



FOR IMMEDIATE RELEASE

**RAMBLER MEDIA ANNOUNCES PRELIMINARY FINANCIAL RESULTS
FOR FULL YEAR 2005**

**More than doubling of internet sales
EBITDA positive on group level 2nd half 2005
71% year on year sales growth on total sales
82% year on year reduction in consolidated EBITDA loss**

Moscow, 11 May 2006 - Rambler Media Limited (RMG.LN), a leading integrated media company providing services to the global Russian-speaking community, today announced its financial results for the year ended 31 December 2005.

FINANCIAL HIGHLIGHTS

- Net sales up 71% year on year to US\$ 21.42 million (US\$ 12.5 million)
- Internet sales up 112% to US\$ 14.82 million (US\$ 7.01 million)
- Group business EBITDA* profitable for first time in second half of the year
- 82% year on year reduction in EBITDA loss to US\$ -0.6 million (US\$-3.22 million)
- Strengthened balance sheet with US\$ 21.5 million of cash at year end
- US\$ 26 million of net proceeds from successful IPO and listing on AIM

OPERATING HIGHLIGHTS

- 54% year on year increase in number of unique monthly users of Rambler.ru to over 19.5 million – further increase to 20.8 million by end of March 2006
- 156% increase in monthly page views to 1.3 billion – further increase to 1.5 billion by end of March 2006
- Acquisition of strategic stake in key St Petersburg TV station
- Launch of co-branded Rambler-ICQ instant messenger
- Launch of internet hypermarket - Shop.rambler.ru
- Partnership with St Minver to launch online gaming portal - Ramblas.ru

* Earnings before interest, tax, depreciation and amortization



Irina Gofman, Chief Executive Officer of Rambler Media, commented: “As predicted, growth in the Russian advertising market has accelerated in the second half of 2005, with the strongest growth being in the internet advertising market.

“Revenues in our internet division grew faster than the internet advertising market itself, due to the introduction of innovative new online services and to increased internet penetration and usage in Russia. Our TV division is growing rapidly and our Mobile content business is approaching profitability despite heightened competition. We continue to explore new opportunities to create synergies through our multimedia windows.

These solid results demonstrate the quality of our services and confirm that Rambler Media has become the partner of choice for advertisers targeting urban, active, Russian-speaking consumers in Russia and internationally. We are confident that these favourable market trends will continue beyond 2006 and that we will continue to create value for our users, partners and shareholders.”

FINANCIAL SUMMARY

(US\$ '000s)	Jul – Dec 2005*	Jul – Dec 2004	Jan – Dec 2005	Jan – Dec 2004 (audited - restated)
Net Sales	13,476	8,295	21,421	12,505
Other income	515	-	515	-
EBITDA** Profit/(Loss)	1,293	(1,118)	(568)	(3,223)
Net profit/(loss)	111	(1,486)	(2,384)	(4,624)
Profit/(loss) per share - basic and fully diluted (US\$)	0.01	(0.13)	(0.18)	(0.41)

* The results for the second half of 2005 include annual audit adjustments

** Earnings before interest, tax, depreciation and amortisation



Overview

Rambler Media reported a 71% year on year increase in sales to US\$ 21.4 million for the full year 2005, compared to US\$ 12.5 million in the full year 2004. The Group reported an 82% year on year reduction in EBITDA losses from US\$ -3.22 million in 2004 to US\$ -0.6 million, despite a 43% year on year increase in the Group's operating expenses in the year. The Internet segment was EBITDA profitable in the first and the second half of the year enabling the company to break even on a half yearly consolidated basis for the first time in the second half of 2005. The ongoing investments in the operating businesses reflect Rambler Media's focus on increasing the penetration and market shares of its brands, technologies, products and services.

Internet

Rambler Internet reported a 454% increase in EBITDA profit following strong year on year growth in the number of users and in advertising sales. Sales in the Internet services division grew by 112% year on year from US\$ 7.0 million to US\$ 14.82 million and represented 69% of group sales for the year. The business generated an EBITDA profit of US\$ 4.21 million in the year, compared to an EBITDA profit of US\$ 0.76 in 2004.

