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ROSINTER RESTAURANTS

Moscow, 12 September 2012 PRESS-RELEASE

ROSINTER REPORTS 1H 2012 UNAUDITED FINANCIAL RESULTS:

REVENUE GROWTH OF 3.0% AND EBITDA MARGIN IMPROVED TO 4.1% FROM -1.0% IN 1H 2011

NEW TOP MANAGEMENT TEAM IS EXECUTING A STRATEGY TO STABILIZE THE BUSINESS AND BUILD THE FOUNDATION FOR LONG-TERM AND SUSTAINABLE GROWTH

OJSC Rosinter Restaurants Holding (Rosinter), the leading casual dining restaurants chain in Russia and CIS (RTS and MICEX ticker: ROST), announced today its financial results for 1H 2012 prepared in accordance with IFRS. The Company's unaudited consolidated financial statements for the period are posted on our web page at www.rosinter.com.

1H 2012 HIGHLIGHTS

- **Consolidated net revenue increased by 3.0% compared with 1H 2011 and stood at RUB 5,189 mln.**
- **Same store sales decreased by 1.2% during 1H 2012 as a result of a 3.4% increase in same store average check and a 4.4% decline in same store transactions.**
- **Gross profit amounted to RUB 1,005 mln and gross profit margin stood at 19.4% compared with 17.5% in 1H 2011.**
- **Operating profit before impairment amounted to RUB 177 mln for a margin in operation before impairment of 3.4% compared with a negative margin of 1.3% in 1H 2011**
- **EBITDA[1] amounted to RUB 214 mln and EBITDA margin stood at 4.1% compared with a negative margin of 1.0% in 1H 2011.**
- **EBITDA[1] before impairment and write–offs amounted to RUB 394 mln and EBITDA margin before impairment and write–offs charges stood at 7.6% compared with 4.6% in 1H 2011.**
- **Net loss amounted to RUB 75 mln and net loss margin stood at 1.4% compared with a loss margin of 6.4% in 1H 2011**
- **Gross debt at RUB 1,398 mln, including RUB 782 mln long-term debt**
- **Net debt decreased by 13.6% to RUB 1,095 mln, leading to a Net debt/EBITDA of 1.8x at June 30, 2012 in comparison with 3.8x as at December 31, 2011**

Kevin Todd, President and Chief Executive Officer, commented:

"I would like to share with you the medium-term transformational strategy that we have put together for our business in order to provide a broader context for your analysis of our current results. The strategy is already being executed and has been approved by our board of directors in July. It is the result of a thorough review of our operation made by our team with the support of external consultants. The project was launched in March 2012 when the Chairman of the Board and the Board gave me the responsibility to lead the Rosinter business which has been facing for some time weak traffic flow to our restaurants, declining profitability margins and an increasing competition which has been posing additional pressure on our brands. The review allowed us to define a medium-term strategy that targets a stabilization of our business and building the foundation for long-term and sustainable growth.

Knowing that we would be facing challenges going forward reinforced my commitment to insure that we have the right people in the right place and best in class professionals in each area of responsibility. Simultaneously with the review, we launched a search for experienced top managers with deep restaurant business knowledge and with the experience required to execute with success our strategy and consolidate Rosinter as a guest-focused organization with compelling and profitable brands that excite our guests and build up sustainable growth of our EBITDA margins.

In our search, we looked for several characteristics in our new team members. We wanted them to be business minded, strong, challenging, independent, challenge-driven and hands-on, and I believe that we have succeeded in building a team that combines experience in big multi-branded international restaurant companies and in Rosinter, the biggest Russian multi-branded operator. This valuable mix of geographical experience is complemented by a strong combined track record of the team in brand development, turnaround, performance improvement, corporate development and franchising.

