

Big technology deals don't always compute for buyers

October 12 2015, by Michael Liedtke

Dell's proposed \$67 billion acquisition of data storage company EMC is the most expensive ever done involving two technology companies. Many of the tech industry's other notable deals haven't panned out as well as the buyers planned. Here's a look back at some of those past acquisitions:

Avago Technologies Ltd. agrees to buy Broadcom Corp. for \$37 billion in May of this year.

This deal isn't expected to be completed until next year, so it's still too early to assess. By joining forces, the rival chipmakers are hoping to make a bigger dent in the rapidly growing wireless device market.

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Facebook buys WhatsApp for about \$21.8 billion in 2014.

The social media company expanded its messaging service capabilities with this purchase, which seems to be progressing well for Facebook so far. WhatsApp now has more than 900 million users, doubling its audience at the time Facebook Inc. announced the deal. It remains unclear, though, whether WhatsApp will turn into a major moneymaker for Facebook.

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Hewlett-Packard Co. buys Compaq for about \$19 billion in 2002

This deal was championed by then-CEO Carly Fiorina as a way for HP to become a more formidable rival to computer maker IBM, but faced staunch resistance from some prominent shareholders, including some of the heirs to the HP's founders. The acquisition helped establish HP's largest maker of personal computers for many years, but the deal has lost its luster as sales of desktop and laptop machines have declined with the growing popularity of smartphones and tablets.

Symantec Corp. buys Veritas for about \$13.5 billion in 2005.

The security [software company](#) expanded its storage software capabilities with the buyout. This deal turned out to be another mismatch, culminating in Symantec's decision this summer to sell Veritas for \$8 billion to the Carlyle Group and Singapore's sovereign wealth fund, GIC.

Hewlett-Packard Co. buys Electronic Data Systems for about \$13 billion in 2008.

The computer maker aimed to bolster its technology consulting services with the purchase, but HP has had trouble retaining customers. EDS will be part of a new spin-off called HP Enterprises, which will start out by laying off 25,000 to 30,000 people, or 10 percent to 12 percent of its workforce.

Google Inc. buys Motorola Mobility Holdings Inc. for \$12.4 billion in 2012.

The Internet company primarily bought Motorola for its portfolio of 17,000 mobile patents, but Google also inherited an unprofitable division that made smartphones. After losing more than \$2 billion in less than two years, Google sold Motorola's smartphone business to the Lenovo Group for \$2.9 billion and held on to the patents. Google had previously sold a Motorola division that makes television set-top boxes to the Arris Group for \$2.35 billion.

Oracle Corp. buys PeopleSoft for \$11.1 billion in 2005.

The purchase of the maker of human resources software turned Oracle in to a more formidable rival to SAP in the market for business management applications. In recent years, Oracle has been contending with a new threat from Workday, a specialist in online personnel services that was started by PeopleSoft founder David Duffield.

Hewlett-Packard buys Autonomy for about \$10 billion in 2011

The [computer maker](#) aimed to bolster its software and services offerings with the buyout, but this deal blew up quickly amid allegations that Autonomy had misled HP about its sales. HP absorbed an \$8.8 billion charge to reflect that Autonomy wasn't worth the price that HP paid for it.

Microsoft Corp. buys Skype for about \$8.5 billion in 2011

The software company bolstered its online video calling technology with this buyout.

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Oracle Corp. buys Sun Microsystems for \$7.4 billion in 2010.

The buyout gave Oracle ownership of the Java programming language and catapulted the software company into the hardware business. Analysts have been generally unimpressed with the payoff that Oracle has gotten from Sun Microsystems so far.

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