

Yandex

Company Presentation

Search

June 2014

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 April 4, 2014, 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 2, 2014, and Yandex expressly disclaims any duty to update this information unless required by law.

Yandex is the Market Leader in Russia

Search Leader

61.7% search market share in Russia¹

#1 Internet Destination

66 MM unique visitors per month in Russia²

Leading Online Advertising Platform

More than 460,000 advertisers in 2013³

57% online ad market share⁴

Largest Internet Business

\$1,207 MM Revenues⁵ in 2013 (+37% yoy)

\$531 MM Adj. EBITDA⁶ in 2013 (+32% yoy)

¹ Source: Liveinternet, May 2014

² Source: comScore, April 2014

³ Source: Company Information, FY 2013

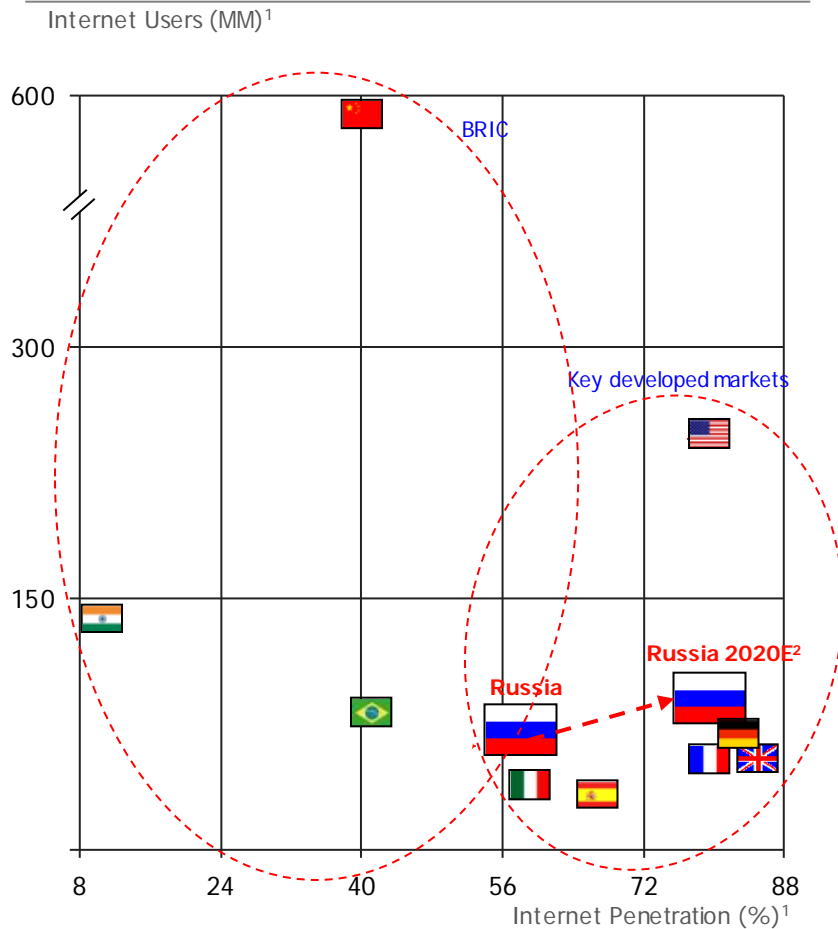
⁴ Source: http://www.akarussia.ru/knowledge/market_size, AKAR for 2013, adjusted for commissions

⁵ Source: Company Information for FY 2013, using an exchange rate of RUR 32.37292 to \$1.00 as of 31 December 2013

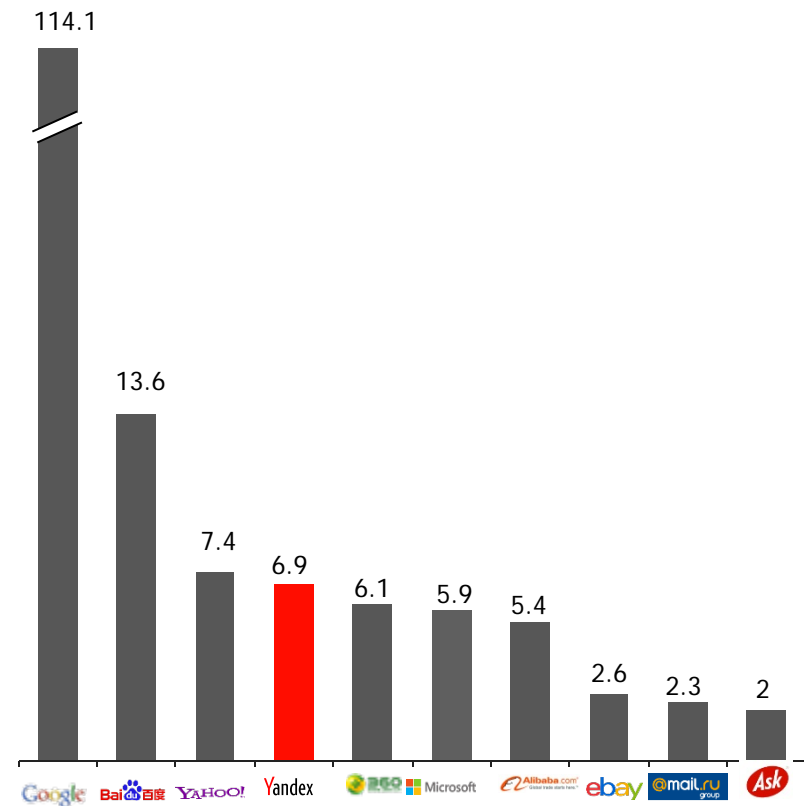
⁶ Source: Company Information for FY 2013, using an exchange rate of RUR 32.7292 to \$1.00 as of 31 December 2013
Adjusted EBITDA is EBITDA before share-based compensation. See slides 20-23 for reconciliation to US GAAP Net income

Russia is One of the World's Largest Internet Markets

Internet Users and Penetration



Worldwide Top-10 Search Properties (Bn Searches)³



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, Fall 2013

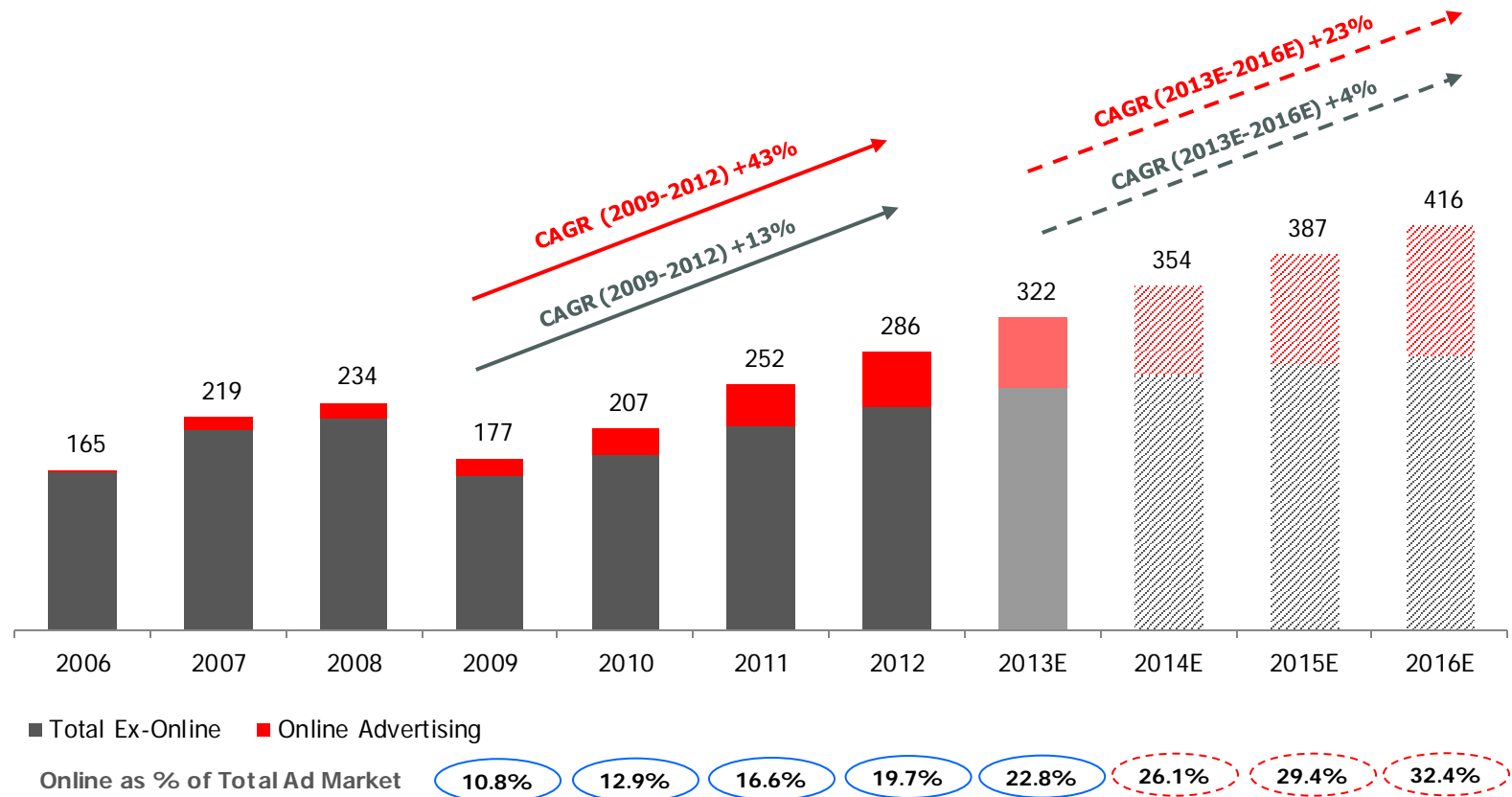
² FOM (Public Opinion Foundation) forecast conducted by Leonid Delitsyn, Finam, Dec 2013. The forecast projects the best case scenario of 85% internet penetration in 2020 and 73% internet penetration in 2020 in worst case scenario.

