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ROSINTER RESTAURANTS

Moscow, August 29, 2016 **PRESS RELEASE**

ROSINTER REPORTS 1H 2016 OPERATING AND UNAUDITED FINANCIAL RESULTS:

REVENUE in accordance with IFRS AMOUNTED TO RUB 3,564 MLN

EBITDA MARGIN BEFORE IMPAIRMENT AND WRITE-OFFS AMOUNTED TO 1.8%

PJSC Rosinter Restaurants Holding (Rosinter), the leading casual dining restaurants chain in Russia and CIS (Moscow Exchange MICEX-RTS ticker: ROST), announced today its operating and unaudited financial results for 1H 2016 prepared in accordance with IFRS. This press release is available on www.rosinter.com.

1H 2016 FINANCIAL HIGHLIGHTS

- **Consolidated revenue in accordance with IFRS amounted to RUB 3,564 mln**
- **Gross profit margin increased to 11.3% of total revenue from 11.1% in 1H 2015**
- **EBITDA[1] before impairment and write-offs increased to RUB 65 mln from RUB 56 mln in 1H 2015**
- **EBITDA[1] margin before impairment and write-offs increased to 1.8% from 1.5% in 1H 2015**
- **Total debt has mainly long-term maturity and amounted to RUB 1,953 mln as of June 30, 2016**

1H 2016 OPERATING HIGHLIGHTS

- **Consolidated net operating revenue[3] in 1H 2016 amounted to RUB 3,471 mln and decreased by 7.1% in comparison with 1H 2015; the gross revenue of all comparable stores[4] decreased by 2.5% while average check increased by 7.7% – all in comparison to 1H 2015. Consolidated system sales of corporate and franchised restaurants amounted to RUB 4,822 mln in 1H 2016**
- **Consolidated net operating revenue[3] in the transport hubs amounted to RUB 1,113 mln and decreased by 1.1% in comparison with 1H 2015; while the gross revenue of all comparable stores[4] in the transport hubs decreased by 3.7% and average check increased by 12.7%**

Consolidated Net Operating Revenue[3] Performance (RUB mln)					
Total			Transport hubs		
1H 2016	1H 2015	% chg	1H 2016	1H 2015	% chg
3,471	**3,737**	**(7.1)%**	**1,113**	**1,125**	**(1.1)%**

Same-Store Sales Growth[4] dynamics (%)					
Gross Revenue, 1H 2016		Average Check, 1H 2016		Number of Transactions, 1H 2016	
Total	Transport hubs	Total	Transport hubs	Total	Transport hubs
(2.5)%	**(3.7)%**	**7.7%**	**12.7%**	**(9.4)%**	**(14.6)%**

Sergey Zaytsev, President and Chief Executive Officer, commented:

"The first half of 2016 is characterized by the influence of two opposing factors - the stabilization of the economy and the continued decline in consumer activity. According to Rosstat, the turnover of restaurants, cafes and bars in Russia decreased by 3.7% in the first half of 2016. Primarily, these results were caused by the reduction in number of visits. In the first quarter of 2016 Russian Nielsen consumer confidence index fell by 11 points, which is the lowest value for the entire history of observations. Nielsen experts describe Russian consumers' resources as "exhausted".

Analysts of NPD Group indicated the decrease of traffic in traditional restaurants by 14% in the first six months of 2016. Casual dining restaurants are still under pressure of the low disposable income. The industry responds by adapting to the new conditions and by increasing the internal efficiency. Focused development, restaurants' portfolio optimization, as well as the sale of non-core assets - supported gross margin and EBITDA margin of Rosinter.

In the first half of 2016 Rosinter opened seven corporate and six franchised restaurants. One of the significant events for the company was the opening of the first franchise restaurant of pan-Asian cuisine "Shikari". In March 2016 the company expanded its presence in transport hubs by opening Costa Coffee, IL Patio and American Bar and Grill restaurants in the Nizhny Novgorod airport.

As a part of the program of key brands revitalization several restaurants have been renewed in the first half of 2016: TGI Fridays and Il Patio in Atrium shopping center (Moscow), TGI Fridays in MEGA Khimki (Moscow), IL Patio on Butyrskaya street (Moscow). All the renewed locations show positive trends.

