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Moscow, April 28, 2015

PRESS RELEASE

**ROSINTER REPORTS 2014 OPERATING AND AUDITED FINANCIAL RESULTS:**

***REVENUE in accordance with IFRS AMOUNTED TO RUB 8 783 MLN***

***NET OPERATING REVENUE IN TRANSPORT HUBS INCREASED BY 19.3%***

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 operating and financial results for 2014 prepared in accordance with IFRS. This press release is available on [www.rosinter.com](http://www.rosinter.com).

**2014 FINANCIAL HIGHLIGHTS**

- Consolidated net revenue in accordance with IFRS stood at RUB 8 783 mln
  - EBITDA<sup>[1]</sup> before impairment and write-offs amounted to RUB 338 mln for a margin of 3.8%
  - Net Loss decreased to RUB 209 mln in 2014 compared with RUB 468 mln in 2013
  - As of December 31, 2014 gross debt was RUB 1 937 mln, that was 71.9% long-term
  - Net debt stood at RUB 1 866 mln, leading to a Net debt/EBITDA<sup>[2]</sup> before impairment and write-offs of 5.5x as of December 31, 2014
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**2014 OPERATING HIGHLIGHTS**

- The gross revenue of all comparable stores<sup>[3]</sup> decreased by 11.4% in 2014 in comparison with 2013, at the same time gross revenue of all comparable stores in transport hubs increased by 0.1%
- In 2014 consolidated net operating revenue<sup>[4]</sup> decreased by 13.9% to RUB 8 473 mln in comparison with 2013, net operating revenue in transport hubs increased by 19.3% to RUB 2 185 mln in comparison with 2013

<b>Consolidated Net Operating Revenue<sup>[4]</sup> Performance ('M RUB)</b>					
<b>Total</b>			<b>Hubs and canteens</b>		
2014	2013	% chg	2014	2013	% chg
<b>8 473</b>	<b>9 836</b>	<b>(13.9)%</b>	<b>2 185</b>	<b>1 831</b>	<b>19.3%</b>

<b>Same-Store Sales Growth<sup>[3]</sup> dynamics (RUB)</b>					
<b>Gross Revenue, 2014</b>		<b>Average Check, 2014</b>		<b>Number of Transactions, 2014</b>	
Total	Transport hubs	Total	Transport hubs	Total	Transport hubs
<b>(11.4)%</b>	<b>0.1%</b>	<b>(0.4)%</b>	<b>(0.7)%</b>	<b>(11.1)%</b>	<b>0.7%</b>

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***Sergey Zaytsev, President and Chief Executive Officer, commented:***

*“2014 was a challenging year for hospitality industry. Products embargo, growing inflation, Russian ruble devaluation, public places smoking ban – altogether influenced Rosinter financial results in 2014. It should be noted that political situation and instable economic environment resulted in consumer spending slowdown that affected operating and financial results of the Company for the last year.*

*Nevertheless, Rosinter has successful experience in running its business throughout challenging economic periods, professional management team and appropriate portfolio of assets that allowed us to respond quickly to market trends and take necessary steps towards stabilization of 2014 results.*

*Development in transportation hubs became one of the key focuses for the Company in 2014. During the last year Rosinter opened 9 stores in Yaroslavsky, Belorussky, Paveletsky and Leningradsky Moscow railway stations. As of December 31 2014, Rosinter operated 56 stores in transportation hubs.*

*During 2014 we continued revitalization of our proprietary core brands and by the end of year 2014 had 13 revitalized restaurants in Moscow, Novosibirsk and Minsk, which all showed positive trend in operating results. At the same time the Company followed its strategy of focused development that resulted in the transferring of the locations in Poland to a franchisee.*

*Due to the changes in supply conditions and rapidly growing prices for food and beverage products the Company adjusted its plans, and during the second half of the year 2014 focused on food and beverage cost reduction at the same time maintaining high quality of the dishes at reasonable price for consumers that supported our gross margin. The optimization of general and administrative fixed costs with a corresponding support center payroll expense decrease by 18.0% compared to 2013.*

