

**Y**andex

# Morgan Stanley TMT Conference

November 16-17, 2016

# Forward Looking Statement Disclaimer

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- | 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, our anticipated revenues and capital.
- | 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 21, 2016, 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 November 11, 2016, and Yandex expressly disclaims any duty to update this information unless required by law.

# Yandex is a Market Leader in Russia

## 01 Search Leader

55.2% search market share  
in Russia<sup>1</sup>

## 02 Leading Online Advertising Platform

61% online ad market share<sup>2</sup>

## 03 Business Diversification

Search and Portal  
E-commerce  
Taxi  
Classifieds

## 04 Largest Internet Business

\$820 MM Revenues<sup>3</sup> in 2015  
(+18% YoY in RUR)

\$288 MM Adjusted EBITDA<sup>3</sup> in  
2015 (flat YoY in RUR)

<sup>1</sup> Source: Liveinternet.ru, as of October 31, 2016

<sup>2</sup> Based on the AKAR estimates of the Russian advertising market for the FY 2015 ([http://www.akarussia.ru/knowledge/market\\_size/id6462](http://www.akarussia.ru/knowledge/market_size/id6462)), adjusted for commissions

<sup>3</sup> Company Information for FY 2015, using an exchange rate of RUR72.8827 to \$1.00 as of 31 December 2015

Adjusted EBITDA is a Non-GAAP financial measure. For a reconciliation of this non-GAAP financial measure to the most directly comparable US GAAP measure, see slide 22-24

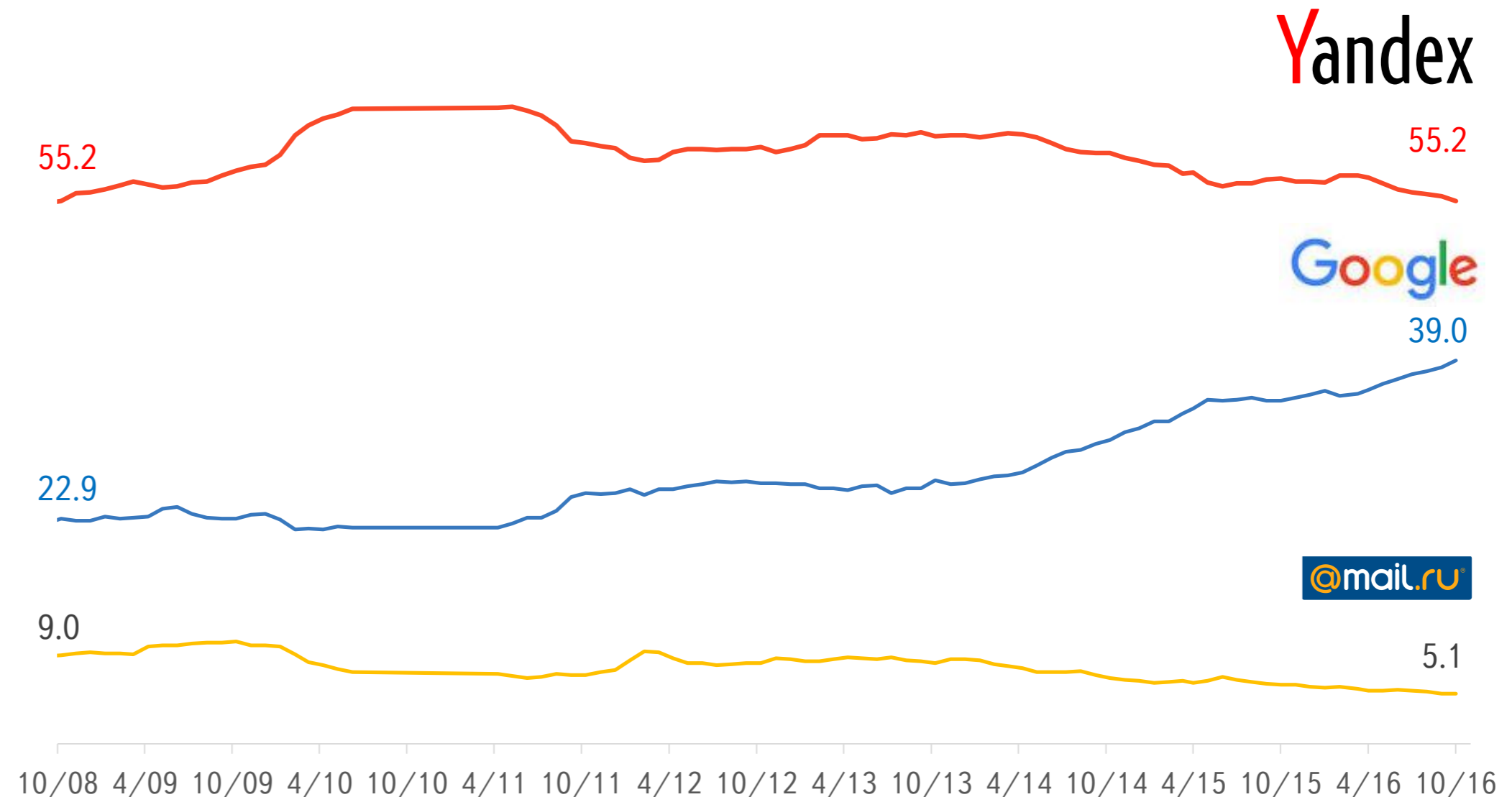
# Yandex is the Consistent Search Leader in Russia

In Q3 2016 search share across different platforms were approximately<sup>1</sup>:

- › 64% on desktop
- › 38% on Android
- › 42% on iOS

Yandex Browser continues to strengthen its position on the desktop as well as on mobile<sup>1</sup>:

- › Share on desktop ~21%
- › Overall share, including mobile, ~18%

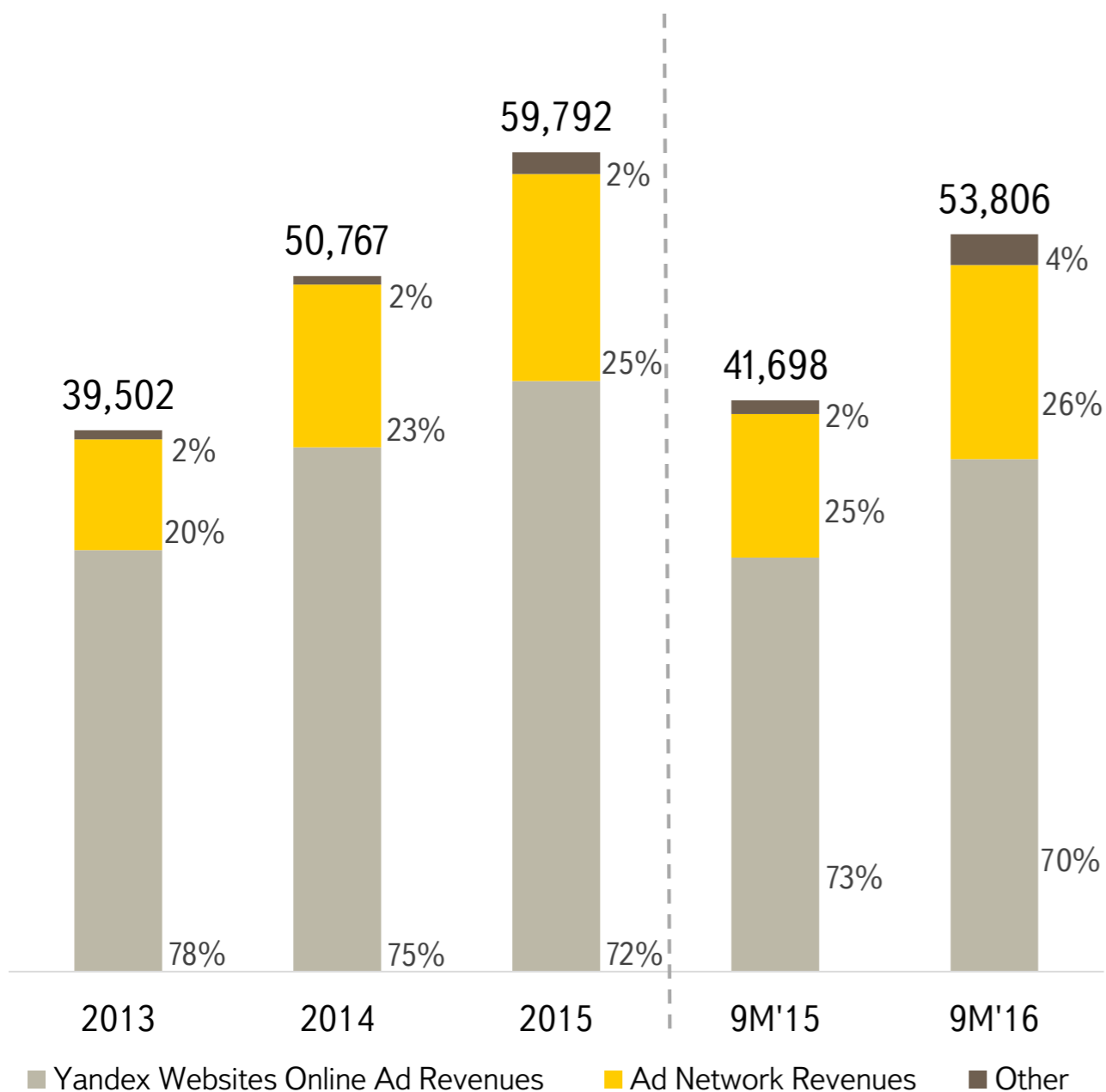


Source: Liveinternet.ru through October 31, 2016; includes desktop and mobile

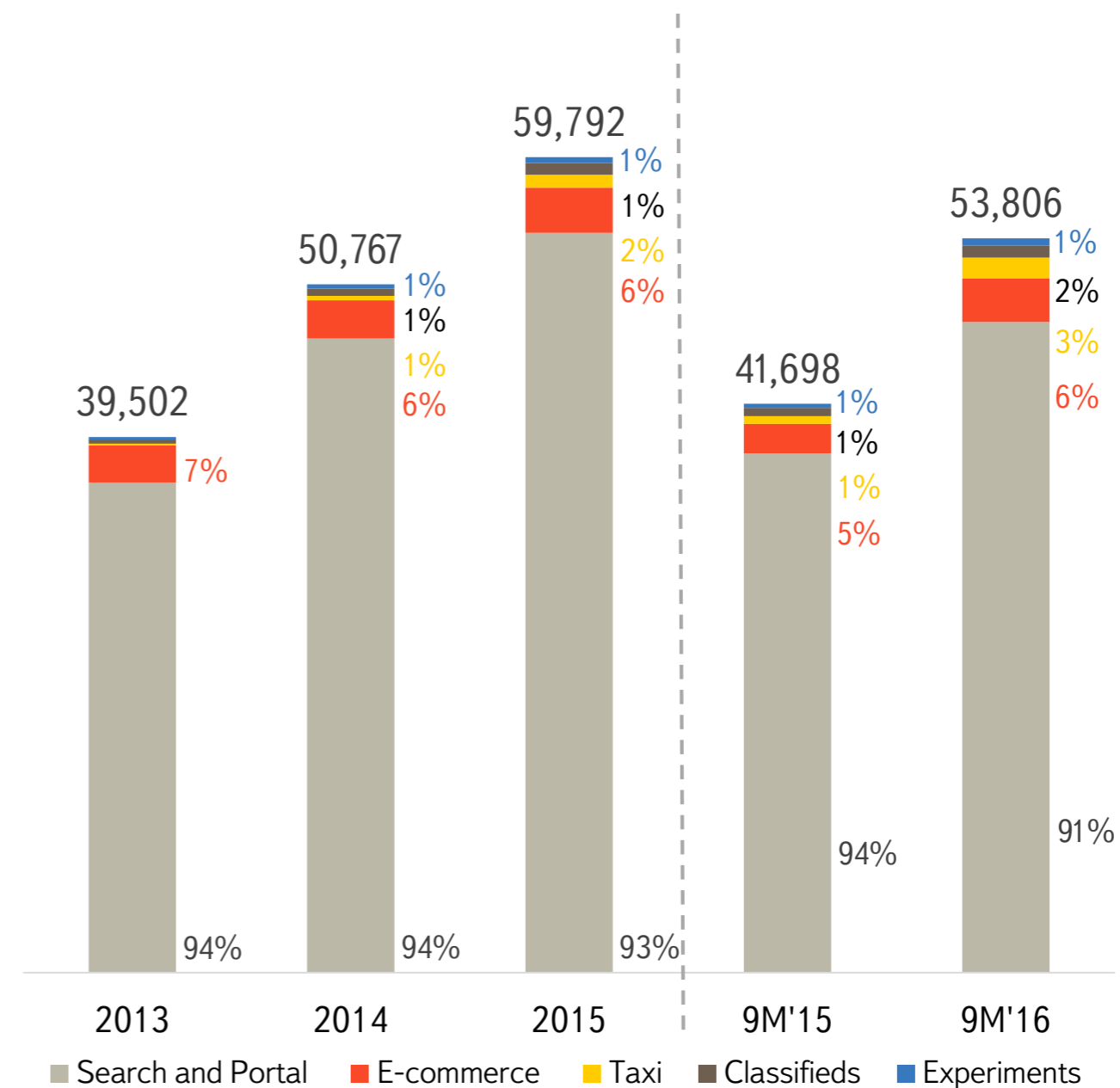
<sup>1</sup> Based on company estimates, as provided on Q3 2016 earnings call

