



FOR IMMEDIATE RELEASE

26 August 2009

**RAMBLER MEDIA LIMITED
CONDENSED CONSOLIDATED UNAUDITED INTERIM RESULTS
FOR THE 6 MONTHS ENDED 30 JUNE 2009**

Rambler Media Limited (RMG.LN), ("Rambler" or the "Group"), operating one of Russia's most popular internet brands, today announces its condensed consolidated unaudited financial results in accordance with International Financial Reporting Standards (IFRS) for the six months ended 30 June 2009.

FINANCIAL HIGHLIGHTS*

- Consolidated total revenue down 18% year-on-year to RUR* 1,019 million (US\$ 30.8 million) (H1 2008, RUR 1,236 million / US\$ 51.7 million) due to macroeconomic turmoil and weak advertising demand in the period
- Full year revenue projections down around 15% from 2008 revenue in Roubles
- Consolidated display / banner advertising revenue down 12% to RUR 432 million (US\$ 13.1 million) (H1 2008, RUR 490 million / US\$ 20.5 million)
- Consolidated contextual revenue down 24% to RUR 419 million (US\$12.7 million) (H1 2008, RUR 554 million / US\$ 23.2 million)
- Consolidated listings revenue down 15% to RUR 60 million (US\$1.8 million) (H1 2008, RUR 71 million / US\$ 2.9 million)
- Consolidated EBITDA down 60% to RUR 85 million (US\$ 2.6 million) (H1 2008, RUR 214 million / US\$ 8.9 million) with an EBITDA margin of 8.4% (H1 2008, 17.3%) due to adverse macroeconomic conditions since Q4 2008 and including one-off provisions for legal claims for RUR 19 million
- Consolidated net loss after interest and tax of RUR 68 million (US\$ 2.1 million) (H1 2008, RUR 11 million loss / US\$ 0.5 million loss) including a RUR 70 mln amortization charge due the reclassification of Begun (no longer classified as an asset held for sale)
- CAPEX was RUR 19 million (US\$ 0.6 million) (H1 2008, RUR 65 million / US\$ 2.7 million)
- Strong balance sheet with cash position of RUR 772 million (US\$ 24.7 million) and zero debt as at 30 June 2009. RUR 160 mln cash out in H1 due to payments for 2007-2008 expenses (sales and marketing and legal costs associated with Google deal)

* To align the reporting currency with the predominant functional currency of the Group and simplify comparative performance analysis, the Group has decided to report both in Russian rouble and in US dollar. The USD/RUR exchange rate at the end of June 2009 was 31.29 and the average rate for the first half of 2009 was 33.07, the USD/RUR exchange rate at the end of June 2008 was 23.46 and the average rate for the first half of 2008 was 23.94.

Olga Turischeva, Chief Executive Officer of Rambler Media, commented:

“During the first half of 2009, the operating environment was particularly challenging for Rambler due to low business confidence, decreasing GDP and production in Russia and a prevailing lack of visibility which limited advertising spend across all sectors, as was the case in the last recession of 1998. While we are seeing early signs of stabilisation in the economy, including the stabilisation of the USD/RUR exchange rate, a recovery in the oil price and a rebound in the stock markets, we remain cautious on the outlook for the rest of the year and we now expect our full year revenue to be down around 15% year-on-year in 2009 in Rouble terms.

“Despite unfavourable market conditions, the internet continues to offer the strongest growth opportunities in the media sector. Online advertising has proven to be an extremely efficient way to reach Russian consumers offering a targeted and interactive approach. As a top internet brand in Russia, Rambler will continue to benefit from the growing internet penetration among Russian consumers, prolonged time spent online and greater overall involvement in internet activities. The traditional mix of media consumption is tangibly shifting towards the internet and thus the media mix in advertising campaigns is changing in favour of online advertising.

“Since joining Rambler in April, my objective has been to secure profitable growth for the group by revising our offering in the Russian internet landscape in order to increase our share of user reach and capture more advertising revenue. Our focus is to reverse the recent negative trends that have affected Rambler. What is obvious is that we need to reconsider the balance of our product portfolio, bearing in mind the needs of more active users spending increasingly more time online. Reallocating more effort to such services as communications and navigation is crucial. It is the key need of every online user and forms the core of our strategy to create an active and loyal audience. Although we remain committed to containing costs during this tough environment, I believe that we also need to continue to invest in innovation and to encourage new ideas and new projects that will attract new users to Rambler. My long term vision is to transform Rambler into an incubator of ideas and start ups – and our strong financial position means that we are well prepared to implement this strategy even in tough macroeconomic conditions. We intend to attract more talented young people to Rambler, and a new team is being formed now through which we plan to reinvigorate our corporate culture and revive our market leadership.”

Rambler User Statistics

- 16.2 million new monthly unique users at Rambler (June '09 vs. '08, Rambler statistics). Rambler reaching 51% monthly Runet users according to TNS
- 3.1 billion monthly page views on average in H1 2009, up 17% year-on-year (2.96 billion in June 2009 vs. 2.45 billion in June 2008 representing a 10% increase).
- Total search queries amounted to 1.15 billion in H1 2009
- 60.8 million registered email accounts

Russian Internet / Advertising Market

- Russian internet penetration up 15% year-on-year in H1 2009 to 37.5 million users. Internet penetration of 33%, still far behind mature markets (source: Public Opinion Foundation).
- Russian advertising forecast to be down as much as 24% year-on-year in 2009 to RUR 202 million (2008, RUB 267 million) (source: ZenithOptimedia).
- Demand in internet advertising forecast to be the most resilient of all media segments (growth of 0 to 12% in 2009 according to Zenith Optimedia) demonstrating that internet offers the strongest opportunities for growth in the media sector.
- Media mix changing in favor of online: 5.8% of ad market in '08 vs 7.5% expected in '09

FINANCIAL SUMMARY

	RUR million		USD '000s		RUR million	USD '000s
	Jan – Jun 2009	Jan – Jun 2008	Jan – Jun 2009	Jan – Jun 2008	Jan – Dec 2008	Jan – Dec 2008
Group Revenue	1,019	1,236	30,812	51,704	2,737	110,033
<i>Rambler Media excl. Begun</i>	723	846	21,870	35,409	1,939	77,948
<i>Begun's partner network</i>	296	390	8,942	16,295	798	32,085
Investment income	-	-	-	-	3	106
Total revenue and investment income	1,019	1,236	30,812	51,704	2,740	110,139
EBITDA*	85	214	2,574	8,931	402	16,150
<i>EBITDA margin**</i>	8.4 %	17.3%	8.4%	17.3%	14.7%	14.7%
Operating (loss) / profit	(98)	(23)	(2,975)	(969)	95	3,804
Net (loss) / profit attributable to equity holders of the Group	(23)	18	(689)	756	77	3,570
(Loss) / earnings per share from continuing operations – basic (RUR/US\$ per share)	(1.49)	1.17	(0.045)	0.049	5.00	0.232
(Loss) / earnings per share from continuing operations – diluted (RUR/US\$ per share)	(1.49)	1.17	(0.045)	0.049	5.00	0.232

* Earnings before interest, tax, depreciation and amortisation

** Total EBITDA divided by total revenue.

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.

OTHER INFORMATION

The Group will host a conference call to present the results at 1 pm London Time (4 pm Moscow Time) today (26 August 2009).

