



FOR IMMEDIATE RELEASE

7 June 2007

**RAMBLER MEDIA ANNOUNCES PRELIMINARY FINANCIAL RESULTS
FOR FULL YEAR 2006**

Internet revenue up 91% year on year to US\$28.3 million (2005, US\$14.8 million)

Rambler Media Limited (RMG.LN), (“the Group”), a leading provider of internet media and services to the global Russian-speaking community, today announced its financial results for the year ended 31 December 2006 in accordance with International Financial Reporting Standards (IFRS). The Group has almost completed its transition from a diversified media group encompassing TV, Mobile VAS and Internet operations to a purely internet media and services focused company.

FINANCIAL HIGHLIGHTS

- Group revenue from continuing operations* of US\$30.6 million (2005, US\$18.6 million)
- Internet revenue up 91% year on year to US\$28.3 million (2005, US\$14.8 million)
- Group EBITDA** from continuing operations* of US\$1.62 million, including US\$2.6 million provision for potential tax related charges (2005, EBITDA** from continuing operations* restated to US\$1.48 million, including US\$1.2 million provision for potential tax related charges)
- Internet EBITDA** of US\$5.6 million (2005, US\$4.2 million) excluding provision for potential tax related charges above
- Consolidated net loss after interest, tax and discontinued operations of US\$3.0 million (2005, net loss of US\$4.4 million)
- Strong balance sheet with US\$18.5 million of cash at year end before receiving final payment of US\$21 million from sale of TV in January 2007

*Continuing operations exclude Television, which is classified as discontinued operations

**Earnings before interest, tax, depreciation and amortisation

OPERATING HIGHLIGHTS

- 24.4 million unique monthly users of main Rambler.ru portal in Dec. 2006, up approximately 25% year on year – further increase to over 29 million in first quarter 2007 – above Russian internet penetration growth of 23%
- 2 billion monthly page views in Dec. 2006, up 52% year on year

- Over 220 million search queries per month and growing fast (240 million May 2007)
- 16.8 million registered Rambler email accounts in Dec. 2006, up 77% year on year
- 1.6 million Rambler-ICQ instant messaging unique users per month in Dec. 2006
- Acquisition of 51% of Price Express, operating www.price.ru , a leading Russian price comparison engine, and subsequent integration into Rambler Search
- Acquisition of 51% of online Russian social network www.damochka.ru and 51% of online banner exchange company Bannerbank
- Sale of Rambler TV for US\$23 million (completed in January 2007) with a projected pre-tax gain on disposal of US\$7.1 million
- Acquisition in Dec. 2006 of approximately 55% of Rambler Media's shares by Prof-Media, one of Russia's largest media holding groups and a major private investor in most sectors in the Russian media market, offering Rambler significant support for further growth

Robert M. Brown III, Chairman of Rambler Media, commented: "2006 was marked by exciting developments in the life of Rambler Media. With the emergence of the internet as a new mainstream media in Russia and the significant growth in online advertising, Rambler Media made the strategic decision to devote its resources entirely to its internet business. The increased focus resulted in the sale of Rambler TV at the end of the year. Rambler Media appointed Mark Opzoomer CEO and Arthur Akopyan CFO in March 2007 to drive this continued focus. With Rambler Media now a pure online player, and attracting over 32 million visitors to its websites per month, the prospects are even greater for our business. Towards the end of 2006, one of Russia's largest media holding groups, Prof-Media, bought a majority stake in Rambler Media, further demonstrating the importance and opportunities that the internet represents in the media sector going forward. We are confident that these developments have placed Rambler Media in an even stronger position to capture the market's growth going forward."

Mark Opzoomer, newly appointed Chief Executive Officer of Rambler Media, commented: "In 2006, revenues in our core internet division continued to grow faster than the internet advertising market itself, which demonstrates that, as an established brand and a leading online media resource for the global Russian-Speaking community, Rambler Media holds an essential role in helping brands reach their audiences. Our focus is to provide the best of class daily internet media and services to Russian-speaking consumers and from that, grow our share of both the display and search related advertising markets by offering all advertisers innovative solutions to reach their target audiences."