³ Source: comScore, January 2014

Russia Has a Very Attractive Advertising Market

Russian Online Advertising to Grow at 25% CAGR 2013E–2015E

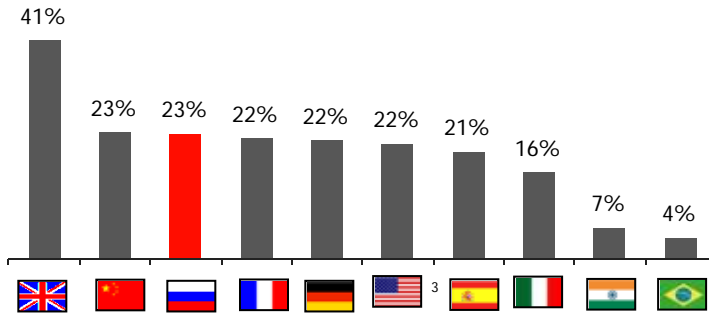
Total Russian Advertising Market in constant currencies (RUR Bn)¹



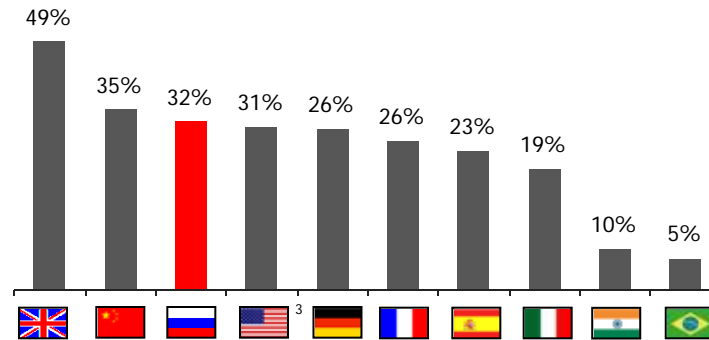
¹ Source: ZenithOptimedia, Advertising Expenditure Forecasts, December 2013

