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ROSINTER
RESTAURANTS

Moscow, 12 September 2011 **PRESS-RELEASE**

ROSINTER REPORTS FIRST HALF 2011 UNAUDITED FINANCIAL RESULTS:

CONSOLIDATED REVENUE INCREASED BY 8.0% YoY SUPPORTED BY 4.3% SAME-STORE SALES GROWTH

GROSS PROFIT MARGIN INCREASED TO 18.6% IN SECOND QUARTER OF 2011 AS COMPARED TO 17.2% IN FIRST QUARTER OF 2011

IMPAIRMENT PROVISION OF 191 MLN RUBLES RESULTING IN EBITDA CONTRACTION AND NET LOSSES OF 321 MLN RUBLES

OJSC Rosinter Restaurants Holding (Rosinter), the leading casual dining restaurants chain in Russia and CIS (RTS and MICEX ticker: ROST), announces its financial results for first half of 2011 prepared in accordance with IFRS. The Company's unaudited interim condensed consolidated financial statements for first half of 2011 reviewed by independent auditor are posted on our web page at www.rosinter.com.

FIRST HALF 2011 HIGHLIGHTS

- **Consolidated Net Revenue increased by 8.0% vs. 1H 2010 to RUB 5,069 mln**
- **Gross profit amounted to RUB 908.2 mln, for a gross margin of 17.9% vs. 23.7% in 1H 2010**
- **Operating losses amounted to RUB 263.9 mln vs. operating profit of RUB 292.9 mln in 1H 2010**
- **EBITDA[1] amounted to minus RUB 57.2 mln vs. RUB 490.9 mln in 1H 2010**
- **EBITDA before Impairment provisions amounted to RUB 133.9 mln vs. RUB 486.5 mln in 1H 2010**
- **Net loss (including impairments) amounted to RUB 321.5 mln vs. Net profit of RUB 111.1 mln in 1H 2010**
- **Net debt increased by 6.5% to RUB 1,219 mln with Net debt/EBITDA (12M Rolling) of 2.5x reflecting EBITDA contraction in 1H 2011**

Hugh Carroll, acting President and CEO, commented:

"In first half of 2011 consolidated revenue of Rosinter increased by 8.0% as compared to the same period of prior year and amounted to 5,069 million rubles. This was driven by 4.3% growth of sales in comparable stores and an increased contribution of recently opened restaurants. Same store sales growth was influenced by price increases. Our new pricing policy and cost control actions resulted in a reduction of food and beverage, payroll and SG&A expenses in 2Q 2011 as compared to the first quarter of the year. Gross profit margin increased to 18.6% in second quarter as compared to 17.2% in first quarter of 2011. At the

same time a number of restaurants were still performing below expectations and in accordance with IFRS regulations we accrued one-off provision for impairment of their assets in the amount of 191 million rubles. This resulted in EBITDA contraction and net losses of 321 million rubles in first half of the year.

During first half of 2011 we opened 25 new restaurants, including 11 corporate and 14 franchise. Total restaurant count increased to 378 from 362 stores reflecting planned closure of 9 outlets. In 2011 we also expanded our geographical coverage to Azerbaijan and Irkutsk, and Rosinter restaurants now operate in 43 cities in 10 countries. Going forward we will continue our strategy of selecting top-quality locations for the corporate network while keeping up our pace of franchise expansion with wide geographical coverage.

Our efforts will focus on core brands revitalization, optimizing organizational processes and delivering high quality guest experiences. By end year we will introduce new seasonal promo menus with active advertising campaigns that would support traffic recovery and allow us to benefit on market opportunities."

