

Yandex

For UBS 2013 Emerging Market 1x1 Conference

Search

May 2013

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 "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 20-F dated March 11, 2013, 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 May 12, 2013, and Yandex expressly disclaims any duty to update this information unless required by law.

Yandex is the Market Leader in Russia

Search Leader

61.9% search market share in Russia¹

#1 Internet Destination

53 MM unique visitors per month in Russia²

Leading Online Advertising Platform

350,000 advertisers in 2012³

53% online ad market share⁴

Largest Internet Business

\$947 MM Revenues⁵ in 2012 (+44% yoy)

\$433 MM Adj. EBITDA⁶ in 2012 (+42% yoy)

¹ Source: Liveinternet, through April 30 2013

² Source: comScore, March 2013

³ Source: Company Information, FY 2012

⁴ Source: http://www.akarussia.ru/knowledge/market_size AKAR for 2012, adjusted for commissions

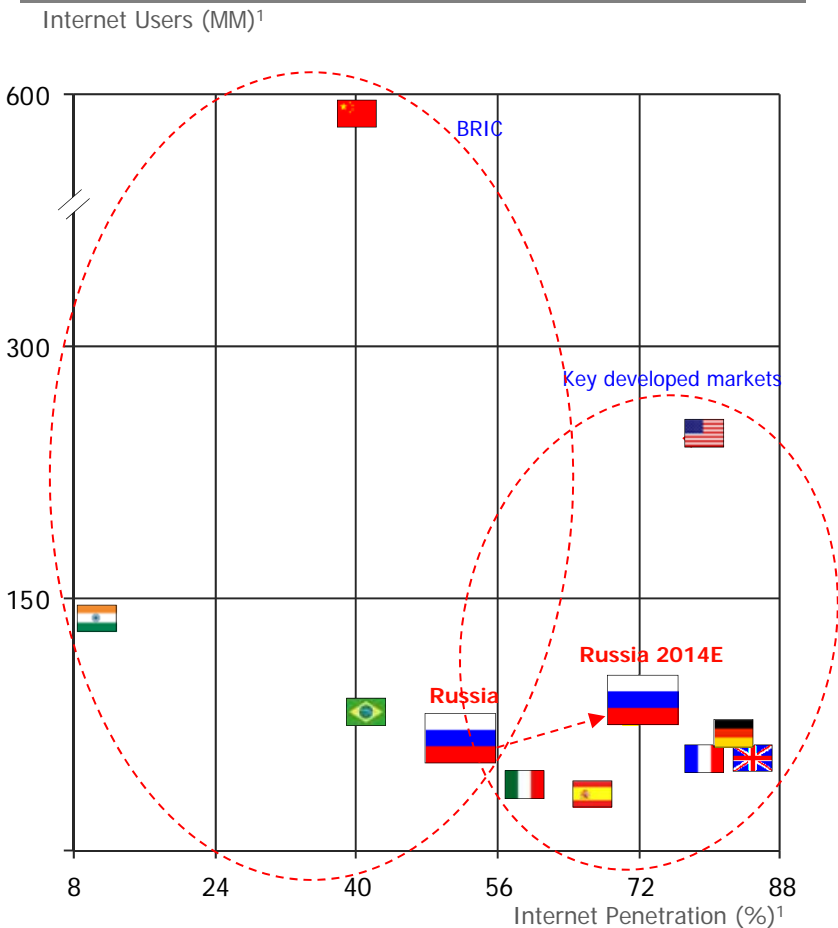
⁵ Source: Company Information for FY 2012, using an exchange rate of RUR 30.3727 to \$1.00 as of 31 December 2012

⁶ Source: Company Information for FY 2012, using an exchange rate of RUR 30.3727 to \$1.00 as of 31 December 2012

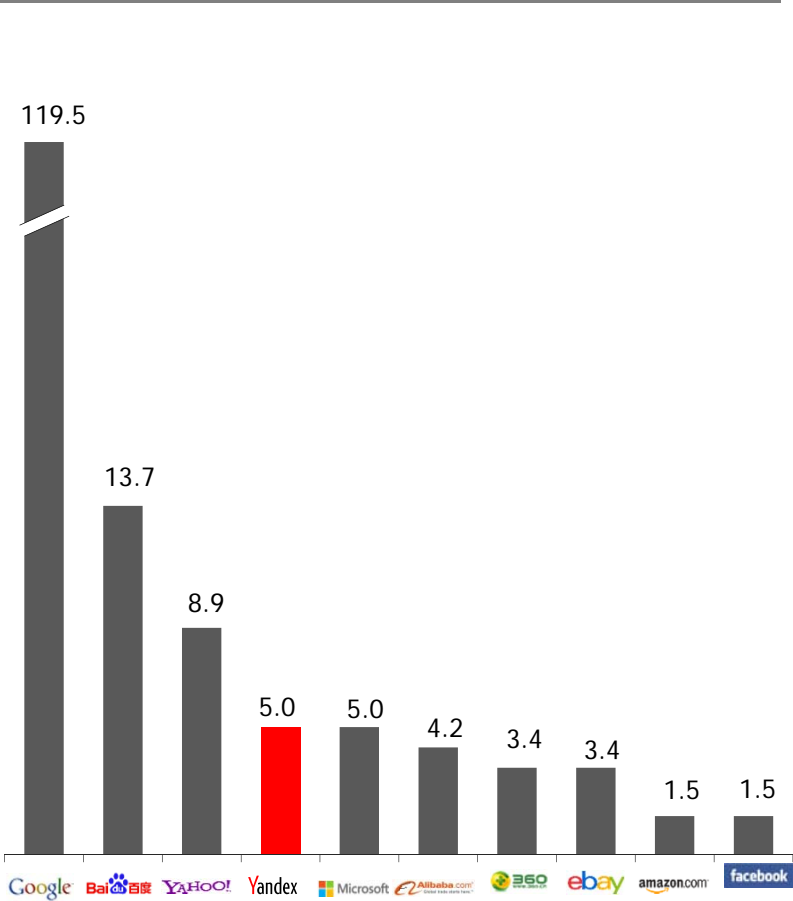
Adjusted EBITDA is EBITDA before share-based compensation. See slides 20-22 for reconciliation to US GAAP Net income

Russia is One of the World's Largest Internet Markets

Internet Users and Penetration



Worldwide Top-10 Search Properties (Bn Searches)²

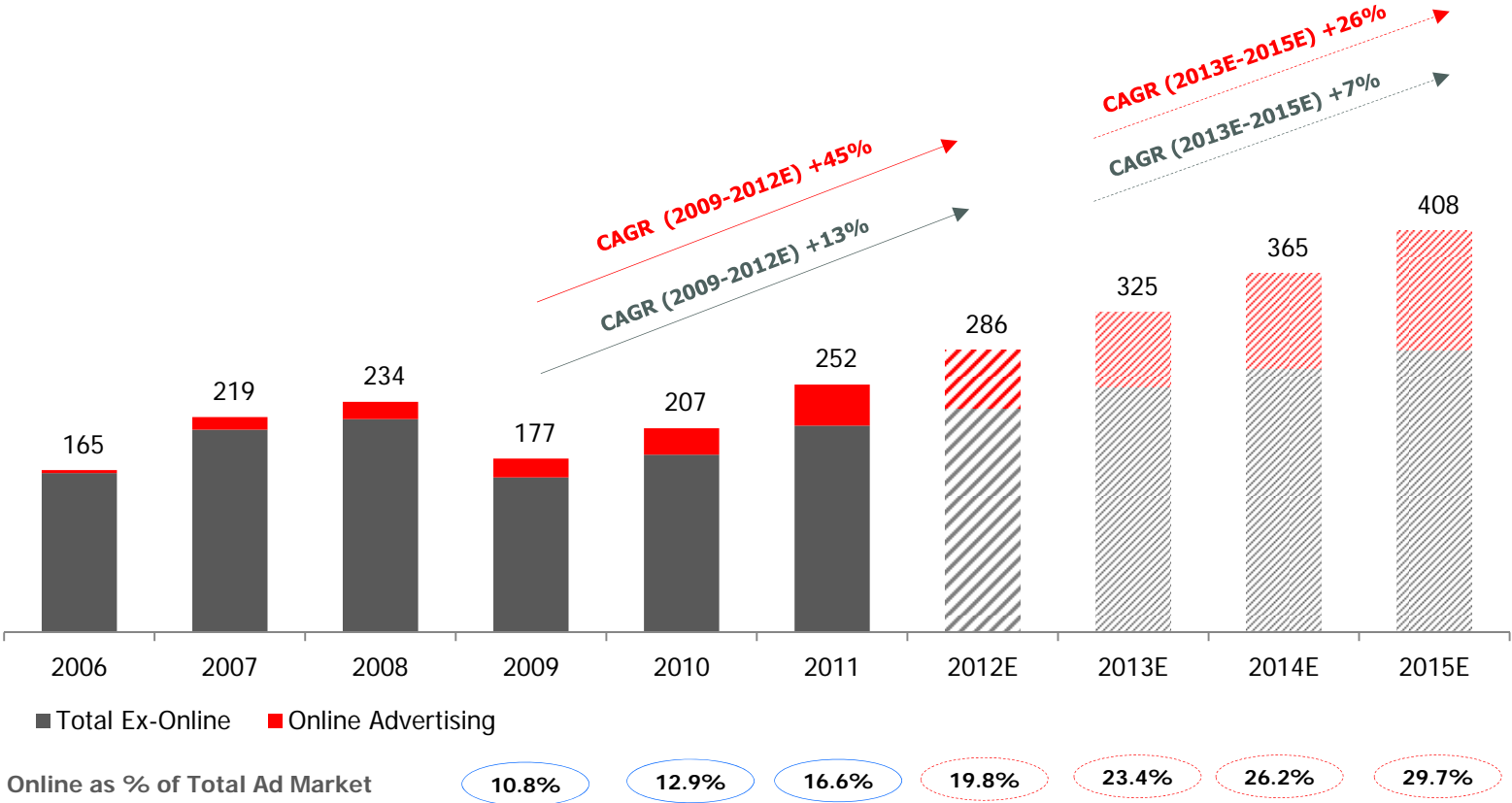


¹ Source: InternetWorldStats for the USA, China, France, Germany, India, Spain, 30 June 2012; InternetWorldStats for Brazil, UK, Italy, 31 December 2011; FOM (Public Opinion Foundation) for Russia for Fall 2012; FOM Growth forecast as of March 2011
² Source: comScore, January 2013

