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**UNITED STATES  
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 (Date of earliest event reported): February 11, 2008**

**Yahoo! Inc.**

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**(Exact name of registrant as specified in its charter)**

Delaware <b>(State or other jurisdiction of incorporation)</b>	000-28018 <b>(Commission File Number)</b>	77-0398689 <b>(I.R.S. Employer Identification No.)</b>
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701 First Avenue Sunnyvale, California <b>(Address of principal executive offices)</b>	94089 <b>(Zip Code)</b>
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**Registrant's telephone number, including area code: (408) 349-3300**

Not Applicable

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**(Former name or former address, if changed since last report.)**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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### **Item 7.01. Regulation FD Disclosure.**

On February 11, 2008, Jerry Yang, Chief Executive Officer of Yahoo! Inc. (the “Company”), distributed an email to the employees of the Company regarding the Company’s review and evaluation of the unsolicited proposal made by Microsoft Corporation to acquire the Company dated January 31, 2008.

A copy of the email to Company employees is furnished with this Form 8-K and attached hereto as Exhibit 99.1. Exhibit 99.1 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities under that Section and shall not be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act.

### **Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Email from the Chief Executive Officer to Yahoo! Inc. Employees, dated February 11, 2008.

### **Forward-Looking Statements**

This Current Report on Form 8-K and its exhibit contain forward-looking statements that involve risks and uncertainties concerning the Company’s expected financial performance as well as the Company’s strategic and operational plans. Actual events or results may differ materially from those described herein due to a number of risks and uncertainties. The potential risks and uncertainties include, among others, the implementation and results of the Company’s ongoing strategic initiatives; the Company’s ability to compete with new or existing competitors; reduction in spending by, or loss of, marketing services customers; the demand by customers for the Company’s premium services; acceptance by users of new products and services; risks related to joint ventures and the integration of acquisitions; risks related to the Company’s international operations; failure to manage growth and diversification; adverse results in litigation, including intellectual property infringement claims; the Company’s ability to protect its intellectual property and the value of its brands; dependence on key personnel; dependence on third parties for technology, services, content and distribution; and general economic conditions. More information about potential factors that could affect the Company’s business and financial results is included under the captions “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2006 and the Quarterly Report on Form 10-Q for the quarter ended September 30, 2007, which are on file with the SEC and available at the SEC’s website at [www.sec.gov](http://www.sec.gov). Further risks and uncertainties associated with Microsoft’s unsolicited proposal to

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acquire the Company include: the risk that key employees may pursue other employment opportunities due to concerns as to their employment security with the Company; the risk that the acquisition proposal will make it more difficult for the Company to execute its strategic plan and pursue other strategic opportunities; and the risk that stockholder litigation in connection with Microsoft's unsolicited proposal may result in significant costs of defense, indemnification and liability. All forward-looking statements are qualified by these cautionary statements and are made only as of the date they are made. The Company is under no obligation (and expressly disclaims any such obligation) to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise.

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**SIGNATURE**

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 hereunto duly authorized.

YAHOO! INC.  
(Registrant)

By: /s/ Michael J. Callahan  
Name: Michael J. Callahan  
Title: Executive Vice President, General Counsel and  
Secretary

Date: February 11, 2008

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**EXHIBIT INDEX**

<b>Exhibit Number</b>	<b>Description</b>
99.1	Email from the Chief Executive Officer to Yahoo! Inc. Employees, dated February 11, 2008.

