



FOR IMMEDIATE RELEASE

25 September 2007

**RAMBLER MEDIA LIMITED
CONDENSED CONSOLIDATED INTERIM RESULTS
FOR THE 6 MONTHS ENDED 30 JUNE 2007**

Rambler Media Limited (RMG.LN), (“the Group”), a leading provider of internet media and services to the global Russian-speaking community, today announced its condensed consolidated financial results in accordance with International Financial Reporting Standards (IFRS) for the six months ended 30 June 2007. The following preliminary information has been reviewed and approved for release by the Group’s auditors.

KEY EVENTS

- On 8 August 2007, Rambler Media announced that its wholly owned subsidiary Vieli Enterprises Ltd completed its acquisition of a further 25% stake in contextual advertising company Begun for a cash consideration of US\$18 million, bringing the Group’s total ownership of Begun to 50.1% and leveraging Rambler’s position in the text-based advertising market.
- The sale of the Group’s TV business was completed in January 2007, allowing the Group to dedicate fully to growing the Group’s Internet segment. The TV operation was sold for US\$23 million with a net gain on disposal of US\$7.1 million.
- Appointment of new executive management in March 2007.

PERFORMANCE

Highlights

- Group revenue up 58% year on year to US\$20.5 million (H1 2006, US\$13.0 million*) - outpacing growth of internet advertising market of 52% (source: Russian Association of Communication Agencies – AKAR)
- Group EBITDA of US\$0.6 million, including US\$0.7 million foreign currency translation loss (Group EBITDA H1 2006, US\$0.8 million*)
- Group net profit after interest and tax of US\$6.7 million, including results of disposal of TV operation (H1 2006, net loss of US\$0.5 million*)
- Strong balance sheet with US\$41.8 million of cash at 30 June 2007 before acquisition of further 25% stake in Begun** in August 2007 for US\$18 million.

*The Group’s financial results for the first half of 2006 have been changed for presentation purposes to exclude the Television operation, which was discontinued following its sale in January 2007, and have been restated to include part of the provision for potential tax related charges of US\$2.6 million reported in the 2006 full year report and to include certain underaccrued expenses, refer to Note 16.

** The Group does not have a significant influence on Begun at 30 June 2007, and a 25% investment in Begun is accounted for as an available for sale financial asset, refer to Note 7.

Rambler User Statistics

- 28.6 million unique monthly users of main Rambler.ru portal on average in H1 2007, up more than 40% year on year – twice as fast as Russian internet penetration (25.8 million unique monthly users in June 2007 vs. 19.9 million in June 2006, representing 30% growth).
- Peak traffic of over 32 million unique monthly users in April 2007
- 2.3 billion monthly page views on average in H1 2007, up 64% year on year (1.91 billion in June 2007 vs. 1.42 billion in June 2006 representing 35% increase)
- Total search queries amounted to 1.4 billion in H1 2007, up 27% year on year
- 23.8 million registered Rambler email accounts at the end of the period, up 42% from December 2006

Russian Internet / Advertising Market

- Russian internet penetration up 20% year on year in H1 2007 to 24.8 million monthly internet users (source: The Public Opinion Foundation)
- Russian internet display advertising up 52% year on year in H1 2007 to US\$77 million (H1 2006, US\$50 million) (source: Russian Association of Communication Agencies – AKAR)

Mark Opzoomer, Chief Executive Officer of Rambler Media, commented: “In the period from January to June 2007, over 28 million Russian speaking consumers visited our portal each month on average, demonstrating that Rambler Media is attracting one of the largest and fastest growing online audiences in Europe. Our revenues grew by 58% in the period and are expected to continue to outperform the advertising market as more and more businesses turn to the internet to reach their target audiences.

“While 2006 was about transforming Rambler Media from a multimedia Group to a pure internet player, 2007 is a year of transition. Since Arthur and I became CEO and CFO respectively earlier this year, our priorities have been to integrate and optimise the different internet properties that make up Rambler Media. One of our key objectives is to improve the Group’s profitability. In this respect, we expect to see an improvement in the second half of 2007 and 2008. In addition, we have recently increased our ownership in Begun, one of Russia’s fastest growing and leading paid-search advertising platforms, which gives Rambler Media access to a larger share of the text-based advertising market in Russia. Rambler Media is now uniquely positioned to benefit from growth in both the online display and search related advertising markets in Russia.”

FINANCIAL SUMMARY

| (US\$ '000s) | Jan – Jun 2007 | Jan – Jun 2006 (restated**) | Jan – Dec 2006 |
|--|-------------------|-----------------------------------|-------------------|
| Group Revenue | 20,512 | 12,963 | 30,646 |
| Internet | <i>18,408</i> | <i>11,639</i> | <i>28,305</i> |
| Mobile Value Added Services | <i>2,104</i> | <i>1,324</i> | <i>2,341</i> |
| Investment income | 1,202 | 684 | 1,574 |
| Total revenue and investment income | 21,714 | 13,647 | 32,220 |
| EBITDA* | 621 | 807 | 1,624 |
| Net profit / (loss) attributable to equity holders of the group | 6,439 | (487) | (3,035) |
| Net gain from disposal of TV (included in net profit above) | 7,089 | - | - |
| Profit / (loss) per share from continuing operations – basic and diluted | (0.042) | 0.079 | 0.001 |
| Profit / (loss) per share from continuing operations – basic and diluted | (0.042) | 0.078 | 0.001 |
| Profit / (loss) per share from discontinued operations – basic | 0.461 | (0.112) | (0.202) |
| Profit / (loss) per share from discontinued operations – diluted | 0.461 | (0.109) | (0.202) |

* Earnings before interest, tax, depreciation and amortisation

** The Group's financial results for the first half of 2006 have been changed for presentation purposes to exclude the Television operation, which was discontinued following its sale in January 2007. The financial results of the Group's continuing operations have been restated to include part of the provision for potential tax related charges of US\$2.6 million reported in the 2006 full year report and to include certain underaccrued expenses, refer to Note 16.

The reconciliation between results of business segments and the numbers reported in the company's financial statements for the period ended 30 June 2007 is as follows. Inter-segment revenues are not material and therefore have not been disclosed.

| | Internet Services | Mobile VAS | Total Continuing operations | Discontinued operations | Total |
|-------------------------------------|------------------------------|-----------------------|--|------------------------------------|-------------------|
| Total Revenue | 18,408 | 2,104 | 20,512 | - | 20,512 |
| Operating expenses and overheads | <u>(20,383)</u> | <u>(2,147)</u> | <u>(22,530)</u> | - | <u>(22,530)</u> |
| | (1,975) | (43) | (2,018) | - | (2,018) |
| Investment income | 1,202 | - | 1,202 | - | 1,202 |
| Depreciation and amortisation | 1,313 | 124 | 1,437 | - | 1,437 |
| EBITDA | <u>540</u> | <u>81</u> | <u>621</u> | <u>-</u> | <u>621</u> |

The segmental results for the six months ended 30 June 2006 are as follows:

| | Internet Services | Mobile VAS | Total Continuing operations | Discontinued operations | Total |
|-------------------------------------|------------------------------|-----------------------|--|------------------------------------|---------------------|
| Total Revenue | 11,639 | 1,324 | 12,963 | 2,154 | 15,117 |
| Operating expenses and overheads | <u>(11,608)</u> | <u>(1,742)</u> | <u>(13,350)</u> | <u>(3,813)</u> | <u>(17,163)</u> |
| | 31 | (418) | (387) | (1,659) | (2,046) |
| Investment income | 684 | - | 684 | - | 684 |
| Depreciation and amortisation | 403 | 107 | 510 | 244 | 754 |
| EBITDA | <u>1,118</u> | <u>(311)</u> | <u>807</u> | <u>(1,415)</u> | <u>(608)</u> |

CONFERENCE CALL INFORMATION

The Group will host a conference call to present the results at 2 pm (Moscow Time)/ 12 pm (CET) / 10 am (London Time) / 6 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/hy2007.

