

4Q and FY 2014 Operating Results

Investor presentation

20 January 2015



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Viacheslav Zarenkov

**Chairman of the
Board of Directors**

**Founding shareholder and
President of Etalon Group**

Founded Etalon in 1987



Anton Evdokimov

**Chief Executive Officer
Member of the Board of
Directors**

With Etalon Group since 1998



Boris Svetlichny

**Chief Financial Officer
Member of the Board of
Directors**

With Etalon Group since 2013



Kirill Bagachenko

**Head of Corporate Investments
and IR**

**Member of the Board of
Directors**

With Etalon Group since 2013



1

4Q and FY 2014
Operating Results

2

2014 Deliveries

3

Selected ongoing
projects

4

Appendix

Summary

1 580 ths sqm delivered in 2014, precisely in line with the construction programme

2 New contract sales in 2014 increased 32% y-o-y to RUB 40 billion, outperforming Company guidance

3 9,045 contracts signed with customers, up 30% y-o-y

4 Cash collections increased 36% y-o-y to RUB 35.3 billion, strengthening further the Company's already robust financial position

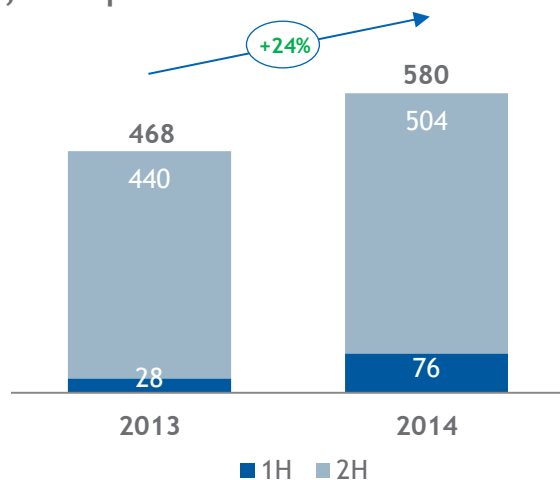
5 Etalon Group is well positioned to continue creating shareholder value in a more complicated macro environment

4Q and FY 2014 Operating Results

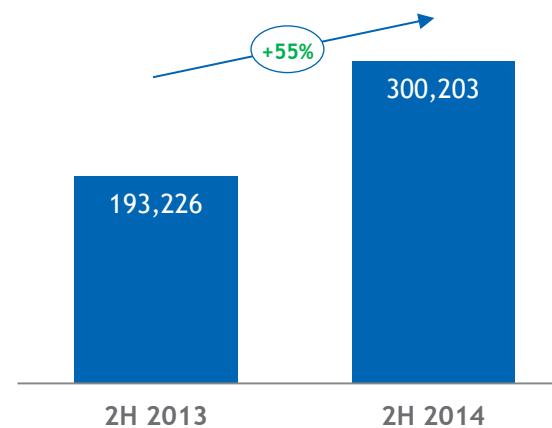


Etalon Group delivered record volumes of high-quality housing on schedule

Deliveries, ths sqm



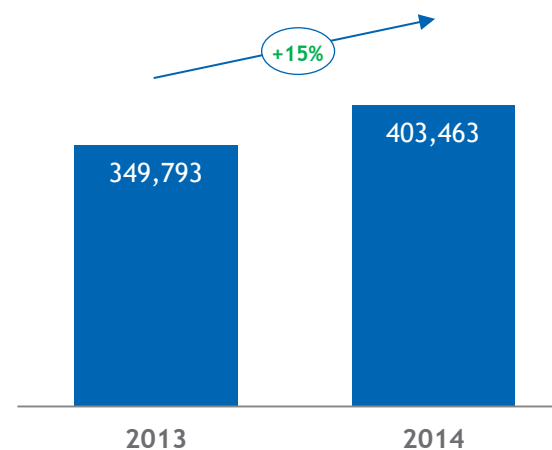
Transfers h-o-h, sqm



2014 project deliveries breakdown

Project	NSA delivered in 2014, ths sqm
Emerald Hills	133
Rechnoy	111
Molodejny	107
Tsar's Capital	107
Swallow's Nest	83
Galant	39
Total	580

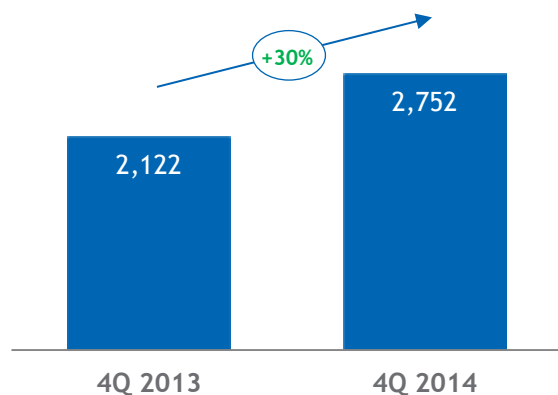
Transfers y-o-y, sqm



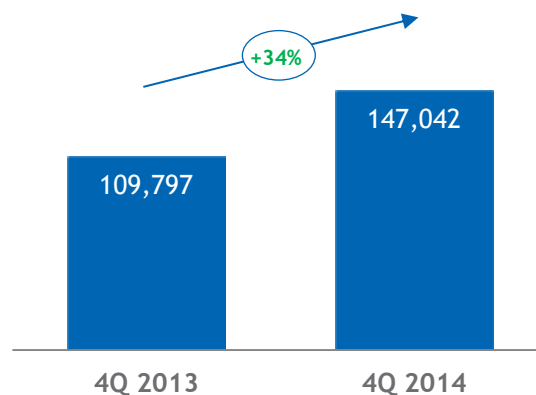
Source: Company data

4Q 2014 set a new quarterly sales record

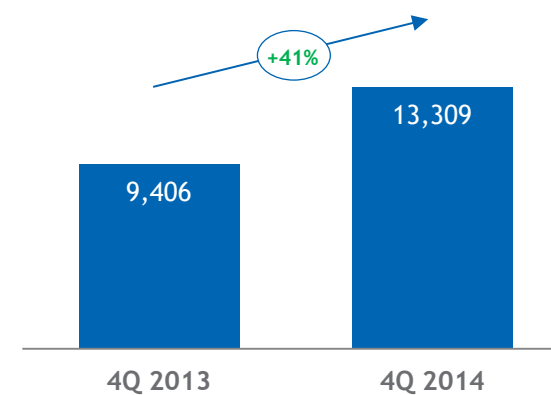
Number of contracts



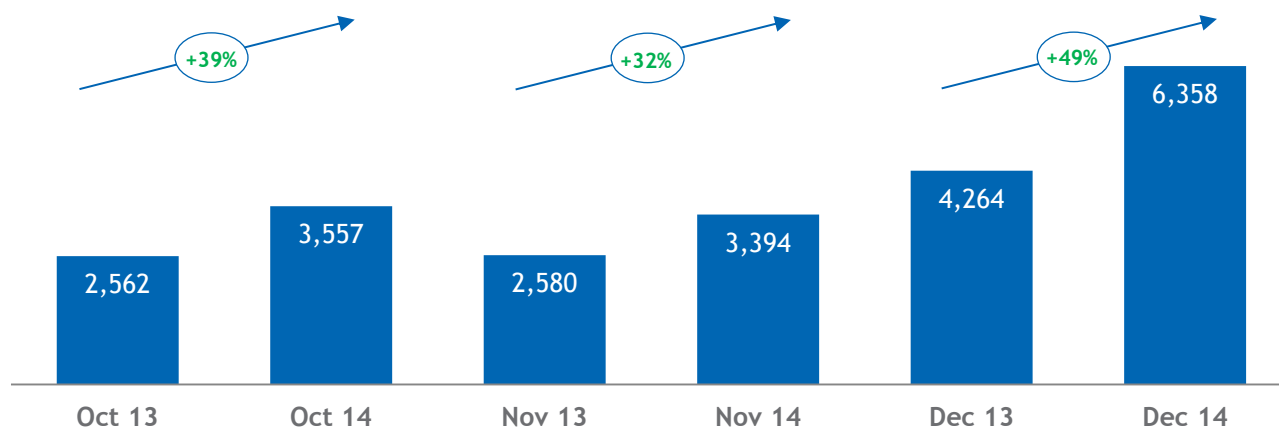
New contract sales, sqm



New contract sales, mln RUB



New contract sales, mn RUB

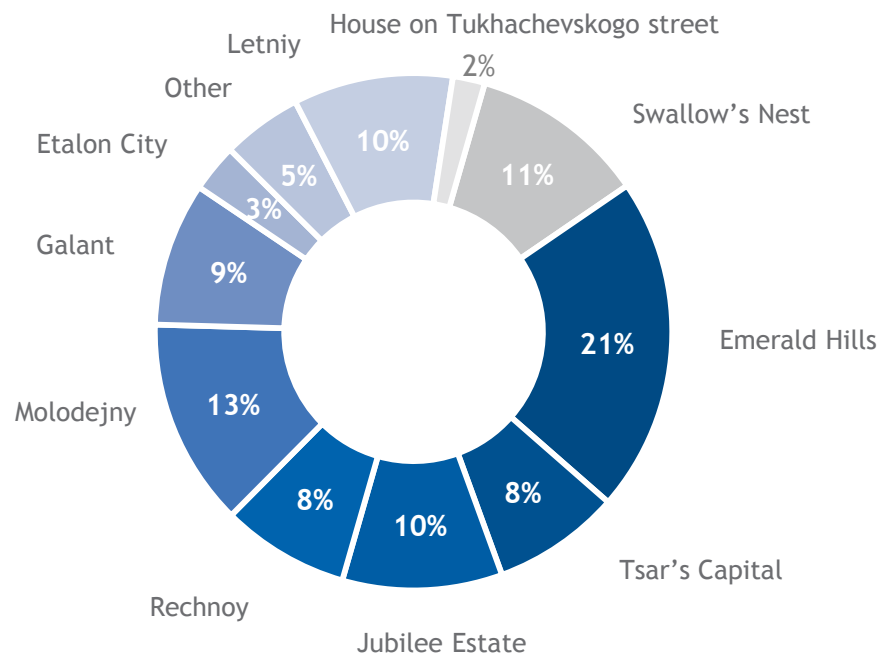


- Average down payment was 83%
- Share of Moscow Metropolitan Area contracts remains at a strong level of 21% in 4Q 2014
- The regional sales network generated ~34% of new contracts (see p. 33 for details)

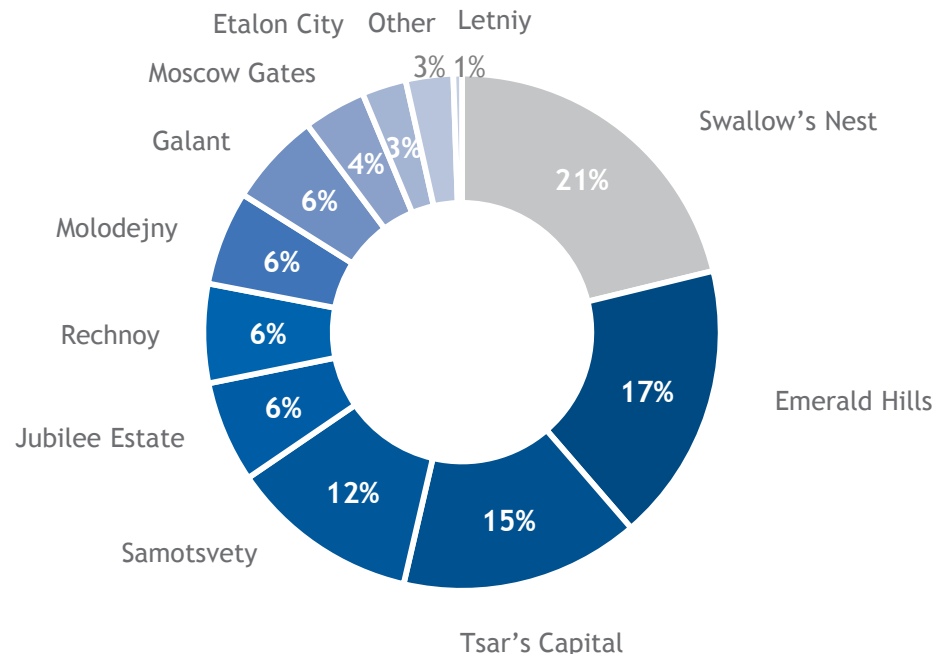
Source: Company data

Better product mix drives new contract sales in 4Q 2014

4Q 2013 New contract sales by project, sqm



4Q 2014 New contract sales by project, sqm

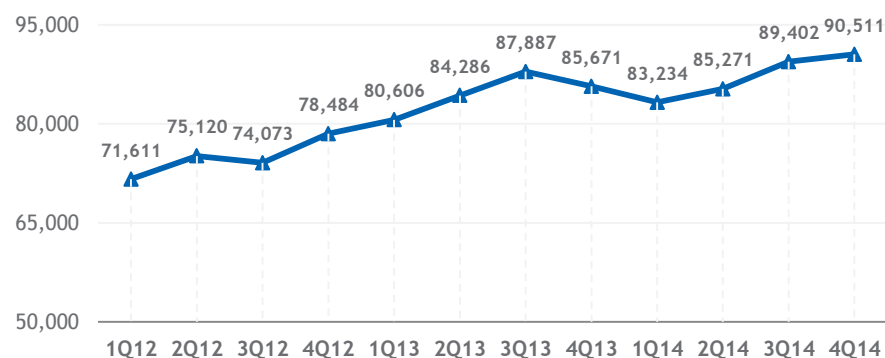


Significant portfolio diversification with growing share of prime location projects

