

**Verizon Communications Inc agreed to acquire Oath Holdings Inc**  
**Monday, July 25, 2016 08:35:26 AM**

Verizon Communications Inc acquired the operating business of Yahoo Inc for a revised consideration of US\$4.5 billion in cash, subject to certain pre-closing and post-closing adjustments. The deal was originally valued at US\$4.8 billion. Moreover, Verizon Communications issued cash-settled Verizon RSU awards for Yahoo RSUs that are outstanding at closing. The transaction excludes Yahoo's cash and marketable securities, shares in Alibaba Group Holdings, shares in Yahoo Japan, convertible notes, certain minority investments, non-core patents, and all of the equity in Excalibur. Under the deal, Verizon Communications combined Yahoo's operating assets with its existing AOL business and created a new subsidiary, Oath. The Oath portfolio includes HuffPost, Yahoo Sports, AOL.com, MAKERS, Tumblr, BUILD Studios, Yahoo Finance, Yahoo Mail and more. Following the acquisition, Yahoo changed its name to Altaba Inc and its headquarters have been relocated to New York City. Yahoo also reduced the size of its board to five directors. Prior to the closing of the transaction, Yahoo initially transferred these assets to a newly formed subsidiary, Yahoo Holdings Inc. The target business provides information content, on-line search capabilities, maps, shopping and other services. The transaction was subject to Yahoo's shareholders approval, regulatory approval, and other customary conditions. On March 24, 2016, several bidders were rumored to be interested in acquiring the internet business of Yahoo for a reported value of US\$10 billion, via an auction. According to sources, Microsoft planned to offer financing to the private equity firms that considered offering bids and has no interest in buying Yahoo. Sources close to Yahoo's board said it wanted US\$10 billion in a sale. The strategic bidders included AT&T, Verizon and Comcast, Advent International, Vista Equity Partners, TPG, KKR and other investment firms. On March 28, 2016, according to sources familiar with the matter, Yahoo informed potential buyers of an April 11, 2016 deadline for bids. On April 8, 2016, sources close to the situation said that Verizon Communications was ready to make a bid for Yahoo's core business which it values at less than US\$8 billion. On April 9, 2016, unnamed sources said that Yahoo moved the deadline for bids from April 11, 2016 to April 18, 2016. Additionally, it was reported that Yahoo was likely to get bids from Verizon Communications and Alphabet Inc, while AT&T, Comcast and Microsoft would not submit bids. On April 11, 2016, people familiar with the matter reported that Daily Mail & General Trust Plc was in talks about a possible bid for Yahoo. On April 22, 2016, it was reported that more than 10 companies were interested in making a bid for Yahoo's internet business. On May 16, 2016, sources close to the matter said that Warren Buffet was backing a consortium led by Dan Gilbert, Quicken Loans founder, that would bid for Yahoo's internet business. According to multiple reports, Verizon, TPG Capital, KKR, Bain Capital and Vista Equity Partners were included in the list of potential bidders. On May 19, 2016, people familiar with the matter said that the bidders would bid around US\$2 billion to US\$3 billion in the auction, since the bidders have lowered their expected prices following the sale presentations of Yahoo. On May 25, 2016, people familiar with the matter said that AT&T and Liberty Media Corp were interested in acquiring the internet business of Yahoo. On June 7, 2016, Verizon Communications planned to submit a second-round bid of US\$3 billion for Yahoo's internet business, citing people familiar with the matter. It was also reported that TPG would submit a second round bid before the deadline. On June 14, 2016, Verizon, AT&T and a consortium led by Quicken Loans founder Dan Gilbert were set to participate in a third and final round of bidding for the core business of Yahoo. Yahoo hopes to conclude the auction by next month, according to one of the people familiar with the matter. On July 5, 2016, it was reported that the final selection process will take place around July 18, 2016. On July 21, 2016, it was reported that Verizon, Vector Capital Management, and AT&T submitted their bids by Yahoo's deadline. On July 25, 2016, sources said that Verizon Communications and Yahoo were in discussions for a transaction that could be valued at US\$5 billion. On the same date, Verizon and Yahoo entered into a definitive agreement. On September 23, 2016, Yahoo announced that the data breach of around 500 million accounts could complicate the merger. On October 6, 2016, it was reported that Verizon Communications was pressing for a US\$1 billion discount off its pending US\$4.8 billion transaction with Yahoo. On October 14, 2016, Craig Silliman, general counsel of Verizon Communications, has stated that it will be reasonable to change the terms of the acquisition, and sources said that Verizon Communications may withdraw from the deal based on the recent data breach of around 500 million accounts. The European Commission commenced its review and set December 22, 2016 as the provisional deadline for ruling on the transaction. On December 15, 2016, sources mentioned that Verizon was considering a price cut or cancelling the deal after Yahoo reported a second major e-mail hack affecting 1 billion user accounts. On January 18, 2017, it was reported that the deal to buy Yahoo was under threat after the internet company's disclosure of a data breach that affected more than 500 million accounts. On January 23, 2017, Yahoo announced that the deal was expected to close in the second quarter of 2017 due to the work required to meet closing conditions. On February 21, 2017, the companies agreed to reduce

