

Microsoft bids \$44.6 billion for Yahoo!

by UPI

REDMOND, Wash. - Microsoft Corp. made an unsolicited bid to purchase Internet search engine Yahoo! Inc. for \$44.6 billion, the company announced Friday. A Microsoft statement said the offer values Yahoo! at \$31 per share, 62 percent above its closing value on the stock market Thursday. The offer would allow Yahoo! shareholders to either take cash or a fixed number of shares of Microsoft common stock, comprising a 50-50 ratio of cash and stock, the statement said. Microsoft projected a doubling of the online advertising business from \$40 billion per year to \$80 billion by 2010. Company officials also said they believe they can cut \$1 billion in annual operating expenses with the acquisition. Microsoft Chief Executive Officer Steve Ballmer said, "We have great respect for Yahoo!, and together can offer an increasingly exciting set of solutions for consumers, publishers and advertisers while become better positioned to compete in the online services market." Yahoo! shares have fallen recently. On Jan. 25, Yahoo! announced it would trim its workforce by 1,000 jobs.

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