

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 1997

OR

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

For the transition period from _____ to _____

Commission File Number 0-28018

YAHOO! INC.

(Exact name of registrant as specified in its charter)

CALIFORNIA

77-0398689

(State or other jurisdiction of (I.R.S. Employer Identification No.)
incorporation or organization)

3400 CENTRAL EXPRESSWAY, SUITE 201
SANTA CLARA, CALIFORNIA 95051

(Address of principal executive offices)

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

Indicate by check mark whether the Registrant (1) has filed all reports
required by Section 13 or 15(d) of the Securities Exchange Act of 1934 during
the preceding 12 months (or for such shorter period that the Registrant was
required to file such reports) and (2) has been subject to such filing
requirements for the past 90 days: Yes[X] No[]

Indicate the number of shares outstanding of each of the issuer's classes of
common stock, as of the latest practicable date.

CLASS	OUTSTANDING AT JULY 31, 1997
-----	-----
Common Stock, \$0.001 par value	28,597,274

YAHOO! INC.

TABLE OF CONTENTS

PART I.	FINANCIAL INFORMATION	PAGE NO.
Item 1.	Consolidated Financial Statements (unaudited)	
	Condensed Consolidated Balance Sheets at June 30, 1997 and December 31, 1996	3
	Condensed Consolidated Statements of Operations for the three months ended June 30, 1997 and 1996; and the six months ended June 30, 1997 and 1996	4
	Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 1997 and 1996	5
	Notes to Condensed Consolidated Financial Statements	6
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	9
PART II.	OTHER INFORMATION	
Item 1.	Legal Proceedings	18
Item 2.	Changes in Securities	18
Item 3.	Defaults Upon Senior Securities	18
Item 4.	Submission of Matters to a Vote of Security Holders	18
Item 5.	Other Information	18
Item 6.	Exhibits and Reports on Form 8-K	18
	Signatures	19

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

YAHOO! INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 1997	December 31, 1996
	----- (unaudited)	-----
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 61,587,000	\$ 31,865,000
Short-term investments in marketable securities	37,268,000	60,689,000
Accounts receivable, net	6,716,000	4,648,000
Prepaid expenses	3,912,000	353,000
	-----	-----
Total current assets	109,483,000	97,555,000
Long-term investments in marketable securities	-	9,748,000
Property and equipment, net	3,286,000	2,223,000
Investment in unconsolidated joint venture	879,000	729,000
Other assets	2,083,000	-
	-----	-----
	\$ 115,731,000	\$ 110,255,000
	-----	-----
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 803,000	\$ 992,000
Accrued expenses and other current liabilities	6,505,000	4,367,000
Deferred revenue	1,752,000	1,229,000
Due to related parties	1,049,000	1,082,000
	-----	-----
Total current liabilities	10,109,000	7,670,000
Minority interests in consolidated subsidiaries	660,000	510,000
Shareholders' equity:		
Common Stock	18,000	17,000
Additional paid-in capital	128,246,000	105,026,000
Accumulated deficit	(23,302,000)	(2,968,000)
	-----	-----
Total shareholders' equity	104,962,000	102,075,000
	-----	-----
	\$ 115,731,000	\$ 110,255,000
	-----	-----

The accompanying notes are an integral part of these condensed consolidated financial statements.

YAHOO! INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended		Six Months Ended	
	June 30, 1997	June 30, 1996	June 30, 1997	June 30, 1996
Net revenues	\$ 13,520,000	\$ 3,274,000	\$ 23,035,000	\$ 5,007,000
Cost of revenues	2,049,000	520,000	3,276,000	687,000
Gross profit	11,471,000	2,754,000	19,759,000	4,320,000
Operating expenses:				
Sales and marketing	8,673,000	3,290,000	15,257,000	4,150,000
Product development	2,103,000	1,037,000	4,005,000	1,367,000
General and administrative	1,459,000	762,000	2,619,000	1,249,000
Other - nonrecurring costs	21,245,000	-	21,245,000	-
Total operating expenses	33,480,000	5,089,000	43,126,000	6,766,000
Loss from operations	(22,009,000)	(2,335,000)	(23,367,000)	(2,446,000)
Investment income, net	1,260,000	969,000	2,649,000	1,161,000
Minority interests in losses from operations of consolidated subsidiaries	182,000	-	384,000	-
Loss before income taxes	(20,567,000)	(1,366,000)	(20,334,000)	(1,285,000)
Benefit for income taxes	(23,000)	-	-	-
Net loss	\$ (20,544,000)	\$ (1,366,000)	\$ (20,334,000)	\$ (1,285,000)
Net loss per share	(\$0.74)	(\$0.05)	(\$0.74)	(\$0.06)
Weighted average common shares	27,792,000	26,456,000	27,493,000	22,887,000
Pro forma net loss per share reflecting 3-for-2 stock split (Note 4)	(\$0.49)	(\$0.03)	(\$0.49)	(\$0.04)
Pro forma weighted average common shares reflecting 3-for-2 stock split (Note 4)	41,688,000	39,684,000	41,239,500	34,330,500

The accompanying notes are an integral part of these condensed consolidated financial statements.

YAHOO! INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Six Months Ended	
	June 30, 1997	June 30, 1996
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (20,334,000)	\$ (1,285,000)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	621,000	229,000
Minority interests in losses from operations of consolidated subsidiaries	(384,000)	-
Non-cash charge	21,245,000	-
Changes in assets and liabilities:		
Accounts receivable, net	(2,068,000)	(1,184,000)
Prepaid expenses and other assets	(5,792,000)	(910,000)
Accounts payable	(189,000)	417,000
Accrued expenses and other current liabilities	1,877,000	1,377,000
Deferred revenue	523,000	227,000
Due to related parties	(33,000)	(2,000)
Net cash used in operating activities	(4,534,000)	(1,131,000)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	(1,606,000)	(643,000)
(Purchases) sales and maturities of investments in marketable securities, net	33,169,000	(39,226,000)
Net cash provided by (used in) investing activities	31,563,000	(39,869,000)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of capital stock, net	2,093,000	98,785,000
Proceeds from minority investor	600,000	-
Repayment of lease obligations	-	(128,000)
Net cash provided by financing activities	2,693,000	98,657,000
Net change in cash and cash equivalents	29,722,000	57,657,000
Cash and cash equivalents at beginning of period	31,865,000	5,297,000
Cash and cash equivalents at end of period	\$ 61,587,000	\$ 62,954,000

The accompanying notes are an integral part of these condensed consolidated financial statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1 - THE COMPANY AND BASIS OF PRESENTATION

Yahoo! Inc. (the "Company") is an Internet media company that offers a network of globally-branded properties, specialty programming, and aggregated content distributed primarily on the World Wide Web (the "Web") serving business professionals and consumers, and is among the most widely used guides for information and discovery on the Web. The Company was incorporated in California on March 5, 1995 and commenced operations on that date. The Company conducts its business within one industry segment.

The accompanying unaudited condensed consolidated financial statements reflect all adjustments which, in the opinion of management, are necessary for a fair presentation of the results for the periods shown. The results of operations for such periods are not necessarily indicative of the results expected for the full fiscal year or for any future period.

These financial statements should be read in conjunction with the financial statements and related notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 1996. Certain prior period balances have been reclassified to conform with current period presentation.

NOTE 2 - COMMITMENTS

NETSCAPE GUIDE BY YAHOO!

During March 1997, the Company entered into certain agreements with Netscape Communications Corporation (Netscape) under which the Company has developed and operates an Internet information navigation service called "NETSCAPE GUIDE BY YAHOO!" (the GUIDE). The Co-Marketing agreement provides that revenue from advertising on the GUIDE, which is managed by the Company, is to be shared between the Company and Netscape. Under the terms of the Trademark License agreement, the Company made a one-time non-refundable trademark license fee payment of \$5,000,000 in March 1997 which is being amortized over the initial two-year term, which commenced in May 1997. The Company also provided Netscape with a minimum of \$10,000,000 in guarantees against shared advertising revenues in the first year of the Co-Marketing agreement and up to \$15,000,000 in the second year of the agreement, subject in the second year to certain minimum levels of impressions being reached on the GUIDE. In June 1997, an amendment to this agreement was signed whereby the first year shared advertising revenue guarantee was reduced to \$4,660,000. Actual payments may be higher and will relate directly to the overall revenue recognized from the GUIDE.

NETSCAPE PREMIER PROVIDER

Also during March 1997, the Company entered into an agreement with Netscape whereby it was designated as one of four "Premier Providers" of domestic navigational services within the Netscape Web Site. Under the terms of the agreement, the Company is required to make minimum payments of \$3,200,000 in cash and is obligated to provide \$1,500,000 in the Company's advertising services in return for certain minimum guaranteed exposures over the course of the one-year term of the agreement, which commenced in May 1997. As of June 30, 1997, the Company had paid \$1,000,000 in cash and an additional \$637,000 was paid in July under the terms of the agreement. To the extent that the minimum guaranteed exposures are exceeded, the Company is obligated to remit to Netscape additional payments of cash and the Company's advertising services. The Company amortizes the total cost of the Premier Provider agreement over its one year term.

During June 1997, the Company entered into certain agreements with Netscape whereby it was designated as a Premier Provider of international search and navigational guide services for the Netscape Net Search program. Under the terms of the agreements, the Company will provide services in 12 countries, including Australia, Denmark, France, Germany, Italy, Japan, Korea, The Netherlands, Portugal, Spain, Sweden, and the United Kingdom. Under the terms of the agreements, the Company is required to make a cash payment of \$2,900,000 in July 1997 and is obligated to provide \$100,000 in the Company's advertising services in return for certain minimum guaranteed exposures over the course of the one-year term of the agreements, which commenced in July 1997. The Company amortizes the total cost of these agreements over their one year term.

MARKETPLACE RESTRUCTURING

In August 1996, the Company entered into a joint venture arrangement with Visa Marketplace, Inc. and another party (the "Visa Group") for the development of an online property relating to electronic commerce. The arrangements included the creation of a limited liability company (Yahoo! Marketplace L.L.C.) owned by the Company and the Visa Group, to which the Company licensed certain trademarks and other intellectual property, and included other contractual commitments by the Company to Visa. In July 1997, prior to the completion of significant business activities and public launch of the property, the Company and Visa entered into an agreement under which the Visa Group released the Company from certain obligations and claims, and the Company returned the Visa Group's original equity contribution to the L.L.C. In connection with this agreement, Yahoo! has issued 466,321 shares of Yahoo! Common Stock to the Visa Group, for which the Company recorded a one-time, non-cash, pre-tax charge of \$21,245,000 in the second quarter ended June 30, 1997. On August 4, 1997, the Company filed a Registration Statement on Form S-3 with respect to the resale of 259,069 Visa Group shares. The Visa Group has agreed to refrain from the sale of 103,626 shares until July 1998 and the remaining 103,626 shares until July 1999.

NOTE 3 - NET LOSS PER SHARE

Net loss per share is computed using the weighted average number of common shares outstanding during the period. Common equivalent shares are excluded from the computation as their effect is antidilutive, except that for the periods ended June 30, 1996, pursuant to the Securities and Exchange Commission Staff Accounting Bulletin, the convertible preferred stock (using the if-converted method) and common equivalent shares (using the treasury stock method and the assumed public offering price) issued subsequent to March 5, 1995 through April 11, 1996 have been included in the computation as if they were outstanding for all periods presented.

In February 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard No. 128, "Earnings per Share." This Statement is effective for the Company's fiscal year ending December 31, 1997. The Statement redefines earnings per share under generally accepted accounting principles. Under the new standard, primary earnings per share is replaced by basic earnings per share and fully diluted earnings per share is replaced by diluted earnings per share. The impact of this Statement for the three and six month periods ended June 30, 1997 and 1996 on the calculation of primary and fully diluted earnings per share is not material.

NOTE 4 - STOCK SPLIT

During July 1997, the Company's Board of Directors approved a three-for-two Common Stock split. Shareholders of record on August 11, 1997 (the record date) will be entitled to one additional share for every two shares held on that date. In accordance with SAB Topic 4-C, the Company has presented a pro forma earnings per share and weighted average shares on the face of the statement of operations for all periods presented which reflect the effect of the split.

NOTE 5 - SUBSEQUENT EVENT

On July 31, 1997, the Company entered into a stock purchase agreement to acquire all of the outstanding capital stock of NetControls, Inc. for 24,778 shares of the Company's Common Stock. The acquisition will be recorded as a purchase for accounting purposes and the majority of the purchase price of approximately \$1,400,000 will be amortized over the estimated useful life of the technology acquired. To date, the financial results of NetControls, Inc. have been de minimis.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

THE DISCUSSION IN THIS REPORT CONTAINS FORWARD-LOOKING STATEMENTS THAT INVOLVE RISKS AND UNCERTAINTIES. THE COMPANY'S ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE DISCUSSED HEREIN. FACTORS THAT COULD CAUSE OR CONTRIBUTE TO SUCH DIFFERENCES INCLUDE, BUT ARE NOT LIMITED TO, THOSE DISCUSSED BELOW, AND THE RISKS DISCUSSED UNDER THE CAPTION, "RISK FACTORS" IN THE COMPANY'S ANNUAL REPORT ON FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 1996 AND IN THE REGISTRATION STATEMENT FILED ON FORM S-3 ON AUGUST 4, 1997 (COPIES OF WHICH ARE AVAILABLE AT BIZ.YAHOO.COM/PROFILES/YHOO.HTML OR UPON REQUEST FROM THE COMPANY).

OVERVIEW

Yahoo! Inc. is an Internet media company that offers a network of globally-branded properties, specialty programming, and aggregated content distributed primarily on the World Wide Web serving business professionals and consumers, and is among the most widely used guides for information and discovery on the Web. The Company was incorporated in California on March 5, 1995 and commenced operations on that date. In August 1995, the Company commenced selling advertisements on its Web pages and recognized its initial revenues. In April 1996, the Company completed its initial public offering.

The Company's revenues are derived principally from the sale of advertisements on short-term contracts. The Company's standard rates for advertising currently range from \$0.02 per impression for general rotation to \$0.08 per impression for highly targeted audiences and properties. To date, the duration of the Company's advertising commitments has ranged from one week to one year. Advertising revenues are recognized ratably in the period in which the advertisement is displayed, provided that no significant Company obligations remain and collection of the resulting receivable is probable. Company obligations typically include guarantees of minimum number of "impressions," or times that an advertisement appears in pages viewed by users of the Company's online properties. To the extent minimum guaranteed impressions are not met, the Company defers recognition of the corresponding revenues until the remaining guaranteed impression levels are achieved. Deferred revenue is comprised of billings in excess of recognized revenue relating to advertising contracts.

During March 1997, the Company entered into certain agreements with Netscape under which the Company has developed and operates an Internet information navigation service called "NETSCAPE GUIDE BY YAHOO!" (the GUIDE). The personalized guide has been designed to provide Internet users with a central comprehensive source of sites, news, and other valuable services on the Web. NETSCAPE GUIDE BY YAHOO! is accessible through the Netscape Internet site and from the tool bar of Netscape Communicator. The navigational service provides users with central access to eight of the most popular information categories on the Web. The Co-Marketing agreement provides that revenue from advertising on the GUIDE, which is managed by the Company, is to be shared between the Company and Netscape. The Company plans to sell the advertising space on the GUIDE by hiring a significant number of direct sales personnel. Under the terms of the Trademark License agreement, the Company made a one-time non-refundable trademark license fee payment

of \$5,000,000 in March 1997 which is being amortized over the initial two-year term, which commenced in May 1997. The Company also provided Netscape with a minimum of \$10,000,000 in guarantees against shared advertising revenues in the first year of the Co-Marketing agreement and up to \$15,000,000 in the second year of the agreement, subject in the second year to certain minimum levels of advertising impressions being reached on the GUIDE. In June 1997, an amendment to this agreement was signed whereby the first year shared advertising revenue guarantee was reduced to \$4,660,000. Actual payments may be higher and will relate directly to the overall revenue recognized from the GUIDE.

