

Shareholders Approve of WD-SanDisk Mergers

Written by Marco Attard
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Shareholders from both Western Digital and SanDisk approve of the acquisition of the latter by the former-- a deal complicated just a month back following [the exit of Chinese investor Unisplendour Corporation Ltd \(Unis\)](#).



Initially Unis was to invest \$3.78 billion in WD, but the Chinese company got a bad case of cold feet following plans by US Committee on Foreign Investment (CFIUS) to investigate the deal. The lack of Chinese money caused WD to beg for a lower asking price for SanDisk (from \$19bn in cash and stock to \$15.8bn), one shareholders appear to approve of.

According to a Real Money report, WD's courting of investors required a loan package worth nearly \$10bn. The company also got support from advisory firm Institutional Shareholder Services (ISS), with a recommendation reading "support FOR the proposed merger is warranted given the strategic rationale-- including complementary product lines, a doubling of the addressable market, and the ability to transition WD beyond its core but declining HDD business-- as well as synergies of \$1.1bn, expected earnings accretion within 12 months of closing, and the ability to adjust the cash component of the merger consideration if necessary to maintain financial flexibility."

In addition the deal has regulatory approval from relevant authorities in the USA, EU, Singapore, Japan, Taiwan, S. Korea, Turkey and S. Africa. Approval from China's MOFCOM is still pending.

Post-SanDisk acquisition WD will turn into a vertically integrated company spanning flash and

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disk drive production across both consumer and enterprise storage products. The result, the company hopes, will drive it beyond the disk market towards flash across the entire industry.

The acquisition should close sometime on April-June 2016.

Go [WD Shareholders Approve Issuance of Common Stock in Connection with Acquisition of SanDisk](#)

Go [WD to Court Investors With \\$10bn Loan Package for SanDisk Takeover \(Real Money\)](#)