The number for the conference call will be available upon registration.

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

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ABOUT RAMBLER MEDIA

Rambler Media is a diversified Russian language media and services group which operates or has interests in leading internet properties including the oldest Russian internet portal and search engine 'Rambler.ru', on-line newspaper 'Lenta.ru', price comparison website 'Price.ru', internet tracking system 'Rambler Top 100', instant messaging service 'Rambler-ICQ', high-tech portal 'Ferra.ru', interactive advertising Group '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.

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.



**Rambler Media Limited,
Condensed consolidated half-yearly financial information,
30 June 2007**

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Interim management report

Rambler Media Limited (RMG.LN), (“the Group”) is a diversified Russian language media and services group which operates or has interests in leading internet properties including the oldest Russian internet portal and search engine 'Rambler.ru', on-line newspaper 'Lenta.ru', price comparison website 'Price.ru', internet tracking system 'Rambler Top 100', instant messaging service 'Rambler-ICQ', high-tech portal 'Ferra.ru', interactive advertising Group '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'.

1. Key Events

- On 8 August 2007, Rambler Media announced that its wholly owned subsidiary Vieli Enterprises Ltd completed its acquisition of a further 25% stake in contextual advertising company Begun for a cash consideration of US\$18 million, bringing the Group's total ownership of Begun to 50.1% and leveraging Rambler's position in the text-based advertising market.
- The sale of the Group's TV business was completed in January 2007, allowing the Group to dedicate fully to growing the Group's Internet segment. The TV operation was sold for US\$23 million with a net gain on disposal of US\$7.1 million.
- Appointment of new executive management in March 2007.

2. Performance

2.1. Highlights

- Group revenue up 58% year on year to US\$20.5 million (H1 2006, US\$13.0 million*) – outpacing growth of internet advertising market of 52% (source: Russian Association of Communication Agencies – AKAR).
- Group EBITDA of US\$0.6 million, including US\$0.7 million foreign currency translation loss (Group EBITDA H1 2006, US\$0.8 million*)
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** The Group does not have a significant influence on Begun at 30 June 2007, and a 25% investment in Begun is accounted for as an available for sale financial asset, refer to Note 7.

2.2. Rambler User Statistics

- 28.6 million unique monthly users of main Rambler.ru portal on average in H1 2007, up more than 40% year on year – twice as fast as Russian internet penetration (25.8 million unique monthly users in June 2007 vs. 19.9 million in June 2006, representing 30% growth).
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2.3. Russian Internet / Advertising Market

- Russian internet penetration up 20% year on year in H1 2007 to 24.8 million monthly internet users (source: The Public Opinion Foundation)

- Russian internet display advertising up 52% year on year in H1 2007 to US\$77 million (H1 2006, US\$50 million) (source: Russian Association of Communication Agencies – AKAR).

2.4. Financial and operating review

| (US\$ '000s) | Jan – Jun 2007 | Jan – Jun 2006 (restated**) | Jan – Dec 2006 |
|--|-------------------|-----------------------------------|-------------------|
| Group Revenue | 20,512 | 12,963 | 30,646 |
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| EBITDA | 540 | 81 | 621 | - | 621 |

The segmental results for the six months ended 30 June 2006 are as follows:

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| Investment income | 684 | - | 684 | - | 684 |
| Depreciation and amortisation | 403 | 107 | 510 | 244 | 754 |
| EBITDA | 1,118 | (311) | 807 | (1,415) | (608) |

2.5. The Group financial review

2.5.1 Revenue and investment income

Group revenue for the first six months of 2007 increased by 58% year on year to reach close to US\$21 million (H1 2006, US\$13 million), thus outperforming the Russian internet display advertising market itself, which was estimated to have grown by 52% in the same period (source: Russian Association of Communication Agencies – AKAR). The Group reported a 60% increase in like-for-like total revenue and investment income to US\$21.7 million (H1 2006, US\$13.6 million). Investment income from the Group's stake in Begun, which was 25% during the first half, grew by 76% from US\$0.68 million in H1 2006 to US\$1.20 million, reflecting the strength of the Russian internet text-based advertising market. Revenue growth for the Group's Internet and Mobile operations are detailed in separate sections.

2.5.2. EBITDA

The Group reported consolidated EBITDA of US\$0.6 million in H1 2007. Profitability in the first six months of 2007 continued to be limited, as was the case in the full year 2006, due to a sharp rise in operating expenses with labour compensation representing the biggest cost. Actions taken by the new executive management to rationalise costs, along with continuing revenue growth, are intended to yield EBITDA growth for the Group from the second half of 2007 and in 2008.

2.5.3. Operating Expenses

The Group's operating expenses (including depreciation, amortisation and tax related provision) reached US\$22.5 million in H1 2007, up 69% from US\$13.3 million for the first half of last year. Labour expense rose by 60% to US\$8.8 million (H1 2006, US\$5.5 million) and accounted for 40% of operating costs in the period. This increase was primarily driven by wage inflation of approximately 30% in the Russian internet market, organic increase in headcount and certain personnel restructuring costs.

The Group changed functional currency in 2007 from US Dollar to Russian Rouble and recognised foreign currency translation loss US\$0.7 million as a result of fluctuations of exchange rates, refer to Note 3 (b).

Other significant operating costs included commissions and partner fees, which rose by 135% from US\$2.3 million in H1 2006 to US\$5.4 million in H1 2007 as a result of increased revenues.

Legal and professional fees also went up from US\$1.1 million in H1 2006 to US\$1.6 million in H1 2007 due to increased advice on strategy and potential transactions in H1 2007.

The Group's amortisation expense went up by 700% from US\$0.11 million in H1 2006 to \$0.87 million due to amortisation of intangibles resulting from 2006 acquisitions. The Group's depreciation expense went up by 40% from US\$0.4 million to US\$0.56 million in line with increase in the underlying depreciable fixed assets.

As stated in the 2006 annual report, the Group's results include provisions for potential tax related charges. These 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. The Group is taking steps to simplify its legal structure. This process is expected to be completed within 10 months and to result in a forward prevailing tax rate of approximately 26% when complete. For the first half of 2007, the provision for potential tax related charges amounted to approximately US\$0.53 million, 60% less than for the same period in 2006, thanks to the corrective actions taken by the Group. If appropriate, the provisions may be released at some point in the future.

The Group's consolidated net loss after interest and tax was US\$0.4 million in H1 2007 (H1 2006, US\$1.3 million profit excluding the loss from the discontinued TV operation of US\$1.7 million). In addition to the net loss in H1 2007, the disposal of the TV operation in January 2007 generated a net gain on disposal of US\$7.1 million.

The Group's loss per share from continuing operations (basic) was US\$0.042 (H1 2006, profit US\$0.079), and respectively diluted – loss US\$0.042 (H1 2006, profit US\$0.078) .

2.6. Internet segment

2.6.1. Financial review

Revenue from Rambler Media's core internet operations grew by 59% year on year from US\$11.6 million to US\$18.4 million in the first six months of 2007 following sustained growth in the number of Rambler.ru users, up 40%, and strong growth in Russia's banner internet advertising market, up 52%. Although the Group was able to raise Cost Per Click (CPC) advertising rates in April 2007, the increase in revenue was primarily driven up by volume, with more and more advertisers choosing to advertise through the internet and Rambler's popular websites. The Group's strategy is to maintain competitive pricing in order to successfully build a large network of advertisers, particularly in what is considered as the early phase in the development of internet advertising in Russia.

In the first six months of 2007, 62% of internet revenue was generated by display advertising, which is sold through the Group's agency Index 20, and 32% of internet revenue came from search related or text-based advertising, mainly through Begun's extended advertising network, the rest was attributable to e-commerce and other revenues. The proportion of search related advertising within total internet revenue is expected to increase going forward as the Group will be able to consolidate Begun's results from August 2007.

In addition to its internet revenue, Rambler Media also recorded investment income of US\$1.20 million, up 76% from US\$0.68 million a year earlier 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.

