



**ROSINTER**  
RESTAURANTS

# ROSINTER RESTAURANTS HOLDING Company Presentation

*VTB Capital*

*Investment Forum RUSSIA CALLING*



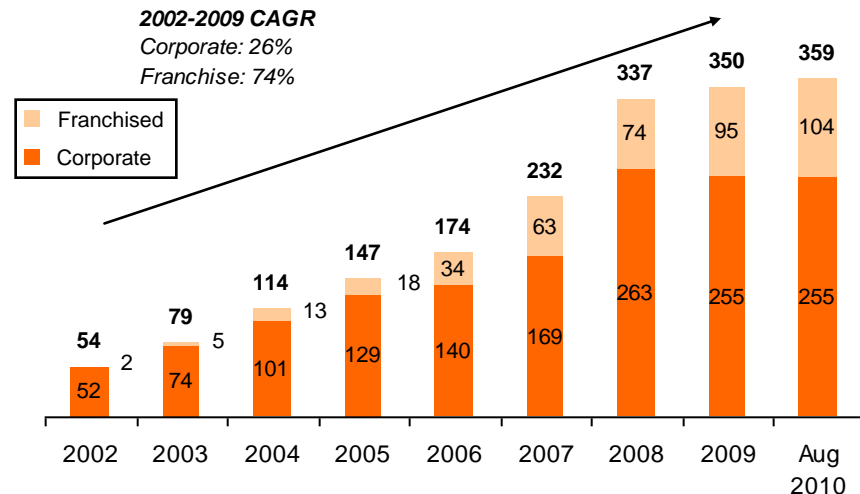
Moscow, 7 October 2010

This presentation contains "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", "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 presentation are provided as at the date of this presentation and are subject to change by the Company's own discretion without notice of any kind and form.

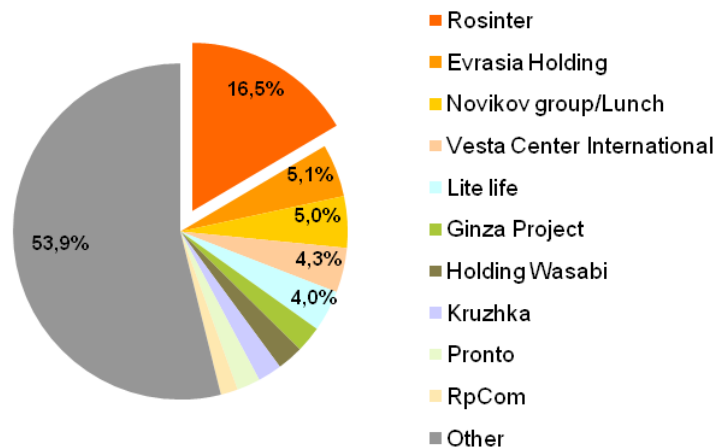
- 1. Rosinter in brief**
- 2. Russian restaurant market**
- 3. Strategic focus and 1H 2010 highlights**

- Leading Casual Dining operator and franchisor in Russia, CIS and the Baltic states with presence in 40 cities and 9 countries<sup>1</sup>
- 15 million guests (approx. 40,000 per day) in 2009 in our corporate restaurants
- 359 restaurants<sup>1</sup> (255 corporate and 104 franchised) + 26 Costa Coffee outlets
- Two proprietary brands IL Patio and Planet Sushi are segment leaders and among the most recognized brands in Russia
- Exclusive development rights for T.G.I. Friday's in 19 countries, including Russia and CIS

