

# Yandex

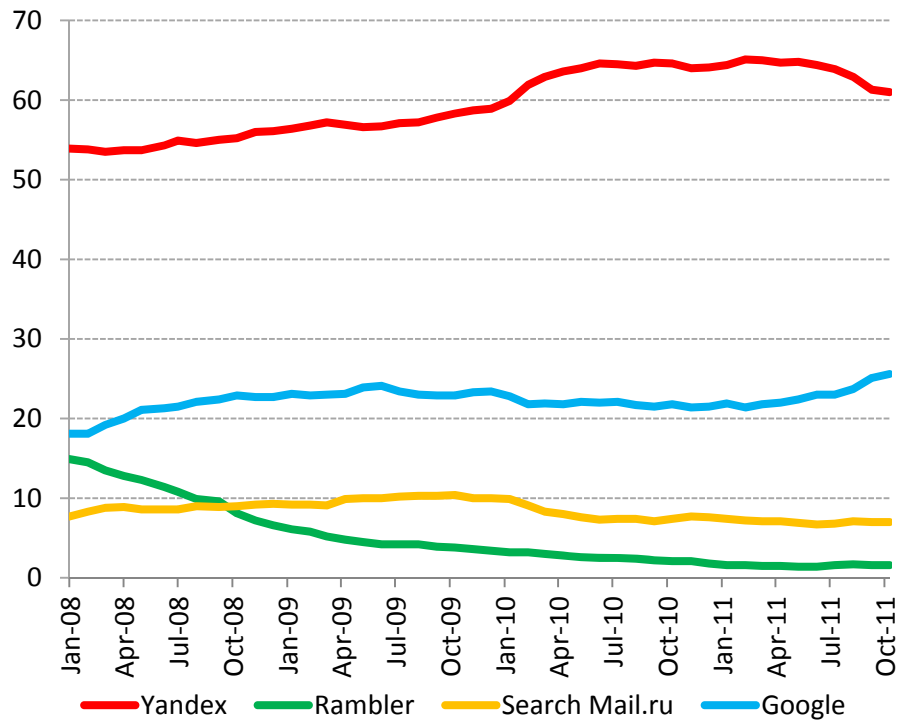
Quarterly Supplementary Materials

Search

October 27, 2011

# Share of the Russian Search Market

**RUSSIAN SEARCH MARKET, %**



**AVERAGE SEARCH SHARE PER QUARTER, %**

	Yandex	Google	Mail.ru	Rambler
<b>Q3'09</b>	57.4	23.1	10.3	4.1
<b>Q4'09</b>	58.6	23.2	10.1	3.6
<b>Q1'10</b>	61.6	22.2	9.1	3.1
<b>Q2'10</b>	64.1	22.0	7.6	2.6
<b>Q3'10</b>	64.5	21.8	7.3	2.4
<b>Q4'10</b>	64.2	21.6	7.6	2.0
<b>Q1'11</b>	64.8	21.7	7.2	1.6
<b>Q2'11</b>	64.6	22.5	6.9	1.4
<b>Q3'11</b>	62.7	23.9	7.0	1.6

Source: LiveInternet.ru (October 2011), Search traffic reflects Russian users to Russian websites

