

# AOL unveils buyback, special dividend

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The once high-flying Internet firm, which is reshaping itself as a media company, finalized plans to distribute \$1.1 billion from its sale of patents earlier this year to Microsoft.

"Today's announcement underscores AOL's commitment to delivering value for our shareholders," said AOL chairman and chief executive Tim Armstrong.

"AOL remains committed to creating and unlocking value for all shareholders through smart execution and disciplined management of our asset portfolio."

AOL, which has been fighting off an activist [hedge fund](#)'s attempt to wrest control, has agreed to repurchase \$600 million worth of [common stock](#) by the end of the year.

Additionally, it will pay a special, one-time, [cash dividend](#) of \$5.15 per share, on December 14.

In its most recent quarter, AOL posted a profit of \$970.8 million, boosted by the big sale of patents.

Earlier this year, the Starboard Value hedge fund AOL criticized the strategy of the current management for failing to deliver for shareholders and sought a shakeup.

Starboard Value said in a February letter to the AOL board it was "troubled that the company remains closed-minded to alternative value creation initiatives, and instead appears solely focused on pursuing the status quo."

AOL, formerly known as America Online, has been struggling since the collapse of its leadership as an Internet subscription service, and has been seeking to become a more diversified Web firm.

It fused with news and entertainment giant Time Warner in 2001 at the height of the dotcom boom in what is considered one of the most disastrous mergers ever.

It was spun off by Time Warner in December 2009 into an independent company and has been struggling since then as it tries to focus on media

and news.

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