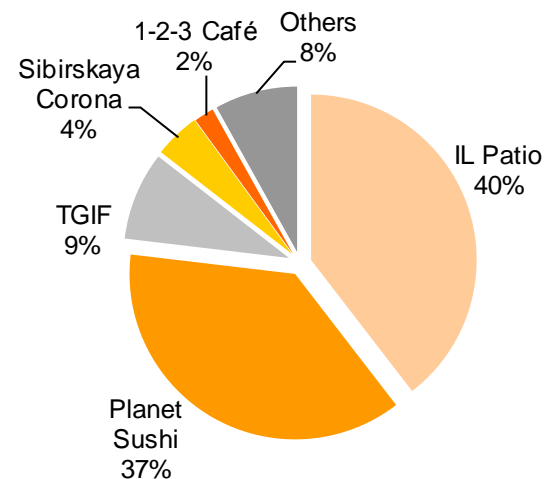
## Restaurant count growth



## Casual Dining chains in Russia<sup>2</sup>



## Locations by brand<sup>1</sup>



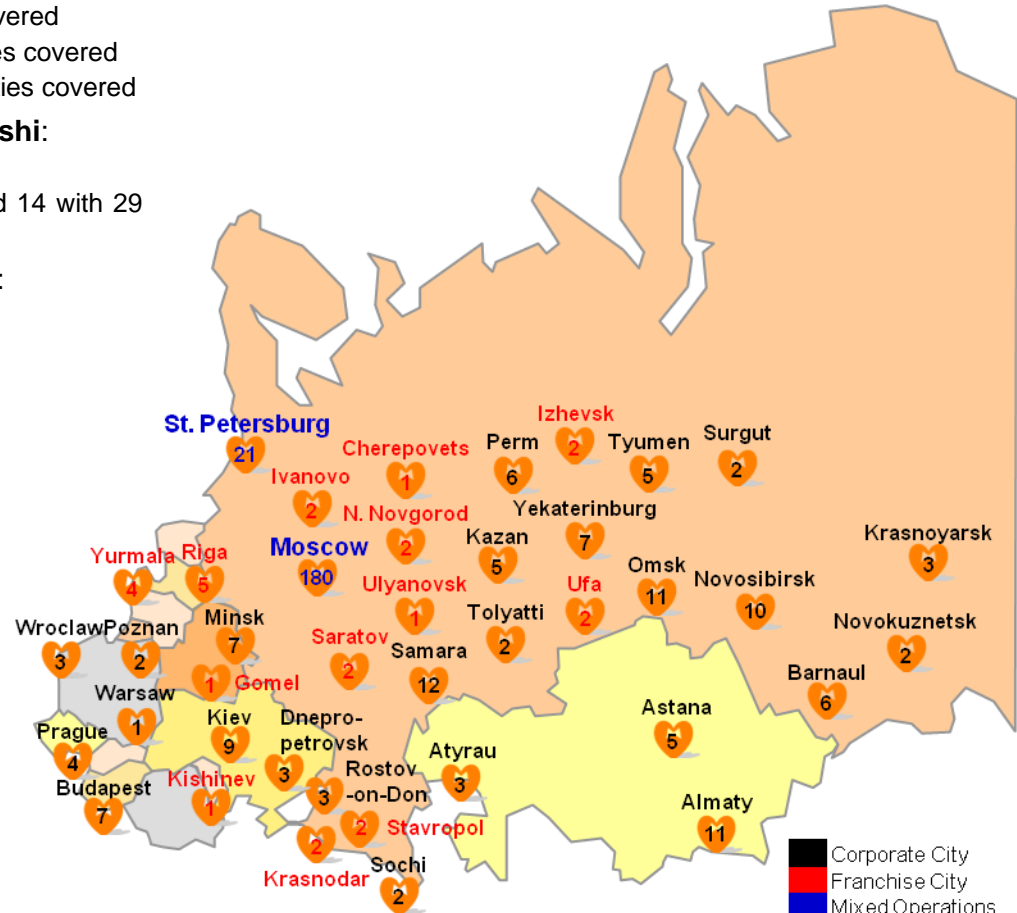
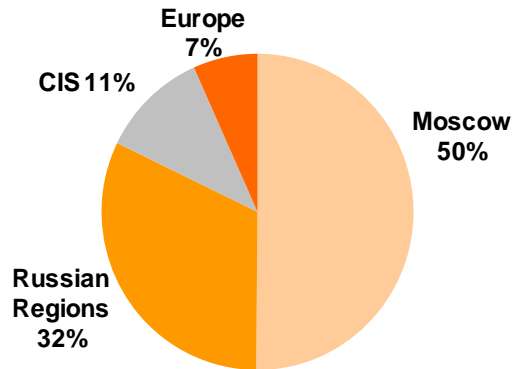
<sup>1</sup> As of 31 August 2010

<sup>2</sup> End of year 2009



- **Wide geographical presence with well recognized brands:**
  - IL Patio 4.9x next competitor in size and 7.6x in cities covered
  - Planet Sushi 1.5x next competitor in size and 1.6x in cities covered
  - T.G.I. Friday's 2.1x next competitor in size and 2.0x in cities covered
- **Robust franchise operations for IL Patio and Planet Sushi:**
  - 12 cities in addition to Moscow and Saint Petersburg
  - 28 franchise partners, 14 in Moscow with 75 stores and 14 with 29 stores in our other markets
- **Growing presence in airports and transportation areas:**
  - Pulkovo airport in Saint Petersburg
  - Sheremetievo airport new terminal D and terminal H
  - Domodedovo airport
  - Riga airport
  - Kursky Railway Station

Locations by region<sup>1</sup>



<sup>1</sup> As of 31 August 2010 and not including Costa Coffee outlets

## Board of Directors



**Rostislav Ordovsky-Tanaevsky Blanco**

**Founder and Chairman of the Board**

The first Russian businessman to be awarded Person of the Year award

Won the semi-final of the Ernst & Young Entrepreneur of the Year® contest in 2006

Rostislav was named Best Operator by Carlson Restaurants Worldwide Inc. for the development of T.G.I. Friday's chain

**Pedro M. Burelli**

Non Executive

Vice  
Chairman of  
the Board

**David Fitzjohn**

Non Executive

Chairman of  
Compensation  
Committee,  
Member of Audit  
Committee

**Vitaly Podolsky**

Non Executive

Member of  
Compensation  
Committee,  
Member of Audit  
Committee

**Marcus Rhodes**

Non Executive

Chairman of  
Audit Committee

**Vladimir Mekhrishvili**

Non Executive

Member of Audit  
Committee

**Richard Snead**

Non Executive

Member of  
Compensation  
Committee

**Maurice Worsfold**

Non Executive

Advisor



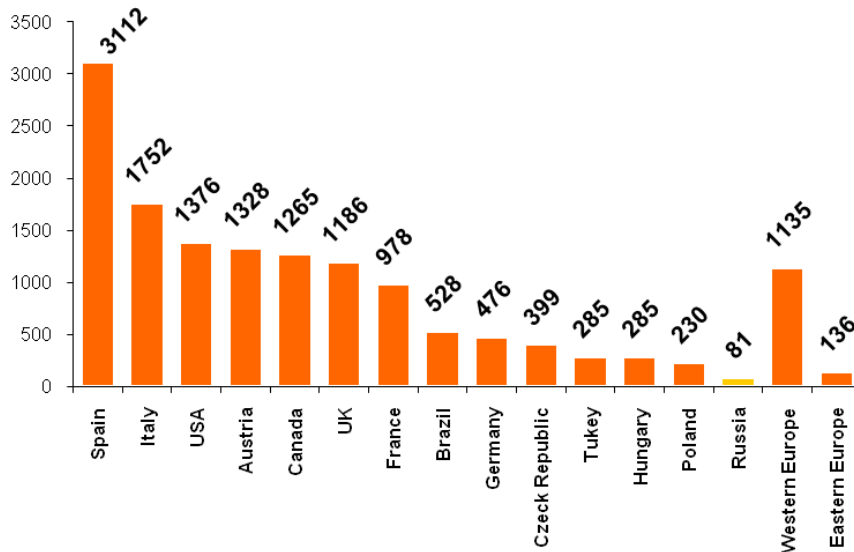
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## Market with a substantial growth potential

