



Low graphics | Help

Search

Explore the BBC

[▶ Watch](#) ONE-MINUTE WORLD NEWS

Page last updated at 16:53 GMT, Thursday, 20 August 2009 17:53 UK

[✉ E-mail this to a friend](#)

[🖨️ Printable version](#)

News Front Page



- Africa
- Americas
- Asia-Pacific
- Europe
- Middle East
- South Asia
- UK

- Business
- Market Data
- Economy
- Companies

- Health
- Science & Environment
- Technology
- Entertainment
- Also in the news

[Video and Audio](#)

Programmes

- Have Your Say
- In Pictures
- Country Profiles
- Special Reports

Related BBC sites

- Sport
- Weather
- On This Day
- Editors' Blog
- BBC World Service

Prosecutors raid Porsche offices

The offices of German luxury carmaker Porsche have been raided by federal prosecutors probing the alleged market manipulation of Volkswagen shares.

The investigation centres on former chief executive Wendelin Wiedeking and finance chief Holger Haerter, who both resigned last month.

The carmaker had built up a stake of 51% in VW in an attempt to launch a takeover of Europe's biggest carmaker.

Porsche denied the accusations and said it would co-operate with prosecutors.

The two carmakers have subsequently agreed to a merger, ending months of bitter feuding, which will take place in 2011.

Failed takeover

"On Thursday morning, officers from Stuttgart prosecutors entered the company's offices with search warrants.

"The prosecutors suspect a breach of public disclosure requirements and market manipulation," Porsche said.

Under Mr Wiedeking, Porsche built up a majority stake in the much larger VW, but failed in its attempt to force a full takeover.

Porsche made huge profits on its VW shares, leading some commentators to describe the firm as a hedge fund with a carmaker tacked on the side.

In fact, the share price rises contributed 6.84bn euros to the company's pre-tax profit of 7.34bn euros in the first three months of this year.

However, the onset of the global economic crisis put paid to the company's attempts to push its shareholding in VW to 75%.



Porsche tried to take over VW before agreeing a merger deal

PORSCHE & VW TIMELINE

March 2008: Porsche says it will take a controlling stake in VW, - upping its holding from 31% to above 50%.

October 2008: VW briefly becomes world's biggest company by market value as its shares surge. It follows Porsche buying VW shares, leaving fewer for hedge funds who needed to buy them to close their positions.

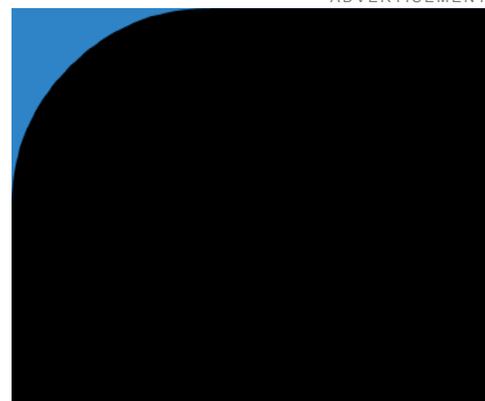
January 2009: Porsche says it plans to lift VW stake to 75%. However this never materialises because of the financial crisis and the slump in the global automotive sector.

May 2009: Porsche and VW agree a merger after weeks of talks. VW later suspends talks - saying constructive negotiations are not possible and that Porsche must reduce its debt.

June 2009: Porsche has request for a 1.75bn euro loan turned - as it struggles to finance the debt it took on as part of its attempts to gain full control of VW.

July 2009: VW says it plans to buy Porsche. The failure of Porsche to takeover VW prompts Porsche chief executive Wendelin Wiedeking and financial director Holger

ADVERTISEMENT



CARMAKERS IN CRISIS

LATEST NEWS

- [Prosecutors raid Porsche offices](#)
- [LDV in 'exclusive' sale talks](#)
- [VW agrees Porsche merger details](#)
- [No probe into MG Rover collapse](#)

FEATURES AND ANALYSIS



Innocent victim?
Was Porsche's ousted boss caught up in a family feud?

