

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM S-3

**REGISTRATION STATEMENT UNDER
THE SECURITIES ACT OF 1933**

Yahoo! Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of Incorporation
or Organization)

701 First Avenue
Sunnyvale, California 94089
(408) 349-3300
(Address, Including Zip Code, and Telephone
Number, Including Area Code, of Registrant's
Principal Executive Offices)

77-0398689
(I.R.S. Employer Identification
Number)

Blake Jorgensen
Chief Financial Officer
Yahoo! Inc.
701 First Avenue
Sunnyvale, California 94089
(408) 349-3300

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent For Service)

Copy to:

Michael J. Callahan
Executive Vice President, General Counsel and Secretary
701 First Avenue
Sunnyvale, California 94089
(408) 349-3300

Ora T. Fisher
Latham & Watkins LLP
140 Scott Drive
Menlo Park, California 94025
(650) 328-4600

Approximate date of commencement of proposed sale to the public:

From time to time after this registration statement becomes effective.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

CALCULATION OF REGISTRATION FEE

Title Of Each Class Of Securities To Be Registered	Amount To Be Registered	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price	Amount Of Registration Fee
Common Stock, \$0.001 par value per share	8,400,706 shares (2)	\$23.63 (1)	\$198,508,682.78 (1)	\$6,094.22

- (1) Estimated solely for the purpose of computing the amount of registration fee pursuant to Rule 457(c) under the Securities Act of 1933, as amended, based on the average of the high and low prices of the Registrant's common stock on July 30, 2007, as reported on the Nasdaq Global Select Market.
 - (2) Each share of common stock is accompanied by a preferred stock purchase right pursuant to the Amended and Restated Rights Agreement, dated as of April 1, 2005, as may be amended from time to time, between the Registrant and EquiServe Trust Company, N.A., as Rights Agent.
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8,400,706 Shares



YAHOO! INC.

Common Stock

All of the shares of our common stock in this offering are being sold by the selling stockholders identified in this prospectus or a supplement hereto. The shares of our common stock that may be offered by each selling stockholder using this prospectus represent shares of our common stock that we issued to such selling stockholder in connection with our acquisition of Right Media Inc. We will not receive any of the proceeds from the sale of these shares of our common stock by the selling stockholders.

Our common stock is listed on the Nasdaq Global Select Market under the symbol "YHOO." The last reported sale price of our common stock on July 30, 2007 was \$23.62 per share.

This prospectus describes the general manner in which the shares of our common stock may be offered and sold by the selling stockholders. If necessary, the specific manner in which shares of our common stock may be offered and sold will be described in a supplement to this prospectus.

Investing in our common stock involves risks. You should carefully consider the risks described under "Risk Factors" in Item 1A of our most recent Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission, or the SEC, on May 10, 2007 (which document is incorporated by reference herein), as well as other information contained or incorporated by reference in this prospectus or in any supplement hereto before making a decision to invest in our securities. See "Available Information" below.

Neither the SEC nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is August 1, 2007.

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[EXHIBIT 4.2](#)
[EXHIBIT 5.1](#)
[EXHIBIT 23.1](#)

We have not authorized any dealer, salesperson or other person to give any information or to make any representations to you other than the information contained in this prospectus. You must not rely on any information or representations not contained in this prospectus as if we had authorized it. The information contained in this prospectus is current only as of the date on the cover page of this prospectus and may change after that date. We do not imply that there has been no change in the information contained in this prospectus or in our affairs since that date by delivering this prospectus.

This prospectus incorporates important business and financial information about us that is not included in or delivered with this prospectus. This information is available without charge to you upon written or oral request. If you would like a copy of any of this information, please submit your request to Investor Relations, Yahoo! Inc., 701 First Avenue, Sunnyvale, California 94089, or call (408) 349-3382 to make your request.

PROSPECTUS SUMMARY

This summary highlights material information found in greater detail elsewhere in this prospectus or the documents incorporated by reference herein. Before deciding to invest in our common stock, you should carefully read this entire prospectus, including the matters discussed in "Risk Factors," which we describe in our most recent Quarterly Report on Form 10-Q filed with the SEC on May 10, 2007, and in other documents that we subsequently file with the SEC.

Our Company

We are a leading global Internet brand and one of the most trafficked Internet destinations worldwide. Our mission is to connect people to their passions, their communities, and the world's knowledge. We seek to provide Internet services that are essential and relevant to our global audience of users and advertisers. To our global audience of users, we provide our owned and operated online properties and services, which we refer to as the Yahoo! Properties. To our advertisers, we provide a range of tools and marketing solutions designed to enable them to reach our community of users through the Yahoo! Properties and our distribution network of third-party entities who have integrated our search and/or display advertising offerings into their websites.

We offer a broad range of innovative and high-quality Internet products and services that are designed to provide our users with the power to connect, communicate, create, access, and share information online. We seek to provide efficient and effective marketing services for advertisers to reach our global audience of users. Our focus is on engaging more deeply with users and increasing the user base on the Yahoo! Properties, thereby enhancing value for our advertisers. We believe that we can increase our existing and potential user base and our users' engagement on the Yahoo! Properties not only by offering compelling Internet services, but also by effectively integrating search, community, personalization and content to create a more powerful user experience.

Many of our services are free to users. We generate revenues by providing marketing services to advertisers across a majority of our properties and by charging our users for premium services. We classify these revenues as either marketing services or fees. The majority of our offerings are available globally in more than 20 languages. We manage and measure our business geographically. Our principal geographies are the United States and International.

Recent Developments

On July 17, 2007, we announced our unaudited interim financial results for the second quarter ended June 30, 2007. These financial results included the following:

- Revenues were \$1,698 million for the second quarter of 2007, an 8 percent increase compared to \$1,576 million for the same period of 2006.
- Marketing services revenues were \$1,486 million for the second quarter of 2007, a 7 percent increase compared to \$1,386 million for the same period of 2006.
- Marketing services revenues from Owned and Operated sites were \$887 million for the second quarter of 2007, an 18 percent increase compared to \$752 million for the same period of 2006. Owned and Operated sites refer to Yahoo!'s owned and operated online properties and services.
- Marketing services revenues from Affiliate sites were \$599 million for the second quarter of 2007, a 5 percent decrease compared to \$634 million for the same period of 2006. Affiliate sites refer to Yahoo!'s distribution network of third-party entities who have integrated Yahoo!'s search and/or display advertising offerings into their websites.
- Fees revenues were \$212 million for the second quarter of 2007, a 12 percent increase compared to \$190 million for the same period of 2006.
- Gross profit for the second quarter of 2007 was \$1,015 million, a 9 percent increase compared to \$930 million for the same period of 2006.

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- Operating income for the second quarter of 2007 was \$185 million, a 19 percent decrease compared to \$230 million for the same period of 2006.
- Cash flow from operating activities for the second quarter of 2007 was \$406 million, a 6 percent decrease compared to \$430 million for the same period of 2006.
- Net income for the second quarter of 2007 was \$161 million or \$0.11 per diluted share compared to \$164 million or \$0.11 per diluted share for the same period of 2006.
- The provision for income taxes for the second quarter of 2007 was \$88 million and yielded an effective tax rate of 41 percent. The provision for income taxes for the second quarter of 2006 was \$123 million and yielded an effective tax rate of 46 percent.
- United States segment revenues for the second quarter of 2007 were \$1,119 million, a 5 percent increase compared to \$1,070 million for the same period of 2006.
- International segment revenues for the second quarter of 2007 were \$579 million, a 15 percent increase compared to \$506 million for the same period of 2006.

Corporate Information

Yahoo! was incorporated in March 1995 under the laws of California. Yahoo! was subsequently reincorporated in May 1999 under the laws of Delaware. Our principal executive offices are located at 701 First Avenue, Sunnyvale, California 94089 and our telephone number is (408) 349-3300. Our website is located at <http://www.yahoo.com>. As used in this prospectus, the words “we,” “us,” “our” and “Yahoo!” refer to Yahoo! Inc., a Delaware corporation, and its subsidiaries.

RISK FACTORS

You should consider, among other things, the matters discussed under “Risk Factors” in Item 1A of our most recent Quarterly Report on Form 10-Q filed with the SEC on May 10, 2007, and in other documents that we subsequently file with the SEC, all of which are incorporated by reference into this prospectus.

FORWARD-LOOKING STATEMENTS

This prospectus contains and incorporates by reference forward-looking statements. In addition to current and historical information, this prospectus contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements relate to our future operations, prospects, potential products, services, developments and business strategies. These statements can, in some cases, be identified by the use of terms such as “may,” “will,” “should,” “could,” “would,” “intend,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “project,” “potential,” or “continue” or the negative of such terms or other comparable terminology. This prospectus includes and incorporates by reference, among others, forward-looking statements regarding our:

- expectations about revenues for marketing services and fees;
- expectations about growth in users;
- expectations about cost of revenues and operating expenses;
- expectations about effective tax rate;

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- expectations about our announced reorganization;
- anticipated capital expenditures;
- evaluation of possible acquisitions of, or investments in, businesses, products and technologies; and
- expectations about positive cash flow generation and existing cash and investments being sufficient to meet normal operating requirements.

These statements involve certain known and unknown risks and uncertainties that could cause our actual results to differ materially from those expressed or implied in our forward-looking statements. Such risks and uncertainties include, among others, those listed Item 1A “Risk Factors” of our Quarterly Report on Form 10-Q filed with the SEC on May 10, 2007. We assume no obligation to update forward-looking statements contained or incorporated by reference in this prospectus.

