

AOL shareholders re-elect all 8 board members

June 14 2012

(AP) — AOL Inc. said Thursday shareholders voted at their annual meeting to re-elect all eight directors on the company's board, fending off a takeover attempt by one of its largest investors.

New York-based investment firm Starboard Value LP, which owns about 5.3 percent of AOL's outstanding shares, had nominated a trio of candidates, saying that the company wasn't doing enough to make money off its hundreds of technology patents.

In a statement, AOL said it still plans to add two additional independent directors to its board that it believes will add additional expertise and perspectives.

"Today's outcome reaffirms our strong belief that AOL has the right strategy and team to successfully execute on our plan to continue to deliver enhanced value for all stockholders," AOL said. Results are based on a preliminary vote count.

Starboard issued a statement Thursday thanking AOL shareholders for their support and saying that its involvement helped boost the company's value.

"For Starboard, we measure success by enhancing value for all shareholders, thereby producing returns for our investors. AOL adopted many of our suggestions, taking AOL stock from near an all-time low to near an all-time high," Starboard said in its statement.

Since the beginning of this year, AOL shares have jumped about 80 percent.

Starboard announced plans in February to nominate the candidates, saying that if "properly harvested and monetized," AOL's portfolio of patents could produce more than \$1 billion in licensing income. But it claimed that AOL hadn't responded to proposals that would do that.

AOL said that the time that it was already looking for ways to unlock the value of its patents. And in April, it announced the sale of more than 800 of its patents to Microsoft Corp. for more than \$1 billion. But Starboard said that the sale wasn't enough to turn around the company.

However, the sale helped boost the company's stock. In the two months since the April announcement, AOL shares have gained about 47 percent.

Last month, AOL posted a steep jump in first-quarter profit that beat Wall Street expectations, as lower costs more than offset a drop in revenue.

In midday trading, AOL shares fell \$1.57, or 5.8 percent, to \$25.53.

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