
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): March 18, 2008

Yahoo! Inc.

(Exact name of registrant as specified in its charter)

Delaware	000-28018	77-0398689
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)
701 First Avenue Sunnyvale, California		94089
(Address of principal executive offices)		(Zip Code)

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

Not Applicable

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

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

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

On March 18, 2008, Yahoo! Inc. (the “Company”) issued a press release discussing the Company’s three-year financial plan and strategic initiatives which are presented in more detail in an investor presentation furnished herewith. In the press release, management also reaffirmed its outlook for the first quarter 2008 and full year 2008, which was provided on January 29, 2008.

The press release is attached as Exhibit 99.1 hereto, and the investor presentation is attached as Exhibit 99.2 hereto. The exhibits hereto shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities under that Section and shall not be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
99.1	Yahoo! Inc. Press Release dated March 18, 2008.
99.2	Yahoo! Investor Presentation dated March 2008.

SIGNATURE

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

YAHOO! INC.
(Registrant)

By: /s/ Blake Jorgensen
Name: Blake Jorgensen
Title: Chief Financial Officer (Principal Financial Officer)

Date: March 18, 2008

EXHIBIT INDEX

Exhibit Number	Description
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Yahoo! Investor Presentation Details Financial Plan

Management Reaffirms First Quarter and Full Year 2008 Outlook

SUNNYVALE, Calif. (March 18, 2008) — Yahoo! Inc. (NASDAQ: YHOO) today filed an investor presentation that details the Company's three-year financial plan and strategic initiatives which are expected to roughly double operating cash flow over the next three years from \$1.9 billion to \$3.7 billion and generate \$8.8 billion in revenue excluding traffic acquisition costs (revenue ex-TAC) in 2010.

The financial plan was first presented to Yahoo!'s board of directors in December 2007, before the Company received the unsolicited acquisition proposal by Microsoft Corporation.

The presentation supports the unanimous determination by the Company's board of directors that Microsoft's January 31, 2008 unsolicited acquisition proposal substantially undervalues Yahoo!. The board cited Yahoo!'s global brand, large worldwide audience, significant recent investments in advertising platforms and future growth prospects, free cash flow and earnings potential, as well as its substantial unconsolidated investments, as factors in its decision. Yahoo!'s board of directors is continuing to evaluate all of its strategic alternatives to maximize value for Yahoo! stockholders.

Yahoo!'s management today also reaffirmed its outlook for the first quarter 2008 and full year 2008, as previously provided on January 29, 2008.

Key sources of projected growth in revenue and operating cash flow cited in the presentation include \$1.9 billion in added revenue ex-TAC over the next three years from display/video advertising, as Yahoo! expects its growth to outpace the currently anticipated market rate of growth in online display/video advertising. The Company also expects \$1.4 billion in added search revenue, implying growth essentially in line with the anticipated market rate of growth in search advertising.

“Yahoo! is positioned for accelerated financial growth — we have a powerful consumer brand, a huge global audience and a highly profitable operating model,” said Jerry Yang, the Company’s co-founder and chief executive officer. “With industry-leading tools, technology, people and platforms, Yahoo! is poised to capture growth in display advertising where we believe growth will be greatest. Combined with our recent progress in search monetization, Yahoo! is well positioned to provide the broadest range of products to our advertisers while delivering the most compelling experiences to users.”

“This is a scale business and our scale is a tremendous strategic asset,” said Roy Bostock, Chairman of the board. “We are pleased to share with the market more details about our business and our expectations for Yahoo!’s financial performance, which provided context for our board’s unanimous rejection of Microsoft’s unsolicited proposal. Yahoo! represents a truly unique strategic platform within our industry. The board of directors and management will continue to work closely together to ensure that any strategic path we pursue capitalizes on that uniqueness and value in a way that maximizes the benefit to our stockholders.”

Yahoo!’s investor presentation also reiterates its principal strategies, which are to enhance an already strong position as a leading starting point for users of the Internet and to be a “must buy” proposition for the most online advertisers.

Starting Points: In support of the Starting Points objective, which focuses on properties that users return to many times a day to start their Internet experience, the presentation discusses Yahoo!'s initiatives to make its front pages, Yahoo.com and My Yahoo!, as well as search, mail and mobile more open, social and relevant to users. The presentation highlights Yahoo!'s leading positions in key starting points, including the 305 million unique monthly users of its homepage and the 262 million unique monthly users of Yahoo! mail.¹

Must Buy: The presentation also highlights the Company's Must Buy strategic objective, which focuses on making it easier for advertisers, agencies, publishers and ad networks to do business with Yahoo! and with one another. Key initiatives include the development of a new ad platform designed to simplify online advertising buying and selling as well as improvements to the Panama search advertising platform. In addition to its leading position in display advertising distributed on its owned and operated sites, Yahoo! is also the second largest provider of sponsored search advertising online. Yahoo! also operates Right Media, the leading online advertising exchange, and is now ranked among the largest online advertising networks with premium partners including eBay, Comcast, AT&T and many more.

The presentation notes that, in addition to Yahoo!'s strong projected operating results over the next three years, the Company's strategic assets in Asia, including its stakes in Yahoo! Japan, Alibaba Group and Gmarket, its strong cash position, and its early leadership positions in mobile Internet and emerging markets, combine to create significant equity value.

Forward-Looking Statements

This press release contains forward-looking statements that involve risks and uncertainties concerning Yahoo!'s projected financial performance (including without limitation the statements and information in the quotations from management in this press release), as well as Yahoo!'s strategic and operational plans. Actual results may differ materially from the results projected. The potential risks and uncertainties include, among others, the implementation and results of the Company's ongoing strategic initiatives; the Company's ability to compete with new or existing competitors; reduction in spending by, or loss of, marketing services customers; the demand by customers for Yahoo!'s premium services; acceptance by users of new products and services; risks related to joint ventures and the integration of acquisitions; risks related to the Company's international operations; failure to manage growth and

¹ comScore Media Matrix, January 2008

diversification; adverse results in litigation, including intellectual property infringement claims; the Company's ability to protect its intellectual property and the value of its brands; dependence on senior management and other key personnel; dependence on third parties for technology, services, content and distribution; general economic conditions and changes in economic conditions; and risks and uncertainties arising in connection with Microsoft's unsolicited proposal to acquire Yahoo!, including the loss of key employees who pursue other employment opportunities due to concerns as to their employment security, increased difficulty for the Company in executing its strategic plan and pursuing other strategic opportunities, and the possibility of significant costs of defense, indemnification and liability resulting from stockholder litigation. 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 Yahoo!'s Annual Report on Form 10-K for the fiscal year ended December 31, 2007, which is on file with the Securities and Exchange Commission (SEC) and available online at www.sec.gov.

This press release includes projected financial performance information for 2008-2010 from the Company's three-year financial plan presented to its board of directors in December 2007. These projections are necessarily based upon a variety of estimates and assumptions which, though currently considered reasonable by Yahoo!, may not be realized and are inherently subject, in addition to the specific risks identified above, to business, economic, competitive, industry, regulatory, market and financial uncertainties and contingencies, many of which are beyond Yahoo!'s control. There can be no assurance that the assumptions made in preparing the projected financial performance information will prove accurate. Accordingly, actual results may differ materially from the results projected.