# Turkey

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79 MM people<sup>1</sup>

35 MM internet users<sup>1</sup>

44% internet penetration<sup>1</sup>

\$US212 MM online ad market in 2011<sup>2</sup>

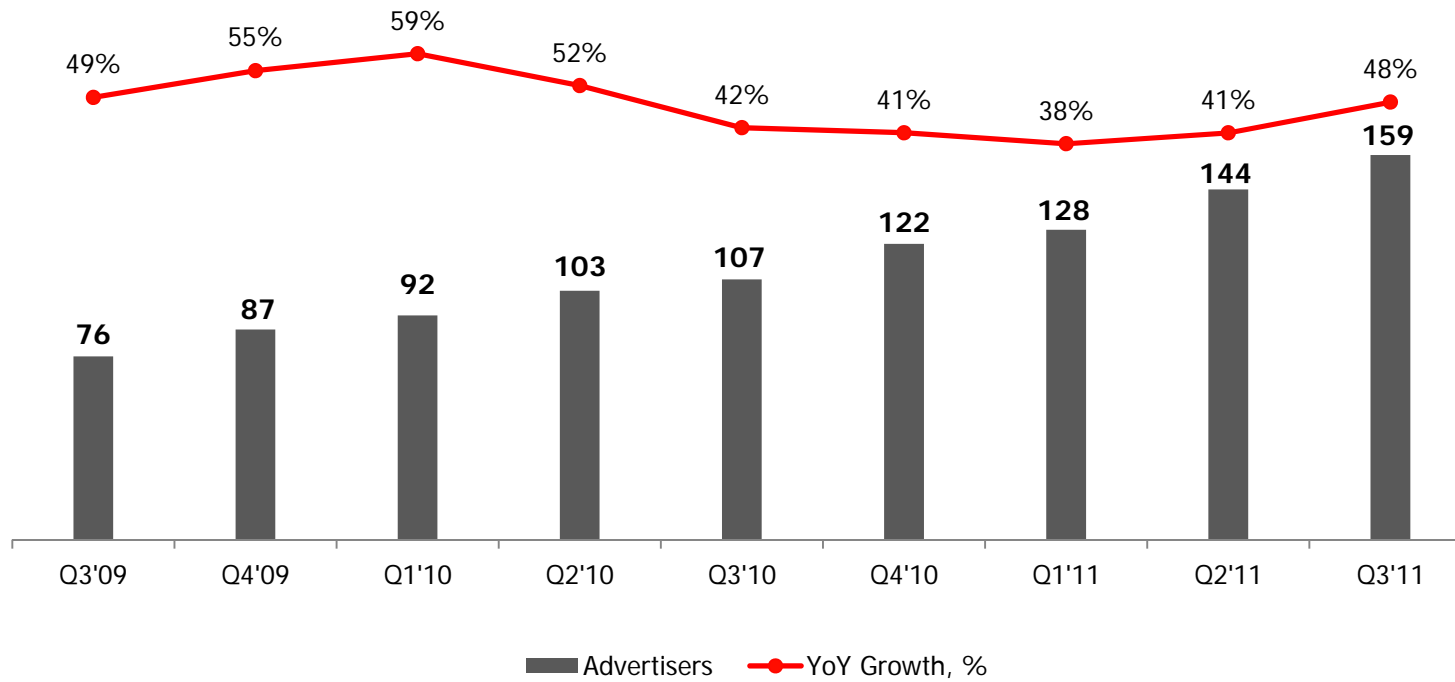
<sup>1</sup> InternetWorldStats.com

<sup>2</sup> ZenithOptimedia, Advertising Expenditure Forecasts, April 2011

# Advertisers

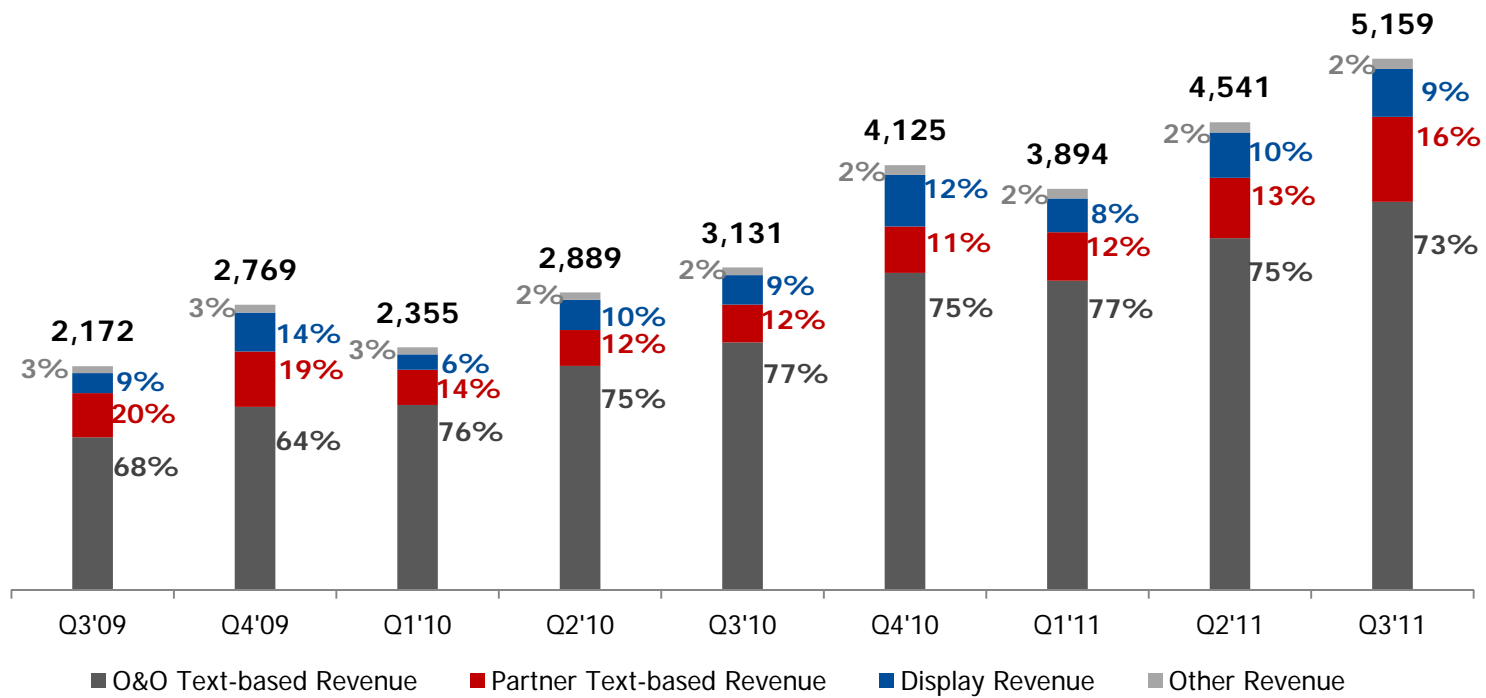
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NUMBER OF ADVERTISERS, IN THOUSANDS