USE OF PROCEEDS

The selling stockholders identified in this prospectus, their pledges, donees, transferees or other successors in interest, will receive all of the proceeds from the sale of our common stock being offered hereby. We will not receive any proceeds from these sales. See “Selling Stockholders.”

PRICE RANGE OF COMMON STOCK AND DIVIDEND POLICY

Our common stock is listed and traded on the Nasdaq Global Select Market under the symbol “YHOO.” The following table sets forth the range of high and low per share sales prices as reported for each period indicated and reflects all stock splits effected:

	<u>High</u>	<u>Low</u>
Year ended December 31, 2005		
First quarter	\$38.90	\$30.30
Second quarter	\$38.95	\$32.29
Third quarter	\$38.02	\$31.60
Fourth quarter	\$43.45	\$32.77
Year ended December 31, 2006		
First quarter	\$43.66	\$29.75
Second quarter	\$34.09	\$28.60
Third quarter	\$33.74	\$24.60
Fourth quarter	\$28.56	\$22.65
Year ending December 31, 2007		
First quarter	\$32.84	\$25.26
Second quarter	\$33.61	\$26.61
Third quarter (through July 30, 2007)	\$27.80	\$23.38

On July 30, 2007, the last sale price for our common stock as reported on the Nasdaq Global Select Market was \$23.62 per share. As of July 30, 2007, there were approximately 11,034 holders of record of our common stock.

We have never paid any cash dividends on our common stock and have no present plans to do so.

SELLING STOCKHOLDERS

This prospectus relates to the resale of our common stock held by the selling stockholders listed below. The selling stockholders acquired these shares from us in a private offering pursuant to an exemption from registration provided in Regulation D, Rule 506 under Section 4(2) of the Securities Act of 1933, as amended, or the Securities Act, in connection with our acquisition of Right Media Inc. on July 11, 2007. The registration statement of which this prospectus is a part of has been filed pursuant to registration rights granted to the selling stockholders as part of our acquisition.

Under the terms of the registration rights agreement between us and the selling stockholders, we will pay all expenses of the registration of the shares of common stock, including SEC filing fees, except that the selling stockholders will pay all discounts and selling commissions, if any. Our expenses for the registration of the shares of common stock are estimated to be \$70,000.

The table below sets forth certain information known to us, based upon written representations from the selling stockholders, with respect to the beneficial ownership of our shares of common stock held by the selling stockholders as of June 30, 2007. Because the selling stockholders may sell, transfer or otherwise dispose of all, some or none of the shares of our common stock covered by this prospectus, we cannot determine the number of such shares that will be sold, transferred or otherwise disposed of by the selling stockholders, or the amount or percentage of shares of our common stock that will be held by the selling stockholders upon termination of any particular offering. See "Plan of Distribution." For the purposes of the table below, we assume that the selling stockholders will sell all their shares of common stock covered by this prospectus.

In the table below, the percentage of shares beneficially owned is based on 1,340,625,827 shares of our common stock outstanding as of June 30, 2007, determined in accordance with Rule 13d-3 of the Securities Exchange Act of 1934, as amended, or the Exchange Act. Under such rule, beneficial ownership includes any shares over which the individual has sole or shared voting power or investment power and also any shares which the individual has the right to acquire within sixty days of such date through the exercise of any options or other rights. Unless otherwise indicated in the footnotes, each person has sole voting and investment power (or shares such powers with his or her spouse) with respect to the shares of common stock shown as beneficially owned.

Unless otherwise described below, to our knowledge, none of the selling stockholders nor any of their affiliates has held any position or office with, been employed by or otherwise had any material relationship with us or our affiliates during the three years prior to the date of this prospectus. In addition, based on information provided to us, none of the selling stockholders that are affiliates of broker-dealers, if any, purchased the shares of common stock outside the ordinary course of business or, at the time of their acquisition of the shares of common stock, had any agreements, understandings or arrangements with any other persons, directly or indirectly, to dispose of the shares.

Name of Selling Stockholder	Prior to the offering		Number of shares of common stock being registered for resale	After the offering (assuming all shares of common stock being offered hereby are sold)	
	Number of shares of common stock beneficially owned	Percent of shares of common stock outstanding		Number of shares of common stock beneficially owned	Percent of shares of common stock outstanding
Susan Abdalla	11,352	*	11,352	—	—
Christine M. Hunsicker	542,181(1)(2)	*	131,400(2)	410,781(1)	*
Roger Jehenson	31,398	*	31,398	—	—

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Name of Selling Stockholder	Prior to the offering		Number of shares of common stock being registered for resale	After the offering (assuming all shares of common stock being offered hereby are sold)	
	Number of shares of common stock beneficially owned	Percent of shares of common stock outstanding		Number of shares of common stock beneficially owned	Percent of shares of common stock outstanding
Amy Michelle Kirsch-Lipton	2,710	*	2,710	—	—
Marc Kiven	28,096	*	28,096	—	—
Edward Paul Kozek III	32,218(3)	*	21,812	10,406(3)	*
Aaron Daniel Letscher	76,106(4)	*	65,700	10,406(4)	*
Patrick Jeremy McCarthy	13,526(5)	*	2,189	11,337(5)	*
Ramsey Reardon McGrory	33,050(6)	*	32,850	200	*
Michael Walrath 2007 Grantor Retained Annuity Trust for Issue (7)	2,716,012(8)	*	262,800	85,206(9)	*
Michael Walrath 2007 Grantor Retained Annuity Trust for Michelle Walrath (7)	2,716,012(10)	*	131,400	85,206(9)	*
Michael Walrath 2007 Grantor Retained Annuity Trust for Walrath Family (7)	2,716,012(11)	*	131,400	85,206(9)	*
MW Ventures LLC (12)	2,716,012(13)(14)	*	1,711,006(14)	85,206(9)	*
Michael Walrath	2,716,012(14)(15)	*	394,200(14)	85,206(9)	*
Charles Brian O’Kelley	919,980(16)	*	200,949	719,031(16)	*
Matthew Allen Philips	175,254	*	175,254	—	—
Pinnacle Ventures I (Q) Equity Holdings, L.L.C. (17)	73,931	*	73,931	—	—
Pinnacle Ventures I Affiliates, L.P. (17)	2,098	*	2,098	—	—
Pinnacle Ventures I-A (Q), L.P. (17)	5,981	*	5,981	—	—
Pinnacle Ventures I-B, L.P. (17)	17,465	*	17,465	—	—
Pinnacle Ventures II Equity Holdings, L.L.C. (18)	21,574	*	21,574	—	—
Pinnacle Ventures II-A, L.P. (18)	971	*	971	—	—

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Name of Selling Stockholder	Prior to the offering		Number of shares of common stock being registered for resale	After the offering (assuming all shares of common stock being offered hereby are sold)	
	Number of shares of common stock beneficially owned	Percent of shares of common stock outstanding		Number of shares of common stock beneficially owned	Percent of shares of common stock outstanding
Pinnacle Ventures II-B, L.P. (18)	40,804	*	40,804	—	—
Pinnacle Ventures II-C, L.P. (18)	3,400	*	3,400	—	—
Pinnacle Ventures II-R, L.P. (18)	3,400	*	3,400	—	—
Point Ventures Group, LLC (19)	2,173,299(20)	*	1,963,059	—	—
Trustees of 2007 Grantor Retained Annuity Trust under Article FIRST, Subdivision A of JPoint 2007 Grantor Retained Annuity Trust (21)	2,068,179(22)	*	105,120	—	—
Trustees of 2007 Grantor Retained Annuity Trust under Article FIRST, Subdivision A of NPoint 2007 Grantor Retained Annuity Trust (23)	2,068,179(24)	*	105,120	—	—
Redpoint Associates I, LLC (25)	21,874	*	21,874	—	—
Redpoint Technology Partners A-1, L.P. (25)	13,547	*	13,547	—	—
Redpoint Technology Partners Q-1, L.P. (25)	84,762	*	84,762	—	—
Redpoint Ventures I, L.P. (25)	853,112	*	853,112	—	—
Redpoint Ventures II, L.P. (26)	1,710,423	*	1,710,423	—	—
Redpoint Associates II, LLC (27)	39,549	*	39,549	—	—

* Represents less than 1% of the total aggregate amount of shares of common stock outstanding as of June 30, 2007.

- (1) Includes options to purchase 410,781 shares of our common stock, which are exercisable within 60 days of the date of this prospectus.
- (2) Includes shares of common stock held in escrow pursuant to an Escrow Agreement, dated as of July 11, 2007 among us, U.S. Bank National Association and Christine Hunsicker. Ms. Hunsicker was the President of Right Media Inc. and is currently employed by us as Vice President, Right Media Exchange Operations.
- (3) Includes options to purchase 10,406 shares of our common stock, which are exercisable within 60 days of the date of this prospectus. Mr. Kozek was an employee of Right Media Inc. and is currently employed by us.