All information in this press release is as of March 18, 2008, unless otherwise noted, and Yahoo! does not intend, and undertakes no duty, to update or otherwise revise the information contained in this press release.

Non-GAAP Financial Measures

This press release includes the following financial measures defined as non-GAAP financial measures by the SEC: revenues excluding traffic acquisition costs or TAC (revenues ex-TAC) and operating income before depreciation, amortization, and stock-based compensation expense (OCF). These measures may be different from non-GAAP measures used by other companies. The presentation of this information is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with generally accepted accounting principles (GAAP). Reconciliations of these non-GAAP financial measures to the most comparable GAAP measures are included in the Appendix to the Yahoo! Investor Presentation furnished as Exhibit 99.2 to the Company's Current Report on Form 8-K dated March 18, 2008 and can be accessed through Yahoo!'s Investor Relations website at www.yahoo.com.

About Yahoo! Inc.

Yahoo! Inc. is a leading global Internet brand and one of the most trafficked Internet destinations worldwide. Yahoo! is focused on powering its communities of users, advertisers, publishers, and developers by creating indispensable experiences built on trust. Yahoo! is headquartered in Sunnyvale, California. For more information, visit pressroom.yahoo.com.

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Yahoo! Investor Presentation

March 2008

Legal Notice

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All information in this presentation is as of March 18, 2008, unless otherwise noted, and Yahoo! does not intend, and undertakes no duty, to update or otherwise revise the information contained in this presentation. Throughout this presentation, we have rounded numbers as appropriate.

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Glossary

Certain internal and industry terms used throughout this presentation are defined in the Glossary in the Appendix to this presentation.



Why We Are Here

- **Discuss the value of Yahoo! today**
 - Strategically positioned for accelerating growth
 - Unique, iconic assets
- **Outline specific financial performance projections**
 - We expect future growth in excess of Street estimates
 - This is driven by current investments in Starting Points and Must Buy initiatives
- **Provide perspective which informed our Board's rejection of Microsoft's offer**
 - Board believes that Microsoft's proposal substantially undervalues Yahoo!
 - Yahoo!'s unique strategic value must be recognized in any transaction



Yahoo!'s Unique Value Proposition

- **Yahoo! is a leading global Internet brand with valuable audiences and leading monetization platforms at scale**
- **We believe our growth and profitability prospects are not fully appreciated by the public markets**
- **We are focused on our current financial plan to double OCF¹ from \$1.9B in 2008E to \$3.7B by 2010E**
- **Execution is critical – we demonstrated real traction in 2007, and in 2008 we are accelerating deployment of our strategic investments**
- **Yahoo! is a unique combination of assets**
 - A leader in online advertising
 - Strategic Asian positions
 - Mobile and Emerging Markets franchises
- **Leading global brand, world class people, strong technology and IP**

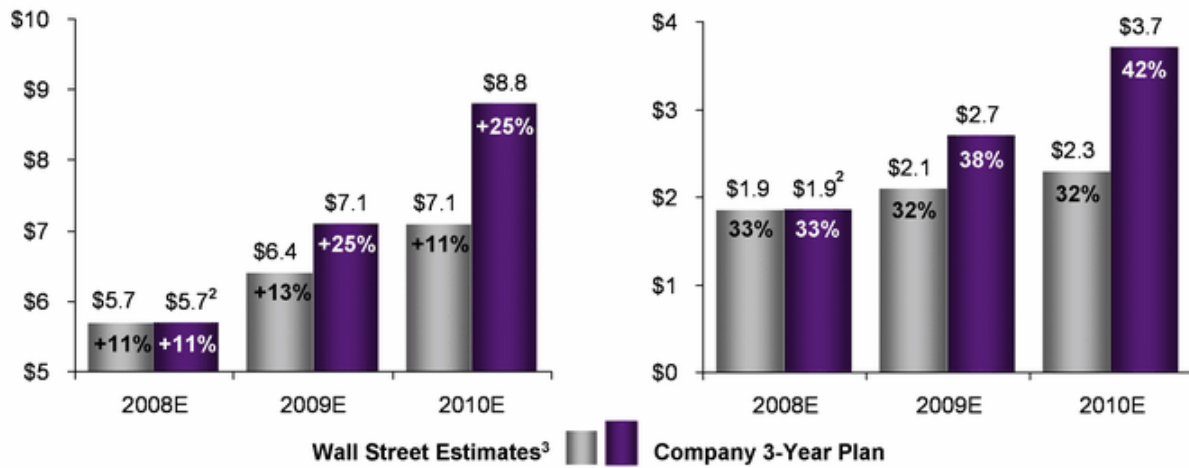
(1) Please refer to Appendix for OCF GAAP reconciliation.



Our Plan Significantly Exceeds Street Expectations

- Our anticipated 2009 and 2010 growth is much higher than Street estimates
- Anticipated future growth to be driven by current investments in Starting Points and Must Buy

PROJECTED REVENUE EX-TAC¹ (\$B, YoY Growth %) PROJECTED OCF AND OCF MARGIN¹ (\$B, %)



(1) Please refer to Appendix for Revenue ex-TAC and OCF GAAP reconciliations.
 (2) 2008 projected Revenue ex-TAC and 2008 projected OCF represent the midpoints (rounded) of the 2008 Revenue ex-TAC outlook (\$5.35B-\$5.95B) and 2008 OCF outlook (\$1.725B-\$1.975B) provided on January 29, 2008.
 (3) Median estimates based on 6 equity research reports: Bank of America (2/5/2008); Goldman Sachs (1/30/2008); Jefferies (2/14/2008); Lehman Brothers (2/11/2008); Morgan Stanley (1/30/2008); and Thomas Weisel (1/30/2008).



Yahoo! Unique Assets – Audience

	YAHOO!	Google	MSN	AOL	Fox Interactive Media
Global Unique Users¹ (January 2008, Millions)					
Homepage	#2 305	425	230	55	60
Personal Homepage	#1 50	20	10	3	N/A
Mail	#1 262	90	259	50	N/A
Key Anchors²	#1 139	50	55	39	9
Global Query Share³ (O&O, Q4 2007)					
Search	#2 27%	53%	4%	N/A	N/A
US Subscribers⁴ (December 2007, Millions)					
Mobile	#1 19	15	9	10	N/A

- (1) comScore MediaMetrix January 2008, global.
 (2) News, Finance, and Sports.
 (3) comScore qSearch 2.0 Q4 2007 including US, UK, DE, FR, ES, IT, JP, KR, TW, and AU.
 (4) M.metrics December 2007, US.



Yahoo! Unique Assets – Monetization

- Our collection of unique assets makes us a “Must Buy” for advertisers

YAHOO!



- A leading global Internet brand
- 15% global online advertising demand touched¹
- #2 in Search monetization
- #1 US ad network by page views, #2 by reach²
- Premium partners: eBay, Comcast, AT&T, ...
- 635+ newspaper partners with thousands of sales reps
- Leading Ad Exchange

(1) Because Yahoo! does not consolidate Yahoo! Japan or Alibaba, the addressable market for demand touched excludes Japan and China.
(2) comScore MediaMetrix, January 2008.



Yahoo! Unique Assets – Strategic Asia Positions

UNIQUE POSITIONING FOR YAHOO!