*During 2014 we successfully realized all scheduled marketing activities: seasonal advertising and marketing campaigns for all the key brands and re-launched the popular loyalty program “Honored Guest” on a new advanced digital platform. These marketing initiatives supported our average check in complicated economy environment of 2014.”*

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*Income Statement Summary*

(RUB) thousands	12M 2014		12M 2013		% Change Y-o-Y
<b>Net revenue</b>	<b>8,782,817</b>	<b>100.0 %</b>	<b>9,648,204</b>	<b>100.0 %</b>	<b>(9.0)%</b>
<i>Incl. Revenue from restaurants and canteens</i>	8,426,075	95.9 %	9,199,555	95.3 %	(8.4)%
<i>Incl. Revenue from franchising</i>	240,781	2.7 %	294,607	3.1 %	(18.3)%
<b>Cost of sales</b>	<b>7,777,239</b>	<b>88.6 %</b>	<b>7,942,797</b>	<b>82.3 %</b>	<b>(2.1)%</b>
<i>Incl. Food and beverages</i>	1,948,813	22.2 %	2,187,251	22.7 %	(10.9)%
<i>Incl. Payroll and related taxes</i>	1,916,131	21.8 %	2,048,508	21.2 %	(6.5)%
<i>Incl. Rent</i>	2,295,374	26.1 %	1,945,761	20.2 %	18.0 %
<b>Gross profit</b>	<b>1,005,578</b>	<b>11.4 %</b>	<b>1,705,408</b>	<b>17.7 %</b>	<b>(41.0)%</b>
SG&A Expenses	1,137,329	12.9 %	1,408,793	14.6 %	(19.3)%
<i>Incl. Payroll and related taxes</i>	666,543	7.6 %	812,376	8.4 %	(18.0)%
<i>Incl. Advertising</i>	115,224	1.3 %	175,104	1.8 %	(34.2)%
<i>Incl. Other expenses</i>	65,229	0.7 %	97,444	1.0 %	(33.1)%
Start-up expenses for new restaurants	127,238	1.4 %	191,513	2.0 %	(33.6)%
Other gains	310,125	3.5 %	62,043	0.6 %	399.9 %
Other losses	92,756	1.1 %	106,649	1.1 %	(13.0)%
<i>Incl. Loss on disposal of non-current assets</i>	66,431	0.8 %	68,543	0.7 %	(3.1)%
<b>(Loss)/profit from operating activities before impairment</b>	<b>(41,620)</b>	<b>(0.5)%</b>	<b>60,495</b>	<b>0.6 %</b>	<b>(168.8)%</b>
Loss from impairment of operating assets	275,982	3.1 %	113,122	1.2 %	144.0 %
<b>Loss from operating activities after impairment</b>	<b>(317,602)</b>	<b>(3.6)%</b>	<b>(52,627)</b>	<b>(0.5)%</b>	<b>503.5 %</b>
Financial expenses, net	182,455	2.1 %	159,004	1.6 %	14.7 %
Foreign exchange gains, net	309,107	3.5 %	19,415	0.2 %	1492.1 %
<b>Loss before tax from continuing operations</b>	<b>(190,950)</b>	<b>(2.2)%</b>	<b>(192,216)</b>	<b>(2.0)%</b>	<b>(0.7)%</b>
Income tax benefit/(expense)	56,348	0.6 %	(20,862)	(0.2)%	(370.1)%
<b>Loss for the period from continuing operations</b>	<b>(134,602)</b>	<b>(1.5)%</b>	<b>(213,078)</b>	<b>(2.2)%</b>	<b>(36.8)%</b>
Loss after tax for the period from discontinued operations	(74,363)	(0.8)%	(254,766)	(2.6)%	(70.8)%
<b>Net loss</b>	<b>(208,965)</b>	<b>(2.4)%</b>	<b>(467,844)</b>	<b>(4.8)%</b>	<b>(55.3)%</b>
Profit from operating activities after impairment	(317,602)	(3.6)%	(52,627)	(0.5)%	503.5 %
Depreciation and amortization	269,384	3.1 %	317,504	3.3 %	(15.2)%
<b>EBITDA from continuing operations <sup>[1]</sup></b>	<b>(48,218)</b>	<b>(0.5)%</b>	<b>264,877</b>	<b>2.7 %</b>	<b>(118.2)%</b>
Loss from impairment	275,982	3.1 %	113,122	1.2 %	144.0 %
Loss on disposal of non-current assets	66,431	0.8 %	68,543	0.7 %	(3.1)%
<b>EBITDA before impairment and write-offs from continuing operations</b>	<b>294,197</b>	<b>3.3 %</b>	<b>446,542</b>	<b>4.6 %</b>	<b>(34.1)%</b>
<b>EBITDA before impairment and write-offs from discontinuing operations</b>	<b>43,716</b>	<b>0.5 %</b>	<b>(74,930)</b>	<b>(0.8)%</b>	<b>(158.3)%</b>
<b>EBITDA before impairment and write-offs <sup>[1]</sup></b>	<b>337,911</b>	<b>3.8 %</b>	<b>371,612</b>	<b>3.9 %</b>	<b>(9.1)%</b>

