
Subject: OT: OH SNAP! - ATI+AMD Merger
Posted by [Aprime](#) on Sat, 22 Jul 2006 04:45:52 GMT
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<http://www.dailytech.com/article.aspx?newsid=3453>

A \$5.6B deal is about to close on an unprecedented merger. According to a report on the Globe and Mail, the board of directors at AMD has allegedly approved the take over of Canadian graphics firm ATI Technologies. The reports said that the information was released by an investment banker that was part of the discussions. According to other sources, AMD executives were also seen at ATI's headquarters in Thornhill, Ontario. The report indicated that AMD is considering a \$5.6 billion takeover bid for ATI.

Speculation and rumors have run rampant over the last several months about the possible merger between AMD and ATI, but no concrete details have been revealed. According to reports on ATI's share prices, the company's shares have been trading at double the usual volume today. Analysts said that AMD would be making an offer of 20 to 40 percent premium to ATI's current share price. ATI shares traded at \$16.12 on the Nasdaq today during after hours, which is up 39 cents from yesterday's closing.

According to Eric Gomberg, an analyst for investment bank Thomas Weisel Partners, "there has been considerable industry speculation that AMD may pursue an acquisition of ATI Technologies, although such an outcome is by no means certain." Gomberg's comment came in earlier this week, but word circulating around investment bankers who are aware of the talks between ATI and AMD surfaced just several hours ago.

Recent reports indicated that Intel roadmaps no longer included ATI chipsets. Although Intel had been producing motherboards using ATI logic, upcoming boards like those that support Core 2 processors are void of any chipset from ATI. Interestingly, ATI and Intel had agreed to several cross-licensing programs that allowed them to take advantage of some of each other's technologies. Several analysts however, indicated that the merger between AMD and ATI to be "out of strategy for AMD and out of focus. Stupidity is no barrier to tech mergers."

A report on the Wall Street Journal confirms the talks between AMD and ATI (subscription required) today. Although the deal is not final, the report said that representatives from both companies declined to comment.