To participate in the conference call, please register online at:
www.sharedvalue.net/ramblermedia/hy2009

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 an internet media and services group which operates or has interests in leading Russian language internet brands including the Russian open portal 'Rambler.ru', on-line newspaper 'Lenta.ru', product comparison website 'Price.ru', internet catalogue and navigation system 'Top 100' 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.



**Rambler Media Limited,
Condensed consolidated Unaudited half-yearly financial information,
30 June 2009**

Contents

	Page
Interim management report	6
Balance sheet	12
Statement of comprehensive income	13
Statement of changes in equity	14
Cash flow statement	16
Notes to financial information	17
Statement of directors' responsibilities	32

Interim management report

Rambler Media is an internet media and services group which operates or has interests in leading Russian language internet brands including the Russian open portal 'Rambler.ru', on-line newspaper 'Lenta.ru', product comparison website 'Price.ru', internet catalogue and navigation system 'Top 100' 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. Highlights*

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- Full year revenue 2009 projections down around 15% from 2008 revenue in roubles
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- Consolidated net loss after interest and tax of RUR 68 million (US\$ 2.1 million) (H1 2008, RUR 11 million loss / US\$ 0.5 million loss)
- CAPEX was RUR 19 million (US\$ 0.6 million) (H1 2008, RUR 65 million / US\$ 2.7 million)
- Strong balance sheet with cash position of US\$ 24.7 million and zero debt at 30 June 2009

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2. Key Statistics

Rambler User Statistics

- 51.5 million unique monthly visitors to Rambler.ru on average in the period, up 38% year-on-year (H1 2008, 37.3 million). In June 2009, Rambler reached 50.7 million unique users vs. 34.5 million in June 2008, representing 47% growth.
- 3.1 billion monthly page views on average in H1 2009, up 17% year-on-year (2.96 billion in June 2009 vs. 2.45 billion in June 2008 representing a 10% increase).
- Total search queries amounted to 1.15 billion in H1 2009
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Russian Internet / Advertising Market

- Russian internet penetration up 15% year-on-year in the first six months of 2009 to 37.5 million internet users in Russia compared to 32.7 million in the same period last year (source: The Public Opinion Foundation).
- Russian advertising forecast to be down as much as 24% year-on-year in 2009 to RUB 202 million (2008, RUB 267 million) (source: ZenithOptimedia).
- Demand in internet advertising forecast to be the most resilient of all media segments (growth of 0 to 12% in 2009 according to Zenith Optimedia) demonstrating that internet offers the strongest opportunities for growth in the media sector.

3. Performance

3.1. Financial Summary

	RUR million		USD '000s		RUR million	USD '000s
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* Earnings before interest, tax, depreciation and amortisation

** Total EBITDA divided by total revenue.

3.2. Half year review and outlook

The noticeable slowdown in global advertising spend across all sectors that has been observed in Russia since the fourth quarter of 2008 has prevailed during the first half of 2009. Despite some visible positive trends, such as the stabilisation of the stock markets and of the RUR/USD exchange rate as well as rising oil prices, the global economic situation remains uncertain. The Russian advertising market is forecast to decline by as much as 24% in 2009 (source: ZenithOptimedia, July 2009) halting the significant growth experienced in the market in recent years.

The Group estimates that demand in internet advertising will be the most resilient of all media segments, particularly in Russia where the number of internet users and the time they spend online continue to grow while penetration is still relatively low. Nonetheless, weak market conditions will have an impact on Rambler's operations and are likely to result in lower advertising revenue in 2009 than in 2008. As a result, the Directors of Rambler now estimate that 2009 revenue will be 15% down from 2008 revenue in rouble terms.

The Company is continuing to focus on optimizing costs to limit the impact of the current economic climate on Rambler's profitability. At the same time and with a new management in place, the Group is implementing strategic actions intended to accelerate its growth and improve its brands' appeal with the rising Russian internet audience. In April 2009, Ms. Olga Turischeva was appointed as Rambler's new Chief Executive Officer. Under her leadership, Rambler has undergone a review of its operations, from which new priorities have emerged including the need for the Company to re-evaluate its product offering and invest in key products, especially in the segments of navigation (search and catalogues) and communications (mail, messaging), and restructure its sales partnerships in an effort to increase revenues.

In the first half of 2009, Rambler continued to offer new products such as MyRambler and Mobile Rambler based on Netvibes' technology. Moreover, Rambler has recently announced a totally new communication platform called 'Virtus', introduced an updated e-mail service and some innovations in search. All of these developments contributed to make Rambler's websites some of the most frequently used in the Russian speaking community with over 51 million unique monthly users visiting Rambler.ru on average in the first six months of 2009.

3.2.1 Revenue

Although Rambler operates primarily in Russian roubles, the Group has, until now, been reporting exclusively in US dollars. Faced with the depreciation of the Russian currency and in order to provide followers with a clearer picture of Rambler's underlying performance, the Group will, from now on, be providing comparable data in Russian roubles.

The volume of sales for internet advertising is subject to certain seasonal fluctuations, and the first half of the year is typically lower than the second half due to holiday seasons.

Group revenues for the six months to 30 June 2009 were down 18% year-on-year to RUR 1,019 million (H1 2008, RUR 1,236 million), including RUR 296 million (H1 2008, RUR 390 million) from Begun's partner network. Begun partner network revenue is part of consolidated contextual revenue.

Group sales have suffered from the economic turmoil but also from increasing competition in the Russian internet landscape. This is due to a combination of factors such as the emergence of social networks and growing internet penetration resulting in the abundance of traffic on websites opposed to the shrinking marketing budgets which made competition even tougher.

Display / banner advertising revenue was down 12% to RUR 432 million (H1 2008, RUR 490 million), and represented 42% of the Group's total revenue (40% in H1 2008). Most of display advertising on Rambler's pages is sold through Video International Group's IMHO VI.

Contextual revenue, generated through the sale of search-related or text-based advertising on Rambler's and Begun's partner sites, was down 24% to RUR 419 million in H1 2009 (H1 2008, RUR 554 million), and represented 41% of the Group's total revenue (45% in H1 2008).

Other revenues attributable mainly to listing fees (Price comparison) and user generated payments such as mobile revenues (SMS) amounted to RUR 168 million (H1 2008, RUR 192 million), and represented 17% of the Group's total revenue (16% in H1 2008).

3.2.2. EBITDA

During the first half of 2009, the Group's consolidated EBITDA was down as a result of the prevailing weak market conditions and amounted to RUR 85 million (H1 2008, RUR 214 million).

The slowdown in sales activity halted the progress that the company had made in 2008. Rambler introduced a cost reduction programme in Q4 2008 and Q1 2009, which translated into higher restructuring costs but is intended to deliver benefits in the full year 2009.

3.2.3. Operating Expenses

The Group's operating expenses (including depreciation, amortisation and tax related provisions) reached RUR 1,121 million in H1 2009, slightly lower than a year ago (H1 2008, RUR 1,143 million), demonstrating that the Group was able to operate efficiently and responsibly.

Direct costs, including commissions, content, traffic acquisition costs, data centre costs and user generated payment costs have been reduced from RUR 428 million in H1 2008 to RUR 417 million in H1 2009. Commissions on banner sales are down from RUR 72 million in H1 2008 to RUR 68 million in H1 2009.

