

# **RBC Group**

**Interim Condensed Consolidated  
Financial Information**  
For the six months ended 30 June 2013

# RBC GROUP

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## **INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

To Shareholders and Board of Directors of OJSC RBC:

### *Introduction*

We have reviewed the accompanying interim condensed consolidated statement of financial position of OJSC RBC and its subsidiaries (the "Group") as at 30 June 2013 and the related interim condensed consolidated statements of profit or loss and other comprehensive loss, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

### *Scope of Review*

We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34, Interim Financial Reporting.

### *Emphasis of Matter*

Without qualifying our opinion, we draw attention to Note 2 (c), which indicates that as at 30 June 2013 the group had negative net assets of 4,124 Mln RUB and working capital deficit of 7,395 Mln RUB due to non-compliance with certain loan agreement covenants. These facts raise substantial doubt about the Group's ability to continue as a going concern without financial support. Management's plans in regard to these matters are also discussed in Note 2 (c) to the condensed consolidated financial information.

### *Other Matters*

We draw attention to the fact that USD amounts in the accompanying interim condensed consolidated financial information, which are presented solely for the convenience of the users as described in Note 2 (b), do not form a part of the interim condensed consolidated financial information, and accordingly, we do not express any assurance on it.

We also draw attention to the fact that information included in Note 25 in the accompanying interim condensed consolidated financial information is a non-GAAP measure and does not form part of the interim condensed consolidated financial information and, accordingly, we do not express any assurance on it.



Moscow, Russia  
23 September 2013

# RBC GROUP

## UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE LOSS FOR SIX MONTHS ENDED 30 JUNE 2013

|  | Note | Six months ended        |                         |
|--|------|-------------------------|-------------------------|
|  |      | 30 June 2013<br>Mln RUB | 30 June 2012<br>Mln RUB |
| Revenue  | 5    | 2,445                   | 2,252                   |
| Cost of sales  | 6    | (1,813)                 | (1,570)                 |
| <b>Gross profit</b>  |      | <b>632</b>              | <b>682</b>              |
| Other income   |      | 13                      | 4                       |
| Selling expenses   | 8    | (560)                   | (680)                   |
| Administrative expenses  | 7    | (280)                   | (259)                   |
| Other expenses   |      | (22)                    | (53)                    |
| <b>Loss from operating activities</b>  |      | <b>(217)</b>            | <b>(306)</b>            |
| Financial income   | 9    | 47                      | 17                      |
| Financial expenses   | 9    | (228)                   | (266)                   |
| Loss on foreign exchange differences, net                                    |      | (502)                   | (123)                   |
| Share of (loss)/ profit of associates and joint ventures (net of income tax) | 13   | (6)                     | 13                      |
| <b>Loss before income tax</b>  |      | <b>(906)</b>            | <b>(665)</b>            |
| Income tax benefit   |      | 67                      | 177                     |
| <b>Discontinued operations</b>   |      |                         |                         |
| (Loss)/ profit for the period from discontinued operations                   |      | (21)                    | 18                      |
| <b>Loss for the period</b>   |      | <b>(860)</b>            | <b>(470)</b>            |
| <b>Other comprehensive loss</b>  |      |                         |                         |
| Items that will be reclassified subsequently to profit or loss               |      |                         |                         |
| Foreign currency translation differences for foreign operations              |      | -                       | (2)                     |
| <b>Other comprehensive loss for the period, net of income tax</b>            |      | <b>-</b>                | <b>(2)</b>              |
| <b>Total comprehensive loss for the period</b>                               |      | <b>(860)</b>            | <b>(472)</b>            |
| <b>(Loss)/ profit attributable to:</b>                                       |      |                         |                         |
| Shareholders of the Company  |      | (853)                   | (473)                   |
| Non-controlling interest   |      | (7)                     | 3                       |
| <b>Loss for the period</b>   |      | <b>(860)</b>            | <b>(470)</b>            |
| <b>Total comprehensive (loss) /income attributable to:</b>                   |      |                         |                         |
| Shareholders of the Company  |      | (853)                   | (475)                   |
| Non-controlling interest   |      | (7)                     | 3                       |
| <b>Total comprehensive loss for the period</b>                               |      | <b>(860)</b>            | <b>(472)</b>            |
| Loss per share (in RUB per share)  | 20   | (2.36)                  | (1.47)                  |

The Notes on pages 9 to 41 form are an integral part of this interim condensed consolidated financial information.

This interim condensed consolidated financial information for six months ended 30 June 2013 was approved by management on 23 September 2013 and signed on its behalf by:

Chief Executive Officer

Sergey Lavrukhin

Deputy General Director of Finance

Evgeny Shishkov

\* The USD equivalent figures are provided for information purposes only and do not form part of the unaudited interim condensed consolidated financial information – refer to Note 2(b).

# RBC GROUP

## UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE LOSS FOR SIX MONTHS ENDED 30 JUNE 2013

|   | Note | Six months ended         |                          |
|---|------|--------------------------|--------------------------|
|   |      | 30 June 2013<br>Mln USD* | 30 June 2012<br>Mln USD* |
| Revenue   | 5    | 75                       | 69                       |
| Cost of sales   | 6    | (55)                     | (48)                     |
| <b>Gross profit</b>   |      | <b>20</b>                | <b>21</b>                |
| Other income  |      | -                        | -                        |
| Selling expenses  | 8    | (17)                     | (21)                     |
| Administrative expenses   | 7    | (9)                      | (8)                      |
| Other expenses  |      | (1)                      | (2)                      |
| <b>Loss from operating activities</b>   |      | <b>(7)</b>               | <b>(10)</b>              |
| Financial income  | 9    | 1                        | 1                        |
| Financial expenses  | 9    | (7)                      | (8)                      |
| Loss on foreign exchange differences, net                                       |      | (15)                     | (4)                      |
| Share of (loss)/ profit of associates and joint ventures<br>(net of income tax) | 13   | -                        | -                        |
| <b>Loss before income tax</b>   |      | <b>(28)</b>              | <b>(21)</b>              |
| Income tax benefit  |      | 2                        | 5                        |
| <b>Discontinued operations</b>  |      |                          |                          |
| (Loss)/ profit for the period from discontinued operations                      |      | (1)                      | 1                        |
| <b>Loss for the period</b>  |      | <b>(27)</b>              | <b>(15)</b>              |
| <b>Other comprehensive loss</b>   |      |                          |                          |
| Items that will be reclassified subsequently to profit or loss                  |      |                          |                          |
| Foreign currency translation differences for foreign operations                 |      | -                        | -                        |
| <b>Other comprehensive loss for the period, net of income tax</b>               |      | <b>-</b>                 | <b>-</b>                 |
| <b>Total comprehensive loss for the period</b>                                  |      | <b>(27)</b>              | <b>(15)</b>              |
| <b>(Loss) / profit attributable to:</b>   |      |                          |                          |
| Shareholders of the Company   |      | (27)                     | (15)                     |
| Non-controlling interest  |      | -                        | -                        |
| <b>Loss for the period</b>  |      | <b>(27)</b>              | <b>(15)</b>              |
| <b>Total comprehensive (loss)/ income attributable to:</b>                      |      |                          |                          |
| Shareholders of the Company   |      | (27)                     | (15)                     |
| Non-controlling interest  |      | -                        | -                        |
| <b>Total comprehensive loss for the period</b>                                  |      | <b>(27)</b>              | <b>(15)</b>              |
| Loss per share (in USD per share)   | 20   | (0.07)                   | (0.05)                   |

The Notes on pages 9 to 41 form are an integral part of this interim condensed consolidated financial information.

\* The USD equivalent figures are provided for information purposes only and do not form part of the unaudited interim condensed consolidated financial information – refer to Note 2(b).