FINANCIAL SUMMARY

(US\$ '000s)	Jan – Dec 2006	Jan – Dec 2005 (restated)
Revenue from continuing operations	30,646	18,624
Internet	28,305	14,818
Mobile Value Added Services	2,341	3,806
Discontinued operations*	5,435	2,797
Investment income	1,574	515
Total revenue and investment income	37,655	21,936
EBITDA** from continuing operations	1,624	1,476
Net loss (including discontinued operations)	(3,035)	(4,361)
Profit / (loss) per share from continuing operations – basic and diluted	0.001	(0.040)
Loss per share from discontinued operations* – basic and diluted	(0.202)	(0.280)

*Television was classified as discontinued operations

** Earnings before interest, tax, depreciation and amortisation

FINANCIAL & OPERATING REVIEW

Group

Revenue for the twelve months ended 31 December 2006 from continuing operations was US\$30.65 million (2005, US\$18.62 million) with the increase fully driven by the Internet Segment. The Group results are more meaningfully reviewed on a segment basis below and a table of Revenues, Operating Expenses and EBITDA is attached. The Group reported a 72% increase in like-for-like total revenue and investment income to US\$37.7 million (2005, US\$21.9 million), reflecting the overall strength of the Russian media market. Encouragingly, the Group reported consolidated EBITDA from continuing operations of US\$1.62 million, up from US\$1.48 million in 2005. The improvement was limited by the 70% rise in Group operating expenses (excluding depreciation and amortisation and the tax related provision) to US\$28.04 million (2005, US\$16.46 million). This increase was primarily driven by higher wage and commission costs in the Russian internet market generally coupled with intentionally increased marketing costs to drive product growth.

As a result of the directors' reassessing the tax exposures during the year, the Group's 2005 EBITDA result has been restated to include a provision for potential tax related charges of US\$1.2 million, which therefore also impacted on the Group's net income. The Group's 2006 results also include a similar provision for potential tax related charges of US\$2.6 million. The provisions relate to potential liabilities for taxes other than income tax, which arise from the legal structure of the Group and the jurisdictions

in which various income and expense items are recognised and assessed. These issues are also impacted by the absence of group relief between various entities in the Group structure, for example the ability to offset losses from the TV and Mobile VAS segments. The Group is now taking steps to simplify its legal structure by creating a primary trading entity with multiple operating business divisions. This process is expected to be completed within 12 months and to result in a forward prevailing tax rate of approximately 25% when complete. These provisions have been reflected in the Internet segment. If appropriate, the provisions may be released at some point in the future.

The Group's consolidated net loss after interest, tax and discontinued operations was US\$3.0 million in 2006 (2005, net loss US\$4.4 million). This 2006 net loss is split between a net profit from the continuing operations of US\$0.02 million and a net loss from discontinued operations of US\$3.06 million.

The Group's profit per share from continuing operations (basic and diluted) was US\$0.001 (2005, loss per share US\$0.040). The Group's loss per share from discontinued operations (basic and diluted) was US\$0.202 (2005, loss per share US\$0.280).

Internet segment

Internet revenue, making up 92% of revenues from continuing operations, grew by 91% year on year from US\$14.8 million to US\$28.3 million following sustained growth in the number of Rambler.ru users and strong growth in Russia's internet advertising market, up approximately 70%. In addition to its internet revenue, the Group also recorded investment income of US\$1.6 million (2005, US\$0.5 million) for dividends received from Rambler's 25% interest in Begun, one of Russia's leading search and contextual text based advertising platforms with a network of over 10,000 individual advertisers and over 30,000 partner distribution sites. This demonstrates the healthy growth of the text based advertising market in Russia and Begun's favourable position in the market. The Group's Internet division has been profitable since 2004 and generated EBITDA of US\$5.6 million in 2006 (2005, US\$4.2 million) excluding provision for potential tax related charges of US\$2.6 million (2005, US\$1.2 million) as explained above.

Operating expenses (excluding depreciation and amortisation and tax related provision) in the Group's Internet segment rose 119% to US\$24.3 million (2005, US\$11.1 million). Staff related costs represent 40% of Internet revenues and are under pressure from high salary inflation and high staff demand in the Moscow labour market. These expenses alone account for approximately half of the increase in operating expenses. The next largest increase is due to partner fees and commissions due to the success of certain projects, such as Rambler-ICQ, followed by planned increases in marketing expenditures to drive traffic.

