

Chip maker Infineon to buy California firm for \$3B (Update)

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German chip maker Infineon Technologies AG says it has agreed to pay \$3 billion in cash for California-based semiconductor firm International Rectifier, which produces power-management components used in everything from cars to satellites.

Infineon said in Wednesday's announcement that it's paying \$40 per share for El Segundo-based International Rectifier. The deal has been approved by both boards, but must win regulatory permission and meet the approval of International Rectifier shareholders. The deal is expected to close late this year or early in 2015.

Infineon, based in Munich, has 26,700 employees and makes chips for a wide variety of products including cars, medical equipment and mobile devices. It says combining with International Rectifier will increase the scale and efficiency of its own power-management business.

"The combination of Infineon's and International Rectifier's products, technological and innovative excellence, as well as distributional strength will unleash great potential," Infineon CEO Reinhard Ploss said in a joint news release.

International Rectifier President and CEO Oleg Khaykin said that his company "will benefit from Infineon's products and technologies, manufacturing and operational excellence and greater R&D scale."

International Rectifier was founded in 1947 and has 4,160 employees. Its

products have been used in a large number of appliances and products, including 2,000 space projects such as the Curiosity Mars Rover and the Hubble Space Telescope, according to the company's website.

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