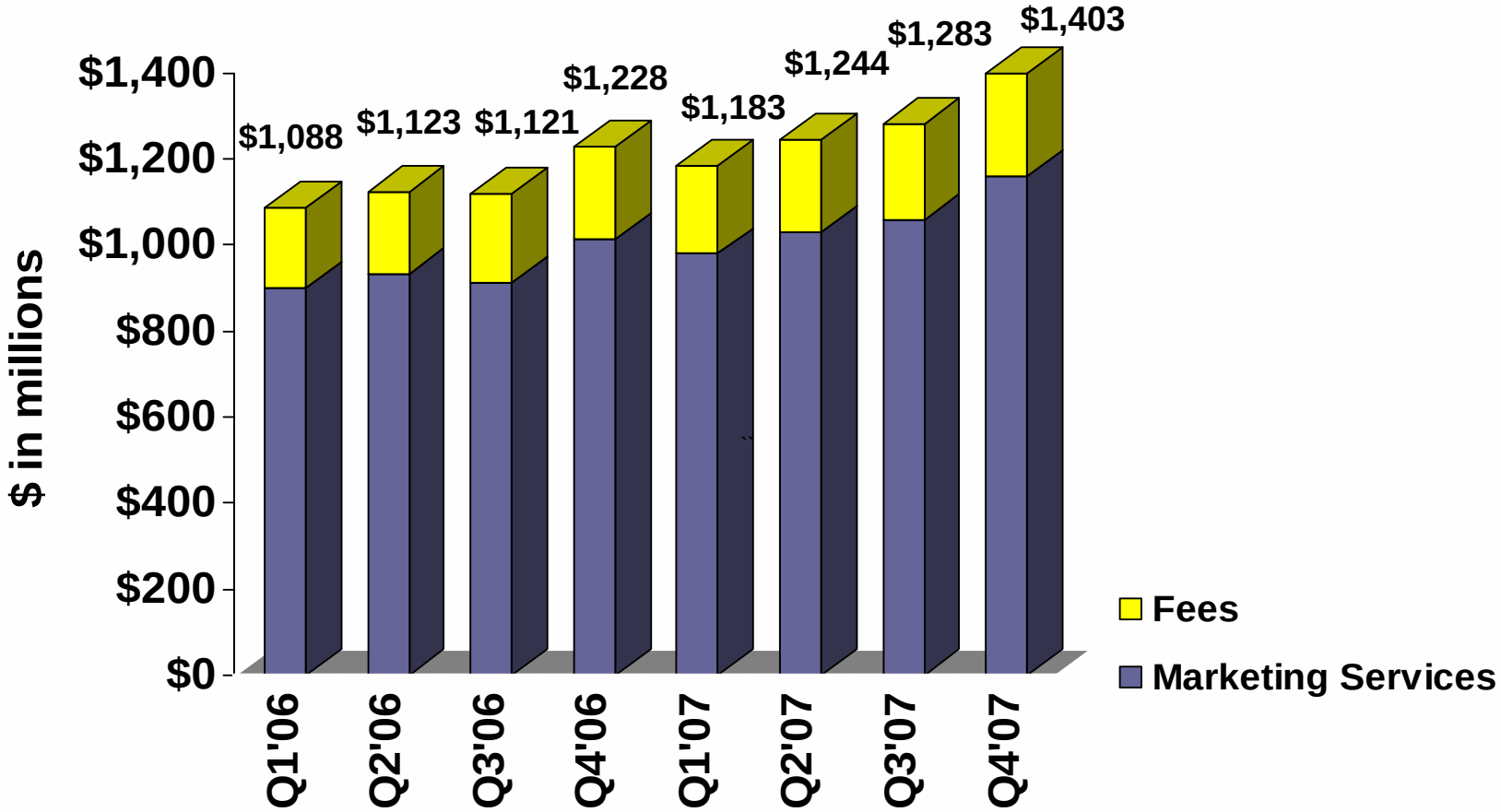
Q4’07 Financial Highlights

January 29, 2008

Note:

The matters discussed in this presentation contain forward-looking statements that involve risks and uncertainties concerning Yahoo!'s expected financial performance, as well as Yahoo!'s strategic and operational plans. Actual results may differ materially from the results predicted, and reported results should not be considered as an indication of future performance. 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 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; and general economic conditions. All information in this presentation is as of January 29, 2008 and Yahoo! does not intend, and undertakes no duty, to update this information to reflect future events or circumstances. More information about potential factors that could affect Yahoo!'s business and financial results is included in Yahoo!'s Annual Report on Form 10-K for the fiscal year ended December 31, 2006 and the Quarterly Report on Form 10-Q for the quarter ended September 30, 2007, which are on file with the Securities and Exchange Commission ("SEC") and available online at www.sec.gov.

