

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 13D

Under the Securities Exchange Act of 1934

Yahoo! Inc.

(Name of Issuer)

Common Stock, \$.001 Par Value

(Title of Class of Securities)

984332106

(CUSIP Number)

Third Point LLC
390 Park Avenue, 18th Floor
New York, NY 10022
(212) 224-7400

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

(with copies to)
Michael A. Schwartz, Esq.
Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, NY 10019
(212) 728-8267

September 8, 2011

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box:

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

1	NAME OF REPORTING PERSON Third Point LLC	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input checked="" type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS AF	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) <input type="radio"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 65,000,000 (see Item 5)
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 65,000,000 (see Item 5)
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 65,000,000 (see Item 5)	
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 5.15%	
14	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS) OO	

1	NAME OF REPORTING PERSON Daniel S. Loeb	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input checked="" type="radio"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS AF	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) <input type="radio"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION United States	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 65,000,000 (see Item 5)
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 65,000,000 (see Item 5)
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 65,000,000 (see Item 5)	
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) <input type="radio"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 5.15%	
14	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS) IN	

Item 1. Security and the Issuer

This Schedule 13D relates to the shares of Common Stock of Yahoo! Inc. (the “Issuer”). Unless the context otherwise requires, references herein to the “Common Stock” are to such Common Stock of the Issuer. The principal executive offices of the Issuer are located at 701 First Avenue, Sunnyvale, California 94089.

Item 2. Identity and Background

(a) This Schedule 13D is being filed by Third Point LLC, a Delaware limited liability company (the “Management Company”), and Daniel S. Loeb (“Mr. Loeb” and, together with the Management Company, the “Reporting Persons”).

(b) The principal business address of the Reporting Persons is 390 Park Avenue, 18th Floor, New York, NY 10022.

(c) The principal business of the Management Company is to serve as investment manager or adviser to a variety of hedge funds and managed accounts (such funds and accounts, collectively, the “Funds”), and to control the investing and trading in securities of the Funds. The principal occupation of Mr. Loeb is serving as Chief Executive Officer of the Management Company.

(d), (e) During the last five years, none of the Reporting Persons (i) has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) has been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree, or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

(f) Mr. Loeb is a citizen of the United States of America.

Item 3. Source and Amount of Funds or Other Consideration.

The Funds expended an aggregate of approximately \$572,659,100 of their own investment capital in open market transactions to acquire the 45,000,000 shares of Common Stock held by them and approximately \$33,432,700 of their own investment capital to acquire options to purchase 20,000,000 shares of Common Stock.

Item 4. Purpose of Transaction.

The Reporting Persons originally acquired their shares of Common Stock subject to this Schedule 13D for investment purposes.

On September 8, 2011, the Management Company sent to the board of directors of the Issuer (the “Board of Directors”) a letter, a copy of which is attached hereto as Exhibit 99.1 and incorporated herein by reference.

Except as set forth herein, including in any Exhibits hereto, the Reporting Persons have no present plans or proposals that relate to or would result in any of the matters set forth in

subparagraphs (a) – (j) of Item 4 of Schedule 13D. The Reporting Persons intend to review their investment in the Issuer on a continuing basis and may engage in communications with other stockholders of the Issuer, knowledgeable industry or market observers, members of the Board of Directors or management of the Issuer or other representatives of the Issuer, or other persons, regarding the Issuer, including but not limited to its operations, strategy, management, capital structure and the strategic alternatives that may be available to the Issuer. Such discussions may concern ideas or proposals that, if effected, may result in one or more of the events described in Item 4 of Schedule 13D, including but not limited to the acquisition or disposition by the Reporting Persons or other persons of shares of Common Stock, changing operating or market strategies of the Issuer, the adoption or elimination by the Issuer of certain types of anti-takeover measures, changes to the Issuer's governing documents, revisions to the Issuer's capitalization or dividend policy, extraordinary corporate transactions involving the Issuer or subsidiaries of the Issuer, and/or further changes in the Board of Directors or management of the Issuer.

Item 5. Interest in Securities of the Issuer.

(a) As of the date of this Schedule 13D, the Reporting Persons beneficially own an aggregate of 65,000,000 shares of Common Stock, consisting of 45,000,000 shares of Common Stock held by the Funds (the “Shares”) and 20,000,000 shares of Common Stock acquirable upon exercise of options held by the Funds (the “Options”). The Shares and shares of Common stock acquirable upon exercise of the Options together represent 5.15% of the Common Stock outstanding. Percentages of the Common Stock outstanding reported in this Schedule 13D are calculated based upon the 1,262,612,131 shares of Common Stock outstanding as of July 29, 2011, as reported in the Issuer’s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2011, filed by the Issuer with the Securities and Exchange Commission on August 8, 2011.

