

Ahead of the Bell: Apple to Hold Annual Meeting

Associated Press

CUPERTINO, Calif. (AP) — Apple stockholders will get a chance to grill CEO Tim Cook about the company's product strategy, acquisition plans and money management



at the iPhone maker's annual meeting.

Friday's gathering, scheduled to start at 9 a.m. PST, isn't expected to be as dramatic as it was shaping up to be until recently. Activist investor Carl Icahn had been promising to spice things up by pushing for the passage of a nonbinding proposal urging Apple Inc.'s board of directors to spend even more money buying back its own stock.

Icahn, though, abandoned his high-profile campaign earlier this month after Cook revealed Apple that had spent about \$14 billion on its own stock after the shares plunged following the Jan. 27 release of the Cupertino, Calif. company's latest quarterly results.

With that buying flurry, Apple has spent more than \$40 billion of the \$60 billion earmarked for stock repurchase as part of a program unveiled shortly after last year's annual meeting. That was enough to satisfy Icahn, who had been campaigning for Apple's board to set aside an additional \$50 billion for buying back the company's stock.

Icahn, who has valued his holdings in Apple at more than \$3.5 billion, contends the company should be buying more of its stocks to help rebuild some of the shareholder wealth that has been lost during the past 17 months.

Since peaking at \$705.07 in September 2012, Apple's stock has fallen by 25 percent amid concerns about intensifying competition in the mobile device market and a perceived lack of innovation. Apple's shares closed Thursday at \$527.67.

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Although that price is 19 percent above where the stock stood at Apple's annual meeting last year, many stockholders could still be feeling short changed because so an ever-growing list of other technology companies, including rival Google Inc., are hovering around all-time highs.

Cook, who became CEO shortly before the October 2011 death of Apple co-founder Steve Jobs, has consistently tried to assure Apple shareholders will be rewarded in the long run. He has been hinting Apple intends to expand into new technology markets later this year, without providing any specifics. Speculation has centered on a high-tech watch could monitor the user's health and a television set that would include the same software that powers the iPhone and iPad.

Apple's handling of its nearly \$159 billion in cash also tends to be a hot-button topic, as Icahn vividly illustrated with his theatrics. Cook has already said Apple's board is examining whether the company might wait to raise its dividend or raise its commitment on stock repurchases.

Some of that money could be used to buy other technology, although Apple so far has always focused on deals costing less than \$1 billion. Recent reports that Apple's representatives met with electric car maker Tesla Motors Inc. has raised the possibility of Apple diversifying into automobiles. A Tesla acquisition would be expensive, given the car maker's current market value of \$31 billion.

Tesla CEO Elon Musk has publicly confirmed that he met with Apple last year, though he wouldn't say if there would any discussions about a potential sale. Apple so far hasn't commented about Tesla, making it a potential matter of intrigue at Friday's annual meeting.

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