- #1** Y! Japan Homepage, Mail, Search, and Auctions in Japan¹
- #1** Alibaba.com B2B marketplace in China²
- #1** TaoBao consumer online marketplace in China²
- #1** AliPay online payments in China²
- #1** Gmarket consumer online marketplace in Korea³

STRATEGIC VALUE

- Board participation
- In-market leadership
- Learnings from lead markets
- Scale for key platforms

FULL VALUE NOT REFLECTED IN STOCK PRICE



- Discount being applied to publicly-traded investments
- Little to no credit being given for market-leading private Alibaba Group assets

(1) comScore MediaMetrix, February 2008.
 (2) iResearch Q3 2007.
 (3) Korea National Statistic Office.

PUBLICLY TRADED INVESTMENTS

Investment	Stake	Mkt. Value ⁴	Per Share
 YAHOO! JAPAN	33%	\$9.3 billion	\$6.66
 EL Alibaba.com	28% ⁵	\$3.2 billion	\$2.25
 GMARKET	10%	\$100 million	\$0.07
Total		\$12.6 billion	\$8.97

PRIVATE COMPANY INVESTMENTS

Investment	Stake	Mkt. Value	Per Share
Alibaba Group ⁶  支付宝 Alipay.com 因为信任 所以简单  淘宝网 Taobao.com 阿里巴巴旗下网站	39%	N/A	N/A

(4) Market value as of 3/14/08.
 (5) Includes 1% direct interest and 27% indirect interest owned through 39% stake in Alibaba Group.
 (6) Alibaba Group includes Alipay.com, Taobao.com, and a 75% interest in Alibaba.com, as well as a number of other businesses including Koubei.com, Alimama.com, Alisoft.com, and cn.yahoo.com.



Accelerating Pace of Innovation and Execution

- Accelerating pattern of execution, innovation and expanding partnerships
- Delivering on product roadmap and commitments and receiving positive customer reviews

		2006	2007	H1 2008
AUDIENCE	Home Page Mail Search			
	Mobile			
	Search Monetization		<p>Revenue Re-Order Double Digit US RPS Gains</p>	<p>Marketplace Improvements</p>
	Display Ad Network			
MONETIZATION				
	Display Ad Platform			



Strategic Objectives

STARTING POINTS For the most users on the Internet

Definition

- Properties that a broad cross-section of users come back to frequently as part of their Internet experience
- Homepage / My Yahoo!, Mail, Search, Mobile

Rationale

- Most powerful connections with users
- Majority of economic value
- Critical for insights
- Great opportunity to leverage assets and improve user experience

Assets Leveraged

- Strong leadership position in many key starting point properties
- Unrivaled scale

MUST BUY For the most advertisers on the Internet

Definition

- Serving advertisers' needs so well that they can't imagine not working with Yahoo!

Rationale

- Removing friction from online advertising will move dollars online at a faster rate and increase demand
- Higher yield for Yahoo!'s owned and operated (O&O) inventory
- Uniquely positioned to do this

Assets Leveraged

- Leader in display O&O; compelling starting points
- Partnerships with premier publishers including eBay, Comcast, AT&T, 635+ newspapers
- Leading performance advertising acquisitions including Right Media and Blue Lithium
- Scale player in search
- Highly integrated sales force, capable of bringing the broad range of ad products to our customers



Change The Game, Closing The Gap, Transform The Industry

REVENUE EX-TAC¹ GROWTH DRIVERS (Incremental Revenue ex-TAC 2007A-2010E)

	VOLUME – Starting Points	YIELD – Must Buy
SEARCH	\$0.5B 10% CAGR	\$0.9B 15% CAGR
DISPLAY/ VIDEO	\$0.8B 12% CAGR	\$1.1B 15% CAGR

Starting Points

CHANGE THE GAME

- Open, social, and relevant starting points at massive scale

Must Buy

CLOSING THE GAP

- Panama platform extensions to drive RPS gains
- Innovate search with customer insights and integration with display

TRANSFORM THE INDUSTRY

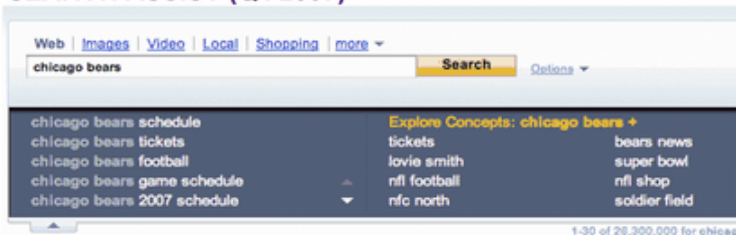
- Next-generation display ad platform
- Drive yield for all publishers that participate, including Yahoo! as largest


(1) Please refer to Appendix for Revenue ex-TAC GAAP reconciliation. Incremental 2008E-2010E GAAP revenue for Search and Display/Video is projected to be \$1.6B and \$1.9B, respectively, with incremental TAC of \$0.2B for Search.
Source: Company 3-Year Plan.



Change The Game: Open, Social, Relevant Search

SEARCH ASSIST (Q4 2007)

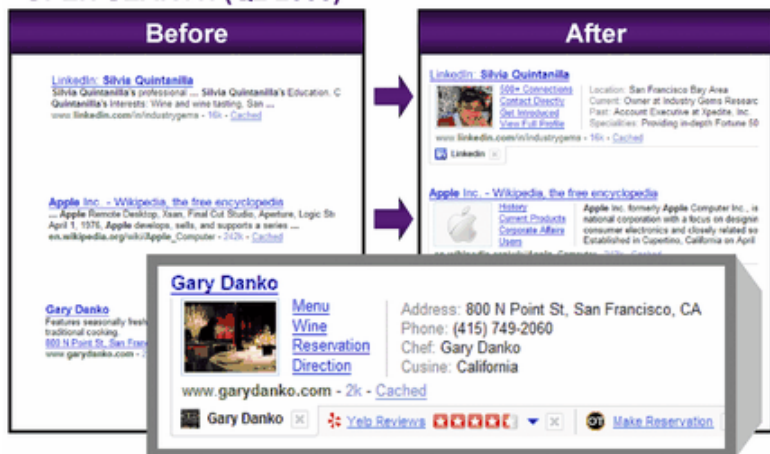


Chicago Tribune  **SEARCH ENGINE JOURNAL**

"The Yahoo! effort is so impressive I'm going to make it my default searcher."

"A faster and more intuitive search experience."

OPEN SEARCH (Q2 2008)



FORTUNE

"Yahoo!'s new Search Assist could save minutes off of everyday searches."



"I applaud the move and like the fact that Yahoo is showing some spunk on the search front... Yahoo could tap into the open source community to really make a difference."

"It's a great idea. Search engines do not do a universally good job of parsing search, and this initiative lets publishers regain some control over how their content is presented."

Sources: Chicago Tribune (10/12/2006); Fortune (10/3/2007); Search Engine Journal (10/2/2007); CNET (2/26/2008); and ZDNet (2/26/2008).