(b) Each of the Reporting Persons shares voting and dispositive power over the shares of Common Stock held directly by the Funds (including the shares of Common Stock subject to the Options).

(c) Set forth on Schedule I hereto are all transactions in the Common Stock effected during the past sixty days by the Reporting Persons.

Set forth on Schedule II hereto are all transactions in options to purchase Common Stock effected during the past sixty days by the Reporting Persons.

(d) Other than the Funds that directly hold shares of Common Stock, and except as set forth in this Item 5, no other person is known to have the right to receive, or the power to direct the receipt of, dividends from or proceeds from the sale, of the Shares.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

Pursuant to Rule 13d-1(k) promulgated under the Exchange Act, the Reporting Persons have entered into a Joint Filing Agreement, a copy of which is filed with this Schedule 13D as Exhibit 99.2, with respect to the joint filing of this Schedule 13D and any amendment or amendments thereto.

For a description of certain options to purchase shares of Common Stock held by the Reporting Persons, see Item 5 and Schedule II hereto.

Other than as described herein, there are no contracts, arrangements, understandings or relationships (legal or otherwise) between the Reporting Persons and any other person with respect to the securities of the Issuer.

Item 7. Material to be filed as Exhibits.

1. Exhibit 99.1 – The Management Company’s Letter, dated September 8, 2011, to the Board of Directors of the Issuer
 2. Exhibit 99.2 - Joint Filing Agreement, dated as of September 8, 2011
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SIGNATURES

After reasonable inquiry and to the best of each of the undersigned's knowledge and belief, each of the undersigned, severally and not jointly, certifies that the information set forth in this statement is true, complete and correct.

Dated: September 8, 2011

THIRD POINT LLC

By: /s/ William Song
Name: William Song
Title: Attorney-in-Fact

Dated: September 8, 2011

DANIEL S. LOEB

/s/ William Song
Name: William Song
Title: Attorney-in-Fact

SCHEDULE I

This Schedule sets forth information with respect to each purchase and sale of Shares which was effectuated by a Reporting Person during the past sixty days. Unless otherwise indicated, all transactions were effectuated in the open market through a broker.

Trade Date	Shares Purchased (Sold)	Price Per Share (\$)
8/8/2011	2,500,000	11.5509
8/9/2011	3,000,000	11.6947
8/10/2011	7,500,000	11.8854
8/11/2011	5,000,000	12.5671
8/12/2011	4,000,000	13.2679
8/15/2011	2,000,000	13.3793
8/16/2011	736,000	13.4828
8/17/2011	2,264,000	13.4912
8/18/2011	50,000	12.9965
8/24/2011	4,000,000	12.9784
8/25/2011	3,000,000	13.0133
8/26/2011	1,107,000	12.6406
8/29/2011	2,111,975	13.4588
8/30/2011	3,081,025	13.7655
8/30/2011	(790,000)	13.7020
8/31/2011	440,000	13.8244
9/2/2011	2,000,000	12.9439
9/6/2011	2,297,000	12.6887
9/6/2011	(297,000)*	12.4900
9/7/2011	1,000,000	13.4088

*Rebalancing trade.

SCHEDULE II

This Schedule sets forth information with respect to each purchase and sale of Options to purchase shares of Common Stock which was effectuated by a Reporting Person during the past sixty days. Unless otherwise indicated, all transactions were effectuated in the open market through a broker.

Trade Date	Transaction	Shares Acquirable Upon Exercise	Option Price Per Share (\$)	Strike Price (\$)
8/12/2011	Buy	10,000,000	2.1250	12.50
8/16/2011	Buy	5,000,000	1.4395	13.00
8/29/2011	Buy	1,350,000	0.8819	14.00
8/30/2011	Buy	3,462,500	0.9179	14.00
8/31/2011	Buy	187,500	0.9075	14.00
9/6/2011	Buy*	73,600	1.5300	12.50
9/6/2011	Sell*	(73,600)	1.5300	12.50
9/6/2011	Buy*	37,800	0.7400	13.00
9/6/2011	Sell*	(37,800)	0.7400	13.00
9/6/2011	Buy*	161,100	0.4377	14.00
9/6/2011	Sell*	(161,100)	0.4377	14.00

*Rebalancing trade.

LETTER TO THE BOARD OF DIRECTORS OF THE ISSUER

[LETTERHEAD OF THIRD POINT LLC]

September 8, 2011

Board of Directors
Yahoo! Inc.
701 First Avenue
Sunnyvale, CA 94089
Attention: Mr. Roy Bostock, Chairman

Dear Ladies and Gentlemen:

Third Point LLC (“Third Point”) is a registered investment adviser with approximately \$8 billion under management. We are writing to inform you that certain investment funds we manage have acquired a 5.1% interest in Yahoo! Inc. (the “Company” or “Yahoo”), bringing our holdings of common stock and currently-exercisable equity options to 65,000,000 of the outstanding shares, and positioning us as the Company’s third largest outside shareholder.

