

Yandex

Renaissance Capital 16th Annual 1:1 Investor Conference

Search

June 25, 2012

Forward Looking Statement Disclaimer

This presentation contains forward-looking statements that involve risks and uncertainties. These include statements regarding the anticipated development of the internet search and the online advertising markets, the planned growth of our business and our anticipated revenues and capital expenditures.

Actual results may differ materially from the results predicted or implied by such statements, and our reported results should not be considered as an indication of future performance. The potential risks and uncertainties that could cause actual results to differ from the results predicted or implied by such statements include, among others, competitive pressures, our ability to attract and retain users, advertisers and partners, changes in advertising patterns, changes in internet usage patterns, changes in the legal and regulatory environment, technological developments and our need to expend capital to accommodate the growth of the business, as well as those risks and uncertainties included under the captions "Risk Factors" and "Operating and Financial Review and Prospects" in our Annual Report on Form 20-F dated March 2, 2012, which is on file with the Securities and Exchange Commission and is available on our investor relations website.

All information provided in this presentation is as of June 25, 2012, and Yandex expressly disclaims any duty to update this information unless required by law.

We Are the Market Leader

Search Leader

60.5% search market share in Russia¹

#1 Internet Destination

47 million unique visitors per month²

44% of Russian users' homepages³

Leading Online Advertising Platform

179,000+ advertisers in Q1 2012⁴

51% online ad market share⁵

Largest Russian Internet Business

Q1 2012

\$200m Revenues⁶ (51% yoy growth)

\$81m Adj. EBITDA⁷ (38% yoy growth)

¹ Source: Liveinternet, May 2012

² Source: comScore, April 2012

³ Source: TNS, January 2011

⁴ Source: Company Information, Q1 2012

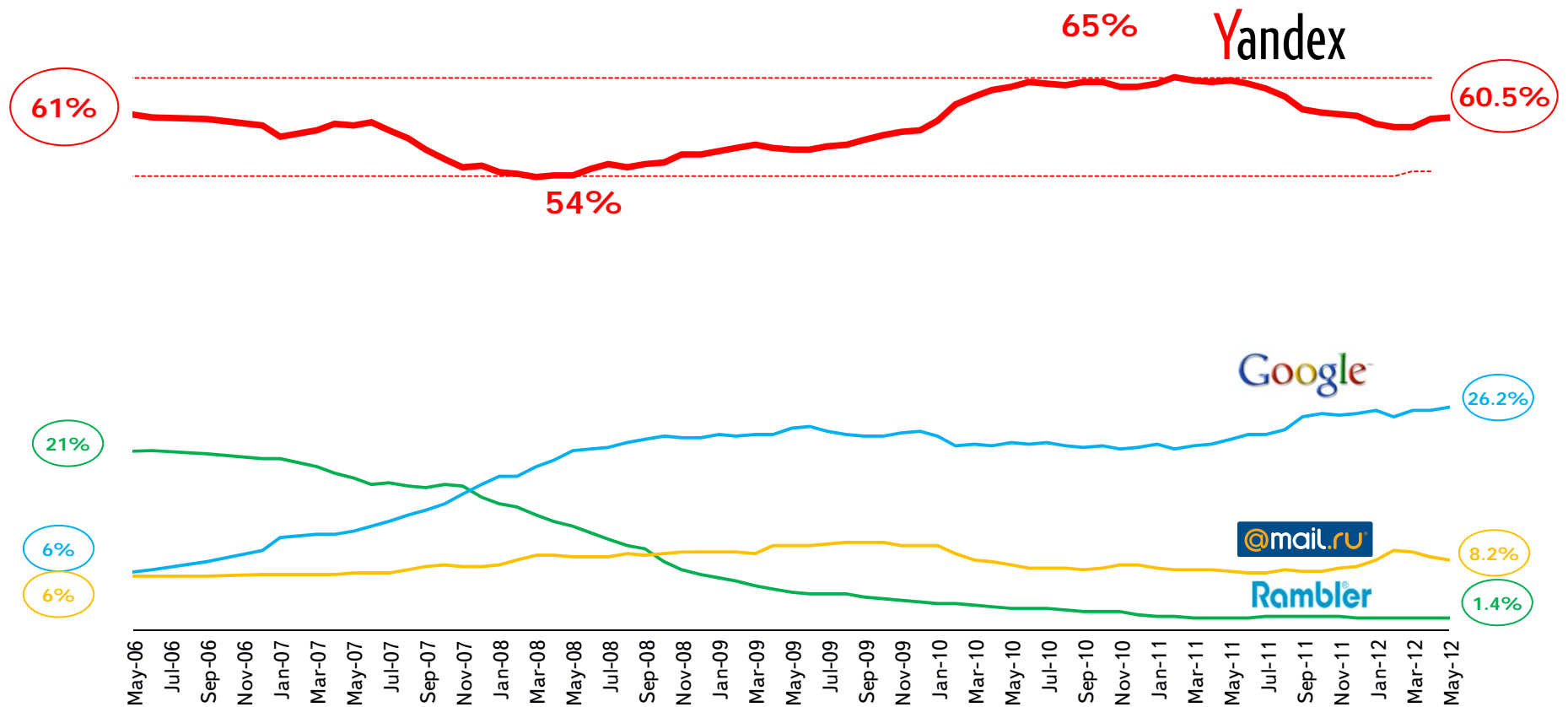
⁵ Source: AKAR 2011, as of Feb 21, 2012, adjusted for commissions

⁶ Source: Company Information for Q1 2012, using an exchange rate of RUR 29.3282 to \$1.00 as of Mar 31, 2012

⁷ Source: Company Information for Q1 2012, using an exchange rate of RUR 29.3282 to \$1.00 as of Mar 31, 2011

Adjusted EBITDA is EBITDA before share-based compensation. See slides 21-23 for reconciliation to US GAAP Net income

Consistent Market Leadership



Source: LiveInternet.ru, May 2012
 Search traffic reflects Russian users to Russian websites

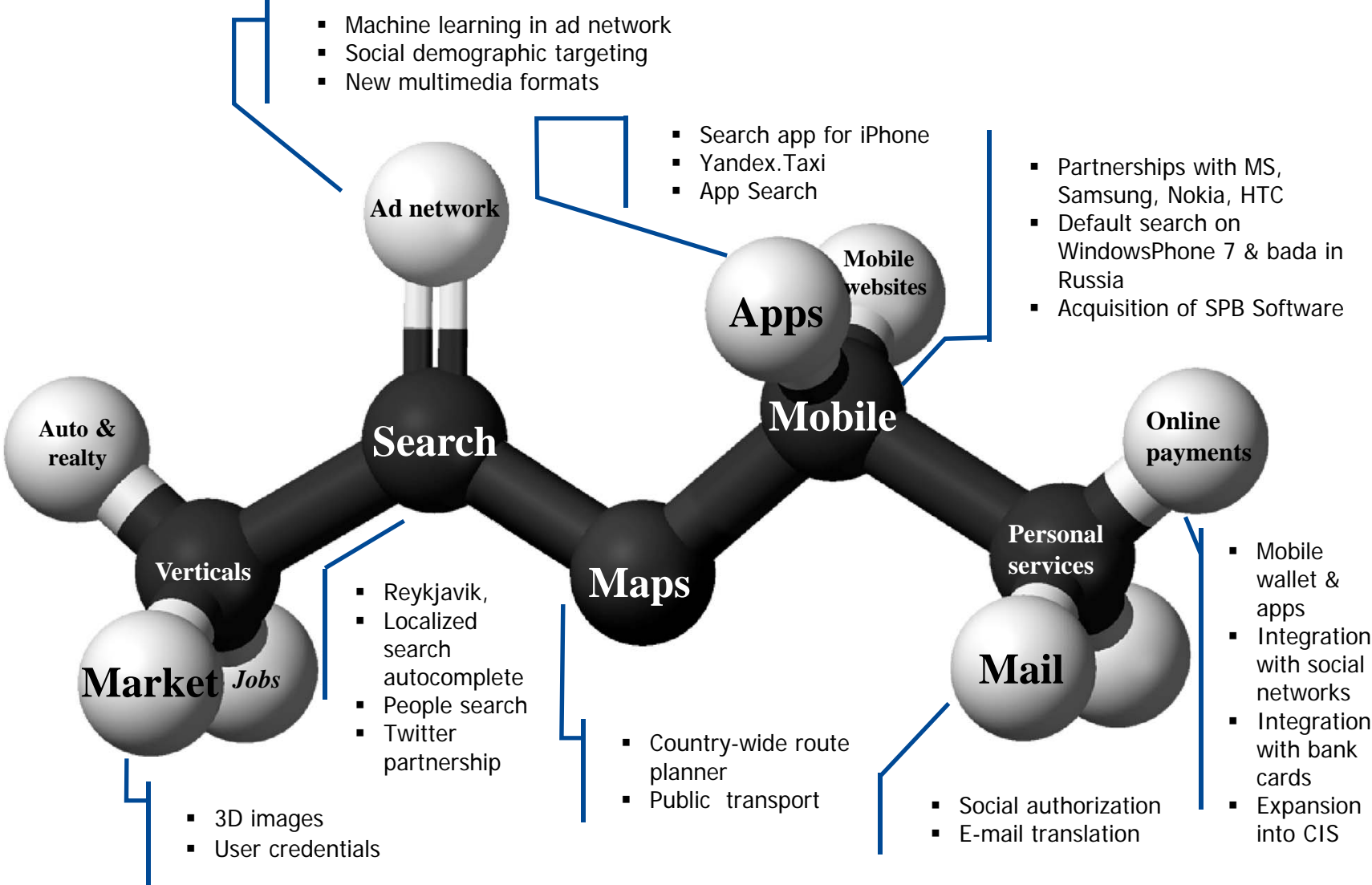
Our Mission: To Answer **Any Question** Internet Users May Have