Quarterly Revenue ex-TAC Trends



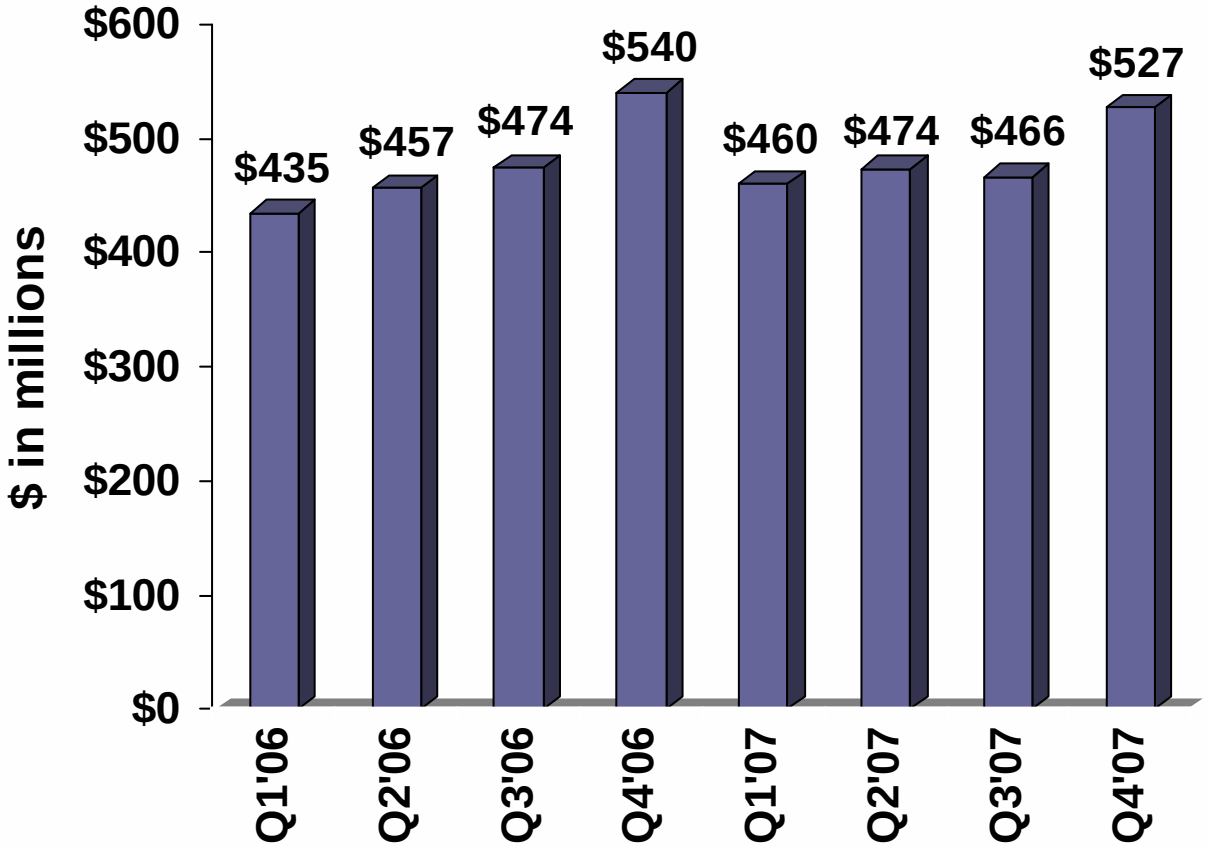
Note: Revenue excluding traffic acquisition costs (Revenue ex-TAC) is a non-GAAP measure defined as Gross Profit plus Other Cost of Revenues.
Please refer to supporting Table 1 for Revenue ex-TAC reconciliation.
Throughout this presentation, we have rounded numbers as appropriate.

