

Icahn Backpedals on Apple Buybacks

Andrew Berg



Billionaire and activist investor Carl Icahn has rescinded his call for Apple to continue buying back shares.

Icahn had previously [urged Apple CEO Tim Cook](#) [1] to initiate a \$150 billion buyback program.

In an open [letter](#) [2] to shareholders Monday, Icahn cited a recommendation from proxy advisory firm ISS that Apple shareholders vote against the buyback plan, saying that while he was disappointed with the recommendation he "did not altogether disagree with it."

"In their recommendation, ISS points out, and we agree, that 'on the spectrum of options for allocating capital, the board appears to have been sluggish only in returning excess cash to shareholders,' and even though the company has in place 'one of the largest buybacks in history' we agree with ISS that this effort seems 'like bailing with a leaky bucket' when 'given the scale of the company's cash reserves,'" Icahn wrote.

Icahn's backpedaling comes as Apple recently repurchased \$14 billion worth in shares, and appears on track to repurchase at least \$32 billion in shares in 2014.

"Our proposal, as ISS points out, 'thus effectively only asks the board to spend another \$18 billion on repurchases in the current year,'" Icahn noted, saying that he supports Apple's current course.

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Icahn also referenced Tim Cook's confirmed plan to launch new products in new categories this year, saying that he is "extremely excited about Apple's future."

Cook confirmed the new product categories in an [interview](#) [3] with the Wall Street Journal last Friday. I Cook also said Apple has no trouble "spending 10 figures," in an acquisition should a company come along that's the right fit.

Shares of Apple were up 1.25 percent in early trading Monday to \$526.19.

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<http://www.wirelessweek.com/news/2014/02/icahn-backpedals-apple-buybacks>

Links:

[1] <http://www.wirelessweek.com/news/2013/10/icahn-150b-buyback-would-take-apple-1250-share>

[2] <http://www.shareholderssquaretable.com/our-letter-to-apple-shareholders/>

[3] <http://online.wsj.com/news/articles/SB10001424052702303496804579367543198542118?mg=reno64-wsj&url=http%3A%2F%2Fonline.wsj.com%2Farticle%2F/SB10001424052702303496804579367543198542118.htm>