Russia Has a Very Attractive Advertising Market

Russian Online Advertising to Grow at 26% CAGR 2013E-2015E

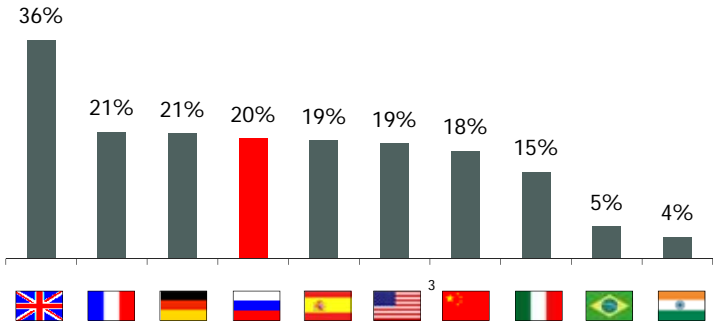
Total Russian Advertising Market in constant currencies (RUR Bn)¹



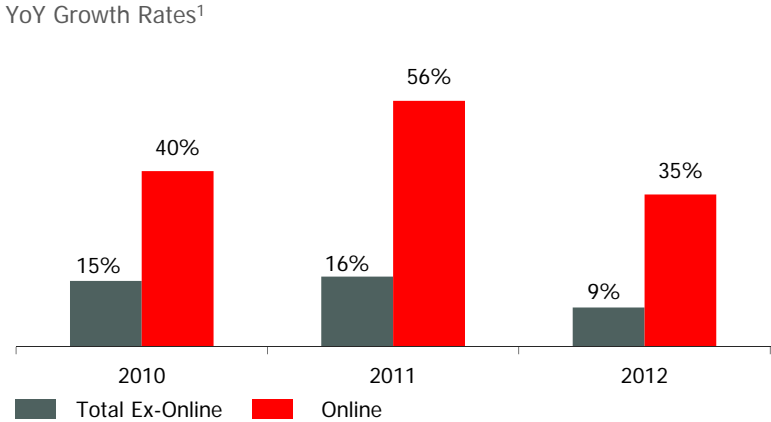
¹ Source: ZenithOptimedia, Advertising Expenditure Forecasts, December 2012

Online Advertising Expected to Continue to Outperform

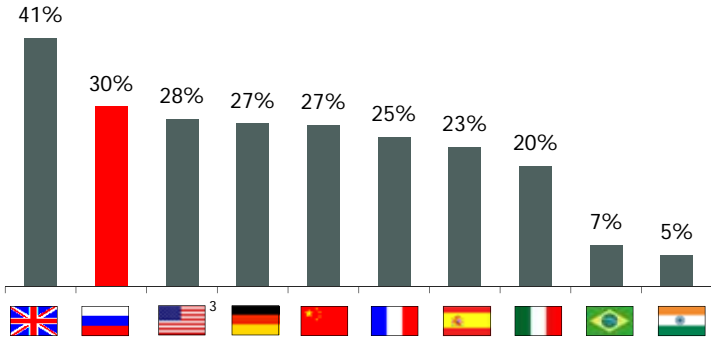
Online as % of Total Ad Spend–2012E¹



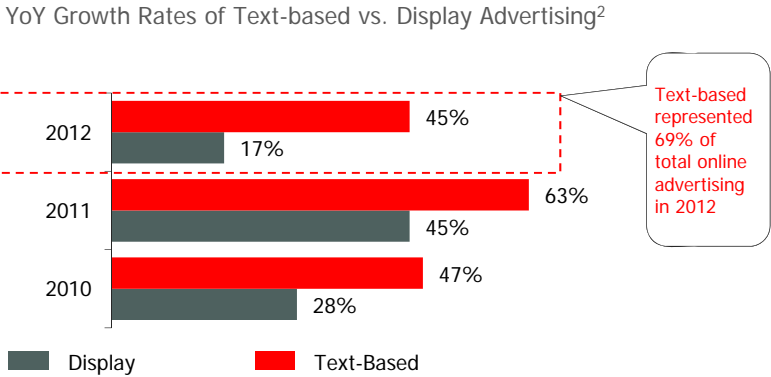
Online Advertising in Russia Has Consistently Outperformed Offline



Online as % of Total Ad Spend–2015E¹



Text-based Continues to Grow Faster than Display in Russia

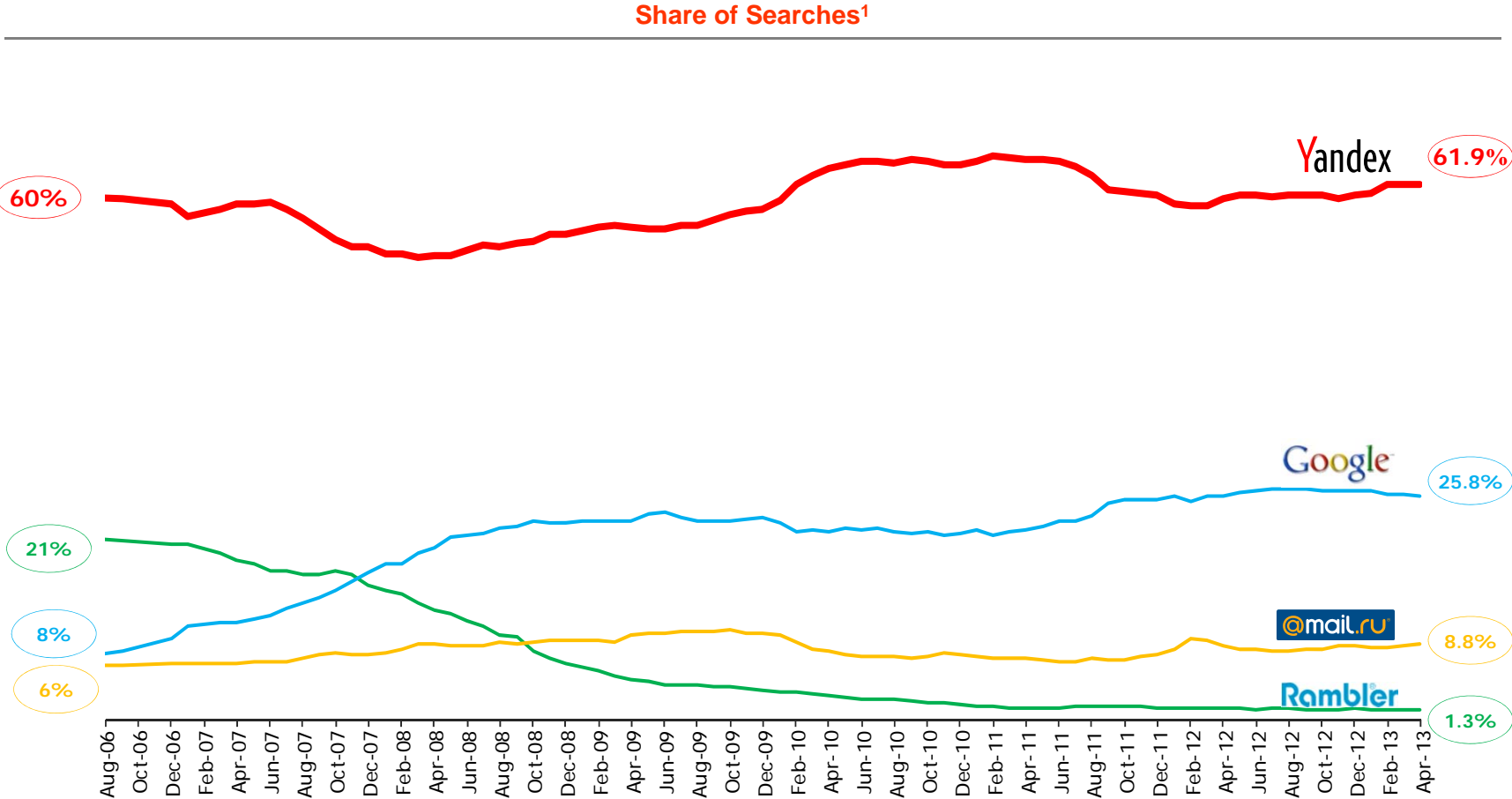


¹ Source: ZenithOptimedia, Advertising Expenditure Forecasts, for 2010 and 2011, December 2012; AKAR for 2012 http://www.akarussia.ru/knowledge/market_size/id2990

² Source: http://www.akarussia.ru/knowledge/market_size AKAR for 2010, 2011, 2012

³ Based on "Total Major Media" ad spend (including TV, Radio, Magazines, Newspapers, Outdoor, Internet and Cinema)