Revenue and Revenue ex-TAC Comparisons

$ in millions	Q4'06	Q3'07	*Q4'07*	Q4'07 YOY	Q4'07 QOQ
Revenues for Groups of Similar Services					
Marketing Services:					
Owned and Operated sites(1)	$853.2	$923.2	***$1,035.4***	21%	12%
Affiliate sites(2)	636.6	620.4	***554.6***	(13%)	(11%)
Fees	212.7	223.9	***242.0***	14%	8%
Total Revenue	**$1,702.4**	**$1,767.5**	***$1,832.0***	**8%**	**4%**
Revenue ex-TAC					
United States	$921.9	$962.1	***$1,057.8***	15%	10%
International	306.0	320.5	***345.3***	13%	8%
Total	**$1,227.9**	**$1,282.6**	***$1,403.1***	**14%**	**9%**

Note: Revenue excluding traffic acquisition costs (Revenue ex-TAC) is a non-GAAP measure defined as Gross Profit plus Other Cost of Revenues. Please refer to supporting Table 1 for Revenue ex-TAC reconciliation.
(1) Refers to Yahoo!'s owned and operated online properties and services.
(2) Refers to Yahoo!'s distribution network of third-party entities who have integrated Yahoo!'s advertising offerings into their websites or their other offerings.

Operating Cash Flow (OCF) Trends



OCF as a % of Rev ex-TAC:	Q1'06	Q2'06	Q3'06	Q4'06	Q1'07	Q2'07	Q3'07	Q4'07
	40%	41%	42%	44%	39%	38%	36%	38%

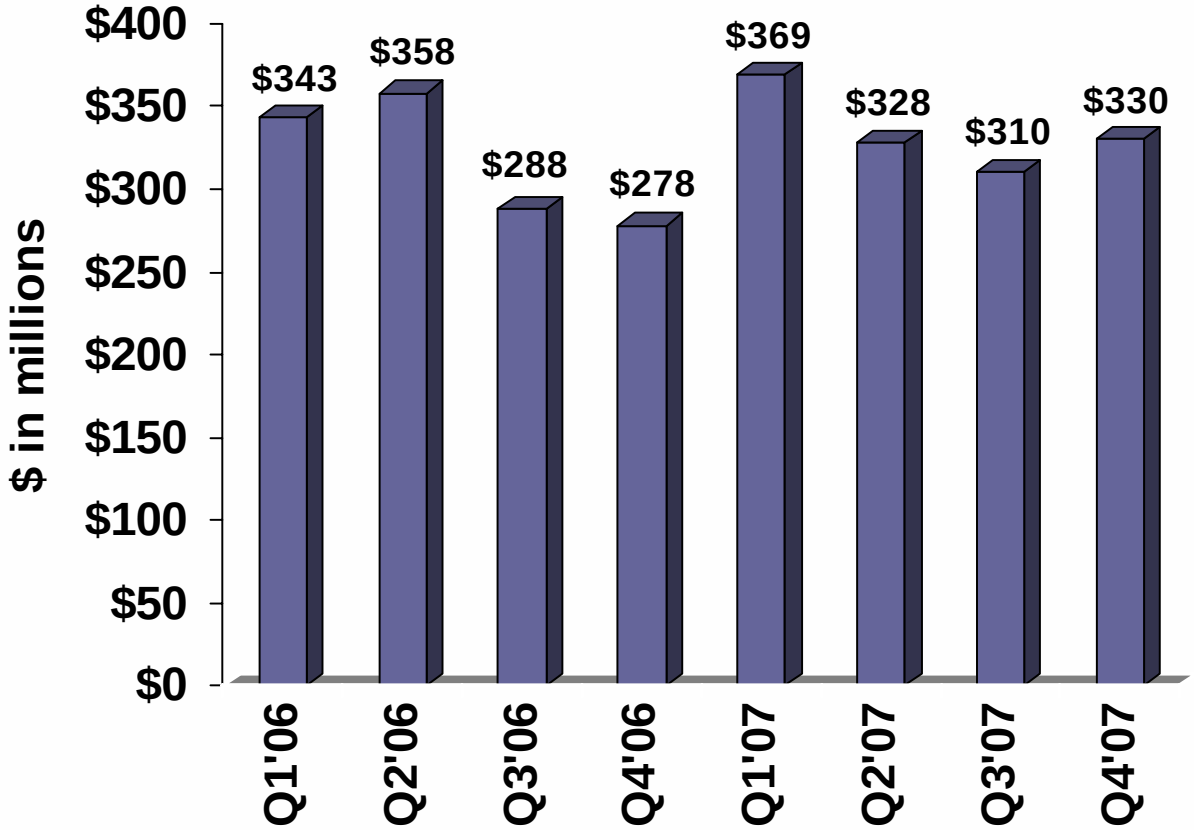
Note: Operating Cash Flow (OCF) is also referred to as Operating Income Before Depreciation, Amortization, and Stock-Based Compensation Expense. Operating Cash Flow is a non-GAAP measure defined as Income from operations before depreciation, amortization of intangible assets, and stock-based compensation expense (including the compensation of Terry Semel, who served as our chief executive officer through June 18, 2007 and whose compensation after June 1, 2006 consisted almost entirely of stock-based compensation). Please refer to supporting Table 2 for Operating Cash Flow reconciliation and Table 11 for GAAP Operating Income as a Percentage of Gross Profit by Segment.