# Revenue

YANDEX REVENUE<sup>1</sup> BREAKDOWN<sup>2</sup>, MM RUR, %



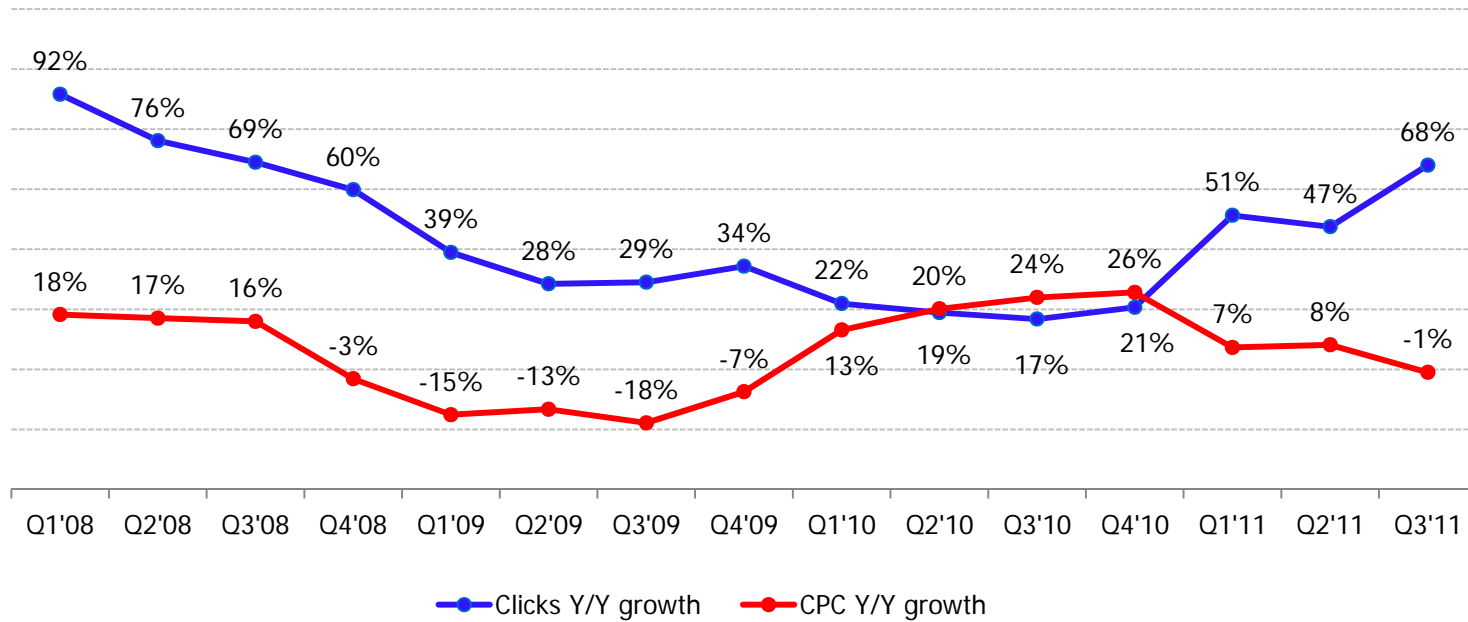
<sup>1</sup> Net of Discounts and Commissions, but gross of TAC