Rambler.ru (www.rambler.ru) ("Rambler") is a leading Russian language internet portal which successfully combines search with communication and community activities; and media and entertainment services. In 2006, Rambler.ru reached 24.4 million unique monthly users, up approximately 25% from the 19.5 million users in 2005. This growth rate is above the average 23% yearly increase in Russian internet penetration.

Rambler aggregates the best of class internet media and services in Russia and enables mass audiences to navigate to specific pages according to their interest. 45% of users visit Rambler for its search, 20% for email, 16% for news, 11% for dating, 9% for instant messaging and 7% for photos – a well-balanced usage. Through its comprehensive tracking system, Rambler Top 100, Rambler offers valued statistics on internet use in Russia and the most visited websites among 1 million sites in the Russian internet across 57 categories (automotive, travel, etc).

In 2006, Rambler Search index contained approximately 1.4 billion Russian documents, which is 50% more than in 2005. Rambler Search processed on average 200 million search queries per month in 2006 (220 million search queries in December 2006, now 240 million search queries in May 2007). Throughout the year, Rambler upgraded its search capabilities, for example enabling its users to search through multimedia documents including images. Rambler also entered into a licensing agreement with FAST, a leading Norwegian search technology provider, to create further enhanced services.

In 2006, Rambler Search continued the integration of Begun's text based sponsored links for the monetisation of key word search.

In June 2006, Rambler introduced a 'Rambler toolbar assistant' to incorporate the search and other tools in a user-friendly interface which users can easily access across Rambler pages. The new tool integrates news, mail, weather, audio, blogs and other personalised services.

In October 2006, Rambler updated its map search to include new and more detailed maps of Russia's largest cities with street search capabilities.

In November 2006, Rambler launched a co-branded classifieds portal in partnership with Russia's leading classifieds newspaper Iz Ruk V Ruki (<http://irr.rambler.ru/>).

During 2006, Rambler News' audience grew by approximately 40%. Rambler News (<http://www.rambler.ru/news/>) launched a new version in October, featuring video and audio content as well as new links with easier access to sports, finance, regional news, real estate and other sections. Rambler News also launched successful special weekly online supplements for auto, style, home and personal finance.

Lenta.ru (www.lenta.ru) is one of the Group's most frequented news sites and is the leading online newspaper in Russia with over 3 million unique visitors per month.

Rambler Sport (<http://sport.rambler.ru/>) regularly launches customised sites dedicated to special sporting events. 'Rambler Torino' was launched in connection with the Winter Olympic Games and became the official online partner of the Russian Olympic Committee, attracting over 1 million visitors in its first week. Other unique sites include the 2006 FIFA World Cup Football championship and the 2007 International Ice Hockey World Championships hosted in Moscow.

During the year, Rambler developed its horoscope service to offer a more personalised and broader choice of horoscopes to its 2 million users every month. The service (<http://horoscopes.rambler.ru/>) attracted 55% more users in 2006 than in 2005.

Rambler launched a new email interface in 2006, including updated spell check service and increased mail box space. On average, Rambler's monthly email audience grew by 77% year on year in 2006. There are over 16.8 million registered Rambler email accounts.

One of Rambler's most successful projects has been its partnership with ICQ to offer instant messaging services. Before its partnership with Rambler, ICQ had 2 million users in Russia. Since Rambler-ICQ's launch, ICQ's users have doubled to 4 million users, of whom 2 million are today active users via the Rambler-ICQ joint service (<http://icq.rambler.ru/>).

Rambler Planeta (<http://planeta.rambler.ru/>), the blogging portal, has been integrated with Rambler Photo (<http://foto.rambler.ru/>), Rambler Vision (<http://vision.rambler.ru/>) and other Rambler services to allow users to search peers by categories of interest and search through video files. In early 2006, Rambler Planeta had 100,000 blogs and today, the portal attracts 1.3 million registered users. Rambler Vision has 1.5 million unique monthly users.

In June 2006, Rambler launched a gaming service called Rambler Games (<http://games.rambler.ru/>) as part of Rambler.ru's main portal, including multiplayer, skill games and premium downloadable games. At the end of 2006, Rambler Games had 1.6 million unique monthly users.

