Yahoo! shakes up board to give firm new life

February 7 2012, by Glenn Chapman

Yahoo! chairman Roy Bostock announced he was stepping down from the board of the struggling Internet company along with three other directors.

Yahoo! on Tuesday announced a boardroom shakeup to breath fresh life into a pioneering Internet firm that has been struggling to re-invent itself and appease disappointed investors.

Yahoo! chairman Roy Bostock announced that he will step down from the board along with three other longtime directors, clearing an old guard from the path of new chief executive Scott Thompson.

Yahoo! has been struggling to transform itself from a stalled Internet search engine to a "premier digital media company" since being eclipsed by online powerhouse Google.

The boardroom house cleaning comes scant weeks after Jerry Yang, who co-founded Yahoo! nearly 17 years ago and had an ill-fated stint as chief executive, resigned from all of his positions with the California-based firm.

Yang, 43, one of the original dotcom billionaires, had been on the boards of Yahoo!, Yahoo! Japan and Alibaba Group Holding Ltd.

Yang served as chief executive of Yahoo! from June 2007 to January 2009, during which time he and Bostock notably turned down a $47 billion takeover bid from Microsoft, earning the ire of many shareholders.

Bostock and Yang have been the targets of stockholder anger as Yahoo!'s stock price sank to about half of what it was when company leaders snubbed Microsoft's generous buyout bid.

Yang ceded the Yahoo! helm to former Autodesk executive Carol Bartz, whose efforts to turn the company around were cut short when she was fired in September by the board, which she described as "doofuses" after being ousted.

Bostock said on Tuesday that he had decided not to stand for re-election at Yahoo!'s next shareholders meeting, along with board members Vyomesh Joshi, Arthur Kern and Gary Wilson.

He said the board elected two independent directors: Alfred Amoroso, former president and chief executive of Rovi Corp., and Maynard Webb, a former chief operating officer at eBay.

Bostock said a strategic review of Yahoo! has made "significant progress" and has included "a wide range of discussions with potential partners.

"We have engaged with potential investors and reviewed proposals concerning an equity investment in the company, although at this time there have not been any proposals which have been deemed by the committee to be attractive to our shareholders," he said.

Bostock, in a letter to shareholders, said Yahoo! was in "active discussions" with its partners in Asia on restructuring its holdings in the Alibaba Group and Yahoo! Japan.

"While we continue to devote significant resources to these discussions, we are not in a position at this time to provide further detail or to provide assurance that any transaction will be achieved," he said.

Yahoo! shares were virtually unchanged at $15.87 in after-hours trading that followed the release of Bostock's letter.

Since Bartz stepped down as chief executive, Yahoo!'s board has reportedly been looking at selling all or part of the company and Yang was seen as a fierce opponent of a breakup.

Microsoft has reportedly been collaborating with private investors to assemble another multi-billion-dollar offer for Yahoo!.

At least nine private equity firms are also reported to be eyeing Yahoo! and its global audience of 700 million monthly visitors to the company's various websites, including Yahoo! News, Yahoo! Finance and Yahoo! Sports.

Chinese online commerce titan Alibaba is 43 percent owned by Yahoo! and Alibaba Group chairman Jack Ma has a long-standing offer to buy all or part of the company.

Once seen as the Internet's leading light, Yahoo! has struggled to build a strongly profitable, growing business out of its huge Web presence and global audience.

Yahoo! has popular websites but has been losing advertising business to search giant Google, social networking king Facebook and specialized websites.

Yahoo!'s revenue and net profit dropped in the fourth quarter of 2011, capping off its third straight year of declining results.