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## HP to Acquire Tower Software

Posted by Ned - 2008/04/01 06:54

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This thread discusses the Content article: HP to Acquire Tower Software

HP to buy Tower Software

Mahesh Sharma | April 01, 2008

GLOBAL technology company Hewlett-Packard is set to acquire Canberra-based document and records management software company Tower Software.

HP has made a cash off-market offer of \$3.39 per share, and shareholders Quadrant Private Equity, Brand Hoff and Martin Harwood, who collectively own 90 per cent of the business, have advised of their intention to accept the bid in the absence of a higher third-party offer.

Just over a year ago, Quadrant Private Equity was at the centre of a Federal Court battle between Tower's senior management and original seed investors Pendant Properties, over control of the company.

"In reaction to increased business regulation, electronic records management has moved from a back-office task to a business-critical function," Robin Purohit, vice president and general manager, Information Management, Software, HP, said.

"The combination of the HP and Tower software portfolios is expected to be hugely beneficial to the legal and IT organisations of businesses all over the world."

Tower's software is already integrated into the HP Integrated Archive Platform, but Mr Harwood, the Canberra-based company's CEO, believes the acquisition will deliver further "synergies".

"The combination of HP and Tower will allow us to scale and provide our customers with a comprehensive portfolio of enterprise information and IT management software solutions," Mr Harwood said.

"We have partnered with HP for years, so today's news is exciting because we will now be able to enhance how we serve our joint customers and partners," he said.

In the 2007 financial year Tower increased its revenues by over 30 per cent to \$45.2 million.

The deal is expected to close in the second quarter of 2008 and it is also conditional on 85 per cent of Tower's staff accepting employment offers from HP.

Founded 22 years ago, Tower employs more than 200 workers and has about 1000 customers.

Original Article

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## Re:HP to Acquire Tower Software

Posted by Ned - 2008/04/02 01:06

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HP bids for Tower Software

Mahesh Sharma | April 02, 2008

HEWLETT-PACKARD is set to acquire Canberra-based document and records management software company Tower Software in a bid valuing the company at \$109.1 million. HP has offered \$3.39 a share for the privately held Tower Software.

Major shareholders Quadrant Private Equity, company founder Brand Hoff and chief executive Martin Harwood, who together own 90 per cent of the business, have said they will accept the bid in the absence of a higher offer from another party.

Quadrant Private Equity took a 63 per cent stake in Tower in early 2007.

Tower has aggressively pursued the public sector markets in Britain and the US in recent years and makes more than 60

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per cent of its revenue offshore.

HP South Pacific managing director Paul Brandling said the acquisition would bolster HP's credentials in the regulation and compliance software arena.

"What it does is gives HP end-to-end solutions in a market segment that's booming," Mr Brandling said.

"Analysts say this segment is growing well in excess of 20 per cent per annum and one of the exciting opportunities here is to apply HP's global muscle and global customer footprint as a growth lever."

In the absence of suitors with better offers, the deal is slated to be completed in this quarter. Mr Brandling expects the integration of Tower to be completed by the end of the year.

The deal is conditional on 85 per cent of Tower's staff accepting employment offers from HP. Mr Hoff expects these offers to be tabled later this month or early May and be open for about a month. "The HP people have been speaking to our senior managers and I would expect in the next couple of months (when) the process is open that these things will be finalised and all the employees will be taken care of," he said.

Mr Brandling would not rule out redundancies among Tower's 240 staff as part of the acquisition process, and declined to say whether current CEO Martin Harwood would survive the transition. "I can't answer that one specifically ... (but) we want the workforce and the senior team," he said.

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