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The Associated Press

Apple has agreed to buy fingerprint reader AuthenTec Inc. for approximately \$356 million as the maker of iPhones and iPads looks to strengthen its digital security capabilities.

Apple's acquisition comes as consumers use their smartphones for more and more daily activities, including shopping.

"As cell phones become essentially credit cards, consumers will look to secure them in the event of theft or loss. AuthenTec's fingerprint sensors offer one way to secure handsets," said Raymond James analyst J. Steven Smigie.

AuthenTec said Apple Inc. is paying \$8 for each of its common shares, a 58 percent premium to their closing price on Thursday.

AuthenTec's stock jumped \$3.25, or 64 percent, to \$8.32 in Friday afternoon trading, above Apple's offer. That could suggest investors think there will be a higher bid for the company.

The deal was unanimously approved by AuthenTec's board. It still requires approval from a majority of the holders of the Melbourne, Fla., company's stock. AuthenTec has about 44.5 million outstanding shares, according to FactSet.

A higher offer for AuthenTec is possible. In a regulatory filing, AuthenTec said it's not allowed to actively seek out other offers, but it could hold talks with other parties before its stockholders approve Apple's buyout terms.

If AuthenTec does wind up accepting a superior offer, it would have to pay a breakup fee of approximately \$11 million.

While Apple said earlier this week that its growth rate slowed in its latest quarter, massive sales of its iPhones and iPads in recent years have made it the world's most valuable company. It's the third-largest maker of cellphones, according to research firm Gartner, and dominates the market for tablet computers.

Apple stock added \$7.67, or 1.3 percent, to \$582.55.

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