This letter details our principled demands for sweeping changes in both the Board of Directors (the “Board”) and Company leadership, and outlines the hidden value of Yahoo, which has been severely damaged – but not irreparably – by poor management and governance.

The Failures of Yahoo’s Board of Directors Necessitate a Significant Infusion of Fresh Board Talent

Yahoo’s current Board of Directors has made a number of decisions that have directly harmed the Company and resulted in a stock price far below the Company’s intrinsic value. While we are focused on the future for Yahoo under new management, it is instructive to understand how this Board’s many mistakes have created the current conditions at an asset and talent rich company. Among others:

- 1) It is now widely accepted that the Board made a serious misjudgment in approving the hiring of Carol Bartz as Yahoo’s Chief Executive Officer, given her inexperience in the consumer-oriented internet space. Although we are pleased that the Board has terminated Ms. Bartz’s employment, we fail to understand why this decision was so long in coming given her abysmal performance over the last two and a half years. During this period, Ms. Bartz’s poor decision-making and communication skills publicly alienated the Company’s highly respected Asian partners, as well as its shareholders, sell-side analysts, bloggers, customers and employees.
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While the decision to hire her alone is grounds for questioning the Board's competence, its willingness to turn a blind eye to these serious problems and inexplicably remain supportive of Ms. Bartz notwithstanding the negative impact she was having on the Company is even more troubling. As recently as June 23, 2011, at the Company's annual meeting, Chairman Bostock reportedly stated that the Board remained "very supportive of Carol and this management team" and that they were "confident that Yahoo [was] headed in the right direction." These comments demonstrate that this Board lacks the courage to urgently make the difficult decisions required by the situation today.

- 2) It is also now widely recognized that the Board made a gross error in turning down the \$31 per share Microsoft bid in 2008, which would have generated significant returns for Yahoo's shareholders. This mistake is all the more frustrating given Yahoo's current depressed stock price of \$13.61 per share — far below the Company's intrinsic value, which we currently place in excess of \$20 per share, as detailed below.

From the failed Microsoft sale negotiations, to a subsequent bungled and disappointing search deal with Microsoft, through a series of misguided CEO selections, and most recently the Alipay debacle, this Board's failures have destroyed value for all Yahoo stakeholders. Ms. Bartz's exit and Mr. Morse's elevation to interim CEO makes him Yahoo's *fourth CEO in four years* and further demonstrates the poor corporate governance Yahoo investors have been saddled with for too long. Even before Ms. Bartz's hire, Yahoo's shares materially underperformed the market and their peer group, as graphically evidenced in the Company's most recent 10-K. Against this background, it is evident that merely replacing the Company's CEO — yet again — will not be enough to alter the direction of the Company. Instead, a reconstituted Board with new Directors who will bring fresh eyes, relevant industry expertise and increased investor alignment to the table is immediately necessary.

Yahoo's website states the Company's values, among them: "*We foster collaboration while maintaining individual accountability.*" It is time that certain members of this Board were held accountable for its past failures and their individual roles. Accordingly, we insist that Mr. Bostock, who championed Ms. Bartz's hiring and led the charge against the Microsoft deal, promptly resign from the Board. We also demand that fellow Directors Arthur Kern and Vyomesh Joshi, who have stood by silently during these last five years of woeful performance, join Mr. Bostock in resignation. Finally, we can only assume that Director Susan James, the President of Tri-Valley Animal Rescue, will also resign, given her close relationship with Ms. Bartz. If she does not do so voluntarily, the Board should request her resignation as well.

As the Company sets out to recruit a new CEO and evaluate strategic alternatives, we are adamant that reconstituting the Board is crucial to provide any serious CEO candidate or strategic counterparty with a stable and responsive governance structure. There is much work to be done and time is of the essence. Even after the Company announced Ms. Bartz's dismissal

and the pursuit of strategic alternatives, Yahoo shares rose only 5%. We believe the muted market reaction to Ms. Bartz's dismissal represents a recognition that this management change is a necessary, but not sufficient, step towards unlocking Yahoo's actual value. Investors' reluctance to embrace the stock and their lack of confidence in this Board's ability to lead the franchise is understandable given the current Board's track record.

Third Point has held discussions with many highly respected entrepreneurial executives active in technology, internet, media and consumer-related businesses. From these discussions we have distilled an All-Star team of potential Director candidates, who would be indispensable in working with the reconstituted Board to pursue the three paths outlined in the recent company announcement: CEO search, business review and strategic options. We look forward to sharing our candidates with you shortly.

