

Under Mayer: Boosting Mobile, Buying Companies

Associated Press

Yahoo Inc. lured Marissa Mayer from Google in July to become its fifth CEO in as many years. Her task: Help the Internet pioneer regain its stature after years in a financial funk. In her 10 months leading the company, she has overseen a redesign of Yahoo services and orchestrated several acquisitions, including a deal to buy online blogging forum Tumblr for \$1.1 billion.

Here are some of the milestones on her watch:

— **ALIBABA:** In September, Yahoo completed a long-awaited, \$7.6 billion deal for Chinese e-commerce group Alibaba to buy back half of Yahoo's 40 percent stake. Most of the proceeds will go to its shareholders, but Yahoo has an extra \$1.3 billion to finance acquisitions or hire new talent. Some of that money is going to the Tumblr deal.

— **MOBILE:** Mayer has made mobile services one of her top priorities, as more people connect to the Internet on smartphones and tablet computers. During her tenure, Yahoo has created a new weather app for Apple's iPhone. It also has redesigned an email app for smartphones, as well as the app for its Flickr photo service on the iPhone and iPad. But in February, Mayer also said Yahoo will be better served with just 12 to 15 mobile applications, down from a "scattered" portfolio of as many as 75 different programs in recent years.

— **WEB MAKEOVER:** Yahoo unveiled a long-awaited redesign of its home page in February — the first in four years. The new approach is meant to get people to visit more frequently and linger for longer periods of time. Yahoo said it has developed more sophisticated formulas to determine which topics are most likely to appeal to different people so the news feed can be fine-tuned to cater to different tastes.

-- **PERSONNEL:** Ross Levinsohn, who was in charge of Yahoo's media and advertising services and served as interim CEO before Mayer's hiring, left the company. Software industry veteran Ken Goldman was named chief financial officer to replace cost-cutting specialist Tim Morse, who was hired in 2009. Alfred Amoroso stepped down as board chairman in April and plans to leave next month, which will make him the eighth director to leave since early 2012.

— **STOCK PERFORMANCE:** Mayer's efforts at Yahoo have been well-received on Wall

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Street, although most of the 70 percent surge in Yahoo's stock price under Mayer's leadership has been driven by the rising value of Yahoo's remaining 24 percent in Alibaba. Unlike Yahoo, Alibaba's growth has been accelerating. That success has been steadily increasing Alibaba's estimated market value during the past year. Analysts believe Yahoo may be able to make another \$10 billion to \$20 billion, before taxes, when it sells the rest of its Alibaba holdings.

— ACQUISITIONS: Yahoo has bought several startups primarily to obtain more engineering talent to build help build better mobile applications. It also bought London startup Summly, which makes a mobile application created by a teenage entrepreneur who sought an easier way to read news stories and other content on the smaller screens of smartphones.

Now, it is buying Tumblr in the most expensive acquisition since the Sunnyvale, Calif., company bought online search engine Overture a decade ago for \$1.3 billion in cash and stock. Yahoo is paying mostly cash and expects to complete the deal by the end of the year. Mayer is betting Tumblr will provide Yahoo with a captivating hook to reel in more traffic and advertisers on smartphones and tablet computers. More than half of Tumblr's users connect through the mobile app and engage in an average of seven visits per day.

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