Rambler Internet's primary business is Rambler.ru (www.rambler.ru), a leading Russian language Internet portal offering search, communication and media services. It is complemented by a number of other web properties, including leading on-line Russian language newspaper Lenta.ru (www.lenta.ru), which attracted 2.7 million unique visitors per month in March 2006, and several specialised web resources. Rambler Internet generates its revenues primarily from brand advertising, sponsored key word searches and e-commerce. In March 2005, Rambler Media acquired a 25% plus one share equity stake in Begun.ru, which is a fast growing Russian sponsored search company. Rambler Media has an option to increase its stake in Begun.ru in the future.

At the end of December 2005, Rambler.ru had 19.5 million unique monthly users, up 54% from the 12.6 million users at the end of December 2004. The number of Rambler.ru users increased further to 20.8 million unique monthly users by the end of March 2006. The number of pages viewed increased by 156% from 513 million in December 2004 to 1.3 billion in December 2005 and reached 1.5 billion by the end of March 2006. Users of the Russian language service are located all over the world and the Russian domestic audience alone increased by 50% year on year to 13 million users by the end of the reporting period. This growth rate is well above the 35% increase in Russian Internet penetration during the year, demonstrating the increased take-up and usage of the site and growing market share. Russian domestic users represent 67% of all Rambler users. Internet advertising is the fastest growing segment of the Russian advertising market and was estimated to



have increased by 71% year on year in 2005 to US\$ 60 million (US\$ 35 million).
(Source: Russian Association of Communication Agencies - RACA)

Rambler Media has launched a number of new products and services in the year including text links and paid search services through Begun.ru. Rambler derives pay-per-click-through revenues from its partnership with Begun, which were partially introduced in the first half of the year and were fully implemented during the second half. As of December 2005, paid search services generated 33% of Rambler's total internet revenues.

In the second half of 2005, Rambler introduced instant messaging services by launching the first Russian co-branded version of ICQ. ICQ is the most popular instant messenger in Russia, and now has 3 million registered users, of whom 1.3 million are daily users. Rambler-ICQ (<http://icq.rambler.ru/>) integrates Rambler email services and provides access to Rambler's internet search engine and online games, as well as Russian-language news and other information services.

Rambler also launched an internet shopping window (<http://shop.rambler.ru>) which enables visitors to shop through more than a quarter of a million of items, including books, music and films, IT and photographic equipment, mobile phones and accessories, office and consumer electronic products, childrens' goods, perfumes and jewellery. Rambler acts as a shopping window while its e-commerce partners handle all logistical and inventory solutions to deliver items in more than 150 towns across Russia.

A new Rambler.ru home page design was also launched during the year with enhanced usability, paid search services, as well as new community and communication services.

Finally, Rambler announced the launch of a new online gaming portal (www.ramblas.ru) in December 2005. The portal has been developed in partnership with St Minver and offers gaming solutions for blue-chip media brands with 24/7 customer service and back office support. The new portal offers a full range of the most popular games.

Market trends remain favourable with the number of Internet users in Russia forecast to increase by approximately 29% year on year in 2006 according to the Ministry of Informatisation and Communication, and the internet advertising market expected to grow by 65% to 70%, according to the Russian Association of Communication Agencies. The value of the Internet access and data transmission services markets is forecast to grow by 33% year on year to US\$ 2 billion in 2006 according to Jason and Partners, whilst the total value of B2C product and service transactions was estimated to have increased by 35% to US\$ 1.5 billion in 2005. Rambler Internet is well positioned to benefit from this growth due to its established



brand, large and growing market share, and its wide range of existing and new services. (Source: Russian Association of Communication Agencies (RACA), J'son & Partners, Ministry of Communications, National Association of Electronic Commerce)