Online Advertising Expected to Continue to Outperform

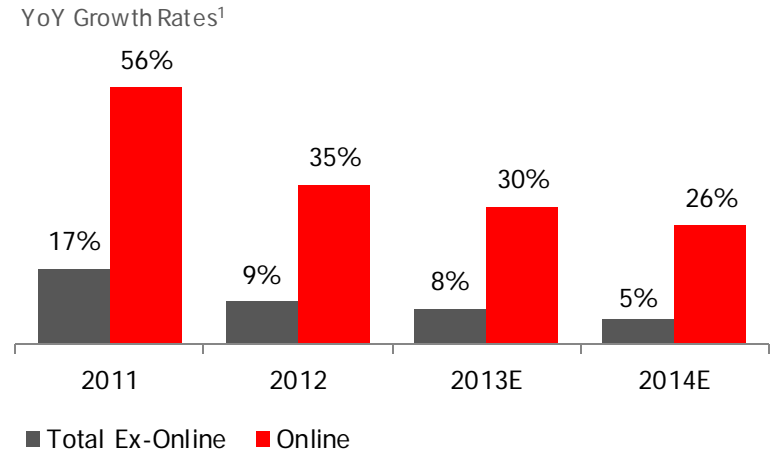
Online as % of Total Ad Spend—2013E¹



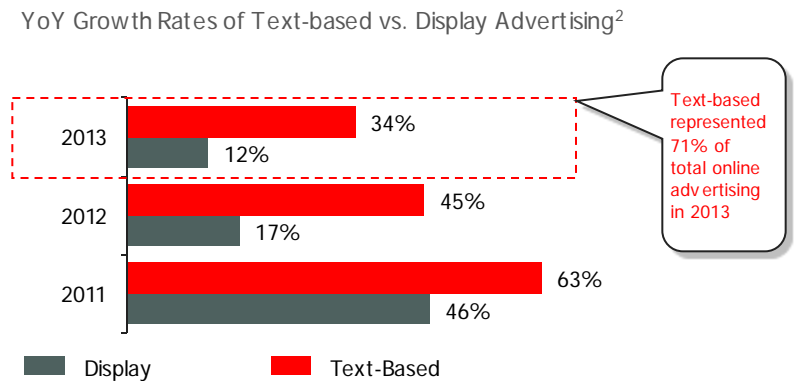
Online as % of Total Ad Spend—2016E¹



Online Advertising in Russia Has Consistently Outperformed Offline



Text-based Continues to Grow Faster than Display in Russia

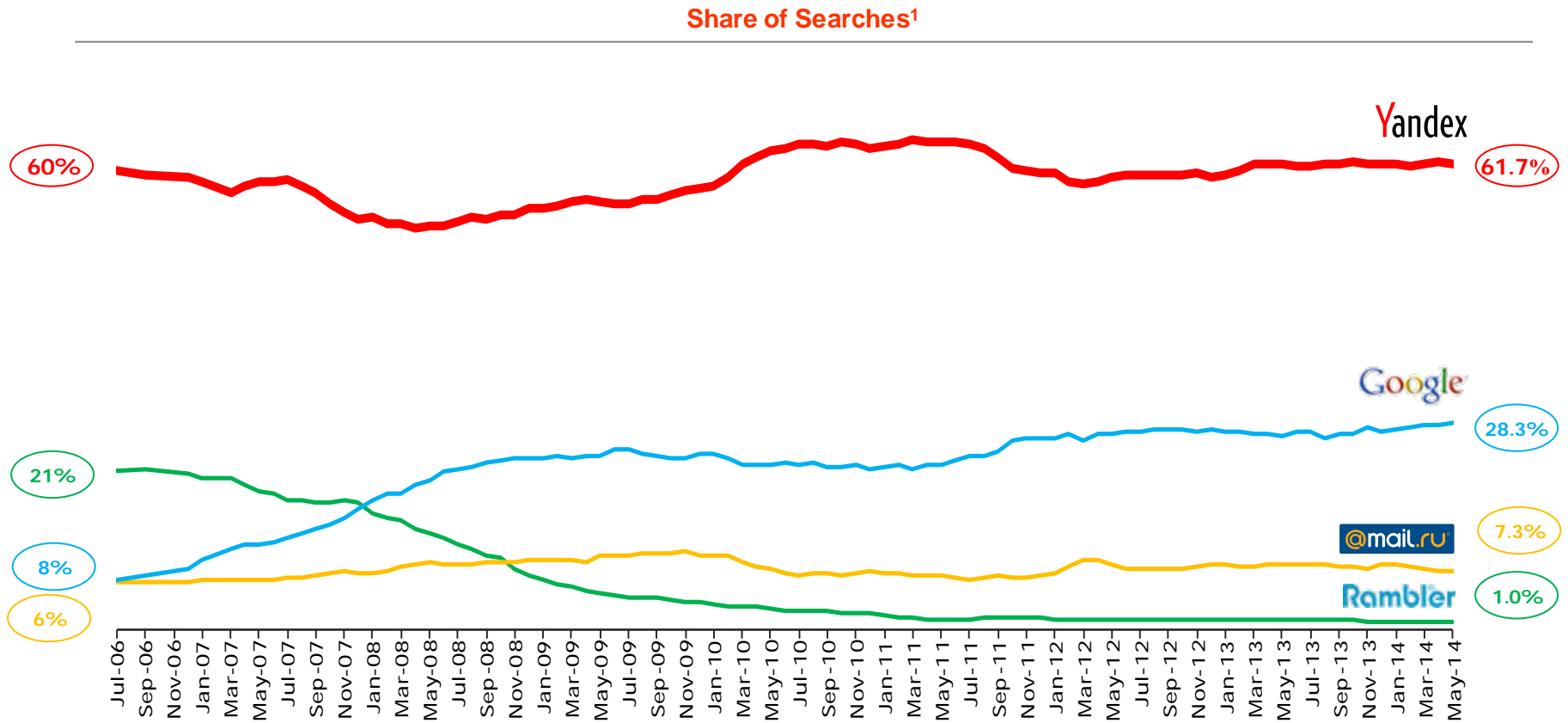


¹ Source: ZenithOptimedia, Advertising Expenditure Forecasts, December 2013;

² Source: http://www.akarussia.ru/knowledge/market_size AKAR for 2010, 2011, 2012, 2013

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

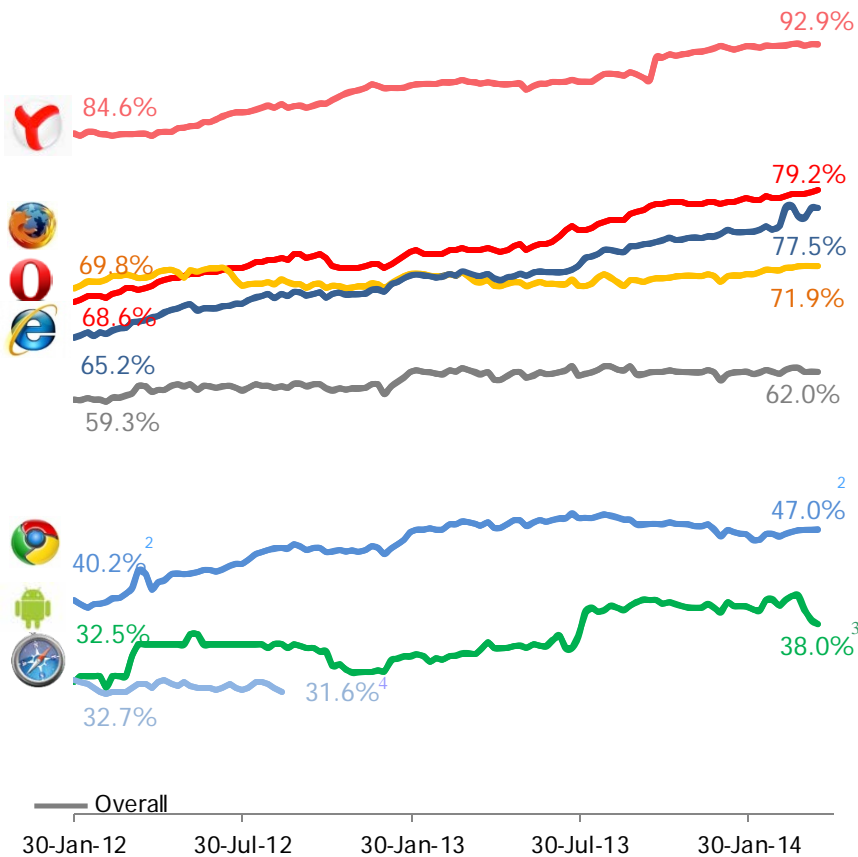
Yandex is the Consistent Search Leader in Russia



¹ Source: LiveInternet.ru through May 30, 2014. 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



Yandex's Recent Search Innovations

- ❖ **Islands** - a new search platform that groups results into information blocks and allows us for interactivity with third-party sites directly on the Yandex SERP through the use of APIs
- ❖ **Upgraded personalized search**, part of Yandex's search platform, **Dublin**. Based on both user's long-term and short-term interests – those within the current search session
- ❖ **Intent-based search** understands users' needs and helps them to attain their goals. Based on proprietary Spectrum technology
- ❖ **Facts and figures** in suggestions - users now see the answers to their queries even before they finish typing
- ❖ **Social search** complements search results with social networking content
- ❖ **Partnership with Facebook** – access to the full 'firehose' of all public posts in Russia, CIS and Turkey
- ❖ **Freshness** - search returns a group of links to the most recent web documents graphically separated from other search results. Based on proprietary Orange technology
- ❖ Constant improvements in the quality of search including **freshness, response time and quality of answers to long-tail queries**

¹ Source: LiveInternet.ru, weekly through the week beginning April 14, 2014

² Google Chrome shown separately

³ We have cautioned in the past that LiveInternet market share data for mobile operating systems, such as Android is highly unreliable. Lately, we also have had little more difficulty than usual in accurately measuring our market share internally. Our latest assessment is that our Android share is 54%.

⁴ We cautioned previously that starting from September 2012 LiveInternet market share data for Safari is unreliable.

According to our own estimates, based on Yandex.Metrica measurements, our latest assessment of our search share on iOS is 45%.

Yandex.Market - #1 Comparison Shopping Destination in Russia

Over 15,000 e-shops, 60+MM offers



искать только в этой категории

Настройка
Мой Маркет
Регион: Яндекс (Москва) [Помощь](#)

Планшеты / Apple

Apple iPad Air 32Gb Wi-Fi + Cellular

Описание [Характеристики](#) [Цены в интернете](#) 370 [Магазины рядом](#) 889 [Отзывы](#) 26 | [Обзоры](#) 37 | [Обсуждение](#) 205



Средняя цена:
27 500 руб.
25 200 ... 31 898 руб.

★★★★★ 272 оценки

Поделиться
Добавить в список покупок
Добавить к сравнению

- операционная система iOS
 - экран 9.7", 2048x1536, емкостный, мульти-касание
 - встроенная память 32 Гб
 - беспроводная связь Wi-Fi, Bluetooth, 3G, LTE
 - навигация GPS
 - вес 478 г
 - тыловая камера 5 млн пикс.
- [все характеристики](#)

Похожие товары

- Apple iPad Air 16Gb Wi-Fi + Cellular от 28 000 руб.
- Apple iPad Air 16Gb Wi-Fi + Cellular от 21 997 руб.
- Apple iPad Air 32Gb Wi-Fi от 21 513 руб.
- Apple iPad 4 32Gb Wi-Fi + Cellular от 20 950 руб.

User Generated Reviews

'To the shop' button leads you right to the product page of the correspondent e-shop

E-shops show up in 'shops nearby' based on the advertiser location and CPC bid

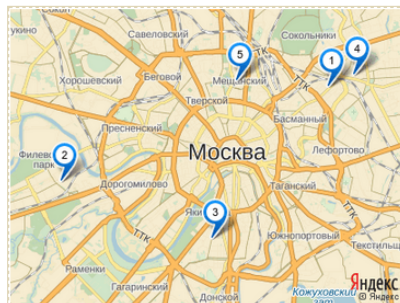
Магазин	Доставка	Цена	Кнопка
★★★★★ 551 отзыв	бесплатно	27 990 руб.	В магазин
★★★★★ 11099 отзывов	бесплатно	28 990 руб.	В магазин
★★★★★ 1118 отзывов	бесплатно	28 490 руб.	В корзину
★★★★★ 4414 отзывов	бесплатно	28 500 руб.	В магазин
★★★★★ 4511 отзывов	бесплатно	27 100 руб.	В корзину

Все магазины 198

[узнать о снижении](#)

Магазины рядом

- Юлмарт**
Москва, улица Бакунинская, д. 69, корп. 1
27 990 руб.
- MARKETMAC.RU**
Москва, Багратионовский проезд, д. 7, корп. 3
27 990 руб.
- МАКСИМУС**
Москва, Шаболовская, д. 30/12, стр. 2
28 990 руб.
- 123.ru**
Москва, Барabanный пер., д. 4, стр. 1
26 990 руб.
- ЭЛЬДОРАДО**
Москва, Олимпийский пр-т, д. 16, корп. 1
28 989 руб.



