

Microsoft-backed OpenAI valued at \$80bn after company completes deal

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Microsoft-backed OpenAI has completed a deal that values the artificial intelligence company at \$80bn or more, the New York Times reported on Friday, citing multiple people with knowledge of the deal. The company would sell existing shares in a so-called tender offer led by venture firm Thrive Capital, the report said. Employees will be able to cash out their shares of the company rather than a traditional funding round, which would raise money for the business, the report added. OpenAI did not immediately respond to a request for comment. The artificial intelligence firm agreed to a similar deal early last year. The venture-capital firms Thrive Capital, Sequoia Capital, Andreessen Horowitz and K2 Global agreed to buy OpenAI shares in a tender offer, valuing the company at around \$29bn, the report said. OpenAI has attracted a number of major funding rounds, including Microsoft's investment of \$10bn in January 2023. The company also funded OpenAI in 2019 and 2021. The launch of OpenAI's ChatGPT in late 2022 has kicked off buzz around AI, prompting companies to explore ways to harness the power of the technology. AI has been integrated into a number of products, including Microsoft's Bing search engine as it continues to push forward with its own developments. On Thursday, OpenAI announced the launch of Sora, a tool that can generate videos from text prompts. The day before, it announced it was experimenting with adding deeper memory to ChatGPT so the tool can remember more of its users' chats. OpenAI CEO Sam Altman has also been reportedly in talks to acquire a chip builder or otherwise boost the company's access to the expensive artificial intelligence chips its tools rely on. The latest deal is the biggest backing of the company after a brief period of turmoil in late 2023, in which Altman was fired by the company's board before being rehired following employee outrage. The large investments in OpenAI have attracted the attention of regulators, with European Commission officials stating in early January that they would look into whether Microsoft's backing raises antitrust concerns. On 24 January, the Federal Trade Commission in the US said it was investigating whether investments from Microsoft, Google and Amazon into AI companies including OpenAI harm competition.