Within the framework of our portfolio optimization we transferred to franchisees our corporate operations in Poland. As of December 31, 2014 the disposed business was classified as discontinued operations and its results for periods 2014 and 2013, are presented in a separate line in the Income Statement.

In 2014 *consolidated revenue* amounted to RUB 8 783 mln. Corporate restaurants and canteens revenue decreased by 8.4%, due to exiting unprofitable and non-core restaurants as well as decrease in number of

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transactions. Revenue from franchising decreased by 18.3% mainly due to absence of franchising fee payments related to prolongation of existing franchising contracts compared to previous period.

**Gross profit margin** decreased to 11.4% in 2014 from 17.7% in 2013 mainly driven by 18.0% increase in rent which equal 590 basis points measured as a percentage of sales.

Payroll increase by 60 basis points was mainly driven by inflation; whereof food and beverages decrease by 50 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 12.9% in 2014 from 14.6% in 2013 driven mainly by a decrease of 80 basis points in payroll due to optimization of support center and 50 basis points in advertising expenses, all measured as a percentage of total revenue.

**Start-up expenses for new restaurants** decreased of 60 basis points as a percentage of total revenue in 2014 in comparison to 2013 due to less number of new openings in railway stations sites.

**Other gains** increased by 2.9% as a percentage of total revenue due to selling of non-core operational business in Siberian region.

**Loss from impairment of operating assets** increased to 3.1% of revenue in 2014 in comparison with 1.2% in 2013. For more information please refer to notes 7 and 8 of the financial statements for the year ended December 31, 2014.

The increase of **net financial expenses** by 50 basis points measured as a percentage of total revenue is mainly driven by higher amounts of interest paid due to increased level of gross debt comparing to 2013, those items measured as a percentage of sales.

**Forex gain** increased by 3.3% as a percentage of total revenue in 2014 compared to 2013 due to exchange rate of RUB to other currencies.

**Loss before tax from continuing operations** stood at (2.2)% in 2014 in comparison with (2.0)% in 2013, all measured as a percentage of total revenue.

**Loss after tax from discontinued operations** in 2014 amounted to RUB 74 mln. For more information please refer to note 6 of the financial statements for the year ended December 31, 2014.

**Net Loss** decreased to RUB 209 mln in 2014 from RUB 468 mln. in 2013 due to dispose of businesses in Europe. As a result, **Net loss margin** decreased to (2.4)% in 2014 compared to net loss margin of (4.8)% in 2013.

**EBITDA<sup>[1]</sup> margin before impairment and write-offs** amounted to RUB 338 mln in 2014.

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**Cash Flow Performance**

(RUB) thousands	12M 2014	12M 2013	% Change Y-o-Y
Net cash flow from operating activities	32,696	2,688	1116.5 %
<i>Incl. Cash flow before changes in operating assets and liabilities</i>	(6,359)	350,851	(101.8)%
<i>Incl. Change in operating Assets and Liabilities</i>	235,003	(133,440)	(276.1)%
<i>Incl. Financial and tax cash outflow</i>	(195,948)	(214,723)	(8.7)%
Net cash flow used in investing activities	(404,969)	(486,070)	(16.7)%
Net cash flow (used in)/from financing activities	342,120	298,402	14.7 %
Effect of exchange rates on cash and cash equivalents	4,756	1,980	140.2 %
<b>Net decrease in cash and cash equivalents</b>	<b>(25,397)</b>	<b>(183,000)</b>	<b>(86.1)%</b>
Cash & Cash equivalents at beginning of period	96,008	279,008	(65.6)%
Cash & Cash equivalents at end of period	70,611	96,008	(26.5)%