Let me walk you briefly through the five strategic directions that we have defined:

1. ***Focus the portfolio** – refers to our commitment to reshape and concentrate our portfolio on profitable, scalable, growing or high potential brands and regions. This will reduce the distraction of management resources generated by non-core businesses. Our main brands will be IL Patio, Planet Sushi, TGI Friday's®, and Costa Coffee, which will be complemented by McDonald's and Mama Russia in our Transportation Hubs Business Unit.*

2. ***Re-establish brand and operational competitiveness** – addresses four initiatives that will bring our two main brands IL Patio and Planet Sushi to a major repositioning by 2014.*
   a. ***Menu revitalization** - In 4Q 2102 we will be revitalizing our menus and launching simultaneously a series of complementary marketing actions that target an improved guest dynamic in our stores during our high season.*
   b. ***Assets upgrade** - We will be investing RUB 280 mln approximately upgrading our assets base by 2013.*
   c. ***Genesis project** - we are selecting a number of restaurants (both corporate and franchise) to create a "gold standard" in service to our guests where store managers and teams will demonstrate higher commitments and quality standards and a special passion for serving people that permeates everything that happens in the store. Rollout for the Genesis stores for Planet Sushi and IL Patio is planned to begin 2H 2013 and the test for these stores will be executed during 2H 2012 and 1H 2013.*
   d. ***Next Generation** - is a major repositioning project for our two brands IL Patio and Planet Sushi for the next 10 years. We are working with world-class specialists to re-design how our two brands look, feel and even taste. Next Generation stores rollout for IL Patio and Planet Sushi is planned to begin during 2014, once the conceptual design and testing complete.*

3. ***Improve profitability and sustainability*** *– includes a series of operational efficiency and supply chain initiatives at restaurant and corporate levels that will impact positively our profitability. It also includes an overhead cost reduction.*

4. ***Grow selectively*** *– means focusing our corporate growth on higher-volume sites and on expanding further our transportation hubs business while providing enhanced support for our franchisees to continue growing their business. We expect lower corporate expansion in 2013, while we revitalize our core brands, with our corporate development expected to increase from 2014. Meanwhile, our franchise system will continue expanding with an enhanced support from our organization.*

5. ***Reorganize and build capabilities*** *– refers to several initiatives of which I would like to highlight three. The first is the reorganization of our operational team and clarification of accountabilities & responsibilities, especially closing the gap between brands & operations and also the link between how we operate our corporate estate and support the growing franchise portfolio. This will have a very positive impact in the way we deliver our brand experience. The second is a reorganization that will lead to a leaner and more effective support service team, and the third one is a transformation program to embed the strategy and values in the organization plan. We want "everyone in our organization to serve our guest or serve someone who does".*

We know that a strong commitment of our whole organization is needed to succeed in strategy execution and we are dedicating the necessary time and resources to communicate our new strategy at all levels in the organization and to strengthen the engagement of all our team in implementing effectively, phase-by-phase, our mid-term transformational strategy.

Our top management team and I are very enthusiastic with the opportunity that lies ahead of us, challenges included, and we are confident that by focusing on and repositioning our core brands IL Patio and Planet Sushi, by reorganizing and strengthening our organization, including our franchise support, and by developing a greater customer focus we will be able to turn our business again into a market leading and profitable operation.

I look forward to our next two scheduled releases and conference calls which will give us the opportunity to update you on our progress: 9m 2012 results release early December and 4Q 2012 trade update January 2013."