Operating Cash Flow Comparisons

$ in millions	Q4'06	Q3'07	*Q4'07*	Q4'07 YOY	Q4'07 QOQ
Operating Cash Flow					
United States	$410.2	$338.4	***$391.3***	(5%)	16%
International	130.2	127.9	***135.7***	4%	6%
Total	**$540.4**	**$466.3**	***$527.1***	**(2%)**	**13%**
Operating Cash Flow as a Percent of Revenue ex-TAC					
United States	44%	35%	***37%***		
International	43%	40%	***39%***		
Total	**44%**	36%	***38%***		

Note: Operating Cash Flow is a non-GAAP measure defined as Income from operations before depreciation, amortization of intangible assets, and stock-based compensation expense (including the compensation of Terry Semel, who served as our chief executive officer through June 18, 2007 and whose compensation after June 1, 2006 consisted almost entirely of stock-based compensation). Please refer to supporting Table 2 for Operating Cash Flow reconciliation and Table 11 for GAAP Operating Income as a Percentage of Gross Profit by Segment.

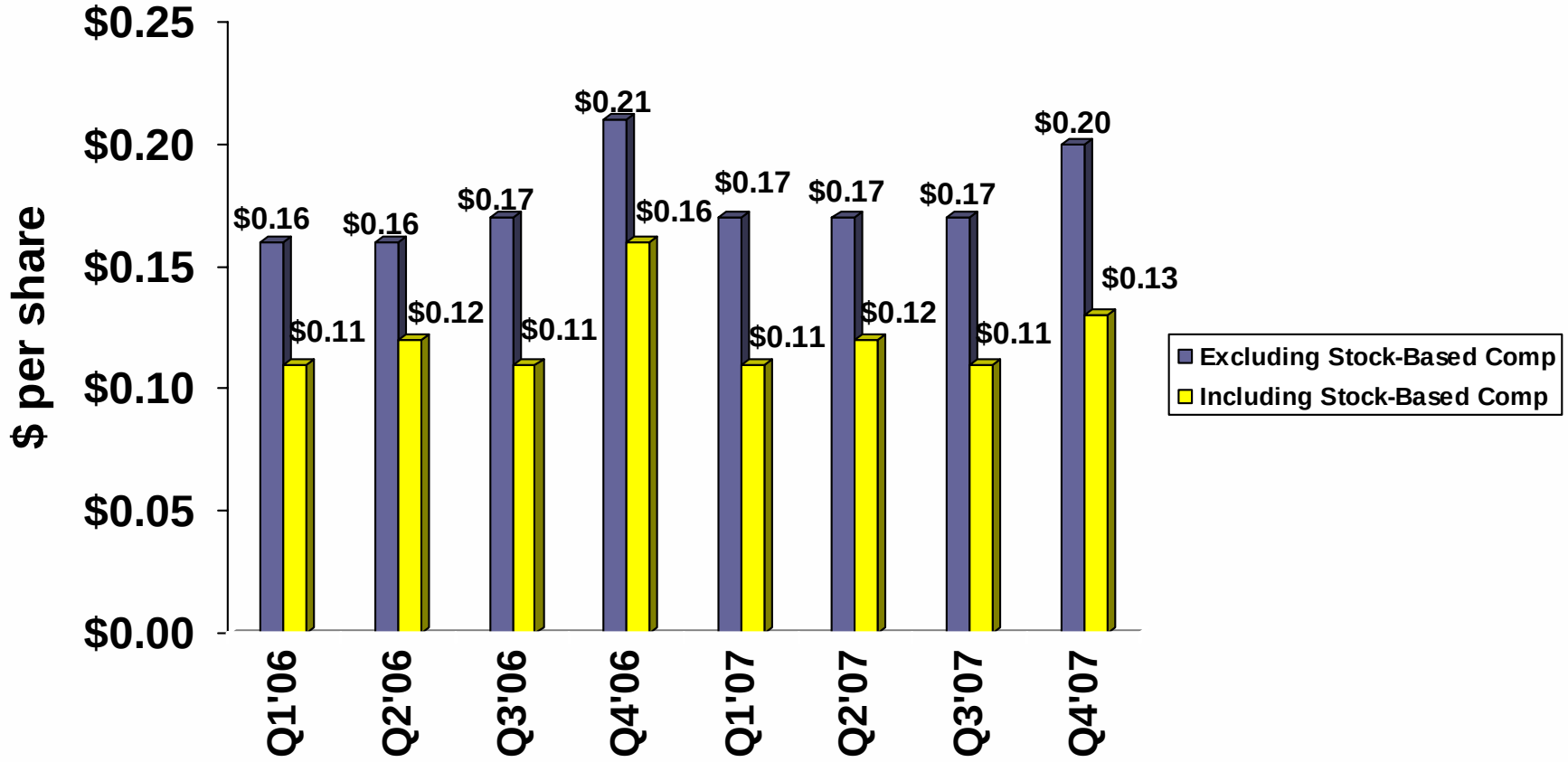
Free Cash Flow (FCF) Trends



	Q1'06	Q2'06	Q3'06	Q4'06	Q1'07	Q2'07	Q3'07	Q4'07
FCF as a % of OCF:	79%	78%	61%	51%	80%	69%	66%	63%

Note: Free Cash Flow (FCF) is a non-GAAP measure defined as cash flow from operating activities (adjusted to include excess tax benefits from stock-based compensation), less net capital expenditures and dividends received. Please refer to supporting Table 3 for FCF reconciliation and Table 12 for Cash Flow from Operations as a Percentage of Operating Income and as a Percentage of Gross Profit.

Non-GAAP Net Income Per Share Trends



Note: All per share amounts are based on fully diluted share counts. The first column in each pair of columns represents a non-GAAP net income per share financial measure that excludes stock-based compensation expense calculated under the fair value method under Statement of Financial Accounting Standard No. 123 (revised 2004), "Share-Based Payment" ("SFAS 123R") for all periods presented. The values in the second column include stock-based compensation expense calculated under the fair value method under SFAS 123R for all periods presented. Please refer to supporting Tables 4 through 7 for details of adjustments and the reconciliation of GAAP net income per share to non-GAAP net income per share.

Key Operational & Balance Sheet Metrics

$ in millions except where noted	Q1'06	Q2'06	Q3'06	Q4'06	Q1'07	Q2'07	Q3'07	*Q4'07*
