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ROSINTER
RESTAURANTS

Moscow, April 24, 2014 PRESS RELEASE

ROSINTER REPORTS 2013 AUDITED FINANCIAL RESULTS:

REVENUE AMOUNTED TO RUB 9 851 MLN

EBITDA margin before impairment and write-offs at 4.5%

OJSC Rosinter Restaurants Holding (Rosinter), the leading casual dining restaurants chain in Russia and CIS (Moscow Exchange MICEX-RTS ticker: ROST), announced today its audited financial results for 2013 prepared in accordance with IFRS. This press release is available on www.rosinter.com

2013 HIGHLIGHTS

- **Consolidated net revenue stood at RUB 9 851 mln**
- **Revenue from restaurants decreased by (2.3)% to RUB 9 402 mln compared with 2012**
- **Operating profit before impairment amounted to RUB 49 mln for an operating margin before impairment of 0.5% compared with a margin of 3.3% in 2012**
- **EBITDA[1] before impairment and write-offs amounted to RUB 445 mln for a margin of 4.5%**
- **EBITDA amounted to RUB 239 mln and EBITDA margin stood at 2.4% compared with a margin of 5.0% in 2012**
- **Loss for the period from continuing operations amounted to RUB 248 mln and loss for the period from continuing operations margin stood at (2.5)% compared with loss for the period from continuing operations margin of (1.3)% in 2012**
- **As at December 31, 2013 gross debt was RUB 1 554 mln, including RUB 1 520 mln long-term debt that represented 97.8% of total gross debt**
- **Net debt stood at RUB 1 458 mln, leading to a Net debt/EBITDA[2] before impairment and write-offs of 3.2x as at December 31, 2013 in comparison with 1.2x as at December 31, 2012**

Sergey Zaytsev, President and Chief Executive Officer, commented:

"In 2013, the company has successfully implemented a number of its strategic initiatives, the most important of which was the expansion of our activities in transport hubs. During the year we opened 6 restaurants and coffee shops in Kazanskiy, Belorusskiy, Paveletskiy and Leningradskiy Moscow railway stations, as well as 11 outlets located both in the new building of Kazan international airport in the Republic of Tatarstan and in the new international terminal at Pulkovo airport in St. Petersburg. The openings in Pulkovo airport include McDonald's restaurant that is also the first McDonald's restaurant in a Russian airport.

During 2013, we pursued a strategy of portfolio optimization and focused business development throughout all territories of our presence. As a part of the strategy we transferred our operations in Hungary, the Czech Republic and Ukraine to a franchisee.

Last year we successfully launched a marketing campaign to celebrate the 20th anniversary of IL Patio restaurant chain. This year we are pleased to celebrate the 15th anniversary of another key brand - Planet Sushi – by offering guests a peculiar promotional menu, special discount for all dishes of the main menu and other interesting offers.

We have also made progress in the revitalization of our brands. To date, 11 revitalized IL Patio and Planet Sushi restaurants are operating in Moscow, Novosibirsk, Kazakhstan and Belarus, and they are all showing a positive trend.

This year we will be building on the progress already achieved, while making some adjustments to our strategy to address the challenges we face, including those associated to the current economic slowdown. From an organizational perspective we are targeting a leaner and more flexible organization with an empowered team and we will be focusing only on the core processes throughout the business. This includes a change in the frequency of our reporting to a half year basis since 2014."

