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Associated Press

REDWOOD SHORES, Calif. (AP) — Oracle will buy Acme Packet Inc., which makes equipment for telecommunications companies, for about \$2.1 billion.

Acme's gear is used by more than 1,900 service providers and enterprises around the world. Its technology will complement Oracle's offerings for telecoms providers, said Citigroup analyst Walter Pritchard.

Oracle, a database software maker based in Redwood City, Calif., will pay \$29.25 per share for Acme. That represents a 22 percent premium over the Bedford, Mass., company's Friday closing stock price. The companies valued the deal at \$1.7 billion, net of Acme's cash.

Shares of Acme soared 22 percent, or \$5.26, to \$29.19 in morning trading. Shares of Oracle Corp. lost 94 cents, or 2.6 percent to \$35.27.

Acme's board unanimously approved the acquisition, which is expected to close in the first half of 2013. The deal remains subject to Acme shareholder and regulatory approval.

Brian White at Topeka Capital Markets said that the deal might herald more acquisitions of communications gear makers by companies like IBM Corp., Hewlett-Packard Co. and Dell Inc.

Targets could include Juniper Networks Inc. and F5 Networks Inc., he said. Shares of those companies were up just over 1 percent on a down day for the overall market.

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