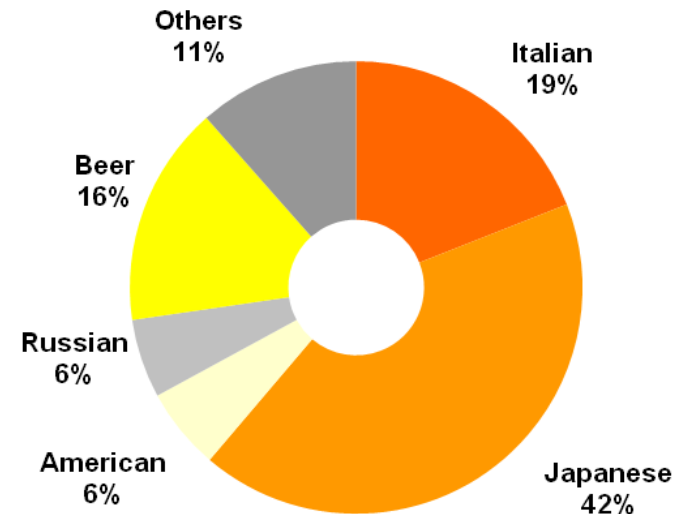


- **20 years ago:**  
A visit to a restaurant was their dream!
- **Today:**  
They come to restaurants to have breakfast, lunch, dinner!
- **Tomorrow:**  
It will be a part of their life!

Per Capita Annual Spending on Dining (USD), 2009



Russian Casual Dining Chains by Cuisine, 2009

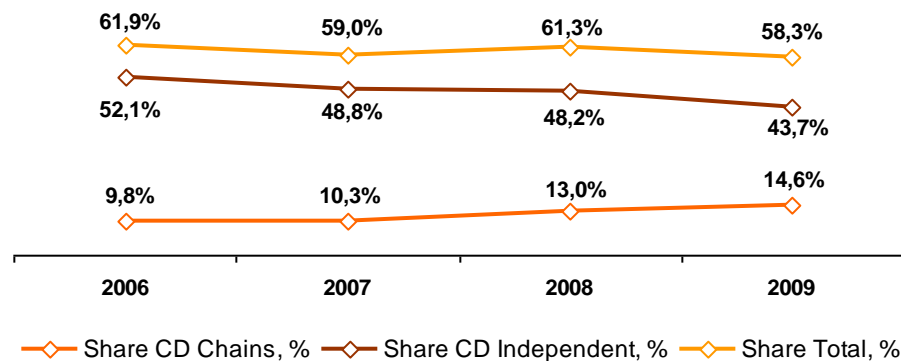
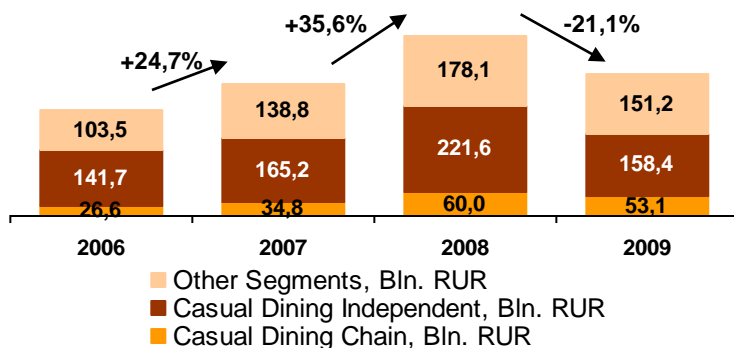




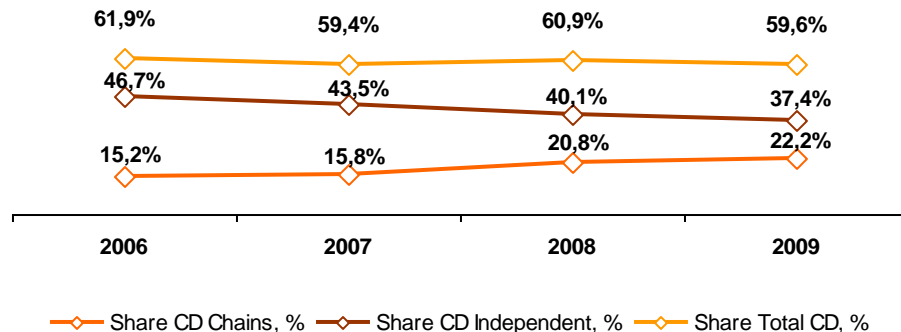
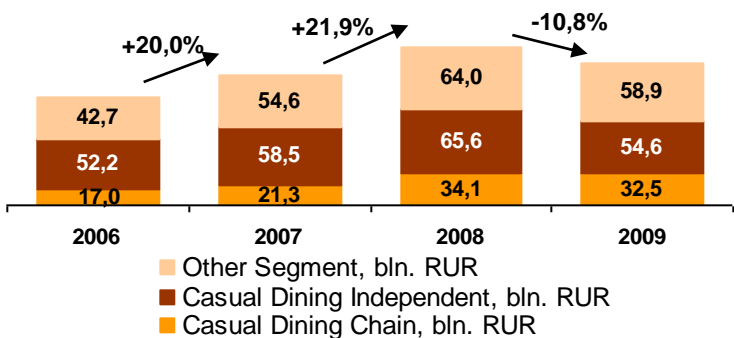
# We operate in a sizable and growing segment – CD Chains...