The image shows a screenshot of the Yandex homepage with several services highlighted by callouts:

- News:** A callout points to a news article titled "Сегодня в новостях" with a list of 5 items, including news about New Zealand, Belarus, Libya, and a shooting in Irkutsk.
- Mail:** A callout points to the "Почта" (Mail) section, which includes a login form and a "Завести почтовый ящик" (Create mailbox) button.
- Photo Sharing:** A callout points to the "Фотки" (Photos) section, showing a "Фото дня" (Photo of the day) with a picture of two people in a snowy landscape.
- Auto:** A callout points to the "АВТО" (Auto) section, advertising cars for sale up to 300,000 rubles.
- Comparison Shopping:** A callout points to the "Маркет" (Market) section, advertising gifts for February 23rd.
- Weather:** A callout points to the "Погода" (Weather) section, showing a temperature of -19 and a forecast for the night and tomorrow.
- Traffic jams/maps:** A callout points to the "Пробки" (Traffic jams) section, showing a 6-ball rating and a "Движение затруднено" (Movement is difficult) warning.
- TV Guide:** A callout points to the "Афиша" (Program) section, listing TV shows like "Маршрут милосердия" and "Час Волкова".
- Playbill:** A callout points to the "Афиша" section, listing movies like "Боец" and "Неизвестный".
- Blog search:** A callout points to the "Сегодня в блогах" (Today in blogs) section, listing news about Libya, bobsledding, and Chelsea.
- Yandex.Money:** A callout points to the "Деньги" (Money) section, which includes a "генератор продаж" (sales generator) and other financial services.

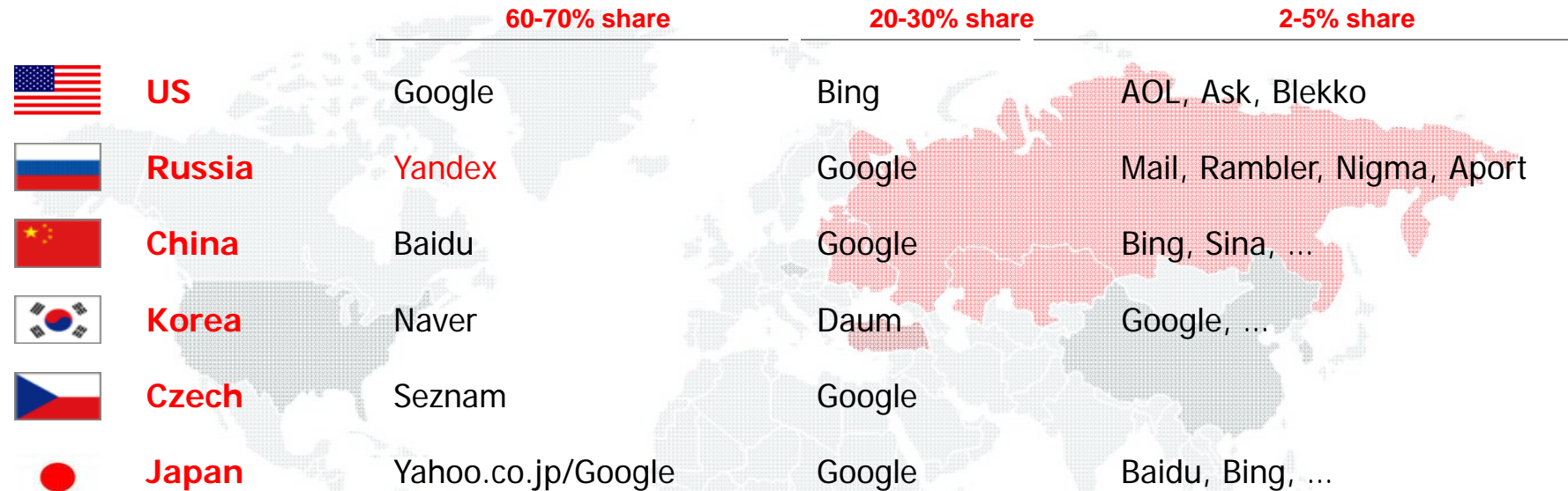
Other visible elements on the page include the Yandex logo, a search bar, navigation links (Поиск, Карты, Маркет, Новости, etc.), and a "Пополнение Яндекс.Кошелька" (Top up Yandex Wallet) button with a laptop icon.

Yandex is Search and Much More



International Search Markets

There are Multiple Competitive Search Markets...



... but Many Other Markets Exist with no Competition in Search



Turkey – Our First International Market

Expected to be among leading EMEA markets in terms of Ad Expenditure growth in 2011-2014¹

Turkey at a Glance¹

- ❖ Population of **76MM**
- ❖ Internet users ('11): **35MM (46%)**
- ❖ **2B** local webpages
- ❖ Online ad market ('13E): **\$300MM**
- Online ad penetration: **8%**
- ❖ No established #2 player in search

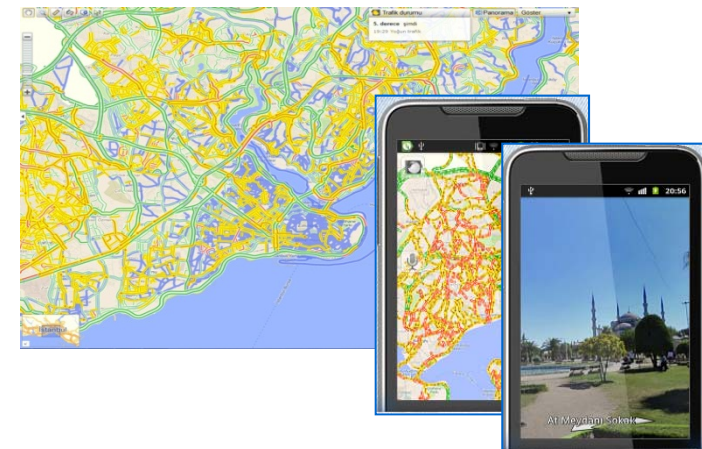
Yandex in Turkey

- ❖ **>4.0MM** users in March 2012²
- ❖ **400K** daily users of the portal²
- ❖ Exclusive content on **Yandex.Maps**

