



Yahoo! Reports Profitable First Quarter Results

Company Posts \$30.2 Million in Revenues and \$4,285,000 in Net Income

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SANTA CLARA, Calif. -- April 8, 1998 --

Yahoo! Inc. (NASDAQ: YHOO) today reported revenues totaling \$30,206,000 for the first quarter ended March 31, 1998, a 20 percent increase over revenues of \$25,105,000 reported in the fourth quarter ended Dec. 31, 1997 and a 200 percent increase over the comparable period in the previous year. Net income for the first quarter was \$4,285,000 or \$0.08 per share diluted, compared to a pro forma net income of \$2,574,000 or \$0.05 per share diluted in the fourth quarter ended Dec. 31, 1997 (fourth quarter pro forma net income excludes the one-time charge of \$3,850,000 incurred in connection with the acquisition of Four11 Corporation) and a net loss of \$740,000 or \$0.02 per share diluted for the comparable period in the previous year.

Yahoo! also announced that traffic on the Yahoo! global network of properties increased to an average of 95 million page views per day during the month of March 1998, compared to an average of 65 million page views per day in December 1997. Yahoo! Japan, which is included in the above page view totals, increased to an average of approximately 6 million page views per day during the month of March 1998 from an average of approximately 5 million per day in December 1997. A page view is defined as one electronic page of information displayed in response to a user request.

Yahoo! continues to have the largest audience of any Web site or online service with more than 30 million unique, adult users during March in the United States alone. Yahoo! today also announced it has more than 12 million unique registered users, reflecting the number of people who have submitted personal data for Yahoo!'s universal registration process. These registered members now have access to My Yahoo!, Yahoo! Mail, Yahoo! Pager, Yahoo! Chat, Message Boards, Stock Portfolios, Yahoo! Classifieds and Yahoo! Games. As a result of its growing audience base and popularity, Yahoo! is ranked No. 1 in reach among all Web sites with work users (49 percent) and is second only to AOL among home users (43 percent), according to Media Metrix (February 1998).

"We continued to experience strong growth in both user traffic and the number of Yahoo! registered members during the quarter," said Tim Koogle, president and chief executive officer of Yahoo!. "From the beginning, our intent has been to create the only place in the world that anyone would have to go to find, and get connected to, anything or anybody. Having executed on this over time, Yahoo! has proven to be a powerful distribution platform for a wide range of content, merchant, communication and community services partners. We will continue to focus on building our strong, trusted brand, delivering quality content and services, and aggressively growing our global audience as well as our advertising and commerce revenue."

Shopping

Yahoo! expanded its shopping services during the quarter with several new premier merchants. Egghead.com and Tech Wave joined Yahoo!'s premier merchant program, providing Yahoo! users with convenient access to computer hardware and software products. CDnow expanded its agreement with Yahoo! to become the premier music retailer in Yahoo! Mail and Yahoo!'s music chat rooms. E-Loan, InsWeb, Intuit, and Quick & Reilly joined Yahoo! Finance to provide loan, insurance, income tax, and online stock transaction resources, respectively. IDT is now providing Yahoo! users with the ability to make computer-to-telephone calls. Also, cybermeals joined Yahoo! to provide local take-out and delivery service from restaurants nationwide. During the quarter, Yahoo! expanded its product and price comparison shopping service to additional popular categories in the Visa Shopping Guide by Yahoo! including apparel, computer software and printers, general merchandise, gifts, movies and outdoor equipment. In addition, Yahoo! unveiled the Yahoo! Platinum Visa card, combining a low annual APR of 9.99 percent, no annual fee, an online rewards program, protection against unauthorized use and an easy way to access and manage one's account online.

Programming

Yahoo! continued to expand its programming during the quarter. The company enhanced its popular Yahoo! Finance site with the introduction of the Loan Center, a resource for researching, pre-qualifying and applying for home loans; the Tax Center, featuring resources, advice, forms and information for filing 1997 income tax returns; and the Insurance Center, a comprehensive resource for auto, life, health and homeowners/renters insurance. Yahoo! also introduced Yahoo! Seniors' Guide, providing targeted content sites, interactive features and a special chat area for this large and growing audience. The company launched Yahoo! TV Coverage, a comprehensive nationwide television resource with TV listings personalized to the users' local area and interests, TV-related content and Web sites, events and chat. Yahoo! Games debuted during the quarter, enabling users to play free Java-based games with others connected to the Internet. In the sports arena, Yahoo! provided full coverage of the 1998 Olympic Winter Games in Nagano in seven languages.

Communication Services

During the first quarter, Yahoo! enhanced its comprehensive suite of communication services for Web users. The company introduced Yahoo! Pager, an instant messaging feature enabling members to instantly link to others and communicate one-on-one in real time. Yahoo! also gave its users the ability to place telephone calls through the Internet, saving up to 95 percent on long-distance calls using IDT's Net2Phone service. During the quarter, Yahoo! and Time Inc. New Media launched a new Yahoo! Chat arena featuring celebrity and expert chats conducted by People, Time, Money and ParentTime.

Expanding Audience

In the first quarter, Yahoo! extended its brand, services and distribution both online and offline. The company entered a co-marketing distribution agreement with MCI and launched Yahoo! Online powered by MCI Internet, a comprehensive easy-to-use online service providing an alternative for individuals wanting access to the Internet from home.

International Growth

Along with Yahoo!'s growth in the U.S., its international network of properties outside the U.S. has experienced strong growth in recent months. Yahoo! Korea (www.yahoo.co.kr), the newest of Yahoo!'s sites in Asia, has already reached approximately one million page views per day since being launched in September 1997. In Europe, Yahoo!'s U.K./Ireland site (www.yahoo.co.uk) was recently ranked the most popular among all U.K. Web sites with three times more traffic than the next closest site (New Media Age, February 1998). Yahoo! Deutschland (www.yahoo.de) is ranked No. 1 in reach (44.5 percent) and is the most regularly used navigational guide on the Internet in Germany (GfK Online Monitor, February 1998). Yahoo! France (www.yahoo.fr) is ranked No. 1 in reach among all Web sites in France, with 55.3 percent of all Internet users using the site in a one-week period (Etude Motivation Online, January 1998).

About Yahoo!

Yahoo! Inc. (NASDAQ:YHOO) is a global Internet media company that offers a network of branded Web programming serving millions of users daily. As the first navigational guide to the Web, www.yahoo.com is the single largest guide in terms of traffic, advertising, household and business user reach, and is one of the most recognized brands associated with the Internet. Yahoo! Inc. provides targeted Internet resources and communications services for a broad range of audiences, based on demographic, key-subject and geographic interests. Yahoo! is headquartered in Santa Clara, Calif.

This announcement contains forward looking statements that involve risks and uncertainties, including those relating to the company's ability to grow its user and advertiser base, and advertising and commerce revenues. Actual results may differ materially from the results predicted and reported results should not be considered an indication of future performance. The potential risks and uncertainties include, among others, the company's limited operating history, the increasingly competitive environment for Web services and advertising sales, the early stage of the Web as an advertising medium, and the company's dependence on advertising revenues and third parties for technology, content and distribution. More information about potential factors that could affect the company's business and financial results is

included in the company's annual report on Form 10-K for the year ended Dec. 31, 1997, including (without limitation) under the captions, "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Risk Factors," "Competition" and "Proprietary Rights," which is on file with the [Securities and Exchange Commission](#).

[Click for Yahoo! Inc. Condensed Consolidated Balance Sheets](#)

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