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Income Statement Summary

(RUB thousand)	1Q 2011		2Q 2011		1H 2011		1H 2010	
Net revenue	**2 489 119**	***100,0%***	**2 580 376**	***100,0%***	**5 069 495**	***100,0%***	**4 691 904**	***100,0%***
Incl. Revenue from restaurants	2 362 283	*94,9%*	2 466 180	*95,6%*	4 828 463	*95,2%*	4 434 425	*94,5%*
Incl. Revenue from franchising	75 907	*3,0%*	82 959	*3,2%*	158 866	*3,1%*	127 255	*2,7%*
Cost of Sales	**2 060 866**	***82,8%***	**2 100 468**	***81,4%***	**4 161 334**	***82,1%***	**3 580 772**	***76,3%***
Incl. Food and beverages	605 974	*24,3%*	611 247	*23,7%*	1 217 221	*24,0%*	1 076 482	*22,9%*
Incl. Payroll and related taxes	622 769	*25,0%*	603 062	*23,4%*	1 225 831	*24,2%*	986 848	*21,0%*
Incl. Materials	66 017	*2,7%*	105 775	*4,1%*	171 792	*3,4%*	101 027	*2,2%*
Gross profit	**428 253**	***17,2%***	**479 908**	***18,6%***	**908 161**	***17,9%***	**1 111 132**	***23,7%***
SG&A expenses	410 178	*16,5%*	399 747	*15,5%*	809 925	*16,0%*	740 093	*15,8%*
Start-up expenses for new restaurants	37 976	*1,5%*	19 058	*0,7%*	57 034	*1,1%*	24 628	*0,5%*
Other operating income	(11 760)	*-0,5%*	(5 266)	*-0,2%*	(17 026)	*-0,3%*	(20 498)	*-0,4%*
Other operating expenses	49 095	*2,0%*	82 042	*3,2%*	131 137	*2,6%*	78 355	*1,7%*
Losses/(Gains) from impairment	38 119	*1,5%*	152 963	*5,9%*	191 082	*3,8%*	(4 363)	*-0,1%*
Operating (loss)/profit	**(95 355)**	***-3,8%***	**(168 636)**	***-6,5%***	**(263 991)**	***-5,2%***	**292 917**	***6,2%***
Financial expenses, net	28 517	*1,1%*	41 576	*1,6%*	70 093	*1,4%*	105 472	*2,2%*
Foreign exchange losses, net	29 748	*1,2%*	6 044	*0,2%*	35 792	*0,7%*	9 296	*0,2%*
Share of (gains)/losses of JV and associates	(213)	*0,0%*	(285)	*0,0%*	(498)	*0,0%*	21 275	*0,5%*
(Loss)/Profit before tax	**(153 407)**	***-6,2%***	**(215 971)**	***-8,4%***	**(369 378)**	***-7,3%***	**156 874**	***3,3%***
Income tax (benefit)/expense	(6 959)	*-0,3%*	(40 909)	*-1,6%*	(47 868)	*-0,9%*	45 749	*1,0%*
Net (loss)/profit	**(146 448)**	***-5,9%***	**(175 062)**	***-6,8%***	**(321 510)**	***-6,3%***	**111 125**	***2,4%***
Operating (loss)/profit	(95 355)	*-3,8%*	(168 636)	*-6,5%*	(263 991)	*-5,2%*	292 917	*6,2%*
Depreciation and amortization	102 554	*4,1%*	104 259	*4,0%*	206 813	*4,1%*	197 934	*4,2%*
EBITDA[1]	**7 199**	***0,3%***	**(64 377)**	***-2,5%***	**(57 178)**	***-1,1%***	**490 851**	***10,5%***
Losses/(Gains) from impairment	38 119	*1,5%*	152 963	*5,9%*	191 082	*3,8%*	(4 363)	*-0,1%*
EBITDA before Impairment	**45 318**	***1,8%***	**88 586**	***3,4%***	**133 904**	***2,6%***	**486 488**	***10,4%***

In 1H 2011 consolidated revenue of the Company increased by 8.0% as compared to the same period of prior year which was contributed by growth of corporate sales by 8.9% and increase of revenue from franchising. Same-store sales growth in 1H 2011 amounted to 4.3% driven by 2.9% average check increase and 1.3% like-for-like traffic recovery. Growth of sales of franchise outlets and expansion of franchise network, which grew to 122 outlets in 1H 2011 from 100 restaurants in 1H 2010, resulted in increase of revenue from franchising by 24.8% to RUB 158.9 mln.