Cash & Marketable Debt Securities	$3,833	$3,965	$3,230	$3,537	$3,128	$3,152	$2,763	***$2,363***
Accounts Receivable, net	$767	$792	$784	$931	$893	$892	$950	***$1,056***
DSO (in days)	44	46	46	50	48	48	49	***53***
Current Deferred Revenue	$324	$349	$329	$318	$331	$342	$337	***$368***
Ending Employees (ones)	10,100	10,500	11,000	11,400	11,700	12,400	13,600	***14,300***

Note: In Q4'07, the cash and marketable debt securities balance was $2,363 million, a decrease of $400 million from Q3'07, due to $330 million of Free Cash Flow (see supporting Table 3 for Free Cash Flow reconciliation) and $131 million of cash generated from the issuance of common stock as a result of the exercise of employee stock options, offset by $221 million used in direct stock repurchases and a net $618 million used for acquisitions.

Business Outlook

$ in millions	*Current Outlook*	
	Q1'08	*FY'08*
Revenues	***$1,680-$1,840***	***$7,200-$8,000***
Revenue ex-TAC	***$1,280-$1,380***	***$5,350-$5,950***
Operating Cash Flow (OCF)	***$400-$450***	***$1,725-$1,975***
Free Cash Flow (FCF)	**-**	***$850-$1,000***
Capital Expenditures	**-**	***$675-$775***

Note: The current outlook is as of January 29, 2008. Yahoo! does not intend, and undertakes no duty, to update this information to reflect future events or circumstances.
Please refer to supporting Tables 8, 9 and 10 for Revenue ex-TAC, Operating Cash Flow and Free Cash Flow outlook reconciliations.

Table 1 – Revenue ex-TAC Calculation by Segment

Reconciliation of Gross Profit to Revenue ex-TAC

$ in million	Q1'06	Q2'06	Q3'06	Q4'06	Q1'07	Q2'07	Q3'07	*Q4'07*
United States								
Gross Profit	$682.4	$679.1	$654.2	$746.1	$701.8	$752.6	$752.5	***$836.4***
Other Cost of Revenues	144.3	157.4	182.4	175.8	181.2	183.1	209.6	***221.4***
Revenue ex-TAC	**$826.7**	**$836.5**	**$836.6**	**$921.9**	**$882.9**	**$935.7**	**$962.1**	***$1,057.8***
International								
Gross Profit	$226.7	$251.0	$245.0	$265.4	$256.5	$262.3	$274.8	***$293.7***
Other Cost of Revenues	34.3	35.2	39.9	40.6	43.7	45.8	45.7	***51.7***
Revenue ex-TAC	**$261.0**	**$286.2**	**$284.9**	**$306.0**	**$300.1**	**$308.1**	**$320.5**	***$345.3***
Worldwide								
Gross Profit	$909.1	$930.1	$899.2	$1,011.6	$958.2	$1,014.9	$1,027.3	***$1,130.1***
Other Cost of Revenues	178.6	192.6	222.3	216.4	224.9	228.9	255.3	***273.0***
Revenue ex-TAC	**$1,087.7**	**$1,122.7**	**$1,121.5**	**$1,227.9**	**$1,183.1**	**$1,243.8**	**$1,282.6**	***$1,403.1***

