

1H 2015 Financial Results Presentation



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Today's presenting team



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 since 1998

Boris Svetlichny

Chief Financial Officer

Member of the Board of
Directors

With Etalon since 2013

Kirill Bagachenko

Head of Corporate
Investments and IR

Member of the Board of
Directors

With Etalon since 2013

1H 2015 Summary



18 bln RUB
revenue
Up 25% y-o-y

Robust financial performance, with revenue up 25% y-o-y to RUB 18.1 bln on the back of a y-o-y increase in transfers to customers and price growth



3.2 bln RUB
EBITDA
Up 89% y-o-y

EBITDA in the first half of 2015 grew 89% year-on-year to RUB 3.2 bln, helped by good cost control

EBITDA margin increased from 12% in 1H 2014 to 17% in 1H 2015



2.2 bln RUB
net income
Up 137% y-o-y

Net income rose 137% y-o-y to RUB 2.2 bln

Net income margin increased from 6% in 1H 2014 to 12% in 1H 2015



0.5x
net debt /
EBITDA ratio

Balance sheet remains very strong, with net debt of only RUB 6.5 bln (0.5x net debt / LTM EBITDA)

1

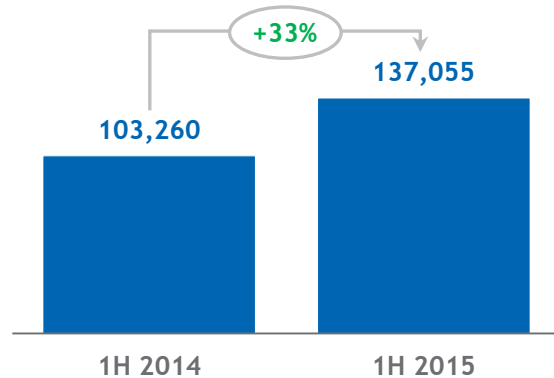
Financial results



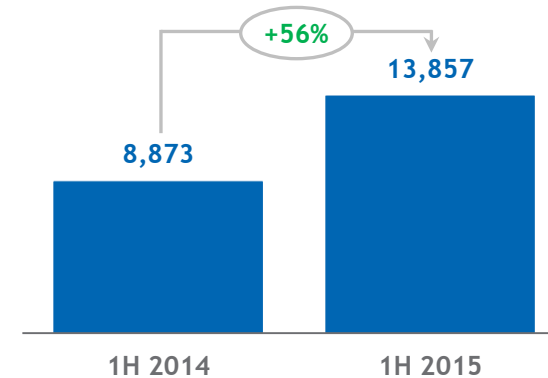
Golden Bay, 2008

Robust revenue growth in 1H 2015

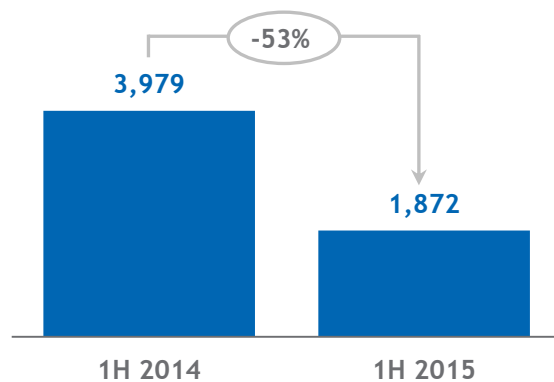
Transfers to customers, sqm



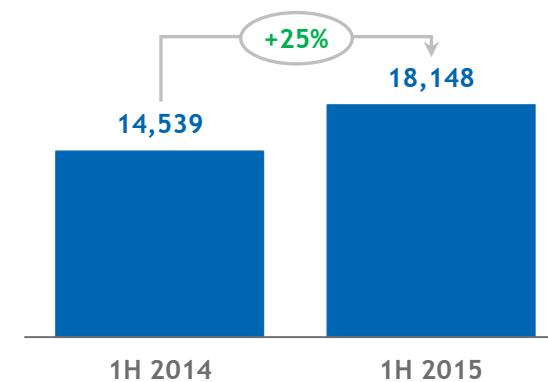
Residential real estate development revenue, mln RUB



Construction services revenue from third parties/external, mln RUB



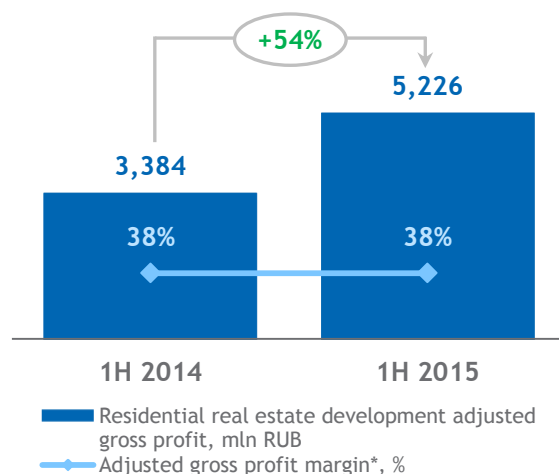
Total revenue, mln RUB



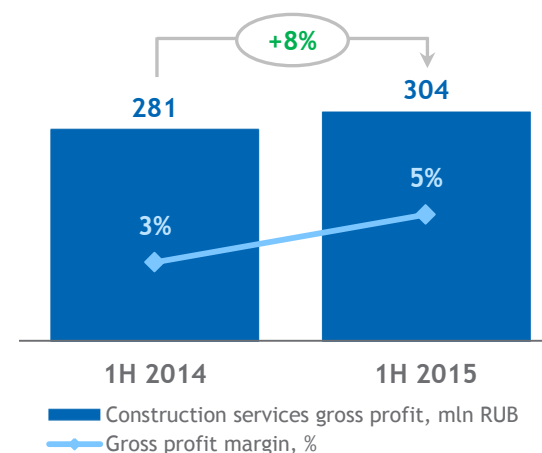
Source: IFRS financial statements, Company information

Healthy profitability levels maintained

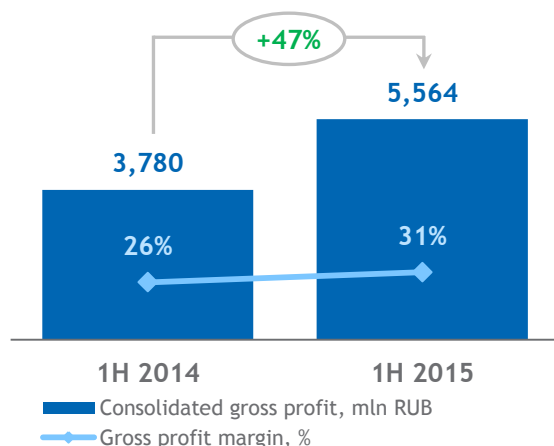
Residential real estate development adjusted gross profit*, mln RUB



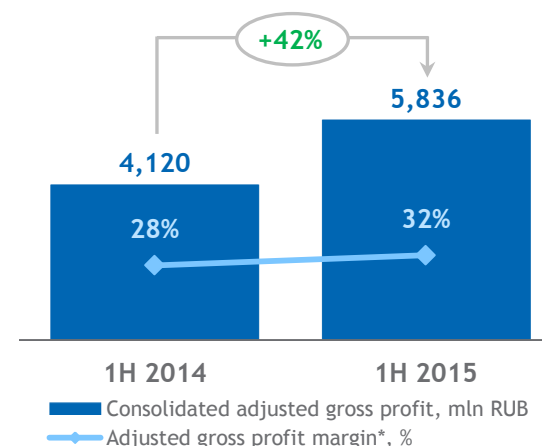
Construction services gross profit, mln RUB