Заказать на Маркете

Apple iPad Air 32GB Wi-Fi + 4G Space Gray темно-серый



26 470 руб.

В корзину

iCult.ru ★★★★★ 198 отзывов

Доставка 250 руб., возможен самовывоз

В кредит от 2 528 руб.

в месяц, сроком на 1 год от ОАО «Нордеа Банк»
[Еще 69 кредитов на Услугу](#)

Аксессуары

Belkin F5L113bm Black Bluetooth
от 1 690 руб.

Logitech Ultrathin Keyboard Cover Black Bluetooth
от 2 363 руб.

Logitech Tablet Keyboard for iPad Black Bluetooth
от 1 643 руб.

Genius LuxePad Pro Black Bluetooth
от 907 руб.

'Order on Market' button adds the product to a unified basket

Shopping basket



★★★★★ 272 оценки

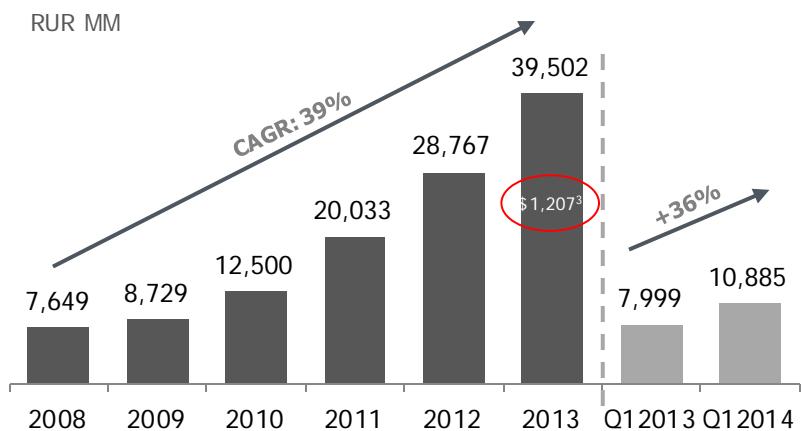
Оцените товар ★★★★★

Отзывы с оценкой

