

Yahoo co-founder Jerry Yang leaving company

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Yahoo co-founder Jerry Yang is leaving the struggling company as it tries to revive its revenue growth and win over disgruntled shareholders under a new leader.

The surprise departure, announced Tuesday, comes just two weeks after Yahoo Inc. hired former PayPal executive Scott Thompson as its CEO.

Yang, 43, endorsed Thompson in his resignation from Yahoo's board of directors. He had been on Yahoo's board since the company's 1995 inception.

"My time at Yahoo, from its founding to the present, has encompassed some of the most exciting and rewarding experiences of my life," Yang wrote in his letter to Yahoo Chairman Roy Bostock. "However, the time has come for me to pursue other interests outside of Yahoo."

Yang is also stepping down from the boards of China's Alibaba Group and Yahoo Japan. Yahoo is negotiating to sell its stakes in both of the Asian companies as part of its efforts to placate investors.

Besides surrendering the board seats, Yang is giving up his title as "chief Yahoo."

Although a popular figure among Yahoo employees, Yang had alienated the company's shareholders by turning down a chance to sell Yahoo in its entirety to Microsoft Corp. for \$47.5 billion, or \$33 per share, in May 2008. Yahoo shares haven't topped \$20 for more than three years. The stock gained 49 cents to \$15.92 in extended trading after Yang's decision was announced.

At the time the Microsoft talks unraveled, Yang was in the middle of an 18-month stint as CEO. Shareholder discontent with his performance in that role led Yang to step aside as CEO and turn over those duties to Silicon Valley veteran, Carol Bartz.

Yahoo's revenue has been falling in recent years even as advertisers have poured more money into the Internet. Much of the money, though, has been going to Internet search leader Google Inc. and Facebook's online social network, as Yahoo fell further behind in the race to come up with compelling new products.

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