Consolidated gross profit, mln RUB



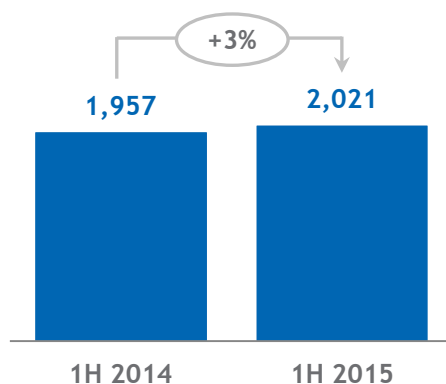
Consolidated adjusted gross profit*, mln RUB



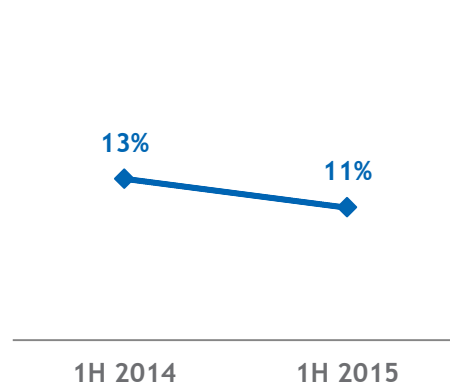
Source: IFRS financial statements
*Adjusted for interest in cost of sales

Strong profit generation supported by good cost control

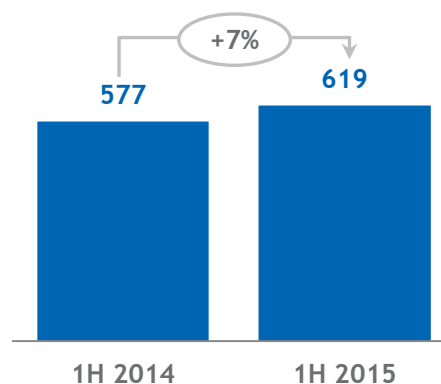
General and administrative expenses, mln RUB



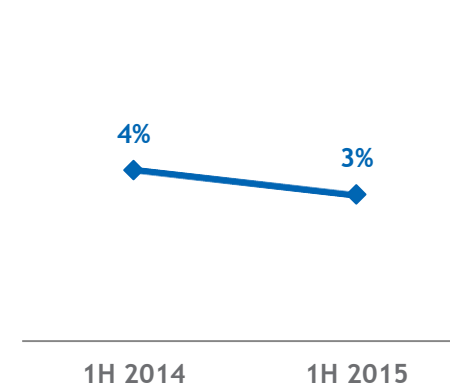
General and administrative expenses as % of revenue



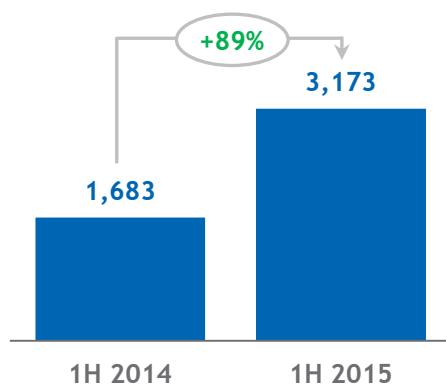
Selling expenses, mln RUB



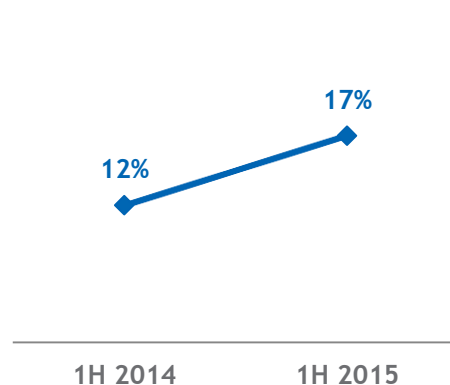
Selling expenses as % of revenue



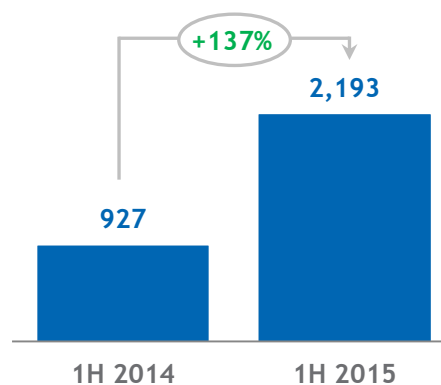
EBITDA, mln RUB



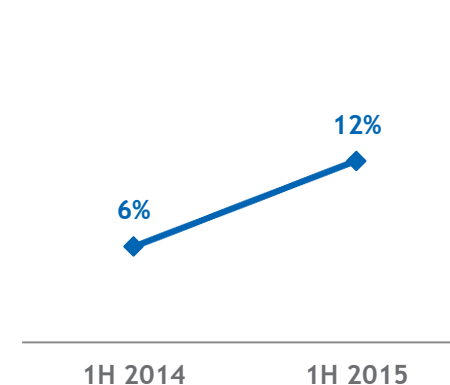
EBITDA margin, %



Net income, mln RUB



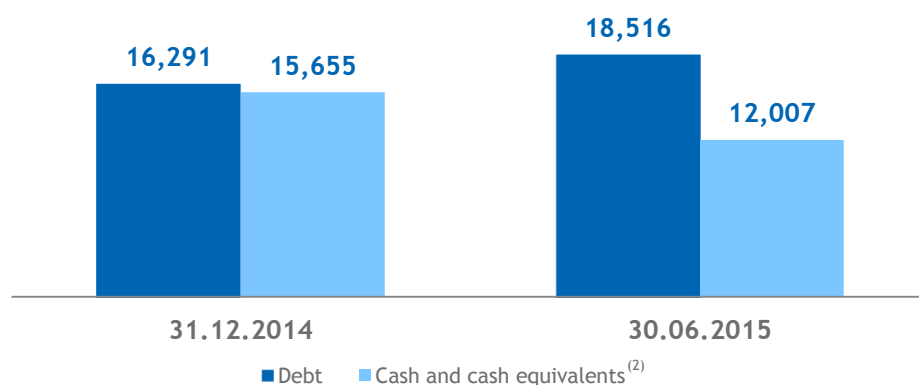
Net income margin, %



Source: IFRS financial statements

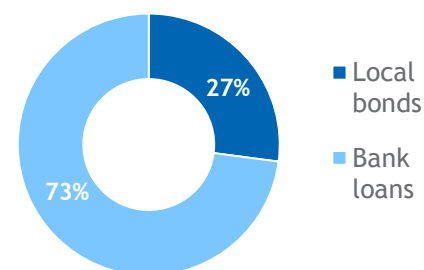
Strong balance sheet despite the market cool-down

