
Porsche rejects Volkswagen acquisition bid

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FT reported that the tug of war over Porsche intensified further when it rejected a bid from Volkswagen worth up to EUR 4 billion for half the German sports carmaker, saying the offer had been sent to the wrong address.

Porsche said that Volkswagen's management last week sent an offer to Mr Wolfgang Porsche, chairman of the debt ridden company, proposing to buy a 49% stake in Porsche's sports car business. It added that the bid should have been sent to the executive board instead.

Porsche added that it had also rejected the offer as it would have meant the immediate renegotiation of a EUR 10.75 billion credit facility.

It may be noted that Porsche is struggling under debts of EUR 9 billion, which were built up as result of the sports carmaker's attempt to take over Volkswagen, which left it holding more than 50% of Volkswagen's shares. The producer of the 911 sports car is struggling to meet its debt obligations. Its family owners, as well as VW's and Porsche's managements, have resorted to public infighting over how to bail out the company.

(Sourced from Financial Times)

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