Updated menu of the key brands, implemented promotional campaigns and the launch of seasonal promotions helped to increase the average check and constrain the fall of traffic during the low season.

We continue to work on expenses optimization, shifting the focus from the rent, general and administrative costs to food cost and the procurement processes to ensure the supply of quality products at the best prices.

These initiatives will impact positively the company's profitability in the medium term perspective and will enable Rosinter to keep its leading position in the segment of casual dining restaurants."

Income Statement Summary

(RUB) thousands	6M 2016		6M 2015		% Change Y-o-Y
Net revenue	**3,564,221**	***100.0 %***	**3,813,131**	***100.0 %***	***(6.5)%***
Incl. Revenue from restaurants	*3,454,420*	*96.9 %*	*3,703,272*	*97.1 %*	*(6.7)%*
Incl. Revenue from franchising	*76,228*	*2.1 %*	*81,173*	*2.1 %*	*(6.1)%*
Cost of sales	**3,160,870**	***88.7 %***	**3,389,102**	***88.9 %***	***(6.7)%***
Incl. Food and beverages	*867,720*	*24.3 %*	*891,012*	*23.4 %*	*(2.6)%*
Incl. Payroll and related taxes	*804,555*	*22.6 %*	*843,553*	*22.1 %*	*(4.6)%*
Incl. Rent	*883,770*	*24.8 %*	*1,001,888*	*26.3 %*	*(11.8)%*
Gross profit	**403,351**	***11.3 %***	**424,029**	***11.1 %***	***(4.9)%***
SG&A Expenses	442,433	*12.4 %*	459,027	*12.0 %*	*(3.6)%*
Incl. Payroll and related taxes	*269,656*	*7.6 %*	*268,873*	*7.1 %*	*0.3 %*
Incl. Advertising	*35,701*	*1.0 %*	*48,050*	*1.3 %*	*(25.7)%*
Incl. Other expenses	*25,745*	*0.7 %*	*28,210*	*0.7 %*	*(8.7)%*
Start-up expenses for restaurants	30,347	*0.9 %*	29,460	*0.8 %*	*3.0 %*
Other gains	49,633	*1.4 %*	23,168	*0.6 %*	*114.2 %*
Other losses	7,510	*0.2 %*	46,710	*1.2 %*	*(83.9)%*
Incl. Loss on disposal of non-current assets	*2,242*	*0.1 %*	*37,077*	*1.0 %*	*(94.0)%*
Loss from operating activities before impairment	**(27,306)**	***(0.8)%***	**(88,000)**	***(2.3)%***	***(69.0)%***
Reversal of/(loss from) impairment of operating assets	(45,721)	*(1.3)%*	206,111	*5.4 %*	*(122.2)%*
Profit/(loss) from operating activities after impairment	**18,415**	***0.5 %***	**(294,111)**	***(7.7)%***	***(106.3)%***
Financial expenses, net	171,722	*4.8 %*	124,188	*3.3 %*	*38.3 %*
Foreign exchange gains, net	(62,979)	*(1.8)%*	(16,761)	*(0.4)%*	*275.7 %*
Share of profit of JV and associates	10,096	*0.3 %*	-	-	-
Loss before tax	**(206,190)**	***(5.8)%***	**(435,060)**	***(11.4)%***	***(52.6)%***
Income tax benefit	18,009	*0.5 %*	59,388	*1.6 %*	*(69.7)%*
Net loss	**(188,181)**	***(5.3)%***	**(375,672)**	***(9.9)%***	***(49.9)%***
Loss from operating activities before impairment	(27,306)	*(0.8)%*	(88,000)	*(2.3)%*	*(69.0)%*
Depreciation and amortization	90,426	*2.5 %*	106,730	*2.8 %*	*(15.3)%*
Loss on disposal of non-current assets	2,242	*0.1 %*	37,077	*1.0 %*	*(94.0)%*
EBITDA before impairment and write-offs	**65,362**	***1.8 %***	**55,808**	***1.5 %***	***17.1 %***

Consolidated revenue for 1H 2016 amounted to RUB 3,564 mln. Corporate restaurants revenue decreased by 6.5% compared to 1H 2015, mainly driven by closing of unprofitable restaurants. Revenue decreased by 9.4% in comparison with 1H 2015 due to exit from unprofitable locations. Increase of revenue of new restaurants by 5.4% partly compensated this effect. Gross revenue from comparable stores for 1H 2016 decreased by 2.5% driven by average check growth by 7.7% and decrease in number of transaction by 9.4%.