Liquidity position, mln RUB⁽¹⁾

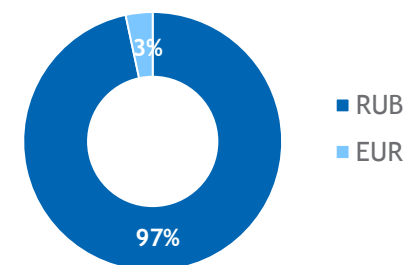


Gross debt composition (18,516 mln RUB as of 30/06/2015)⁽¹⁾

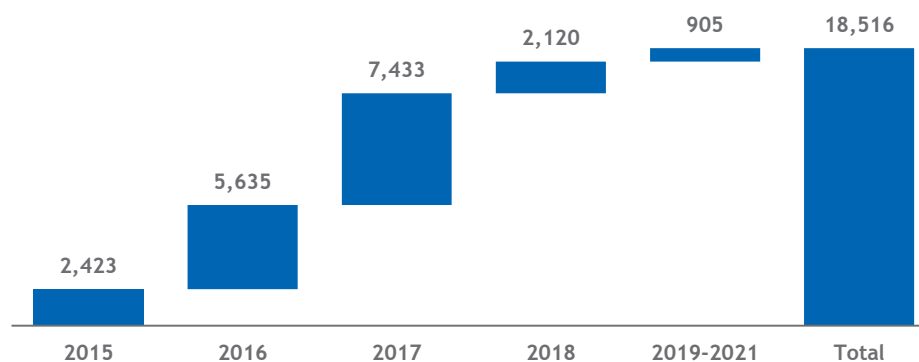
By type of facility



By currency



Debt maturity profile (as of 30/06/2015; mln RUB)



Highlights

- Company estimates that only c. 15% of total construction costs linked to USD
- Foreign currency denominated cash to debt ratio is 2.2 (as of 30 June 2015)
- 0.5x Net debt/LTM EBITDA⁽³⁾ (as of 30 June 2015)

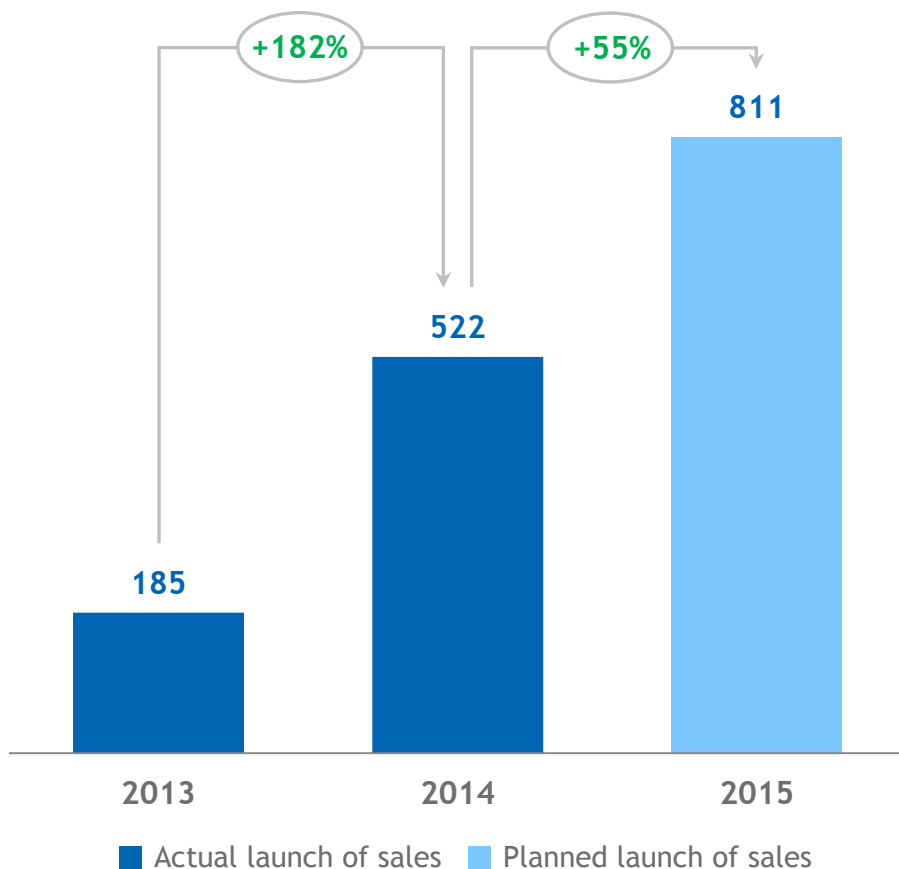
(1) IFRS financial statements
 (2) Including bank deposits in ST Investments
 (3) LTM EBITDA: 1H 2015 + 2H 2014 EBITDA

USD/RUB fx rate as of 30 June 2015
 EUR/RUB fx rate as of 30 June 2015

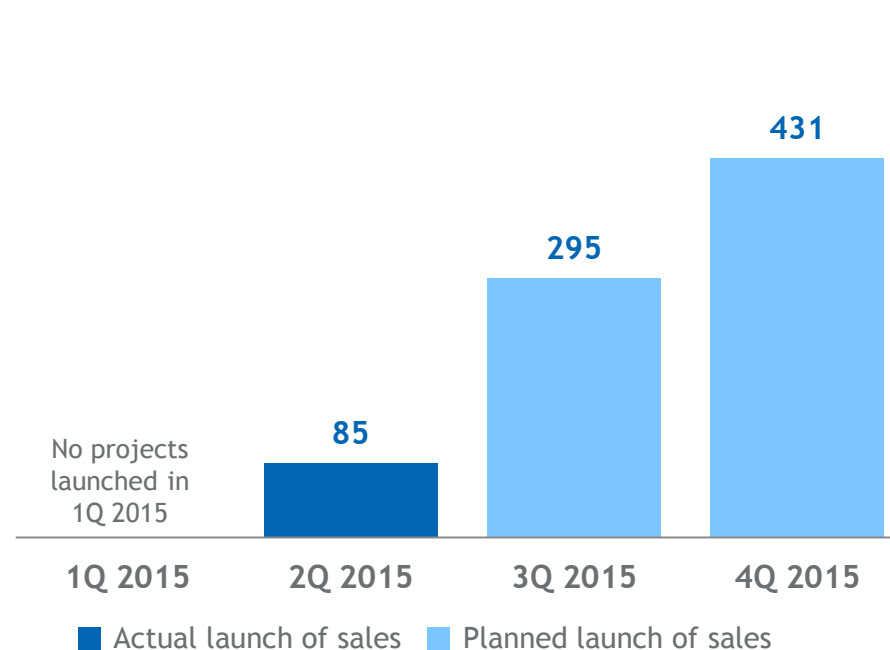
55.52
 61.52

Cash collections from new launches will support financial position in 2H 2015

Launch of sales, ths sqm



Launch of sales in 2015, by quarter, ths sqm



Source: Company data

2

Appendix



At a glance

Presence in Russia's largest markets

- Focus on middle class residential real estate in Moscow metropolitan area (MMA) and St. Petersburg metropolitan area (SPMA)
- 29% CAGR for deliveries over 2010-2014⁽¹⁾

Strong delivery track record

- Over 28 years of construction & development experience
- 4.5 mln sqm commissioned

True vertical integration

- Strategic vertical integration in key value-added segments of property development enables the Company to control costs, quality and timing
- 5,000 employees
- Country-wide sales network covering 36 cities