- Swallow's Nest and Emerald Hills enjoy continued strong demand from customers
- Samotsvety, launched in 3Q 2014, already accounted for 12% of new sales in 4Q 2014. Moscow Gates, launched at the very end of November 2014, contributed c. 4% to total 4Q 2014 sales
- The blended average price per sqm increased 6% year-on-year to RUB 90.5 thousand. Average prices for apartments increased 10% year-on-year to RUB 97.5 thousand per sqm, driven by Etalon Group's increasing share of sales at prime-location projects

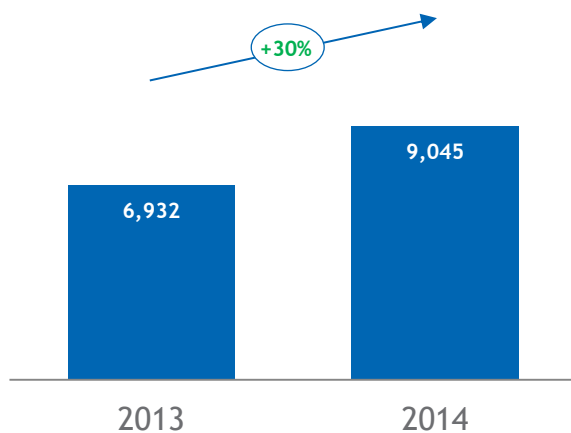
Source: Company data

Average price, RUB/sqm

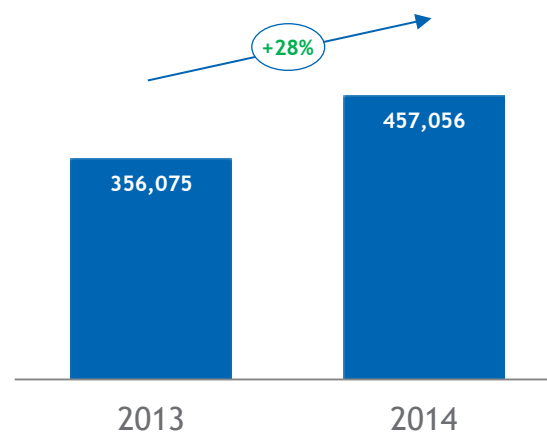


FY 2014 Operating results outperform Company guidance

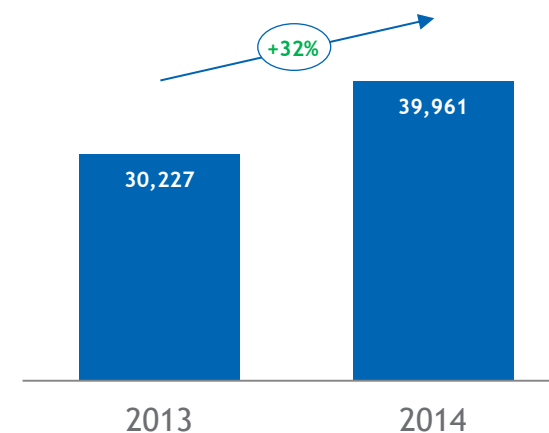
Number of contracts



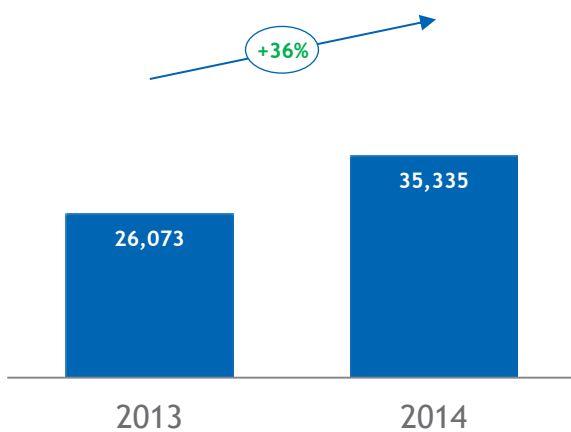
New contract sales, sqm



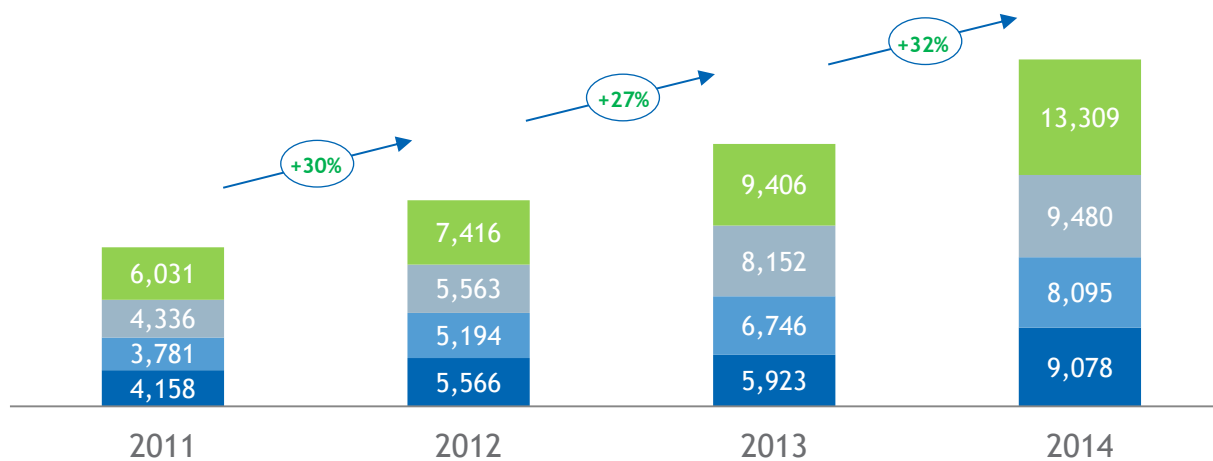
New contract sales, mln RUB



Cash collections, mln RUB



New contract sales y-o-y, mln RUB

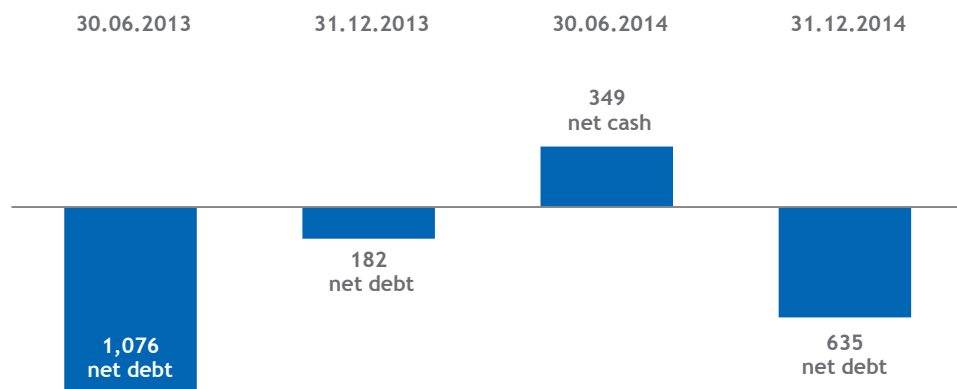


■ 1Q ■ 2Q ■ 3Q ■ 4Q

Source: Company data

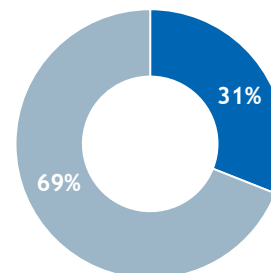
Strong balance sheet secured by robust cash collections

Liquidity position, RUB mln*

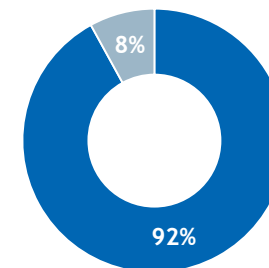


Gross debt composition (as of 31/12/2014)*

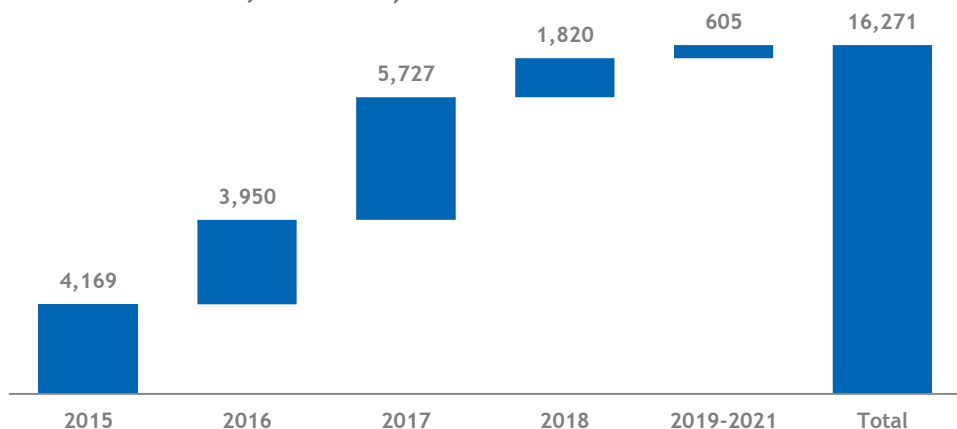
By type of facility



By currency



Debt maturity profile (as of 31/12/2014; RUB mln)*



FX sensitivity

- Company estimates that only c. 15% of total construction costs linked to USD
- Foreign currency denominated debt to cash ratio is 0.22 (as of 31 December 2014)

USD/RUB fx rate as of 31 December 2014 56.26

EUR/RUB fx rate as of 31 December 2014 68.34

*Source: management accounts

Etalon Group targets optimal land bank management

Acquired

1 project acquired in 2014:

- Three-hectare land plot situated on Polyustrovskiy prospect in the Kalininskiy district of St. Petersburg
- Total NSA - 92.5 ths sqm
- Land planning documentation for the land plot already obtained, allowing the rights holder to begin construction in the near future
- Property is located within walking distance from the Lesnaya metro station and four kilometres from central St. Petersburg

Launched

2 projects launched in 2014 enjoy strong demand, driving new sales:



Samotsvety

- Total NSA - 189.1 ths sqm
- Launched in August 2014
- Project share in 4Q 2014 sales - 12 %



Moscow Gates

- Total NSA - 202 ths sqm
- Launched in November 2014
- Project share in 4Q 2014 sales - 4 %

Completed

2 projects completed in 2014 still generate sales without extra spending:

