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ROSINTER
RESTAURANTS

Moscow, August 28, 2014 PRESS RELEASE

ROSINTER REPORTS 1H 2014 UNAUDITED FINANCIAL RESULTS:

REVENUE AMOUNTED TO RUB 4 703 MLN

EBITDA margin before impairment and write-offs at 8%

OJSC Rosinter Restaurants Holding (Rosinter), the leading casual dining restaurants chain in Russia and CIS (Moscow Exchange MICEX-RTS ticker: ROST), announced today its unaudited financial results for 1H 2014 prepared in accordance with IFRS. This press release is available on www.rosinter.com.

1H 2014 HIGHLIGHTS

- **Consolidated net revenue stood at RUB 4 703 mln**
- **Revenue from restaurants decreased by (4.4)% to RUB 4 490 mln compared with 1H 2013**
- **Operating profit before impairment amounted to RUB 207 mln for an operating margin before impairment of 4.4% compared with a margin of 3.3% in 1H 2013**
- **EBITDA[1] before impairment and write-offs amounted to RUB 376 mln for a margin of 8%**
- **EBITDA amounted to RUB 359 mln and EBITDA margin stood at 7.6% compared with a margin of 5.5% in 1H 2013**
- **Net profit for the period amounted to RUB 57 mln and net profit for the period margin stood at 1.2% compared with loss for the period margin of (0.9)% in 1H 2013**
- **As of June 30, 2014 gross debt was RUB 1 480 mln, that was 100% long-term debt in total**
- **Net debt stood at RUB 1 313 mln, leading to a Net debt/EBITDA[2] before impairment and write-offs of 2.5x as of June 30, 2014 in comparison with 3.3x as of December 31, 2013**

Sergey Zaytsev, President and Chief Executive Officer, commented:

"In the first half of 2014, our company has successfully continued the expansion of activities in transport hubs. During this period we opened 7 new restaurants and coffee shops in Kazansky, Belorussky, Paveletsky and Leningradsky Moscow railway stations. As of June 30 2014, Rosinter operates 54 stores in transport hubs.

We continued a strategy of portfolio optimization and focused business development throughout all territories of our presence. As a part of the strategy we sold our operations in Poland to a franchisee.

During the spring of 2014 we successfully launched two marketing campaigns. One to celebrate the 15th anniversary of one of our key brands, Planet Sushi, and the second was a promo-campaign for IL Patio, "Rome Vacations", offering a special spring menu that supported average check in challenging economic environment.

The slowdown of consumer spending affected our restaurant revenues. However the revitalization of brands and the optimization of fixed costs contributed to support our operational efficiency. Currently we have 14 revitalized restaurants in our portfolio that all deliver positive sales growth. Also, the optimization of fixed costs, such as headcount reduction in our support center with a corresponding payroll expense decrease by 12.3% compared to 6M 2013 made a positive contribution to our efficiency targets.

During the second half of 2014, we are continuing our portfolio optimization. We plan to sell corporate canteens business, continue restructuring of SG&A expenses and management processes as well as focusing on the further development of our business in transport hubs and strategic projects. At the same time, due to changes in import regulations, our target is to maintain the F&B cost keeping the high quality of our meals."