# Yandex Revenues and Contribution by Source

Consolidated Revenue<sup>1</sup> Breakdown, MM RUB, %



Revenue Breakdown by Segments<sup>2</sup>, MM RUB, %



<sup>1</sup> Revenues are recognized net of VAT, discounts and commissions, but gross of TAC

<sup>2</sup> Segments sum to more than 100% due to intersegment transactions, primarily related to advertising, which are eliminated in the consolidation

# Segment Results

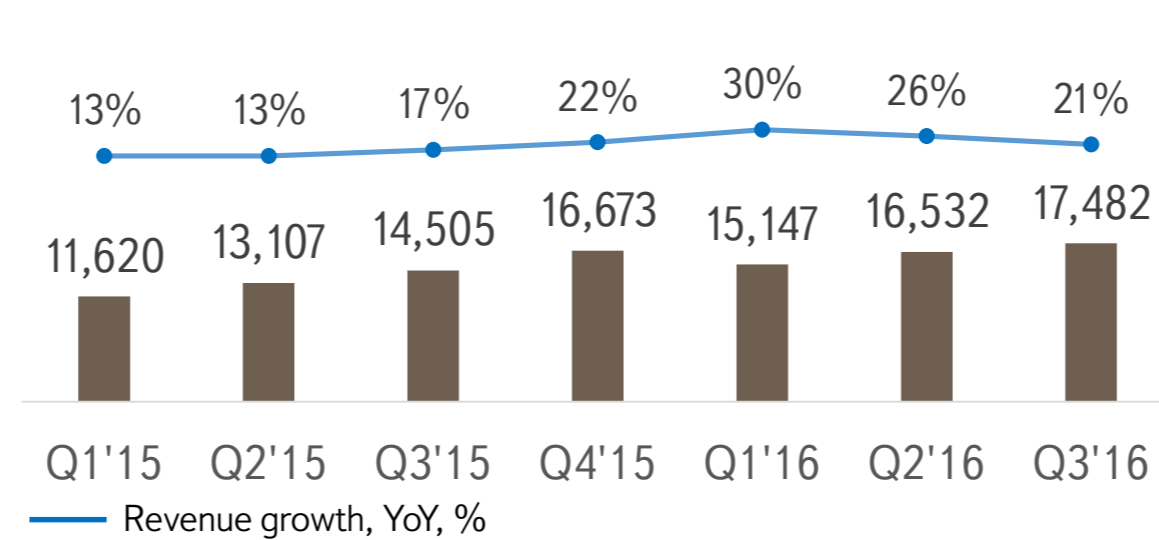
# Search and Portal

Search and Portal includes all services offered in Russia, Ukraine, Belarus and Kazakhstan, other than those included in e-Commerce, Taxi, Classifieds and Experiments

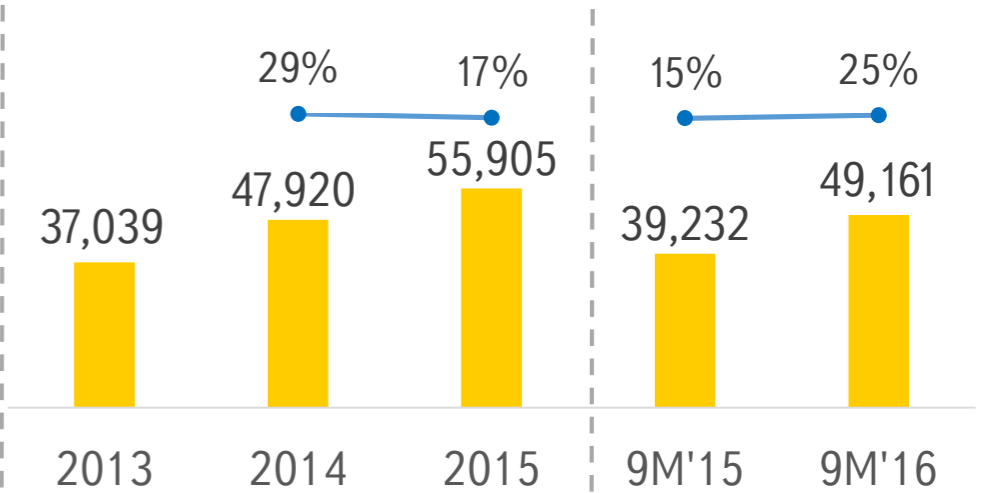
Revenues grew 21% YoY in Q3'16 and 25% YoY in 9M'16

Adjusted EBITDA margin was 42.8% in Q3'16, up 120 b.p. YoY

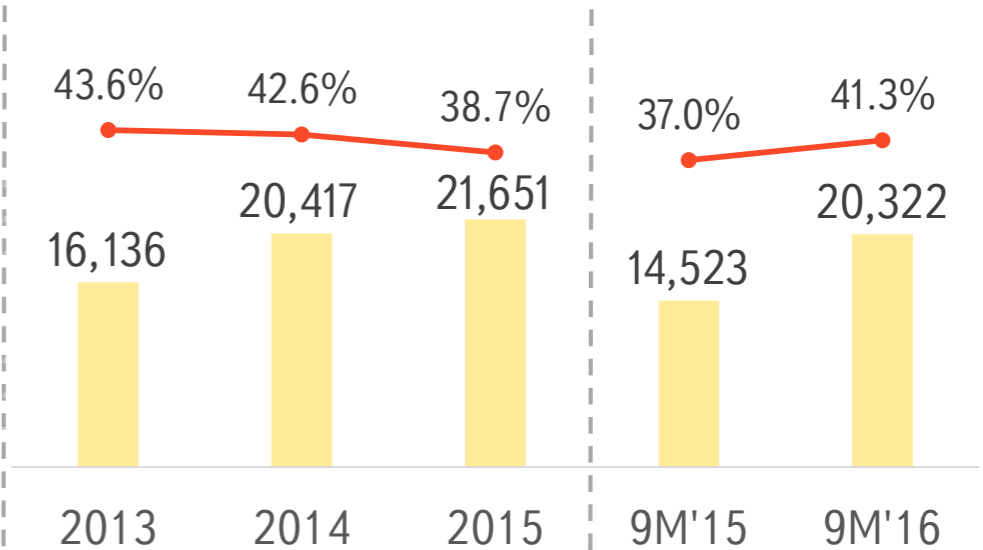
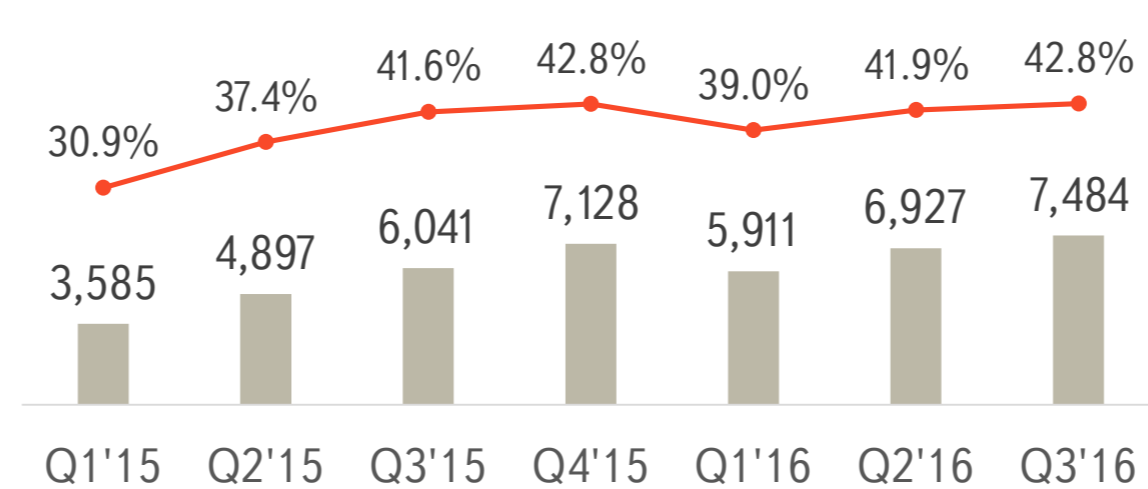
Revenue, RUB MM



FY\*



Adjusted EBITDA and Margin, RUB MM,



\* We do not show YoY growth rates of BUs in 2013, as we had not yet formed segments in 2012  
Items may not total due to rounding

# e-Commerce

Our e-Commerce segment includes Yandex.Market service

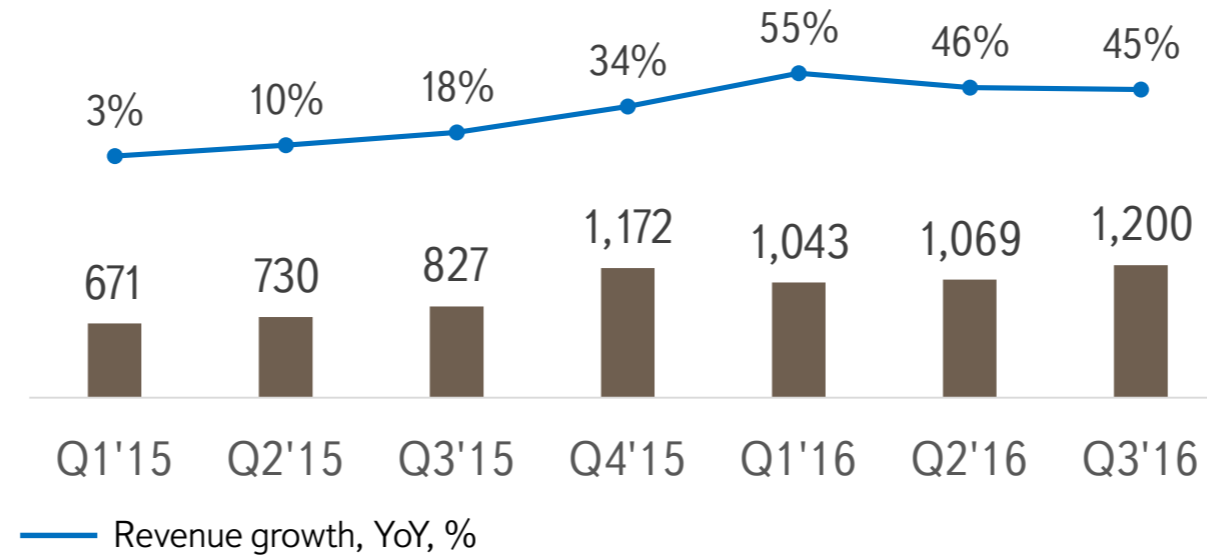
Yandex.Market provides access to 100+ mln offers from 20,000+ online retailers

