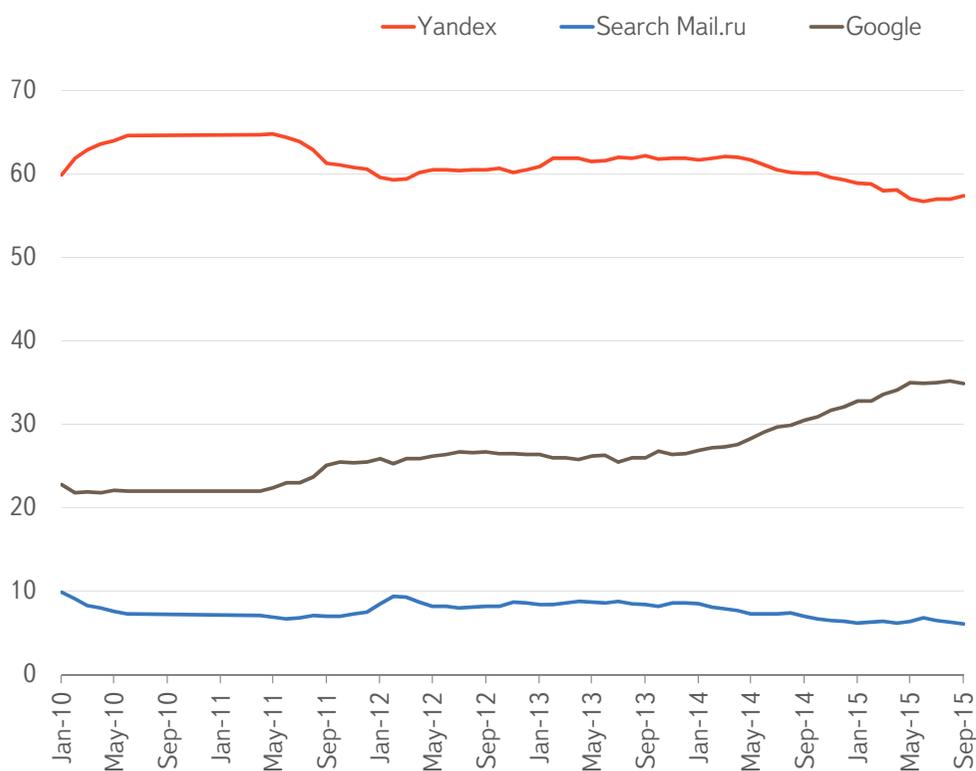**Yandex**

Quarterly Supplementary Materials

October 27, 2015

Share of the Russian Search Market

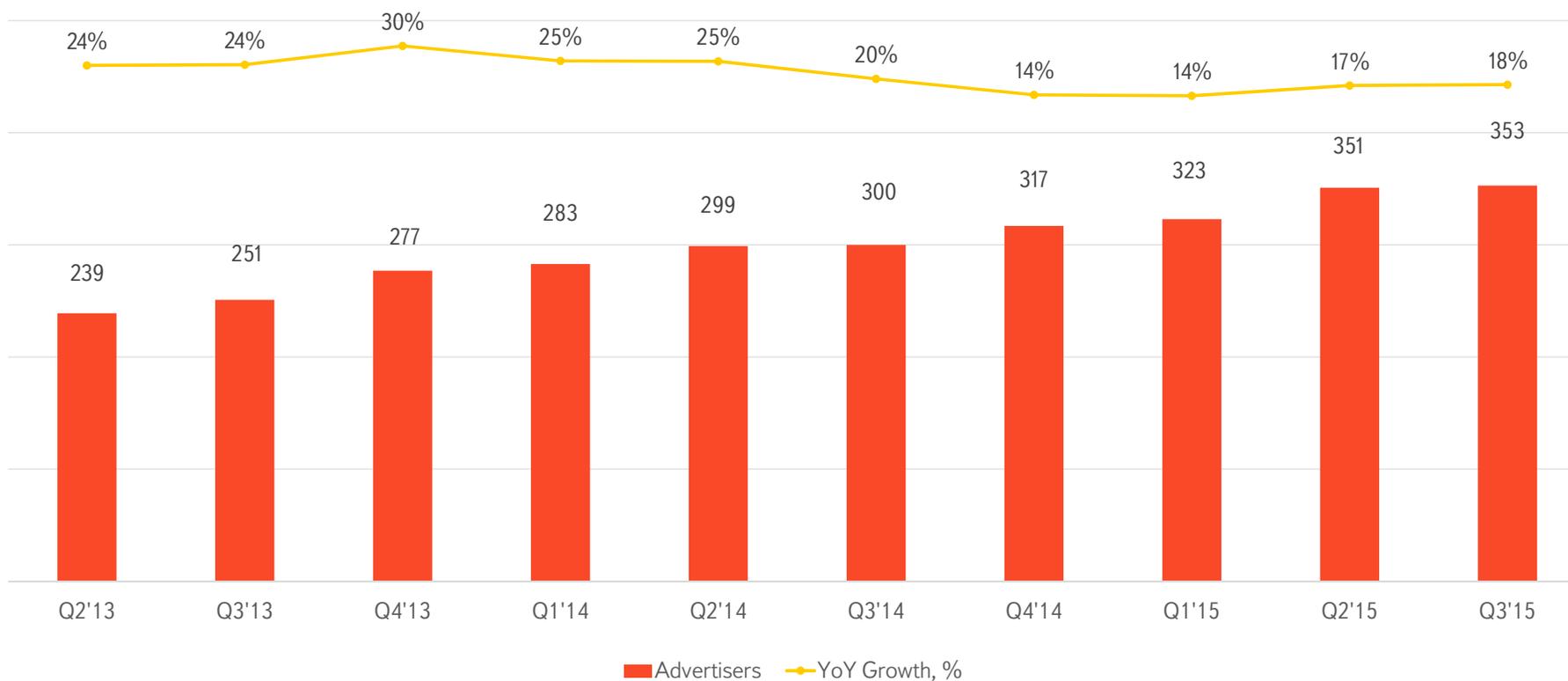## RUSSIAN SEARCH MARKET, %

AVERAGE SEARCH SHARE PER QUARTER, %

	Yandex	Google	Mail.ru
Q1'12	59.4	25.7	9.1
Q2'12	60.4	26.2	8.4
Q3'12	60.5	26.7	8.1
Q4'12	60.5	26.5	8.5
Q1'13	61.6	26.1	8.5
Q2'13	61.7	26.1	8.7
Q3'13	62.0	25.8	8.6
Q4'13	61.9	26.6	8.5
Q1'14	61.9	27.1	8.2
Q2'14	61.6	28.3	7.4
Q3'14	60.3	30.0	7.2
Q4'14	59.7	31.6	6.5
Q1'15	58.6	33.1	6.3
Q2'15	57.3	34.7	6.5
Q3'15	57.1	35.0	6.3

