



Yahoo! Outlines Restructuring

SUNNYVALE, Calif.--(BUSINESS WIRE)-- Yahoo! today confirmed that it is taking important next steps to reshape the company for the future.

"Today's actions are an important next step toward a bold, new Yahoo! — smaller, nimbler, more profitable and better equipped to innovate as fast as our customers and our industry require. We are intensifying our efforts on our core businesses and redeploying resources to our most urgent priorities. Our goal is to get back to our core purpose — putting our users and advertisers first — and we are moving aggressively to achieve that goal," said Scott Thompson, CEO of Yahoo!. "Unfortunately, reaching that goal requires the tough decision to eliminate positions. We deeply value our people and all they've contributed to Yahoo!."

Yahoo! has a solid foundation — nearly 700 million users and thousands of advertisers that engage with Yahoo! properties regularly and trust the company with their data and their business. Through its restructuring efforts, Yahoo! intends to grow by responding more quickly to customer needs and competing more effectively in areas where it can win. Yahoo! has identified key parts of the business — a select group of core businesses, the platforms that support those core businesses, and the data that drives deep personalization for users and ROI for advertisers — where the company will intensify efforts and redeploy resources globally, all focused on increasing shareholder value. With a clear focus on profitability and growth, the company will be disciplined in its investments and radically simplify how it builds, launches and maintains many of its properties and products.

Today, the company will begin the process of informing employees about these changes. As part of that effort, approximately 2,000 people will be notified of job elimination or phased transition.

Yahoo! expects to realize approximately \$375 million of annualized savings upon completion of all employee transitions. The company currently expects to recognize the majority of an estimated \$125 to \$145 million pretax cash charge relating to employee severance in its second quarter financial results. The company may incur additional charges in connection with this action. More information will be provided about Yahoo!'s future direction in conjunction with the release of its first quarter financial results on April 17, 2012.

About Yahoo!

Yahoo! is the premier digital media company, creating deeply personal digital experiences that keep more than half a billion people connected to what matters most to them, across devices and around the globe. And Yahoo!'s unique combination of Science + Art + Scale connects advertisers to the consumers who build their businesses. Yahoo! is headquartered in Sunnyvale, California. For more information, visit the pressroom (pressroom.yahoo.net) or the company's blog, Yodel Anecdotal (yodel.yahoo.com).

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Forward Looking Statements

This press release contains forward-looking statements concerning Yahoo!'s strategic plans, growth opportunities and expected financial performance. Risks and uncertainties may cause actual results to differ materially from the results predicted. The potential risks and uncertainties include, among others, the costs and management distraction attendant to a proxy contest; the impact of management and organizational changes; the implementation and results of any strategic plans as well as Yahoo!'s ongoing strategic and cost initiatives; Yahoo!'s ability to compete with new or existing competitors; reduction in spending by, or loss of, advertising customers; the demand by customers for Yahoo!'s premium services; interruptions or delays in the provision of Yahoo!'s services; security breaches; acceptance by users of new products and services; risks related to joint ventures and the integration of acquisitions; risks related to Yahoo!'s international operations; failure to manage growth and diversification; adverse results in litigation, including intellectual property infringement claims and recent derivative and class actions related to Alipay; Yahoo!'s ability to protect its intellectual property and the value of its brands; dependence on key personnel; dependence on third parties for technology, services, content, and distribution; general economic conditions and changes in economic conditions; transition and implementation risks associated with the Search Agreement with Microsoft Corporation; and risks that the benefits of the Framework Agreement Yahoo! entered into with Alibaba Group, Softbank Corporation and certain other parties regarding Alipay may not be realized. All information set forth in this press release and its

attachments is as of April 4, 2012. Yahoo! does not intend, and undertakes no duty, to update this information to reflect subsequent events or circumstances. 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, 2011, which is on file with the Securities and Exchange Commission ("SEC") and available at the SEC's website at www.sec.gov.

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