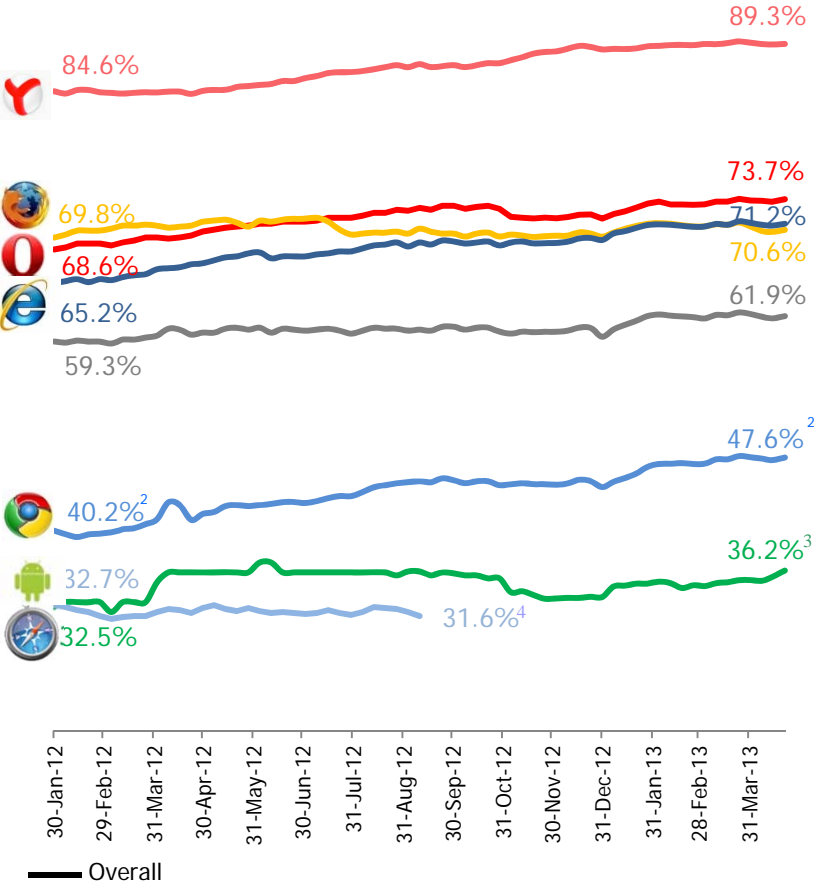
Yandex is the Consistent Search Leader in Russia



¹ Source: LiveInternet.ru, through April 30, 2013. Search traffic reflects Russian users to Russian websites and includes desktop and mobile

Market Share Gains in all Major Browsers

Yandex is Gaining Share in All Major Browsers¹



¹ Source: LiveInternet.ru, weekly through April 28 2013

² Google Chrome shown separately

³ Liveinternet data for Android is measured on a global basis, counting searches from non-Russian countries. According to Yandex's internal statistics tool, Yandex's share in Android in Russia is 47%

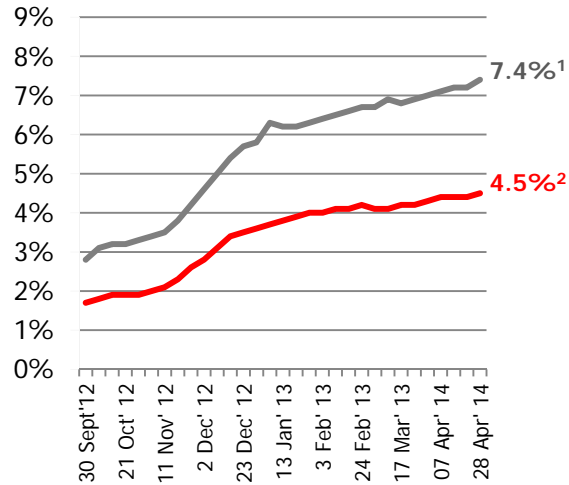
⁴ From September 2012 Liveinternet data for Safari demonstrated significant uptake in Yandex's share within this browser. We believe that some of the uptake is overstated due to technical issues

Yandex's Recent Search Innovations

- ❖ **Personalized search**, part of Yandex's new search platform, **Kaliningrad**. Based on users' behaviour including search history, clicks on search results and language preferences, the search engine makes search suggestions and ranks results individually tailored for each user
- ❖ **Social search** complements search results with social networking content
- ❖ **Intent-based search** understands users' needs and helps them to attain their goals. Based on proprietary Spectrum technology
- ❖ **Partnership with Twitter** - the full feed of all public tweets
- ❖ **Freshness** - search returns a group of links to the most recent web documents graphically separated from other search results. Based on proprietary Orange technology
- ❖ **Facts and figures** in suggestions - users now see the answers to their queries even before they finish typing
- ❖ Further improvements in the quality of search including **freshness, response time and quality of answers to long-tail queries**

Yandex.Browser

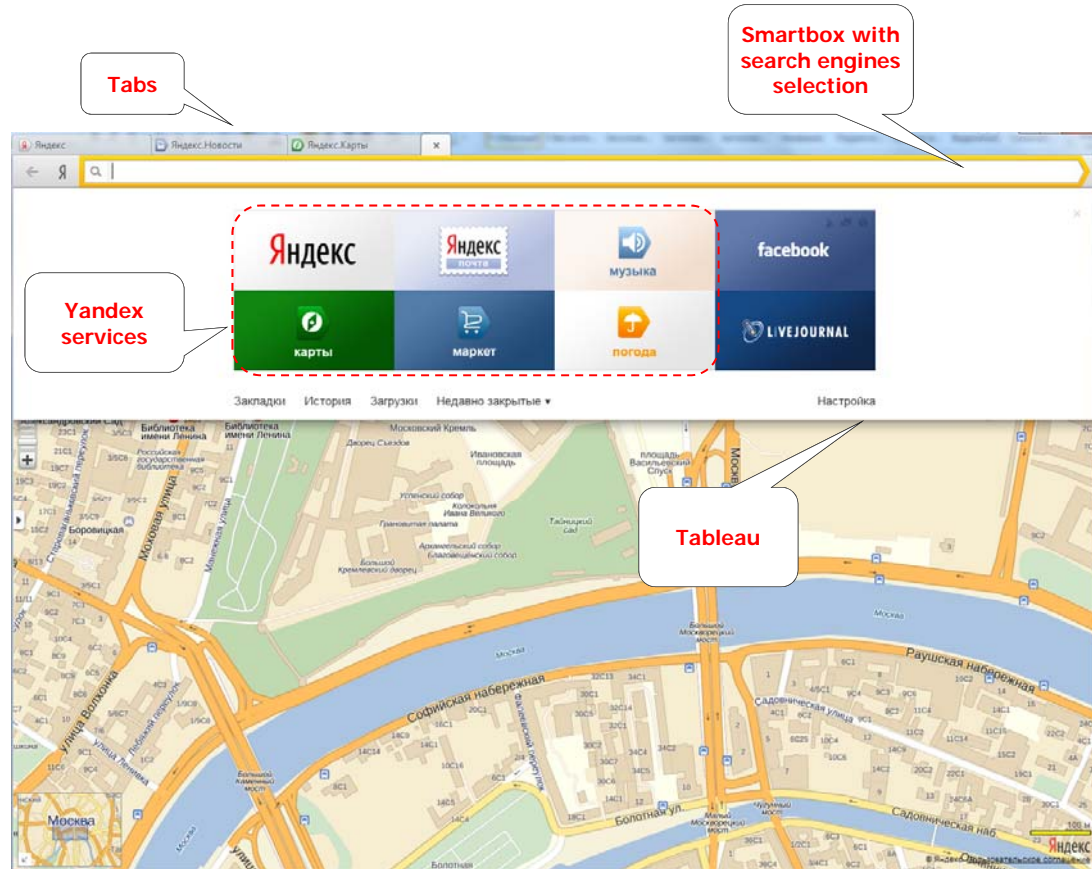
Yandex is Constantly Innovating



— Share of searches through Yandex.Browser
 — Audience share

- ❖ Integrated with Yandex services
- ❖ Turbo technology - faster browsing
- ❖ Smartbox gives users answers when they type queries in
- ❖ Cloud-based safe browsing technology
- ❖ Safe file downloads with Kaspersky Lab virus protection technology

Yandex.Browser – Integrated, Fast , Cloud-Based and Safe



¹ Share of searches processed through Yandex.Browser in Russia. Based on Liveinternet data

² Liveinternet – share in the number of users on the Russian Browser market

Recent Developments in Mobile

Yandex is Focused on Mobile

- ❖ Yandex.Store
 - ✓ One of the largest alternative Android app stores
 - ✓ Over 50,000 apps
 - ✓ Solution for OEMs - partnerships with 3Q, Explay, Oppo, PocketBook, Qumo, teXet, and Wexler for mobile devices aimed at the Russian market
 - ✓ Solution for service providers - white-label appstore **getUpps** for Megafone

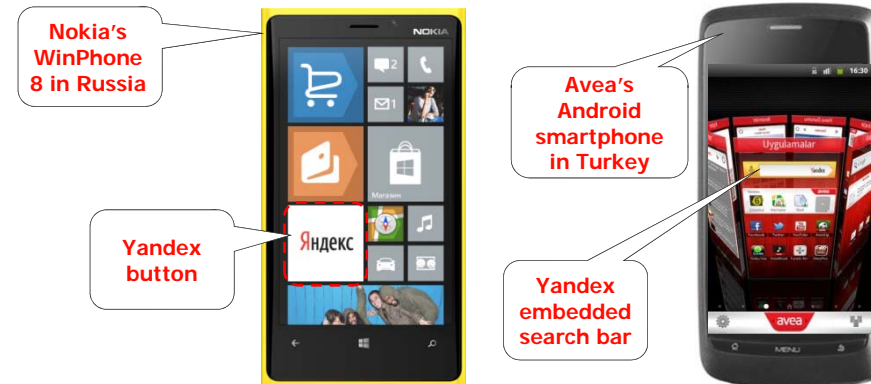
- ❖ Yandex.Shell
 - ✓ Over 1M downloads since launch in March 2012¹
 - ✓ International launch together with Yandex.Store
 - ✓ Preinstalled on a operator-branded smartphones by MTS, Megafon and Avea in Turkey