<sup>2</sup> Items may not total 100% due to rounding

# Operational Metrics

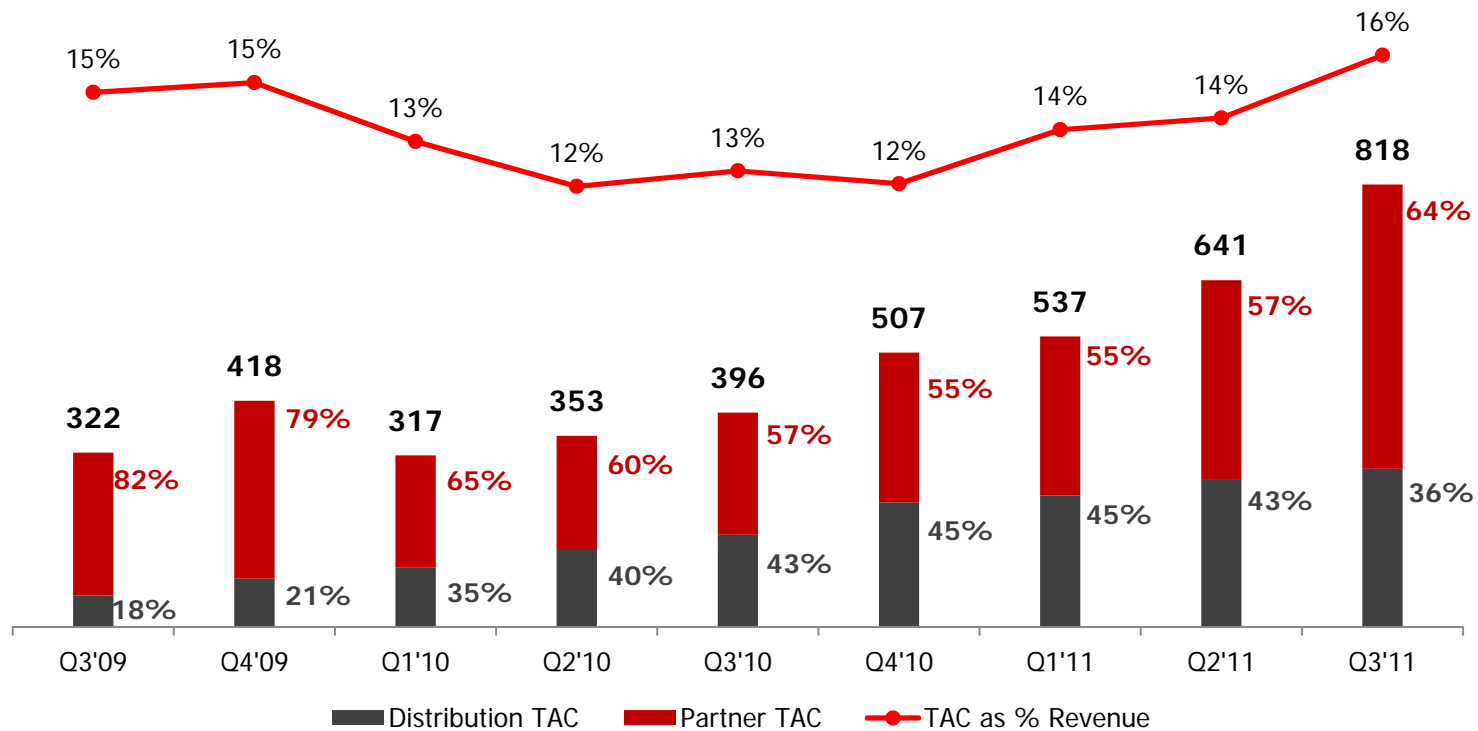
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**GROWTH IN PAID CLICKS AND CPC, %**



