

Wednesday, October 10, 2012

DJ: Toshiba To Buy Shaw's 20% Stake In Westinghouse For Y125bn

TOKYO--Toshiba Corp. (6502) said Wednesday it will buy out Shaw Group Inc.'s 20% stake in nuclear power-plant company Westinghouse Electric Co. for about Y125 billion (\$1.6 billion).

In a statement, Toshiba said it will tap into cash in hand and loans to buy Shaw's entire stake in Westinghouse, adding that it will consider finding a new investment partner in Westinghouse while maintaining its majority stake. Toshiba said several potential partners have expressed interest in acquiring a Westinghouse stake.

In October 2006, Toshiba paid about \$4.2 billion for 77% of Westinghouse. Shaw agreed to buy one-fifth of Westinghouse, issuing \$1.08 billion of bonds in a private placement to do so.

Shaw was one of four minority partners originally recruited to join the 2006 deal, and was supposed to take a 5% stake, while Toshiba took 51%. After two of the investors backed out of the deal, Toshiba and Shaw increased their stakes. As part of its agreement, Shaw had the option to sell all or part of its 20% stake to Toshiba before the maturity of the bonds in January 2013.

NIKKEI.com

© Nikkei Inc. All rights reserved.

This copy is for your personal, non-commercial use only.

Distribution and use of this material are governed by our Subscriber Agreement and by copyright law.