# RBC GROUP

## UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

|   | Note | 30 June<br>2013<br>Mln RUB | 31 December<br>2012<br>Mln RUB | 30 June<br>2013<br>Mln USD* | 31 December<br>2012<br>Mln USD* |
|---|------|----------------------------|--------------------------------|-----------------------------|---------------------------------|
| <b>ASSETS</b>   |      |                            |                                |                             |                                 |
| <b>Non-current assets</b>   |      |                            |                                |                             |                                 |
| Property, plant and equipment   | 11   | 429                        | 448                            | 13                          | 14                              |
| Intangible assets   | 12   | 2,429                      | 2,436                          | 74                          | 74                              |
| Investments in associates and joint ventures                            | 13   | 98                         | 123                            | 3                           | 4                               |
| Deferred tax assets   |      | 259                        | 187                            | 8                           | 6                               |
| Other investments   |      | 155                        | 155                            | 5                           | 5                               |
| Other non-current assets  |      | 103                        | 99                             | 3                           | 3                               |
| <b>Total non-current assets</b>   |      | <b>3,473</b>               | <b>3,448</b>                   | <b>106</b>                  | <b>106</b>                      |
| <b>Current assets</b>   |      |                            |                                |                             |                                 |
| Inventories   |      | 22                         | 26                             | 1                           | 1                               |
| Other investments   |      | 7                          | 8                              | -                           | -                               |
| Income tax receivable   |      | 15                         | 14                             | -                           | -                               |
| Trade and other receivables   | 14   | 1,207                      | 1,268                          | 37                          | 39                              |
| Cash and cash equivalents   |      | 481                        | 508                            | 15                          | 16                              |
| Assets classified as held for sale                                      | 10   | 302                        | 328                            | 9                           | 10                              |
| <b>Total current assets</b>   |      | <b>2,034</b>               | <b>2,152</b>                   | <b>62</b>                   | <b>66</b>                       |
| <b>Total assets</b>   |      | <b>5,507</b>               | <b>5,600</b>                   | <b>168</b>                  | <b>172</b>                      |
| <b>EQUITY AND LIABILITIES</b>   |      |                            |                                |                             |                                 |
| <b>Equity</b>   |      |                            |                                |                             |                                 |
| Share capital   |      | -                          | -                              | -                           | -                               |
| Share premium   | 19   | 3,281                      | 3,281                          | 100                         | 100                             |
| Treasury shares   | 19   | (631)                      | (631)                          | (19)                        | (19)                            |
| Translation reserve   |      | (7)                        | (7)                            | -                           | -                               |
| Accumulated losses  |      | (6,791)                    | (5,941)                        | (208)                       | (182)                           |
| <b>Total equity attributable to shareholders of the Company</b>         |      | <b>(4,148)</b>             | <b>(3,298)</b>                 | <b>(127)</b>                | <b>(101)</b>                    |
| Non-controlling interest  |      | 24                         | 29                             | 1                           | 1                               |
| <b>Total equity</b>   |      | <b>(4,124)</b>             | <b>(3,269)</b>                 | <b>(126)</b>                | <b>(100)</b>                    |
| <b>Non-current liabilities</b>  |      |                            |                                |                             |                                 |
| Derivative financial liability  |      | 15                         | 43                             | -                           | 1                               |
| Deferred tax liabilities  |      | 187                        | 188                            | 6                           | 6                               |
| <b>Total non-current liabilities</b>                                    |      | <b>202</b>                 | <b>231</b>                     | <b>6</b>                    | <b>7</b>                        |
| <b>Current liabilities</b>  |      |                            |                                |                             |                                 |
| Loans and borrowings  | 15   | 7,699                      | 6,958                          | 235                         | 213                             |
| Trade and other payables  | 18   | 1,311                      | 1,294                          | 40                          | 40                              |
| Income tax payable  |      | 1                          | 1                              | -                           | -                               |
| Provisions  | 17   | 304                        | 288                            | 10                          | 9                               |
| Liabilities directly associated with assets classified as held for sale | 10   | 114                        | 97                             | 3                           | 3                               |
| <b>Total current liabilities</b>  |      | <b>9,429</b>               | <b>8,638</b>                   | <b>288</b>                  | <b>265</b>                      |
| <b>Total liabilities</b>  |      | <b>9,631</b>               | <b>8,869</b>                   | <b>294</b>                  | <b>272</b>                      |
| <b>Total equity and liabilities</b>                                     |      | <b>5,507</b>               | <b>5,600</b>                   | <b>168</b>                  | <b>172</b>                      |

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# RBC GROUP

## UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR SIX MONTHS ENDED 30 JUNE 2013

|  | Six months ended        |                         | Six months ended         |                          |
|--|-------------------------|-------------------------|--------------------------|--------------------------|
|  | 30 June 2013<br>Mln RUB | 30 June 2012<br>Mln RUB | 30 June 2013<br>Mln USD* | 30 June 2012<br>Mln USD* |
| <b>OPERATING ACTIVITIES</b>  |                         |                         |                          |                          |
| <b>Loss for the period</b>   | (860)                   | (470)                   | (27)                     | (15)                     |
| <i>Adjustments for:</i>  |                         |                         |                          |                          |
| Depreciation and amortization  | 256                     | 184                     | 8                        | 6                        |
| Unrealized foreign exchange loss   | 502                     | 123                     | 15                       | 4                        |
| Loss on disposal of property, plant and equipment and intangible assets  | 1                       | 13                      | -                        | -                        |
| Gain on disposal of investments  | -                       | 3                       | -                        | -                        |
| Share of loss / (profit) of associates and joint ventures                | 6                       | (13)                    | -                        | -                        |
| (Reversal of loss) / impairment loss on accounts receivable              | (1)                     | 21                      | -                        | 1                        |
| Advertising provided as investment                                       | -                       | -                       | -                        | -                        |
| Change in provisions, other than income tax                              | 17                      | 45                      | 1                        | 1                        |
| Effect from change of fair value of liability derivatives, (gain) / loss | (28)                    | 52                      | (1)                      | 2                        |
| Interest expense   | 227                     | 211                     | 7                        | 6                        |
| Interest income  | (11)                    | (17)                    | -                        | (1)                      |
| Income tax benefit   | (67)                    | (177)                   | (2)                      | (5)                      |
| <b>Operating profit / (loss) before changes in working capital</b>       | <b>42</b>               | <b>(25)</b>             | <b>1</b>                 | <b>(1)</b>               |
| Decrease (increase) in inventories                                       | 5                       | (13)                    | -                        | -                        |
| Decrease in trade and other receivables                                  | 14                      | 59                      | -                        | 2                        |
| Increase in trade and other payables                                     | 161                     | 226                     | 5                        | 7                        |
| Decrease in assets held for sale   | 26                      | -                       | 1                        | -                        |
| Increase in other assets   | -                       | -                       | -                        | -                        |
| <b>Cash flows from operations before income taxes and interest paid</b>  | <b>248</b>              | <b>247</b>              | <b>7</b>                 | <b>8</b>                 |
| Income taxes paid  | (20)                    | (30)                    | (1)                      | (1)                      |
| Interest paid  | (144)                   | (131)                   | (4)                      | (4)                      |
| <b>Cash flows from operating activities</b>                              | <b>84</b>               | <b>86</b>               | <b>2</b>                 | <b>3</b>                 |
| <b>INVESTING ACTIVITIES</b>  |                         |                         |                          |                          |
| Loans granted  | -                       | (2)                     | -                        | -                        |
| Other income   | 11                      | 16                      | -                        | -                        |
| Acquisition of property, plant and equipment                             | (38)                    | (43)                    | (1)                      | (1)                      |
| Acquisition of intangible assets   | (226)                   | (129)                   | (7)                      | (4)                      |
| Acquisition of subsidiaries, net of cash acquired                        | (19)                    | (754)                   | (1)                      | (23)                     |
| <b>Cash flows used in investing activities</b>                           | <b>(272)</b>            | <b>(912)</b>            | <b>(9)</b>               | <b>(28)</b>              |
| <b>FINANCING ACTIVITIES</b>  |                         |                         |                          |                          |
| Proceeds from issue of additional capital                                | -                       | 935                     | -                        | 29                       |
| Proceeds from borrowings   | 223                     | -                       | 7                        | -                        |
| Repayment of borrowings  | (62)                    | (5)                     | (2)                      | -                        |
| <b>Cash flows from financing activities</b>                              | <b>161</b>              | <b>930</b>              | <b>5</b>                 | <b>29</b>                |
| <b>Net (decrease) / increase in cash and cash equivalents</b>            | <b>(27)</b>             | <b>104</b>              | <b>(1)</b>               | <b>3</b>                 |
| Cash and cash equivalents at beginning of the period                     | 508                     | 713                     | 16                       | 22                       |
| Cash and cash equivalents at end of the period                           | 481                     | 817                     | 15                       | 25                       |

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# RBC GROUP

## UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR SIX MONTHS ENDED 30 JUNE 2013

| MIn RUB   | Attributable to shareholders of the Company |               |                 |                     |                  | Non-controlling interest | Total equity   |
|---|---|---------------|-----------------|---------------------|------------------|--------------------------|----------------|
|   | Share capital                               | Share premium | Treasury shares | Translation reserve | Accumulated loss |                          |                |
| Balance at 1 January 2013   | -   | 3,281         | (631)           | (7)                 | (5,941)          | 29                       | (3,269)        |
| Loss for the period   | -   | -             | -               | -                   | (853)            | (7)                      | (860)          |
| <b>Total comprehensive loss for the period</b>                                      | -   | -             | -               | -                   | (853)            | (7)                      | (860)          |
| <b>Transactions with owners recorded directly in equity:</b>                        |   |               |                 |                     |                  |                          |                |
| Acquisition of non-controlling interest   | -   | -             | -               | -                   | 3                | -                        | 3              |
| Non-controlling interest arising on business combination                            | -   | -             | -               | -                   | -                | 2                        | 2              |
| <b>Total transactions with owners of the company, recognized directly in equity</b> | -   | -             | -               | -                   | 3                | 2                        | 5              |
| <b>Balance at 30 June 2013</b>  | -   | <b>3,281</b>  | <b>(631)</b>    | <b>(7)</b>          | <b>(6,791)</b>   | <b>24</b>                | <b>(4,124)</b> |
| <b>MIn USD*</b>   |   |               |                 |                     |                  |                          |                |
| Balance at 1 January 2013   | -   | 100           | (19)            | -                   | (182)            | 1                        | (100)          |
| Loss for the period   | -   | -             | -               | -                   | (27)             | -                        | (27)           |
| <b>Total comprehensive loss for the period</b>                                      | -   | -             | -               | -                   | (27)             | -                        | (27)           |
| <b>Transactions with owners recorded directly in equity:</b>                        |   |               |                 |                     |                  |                          |                |
| Acquisition of non-controlling interest   | -   | -             | -               | -                   | -                | -                        | -              |
| Non-controlling interest arising on business combination                            | -   | -             | -               | -                   | -                | -                        | -              |
| <b>Total transactions with owners of the company, recognized directly in equity</b> | -   | -             | -               | -                   | -                | -                        | -              |
| <b>Balance at 30 June 2013</b>  | -   | <b>100</b>    | <b>(19)</b>     | -                   | <b>(209)</b>     | <b>1</b>                 | <b>(126)</b>   |