Also during March 1997, the Company entered into an agreement with Netscape whereby it was designated as one of four "Premier Providers" of domestic navigational services within the Netscape Web Site. Under the terms of the agreement, the Company is required to make minimum payments of \$3,200,000 in cash and is obligated to provide \$1,500,000 in the Company's advertising services in return for certain minimum guaranteed exposures over the course of the one-year term of the agreement, which commenced in May 1997. As of June 30, 1997, the Company had paid \$1,000,000 in cash and an additional \$637,000 was paid in July under the terms of the agreement. To the extent that the minimum guaranteed exposures are exceeded, the Company is obligated to remit to Netscape additional payments of cash and the Company's advertising services.

During June 1997, the Company entered into certain agreements with Netscape whereby it was designated as a Premier Provider of international search and navigational guide services for the Netscape Net Search program. Under the terms of the agreements, the Company will provide services in 12 countries, including Australia, Denmark, France, Germany, Italy, Japan, Korea, The Netherlands, Portugal, Spain, Sweden, and the United Kingdom. Under the terms of the agreements, the Company is required to make a cash payment of \$2,900,000 in July 1997 and is obligated to provide \$100,000 in the Company's advertising services in return for certain minimum guaranteed exposures over the course of the one-year term of the agreements, which commenced in July 1997.

In August 1996, the Company entered into a joint venture arrangement with Visa Marketplace, Inc. and another party (the "Visa Group") for the development of an online property relating to electronic commerce. The arrangements included the creation of a limited liability company (Yahoo! Marketplace L.L.C.) owned by the Company and the Visa Group, to which the Company licensed certain trademarks and other intellectual property, and included other contractual commitments by the Company to Visa. In July 1997, prior to the completion of significant business activities and public launch of the property, the Company and Visa entered into an agreement under which the Visa Group released the Company from certain obligations and claims, and the Company returned the Visa Group's original equity contribution to the L.L.C. In connection with this agreement, Yahoo! has issued 466,321 shares of Yahoo! Common Stock to the Visa Group, for which the Company recorded a one-time, non-cash, pre-tax charge of \$21,245,000 in the second quarter ended June 30, 1997.

Yahoo! has a limited operating history and its prospects are subject to the risks, expenses and uncertainties frequently encountered by companies in the new and rapidly evolving markets for Internet products and services, including the Web-based advertising market. Specifically, such risks include, without limitation, the failure to continue to

develop and extend the "Yahoo!" brand, the failure to develop new media properties, the rejection of the Company's services by Web consumers and/or advertisers, the inability of the Company to maintain and increase the levels of traffic on YAHOO! properties, the development of equal or superior services or products by competitors, the failure of the market to adopt the Web as an advertising medium, the failure to successfully sell Web-based advertising through the Company's recently developed internal sales force, potential reductions in market prices for Web-based advertising as a result of competition or other factors, the inability of the Company to effectively integrate the technology and operations or any other acquired businesses or technologies with its operations, and the inability to identify, attract, retain and motivate qualified personnel. There can be no assurance that the Company will be successful in addressing such risks.

As of June 30, 1997, the Company had an accumulated deficit of \$23,302,000. The extremely limited operating history of the Company and the uncertain nature of the markets addressed by the Company make the prediction of future results of operations difficult or impossible and, therefore, the recent revenue growth experienced by the Company should not be taken as indicative of the rate of revenue growth, if any, that can be expected in the future. The Company believes that period to period comparisons of its operating results are not meaningful and that the results for any period should not be relied upon as an indication of future performance. The Company currently expects to significantly increase its operating expenses to expand its sales and marketing operations, to fund greater levels of product development and to develop and commercialize additional media properties. The Company also has remaining guaranteed payments of up to \$19,660,000 in advertising revenue guarantees to Netscape over the next two years in connection with the NETSCAPE GUIDE BY YAHOO! agreement. As a result of these factors, there can be no assurance that the Company will not incur significant losses on a quarterly and annual basis for the foreseeable future.

As a result of the Company's limited operating history, the Company does not have historical financial data for a significant number of periods on which to base planned operating expenses. The Company derives substantially all of its revenues from the sale of advertisements under short-term contracts, which are difficult to forecast accurately. The Company's expense levels are based in part on its expectations concerning future revenue and to a large extent are fixed. The Company also has fixed expenses in the form of advertising revenue guarantees of up to \$19,660,000 over the next two years relating to the NETSCAPE GUIDE BY YAHOO!, which subject the Company to additional risk in the event that advertising revenues from this property are not sufficient to offset guaranteed payments and related operating expenses. Quarterly revenues and operating results depend substantially upon the advertising revenues received within the quarter, which are difficult to forecast accurately. Accordingly, the cancellation or deferral of a small number of advertising contracts could have a material adverse effect on the Company's business, results of operations and financial condition. The Company may be unable to adjust spending in a timely manner to compensate for any unexpected revenue shortfall, and any significant shortfall in revenue in relation to the Company's expectations would have an immediate adverse effect on the Company's business, operating results and financial condition. In addition, the Company plans to continue to significantly increase its operating expenses to expand its sales and marketing operations,

to continue to develop and extend the "Yahoo!" brand, to implement and operate the NETSCAPE GUIDE BY YAHOO!, to fund greater levels of product development and to develop and commercialize additional media properties. To the extent that such expenses precede or are not subsequently followed by increased revenues, the Company's business, operating results and financial condition will be materially and adversely affected.

The Company's operating results may fluctuate significantly in the future as a result of a variety of factors, many of which are outside the Company's control. These factors include the level of usage of the Internet, demand for Internet advertising, seasonal trends in Internet usage and advertising placements, the addition or loss of advertisers, the level of user traffic on YAHOO! and the Company's other online media properties, the advertising budgeting cycles of individual advertisers, the amount and timing of capital expenditures and other costs relating to the expansion of the Company's operations, the introduction of new products or services by the Company or its competitors, pricing changes for Web-based advertising, the timing of initial set-up, engineering or development fees that may be paid in connection with larger advertising and distribution arrangements, technical difficulties with respect to the use of YAHOO! or other media properties developed by the Company, incurrence of costs relating to acquisitions, general economic conditions, and economic conditions specific to the Internet and online media. As a strategic response to changes in the competitive environment, the Company may from time to time make certain pricing, service or marketing decisions or business combinations that could have a material adverse effect on the Company's business, results of operations and financial condition. The Company also has experienced, and expects to continue to experience, seasonality in its business, with user traffic on YAHOO! and the Company's other online media properties being lower during the summer and year-end vacation and holiday periods, when usage of the Web and the Company's services typically experience slower growth or decline. Additionally, seasonality may also affect the amount of customer advertising dollars placed with the Company in the first and third calendar quarters as advertisers historically spend less during these quarters.

From time to time, the Company enters into agreements with sponsors and content providers under which the Company is entitled to receive a share of revenue received from the purchasers of goods and services from users of the Company's online properties. Such revenue arrangements, if significant, would expose the Company to additional risks and uncertainties, including (without limitation) seasonal variations associated with the markets for such products and services, competitive and other business factors relating to such markets, and potential liabilities to consumers of such products and services.

Due to all of the foregoing factors, in some future quarter the Company's operating results may fall below the expectations of securities analysts and investors. In such event, the trading price of the Company's Common Stock would likely be materially and adversely affected.

RESULTS OF OPERATIONS

NET REVENUES

Net revenues increased 313% and 360% in the second quarter and first half of fiscal 1997, respectively, as compared to the corresponding periods in fiscal 1996. The increases were due primarily to an increase in the number of advertisers, from 230 during the quarter ended June 30, 1996 to over 900 in the quarter ended June 30, 1997. Most of the Company's customers purchase advertisements on a short-term basis. There can be no assurance that customers will continue to purchase advertising on the Company's Web pages. Advertising purchases by SOFTBANK, a 34% shareholder of the Company at June 30, 1997, and its related companies accounted for approximately 5% and 7% of net revenues in the second quarter and first half of fiscal 1997, respectively, as compared to 2% and 1% in the corresponding periods in fiscal 1996. Contracted prices on these orders are comparable to those given to other major customers of the Company. No one customer accounted for 10% or more of revenues during the three or six month periods ended June 30, 1997 and 1996. International revenues were not significant during the three and six month periods ended June 30, 1997 and 1996. Barter revenues represented less than 10% of net revenues during those periods.

COST OF REVENUES

Cost of revenues consists of the expenses associated with the production and usage of the Company's online navigational guides. These costs primarily consist of fees paid to third parties for content included in the guides, Internet connection charges, equipment depreciation, and compensation. Cost of revenues were 15% and 14% of net revenues in the second quarter and first half of fiscal 1997, respectively, as compared to 16% and 14% in the corresponding periods in fiscal 1996. The absolute dollar increase in cost of revenues from the year ago periods was primarily attributable to increases in the quantity and quality of content available on the Company's online navigational guide YAHOO! and its other Internet navigational services, and increased usage of YAHOO! branded properties and the Company's other Internet navigational services. The Company anticipates that its content and Internet connection expenses will continue to increase with the quantity and quality of content available on the Company's Internet navigational services, and increased usage of Company's Internet navigational services. As measured in page views (defined as electronic page displays), the Company delivered an average of 38 million page views per day in June 1997, compared to an average of approximately 9 million page views per day in June 1996.

OPERATING EXPENSES

The Company's operating expenses have increased significantly since the Company's inception. This trend reflects the costs associated with the formation of the Company, the development of the corporate infrastructure, the marketing and promotion of the Company's brand name, and increased efforts to develop and commercialize the Company's products and services. The Company believes that continued expansion of its operations is essential to enhance and extend the YAHOO! main site, establish branded properties in targeted markets, and expand the Company's user and advertising base. As a consequence, the Company intends to continue to significantly increase expenditures in all operating areas.

SALES AND MARKETING

Sales and marketing expenses were \$8,673,000 for the quarter ended June 30, 1997, or 64% of net revenues as compared to \$3,290,000, or 100% of net revenues for the quarter ended June 30, 1996. For the six months ended June 30, 1997, sales and marketing expenses were \$15,257,000, or 66% of net revenues as compared to \$4,150,000, or 83% of net revenues for the six months ended June 30, 1996. The absolute dollar increase from the year ago periods is primarily attributable to an increase in commissions associated with the increase in revenues, costs associated with the NETSCAPE GUIDE BY YAHOO!, an increase in advertising costs associated with the Company's aggressive brand building strategy, and additional compensation expense associated with an increase in sales and marketing personnel related to the addition of a direct sales force which the Company began building in the fourth quarter of 1996. The Company anticipates that sales and marketing expenses will increase in future periods in absolute dollars as it continues to pursue an aggressive brand building strategy and continues to build a direct sales organization.

PRODUCT DEVELOPMENT

Product development expenses were \$2,103,000 for the quarter ended June 30, 1997, or 16% of net revenues as compared to \$1,037,000, or 32% of net revenues for the quarter ended June 30, 1996. For the six months ended June 30, 1997, product development expenses were \$4,005,000, or 17% of net revenues as compared to \$1,367,000, or 27% of net revenues for the six months ended June 30, 1996. The increase in absolute dollars from the year ago periods is primarily attributable to the development of new online media properties and the addition of engineers. Product development expenses consist primarily of employee compensation relating to developing and enhancing the features and functionality of YAHOO! and other online media properties. To date, all product development costs have been expensed as incurred. The Company believes that significant investments in product development are required to remain competitive. As a consequence, the Company intends to incur increased product development expenditures in absolute dollars in future periods.

GENERAL AND ADMINISTRATIVE

General and administrative expenses were \$1,459,000 for the quarter ended June 30, 1997, or 11% of net revenues as compared to \$762,000, or 23% of net revenues for the quarter ended June 30, 1996. For the six months ended June 30, 1997, general and administrative expenses were \$2,619,000, or 11% of net revenues as compared to \$1,249,000, or 25% of net revenues for the six months ended June 30, 1996. The increase in absolute dollars from the year ago periods is primarily attributable to increases in personnel and professional services. The Company believes that the absolute dollar level of general and administrative expenses will increase in future periods, as a result of increased staffing, fees for professional services, and costs associated with registering the Company's trademarks in various countries.

OTHER - NONRECURRING COSTS

In July 1997, the Company and Visa entered into an agreement under which the Visa Group released the Company from certain obligations and claims, and the Company returned the Visa Group's original equity contribution to Yahoo! Marketplace L.L.C. In connection with this agreement, Yahoo! has issued 466,321 shares of Yahoo! Common Stock to the Visa Group, for which the Company recorded a one-time, non-cash, pre-tax charge of \$21,245,000 in the second quarter ended June 30, 1997.

INVESTMENT INCOME, NET

Investment income, net of investment expense, was \$1,260,000 for the quarter ended June 30, 1997. For the quarter ended June 30, 1996, investment income was \$969,000. Investment income for the six months ended June 30, 1997 was \$2,649,000 as compared to \$1,161,000 for the six months ended June 30, 1996. The increase in investment income from the year ago periods was attributable to a higher average investment balance as a result of private and public offering proceeds received during March and April of 1996. Investment income in future periods may fluctuate as a result of fluctuations in average cash balances maintained by the Company and changes in the market rates of its investments.

MINORITY INTERESTS IN OPERATIONS OF CONSOLIDATED SUBSIDIARIES

During the second half of 1996, the Company entered into joint venture agreements whereby the Company holds a majority interest in the subsidiaries under the agreements. Minority interests in losses from operations of these consolidated subsidiaries were \$182,000 for the quarter ended June 30, 1997 and \$384,000 for the first half of fiscal 1997. The joint venture agreement for Yahoo! Marketplace was been terminated and the Yahoo! Europe subsidiaries are still in the early stages of development, therefore, minority interests in operations of consolidated subsidiaries will continue to fluctuate in future periods as a function of the results from consolidated subsidiaries.

INCOME TAXES

Based on the current estimate of expected operating results and certain other factors, the Company currently expects its effective tax rate to be 0% through fiscal year 1997. The Company believes sufficient uncertainty exists regarding the realizability of its deferred tax assets such that a valuation allowance continues to be required.

NET LOSS

The Company recorded a net loss of \$20,544,000 or \$0.74 per share for the quarter ended June 30, 1997. Excluding the effect of the one-time, non-cash, pre-tax charge of \$21,245,000, the Company earned \$610,000 or \$0.02 per share. For the year ago quarter ended June 30, 1996, the Company recorded a net loss of \$1,366,000 or \$0.05 per share. For the six month period ended June 30, 1997, the Company recorded a net loss of \$20,334,000 or \$0.74 per share. Excluding the effect of the one-time, non-cash, pre-tax charge of \$21,245,000, the Company earned \$820,000 or \$0.03 per share. For the year ago six month period ended June 30, 1996, the Company recorded a net loss of \$1,285,000 or \$0.06 per share.

LIQUIDITY AND CAPITAL RESOURCES

Yahoo! invests predominantly in instruments that are highly liquid, of high quality investment grade, and predominantly have maturities of less than one year with the intent to make such funds readily available for operating purposes. At June 30, 1997, the Company had cash and cash equivalents and investments totaling \$98,855,000 comprised of \$61,587,000 in cash and cash equivalents, and \$37,268,000 in short-term investments.

