

Time Warner buys back AOL stake from Google

July 28 2009

(AP) -- Time Warner Inc. bought back Google Inc.'s 5 percent stake in struggling Internet company AOL LLC for \$283 million, according to a regulatory filing by AOL on Monday.

The price paid on July 8 is close to what [Google](#) estimated its stake at earlier this year.

Mountain View-based Google bought the stake for \$1 billion in 2006, but in January estimated the investment had sunk by more than 70 percent to \$274 million - giving AOL a market value of about \$5.5 billion. Time Warner agreed to buy back the stake earlier this year.

The price at which New York-based Time Warner bought back the stake values AOL at less \$5.66 billion when excluding a cash distribution of unspecified size that was included in the total price.

The repurchase sets the stage for AOL's impending spinoff from parent Time Warner, which was announced May and is expected to occur later this year. AOL bought the media company in 2001 when its legacy dial-up Internet access business was still extremely popular. That business has been declining for years, and a newer focus on making money from online advertising is not yet picking up the slack.

The filing also gave a slightly more detailed picture of AOL's finances, showing that the business posted a loss of \$1.53 billion in 2008 and a profit of \$82.7 million in the first quarter of 2009 - down 48 percent

from \$159.7 million in the year-ago quarter. The company's total equity as of March 31 was \$3.49 billion.

A spokesman for [Time Warner](#) and a spokeswoman for [AOL](#) said the companies had no comment.

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