Mobile Value Added Services

Sales of Mobile VAS reached US\$ 3.81 million (US\$ 4.09 million) in 2005, and accounted for 18% of Group revenues in the year. The value of the Russian market for mobile content: SMS, MMS and premium SMS content, increased by 21% in 2005 to US\$ 350 million (from US\$ 290 million). (Source: J'son & Partners Russian Wireless Content Report 2005-2007) However, this growth was not as high as was generally forecast by official sources. Due to the highly competitive nature of the mobile content market in Russia, with many small content providers trying to win market share at any cost, sometimes at a loss, SMXCOM's business model has been increasingly focused on a revenue sharing model, under which regional TV stations gain a share of Rambler's revenues in exchange for advertising its services. The advantage of this model over the direct advertising is that Rambler does not incur direct advertising costs. In order to expand its revenue sharing activities, SMXCOM plans to leverage on Rambler Media's existing relationships with regional TV stations through the Rambler TV network.

In the period, SMXCOM reported an EBITDA loss of US\$ -1.51 million (US\$ -685,000). SMXCOM continued to invest in the development and marketing of its mobile content brands and its relationships with Mobile TeleSystems, VimpelCom and Megafon in Russia, which together account for approximately 90% of mobile subscribers. SMXCOM will continue to increase its coverage to mobile users by adding and connecting to new GSM operators, thus maximising the selling opportunities.

90% of SMXCOM sales are generated from in-house developed SMS-based products and the Company also has licensing agreements with third party providers of content such as ring tones, icons, screen savers and games. Revenues are generated from a share of the fixed fees paid by subscribers to their network provider for the download of SMXCOM products. New services will also be offered to mobile users including Interactive Voice Retrieval (IVR) services, mobile gambling, on line / offline interactive mobile games, SMS Lottery, ICQ2waySMS and SMS Classifieds.

SMXCOM recently rebranded to 'Rambler Mobile' enabling better association with Rambler Media and its group of companies. Rambler Mobile plans to be in the position to offer mobile users a wide range of premium rate Voice and SMS services at competitive rates and thereby increase revenue and improve profitability. Rambler Mobile further expects to benefit from enhanced mobile phone capabilities and deployment of new cellular technologies, as well as closer



integration with Rambler Internet, Rambler TV and other Rambler Media owned companies by adding and integrating mobile content to existing products, programming and services.

Rambler Mobile also seeks to benefit from the expected growth in demand for mobile and mobile VAS services in Russia and other countries within the Region. Market fundamentals point to continued growth of cellular penetration in Russia and the Region. The value of the Russian market for mobile content: SMS, MMS and premium SMS content, is forecast to grow to US\$580 million in 2006. (Source: *J'son & Partners Russian Wireless Content Report 2005-2007*)

Television

Rambler TV's sales grew by 99% year on year to US\$ 2.8 million from US\$ 1.4 million in 2004, and represented 13% of Group revenues in 2005. Revenues are primarily generated from the sale of advertising airtime, as well as 'below the line' advertising. The division reported an EBITDA loss of US\$ -3.27 million in 2005 (US\$ -3.30 million).

Rambler TV is a free-to-air documentary and entertainment channel, which holds a national broadcasting license in Russia and reaches 40 million people through a network of 900 local affiliate stations broadcasting in 470 towns and cities across Russia. 30% of the content is produced by Rambler Media. The channel's core target audience is 25-45 year-old adults, which is the most economically active segment of the population. Research by TNS Gallup Media in July 2005 demonstrated that Rambler TV reaches consumers who have higher than average education.

The gross TV Advertising market grew by 35% year on year in 2005 to US\$ 2.3 billion, and accounted for 47% of total Russian gross advertising spend during the period (Source: *Russian Association of Communication Agencies (RACA)*). Rambler TV's national share of viewing amongst the total universe of viewers between the age of 6 and 54 grew from 0.26% in December 2004 to 0.46% in December 2005. Rambler TV has also continued to invest in increasing its national penetration, which rose by 42% from 20.7% in December 2004 to 29.5% in December 2005. (Source: *TNS Gallup Media, Dec 2005*)

Rambler TV signed an exclusive contract with a leading independent media sales house in April 2005, in order to augment Rambler's own in-house sales capacity, and also increased its penetration through inclusion in the Teleinform Moscow cable network. Teleinform enables the channel to reach an additional 1.2 million viewers in the key Moscow city and regional market. In addition, Rambler completed the acquisition of Loclear Limited in July 2005. Loclear owns NBN, a local television station covering approximately 75% of the key St Petersburg region



and reaching approximately 3.5 million potential viewers.