In H1 2009, the Group's labour costs continued to stabilise and account for 31% of total operating expenses and 34% of total revenues, compared to 32% and 30% respectively in H1 2008. Labour costs are down 5% to RUR 346 million (H1 2008, RUR 365 million).

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. In H1 2009, the provision for potential tax-related charges amounted to approximately RUR 36 million (H1 2008, RUR 39 million).

Legal and professional fees went from RUR 31 million in H1 2008 to RUR 75 million in H1 2009.

The Group's amortisation expense went up by 84% from RUR 74 million in H1 2008 to RUR 136 million in H1 2009 and the Group's depreciation expense increased to RUR 47 million (H1 2008, RUR 40 million) due to reclassification of Begun from asset held for sale.

The Group's consolidated net loss from continuing operations after interest and tax was RUR 68 million in H1 2009 (H1 2008, RUR 11 million net loss).

The Group's basic loss per share from continuing operations in H1 2009 is US\$ 0.045 (H1 2008, earnings of US\$ 0.049).

3.2.4. Operating profit

The Group is reporting an operating loss of RUR 98 million in H1 2009 (H1 2008, RUR 23 million loss).

4. Cash position

The Group ended the period with cash balances of US\$ 24.7 million (31 December 2008, US\$29.0 million including US\$4.1 in Begun classified as asset held for sale). The Group has no debt obligations.

5. Management and Board Changes

In the first half of 2009, Mark Opzoomer announced his decision to step down from his role as Chief Executive Officer and Executive Director. The Board recognised the need to review its structure and decision making processes in order to reshape and adapt them to new fast changing realities in Russia. As a result, in March 2009, Rambler announced significant changes

to its board, which are detailed in the 2008 annual report. Julia Solovieva was appointed as Rambler's new Chairperson to succeed Robert Brown, and two new non-Executive independent Directors, Arthur Markaryan and Denis Frolov were appointed to succeed Nick Hynes and Ilya Oskolkov-Tsentsiper. Olga Turischeva was appointed as Rambler's new Chief Executive Officer and Executive Director on the Board from 16 April 2009. Nikita Serguienko stepped down from his position as Chief Financial Officer and Board Director on 21 May 2009.

6. 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 on 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.

Business risks

The Group's business risk is difficult to evaluate because the Group has a limited operating history in an emerging and rapidly evolving market. The Group derives nearly all of its net revenue from online advertising, which is a relatively new advertising medium. The Group's ability to succeed in this market may be restrained by limited resources, expenses, risks, and complications frequently encountered by similar companies in emerging and changing markets. To address these risks, the Group must, amongst other things:

- maintain and increase the size of its audience;
- maintain and increase its advertisers' base;
- implement and successfully execute its business and marketing strategy;
- continue to develop and upgrade its technology;
- continually update and improve its service offerings and features;
- find and integrate strategic transactions;
- respond to industry and competitive developments; and
- attract, retain, and motivate qualified personnel.

The Group may not be successful in addressing these risks, particularly as some of them are largely beyond its control. If the Group is unable to do so, its business, financial condition, and results of operations would be materially and adversely affected.

Directors believe in the long-term prospects of the internet and the advertising market in Russia. The underlying dynamics of more Russian consumers coming online and online users continuing to increase their media consumption via the internet, is set to continue.

Impact of the ongoing global financial and economic crisis. The ongoing global financial and economic crisis that emerged out of the severe reduction in global liquidity which commenced in the middle of 2007 (often referred to as the "Credit Crunch") has resulted in, among other things, a lower level of capital market funding, lower liquidity levels across the banking sector, and, at times, higher interbank lending rates and very high volatility in stock markets. The uncertainties in the global financial markets have also led to failures of banks and other corporates and to bank rescues in the United States of America, Western Europe, Russia and elsewhere. The full extent of the impact of the ongoing global financial and economic crisis is proving to be difficult to anticipate or completely guard against.

Debtors of the Group may be adversely affected by the financial and economic environment, which could in turn impact their ability to repay the amounts owed. Deteriorating economic conditions for customers may also have an impact on management's cash flow forecasts and assessment of the impairment of financial and non-financial assets. To the extent that information is available, management has properly reflected revised estimates of expected future cash flows in its impairment assessments.

7. Forward-Looking Statements

Certain statements in this 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.

Rambler Media Limited
Condensed Consolidated Unaudited Interim Balance Sheet as at 30 June 2009

	Notes	1H2009 US\$'000	2008 US\$'000	1H2009 RURm	2008 RURm
Assets					
Non Current Assets					
Property, plant and equipment	5	4,882	5,311	153	156
Intangible assets	6	12,325	4,805	385	141
Goodwill	7	16,667	2,974	521	87
Investments in associates	8	354	504	11	15
Other non-current assets	9	1,044	29	33	1
Deferred income tax asset		1,665	673	52	20
		<u>36,937</u>	<u>14,296</u>	<u>1,155</u>	<u>420</u>
Current Assets					
Trade debtors		7,425	7,057	233	207
Prepayments		1,438	1,880	45	55
VAT receivable		692	335	22	10
Other receivables		607	589	19	18
Bank and cash balances		24,662	25,018	772	735
		<u>34,824</u>	<u>34,879</u>	<u>1,091</u>	<u>1,025</u>
Non-current assets held for sale	20	-	34,658	-	1,018
Total assets		<u>71,761</u>	<u>83,833</u>	<u>2,246</u>	<u>2,463</u>
Liabilities					
Current Liabilities					
Trade and other creditors		9,060	11,872	283	349
Current income tax payable		5,999	1,894	188	55
VAT payable		1,769	1,117	55	33
Other provisions for liabilities and charges	12	11,045	4,208	346	124
Deferred income		1,988	945	62	28
		<u>29,861</u>	<u>20,036</u>	<u>934</u>	<u>589</u>
Long Term Liabilities					
Deferred taxation		2,268	762	71	22
		<u>2,268</u>	<u>762</u>	<u>71</u>	<u>22</u>
Liabilities directly associated with assets held for sale	20	-	18,530	-	544
Total liabilities		<u>32,129</u>	<u>39,328</u>	<u>1,005</u>	<u>1,155</u>
Shareholders' equity					
Issued capital	10	130	138	4	4
Share premium		50,247	53,514	1,572	1,572
Options reserve		196	189	7	6
Assets valuation reserve		758	807	24	24
Accumulated losses		(7,813)	(7,548)	(313)	(290)
Currency translation reserve		(2,174)	(2,315)	-	-
Total shareholders' equity		<u>41,344</u>	<u>44,785</u>	<u>1,294</u>	<u>1,316</u>
Minority interest directly associated with assets held for sale		-	(308)	-	(9)
Minority interest	15	<u>(1,712)</u>	<u>28</u>	<u>(53)</u>	<u>1</u>
Liabilities and Shareholders' Equity:		<u>71,761</u>	<u>83,833</u>	<u>2,246</u>	<u>2,463</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 7 August 2009

_____ **Olga Turisheva, CEO**

Rambler Media Limited
Condensed Consolidated Unaudited Interim Statement of Comprehensive Income
for the 6 month period ended 30 June 2009