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# RBC GROUP

## UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED) FOR SIX MONTHS ENDED 30 JUNE 2013

| MIn RUB   | Attributable to shareholders of the Company |               |                 |                     |                  | Non-controlling interest | Total equity |
|---|---|---------------|-----------------|---------------------|------------------|--------------------------|--------------|
|   | Share capital                               | Share premium | Treasury shares | Translation reserve | Accumulated loss |                          |              |
| <b>Balance at 1 January 2012</b>  | -   | 2,346         | (631)           | (6)                 | (6,165)          | 34                       | (4,422)      |
| Profit/(loss) for the period  | -   | -             | -               | -                   | (473)            | 3                        | (470)        |
| <b>Other comprehensive income</b>   |   |               |                 |                     |                  |                          |              |
| Foreign currency translation differences for<br>foreing operations                      | -   | -             | -               | (2)                 | -                | -                        | (2)          |
| <b>Total other comprehensive income</b>   | -   | -             | -               | (2)                 | -                | -                        | (2)          |
| <b>Total comprehensive income/(loss) for<br/>the period</b>                             | -   | -             | -               | (2)                 | (473)            | 3                        | (472)        |
| <b>Transactions with owners recorded<br/>directly in equity</b>                         |   |               |                 |                     |                  |                          |              |
| Proceeds from share issue   | -   | 935           | -               | -                   | -                | -                        | 935          |
| <b>Total transactions with owners of the<br/>company, recognized directly in equity</b> | -   | 935           | -               | -                   | -                | -                        | 935          |
| <b>Balance at 30 June 2012</b>  | -   | 3,281         | (631)           | (8)                 | (6,638)          | 37                       | (3,959)      |
| <b>MIn USD*</b>   |   |               |                 |                     |                  |                          |              |
| <b>Balance at 1 January 2012</b>  | -   | 72            | (19)            | -                   | (188)            | 1                        | (134)        |
| Profit/(loss) for the period  | -   | -             | -               | -                   | (15)             | -                        | (15)         |
| <b>Other comprehensive income</b>   |   |               |                 |                     |                  |                          |              |
| Foreign currency translation differences for<br>foreing operations                      | -   | -             | -               | -                   | -                | -                        | -            |
| <b>Total other comprehensive income</b>   | -   | -             | -               | -                   | -                | -                        | -            |
| <b>Total comprehensive income/(loss) for<br/>the period</b>                             | -   | -             | -               | -                   | (15)             | -                        | (15)         |
| <b>Transactions with owners recorded<br/>directly in equity</b>                         |   |               |                 |                     |                  |                          |              |
| Proceeds from share issue   | -   | 29            | -               | -                   | -                | -                        | 29           |
| <b>Total transactions with owners of the<br/>company, recognized directly in equity</b> | -   | 29            | -               | -                   | -                | -                        | 29           |
| <b>Balance at 30 June 2012</b>  | -   | 101           | (19)            | -                   | (203)            | 1                        | (120)        |

The Notes on pages 9 to 41 form are an integral part of this interim condensed consolidated financial information.

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### 1. BACKGROUND

#### Organization and operations

OJSC RBC (“the Company”) and its subsidiaries (together referred to as “the Group”) comprise the companies registered in accordance with the Civil Code of the Russian Federation, and the companies registered and operating abroad.

OJSC RBC was established in May 2005 as a closed joint-stock company. It was reorganized to an open joint-stock company in 2010. The shares of the Company are traded in the Russian Federation on the OJSC MICEX-RTS stock exchange.

The Company’s registered office is located at: 117393, Russian Federation, Moscow, Profsoyuznaya Street, 78.

The Group’s principal activities are advertising, provision of information services, operation of a business TV channel, printing publications, internet hosting services and domain registration. These services and products are sold in the Russian Federation and abroad.

As at 30 June 2013, 31 December 2012 and 30 June 2012 Mr. Mikhail D. Prokhorov was the ultimate beneficiary of the Company.

In April 2012 CEO of the Group German Kaplun left his position and Sergey Lavrukhin was appointed by the Board of Directors as new CEO of the Group.

#### Restructuring

As at 31 December 2009 and in prior periods OJSC RBC Information Systems was a parent company of the Group. In 2010 the Group entered into restructuring process. At 7 June 2010 ONEXIM Group acquired a 51% stake in the Company through an additional share issue for USD 80 million. The remaining 49% in the Company were supposed to be exchanged for 100% of the shares of OJSC RBC Information Systems. In 2011 during the restructuring of the Group OJSC RBC was established as a new parent company.

In January 2011 an exchange of the shares of OJSC RBC Information Systems to the shares of the Company started. In June 2011 the shares of OJSC RBC Information Systems were delisted from Moscow Stock Exchange. Before 30 June 2012 99.9% of the shares of OJSC RBC Information Systems were exchanged for the shares of the Company which remained unchanged as at 30 June 2013.

\* The USD equivalent figures are provided for information purposes only and do not form part of the unaudited interim condensed consolidated financial information – refer to Note 2(b).

**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
FOR SIX MONTHS ENDED 30 JUNE 2013**

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**2. BASIS OF PREPARATION****(a) Statement of compliance**

This interim condensed consolidated financial information for six months ended 30 June 2013 has been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" and does not include all the information and disclosures required for a complete set of financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2012.

**(b) Convenience translation**

In addition to presenting the interim condensed consolidated financial information in Russian rubles ("RUB"), supplementary information in the US dollars ("USD") has been presented for the convenience of the users of the interim condensed consolidated financial information.

All amounts in the interim condensed consolidated financial information, including comparative information for the interim condensed consolidated statement of financial position, are translated from RUB to USD at the closing exchange rate at 30 June 2013 of RUB 32.7090 to USD 1.

**(c) Going concern**

These interim condensed consolidated financial information have been prepared on a going concern basis, which assumes that the Group will continue to be able to operate in the foreseeable future, and there is no intention to liquidate or significantly decrease operations of the Group and, as a result, liabilities will be settled and assets will be realized in the ordinary course of business.

As at 30 June 2013 the Group had negative net assets of 4,124 Mln RUB and working capital deficit of 7,395 Mln RUB due to non-compliance with certain loan agreement covenants as discussed further in Note 15. The net cash inflow from operating activities for the 6 months ended 30 June 2013 was 84 Mln RUB.

At the date of the approval of interim condensed consolidated financial information several measures have been undertaken in order to improve the working capital deficit and the negative net assets:

- The decision to sell the Salon group and its subsidiaries was made in October 2012. As of reporting date Group was in a process of the sales implementation plan;
- The Group has achieved an agreement with OJSC MDM Bank, the enforcement agent under the loan agreement with E.M.I.S. Finance B.V. of 7,131 Mln RUB, on waiver of its rights in respect to the loan repayment acceleration for the period up to and including 30 September 2013 as non-compliance with certain loan agreement covenants amounted to 1 Mln USD\* and the breach is considered to be technical;
- At the date of the approval of these interim condensed consolidated financial information the Group's management believes that it will be able to obtain until the end of December 2013 a written approval of the E.M.I.S. Finance B.V. loan agreement covenants change and the waiver of the rights on the loan repayment acceleration from all the creditors and bond holders;
- Additionally, ONEXIM Group confirmed to the Group's management its intention to provide the Group with financing necessary to cover its liabilities as they fall due within the next 12 months.

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**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
FOR SIX MONTHS ENDED 30 JUNE 2013**

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**3. SIGNIFICANT ACCOUNTING POLICIES**

The interim condensed consolidated financial information for the six months ended 30 June 2013 has been prepared in accordance with the accounting policies adopted in the Group's last annual consolidated financial statements for the year ended 31 December 2012. The Group has adopted the following new or revised standards and interpretations issued by IASB and IFRIC effective for financial years beginning on or after 1 January 2013:

- IAS 19 (as revised in 2011) "Employee Benefits". The current standard has been substantially revised, the amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognized immediately through other comprehensive income in order for the net pension asset or liability recognized in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in the previous version of IAS 19 are replaced with a 'net-interest' amount, which is calculated by applying the discount rate to the net defined benefit liability or asset. Revised IAS 19 did not have a significant effect on the interim condensed consolidated financial information of the Group.
- IAS 27 (as revised in 2011) "Separate Financial Statements" retains the requirements of the current version IAS 27 (as revised in 2008) regarding recognition and disclosure in separate financial statements while some clarifications are added. Furthermore, the requirements of IAS 28 (as revised in 2008) and IAS 31 regarding separate financial statements are now included within IAS 27 (as revised in 2011). Revised IAS 27 did not have a significant effect on the interim condensed consolidated financial information of the Group.
- IAS 28 (as revised in 2011) "Investments in Associates and Joint Ventures" includes the requirements of IAS 28 (as revised in 2008) and IAS 31, which remain to be valid but not included in IFRS 11 and IFRS 12. Revised IAS 28 did not have a significant effect on the interim condensed consolidated financial information of the Group.
- Amendments to IFRS 7 "Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities" require entities to disclose information about rights of offset and related arrangements for financial instruments under an enforceable master netting agreement or similar arrangement. Amendments to IFRS 7 did not have a significant effect on the interim condensed consolidated financial information of the Group.
- IFRS 10 "Consolidated Financial Statements" replaces parts of IAS 27 (as revised in 2008) "Consolidated and Separate Financial Statements" and SIC-12 "Consolidation – Special Purpose Entities". IFRS 10 states that there is only one basis for consolidation, which is control. It refers also to entities which are currently under the scope of SIC 12. A new definition of control contains three elements, being that an investor controlling the investee has: power over the investee; exposure or rights to variable returns from its involvement with the investee and the ability to use its powers over the investee to affect the amount of the investor's return. Consolidation procedures remain the same as under IAS 27 (as revised in 2008). In cases when adoption of IFRS 10 does not change the conclusions as to whether an investee should be consolidated or not, no adjustments in accounting are required for the first adoption of IFRS 10. If adoption of IFRS 10 change the conclusions whether an investee should be consolidated or not, then the standard may be adopted retrospectively from the date of gain or loss of control, or in the case of impracticability, restricted retrospectively, so as to be applied from the beginning of the earliest period, in which it is practical to be applied. IFRS 10 did not have a significant effect on the interim condensed consolidated financial information of the Group.

