

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

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

DATE OF REPORT January 15, 1998

YAHOO! INC.

(Exact name of registrant as specified in its charter)

0-26822
(Commission File Number)

California
(State or other jurisdiction of
incorporation or organization)

77-0398689
(I.R.S. Employer
Identification No.)

3420 Central Expressway
Santa Clara, California 95051
(Address of principal executive offices, with zip code)

(408) 731-3300
(Registrant's telephone number, including area code)

ITEM 5. OTHER EVENTS

On January 14, 1998, Yahoo! Inc., a California corporation ("Yahoo!"), announced its earnings and results of operations for the fourth quarter and the fiscal year ended December 31, 1997. Further details regarding this announcement are contained in Yahoo!'s press release dated January 14, 1998 attached as an exhibit hereto and incorporated by reference herein.

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

(c) EXHIBITS.

99. Press Release dated January 14, 1998

SIGNATURES

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

YAHOO! INC.

Date: January 15, 1998

By: /s/ Gary Valenzuela

Gary Valenzuela
Vice President, Finance and
Administration, and Chief Financial
Officer (Principal Financial Officer)

INDEX TO EXHIBITS

Exhibit Number

Description

99.

Press Release dated January 14, 1998

FOR IMMEDIATE RELEASE

YAHOO! REPORTS FOURTH QUARTER AND
1997 FISCAL YEAR END FINANCIAL RESULTS

FOURTH QUARTER PRO FORMA NET INCOME OF \$0.05 PER SHARE

SANTA CLARA, CALIF. - JAN. 14, 1998 - Yahoo! Inc. (NASDAQ:YHOO) today reported net revenues totaling \$25,105,000 for the fourth quarter ended Dec. 31, 1997 compared to net revenues of \$8,943,000 for the fourth quarter of 1996, an increase of 181 percent. Pro forma net income was \$2,574,000 or \$0.05 per share, excluding the previously announced one-time charge of \$3,850,000 incurred in connection with the acquisition of Four11 Corporation. This compared with a net loss of \$666,000 or \$0.02 per share for the fourth quarter of 1996. The net loss for the fourth quarter of 1997, including the above-mentioned one-time charge, was \$1,276,000 or \$0.03 per share.

Net revenues for fiscal 1997 were \$67,411,000 compared to \$19,697,000 in fiscal 1996, an increase of 242 percent. Pro forma net income for fiscal 1997 was \$2,208,000 or \$0.04 per share compared to a net loss of \$4,285,000 or \$0.11 per share in fiscal 1996. Pro forma fiscal 1997 results exclude the second quarter one-time non-cash charge related to the Visa Marketplace restructuring and the fourth quarter one-time charge relating to the acquisition of Four11 Corporation. Including these one-time charges, fiscal 1997 net loss was \$22,887,000 or \$0.53 per share.

Yahoo! also announced that its traffic grew to an average of 65 million page views per day during the month of December 1997, compared to the 50 million page views per day average during September 1997. Yahoo! Japan, which is included in the above page view totals, increased to an average of 5 million page views per day in December 1997, compared to 4 million page views per day average during September 1997. A page view is defined as one electronic page of information displayed in response to a user request.

"Yahoo! continues to be a leader in user traffic and advertising revenue," said Tim Koogle, president and CEO of Yahoo!. "During 1997 we aggressively expanded on our core navigational guide platform and emerged as the leader in a wide array of content and services. Our aggressive expansion of Yahoo!'s global branded network of properties helped us drive both our traffic and our revenues to record levels. During the year, we invested substantially in the business, growing our worldwide presence. At the same time, we managed our business carefully and demonstrated the strength of our core business model by generating a positive cash flow from operations this year.

"Yahoo!'s significant growth in popularity and acceptance during this past year would not have been possible without the tremendous support we continue to receive from our users, advertisers and partners," added Koogle. "We are committed to maintaining Yahoo!'s leadership position by satisfying the needs of our users and advertisers through the aggressive introduction of relevant and innovative programming and services."

