NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN THE UNITED STATES, AUSTRALIA, CANADA OR JAPAN

ROSINTER RESTAURANTS

Moscow, 29 April 2013 PRESS RELEASE

ROSINTER REPORTS 12M 2012 AUDITED FINANCIAL RESULTS:

REVENUE GROWTH OF 2.6%

EBITDA margin before impairment and write-offs at 6.7%

OJSC Rosinter Restaurants Holding (Rosinter), the leading casual dining restaurants chain in Russia and CIS (Moscow Exchange MICEX-RTS ticker: ROST), announced today its financial results for 12M 2012 prepared in accordance with IFRS.

12M 2012 HIGHLIGHTS

- **Consolidated net revenue increased by 2.6% compared with 12M 2011 and stood at RUB 10,567 mln.**
- **Operating profit before impairment amounted to RUB 256 mln for an operating margin before impairment of 2.4% compared with a margin of 1.7% in 12M 2011.**
- **EBITDA before impairment and write-offs amounted to RUB 705 mln for a margin of 6.7% compared with a margin of 7.6% in 12M 2011.**
- **EBITDA[1] amounted to RUB 408 mln and EBITDA margin stood at 3.9% compared with a margin of 3.3% in 12M 2011.**
- **Net loss amounted to RUB 246 mln and net loss margin stood at (2.3)% compared with a net loss margin of (2.7)% in 12M 2011.**
- **As at December 31, 2012 gross debt was RUB 1,220 mln, including RUB 479 mln long-term debt which represented 39.3% of total gross debt.**
- **Net debt decreased by 25.7% to RUB 941 mln, leading to a Net debt/EBITDA[2] of 2.3x as at December 31, 2012 in comparison with 3.8x as at December 31, 2011.**

Kevin Todd, President and Chief Executive Officer, commented:

"2012 has been an intense and very productive transition year for us in Rosinter. We made several important and necessary steps towards returning Rosinter to a path of sustainable profitable growth. Since I joined Rosinter as President and CEO in March 2012, we have completed a thorough review of our business that allowed us to define our mid-term strategy and initiate its execution during 2H 2012. We also completed, in 4Q 2012, a new top management team integrated by Rosinter senior managers complemented by professionals who bring experience from big international multi-branded hospitality organizations, and, last but not least, we managed to stabilize our same stores guest traffic dynamic by 4Q 2012.

Our main focus is sustainable profitable growth, which we will achieve in the medium term by addressing simultaneously three groups of profitability and value levers, work which we have been progressing with encouraging results so far.

Our first action area has been to release "growth blockages". To define which will be our core brands and businesses and to make also the organizational changes –structure and responsibility allocation- to ensure a more effective coordination between our operation and marketing teams, including their joint support to our franchisees. During 2H 2012 we decided on our core brands and businesses portfolio and in 2013 we are already taking actions to exit our non-core brands and businesses, including existing stores that we believe will not achieve our profitability requirements.

The launch of new menus for our casual dining brands IL Patio, Planet Sushi mid 4Q 2012 and the opening of our first test store for a new format of IL Patio in Moscow on December 18th 2012 are the most visible actions from our brand revitalization program which, together with a series of initiatives to increase profitability at our restaurants and to operate more effectively our support services center, integrate the second profitability/value lever group contemplated in our strategy that we denominate "increase the value of current assets".

The revitalization of menus, together with an increased service and sales focus by our operations teams in all our restaurants, have shown visible positive signs in 1Q 2013 in our like for like results. We are beginning to see green shoots of recovery in our LFL revenue.

Our first new format test store for IL Patio has been providing us with very valuable insights on how to move forward. The next additional test stores with new formats for IL Patio and for Planet Sushi are planned to open from mid-year. We expect the commercial rollout of those new formats that prove to be successful to begin in 2014.

We are taking an enhanced approach to managing our store revenues. Our coordinated effort is concentrated at this stage mainly in four areas: New menus and promotions, 'four walls marketing' training to our restaurant staff to increase cover turn and to ensure also that our guests leave with a compelling reason to return, stronger local marketing tool kit, and restaurant capacity management to drive the sales.

