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# Raytek sells for \$77 million

## Local workers to stay on

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SANTA CRUZ — A Santa Cruz company that boasted \$50 million in sales last year has been sold to one of its former customers, and the 150 workers at the Westside plant will keep their jobs, company officials said.

Raytek Corp., a maker of infrared thermometers, was sold for \$77 million in cash to Fluke Corp. of Everett, Wash., late last month.

Fluke, which makes devices that measure electrical current, is a subsidiary of Danaher Corp., a Washington, D.C.-based conglomerate with \$3.8 billion in sales last year.

Cliff Warren, Raytek chief executive officer, said the two companies have been partners in the past, not competitors. Their product lines complement each other, which means there's no reason for Raytek to shut down any operations, he said. The management team will remain intact also, he added.

"I'm still the CEO. I'm the only one who has a new boss," said Warren, who has headed up Raytek since 1984.

Raytek's worldwide headquarters are in a 4-year-old, 60,000-square-foot building on Santa Cruz's Westside, between a field of Brussels sprouts and marine-science research facilities.

About 130 employees work in the Santa Cruz office. Most of them are in engineering, finance and sales and marketing, but some manufacturing also is done locally.

Raytek makes infrared thermometers that can measure temperatures as high as 6,000 degrees Fahrenheit. It makes products sold under brand names such as Radio Shack, 3M, Caterpillar, Snap-On Tools and Stanley, among others. It manufactures both hand-held, portable thermometers and fixed-mount thermometers, line scanners and sensors.

Fluke had been a Raytek customer for about 10 years, Warren said.

Raytek has offices in Berlin, Sorocaba, Brazil and Puebla, Mexico. It also has sales offices in the United Kingdom, Japan, China and France, and distributors in more than 60 countries around the world.

Fluke has manufacturing centers in the United States, the United Kingdom and the Netherlands, with sales and service subsidiaries in Europe, North America, South America, Asia and Australia.

Their combined distribution centers will help both companies grow, said Lloyd Greif of Greif & Co., the investment banking firm that put the deal together.

"The two companies are going to be stronger together than they were apart," said Greif.

Greif was hired by Raytek earlier this year to look for a buyer that would complement its business and allow its owners to realize a return on their "sweat equity," Greif said.

Raytek was founded by Herb Berman in a Mountain View garage in 1963. Berman sold Raytek to a Bay Area company called OCLI in 1968. The company was sold again in 1979 to a German industrial company, Hormann GmbH.

Raytek employees were allowed to buy into the company and owned about 55 percent of it at the time of the sale.

Danaher's sales grew slightly last year, from \$3.778 billion in 2000 to \$3.782 billion in 2001. Its net earnings declined 8 percent last year, to \$297 million.

Greif said Danaher is a strong company and in an acquisition mode.

H. Lawrence Culp Jr., Danaher chief executive officer, said the combined companies will increase Danaher's worldwide distribution capabilities.

"Raytek is known as a global leader in portable noncontact infrared tools



Cliff Warren will keep his job as Raytek CEO.

worldwide and is an excellent extension of Danaher's market leadership," Culp said.

### Raytek sale

**THE DEAL:** Santa Cruz-based Raytek Corp. was sold to Fluke Corp. of Everett, Wash., Aug. 28 for \$77 million in cash. Fluke is a wholly owned subsidiary of Danaher Corp., of Washington, D.C. (NYSE: DHR).

**LEADERSHIP:** Raytek will continue to be led by Cliff Warren, who has been chief executive officer of the company since 1984.

**OWNERSHIP:** Up until the time of the sale, Raytek was privately held. Its single largest shareholder was Hormann GmbH, a German industrial company. Employees owned 55 percent of the business.

**LOCATION:** 1201 Shaffer Road, Santa Cruz.

**EMPLOYEES:** 340 worldwide; about 130 in Santa Cruz.

**PRODUCT:** Raytek makes hand-held and automated infrared thermometers, which measure heat from a distance. They are used in a variety of fields, including plant maintenance, auto repair, refrigeration and food preparation. Raytek shipped 500,000 units last year.