In January 2006, Rambler Media bought 51% of Price Express, a leading e-commerce internet Group operating price.ru (www.price.ru), which provides product search and price comparison tools designed to help online shoppers make the most cost-effective buying decisions. Price.ru has a database of 40 million priced items, offering consumers one of the largest and quickest buying choices in the Russian internet market. Price.ru was integrated into Rambler Search on Rambler.ru's main page.

In July 2006, Rambler Media acquired 51% of Damochka.ru (www.damochka.ru) and 51% of BannerBank from eHouse Holding. Damochka.ru is a leading Russian language, social network, and personal ads website with over 1.7 million registered users. BannerBank operates a banner exchange network.

Mobile segment

Mobile Value Added Services revenues were US\$2.3 million (2005, US\$3.8 million) and accounted for 7.6% of revenues from continuing operations in the period (20% of revenues in 2005). The reduction in revenues was intended to begin focusing the Mobile operations on the Group's own Internet products and services, and less on providing lower margin services to other content providers. The Mobile segment EBITDA loss was reduced to US\$1.12 million (2005, US\$1.49 million loss). Mobile services are strategically important and are being redeveloped to allow the Group's large internet audience to enjoy all the Group's Internet media and services on their

mobile devices. As such, the Mobile segment will be integrated into the Internet segment in the future.

Television segment (further discontinued operations)

The Group's TV business, the sale of which was completed after the end of the period, is classified as discontinued operations.

Revenue generated by Rambler TV in the full year 2006 nearly doubled totaling US\$5.4 million (2005, US\$2.8 million) reflecting the generally strong TV advertising market in Russia. Nevertheless, the Group's TV operations were too small relative to the market competition and were becoming a distraction to the Group's large position in the internet space. The discontinued TV operation reported an EBITDA loss of US\$3.0 million (2005, US\$3.2 million full year EBITDA loss).

Management approved the sale of Rambler TV during the second half of 2006 and the sale was completed in January 2007, allowing the Group to dedicate fully to growing the Group's Internet segment.

Outlook

The global Russian speaking audience approximates 280 million, of which approximately 140 million are in Russia. Russia has rapidly become one of Europe's largest online communities, third after Germany and the UK, with 28 million Russians online in 2006, representing about 25% of the Russian adult population (source: The Public Opinion Foundation). This percentage is forecast to more than double by 2010, according to the Russian Ministry of Communications, which could make Russia the largest online market in Europe. The overall Russian advertising market is growing very strongly, and internet advertising is the fastest growing segment. Online display advertising was estimated to have increased by 67% year on year in 2006 to US\$100 million (2005, US\$60 million) (source: Russian Association of Communication Agencies – AKAR). In addition, text based advertising on Russian-language internet sites soared to US\$110 million in 2006 from US\$45 million in 2005. In 2006, revenue from Internet advertising accounted for 1.6% of the total advertising market but the segment is growing faster than any other media and is forecast to attract 4% of total advertising by 2010 (source: Zenith Optimedia).

The Group is well-positioned to continue its rapid growth, in line with or faster than that of the online advertising market, due to its established brand, large market share, and wide range of internet media and services.

FINANCIAL POSITION

The Group ended the period with cash balances of US\$18.5 million. Since the sale of Rambler TV was completed at the beginning of 2007, the sale's final payment of US\$21 million was not included in the 2006 cash balance.

RECENT DEVELOPMENTS

At an Extraordinary General Meeting of shareholders held in Jersey on 15 March 2007, Messrs Vladimir Pravdivy and Ilya Oskolkov-Tsentsiper were appointed as Directors of the Group, and Messrs Alexander Rappaport and Vitaly Rudenko resigned from the Board of Directors. In addition, due to the Group's change of management, Messrs Mark Opzoomer and Arthur Akopyan, CEO and CFO of Rambler Media respectively, were appointed as Executive Directors on the Board. Ms. Irina Gofman remains on the Board of Directors of the Group as a Non-executive Director. Mr. James Mullins resigned from his positions of CFO and Director.

OTHER INFORMATION

The Group's consolidated accounts have been prepared according to International Financial Reporting Standards (IFRS). The following preliminary financial information has been approved for release by the Group's auditors. PricewaterhouseCoopers was appointed as the Group's new auditor of record in December 2006. The full final financial statements and auditors' report have not yet been signed by the auditors.