Change The Game: Open, Social, Relevant "Buzz"



Closing The Gap: Extend Panama Platform To Drive RPS

- Large RPS potential, and clear pipeline of Panama extensions to drive RPS growth

2007	2008	2009	2010
Revenue re-ordering	Market reserve pricing		
Advanced matching	Targeting (zip-code, city, demographic, ...)	Core matching evolution	
Marketplace optimization	Query rewriting	Core marketplace evolution	
Quality based pricing	Improved ad and click ranking	Targeting evolution	
Coverage optimization (Q4 2007)	Matching improvement	Campaign management evolution	

RPS GROWTH MOMENTUM (US O&O, YoY)

Q1 2007	Q2 2007	Q3 2007	Q4 2007
(0-5%)	15-20%	>20%	~20%

PROJECTED RPS GROWTH (Global O&O)

2008E-2010E: 15% CAGR

We estimate that we reduced the gap between the industry leading RPS and our own in the U.S. by 30% in the first 9 months of 2007, and as of late last year, we estimate that a gap of approximately 60 to 70% in the U.S. still exists assuming a comparable implementation.¹

(1) Information on the RPS gap is based on Yahoo!'s internal estimates of Yahoo!'s historical U.S. RPS for the 9 months ended in Q3 2007 and Yahoo!'s internal estimates of Google, Inc.'s historical U.S. RPS for this period. While Yahoo! believes that its internal estimates of Google's historical RPS are reasonable based on the data available to it, Google does not publicly disclose its RPS. There can be no assurance that Yahoo!'s internal estimates of Google's RPS are accurate and Google's actual RPS may be higher or lower than such estimates. RPS can be affected by a number of factors including the number of other ads displayed on a particular page. These estimates assume comparable displays and implementation as between Google and Yahoo!.

Sources: Company internal data; Company 3-Year Plan.

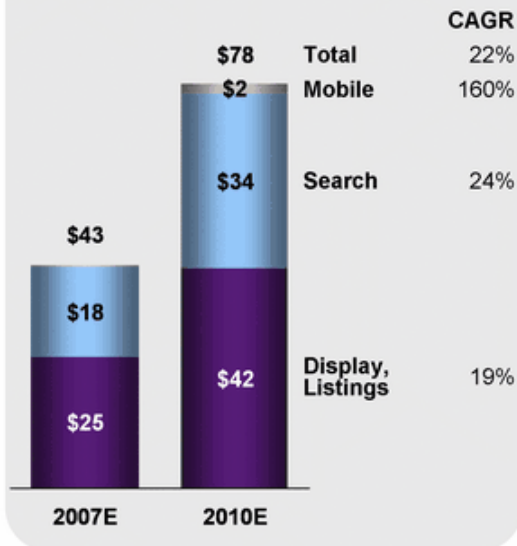


Transform The Industry: Yahoo! "Must Buy" Leadership

- Display opportunity is larger than search, with significant potential for innovation
- Ad networks are a fast growing segment within display
- Given Yahoo!'s leading capabilities, we are strategically positioned to lead

ONLINE ADVERTISING MARKET

(Worldwide, \$B)



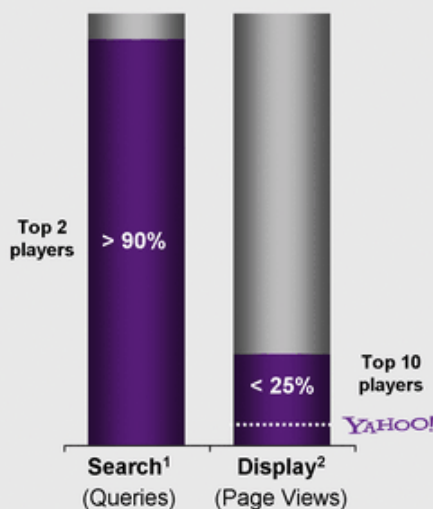
Source: Company Market Model.

	SEARCH	DISPLAY
Inventory	Concentrated	Fragmented
Advertiser Objectives	ROI	Branding + ROI
Targeting	Keyword	Demographics, behavior, context, ...
Pricing Models	CPC	CPM, CPC, CPA, CPL, ...
Forecast & Guarantee	All contingent, no guarantees	Guaranteed placement a critical part of package
Importance of O&O	High	High

Transform The Industry: Unlocking Display Opportunity

Make It Easier For Advertisers To Buy...

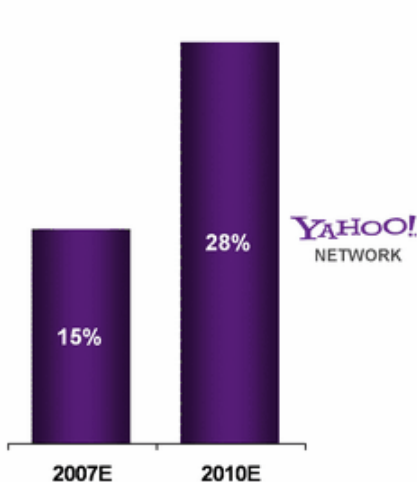
Volume Share



(1) comScore qSearch 2.0, Q4 2007 (US, UK, FR, DE, ES, IT, AU, TW, KR, and JP).
 (2) comScore MediaMetrix January 2008, global page views excluding search page views.

Create a Liquid Market...

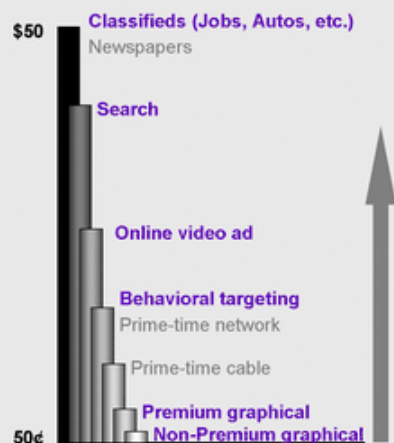
Display Demand Touched³ Share



(3) Because Yahoo! does not consolidate Yahoo! Japan or Alibaba, the addressable display market for demand touched excludes Japan and China.
 Sources: Company 3-Year Plan; Company Market Model.

And Drive Yield Upside

Current Estimated CPMs (Illustrative)



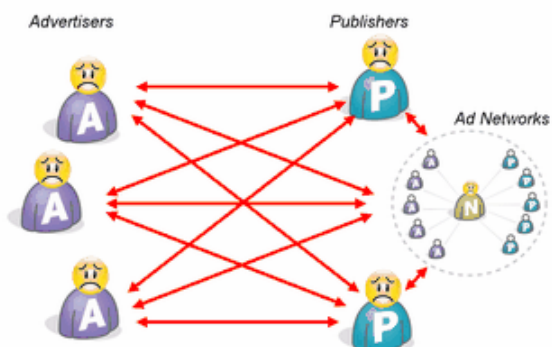
- Opportunities:**
- Targeting
 - Demand aggregation
 - Audience aggregation
 - Packaging and pricing
 - Formats

Source: Company internal estimates.



