

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A

CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT: June 12, 1998

YAHOO! INC.

(Exact name of registrant as specified in its charter)

0-26822

(Commission File Number)

CALIFORNIA

(State or other jurisdiction of
incorporation or organization)

77-0398689

(I.R.S. Employer Identification No.)

3420 CENTRAL EXPRESSWAY

SANTA CLARA, CALIFORNIA 95051

(Address of principal executive offices, with zip code)

(408) 731-3300

(Registrant's telephone number, including area code)

ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS

On June 4, 1998, Yahoo! Inc., a California corporation ("Yahoo!"), entered into an Agreement and Plan of Merger ("Agreement") by and among Yahoo!, XY Acquisition Corporation, a wholly-owned subsidiary of Yahoo!, and Viaweb Inc., a Delaware corporation ("Viaweb"). Pursuant to the Agreement, on June 10, 1998 all outstanding shares of Viaweb capital stock were converted into 787,182 shares of capital stock and options to purchase Viaweb capital stock were converted into options to purchase 122,252 shares of Yahoo! Common Stock.

After discussions with the Staff at the Securities and Exchange Commission (the "Staff"), Yahoo! has adjusted the allocation of the purchase price related to the acquisition of Viaweb. As a result, the amount of the charge taken in the second quarter of 1998 for in-process reasearch and development in connection with the acquisition was reduced from \$44,100,000 to \$15,000,000. Although Yahoo!, with the concurrence of its independent accountants, believes that its original accounting treatment was in accordance with generally accepted accounting principles, it has accepted the Staff's view with respect to these matters. As a result, Item 7b of the Company's Current Report on Form 8-K originally filed on June 12, 1998 is amended to read as follows:

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS

(b) PRO FORMA FINANCIAL INFORMATION

UNAUDITED PRO FORMA CONDENSED FINANCIAL STATEMENTS

The following unaudited pro forma condensed financial statements give effect to the acquisition of Viaweb Inc. ("Viaweb") by Yahoo! Inc. ("Yahoo!") in a transaction to be accounted for as a purchase in accordance with APB Opinion No. 16 (the "Acquisition"). Under the purchase method of accounting, the purchase price is allocated to the assets acquired and liabilities assumed based on their estimated fair values at the date of the Acquisition. Estimates of the fair values of the assets and liabilities of Viaweb have been combined with the recorded values of the assets and liabilities of Yahoo! in the unaudited pro forma condensed financial statements. The pro forma adjustments are based on management's estimates of the fair values of the tangible assets acquired. Minor changes to adjustments included in the unaudited pro forma condensed financial statements are expected as the results of operations of Viaweb subsequent to March 31, 1998 will affect the allocation of the purchase price. Accordingly, actual amounts will differ from those in the unaudited pro forma condensed financial statements.

The unaudited pro forma condensed balance sheet has been prepared to reflect the Acquisition as if it occurred on March 31, 1998. The unaudited pro forma condensed statements of operations reflect the results of operations of Yahoo! and Viaweb for the year ended December 31, 1997 and the three months ended March 31, 1998 as if the Acquisition occurred on January 1, 1997.

The unaudited pro forma condensed financial statements are presented for illustrative purposes only and are not necessarily indicative of the combined financial position or results of operations in future periods or the results that actually would have been realized had Yahoo! and Viaweb been a combined company during the specified periods. The unaudited pro forma condensed financial statements, including the notes thereto, are qualified in their entirety by reference to, and should be read in conjunction with, the historical consolidated financial statements of Yahoo!, included in its Annual Report on Form 10-K for the year ended December 31, 1997 and quarterly report from Form 10-Q for the three months ended March 31, 1998 and the financial statements of Viaweb included elsewhere in the Company's Current Report on Form 8-K filed on June 12, 1998.

