

AOL CEO Armstrong snaps up \$10M worth of AOL stock

February 15 2011

(AP) -- AOL CEO Tim Armstrong is making a \$10 million bet that his turnaround strategy will pay off. He just invested that amount of money in 477,000 shares of the company's stock.

In a Monday filing with the [Securities and Exchange Commission](#), Armstrong reported buying the shares at an average weighted price of \$20.97 apiece on Friday. The move raises his stake in the struggling [Internet company](#) to about 4 percent, according to AOL.

Armstrong now owns 876,511 of AOL's common shares directly and 709,157 shares indirectly through his private investment company Polar Capital Group LLC and through Armstrong Family Investment LLC. He also owns millions of [stock options](#) and other incentives that AOL has given him since luring him away from [Google](#) Inc. to become its CEO in April 2009.

Armstrong increased his holdings after the company's stock dropped 6 percent last week following AOL Inc.'s announced \$315 million acquisition of the online news site Huffington Post. The deal is part of Armstrong's effort to attract more traffic to AOL so its network of websites is more appealing to advertisers.

AOL rose to fame in the '90s with its dial-up Internet service, managing to buy media conglomerate [Time Warner](#) Inc. in 2001 at the height of the dot-com boom. The corporate marriage never really worked, though, and AOL's main source of revenue began drying up as consumers

flocked to speedier broadband Internet connections. After nearly a decade of attempts at integrating the two, Armstrong was brought in to prepare AOL to separate from Time Warner, and the companies split in Dec. 2009.

AOL shares rose 61 cents, or 2.9 percent, to finish trading at \$21.83.

©2010 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

Citation: AOL CEO Armstrong snaps up \$10M worth of AOL stock (2011, February 15)
retrieved 9 April 2024 from <https://phys.org/news/2011-02-aol-ceo-armstrong-snaps-10m.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--