porsche's main location, there are two reading clubs founded in 2017. Children meet here after school to read, play or work with different media. They are supervised by pedagogically trained supervisors. There are over 1,000 reading club supervisors across Germany, who receive ongoing further training. This ensures the growth and further development of the reading clubs, which now number over 460.

Another project to encourage reading which is supported by Porsche is called "Lese-Heimat" and aims to impart enjoyment of the German language to refugee children. It is organised by the city library, the "Kinder fördern – Zukunft stiften" foundation ("Support children to enable a future") and the "Leseohren" association, which was founded in 2002 in Stuttgart. This charitable association procures trained reading sponsors for nurseries, schools and municipal libraries. The objective: to get children into reading books, regardless of their background. The association trains and supervises over 500 voluntary sponsors who regularly read at daycare centres, district libraries, schools and other sponsors in the Stuttgart urban area.

Aces for charity

At the Porsche Tennis Grand Prix, Porsche offers the best female tennis players in the world an exclusive stage and the spectators a top-class sporting experience. However, the sports car manufacturer also fulfils its social responsibility at this event. With its "Aces for charity" campaign, Porsche has supported charitable campaigns for many years during its traditional tournament. The company donates 100 euros for each ace. This time, the players achieved 263 aces – and Porsche generously rounded up the donated sum to 30,000 euros. The amount is donated in equal parts to the tournament's charity partners: the Agapedia Foundation, which is involved in various projects for the support of needy and distressed children, the Olgäle Foundation and the association to support the Stuttgart hospice.



ACES FOR CHARITY

Porsche China supports UNICEF

In China, too, the Porsche team ran for a good cause in June on the occasion of the anniversary "70 years of Porsche sports cars" and the ten-year existence of CSR involvement: 231 runners started at the "911 Track Run" in the Porsche Experience Centre in Shanghai. For each participant who completed the 9.11-kilometre route, Porsche China donated around 115 euros (911 RMB). This resulted in a total sum of over 25,000 euros for UNICEF. Porsche China is a long-term sponsor of UNICEF and its initiatives, which improve the educational opportunities of children in remote parts of China.

In addition, Porsche China activated a further pillar of the CSR strategy 2025 in the year under review and launched the "Porsche China Dealer CSR Fund" for dealers and investment partners. This charitable fund was provided with around 250,000 euros (two million RMB) at the start. It is intended to encourage dealers to develop ideas for social commitment together with employees, customers and the local public, which can then be push-started with fund money. In the first round, six projects were selected which benefit children in rural areas, in particular.

231 runners started at the "911 Track Run" in the Porsche Experience Centre in Shanghai. For each participant who completed the 9.11-kilometre route, Porsche China donated around 115 euros (911 RMB).

Sport

Training despite handicap

Porsche continued to support the Württemberg football club in the year under review. The donation allows people with a mental disability to participate in regular training. The highlight of the cooperation was an exciting football match between Porsche trainees and the "People with mental impairment" state selection.

Financial help for junior sportsmen and women

Porsche also supported the OlympiaNachwuchs foundation in 2018. Each year, it offers 40 sportsmen and women financial security during preparation and qualification for the Olympic Games so that they can continue to combine school, training or studies with sport at the highest level.

In 2018, Porsche continued to support the Sporthilfe Sachsen foundation for youth development with a donation. This foundation promotes junior competitive sport in the state of Saxony in the "Talents for the Olympics" project, as well as the Saxony squad of the Olympic and Paralympics teams. More than 300 athletes have received support so far.

Environment

Sustainability Weeks to educate

For Porsche, thinking and acting sustainably is far more than just a social obligation. Sustainability is part of the sports car manufacturer's self-image; it is a firmly integrated component of the strategy and is regarded as an important success factor. In order to underscore the relevance of this topic for all the company divisions, a Sustainability Week was organised in Zuffenhausen and Leipzig. In an interactive experience world and with the aid of expert lectures, the employees received comprehensive information about possibilities of avoiding waste, reducing emissions, conserving resources and enhancing efficiency.

Use of recycled paper

Since the beginning of August, recycled paper has been used to print out documents in Porsche offices. This not only reduces costs but also improves our ecological balance, since the used-paper product pollutes the environment far less than conventional printing paper. Among other things, over 70 per cent less water and energy is consumed during production, and around 50 per cent less CO₂ is emitted.

Porsche supports the NatureLife-International foundation, which has a long-term project promoting the restoration of dry stone walls.



THE "GREEN CLASSROOM" CONCEPT

Orchards – a cultural asset

In an orchard at Greutterwald in Zuffenhausen, children from five primary school classes study nature throughout the year. The "Green Classroom" concept aims to make schoolchildren aware of how to treat nature responsibly outside the classroom. The Streuobst-Pädagogen ("Orchard Educators") association from Weil in Schönbuch is involved in environmental education and aims to promote an understanding of the connections between the ecosystem and orchards as a cultural asset – for adults, as well. Porsche is supporting both the "Green Classroom" project and the training of orchard educators.

Dry stone walls for rare plants and animals

For 1,000 years, dry stone walls have been part of the landscape along the Neckar. The growing pressure of civilisation at the beginning of the 1960s destroyed many of these walls in the Stuttgart region, and with them the basis of life for animals and plants. Porsche supports the NatureLife-International foundation, which has a long-term project promoting the restoration of dry stone walls. Dry stone walls are being restored or rebuilt, for example, between the two Porsche sites of Bietigheim-Bissingen and Sachsenheim. Now rare plant species, such as iris and vineyard quince, are being resettled there.

Drinking water forest: Porsche involved in reforestation

In the year under review, Porsche took part in the planting campaign by the Trinkwasserwald association in Leipzig and Weissach for the third time. Seventy Porsche employees in Weissach planted 700 sessile oaks during a "Social Day". The site is located near to the Neuenbühl industrial area. A total of 5,000 trees are being planted here on 1.4 hectares of forest soil, thus generating 1.2 million litres of clean ground water per year.

In the heart of the Leipzig Neuseenland, a heavily storm-damaged larch wood is being transformed into a mixed woodland with Porsche's help. A total of 18,000 sessile oaks, beeches and native bushes are being planted on an area totalling three hectares. This improves the ground quality and increases drinking water generation by around 2.4 million litres per year. For comparison: a person consumes around 1,000 litres of drinking water per year.

Bees and safari at Porsche Leipzig

As in the previous year, Porsche moved a further 1.5 million honey bees onto its factory premises in Leipzig in April 2018. Fifty colonies totalling around three million bees now live in the area covering 132 hectares in which nature is allowed to take its course. The aim of this relocation is to help secure the future of the honey bee population and thus promote environmental protection and conservation. The honey can be purchased in the Porsche shop at the Leipzig plant under the name "Turbienchen". The diversity of flora in the off-road site provides the best habitat for the bees, with hawthorn, robinia and lime trees thriving alongside many wild flowers. In addition, the area provides a natural paddock for some 30 Exmoor ponies and 75 wild cattle. Many other species such as pheasants, black kites, frogs, brown hares, deer and bats live here too. The concept is unique in the automotive industry. From the beginning, Porsche Leipzig has ensured sustainable, low-resource automobile production with a commitment to nature and the environment. The plant's off-road site was once a military zone and was restored to nature by Porsche in 2000.

Under the name "Porsche Safari", the sports car manufacturer initiated a project for environmental education on its off-road site in Leipzig in the summer of 2018. In the summer holidays, more than 300 children and young people explored the diverse flora and fauna of the factory premises along a four-kilometre trail. In addition, interactive stations and a viewing platform were set up at the beginning of the year. The project is a cooperation between Porsche and the alluvial forest station in Leipzig which, as a recognised sponsor of independent youth welfare, is in charge of environmental education.

50 colonies totalling around three million bees now live in the area covering 132 hectares in which nature is allowed to take its course. The aim of this relocation is to help secure the future of the honey bee population and thus promote environmental protection and conservation.



PLANTING CAMPAIGN BY THE TRINKWASSERWALD ASSOCIATION IN LEIPZIG AND WEISSACH



PORSCHE SAFARI

Easy disposal of small electronic devices

As part of the sustainability strategy, Porsche is working together with the Saxony-based start-up binee in Leipzig. Founded in 2015, this company has developed a recycling system that pays for old, unwanted electrical items and aims to reuse their components. This reduces the need to extract raw materials such as iron ore. Porsche employees have the possibility of easily disposing of their mobile phones and small electronic devices. Transparent processes give users insight into the recycling chain. As a thank-you, each participant receives a discount coupon for use in conjunction with a purchase at one of binee's partner businesses. The cooperation between Porsche and binee is an example of the successful symbiosis of business and innovation in Leipzig.



BINEE START-UP

SPORT

Porsche is involved in sport in various ways. As well as its activities in professional women's tennis and professional men's golf, the company supports junior players through various cooperations. The objective is to support the young people both in terms of sport and socially, and thus to prepare them for their future professional life.

Youth support

Turbo for talents

Since competitive sport is not possible without comprehensive basic training, Porsche supports children and adolescents in football, basketball and ice hockey in Stuttgart and Leipzig, under the motto "Turbo for talents". Partner clubs are RB Leipzig, SG Sonnenhof Großaspach, SV Stuttgarter Kickers, SC Bietigheim-Bissingen Steelers and the Porsche Basketball-Akademie Ludwigsburg.



PORSCHE YOUTH DEVELOPMENT

Porsche Coaching-Mobil

From April to October, the Porsche Coaching-Mobil was out and about almost every weekend. This resulted in 28 events and 47 days of deployment – not just at the five partner clubs in the Stuttgart and Leipzig regions. More than 4,000 children and young people took part in the activities. The Coaching-Mobil – a trailer with sports equipment and instruments to measure performance data – was specially developed for youth training. This gives young talents the opportunity to evaluate their sports performance better and to adjust their further training accordingly. In addition, age-dependent reference values provide a benchmark for comparing results.

The Coaching-Mobil – a trailer with sports equipment and instruments to measure performance data – was specially developed for youth training.

Porsche honours young athletes

150 young athletes from RB Leipzig, SV Stuttgarter Kickers, SG Sonnenhof Großaspach (football), SC Bietigheim-Bissingen Steelers (ice hockey) and the Porsche Basketball Akademie Ludwigsburg came to Zuffenhausen for the third "Porsche Night of Talents". The highlight was the award of the Turbo 2018 prize, presented in three categories: best sporting development, best school achievement and exceptional social commitment. The prize: a subsidy towards getting a driving licence. In addition, the participants can visit the Porsche factory and compete against each other in a sporting contest in race simulators.



PORSCHE NIGHT OF TALENTS

"Leipzig Quarter-Finals" very popular

Porsche will remain the youth partner of RB Leipzig for a further three years. The focus of the cooperation is on supporting children from socially disadvantaged families. At the youth tournament, junior teams in the age groups U11 and U14 have been competing since 2015; the teams form themselves and each represent one of four districts in Leipzig. More than 3,400 children have already taken part in the tournament between 2014 and 2018. The Porsche Coaching Bank is also part of the partnership. This is where spectators can follow the games in the stadium directly from the edge of the playing field. In addition, the sports car manufacturer enables the running children to stand on the turf next to their idols. Porsche also selects the best junior team from the "Red Bulls" each year as a Porsche Talent Team and supports the club's talent scouting days with the "RB Leipzig Kaderschmiede".



YOUTH TOURNAMENT "LEIPZIG QUARTER-FINAL"

Ambassador of youth development:

Sami Khedira

The professional footballer and world champion Sami Khedira, who grew up in Stuttgart, is the new ambassador of Porsche youth development. He will give training tips and take part in "Turbo for talents" events. From his own experience, he knows that professional youth development must also include school and social components, which is another reason why Khedira is a role model for all ambitious talents. At his first appearance as part of the partnership in the "Talent barn", the ice rink of the junior team of SC Bietigheim-Bissingen Steelers, Khedira is already getting to know some young players from the partner clubs. He also goes through the Porsche Coaching-Mobil so that the young people can use his performance data to benchmark their own.



SAMI KHEDIRA

Junior players interact with professionals

Under the motto "Meet your role model", young talents have the opportunity to get to know their idols from the professional teams of their respective sport. The professionals give the youngsters lots of important tips as to how they can continue to improve in all the relevant areas and motivate themselves in the long term. In the final round, junior tennis player Alexandra Vecic meets her role model, Julia Görges. During the preparations for the Fed Cup match between Germany and the Czech Republic in Stuttgart, the German world-class tennis player is taking a lot of time for the young talent.



PORSCHE TENNIS GRAND PRIX

Women's tennis

Karolina Pliskova wins the Porsche Tennis Grand Prix

When on tour around the globe, the best tennis players in the world occasionally lack the time for things that are a matter of course for their peers – for example, getting a driving licence. That's how it came about that the Czech player Karolina Pliskova has been the proud owner of a dream car since winning the Porsche Tennis Grand Prix 2018, but had to use the services of Porsche Chairman of the Executive Board Oliver Blume in order to have the crimson 718 Boxster GTS driven to the presentation ceremony at the Centre Court of the sold-out Porsche arena.

She captured the most attractive winner's trophy in global women's tennis by winning 7:6, 6:4 in a high-quality and exciting final against the strong CoCo Vandeweghe from the USA. "I am proud and happy to have finally won this great tournament," she said, before Dr. Wolfgang Porsche, Chairman of the Supervisory Board of Porsche AG, handed her the winner's trophy. With a view to the 718 Boxster GTS, she has now long since decided to get serious about obtaining her driving licence. "There is no better motivation than this car."

Successful partnerships and a heart for the next generation of tennis players

As well as the Porsche Tennis Grand Prix, partnerships with the Women's Tennis Association (WTA) and the German Tennis Federation (DTB) are further important pillars of the company's commitment. In addition, in 2018 Porsche is enhancing its presence as the exclusive automobile partner of significant WTA tournaments across the globe – in New Haven and San José (USA), Tokyo (Japan), St. Petersburg (Russia) and Monterrey (Mexico). In the year under review, Porsche has also been the title partner of the "Porsche Race to Singapore", the official qualifying rankings for the prestigious WTA Finals in the Asian metropolis. As the highest-scoring competitor, Simona Halep from Romania not only secured a starting place in the tournament for the eight most successful players of the season, but was also rewarded for her consistently strong performances with a Porsche 718 Boxster GTS. In 2019, the WTA Finals in Singapore will move to Shenzhen, China. Porsche will continue its successful cooperation with the WTA as the title partner of the "Porsche Race to Shenzhen", and as the official and exclusive automobile partner to the WTA and the WTA Finals.

As premium partner of the German Tennis Federation (DTB), Porsche has been bringing a new impetus into German women's tennis since 2012. And with success: Porsche Team Germany has attracted attention with victories in the Fed Cup, Julia Görges has entered the top ten of the world rankings for the first time in her career and, in Angelique Kerber, Germany now has its first Wimbledon ladies' champion in 22 years, since Steffi Graf. Youth development is close to Porsche's heart in tennis, as well: in the Porsche Talent Team, promising sportswomen are supported professionally on their way to higher goals. The successes of the top players supported by Porsche give them an additional incentive.

Three of these players, whose class and personality stand out both on and off the court, present Porsche as brand ambassadors: Maria Sharapova, Angelique Kerber and, as of 2018, Julia Görges. The most successful in her sport in 2018 is Angelique Kerber: the Kiel-born tennis player started the season in January with victory in Sydney and celebrated the greatest success of her career in July with victory at Wimbledon.



PORSCHE TEAM GERMANY

Porsche Team Germany has attracted attention with victories in the Fed Cup, Julia Görges has entered the top ten of the world rankings for the first time in her career and, in Angelique Kerber, Germany now has its first Wimbledon ladies' champion in 22 years, since Steffi Graf.

Angelique Kerber: from Wimbledon to the Porsche Museum

Many great sportsmen and women love to share the enjoyment of their success with all those who have accompanied and supported them along the way. Angelique Kerber is no exception. She was immediately enthusiastic about the idea of holding her first press conference in Germany as the new Wimbledon champion with Porsche as the host in the Porsche Museum. After all, as a brand ambassador and two-time winner of the Porsche Tennis Grand Prix, she has a very special relationship with the Stuttgart sports car manufacturer.

Numerous journalists from press, radio and television took the opportunity to talk to her in the Porsche Museum so soon after her triumph and to hear her recount her fantastic week at Wimbledon. "Winning Wimbledon was my dream even as a child. I still can't believe that I have actually now done it," said Angelique Kerber, who was quite surprised at the great media interest in the Porsche Museum: "I had not expected such a reception."



ANGELIQUE KERBER

Golf

Porsche European Open in Hamburg

In July, Porsche was the title partner of this prestigious European Tour tournament, which has a prize fund of two million euros, for the fourth time. Play took place on the Porsche-Nord course of the Green Eagle Golf Courses. The tournament week began with the "Porsche Urban Golf Challenge" on the Spielbudenplatz in the heart of St. Pauli, Hamburg. In this show event, international stars such as Patrick Reed, Bryson DeChambeau, Pat Perez (all USA) and Charl Schwartzel (South Africa) promoted the Porsche European Open. In midsummer temperatures, over 39,000 spectators watched a strong display by top international players on the four tournament days. As in previous years, the winner, Richard McEvoy (England), was a professional who until that time had not yet won a tournament on the tour. Just as surprising was the German amateur Allen John: the 30-year-old who appeared in the first German Bundesliga for the men's team of the St. Leon-Rot golf club won the gold medal in golf at the Olympic Games for the aurally impaired in Samsun, Turkey in 2017. He slipped into the field of the Porsche European Open with a wild card and went on to share second place.

Porsche Golf Cup grows again

More than 15,000 amateur golfers took part in 217 preliminary rounds tournaments of the Porsche Golf Cup 2017 in its 30th edition. Once more, this broke the previous season's record for participation. This underlines the growing interest of Porsche customers in golf. The best 80 players from 20 nations qualified for the world final in May 2018 in Mallorca. The winner of the prestigious nations ranking was Team Russia. This exclusive amateur tournament series for customers has existed since 1988 and is organised by Porsche together with the distribution companies and Porsche Centres.

Porsche Generations Open goes into its third year

The innovative amateur golf tournament series Porsche Generations Open was staged for the third time in Germany in 2018. Once again, the response was positive and shows that the concept of a team competition with players from two generations with a minimum age difference of 20 years evokes international interest.



PORSCHE EUROPEAN OPEN IN HAMBURG

Porsche Golf Circle grows

The Porsche Golf Circle, an international and app-based community exclusively for Porsche customers who are golf enthusiasts, already has over 1,600 members in its first year. The platform for it is an app for Android and iOS through which users come into contact with other participants, find playing partners worldwide or can get information about the latest Porsche golfing activities. In addition, there are training tips in the form of digital golf tutorials, help with the rules and personal reports. Highlights of the Porsche Golf Circle are exclusive event formats. In 2018, among other events, they attended the Porsche European Open in Hamburg and the Ryder Cup in Paris. In November, 80 Porsche customers from all over the world celebrated the Golf Circle's first birthday on Tenerife.

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COMMUNICATION

Its outstanding reputation is a key factor in the success of Porsche. Boosting the public prestige of the company, the brand and its products, increasing social acceptance and achieving increased awareness of what Porsche has to offer are key tasks for communication activities.

Professional public relations make an impression on the media and ensure that Porsche is viewed positively – as a company, as a brand, and as a product. This publicity work provides information transparently using the latest tools, and provides the respective target group with the right, and best-quality, content. Operational excellence, which is reflected in the high levels of effectiveness and efficiency of the communication, allow public relations to make a key contribution to value-creating company growth.

The public relations and press department provides external and internal stakeholders with the latest comprehensive information about all Porsche topics. This applies to responding to media enquiries and proactive communication activities in equal measure. The company issued more than 400 press releases and oversaw around 600 interviews in 2018. This commitment has brought rewards: Porsche made the front cover on more than 70 different media outlets.

This department's responsibilities also include providing adequate information to journalists, politics and the public in crisis situations, averting any potential damage to the company's image.

Authenticity and high-quality standards, coupled with maximum target group orientation – these have laid the cornerstones for the success of public relations by Porsche. A clear communications strategy, carefully considered structures with systematic planning and consistent implementation have paid off: Porsche Communication was declared the "Econ Awardee of the Year 2018" in Econ Forum's renowned company rankings.



ECON AWARDEE OF THE YEAR 2018

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PORSCHE COVER

Newsroom

The Porsche Newsroom is the central contact point for journalists, online multipliers and stakeholders at the brand. It is gaining more and more significance within communication. The Newsroom is an online magazine with a wide range of content, and which provides both a central social media hub and a research tool for journalists.

Porsche publishes news, facts, interviews and background reports here every day. Around 570 articles were published in the year under review. The texts, photos and infographics are available to download – as are videos, which are pooled centrally in the new NewsTV area. The digital agenda setting practised with the Newsroom is systematically pursued on social media as well, using Instagram and Twitter. Along with German and English, the content available from the Newsroom has also been offered in Chinese and Russian since 2018.

The increasing significance of the Porsche Newsroom as a communication channel is demonstrated by the growth in the number of hits it recorded over the course of the year under review. While 211,400 page impressions were counted in January, this figures had reached more than 385,200 in December 2018. In a year-on-year comparison, the page impressions increased from 2.4 million (2017) to 3.7 million in 2018.

The Newsroom was again the recipient of numerous awards in the year under review. The "Back to Tape" format conceived in cooperation with the music journalist Niko Hüls, which generated 500 social media posts, more than 40 media reports and was viewed by around 83 million people, was awarded not just one, but several prizes. The video documentation released in the Newsroom and on YouTube in April was awarded the German Prize for Online Communication in the "Influencer Communication" category, the Econ Special Award and the Digital Communication Award in the "Film and Video" category, and the silver Annual Multimedia Award in the "Content Marketing" category.