UNAUDITED PRO FORMA CONDENSED BALANCE SHEET
AS OF MARCH 31, 1998
(IN THOUSANDS)

	HISTORICAL			
	YAHOO! MARCH 31, 1998	VIAWEB MARCH 31, 1998	PRO FORMA ADJUSTMENTS	PRO FORMA
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 44,977	\$ 106	\$ -	\$ 45,083
Short-term investments in marketable securities	71,920	-	-	71,920
Accounts receivable, net	12,978	49	-	13,027
Prepaid expenses and other current assets	4,764	222	-	4,986
Total current assets	134,639	377	-	135,016
Long-term investments in marketable securities	7,647	-	-	7,647
Property and equipment, net	8,007	172	-	8,179
Other assets	10,112	12	39,564 (D)	49,688
Total	\$ 160,405	\$ 561	\$ 39,564	\$ 200,530
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)				
Current liabilities:				
Notes payable	\$ -	\$ 1,228	\$ (1,228) (B)	\$ -
Accounts payable	4,906	370	-	5,276
Accrued expenses and other current liabilities	18,238	188	1,750 (A)	20,176
Deferred revenue	10,102	8	-	10,110
Total current liabilities	33,246	1,794	522	35,562
Deferred tax liability	-	-	6,000 (D)	6,000
Minority interests in consolidated subsidiaries	473	-	-	473
Shareholders' equity (deficit)	126,686	(1,233)	46,809 (A) 1,228 (B) 5 (C) (15,000) (D)	158,495
Total	\$ 160,405	\$ 561	\$ 39,564	\$ 200,530

See Accompanying Notes to Unaudited Pro Forma Condensed Financial Statements.

UNAUDITED PRO FORMA CONDENSED STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 1997
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	HISTORICAL			
	YAHOO! YEAR ENDED DECEMBER 31, 1997	VIAWEB YEAR ENDED DECEMBER 31, 1997	PRO FORMA ADJUSTMENTS	PRO FORMA
Net revenues	\$ 67,411	\$ 343	\$ -	\$ 67,754
Cost of revenues	9,372	268	5,000 (E)	14,640
Gross profit	58,039	75	(5,000)	53,114
Operating expenses:				
Sales and marketing	43,930	863	-	44,793
Product development	11,138	321	-	11,459
General and administrative	6,472	528	-	7,000
Amortization of intangibles	-	-	3,509 (E)	3,509
Other - nonrecurring costs	25,095	-	-	25,095
Total operating expenses	86,635	1,712	3,509	91,856
Loss from operations	(28,596)	(1,637)	(8,509)	(38,742)
Interest income (expense), net	4,982	(110)	-	4,872
Minority interests in operations of consolidated subsidiaries	727	-	-	727
Net loss	\$ (22,887)	\$ (1,747)	\$ (8,509)	\$ (33,143)
Net loss per share - basic and diluted	\$ (0.26)			\$ (0.38) (F)
Weighted average common shares and equivalents used in per share calculation - basic and diluted	87,166			87,954

See Accompanying Notes to Unaudited Pro Forma Condensed Financial Statements.

UNAUDITED PRO FORMA CONDENSED STATEMENT OF OPERATIONS
THREE MONTHS ENDED MARCH 31, 1998
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	HISTORICAL			
	YAHOO! THREE MONTHS ENDED MARCH 31, 1998	VIAWEB THREE MONTHS ENDED MARCH 31, 1998	PRO FORMA ADJUSTMENTS	PRO FORMA
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Net revenues	\$ 30,206	\$ 290	\$ -	\$ 30,496
Cost of revenues	3,917	94	1,250 (E)	5,261
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Gross profit	26,289	196	(1,250)	25,235
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Operating expenses:				
Sales and marketing	16,096	237	-	16,333
Product development	4,534	170	-	4,704
General and administrative	1,992	151	-	2,143
Amortization of intangibles	-	-	877 (E)	877
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Total operating expenses	22,622	558	877	24,057
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Income (loss) from operations	3,667	(362)	(2,127)	1,178
Interest income (expense), net	1,446	(105)	-	1,341
Minority interests in operations of consolidated subsidiaries	243	-	-	243
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Income (loss) before income taxes	5,356	(467)	(2,127)	2,762
Provision for income taxes	1,071	-	-	1,071
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Net income (loss)	\$ 4,285	\$ (467)	\$ (2,127)	\$ 1,691
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Net income per share:				
Basic	\$ 0.05			\$ 0.02 (F)
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	-----			-----
Diluted	\$ 0.04			\$ 0.02 (F)
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Weighted average common shares and equivalents used in per share calculation:				
Basic	86,104			86,892
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Diluted	106,748			107,628
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See Accompanying Notes to Unaudited Pro Forma Condensed Financial Statements.