Diversified projects portfolio

- Land bank of 3.11 mln sqm⁽²⁾
- 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
- Low leverage: 0.5x net debt / LTM EBITDA ⁽³⁾
- Credit rating by S&P: B+ / B⁽⁴⁾

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 operating results;

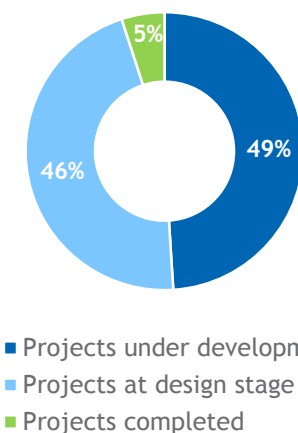
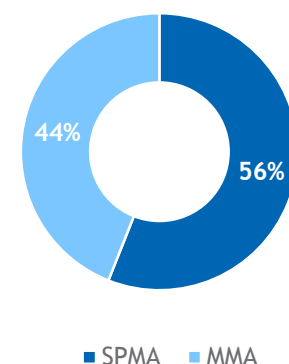
⁽²⁾ JLL land bank valuation report as of 31.12.2014;

⁽³⁾ IFRS financial statements as of 30 June 2015;

⁽⁴⁾ 'B+' long-term & 'B' short-term corporate credit ratings of SSMO LenSpetsSMU (last reconfirmed on 18.06.2015).

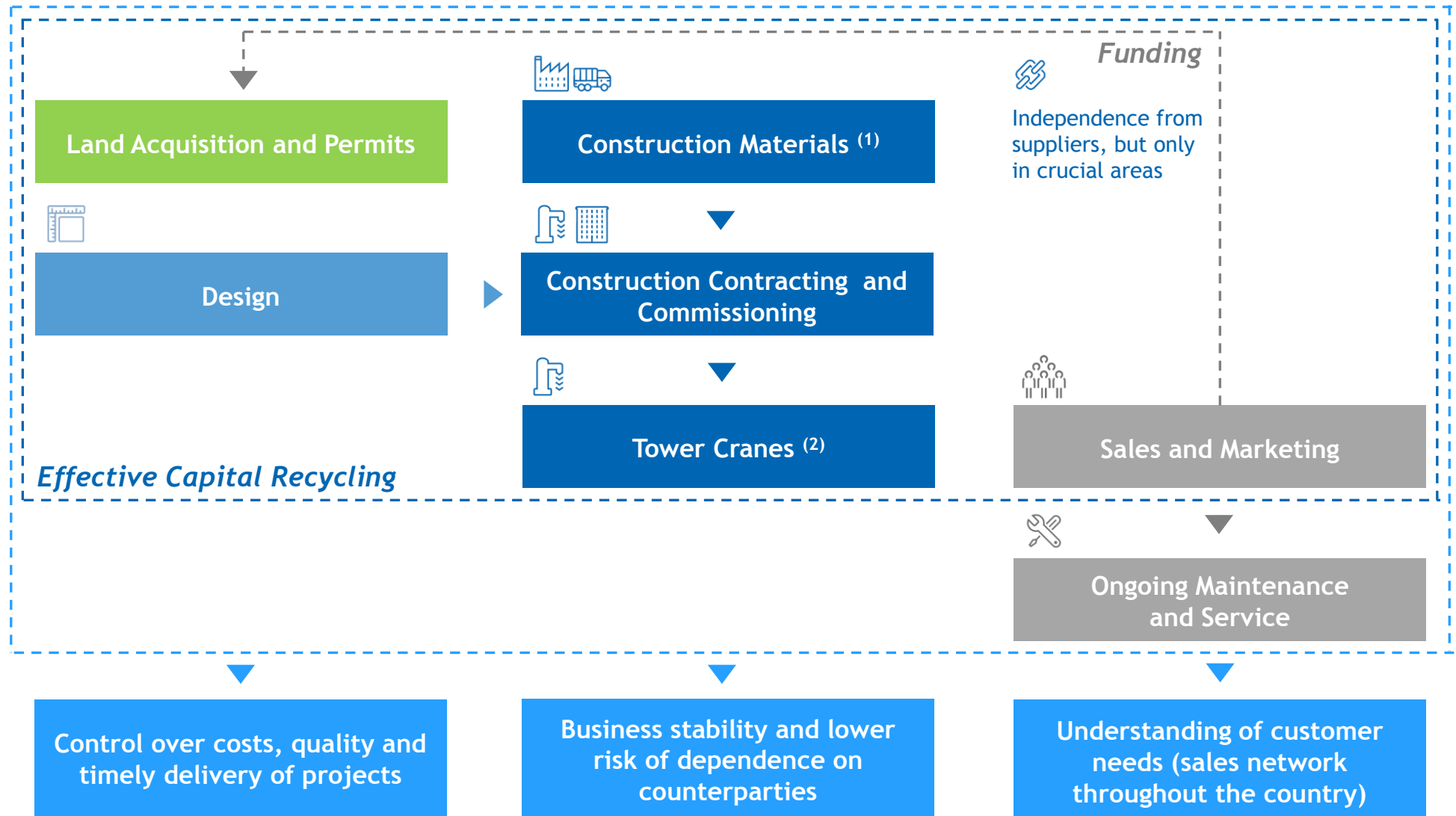
LSE ticker	ETLN:LI
Share price	USD 1.65 (18.09.2015)
Market capitalization	USD 482 mln (18.09.2015)
Portfolio valuation (by Jones Lang La Salle)	RUB 104,286 mln (31.12.2014)

Portfolio composition ⁽²⁾



Strategic vertical integration: control over costs, quality and timing

Etalon Group operates in every part of property development process



(1) Brick plant and concrete products plant. Own production only for "bottleneck" construction materials
(2) 62 tower cranes (Liebherr and Wolff). Data as of 30.06.2015

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's sales force is focused on the regions with the **largest income per capita**
- Key markets: **SPMA and MMA**
- **36 cities covered** with 14 sales offices in St. Petersburg and 17 more sales offices nationwide
- External professional marketing and sales service agents engaged nationwide

⁽¹⁾Source: company data for 2Q.2015

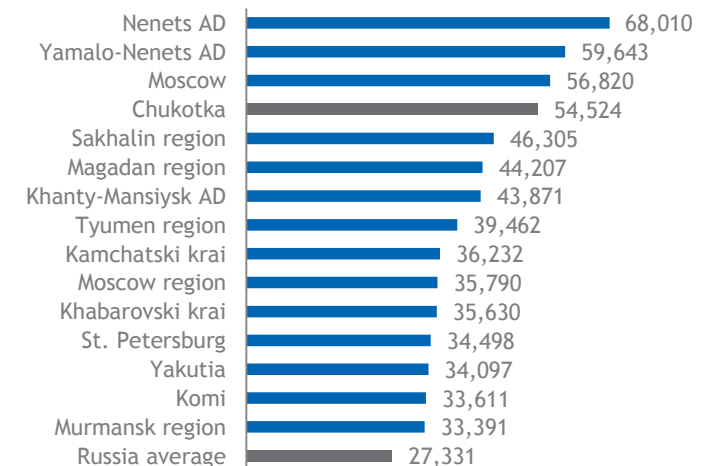
⁽²⁾Average monthly cash income per capita, Rosstat's preliminary estimates for 6M.2015