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**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
FOR SIX MONTHS ENDED 30 JUNE 2013**

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- IFRS 11 “Joint Arrangements” replaces IAS 31 “Interests in Joint Ventures”. The main change to IFRS 11 is that a joint arrangement will be classified either as a joint operation, in this case the arrangement will be accounted for in the financial statements as jointly controlled assets/operations in accordance with IAS 31, or as a joint venture which will be accounted for using the equity method of accounting. The type of arrangement is defined depending on the rights and obligations of the parties to the arrangement, based on the legal form, agreement specifics and other facts and conditions. If adoption of IFRS 11 leads to a change of accounting model, this change should be applied retrospectively from the beginning of the earlier of the periods presented in the financial statements. According to the new standard, it should be applied by all parties of the arrangement even if not all of them share joint control. IFRS 11 did not have a significant effect on the interim condensed consolidated financial information of the Group.
- IFRS 12 “Disclosure of Interests in Other Entities” contains disclosure requirements for entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. Having an interest is broadly defined as whether the entity is contractually exposed to risks related with variable income that is dependent on permitted results of the operations of the other entity. New extensive disclosure requirements are aimed to allow users of financial statements to evaluate the risks connected with the entity’s interest in other entities and also evaluate the influence that such an interest has on the financial position and financial results of the entity and its cash flows. IFRS 12 did not have a significant effect on the interim condensed consolidated financial information of the Group.
- IFRS 13 “Fair Value Measurement” provides guidance about fair value measurement which replaces separate information about fair value measurement contained within different IFRSs. The standard states a revised definition of fair value, stipulates approaches to measurement of fair value and provides disclosure requirements. The new standard does not set any new requirements for the fair value measurement of assets and liabilities and does not eliminate any current exemptions from fair value measurement rules contained within other IFRSs. IFRS 13 did not have a significant effect on the interim condensed consolidated financial information of the Group.

Various amendments issued as part of Annual Improvements to IFRSs were considered with reference to each abovementioned standard separately. All changes regarding disclosure, recognition or measurement are effective from 1 January 2013 and later. Amendments did not have a significant effect on the interim condensed consolidated financial information of the Group on its financial position or results of operations.

The accounting policies and methods of computation have been applied consistently throughout the Group for the purposes of preparation of this interim condensed consolidated financial information.

The preparation of interim condensed consolidated financial information requires the use of certain critical accounting assumptions. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas requiring a higher degree of judgment or areas where assumptions and estimates are significant to the condensed consolidated financial information have been set out in the Group’s annual consolidated financial statements for the year ended 31 December 2012.

\* The USD equivalent figures are provided for information purposes only and do not form part of the unaudited interim condensed consolidated financial information – refer to Note 2(b).

## NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR SIX MONTHS ENDED 30 JUNE 2013

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### 4. SEGMENT REPORTING

The Group has the following reportable segments, based on the way how the Management Committee of the Company (chief operating decision maker) provides an assessment of the operating results of the Group:

**Business Internet segment:** provision of advertizing services on internet resources with business audience and information services for business audience.

**Consumer Internet segment:** consumer services: provision of entertainment Internet services, Internet advertizing services, E - commerce. In July 2012 the Group disposed of RBC Money LLC, the operator of online cash payments which contributed to decrease of respective segment results in 2013 compared to prior period.

**Hosting and domain names registration segment:** provision of hosting and domain registration service. In April 2012 new company CJSC "Region Network Information Center" was acquired ("RU-Center"), which financial results were included in this segment and it resulted in significant growth of revenue and expenses compared to prior period.

**TV segment:** operation of a RBC-TV channel, provision of advertizing services on TV channel.

**Business printing segment:** provision of advertising in magazines and newspapers, and sale of magazines and newspapers.

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# RBC GROUP

## NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR SIX MONTHS ENDED 30 JUNE 2013

| Six months ended 30 June 2013,<br>Mln RUB                       | Revenue      | Expenses       | Payroll<br>expenses | Cost of sales | Administrative<br>expenses | Other<br>operating<br>expenses | Other<br>operating<br>income | Selling<br>expenses | Discontinued<br>operations | Profit / (loss) |
|---|--------------|----------------|---------------------|---------------|----------------------------|--------------------------------|------------------------------|---------------------|----------------------------|-----------------|
| Business internet   | 972          | (894)          | (402)               | (99)          | (34)                       | (13)                           | 4                            | (350)               | -                          | 78              |
| Consumer internet   | 173          | (219)          | (101)               | (13)          | (13)                       | (1)                            | -                            | (91)                | -                          | (46)            |
| Hosting and domain names  | 730          | (667)          | (311)               | (232)         | (56)                       | (10)                           | 11                           | (69)                | -                          | 63              |
| TV  | 422          | (465)          | (299)               | (87)          | (25)                       | (5)                            | -                            | (49)                | -                          | (43)            |
| Printing  | 174          | (184)          | (102)               | (39)          | (10)                       | -                              | -                            | (33)                | -                          | (10)            |
| <b>SUBTOTAL</b>   | <b>2,471</b> | <b>(2,429)</b> | <b>(1,215)</b>      | <b>(470)</b>  | <b>(138)</b>               | <b>(29)</b>                    | <b>15</b>                    | <b>(592)</b>        | <b>-</b>                   | <b>42</b>       |
| <b>EBITDA (management accounts)</b>                             |              |                |                     |               |                            |                                |                              |                     |                            | <b>42</b>       |
| <b>Adjustments</b>  |              |                |                     |               |                            |                                |                              |                     |                            |                 |
| Sale of other assets  | -            | (3)            | -                   | -             | -                          | -                              | (3)                          | -                   | -                          | (3)             |
| Impairment loss on trade and other<br>receivables               | -            | 1              | -                   | -             | -                          | -                              | 1                            | -                   | -                          | 1               |
| Reclassification between income and<br>losses                   | (26)         | 25             | 2                   | (13)          | (3)                        | 7                              | -                            | 32                  | -                          | (1)             |
| <b>Total adjustments</b>  | <b>(26)</b>  | <b>23</b>      | <b>2</b>            | <b>(13)</b>   | <b>(3)</b>                 | <b>7</b>                       | <b>(2)</b>                   | <b>32</b>           | <b>-</b>                   | <b>(3)</b>      |
| <b>SUBTOTAL before discontinued<br/>operations</b>              | <b>2,445</b> | <b>(2,406)</b> | <b>(1,213)</b>      | <b>(483)</b>  | <b>(141)</b>               | <b>(22)</b>                    | <b>13</b>                    | <b>(560)</b>        | <b>-</b>                   | <b>39</b>       |
| Loss for the period from discontinued<br>operations             | -            | (21)           | -                   | -             | -                          | -                              | -                            | -                   | (21)                       | (21)            |
| <b>SUBTOTAL</b>   | <b>2,445</b> | <b>(2,427)</b> | <b>(1,213)</b>      | <b>(483)</b>  | <b>(141)</b>               | <b>(22)</b>                    | <b>13</b>                    | <b>(560)</b>        | <b>(21)</b>                | <b>18</b>       |
| <b>EBITDA (IFRS accounts)</b>                                   |              |                |                     |               |                            |                                |                              |                     |                            | <b>18</b>       |
| Depreciation and amortization                                   | -            | (256)          | -                   | (232)         | (24)                       | -                              | -                            | -                   | -                          | (256)           |
| <b>SUBTOTAL</b>   | <b>2,445</b> | <b>(2,683)</b> | <b>(1,213)</b>      | <b>(715)</b>  | <b>(165)</b>               | <b>(22)</b>                    | <b>13</b>                    | <b>(560)</b>        | <b>(21)</b>                | <b>(238)</b>    |
| Financial income  |              |                |                     |               |                            |                                |                              |                     |                            | 47              |
| Financial expenses  |              |                |                     |               |                            |                                |                              |                     |                            | (228)           |
| Loss on foreign exchange differences,<br>net                    |              |                |                     |               |                            |                                |                              |                     |                            | (502)           |
| Share of profit of associates and joint<br>ventures             |              |                |                     |               |                            |                                |                              |                     |                            | (6)             |
| Income tax benefit  |              |                |                     |               |                            |                                |                              |                     |                            | 67              |
| Non-controlling interest  |              |                |                     |               |                            |                                |                              |                     |                            | 7               |
| <b>Net loss attributable to<br/>shareholders of the Company</b> |              |                |                     |               |                            |                                |                              |                     |                            | <b>(853)</b>    |