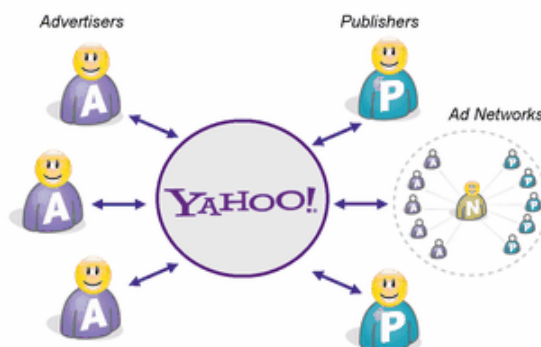
Transform The Industry: Yahoo! Display Ad Platform

Today's Standards



- Many touchpoints, manual, error-prone data re-entry
 - Highly variable processes, no consistency
 - Fragmented audiences, inventory
 - Opaque systems and pricing
- ▼
- Inconsistent and slow, days to weeks to launch a sophisticated web-wide campaign

Yahoo! Display Ad Platform



- **Common hosted platform**
 - **Unified process** standardizes low-value transactions
 - **Audiences and inventory aggregated across web**
 - **Pricing transparency** reducing arbitrage
- ▼
- **Fast and easy**, minutes to hours to launch a sophisticated web-wide campaign

Establishing Leadership in Key Growth Drivers Beyond 2010

- Significant potential future value opportunities
- Little or no value for these franchises reflected in stock price today

MOBILE

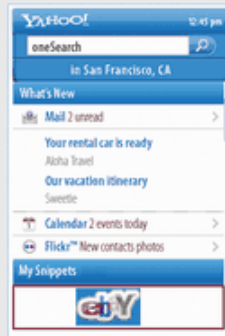
Large addressable opportunity

- 1.4B mobile subscribers
- \$10-12B market by 2010¹

Yahoo! is a leader today

- Award-winning Yahoo! Go
- oneSearch: 600M subscribers passed
- Competitive wins: Vodafone and T-Mobile (UK)

YAHOO!
oneSearch



(1) eMarketer, March 2008.
Source: Company internal estimates.

EMERGING MARKETS

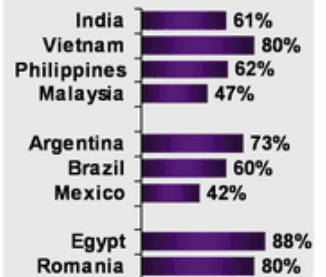
Rapidly growing opportunity

- More than \$1B today
- 30% CAGR 2007E-2010E
- Monetization upside

Yahoo! is a leader today

- ~60% Reach

YAHOO! REACH (% of users, current)



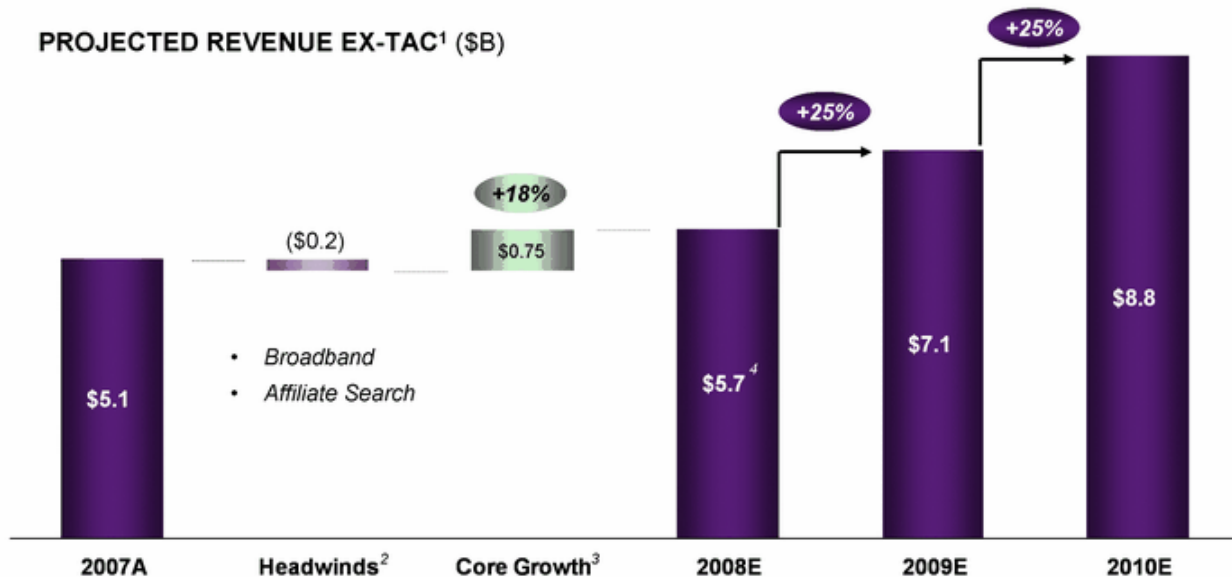
Sources: Company Market Model; Company internal estimates.



Revenue Growth Projected to Accelerate

- Revenue projected to grow at 18% YoY in 2008, adjusting for headwinds
- Anticipated acceleration in 2009-2010 to be driven by current investments in Starting Points and Must Buy

PROJECTED REVENUE EX-TAC¹ (\$B)



(1) Please refer to Appendix for Revenue ex-TAC GAAP reconciliation.

(2) Headwinds represent decline in Revenue ex-TAC for Broadband and Affiliate Search, which totaled \$0.9B in 2007 and is projected to be \$0.7B in 2008, for a net decline of \$0.2B.

(3) Core growth represents the projected growth in Revenue ex-TAC from 2007 to 2008, excluding all Revenue ex-TAC from Broadband and Affiliate Search in both years. Revenue ex-TAC for the remaining businesses is projected to grow from \$4.2B in 2007 to \$4.9B in 2008, resulting in net growth of \$0.75B or 18%.

(4) 2008 projected Revenue ex-TAC represents the midpoint (rounded) of the 2008 Revenue ex-TAC outlook (\$5.35B-\$5.95B) provided on January 29, 2008.

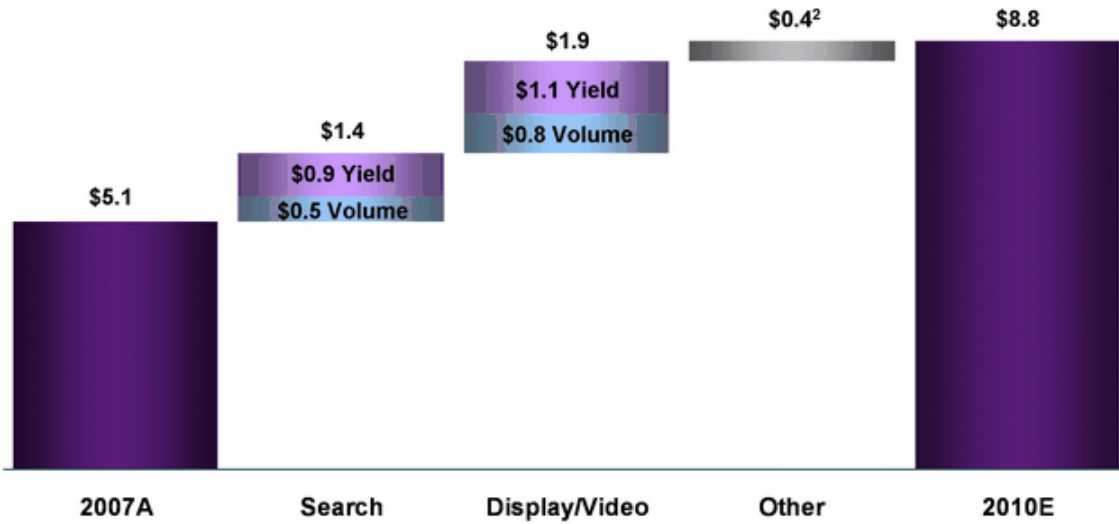
Source: Company 3-Year Plan.