**Cash flow from operating activities** increased to RUB 33 mln in 2014 from RUB 3 mln in 2013 as a result of decrease in cash flow before change in operating assets and liabilities, compensated by increase in working capital change majorly driven by utilization of rent prepaid in 2013.

**Net cash flow used in investing activities** decreased by 16.7% to RUB 405 mln in 2014 from RUB 486 mln in 2013 mainly due to decrease in new restaurants openings.

**Net cash flow from financing activities** in 2014 represents mainly receipts of bank loans as summarized in the table below.

**Debt and Liquidity**

(RUB) thousands	12m2014		12m2013		% Change Y- o-Y
<b>Total Gross Debt</b>	<b>1,936,654</b>	<b>100.0 %</b>	<b>1,553,940</b>	<b>100.0 %</b>	<b>24.6 %</b>
Short-term	544,232	28.1 %	33,940	2.2 %	1503.5 %
Long-term	1,392,422	71.9 %	1,520,000	97.8 %	(8.4)%
<b>Net Debt</b>	<b>1,866,043</b>	<b>96.4 %</b>	<b>1,457,932</b>	<b>93.8 %</b>	<b>28.0 %</b>
<b>Net Debt / EBITDA before impairment and write-offs<sup>[2]</sup></b>	<b>5.5</b>		<b>3.9</b>		<b>40.2 %</b>

Total gross debt of the Group increased by 24.6% and net debt increased by 28,0% in 2014 when compared with the corresponding figures as of December 31, 2013, mainly used in new restaurants openings and existing stores revitalization. The maturity profile of our debt portfolio is principally long-term: 71.9% as of December 31, 2014 and 97.8% as of December 31, 2013. Our debt portfolio is ruble denominated with fixed interest rates. Net debt/EBITDA before impairment and write-offs ratio increased to 5.5x as of December 31, 2014 from 3.9x as of December 31, 2013.

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Gross debt maturity schedule as of December 31, 2014 is illustrated below.

(RUB) mln	Within 6M (1H'15)	6M-12M (2H'15)	12M-18M (1H'16)	18M+	Total
<b>Gross debt maturity</b>	<b>74</b> <b>3.8 %</b>	<b>470</b> <b>24.3 %</b>	<b>845</b> <b>43.6 %</b>	<b>547</b> <b>28.3 %</b>	<b>1,937</b> <b>100.0 %</b>

<sup>[1]</sup> EBITDA from continuing operations and from discontinuing operations 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.

<sup>[2]</sup> EBITDA is calculated over the 12 preceding calendar months.

<sup>[3]</sup> Calculation is based on gross operating sales data (including VAT) for the pool of currently operating mature restaurants, which had operated for 18 months as of 31 December 2014.

<sup>[4]</sup> Unaudited operating revenue includes only total net sales of corporate restaurants and canteens and does not include revenue from premises sublease, franchise operations and other revenue items.

Some information in this review may contain "forward-looking statements" which include all statements other than statements of historical facts. 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 31 December 2014 OJSC Rosinter Restaurants Holding** is the leading casual dining restaurant company in Russia and CIS, which operates 343 outlets in 40 cities in Russia, CIS and Central Europe, including Baltic countries. The chain has 313 casual dining stores, including 127 franchised restaurants, and 30 Costa Coffee outlets. The Company develops its own brands IL Patio and Planet Sushi, Planeta World Café, American Bar and Grill, Mama Russia, and also 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 ([www.moex.com](http://www.moex.com)) under the stock ticker ROST.

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Company site: [www.rosinter.ru](http://www.rosinter.ru).