	Notes	1H2009 US\$'000	1H2008 US\$'000	1H2009 RURm	1H2008 RURm
Continuing Operations					
Revenue	13	30,812	51,704	1,019	1,236
Operating expenses	14	(33,904)	(47,815)	(1,121)	(1,143)
Impairment expenses		-	(5,145)	-	(123)
Share of profit of an associate	8	117	287	4	7
Operating loss		(2,975)	(969)	(98)	(23)
Gain (loss) on disposal of a subsidiary	18	123	(241)	4	(6)
Interest income		203	494	6	12
Loss before tax		(2,649)	(716)	(88)	(17)
Income tax benefit	16	595	259	20	6
Net loss		(2,054)	(457)	(68)	(11)
Other comprehensive (loss)/income:					
Currency translation differences		(2,830)	1,427	-	-
Total comprehensive (loss)/income		(4,884)	970	(68)	(11)
(Loss) / profit attributable to:					
- equity holders of the company		(689)	756	(23)	18
- minority interest	15	(1,365)	(1,213)	(45)	(29)
		(2,054)	(457)	(68)	(11)
Total comprehensive (loss)/income attributable to:					
- equity holders of the company		(3,458)	1,770	(23)	18
- minority interest		(1,426)	(800)	(45)	(29)
		(4,884)	970	(68)	(11)
(Loss) / earnings per share for profit/(loss) attributable to the equity holders of the company					
(Loss)/ earnings per share from continuing operations					
- basic (in US\$/RUR per share)	17	(0.045)	0.049	(1.49)	1.17
- diluted (in US\$/RUR per share)		(0.045)	0.049	(1.49)	1.17

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

Rambler Media Limited
Condensed Consolidated Unaudited Interim Statement of Changes in Shareholders' Equity
for the 6 month period ended 30 June 2009

	Issued capital	Share premium	Assets valuation reserve	Options reserve	Accumulated Losses	Translation reserve	Total	Minority interest directly associated with AHS	Minority interest	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
31 December 2007	165	64,053	966	148	(13,315)	(446)	51,571	1,876	4,747	58,194
Profit/(loss) for the period	-	-	-	-	756	-	756	-	(1,213)	(457)
Currency translation	8	2,973	45	7	(777)	(1,242)	1,014	-	413	1,427
Total comprehensive income	8	2,973	45	7	(21)	(1,242)	1,770	-	(800)	970
Share based payment charge	-	-	-	39	-	-	39	-	-	39
Classified as assets held for sale	-	-	-	-	-	-	-	(490)	490	-
Dividends paid	-	-	-	-	-	-	-	-	(3,063)	(3,063)
30 June 2008	173	67,026	1,011	194	(13,336)	(1,688)	53,380	1,386	1,374	56,140
Profit/(loss) for the period	-	-	-	-	2,813	-	2,813	-	925	3,738
Currency translation	(35)	(13,512)	(204)	(44)	2,975	(627)	(11,447)	(308)	(88)	(11,843)
Total comprehensive income	(35)	(13,512)	(204)	(44)	5,788	(627)	(8,634)	(308)	837	(8,105)
Share based payment charge	-	-	-	39	-	-	39	-	-	39
Classified as assets held for sale	-	-	-	-	-	-	-	(1,386)	1,386	-
Acquisition of minority interest	-	-	-	-	-	-	-	-	(1,245)	(1,245)
Disposal of subsidiary	-	-	-	-	-	-	-	-	(64)	(64)
Dividends paid	-	-	-	-	-	-	-	-	(2,260)	(2,260)
31 December 2008	138	53,514	807	189	(7,548)	(2,315)	44,785	(308)	28	44,505
Profit/(loss) for the period	-	-	-	-	(689)	-	(689)	-	(1,365)	(2,054)
Currency translation	(8)	(3,267)	(49)	(10)	424	141	(2,769)	-	(61)	(2,830)
Total comprehensive income	(8)	(3,267)	(49)	(10)	(265)	141	(3,458)	-	(1,426)	(4,884)
Share based payment charge	-	-	-	17	-	-	17	-	-	17
Disposal of subsidiary	-	-	-	-	-	-	-	-	(6)	(6)
Declassified from assets held for sale	-	-	-	-	-	-	-	308	(308)	-
30 June 2009	130	50,247	758	196	(7,813)	(2,174)	41,344	-	(1,712)	39,632

Rambler Media Limited
Condensed Consolidated Unaudited Interim Statement of Changes in Shareholders' Equity
for the 6 month period ended 30 June 2009

	Issued capital	Share premium	Assets valuation reserve	Options reserve	Accumula ted Losses	Total	Minority interest directly associat ed with AHS	Minority interest	Total equity
	RURm	RURm	RURm	RURm	RURm	RURm	RURm	RURm	RURm
31 December 2007	4	1,572	24	4	(367)	1,237	46	117	1,400
Profit/(loss) for the period	-	-	-	-	18	18	-	(29)	(11)
Total comprehensive income	-	-	-	-	18	18	-	(29)	(11)
Share based payment charge	-	-	-	1	-	1	-	-	1
Classified as assets held for sale	-	-	-	-	-	-	(13)	13	-
Dividends paid	-	-	-	-	-	-	-	(69)	(69)
30 June 2008	4	1,572	24	5	(349)	1,256	33	32	1,321
Profit/(loss) for the period	-	-	-	-	59	59	-	21	9
Total comprehensive income	-	-	-	-	59	59	-	21	80
Share based payment charge	-	-	-	1	-	1	-	-	1
Classified as assets held for sale	-	-	-	-	-	-	(42)	42	-
Acquisition of minority interest	-	-	-	-	-	-	-	(30)	(30)
Disposal of subsidiary	-	-	-	-	-	-	-	(2)	(2)
Dividends paid	-	-	-	-	-	-	-	(62)	(62)
31 December 2008	4	1,572	24	6	(290)	1,316	(9)	1	1,308
Profit/(loss) for the period	-	-	-	-	(23)	(23)	-	(45)	(68)
Total comprehensive income	-	-	-	-	(23)	(23)	-	(45)	(68)
Share based payment charge	-	-	-	1	-	1	-	-	1
Declassified from assets held for sale	-	-	-	-	-	-	9	(9)	-
30 June 2009	4	1,572	24	7	(313)	1,294	-	(53)	1,241

Rambler Media Limited
Condensed Consolidated Unaudited Interim Statement of Cash Flows
for the 6 month period ended 30 June 2009

