

Yahoo! Shareholders To File Amended Complaint in Pending Class Action; Will Seek Redress for Yahoo Board Thwarting Microsoft's Merger Proposal Announces Bernstein Litowitz Berger & Grossmann LLP

New York, N.Y. – (Marketwire, May 5, 2008) Two public pension funds represented by Bernstein Litowitz Berger & Grossmann LLP and Bouchard Margules & Friedlander, P.A., the Court-appointed Co-Lead Counsel for the proposed class of all Yahoo!, Inc. (“Yahoo”) (Nasdaq: YHOO) shareholders, will pursue their consolidated class action lawsuit against Jerry Yang and the other members of the Yahoo board of directors to obtain redress for the Yahoo directors’ breach of their fiduciary duties in thwarting a merger proposal by Microsoft Corporation. That case, captioned *In re Yahoo! Inc. Shareholders Litigation*, Consol. C.A. No. 3561-CC, is pending in the Court of Chancery for the State of Delaware before Chancellor William B. Chandler III. On March 5, 2008, Chancellor Chandler entered an Order of Consolidation appointing Co-Lead Counsel, consolidating the actions previously filed in the Court of Chancery, and designating the complaint filed by the Police & Fire Retirement System of the City of Detroit and the General Retirement System of the City of Detroit (collectively “Plaintiffs”) (the “Detroit Funds”) as the operative complaint. On March 12, 2008, Chancellor Chandler entered an Amended Order of Consolidation providing that any future cases arising from the same facts shall be consolidated as part of the Detroit Funds’ consolidated class action.

The actions taken by Jerry Yang this past weekend confirm what the Detroit Funds alleged in their original complaint: “The Yahoo Board, in its desperation to pull off a “Just Say No to Microsoft” defense, is fighting off a non-coercive 62% premium offer by pursuing all manner of value-destructive third party deals.” Plaintiffs and Co-Lead Counsel will continue to vigorously prosecute breach of fiduciary claims against the Yahoo Board. Counsel have already engaged in significant discovery, including receiving documents from defendants and third parties and taking depositions of Yahoo executives and a Yahoo adviser.

Bernstein Litowitz partner Mark Lebovitch stated, “If Jerry Yang wants to understand why Yahoo shareholders are so unhappy, he should go to his new favorite search engine – Google – and look up the phrase ‘breach of fiduciary duty.’” “Yang’s willingness to put the heart of Yahoo’s search function in Google’s hands to preclude a Microsoft bid representing a 70%-plus premium demonstrates that Yang was never negotiating in good faith,” noted Lebovitch.

Plaintiffs will file an amended complaint that will encompass the most recent events, incorporate evidence already obtained through the discovery process, and seek recovery of damages for the massive loss in shareholder value caused by Yang and Yahoo’s Board.

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