Source: LiveInternet.ru (through Sep 30, 2015). Search traffic reflects Russian users to Russian websites. Includes mobile searches
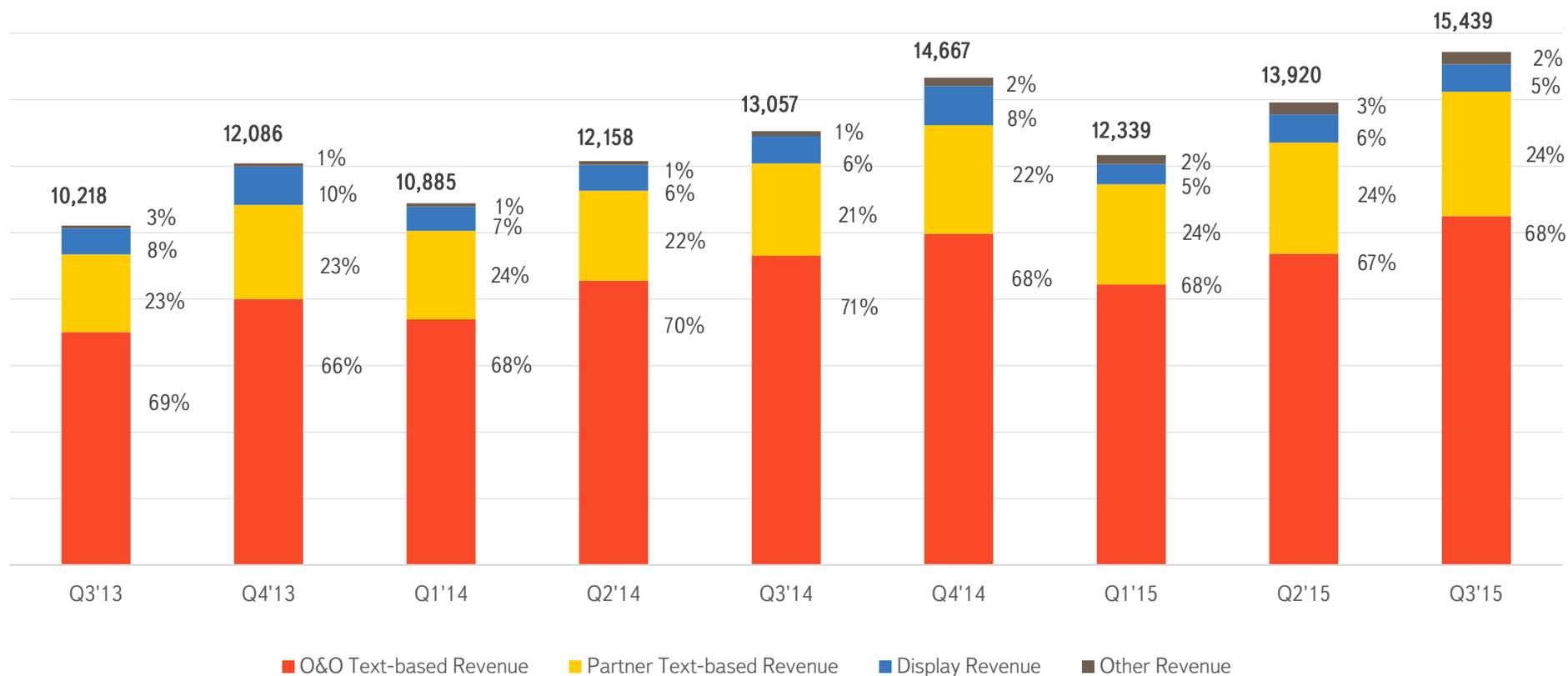
Advertisers

NUMBER OF ADVERTISERS, IN THOUSANDS

Revenue Structure

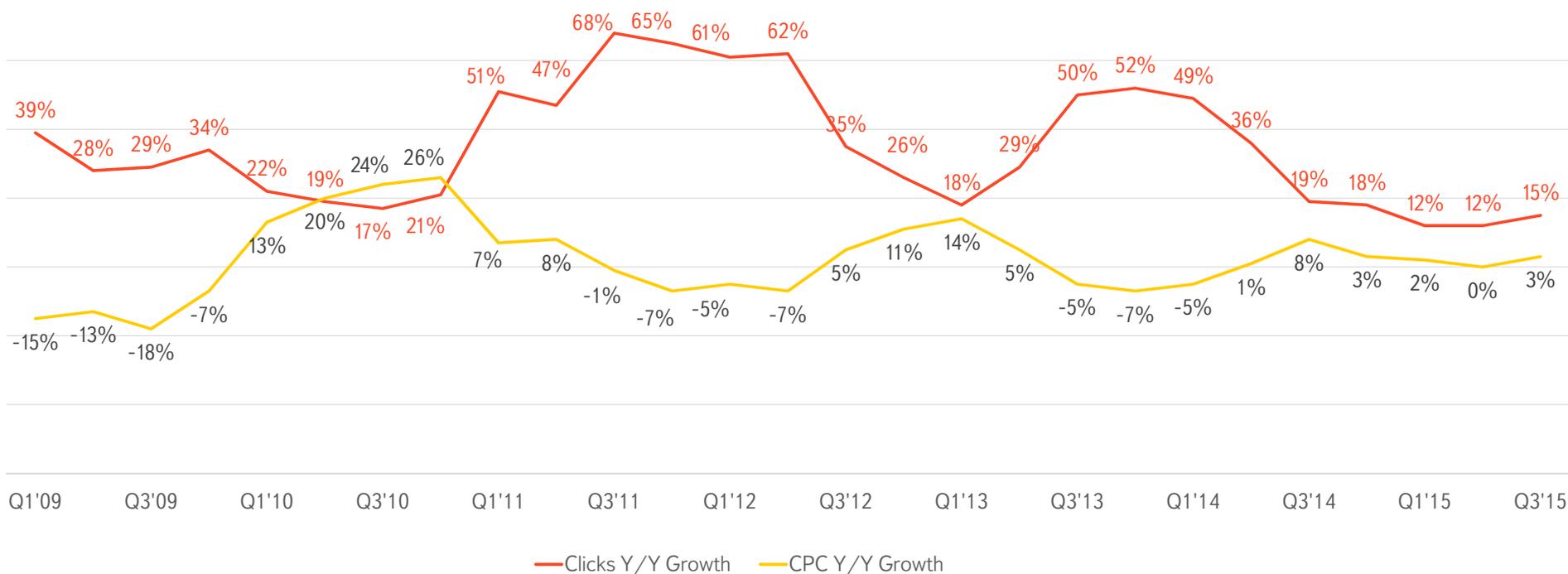**YANDEX REVENUE[1] BREAKDOWN[2], MM RUB, %**

