

# Microsoft buys Internet startup Yammer for \$1.2B

June 25 2012

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In this Monday, June 18, 2012, file photo, Microsoft CEO Steve Ballmer unveils its "Surface", a new tablet computer to compete with Apple's iPad at Hollywood's Milk Studios in Los Angeles. Microsoft announced Monday, June 25, 2012, that is paying \$1.2 billion to buy Yammer, an Internet startup that has built a social network similar to Facebook for the business world. (AP Photo/Damian Dovarganes, File)

(AP) — Microsoft is paying \$1.2 billion to buy Yammer, an Internet startup that has built a social network similar to Facebook for the

business world.

The deal announced Monday comes nearly two weeks after word of Microsoft's negotiations with Yammer first leaked out in published reports. Yammer provides ways for companies to create private social networks for their employees. It has more than 5 million corporate users.

The acquisition represents Microsoft's latest attempt to adapt to a major shift in the technology industry, one that is fueling demand for more Internet services and social-networking tools. That shift is threatening to weaken Microsoft's position as the world's largest software maker.

Last year, [Microsoft](#) Corp. bought Internet video chat service Skype for \$8.5 billion in the biggest acquisition in the company's 37-year history.

Yammer, which is based in San Francisco, had raised about \$142 million since its inception four years ago.

Yammer plans to continue offering a standalone service, while Microsoft will encourage its use alongside its other business products, including Office and SharePoint.

"When we started Yammer four years ago, we set out to do something big," Yammer CEO David Sacks said. "We had a vision for how social networking could change the way we work. Joining Microsoft will accelerate that vision and give us access to the technologies, expertise and resources we'll need to scale and innovate."

Microsoft's stock fell \$1.01, or 3.3 percent, to \$29.69 in afternoon trading Monday.

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