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Microsoft in bid to buy Yahoo

Offering \$44.6 billion

by Amy-Mae Elliott published on 1 February 2008

Rumours about a possible buyout have been doing the rounds for some time now, but Microsoft has now made its interest in competitor Yahoo official by offering nearly \$45 billion for the struggling search company.

Microsoft Chief Executive Steve Ballmer has penned a letter to Yahoo's board of directors, saying the company will bid \$31 per share, a 62% premium on Yahoo's closing stock price on Thursday.

"We have great respect for Yahoo, and together we can offer an increasingly exciting set of solutions for consumers, publishers and advertisers while becoming better positioned to compete in the online services market", Ballmer said.

The purchase would need to be cleared by the relevant regulatory boards but could go through by the second half of the year if Yahoo is amenable to Microsoft's offer.

The news comes on the back of last week's announcement from Yahoo that it is going to slash 1000 jobs by mid-February.

The move is despite Q4 earnings that were better than expected, but is part of a wider bid by Yahoo to try and catch up with Google in terms of online searches.

Yahoo is yet to issue an official statement.