	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15
Total	10,218	12,086	10,885	12,158	13,057	14,667	12,339	13,920	15,439
Other Revenue	3%	1%	1%	1%	1%	2%	2%	3%	2%
Display Revenue	8%	10%	7%	6%	6%	8%	5%	6%	5%
Partner Text-based Revenue	23%	23%	24%	22%	21%	22%	24%	24%	24%
O&O Text-based Revenue	69%	66%	68%	70%	71%	68%	68%	67%	68%

Legend: ■ O&O Text-based Revenue   ■ Partner Text-based Revenue   ■ Display Revenue   ■ Other Revenue

Operational Metrix

GROWTH IN PAID CLICKS AND CPC, %

Clicks Y/Y Growth — CPC Y/Y Growth

5

Traffic Acquisition Costs

TAC BREAKDOWN, MM RUB

Distribution TAC   Partner TAC   Total TAC as % of Revenue
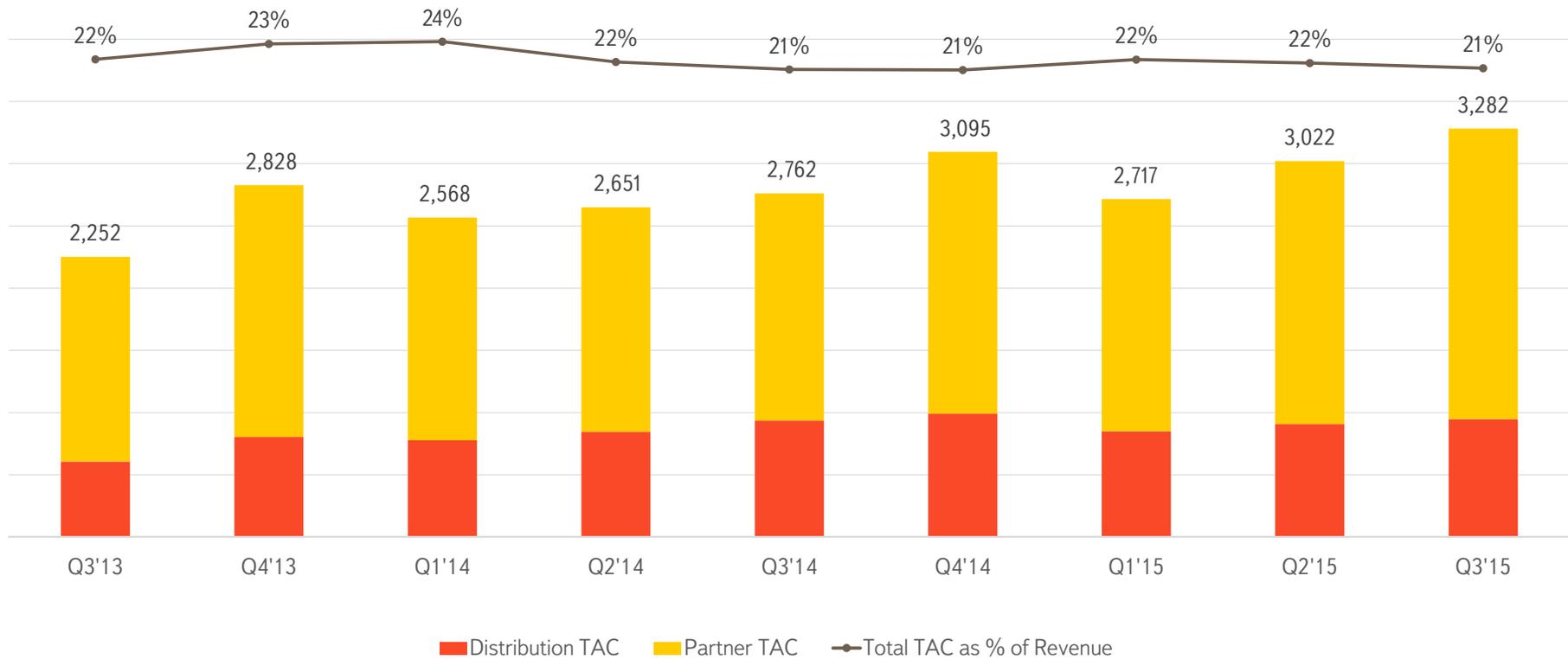
Traffic Acquisition Costs