Revenues grew 45% YoY in Q3'16 and 49% YoY in 9M'16

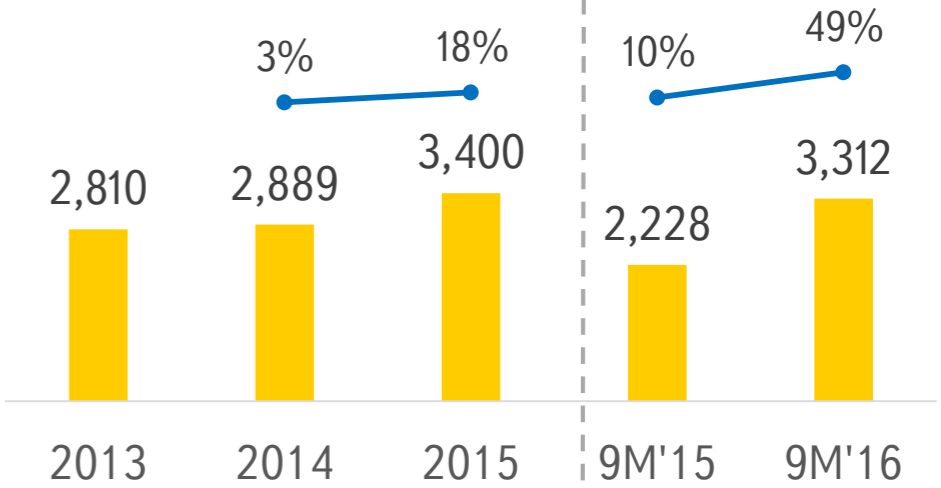
Adjusted EBITDA margin was 32% in Q3'16 and 33% for 9M'16

Yandex.Market has recently started to transition to a take-rate based marketplace model in Moscow

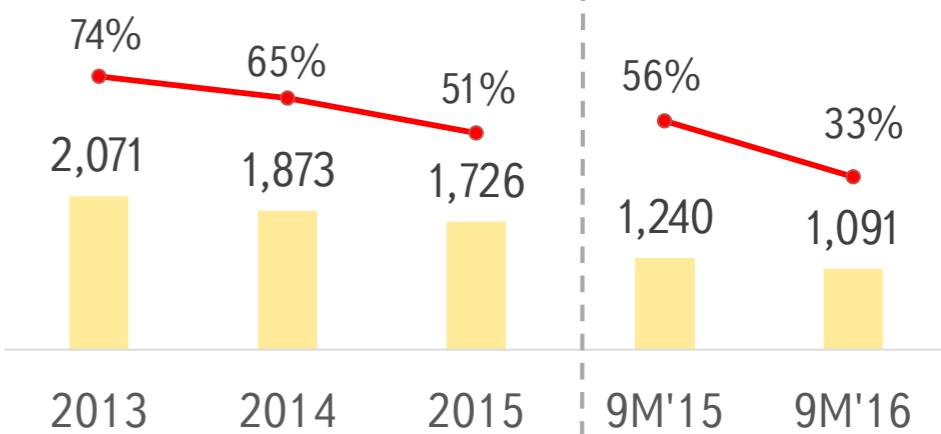
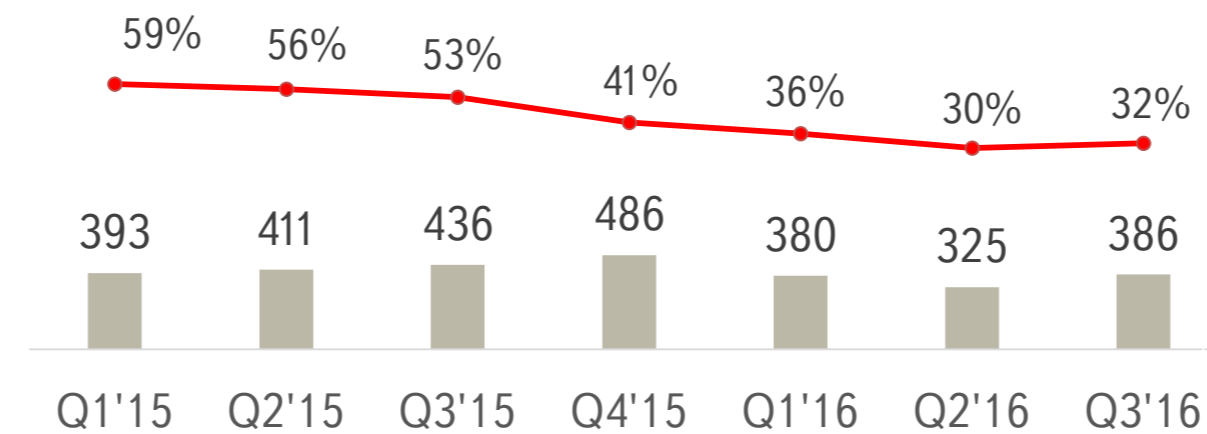
Revenue, RUB MM



FY \*



Adjusted EBITDA and Margin, RUB MM, %



\* We do not show YoY growth rates of BUs in 2013, as we had not yet formed BUs in 2012  
Items may not total due to rounding



# Taxi

Taxi segment is our Yandex.Taxi service, the leading online transportation service in Russia

Revenues grew 151% YoY in Q3'16 and 165% YoY in 9M'16

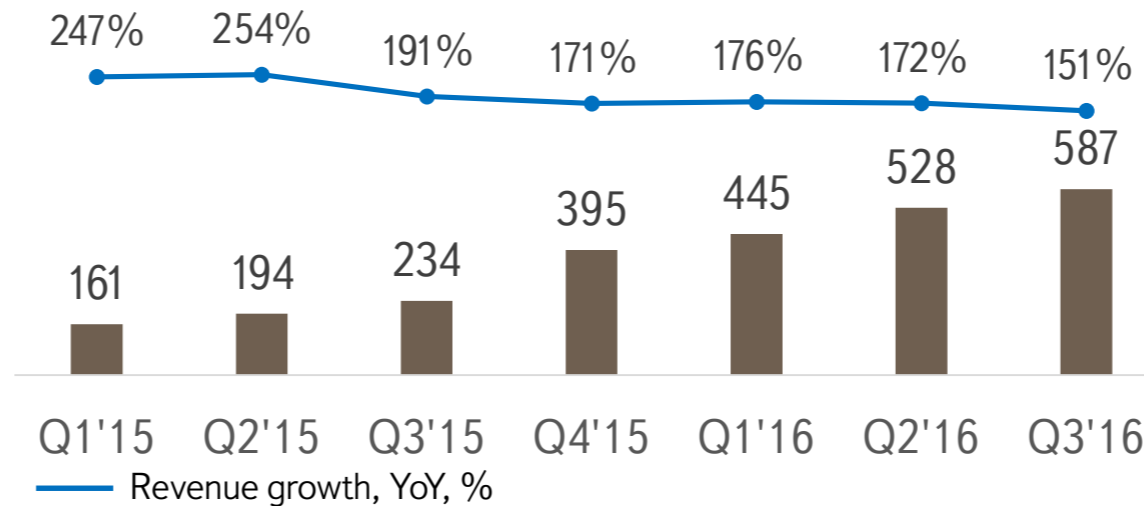
Adjusted EBITDA was 633 MM RUB negative, as we continued to invest in this segment

In late September we:

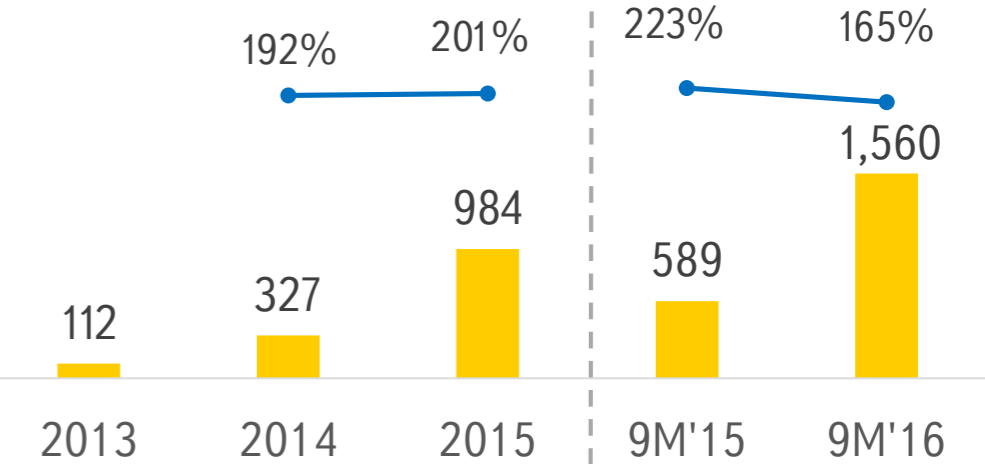
- › lowered Yandex Taxi tariffs in Moscow;
- › introduced surge pricing;
- › introduced minimum payment guarantee to drivers

The service is currently available in over 40 cities in Russia, Ukraine, Kazakhstan, Belarus, Armenia and Georgia

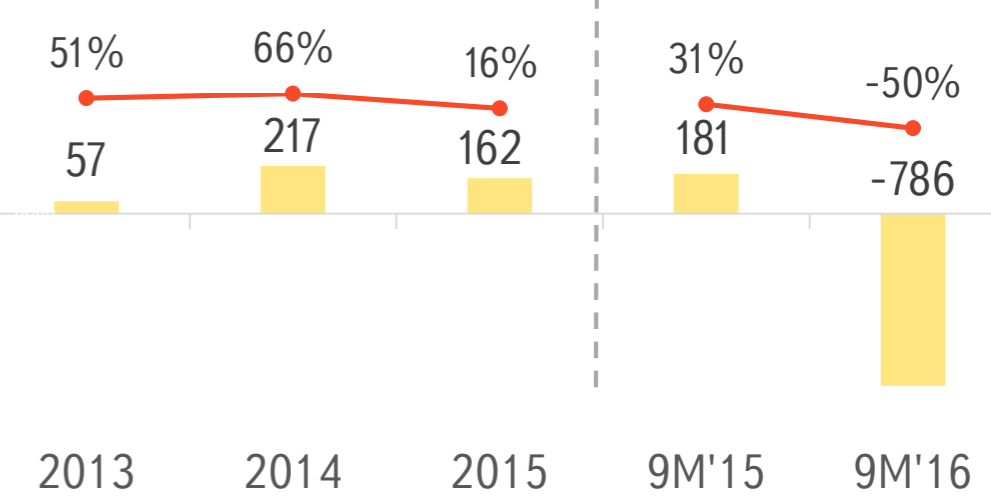
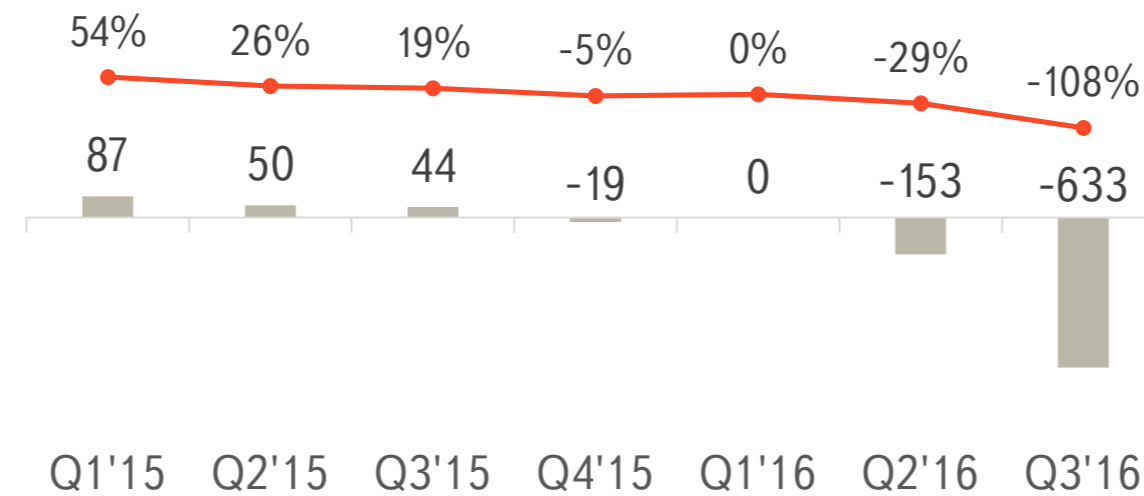
Revenue, RUB MM