- After 2 years of high growth, in 2009 the restaurant market volume declined 10.8% in Moscow and 21.1% in Russia indicating significant rebound potential
- Casual dining segment has represented approximately a stable 60% of the market since 2006
- Casual-dining chains market share has been steadily growing in 2006-2009 at the expense of non-chain players

## Market Evolution - Russia

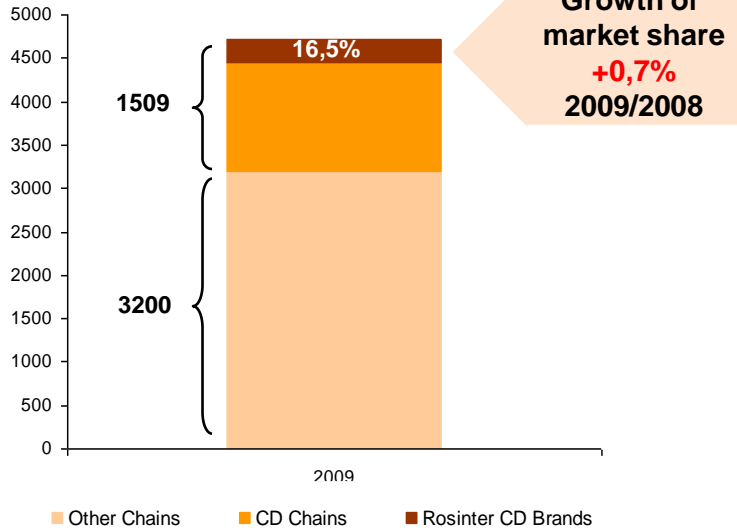


## Market Evolution - Moscow

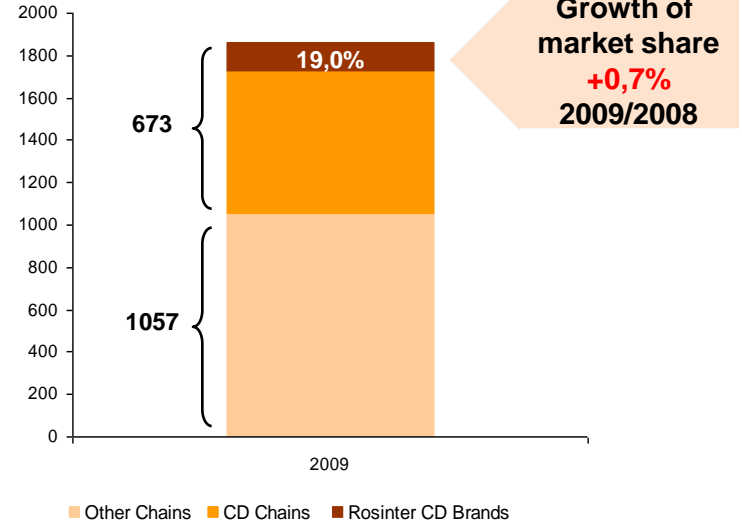


# ... and even in 2009 we managed to increase our market share

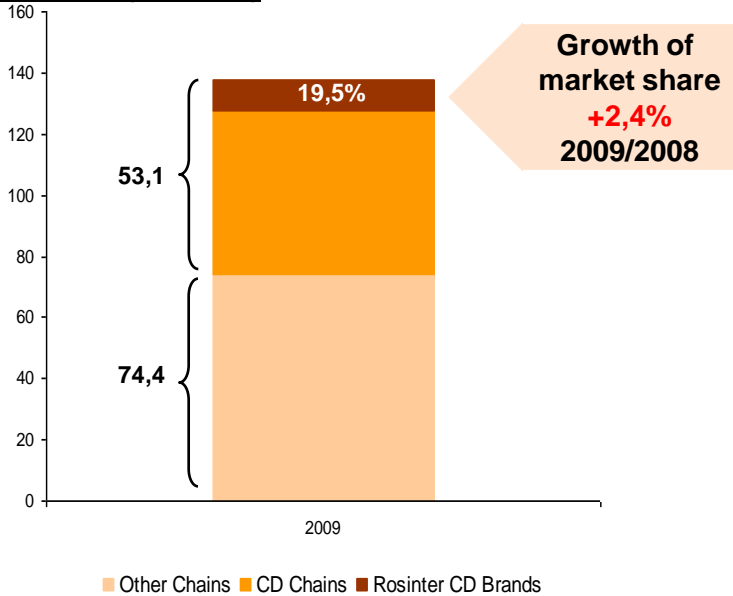
## Russia Chains (Outlets)



