

OMB APPROVAL	
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**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>CALLAHAN MICHAEL JOHN</u>  (Last) (First) (Middle) <u>C/O YAHOO! INC.</u> <u>701 FIRST AVENUE</u>  (Street) <u>SUNNYVALE CA 94089</u>  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>YAHOO INC [ YHOO ]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)  Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>EVP &amp; General Counsel</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>05/31/2012</u>	
4. If Amendment, Date of Original Filed (Month/Day/Year)		

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	05/31/2012		M		66,728	A	\$12.48	481,620 <sup>(1)</sup>	D	
Common Stock	05/31/2012		M		33,272	A	\$12.48	514,892	D	
Common Stock	05/31/2012		S		100,000	D	\$15.2601 <sup>(2)</sup>	414,892	D	

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Title
Employee Stock Option (right to buy)	\$12.48	05/31/2012		M			66,728	(3)	02/25/2016	Common Stock	66,728	(4)	22,242	D	
Employee Stock Option (right to buy)	\$12.48	05/31/2012		M			33,272	(5)	02/25/2016	Common Stock	33,272	(4)	216,728	D	

**Explanation of Responses:**

- Includes 1,568 shares acquired on May 10, 2012 under the Yahoo! Inc. 1996 Employee Stock Purchase Plan.
- This transaction was executed in multiple trades during the day at prices ranging from \$15.26 to \$15.27. The price reported above reflects the weighted-average sales price. The reporting person hereby undertakes to provide upon request to the SEC staff, the issuer or a security holder of the issuer full information regarding the number of shares and prices at which the transactions were effected.
- This option originally representing a right to purchase a total of 88,970 shares, becomes exercisable in four equal annual installments beginning February 25, 2010 (the first anniversary of the date of grant), subject to accelerated vesting in certain circumstances.
- Not applicable.
- This option originally representing a right to purchase a total of 250,000 shares, becomes exercisable in four equal annual installments beginning February 25, 2010 (the first anniversary of the date of grant), subject to accelerated vesting in certain circumstances.

/s/ Michael J. Callahan 06/04/2012

\*\* Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

\* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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