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- (4) Includes options to purchase 10,406 shares of our common stock, which are exercisable within 60 days of the date of this prospectus. Mr. Letscher was an employee of Right Media Inc. and is currently employed by us.
- (5) Includes options to purchase 11,337 shares of our common stock, which are exercisable within 60 days of the date of this prospectus. Mr. McCarthy was an employee of Right Media Inc. and is currently employed by us.
- (6) Mr. McGrory was an employee of Right Media Inc. and is currently employed by us.
- (7) Michael Walrath and Michelle Walrath are trustees of the Michael Walrath 2007 Grantor Retained Annuity Trust for Issue (the "Issue Trust"), Michael Walrath 2007 Grantor Retained Annuity Trust for Michelle Walrath (the "Michelle Trust") and Michael Walrath 2007 Grantor Retained Annuity Trust for Walrath Family (the "Family Trust) and exercise dispositive power over the shares of common stock being registered for resale in this prospectus.
- (8) Includes (i) 262,800 shares of our common stock directly held by the Issue Trust, (ii) 2,371,006 shares of our common stock beneficially held (directly and indirectly) by Michael Walrath, trustee of the Issue Trust, and (iii) options held by Mr. Walrath to purchase 82,206 shares of our common stock, which are exercisable within 60 days of the date of this prospectus.
- (9) Includes (i) 3,000 shares of our common stock held by Michael Walrath and (ii) options held by Mr. Walrath to purchase 82,206 shares of our common stock, which are exercisable within 60 days of the date of this prospectus.
- (10) Includes (i) 131,400 shares of our common stock directly held by the Michelle Trust, (ii) 2,502,406 shares of our common stock beneficially held (directly and indirectly) by Michael Walrath, trustee of the Michelle Trust, and (iii) options held by Mr. Walrath to purchase 82,206 shares of our common stock, which are exercisable within 60 days of the date of this prospectus.
- (11) Includes (i) 131,400 shares of our common stock directly held by the Family Trust, (ii) 2,502,406 shares of our common stock beneficially held (directly and indirectly) by Michael Walrath, trustee of the Family Trust, and (iii) options held by Mr. Walrath to purchase 82,206 shares of our common stock, which are exercisable within 60 days of the date of this prospectus.
- (12) Michael Walrath is the managing member of MW Ventures LLC and exercises dispositive power over the shares of common stock being registered for resale in this prospectus.
- (13) Includes (i) 1,711,006 of our common stock directly held by MW Ventures LLC, (ii) 922,800 shares of our common stock beneficially held (directly and indirectly) by Michael Walrath, the managing member of MW Ventures LLC, and (iii) options held by Mr. Walrath to purchase 82,206 shares of our common stock, which are exercisable within 60 days of the date of this prospectus.
- (14) Includes shares of common stock held in escrow pursuant to an Escrow Agreement, dated as of July 11, 2007 among us, U.S. Bank National Association, Michael Walrath and MW Ventures LLC.
- (15) Includes (i) 397,200 shares of our common stock directly held by Michael Walrath, (ii) 2,236,606 shares of our common stock indirectly beneficially held by Michael Walrath, and (iii) options held by Mr. Walrath to purchase 82,206 shares of our common stock, which are exercisable within 60 days of the date of this prospectus. Mr. Walrath was the Chief Executive Officer of Right Media Inc. and is currently employed by us as Senior Vice President, Right Media Exchange.
- (16) Includes options to purchase 719,031 shares of our common stock, which are exercisable within 60 days of the date of this prospectus.
- (17) Pinnacle Ventures Management I, LLC is the general partner of Pinnacle Ventures I (Q) Equity Holdings, L.L.C., Pinnacle Ventures I Affiliates, L.P., Pinnacle Ventures I-A (Q), L.P. and Pinnacle Ventures I-B, L.P. Kenneth R. Pelowski and Robert A. Curley, Jr. are managing members of Pinnacle Ventures Management I, LLC and each exercises dispositive power over the shares of common stock being registered for resale in this prospectus.
- (18) Pinnacle Ventures Management II, LLC is the general partner of Pinnacle Ventures II Equity Holdings, L.L.C., Pinnacle Ventures II-A, L.P., Pinnacle Ventures II-B, L.P., Pinnacle Ventures II-C, L.P. and Pinnacle Ventures II-R, L.P.

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Kenneth R. Pelowski and Robert A. Curley, Jr. are managing members of Pinnacle Ventures Management II, LLC and each exercises dispositive power over the shares of common stock being registered for resale in this prospectus.

- (19) Jonah Goodhart and Noah Goodhart are managing members of Point Ventures Group, LLC and each exercises dispositive power over the shares of common stock being registered for resale in this prospectus.
- (20) Includes (i) 1,963,059 shares of our common stock directly held by Point Ventures Group, LLC, (ii) 105,120 shares of our common stock indirectly beneficially held by Jonah Goodhart, a managing member of Point Ventures Group, LLC, and (iii) 105,120 shares of our common stock indirectly beneficially held by Noah Goodhart, a managing member of Point Ventures Group, LLC.
- (21) Jonah Goodhart is a trustee of the Trustees of 2007 Grantor Retained Annuity Trust under Article FIRST, Subdivision A of JPoint 2007 Grantor Retained Annuity Trust and exercises dispositive power over the shares of common stock being registered for resale in this prospectus.
- (22) Includes 1,963,059 shares of our common stock indirectly beneficially held by Jonah Goodhart, trustee of the Trustees of 2007 Grantor Retained Annuity Trust under Article FIRST, Subdivision A of JPoint 2007 Grantor Retained Annuity Trust.
- (23) Noah Goodhart is a trustee of the Trustees of 2007 Grantor Retained Annuity Trust under Article FIRST, Subdivision A of NPoint 2007 Grantor Retained Annuity Trust and exercises dispositive power over the shares of common stock being registered for resale in this prospectus.
- (24) Includes 1,963,059 shares of our common stock indirectly beneficially held by Noah Goodhart, trustee of the Trustees of 2007 Grantor Retained Annuity Trust under Article FIRST, Subdivision A of NPoint 2007 Grantor Retained Annuity Trust.
- (25) Redpoint Ventures I, LLC controls Redpoint Associates I, LLC, Redpoint Technology Partners A-1, L.P., Redpoint Technology Partners Q-1, L.P., and Redpoint Ventures I, L.P. Redpoint Ventures I, LLC's managing directors are Jeffrey D. Brody, R. Thomas Dyal, Timothy M. Haley, G. Bradford Jones, John L. Walecka and Geoffrey Y. Yang, and they exercise dispositive power over the shares of common stock being registered for resale in this prospectus.
- (26) Redpoint Ventures II, LLC controls Redpoint Ventures II, L.P. Redpoint Ventures II, LLC's managing directors are Jeffrey D. Brody, R. Thomas Dyal, Timothy M. Haley, G. Bradford Jones, John L. Walecka and Geoffrey Y. Yang, and they exercise dispositive power over the shares of common stock being registered for resale in this prospectus.
- (27) Redpoint Associates II, LLC's managers are Jeffrey D. Brody, R. Thomas Dyal, Timothy M. Haley, G. Bradford Jones, John L. Walecka and Geoffrey Y. Yang, and they exercise dispositive power over the shares of common stock being registered for resale in this prospectus.

PLAN OF DISTRIBUTION

The shares of our common stock listed in the table appearing in the “Selling Stockholders” section of this prospectus are being registered to permit public secondary trading of these shares by the holders of such shares from time to time after the date of this prospectus. Registration of the shares of our common stock covered by this prospectus does not mean, however, that those shares of common stock necessarily will be offered or sold. We will not receive any of the proceeds from the sale of our common stock by the selling stockholders.

The selling stockholders and their pledgees, assignees, donees, or other successors-in-interest who acquire their shares of our common stock after the date of this prospectus, may sell such shares of common stock from time to time directly to purchasers or through underwriters, broker-dealers or agents, at market prices prevailing at the time of sale, at prices related to such market prices, at a fixed price or prices subject to change or at negotiated prices, by a variety of methods including the following:

- through the Nasdaq Global Select Market or on any national securities exchange or quotation service on which the shares of our common stock may be listed or quoted at the time of sale;
- in the over-the-counter market;
- in transactions otherwise than on such exchanges or services or in the over-the-counter market;
- through the exercise of purchased or written options;
- through a combination of any such methods; or
- through any other method permitted under applicable law and our insider trading policy.

In connection with sales of our common stock or otherwise, a selling stockholder that is neither an employee of Yahoo! Inc. nor otherwise subject to our insider trading policy may enter into hedging transactions with broker-dealers, which may in turn engage in short sales of the shares of our common stock in the course of hedging the positions they assume and such selling stockholder may also sell short the shares of our common stock and deliver such shares to close out such short positions, or loan or pledge shares of our common stock to broker-dealers that in turn may sell such securities.

If underwriters are used in a firm commitment underwriting, the selling stockholders will execute an underwriting agreement with those underwriters relating to the shares of our common stock that the selling stockholders will offer. Unless otherwise set forth in a prospectus supplement, the obligations of the underwriters to purchase the shares of our common stock will be subject to conditions. The underwriters, if any, will purchase such shares on a firm commitment basis and will be obligated to purchase all of such shares.

The shares of our common stock subject to the underwriting agreement will be acquired by the underwriters for their own account and may be resold by them from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. Underwriters may be deemed to have received compensation from the selling stockholders in the form of underwriting discounts or commissions and may also receive commissions from the purchasers of these shares of our common stock for whom they may act as agent. Underwriters may sell these shares to or through dealers. These dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters and/or commissions from the purchasers for whom they may act as agent. Any public offering price and any discounts or concessions allowed or reallocated or paid to dealers may be changed from time to time.