- ❖ Yandex is a default search engine on all WinPhone 8 devices in Russia, CIS, Turkey

Partnerships with Russian operators



New Partnerships with Vendors



¹ Source: Company data

Yandex.Market - #1 Comparison Shopping Destination in Russia

Yandex.Market

- ❖ 15 MM users monthly¹
- ❖ 40% of Russian online shoppers use Yandex.Market²
- ❖ Aggregates about 12,000 e-shops with 45 MM offers²
- ❖ Re-platforming related to the introduction of Apparel allows Yandex to more easily add new verticals

Yandex.Market Search Results Page

The screenshot shows a search results page for 'Ноутбуки' (Laptops) on Yandex.Market. The page is annotated with several callouts:

- Choice by parameters:** Points to the filter sidebar on the left.
- Popular models:** Points to the top product listings.
- New arrivals:** Points to a section for recently added items.
- Vendors:** Points to the list of participating retailers.
- Ready made "recipes":** Points to a section for curated product recommendations.
- Yandex.Guru:** Points to a section for expert advice or guides.
- The most coveted goods:** Points to a section for trending or highly-rated items.
- Related categories:** Points to a section for similar product categories.

¹ Source: comScore, March 2013
² Source: Company data, April 2013

A New Category – Comparison Shopping for Apparel

The screenshot shows the Apparel category page on Yandex.Market. The page is annotated with several callouts:

- Seasonal offers:** Points to a banner for 'МУЖСКИЕ СВИТЕРЫ' (Men's Sweaters).
- Online shopping video guide:** Points to a section with video content for various apparel items.
- Selection of popular brands:** Points to a grid of brand logos including bonprix, ELIZANZA, VERO MODA, WETSEAL, next, MANGO, s.Oliver, NIKE, HARBLEN, PUMA, tommy, PETEK, BETSY, QUACKER, adidas, and DIESEL.

Turkey - Our First International Market

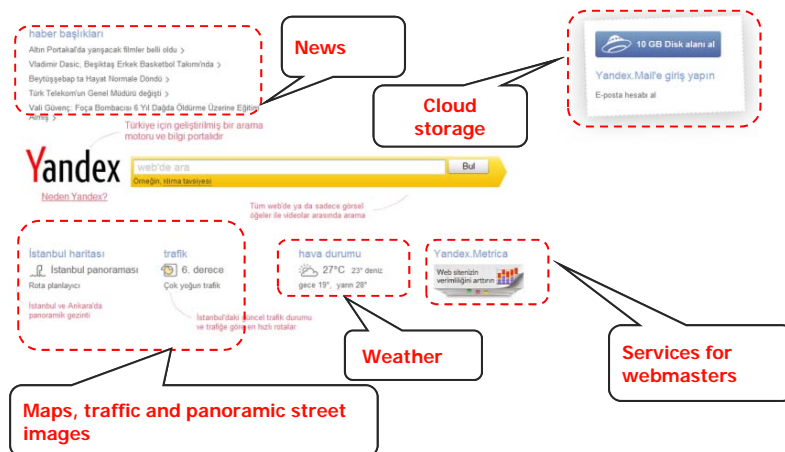
Turkey is a Large and Fast-growing Online Market¹

- ❖ Population of **80 MM**
- ❖ Internet users (2012): **36 MM (46% penetration)**
- ❖ **2 Bn** local webpages
- ❖ Online ad market (2012E): **\$247 MM²**
 - ✓ Online ad penetration: **9%**
 - ✓ Projected to grow to **\$475 MM²** in 2015E
 - ✓ **24%** 2012E-2015E CAGR

Yandex is Gaining Momentum in Turkey

- ❖ 2% of Turkish search market³
- ❖ Brand recognition survey:
 - ✓ 84% heard about Yandex
- ❖ By the end of Q4, our average daily visitors numbered around 940,000 people according to ComScore, which is a 10-fold increase from a year ago and 73% increase from September

Yandex.Turkey Front Page



Turkey – Launched Services



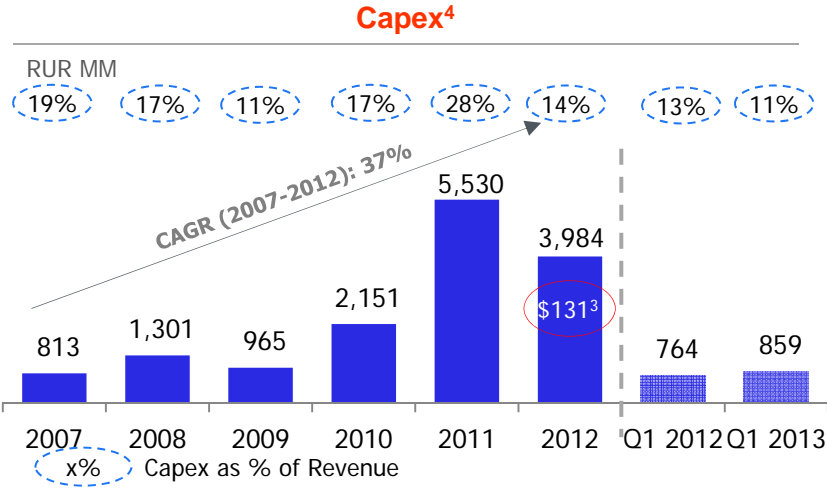
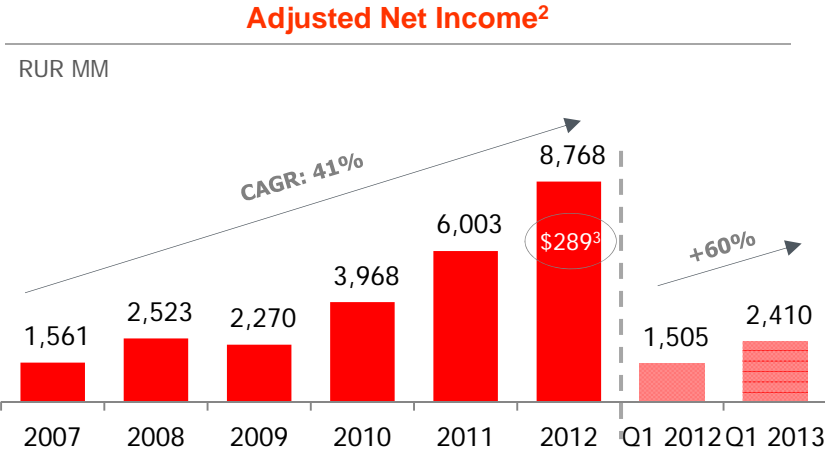
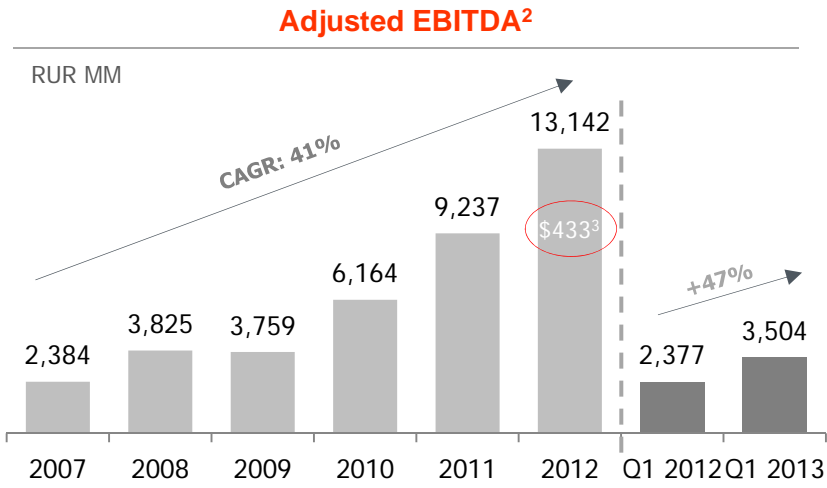
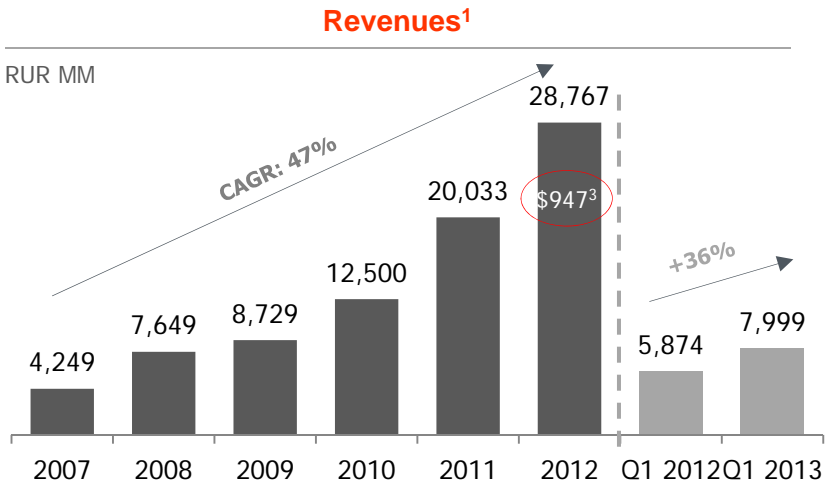
¹ Source: Euromonitor; FOM; InternetWorldStats.com; ZenithOptimedia - Advertising Expenditure Forecasts as of December 2012; Internet user penetration based on total population (source: InternetWorldStats)

