

Ballmer steps down from Microsoft board (Update)

August 19 2014, by Ryan Nakashima



In this Aug. 18, 2014 file photo, new Los Angeles Clippers owner Steve Ballmer speaks during a news conference held after the Clippers Fan Festival in Los Angeles. Ballmer is stepping down from Microsoft's board, bringing to a close 34 years with the software giant. He says he plans to devote more time to his ownership of the Clippers, civic contributions, teaching and study. (AP Photo/Jae C. Hong, File)

Former Microsoft CEO Steve Ballmer is stepping down from the company's board, closing a chapter on 34 years with the software giant.

Ballmer says he plans to devote more time to his ownership of the Los Angeles Clippers, civic contributions, study and teaching business at Stanford in the fall and USC next spring.

Microsoft Corp. published Ballmer's resignation letter on its website Tuesday along with a response from current CEO Satya Nadella thanking him and wishing him well.

The 58-year-old says he plans to hold on to his Microsoft stock and will continue to offer feedback on products and strategy. With 333.3 million shares worth \$15 billion, Ballmer's 4 percent stake in the company makes him the largest individual shareholder. A few institutional investors hold slightly more.

"I bleed Microsoft—have for 34 years and I always will," Ballmer wrote. "I will be proud, and I will benefit through my share ownership. I promise to support and encourage boldness by management in my role as a shareholder in any way I can."

Ballmer stepped down as chief executive in February, and since then Microsoft shares have risen about 24 percent. The stock closed Tuesday up 0.5 percent at \$45.33. He noted his resignation from the board comes as the company prepares for its next shareholder meeting set for sometime this fall.

Nadella thanked Ballmer for his support during the transition period and used the opportunity to reiterate the company's new focus on mobile devices and cloud computing.

"Under your leadership, we created an incredible foundation that we continue to build on—and Microsoft will thrive in the mobile-first, cloud-first world," Nadella said.

Ballmer's departure leaves Microsoft's board with 10 members. It has no immediate plans to replace him. The company, which is based in Redmond, Washington, adds a new board member about once every year or so. The most recent addition was John Stanton, chairman of wireless technology investment fund Trilogy Equity Partners, in July.

Robert Breza, an analyst with Sterne Agee & Leach, said Ballmer still lives in the Seattle area and will no doubt be accessible if needed.

"Steve will still be relevant for the next two years if someone asks him a question," Breza said. "It gives them the chance to remake the board. At the end of the day it's a good thing."

In February, co-founder Bill Gates increased the amount of time he spent at Microsoft as a technology adviser at Nadella's request, but other than his board seat, Ballmer hadn't had a formal role after stepping down as CEO.

Ballmer's resignation from the board came a day after he high-fived and chest-bumped his way through a crowd of 4,500 Clippers fans at a rally at the Staples Center. He bought the team for \$2 billion in a sale that a judge confirmed last week.

More information: Ballmer letter: bit.ly/YvzjH7

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