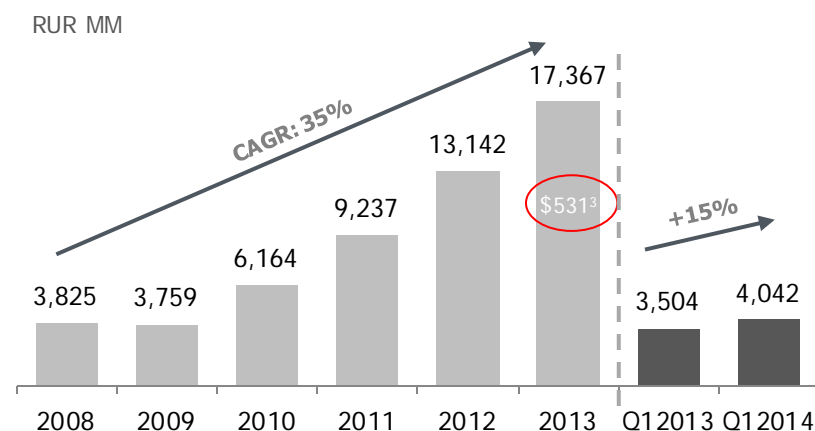
Financials

Financial Summary

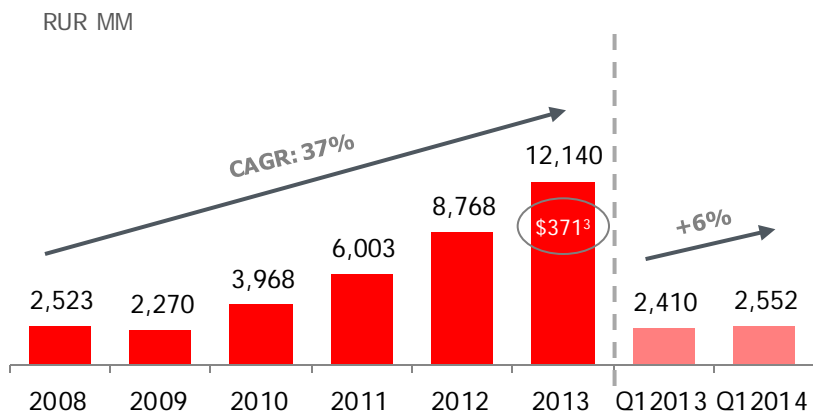
Revenues¹



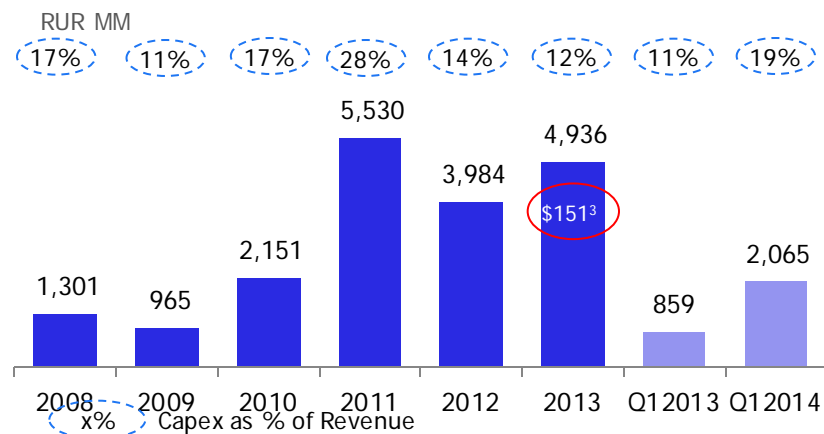
Adjusted EBITDA²



Adjusted Net Income²



Capex⁴



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 20-23

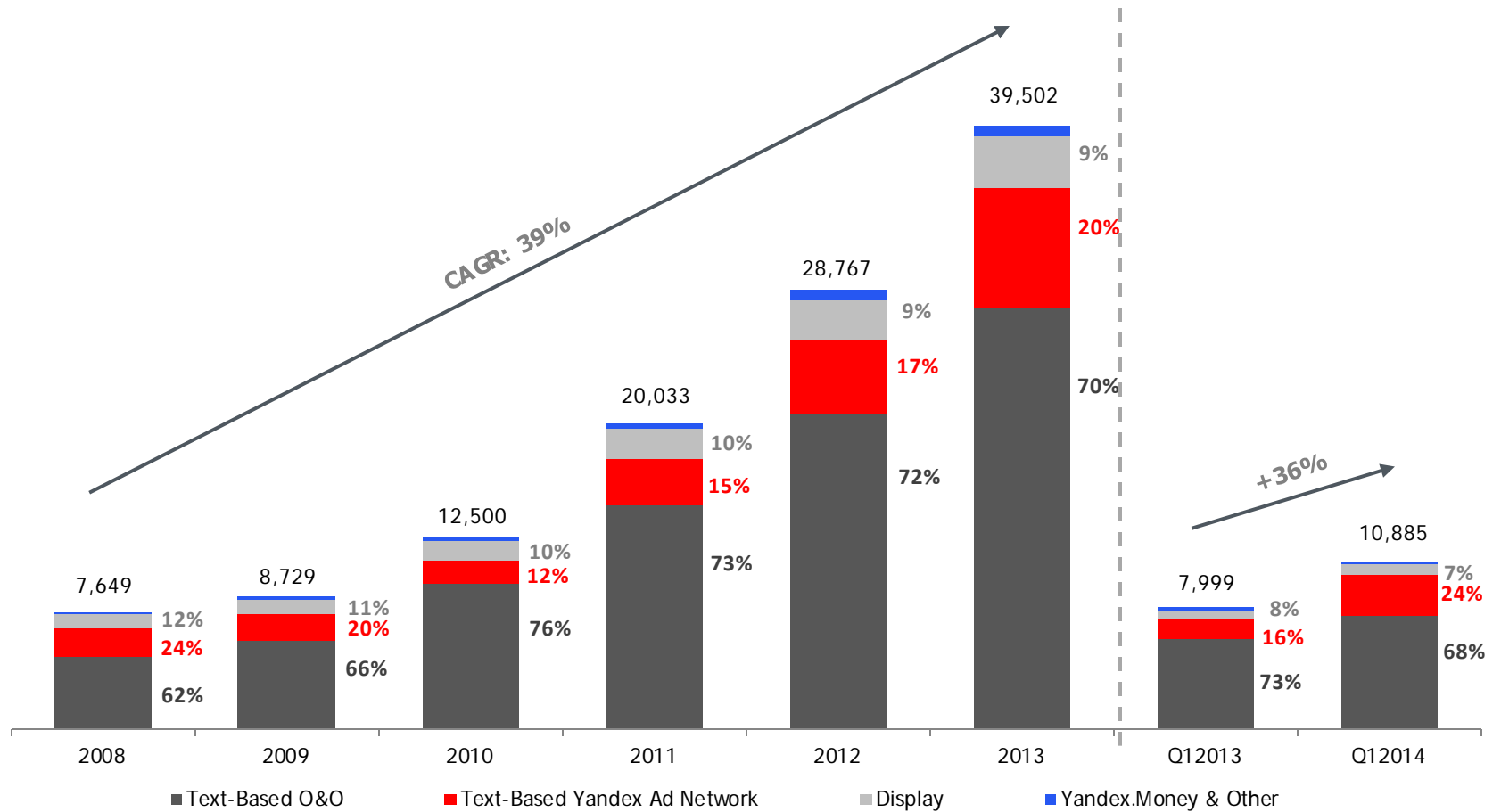
³ Translated using an exchange rate of RUR32.7292 to \$1.00 as of Dec 31, 2013. \$ figures shown in charts expressed in millions

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

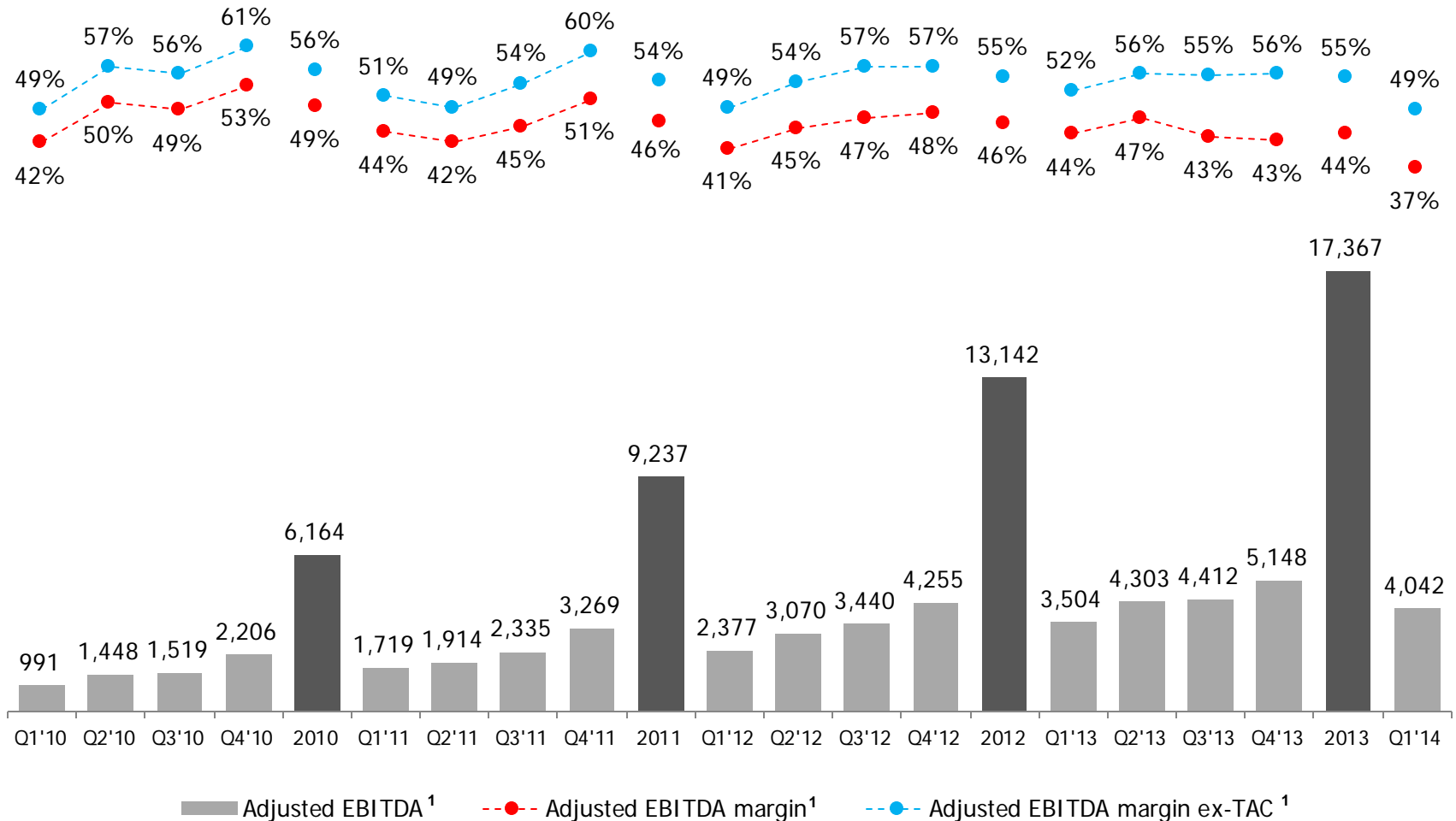
RUR MM



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

Adjusted EBITDA

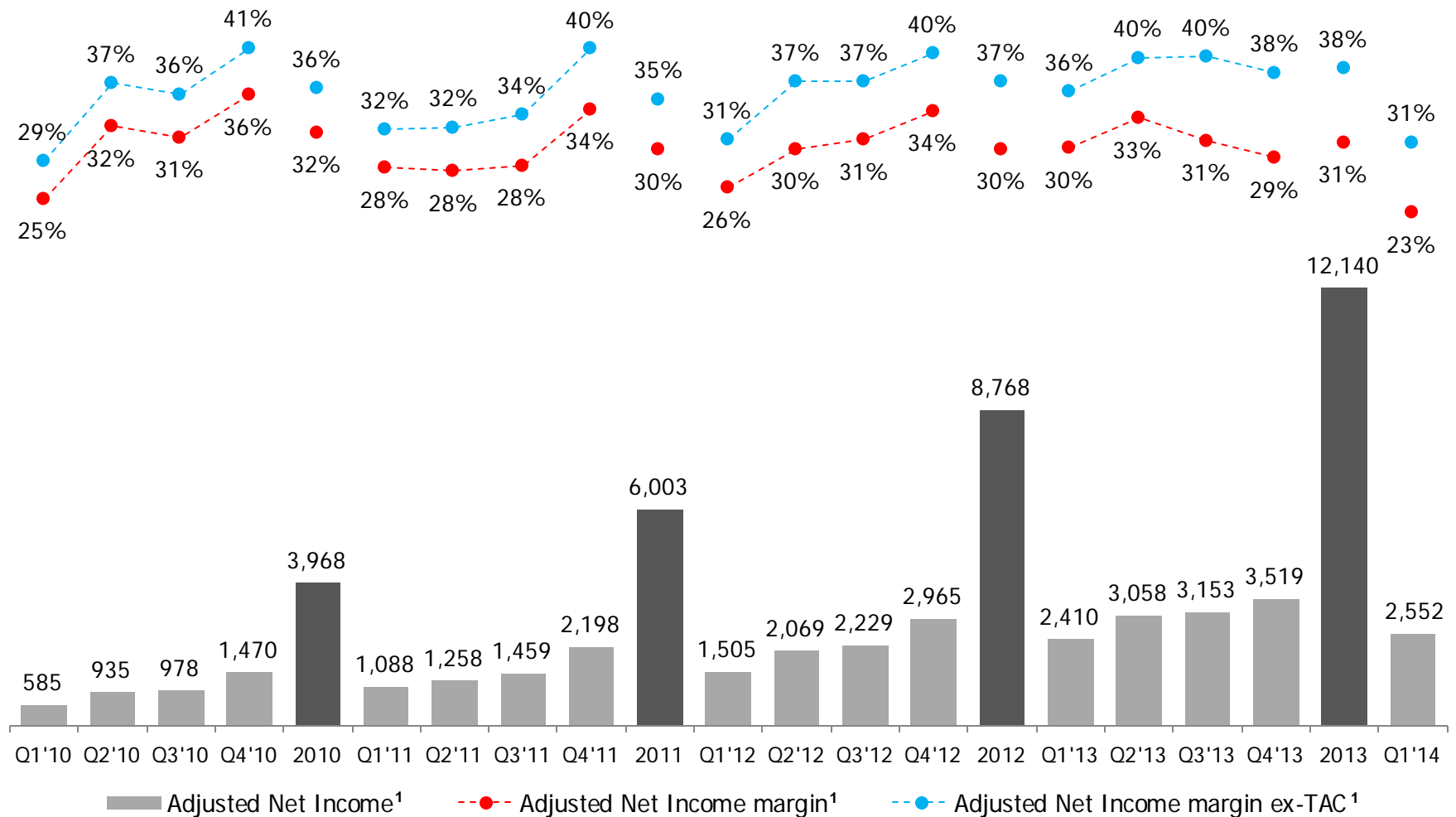
Adjusted EBITDA¹ (RUR MM) and Margin (%)