In 2014 Rosinter successfully re-launched the popular loyalty program "Honored Guest" ([www.hgclub.ru](http://www.hgclub.ru)) on a new advanced digital platform. Find our mobile application "Honored Guest" in App Store and Google Play.





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**APPENDIX**

Consolidated statement of profit or loss

For the year ended December 31, 2014

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

	<b>Notes</b>	<b>2014</b>	<b>2013</b>
<b>Continuing operations</b>			
Revenue	22	8,782,817	9,648,204
Cost of sales	23	(7,777,239)	(7,942,797)
<b>Gross profit</b>		<b>1,005,578</b>	<b>1,705,407</b>
Selling, general and administrative expenses	24	(1,137,329)	(1,408,793)
Start-up expenses for new restaurants		(127,238)	(191,513)
Other gains	26	310,125	62,043
Other losses	26	(92,756)	(106,649)
<b>(Loss)/profit from operating activities before impairment</b>		<b>(41,620)</b>	<b>60,495</b>
Loss from impairment of operating assets	27	(275,982)	(113,122)
<b>Loss from operating activities after impairment</b>		<b>(317,602)</b>	<b>(52,627)</b>
Financial income	28	11,299	9,232
Financial expense	28	(193,754)	(168,236)
Foreign exchange gain, net		309,107	19,415
<b>Loss before income tax from continuing operations</b>		<b>(190,950)</b>	<b>(192,216)</b>
Income tax reversal/(expense)	12	56,348	(20,862)
<b>Loss for the period from continuing operations</b>		<b>(134,602)</b>	<b>(213,078)</b>
<b>Discontinued operations</b>			
Loss after tax for the period from discontinued operations	6	(74,363)	(254,766)
<b>Net loss for the period</b>		<b>(208,965)</b>	<b>(467,844)</b>
Attributable to:			
Equity holders of the parent entity		(200,676)	(461,899)
Non-controlling interests		(8,289)	(5,945)
<b>Earnings per share</b>			
Basic, loss per share, roubles	18	(12.85)	(29.58)
Diluted, loss per share, roubles		(12.39)	(28.12)
<b>Earnings per share for continuing operations</b>			
Basic, loss per share from continuing operations, roubles		(8.09)	(13.27)
Diluted, loss per share from continuing operations, roubles		(7.80)	(12.61)

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Consolidated statement of financial position

At December 31, 2014

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

	Notes	December 31, 2014	December 31, 2013
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	7	1,633,395	1,733,528
Intangible assets	8	55,331	107,131
Goodwill	9	143,137	176,153
Long-term loans due from related parties	11	22,542	20,642
Long-term receivables due from related parties	11	229	1,577
Deferred income tax asset	12	190,140	167,261
Rent deposits and other non-current assets		210,295	244,040
		<b>2,255,069</b>	<b>2,450,332</b>
<b>Current assets</b>			
Inventories	13	162,023	182,924
VAT and other taxes recoverable		145,699	172,783
Income tax recoverable		2,086	43,660
Trade and other receivables	14	405,676	161,614
Advances paid	15	102,745	357,247
Receivables from related parties	11	178,614	53,439
Short-term loans		9,706	19,087
Short-term loans due from related parties	11	15,304	8,994
Cash and cash equivalents	16	70,611	96,008
		<b>1,092,464</b>	<b>1,095,756</b>
<b>TOTAL ASSETS</b>		<b>3,347,533</b>	<b>3,546,088</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity attributable to equity holders of the parent entity			
Share capital	17	2,767,015	2,767,015
Additional paid-in capital		2,204,190	2,204,190
Treasury shares	17	(413,085)	(413,085)
Other capital reserves		14,423	25,941
Accumulated losses		(4,526,678)	(4,326,002)
Translation difference		(244,635)	(18,165)
		<b>(198,770)</b>	<b>239,894</b>
Non-controlling interests		(5,641)	4,530
		<b>(204,411)</b>	<b>244,424</b>
<b>Non-current liabilities</b>			
Long-term loans and borrowings	19	1,392,422	1,520,000
Long-term liabilities to partners	20	19,389	19,755
Deferred income tax liabilities	12	575	53,261
		<b>1,412,386</b>	<b>1,593,016</b>
<b>Current liabilities</b>			
Trade and other payables	21	1,432,289	1,469,448
Short-term loans and borrowings	19	544,232	33,940
Payables to related parties	11	26,197	70,917
Short-term loans due to related parties	11	1,073	2,376
Short-term liabilities to partners	20	-	15,074
Deferred income		3,395	37,897
Income tax payable		132,372	78,996
		<b>2,139,558</b>	<b>1,708,648</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,347,533</b>	<b>3,546,088</b>