New development is the third of our profitability/value levers group. Our transportation hubs has been expanding fast, circa 25% count growth in 2012, and we expect it to grow at a similar pace in 2013. In 2012 we added two hubs to our portfolio, Tolmachevo airport in Novosibirsk and Kazan airport, and so far in 2013 we have secured operations in several additional strategic hubs: Domodedovo airport in Moscow and five of the most important railways stations in Moscow. Besides growing our transportation hubs and Costa Coffee networks, our strategy has been to stop our corporate development till 2014 and dedicate our resources meanwhile during 2H 2012 and 2013 to substantially "fix" our current base of assets and to deliver the new format for our core proprietary brands IL Patio and Planet Sushi. Our franchise business has been expanding also. It delivered 17 gross openings in 2012 and it has currently a very healthy pipeline of new sites for existing franchisees and of potential new franchisees.

Since mid-2012 we have been establishing two important organizational culture elements that we believe are critical to our success. We are transforming our culture by reinforcing a greater customer-focus throughout our organization, including in our support center where our mantra is "serve the guest, or serve someone who does" (i.e. our restaurant teams). The second element targets increased initiative from all our team members by allocating increased authority together with the associated responsibility and accountability throughout the organization. Being an important change in our team culture, we expect it to consolidate in 2013 and to be able to harvest the full benefit of these changes over 2014 and 2015.

In 2012 we are posting a 2.6% y-o-y revenue growth, an EBITDA margin before impairment and write-offs of 6.7%, and a net loss margin of 2.3%. These results are below what I believe is the mid-term potential for our business and they are mainly influenced by three factors: our restaurant portfolio optimization strategy that is impacting in the short-term our revenue growth, the low average profitability of our current estate, and our non-cash impairment and write-off charges.

By addressing these structural factors that are at the source of our low profitability and with an improved approach to development, revitalized menu offers and brands, and more energized and proactive teams in our restaurants we will be able to gradually but sustainably progress towards the Rosinter that we all want: a stable, profitable, scalable and predictable operation run by a guest-focused organization with compelling brands and culture that excite our guests and build up sustainable EBITDA growth."

Income Statement Summary

(RUB) thousands	12M 2012		12M 2011		% Change Y-o-Y
Net revenue	**10 567 317**	***100,0 %***	**10 301 550**	***100,0 %***	***2,6 %***
Incl. Revenue from restaurants and canteens	*10 118 139*	*95,7 %*	*9 875 218*	*95,9 %*	*2,5 %*
Incl. Revenue from franchising	*280 807*	*2,7 %*	*266 541*	*2,6 %*	*5,4 %*
Cost of sales	**8 584 929**	***81,2 %***	**8 248 551**	***80,1 %***	***4,1 %***
Incl. Food and beverages	*2 455 834*	*23,2 %*	*2 411 247*	*23,4 %*	*1,8 %*
Incl. Payroll and related taxes	*2 282 093*	*21,6 %*	*2 304 940*	*22,4 %*	*(1,0)%*
Incl. Rent	*1 967 293*	*18,6 %*	*1 701 173*	*16,5 %*	*15,6 %*
Incl. Utilities	*312 954*	*3,0 %*	*327 633*	*3,2 %*	*(4,5)%*
Incl. Materials	*304 820*	*2,9 %*	*326 348*	*3,2 %*	*(6,6)%*
Gross profit	**1 982 388**	***18,8 %***	**2 052 999**	***19,9 %***	***(3,4)%***
SG&A Expenses	1 570 113	*14,9 %*	1 510 760	*14,7 %*	*3,9 %*
Incl. Payroll and related taxes	*854 046*	*8,1 %*	*852 898*	*8,3 %*	*0,1 %*
Incl. Advertising	*219 921*	*2,1 %*	*188 397*	*1,8 %*	*16,7 %*
Incl. Other expenses	*81 436*	*0,8 %*	*91 499*	*0,9 %*	*(11,0)%*
Incl.Increase in allowance for impairment of advances paid, taxes recoverable and receivables	*63 966*	*0,6 %*	*34 017*	*0,3 %*	*88,0 %*
Start-up expenses for new restaurants	97 102	*0,9 %*	125 047	*1,2 %*	*(22,3)%*
Other gains	76 763	*0,7 %*	42 590	*0,4 %*	*80,2 %*
Other losses	136 061	*1,3 %*	280 004	*2,7 %*	*(51,4)%*
Incl. Loss on disposal of non-current assets	*72 559*	*0,7 %*	*184 438*	*1,8 %*	*(60,7)%*
Profit from operating activities before impairment	**255 875**	***2,4 %***	**179 778**	***1,7 %***	***42,3 %***
Losses from impairment of operating assets	224 445	*2,1 %*	265 025	*2,6 %*	*(15,3)%*
Profit/(loss) from operating activities after impairment	**31 430**	***0,3 %***	**(85 247)**	***(0,8)%***	***(136,9)%***
Financial expenses, net	169 544	*1,6 %*	183 978	*1,8 %*	*(7,8)%*
Foreign exchange losses, net	(16 495)	*(0,2)%*	(23 170)	*(0,2)%*	*(28,8)%*
Share of losses of JV and associates	-	-	(806)	*(0,0)%*	*(100,0)%*
Loss before tax	**(154 609)**	***(1,5)%***	**(293 201)**	***(2,8)%***	***(47,3)%***
Income tax (expense)/benefit	(90 940)	*(0,9)%*	11 995	*0,1 %*	*(858,1)%*
Net loss	**(245 549)**	***(2,3)%***	**(281 206)**	***(2,7)%***	***(12,7)%***
Profit/(loss) from operating activities after impairment	31 430	*0,3 %*	(85 247)	*(0,8)%*	*(136,9)%*
Depreciation and amortization	376 923	*3,6 %*	420 390	*4,1 %*	*(10,3)%*
EBITDA [(1)]	**408 352**	***3,9 %***	**335 143**	***3,3 %***	***21,8 %***
Loses from impairment	224 445	*2,1 %*	265 025	*2,6 %*	*(15,3)%*
EBITDA before impairment	**632 797**	***6,0 %***	**600 168**	***5,8 %***	***5,4 %***
Loss on disposal of non-current assets	72 559	*0,7 %*	184 438	*1,8 %*	*(60,7)%*
EBITDA before impairment and write-offs	**705 356**	***6,7 %***	**784 606**	***7,6 %***	***(10,1)%***