Gross profit margin increased to 11.3% in 1H 2016 from 11.1% in 1H 2015 mainly driven by decrease in rent costs, all measured as a percentage of total revenue.

Food and beverages increase by 90 basis points was mainly driven by inflation, this item measured as a percentage of sales.

Rent decrease as a percentage of revenue to 24.8% in 1H 2016 from 26.3% in 1H 2015 was driven by decrease in rent rates as a result of negotiations with landlords.

Selling, general and administrative expenses decreased by RUB 17 mln driven mainly by reduction of advertising expenses.

Start-up expenses for new restaurants remained at the same level in the 1H 2016 (increased by 10 basis points compared to 1H 2015) as a result of opening new and renewal of existing restaurants.

Other gains increased by 80 basis points as a percentage of total revenue due to the profit from sale of the share in joint venture in the Great Britain.

Reverse of impairment of operating assets amounted to RUB 46 mln in 1H 2016 in comparison with the loss from impairment in 1H 2015. Operational performance of some restaurants for 1H 2016 was better than expected and it resulted in reverse of the impairment recognized in the previous periods.

The increase of ***net financial expenses*** by 150 basis points was mainly driven by higher interest rates on some of the Group's banks loans, those items measured as a percentage of sales. The weighted average interest rate of Group's debts portfolio amounted to 16.08% as of June 30, 2016 against of 13.13% as of June 30, 2015.

Forex loss amounted to RUB 63 mln in 1H 2016 compared to loss amounted to RUB 17 mln in 1H 2015, as a result of lower dynamics of RUB exchange rate to other currencies in 1H 2016.

Net Loss for 1H 2016 decreased two times in comparison with consistent period and amounted to RUB 188 mln in 1H 2016 instead of loss in amount of RUB 376 mln in 1H 2015. As a result, ***net loss margin*** stood at 5.3% in 1H 2016 compared to net loss margin of 9.9% in 1H 2015.

EBITDA[1] before impairment and write-offs amounted to RUB 65 mln in 1H 2016. ***EBITDA[1] margin before impairment and write-offs*** amounted to 1.8% in 1H 2016, that is 30 basis points increase from 1.5% in 1H 2015.

Cash Flow Performance

(RUB) thousands	6M 2016	6M 2015	% Change Y-o-Y
Net cash flow from operating activities	81,316	151,066	(46.2)%
Incl. Cash flow before changes in operating assets and liabilities	*33,001*	*53,058*	*(37.8)%*
Incl. Changes in operating assets and liabilities	*202,117*	*225,519*	*(10.4)%*
Incl. Financial and tax cash outflow	*(153,802)*	*(127,511)*	*20.6 %*
Net cash flow used in investing activities	(88,963)	(132,647)	(32.9)%
Net cash flow from financing activities	9,444	95,357	(90.1)%
Effect of exchange rates on cash and cash equivalents	(1,479)	(1,476)	0.2 %
Net increase in cash and cash equivalents	**318**	**112,300**	**(99.7)%**
Cash & Cash equivalents at beginning of period	101,596	70,611	43.9 %
Cash & Cash equivalents at end of period	101,914	182,911	(44.3)%

Cash flow from operating activities decreased to RUB 81 mln in 1H 2016 from RUB 151 mln in 1H 2015 as a result of higher interest payments and decrease in working capital, majorly driven by the optimization of current assets and improved operating results in 1H 2016.

Net cash flow used in investing activities decreased by 32.9% to RUB 89 mln in 1H 2016 from RUB 133 mln in 1H 2015 mainly due to decrease in new restaurants openings and proceeds of dividends from joint venture.

Net cash flow from financing activities decreased by 90.1% to RUB 9 mln for 1H 2016 from RUB 95 mln for 1H 2015 due to stabilization of debt portfolio and one-time gain from the sale of a portion of treasury shares for RUB 38 mln in 1H 2015.