FY\*



Adjusted EBITDA and Margin, RUB MM, %



\* We do not show YoY growth rates of BUs in 2013, as we had not yet formed BUs in 2012  
Items may not total due to rounding

# Classifieds

Our Classifieds segment includes

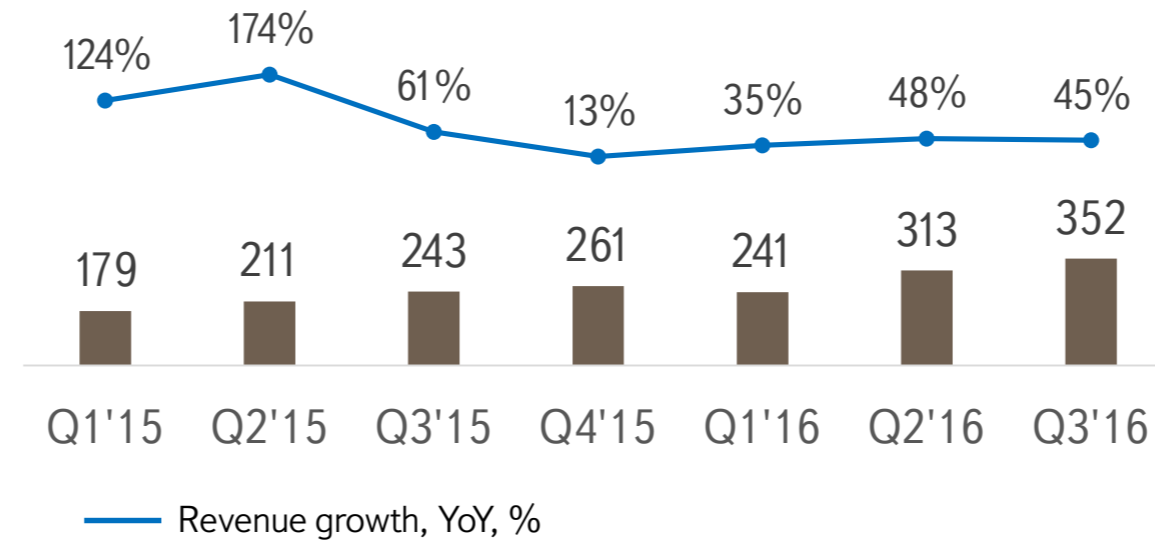
- > Auto.ru
- > Yandex.Realty
- > Yandex.Jobs
- > Yandex.Travel

Revenues grew 45% YoY in Q3'16 and 43% YoY in 9M'16

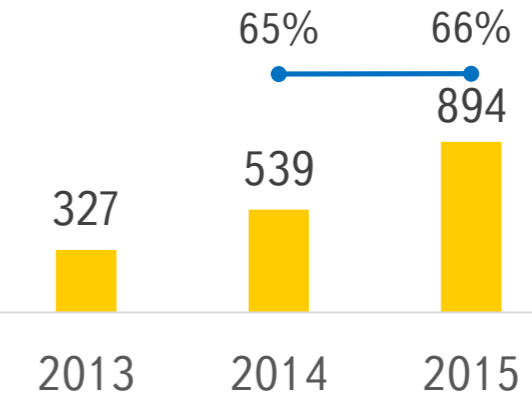
Adjusted EBITDA margin was 8% in Q3'16 and 5% for 9M'16

Non-advertising revenues represented 55% of total in Q3'16

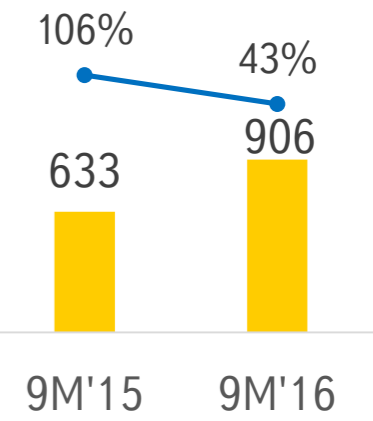
Revenue, RUB MM



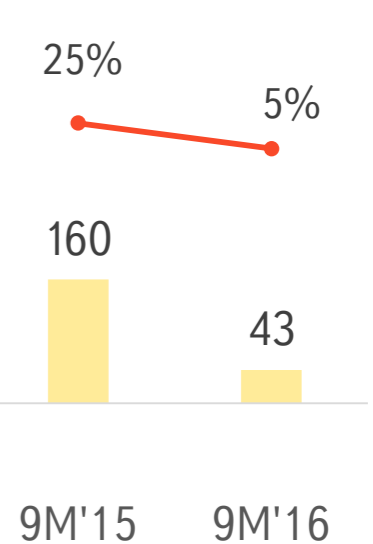
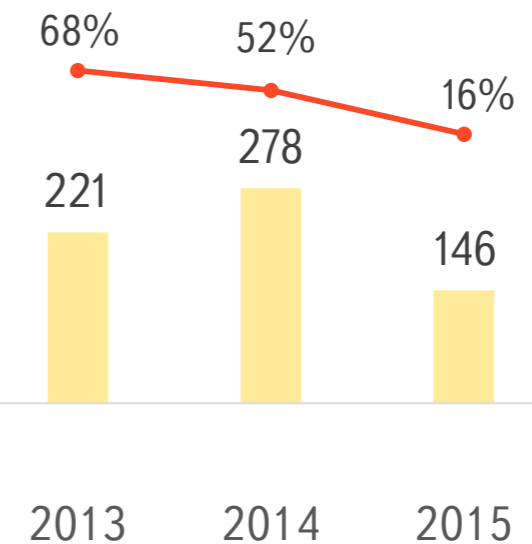
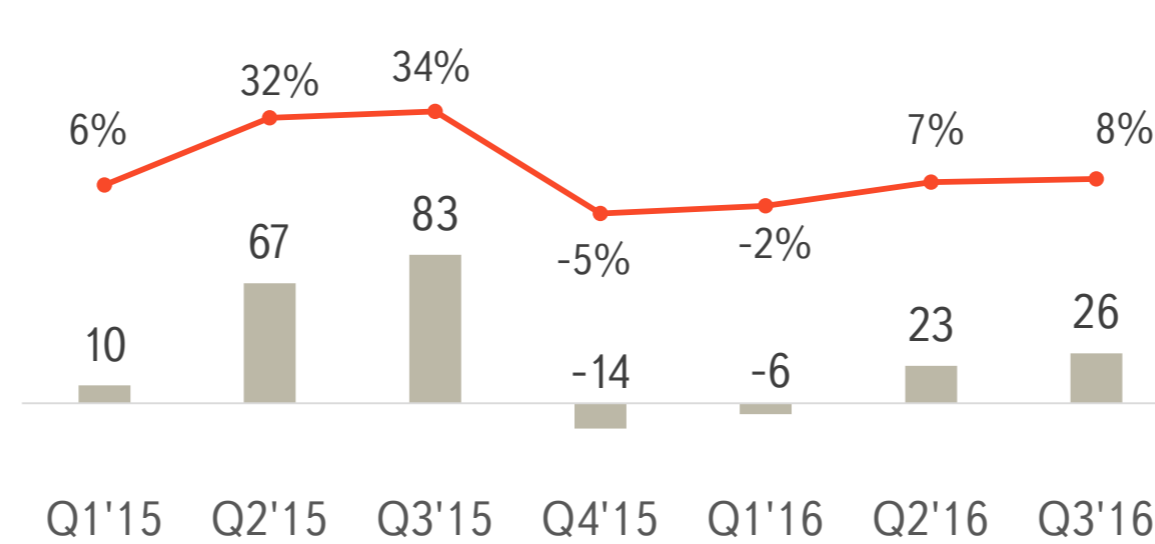
FY \*



9M



Adjusted EBITDA and Margin, RUB MM



\* We do not show YoY growth rates of BUs in 2013, as we had not yet formed BUs in 2012  
Items may not total due to rounding

# Discovery Products

Our Discovery products consist of:

- › Yandex Launcher for Android (with Zen & App Recommender)
- › Browser (with Zen)
- › Zen SDK (software development kit)

Zen — is our personalized content recommendation technology, launched as an experimental feature in 2015

In June 2016 we started to distribute Zen within Yandex Browser which increased user engagement and created additional inventory for ads

Average time spent per user on Zen is 20 mins

In October we launched Global Partnership Program for OEMs and telecoms, offering preinstallation of Yandex Launcher and Yandex Browser, both equipped with Zen. At launch we had 7 partners across Europe, India, Latin America and Africa.

## Scientists built a chip without semiconductors

Semiconductors based on silicon and other materials are great, obviously, having helped us squeeze billions of transistors into a few square inches. But they have some issues: Electron velocity is limited by the resistance of semiconductor materials, and a boost of energy is required to just to get them flowing through the "band gap" caused by the...



lifehacker

## I'm Mike Kelley, Photographer, and This Is How I Work

Photography, more than being a purely literal portrayal of reality, often requires the hand of an artist to blend the truth with their own vision. That's what Mike Kelley does with his popular 'Airportraits' series. With Airportraits, Mike captures the busy routes of many major airports in photos that depict dozens and dozens of planes as if they were all taki...



ЯНДЕКС.ДИРЕКТ

## Вечеринки в Москве!

Приходите в Shishas Bar! Вечеринки 7 дней в неделю, танцуем до 6 утра!  
shishabars.com



## Facebook built another Snapchat clone specifically for emerging markets

Facebook is launching another Snapchat clone, a standalone ephemeral picture and video messagin...



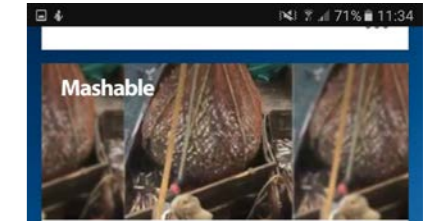
## Galaxy Note 7 US recall at 85%, battery to be capped at 60%

You may no longer hear much about the Galaxy Note 7 in the news recently, except for a few...



## «Сбербанк» хочет стать для РФ аналогом Amazon или Alibaba

«Сбербанк» работает над проектом запуска на его базе национальной экосистемы, рассказали «Коммерсантъ» несколько...



## Russian fishing boat finds an enormous surprise in their fishing net

Cast a net into the ocean and you're bound to come up with a few surprises. A Russian fishing boat recently reeled in a large catch, but it wasn't exactly the fish they were hoping for. The clip, uploaded to Live Leak on Monday, shows th...

ЯНДЕКС.ДИРЕКТ

## Аккумулятор B600BE для Galaxy S4

Усиленный аккумулятор для Samsung Galaxy S4 на 2700 мАч. -Быстрая доставка!

Интернет-бу MORE CARDS by Bosco



## 2016 Presidential Election Candidates, Polls

Democrats are trying to win their third presidential election in a row and retain the White House after a two-term Democratic president for the first time since the mid-19th century. And the map below is generally viewed to be an asset. Democrats just nee...



