

Zumiez May Bid for Action Sport Retailer West 49

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Already set to be acquired by an Australian firm, Canadian action sport retailer West 49 Inc. now has a U.S. suitor.

The Burlington, Ontario-based firm said Friday that Zumiez Inc. has expressed interest in making an offer for the chain for about 1.30 Canadian dollars a share, or a total of about \$80 million at current exchange.

Executives at Zumiez could not be reached for comment.

West 49 currently has an agreement with Australia's Billabong International Ltd., a West 49 supplier, for the purchase of the firm, also at 1.30 Canadian dollars a share. At the time of the bid on June 30, shares of West 49 traded on the Toronto Stock Exchange at 0.55 Canadian dollars, or about 53 cents. As of Friday, they'd risen to 1.40 Canadian dollars, or \$1.34.

Should West 49 elect to pursue a transaction with Zumiez, Billabong would have the right to match the offer and be entitled to a breakup fee of 2.5 million Canadian dollars, or \$2.4 million.

The possible offer is subject to a due diligence review but no financing conditions, West 49 said. The Canadian firm also said the proposed offer, if submitted, would be for the acquisition of all outstanding common and preferred shares of West 49 for a cash price in excess of 1.30 Canadian dollars, or about \$1.24, a share.

West 49 said Zumiez indicated "it believes that its acquisition proposal would reasonably be expected to lead to a superior proposal, and has indicated that it would like to enter into a confidentiality and standstill agreement with the company."

In May 2009, West 49 rejected an offer from Adrenalina Inc., which, in late 2008, had made an unsuccessful bid to acquire Pacific Sunwear of California Inc.

West 49 operates 138 stores in nine Canadian provinces, while Zumiez operates 389 units.