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 20-23.

Adjusted Net Income

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

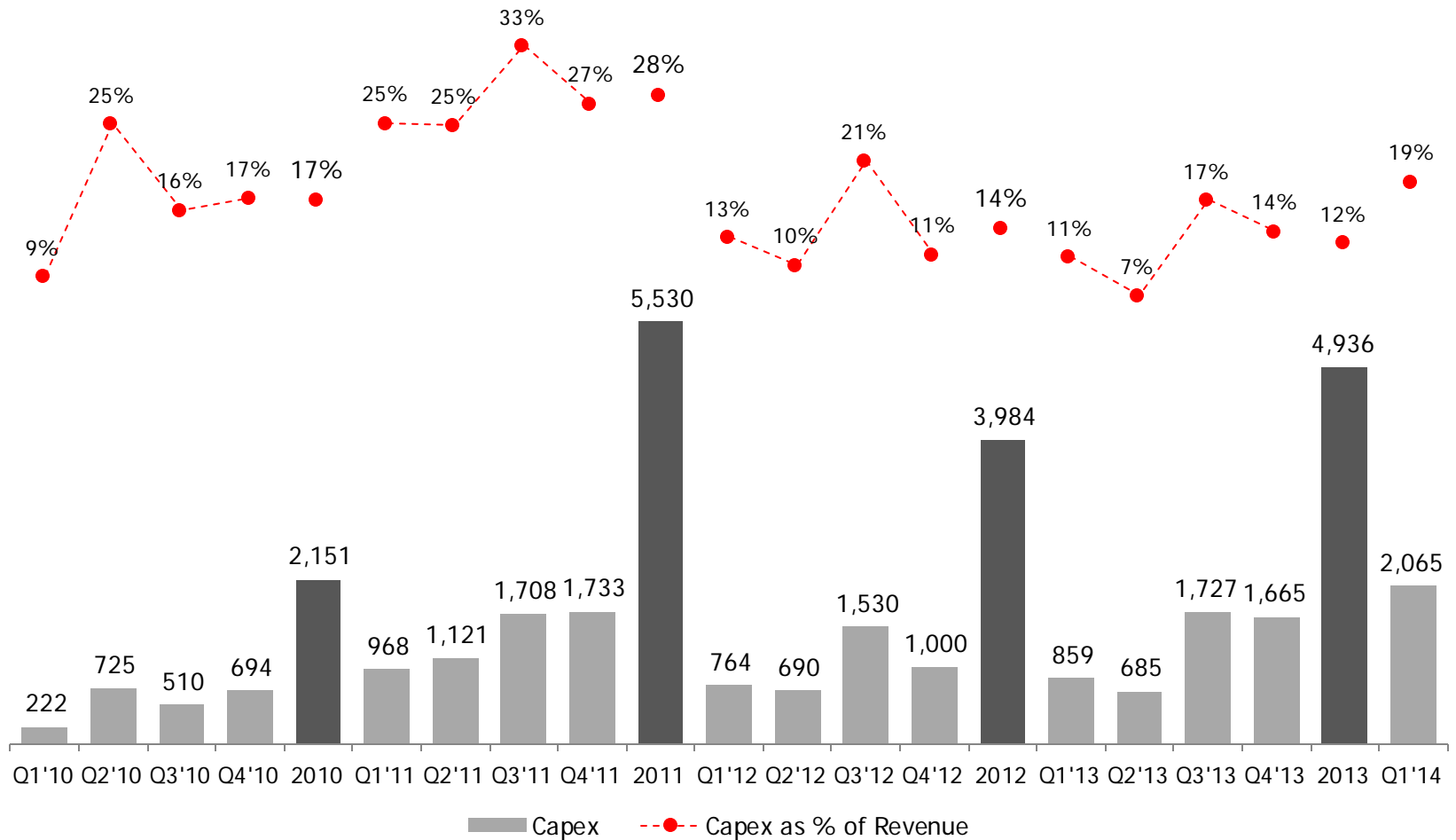


1. Adjusted net income is net income before share-based compensation and foreign exchange (gains)/losses in both cases tax-adjusted. Adjusted net income margin is adjusted net income divided by US GAAP revenues. Adjusted ex-TAC net income margin is adjusted net income divided by ex-TAC revenues. For a reconciliation of these non-GAAP measures to their most directly comparable US GAAP measures see slides 20-23.

Capex

Capex and Capex/Revenue Ratio¹

RUR MM



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>	<u>Q2'13</u>	<u>Q3'13</u>	<u>Q4'13</u>	<u>Q1'14</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	9,199	10,218	12,086	10,885
Less: traffic acquisition costs (TAC)	317	353	396	507	537	641	818	1,002	992	1,141	1,231	1,416	1,305	1,465	2,252	2,828	2,568
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	7,734	7,966	9,258	8,317

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>	<u>Q2'13</u>	<u>Q3'13</u>	<u>Q4'13</u>	<u>Q1'14</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	2,915	4,967	3,346	2,680
Add: depreciation and amortization	259	272	307	343	377	427	488	582	661	696	734	860	879	912	914	990	1,069
Add: share-based compensation (SBC) expense	33	32	39	56	70	109	66	84	81	74	106	115	151	151	229	223	255
Add: compensation expense related to contingent consideration	-	-	-	-	-	-	-	-	76	55	57	173	21	22	24	14	-
Less: interest income, net	(28)	(39)	(43)	(46)	(34)	(36)	(47)	(105)	(167)	(234)	(268)	(333)	(368)	(452)	(483)	(414)	(172)
Less: other income, net	57	(143)	60	2	254	33	(361)	12	124	(53)	(147)	(42)	(26)	(17)	(2,022)	(94)	(668)
Add: provision for income taxes	163	309	273	441	232	256	484	573	344	549	667	791	601	772	783	1,083	878
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	4,303	4,412	5,148	4,042

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>	<u>Q2'13</u>	<u>Q3'13</u>	<u>Q4'13</u>	<u>Q1'14</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	2,915	4,967	3,346	2,680
Add: SBC expense	33	32	39	56	70	109	66	84	81	74	106	115	151	151	229	223	255
Less: reduction in income tax attributable to SBC expense	-	-	-	-	-	(3)	(6)	(4)	(1)	(1)	(1)	(1)	(2)	(2)	(2)	(3)	(5)
Add: compensation expense related to contingent consideration	-	-	-	-	-	-	-	-	76	55	57	173	21	22	24	14	-
Less: foreign exchange (gain)	57	(143)	70	5	254	34	(383)	(6)	114	(52)	13	(17)	(7)	(35)	2	(99)	(647)
Add: increase/(reduction) in income tax attributable to foreign exchange (gain)/loss	(12)	29	(14)	(1)	(56)	(7)	77	1	(23)	10	(3)	4	1	7	-	20	129
Less: gain from sale of equity investments and deconsolidation	-	-	-	-	-	-	-	-	-	-	(234)	-	-	-	(2,067)	-	-
Add: amortization of debt discount	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24	183
Less: reduction in income tax attributable to amortization of debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6)	(43)
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	3,058	3,153	3,519	2,552

