The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Q1 Revenue Rises 45% at Mail.Ru

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April 27, 2012

Mail.Ru chairman Dmitry Grishin **Dmitry Abramov**

The increased popularity of Mail.Ru Group's online games, social networks, applications and advertising pushed up revenue 45 percent in the first quarter, while revenue for 2011 increased nearly 60 percent, the Internet company said.

First-quarter revenue this year was $160.3 million compared with $110.6 million in the year-earlier period, while 2011 revenue was $515.4 million compared with year-earlier revenue of $324.7 million, an increase of about 59 percent, Mail.Ru said in its latest financial statements, released Thursday.

The company, which is traded on the London Stock Exchange, reported net income of $208.6 million in 2011 versus $80.8 million in 2010.

Mail.Ru had a 41 percent increase in the number of daily visitors to its Odnoklassniki social-networking site and a 21 percent increase to its Mail.Ru web portal in March of this year versus March 2011.

"Their websites have become more popular and have taken market share," said David Ferguson, a Renaissance Capital investment analyst.

"The business is doing very, very well at the moment," he said in a telephone interview.

Mail.Ru also owns the Moi Mir social-networking site and instant messaging applications ICQ and Mail.Ru Agent. It holds about a 40 percent stake in VKontakte, the Russian equivalent of Facebook, and about 21 percent of electronic-payments company Qiwi.

Russia has the greatest number of Internet users in Europe, or 51 million users, but that is just 36 percent of the population, meaning there is significant growth potential.

Original url: https://www.themoscowtimes.com/2012/04/27/q1-revenue-rises-45-at-mailru-a14437