PARTNER TAC AS % OF PARTNER REVENUE[1], MM RUB, %

Legend: Partner TAC · as % of Partner Revenue

	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15
as % of Partner Revenue	70.3%	71.5%	67.2%	66.7%	65.8%	64.3%	61.9%	63.8%	62.4%
Partner TAC	1,644	2,023	1,789	1,804	1,825	2,102	1,866	2,133	2,333

DISTRIBUTION TAC AS % OF O&O TEXT-BASED REVENUE, MM RUB, %

Legend: Distribution TAC · as % of O&O Text-based Revenue

	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15
as % of O&O Text-based Revenue	8.7%	10.1%	10.5%	9.9%	10.1%	10.0%	10.1%	9.7%	9.0%
Distribution TAC	608	805	779	847	937	993	851	909	949
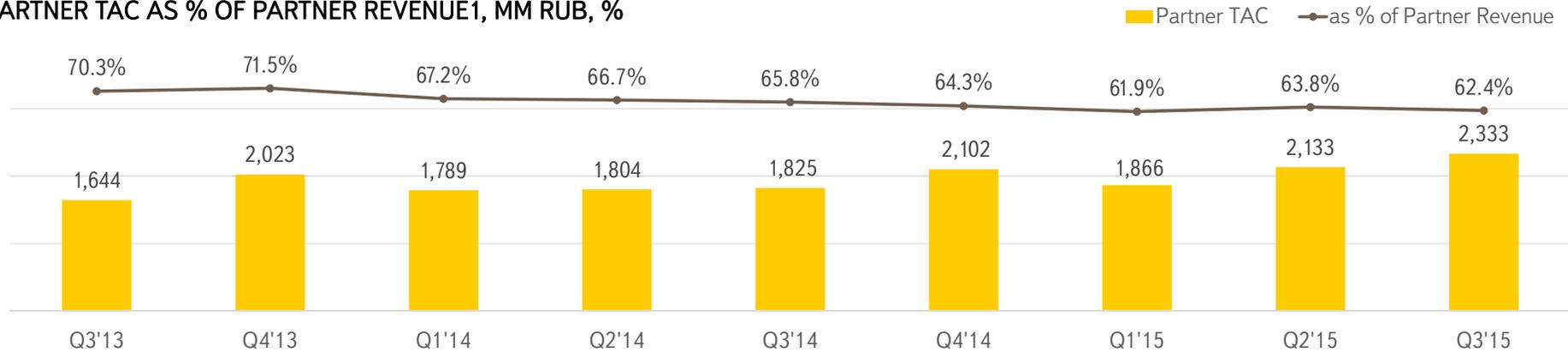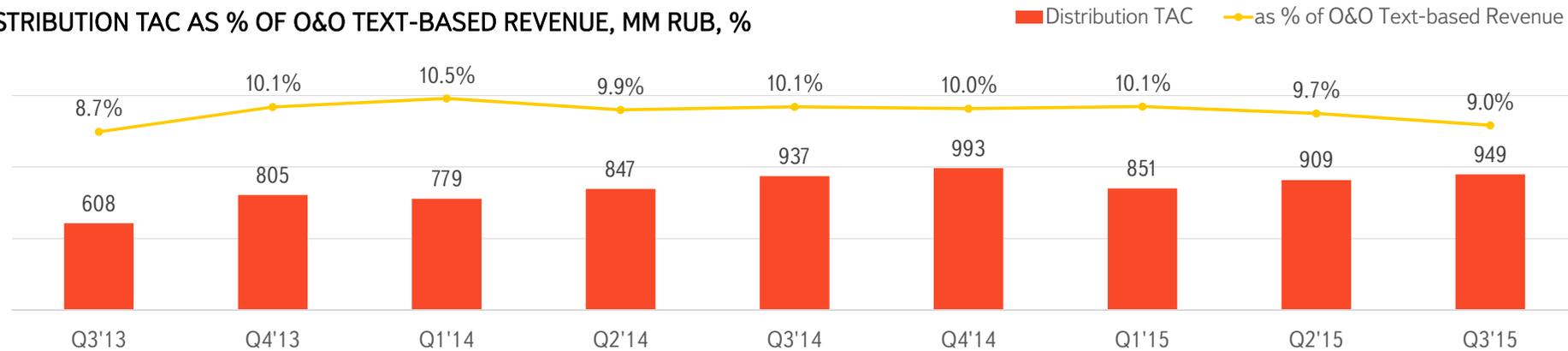
[1] Partner revenue refers to text-based partner revenue

