

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934

DATE OF REPORT: April 7, 1999

YAHOO! INC.

(Exact name of registrant as specified in its charter)

0-26822

(Commission File Number)

CALIFORNIA

(State or other jurisdiction of
incorporation or organization)

77-0398689

(I.R.S. Employer Identification No.)

3420 CENTRAL EXPRESSWAY
SANTA CLARA, CALIFORNIA 95051

(Address of principal executive offices, with zip code)

(408) 731-3300

(Registrant's telephone number, including area code)

ITEM 5. OTHER EVENTS

On April 7, 1999, Yahoo! Inc., a California corporation ("Yahoo!") announced its financial results for the quarter ended March 31, 1999. A copy of Yahoo!'s press release announcing these financial results is attached as Exhibit 99.1 hereto and incorporated by reference herein.

The press release filed as an exhibit to this report includes "safe harbor" language, pursuant to the Private Securities Litigation Reform Act of 1995, indicating that certain statements about the Company's business contained in the press release are "forward-looking" rather than "historic." The press release also states that a more thorough discussion of factors affecting the Company's operating results is included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1998, filed with the Securities and Exchange Commission.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

(c) EXHIBITS.

99.1 Press Release dated April 7, 1999.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

YAHOO! INC.

Date: April 8, 1999

By: /s/ Gary Valenzuela

Gary Valenzuela
Senior Vice President, Finance and
Administration, and Chief Financial Officer

YAHOO! INC.

INDEX TO EXHIBITS

Exhibit Number

Description

99.1

Press Release dated April 7, 1999.

YAHOO! REPORTS PROFITABLE FIRST QUARTER

COMPANY POSTS \$86 MILLION IN REVENUES AND \$0.11 PRO FORMA EPS

SANTA CLARA, CALIF. - APRIL 7, 1999 - Yahoo! Inc. (NASDAQ: YHOO) today reported net revenues totaling \$86,064,000 for the first quarter ended March 31, 1999, nearly triple the revenues of \$30,596,000 reported in the comparable period of the previous year. Revenues for the first quarter ended March 31, 1999 represent a 13 percent increase over revenues of \$76,410,000 reported in the fourth quarter ended Dec. 31, 1998. Pro forma net income for the quarter was \$25,142,000 or \$0.11 per share diluted, excluding the effects of amortization of intangible assets and a one-time charge for in-process research and development. This compares to net income of \$3,270,000 or \$0.02 per share diluted for the comparable period in the previous year, and pro forma net income of \$25,043,000 or \$0.11 per share diluted in the fourth quarter ended Dec. 31, 1998, excluding the effects of amortization of intangible assets and \$4,400,000 of one-time charges.

Including the amortization of intangibles and the one-time charge, net income for the first quarter ended March 31, 1999 was \$16,435,000 or \$0.07 per share diluted, compared to net income of \$3,270,000 or \$0.02 per share diluted reported in the comparable period of the previous year. Net income for the fourth quarter ended Dec. 31, 1998, was \$18,524,000 or \$0.08 per share diluted, including the amortization of intangible assets and one-time charges.

During the first quarter, Yahoo! announced definitive agreements to acquire GeoCities and broadcast.com. Through its acquisition of GeoCities, Yahoo! will gain access to one of the world's largest online communities. Yahoo!'s acquisition of broadcast.com is expected to expand Yahoo!'s multimedia content offerings for users, and provide additional distribution for content and services partners and enhanced services for advertisers and businesses. The GeoCities and broadcast.com acquisitions are expected to close in the second and third quarters, respectively, and are not included in Yahoo!'s financial results reported today.

"We continue to see strong organic growth across our global network of media properties," said Tim Koogler, chairman and CEO of Yahoo!. "During the quarter, we were proactive in further establishing Yahoo!'s leadership position for the future, including our announced acquisitions of GeoCities and broadcast.com. We expect both of these acquisitions, which are not reflected in our first quarter results, to add substantially to the breadth of services we offer our global users, and advertising, merchant and business partners."

AUDIENCE GROWTH AND USAGE

Yahoo!'s audience growth rate in February (+5.4 percent) was the fastest among the top ten Web sites, and twice the growth rate of the Web overall. Yahoo!'s reach continues to grow across its network. The Yahoo! network of properties is ranked No. 1 in reach among work

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users (53.4 percent), No. 2 in home reach (44.1 percent) and No. 2 in combined work/home reach (51.8 percent). These findings, which are from Media Metrix's February 1999 research, do not include GeoCities and broadcast.com.

During the month of March 1999, traffic on the Yahoo! global network of properties grew to an average of 235 million page views per day, compared to an average of 167 million page views per day in December 1998. Yahoo! Japan's traffic, which is included in the above page view totals, increased to more than 17 million page views per day during the month of March 1999 from more than 13 million per day in December 1998. A page view is defined as one electronic page of information displayed in response to a user request.

Yahoo! today also announced that its registration base increased to 47 million unique registrations for Yahoo!'s registered member services, including shopping, auctions, classifieds, email, clubs, calendar, My Yahoo! (<http://my.yahoo.com>), and more.

