

Qualcomm opts not to split company

December 15 2015

US chip maker Qualcomm on Tuesday said it will not split in two despite pressure by an activist investment fund.

Following a months-long review by a special committee, the Qualcomm board unanimously agreed that keeping its research, intellectual property and chip making divisions under one roof was the best move.

"The strategic benefits of the current structure will best fuel Qualcomm's growth as we move through the upcoming technology transitions and extend our technologies into new user experiences, services and industries," chief executive Steve Mollenkopf said in a statement.

"Looking ahead, we have a focused plan in place that we believe will drive growth and we are off to a good start implementing that plan."

In July, the Southern California-based company announced a major re-organization that included slashing its work force and launching a review of whether to sever its chip making business from its research and intellectual property arms.

Qualcomm had once before considered splitting the company, but abandoned the idea.

The option was resurrected early this year by activist investment fund Jana Partners, after it revealed a significant stake in the company.

Qualcomm is a major player in semiconductors, and was early into the

hot market for chips to power mobile devices such as smartphones and tablets.

But competition between chip makers has grown fierce, and Qualcomm has been beset by antitrust concerns in the coveted China market and elsewhere.

Qualcomm on Tuesday said that its earnings in the current quarter would be at the top or slightly above the forecast range. Shares in the company were up more than two percent to \$47.94 as the end of the trading day neared on the Nasdaq exchange.

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