

Zayo Group buying AboveNet for \$2.2B

March 19 2012

(AP) -- Telecommunications company Zayo Group said Monday it will acquire AboveNet Inc. for \$2.2 billion. Both companies offer Internet and phone services to companies over fiber-optic networks.

The news sent AboveNet's shares up nearly 14 percent in premarket trading on Monday.

AboveNet's CEO said the combination of the two companies' fiber optics networks will better provide bandwidth services for customers. AboveNet serves government customers and the data-hungry financial, media and health care and Internet industries.

"Over the last five years Zayo has acquired a very impressive set of fiber infrastructure assets," said AboveNet CEO Bill LaPerch. "The combination of AboveNet's and Zayo's assets creates a dense fiber footprint throughout North America and Europe for a bandwidth hungry world."

AboveNet shareholders will receive \$84 per share in cash, a 13 percent premium to the stock's closing price on Friday.

AboveNet's shares gained \$10.05, or 13.5 percent, to \$84.30 in premarket trading Monday. Shares had ranged from \$49.79 to \$78.07 in the past 12 months.

As part of the deal, private equity firm GTCR will invest in privately-held Zayo Group, based in Louisville, Colo.

White Plains, N.Y.-based AboveNet will have 30 days to solicit other offers.

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