Income Statement Summary

(RUB) thousands	2013		2012		% Change Y-o-Y
Net revenue	**9 850 888**	***100,0 %***	**10 069 062**	***100,0 %***	***(2,2)%***
Incl. Revenue from restaurants and canteens	*9 402 207*	*95,4 %*	*9 622 797*	*95,6 %*	*(2,3)%*
Incl. Revenue from franchising	*294 607*	*3,0 %*	*280 807*	*2,8 %*	*4,9 %*
Cost of sales	**8 156 158**	***82,8 %***	**8 077 847**	***80,2 %***	***1,0 %***
Incl. Food and beverages	*2 241 711*	*22,8 %*	*2 284 743*	*22,7 %*	*(1,9)%*
Incl. Payroll and related taxes	*2 141 145*	*21,7 %*	*2 164 864*	*21,5 %*	*(1,1)%*
Incl. Rent	*1 987 275*	*20,2 %*	*1 848 092*	*18,4 %*	*7,5 %*
Incl. Utilities	*276 494*	*2,8 %*	*283 183*	*2,8 %*	*(2,4)%*
Incl. Materials	*278 713*	*2,8 %*	*284 347*	*2,8 %*	*(2,0)%*
Gross profit	**1 694 730**	***17,2 %***	**1 991 215**	***19,8 %***	***(14,9)%***
SG&A Expenses	1 405 018	*14,3 %*	1 510 917	*15,0 %*	*(7,0)%*
Incl. Payroll and related taxes	*812 006*	*8,2 %*	*819 148*	*8,1 %*	*(0,9)%*
Incl. Advertising	*176 884*	*1,8 %*	*214 120*	*2,1 %*	*(17,4)%*
Incl. Other expenses	*67 415*	*0,7 %*	*75 674*	*0,8 %*	*(10,9)%*
Incl. (Reversal)/increase in the allowance for impairment of advances paid, taxes recoverable and receivables	*(3 588)*	*0,0 %*	*63 710*	*0,6 %*	*(105,6)%*
Start-up expenses for new restaurants	191 551	*1,9 %*	97 102	*1,0 %*	*97,3 %*
Other gains	62 800	*0,6 %*	73 782	*0,7 %*	*(14,9)%*
Other losses	112 161	*1,1 %*	126 851	*1,3 %*	*(11,6)%*
Incl. Loss on disposal of non-current assets	*68 612*	*0,7 %*	*66 561*	*0,7 %*	*3,1 %*
Profit from operating activities before impairment	**48 800**	***0,5 %***	**330 127**	***3,3 %***	***(85,2)%***
Loss from impairment of operating assets	137 045	*1,4 %*	187 277	*1,9 %*	*(26,8)%*
(Loss)/profit from operating activities after impairment	**(88 245)**	***(0,9)%***	**142 850**	***1,4 %***	***(161,8)%***
Financial expenses, net	158 324	*1,6 %*	169 546	*1,7 %*	*(6,6)%*
Foreign exchange gains/(losses), net	22 099	*0,2 %*	(17 443)	*(0,2)%*	*(226,7)%*
Loss before tax from continuing operations	**(224 470)**	***(2,3)%***	**(44 139)**	***(0,4)%***	***408,6 %***
Income tax expense	(23 167)	*(0,2)%*	(90 768)	*(0,9)%*	*(74,5)%*
Loss for the period from continuing operations	**(247 637)**	***(2,5)%***	**(134 907)**	***(1,3)%***	***83,6 %***
Loss after tax for the period from discontinued operations	(220 207)	*(2,2)%*	(110 642)	*(1,1)%*	*99,0 %*
Net loss	**(467 844)**	***(4,7)%***	**(245 549)**	***(2,4)%***	***90,5 %***
(Loss)/profit from operating activities after impairment	(88 245)	*(0,9)%*	142 850	*1,4 %*	*(161,8)%*
Depreciation and amortization	327 624	*3,3 %*	359 107	*3,6 %*	*(8,8)%*
EBITDA [(1)]	**239 379**	***2,4 %***	**501 957**	***5,0 %***	***(52,3)%***
Loss from impairment	137 045	*1,4 %*	187 277	*1,9 %*	*(26,8)%*
EBITDA before impairment	**376 424**	***3,8 %***	**689 234**	***6,8 %***	***(45,4)%***
Loss on disposal of non-current assets	68 612	*0,7 %*	66 561	*0,7 %*	*3,1 %*
EBITDA before impairment and write-offs	**445 036**	***4,5 %***	**755 795**	***7,5 %***	***(41,1)%***

Within the framework of our portfolio optimization we transferred to franchisees our corporate operations in 3 countries: Ukraine, Hungary and the Czech Republic. As at December 31, 2013 the disposed business was classified as discontinued operations and its results for both years, 2013 and 2012, are presented in a separate line in the Income Statement.

In 2013 consolidated revenue amounted to RUB 9 851 mln. Corporate restaurants revenue decreased by (2.3)% which was mainly due to the implementation of the strategic plan to improve our portfolio, including exiting unprofitable and non-core restaurants. Our same store portfolio gross revenue increased in 2013 by 0.1% y-o-y, as a result of 2.8% increase in average spend and (2.6)% decrease in traffic. Revenue from franchising increased by 4.9% mainly due to franchising fee payments related to prolongation of some franchising contracts.

