

GE to sell appliances biz to China's Haier for \$5.4 bn

Haier Group said it would buy General Electric Co's appliance business for \$5.4 billion, the Chinese company's latest attempt to boost its presence in the lucrative U.S. market.

Haier, which made an abortive attempt in 2008 to buy the business, has a negligible presence in the U.S. white goods market, dominated by Whirlpool Corp, Sweden's Electrolux and GE.

The news comes weeks after GE walked away from a deal to sell the business to Electrolux for \$3.3 billion, following months of opposition from U.S. antitrust regulators.

The deal with Haier is unlikely to draw intense anti-trust scrutiny, according to some antitrust experts but may get a hard look from the Committee on Foreign Investment in the United States (CFIUS).

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"Given the number of industry participants, a merger which combines a 5-percent market share participant doesn't seem to me to raise significant antitrust concerns," said Seth Bloom, a veteran of the Justice Department who now heads Bloom Strategic Counsel, a firm specializing in public policy, government relations, and anti-trust analysis.

Valuation

GE said the deal values the appliance business at 10 times last 12 months earnings before interest, taxes, depreciation, and amortization (EBITDA). Whirlpool Corp is valued at 7.7 times.