In 12M 2012, ***consolidated revenue*** increased by 2.6% as compared with 12M 2011, driven by a 2.5% increase in Revenue from restaurants and canteens and by a 5.4% increase of revenue from franchising. Corporate restaurants and canteens revenue growth was mainly driven by the revenue growth of stores not included in the SSSG portfolio because they had been operating less than 18 months as at January 1, 2012 and the acquisition of the remaining 50% stake in Costa JV and its consolidation since June 2012 which accounted for 1.5% of consolidated revenue increase in 12M 2012 compared to 12M 2011. Our same store portfolio gross revenue declined in 12M 2012 by 1.9% as a result of a 1.5% increase of average check and a 3.3% decline in number of transactions.

Gross profit margin decreased to 18.8% in 12M 2012 from 19.9% in 12M 2011. Improvements in Food and Beverage of 20 basis points, payroll and related taxes of 80 basis points, utilities of 20 basis points and materials of 30 basis points were offset by a 210 basis points increase in rent, all measured as a percentage of total revenue.

Food and Beverage improvement as a percentage of total revenue of 20 basis points was mainly due to additional supply chain efficiency. Payroll decrease by 80 basis points was mostly driven by an improved staff scheduling as well as by a reduction of social taxes rates. Rent increased mainly due to lease rent inflation and strengthening of US Dollar to Russian Ruble in 12M 2012 compared to 12M 2011.

Selling, general and administrative expenses increased as a percentage of revenue to 14.9% in 12M 2012 from 14.7% in 12M 2011 driven mainly by an increase of 30 basis points in advertising, 30 basis points in allowance for impairment of advances paid, taxes recoverable and receivables, partially offset by a 20 basis points decrease in payroll and 10 basis points in other expenses, all measured as a percentage of total revenue.

Payroll decreased as a result of headcount optimization and office cost reduction. Advertising increased by 30 basis points of total revenue mainly due to higher advertisement costs budgeted for this period.

Other gains increased 30 basis points as a percentage of total revenue in 12M 2012 in comparison with 12M 2011 due to the recognition of a onetime profit on the purchase of the remaining 50% stake in Costa JV, which became a 100% subsidiary of the Group. ***Other losses*** decreased 140 basis points as a percentage of total revenue in 12M 2012 in comparison to 12M 2011 mainly due to a decrease in Loss on disposal of non-current assets. As a consequence, an improvement in the contribution to the margin from other net gains and losses represented 170 basis points as a percentage of total revenue.

