

Alibaba to reach out to Yahoo CEO on stalled deal

February 15 2012, By KELVIN CHAN , AP Business Writer

(AP) -- Alibaba Group and Japan's Softbank will go directly to Yahoo's chief executive, bypassing negotiators from the U.S. Internet company, after talks over the sale of Yahoo's Asian holdings broke down, a person familiar with the negotiations said Wednesday.

The struggling [Internet company](#) has been in discussions to sell its stakes in Chinese e-commerce company Alibaba Group Holding Ltd. and [Yahoo](#) Japan back to Alibaba and Yahoo Japan shareholder Softbank Corp.

But the person, who declined to be identified because the talks are confidential, said that Softbank and Alibaba will go directly to Yahoo Inc. CEO [Scott Thompson](#) for more clarity after talks broke down over the terms. The person said Yahoo's negotiating team seemed to have different ideas from the company's leaders.

"Softbank and Alibaba will be reaching out to Scott Thompson to get clarity on what the heck is going on," said the person, adding that the two Asian companies are still "very much in alignment."

The fate of Yahoo's Asian holdings remains in limbo after negotiations abruptly broke off. It's the latest twist in the drama that has been swirling around Yahoo since it fired [Carol Bartz](#) as CEO five months ago.

Yahoo wants to appease shareholders by selling its two most valuable assets - the stakes in Alibaba and Yahoo Japan - to raise money for

[dividends](#) or possible acquisitions. But a complicated deal that would have enabled Yahoo to escape taxes fell apart.

The person said the talks broke down over unreasonable terms but wouldn't specify what that meant, except to say that it wasn't over price.

"The strategic leaders were saying: We want to unlock some value here so we can free up some cash and focus on the core," said the person of Yahoo's top management. "Based on the behavior of the most recent negotiation session (in Hong Kong), it was clear that somebody else had a different idea."

On Tuesday, another person familiar with the matter said negotiations broke off in a [disagreement](#) over the sales price and the best way to get the complex deal done. And a third person also familiar with talks said Yahoo had second thoughts after agreeing to a price outlined in late December.

All Things D, a technology blog affiliated with The Wall Street Journal, reported earlier that the talks had collapsed.

Analysts have differed on how much Yahoo could fetch from selling its stakes, with estimates ranging from \$11 billion to \$18 billion. Yahoo owns about 40 percent of [Alibaba](#).

Adding to turmoil at Yahoo, a major shareholder outlined plans Tuesday to wage a campaign to win a board seat for himself and three of his allies. New York hedge fund manager Daniel Loeb said in a regulatory filing that the company needs more directors with media experience and turnaround know-how.

©2012 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

Citation: Alibaba to reach out to Yahoo CEO on stalled deal (2012, February 15) retrieved 24 April 2024 from <https://phys.org/news/2012-02-alibaba-yahoo-ceo-stalled.html>

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.