In the first quarter, Yahoo! continued to deliver on its 'Yahoo! Everywhere' strategy and significantly expanded its distribution through an array of domestic and global agreements. Yahoo! announced plans to further extend its services beyond the desktop through relationships with PageNet and Online Anywhere. Yahoo! and PageNet, a leader in wireless messaging and information, intend to make Yahoo! (www.yahoo.com), My Yahoo!, Yahoo! Mail (<http://mail.yahoo.com>) and Yahoo! Calendar (<http://calendar.yahoo.com>) services available nationwide on PageNet pagers and other wireless devices. Through a relationship with Online Anywhere, Yahoo! intends to employ Online Anywhere's Author Once, View Anywhere-TM- service to optimize and deliver content and services to personal digital assistants and TV-based Internet appliances nationwide. Yahoo! continued to expand its presence on most popular PC desktops. Building on its prior quarter announcements, the company added distribution alliances with Compaq Europe, Gateway, Hewlett-Packard, IBM, Micron Electronics, and Toshiba. In addition, Yahoo! Germany (www.yahoo.de) and Mannesmann Arcor unveiled a pay-as-you-go Internet access service, called Yahoo! Online, which is expected to launch in the second quarter.

Yahoo! entered a marketing agreement with News Corporation in the first quarter and kicked off a national network and cable TV advertising program, including tie-ins between Yahoo! and multiple Fox media divisions.

NETWORK PROGRAMMING AND SERVICES

During the quarter, Yahoo! expanded its Web programming for users. The company launched three new properties in Asia, including Yahoo! Singapore (www.yahoo.com.sg), Yahoo! Taiwan (www.yahoo.com.tw), and Yahoo! Hong Kong (www.yahoo.com.hk and www.english.yahoo.com.hk).

Yahoo! also expanded its suite of services for small businesses during the first quarter. Yahoo! Site (<http://site.yahoo.com>) is a new service offering businesses a fast and easy way to create professional-quality Web sites and immediately begin marketing their business online.

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For \$29.95 per month, individuals have up to 25 Mb of storage space to create a Web presence hosted by Yahoo! using a simple site-builder tool. Yahoo! Site also provides a suite of tracking and reporting tools providing comprehensive information on how the business' site is doing and offers an easy upgrade path to Yahoo! Store. Yahoo! also launched Business Express (<http://www.yahoo.com/info/suggest/busexpress.html>), offering all commerce-enabled, online stores expedited consideration for Web site inclusion in the main Yahoo! directory for a one-time, non-refundable fee of \$199. With Yahoo!'s new Connected Office service (<http://connected.clubs.yahoo.com/office>), small companies can create their own internal communication hub and Intranet, including private communications tools, a shared company calendar and customizable business news and information.

Merchants continue to join Yahoo! Shopping (<http://shopping.yahoo.com>), which added more than 1,100 new online stores during the quarter. Through relationships with Banc One Payment Services and First Data Merchant Services Corporation, Yahoo! now provides Yahoo! Store participants with a convenient and cost-effective way to set up a merchant account, begin accepting credit card payments, and process credit-card transactions in a secure, fast and reliable environment over the Internet.

During the quarter, Yahoo! Auctions (<http://auctions.yahoo.com>) gave individuals the opportunity to listen, watch and/or bid real-time online simultaneously with bidders in physical galleries by co-hosting a large Entertainment Memorabilia auction. Yahoo! introduced photo albums for Yahoo! Clubs (<http://clubs.yahoo.com>), Yahoo!'s online community building service. The company launched Yahoo! Finance Tax Center (<http://biz.yahoo.com/taxes/>), a comprehensive resource to help users solve tax dilemmas year-round, and Yahoo! Entertainment (<http://entertainment.yahoo.com>), an expanded centralized source for television, movie, and music news and information. Yahoo! also launched Yahoo! Sports Fantasy Baseball (<http://fantasy.yahoo.com/baseball>), enabling fans to manage their own fantasy team using real-life stats and results of today's big league stars.

MERCHANT AND ADVERTISER SERVICES

During the quarter, Yahoo! launched Fusion Marketing Online-TM- (FMO), an expanded, integrated marketing program for clients worldwide. FMO builds on the strengths of Yahoo!'s advertising and merchant programs and leverages Yahoo!'s worldwide audience, traffic and user preferences database to provide customized and measurable marketing solutions. Major new advertisers during the quarter included ABC.com, Claritin, Daimler-Benz, Gillette, Hasbro Interactive, Nestle, and Quest Communications.

ABOUT YAHOO!

Yahoo! Inc. is a global Internet media company that offers a branded network of comprehensive information, communication and shopping services to 60 million users worldwide. As the first online navigational guide to the Web, www.yahoo.com is the leading guide in terms of traffic, advertising, household and business user reach, and is one of the most recognized brands associated with the Internet. The company's global Web network includes 18 world properties. Yahoo! has offices in Europe, the Asia Pacific, South America, Canada and the United States, and is headquartered in Santa Clara, Calif.