Galant

- Total NSA - 50 ths sqm
- Apartment pre-sales rate - 67% (as of June 2014)

Rechnoy

- Total NSA - 111 ths sqm
- Apartment pre-sales rate - 82 % (as of December 2014)

Total inventory of completed and available for sale property stands at 432 ths sqm, including 220 ths sqm of apartments, as of 31.12.2014

Source: Company data and JLL land bank valuation report as of 31.12.2013

Etalon Group is well positioned to continue creating shareholder value in a more complicated macro environment

	2008	2014		
<ul style="list-style-type: none"> Current land bank is sufficient for Etalon Group's construction programme, no need to acquire land plots in the medium term More diversified product offering based on a higher number of projects and a growing share on lucrative MMA market Growing contribution from the Company's sales network in Russia's resource-rich regions 	Land bank (unsold NSA) bop, ths sqm	1,280	3,442	↑
<ul style="list-style-type: none"> The strongest balance sheet in the industry Low level of FX-denominated debt fully hedged by FX-denominated deposits Currently no debt borrowed outside of Russia Etalon Group maintains its B+ credit rating from Standard & Poor's despite Russia's sovereign credit rating downgrade in 2014 	Number of projects in construction programme, eop	8	15 ⁽¹⁾	↑
	Share of Moscow Metropolitan Area in total contract sales, %	-	23%	↑
	Share of regional sales, %	21.0%	34.4% ⁽²⁾	↑
	Total net debt (net cash), mln RUB	4,358	635 ⁽³⁾	↓
<ul style="list-style-type: none"> Reasonable price growth during preceding 3 years, no signs of a bubble 	- % FX denominated debt	88.5%	8% ⁽³⁾	↓
	- % of debt borrowed outside of Russia	46.4%	-	↓
	- Net debt / EBITDA	1.37x	N/A	↓
	Credit rating (Standard & Poor's)	B	B+	↑
<ul style="list-style-type: none"> Comprehensive inventory of completed apartments in diverse locations is attractive to clients during macroeconomic instability. It also enables the Company generate revenue without incurring additional costs 	Residential real estate price CAGR (previous 3 years), %:			
	- St. Petersburg market ⁽⁴⁾	41%	6%	
	- Moscow market ⁽⁵⁾	34%	7%	
<ul style="list-style-type: none"> Moderate share of mortgage sales, well below that of other public peers 	Inventory of completed and available for sale apartments eop, ths sqm	25	220	↑
	Share of mortgage sales	8%	22% ⁽²⁾	↑
<ul style="list-style-type: none"> Transparent public company with long and successful track record of cooperation with capital markets 	Qualitative criteria	<ul style="list-style-type: none"> 3 years of public debt history Partnership with Baring Vostok Capital Partners 	<ul style="list-style-type: none"> Public listing on LSE Transparent corporate governance Dividend policy 9 years of public debt history 	

*Sources: Land bank valuation report by JLL as of 31.12.2013, management accounts, IPO Prospectus, IFRS financial statements for 2008 and 1H2014

(1) 16 projects as of 2013 eop + Polyustrovskiy prospekt project - Rechnoy - Galant

(2) for FY 2014

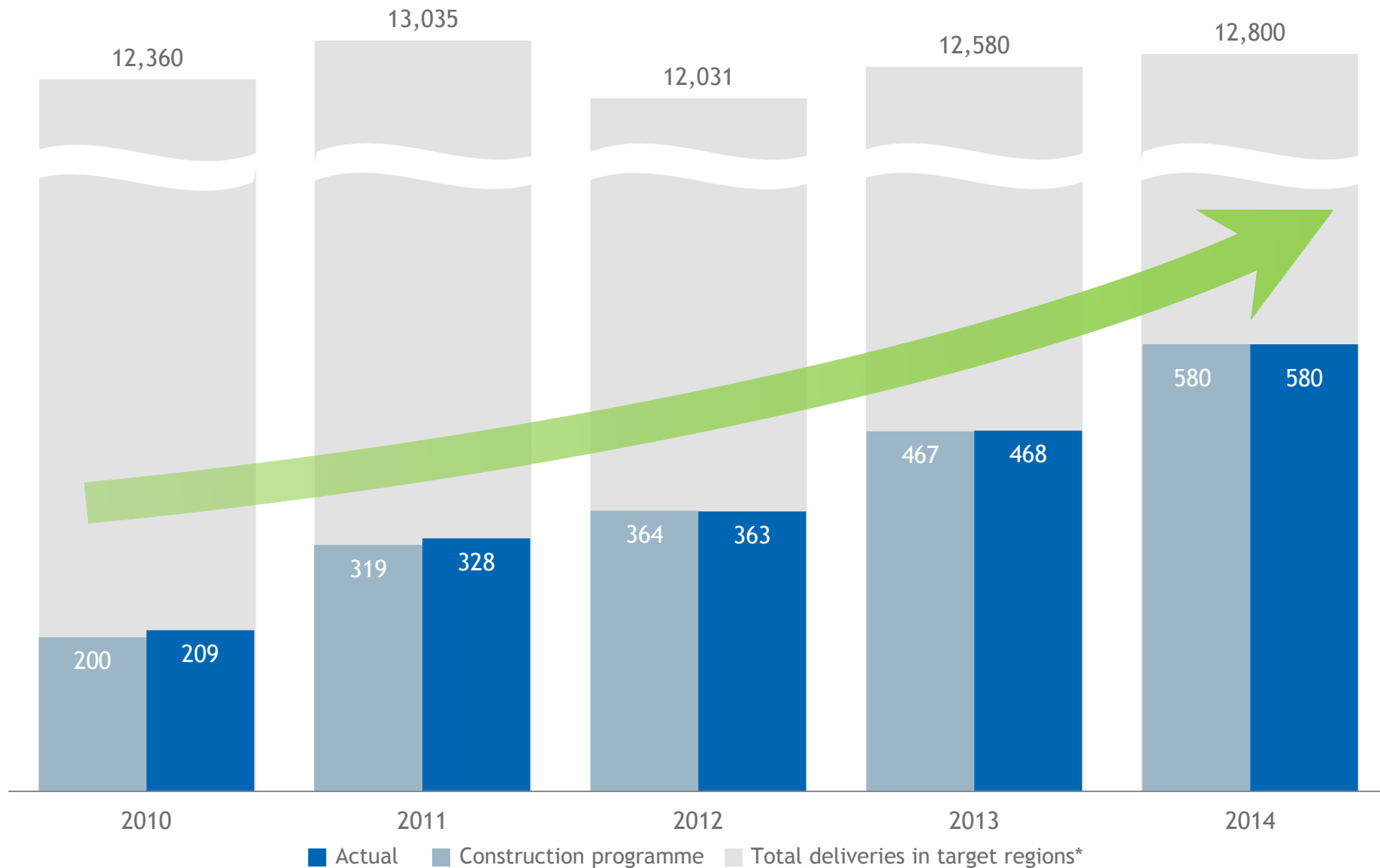
(3) as of 31 December 2014, based on management accounts

(4) calculation based on EMLS index (secondary market) as of December for preceding 3 years

(5) calculation based on IRN housing price index as of December for preceding 3 years

FY 2014 construction volumes: yet another year of successful growth

Construction programme, ths sqm of NSA



Source: Company estimates

*Calculations of total deliveries in target markets (MMA and St. Petersburg) for 2010-2013 are based on GKS data, 2014 total deliveries based on preliminary announcements of Moscow, Moscow region and St. Petersburg Government representatives

Etalon Group portfolio: high quality projects diversified across the two most lucrative macro regions in Russia

Project	Status	Total NSA ('000 sqm)	Unsold NSA (Etalon's share) ⁽¹⁾ ('000 sqm)	Unsold parking (lots), #	OMV (RUBmln)	Income from sales ⁽²⁾ (RUBmln)	Construction budget ⁽³⁾ (RUBmln)	Outstanding budget ⁽³⁾ (RUBmln)
Current Projects								
St. Petersburg Metropolitan Area (SPMA)								
1. Galactica	Design stage	752.3	663.5	3,379	8,444	69,245	37,842	37,733
2. Tsar's Capital	Construction	390.3	277.1	2,109	9,158	36,048	16,433	12,588
3. Swallow's Nest	Construction	333.7	246.7	1,834	8,114	20,053	13,619	4,477
4. Moscow Gates	Construction	202.0	202.0	945	4,487	19,114	8,758	8,487
5. Samotsvety	Construction	189.1	189.1	1,773	4,091	17,726	8,133	7,423
6. Molodejny	Construction	111.8	64.5	760	1,862	6,346	4,222	2,998
7. Rechnoy	Completed	109.7	59.2	561	1,636	5,544	4,202	2,789
8. Technopark	Design stage	50.7	50.7	240	533	3,613	2,176	2,173
9. Galant	Completed	49.2	33.6	110	2,226	4,304	2,104	897
10. Beloostrovskaya	Design stage	34.3	34.3	175	380	3,008	1,794	1,794
Total SPMA		2,223.1	1,820.7	11,886	40,931	185,002	99,284	81,362
Moscow Metropolitan Area (MMA)								
1. Emerald Hills	Construction	862.1	571.8	3,703	14,669	64,149	33,541	22,181
2. Etalon-City	Construction	429.5	329.4	3,780	5,970	31,240	16,466	15,982
3. Dmitrovskoe shosse	Design stage	287.4	226.9	1,895	4,955	27,640	13,429	13,429
4. Alekseevskiy District	Design stage	182.9	169.6	2,160	7,704	23,097	7,848	7,848
5. Budennogo street	Design stage	70.0	70.0	709	2,101	7,485	2,926	2,926
6. Losinoostrovskiy District	Design stage	69.6	69.6	540	2,887	10,113	3,535	3,535
Total MMA		1,901.5	1,437.3	12,787	38,287	163,725	77,745	65,900
Total Current Projects		4,124.6	3,258.0	24,673	79,218	348,726	177,029	147,262
Completed Projects								
Completed and unsold residential developments			162.8	3,189	8,451			
Completed stand-alone commercial properties			21.5	59	1,584			
Total Completed Projects			184.3	3,248	10,133			
All Projects								
Total Etalon Group			3,442.3	27,921	89,253			

Source: JLL report as of 31.12.2013

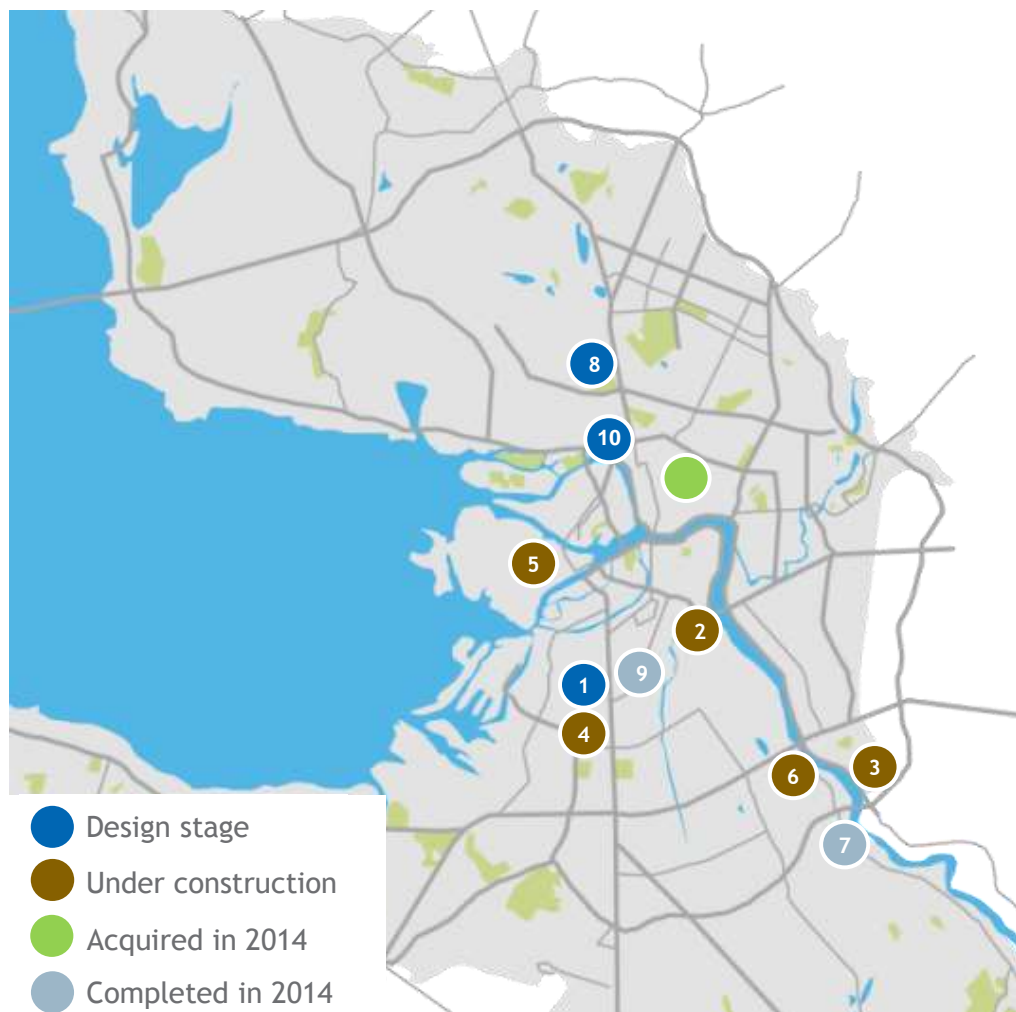
(1) Including parking with average area c. 30 sqm

