

# Texas Instruments to buy National Semiconductor

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Texas Instruments chief executive Rich Templeton, pictured in 2007. Computer chip maker Texas Instruments said Monday it would buy California rival National Semiconductor for \$6.5 billion in an all cash deal.

Computer chip maker Texas Instruments said Monday it would buy California rival National Semiconductor for \$6.5 billion in an all cash deal.

The deal, combines two leaders in the \$42 billion market for analog semiconductors, key components in many [electronic goods](#).

TI will pay National shareholders \$25 a share, a 77 percent premium on Monday's closing price of \$14.07.

National will be absorbed into TI's analog semiconductor division, but keep its headquarters in Santa Clara, California, the statement said.

"This acquisition is about strength and growth," said [Texas Instruments](#) chief executive Rich Templeton.

Templeton said combining National's product line with TI's sales force will boost TI's profitability and earnings per share, after the deal is accounted for.

"The combined sales team will be 10 times larger than National's is today, and the portfolio will be exposed to more customers in more markets," he said.

TI is the market leader in analog semiconductors, with 2010 revenues of \$6 billion, while National earned \$1.6 billion in the same market.

After the deal analog semiconductors will account for about half of TI's total revenues, it said.

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