Debt and Liquidity

(RUB) thousands	6M 2016		12M 2015		% Change Y-o-Y
Total Gross Debt	**1,952,678**	**100.0 %**	**1,935,524**	**100.0 %**	**0.9 %**
Short-term	93,434	4.8 %	1,346,083	69.5 %	(93.1)%
Long-term	1,859,244	95.2 %	589,441	30.5 %	215.4 %
Net Debt	**1,850,764**	**94.8 %**	**1,833,928**	**94.8 %**	**0.9 %**
Net Debt / EBITDA before impairment and write-offs [2]	**5.9**		**6.0**		**(1.7)%**

Total gross debt of the Group stood at 1,953 mln as of June 30, 2016. Net debt in increased by 0.9% in 1H 2016 when compared with the corresponding figures as of December 31, 2015. Debt portfolio is ruble denominated with fixed interest rates and the maturity profile of our debt portfolio is mainly long-term. The share of long-term debt is 95% of gross amount of debt portfolio.

Gross debt maturity schedule as of June 30, 2016 is illustrated below.

(RUB) mln	Within 6M (2H 16)	6M-12M (1H 17)	12M-18M (2H 17)	18M+	Total
Gross debt maturity	**78** **4.0 %**	**3** **0.2 %**	**3** **0.2 %**	**1,868** **95.6 %**	**1,953** **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.

[3] 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.

[4] 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 30 June 2016.

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 of 30 June 2016 PJSC Rosinter Restaurants Holding is the leading casual dining restaurant company in Russia and CIS, which operates 300 outlets in 35 cities in Russia, CIS and Central Europe, including Baltic countries. The chain has 264 casual dining stores, including 98 franchised restaurants, and 36 Costa Coffee outlets. The Company develops its own brands IL Patio, Planet Sushi, Planeta Café, Shikari, American Bar and Grill, Mama Russia, 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 PJSC 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) under the stock ticker ROST.

Company site: www.rosinter.com

APPENDIX

Interim Consolidated Statement of Financial Position (unaudited)

at June 30, 2016

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

	Notes	June 30, 2016, unaudited	December 31, 2015, audited
ASSETS			
Non-current assets			
Property and equipment	4	1,557,808	1,508,321
Intangible assets		53,117	42,306
Goodwill		143,137	143,137
Investments in joint ventures and associates	14	–	1,185
Long-term loans due from related parties	5	–	8,206
Deferred income tax asset		275,278	264,808
Rent deposits and other non-current assets		163,763	165,810
		2,193,103	**2,133,773**
Current assets			
Inventories		119,008	160,359
VAT and other taxes recoverable		102,282	105,186
Income tax recoverable		9,435	8,165
Trade and other receivables		104,235	97,529
Advances paid		102,694	138,149
Receivables from related parties	5	200,115	208,373
Short-term loans		300	2,973
Short-term loans due from related parties	5	14,415	14,415
Cash and cash equivalents		101,914	101,596
		754,398	**836,745**
TOTAL ASSETS		**2,947,501**	**2,970,518**
EQUITY AND LIABILITIES			
Equity			
Equity attributable to equity holders of the parent entity			
Share capital	6	2,767,015	2,767,015
Additional paid-in capital		2,090,217	2,090,217
Treasury shares	6	(260,667)	(260,667)
Other capital reserves		14,443	14,443
Accumulated losses		(5,108,232)	(4,919,610)
Translation difference		(385,214)	(446,682)
		(882,438)	**(755,284)**
Non-controlling interests		(5,280)	(5,502)
		(887,718)	**(760,786)**
Non-current liabilities			
Long-term loans and borrowings	8	1,859,244	589,441
Long-term liabilities to partners		–	16,165
Deferred income tax liabilities		9,996	12,927
		1,869,240	**618,533**
Current liabilities			
Trade and other payables		1,605,890	1,540,151
Short-term loans and borrowings	8	93,434	1,346,083
Payables to related parties	5	84,677	35,554
Short-term liabilities to partners		1,319	–
Short-term loans due to related parties	5	1,476	976
Deferred income		36,242	24,500
Income tax payable		142,941	165,507
		1,965,979	**3,112,771**
TOTAL EQUITY AND LIABILITIES		**2,947,501**	**2,970,518**

Interim Consolidated Statement of Profit or Loss (unaudited)
for the six months ended June 30, 2016

