

Briefs: S&P sees more software M&A in 2006

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Merger-and-acquisition activity in the global software industry will remain robust in 2006, Standard & Poor's said Monday.

The credit-rating agency said that "many companies in this sector enjoy healthy cash flows, and with no shortage of debt, capital, and private equity available, (it) expects the flow of deals to continue."

"Consolidating companies generally had strong liquidity positions and generated robust free cash flow; credit downgrades have been limited to a handful of large, mostly debt-financed deals," said credit analyst Philip Schrank, adding that fewer growth opportunities in the industry will likely spur further buyout activities.

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