NOTES TO UNAUDITED PRO FORMA CONDENSED FINANCIAL STATEMENTS

BASIS OF PRESENTATION:

Effective June 10, 1998, Yahoo! acquired Viaweb in exchange for acquisition consideration consisting of (i) 787,182 shares of Common Stock issued in exchange for all outstanding shares of Viaweb Common Stock, and (ii) options to purchase 122,252 shares of Yahoo! Common Stock in exchange for all outstanding options to purchase Viaweb Common Stock. The Acquisition will be accounted for as a purchase. Under the purchase method of accounting, the purchase price is allocated to the assets acquired and liabilities assumed based on their estimated fair values at June 5, 1998, the date of the acquisition. Estimates of the fair values of the assets and liabilities of Viaweb have been combined with the recorded values of the assets and liabilities of Yahoo! in the unaudited pro forma condensed financial statements.

PRO FORMA ADJUSTMENTS (IN THOUSANDS):

(A) To record the consideration issued by Yahoo! to consummate the Acquisition. Acquisition consideration consisted of the following:

Yahoo! Common Stock and options to purchase Yahoo! Common Stock	\$ 46,809
Acquisition expenses	1,750

	\$ 48,559

(B) To reflect the conversion, effective upon the Acquisition, of \$1,228 of Viaweb convertible notes payable into Viaweb Common Stock. Interest associated with the convertible notes was not material for any period presented.

(C) To eliminate the historical stockholders' deficit of Viaweb.

(D) To record the excess of the acquisition price over the fair value of assets and liabilities of \$48,564. The book value of tangible assets acquired and liabilities are assumed to approximate fair value.

Total purchase price	\$ 48,559
Fair value of tangible assets acquired	(561)
Fair value of liabilities assumed	566

	\$ 48,564

The purchase price is allocated as follows:

In-process research and development	\$ 15,000
Acquired technology (estimated useful life of three years)	15,000
Intangible assets (estimated useful life of seven years)	24,564
Deferred tax liability	(6,000)

	\$ 48,564

After discussions with the Staff, Yahoo! has recorded \$15,000 of the purchase price as purchased in-process research and development that has not yet reached technological feasibility and has no alternative future use. This amount will be expensed as a non-recurring charge upon consummation of the acquisition. This amount has been reflected as a reduction to shareholders' equity and has not been included in the pro forma combined statement of income due to its non-recurring nature. A deferred tax liability will be recognized for the difference between the assigned values for book purposes and the tax bases of assets in accordance with the provisions of Statement of Financial Accounting Standard No. 109.

(E) To record amortization of purchased technology and other intangible assets over useful lives of three and seven years, respectively.

(F) Basic pro forma earnings per share is computed using the weighted average number of Yahoo! common shares outstanding during the period plus shares of Common Stock assumed to be issued as part of the acquisition. Diluted pro forma earnings per share is computed using the weighted average number of common and common equivalent shares outstanding during the period plus shares of Common Stock and common equivalent shares assumed to be issued as part of the acquisition. Common equivalent shares consist of the incremental common shares issuable upon the exercise of stock options and warrants (using the treasury stock method). Common equivalent shares are excluded from the computation if their effect is antidilutive. Shares and options issued pursuant to the Acquisition are assumed outstanding at the beginning of the period.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

YAHOO! INC.

Date: January 21, 1999

By: /s/ GARY VALENZUELA

Gary Valenzuela
Senior Vice President, Finance and
Administration, and Chief Financial
Officer