| SEC I | Form 4 |
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FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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

OMB APPROVAL 3235-0287 OMB Number: Estimated average burden hours per response 0.5

| 1. Name and Address of Reporting Person [*] Morse Timothy | | | 2. Issuer Name and Ticker or Trading Symbol <u>YAHOO INC</u> [YHOO] | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) | | | | | |
|---|-------------|----------|---|--|--|--|--|--|--|
| Morse III | <u>nomy</u> | | [] | Director 10% Owner | | | | | |
| | | | [| X Officer (give title Other (specify | | | | | |
| (Last) | (First) | (Middle) | 3. Date of Earliest Transaction (Month/Day/Year) | below) below) | | | | | |
| C/O YAHOO! INC. | | | 07/27/2009 | Chief Financial Officer | | | | | |
| | | | | | | | | | |
| 701 FIRST AVENUE | | | | | | | | | |
| | | | 4. If Amendment, Date of Original Filed (Month/Day/Year) | 6. Individual or Joint/Group Filing (Check Applicable | | | | | |
| (Street) | | | | Line) | | | | | |
| SUNNYVA | LE CA | 94089 | | X Form filed by One Reporting Person | | | | | |
| | | 34003 | | Form filed by More than One Reporting Person | | | | | |
| (City) | (State) | (Zip) | | | | | | | |

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) | | | 4. Securities A Disposed Of (I | | | 5. Amount of Securities Beneficially Owned Following Reported | Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--|---|------|---|-----------------------------------|---------------|-------------------|---|---|---|
| | | | Code | v | Amount | (A) or (D) | Price | Transaction(s) (Instr. 3 and 4) | | (11301 4) |
| Common Stock | 07/27/2009 | | A | | 150,000 ⁽¹⁾ | A | \$ <mark>0</mark> | 150,000 | D | |

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

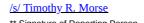
| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transa Code (8) | | Derivative | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title 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 | 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 | Amount or Number of Shares | | Transaction(s) (Instr. 4) | | |
| Employee Stock Option (right to buy) | \$17 | 07/27/2009 | | A | | 400,000 | | (2) | 07/27/2016 | Common Stock | 400,000 | (3) | 400,000 | D | |

Explanation of Responses:

1. Represents a grant of restricted stock units under the Yahoo! Inc. 1995 Stock Plan. Each restricted stock unit represents the contingent right to receive, upon vesting of the unit, one share of Yahoo! Inc. ("Company") common stock. Subject to accelerated vesting in certain circumstances, Restricted Stock Units are scheduled to vest on the third anniversary of the Date of Grant as long as the reporting person remains in the service of the Company through the respective vesting date.

2. One-fourth (1/4) of this executive incentive stock option is scheduled to vest and become exercisable on June 17, 2010 and the remaining shares subject to such option are scheduled to vest and become exercisable in six equal semi-annual installments thereafter, as long as the reporting person remains in the service of the Company through the respective vesting date

3. Not Applicable



07/2<u>9/2009</u>

** 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.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.