(2) Income from sales includes potential and received income as of 31 December 2013

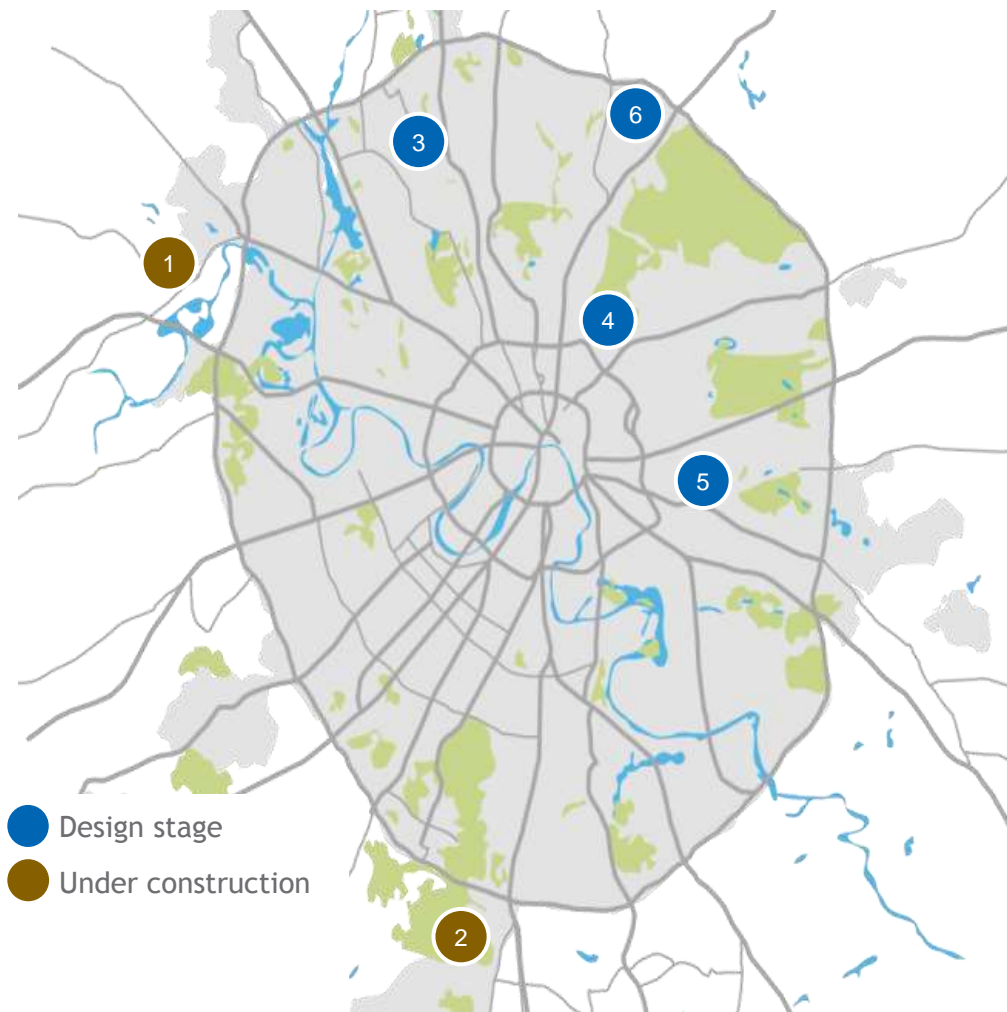
(3) Excluding land acquisition costs

Operations in SPMA and MMA

Projects in St. Petersburg Metropolitan Area

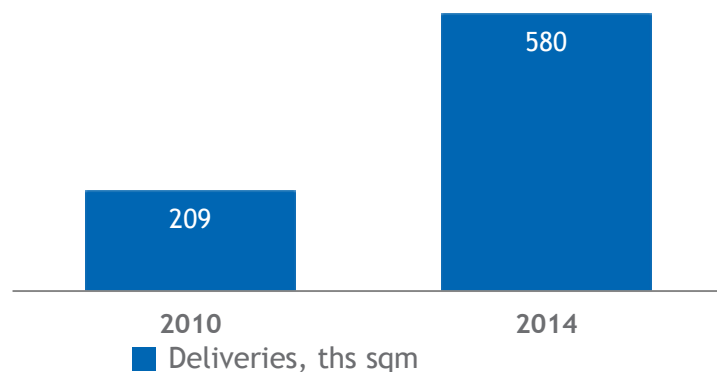


Projects in Moscow Metropolitan Area

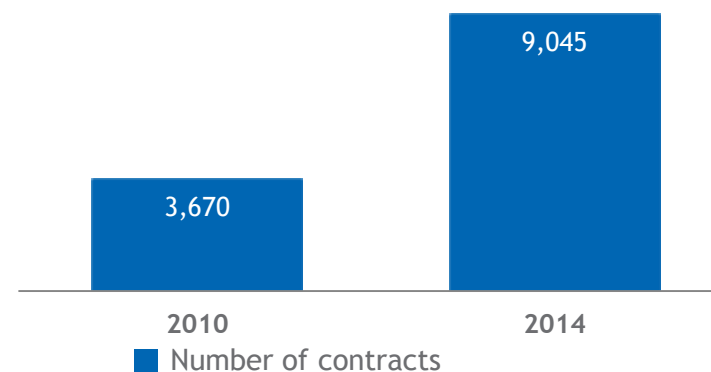


4 years after IPO - a proven track record of successful development

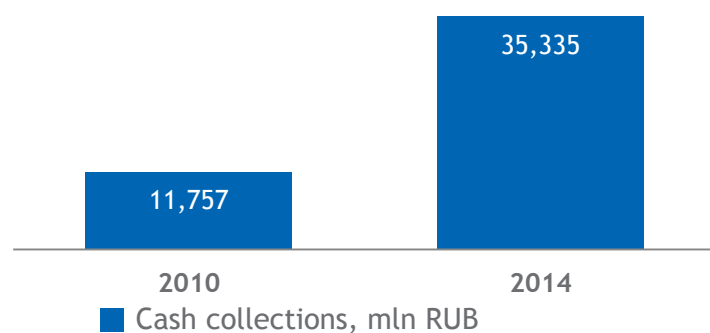
Deliveries **+178%**



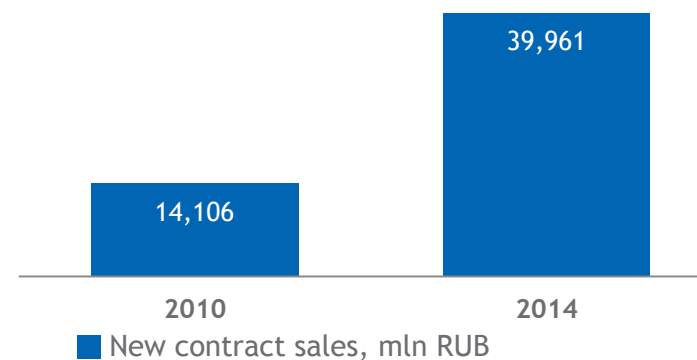
Number of contracts **+146%**



Cash collections **+201%**



New contract sales **+183%**



Source: Company data

2014 Deliveries

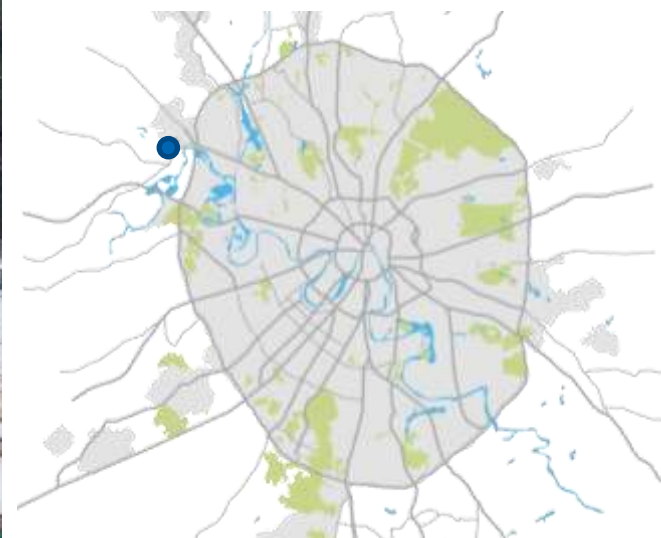


Emerald Hills

December 2014



December 2013



Construction period
2008 - 2018

Total NSA 862 ths sqm

Delivered in 2014
133 ths sqm

Income from sales*
RUB 64,149 mln

*Jones Lang LaSalle estimate as of 31.12.2013

Rechnoy

December 2014



Construction period
2012 - 2014

Total NSA 110 ths sqm

Delivered in 2014
111 ths sqm

Income from sales*
RUB 5,544 mln

December 2013



*Jones Lang LaSalle estimate as of 31.12.2013

Molodejny

December 2014



December 2013



Construction period
2012 - 2015

Total NSA 112 ths sqm

Delivered in 2014
107 ths sqm

Income from sales*
RUB 6,346 mln

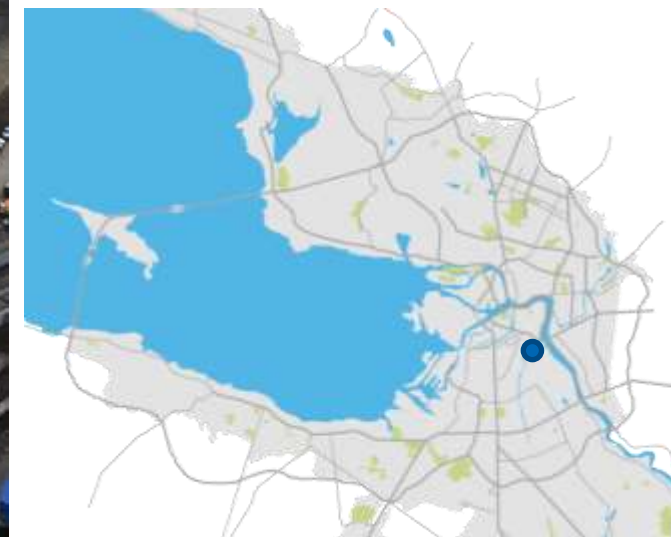
*Jones Lang LaSalle estimate as of 31.12.2013

