

Dutch chipmaker NXP to buy Freescale Semiconductor for \$12B

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Dutch chipmaker NXP Semiconductors N.V. said Sunday it had agreed to buy its smaller rival Freescale Semiconductor Ltd. for \$11.8 billion in a deal that will make it the biggest supplier of microchips to the automotive industry.

The [deal](#) pays Freescale shareholders only a small premium over Freescale's \$11.1 billion [market value](#), based on Friday's closing share price.

The companies said NXP will assume Freescale's debt, pushing the total value of the deal to \$16.7 billion.

Freescale, based in Austin, Texas, is a former division of Motorola that makes microprocessors and microcontrollers for cars and industrial equipment.

NXP, based in Eindhoven, the Netherlands, also makes chips for cars but has benefited recently from selling chips that help smartphones communicate with other devices nearby, allowing for increasingly popular mobile payments.

Both companies' share prices have risen sharply in the past year as industrial companies have been designing more communication and sensing technology into their equipment to gather more data and allow for more automation. Freescale shares are up 59 percent over the past 12 months, while NXP shares have risen 51 percent.

The deal has been approved by the companies' boards. It's expected to close in the second half of the year if shareholders and regulators sign off.

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