

19 November 2008

By: Ionut Arghire, Hardware Editor

[Transmeta Acquired by Novafora](#)

The well known supplier of chip patents gets sold

Transmeta
CORPORATION

Transmeta sold to
Novafora
Transmeta

The Santa Clara-based Transmeta Corporation and Novafora, Inc. announced inking a definitive agreement for the acquisition of Transmeta for \$255.6 million in cash, subject to certain working capital and other adjustments. Novafora is based in San Jose, California, a privately held fabless semiconductor company that develops digital video processors.

Transmeta [announced](#) about two months ago that it was seeking a buyer.

According to the agreement and based on current estimates of Transmeta's future working capital and other adjustments at the effective time of the merger, stockholders should receive between \$18.70 and \$19.00 for each outstanding share of Transmeta's common stock. Transmeta's and Novafora's Board of Directors approved the merger which is subject to Transmeta's stockholder approval and other customary closing conditions.

Under the terms of the agreement, Transmeta may not enter into any future licensing transaction prior to the closing of the merger without Novafora's consent. In addition, the merger should close in the first quarter of the next year. After the acquisition is closed, Transmeta's common stock will cease to trade. In a separate statement, Transmeta also announced having entered a non-exclusive patent license agreement with Advanced Micro Devices. According to the agreement, AMD will transfer to Transmeta 700,000 shares of Transmeta's Series B Preferred Stock held by AMD.

"We are pleased with the value that we will be able to return to our stockholders as a result of this acquisition agreement with Novafora," said Les Crudele, president and CEO of Transmeta. "We believe the deal is a win for all our stockholders. We have spent the past several months extensively exploring our strategic options and believe that the agreement with Novafora best serves the interest of our stockholders."

"Transmeta's innovative technology and the expertise of its employees are valuable additions to Novafora," said Zaki Rakib, CEO of Novafora. "Adding Transmeta's power management technology to our video processor will advance our vision of making our products applicable across the broadest range of video-oriented devices."