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# RBC GROUP

## NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR SIX MONTHS ENDED 30 JUNE 2013

| Six months ended 30 June 2012,<br>Mln RUB                       | Revenue      | Expenses       | Payroll<br>expenses | Cost of sales | Administrative<br>expenses | Other<br>operating<br>expenses | Other<br>operating<br>income | Selling<br>expenses | Discontinued<br>operations | Profit / (loss) |
|---|--------------|----------------|---------------------|---------------|----------------------------|--------------------------------|------------------------------|---------------------|----------------------------|-----------------|
| Business internet   | 1,020        | (896)          | (399)               | (78)          | (34)                       | (6)                            | -                            | (379)               | -                          | 124             |
| Consumer internet   | 272          | (370)          | (112)               | (21)          | (24)                       | (3)                            | -                            | (210)               | -                          | (98)            |
| Hosting and domain names  | 435          | (419)          | (156)               | (169)         | (47)                       | (16)                           | -                            | (31)                | -                          | 16              |
| TV  | 363          | (434)          | (284)               | (87)          | (22)                       | (5)                            | -                            | (36)                | -                          | (71)            |
| Printing  | 165          | (207)          | (123)               | (42)          | (11)                       | (1)                            | -                            | (30)                | -                          | (42)            |
| <b>SUBTOTAL</b>   | <b>2,255</b> | <b>(2,326)</b> | <b>(1,074)</b>      | <b>(397)</b>  | <b>(138)</b>               | <b>(31)</b>                    | <b>-</b>                     | <b>(686)</b>        | <b>-</b>                   | <b>(71)</b>     |
| <b>EBITDA (management accounts)</b>                             |              |                |                     |               |                            |                                |                              |                     |                            | <b>(71)</b>     |
| <i>Adjustments</i>  |              |                |                     |               |                            |                                |                              |                     |                            |                 |
| Reclassification of Payroll expenses                            | -            | 7              | 7                   | -             | -                          | -                              | -                            | -                   | -                          | 7               |
| Reversal of assets write-off                                    | -            | -              | 3                   | (3)           | -                          | -                              | -                            | -                   | -                          | -               |
| Vendor rebates netting  | (2)          | 2              | -                   | -             | -                          | -                              | -                            | 2                   | -                          | -               |
| Reclassification from Revenue to<br>Other Income                | (1)          | 1              | -                   | -             | -                          | -                              | 1                            | -                   | -                          | -               |
| Provisions accrual  | -            | (53)           | (34)                | -             | 2                          | (21)                           | -                            | -                   | -                          | (53)            |
| Disposal of subsidiaries  | -            | 7              | -                   | -             | -                          | 1                              | 6                            | -                   | -                          | 7               |
| Prepaid expenses and inventory write-<br>off                    | -            | (12)           | -                   | (5)           | (7)                        | -                              | -                            | -                   | -                          | (12)            |
| Reclassification between income and<br>losses                   | -            | -              | (17)                | 13            | 5                          | (2)                            | (3)                          | 4                   | -                          | -               |
| <b>Total adjustments</b>  | <b>(3)</b>   | <b>(48)</b>    | <b>(41)</b>         | <b>5</b>      | <b>-</b>                   | <b>(22)</b>                    | <b>4</b>                     | <b>6</b>            | <b>-</b>                   | <b>(51)</b>     |
| <b>SUBTOTAL before discontinued<br/>operations</b>              | <b>2,252</b> | <b>(2,374)</b> | <b>(1,115)</b>      | <b>(392)</b>  | <b>(138)</b>               | <b>(53)</b>                    | <b>4</b>                     | <b>(680)</b>        | <b>-</b>                   | <b>(122)</b>    |
| Profit for the period from discontinued<br>operations           | -            | 18             | -                   | -             | -                          | -                              | -                            | -                   | 18                         | 18              |
| <b>SUBTOTAL</b>   | <b>2,252</b> | <b>(2,356)</b> | <b>(1,115)</b>      | <b>(392)</b>  | <b>(138)</b>               | <b>(53)</b>                    | <b>4</b>                     | <b>(680)</b>        | <b>18</b>                  | <b>(104)</b>    |
| <b>EBITDA (IFRS accounts)</b>                                   |              |                |                     |               |                            |                                |                              |                     |                            | <b>(104)</b>    |
| Depreciation and amortization                                   | -            | (184)          | -                   | (167)         | (17)                       | -                              | -                            | -                   | -                          | (184)           |
| <b>SUBTOTAL</b>   | <b>2,252</b> | <b>(2,540)</b> | <b>(1,115)</b>      | <b>(559)</b>  | <b>(155)</b>               | <b>(53)</b>                    | <b>4</b>                     | <b>(680)</b>        | <b>18</b>                  | <b>(288)</b>    |
| Financial income  |              |                |                     |               |                            |                                |                              |                     |                            | 17              |
| Financial expenses  |              |                |                     |               |                            |                                |                              |                     |                            | (266)           |
| Loss on foreign exchange differences,<br>net                    |              |                |                     |               |                            |                                |                              |                     |                            | (123)           |
| Share of profit of associates and joint<br>ventures             |              |                |                     |               |                            |                                |                              |                     |                            | 13              |
| Income tax benefit  |              |                |                     |               |                            |                                |                              |                     |                            | 177             |
| Non-controlling interest  |              |                |                     |               |                            |                                |                              |                     |                            | (3)             |
| <b>Net loss attributable to<br/>shareholders of the Company</b> |              |                |                     |               |                            |                                |                              |                     |                            | <b>(473)</b>    |

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# RBC GROUP

## NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR SIX MONTHS ENDED 30 JUNE 2013

| Six months ended 30 June 2013,<br>Mln USD*                      | Revenue    | Expenses    | Payroll<br>expenses | Cost of sales | Administrative<br>expenses | Other<br>operating<br>expenses | Other<br>operating<br>income | Selling<br>expenses | Discontinued<br>operations | Profit / (loss) |
|---|------------|-------------|---------------------|---------------|----------------------------|--------------------------------|------------------------------|---------------------|----------------------------|-----------------|
| Business internet   | 31         | (28)        | (12)                | (3)           | (1)                        | (1)                            | -                            | (11)                | -                          | 3               |
| Consumer internet   | 5          | (6)         | (3)                 | -             | -                          | -                              | -                            | (3)                 | -                          | (1)             |
| Hosting and domain names  | 22         | (22)        | (10)                | (8)           | (2)                        | -                              | -                            | (2)                 | -                          | -               |
| TV  | 13         | (14)        | (9)                 | (3)           | (1)                        | -                              | -                            | (1)                 | -                          | (1)             |
| Printing  | 5          | (5)         | (3)                 | (1)           | -                          | -                              | -                            | (1)                 | -                          | -               |
| <b>SUBTOTAL</b>   | <b>76</b>  | <b>(75)</b> | <b>(37)</b>         | <b>(15)</b>   | <b>(4)</b>                 | <b>(1)</b>                     | <b>-</b>                     | <b>(18)</b>         | <b>-</b>                   | <b>1</b>        |
| <b>EBITDA (management accounts)</b>                             |            |             |                     |               |                            |                                |                              |                     |                            | <b>1</b>        |
| <i>Adjustments</i>  |            |             |                     |               |                            |                                |                              |                     |                            |                 |
| Sale of other assets  | -          | -           | -                   | -             | -                          | -                              | -                            | -                   | -                          | -               |
| Impairment loss on trade and other<br>receivables               | -          | -           | -                   | -             | -                          | -                              | -                            | -                   | -                          | -               |
| Reclassification between income and<br>losses                   | (1)        | 1           | -                   | -             | -                          | -                              | -                            | 1                   | -                          | -               |
| <b>Total adjustments</b>  | <b>(1)</b> | <b>1</b>    | <b>-</b>            | <b>-</b>      | <b>-</b>                   | <b>-</b>                       | <b>-</b>                     | <b>1</b>            | <b>-</b>                   | <b>-</b>        |
| <b>SUBTOTAL before discontinued<br/>operations</b>              | <b>75</b>  | <b>(74)</b> | <b>(37)</b>         | <b>(15)</b>   | <b>(4)</b>                 | <b>(1)</b>                     | <b>-</b>                     | <b>(17)</b>         | <b>-</b>                   | <b>1</b>        |
| Loss for the period from discontinued<br>operations             | -          | (1)         | -                   | -             | -                          | -                              | -                            | -                   | (1)                        | (1)             |
| <b>SUBTOTAL</b>   | <b>75</b>  | <b>(75)</b> | <b>(37)</b>         | <b>(15)</b>   | <b>(4)</b>                 | <b>(1)</b>                     | <b>-</b>                     | <b>(17)</b>         | <b>(1)</b>                 | <b>0</b>        |
| <b>EBITDA (IFRS accounts)</b>                                   |            |             |                     |               |                            |                                |                              |                     |                            | <b>0</b>        |
| Depreciation and amortization                                   | -          | (8)         | -                   | (7)           | (1)                        | -                              | -                            | -                   | -                          | (8)             |
| <b>SUBTOTAL</b>   | <b>75</b>  | <b>(83)</b> | <b>(37)</b>         | <b>(22)</b>   | <b>(5)</b>                 | <b>(1)</b>                     | <b>-</b>                     | <b>(17)</b>         | <b>(1)</b>                 | <b>(8)</b>      |
| Financial income  |            |             |                     |               |                            |                                |                              |                     |                            | 1               |
| Financial expenses  |            |             |                     |               |                            |                                |                              |                     |                            | (7)             |
| Loss on foreign exchange differences,<br>net                    |            |             |                     |               |                            |                                |                              |                     |                            | (15)            |
| Share of profit of associates and joint<br>ventures             |            |             |                     |               |                            |                                |                              |                     |                            | -               |
| Income tax benefit  |            |             |                     |               |                            |                                |                              |                     |                            | 2               |
| Non-controlling interest  |            |             |                     |               |                            |                                |                              |                     |                            | -               |
| <b>Net loss attributable to<br/>shareholders of the Company</b> |            |             |                     |               |                            |                                |                              |                     |                            | <b>(27)</b>     |