## The 2016 Election Exposes the Very, Very Dark Side of Tech

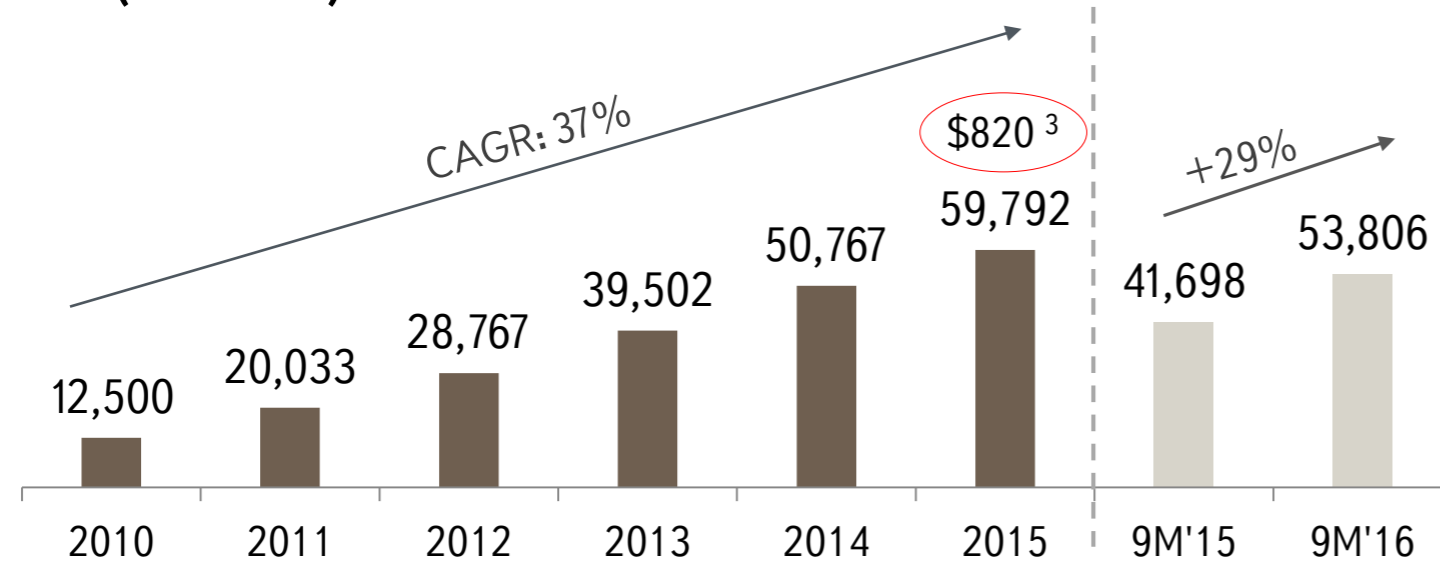
You know that at WIRED, technology and innovation are kind of our thing. Pretty much every day since 1993, my WIRED colleagues past and present have come to work to tell you stories about how technology can m... better place, h



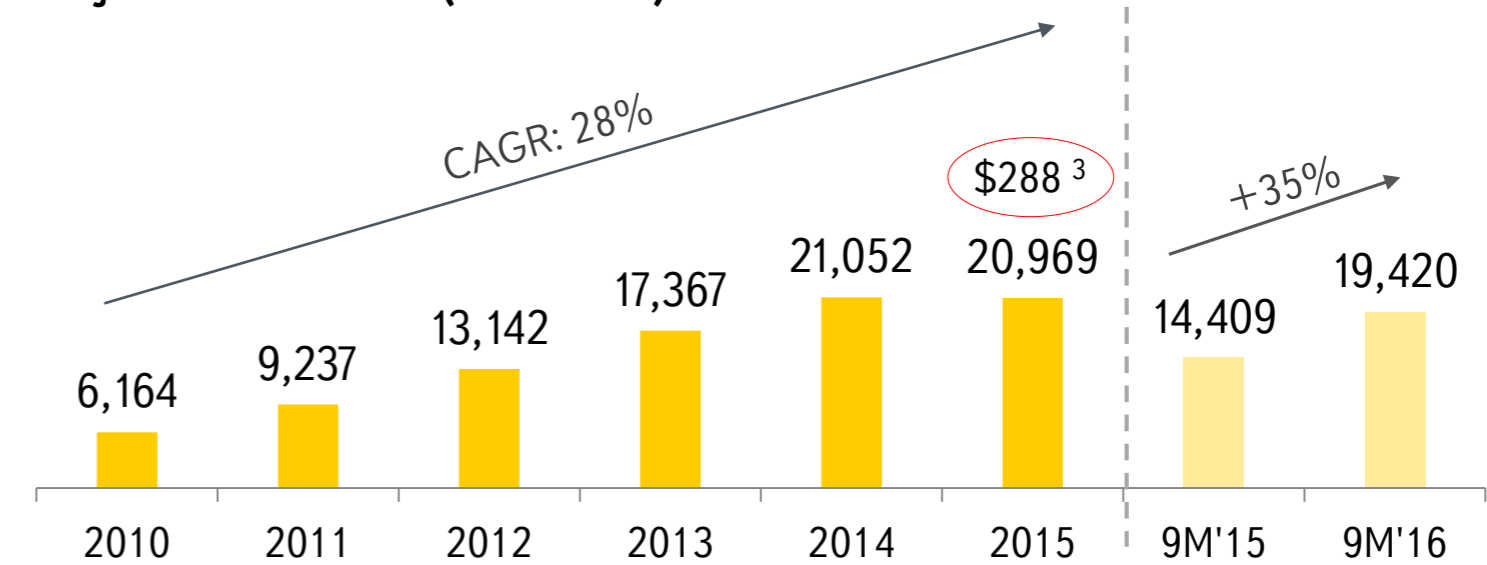
# Consolidated Financials

# Financial Summary

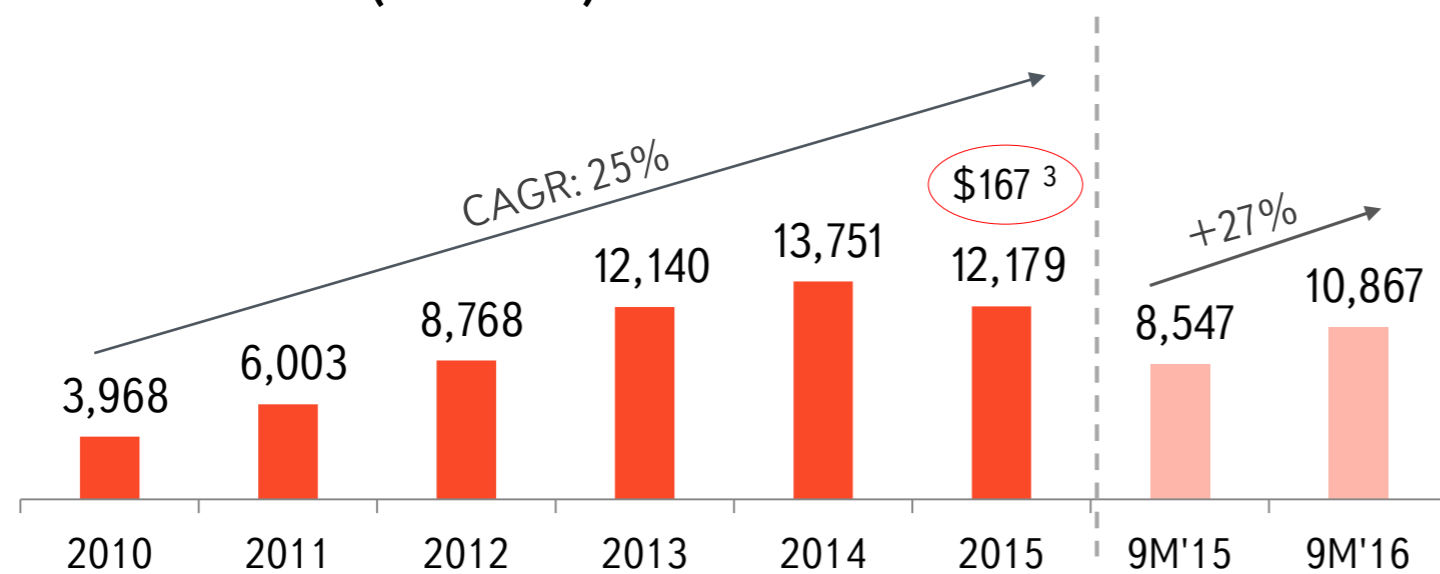
Revenues (RUR MM)<sup>1</sup>



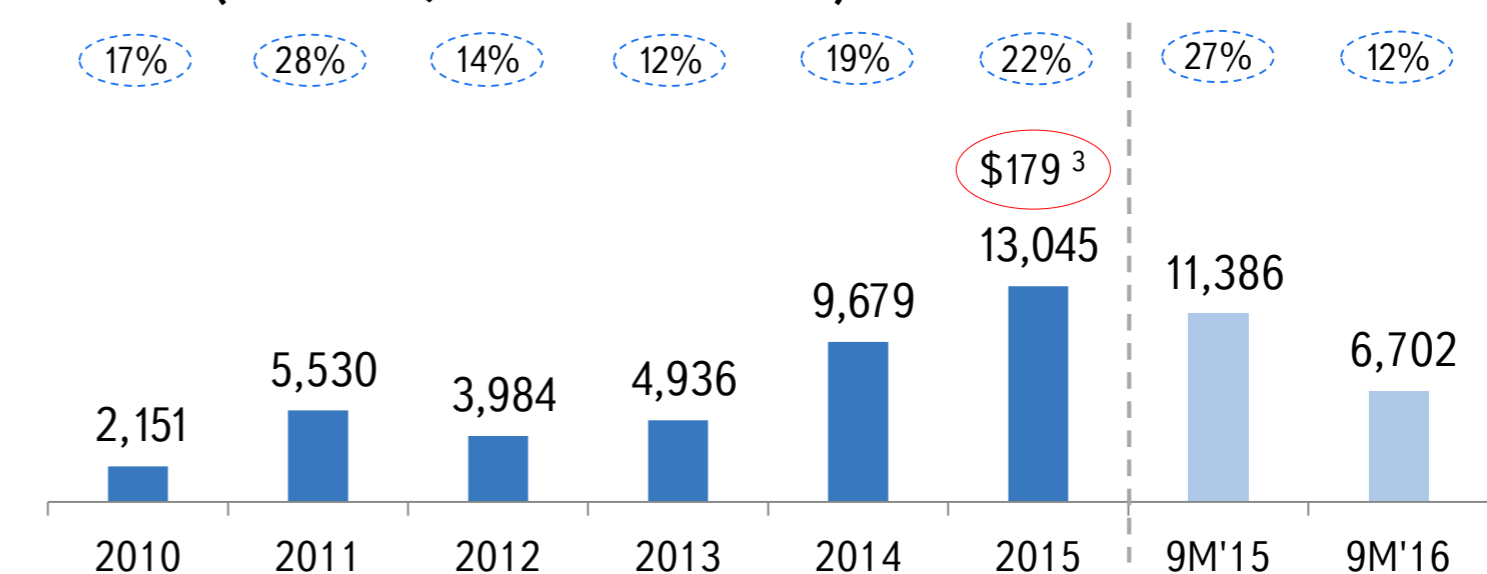
Adjusted EBITDA (RUR MM)<sup>2</sup>



Adjusted Net Income (RUR MM)<sup>3</sup>



CAPEX (RUR MM, as % of Revenue)