Key Drivers of Revenue Growth

- Display is a larger opportunity than search, driven by increasing visits to Starting Points, new display ad platform
- Anticipated search growth to be driven by market volume growth and continued RPS potential

PROJECTED REVENUE EX-TAC¹ (\$B)



(1) Please refer to Appendix for Revenue ex-TAC GAAP reconciliation. Incremental 2008E-2010E GAAP revenue for Search, Display/Video and Other is projected to be \$1.6B, \$1.9B and \$2.8B, respectively, with incremental TAC of \$0.2B, \$0.0B and \$2.4B, respectively.

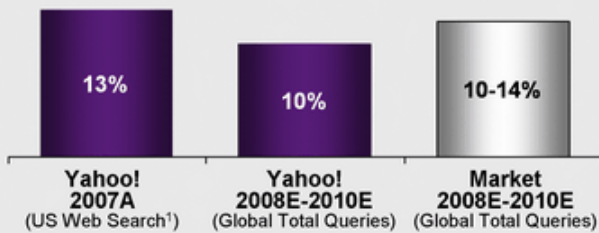
(2) Other includes affiliates, fees, listings, and mobile.
Source: Company 3-Year Plan.



Search Growth From Market Query Growth, Panama

VOLUME (O&O Queries, CAGR)

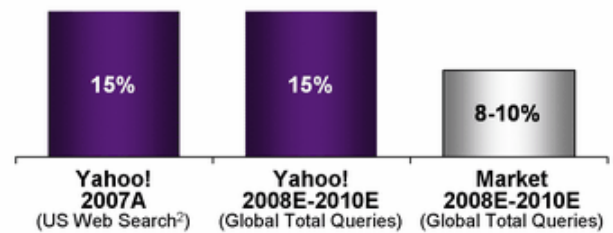
- Double-digit query growth in 2007
- Projected 10% CAGR query growth



- Search Assist
- Reduced coverage
- Homepage growth
- Yahoo! network traffic
- Search innovation
- Strategic distribution

YIELD (O&O RPS, CAGR)

- Panama delivered double-digit US RPS growth in 2007
- Large RPS potential



- Simplified user interface
- Revenue re-ordering
- Marketplace redesign
- Continued evolution
 - Marketplace
 - Ranking and pricing
 - Matching and targeting
 - Campaign management
- International RPS ramp

(1) Represents eligible search page views. US+EU Total Query Growth 16% YoY 2007/2006.
 (2) US+EU Total Query RPS 11% YoY 2007/2006.
 Sources: Company internal data; Company Market Model; Company 3-Year Plan.

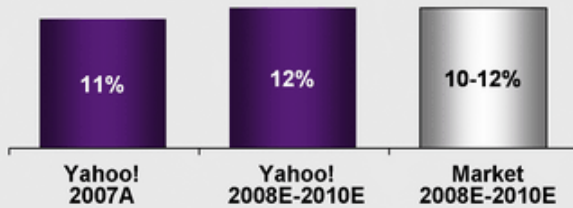


Display Growth From Starting Points, Ad Platform

VOLUME

(Global O&O Page Views, CAGR)

- Double-digit growth in 2007
- Projected growth of 12% CAGR, in-line with market

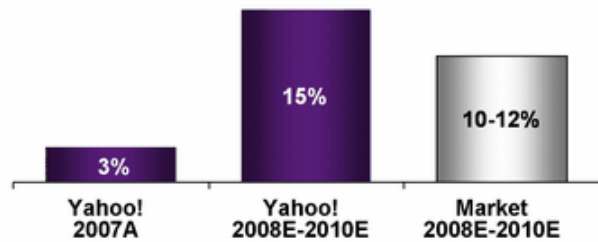


- Starting Points innovation
 - **Relevant** content and ads
 - **Open** best-of-web content
 - Unified **social** platform

YIELD

(Global O&O RPM, CAGR)

- Grew both Premium and Non-Premium CPMs in 2007
- Projected global RPM gains of 15% CAGR



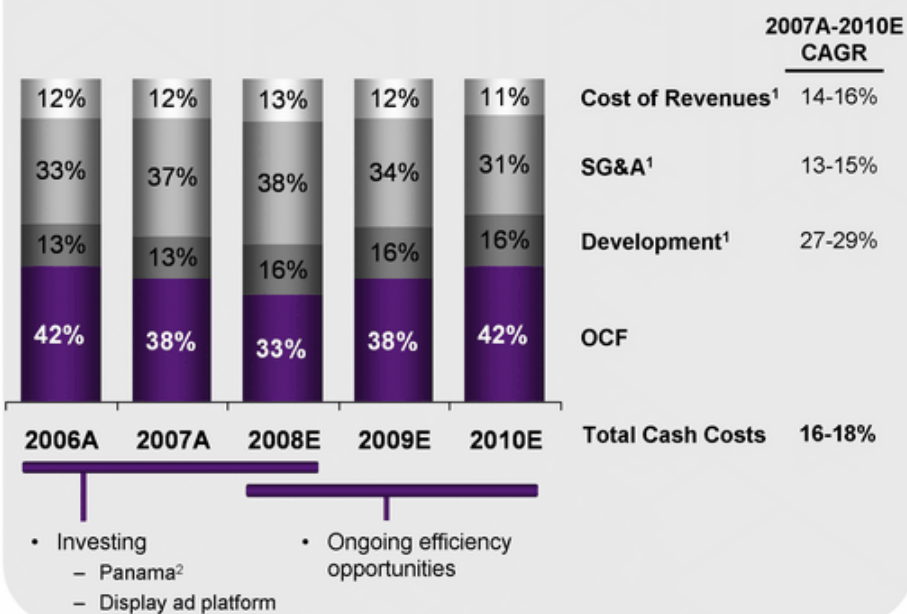
- New display ad platform
- RightMedia, BlueLithium
- Marquee partners: Forbes, WebMD, eBay, AT&T, Comcast ...
- Demand and audience aggregation
- Improved ad targeting

Sources: Company internal data; Company Market Model; Company 3-Year Plan.



Return to 42% Operating Cash Flow Margins

CASH COST DRIVERS¹ (% of Rev ex-TAC)



- **Balancing revenue growth and cost management**
- **Investing for accelerating growth**
 - Panama² 2006-2007
 - Display ad platform 2007-2008
- **Ongoing efficiency opportunities**
 - International structure
 - G&A efficiency
 - Product development

(1) Cost of Revenues, SG&A, and Development costs as presented above are non-GAAP measures. Cost of Revenues has been adjusted to exclude TAC, non-cash stock compensation and depreciation and amortization costs. SG&A and Development have been adjusted to exclude non-cash stock compensation and depreciation and amortization costs. Please refer to Appendix for comparable Cash Cost Drivers determined on a GAAP basis.
 (2) Our total investment from H2 2005 through 2007 in Panama was approximately \$150M on a global basis.
 Source: Company 3-Year Plan.