NEWSROOM

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Communication using social media

In order to address a broad range of target groups, public relations makes use of a large number of communication channels. Direct communication with an audience interested in the brand and product by means of social media channels is assuming an increasingly important role. Very strong growth was recorded here.

The public relations channels used by Porsche on Twitter reached 1.6 million followers in the year under review, which is around 33 per cent more than in 2017. The number of impressions also crossed the 60 million mark. The Newsroom's Instagram channel boasted around 238,000 followers at the end of the year under review, or 84.5 per cent more than the previous year. The total number of impressions on our Instagram account amounted to 70.8 million.

The Porsche Profile on the DriveTribe web platform also recorded positive growth, attaining 22.2 million page impressions and 585,800 followers. This was an increase of 55.8 per cent in comparison to the year before. All social media channels maintained by the public relations and press department arrived at a cumulative 193 million impressions and 2.6 million followers in the year under review.



BACK TO TAPE

The product is at the centre

The year under review was also characterised by the large number of new models that were launched and which were successfully accompanied by the Product Communication department: in 2018, Porsche staged four trade fair and world premières, along with ten media driving events in which more than 1,200 media representatives from all over the world took part.

While celebrating the joint première of the Cross Turismo and the 911 GT3 RS in Geneva, 135 interviews were organised. 810 articles were published worldwide which were viewed by just under 100 million contacts in total worldwide. The launch of the two new models in Beijing resulted in additional reporting involving around 1,700 articles, which reached just under 40 million contacts. And the première of the new Macan in Shanghai generated a huge international resonance, with the 36 interviews and 285 articles published reaching an audience of 68 million contacts.

This achievement was clearly outdone in November by the world première of the eighth model generation of the 911 in Los Angeles. 620 articles subsequently appeared in the media, and there were 11,800 social media posts, which reached an audience of 224 million contacts. With a media coverage of 34 per cent, the world première and the trade fair appearance of the new 911 in Los Angeles also made an impression when compared to other brands. The Californian motor show also provided the backdrop for the company to launch its new full-video format Porsche NewsTV: The livestream that it broadcast from the world première of the 911 was viewed 2.4 million times.



PREMIÈRE OF THE CROSS TURISMO

Moreover, the public relations and press department attended 65 motor sports events and organised four media workshops in the year under review. Added to this were events like the Porsche Sound Night, organised by the Porsche Museum. The event not only thrilled the audience of around 4,000 in attendance at the Porsche Arena, but also internet users from all over the world: the Instagram story posted by the Porsche Museum was viewed almost 930,000 times, and recorded more than 340,000 page impressions.

Porsche also demonstrated how critical topics can be successfully communicated with its decision to discontinue diesel technology: the media response to this topic was overwhelming, with more than 34,000 articles and social media posts, and an audience of almost 1.1 billion contacts. The reaction to the decision by Porsche ranged largely from positive to neutral in the media. Only nine per cent of the media reports struck a negative tone.

The year under review was also characterised by the large number of new products that were launched, the communication of which was successfully accompanied by the public relations and press department. In 2018, Porsche staged four trade fair and world premières, along with ten media driving events in which more than 1,200 media representatives from all over the world took part.

Business results

The annual press conference held by Porsche in March traditionally aims to present the key figures and the business performance from the preceding year. At the same time, it provides an outlook for the financial year that has now started.

Thanks to a new, even more dialogue-oriented event format, and the invitation of business journalists from the key Porsche markets, around 100 journalists attended the annual press conference in the year under review in order to obtain extensive first-hand information about the 2017 financial year and the company's future direction. A livestream of the conference was offered; international media reporting reached an audience of around 16 million contacts.



PORSCHE SOUND NIGHT

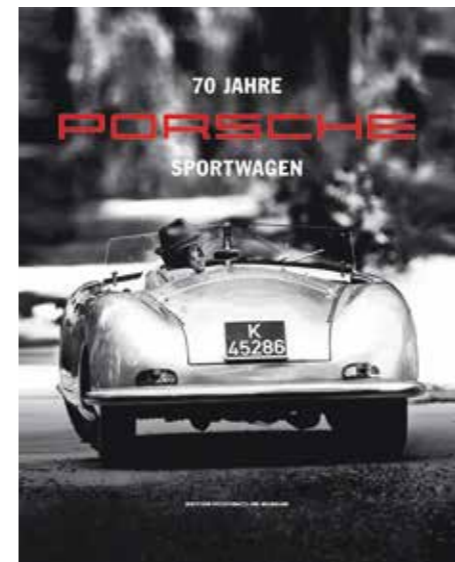


THE MAGAZINE CHRISTOPHORUS

Porsche celebrates an anniversary

2018 was dominated by the celebration of the brand anniversary "70 years of Porsche sports cars". The public relations and press department successfully made use of this occasion: 17 books and ten special supplements were published in connection with the special birthday. Worldwide, around 40 events and activities were organised. The Porsche Museum also organised a six-month special exhibition.

The anniversary of the brand also attracted plenty of attention in the media: several thousand articles with a total audience of 337 million contacts were published in relation to the topic. The high-profile world tour of the historical Porsche 356 "Number 1" alone was seen by an audience of eight million contacts.



ANNIVERSARY BOOK

Christophorus — the magazine with tradition

Christophorus is the long-established journalistic flagship of customer communication by Porsche. Founded in 1952, the magazine has been delighting customers and fans with absorbing reports, in-depth essays and interesting information about the Porsche brand and its products for more than six-and-a-half decades now. Christophorus appeared five times, with a total print run of 600,000 copies per issue, in the year under review. In addition, all content in the twelve different language versions is also available online.

Ongoing content-related and conceptual changes to the magazine were made in 2018. Issue 385, titled *Fast Forward* and released for the 70 years of Porsche sports cars celebration, directed an exclusive focus on topics related to the future. The editorial team also blazed new trails at the launch of the new Porsche 911: immediately following the world première in Los Angeles at the end of November, Christophorus showcased the eighth model generation of the iconic sports car – in its first-ever issue dedicated to one and the same topic. All content focused exclusively on the 911.

Once again, the magazine won numerous prizes in the year under review. Issue 385 alone was voted "Best of Best" at the Automotive Brand Contest, winning silver at the Best of Content Marketing competition (BCM) and snapping up the Communicator Award with its web-based version. Issue 387 received the Fox Award; the website and app scored silver at the Pearl Award.



CHRISTOPHORUS ONLINE

New series of books: the Christophorus Edition

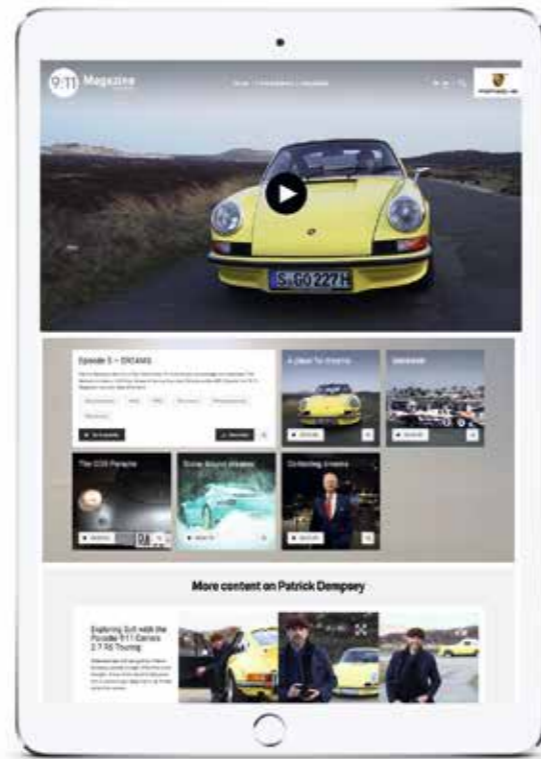
Porsche expanded its range of publications in 2018 by adding new product lines. This is why there is now a series of books titled *Christophorus Edition*. These are aimed at lovers of the sports car brand from Zuffenhausen who also show a passion for cultural, social and economic topic areas.

The collectors' edition of *Christophorus* in an XL format kicked off the series, which combined the best articles, reports and portraits from past issues – supplemented by previously unpublished photos, an exclusive interview with the Chairman of the Supervisory Board, Dr. Wolfgang Porsche, and a 100-minute documentation about the eventful history of the sports car brand on DVD.

The Porsche Artbook was launched at the end of 2018. The first book in this series presents 20 international artists who have exhibited enormous creativity in their interpretations of the sports cars from Zuffenhausen. Above all, the Porsche 911 – the brand's icon – takes centre stage in many of the works, which range from different styles of painting to sculpture, and also include digital art.

More titles in the *Christophorus Edition* will follow in 2019, such as *Reader No. 1 – Food for Thought* – a collection of essays by renowned authors on topical issues such as identity, transformation and digitalisation. Each article will be illustrated with a work by an internationally famous artist.

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9:11 MAGAZINE

Porsche in Motion: 9:11 Magazin

The web TV format *9:11 Magazin* launched in early 2017 turns the cameras on the brand. Exactly nine minutes and eleven seconds are all that is needed to arouse emotions, explain technological developments and share illuminating insights into the history, present and future of Porsche. People and their personal stories relating to Porsche form the focus of the exclusive reports. The film magazine is aimed at journalists, social media multipliers, TV and online editorial teams, and fans of the brand. Five episodes were produced in German and English in 2018. A Chinese version has also been integrated into Porsche China's online communication.

The format has met with a very positive response: since being launched, its number of views on the Porsche online and social media channels has reached more than 6.5 million. The magazine has meanwhile bagged numerous awards – in 2018, these included the renowned Best of Content Marketing competition (BCM) in gold, and the gold Econ Award as well. In Cannes, the format was awarded the silver prize in the Web TV category.

To good neighbours

Porsche has significantly intensified its dialogue with the local residents at the company's sites in Zuffenhausen, Weissach and Leipzig since 2015. Among other things, this includes the community paper *targa – Nachrichten für die Nachbarn (targa – the residents' journal)*, through which the company informs local residents about current developments. When necessary, they are also kept up to date about any relevant events, such as upcoming building activities, by letter.

Moreover, Porsche also seeks personal contact. This is why regular dialogue events have been held at the company's sites since 2016. This gives local residents the opportunity to discuss their current concerns directly with the experts from Porsche. Porsche issued invitations to these events in Zuffenhausen twice in the year under review, and used the occasion to provide information about the progress of building activities, and gave detailed answers to questions asked. More than 500 interested citizens took advantage of each opportunity to communicate directly with Porsche and obtain information directly from the source.



Informed employees

"Internal before external" – this is the motto of internal communication at Porsche. It aims to provide the workforce with all news relevant for them promptly, and well before external media pick up the topics.

The Carrera media family is used as the communication channel for this. The intranet *Carrera Online*, its app version *Carrera Mobile*, and *Carrera TV* employee television are used to keep the workforce at the company and its subsidiaries up to date on news relating to important developments and events at Porsche. Among other things, this includes news about new products, strategic decisions and internal news, as well as topics related to service or explanations of complex processes. The editorial team publishes up to three new articles every day, which are supplemented by photo galleries or videos.

The online and mobile services are also joined by a printed *Carrera Magazin*, which appears four times a year with a print run of just under 32,000 copies – with one featuring a special format, *Carrera Wissen* (Carrera Knowledge). Each issue focuses on a key topic. In 2018, these were the topics of *Quality*, *70 years of Porsche sports cars* and *Porsche Culture*. *Carrera Wissen* took an in-depth look at the topic of digitalisation in the year under review. The *Carrera Mobile* app has also been used for incorporating augmented reality content, with audio reports having been added at the end of 2018. Access to the internal Porsche job market and a digital *Message Board* for private classified ads complete the app's range of functions.

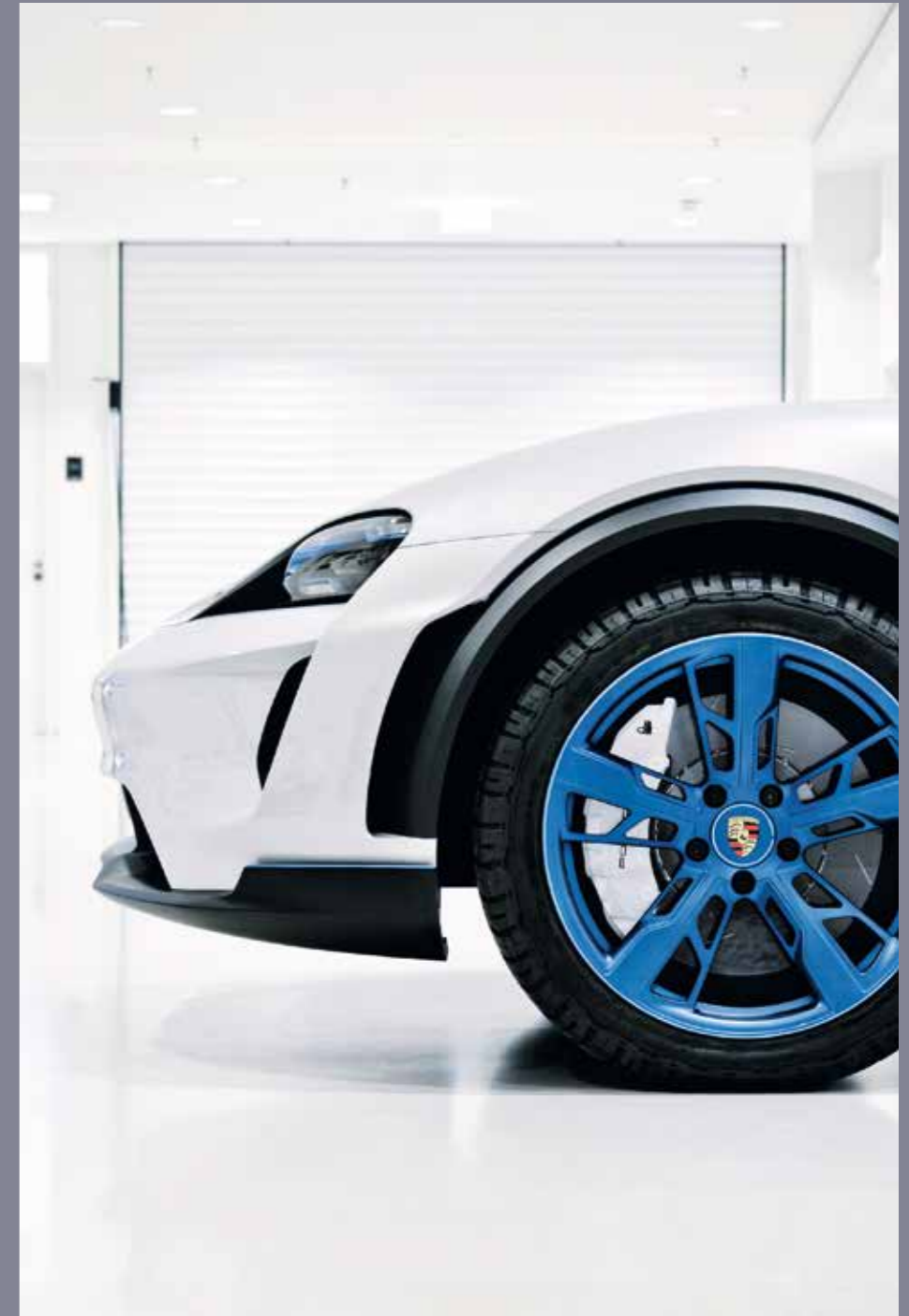
This service has also won awards: in 2018, *Carrera Magazin* won awards at the Automotive Brand Contest and – as a part of integrated communication by Porsche – was also honoured at the Best of Content Marketing and Econ Award. Moreover, the magazine also successfully took part in the Communicator Awards and the Fox Finance Awards.

A local site newsletter that appears every 14 days supplements the extensive range of internal information offered by *Carrera*. The newsletters are distributed to the employees at the company sites in Zuffenhausen, Weissach and Leipzig in three regional editions. The print run totals around 8,500 copies. Along with company news relevant for all sites, the inner section also covers topics specific to the respective site. As is the case for *Carrera Magazin*, the editorial team also posts additional, augmented reality content and links to related articles in the intranet by means of the *Carrera Mobile* app.



CARRERA ONLINE

Research and development



RESEARCH AND DEVELOPMENT

World premières in Geneva: Mission E Cross Turismo and 911 GT3 RS

At the 88th International Motor Show in Geneva in March, two Porsche models celebrated their world première: the new 911 GT3 RS and the Mission E Cross Turismo – a concept study for an electrically powered Cross Utility Vehicle (CUV). This all-rounder is perfect for people with active lifestyles and a passion for travel, sport and the great outdoors. The flexible interior will accommodate any type of sports equipment, while modern load-carrying systems are the perfect solution for transporting surf boards and bikes. In October the Porsche Supervisory Board confirmed series production of the Mission E Cross Turismo.

The highlights of this Taycan-inspired derivative are its emotional design with striking off-road elements, as well as the innovative display and operating concept with touch-screen and eye-tracking control. Measuring 4.95 metres in length, the four-door Cross Turismo has all-wheel drive and an 800-volt architecture. Its battery can be charged using the fast-charging network as well as via induction at a charging station or using the Porsche home energy storage system. It has a driving range of more than 500 kilometres (NEDC). Two synchronous motors (PSM) with a system output of more than 600 hp (440 kW) allow the Mission E Cross Turismo to accelerate to 100 km/h in less than 3.5 seconds and to reach a speed of 200 km/h in under 12 seconds. This level of continuous power is also unmatched by any other electric vehicle: multiple accelerations are possible in direct succession without any loss of performance.

The new 911 GT3 RS is currently Porsche's most powerful road-legal high-performance sports car. Its naturally aspirated four-litre engine develops 520 hp (383 kW), and revs up to 9,000 rpm. As with the heart of the new GT model, the chassis has also been taken straight from the world of motor sport, with uncompromising precision and the added extra of rear-axle steering. The 911 GT3 RS accelerates from zero to 100 km/h in 3.2 seconds and has a top speed of 312 km/h.



MISSION E CROSS TURISMO

Safety cars and support vehicles for the FIA WEC

The 911 Turbo is used as the safety car at the FIA World Endurance Championship. Porsche is providing five 911 Turbos between now and 2020. Two of the cars accompany the race cars during the global championship, while three are based permanently in Le Mans. A further eleven Porsche cars are driven by the race doctors, safety teams and other officials. In total, 16 Porsche sports cars from different model ranges are deployed in a variety of functions during the FIA WEC.

The race director sends the safety car out onto the course in the event of a caution period during which the field needs to be brought together. For its part, the 911 Turbo is the perfect vehicle for the job, achieving speeds of up to 320 km/h thanks to its 3.8-litre six-cylinder engine. Meanwhile, the Sport Chrono Package, fitted as standard, ensures optimum mid-acceleration. The all-wheel drive 911 produces 540 hp (397 kW) and can sprint from zero to 100 km/h in just three seconds. From a technical perspective, the safety car is predominantly built to the series standard. Racing-specific adjustments, such as the roof-mounted light bar and the radio for communicating with the race director, are add-ons. The car's braking system and chassis are also optimised for the track. The matt black design with bright red stripes takes its inspiration from the Porsche crest of the works race cars.



THE 911 TURBO AS SAFETY CAR

919 Hybrid Evo sets record lap times

Porsche has chalked up a new course record at Spa-Francorchamps with an Evo version of the Le Mans-winning 919 Hybrid. Porsche works driver Neel Jani from Switzerland recorded a lap time of 1:41.770 minutes over the 7.004-kilometre grand prix circuit, shaving 0.783 seconds off the previous fastest time set by Great Britain's Lewis Hamilton in a Mercedes F1 W07 Hybrid. Jani clocked a top speed of 359 km/h during his record-breaking lap with an average speed of 245.61 km/h.

The 919 is powered by a compact two-litre V4 turbo charged engine and two different energy recovery systems – braking energy from the front axle combined with exhaust energy. The combustion engine drives the rear axle while the electric motor boosts the front axle to accelerate the car with all-wheel drive. At the same time, the 919 allows energy from the exhaust system that otherwise would pass unused in to the atmosphere to be recuperated. The electrical energy generated by the front brakes and the exhaust system is temporarily stored in a liquid-cooled lithium ion battery.

The WEC efficiency regulations limited the energy from fuel per lap by using a fuel flow meter. At the 2017 world championship race in Spa, in the Porsche 919 Hybrid's final season, the car was permitted to use 1.784 kilograms/2.464 litres of petrol per lap. This took the V4 combustion engine's output to around 500 hp. Freed from this restriction, and equipped with updated software but running the regular race fuel (E20, containing 20 per cent bioethanol), the 919 Hybrid Evo delivers 720 hp. The amount of energy from the two recovery systems that could be used in Spa 2017 was set at precisely 6.37 megajoules per lap. This was well below the systems' potential. On his record lap, Neel Jani enjoyed a full boost of 8.49 megajoules – the output increased by ten per cent to 440 hp.

In late June, Timo Bernhard, at the wheel of the 919 Hybrid Evo, lapped the 20.832-kilometre Nürburgring Nordschleife race circuit in 5:19.55 minutes, with an average speed of 233.8 km/h. In so doing, Bernhard beat the previous lap record, set by Stefan Bellof, by 51.58 seconds. Bellof's 6:11.13 record had stood for 35 years and 31 days. His average speed during his record-breaking lap had been in excess of 200 km/h.