Turkish Market: Fast Growing and Sizeable



Maps and Map Based Services



¹ Euromonitor; FOM; Global Insight; InternetWorldStats.com; ZenithOptimedia; Advertising Expenditure Forecasts, December 2011; Internet user penetration based on total population (source: Global Insight)

² comScore, March 2012

Yandex School of Data Analysis

Established to revive the environment that may nurture new talents for Yandex and for the industry

Key Facts

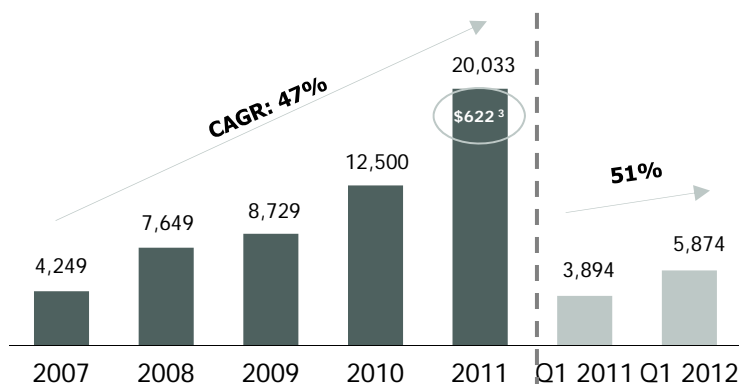
- ❖ Two-year master program
- ❖ Three core directions: data analysis, computer science and bioinformatics
- ❖ Series of full-time evening classes taught by professors of national and foreign universities
- ❖ Partners with the leading Russian universities

Among the professors are founders of mathematical theory underlying modern search

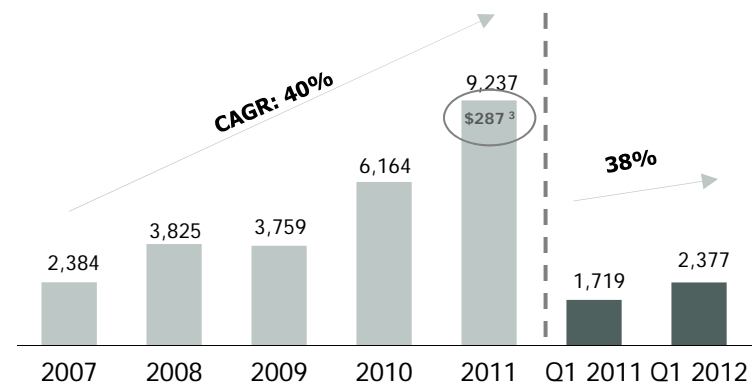


Financial Summary

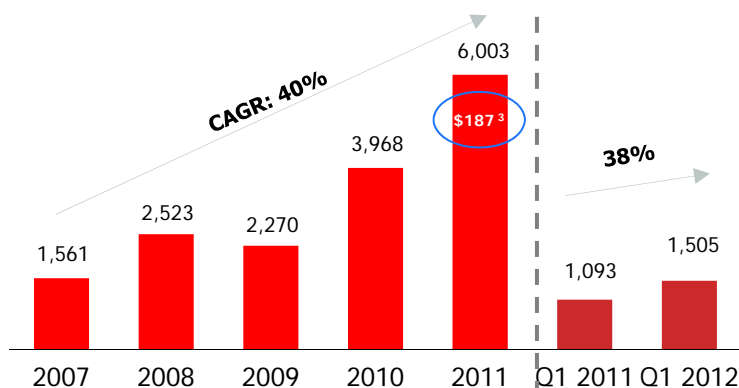
Revenues¹ (RUR MM)



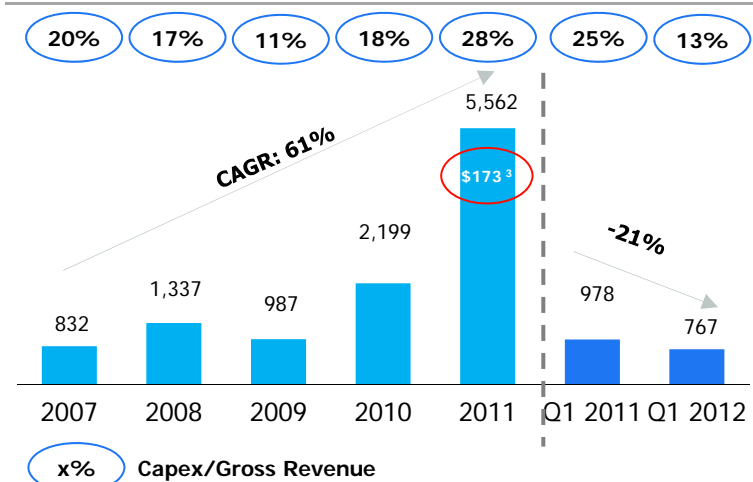
Adjusted EBITDA² (RUR MM)



Adjusted Net Income² (RUR MM)



Capex (RUR MM)



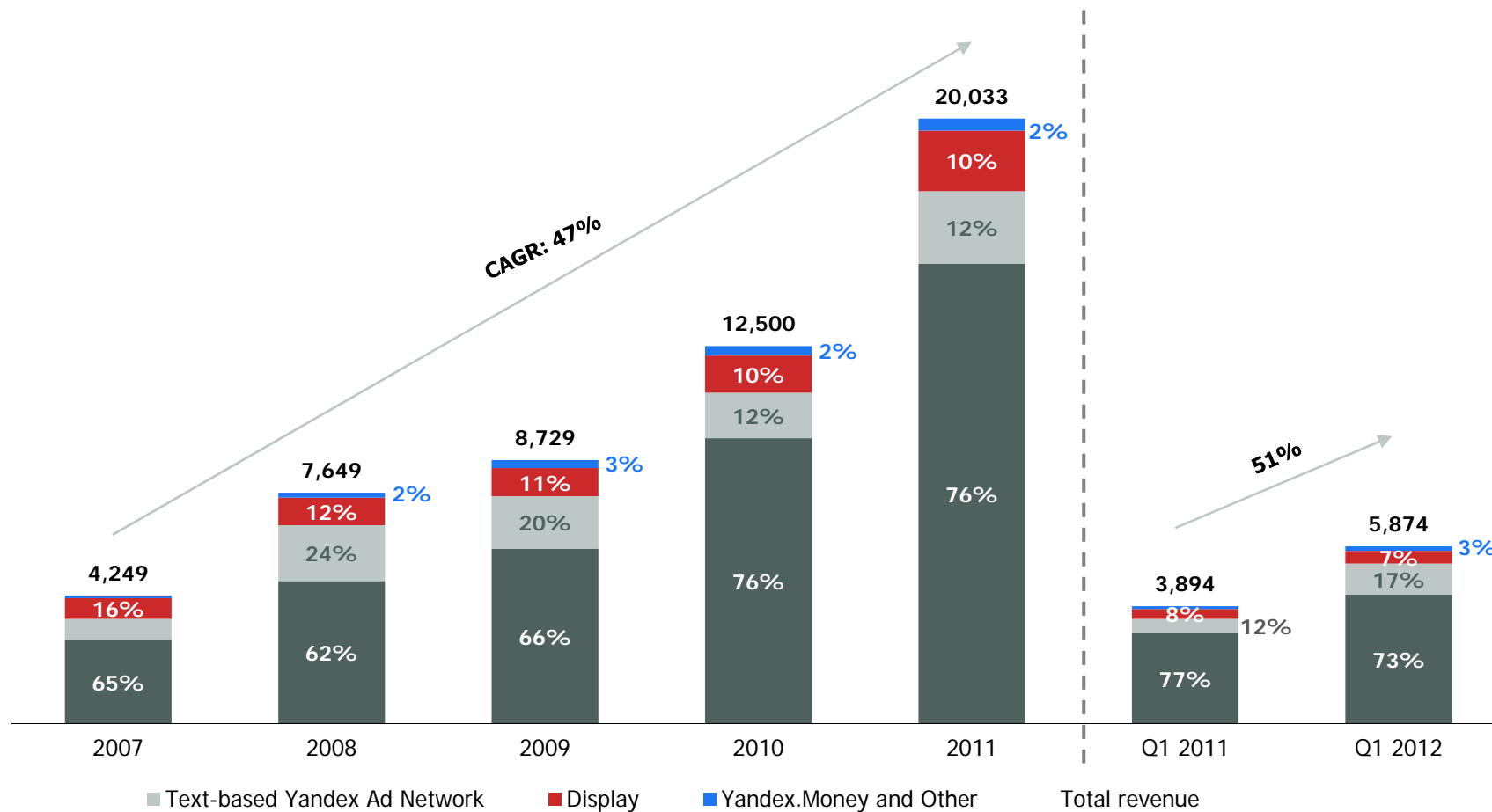
1. Revenues are recognized net of VAT, discounts and commissions, but gross of TAC