	1H2009	1H2008	1H2009	1H2008
	<u>US\$'000</u>	<u>US\$'000</u>	<u>RURm</u>	<u>RURm</u>
Cash flows from operating activities				
Net loss	(2,054)	(457)	(68)	(11)
Adjusted for:				
Interest income	(203)	(494)	(6)	(12)
Share of profit of associates	(117)	(287)	(4)	(7)
Income tax benefit	(595)	(259)	(20)	(6)
Impairment expenses	-	5,145	-	123
Cost of share options vested	17	39	1	1
Foreign currency translation (gain) loss	(1,305)	753	(43)	18
Depreciation and amortisation	5,549	4,755	183	114
Increase in provision for taxes other than income tax	1,100	1,646	36	39
Gain on disposal or sales of assets and investments	(113)	-	(4)	-
Operating cash flows before working capital changes	2,279	10,841	75	259
(Increase) / decrease in debtors and receivables	(459)	1,685	(15)	40
(Increase) / decrease in prepayments	(39)	(56)	(1)	(1)
(Decrease) / increase in creditors and other payables	(5,324)	592	(177)	14
Increase / (decrease) in deferred income	280	(1,884)	9	(45)
Cash (used in) / generated from operations	(3,263)	11,178	(109)	267
Income taxes paid	(189)	(3,544)	(6)	(84)
Net cash (used in) / generated from operating activities	(3,452)	7,634	(115)	183
Cash flows from investing activities				
Sale of subsidiary undertakings	50	110	2	3
Dividend income	228	-	8	-
Purchase of property, plant and equipment	(234)	(2,123)	(8)	(51)
Purchase of intangibles assets	(336)	(585)	(11)	(14)
Net cash used in investing activities	(292)	(2,598)	(9)	(62)
Cash flows from financing activities				
Dividends paid	(787)	-	(26)	-
Interest received	187	427	6	10
Net cash (used in) / from investing activities	(600)	427	(20)	10
Net (decrease) / increase in cash	(4,344)	5,463	(144)	131
Exchange (loss) gain	(87)	-	61	(39)
Cash at the beginning of the period – continuing operations	25,018	31,462	735	772
Cash at the beginning of the year – assets held for sale	4,075	1	120	-
Cash at the end of the period – continuing operations	24,662	26,075	772	610
Cash at the end of the year – asset held for sale	-	10,851	-	254
Cash at the end of the period	24,662	36,926	772	864

Notes to the condensed consolidated unaudited 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 referred to as “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” and contextual advertising company “Begun”.

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 30 June 2009, the Rambler Group had 605 employees in continuing operations (31 December 2008: 660; 30 June 2008: 700).

On 31 October 2006 Prof-Media, a Russian media holding, acquired 48.8% of the shares of Rambler Media Limited from funds managed by FM Asset Management Limited. In December 2006, following the anti-monopoly approval, Prof-Media obtained control of Rambler Media Limited. Subsequently, Prof-Media (the “PM Group”) increased its stake to 54.84%. The immediate controlling party of the PM Group is KM Technologies (Overseas) Limited. In 2008 Mr V.Potinin completed the acquisition of Mr M.Prokhorov’s stake in the company controlling KM Technologies (Overseas) Limited, and subsequently became the sole ultimate controlling party of the PM Group and Rambler.

2. Basis of preparation

This condensed consolidated interim financial information for the half-year ended 30 June 2009 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 2008.

The accounting policies adopted are consistent with those of the annual consolidated financial statements for the year ended 31 December 2008, as described in the annual consolidated financial statements for the year ended 31 December 2008.

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 2009 IFRS financial statements the Russian Rouble most fairly represents the economic effects of the underlying transactions, events and conditions.

c) Presentation currency

All amounts in these financial statements are presented in thousands of US dollars ("US\$ thousands") and in millions of Russian Roubles ("RURm"), unless otherwise stated. It is a common practice for Russian companies operating in the media industry to use US\$ as a presentation currency, however faced with depreciation of the Russian Rouble and in order to provide a more evident picture of the Group's underlying performance, the management made a decision to present corresponding data in Russian Roubles.

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 2009, the principal rate of exchange used for translating foreign currency balances was US\$ 1 = RR 31.29 (31 December 2008: US\$ 1 = RR 29.38).

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 IFRSs became effective for the Group from 1 January 2009. Listed below are those new or amended standards or interpretations which are or in the future could be relevant to the Group's operations and the nature of their impact on the Group's accounting policies. All changes in accounting policies were applied unless otherwise described below.

The following new standards, amendments to standards or interpretations are mandatory for the first time for the financial year beginning 1 January 2009:

IAS 1, Presentation of Financial Statements (effective for annual periods beginning on or after 1 January 2009). The main change in IAS 1 is the replacement of the income statement by a statement of comprehensive income which will also include all non-owner changes in equity, such as the revaluation of available-for-sale financial assets. Alternatively, entities will be allowed to present two statements: a separate income statement and a statement of comprehensive income. The revised IAS 1 also introduces a requirement to present a statement of financial position (balance sheet) at the beginning of the earliest comparative period whenever the entity restates comparatives due to reclassifications, changes in accounting policies, or corrections of errors.

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 following new standards, amendments to standards or interpretations are mandatory for the first time for the financial year beginning 1 January 2009 but are not currently relevant for the group:

IAS 23 (amendment), 'Borrowing costs';

IFRS 2 (amendment), 'Share-based payment';

IAS 32 (amendment), 'Financial instruments: Presentation'.

IFRIC 13, 'Customer loyalty programmes'.

IFRIC 15, 'Agreements for the construction of real estate'.

IFRIC 16, 'Hedges of a net investment in a foreign operation'.

IAS 39 (amendment), 'Financial instruments: Recognition and measurement'.

The following new standards, amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2009 and have not been early adopted:

IAS 27, Consolidated and Separate Financial Statements (revised January 2008; effective for annual periods beginning on or after 1 July 2009). The revised IAS 27 will require an entity to attribute total comprehensive income to the owners of the parent and to the non-controlling interests (previously "minority interests") even if this results in the non-controlling interests having a deficit balance (the current standard requires the excess losses to be allocated to the owners of the parent in most cases). The revised standard specifies that changes in a parent's ownership interest in a subsidiary that do not result in the loss of control must be accounted for as equity transactions. It also specifies how an entity should measure any gain or loss arising on the loss of control of a subsidiary. At the date when control is lost, any investment retained in the former subsidiary will have to be measured at its fair value. The Group is currently assessing the impact of the amended standard on its consolidated financial statements.

IFRS 3, Business Combinations (revised January 2008; effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009). The revised IFRS 3 will allow entities to choose to measure non-controlling interests using the existing IFRS 3 method (proportionate share of the acquiree's identifiable net assets) or on the same basis as US GAAP (at fair value). The revised IFRS 3 is more detailed in providing guidance on the application of the purchase method to business combinations. The requirement to measure at fair value every asset and liability at each step in a step acquisition for the purposes of calculating a portion of goodwill has been removed. Instead, goodwill will be measured as the difference at acquisition date between the fair value of any investment in the business held before the acquisition, the consideration transferred and the net assets acquired. Acquisition-related costs will be accounted for separately from the business combination and therefore recognised as expenses rather than included in goodwill. An acquirer will have to recognise at the acquisition date a liability for any contingent purchase consideration. Changes in the value of that liability after the acquisition date will be recognised in accordance with other applicable IFRSs, as appropriate, rather than by adjusting goodwill. The revised IFRS 3 brings into its scope business combinations involving only mutual entities and business combinations achieved by contract alone. The Group is currently assessing the impact of the amended standard on its consolidated financial statements.

IFRIC 17, Distribution of Non-Cash Assets to Owners (effective for annual periods beginning on or after 1 July 2009). The amendment clarifies when and how distribution of non-cash assets as dividends to the owners should be recognised. An entity should measure a liability to distribute non-cash assets as a dividend to its owners at the fair value of the assets to be distributed. A gain or loss on disposal of the distributed non-cash assets will be recognised in profit or loss when the entity settles the dividend payable. The Group is currently assessing the impact of the new interpretation on its financial statements.

