

Dell postpones go-private vote until 24 July

NEW YORK CITY, USA: Dell postponed a shareholder vote due on Thursday, 18 July, on its US\$24.4bn go-private plan led by founder Michael Dell, amid reports that several major investors opposed the deal.



A Dell statement said the shareholder meeting on the plan, which opened briefly in Texas, would take place next week.

"Today's special meeting of stockholders was convened and adjourned to provide additional time to solicit proxies from Dell stockholders," the statement said. "No vote was taken on the proposed transaction prior to the adjournment."

The plan announced in February aimed to give Michael Dell a chance to revive the fortunes of the former number one computer manufacturer without the pressures that face a publicly traded firm.

But opponents, galvanised by corporate raider Carl Icahn, have claimed the buyout at US\$13.65 a share undervalues the company.

The Wall Street Journal reported on Wednesday (17 July) that holders of at least 30% of Dell were set to vote against the buyout. The plan required a majority of the shares excluding an estimated 16% held by Michael Dell and his affiliates.

Icahn proposed an alternate plan that would pay US\$14 per share for up to 71% of Dell stock and recently sweetened the deal by adding one warrant for every four Dell shares, entitling the holder to one share of Dell at US\$20.

But Dell's board and others contend Icahn lacks financing for such a plan and that it would do little to help foster a turnaround.

Icahn is backed by the investment firm Southeastern Asset Management. Another financial firm, T. Rowe Price, has also indicated it would oppose the buyout.

Dell's board contends the company needs to make radical changes to keep up with a shift to mobile computing.

Source: AFP via I-Net Bridge