The selling stockholders may authorize underwriters to solicit offers by institutions to purchase the shares of our common stock subject to the underwriting agreement from the selling stockholders at the public offering price stated in a prospectus supplement pursuant to delayed delivery contracts providing for payment and delivery on a specified date in the future. If the selling stockholders sell shares of our common stock pursuant to these delayed delivery contracts, the prospectus supplement will state that as well as the conditions to which these delayed delivery contracts will be subject and the commissions payable for that solicitation.

The applicable prospectus supplement will set forth whether or not underwriters may over-allot or effect transactions that stabilize, maintain or otherwise affect the market price of the shares of our common stock at levels above those that might otherwise prevail in the open market, including, for example, by entering stabilizing bids, effecting syndicate covering transactions

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or imposing penalty bids. Underwriters are not required to engage in any of these activities, or to continue such activities if commenced.

In effecting sales, brokers or dealers engaged by the selling stockholders may arrange for other brokers or dealers to participate. Broker-dealers may receive commissions or discounts from the selling stockholders (or, if any broker-dealer acts as agent for the purchaser of shares, from the purchaser) in amounts to be negotiated. The selling stockholders do not expect these commissions and discounts to exceed what is customary in the types of transactions involved. Broker-dealer transactions may include:

- purchases of the shares of our common stock by a broker-dealer as principal and resales of the shares of our common stock by the broker-dealer for its account pursuant to this prospectus;
- ordinary brokerage transactions; or
- transactions in which the broker-dealer solicits purchasers on a best efforts basis.

If dealers are utilized in the sale of shares of our common stock, the names of the dealers and the terms of the transaction will be set forth in a prospectus supplement, if required.

The selling stockholders may also sell shares of our common stock through agents designated by them from time to time. We will name any agent involved in the offer or sale of such shares and will list commissions payable by the selling stockholders to these agents in a prospectus supplement, if required. These agents will be acting on a best efforts basis to solicit purchases for the period of its appointment, unless we state otherwise in any required prospectus supplement.

The selling stockholders may sell any of the shares of our common stock directly to purchasers. In this case, the selling stockholders may not engage underwriters or agents in the offer and sale of such shares.

The selling stockholders may indemnify underwriters, dealers or agents who participate in the distribution of the shares of our common stock against certain liabilities, including liabilities under the Securities Act, and agree to contribute to payments which these underwriters, dealers or agents may be required to make.

The aggregate proceeds to the selling stockholders from the sale of the shares of our common stock offered by the selling stockholders hereby will be the purchase price of such shares less discounts and commissions, if any. The selling stockholders reserve the right to accept and, together with their agents from time to time, to reject, in whole or in part, any proposed purchase of shares of our common stock to be made directly or through agents.

In order to comply with the securities laws of some states, if applicable, the shares of our common stock may be sold in these jurisdictions only through registered or licensed brokers or dealers. In addition, in some states such shares may not be sold unless they have been registered or qualified for sale or an exemption from registration or qualification requirements is available and is complied with.

The selling stockholders and any underwriters, broker-dealers or agents that participate in the sale of the shares of our common stock may be “underwriters” within the meaning of Section 2(11) of the Securities Act. Any discounts, commissions, concessions or profit they earn on any resale of such shares may be underwriting discounts and commissions under the Securities Act. Any selling stockholder who is an “underwriter” within the meaning of Section 2(11) of the Securities Act will be subject to the prospectus delivery requirements of the Securities Act. The selling stockholders have acknowledged that they understand their obligations to comply with the provisions of the Exchange Act and the rules thereunder relating to stock manipulation, particularly Regulation M.

We are not aware of any plans, arrangements or understandings between the selling stockholders and any underwriter, broker-dealer or agent regarding the sale of the shares of our common stock by the selling stockholders. We do not assure you that the selling stockholders will sell any or all of the shares of our common stock offered by it pursuant to this prospectus. In addition, we do not assure you that the selling stockholders will not transfer, devise or gift the shares of our common stock by other means not described in this prospectus. Moreover, any securities covered by this prospectus that qualify for sale pursuant to Rule 144 under the Securities Act may be sold under Rule 144 rather than pursuant to this prospectus.

LEGAL MATTERS

The validity of the securities offered by this prospectus will be passed upon for us by Latham & Watkins LLP, Menlo Park, California.

EXPERTS

The financial statements and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control over Financial Reporting) incorporated in this prospectus by reference to the Annual Report on Form 10-K for the year ended December 31, 2006 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

INCORPORATION BY REFERENCE

The SEC allows us to incorporate by reference into this prospectus certain of our publicly-filed documents, which means that information included in these documents is considered part of this prospectus. Information that we file with the SEC subsequent to the date of this prospectus will automatically update and supersede this information.

We are incorporating by reference into this prospectus the following documents filed with the SEC (excluding any portions of such documents that have been "furnished" but not "filed" for purposes of the Exchange Act):

- Annual Report on Form 10-K for the fiscal year ended December 31, 2006 filed with the SEC on February 23, 2007;
- Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2007 filed with the SEC on May 10, 2007;
- Proxy statement on Schedule 14A filed with the SEC on April 30, 2007;
- Current Reports on Form 8-K filed with the SEC on January 19, 2007, March 2, 2007, March 29, 2007, May 2, 2007, May 15, 2007, May 30, 2007, June 15, 2007, June 18, 2007 and July 27, 2007;
- The description of our common stock contained in our Registration Statement on Form 8-A filed with the SEC on March 12, 1996, as updated by our Current Report on Form 8-K filed with the SEC on August 11, 2000, and any other amendment or report filed for the purpose of updating such description; and
- The description of our preferred stock purchase rights contained in our Registration Statement on Form 8-A, filed with the SEC on March 19, 2001, as amended by our Registration Statement on Form 8-A/A filed with the SEC on April 30, 2004 and as updated by our Current Report on form 8-K filed with the SEC on April 4, 2005 (each, Commission File No. 000-28018), and any other amendment or report filed for the purpose of updating such description.

All documents subsequently filed by us pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus, prior to the termination of the offering, shall be deemed to be incorporated herein by reference.

We will furnish without charge to you, on written or oral request, a copy of any or all of the documents incorporated by reference herein, other than exhibits to such documents that are not specifically incorporated by reference therein. You should direct any requests for documents to Investor Relations, Yahoo! Inc., 701 First Avenue, Sunnyvale, California 94089, telephone: (408) 349-3382.

AVAILABLE INFORMATION

This prospectus is part of a Registration Statement on Form S-3 that we filed with the SEC. Certain information in the registration statement has been omitted from this prospectus in accordance with the rules of the SEC. We file our annual, quarterly and current reports, proxy statements and other information with the SEC. You can inspect and copy the registration statement as well as reports, proxy statements and other information we have filed with the SEC at the public reference room maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. You can obtain copies from the public reference room of the SEC at 100 F Street, N.E., Washington, D.C. 20549 upon payment of certain fees. You can call the SEC at 1-800-732-0330 for further information about the public reference room. We are also required to file electronic versions of these documents with the SEC, which may be accessed through the SEC's website at <http://www.sec.gov>. You may also obtain information about Yahoo! at our website at <http://www.yahoo.com>.

PART II**INFORMATION NOT REQUIRED IN PROSPECTUS****ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.**

The following table sets forth the costs and expenses payable by the Registrant in connection with the issuance and distribution of the securities being registered hereby. All of the amounts shown are estimates except the SEC registration fee.

	<u>Amount</u>
SEC registration fee	\$ 6,094.22
Printing expenses	1,000.00
Legal fees and expenses	50,000.00
Accounting fees and expenses	6,000.00
Miscellaneous expenses	6,905.78
Total	<u>\$ 70,000.00</u>

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Our Amended Bylaws provide generally for indemnification of our officers, directors, agents and employees to the extent authorized by the General Corporation Law of the State of Delaware (“DGCL”). Pursuant to Section 145 of the DGCL, a corporation generally has the power to indemnify its present and former directors, officers, employees and agents against expenses incurred by them in connection with any suit to which they are, or are threatened to be made, a party by reason of their serving in such positions so long as they acted in good faith and in a manner they reasonably believed to be in, or not opposed to, the best interests of a corporation, and with respect to any criminal action, they had no reasonable cause to believe their conduct was unlawful. With respect to suits by or in the right of a corporation, however, indemnification is not available if such person is adjudged to be liable for negligence or misconduct in the performance of his duty to the corporation unless the court determines that indemnification is appropriate. In addition, a corporation has the power to purchase and maintain insurance for such person. The statute also expressly provides that the power to indemnify that it authorizes is not exclusive of any rights granted under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise.

As permitted by Section 102 of the DGCL, our stockholders have approved and incorporated provisions into Article XII of our Amended and Restated Certificate of Incorporation and Article VI of our Amended Bylaws eliminating a director’s personal liability for monetary damages to us and our stockholders arising from a breach of a director’s fiduciary duty, except for liability under Section 174 of the DGCL or liability for any breach of the director’s duty of loyalty to us or its stockholders, for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law or for any transaction in which the director derived an improper personal benefit. Yahoo! has also entered into agreements with its directors and certain of its officers that will require Yahoo!, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors or officers to the fullest extent not prohibited by law. The Company maintains liability insurance for the benefit of its officers and directors.

The above discussion of the DGCL and of the Company’s amended and restated certificate of incorporation, bylaws, and indemnification agreements is not intended to be exhaustive and is qualified in its entirety by such statute, amended and restated certificate of incorporation, bylaws and indemnification agreements.

ITEM 16. EXHIBITS.

