Google plans wider job cuts at Motorola unit

The Associated Press

Google is expanding its plan to cut jobs from its Motorola Mobility unit outside the U.S. and will take $390 million in severance costs and other charges related to the layoffs.

The Motorola restructuring is expected to grow to "include additional geographic regions outside of the U.S.," Google said Thursday in a filing by Google with the Securities and Exchange Commission. The online search leader said in August that it would cut about 4,000 jobs at Motorola, planning to close or consolidate about one-third of Motorola's 90 locations. It said then that two-thirds of the job cuts, about 20 percent of Motorola's staff and 7 percent of Google's overall work force, would take place outside the U.S.

The company did not immediately respond Thursday to an email seeking more specific numbers on the additional job cuts.

Google Inc. bought Motorola Mobility, which makes cellphones and cable set-top boxes, in late May for $12.4 billion. It was its largest acquisition ever, broadening the company's business from its roots in Internet search and other online services to manufacturing equipment.

Motorola makes phones that run on Google's Android operating software, but rivals such as Samsung Electronics Co. have been more successful at it.

About $300 million of the charges announced Thursday are related to severance payments and will be taken in the third quarter.

The Mountain View, California, company also expects to pay about $90 million in charges for the cost of closing facilities through 2013. About $40 million of those charges are expected to be taken in the third quarter.

That raises Google's cost for the restructuring. It had said in late August that it would book $275 million for severance payments.

Motorola may make even more cuts as it evaluates its plans, which could result in more "significant" charges, Google said.

Google shares rose $3.38 to $765.88 in late morning trading Thursday.

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