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### Brief Company Profile

Yahoo! Inc., together with its consolidated subsidiaries is a premier digital media company that delivers personalized digital content and experiences, across devices and around the globe, to vast audiences. The company provides engaging and innovative canvases for advertisers to connect with their target audiences using a unique blend of Science, Art and scale. Through its proprietary technology and insights, the company delivers a unique content and experiences for audiences and creates powerful opportunities for all advertisers to connect with their target audiences. The technology employed by the company provides marketing services enabling advertisers to deliver highly relevant marketing messages to their target audiences. The company offers its services in more than 25 languages and in more than 50 countries, regions, and territories

Yahoo! was developed and first made available in 1994 by our founders, David Filo and Jerry Yang, while they were graduate students at Stanford University. The company was incorporated in 1995, is a Delaware corporation and headquartered in Sunnyvale, California with offices in more than 25 countries, regions, and territories.

### Company Valuation Metrics & Key Facts

Valuation		Financial Strength		Trading Info	
Market Cap	22.41 Billion	Current Ratio	2.67	52 Week High	19.12
Trailing P/E	18.98	LT Debt to Equity	1.14	52 Week Low	12.94
Price/Sales	3.54	Total Debt/Equity	1.14	Shares Out/St.	1.31Billion
Price/Book	1.78			Average Volume	19.7 Million
Price/ Cash Flow	14.42			Beta	0.89
Dividend Yield	0				

### Financial Details

	Actual	Mean Estimate	Mean Estimate
	2010	2011	2011
Sales (Revenue)	6.32 Billion	4.56 Billion	4.84 Billion
Earnings /Share	0.9035	0.78	0.90
Price/ Earnings	18.83	21.82	18.91

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Charts (2 year incl. 52 week & 104 week EMA)



Basis of Recommendation

In recent years the company has experienced lack of growth both on its revenue and profit. This could be attributed to increased competition from the likes of Google, Microsoft..etc. This has resulted in the company being considered only as a cash cow in the market and therefore with lack of interest for its shares in the investment community.

Our recommendation focuses more closely on the Net Asset Value of the company and more importantly the value of the company's shareholding in various subsidiaries. The most attractive assets are in Asia where the company holds directly or indirectly the following stakes in both public and private entities. These include:

- Yahoo Japan
- Alibaba.com
- Taobao
- Alipay

The shareholding in public entities Yahoo Japan & Alibaba.com are currently valued at about USD 10

Billion equivalent to USD 5.76/ share and USD2.21/ share respectively. Cash/ share on the balance sheet currently amounts to \$2.96/ shares.

The valuation of the private entities is more subjective. The companies are part of Alibaba Group in which Yahoo owns 40%. Taobao & Alipay are high growth companies in the Asia with 90% & 50% of the market share in China which in itself is also a high growth market. A fair value of the companies can be derived from the multiples applied to their competitors. Assuming growth rates are maintained the companies are expected to fetch as much as USD\$50 billion in an eventual IPO. Yahoo's stake in these companies would be worth USD18 billion factoring discounts for illiquidity and taxes equalling USD\$ 13.50/ shares.

Sum of Parts Valuation : USD \$ 31.50

We await an eventual revaluation of the Yahoo Inc.

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