Note: Revenue ex-TAC is a non-GAAP measure defined as Gross Profit plus Other Cost of Revenues.

Table 2 – Operating Cash Flow Calculation by Segment

Reconciliation of Operating Income to Operating Cash Flow

$ in millions	Q1'06	Q2'06	Q3'06	Q4'06	Q1'07	Q2'07	Q3'07	*Q4'07*
United States								
Operating Income	$137.0	$148.1	$132.3	$215.5	$92.8	$116.9	$68.6	***$102.4***
Depreciation & Amortization	100.6	103.1	123.2	110.3	121.8	129.9	139.8	***144.8***
Stock-Based Compensation Expense	97.8	89.4	110.1	84.5	126.9	115.6	130.0	***144.1***
Operating Cash Flow	**$335.3**	**$340.6**	**$365.6**	**$410.2**	**$341.5**	**$362.3**	**$338.4**	***$391.3***
International								
Operating Income	$64.3	$81.4	$70.0	$92.3	$76.2	$68.1	$81.6	***$88.8***
Depreciation & Amortization	24.5	24.5	26.7	27.2	29.2	30.0	30.8	***33.0***
Stock-Based Compensation Expense	10.9	10.4	11.4	10.6	13.1	13.2	15.5	***14.0***
Operating Cash Flow	**$99.7**	**$116.3**	**$108.2**	**$130.2**	**$118.5**	**$111.3**	**$127.9**	***$135.7***
Worldwide								
Operating Income	$201.2	$229.6	$202.3	$307.8	$169.0	$185.0	$150.2	***$191.2***
Depreciation & Amortization	125.1	127.5	149.9	137.5	151.0	159.9	170.6	***177.7***
Stock-Based Compensation Expense	108.6	99.7	121.5	95.1	140.0	128.8	145.5	***158.1***
Operating Cash Flow	**$434.9**	**$456.9**	**$473.7**	**$540.4**	**$460.0**	**$473.6**	**$466.3**	***$527.1***

Note: 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 (including the compensation of Terry Semel, who served as our chief executive officer through June 18, 2007 and whose compensation after June 1, 2006 consisted almost entirely of stock-based compensation). Stock-based compensation expense includes the impact of the adoption of SFAS 123R.

Table 3 - Free Cash Flow Calculation

Reconciliation of Cash Flow from Operating Activities to FCF

$ in millions	Q1'06	Q2'06	Q3'06	Q4'06	Q1'07	Q2'07	Q3'07	*Q4'07*
Free Cash Flow								
Cash Flow from Operating Activities	$384.9	$429.7	$389.7	$167.4	$441.2	$405.6	$456.7	***$657.3***
Excess Tax Benefits from Stock-Based Comp	99.8	116.1	139.0	242.2	45.5	82.4	-	***(134.5)***
Acquisition of Property & Equipment, Net	(141.7)	(175.1)	(240.7)	(131.6)	(118.0)	(144.7)	(147.2)	***(192.4)***
Dividends Received	-	(12.9)	-	-	-	(15.2)	-	-
Total	**$342.9**	**$357.8**	**$287.9**	**$278.0**	**$368.8**	**$328.2**	**$309.6**	***$330.4***

Note: Free Cash Flow (FCF) is a non-GAAP measure defined as cash flow from operating activities (adjusted to include excess tax benefits from stock-based compensation), less net capital expenditures and dividends received. The excess tax benefits from stock-based compensation, as reported on the statements of cash flows in financing activities, represent the reduction in income taxes otherwise payable during the period, attributable to the actual gross tax benefits in excess of the expected tax benefits for options exercised in current and prior periods.

