



**Yahoo! Inc.**  
**I-1) Condensed Consolidated Income Statement (GAAP)**  
(unaudited, in thousands, except per share amounts)

	Quarterly Data					Annual Data	
	Q1'11	Q2'11	Q3'11	Q4'11	Q1'12	FY'10	FY'11
<b>Revenue</b>	\$ 1,214,357	\$ 1,229,024	\$ 1,216,665	\$ 1,324,153	\$ 1,221,233	\$ 6,324,651	\$ 4,984,199
<b>Operating expenses:</b>							
Traffic acquisition costs	150,031	152,896	144,991	155,453	144,091	1,736,423	603,372
Cost of revenue	249,626	244,516	245,487	273,325	253,980	969,118	1,012,954
Sales and marketing	262,149	280,159	290,520	289,366	285,267	1,263,992	1,122,193
Product development	221,283	219,917	222,745	226,094	228,478	1,005,249	890,039
General and administrative	122,898	131,822	129,954	112,614	124,271	487,762	497,288
Amortization of intangibles	8,050	8,582	8,435	8,525	10,053	31,626	33,592
Restructuring charges, net	10,575	237	(2,721)	16,329	5,717	57,957	24,420
Total operating expenses	1,024,612	1,038,129	1,039,411	1,081,706	1,051,857	5,552,127	4,183,858
<b>Income from operations <sup>(1)</sup></b>	189,745	190,895	177,254	242,447	169,376	772,524	800,341
Other income (expense), net <sup>(2)</sup>	5,027	(5,666)	18,046	9,768	2,278	297,869	27,175
<b>Income before income taxes and earnings in equity interests</b>	194,772	185,229	195,300	252,215	171,654	1,070,393	827,516
Provision for income taxes	(52,120)	(55,629)	(55,731)	(78,287)	(56,419)	(221,523)	(241,767)
Earnings in equity interests	82,180	108,902	158,775	127,063	172,243	395,758	476,920
<b>Net income</b>	\$ 224,832	\$ 238,502	\$ 298,344	\$ 300,991	\$ 287,478	\$ 1,244,628	\$ 1,062,669
Less: Net income attributable to noncontrolling interests	\$ (1,840)	\$ (1,530)	\$ (5,053)	\$ (5,419)	\$ (1,135)	\$ (12,965)	\$ (13,842)
<b>Net income attributable to Yahoo! Inc. <sup>(3)</sup></b>	\$ 222,992	\$ 236,972	\$ 293,291	\$ 295,572	\$ 286,343	\$ 1,231,663	\$ 1,048,827
<b>Net income attributable to Yahoo! Inc. common stockholders per share - basic</b>	\$ 0.17	\$ 0.18	\$ 0.23	\$ 0.24	\$ 0.24	\$ 0.91	\$ 0.82
<b>Net income attributable to Yahoo! Inc. common stockholders per share - diluted</b>	\$ 0.17	\$ 0.18	\$ 0.23	\$ 0.24	\$ 0.23	\$ 0.90	\$ 0.82
Basic shares	1,309,064	1,299,947	1,253,044	1,234,904	1,215,783	1,354,118	1,274,240
Diluted shares	1,320,185	1,308,359	1,259,576	1,241,009	1,226,486	1,364,612	1,282,282
<b>Stock-based compensation expense by function:</b>							
Cost of revenue	\$ 648	\$ 875	\$ 956	\$ 1,010	\$ 2,893	\$ 3,275	\$ 3,489
Sales and marketing	\$ 6,697	\$ 19,373	\$ 16,759	\$ 22,291	\$ 21,097	\$ 71,154	\$ 65,120
Product development	\$ 17,672	\$ 25,531	\$ 21,093	\$ 25,291	\$ 19,471	\$ 106,665	\$ 89,587
General and administrative	\$ 10,099	\$ 13,269	\$ 12,139	\$ 10,255	\$ 12,505	\$ 42,384	\$ 45,762
Restructuring expense (reversals) acceleration, net	\$ (752)	\$ (526)	\$ -	\$ 1,492	\$ -	\$ (4,211)	\$ 214

<sup>(1)</sup> Income from operations for each period may include certain items that the Company does not consider indicative of its ongoing operating results, see Non-GAAP Income from operations in Item I-4.

<sup>(2)</sup> FY'10 includes a \$66 million pretax gain on the sale of Zimbra, Inc., and a \$186 million pretax gain on the sale of HotJobs.

<sup>(3)</sup> Net income attributable to Yahoo! Inc. for each period may include certain items that the Company does not consider indicative of its ongoing results, see Non-GAAP Net income in Item I-4.