

OM Group Inc. acquires Germany's Vacuumschmelze for \$1 billion

OM Group Inc, a specialty chemicals maker, has announced a 700m euros acquisition of German magnetic materials maker Vacuumschmelze GmbH & Co KG from One Equity Partners.

One Equity Partners, the private investment arm of JPMorgan Chase & Co, will get \$50m in equity as part of the deal.

The acquisition of Vacuumschmelze, which makes advanced materials for industries such as automotive, clock, electrical engineering and electronics, will help OM Group tap into the fast-growing alternative energy markets.

OM Group, who received legal advice on the deal from Braun Partners and LMR Attorneys Ltd, has been building a market in alternative energy, particularly, photovoltaic materials and chemicals since it acquired battery management systems and energy devices maker EaglePicher Technologies.

The deal will also contribute to OM Group's cost cutting at a time when higher raw material prices have become a major concern for chemical companies.

OM group expects the deal to add to earnings in the current fiscal year with the exception of one-time items.

One Equity had bought Vacuumschmelze from Morgan Crucible Co Plc for \$529m, including debt, in December 2005.

Cleveland, Ohio-based OM Group will fund the deal with cash, stock and committed financing, the company said in a statement. The company plans to keep Vacuumschmelze's current management team in place.

Vacuumschmelze has plants in Germany, Slovakia, Finland, China and Malaysia.

This announcement appears as a matter of record only

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