For the six months ended June 30, 1997, cash used in operating activities of \$4,534,000 was primarily due to increases in prepaid expenses and other assets, which resulted primarily from a \$5,000,000 one-time non-refundable license payment to Netscape under the NETSCAPE GUIDE BY YAHOO! agreement and a \$1,000,000 payment to Netscape under the Premier Provider agreement. For the six months ended June 30, 1996, \$1,131,000 of cash was used in operating activities.

Cash provided by investing activities was \$31,563,000 for the six months ended June 30, 1997. Sales and maturities (net of purchases) of investments in marketable securities during the period were \$33,169,000 and capital expenditures totaled \$1,606,000. Capital expenditures have generally been comprised of purchases of computer hardware and software as well as leasehold improvements related to leased facilities, and are expected to increase in future periods. For the six months June 30, 1996, \$39,869,000 was used in investing activities. Purchases (net of sales and maturities) of investments in marketable securities during the period were \$39,226,000 and capital expenditures totaled \$643,000.

For the six months ended June 30, 1997, cash provided by financing activities of \$2,693,000 was due to \$2,093,000 from the issuance of Common Stock pursuant to the exercise of stock options and \$600,000 of proceeds received from a minority investor. For the six months ended June 30, 1996, cash provided by financing activities of \$98,785,000 was primarily due to the March 1996 issuance of 5,100,000 shares of Mandatorily Redeemable Convertible Series C Preferred Stock for aggregate proceeds of \$63,750,000 and the April 1996 initial public offering of 2,990,000 shares of Common Stock for net proceeds of \$35,043,000.

The Company currently has no material commitments other than those under the Netscape Co-Marketing agreement, the Netscape Premier Provider agreements, and operating lease agreements. Under the terms of the amended Co-Marketing agreement, the Company has provided Netscape with \$4,660,000 in guarantees against shared advertising revenues in the first year of the agreement and up to \$15,000,000 in the

second year of the agreement, subject in the second year to certain minimum levels of advertising impressions being reached on the GUIDE. Under the terms of the Premier Provider agreements, the Company has remaining minimum payments to Netscape at June 30, 1997 of \$5,100,000 in cash and \$1,225,000 in the Company's advertising services which are due during the one-year terms of the agreements, of which \$3,537,000 in cash was paid in July 1997. The Company experienced a substantial increase in its capital expenditures and operating lease arrangements in 1996 and the first half of 1997 consistent with increased staffing and anticipates that this will continue in the future. Additionally, the Company will continue to evaluate possible acquisitions of or investments (including through joint ventures) in businesses, products, and technologies that are complementary to those of the Company, which may require the use of cash. Management believes existing cash and investments will be sufficient to meet the Company's operating requirements for at least the next twelve months. Thereafter, the Company may sell additional equity or debt securities or obtain credit facilities. The sale of additional equity or convertible debt securities could result in additional dilution to the Company's shareholders.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time the Company has been, and expects to continue to be, subject to legal proceedings and claims in the ordinary course of its business, including, among others, contractual disputes with advertisers and content or distribution providers, and claims of alleged infringement of the trademarks and other intellectual property rights of third parties by the Company and its licensees. Such claims, even if not meritorious, could result in the expenditure of significant financial and managerial resources. Although the Company cannot predict the outcome of any proceeding, the Company is not currently aware of any legal proceedings or claims that the Company believes will have, individually or in the aggregate, a material adverse effect on the Company's financial position or results of operations.

ITEM 2. CHANGES IN SECURITIES

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

- a. The exhibits listed in the accompanying Index to Exhibits are filed as part of this Report on Form 10-Q.
- b. No reports on Form 8-K were filed by the Company during the period covered by this Report on Form 10-Q.

SIGNATURES

In accordance with the requirements of the Exchange Act, the Registrant has caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

YAHOO! INC.

Dated: August 6, 1997

By: /s/ GARY VALENZUELA

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

Dated: August 6, 1997

By: /s/ JAMES J. NELSON

Vice President, Finance
(Principal Accounting Officer)

YAHOO! INC.
INDEX TO EXHIBITS

TITLE - - - - -	EXHIBIT NO. -----
Amended and Restated Articles of Incorporation (to be effective August 11, 1997)	3.1
Amendment One to the Co-Marketing Agreement, dated June 30, 1997 between Yahoo! Inc. and Netscape Communications Corporation.	10.1
International Net Search Program Services Agreement, dated June 30, 1997 between Yahoo! Inc. and Netscape Communications Corporation.	10.2
Trademark License Agreement, dated June 30, 1997 between Yahoo! Inc. and Netscape Communications Corporation	10.3
Financial Data Schedule	27

AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
YAHOO! INC.

TIMOTHY KOOGLE and JOHN PLACE certify that:

1. They are the President and Secretary, respectively, of YAHOO! INC., a California corporation.

2. The Articles of Incorporation of this corporation are amended and restated to read in their entirety as follows:

"I.

The name of this corporation is YAHOO! INC.

II.

The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporation Code.

III.

(a) This corporation is authorized to issue two classes of shares designated "Preferred Stock" and "Common Stock", respectively. The total number of shares which this corporation shall have authority to issue is Two Hundred Thirty Five Million (235,000,000), par value of \$0.00067 per share. The number of shares of Preferred Stock authorized to be issued is Ten Million (10,000,000), and the number of shares of Common Stock authorized to be issued is Two Hundred Twenty Five Million (225,000,000). Upon the effective date of the filing of these Amended and Restated Articles of Incorporation, each two (2) shares of the corporation's outstanding Common Stock shall be converted and reconstituted into three (3) shares of Common Stock (the "Stock Split").

No fractional shares shall be issued as a result of the Stock Split. Each holder entitled to receive a fraction of a share of Common Stock as a result of the Stock Split, when all shares of

Common Stock held by such holder are aggregated together, shall, in lieu of a fractional share, receive cash in an amount equal to the fair market value of the Company's Common Stock on the date of the filing of these Amended and Restated Articles of Incorporation, as determined by the corporation's Board of Directors, multiplied by the fraction of a share of Common Stock to which such holder would otherwise be entitled.

(b) The Preferred Stock may be issued from time to time in one or more series. The Board of Directors is hereby authorized, within the limitations and restrictions stated in these Articles of Incorporation to determine or alter the rights, preferences, privileges and restrictions granted to or imposed upon any wholly unissued series of Preferred Stock and the number of shares constituting any such series and the designation thereof, or any of them; and to increase or decrease the number of shares of any series subsequent to the issue of shares of that series, but not below the number of shares of such series then outstanding. In case the number of shares of any series shall be so decreased, the shares constituting such decrease shall resume the status which they had prior to the adoption of the resolution originally fixing the number of shares of such series.

IV.

Shareholders shall not be entitled to cumulate their votes for the election of directors of the corporation.

This Article IV shall become effective only when the corporation becomes, and only for so long as the corporation remains, a listed corporation within the meaning of Section 301.5 of the California Corporations Code.

V.

No action shall be taken by the shareholders of the corporation other than at an annual or special meeting of the shareholders, upon due notice and in accordance with the provisions of the corporation's bylaws.

VI.

(a) On or prior to the date on which the corporation first provides notice of an annual meeting of the shareholders following the date this Article VI shall have become effective (and provided that the authorized number of directors of the corporation shall be not less than six), the Board of Directors of the corporation shall divide the directors into two classes, as nearly equal in number as reasonably possible with the term of office of the first class to expire at the 1997 annual meeting of shareholders or any special meeting in lieu thereof and the term of office of the second class to expire at the 1998 annual meeting of shareholders or any special meeting in lieu thereof. At each annual meeting of shareholders or special meeting in lieu thereof following such initial classification, directors elected to succeed those directors whose terms expire shall be elected for a term of office to expire at the second succeeding annual meeting of shareholders or special meeting in lieu thereof after their election and until their successors are duly elected and qualified.

(b) Subject to the rights of the holders of any series of Preferred Stock then outstanding, newly created directorships resulting from any increase in the authorized number of directors or any vacancies in the Board of Directors resulting from death, resignation, retirement, disqualification, removal from office or other cause may be filled only by a majority vote of the directors then in office even though less than a quorum, or by a sole remaining director. In the event of any increase or decrease in the authorized number of directors, (i) each director then serving as such shall nevertheless continue as a director of the class of which he or she is a member until the expiration of his or her current term or his or her prior death, retirement, removal or resignation and (ii) the newly created or eliminated directorships resulting from such increase or decrease shall, if reasonably possible, be apportioned by the Board of Directors between the two classes of directors so as to ensure that no one class has more than one director more than any other class. To the extent reasonably possible, consistent with the foregoing rule, any newly created directorships shall be added to those classes whose terms of office are to expire at the latest dates following such allocation and newly eliminated directorships shall be subtracted from those classes whose terms of office are to expire at the earliest dates following such allocation, unless otherwise provided for from time to time by resolution adopted by a majority of the directors then in office, although less than a quorum. In the event of a vacancy in the Board of Directors, the remaining directors, except as otherwise provided by law, may exercise the powers of the full Board of Directors until the vacancy is filled.

(c) This Article VI shall become effective only when the corporation becomes, and only for so long as the corporation remains, a listed corporation within the meaning of Section 301.5 of the California Corporations Code.

VII.

Section 1. LIMITATION OF DIRECTORS' LIABILITY. The liability of the directors of the corporation for monetary damages shall be eliminated to the fullest extent permissible under California law.

Section 2. INDEMNIFICATION OF CORPORATE AGENTS. This corporation is authorized to provide indemnification of agents (as defined in Section 317 of the California Corporations Code) through bylaw provisions, agreements with agents, vote of shareholders or disinterested directors or otherwise, in excess of the indemnification otherwise permitted by such Section 317 of the California Corporations Code, subject only to the applicable limits set forth in Section 204 of the California Corporations Code with respect to actions for breach of duty to the corporation and its shareholders.

Section 3. REPEAL OR MODIFICATION. Any repeal or modification of the foregoing provisions of this Article VII shall not adversely affect any right or protection of a director of the corporation existing at the time of such repeal or modification.

3. The foregoing amendment and restatement of these Articles of Incorporation has been duly approved by the Board of Directors.

4. In accordance with Sections 902(c) and 903(a)(2) of the California General Corporation Law, the foregoing amendment may be adopted with approval by the Board of Directors alone and does not require approval by the outstanding shares.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in the foregoing certificate are true of our own knowledge. Executed at Santa Clara, California on July 29, 1997.

/s/ Timothy Koogle

TIMOTHY KOOGLE, President and
Chief Executive Officer

/s/ John Place

JOHN PLACE, Secretary

AMENDMENT ONE
TO THE
CO-MARKETING AGREEMENT
BETWEEN
YAHOO! INC.
AND
NETSCAPE COMMUNICATIONS CORPORATION

This Amendment One ("Amendment One") is entered into by and between Netscape Communications Corporation, a Delaware corporation, with principal offices at 501 E. Middlefield Road, Mountain View, California 94043 ("Netscape"), and Yahoo! Inc., a California corporation with its principal place of business at 3400 Central Expressway, Suite 201, Santa Clara, California 95051 ("Yahoo") and is effective as of the effective date set forth below ("Effective Date").

WHEREAS, the parties have entered into a Co-Marketing Agreement dated March 17, 1997 (the "Agreement");

WHEREAS, due to Yahoo's initial start-up costs associated with the Service (as defined in the Agreement) and later than expected commercial availability of Netscape Communicator, the parties wish to modify and supplement the provisions of such Agreement;

NOW, THEREFORE, the parties, in consideration of the terms and conditions herein, agree as follows:

1. CAPITALIZED TERMS DEFINED IN THE AGREEMENT SHALL HAVE THE SAME MEANING IN THIS AMENDMENT ONE AS IN THE AGREEMENT.
2. EXCEPT AS EXPLICITLY MODIFIED, ALL TERMS, CONDITIONS AND PROVISIONS OF THE AGREEMENT SHALL CONTINUE IN FULL FORCE AND EFFECT.
3. Section 14.1 shall be deleted in its entirety and replaced with the following:

"14.1 PAYMENT AMOUNTS. For the benefits and services provided by Netscape to Yahoo during the Term, Yahoo shall remit to Netscape a total of Nineteen Million Six Hundred Sixty Thousand Dollars (\$19,660,000) as the Payment, comprised of the following components:

Four Million Six Hundred Sixty Thousand Dollars (\$4,660,000) as a guarantee against advertising revenue in the first year of the Term ending March 31, 1998, adjusted for Section 17.1, plus

Fifteen Million Dollars (\$15,000,000) as a guarantee against advertising revenue for the remainder of the term, provided Netscape delivers the Netscape traffic requirements as described in Section 15."

[X] CONFIDENTIAL TREATMENT REQUESTED.
OMITTED PORTIONS FILED SEPARATELY WITH THE COMMISSION.

4. The payment provisions of Section 14.2 shall be amended as follows:
- a. The \$1,500,000 payment due to Netscape on June 15, 1997 shall be reduced to \$1,160,000 and shall be due and payable on June 30, 1997; and
 - b. The \$2,250,000 payment due to Netscape on September 30, 1997 and the \$2,750,000 payment due to Netscape on December 31, 1997, each of which is specified in Section 14.2, shall be cancelled. All other payments specified in the Agreement shall remain due as set forth in the Agreement.
5. Section 17.1 is revised in its entirety to read as set forth in Attachment A-1 hereto.

The Effective Date of this Amendment One is 6/30/97, 1997.

YAHOO! INC.

NETSCAPE COMMUNICATIONS
CORPORATION

By: /s/ Jeffrey A. Mallett

By: /s/ Michael Homer

Name: Jeffrey A. Mallett

Name: Michael Homer

Title: SR. VP. Business Operations

Title: SVP of Marketing

-2-

[X] CONFIDENTIAL TREATMENT REQUESTED.
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17.1 ALLOCATION. "Interim Net Revenues" shall be defined as the gross recognized revenues received from: (i) advertising sales (other than revenues received in connection with the sale of advertising on the What's New Page and What's Cool Page, as such advertising revenues are described in Section 16 of the Agreement); (ii) fees paid by Content Providers; and (iii) revenues from other sources; less barter, bad debt (provided that charges against bad debt do not exceed three percent (3%) of the gross recognized revenues), and cost of sales (at twenty percent (20%) of gross recognized revenues). [XXXX] has been achieved, after which time the Interim Net Revenues will be allocated [XXXX] for the remainder of the Term. Yahoo may keep an ongoing reserve of three percent (3%) for bad debt, and actual bad debt shall be reconciled at the conclusion of each twelve (12) month period. To the extent that the accrued Interim Net Revenues as of [XXXX], thirty-three percent (33%) of the difference between the actual Interim Net Revenues as of December 31, 1997 and [XXXX] shall be credited towards Yahoo's March 31, 1998 minimum payment of [XXXX].

-3-

[X] CONFIDENTIAL TREATMENT REQUESTED.
OMITTED PORTIONS FILED SEPARATELY WITH THE COMMISSION.

NETSCAPE COMMUNICATIONS CORPORATION

INTERNATIONAL NET SEARCH PROGRAM

SERVICES AGREEMENT

OBJECTIVE: To direct users of a Netscape client software Internet browser product ("Browser") to local-language Internet search and directory services.