New 911 GT3 RS sets new record time through the 'Green Hell'

Another fastest ever time for a street-legal Porsche sports car was set by works driver Kévin Estre, once again on the Nürburgring (Nordschleife), the most challenging racing circuit in the world. Driving the new 520 hp GT3 RS, the Frenchman recorded a lap time of 6:56.4, slashing some 24 seconds off the best time achieved with the previous GT3 RS model. Sharing driving duties with Estre was Porsche development driver Lars Kern. After the 918 Spyder and 911 GT2 RS, the new GT3 RS is now the third production Porsche sports car with a notarised lap time of less than seven minutes on the race track formerly known as the Green Hell. The time was measured around the 20.6-kilometre lap.



GT3 RS



919 HYBRID EVO

Porsche works driver Neel Jani from Switzerland recorded a lap time of 1:41.770 minutes over the 7.004 kilometre grand prix circuit, shaving 0.783 seconds off the previous fastest time set by Great Britain's Lewis Hamilton in a Mercedes F1 W07 Hybrid. Jani clocked a top speed of 359 km/h during his record-breaking lap with an average speed of 245.61 km/h.



THE PLUG-IN HYBRID CAYENNE

The plug-in hybrid Cayenne

The new Cayenne E-Hybrid combines the best driving dynamics in its class with maximum efficiency. Its three-litre V6 engine (250 kW/340 hp) and an electric motor (100 kW/136 hp) combine to generate a system power of 340 kW (462 hp). The maximum torque of 700 Nm is already available just above idling speed, with a boost strategy to match that of the 918 Spyder supercar. This ensures that the electric engine can be used in all the standard Sport Chrono Package's driving modes for an additional performance boost. The Cayenne's plug-in hybrid drive accelerates the car from zero to 100 kilometres per hour in five seconds and hits a top speed of 253 km/h. The new Cayenne E-Hybrid can drive up to a distance of 44 kilometres and speed of 135 km/h on electricity alone. With the launch of the hybrid variant, Porsche is expanding its range of comfort and assistance systems for the entire Cayenne series, with additional options such as the new head-up display, massage seats and 22-inch alloy wheels.

While the combustion engine's performance shows a moderate five kW (7 hp) improvement on its predecessor to 250 kW (340 hp), the performance of the electric engine is now over 43 per cent higher at 100 kW (136 hp). Battery capacity has improved significantly in the Cayenne E-Hybrid, along with the electric-power range and the boost reserves: in comparison to the previous model, capacity has been increased about 30 per cent from 10.8 to 14.1 kWh. The fluid-cooled battery, stored beneath the loading floor in the rear of the car, consists of eight cell modules with 13 prismatic lithium ion cells each. The

high-voltage battery is fully charged from a 230-volt 10-amp outlet within 7.8 hours. If the optional 7.2-kilowatt on-board charger and a 230-volt connection with 32 amps are used as an alternative to the standard 3.6-kilowatt charger, the battery will be fully recharged in just 2.3 hours.

The charging process can be managed and monitored via Porsche Communication Management (PCM), and remotely using the Porsche Connect app. Porsche Connect can also be used to find and filter charging stations and set them as a navigation destination. The new Porsche Charging Service allows cross-provider access to public charging stations – without requiring additional registration with the relevant provider. This is billed directly via the Porsche ID account.

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Hemmingen and Rutesheim become Porsche sites

During the year under review Porsche acquired the previously leased sites for the two branch offices of the research and development centre in Hemmingen and Rutesheim. There are plans for expansion at both sites in the coming years. This investment forms part of the company's preparations for its hybridisation and electrification strategy.

Porsche has already been operating its Sport Utility Vehicle development centre in Hemmingen for 20 years. The growing importance of the SUV is also clearly evident from the development of the site. What began as a single building with 200 employees has grown into a site covering 27,000 square metres with 600 staff. The fourth generation of the Cayenne is set to play a major role in Porsche's long-term e-mobility strategy. As well as the Cayenne, Hemmingen is also home to the Macan. The Rutesheim site was first opened in 2015. The workshop area of some 7,000 square metres is used to prepare vehicles from all of the model series for test drives.



911 GT3 R

Porsche has designed a new customer sports racing car for the worldwide GT3 series: the 911 GT3 R will be lining up on the grid from 2019 onwards. This 911 race car, developed on the basis of the 911 GT3 RS production model, delivers up to 404 kW (550 hp).

The new 911 GT3 R customer sports race car Porsche has designed a new customer sports racing car for the worldwide GT3 series: the 911 GT3 R will be lining up on the grid from 2019 onwards. This 911 race car, developed on the basis of the 911 GT3 RS production model, delivers up to 404 kW (550 hp). It boasts a high level of aerodynamic efficiency, improved handling and further optimised safety features. The roof, front cover and fairing, wheel arches, doors, side and tail sections as well as the rear cover and interior trim are made of carbon-fibre composite material (CFRP) and all of the windows are polycarbonate.

Powering the new 911 GT3 R is a four-litre flat-six boxer engine, which is largely identical to the high-performance production engine in the 911 GT3 RS. Direct petrol injection, which operates at pressures up to 200 bar, and variable valve timing technology ensure a particularly efficient use of fuel. The normally aspirated engine also offers significantly better driveability and a broader usable rev range compared with its predecessor. The engine response is more precise due to six throttle butterflies. Power from the rear engine is transferred to the 310 mm-wide rear wheels via a Porsche sequential six-speed constant-mesh gearbox with an electronic shift actuator for particularly fast and precise gear changes. The clutch is electro-hydraulically controlled, which eliminates the need for the clutch pedal and assists quick race starts. The 911's typical weight distribution ensures excellent traction and braking performance. The spectacular aerodynamics of the 911 GT3 R are also reminiscent of the road car.

The braking system has been further modified to offer even better stiffness and more precise control of the ABS. On the front axle, six-piston aluminium monobloc racing brake callipers combined with ventilated and grooved steel brake discs with a diameter of 390 millimetres ensure outstanding braking performance. Fitted at the rear axle are four-piston callipers and discs measuring 370 millimetres.

The development process also focused heavily on the safety features of the GT3 R. In order to improve pit stop performance, the 120-litre FT3 safety fuel cell can now be refilled from the left or the right depending on the circuit layout. The doors and the side windows can be removed. The new racing bucket seat affords drivers even better protection in the event of a collision. The seats are now bolted at six points. In combination with the adjustable pedal box, the driver's centre of gravity is optimised and offers increased safety in the event of an impact. In addition, the driver is protected thanks to a side impact element positioned in the driver's door, which consists of a carbon-fibre Kevlar aluminium construction with energy-absorbing plastic foam.

For the first time the 911 GT3 R is fitted with air-conditioning. This ensures ideal interior cooling and, thanks to the direct connection to the seat and driver's helmet, enables particularly efficient cooling of the driver, which in turn helps maintain concentration and consistent performance throughout the race.

The Speedster Concept: open-top, pure and with over 500 hp

Porsche marked the 70th anniversary of its sports cars in a particularly apt way: the 911 Speedster Concept is a road-ready study of an open-top and particularly exciting sports car. Sure to please the purists, the 911 Speedster Concept reflects the Porsche brand essence with precise clarity, placing the pure driving experience at its heart. The heritage model of the 911 Speedster Concept was unveiled to the public at the official "70 years of Porsche sports cars" celebrations in Zuffenhausen. In October the company then decided to produce a strictly limited run of just 1,948 units of the open-top two-seater in 2019.

The Speedster is the first car to be offered with the new Heritage Design packages. This accessory line by Porsche Exclusive allows for an even higher degree of customisation. In addition to the eye-catching paintwork, 21-inch centre lock wheels are another visual highlight on both axles of this latest concept study. Their cross-spoke wheel design draws on the look of current-day Porsche racing cars such as the 911 RSR and the GT3 R, while the tinted daytime running lights also take their inspiration from current motor sport trends. These are red in this case to complement the car's paintwork. The two "Talbot"-shaped exterior mirrors as well as the fuel tank cap – centrally positioned on the bonnet – are designed in a gleaming black chrome and platinum. The interior features partly perforated black leather with red accents.

All body components as well as the entire technology of both the 911 Speedster Concept cars are identical. This includes the shortened window frames with their lowered cowl top panels and the smaller side windows as well as the carbon-fibre rear bonnet with the double-bubble cover behind the seats. Both cars come with a lightweight Tonneau cover, fitted by Tenax buttons, instead of a convertible soft top.

The broad body of the concept car has been borrowed from the 911 Carrera 4 Cabriolet, although the concept's wings, front bonnet and rear cover are made of lightweight carbon-fibre composite material. The chassis has been borrowed from the 911 GT3. The GT developers also contributed the exhaust system with titanium tailpipes and the powertrain, which includes a six-speed manual transmission. This similarly applies to the centrepiece of this strictly limited special model: the Speedster Concept's flat-six boxer engine, which delivers over 500 hp and revs up to 9,000 rpm.



911 SPEEDSTER CONCEPT

New Macan celebrates world premiere

Porsche launched its new Macan in Shanghai. This compact SUV, which has enjoyed great success since 2014, has been given a full makeover, specifically as regards design, comfort, connectivity and driving dynamics. The Macan remains the sporty flagship of its segment. In keeping with Porsche's design DNA, the new model features a three-dimensional LED light panel on the rear of the vehicle. LED technology will also be incorporated as standard into the newly designed main headlights. The most striking innovations inside are the new fully interconnected Porsche Communication Management (PCM) module with 10.9-inch touchscreen, the new-look air vents and also the GT sports steering wheel, famously associated with the 911. The PCM provides access to new digital functions such as intelligent voice control and online navigation, the latter coming as standard.

The list of options designed to enhance convenience has been extended to include a traffic jam assistant, an air ioniser and a heated windscreen. The new traffic assist system uses adaptive cruise control to allow the vehicle to travel at speeds of up to 60 km/h for a more pleasant and relaxing drive. As well as being able to accelerate and brake semi-automatically, the system helps the driver to stay in lane in traffic jams and poor-flowing traffic. The Macan also comes fully interconnected as standard thanks to the Connect Plus module. This includes the Voice Pilot intelligent voice control, real-time traffic information, a connection to the Here Cloud with up-to-the-minute swarm-based traffic data, and the new Offroad Precision app, which documents and analyses the offroad experience.

The optimised chassis showcases Macan's exceptional status as a sports car in the compact SUV segment. The fine tuning ensures greater neutrality with the same level of driving stability and even greater comfort. Newly developed tyres with improved performance characteristics allow for even better lateral dynamics and create an even more enjoyable driving experience.



MACAN



CAYMAN GT4 CLUBSPORT

Concept study: Cayman GT4 Clubsport

Fans were given a real treat at the ADAC Rallye Deutschland when a very special course car, the Porsche Cayman GT4 Clubsport, drove out ahead of the starter field. For Porsche, the entry of a concept study for the FIA R-GT category based on the series-production GT circuit race car was a critical test under real conditions.

The Cayman GT4 Clubsport is powered by a 283 kW (385 hp) 3.8-litre flat-six boxer engine. The vehicle features Porsche dual-clutch transmission (PDK) with shift paddles on the steering wheel. To cope with the rigours of rallying, full underbody protection has been fitted. An energy-absorbing foam element, as used in WRC cars, has been mounted in the doors.



NEW EXCLUSIVE PORSCHE 935

New exclusive Porsche 935

Porsche presented its new 935 model at the Rennsport Reunion in 2018. Around 80,000 Porsche enthusiasts attended this historic motorsport gathering at the Laguna Seca Raceway in the USA, which provided the perfect backdrop for the unveiling of the 935. The new 515 kW (700 hp) racing car has been styled to look like its legendary predecessor, the 935/78. The fact that the vehicle has not been homologated means that the engineers and designers were not bound by the usual regulations and could give free rein to their creativity. There will be a limited production run of 77 units.

The technology behind this racing car designed for club sport events and private racetrack training is based on the high-performance 911 GT2 RS sports car. Like its historic predecessor, most of the body has been replaced or supplemented by carbon-fibre composite parts (CFRP). With its streamlined extended rear, the 935 is 4.87 metres long. The width of the exclusive clubsport racer measures 2.03 metres.

The spectacular aerodynamics are a completely new development and a nod to the Porsche 935/78 Le Mans race car, which fans dubbed "Moby Dick" on account of its elongated shape, massive fairings and white base colour. The distinctive wheel arch air vents on the front fairings, which also feature on the GT3 customer sports vehicle 911 GT3 R, increase downforce at the front axle. Measuring 1,909 millimetres in width by 400 millimetres in depth, the rear wing lends aerodynamic balance.

Many details of the exterior are a salute to winning vehicles from the company's motor racing history: the aerodynamically capped rims echo those of the 935/78, with the LED rear lights on the rear wing endplates adopted from the 919 Hybrid LMP1 race car. The side mirrors hail from the current Le Mans-winning 911 RSR, with the exposed titanium tailpipes modelled on the Porsche 908 from 1968.

These references are carried through to the cockpit. The knob on the gearshift lever has a laminated wood design and is reminiscent of racers such as the 917, the 909 Bergspyder and the Carrera GT super sports car. The carbon steering wheel and colour display are taken over by the 935 from the 911 GT3 R of model year 2019. A massive safety cage in combination with a racing bucket seat and six-point belts ensures maximum safety. A second seat on the passenger side is available as an optional extra. Air conditioning provides optimal cooling of the interior.

The new 935 is powered by a state-of-the-art 3.8-litre six-cylinder twin-turbo boxer engine, which is largely identical to the high-performance standard unit in the road-legal 911 GT2 RS. Power is transferred to the rear-mounted engine via a seven-speed Porsche dual-clutch transmission (PDK) with rigid gearbox suspension at the 310-millimetre-wide rear axle. As with the GT road models of the 911, the driver changes gears via conveniently positioned shift paddles on the steering wheel. The 911's typical weight distribution ensures excellent traction and braking performance. Six-piston aluminium monobloc racing callipers on the front axle in combination with internally ventilated and grooved steel brake discs with a 380-millimetre diameter provide excellent deceleration values at the front axle. The rear axle is fitted with four-piston callipers and 355-millimetre discs.

Like the road-legal 911 GT2 RS, the 1,380-kilogram 935 is equipped with PSM (Porsche Stability Management) including traction control as well as an anti-lock braking system (ABS). Thanks to a map switch on the centre console, these assistance systems can be adjusted separately or switched off completely, depending on the driving situation.



PANAMERA GTS AND PANAMERA GTS SPORT TURISMO

Two new GTS models: two athletes join the Porsche Panamera family

Porsche added two extra-sporty models to its Panamera range during the reporting year: the Panamera GTS and, for the first time, the Panamera GTS Sport Turismo – with a large boot lid, low loading sill, increased luggage compartment volume and 4+1 seating configuration. At the heart of both of the new Panamera GTS models is a four-litre V8 engine with 338 kW (460 hp) of output and maximum torque of 620 Nm, cultivating an emotional sound and driving experience when combined with the standard sports exhaust system. The twin-turbo engine, which features a gasoline particulate filter, outperforms its predecessor by 15 kW (20 hp) and 100 Nm, accelerating the Panamera GTS and Panamera GTS Sport Turismo from zero to 100 km/h in 4.1 seconds as it works in conjunction with the standard Sport Chrono Package. The two models achieve a top speed of 292 and 289 km/h respectively. There are no interruptions in tractive force as power is transmitted to the Porsche Traction Management (PTM) all-wheel drive system by the eight-speed PDK dual clutch gearbox.

Designed to reflect the sporting prowess of the Panamera GTS models, the chassis systems are impressively dynamic. The adaptive air suspension with three-chamber technology is fitted as standard, which results in flexible control and optimum spring rate spread. The sports chassis in the two GTS models has been lowered by ten millimetres, while the Porsche Active Suspension Management (PASM) function has been adapted for an even sportier calibration. The result is outstanding lateral dynamics. Large brakes (390 millimetres in

diameter at the front, 365 millimetres at the rear) deliver exceptional deceleration.

Compared with their predecessor, the new Panamera GTS models' standard equipment package has been significantly upgraded in a number of areas. The Sport Design package with a new black front end, black trim at the bottom of the rear, and a variety of darker accents highlights the more athletic appearance. The GTS models are equipped with 20-inch Panamera Design alloy wheels as standard. The interior features hallmark elements of black Alcantara and anodised aluminium. The standard package also includes a heated multi-function sports steering wheel with gearshift paddles and Alcantara trim, and the Connect Plus module offering a wide range of digital services. With the optional GTS Interior package, drivers can customise their vehicle with various design elements, such as a rev counter, designer seams, and GTS logos in the contrasting shades of Carmine Red or Chalk.

The GTS also features one highlight that is new to the entire Panamera range – the head-up display. Configured by the driver, this display projects all relevant driving information directly into the driver's line of sight in full colour.

The new Porsche 911: stronger, faster

As part of a spectacular event in Los Angeles, Porsche presented the latest generation 911. The eighth generation of this Porsche icon continues to set the standard in exclusive sports car design: unmistakably committed to the Porsche design DNA, with a much more muscular look, and a completely new interior featuring a 10.9-inch touchscreen monitor, the new 911 is both timeless and contemporary. Intelligent control and chassis elements as well as innovative assistance systems combine the superior, uncompromising dynamism for which the classic rear-engine sports car is renowned with the demands of the digital world.

The next generation of flat-six turbocharged engines has been further developed and is more powerful than ever before, delivering 331 kW (450 hp) in the S models. This is an increase of 22 kW (30 hp) compared with the predecessor model. Both 911 models beat the four-second mark for acceleration from zero to 100 km/h: the rear-wheel-drive Coupé needs 3.7 seconds and the 911 Carrera 4S with all-wheel drive just 3.6 seconds. This makes both cars 0.4 seconds faster than their predecessor. This advantage is increased by a further 0.2 seconds with the optional Sport Chrono Package. The top speeds are now 308 km/h (911 Carrera S) and 306 km/h for the all-wheel-drive version.

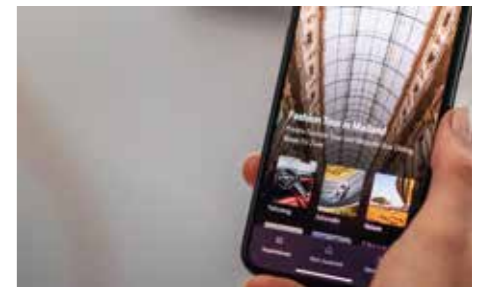
The exterior has been redesigned and underlines the performance leap of the new 911. Above the large wheels with 20" diameter at the front and 21" diameter at the rear, there are significantly wider wheel arches. The rear end is now the same width across all models, highlighting the slimline centre section. At the front, the body is 45 mm wider. The flush integration of the electric pop-out handles in the doors emphasises the smooth, tapered side contour. Between the new LED headlights, a bonnet with a pronounced recess evokes the design of early 911 generations. The rear is dominated on all models by the significantly wider, variable-position rear spoiler and the seamless, elegant light bar. With the exception of the front and rear sections, the entire outer skin is now made from aluminium.

The completely new interior is characterised by the clean, straight lines of the dashboard with recessed instruments. The 911 models from the 1970s provided the inspiration here. Alongside the central rev counter – typical for Porsche – two thin, frameless freeform displays supply information to the driver. The centre Porsche Communication Management (PCM) screen is now 10.9 inches, and can

be operated quickly and without distraction thanks to the new architecture. Located underneath this screen is a compact switch unit with five buttons for direct access to important vehicle functions. In terms of digitalisation, the 911 takes the next step into the future with permanent connectivity as well as new functions and services. The standard PCM module features include online navigation based on swarm data as well as Porsche Connect Plus.

In a world first, Porsche has developed wet mode, included as standard. This function detects water on the road, prepares the control systems accordingly and warns the driver, who can then set up the vehicle for a particular emphasis on safety by simply pushing a button or using the mode switch on the steering wheel (Sport Chrono Package). The camera-based warning and brake assist system, also fitted as standard, detects the risk of collision with other vehicles, pedestrians or cyclists, and initiates a warning or emergency braking if necessary. Night Vision Assist with a thermal imaging camera is optionally available for the 911 for the first time. The adaptive cruise control option includes automatic distance control, stop-and-go function and reversible occupant protection.

The eighth generation of this Porsche icon continues to set the standard in exclusive sports car design: unmistakably committed to the Porsche design DNA, with a much more muscular look, and a completely new interior featuring a 10.9-inch touchscreen monitor, the new 911 is both timeless and contemporary.



PORSCHE 360+ APP

New digital tools

With the launch of the new 911, Porsche is also unveiling three exclusive digital tools. Porsche Road Trip helps driving enthusiasts to plan, organise and navigate trips that are just that little bit special. The curated routes feature exclusive recommendations for restaurants and hotels, while points of interest or viewpoints are highlighted en route.

The Porsche 360+ with its central feature, a personal lifestyle assistant, aims to take the Porsche experience beyond the car itself and is available to drivers 24/7. The aim is to make everyday life easier, and to provide access to exclusive experiences.

Porsche Impact is an emissions calculator, which works out the financial contributions that Porsche drivers can pay to offset their carbon footprint. Drivers can choose which internationally certified climate projects to support. These are located right across the world and are focused on wind energy, hydropower and solar energy as well as the protection of forests.



