

## Bartz blasts Yahoo! board

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Fired Yahoo! chief executive Carol Bartz has responded to her dismissal with a characteristically salty blast at the board of directors of the Internet company.

"These people fucked me over," Bartz said in an exclusive interview with Fortune magazine, her first since she was fired over the telephone by Yahoo! chairman Roy Bostock on Tuesday.

A top hedge fund manager, Daniel Loeb of Third Point LLC, which has a 5.1 percent stake in Yahoo!, also lashed out at the Yahoo! board Thursday, saying it was responsible for "many mistakes" and calling for "sweeping changes."

Bartz, in the Fortune interview, said she received a call from Bostock on Tuesday evening and he was reading a prepared statement from a lawyer.

"I said, 'Roy, I think that's a script,'" she said. "'Why don't you have the balls to tell me yourself?'"

Bartz said that when Bostock finished reading, she told him: "I thought you were classier."

Bartz said Yahoo!'s board wants revenue growth "even though they were told that we would not have revenue growth until 2012."

She said members of the board were impatient because of the criticism they received for turning down a \$47 billion takeover offer from Microsoft before she joined the company in January 2009.

"The board was so spooked by being cast as the worst board in the country," Bartz told Fortune. "Now they're trying to show that they're not the doofuses that they are."

Third Point's Loeb, in his letter to the board, welcomed Bartz's dismissal but aimed a series of criticisms at the directors.

"Yahoo!'s current board of directors has made a number of decisions that have directly harmed the company and resulted in a stock price far below the company's intrinsic value," Loeb said.

"A reconstituted board with new directors who will bring fresh eyes, relevant industry expertise and increased investor alignment to the table is immediately necessary," he said.

"From the failed Microsoft sale negotiations, to a subsequent bungled and disappointing search deal with Microsoft, through a series of

misguided CEO selections, and most recently the Alipay debacle, this board's failures have destroyed value for all Yahoo! stakeholders," Loeb said.

Bartz, a former chief executive of business software company Autodesk, was hired to engineer a turnaround at Yahoo! but was fired with more than a year remaining on her contract.

Chief financial officer Timothy Morse was named interim chief executive while the board of directors searches for a new CEO.

Yahoo! shares rose over five percent on Wall Street on Wednesday following Bartz's firing and amid renewed speculation of a sale of all or part of the Sunnyvale, California-based company.

Yahoo! shares gained 6.10 percent to close at \$14.44 on Thursday.

Bartz significantly cut costs at Yahoo! but was faulted for failing to articulate a clear strategic vision for the company on the quickly shifting Internet landscape.

In announcing Bartz's departure, Bostock said a "comprehensive strategic review" of the company was underway.

Wall Street analysts took Bostock's comments as a sign that Yahoo!'s assets -- including its 43 percent stake in the Alibaba Group -- could be put on the block.

Bartz's troubled relations with Alibaba helped contribute to her downfall.

Earlier this year, Yahoo! engaged in a public fight with Alibaba over Alipay, a leading online payments platform in China.

Yahoo! notified the Securities and Exchange Commission in May that ownership of Alipay had been shifted to a Chinese firm owned mostly by Alibaba chief executive Jack Ma.

Yahoo! said the transfer was done without the knowledge or approval of Alibaba's board of directors or shareholders.

Yahoo! and Alibaba reached an agreement in July over ownership of Alipay but the dispute took a toll on the confidence of investors in Bartz's leadership.

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