Gross profit margin decreased to 17.2% in 2013 from 19.8% in 2012 mainly driven by a 180 basis points increase in rent and by a 20 basis points increase in payroll and related taxes, all measured as a percentage of total revenue.

Payroll and rent increases were mostly driven by inflation and, as a result of revenues decrease, those items increased as a percentage of sales in 2013.

Selling, general and administrative expenses decreased as a percentage of revenue to 14.3% in 2013 from 15.0% in 2012 driven mainly by a decrease of 30 basis points in advertising, 60 basis points in allowance for impairment of advances paid, taxes recoverable and receivables, all measured as a percentage of total revenue.

Start-up expenses for new restaurants increased by 90 basis points as a percentage of total revenue in 2013 in comparison to 2012 due to higher preopening expenses per store on railway stations sites than our average per store and also to additional expenses related to our revitalization program.

Other net losses decreased by 10 basis points as a percentage of total revenue in 2013 in comparison to 2012.

Loss from operating activity after impairment stood at (0.9)% in 2013 in comparison with ***Profit from operating activity after impairment*** of 1.4% in 2012, all measured as a percentage of total revenue.

The decrease of net financial expenses by 10 basis points is mainly driven by a lower charge of amounts due to partners of 30 basis points.

Income tax expense in 2013 decreased by 70 basis points compared to 2012.

Loss after tax from discontinued operations in 2013 amounted RUB 220 mln. For more information please refer to note 8 of the financial statements for the year ended December 31, 2012.

As a result, ***Net loss margin*** increased to (4.7)% in 2013 from (2.4)% in 2012.

EBITDA margin in 2013 decreased to 2.4% from a margin of 5.0% in 2012, ***EBITDA margin before impairment*** decreased to 3.8% in 2013 in comparison to 6.8% in 2012. ***EBITDA margin before impairment and write-offs*** decreased to 4.5% in 2013 from 7.5% in 2012.

Cash Flow Performance

(RUB) thousands	2013	2012	% Change Y-o-Y
Net cash flow (used in)/from operating activities	2 688	595 578	(99,5)%
Incl. Cash flow before changes in operating assets and liabilities	*350 851*	*767 823*	*(54,3)%*
Incl. Change in operating Assets and Liabilities	*(133 440)*	*21 091*	*(732,7)%*
Incl. Financial and tax cash outflow	*(214 723)*	*(193 336)*	*11,1 %*
Net cash flow used in investing activities	(486 070)	(213 132)	128,1 %
Net cash flow from/(used in) financing activities	298 402	(333 985)	(189,3)%
Effect of exchange rates on cash and cash equivalents	1 980	(3 354)	(159,0)%
Net (decrease)/increase in cash and cash equivalents	**(183 000)**	**45 107**	**(505,7)%**
Cash & Cash equivalents at beginning of period	279 008	233 901	19,3 %
Cash & Cash equivalents at end of period	96 008	279 008	(65,6)%

Cash flow from operating activities stood at RUB 3 mln in 2013 from RUB 596 mln in 2012. Cash flow before changes in operating assets and liabilities decreased by 54.3% to RUB 351 mln from RUB 768 mln mainly due to a lower gross profit earned by the company in 2013 in comparison with 2012. The increase in net operating Assets in 2013 of RUB (133) mln includes prepayment for RUB 301 mln related to our new development in Transport Hubs.

Net cash used in investing activities increased by 128.1% to RUB 486 mln in 2013 from RUB 213 mln in 2012.

Net cash flow from financing activities in 2013 represents mainly proceeds from bank loans as summarized in the table below.

Debt and Liquidity

(RUB) thousands	2013		2012		% Change Y-o-Y
Total Gross Debt	**1 553 940**	**100,0 %**	**1 220 485**	**100,0 %**	**27,3 %**
Short-term debt	33 940	2,2 %	741 285	60,7 %	(95,4)%
Long-term debt	1 520 000	97,8 %	479 200	39,3 %	217,2 %
Net Debt	**1 457 932**	**93,8 %**	**941 477**	**77,1 %**	**54,9 %**
Net Debt / EBITDA (2)	**6,1**		**1,9**		**224,7 %**
Net Debt / EBITDA before impairment and write-offs (2)	**3,2**		**1,2**		**156,9 %**

Total gross debt of the Group increased by 27.3% and net debt increased by 54.9% in 2013 when compared with the corresponding figures as at December 31, 2012, mainly due to prepayment for 301 mln rubles related to our development opportunities in Transport Hubs. The maturity profile of our debt portfolio improved with the long-term component increasing to 97.8% as at December 31, 2013 from 39.3% as at December 31, 2012. Also our debt portfolio is ruble denominated with fixed interest rates. Net debt/EBITDA ratio increased to 6.1x as at December 31, 2013 from 1.9x as at December 31, 2012. Net debt/EBITDA before impairment and write-offs ratio increased to 3.2x as at December 31, 2013 from 1.2x as at December 31, 2012.

