Westlake makes $1B hostile bid for Georgia Gulf

The Associated Press

Westlake Chemical Corp. is making a $1.03 billion hostile cash bid to buy Georgia Gulf Corp., an offer that Westlake revealed Friday has been repeatedly rejected.

The purchase price per share works out to $30 in cash, 23 percent higher than Georgia Gulf's closing price on Thursday. The stock leaped 35 percent on the news, hitting $32.93 in morning trading. Over the past year, shares have traded between $12.19 and $40.59.

Officials at Georgia Gulf weren't immediately available to comment. The Atlanta-based company makes two chemical lines, chlorovinyls and aromatics, and manufactures vinyl-based building and home improvement products.

Westlake, which supplies petrochemicals, polymers and building products, first made the offer in September. It is now making the deal public because it says Georgia Gulf has "continued to insist on a standstill arrangement that would unreasonably restrain...stockholders' ability to timely consider our proposal."

"Since the initial delivery of our proposal on Sept. 20, we have made numerous attempts to engage in meaningful dialogue with Georgia Gulf and have expressed our willingness to explore...whether opportunities exist that would justify increasing our proposal price," Westlake added in a statement. "However, Georgia Gulf has been unwilling to provide us with information that would allow us to explore these opportunities or to enter into substantive discussions."

Westlake expects the deal to boost earnings within the first year after it closes. The company currently holds 4.8 percent of Georgia Gulf's 34 million outstanding shares.

Westlake shares rose 23 cents in morning trading to reach $51.47.

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