

# Yahoo sets out to regain analysts' respect

October 28 2009, By MICHAEL LIEDTKE , AP Technology Writer

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(AP) -- With its stock in a three-year funk, Yahoo Inc. set out Wednesday to persuade investors that the Internet company's struggles are nearly over.

"We have fallen and we really want to get back up," [Yahoo](#) Chief Executive [Carol Bartz](#) said as she kicked off an all-day meeting with financial analysts. "We really want to get back on our tippy toes."

Bartz vowed to make the company more profitable, and said she hoped Wednesday's session would win back some of the respect that the company lost as two previous CEOs were unable to deliver on their turnaround promises.

It marked the first time that Yahoo provided analysts with an extended overview of its strategy in 3 1/2 years. Most public companies hold the

presentations, known as "analyst days," every year or two.

Yahoo has been losing ground to Google Inc. and other hot Web sites, such as Facebook. The problems have hurt Yahoo's earnings and revenue, contributing to a 45 percent drop in its [stock price](#) that has wiped out about \$19 billion in shareholder wealth since the last analyst day.

Yahoo shares fell 37 cents, or 2.2 percent, to \$16.32 in afternoon trading Wednesday.

Bartz didn't provide any specifics about how she plans to boost Yahoo's earnings before she yielded the stage to other executives who elaborated on improvements to the company's Web site.

Among other things, the management detailed how a makeover of Yahoo's home page is getting people to spend more time on the Web site and providing more opportunities to show the advertising that generates most of the company's revenue. Yahoo also said it plans to hire more reporters to produce its own stories about finance and entertainment, expanding on what the company has been doing in sports.

Yahoo's proposed Internet search partnership with rival Microsoft Corp. was also expected to be a hot topic later in the session.

Under the proposed alliance, Microsoft will process users' Internet search requests on Yahoo's Web site in the U.S. and provide much of the advertising tied to those inquiries. The deal, which still requires regulatory approval, is supposed to lower Yahoo's expenses, freeing the company to focus on luring more traffic to its [Web site](#).

Bartz forged the Microsoft partnership in July, ending years of intermittent discussions between the companies that became a sore point

with investors last year. That's when Bartz's predecessor, Yahoo co-founder Jerry Yang, turned down a chance to sell the company in its entirety to [Microsoft](#) for \$47.5 billion, or \$33 per share.

Yang's hopes to forge an Internet search partnership with [Google](#) then fell apart under regulatory scrutiny, leading to Bartz's hiring nine months ago.

Over the last four quarters, Yahoo has earned \$142 million on revenue of \$6.5 billion. That was down from net income of \$928 million on revenue of \$6.8 billion in the prior four quarters.

Yahoo's revenue has continued to slide since Bartz's arrival, although the company's third-quarter profit more than tripled. The gains were driven largely by layoffs dictated by Yang and Bartz.

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