Gross profit margin decreased to 17.9% in 1H 2011 as compared to 23.7% in 1H 2010 resulting from increase of food and beverage, payroll expenses and materials cost. Food and beverage cost margin increased to 24.0% in 1H 2011 from 22.9% in 1H 2010 which was driven by the Company's deliberate strategy on pricing changes targeted at a step-by-step passing of the purchases inflation on to the consumers. Payroll and related taxes increased to 24.2% as percentage of revenue due to restaurant staff wages realignment and increase of the social tax rates. At the same time operating performance improved in 2Q 2011 and gross profit margin for the period equaled 18.6% as compared to 17.2% in 1Q 2011. This quarterly margin improvement was driven by relative reduction of core cost items, including food and beverage cost and payroll expenses as percentage of sales.

Selling, general and administrative expenses increased as percentage of revenue to 16.0% in 1H 2011 as compared to 15.8% in the same period of 2010 mainly due to increased marketing spending. In 2Q 2011 SG&A expenses reduced to 15.5% as percentage of sales from 16.5% in 1Q 2011. This was contributed by reduction of payroll and related taxes expenses by 1.8% of sales resulting from the effect of revenue growth and step-down rates of social taxes.

Start-up expenses for new restaurants increased to RUB 57.0 mln in 1H 2011 as compared to RUB 24.6 mln in 1H 2010 which was due to greater number and different time-schedule of new corporate openings. Other operating expenses increased to RUB 131.1 mln in 1H 2011 resulting from higher losses on disposal of non-current assets as compared to same period of 2010. In 1H 2011 a number of restaurants were still performing below expectations and in accordance with IFRS regulations the Company accrued provision for impairment of their assets in the amount of 191 million rubles. Relative decrease of gross profit, increased start-up expenses and additional impairment provision resulted in operating losses of RUB 263.9 mln.

Net financial expenses decreased by 33.5% as a result of reduction of Company's debt and lower interest rates. Income tax gains in 1H 2011 amounted to RUB 47.9 mln and Net loss for the period amounted to RUB 321.5 mln. Decline in operating profit margin resulted in EBITDA decrease to minus RUB 57.2 mln in 1H 2011. EBITDA before impairment provision amounted RUB 133.9 mln in 1H 2011, while the margin increased to 3.4% in 2Q 2011 as compared to 1.8% in first quarter of the year.

Cash Flow Performance

(RUB thousand)	**1H 2011**	**1H 2010**	***% change Y-o-Y***
Net cash flow from/(used in) operating activities	340 781	(27 275)	*n/a*
Incl. Cash flow before changes in operating assets and liabilities	158 009	305 645	*-48,3%*
Incl. Change in operating assets and liabilities	182 772	(332 920)	*n/a*
Net cash flow used in investing activities	(304 818)	(136 975)	*122,5%*
Net cash flow (used in)/from financing activities	(53 588)	264 430	*n/a*
Effect of exchange rate changes on cash & cash equivalents	(12 091)	(1 648)	*6x*
Net (decrease)/increase in cash & cash equivalents	**(29 716)**	**98 532**	***n/a***
Cash & cash equivalents at beginning of the period	216 510	113 243	*91,2%*
Cash & cash equivalents at end of the period	186 794	211 775	*-11,8%*

Net cash from operating activities increased to RUB 340.8 mln in 1H 2011 as compared to RUB 27.3 mln of net cash used in operating activities in 1H 2010. This dynamic was contributed by lower cash from operating activities before changes in operating assets in 1H 2011 offset by positive cash flow effect of changes in the working capital. During 1H 2010 the Company financed partial rebalancing of its working capital by reducing accounts payable to suppliers.

Net cash used in investing activities amounted to RUB 304.8 mln as compared to RUB 136.9 mln in 1H 2010. In 1H 2011 the Company opened 11 new corporate outlets as compared to 8 outlets opened in 1H 2010 and increased investments in restaurant openings.

Net cash used in financing activities amounted to RUB 53.6 mln. During 1H 2011 net cash and cash equivalents decreased from RUB 216.5 mln to RUB 186.8 mln.