The Group's Internet EBITDA was US\$0.5 million in H1 2007 (H1 2006, US\$1.1 million).

2.6.2 Operating review

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, enabling mass audiences to navigate to specific pages according to their interest. In H1 2007, Rambler.ru reached 28.6 million unique monthly users on average, up more than 40% from the 20 million users in the same period last year. This growth rate is above the 20% increase in Russian internet penetration in the period (source: The Public Opinion Foundation). In April 2007, Rambler.ru attracted record traffic of over 32 million users (up 60% from April 2006). Rambler users consulted an average of 80 pages per month each on Rambler's sites in the first half of 2007, up 12% from 71 pages in the same period last year, demonstrating more active usage.

In H1 2007, Rambler Search processed a total of approximately 1.4 billion queries, 27% more than in H1 2006 – or 230 million search queries per month on average. Rambler continued to upgrade its search relevance capabilities. According to public tests carried out by Ashmanov & Partners IT-consultancy in July 2007, search relevance was improved by up to 30% following the launch of a new search interface in the summer. The search speed was also improved in the period with results being processed twice as fast as before. In H1 2007, an average of 45% of Rambler's audience used Rambler Search each month.

As of July 2007, Rambler's monthly email audience was 5.9 million, up 50% from July 2006 and representing 21% of Rambler's average monthly audience. Rambler's total number of registered email accounts is now at 23.8 million, 42% higher than in December 2006. In June, Rambler launched a new SMS alert service notifying users of new mail received. This service was launched jointly with leading Russian mobile operator Mobile TeleSystems OSJC (MTS).

The new version of Rambler's instant messaging service Rambler-ICQ 5.1 (<http://icq.rambler.ru/>) was introduced on 25 December 2006, with significant technical improvements and more user friendly interfaces. Users now have the ability to express user emotions by colourful flash cartoons and user status can be selected before connecting onto the service instead of in full view of online contacts. A new video broadcasting service through Rambler Vision was also integrated, thus enriching the user experience with blogs, photos and social networking features. The ICQ instant messaging service has been used by approximately 6 million users on average in the first half of 2007, of whom more than 2 million used Rambler-ICQ joint service. This means that one out of every three ICQ user in Russia has been using Rambler-ICQ, representing 7% of Rambler's average monthly audience.

During the first half of 2007, Rambler News' audience grew by approximately 40% to reach 4.3 million users in July, representing 14% of Rambler's average monthly audience. Rambler News (<http://www.rambler.ru/news/>) was enriched with 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), one of the Group's most frequented news sites and the leading online newspaper in Russia, grew its online readership by 14% (32% in June 07 vs. June 06) in the first six months of 2007 compared to the same period last year, with 2.8 million unique visitors per month.

In April, Rambler Sport (<http://sport.rambler.ru/>) sponsored and launched a special project dedicated to the 2007 International Ice Hockey World Championships hosted in Moscow. The site attracted 1.1 million users in just two weeks and positioned Rambler Sport as the leading Russian speaking sports news site.

Rambler Games (<http://games.rambler.ru/>), which was launched in 2006, continued to be very popular in the first six months of 2007 and became the number one gaming portal by both the number of unique users and page views since May 2007 according to data collected by Top100. In the first half of 2007, 1.4 million users played Rambler games on average each month, representing 5% of Rambler's average monthly audience.

In May, Rambler Audio was re-launched with a new interface and faster stream downloads, resulting in an increased number of visitors. 1.3 million users visited Rambler Audio's pages in June 2007, 130% more than in June 2006. This number increased to 1.5 million in July. Rambler Audio also started selling MP3 songs.

2.7. Mobile segment

Mobile Value Added Services revenues were US\$2.1 million in the period, up 59% from US\$1.3 million the year before. The Mobile segment EBITDA is US\$0.08 million (H1 2006, US\$0.31 million loss). Although Mobile services are strategically important for the Group to allow Rambler's large internet audience to enjoy online services on their mobile devices, the services are expected to contribute less to the Group's revenue generation going forward as Internet services take an increasingly larger share. Because this segment will be closely integrated with the internet operations, the Mobile segment will no longer be reported separately in the next results statements.

3. Position

The Group ended the period with cash balances of US\$42 million. This includes the US\$21 million proceeds from the sale of Rambler TV received at the beginning of 2007.

Russia has rapidly become one of Europe's largest online communities, third after Germany and the UK, with 28.7 million Russians online in the spring of 2007, 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) and by 52% year on year to US\$77 million in H1 2007 (H1 2006, US\$50 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.

4. Principal risks

Russian taxation and currency control regulations

A substantial part of the operations of the Group is conducted in Russia or involves transactions with Russian entities. As a result the Group has significant exposure to the Russian taxation and currency control regimes.

Russian tax and customs legislation is subject to varying interpretations, and changes, which can occur frequently. Management's interpretation of such legislation as applied to the transactions and activity of the Group may be challenged by the relevant authorities.

The Russian tax authorities may be taking a more assertive position in their interpretation of the legislation and assessments, and it is possible that transactions and activities that have not been challenged in the past may be challenged. The Supreme Arbitration Court issued guidance to lower courts on reviewing tax cases providing a systemic roadmap for anti-avoidance claims, and it is possible that this will significantly increase the level and frequency of tax authorities scrutiny.

As a result, significant additional taxes, penalties and interest may be assessed. Fiscal periods remain open to review by the authorities in respect of taxes for three calendar years preceding the year of review. Under certain circumstances reviews may cover longer periods.

Russian transfer pricing legislation introduced 1 January 1999 provides the possibility for tax authorities to make transfer pricing adjustments and impose additional tax liabilities in respect of all controllable transactions, provided that the transaction price differs from the market price by more than 20%.

Controllable transactions include transactions with interdependent parties, as determined under the Russian Tax Code, all cross-border transactions (irrespective whether performed between related or unrelated parties), transactions where the price applied by a taxpayer differs by more than 20% from the price applied in similar transactions by the same taxpayer within a short period of time, and barter transactions. There is no formal guidance as to how these rules should be applied in practice. In the past, the arbitration court practice with this respect has been contradictory.

Tax liabilities arising from intercompany transactions are determined using actual transaction prices. It is possible with the evolution of the interpretation of the transfer pricing rules in the Russian Federation and the changes in the approach of the Russian tax authorities, that such transfer prices could potentially be challenged in the future. Given the brief nature of the current Russian transfer pricing rules, the impact of any such challenge cannot be reliably estimated; however, it may be significant to the financial condition and/or the overall operations of the entity.

The Group includes companies incorporated outside of Russia. Russian tax laws do not provide detailed rules on taxation of foreign companies. It is possible that with the evolution of the interpretation of these rules and the changes in the approach of the Russian tax authorities, the non-taxable status of some or all of the foreign companies of the Group in Russia may be challenged. Where the Group believes that it is probable that its position could not be sustained, the related tax and associated balances have been accrued. However, it is possible that additional challenges may occur and the impact of such challenges, if any, cannot be reliably estimated; however, it may be significant to the financial condition and/or the overall operations of the entity.

Russian tax legislation does not provide definitive guidance in certain areas. From time to time, the Group adopts interpretations of such uncertain areas that reduce the overall tax rate of the Group. As noted above, such tax positions may come under heightened scrutiny as a result of recent developments in administrative and court practices; the impact of any challenge by the tax authorities cannot be reliably estimated; however, it may be significant to the financial condition and/or the overall operations of the entity.

5. Forward-looking statements

Certain statements in this half-yearly report are forward-looking. Although the Group believes that the expectations reflected in these forward-looking statements are reasonable, we can give no assurance that these expectations will prove to be correct. Because these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements.

We undertake no obligations to update any forward-looking statements whether as a result of new information, future events or otherwise.

