

Cisco nears completion of Tandberg takeover

The Associated Press

The world's largest computer networking equipment maker, Cisco Systems Inc., on Wednesday said it needs only another 6 percent stake in videoconferencing equipment firm Tandberg ASA to be able to complete its \$3.4 billion takeover.

Cisco said 84 percent of shareholders in the Norwegian group have backed its 170 kroner (\$30.32) per share offer so far — getting closer to the 90 percent threshold it needs to close the deal.

The announcement comes a day after Cisco announced it would extend its offer period until Dec. 3. The bid was initially set to expire on Tuesday.

Cisco said it would decide Thursday "whether to withdraw the offer or waive this (90 percent) condition," which would result in negotiations with the remaining shareholders and prolong the acquisition process.

The company noted it won't extend its offer period past Thursday.

Cisco's initial offer was 153.5 kroner (\$27.38) — or about \$3 billion — but the company increased its bid on Nov. 16, after securing less than 10 percent of Tandberg stock.

Tandberg shares rose 1.8 percent, to 164.4 kroner (\$29.32), in morning trading in Oslo.

Cisco, which has around 64,000 staff worldwide, has focused lately on the high end of the videoconferencing market, selling so-called "TelePresence" systems with multiple plasma screens that present life-size images of the participants to provide the illusion of face-to-face communication.

With Tandberg, Cisco will also have the world's leading maker of video systems ranging from small videophones to full conference-room setups.

The deal would allow it to spend some of the cash it has piled up from its overseas subsidiaries. By buying an international company, Cisco would avoid the U.S. taxes it would have to pay to bring the money home.

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