

ABB To Buy Thomas & Betts For \$3.9B

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John Heilprin, Associated Press

GENEVA (AP) — Swiss engineering group ABB Ltd. said Monday that it has agreed to pay \$3.9 billion in cash for Thomas & Betts Corp., a deal that boosts its market presence in North America.

The Zurich-based maker of power and automation technology and the Memphis, Tennessee-based supplier of low-voltage products jointly announced that both companies' boards have agreed to ABB paying \$72 a share for the U.S. company. The board of Thomas & Betts has recommended the deal to its shareholders.

ABB, a market leader for industrial motors, described the deal as part of a strategy that boosts its market presence in North America, and said the price of \$72 a share is a 24-percent premium over Thomas & Betts' closing stock price on Jan. 27.

The Swiss company has about 130,000 employees spread among operations in 100 nations. In the U.S., ABB is headquartered in Cary, North Carolina, and has 18,000 workers. It reported \$5 billion in revenues for the first nine months of 2011.

Thomas & Betts employs about 9,400 people and is forecast to report 2011 revenues of about \$2.3 billion.

Through the deal the Swiss firm said it expects to save costs and gain revenues of about \$200 million a year by 2016.

ABB expects the deal to close sometime in the second quarter, subject to regulatory approvals. Bank of America Merrill Lynch is helping finance it.

ABB Chief Executive Joe Hogan called the acquisition "a great fit" It is his firm's largest such deal since ABB's purchase of Baldor Electric Co. in 2010.

"Thomas & Betts is a well-run company with strong brands and excellent distribution channels in the world's largest low-voltage products market," Hogan said. "This is another big step toward our goal of expanding our presence in the key North American market."

A year ago the Justice Department's antitrust division approved ABB's \$3.1 billion acquisition of Baldor, a Fort Smith, Arkansas-based industrial-motor company.

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