2. Adjusted EBITDA, Adjusted Net Income, Adjusted EBITDA margin and Adjusted Net Income margin are non-GAAP financial measures. For Reconciliations of non-GAAP financial measures to the nearest comparable US GAAP measures see slides 21-23.

3. Translated using an exchange rate of RUR32.1961 to \$1.00. \$ figures shown in charts expressed in millions

Revenues

Revenues ¹ (RUR MM) and Contribution by Source (%)

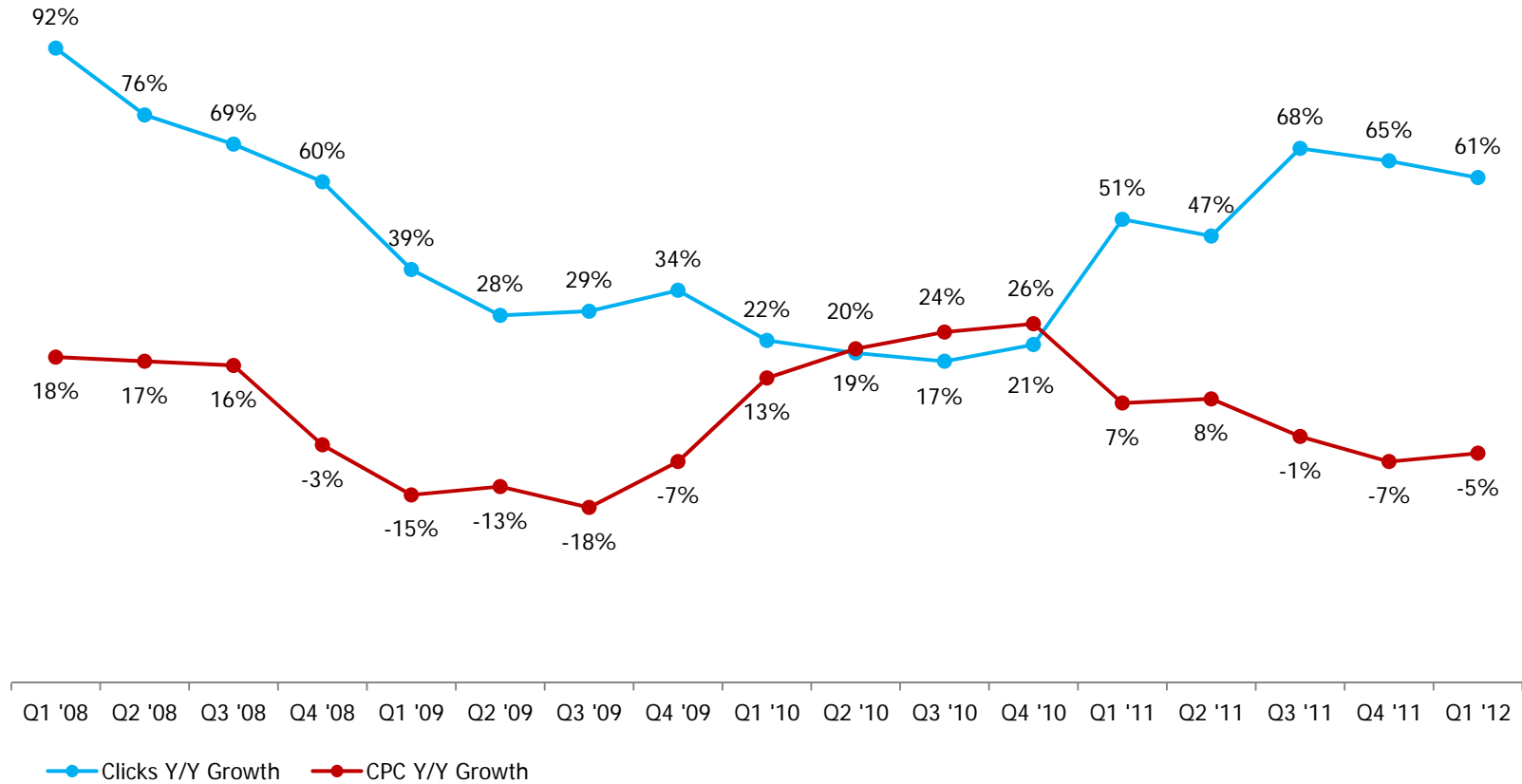


Items may not total 100% due to rounding

