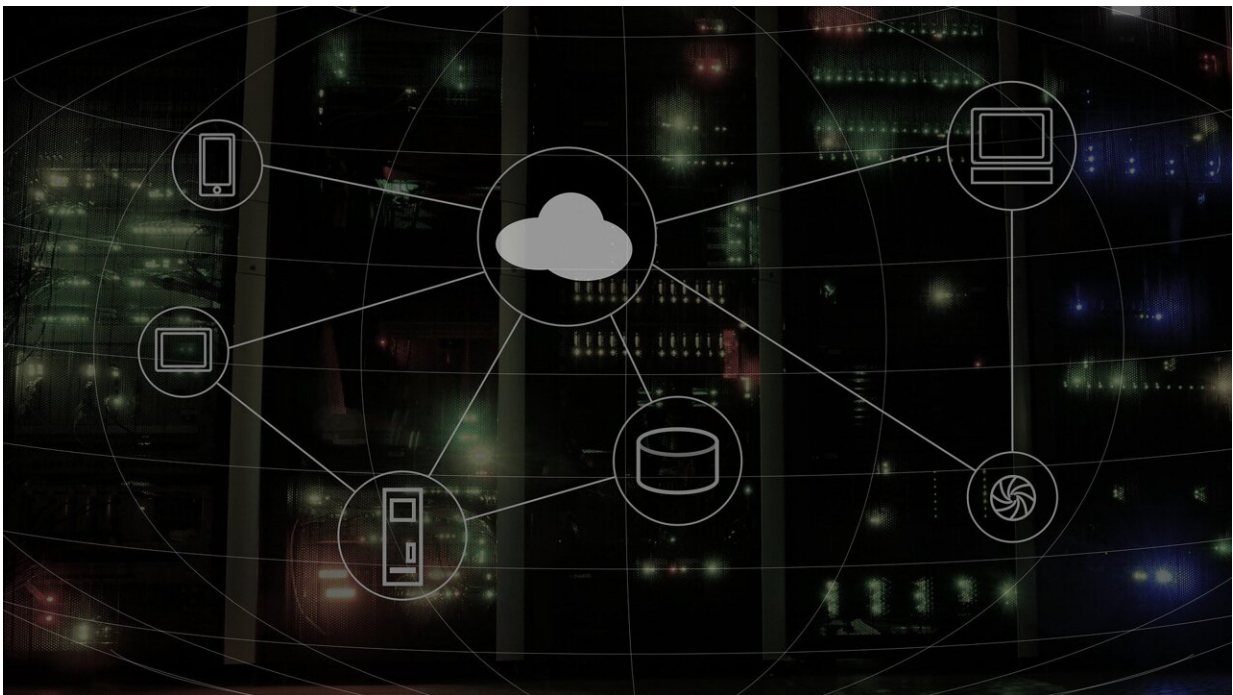


Broadcom planning to complete deal for \$69 billion acquisition of VMWare after regulators give OK

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Computer chip and software maker Broadcom has announced it has cleared all regulatory hurdles and plans to complete its \$69 billion acquisition of cloud technology company VMware on Wednesday.

The company, based in San Jose, California, announced it planned to move ahead with the deal after China joined the list of countries that had given a go-ahead for the acquisition.

Broadcom is paying \$61 billion in cash and stock for VMware and taking on \$8 billion of its debt, making this one of the biggest technology deals ever.

The announcement came soon after Microsoft acquired video game-maker Activision Blizzard for \$69 billion, also one of the most expensive tech acquisitions in history.

It took 18 months for Broadcom to get all the regulatory approvals, just days before the merger agreement was due to expire.

The acquisition was able to go ahead after China's State Administration of Market Regulation said Broadcom's commitments, submitted Monday, would reduce the impact of the merger.

The massive buyouts are occurring at a time of heightened anxiety because of turmoil on the global supply chain, war in Europe and the Middle East, and rising prices that have the potential to cool both business and consumer activity.

Broadcom's acquisition plan earlier gained approval from Britain's competition regulator.

Countless businesses and public bodies, including major banks, big retailers, telecom operators and government departments, rely on Broadcom gear and VMware software. The European Commission, the EU's executive arm and top antitrust enforcer, cleared the deal after Broadcom made concessions to address its concerns about competition.

Broadcom wants to establish a stronger foothold in the cloud computing market, and VMware's technology allows large corporations to blend public cloud access with internal company networks. VMware, which is based in Palo Alto, California, has close relations with every major cloud company and provider, including Amazon, Google and Microsoft.

In a statement, Broadcom said it had legal greenlights in Australia, Brazil, Canada, China, the European Union, Israel, Japan, South Africa, South Korea, Taiwan, the United Kingdom, and "foreign investment control clearance in all necessary jurisdictions."

"There is no legal impediment to closing under U.S. merger regulations," it said.

There has been a flurry of such deals after technology companies' shares fell from stratospheric levels attained during the pandemic, making such acquisitions more affordable.

But Broadcom's CEO, Hock Tan, has been pursuing such deals for years, building out the company with big acquisitions like Symantec for close to \$11 billion in 2019, and CA Technologies for about \$19 billion the year before.

In an earnings call not long after the deal was announced, Tan described the plan to acquire VMware as a "very unique opportunity to take our company and its business to the next level."

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