² ZenithOptimedia presents Display market only for Turkey. According to our estimates, contextual advertising market is equal to the display in Turkey

³ Source: Yandex.Metrica, January 2013

Financials

Financial Summary

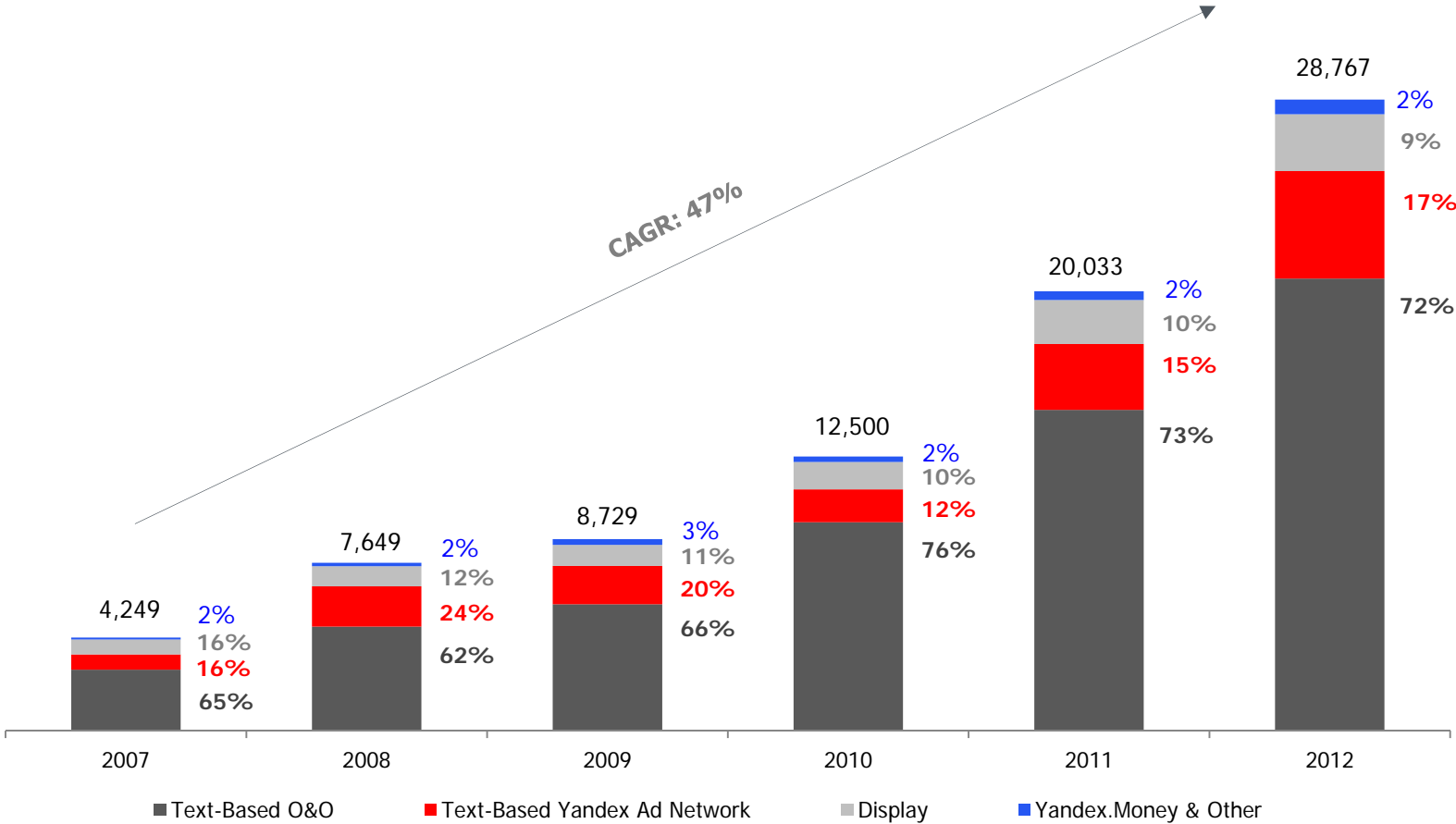


¹ Revenues are recognized net of VAT, discounts and commissions, but gross of TAC
² Adjusted EBITDA, Adjusted Net Income, Adjusted EBITDA margin and Adjusted Net Income margin are non-GAAP financial measures. For Reconciliations of non-GAAP financial measures to the nearest comparable US GAAP measures see slides 20-22
³ Translated using an exchange rate of RUR30.3727 to \$1.00 as of Dec 31, 2012. \$ figures shown in charts expressed in millions
⁴ Figures have been restated to exclude Yandex.Money capex for all periods. Capex as % of Revenue excludes Yandex.Money from numerator and denominator

Revenues

Revenues¹ and Contribution by Source

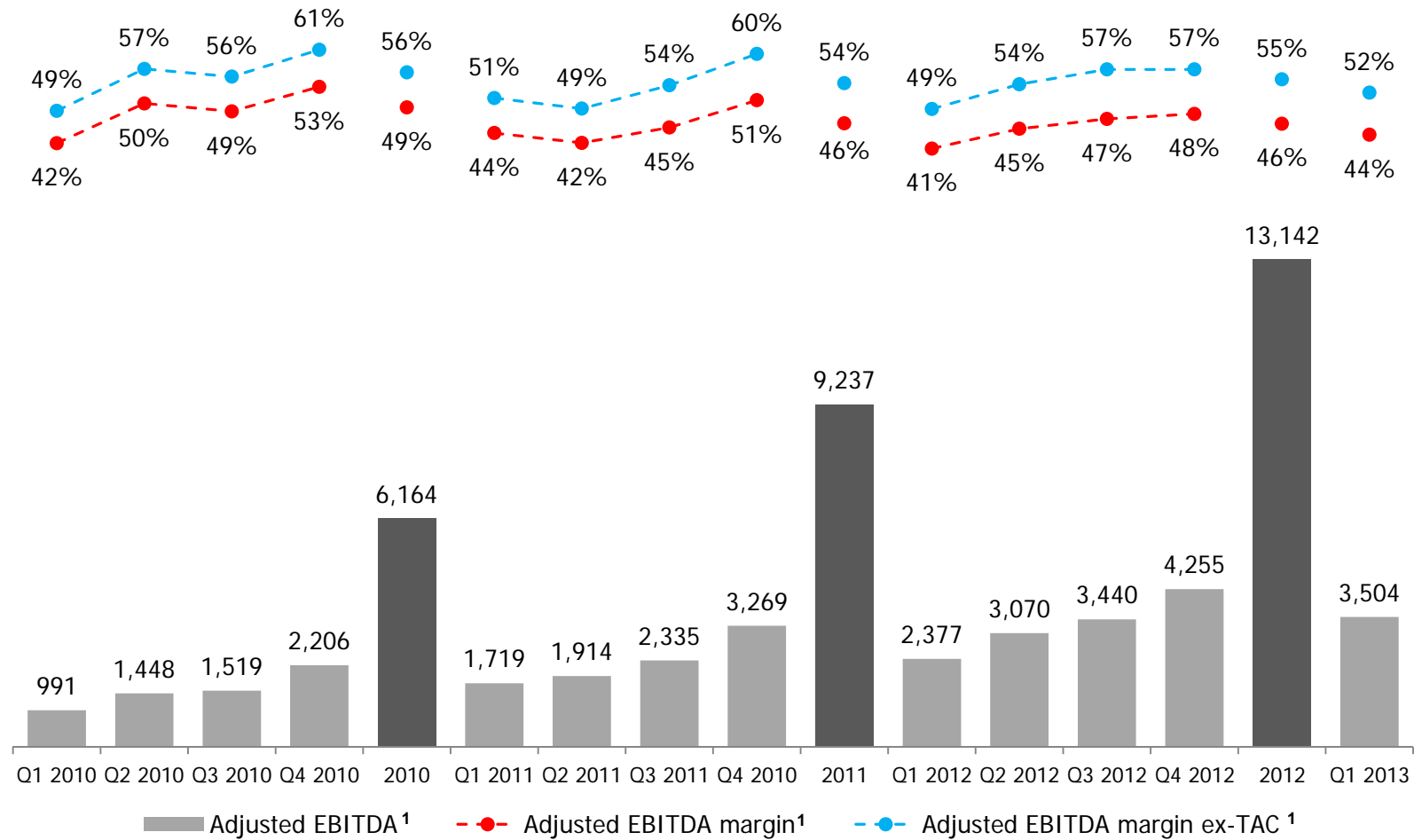
RUR MM



¹ Revenues are recognized net of VAT, discounts and commissions, but gross of TAC; Items may not total 100% due to rounding