Income Statement Summary

(RUB) thousands	1H 2012		1H 2011		% Change Y-o-Y
Net revenue	**5 188 940**	***100,0 %***	**5 038 579**	***100,0 %***	***3,0 %***
Incl. Revenue from restaurants and canteens	*4 951 959*	*95,4 %*	*4 828 463*	*95,8 %*	*2,6 %*
Incl. Revenue from franchising	*140 865*	*2,7 %*	*132 158*	*2,6 %*	*6,6 %*
Cost of sales	**4 184 439**	***80,6 %***	**4 157 126**	***82,5 %***	***0,7 %***
Incl. Food and beverages	*1 200 068*	*23,1 %*	*1 213 013*	*24,1 %*	*(1,1)%*
Incl. Payroll and related taxes	*1 139 162*	*22,0 %*	*1 225 831*	*24,3 %*	*(7,1)%*
Incl. Rent	*930 484*	*17,9 %*	*799 135*	*15,9 %*	*16,4 %*
Incl. Utilities	*157 965*	*3,0 %*	*183 351*	*3,6 %*	*(13,8)%*
Incl. Materials	*147 908*	*2,9 %*	*171 792*	*3,4 %*	*(13,9)%*
Gross profit	**1 004 501**	***19,4 %***	**881 453**	***17,5 %***	***14,0 %***
SG&A Expenses	769 468	*14,8 %*	790 391	*15,7 %*	*(2,6)%*
Incl. Payroll and related taxes	*455 476*	*8,8 %*	*456 529*	*9,1 %*	*(0,2)%*
Incl. Advertising	*123 296*	*2,4 %*	*101 133*	*2,0 %*	*21,9 %*
Incl. Other expenses	*32 769*	*0,6 %*	*52 820*	*1,0 %*	*(38,0)%*
Incl.Increase in allowance for impairment of advances pai	*(7 356)*	*(0,1)%*	*7 996*	*0,2 %*	*(192,0)%*
Start-up expenses for new restaurants	51 868	*1,0 %*	57 034	*1,1 %*	*(9,1)%*
Other gains	46 194	*0,9 %*	17 026	*0,3 %*	*171,3 %*
Other losses	52 422	*1,0 %*	118 156	*2,3 %*	*(55,6)%*
Incl. Loss on disposal of non-current assets	*29 478*	*0,6 %*	*89 615*	*1,8 %*	*(67,1)%*
Profit/(loss) from operating activities before impairmen	**176 937**	***3,4 %***	**(67 102)**	***(1,3)%***	***(363,7)%***
Losses from impairment of operating assets	151 423	*2,9 %*	191 082	*3,8 %*	*(20,8)%*
Profit/(loss) from operating activities after impairment	**25 514**	***0,5 %***	**(258 184)**	***(5,1)%***	***(109,9)%***
Financial expenses, net	82 280	*1,6 %*	75 900	*1,5 %*	*8,4 %*
Foreign exchange gains/(losses), net	(16 062)	*(0,3)%*	35 792	*0,7 %*	*(144,9)%*
Share of profits/(losses) of JV and associates	67	*0,0 %*	498	*0,0 %*	*(86,5)%*
Profit/(loss) before tax	**(40 637)**	***(0,8)%***	**(369 378)**	***(7,3)%***	***(89,0)%***
Income tax	(34 500)	*(0,7)%*	47 868	*1,0 %*	*(172,1)%*
Net profit/(loss)	**(75 137)**	***(1,4)%***	**(321 510)**	***(6,4)%***	***(76,6)%***
Profit/(loss) from operating activities after impairment	25 514	*0,5 %*	(258 184)	*(5,1)%*	*(109,9)%*
Depreciation and amortization	187 994	*3,6 %*	206 813	*4,1 %*	*(9,1)%*
EBITDA (1)	**213 508**	***4,1 %***	**(51 371)**	***(1,0)%***	***(515,6)%***
Loses/(gain) from impairment	151 423	*2,9 %*	191 082	*3,8 %*	*(20,8)%*
EBITDA before impairment	**364 931**	***7,0 %***	**139 711**	***2,8 %***	***161,2 %***
Loss on disposal of non-current assets	29 478	*0,6 %*	89 615	*1,8 %*	*(67,1)%*
EBITDA before impairment and write-offs	**394 409**	***7,6 %***	**229 326**	***4,6 %***	***72,0 %***