Headcount by Cost Category and Personnel Cost Evolution

HEADCOUNT[1] BY GAAP COST CATEGORY[2]
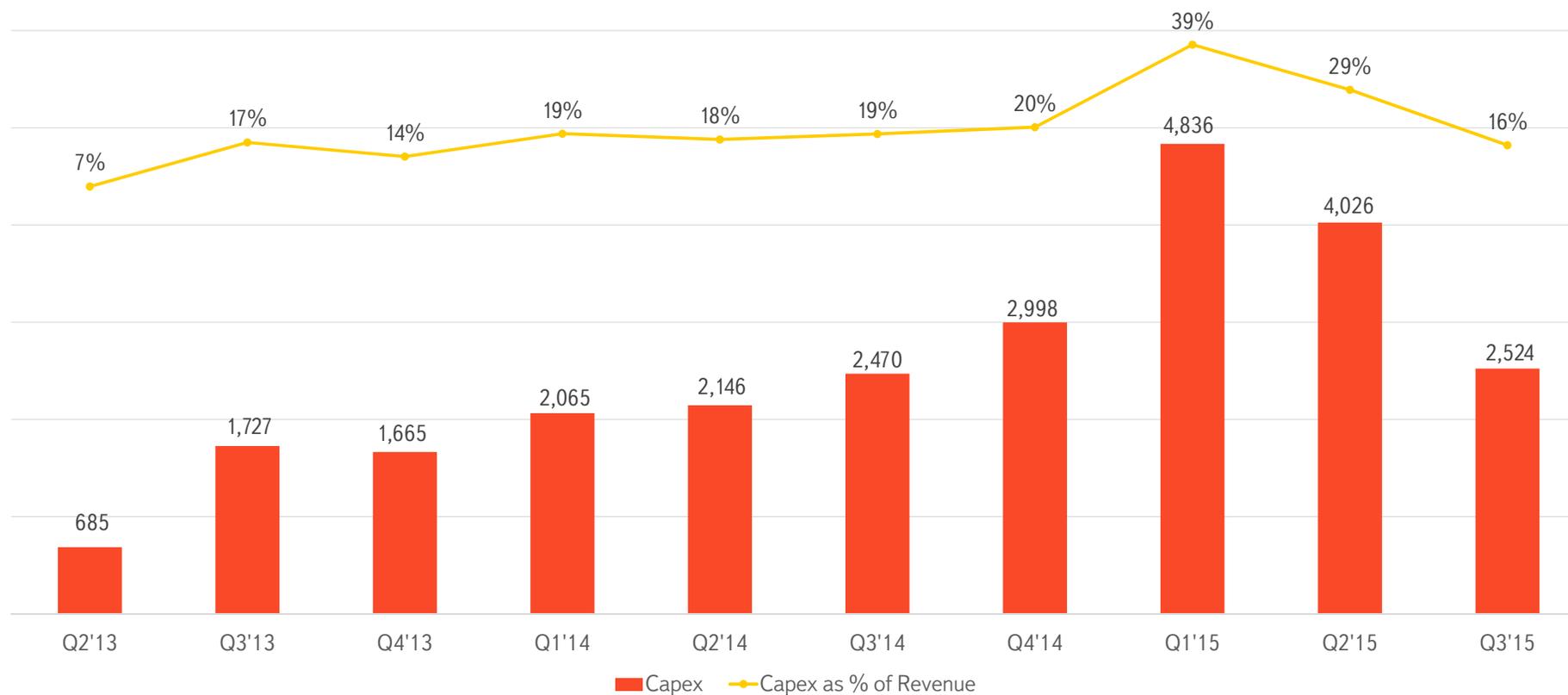

Cost of Sales   Product