# Traffic Acquisition Costs

TAC BREAKDOWN<sup>1</sup>, MM RUR

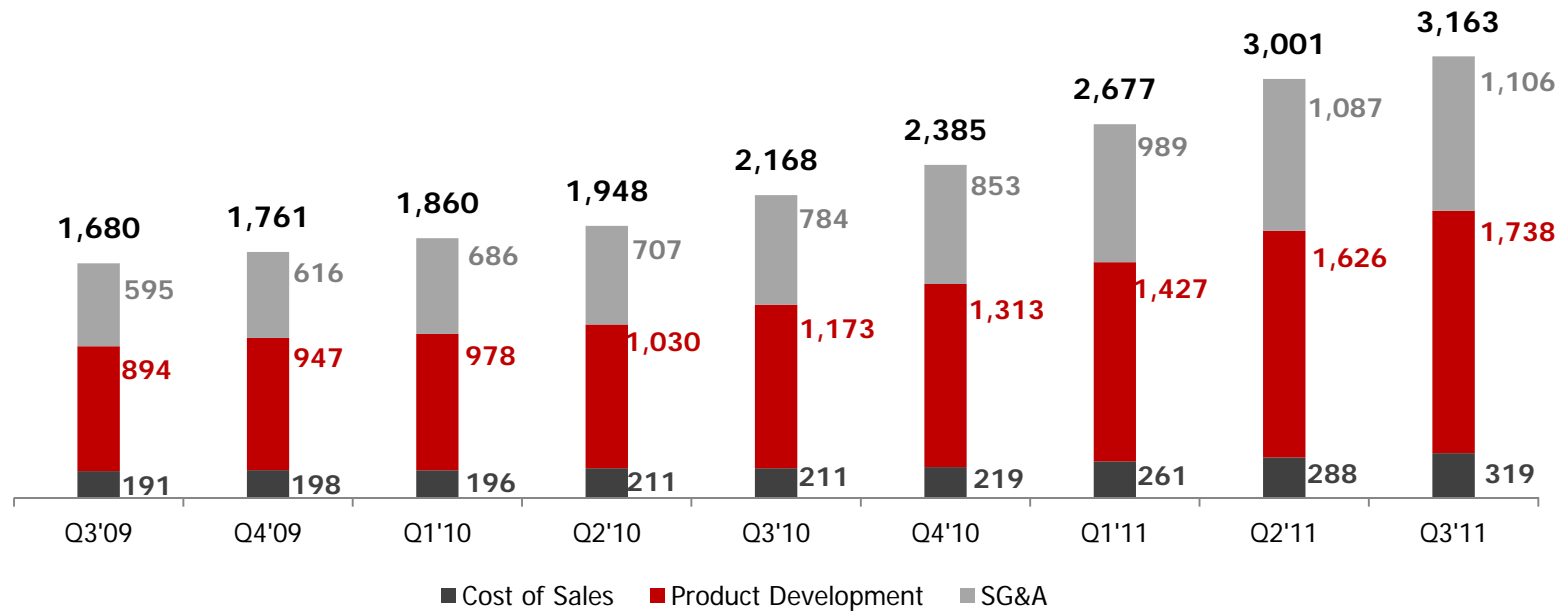


<sup>1</sup> Items may not total 100% due to rounding

# Headcount Evolution

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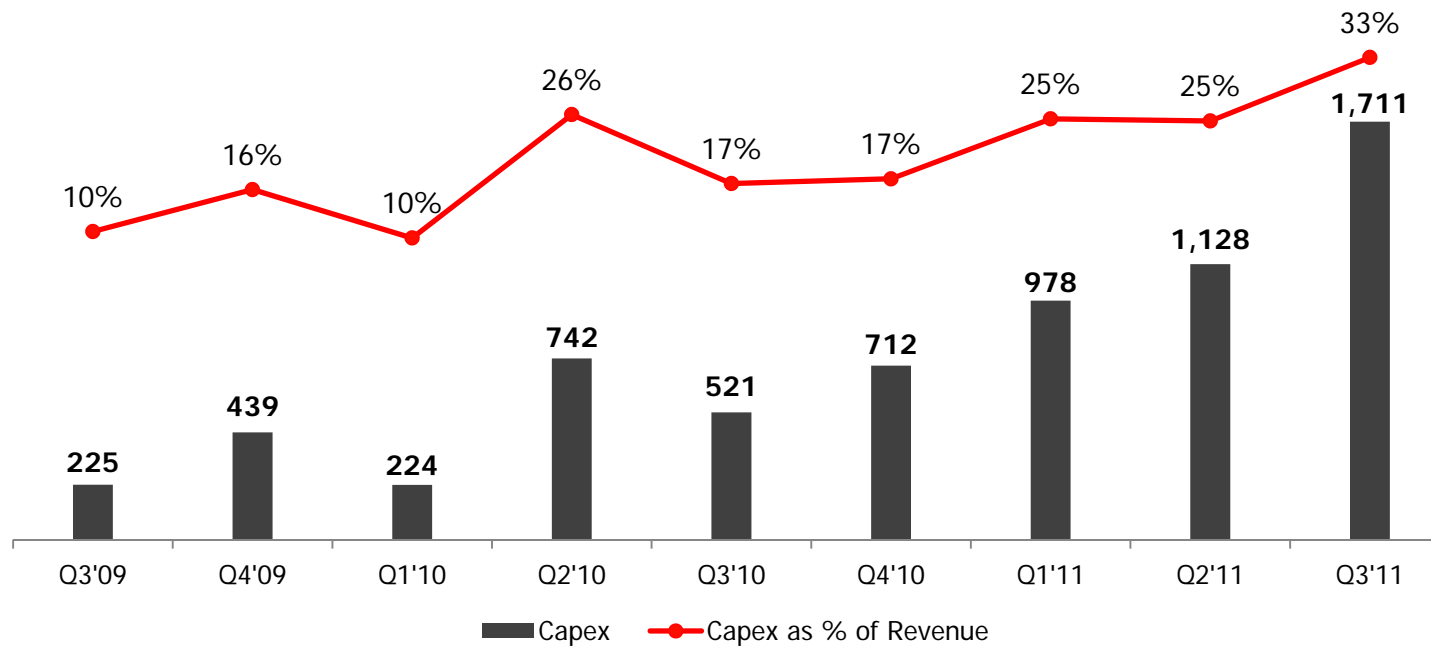
## PERSONNEL BY GAAP COST CATEGORY





# Capex, MM RUR

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# Costs

	Q3'09	Q4'09	Q1'10	Q2'10	Q3'10	Q4'10	Q1'11	Q2'11	Q3'11
<u>Cost of Sales (COS)</u>									
TAC	322	418	317	353	396	507	537	641	818
COS ex-SBC, ex-TAC	192	233	218	230	265	283	351	387	469
SBC related to COS	2	3	4	3	4	5	6	6	7
<b>Total Cost of Sales</b>	<b>516</b>	<b>654</b>	<b>539</b>	<b>586</b>	<b>665</b>	<b>795</b>	<b>894</b>	<b>1,034</b>	<b>1,294</b>
Total COS as % of Revenue	24%	24%	23%	20%	21%	19%	23%	23%	25%
<u>Product Development (PD)</u>									
PD ex-SBC	363	497	468	454	499	565	691	718	751
SBC related to PD	16	15	18	18	22	29	32	38	41