Income Statement Summary

(RUB) thousands	6M 2014		6M 2013		% Change Y-o-Y
Net revenue	**4 702 866**	***100,0 %***	**4 929 600**	***100,0 %***	***(4,6)%***
Incl. Revenue from restaurants and canteens	*4 490 001*	*95,5 %*	*4 697 325*	*95,3 %*	*(4,4)%*
Incl. Revenue from franchising	*133 739*	*2,8 %*	*151 638*	*3,1 %*	*(11,8)%*
Cost of sales	**4 062 718**	***86,4 %***	**4 002 213**	***81,2 %***	***1,5 %***
Incl. Food and beverages	*1 037 622*	*22,1 %*	*1 117 006*	*22,7 %*	*(7,1)%*
Incl. Payroll and related taxes	*1 058 793*	*22,5 %*	*1 076 669*	*21,8 %*	*(1,7)%*
Incl. Rent	*1 143 855*	*24,3 %*	*970 050*	*19,7 %*	*17,9 %*
Gross profit	**640 148**	***13,6 %***	**927 387**	***18,8 %***	***(31,0)%***
SG&A Expenses	594 530	*12,6 %*	681 715	*13,8 %*	*(12,8)%*
Incl. Payroll and related taxes	*374 024*	*8,0 %*	*426 410*	*8,6 %*	*(12,3)%*
Incl. Advertising	*51 234*	*1,1 %*	*63 927*	*1,3 %*	*(19,9)%*
Incl. Other expenses	*38 941*	*0,8 %*	*49 964*	*1,0 %*	*(22,1)%*
Start-up expenses for new restaurants	79 838	*1,7 %*	65 047	*1,3 %*	*22,7 %*
Other gains	302 631	*6,4 %*	35 697	*0,7 %*	*747,8 %*
Other losses	61 710	*1,3 %*	53 210	*1,1 %*	*16,0 %*
Incl. Loss on disposal of non-current assets	*38 894*	*0,8 %*	*31 562*	*0,6 %*	*23,2 %*
Profit from operating activities before impairment	**206 701**	***4,4 %***	**163 112**	***3,3 %***	***26,7 %***
(Reversal of)/loss from impairment of operating assets	(22 649)	*(0,5)%*	43 585	*0,9 %*	*(152,0)%*
Profit from operating activities after impairment	**229 350**	***4,9 %***	**119 527**	***2,4 %***	***91,9 %***
Financial expenses, net	82 281	*1,7 %*	59 960	*1,2 %*	*37,2 %*
Foreign exchange gains/(losses), net	16 304	*0,3 %*	22 654	*0,5 %*	*(28,0)%*
Profit before tax from continuing operations	**163 373**	***3,5 %***	**82 221**	***1,7 %***	***98,7 %***
Income tax expense	(51 025)	*(1,1)%*	(32 009)	*(0,6)%*	*59,4 %*
Profit for the period from continuing operations	**112 348**	***2,4 %***	**50 212**	***1,0 %***	***123,7 %***
Loss after tax for the period from discontinued operations	(54 962)	*(1,2)%*	(94 455)	*(1,9)%*	*(41,8)%*
Net profit/(loss)	**57 386**	***1,2 %***	**(44 243)**	***(0,9)%***	***(229,7)%***
Profit from operating activities after impairment	229 350	*4,9 %*	119 527	*2,4 %*	*91,9 %*
Depreciation and amortization	129 980	*2,8 %*	149 682	*3,0 %*	*(13,2)%*
EBITDA [(1)]	**359 330**	***7,6 %***	**269 209**	***5,5 %***	***33,5 %***
(Reversal of)/loss from impairment	(22 649)	*(0,5)%*	43 585	*0,9 %*	*(152,0)%*
EBITDA before impairment	**336 681**	***7,2 %***	**312 794**	***6,3 %***	***7,6 %***
Loss on disposal of non-current assets	38 894	*0,8 %*	31 562	*0,6 %*	*23,2 %*
EBITDA before impairment and write-offs	**375 575**	***8,0 %***	**344 356**	***7,0 %***	***9,1 %***

Within the framework of our portfolio optimization we transferred to franchisees our corporate operations in Poland. As of June 30, 2014 the disposed business was classified as discontinued operations and its results for periods of 1H 2014 and 1H 2013 are presented in a separate line in the Income Statement.

In 1H 2014 consolidated revenue amounted to RUB 4 703 mln. Corporate restaurants revenue decreased by (4.4)% which was mainly due to the implementation of the strategic plan to improve our portfolio, including exiting unprofitable and non-core restaurants as well as non-stable economic situation which influenced our transactions. Revenue from franchising decreased by 11.8% mainly due to absence of franchising fee payments related to prolongation of existing franchising contracts compared to previous period.

Gross profit margin decreased to 13.6% in 1H 2014 from 18.8% in 1H 2013 mainly driven by a 17.9% increase in rent measured as a percentage of total revenue.

Payroll increase by 70 basis points was mainly driven by inflation; whereof food and beverages decrease by 60 basis points was caused by productivity optimization, those items measured as a percentage of sales.

Selling, general and administrative expenses decreased as a percentage of revenue to 12.6% in 1H 2014 from 13.8% in 1H 2013 driven mainly by a decrease of 60 basis points in payroll due to optimization of support center and 20 basis points in advertising expenses, all measured as a percentage of total revenue.

Start-up expenses for new restaurants increased by 40 basis points as a percentage of total revenue in 1H 2014 in comparison to 1H 2013 due to number of new openings in railway stations sites than our average per store and also to additional expenses related to our revitalization.

Other gains increased by 5.7% due to selling of non-core operational business in Siberian region, other losses increased by 20 basis points due to increase in loss on disposal of non-current assets, calculated as a percentage of total revenue in 1H 2014 in comparison to 1H 2013.

Profit from operating activities after impairment stood at 4.9% in 1H 2014 in comparison with ***Profit from operating activities after impairment*** of 2.4% in 1H 2013, all measured as a percentage of total revenue.