Etalon Group's regional sales geography⁽¹⁾

Region	Share of total contracts
Leningrad region	5.3%
Khanty-Mansiysk AD	2.1%
Yakutia	1.8%
Krasnoyarski krai	1.4%
Khabarovsk krai	1.3%
Arkhangelsk region	1.2%
Kamchatski krai	1.2%
Krasnodarski krai	1.2%
Other Russian regions	24.3%
Foreigners	3.2%
Total	42.9%

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

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

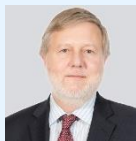
Chief Executive Officer

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 of 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 Xstel 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

INDEPENDENT NON-EXECUTIVE DIRECTORS



Martin Cocker

Independent Non-
Executive Director

Experience and awards

- 20 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



Andrew Howat

Independent Non-
Executive Director

Experience and awards

- 30 years of experience in international finance, banking and investment businesses
- Worked as a senior Director at ING Bank in the Corporate Banking and Financial Markets divisions, and as Managing Director of Butterfield Fulcrum
- Chartered member of the Chartered Institute for Securities & Investment

Education

- Farnborough College of Technology



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

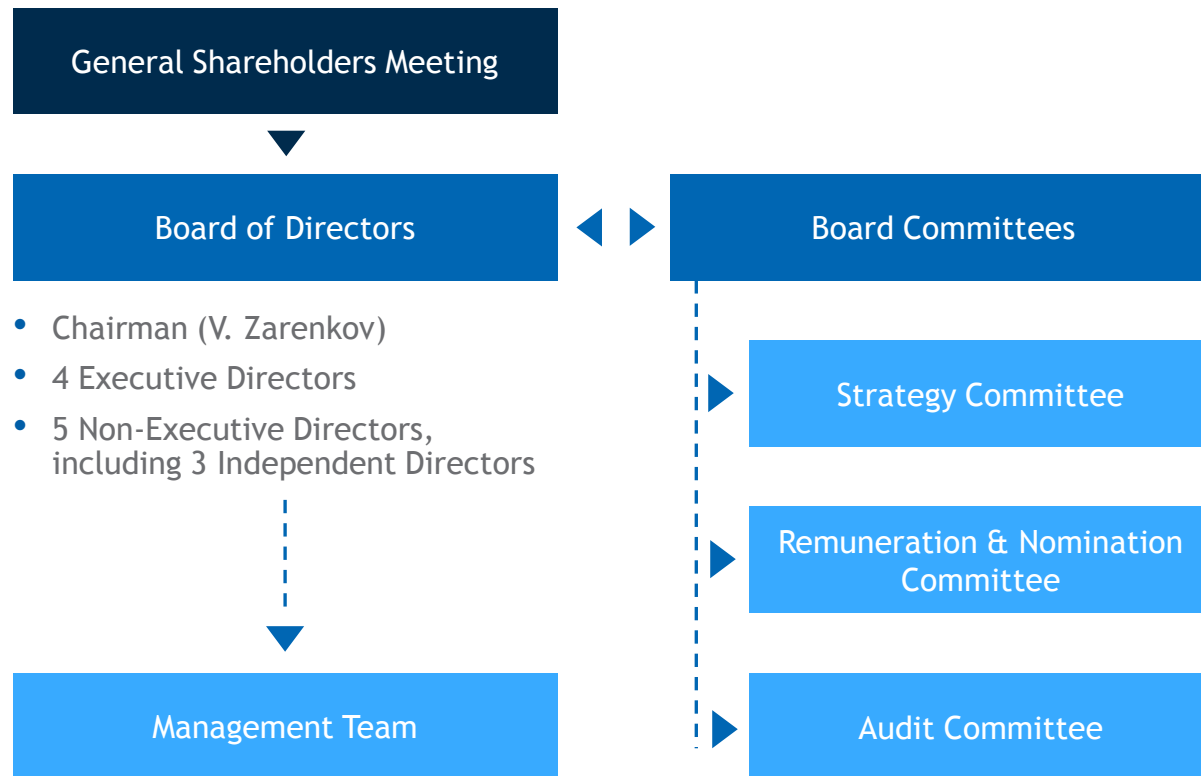
- Moscow Power Engineering University
- PhD in Engineering

NON-EXECUTIVE DIRECTORS

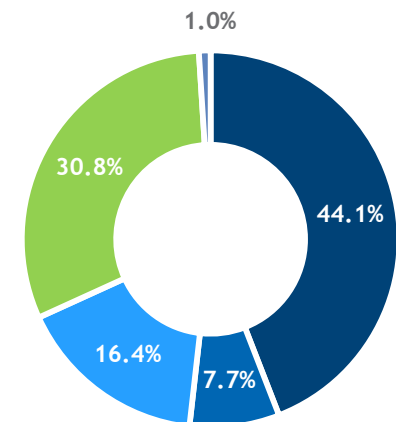
⁽¹⁾ Title granted by President of Russia

Strong corporate governance and shareholding structure

Corporate governance structure



Shareholding structure



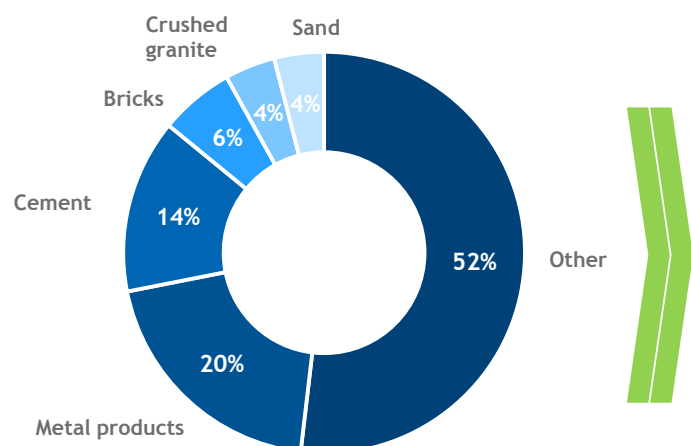
■ Zarenkov family
■ Management
■ Baring Vostok
■ Free float
■ Etalon Development Ltd

As of 30 June 2015

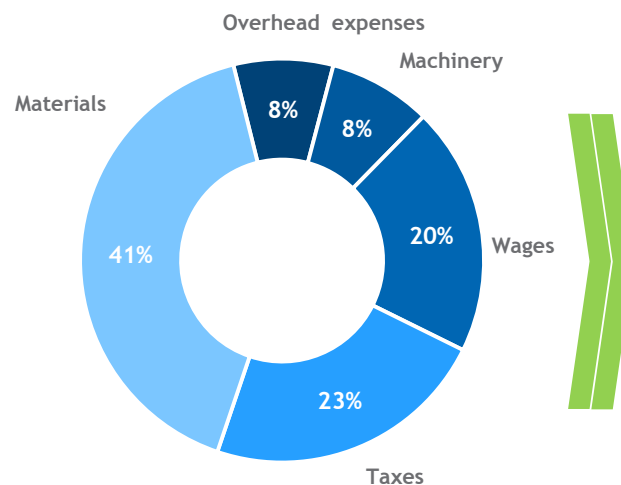
Source: Company data

Typical project cost structure

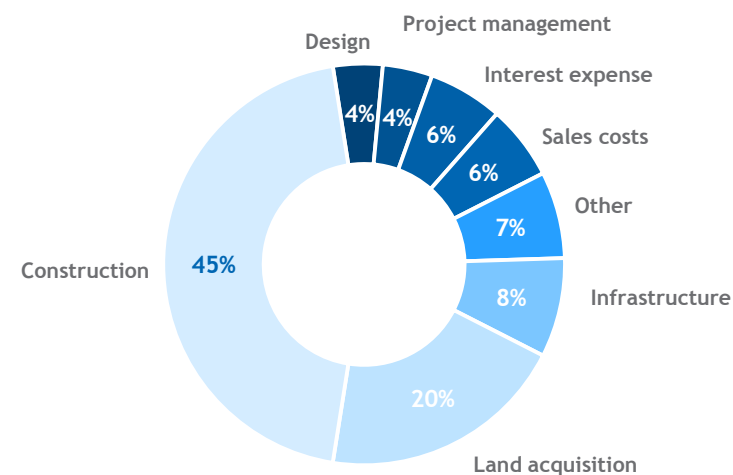
Materials cost structure*
(RUB 12,000 - 18,000 per sqm of NSA)



