

Broadcom lowers offer for Qualcomm as takeover saga continues

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Broadcom CEO Hock Tan is seen at a November 2017 White House meeting with President Donald Trump where he announced the Singapore-based firm would be reincorporating in the United States

Singapore-based Broadcom said Wednesday it was cutting its offer price

for mobile chip maker Qualcomm in the wake of the US firm's increased bid for Dutch rival NXP.

Broadcom reduced its offer to \$79 a share, which would still be the largest-ever deal in the tech sector if completed at an estimated value of nearly \$117 billion.

The move came amid a closely watched hostile bid for Qualcomm which could reshape the fast-evolving sector of chips for smartphones and connected devices.

A Broadcom statement said the offer was reduced because "Qualcomm's board acted against the best interests of its stockholders by unilaterally transferring excessive value to NXP's activist stockholders."

Qualcomm, the dominant maker of smartphone chips, has moved to fend off Broadcom's hostile takeover efforts and last week rejected the latest offer of \$82 a share as too low.

The California company on Tuesday raised its offer for NXP to an estimated \$43 billion, aiming to alleviate concerns of some NXP investors and seal the tie-up which would make a Broadcom acquisition of Qualcomm less enticing.

Broadcom said Wednesday it remained committed to acquiring Qualcomm and its cash-and-stock offer would revert back to \$82 per share should Qualcomm fail to acquire NXP.

The Singapore firm accused Qualcomm's board of acting against shareholder interest "by unilaterally transferring excessive value to NXP's activist shareholders."

"Broadcom remains confident that Qualcomm's stockholders will

continue to support its proposal to acquire Qualcomm," Broadcom said in a statement.

Qualcomm is due to hold an annual meeting March 6 at which Broadcom has nominated six people to replace the majority of Qualcomm's board of directors.

Broadcom's original offer for Qualcomm came days after CEO Hock Tan visited the White House and told President Donald Trump the company would be moving back to the United States.

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