

MANUGISTICS GROUP INC
Form PREM14A
May 16, 2006
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934

Filed by the Registrant x
Filed by a Party other than the Registrant o
Check the appropriate box:

- x Preliminary Proxy Statement
- o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- o Definitive Proxy Statement
- o Definitive Additional Materials
- o Soliciting Material Pursuant to §240.14a-12

Manugistics Group, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- o No fee required.
- x Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1)	Title of each class of securities to which transaction applies: Common Stock, par value \$0.002 per share, of Manugistics Group, Inc.
(2)	Aggregate number of securities to which transaction applies: 84,142,830 shares of Manugistics Group, Inc. Common Stock outstanding as of April 30, 2006. 1,861,716 options to purchase shares of Manugistics Group, Inc. Common Stock.
(3)	Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined): \$2.50 per share of Manugistics Group, Inc. Common Stock(1)
(4)	Proposed maximum aggregate value of transaction: \$211,416,471(1)
(5)	Total fee paid: \$22,621.57(1)
- o Fee paid previously with preliminary materials.
- o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1)	Amount Previously Paid:
(2)	Form, Schedule or Registration Statement No.:
(3)	Filing Party:
(4)	Date Filed:

(1) As of May 15, 2006, there were: (i) 84,142,830 shares of Common Stock, par value \$0.002 per share (Common

Stock) of Manugistics Group, Inc. outstanding and owned by stockholders other than JDA Software Group, Inc. and Stanley Acquisition Corp.; and (ii) options to purchase 1,861,716 shares of Common Stock with an exercise price of less than \$2.50 per share. The filing fee was determined by adding (i) the product of (A) the number of shares of Common Stock that are proposed to be acquired in the merger and (B) the merger consideration of \$2.50 in cash per share plus (ii) \$1,059,395.95 expected to be paid to holders of stock options with an exercise price of less than \$2.50 per share upon consummation of the merger in exchange for cancellation of such options ((i) and (ii) together, the Total Consideration). The payment of the filing fee, calculated in accordance with Exchange Act Rule 0-11(c)(1) was calculated by multiplying the Total Consideration by 0.000107.

Subject to Completion, Dated May 16, 2006

MANUGISTICS GROUP, INC.

9715 Key West Avenue
Rockville, Maryland 20850

[•], 2006

Dear Fellow Stockholders:

You are cordially invited to attend a special meeting of stockholders of Manugistics Group, Inc. (Manugistics or the Company), to be held at the Company's principal executive offices located at 9715 Key West Avenue, Rockville, Maryland on [•], at 9:00 a.m., E.D.T. At the special meeting, you will be asked to consider and vote upon a proposal to adopt the Agreement and Plan of Merger, dated as of April 24, 2006 (the Merger Agreement), by and between Manugistics, JDA Software Group, Inc. (the Buyer) and Stanley Acquisition Corp., a wholly owned subsidiary of the Buyer (Merger Sub).

The Merger Agreement contemplates the merger of Merger Sub with and into Manugistics, with Manugistics continuing after the Merger as a wholly owned subsidiary of the Buyer (the Merger). Upon completion of the Merger, each share of Manugistics' common stock not held by the Buyer, Merger Sub, Manugistics or any subsidiary of Manugistics or a stockholder who perfects appraisal rights in accordance with Delaware law, will be converted into the right to receive \$2.50 in cash, without interest and less any applicable withholding tax.

Under Delaware law, the affirmative vote of holders of a majority of the shares of Manugistics common stock outstanding and entitled to vote at the special meeting is necessary to adopt the Merger proposal.

On April 23, 2006, based on the unanimous recommendation of a special committee composed of three independent directors, our board of directors unanimously (1) approved and declared advisable the Merger Agreement, the Merger, and the other transactions contemplated by the Merger Agreement, (2) declared that it is advisable and in the best interests of the Company and its stockholders that the Company enter into the Merger Agreement and consummate the Merger on the terms and subject to the conditions set forth in the Merger Agreement, (3) declared that the Merger Agreement is fair to the Company and its stockholders, (4) directed that the Merger Agreement be submitted to a vote for adoption at a meeting of the Company's stockholders, and (5) recommended that the Company's stockholders adopt the Merger Agreement. **Therefore, our board of directors unanimously recommends that you vote FOR the adoption of the Merger Agreement.**

The accompanying Notice of Special Meeting and proxy statement explain the proposed Merger and provide specific information concerning the special meeting. Please read those materials carefully.

