

WebMD CEO Gattinella resigns

January 10 2012

(AP) -- WebMD Health Corp. shares plunged Tuesday morning after the healthcare information website said CEO Wayne T. Gattinella has resigned, and it expects earnings to drop this year.

The New York [company](#) also said it has stopped talking to potential acquirers about a possible sale of the company.

Shares plunged 29 percent, or \$10.63 to \$26.10 in morning trading.

WebMD provides health and benefits information to employees at 121 companies and health plans.

Chief Financial Officer Anthony Vuolo will serve as interim CEO while the company looks for a permanent replacement. Vuolo also serves as chief operating officer, and that responsibility will be taken over by members of a newly formed management committee that will work with the interim CEO.

The company says its 2012 revenue may fall by 2 percent to 8 percent as some of its drug company customers deal with patent losses that hurt revenue by exposing their products to [generic competition](#). WebMD also expects expenses to rise in the new year and that its earnings will be "significantly lower" than in 2011.

"While we face near-term challenges, I am confident that there is significant growth opportunity ahead for Web MD," Chairman Martin J. Wygood said in a statement from the company. "I believe that the

pressure facing the pharmaceutical industry will ultimately prove to be the strong catalyst for a meaningful shift by them to digital marketing solutions."

The company will offer more details on its 2012 expectations Feb. 23, when it reports on fourth-quarter and full-year earnings.

WebMD said a special committee of independent directors has had discussions with several potential acquirers but has ended the talks and its review of a possible sale of the company. Billionaire investor [Carl Icahn](#) took a 9.5 percent stake in WebMD in November, and his firm, Icahn Capital LP, has said it opposes a sale.

In November, the company announced third-quarter results that missed analyst expectations and cut its revenue estimates for the fourth quarter. It earned \$14.2 million, or 24 cents per share, in the quarter on \$135.1 million in revenue.

WebMD, which cut its revenue outlook twice last year, said in November it expects fourth-quarter [revenue](#) to be \$147 million to \$157 million, which fell short of [analyst expectations](#) at the time.

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