Rambler Media Limited
Condensed Consolidated Interim Balance Sheet as at 30 June 2007
(expressed in US\$'000s)

| | Notes | 30 June 2007 | 31 December 2006 |
|---|-------|----------------------|----------------------|
| Assets | | | |
| Non Current Assets | | | |
| Property, plant and equipment | 5 | 4,117 | 3,731 |
| Intangible assets | 6 | 13,561 | 13,741 |
| Financial assets | 7 | 18,102 | 864 |
| Deferred income tax asset | | 1,690 | 1,657 |
| | | <u>37,470</u> | <u>19,993</u> |
| Current Assets | | | |
| Trade debtors | | 8,899 | 5,529 |
| Prepayments | | 1,207 | 1,217 |
| VAT, net | | 1,775 | 612 |
| Other receivables | | 1,560 | 1,172 |
| Bank and cash balances | | 41,836 | 18,461 |
| | | <u>55,277</u> | <u>26,991</u> |
| Non-current assets held for sale | | - | 18,718 |
| Total assets | | <u>92,747</u> | <u>65,702</u> |
| Liabilities | | | |
| Current Liabilities | | | |
| Trade creditors | | 7,322 | 4,379 |
| Current income tax payable | | 2,810 | 2,536 |
| VAT payable | | 629 | 303 |
| Other provisions for liabilities and charges | 10 | 4,291 | 3,757 |
| Deferred income | | 3,016 | 2,067 |
| | | <u>18,068</u> | <u>13,042</u> |
| Long Term Liabilities | | | |
| Deferred taxation | | 8,198 | 4,124 |
| | | <u>8,198</u> | <u>4,124</u> |
| Liabilities directly associated with assets held for sale | | - | 4,807 |
| Total liabilities | | <u>26,266</u> | <u>21,973</u> |
| Shareholders' equity | | | |
| Issued capital | 8 | 157 | 153 |
| Share premium | | 60,878 | 57,208 |
| Options reserve | | 109 | 601 |
| Assets valuation reserve | | 13,083 | - |
| Accumulated losses | | (11,697) | (17,846) |
| Currency translation reserve | | 9 | - |
| Total shareholders' equity | | <u>62,539</u> | <u>40,116</u> |
| Minority interest | 13 | 3,942 | 3,613 |
| Liabilities and Shareholders' Equity: | | <u>92,747</u> | <u>65,702</u> |

The accompanying notes are an integral part of this condensed interim financial information.
These condensed interim financial statements were approved by the Directors on 18 September 2007


Mark Opzoomer
CEO


Arthur Akopyan
CFO

Rambler Media Limited
Condensed Consolidated Interim Income Statement
for the 6 month period ended 30 June 2007

(expressed in US\$'000s)

| | Notes | 1 January 2007 to 30 June 2007 | 1 January 2006 to 30 June 2006 (restated) |
|--|--------|--------------------------------------|--|
| Continuing Operations | | | |
| Revenue | 11 | 20,512 | 12,963 |
| Other income | 11 | 1,202 | 684 |
| Operating expenses | 12 | (22,530) | (13,350) |
| Operating (loss) / profit | | (816) | 297 |
| Interest income | 11 | 892 | 568 |
| Profit before taxation | | 76 | 865 |
| Taxation | 14, 16 | (473) | 398 |
| (Loss) / profit for the period from continuing operations | | (397) | 1,263 |
| Discontinued operations | | | |
| Profit / (loss) from discontinued operations | 18 | 7,089 | (1,680) |
| Net profit / (loss) | | 6,692 | (417) |
| Attributable to: | | | |
| - equity holders of the company | | 6,439 | (487) |
| - minority interest | 13 | 253 | 70 |
| | | 6,692 | (417) |
| Earnings/(loss) per share for profit/(loss) attributable to the equity holders of the company, expressed in cents per share | | | |
| Earnings/(loss) per share from continuing operations | | | |
| - basic (in US\$ per share) | 15 | (0.042) | 0.079 |
| - diluted (in US\$ per share) | | (0.042) | 0.078 |
| Earnings/(loss) per share from discontinuing operations | | | |
| - basic (in US\$ per share) | 15 | 0.461 | (0.112) |
| - diluted (in US\$ per share) | | 0.461 | (0.109) |

The accompanying notes are an integral part of this condensed interim financial information.

Rambler Media Limited
Condensed Consolidated Interim Statement of Changes in Shareholders' Equity
for the 6 month period ended 30 June 2007

(expressed in US\$'000s)

| | Attributable to equity holders of the company | | | | | | | | | |
|---|--|--------------------------------|------------------|--------------------|-------------------|---|----------------------------|---------------------|----------------------|-------------------------------|
| | Issued capital | Assets valuation reserve | Share premium | Options reserve | Merger reserve | Accumula ted Losses (restated) | Transla tion reserve | Total (restated) | Minority interest | Total equity (restated) |
| 31 December 2005 (as previously reported) | 150 | - | 55,902 | 341 | 51 | (12,663) | - | 43,781 | 23 | 43,804 |
| Restatement | | | | | | (2,000) | - | (2,000) | | (2,000) |
| 31 December 2005 | 150 | - | 55,902 | 341 | 51 | (14,663) | - | 41,781 | 23 | 41,804 |
| Share capital issued | 1 | - | 137 | - | - | - | - | 138 | - | 138 |
| Cost of share option | - | - | - | 88 | - | - | - | 88 | - | 88 |
| Profit for the period (as previously reported) | - | - | - | - | - | 2,406 | - | 2,406 | 70 | 2,476 |
| Minority interest arising on acquisition | - | - | - | - | - | - | - | - | 1,437 | 1,437 |
| Restatement | - | - | - | - | - | (2,893) | - | (2,893) | - | (2,893) |
| 30 June 2006 (restated) | 151 | - | 56,039 | 429 | 51 | (15,150) | - | 41,520 | 1,530 | 43,050 |
| Share capital issued | 2 | - | 1,169 | - | - | - | - | 1,171 | - | 1,171 |
| Cost of share option | - | - | - | 172 | - | - | - | 172 | - | 172 |
| Loss for the period | - | - | - | - | (51) | (2,696) | - | (2,747) | 78 | (2,669) |
| Minority interest arising on acquisition | - | - | - | - | - | - | - | - | 2,005 | 2,005 |
| 31 December 2006 | 153 | - | 57,208 | 601 | - | (17,846) | - | 40,116 | 3,613 | 43,729 |
| Share capital issued | 1 | - | 2,503 | - | - | - | - | 2,504 | - | 2,504 |
| Share option reserve transferred to share premium | - | - | - | (601) | - | - | - | (601) | - | (601) |
| Cost of share option | - | - | - | 103 | - | - | - | 103 | - | 103 |
| Profit for the period | - | - | - | - | - | 6,439 | - | 6,439 | 253 | 6,692 |
| Valuation of available- for-sale financial assets | - | 17,214 | - | - | - | - | - | 17,214 | - | 17,214 |
| Deferred tax thereon | - | (4,131) | - | - | - | - | - | (4,131) | - | (4,131) |
| Translation reserve | 3 | - | 1,167 | 6 | - | (290) | 9 | 895 | 76 | 971 |
| 30 June 2007 | 157 | 13,083 | 60,878 | 109 | - | (11,697) | 9 | 62,539 | 3,942 | 66,481 |