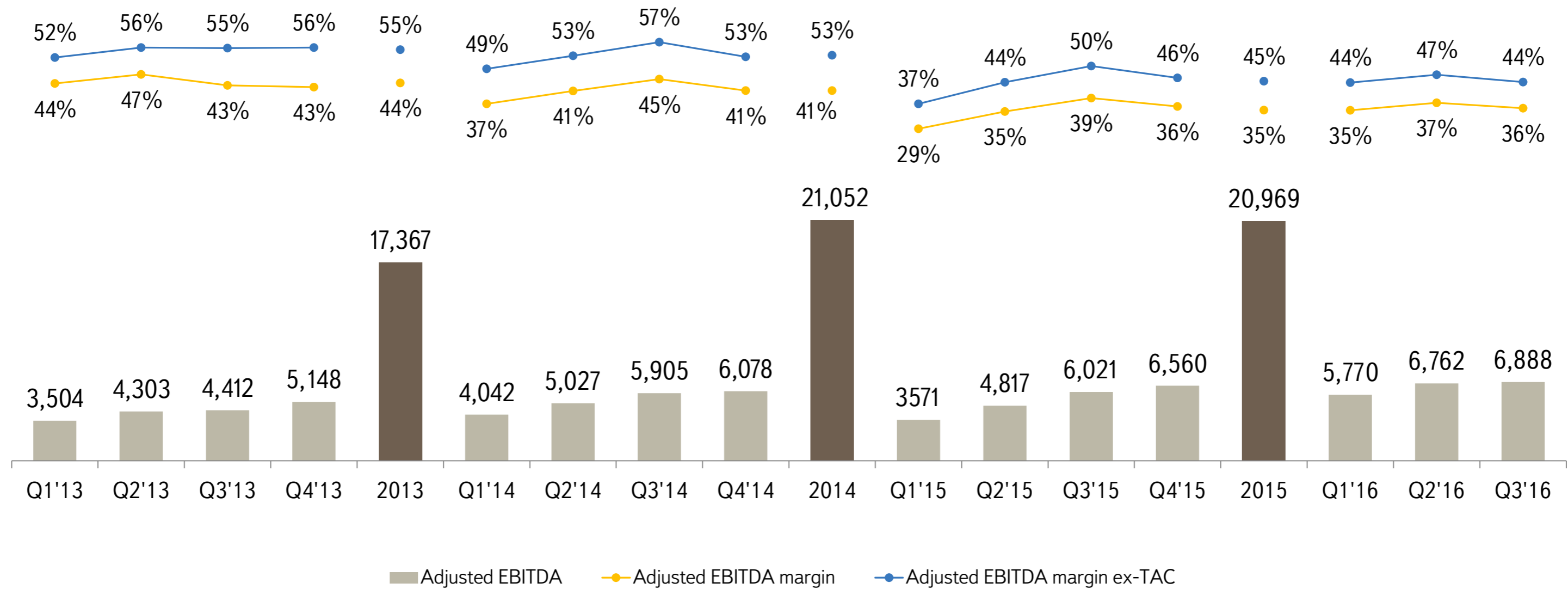
<sup>1</sup> Revenues are recognized net of VAT, discounts and commissions, but gross of TAC

<sup>2</sup> Adjusted EBITDA, Adjusted Net Income, Adjusted EBITDA margin and Adjusted Net Income margin are non-GAAP financial measures. For Reconciliations see slides 22-24

<sup>3</sup> Translated using an exchange rate of RUR72.8827 to \$1.00 as of Dec 31, 2015. \$ figures shown in charts expressed in millions

# Adjusted EBITDA

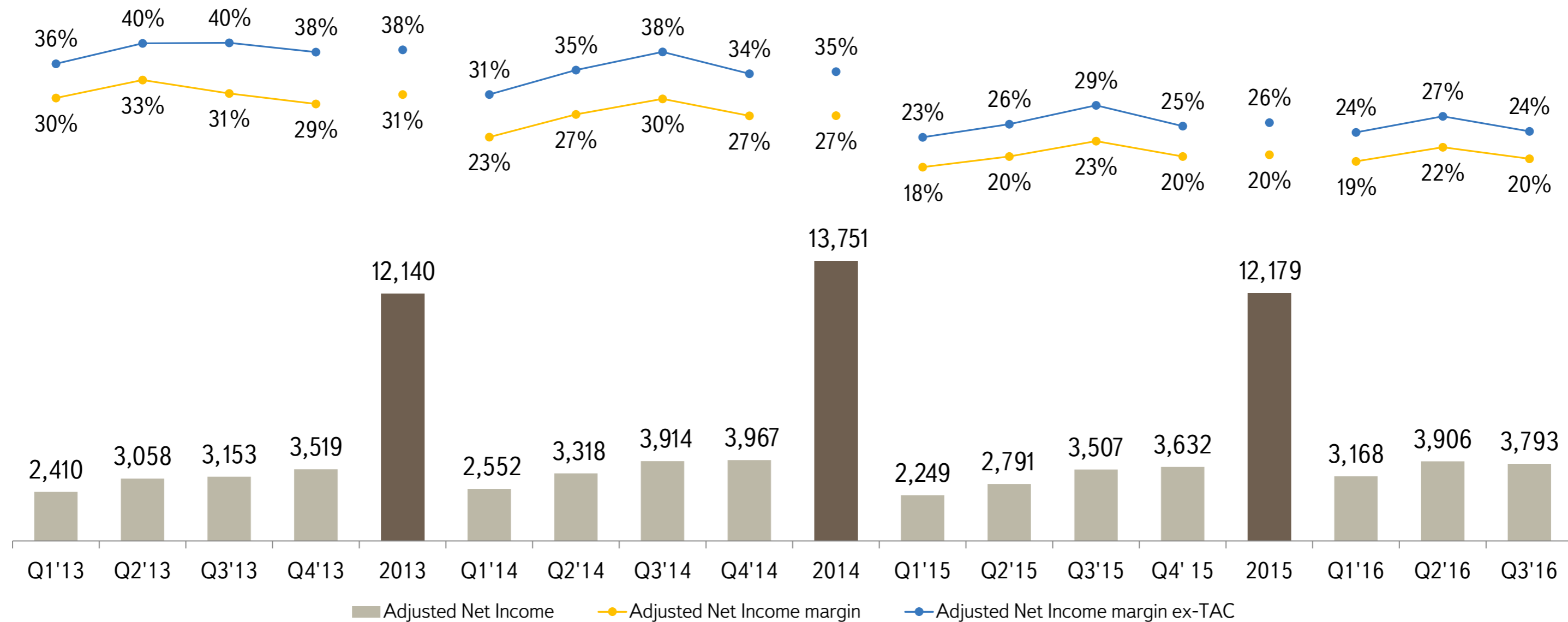
Adjusted EBITDA (RUR MM) and Margin<sup>1</sup> (%)



<sup>1</sup> Adjusted EBITDA, Adjusted EBITDA margin and Adjusted EBITDA margin ex-TAC are non-GAAP financial measures. For a reconciliation of these non-GAAP financial measures to their most directly comparable US GAAP measures, see slides 22-24

# Adjusted Net Income

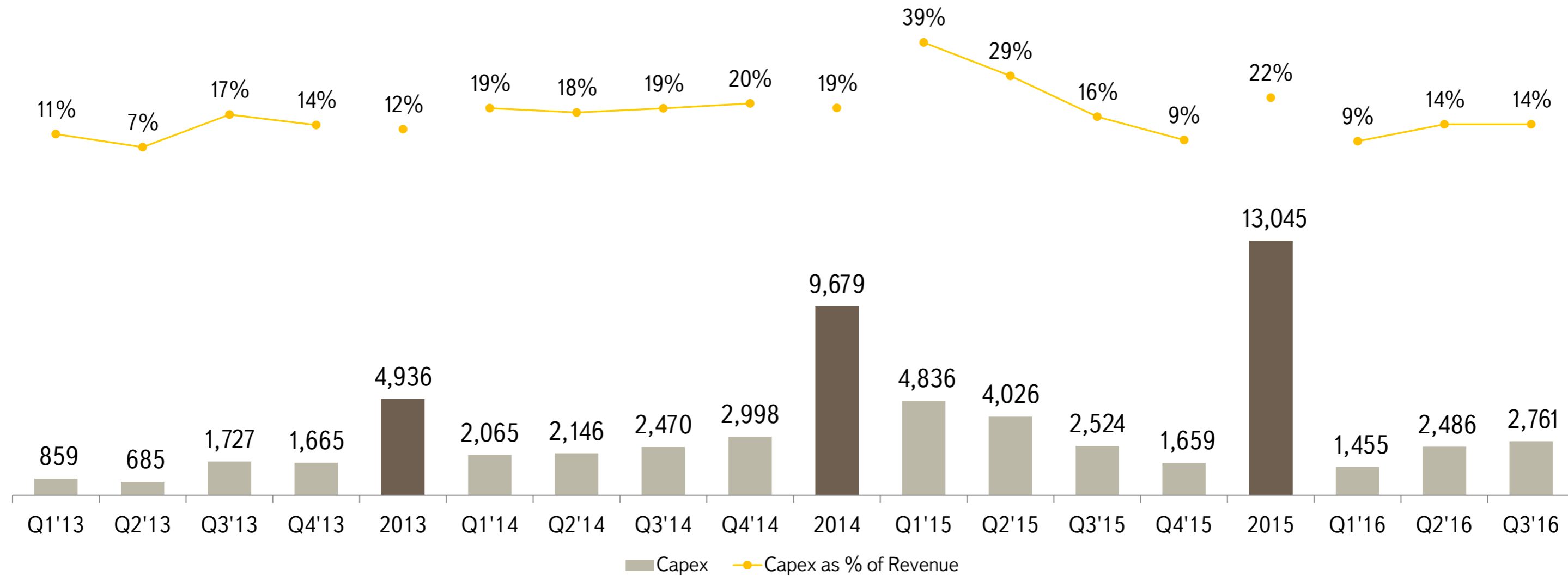
Adjusted Net Income (RUR MM) and Margin<sup>1</sup> (%)



<sup>1</sup> Adjusted Net Income, Adjusted Net Income margin and Adjusted Net Income margin ex-TAC are non-GAAP financial measures. For a reconciliation of these non-GAAP financial measures to their most directly comparable US GAAP measures, see slides 22-24

# Capex

CAPEX and CAPEX/Revenue Ratio<sup>1</sup> (RUR MM)

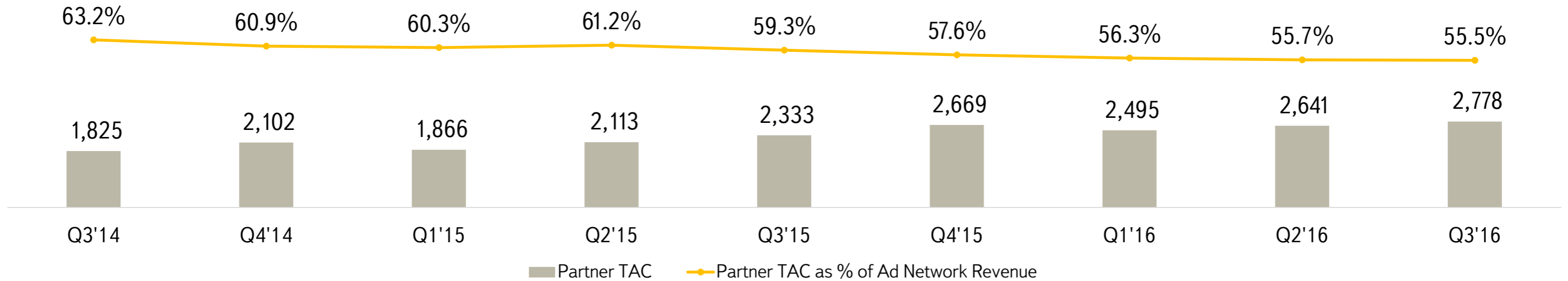


<sup>1</sup> Historical figures have been restated to exclude Yandex.Money capex for all periods. Capex as % of Revenue excludes Yandex.Money from numerator and denominator