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# RBC GROUP

## NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR SIX MONTHS ENDED 30 JUNE 2013

| Six months ended 30 June 2012,<br>Mln USD*                      | Revenue   | Expenses    | Payroll<br>expenses | Cost of sales | Administrativ<br>e expenses | Other<br>operating<br>expenses | Other<br>operating<br>income | Selling<br>expenses | Discontinued<br>operations | Profit / (loss) |
|---|-----------|-------------|---------------------|---------------|-----------------------------|--------------------------------|------------------------------|---------------------|----------------------------|-----------------|
| Business internet   | 32        | (27)        | (12)                | (2)           | (1)                         | -                              | -                            | (12)                | -                          | 5               |
| Consumer internet   | 8         | (11)        | (3)                 | (1)           | (1)                         | -                              | -                            | (6)                 | -                          | (3)             |
| Hosting and domain names  | 13        | (12)        | (5)                 | (5)           | (1)                         | -                              | -                            | (1)                 | -                          | 1               |
| TV  | 11        | (14)        | (9)                 | (3)           | (1)                         | -                              | -                            | (1)                 | -                          | (3)             |
| Printing  | 5         | (6)         | (4)                 | (1)           | -                           | -                              | -                            | (1)                 | -                          | (1)             |
| <b>SUBTOTAL</b>   | <b>69</b> | <b>(70)</b> | <b>(33)</b>         | <b>(12)</b>   | <b>(4)</b>                  | <b>-</b>                       | <b>-</b>                     | <b>(21)</b>         | <b>-</b>                   | <b>(1)</b>      |
| <b>EBITDA (management accounts)</b>                             |           |             |                     |               |                             |                                |                              |                     |                            | <b>(1)</b>      |
| <i>Adjustments</i>  |           |             |                     |               |                             |                                |                              |                     |                            |                 |
| Reclassification of Payroll expenses                            | -         | -           | -                   | -             | -                           | -                              | -                            | -                   | -                          | -               |
| Reversal of assets write-off                                    | -         | -           | -                   | -             | -                           | -                              | -                            | -                   | -                          | -               |
| Vendor rebates netting  | -         | -           | -                   | -             | -                           | -                              | -                            | -                   | -                          | -               |
| Reclassification from Revenue to<br>Other Income                | -         | -           | -                   | -             | -                           | -                              | -                            | -                   | -                          | -               |
| Provisions accrual  | -         | (2)         | -                   | -             | -                           | (2)                            | -                            | -                   | -                          | (2)             |
| Disposal of subsidiaries  | -         | -           | -                   | -             | -                           | -                              | -                            | -                   | -                          | -               |
| Prepaid expenses and inventory write-<br>off                    | -         | -           | -                   | -             | -                           | -                              | -                            | -                   | -                          | -               |
| Reclassification between income and<br>losses                   | -         | (1)         | (1)                 | -             | -                           | -                              | -                            | -                   | -                          | (1)             |
| <b>Total adjustments</b>  | <b>-</b>  | <b>(3)</b>  | <b>(1)</b>          | <b>-</b>      | <b>-</b>                    | <b>(2)</b>                     | <b>-</b>                     | <b>-</b>            | <b>-</b>                   | <b>(3)</b>      |
| <b>SUBTOTAL before discontinued<br/>operations</b>              | <b>69</b> | <b>(73)</b> | <b>(34)</b>         | <b>(12)</b>   | <b>(4)</b>                  | <b>(2)</b>                     | <b>-</b>                     | <b>(21)</b>         | <b>-</b>                   | <b>(4)</b>      |
| Profit for the period from discontinued<br>operations           | -         | 1           | -                   | -             | -                           | -                              | -                            | -                   | 1                          | 1               |
| <b>SUBTOTAL</b>   | <b>69</b> | <b>(72)</b> | <b>(34)</b>         | <b>(12)</b>   | <b>(4)</b>                  | <b>(2)</b>                     | <b>-</b>                     | <b>(21)</b>         | <b>1</b>                   | <b>(3)</b>      |
| <b>EBITDA (IFRS accounts)</b>                                   |           |             |                     |               |                             |                                |                              |                     |                            | <b>(3)</b>      |
| Depreciation and amortization                                   | -         | (6)         | -                   | (5)           | (1)                         | -                              | -                            | -                   | -                          | (6)             |
| <b>SUBTOTAL</b>   | <b>69</b> | <b>(78)</b> | <b>(34)</b>         | <b>(17)</b>   | <b>(5)</b>                  | <b>(2)</b>                     | <b>-</b>                     | <b>(21)</b>         | <b>1</b>                   | <b>(9)</b>      |
| Financial income  |           |             |                     |               |                             |                                |                              |                     |                            | 1               |
| Financial expenses  |           |             |                     |               |                             |                                |                              |                     |                            | (8)             |
| Gain / (loss) on foreign exchange<br>differences, net           |           |             |                     |               |                             |                                |                              |                     |                            | (4)             |
| Share of profit of associates and joint<br>ventures             |           |             |                     |               |                             |                                |                              |                     |                            | -               |
| Income tax benefit  |           |             |                     |               |                             |                                |                              |                     |                            | 5               |
| Non-controlling interest  |           |             |                     |               |                             |                                |                              |                     |                            | -               |
| <b>Net loss attributable to<br/>shareholders of the Company</b> |           |             |                     |               |                             |                                |                              |                     |                            | <b>(15)</b>     |

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**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
FOR SIX MONTHS ENDED 30 JUNE 2013**
**5. REVENUE**

|  | Six months ended |              | Six months ended |              |
|--|------------------|--------------|------------------|--------------|
|  | 30 June 2013     | 30 June 2012 | 30 June 2013     | 30 June 2012 |
|  | Mln RUB          | Mln RUB      | Mln USD*         | Mln USD*     |
| Internet advertising services  | 1,138            | 1,294        | 35               | 40           |
| Hosting services and services of domain registration                         | 730              | 428          | 22               | 13           |
| Advertising services on TV   | 416              | 358          | 13               | 11           |
| Advertising services in printing segment and from sales of printing products | 161              | 172          | 5                | 5            |
|  | <b>2,445</b>     | <b>2,252</b> | <b>75</b>        | <b>69</b>    |

**6. COST OF SALES**

|   | Six months ended |              | Six months ended |              |
|---|------------------|--------------|------------------|--------------|
|   | 30 June 2013     | 30 June 2012 | 30 June 2013     | 30 June 2012 |
|   | Mln RUB          | Mln RUB      | Mln USD*         | Mln USD*     |
| Payroll costs, including social charges | 1,098            | 1,011        | 34               | 31           |
| Depreciation and amortization           | 232              | 167          | 6                | 5            |
| Domain names expenses                   | 143              | 75           | 4                | 2            |
| Conference expenses                     | 90               | 46           | 2                | 1            |
| Telecom expenses                        | 85               | 82           | 3                | 3            |
| Rent expenses                           | 56               | 72           | 2                | 2            |
| Content expenses                        | 53               | 51           | 2                | 2            |
| Printing expenses                       | 31               | 36           | 1                | 1            |
| Other expenses                          | 25               | 30           | 1                | 1            |
|   | <b>1,813</b>     | <b>1,570</b> | <b>55</b>        | <b>48</b>    |

**7. ADMINISTRATIVE EXPENSES**

|   | Six months ended |              | Six months ended |              |
|---|------------------|--------------|------------------|--------------|
|   | 30 June 2013     | 30 June 2012 | 30 June 2013     | 30 June 2012 |
|   | Mln RUB          | Mln RUB      | Mln USD*         | Mln USD*     |
| Payroll costs, including social charges | 115              | 104          | 4                | 3            |
| Rent expenses                           | 63               | 58           | 2                | 2            |
| Depreciation and amortization           | 24               | 17           | 1                | 1            |
| Utilities                               | 19               | 18           | 1                | 1            |
| Consulting and legal expenses           | 18               | 26           | 1                | 1            |
| Material expenses                       | 14               | 15           | -                | -            |
| Business trips and transportation costs | 10               | 5            | -                | -            |
| Communication                           | 7                | 4            | -                | -            |
| Other expenses                          | 10               | 12           | -                | -            |
|   | <b>280</b>       | <b>259</b>   | <b>9</b>         | <b>8</b>     |

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**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
FOR SIX MONTHS ENDED 30 JUNE 2013**
**8. SELLING EXPENSES**

Selling expenses are mainly represented by advertising expenses.

Decrease of selling expenses for the six months ended 30 June 2013 comparing to the six months ended 30 June 2012 was caused by the fact that first half of 2012 was characterized by more dynamic promotional activity rather than first half of 2013 and by absence of advertising services related to RBC Money LLC disposed in the second half of 2012.

**9. FINANCIAL INCOME AND EXPENSES**

|                                      | Six months ended |              | Six months ended |              |
|--------------------------------------|------------------|--------------|------------------|--------------|
|                                      | 30 June 2013     | 30 June 2012 | 30 June 2013     | 30 June 2012 |
|                                      | Mln RUB          | Mln RUB      | Mln USD*         | Mln USD*     |
| <b>Financial income</b>              |                  |              |                  |              |
| Gain from revaluation of derivatives | 28               | -            | 1                | -            |
| Interest income                      | 11               | 17           | -                | 1            |
| Other financial income               | 8                | -            | -                | -            |
|                                      | <b>47</b>        | <b>17</b>    | <b>1</b>         | <b>1</b>     |
|                                      |                  |              |                  |              |
|                                      | Six months ended |              | Six months ended |              |
|                                      | 30 June 2013     | 30 June 2012 | 30 June 2013     | 30 June 2012 |
|                                      | Mln RUB          | Mln RUB      | Mln USD*         | Mln USD*     |
| <b>Financial expenses</b>            |                  |              |                  |              |
| Interest expenses                    | (227)            | (211)        | (7)              | (6)          |
| Loss from revaluation of derivatives | -                | (52)         | -                | (2)          |
| Other financial expenses             | (1)              | (3)          | -                | -            |
|                                      | <b>(228)</b>     | <b>(266)</b> | <b>(7)</b>       | <b>(8)</b>   |

**10. DISCONTINUED OPERATIONS AND ASSETS CLASSIFIED AS HELD FOR SALE**
**(a) Plan to discontinue Salon segment operations**

In October 2012, the Board of Directors announced its intention to sell the Salon segment. The Group has found the buyer and the deal is planned to be completed in the second half of 2013. The Group did not recognize any impairment losses on this segment upon reclassification to assets held for sale.