The Obscured Value in an Iconic American Technology Asset

We firmly believe that there is much to be gained from a successful and rapid transition in management, as we are convinced that Yahoo is grossly undervalued. We have followed Yahoo for many years, and our analysis suggests that at a share price of \$13.61, with \$2.49 per share in tax adjusted net cash, \$3.10 per share and \$5.24 per share of after-tax values for the Yahoo! Japan and Alibaba Group stakes respectively, core Yahoo is left at an implied value of \$2.78 per share or 2.2x 2012 EBITDA. With more effective and focused management, one could realistically envision a re-rating to at least 7.0x 2012 EBITDA, driving a target of over \$19.00 per share. When coupled with tax efficient outcomes for its Asian assets, an additional \$3.00-4.00 per share stands to be realized. Continued share count reduction via buybacks and other potential capital structure optimization alternatives would further bolster the Company's stock price. In addition, based on our discussions with industry experts and entrepreneurs, we believe that with new management, there is significant further value in leveraging Yahoo's globally trusted franchise and platform for a range of new products and innovations.

Focusing specifically on the Alibaba Group, the mid-term value potential for this stake alone could represent another \$5.00 per share of upside. The e-commerce interests housed under the Alibaba Group umbrella hold the dominant positions in the "B2B" (63% of 2010 market share according to Marbridge Consulting), "C2C" (85% share) and "B2C" (51% share) Chinese e-commerce markets. Alibaba Group's Taobao business is essentially Ebay and Amazon on steroids in terms of market share and revenue growth. According to Goldman Sachs, the Chinese e-commerce market was \$75 billion in 2010, with a 3 year forward compound annual growth rate of 43% compared to the \$193 billion U.S. market with compound annual growth of 14% over the same period. We currently estimate a pre-tax value for Alibaba Group of \$25 billion. Given Alibaba Group's growth potential and market share, it is entirely conceivable that Yahoo's 40% fully diluted stake in Alibaba Group could double in value over the next 2-3 years, highlighting its tremendous value.

Looking deeper into core Yahoo, it is clear that the Company possesses unique scale and scope as the Internet's premier digital media company. The near completion of significant platform transitions and increasing ad format creativity and client engagement translate to exciting prospects for 2012. These compelling Yahoo initiatives were sadly lost in the chaos surrounding Ms. Bartz's tenure as CEO. Hidden by Yahoo's senior management drama is a franchise benefitting daily from tremendous investment in resources and new platforms successfully built by Yahoo's corps of talented, committed engineers, product development team and salespeople.

Finally, the Company's leadership needs to rebuild relationships with its valued Asian partners in Yahoo Japan, Softbank and the Alibaba Group. These are important sources of value for Yahoo, and the Company needs to enter a new, constructive era with these critical allies and friends of the Company.

In conclusion, we are eager to present to the Board our candidates and thoughts on the Company's future. We hope that the Board will take our proposals seriously and move towards the leadership overhaul that we are championing. While the decision to undertake Board turnover initially rests with individual directors, ultimately, shareholders like Third Point have other means to effect changes necessary to protect their investment. We are prepared to propose a slate of directors at the Company's annual meeting next year should it become necessary. Such proxy disputes are burdensome, and we sincerely hope that one will not be necessary here. Shareholders have already suffered enough.

It is time for new leadership at Yahoo. Yahoo's investors, employees, clients and users deserve it. We look forward to having what is great about Yahoo make headlines, encouraged and communicated by new CEO and Board leaders.

Sincerely,

/s/ Daniel S. Loeb

Daniel S. Loeb
Chief Executive Officer
Third Point LLC

CC: Ms. Patti Hart
Ms. Sue James
Mr. Vyomesh Joshi
Mr. David Kenny
Mr. Arthur Kern
Mr. Brad Smith
Mr. Gary Wilson
Mr. Jerry Yang

Exhibit 99.2

JOINT FILING AGREEMENT

PURSUANT TO RULE 13d-1(k)

The undersigned acknowledge and agree that the foregoing statement on Schedule 13D is filed on behalf of each of the undersigned and that all subsequent amendments to this statement on Schedule 13D may be filed on behalf of each of the undersigned without the necessity of filing additional joint filing agreements. The undersigned acknowledge that each shall be responsible for the timely filing of such amendments, and for the completeness and accuracy of the information concerning him or it contained herein or therein, but shall not be responsible for the completeness and accuracy of the information concerning the others, except to the extent that he or it knows or has reason to believe that such information is inaccurate.

Dated: September 8, 2011

THIRD POINT LLC

By: /s/ William Song_____
Name: William Song
Title: Attorney-in-Fact

Dated: September 8, 2011

DANIEL S. LOEB

/s/ William Song_____
Name: William Song
Title: Attorney-in-Fact