Gross debt maturity schedule as at December 31, 2013 is illustrated below.

(RUB) mln	Within 6M (1Q'14-2Q'14)	6M-12M (3Q'14-4Q'14)	12M-18M (1Q'15-2Q'15)	18M+	Total
Gross debt maturity	**0**	**21**	**125**	**1 405**	**1 550**
	-	**1,3 %**	**8,1 %**	**90,6 %**	**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 at March 31, 2014 Rosinter Restaurants Holding, OJSC is the leading casual dining restaurant company in Russia and CIS, which operates 375 outlets in 42 cities in Russia, CIS and Central Europe, including Baltic countries. The chain has 343 restaurants, including 128 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 coffee shops 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

Consolidated statement of profit or loss

For the year ended December 31, 2013

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

	Notes	2013	2012
Continuing operations			
Revenue	24	9,850,888	10,069,062
Cost of sales	25	(8,156,158)	(8,077,847)
Gross profit		**1,694,730**	**1,991,215**
Selling, general and administrative expenses	26	(1,405,018)	(1,510,917)
Start-up expenses for new restaurants		(191,551)	(97,102)
Other gains	28	62,800	73,782
Other losses	28	(112,161)	(126,851)
Profit from operating activities before impairment		**48,800**	**330,127**
Loss from impairment of operating assets	29	(137,045)	(187,277)
(Loss)/profit from operating activities after impairment		**(88,245)**	**142,850**
Financial income	30	9,912	22,754
Financial expense	30	(168,236)	(192,300)
Foreign exchange gain/(losses), net		22,099	(17,443)
Loss before income tax from continuing operations		**(224,470)**	**(44,139)**
Income tax expense	14	(23,167)	(90,768)
Loss for the period from continuing operations		**(247,637)**	**(134,907)**
Discontinued operations			
Loss after tax for the period from discontinued operations	8	(220,207)	(110,642)
Net loss for the period		**(467,844)**	**(245,549)**
Attributable to:			
Equity holders of the parent entity		(461,899)	(241,930)
Non-controlling interests		(5,945)	(3,619)
Earnings per share	20		
Basic, loss per share		(29.58)	(15.50)
Diluted, loss per share		(28.12)	(14.96)
Earnings per share for continuing operations			
Basic, loss per share from continuing operations		(15.48)	(8.41)
Diluted, loss per share from continuing operations		(14.71)	(8.12)

Consolidated statement of financial position

At December 31, 2013

(All amounts are in thousands of Russian roubles)

	Notes	December 31, 2013	December 31, 2012
ASSETS			
Non-current assets			
Property and equipment	9	1,733,528	1,840,496
Intangible assets	10	107,131	81,828
Goodwill	11	176,153	176,153
Long-term loans due from related parties	13	20,642	17,968
Long-term receivables due from related parties	13	1,577	2,780
Deferred income tax asset	14	167,261	154,402
Rent deposits and other non-current assets		244,040	162,812
		2,450,332	**2,436,439**
Current assets			
Inventories	15	182,924	168,683
VAT and other taxes recoverable		172,783	109,784
Income tax recoverable		43,660	22,063
Trade and other receivables	16	161,614	148,370
Advances paid	17	357,247	215,548
Receivables from related parties	13	53,439	118,556
Short-term loans		19,087	3,001
Short-term loans due from related parties	13	8,994	10,433
Cash and cash equivalents	18	96,008	279,008
		1,095,756	**1,075,446**
Assets held for sale	7	–	19,464
TOTAL ASSETS		**3,546,088**	**3,531,349**
EQUITY AND LIABILITIES			
Equity			
Equity attributable to equity holders of the parent entity			
Share capital	19	2,767,015	2,767,015
Additional paid-in capital		2,204,190	2,204,190
Treasury shares	19	(413,085)	(413,085)
Other capital reserves		25,941	21,581
Accumulated losses		(4,326,002)	(3,863,253)
Translation difference		(18,165)	(72,626)
		239,894	**643,822**
Non-controlling interests		4,530	12,629
		244,424	**656,451**
Non-current liabilities			
Long-term loans and borrowings	21	1,520,000	479,200
Long-term liabilities to partners	22	19,755	43,476
Deferred income		–	191
Deferred income tax liabilities	14	53,261	72,508
		1,593,016	**595,375**
Current liabilities			
Trade and other payables	23	1,469,448	1,323,167
Short-term loans and borrowings	21	33,940	741,285
Payables to related parties	13	70,917	50,317
Short-term loans due to related parties	13	2,376	4,218
Short-term liabilities to partners	22	15,074	40,517
Deferred income		37,897	47,959
Income tax payable		78,996	72,060
		1,708,648	**2,279,523**
TOTAL EQUITY AND LIABILITIES		**3,546,088**	**3,531,349**

