

Consolidated Statements of Operations YAHOO! INC.

(in thousands, except per share amounts)

	2001E	2000E	1999A	1998A	1997A
Net revenues	1.444.000	1.111.000	588.608	245.100	84.108
Cost of revenues	180.000	150.000	101.799	52.154	19.882
Gross profit	1.264.000	961.000	486.809	192.946	64.226
Operating expenses:					
Sales and marketing	529.000	407.000	214.887	124.734	58.467
Product development	130.000	103.000	67.511	33.917	16.699
General and administrative	86.000	66.000	36.321	24.154	12.877
Amortization of intangibles	57.000	40.000	13.815	2.628	–
Other – nonrecurring costs	18.000	38.000	87.542	21.234	25.095
Total operating expenses	820.000	654.000	420.076	206.667	113.138
Income (loss) from operations	444.000	307.000	66.733	-13.721	-48.912
Investment income, net	200.000	88.000	37.699	18.806	4.809
Minority interests in operations of consolidated subsidiaries	-2.000	-5.000	-2.542	68	727
Income (loss) before income taxes	642.000	390.000	101.890	5.153	-43.376
Provision for income taxes	309.692	183.000	40.757	17.827	–
Net income (loss)	332.308	207.000	61.133	-12.674	-43.376
Net income (loss) per share – diluted	0,52	0,34	0,10	-0,03	-0,11
Shares used in per share calculation – basic	590.950	550.750	515.948	439.990	391.542
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Shares used in per share calculation – diluted	640.000	611.000	596.790	439.990	391.542
Margin Analysis(% of total revenue)					
Gross Margin	88%	86%	83%	79%	76%
Sales and Marketing Margin	37%	37%	37%	51%	70%
General and Administrative Margin	6%	6%	6%	10%	15%
Product Development Margin	9%	9%	11%	14%	20%
Operating Margin	57%	59%	71%	84%	135%
Net Margin	23%	19%	10%	-5%	-52%
Growth Analysis					
Total Revenue Growth	30%	89%	140%	191%	
Gross Profit Growth	32%	97%	152%	200%	
Operating Expenses Growth	25%	56%	103%	83%	
Net Income Growth	61%	239%	582%	71%	
Fully diluted EPS Growth	53%	231%	456%	74%	