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



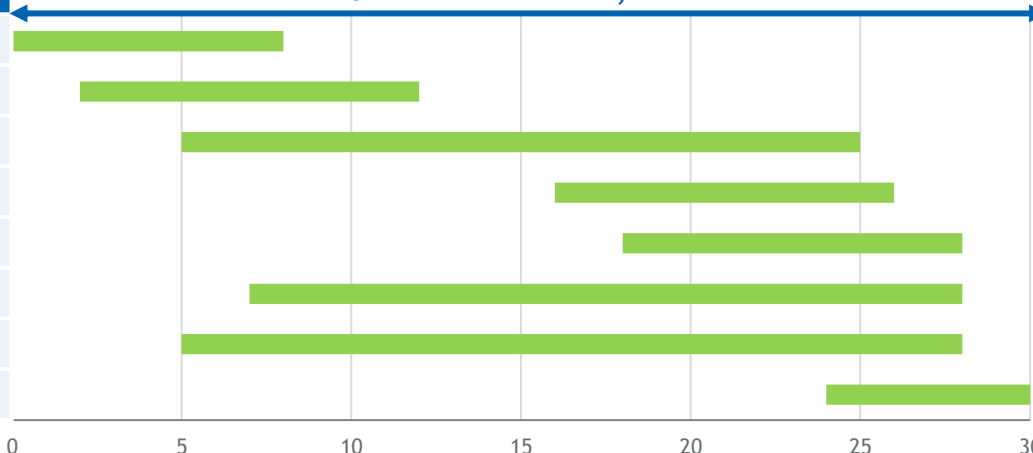
Total cost structure*
(RUB 59,000 - 72,000 per sqm of NSA)



Typical project lifecycle*

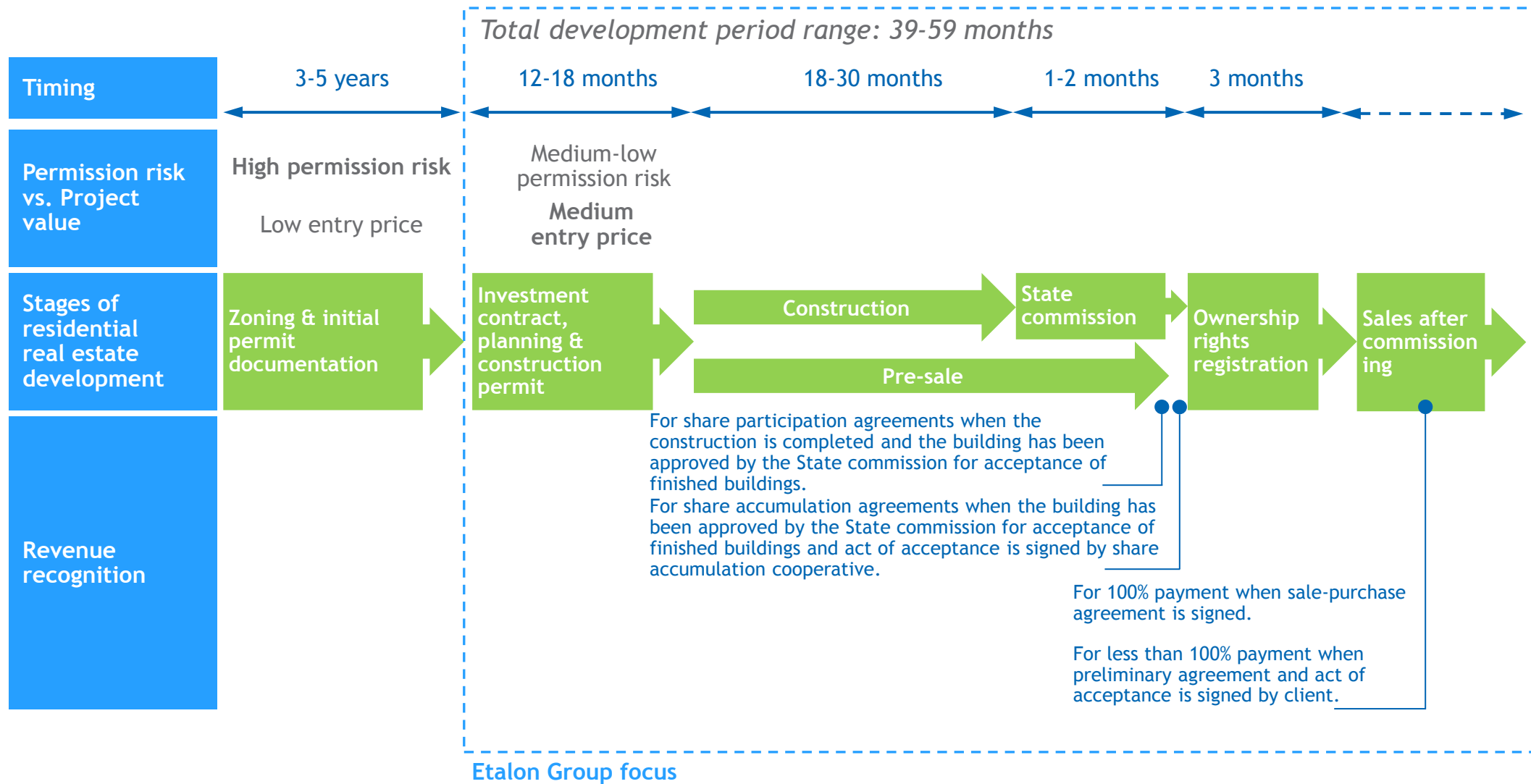
Task	Share, %	Start, month	Duration, months
Predevelopment	3	0	8
Zero cycle works	7	2	10
Construction works	43	5	20
Facade works	11	16	10
Fit out works	5	18	10
MEP systems	14	7	21
Engineering facilities	15	5	23
Urban landscaping	2	24	6

