

Elon Musk Offered to Buy Twitter at a Lower Price in Recent Talks

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In the weeks before Elon Musk declared that his bid to own Twitter was back on the table, his representatives spoke with the company several times about redoing the deal at a lower price, four people familiar with the discussions said.

Mr. Musk sought a discount of as much as 30 percent, three of the people said, a proposal that would have valued the company at roughly \$31 billion. Twitter rebuffed the proposal, said the people, who requested anonymity because the talks were confidential.

In the past week, however, discussions narrowed to a discount of about 10 percent, which would have allowed Mr. Musk to pay about \$39.6 billion for Twitter. Those talks ultimately did not move forward. Twitter's market cap as of Wednesday was \$39.2 billion.

The talks took place just weeks before a scheduled showdown in a Delaware courtroom to determine whether Mr. Musk must follow through with the \$44 billion Twitter takeover bid he launched in April. He indicated in July that he no longer wished to buy the social media company, citing what he said was an uncontrollable spam problem. Twitter sued him to force the deal through.

The caustic legal battle exposed Mr. Musk's personal text messages with his orbit of tech investors and celebrities, ensnared top Twitter executives and drummed up uncertainty about the company's future.

By reaching an agreement, the two sides could avoid a messy public trial that would most likely feature testimony from key Twitter employees and Mr. Musk. The billionaire was scheduled for a deposition on Thursday, but the parties agreed to postpone it, two people familiar with the matter said.

But the discussions about a discount did not move beyond early stages, the people familiar with them said, and no term sheets were prepared. It was not clear why the talks had not gone forward.

Mr. Musk sent a letter to Twitter on Monday night, offering to pay his full initial price for the company.

Mr. Musk, the chief executive of Tesla and SpaceX, said completing the acquisition was dependent on his ability to secure financing from the banks that had agreed to back his April bid, which offered \$54.20 per share. If the banks do not follow through on their funding commitments, Mr. Musk will be required to pay a \$1 billion breakup fee. He has also asked Twitter to halt its litigation against him.