The financial results of the discontinued Salon segment operations, which were included in profit for the six months, are presented below. The comparative information of financial results and cash flows from discontinued operations were restated accordingly.

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**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
FOR SIX MONTHS ENDED 30 JUNE 2013**
**(b) Statement of profit or loss and other comprehensive income from discontinued operations**

|  | Six months ended 30 June 2013           |               |   |
|--|---|---------------|---|
|  | MIn RUB                                 |               |   |
|  | Group including discontinued operations | Salon segment | Group excluding discontinued operations |
| Revenue  | 2,691                                   | 246           | 2,445                                   |
| Cost of sales  | (1,897)                                 | (84)          | (1,813)                                 |
| <b>Gross profit</b>  | <b>794</b>                              | <b>162</b>    | <b>632</b>                              |
| Other income   | 8                                       | (5)           | 13                                      |
| Selling expenses   | (630)                                   | (70)          | (560)                                   |
| Administrative expenses  | (366)                                   | (86)          | (280)                                   |
| Other expenses   | (44)                                    | (22)          | (22)                                    |
| <b>Loss from operating activities</b>                                | <b>(238)</b>                            | <b>(21)</b>   | <b>(217)</b>                            |
| Financial income   | 47                                      | -             | 47                                      |
| Financial expenses   | (228)                                   | -             | (228)                                   |
| (Loss) /gain on foreign exchange differences, net                    | (497)                                   | 5             | (502)                                   |
| Share of profit of associates and joint ventures (net of income tax) | (6)                                     | -             | (6)                                     |
| <b>Loss before income tax</b>  | <b>(922)</b>                            | <b>(16)</b>   | <b>(906)</b>                            |
| Income tax (expenses) / benefit                                      | 62                                      | (5)           | 67                                      |
| <b>Discontinued operations</b>                                       | -                                       | -             | -                                       |
| Loss for the period from discontinued operations                     | -                                       | -             | (21)                                    |
| <b>Loss for the period</b>   | <b>(860)</b>                            | <b>(21)</b>   | <b>(860)</b>                            |
| <b>Other comprehensive loss</b>                                      |   |               |   |
| Foreign currency translation differences for foreign operations      | -                                       | -             | -                                       |
| <b>Other comprehensive loss for the period, net of income tax</b>    | -                                       | -             | -                                       |
| <b>Total comprehensive loss for the period</b>                       |   |               |   |
| <b>Loss attributable to:</b>   | -                                       | -             | -                                       |
| Shareholders of the Company  | (853)                                   | (21)          | (853)                                   |
| Non-controlling interest   | (7)                                     | -             | (7)                                     |
| <b>Loss for the period</b>   | <b>(860)</b>                            | <b>(21)</b>   | <b>(860)</b>                            |
| <b>Total comprehensive loss attributable to:</b>                     | -                                       | -             | -                                       |
| Shareholders of the Company  | (853)                                   | (21)          | (853)                                   |
| Non-controlling interest   | (7)                                     | -             | (7)                                     |
| <b>Total comprehensive loss for the period</b>                       | <b>(860)</b>                            | <b>(21)</b>   | <b>(860)</b>                            |

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**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
FOR SIX MONTHS ENDED 30 JUNE 2013**

|  | Six months ended 30 June 2012           |               |   |
|--|---|---------------|---|
|  | Mln RUB                                 |               |   |
|  | Group including discontinued operations | Salon segment | Group excluding discontinued operations |
| Revenue  | 2,501                                   | 249           | 2,252                                   |
| Cost of sales  | (1,692)                                 | (122)         | (1,570)                                 |
| <b>Gross profit</b>  | <b>809</b>                              | <b>127</b>    | <b>682</b>                              |
| Other income   | 7                                       | 3             | 4                                       |
| Selling expenses   | (742)                                   | (62)          | (680)                                   |
| Administrative expenses  | (278)                                   | (19)          | (259)                                   |
| Other expenses   | (61)                                    | (8)           | (53)                                    |
| <b>(Loss)/ rofit from operating activities</b>                       | <b>(265)</b>                            | <b>41</b>     | <b>(306)</b>                            |
| Financial income   | 17                                      | -             | 17                                      |
| Financial expenses   | (285)                                   | (19)          | (266)                                   |
| (Loss) / gain / on foreign exchange differences, net                 | (121)                                   | 2             | (123)                                   |
| Share of profit of associates and joint ventures (net of income tax) | 13                                      | -             | 13                                      |
| <b>(Loss) / profit before income tax</b>                             | <b>(641)</b>                            | <b>24</b>     | <b>(665)</b>                            |
| Income tax (expenses) / benefit                                      | 171                                     | (6)           | 177                                     |
| <b>Discontinued operations</b>                                       |   |               |   |
| Profit for the period from discontinued operations                   | -                                       | -             | 18                                      |
| <b>(Loss) / profit for the period</b>                                | <b>(470)</b>                            | <b>18</b>     | <b>(470)</b>                            |
| <b>Other comprehensive loss</b>                                      |   |               |   |
| Foreign currency translation differences for foreign operations      | (2)                                     | -             | (2)                                     |
| <b>Other comprehensive loss for the period, net of income tax</b>    | <b>(2)</b>                              | <b>-</b>      | <b>(2)</b>                              |
| <b>Total comprehensive (loss) / income for the period</b>            | <b>(472)</b>                            | <b>18</b>     | <b>(472)</b>                            |
| <b>(Loss) / profit attributable to:</b>                              |   |               |   |
| Shareholders of the Company  | (473)                                   | 18            | (473)                                   |
| Non-controlling interest   | 3                                       | -             | 3                                       |
| <b>(Loss) / profit for the period</b>                                | <b>(470)</b>                            | <b>18</b>     | <b>(470)</b>                            |
| <b>Total comprehensive (loss) / income attributable to:</b>          |   |               |   |
| Shareholders of the Company  | (475)                                   | 18            | (475)                                   |
| Non-controlling interest   | 3                                       | -             | 3                                       |
| <b>Total comprehensive (loss) / income for the period</b>            | <b>(472)</b>                            | <b>18</b>     | <b>(472)</b>                            |

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# RBC GROUP

## NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR SIX MONTHS ENDED 30 JUNE 2013

|  | Six months ended 30 June 2013           |               |   |
|--|---|---------------|---|
|  | Mln USD*                                |               |   |
|  | Group including discontinued operations | Salon segment | Group excluding discontinued operations |
| Revenue  | 83                                      | 8             | 75                                      |
| Cost of sales  | (58)                                    | (3)           | (55)                                    |
| <b>Gross profit</b>  | <b>25</b>                               | <b>5</b>      | <b>20</b>                               |
| Other income   | -                                       | -             | -                                       |
| Selling expenses   | (19)                                    | (2)           | (17)                                    |
| Administrative expenses  | (12)                                    | (3)           | (9)                                     |
| Other expenses   | (2)                                     | (1)           | (1)                                     |
| <b>Loss from operating activities</b>                                | <b>(8)</b>                              | <b>(1)</b>    | <b>(7)</b>                              |
| Financial income   | 1                                       | -             | 1                                       |
| Financial expenses   | (7)                                     | -             | (7)                                     |
| Loss on foreign exchange differences, net                            | (15)                                    | -             | (15)                                    |
| Share of profit of associates and joint ventures (net of income tax) | -                                       | -             | -                                       |
| <b>Loss before income tax</b>  | <b>(29)</b>                             | <b>(1)</b>    | <b>(28)</b>                             |
| Income tax benefit   | 2                                       | -             | 2                                       |
| <b>Discontinued operations</b>                                       |   |               |   |
| Loss for the period from discontinued operations                     | -                                       | -             | (1)                                     |
| <b>Loss for the period</b>   | <b>(27)</b>                             | <b>(1)</b>    | <b>(27)</b>                             |
| <b>Other comprehensive loss</b>                                      |   |               |   |
| Foreign currency translation differences for foreign operations      | -                                       | -             | -                                       |
| <b>Other comprehensive loss for the period, net of income tax</b>    | <b>-</b>                                | <b>-</b>      | <b>-</b>                                |
| <b>Total comprehensive loss for the period</b>                       | <b>(27)</b>                             | <b>(1)</b>    | <b>(27)</b>                             |
| <b>Loss attributable to:</b>   |   |               |   |
| Shareholders of the Company  | (27)                                    | -             | (27)                                    |
| Non-controlling interest   | -                                       | -             | -                                       |
| <b>Loss for the period</b>   | <b>(27)</b>                             | <b>(1)</b>    | <b>(27)</b>                             |
| <b>Total comprehensive loss attributable to:</b>                     |   |               |   |
| Shareholders of the Company  | (27)                                    | -             | (27)                                    |
| Non-controlling interest   | -                                       | -             | -                                       |
| <b>Total comprehensive loss for the period</b>                       | <b>(27)</b>                             | <b>(1)</b>    | <b>(27)</b>                             |