During the fourth quarter, Yahoo! expanded its Internet communication and community services while extending its distribution. The company recently entered into a partnership with MCI to provide users an integrated co-marketed online service. Known as Yahoo! Online POWERED BY MCI Internet, the new service will provide a comprehensive, easy-to-use alternative for people wanting access to the Internet. Yahoo! Online leverages Yahoo!'s existing business while extending its online and offline distribution to drive traffic to the Yahoo! network of properties. Yahoo! also announced a custom, free personal home page service from GeoCities for Yahoo!-Registered Trademark- members. Additionally, Yahoo! will be the premier navigational guide service and provider of free personalized member services for GeoCities' extensive audience. During the quarter, Yahoo! completed the acquisition of Four11 Corporation and integrated free Web-based email into the Yahoo! family of properties. Yahoo! and TV Guide Online joined forces to create and provide a Web entertainment chat arena offering Yahoo! Chat users the opportunity to have dynamic conversations with celebrities.

Yahoo! continued to expand its electronic commerce efforts during the fourth quarter to provide its users with convenient and easy access to valuable online shopping merchants and resources. The company enhanced Visa Shopping Guide by Yahoo! with a new product and price comparison shopping service in conjunction with Junglee. Yahoo! also introduced an online car-buying merchant program and launched Yahoo! Autos featuring Microsoft-Registered Trademark-CarPoint and Autoweb.com to provide one-button access to information on buying, selling and researching new and used cars. Yahoo! teamed up with The SABRE Group, the leader in electronic travel transactions, to be its exclusive co-branded provider of travel booking services to Yahoo! users through Travelocity on the Yahoo! Travel Web pages. In the area of entertainment, Yahoo! added one-button access to purchase movie videos from Reel.com and VideoServe.com.

Yahoo! continued extending its programming through regional and national properties during the quarter. In addition to launching Yahoo! Autos, the company launched Yahoo! Travel, a central resource for domestic and international travel needs, including air, car, and hotel accommodations. Yahoo! enhanced its sports programming on Yahoo! Sports to include more comprehensive information, team pages and player bios, profiles, news, stats and events with original content from The Sporting News and SportsTicker-Registered Trademark-. Yahoo! recently announced it has joined with AudioNet to offer Yahoo! users access to audio and video Internet broadcasts for events related to specific categories and shared-interest areas. The broadcasts will initially be launched throughout Yahoo! Sports and Yahoo! Net Events and will be expanded throughout relevant Yahoo! programming. Yahoo! expanded its international territories and launched Yahoo! Scandinavia with localized Internet guides in local languages for Denmark (www.yahoo.dk), Norway (www.yahoo.no) and Sweden (www.yahoo.se).

ABOUT YAHOO!

Yahoo! Inc. (NASDAQ:YHOO) is a global Internet media company that offers a network of branded Web programming that serves millions of users daily. As the first online navigational guide to the Web, www.yahoo.com is the single largest guide in terms of traffic, advertising, household and business user reach, and is one of the most recognized brands associated with the Internet. Yahoo! Inc. provides targeted Internet resources and communications services for a broad range of audiences, based on demographic, key-subject and geographic interests. Yahoo! is headquartered in Santa Clara, Calif.

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This announcement contains forward looking statements that involve risks and uncertainties, including those relating to company's ability to grow its user and advertiser base. Actual results may differ materially from the results predicted and reported results should not be considered an indication of future performance. The potential risks and uncertainties include, among others, the company's limited operating history, the increasingly competitive environment for advertising sales and other Yahoo! branded services, the early stage of the Web as an advertising medium, the company's dependence on advertising revenues and third parties for sales, technology, content and distribution. More information about potential factors that could affect the company's business and financial results is included in the company's annual report on Form 10-K for the year ended Dec. 31, 1996, the company's quarterly report on Form 10-Q for the period ended Sept. 30, 1997, and the company's registration statement filed on Form S-3 on Jan. 8, 1998, which is on file with the Securities and Exchange Commission (<http://sec.yahoo.com/edgar/latest/yhoo.html>).

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All other names are trademarks and/or registered trademarks of their respective owners.

