

Source: Dell plans sweeter 3Par bid after HP trump

August 26 2010, By JESSICA MINTZ , AP Technology Writer

(AP) -- Dell Inc. is planning a second offer to try to keep data storage maker 3Par Inc. out of Hewlett-Packard Co.'s hands, according to a person familiar with the discussions.

The exact timing and amount of Dell's offer are not known. The person said Dell's bid will likely top HP's offer Monday of \$1.5 billion, although according to a filing with the [Securities and Exchange Commission](#), Dell only needs to match HP's offer to stay in the running.

The person spoke on condition of anonymity because the person is not authorized to speak publicly about the offer.

Dell had previously offered \$1.13 billion for 3Par.

Under the terms of the merger agreement spelled out in an Aug. 16 regulatory filing, 3Par can void its agreement with Dell in order to accept a better offer if Dell fails to match the terms in a counteroffer.

In another regulatory filing, made Tuesday, 3Par said its board met to discuss HP's offer, then notified Dell that it planned to engage in talks with HP.

The filing said 3Par, which is based in Fremont, Calif., would continue to recommend a deal with Dell to its shareholders until its board determines that HP's offer is better. If 3Par's board decides it prefers HP's offer, 3Par would notify Dell, and Dell would have three days to

respond with another bid.

Both companies see 3Par's data storage technology supporting their race into more profitable markets than personal computers - in this case, "cloud computing." Many companies aren't buying their own [computer servers](#) for certain tasks anymore, but are instead paying to have software they would have stored on those machines delivered to them over the Internet.

Dell, HP and others are trying to take advantage of the trend by offering those kinds of cloud-computing services directly on a subscription basis, along with the equipment and software for customers to build their own cloud systems.

Data storage is a critical cog in those systems. The technology from 3Par is particularly appealing because it can offer more or less space on the fly, making storage more efficient and less expensive.

Shares of 3Par slipped 28 cents Wednesday to close at \$26.76, still more than what Dell and HP are offering on a per-share basis. Shares of [Dell](#), which is based in Round Rock, Texas, gained 20 cents to close at \$11.79, while shares of Palo Alto, Calif.-based HP fell 15 cents to close at \$38.24.

©2010 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

Citation: Source: Dell plans sweeter 3Par bid after HP trump (2010, August 26) retrieved 1 May 2024 from <https://phys.org/news/2010-08-source-dell-sweeter-3par-hp.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.