

General Cable Corporation

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General Cable shares leap after Italian cable maker Prysmian unveils around US\$3bn takeover bid

General Cable Corporation (NYSE:BGC) saw its shares leap by almost a third in value in pre-market trading after Italian cable maker Prysmian SpA unveiled plans to buy the NYSE-listed firm for US\$30 a share.

The offer price represents a premium of 38% to General Cable's closing price on Friday, and values the Kentucky-headquartered firm overall at around US\$3bn.

In pre-market trade in New York today, General Cable shares were up 32.5% to US\$28.90.

Deal to close by third quarter 2018

Based on aggregated results in the 12 months to September 30, the combined group would have sales of more than €11bn (US\$13bn) and adjusted earnings (EBITDA) of around €930mln, the two companies said in a joint statement.

Prysmian chief executive Valerio Battista said: "Through the combination of two of the premier companies in the cable industry we will be enhancing our position in the sector, by increasing our presence in North America and expanding our footprint in Europe and South America."

The Italian firm expects pre-tax cost synergies of approximately €150mln within five years, mainly from procurement, overhead costs savings and manufacturing.

It estimates one-off integration costs of approximately €220mln.

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Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

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Share Information

Code: BGC

Listing: NYSE

Sector: Telecommunications
Equipment

Website: www.generalcable.com

Company Synopsis:

General Cable is the world's fifth-biggest cable manufacturer by revenue, based in Highland Heights, Kentucky, with sales offices and manufacturing facilities in several countries.

Author:

Proactive Investors Ltd

+44 (0)207 989 0813

action@proactiveinvestors.com

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