

IBM to acquire analytics firm Netezza for 1.7 billion dlrs

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IBM announced Monday it will acquire business analytics firm Netezza in a cash transaction valued at 1.7 billion dollars.

IBM said it will pay 27 dollars per share for Netezza, a publicly held company based in Marlborough, Massachusetts, a premium of nearly 10 percent over its closing price on Friday.

The acquisition will expand the computer giant's analytics sector, which aims to help clients gain faster insights into their business.

Netezza is a leading provider of analytics appliances and its more than 350 clients include eHarmony, Neiman Marcus, Time Warner, Estee

Lauder, Nationwide Insurance, Sapporo, NYSE Euronext, Virgin Media and others.

"Together with IBM, we are looking forward to extending our capabilities to a much broader market," Netezza president and chief executive Jim Baum said in a statement.

"IBM is bringing analytics to the masses," said Steve Mills, senior vice president and group executive for IBM Software and Systems.

"We continue to evolve our capabilities for systems integration, bringing together optimized hardware and software, in response to increasing demand for technology that delivers true business value," he said.

"Netezza strongly complements our business analytics capabilities and client base. Together, we have the opportunity to quickly leverage the technology and accelerate the offering," Mills added.

IBM shares were up 1.05 percent on Wall Street at 131.56 dollars while Netezza shares rose 12.28 percent to 27.62 dollars.

IBM said it expected the acquisition, which is subject to the approval of Netezza shareholders, to close in the fourth quarter of 2010.

IBM said it has invested more than 12 billion dollars in 23 analytics-related acquisitions over the past four years.

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