

# SAP to buy Ariba for \$4.5B, extending cloud push

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(AP) -- Business software maker SAP AG on Tuesday said it will buy Ariba Inc., which makes Web-based software that connects suppliers and buyers online, for about \$4.51 billion.

The deal continues Germany-based SAP's [rivalry](#) with database maker [Oracle Corp.](#) Both companies are buying up smaller ones that, like Ariba, provide software that's hosted on remote servers, in the so-called "cloud." Cloud-based applications remove the need for businesses to install and run software in-house.

In April, Redwood Shores, Calif.-based Oracle closed on the \$1.9 billion acquisition of Taleo Corp., which provides cloud-based software that helps companies recruit and manage employees.

SAP said it is offering \$45 per share for Sunnyvale, Calif.-based Ariba. Ariba shares closed Tuesday at \$44.87, up \$7.23, or 19 percent. The price indicates that investors expect the deal to be consummated at the price SAP is offering.

SAP shares fell 10 cents to \$58.69 per share.

Ariba's board has approved the deal and SAP says it should close during the third quarter if Ariba shareholders approve the sale.

Ariba's business-to-business network connects 730,000 companies and transactions worth \$319 billion per year, SAP said. It said it would keep

the network open, letting companies that use competing business software packages from Oracle and [Microsoft Corp.](#) connect to it.

Ariba's revenue grew almost 40 percent to \$444 million in its latest fiscal year. SAP says the deal should add to its adjusted profit in 2013. The company has about 2,600 employees.

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