Microsoft to Join Dell Buyout?

Written by Marco Attard 23 January 2013

According to both CNBC and the Financial Times Microsoft is set to join a group planning to buyout Dell-- and is putting between \$1 and \$3 billion of mezzanine funding.



Mezzanine financing is a hybrid of debt and equity.

Unnamed sources "familiar with the matter" say private equity firm Silver Lake Partners and Dell CEO Michael Dell are bringing together a group ready to take the 3rd biggest PC maker in the world private.

Such a task might cost up to \$25bn, the FT says.

Being a large software supplier to Dell, Microsoft has an interest keeping the company stable-but such investments would bring it to odds with other PC vendors. Then again Microsoft already clashes with PC makers following its entry in the hardware market with the Surface tablet...

The news comes as Dell looks into transforming itself from PC maker to enterprise services provider. According to Gartner <u>global Q4 2012 Dell PC shipments are down by -20.9% Y-o-Y</u>, reaching 9.3m units (down from 11.6m in Q4 2011).

Go Microsoft May Invest \$1-3 Billion in Dell Buyout (MSNBC)

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Go Microsoft in Talks to Join any Dell Deal (FT.com)