



January 4, 2010

*Via Federal Express and Facsimile (775-551-8065)*

Mr. Jing Zhao  
160 Maidenhair Ct.  
San Ramon, CA 94582

Re: Shareholder Proposal

Dear Mr. Zhao:

We received the shareholder proposal you submitted via facsimile and U.S. mail on December 22, 2009 for inclusion in the proxy materials for the 2010 annual meeting of shareholders of Yahoo! Inc. (the "Company").

Rule 14a-8 under the Securities Exchange Act of 1934 (a copy of which is enclosed) sets forth certain eligibility and procedural requirements that must be satisfied for a shareholder to submit a proposal for inclusion in a company's proxy materials. In accordance with Rule 14a-8(f) (Question 6), we hereby notify you of the following eligibility and procedural deficiencies relating to your proposals:

1. Rule 14a-8(b) requires each shareholder proponent to submit sufficient proof that he or she has continuously held at least \$2,000 in market value, or 1%, of a company's shares entitled to be voted on the proposal for at least one year as of the date the shareholder proposal was submitted. The Company's stock records do not indicate that you are the record owner of sufficient shares to satisfy this requirement and we did not receive proof from you that you have satisfied Rule 14a-8's share ownership requirements as of the date the proposal was submitted to the Company. To remedy this defect, you must submit sufficient proof that you have satisfied Rule 14a-8's share ownership requirements. As explained in Rule 14a-8(b), sufficient proof may be in the form of:
  - a. a written statement from the "record" holder of your shares (usually a broker or a bank) verifying that, as of the date your proposal was submitted, you continuously held the requisite number of the Company's shares for at least one year-- in this regard, we note that the proof of ownership you provided verified your ownership as of a date prior to the date on which you submitted your proposal; or
  - b. if you have filed a Schedule 13D, Schedule 13G, Form 3, Form 4 or Form 5, or amendments to those documents or updated forms, reflecting your ownership of



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the Company's shares as of the date on which the one-year eligibility period begins, a copy of the schedule and/or form, and any subsequent amendments reporting a change in the ownership level and a written statement that you continuously held the required number of shares for the one-year period.

2. Rule 14a-8(c) (Question 3) precludes any one shareholder from submitting more than one proposal to a company for a particular shareholders' meeting. In this regard, your submission appears to include two distinct proposals relating to the sale of "information technology products or technologies" and the formation of a committee of the Company's Board of Directors. As such, your submission is required by Rule 14a-8 to be reduced to a single proposal to be considered for inclusion in the Company's proxy materials.

In accordance with Rule 14a-8(f)(1), and in order for your proposal to be eligible for inclusion in the Company's proxy materials, your response to the requests set forth in this letter must be postmarked, or transmitted electronically, no later than 14 days from the date that you receive this letter.

Please note that the requests in this letter are without prejudice to any other rights that the Company may have to exclude your proposal from its proxy materials on any other grounds permitted by Rule 14a-8.

Very truly yours,



Christina Lai  
Associate General Counsel

Attachment -- Copy of Rule 14a-8 under the Securities Exchange Act of 1934

cc: Martin P. Dunn  
Rebekah J. Toton  
O'Melveny & Myers LLP  
1625 Eye Street, NW  
Washington, D.C. 20006