Rambler Media Limited
Condensed Consolidated Interim Statement of Cash Flows
for the 6 month period ended 30 June 2007
(expressed in US\$'000s)

| | 1 January 2007 to 30 June 2007 | 1 January 2006 to 30 June 2006 (restated) |
|--|--------------------------------------|--|
| Cash flows from operating activities | | |
| Net income / (loss) | 6,692 | (417) |
| Adjusted for: | | |
| (Profit) / loss attributable to discontinued operations | (7,089) | 1,680 |
| Interest receivable | (892) | (569) |
| Interest charged | - | 1 |
| Dividends receivable | (1,202) | (684) |
| Taxation charge | 473 | (398) |
| Cost of share options vested | 103 | 88 |
| Foreign currency translation loss | 678 | - |
| Depreciation and amortisation | 1,437 | 510 |
| Increase in other provisions for liabilities and charges | 533 | 1,176 |
| Overhead costs attributable to discontinued operations paid by continuing operations | 57 | 419 |
| Operating cash flows before working capital changes | 790 | 1,806 |
| Increase in debtors and receivables | (4,856) | (1,979) |
| Increase/ (decrease) in prepayments | 419 | (264) |
| Increase in creditors & other payables | 3,265 | 2,482 |
| Increase in deferred revenue | 949 | 112 |
| Cash generated from operations | 567 | 2,157 |
| Income taxes paid | (234) | (3) |
| Interest paid | - | (7) |
| Net cash (used in) / from operating activities – continuing operations | 333 | 2,147 |
| Net cash used in operating activities – discontinued operations | - | (2,012) |
| Net (used in)/ from operating activities | 333 | 135 |
| Cash flows from investing activities | | |
| Acquisitions of subsidiary undertakings | - | (1,708) |
| Purchase of property, plant and equipment | (1,324) | (834) |
| Purchase of intangibles assets | (334) | (206) |
| Dividends received | 903 | 515 |
| Net cash used in investing activities – continuing operations | (755) | (2,233) |
| Net cash from / (used in) investing activities – discontinued operations | 20,524 | (114) |
| Net cash from/ (used in) investing activities | 19,769 | (2,347) |
| Cash flows from financing activities | | |
| Proceeds of equity financing | 1,904 | 138 |
| Repayment of borrowings | - | (10) |
| Interest received | 892 | 569 |
| Net cash from financing activities – continuing operations | 2,796 | 697 |
| Net cash from financing activities – discontinued operations | - | - |
| Net cash from investing activities | 2,796 | 697 |
| Net increase / (decrease) in cash | 22,898 | (1,515) |
| Cash at the beginning of the period – continuing operations | 18,461 | 21,482 |
| Cash at the beginning of the year – discontinued operations | 476 | - |
| Cash at the end of the period – continuing operations | 41,836 | 19,795 |
| Cash at the end of the year – discontinued operations | - | 172 |
| Cash at the end of the period | 41,836 | 19,967 |

Notes to the condensed consolidated half-yearly interim financial information

1. General Information

Rambler Media Limited (“the company”) was incorporated in Jersey on 10 June 2004 as a private limited company (now a public company – see below). The company has its registered office at First Island House, Peter Street, St. Helier, Jersey JE2 4SP. The condensed consolidated financial information presented herein includes the condensed interim financial information of the company, its wholly owned subsidiaries and investees in which the parent company has control (together “the Group”).

The Group’s principal place of business is the Russian Federation and CIS.

Rambler Media is a diversified Russian language media, entertainment, services and content delivery company which operates various internet properties including the leading Russian language internet portal and search engine “Rambler.ru”, Top 100 rating system, free email service, on-line newspaper “Lenta.ru”, price comparison website “Price.ru”, data center operator “Rambler Telecom”, interactive advertising company “Index 20”, and mobile content service provider “Rambler Mobile”. During 2006 the company decided to dispose its television business, which formerly consisted of TVK Rambler and NBN, this segment is reported as a discontinued operation.

Rambler Media’s shares are traded on the AIM market of the London Stock Exchange under the symbol “RMG” since the Initial Public Offering (IPO) which took place on 15 June 2005.

At June 30, 2007 the Rambler Group had 517 employees in continuing operations (31 December 2006: 495; 30 June 30 2006: 458).

Until 30 October 2006, FM Asset Management Limited owned a majority stake in Rambler Media Limited collectively with its related companies: First Mercantile Net Ventures Fund Limited (FMNVF Ltd), Russian Federation First Mercantile Fund Limited and Sopica Special Opportunities Fund Limited. On 31 October 2006 Prof-Media, a Russian media holding, has acquired 48.8% of shares in Rambler Media Limited from funds managed by FM Asset Management Limited. In December 2006, following the anti-monopoly approval, Prof-Media, has obtained control and later increased its stake to 54.8%.

2. Basis of preparation

This condensed consolidated interim financial information for the half-year ended 30 June 2007 has been prepared in accordance with IAS 34, “Interim financial reporting”. The interim condensed financial report should be read in conjunction with the annual financial statements for the year ended 31 December 2006.

The accounting policies adopted are consistent with those of the annual consolidated financial statements for the year ended 31 December 2006, as described in the annual consolidated financial statements for the year ended 31 December 2006.

3. Accounting policies

a) Basis of consolidation

These condensed consolidated interim 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 condensed consolidated interim financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated (refer to Note 3 (e), New Accounting Pronouncements).

b) Functional currency

Management exercised its judgement to determine that for the purposes of the 2007 IFRS financial statements Russian Rouble most fairly represents the economic effects of the underlying transactions, events and conditions due to the following factors:

- majority of clients are invoiced by Rambler's Russian operating entities bringing more than 95% revenue. Due to improving Rouble exchange rate the Rambler started to invoice clients in Roubles since August 2006.

- majority (95%) of operating expenses are fixed in Rouble gross terms.

For the prior periods functional currency was United States Dollar.

A change in functional currency from US dollar to the Russian Rouble was accounted for by establishing new functional currency bases for non-monetary items. Those bases were computed by translating the historical reporting currency amounts of assets and liabilities into Russian Roubles at current exchange rate as at 1 January 2007. After the change of functional currency to Russian Rouble, Rambler Group's revenues, costs, property and equipment purchased which are either priced incurred, payable, or otherwise measured in foreign currencies are being converted to Russian Roubles at the historical exchange rates prevailing on the date transactions occurred. Debt and trade liabilities are measured at the exchange rate prevailing on the balance sheet date. Resulting exchange differences are being charged or credited to the income statement.

c) Presentation currency

All amounts in these financial statements are presented in thousands of US dollars ("US\$ thousands"), unless otherwise stated. It is a common practice for Russian companies operating in the media industry to use US\$ as a presentation currency.

The Russian Rouble is not a fully convertible currency outside the Russian Federation and, accordingly, any translation of RUR denominated assets and liabilities into US\$ for the purpose of these condensed consolidated interim financial statements does not imply that Group could or will in the future realise or settle in US\$ the translated values of these assets and liabilities.

The results and financial position of each Group entity (functional currency of none of which is a currency of a hyperinflationary economy) are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

- (iii) all resulting exchange differences are recognised as a separate component of equity.

At 30 June 2007 the principal rate of exchange used for translating foreign currency balances was US\$ 1 = RR 25.82 (31 December 2006: US\$ 1 = RR 26.33).

d) Foreign currency translation

Monetary assets and liabilities are translated into each entity's functional currency at the official exchange rate of the Central Bank of the Russian Federation at the respective balance sheet dates. Foreign exchange gains and losses resulting from the settlement of the transactions and from the translation of monetary assets and liabilities into each entity's functional currency at year-end official exchange rates of the Central Bank of the Russian Federation are recognised in profit or loss. Translation at year-end rates does not apply to non-monetary items, including equity investments. Effects of exchange rate changes on the fair value of equity securities are recorded as part of the fair value gain or loss.

e) New accounting pronouncements

Certain new standards and interpretations have been published that are mandatory for the Group's accounting periods beginning on or after 1 January 2007 or later periods and which the entity has not early adopted:

IFRS 7 Financial Instruments: Disclosures and a complementary Amendment to IAS 1 Presentation of Financial Statements - Capital Disclosures (effective from 1 January 2007). The IFRS introduces new disclosures to improve the information about financial instruments. The volume of disclosures will increase significantly with an emphasis on quantitative aspects of risk exposures and the methods of risk management. The quantitative disclosures will provide information about the extent to which the entity is exposed to risk, based on information provided internally to the entity's key management personnel. Qualitative and quantitative disclosures will cover exposure to credit risk, liquidity risk and market risk including sensitivity analysis to market risk. IFRS 7 replaces IAS 30, Disclosures in the Financial Statements of Banks and Similar Financial Institutions, and some of the requirements in IAS 32, Financial Instruments: Disclosure and Presentation. The Amendment to IAS 1 introduces disclosures about level of an entity's capital and how it manages capital. The Group is currently assessing what impact the new IFRS and the amendment to IAS 1 will have on disclosures in its financial statements. IFRS 7 disclosures will be done in the year-end consolidated financial statements.