Our board of directors has fixed the close of business on [•], 2006, as the record date for the purpose of determining stockholders entitled to receive notice of, and to vote at, the special meeting or any adjournment, postponement or continuation thereof.

Our board of directors knows of no other matters that will be presented for consideration at the special meeting. If any other matter properly comes before the special meeting, the persons named in the enclosed form of proxy or their substitutes will vote in accordance with their best judgment on such matter.

The enclosed proxy statement provides you with a summary of the Merger Agreement and the proposed Merger and provides additional information about the parties involved. The closing of the Merger will occur as promptly as practicable following the adoption of the Merger Agreement at the

special meeting by Manugistics stockholders, subject to the satisfaction or waiver of the other conditions to the closing of the Merger, as described in the enclosed proxy statement.

YOUR VOTE IS VERY IMPORTANT. Whether or not you plan to attend the special meeting in person, please sign and return the enclosed proxy in the envelope provided. If you attend the special meeting and desire to vote in person, you may do so even though you have previously sent a proxy. Because adoption of the Merger Agreement requires, under Delaware law, the affirmative vote of holders of a majority of the shares of Manugistics common stock, the failure to vote will have exactly the same effect as voting against the Merger proposal.

If your shares are held in street name by your broker, your broker will be unable to vote your shares without instructions from you. You should instruct your broker to vote your shares, following the procedures provided by your broker. Failure to instruct your broker to vote your shares will have exactly the same effect as voting against adoption of the Merger proposal.

Sincerely,

Joseph L. Cowan
Chief Executive Officer

This proxy statement is dated [•], 2006, and is first being mailed to stockholders on or about [•], 2006.

MANUGISTICS GROUP, INC.
9715 Key West Avenue
Rockville, Maryland 20850

[•], 2006

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To be held [•], 2006

To Our Stockholders:

Notice is hereby given that a special meeting of stockholders of Manugistics Group, Inc., a Delaware corporation (Manugistics or the Company), will be held on [•],[•], 2006, at the Company s principal executive offices located at 9715 Key West Avenue, Rockville, Maryland at 9:00 a.m., E.D.T. for the following purposes:

1. To consider and vote upon a proposal to adopt the Agreement and Plan of Merger, dated as of April 24, 2006 (the Merger Agreement), by and between Manugistics, JDA Software Group, Inc. (JDA or the Buyer) and Stanley Acquisition Corp., a wholly owned subsidiary of the Buyer (Merger Sub). Pursuant to the Merger Agreement, Merger Sub will be merged with and into Manugistics, with Manugistics as the resulting corporation (the Merger). Upon completion of the Merger, each share of Manugistics common stock not held by the Buyer, Merger Sub, Manugistics, or any subsidiary of Manugistics or a stockholder who perfects appraisal rights in accordance with Delaware law, will be converted into the right to receive \$2.50 in cash, without interest and less any applicable withholding tax. A copy of the Merger Agreement is attached as Annex A to the accompanying proxy statement;
2. To approve the adjournment, postponement or continuation of the special meeting for, among other reasons, the solicitation of additional proxies in the event that there are not sufficient votes at the time of the special meeting to approve the proposal to approve the Merger Agreement; and
3. To transact any other business that may properly come before the special meeting.

Under Delaware law, the affirmative vote of holders of a majority of the shares of Manugistics common stock outstanding and entitled to vote at the special meeting is necessary to adopt the Merger proposal.

On April 23, 2006, based on the unanimous recommendation of a special committee composed of three independent directors (the special committee), our board of directors unanimously (1) approved and declared advisable the Merger Agreement, the Merger, and the other transactions contemplated by the Merger Agreement, (2) declared that it is advisable and in the best interests of the Company and its stockholders that the Company enter into the Merger Agreement and consummate the Merger on the terms and subject to the conditions set forth in the Merger Agreement, (3) declared that the Merger Agreement is fair to the Company and its stockholders, (4) directed that the Merger Agreement be submitted to a vote for adoption at a meeting of the Company s stockholders, and (5) recommended that the Company s stockholders adopt the Merger Agreement. **Therefore, our board of directors unanimously recommends that you vote FOR the adoption of the Merger Agreement.**

Our board of directors has fixed the close of business on [•],[•], 2006, as the record date for the purpose of determining stockholders entitled to receive notice of and to vote at the special meeting or any adjournment, postponement or continuation thereof.

The enclosed proxy statement provides you with a summary of the Merger Agreement and the Merger, and provides additional information about the parties involved. The closing of the Merger will occur as promptly as practicable following the adoption of the Merger Agreement at the special meeting by

Manugistics stockholders, subject to the satisfaction or waiver of the other conditions to the closing of the Merger, as described in the enclosed proxy statement.