In 1H 12012, ***consolidated revenue*** increased by 3.0% as compared with 1H 2011, driven by a 2.6% increase in Revenue from restaurants and canteens and by a 6.6% increase of revenue from franchising. Corporate restaurants and canteens revenue growth was mainly driven by the revenue growth of 41 stores not included in the SSSG portfolio because they had been operating less than 18 months as at January 1 2012. Our same store portfolio gross revenue declined in 1H 2012 by 1.2% as a result of a 3.4% increase of average check and a 4.4% decline in number of transactions. To franchise revenue growth contributed an increase in number of franchised restaurants to 127 by June 30 2012 from 122 by June 30 2011.

Gross profit margin increased to 19.4% in 1H 2012 from 17.5% in 1H 2011 driven mainly by an improvement of Food and Beverage as a percentage of total revenue in 100 basis points, Payroll and taxes in 230 basis points, utilities in 60 basis points and material in 50 basis points, partially offset by an increase of rent in 200 basis, all measured as a percentage of total revenue.

Food and Beverage improvement as a percentage of total revenue of 100 basis points is mainly due to additional supply chain efficiency that resulted in better purchase prices. Payroll decrease by 230 basis points is mostly driven by an improved staff scheduling as well as by a reduction of social taxes rates. Rent increase of 200 basis points was driven by a change of foreign currency rates of 7% in 1H 2012 compared to 1H 2011, which represented 70 basis points, and a onetime rent discount in some of the Group's leased properties in 1H 2011 which represented 50 basis points. Additionally there was a reclassification of certain maintenance expenses from utilities to rent which decreased utilities expenses by 40 basis points and increased rent by the same level, all measured as a percentage of total revenue.

Selling, general and administrative expenses decreased as a percentage of revenue to 14.8% in 1H 2012 from 15.7% in 1H 2011 driven mainly by a 30 basis point decrease in payroll, 30 basis point in allowance for impairment of advances paid, taxes recoverable and receivable and 40 basis points in other expenses, partially offset by a 40 basis point increase in advertising, all measured as a percentage of total revenue.

Payroll decreased as a result of headcount optimization and office cost reduction. Advertising increased by 40 basis points of total revenue mainly due to higher advertisement costs budgeted for this period.

Other gains increased 60 basis points as a percentage of total revenue in 1H 2012 in comparison with 1H 2011 due to recognition of a onetime profit on the purchase of 50% stake in Costa JV, which is now a 100% subsidiary of the Group. ***Other losses*** decreased 130 basis points as a percentage of total revenue in 1H 2102 in comparison to 1H 2011 mainly due to a similar decrease in Loss on disposal of non-current assets. As a consequence, other gains and losses, net, decreased by 190 basis points as a percentage of total revenue.

Losses from impairment of operating assets decreased to 2.9% of total revenue in 1H 2012 in comparison with 3.8% in 1H 2011. For more information please refer note 4 of the financial statements.

Profit/(loss) from operating activity before impairment increased to 3.4% of total revenue in 1H 2012 from a loss of 1.3% in 1H 2011, while ***Profit/(loss) from operating activity after impairment*** increased to 0.5% from a loss of 5.1%.

Financial expenses increase of 10 basis points was mainly driven by one time increase of partnership liabilities of 20 basis points. Income taxes increase of 170 basis points of total revenue is a result of increased profitability of the group and its operation entities.

Net profit margin improved to a 1.4% loss in 1H 2012 from a 6.4% loss in 1H 2011, mainly as a result of an improvement of 190 basis points in gross margin, 90 basis points in SG&A expenses, 190 basis points in Other operating income and expenses, 90 basis points in Loses on impairment of operating assets and 90 basis points in Financial expense net and share of losses of JV and associates, which were partially offset by an increase of 170 basis point in Income tax, all measured as a percentage of total revenue.