Table 4 – Non-GAAP Net Income Per Share Calculation (Including Stock-Based Comp Expense)

Reconciliation of GAAP Net Income and GAAP Net Income Per Share to Non-GAAP Net Income and Non-GAAP Net Income Per Share

$ in millions except per share amounts	Q1'06	Q2'06	Q3'06	Q4'06	Q1'07	Q2'07	Q3'07	*Q4'07*
GAAP Net Income	$159.9	$164.3	$158.5	$268.7	$142.4	$160.6	$151.3	***$205.7***
Adjustments	1.2	8.5	1.9	(39.5)	10.1	1.0	0.6	***(19.9)***
Non-GAAP Net Income, Including FV Stock-Based Comp Expense	**$161.0**	**$172.8**	**$160.4**	**$229.2**	**$152.5**	**$161.6**	**$151.9**	***$185.8***
GAAP Net Income Per Share	$0.11	$0.11	$0.11	$0.19	$0.10	$0.11	$0.11	*$0.15*
Non-GAAP Net Income/Share, Incl. FV Stock-Based Comp Expense	**$0.11**	**$0.12**	**$0.11**	**$0.16**	**$0.11**	**$0.12**	**$0.11**	***$0.13***
Diluted Shares Outstanding	1,493.3	1,476.6	1,442.4	1,419.1	1,418.2	1,403.8	1,395.1	***1,394.7***

Note: All per share amounts are based on fully diluted share counts. Please refer to supporting Table 5 for details on Adjustments.

Table 5 – Non-GAAP Net Income Calculation (Including Stock-Based Comp Expense)

Reconciliation of GAAP Net Income to Non-GAAP Net Income, With Details on Adjustments

in thousands		Q1'06	Q2'06	Q3'06	Q4'06	Q1'07	Q2'07	Q3'07	Q4'07
GAAP Net income		$ 159,859	$ 164,330	$ 158,529	$ 268,673	$ 142,424	$ 160,567	$ 151,286	$ 205,723
(a)	Reversal of an earn-out accrual	-	-	(10,000)	-	-	-	-	-
(b)	Non-cash gain arising from increased dilution of our ownership in Alibaba, resulting in the recognition of a further gain on the sale of Yahoo! China	-	-	(14,316)	-	(400)	(417)	(407)	(6,842)
(c)	To adjust the provision for income taxes to eliminate tax charges and credits related to tax adjustments recorded in the current period	-	-	17,349	(28,690)	1,682	(3,168)	(11,808)	(37,298)
(d)	To adjust the provision for income taxes to reflect an effective tax rate and to reflect tax impact of items (a) - (b)	1,173	8,457	8,857	(10,820)	8,841	4,575	12,855	24,201
Non-GAAP Net income									
- including stock- based compensation expense under the fair- value method and excluding other items		$ 161,032	$ 172,787	$ 160,419	$ 229,163	$ 152,547	$ 161,557	$ 151,926	$ 185,784

Table 6 – Non-GAAP Net Income Per Share Calculation (Excluding Stock-Based Comp Expense)

Reconciliation of GAAP Net Income and GAAP Net Income Per Share to Non-GAAP Net Income and Non-GAAP Net Income Per Share

$ in millions except per share amounts	Q1'06	Q2'06	Q3'06	Q4'06	Q1'07	Q2'07	Q3'07	*Q4'07*
GAAP Net Income	$159.9	$164.3	$158.5	$268.7	$142.4	$160.6	$151.3	***$205.7***
Add: Stock-Based Compensation Expense	108.6	99.7	121.5	95.1	140.0	128.8	145.5	***158.1***
Other Adjustments	(35.2)	(23.5)	(39.9)	(67.3)	(46.0)	(50.7)	(57.7)	***(83.3)***
Non-GAAP Net Income, Excluding FV Stock-Based Comp Expense	**$233.3**	**$240.6**	**$240.2**	**$296.5**	**$236.4**	**$238.7**	**$239.1**	***$280.5***
GAAP Net Income Per Share	$0.11	$0.11	$0.11	$0.19	$0.10	$0.11	$0.11	*$0.15*
Non-GAAP Net Income/Share, Excl. FV Stock-Based Comp Expense	**$0.16**	**$0.16**	**$0.17**	**$0.21**	**$0.17**	**$0.17**	**$0.17**	***$0.20***
Diluted Shares Outstanding	1,493.3	1,476.6	1,442.4	1,419.1	1,418.2	1,403.8	1,395.1	***1,394.7***

Note: All per share amounts are based on fully diluted share counts. Please refer to supporting Table 7 for details on Other Adjustments.