Adjusted EBITDA

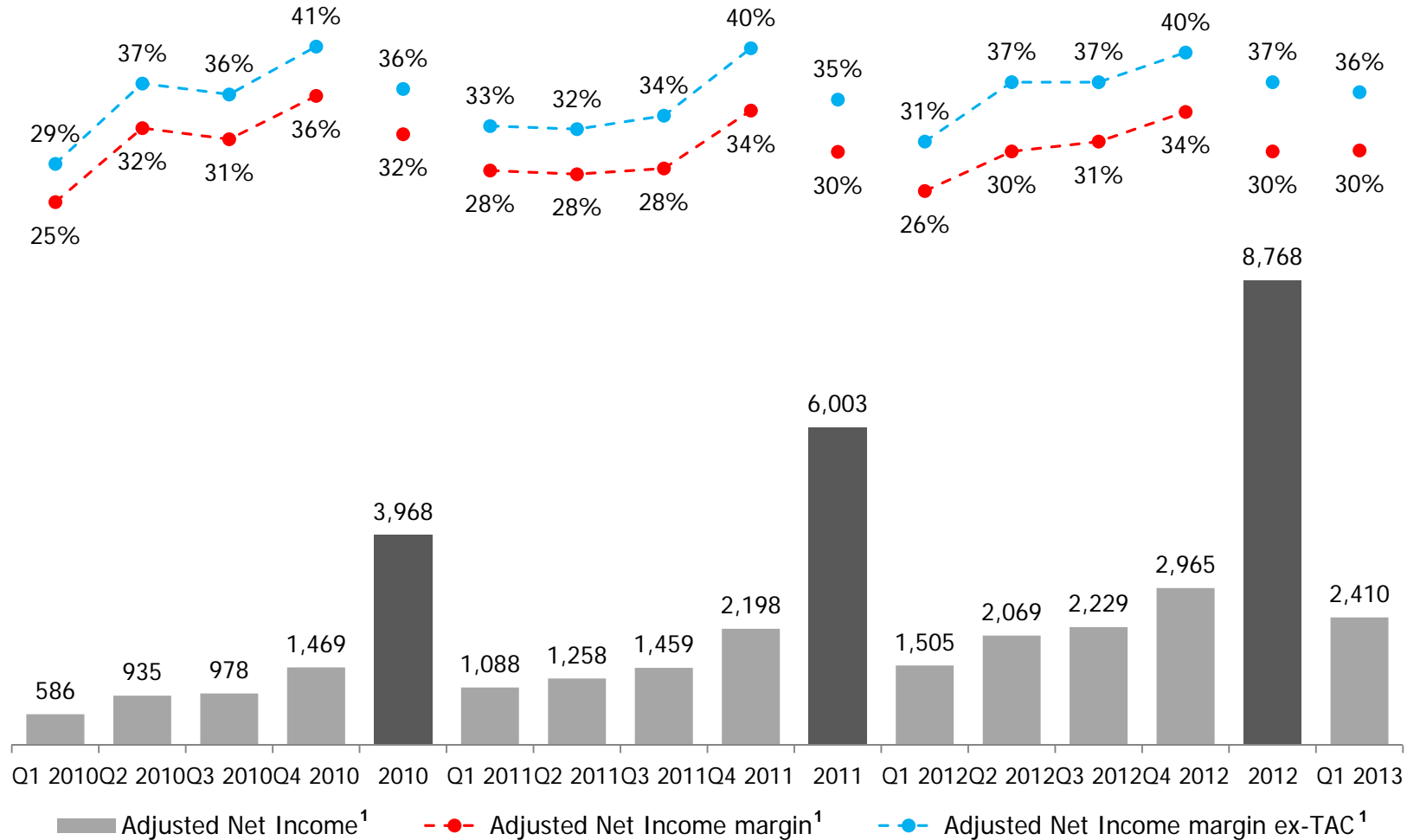
Adjusted EBITDA¹ (RUR MM) and Margin (%)



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 20-22.

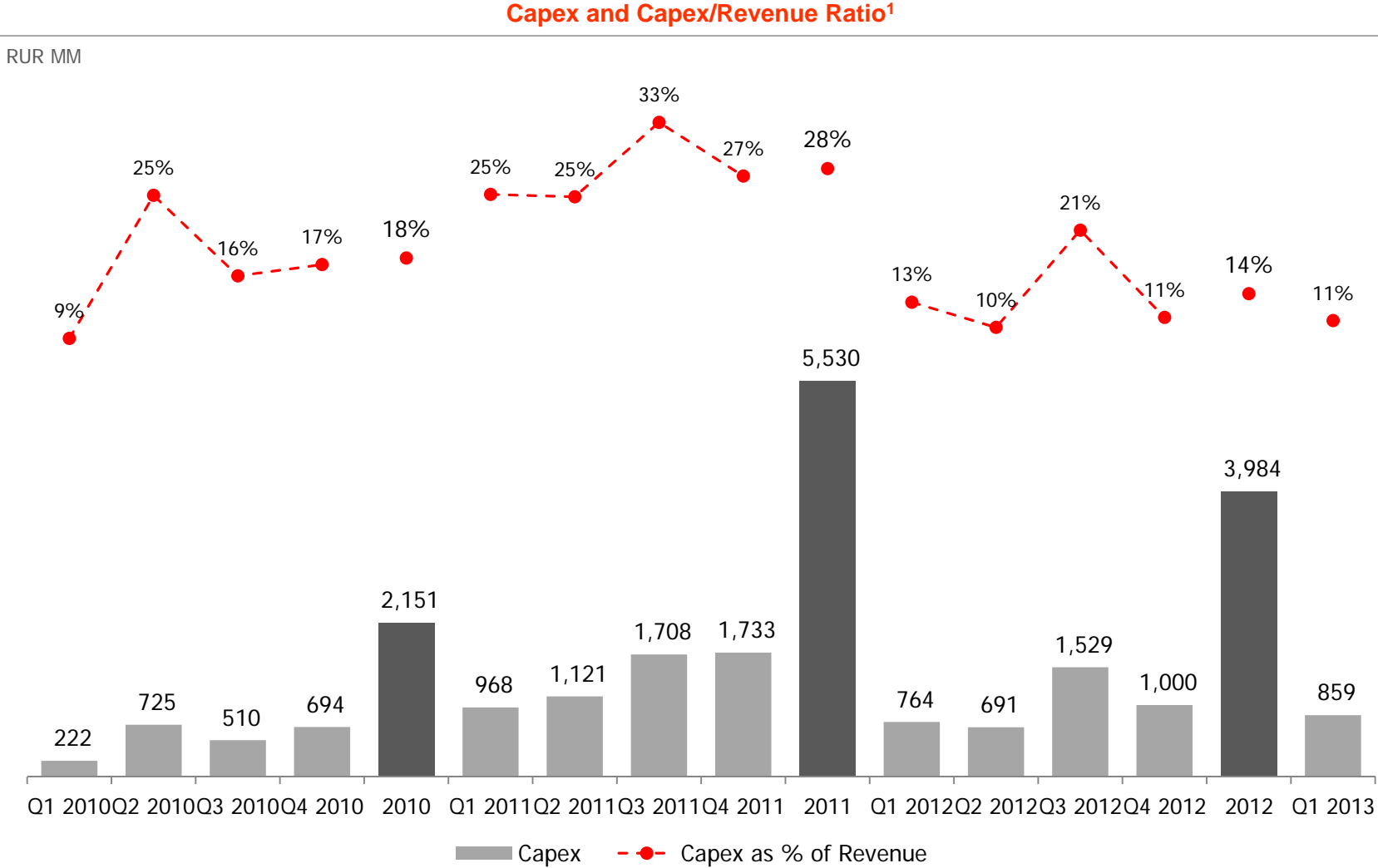
Adjusted Net Income

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 20-22.

Capex



¹ Figures have been restated to exclude Yandex.Money capex for all periods. Capex as % of Revenue excludes Yandex.Money from numerator and denominator

Supplementary Materials

Reconciliation of Non-GAAP Financial Measures¹

Reconciliation of Ex-TAC Revenues to US GAAP Revenues

In RUR millions

	<u>Q1'10</u>	<u>Q2'10</u>	<u>Q3'10</u>	<u>Q4'10</u>	<u>Q1'11</u>	<u>Q2'11</u>	<u>Q3'11</u>	<u>Q4'11</u>	<u>Q1'12</u>	<u>Q2'12</u>	<u>Q3'12</u>	<u>Q4'12</u>	<u>Q1'13</u>
Total revenues	2,355	2,889	3,131	4,125	3,894	4,541	5,159	6,439	5,874	6,801	7,273	8,819	7,999
Less: traffic acquisition costs (TAC)	317	353	396	507	537	641	818	1,002	992	1,141	1,231	1,416	1,305
Ex-TAC revenues	2,038	2,536	2,735	3,618	3,357	3,900	4,341	5,437	4,882	5,660	6,042	7,403	6,694

Reconciliation of Adjusted EBITDA to US GAAP Net Income

In RUR millions

	<u>Q1'10</u>	<u>Q2'10</u>	<u>Q3'10</u>	<u>Q4'10</u>	<u>Q1'11</u>	<u>Q2'11</u>	<u>Q3'11</u>	<u>Q4'11</u>	<u>Q1'12</u>	<u>Q2'12</u>	<u>Q3'12</u>	<u>Q4'12</u>	<u>Q1'13</u>
Net income	507	1,017	883	1,410	820	1,125	1,705	2,123	1,258	1,983	2,291	2,691	2,246
Add: depreciation and amortization	259	272	307	343	377	427	488	582	661	696	734	860	879
Add: share-based compensation (SBC) expense	33	32	39	56	70	109	66	84	81	74	106	115	151
Add: expense for acquisition-related contingent compensation	-	-	-	-	-	-	-	-	76	55	57	173	21
Less: interest income	(28)	(39)	(43)	(46)	(34)	(36)	(47)	(105)	(167)	(234)	(268)	(333)	(368)
Add: other expense / (income) net	57	(143)	60	2	254	33	(361)	12	124	(53)	(147)	(42)	(26)
Add: provision for income taxes	163	309	273	441	232	256	484	573	344	549	667	791	601
Adjusted EBITDA	991	1,448	1,519	2,206	1,719	1,914	2,335	3,269	2,377	3,070	3,440	4,255	3,504

