

Qualcomm rejects \$121 bn hostile Broadcom bid, again

16 February 2018

US mobile chipmaking giant Qualcomm on Friday rejected for a second time a hostile \$121 billion takeover bid from Singapore's Broadcom, but said it was open to "further discussions" on a tie-up.

Two days after a meeting of top executives of the two computer chipmakers, Qualcomm chairman Paul Jacobs said the recently revised bid remained unacceptable.

But he added that the Qualcomm board "is intensely focused on maximizing value for Qualcomm stockholders" and could reconsider if Broadcom revises its offer.

"Our board is open to further discussions with Broadcom to see if a proposal that appropriately reflects the true value of Qualcomm shares, and ensures an appropriate level of deal certainty, can be obtained," Jacobs said in an open letter to Broadcom chief executive Hock Tan.

Jacobs said the latest offer "has an unacceptably high level of risk," and noted that Broadcom had failed to allay concerns about whether the deal could get approval from antitrust authorities in the United States, Europe and elsewhere.

Broadcom, which made its first offer in November and last week sweetened the proposal, aims to put pressure on its US rival to accept a [takeover bid](#) which would be the largest-ever in the technology sector.

If completed, it would create a powerful player in the booming sector fueled by growth in smartphones and an array of connected devices from cars to wearables.

Broadcom is appealing to Qualcomm shareholders ahead of the California-based company's March 6 annual meeting, and is offering a slate of new directors for Qualcomm who would be favorable to the offer.

Broadcom made its first offer on November 6 following a visit by its CEO to the White House, where he met President Donald Trump and announced plans to move the tech company back to the United States from Singapore

The latest offer amounts to \$60 per share in cash plus \$22 in Broadcom stock, in a deal worth \$121 billion, along with the assumption of \$25 billion in Qualcomm debt.

Qualcomm is the dominant maker of microprocessors for mobile phones, and has faced a series of antitrust investigations in several countries over its market power.

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