

Microsoft-Yahoo! deal gets green light from regulators

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The logo for Microsoft at their offices in Herndon, Virginia, United States. Microsoft and Yahoo! said Thursday their tie-up plan in the Internet search and advertising business had cleared US and European Union antitrust hurdles.

Microsoft and Yahoo! said Thursday that US and European regulators have cleared the way for them to blaze on with a planned tie-up aimed at taking on Internet search king Google.

"Although we are just at the beginning of this process, we have reached an exciting milestone," said Microsoft chief executive Steve Ballmer.

"I believe that together, Microsoft and Yahoo! will promote more choice, better value and greater innovation to our customers as well as to advertisers and publishers."

The companies said they had "received clearance for their search agreement, without restrictions, from both the US Department of Justice and the European Commission, and will now turn their attention to beginning the process of implementing the deal."

The European Commission earlier announced it had approved software giant Microsoft's plan to acquire Yahoo!'s Internet search and advertising business.

The partners said they expected to begin implementing the deal "in the coming days."

Under terms of the agreement announced in late July 2009, Microsoft's new Bing search engine will handle online queries at Yahoo! properties, with the California Internet pioneer customizing presentation of results and ads.

The transition will involve moving Yahoo!'s search platforms to Microsoft, with Yahoo! running sales relations with both companies' premium search advertisers globally.

"This breakthrough search alliance means Yahoo! can focus even more on our own innovative search experience," said Yahoo! chief executive Carol Bartz, who took command of the firm after a failed takeover bid by Microsoft.

"Yahoo! gets to do what we do best: combine our science and technology with compelling content to build personally relevant online experiences for our users and customers."

All global customers and partners are expected to be transitioned by early 2012, they said.

"Once the transition is completed, the companies' unified search marketplace will deliver improved innovation for consumers, better volume and efficiency for advertisers and better monetization opportunities for web publishers through a platform that contains a larger pool of search queries," the companies said in a joint statement.

Yahoo! and Microsoft announced in December that they had finalized the details of an Internet search and advertising partnership -- a year after Microsoft offered 47.5 billion dollars in a takeover bid for Yahoo!.

Google opposed a Microsoft takeover of Yahoo! and had proposed its own alliance with the struggling Internet firm, but backed off from such a plan after it was frowned on by US regulators.

Predictably, Microsoft had weighed in against a Google partnership with Yahoo! at the time.

Analysts are divided on how much closer the Microsoft-Yahoo! tie-up will take either company to Google, the overwhelming leader in a web search and advertising market, which research firm Forrester estimates will be worth more than 30 billion dollars (22 billion euros) in 2014 in the United States alone.

Microsoft and Yahoo! said Thursday that they continue to work with regulators in South Korea, Taiwan and Japan to provide all relevant information necessary for them to evaluate the transaction before the deal is launched in those countries.

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