Rambler Media expects to benefit from the Russian Federation Government's new TV advertising law introduced by the State Duma, which will effectively reduce the allowable advertising airtime for the major TV channels with effect from July 1, 2006. Prices of TV advertising on the leading channels are expected to increase as a result of the new legislation, which may encourage advertisers to seek alternative marketing channels such as smaller TV networks and online media.

FINANCIAL POSITION

Rambler raised US\$ 26 million in net proceeds from the placing of 3,000,000 new shares to international institutional investors at a price of US\$ 10.25 per share in June 2005. The Company's balance sheet was therefore significantly strengthened and the Company ended the year with cash balances of US\$ 21.5 million. Rambler's total issued outstanding share capital following the issue of new shares amounts to 14,975,731 ordinary shares as at December 31, 2005.

RECENT DEVELOPMENTS

In January 2006, Rambler Media bought 51% of Price Express, a leading e-commerce internet company operating the portals price.ru (www.price.ru), Domoteka.ru (www.domoteka.ru) and Tyndex.ru (www.tyndex.ru). The portals provide price and product comparison tools designed to help online shoppers make the most cost-effective buying decisions. Price Express has a database of 40 million priced items, offering consumers one of the largest and quickest buying choices in the Russian internet market, directly integrated into Rambler search. Over 1 million shoppers visited Price Express's websites every month in 2005.

In March 2006, our Rambler-ICQ instant messaging service had 1,111,960 active users and 517,121 daily active users, i.e. one out of every 3 ICQ user in Russia in only six months after launch.

In April 2006, Rambler signed an exclusive partnership with Trader Media East's Iz Ruk V Ruki, which is Russia's largest classified newspaper, to launch online classified ads in Russia. Through the launch of a new co-branded website, Iz Ruk V Ruki private and commercial customers will be able to place their advertisements online and benefit from Rambler's extensive reach and numerous online properties and services. The new service will also enable Rambler's users to search through the biggest database of classified ads from all regions of Russia via a new, highly flexible and user friendly platform designed by Trader Media East.



OTHER INFORMATION

The Company's consolidated accounts have been prepared according to International Financial Reporting Standards (IFRS). The following preliminary financial information has been approved for release by the company's auditors.

The company will host a conference call to present the results at 5:00 pm (Moscow Time)/ 3:00 pm (CET) / 2:00 pm (London Time) / 9:00 am (New York Time) today. The results statement and related documentation are available on Rambler Media's website at www.ramblermedia.com. To participate in the conference call, please register online at www.sharedvalue.net/ramblermedia/fy2005. The number for the conference call will be available upon registration.

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ABOUT RAMBLER MEDIA

Rambler Media is an integrated and diversified Russian language media, entertainment, services and content delivery company with three main segments: internet services, mobile value added services, and television broadcasting. Rambler Media operates businesses including the Russian language internet portal and search engine 'rambler.ru', on-line newspaper 'Lenta.ru', broadband ISP 'Rambler Telecom', interactive advertising company 'Index20', mobile content service provider 'SMXCOM', and documentary and entertainment TV network 'RamblerTV'. Rambler Media's shares are traded on the AIM market of the London Stock Exchange under the symbol 'RMG'. For more information on Rambler Media, visit our corporate website at www.ramblermedia.com.