the consideration price by US\$350 million and will also share certain legal and regulatory liabilities arising from the data breaches incurred by Yahoo. On April 3, 2017, Verizon Communications confirmed that Yahoo and its AOL division would be grouped under the new brand name Oath. On April 24, 2017, the board of Yahoo recommended its shareholders vote in favor of the transaction and that a special meeting will be held on June 8, 2017. On May 27, 2017, Megan Liberman, Yahoo News' editor in chief, announced that she was leaving the company after the merger. On June 8, 2017, the shareholders of Yahoo approved of the transaction and the deal was expected to be completed on June 13, 2017. Moreover, Yahoo also extended its Dutch auction until June 16, 2017. On June 13, 2017 the transaction was completed. The remaining Yahoo directors are Eric K. Brandt (Chairman), Tor Braham, Catherine Friedman and Thomas McInerney. Thomas McInerney became Yahoo's Chief Executive Officer, Alexi Wellman became its Chief Financial and Accounting Officer, and DeAnn Fairfield Work became its Chief Compliance Officer. Arthur Chong continues to serve as the Company's General Counsel and Secretary. Moreover, Yahoo plans to file with the Securities and Exchange Commission (SEC) by June 16, 2017 a Notification of Registration on Form N-8A and a Registration Statement on Form N-2 in order to register as a publicly traded, non-diversified, closed-ended management Investment Company under the Investment Company Act of 1940. The Yahoo stock will continue to trade under the ticker symbol "YHOO" through June 16, 2017. Altaba Inc will begin trading under the ticker symbol "AABA" starting June 19, 2017. The financial advisors in the deal include: Allen & Co LLC for Verizon Communications Inc, Goldman Sachs & Co LLC for Yahoo! Inc, Guggenheim Securities LLC for Verizon Communications Inc, JPMorgan Securities LLC for Yahoo! Inc, LionTree Advisors LLC for Verizon Communications Inc, Merrill Lynch Pierce Fenner & Smith Inc for Verizon Communications Inc, PJT Partners Holdings LP for Yahoo! Inc. The legal advisors in the deal include: Covington & Burling LLP for Verizon Communications Inc, Cravath Swaine & Moore LLP for Yahoo! Inc, Gibbs

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**Countries:** United States

**Deal ID:** 868942

**Deal Type:** Div-Unit

**Industries:** Major Telecommunications, Internet Software/Services, Advertising/Marketing Services

**Primary Identifiers:** AOL-US, VZ-US, 001BFQ-E, 0GFDVN-E

**Regions:** New York, California

**Related Identifiers:** AOL-US, VZ-US, 001BFQ-E, 0GFDVN-E