EU clears Intel, McAfee deal under conditions

The Associated Press

European Union regulators on Wednesday cleared Intel Corp.'s takeover of McAfee Inc. after the company committed to allowing its chips to also work with software from other computer security providers.

The fact that Intel could embed McAfee's security programs in its own chips had threatened to lock other players out of the market, the European Commission said.

Computer security has become a lucrative business in an age of computer viruses and other cyber malware.

Intel, whose computer chips are inside about 80 percent of the world's PCs and servers, promised to give rival security companies all the information necessary to work with Intel's chips in the same way as McAfee.

On top of that, Intel committed to not actively impeding competitors' programs from running on its chips, or hampering the performance of McAfee programs on non-Intel devices, the Commission said.

"The commitments submitted by Intel strike the right balance, as they allow preserving both competition and the beneficial effects of the merger," the EU's Competition Commissioner Joaquin Almunia said in a statement. "These changes will ensure that vigorous competition is maintained and that consumers get the best result in terms of price, choice and quality of the IT security products."

The $7.68 billion takeover of McAfee is the biggest deal in Intel's 42-year history and had already been cleared by U.S. regulators.

Intel spokesman Chuck Mulloy said the company was "comfortable" with the terms set out in the agreement. "We think we will continue to be able to take advantage of the technology of the two companies," he said.

The EU's nod of approval was the last one outstanding for the deal and Intel now expects the transaction to close by the end of the first quarter, Mulloy said.

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