IFRIC 18, Transfers of Assets from Customers (effective for annual periods beginning on or after 1 July 2009). The interpretation clarifies the accounting for transfers of assets from customers, namely, the circumstances in which the definition of an asset is met; the recognition of the asset and the measurement of its cost on initial recognition; the identification of the separately identifiable services (one or more services in exchange for the transferred asset); the recognition of revenue, and the accounting for transfers of cash from customers. IFRIC 18 is not expected to have any impact on the Group's financial statements.

Unless otherwise described above, the new standards and interpretations are not expected to significantly affect the Group's consolidated financial statements.

4. Segmental Information

The chief operational decision-maker has been identified as the Board of Directors. The Board reviews the group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The Board considers the business from product perspective:

Display and Value-Added Services ("VAS") - display advertising, mainly on rambler.ru and lenta.ru, and consumer fee-based services, mainly mobile and internet content

Context – paid search advertising on rambler.ru and context advertising offerings on websites from Begun partner's network

Listings – consumer listings-based services on price.ru

As the Group's business is conducted largely in a single geographical market, Russia and CIS, no geographical analysis is given.

The Board assesses the performance of the operating segments based on a measure of adjusted earnings before tax, gain(loss) on disposal of a subsidiary, interest income, impairment expense, depreciation and amortization (EBITDA).

The segmental results for the six months ended 30 June 2009 were as follows:

	Display&VAS	Context	Listings	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Total Revenue (from external customers)	16,348	12,659	1,805	30,812
Adjusted EBITDA	605	1,455	514	2,574
Total assets	39,722	26,409	5,630	71,761
	RURm	RURm	RURm	RURm
Total Revenue (from external customers)	540	419	60	1,019
Adjusted EBITDA	20	48	17	85
Total assets	1,244	826	176	2,246

The segmental results for the six months ended 30 June 2008 were as follows:

	Display&VAS	Context	Listings	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Total Revenue (from external customers)	25,527	23,195	2,982	51,704
Adjusted EBITDA	1,377	6,936	618	8,931
Total assets	48,637	48,176	5,802	102,615
	RURm	RURm	RURm	RURm
Total Revenue (from external customers)	611	554	71	1,236
Adjusted EBITDA	33	166	15	214
Total assets	1,138	1,128	136	2,402

A reconciliation of total adjusted EBITDA to total loss before tax is provided as follows:

	1H2009	1H2008	1H2009	1H2008
	US\$'000	US\$'000	RURm	RURm
Adjusted EBITDA for reportable segments	2,574	8,931	85	214
Amortisation	(4,114)	(3,088)	(136)	(74)
Depreciation	(1,435)	(1,667)	(47)	(40)
Impairment expenses	-	(5,145)	-	(123)
Operating loss	(2,975)	(969)	(98)	(23)
Gain (loss) on disposal of a subsidiary	123	(241)	4	(6)
Interest income	203	494	6	12
Loss before tax	(2,649)	(716)	(88)	(17)

5. Property, plant and equipment

	Leasehold Improve- ments	Office equipment	Total	Leasehold Improve- ments	Office equipment	Total
	US\$'000	US\$'000	US\$'000	RURm	RURm	RURm
Cost						
31 December 2007	654	11,700	12,354	16	287	303
Additions	231	1,892	2,123	6	45	51
Disposals	-	(12)	(12)	-	-	-
Deconsolidation	(27)	(227)	(254)	(1)	(6)	(7)
Classified as assets held for sale	(209)	(1,233)	(1,442)	(5)	(29)	(34)
Currency translation	35	580	615	-	-	-
30 June 2008	684	12,700	13,384	16	297	313
Additions	2	1,265	1,267	-	32	32
Disposals	(72)	(1,218)	(1,290)	(1)	(29)	(31)
Deconsolidation	(11)	(44)	(55)	-	(1)	(1)
Declassified from assets held for sale	209	1,233	1,442	5	29	34
Classified as assets held for sale	(167)	(1,335)	(1,502)	(6)	(39)	(45)
Currency translation	(170)	(2,768)	(2,938)	-	-	-
31 December 2008	475	9,833	10,308	14	289	303
Additions	-	234	234	-	8	8
Disposals	-	(30)	(30)	-	(1)	(1)
Deconsolidation	(11)	(225)	(236)	(1)	(8)	(9)
Declassified from assets held for sale	194	1,336	1,530	6	39	45
Currency translation	(42)	(684)	(726)	-	-	-
30 June 2009	616	10,464	11,080	19	327	346
Accumulated Depreciation						
31 December 2007	500	3,989	4,489	12	98	110
Charge	59	1,608	1,667	2	38	40
Disposals	-	(6)	(6)	-	-	-
Deconsolidation	(14)	(123)	(137)	(1)	(3)	(4)
Classified as assets held for sale	(3)	(203)	(206)	-	(5)	(5)
Currency translation	24	207	231	-	-	-
30 June 2008	566	5,472	6,038	13	128	141
Charge	51	1,453	1,504	1	37	38
Disposals	(72)	(1,195)	(1,267)	(2)	(30)	(32)
Deconsolidation	(10)	(23)	(33)	-	-	-
Declassified from assets held for sale	3	203	206	-	5	5
Classified as assets held for sale	(2)	(140)	(142)	-	(5)	(5)
Currency translation	(111)	(1,198)	(1,309)	-	-	-
31 December 2008	425	4,572	4,997	12	135	147

Charge	76	1,359	1,435	2	45	47
Disposals	-	(20)	(20)	-	(1)	(1)
Deconsolidation	(11)	(165)	(176)	-	(5)	(5)
Declassified from assets held for sale	3	207	210	-	5	5
Currency translation	(23)	(225)	(248)	-	-	-
30 June 2009	470	5,728	6,198	14	179	193
Net book value						
30 June 2009	146	4,736	4,882	5	148	153
31 December 2008	50	5,261	5,311	2	154	156

6. Intangible Assets

	Domain and trade names	Software and other intangibles	Total	Domain and trade names	Software and other intangibles	Total
	US\$'000	US\$'000	US\$'000	RURm	RURm	RURm
Cost						
31 December 2007	16,673	11,147	27,820	409	274	683
Additions	-	585	585	-	14	14
Deconsolidation	-	(133)	(133)	-	(3)	(3)
Declassified from assets held for sale	5,145	-	5,145	123	-	123
Classified as assets held for sale	(11,798)	(9,039)	(20,837)	(277)	(213)	(490)
Impairment	(5,145)	-	(5,145)	(123)	-	(123)
Currency translation	774	529	1,303	-	-	-
30 June 2008	5,649	3,089	8,738	132	72	204
Additions	-	899	899	-	23	23
Disposals	(281)	(413)	(694)	(7)	(11)	(18)
Declassified from assets held for sale	12,410	9,038	21,448	293	212	505
Classified as assets held for sale	(9,420)	(7,215)	(16,635)	(277)	(212)	(489)
Impairment	(612)	(807)	(1,419)	(16)	(21)	(37)
Currency translation	(3,482)	(2,426)	(5,908)	-	-	-
31 December 2008	4,264	2,165	6,429	125	63	188
Additions	-	336	336	-	11	11
Deconsolidation	-	(422)	(422)	-	(14)	(14)
Declassified from assets held for sale	9,420	7,215	16,635	277	212	489
Currency translation	(835)	(580)	(1,415)	-	-	-
30 June 2009	12,849	8,714	21,563	402	272	674
Accumulated Amortisation						
31 December 2007	1,792	2,255	4,047	44	55	99
Amortisation expense	1,370	1,718	3,088	33	41	74
Classified as assets	(2,163)	(2,872)	(5,035)	(51)	(67)	(118)

