

Intel takes stake in ASML

9 July 2012, by TOBY STERLING



ASML Holding NV, the world's largest supplier of equipment to computer chip manufacturers, said Monday that Intel Corp. intends to take a 15 percent stake in the company for around \$3.07 billion and also help fund research into new technologies. Other large ASML customers may also take equity stakes.

In an emailed statement Monday, [ASML](#) said it may ultimately issue up to \$4.19 billion (\$5.15 billion) worth of shares, or a 25 percent stake. However, under the deal's complicated structure, current shareholders would not be diluted, as ASML would distribute the proceeds to existing shareholders, and then carry out a reverse share split.

[Intel](#) said in a statement it will first take a 10 percent share in ASML and then another 5 percent, pending regulatory and shareholder approval, paying \$39.91 (\$49.08) per share.

ASML said other major customers - which include South Korea's Samsung and Taiwan Semiconductor Manufacturing Company Ltd. - were also considering equity investments.

Veldhoven, Netherlands-based ASML's shares

closed at \$39.745, while its American depository receipts closed at \$50.00 in New York.

ASML makes multimillion dollar machines that are used at the heart of the semiconductor making process. Its "lithography systems" use intensely focused beams of light to map out the circuitry of [computer chips](#).

As chipmaking technology has progressed, investments in further improving the focus of beams has become increasingly difficult, and now requires sums of money so great no one company can risk taking them alone - and no chipmaker could afford to miss out on a serious advance in technology.

Under the deal announced Monday, Intel will also contribute \$829 million in research and development funding, and has committed to advance purchase orders for the next generation of ASML's multimillion dollar machines, including support and servicing they require. Details of the orders were not disclosed.

"We welcome Intel as the first customer to agree to contribute to these investments, the results of which will be available to every semiconductor manufacturer with no restrictions," said Eric Meurice, Chief Executive Officer of ASML.

"We hope to be able to announce additional investments by our other customers in the coming weeks."

Intel's chief operating officer Brian Krzanich said that lithography techniques - developed along with competitors such as Japan's Nikon Inc and Canon Corp. - are "direct enablers of Moore's Law," which says that computing power per semiconductor chip doubles about every 18 months.

"The faster we do this (move to the next generation of technology), the sooner we can gain the benefit of productivity improvements, which creates tremendous value for customers and shareholders," he said in a statement.

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