CONTACTS:

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YAHOO! INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	THREE MONTHS ENDED DECEMBER 31,		YEAR ENDED DECEMBER 31,	
	(UNAUDITED)		(AUDITED)	
	1997	1996	1997	1996
NET REVENUES	\$25,105	\$8,943	\$67,411	\$19,697
COST OF REVENUES	3,229	1,491	9,372	3,316
GROSS PROFIT	21,876	7,452	58,039	16,381
OPERATING EXPENSES:				
SALES AND MARKETING	15,129	6,314	43,930	15,106
PRODUCT DEVELOPMENT	3,525	1,993	11,138	5,150
GENERAL AND ADMINISTRATIVE	1,971	1,705	6,472	4,878
OTHER - NONRECURRING COSTS	3,850	-	25,095	-
TOTAL OPERATING EXPENSES	24,475	10,012	86,635	25,134
LOSS FROM OPERATIONS	(2,599)	(2,560)	(28,596)	(8,753)
INVESTMENT INCOME, NET	1,227	1,520	4,982	3,928
MINORITY INTERESTS IN LOSSES FROM OPERATIONS OF CONSOLIDATED SUBSIDIARIES	96	374	727	540
NET LOSS	(\$1,276)	(\$666)	(\$22,887)	(\$4,285)
BASIC AND DILUTED LOSS PER SHARE	(\$0.03)	(\$0.02)	(\$0.53)	(\$0.11)
WEIGHTED AVERAGE COMMON SHARES USED IN LOSS PER SHARE CALCULATION	44,767	41,168	43,583	39,256
PRO FORMA DILUTED INCOME PER SHARE (UNAUDITED)(1)	\$0.05		\$0.04	
WEIGHTED AVERAGE COMMON SHARES USED IN PRO FORMA DILUTED INCOME PER SHARE CALCULATION	53,255		50,868	

(1) PRO FORMA DILUTED INCOME PER SHARE EXCLUDES THE EFFECT OF OTHER NONRECURRING COSTS OF \$3,850,000 INCURRED IN CONNECTION WITH THE ACQUISITION OF FOUR11 CORPORATION DURING THE QUARTER ENDED DECEMBER 31, 1997 AND A ONE-TIME NON-CASH CHARGE OF \$21,245,000 RELATED TO THE VISA MARKETPLACE RESTRUCTURING INCURRED DURING THE QUARTER ENDED JUNE 30, 1997.

NOTE: THE RESULTS FOR ALL PERIODS PRESENTED HAVE BEEN RESTATED TO REFLECT THE COMBINED RESULTS OF YAHOO! INC. AND FOUR11 CORPORATION TO REFLECT A MERGER OF THE TWO COMPANIES WHICH WAS COMPLETED ON OCTOBER 20, 1997 AND HAS BEEN ACCOUNTED FOR AS A POOLING OF INTERESTS.

YAHOO! INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS)
(AUDITED)

	DECEMBER 31, 1997	DECEMBER 31, 1996
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ASSETS		
CASH, CASH EQUIVALENTS AND INVESTMENTS	\$107,012	\$103,984
ACCOUNTS RECEIVABLE, NET	10,986	5,082
PREPAID EXPENSES	5,893	384
PROPERTY AND EQUIPMENT, NET	7,035	2,789
OTHER ASSETS	10,958	729
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TOTAL ASSETS	\$141,884	\$112,968
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LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES:		
ACCOUNTS PAYABLE	\$ 5,477	\$ 1,106
ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES	13,127	5,800
DEFERRED REVENUE	4,852	1,347
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TOTAL LIABILITIES	23,456	8,253
MINORITY INTERESTS IN CONSOLIDATED SUBSIDIARIES	716	510
SHAREHOLDERS' EQUITY:		
COMMON STOCK	145,683	109,289
ACCUMULATED DEFICIT	(27,971)	(5,084)
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TOTAL SHAREHOLDERS' EQUITY	117,712	104,205
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	\$141,884	\$112,968
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NOTE: THE RESULTS FOR ALL PERIODS PRESENTED HAVE BEEN RESTATED TO REFLECT THE COMBINED RESULTS OF YAHOO! INC. AND FOUR11 CORPORATION TO REFLECT A MERGER OF THE TWO COMPANIES WHICH WAS COMPLETED ON OCTOBER 20, 1997 AND HAS BEEN ACCOUNTED FOR AS A POOLING OF INTERESTS.