IFRS 8, Operating Segments (effective for annual periods beginning on or after 1 January 2009). The Standard applies to entities whose debt or equity instruments are traded in a public market or that file, or are in the process of filing, their financial statements with a regulatory organisation for the purpose of issuing any class of instruments in a public market. IFRS 8 requires an entity to report financial and descriptive information about its operating segments and specifies how an entity should report such information. The Group is currently assessing what impact IFRS 8 will have on disclosures in its financial statements.

The Group has adopted the following other new standards or interpretations:

- IFRIC 7, Applying the Restatement Approach under IAS 29 (effective for periods beginning on or after 1 March 2006, that is from 1 January 2007).
- IFRIC 8, Scope of IFRS 2 (effective for periods beginning on or after 1 May 2006, that is from 1 January 2007).
- IFRIC 9, Reassessment of Embedded Derivatives (effective for annual periods beginning on or after 1 June 2006);
- IFRIC 10, Interim Financial Reporting and Impairment (effective for annual periods beginning on or after 1 November 2006);
- IFRIC 11, IFRS 2—Group and Treasury Share Transactions (effective for annual periods beginning on or after 1 March 2007);
- IFRIC 12, Service Concession Arrangements (effective for annual periods beginning on or after 1 January 2008).

Unless otherwise described above, these new standards and interpretations did not significantly affect the Group's financial statements.

4. Segmental Information

The segmental results for the six months ended 30 June 2007 are as follows:

| | <u>Internet Services</u> | <u>Mobile VAS</u> | <u>Total Continuing operations</u> | <u>Discontinued operations</u> | <u>Total</u> |
|---|------------------------------|-----------------------|--|------------------------------------|-----------------------|
| Total Revenue | 18,408 | 2,104 | 20,512 | - | 20,512 |
| Operating expenses and overheads | <u>(20,383)</u> | <u>(2,147)</u> | <u>(22,530)</u> | <u>-</u> | <u>(22,530)</u> |
| Net loss before interest, tax and minority interest | <u>(1,975)</u> | <u>(43)</u> | <u>(2,018)</u> | <u>-</u> | <u>(2,018)</u> |

The segmental results for the six months ended 30 June 2006 are as follows:

| | <u>Internet Services</u> | <u>Mobile VAS</u> | <u>Total Continuing operations</u> | <u>Discontinued operations</u> | <u>Total</u> |
|--|------------------------------|-----------------------|--|------------------------------------|-----------------------|
| Total Revenue | 11,639 | 1,324 | 12,963 | 2,154 | 15,117 |
| Operating expenses and overheads | <u>(11,608)</u> | <u>(1,742)</u> | <u>(13,350)</u> | <u>(3,813)</u> | <u>(17,163)</u> |
| Net profit/(loss) before interest, tax and minority interest | <u>31</u> | <u>(418)</u> | <u>(387)</u> | <u>(1,659)</u> | <u>(2,046)</u> |

5. Capital expenditure

| | <u>Leasehold improvements</u> | <u>Office equipment</u> | <u>Television equipment</u> | <u>Total</u> |
|---------------------------------|-----------------------------------|-----------------------------|---------------------------------|---------------------|
| Cost | | | | |
| 31 December 2005 | 548 | 4,847 | 1,600 | 6,995 |
| Additions | 39 | 861 | 33 | 933 |
| Disposals | - | (22) | - | (22) |
| Discontinued operations | <u>(172)</u> | <u>(410)</u> | <u>(1,633)</u> | <u>(2,215)</u> |
| 30 June 2006 | <u>415</u> | <u>5,276</u> | <u>-</u> | <u>5,691</u> |
| Additions | 14 | 1,223 | 30 | 1,267 |
| Disposals | - | (131) | (8) | (139) |
| Discontinued operations | - | <u>(38)</u> | <u>(22)</u> | <u>(60)</u> |
| 31 December 2006 | <u>429</u> | <u>6,330</u> | <u>-</u> | <u>6,759</u> |
| Additions | 48 | 854 | - | 902 |
| Reclassification | - | (20) | - | (20) |
| Disposals | - | (11) | - | (11) |
| Currency translation | 9 | 135 | - | 144 |
| 30 June 2007 | <u>486</u> | <u>7,288</u> | <u>-</u> | <u>7,774</u> |
| Accumulated Depreciation | | | | |
| 31 December 2005 | 389 | 2,044 | 747 | 3,180 |
| Charge | 36 | 442 | 168 | 646 |

| | | | | |
|-------------------------|------------|--------------|-------|--------------|
| Discontinued operations | (90) | (211) | (915) | (1,216) |
| 30 June 2006 | 335 | 2,275 | - | 2,610 |
| Charge | 3 | 434 | - | 437 |
| Disposals | - | (19) | - | (19) |
| Discontinued operations | - | - | - | - |
| 31 December 2006 | 338 | 2,690 | - | 3,028 |
| Charge | 25 | 539 | - | 564 |
| Disposals | - | (2) | - | (2) |
| Currency translation | 7 | 60 | - | 67 |
| 30 June 2007 | 370 | 3,287 | - | 3,657 |
| Net book value | | | | |
| 30 June 2007 | 116 | 4,001 | - | 4,117 |
| 31 December 2006 | 91 | 3,640 | - | 3,731 |

6. Intangible Assets

| | Domain and trade names | Broadcast network | Software and other intangible s | Goodwill | Total |
|---------------------------------|---------------------------------|----------------------|--|--------------|---------------|
| Cost | | | | | |
| 31 December 2005 | 931 | 13,626 | 642 | 571 | 15,770 |
| Additions | | 81 | 386 | | 467 |
| On acquisition of subsidiary | 3,998 | - | 48 | 386 | 4,432 |
| Discontinued operations | - | (13,747) | (259) | - | (14,006) |
| Amortisation | (5) | (53) | (51) | - | (109) |
| Discontinued operations | - | 93 | 15 | - | 108 |
| 30 June 2006 | 4,924 | - | 781 | 957 | 6,662 |
| Additions | 1 | - | 1,015 | - | 1,016 |
| On acquisition of subsidiary | 5,391 | - | - | 1,213 | 6,604 |
| Amortisation | (187) | - | (354) | - | (541) |
| 31 December 2006 | 10,129 | - | 1,442 | 2,170 | 13,741 |
| Additions | - | - | 334 | - | 334 |
| Reclass | - | - | 20 | - | 20 |
| Amortisation | (753) | - | (120) | - | (873) |
| Currency translation | 194 | - | 102 | 43 | 339 |
| 30 June 2007 | 9,570 | - | 1,778 | 2,213 | 13,561 |

Goodwill is tested for impairment annually at year end (31 December) or whenever there is any indication of impairment. At 30 June 2007, there was no indication of impairment for goodwill.

Intangible assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. There was no indication of impairment at 30 June 2007.

7. Financial Assets

| | <u>2007</u> | <u>2006</u> |
|--------------|----------------------|-------------------|
| Begun | 18,000 | 771 |
| Other | <u>102</u> | <u>93</u> |
| Total | <u>18,102</u> | <u>864</u> |

Begun was treated as an investment carried at cost at 31 December 2006. The Company had no significant financial or operational influence over the company. It was not practical to determine the fair value of this investment at 31 December 2006, but, and even though it was not possible to predict the future dividend yield from the Begun investment, based on the dividends received and other available information, management believed that the fair value of the investment in Begun significantly exceeded the cost at which the investment was included in the 2006 annual financial statements.

On 8 August 2007 the Group has increased its stake in Begun to 50.1% (refer Note 22 'Post-Balance Sheet Events').

At 30 June 2007 an investment in Begun is treated as an available-for-sale financial asset. The fair value of this asset at 30 June 2007 was determined by reference to the recent completion of an acquisition of an additional 25% stake in Begun.

