

IBM agrees to buy Unica for \$480 million

13 August 2010, By ANDREW VANACORE , AP Business Writer

(AP) -- IBM Corp. said Friday it has agreed to buy Unica Corp., a marketing services company, for \$480 million, or \$21 per share.

The acquisition brings IBM deeper into the advertising business, a relatively new area for the company. In June it agreed to buy Coremetrics Inc., a company that helps target online marketing.

It also expands IBM's software business, its most profitable division and the main focus of a \$20 billion acquisition spree for IBM over the past few years.

Unica, based in Waltham, Mass., offers software that automates the process of predicting customer preferences, designing advertising campaigns based on that information and measuring how effective they are.

The rise of the Web as an advertising platform has heightened demand for marketing that has a measurable impact. And IBM wants to provide the tools for doing that kind of targeting, Craig Hayman, IBM's general manager for Industry Solutions, said in an interview. "Unica brings science to the search for better outcomes," Hayman said.

The Armonk, N.Y., company generates annual revenue of more than \$100 million and has more than 1,500 clients, including Best Buy Co. and [eBay](#) Inc. In the previous fiscal year, which ended September 2009, it booked a net loss of nearly \$22 million but has since posted three profitable quarters in a row as businesses restore marketing budgets coming out of the recession.

At \$21 per share, IBM is paying more than double Unica's closing stock price Thursday of \$9.55. It expects to close the deal sometime in the fourth quarter.

In morning trading, Unica shares surged \$11.21, or 117 percent, to \$20.76 after setting a year high of \$20.78. Shares of International Business Machines

Corp. fell 9 cents to \$128.21.

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