Certain statements within this announcement constitute forward looking statements. Such forward looking statements involve risks and other factors which may cause the actual results, achievements or performance of the Company to be materially different from any future results, achievements or performance expressed or implied by such forward looking statements. Such risks and other factors include, but are not limited to, general economic and business conditions, changes in government regulations, and court interpretations of such regulations, currency fluctuations (including the US\$/Rbs rate), competition, changes in development plans. There can be no assurance that the results and events contemplated by the forward looking statements contained in this announcement will, in fact, occur. Any forward looking statements made in this announcement represent management's best judgment as to what may occur in the future and are correct only as at the date of this announcement. The Company will not undertake any obligation to release publicly any revisions to these forward looking statements to reflect events, circumstance or unanticipated events occurring after the date of this announcement except as required by applicable law or by any applicable regulatory authority.



CONSOLIDATED PROFIT & LOSS ACCOUNT
(US \$'000s)

	July - Dec 2005	July - Dec 2004	Jan - Dec 2005	Jan - Dec 2004 (audited - restated)	Notes
Revenue	13,476	8,295	21,421	12,505	
Other Income	515	-	515	-	
Operating expenses	(12,698)	(9,413)	(22,504)	(15,728)	
Earnings before Interest, Tax, Depreciation and Amortisation	1,293	(1,118)	(568)	(3,223)	
Depreciation	(1,255)	(402)	(1,801)	(637)	
Net profit/(loss) before interest, taxation and minority interest	38	(1,520)	(2,369)	(3,860)	
Interest receivable	359	-	442		
Interest expense	(7)	(67)	(69)	(117)	
Net profit/(loss) before taxation and minority interest	390	(1,587)	(1,996)	(3,977)	
Taxation	(314)	101	(365)	(647)	
Net profit/(loss) before minority interest	76	(1,486)	(2,361)	(4,624)	
Minority interest	35	-	(23)	-	
Net profit/(loss)	111	(1,486)	(2,384)	(4,624)	
Profit/(loss) per share – basic and diluted	-USD 0.01	(USD 0.13)	(USD 0.18)	(USD 0.41)	2



SECOND HALF RESULTS BY BUSINESS SEGMENT
(US \$'000s)

6 MONTHS TO 31 DECEMBER 2005

	Internet Services	TV	Mobile VAS	Total
Revenue	9,750	1,845	1,881	13,476
Other revenue	515	-	-	515
Operating expenses (excluding depreciation)	(6,478)	(3,522)	(2,698)	(12,698)
EBITDA	<u>3,787</u>	<u>(1,677)</u>	<u>(817)</u>	<u>1,293</u>

6 MONTHS TO 31 DECEMBER 2004

	Internet Services	TV	Mobile VAS	Total
Revenue	4,165	719	3,411	8,295
Operating expenses (excluding depreciation)	(2,997)	(2,436)	(3,980)	(9,413)
EBITDA	<u>1,168</u>	<u>(1,717)</u>	<u>(569)</u>	<u>(1,118)</u>



FULL YEAR RESULTS BY BUSINESS SEGMENT
(US \$'000s)

12 MONTHS TO 31 DECEMBER 2005

	<u>Internet Services</u>	<u>TV</u>	<u>Mobile VAS</u>	<u>Total</u>
Revenue	14,819	2,797	3,805	21,421
Other income	515			515
Operating expenses (excluding depreciation)	<u>(11,123)</u>	<u>(6,066)</u>	<u>(5,315)</u>	<u>(22,504)</u>
EBITDA	<u>4,211</u>	<u>(3,269)</u>	<u>(1,510)</u>	<u>(568)</u>

12 MONTHS TO 31 DECEMBER 2004 (AUDITED-RESTATED)

	<u>Internet Services</u>	<u>TV</u>	<u>Mobile VAS</u>	<u>Total</u>
Revenue	7,015	1,404	4,086	12,505
Operating expenses and overheads (excluding depreciation)	<u>(6,255)</u>	<u>(4,702)</u>	<u>(4,771)</u>	<u>(15,728)</u>
EBITDA	<u>760</u>	<u>(3,298)</u>	<u>(685)</u>	<u>(3,223)</u>