The increase of net financial expenses by 50 basis points is mainly driven by higher amounts of interest paid due to increased level of gross debt comparing to 1H 2013.

Income tax expense in 1H 2014 increased by 50 basis points compared to 1H 2013.

Loss after tax from discontinued operations in 1H 2014 amounted to RUB 55 mln. For more information please refer to note 5 of the financial statements for the six months ended June 30, 2014.

As a result, ***Net profit margin*** increased to 1.2% in 1H 2014 compared to net loss margin of (0.9)% in 1H 2013.

EBITDA margin in 1H 2014 increased to 7.6% from a margin of 5.5% in 1H 2013, ***EBITDA margin before impairment*** increased to 7.2% in 1H 2014 in comparison to 6.3% in 1H 2013. ***EBITDA margin before impairment and write-offs*** increased to 8% in 1H 2014 from 7% in 1H 2013.

Cash Flow Performance

(RUB) thousands	6M 2014	6M 2013	% Change Y-o-Y
Net cash flow from operating activities	442 071	132 018	234,9 %
Incl. Cash flow before changes in operating assets and liabilities	*65 941*	*288 606*	*(77,2)%*
Incl. Change in operating Assets and Liabilities	*477 725*	*(52 988)*	*(1001,6)%*
Incl. Financial and tax cash outflow	*(101 595)*	*(103 600)*	*(1,9)%*
Net cash flow used in investing activities	(286 787)	(116 691)	145,8 %
Net cash flow (used in)/from financing activities	(83 131)	9 877	(941,7)%
Effect of exchange rates on cash and cash equivalents	(1 344)	4 386	(130,6)%
Net increase in cash and cash equivalents	**70 809**	**29 590**	**139,3 %**
Cash & Cash equivalents at beginning of period	96 008	279 008	(65,6)%
Cash & Cash equivalents at end of period	166 817	308 598	(45,9)%

Cash flow from operating activities before change in operating assets and liabilities stood at RUB 66 mln in 1H 2014 from RUB 289 mln in 1H 2013 mainly due to a lower gross operating profit earned by the company in 1H 2014 in comparison with 1H 2013.

Net cash flow used in investing activities increased by 146% to RUB 287 mln in 1H 2014 from RUB 117 mln in 1H 2013 mainly due to continued development in transportation hubs.

Net cash flow used in financing activities in 1H 2014 represents mainly repayment of bank loans as summarized in the table below.

Debt and Liquidity

(RUB) thousands	6m2014		12m2013		% Change Y-o-Y
Total Gross Debt	**1 480 000**	**100,0 %**	**1 553 940**	**100,0 %**	**(4,8)%**
Short-term debt	0	-	33 940	2,2 %	(100,0)%
Long-term debt	1 480 000	100,0 %	1 520 000	97,8 %	(2,6)%
Net Debt	**1 313 183**	**88,7 %**	**1 457 932**	**93,8 %**	**(9,9)%**
Net Debt / EBITDA [(2)]	**3,1**		**6,1**		**(48,4)%**
Net Debt / EBITDA before impairment and write-offs [(2)]	**2,5**		**3,3**		**(23,7)%**

Total gross debt of the Group decreased by 4.8% and net debt decreased by 9.9% in 1H 2014 when compared with the corresponding figures as of December 31, 2013, mainly due to optimization of cash flow. The maturity profile of our debt portfolio improved with the long-term component increasing to 100% as of June 30, 2014 from 97.8% as of December 31, 2013. This is caused by successful refinancing of credit facilities. Also our debt portfolio is ruble denominated with fixed interest rates. Net debt/EBITDA ratio decreased to 3.1x as of June 30, 2014 from 6.1x as of December 31, 2013. Net debt/EBITDA before impairment and write-offs ratio decreased to 2.5x as of June 30, 2014 from 3.3x as of December 31, 2013.

Gross debt maturity schedule as of June 30, 2014 is illustrated below.

(RUB) mln	Within 6M (2H 2014)	6M-12M (1H 2015)	12M-18M (2H 2015)	18M+	Total
Gross debt maturity	**0** **-**	**0** **-**	**263** **17,8 %**	**1 217** **82,2 %**	**1 480** **100,0 %**

[1] EBITDA is calculated by adding back depreciation and amortization to profit from operating activities after impairment. EBITDA measures are not measurements of our operating performance under IFRS and should not be considered as an alternative to profit for the year, operating profit or any other performance measures derived in accordance with IFRS or as an alternative to cash flow from operating activities or as a measure of our liquidity. Our approach to calculating EBITDA may differ from the approach of other companies.
[2] EBITDA is calculated over the 12 preceding calendar months.