THE NEW PORSCHE 911

World première of the Porsche 911 GT2 RS Clubsport

Alongside the new 911, the Porsche 911 GT2 RS Clubsport also celebrated its world première at the Los Angeles Auto Show. Production of this car, which can be driven at clubsport events as well as selected motor racing meets, is limited to 200 units. The technology of the 515 kW (700 hp) strong racing car from Weissach is based on the high-performance sports car 911 GT2 RS – as is the case with the 935 presented a few weeks earlier. Both vehicles share the drive with the road equivalent: a state-of-the-art 3.8-litre six-cylinder boxer engine with biturbo charging. Power is transferred to the rear-mounted engine via a seven-speed Porsche dual-clutch transmission (PDK) with rigid gearbox suspension at the 310-millimetre-wide rear axle. As with all other racing versions of the 911, the driver changes gears via ergonomically positioned shift paddles on the steering wheel. The positioning of the engine behind the rear axle ensures excellent traction and braking performance. Six-piston aluminium monobloc racing callipers on the front axle in combination with internally ventilated and grooved steel brake discs with a 390-millimetre diameter provide excellent deceleration at the front axle. The rear axle is fitted with four-piston callipers and 380-millimetre discs.

Just like the road-legal 911 GT2 RS, the 1,390-kilogram Clubsport version is equipped with PSM (Porsche Stability Management) including traction control as well as an anti-lock braking system (ABS). Thanks to a map switch on the centre console, these assistance systems can be adjusted separately or switched off completely, depending on the driving situation. The carbon steering wheel and the colour display behind it in the 911 GT2 RS Clubsport are taken from the 911 GT3 R of model year 2019. A massive roll cage in combination with a racing bucket seat and six-point belts ensures maximum safety. Air conditioning provides optimal cooling of the interior.



911 GT2 RS CLUBSPORT

New Macan S

Porsche has expanded its range of compact SUVs with the addition of the powerful Macan S. The new model from the sports car manufacturer features a three-litre V6 turbocharged petrol engine. It delivers 260 kW (354 hp) and has a maximum torque of 480 Nm, an increase of 10 kW (14 hp) and 20 Nm compared with the previous model. With the optional Sport Chrono Package, the new Macan S accelerates from zero to 100 km/h in just 5.1 seconds, an improvement of 0.1 of a second. The car's top speed is 254 km/h. Using the central turbo layout, the turbocharger is located in the inner V; this results in short exhaust gas paths between the combustion chambers and the turbocharger, ensuring outstanding and immediate responsiveness. The new twin-scroll turbocharger provides high torque at low engine speeds. With twin-scroll technology, the exhaust gas flows are continuously fed to the turbine wheel as separate streams, significantly reducing any charge cycle disadvantages. The refined combustion chamber geometry with a central injector promotes efficient fuel mixture formation. In addition to the increase in the power output per litre, from 113 to 118 hp, the emissions have also been reduced. Fuel consumption (NEDC-correlated) is 8.9 l/100 km.

As distinctively sporty as ever, the Macan's chassis features staggered tyres and Porsche Traction Management (PTM) all-wheel drive, and has been overhauled and optimised once

again as part of this model's facelift. On the front axle, spring forks made from aluminium replace the previous steel components. The new alloy construction is more rigid and reduces unsprung mass, making the steering on the Macan more precise and improving ride comfort. Newly tuned sway bars also ensure more neutral handling.

A lot of detailed work has also gone into the brakes of the new Macan S, and the driver will notice this most of all in the form of a changed pedal feel. The pedal in question weighs around 300 g less than the previous steel part, and acts on the brake master cylinder via a shortened lever arm. This results in a more immediate brake response, and the driver can also feel a very precise pressure point thanks to the firm connection. The even more sporty approach in the new Macan S is reflected in the larger front brake discs, with disc diameter increased by 10 mm to 360 mm, and disc thickness up by 2 mm to 36 mm. The new brake pads are copper-free. The Macan S can be fitted with the optional Porsche Ceramic Composite Brake (PCCB). The Macan S also benefits from all the innovations introduced during the latest facelift, including a three-dimensional rear LED lightbar, and the new fully connected Porsche Communication Management (PCM) system, which features a 10.9-inch interior touchscreen.

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MACAN S



718 T

Puristic design: 718 T

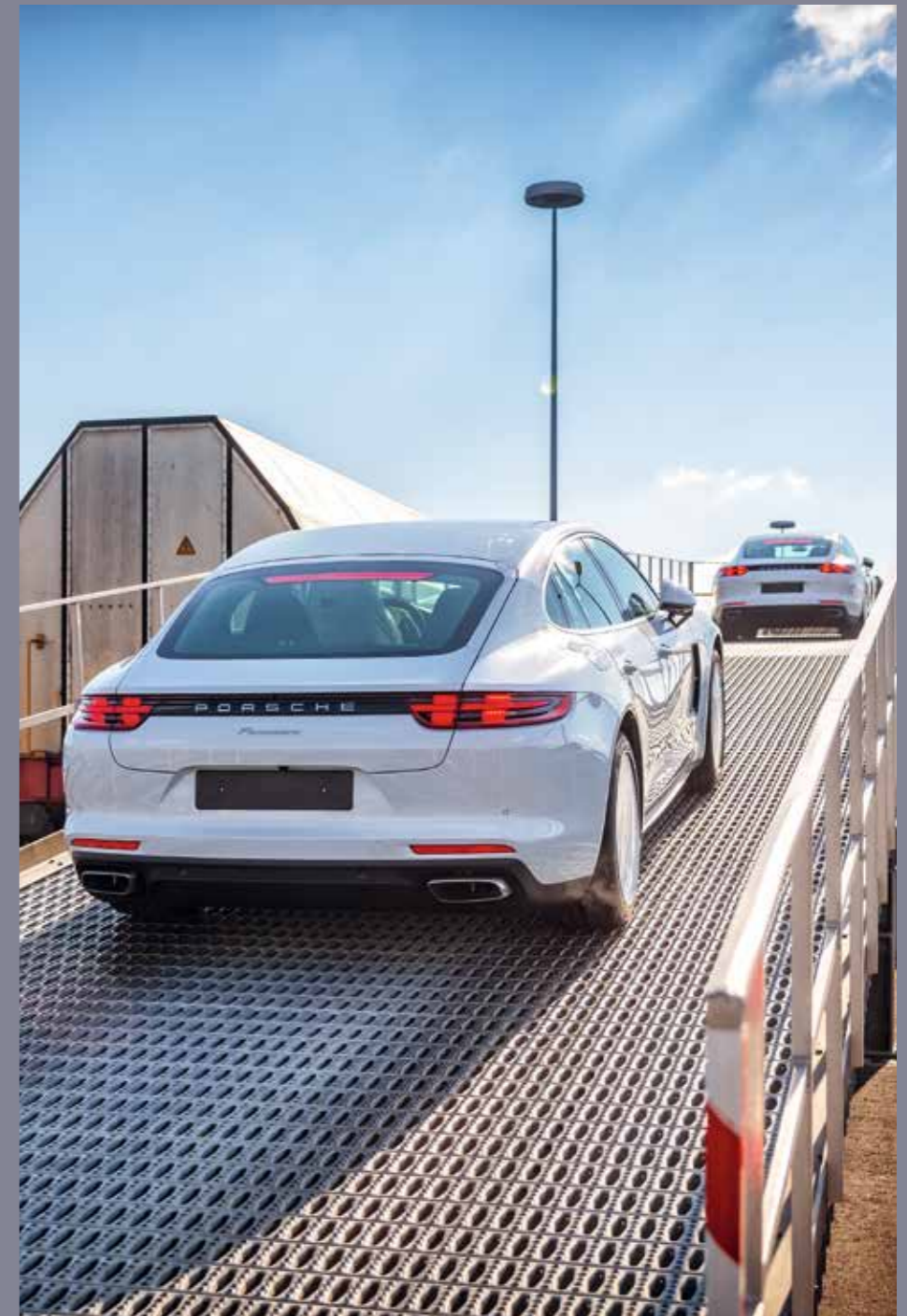
With the 718 T, Porsche has transferred the puristic design of the 911 T launched back in 1968 to its line of two-seater sports cars. The new model in the Boxster and Cayman ranges combines the 220 kW (300 PS) turbo four-cylinder boxer engine with a particularly emotional Porsche driving experience. The high-performance character of the T models is emphasised by an extensive equipment package, which includes 20-inch alloy wheels, the PASM sports chassis lowered by 20 millimetres – which is being offered in combination with the 2.0-litre turbocharged engine for the first time in this line – the shortened gearshift, on which the gears are emblazoned in red, and the Sport Chrono Package. These features can only be enjoyed in combination with the basic engine in the 718 T. Porsche is offering the 718 T with six-speed gearbox and Porsche Torque Vectoring (PTV), including mechanical rear axle differential locking. Porsche dual-clutch transmission (PDK) is also available as an option.

Traditionally, "T" stands for "Touring" in Porsche models, and is synonymous with driving pleasure in its purest form. The 718 T will be most at home on winding country roads, offering the joy of dynamic driving as its ultimate goal. The two-seater accommodates this philosophy through a pared down range of features. These include black door pulls in the door panels, as well as sports seats with electric two-way adjustment, black Sport-Tex centre sections, and the embroidered "718" logo on the headrests. The Porsche Communication Management (PCM) module has also been replaced by a large storage compartment, though buyers who do not wish to forgo the entertainment system may order it at no extra charge. Put together, these measures balance out the additional weight of the newly added gasoline particulate filter (GPF).

The exterior of the Porsche 718 T is characterised by its muscular appearance. With 20-inch alloy wheels painted in high-gloss titanium grey, combined with the PASM sports chassis with 20-millimetre lowered body, it simply looks outstanding on the road. Agate grey mirror shells and "718 Boxster T" or "718 Cayman T" logos on the sides identify the particular model, which can also be distinguished from the rear by the centrally positioned sports exhaust with black, chrome-plated twin tailpipes. In terms of exterior colours, buyers can choose from black, Indian Red, Racing Yellow and white, as well as the metallic colours Carrara White, Deep Black and GT Silver. Porsche is also offering Lava Orange and Miami Blue as special colours.

Sales, Production, Procurement

Sales
Production
Procurement



SALES

High customer satisfaction

Customer orientation and customer satisfaction are two of the core objectives of the Porsche Strategy 2025. They are key prerequisites for value-creating growth. Porsche continuously measures the satisfaction of more than 250,000 customers annually through sales and service processes. Additionally, independent external studies are also used to enable comparisons with competitors. The result of these surveys are continually analysed by a team of experts from Sales, Aftersales, Marketing, Customer Relations and Product Quality. When necessary, the internal Customer Satisfaction Steering Committee, which includes the Board of Management, sets forth measures to improve quality. Porsche regularly conveys to its employees how important satisfied customers are to the company – in the context of theme days, among other occasions.

“Excite!” initiative

In the reporting year, Porsche concentrated on enhancing its customer orientation around the world. As part of the initiative, the company launched a series of measures to make processes, programmes, tasks and functions more customer-focussed. Employees were also encouraged to give greater consideration to the topic of customer orientation. One example of that is the “Excite! – Empowering Customer Centricity” initiative, which was launched as a pilot project across the entire sales organisation of Porsche Cars North America in 2018. In workshops and coaching sessions, employees, investors and executive managers were prepared to commit to a strategic objective: to delight customers with an unmatched product and brand experience – as defined in the Porsche Strategy 2025. This goal is achieved through a resolute focus on the wishes and needs of the customer. Fulfilling those wishes and needs is the principal aim – the “moment of truth” – each time personal contact is made with the customer. The programme will be launched successively in further markets – in each case tailored to the specific requirements. There will also be measures put in place to anchor customer orientation in the company culture.



911



PANAMERA

Recognition and awards

Numerous trade magazines and independent studies in the US and the UK have confirmed the positive impact of the customer service measures. The US consumer magazine *Kelley Blue Book*, for instance, handed Porsche multiple awards in the reporting year: in addition to the “Brand Image Award – Best Performance Luxury Brand”, the company was also named the “Best Resale Value – Luxury Brand”. Moreover, the 911, Macan, Panamera and 718 Cayman models each took top honours for best resale value in their respective segments. The 718 Boxster received the “Best Buy Award” in the “Performance Car” category. And the Panamera won the “5-Year Cost to Own Award – High-End Luxury Car”. Readers of the US car magazine *Car and Driver* selected the 718 Boxster and the 718 Cayman among their ten best cars.

In the “Automotive Performance, Execution and Layout Study” (APEAL) by the US market research company J.D. Power, the Cayenne took first place in the “Midsize Premium SUV” category in 2018 for the second year in a row. In another J.D. Power survey, the “Sales Satisfaction Index” (SSI), the company was named the “Best Brand”. Both studies were based on representative surveys of new vehicle owners. The news magazine *U.S. News & World Report* put Porsche in first place in its list of “Top 10 Best Luxury Car Brands”. The brand led the best-vehicle rankings with five first-place honours: with the 911 in the “Luxury Sports Car” and “Luxury Convertibles” categories and the Cayenne in the “Luxury Crossover SUVs”, “Hybrid SUVs”, and “2-Row and 3-Row SUVs” categories. The assessment of the vehicles and brands was based on study data and the perceptions of experts in the automotive industry. The US motor racing magazine *Autocar* named the 718 Boxster the best convertible of the year in 2018. The 911 GT3 bested ten competitors and headed up the list of “Best Hardcore Sports Cars”. Porsche scored another first place with the 911 Carrera in the best sports cars ranking. The 911 GT2 RS took the “Motor Week Driver’s Choice Award 2018” in the “Best Dream Machine” category.



718 CAYMAN



CAYENNE



MACAN



718 BOXSTER

In Germany, readers of the trade magazine *auto motor und sport* voted the 911 Carrera and the 911 Cabriolet into first place in the sports car and convertible categories of the “Best Cars 2018” list for the second year running. The Panamera again took top honours in the luxury class.

For the 15th time, *Auto Bild* and vehicle rating firm Schwacke declared their “value champions”. In 13 vehicle segments, the sales prices of all used cars sold in Germany were compared and the model that best retained its value determined in each segment. With a depreciation of just 33.5 per cent within the first four years, the 911 GT3 won the title as the car with the best value retention in Germany in 2018. In total, Porsche scored three class wins: in addition to the 911, the Panamera 4 won in the luxury class and the Macan Turbo PDK in the SUV class. The 911 was also successful in the *TÜV Report for used cars*. It became the first vehicle ever to emerge as the overall victor in all five age classes.



911 GT3

In addition to the “Brand Image Award – Best Performance Luxury Brand”, the company also received the “Best Resale Value – Luxury Brand” award.

In June 2018, the first fast charging park with Porsche Turbo Charging started operation at the Berlin-Adlershof site. With its 800-volt technology developed by Porsche Engineering, the system enables extremely fast charging of electric vehicles.

Charging infrastructure for Porsche Turbo Charging

As preparations for the production start of the Taycan are under way at the main production plant in Zuffenhausen, Porsche is preparing its worldwide dealer organisation for the establishment of a charging infrastructure. In June 2018, the first fast charging park with Porsche Turbo Charging started operation at the Berlin-Adlershof site. With its 800-volt technology developed by Porsche Engineering, the system enables extremely fast charging of electric vehicles. A modular Flexbox system also factors in the available input voltage, visitor frequency and space constraints. Economic viability and user-friendly design are brought together in a well-conceived charging solution that will help e-mobility gain acceptance. The module range also includes a Charge Box, which is used when the available mains connection is not powerful enough. In addition to the power unit, the box contains an additional buffer battery. This buffer battery is charged when no vehicle is using the charging pedestal – a process that can also be carried out at the dealer's using a solar power system. The storage battery makes it possible to provide the customer with high output for a fast charging procedure in spite of a weak grid. Training for the use of the new charging technology for the installation partners of the international dealer organisation has been under way since 2018. The foundations for a charging infrastructure in the Porsche dealer organisation have already been in place since the introduction of the first plug-in hybrid models in 2013. It is now possible to build on that experience. Since the decision to move forward with series production of the Taycan, the existing knowledge base is being expanded systematically.



PORSCHE CHARGING SERVICE

Digital charging service for electric vehicles
 With the Porsche Charging Service, the sports car manufacturer has offered an online platform since June 2018 that covers all charging procedures for plug-in hybrid and electric vehicles. The innovative service searches for suitable charging stations and takes care of the invoicing by using centrally stored payment details, in any country or currency. This obviates the need to register with all the different providers. A free app and the Porsche navigation system direct customers to the selected charging pedestal. Using the app, information concerning the location and availability of charging pedestals as well as the price of one charging process can be called up in real time. At the charging pedestal, identification is carried out either by using a QR code with the app, or with the Porsche ID Card, which users receive free of charge after registering for the service.

Aftersales: professional service

The Aftersales department also undertook intensive preparations for the market launch of the Taycan and the associated charging infrastructure in the reporting year. Repair procedures were developed, spare parts defined and new logistics concepts promoted for the electrically powered sports car. Porsche has also developed solutions for the safe shipments and proper storage of the Taycan batteries. Moreover, workshop personnel worldwide will be familiarised with the innovative technologies of the electric vehicle on the basis of newly developed qualification concepts.

In close collaboration with the other Sales departments and Development, Porsche has forged ahead with the series production-readiness of the charging technology to enable fast and convenient charging at home as well. The use of various "over-the-air" (OTA) services, which vehicles can use to receive software updates and the like wirelessly, have also been prepared. To optimise the maintenance and repair work on all models, Porsche launched a pilot project for the use of augmented reality in the workshop. In the future, a tablet computer will visualise complex repair procedures step-by-step on a real vehicle that is actually present: in the vehicle image captured by the tablet camera, the system will use augmented reality to display, for example, where a part being searched for is located, or how a screw connection should be unfastened. A revised feedback system establishes the prerequisites necessary for service and workshop employees to work in an efficient and customer-oriented manner, even in times of rapid growth and technological change.



PORSCHE STUDIO BEIRUT

Expansion of the worldwide sales network

The Porsche Studios are dedicated to creating a comprehensive brand experience. With this innovative sales format, the sports car manufacturer is addressing new target groups directly in their urban living environments. In centrally located spaces, Porsche is showcasing its complete range of services. The focus is on the personal encounter and the emotional brand experience. After being launched in 2017 with "Porsche in Sylt" and the "Porsche Studio Guangzhou" in China, four further locations were added in 2018. The "Porsche Studio Beirut" has ensured a stronger presence in the Middle East since January 2018, and the "Porsche Studio Cape Town" was opened in July 2018. The special highlight of both locations is the platform used to showcase the sports cars, which is reminiscent of the fashion industry. Sounds and fragrances augment the visual experience and activate all the senses. In Cape Town there is also a spacious lounge area with a café. Fascinating sports cars and exclusive lifestyle products under a single roof – this enticing combination has been offered by Porsche and its subsidiary Porsche Design in Milan since June 2018. Centrally located in the fashion capital, the Porsche Studio in Milan is the first in which both Porsche vehicles and the complete collection from Porsche Design are being presented together. A month later, the second Porsche Studio in China opened in Ningbo. It is situated amid high-class residential properties and in the immediate vicinity of the most important shopping mall in the new city centre.



PORSCHE STUDIO MAILAND

After being launched in 2017 with "Porsche in Sylt" and the "Porsche Studio Guangzhou" in China, four further locations were added in 2018. The "Porsche Studio Beirut" has ensured a stronger presence in the Middle East since January 2018, and the "Porsche Studio Cape Town" was opened in July 2018.



PORSCHE STUDIO BEIRUT

Sales pop-up: new sales concept

Spontaneously appearing right where the people are – this is the basic concept behind the sales pop-up format. The Porsche brand pops up briefly at a hot-spot or place with a whole new type of customer potential. The sales pop-ups are operated by the local Porsche Centres. The company has developed a modular equipment concept for the innovative marketing format. This makes it possible for the different locations to use the concept in a market-appropriate manner regardless of size – be it indoors or under the open sky. The focus is the quality of the experience: the idea is for customers, prospective customers and random passers-by to feel as comfortable as possible. Blumenau – an up-and-coming major city in the south of Brazil – was the first place to host a Porsche Sales pop-up between mid-October and the end of December 2018. Over a space of 225 square metres, the centrally situated pop-up offered space for two exhibition vehicles, a configuration area and a lounge. The second Sales pop-up – dubbed “La Mer” – opened on one of the most popular beaches in Dubai at the end of October 2018. Through to mid-January 2019, Porsche showcased a constantly changing line-up of sports car models beneath the open sky. The exhibition space was surrounded by a large lounge area.

New Porsche Centre in Hamburg

Some 800 invited guests celebrated the grand opening of the new Porsche Centre in Hamburg in July 2018. It is among the most modern sales locations worldwide. At the Lübecker Tor junction, Porsche is exhibiting the entire model range as well as all products and services associated with the brand. The 10,900-square metre grounds include a roughly 2,100-square metre showroom for up to 50 new and used vehicles. The workshop area is equipped with 25 lifting platforms. There are twelve charging pedestals for customer vehicles in front of the centre, with fast charging pedestals to be added in 2019. In the customer consultation area, a Customer Concierge is supported by a technology expert who can advise customers on questions of digitalisation and connectivity. Also new is the “Valet Parking Service”.

At the Lübecker Tor junction, Porsche is exhibiting the entire model range as well as all products and services associated with the brand. The 10,900-square metre grounds include a roughly 2,100-square metre showroom for up to 50 new and used vehicles.



PORSCHE EXPERIENCE CENTRE HOCKENHEIM

Other Porsche Experience Centres

Experience the fascination of Porsche at first hand. This slogan typifies the new Porsche Experience Centre in China, the first centre of its kind in Asia. The centre, located in direct proximity to the Shanghai International Circuit, is the sixth such site in the world. The 110,000-square metre grounds offer customers and fans a handling track, an offroad course, a restaurant, a café, conference facilities and a Porsche Driver's Selection Store. The grand opening was celebrated by some 300 invited guests in April 2018. The seventh customer experience centre from Porsche is now in the works: the groundbreaking ceremony in the heart of the Hockenheimring was held in October 2018. Over the next two years, the roughly 160,000-square metre section of the grounds will see the construction of a modern building complex, a handling track, various driving dynamics tracks and an offroad course. The new Experience Centre is slated to begin operations in late 2019. Porsche is implementing the project together with Emodrom GmbH, which is responsible for the strategic development of the Hockenheimring.