<u>Number</u>	<u>Exhibit</u>
4.1	Amended and Restated Rights Agreement, dated as of April 1, 2005, by and between Yahoo! Inc. and Equiserve Trust Company, N.A., as rights agent (Filed as Exhibit 4.1 to the Registrant’s Current Report on Form 8-K, filed April 4, 2005, and incorporated herein by reference.)
4.2	Registration Rights Agreement, dated July 11, 2007 among the Registrant and Certain Stockholders of Right Media Inc.

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<u>Number</u>	<u>Exhibit</u>
5.1	Opinion of Latham & Watkins LLP.
23.1	Consent of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm.
23.2	Consent of Latham & Watkins LLP (included in Exhibit 5.1).
24.1	Power of Attorney (incorporated by reference in the signature page to the registration statement).

ITEM 17. UNDERTAKINGS.

(a) The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

- (i) To include any prospectus required by Section 10(a)(3) of the Securities Act;
- (ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;
- (iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

Provided however, that paragraphs (a)(1)(i), (a)(1)(ii) and (a)(1)(iii) of this section do not apply if the registration statement is on Form S-3 and the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the Registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability under the Securities Act to any purchaser:

- (i) Each prospectus filed by the Registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and
- (ii) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5), or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii), or (x) for the purpose of providing the information required by Section 10(a) of the Securities Act shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering

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thereof. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date.

(5) That, for the purpose of determining liability of the Registrant under the Securities Act to any purchaser in the initial distribution of the securities, the undersigned Registrant undertakes that in a primary offering of securities of the undersigned Registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned Registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

- (i) Any preliminary prospectus or prospectus of the undersigned Registrant relating to the offering required to be filed pursuant to Rule 424;
- (ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned Registrant or used or referred to by the undersigned Registrant;
- (iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned Registrant or its securities provided by or on behalf of the undersigned Registrant; and
- (iv) Any other communication that is an offer in the offering made by the undersigned Registrant to the purchaser.

(b) The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(h) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Sunnyvale, State of California on this 1st day of August 2007.

YAHOO! INC.

By: /s/ Jerry Yang
Jerry Yang
Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below does hereby constitute and appoint Jerry Yang and Blake Jorgensen, and each of them, with full power of substitution and full power to act without the other, such person's true and lawful attorney-in-fact and agent to act for such person in such person's name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement and any related registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and to file this registration statement, with all exhibits thereto, and other documents in connection therewith, with the SEC, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in order to effectuate the same as fully, to all intents and purposes, as such person might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons in the capacities indicated on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Jerry Yang</u> Jerry Yang	Chief Executive Officer and Director (principal executive officer)	August 1, 2007
<u>/s/ Blake Jorgensen</u> Blake Jorgensen	Chief Financial Officer (principal financial officer)	August 1, 2007
<u>/s/ Michael Murray</u> Michael Murray	Senior Vice President, Finance and Chief Accounting Officer (principal accounting officer)	August 1, 2007
<u>/s/ Terry Semel</u> Terry Semel	Chairman of the Board	August 1, 2007

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<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Roy Bostock</u> Roy Bostock	Director	August 1, 2007
<u>/s/ Ronald Burkle</u> Ronald Burkle	Director	August 1, 2007
<u>/s/ Eric Hippeau</u> Eric Hippeau	Director	August 1, 2007
<u>/s/ Vyomesh Joshi</u> Vyomesh Joshi	Director	August 1, 2007
<u>/s/ Arthur Kern</u> Arthur Kern	Director	August 1, 2007
<u>/s/ Robert Kotick</u> Robert Kotick	Director	August 1, 2007
<u>/s/ Edward Kozel</u> Edward Kozel	Director	August 1, 2007
<u>Mary Agnes Wilderotter</u>	Director	
<u>/s/ Gary Wilson</u> Gary Wilson	Director	August 1, 2007

EXHIBIT INDEX

<u>Number</u>	<u>Exhibit</u>
4.1	Amended and Restated Rights Agreement, dated as of April 1, 2005, by and between Yahoo! Inc. and Equiserve Trust Company, N.A., as rights agent (Filed as Exhibit 4.1 to the Registrant's Current Report on Form 8-K, filed April 4, 2005, and incorporated herein by reference.)
4.2	Registration Rights Agreement, dated July 11, 2007 among the Registrant and Certain Stockholders of Right Media Inc.
5.1	Opinion of Latham & Watkins LLP.
23.1	Consent of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm.
23.2	Consent of Latham & Watkins LLP (included in Exhibit 5.1).
24.1	Power of Attorney (incorporated by reference in the signature page to the registration statement).

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (this "Agreement") is dated as of July 11, 2007, and is among Yahoo! Inc., a Delaware corporation (the "Parent") and each of the stockholders of Right Media Inc., a Delaware corporation (the "Company") executing and delivering a signature page hereto (the "Stockholders").

BACKGROUND

WHEREAS, pursuant to the Amended and Restated Agreement and Plan of Merger and Reorganization, dated as of May 30, 2007, among Parent, the Company, Roundhouse Acquisition Corp., and Christopher Moore, as the Stockholder Representative (the "Merger Agreement"), the Stockholders will receive shares of Common Stock (as defined below) of Parent.

WHEREAS, Parent desires to provide to the Stockholders rights to registration under the Securities Act (as defined below) of Registrable Securities (as defined below), on the terms and subject to the conditions set forth herein.

WHEREAS, this Agreement shall be effective upon the Effective Time (as defined in the Merger Agreement.)

ARTICLE 1**DEFINITIONS**

1.1 Certain Definitions. As used herein, the terms below shall have the following meanings:

"Closing Date" shall have the meaning set forth in the Merger Agreement.

"Common Stock" means the shares of common stock, par value \$.001 per share, of Parent.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated under such Act.

"Parent" shall have the meaning set forth in the preamble and shall also include Parent's successors.

"Prospectus" shall mean the prospectus included in the Shelf Registration Statement and any such Prospectus as amended or supplemented by any prospectus supplement with respect to the terms of the offering of any portion of the Registrable Securities and by all other amendments and supplements to such Prospectus, including post-effective amendments, and in each case including all material incorporated by reference therein.

"Registrable Securities" shall mean all shares of Common Stock of Parent received by the Stockholders pursuant to the Merger Agreement (including any shares that may continue to have vesting or other similar restrictions following consummation of the Merger), and any

Common Stock which may be issued or distributed in respect thereof by way of stock dividend or stock split or other distribution, recapitalization or reclassification. Any particular Registrable Securities that are issued shall cease to be Registrable Securities when (i) a registration statement with respect to the sale by the Stockholders of such securities shall have become effective under the Securities Act and such securities shall have been disposed of in accordance with such registration statement, (ii) such securities shall have been sold by the holders thereof pursuant to Rule 144 and/or Rule 145 (or any successor provision) under the Securities Act, (iii) such securities shall have been otherwise transferred, new certificates for such securities not bearing a legend restricting further transfer shall have been delivered by Parent and subsequent disposition of such securities shall not require registration or qualification of such securities under the Securities Act, or (iv) such securities shall have ceased to be outstanding.

“SEC” means the United States Securities and Exchange Commission or any successor agency.

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated under such Act.

“Stockholder Representative” shall have the meaning set forth in the Merger Agreement.

ARTICLE 2 REGISTRATION RIGHTS

2.1 Shelf Registration Rights.

(a) Filing. Subject to Section 2.1(c) and except as provided below, the Company shall file with the SEC, no later than 15 Business Days after the later of (x) the Closing Date and (y) such date as Parent receives a true and complete list of the Stockholders, their respective holdings of Parent Common Stock, and all other information regarding the Stockholders necessary to complete the disclosures required to be included therein, a registration statement covering the resale of the Registrable Securities held by the Stockholders for offerings to be made on a delayed or continuous basis pursuant to Rule 415 of the Securities Act (together with any amendments thereto, and including any documents incorporated by reference therein, the “Shelf Registration Statement”); *provided, however,* that notwithstanding anything in this Section 2.1(a) or Section 2.1(c) to the contrary, in no event shall Parent be required to file the Shelf Registration Statement during Parent’s standard blackout period in respect of quarterly or annual earnings. In the event of such a blackout period, and if the conditions set forth above have been satisfied prior to the end of such applicable blackout period, then Parent shall file the Shelf Registration Statement as soon as practicable but in no event later than 10 Business Days after the expiration of such blackout period.

(b) Effective Shelf Registration Statement. Parent shall use its reasonable best efforts to cause the Shelf Registration Statement to be declared effective under the Securities Act and to keep the Shelf Registration Statement continuously effective under the Securities Act for a period of one year following its being declared effective (the “Effectiveness Termination Date”), subject to the provisions of this Agreement. Without limiting the foregoing, Parent’s obligation to keep the Shelf Registration Statement effective for any particular Stockholder shall cease upon

such time as Rule 144 and/or Rule 145 or another similar exemption under the Securities Act is available for such Stockholder's sales during a three-month period without registration.

(c) Postponement of Shelf Registration. Parent will be entitled to, on one occasion, postpone the filing of the Shelf Registration Statement required pursuant to Section 2.1, for a reasonable period of time not in excess of 60 calendar days (the "Blackout Period") if Parent furnishes to the Stockholder Representative a certificate signed by the Chief Executive Officer, General Counsel or Chief Financial Officer of Parent stating that, in the good faith exercise of his judgment, such registration and offering would be reasonably likely to materially interfere with a bona fide business or financing transaction of Parent, would require premature disclosure of information (the premature disclosure of which could adversely affect Parent) or would otherwise be seriously detrimental to Parent. If Parent postpones the filing of the Shelf Registration Statement, it will promptly notify the Stockholder Representative in writing when the events or circumstances permitting such postponement have ended and will file the Shelf Registration Statement as soon as practicable but in no event later than 10 Business Days after the events or circumstances permitting such postponement have ended.