1. Revenues are recognized net of VAT, discounts and commissions, but gross of TAC

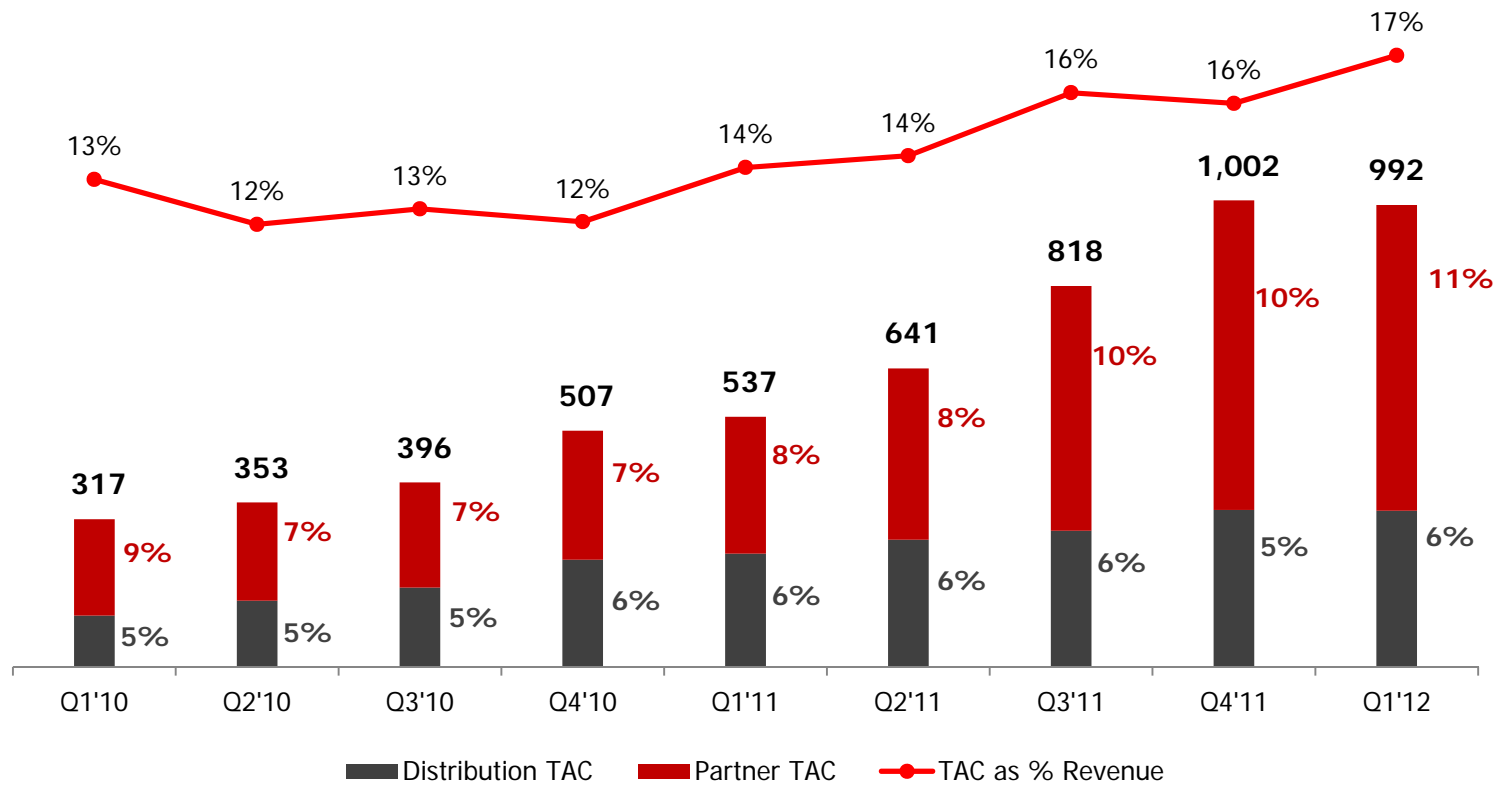
Operational Metrics

GROWTH IN PAID CLICKS AND CPC, %



Traffic Acquisition Costs

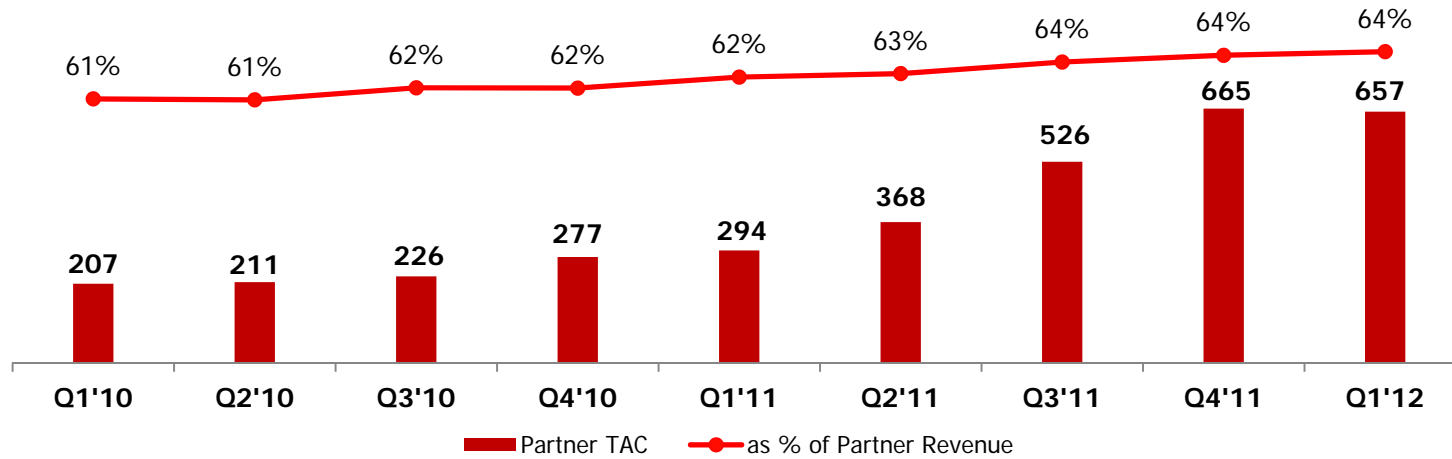
TAC BREAKDOWN¹, MM RUR



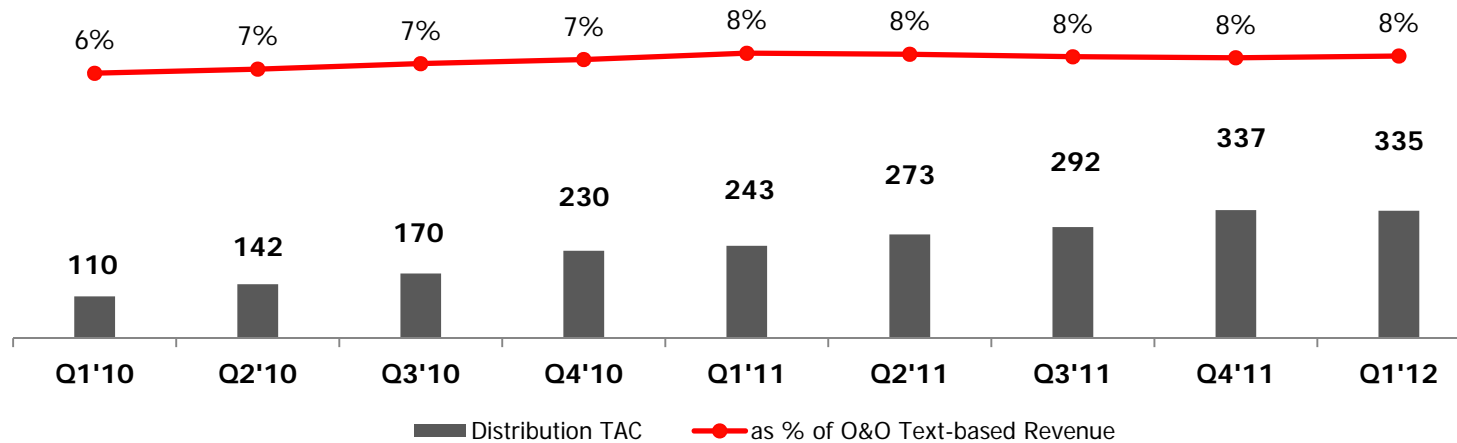
¹ Items may not total due to rounding

Traffic Acquisition Costs

Partner TAC as % of Partner Revenue, MM RUR, %

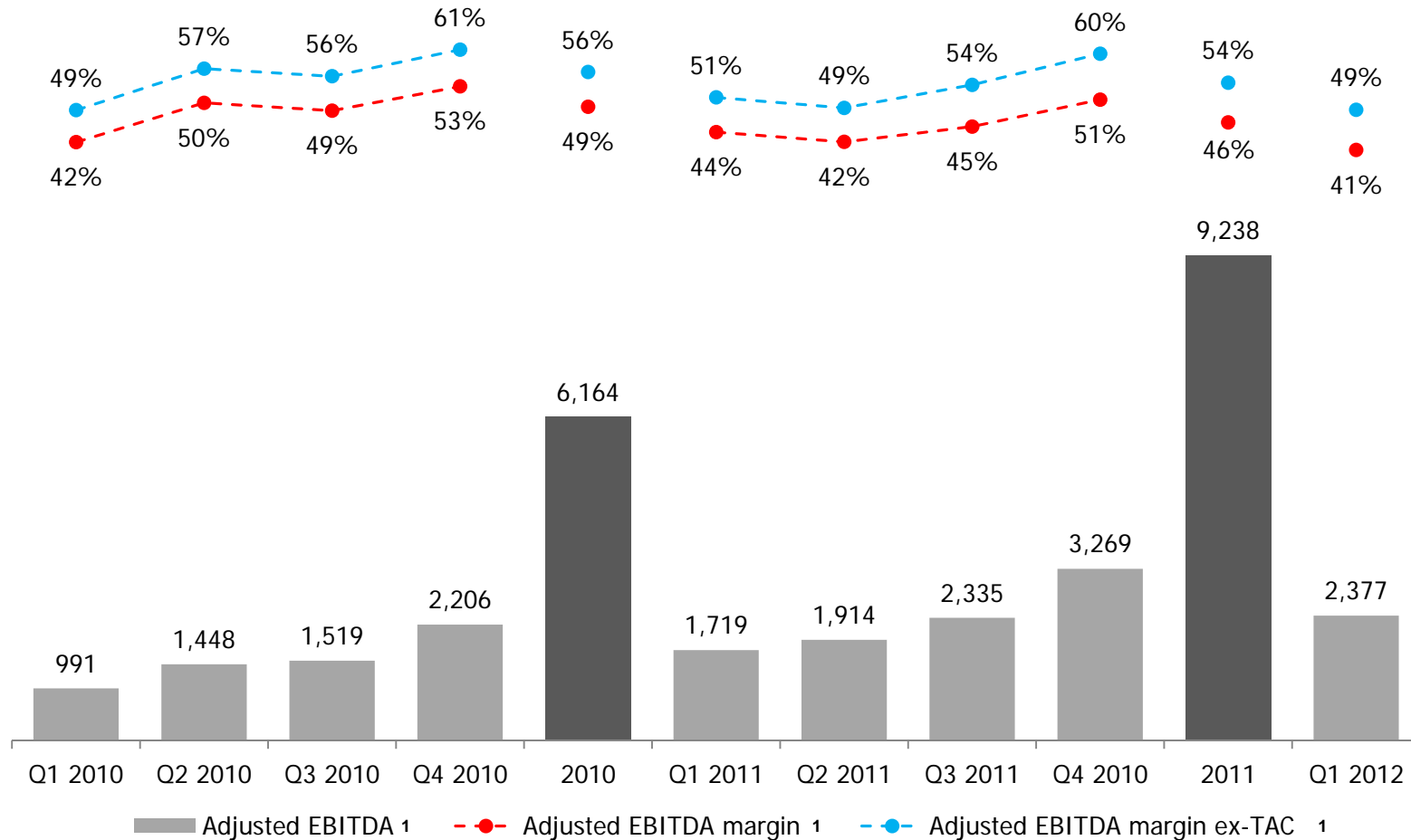