Some information in this review may contain "forward-looking statements" which include all statements other than statements of historical fact. Such forward-looking statements can often be identified by words such as "plans", "believes", "anticipates", "expects", "intends", "estimates", "will", "may", "continue", "should" and similar expressions. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's and/or its Management control that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. These forward-looking statements speak only as at the date as of which they are made, and the Company and/or its Management does not intend and has no duty or obligation to supplement, amend, update or revise any of the forward-looking statements contained herein to reflect any change in the Company's and/or its Management expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based. The information and opinions contained in this review are provided as at the date of this review and are subject to change by the Company's own discretion without notice of any kind and form.

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Note to Editors:

As of 30 June 2014 OJSC Rosinter Restaurants Holding is the leading casual dining restaurant company in Russia and CIS, which operates 369 outlets in 42 cities in Russia, CIS and Central Europe, including Baltic countries. The chain has 337 casual dining stores, including 134 franchised restaurants, and 32 Costa Coffee outlets. The Company offers casual dining Italian and Japanese cuisine under its proprietary brands IL Patio and Planet Sushi. In addition, Rosinter Restaurants Holding develops and operates under franchise agreements a chain of American restaurants TGI FRIDAYS and a chain of British cafeterias Costa Coffee. In March 2012 RAZVITIYE ROST LLC (a subsidiary of OJSC Rosinter Restaurants Holding) has acquired the right to develop McDonald's brand on a franchise basis in Moscow and Saint Petersburg transportation hubs. Rosinter Restaurants Holding is listed on the Moscow Exchange MICEX-RTS (moex.com) under the stock ticker ROST.

APPENDIX

Unaudited Interim Consolidated Income Statement
for the six months ended June 30, 2014

(All amounts are in thousands of Russian Roubles, unless specified otherwise)

		For the six months ended June 30,	
		2014	**2013**
	Notes	**Unaudited**	
Continuing operations			
Revenue	10	4,702,866	4,929,600
Cost of sales	11	(4,062,718)	(4,002,213)
Gross profit		**640,148**	**927,387**
Selling, general and administrative expenses	12	(594,530)	(681,715)
Start-up expenses for new restaurants		(79,838)	(65,047)
Other gains	13	302,631	35,697
Other losses	13	(61,710)	(53,210)
Profit from operating activities before impairment		**206,701**	**163,112**
Reversal of/(loss from) impairment of operating assets	14	22,649	(43,585)
Profit from operating activities after impairment		**229,350**	**119,527**
Financial income		9,645	5,521
Financial expense		(91,926)	(65,481)
Foreign exchange gain, net		16,304	22,654
Profit before income tax from continuing operations		**163,373**	**82,221**
Income tax expense		(51,025)	(32,009)
Profit for the period from continuing operations		**112,348**	**50,212**
Discontinued operations			
Loss after tax for the period from discontinued operations	5	(54,962)	(94,455)
Net profit/(loss) for the period		**57,386**	**(44,243)**
Attributable to:			
Equity holders of the parent entity		51,676	(43,236)
Non-controlling interests		5,710	(1,007)
Earnings per share	8		
Basic, earnings/(loss) per share		3.31	(2.77)
Diluted, earnings/(loss) per share		3.16	(2.65)
Earnings per share for continuing operations			
Basic, earnings per share from continuing operations		6.83	3.28
Diluted, earnings per share from continuing operations		6.51	3.13

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Unaudited Interim Consolidated Statement of Financial Position

at June 30, 2014

(All amounts are in thousands of Russian Roubles, unless specified otherwise)