2.2 Suspension of Shelf Registration. If Parent at any time during a period the Shelf Registration Statement is effective determines in good faith judgment that the ongoing registration would be reasonably likely to materially interfere with a bona fide business or financing transaction of Parent, would require premature disclosure of information (the premature disclosure of which could adversely affect Parent) or would otherwise be detrimental to Parent, Parent may suspend sales of securities pursuant to the registration for a period of not more than 60 days (a "Permitted Interruption") and agrees to (i) furnish to each Stockholder a certificate signed by the Chief Executive Officer, General Counsel or Chief Financial Officer of Parent to that effect and (ii) notify each Stockholder promptly upon each of the commencement and termination of each Permitted Interruption. Each Stockholder agrees that, upon any such notice from Parent, it will forthwith discontinue disposition of Registrable Securities pursuant to the Shelf Registration Statement until receipt of Parent's notice as to the termination of the Permitted Interruption. Parent may suspend sales pursuant to this Section 2.2 no more than two times. Each of the Stockholders agree to keep the notice of Permitted Interruption and the reasons therefore confidential, and they shall not disclose such notice or reasons to any person other than its legal counsel or as required by law.

2.3 Covenants and Procedures. At such time as Parent is obligated under this Article 2 to effect and maintain a registration of Registrable Securities on behalf of Stockholders, then (as applicable to the jurisdictions for which such registration is to be made) Parent shall:

(a) furnish to each Stockholder, without charge, as many copies of each Prospectus, and any amendment or supplement thereto and such other documents as the Stockholder Representative may reasonably request in order to facilitate the public sale or other disposition of the Registrable Securities; Parent hereby consents to the use of the Prospectus by each Stockholder of Registrable Securities in connection with the offering and sale of the Registrable Securities covered by the Prospectus;

(b) (i) use all reasonable efforts to register or qualify the Registrable Securities, no later than the time the applicable Registration Statement becomes effective, under all applicable state securities or "blue sky" laws of such jurisdictions as the Stockholder Representative shall

reasonably request; (ii) use all reasonable efforts to keep each such registration or qualification effective during the period the Shelf Registration Statement is required to be kept effective; and (iii) do any other acts and things which may be reasonably necessary or advisable to enable each Stockholder to consummate the disposition in each such jurisdiction of such Registrable Securities owned by such Stockholder; provided, however, that Parent shall not be obligated to qualify as a foreign corporation or as a dealer in securities in any jurisdiction in which it is not so qualified or to consent to be subject to general service of process in any such jurisdiction;

(c) notify each Stockholder promptly (i) when the Shelf Registration Statement has become effective and when any post-effective amendments and supplements thereto become effective if the Shelf Registration Statement or post-effective amendment is not automatically effective upon filing pursuant to Rule 462, (ii) of the issuance by the SEC or any state securities authority of any stop order, injunction or other order or requirement suspending the effectiveness of the Shelf Registration Statement or the initiation of any proceedings for that purpose, (iii) of any request by the SEC for amendments or supplements to the Shelf Registration Statement (including the related Prospectus) or for additional information relating thereto and (iv) if Parent receives any notification with respect to the suspension of the qualification of the Registrable Securities for sale in any jurisdiction or the initiation of any proceeding for such purpose;

(d) use all reasonable efforts to obtain the withdrawal of any order suspending the effectiveness of the Shelf Registration Statement as promptly as practicable;

(e) upon request, furnish to each Stockholder, without charge, at least one conformed copy of the Shelf Registration Statement and any post-effective amendment thereto (without documents incorporated therein by reference or exhibits thereto, unless requested);

(f) prepare and file with the SEC post-effective amendments to the Shelf Registration Statement and such amendments to the Prospectus used in connection therewith as may be necessary to maintain the effectiveness of such registration or as may be required by the rules, regulations or instructions applicable to the registration form utilized by Parent or by the Securities Act or the Exchange Act or the rules and regulations thereunder necessary to keep such registration statement effective for the period set forth in Section 2.1(b) of this Agreement, and cause the Prospectus as so supplemented to be filed pursuant to Rule 424 under the Securities Act, and to otherwise comply with the provisions of the Securities Act with respect to the disposition of all Registrable Securities covered by the Shelf Registration Statement during the effectiveness of the Shelf Registration Statement; and

(g) cooperate with the Stockholders and the Stockholder Representative to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold and not bearing any restrictive legends.

Each selling Stockholder of Registrable Securities as to which any registration is being effected pursuant to this Agreement agrees, as a condition to the registration obligations with respect to such Stockholder provided herein, to furnish to Parent such information regarding such Stockholder required to be included in the Shelf Registration Statement, the ownership of Registrable Securities by such Stockholder and the proposed distribution by such Stockholder of such Registrable Securities as Parent may from time to time request in writing, including, for purposes of this provision, by email correspondence.

ARTICLE 3
OTHER AGREEMENTS

3.1 Expenses. All expenses incurred by Parent in connection with any Registration Statement covering Registrable Securities offered by Stockholders, including, without limitation, all registration and filing fees, printing expenses, fees and disbursements of counsel (including the reasonable fees and disbursements of one counsel for Stockholders) and of the independent certified public accountants, and the expense of qualifying such shares under state blue sky laws, shall be borne by Parent, including such expenses of any registration delayed by Parent under Section 2.1(c) or 2.2. However, any other expenses incurred by Stockholders, including discounts and commissions and additional legal, accounting and similar expenses, shall be borne by the Stockholders.

3.2 Transfer of Rights. Any Stockholder may transfer all or any portion of its rights under this Agreement to any transferee of Registrable Securities owned by such Stockholder (such transferee a "Transferee"). Any transfer of registration rights pursuant to this Section 3.2 shall be effective upon receipt by Parent of (i) written notice from such Stockholder stating the name and address of any Transferee and identifying the number of Registrable Securities with respect to which the rights under this Agreement are being transferred and the nature of the rights so transferred, and (ii) a written agreement from such Transferee to be bound by the terms of this Agreement.

3.3 Rule 144. So long as Parent is subject to the requirements of Section 13, 14 or 15(d) of the Exchange Act, Parent covenants that it will take reasonable efforts to file on a timely basis any reports required to be filed by it under the Securities Act and the Exchange Act (or, if Parent is subject to the requirements of Section 13, 14 or 15(d) of the Exchange Act but is not required to file such reports, it will, upon the request of any Stockholder, make publicly available such information) and it will take such further action as the Stockholder Representative may reasonably request, so as to enable the Stockholders to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by (a) Rule 144 under the Securities Act, as such Rule may be amended from time to time, or (b) any similar rule or regulation hereafter adopted by the SEC. Upon the request of the Stockholder Representative, Parent will deliver to the Stockholder Representative a written statement as to whether it has complied with Rule 144 under the Securities Act, as such rule may be amended from time to time.

3.4 Stockholder Representative.

(a) Subject to the limitations set forth herein, the Stockholder Representative is hereby constituted and appointed as agent for and on behalf of the Stockholders, to give and receive notices and communications, to agree to, negotiate, enter into settlements and compromises of, and take legal actions and comply with orders of courts and awards of arbitrators with respect to such claims, and to take all actions necessary or appropriate in the judgment of the Stockholder Representative for the accomplishment of the foregoing. No bond shall be required of the Stockholder Representative, and the Stockholder Representative shall receive no compensation for services rendered. Notices or communications to or from the Stockholder Representative shall constitute notice to or from each of the Stockholders.

(b) The Stockholder Representative shall not be liable to the other Stockholders for any act done or omitted hereunder in his capacity as Stockholder Representative, except to the extent it has acted with gross negligence or willful misconduct, and any act done or omitted pursuant to the advice of counsel shall be conclusive evidence that he did not act with gross negligence or willful misconduct. The other Stockholders shall severally indemnify the Stockholder Representative and hold it harmless against any loss, liability or expense incurred without gross negligence or bad faith on the part of the Stockholder Representative and arising out of or in connection with the acceptance or administration of the duties hereunder, including any out-of-pocket costs and expenses and legal fees and other legal costs reasonably incurred by the Stockholder Representative (“Outstanding Stockholder Representative Expenses”). If not paid directly to the Stockholder Representative by the Stockholders, such losses, liabilities or expenses may be recovered by the Stockholder Representative from the Indemnity Escrow Fund (as defined in the Merger Agreement) that otherwise would be distributed to the Stockholders after giving effect to, and satisfaction of, all claims for indemnification made by the Parent Indemnified Parties pursuant to Article 9 of the Merger Agreement, and such recovery (if any) of Outstanding Stockholder Representative Expenses from such Indemnity Escrow Fund will be made from the Stockholders according to their respective Pro Rata Portion (as defined in the Merger Agreement).

(c) To the extent the Stockholder Representative is permitted to act on behalf of the Stockholders under this Agreement, a decision, act, consent or instruction of the Stockholder Representative shall constitute a decision of all the Stockholders and shall be final, binding and conclusive upon each of the Stockholders, and Parent may rely upon any decision, act, consent or instruction of the Stockholder Representative as being the decision, act, consent or instruction of each of the Stockholders. Parent is hereby relieved from any liability to any person for any acts done by it in accordance with such decision, act, consent or instruction of the Stockholder Representative.

