

Icahn steps back from battle with Apple

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This picture taken on December 22, 2013 shows the Apple logo outside the store in Beijing

Activist investor Carl Icahn said Monday he would no longer press Apple to boost its share buyback plan after a proxy advisory firm recommended against his proposal.

The billionaire said in an open letter to shareholders that Apple has already done much of what he was seeking, by repurchasing \$14 billion in shares in recent weeks.

Icahn's letter said he was "disappointed" by the recommendation against his plan from Institutional Shareholder Services.

But he maintained that "we do not altogether disagree with their assessment and recommendation in light of recent actions taken by the company to aggressively repurchase shares in the market."

Since last year, Icahn has been increasing his stake in Apple and pressing management to boost its share buyback as a way to boost the value of the stock, which has fallen from highs in 2012.

Last year, Apple agreed to a plan to return some \$100 billion to shareholders including \$60 billion in buybacks. Icahn, however, has talked about a bigger share buyback and made a formal, non-binding proposal to the tech giant's board of directors to add \$50 billion to the buyback.

Icahn said the ISS report released Sunday indicated that Apple recently repurchased in "two weeks alone" \$14 billion worth in shares, and that "for fiscal 2014, it appears on track to repurchase at least \$32 billion in shares."

Our proposal, as ISS points out, "thus effectively only asks the board to spend another \$18 billion on repurchases in the current year."

"In light of these actions, and ISS's recommendation, we see no reason to persist with our non-binding proposal, especially when the company is already so close to fulfilling our requested repurchase target," Icahn said in the letter released on his Shareholders' Square Table website.

Icahn has a long history of taking positions in companies that give him the leverage to force changes in management or provide dividends to shareholders.

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