Reconciliation of Adjusted Net Income to US GAAP Net Income

In RUR millions

	<u>Q1'10</u>	<u>Q2'10</u>	<u>Q3'10</u>	<u>Q4'10</u>	<u>Q1'11</u>	<u>Q2'11</u>	<u>Q3'11</u>	<u>Q4'11</u>	<u>Q1'12</u>	<u>Q2'12</u>	<u>Q3'12</u>	<u>Q4'12</u>	<u>Q1'13</u>
Net income	507	1,017	883	1,410	820	1,125	1,705	2,123	1,258	1,983	2,291	2,691	2,246
Add: SBC expense	33	32	39	56	70	109	66	84	81	74	106	115	151
Less: reduction in income tax attributable to SBC expense	-	-	-	-	-	(3)	(6)	(4)	(1)	(1)	(1)	(1)	(2)
Add: expense for acquisition-related contingent compensation	-	-	-	-	-	-	-	-	76	55	57	173	21
Add: foreign exchange loss /(gain)	57	(143)	70	5	254	34	(383)	(6)	114	(52)	13	(17)	(7)
Less: reduction / (increase) in income tax attributable to foreign exchange loss /(gain)	(12)	29	(14)	(1)	(56)	(7)	77	1	(23)	10	(3)	4	1
Less: gain from sale of equity investments											(234)		
Adjusted net income	585	935	978	1,470	1,088	1,258	1,459	2,198	1,505	2,069	2,229	2,965	2,410

¹ Figures may not add due to rounding

Reconciliation of Non-GAAP Financial Measures (cont'd)¹

Reconciliation of Ex-TAC Revenues to US GAAP Revenues

In RUR millions

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Total revenues	4,249	7,649	8,729	12,500	20,033	28,767
Less: traffic acquisition costs (TAC)	504	1,270	1,305	1,573	2,998	4,780
Ex-TAC revenues	3,745	6,379	7,424	10,927	17,035	23,987

Reconciliation of Adjusted EBITDA to US GAAP Net Income

In RUR millions

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Net income	1,520	2,432	2,010	3,817	5,773	8,223
Add: depreciation and amortization	295	600	912	1,181	1,874	2,951
Add: share-based compensation (SBC) expense	37	140	209	160	329	376
Add: expense for acquisition-related contingent compensation	-	-	-	-	-	361
Less: interest income	(31)	(86)	(67)	(156)	(222)	(1,002)
Add: other expense / (income) net	4	(208)	23	(24)	(62)	(118)
Add: provision for income taxes	559	947	672	1,186	1,545	2,351
Adjusted EBITDA	2,384	3,825	3,759	6,164	9,237	13,142

Reconciliation of Adjusted Net Income to US GAAP Net Income

In RUR millions

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Net income	1,520	2,432	2,010	3,817	5,773	8,223
Add: SBC expense	37	140	209	160	329	376
Less: reduction in income tax attributable to SBC expense	-	-	-	-	(13)	(4)
Add: expense for acquisition-related contingent compensation	-	-	-	-	-	361
Add: foreign exchange loss /(gain)	5	(65)	64	(11)	(101)	57
Less: reduction / (increase) in income tax attributable to foreign exchange loss /(gain)	(1)	16	(13)	2	15	(11)
Less: gain from sale of equity investments	-	-	-	-	-	(234)
Adjusted net income	1,561	2,523	2,270	3,968	6,003	8,768

¹ Figures may not add due to rounding

Reconciliation of Non-GAAP Financial Measures (cont'd)

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

In RUR millions

	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%
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%
Three months ended March 31, 2012	1,258	21.4%	1,119	2,377	40.5%	48.7%
Three months ended June 30, 2012	1,983	29.2%	1,087	3,070	45.1%	54.2%
Three months ended September 30, 2012	2,291	31.5%	1,149	3,440	47.3%	56.9%
Three months ended December 31, 2012	2,691	30.5%	1,564	4,255	48.2%	57.5%
Three months ended March 31, 2013	2,246	28.1%	1,258	3,504	43.8%	52.3%
Twelve months ended December 31, 2010	3,817	30.5%	2,347	6,164	49.3%	56.4%
Twelve months ended December 31, 2011	5,773	28.8%	3,464	9,237	46.1%	54.2%
Twelve months ended December 31, 2012	8,223	28.6%	4,919	13,142	45.7%	54.8%

(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

In RUR millions

	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%
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%
Three months ended March 31, 2012	1,258	21.4%	247	1,505	25.6%	30.8%
Three months ended June 30, 2012	1,983	29.2%	86	2,069	30.4%	36.6%
Three months ended September 30, 2012	2,291	31.5%	(62)	2,229	30.6%	36.9%
Three months ended December 31, 2012	2,691	30.5%	274	2,965	33.6%	40.1%
Three months ended March 31, 2013	2,246	28.1%	164	2,410	30.1%	36.0%
Twelve months ended December 31, 2010	3,817	30.5%	151	3,968	31.7%	36.3%
Twelve months ended December 31, 2011	5,773	28.8%	230	6,003	30.0%	35.2%
Twelve months ended December 31, 2012	8,223	28.6%	545	8,768	30.5%	36.6%

(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), expense related to SPB Software contingent compensation, gain from sale of equity investments and foreign exchange losses (as adjusted for the reduction in income tax attributable to the loss). 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.

Ownership Structure¹

Shareholders	Economic Ownership as of Dec 31, 2012	Economic ownership as of Mar 31, 2013 ²
Principal Shareholders	20.7%	14.6%
Baring Vostok	16.0%	9.9%
Tiger Global	4.7% ³	4.7% ³
Directors, Officers & Employees	21.8%	19.8%
Arkady Volozh (CEO)	12.2%	10.5%
Ilya Segalovich (CTO)	2.6%	2.5%
Other Directors	2.1%	2.1%
Other Officers & Employees	4.9%	4.7%
Other Pre-IPO Shareholders	3.6%	3.3%
Public Investors	53.9%	62.3%
Total	100%	100%

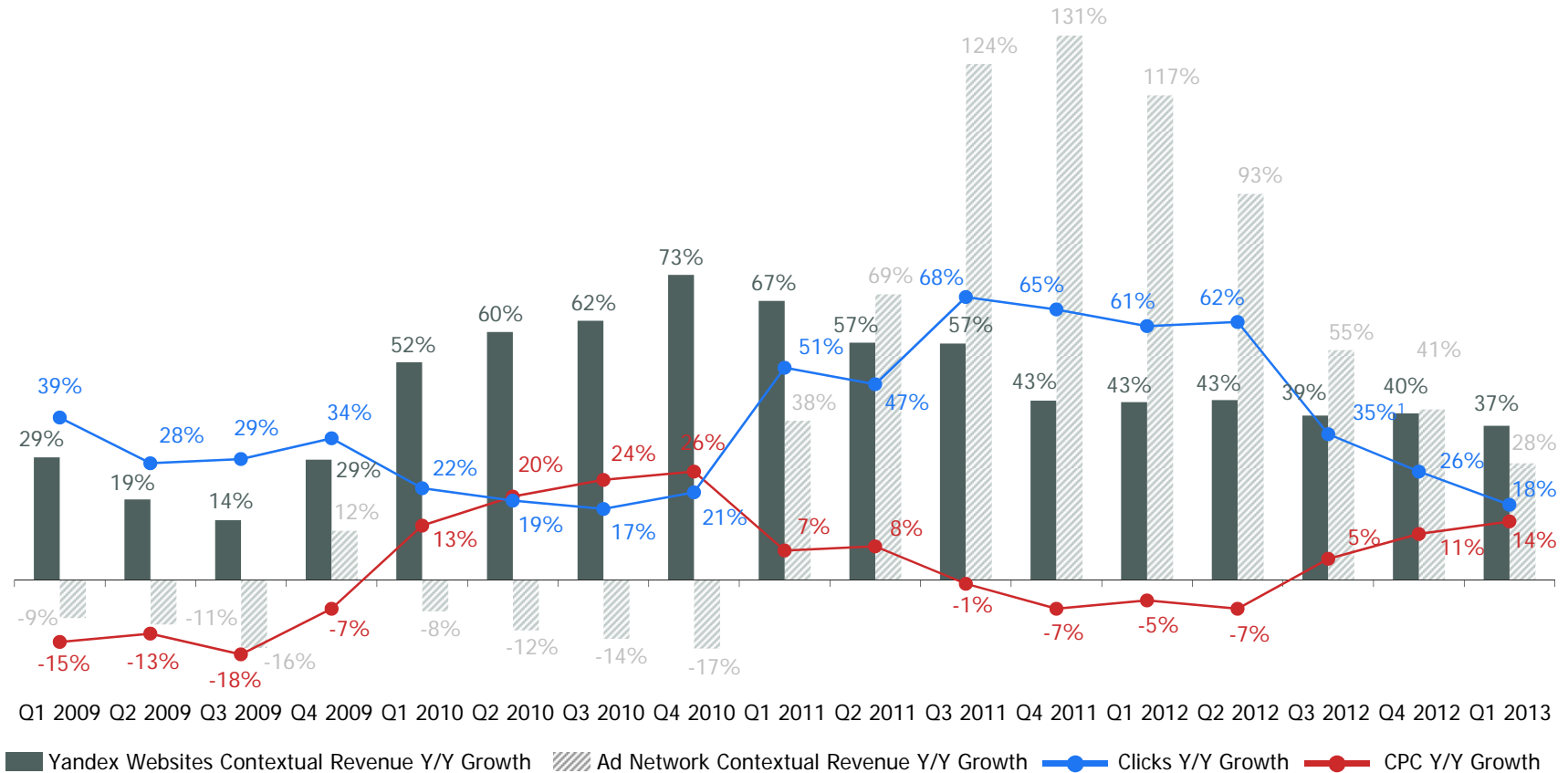
¹ Figures may not add due to rounding

² Ownership reflects secondary placement completed in March 2013

³ Based solely on the information as of December 31, 2012 contained in Schedule 13-F filed by Tiger Global on 14 February 2013