CONSOLIDATED BALANCE SHEET
(US \$'000s)

	Dec 2005	Dec 2004 (audited- restated)
Assets		
Non Current Assets		
Fixed assets		
Leasehold improvements and equipment	3,830	3,626
Investments	778	-
Intangible assets	<u>15,762</u>	<u>10,608</u>
	20,370	14,234
Current Assets		
Trade debtors	3,690	1,551
Inventory	367	210
Prepayments	392	1,217
VAT, net	558	143
Other receivables	861	1,571
Bank and cash balances	<u>21,482</u>	<u>5,408</u>
	27,350	10,100
Total assets	<u>47,720</u>	<u>24,334</u>
Liabilities		
Current Liabilities		
Trade creditors	1,213	1,264
Deferred income	829	516
Loans	<u>141</u>	<u>1,320</u>
	2,183	3,100
Long Term Liabilities		
Loans	-	12
Deferred taxation	<u>1,726</u>	<u>1,367</u>
	1,726	1,379
Total liabilities	<u>3,909</u>	<u>4,479</u>
Shareholders' equity		
Issued capital	150	120
Reserves	56,301	30,014
Accumulated losses	<u>(12,663)</u>	<u>(10,279)</u>
Total shareholders' equity	<u>43,788</u>	<u>19,855</u>
Minority interest	<u>23</u>	<u>-</u>
Liabilities and Shareholders' Equity	<u>47,720</u>	<u>24,334</u>



SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS
(US \$'000s)

	Jan - Dec 2005	Jan – Dec 2004 (audited - restated)
	<u> </u>	<u> </u>
Net cash used in operating activities	(2,873)	(4,126)
Net cash used in investing activities	(8,144)	(1,961)
Net cash from financing activities	<u>27,091</u>	<u>11,065</u>
Net Increase in cash	16,074	4,978
Cash at the beginning of the year	<u>5,408</u>	<u>430</u>
Cash at the end of the year	<u>21,482</u>	<u>5,408</u>



NOTES

1. Principal Accounting Policies

a) Basis of preparation

The financial statements have been prepared in accordance with the accounting policies set out in the Group's financial statements for the year ended 31 December 2005. The financial statements for the year 2005 are unaudited but have been approved for release by the company's auditors. The results for the second half of 2005 include annual audit adjustments

b) Basis of consolidation

The financial statements consist of Rambler Media Limited (the Company) and its respective subsidiary undertakings (the Group). On the acquisition of a business, including an interest in a subsidiary undertaking, fair values are attributed to the Group's share of net separable assets. Where the cost of acquisition exceeds the fair values attributable to such net assets the difference is treated as purchased goodwill and capitalised in the balance sheet in the year of acquisition.

2. Losses per Share

Losses per share have been calculated as follows:

	July - Dec 2005	July - Dec 2004	Jan - Dec 2005	Jan - Dec 2004
Net Profit/(loss)	111	(1,486)	(2,384)	(4,624)
Weighted average number of issued shares (000s)	14,976	11,284	13,611	11,284
Profit/(loss) per share	0.01	(USD 0.13)	(USD 0.18)	(USD 0.41)

3. Post Balance Sheet Events

(a) Purchase of Price Express

On January 16 2006 the Rambler Group purchased 51% of Price Express. Price Express is a leading Russian Ecommerce internet company. It operates the portals: Price.ru, Domoteka.ru and Tyndex.ru, which provide price and product comparison tools designed to help on-line shoppers make the most cost effective buying decisions.

(b) Strategic Partnership with Trader Media Limited

On April 26 2006 the Rambler Group entered into an exclusive relationship with Trader Media Limited, a leader in classified advertising, to create a co-branded website which will give Rambler.ru customers access to online classified content in Russia.



4. Restatement of Year 2004

The figures for the year 2004 have been restated to reflect:

- the revised requirements of IFRS 2 with respect to share options (resulting in an increase in net losses of US\$212 thousand)
- The reclassification of TV programme rights as current assets