Dividend income received from Begun is included in other income. Dividends are declared by Begun based on profits generated and not at any set rate.

The other financial assets represent loans carried at amortized cost.

8. Share Capital

The share capital of the Company at the balance sheet date expressed in US\$ (not thousands) is comprised as follows:

| | <u>2007</u> | <u>2006</u> |
|---|----------------|----------------|
| Authorised ordinary shares of US\$ 0.01 each (20 million shares) | <u>200,000</u> | <u>200,000</u> |
| Issued and fully paid share capital ordinary shares of US\$ 0.01 each | <u>157,179</u> | <u>152,717</u> |

Employee share options exercised during the first half of 2007 resulted in 125,545 being issued (30 June 2006: 40,817 shares), with exercise proceeds of US\$ 1,904 thousand (30 June 2006: US\$ 40,817 thousand). The related weighted average share price at the time of exercise was US\$ 15.16 (30 June 2006: US\$ 3.42) per share.

9. Share based payments

On 18 October 2004 at an Extraordinary General Meeting the Shareholders of the Company approved the grant of options pursuant to the Rambler Media Limited Share Option Plan and the Rambler Media

Limited Executive Share Option Plan (the "Share Option Plans"). Under the terms approved, directors of the Company may not allot more than 1,300,000 shares to the Share Option Plans without further approval by ordinary resolution of the Company in general meeting.

| | Number | Weighted average exercise prices, USD | Total proceeds received and receivable, USD'000 |
|-----------------------------|-----------|---|---|
| Balance at 31 December 2006 | 125,545 | 15.40 | 1,934 |
| New awards | 103,903 | 40.18 | 4,175 |
| Exercised | (125,545) | 15.17 | (1,904) |
| Balance at 30 June 2007 | 103,903 | 40.47 | 4,205 |

The estimated fair value of each share option granted was calculated by applying a Black-Scholes option pricing model. The model inputs were the share price at grant date and exercise price (disclosed in a table above), expected volatility of 21% for options granted in 2007, no expected dividends and an average risk-free interest rate of 3.5%. To allow for the effects of early exercise, it was assumed that the employees would exercise the options after vesting date. Share options agreement have an early exercise condition whereby the employees have a right of early exercise in the event of management change. Following the change of management, all employees who had options at 31 December 2006 used their right to exercise them in the first quarter of 2007.

10. Other provisions for liabilities and changes

Movements in Other Provisions for Liabilities and Charges are as follows:

| | Total |
|--|--------------|
| Carrying amount at 31 December 2006 | 3,757 |
| Additions charged to profit or loss | 534 |
| Carrying amount at 30 June 2007 | 4,291 |

All of the above provisions relate to potential liabilities for taxes other than income taxes, and associated balances arising from the legal structure of the Group and the jurisdictions in which various income and expense items are recorded and where they may be deemed to be assessed for tax purposes. These issues are also impacted by the absence of group relief between various entities in the Group structure.

11. Revenue and Other Income

Revenue comprises:

| | 1 January 2007 to 30 June 2007 | 1 January 2006 to 30 June 2006 |
|-----------------------------|--------------------------------------|--------------------------------------|
| Internet | 18,408 | 11,639 |
| Mobile Value Added Services | 2,104 | 1,324 |
| | <u>20,512</u> | <u>12,963</u> |

| | 1 January 2007 to 30 June 2007 | 1 January 2006 to 30 June 2006 |
|-------------------------------------|---|---|
| Other income – dividends from Begun | 1,202 | 684 |
| Interest income | 892 | 569 |

12. Operating expenses

Operating expenses comprise:

| | 1 January 2007 to 30 June 2007 | 1 January 2006 to 30 June 2006 |
|---|---|---|
| Labour | 8,778 | 5,497 |
| Content and transmission | 1,167 | 241 |
| Commissions and partner fees | 5,442 | 2,271 |
| Rent | 589 | 396 |
| Legal and professional | 1,561 | 1,074 |
| Provision for taxes other than income taxes | 534 | 1,176 |
| General expenses | 806 | 547 |
| Share Options | 103 | 88 |
| Depreciation | 564 | 401 |
| Amortisation | 873 | 109 |
| Marketing and advertising | 1,157 | 1,192 |
| Foreign currency translation loss | 678 | 14 |
| Other | 278 | 344 |
| Total Operating expenses | 22,530 | 13,350 |

13. Minority interest

| | Total |
|--|--------------|
| As at 1 January 2007 | 3,613 |
| Share of results of Business-Studio for the six months 2007 (49%) | (15) |
| Share of results of Price.ru for the six months 2007 (49%) | 221 |
| Share of results of Paintium for the six months 2007 (49%) | 45 |
| Share of results of Holmruk for the six months 2007 (49%) | 2 |
| Currency translation | 76 |
| As at 30 June 2007 | 3,942 |

14. Income taxes

The Rambler Group has operations in a number of jurisdictions and is consequently exposed to the fiscal regimes of more than one country. Its main exposure is to the fiscal regime of the Russian Federation.

Income taxes have been provided for in the consolidated financial statements in accordance with Russian legislation enacted or substantively enacted by the balance sheet date. The income tax charge/benefit comprises current tax and deferred tax and is recognised in the consolidated income statement unless it relates to transactions that are recognised, in the same or a different period, directly in equity.

Income tax comprised the following:

| | 1 January 2007 to 30 June 2007 | 1 January 2006 to 30 June 2006 (restated) |
|---|--------------------------------------|--|
| Current tax expense | 563 | 677 |
| Deferred tax benefit | (90) | (1,075) |
| Income tax charge/(benefit) for the period | 473 | (398) |

A reconciliation between the expected and the actual taxation charge is provided below:

| | 1 January 2007 to 30 June 2007 | 1 January 2006 to 30 June 2006 (restated) |
|---|-----------------------------------|---|
| Accounting profit before taxation | 76 | 865 |
| Theoretical tax charge at statutory rate of 24% (2006: 24%) | 18 | 208 |
| Tax effect of items which are not deductible or assessable for taxation purposes: | | |
| Loss/(profit) accumulated in tax free jurisdictions | (275) | (606) |
| Non-deductible expenses | 730 | - |
| | 455 | (606) |
| Profit tax expense/(benefit) for the period | 473 | (398) |

15. Earnings/(loss) per share

Earnings/(loss) per share has been calculated as follows:

| | 1 January 2007 to 30 June 2007 | 1 January 2006 to 30 June 2006 (restated) |
|--|--------------------------------------|---|
| (Loss)/profit for the period from continuing operations attributable to equity holders | (650) | 1,193 |
| Weighted average number of shares in issue (thousands) | | |
| – basic | 15,376 | 15,017 |
| Weighted average number of shares in issue (thousands) | | |
| – diluted | 15,376 | 15,360 |
| Basic (loss)/earnings per share from continuing operations (expressed in US\$ per share) | (0.042) | 0.079 |
| Diluted (loss)/earnings per share from continuing operations (expressed in US\$ per share) | (0.042) | 0.078 |

Earnings/(loss) per share from discontinued operations is calculated as follows:

| | 1 January 2007 to 30 June 2007 | 1 January 2006 to 30 June 2006 (restated) |
|--|-----------------------------------|---|
| Profit/(loss) for the period from discontinued operations | 7,089 | (1,680) |
| Weighted average number of shares in issue (thousands) – basic | 15,376 | 15,017 |
| Weighted average number of shares in issue (thousands) – diluted | 15,376 | 15,360 |
| Basic earnings/(loss) per share from discontinued operations (expressed in US\$ per share) | 0.461 | (0.112) |
| Diluted earnings/(loss) per share from discontinued operations (expressed in US\$ per share) | 0.461 | (0.109) |

16. Restatement of results for the period ended 30 June 2006

In 2007 management has reassessed judgments in relation to the previously recorded liabilities for income tax and taxes other than on income. These issues related to liabilities arising from the legal structure of the Group and the jurisdictions in which various income and expense items are recognized and assessed. The corresponding adjustments were reflected in financial statements for year 2006. The management has decided to restate the resulting provisions for taxes for the first half of 2006.

