

Google eyeing up to \$30 billion in foreign buyouts

May 21 2014, by Michael Liedtke



Google is amassing cash overseas to help finance a foreign shopping spree that could cost the Internet company up to \$30 billion.

The potential price tag for Google's expansion plans outside the U.S. surfaced Tuesday in documents disclosing the company's response to recent questions raised by the Securities and Exchange Commission.

Pressed to provide more details about its plans for its overseas cash, Google revealed that \$20 billion to \$30 billion is earmarked for the acquisition of [foreign companies](#) and technology rights held outside the U.S. The Mountain View, California, company didn't specify a timetable

for completing the deals or mention any acquisition candidates.

Google nearly pulled off a major acquisition late last year, according to the letter to the SEC. The company said it was in talks to buy a foreign company before abandoning the negotiations shortly before writing the Dec. 20, 2013, letter. Although the letter is five months old, the SEC didn't release it until Tuesday.

Google Inc. declined to comment on the letter.

Had the potential deal mentioned in the SEC letter been completed, it would have eclipsed Google's largest foreign acquisition so far—last year's \$1 billion purchase of Waze, a digital mapping service based in Israel.

Google has spent about \$27 billion buying other companies, primarily in the U.S., during the past decade. Its biggest acquisition so far has been Motorola Mobility, a cellphone maker snapped up for \$12.4 billion two years ago. Google is now in the process of selling Motorola's phone business to Lenovo Group for \$2.9 billion in a deal that still requires regulatory approval.

Besides buying foreign companies, Google also may spend about \$4 billion buying offices and data centers outside the U.S, according to its explanation to the SEC.

Google's overseas cash totaled \$34.5 billion through March. Another \$25 billion is held in the U.S.

Like many other large technology companies, Google has been criticized for keeping money overseas to avoid paying U.S. taxes. Lawmakers in Britain and France also have lashed out at Google for avoiding taxes in their countries by booking revenue in Ireland, where tax rates are lower.

Google has steadfastly maintained that all of its financial reporting complies with tax laws around the world.

Most of Google's revenue comes from outside the U.S.

A proposal urging Google to pay its "fair share" of taxes around the world was rejected by more than 90 percent of the [company's](#) shareholders at a meeting last week.

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