



FOR IMMEDIATE RELEASE

23 July 2008

**RAMBLER MEDIA
FIRST HALF 2008 TRADING UPDATE**

**Revenue up 153% year-on-year to US\$52 million (H1 2007, US\$20.5 million)
with continued improvement in profitability**

Rambler Media Ltd. ("Rambler"), operating one of Russia's most popular internet brands, today issues the following trading update on its unaudited financial results for the six months from 1 January to 30 June 2008.

FINANCIAL UPDATE

- Consolidated revenue (including Begun's partner network) up 153% year-on-year to US\$52 million (H1 2007, US\$20.5 million)
- 73% year-on-year growth in like-for-like sales to US\$35.4 million (H1 2007, US\$20.5 million)
- Consolidated contextual revenue was US\$23.5 million for the period (H1 2007, US\$4.3 million). Paid search revenues on Rambler went up by 62% to US\$6.9 million (H1 2007, US\$4.3 million). Begun's partner network contributed US\$16.6 million, after elimination of intercompany sales, to consolidated revenue
- Display / banner advertising went up by 94% to US\$21.8 million (H1 2007, US\$11.2 million)
- Closing headcount was 509 at 30 June 2008, excluding 191 employees at Begun (31 December 2007: 529 and 147 respectively). Headcount excludes Index20 employees as a result of deconsolidation in Q2 2008. Last year's closing headcount at 30 June 2007 was 517 including 45 employees at Index20
- Percentage of labour expense to revenue went down to 30% in H1 2008 from 43% the year before
- Consolidated EBITDA margin continued to improve to 18-20% (H1 2007, 3%)
- CAPEX was approximately US\$2.5 million (H1 2007, US\$1.7 million)
- Cash balance was US\$26.1 million at 30 June 2008, excluding \$10.9 million at Begun which was classified as asset held for sale (31 December 2007, US\$31.5 million). Rambler expects to receive part of the cash at Begun before completion of the announced sale of Begun to Google

USER / NEWS UPDATE

- Unique number of visitors to rambler.ru up 30% year-on-year to 37.3 million per month on average in the period (H1 2007, 28.6 million). In May 2008, Rambler reached 40 million unique visitors, which is 35% higher than during the same month last year (May 2007, 30.2 million)
- In April 2008, Rambler reinforced its relationship with Video International Group through the sale of a controlling 51% stake in its online display advertising agency Index20; Rambler launched a new innovative hybrid search; Rambler named title sponsor of the Rambler Russian Football Cup which will include unique content for Rambler



- In May 2008, Rambler signed a new partnership agreement with ICQ for instant messaging and in June launched free SMS text messaging from PC to mobile phones
- In June 2008, Rambler acquired the remaining 49% stake in Price.ru to now own 100%

RECENT DEVELOPMENTS

On Friday July 18th, Rambler announced that it has signed an agreement with Google to use Google's search and contextual advertising technology on www.rambler.ru. Under the agreement, search queries made on Rambler's homepage and through the Rambler search function will be enhanced by Google. Rambler will display Google advertisements alongside natural search results. This development allows Rambler to enhance user experience. Rambler will continue to operate its own brands, web properties and other advertising services.

Alongside the agreement above Rambler also announced the sale of Begun and related subsidiaries to Google, subject to certain approvals and conditions precedent, for a total cash consideration of US\$140 million (of which US\$69.9 million is attributable to Bannatyne for their 49.9% stake in Begun).

As previously announced, Rambler's net gain from the disposal will be approximately US\$50 million. The proceeds received will be retained by Rambler for further investments and acquisitions in-line with its strategy. Begun will no longer be consolidated in Rambler's accounts once the sale has been completed.

After allowing for the impact of not consolidating Begun in Q4 2008, Rambler continues to confirm its earlier revenue guidance of between US\$100 million and US\$110 million for the full year 2008. Rambler also confirms its guidance of EBITDA margin improving to 20-25% for the full year 2008 and expects these transactions to support further margin improvement in future years.

Commenting on the trading update, Rambler's **Chief Executive Officer Mark Opzoomer** said:

"During the first half of 2008, our revenues were up over 150% year-on-year, demonstrating the resilience of the Russian advertising market and the improvements we have made to our sales organisations. More importantly, our margins have continued to improve and cash generation has been good. I am proud of the progress our teams have made in beginning to launch new and improved products. By continuing to be innovative, we will enhance user experience and attract more users to our websites, making rambler.ru Russia's leading gateway to the Web. Our strategic agreements with leading partners including ICQ in instant messaging, IMHO VI in display advertising and more recently, blinkx and Google in search, are aimed at creating superior growth for Rambler, better monetisation and enhancing value for our shareholders."

For further information, please visit www.ramblermedia.com or contact:

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ABOUT RAMBLER MEDIA

Rambler Media is an internet media and services group which operates or has interests in leading Russian language internet brands including the Russian internet homepage and search engine 'Rambler.ru', on-line newspaper 'Lenta.ru', product comparison website 'Price.ru', internet catalogue and navigation system 'Top 100', instant messaging service 'Rambler-ICQ', digital advertising agency 'Index20' and contextual advertising company 'Begun'. 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.