Losses from impairment of operating assets decreased to 2.1% of total revenue in 12M 2012 in comparison with 2.6% in 12M 2011. For more information please refer to notes 8 and 9 of the financial statements for the year ended 31 December 2012.

Profit from operating activity before impairment increased to 2.4% of total revenue in 12M 2012 from 1.7% in 12M 2011, while ***Profit from operating activity after impairment*** increased to 0.3% from a loss of (0.8)% in 12M 2011.

Income tax expense change is mainly attributable to the movement in deferred tax from a credit in 2011 to a charge in 2012. For details please refer to note 13 of the financial statements for the year ended 31 December 2012.

As a result, ***Net loss margin*** improved to (2.3)% in 12M 2012 from (2.7)% in 12M 2011.

EBITDA margin in 12M 2012 increased to 3.9% from a margin of 3.3% in 12M 2011, while ***EBITDA margin before impairments*** stood at 6.0% in 12M 2012 in comparison to 5.8% in 12M 2011. ***EBITDA margin before impairments and write-offs*** decreased to 6.7% in 12M 2012 from 7.6% in 12M 2011.

Cash Flow Performance

(RUB) thousands	12m 2012	12m 2011	% Change Y-o-Y
Net cash flow from operating activities	595 578	643 636	(7,5)%
Incl. Cash flow before changes in operating assets and liabilities	*767 823*	*834 702*	*(8,0)%*
Incl. Change in operating Assets and Liabilities	*21 091*	*(21 134)*	*(199,8)%*
Incl. Financial and tax cash outflow	*(193 336)*	*(169 932)*	*13,8 %*
Net cash flow used in investing activities	(213 132)	(623 287)	(65,8)%
Net cash flow from/(used in) financing activities	(333 985)	11 732	(2946,9)%
Effect of exchange rates on cash and cash equivalents	(3 354)	(14 690)	(77,2)%
Net increase in cash & cash equivalents	**45 107**	**17 391**	**159,4 %**
Cash & Cash equivalents at beginning of period	233 901	216 510	8,0 %
Cash & Cash equivalents at end of period	279 008	233 901	19,3 %

Cash flow from operating activities decreased by 7.5% to RUB 595,578 thousand in 12M 2012 from RUB 643,636 thousand in 12M 2011. Cash flow before changes in operating assets and liabilities decreased by 8% to RUB 767,823 thousand from RUB 834,702 thousand mainly due to a lower gross profit earned by the company in 12M 2012 in comparison with 12M 2011.

Net cash used in investing activities decreased by 65.8% to RUB 213,132 thousand in 12M 2012 from RUB 623,287 thousand in 12M 2011, mainly due to a decrease of investment in new restaurants, proceeds from the repayment of related parties' loans of RUB 103,741 thousand in 12M 2012, and to the payment for the acquisition of a non-controlling interest in subsidiaries in 12M 2011 that did not recur in 12M 2012 of an amount of RUB 45,723 thousand.

Net cash used in financing activities increased by RUB 345,717 to RUB 333,985 thousand in 12M 2012 and was mainly used to repay debt as summarized in the table below.

As a result, ***Cash & Cash Equivalents*** increased to RUB 279,008 thousand as at December 31, 2012 compared to RUB 233,901 thousand as at December 31, 2011.

Debt and Liquidity

(RUB) thousands	12M 2012		12M 2011		% Change Y-o-Y
Total Gross Debt	**1,220,485**	**100.0 %**	**1,500,699**	**100.0 %**	**(18.7)%**
Short-term debt	741,285	60.7 %	1,210,931	80.7 %	(38.8)%
Long-term debt	479,200	39.3 %	289,768	19.3 %	65.4 %
Net Debt	**941,477**	**77.1 %**	**1,266,798**	**84.4 %**	**(25.7)%**
Net Debt / EBITDA [(2)]	**2.3**		**3.8**		**(39.0)%**

Total gross debt of the Group decreased by 18.7% while net debt decreased by 25.7% in 12M 2012 when compared with the corresponding figures as at December 31 2011. The maturity profile of our debt portfolio substantially improved with the long-term component increasing to 39.3% as at December 31, 2012 from 19.3% as at December 31, 2011. For more information please refer to note 21 of the financial statements for the 12 months ended 31 December 2012. Net debt/EBITDA ratio decreased to 2,3x as at December 31, 2012 from 3,8x as at December 31, 2011.

Gross debt maturity schedule as at December 31, 2012 is illustrated below.