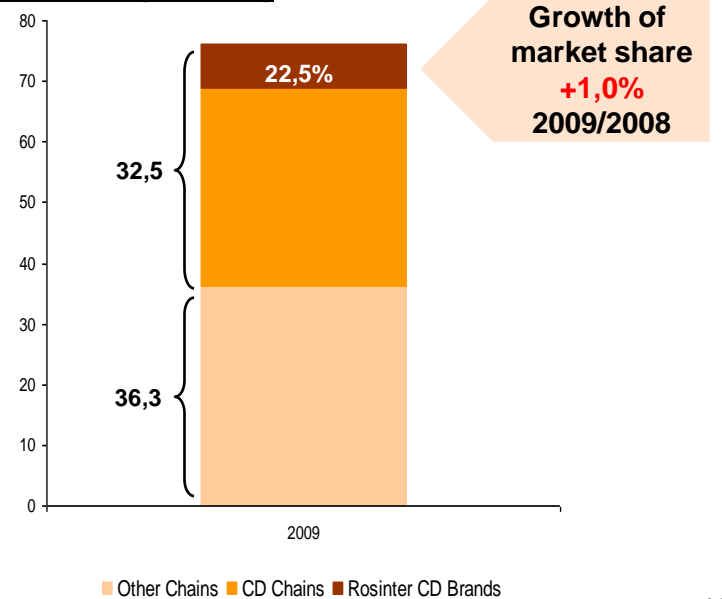
## Moscow Chains (Outlets)



## Russia Chains (RUB bln)



## Moscow Chains (RUB bln)



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## Current Business – Core focus areas

- Focus on strengthening our key brands: IL Patio, Planet Sushi and T.G.I. Friday's
- Focus on building revenue and traffic
- Operational efficiency
- Legal restructuring
- Liquidity and capital structure
- Team motivation

## Development

- Increasing Franchise Component
- Prioritize areas for Corporate development:
  - Selective corporate development in 2010 and building strong pipeline for future expansion
  - Increased development pace in 2011+

## New business areas

- Consolidation of leadership in F&B operations in transportation areas:
  - New Sheremetyevo airport Terminals D
  - Pulkovo Airport (Saint Petersburg)
  - TGIF in Sheremetyevo-2 Airport (Moscow)
  - TGIF in Riga Airport
  - Costa Coffee in Domodedovo Airport (Moscow)
- Russian cuisine as a future growth area

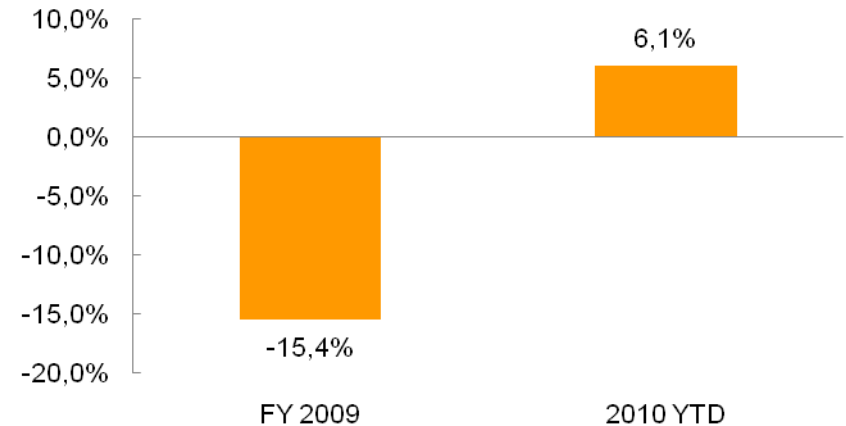
## In 1H 2010 we have been delivering on our strategic goals

- Operational and financial performance keeps positive trend
- Back to selective corporate development with franchise development delivering on targets
- New equity of US\$ 44.9 mln raised through SPO
- Debt and debt cost reduced
- Major steps of organizational and legal restructuring already completed
- Compensation plan with stock-based incentive plan launched

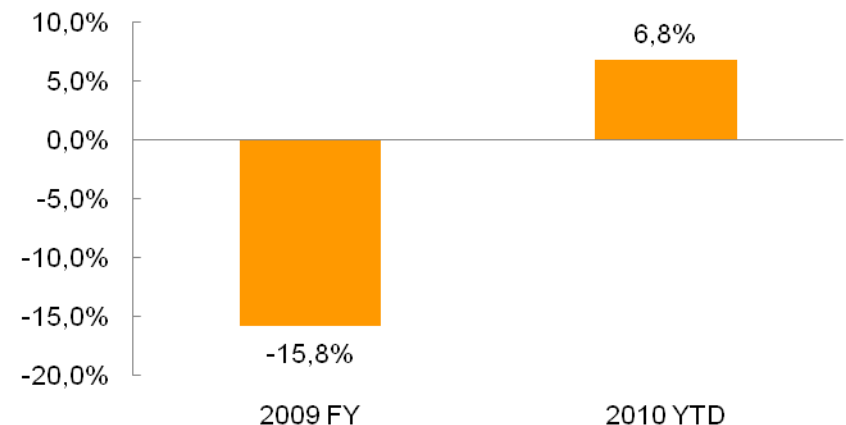
## Positive same store sales dynamics

- Same store sales increased by 6.1% in 2010 YTD on the back of ongoing economic recovery
- Traffic is the key driver of same store sales growth with 6.8% increase in 2010 YTD
- Average transaction remains nearly flat as the company did not make major revisions to its prices since mid-2008
- Despite the healthy growth in 2010 there is still significant room for growth in comparison with 2008 pre-crisis year