Tsar's Capital

December 2014



December 2013



Construction period
2013 - 2016

Total NSA 390 ths sqm

Delivered in 2014
107 ths sqm

Income from sales*
RUB 36,048 mln

*Jones Lang LaSalle estimate as of 31.12.2013

Swallow's Nest

December 2014



December 2013



Construction period
2012 - 2016

Total NSA 334 ths sqm

Delivered in 2014
83 ths sqm

Income from sales*
RUB 20,053 mln

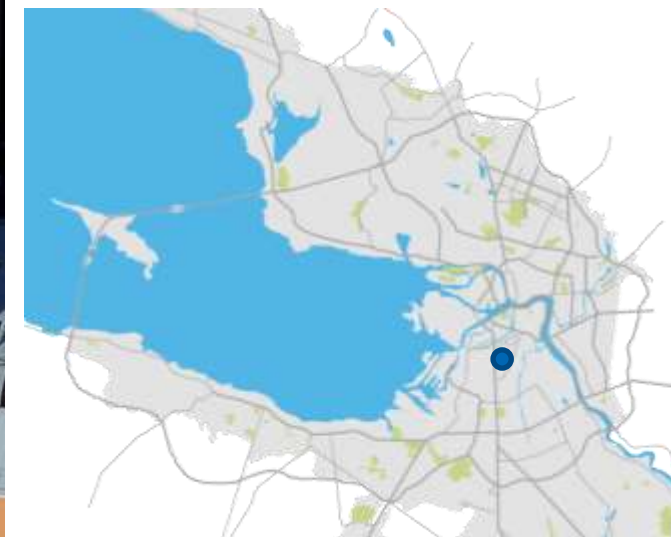
*Jones Lang LaSalle estimate as of 31.12.2013

Galant

December 2014



December 2013



Construction period
2013 - 2014

Total NSA 49 ths sqm

Delivered in 2014
39 ths sqm

Income from sales*
RUB 4,304 mln

*Jones Lang LaSalle estimate as of 31.12.2013

Selected ongoing projects

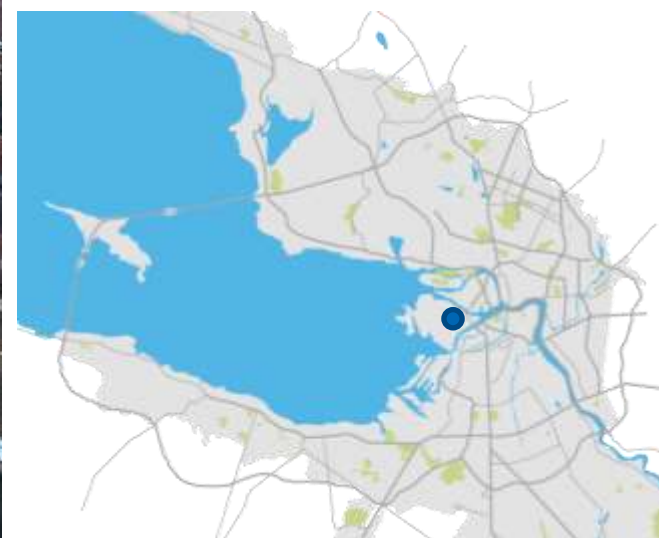


Samotsvety

December 2014



Visualization



Construction period
2014 - 2016

Launch of sales in 2014

Total NSA 189 ths sqm

Income from sales*
RUB 17,726 mln

*Jones Lang LaSalle estimate as of 31.12.2013

Moscow Gates

December 2014



Visualization



Construction period
2014 - 2016

Launch of sales in 2014

Total NSA 202 ths sqm

Income from sales*
RUB 19,114 mln

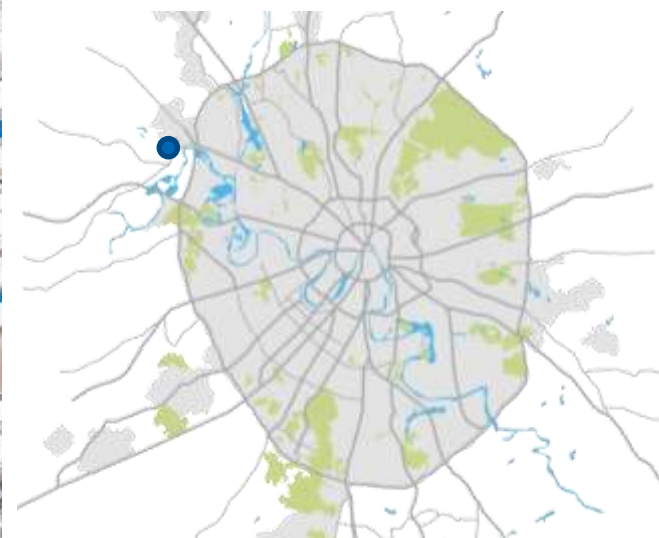
*Jones Lang LaSalle estimate as of 31.12.2013

Emerald Hills

December 2014



Visualization



Construction period
2008 - 2018

Launch of sales in 2014

Total NSA 862 ths sqm

Income from sales*
RUB 64,149 mln

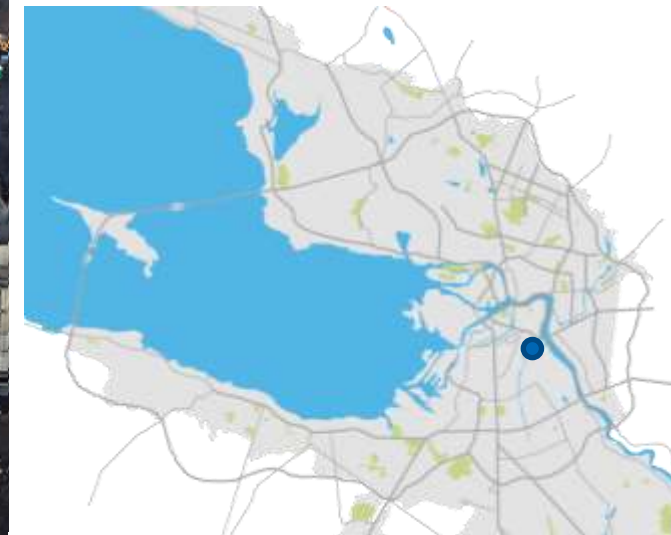
*Jones Lang LaSalle estimate as of 31.12.2013

Tsar's Capital

December 2014



Visualization



Construction period
2013 - 2016

Launch of sales in 2014

Total NSA 390 ths sqm

Income from sales*
RUB 36,048 mln

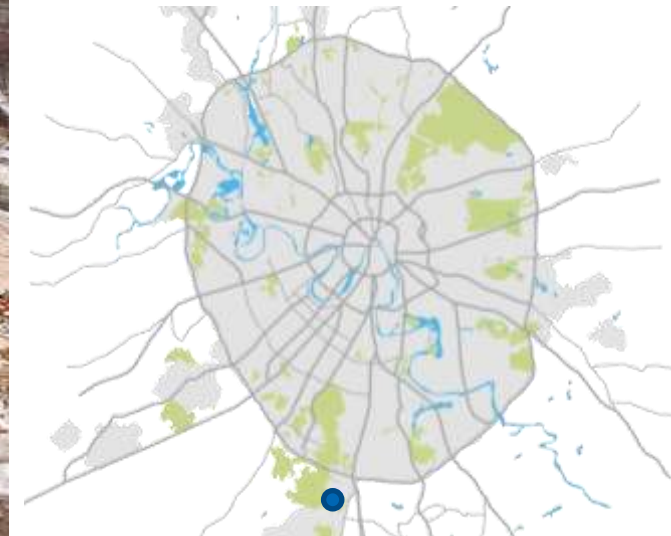
*Jones Lang LaSalle estimate as of 31.12.2013

Etalon City

December 2014



Visualization



Construction period
2013 - 2017

Launch of sales in 2014

Total NSA 430 ths sqm

Income from sales*
RUB 31,240 mln

*Jones Lang LaSalle estimate as of 31.12.2013

Appendix



At a glance

Presence in rapidly growing markets

- Focus on middle class residential real estate in Moscow metropolitan area (MMA) and St. Petersburg metropolitan area (SPMA)
- 25% target CAGR for construction volumes over 2010-2016⁽¹⁾

Strong delivery track record

- Over 27 years of construction & development experience
- 4.5 mln sqm commissioned
- 29% CAGR for deliveries over 2010-2014⁽²⁾

True vertical integration

- Strategic vertical integration in key value-added segments of property development enables the Company to control costs, quality and timing
- 4,500 employees
- Country-wide sales network covering 36 cities

Diversified projects portfolio

- Land bank of 3.44 mln sqm⁽³⁾
- Land bank sufficient until 2018
- Projects well diversified by locations within both SPMA and MMA

Liquidity and credit ratings

- Secure liquidity position supported by pre-sales cash collections model
- Strong financial standing with a net debt position of just RUB 635 mln⁽⁴⁾
- Credit rating by S&P: B+/B+⁽⁵⁾

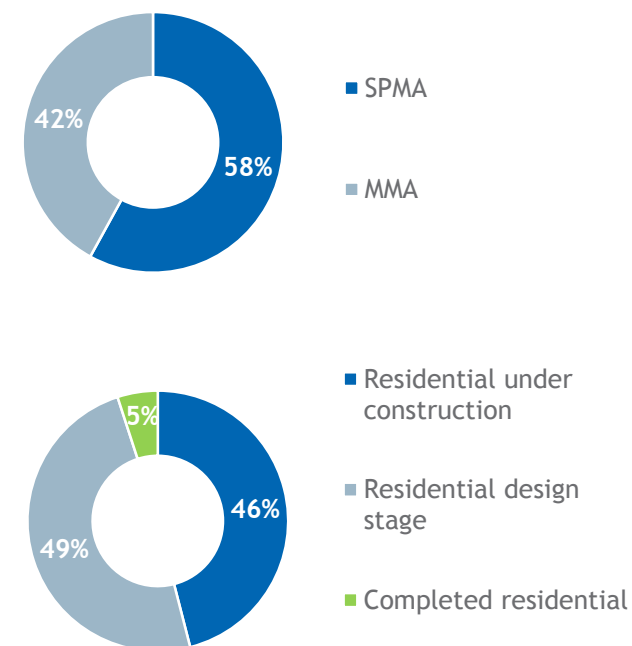
Corporate governance

- 10 BoD members, 5 NEDs
- Board of Directors consists of professionals with broad range of experience and expertise, ensuring that the interests of all groups of shareholders are appropriately represented
- Monthly visual updates on projects, quarterly trading updates and semi-annual financial reporting
- Official guidance on deliveries and new contract sales
- Dividend policy aims to pay out 15% to 30% of IFRS net profit semi-annually

⁽¹⁾ Company expectations;
⁽²⁾ Company operating results;
⁽³⁾ Jones Lang LaSalle land bank valuation report as of 31.12.2013;
⁽⁴⁾ Management accounts as of 31 December 2014;
⁽⁵⁾ B+ long-term & B+ short-term corporate credit ratings of SSMO LenSpetsSMU (last reconfirmed on 29.07.2013).