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Consolidated statement of cash flows

For the year ended December 31, 2014

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

	Notes	2014	2013
<b>Operating activities</b>			
Loss before tax from continuing operations		(190,950)	(192,216)
Loss before tax from discontinued operations	6	(74,072)	(252,592)
<i>Adjustments to reconcile loss before tax to net cash provided by operating activities:</i>			
Depreciation and amortization		273,762	335,018
Reclassification adjustments for losses included in profit or loss	6	71,409	84,000
Foreign exchange gains, net		(301,042)	(26,347)
Gain from disposal of subsidiaries		(294,818)	–
Financial income		(11,302)	(9,913)
Financial expense		193,784	169,398
Allowance for impairment/(reversal of impairment) of advances paid, taxes recoverable and receivables		28,154	(2,704)
Reversal of write-down of inventories to net realisable value	13	(9,295)	(12,672)
Loss on disposal of non-current assets		66,640	86,819
Impairment of assets		309,877	177,448
Gain on the disposal of discontinued operation	6	(55,095)	(9,748)
Contingent liabilities and provisions		2,345	–
Share based payment (benefit)/expenses	29	(15,756)	4,360
		<b>(6,359)</b>	<b>350,851</b>
<i>Changes in operating assets and liabilities:</i>			
Decrease/(increase) in inventories		29,494	(4,010)
Decrease /(increase) in advances, taxes recoverable, receivables, rent deposits and other non-current assets		289,692	(339,376)
Decrease in receivables from related parties		26,652	43,558
(Decrease)/increase in payables to related parties		(70,413)	20,475
(Decrease)/increase in trade and other payables		(40,422)	145,913
<b>Net cash generated from operations</b>		<b>228,644</b>	<b>217,411</b>
Interest paid		(182,278)	(137,582)
Interest received		886	6,936
Income tax paid		(14,556)	(84,077)
<b>Net cash flows from operating activities</b>		<b>32,696</b>	<b>2,688</b>
<b>Investing activities</b>			
Purchases of property and equipment		(432,686)	(427,897)
Proceeds from repayment of loans issued to related parties		11,065	400
Purchase of intangible assets		(8,725)	(75,104)
Loans issued to related parties		(290)	(1,190)
Proceeds from disposal of property and equipment		6,336	22,097
Proceeds from repayment of loans issued to third parties		13,472	6,821
Loans issued to third parties		(333)	(4,347)
Net inflow/(outflow) from cash and cash equivalents in respect of disposal subsidiaries		6,192	(6,850)
<b>Net cash flows used in investing activities</b>		<b>(404,969)</b>	<b>(486,070)</b>

*Continued on the next page*

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**Consolidated statement of cash flows (continued)**

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

	<b>Notes</b>	<b>2014</b>	<b>2013</b>
<b>Financing activities</b>			
Proceeds from bank loans		1,726,280	1,958,768
Repayment of bank loans		(1,371,144)	(1,625,245)
Payments to partners	20	(9,727)	(32,096)
Repayment of related party loans		(1,303)	(1,842)
Proceeds from cash capital contributions		15	–
Proceeds from related party loans		–	940
Repayment of lease obligations		–	(138)
Dividends paid to shareholders		(2,001)	(1,985)
<b>Net cash flows from financing activities</b>		<b>342,120</b>	<b>298,402</b>
Effect of exchange rate on cash and cash equivalents		4,756	1,980
<b>Net decrease in cash and cash equivalents</b>		<b>(25,397)</b>	<b>(183,000)</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>96,008</b>	<b>279,008</b>
<b>Cash and cash equivalents at end of the year</b>		<b>70,611</b>	<b>96,008</b>