

Apple, GT Advanced Settle Debts

Written by Marco Attard
11 November 2015

The Wall Street Journal reports Apple settles debts with failed sapphire supplier GT Advanced in a deal absolving GT Advanced of the \$439 million it owes to Apple.



The settlement involves a November 2015 auction of GT Advanced sapphire-making equipment, with proceeds split between the two companies and unsold equipment going to Apple. One would think this would provide a cheap means of adding sapphire displays to future iDevices, but actually this is not the case.

"While GT intends to hang on to some of the equipment-- as many as 600 sapphire-making furnaces-- it is prepared to auction what it can and abandon what it can't cart off," the WSJ says. "Anything not sold will be handed over to Apple, which has agreed to scrap the equipment and extinguish the loan it made to transform GT from an equipment manufacturer into a supplier of smartphone-screen material."

In a way this is not surprising-- synthetic sapphire is so difficult and costly to produce not even a company the size of Apple is willing to risk making it.

Apple and GT inked a sapphire glass production deal on late 2014, with hopes for the material going for the then upcoming iPhone 6. However the promise of scratch- and break-proof iPhone displays quickly soured, as GT found itself unable to mass-produce usable sapphire. GT insisted it was at least in part due to Apple driving too hard a bargain, while Apple claimed it was the result of incompetent management.

The situation led to GT filing for bankruptcy on October 2014 and the laying off over 700 employees. The factory in Mesa, Arizona was shuttered down before repurposing by Apple into

Apple, GT Advanced Settle Debts

Written by Marco Attard
11 November 2015

a datacentre.

Either way the Apple and GT saga appears to come at an end following bankruptcy judge approval.

Go [Apple and Sapphire Supplier Reach New Accord on \\$439 Million Loan \(WSJ\)](#)

Go [Inside Apple's Broken Sapphire Factory \(WSJ\)](#)