The Group will host a conference call to present the results at 4:30 pm (Moscow Time)/ 2:30 pm (CET) / 1:30 pm (London Time) / 8:30 am (New York Time) today. The results statement is available on Rambler Media's website at www.ramblermedia.com. To participate in the conference call, please register online at www.sharedvalue.net/ramblermedia/fy2006. The number for the conference call will be available upon registration.

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ABOUT RAMBLER MEDIA

Rambler Media is a diversified Russian language media, entertainment, services and content delivery Group which operates various internet properties including the leading Russian language internet portal and search engine 'rambler.ru', on-line newspaper 'Lenta.ru', broadband ISP 'Rambler Telecom', interactive advertising Group 'Index20', and mobile content service provider 'Rambler Mobile'. Rambler Media's shares are traded on AIM, the junior market of the London Stock Exchange under the symbol 'RMG'. For more information on Rambler Media, visit our corporate website at www.ramblermedia.com.

Certain statements within this announcement constitute forward-looking statements. Such forward-looking statements involve risks and other factors which may cause the actual results, achievements or performance of the Company to be materially different from any future results, achievements or performance expressed or implied by such forward-looking statements. Such risks and other factors include, but are not limited to, general economic and business conditions, changes in government regulations, and court interpretations of such regulations, currency fluctuations (including the US\$/Rbs rate), competition, and changes in development plans. There can be no assurance that the results and events contemplated by the forward-looking statements contained in this announcement will, in fact, occur. Any forward-looking statements made in this announcement represent management's best judgment as to what may occur in the future and are correct only as at the date of this announcement. The Company will not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances occurring after the date of this announcement except as required by applicable law or by any applicable regulatory authority.

FULL YEAR RESULTS BY BUSINESS SEGMENT (US \$'000s)

YEAR TO 31 DECEMBER 2006

The reconciliation between results of business segments (including discontinued operations) and the numbers reported in the Company's financial statements for the year ended 31 December 2006 is as follows. Inter-segment revenues are not material and therefore have not been disclosed.

	Internet Services	Mobile VAS	Total continuing operations	TV (discontinued operations)
Revenue	28,305	2,341	30,646	5,435
Investment income	1,574	-	1,574	-
Operating expenses (excluding depreciation and amortisation and tax related provisions)	(24,316)	(3,463)	(28,039)*	(8,395)
Depreciation and amortisation	(1,281)	(209)	(1,490)	(244)
Tax related provisions*	(2,557)	-	(2,557)	-
EBIT	1,725	(1,331)	134**	(3,204)
EBITDA*	3,006	(1,122)	1,624**	(2,960)

*Internet EBITDA excluding tax related provisions: US\$5,563 (see explanation on page 3 and 4)

**including US\$260 relating to the share options costs

YEAR TO 31 DECEMBER 2005

The segmental results for the year ended 31 December 2005 by business segment are as follows:

	Internet Services	Mobile VAS	Total continuing operations	TV (discontinued operations)
Revenue	14,818	3,806	18,624	2,797
Investment income	515	-	515	-
Operating expenses (excluding depreciation and amortisation and tax related provisions)	(11,086)	(5,296)	(16,463)**	(5,985)
Depreciation and amortisation	(1,106)	(130)	(1,236)	(621)
Tax related provisions*	(1,200)	-	(1,200)	-
EBIT	1,941	(1,620)	240**	(3,809)
EBITDA*	3,047	(1,490)	1,476**	(3,188)

*Internet EBITDA excluding tax related provisions: US\$4,247 (see explanation on page 3 and 4)

**including US\$81 relating to the share options costs

**CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED
31 DECEMBER 2006
(US \$'000s)**

	Notes	2006	2005 (restated)
Continuing operations:			
Revenue		30,646	18,624
Investment income		1,574	515
Operating expenses		(32,086)	(18,899)
Net profit before interest, taxation and minority interest		134	240
Interest income		940	442
Interest expense		(5)	(62)
Net profit before taxation and minority interest		1,069	620
Taxation		(1,048)	(1,165)
Net profit/(loss) from continuing operations		21	(545)
Discontinued operations:			
Loss from discontinued operations	5	(3,056)	(3,816)
Net loss		(3,035)	(4,361)
Loss attributable to:			
Loss attributable to equity holders of parent		(3,183)	(4,384)
Minority interest		148	23
Net loss		(3,035)	(4,361)
Profit/(loss) per share from continuing operations - basic and diluted (expressed in USD per share)			
	2	0.001	(0.040)
Loss per share from discontinued operations - basic and diluted (expressed in USD per share)			
	2	(0.202)	(0.280)

CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2006
(US \$'000s)

	Consolidated	
	2006	2005 (restated)
Assets		
Non Current Assets		
Property, plant and equipment	3,731	3,815
Intangible assets	13,741	15,770
Investments in subsidiaries	-	-
Financial assets	864	778
Deferred income tax asset	1,657	2,267
	19,993	22,630
Current Assets		
Trade debtors	5,529	3,690
Inventory	-	367
Prepayments	1,217	392
VAT receivable	612	558
Other receivables	1,172	861
Bank and cash balances	18,461	21,482
	26,991	27,350
Non-current assets held for sale	18,718	-
Total Assets	65,702	49,980
Liabilities		
Current Liabilities		
Trade creditors	4,379	1,213
Current income tax payable	2,536	800
VAT payable	303	-
Other provisions for liabilities and charges	3,757	1,200
Deferred income	4,067	829
Loans	-	10
	15,042	4,052
Liabilities directly associated with assets held for sale	2,807	-
	2,807	-
Long Term Liabilities		
Loans	-	131
Deferred income tax liability	4,124	3,993
	4,124	4,124
Total liabilities	21,973	8,176
Shareholders' equity		
Issued capital	153	150
Share premium	57,208	55,902
Options reserve	601	341
Merger reserve	-	51
Accumulated losses	(17,846)	(14,663)
Total shareholders' equity	40,116	41,781
Minority interests	3,613	23
Liabilities and Shareholders' Equity	65,702	49,980

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED
31 DECEMBER 2006
(US \$'000s)**

	2006	2005 (restated)
Cash flows from operating activities		
Net (loss) for the year	(3,183)	(4,384)
Adjusted for:	-	-
Minority interest	148	23
Interest received	(940)	(442)
Interest charged	10	69
Taxation charge	1,048	1,165
Cost of share options exercised	260	81
Merger reserve write-off	(51)	-
Depreciation and amortisation	1,734	1,857
Loss on disposal of fixed assets	142	56
(Increase) in inventory	(174)	(157)
(Increase) in debtors and receivables	(4,604)	(2,306)
Increase in creditors and other payables	9,002	1,451
Net cash from/(used in) operating activities	3,392	(2,587)
Cash flows from investing activities		
Purchase of subsidiary undertakings	(5,004)	(5,020)
Purchase of investments	(154)	(778)
Purchase of property, plant and equipment	(2,151)	(1,720)
Proceeds on disposal of property, plant and equipment	-	34
Acquisition of intangible assets	(1,461)	(510)
Net cash used in investing activities	(8,770)	(7,994)
Cash flows from financing activities		
Proceeds from equity financing	1,568	30,047
AIM listing expenses paid by company	-	(2,443)
Repayment of borrowings	(141)	(1,322)
Interest received	940	442
Interest paid	(10)	(69)
Net cash from financing activities	2,357	26,655
Net (decrease)/increase in cash	(3,021)	16,074
Cash at the beginning of the year	21,482	5,408
Cash at the end of the year	18,461	21,482
Material non-cash transactions:		
Other purchases on barter terms	(1,319)	(895)
Sales on barter terms	1,319	895
Proceeds from issue of shares retained by broker	-	2,078
AIM listing expenses paid by broker	-	(2,078)
Loans assumed on acquisition of subsidiary undertaking	-	131
Dividend income (not received until the following year)	890	515

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR
THE YEAR ENDED 31 DECEMBER 2006
(US \$'000s)**

	Issued capital	Share premium	Options reserve	Merger reserve	Accumulated losses	Minority interest	Total equity
		(restated)	(restated)		(restated)		(restated)
31 December 2004 (restated)	120	29,703	260	51	(10,279)	-	19,855
Share capital issued	30	30,720	-	-	-	-	30,750
Cost of share capital issued	-	(4,521)	-	-	-	-	(4,521)
Cost of share options	-	-	81	-	-	-	81
Loss for the year (restated)	-	-	-	-	(4,384)	-	(4,384)
Minority interest	-	-	-	-	-	23	23
31 December 2005	150	55,902	341	51	(14,663)	23	41,804
Share capital issued	3	1,306	-	-	-	-	1,309
Cost of share options	-	-	260	-	-	-	260
Loss for the year	-	-	-	(51)	(3,183)	-	(3,234)
Minority interest	-	-	-	-	-	3,590	3,590
31 December 2006	153	57,208	601	-	(17,846)	3,613	43,729

