

Qualcomm says former chairman exploring buyout effort

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Paul Jacobs, who served as CEO at Qualcomm for nearly a decade and was chairman until a week ago, is seeking to launch a takeover of the world's leading mobile chipmaking company, according to the firm

Qualcomm said Friday that Paul Jacobs, its chairman until a week ago, was considering a buyout effort for the California chipmaking giant just days after it fended off a hostile bid from Singapore rival Broadcom.

Jacobs, who had been chief executive at Qualcomm for nearly a decade and executive chairman until March 9, will not be renominated to its board at its annual meeting next Friday, the company said in a statement.

The board made a decision not to renominate Jacobs "following his notification to the board that he has decided to explore the possibility of making a proposal to acquire Qualcomm."

As a result, the number of board members will be reduced from 11 to 10 as of the holding of the annual meeting.

The statement said that if Jacobs does make a bid, "the board will of course evaluate it consistent with its fiduciary duties to shareholders."

The announcement comes after reports that Jacobs has sought to raise capital for a Qualcomm bid, and had approached Japanese tech giant SoftBank, which is in the midst of a major investment spree in the sector.

Jacobs is the son of Qualcomm co-founder Irwin Jacobs and was CEO at the San Diego firm from 2005 to 2014.

Last week, he was replaced as chairman by Jeffrey Henderson, who will be non-executive chairman at Qualcomm, the leading maker of chips for smartphones.

The news comes days after US President Donald Trump blocked a \$117 billion hostile bid from Broadcom, citing national security reasons.

US officials had maintained that Broadcom would have curbed innovation at the US chip giant and opened the door to Chinese firms to dominate the process for 5G, or fifth-generation wireless networks.

Qualcomm's market value is around \$90 billion, and is seen as an important player in the 5G race, but it has been hampered by antitrust actions around the world and litigation with Apple over claims that the chipmaker abused its dominance in the sector.

Qualcomm is also in the process of trying to close a takeover of Dutch chip rival NXP.

The board statement said that Qualcomm is now "focused on executing its business plan and maximizing value for shareholders as an independent company."

It added that Jacobs "has been a valued employee and director of Qualcomm since 1990" and that "he has been one of the great innovators in our industry."

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