Distribution TAC as % of O&O Text-based Revenue, MM RUR, %



Adjusted EBITDA

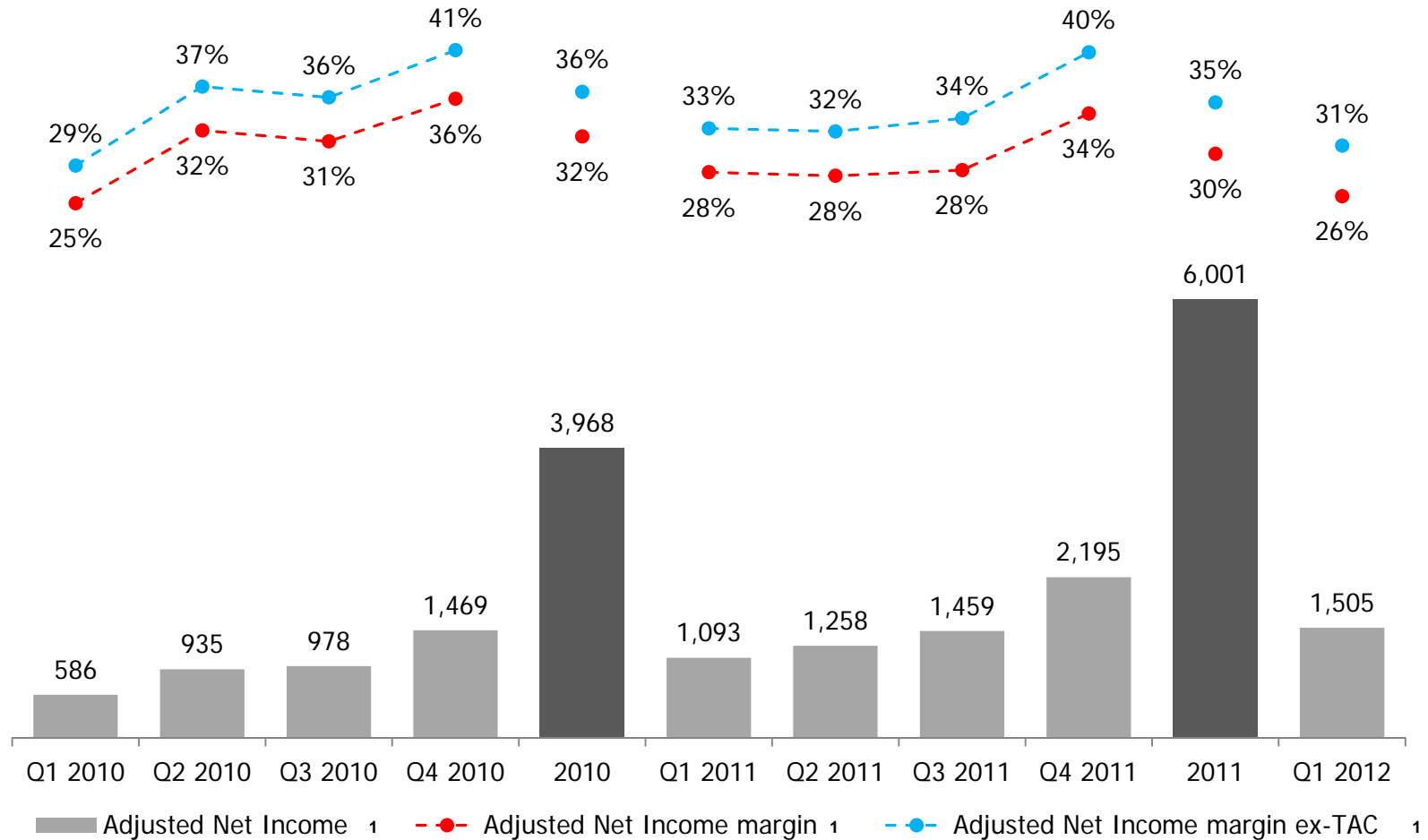
Adjusted EBITDA¹ (RUR MM) and Margin (%)



1. Adjusted EBITDA is EBITDA before share-based compensation. Adjusted EBITDA Margin means adjusted EBITDA divided by US GAAP revenues. Adjusted ex-TAC EBITDA margin means adjusted EBITDA divided by ex-TAC revenues. For a reconciliation of these non-GAAP financial measures to their most directly comparable US GAAP measures, see slides 21-23.