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>	<u>2013</u>
Total revenues	4,249	7,649	8,729	12,500	20,033	28,767	39,502
Less: traffic acquisition costs (TAC)	504	1,270	1,305	1,573	2,998	4,780	7,850
Ex-TAC revenues	3,745	6,379	7,424	10,927	17,035	23,987	31,652

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>	<u>2013</u>
Net income	1,520	2,432	2,010	3,817	5,773	8,223	13,474
Add: depreciation and amortization	295	600	912	1,181	1,874	2,951	3,695
Add: share-based compensation (SBC) expense	37	140	209	160	329	376	754
Add: compensation expense related to contingent consideration	-	-	-	-	-	361	81
Less: interest income, net	(31)	(86)	(67)	(156)	(222)	(1,002)	(1,717)
Less: other income, net	4	(208)	23	(24)	(62)	(118)	(2,159)
Add: provision for income taxes	559	947	672	1,186	1,545	2,351	3,239
Adjusted EBITDA	2,384	3,825	3,759	6,164	9,237	13,142	17,367

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>	<u>2013</u>
Net income	1,520	2,432	2,010	3,817	5,773	8,223	13,474
Add: SBC expense	37	140	209	160	329	376	754
Less: reduction in income tax attributable to SBC expense	-	-	-	-	(13)	(4)	(9)
Add: compensation expense related to contingent consideration	-	-	-	-	-	361	81
Less: foreign exchange (gain)/loss	5	(65)	64	(11)	(101)	57	(139)
Add: increase/(reduction) in income tax attributable to foreign exchange (gain)/loss	(1)	16	(13)	2	15	(11)	28
Less: gain from sale of equity investments and deconsolidation	-	-	-	-	-	(234)	(2,067)
Add: amortization of debt discount	-	-	-	-	-	-	24
Less: reduction in income tax attributable to amortization of debt discount	-	-	-	-	-	-	(6)
Adjusted net income	1,561	2,523	2,270	3,968	6,003	8,768	12,140

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%
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%
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%

(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, net, other (expense)/income, 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.

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

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%
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%
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%

(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), foreign exchange gain (as adjusted for the reduction in income tax attributable to the gain) 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.

Ownership Structure

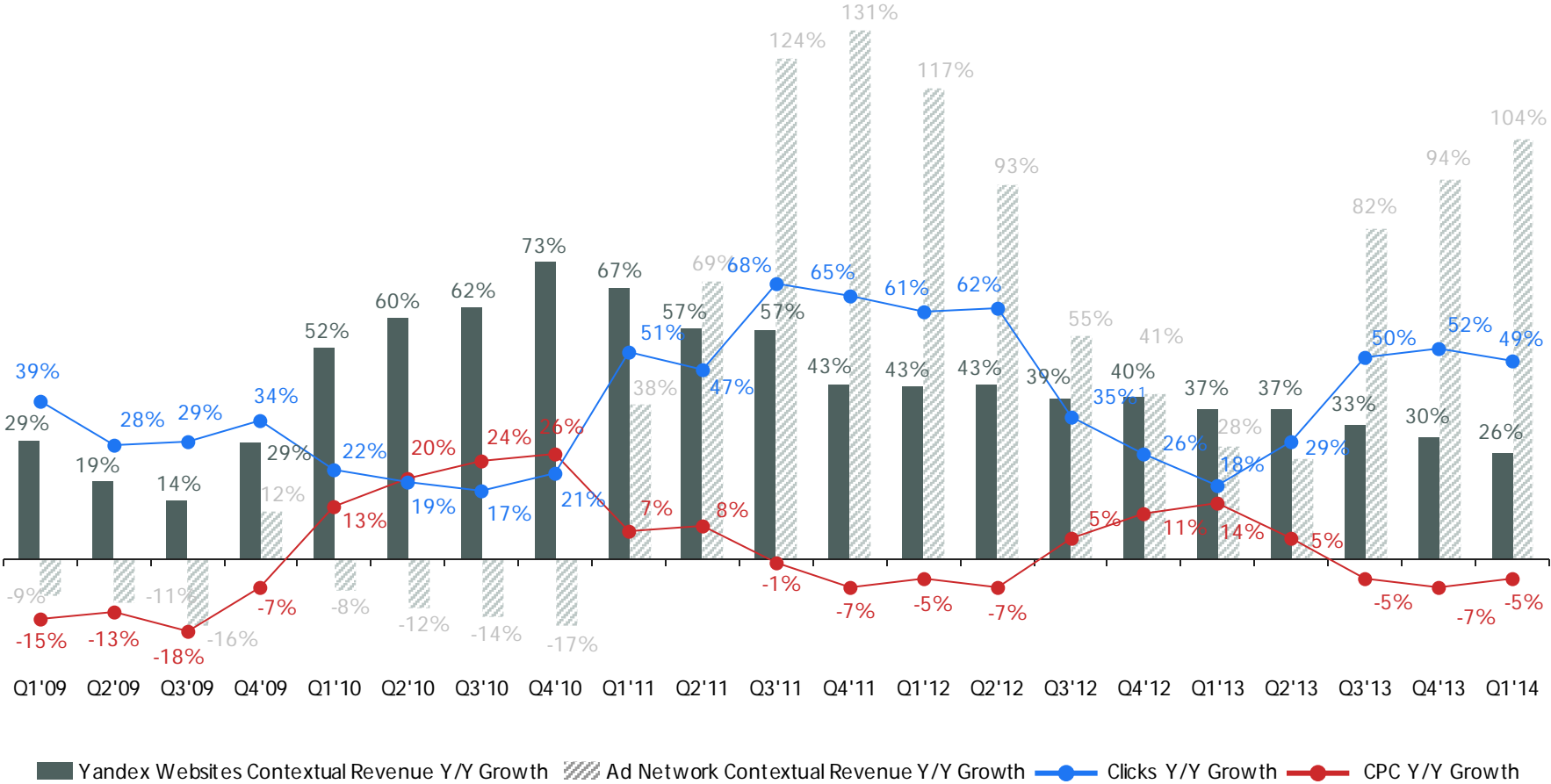
Shareholders	Economic ownership as of Mar 31, 2014 ¹
Principal pre-IPO Shareholder, Directors, Officers and Employees	22.5%
Baring Vostok	6.3%
Arkady Volozh (CEO)	10.7%
Other Directors	0.9%
Other Officers & Employees	4.6%
Other Pre-IPO Shareholders	6.0%
Public Investors	71.3%
Total	100.0%²

1. Figures may not add due to rounding

2. The total number of shares issued and outstanding of March 31, 2014 was 321,175,805, including 250,305,393 Class A shares, 70,870,411 Class B shares, and one Priority share and excluding 8,745,949 Class A shares held in treasury as a result of Yandex's repurchase program