Factory collection in Zuffenhausen at historic Plant 1

Historic Plant 1 in Zuffenhausen re-opened for customers in 2018. Porsche Exclusive opened factory collection and customer consultation services in the historical brick building in summer 2018. Plant 1 has continued to unite tradition and the future down the ages: in 1938 Professor Ferdinand Porsche and his design office moved from central Stuttgart to the building in Zuffenhausen. Since the early 1950s, the plant has served the sports car manufacturer as its central administrative hub – surrounded by the factory halls in which Porsche builds its two-door sports cars. With the start of production of the Taycan, Porsche will begin the next chapter in its company history at the Zuffenhausen location in 2019.

Pilot programme in the USA: Porsche starts peer-to-peer sharing programme

Imagine having the opportunity to drive a Porsche when and as needed without having to buy or lease it – this is exactly what the “Host” pilot programme launched by the sports car manufacturer in the USA in 2018 makes possible. “Host” arranges short-term use of privately owned Porsche vehicles. After the introduction of the “Porsche Passport” subscription model, this peer-to-peer service is the next step toward new mobility concepts. The pilot programme also draws in customers of other brands, allowing them to get a taste of the sporty driving experience offered by the Porsche brand.

The “Porsche Passport” allows customers to sign up for a monthly subscription. It enables frequent vehicle changes, unlimited mileage and on-demand access to up to 22 different Porsche models. The pilot program started in 2017 and will continue to be rolled out in successive steps.



AUGMENTED REALITY APP

Mission E via augmented reality

A virtual experience of the technology of tomorrow today – augmented reality makes it possible: as part of a collaboration with Google, Porsche has developed an augmented reality app that shows the Mission E. Different viewing modes allow the user to discover the brand's first all-electric sports car digitally. The app is for AR-capable smartphones with the Android and iOS operating systems from Google and Apple respectively, and is free to download and use.

VR glasses and Porscheplatz app

In July and August of 2018, a pair of VR glasses transported visitors to the Porsche Museum back to the year 1948 and the village of Gmünd, Austria. That is where the first Porsche workshop was established 70 years ago. The workshop and the surrounding areas were reconstructed with painstaking attention to detail as a virtual landscape experience. The VR experience is the latest building block in the digital experience concept in Zuffenhausen. Also new is the Porscheplatz app: it is available for free in German and English versions for Android and Apple devices and includes all information, activities and services relating to the main production plant in Zuffenhausen, as well as the audio guide for the museum. A digital assistant answers questions.

As part of a collaboration with Google, Porsche has developed an augmented reality app that shows the Mission E. Different viewing modes allow the user to discover the brand's first all-electric sports car digitally.

“Sportscar Together Day” worldwide

To mark the “70 Years of Porsche Sports Cars” anniversary, customers and fans of the brand were invited to join together and celebrate the fascination of Porsche in early June 2018. “Sportscar Together Day” events were held at the brand’s sales locations all around the world. One highlight was the “Sportscar Together Day” at Cannstatter Wasen in Stuttgart, in which more than 40,000 Porsche fans took part – including US actor Patrick Dempsey, “Urban Outlaw” Magnus Walker, Le Mans winner Marc Lieb and race engineer Norbert Singer.



SPORTSCAR TOGETHER DAY

“Sportscar Together Day” events were held at the brand’s sales locations all around the world. One highlight was the “Sportscar Together Day” at Cannstatter Wasen in Stuttgart, at which more than 40,000 Porsche fans joined in the festivities.



SPORTSCAR TOGETHER DAY

AvD-Oldtimer-Grand-Prix:

Porsche Classic celebrates an anniversary

In August 2018, Porsche Classic celebrated 70 years of living sports car history at the AvD-Oldtimer-Grand-Prix on the Nürburgring. Standing in for the successes of the classics from Zuffenhausen, another anniversary was also in the spotlight: the 30-year anniversary of the 964 generation of the 911. Motor racing fans were delighted by the participation of Derek Bell, the five-time overall winner of the 24 Hours of Le Mans. He started in a 911 from 1965 in the “Gentlemen Drivers” class. In addition, for the first time the Oldtimer-Grand-Prix held two races in the current Porsche Carrera Cup Deutschland.

Porsche at the Techno Classica with a new stand concept

In the reporting year, Porsche Classic appeared at the Techno Classica with a new stand concept, many product highlights and special vehicles. Spread over more than 1,500 square metres, the brand celebrated two anniversaries in one fell swoop: 70 years of Porsche sports cars and 30 years of the Porsche 911 Type 964. The brand presentation focussed on genuine parts, new services and restorations. The visitors had the chance to see for themselves the quality of Porsche Classic works restorations in the impressive form of a completely restored Porsche 959 and the body-in-white of a Porsche 356. Moreover, 13 Porsche Classic Partners from seven European countries exhibited cars for sale and provided information about their services.

“Project Gold”: 911 classics made of Genuine Parts

Highly attractive collector’s item: Porsche Classic built the last 911 Turbo with an air-cooled engine – 20 years after the end of series production. The one-of-a-kind 911 Turbo of Type 993 was built on the basis of an original body-in-white. The extraordinary nature of its creation is matched only by its appearance: visually, the classic car in Golden Yellow Metallic draws on the design of the 911 Turbo S Exclusive Series of the Type 991. The black wheels feature design lines in golden yellow, the seats and interior are black with golden yellow appliqué. The body features the characteristic side air intakes of the Type 993 Turbo S, which were also available as an option for the 911 Turbo in 1998. The 331 kW (450 hp) sports car classic celebrated its world première at the Porsche Rennsport Reunion in Laguna Seca (USA) on 27 September 2018. On 27 October 2018, the one-off classic, which can only be driven on private circuits, fetched USD 3.1 million in a RM Sotheby’s auction at the Porsche Experience Centre in Atlanta. The proceeds benefit the charitable Ferry Porsche Foundation.



PROJECT GOLD

The one-of-a-kind 911 Turbo of Type 993 was built on the basis of an original body-in-white. The extraordinary nature of its creation is matched only by its appearance: visually, the classic car in Golden Yellow Metallic draws on the design of the 911 Turbo S Exclusive Series of the Type 991.



PROJECT GOLD

3D printer provides spare parts for historic models

“No longer available” – for collectors of rare classic cars, the unavailability of spare parts can quickly become a problem. In the worst case scenario, it can mean decommissioning. The sports car manufacturer is coming to the rescue: Porsche Classic manufactures extremely rare parts that are only needed in small quantities using 3D printers. All spare parts that are produced this way are true to the original, from both a technical and a visual perspective.

PRODUCTION

In the 2018 financial year, Porsche produced a total of 268,691 sports cars, representing a gain of roughly five per cent over the previous year. The vehicles were from the model ranges 911, 718, Macan, Cayenne and Panamera. The sports cars from the 911 (36,236 units), 718 Boxster (12,515 units) and 718 Cayman (6,379 units) model ranges are manufactured in Zuffenhausen. In addition, a further 4,764 units of the 718 Cayman were produced at the multi-brand facility in Osnabrück.

At the Leipzig production location, a total of 129,446 vehicles of the Macan (93,953) and Panamera (35,493 units) model ranges were built. Added to this were 79,111 units of the third generation of the Cayenne. The model is produced at the Bratislava site (Slovakia). In addition, the first pre-series Taycan rolled off the production line (240 units) in Zuffenhausen.

In 2018, Porsche successfully managed four production runs for new models: Cayenne, 911 GT3 RS, Macan and the eighth generation of the iconic 911 sports car.

PRODUCTION IN ZUFFENHAUSEN

The 911 remains the heart of the product line-up and plays a significant part in making Porsche one of the most profitable carmakers in the world. The venerable main plant in Stuttgart-Zuffenhausen is another key component in the company's success. With 250 units rolling off the line each day, the plant is producing more vehicles than ever before. A clever control and production principle allows the assembly of all two-door sports cars – the 911, 718 Boxster and 718 Cayman – on one production line. Thanks to the highly flexible production system, many customer customization wishes can be fulfilled at Zuffenhausen as part of the series production process.

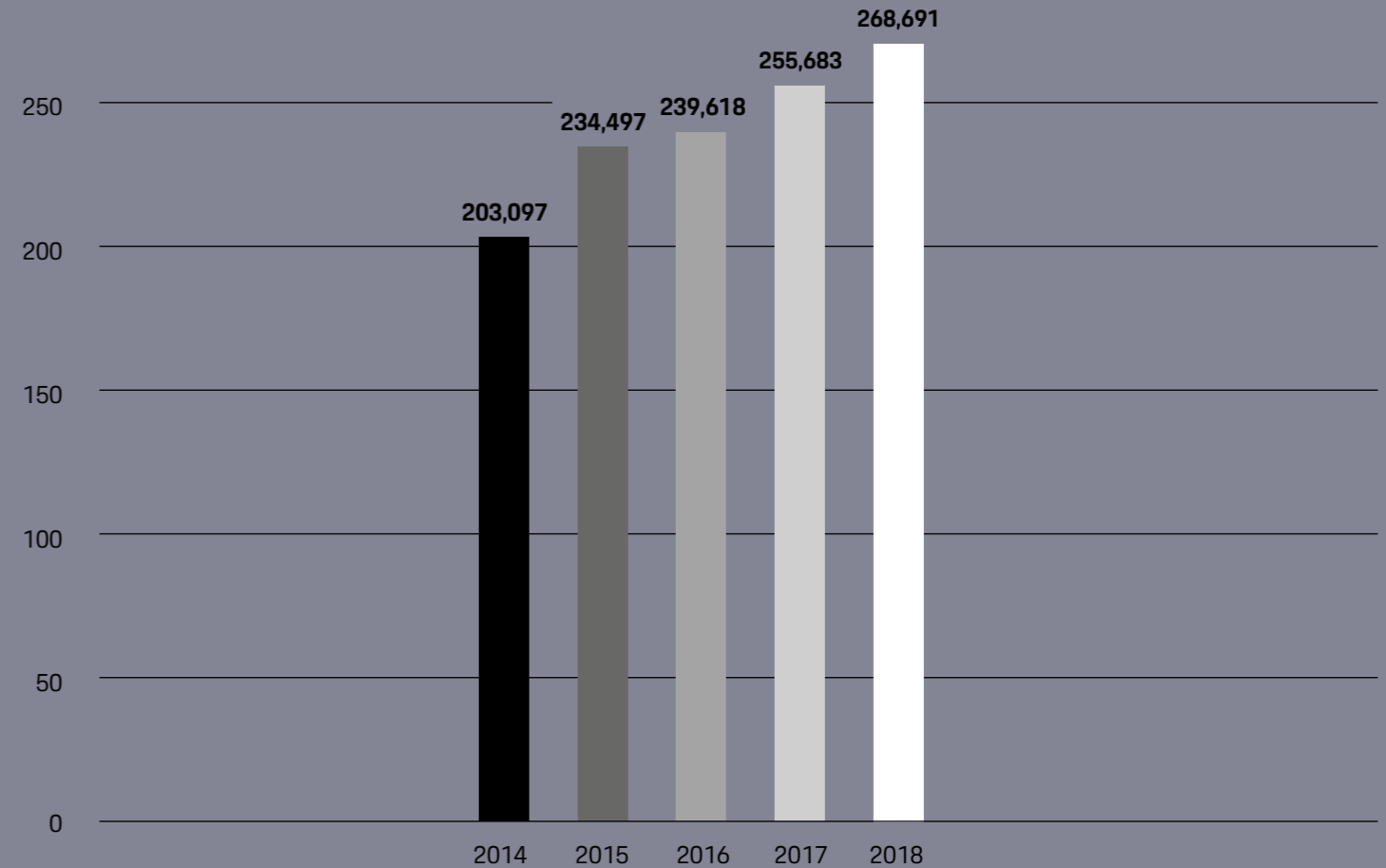
In the reporting year, one particular challenge was not simply to build the numerous model variants of the 718 and 911 model lines, but also to ramp up production of the eighth generation of the 911 as well. As a result, the still-available variants of the predecessor generation – such as the 911 Turbo and the 911 GT models – were being assembled in parallel with the new 911 models of type 992.

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PRODUCTION IN ZUFFENHAUSEN

Production volume
Vehicles



Investment in the future: Taycan production facility

In addition to the traditional two-door sports car models, the main plant is abuzz with the transition to the era of e-mobility. In the reporting year, preparations for the production start of the first all-electric drive sports car from Porsche were proceeding full steam ahead. The new production facilities for the Taycan at the main plant are being erected during ongoing operations.

The shift toward e-mobility is associated with total investments to the tune of six billion euros through 2022. Of that, some 700 million euros will go exclusively to the construction of the Taycan production facilities in Zuffenhausen. And it is not just the main plant's existing bodyshop that will be expanded. There will also be a new paint shop, an electric motor and component production facility and a new assembly plant.

Under the heading Porsche Production 4.0, the company is establishing a networked, transparent and modern production apparatus. One of the many innovations being introduced with the production start of the new electric Porsche is the Flexi-Line, in which the vehicles are guided through the production process by driverless automated guided vehicle (AGV) systems. The systems operate without the hall's double floor, which the traditional assembly line, with its sliding plates, requires. With the Flexi-Line, Porsche combines the advantages of the classic assembly line principle with the advantages of flexible assembly. This makes it possible not only to set up the buildings much more variably than previously, but also the production steps. That benefits the ergonomics of the work stations as well as the quality of the product and profitability. Porsche is the first carmaker to employ this groundbreaking production technology.

Porsche is hiring 1,200 new employees for production of the Taycan. They have to be acquired, qualified and integrated into the workforce. A further 300 employees will be added with the start of production of the Mission E-based model, the Cross Turismo.



PRODUCTION IN ZUFFENHAUSEN

Engine construction, chassis production, saddlery

For the V8 combustion engines used in the Panamera and Cayenne model ranges, Porsche has established an engine production facility in Zuffenhausen. The production facility for the electric motors for the Taycan is located in the immediate vicinity. Chassis production and the in-house saddlery also moved into new spaces in the reporting year: modern methods of material analysis and efficient processing enable Porsche to work responsibly with leather and better accommodate individual customer wishes.

Under the heading Porsche Production 4.0, the company is establishing a networked, transparent and modern production apparatus. One of the many innovations being introduced with the production start of the new electric Porsche is the Flexi-Line.



PRODUCTION IN ZUFFENHAUSEN



PRODUCTION IN LEIPZIG: MACAN

PRODUCTION IN LEIPZIG

Among the noteworthy events at the Porsche Leipzig location was the production start of the new Macan, which was enhanced across the board in terms of design, comfort, connectivity and driving dynamics. The first unit rolled off the line in Leipzig in August. Introduced in 2014, with over 86,000 deliveries per year the Macan has since become the most popular model in the Porsche product range.

Plug-in hybrids increasingly popular

Porsche ceased building vehicles with diesel powertrains in February of 2018. Previously, they had been assembled at the Leipzig and Bratislava plants – with diesel engines manufactured by the group. In September 2018, Porsche announced the official end of the diesel versions of the Macan, Cayenne and Panamera. At the same time, hybrid models have become ever more popular.

SUSTAINABILITY

Zero Impact Factory

Porsche has firmly anchored its commitment to sustainability in its production strategy, pursuing its Zero Impact Factory objective. The initiative is based on the environmentally conscious goal of achieving vehicle production – including the entire value creation chain – with no environmental footprint. The Zero Impact Factory is a comprehensive concept encompassing numerous measures.

Green Logistics

In logistics, too, sustainable planning and control were further advanced in the reporting year as part of the Green Logistics strategy. The strategic approach is characterized by across-the-board optimization. To minimize the effects on the environment and ensure that logistics processes are as sustainable as possible, further measures and potential improvements were identified, assessed and implemented in 2018. In the process, Porsche focussed on the fields of transport, storage and energy consciousness.

In view of the increasing traffic volume in urban areas, Porsche is also committed to playing a significant role in avoiding emissions. In the transport department, for example, additional models were added during the reporting year to the electric fleet already in use. At the Zuffenhausen plant, a new electric lorry and an additional e-hybrid one were put into service. Furthermore, a new, electrically powered transporter was used for courier trips between the locations. Through the use of these electrically powered vehicles, the company is able to save 71 tonnes of CO₂ per year. With these measures, Porsche is demonstrating its commitment to further minimising the emissions generated in logistics.

In the transport department, packaging and filling capacities were reduced, which in turn reduced the transport volume. This not only reduced costs, but also led to reduced annual CO₂ emissions: 22 tonnes CO₂ at the Zuffenhausen site and 26 tonnes of CO₂ at the Leipzig site.

Porsche was able to achieve further improvements in terms of sustainability in the transport of new vehicles. For example, models destined for export are transported to the seaports by train. As rail freight traffic is operated solely with green electricity, logistics has been able to save 6,194 tonnes of CO₂ per year.

For the storage of parts and vehicles, Porsche Leipzig has employed resource-conserving procedures and systems. One example of this is the automated small-parts storage system installed at the Leipzig plant in 2018, with some 54,000 spaces for storage containers. Through energy-saving shuttle technology, annual CO₂ emissions are reduced by 40 per cent (676 tonnes) compared to conventional small-parts storage systems. Through improved lorry capacity utilisation, delivery frequencies can be substantially reduced, resulting in further CO₂ reduction potential.

To more firmly entrench this comprehensive approach, a Green Logistics training program was developed. The goal of the training programme is to foster a greater understanding of sustainable logistics processes among the workforce. The web-based application is accessible to all Porsche employees via the learning platform and takes roughly 30 minutes. Moreover, the training course also promotes transparency with regard to current projects in the field of sustainable logistics.

CO₂-neutrality in production

Porsche is aiming to achieve CO₂-neutral production of vehicles. The Taycan will show the way forward: production of the model at the Zuffenhausen location will be completely CO₂-neutral.

For the production of the 911, 718 Boxster and Cayman, Macan, Cayenne and Panamera, Porsche has been using 100 per cent green energy from renewable sources for the past two years. A biogas power plant at the Zuffenhausen location will be added to the environmentally friendly portfolio. The municipal plant will generate electricity from the fermentation of bio-waste, optimising the energy mix.

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AUTOMATED SMALL-PARTS STORAGE SYSTEM

Porsche saves resources in many ways

At Porsche, responsible environmental conduct and use of resources is firmly anchored in the corporate strategy and regulated through guidelines. In 2018, a variety of measures were implemented with a view to promoting a responsible approach to these issues. Furthermore, activities in the area of environmental protection also yield economic benefits. One concrete example of this is shortened hot tests on test benches, which result in fuel savings. The optimisation of test benches and systems itself makes a valuable contribution to reducing emissions. One example has been the retrofitting of an exhaust gas removal system for welding fumes generated during servicing with new, controllable fans. The new technology enables continuous operation with just half the energy required previously. This amounts to savings of over 441,000 kWh per year at the same maximum extraction level. And it is not just the environment that benefits from the optimised system – it also improves working conditions at the location.



CLIMATE-NEUTRAL TRANSPORT TO SHIPPING PORTS

Avoid, reduce, offset: keeping CO₂ emissions in mind at all times

Since late November, Porsche has offered customers its Porsche Impact emissions calculator. This enables customers to monitor and offset their mileage- and vehicle-specific CO₂ footprint. Based on their yearly mileage, the customer determines their corresponding CO₂ output level. At the same time, the customer receives information concerning the financial contribution with which they can offset their CO₂ emissions. Porsche Impact is also used in-house: since the end of November 2018, all CO₂ emissions of the entire company fleet have been offset. The effort covers almost 6,100 vehicles – including the motor racing models. For a Cayenne company car of the current model line with a yearly mileage of 15,000 kilometres, for example, the total comes to 62.70 euros per year.



PRODUCTION IN LEIPZIG

PROCUREMENT

In 2018, Porsche once again increased the number of new vehicle deliveries to a total of 256,255 vehicles. Procurement made a significant contribution to this success: based on a very close partnership relationship with the supplier industry, it ensured a reliable supply of high-quality components for the long term. In the reporting year, Procurement focussed particularly on strategically important products and topics relating to optimising the value chain. The supplier network was able to be further intensified and collaboration across company boundaries increased.

For the future, Porsche aims to make greater use of strategic partnerships. As part of that shift, conventional contracts will no longer be the only form of collaboration with suppliers. Porsche will also secure sustainable access to innovative technologies and products by means of new, intelligent partnership models that are already in the works. Digitalisation also played a major role in the reporting year. Procurement pursued innovative ideas to create a series of new apps that were ultimately used across different departments.

Procurement of production material and non-production material

As in recent years, material cost per vehicle was further optimised in the reporting year. Drawing on the strength of close cooperative relationships, Porsche involved its business partners in the optimisation process at an early stage by holding product and cost workshops. This approach allowed substantial improvements to be achieved.

In 2018, the material outlays of Porsche AG amounted to 4,201 million euros (financial year 2017: 4,985 million euros). Procurement also played a substantial role in helping the company meet its objectives in terms of services and non-production materials as well. In terms of investments, their volume totalled 1,858 million euros in the year under review. The growth compared to financial year 2017 (1,684 million euros) was due primarily to the large number of infrastructure projects geared toward securing continued growth and future competitiveness of the company.

Model start-ups

For Procurement, the production start-ups of the new 911 and the Macan successor were the main focus in the reporting year. Preparations for making a start on e-mobility with the Taycan in 2019 were also well under way. Procurement also purchased a multitude of parts for all new products and led the vehicles – hand-in-glove with Development, Quality Assurance, Production and suppliers – to production maturity. Beyond the ongoing improvements to the vehicles, increasing digitalisation and connectivity also played an important role. This resulted in new tasks for the Procurement department.