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

		For the six months ended June 30,	
		2016	**2015**
	Notes	**Unaudited**	
Revenue	9	3,564,221	3,813,131
Cost of sales	10	(3,160,870)	(3,389,102)
Gross profit		**403,351**	**424,029**
Selling, general and administrative expenses	11	(442,433)	(459,027)
Start-up expenses for restaurants		(30,347)	(29,460)
Other gains	12	49,633	23,168
Other losses	12	(7,510)	(46,710)
Loss from operating activities before impairment		**(27,306)**	**(88,000)**
Reversal of/(loss from) impairment of operating assets	13	45,721	(206,111)
Profit/(loss) from operating activities after impairment		**18,415**	**(294,111)**
Financial income		738	1,902
Financial expense		(172,460)	(126,090)
Foreign exchange loss, net		(62,979)	(16,761)
Income from the joint venture		10,096	–
Loss before income tax		**(206,190)**	**(435,060)**
Income tax benefit		18,009	59,388
Loss for the period		**(188,181)**	**(375,672)**
Net loss for the period		**(188,181)**	**(375,672)**
Attributable to:			
Equity holders of the parent entity		(188,622)	(376,522)
Non-controlling interests		441	850
Earnings per share	7		
Basic, loss per share, roubles		(11.89)	(23.73)
Diluted, loss per share, roubles		(11.80)	(23.55)

Interim Consolidated Statement of Cash Flows (unaudited)
for the six months ended June 30, 2016

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

		For the six months ended June 30,	
		2016	2015
	Notes	Unaudited	
Operating activities			
Loss before tax		(206,190)	(435,060)
Adjustments to reconcile loss before tax to net cash provided by operating activities:			
Depreciation and amortization		90,426	106,730
Foreign exchange loss, net		62,979	16,761
Gain from sale of share in joint venture	12,14	(23,345)	–
Financial income		(738)	(1,902)
Financial expense		172,460	126,090
Allowance for impairment of advances paid, taxes recoverable and receivables	11	12,979	4,329
Allowance for impairment/(reversal of write-down) of inventories to net realisable value		180	(724)
Loss on disposal of non-current assets	12	897	37,077
Write-off of trade and other payables	12	(17,381)	(8,267)
Income from the joint venture		(10,096)	–
(Reversal of)/loss from impairment of operating assets	13	(45,721)	206,111
(Reversal of)/loss from provision for contingent claims	12	(3,449)	1,913
		33,001	**53,058**
Changes in operating assets and liabilities:			
Decrease in inventories		40,124	48,292
Decrease in advances, taxes recoverable, receivables, rent deposits and other non-current assets		22,678	21,318
Decrease/(increase) in receivables from related parties		16,787	(47,889)
Increase in payables to related parties		35,577	38,066
Increase in trade and other payables		86,951	165,732
Net cash generated from operations		**235,118**	**278,577**
Interest paid		(150,543)	(119,802)
Interest received		1,824	148
Income tax paid		(5,083)	(7,857)
Net cash flows from operating activities		**81,316**	**151,066**
Investing activities			
Purchases of property and equipment		(107,196)	(131,371)
Purchase of intangible assets		(21,833)	(12,276)
Repayment of loans issued to third parties		2,461	2,136
Proceeds from disposal of property and equipment		19,797	1,237
Repayment of loans issued to related parties		7,712	3,672
Dividends received		10,096	–
Net inflow from cash and cash equivalents in respect of disposal of subsidiaries		–	3,955
Net cash flows used in investing activities		**(88,963)**	**(132,647)**

Interim Consolidated Statement of Cash Flows (unaudited) (continued)

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

		For the six months ended June 30,	
		2016	2015
	Notes	Unaudited	
Financing activities			
Proceeds from bank loans		40,119	130,000
Repayment of bank loans		(22,965)	(70,484)
Payments to partners		(8,024)	(1,964)
Proceeds from related party loans		500	–
Repayment of related party loans		–	(28)
Sale of treasury shares	6	–	38,445
Dividends paid to shareholders		(186)	(612)
Net cash flows from financing activities		**9,444**	**95,357**
Effect of exchange rate on cash and cash equivalents		(1,479)	(1,476)
Net increase in cash and cash equivalents		**318**	**112,300**
Cash and cash equivalents at beginning of the period		**101,596**	**70,611**
Cash and cash equivalents at end of the period		**101,914**	**182,911**