Construction timeline, months



*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

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	↑
	Number of projects in construction programme, eop	8	15	↑
	Share of Moscow Metropolitan Area in total contract sales, %	-	23%	↑
	Share of regional sales, %	21.0%	34.4% ⁽¹⁾	↑
<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	Total net debt (net cash), mln RUB	4,358	636	↓
	- % FX denominated debt	88.5%	8%	↓
	- % of debt borrowed outside of Russia	46.4%	-	↓
	- Net debt / EBITDA	1.37x	0.06x	↓
	Credit rating (Standard & Poor’s)	B	B+	↑
	Residential real estate price CAGR (previous 3 years), %:			
<ul style="list-style-type: none">• Reasonable price growth during preceding 3 years, no signs of a bubble	- St. Petersburg market ⁽²⁾	41%	6%	
	- Moscow market ⁽³⁾	34%	7%	
<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	Inventory of completed and available for sale apartments eop, ths sqm	25	220	↑
<ul style="list-style-type: none">• Moderate share of mortgage sales, well below that of other public peers	Share of mortgage sales	8%	22% ⁽¹⁾	↑
<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 and 31.12.2014, management accounts, IPO Prospectus, IFRS financial statements for 12M 2008 and 12M 2014

(1) for FY 2014

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

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

Etalon Group has an extensive track record of successful industrial construction projects that meet the highest standards of quality

Ford Motor Company

2007-2012



- Expansion of existing production facilities, including a 25 ths sqm logistics area for finished goods, renovation of warehouse and overhaul of utility systems
- This project was unique as work was carried out in the production area, next to the main production line, while it was in operation

Nissan plant

2012-2014



- Etalon Group is a long-time partner of Nissan in Russia, having acted as the general contractor for design and construction of the test track and new car storage areas in 2008
- In 2014 Etalon Group delivered 66 ths sqm of new factory space, including expansion of existing assembly lines, warehouse and office facilities

ExpoForum

2011-2015



- The largest commercial construction project in St. Petersburg in recent years
- Overall size of the complex is over 200 ths sqm
- 2 main exhibition halls, 3 exhibition pavilions, 2 hotels, 3 helicopter pads, parking and utilities infrastructure
- Capacity for up to 8 ths delegates

*Expected date of completion

UniPres

2014-2015*



- General contractor agreement for the construction of a 12,313 sqm manufacturing facility and a 3,588 sqm administrative building
- Turnkey project involving the full construction cycle
- Due to be completed in 4Q 2015

Zvezda-Reduktor

2015-2016*



- Overhaul of production lines and the renovation of administrative and service buildings for Zvezda-Reduktor, a subsidiary of Zvezda, Russia's largest manufacturer of compact, high-RPM Diesel engines
- Contract covers a total area of 9,854 sqm

State Hermitage Museum

2015-2016*



- Construction of part of the Restoration and Storage Centre of the State Hermitage Museum in St. Petersburg
- Contract is worth RUB 1.6 billion
- Due to be completed in 4Q 2016

Income statement

mIn RUB	2012	2013	2014	1H13	1H14	1H15
Revenue	26,894	39,921	51,481	16,635	14,539	18,148
Cost of sales	(17,494)	(27,553)	(35,685)	(11,064)	(10,759)	(12,584)
Gross profit	9,400	12,368	15,796	5,571	3,780	5,564
General and administrative expenses	(2,324)	(3,157)	(4,178)	(1,387)	(1,957)	(2,021)
Selling expenses	(958)	(1,023)	(1,474)	(460)	(577)	(619)
Other expenses, net	(209)	(40)	(913)	(96)	(166)	(341)
Results from operating activities	5,909	8,148	9,231	3,628	1,080	2,583
Finance income	749	691	1,717	434	391	998
Finance costs	(132)	(342)	(553)	(142)	(242)	(593)
Net finance income	617	349	1,164	292	149	405
Profit before income tax	6,526	8,497	10,395	3,920	1,229	2,988
Income tax expense	(1,526)	(1,833)	(2,026)	(822)	(302)	(795)
Profit for the period	5,000	6,664	8,369	3,098	927	2,193
<i>Profit attributable to:</i>						
Owners of the Company	4,979	6,629	8,345	3,083	927	2,188
Non-controlling interest	21	35	24	15	-	5
Profit for the period	5,000	6,664	8,369	3,098	927	2,193

Source: IFRS financial statements for 2012, 2013, 2014, 1H13, 1H14, 1H15

Balance sheet

mIn RUB	2012	2013	2014	1H13	1H14	1H15
Assets						
Non-current assets						
PP&E	2,380	1,962	2,503	1,853	2,326	2,349
Investment property	-	1,142	808	638	1,052	618
Other long-term investments	60	275	1,036	241	684	684
Trade and other receivables	433	1,332	2,521	390	756	2,164
Deferred tax assets	434	560	885	433	710	1,040
Other non-current assets	11	10	10	10	10	10
Total non-current assets	3,318	5,281	7,763	3,565	5,538	6,865
Current assets						
Inventories	41,522	50,057	57,525	44,056	57,132	61,131
Trade and other receivables	11,058	15,078	15,074	14,387	17,746	15,926
Short-term investments	6,870	5,008	1,221	3,824	5,493	2,122
Cash and cash equivalents	10,716	8,139	14,631	8,559	9,635	10,042
Other current assets	32	7	66	20	18	66
Total current assets	70,198	78,289	88,517	70,846	90,024	89,287
Total assets	73,516	83,570	96,280	74,411	95,562	96,152

mIn RUB	2012	2013	2014	1H13	1H14	1H15
Equity and Liabilities						
Equity						
Share capital	14,967	14,967	14,983	14,967	14,983	14,983
Retained earnings	22,688	29,332	36,537	25,771	30,259	37,011
Total equity attributable to equity holders of the Company	37,655	44,299	51,520	40,738	45,242	51,994
Non-controlling interest	408	387	351	394	387	170
Total equity	38,063	44,686	51,871	41,132	45,629	52,164
Non-current liabilities						
Loans and borrowings	12,811	10,176	12,411	10,750	10,050	13,375
Trade and other payables	980	785	2,854	1,041	678	4,024
Provision	65	89	114	61	91	112
Deferred tax liabilities	226	826	1,456	402	650	1,249
Total non-current liabilities	14,082	11,876	16,835	12,254	11,469	18,760
Current liabilities						
Loans and borrowings	3,825	3,043	3,880	2,359	4,689	5,141
Trade and other payables	16,966	22,300	21,460	18,399	32,436	18,451
Provisions	580	1,665	2,234	267	1,339	1,636
Total current liabilities	21,371	27,008	27,574	21,025	38,464	25,228
Total equity and liabilities	73,516	83,570	96,280	74,411	95,562	96,152

