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The Associated Press

LISLE, Ill. (AP) — Koch Industries Inc. is buying electronic components and cables maker Molex for \$7.2 billion.

Koch — run by the billionaire brothers Charles and David — said Monday that it will pay \$38.50 per Molex Inc. share. That's a 31 percent premium to the company's common stock price of \$29.34 on Friday.

The companies put the deal's total value at \$7.2 billion when stock options and restricted stock for Molex are added to the valuation of its outstanding shares. Molex Inc. has about 178.2 million outstanding shares, according to FactSet.

Molex will remain headquartered in Lisle, Ill. and keep its current management team. Molex will also keep its company name and will run as a Koch subsidiary.

Koch, based in Wichita, Kan., owns a variety of businesses, including the paper and paper products maker Georgia-Pacific; an oil refinery and chemicals company; a pipeline company; a cattle company; a fertilizer company; and commodity trading and services companies. It has annual sales of \$115 billion.

Earlier this year, a Koch subsidiary made a \$240 million investment in American Greetings Corp. to assist the company's transition to private ownership. Its refinery subsidiary bought two ethanol plants. Also this year, company acknowledged interest in buying media companies, though it dropped a pursuit of buying newspapers owned by the Tribune Co. of Chicago. Last year Koch bought a 45 percent interest in Guardian Industries Corp., a maker of glass and automotive products.

Chairman and CEO Charles Koch said in a statement that Molex "matches up well with our culture and our core capabilities. It also provides a significant new platform for growth."

Both companies' boards approved the transaction, which is expected to close by year's end. It still needs shareholder approval and is not subject to a financing condition.

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