	Notes	June 30, 2014, unaudited	December 31, 2013, audited
ASSETS			
Non-current assets			
Property and equipment	4	1,854,054	1,733,528
Intangible assets		101,004	107,131
Goodwill		150,229	176,153
Long-term loans due from related parties	6	23,038	20,642
Long-term receivables due from related parties	6	915	1,577
Deferred income tax asset		108,834	167,261
Rent deposits and other non-current assets		246,875	244,040
		2,484,949	**2,450,332**
Current assets			
Inventories		145,014	182,924
VAT and other taxes recoverable		149,691	172,783
Income tax prepaid		40,836	43,660
Trade and other receivables		436,839	161,614
Advances paid		173,491	357,247
Receivables from related parties	6	103,557	53,439
Short-term loans		12,793	19,087
Short-term loans due from related parties	6	8,994	8,994
Cash and cash equivalents		166,817	96,008
		1,238,032	**1,095,756**
TOTAL ASSETS		**3,722,981**	**3,546,088**
EQUITY AND LIABILITIES			
Equity			
Equity attributable to equity holders of the parent entity			
Share capital	7	2,767,015	2,767,015
Additional paid-in capital		2,204,190	2,204,190
Treasury shares	7	(413,085)	(413,085)
Other capital reserves		19,405	25,941
Accumulated losses		(4,274,326)	(4,326,002)
Translation difference		3,614	(18,165)
		306,813	**239,894**
Non-controlling interests		9,077	4,530
		315,890	**244,424**
Non-current liabilities			
Long-term loans and borrowings	9	1,480,000	1,520,000
Long-term liabilities to partners		17,807	19,755
Deferred income tax liabilities		29,976	53,261
		1,527,783	**1,593,016**
Current liabilities			
Trade and other payables		1,643,078	1,469,448
Short-term loans and borrowings	9	–	33,940
Payables to related parties	6	131,172	70,917
Short-term loans due to related parties	6	1,359	2,376
Short-term liabilities to partners		–	15,074
Deferred income		22,903	37,897
Income tax payable		80,796	78,996
		1,879,308	**1,708,648**
TOTAL EQUITY AND LIABILITIES		**3,722,981**	**3,546,088**

Unaudited Interim Consolidated Statement of Cash Flows
for the six months ended June 30, 2014

(All amounts are in thousands of Russian Roubles, unless specified otherwise)

		For the six months ended June 30,	
		2014	**2013**
	Notes	**Unaudited**	
Operating activities			
Profit before tax from continuing operations		163,373	82,221
Loss before tax from discontinued operations	5	(54,720)	(93,613)
Adjustments to reconcile profit/(loss) before tax to net cash provided by operating activities:			
Depreciation and amortization		131,457	154,323
Reclassification adjustments for losses included in profit or loss	5	64,333	–
Foreign exchange gains, net		(14,427)	(21,307)
Gain from disposal of subsidiaries		(294,818)	–
Financial income		(9,645)	(7,271)
Financial expense		91,958	66,812
Allowance for impairment/(Reversal of impairment) of advances paid, taxes recoverable and receivables		3,242	(10,905)
Reversal of write-down of inventories to net realisable value		(15,327)	(2,139)
Loss on disposal of non-current assets		38,893	37,780
Impairment of assets		11,246	79,647
Gain on the disposal of discontinued operation	5	(49,800)	–
Contingent liabilities and provisions		10,950	–
Share based payment		(10,774)	3,058
		65,941	**288,606**
Changes in operating assets and liabilities:			
Decrease in inventories		50,159	48,256
Decrease in advances, taxes recoverable, receivables, rent deposits and other non-current assets		185,605	2,503
Decrease in receivables from related parties		1,211	27,559
Increase/(decrease) in payables to related parties		47,018	(11,175)
Increase/(decrease) in trade and other payables		193,732	(120,131)
Net cash generated from operations		**543,666**	**235,618**
Interest paid		(87,061)	(60,587)
Interest received		761	4,825
Income tax paid		(15,295)	(47,838)
Net cash flows from operating activities		**442,071**	**132,018**
Investing activities			
Purchases of property and equipment		(286,821)	(137,717)
Loans issued to third parties		(5,900)	–
Purchase of intangible assets		(3,466)	(724)
Proceeds from repayment of loans issued to third parties		5,961	4,566
Proceeds from disposal of property and equipment		1,112	17,148
Proceeds from repayment of loans issued to related parties		–	1,226
Loans issued to related parties		–	(1,190)
Net inflow from cash and cash equivalents in respect of disposal subsidiaries		2,327	–
Net cash flows used in investing activities		**(286,787)**	**(116,691)**

Continued on the next page

Unaudited Interim Consolidated Statement of Cash Flows (continued)

	For the six months ended June 30,	
	2014	2013
	Unaudited	
Financing activities		
Proceeds from bank loans	2,692,156	955,071
Repayment of bank loans	(2,766,096)	(925,359)
Payments to partners	(7,091)	(18,122)
Repayment of related party loans	(1,017)	(472)
Repayment of lease obligations	–	(138)
Dividends paid to shareholders	(1,083)	(1,103)
Net cash flows from/(used in) financing activities	**(83,131)**	**9,877**
Effect of exchange rate on cash and cash equivalents	(1,344)	4,386
Net increase in cash and cash equivalents	**70,809**	**29,590**
Cash and cash equivalents at beginning of the period	**96,008**	**279,008**
Cash and cash equivalents at end of the period	**166,817**	**308,598**