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Fleetwood signs agreement to sell motorhome division to AIP

Greg Gerber posted on June 02, 2009 13:01



RIVERSIDE, Calif. -- Fleetwood Enterprises, Inc., today reported that it has signed an asset purchase agreement to sell its motorhome business to American Industrial Partners Capital Fund IV, L.P. (AIP) of New York.

AIP is a middle market private equity firm which makes control investments in leading North American-based industrial businesses. Last week, the U.S. Bankruptcy Court approved sales procedures for an auction to explore whether any higher or more qualified bids could be obtained.

AIP's \$53 million bid is subject to reduction for the assumption of certain liabilities not to exceed \$18 million, including warranty obligations on Fleetwood motorized products. The price is also subject to an adjustment for the amount of current assets purchased at the time the transaction closes.

Under the bidding procedures, any competing bidders must submit qualifying bids by June 18, 2009, and if the company receives qualifying bids, the Court will hold an auction on June 22, 2009. The Court hearing to finalize the sale is tentatively scheduled for June 24, 2009.

The offer from AIP includes two motorhome manufacturing facilities, two motor home service facilities, and Fleetwood's Gold Shield supply subsidiary, all located in Decatur, Ind.. It also includes intellectual property for Fleetwood's existing motor home brands, certain machinery and equipment , but does not include the company's motor home manufacturing facilities in Riverside, Calif. and Paxinos, Pa., or its travel trailer plants, brands, and intellectual property.

"We are pleased to have signed an agreement to sell our motorhome operation. AIP is a very capable and qualified organization," said Elden L. Smith, Fleetwood's president and chief executive officer. "Since the sale process under Chapter 11 enables other bidders to come forward, we cannot say for certain what the outcome will be. We do expect, however, that the final purchaser will seek to take advantage of the Fleetwood name and legacy, as well as endeavor to preserve as many jobs as possible."


Fleetwood is also pursuing buyers for its manufactured housing business.

Management believes that it continues to have adequate cash to fund operations until its businesses are sold.

Greenhill & Co. is serving as Fleetwood's investment banker. Interested parties should contact the seller, Greenhill & Co., LLC, 300 Park Avenue, 22nd Floor, New York, NY 10022 (Attn: David E. Burns) by e-mail at dburns@greenhill.com; and counsel to the seller, Gibson, Dunn & Crutcher LLP, 3161 Michelson Drive, Irvine, CA 92612 (Attn: Rod Anavim) by e-mail at ranavim@gibsondunn.com.

Additional information about the company's reorganization may be found online in the news section of <http://www.fleetwood.com>/or at www.kccllc.net/fleetwood.

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