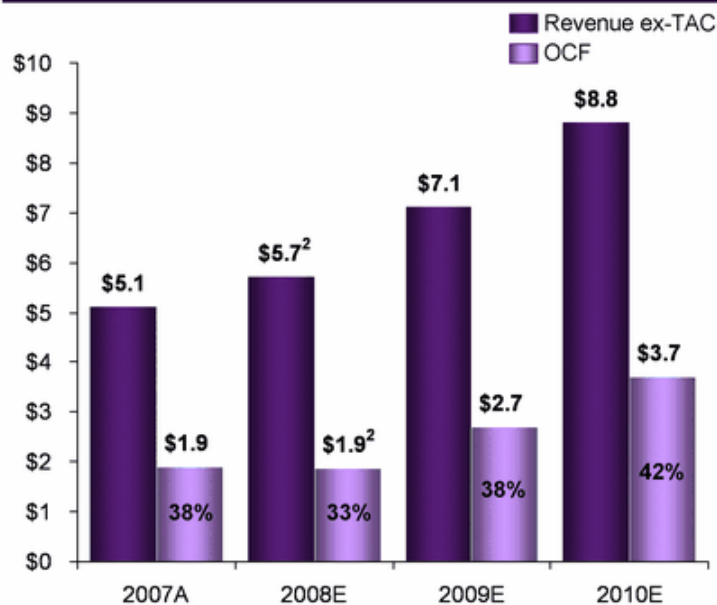
Doubling Operating Cash Flow By 2010

GROWTH DRIVERS

(Incremental Revenue ex-TAC¹ 2007A-2010E)

	VOLUME – Starting Points	YIELD – Must Buy
SEARCH	\$0.5B 10% CAGR	\$0.9B 15% CAGR
DISPLAY/VIDEO	\$0.8B 12% CAGR	\$1.1B 15% CAGR
CASH COSTS	16-18% CAGR	

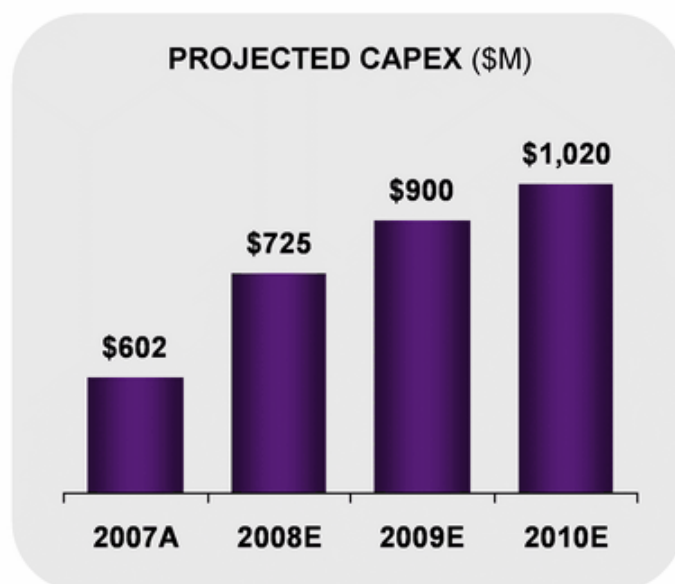
Projected Revenue ex-TAC¹, OCF¹, OCF Margin¹ (\$B, %)



- (1) Please refer to Appendix for Revenue ex-TAC and OCF GAAP reconciliations. Incremental 2008E-2010E GAAP revenue for Search and Display/Video is projected to be \$1.6B and \$1.9B respectively, with incremental TAC of \$0.2B for Search.
- (2) 2008 projected Revenue ex-TAC and 2008 projected OCF represent the midpoints (rounded) of the 2008 Revenue ex-TAC outlook (\$5.35B-\$5.95B) and 2008 OCF outlook (\$1.725B-\$1.975B) provided on January 29, 2008.
- Source: Company 3-Year Plan.



CapEx In Line With Business Model and Share



- **Continuing to invest aggressively**
 - \$2.6B cumulative 2008E-2010E
 - ~70% on innovation and production infrastructure¹
- **Strategic focus – Starting Points and Must Buy**
 - Relevance
 - Display ad platform
 - Grid expansion
 - Experimentation
- **Capital Utilization**
 - Real estate strategy
 - Grid computing, virtualization

(1) Includes server and storage, network gear, software-asset adds, new initiatives, and other.
(2) 2008E CapEx represents the midpoint of 2008 CapEx outlook (\$675M-\$775M) provided on January 29, 2008.
Source: Company 3-Year Plan.



Yahoo!'s Equity Value

- Our Board believes that Microsoft's proposal substantially undervalues Yahoo!

Significant Equity Value

Operations

+

Asian Assets

+

Cash and NOLs

+

New Growth Markets

- 3 Year Revenue ex-TAC and OCF growth projected 20%+ CAGR⁽¹⁾
- Projected to double OCF from \$1.9B in 2008E to \$3.7B by 2010E⁽¹⁾
- Execution expected to lead to premium OCF multiple
- Market value of Asian public stakes at \$9 per share – strategic assets
- Significant additional value in private assets of Alibaba Group
- \$2.7B⁽²⁾ of cash and NOL value (~\$2 per share)
- Leading mobile Internet franchise
- High growth emerging markets footprint

Potential Upside

Potential Strategic Alternatives

- Potential accretive commercial or strategic transactions

(1) Please refer to Appendix for Revenue ex-TAC and OCF GAAP reconciliations.
(2) Value of cash and marketable securities and NPV of net operating losses (NOLs) as of 12/31/2007.
Source: Company 3-Year Plan.



Yahoo!'s Strategic Value

- Yahoo! provides meaningful strategic value and warrants a significant acquisition premium above its equity value in a potential change of control transaction

YAHOO! VALUE PROPOSITION	IMPLICATIONS FOR MICROSOFT
Unique asset providing immediate unmatched scale in search and display to any buyer	Moves Microsoft from sub-scale position to strong positions in search and display
Strategic value associated with Asian stakes warrant premium to public values, not discount	Asia an important source of growth for Microsoft
Revenue and cost synergy opportunity is meaningful for any strategic buyer	Wall Street analysts estimate synergies of 2 - 3x Microsoft \$1B guidance ¹ – Potentially moves Microsoft from online loss of \$700M ² in 2007 to significant profitability
Some recent Internet transaction multiples have exceeded 35x forward EBITDA ³	Microsoft's proposal (current value of \$28.79 ⁴) is approximately 9x 2009E OCF ⁽⁵⁾⁽⁶⁾ – Approximately 5x OCF after synergies of \$2.5B

(1) JP Morgan (2/1/2008); UBS Equity Research (2/1/2008).

(2) Microsoft 10-K, June 30, 2007.

(3) Multiple transaction comparables including Google / DoubleClick, Microsoft / aQuantive, NewsCorp / InterMix.

(4) As of 3/14/2008.

(5) Multiple calculated as enterprise value (equity market capitalization at offer price minus cash, marketable securities and the value of unconsolidated assets) divided by 2009E OCF (per Company 3-Year Plan). Unconsolidated asset value assumes public market values as of 3/14/2008 for stakes in Yahoo!Japan, Alibaba.com and Gmarket and an average of Wall Street research estimates for the value of Alibaba private assets: CIBC (11/13/2007); Susquehanna Financial (11/5/2007); and Merrill Lynch (1/30/2008).

(6) Please refer to Appendix for OCF GAAP reconciliation.