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This announcement contains forward-looking statements that involve risks and uncertainties, including those relating to the company's ability to grow its user and advertiser bases, its advertising and commerce revenues, and to continue to generate profits and positive cash flow from operations. Actual results may differ materially from the results predicted and reported results should not be considered as an indication of future performance. The potential risks and uncertainties include, among others, the company's limited operating history, the increasingly competitive and constantly changing environment for advertising sales and for Yahoo! branded services, the early stage of the Web as an advertising and commerce medium, the company's dependence on advertising revenues and on third parties for technology, content and distribution, and the company's ability to successfully integrate its acquired companies, especially GeoCities and broadcast.com. More information about potential factors that could affect the company's business and financial results is included in the company's Annual Report on Form 10-K for the year ended Dec. 31, 1998 including (without limitation) under the captions, "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Risk Factors," "Competition," and "Proprietary Rights," which is on file with the Securities and Exchange Commission (<http://www.sec.gov>). The accompanying condensed consolidated statements of operations and balance sheets are an integral part of this announcement.

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Yahoo!, the Yahoo! logo and Fusion Marketing Online are trademarks and/or registered trademarks of Yahoo! Inc. All other names are trademarks and/or registered trademarks of their respective owners.

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YAHOO! INC.
 Unaudited Pro Forma Condensed Consolidated Statements of Operations
 (in thousands, except per share amounts)

	THREE MONTHS ENDED MARCH 31,	
	1999	1998
Net revenues	\$ 86,064	\$ 30,596
Cost of revenues	8,347	4,294
Gross profit	77,717	26,302
Operating expenses:		
Sales and marketing	32,299	16,653
Product development	8,964	4,764
General and administrative	3,456	2,227
Total operating expenses	44,719	23,644
Income from operations	32,998	2,658
Investment income, net	6,615	1,440
Minority interests in operations of consolidated subsidiaries	(325)	243
Income before income taxes	39,288	4,341
Provision for income taxes	14,146	1,071
Pro forma net income	\$ 25,142	\$ 3,270
Pro forma net income per share - diluted	\$ 0.11	\$ 0.02
Weighted average common shares and equivalents used in per share calculation - diluted	237,111	213,866

Note: The above pro forma condensed consolidated statement of operations for the three months ended March 31, 1999 excludes the effects of \$9,775,000 of in-process research and development incurred in connection with the acquisition of a development stage Internet software company during January 1999, \$2,570,000 for the amortization of intangible assets, and the related tax effects of such items.

YAHOO! INC.
 Unaudited Condensed Consolidated Statements of Operations
 (in thousands, except per share amounts)

	THREE MONTHS ENDED	
	MARCH 31,	
	1999	1998
	-----	-----
Net revenues	\$ 86,064	\$ 30,596
Cost of revenues	8,347	4,294
Amortization of purchased technology	1,350	-
	-----	-----
Total cost of revenues	9,697	4,294
	-----	-----
Gross profit	76,367	26,302
	-----	-----
Operating expenses:		
Sales and marketing	32,299	16,653
Product development	8,964	4,764
General and administrative	3,456	2,227
Amortization of intangibles	1,220	-
Other - non-recurring costs (1)	9,775	-
	-----	-----
Total operating expenses	55,714	23,644
	-----	-----
Income from operations	20,653	2,658
Investment income, net	6,615	1,440
Minority interests in operations of consolidated subsidiaries	(325)	243
	-----	-----
Income before income taxes	26,943	4,341
Provision for income taxes	10,508	1,071
	-----	-----
Net income	\$ 16,435	\$ 3,270
	-----	-----
Net income per share - diluted	\$ 0.07	\$ 0.02
	-----	-----
	-----	-----
Weighted average common shares and equivalents used in per share calculation - diluted	237,111	213,866
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(1) Non-recurring costs consist of \$9,775,000 of in-process research and development incurred in connection with the acquisition of a development stage Internet software company during January 1999.

YAHOO! INC.
Condensed Consolidated Balance Sheets
(in thousands)

	MARCH 31, 1999 ----- (UNAUDITED)	DECEMBER 31, 1998 ----- (AUDITED)
ASSETS		
Cash, cash equivalents, and investments in marketable debt securities	\$ 524,351	\$ 482,426
Accounts receivable, net	26,876	24,831
Property and equipment, net	19,925	15,189
Investments in marketable equity securities	130,493	41,339
Other assets	90,034	58,099
	-----	-----
Total assets	\$ 791,679	\$ 621,884
	-----	-----
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Accounts payable	\$ 8,467	\$ 6,504
Note payable	9,000	-
Accrued expenses and other liabilities	43,572	39,621
Deferred revenue	45,498	38,301
	-----	-----
Total liabilities	106,537	84,426
	-----	-----
Minority interests in consolidated subsidiaries	1,573	1,248
	-----	-----
Shareholders' equity:		
Common Stock	598,257	523,020
Retained earnings (accumulated deficit)	7,993	(8,442)
Accumulated other comprehensive income	77,319	21,632
	-----	-----
Total shareholders' equity	683,569	536,210
	-----	-----
	\$ 791,679	\$ 621,884
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