| | As previously reported | Adjustment | Restated |
|--|------------------------------|------------|----------|
| <hr/> | | | |
| Effect on the consolidated Balance sheet as at 31 December 2005 | | | |
| Current income tax payable | - | 800 | 800 |
| Other provisions for liabilities and charges | - | 1,200 | 1,200 |
| <hr/> | | | |
| Effect on the consolidated Balance sheet as at 30 June 2006 | | | |
| Current income tax payable | - | 1,477 | 1,477 |
| Other provisions for liabilities and charges | - | 2,376 | 2,376 |
| <hr/> | | | |
| Effect on the consolidated Income statement as at 31 December 2005 | | | |
| Taxation | 365 | 800 | 1,165 |
| Operating expenses | 17,699 | 1,200 | 18,899 |
| <hr/> | | | |
| Effect on the consolidated Income statement as at 30 June 2006 | | | |
| Taxation | (1,075) | 677 | (398) |
| Operating expenses | 14,946 | 1,176 | 16,122 |

The management identified underaccrued expenses for bonuses 2006, commissions and IFRS audit proportionally for the first half of 2006, which resulted in a restatement of comparative information for the first half of 2007. These expenses were accounted for in full in the Group's consolidated accounts for the year ended 31 December 2006.

| | As previously reported | Adjustment | Restated at 30 June 2006 |
|---|------------------------------|------------|-----------------------------|
| <hr/> | | | |
| Effect on the consolidated Balance sheet as at 30 June 2006 | | | |
| Trade Creditors | 2,882 | 1,040 | 3,922 |
| <hr/> | | | |
| Effect on the consolidated Income statement as at 30 June 2006 (all from continuing operations) | | | |
| Labour | 6,494 | 312 | 6,806 |
| Commissions and partner fees | 2,031 | 383 | 2,414 |
| Legal and professional | 1,055 | 345 | 1,400 |
| <hr/> | | | |

17. Directors' Remuneration

The directors' salaries for 2007 and 2006 paid by Group companies are as follows (not in thousands):

| | 1 January 2007 to 30 June 2007 | 1 January 2006 to 30 June 2006 |
|---|-----------------------------------|-----------------------------------|
| Robert Mott Brown III | 52,765 | 26,250 |
| Irina Gofman | 177,565 | 112,500 |
| James Mullins | 96,875 | 112,500 |
| Mark Opzoomer | 156,574 | 22,747 |
| Arthur Akopyan | 86,667 | - |
| | <hr/> | <hr/> |
| Total Short term employee benefits | 570,446 | 273,997 |
| | <hr/> <hr/> | <hr/> <hr/> |

18. Discontinued operations and disposals groups

The sale of Rambler TV business to Osgora Productions Limited (a subsidiary of Prof-Media) was completed and closed on 12 January 2007. The final settlement for Rambler's TV business in the amount of US\$21 million was received on 10 January 2007.

Details of the sale are as follows:

| | |
|-------------------------------------|---------------|
| Cash and cash equivalents | 476 |
| Intangible assets | 13,898 |
| Other net assets | 1,537 |
| Net assets of business | 15,911 |
| Total purchase consideration | 23,000 |
| less: cash of business | (476) |
| Inflow of cash on sale | 22,524 |
| Profit on sale | 7,089 |
| | <hr/> |

In the statements for the first half of 2006 the management has segregated discontinuing operations (TV business) in order to present first half of 2006 in the manner consistent with the 2006 annual report.

19. Business combinations

On 16 January 2006 the Rambler Group purchased 51% of Price.ru for US\$ 1.53 million payable in cash. The initial provisional estimate of net assets of Price.ru at the date of acquisition was US\$ 200 thousand, this has given rise to goodwill of US\$ 1.33 million in the Group's interim H1 2006 financial statements. The Company has reassessed fair value of identifiable assets and liabilities of Price Express in Group's annual Report 2006 and respectively in comparative results of the Group's interim H1 2007 financial statements. Price.ru is a leading Russian e-commerce internet property, its web-sites Price.ru, Domoteka.ru and Tyndex.ru provide price and product comparison tools designed to help on-line shoppers make the most cost effective buying decisions. As a result of this reassessment the Company has recognized intangible assets in the amount of US\$ 3.9 million.

20. Contingent liabilities

(a) Litigation

In the course of its normal business the Rambler Group receives legal claims from time to time. In the opinion of the directors none of the litigation currently in progress is likely to result in the crystallisation of a material liability.

(b) Commitment to pay for exclusive internet partnership

An agreement was signed on 8 December 2004 by the Rambler Group that commits it to paying a minimum of US\$ 200 thousand per annum for a minimum of 12 months in respect of an exclusive internet partnership to promote a customised co-branded instant messaging product for Russian and other CIS countries. The Rambler Group paid a similar amount in December 2006, December 2005 and intends to do so for the foreseeable future.

(c) Lease commitments

The Group is committed to the following lease payments under the non-cancellable operating leases:

| | 2006 | 2005 |
|--------------------------|-------------|-------------|
| Expiring within one year | 1,352 | 1,298 |

21. Related-Party Transactions

Transactions between Rambler Companies and its related parties, as well as related party balances are not material for the period ended 30 June 2007.

22. Post Balance Sheet Events

On 8 August 2007 Rambler has completed acquisition of a 25% stake in contextual advertising company Begun for a cash consideration of US\$18 million, which brought the Group's total ownership in Begun to 50.1% and thus obtained control over Begun.

Although the Group had an option to purchase 25% of the shares (with further option to purchase 50% of the shares) of Begun the above acquisition was not a realization of the option, as the previous purchase agreement was terminated by the new set of acquisition documents.

The Group will consolidate the results of Begun's operation from the date of acquisition, the acquisition does not result in a fundamental change to Rambler's business, nor will be there any change in the board or voting control of Rambler.

It is impracticable to provide a full disclosure required by IFRS 3 in these condensed interim consolidated accounts, as the Group is currently in the process of performing a purchase price allocation for this acquisition. The full disclosure will be provided in the Group's 2007 annual consolidated financial statements.

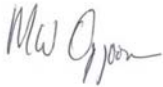
23. Seasonality

The internet advertising volume of sales is subject to certain seasonal fluctuations, the second half of the year is typically higher than the first half due to holiday seasons. For the six months ended 30 June 2006 sales volume was affected by both seasonality and growth of the market and it represented 41% of the annual sales in the year ended 31 December 2006.

Statements of directors' responsibility

The directors' confirm that this condensed set of financial statements has been prepared in accordance with IAS 34.

The directors of Rambler Media Limited are listed in Rambler Group Annual Report for 31 December 2006. A list of current directors is maintained on Rambler Media Limited website: www.ramblermedia.com.



Mark Opzoomer
CEO
18 September 2007



Arthur Akopyan
CFO

Independent review report to Rambler Media Limited

Introduction

We have been instructed by the company to review the financial information for the six months ended 30 June 2007 which comprises the consolidated interim balance sheet as at 30 June 2007 and the related consolidated interim statements of income, cash flows and changes in shareholders' equity for the six months then ended and related notes. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the AIM Rules for Companies which require that the financial information must be presented and prepared in a form consistent with that which will be adopted in the company's annual financial statements.

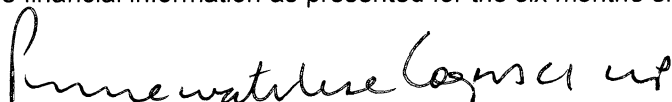
This interim report has been prepared in accordance with the International Accounting Standard 34, 'Interim financial reporting'.

Review work performed

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the International Auditing and Assurance Standards Board. A review consists principally of making enquiries of management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the disclosed accounting policies have been applied. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance. Accordingly we do not express an audit opinion on the financial information. This report, including the conclusion, has been prepared for and only for the company for the purpose of the AIM Rules for Companies and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2007.



PricewaterhouseCoopers CI LLP
Chartered Accountants
Jersey
18 September 2007