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Motorola to buy U.K.'s TTPCom for \$192 million Handset-making giant seeks to secure AJAR operating system

By [Aude Lagorce](#), MarketWatch
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LONDON (MarketWatch) -- Motorola Inc. said Thursday it has agreed to buy TTP Communications, a U.K.-based mobile application and semiconductor developer, for 103 million pounds (\$192 million) in cash.

Under the terms of the deal, a wholly owned subsidiary of Motorola ([MOT](#)) will acquire TTPCom for 0.45 pounds a share. The British company's directors said they intend to unanimously recommend the offer to shareholders.

The 45 pence-per-share offer represents a premium of around 246% to the closing price of 13 pence per TTP share on Wednesday.

TTPCom ([UK:TTC](#): [news](#), [chart](#), [profile](#)) shares more than tripled to 0.43 pounds a share in London morning trading. [Also see London Markets.](#)

"It's a fairly nice premium. The discussions had been held on and off for a while and it was important to achieve a reasonable price because a lot of the top engineers receive equities. Getting a fair price was crucial to retaining that talent," said Dan Ridsdale, an analyst with Bridgewell Securities.

"A counterbid is unlikely at this level," he added.

Ridsdale said Motorola was mainly interested in TTPCom's AJAR mobile-operating system, which it was going to license. AJAR is being used in low- to-high-end phones and supports second-generation to third-generation handsets.

"For the amount of royalties they (Motorola) were going to pay, they probably figured they might as well buy the company," said Ridsdale.

He added that TTPCom also has some interesting silicon designs that may give Motorola more flexibility when selecting its chip manufacturer.

TTPCom, based in Cambridge, U.K., is focused on the three core areas of mobile-phone technology -- applications, protocols and silicon. Founded in 1988, it has approximately 575 employees. Motorola said TTPCom will remain headquartered in Cambridge under the direction of Rob Shaddock, who is chief technology officer of Motorola's mobile-devices group. [See more technology coverage.](#)

Alongside confirmation of mobile-phone giant Motorola's firm offer, TTP said it swung to a pre-tax loss from continuing operations of 27 million pounds for the year ended 31 March. The company posted a profit of 4 million pounds the year before. Sales from continuing operations fell to 37.2 million pounds from 58.1 million pounds.

"The disappointing financial performance resulted from a decline in 2G revenues coinciding with a delay in the growth of 3G and a substantial investment program to produce the exciting new product AJAR," the group in a statement. ■

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