

K2 skis changing ownership

By Matthew Townsend, BloombergBusiness

Newell Rubbermaid Inc. agreed to buy Jarden Corp., parent company of K2 skis, for about \$15.4 billion, creating a consumer-products giant with a sprawling portfolio that will use its increased size to cut costs and bolster investment in its most-promising businesses.

The new company, called Newell Brands, will have \$16 billion in sales, according to a statement. Jarden investors will receive cash and stock valued at about \$60 a share – 24 percent higher than the closing price on Dec. 4, the last trading day before media reports said merger talks had begun. Newell will issue \$5 billion of debt to complete the transaction and expects to keep its investment-grade debt.

The move is a bet that Newell can gain efficiency and clout with large vendors such as Wal-Mart Stores Inc. from Jarden's more than 100 far-flung brands, including everything from Oster appliances and K2 skis to Yankee Candle. Newell Rubbermaid Chief Executive Officer Michael Polk, who will run the combined entity, is aiming to squeeze \$500 million in costs out of the business within four years.

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