

Yahoo seals \$4.8 bn deal with Verizon for its core assets

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Yahoo will become a separate investment company, changing its name after the acquisition by Verizon of its core assets

Yahoo sealed a deal Monday to sell its core business to telecom giant Verizon for \$4.8 billion, ending a two-decade run as an independent company for the internet pioneer.

The agreement announced by the two companies after months of

negotiations comes following a years-long decline for the iconic firm that introduced many people around the world to the internet.

Verizon chief executive Lowell McAdam said Yahoo would be integrated into its recently acquired AOL unit to create "a top global mobile media company, and help accelerate our revenue stream in digital advertising."

The acquisition, expected to close in early 2017, pending shareholder and regulatory approval will exclude Yahoo's cash, certain patent holdings, and its big share in China's Alibaba Group and stake in Yahoo Japan.

The deal will, however, turn over the popular Yahoo News, Mail and other online services used by more than a billion people worldwide.

Marissa Mayer, CEO of Yahoo, said in a statement: "Yahoo is a company that has changed the world, and will continue to do so through this combination with Verizon and AOL."

She told a conference call that the agreement is "an exceptional outcome for Yahoo shareholders" and that Verizon was chosen because it "believed in us the most."

With the sale of its core, Yahoo will be left as a separate investment company that will change its name after the transaction.

Bringing synergies

The deal comes with Yahoo, a onetime leader in the online space, coping with years of decline and struggling to keep up with rivals like Google and Facebook.

Mayer said in a blog post that Verizon "brings clear synergies to the table" with its goal of reaching a global audience of two billion by 2020.

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