

PORSCHE



Official name: *Dr Ing. h.c. F. Porsche AG.*

Owned by: *Porsche Zwischenholding GmbH (Volkswagen)*

Current situation: After losing money in the early 1990s, Porsche became incredibly profitable during the economic boom of the early 21st century. Porsche then bought 20% of Volkswagen and was aggressively pursuing the rest. After going heavily into debt to finance the Volkswagen takeover, Porsche ran out of money and was saved by an emergency loan from Volkswagen. The hunter then became the hunted: Porsche was forced to sell nearly half its shares to Volkswagen. As of August 1, 2012, Volkswagen acquired full ownership of Porsche, after paying Porsche shareholders US\$5.61 billion for the remaining 50.1% of shares it didn't already own.

Chances of survival: uncertain. Luxury carmakers are highly vulnerable to economic downturns, and Porsche's major market – the US – is still in trouble. If China follows, all bets are off •



A brief history of Porsche



FERDINAND PORSCHE was an internationally famous car designer long before he started building his own vehicles. The name Porsche (pronounced *Porsh-uh*) will forever be associated with the Volkswagen Beetle, one of his most famous designs, but he also did first-rate work for Mercedes, Auto Union, Steyr, Austro-Daimler and others.

In the grim years following World War II, Ferdinand did not have the resources to start from scratch designing his own vehicles, so he drew on his old Beetle designs and turned them into sports cars. As his racing cars won, his road cars sold.

All the early street-legal Porsches were essentially modified VW Beetles. In fact, it wasn't until the 924 model of 1976 (which was originally an Audi) that Porsche began to publicly move away from the modified-Beetle concept.



PORSCHE 356

All of the rear-engined Porsches are classics, including the 911, originally designed by Ferdinand's son Butzi. Rear-engined 911s hark back to an age before cars were designed by computers, and they offer immense power and brilliant roadholding inside a car that would be worth owning simply for its looks.

Porsches like the 924 & 928 get the thumbs-down from Porsche traditionalists, although these vehicles have a following of their own.



PORSCHE 924

Modern Porsches are still nice to look at, but they give the feeling of having been designed by an advertising agency. It may be snobbish and naive, but there will always be a school of thought that says that the only 'true' Porsches





PORSCHE CAYENNE

are the ones faithful to the original designs. All the rest, say the critics, are just plasticky imitations.

After losing money in the early 1990s, Porsche became incredibly profitable with the economic boom of the

early 21st century. With success comes arrogance, particularly if you're part of a German car clan with plans for world domination.

Porsche, awash with money from its luxury car sales, was aggressively pursuing Volkswagen. It had bought 20% a few years earlier and was pursuing the rest. In October of 2008 Porsche announced it had acquired shares and options equal to nearly 75% of Volkswagen's stock.

Actually, no. What happened was that Porsche had put itself heavily into debt just as the 2008 credit crunch hit. Having paid a reported \$US6 billion for the VW stock, Porsche ran out of money. Porsche was saved by an emergency loan from Volkswagen.

Thus, the hunter became the hunted. Now, it was Volkswagen taking over Porsche. In exchange for about US\$4.8 billion, Volkswagen bought 42% stake in Porsche. As of August 1, 2012, Volkswagen acquired full ownership of Porsche, after paying Porsche shareholders US\$5.61 billion for the remaining 50.1% of shares it didn't already own.

Thus, Porsche, the last major independent car company, has now been swallowed by the company it tried to take over. Such is life •



PORSCHE PANAMERA