As a result, ***EBITDA margin*** in 1H 2012 increased to 4.1% from a negative margin of 1.0% in 1H 2011, while ***EBITDA margin before impairments*** stood at 7.0% in 1H 2012 in comparison to 2.8% in 1H 2011. Similar improvement trend is shown by ***EBITDA margin before impairments and write-offs,*** which increased to 7.6% in 1H 2012 from 4.6% in 1H 2011.

Cash Flow Performance

(RUB) thousands	1H 2012	1H 2011	% Change Y-o-Y
Net cash flow from operating activities	345 523	340 781	1,4 %
Incl. Cash flow before changes in operating assets and liabilities	*377 097*	*243 192*	*55,1 %*
Incl. Change in operating Assets and Liabilities	*86 290*	*176 965*	*(51,2)%*
Incl. Financial and tax cash outflow	*(117 864)*	*(79 376)*	*48,5 %*
Net cash flow used in investing activities	(150 259)	(304 818)	(50,7)%
Net cash flow from/(used in) financing activities	(126 311)	(53 588)	135,7 %
Effect of exchange rates on cash and cash equivalents	80	(12 091)	(100,7)%
Net increase/(decrease) in cash & cash equivalent	**69 033**	**(29 716)**	**(332,3)%**
Cash & Cash equivalents at beginning of period	233 901	216 510	8,0 %
Cash & Cash equivalents at end of period	302 934	186 794	62,2 %

Cash flow from operating activities increased by 1.4% to RUB 345,523 thousand in 1H 2012 from RUB 340,781 thousand in 1H 2011. Cash flow before changes in operating assets and liabilities increased by 55.1% to RUB 377,097 thousand from Rub 243,192 thousand due to a better operating performance, which was partially offset by a decrease of change in operating assets and liabilities of 51,2% and an increased by 48.5% financial and tax cash outflow.

Net cash used in investing activities decreased by 50.7% to RUB 150,259 thousand in 1H 2012 from RUB 304,818 thousand in 1H 2011 mainly due to a decrease by RUB 36.455 thousand of investment in new restaurants openings, 9 in 1H 2012 in comparison with 11 in 1H 2011, and to a RUB 45,723 thousand payment for the acquisition of a non-controlling interest in subsidiaries in 1H 2011 that did nor recur in 1H 2012.

Net cash from financing activities increased by 135.7% to RUB 126,311 thousand in 1H 2012 from RUB 53,588 thousand and was mainly invested in an increase of cash and cash equivalent in 1H 2012.

Debt and Liquidity

(RUB) thousands	1H 2012		2011		% Change Y-o-Y
Total Gross Debt	**1 397 878**	**100,0 %**	**1 500 699**	**100,0 %**	**(6,9)%**
Short-term debt	616 223	44,1 %	1 210 931	80,7 %	(49,1)%
Long-term debt	781 655	55,9 %	289 768	19,3 %	169,8 %
Net Debt	**1 094 944**	**78,3 %**	**1 266 798**	**84,4 %**	**(13,6)%**
Net Debt / EBITDA [2]	**1,8**		**3,8**		**(52,2)%**

Total gross debt of the Group decreased by 6.9% while net debt decreased by 13.6% in 1H 2012 when compared with comparable figures as at December 31 2011. The maturity profile of our debt portfolio substantially improved with the long-term component increasing to 55.9% as at June 30, 2012 from 19.3% as at December 31, 2011. For more information please refer to note 9 of the financial statements. Net debt/EBITDA ratio decreased to 1,8x as at June 30, 2012 from 3,8x as at December 31, 2011.

Gross debt maturity schedule is illustrated below.

(RUB) mln	2H 2012	1H 2013	2H 2013	1H 2014	Total
Gross debt maturity	158 11,3 %	458 32,8 %	531 38,0 %	250 17,9 %	**1 397** **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 months previous to the given date.