TERMS AND CONDITIONS:

1. PREMIER PROVIDER. The entity ("Premier Provider") named on the signature page to this agreement ("Agreement") will be a premier search and directory service for the collection of HTML pages which Netscape maintains as certain of Netscape's local, non-U.S.-English web sites and language- and geographically-targeted mirror sites, in the languages and geographic targets as set forth below (referred to individually as a "Netscape Local Web Site" and collectively as "Netscape Local Web Sites"). Each Netscape Local Web Site shall include an HTML page providing local-language and/or geographic-targeted Internet search and directory functionality (such HTML page being referred to individually as a "Local Page" and collectively as the "Local Pages"). (Each language- and geographically-targeted combination listed under "Netscape Local Web Site" is referred to as a "Territory".) The Local Pages shall be accessible by the public via the Internet at the URLs specified below, or such other URLs as Netscape may designate from time to time in writing:

NETSCAPE LOCAL WEB SITE - -----	URL FOR LOCAL PAGE -----
Brazilian Portuguese - Brazil	http://home.netscape.com/pt/escapes/internet_search.html
Danish - Denmark	http://home.netscape.com/da/escapes/internet_search.html
Dutch - The Netherlands	http://home.netscape.com/nl/escapes/internet_search.html
French - France	http://home.netscape.com/fr/escapes/internet_search.html
German - Germany	http://home.netscape.com/de/escapes/internet_search.html
Italian - Italy	http://home.netscape.com/it/escapes/internet_search.html

[X] CONFIDENTIAL TREATMENT REQUESTED.
OMITTED PORTIONS FILED SEPARATELY WITH THE COMMISSION.

Japanese - Japan	http://home.netscape.com/ja/escapes/internet_search.html
Korean - Korea	http://home.netscape.com/ko/escapes/internet_search.html
Spanish - Spain	http://home.netscape.com/es/escapes/internet_search.html
Swedish - Sweden	http://home.netscape.com/se/escapes/internet_search.html
Australian Mirror Site - Australia	http://home.netscape.com/au/escapes/internet_search.html
U.K. Mirror Site - United Kingdom	http://home.netscape.com/uk/escapes/internet_search.html

The Local Pages may also be accessed by Internet users of a Netscape-distributed local-language version of the Browser by pressing or "clicking" on the Net Search Button or such other methods as Netscape may specify from time to time. Notwithstanding the foregoing, Netscape reserves the right to determine other means whereby users may access Local Pages which provide Internet search and directory services on Netscape Local Web Sites, including, but not limited to, the use of mirror sites and pointers based on a user's IP address, and which localized pages are separate and distinct from the Local Pages described in this Agreement.

2. PREMIER PERIOD. Netscape will maintain Premier Provider's Premier Graphic, as defined below, on the Local Pages for the period beginning on the Start Date and ending on the End Date below, except with respect to the Local Page for Japan, which Premier Graphic shall be maintained on the Local Page for Japan beginning on August 1, 1997, and ending on the End Date (collectively, the "Premier Period"):

Start Date: July 1, 1997

End Date: June 30, 1998

3. SERVICES PROVIDED BY NETSCAPE.

3.1 PREMIER GRAPHIC. Each of the participants, including Premier Provider, in this International Net Search Program (the "Participants") will supply Netscape with HTML and/or GIF files, or files of such other format as may be designated from time to time in writing by Netscape, which conform to the specifications in EXHIBIT A (each of such files comprise a "Premier Graphic"), for each of the languages for the Netscape Local Web Sites listed in Section 1, which Netscape will place on the applicable Local Pages during the Premier Period. Premier Provider shall retain all right, title and interest in and to the Premier Provider's Premier Graphic (including the copyright ownership thereof), and Premier Provider hereby grants

-2-

[X] CONFIDENTIAL TREATMENT REQUESTED.
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Netscape a royalty-free worldwide license, without payment or other charge therefor, to use, display, perform, reproduce and distribute Premier Provider's Premier Graphic, and such other licenses with respect to Premier Provider's Premier Graphic necessary to fulfill the intention of this Agreement. Premier Provider's Premier Graphic shall contain a functional search field and, if available, directory tree. The specifications of the Premier Graphics and the placement on the Local Pages of the Premier Graphics are set forth on EXHIBIT A hereto. Premier Provider's compliance with the content as well as the language, technical, visual and functional specifications set forth in EXHIBIT A are a material obligation of Premier Provider under this Agreement. Netscape may, upon notice to Premier Provider, revise EXHIBIT A, provided that the display of the Premier Graphics shall remain the largest and most prominent category of search graphics on the Local Pages.

3.2 STACK. Netscape will produce the Local Pages as set forth on EXHIBIT A. The Premier Graphic of each of the Participants on any Local Page will appear to be overlapped in a stack (the "Stack"). A Premier Graphic other than the Premier Graphic currently being displayed will be accessible by the end user by pressing or "clicking" on a tab for the relevant Participant's service. Netscape will produce the Local Pages such that when an end user presses or "clicks" on hypertext links ("Premier Links") placed by Premier Provider on Premier Provider's Premier Graphic, the end user's Browser will access Premier Provider's applicable HTML pages located at the applicable URLs ("Premier URLs") for such pages on the collection of local-language HTML documents Premier Provider maintains as its web site in the applicable local language ("Premier Provider's Local Web Site" or, as appropriate, "Premier Provider's Local Web Sites"). In the event the Premier Provider's Local Web Site for a particular Territory is not fully operational on the first day of the Premier Period, Netscape shall include Premier Provider's Premier Graphic for such Territory in the Stack on the Local Page for such Territory, provided that: (i) such Premier Graphic shall link to Premier Provider's U.S. English language Web site or such other relevant Premier Provider Internet search service as specified by Premier Provider, except with respect to the Premier Graphic for France; (ii) such link to Premier Provider's Web site shall include a notification to the end user to "stay tuned" for Premier Provider's Local Web Site for such Territory; (iii) any such views of Premier Provider's Premier Graphic shall be counted as an "Exposure" as defined in Section 6.1; and (iv) Premier Provider shall use best efforts to launch a fully operational Local Web Site for such Territory as soon after the Effective Date as practicable.

3.3 ROTATION. Netscape will rotate the display of the Premier Graphic to be displayed on the top of the Stack when each Local Page is served to an end user who has not selected a Premier Graphic as a default, as described in Section 3.4. Subject to the provisions of Section 3.4, Premier Provider's Premier Graphic will appear on the top of the Stack of each Local Page [XXXX] ("Rotation Percentage") of the time in which the Local Page is served up to end users who have not selected a particular Premier Graphic or selected a default Premier Graphic when accessing the particular Local Page. Premier Provider acknowledges that the above-stated rotation percentage is a quarterly target. Netscape shall use reasonable commercial efforts to serve up the Premier Graphic at such rotation frequency with a variance of plus or minus one percent (+/-1%) throughout the Premier Period.

-3-

[X] CONFIDENTIAL TREATMENT REQUESTED.
OMITTED PORTIONS FILED SEPARATELY WITH THE COMMISSION.

3.4 END USER DEFAULT. Netscape shall produce each Local Page such that the end user may select which Premier Graphic, including, without limitation, Premier Provider's Premier Graphic, the end user would prefer to have displayed on the top of the Stack upon the calling up of each Local Page by such end user. If an end user selects a default Premier Graphic, the Premier Graphic selected by the end user will be displayed on top of the Stack when that end user accesses such Local Page. If an end user has elected to have a particular Premier Graphic appear on top of the Stack on a default basis, the other Premier Graphics, including, without limitation, Premier Provider's Premier Graphic, to the extent Premier Provider's Premier Graphic is not selected as such default, will not appear on the top of the Stack unless selected by the end user. Netscape plans to make the functionality described in this Section 3.4 available by July 31, 1997.

3.5 LOCAL PAGE SPECIFICATIONS. The specifications of each of the Premier Graphics, including, without limitation, Premier Provider's Premier Graphic, the Stacks, and their placement on the Local Pages are set forth on EXHIBIT A hereto; provided, however, that Netscape may, upon notice to Premier Provider, (i) change the location of the Stacks or the Premier Graphics on the Local Pages, (ii) redesign or reconfigure the Stacks, the Local Pages, Netscape's Local Web Sites, and/or the manner in which an end user interacts with any of the pages of Netscape's Local Web Sites, or (iii) revise EXHIBIT A, and Premier Provider shall promptly, and in any event, within no more than thirty (30) days following receipt of the notice, supply Netscape with a revised Premier Provider Premier Graphic which conforms to the specifications of the revised EXHIBIT A. In the event that Netscape revises EXHIBIT A and Premier Provider must supply conforming materials, such conforming materials shall be received by Netscape and fully functional no later than five (5) days (excluding holidays) prior to the date Netscape specifies for the posting of the revised Premier Provider Premier Graphic or Stack on Netscape's Local Web Sites. If Netscape has not received such revised and conforming materials no later than five (5) days prior to the date Netscape specifies for the posting of the revised Premier Provider Premier Graphic or Stack on Netscape's Local Web Sites, or if the materials supplied by Premier Provider do not function in accordance with the specifications set by Netscape, then Netscape shall either (i) post previous versions of Premier Provider's supplied materials, or (ii) make such changes as necessary to bring the materials into conformity with the new specifications, until such time as the specifications of EXHIBIT A are again revised.

3.6 UPDATE OF PREMIER GRAPHIC. Premier Provider may elect to revise or update its Premier Graphic, provided that such Premier Graphic complies with the specifications of EXHIBIT A. Netscape shall provide Premier Provider with a schedule of material due dates and planned Local Page updates.

3.7 EMERGENCY ENGINEERING SUPPORT. Netscape will provide, free of charge, up to an aggregate of three (3) hours of emergency engineering support services time per update to help Premier Provider service any newly revised Premier Provider Premier Graphic so that such Premier Graphic complies with the new specifications. Netscape will use reasonable commercial efforts promptly to remedy any material malfunctioning of the tabbing mechanism for Premier Provider's Premier Graphic or material malfunctioning of the Premier Links under the control of Netscape, provided Premier Provider will fully cooperate with Netscape to remedy

any such material malfunctioning or misplacement, and provided further that Netscape shall not incur liability for any failure to remedy such material malfunctioning or misplacement if such remedy is not within the reasonable control of Netscape. Premier Provider may report malfunctions to Netscape at the email address intlscrchprod@netscape.com. Notwithstanding the foregoing, Netscape has no obligation to perform services in connection with malfunctions resulting from software not supplied by Netscape.

4. JOINT SERVICES. If the parties so mutually agree, Netscape and Premier Provider shall operate a co-branded search and display service consisting of customizing search results served up from Premier Provider's Local Web Sites in conjunction with Netscape's premier search and directory service described herein (collectively, the "Co-Branded Service"). The Co-Branded Service name shall be mutually agreed upon by Netscape and Premier Provider. Premier Provider shall not independently use the Co-Branded Service Name without Netscape's prior written consent, unless such use occurs in connection with Premier Provider's promotional efforts on behalf of the Co-Branded Service. The Co-Branded Service name may only be displayed on search results pages generated by Premier Provider in connection with the Co-Branded Service. Premier Provider shall have the right to use the Co-Branded Service name as described in this Section 4 during the Premier Period. Premier Provider may not use the Co-Branded Service name for any other purpose.

5. ADDITIONAL PREMIER PROVIDER BENEFITS.

5.1 ADVERTISING SERVICES. During the Premier Period, Premier Provider may purchase additional advertising on Netscape's Local Web Sites for advertising that will run during the Premier Period for the service of Premier Provider at a discount of ten percent (10%) off Netscape's then standard rates for such advertising. Premier Provider shall execute Netscape's standard sponsorship agreement for online advertising with respect to postings of Premier Provider's advertisement ("Premier Provider's Advertisement"). Premier Provider and Netscape shall mutually agree to the schedule and the placement of Premier Provider's Advertisement on Netscape's Local Web Sites. Premier Provider shall supply Netscape with the graphic files and other materials and information within the timeframes and as set forth in the specifications of the applicable Netscape advertising program and as reasonably requested by Netscape to produce the Premier Provider's Advertisement. Premier Provider's Advertisement shall not contain any Internet search or directory functionality as such Premier Provider's Advertisement is served to end users.

5.2 LIMIT ON PREMIER PROVIDERS. Netscape shall limit the number of companies whose tabs appear on the Stack at any one time to a total of [XXXX] entities, except with respect to: (i) the Netscape Local Web Site in France, which shall contain a total of [XXXX] entities on the Stack through July 1997, and (ii) the Netscape Local Web Site in Japan, which shall contain a total of [XXXX] entities on the Stack through July 1997.

5.3 PRESET BOOKMARK. Netscape will use reasonable commercial efforts to include a graphic HTML link to Premier Provider's URL ("Premier Provider's Bookmark") in the bookmark section of the local-language version of Netscape Communicator client software

-5-

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versions 4.x. Although Netscape may decide to include Premier Provider's Bookmark in certain local-language shipping versions of Netscape Communicator 4.x, Premier Provider's Bookmark may be reconfigured, customized or deleted by an end user. Premier Provider may redirect, at its option, traffic to Premier Provider's Bookmark to other Premier Provider Internet search services.

6. EXPOSURE GUARANTEE.

6.1 An exposure ("Exposure") occurs upon the serving up to an end user of: (i) the HTML page displaying Premier Provider's Premier Graphic on the top of a Stack, (ii) if Netscape includes a bookmark link to Premier Provider, the page on Premier Provider's Local Web Site linked to Premier Provider's Bookmark, (the "Bookmarked Local Page") in conjunction with the program described in this Agreement, or (iii) other Premier Provider content as a consequence of an end user accessing a promotional page on Netscape's Local Web Sites if the parties agree that such promotional page traffic shall constitute an Exposure. Premier Provider's Premier Graphics may be served on the top of the Stack to an end user by the following means: (i) Premier Provider's Premier Graphics is displayed as part of the Stack rotation, as described in Section 3.3, (ii) Premier Provider's Premier Graphics has been set as an end user's default selection, as described in Section 3.4 or (iii) an end user selects or clicks on Premier Provider's Premier Graphic tab in the Stack.

6.2 MINIMUM GUARANTEED EXPOSURES. Netscape guarantees, during the Premier Period:

- (i) a combined total of [XXXX] for the following Territories: Brazil, Denmark, The Netherlands, France, Germany, Italy, Spain, Sweden and the United Kingdom;
- (ii) [XXXX] for the Japanese Territory;
- (iii) [XXXX] for the Korean Territory; and
- (iv) [XXXX] for the Australian Territory.

Each Territory or group of Territories described in Sections 6.2(i)-(iv) above shall be defined as a "Region," and each number of minimum guaranteed exposures for each Region shall be defined as the "Minimum Guaranteed Exposures" with respect to such Region; provided, however, that the number of Minimum Guaranteed Exposures for a Region shall be reduced by the Reduction Amount, as defined below, in the event that, as of the first day of the Premier Period, or for any period during the Premier Period, Premier Provider has not launched or is not operating a fully-functional, language- and geographically-targeted Internet search and directory service for each of the French-France, German-Germany, Japanese-Japan, and English-United Kingdom Territories (collectively, the "Primary Territories"). As used in this Section 6.2, the "Reduction Amount" means the product of (a) and (b) below:

-6-

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(a) Minimum Guaranteed Exposures for the Region in which the Primary Territory's Internet search and directory service is not operating.

(b) the fraction equal to

(1) number of days during the Premier Period (a) that Premier Provider does not operate for general use on the World Wide Web fully-functional, language- and geographically-targeted Internet search and directory services for the Primary Territories and (b) for which Premier Provider has not provided to Netscape a Premier Graphic corresponding to each of such services pursuant to Section 3.1 of this Agreement; divided by

(2) The number of days in the Premier Period.

