Alibaba tells Yahoo! to decide on takeover

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The Yahoo homepage. Alibaba Group Chairman Jack Ma expressed frustration with the length of time that the Yahoo! board was taking to respond to Alibaba's very public expressions of takeover interest.

Alibaba Group Chairman Jack Ma said Thursday he expects an answer from Yahoo! within weeks to his long-standing offer to buy all or part of the US Internet giant, saying delays were hurting both firms.

The Chinese entrepreneur denied reports he had a $20 billion war chest ready for Yahoo!, but added that money was not the biggest obstacle to what would be a stunning takeover of a US tech major by a Chinese firm.

"Finance is never a problem. Today the market is not good but the money is there. The problem is what they (Yahoo!) want to do," Ma told the All Things Digital AsiaD technology conference in Hong Kong.

He expressed frustration with the length of time that the Yahoo! board was taking to respond to Alibaba's very public expressions of interest.

"We still have not changed our mind and we keep our strong interest in Yahoo!. We are waiting for the Yahoo! board and especially the independent directors to tell us exactly what they want," he said.

"If their board is saying all of Yahoo!, I'm interested. If it's just a piece, I'm interested. Just let us know," he said, adding that he was hoping for an answer from Yahoo! in the "next few weeks".

"Time is so precious for all of us, it's no good for Yahoo!, it's not good for everybody (to delay)," he said.

Once seen as the Internet's leading light, Yahoo has struggled to build a strongly profitable, growing business out of its huge Web presence and global audience.

Apart from Alibaba, several other firms were also rumoured to be eyeing Yahoo!, including Microsoft and US private equity firm Silver Lake Partners.

Microsoft tried to buy the company for $44.6 billion in February 2008, or a per-share price of $31, but Yahoo! said at the time that the bid undervalued the company, and reportedly turned down a higher offer of $32-33 a share.

Alibaba is 43 percent owned by Yahoo! and is considered one of its best assets, but the Chinese firm reportedly feels it has outgrown its US partner.

The relationship between the two companies was strained earlier this year in a dispute over Alibaba's online payments platform Alipay.

Yahoo! co-founder Jerry Yang and Ma are said to be good friends but the US executive dodged questions about how Yahoo! intended to respond to the Alibaba chief.

Speaking before Ma at the same conference, Yang said the Yahoo! board was trying to foster a better "environment" of innovation and was looking at many options to maximise shareholder value.

"Everywhere I go inside Yahoo! there's a yearning to change the way we build our products," he said.

"We look at this whole thing and say we have many ways to create that environment."

Asked whether an Alibaba takeover might be the best option for Yahoo!, Yang said the board had ruled nothing in or out.

"There are many ways to create value and so far we have not ruled out any possibilities," he told the conference, which is sponsored by the Wall Street Journal.

"I've seen the company grow from zero to where we are now and I can honestly say that the true ambition for me is to see Yahoo! achieve the potential that it is able to achieve."

Meanwhile, Yang said the firm continues it search for a new chief executive, after it fired Carol Bartz last month, less than three years after she was brought in to help turn around the struggling Internet company.

"Theres a search and a search committee. I think the board is pretty excited about the prospects, about the way we can invigorate the company, and the search process is one of them," said Yang.