Development   SG&A   Personnel costs as % of Revenue
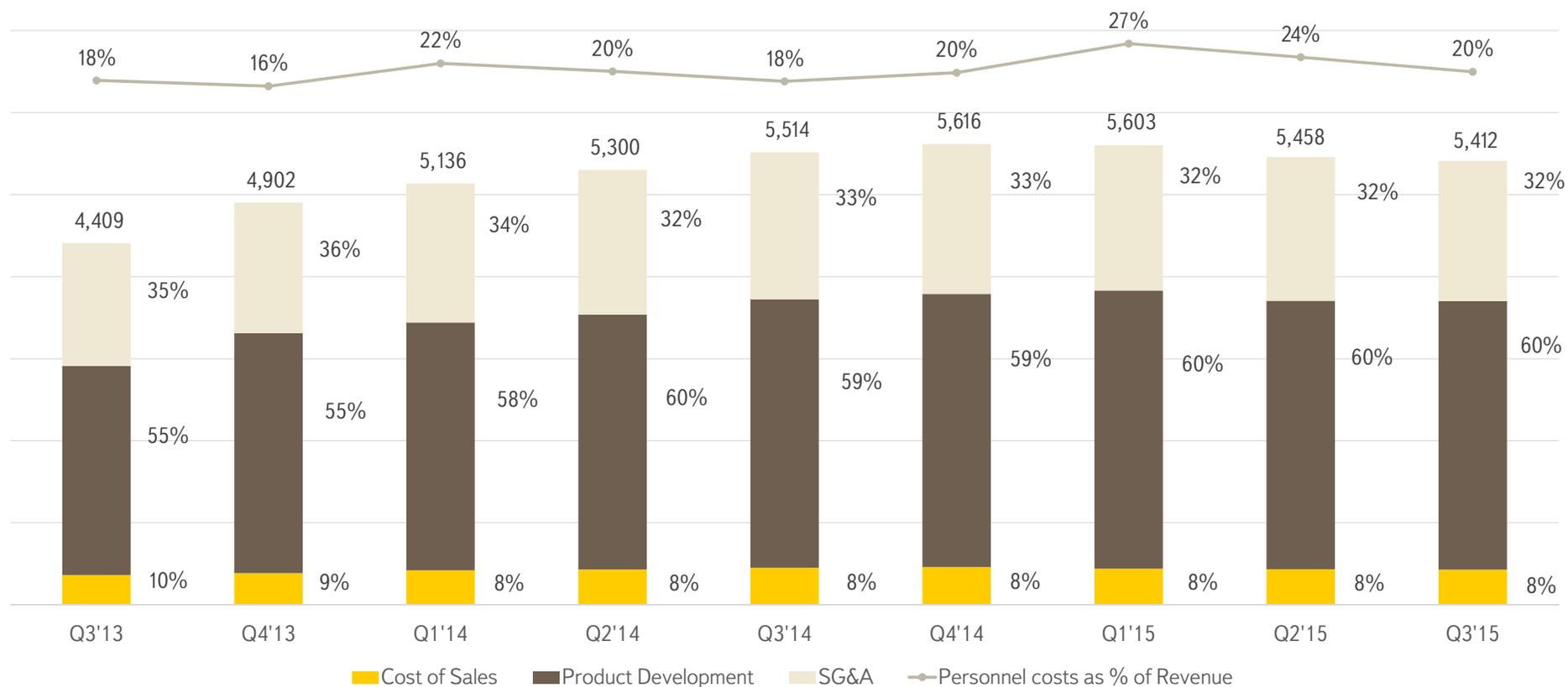
[1] As of the end of the period
[2] Items may not total 100% due to rounding