Netscape shall apply the Reduction Amount to the Region in which the Primary Territory's Internet search and directory service is not operating (i.e. if the United Kingdom service is not operating, the Reduction Amount shall be applied against the Minimum Guaranteed Exposures listed in Section 6.2(i)).

6.3 MAKE-GOOD. If, at the end of the Premier Period, Premier Provider's content has not, in the aggregate, received total Exposures equal to or greater than the Minimum Guaranteed Exposures for any of the four Regions described in Section 6.2(i)-(iv) above, and provided that Premier Provider has complied with its obligations hereunder, Netscape will, at its discretion: (i) continue to place Premier Provider's Premier Graphic on the Local Pages (as specified in this Section 3) of the particular Region in which there is a shortage of Exposures beyond the end of the Premier Period until such time as the Minimum Guaranteed Exposures for such Region have been achieved; (ii) deliver to Premier Provider a mutually agreed upon program as a remedy for the shortfall in Exposures; or (iii) purchase from Premier Provider mutually agreed upon advertising and inventory services. If the parties are unable to mutually agree upon a program or advertising and inventory services as described in this Section 6.3(ii) and 6.3(iii), then Netscape shall continue to place Premier Provider's Premier Graphic on the Local Pages as specified in this Section 6.3(i). The remedy set forth in this Section 6.3 shall be Premier Provider's sole and exclusive remedy, and Netscape's sole and exclusive obligation, regarding Netscape's obligation set forth in Section 6.2 in the event, by the end of the Premier Period, any of the Minimum Guaranteed Exposures have not been achieved.

7. PREMIER PROVIDER OBLIGATIONS. In addition to the other obligations set forth herein, Premier Provider shall:

7.1 NETSCAPE NOW. Premier Provider shall display the "Netscape Now" button prominently [XXXX], and use reasonable commercial efforts to include the following statement (or a statement designated by Netscape and generally used by Netscape as a successor to the following statement or in connection with any successor program to Netscape's Netscape Now program) next to the Netscape Now button: "This site is best viewed with Netscape Communicator. Download Netscape Now!" (or such higher non-beta version as is then available). Premier Provider will produce the page such that when an end user presses or clicks

on the Netscape Now button (or such other button used in connection with any successor program to the Netscape Now program), the end user's Internet client software will access the applicable HTML page located at a URL supplied by Netscape. On any page on which the Netscape Now button, or a successor button, is displayed, the Netscape Now button shall be [XXXX] or "push" content delivery system other than dedicated function software in the appropriate topical area (e.g., personal finance). Premier Provider shall use reasonable commercial efforts promptly to remedy any misplacement of the Netscape Now button on its home page or other pages or any malfunctioning of the button, provided Netscape will fully cooperate with Premier Provider to remedy any such misplacement or malfunctioning, and provided further that Premier Provider shall not incur liability for any failure to remedy such misplacement or malfunctioning if such remedy is not within the reasonable control of Premier Provider. In the event that Netscape replaces the Netscape Now program with a successor program, Netscape shall advise Premier Provider and Premier Provider shall produce the page to conform to such successor program, provide Premier Provider's obligations under such successor program shall not be materially increased. Netscape hereby grants Premier Provider a nonexclusive, nontransferable, nonassignable, nonsublicensable license to perform and display the Netscape Now button directly in connection with fulfilling the foregoing obligation. Premier Provider's use of the Netscape Now button shall be in accordance with Netscape's reasonable policies regarding advertising and trademark usage as established from time to time by Netscape, including the guidelines of the Netscape Now Program published on Netscape's U.S. English-language Web Site. Premier Provider acknowledges that the Netscape Now button is a proprietary logo of Netscape and contains Netscape's trademarks. In the event that Netscape determines that Premier Provider's use of the Netscape Now button is inconsistent with Netscape's quality standards, then Netscape shall have the right to suspend immediately such use of the Netscape Now button. Premier Provider understands and agrees that the use of the Netscape Now button in connection with this Agreement shall not create any right, title or interest in or to the use of the Netscape Now button or associated trademarks and that all such use and goodwill associated with the Netscape Now button and associated trademarks will inure to the benefit of Netscape. Premier Provider agrees not to register or use any trademark that is similar to the Netscape Now button. Premier Provider further agrees that it will not use the Netscape Now button in a misleading manner or otherwise in a manner that could tend to reflect adversely on Netscape or its products. If Premier Provider fails to honor the commitment set forth in this Section 7.1, Netscape shall be relieved of its obligations described in Section 6.3;

7.2 SERVER SOFTWARE. In order to showcase the close relationship between Premier Provider and Netscape and highlight Premier Provider's endorsement of Netscape's products, Premier Provider shall use at least one (1) current version of Netscape core Web server software product (currently comprised of Netscape Enterprise Server and Netscape FastTrack Server) to maintain Premier Provider's Web Sites provided that Netscape has released a localized Web server software product suitable for the respective language-geography in the Territory. Premier Provider shall use commercially reasonable efforts to deploy such Web server software upon release by Netscape, and, if requested, provide Netscape with evidence of such use;

-8-

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7.3 SITE FEATURES. Implement at least one of HTML Frames, layers, dynamic HTML pages, Java, JavaScript, absolute positioning, cascading style sheets or the then current client software technology (or subsequent features displayable by the Browser, within the beta testing period of the availability of such features) ("Site Features") for display with those Internet software clients capable of displaying the Site Features on (i) Premier Provider's Local Web Sites, provided that Premier Provider shall use reasonable commercial efforts to implement the Site Features on Premier Provider's Local Web Sites in a location and in a fashion as Netscape may agree, and (ii) at least one (1) HTML page located at each Premier URL (or on an HTML page located further down the directory tree from the page located at the Premier URL; provided Premier Provider will use reasonable efforts to implement the Site Features as high in such directory tree structure as possible), and, where appropriate, on all other HTML pages of Premier Provider's primary Web site; and provided Premier Provider shall not be required to implement the Site Features on pages of any secondary Web site of Premier Provider that Premier Provider is required to construct to satisfy Premier Provider's obligations under any third party contract existing as of the date of this Agreement. Netscape shall use reasonable commercial efforts to help Premier Provider implement changes in order to comply with new Site Features;

7.4 MAILTO LINK. Include on the page served to an end user in conjunction with the results of the end user's search query on Premier Provider's service a "mailto" link which users of Premier Provider's service can use to direct questions or help requests to Premier Provider. Netscape shall also include such a "mailto" link on the page. Premier Provider will use reasonable efforts to reply promptly to any such question or help request;

7.5 NO DISABLING. Not provide or implement any means or functionality which would (i) alter or modify, or enable end users to alter or modify, the Browser standard user interface or configuration, (ii) disable any functionality of the Browser or any other Internet browser software, or (iii) modify the functioning of pages served from Netscape's Local Web Site. If Premier Provider fails to honor the commitment set forth in this Section 7.5, Netscape be relieved of its obligations described in Section 6.3;

7.6 USE OF PREMIER GRAPHIC SPACE. Not use, or assign the right to use, the space allotted the Premier Graphic, or links therein, for the benefit of a third party without first obtaining Netscape's prior written consent therefor, not produce the Premier Graphic such that it includes comparisons of Premier Provider's services with other services, and shall maintain the Premier Graphic for the purpose of promoting Premier Provider's Internet search and directory services; and

7.7 PREFERENCE FOR NETSCAPE PRODUCTS AND SERVICES. Use commercially reasonable judgment to accord, in light of the intent of the parties to highlight their strategic relationship as evidenced by the terms and conditions of this Agreement, in Premier Provider's Local Web sites, Netscape's products and services a position of overall prominence at least as great as the positioning accorded any third-party Internet client software provider.

8. PAYMENT TO NETSCAPE.

-9-

[X] CONFIDENTIAL TREATMENT REQUESTED.
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8.1 PAYMENT. Premier Provider shall pay Netscape a total of Three Hundred Thousand Dollars \$300,000 (the "Payment") comprised of the following:

Participation in the International Net Search Program	\$ [XXXX]
Engineering Fee	\$ [XXXX]
Localization Fee	\$ [XXXX]

8.2 CURRENCY; NET 30 DAYS; INTEREST. All amounts payable hereunder are denominated in U.S. Dollars, and all amounts payable to Netscape hereunder shall be paid in U.S. Dollars. Except as otherwise set forth herein, all amounts payable by Premier Provider hereunder are payable within thirty (30) days after receipt by Premier Provider of the corresponding invoice submitted by Netscape. Any portion of the Cash Payment or the Overage Payments which has not been paid to Netscape within the applicable time set forth above shall bear interest at the lesser of (i) one percent (1%) per month, or (ii) the maximum amount allowed by law.

8.3 TAXES.

a. EXCLUSIVE OF TAX. The Payment and Overage Payments are exclusive of any tax. Premier Provider shall pay or reimburse Netscape for all value-added, sales, use, consumption, property, ad valorem and similar taxes, all customs duties, import fees or similar charges, stamp duties, license fees and similar costs, and all other mandatory payments to any government agencies of whatever kind imposed with respect to products or services provided by Netscape under this Agreement or with respect to this Agreement except taxes imposed on the net income of Netscape. If the transaction is exempt from tax, Premier Provider shall provide Netscape with a valid exemption certificate or other evidence or such exemption in a form acceptable to Netscape. Premier Provider shall, at its own expense, use reasonable efforts to recover refundable or recoverable taxes. Each party shall cooperate with the other in minimizing applicable tax.

b. NO WITHHOLDING. All payments by Premier Provider to Netscape pursuant to this Agreement shall be made without any withholding or deduction of any withholding tax or other tax or mandatory payment to government agencies. If Premier Provider is legally required to make any such withholding or deduction from any payment due to Netscape under this Agreement, the sum payable by Premier Provider upon which such withholding or deduction is based shall be increased to the extent necessary to ensure that, after such withholding or deduction, Netscape receives and retains, free from liability for such withholding or deduction, a net amount equal to the amount Netscape would have received and retained in the absence of such required withholding or deduction.

c. PROVIDE RECEIPTS. In order to assist Netscape in obtaining tax credits or deductions, Premier Provider shall provide to Netscape, in a form acceptable to

Netscape, original or certified copies of all tax payment receipts or other evidence or payment of taxes by Premier Provider with respect to transactions or payments under this Agreement.

d. SURVIVAL OF OBLIGATIONS. Premier Provider's obligations under this Section shall survive any termination of this Agreement.

8.4 CREDIT AGAINST PAYMENT. Premier Provider shall provide Netscape with committed advertising inventory and services valued at [XXXX] for Premier Provider's Local Web Sites, such inventory and services to be valued based upon a mutually agreed upon rate. Netscape will provide to Premier Provider a total credit of [XXXX] to be applied against the Payment otherwise due under this Agreement as described in Section 8.1, as such credit is determined by the value of the advertising services Netscape receives from Premier Provider based on a mutually agreed upon rate. Such advertising inventory and services shall be mutually agreed upon by the parties including placement and available advertising key words or other value added targeting services.

9. USAGE REPORTS.

9.1 PROVIDE USAGE REPORTS. Netscape and Premier Provider will each provide the other, via email to the email address set forth below, with usage reports ("Usage Reports") containing the information and in the format set forth in Exhibit B hereto. The Usage Reports shall cover each one-month time period of the Premier Period, and the parties shall use reasonable commercial efforts to deliver the Usage Reports within fifteen (15) days following the end of each month. If, due to technical problems, a party is unable to provide any portion of a Usage Report in any given month, the following data shall be used for each day for which data is missing: ninety percent (90%) of the usage figures reported for the same day of the week most recently reported (e.g. if data for the day seven (7) days prior is available, ninety percent (90%) of the usage figures for such day; if not available, the data for the day fourteen (14) days prior, and so on). The parties may, by mutual written agreement, alter the content and format of the Usage Reports. Once every quarter during the Premier Period, Netscape shall engage an independent auditor to audit the Usage Reports submitted to Premier Provider hereunder. During Netscape's normal business hours and upon reasonable written notice and at Premier Provider's expense, Premier Provider shall have the right to audit Netscape's Usage Reports during the Premier Period and for two months after the end of the Premier Period. If such audit shows that Premier Provider has overpaid at the end of the Premier Period, such overpayment shall be corrected by Premier Provider's presence on the Page being extended after the Premier Period for such time until Premier Provider has received the Exposures which are commensurate with the total amount, including credits, paid to Netscape hereunder.

9.2 NO LIABILITY. NETSCAPE AND PREMIER PROVIDER WILL USE REASONABLE COMMERCIAL EFFORTS TO ENSURE THE TIMELY DELIVERY, ACCURACY AND COMPLETENESS OF THE USAGE REPORTS, BUT NEITHER PARTY WARRANTS THAT THE USAGE REPORTS WILL CONFORM TO ANY PUBLISHED NUMBERS AT ANY GIVEN TIME. NEITHER PARTY SHALL BE HELD LIABLE FOR ANY CLAIMS AS THEY RELATE TO UNAUDITED USAGE REPORTS.

-11-

[X] CONFIDENTIAL TREATMENT REQUESTED.
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10. TERMINATION OR EXPIRATION.

10.1 METHODS OF TERMINATION.

a. TERM AND TERMINATION. This Agreement shall commence as of the date hereof and, unless sooner terminated pursuant to this Section 10.1, shall terminate as of the end of the Premier Period.

b. TERMINATION ON BREACH. Either party may terminate this Agreement if the other party materially breaches its obligations hereunder and such breach remains uncured for fifteen (15) days following notice to the breaching party of the breach or as otherwise provided in Section 11.

10.2 EFFECT OF TERMINATION OR EXPIRATION. Except as specifically provided otherwise in this Agreement, upon the expiration or termination of the Agreement, all rights and obligations hereunder shall cease, including Premier Provider's right to use the Co-Branded Service name as described in Section 4 above (other than Premier Provider's payment obligations hereunder to the extent accrued on or prior to the termination date or as otherwise provided in this Section 10.2), and each party will promptly and at the direction of the other party, either return or destroy, and will not take or use, any items of any nature that belong to the other party and all items containing or related to Confidential Information (as defined in EXHIBIT C) of the other party. Notwithstanding the foregoing, if this Agreement expires or is terminated for any reason, other than by Premier Provider as a result of Netscape's material breach of the terms of this Agreement or by Netscape for its convenience pursuant to Section 10.1(c), Premier Provider shall remain liable for the value of the payments which are due or, but for such expiration or termination, would otherwise become due and payable under the terms of this Agreement. The following provisions shall survive the expiration or termination of this Agreement for any reason: Section 8.3 (Taxes), Section 9.2 (No Liability), Section 10.2 (Effect of Termination), Section 10.3 (No Compensation), Section 12 (Responsibility), Section 13 (Limitation of Liability), and Section 14 (General). In addition, to the extent that any credit provided by Premier Provider to Netscape pursuant to Section 8.4 shall not be applied against advertising services provided by Premier Provider to Netscape during the Premier Period, Section 8.4 shall survive the expiration or termination of this Agreement until all such credits shall be applied against such services.

10.3 NO COMPENSATION. Premier Provider shall not be entitled to any compensation, damages or payments in respect to goodwill that has been established or for any damages on account of prospective profits or anticipated sales, and Premier Provider shall not be entitled to reimbursement in any amount for any training, advertising, market development, investments, leases or other costs that shall have been expended by either party before the expiration or termination of this Agreement, regardless of the reason for or method of termination of this Agreement. Premier Provider hereby waives its rights under applicable laws for any such compensation, reimbursement or damages.

