Yahoo! Inc.

II-2) Key Financial and Operational Measures [6]

(unaudited, in thousands, except headcount and percentages)

	Quarterly Data					Annual Data	
	Q1'12	Q2'12	Q3'12	Q4'12	Q1'13	FY'11	FY'12
Revenue for groups of similar services:							
Display	$ 511,217	$ 534,972	$ 506,002	$ 590,627	$ 455,071	$ 2,160,309	$ 2,142,818
Search	470,397	460,969	472,537	481,957	424,687	1,853,110	$ 1,885,860
Other	239,619	221,853	223,193	273,223	260,610	970,780	$ 957,888
Total Revenue	$ 1,221,233	$ 1,217,794	$ 1,201,732	$ 1,345,807	$ 1,140,368	$ 4,984,199	$ 4,986,566
Revenue ex-TAC [7] for groups of similar services:							
GAAP display revenue	$ 511,217	$ 534,972	$ 506,002	$ 590,627	$ 455,071	$ 2,160,309	$ 2,142,818
TAC associated with display revenue	(57,426)	(61,552)	(54,361)	(70,218)	(53,047)	(227,822)	$ (243,557)
Display revenue ex-TAC	$ 453,791	$ 473,420	$ 451,641	$ 520,409	$ 402,024	$ 1,932,487	$ 1,899,261
GAAP search revenue	$ 470,397	$ 460,969	$ 472,537	$ 481,957	$ 424,687	$ 1,853,110	$ 1,885,860
TAC associated with search revenue for non-transitioned markets	(86,665)	(75,473)	(58,468)	(54,743)	(16,057)	(375,409)	$ (275,349)
Search revenue ex-TAC	$ 383,732	$ 385,496	$ 414,069	$ 427,214	$ 408,630	$ 1,477,701	$ 1,610,511
Other GAAP revenue	$ 239,619	$ 221,853	$ 223,193	$ 273,223	$ 260,610	$ 970,780	$ 957,888
TAC associated with other GAAP revenue	-	-	-	-	3,036	(140)	$ -
Other revenue ex-TAC	$ 239,619	$ 221,853	$ 223,193	$ 273,223	$ 263,646	$ 970,640	$ 957,888
Revenue ex-TAC:							
GAAP Revenue	$ 1,221,233	$ 1,217,794	$ 1,201,732	$ 1,345,807	$ 1,140,368	$ 4,984,199	$ 4,986,566
TAC	(144,091)	(137,025)	(112,829)	(124,961)	(66,068)	(603,371)	(518,906)
Revenue ex-TAC	$ 1,077,142	$ 1,080,769	$ 1,088,903	$ 1,220,846	$ 1,074,300	$ 4,380,828	$ 4,467,660
Adjusted EBITDA [8]	$ 384,307	$ 397,715	$ 407,793	$ 509,024	$ 385,605	$ 1,654,583	$ 1,698,839
Free cash flow [9]	$ 195,823	$ 93,390	$ 920,424	$ (2,044,502)	$ 149,908	$ 725,801	$ (834,865)
Operating metrics:							
Worldwide headcount	14,000	12,500	12,000	11,500	11,300	14,100	11,500
Reconciliation of Net income attributable to Yahoo! Inc. to Adjusted EBITDA:							
Net income attributable to Yahoo! Inc.	$ 286,343	$ 226,631	$ 3,160,238	$ 272,267	$ 390,285	$ 1,048,827	$ 3,945,479
Depreciation and amortization	153,248	157,739	169,511	168,769	162,092	625,864	649,267
Stock-based compensation expense	55,966	49,571	61,366	57,462	44,605	203,958	224,365
Restructuring charges, net[10]	5,717	129,092	24,727	(6,794)	(7,062)	24,420	152,742
Other income, net	(2,278)	(20,175)	(4,607,656)	(17,730)	(17,072)	(27,175)	(4,647,839)
Provision for income taxes	56,419	26,523	1,774,094	83,007	29,736	241,767	1,940,043
Earnings in equity interests	(172,243)	(179,991)	(175,265)	(148,939)	(217,588)	(476,920)	(676,438)
Net income attributable to noncontrolling interests	1,135	1,825	778	1,385	609	13,842	5,123
Deal-related expenses	-	6,500	-	-	-	-	6,500
Costs associated with the Korea business and its closure[10]	-	-	-	99,485	-	-	99,485
Adjusted EBITDA	$ 384,307	$ 397,715	$ 407,793	$ 508,912	$ 385,605	$ 1,654,583	$ 1,698,839

[6] This presentation is not prepared under a comprehensive set of accounting rules or principles such as GAAP. See Notes to Condensed Consolidated Financial Information for further explanation of non-GAAP financial measures.

[7] Revenue excluding traffic acquisition costs (or revenue ex-TAC) is a non-GAAP financial measure, see Notes to Condensed Consolidated Financial Information.

[8] Adjusted EBITDA is a non-GAAP financial measure, see Notes to Condensed Consolidated Financial Information.

[9] Free cash flow is a non-GAAP financial measure, see Notes to Condensed Consolidated Financial Information. Q3'12 and FY'12 include a payment of $550 million from Alibaba in satisfaction of certain future royalty payments under the existing technology and intellectual property license agreement with Alibaba. Q4'12 and FY'12 include a $2.3 billion cash tax payment related to the sale of Alibaba shares.

[10] For Q4'12 and FY'12, costs associated with the Korea business and its closure include $83 million of restructuring charges.