

ModusLink Global Solutions Inc
Form DEFA14A
November 16, 2011

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 (Amendment No.)

Filed by the Registrant ☒

Filed by a Party other than the Registrant ☐

Check the appropriate box:

☐ Preliminary Proxy Statement

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☐ Definitive Proxy Statement

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ModusLink Global Solutions, Inc.

(Name of Registrant as Specified In Its Charter)

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

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On November 16, 2011, ModusLink Global Solutions, Inc. issued the following news release:

**MODUSLINK TO REVIEW STRATEGIC ALTERNATIVES TO
ENHANCE STOCKHOLDER VALUE**

Company Announces Governance Change

WALTHAM, Mass., November 16, 2011 ModusLink Global Solutions Inc. (NASDAQ: MLNK) today announced that its Board of Directors has unanimously decided to explore strategic alternatives aimed at enhancing stockholder value. While the Company maintains a positive outlook for its performance as a stand-alone entity, ModusLink's Board of Directors has retained Goldman, Sachs & Co. as its financial advisor to undertake a comprehensive and thorough review of viable strategic alternatives, including among other things a possible sale of certain of the Company's assets and other strategic options. The Board will form a committee, comprised solely of independent directors and led by Jeffrey J. Fenton, to oversee the review process and make associated recommendations to the full Board.

Our Board is committed to enhancing stockholder value and regularly evaluates our options to achieve that goal, said Joseph C. Lawler, ModusLink president and chief executive officer. We have taken numerous concrete steps to put ModusLink on a trajectory of sustained growth in revenue and profits, including the ongoing execution of our investment and cost reduction plan. We have confidence in our plan and long term performance. However, as part of our commitment to further enhance stockholder value, our Board will review the various strategic options available to the Company.

The Company noted that there can be no assurance that the exploration of strategic alternatives will result in any agreement or transaction. In addition, the Company does not intend to disclose developments with respect to this process unless and until its Board of Directors has completed its review and approved a definitive course of action.

The Board has also determined, as an enhancement to its governance structure, to separate the chairman and chief executive officer roles. Francis J. Jules, who has been the Company's presiding director since 2006 and a member of the Company's Board since 2003, has been named non-executive chairman of the Board effective immediately.

About ModusLink

ModusLink Global Solutions, Inc. designs and executes global value chain strategies to solve clients' cost, time-to-market, customer satisfaction and revenue objectives. Our supply chain, aftermarket, e-Business and entitlement management solutions support the end-to-end product lifecycles of the world's leading technology and consumer goods companies. ModusLink has more than 25 years of experience executing complex supply chain processes such as sourcing, configuration and fulfillment. We can manage these critical functions seamlessly with a client's global e-Business initiative or an integrated aftermarket program, including alternative channel recovery for at-risk inventory. Backed by a footprint of more than 25 solution centers in 15 countries, ModusLink clients can react quickly to shifting market dynamics impacting value chain performance and revenues. For more information about ModusLink's flexible, scalable and sustainable solutions, visit www.moduslink.com or www.valueunchained.com, the blog for value chain professionals.

This release contains forward-looking statements, including the Company's exploration of strategic alternatives aimed at enhancing stockholder value, the Company's investment and cost reduction plans and timing and impact of the expected benefits of such program, and the expected growth in revenue and profits as a result of the investment and cost reduction plan. All statements other than statements of historical fact, including without limitation, those

with respect to the Company's goals, plans, expectations and strategies set forth herein are forward-looking statements. The following important factors and uncertainties, among others, could cause actual results to differ materially from those described in these forward-looking statements: the Company's success, including its ability to meet its revenue, operating income and cost savings targets, maintain and improve its cash position, expand its operations and revenue, lower its costs, improve its gross margins, reach and sustain profitability, reach its long-term objectives and operate optimally, depends on its ability to execute on its business strategy, including the announced investment and costs reduction plan and the continued and increased demand for and market acceptance of its services; global economic conditions, especially in the technology sector are uncertain and subject to volatility; demand for our clients' products may decline or may not achieve the levels anticipated by our clients; the Company's management may face strain on managerial and operational resources as they try to oversee the expanded operations; the Company may not realize the expected benefits of its restructuring and cost cutting actions; the Company may not be able to expand its operations in accordance with its business strategy; the Company's cash balances may not be sufficient to allow the Company to meet all of its business and investment goals; the Company may experience difficulties integrating technologies, operations and personnel in accordance with its business strategy; the Company derives a significant portion of its revenue from a small number of customers and the loss of any of those customers could significantly damage the Company's financial condition and results of operations; the Company frequently sells to its supply chain management clients on a purchase order basis rather than pursuant to contracts with minimum purchase requirements, and therefore its sales and the amount of projected revenue that is actually realized are subject to demand variability; risks inherent with conducting international operations; tax rate expectations are based on current tax law and current expected income and may be affected by the jurisdictions in which profits are determined to be earned and taxed, changes in estimates of credits, benefits and deductions, the resolution of issues arising from tax audits with various tax authorities, including payment of interest and penalties and the ability to realize deferred tax assets; the mergers and acquisitions and IPO markets are inherently unpredictable and liquidity events for companies in the Company's venture capital portfolio may not occur; and increased competition and technological changes in the markets in which the Company competes. In addition, there can be no assurance that the review of strategic alternatives will enhance stockholder value, that any transaction will be pursued, or if a transaction is pursued that it will be consummated. For a detailed discussion of cautionary statements that may affect the Company's future results of operations and financial results, please refer to the Company's filings with the Securities and Exchange Commission, including the Company's most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. Forward-looking statements represent management's current expectations and are inherently uncertain. We do not undertake any obligation to update forward-looking statements made by us.

Important Additional Information

ModusLink, its directors and certain of its executive officers and employees are participants in a solicitation of proxies in connection with its 2011 annual meeting of stockholders (the "2011 Annual Meeting"). Important information concerning the identity and interests of these persons is available in ModusLink's preliminary proxy statement filed with the Securities and Exchange Commission (the "SEC") on October 24, 2011. ModusLink plans to file with the SEC and mail to its stockholders a definitive proxy statement in connection with the 2011 Annual Meeting. Information regarding the identity of the participants, and their direct or indirect interests, by security holdings or otherwise, is set forth in the preliminary proxy statement and ModusLink's Annual Report on Form 10-K for the year ended July 31, 2011. To the extent holdings of ModusLink securities have changed since the amounts printed in the preliminary proxy statement for the 2011 Annual Meeting, such changes have been or will be reflected on Statements of Change in Ownership on Form 4 filed with the SEC.

Copies of ModusLink's preliminary proxy statement, any other relevant documents and other materials filed with the SEC concerning ModusLink, when filed, may be obtained free of charge at www.sec.gov and www.ir.moduslink.com. Stockholders should carefully read the proxy statement and the accompanying WHITE proxy card when they become available before making any voting decision.

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