<b>Total PD</b>	<b>379</b>	<b>512</b>	<b>486</b>	<b>472</b>	<b>521</b>	<b>594</b>	<b>723</b>	<b>756</b>	<b>792</b>
PD as % of Revenue	17%	18%	21%	16%	17%	14%	19%	17%	15%
<u>SG&amp;A</u>									
SG&A expense ex-SBC	316	413	361	404	452	564	596	881	786
SBC related to SG&A	33	35	11	11	13	22	32	65	18
<b>Total SG&amp;A</b>	<b>349</b>	<b>448</b>	<b>372</b>	<b>415</b>	<b>465</b>	<b>586</b>	<b>628</b>	<b>946</b>	<b>804</b>
SG&A as % of Revenue	16%	16%	16%	14%	15%	14%	16%	21%	16%
<b>Depreciation &amp; Amortization (D&amp;A)</b>	<b>232</b>	<b>237</b>	<b>259</b>	<b>272</b>	<b>307</b>	<b>343</b>	<b>377</b>	<b>427</b>	<b>488</b>
D&A as % of Revenue	11%	9%	11%	9%	10%	8%	10%	9%	9%
<b>Total Costs</b>	<b>1,476</b>	<b>1,851</b>	<b>1,656</b>	<b>1,745</b>	<b>1,958</b>	<b>2,318</b>	<b>2,622</b>	<b>3,163</b>	<b>3,378</b>
<b>Total Costs as % of Revenue</b>	<b>68%</b>	<b>67%</b>	<b>70%</b>	<b>60%</b>	<b>63%</b>	<b>56%</b>	<b>67%</b>	<b>70%</b>	<b>65%</b>

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Thank you!

Search