

Xerox Drops Fujifilm Joint Venture

Written by Marco Attard
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In January 2018 Fujifilm and Xerox agreed on a [\\$6.1 billion joint venture deal](#) -- a deal that is now no more, following a Xerox settlement with activist investors Carl Icahn and Darwin Deason.



The deal was to combine Xerox with the longstanding Fuji Xerox joint venture, creating a combined print technologies and intelligent work solutions company. The new company was to be controlled by Fujifilm, something that left Icahn and Deason (who own 15% of Xerox) unhappy, leading to legal action.

The Xerox announcement of the termination cites other reasons, including “the failure by Fujifilm to deliver the audited financials of Fuji Xerox by April 15, 2018 and the material deviations reflected in the audited financials of Fuji Xerox, when delivered, from the unaudited financial statements of Fuji Xerox and its subsidiaries provided to Xerox prior to the date of the Subscription Agreement and taking into account other circumstances limiting the ability of the Company, Fujifilm and Fuji Xerox to consummate a transaction.

Icahn and Deason say other investors are "waiting in the wings" to buy Xerox. But does such a buyer actually exist? Analysts tell Reuters the two companies are "inextricably intertwined," what with Fujifilm owns 75% of Fuji Xerox. In addition Xerox does not make own office copiers, instead relying on Fuji Xerox. As such, one might suggest Icahn and Deason simply want a larger asking price for Xerox, which currently stands at \$28 per share.

In addition, Reuters reports Fujifilm plans to sue Xerox over the termination of the deal, claiming the US copier maker had no right to do something of the sort. The company also says it will only consider any new proposals from the Xerox board if "they benefit Fujifilm shareholders."

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Go [Xerox Terminates Transaction Agreement With Fujifilm](#)

Go [Xerox Abandons Planned Deal With Fujifilm in Victory for Icahn and Deason \(Reuters\)](#)

Go [Fujifilm Set to Sue Xerox Soon for Scrapping Takeover Deal \(Reuters\)](#)