held for sale						
Currency translation	97	139	236	-	-	-
30 June 2008	1,096	1,240	2,336	26	29	55
Amortisation expense	181	245	426	4	6	10
Disposed accumulated amortisation	(81)	(315)	(396)	(2)	(9)	(11)
Declassified from assets held for sale	2,783	2,872	5,655	67	67	134
Classified as assets held for sale	(1,727)	(2,270)	(3,997)	(51)	(67)	(118)
Impairment	(620)	(283)	(903)	(16)	(7)	(23)
Currency translation	(668)	(829)	(1,497)	-	-	-
31 December 2008	964	660	1,624	28	19	47
Amortisation expense	1,803	2,311	4,114	59	76	135
Deconsolidation	-	(362)	(362)	-	(12)	(12)
Declassified from assets held for sale	1,727	2,271	3,998	51	67	118
Currency translation	(62)	(74)	(136)	-	-	-
30 June 2009	4,432	4,806	9,238	138	151	289
Net book value						
30 June 2009	8,417	3,908	12,325	264	121	385
31 December 2008	3,300	1,505	4,805	97	44	141

7. Goodwill

	Goodwill US\$'000	Goodwill RURm
31 December 2007	18,416	452
Classified as assets held for sale	(18,508)	(434)
Currency translation	855	-
30 June 2008	763	18
On acquisition from minority shareholder	2,963	69
Declassified as assets held for sale	18,508	434
Classified as assets held for sale	(14,777)	(434)
Currency translation	(4,483)	-
31 December 2008	2,974	87
Declassified as assets held for sale	14,777	434
Currency translation	(1,084)	-
30 June 2009	16,667	521

Goodwill amount is detailed below:

	1H 2009	2008	1H 2009	2008
	US\$'000	US\$'000	RURm	RURm
Lenta.ru	481	512	15	15
Price.ru	2,312	2,462	72	72
Begun.ru (classified as asset held for sale at 31 December 2008)	13,874	-	434	-
	16,667	2,974	521	87

Goodwill is tested for impairment annually at year end or whenever there is any indication of impairment. At 30 June 2009, there was no indication of impairment of goodwill.

Intangible assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable.

In 1H 2009, the Company ceased to classify Begun as an asset held for sale due to the lack of potential buyers for the entity. For additional information refer to Note 20.

There was no indication of impairment of other intangible assets at 30 June 2009.

8. Investments in associates

On 1 April 2008 the Company sold a 51% stake in RGL Holding Limited which owns 100% of ZAO Index20 to a subsidiary of Video International Group.

	2009	2009
	US\$'000	RURm
Carrying amount at 1 January	504	15
Share of profit of an associate	117	4
Dividends received	(228)	(8)
Currency translation	(39)	-
Carrying amount at 30 June	354	11

9. Other non-current assets

As at 30 June 2009 other non-current assets include a long-term deposit for the rent of office premises valued at US\$1,017 thousand (RUR 32 million).

10. Share Capital

The share capital of the Company at the balance sheet date is comprised as follows:

	2009	2008	2009	2008
	US\$'000	US\$'000	RURm	RURm
Authorised ordinary shares of US\$ 0.01 each (20 million shares)	200	200	6	6
Issued and fully paid share capital 15,397,649 ordinary shares of US\$ 0.01 each	130	138	4	4

There were no employee share options exercised during the first half of 2009 and 2008.

11. 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	Weighted average exercise prices, RUR thousand	Total proceeds received and receivable, RURm
Balance at 31 December 2008	50,000	34.10	1,705	1	53
New awards	-	-	-		
Exercised	-	-	-		
Balance at 30 June 2009	50,000	34.10	1,705	1	53

The estimated fair value of each share option granted was calculated by applying a Black-Scholes option pricing model.

12. Other provisions for liabilities and changes

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

	US\$'000	RURm
Carrying amount at 31 December 2008	4,208	124
Additions charged to profit or loss	1,100	36
Declassified from liabilities directly associated with assets held for sale	6,316	186
Currency translation	(579)	-
Carrying amount at 30 June 2009	11,045	346

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.

13. Revenue

Revenue comprises:

	<u>1H 2009</u> <u>US\$'000</u>	<u>1H 2008</u> <u>US\$'000</u>	<u>1H 2009</u> <u>RURm</u>	<u>1H 2008</u> <u>RURm</u>
Display / Banner advertising	13,097	20,481	432	490
Paid Search / Contextual advertising	12,659	23,195	419	554
User generated payments	2,839	4,301	94	103
Listing fees	1,805	2,982	60	71
Other Revenue	412	745	14	18
	<u>30,812</u>	<u>51,704</u>	<u>1,019</u>	<u>1,236</u>

Certain comparative information, presented in the financial statements for the period ended 30 June 2008, has been reclassified in order to achieve consistency with current period presentation.

Changes in the classification on the consolidated income statement for the 6 months ended 30 June 2008 are detailed below:

	<u>As previously reported</u> <u>US\$'000</u>	<u>Reclassification</u> <u>US\$'000</u>	<u>Adjusted amount</u> <u>US\$'000</u>
Display / Banner advertising	21,702	(1,221)	20,481
User generated payments	-	4,301	4,301
Mobile and Value Added Services	3,080	(3,080)	-
	<u>RURm</u>	<u>RURm</u>	<u>RURm</u>
Display / Banner advertising	519	(29)	490
User generated payments	-	103	103
Mobile and Value Added Services	74	(74)	-

14. Operating expenses

Operating expenses comprise:

	<u>1H 2009</u> <u>US\$'000</u>	<u>1H 2008</u> <u>US\$'000</u>	<u>1H 2009</u> <u>RURm</u>	<u>1H 2008</u> <u>RURm</u>
Labour	10,467	15,279	346	365
Traffic acquisition cost – contextual	4,884	7,571	162	181
Amortisation	4,114	3,088	136	74
Legal and professional	2,282	1,285	75	31
Commissions – banner sales	2,042	3,020	68	72
Traffic Acquisition Cost – banner and revenue sharing	1,729	2,564	57	61
User generated payments costs	1,552	2,874	51	69
Marketing and advertising	1,446	2,908	48	70
Depreciation	1,435	1,667	47	40
Data center costs	1,311	1,288	43	31
Provision for taxes other than income tax	1,100	1,646	36	39
Content costs	1,075	587	36	14
Rent – min lease payments	961	1,167	32	28

General expenses	794	1,842	26	43
Share options vested	17	39	1	1
Other	-	237	-	6
Foreign currency translation (gain) loss	(1,305)	753	(43)	18
Total Operating expenses	33,904	47,815	1,121	1,143

Certain comparative information, presented in the financial statements for the period ended 30 June 2008, has been reclassified in order to achieve consistency with current period presentation.