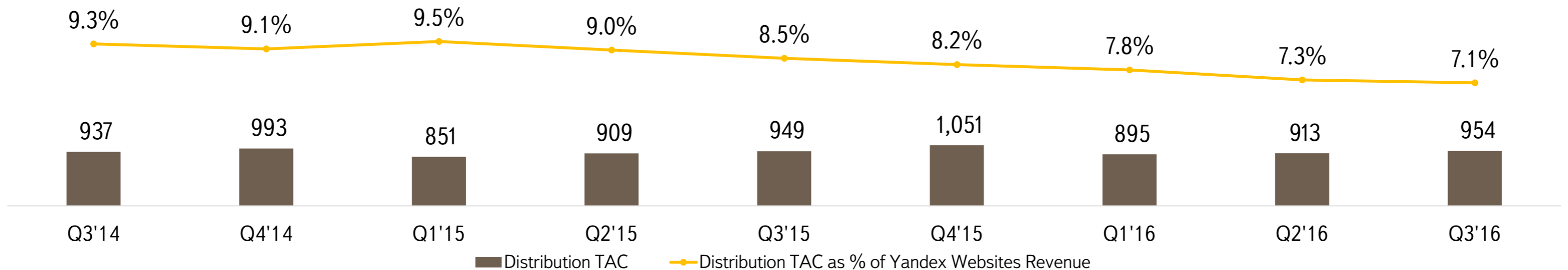


# Traffic Acquisition Costs

Partner TAC as % of Ad Network Revenue, MM RUB, %



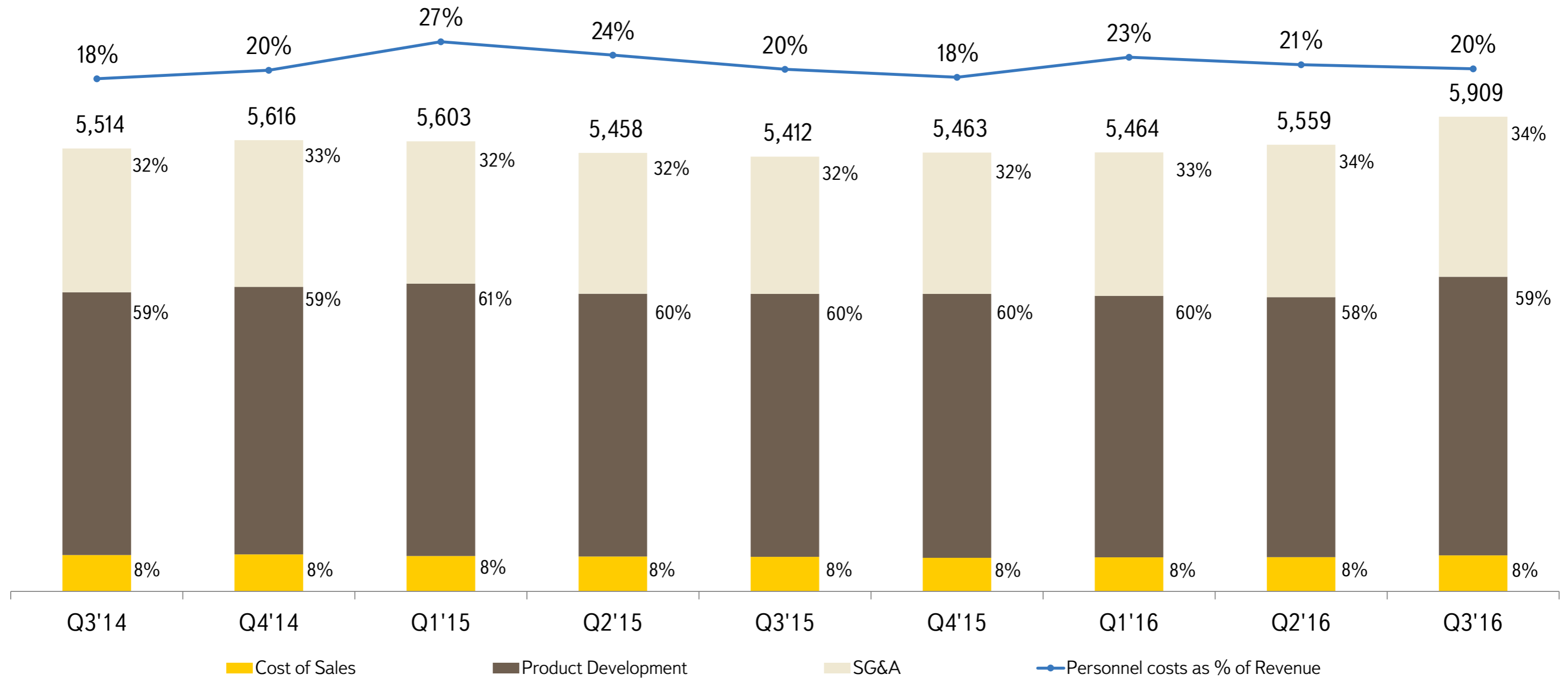
Distribution TAC as % of Yandex Websites Revenue, MM RUB, %



Note: As online advertising formats continue to converge, starting from Q1 2016 we are no longer providing a breakdown of our online ad revenues into text-based and display revenues. However, we continue to separately present online advertising revenues from Yandex websites and revenues from our Ad Network. As a result, we now show Partner TAC as % of our Ad Network revenue, which includes revenues from text-based ad network and our display ad network, and distribution TAC as % of our online advertising revenues from text-based and display advertising on Yandex websites.

# Headcount Evolution - Personnel Breakdown by GAAP Cost Category

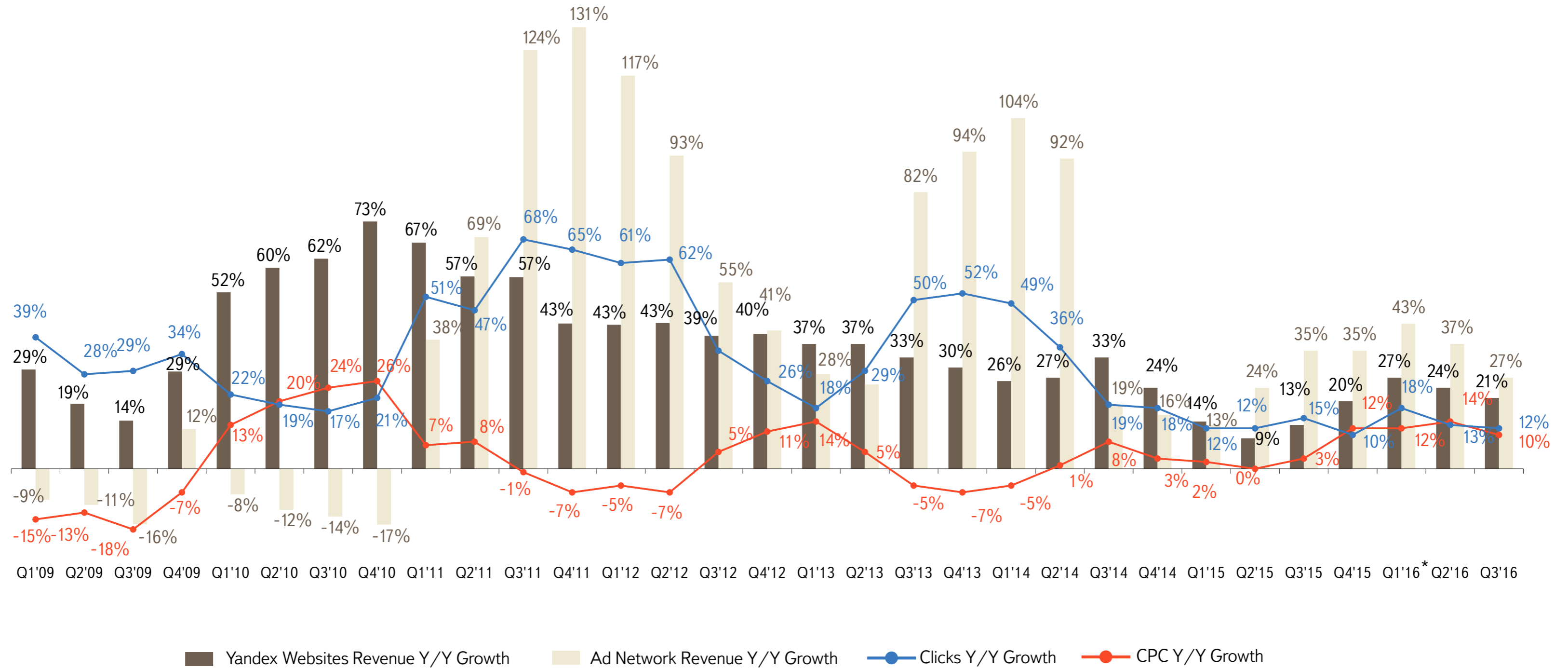
Headcount<sup>1</sup> by GAAP Cost Category<sup>2</sup>



<sup>1</sup> As of the end of the period

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

# Operational Metrics – Growth in Paid Clicks and CPC



\*Starting from Q1 2016 we are no longer providing a breakdown of our online ad revenues into text-based and display revenues. Therefore, Q1'16 revenue growth for this respective period represents growth rate of our online advertising revenues from Yandex websites, which include our text-based and display revenues, derived from Yandex Websites, and growth rate of online advertising revenues from our Ad Network, which include our text-based and display revenues, derived from Yandex Advertising Network. Data for periods prior to Q1'16, is consistent with what was presented previously and provides growth rates of text-based revenues from Yandex Websites and growth rates of text-based revenues from Ad Network

# Ownership Structure

The total number of shares issued and outstanding of September 30, 2016 was 321,798,510, including:

- › 276,248,540 Class A shares
- › 45,549,969 Class B shares
- › One Priority share
- › Excludes 8,258,244 Class A shares held in treasury as a result of Yandex's share repurchase program

Shareholders	Economic ownership as of September 30, 2016*
Principal pre-IPO Shareholder, Directors, Officers and Employees	16.9%
Baring Vostok	0.1%
Arkady Volozh (CEO)	10.7%
Other Directors	0.8%
Other Officers & Employees	5.2%
Other Pre-IPO Shareholders	2.2%
Public Investors	80.9%
Total	100%

\* Items may not total due to rounding

# Supplementary Materials

# Reconciliation of Non-GAAP Financial Measures<sup>1</sup>

Reconciliation of Ex-TAC Revenues to US GAAP Revenues																					
<i>In RUR millions</i>																					
	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	2010	2011	2012	2013	2014	2015
Total revenues	7,999	9,199	10,218	12,086	10,885	12,158	13,057	14,667	12,339	13,920	15,439	18,094	16,473	18,040	19,293	12,500	20,033	28,767	39,502	50,767	59,792
Less: traffic acquisition costs (TAC)	1,305	1,465	2,252	2,828	2,568	2,651	2,762	3,095	2,717	3,022	3,282	3,720	3,390	3,554	3,732	1,573	2,998	4,780	7,850	11,076	12,741
Ex-TAC revenues	6,694	7,734	7,966	9,258	8,317	9,507	10,295	11,572	9,622	10,898	12,157	14,374	13,083	14,486	15,561	10,927	17,035	23,987	31,652	39,691	47,051

Reconciliation of Adjusted EBITDA to US GAAP Net Income																					
<i>In RUR millions</i>																					
	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	2010	2011	2012	2013	2014	2015
Net income	2,246	2,915	4,967	3,346	2,680	2,396	4,372	7,572	2,127	423	4,278	2,851	1,069	2,058	2,443	3,817	5,773	8,223	13,474	17,020	9,679
Add: depreciation and amortization	879	912	914	990	1,069	1,114	1,095	1,206	1,490	1,874	2,152	2,275	2,394	2,316	2,489	1,181	1,874	2,951	3,695	4,484	7,791
Add: share-based compensation expense	151	151	229	223	255	275	304	376	560	594	671	893	891	881	785	160	329	376	754	1,210	2,718
Add: compensation expense related to contingent consideration	21	22	24	14	-	7	10	18	35	153	15	88	45	48	61	-	-	361	81	35	291
Add: goodwill impairment	-	-	-	-	-	-	-	-	-	-	-	576	-	-	-	-	-	-	-	-	576
Less: interest income, net	(368)	(452)	(483)	(414)	(172)	(203)	(224)	(257)	(484)	(356)	(415)	(489)	(523)	(437)	(351)	(156)	(222)	(1,002)	(1,717)	(856)	(1,744)
Less: other income/loss, net	(26)	(17)	(2,022)	(94)	(668)	617	(1,077)	(5,175)	(833)	1,787	(2,076)	(1,137)	1,181	842	218	(24)	(62)	(118)	(2,159)	(6,296)	(2,259)
Add: provision for income taxes	601	772	783	1,083	878	821	1,418	2,338	676	342	1,396	1,503	713	1,054	1,243	1,186	1,545	2,351	3,239	5,455	3,917
Adjusted EBITDA	3,504	4,303	4,412	5,148	4,042	5,027	5,905	6,078	3,571	4,817	6,021	6,560	5,770	6,762	6,888	6,164	9,237	13,142	17,367	21,052	20,969