3.5 Indemnification and Contribution.

(a) To the extent permitted by law, Parent will indemnify and hold harmless each Stockholder, each of its officers, directors and partners, legal counsel, and accountants and each person controlling such Stockholder within the meaning of Section 15 of the Securities Act, with respect to which registration has been effected pursuant to Section 2.1, against all expenses, claims, losses, damages, and liabilities (or actions, proceedings, or settlements in respect thereof) arising out of or based on: (i) any untrue statement (or alleged untrue statement) of a material fact contained or incorporated by reference in any preliminary prospectus, final prospectus, summary prospectus, offering circular, or other document (including any related registration statement, notification, or the like) incident to any such registration, (ii) any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or (iii) any violation (or alleged violation) by Parent of the Securities Act, any state securities laws or any rule or regulation thereunder applicable to Parent and relating to action or inaction required of Parent in connection with any offering covered by such registration, and Parent will reimburse each such Stockholder, each of its officers, directors, partners, legal counsel, and accountants and each person controlling such Stockholder, and each of its officers and directors, for any legal and any other expenses reasonably incurred in connection with investigating and defending or settling any such claim, loss, damage, liability, or

action; provided that Parent will not be liable in any such case to the extent that any such claim, loss, damage, liability, or action arises out of or is based on any untrue statement or omission based upon written information furnished to Parent by such Stockholder, any of such Stockholder's officers, directors, partners, legal counsel or accountants, any person controlling such Stockholder, and stated to be specifically for use therein; and provided, further, that the obligations of Parent contained in this Section 3.5(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability, or action if such settlement is effected without the consent of Parent (which consent shall not be unreasonably withheld).

(b) To the extent permitted by law, each Stockholder will indemnify and hold harmless Parent, each of its directors, officers, partners, legal counsel, and accountants, each other such Stockholder, and each of their officers, directors, and partners, and each person controlling such Stockholder, against all claims, losses, damages and liabilities (or actions, proceedings, or settlements in respect thereof) arising out of or based on: (i) any untrue statement (or alleged untrue statement) of a material fact contained or incorporated by reference in any such preliminary prospectus, final prospectus, summary prospectus, offering circular, or other document (including any related registration statement, notification, or the like) incident to any such registration, or (ii) any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse Parent and such Stockholders, directors, officers, partners, legal counsel, and accountants, persons, or control persons for any legal or any other expenses reasonably incurred in connection with investigating or defending any such claim, loss, damage, liability, or action, in each case to the extent, but only to the extent, that such untrue statement (or alleged untrue statement) or omission (or alleged omission) is made in such preliminary prospectus, final prospectus, summary prospectus, offering circular, or other document (including any related registration statement, notification, or the like) in reliance upon and in conformity with written information furnished to Parent by such Stockholder and stated to be specifically for use therein; provided, however, that the obligations of such Stockholder contained in this Section 3.5(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of such Stockholder (which consent shall not be unreasonably withheld); and provided, further, that in no event shall any indemnity under this Section 3.5 exceed the net proceeds from the offering received by such Stockholder unless such liability arises out of or is based on willful misconduct by such Stockholder.

(c) Each party entitled to indemnification under this Section 3.5 (the "Indemnified Party") shall give notice to the party required to provide indemnification (the "Indemnifying Party") promptly after such Indemnified Party has actual knowledge of any claim as to which indemnity may be sought, and shall permit the Indemnifying Party to assume the defense of such claim or any litigation resulting therefrom; provided that counsel for the Indemnifying Party, who shall conduct the defense of such claim or any litigation resulting therefrom, shall be approved by the Indemnified Party (whose approval shall not be unreasonably withheld), and the Indemnified Party may participate in such defense at such party's expense; and provided further that the failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under this Section 3.5, to the extent such failure is not prejudicial. No Indemnifying Party, in the defense of any such claim or litigation, shall, except with the consent of each Indemnified Party, consent to entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or

plaintiff to such Indemnified Party of a release from all liability in respect to such claim or litigation. Each Indemnified Party shall furnish such information regarding itself or the claim in question as an Indemnifying Party may reasonably request in writing and as shall be reasonably required in connection with defense of such claim and litigation resulting therefrom.

(d) If the indemnification provided for in this Section 3.5 is held by a court of competent jurisdiction to be unavailable to an Indemnified Party with respect to any loss, liability, claim, damage, or expense referred to herein, then the Indemnifying Party, in lieu of indemnifying such Indemnified Party hereunder, shall contribute to the amount paid or payable by such Indemnified Party as a result of such loss, liability, claim, damage, or expense in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party on the one hand and of the Indemnified Party on the other in connection with the statements or omissions that resulted in such loss, liability, claim, damage, or expense as well as any other relevant equitable considerations, provided that, in no event shall any contribution by a Stockholder under this Section 3.5(d) exceed the net proceeds from the offering received by such Stockholder unless such liability arises out of or is based on willful misconduct by such Stockholder. The relative fault of the Indemnifying Party and of the Indemnified Party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the Indemnifying Party or by the Indemnified Party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission.

ARTICLE 4

MISCELLANEOUS

4.1 Notices. All notices, requests, demands and other communications required or permitted hereunder shall be made in writing by hand-delivery, registered first-class mail, telex, fax or air courier guaranteeing delivery:

If to Parent:

Yahoo! Inc.
701 First Avenue
Sunnyvale, CA 94089
Attn: General Counsel
Facsimile: (408) 349-3301

with a copy to:

Latham & Watkins LLP
140 Scott Drive
Menlo Park, California 94025
Attn: Ora T. Fisher, Esq.
Facsimile: (650) 463-2600

or to such other person or address as Parent shall furnish to the Stockholders in writing;

If to the Stockholders or the Stockholder Representative, to the applicable address set forth in Parent's records.

with a copy to:

Fish & Richardson, P.C.
Citigroup Center — 52nd Floor
153 East 53rd Street
New York, NY 10022
Attn: Lori S. Hoberman, Esq.
Kin Gill, Esq.
Facsimile: (212) 258-2291

or to such other person or address as the Stockholder Representative shall furnish to Parent in writing.

All such notices, requests, demands and other communications shall be deemed to have been duly given: at the time of delivery by hand, if personally delivered; five Business Days after being deposited in the mail, postage prepaid, if mailed domestically in the United States (and seven Business Days if mailed internationally); when answered back, if telexed; when receipt acknowledged, if telecopied; and on the Business Day for which delivery is guaranteed, if timely delivered to an air courier guaranteeing such delivery.

4.2 Section Headings. The article and section headings in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement. References in this Agreement to a designated "Article" or "Section" refer to an Article or Section of this Agreement unless otherwise specifically indicated.

4.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware.

4.4 Submission to Jurisdiction. Service of Process; Consent to Jurisdiction.

(a) SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO THE SERVICE OF ANY PROCESS, PLEADING, NOTICES OR OTHER PAPERS BY THE MAILING OF COPIES THEREOF BY REGISTERED, CERTIFIED OR FIRST CLASS MAIL, POSTAGE PREPAID, TO SUCH PARTY AT SUCH PARTY'S ADDRESS SET FORTH HEREIN, OR BY ANY OTHER METHOD PROVIDED OR PERMITTED UNDER CALIFORNIA LAW.

(b) CONSENT AND JURISDICTION. EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY (I) AGREES THAT ANY SUIT, ACTION OR OTHER LEGAL PROCEEDING ARISING OUT OF THIS AGREEMENT MAY BE BROUGHT IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA OR, IF SUCH COURT DOES NOT HAVE JURISDICTION OR WILL NOT ACCEPT JURISDICTION, IN ANY COURT OF GENERAL JURISDICTION IN

THE COUNTY OF SANTA CLARA, CALIFORNIA; (II) CONSENTS TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUCH SUIT, ACTION OR PROCEEDING; AND (III) WAIVES ANY OBJECTION WHICH SUCH PARTY MAY HAVE TO THE LAYING OF VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING IN ANY SUCH COURT.

4.5 Resolution of Conflicts; Arbitration.

(a) Any claim or dispute arising out of or related to this Agreement, or the interpretation, making, performance, breach or termination thereof, shall (except as specifically set forth in this Agreement) be finally settled by binding arbitration in the County of Santa Clara, California in accordance with the then current Commercial Arbitration Rules of the American Arbitration Association and judgment upon the award rendered may be entered in any court having jurisdiction thereof. The arbitrator(s) shall have the authority to grant any equitable and legal remedies that would be available in any judicial proceeding instituted to resolve a dispute.

(b) Such arbitration shall be conducted by a single arbitrator chosen by mutual agreement of Parent and the Stockholder Representative. Alternatively, at the request of either party before the commencement of arbitration, the arbitration shall be conducted by three independent arbitrators, none of whom shall have any competitive interests with Parent or the Stockholder Representative. Parent and the Stockholder Representative shall each select one arbitrator. The two arbitrators so selected shall select a third arbitrator.

