

Yandex Net Profit Up 64% in Q2

By [The Moscow Times](#)

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Yandex's profits are soaring as costs fell and advertising revenue is up.

Internet search engine Yandex beat forecasts with a 64 percent rise in second-quarter adjusted net profit, boosted by higher online advertising revenues and lower costs.

Net profit, excluding share-based compensation expenses, came in at 2.1 billion rubles (\$65 million), above a 1.87 billion ruble consensus forecast, Yandex said.

Revenues came in at 6.8 billion rubles, slightly above a 6.7 billion ruble forecast, driven by continued growth of the online advertising market and strong search market share, it said.

According to LiveInternet, Yandex's share of the country's search market averaged 60.4 percent in the second quarter, ahead of Google and Mail.Ru.

Yandex, which raised \$1.4 billion in an oversubscribed initial public offering in New York in May 2011, said its profitability was supported by lower costs as a percentage of revenues compared with those of a year ago, when costs rose due to the IPO.

In the second quarter of 2012, its selling, general and administrative expenses were up 11 percent year on year but decreased as a percentage of revenues from 20.8 to 15.5 percent in comparison with the same period of 2011.

Product development costs decreased as a percentage of revenues from 16.6 to 15.6 percent, the company said.

The company also reported a 60 percent rise in adjusted EBITDA.

Adjusted EBITDA margin rose from 42.1 percent a year ago to 45 percent and was slightly higher than the 44.5 percent forecast.

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