Adjusted Net Income

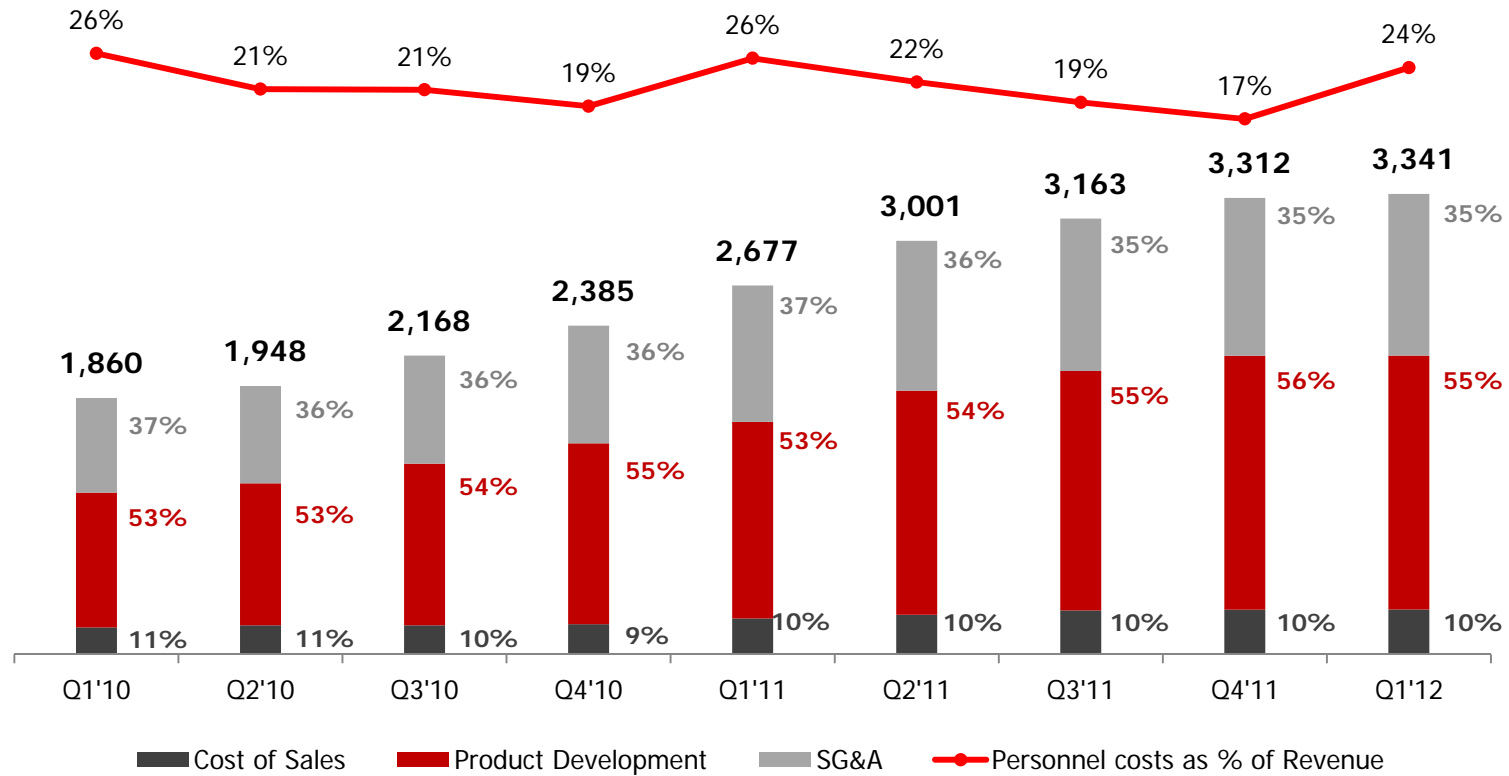
Adjusted Net Income¹ (RUR MM) and Margin (%)



1. Adjusted net income is net income before share-based compensation and foreign exchange (gains)/losses in both cases tax-adjusted. Adjusted net income margin is adjusted net income divided by US GAAP revenues. Adjusted ex-TAC net income margin is adjusted net income divided by ex-TAC revenues. For a reconciliation of these non-GAAP measures to their most directly comparable US GAAP measures see slides 21-23.

Headcount Evolution

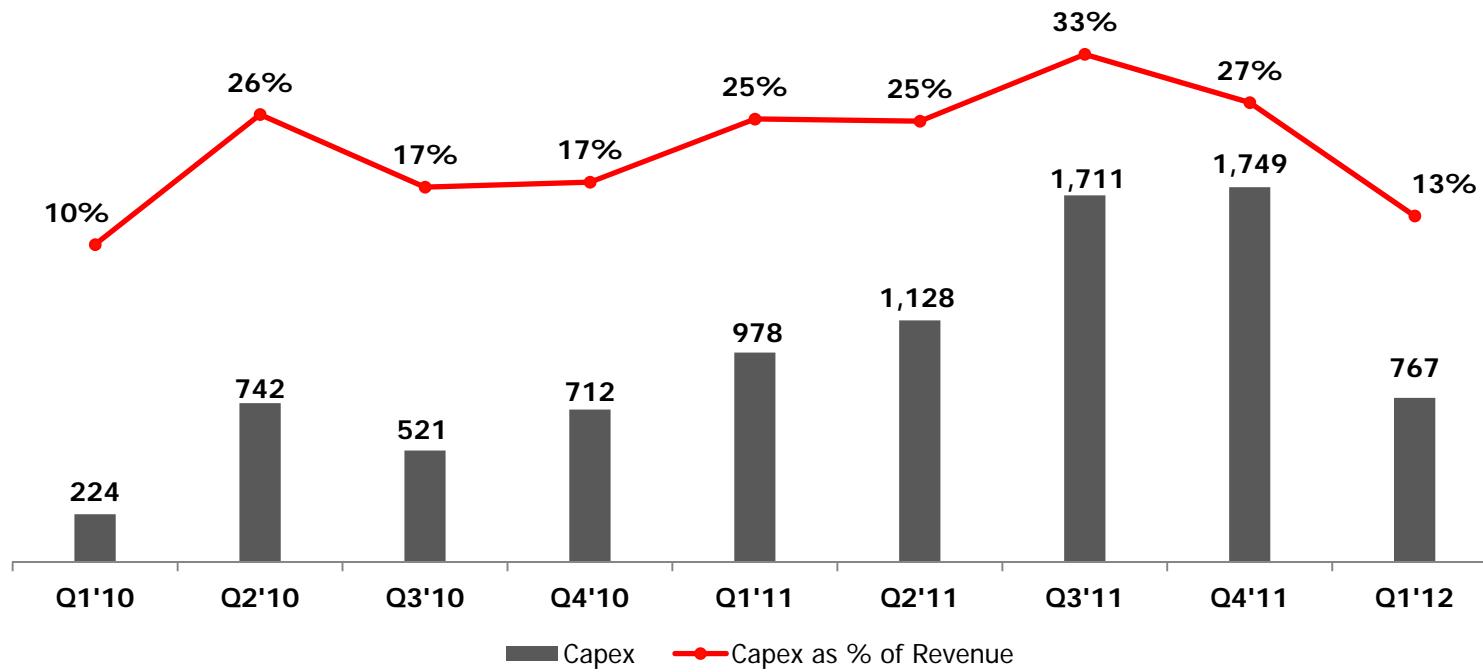
PERSONNEL¹ BY GAAP COST CATEGORY



Items may not total 100% due to rounding

¹ as of the end of the period

Capex, MM RUR



Company Outlook for 2012 *

Revenue

- To increase 40-45% in RUR y-o-y

Capex

- Approximately 20% of Revenue

* As of April 26, 2012

Supplementary Materials

Reconciliation of non-GAAP financial measures

Reconciliation of Ex-TAC Revenues to US GAAP Revenues

In RUR millions	Three months ended March 31			Three months ended June 30			Three months ended September 30			Three months ended December 31			Twelve months ended December 31			Three months ended March 31		
	2010	2011	Change	2010	2011	Change	2010	2011	Change	2010	2011	Change	2010	2011	Change	2011	2012	Change
Total revenues	2,355	3,894	65%	2,889	4,541	57%	3,131	5,159	65%	4,125	6,439	56%	12,500	20,033	60%	3,894	5,874	51%
Less: traffic acquisition costs (TAC)	317	537	69%	353	641	82%	396	818	107%	507	1,002	98%	1,573	2,998	91%	537	992	85%
Ex-TAC revenues	2,038	3,357	65%	2,536	3,900	54%	2,735	4,341	59%	3,618	5,437	50%	10,927	17,035	56%	3,357	4,882	45%

