

AOL TO LAYOFF NEARLY 900 WORKERS

Aol.

In February, AOL made an agreement to purchase the Huffington Post, and it is planning on integrating the news company and restructuring itself. As a result of this integration and restructuring, it will be eliminating up to 900 jobs. Up to 200 jobs in the U.S. will be cut and up to 700 jobs in India will be eliminated as well, according to CEO Tim Armstrong, in a memo given to employees on Thursday, March 10th. 300 of the workers affected by the layoffs in India will be able to go to outsourcing affiliates and still perform work for AOL. At the New York Bloomberg Media Summit, Armstrong said, "The changes for me today are very personal. AOL employees deserve a tremendous amount of credit because I don't think it's easy to go from managing decline to managing growth." Over the last four quarters, AOL has had declining sales. It saw the Huffington Post as a chance for it to increase its online content and boost its ad revenue, and agreed to purchase it for \$315 million. It is also cutting costs by outsourcing its back-office work and increasing its focus on product sales to consumers. At the end of 2010, AOL had 5,860 employees, which means that getting rid of 900 jobs would cut about 15 percent of its total workforce.

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