(RUB) mln	Within 6M (1Q'13-2Q'13)	6M-12M (3Q'13-4Q'13)	12M-18M (1Q'14-2Q'14)	18M+	Total
Gross debt maturity	**320** **26,2 %**	**421** **34,5 %**	**313** **25,6 %**	**167** **13,7 %**	**1 220** **100,0 %**

By the end of March 2013, the Group had already signed three long-term loan contracts to refinance (prolong) its short-term debt which will further improve the Group's debt maturity profile.

[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.

* * *

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN THE UNITED STATES, AUSTRALIA, CANADA OR JAPAN

Investors and analysts enquiries:

Tigran Aslanyan
Vice President IR, Corporate Finance and Company Strategy

E-mail: ir@rosinter.ru
Tel.: + 7 495 788 44 88 ext. 2108

Press enquiries:

Valeria Silina
Vice President for Corporate Communications

Anna Postnikova
Press Secretary

E-mail: pr@rosinter.ru
Tel.: +7 495 788 44 88 ext. 2676

Note to Editors:

As at 31 March 2013 OJSC Rosinter Restaurants Holding is the leading casual dining restaurant company in Russia and CIS, which operates 395 outlets in 43 cities in Russia, CIS and Central Europe, including Baltic countries. The chain has 367 casual dining restaurants, including 128 franchised restaurants, and 28 Costa Coffee outlets. The Company offers casual dining Italian, Japanese and American cuisine under its proprietary brands IL Patio and Planet Sushi and its franchised brand T.G.I. Friday's, and it also develops and operates the Costa Coffee chain under a franchise. Rosinter Restaurants Holding is listed on the Moscow Exchange MICEX-RTS (rts.micex.ru) under the stock ticker ROST.

APPENDIX

Consolidated income statement

For the year ended December 31, 2012

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

	Notes	2012	2011
Revenue	24	**10,567,317**	**10,301,550**
Cost of sales	25	(8,584,929)	(8,248,551)
Gross profit		**1,982,388**	**2,052,999**
Selling, general and administrative expenses	26	(1,570,113)	(1,510,760)
Start-up expenses for new restaurants		(97,102)	(125,047)
Other gains	28	76,763	42,590
Other losses	28	(136,061)	(280,004)
Profit from operating activities before impairment		**255,875**	**179,778**
Loss from impairment of operating assets	29	(224,445)	(265,025)
Profit /(loss) from operating activities after impairment		**31,430**	**(85,247)**
Financial income	30	22,756	17,959
Financial expense	30	(192,300)	(201,937)
Foreign exchange losses, net		(16,495)	(23,170)
Share of losses of joint venture and associates	11	–	(806)
Loss before income tax		**(154,609)**	**(293,201)**
Income tax (expense)/benefit	13	(90,940)	11,995
Net loss for the period		**(245,549)**	**(281,206)**
Attributable to:			
Equity holders of the parent entity		(241,930)	(274,968)
Non-controlling interests		(3,619)	(6,238)
Loss per share, basic, Russian roubles	20	**(15.50)**	**(17.59)**
Loss per share, diluted, Russian roubles	20	**(14.96)**	**(17.19)**

Consolidated statement of financial position

At December 31, 2012

(All amounts are in thousands of Russian roubles)