Reconciliation of Adjusted EBITDA to US GAAP Net Income

In RUR millions	Three months ended March 31			Three months ended June 30			Three months ended September 30			Three months ended December 31			Twelve months ended December 31			Three months ended March 31		
	2010	2011	Change	2010	2011	Change	2010	2011	Change	2010	2011	Change	2010	2011	Change	2011	2012	Change
Net income	507	820	62%	1,017	1,125	11%	883	1,705	93%	1,410	2,123	51%	3,817	5,773	51%	820	1,258	53%
Add: depreciation and amortization	259	377	46%	272	427	57%	307	488	59%	343	582	70%	1,181	1,874	59%	377	661	75%
Add: share-based compensation (SBC) expense	33	70	112%	32	109	241%	39	66	69%	56	84	50%	160	329	106%	70	81	16%
Add: expense for acquisition-related contingent compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	76	-
Less: interest income	(28)	(34)	21%	(39)	(36)	-8%	(43)	(47)	9%	(46)	(105)	128%	(156)	(222)	42%	(34)	(167)	391%
Add: other expense / (income) net	57	254	346%	(143)	33	-123%	60	(361)	n/m	2	12	n/m	(24)	(62)	n/m	254	124	-51%
Add: provision for income taxes	163	232	42%	309	256	-17%	273	484	77%	441	573	30%	1,186	1,545	30%	232	344	48%
Adjusted EBITDA	991	1,719	73%	1,448	1,914	32%	1,519	2,335	54%	2,206	3,269	48%	6,164	9,237	50%	1,719	2,377	38%

Reconciliation of Adjusted Net Income to US GAAP Net Income

In RUR millions	Three months ended March 31			Three months ended June 30			Three months ended September 30			Three months ended December 31			Twelve months ended December 31			Three months ended March 31		
	2010	2011	Change	2010	2011	Change	2010	2011	Change	2010	2011	Change	2010	2011	Change	2011	2012	Change
Net income	507	820	62%	1,017	1,125	11%	883	1,705	93%	1,410	2,123	51%	3,817	5,773	51%	820	1,258	53%
Add: SBC expense	33	70	112%	32	109	241%	39	66	69%	56	84	50%	160	329	106%	70	81	16%
Less: reduction in income tax attributable to SBC expense	0	0	n/m	0	(3)	n/m	0	(6)	n/m	0	(4)	n/m	0	(13)	n/m	-	(1)	n/m
Add: expense for acquisition-related contingent compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	76	-
Add: foreign exchange loss /(gain)	57	254	346%	(143)	34	n/m	70	(383)	n/m	5	(6)	n/m	(11)	(101)	818%	254	114	-55%
Less: reduction / (increase) in income tax attributable to foreign exchange loss /(gain)	(12)	(56)	367%	29	(7)	-124%	(14)	77	n/m	(1)	1	n/m	2	15	650%	(51)	(23)	-55%
Adjusted net income	585	1,088	86%	935	1,258	35%	978	1,459	49%	1,470	2,198	50%	3,968	6,003	51%	1,088	1,505	38%

Reconciliation of non-GAAP financial measures

Reconciliation of Adjusted EBITDA Margin and Adjusted Ex-TAC EBITDA Margin to US GAAP Net Income Margin

<i>In RUR millions</i>	US GAAP Net Income	Net Income Margin ⁽¹⁾	Adjustment ⁽²⁾	Adjusted EBITDA	Adjusted EBITDA Margin ⁽³⁾	Adjusted Ex-TAC EBITDA Margin ⁽⁴⁾
Three months ended March 31, 2010	507	21.5%	484	991	42.1%	48.6%
Three months ended June 30, 2010	1,017	35.2%	431	1,448	50.1%	57.1%
Three months ended September 30, 2010	883	28.2%	636	1,519	48.5%	55.5%
Three months ended December 31, 2010	1,410	34.2%	796	2,206	53.5%	61.0%
Twelve months ended December 31, 2010	3,817	30.5%	2,347	6,164	49.3%	56.4%
Three months ended March 31, 2011	820	21.1%	899	1,719	44.1%	51.2%
Three months ended June 30, 2011	1,125	24.8%	789	1,914	42.1%	49.1%
Three months ended September 30, 2011	1,705	33.0%	630	2,335	45.3%	53.8%
Three months ended December 31, 2011	2,123	33.0%	1,146	3,269	50.8%	60.1%
Twelve months ended December 31, 2011	5,773	28.8%	3,464	9,237	46.1%	54.2%
Three months ended March 31, 2012	1,258	21.4%	1,119	2,377	40.5%	48.7%

(1) Net income margin is defined as net income divided by total revenues.

(2) Adjusted to eliminate depreciation and amortization expense, SBC expense, interest income, other income/(expense), net, and provision for income taxes. For a reconciliation of adjusted EBITDA to net income, please see the table above.

(3) Adjusted EBITDA margin is defined as adjusted EBITDA divided by total revenues.

(4) Adjusted ex-TAC EBITDA margin is defined as adjusted EBITDA divided by ex-TAC revenues. For a reconciliation of ex-TAC revenues to US GAAP revenues, please see the table above.

Reconciliation of Adjusted Net Income Margin and Adjusted Ex-TAC Net Income Margin to US GAAP Net Income Margin

<i>In RUR millions</i>	US GAAP Net Income	Net Income Margin ⁽¹⁾	Adjustment ⁽²⁾	Adjusted Net Income	Adjusted Net Income Margin ⁽³⁾	Adjusted Ex-TAC Net Income Margin ⁽⁴⁾
Three months ended March 31, 2010	507	21.5%	78	585	24.8%	28.7%
Three months ended June 30, 2010	1,017	35.2%	(82)	935	32.4%	36.9%
Three months ended September 30, 2010	883	28.2%	95	978	31.2%	35.8%
Three months ended December 31, 2010	1,410	34.2%	60	1,470	35.6%	40.6%
Twelve months ended December 31, 2010	3,817	30.5%	151	3,968	31.7%	36.3%
Three months ended March 31, 2011	820	21.1%	268	1,088	27.9%	32.4%
Three months ended June 30, 2011	1,125	24.8%	133	1,258	27.7%	32.3%
Three months ended September 30, 2011	1,705	33.0%	(246)	1,459	28.3%	33.6%
Three months ended December 31, 2011	2,123	33.0%	75	2,198	34.1%	40.4%
Twelve months ended December 31, 2011	5,773	28.8%	230	6,003	30.0%	35.2%
Three months ended March 31, 2012	1,258	21.4%	247	1,505	25.6%	30.8%

(1) Net income margin is defined as net income divided by total revenues.

(2) Adjusted to eliminate SBC expense (as adjusted for the income tax reduction attributable to SBC expense) and foreign exchange losses (less foreign exchange gains) (as adjusted for the (reduction) increase in income tax attributable to the loss (gain)). For a reconciliation of adjusted net income to net income, please see the table above.

(3) Adjusted net income margin is defined as adjusted net income divided by total revenues.

(4) Adjusted ex-TAC net income margin is defined as adjusted net income divided by ex-TAC revenues. For a reconciliation of ex-TAC revenues to US GAAP revenues, please see the table above.

Reconciliation of non-GAAP financial measures

Reconciliation of Ex-TAC Revenues to US GAAP Revenues

<i>In RUR millions</i>	Twelve months ended December 31		
	2007	2008	2009
Total revenues	4,249	7,649	8,729
<i>Less: traffic acquisition costs (TAC)</i>	504	1,270	1,305
Ex-TAC revenues	3,745	6,379	7,424

Reconciliation of Adjusted EBITDA to US GAAP Net Income

<i>In RUR millions</i>	Twelve months ended December 31		
	2007	2008	2009
Net income	1,520	2,432	2,010
<i>Add: depreciation and amortization</i>	295	600	912
<i>Add: share-based compensation (SBC) expense</i>	37	140	209
<i>Less: interest income</i>	-31	-86	-67
<i>Add: other expense/(income) net</i>	4	-208	23
<i>Add: provision for income taxes</i>	559	947	672
Adjusted EBITDA	2,384	3,825	3,759

Reconciliation of Adjusted Net Income to US GAAP Net Income

<i>In RUR millions</i>	Twelve months ended December 31		
	2007	2008	2009
Net income	1,520	2,432	2,010
<i>Add: SBC expense</i>	37	140	209
<i>Less: reduction in income tax attributable to SBC expense</i>	0	0	0
<i>Add: foreign exchange loss/(gain)</i>	5	-65	64
<i>Less: reduction/(increase) in income tax attributable to foreign exchange loss/(gain)</i>	-1	16	-13
Adjusted net income	1,561	2,523	2,270