# SAP to buy Ariba for $4.5B, extending cloud push

The Associated Press

Business software maker SAP AG on Tuesday said it will buy Ariba Inc., which makes Web-based software that connects suppliers and buyers online, for about $4.51 billion.

The deal continues Germany-based SAP's rivalry with database maker Oracle Corp. Both companies are buying up smaller ones that, like Ariba, provide software that's hosted on remote servers, in the so-called "cloud." Cloud-based applications remove the need for businesses to install and run software in-house.

In April, Redwood Shores, California-based Oracle closed on the $1.9 billion acquisition of Taleo Corp., which provides cloud-based software that helps companies recruit and manage employees.

SAP said it is offering $45 per share for Sunnyvale, California-based Ariba. Ariba shares closed Tuesday at $44.87, up $7.23, or 19 percent. The price indicates that investors expect the deal to be consummated at the price SAP is offering.

SAP shares fell 10 cents to $58.69 per share.

Ariba's board has approved the deal and SAP says it should close during the third quarter if Ariba shareholders approve the sale.

Ariba's business-to-business network connects 730,000 companies and transactions worth $319 billion per year, SAP said. It said it would keep the network open, letting companies that use competing business software packages from Oracle and Microsoft Corp. connect to it.

Ariba's revenue grew almost 40 percent to $444 million in its latest fiscal year. SAP says the deal should add to its adjusted profit in 2013. The company has about 2,600 employees.

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