Lenovo executive dismisses Nokia bid talk as "joke"

Tarmo Virki, Reuters

(Reuters) - Chinese personal computer maker Lenovo on Wednesday quashed market speculation it was interested in buying struggling Finnish cellphone maker Nokia.

"This must be a joke," Gianfranco Lanci, who runs Lenovo's operations in Europe, Middle East and Africa told Reuters. "There's nothing ongoing."

Shares in Nokia earlier rose up to 17 percent in heavy volumes on market talk that Lenovo may be interested in Nokia, but gave up most of the gains after Lanci's comments.

They were 5.3 percent higher at 2.05 euros by 1141 GMT.

"Frankly, I'm quite surprised that people actually bought into the possibility," said a banker based in Hong Kong, who declined to be identified because he was not authorized to speak to media.

"It would have been spending so much money buying something that is not really Lenovo's core line of business. I would think a more likely possibility would be some form of collaboration or cooperation between the two," the banker said.

Nokia declined to comment.

Nokia shares have dropped more than 70 percent since it unveiled a strategy shift in February 2011 and speculation about a possible takeover bid have made the rounds through the year.

"Nokia is pretty close to the bottom ... Therefore the optimal window for any acquisition is closing," said Canalys analyst Pete Cunningham, adding he thought it was highly unlikely someone would buy Nokia.

(Additional reporting by Chyen Yee Lee; Editing by Jane Merriman [1] and David Cowell)

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