Summary

- 1. Yahoo! has a powerful and highly profitable operating model and is positioned for accelerating financial growth.**
- 2. This is a global scale business, and we have scale.**
- 3. Display is a larger opportunity than search, and we are positioned to extend our leadership in display.**
- 4. We are focused on execution, and we are already gaining momentum in our key strategic initiatives.**
- 5. Yahoo! has a combination of unique assets, and we believe the value is not fully appreciated.**





Appendix

GAAP Reconciliations

Glossary

GAAP Reconciliation of Revenue ex-TAC

<i>\$ in millions</i>	<i>2007A</i>	<i>2008E</i>	<i>2009E</i>	<i>2010E</i>
Revenue ex-TAC				
GAAP Revenue ¹	\$6,969	\$7,200-\$8,000	\$10,100	\$13,200
Traffic Acquisition Costs	<u>1,856</u>	<u>(1,850-2,050)</u>	<u>(3,000)</u>	<u>(4,400)</u>
Total	\$5,113	\$5,350-\$5,950	\$ 7,100	\$ 8,800

(1) On a GAAP revenue basis, year-over-year revenue growth is projected to be 9%, 33%, and 31%, respectively, in 2008E, 2009E, and 2010E.
 Note: Revenue ex-TAC is a non-GAAP measure defined as GAAP Revenue less Traffic Acquisition Costs (TAC).



GAAP Reconciliation of Operating Cash Flow

<i>\$ in millions</i>	<i>2007A</i>	<i>2008E</i>	<i>2009E</i>	<i>2010E</i>
Operating Cash Flow				
Operating Income	\$ 695	\$545-\$655	\$1,300	\$2,100
Depreciation & Amortization	659	670-750	800	900
Stock-Based Compensation Expense	<u>573</u>	<u>510-570</u>	<u>600</u>	<u>700</u>
Total	\$1,927	\$1,725-\$1,975	\$2,700	\$3,700

Note 1: Operating Cash Flow (OCF) is a non-GAAP measure defined as Income from operations before depreciation, amortization of intangible assets, and stock-based compensation expense.
 Note 2: Operating Income Margin (which is operating income as a percentage of GAAP revenue of \$7.0 billion in 2007 and our estimates of GAAP revenue of \$7.2B to \$8.0B in 2008E, \$10.1B in 2009E and \$13.2B in 2010E) was 10% in 2007 and is expected to be 8%, 13% and 16% in 2008E, 2009E, and 2010E, respectively.



Cost Drivers – GAAP Basis

% of GAAP Revenues	2006A	2007A	2008E	2009E	2010E	2007A – 2010E CAGR
Cost of Revenues¹	42%	41%	40%	43%	44%	27%
SG&A	29%	32%	34%	29%	25%	19%
Development	13%	16%	16%	15%	14%	14%

(1) GAAP Cost of Revenues includes TAC and other cost of revenues.

Note: The percentage amounts included in the table above are based on GAAP revenues of \$6.4B in 2006 and \$7.0B in 2007 and projected GAAP revenue of \$7.2B to \$8.0B in 2008, \$10.1B in 2009, and \$13.2B in 2010.



Glossary

- **Addressable Market:** the total potential online advertising revenue Yahoo! could capture as defined by Company Market Model (see Company Market Model)
- **Affiliates:** third-party entities who have integrated Yahoo! advertising offerings into their web sites
- **CAGR:** compound annual growth rate
- **Click-Through Rate:** the ratio of the number of times a user clicks on an online advertisement to the number of times the advertisement is served
- **Company 3-Year Plan:** the three-year financial plan developed by Yahoo!'s management and presented to the Board of Directors in December 2007
- **Company Market Model:** Yahoo!'s market model creates a consensus market estimate by leveraging a comprehensive set of public, third party, and Yahoo! data and analysis. We accomplish this through macroeconomic modeling of the online advertising market, which is reconciled against third party market share data and publicly available data about individual companies' performance
- **comScore:** comScore, Inc., an Internet marketing research company that provides marketing data and services to many of the Internet's largest businesses under the brands qSearch and MediaMetrix
- **CPA:** cost per action
- **CPC:** cost per click; also known as PPC (price per click)
- **CPL:** cost per lead
- **CPM:** cost per thousand impressions
- **Demand Touched:** GAAP revenues plus Exchange Flow-Through as a percentage of the total addressable market. For purposes of calculating Demand Touched, the total addressable market is estimated using the Company Market Model



Glossary

- **Display:** as used herein refers to display advertising, typically rectangular advertising displaying logos, photos, graphics, or animation and placed adjacent to a web site's main content and usually linked to the advertiser's own web site
- **Exchange Flow-Through:** gross advertising revenue related to impressions sold through an advertising exchange such as Yahoo!'s Right Media Exchange
- **Fees:** Yahoo!'s fee-based services include Internet broadband services, sports, music, games, personals, and premium mail offerings, as well as our services for small businesses
- **Insights:** knowledge and understanding of users' interests and intent
- **Inventory:** any space on a web page available for sale to advertisers
- **M:Metrics:** M:Metrics, Inc., is a marketing research company that provides measurement of mobile media consumption and advertising
- **Must Buy:** strategic objective focused on creating platforms and solutions that make Yahoo! an integral part of advertisers' campaign planning process
- **Non-Premium:** display advertising inventory sold without guaranteed time and placement
- **O&O:** Yahoo! owned and operated sites
- **OCF (operating cash flow):** a non-GAAP measure defined as Income from operations before depreciation, amortization of intangible assets, and stock-based compensation expense
- **Open:** fostering unlimited participation and removing obstacles to increase participation by advertisers, publishers, developers, networks, and users
- **Page Views:** a web page that has been viewed by one user; for Yahoo!-specific page views, our internal estimate of the total number of pages viewed by users on Yahoo!'s O&O sites
- **Premium:** display advertising inventory sold with guaranteed time and placement
- **Queries:** searches performed by Internet users



Glossary

- **Reach:** the size of the audience that views a particular web site or group of web sites in a given time period, often discussed as a percentage of total Internet audience
- **Relevance:** providing the right online content and advertising in the right format at the right time, creating the right match between publisher, advertiser and Internet user
- **Revenue ex-TAC:** a non-GAAP measure defined as GAAP revenue less traffic acquisition costs
- **ROI:** return on investment
- **RPM:** revenue per thousand impressions
- **RPS:** revenue per search
- **Search:** as used herein refers to search advertising, a type of contextual advertising for which web site owners pay a fee, usually based on click-through or ad views, to have their ads placed on a search engine's results pages or adjacent to contextually relevant content
- **Starting Points:** strategic objective focused on capturing economic value via the most valuable traffic sources; Yahoo! has identified its five most valuable traffic sources as Home Page, Personalized Home Page (e.g., My Yahoo!), Search, Mail, and Mobile
- **Subscribers Passed:** the total number of mobile subscribers capable of receiving Yahoo! mobile services and applications
- **Targeting:** the use of demographic, geographic, behavioral, or other information to tailor online advertisements to specific audiences
- **Unique User:** an individual who visits a certain web site in a given month
- **Visits:** the number of times a unique user accesses content within a web entity with breaks between access of at least 30 minutes (as defined by comScore)
- **Volume:** a measure of units sold or user interactions
- **Yield:** revenue generated per specified unit (e.g., RPM measures revenue *yield* per one thousand impressions; RPS measures revenue per search query)
- **YoY:** year-over-year

