

3M buying maker of products used to track people

August 31 2010, By SAMANTHA BOMKAMP , AP Business Writer

(AP) -- Manufacturing conglomerate 3M Co. said Tuesday it has agreed to pay \$230 million in cash for an Israeli company that makes ankle bracelets and other products used to keep track of people.

The deal marks the second technology company purchase in two days for 3M, which is increasingly stepping away from its Post-It and Scotch Tape roots in favor of technology that's allowed it to increase its business at a faster pace out of the recession.

The Israeli company, Attenti Holdings SA, makes products like ankle bracelets that use global positioning system and radio frequency technology to track, for example, the movements of people awaiting trial, those on probation and patients in senior care centers.

3M already makes a range of products such as document readers and verification systems as well as tools that can be used for locating buried power lines or tracking inventory.

The deal is expected to close in the fourth quarter pending regulatory and other approvals. 3M expects the deal to boost earnings slightly within the first year after the acquisition closes.

Attenti has about 340 employees at locations in Israel, Australia, Bulgaria and the United States. Full-year sales are expected to be about \$100 million.

The deal comes a day after 3M, which is based in Maplewood, Minn., said it will pay \$943 million for Cogent Inc., which develops systems that read finger and palm prints and makes iris and face recognition systems. That deal is also expected to close by year's end.

3M's electronics and communications segment showed the most growth among the company's six business units in the latest quarter. The segment's operating income more than doubled while revenue jumped 31.6 percent to \$726 million.

Overall, 3M's second-quarter profit jumped 43 percent to \$1.12 billion. Revenue rose to \$6.73 billion from \$5.72 billion a year earlier.

Its shares fell 48 cents to \$79.17 in midday trading Tuesday.

©2010 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

Citation: 3M buying maker of products used to track people (2010, August 31) retrieved 20 April 2024 from <https://phys.org/news/2010-08-3m-maker-products-track-people.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.