11. RIGHT TO REFUSE. Netscape will have the right to review the contents and format of Premier Provider's Premier Graphic, the Bookmarked Local Page and Premier Provider's Advertisement. If Netscape, in its reasonable discretion, at any time determines that Premier Provider's Premier Graphic, the Bookmarked Local Page, the portion of the search results page on Premier Provider's Local Websites under the control of Premier Provider and accessed within one (1) click away from Premier Provider's Premier Graphic, or Premier Provider's Advertisement contains any material, or presents any material in a manner that Netscape deems inappropriate for any reason, Netscape will inform Premier Provider of the reason Netscape has made such determination and may (i) refuse to include Premier Provider's Premier Graphic in the Local Pages or Premier Provider's Advertisement on Netscape's Local Web Sites, and/or (ii) immediately terminate this Agreement if Premier Provider has not revised to Netscape's reasonable satisfaction Premier Provider's Premier Graphic, the Bookmarked Local Page or Premier Provider's Advertisement within seven (7) business days of written notice from Netscape. If Netscape, in its reasonable discretion, at any time determines that, within one (1) click away from the Premier Provider's Premier Graphic portion of Netscape's Local Web Sites, Premier Provider's Local Web Sites contain any material, or present any material in a manner, that Netscape deems inappropriate for any reason, Netscape may immediately terminate this Agreement if Premier Provider has not revised such material or presentation within seven (7) business days of written notice from Netscape. Netscape reserves the right to refuse to include Premier Provider's Premier Graphic in the Local Pages if such Premier Graphic does not completely conform to the specifications set forth in EXHIBIT A, and any Premier Provider's Advertisement that does not completely conform to the specifications of the applicable advertising program.

12. RESPONSIBILITY. Premier Provider is solely responsible for any legal liability arising out of or relating to (i) Premier Provider's Premier Graphic, Premier Provider's Bookmark, the Bookmarked Local Page or Premier Provider's Advertisement, and/or (ii) any material to which users can link within one (1) click away through Premier Provider's Premier Graphic, Premier Provider's Bookmark, the Bookmarked Local Page and Premier Provider's Advertisement but not including search results. Premier Provider represents and warrants that it holds the necessary rights to permit the use of Premier Provider's Premier Graphic, the Premier URLs, the Premier Links, Premier Provider's Bookmark, the Bookmarked Local Page and Premier Provider's Advertisements by Netscape for the purpose of this Agreement; and that the permitted use, reproduction, distribution, or transmission of Premier Provider's Premier Graphic, Premier Provider's Bookmark, the Bookmarked Local Page, Premier Provider's Advertisements and any material to which users can link within one (1) click away through Premier Provider's Premier Graphic, Premier Provider's Bookmark, the Bookmarked Local Page or Premier Provider's Advertisements will not violate any criminal laws or any rights of any third parties, including, but not limited to, infringement or misappropriation of any copyright, patent, trademark, trade secret, music, image, or other proprietary or property right, false advertising, unfair competition, defamation, invasion of privacy or rights of celebrity, violation of any antidiscrimination law or regulation, or any other right of any person or entity, or otherwise violate any applicable local, state, national or international law. Premier Provider agrees to indemnify Netscape and to hold Netscape harmless from any and all liability, loss, damages,

claims, or causes of action, including reasonable legal fees and expenses that may be incurred by Netscape, arising out of or related to Premier Provider's breach of any of the foregoing representations and warranties. In connection with such indemnification, Netscape will (i) promptly notify Premier Provider in writing of any such claim and grant Premier Provider control of the defense and all related settlement negotiations, and (ii) cooperate with Premier Provider, at Premier Provider's expense, in defending or settling such claim; provided that if any settlement results in any ongoing liability to, or prejudices or detrimentally impacts Netscape, and such obligation, liability, prejudice or impact can reasonably be expected to be material, then such settlement shall require Netscape's written consent. In connection with any such claim, Netscape may have its own counsel in attendance at all public interactions and substantive negotiations at its own cost and expense.

13. LIMITATION OF LIABILITY. IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, WHETHER BASED ON BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, AND WHETHER OR NOT THAT PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE. THE LIABILITY OF EITHER PARTY FOR DAMAGES OR ALLEGED DAMAGES HEREUNDER (EXCEPT FOR DAMAGES OR ALLEGED DAMAGES ARISING UNDER SECTION 12) WHETHER IN CONTRACT OR TORT OR ANY OTHER LEGAL THEORY IS LIMITED TO AND SHALL NOT EXCEED THE PAYMENT PAID OR PAYABLE BY PREMIER PROVIDER HEREUNDER.

14. GENERAL.

14.1 GOVERNING LAW. This Agreement shall be subject to and governed in all respects by the statutes and laws of the State of California without regard to the conflicts of laws principles thereof. The Superior Court of Santa Clara County and/or the United States District Court for the Northern District of California shall have exclusive jurisdiction and venue over all controversies in connection herewith, and each party hereby consents to such exclusive and personal jurisdiction and venue.

14.2 ENTIRE AGREEMENT. This Agreement, including the exhibits and attachments referenced on the signature page hereto, constitutes the entire Agreement and understanding between the parties and integrates all prior discussions between them related to its subject matter. No modification of any of the terms of this Agreement shall be valid unless in writing and signed by an authorized representative of each party.

14.3 ASSIGNMENT. Neither party may assign this Agreement, in whole or in part, without the other party's written consent; provided, however, that either party may assign this Agreement without such consent in connection with any merger, consolidation, sale of all or substantially all of such party's assets or any other transaction in which more than fifty percent (50%) of such party's voting securities are transferred (such events being collectively referred to as a "Change in Control"), provided that: (i) such Change in Control shall not occur with respect to a prospective assignee who is in a directly competitive relationship with the other party, and (ii) in the case of a Change of Control of Premier Provider, the assignee shall affirmatively agree

in writing to honor all commitments hereunder. Premier Provider hereby warrants and represents that it is not currently in discussion, and has no current plans to enter into discussions, with third parties concerning an event which could give rise to a Change of Control of Premier Provider. A breach of the foregoing representation is grounds for termination. If, after a Change of Control of Premier Provider, the number of Exposures received by Premier Provider during the subsequent quarter following such assignment decreases by fifteen percent (15%) or more compared to the previous quarter, Netscape shall have the right to terminate this Agreement.

14.4 NOTICES. All notices required or permitted hereunder shall be given in writing addressed to the respective parties as set forth below and shall either be (i) personally delivered or (ii) transmitted by internationally-recognized private express courier, and shall be deemed to have been given on the date of receipt if delivered personally, or the day on which such notice is delivered to the recipient as evidenced by the delivery records of such courier, but in no case later than five (5) days after deposit with such courier. Either party may change its address for purposes hereof by written notice to the other in accordance with the provisions of this Subsection. The addresses for the parties are as follows:

Premier Provider:	Netscape:
_____	Netscape Communications Corporation
_____	501 East Middlefield Road, MV-002
_____	Mountain View, CA 94043
_____	Fax: (415) 528-4123
Attn: _____	Attn: General Counsel

14.5 CONFIDENTIALITY. All disclosures of proprietary and/or confidential information in connection with this Agreement, as well as the contents of this Agreement shall be governed by the terms of the Mutual Confidential Disclosure Agreement either entered into previously by the parties or entered into concurrently with this Agreement, a copy of which is attached hereto as EXHIBIT C. The information contained in the Usage Reports provided by each party hereunder shall be deemed the Confidential Information of the disclosing party. Notwithstanding the foregoing, Netscape may, in its sole discretion, make publicly available client software market share information contained in the Usage Reports submitted by Premier Provider, provided that Netscape shall not indicate that Premier Provider is the source of the information except as having participated in supplying a portion of aggregated data. Netscape shall provide Premier Provider with notice prior to using Premier Provider's name in connection with the release of any information received by Premier Provider in a Usage Report.

14.6 FORCE MAJEURE. Neither party will be responsible for any failure to perform its obligations under this Agreement due to causes beyond its reasonable control, including but not limited to, acts of God, war, riot, embargoes, acts of civil or military authorities, fire, floods or accidents.

14.7 WAIVER. The waiver, express or implied, by either party of any breach of this Agreement by the other party will not waive any subsequent breach by such party of the same or a different kind.

14.8 HEADINGS. The headings to the Sections and Subsections of this Agreement are included merely for convenience of reference and shall not affect the meaning of the language included therein.

14.9 INDEPENDENT CONTRACTORS. The parties acknowledge and agree that they are dealing with each other hereunder as independent contractors. Nothing contained in this Agreement shall be interpreted as constituting either party the joint venturer, employee or partner of the other party or as conferring upon either party the power of authority to bind the other party in any transaction with third parties.

14.10 SEVERABILITY. In the event any provision of this Agreement is held by a court or other tribunal of competent jurisdiction to be unenforceable, such provision shall be reformed only to the extent necessary to make it enforceable, and the other provisions of this Agreement will remain in full force and effect.

14.11 COUNTERPARTS. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. For purposes hereof, a facsimile copy of this Agreement, including the signature pages hereto, shall be deemed to be an original.

14.12 YAHOO JAPAN. Upon Yahoo's request, Netscape and Yahoo! Japan KK shall execute a separate agreement upon mutually agreeable terms substantially the same as provided for in this Agreement, and execute an amendment to this Agreement as necessary.

-16-

CONFIDENTIAL TREATMENT REQUESTED.

OMITTED PORTIONS FILED SEPARATELY WITH THE COMMISSION.

This Agreement shall be effective as of the later of the two (2) dates set forth below.

Premier Provider:	Netscape:
YAHOO! INC.	NETSCAPE COMMUNICATIONS CORPORATION
By: /s/ Jeffrey A. Mallett	By: /s/ Michael Homer
-----	-----
Print Name: Jeffrey A. Mallett	Print Name: Michael Homer
-----	-----
Title: SR. VP. Business Operations	Title: SVP of Marketing
-----	-----
Date: 6/30/97	Date: 6/30/97
-----	-----
Premier Provider Address:	Netscape Address:
3400 Central Expressway, Suite 201 Santa Clara, CA 95051	501 East Middlefield Road, MV-002 Mountain View, California 94043 USA
Attention:	Attention: General Counsel
-----	-----
Facsimile: 408-731-3510	Facsimile: 415-528-4123
-----	-----
Email:	Email: Roberta@netscape.com
-----	-----

Attached Exhibits:

- EXHIBIT A: Specifications of the Local Pages
- EXHIBIT B: Usage Reports
- EXHIBIT C: Mutual Confidential Disclosure Agreement

EXHIBIT A

Specifications of the Local Page

As of June 1, 1997, Net Search will support Netscape Navigator versions 2, 3 and 4 (on both the Macintosh and PC ("Wintel") platforms), and Microsoft Internet Explorer 3.0 (PC only). (See Net Search Premier Graphics Test Specification, External for complete list). All other browsers will be routed to a simple version of the Local Page which encourages users to download a more current version of Netscape's browser. Netscape will spend up to one hour of engineering time per sampler per month to integrate a Premier Graphic into the Net Search Local Page if available. If more engineering or QA time than is available becomes necessary to fix bugs discovered, or if the necessary changes to fix any bugs include changes to the appearance of Premier Provider's Premier Graphic, Premier Provider's Premier Graphic will be returned for revision. The specifications are as follows:

- - Size. All Premier Provider materials should be exactly 468 by 165 pixels. Text and interactive forms included in Premier Provider's Premier Graphic should be of a default font size of 12 points (Be aware, however, that text and forms may resize on your audience's browsers as they change their default font sizes.) Keep in mind that the < FONT SIZE= > tag is not implemented in early versions of web browsers.

A Premier Graphic is measured by taking a screen shot on a system configured as follows: A PC running Windows 95, with the settings configured for small fonts, and an NEC MultiSync XV17+ (17 inch) monitor. The screen shot will be taken of Netscape Navigator Gold version 3.1, with the Proportional Font set at 12pt Times New Roman, and the Fixed Font set at 10pt Courier New. The measurement will be taken in Paintbrush. Netscape will provide "measurement services," if needed, for companies that don't have the specified platform configuration.

- - HTML Quirks. We have found a few less-than-obvious quirks which cause some browsers to crash, which we thought would be helpful to pass on:

1. < FORM > tags must follow IMMEDIATELY AFTER your sampler's first < TABLE > tag. Any variation of this whatsoever will cause a significant number of users to crash.
2. Any empty < TD > tags should be separated by a carriage return. HTML should read as follows:

< TD >

< /TD >

as opposed to

< TD >< /TD >

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3. If text appears without any spacing between words (for instance, in a sentences as opposed to in a table), any text that falls closer than 50 pixels to the edge of Premier Provider's Premier Graphic should be tested on a Unix machine. Often, this text will be cut off on that platform.

4. Interleaving HTML tags will cause several browsers to crash. Tags should be ordered as follows:

```
< H3 >< FONT COLOR="#000055" >Text here< /FONT >< /H3 >
```

as opposed to

```
< H3 >< FONT COLOR="#000055" >Text here< /H3 >< /FONT >.
```

- - Tables. In order to maintain the robustness of the Local Page, please do not include any more than one nested table, for a total of two tables per sampler. Any more than one nested table will cause crashes for a significant number of users. One simple table is ideal, as even one nested table may cause some implementation problems when integrated with the Net Search Local Page. If you are nesting a table, please test carefully.
- - Image Maps. Only a client-side image map is necessary, since browsers which don't support client-side maps will not be directed to the main Net Search Local Page.
- - File Sizes. To keep the user's load time low, we request that Premier Provider files in total do not exceed 20K unless cleared by the International Search production manager at intlsrcprod@netscape.com.
- - Animated GIFs. Due to the large number of users whose browsers do not support animated GIFs, and their typically large file size, we are not implementing animated GIFs at this time.
- - JavaScript. JavaScript tends to cause older browsers to behave unpredictably and in many cases crash, and there is delicate technology in place to implement Site Sampler functionality. As a result, the implementation of Java Script in a Premier Graphic is not an option at this time.
- - Delivery. Content providers should email files to Netscape at intlsrcprod@netscape.com. If you are providing multiple files, you should place them in a folder labeled with the content provider's name. For the best possible results, deliver a Premier Graphic that is already integrated into a copy of the Net Search Local Page.
- - Filenames. It is important that filenames be in the following format: search_providername.fmt (for example, search_premprov.gif, search_premprov.htm). If there are two or more files of a certain format, filenames should be in the following format: search_providername#.fmt (for example, search_premprov.gif, search_premprov.gif). When

-2-

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you update your Premier Graphic, continue to increment the number to help avoid caching issues.

- - Format. All content providers need to provide HTML files that include the layout for their materials. All HTML should be uppercase. Please include the TARGET="_top" attribute in all HREF tags. Height and width tags need to be specified for all images. Graphics files should be in GIF format; all other formats should be cleared with the Destinations production manager at intlsrchprod@netscape.com.
- - Graphics. By limiting the number of individual graphics (server calls) in your Premier Graphic, you will improve overall Local Page performance and allow the Local Page to load more quickly. Cropping as close as possible to the image, leaving no white space around them, will also allow the Local Page to load more quickly. To minimize dithering and insure that the users across all platforms see what you expect them to see, we recommend use of the Netscape Color Palette.

-3-

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EXHIBIT B

Usage Reports

Sample report provided by Premier Provider to Netscape each month.

For the week of: 6/1/97 - 6/7/97

NETSCAPE BROWSERS

ALL BROWSERS

NSCP 4.x - 5%
 3.x - 40%
 2.x - 5%
 1.x - 2%
Total, basic - 52%

NSCP Total - 75%

NSCP Gold 3.x - 25%
Total, Gold - 25%

NSCP Int'l 4.x - 2%
 3.x - 18%
 2.x - 3%
 1.x - 0%
Total, Int'l - 23%

Total All - 100%

Premier Provider shall also provide Netscape with I/Pro audits, or audits from reputable third party Internet auditors, the top 100 search terms and the number of searches on each term.