Changes in the classification on the consolidated income statement for the 6 months ended 30 June 2008 are detailed below:

	As previously reported	Reclassification	Adjusted amount
	US\$'000	US\$'000	US\$'000
Commissions – banner sales	3,633	(613)	3,020
User generated payments costs	-	2,874	2,874
Mobile costs	2,261	(2,261)	-
	RURm	RURm	RURm
Commissions – banner sales	87	(15)	72
User generated payments costs	-	69	69
Mobile costs	54	(54)	-

15. Minority interest

	Begun	Others	Total equity	Begun	Others	Total equity
	US\$'000	US\$'000	US\$'000	RURm	RURm	RURm
As at 1 January 2009	-	28	28	-	1	1
Loss for the period	(1,365)	-	(1,365)	(45)	-	(45)
Disposal of minority interest	-	(6)	(6)	-	-	-
Minority directly associated with assets held for sale	(308)	-	(308)	(9)	-	(9)
Currency translation	(59)	(2)	(61)	-	-	-
As at 30 June 2009	(1,732)	20	(1,712)	(54)	1	(53)

16. 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:

	1H 2009 US\$'000	1H 2008 US\$'000	1H 2009 RURm	1H 2008 RURm
Current tax expense	1,079	2,217	35	53
Deferred tax benefit	(1,674)	(2,476)	(55)	(59)
Income tax benefit for the period	(595)	(259)	(20)	(6)

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

	1H 2009 US\$'000	1H 2008 US\$'000	1H 2009 RURm	1H 2008 RURm
Accounting loss before taxation	(2,649)	(716)	(88)	(17)
Theoretical tax benefit at statutory rate of 20% (2008: 24%)	(530)	(172)	(18)	(4)
Tax effect of items which are not deductible or assessable for taxation purposes:				
Non-deductible expenses	98	108	3	3
Non-deductible provisions for taxes other than on income	220	395	7	10
Revenue generated in tax free jurisdictions	(533)	(1,530)	(18)	(37)
Loss accumulated in tax free jurisdictions	932	1,353	32	32
Use of estimated annual effective tax rate	(882)	(1,117)	(29)	(27)
Additional charges for income tax in connection with the group's structure	100	704	3	17
	(65)	(87)	(2)	(2)
Income tax benefit for the period	(595)	(259)	(20)	(6)

Income tax benefit is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the year to 31 December 2009 is 22.5% (1H 2008: 36.4%).

17. Earnings/(loss) per share

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

	1H 2009 US\$'000	1H 2008 US\$'000	1H 2009 RURm	1H 2008 RURm
(Loss)/profit for the period from continuing operations attributable to equity holders	(689)	756	(23)	18
Weighted average number of shares in issue (thousands) – basic	15,398	15,398	15,398	15,398
Weighted average number of shares in issue (thousands) – diluted	15,398	15,398	15,398	15,398
Basic (loss)/earnings per share from continuing operations (expressed in US\$/RUR per share)	(0.045)	0.049	(1.49)	1.17
Diluted (loss)/earnings per share from continuing operations (expressed in US\$/RUR per share)	(0.045)	0.049	(1.49)	1.17

18. Disposal of a subsidiary

On 2 April 2009, the Group sold a 100% stake in its mobile value added services business SMX Communications Ltd. to a mobile content provider Plastic Media for US\$50 thousand.

Details of the sale are as follows:

	US\$'000	RURm
Total net assets	146	5
Total purchase consideration	50	2
Less: cash balance disposed of	(5)	-
Outflow of cash on sale	45	2
Loss on sale	(96)	(3)

19. Directors' Remuneration

The directors' remuneration for 2009 and 2008 paid by Group companies are as follows (not in thousands):

	1H 2009	1H 2008	1H 2009	1H 2008
	US\$	US\$	RURm	RURm
Olga Turisheva	50,409	-	2	-
Nikita Serguienko	91,310	-	2	-
Robert Mott Brown III	85,359	58,987	3	1
Mark Opzoomer	319,951	291,462	11	7
Arthur Akopyan	-	177,116	-	4
Total Short term employee benefits	547,029	527,565	18	12

20. Non-current assets held for sale (or disposals groups)

On 30 June 2008, the Company met the criteria of IFRS 5 to classify the Begun business as an asset held for sale. A plan to sell the business was approved in 2008 due to the necessity to establish a prosperous partnership with Google but the transaction was declined by Russian anti-monopoly authorities (FAS) in October 2008. Management decided to continue with an approved plan to sell Begun and to initiate an active programme to locate an interested buyer of the Group's 50.1% stake in Begun. Begun therefore continued to be classified as held for sale at 31 December 2008. In 1H2009, the Company ceased to classify Begun as an asset held for sale due to continued absence of potential buyers for the entity.

Major classes of non-current assets classified as held for sale (or disposal groups) are:

	1H 2009	2008	1H 2009	2008
	US\$'000	US\$'000	RURm	RURm
Property, plant and equipment	-	1,360	-	40
Intangible assets	-	12,640	-	371
Goodwill	-	14,777	-	434

Deferred tax asset	-	507	-	15
Trade and other receivables	-	1,299	-	38
Cash and cash equivalents	-	4,075	-	120
	-	34,658	-	1,018

Major classes of liabilities directly associated with non-current assets (or disposal groups) classified as held for sale are:

	1H 2009	2008	1H 2009	2008
	US\$'000	US\$'000	RURm	RURm
Deferred income tax liability	-	2,957	-	87
Other taxes payable	-	6,316	-	185
Trade and other payable	-	9,257	-	272
	-	18,530	-	544

21. Contingent liabilities

(a) Russian taxation and currency control regulations

In addition to the possible attribution of additional tax to the Group's companies described in Note 12, management estimates that at 30 June 2009 the Group has other possible obligations from exposure to other than remote tax risks of US\$4,667 thousand (RUR 146 million) and at 31 December 2008: US\$4,821 thousand (RUR 142 million).

(b) 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.

(c) 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 amount per quarter in respect of an internet partnership to promote a customised co-branded instant messaging product for Russian and other CIS countries.

	2009	2008	2009	2008
	US\$'000	US\$'000	RURm	RURm
Expiring within one year	2,279	3,000	71	88
Expiring from 1 to 5 years	1,312	3,000	41	88

(d) Lease commitments

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

	2009	2008	2009	2008
	US\$'000	US\$'000	RURm	RURm
Expiring within one year	2,669	1,267	84	37
Expiring from 1 to 5 years	6,945	671	217	20

22. 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 2009 except for the following parties:

	2009	2009
	US\$'000	RURm
<i>FINAM Bank</i> (related to Begun's minority shareholder)		
Cash at the beginning of the period – bank account	932	27
Cash at the period end – bank account	1,288	40
<i>IMHO</i> (majority shareholder of Index20)		
Balance receivable at the beginning of the period	5,045	148
Agent sales	9,050	301
Agent commission charge	(1,610)	(54)
Cash inflows (net) during the period	8,588	285
Currency translation	(381)	
Balance receivable at the period end	3,516	110

23. Post Balance Sheet Events

There were no material events after the balance sheet date which affect the financial statements as at 30 June 2009.

24. 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 2009 sales volume was affected by both seasonality and ongoing global financial and economic crisis and it represented in USD terms 28% (six months ended 30 June 2008: 47%) and in Roubles terms 37% (six months ended 30 June 2008: 44%) of the annual sales in the year ended 31 December 2008. The decrease in sales volume in USD terms in 1H 2009 was as well highly impacted by the Russian Rouble significant depreciation against US dollar.

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 Media's Annual Report for 31 December 2008. A list of current directors is maintained on Rambler Media Limited's corporate website at www.ramblermedia.com.

Olga Turisheva, CEO

26 August 2009