	Notes	December 31, 2012	December 31, 2011
ASSETS			
Non-current assets			
Property and equipment	8	1,840,496	2,123,855
Intangible assets	9	81,828	135,948
Goodwill	10	176,153	176,153
Investments in joint ventures and associates	11	–	4,795
Long-term loans due from related parties	12	17,968	104,336
Long-term receivables due from related parties	12	2,780	3,854
Deferred income tax asset	13	154,402	123,971
Other non-current assets		162,812	143,451
		2,436,439	**2,816,363**
Current assets			
Inventories	14	168,683	167,768
VAT and other taxes recoverable		109,784	102,306
Income tax recoverable		22,063	34,940
Trade and other receivables	15	148,370	196,124
Advances paid	16	215,548	184,319
Receivables from related parties	12	118,556	56,258
Short-term loans		3,001	7,524
Short-term loans due from related parties	12	10,433	100,198
Cash and cash equivalents	17	279,008	233,901
		1,075,446	**1,083,338**
Assets held for sale	7	19,464	–
TOTAL ASSETS		**3,531,349**	**3,899,701**
EQUITY AND LIABILITIES			
Equity			
Equity attributable to equity holders of the parent entity			
Share capital	18	2,767,015	2,767,015
Additional paid-in capital		2,204,190	2,204,816
Treasury shares	18	(413,085)	(416,732)
Other capital reserves		21,581	18,526
Accumulated losses		(3,863,253)	(3,621,323)
Translation difference		(72,626)	(72,847)
		643,822	**879,455**
Non-controlling interests		12,629	18,596
		656,451	**898,051**
Non-current liabilities			
Long-term loans and borrowings	21	479,200	289,768
Long-term liabilities to partners	22	43,476	48,519
Deferred income		191	8,050
Deferred income tax liabilities	13	72,508	59,165
		595,375	**405,502**
Current liabilities			
Trade and other payables	23	1,323,167	1,144,668
Short-term loans and borrowings	21	741,285	1,210,931
Payables to related parties	12	50,317	24,024
Short-term loans due to related parties	12	4,218	5,241
Short-term liabilities to partners	22	40,517	48,882
Deferred income		47,959	62,487
Income tax payable		72,060	99,915
		2,279,523	**2,596,148**
TOTAL EQUITY AND LIABILITIES		**3,531,349**	**3,899,701**

Consolidated statement of cash flows

For the year ended December 31, 2012

(All amounts are in thousands of Russian roubles)

	Notes	2012	2011
Operating activities			
Loss before tax		(154,609)	(293,201)
Adjustments to reconcile loss before tax to net cash provided by operating activities:			
Depreciation and amortisation		376,923	420,390
Foreign exchange losses, net		16,495	23,170
Financial income	30	(22,756)	(17,959)
Financial expense	30	192,300	201,937
Allowance for impairment of advances paid, taxes recoverable and receivables		63,966	34,017
Obsolescence of inventories	14	13,692	8,397
Loss on disposal of non-current assets	28	72,559	184,438
Impairment of assets	29	224,445	265,025
Bargain purchase, net of cash acquired		(18,247)	–
Share of joint venture's and associates' results	11	–	806
Write off and impairment of loans receivable from related parties		–	94
Share based payment expenses	31	3,055	7,588
		767,823	**834,702**
Changes in operating assets and liabilities:			
(Increase)/decrease in inventories		(12,515)	32,627
Increase in advances, taxes recoverable, receivables and other non-current assets		(38,622)	(39,415)
(Increase)/decrease in receivables from/payables to related parties, net		(52,110)	40,557
Increase/(decrease) in trade and other payables		124,338	(54,903)
Net cash generated from operations		**788,914**	**813,568**
Interest paid		(138,838)	(130,623)
Interest received		20,480	10,095
Income tax paid		(74,978)	(49,404)
Net cash flows from operating activities		**595,578**	**643,636**
Investing activities			
Purchases of property and equipment		(287,752)	(536,890)
Proceeds from repayment of loans issued to related parties		103,741	–
Purchase of intangible assets		(31,616)	(11,298)
Loans issued to related parties		(16,926)	(48,420)
Proceeds from disposal of property and equipment		10,135	21,878
Proceeds from repayment of loans issued to third parties		9,286	50
Acquisition of non-controlling interest in subsidiaries		–	(45,723)
Contribution to joint venture		–	(1,541)
Loans issued to third parties		–	(1,343)
Net cash flows used in investing activities		**(213,132)**	**(623,287)**

Continued on the next page

Consolidated statement of cash flows (continued)

	Notes	2012	2011
Financing activities			
Proceeds from bank loans		1,242,568	2,330,431
Repayment of bank loans		(1,522,377)	(2,189,134)
Payments to partners	22	(54,280)	(63,293)
Repayment of related party loans		(1,023)	(7,237)
Proceeds from related party loans		–	6,000
Acquisition of treasury shares		–	(61,729)
Proceeds from issue of treasury shares	18	3,647	–
Repayment of lease obligations		(553)	(2,480)
Dividends paid to shareholders		(1,967)	(826)
Net cash flows from financing activities		**(333,985)**	**11,732**
Effect of exchange rate on cash and cash equivalents		(3,354)	(14,690)
Net increase in cash and cash equivalents		**45,107**	**17,391**
Cash and cash equivalents at beginning of the year		**233,901**	**216,510**
Cash and cash equivalents at end of the year		**279,008**	**233,901**