

Schulze Can Continue Trying to Buy Best Buy

Written by Marco Attard
29 August 2012

Following the appointment of Hubert Joly as CEO, Best Buy announced it refused an offer of acquisition from founder (and ex-chairman) Richard Schulze. But now Best Buy grants Schulze access to financial data in order to improve a 2nd offer of acquisition.



Why the change of heart? Earlier in August Schulze offered Best Buy up to \$8.8 billion to buy the company he founded 46 years ago. Talks broke down-- but resumed soon after fiscal Q3 2012 results failed to meet expectations, with profits dropping by 91% Y-o-Y to \$12 million.

Best Buy same-store sales in both the US and elsewhere stores are also down.

Schulze also has "permission to form an investment group with private equity sponsors" in order to pursue his Best Buy acquisition dreams. Once the due diligence period kicks off, Schulze has 60 days time to present a "fully financed definitive proposal" of acquisition. Should Best Buy refuse this proposal, Schulze can only try again after January 2013.

Schulze already owns a 20% stake in Best Buy, one analysts value at around \$1.4bn.

In the meantime Best Buy will continue closing stores (it plans to close 50 big-box stores by end 2012) and try to slash further losses in order to save up to \$800m by fiscal 2015.

The new CEO, a man Best Buy claims has a record in turning the fortunes of companies

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around, starts his job from September 2012 once he secures a visa.

Go [Best Buy Board and Founder Richard Schulze Reach Agreement Permitting Schulze To Form Investment Group And Conduct Due Diligence](#)

Go [Best Buy Fiscal Q2 2013 Results](#)

Go [Hubert Joly: A New \(Best Buy CEO\) Hope?](#)