

# Microsoft buys professional network LinkedIn for \$26bn

Microsoft said Monday, 13 June, it was buying the professional social network LinkedIn for \$26.2bn in cash, a move that helps refocus the US tech giant around cloud computing and services.



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"This deal brings together the world's leading professional cloud with the world's leading professional network," Microsoft chief executive Satya Nadella said in a statement.

According to a statement from the two firms, LinkedIn "will retain its distinct brand, culture and independence", with Jeff Weiner remaining as CEO of LinkedIn.

"Just as we have changed the way the world connects to opportunity, this relationship with Microsoft, and the combination of their cloud and LinkedIn's network, now gives us a chance to also change the way the world works," Weiner said.

The two firms said they had reached a "definitive" agreement that would close later this year, with the support of LinkedIn chairman and controlling shareholder Reid Hoffman.

The move comes with Microsoft refocusing its efforts away from being a pure software firm, and LinkedIn seeking ways to boost growth.

LinkedIn, which enables members to connect with similar-minded professionals and facilitates job hunting, has some 433-million members worldwide.

But LinkedIn in the past quarter reported a loss of \$46m and a \$166m loss for 2015, which let its shares at multiyear lows early this year.

Nadella, in an email to staff, said the deal reflects Microsoft's new focus on cloud computing and services.

"We are in pursuit of a common mission centred on empowering people and organisations," he said.

He added that the deal "is key to our bold ambition to reinvent productivity and business processes. Think about it: how people find jobs, build skills, sell, market and get work done and ultimately find success requires a connected professional world."

LinkedIn, which calls itself "the world's largest and most valuable professional network", has been seeking to expand its offerings with more messaging, mobile applications and revamped its "newsfeed" to help boost engagement.

Microsoft said it would finance the deal mostly by issuing new debt.

*Source: AFP*

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