Debt and Liquidity

(RUB thousand)	**30 June 2011**		**31 December 2010**		***% change***
Total Gross debt	**1 405 747**	***100,0%***	**1 361 495**	***100,0%***	***3,3%***
Short-term debt	-	*0,0%*	275 786	*20,3%*	
Long-term debt	1 405 747	*100,0%*	1 085 709	*79,7%*	
Net debt	**1 218 953**		**1 144 985**		***6,5%***
Net debt/EBITDA	**2,5 *x***		**1,1 *x***		

Total gross debt increased by 3.3% in 1H 2011, while Net debt increased by 6.5% by June 30, 2011 as compared to December 31, 2010. Maturity profile of the debt portfolio further improved with the long-term component increasing to 100.0% from 79.7% at the beginning of the year. Net debt/EBITDA (12M Rolling) ratio increased to 2.5x as of June 30, 2011 from 1.1x as of December 31, 2010 influenced mainly by the recent EBITDA contraction.

[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 net profit, 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.

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Note to Editors:

As at 31 July 2011 OJSC Rosinter Restaurants Holding is the leading casual dining restaurant company in Russia and CIS, which operates 373 outlets, including 122 franchised restaurants in 43 cities in Russia, CIS and Central Europe, including Baltic countries. The Company offers Italian, Japanese, American and Russian cuisine under its proprietary brands IL Patio, Planet Sushi and 1-2-3 Cafe and its licensed brands T.G.I. Friday’s and Sibirskaya Corona. Also through a Joint Venture with Whitbread Plc the company is currently developing the Costa Coffee chain in Russia. Rosinter Restaurants Holding is listed on RTS (www.rts.ru) and MICEX (www.micex.ru) under the stock tickers ROST.

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APPENDIX
OJSC ROSINTER RESTAURANTS HOLDING
INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT
(All amounts are in thousands of Russian Roubles, except for earnings per share)

	For the six months ended June 30,	
	2011	2010, as revised
	Unaudited	
Revenue	**5,069,495**	**4,691,904**
Cost of sales	(4,161,334)	(3,580,772)
Gross profit	**908,161**	**1,111,132**
Selling, general and administrative expenses	(809,925)	(740,093)
Start-up expenses for new restaurants	(57,034)	(24,628)
Other gains	17,026	20,498
Other losses	(131,137)	(78,355)
(Loss)/profit from operating activities before impairment	**(72,909)**	**288,554**
(Loss)/gain from impairment of operating assets	(191,082)	4,363
(Loss)/profit from operating activities after impairment	**(263,991)**	**292,917**
Financial income	10,215	17,948
Financial expense	(80,308)	(123,420)
Foreign exchange losses, net	(35,792)	(9,296)
Share of profits/(losses) of joint venture and associates	498	(21,275)
(Loss)/profit before income tax	**(369,378)**	**156,874**
Income tax benefit/(expense)	47,868	(45,749)
Net (loss)/profit for the period	**(321,510)**	**111,125**

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APPENDIX
OJSC ROSINTER RESTAURANTS HOLDING
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(All amounts are in thousands of Russian Roubles)

	June 30, 2011, unaudited	December 31, 2010, audited
ASSETS		
Non-current assets		
Property and equipment	2,138,905	2,335,502
Intangible assets	201,088	238,225
Goodwill	176,447	176,153
Investments in joint ventures and associates	4,559	6,545
Long-term loans due from related parties	73,149	141,110
Long-term receivables due from related parties	4,343	–
Deferred income tax asset	161,106	97,904
Other non-current assets	142,637	174,203
	2,902,234	**3,169,642**
Current assets		
Inventories	126,844	210,752
VAT and other taxes recoverable	111,122	119,568
Income tax recoverable	37,952	35,561
Trade and other receivables	159,023	142,136
Advances paid	192,012	215,437
Receivables from related parties	55,350	109,139
Short-term loans	12,061	13,396
Short-term loans due from related parties	82,568	12,576
Cash and cash equivalents	186,794	216,510
	963,726	**1,075,075**
TOTAL ASSETS	**3,865,960**	**4,244,717**
EQUITY AND LIABILITIES		
Equity		
Equity attributable to equity holders of the parent entity		
Share capital	2,767,015	2,767,015
Additional paid-in capital	2,204,816	2,204,816
Treasury shares	(416,732)	(355,003)
Other capital reserves	15,370	18,402
Accumulated losses	(3,662,774)	(3,299,433)
Translation difference	(64,458)	(52,439)
	843,237	**1,283,358**
Non-controlling interests	20,511	24,419
	863,748	**1,307,777**
Non-current liabilities		
Long-term debt	1,405,747	1,085,709
Long-term liabilities to partners	51,767	67,341
Finance lease liabilities	1,285	1,756
Deferred income	12,606	27,437
Deferred income tax liabilities	83,863	101,419
	1,555,268	**1,283,662**
Current liabilities		
Trade and other payables	1,206,341	1,158,131
Payables to related parties	33,010	21,752
Short-term debt	–	275,786
Short-term debt due to related parties	–	7,253
Short-term liabilities to partners	45,816	53,075
Current portion of finance lease liabilities	882	1,148
Deferred income	57,051	47,381
Income tax payable	103,844	88,752
	1,446,944	**1,653,278**
TOTAL EQUITY AND LIABILITIES	**3,865,960**	**4,244,717**

