

Palm shares soar on takeover rumors

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Shares in the Sunnyvale, California-based company gained 20 percent to close at 4.62 dollars.

Andrea Kramer of Schaeffer's Investment Research said investors were reacting to "unsubstantiated takeover talk."

Palm has been the subject of acquisition rumors since it posted more disappointing results last month.

After Palm reported a third-quarter net loss of 22 million dollars, nearly doubling its loss of the previous quarter, Palm chairman and chief executive Jon Rubinstein declined to comment on takeover speculation.

"If there's a reasonable proposal the board has to consider it," he said. "But for the three years I've been here our focus has been to build a great company with a great [mobile platform](#) and great products."

Palm came out with some of the first personal digital assistants in the 1990s, but in recent years it has been lagging behind rivals Nokia, Apple and [Research in Motion](#).

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