

Swindon Advertiser

Hopes for future after factory is sold for just a euro

A FACTORY which has been operating in Swindon for more than 50 years has been valued at just 79p.

The Zarlink plant, in Cheney Manor industrial estate, has been producing electronic chips since 1957. Now the foundry, which was originally owned by the Plessey organisation, has been sold to French company MHS Industries for the princely sum of one euro.

And that will see the Ottawa-based company report a loss of \$13m on the sale of the Swindon foundry.

Production was hit hard when the site was badly damaged by floods last year.

The deal has been hailed as a success for both sides, as well as for the 120 staff that work there.

Workers said they were thrilled with the news, which should ensure a healthy future for the business.

One of the employees, Alison Hargreaves said: "It's fantastic news."

Mike Khan, from sales and marketing, said: "I think it's excellent, because it will mean a great future and lots of jobs."

David Morris, one of the company's contractors, said: "I think everyone is agreed that the take-over is very good news."

The assets of the foundry have been transferred to MHS for the nominal one euro fee.

Canadian firm Zarlink has also paid MHS two million euros towards restructuring costs.

Zarlink will continue to keep staff at the site for the next 12 months to complete existing contracts.

Operations director David McClean said the deal was a success for all parties involved.

He said: "Zarlink has always had the intention of divesting itself of the foundry because that's how it operates."

"We have gone from a company which wanted to go fabless, that is without foundries, to a company that is investing in foundries."

"Both parties have seen the benefit of this acquisition."

Ed Goffin, the communications manager at Zarlink, said: "The Swindon analogue foundry employees are joining a company dedicated to semiconductor manufacturing."

"Zarlink is focusing on specific research and development projects in the telecom, optoelectronics and medical markets, and does not have the scale or resources to operate a manufacturing facility."

"However, the processes and expertise within the Swindon facility are highly valued by customers and this deal should help further build the business."

By James Wallin (Tuesday 4th March 2008)