

The history of Yandex dates back to 1989, when Mr.Volozh started working on search, which led to him establishing Arkadia Company in 1990, initially combining computer linguistics and morphology and providing the foundation for Yandex's technology. In 1993, our founders created Yandex as a search tool for the Russian language. Yandex was formally established as a stand alone company in 2000.

M I L E S T O N E S

1989-1990

Yandex technology was first developed in partnership with the linguists from the Academy of Sciences as a search system for the government of the Soviet Union

1993-1994

Developers tailor the system's linguistic capabilities to the Russian language

1997

Yandex.ru website is launched

1998

The company introduces the first contextual advertisements on the Russian Internet (among the first contextual advertising in the world), and places the first contextual banner on Yandex.ru

2000

Yandex runs the first commercial ever for an Internet company on Russian TV

2000

Yandex is one of first search engines to use «parallel» search technology (search results delivered from several sources in response to one search request)

2000

Yandex news search implements proprietary Fact Extraction technology, which streamlines search results

2001

Yandex launches the «Yandex Cup» search contest

2003

Yandex became profitable

Fact sheet

Overview

We are the leading internet company in Russia, operating the most popular search engine and the most visited website. In 2010, we generated 64% of all search traffic in Russia and were the largest Russian internet company by revenue. In Q2 2011, our average monthly search share was 64.6%. In June 2011, our yandex.ru website attracted 40.5 million unique visitors. We also operate in Ukraine, Kazakhstan and Belarus. We recently launched a web portal in Turkey. Our mission is to answer any question internet users may have. To that end, we utilize our capabilities in applied mathematics and data analysis and our in-depth knowledge of the languages, cultures and preferences of internet users in our markets to develop advanced search technology and information retrieval services. We also aggregate and organize extensive local, national and international content and offer a broad range of additional services. Our search and many of our services are location-based and are available in versions tailored for mobile and other digital platforms and devices.

Benefiting from Russia's long-standing educational focus on mathematics and engineering, we have drawn upon the considerable local talent pool to create a leading technology company. For over 20 years, our founding team has been developing and optimizing search technology, which has formed the core of our business and helped Yandex become one of the best known brands in Russia. Our users are our first priority, and we are committed to advancing our technology to continuously improve their internet experience.

Our search engine uses our proprietary algorithms to provide relevant results, which we structure and present in an editorially neutral and user-friendly manner. With a focus on our principal geographic markets, our search technology allows us to provide local search results in more than 1,400 cities. We also feature "parallel" search, which presents on a single page the results from both our main web index and our specialized information resources, including news, shopping, blogs, images and videos. Our search also includes feeds from leading blog hosting and social networking sites in Russia, including LiveJournal, Vkontakte and Facebook. We offer convenient access to our search engine through personal computers, mobile phones, tablets, and navigation and other digital devices. We

Yandex is a long-time innovator in Internet technology and online business

2004

Yandex adopts «Clean Mail» concept — email free of spam, viruses and advertising. Launches its own sophisticated anti-spam feature and offers unlimited space for the user's mailbox (one of the first in the world)

2006

Yandex offers geographical targeting that allows users to limit their searches to a specific geographic region

2006

Yandex launches free, online, real-time traffic monitoring for Moscow

2005-2007

Yandex opens 4 new offices, two of them in Ukraine

2007

Yandex launches the Yandex School of Data Analysis

2007

Yandex introduces Ukrainian language support for its search engine as well as for its advertising service, Yandex.Direct

2007

Yandex launches the Yandex Local Network Program

2008

Yandex introduces search through international documents that may be of interest to the Russian-speaking audience

2009

Yandex launches music search

2009

Yandex launches MatrixNet, a new search platform using proprietary machine-learning algorithm

2010

Launch of global search on Yandex.com

2010

Yandex launches Yandex.Start — a program to help startups to develop with Yandex support, i.e., using Yandex technologies or content

2011

Yandex launches Yandex.Factory — our startup investment program

2011

Yandex goes public on the NASDAQ Global Select Market in May, 2011, under the ticker YNDX

2011

Yandex launches a web portal in Turkey

also offer a wide range of specialized search, personalized and location-based services, including Yandex.News, Yandex.Market, Yandex.Mail and Yandex.Maps.

Our homepage, which attracted 24.5 million unique visitors in June 2011, according to TNS, provides a gateway to the wealth of information available online. Users can find answers to their explicit questions through our search box, as well as their implicit questions through current news, weather and road traffic reports, TV and movie schedules, personal email and other services. Our homepage can easily be customized by users to address their individual interests.