### Gross sales dynamics SSSG, %



### Number of transactions dynamics SSSG, %



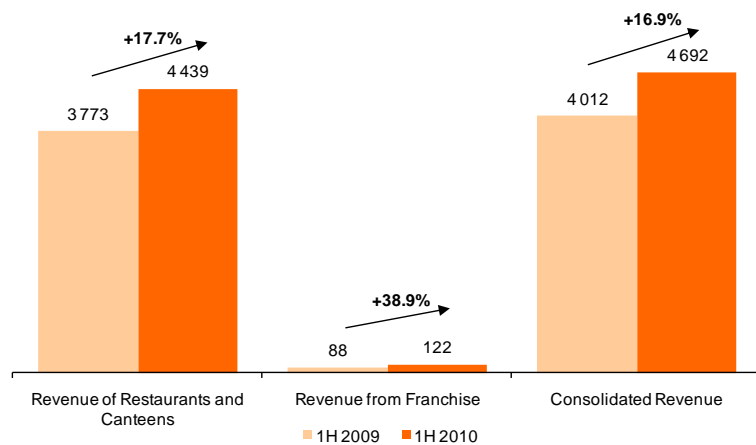
# Network expansion and strong development pipeline

- As a part of profitable growth strategy the Company has successfully started corporate development program following the completion of SPO
- In 2010 we have opened 21 restaurant (8 corporate and 13 franchised) YTD in high-priority markets
- We have 8 closings of non-performing corporate restaurants so far, including 2 non-core brands in Moscow, 3 restaurants in regions and 3 outlets in Europe
- As of today we have 12 corporate and 20 franchised restaurants under construction with a target openings this year and early next year.
- We commit to a strict focus on 3 core brands (IL Patio, Planet Sushi and TGIF) in our portfolio

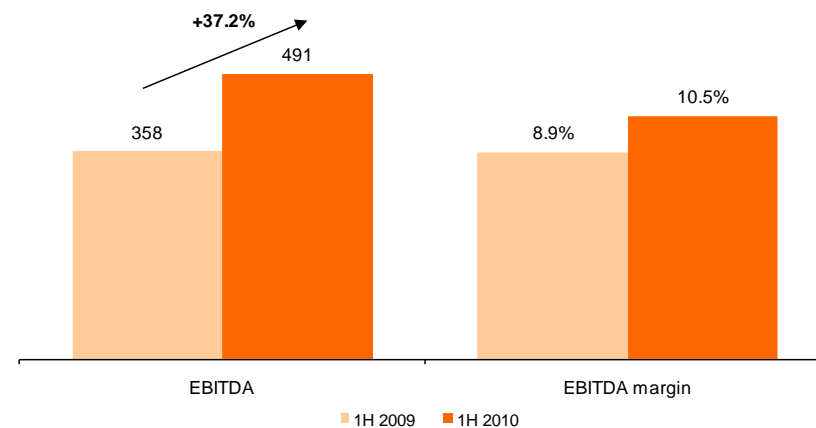
Restaurant Network Expansion				
	31.12.09	Openings	Closings	31.08.10
Corporate	255	8	8	255
Franchised	95	13	4	104
Total	350	21	12	359



