

HD Google dumps Motorola, selling it to Lenovo for nearly \$US10 billion less than it bought it for
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Google has announced a deal to sell its poorly performing smartphone division, Motorola Mobility, to Chinese PC maker Lenovo for just \$US2.91 billion, or nearly \$US10 billion less than the \$US12.5 billion it paid for the business in late 2011.

The news ends Google's troubled, 19-month-long ownership of the troubled mobile phone maker.

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The purchase had originally been viewed by analysts as a bid by Google to secure a range of patents to protect its Android operating system.

However, during an interview in July 2012, former Google chief executive Eric Schmidt revealed co-founders Larry Page and Sergey Brin had long harboured hardware ambitions for the company.

"We always wanted to be in the hardware business," Schmidt said at the time.

"Larry and Sergey have always wanted to do hardware in one form or another. This [Motorola Mobility takeover] was a way to get into it quickly."

However, losses quickly mounted at the company, with Google losing a remarkable \$US2.5 million per day at the troubled division by August 2012.

The tech giant announced a major restructure, which included 4000 job cuts at the troubled smartphone division.

Late last year, the first products created by the company following the restructure were unveiled.

These included the August 2013 release of the Moto X, a smartphone built in the US that customers could customise through a website called Moto Maker.

The Moto X was followed up by the Moto G, a quad-core Android KitKat smartphone sold for just \$US179 outright.

Google appears to have attempted to create a wearable products design team under the auspices of Motorola, according to an advertisement for a senior director of industrial design issued in the middle of last year.

In a statement, Larry Page claims both of Motorola's new products – the Moto G and the Moto X – are a success, with the deal simply aimed at helping Google to "devote our energy to driving innovation across the Android ecosystem".

"Over the past 19 months, Dennis Woodside and the Motorola team have done a tremendous job reinventing the company. They've focused on building a smaller number of great (and great value) smartphones that consumers love.

"And on the intellectual property side, Motorola's patents have helped create a level playing field, which is good news for all Android's users and partners.

"But the smartphone market is super competitive, and to thrive it helps to be all-in when it comes to making mobile devices. It's why we believe that Motorola will be better served by Lenovo—which has

a rapidly growing smartphone business and is the largest (and fastest-growing) PC manufacturer in the world."

For its part, **Chinese** PC maker Lenovo, which rose to prominence by purchasing IBM's PC business in 2005, says the takeover will spearhead its push to become a global player fast-growing mobile space.

CO mrolho : Motorola Mobility Holdings Inc. | goog : Google Inc. | letech : Lenovo Group Ltd | legndh : Legend Holdings Ltd

IN i34411 : Mobile Communications Equipment | i3441 : Telecommunications Equipment | itech : Technology | i3302 : Computers/Electronics | i3454 : Electronic Consumer Goods | i8395464 : Internet Search Engines | icellph : Cellular/Mobile Phones | ielec : Consumer Electronics | ihandaps : Handheld Electronic Devices | iint : Internet/Online | ismart : Smart Phones

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