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Consolidated statement of cash flows

For the year ended December 31, 2013

(All amounts are in thousands of Russian roubles)

	Notes	2013	2012
Operating activities			
Loss before tax from continuing operations		(224,470)	(44,139)
Loss before tax from discontinuing operations	8	(220,338)	(110,470)
Adjustments to reconcile loss before tax to net cash provided by operating activities:			
Depreciation and amortization		335,018	376,923
Reclassification adjustments for losses included in profit or loss	8	84,000	–
Foreign exchange (gains) / losses, net		(26,347)	16,495
Financial income		(9,913)	(22,756)
Financial expense		169,398	192,300
(Reversal of impairment) / allowance for impairment of advances paid, taxes recoverable and receivables		(2,704)	63,966
(Reversal of write-down) / write-down of inventories to net realisable value	15	(12,672)	13,692
Loss on disposal of non-current assets		86,819	72,559
Impairment of assets		177,448	224,445
Gain on the disposal of discontinued operation	8	(9,748)	–
Bargain purchase, net of cash acquired		–	(18,247)
Share based payment expenses	31	4,360	3,055
		350,851	**767,823**
Changes in operating assets and liabilities:			
Increase in inventories		(4,010)	(12,515)
Increase in advances, taxes recoverable, receivables, rent deposits and other non-current assets		(339,376)	(38,622)
Decrease/(increase) in receivables from related parties		43,558	(78,401)
Increase in payables to related parties		20,475	26,291
Increase in trade and other payables		145,913	124,338
Net cash generated from operations		**217,411**	**788,914**
Interest paid		(137,582)	(138,838)
Interest received		6,936	20,480
Income tax paid		(84,077)	(74,978)
Net cash flows from operating activities		**2,688**	**595,578**
Investing activities			
Purchases of property and equipment		(427,897)	(287,752)
Proceeds from repayment of loans issued to related parties		400	103,741
Purchase of intangible assets		(75,104)	(31,616)
Loans issued to related parties		(1,190)	(16,926)
Proceeds from disposal of property and equipment		22,097	10,135
Proceeds from repayment of loans issued to third parties		6,821	9,286
Loans issued to third parties		(4,347)	–
Net outflow from cash and cash equivalents in respect of disposal subsidiaries		(6,850)	–
Net cash flows used in investing activities		**(486,070)**	**(213,132)**

Continued on the next page

Consolidated statement of cash flows (continued)

	Notes	2013	2012
Financing activities			
Proceeds from bank loans		3,262,007	1,242,568
Repayment of bank loans		(2,928,484)	(1,522,377)
Payments to partners	22	(32,096)	(54,280)
Repayment of related party loans		(1,842)	(1,023)
Proceeds from related party loans		940	–
Proceeds from sale of treasury shares		–	3,647
Repayment of lease obligations		(138)	(553)
Dividends paid to shareholders		(1,985)	(1,967)
Net cash flows from financing activities		**298,402**	**(333,985)**
Effect of exchange rate on cash and cash equivalents		1,980	(3,354)
Net (decrease)/increase in cash and cash equivalents		**(183,000)**	**45,107**
Cash and cash equivalents at beginning of the year		**279,008**	**233,901**
Cash and cash equivalents at end of the year		**96,008**	**279,008**