Strategy 2025

Procurement derives four strategic objectives from the Porsche Strategy 2025 and global trends in the markets. First: top quality at competitive conditions by means of pro-active design of technical and environmental innovations. Second: efficiency throughout the entire service life of the products. Third: reliability based on continuous availability and consistently high quality of purchased parts as well as stable, efficient flows of goods. Fourth: increasing attractiveness as an employer for talented young prospects, and ensuring high job satisfaction among the workforce by creating optimal working conditions.

As part of the strategic initiative, Procurement implemented a series of projects in the reporting year. The exchange of information with suppliers was further intensified and the commitment to sustainability more firmly anchored in the supply chain. Procurement marketing was also expanded in order to generate interest in the complex field among students, recent graduates and professionals. This included collaborations with universities such as the University of Mannheim. The practice allows Porsche employees to gain new insights into specific topics, while students get a better sense of the company's work through excursions, presentations and practical experience.

In 2018, Porsche once again increased the number of new vehicle deliveries to a total of more than 256,255 vehicles. Procurement made a significant contribution to this success: based on a very close partnership relationship with the supplier industry, it ensured a reliable supply of high-quality components for the long term.

Innovation management

Porsche operates in an environment that is shaped by rapid change. The advance of globalisation, demanding customers, intensified competition for time and knowledge, opposing modes of thinking and working in the IT and automotive industries are just a few of the challenges facing the company. To identify trends and developments in good time, Porsche also continually sources new ideas from the supplier sector.

The "Porsche Supplier Innovation Days" provide the framework for integrating groundbreaking concepts from suppliers into the company's operations as quickly as possible. The Procurement and Development Innovation Management team invited suppliers to engage with the theme of "alternative materials and lightweight construction" in the reporting year: selected suppliers presented their innovative production concepts to Porsche experts from a variety of specialist disciplines.

In the run-up to Innovation Day as well, which was dedicated to the theme of "well-being in a Porsche vehicle", the Procurement, Development and Sales departments contacted a targeted group of suppliers and start-ups and asked them to submit their new developments as part of an open innovation approach. The more than 200 innovation ideas that were submitted were evaluated by interdisciplinary teams at Porsche. Ultimately 60 "well-being innovations" were selected for presentation by suppliers and start-ups from around the world at the Development Centre in Weissach.

At "Porsche Supplier Tech Day", the sports car manufacturer was a guest at the home of the world's second-largest automotive supplier, ZF Friedrichshafen AG. The Innovation Management team at Procurement and Chassis Pre-Development invited participants to attend presentations and technical talks and share experiences. Subject: What are the latest innovations by the Porsche suppliers and how can Porsche implement them? The highly promising series of "Porsche Supplier Innovation Days" will be expanded further in the future.

Workshops on the subject of sustainability

Sustainability plays a very important role in the supply chain as well – and its importance continues to grow. Procurement has been grappling with all aspects of the subject quite intensively for some time now, and has implemented multiple strategic projects in the field. For example, in the reporting year, Porsche developed a new concept for supplier workshops to further intensify the exchange with business partners on the topic of sustainability. Working together, approaches to implementing different aspects of sustainability were identified and potential areas for further collaboration defined. Supplier audits to ensure compliance with sustainability requirements are already being carried out. They are the foundation for long-term partnerships.

Sustainability rating

Porsche Procurement strictly enforces supplier compliance with all requirements in relation to sustainability. In the reporting year, a concept was developed to ensure aspects of sustainability are already incorporated and factored into the tendering process. In addition to the existing contract award ratings for quality, development and logistics, Porsche will also soon introduce a sustainability rating for all suppliers. The business partners have already been informed of this new requirement. This additional step will allow potential risks in the supply chain to be avoided before deciding which business partner to choose. Suppliers that fail to adequately fulfil the sustainability requirements will be asked to implement pro-active improvement measures to ensure they remain in the running as potential business partners.

Financial analysis

Net assets

Financial position

Results of operations

NET ASSETS

As of 31 December 2018, the total assets of the Porsche AG Group stood at € 38,159 million, 9 per cent higher than on the prior-year reporting date.

Non-current assets increased by € 1,761 million to € 27,008 million. The increase primarily related to fixed assets and deferred taxes, while other financial assets in particular saw a decline. Non-current assets expressed as a percentage of total assets amounted to 71 per cent (prior year: 72 per cent).

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 financial assets – amounted to € 16,099 million, compared with € 14,404 million in the previous fiscal year.

Fixed assets expressed as a percentage of total assets increased to 42 per cent (prior year: 41 per cent). Intangible assets increased from € 4,646 million to € 4,929 million. The increase relates on the one hand to capitalized development costs, with the largest additions concerning the 911 and Taycan model lines. On the other hand, additions to acquired licenses and advanced payments made also caused an increase. Property, plant and equipment increased in comparison with the prior year by € 1,025 million to € 6,928 million, primarily due to additions to land and buildings, furniture and fixtures, as well as advance payments made and assets under construction. These additions consist mainly of tools and construction work for the new generations of vehicles. Leased assets increased by € 321 million in comparison with the prior year, to € 3,776 million. This item contains vehicles leased to customers under operating leases.

Non-current other financial assets decreased by € 505 million to € 8,398 million. The decrease was due to the marking-to-market of derivative financial instruments.

Deferred income tax assets amounted to € 730 million as against € 370 million in the prior year.

As a percentage of total assets, current assets amounted to 29 per cent compared with 28 per cent in the prior year. Inventories increased from € 3,051 million in the prior year to € 3,889 million at the end of the reporting period.

Non-current and current receivables from financial services rose from € 2,095 million to € 2,386 million. This item mainly comprises receivables from finance leases and receivables from customer and dealer financing.

Current other financial assets increased by € 451 million to € 2,292 million. The increase mainly relates to the clearing account with Porsche Holding Stuttgart GmbH, receivables from loans to VW Group companies, and receivables from allocations to the consolidated VAT group in the amount of € 569 million. By contrast, the marking-to-market of derivative financial instruments resulted in a decrease of € 150 million.

Cash, cash equivalents and time deposits decreased by € 432 million year on year to € 2,635 million.

The equity of the Porsche AG Group increased by € 1,277 million to € 16,477 million compared with the prior-year reporting date, and includes an offsetting effect in the total amount of € 7 million due to the initial application of new accounting standards IFRS 9 and IFRS 15. The profit after tax, remeasurements from pension plans net of tax, profit transfer and dividends of € 785 million together with currency translation differences of € 68 million and a capital contribution by Porsche Holding Stuttgart GmbH amounting to € 1,208 million generated increases in equity. By contrast, the € 782 million change in the hedge reserve after tax was recognized as a decrease in equity.

Non-current liabilities relate to financial liabilities, pension provisions, deferred income tax liabilities, other financial liabilities, other liabilities, and other provisions. They rose by € 581 million to € 9,665 million in comparison with the prior year. As of the end of the fiscal year, non-current liabilities expressed as a percentage of total capital remained level with the prior-year figure of 26 per cent.

Provisions for pensions and similar obligations increased by € 326 million, mainly due to a rise in the number of eligible employees.

Non-current other financial liabilities recorded growth of € 96 million. This increase relates mainly to the marking-to-market of derivative financial instruments.

Deferred income tax liabilities amounted to € 650 million compared with € 614 million in the prior year.

Current liabilities increased from € 10,735 million to € 12,017 million, while expressed as a percentage of total capital they remained unchanged against 31 December 2017, at 31 per cent as of the end of the fiscal year.

Non-current and current financial liabilities rose from € 5,457 million to € 6,043 million. The increase primarily resulted from refinancing the financial services business in the form of asset-backed securities and bank loans.

Trade payables increased to € 3,134 million after € 3,048 million in the previous year. This increase is attributable to higher volumes of investments and business.

Current other financial liabilities amounted to € 3,441 million (prior year: € 3,060 million). This was primarily due to the change resulting from the marking-to-market of derivative financial instruments (€ 159 million) and a € 133 million increase in the profit transfer liability to Porsche Holding Stuttgart GmbH.

Net assets of the Porsche AG Group

€ million	Dec. 31, 2018	in %	Dec. 31, 2017	in %
Assets				
Intangible assets	4,929	13	4,646	13
Property, plant and equipment	6,928	18	5,903	17
Equity-accounted investments	368	1	341	1
Other equity investments	98	0	59	0
Leased assets	3,776	10	3,455	10
Financial services receivables	1,656	5	1,417	4
Other financial assets	8,398	22	8,903	25
Other receivables	125	0	153	1
Deferred tax assets	730	2	370	1
Non-current assets	27,008	71	25,247	72
Inventories	3,889	10	3,051	9
Trade receivables	759	2	593	2
Financial services receivables	730	2	678	2
Other financial assets	2,292	6	1,841	5
Other receivables	468	1	429	1
Tax receivables	81	0	51	0
Securities	297	1	62	0
Cash, cash equivalents and time deposits	2,635	7	3,067	9
Current assets	11,151	29	9,772	28
	38,159	100	35,019	100
Equity and Liabilities				
Equity	16,477	43	15,200	43
Provisions for pensions and similar obligations	3,792	10	3,466	10
Other provisions	778	2	799	2
Deferred tax liabilities	650	2	614	2
Financial liabilities	3,828	10	3,687	11
Other financial liabilities	215	1	119	0
Other liabilities	402	1	399	1
Non-current liabilities	9,665	26	9,084	26
Provisions for taxes	96	0	82	0
Other provisions	1,951	5	1,841	5
Financial liabilities	2,215	6	1,770	5
Trade payables	3,134	8	3,048	9
Other financial assets ¹⁾	3,441	9	3,060	9
Other liabilities	1,087	3	850	3
Tax payables ¹⁾	93	0	84	0
Current liabilities	12,017	31	10,735	31
	38,159	100	35,019	100

¹⁾ The prior-year figures were restated.

FINANCIAL POSITION

Cash flows from operating activities amounted to € 3,845 million in the 2018 reporting period following € 4,069 million in the prior year. The material effects resulted from increased profit and higher depreciation, amortization and write-downs on the one hand, and higher income tax payments, non-cash income and expenses and higher outflows for inventories on the other.

The cash flows from investing activities resulted in a cash outflow of € 3,566 million in the reporting period following € 3,140 million in the prior year. Investments in intangible assets (excluding capitalized development costs) and property, plant and equipment increased from € 1,762 million in the previous year to € 2,093 million in the period under review. Additions to capitalized development costs amounted to € 1,064 million following € 1,337 million in fiscal year 2017.

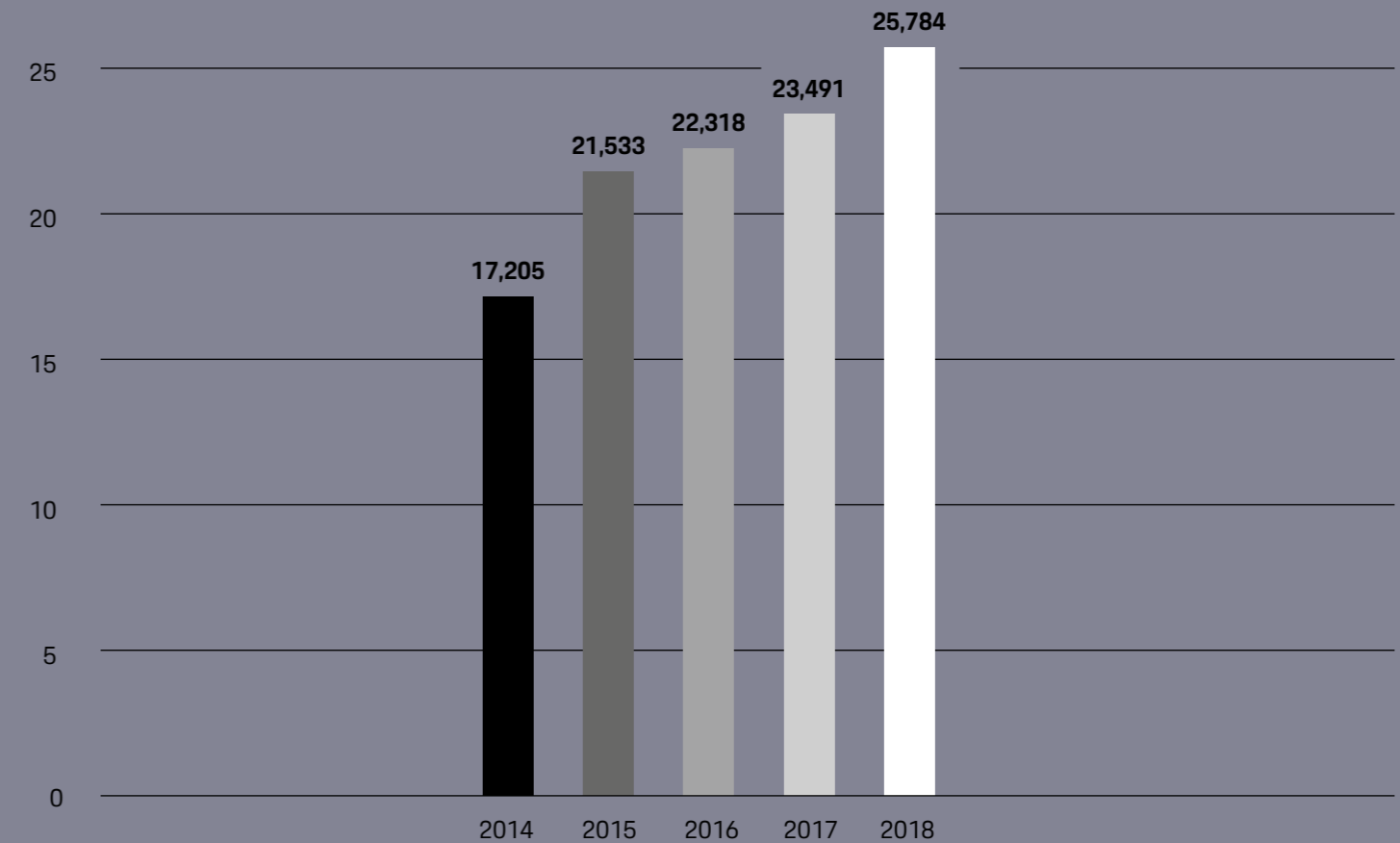
There was a change in cash flows from financing activities from € -744 million in the prior year to € -606 million in the current fiscal year.

Payments made in respect of profit transfer and dividends resulted in a cash outflow of € 2,157 million (prior year: € 2,371 million). This was partly offset by capital contributions amounting to € 1,208 million (prior year: € 1,312 million) made by Porsche Holding Stuttgart GmbH.

The net available liquidity of the Automobile sub-group – i.e., its gross liquidity less financial liabilities and excluding the financial services business in each case – improved from € 2,231 million as of 31 December 2017 to € 2,306 million as of 31 December 2018.

Consolidated revenue at the Porsche AG Group for the current reporting period amounted to € 25,784 million, following € 23,491 million in the prior year.

Sales revenue
€ million



RESULTS OF OPERATIONS

The Porsche AG Group's profit after tax increased by € 102 million from € 3,016 million in the corresponding prior-year period to € 3,118 million in the current fiscal year. The tax rate in the reporting period was 32 per cent (prior year: 25 per cent).

Consolidated revenue at the Porsche AG Group amounted to € 25,784 million in the reporting period (prior year: € 23,491 million). The Porsche AG Group sold 243,054 new vehicles in the past fiscal year. This corresponds to an increase in unit sales of 2 per cent compared with the prior year. The primary contribution to the growth in sales volume and revenue was made by the Cayenne model line, which recorded an increase of 13,440 to 70,146 new vehicles. The Macan remains the best-selling model line, with 82,244 new vehicles sold. However, a change of model caused unit sales to decrease by 13,296 new vehicles in the fiscal year. In regional terms, China remained the largest market, with new vehicle sales totaling 79,370 units. Unit sales grew by 12 per cent there in the fiscal year. In addition, the North American market recorded growth this year, with unit sales of 66,801. This corresponds to 3 per cent growth in unit sales.

The cost of sales increased in line with revenue to € 18,629 million (prior year: € 16,688 million), which represents 72 per cent of sales revenue (prior year: 71 per cent). In absolute terms, the cost of sales rose by € 1,941 million or 12 per cent. This slightly disproportionate increase is due to higher research and development costs recognized in the income statement. The capitalization ratio for research and development costs amounted to 49 per cent (prior year: 58 per cent). The slightly disproportionate increase in cost of sales caused the gross margin to decrease from 29 to 28 per cent.

Distribution expenses rose from € 1,856 million to € 1,901 million due to the higher unit sales. Administrative expenses also increased slightly, from € 1,028 million to € 1,103 million. In relation to sales revenue, distribution expenses decreased slightly to 7 per cent (prior year: 8 per cent), while administrative expenses remained level at 4 per cent (prior year: 4 per cent).

The personnel expenses across all functions of the Porsche AG Group increased from € 3,200 million to € 3,613 million. The growth in personnel expenses is primarily due to the rise in the average number of employees during the year by 2,058 to 31,091.

Depreciation, amortization and impairment across the functions increased to € 2,567 million compared with € 2,276 million in the prior year. This primarily relates to the depreciation, amortization and impairment of capitalized development costs and property, plant and equipment.

Other operating income decreased from € 1,142 million to € 813 million. This was primarily due to changes in the presentation of gains on currency hedges. From 2018 onwards these are recognized in sales revenue due to the initial application of IFRS 9. Other operating expenses declined from € 917 million to € 675 million. As with other operating income, the decrease in other operating expenses is due to changes in the presentation of losses on currency hedges.

Results of operations of the Porsche AG Group

€ million	2018	in %	2017 ¹⁾	in %
Sales revenue	25,784	100	23,491	100
Cost of sales	– 18,629	– 72	– 16,688	– 71
Gross profit	7,155	28	6,803	29
Distribution expenses	– 1,901	– 7	– 1,856	– 8
Administrative expenses	– 1,103	– 4	– 1,028	– 4
Other operating income	813	3	1,142	5
Other operating expenses	– 675	– 3	– 917	– 4
Operating profit	4,289	17	4,144	18
Financial result	263	1	– 98	– 1
Profit before tax	4,552	18	4,046	17
Income tax income/expense	– 1,434	– 6	– 1,030	– 4
Profit after tax	3,118	12	3,016	13

¹⁾ The prior-year figures were restated due to the initial application of new accounting standards "IFRS 9 – Financial Instruments" and "IFRS 15 – Revenue from Contracts with Customers".

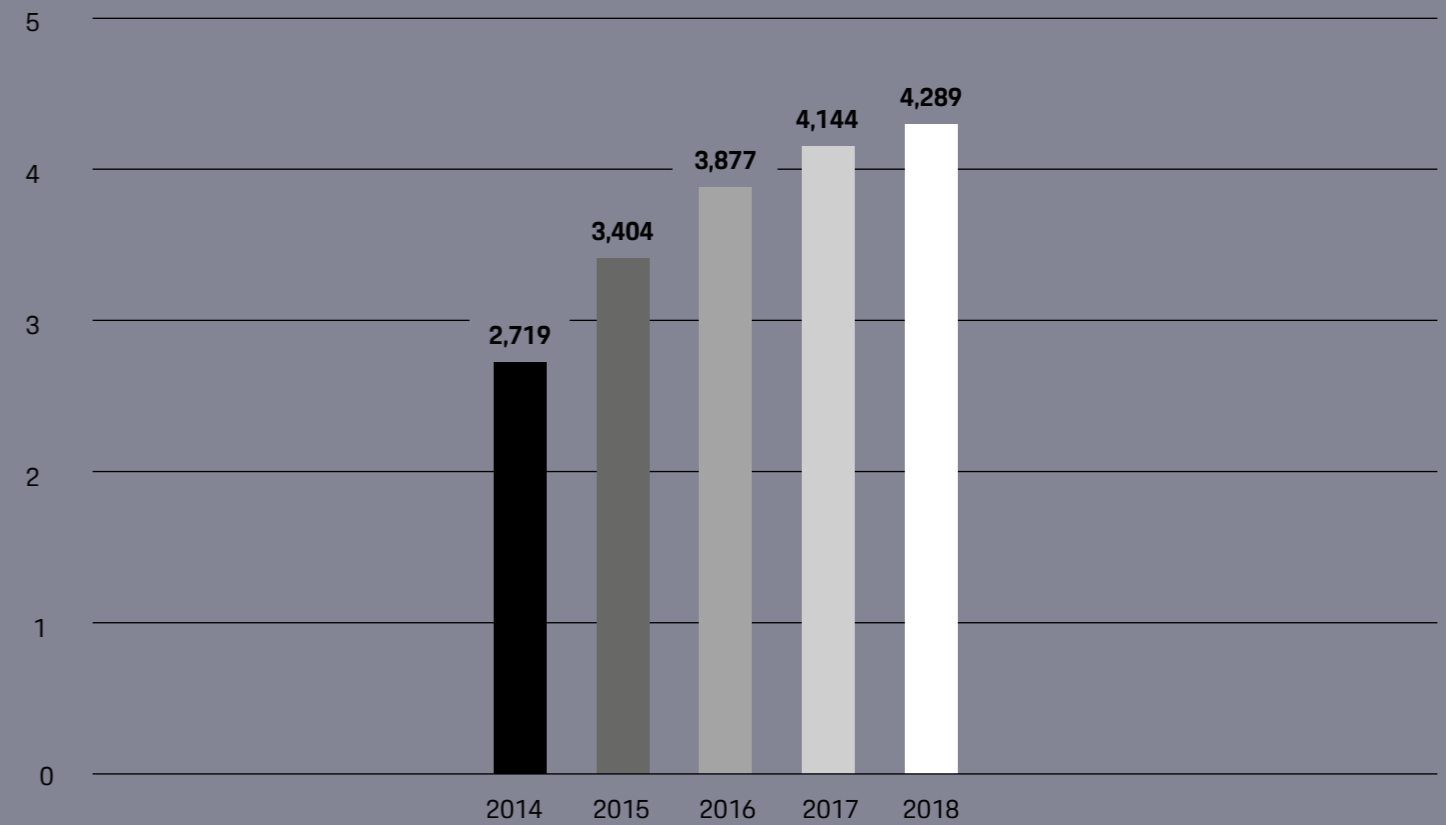
Operating profit amounted to € 4,289 million, an increase of € 145 million in comparison with the previous year.

