

# EU approves Samsung-Seagate hard disc business sale

October 20 2011

---



European anti-trust regulators approved Wednesday the sale of Samsung Electronics' hard-disc-drive business to US firm Seagate Technology for \$1.375 billion (995 million euros) in cash and stock.

European anti-trust regulators approved Wednesday the sale of Samsung Electronics' hard-disc-drive business to US firm Seagate Technology for \$1.375 billion (995 million euros) in cash and stock.

"Although the merger will further consolidate markets that are already highly concentrated, the European Commission concluded that the transaction would not significantly impede effective competition," it said in a statement.

Disk drives have been a mainstay of the computer industry since the early 1980s. But the industry is under pressure from the success of

Apple's [iPad](#) and other tablet computers, which store data on flash-memory chips.

Samsung said in April it would receive a 9.6 percent stake in Seagate and \$687.5 million in cash in return for transferring its HDD unit.

The two companies also agreed on a set of strategic partnerships including Samsung supplying [flash memory chips](#) to Seagate's solid state drives. A Samsung executive will also join Seagate's board.

The deal is intended to help Seagate strengthen its competitiveness against US rival Western Digital.

In March, Western Digital agreed to buy Hitachi's hard-disc-drive business for about \$4.3 billion in cash and stock, a deal that created a dominant player with a nearly 50 percent market share.

(c) 2011 AFP

Citation: EU approves Samsung-Seagate hard disc business sale (2011, October 20) retrieved 20 March 2023 from <https://phys.org/news/2011-10-eu-samsung-seagate-hard-disc-business.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.