

Elliott Management offers to buy Compuware

The Associated Press

Compuware shares jumped 17 percent Monday, after Elliott Management offered to buy the software development company for about \$2.35 billion.

The New York-based investment firm wants to acquire Compuware Corp. for \$11 per share. The offer represents a 15 percent premium over its Friday closing stock price.

Elliott currently holds an 8 percent stake in Compuware. It said that while the Detroit-based company has strong assets, its profitability and growth have significantly lagged in recent years.

Elliott said it's confident that it can find financing for such a deal and wants to meet with the company's board as soon as possible.

Officials at Compuware weren't immediately available.

The offer comes about a month after Compuware founder Peter Karmanos Jr. announced plans to step down as executive chairman next year. He stepped down as CEO in 2011.

In addition, Compuware said Friday that it that it filed for a possible initial public offering of its Covisint Corp. unit and could conduct the IPO in three to six months.

The company said the IPO would give Covisint more flexibility to pursue strategic opportunities and increase its visibility. Covisint specializes in secure, industry specific communication and collaboration, according to its website.

Compuware has struggled amid sluggish global economic conditions and the European economic crisis. In October, it said its fiscal second-quarter profit plunged 53 percent and issued a weak forecast for the full year. But despite significant volatility, the company's shares have risen about 15 percent since the beginning of the year.

In midday trading, Compuware shares rose \$1.37, or 14 percent, to \$10.91, after peaking at \$11.16 earlier in the day, passing their previous 52-week high of \$10.25 and marking their highest price since May 2011.

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