The availability of the Rambler Companies' retained earnings for distribution to shareholders is determined by the Articles of Association of the individual companies within the Rambler Companies and by relevant legal and fiscal regulations and may not correspond to the figures presented above.

NOTES (All amounts in the notes are stated in US\$ thousand)

1. Significant Accounting Policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below:

a) Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") under the historical cost convention. The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated (refer to Note 5, Adoption of New or Revised Standards and Interpretations).

b) Consolidated financial statements

Subsidiaries are those companies and other entities (including special purpose entities) in which the Group, directly or indirectly, has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies so as to obtain economic benefits. The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group (acquisition date) and are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured at the fair value of the assets given up, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. The date of exchange is the acquisition date where a business combination is achieved in a single transaction, and is the date of each share purchase where a business combination is achieved in stages by successive share purchases.

The excess of the cost of acquisition over the fair value of the net assets of the acquiree at each exchange transaction represents goodwill. The excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities acquired over cost ("negative goodwill") is recognised immediately in profit or loss.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date, irrespective of the extent of any minority interest.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless the cost cannot be recovered. The Company and all of its subsidiaries use uniform accounting policies consistent with the Group's policies.

Minority interest is that part of the net results and of the net assets of a subsidiary, including the fair value adjustments, which is attributable to interests which are not owned, directly or indirectly, by the Company. Minority interest forms a separate component of the Group's equity.

2. Profit/(loss) per Share

Basic profit/(loss) per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding treasury shares.

The Company has no dilutive potential ordinary shares; therefore, the diluted profit/(loss) per share equals the basic profit/(loss) per share.

Profit/(loss) per share from continuing operations is calculated as follows:

	2006	2005
Profit/(loss) for the year from continuing operations	21	(545)
Weighted average number of shares in issue (thousands)	15,153	13,611
Basic and diluted profit/(loss) per share from continuing operations (expressed in USD per share)	0.001	(0.040)

(Loss) per share from discontinued operations is calculated as follows:

	2006	2005
Loss for the year from discontinued operations	(3,056)	(3,816)
Weighted average number of shares in issue (thousands)	15,153	13,611
Basic and diluted loss per share from discontinued operations (expressed in USD per share)	(0.202)	(0.280)

3. Event after the Balance Sheet date

Closing of TV business sale

The sale of Rambler TV business to Osgora Productions Limited was officially completed and closed on 12 January 2007. The final settlement for Rambler's TV business in the amount of USD 21 million was received on 10 January 2007.

4. Restatement of results for the year ended 31 December 2005

As a result of the directors' reassessing the tax exposures during the year, the Group's 2005 financial statements have been restated to include a provision for potential tax related charges. The effects of the adjustment are summarised below:

	<i>As previously reported</i>	<i>Adjustment</i>	<i>Restated at 31 December 2005</i>
<i>Taxation</i>	365	800	1,165
<i>Other tax related (included in operating expenses)</i>	-	1,200	1,200
		2,000	

5. Discontinued operations

The reconciliation between results from discontinued operations and the numbers reported in the Company's financial statements for the years ended 31 December 2006 and 31 December 2005 is as follows.

	2006	2005
Revenue	5,435	2,797
Operating expenses	8,395	5,985
Depreciation and amortisation	244	621
	8,639	6,606
EBIT	(3,204)	(3,809)
Interest expense	(12)	(7)
Taxation	160	-
Loss from operations	(3,056)	(3,816)
Net loss	(3,056)	(3,816)

6. Change of majority controlling shareholder

On 31 October 2006, Prof-Media, a Russian media conglomerate, acquired 48.8% of shares in Rambler Media Limited from funds managed by FM Asset Management Limited. In December 2006, following anti-monopoly approval, Prof-Media obtained control and later increased its stake to 54.8%.