LSE ticker	ETLN:LI
Share price	USD 1.81 (19.01.2015)
Market capitalization	USD 529 mln (19.01.2015)
Portfolio valuation (by Jones Lang LaSalle)	USD 2,727 mln (31.12.2013)

Portfolio composition ⁽³⁾

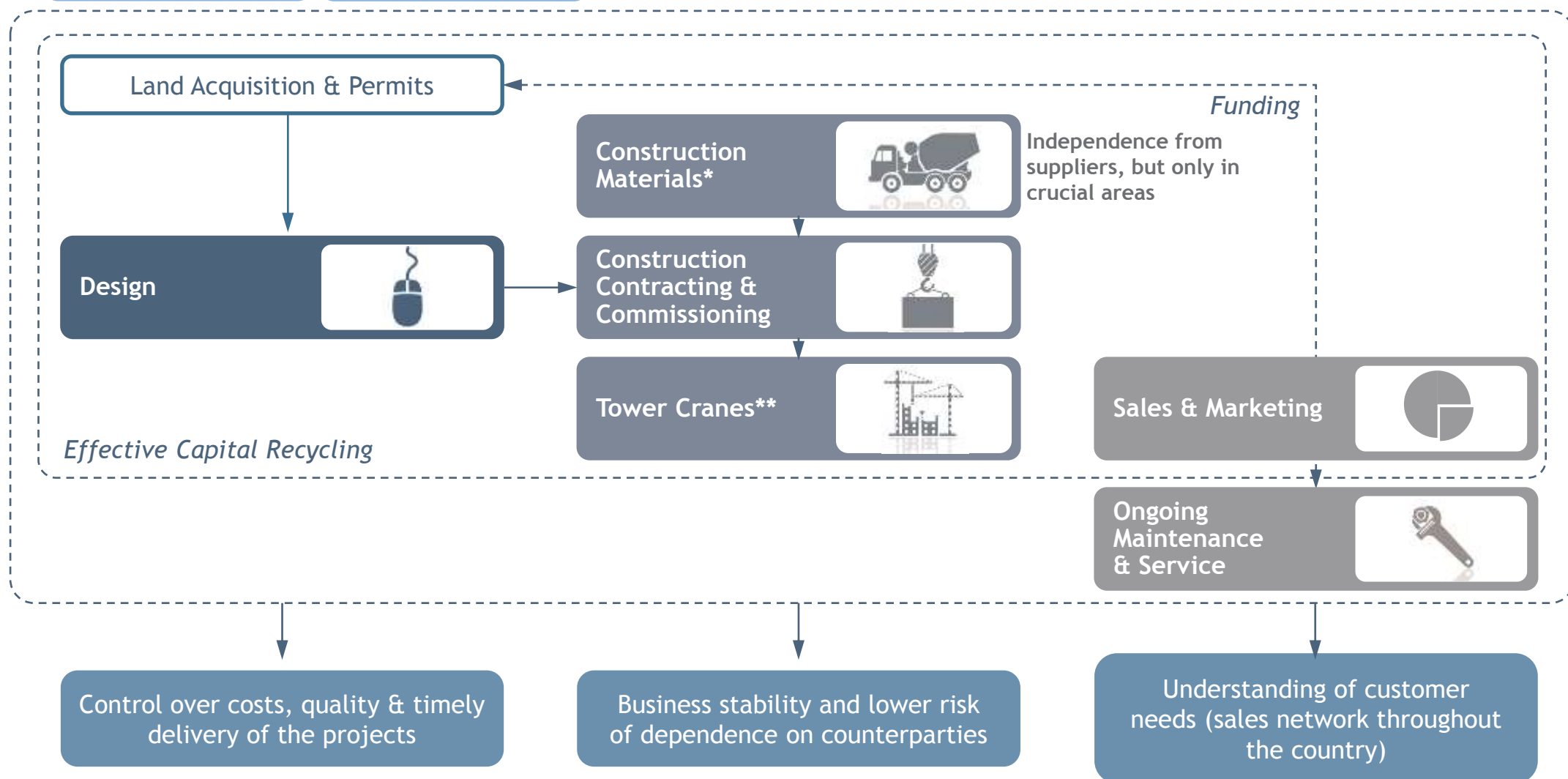


Strategic vertical integration: control over costs, quality and timing

Etalon Group operates in every part of property development process

> 40 business units

> 4,500 people



* Brick plant and concrete products plant. Own production only for "bottleneck" construction materials

** 61 Liebherr and 1 Wulf tower cranes. Data as of 31.12.2014

Nationwide sales & marketing network supports sustainable contracting

Powerful sales network across the country

Regional population actively buys apartments in Moscow and St. Petersburg



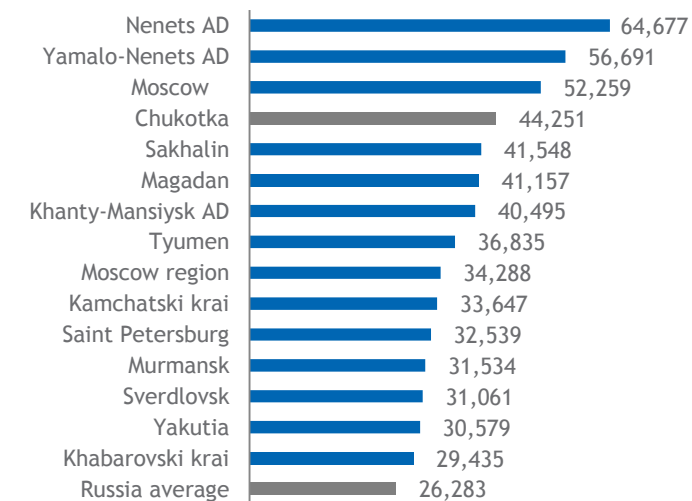
- Etalon Group sales force is focused on the regions with the largest income per capita
- Key markets: SPMA and MMA
- 36 cities covered with 13 sales offices in St. Petersburg and 17 more sales offices nationwide
- External professional marketing and sales service agents engaged nationwide

Etalon Group's regional sales geography⁽¹⁾

Region	Share of total contracts
Leningrad	6.0%
Khanty-Mansiysk AD	2.0%
Yamalo-Nenets AD	1.9%
Murmansk	1.8%
Khabarovsk krai	1.5%
Yakutia	1.4%
Krasnoyarski krai	1.4%
Kamchatski krai	1.3%
Other Russian regions	16.4%
Foreigners	0.8%
Total:	34.4%

The Group's flats are sold in 14 out of Russia's 15 richest regions

Average income per capita (RUB)⁽²⁾



■ Etalon Group's target regions

⁽¹⁾Source: company data for 4Q 2014

⁽²⁾Average monthly cash income per capita, Rosstat's preliminary estimates for 10M 2014

Board of Directors represents interests of all investor groups

FOUNDING SHAREHOLDERS



Viacheslav Zarenkov

Chairman of the Board of Directors,
Founding shareholder and President

Experience and awards

- 45 years of experience in construction industry
- Honoured builder of Russia⁽¹⁾

Education

- Institute of Civil Engineering, SPb University of Internal Affairs
- PhD in Economics, PhD in Technical Sciences, PHD in Architecture, Professor



Dmitry Zarenkov

Vice-President

Experience and awards

- 18 years of experience in construction industry
- Honoured builder of Russia⁽¹⁾; Certificate of Honour of the Ministry of Regional Development

Education

- Institute of Aeronautical Instrumentation, SPb University of Architecture & Civil Engineering, SPb University of Internal Affairs
- PhD in Engineering

EXECUTIVE DIRECTORS



Anton Evdokimov

Chief Executive Officer,
First Vice-President

Experience and awards

- 28 years of experience in construction industry
- Certificate of Honour of the Ministry of Regional Development

Education

- Leningrad Engineering Construction Institute, SPb State University and International Banking Institute, Open University Business School (MSc in International finance, MBA in business strategy)



Boris Svetlichny

Chief Financial Officer

Experience and awards

- Over 26 years experience in finance and senior management with international and Russian companies
- Recent experience included CFO position at Orange in Russia, VP for Finance at Vimpelcom and CFO at Golden Telecom

Education

- University of Massachusetts (BBA in Accounting)
- Carnegie-Mellon University (MBA)



Kirill Bagachenko

Head of Corporate
Investments and IR

Experience and awards

- 10 years' experience in corporate finance and asset management
- Previously held position of senior equity portfolio manager at TKB BNP Paribas Investment Partners
- In 2013 voted one of the top three portfolio managers in Russia by Thomson Reuters Extel Survey

Education

- St. Petersburg State University of Economics and Finance



Michael John Calvey

Senior partner at Baring
Vostok
since 1999

Experience and awards

- Member of the board of Europlan, Volga Gas, Gallery Media Group
- Worked at EBRD, Salomon Brothers, Sovlink Corporation
- Ex-Member of the board of CTC Media, Golden Telecom, Burren Energy

Education

- University of Oklahoma and London School of Economics

NON-EXECUTIVE DIRECTORS

INDEPENDENT NON-EXECUTIVE DIRECTORS



Martin Cocker

Independent Non-Executive Director

Experience and awards

- 19 years of experience in audit, 5 years - in construction industry
- Runs his own development business in Portugal
- Worked at Deloitte & Touche, KPMG and Ernst & Young in Russia, Kazakhstan and UK

Education

- University of Keele



Anton Poryadin

Independent Non-Executive Director

Experience and awards

- 13 years of experience in strategy consulting at A.T. Kearney. Partner and Vice President at A.T. Kearney
- Worked at Barents International Markets B.V., Torno Internazionale S.p.A., St. Petersburg Foundation for Enterprise Development

Education

- SPb Technical University, Business School at the University Of Rochester



Robert Paul King

Independent Non-Executive Director

Experience and awards

- 29 years of experience in the corporate governance and management of investment companies and funds

Education

- BSc Honours degree in Geography and Geology



Alexei Kalinin

Senior partner at Baring
Vostok

Experience and awards

- With Baring Vostok since 1999
- Worked at Alfabank and Alfa Capital
- Chairman of the Board of Directors at Volga Gas, member of the board at Samarenergo and two Russian glass companies

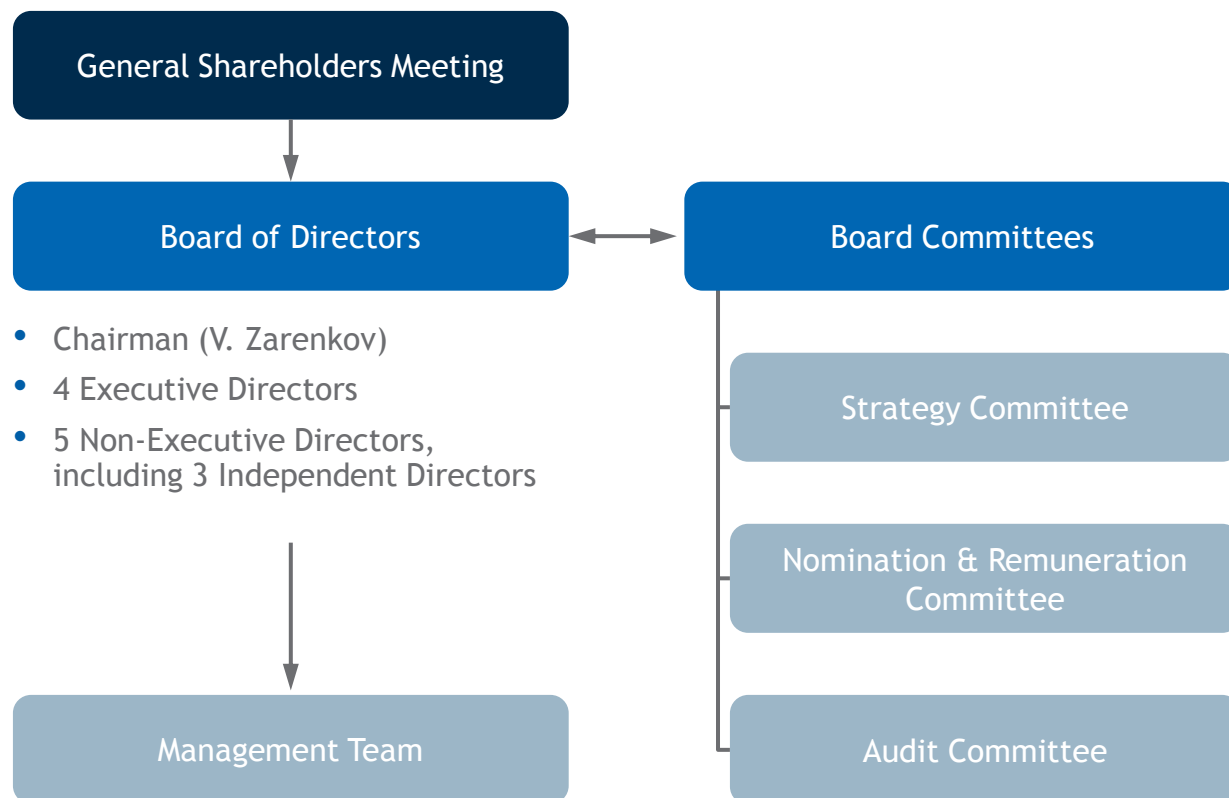
Education

- Moscow Power Engineering University
- PhD in Engineering

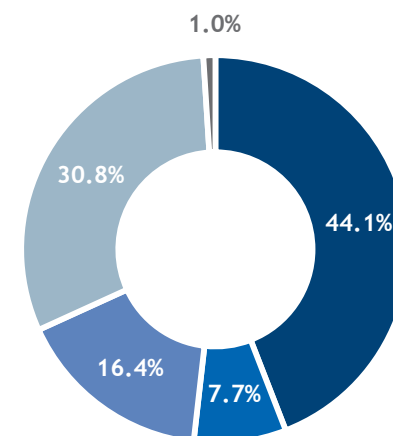
⁽¹⁾ Title granted by President of Russia

