

Hoover's dissident counters D&B bid

By *Bambi Francisco*, *CBS.MarketWatch.com*
Last Update: 5:55 PM ET Feb. 7, 2003

NEW YORK (CBS.MW) -- Shares of Hoover's jumped 11 percent Friday after dissident shareholder Mario Cibelli made an \$8-a-share counteroffer for online information company Hoover's.

The \$132 million offer, representing a 13 percent premium over Dun & Bradstreet's \$117 million cash offer, sent Hoover's shares (HOOV) up as high as \$7.80. The D&B (DNB) bid worked out to \$7 per share.

Hoover's shares closed at \$7.76, up 76 cents.

Hoover's said it would evaluate the new offer.

Mario Cibelli is managing member of Marathon Partners, which holds about 10 percent of Hoover's shares, and has made it clear that he opposes the Dun & Bradstreet deal. The D&B offer is "grossly inadequate," Cibelli said.

"We want to make it simple for the board," said Cibelli, in an interview with **CBS.MarketWatch.com**. "Eight is higher than \$7."

In early January, Marathon hired an investment bank, **Marlin & Associates**, to find suitors to counter the D&B offer. Ken Marlin, the principal of the company, founded Austin Ventures, a reputable company that's backed Internet names including Vignette (VIGN: [news](#), [chart](#), [profile](#)).

In a letter to Hoover's, both Austin Ventures and Marathon Partners made the counter offer.

Cibelli would not comment on whether he would continue to own 10 percent of Hoover's should the higher bid be accepted by Hoover's.

Should D&B counter the bid, Cibelli said he'd "look at it, but at this point, we're committed to Austin Ventures."

Asked why Austin Ventures would make a better owner over D&B, and Cibelli would not comment, saying only: "The new entity is offering a higher price."

The company's internal estimates, Cibelli said, call for sales of \$100 million and net income of \$25 million in four or five years. That would put the shares in the low \$30s, assuming a multiple of 10 times earnings, plus cash on hand, he said.

Ken Marlin is managing partner of *Marlin & Associates LLC*, a New York-based boutique M&A advisory firm that focuses on middle-market firms that provide digital information, software tools, databases and technology.