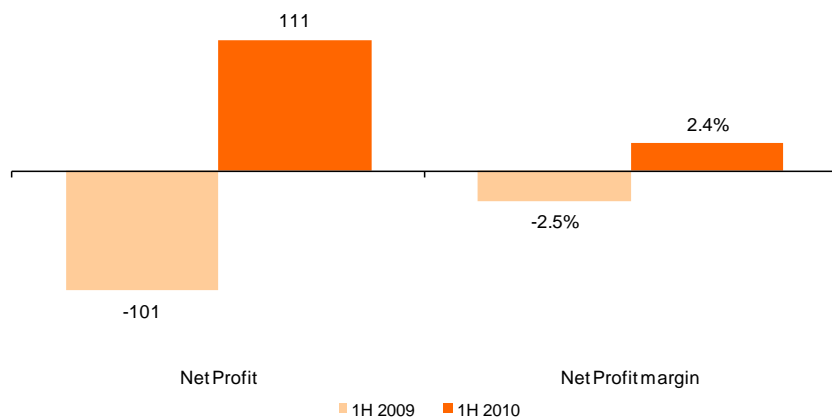
## Net Revenue, Rub mln



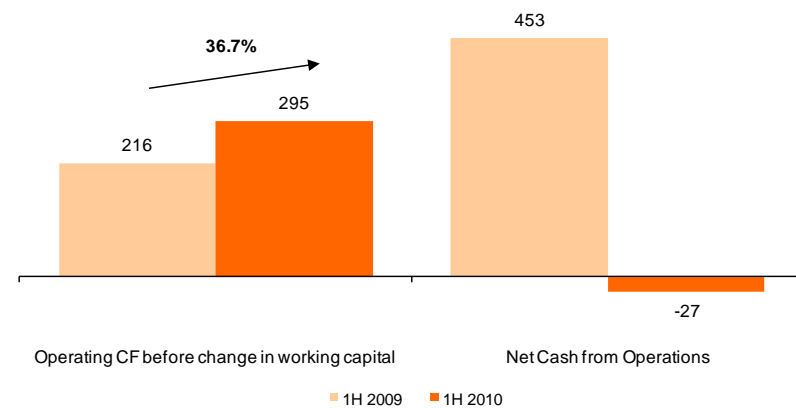
## EBITDA, Rub mln



## Net Profit, Rub mln



## Operating Cash Flow, Rub mln

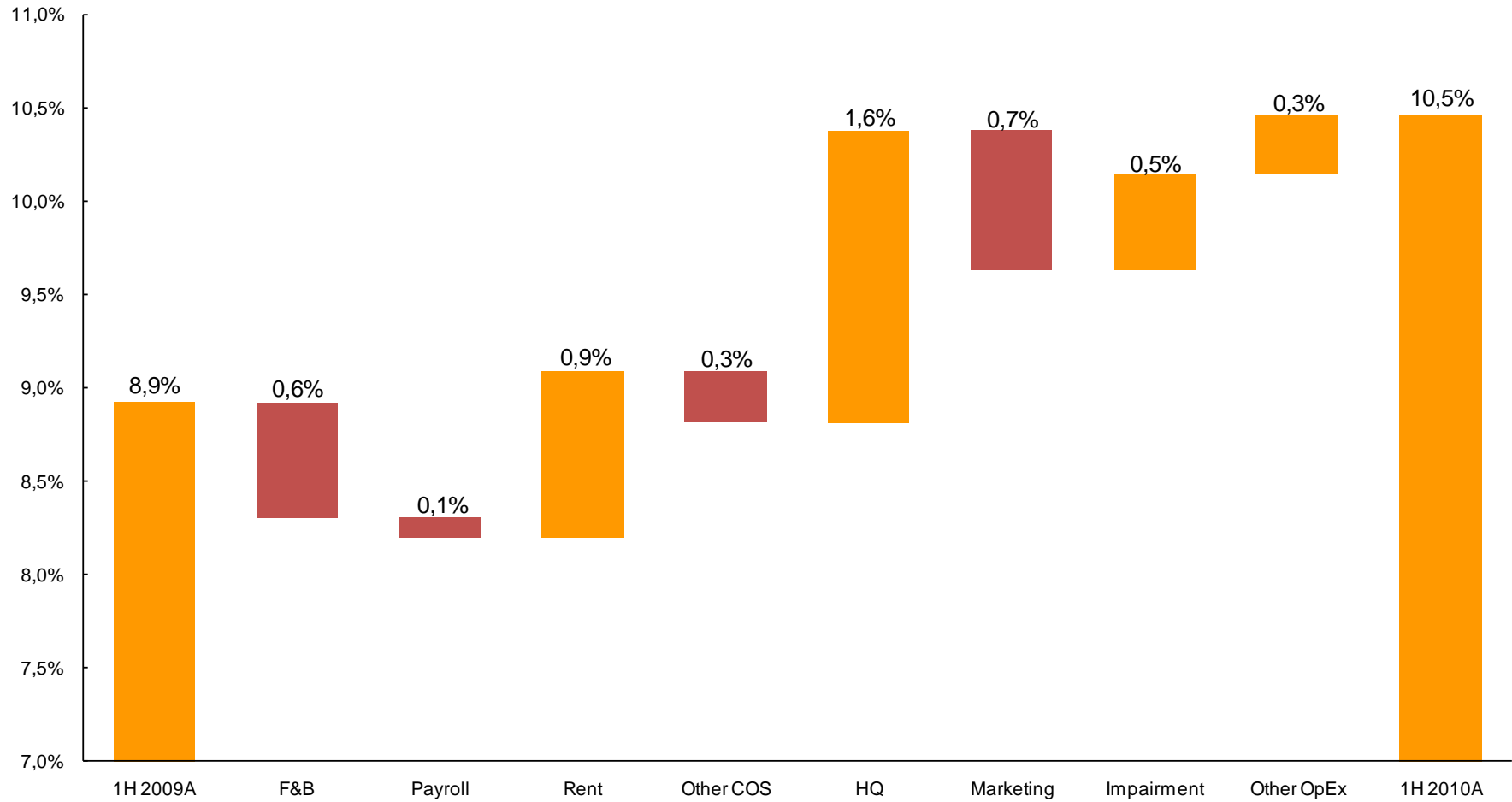




- Consolidated revenue increased by 16.9% following positive dynamics in SSSG and growing contribution of restaurants opened since 2H 2008
- Moderate increase in Gross profit margin was driven by savings in rent expenses partially invested in food and beverage cost
- SG&A expenses decreased by 1.1% as percentage of revenue driven by savings in payroll and rent expenses, partially offset by higher marketing expenses
- Decrease in debt level and interest rates resulted in reduction of financial expenses by 1.2% as percentage of revenue
- More stable US\$/RUB rate led to decrease in foreign exchange losses by 0.6% of revenue
- In first half 2010 the effective tax rate reached 29.2% to which contributed positively our ongoing legal restructuring

<i>(RUB thousand)</i>	1H 2010		1H 2009	
<b>Revenue</b>	<b>4 691 904</b>	<b>100,0%</b>	<b>4 011 944</b>	<b>100,0%</b>
Cost of sales	(3 568 300)	-76,1%	(3 070 874)	-76,5%
<b>Gross profit</b>	<b>1 123 604</b>	<b>23,9%</b>	<b>941 070</b>	<b>23,5%</b>
SG&A	(741 251)	-15,8%	(678 655)	-16,9%
Start-up expenses for new restaurants	(24 628)	-0,5%	(21 038)	-0,5%
Other operating expenses, net	(69 171)	-1,5%	(71 845)	-1,8%
<b>Profit from operating activities before impairment</b>	<b>288 554</b>	<b>6,2%</b>	<b>169 532</b>	<b>4,2%</b>
Reversal/(Losses) from impairment of operating assets	4 363	0,1%	(16 840)	-0,4%
<b>Profit from operating activities after impairment</b>	<b>292 917</b>	<b>6,2%</b>	<b>152 692</b>	<b>3,8%</b>
Financial expenses, net	(105 472)	-2,2%	(135 063)	-3,4%
Foreign exchange losses, net	(9 296)	-0,2%	(32 025)	-0,8%
Share of joint venture's and associates' losses	(21 275)	-0,5%	(11 388)	-0,3%
<b>Profit/(Loss) before income tax</b>	<b>156 874</b>	<b>3,3%</b>	<b>(25 784)</b>	<b>-0,6%</b>
Income tax expenses	(45 749)	-1,0%	(75 144)	-1,9%
<b>Net profit/(loss) for the year</b>	<b>111 125</b>	<b>2,4%</b>	<b>(100 928)</b>	<b>-2,5%</b>
<b>EBITDA</b>	<b>490 851</b>	<b>10,5%</b>	<b>357 797</b>	<b>8,9%</b>