Capex, MM RUB[1]

	Q2'13	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15
Capex	685	1,727	1,665	2,065	2,146	2,470	2,998	4,836	4,026	2,524
Capex as % of Revenue	7%	17%	14%	19%	18%	19%	20%	39%	29%	16%

■ Capex ── Capex as % of Revenue

[1] Figures have been restated to exclude Yandex.Money capex for all periods.
   Capex as % of Revenue excludes Yandex.Money from numerator and denominator

Costs, MM RUB

	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15
Cost of Sales (COS)											
TAC	1,305	1,465	2,252	2,810	2,568	2,651	2,762	3,095	2,717	3,022	3,282
COS ex-SBC, ex-TAC	660	681	659	713	745	753	782	880	953	919	995
SBC related to COS	11	12	20	18	19	23	26	32	43	41	41
Total Cost of Sales	**1,976**	**2,158**	**2,931**	**3,541**	**3,332**	**3,427**	**3,570**	**4,007**	**3,713**	**3,982**	**4,318**
Total COS as % of Revenue	*25%*	*23%*	*29%*	*29%*	*31%*	*28%*	*27%*	*27%*	*30%*	*29%*	*28%*
Product Development (PD)											
PD ex-SBC	1,246	1,290	1,333	1,523	1,834	1,914	1,895	2,419	2,968	2,905	2,711
SBC related to PD	82	91	134	128	170	165	191	254	379	395	457
Total PD	**1,328**	**1,381**	**1,467**	**1,651**	**2,004**	**2,079**	**2,086**	**2,673**	**3,347**	**3,300**	**3,168**
PD as % of Revenue	*17%*	*15%*	*14%*	*14%*	*18%*	*17%*	*16%*	*18%*	*27%*	*24%*	*21%*
SG&A											
SG&A expense ex-SBC	1,305	1,482	1,586	1,906	1,696	1,818	1,726	2,213	2,165	2,410	2,445
SBC related to SG&A	58	48	75	77	66	87	85	90	138	158	173
Total SG&A	**1,363**	**1,530**	**1,661**	**1,983**	**1,762**	**1,905**	**1,811**	**2,303**	**2,303**	**2,568**	**2,618**
SG&A as % fo Revenue	*17%*	*17%*	*16%*	*16%*	*16%*	*16%*	*14%*	*16%*	*19%*	*18%*	*17%*
Depreciation & Amortization (D&A)	**879**	**912**	**914**	**990**	**1,069**	**1,114**	**1,095**	**1,206**	**1,490**	**1,874**	**2,152**
D&A as % of Revenue	*11%*	*10%*	*9%*	*8%*	*10%*	*9%*	*8%*	*8%*	*12%*	*13%*	*14%*
Total Costs	**5,546**	**5,981**	**6,973**	**8,165**	**8,167**	**8,526**	**8,561**	**10,189**	**10,853**	**11,724**	**12,256**
Total Costs as % of Revenue	*69%*	*65%*	*68%*	*68%*	*75%*	*70%*	*66%*	*69%*	*88%*	*84%*	*79%*

Items may not total 100% due to rounding