

## On the Block: BlackBerry

Written by Marco Attard  
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BlackBerry may soon find itself in what Bloomberg says is the lowest-costing buyout of a similar-sized N. American technology company yet, having reached a tentative \$4.7 billion deal with major shareholder Fairfax Financial.



The deal has the Canadian insurance firm offering \$9 per BlackBerry share, for an amount covering 90% of the company-- quite the plunge for a company once valued at \$83 billion.

Fairfax owns the remaining 10% of BlackBerry.

Rubbing further salt in the wound is the fact that while the deal does not oblige Fairfax to actually buy up the smartphone maker, BlackBerry would have to pay a breakup fee worth over \$150 million should it find an alternate buyer willing to pay a higher price by 4 November 2013.

"It is being valued like a broken company," William Blair & Co. analyst Anil Doradla tells Bloomberg. "They had a chance to potentially execute on an M&A deal when these guys were doing better. So by the time [current BlackBerry CEO] Thorsten Heins came on board, I think it was too little, too late."

The news comes after disastrous preliminary fiscal Q2 2014 BlackBerry results, with operating losses reaching \$950-995 million (including a record inventory writedown worth \$930-960m) on revenues of approximately \$1.6 billion.

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The company will also slash 4500 jobs, and will focus away from the consumer to the enterprise and prosumer markets.

Will BlackBerry manage to find rescue, if not a higher bidder? Probably not, although the Wall Street Journal reports co-founder and former co-CEO Mike Lazaridis is "considering a separate offer," and has "serious" interest in the company. Until he makes a move, or Fairfax Financial confirms its coughing up the cash, though, consider BlackBerry as being in a state of limbo.

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Go [BlackBerry Preliminary Fiscal Q2 2014 Results](#)

Go [BlackBerry's Descent Begets Cheapest Tech Deal \(Bloomberg\)](#)

Go [BlackBerry Strikes Preliminary Go-Private Deal](#)