Reconciliation of Adjusted Net Income to US GAAP Net Income																					
<i>In RUR millions</i>																					
	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	2010	2011	2012	2013	2014	2015
Net income	2,246	2,915	4,967	3,346	2,680	2,396	4,372	7,572	2,127	423	4,278	2,851	1,069	2,058	2,443	3,817	5,773	8,223	13,474	17,020	9,679
Add: SBC expense	151	151	229	223	255	275	304	376	560	594	671	893	891	881	785	160	329	376	754	1,210	2,718
Less: reduction in income tax attributable to SBC expense	(2)	(2)	(2)	(3)	(5)	(5)	(5)	(5)	(9)	(11)	(10)	(11)	(14)	(10)	(12)	-	(13)	(4)	(9)	(20)	(41)
Add: compensation expense related to contingent consideration	21	22	24	14	-	7	10	18	35	153	15	88	45	48	61	-	-	361	81	35	291
Less: foreign exchange (gain)/loss	(7)	(35)	2	(99)	(647)	625	(1,824)	(4,707)	(716)	1,869	(1,947)	(1,109)	1,281	958	432	(11)	(101)	57	(139)	(6,553)	(1,903)
Add: increase/(reduction) in income tax attributable to foreign exchange (gain)/loss	1	7	-	20	129	(125)	383	937	127	(374)	386	216	(260)	(198)	(83)	2	15	(11)	28	1,324	355
Add: impairment of investment in equity securities	-	-	-	-	-	-	700	-	-	-	-	-	-	-	-	-	-	-	-	700	-
Less: reduction in income tax attributable to impairment of investment in equity securities	-	-	-	-	-	-	(175)	-	-	-	-	-	-	-	-	-	-	-	-	(175)	-
Less: gain from sale and deconsolidation of equity investments	-	-	(2,067)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(234)	(2,067)	-	-
Add: goodwill impairment	-	-	-	-	-	-	-	-	-	-	-	576	-	-	-	-	-	-	-	-	576
Less: gain from repurchases of convertible debt	-	-	-	-	-	-	-	(548)	(110)	(40)	(93)	(67)	(53)	-	-	-	-	-	-	(548)	(310)
Add: increases in income tax attributable to gain from repurchases of convertible debt	-	-	-	-	-	-	-	137	27	11	23	16	13	-	-	-	-	-	-	137	77
Add: amortization of debt discount	-	-	-	24	183	190	195	243	273	218	241	235	262	225	223	-	-	-	24	811	967
Less: reduction in income tax attributable to amortization of debt discount	-	-	-	(6)	(43)	(45)	(46)	(56)	(65)	(52)	(57)	(56)	(66)	(56)	(56)	-	-	-	(6)	(190)	(230)
Adjusted net income	2,410	3,058	3,153	3,519	2,552	3,318	3,914	3,967	2,249	2,791	3,507	3,632	3,168	3,906	3,793	3,968	6,003	8,768	12,140	13,751	12,179

<sup>1</sup> Figures may not add due to rounding

# Reconciliation of Non-GAAP Financial Measures (cont'd)<sup>1</sup>

Reconciliation of Adjusted EBITDA Margin and Adjusted Ex-TAC EBITDA Margin to US GAAP Net Income Margin						
<i>In RUR millions</i>						
	US GAAP Actual 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, 2013	2,246	28.1%	1,258	3,504	43.8%	52.3%
Three months ended June 30, 2013	2,915	31.7%	1,388	4,303	46.8%	55.6%
Three months ended September 30, 2013	4,967	48.6%	(555)	4,412	43.2%	55.4%
Three months ended December 31, 2013	3,346	27.7%	1,802	5,148	42.6%	55.6%
Three months ended March 31, 2014	2,680	24.6%	1,362	4,042	37.1%	48.6%
Three months ended June 30, 2014	2,396	19.7%	2,631	5,027	41.3%	52.9%
Three months ended September 30, 2014	4,372	33.5%	1,533	5,905	45.2%	57.4%
Three months ended December 31, 2014	7,572	51.6%	(1,494)	6,078	41.4%	52.5%
Three months ended March 31, 2015	2,127	17.2%	1,444	3,571	28.9%	37.1%
Three months ended June 30, 2015	423	3.0%	4,394	4,817	34.6%	44.2%
Three months ended September 30, 2015	4,278	27.7%	1,743	6,021	39.0%	49.5%
Three months ended December 31, 2015	2,851	15.8%	3,709	6,560	36.3%	45.6%
Three months ended March 31, 2016	1,069	6.5%	4,701	5,770	35.0%	44.1%
Three months ended June 30, 2016	2,058	11.4%	4,704	6,762	37.5%	46.7%
Three months ended September 30, 2016	2,443	12.7%	4,445	6,888	35.7%	44.3%
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%
Twelve months ended December 31, 2013	13,474	34.1%	3,893	17,367	44.0%	54.9%
Twelve months ended December 31, 2014	17,020	33.5%	4,032	21,052	41.5%	53.0%
Twelve months ended December 31, 2015	9,679	16.2%	11,290	20,969	35.1%	44.6%

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

(2) Adjusted to eliminate depreciation and amortization expense, SBC expense, expense related to contingent compensation, interest income, net, other loss, 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 GAAP revenues, please see the table above.

<sup>1</sup> Figures may not add due to rounding

# Reconciliation of Non-GAAP Financial Measures (cont'd)<sup>1</sup>

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 Actual 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, 2013	2,246	28.1%	164	2,410	30.1%	36.0%
Three months ended June 30, 2013	2,915	31.7%	143	3,058	33.2%	39.5%
Three months ended September 30, 2013	4,967	48.6%	(1,814)	3,153	30.9%	39.6%
Three months ended December 31, 2013	3,346	27.7%	173	3,519	29.1%	38.0%
Three months ended March 31, 2014	2,680	24.6%	(128)	2,552	23.4%	30.7%
Three months ended June 30, 2014	2,396	19.7%	922	3,318	27.3%	34.9%
Three months ended September 30, 2014	4,372	33.5%	(458)	3,914	30.0%	38.0%
Three months ended December 31, 2014	7,572	51.6%	(3,605)	3,967	27.0%	34.3%
Three months ended March 31, 2015	2,127	17.2%	122	2,249	18.2%	23.4%
Three months ended June 30, 2015	423	3.0%	2,368	2,791	20.1%	25.6%
Three months ended September 30, 2015	4,278	27.7%	(771)	3,507	22.7%	28.8%
Three months ended December 31, 2015	2,851	15.8%	781	3,632	20.1%	25.3%
Three months ended March 31, 2016	1,069	6.5%	2,099	3,168	19.2%	24.2%
Three months ended June 30, 2016	2,058	11.4%	1,848	3,906	21.7%	27.0%
Three months ended September 30, 2016	2,443	12.7%	1,350	3,793	19.7%	24.4%
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%
Twelve months ended December 31, 2013	13,474	34.1%	(1,334)	12,140	30.7%	38.4%
Twelve months ended December 31, 2014	17,020	33.5%	(3,269)	13,751	27.1%	34.6%
Twelve months ended December 31, 2015	9,679	16.2%	2,500	12,179	20.4%	25.9%

(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 contingent compensation, foreign exchange gains and losses (as adjusted for the increase in income tax attributable to the gains and losses), gain from repurchases of convertible debt (as adjusted for the increase in income tax attributable to gains/losses) and amortization of debt discount (as adjusted for the reduction in income tax attributable to the expense). 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.

<sup>1</sup> Figures may not add due to rounding



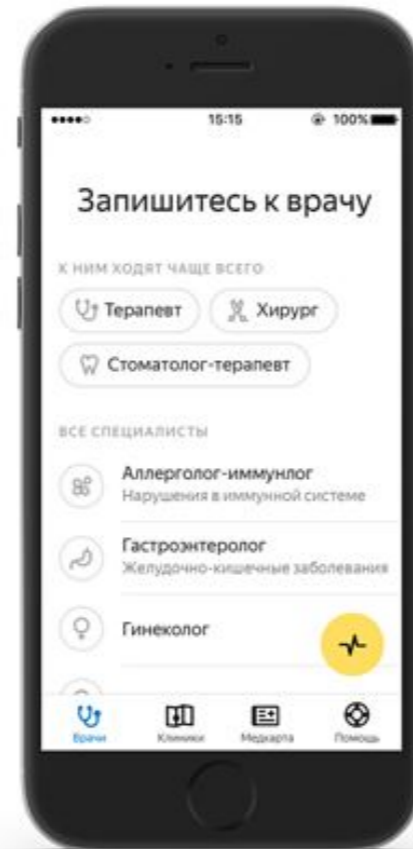
# Other Experiments: Yandex.Health

Yandex.Health is launched in test mode in Moscow on November 7<sup>th</sup>

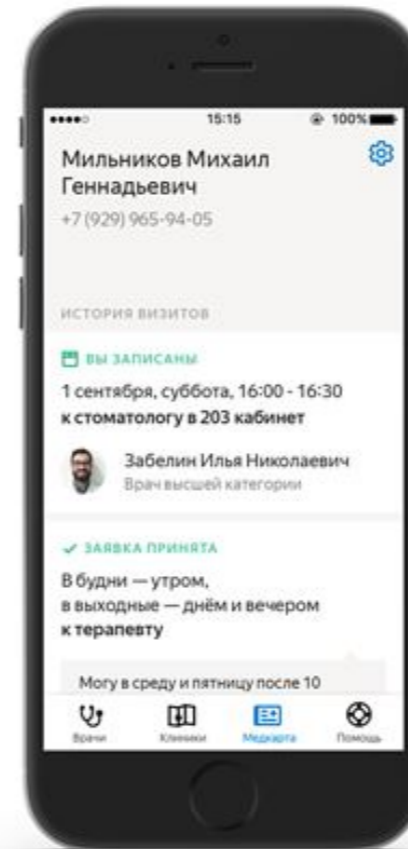
Currently available as an app on iOS and Android

Allows users to find a doctor and book an appointment online

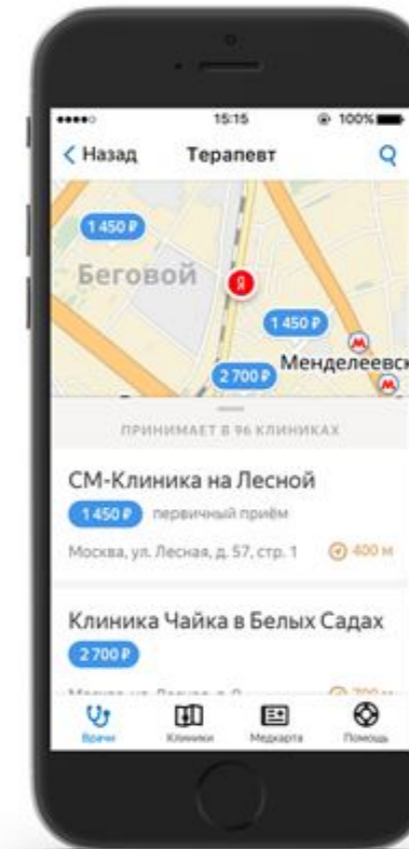
120 clinics are connected to the service at launch



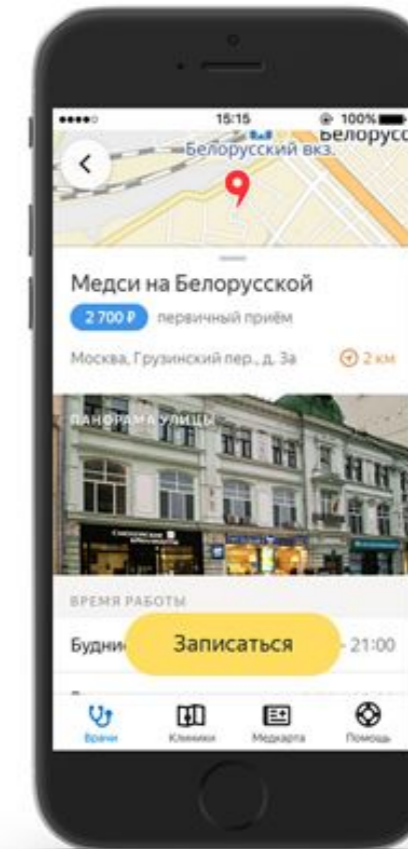
Online doctor appointment



History of visits



Clinics on the map



Information about clinics

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