

Yahoo! to lay off 'thousands': report

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The Dow Jones website All Things Digital said the shakeup of the struggling [Internet giant](#) could come as early as the end of March and could target Yahoo's public relations and marketing division, research, and region-focused and other marginal businesses.

The layoffs "are likely to number in the thousands", the website said, citing "multiple sources" inside and outside the company.

The California company had more than 14,000 employees at the end of

2011. It also has a large number of software [contract workers](#) whose could also be affected in the shakeup.

Yahoo! declined to comment directly on the story.

But in an emailed statement, the company said: "As we have indicated, our leadership is engaged in a process that will generate significant strategic change at Yahoo, but final decisions have not yet been made at this point."

Thompson, formerly head of [mobile payments](#) firm [PayPal](#), became chief executive at the beginning of January promising urgent action to turn the company around.

He came in after many months of turmoil at the top of management over the company's direction, including deadlocked talks over possibly selling off the company's valuable assets in China and Japan.

Meanwhile the company's earnings also suffered, angering shareholders.

Operations income was up 3.5 percent in 2011 to \$800 million, but net earnings fell 14.6 percent to \$1.06 billion, and earnings per share for the year fell to 82 cents from 90 cents.

The news of the looming restructuring Monday came in the wake of a sweeping shakeup of the 17-year-old firm's board of directors.

Two weeks after Thompson was recruited, Yahoo! co-founder and former chief executive [Jerry Yang](#) resigned from the board of directors. A few weeks later the chairman and three other directors said they would step down, opening the way for Thompson's agenda.

The news gave no boost to Yahoo's struggling stock. In afternoon trade it

was down 0.8 percent to \$14.61.

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