Strong corporate governance and shareholding structure

Corporate governance structure



Shareholding structure

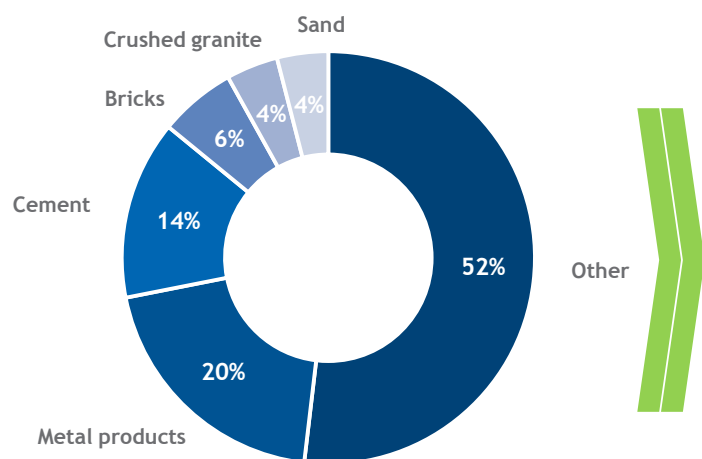


- Zarenkov family
- Management
- Baring Vostok
- Free float
- Etalon Development Ltd

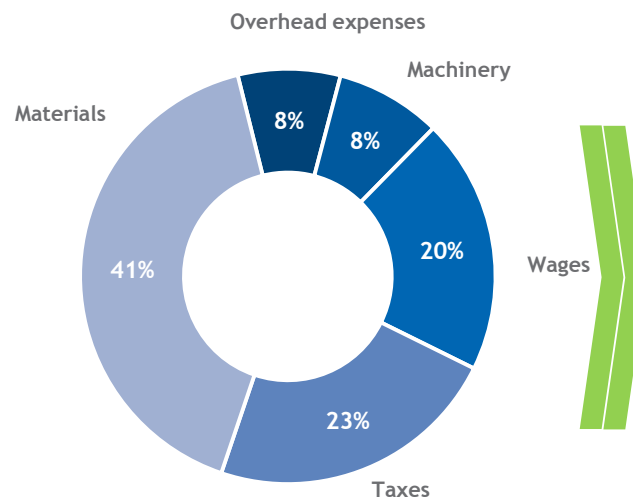
As of 31 December 2014

Typical project cost structure

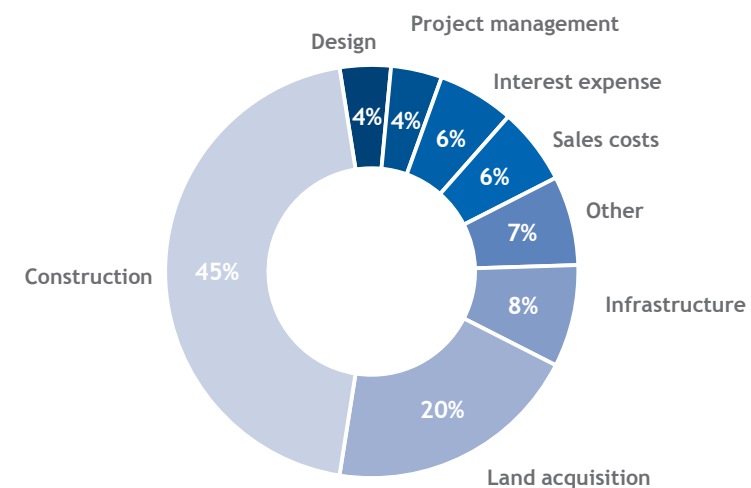
Materials cost structure *
(RUB 12,000 - 18,000 per sqm of NSA)



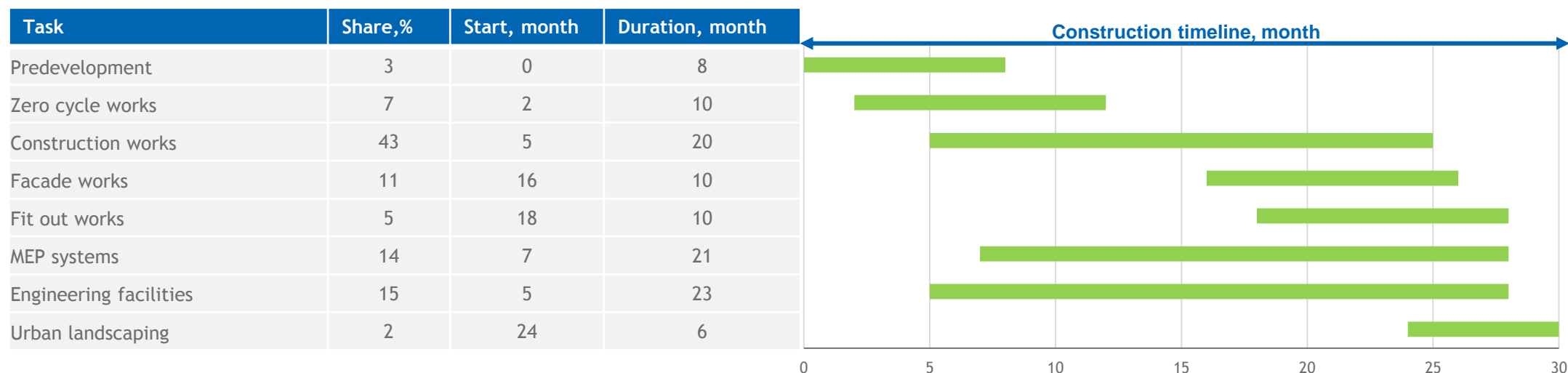
Construction cost structure *
(RUB 29,000 - 39,000 per sqm of NSA)



Total cost structure *
(RUB 59,000 - 72,000 per sqm of NSA)

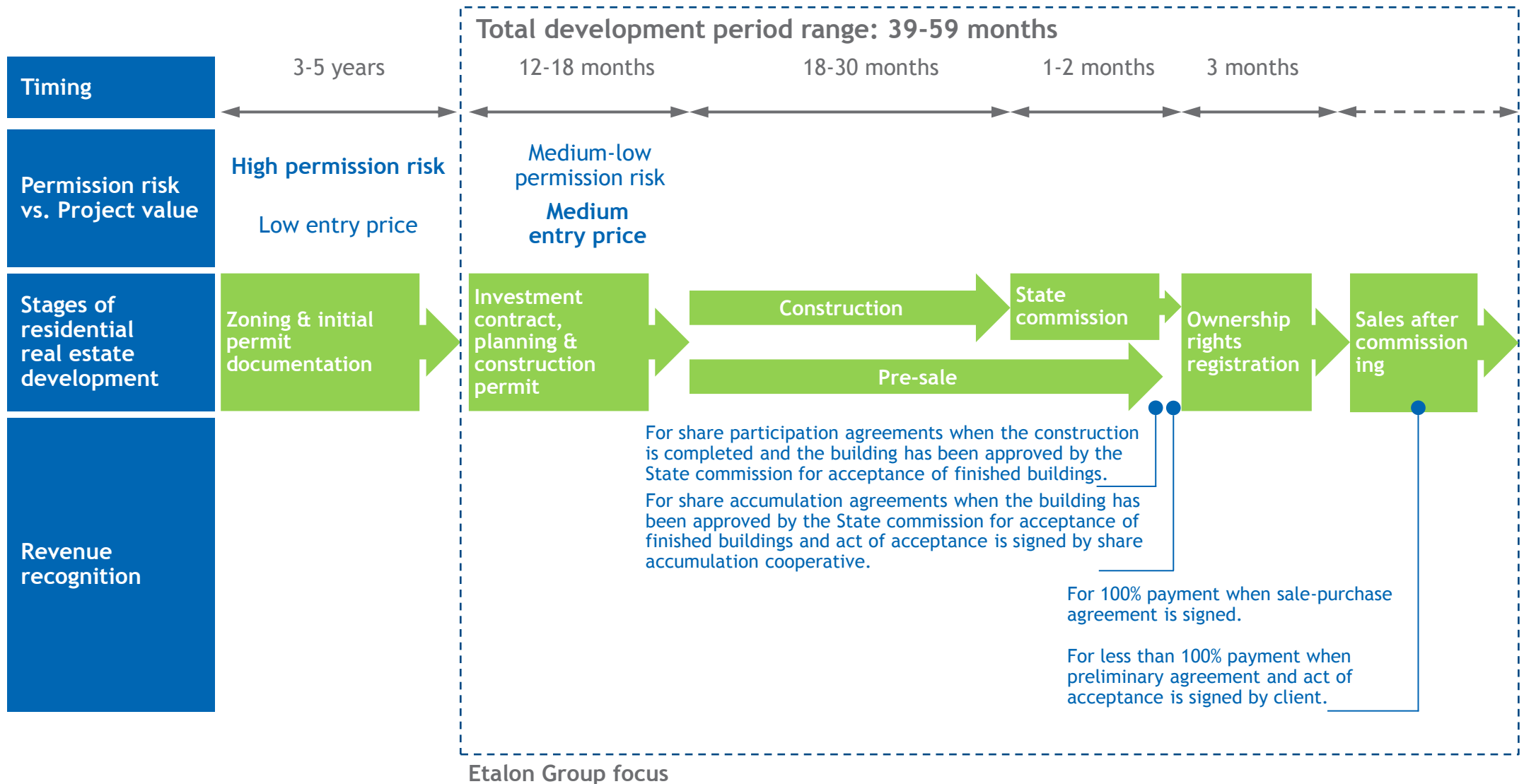


Typical project lifecycle*



*Source: Company estimates for typical project based on current portfolio average. Actual breakdown per project is subject to significant variation due to a number of factors.

Residential development scheme



Source: Company data

Construction services

Description

- Etalon Group is a leader in industrial construction in the North-West region of Russia with superb track record throughout its history

Track-record

- We have contributed to 24 milestone projects
- Heat & power station, two hotels, four car assembly plants, shipyards, machinery plant, fitness and sports center etc.