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APPENDIX
OJSC ROSINTER RESTAURANTS HOLDING
INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT
(All amounts are in thousands of Russian Roubles)

	For the six months ended June 30,	
	2011	**2010, as revised**
	Unaudited	
Operating activities		
(Loss)/profit before tax	(369,378)	156,874
Adjustments to reconcile profit/(loss) before tax to net cash provided by operating activities:		
Depreciation and amortisation	206,813	197,934
Foreign exchange losses, net	35,792	9,296
Financial income	(10,215)	(17,948)
Financial expense	80,308	123,420
Allowance for impairment of advances paid, taxes recoverable and receivables	7,996	11,315
Allowance for impairment of inventories	(1,468)	(6,437)
Loss on disposal of non-current assets	89,615	30,541
Impairment of assets	191,082	(4,363)
Share of joint venture's and associates' results	(498)	21,275
Write off and impairment of loans receivable from related parties	92	633
Share based payment expenses	7,246	4,960
	237,385	**527, 500**
Changes in operating assets and liabilities:		
Decrease in inventories	83,082	39,275
Increase in advances, taxes recoverable, receivables and other non-current assets	(3,483)	(130,106)
Decrease /(increase) in receivables from/ payables to related parties, net	46,635	(32,562)
Increase/(decrease) in trade and other payables	56,538	(209,527)
Net cash generated from operations	**420,157**	**194,580**
Interest paid	(61,050)	(137,521)
Interest received	4,149	5,704
Income tax paid	(22,475)	(90,038)
Net cash flows from/(used in) operating activities	**340,781**	**(27,275)**
Investing activities		
Purchases of property and equipment	(241,293)	(104,308)
Loans issued to related parties	(20,037)	(163,548)
Proceeds from repayment of loans issued to related parties	–	161,135
Payments to acquire non-controlling interest in subsidiaries	(45,723)	(33,097)
Purchase of intangible assets	(7,532)	(3,610)
Proceeds from disposal of property and equipment	10,291	6,448
Loans issued to third parties	(4,850)	–
Proceeds from repayment of loans issued to third parties	4,326	5
Net cash flows used in investing activities	**(304,818)**	**(136,975)**

Continued on the next page

APPENDIX
OJSC ROSINTER RESTAURANTS HOLDING
INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)
(All amounts are in thousands of Russian Roubles)

	For the six months ended June 30,	
	2011	**2010**
	Unaudited	
Financing activities		
Acquisition of treasury shares	(61,729)	(125,314)
Proceeds from issue of equity instrument	–	770,957
Redemption of equity instrument	–	(832,514)
Proceeds from issue of equity instruments	–	837,694
Proceeds from bank loans	1,494,514	2,266,917
Repayment of bank loans	(1,445,931)	(2,605,488)
Repayment of related party loans	(6,329)	–
Payments to partners	(32,785)	(44,911)
Repayment of lease obligations	(1,312)	(2,911)
Dividends paid to shareholders	(16)	–
Net cash flows (used in)/from financing activities	**(53,588)**	**264,430**
Effect of exchange rate on cash and cash equivalents	(12,091)	(1,648)
Net (decrease)/increase in cash and cash equivalents	(29,716)	98,532
Cash and cash equivalents at beginning of the period	**216,510**	**113,243**
Cash and cash equivalents at end of the period	**186,794**	**211,775**

* The Group uses financing which, due to the short term nature of this debt (3 to 11 months), requires repayment and reissuance several times throughout the year.