Table 7 - Non-GAAP Net Income Calculation (Excluding Stock-Based Comp Expense)

Reconciliation of GAAP Net Income to Non-GAAP Net Income, With Details on Other Adjustments

in thousands		Q1'06	Q2'06	Q3'06	Q4'06	Q1'07	Q2'07	Q3'07	Q4'07
GAAP Net income		$ 159,859	$ 164,330	$ 158,529	$ 268,673	$ 142,424	$ 160,567	$ 151,286	$ 205,723
(a)	Stock-based compensation expense as measured using the fair value method under SFAS 123R	108,641	99,723	121,491	95,075	140,006	128,779	145,540	158,102
(b)	Reversal of an earn-out accrual	-	-	(10,000)	-	-	-	-	-
(c)	Non-cash gain arising from increased dilution of our ownership in Alibaba, resulting in the recognition of a further gain on the sale of Yahoo! China	-	-	(14,316)	-	(400)	(417)	(407)	(6,842)
(d)	To adjust the provision for income taxes to eliminate tax charges and credits related to tax adjustments recorded in the current period	-	-	17,349	(28,690)	1,682	(3,168)	(11,808)	(37,298)
(e)	To adjust the provision for income taxes to reflect an effective tax rate and to reflect tax impact of items (a) - (c)	(35,184)	(23,462)	(32,890)	(38,558)	(47,301)	(47,066)	(45,507)	(39,198)
Non-GAAP Net income									
- excluding stock-based compensation expense and other items		$ 233,316	$ 240,591	$ 240,163	$ 296,500	$ 236,411	$ 238,695	$ 239,104	$ 280,487

Table 8 – Revenue ex-TAC Outlook Calculation

Reconciliation of Gross Profit to Revenue ex-TAC Outlook

$ in millions	*Current*	
	Q1'08	*FY'08*
Revenue ex-TAC		
Gross Profit	***$1,030-$1,100***	***$4,320-$4,800***
Other Cost of Revenues	***250-280***	***1,030-1,150***
Total	***$1,280-$1,380***	***$5,350-$5,950***

Note: Revenue ex-TAC is a non-GAAP measure defined as Gross Profit plus Other Cost of Revenues. The current outlook is as of January 29, 2008. Yahoo! does not intend, and undertakes no duty, to update this information to reflect future events or circumstances.

Table 9 – Operating Cash Flow Outlook Calculation

Reconciliation of Operating Income to OCF Outlook

$ in millions	*Current*	
	Q1'08	*FY'08*
Operating Cash Flow		
Operating Income	***$100-$110***	***$545-$655***
Depreciation & Amortization	***160-180***	***670-750***
Stock-Based Compensation Expense	***140-160***	***510-570***
Total	***$400-$450***	***$1,725-$1,975***

Note: 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 (including the compensation of Terry Semel, who served as our chief executive officer through June 18, 2007 and whose compensation after June 1, 2006 consisted almost entirely of stock-based compensation). The current outlook is as of January 29, 2008. Yahoo! does not intend, and undertakes no duty, to update this information to reflect future events or circumstances.

Table 10 - Free Cash Flow Outlook Calculation

Reconciliation of Cash Flow from Operating Activities Outlook to FCF Outlook

$ in millions	*Current FY'08*
Free Cash Flow	
Cash Flow from Operating Activities	***$1,075-$1,225***
Excess Tax Benefits from Stock-Based Compensation	***450-550***
Acquisition of Property & Equipment, Net	***(675-775)***
Dividends Received	**-**
Total	***$850-$1,000***

Note: Free Cash Flow (FCF) is a non-GAAP measure defined as cash flow from operating activities (adjusted to include excess tax benefits from stock-based compensation), less net capital expenditures and dividends received. The current outlook is as of January 29, 2008. Yahoo! does not intend, and undertakes no duty, to update this information to reflect future events or circumstances.

Table 11 – GAAP Operating Income as a Percentage of Gross Profit by Segment

	Q1'06	Q2'06	Q3'06	Q4'06	Q1'07	Q2'07	Q3'07	*Q4'07*
United States	20%	22%	20%	27%	13%	16%	9%	***12%***
International	28%	32%	29%	34%	30%	26%	30%	***30%***
Worldwide	22%	25%	23%	29%	18%	18%	15%	***17%***

Note: Operating income includes stock-based compensation expense calculated under the fair value method in accordance with SFAS 123R.

Table 12 – Cash Flow from Operations as a Percentage of Operating Income and as a Percentage of Gross Profit

	Q1'06	Q2'06	Q3'06	Q4'06	Q1'07	Q2'07	Q3'07	*Q4'07*
Cash Flow from Operations/Operating Income	221%	187%	193%	139%	245%	219%	304%	***344%***
Cash Flow from Operations/Gross Profit	49%	46%	43%	40%	43%	40%	44%	***58%***

Note: Operating income includes stock-based compensation expense calculated under the fair value method in accordance with SFAS 123R.

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