(c) In any arbitration under this Section 4.5, each party shall be limited to calling a total of three witnesses both for purposes of deposition and the arbitration hearing. Subject to the foregoing limitation on the number of witnesses, the arbitrator or arbitrators, as the case may be, shall set a limited time period and establish procedures designed to reduce the cost and time for discovery while allowing the parties an opportunity, adequate in the sole judgment of the arbitrator or majority of the three arbitrators, as the case may be, to discover relevant information from the opposing parties about the subject matter of the dispute. The arbitrator, or a majority of the three arbitrators, as the case may be, shall rule upon motions to compel or limit discovery and shall have the authority to impose sanctions for discovery abuses, including attorneys' fees and costs, to the same extent as a competent court of law or equity, should the arbitrators or a majority of the three arbitrators, as the case may be, determine that discovery was sought without substantial justification or that discovery was refused or objected to without substantial justification.

(d) The decision of the arbitrator or a majority of the three arbitrators, as the case may be, as to the validity and amount of any claim shall be final, binding, and conclusive upon the parties to this Agreement. Such decision shall be written and shall be supported by written findings of fact and conclusions which shall set forth the award, judgment, decree or order awarded by the arbitrator(s). Within 30 days of a decision of the arbitrator(s) requiring payment by one party to another, such party shall make the payment to such other party.

(e) The parties to the arbitration may apply to a court of competent jurisdiction for a temporary restraining order, preliminary injunction or other interim or conservatory relief, as necessary, without breach of this arbitration provision and without abridgement of the powers of the arbitrator(s).

(f) The parties agree that each party shall pay its own costs and expenses (including counsel fees) of any such arbitration, and each party waives its right to seek an order compelling the other party to pay its portion of its costs and expenses (including counsel fees) for any arbitration.

4.6 Effective Time. This Agreement shall be effective upon the Effective Time.

4.7 Amendments. This Agreement may be amended only by an instrument in writing executed by all of its parties, or their respective successors or assigns; provided that an executed instrument in writing by the Stockholder Representative shall bind all of the Stockholders for purposes of this Section with respect to amendments or waivers the purpose of which is solely to extend or allow a Permitted Interruption pursuant to Section 2.2; and provided further that an executed instrument in writing by the majority of the Stockholders (calculated based on the number of Registrable Securities beneficially held) shall bind all of the Stockholders for purposes of this Section; and provided further that holders of Registrable Securities immediately after the Effective Time (as defined in the Merger Agreement) not party to this Agreement as of the date hereof may execute counterparts to this Agreement without the consent or additional signatures of the Stockholders party hereto, and upon Parent's receipt of such additional holder's executed signature pages hereto, such additional holders shall be deemed to be a party hereto and such additional signature pages shall be a part of this Agreement.

4.8 Entire Agreement. This Agreement constitutes the entire agreement and understanding of the parties with respect to the transactions contemplated hereby and thereby. The registration rights granted under this Agreement supersede any registration, qualification or similar rights with respect to any of the shares of Common Stock granted under any other agreement, and any of such preexisting registration rights are hereby terminated.

4.9 Severability. The invalidity or unenforceability of any specific provision of this Agreement shall not invalidate or render unenforceable any of its other provisions. Any provision of this Agreement held invalid or unenforceable shall be deemed reformed, if practicable, to the extent necessary to render it valid and enforceable and to the extent permitted by law and consistent with the intent of the parties to this Agreement.

4.10 Counterparts. This Agreement may be executed in multiple counterparts, including by means of facsimile, each of which shall be deemed an original, but all of which together shall constitute the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

YAHOO! INC.
a Delaware corporation

By: /s/ Susan Decker
Susan Decker
President

STOCKHOLDERS:

By: /s/ Susan Abdalla
Susan Abdalla

By: /s/ Christine Hunsicker
Christine Hunsicker

By: /s/ Roger Jehenson
Roger Jehenson

By: /s/ Amy Kirsch-Lipton
Amy Kirsch-Lipton

By: /s/ Marc Kiven
Marc Kiven

By: /s/ Edward Kozek
Edward Kozek

By: /s/ Aaron Letscher
Aaron Letscher

By: /s/ Patrick McCarthy
Patrick McCarthy

By: /s/ Ramsey McGrory
Ramsey McGrory

By: /s/ Brian O'Kelley
Brian O'Kelley

By: /s/ Matthew Philips
Matthew Philips

PINNACLE VENTURES I (Q) Equity Holdings, L.L.C.

PINNACLE VENTURES I AFFILIATES, L.P.

PINNACLE I-A (Q), L.P.

PINNACLE VENTURES I-B, L.P.

By: Pinnacle Ventures Management I, L.L.C.

By: /s/ Robert A. Curley, Jr.
Robert A. Curley, Jr.
Managing Member

PINNACLE VENTURES II Equity Holdings, L.L.C.

PINNACLE VENTURES II-A, L.P.

PINNACLE VENTURES II-B, L.P.

PINNACLE VENTURES II-C, L.P.

PINNACLE VENTURES II-R, L.P.

By: Pinnacle Ventures Management II, L.L.C.

By: /s/ Robert A. Curley, Jr.
Robert A. Curley, Jr.
Managing Member

POINT VENTURES GROUP, LLC

By: /s/ Jonah Goodhart

Jonah Goodhart

Co-Managing Member

By: /s/ Noah Goodhart

Noah Goodhart

Co-Managing Member

TRUSTEES OF 2007 GRANTOR RETAINED ANNUITY
TRUST UNDER ARTICLE FIRST, SUBDIVISION A OF
JPOINT 2007 GRANTOR RETAINED ANNUITY TRUST

By: /s/ Jonah Goodhart

Jonah Goodhart

Trustee

TRUSTEES OF 2007 GRANTOR RETAINED ANNUITY
TRUST UNDER ARTICLE FIRST, SUBDIVISION A OF
NPOINT 2007 GRANTOR RETAINED ANNUITY TRUST

By: /s/ Noah Goodhart

Noah Goodhart

Trustee

REDPOINT VENTURES II, L.P., by its General Partner,

REDPOINT VENTURES II, LLC

REDPOINT ASSOCIATES II, LLC, as nominee

By: /s/ Timothy M. Haley

Timonthy M. Haley

Managing Director

REDPOINT ASSOCIATES I, LLC, by its Manager

REDPOINT VENTURES I, L.P., by its General Partner

REDPOINT TECHNOLOGY PARTNERS Q-1, L.P., by its
General Partner

REDPOINT TECHNOLOGY PARTNERS A-1, L.P., by its
General Partner

By: Redpoint Ventures I, LLC

By: /s/ Timothy M. Haley

Timothy M. Haley
Managing Director

By: /s/ Michael Walrath

Michael Walrath

MW VENTURES, LLC

By: /s/ Michael Walrath

Michael Walrath
Managing Member

MICHAEL WALRATH 2007 GRANTOR RETAINED
ANNUITY TRUST FOR ISSUE

By: /s/ Michael Walrath

Michael Walrath
Trustee

MICHAEL WALRATH 2007 GRANTOR RETAINED
ANNUITY TRUST FOR THE FAMILY OF MICHELLE
WALRATH

By: /s/ Michael Walrath

Michael Walrath
Trustee

MICHAEL WALRATH 2007 GRANTOR RETAINED
ANNUITY TRUST FOR THE WALRATH FAMILY

By: /s/ Michael Walrath

Michael Walrath

Trustee

[Latham & Watkins LLP Letterhead]

AUGUST 1, 2007

Yahoo! Inc.

701 First Avenue

Sunnyvale, California 94089

Re: Yahoo! Inc. Registration Statement on Form S-3;
8,400,706 shares of Common Stock, par value \$0.001 per share

Ladies and Gentlemen:

We have acted as special counsel to Yahoo! Inc., a Delaware corporation (the "Company"), in connection with their filing on August 1, 2007 with the Securities and Exchange Commission (the "Commission") of a registration statement on Form S-3, as may be amended from time to time (the "Registration Statement"), under the Securities Act of 1933, as amended (the "Act"), pertaining to the resale from time to time by the selling shareholders of up to 8,400,706 shares of the Company's common stock, \$0.001 par value per share (the "Shares"). This opinion is being furnished in connection with the requirements of Item 601(b)(5) of Regulation S-K under the Act, and no opinion is expressed herein as to any matter pertaining to the contents of the Registration Statement or the prospectus forming a part thereof (the "Prospectus"), other than as expressly stated herein with respect to the Shares.

As such counsel, we have examined such matters of fact and questions of law as we have considered appropriate for purposes of this letter. With your consent, we have relied upon the foregoing and upon certificates and other assurances of officers of the Company and others as to factual matters without having independently verified such factual matters. We are opining herein only as to the General Corporation Law of the State of Delaware, and we express no opinion with respect to any other laws.

Subject to the foregoing, it is our opinion that, as of the date hereof, the Shares have been duly authorized by all necessary corporate action of the Company, and the Shares are validly issued, fully paid and nonassessable.

This opinion is for your benefit in connection with the Registration Statement and may be relied upon by you and by persons entitled to rely upon it pursuant to the applicable provisions of the Act. We consent to your filing this opinion as an exhibit to the Registration Statement and to the reference to our firm contained in the Prospectus under the heading "Legal Matters." In giving such consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Commission thereunder.

Very truly yours,

/s/ LATHAM & WATKINS LLP

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in this Registration Statement on Form S-3 of our report dated February 23, 2007 relating to the financial statements, financial statement schedule, management's assessment of the effectiveness of internal control over financial reporting and the effectiveness of internal control over financial reporting, which appears in Yahoo! Inc.'s Annual Report on Form 10-K for the year ended December 31, 2006. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
San Jose, California
August 1, 2007