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Note to Editors:

As at 31 August 2012 OJSC Rosinter Restaurants Holding is the leading casual dining restaurant company in Russia and CIS, which operates 409 outlets in 43 cities in Russia, CIS and Central Europe, including Baltic countries. The chain has 384 casual dining restaurants, including 130 franchised restaurants, and 25 Costa Coffee outlets. The Company offers mainly casual dining Italian, Japanese and American cuisine under its proprietary brands IL Patio and Planet Sushi and its licensed brand T.G.I. Friday’s, and it also develops and operates the Costa Coffee chain in Russia under a license. Rosinter has been expanding in recent years its operations to airports and train stations where it serves currently guests in 38 outlets in 6 transportation hubs. Rosinter Restaurants Holding is listed on the Moscow Exchanges MICEX and RTS (rts.micex.ru) under the stock ticker ROST.

APPENDIX

Unaudited Interim Consolidated Income Statement
for the six months ended June 30, 2012

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

	Notes	For the six months ended June 30, 2012	2011, as revised
		Unaudited	
Revenue	10	**5,188,940**	**5,038,579**
Cost of sales	11	(4,184,439)	(4,157,126)
Gross profit		**1,004,501**	**881,453**
Selling, general and administrative expenses	12	(769,468)	(790,391)
Start-up expenses for new restaurants		(51,868)	(57,034)
Other gains	13	46,194	17,026
Other losses	13	(52,422)	(118,156)
Profit/(loss) from operating activities before impairment		**176,937**	**(67,102)**
Loss from impairment of operating assets	14	(151,423)	(191,082)
Profit/(loss) from operating activities after impairment		**25,514**	**(258,184)**
Financial income		13,934	10,215
Financial expense		(96,214)	(86,115)
Foreign exchange gain/(losses), net		16,062	(35,792)
Share of profits of joint venture and associates		67	498
Loss before income tax		**(40,637)**	**(369,378)**
Income tax (expense)/benefit		(34,500)	47,868
Net loss for the period		**(75,137)**	**(321,510)**
Attributable to:			
Equity holders of the parent entity		(72,329)	(317,618)
Non-controlling interests		(2,808)	(3,892)
Loss per share, basic, Russian Roubles	8	**(4.63)**	**(20.29)**
Loss per share, diluted, Russian Roubles	8	**(4.49)**	**(19.91)**

APPENDIX

Unaudited Interim Consolidated Statement of Financial Position

at June 30, 2012

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

	Notes	June 30, 2012, unaudited	December 31, 2011, audited
ASSETS			
Non-current assets			
Property and equipment	4	1,998,328	2,123,855
Intangible assets		105,902	135,948
Goodwill		176,153	176,153
Investments in joint ventures and associates		4,862	4,795
Long-term loans due from related parties	5	18,761	104,336
Long-term receivables due from related parties	5	3,327	3,854
Deferred income tax asset		165,607	123,971
Other non-current assets		158,671	143,451
		2,631,611	**2,816,363**
Current assets			
Inventories		150,150	167,768
VAT and other taxes recoverable		113,008	102,306
Income tax recoverable		34,502	34,940
Trade and other receivables		216,398	196,124
Advances paid		161,034	184,319
Receivables from related parties	5	52,113	56,258
Short-term loans		6,385	7,524
Short-term loans due from related parties	5	102,246	100,198
Cash and cash equivalents		302,934	233,901
		1,138,770	**1,083,338**
TOTAL ASSETS		**3,770,381**	**3,899,701**
EQUITY AND LIABILITIES			
Equity			
Equity attributable to equity holders of the parent entity			
Share capital	6	2,767,015	2,767,015
Additional paid-in capital		2,204,190	2,204,816
Treasury shares	6	(413,085)	(416,732)
Other capital reserves		19,951	18,526
Accumulated losses		(3,693,652)	(3,621,323)
Translation difference		(78,110)	(72,847)
		806,309	**879,455**
Non-controlling interests		14,913	18,596
		821,222	**898,051**
Non-current liabilities			
Long-term loans and borrowings	9	781,655	289,768
Long-term liabilities to partners		48,052	48,519
Deferred income		4,637	8,050
Deferred income tax liabilities		64,951	59,165
		899,295	**405,502**
Current liabilities			
Trade and other payables		1,231,361	1,144,668
Short-term loans and borrowings	9	616,223	1,210,931
Payables to related parties	5	21,017	24,024
Short-term loans due to related parties	5	4,756	5,241
Short-term liabilities to partners		45,698	48,882
Deferred income		63,855	62,487
Income tax payable		66,954	99,915
		2,049,864	**2,596,148**
TOTAL EQUITY AND LIABILITIES		**3,770,381**	**3,899,701**

