

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

☐ Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

| OMB APPROVAL                                 |           |
|--|-----------|
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|  |   |   |
|--|---|---|
| 1. Name and Address of Reporting Person*<br><u>Smith Jeffrey C</u><br><br>(Last) (First) (Middle)<br><u>777 THIRD AVENUE, 18TH FLOOR</u><br><br>(Street)<br><u>NEW YORK NY 10017</u><br><br>(City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol<br><u>YAHOO INC [ YHOO ]</u><br><br>3. Date of Earliest Transaction (Month/Day/Year)<br><u>04/26/2016</u><br><br>4. If Amendment, Date of Original Filed (Month/Day/Year) | 5. Relationship of Reporting Person(s) to Issuer<br>(Check all applicable)<br><br><input checked="" type="checkbox"/> Director 10% Owner<br><br>Officer (give title below) Other (specify below)<br><br>6. Individual or Joint/Group Filing (Check Applicable Line)<br><br><input checked="" type="checkbox"/> Form filed by One Reporting Person<br><br>Form filed by More than One Reporting Person |
|--|---|---|

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) |   | 4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5) |            |       | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4)             |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|------------|-------|---|--|---|
|                                 |                                      |  | Code                           | V | Amount  | (A) or (D) | Price |   |  |   |
| Common Stock, \$0.001 par value | 04/26/2016                           |  | A                              |   | 1,045 <sup>(7)</sup>  | A          | \$0   | 1,045   | D  |   |
| Common Stock, \$0.001 par value |                                      |  |                                |   |   |            |       | 9,352,212   | I  | By Starboard Value and Opportunity Master Fund Ltd <sup>(1)</sup> |
| Common Stock, \$0.001 par value |                                      |  |                                |   |   |            |       | 1,107,775   | I  | By Starboard Value and Opportunity S LLC <sup>(2)</sup>           |
| Common Stock, \$0.001 par value |                                      |  |                                |   |   |            |       | 609,565   | I  | By Starboard Value and Opportunity C LP <sup>(3)</sup>            |
| Common Stock, \$0.001 par value |                                      |  |                                |   |   |            |       | 1,229,075   | I  | By Managed Account of Starboard Value LP <sup>(4)</sup>           |

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) |   | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) |                 | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) |                            | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|--|-----------------|---|----------------------------|--|--|---|--|
|  |  |                                      |  | Code                           | V |  | Date Exercisable   | Expiration Date | Title   | Amount or Number of Shares |  |  |   |  |
| Cash-Settled Total Return Swap             | \$32.09 <sup>(6)</sup>                                 |                                      |  |                                |   |  | (5)  | 10/19/2017      | Common Stock, \$0.001 par value   | 2,246,845                  |  | 1  | I   | By Starboard Leaders Foxtrot LLC <sup>(5)</sup>        |
| Cash-Settled Total Return Swap             | \$31.4255 <sup>(6)</sup>                               |                                      |  |                                |   |  | (5)  | 10/19/2017      | Common Stock, \$0.001 par value   | 1,774,566                  |  | 1  | I   | By Starboard Leaders Foxtrot LLC <sup>(5)</sup>        |

Explanation of Responses:

1. Shares of common stock owned directly by Starboard Value and Opportunity Master Fund Ltd ("Starboard V&O Fund"). The Reporting Person, solely by virtue of his position as a member of the Management Committee of Starboard Value GP LLC ("Starboard Value GP"), the general partner of the investment manager of Starboard V&O Fund, and as a member and member of the Management Committee of Starboard Principal Co GP LLC ("Principal GP"), the general partner of the member of Starboard Value GP, may be deemed to beneficially own the shares of common stock directly held by Starboard V&O Fund for purposes of Section 16 of the Securities Exchange Act of 1934, as amended ("Section 16"). The Reporting Person expressly disclaims beneficial ownership of such shares of common stock except to the extent of his pecuniary interest therein.

2. Shares of common stock owned directly by Starboard Value and Opportunity S LLC ("Starboard S LLC"). The Reporting Person, solely by virtue of his position as a member of the Management Committee of Starboard Value GP, the general partner of the manager of Starboard S LLC, and as a member and member of the Management Committee of Principal GP, the general partner of the member of Starboard Value GP, may be deemed to beneficially own the shares of common stock directly held by Starboard S LLC for purposes of Section 16. The Reporting Person expressly disclaims beneficial ownership of such shares of common stock except to the extent of his pecuniary interest therein.

3. Shares of common stock owned directly by Starboard Value and Opportunity C LP ("Starboard C LP"). The Reporting Person, solely by virtue of his position as a member of the Management Committee of Starboard Value GP, the general partner of the investment manager of Starboard C LP, and as a member and member of the Management Committee of Principal GP, the general partner of the member of Starboard Value GP, may be deemed to beneficially own the shares of common stock directly held by Starboard C LP for purposes of Section 16. The Reporting Person expressly disclaims beneficial ownership of such shares of common stock except to the extent of his pecuniary interest therein.

4. Shares of common stock held in an account managed by Starboard Value LP (the "Managed Account"). The Reporting Person, solely by virtue of his position as a member of the Management Committee of Starboard Value GP, the general partner of Starboard Value LP, and as a member and member of the Management Committee of Principal GP, the general partner of the member of Starboard Value GP, may be deemed to beneficially own the shares of common stock held in the Managed Account for purposes of Section 16. The Reporting Person expressly disclaims beneficial ownership of such shares of common stock except to the extent of his pecuniary interest therein.

5. Starboard Leaders Foxtrot LLC ("Starboard Foxtrot LLC") has entered into certain cash-settled total return swap agreements (the "Swap Agreements") with an unaffiliated third party financial institution, which provide Starboard Foxtrot LLC with economic exposure to an aggregate of 4,021,411 notional shares. The Swap Agreements provide Starboard Foxtrot LLC with economic results that are comparable to the economic results of ownership but do not provide Starboard Foxtrot LLC with the power to vote or direct the voting or dispose of or direct the disposition of the shares of common stock that are the subject of the Swap Agreements (the "Subject Shares"). The Reporting Person expressly disclaims beneficial ownership of the Subject Shares except to the extent of his pecuniary interest therein.

6. Represents the reference price associated with the applicable Swap Agreement.

7. These shares represent restricted stock units granted automatically under the Yahoo! Inc. ("Yahoo") Directors' Stock Plan on the date the Reporting Person first became a director. Each restricted stock unit represents the contingent right to receive one share of Yahoo common stock. These units are scheduled to vest on June 24, 2016 (or, if earlier, the day before Yahoo's next annual meeting of shareholders), subject to the Reporting Person's continuous service as a director. The Reporting Person has elected to defer payment of the vested shares until the date of his termination of service as a director.

[/s/ Jeffrey C. Smith](#)[04/28/2016](#)

\*\* Signature of Reporting PersonDate

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

\* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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