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

FORM 8-K

**Current Report
Pursuant to Section 13 or 15(d) of The
Securities Exchange Act of 1934**

Date of Report (date of earliest event reported): April 28, 2007

YAHOO! INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of Incorporation)

0-28018
(Commission File Number)

77-0398689
(I.R.S. Employer
Identification Number)

701 First Ave.
Sunnyvale, California 94089
(Address of principal executive offices, including zip code)

(408) 349-3300
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 3.02 UNREGISTERED SALES OF EQUITY SECURITIES.

(1) On April 28, 2007, Yahoo! Inc., a Delaware corporation (“Yahoo!”), entered into an Agreement and Plan of Merger and Reorganization (the “Merger Agreement”) with Right Media Inc. (“Right Media”), Roundhouse Acquisition Corp., a wholly owned subsidiary of Yahoo! (“Merger Sub”), and Christopher Moore as the representative of the stockholders of Right Media.

Yahoo! currently owns approximately twenty percent of the outstanding equity interests in Right Media. Under the terms of the Merger Agreement, Yahoo! will acquire all of the remaining outstanding equity interests (including all outstanding options and restricted stock units) in Right Media for an aggregate consideration of approximately \$680 million comprised of cash and Yahoo! common stock, par value \$0.001 per share (“Yahoo Common Stock”). Right Media stockholders will be paid in approximately equal parts cash and Yahoo Common Stock, and outstanding options and restricted stock units will be assumed and become exercisable for Yahoo Common Stock. The exact number of shares of Yahoo Common Stock to be issued in the merger to the Right Media stockholders will be based on the number of shares of Right Media stock outstanding as of the completion of the merger and on the volume weighted average closing price of Yahoo Common Stock for a specified period ending two trading days prior to the completion of the merger, subject to a collar. The outstanding options and restricted stock units of Right Media will be assumed by Yahoo! based on the stock exchange ratio established for the merger.

The issuance of the Yahoo Common Stock to Right Media stockholders in the merger is expected to be exempt from registration under Section 4(2) of the Securities Act of 1933, as amended (the “Securities Act”), or Regulation D thereunder, as a transaction by an issuer not involving a public offering. In connection with a registration rights agreement to be entered into by Yahoo! with the Right Media stockholders, Yahoo! will be obligated to file a resale shelf registration statement covering the Yahoo Common Stock to be issued in connection with the merger. Yahoo! expects the transaction to close in the second or third calendar quarter of 2007, subject to the satisfaction of customary closing conditions.

(2) On February 7, 2007, Yahoo! issued an aggregate of 1,727,173 shares of Yahoo Common Stock, representing less than 1% of Yahoo!’s total outstanding shares, in connection with the acquisition of Bix.com, Inc. The offer and sale of the Yahoo Common Stock was effected without registration in reliance on the exemption afforded by Section 3(a)(10) of the Securities Act. The issuance was approved, after a hearing upon the fairness of the terms and conditions of the transaction, by the California Department of Corporations under authority to grant such approval as expressly authorized by the laws of the State of California.

Item 7.01 REGULATION FD DISCLOSURE.

On April 28, 2007, Yahoo! entered into the Merger Agreement referenced in part (1) of Item 3.02 above, and on April 30, 2007, Yahoo! issued a press release announcing the transaction. A copy of Yahoo!’s press release is furnished with this Form 8-K and attached hereto as Exhibit 99.1. Exhibit 99.1 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) or otherwise subject to the liabilities under that Section and shall not be deemed to be incorporated by reference into any filing of Yahoo! under the Securities Act or the Exchange Act.

Item 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits.

The following exhibit is furnished with this Form 8-K:

99.1 Yahoo! Inc. Press Release dated April 30, 2007.

SIGNATURES

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

Date: May 2, 2007

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

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<u>Exhibit Number</u>	<u>Description</u>
99.1	Yahoo! Inc. Press Release dated April 30, 2007

Yahoo! Announces Agreement to Acquire Right Media, Largest Emerging Online Advertising Exchange

Key Step in Executing Yahoo!'s Long-Term Strategy to Transform How Online Advertisers Connect to and Engage with Their Customers — Both On and Off the Yahoo! Network

SUNNYVALE, Calif., April 30, 2007 — Yahoo! Inc. (Nasdaq: YHOO), a leading global Internet company, today announced that it has entered into a definitive agreement to acquire Right Media Inc., creator of the Right Media Exchange. The acquisition of Right Media will build upon Yahoo!'s leadership in online advertising and is a key step towards executing the Company's long-term strategy to transform how online advertisers connect to and engage with their customers — both on and off the Yahoo! network. Under the terms of the agreement, which follows Yahoo!'s 20 percent strategic investment in Right Media in October 2006, Yahoo! will acquire the remaining equity interest in Right Media for approximately \$680 million. Shareholders will be paid in approximately equal parts cash and stock, and Right Media options and similar equity awards will be assumed by Yahoo!.

