YAHOO INC
Form 425
March 03, 2008

Filed by Microsoft Corporation pursuant to

Rule 425 of the Securities Act of 1933 and

deemed filed pursuant to Rule 14a-12 of the

Securities Exchange Act of 1934

Subject Company: Yahoo! Inc.

Commission File No.: 000-28018

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All information in this communication is as of March 3, 2008. Microsoft Corporation undertakes no duty to update any forward-looking statement to conform the statement to actual results or changes in the company s expectations.

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THE FOLLOWING IS A TRANSCRIPT OF A PORTION OF A DISCUSSION WITH CHRIS LIDDELL AT A MORGAN STANLEY TECHNOLOGY CONFERENCE WHICH TOOK PLACE ON MARCH 3, 2008.

MARY MEEKER: In our remaining minute, anything that you d like to address that we ve missed?

CHRIS LIDDELL: Well, no one asked me about Yahoo, which is interesting. But I m sure everyone is vaguely interested in it. You know, their

MARY MEEKER: What was that? What was that?

CHRIS LIDDELL: Yeah. The small company that we re looking to acquire. There is there s no fundamental news. I mean, the you know, the company has not yet formally responded to our offer. So you ve seen the same press reports we have in terms of their view of it. You know, we continue to look at our options, and that s something that I m incredibly systematic about. That s something that we look at, those alternatives, every week on the basis of what s happening in the external market: what the opportunities for us are both in our customer business and through acquisition. So, you know, we ll continue to look at those alternatives as we go forward, but there s no news, per se, on Yahoo.