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Sample report provided by Netscape to Premier Provider each month.

For the month of June 1997

	(1) Rotated Exposures	(2) Default Exposures	(3) Total first Exposures (1+2)	(4) User Selected Exposures	(5) total Exposures (3+4)
June 1	1M	200K	1.2M	400K	1.6M
June 2	1.1M	210K	1.31M	500K	1.81M
June 3	1.2M	220K	1.42M	600K	2.02M
...					
...					
June 31	1.8M	280K	2.08M	800K	3.08M

Total

A running total of the Exposures will also be included.

-2-

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EXHIBIT C

Mutual Confidential Disclosure Agreement

CONFIDENTIAL TREATMENT REQUESTED.
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MUTUAL CONFIDENTIAL DISCLOSURE AGREEMENT

WHEREAS, Netscape Communications Corporation ("Netscape") has developed unique and proprietary computer programs; and

WHEREAS, YAHOO! INC. ("Company") and Netscape wish to discuss a proposed business relationship between Netscape and Company.

NOW, THEREFORE:

Each party (the "Receiving Party") understands that the other party (the "Disclosing Party") has disclosed or may disclose information (including, without limitation, computer programs, code, algorithms, names and expertise of employees and consultants, know-how, formulas, processes, ideas, inventions (whether patentable or not), schematics and other technical, business, financial and product development plans, forecasts, strategies and information) which, to the extent previously, presently, or subsequently disclosed to the Receiving Party is hereinafter referred to as "Proprietary Information" of the Disclosing Party. All Proprietary Information disclosed in tangible form by the Disclosing Party shall be marked "confidential" or "proprietary" and all Proprietary Information disclosed orally or otherwise in intangible form by the Disclosing Party shall be designated as confidential or proprietary at the time of disclosure and shall be reduced to a writing marked "confidential" or "proprietary" and delivered to the Receiving Party within thirty (30) days following the date of disclosure.

In consideration of the parties' discussions and any access the Receiving Party may have to Proprietary Information of the Disclosing Party, the Receiving Party hereby agrees as follows:

1. The Receiving Party agrees (i) to hold the Disclosing Party's Proprietary Information in confidence and to take all necessary precautions to protect such Proprietary Information, (ii) not to divulge any such Proprietary Information or any information derived therefrom to any third person, (iii) not to make any use whatsoever at any time of such Proprietary Information except to evaluate internally whether to enter into the currently contemplated business relationship with the Disclosing Party, (iv) not to remove or export any such Proprietary Information from the country of the Disclosing Party, and (v) not to copy or reverse engineer, reverse compile or attempt to derive the composition or underlying information of any such Proprietary Information. The Receiving Party shall limit the use of and access to the Disclosing Party's Proprietary Information to the Receiving Party's employees who need to know such Proprietary Information for the purpose of such internal evaluation and shall cause such employees to comply with the obligations set forth herein. The Receiving Party shall treat the Proprietary Information with at least the same degree of care and protection as it would use with respect to its own proprietary information. The foregoing obligations shall survive for a period of three (3) years from the date of disclosure of the Proprietary Information. Without granting any right or license, the Disclosing Party agrees that the foregoing shall not apply with respect to information that (i) is in the public domain and is available at the time of disclosure or which thereafter enters the public domain and is available, through no improper action or inaction by the Receiving Party or any affiliate, agent or employee of the Receiving Party, or

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(ii) was in the Receiving Party's possession or known by it prior to receipt from the Disclosing Party, or (iii) was rightfully disclosed to the Receiving Party by another person without restriction, or (iv) is independently developed by the Receiving Party without access to such Proprietary Information, or (v) is required to be disclosed pursuant to any statutory or regulatory authority, provided the Disclosing Party is given prompt notice of such requirement and the scope of such disclosure is limited to the extent possible, or (vi) is required to be disclosed by a court order, provided the Disclosing Party is given prompt notice of such order and provided the opportunity to contest it.

2. Immediately upon (i) the decision by either party not to enter into a business relationship, or (ii) a request by the Disclosing Party at any time, the Receiving Party will turn over to the Disclosing Party all Proprietary Information of the Disclosing Party and all documents or media containing any such Proprietary Information and any and all copies or extracts thereof. The parties understand that nothing herein (i) requires the disclosure of any Proprietary Information, which shall be disclosed, if, at all, solely at the option of the Disclosing Party, or (ii) requires either party to proceed with any proposed transaction or relationship in connection with which Proprietary Information may be disclosed.

3. Except to the extent required by law, neither party shall disclose the existence or subject matter of the negotiations or business relationship contemplated by this Agreement.

4. The Receiving Party acknowledges and agrees that due to the unique nature of the Disclosing Party's Proprietary Information, there may be no adequate remedy at law for any breach of its obligations. The Receiving Party further acknowledges that any such breach may allow the Receiving Party or third parties to unfairly compete with the Disclosing Party resulting in irreparable harm to the Disclosing Party and, therefore, that upon any such breach or any threat thereof, the Disclosing Party shall be entitled to seek appropriate equitable relief in addition to whatever remedies it may have at law. The Receiving Party will notify the Disclosing Party in writing immediately upon the occurrence of any such unauthorized release or other breach.

5. Neither party acquires any intellectual property rights under this Agreement or through any disclosure hereunder, except the limited right to use such Proprietary Information in accordance with this Agreement. No warranties of any kind are given with respect to the Proprietary Information disclosed under this Agreement or any use thereof, except as may be otherwise agreed to in writing.

6. This Agreement supersedes all prior discussions and writings with respect to the subject matter hereof, and constitutes the entire agreement between the parties with respect to the subject matter hereof. No waiver or modification of this Agreement will be binding upon either party unless made in writing and signed by a duly authorized representative of each party and no failure or delay in enforcing any right will be deemed a waiver. In the event that any of the provisions of this Agreement shall be held by a court or other tribunal of competent jurisdiction to be unenforceable, the remaining portions hereof shall remain in full force and effect. This Agreement shall be governed by the laws of the State of California without regard to conflicts of

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OMITTED PORTIONS FILED SEPARATELY WITH THE COMMISSION.

laws provisions thereof and each party submits to the jurisdiction and venue of any California State or federal courts generally serving the Santa Clara County area with respect to the subject matter of this Agreement.

NETSCAPE COMMUNICATIONS CORPORATION

YAHOO! INC.

(Company)

By: /s/ Jennifer Bailey

By: /s/ Timothy P. Brady

Address:

501 East Middlefield Road
Mountain View, CA 94043

Address:

3400 Centennial Expressway
Suite 201
Santa Clara, CA 95051

Date: March 21, 1997

Date: 3/21/97

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TRADEMARK LICENSE AGREEMENT

This Trademark License Agreement ("Agreement") is effective as of the 30TH day of June, 1997 ("Effective Date") and is entered into by and between Netscape Communications Corporation ("Netscape"), a Delaware corporation located at 501 East Middlefield Road, Mountain View California 94043, and Yahoo! Inc. ("Yahoo"), a California corporation located at 3400 Central Expressway, Ste. 201, Santa Clara, California 95051.

RECITALS

- A. Netscape owns the trade names, trademarks, and servicemark NETSCAPE and NETSCAPE NET SEARCH, and U.S. federal trademark registrations and applications therefor, including U.S. Reg. No. 2,027,552 used in connection with its Internet-related software products, services and technology;
- B. Yahoo produces Web sites and performs other Internet-related services;
- C. Yahoo desires to use the trademark NETSCAPE NET SEARCH ("the Mark") in connection with certain Internet-related services as defined herein; and
- D. Netscape is willing to permit such use of the Mark under the terms and conditions set forth in this Agreement.

NOW THEREFORE, the parties agree as follows:

AGREEMENT

1. DEFINITIONS

- 1.1 "TERRITORY" means the geographic and language specific Netscape websites identified in Exhibit A.
- 1.2 "SERVICES" means the delivery of web page results generated by Yahoo's search engines in response to end user queries initiated from Netscape websites in the Territory which are jointly identified as Yahoo and Netscape search services.
- 1.3 "RESULTS PAGES" means the web pages generated by Yahoo's search engines in response to end user queries initiated from Netscape websites in the Territory.
- 1.4 "TITLE" means the phrase "Netscape Net Search by Yahoo!".

2. GRANT OF LICENSE

2.1 GRANT OF LICENSE. Netscape hereby grants to Yahoo a non-exclusive, nontransferable, license to use the Mark solely as part of the Title used on the Results Pages displayed to end users as part of the Services. Yahoo may only use the Mark as a collective whole and shall not separately use any element or elements of the Mark. Notwithstanding the

foregoing, Netscape acknowledges that it shall not seek to prevent Yahoo from using the word "Net Search" separate and apart from the Mark. Yahoo shall have the right to sublicense the rights provided under this Agreement to the entities listed on Exhibit C attached hereto, provided that any such sublicense contains the same terms and protections included in this Agreement. Yahoo may sublicense the rights provided under this Agreement to entities not listed in Exhibit C only upon Netscape's prior written consent which shall not be unreasonably withheld.

2.2 RESERVATION OF RIGHTS. Netscape hereby reserves any and all rights not expressly and explicitly granted in this Agreement, including Netscape's right to authorize or license use of the Mark or any other trademarks or names containing NETSCAPE, to any third party for use in connection with any goods and services, including, but not limited to, Internet navigation, search, and directory services. Without limiting the rights reserved in the preceding sentence, Netscape hereby reserves any and all rights to use, authorize use or license use of the Mark or any other trademarks or names containing NETSCAPE in any geographic territory listed in EXHIBIT A in a language or language(s) different from the language listed next to such geographic territory in EXHIBIT A. No right is provided herein to use any other Netscape trademark, including, without limitation, the Netscape Horizon Logo.

3. LICENSE FEE. For the rights granted to Yahoo herein, Yahoo shall pay Netscape, within thirty (30) days of the Effective Date of this Agreement, a one-time non-refundable license fee of Two Million, Seven-hundred Thousand Dollars (\$2,700,000) at the time of the execution of this Agreement. The license fee due hereunder is exclusive of any applicable taxes. Yahoo shall be responsible for all applicable national, state and local taxes, value added or sales taxes, exchange, interest, banking, collection and other charges and levies and assessments pertaining to payments other than U.S. taxes based on Netscape's net income. If Yahoo is required by law to make any deduction or to withhold from any sum payable to Netscape by Yahoo hereunder, (i) Yahoo shall effect such deduction or withholding, remit such amounts to the appropriate taxing authorities and promptly furnish Netscape with tax receipts evidencing the payments of such amounts, and (ii) the sum payable by Yahoo upon which the deduction or withholding is based shall be increased to the extent necessary to ensure that, after such deduction or withholding, Netscape receives and retains, free from liability for such deduction or withholding, a net amount equal to the amount Netscape would have received and retained in the absence of such required deduction or withholding.

4. OWNERSHIP OF MARK.

4.1 NETSCAPE OWNERSHIP. Yahoo hereby acknowledges that Netscape is the owner of the Mark, and any trademark applications and/or registrations thereto, agree that it will do nothing inconsistent with such ownership and agrees that all use of the Mark by Yahoo shall inure to the benefit of Netscape. Yahoo agrees that nothing in this Agreement shall give Yahoo any right, title or interest in the Mark other than the right to use the Mark in accordance with this Agreement. Yahoo agrees not to register or attempt to register the Mark as a trademark, service mark, Internet domain name, trade name, or any similar trademarks or name, with any domestic or foreign governmental or quasi-governmental authority which would be likely to cause

confusion with the Mark. The provisions of this paragraph shall survive the expiration or termination of this Agreement.

4.2 OWNERSHIP BY YAHOO. Netscape acknowledges that Yahoo is the owner of Yahoo's trademarks and/or registrations thereto and agrees that it will do nothing inconsistent with such ownership. Yahoo's trademarks include the name Yahoo and any derivative Yahoo-based mark and the Yahoo logo.

5. USE OF THE MARK; PROTECTION OF THE MARK.

5.1 PROPER USE. Yahoo agrees that all use of the Mark shall only occur in connection with the Services and shall be in strict compliance with the terms of this Agreement. Yahoo may use the Mark as set forth in Section 2.1 Yahoo shall use the Mark in conformance with Netscape's trademark guidelines ("Trademark Guidelines"), set forth in Exhibit B, which Trademark Guidelines may be revised by Netscape from time to time. Yahoo agrees not to use any other trademark or service mark in combination with the Mark other than as described in Section 2.1. Except as provided in Section 2.1, Yahoo has no right to sublicense, transfer or assign the use of the Mark or use the Mark for any other purpose other than the purpose described herein. The Mark shall always be used in the English language; however, the "Net Search" portion of the Mark may be translated, upon approval by Netscape, to the languages set forth in EXHIBIT A. Yahoo may not use the Mark in connection with, or for the benefit of, any third party's products or services. Yahoo further agrees not to use the Mark in connection with n any products or services that are deemed by Netscape, in its reasonable judgment, to be directly, explicitly or maliciously disparaging of Netscape or its products, or products that are themselves unlawful or whose purpose is to encourage unlawful activities by others. Yahoo further agrees not to display promotional materials, graphics, or advertisements client or server software competitive with Netscape's client and server software products on the Search Results pages rendered in connection with the Services, if and where, the Mark is used pursuant to Section 2.1.

5.2 QUALITY STANDARDS. Yahoo agrees to maintain a consistent level of quality of the Services performed in connection with the Mark substantially equal to that found in Yahoo's existing Web site services. Yahoo further agrees to maintain a level of quality in connection with its use of the Mark that is consistent with general industry standards.

5.3 MONITORING BY NETSCAPE. Yahoo acknowledges that Netscape has no further obligations under this Agreement other than the right to periodically monitor Yahoo's use of the Mark in conjunction with the Services. Upon request by Netscape, Yahoo shall provide Netscape with representative samples of each such use prior to the time the Mark are first published on the Internet. If Netscape determines that Yahoo is using the Mark improperly, outside the scope of Section 2.1, or in connection with Services which do not meet the standards set forth in Section 5.1 or Section 5.2, Netscape shall notify Yahoo, and Yahoo shall remedy the improper use within two (2) business days following receipt of such notice from Netscape. Use of the Mark outside of the scope of Section 2.1, on goods or services other than the Services or the promotion of the Services, or in a manner inconsistent with the Trademark Guidelines, shall constitute material breach of this Agreement. If such material breach has not been cured within

two (2) business day following receipt of notice from Netscape, this Agreement shall be terminated.

5.4 LEGEND; DISCLAIMER. Yahoo shall include with any use of the Mark with the Services the subscript trademark notice "-Registered Trademark-" immediately following Netscape; and 2) shall include with any Legal Notices associated with the Services a trademark legend indicating that the Mark is owned by Netscape, used under license, and a disclaimer that Yahoo and not Netscape has produced the Services and is responsible for the content thereof.

5.5 SERVICES. If Netscape reasonably determines that the Services contains or presents any material that constitutes an infringement of Netscape's trademark, patents, copyrights or trade secrets, Netscape may immediately terminate the license grant described in Section 2.1 if Yahoo has not revised, removed or delinked to such material to Netscape's reasonable satisfaction within seven (7) business days of written notice from Netscape. If Netscape reasonably determines that the Services contain or present any material that could reasonably constitute a clear and unambiguous infringement of a third party's copyright, trademark, patents or trade secrets, Netscape and Yahoo shall confer and mutually agree on a proper course of action.

