



**FOR IMMEDIATE RELEASE**

**18 July 2008**

## **RAMBLER TO SELL BEGUN TO GOOGLE**

Rambler Media Ltd. ("Rambler" or "the Company"), operating one of Russia's most popular internet brands, announces that it has agreed to sell its contextual advertising company ZAO Begun ("Begun") and related subsidiaries to Google. Rambler currently holds 50.1% of Begun. The transaction will consist of Rambler buying the remaining 49.9% stake in Begun from Bannatyne Limited, affiliated with the Finam group of companies, immediately after which Rambler will sell 100% of Begun 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, with customary closing adjustments.

Rambler's net gain from the disposal is expected to be approximately US\$50 million after all direct costs associated with the transaction. Proceeds received in respect of the sale of its holdings in Begun will be retained by the Company for further investments and potential acquisitions in line with Rambler's stated strategy. The Company's net cash position after the completion of this sale is expected to reach US\$100 million. The Company's directors consider, having consulted with its nominated adviser, ING, that the terms of the transaction are fair and reasonable insofar as its shareholders are concerned.

Google is the world's most popular search engine. Begun is one of Russia's leading search and contextual text based advertising services with local expertise, efficient sales systems and the number of its advertisers exceeds 40,000. Begun's partner network includes over 143,000 Russian language sites.

**Mark Opzomer, Chief Executive Officer of Rambler Media**, commented: "Begun is an excellent business which can become even stronger under Google's ownership. Google has the advertising technology and financial capacity to build upon Begun's established advertising network in Russia. By working together, we aim to create superior growth for Rambler, better monetisation for our business and stronger value for our shareholders going forward. We look forward to continuing to work closely with Alexey Basov and his team at Begun. This is a positive event for Rambler and an important step in our ambition to best serve our users, advertisers and partners and successfully build Russia's leading gateway to the web."

**Alexey Basov, General Director of Begun** further commented: "The entire industry will benefit from this transaction as there is a high potential for synergies. It brings together Google's visionary technology and Begun's six years of successful experience in building advertising and dealer networks and direct sales in Russia."

"Google is committed to giving Russian users, advertisers and partners the best possible service and experience," said **Mohammad Gawdat, Managing Director Emerging Markets, Google**. "This agreement means more Russian users, advertisers and partners will get better search results and more relevant advertising."

### **GUIDANCE UPDATE**

Upon completion, which is expected in September, Begun will no longer be a consolidated subsidiary of Rambler. Gross assets of Begun on Rambler's books were US\$43.9 million as of the latest balance sheet dated 31 December 2007. Begun had previously been consolidated within Rambler's accounts from 1 August 2007. During the first four months of 2008, based on the preliminary unaudited management accounts, Begun generated profits before taxation and minority interest of approximately US\$3.4 million.

After allowing for the impact of not consolidating Begun in Q4 2008, Rambler continues to confirm its earlier revenue guidance between US\$100 million to US\$110 million for the full year 2008. Rambler

also confirms its guidance of improving its EBITDA margin to between 20-25% for the full year 2008 and expects this transaction to support further margin improvement in future years.

The advertising market in Russia is growing very strongly, and internet advertising is growing twice as fast. Search related text-based advertising on Russian-language internet sites soared to US\$225 million in 2007 from US\$110 million in 2006. Rambler estimates that internet advertising in Russia will continue to grow at around 50% per annum to reach over US\$1 billion in 2010, with an approximately equal split between text-based and display advertising.

Rambler's vision is to become Russia's favourite homepage and an open, multi-branded gateway to the internet for millions of Russians every day. The group's mission is to build the largest internet audience in Russia by providing the best suite of search, communications, media and entertainment content in one place.

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**For further information, please visit [www.ramblermedia.com](http://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 original 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](http://www.ramblermedia.com).**

This release contains certain forward-looking statements with respect to the financial condition, results of operations and business of the Company. These forward-looking statements represent the Company's expectations or beliefs concerning future events and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Nothing in this disclaimer is intended to nor does it affect the Company's obligations and responsibilities pursuant to the AIM Rules for Companies.