# 1H 2010 EBITDA margin walk-forward

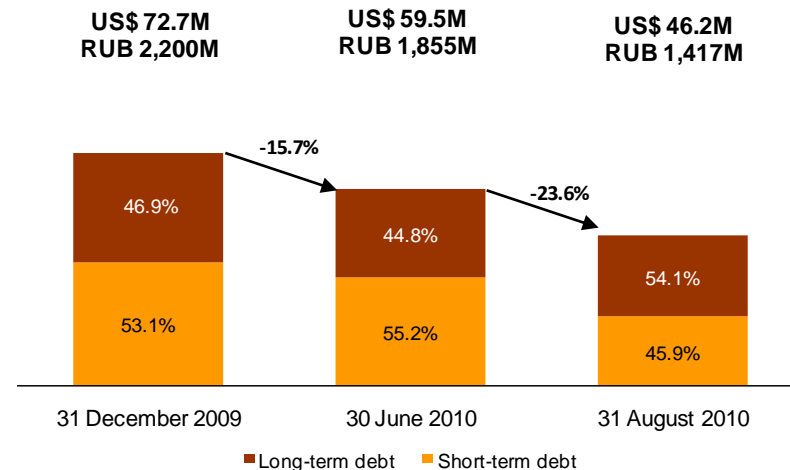


- Operating cash flow before changes in working capital increased by 36.7% in 1H 2010 as compared to 1H 2009
- Reduction of accounts payable allowed to rebalance working capital in 1H 2010
- Net cash used in investing activities increased 21.7% driven mainly by the number of openings in each period and an investment in acquiring shares in subsidiaries in amount of RUB 33.1 mln in 1H 2010
- As at June 30 2010, we had received RUB 776.1 mln as partial proceeds from SPO for the shares already subscribed and fully paid
- In 1H 2010 we used RUB 125.3 mln for purchase of treasury shares as part of Share Appreciation Rights Program (SARP) for key employees

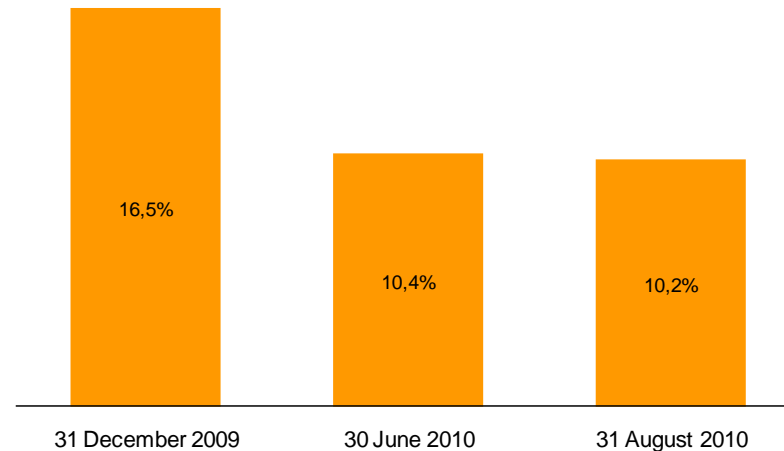
<i>(RUB thousand)</i>	1H 2010	1H 2009
<b>Operating Activities</b>	<b>(27 275)</b>	<b>452 927</b>
Operating cash flow before movements in working capital	294 780	215 604
Changes in working capital	(322 055)	237 323
<b>Investing Activities</b>	<b>(136 975)</b>	<b>(112 536)</b>
Net cash used in investing activities	(136 975)	(112 536)
<b>Financing Activities</b>	<b>262 782</b>	<b>(346 892)</b>
Net cash from/(used in) financing activities	264 430	(343 250)
Effect of exchange rate on cash and cash equivalents	(1 648)	(3 642)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>98 532</b>	<b>(6 501)</b>
Cash and cash equivalents, bop	113 243	174 334
<b>Cash and cash equivalents, eop</b>	<b>211 775</b>	<b>167 833</b>

- In 1H 2010 Gross debt decreased by 15.7% to RUB 1,855 mln, leading to a Net debt/EBITDA of 1.89x as at 30 June 2010 in comparison with 2.97x as at 31 December 2009
- In order to secure access to long-term financing our Company has registered on MICEX a bond issue for a nominal amount of 1,500 million rubles
- We have committed to a long-term corporate credit rating regular process, which led recently to a “B-“ rating initiation by Standard&Poor’s with stable outlook

## Debt Portfolio Reduction<sup>1</sup>



## Average Interest Rates



<sup>1</sup> Management accounts as of August 31, 2010

## Investor Relations Team

**Ilya Nemirovskiy**

Head of Investor Relations

**Alexey Teslo-Danilov**

Investor Relations

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