Operational Metrics

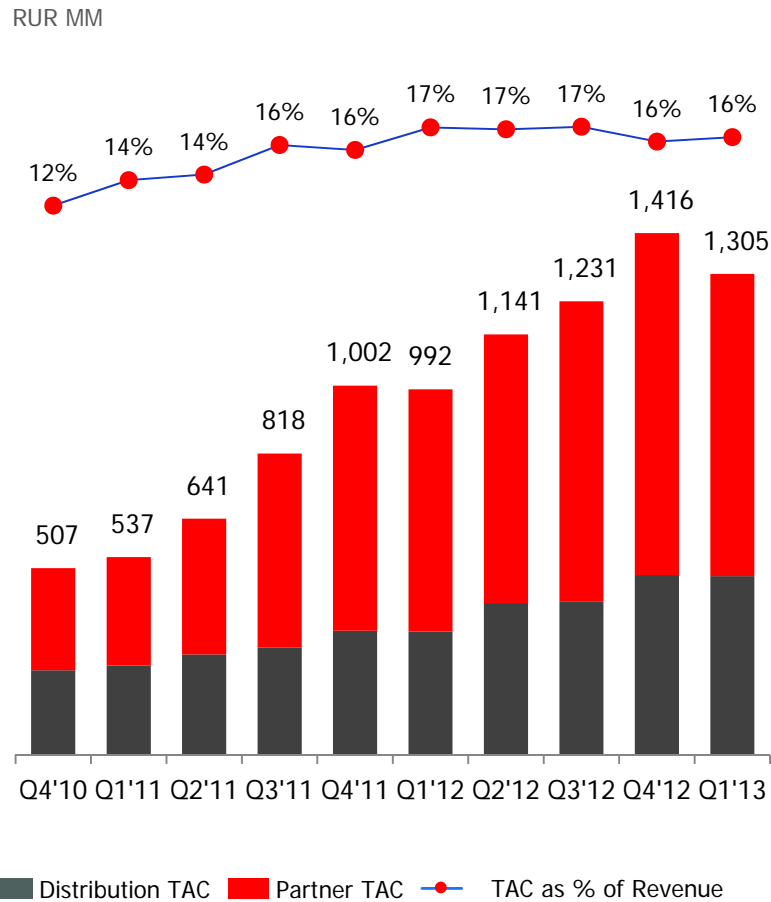
Growth in Paid Clicks and CPC



¹ Lower growth rates in paid clicks reflects the fact that a full year has passed since we launched initiatives on our ad network that resulted in a significant increase in click through rates and the number of clicks on the ad network and since we added Rambler to our ad network. Additionally, growth rates during the four previous quarters benefited from our initiatives also launched in Q3 2011 targeted at regional advertisers that resulted in many new lower cost clicks on our own search

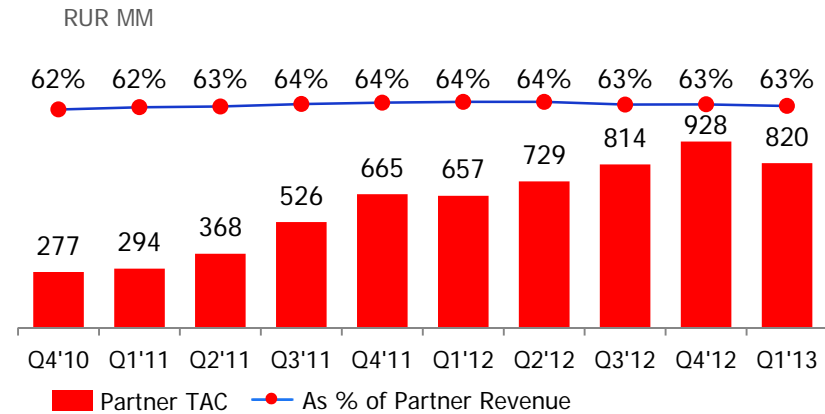
Traffic Acquisition Costs

TAC Breakdown¹

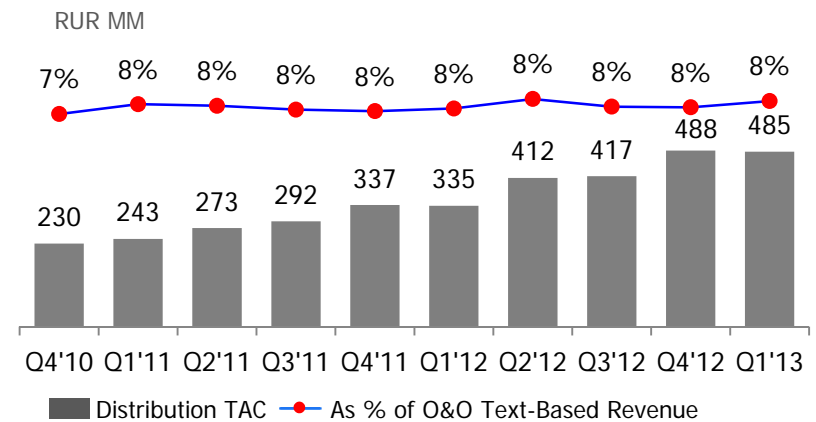


¹ Items may not total due to rounding

Partner TAC



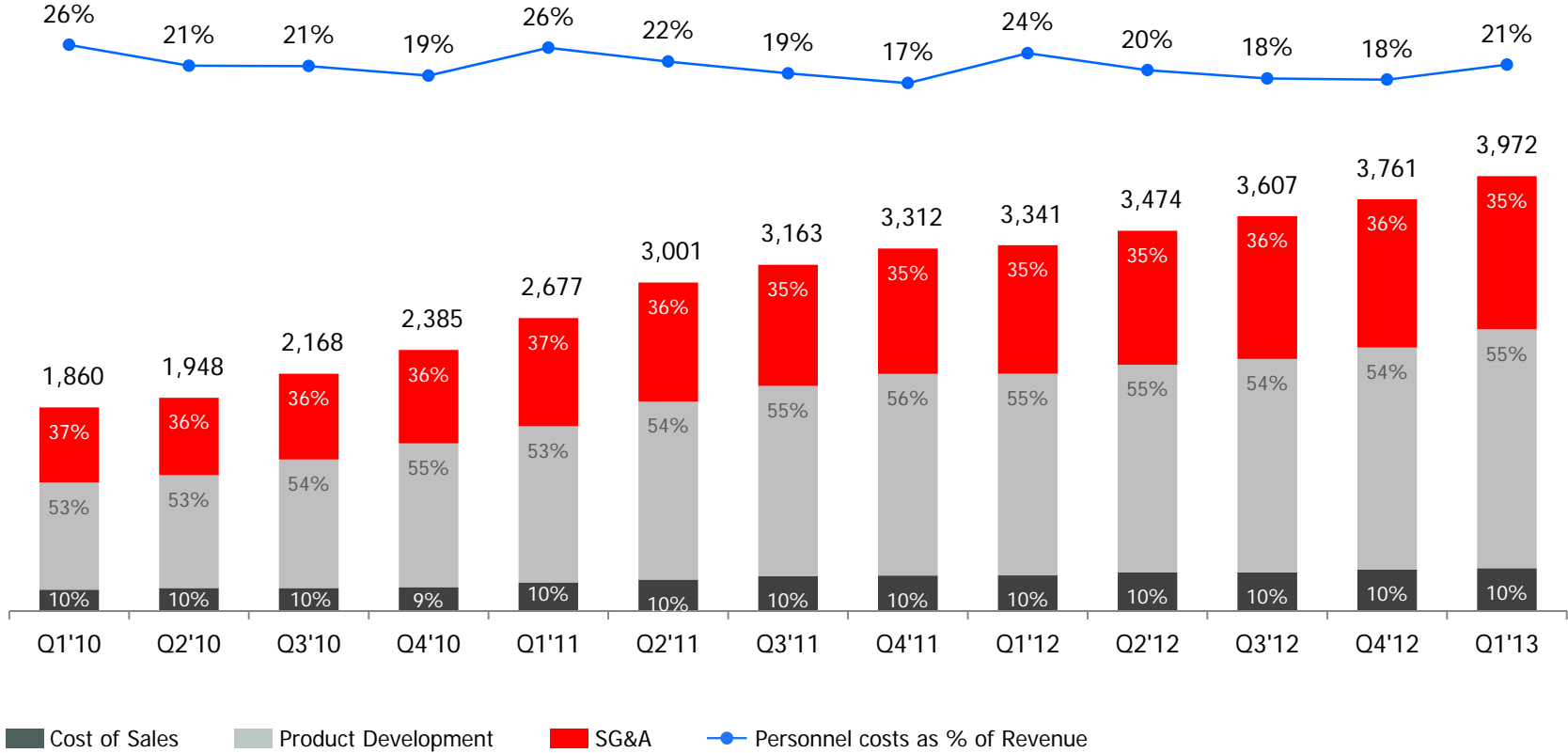
Distribution TAC



Headcount Evolution

Personnel Breakdown by GAAP Cost Category¹

RUR MM



¹ Items may not total 100% due to rounding