

Yahoo open to Microsoft deal under right terms

May 27 2009, By ELLIOT SPAGAT , AP Business Writer

(AP) -- Yahoo Inc.'s chief executive said Wednesday that she is open to joining forces with Microsoft Corp. so both companies can better compete in Internet search, but a deal would need a specific set of terms - including "boatloads of money."

An alliance in Internet search would have to enrich Yahoo, give Yahoo access to the "right data" and bring strong technology, [Carol Bartz](#) said at The Wall Street Journal's D: All Things Digital conference. In the past, Yahoo has insisted it needs data culled from search requests to sell the most effective ads and tailor other services to suit its users' interests.

Asked if she would consider selling all of Yahoo, she said, "Oh, they'd have to have BIG boatloads of money."

Yahoo already has walked away from what would seem to be a boatload. Microsoft offered as much as \$47.5 billion for the company last year. Jerry Yang's, Yahoo's co-founder, was chief executive at the time and saw Yahoo lose two-thirds of its market value after rejecting Microsoft. He stepped down in November and was replaced in January by Bartz, who came from [Autodesk](#) Inc. Yahoo's market value now stands at \$21 billion, with its shares falling 34 cents to \$14.94 Wednesday.

Microsoft Corp. [CEO Steve Ballmer](#), who appears at the conference Thursday and is widely expected to talk about his company's new search engine, has said he would still be interested in a search-related deal with Yahoo that could help them threaten [Google](#) Inc.'s leadership.

Bartz was asked whether Yahoo continues to talk with [Microsoft](#).

"Yeah, a little bit," she said.

Bartz said it would be unfair to shareholders to rule out selling the company and she needed the founders of privately held Twitter Inc. for saying Tuesday that they intended to keep the young, rapidly growing online communication service independent.

"Never's a long time," she said.

Bartz, 60, recounted how she deflected overtures from Yang in November to take his job when they met at board meeting of networking equipment maker Cisco Systems Inc., where they serve as directors. A month later, she agreed to visit Yang's home.

Bartz was taken aback when Yang pulled an organizational chart from a closet and started drawing arrows when asked how strategic decisions were made.

"It was like a Dilbert cartoon, it was very odd," Bartz said. "I was like, 'Oh, my God. You need management.'"

Blake Jorgensen, Yahoo's chief financial officer, plans to leave the Sunnyvale, Calif.-based company as soon as Bartz finds a replacement. But it doesn't sound like Bartz wants to replace Susan Decker, who had been president of [Yahoo](#) before leaving the company after Bartz beat her out for the top job.

"I don't need a No. 2 because I don't want to be removed from the business," Bartz said. "That's what happens. You get confused about who's in charge."

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