

## Capital Mergers And Acquisitions, LLC (CMA Group)

### Icahn Gearing Up To Pressure a Lawson Takeover?

Shares of St.Paul, Minnesota based Lawson Software climbed 7.6% Monday on high volume after billionaire activist investor Carl Icahn disclosed an 8.5% stake in the enterprise software developer. Icahn, who is well known for his investments in companies he considers undervalued or mismanaged disclosed in a regulatory filing that he intends to have conversations with management to discuss the business, operations, and maximization of shareholder value. Adding to the intrigue is the fact that Lawson's stock has outperformed year to date (up 20% since beginning of 2010) and currently trades at 16 times forward earnings, a premium valuation compared to Oracle, SAP, and the broader market.

Icahn might be seeking to pressure management to sell. According to Marketwatch, an internal Oracle document from 2004 cited Lawson (and a few others) as being on the short list for acquisition. Icahn could be betting that Lawson is attractive to companies building a presence in enterprise software. While Icahn has not always succeeded in bringing about a takeover (his attempted sale of Yahoo to Microsoft didn't pan out), we can be sure that investors and industry participants will be watching the company closely over the months to come.

**Sectors:** *Enterprise Software / Minnesota*