

Yahoo wants to invest in Snapchat: report

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A view of Yahoo! headquarters on May 23, 2014 in Sunnyvale, California

Flush with cash from its investment in Alibaba, Yahoo is angling to buy into hot mobile messaging startup Snapchat, the Wall Street Journal reported on Friday.

Yahoo has been in talks to take part in a funding round that would value Snapchat at \$10 billion, but how much it plans to invest remained cloudy, according to the Journal.

A Yahoo spokesman declined to comment.

In a shrewd move led by Yahoo co-founder Jerry Yang in 2005, the California Internet firm paid a billion dollars for a 40 percent stake in Alibaba that has paid back the investment many times over.

Unconfirmed reports surfaced earlier this year indicating that Chinese e-commerce giant Alibaba had been considering investing in Snapchat.

Snapchat rocketed to popularity, especially among teens, after the initial app was released in September 2011. Created by then Stanford University students, the app allows the sending of text and photo messages that disappear seconds after being viewed.

The company had last year rejected a buyout offer from Facebook, judging the \$3 billion offer too low, US media reports have said.

Snapchat has also been courted by other investors and would-be buyers, including a group led by Chinese Internet giant Tencent.

MessageMe snapped up

Talk of Yahoo being interested in Snapchat came the same day that Yahoo bought the startup behind mobile messaging application MessageMe for a price reported to be in the "double-digit millions."

"The team behind MessageMe has joined Yahoo," a Yahoo said in an email reply to AFP.

"They built a mobile messenger application focused on personalization and creativity, and we're excited to welcome the eight MessageMe employees to the Yahoo team."

MessageMe confirmed the acquisition at its website and told users the application will shut down in November to free the team to focus on building mobile communications products for Yahoo.

Yahoo chief Marissa Mayer has been on a lengthy buying spree backed by money pumped into the company's coffers by Alibaba.

Mayer has been striving to re-invent the company as an online venue for premium, personalized content after its Internet search service crown was taken by Google.

Activist investment firm Starboard Value meanwhile urged Yahoo last week to explore a tie-up with online rival AOL, saying such a deal could help the struggling Internet pioneer "unlock" value for shareholders.

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