Icahn boosts offer for Dell

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A Dell research and development facility on October 19, 2011 in Santa Clara, California. Corporate raider Carl Icahn and his allies boosted their offer for troubled US computer giant Dell, and repeated their call for shareholders to reject a $24.4 billion private equity buyout.

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The latest proposal from Icahn maintains his offer of $14 per share for

up to 71 percent of Dell stock, but adds one warrant for every four Dell shares, entitling the holder to one share of Dell at $20.

A statement by Icahn and Southeastern Asset Management, which also opposes the go-private plan led by company founder Michael Dell, said the new offer is worth between $15.50 and $18 a share, compared with $13.65 in the buyout plan.

The move comes less than a week ahead of a shareholder vote on the private equity plan led by Michael Dell with financing from Silver Lake Partners.

The buyout got a major boost on Monday when the prominent proxy advisory firm Institutional Shareholder Services recommended that Dell shareholders vote for the transaction.

ISS said the buyout could lead to a "truncation of value" of Dell but noted that rejection of the plan might mean "meaningful loss of value."

The proxy advisory firm said the offer was 25.5 percent above the value before news of the deal circulated and "transfers the risk of the deteriorating PC business and the company's ongoing business transformation to the buyout group."

The special committee set up by Dell to evaluate options for the company has warned of "substantial downside risk" if shareholders reject Michael Dell's plan.

Dell unveiled plans to go private in February, giving Michael Dell a chance to reshape the former number one PC maker away from the spotlight of Wall Street.

The move, which would delist the company from stock markets, could

ease some pressure on Dell, which is cash-rich but has seen profits slump, as it tries to reduce dependence on the slumping market for personal computers.

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