"The acquisition of Right Media will further Yahoo!'s goal to create the industry's most open, accessible and vibrant advertising marketplace, which will help democratize the buying and selling of digitally enabled advertising," said Terry Semel, chairman and CEO of Yahoo!. "This acquisition is an important step in our long-term vision to build the industry's leading advertising and publisher ecosystem. We believe that Yahoo!'s open approach is a clear differentiator from others in the industry and provides significant benefits to advertisers, publishers and Yahoo! itself."

The Right Media Exchange is the industry's largest emerging online advertising exchange, and as publishers increasingly turn to exchanges to monetize their ad inventory, this acquisition will help Yahoo! establish a leading position in this large, attractive and fast growing segment of the online ad market.

"We share Yahoo!'s vision of a more empowered marketplace, where efficiency, transparency and accountability in online advertising become the norm," said Michael Walrath, CEO and founder of Right Media. "We are very excited by the prospect of becoming part of Yahoo!, the market leader in display advertising, as it looks to revolutionize the media buying and selling landscape."

"Yahoo! is the largest online publisher and one of the leading ad networks on the web, and we believe it is in our strong financial interest to make sure there is a widely adopted, neutral, frictionless exchange that enables publishers and advertisers to benefit from a basket of the best solutions rather than having to accept a single solution from one of the larger players," said Susan Decker, head of advertiser and publisher group and CFO of Yahoo!. "Furthermore, as the industry's partner of choice and as a leader in both search and display advertising, we believe that we are well-positioned to

rally the industry support to make the promise of Right Media a reality for the entire digital media community.”

Open Exchange Will Benefit Advertiser, Publishers, and Yahoo!

Right Media’s open exchange will facilitate a frictionless model where buyers have equal opportunity to engage with the largest, most valuable audiences and to extract the maximum value from their campaigns and sellers can access an enormous pool of advertisers and foster competition for their inventory to maximize revenue. Yahoo! will increase its participation in the Right Media Exchange both as a buyer and seller to help increase liquidity in the exchange while empowering publishers and advertisers to generate more value for themselves within this vibrant marketplace.

An open exchange will provide tremendous opportunity for advertisers, publishers, advertising networks, and for Yahoo!:

- Advertisers will have greater inventory and audience options from Yahoo! and other participants in this exchange, as well as increased control and visibility into the buying process.
- Publishers will be able to bundle their own ad inventory with Yahoo!’s inventory and the exchange’s inventory — thereby boosting demand and generating the highest returns for each ad placement.
- Advertising networks will reap the same benefits as advertisers and publishers, and additionally, the exchange will benefit those ad networks with unique value propositions, giving them an opportunity to compete with the largest players, thanks to reduced friction and increased transparency.
- For Yahoo!, this more open approach will allow the company to increase liquidity, allow advertisers to more efficiently ascertain the true value of display ad inventory, and generate greater returns for Yahoo!’s own display inventory. It will give Yahoo! a new channel and inventory for excess demand and provide an opportunity to derive more value from non-premium inventory.

As the largest online publisher and one of the leading ad networks, Yahoo! can help drive additional participation in Right Media’s open exchange and ensure a level playing field for all parties.

Investor and Media Conference Call

Yahoo! will host a conference call to discuss today’s news at 11:00 a.m. Eastern Time today. A live webcast of the conference call can be accessed through the Company’s Investor Relations website at <http://yhoo.client.shareholder.com/mediaRegister.cfm?MediaID=25393>. In addition, an archive of the webcast can be accessed through the same link.

About Right Media

Right Media created an open media exchange to bring more efficiency, value and standardization to interactive advertising. The Right Media Exchange gives its members an easy way to access more media, form direct relationships and trade at fair market value. More than 20,000 buyers and sellers trade over four billion impressions a day on the Exchange. Right Media offers a range of solutions that help these businesses operate more efficiently — from simple exchange access to the ability to create their own exchange. Founded in 2003, the company is privately funded, including investments from Yahoo! and Redpoint Ventures, and is based in New York.

About Yahoo!

Yahoo! Inc. is a leading global internet brand and one of the most trafficked Internet destinations worldwide. Yahoo!'s mission is to connect people to their passions, their communities and world's knowledge. Yahoo! is headquartered in Sunnyvale, California.

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This press release contains forward-looking statements that involve risks and uncertainties concerning Yahoo!'s proposed transaction with Right Media Inc. (including without limitation the statements contained in the quotations from management in this press release), as well as Yahoo!'s strategic and operational plans. Actual events or results may differ materially from those described in this press release due to a number of risks and uncertainties. The potential risks and uncertainties include, among others, the possibility that the transaction will not close or that the closing may be delayed; and that the anticipated benefits to Yahoo!, advertisers and publishers may not be realized. More information about potential factors that could affect Yahoo!'s business and financial results is included under the captions, "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2006 which is on file with the SEC and available at the SEC's website at www.sec.gov.

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