6. CONFIDENTIAL INFORMATION AND DISCLOSURE. Unless required by law, and except to assert its rights hereunder or for disclosures to its own employees on a "need to know" basis, Yahoo agrees not to disclose the terms of this Agreement or matters relating thereto without the prior written consent of Netscape, which consent shall not be unreasonably withheld.

7. TERMINATION.

7.1 TERM AND TERMINATION. This Agreement and the term of the license granted herein shall be perpetual unless terminated as provided in Section 5.3, Section 5.5 or this Section 7.1. Netscape shall have the right to terminate this Agreement upon the occurrence of one or more of the following:

(a) any material breach by Yahoo of its obligations under this Agreement which remains uncured for thirty (30) days or more following written notice of such breach from Netscape, or (b) use of the Mark by Yahoo in a manner which is directly, explicitly or maliciously disparaging of Netscape or its products and services and which remains uncured for two (2) days following notice from Netscape.

7.2 EFFECT OF TERMINATION. Upon termination of the Agreement, Yahoo agrees it shall immediately cease any and all use of the Mark.

8. GENERAL.

8.1 GOVERNING LAW. This Agreement shall be subject to and governed in all respects by the statutes and laws of the State of California without regard to the conflicts of laws principles thereof. The Superior Court of Santa Clara County and/or the United States District Court for the Northern District of California shall have exclusive jurisdiction and venue over all controversies in connection herewith, and each party hereby consents to such exclusive and personal jurisdiction and venue.

8.2 ENTIRE AGREEMENT. This Agreement, including Exhibit A and Exhibit B, constitutes the entire Agreement and understanding between the parties and integrates all prior discussions between them related to its subject matter. No modification of any of the terms of this Agreement shall be valid unless in writing and signed by an authorized representative of each party.

8.3 ASSIGNMENT. Neither party may assign this Agreement, in whole or in part, without the other party's written consent; provided however,, that either party may assign this Agreement without such consent in connection with any merger, consolidation, sale of all or substantially all of such party's assets or any other transaction in which more than fifty percent (50%) of such party's voting securities are transferred (such events being collectively referred to as a "Change in Control"), provided that (i) such Change in Control shall not occur with respect to a prospective assignee who is in a directly competitive relationship with the other party, and (ii) in the case of a Change of Control of Yahoo, the entity managing the Service subsequent to such Change in Control shall affirmatively agree in writing to honor all commitments concerning the Mark. Yahoo recognizes and acknowledges that an assignment of this Agreement to an entity who is in a directly competitive relationship with Netscape will cause Netscape irreparable damage which cannot be readily remedied in monetary damages in an action at law, and Netscape shall be entitled to immediate injunctive relief to prevent such irreparable harm in addition to any other remedies available. Yahoo hereby warrants and represents that it is not currently in discussion, and has no current plans to enter into discussions, with third parties concerning an event which could give rise to a Change of Control of Yahoo.

8.4 NOTICES. All notices required or permitted hereunder shall be given in writing addressed to the respective parties as set forth below and shall either be (a) personally delivered; (b) transmitted by postage prepaid certified mail, return receipt requested; or (c) transmitted by nationally-recognized private express courier, and shall be deemed to have been given on the date of receipt if delivered personally, or two (2) days after deposit in mail or express courier. Either party may change its address for purposes hereof by written notice to the other in accordance with the provisions of this Subsection. The addresses for the parties are as follows:

YAHOO:	NETSCAPE:
Yahoo! Inc.	Netscape Communications Corporation
3400 Central Expressway, Ste. 201	501 East Middlefield Road
Santa Clara, CA 95051	Mountain View, CA 94043
Fax: (408) 731-3510	Fax: (415) 528-4123
Attn: General Counsel	Attn: General Counsel

8.5 FORCE MAJEURE. Neither party will be responsible for any failure to perform its obligations under this Agreement due to causes beyond its reasonable control, including but not limited to acts of God, war, riot, embargoes, acts of civil or military authorities, fire, floods or accidents.

8.6 WAIVER. Any waiver, either expressed or implied, by either party of any default by the other in the observance and performance of any of the conditions, covenants of duties set forth herein shall not constitute or be construed as a waiver of any subsequent or other default.

8.7 HEADINGS. The headings to the Sections and Subsections of this Agreement are included merely for convenience of reference and shall not affect the meaning of the language included therein.

8.8 INDEPENDENT CONTRACTORS. The parties acknowledge and agree that they are dealing with each other hereunder as independent contractors. Nothing contained in the Agreement shall be interpreted as constituting either party the joint venture or partner of the other party or as conferring upon either party the power of authority to bind the other party in any transaction with third parties.

8.9 SURVIVAL. The provisions of Section 2.2 (Reservation of Rights), 4 (Ownership of Mark), 5.4 (Legend; Disclaimer), 6 (Confidential Information and Disclosure), 7.2 (Effect of Termination) and 8 (General) will survive any termination of this Agreement.

8.10 EQUITABLE RELIEF. Yahoo recognizes and acknowledges that a breach by Yahoo of this Agreement will cause Netscape irreparable damage which cannot be readily remedied in monetary damages in an action at law, and may, in addition thereto, constitute an infringement of the Mark. In the event of any default or breach by Yahoo that could result in irreparable harm to Netscape or cause some loss or dilution of Netscape's goodwill, reputation, or rights in the Mark, Netscape shall be entitled to immediate injunctive relief to prevent such irreparable harm, loss, or dilution in addition to any other remedies available.

8.11 SEVERABILITY. Except as otherwise set forth in this Agreement, the provisions of this Agreement are severable, and if any one or more such provisions shall be determined to be invalid, illegal or unenforceable, in whole or in part, the validity, legality and enforceability of any of the remaining provisions or portions thereof shall not in any way be affected thereby and shall nevertheless be binding between the parties hereto. Any such invalid, illegal or unenforceable provision or portion thereof shall be changed and interpreted so as to best accomplish the objectives of such provision or portion thereof within the limits of applicable law.

8.12 ATTORNEY'S FEES. In the event of any action, suit, or proceeding brought by either party to enforce the terms of this Agreement, the prevailing party shall be entitled to receive its costs, expert witness fees, and reasonable attorneys fees and expenses, including costs and fees on appeal.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

YAHOO! INC.

NETSCAPE COMMUNICATIONS CORPORATION

By: /s/ Jeffrey A. Mallett

By: /s/ Michael Homer

Name: Jeffrey A. Mallet

Name: Michael Homer

Title: SR. VP. Business O

Title: SVP of Marketing

Date: 6/30/97

Date: 6/30/97

Exhibit A: Territory

Exhibit B: Netscape Trademark Usage Guidelines

Exhibit C: Yahoo Sublicensees

EXHIBIT A

LANGUAGE & GEOGRAPHIC TERRITORY -----	TERRITORY URL FOR LOCAL PAGE -----
Brazilian Portuguese - Brazil	http://home.netscape.com/pt/escapes/internet_search.html
Danish- Denmark	http://home.netscape.com/da/escapes/internet_search.html
Dutch - The Netherlands	http://home.netscape.com/nl/escapes/internet_search.html
French - France	http://home.netscape.com/fr/escapes/internet_search.html
German - Germany	http://home.netscape.com/de/escapes/internet_search.html
Italian - Italy	http://home.netscape.com/it/escapes/internet_search.html
Japanese - Japan	http://home.netscape.com/ja/escapes/internet_search.html
Korean - Korea	http://home.netscape.com/ko/escapes/internet_search.html
Spanish - Spain	http://home.netscape.com/es/escapes/internet_search.html
Swedish - Sweden	http://home.netscape.com/se/escapes/internet_search.html
Australian Mirror Site - Australia	http://home.netscape.com/au/escapes/internet_search.html
U.K. Mirror Site - United Kingdom	http://home.netscape.com/uk/escapes/internet_search.html

EXHIBIT B

NETSCAPE COMMUNICATIONS CORPORATION

TRADEMARK USAGE GUIDELINES

GENERAL TERMS AND CONDITIONS

You must comply with the following guidelines in order to avoid any breach of the terms and conditions under which you have been authorized or licensed to use Netscape's logos and trademarks:

- - All logos and trademarks under which Netscape markets and/or promotes its products and services are, and shall remain, the exclusive property of Netscape Communication.
- - Advertising for Netscape, its products, its services or its programs must not be in violation of any United States federal or state laws, municipal ordinances or administrative agency regulations, or the laws, rules and regulations of any other country.
- - Advertising for Netscape, its products, its services or its programs must not be misleading in price, features or specifications.

Netscape may modify these guidelines from time to time and you will be bound to comply with the material contained in the updated guidelines, provided Netscape has provided you with the updated guidelines sufficiently in advance to permit you to comply with the requirements.

TRADEMARK USAGE GUIDELINES

All Netscape trademarks must be used as adjectives (product or service name) modifying nouns (generic term such as software or program). Trademarks must not be used as nouns or verbs. Trademarks must never appear in plural or possessive form. In addition, the full trademark (as shown in the list below) must be used, not an abbreviated version of the name.

EXAMPLES:

INCORRECT

- COMMUNICATOR'S FEATURES INCLUDE OPEN EMAIL, GROUPWARE, EDITING, CALENDARING, AND BROWSING.
- THE ENTERPRISE SERVER IS DISTRIBUTED BY NETSCAPE COMMUNICATIONS CORPORATION.
- NETSCAPE NAVIGATORS CAN BE DEPLOYED THROUGHOUT AN ENTERPRISE.

CORRECT

- NETSCAPE-Registered Trademark- COMMUNICATOR CLIENT SOFTWARE PROVIDES OPEN EMAIL, GROUPWARE, EDITING, CALENDARING, AND BROWSING FUNCTIONS.

- NETSCAPE-Registered Trademark- ENTERPRISE SERVER SOFTWARE IS DISTRIBUTED BY NETSCAPE COMMUNICATIONS CORPORATION.
- NETSCAPE NAVIGATOR-Registered Trademark- SOFTWARE CAN BE DEPLOYED THROUGHOUT AN ENTERPRISE.

After the first use of a trademark as an adjective followed by a noun, and if needed for ease of writing, you may leave out the generic noun in some of the subsequent uses where it is clearly understood to be implied from the context, so long as the trademark is not pluralized or made possessive and the trademark is followed by the generic noun at least once per page.

You may not use our trademarks, whether design or words marks, in the following ways:

- In a non-Netscape product name or publication title
- In, as, or as part of, your own trademarks
- To identify products or services that are not ours
- In connection with activities, products, or services outside the scope of your license from Netscape
- In a manner likely to cause confusion
- In a manner that implies inaccurately that we sponsor or endorse your activities, products, and services
- In a manner disparaging of Netscape

All materials must include a trademark attribution statement for Netscape products and services. The attribution statement that we request you use is: NETSCAPE AND NETSCAPE NAVIGATOR ARE REGISTERED TRADEMARKS OF NETSCAPE COMMUNICATIONS CORPORATION IN THE UNITED STATES AND OTHER COUNTRIES. NETSCAPE'S LOGOS AND NETSCAPE PRODUCT AND SERVICE NAMES ARE ALSO TRADEMARKS OF NETSCAPE COMMUNICATIONS CORPORATION, WHICH MAY BE REGISTERED IN OTHER COUNTRIES. As additional trademarks are registered by the US Patent and Trademark Office, the specific wording of the attribution statement will change. Please check the trademark information available on our home page frequently for updates.

TRADEMARKS

Following is a list of Netscape trademarks. The list is not exhaustive, and Netscape may own other trademarks. Please check the trademark information available on our home page frequently for updates to this list. Collabra, Collabra Share, Netscape, and Netscape Navigator are registered trademarks of Netscape in the United States. The following list of our trademarks shows the proper placement of the -Registered Trademark- in our trademarks.

Collabra-Registered Trademark-	Netscape-Registered Trademark- FastTrack Server
Collabra Share-Registered Trademark-	Netscape Insight
CoolTalk	Netscape-Registered Trademark- Internet Applications
In-Box Direct	Netscape-Registered Trademark- Internet Foundation Classes
Live 3D	Netscape Internet Learning Academy
LiveCall	Netscape-Registered Trademark- Istore
LiveConnect	Netscape-Registered Trademark- LiveMedia
Live Objects	Netscape-Registered Trademark- LivePayment

LiveType	Netscape-Registered Trademark-	Mail Server
LiveWire	Netscape-Registered Trademark-	Mail
LiveWire Pro	Netscape-Registered Trademark-	Media Converter
Mozilla	Netscape-Registered Trademark-	Media Player
Netscape-Registered Trademark-	Netscape-Registered Trademark-	Media Server
Administration Kit	Netscape-Registered Trademark-	Merchant System
Netscape AffiliatePlus	Netscape-Registered Trademark-	Messaging Server
Netscape Alliance	Netscape-Registered Trademark-	Messenger
Netscape-Registered Trademark-	Netscape-Registered Trademark-	Migration Toolkit
Netscape-Registered Trademark-	Netscape Navigator-Registered Trademark-	
Netscape-Registered Trademark-	Netscape Navigator-Registered Trademark-	with FORTEZZA
Calendar Server	Netscape Navigator-Registered Trademark-	Gold
Netscape-Registered Trademark-	Netscape Navigator-Registered Trademark-	News
Cash Register	Netscape Navigator-Registered Trademark-	Personal Edition
Netscape-Registered Trademark-	Netscape-Registered Trademark-	News Server
Netscape Charters Program	Netscape-Registered Trademark-	ONE
Netscape-Registered Trademark-	Netscape-Registered Trademark-	Payment Kit
Netscape-Registered Trademark-	Netscape-Registered Trademark-	Power Pack
Netscape-Registered Trademark-	Netscape-Registered Trademark-	Proxy Server
Collabra-Registered Trademark-	Netscape-Registered Trademark-	Proxy Server with FORTEZZA
Collabra-Registered Trademark-	Netscape-Registered Trademark-	Publishing System
Collabra-Registered Trademark-	Netscape-Registered Trademark-	Server
Commerce Server	Netscape-Registered Trademark-	Site Sampler
Netscape-Registered Trademark-	Netscape-Registered Trademark-	SuiteTools
Commercial Applications	Netscape SupportEdge	
Netscape-Registered Trademark-	Netscape Update	
Communications Server	Netsite	
Netscape-Registered Trademark-	ONE Stop Software	
Communicator	PowerStart	
Netscape-Registered Trademark-	Secure Courier	
Community System	SmartMarkss	
Netscape-Registered Trademark-	SuiteSolutions	
Composer	SuiteSpot	
Netscape-Registered Trademark-	TechVision	
Conference		
Netscape DevEdge		
Netscape DevEdge Online		
Netscape Direct		
Netscape-Registered Trademark-		
Directory Server		
Netscape Enterprise News		
Netscape-Registered Trademark-		
Enterprise Server		
Netscape-Registered Trademark-		
Enterprise Server with FORTEZZA		

Guidelines on the use of the Netscape N logo are contained in the Netscape Corporate Signature Kit. Your use of any other Netscape logo(s) that you have been licensed to use by Netscape is governed by the usage guidelines for that logo.

EXHIBIT C

Yahoo Japan Corporation
Yahoo! France SARL
Yahoo! UK, Ltd.
Yahoo! GmbH

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE YAHOO!
 INC. FORM 10-Q FOR THE PERIOD ENDED JUNE 30, 1997 AND IS QUALIFIED IN ITS
 ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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	JUN-30-1997	
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(20,334,000)		
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	(20,334,000)	
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		(.74)