APPENDIX

Unaudited Interim Consolidated Statement of Cash Flows
for the six months ended June 30, 2012

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

		For the six months ended June 30,	
		2012	2011
	Notes	Unaudited	
Operating activities			
Loss before tax		(40,637)	(369,378)
Adjustments to reconcile loss before tax to net cash provided by operating activities:			
Depreciation and amortization	11, 12	187,994	206,813
Foreign exchange gain/(losses), net		(16,062)	35,792
Financial income		(13,934)	(10,215)
Financial expense		96,214	86,115
(Reversal of impairment)/allowance for impairment of advances paid, taxes recoverable and receivables	12	(7,356)	7,996
Obsolescence/(reversal of obsolescence) of inventories		184	(1,468)
Loss on disposal of non-current assets	13	29,478	89,615
Impairment of assets	14	151,423	191,082
Share of joint venture's and associates' results		(67)	(498)
Write off and impairment of loans receivable from related parties		–	92
Gain on bargain purchase		(11,565)	–
Share based payment expenses	15	1,425	7,246
		377,097	**243,192**
Changes in operating assets and liabilities:			
Decrease in inventories		23,054	83,082
Decrease/(increase) in advances, taxes recoverable, receivables and other assets		1,989	(3,483)
Decrease in receivables from/payables to related parties, net		10,924	46,635
Increase in trade and other payables		50,323	50,731
Net cash generated from operations		**463,387**	**420,157**
Interest paid		(71,062)	(61,050)
Interest received		7,313	4,149
Income tax paid		(54,115)	(22,475)
Net cash flows from operating activities		**345,523**	**340,781**
Investing activities			
Purchases of property and equipment		(144,775)	(241,293)
Loans issued to related parties		(1,253)	(20,037)
Proceeds from repayment of loans issued to related parties		2,306	–
Payments to acquire non-controlling interest in subsidiaries		–	(45,723)
Purchase of intangible assets		(9,709)	(7,532)
Proceeds from disposal of property and equipment		3,172	10,291
Loans issued to third parties		–	(4,850)
Proceeds from repayment of loans issued to third parties		–	4,326
Net cash flows used in investing activities		**(150,259)**	**(304,818)**

Continued on the next page

APPENDIX

Unaudited Interim Consolidated Statement of Cash Flows (continued)

		For the six months ended June 30,	
		2012	2011
	Notes	Unaudited	
Financing activities			
Repayment of bank loans		(338,489)	(1,445,931)
Proceeds from bank loans		235,857	1,494,514
Payments to partners		(25,621)	(32,785)
Repayment of related party loans		(485)	(6,329)
Acquisition of treasury shares		–	(61,729)
Proceeds from issue of shares		3,647	–
Repayment of lease obligations		(326)	(1,312)
Dividends paid to shareholders		(894)	(16)
Net cash flows used in financing activities		**(126,311)**	**(53,588)**
Effect of exchange rate on cash and cash equivalents		80	(12,091)
Net increase/(decrease) in cash and cash equivalents		69,033	(29,716)
Cash and cash equivalents at beginning of the period		**233,901**	**216,510**
Cash and cash equivalents at end of the period		**302,934**	**186,794**