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## ABB Acquires Baldor Electric Company

**ABB Announced It Completed Acquisition Of Baldor Electric Co. In A \$4.2 Billion Transaction Today, Including \$1.1 Billion In Debt. ABB Said The Move Advances Its Strategy To Become A Leader In The North American Industrial Motors Business And A Global Leader For Movement And Control In Industrial Applications.**

01/27/2011



ABB Ltd (NYSE: ABB), provider of power and automation technology group, announced Jan. 27 that it completed acquisition of Baldor Electric Company (NYSE: BEZ), a North American manufacturer of industrial motors. The transaction, announced on Nov. 30, 2010, was valued at \$4.2 billion, including \$1.1 billion of net debt.



Acquisition of Baldor advances ABB's strategy to become a leader in the North American industrial motors business and a global leader for movement and control in industrial applications, ABB said. The combination provides an even stronger growth platform from which ABB can increase its penetration of North American

markets by building on Baldor's strong presence while at the same time facilitating the sale of Baldor's products globally through ABB's worldwide distribution network, ABB said. The addition of Baldor's around 6,800 North American employees brings the number of ABB's employees in North America to approximately 17,000.

Baldor's leadership in high-efficiency industrial electric motors positions ABB to benefit from a projected 10-15% U.S. growth in this business in 2011 as a result of new energy regulations that were implemented in December 2010, ABB said. Similar regulations mandating higher electric motor efficiency are being implemented in numerous countries around the world beginning this year that also will benefit sales of Baldor products, according to the company.



Ron Tucker, Baldor's president and CEO, will be responsible for running Baldor, including its mechanical power transmission products business, as well as ABB's North American motor and generator business. These businesses will be headquartered in Fort Smith, Arkansas, USA, which is Baldor's current headquarters location. Baldor's former Chairman and CEO, John McFarland, will remain with the company to support a successful integration.

"Today marks a significant step forward in ABB's strategy to become the global leader in the industrial motion market," said Joe Hogan, ABB's CEO. "Baldor has built an excellent reputation through its focus on innovation, quality and service, and we look forward to working together with the Baldor team to deliver solutions that support our customers and deliver on this excellent combination."

Ulrich Spiesshofer, ABB Executive Committee member responsible for the Discrete Automation and Motion division of which Baldor is now a part, said, "From this point forward we will be working to unleash the full potential of this strategic combination. Together we have an excellent opportunity to serve our customers even better and to build a stronger business than it would be possible to do as separate companies. I am confident that the knowledge, experience and determination of people in both organizations will result in a strong, cohesive team focused on delivering exceptional products and services to our customers in North America while opening new growth opportunities around the world."

Tucker praised ABB's product quality, the skill of its people, and the vision of its leaders. "We are joining an absolutely top-tier organization with the reach and resources to significantly extend the Baldor brand. As part of ABB's global family, Baldor has a bright future ahead," said Ron Tucker.

In connection with the completion of the transaction, Baldor shares have ceased trading on the New York Stock Exchange.

### Poll Of The Week

**Which Industrial Ethernet system do you currently use or plan to use as your primary machine/plant networking protocol within the next 6 – 12 months?**

- PROFINET
- EtherCAT
- EtherNet/IP
- SERCOS III
- Ethernet-Powerlink
- Other Industrial Ethernet protocol
- None
- Modbus TCP/IP

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