

Birch Communications Buying Cbeyond for \$323M

Associated Press

ATLANTA (AP) — Birch Communications Inc. is buying technology and communications equipment provider Cbeyond for about \$323 million.

Cbeyond announced in November that it was considering its strategic options. Its shares surged on word of the deal.

Birch provides IP-based communications, cloud and managed services to businesses in all 50 states, the District of Columbia, Canada and Puerto Rico. Its services include voice, broadband, Internet access, hosted services, managed services, wireless voice, wireless data and other communications, cloud and managed services.

Cbeyond Inc. stockholders will receive between \$9.97 and \$10 per share. That translates to an approximately 41 percent premium over the company's Thursday closing price of \$7.07.

Shares of Cbeyond surged \$2.77, or 39 percent, to \$9.85 in premarket trading Monday about 30 minutes ahead of the market open.

Both Atlanta-based companies' boards unanimously approved the deal, which is expected to close within six months.

The transaction still needs approval from federal and state regulators and Cbeyond stockholders.

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