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Steve Ballmer
coolz0r

Microsoft: No Extra Cash for Yahoo Just Because We Can Afford It

Going directly to the shareholders next

Chris Liddell, Microsoft's chief financial officer revealed that the Redmond company would not offer anything on top of the initial \$44.6 takeover bid for Yahoo simply because it can afford to do so. In this manner, Liddell crushed speculations that Microsoft was going to sweeten the deal it had offered Yahoo at the beginning of February 2008. However, there are additional avenues of approach for the Redmond company in its attempt to swallow the Sunnyvale-based Internet giant. Following the February offer, Microsoft presented Yahoo with an ultimatum to say "I do" to its marriage proposal. The Sunnyvale company refuted Microsoft's bid in the past arguing that it undervalues Yahoo. "With respect to Yahoo, we've been clear, as is evident from the size of our offer premium, that speed is of the essence for the deal to make sense and get folded into our online strategy. Unfortunately, the transaction has been anything but speedy and has been characterized by what would appear to be unrealistic expectations of value," Liddell stated according to [SeattlePI](#). "(...) We've yet to see tangible evidence that our bid substantially undervalues the company. In fact, we see the opposite. Yahoo continues to lose search share, and profitability continues to decline year-on-year. The results that they announced on Tuesday were in line with the guidance that they gave on their last earnings call, on Jan. 29, after which their stock price closed at \$19.05, and Wall Street analysts' consensus on value was significantly decreased." As Yahoo has yet to reconsider its initial negative answer, and is unlikely to do so by the end of this week, Microsoft is getting ready for the next step. Despite the fact that Liddell mentioned the possibility that Microsoft might just throw in the towel and walk away completely looking to other opportunities, the fact of the matter is that this battle is far from over. What the Redmond company will do, and this move was confirmed by Chief Executive Steve Ballmer is take its offer to Yahoo's shareholders (video embedded at the bottom, courtesy of [Miel Van Opstal](#), Enthusiast Evangelist Microsoft). "With or without a Yahoo combination, Microsoft is focused on the online advertising market, which is expected to double by 2010, to \$80 billion. Although Yahoo would accelerate our efforts, we have an existing strategy that is already centered on three key pillars: Drive innovation in search, increase value to advertisers and publishers through innovation and scale, and grow user engagement across our MSN and Windows Live properties. We have an extremely talented engineering team, a great portfolio of advertiser and publisher tools, and key assets in information content, communications and social networking. Lastly, we're committed to compete in online advertising through organic investments, partnerships and acquisitions, such as aQuantive and Rapt," Liddell added.

[Video: Steve Ballmer talks about Facebook and Yahoo](#)