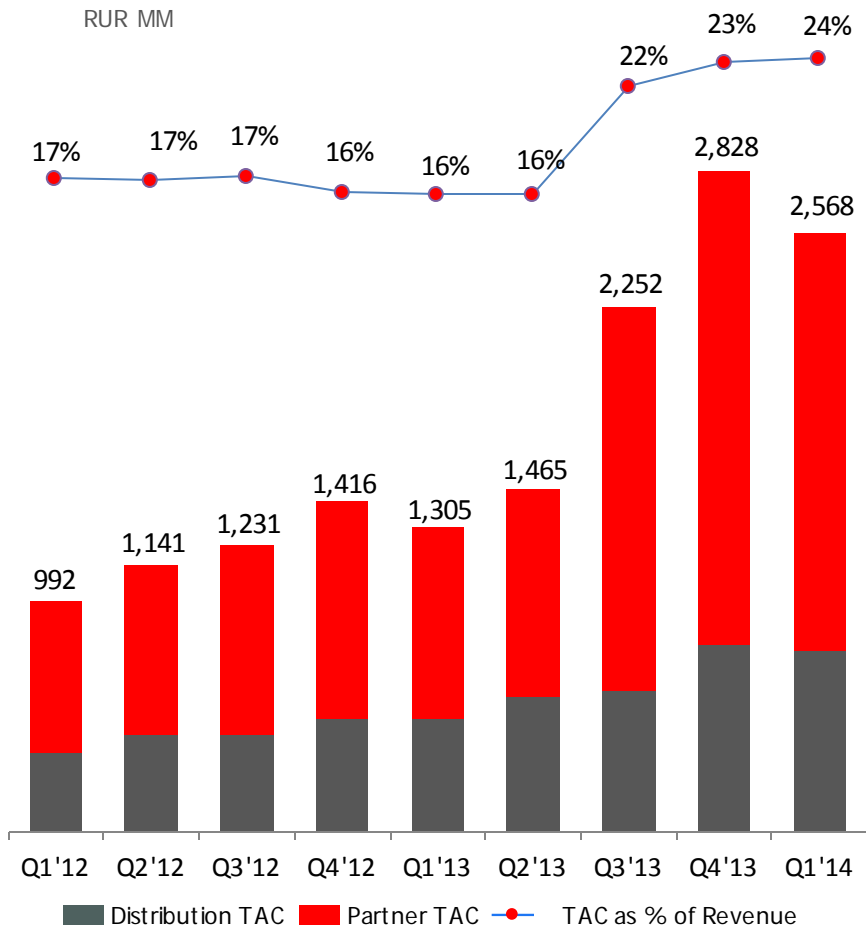
Operational Metrics

Growth in Paid Clicks and CPC

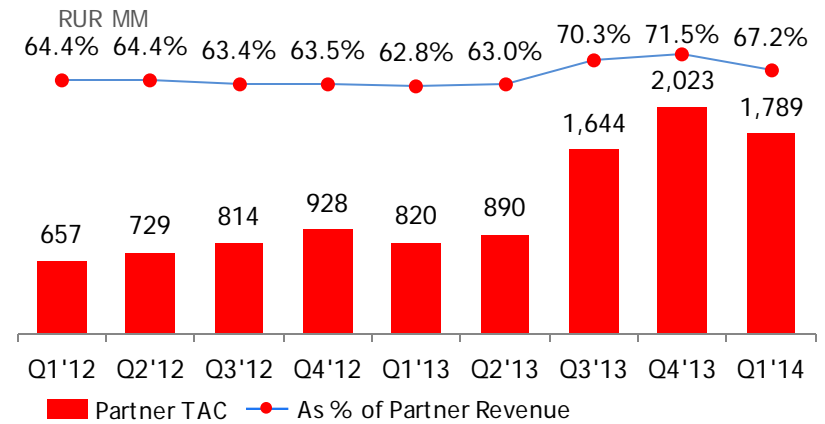


Traffic Acquisition Costs

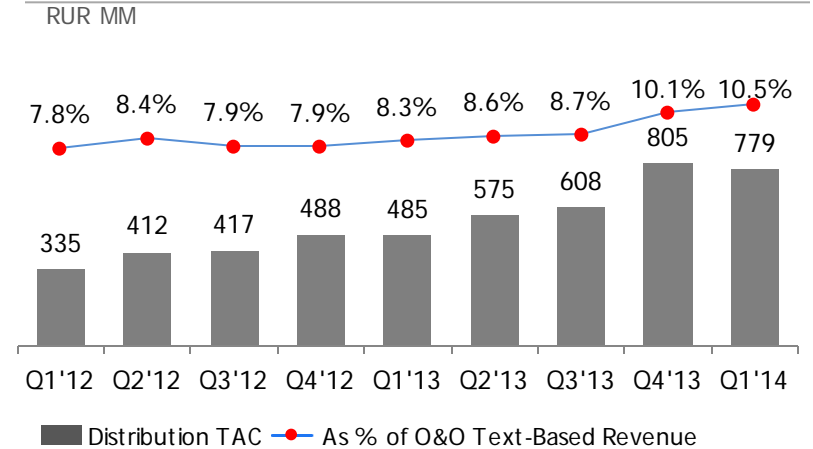
TAC Breakdown¹



Partner TAC

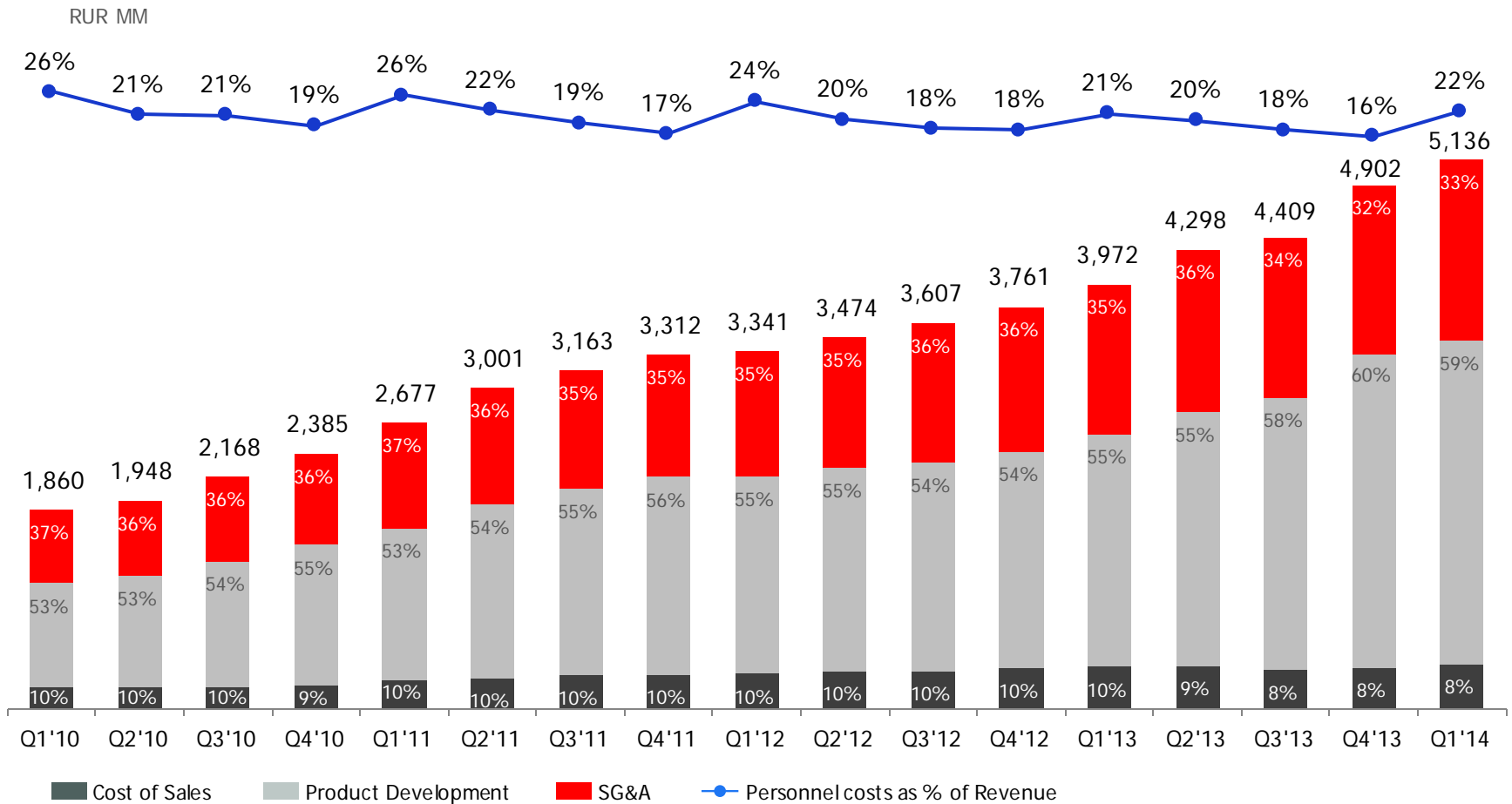


Distribution TAC



Headcount Evolution

Personnel Breakdown by GAAP Cost Category¹



¹ Items may not total 100% due to rounding; Includes Yandex.Money employees for the respective periods