[Carmakers suffer around the world](#)
[Can a new model save Jaguar?](#)

[In pictures: Rover](#)
[Biggest carmaker to biggest bankruptcy](#)

VIDEO REPORTS



[Smaller losses good news for Toyota](#)
[▶ Watch](#)



[VW on brink of Porsche takeover](#)
[▶ Watch](#)



[S Korea police storm car factory](#)
[▶ Watch](#)



[Changing fortunes of 'Motor City'](#)
[▶ Watch](#)



[Nissan jobs boost for Wearside](#)

As a result of its failed takeover, Porsche was saddled with huge debts.

Family ties

In order to shore up its finances, the carmaker announced last week that the state of Qatar would take a major stake in the company.

Qatar will eventually become the carmaker's third biggest shareholder, behind the Porsche and Piech families and the German state of Lower Saxony.

Under the terms of the merger with VW finally agreed last week, VW will initially buy a 42% stake in Porsche by the end of this year for 3.3bn euros (\$4.7bn; £2.8bn).

The deal means that Porsche will now in effect become the 10th brand in the VW family, joining the likes of Audi, Seat and Skoda.

Haerter to resign.

August 2009: VW and Porsche agreed details under which VW will initially buy a 42% stake in Porsche - ending months of acrimony between the two firms. Final nail in coffin for Porsche's efforts to buy VW.

August 2009: Porsche offices are raided by federal prosecutors.



HAVE YOUR SAY

[Auto workers fear for future](#)
[Do you work in the car industry?](#)

RELATED INTERNET LINKS

[Porsche](#)
[VW](#)

The BBC is not responsible for the content of external internet sites

FROM OTHER NEWS SITES

- [AFP via Yahoo!](#) Porsche says raided in insider trading probe - 2 hrs ago
- [Guardian Unlimited](#) Porsche's former chief executive and finance director under investigation - 3 hrs ago
- [New York Times](#) Germany Targets Ex-Porsche Executives in VW Inquiry - 3 hrs ago
- [Reuters](#) Porsche ex-CEO in VW share probe - 5 hrs ago
- [Washington Post*](#) Porsche ex-CEO in VW share probe, offices raided - 5 hrs ago

[About these results](#)

* Requires registration

Bookmark with: [Delicious](#) [Digg](#) [reddit](#) [Facebook](#) [StumbleUpon](#) [What are these?](#)

E-mail this to a friend Printable version

Ads by Google

VW Canada - 2010 Prices

Dealer Invoice Prices & Discounts Factory Cash Rebates & Incentives
CarCostCanada.com/_VW_Canada_2010

Make Solar Panels at Home

Cut Power Bill by 90% with \$47 Kits Build Cheap Home Made Solar Panels
EcoGreenSolarPanels.com

Free Credit Report Canada

Free Credit Report and Credit Score for Canadians in just 60 seconds
FreeCreditReportsinCanada.ca

TOP BUSINESS STORIES

- [Prosecutors raid Porsche offices](#)
- [Germany offers Opel suitor loan](#)
- [Mexico suffers amid US recession](#)

| [News feeds](#)

MOST POPULAR STORIES NOW

[SHARED](#) [READ](#) [WATCHED/LISTENED](#)

- [Homecoming for Lockerbie bomber](#)
- [Video appears in paper magazines](#)
- [Candle use linked to cancer risk](#)
- [SA fury over athlete gender test](#)
- [South Africans unite behind gender row athlete](#)
- [Copperfield sued over 'assault'](#)
- [Prosecutors raid Porsche offices](#)
- [A step closer to 'synthetic life'](#)
- [Polish army chief quits amid row](#)
- [Afghan poll hailed as a 'success'](#)

[Most popular now, in detail](#)

FEATURES, VIEWS, ANALYSIS





[Afghan queues](#)
Voters in Herat
undeterred by
threats and fraud



[Gender storm](#)
South Africa unites
behind new world
champion athlete



[Cabinet choices](#)
Iran's president goes
for loyalty not
experience

MOST POPULAR NOW | The most read story in Africa is: [Jackson's contribution to music](#)

[SKIP TO TOP](#)

[PRODUCTS & SERVICES](#)

[E-mail news](#)

[Mobiles](#)

[Alerts](#)

[News feeds](#)

[Podcasts](#)

BBC © MMIX

The BBC is not responsible for the
content of external internet sites.

[News Sources](#)
[About BBC News](#)

[BBC Help](#)
[Accessibility Help](#)
[Jobs](#)
[Advertise With Us](#)

[About the BBC](#)
[Contact Us](#)
[Terms of Use](#)
[Privacy & Cookies](#)