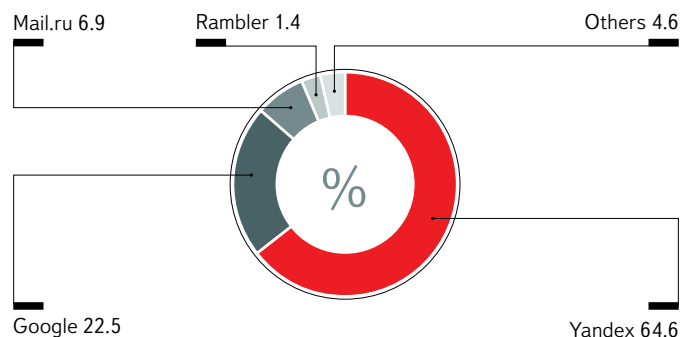
We derive substantially all of our revenues from online advertising. We enable advertisers to deliver targeted, cost-effective ads that are relevant to our users' needs, interests and locations. Most of our revenues are derived from text-based advertising, which uses keywords selected by our advertisers to deliver ads based on a particular user query, the content of a website or webpage being viewed, or user behavior or characteristics. We derive a smaller portion of our revenues from display advertising, which principally consists of graphical ads that appear on specific webpages. Our ads are clearly marked and separate from our organic search results and from the content of the webpages on which they may also appear. We do not serve intrusive ads, such as "pop-ups," that might detract from our users' experience.

In addition to serving ads on our own search results and other webpages, we deliver ads to the thousands of third-party websites that make up our Yandex ad network. Through our ad network, we generate revenue for both our network partners and us and extend the audience reach of our advertisers. Our Yandex.Direct service, the largest automated, auction-based system for the placement of text-based advertising in Russia, makes it easy for advertisers to bid for desired keywords and to obtain the best price for their ads. We served ads for more than 144,000 advertisers in the second quarter of 2011 compared with 103,000 in the second quarter of 2010; 180,000 advertisers in the full year 2010 and 131,000 in the full year 2009, including many small and medium-sized businesses throughout Russia and the other countries in which we operate.

Yandex — the leading internet company in Russia, operating the most popular search engine and the most visited website

Market Share

SEARCH ENGINE TRAFFIC GENERATION IN RUSSIA



MARKET SHARE DATA IS MEASURED BY INDEPENDENT SOURCE (LIVEINTERNET.RU) AND SHOWS THE PERCENTAGE OF RUSSIAN USERS COMING TO RUSSIAN SITES VIA SEARCH ENGINES IN Q2 2011.

Select Services

Yandex.News	Local, national and international news
Yandex.Market	Comparison shopping resource
Yandex.Traffic	Real time traffic monitoring system
Yandex.Fotki	Free photo hosting
Yandex.Images	Image search
Yandex.Video	Video search
Metrica	Advertising analysis tool
Yandex.Money	Online payment system
Spamoborona	Spam protection system
Narod	Free website hosting

Organization

We currently lease a total of approximately 18,000 square meters in a single location in central Moscow that serves as our group headquarters. We also lease office space in the following Russian cities: St. Petersburg, Ekaterinburg, Kazan, Novosibirsk and Rostov-on-Don. In Ukraine, we lease offices in Kiev, Odessa and Simferopol. We also have an office in Palo Alto, California. As of June 30, 2011, we had over 3,000 full-time employees.

Yandex offices

RUSSIA: Moscow, St. Petersburg, Rostov-on-Don, Ekaterinburg, Kazan, Novosibirsk
 UKRAINE: Kiev, Odessa, Simferopol
 USA: Palo Alto
 TURKEY: Istanbul



Management Team

Arkady Volozh	Principal founder and Chief Executive Officer
Ilya Segalovich	Co-founder and Chief Technology Officer
Alexander Shulgin	Chief Financial Officer
Dmitry Barsukov	Head of Corporate Finance
Elena Kolmanovskaya	Co-founder and Chief Editor
Alexei Tretiakov	Chief Sales Officer
Max Kiselev	Business Development Officer
Dmitry Ivanov	Chief Product Officer
Mikhail Fadeev	Co-founder and Chief System Operations Officer
Alexey Mazurov	Chief Development Officer
Ekaterina Fadeeva	Chief Legal Officer
Anya Barski	CEO of Yandex Labs and VP of Engineering Yandex
Arkady Borkovsky	CTO of Yandex Labs