The financial result amounted to € 263 million (prior year: € -98 million). The increase in the financial result was due on the one hand to higher gains from fair value measurement relating principally to exchange rate and interest rate hedging transactions that are not included in hedge accounting. On the other hand, the financial result was boosted by shifting recognition of the fair value component of currency hedges from the financial result to the operating result in fiscal year 2018 (initial application of IFRS 9 – Financial Instruments).

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 generated an operating return on sales of 16.6 per cent in the past financial year (previous year: 17.6 per cent). The pre-tax return on sales amounted to 17.7 per cent (previous year: 17.2 per cent). The return on capital, defined as the ratio of the operating result after tax to the average invested assets of the Automobile sub-group, amounted to 24.5 per cent (previous year: 28.2 per cent). The return on equity after tax was 19.7 per cent (previous year: 22.2 per cent).

Operating profit amounted to € 4,289 million, an increase of € 145 million in comparison with the previous year.

Operating profit (EBIT)
€ million



Financial data

Consolidated income statement

Consolidated statement of comprehensive income

Consolidated statement of financial position

Consolidated statement of cash flows

Consolidated statement of changes in equity

Value added statement

Consolidated income statement

of Porsche AG for the period 1 January to 31 December 2018

€ million	2018	2017 ¹⁾
Sales revenue	25,784	23,491
Cost of sales	- 18,629	- 16,688
Gross profit	7,155	6,803
Distribution expenses	- 1,901	- 1,856
Administrative expenses	- 1,103	- 1,028
Other operating income	813	1,142
Other operating expenses	- 675	- 917
Operating profit	4,289	4,144
Share of profit or loss of equity-accounted investments	3	4
Interest income	408	395
Interest expenses	- 92	- 68
Other financial result	- 56	- 429
Financial result	263	- 98
Profit before tax	4,552	4,046
Income tax income/expense	- 1,434	- 1,030
Current	- 1,427	- 1,234
Deferred	- 7	204
Profit after tax	3,118	3,016
thereof profit attributable to shareholders	3,113	3,016
thereof profit attributable to non-controlling interests	5	0
Profit transferred to Porsche Holding Stuttgart GmbH	- 2,290	- 2,157

¹⁾ The prior-year figures were restated due to the initial application of new accounting standards "IFRS 9 – Financial Instruments" and "IFRS 15 – Revenue from Contracts with Customers".

€ million	2018	2017 ¹⁾
Profit after tax	3,118	3,016
Pension plan remeasurements recognized in other comprehensive income		
Pension plan remeasurements recognized in other comprehensive income, before tax	46	72
Deferred taxes relating to pension plan remeasurements recognized in other comprehensive income	- 12	- 22
Pension plan remeasurements recognized in other comprehensive income, net of tax	34	50
Fair value valuation of other participations and securities (equity instruments) that will not be reclassified to profit or loss, net of tax	-	3
Share of other comprehensive income of equity-accounted investments that will not be reclassified to profit or loss, net of tax	0	0
Items that will not be reclassified to profit or loss	34	53
Exchange differences on translating foreign operations		
Unrealized currency translation gains/losses	68	- 235
Transferred to profit or loss	0	0
Exchange differences on translating foreign operations, before tax	68	- 235
Deferred taxes relating to exchange differences on translating foreign operations	-	-
Exchange differences on translating foreign operations, net of tax	68	- 235
Hedging		
Fair value changes recognized in other comprehensive income (OCI I)	- 283	1,771
Transferred to profit or loss (OCI I)	- 458	- 152
Cash flow hedges (OCI I), before tax	- 741	1,619
Deferred taxes relating to cash flow hedges (OCI I)	223	- 483
Cash flow hedges (OCI I), net of tax	- 518	1,136
Fair value changes recognized in other comprehensive income (OCI II)	- 664	137
Transferred to profit or loss (OCI II)	184	-
Cash flow hedges (OCI II), before tax	- 480	137
Deferred taxes relating to cash flow hedges (OCI II)	143	- 41
Cash flow hedges (OCI II), net of tax	- 337	96
Fair value valuation of securities and receivables (debt instruments) that may be reclassified to profit or loss		
Fair value changes recognized in other comprehensive income	-	-
Transferred to profit or loss	-	-
Fair value valuation of securities and receivables (debt instruments) that may be reclassified to profit or loss, before tax	-	-
Deferred taxes relating to fair value evaluation of securities and receivables (debt instruments) recognized on other comprehensive income	-	-
Fair value valuation of securities and receivables (debt instruments) that may be reclassified to profit or loss, net of tax	-	-
Share of other comprehensive income of equity-accounted investments that may be reclassified subsequently to profit or loss, net of tax	0	- 0
Items that may be reclassified subsequently to profit or loss	- 787	997
Other comprehensive income, before tax	- 1,107	1,596
Deferred taxes relating to other comprehensive income	354	- 546
Other comprehensive income, net of tax	- 753	1,050
Total comprehensive income	2,365	4,066
thereof profit attributable to shareholders	2,360	4,066
thereof profit attributable to non-controlling interests	5	0

¹⁾ The prior-year figures were restated due to the initial application of new accounting standard "IFRS 9 – Financial Instruments".

€ million	31 Dec. 2018	31 Dec. 2017
Assets		
Intangible assets	4,929	4,646
Property, plant and equipment	6,928	5,903
Leased assets	3,776	3,455
Equity-accounted investments	368	341
Other equity investments	98	59
Financial services receivables	1,656	1,417
Other financial assets	8,398	8,903
Other receivables	125	153
Deferred tax assets	730	370
Non-current assets	27,008	25,247
Inventories	3,889	3,051
Trade receivables	759	593
Financial services receivables	730	678
Other financial assets	2,292	1,841
Other receivables	468	429
Tax receivables	81	51
Securities	297	62
Cash, cash equivalents and time deposits	2,635	3,067
Current assets	11,151	9,772
	38,159	35,019
Equity and Liabilities		
Subscribed capital	45	45
Capital reserves	11,453	10,245
Retained earnings ¹⁾	4,876	4,023
Other reserves ¹⁾	97	887
Equity before non-controlling interests	16,471	15,200
Non-controlling interests	6	0
Equity	16,477	15,200
Provisions for pensions and similar obligations	3,792	3,466
Other provisions	778	799
Deferred tax liabilities	650	614
Financial liabilities	3,828	3,687
Other financial liabilities	215	119
Other liabilities	402	399
Non-current liabilities	9,665	9,084
Provisions for taxes	96	82
Other provisions	1,951	1,841
Financial liabilities	2,215	1,770
Trade payables	3,134	3,048
Other financial assets ¹⁾	3,441	3,060
Other liabilities	1,087	850
Tax payables ¹⁾	93	84
Current liabilities	12,017	10,735
	38,159	35,019

¹⁾ The prior-year figures were restated.

Consolidated statement of cash flows

of Porsche AG for the period 1 January to 31 December 2018

€ million	2018	2017 ¹⁾
Cash and cash equivalents at beginning of period	2,960	2,834
Profit before tax	4,552	4,046
Income taxes paid	- 1,531	- 1,093
Depreciation, amortization and impairment losses	2,567	2,276
Gain/loss on disposal of non-current assets	46	25
Share of profit or loss of equity-accounted investments	4	4
Other non-cash expense/income	- 214	83
Change in inventories	- 851	- 651
Change in receivables (excluding financial services)	- 505	- 577
Change in liabilities (excluding financial liabilities)	504	710
Change in pension provisions	371	326
Change in other provisions	81	349
Change in leased assets	- 940	- 1,230
Change in financial services receivables	- 239	- 199
Cash flows from operating activities	3,845	4,069
Investments in intangible assets (excluding capitalized development costs), and property, plant and equipment	- 2,093	- 1,762
Additions to capitalized development costs	- 1,064	- 1,337
Change in equity investments	- 71	- 8
Cash received from disposal of intangible assets and property, plant and equipment	10	57
Change in investments in securities	- 237	1
Change in loans and time deposits	- 111	- 91
Cash flows from investing activities	- 3,566	- 3,140
Capital contributions	1,208	1,312
Profit transfer and dividends	- 2,157	- 2,371
Proceeds from issuance of bonds	2,727	2,513
Repayment of bonds	- 2,422	- 2,173
Change in other financial liabilities	38	- 25
Cash flows from financing activities	- 606	- 744
Effect of exchange rate changes on cash and cash equivalents	2	- 59
Net change in cash and cash equivalents	- 327	185
Cash and cash equivalents at end of period	2,635	2,960
Cash and cash equivalents at end of period	2,635	2,960
Securities, loans and time deposits	775	425
Gross liquidity	3,410	3,385

¹⁾ The prior-year figures were restated due to the initial application of new accounting standard "IFRS 9 – Financial Instruments".

Consolidated statement of changes in equity
of Porsche AG for the period 1 January to 31 December 2018

	Subscribed capital	Capital reserves	Retained earnings
€ million			
Unadjusted balance at 1 Jan. 2017	45	8,933	3,064
Changes in accounting policy to reflect IFRS 9	–	–	50
Balance at 1 Jan. 2017	45	8,933	3,114
Profit after tax	–	–	3,016
Other comprehensive income, net of tax	–	–	50
Total comprehensive income	–	–	3,066
Disposal of equity instruments	–	–	–
Capital increases/ decreases	–	1,312	–
Profit transfer and dividends payment	–	–	–2,157
Other changes	–	–	–
As of 31 December 2017	45	10,245	4,023
Unadjusted balance at 1 Jan. 2018	45	10,245	4,096
Changes in accounting policy to reflect IFRS 9	–	–	–77
Balance at 1 Jan. 2018	45	10,245	4,019
Profit after tax	–	–	3,113
Other comprehensive income, net of tax	–	–	34
Total comprehensive income	–	–	3,147
Disposal of equity instruments	–	–	–
Capital increases/ decreases	–	1,208	–
Profit transfer and dividends payment	–	–	–2,290
Other changes	–	–	0
As of 31 December 2018	45	11,453	4,876

Currency translation	Hedging			Other reserves		Total equity
	Cash flow hedges (OCI I)	Deferred costs of hedging (OCI II)	Equity and debt instruments	Equity-accounted investments	Non-controlling interests	
242	–305	–	0	0	1	11,980
–	–	–50	–	–	–	–
242	–305	–50	0	0	1	11,980
–	–	–	–	–	0	3,016
–235	1,136	96	3	0	0	1,050
–235	1,136	96	3	0	0	4,066
–	–	–	–	–	–	–
–	–	–	–	–	–	1,312
–	–	–	–	–	–1	–2,158
–	–	–	–	–	–	–
7	831	46	3	0	0	15,200
7	804	–	3	0	–0	15,200
–	27	46	–3	–	0	–7
7	831	46	–	0	0	15,193
–	–	–	–	–	5	3,118
68	–518	–337	–	0	0	–753
68	–518	–337	–	0	5	2,365
–	–	–	–	–	–	–
–	–	–	–	–	–	1,208
–	–	–	–	–	–	–2,290
–	–	–	–	–	1	1
75	313	–291	–	0	6	16,477

Value added statement

of Porsche AG for the period 1 January to 31 December 2018

Source of funds in € million	2018	2017 ¹⁾	2016
Sales revenue	25,784	23,491	22,318
Other income	823	942	1,231
Cost of materials	- 15,658	- 13,665	- 12,623
Depreciation and amortisation	- 2,567	- 2,276	- 2,081
Other upfront expenditures	- 41	- 1,301	- 2,089
Value added	8,341	7,191	6,756

Appropriation of funds in € million	2018		2017 ¹⁾		2016	
to shareholders (profit transfer)	2,290	27.4 %	2,157	30.0 %	2,370	35.1 %
to employees (wages, salaries, benefits)	3,613	43.3 %	3,200	44.5 %	2,875	42.5 %
to the state (taxes, duties)	1,473	17.7 %	1,298	18.1 %	1,106	16.4 %
to creditors (interest expense)	123	1.5 %	87	1.2 %	135	2.0 %
to the Company (reserves)	842	10.1 %	449	6.2 %	270	4.0 %
Valued added	8,341	100 %	7,191	100 %	6,756	100 %

¹⁾ The prior-year figures were restated due to the initial application of new accounting standards "IFRS 9 – Financial Instruments" and "IFRS 15 – Revenue from Contracts with Customers".

Key figures

Key economic figures

Key figures for environment and energy

Key figures for personnel and social matters

Key economic figures

The key figures concerning deliveries and production relate to the Porsche Group (including subsidiaries).

The key figures concerning suppliers relate to Porsche AG.

Deliveries		2018	2017	2016
Total	Vehicles	256,255	246,375	237,778
911	Vehicles	35,573	32,197	32,365
918 Spyder	Vehicles	–	7	44
718 Boxster/Cayman	Vehicles	24,750	25,114	23,620
Macan	Vehicles	86,031	97,202	95,642
Cayenne	Vehicles	71,458	63,913	70,867
Panamera	Vehicles	38,443	27,942	15,240
Production		2018	2017	2016
Total	Vehicles	268,691	255,683	239,618
911	Vehicles	36,236	33,820	31,648
718 Boxster/Cayman	Vehicles	23,658	26,427	24,882
Macan	Vehicles	93,953	98,763	97,177
Cayenne	Vehicles	79,111	59,068	71,693
Panamera	Vehicles	35,493	37,605	14,218
Taycan ¹⁾	Vehicles	240	–	–

¹⁾ Pre-production vehicles.

Basis of consolidation

(GRI 102-45)

Since 1 August 2012, Volkswagen AG has been the sole shareholder of Porsche Holding Stuttgart GmbH, which holds 100 per cent of the share capital in Porsche AG. Dependency agreements and profit transfer agreements exist between Porsche Holding Stuttgart GmbH and Porsche AG, as well as between Porsche AG and its major domestic subsidiaries. The basis of consolidation at Porsche AG includes a total of 111 fully consolidated companies, with 26 headquartered in Germany and 85 abroad.

Supplier origin 2018 ¹⁾

Suppliers of production materials

95.8 % Based in the EU  4.2 % Based outside the EU

Suppliers of non-production materials

98.1 % Based in the EU  1.9 % Based outside the EU

¹⁾ Based on the creditor's billing address.

	2018	2017	2016
Expenditure for local suppliers at main business sites ¹⁾			
Proportion of allocated purchasing budget spent on local suppliers	97%	98%	98%

¹⁾ Suppliers are considered to be local if they are based in the EU. Zuffenhausen and Leipzig are considered the main business sites.

	2018	2017	2016
Supplier screening based on environmental criteria			
Proportion of screened suppliers	100%	100%	100%

Key figures for environment and energy

The calculation and reporting method was subject to ongoing development in 2018.

A detailed description of the key figures can be found in the Porsche Newsroom:

<https://newsroom.porsche.com/reports>

Direct energy consumption according to primary energy sources in MWh ¹⁾	2018	2017	2016
Total	306,692	304,111	293,623
Production sites	229,354	225,218	217,104
Development site	61,926	62,556	N/A
Other sites	1,649	3,054	64,603
Fuel (in litres)	1,552,452	1,540,403	1,385,573

¹⁾ The direct energy consumption is comprised of gas, combustible gas for manufacturing processes, heating oil, special energy products and fuel.

Indirect energy consumption according to primary energy sources in MWh ¹⁾	2018	2017	2016
Total	353,726	339,200	296,873
Production sites	277,188	268,346	233,523
Development site	64,424	59,418	N/A
Other sites	12,114	11,436	63,350

¹⁾ Indirect energy consumption comprises electrical energy, district heating, CHP plants and PV arrays.



Energy consumption in KWh per vehicle ¹⁾

2018		2,607
2017		2,485
2016		3,008

¹⁾ Production sites only

Emissions in t	2018	2017	2016
Direct and indirect GHG emissions in t CO₂ equivalent			
Total	63,203	63,522	164,159
Production sites	45,548	45,557	129,975
Development site	14,500	14,752	N/A
Other sites	3,155	3,213	34,184
Direct GHG emissions in t CO ₂ equivalent (Scope 1)	56,862	57,117	53,928
Indirect GHG emissions in t CO ₂ equivalent (Scope 2)	6,342	6,405	110,231
Other indirect GHG emissions (Scope 3) ^{1) 2)}	58,491	54,338	49,023
NO _x emissions ³⁾	38.96	39.25	45.01
SO _x emissions	0.41	0.41	0.28
Weight of volatile organic compounds (VOC)	124.33	125.29	116.93
Weight of dust emissions	0.12	0.11	0.3

¹⁾ The calculation method has been further developed for 2017, and the key figures for 2016 adjusted in line with this method.

²⁾ The emissions indicated relate only to business trips, i.e. made by train (Porsche AG only), plane and rental car.

³⁾ The NO_x emissions shown here refer exclusively to production processes, and not to Porsche vehicles.



Fresh water and waste water in m ³	2018	2017	2016
Water consumption (drinking water)	684,832	644,173	617,752
Volume of waste water	606,175	561,332	542,217

Volume of waste in t	2018	2017 ¹⁾	2016
Total	23,154	22,788	21,171
Waste for recycling	21,573	21,088	19,312
Waste for disposal	1,581	1,690	1,859

¹⁾ The published key figures for 2017 have been partially corrected.



Investments in environmental protection € millions	2018		2017		2016	
Total ¹⁾	40.42	100%	39.09	100%	43.57	100%
Waste disposal	4.63	11%	2.84	7%	4.36	10%
Emissions control	7.12	18%	6.26	16%	10.89	25%
Remedy costs	2.94	7%	4.27	11%	7.84	18%
Prevention	25.73	64%	25.72	66%	20.48	47%

¹⁾ Investments made at the Stuttgart-Zuffenhausen, Weissach and Leipzig sites are factored into the calculation.

Key figures for personnel and social matters

Unless specified otherwise, the key figures shown below concerning personnel and social matters relate in principle to Porsche AG and Porsche Leipzig GmbH. A detailed overview of the key figures can be found in the Porsche Newsroom: www.newsroom.porsche.com/reports

Total workforce ¹⁾	2018	2017	2016
Porsche Group (including subsidiaries)	32,325	29,777	27,612
of which Porsche AG ²⁾	19,032	17,549	16,241
of which Porsche Leipzig GmbH ²⁾	4,252	4,148	3,994
Region: Germany	28,764	26,506	N/A
Region: Europe (excluding Germany)	1,494	1,403	N/A
Region: North America	814	741	N/A
Region: Asia	974	868	N/A
Other regions (Australia, Latin America)	279	259	N/A

¹⁾ As of 2017, this figure relates to the entire Porsche AG Group.

²⁾ The specified employee figures are based on reports by region (Porsche AG = Baden-Württemberg, Porsche Leipzig GmbH = Saxony).

Employee structure ¹⁾	2018	2017	2016
Employees by gender			
Female	5,944	5,317	2,872
Male	26,381	24,460	17,363
Employees by type of employment ²⁾			
Employees subject to wage agreements	28,220	25,911	18,312
Employees exempt from wage agreements and executive employees	4,105	3,866	1,923

¹⁾ As of 2017, this figure relates to the entire Porsche AG Group.

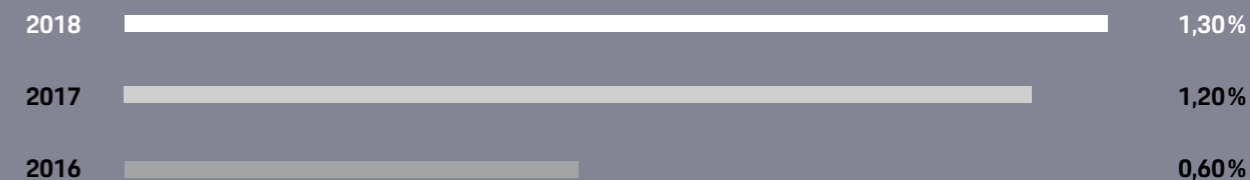
²⁾ Due to the equal payment and attractive framework conditions, the number of temporary employees has not been reported separately.



Proportion of foreign employees ¹⁾	2018	2017	2016
Porsche AG	12.9%	12.7%	12.2%
Porsche Leipzig GmbH	0.6%	0.7%	0.8%

¹⁾ We do not report on minorities, as we are not permitted to collect this data due to personality rights.

Employee turnover ^{1) 2)}



¹⁾ As of 2017, this figure relates to the entire Porsche AG Group.

²⁾ Employee turnover is not broken down by age group, gender and region. These figures are not essential to us as they are not relevant for management. The key figure is also calculated without including fixed-term employment contracts, employees entering into receipt of pensions and semi-retired workers.

Training programme participants	2018 ¹⁾	2017	2016
Total number of participants	40,920	19,909	21,798
Female	7,809	3,458	3,461
Male	33,111	16,451	18,337
Distribution of participants by employee category			
Employees subject to wage agreements	85.4%	93.1%	90.7%
Employees exempt from wage agreements and executive employees	14.6%	6.9%	9.3%

¹⁾ Increase in the participant numbers due to the launch of a digital learning platform, and the intensification of digital learning modules.