Under Delaware law, stockholders of Manugistics can exercise appraisal rights in connection with the Merger. A stockholder that does not vote in favor of the Merger proposal and complies with all of the other necessary procedural requirements will have the right to dissent from the Merger and to seek appraisal of the fair value of his or her Manugistics shares, exclusive of any element of value arising from the expectation or accomplishment of the Merger. For a description of appraisal rights and the procedures to be followed to assert them, stockholders should review the provisions of Section 262 of the Delaware General Corporation Law, a copy of which is included as Annex B to the accompanying proxy statement.

YOUR VOTE IS VERY IMPORTANT. Whether or not you plan to attend the special meeting in person, please sign and return the enclosed proxy in the envelope provided. If you attend the special meeting and desire to vote in person, you may do so even though you have previously sent a proxy. Because adoption of the Merger Agreement requires, under Delaware law, the affirmative vote of holders of a majority of the shares of Manugistics common stock, the failure to vote will have exactly the same effect as voting against the Merger proposal.

BY ORDER OF THE BOARD OF DIRECTORS,
MANUGISTICS GROUP, INC.

By:

Timothy T. Smith
*Senior Vice President,
General Counsel and Secretary*

Rockville, Maryland
[•], 2006

TABLE OF CONTENTS

	Page
<u>SUMMARY TERM SHEET</u>	i
<u>PROXY STATEMENT</u>	1
<u>General Information</u>	1
<u>Purpose of Meeting</u>	1
<u>VOTING RIGHTS AND SOLICITATION OF PROXIES</u>	1
<u>Quorum Required</u>	1
<u>Votes Required</u>	1
<u>Proxies for Stockholders of Record</u>	2
<u>Voting Instructions for Beneficial Owners</u>	2
<u>Proxy Solicitation</u>	3
<u>Householding of Special Meeting Materials</u>	3
<u>Stockholder List</u>	3
<u>QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING AND THE MERGER</u>	3
<u>SUMMARY OF THE MERGER</u>	9
<u>The Companies</u>	10
<u>Merger Consideration</u>	10
<u>Treatment of Options Outstanding Under Our Stock Plans</u>	10
<u>Treatment of Employee Stock Purchase Plan and 401(k) Plan</u>	11
<u>Market Price and Dividend Data</u>	11
<u>Material United States Federal Income Tax Consequences of the Merger</u>	11
<u>Recommendation of Manugistics Board to Stockholders and Reasons for the Merger</u>	11
<u>Opinion of Lehman Brothers Inc.</u>	13
<u>The Special Meeting of Manugistics Stockholders</u>	14
<u>Interests of Manugistics Executive Officers and Directors in the Merger</u>	14
<u>Conditions to the Closing of the Merger</u>	15
<u>Termination of the Merger Agreement</u>	16
<u>Limitation on Considering Other Acquisition Proposals</u>	17
<u>Termination Fee and Expenses</u>	18
<u>Regulatory Approvals</u>	18
<u>Appraisal Rights</u>	18
<u>CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING INFORMATION</u>	18
<u>MARKET PRICE AND DIVIDEND DATA</u>	19
<u>THE COMPANIES</u>	20
<u>Manugistics Group, Inc.</u>	20
<u>JDA Software Group, Inc.</u>	20
<u>The Buyer's Merger Subsidiary</u>	21
<u>THE MERGER</u>	21
<u>Background to the Merger</u>	21
<u>Recommendation of Manugistics Board of Directors and Reasons for the Merger</u>	23
<u>Opinion of Lehman Brothers Inc.</u>	25
<u>Interests of Manugistics Executive Officers and Directors in the Merger</u>	33
<u>Appraisal Rights</u>	35
<u>Accounting Treatment</u>	37
<u>Form of the Merger</u>	37
<u>Merger Consideration</u>	38
<u>Treatment of Manugistics Stock Options and Restricted Stock</u>	38

TABLE OF CONTENTS (Continued)

<u>Treatment of Employee Stock Purchase Plan and 401(k) Plan</u>	38
<u>Effective Time of the Merger</u>	38
<u>Delisting and Deregistration of Manugistics Common Stock</u>	39
<u>Material United States Federal Income Tax Consequences of the Merger</u>	39
<u>Regulatory Matters</u>	40
<u>Financing</u>	40
<u>PROPOSAL NO. 1 THE MERGER AGREEMENT</u>	42