Strategy

- 3 projects under way
- Etalon Group plans to continue developing its industrial construction operations and maintain its share in total business

Diversification benefits

- Ability and expertise to provide quality construction services to well-known international and local companies facilitates Group's brand development
- Allows to maintain skilled work force during market downturn

Selected key projects



Toyota
Poling and gridding



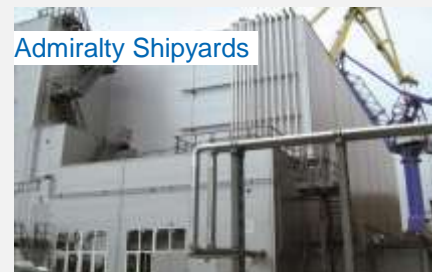
Ford
Design & construction (increase of production capacities)



GM
Poling & road infrastructure construction



Nissan
Infrastructure & site for the finished good



Admiralty Shipyards
Construction of workshop & transportation utilities



Pulkovo customs
Full construction cycle



ExpoForum
Full construction cycle



North-West Heat & Power Station
Foundation construction for a cooling tower and main building



Almazov Medical Complex
Renovation of the existing building and building up two additional floors

Income statement

mIn RUB	2011	2012	2013	1H12	1H13	1H14
Revenue	22,741	26,894	39,921	12,157	16,635	14,539
Cost of sales	(11,888)	(17,494)	(27,553)	(7,797)	(11,064)	(10,759)
Gross profit	10,853	9,400	12,368	4,360	5,571	3,780
General and administrative expenses	(2,328)	(2,324)	(3,157)	(1,195)	(1,387)	(1,957)
Selling expenses	(854)	(958)	(1,023)	(389)	(460)	(577)
Other expenses, net	(27)	(209)	(40)	(27)	(96)	(166)
Results from operating activities	7,644	5,909	8,148	2,749	3,628	1,080
Finance income	1,441	749	691	367	434	391
Finance costs	(60)	(132)	(342)	(96)	(142)	(242)
Net finance income	1,381	617	349	271	292	149
Profit before income tax	9,025	6,526	8,497	3,020	3,920	1,229
Income tax expense	(1,585)	(1,526)	(1,833)	(651)	(822)	(302)
Profit for the period	7,440	5,000	6,664	2,369	3,098	927
<i>Profit attributable to:</i>						
Owners of the Company	7,332	4,979	6,629	2,342	3,083	927
Non-controlling interest	108	21	35	27	15	-
Profit for the period	7,440	5,000	6,664	2,369	3,098	927

Source: IFRS financial statements for 2011, 2012, 2013, 1H12, 1H13, 1H14

Balance sheet

mIn RUB	2011	2012	2013	1H12	1H13	1H14
Assets						
Non-current assets						
PP&E	2,009	2,380	1,962	2,152	1,853	2,326
Investment property	-	-	1,142	-	638	1,052
Other long-term investments	88	60	275	48	241	684
Trade and other receivables	551	433	1,332	472	390	756
Deferred tax assets	679	434	560	536	433	710
Other non-current assets	92	11	10	10	10	10
Total non-current assets	3,419	3,318	5,281	3,218	3,565	5,538
Current assets						
Inventories	32,047	41,522	50,057	34,613	44,056	57,132
Trade and other receivables	7,473	11,058	15,078	8,200	14,387	17,746
Short-term investments	1,327	6,870	5,008	3,032	3,824	5,493
Cash and cash equivalents	14,484	10,716	8,139	13,276	8,559	9,635
Other current assets	34	32	7	13	20	18
Total current assets	55,365	70,198	78,289	59,134	70,846	90,024
Total assets	58,784	73,516	83,570	62,352	74,411	95,562

mIn RUB	2011	2012	2013	1H12	1H13	1H14
Equity and Liabilities						
Equity						
Share capital	14,980	14,967	14,967	14,967	14,967	14,983
Retained earnings	17,704	22,688	29,332	20,009	25,771	30,259
Total equity attributable to equity holders of the Company	32,684	37,655	44,299	34,976	40,738	45,242
Non-controlling interest	372	408	387	436	394	387
Total equity	33,056	38,063	44,686	35,412	41,132	45,629
Non-current liabilities						
Loans and borrowings	8,456	12,811	10,176	7,466	10,750	10,050
Trade and other payables	48	980	785	30	1,041	678
Provision	77	65	89	61	61	91
Deferred tax liabilities	98	226	826	272	402	650
Total non-current liabilities	8,679	14,082	11,876	7,829	12,254	11,469
Current liabilities						
Loans and borrowings	1,950	3,825	3,043	3,375	2,359	4,689
Trade and other payables	13,539	16,966	22,300	14,570	18,399	32,436
Provisions	1,560	580	1,665	1,166	267	1,339
Total current liabilities	17,049	21,371	27,008	19,111	21,025	38,464
Total equity and liabilities	58,784	73,516	83,570	62,352	74,411	95,562

Source: IFRS financial statements for 2011, 2012, 2013, 1H12, 1H13, 1H14

Cashflow statement

mIn RUB	2011	2012	2013	1H12	1H13	1H14
Operating Activities						
Profit for the period	7,440	5,000	6,664	2,369	3,098	927
<i>Adjustments for</i>						
Depreciation	265	417	343	209	168	204
Gain on disposal of PP&E	(92)	(49)	(15)	(27)	(27)	(46)
Loss on disposal of subsidiaries	1	28	-	-	-	-
Gain on disposal of equity accounted investees	(24)	-	-	-	-	-
Impairment loss on investment property	-	-	-	-	-	60
Impairment loss on inventories	-	-	-	-	-	85
Finance income, net	(1,425)	(544)	(337)	(237)	(319)	(149)
Income tax expense	1,585	1,526	1,833	651	822	302
Cash from operating activities before changes in working capital	7,750	6,378	8,488	2,965	3,742	1,383
Change in inventories	(5,308)	(7,633)	(7,837)	(2,082)	(1,957)	(6,763)
Change in accounts receivable	(2,893)	(3,024)	(5,080)	(401)	(3,243)	(2,093)
Change in accounts payable	(818)	4,074	4,880	1,434	1,478	10,135
Change in provisions	367	(992)	1,109	(410)	(317)	(324)
Change in other current assets	24	3	25	21	12	(11)
Income tax paid	(1,897)	(1,833)	(907)	(936)	(632)	(742)
Interest paid	(1,098)	(1,097)	(1,724)	(476)	(871)	(683)
Net cash from/(used in) operating activities	(3,873)	(4,124)	(1,046)	115	(1,788)	902

mIn RUB	2011	2012	2013	1H12	1H13	1H14
Investing Activities						
Proceeds from disposal of non-current assets	117	71	15	41	57	52
Interest received	140	552	611	251	351	342
Acquisition of PP&E	(726)	(844)	(431)	(297)	(160)	(364)
Loans given	(253)	(371)	(55)	(11)	(37)	(16)
Loans repaid	234	363	85	23	17	79
Acquisition of subsidiaries, net of cash acquired	-	-	10	-	-	-
Disposal of subsidiaries, net of cash disposed of	(17)	(8)	(20)	-	(7)	-
(Acquisition)/disposal of other investments	(1,027)	(5,506)	1,606	(1,677)	2,850	(964)
Net cash used in investing activities	(1,532)	(5,743)	1,821	(1,670)	3,071	(871)
Financing activities						
Proceeds from IPO	13,487	-	-	-	-	-
Acquisition of non-controlling interest	(3)	(3)	(10)	-	-	-
Proceeds from disposal of non-controlling interest	24	-	-	-	-	-
Proceeds from borrowings	6,353	12,140	5,937	2,769	2,785	5,627
Repayments of borrowings	(4,821)	(5,552)	(9,668)	(2,450)	(6,624)	(4,278)
Acquisition of own shares	(459)	(13)	-	(13)	-	16
Dividends paid	-	-	-	-	-	-
Net cash from/(used in) financing activities	14,581	6,572	(3,741)	306	(3,839)	1,365
Net increase/(decrease) in cash and cash equivalents	9,176	(3,295)	(2,966)	(1,249)	(2,556)	1,396
Effect of FX rate fluctuations	1,672	(473)	389	41	399	100
Cash & cash equivalents at the end of the period	14,484	10,716	8,139	13,276	8,559	9,635

Source: IFRS financial statements for 2011, 2012, 2013, 1H12, 1H13, 1H14

EBITDA calculation

EBITDA						
mIn RUB	2011	2012	2013	1H12	1H13	1H14
Comprehensive income	7,440	5,000	6,664	2,369	3,098	927
Income tax expense	1,585	1,526	1,833	651	822	302
Interest expense on loans and finance leases	10	7	233	1	115	140
Net foreign exchange loss	-	125	109	95	-	70
Interest income on bank deposits	(140)	(543)	(583)	(239)	(342)	(307)
Interest income on loans and receivables	(6)	(9)	(28)	(12)	(9)	(35)
Interest income on promissory notes	-	-	-	-	-	-
Gain on repurchase of CLNs	-	-	-	-	-	-
Net foreign exchange gain	(1,168)	-	-	-	(48)	-
Bank fees and commissions	46	67	80	33	40	42
Interest in COS	169	341	779	111	354	340
Depreciation	265	417	343	209	168	204
EBITDA	8,201	6,931	9,430	3,218	4,198	1,683

	2011	2012	2013	1H 2012	1H 2013	1H 2014
Depreciation to COGS (Note 14 PP&E)	239	385	292	193	149	160
Depreciation to selling expenses (Note 14 PP&E)	1	1	1	1	1	1
Depreciation to G&A expenses (Note 14 PP&E)	25	31	39	15	18	19
Depreciation to Investment property (Note 15 Investment property)	-	-	11	-	-	24

Working capital calculation

Working capital calculation						
mIn RUB	2011	2012	2013	1H12	1H13	1H14
Total inventory	32,047	41,522	50,057	34,613	44,056	57,132
Current part						
+ Trade and other receivables	7,473	11,058	15,078	8,200	14,387	17,746
- Trade and other payables	13,539	16,966	22,300	14,570	18,399	32,436
- Provisions	1,560	580	1,665	1,166	267	1,339
Non-current part						
+ Trade and other receivables	551	433	1,332	472	390	756
- Trade and other payables	48	980	785	30	1,041	678
- Provisions	77	65	89	61	61	91
Adjustments						
- Cumulative borrowing costs capitalized during the period (Note 12 Finance income and finance costs)	1,482	2,725	4,092	2,054	3,457	4,660
+ Cumulative borrowing costs that have been included into the cost of sales (Note 12 Finance income and finance costs)	169	510	1,289	280	864	1,629
-Income tax receivable (Note 19 Trade and other receivables)	72	310	103	236	307	85
+Income tax payable (Note 26 Trade and other payables)	447	7	248	10	13	116
Working capital	23,909	31,904	38,970	25,458	36,178	38,090

FCF calculation

Free cash flow calculation								
mln RUB	2011	2012	2013	1H12	2H12	1H13	2H13	1H14
Comprehensive income	7,440	5,000	6,664	2,369	2,631	3,098	3,566	927
Adjustment for:								
Depreciation	265	417	343	209	208	168	175	204
Gain on disposal of PP&E	(92)	(49)	(15)	(27)	(22)	(27)	12	(46)
Impairment loss on investment property	-	-	-	-	-	-	-	60
Impairment loss on inventory	-	-	-	-	-	-	-	85
Loss on disposal of subsidiaries	1	28	-	-	28	-	-	-
Gain on disposal of equity accounted investees	(24)	-	-	-	-	-	-	-
Finance income, net	(1,425)	(544)	(337)	(237)	(307)	(319)	(18)	(149)
Income tax expense	1,585	1,526	1,833	651	875	822	1,011	302
Income tax paid	(1,897)	(1,833)	(907)	(936)	(897)	(632)	(275)	(742)
Interest paid	(1,098)	(1,097)	(1,724)	(476)	(621)	(871)	(853)	(683)
(Increase)/Decrease in working capital	(8,628)	(7,572)	(6,903)	(1,438)	(6,134)	(4,027)	(2,876)	944
(Increase)/Decrease in invested capital	(609)	(773)	(416)	(256)	(517)	(103)	(313)	(312)
FCF	(4,482)	(4,897)	(1,462)	(141)	(4,756)	(1,891)	429	590
(Increase)/Decrease in working capital based on CF statement	2011	2012	2013	1H12	2H12	1H13	2H13	1H14
Change in inventories	(5,308)	(7,633)	(7,837)	(2,082)	(5,551)	(1,957)	(5,880)	(6,763)
Change in accounts receivable	(2,893)	(3,024)	(5,080)	(401)	(2,623)	(3,243)	(1,837)	(2,093)
Change in accounts payable	(818)	4,074	4,880	1,434	2,640	1,478	3,402	10,135
Change in provisions	367	(992)	1,109	(410)	(582)	(317)	1,426	(324)
Change in other current assets	24	3	25	21	(18)	12	13	(11)
Working capital change	(8,628)	(7,572)	(6,903)	(1,438)	(6,134)	(4,027)	(2,876)	944
(Increase)/Decrease in invested capital based on CF statement	2011	2012	2013	1H12	2H12	1H13	2H13	1H14
Acquisition of PP&E	(726)	(844)	(431)	(297)	(547)	(160)	(271)	(364)
Proceeds from disposal of non-current assets	117	71	15	41	30	57	(42)	52
Invested capital change	(609)	(773)	(416)	(256)	(517)	(103)	(313)	(312)

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