

Google sells Motorola Mobility Home for \$2.35 bn

December 20 2012, by Glenn Chapman



The Google logo is seen at the Google headquarters in Mountain View, California on September 2, 2011. Google announced it is selling the Motorola Mobility Home unit to global communications technology company ARRIS in a cash and stock deal valued at \$2.35 billion.

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"This transformational combination of two complementary businesses

will create a leading end-to-end provider of today's video, data, and voice products and tomorrow's next-generation IP-based broadband products," said ARRIS chief executive Bob Stanzione.

ARRIS expected the acquisition of [Motorola](#) Home to enhance its ability to provide innovative products and services for delivering video to homes.

Internet and cable service providers Comcast and Time Warner were the two biggest ARRIS customers prior to the acquisition, which was to give the company a diverse, international customer base.

The deal also comes with a "generous patent portfolio" and technology licenses between the companies, according to ARRIS executives.

Key ARRIS product areas include in-home boxes for routing Internet data, cable video, online telephone calls and other services.

"Devices in the home are increasing," [company executives](#) said in a conference call with analysts. "There will always be a device in the home; it will look different, it will evolve, and we will always participate in that transition."

ARRIS and Motorola Home together will have more than 500 customers in 70 countries.

"These two great companies are really going to be a game-changer in the world of broadband," Stanzione told analysts at the close of the call.

[Google](#) has been shedding unwanted Motorola Mobility assets since it completed its \$12.5 billion takeover of the company in May of this year.

The [Internet giant](#)'s purchase of Motorola Mobility was seen as a grab

for patents to protect Google's Android mobile operating system from legal attacks.

Google acquired 17,000 patents with the purchase of Motorola Mobility and has been strengthening its [patent portfolio](#) in the fight for dominance in the booming smartphone and [tablet market](#).

Modems and television set-top boxes made by Motorola Home evidently did not play into the California-based company's strategy despite its investments in Google TV technology for tapping into online entertainment in living rooms.

"It looks as if Google is seeing the real big opportunities in the future in software in smartphones and tablets; mobility is a big deal," said Forrester analyst Charles Golvin.

"But it is not making inroads with Google TV, so maybe it makes sense to give up on that front."

Motorola Home boss Marwan Fawaz said his unit and ARRIS share a vision of Internet or cable services and products playing growing roles in people's lives.

"The combination of our solutions, expert technologists and roadmaps promises to transform how service providers deliver the smart, simple connected home to consumers throughout the world," Fawaz said.

The sale of Motorola Home came shortly after Google announced deals to sell manufacturing operations of its Motorola Mobility unit in China and turn over management of a Brazil plant to Singapore-based Flextronics.

The firms said last week that Flextronics would acquire Motorola's

manufacturing operations in Tianjin, China, and assume management and operation of its plant in Jaguariuna, Brazil.

Motorola Mobility is also shutting down most of its operations in South Korea as part of a move to consolidate research.

California-based Google said in August that it would lay off about 4,000 employees at Motorola in order to return the company to profitability.

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