Source: IFRS financial statements for 2012, 2013, 2014, 1H13, 1H14, 1H15


Cashflow statement

mIn RUB	2012	2013	2014	1H13	1H14	1H15
Operating Activities						
Profit for the period	5,000	6,664	8,369	3,098	927	2,193
<i>Adjustments for:</i>						
Depreciation	417	343	417	168	204	213
Gain on disposal of PP&E	(49)	(15)	(52)	(27)	(46)	20
Loss on disposal of subsidiaries	28	-	-	-	-	-
Impairment loss on investment property	-	-	280	-	60	166
Impairment loss on inventories	-	-	466	-	85	30
Finance income, net	(544)	(337)	(1,164)	(319)	(149)	(405)
Income tax expense	1,526	1,833	2,026	822	302	795
Cash from operating activities before changes in working capital	6,378	8,488	10,342	3,742	1,383	3,012
Change in inventories	(7,633)	(7,837)	(6,890)	(1,957)	(6,763)	(2,418)
Change in accounts receivable	(3,024)	(5,080)	(1,427)	(3,243)	(2,093)	(366)
Change in accounts payable	4,074	4,880	1,184	1,478	10,135	(1,461)
Change in provisions	(992)	1,109	594	(317)	(324)	(600)
Change in other current assets	3	25	(59)	12	(11)	-
Income tax paid	(1,833)	(907)	(1,645)	(632)	(742)	(1,605)
Interest paid	(1,097)	(1,724)	(1,588)	(871)	(683)	(1,180)
Net cash from/(used in) operating activities	(4,124)	(1,046)	511	(1,788)	902	(4,618)
Investing Activities						
Proceeds from disposal of non-current assets	71	15	66	57	52	29
Interest received	552	611	823	351	342	802
Acquisition of PP&E	(844)	(431)	(653)	(160)	(364)	(95)
Loans given	(371)	(55)	(178)	(37)	(16)	(4)
Loans repaid	363	85	174	17	79	21
Acquisition of subsidiaries, net of cash acquired	-	10	-	-	-	-
Disposal of subsidiaries, net of cash disposed of	(8)	(20)	7	(7)	-	(3)
(Acquisition)/disposal of other investments	(5,506)	1,606	3,038	2,850	(964)	(598)
Net cash used in investing activities	(5,743)	1,821	3,277	3,071	(871)	152
Financing activities						
Acquisition of non-controlling interest	(3)	(10)	(83)	-	-	(66)
Proceeds from borrowings	12,140	5,937	10,763	2,785	5,627	4,707
Repayments of borrowings	(5,552)	(9,668)	(8,498)	(6,624)	(4,278)	(2,323)
Acquisition of own shares	(13)	-	16	-	16	-
Dividends paid	-	-	(1,124)	-	-	(1,834)
Net cash from/(used in) financing activities	6,572	(3,741)	1,074	(3,839)	1,365	484
Net increase/(decrease) in cash and cash equivalents	(3,295)	(2,966)	4,862	(2,556)	1,396	(3,982)
Effect of FX rate fluctuations	(473)	389	1,630	399	100	(607)
Cash & cash equivalents at the end of the period	10,716	8,139	14,631	8,559	9,635	10,042

Source: IFRS financial statements for 2012, 2013, 2014, 1H13, 1H14, 1H15

EBITDA calculation

mln RUB	2012	2013	2014	1H13	1H14	1H15
Comprehensive income	5,000	6,664	8,369	3,098	927	2,193
Income tax expense	1,526	1,833	2,026	822	302	795
Interest expense on loans and finance leases	7	233	295	115	140	15
Net foreign exchange loss	125	109	-	-	70	438
Interest income on bank deposits	(543)	(583)	(729)	(342)	(307)	(686)
Interest income on loans and receivables	(9)	(28)	(94)	(9)	(35)	(116)
Net foreign exchange gain	-	-	(814)	(48)	-	-
Bank fees and commissions	67	80	117	40	42	49
Interest in COS	341	779	1,024	354	340	272
Depreciation	417	343	417	168	204	213
EBITDA	6,931	9,430	10,611	4,198	1,683	3,173



	2012	2013	2014	1H13	1H14	1H15
Depreciation to COGS (Note 13 PP&E)	385	292	271	149	160	167
Depreciation to selling expenses (Note 13 PP&E)	1	1	4	1	1	3
Depreciation to G&A expenses (Note 13 PP&E)	31	39	94	18	19	19
Depreciation to Investment property (Note 14 Investment property)	-	11	48	-	24	24

Working capital calculation

mln RUB	2012	2013	2014	1H13	1H14	1H15
Total inventory	41,522	50,057	57,525	44,056	57,132	61,131
<i>Current part</i>						
+ Trade and other receivables	11,058	15,078	15,074	14,387	17,746	15,926
- Trade and other payables	16,966	22,300	21,460	18,399	32,436	18,451
- Provisions	580	1,665	2,234	267	1,339	1,636
<i>Non-current part</i>						
+ Trade and other receivables	433	1,332	2,521	390	756	2,164
- Trade and other payables	980	785	2,854	1,041	678	4,024
- Provisions	65	89	114	61	91	112
<i>Adjustments</i>						
- Cumulative borrowing costs capitalized during the period (Note 11 Finance income and finance costs)	2,725	4,092	5,416	3,457	4,660	6,636
+ Cumulative borrowing costs that have been included into the cost of sales (Note 11 Finance income and finance costs)	510	1,289	2,313	864	1,629	2,585
-Income tax receivable (Note 18 Trade and other receivables)	310	103	159	307	85	467
+Income tax payable (Note 25 Trade and other payables)	7	248	380	13	116	10
Working capital	31,904	38,970	45,576	36,178	38,090	50,490

FCF calculation

mIn RUB	2012	2013	2014	1H13	2H13	1H14	2H14	1H15
Comprehensive income	5,000	6,664	8,369	3,098	3,566	927	7,442	2,193
<i>Adjustment for:</i>								
Depreciation	417	343	417	168	175	204	213	213
Gain on disposal of PP&E	(49)	(15)	(52)	(27)	12	(46)	(6)	20
Impairment loss on investment property	-	-	280	-	-	60	220	166
Impairment loss on inventory	-	-	466	-	-	85	381	30
Loss on disposal of subsidiaries	28	-	-	-	-	-	-	-
Finance income, net	(544)	(337)	(1,164)	(319)	(18)	(149)	(1,015)	(405)
Income tax expense	1,526	1,833	2,026	822	1,011	302	1,724	795
Income tax paid	(1,833)	(907)	(1,645)	(632)	(275)	(742)	(903)	(1,605)
Interest paid	(1,097)	(1,724)	(1,588)	(871)	(853)	(683)	(905)	(1,180)
(Increase)/Decrease in working capital	(7,572)	(6,903)	(6,598)	(4,027)	(2,876)	944	(7,542)	(4,845)
(Increase)/Decrease in invested capital	(773)	(416)	(587)	(103)	(313)	(312)	(275)	(66)
FCF	(4,897)	(1,462)	(76)	(1,891)	429	590	(666)	(4,684)

(Increase)/Decrease in working capital based on CF statement	2012	2013	2014	1H13	2H13	1H14	2H14	1H15
Change in inventories	(7,633)	(7,837)	(6,890)	(1,957)	(5,880)	(6,763)	(127)	(2,418)
Change in accounts receivable	(3,024)	(5,080)	(1,427)	(3,243)	(1,837)	(2,093)	666	(366)
Change in accounts payable	4,074	4,880	1,184	1,478	3,402	10,135	8,951	(1,461)
Change in provisions	(992)	1,109	594	(317)	1,426	(324)	918	(600)
Change in other current assets	3	25	(59)	12	13	(11)	(48)	-
Working capital change	(7,572)	(6,903)	(6,598)	(4,027)	(2,876)	944	(7,542)	(4,845)

(Increase)/Decrease in invested capital based on CF statement	2012	2013	2014	1H13	2H13	1H14	2H14	1H15
Acquisition of PP&E	(844)	(431)	(653)	(160)	(271)	(364)	(289)	(95)
Proceeds from disposal of non-current assets	71	15	66	57	(42)	52	14	29
Invested capital change	(773)	(416)	(587)	(103)	(313)	(312)	(275)	(66)

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