**Subject:** our board's decision

yahoos

as you'll see from the news release we issued today, our board of directors has reviewed microsoft's unsolicited proposal with yahoo!'s management, financial and legal advisors. after a careful evaluation, the board has unanimously concluded that the proposal is not in the best interests of yahoo! and our stockholders. of course, the board of directors is continuously evaluating all of its strategic options in the context of the rapidly evolving industry environment and we remain committed to pursuing initiatives that maximize value for stockholders.

we believe microsoft's proposal substantially undervalues yahoo!—including our highly recognizable global brand, large worldwide audience, significant recent investments in advertising platforms, future growth prospects, our ability to generate free cash flow and our earnings potential as well as substantial unconsolidated investments (like alibaba and yahoo! japan).

you deserve the credit for the tremendously valuable business we have built. all of us in management, as well as the members of the board, deeply appreciate and respect what you have done and continue to do in order to maintain and enhance yahoo!'s leadership position in the online world.

we have been very deliberate about the steps we are taking to position yahoo!. we are putting in place the pieces we need to accelerate growth by becoming a leading starting point for users and the must buy for advertisers. the global online advertising market is projected to grow from \$45 billion in 2007 to \$75 billion in 2010, and our more focused strategies position us to capture an even larger share of this market. we are moving to take advantage of this unique window of time in the growth of the online advertising market to build market share and to create value for stockholders.

several key assets form a solid foundation as we execute this strategy.

first, our global brand is a tremendous base from which to build leadership as the starting point for internet use: yahoo! is one of the most recognizable and admired brands in the world. we have some 500 million users (1 out of every 2 internet users worldwide). in the u.s., we are #1 in personalized home pages, mail, music, news, sports, shopping and travel. yahoo! also is #1 in time spent on our sites, an increasingly important metric for marketers.

second, our substantial operating cash flow, which we expect to grow in the double digits in 2009, gives us the financial flexibility to execute our plans.

third, we have made important investments in our core computing infrastructure that provides us greater scalability and increases the rate of iteration on core technologies like

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algorithmic search as much as tenfold. and of course, you're familiar with our investments in enhanced search technology through panama.

these assets—the brand, the audience, the financial strength, and the technology—position us to capitalize on this pivotal moment for yahoo! and the online marketplace. of course, our most important resource is you: the thousands of creative, passionate and committed yahoos who are executing our strategies to deliver value for users, advertisers, publishers—and stockholders.

as you know, we have taken significant steps to refocus our business on our starting point—must buy strategies. and we're making headway.

**starting points:** our goal is to grow visits to key yahoo! starting points and properties, by approximately 15% per year over the next several years. and we're on the move: we are the most visited site in the u.s., and the number of u.s. users grew strongly in the double-digits in 2007 on our yahoo.com home page alone. as our open platform takes shape it will significantly accelerate that growth.

mobile, as an area of focus, is the biggest emerging starting point in the world. with twice as many mobile users as personal computer users and projections for substantial advertising growth in mobile, we have an important competitive edge as the number one mobile destination in the u.s. and we are building a superior mobile experience for yahoo! users to further capitalize on this opportunity.

**must buy:** at the same time, we will increasingly make online advertising easier and more effective for marketers, opening up new ways for them to address consumers. our right media exchange, acquired last year, is more open and easy to use, simplifying transactions for buyers and sellers of online ad inventory. another 2007 acquisition, blue lithium, brings us best in class performance marketing. while we've historically tracked the success of our ad business by focusing on metrics related to our owned and operated sites, our goal is to increase the percentage of the total online advertising demand we touch—to 20% of our addressable market over the next several years, from an estimated 15% in 2007.

our newspaper consortium, is a great example. it has grown to more than 600 newspapers, up from just 264 just seven months ago. combined with ebay, comcast, at&t and others, we are creating a valuable, unique network of premium sites to serve our advertisers.

our key strategies will be enhanced by our adoption of platforms that welcome third party developers and encourage new applications that will enrich the user experience.

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finally, beyond our core strategies, there's the added benefit of our substantial, unconsolidated investments in china and japan: we have major positions in yahoo! japan, the leader in its market and alibaba, which is strongly positioned in china, a market with enormous growth potential.

we have accomplished a great deal in a very short time. yahoo! is a faster-moving, better organized, more nimble company well on its way to transforming the experiences of its users, advertisers, publishers and developers.

i hope you are as proud as i am of the yahoo! we have built and we continue to build. thanks for your hard work.

jerry