



**FOR IMMEDIATE RELEASE**

**1 April 2008**

**RAMBLER MEDIA REINFORCES RELATIONSHIP WITH VIDEO INTERNATIONAL GROUP THROUGH SALE OF STAKE IN ITS ONLINE DISPLAY ADVERTISING AGENCY INDEX20**

**Agreement to enhance Rambler's cost base and grow its share of the internet display advertising market in Russia**

Rambler Media Ltd. ("Rambler" or "the Group"), operating one of Russia's most popular internet brands, today announces that it has sold a 51% stake in its proprietary online display advertising agency ZAO Index20 ("Index20") to a subsidiary of Video International Group ("Video International"), the largest media advertising operator in Russia. The sale reinforces Rambler's strategic partnership agreement with IMHO VI which was announced in October 2007. Under this sale agreement, Index20 and IMHO VI will generate a minimum of US\$40 million of cash advertising sales for Rambler from display advertising in 2008.

**Index20** is an in-house advertising sales agency which was, prior to today, wholly-owned by Rambler and handled all banner (display) advertising sales exclusively for Rambler's web properties including Rambler.ru, Lenta.ru, Price.ru and Rambler ICQ.

**Video International** is the leading media advertising market operator in Russia and Eastern Europe, providing solutions for mass media advertising on major TV channels, radio stations, printed media and internet properties in the region. In October 2007, Rambler Media signed a strategic partnership with IMHO VI, a subsidiary of Video International Group, authorizing it to sell advertising on Rambler's web properties.

**Mark Opzoomer, CEO of Rambler Media**, commented: "We are very pleased to announce that we have now sold control of Index20 to Video International, the leading media advertising group in Russia. We believe that by allowing Index20 some independence from Rambler and partnering with IMHO VI, we will attract more advertisers to Rambler and capture a larger share of the online advertising market, thus improving our sell-out and power ratios. In addition, through this strategic partnership, IMHO VI will absorb the corporate costs related to Index20, therefore enhancing Rambler's cost base."

**Arsen Revazov, the President and founder of IMHO VI**, further commented: "This transaction will enable Video International, as shareholders of Index20, to fully control the development of its business. We are very excited that this acquisition creates a basis for synergies between IMHO VI and Index20 and that it will strengthen Video International's market share in the Russian internet advertising market. We will implement Video International's corporate standards and its unique advertising sales technologies to achieve new heights for Rambler and to better serve its advertisers."

**Terms of the agreement**

Under the agreement, Index20 will be controlled by Video International with a 51% ownership while Rambler will own the remaining stake and will receive a dividend from Index20's profit in proportion to its ownership. The cash consideration for the sale has not been disclosed. Rambler has a three year call option for 51% of Index20.



The deal is expected to accelerate Index20's growth as a leading digital advertising agency in Russia by enhancing its sales capabilities, management talent, systems and reach and enabling it to provide new services such as affiliated programs, search engine marketing services and other digital advertising innovations (video, wap/mobile, rich media). In parallel, the strategic sale is expected to open up access to Rambler's web properties to a broader range of advertisers.

Under the agreement, Index20 will generate a minimum of US\$40 million worth of advertising sales for Rambler in 2008, which will increase to a minimum of US\$60 million in 2009 and US\$90 million in 2010, to be adjusted according to predefined, market-driven targets.

The advertising market in Russia is growing very strongly, and internet advertising is growing twice as fast. Online display advertising was estimated to have increased by 60% year on year in 2007 to US\$160 million (2006, US\$100 million) (source: 2007 – Video International, 2006 – Russian Association of Communication Agencies – AKAR).

Index20 will continue to handle all banner advertising sales for Rambler properties, in exchange for which Rambler will continue to pay variable commissions, and will also sell advertising space on other online websites, in close connection with Video International. The advertising inventory provided by Rambler to Index20 does not include the display and context advertising in the search results.

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

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#### **ABOUT RAMBLER MEDIA**

**Rambler Media is an internet media and services group which operates or has interests in leading Russian language internet brands including the original Russian internet homepage and search engine 'Rambler.ru', on-line newspaper 'Lenta.ru', product comparison website 'Price.ru', internet catalogue and navigation system 'Top 100', instant messaging service 'Rambler-ICQ', digital advertising agency 'Index20' and contextual advertising company 'Begun'. Rambler Media's shares are traded on AIM, the junior market of the London Stock Exchange under the symbol 'RMG'. For more information on Rambler Media, visit our corporate website at [www.ramblermedia.com](http://www.ramblermedia.com).**