

Icahn takes eBay stake, seeks PayPal spinoff

22 January 2014

eBay said Wednesday that activist investor Carl Icahn had taken a stake in the online retailer and was seeking a spinoff of its PayPal financial payments unit.

In the company's [quarterly earnings report](#), eBay said Icahn and his affiliated companies this month "acquired shares and derivative securities that give him an economic interest of approximately 0.82 percent in the company." © 2014 AFP

Icahn, a billionaire known for taking stakes in companies to force changes or pay dividends to shareholders, has nominated two of his employees to eBay's board "and submitted a non-binding proposal for a spinoff of its PayPal business into a separate company," said an eBay statement.

The California-based group said it "welcomes the opportunity to listen to the perspective of all of its shareholders, including Mr Icahn" and that the nominations will be passed on to the board's appropriate committees.

But the statement also said: "We would note that eBay has a world-class board of directors with directors who have significant experience in technology and financial services."

It said eBay's board "routinely assesses the company's strategic direction and has explored in depth a spinoff or separation of PayPal" and added that the board "does not believe that breaking up the company is the best way to maximize shareholder value."

The PayPal unit enables people to make purchases on eBay without a credit card. In recent years it has developed other payment systems, including for mobile devices.

eBay said its profit in the fourth quarter rose 13 percent from a year earlier to \$850 million, topping most forecasts. The annual profit for 2013 was up

nine percent at \$2.9 billion.

Icahn earlier Wednesday said he has invested some \$3 billion in Apple, and claimed the tech giant is "doing a disservice to shareholders" by not increasing its share buyback.

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