

Cerberus Interested In BlackBerry

Rob Gillies, Associated Press

TORONTO (AP) — Private equity firm Cerberus is interested in taking a look at BlackBerry's books as a prelude to a possible bid for the [troubled smartphone company](#) [1].

Cerberus is looking to sign a confidentiality agreement with BlackBerry that would allow it to access the company's private information, an official familiar with the situation said Wednesday on condition of anonymity. The official spoke on condition of anonymity because the person was not authorized to discuss the private talks.

BlackBerry announced last month that Fairfax Financial Holdings Ltd. signed a letter of intent that "contemplates" buying BlackBerry for \$9 a share, or \$4.7 billion. Fairfax, BlackBerry's largest shareholder, is trying to attract other investors. It's unclear whether Cerberus is seeking to join Fairfax's deal or bid for BlackBerry on its own. BlackBerry is allowed to look for other buyers while Fairfax conducts six weeks of due diligence.

BlackBerry shares were down four percent Wednesday before the Wall Street Journal first reported news of interest from Cerberus. The shares finished up four cents, or half a percent, closing at \$7.96.

BlackBerry's stock has recently traded lower than Fairfax's tentative offer on fears that the deal won't go through or that the final price will end up much lower.

The BlackBerry phone, pioneered in 1999, was once the dominant smartphone for on-the-go business people and other consumers. But then came a new generation of competing smartphones, starting with Apple's iPhone in 2007. The BlackBerry suddenly looked ancient. Although BlackBerry was once Canada's most valuable company with a market value of \$83 billion in June 2008, the stock has plummeted, giving it a market value of \$4.1 billion, short of Fairfax's offer.

Cerberus has a history of investing in troubled companies, including Chrysler and Air Canada.

BlackBerry declined to confirm Cerberus' interest.

"We do not intend to disclose further developments with the respect to the process until we approve a specific transaction or otherwise conclude the review of strategic alternatives," BlackBerry spokeswoman Lisette Kwong said in an email.

The Canadian company last month announced plans to lay off 40 percent of its global workforce.

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