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Acer buys Gateway PC

Move will make the new company No. 3 worldwide

by Stuart Miles published on 27 August 2007

Acer has announced that it is to buy Gateway, the fourth largest PC company in the US.

The deal, costing the Taiwanese laptop maker \$710 million will create a company that is worth over \$15 billion in revenues and shipments in excess of 20 million PC units per year.

Under the terms of the agreement, Acer will commence a cash tender offer to purchase all the outstanding shares of Gateway for \$1.90 per share, which represents total equity value consideration of approximately \$710 million.

The acquisition has been unanimously approved by the boards of directors of both Gateway and Acer and is subject to standard closing conditions, including approval under Hart Scott Rodino, Exon Florio and similar laws outside the US. The acquisition is expected to close by the end of the year.

"This strategic transaction is an important milestone in Acer's long history", said J. T. Wang, Chairman of Acer. "The acquisition of Gateway and its strong brand immediately completes Acer's global footprint, by strengthening our US presence. This will be an excellent addition to Acer's already strong positions in Europe and Asia. Upon acquiring Gateway, we will further solidify our position as number three PC vendor globally."