Number of accidents, lost days and fatalities ¹⁾	2018	2017	2016
Accidents ²⁾	202	177	171
Lost days ³⁾	2,578	1,708	1,957
Fatalities	0	0	1

¹⁾ It is not possible to report on employees from temporary employment agencies and external companies, or independent contractors.

²⁾ Non-serious injuries resulting from minor accidents are not included in the report. Accidents not resulting in lost days (calendar days) count as minor accidents.

³⁾ Working days are counted as lost days (usually Mo-Fr); the day of the accident is not included (≥ 1 lost calendar day).

Injury rates ¹⁾	2018	2017	2016
Porsche AG	5.8	5.1	5.5
Porsche Leipzig GmbH	5.9	6.7	6.3

¹⁾ Injury rate = Accident frequency index: provides information on frequency of accidents occurring in the workplace in relation to the total of all hours worked. The calculation formula is based on the number of industrial accidents x 1 million hours / hours worked.

Donations made in € million	2018 ¹⁾	2017	2016
	Approx. 27.5	Approx. 4.8	Approx. 5.0

¹⁾ Of this, external donations totalling 22 million euros in foundation assets for the Ferry Porsche Foundation, which was established in 2018.

Further information

[The Supervisory Board](#)

[Emission and consumption information](#)

[GRI Content Index](#)

[About this report](#)

[Porsche AG Group – Brief overview](#)

The Supervisory Board
of Dr. Ing. h.c. F. Porsche AG
on 31 December 2018

Dr Wolfgang Porsche
Diplom-Kaufmann
Chairman

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

Dr Hans Michel Piëch
Lawyer

Dr Ferdinand Oliver Porsche
Investment management

Hans-Peter Porsche
Engineer

Hans Dieter Pötsch
Diplom-Wirtschaftsingenieur
Chairman of the Executive Board of Porsche Automobil Holding SE
Chairman of the Supervisory Board of Volkswagen AG

Gunnar Kilian
Member of the Executive Board of Volkswagen AG
with responsibility for "Human Resources"

Andreas Renschler
Member of the Executive Board of Volkswagen AG
with responsibility for "Truck & Bus"

Frank Witter
Member of the Executive Board of Volkswagen AG
with responsibility for "Finances and IT"

Hiltrud Dorothea Werner
Member of the Executive Board of Volkswagen AG
with responsibility for "Integrity and Legal"

Dr Hans-Peter Schützinger
Member of the Board of Management of Porsche Holding GmbH

Peter Schulz*¹⁾
Departmental Manager of Human Resources, Management and Production

Wolfgang von Dühren*
Head of Sales Planning at Dr. Ing. h.c. F. Porsche AG

Antonio Girone*
Deputy chairman of the Group Works Council and
Member of the General Works Council of Dr. Ing. h.c. F. Porsche AG
Member of the Zuffenhausen / Ludwigsburg / Sachsenheim Works Council

Sabine Zach*
Collective Bargaining Secretary at IG Metall
District management Berlin – Brandenburg – Saxony

Manfred Pache*
Member of the Group Works Council of Dr. Ing. h.c. F. Porsche AG
Member of the Weissach Works Council

Hansjörg Schmierer*
Manager responsible for members and finances of the IG Metall trade union, Stuttgart

Jordana Vogiatzi*
Press officer for the IG Metall trade union – Stuttgart Administrative Office

Axel Weyland*
Head of Drivetrain Division at Porsche Engineering Services GmbH

Werner Weresch*
Deputy chairman of the Group Works Council and
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

¹⁾Until 30 November 2018

*Employee representative

Emission and consumption information

Model	Power output [kW]	Power [hp]	Fuel consumption (urban) [l/100 km]	Fuel consumption (extra-urban) [l/100 km]	Fuel consumption (combined) [l/100 km]	CO ₂ emissions (combined) [g/km]
718						
718 Cayman	220	300	11.3	6.2	8.1	186
718 Cayman PDK	220	300	10.8	6.2	7.9	180
718 Cayman T	220	300	11.3	6.3	8.1	186
718 Cayman T PDK	220	300	10.8	6.2	7.9	180
718 Cayman S	257	350	12.7	7.1	9.2	210
718 Cayman S PDK	257	350	11.8	6.5	8.5	193
718 Cayman GTS	269	365	12.8	7.1	9.2	210
718 Cayman GTS PDK	269	365	12.0	6.5	8.5	194
718 Boxster	220	300	11.3	6.3	8.1	186
718 Boxster PDK	220	300	10.8	6.2	7.9	180
718 Boxster T	220	300	11.3	6.3	8.2	187
718 Boxster T PDK	220	300	10.8	6.2	7.9	181
718 Boxster S	257	350	12.7	7.1	9.2	210
718 Boxster S PDK	257	350	11.8	6.5	8.5	194
718 Boxster GTS	269	365	12.8	7.1	9.2	210
718 Boxster GTS PDK	269	365	12.0	6.5	8.5	195
911						
911 Carrera S	331	450	10.7	7.9	8.9	205
911 Carrera 4S	331	450	11.1	7.8	9.0	206
911 Carrera S Cabriolet	331	450	11.6	7.6	9.1	208
911 Carrera 4S Cabriolet	331	450	11.1	7.8	9.0	207
911 Carrera GTS PDK	331	450	11.2	7.4	8.8	201
911 Carrera GTS Cabriolet PDK	331	450	11.2	7.5	8.8	202
911 Carrera 4 GTS PDK	331	450	11.7	7.2	8.9	203
911 Carrera 4 GTS Cabriolet PDK	331	450	12.3	7.2	9.1	207
911 Targa 4 GTS PDK	331	450	12.3	7.2	9.1	207
Panamera						
Panamera GTS	338	460	14.6	7.8	10.3	235
Panamera Sport Turismo						
Panamera GTS Sport Turismo	338	460	14.6	8.2	10.6	242

Model	Power output [kW]	Power [hp]	Fuel consumption (urban) [l/100 km]	Fuel consumption (extra-urban) [l/100 km]	Fuel consumption (combined) [l/100 km]	CO ₂ emissions (combined) [g/km]
Macan						
Macan	180	245	9.5	7.3	8.1	185
Macan S	260	354	11.3	7.5	8.9	204
Cayenne						
Cayenne Turbo	404	550	15.3–14.8*	9.4–8.9*	11.4–11.3*	261–258*
Plug-in hybrids						
Model	Power output [kW]**	Power [hp]**	Fuel consumption (combined) [l/100 km]	Power consumption [kWh/100 km]	CO ₂ -emissions combined [g/km]	
Panamera 4 E-Hybrid	340	462	2.7–2.6*	16.1–16.0*	62–60*	
Panamera 4 E-Hybrid Executive	340	462	2.7–2.6*	16.1–16.0*	62–61*	
Panamera 4 E-Hybrid Sport Turismo	340	462	2.9–2.8*	16.2–16.1*	66–64*	
Panamera Turbo S E-Hybrid	500	680	3.3	16.0	74	
Panamera Turbo S E-Hybrid Executive	500	680	3.3	16.0	74	
Panamera Turbo S E-Hybrid Sport Turismo	500	680	3.3	18.1	76	

*Range depending on the tyre set used

**Overall system performance

All models are listed that were available as freely configurable new vehicles at the time of going to press (February 2019). All figures for consumption can be found at www.porsche.com



This report has been prepared in accordance with the Global Reporting Initiative (GRI) standards on the basis of the “Core” option. The report was submitted to the GRI services team for implementation of the GRI Materiality Disclosures Service. The description of the “materiality-related disclosures” (102-40 to 102-49) was confirmed as correct. A detailed version of the GRI Content Index is available in the Porsche Newsroom: www.newsroom.porsche.de/reports

GRI standard	Disclosure	Printed report	Online version	Omission
GRI 101: Foundation (2016)				
General Disclosures				
	102-1 Name of the organisation	168	→ Text	
	102-2 Activities, brands, products, and services	7, 28, 96–105, 160–161	→ Index/Text	
	102-3 Location of headquarters	168		
	102-4 Location of operations	30–34		
	102-5 Ownership and legal form		→ Index	
	102-6 Markets served	30–34		
	102-7 Scale of the organisation	28–35, 65, 125–145, 150, 154	→ Key figures	
	102-8 Information on employees and other workers	35, 58–61, 64–65, 75, 154–155	→ Key figures	
	102-9 Supply chain	51–52, 122–123, 151	→ Index/Text	
	102-10 Significant changes to the organisation and its supply chain	4, 10–27, 36, 165	→ Index	
	102-11 Precautionary principle or approach	58–61, 64–74	→ Text	
	102-12 External initiatives	10, 11, 14, 17, 23, 24, 27, 44, 48, 50–52, 57, 66, 68–69, 76–87, 108–111, 114, 123, 162–165	→ Index	
	102-13 Membership of associations		→ Text	
	102-14 Statement from senior decision-maker	6–7		
	102-16 Values, principles, standards, and norms of behavior	40–43, 50–53, 57–61	→ Index	
	102-18 Governance structure	6–7, 158–159		
	102-40 List of stakeholder groups	44–45	→ Text	
	102-41 Collective bargaining agreements		→ Index	
GRI 102: General Disclosures (2016)	All the employees of the company, with the exception of senior executives, are covered by collective wage agreements. As a member company of the Südwestmetall Employers' Association, Porsche AG participates actively in the social partnership between the metal and electrical industry in Baden-Württemberg and the IG Metall trade union. All Porsche AG employees therefore fall under its multi-employer wage agreement, while the company's own collective agreement covers employees of Porsche Leipzig GmbH.			
	102-42 Identifying and selecting stakeholders	44–45	→ Text	
	102-43 Approach to stakeholder engagement	44–45	→ Text	
	102-44 Key topics and concerns raised	44–45, 48–49	→ Text	
	102-45 Entities included in the consolidated financial statements	150	→ Index	
	102-46 Defining report content and topic boundaries	41, 44, 46, 48–49, 165	→ Text	
	102-47 List of material topics	48–49	→ Text	
	102-48 Restatements of information	48, 165		
	102-49 Changes in reporting	165		
	102-50 Reporting period	165		
	102-51 Date of most recent report	165		
	102-52 Reporting cycle	165		
	102-53 Contact point for questions regarding the report	168		
	102-54 Claims of reporting in accordance with the GRI Standards	162		
	102-55 GRI content index	162–165		
	102-56 External assurance	165		

Key topics	Disclosure	Printed report	Online version	Omission
Long-term economic stability				
GRI 103: Management Approach (2016)	103-1 Explanation of the material topic and its boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	44, 48–49, 50–53	→ Text	
GRI 201: Economic Performance (2016)	201-1 Direct economic value generated and distributed 201-4 Financial assistance received from government	35, 126–147, 155, 167		→ Index
Long-term customer relations				
GRI 103: Management Approach (2016)	103-1 Explanation of the material topic and its boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	44, 48–49, 50–53	→ Text	
GRI 418: Customer Privacy (2016)	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		→ Index	Restricted due to obligation to maintain confidentiality (for further details see online index)
Responsibility in the supply chain				
GRI 103: Management Approach (2016)	103-1 Explanation of the material topic and its boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	44, 48–49, 50–53	→ Text	
GRI 204: Procurement Practices (2016)	204-1 Proportion of spending on local suppliers	151	→ Index/Key figures	
GRI 308: Supplier Environmental Assessment (2016)	308-1 New suppliers that were screened using environmental criteria	51–52, 123, 151	→ Text/Key figures	
GRI 408: Child Labor (2016)	408-1 Operations and suppliers at significant risk for incidents of child labor	51–52, 123	→ Index/Text	
GRI 409: Forced or Compulsory Labor (2016)	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	51–52, 123	→ Index/Text	
GRI 412: Human Rights Assessment (2016)	412-2 Employee training on human rights policies or procedures 412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening		→ Index	
GRI 414: Supplier Social Assessment (2016)	414-1 New suppliers that were screened using social criteria	151	→ Key figures	
Compliance				
GRI 103: Management Approach (2016)	103-1 Explanation of the material topic and its boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	44, 48–49, 50–53	→ Text	
GRI 205: Anti-corruption (2016)	205-1 Operations assessed for risks related to corruption 205-2 Communication and training about anti-corruption policies and procedures	52–53	→ Key figures	
GRI 206: Anti-competitive Behavior (2016)	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		→ Index	
GRI 307: Environmental Compliance (2016)	307-1 Non-compliance with environmental laws and regulations			
GRI 419: Socioeconomic Compliance (2016)	419-1 Non-compliance with laws and regulations in the social and economic area		→ Index	
Digital transformation				
GRI 103: Management Approach (2016)	103-1 Explanation of the material topic and its boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	44, 48–49, 50–53	→ Text	
Vehicle safety				
GRI 103: Management Approach (2016)	103-1 Explanation of the material topic and its boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	44, 48–49, 54–56	→ Text	
GRI 416: Customer Health and Safety (2016)	416-1 Assessment of the health and safety impacts of product and service categories	54	→ Text	
Fuel consumption and vehicle emissions				
GRI 103: Management Approach (2016)	103-1 Explanation of the material topic and its boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	44, 48–49, 54–56	→ Text	
GRI 305: Emissions (2016)	305-3 Other indirect GHG emissions (Scope 3)	121, 153	→ Key figures	Information not available (For details see p. 153)

Key topics	Disclosure	Printed report	Online version	Omission
Material and sustainable materials				
GRI 103: Management Approach (2016)	103-1 Explanation of the material topic and its boundary			
	103-2 The management approach and its components	44, 48–49, 54–56	→ Text	
	103-3 Evaluation of the management approach			
GRI 301: Materials (2016)	301-1 Materials used by weight or volume	122, 151	→ Key figures	
New mobility concepts				
GRI 103: Management Approach (2016)	103-1 Explanation of the material topic and its boundary			
	103-2 The management approach and its components	44, 48–49, 54–56	→ Text	
	103-3 Evaluation of the management approach			
Energy and emissions during production				
GRI 103: Management Approach (2016)	103-1 Explanation of the material topic and its boundary			
	103-2 The management approach and its components	44, 48–49, 57	→ Text	
	103-3 Evaluation of the management approach			
GRI 302: Energy (2016)	302-1 Energy consumption within the organisation	116–121, 152	→ Key figures	
	302-3 Energy intensity	152	→ Key figures	
	305-1 Direct GHG emissions (Scope 1)	153	→ Index/Key figures	
GRI 305: Emissions (2016)	305-2 Energy indirect GHG emissions (Scope 2)	119–121, 153	→ Key figures	
	305-3 Other indirect GHG emissions (Scope 3)	121, 153	→ Key figures	Information not available (For details see p. 153)
	305-4 GHG emissions intensity		→ Key figures	
	305-6 Emissions of ozone-depleting substances (ODS)		→ Key figures	
	305-7 Nitrogen oxides (NO _x), sulfur oxides (SO _x) and other significant air emissions	153	→ Key figures	
Resource consumption during production				
GRI 103: Management Approach (2016)	103-1 Explanation of the material topic and its boundary			
	103-2 The management approach and its components	44, 48–49, 57	→ Text	
	103-3 Evaluation of the management approach			
GRI 303: Water (2016)	303-1 Water withdrawal by source	57, 153	→ Key figures	
GRI 306: Effluents and Waste (2016)	306-1 Water discharge by quality and destination	57, 153	→ Index/Key figures	
	306-2 Waste by type and disposal method	57, 153	→ Key figures	
	306-3 Significant spills		→ Index	
Environmentally compatible logistics				
GRI 103: Management Approach (2016)	103-1 Explanation of the material topic and its boundary			
	103-2 The management approach and its components	44, 48–49, 57	→ Text	
	103-3 Evaluation of the management approach			
GRI 305: Emissions (2016)	305-3 Other indirect GHG emissions (Scope 3)	121, 153	→ Key figures	Information not available (For details see p. 153)
Attractiveness as an employer				
GRI 103: Management Approach (2016)	103-1 Explanation of the material topic and its boundary			
	103-2 The management approach and its components	44, 48–49, 58–61	→ Text	
	103-3 Evaluation of the management approach			
GRI 401: Employment (2016)	401-1 New employee hires and employee turnover	58–61, 64–75, 154–155	→ Text/Key figures	
	401-3 Parental leave		→ Key figures	
Staff development				
GRI 103: Management Approach (2016)	103-1 Explanation of the material topic and its boundary			
	103-2 The management approach and its components	44, 48–49, 58–61	→ Text	
	103-3 Evaluation of the management approach			
GRI 404: Training and Education (2016)	404-1 Average hours of training per year per employee	58–61, 64–75, 155	→ Text/Key figures	
	404-2 Programs for upgrading employee skills and transition assistance programs	64–75	→ Text	
Corporate co-determination				
GRI 103: Management Approach (2016)	103-1 Explanation of the material topic and its boundary			
	103-2 The management approach and its components	44, 48–49, 58–61	→ Text	
	103-3 Evaluation of the management approach			
GRI 402: Labor/Management Relations (2016)	402-1 Minimum notice periods regarding operational changes	44, 60	→ Index/Text	
GRI 407: Freedom of Association and Collective Bargaining	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		→ Index	

Key topics	Disclosure	Printed report	Online version	Omission
Occupational health and safety				
GRI 103: Management Approach (2016)	103-1 Explanation of the material topic and its boundary			
	103-2 The management approach and its components	44, 48–49, 58–61	→ Text	
	103-3 Evaluation of the management approach			
GRI 403: Occupational Health and Safety (2016)	403-1 Workers representation in formal joint management-worker health and safety committees		→ Index	
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	58–61, 155	→ Index/Key figures	
	403-3 Workers with high incidence or high risk of diseases related to their occupation	58–61, 73–74	→ Index/Text	

About this report

Report contents and period

(GRI 102-46, 102-48, 102-50, 102-51, 102-52)

This documentation represents the third time that Dr. Ing. h.c. F. Porsche AG has published a combined Annual and Sustainability Report. The company published its first report in this format for the 2016 financial year on 17 March 2017. The report is produced annually. This report covers the period from 1 January 2018 to 31 December 2018. Information dating from before this period is also included for completeness. Unless otherwise specified, the reporting date is 31 December 2018. The editorial deadline was in February 2019. Unless otherwise indicated, all information refers to Dr. Ing. h.c. F. Porsche AG. If content that had been previously published has since been corrected, for example due to changes in collection methods for key figures and data, this is indicated. Financial analyses as well as key figures and data are given in compact form at the end of the report and in detailed form online in the Porsche Newsroom (newsroom.porsche.com). This site also contains further information on Porsche's sustainability work. Management approaches to major topics in this report are contained in the section entitled "Sustainability strategy and management".

Reporting standard and assurance

(GRI 102-49, 102-54, 102-55, 102-56)

This report and the information on Porsche's commitment to sustainability have been authored in accordance and compliance with the Core option of the Global Reporting Initiative (GRI) standards for sustainability reporting. Previous reports used the G3.1 and G4 guidelines which were current for those points at the time. The GRI Content Index at the end of the report shows the extent to which the indicators have been met and where they are located in the print and online versions. The GRI Materiality Disclosures Service confirmed that the GRI requirements for materiality disclosures have been met. The information and key figures were not the subject of a full external audit in 2018.

Separate non-financial consolidated report

Dr. Ing. h.c. F. Porsche AG makes use of the exemption provision in Sections 289b (2) and 315b (2) of the German Commercial Code ("HGB") allowing it not to issue a non-financial report and a non-financial consolidated report, and refers to the separate non-financial report of Volkswagen AG for the financial year 2018, which will be available on the www.volkswagenag.com website in German and English from 30 April 2019.

		2018	2017	2016
Deliveries	Units	256,255	246,375	237,778
911	Units	35,573	32,197	32,365
918 Spyder	Units	–	7	44
718 Boxster/Cayman	Units	24,750	25,114	23,620
Macan	Units	86,031	97,202	95,642
Cayenne	Units	71,458	63,913	70,867
Panamera	Units	38,443	27,942	15,240
Production	Units	268,691	255,683	239,618
911	Units	36,236	33,820	31,648
718 Boxster/Cayman	Units	23,658	26,427	24,882
Macan	Units	93,953	98,763	97,177
Cayenne	Units	79,111	59,068	71,693
Panamera	Units	35,493	37,605	14,218
Taycan ¹⁾	Units	240	–	–
Employees ²⁾	number	32,325	29,777	27,612
Personnel expenses	€ million	3,613	3,200	2,875
Financials				
Sales revenue	€ million	25,784	23,491	22,318
Total assets	€ million	38,159	35,019	32,235
Equity	€ million	16,477	15,200	11,980
Fixed assets	€ million	16,099	14,404	12,841
Capital expenditure ³⁾	€ million	3,157	3,099	2,666
Cost of materials	€ million	15,658	13,665	12,623
Depreciation, amortization and impairment losses	€ million	2,567	2,276	2,081
Cash flows from operating activities	€ million	3,845	4,069	3,864
Operating result (EBIT)	€ million	4,289	4,144	3,877
Profit before tax ⁴⁾	€ million	4,552	4,046	3,697
Profit after tax ⁴⁾	€ million	3,118	3,016	2,640

¹⁾ Pre-production vehicles.

²⁾ As of 31 December.

³⁾ Relates to investments in intangible assets and property, plant and equipment.

⁴⁾ The prior-year figures (FY 2017) were restated due to the initial application of new accounting standard "IFRS 9 – Financial Instruments".

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Porsche Newsroom App

Storming GmbH

Interactive key performance indicator tool

C3 Creative Code and Content GmbH

Printing

Druckstudio GmbH

Paper

Fedrigoni Symbol Matt Plus

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