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**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
FOR SIX MONTHS ENDED 30 JUNE 2013**

|  | Six months ended 30 June 2012           |               |   |
|--|---|---------------|---|
|  | Mln USD*                                |               |   |
|  | Group including discontinued operations | Salon segment | Group excluding discontinued operations |
| Revenue  | 77                                      | 8             | 69                                      |
| Cost of sales  | (52)                                    | (4)           | (48)                                    |
| <b>Gross profit</b>  | <b>25</b>                               | <b>4</b>      | <b>21</b>                               |
| Other income   | -                                       | -             | -                                       |
| Selling expenses   | (23)                                    | (2)           | (21)                                    |
| Administrative expenses  | (8)                                     | -             | (8)                                     |
| Other expenses   | (2)                                     | -             | (2)                                     |
| <b>(Loss) / profit from operating activities</b>                     | <b>(8)</b>                              | <b>2</b>      | <b>(10)</b>                             |
| Financial income   | 1                                       | -             | 1                                       |
| Financial expenses   | (9)                                     | (1)           | (8)                                     |
| Loss on foreign exchange differences, net                            | (4)                                     | -             | (4)                                     |
| Share of profit of associates and joint ventures (net of income tax) | -                                       | -             | -                                       |
| <b>(Loss) / profit before income tax</b>                             | <b>(20)</b>                             | <b>1</b>      | <b>(21)</b>                             |
| Income tax benefit   | 5                                       | -             | 5                                       |
| <b>Discontinued operations</b>                                       |   |               |   |
| Profit / (loss) for the period from discontinued operations          | -                                       | -             | 1                                       |
| <b>(Loss) / profit for the period</b>                                | <b>(15)</b>                             | <b>1</b>      | <b>(15)</b>                             |
| <b>Other comprehensive loss</b>                                      |   |               |   |
| Foreign currency translation differences for foreign operations      | -                                       | -             | -                                       |
| <b>Other comprehensive loss for the period, net of income tax</b>    | <b>-</b>                                | <b>-</b>      | <b>-</b>                                |
| <b>Total comprehensive (loss)/profit for the period</b>              | <b>(15)</b>                             | <b>1</b>      | <b>(15)</b>                             |
| <b>(Loss) attributable to:</b>                                       |   |               |   |
| Shareholders of the Company  | (15)                                    | -             | (15)                                    |
| Non-controlling interest   | -                                       | -             | -                                       |
| <b>(Loss) / profit for the period</b>                                | <b>(15)</b>                             | <b>1</b>      | <b>(15)</b>                             |
| <b>Total comprehensive (loss) / income attributable to:</b>          |   |               |   |
| Shareholders of the Company  | (15)                                    | -             | (15)                                    |
| Non-controlling interest   | -                                       | -             | -                                       |
| <b>Total comprehensive (loss) /income for the period</b>             | <b>(15)</b>                             | <b>1</b>      | <b>(15)</b>                             |

**(c) Statement of cash flows from discontinued operations**

|   | Six months ended        |                         | Six months ended         |                          |
|---|-------------------------|-------------------------|--------------------------|--------------------------|
|   | 30 June 2013<br>Mln RUB | 30 June 2012<br>Mln RUB | 30 June 2013<br>Mln USD* | 30 June 2012<br>Mln USD* |
| Net cash flows from / (used in) operating activities        | 19                      | (2)                     | 1                        | 1                        |
| Net cash flows used in investing activities                 | (2)                     | (3)                     | -                        | -                        |
| Net cash flows used in financing activities                 | -                       | -                       | -                        | -                        |
| <b>Net increase/(decrease) in cash and cash equivalents</b> | <b>17</b>               | <b>(5)</b>              | <b>1</b>                 | <b>1</b>                 |
| Cash and cash equivalents at beginning of period            | 72                      | 72                      | 2                        | 2                        |
| Cash and cash equivalents at end of period                  | 89                      | 67                      | 3                        | 1                        |

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**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
FOR SIX MONTHS ENDED 30 JUNE 2013**
**(d) Assets and liabilities classified as held for sale**

|   | 30 June<br>2013<br>Mln RUB | 31 December<br>2012<br>Mln RUB | 30 June<br>2013<br>Mln USD* | 31 December<br>2012<br>Mln USD* |
|---|----------------------------|--------------------------------|-----------------------------|---------------------------------|
| Real estate classified as held for sale                   | -                          | 22                             | -                           | 1                               |
| Assets classified as held for sale                        | 302                        | 306                            | 9                           | 9                               |
| <b>Total assets classified as held for sale</b>           | <b>302</b>                 | <b>328</b>                     | <b>9</b>                    | <b>10</b>                       |
| Liabilities related to assets classified as held for sale | (114)                      | (97)                           | (3)                         | (3)                             |

The major classes of assets and liabilities of discontinued operations as of the reporting date are as follows:

|  | 30 June 2013<br>Mln RUB | 31 December<br>2012<br>Mln RUB | 30 June 2013<br>Mln USD* | 31 December<br>2012<br>Mln USD* |
|--|-------------------------|--------------------------------|--------------------------|---------------------------------|
| <b>Non-current assets</b>              |                         |                                |                          |                                 |
| Property, plant and equipment          | 2                       | 3                              | -                        | -                               |
| Intangible assets                      | 72                      | 62                             | 2                        | 2                               |
| Deferred tax assets                    | 7                       | 17                             | -                        | -                               |
| Other investments                      | 8                       | 7                              | -                        | -                               |
| <b>Current assets</b>                  |                         |                                |                          |                                 |
| Inventories                            | 12                      | 24                             | 1                        | 1                               |
| Income tax receivable                  | 4                       | 3                              | -                        | -                               |
| Trade and other receivables            | 108                     | 118                            | 3                        | 4                               |
| Cash and cash equivalents              | 89                      | 72                             | 3                        | 3                               |
| <b>Total assets held for sale</b>      | <b>302</b>              | <b>306</b>                     | <b>9</b>                 | <b>10</b>                       |
| <b>Non-current liabilities</b>         |                         |                                |                          |                                 |
| Deferred tax liabilities               | (38)                    | (38)                           | (1)                      | (1)                             |
| <b>Current liabilities</b>             |                         |                                |                          |                                 |
| Provisions                             | (7)                     | (6)                            | -                        | -                               |
| Trade and other payables               | (69)                    | (50)                           | (2)                      | (2)                             |
| Income tax payable                     | -                       | (3)                            | -                        | -                               |
| <b>Total liabilities held for sale</b> | <b>(114)</b>            | <b>(97)</b>                    | <b>(3)</b>               | <b>(3)</b>                      |

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# RBC GROUP

## NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR SIX MONTHS ENDED 30 JUNE 2013

### 11. PROPERTY, PLANT AND EQUIPMENT

| MIn RUB                            | TV equipment | Computer equipment | Office equipment | Other assets | Vehicles    | Construction-in-progress | Prepayments | Total        |
|------------------------------------|--------------|--------------------|------------------|--------------|-------------|--------------------------|-------------|--------------|
| <b>Cost</b>                        |              |                    |                  |              |             |                          |             |              |
| <b>At 1 January 2013</b>           | <b>354</b>   | <b>429</b>         | <b>124</b>       | <b>40</b>    | <b>81</b>   | <b>43</b>                | -           | <b>1,071</b> |
| Reclassification between groups    | -            | 3                  | -                | (1)          | 1           | (3)                      | -           | -            |
| Additions                          | 3            | 42                 | 3                | 4            | 3           | -                        | -           | <b>55</b>    |
| Disposal of fully amortized assets | -            | (4)                | (1)              | -            | -           | -                        | -           | <b>(5)</b>   |
| Disposals                          | -            | (1)                | -                | -            | (2)         | -                        | -           | <b>(3)</b>   |
| <b>At 30 June 2013</b>             | <b>357</b>   | <b>469</b>         | <b>126</b>       | <b>43</b>    | <b>83</b>   | <b>40</b>                | -           | <b>1,118</b> |
| <b>Depreciation</b>                |              |                    |                  |              |             |                          |             |              |
| <b>At 1 January 2013</b>           | <b>(194)</b> | <b>(258)</b>       | <b>(100)</b>     | <b>(27)</b>  | <b>(44)</b> | -                        | -           | <b>(623)</b> |
| Reclassification between groups    | -            | 3                  | (3)              | -            | -           | -                        | -           | -            |
| Depreciation charge                | (16)         | (44)               | (4)              | (2)          | (6)         | -                        | -           | <b>(72)</b>  |
| Disposal of fully amortized assets | -            | 4                  | 1                | -            | -           | -                        | -           | <b>5</b>     |
| Disposals                          | -            | -                  | -                | -            | 1           | -                        | -           | <b>1</b>     |
| <b>At 30 June 2013</b>             | <b>(210)</b> | <b>(295)</b>       | <b>(106)</b>     | <b>(29)</b>  | <b>(49)</b> | -                        | -           | <b>(689)</b> |
| <b>Net book value</b>              |              |                    |                  |              |             |                          |             |              |
| <b>At 1 January 2013</b>           | <b>160</b>   | <b>171</b>         | <b>24</b>        | <b>13</b>    | <b>37</b>   | <b>43</b>                | -           | <b>448</b>   |
| <b>At 30 June 2013</b>             | <b>147</b>   | <b>174</b>         | <b>20</b>        | <b>14</b>    | <b>34</b>   | <b>40</b>                | -           | <b>429</b>   |

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# RBC GROUP

## NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR SIX MONTHS ENDED 30 JUNE 2013

| Mln RUB                                 | TV equipment | Computer equipment | Office equipment | Other assets | Vehicles    | Construction-in-progress | Prepayments | Total        |
|---|--------------|--------------------|------------------|--------------|-------------|--------------------------|-------------|--------------|
| <b>Cost</b>                             |              |                    |                  |              |             |                          |             |              |
| <b>At 1 January 2012</b>                | <b>366</b>   | <b>308</b>         | <b>126</b>       | <b>147</b>   | <b>73</b>   | <b>17</b>                | -           | <b>1,037</b> |
| Reclassification between groups         | 1            | (2)                | (2)              | 1            | -           | 2                        | -           | -            |
| Additions through business combinations | -            | 69                 | 1                | 3            | 1           | 31                       | -           | <b>105</b>   |
| Additions                               | 6            | 48                 | 2                | 9            | 3           | 1                        | 8           | <b>77</b>    |
| Disposals                               | (4)          | (3)                | -                | (7)          | -           | (9)                      | -           | <b>(23)</b>  |
| <b>At 30 June 2012</b>                  | <b>369</b>   | <b>420</b>         | <b>127</b>       | <b>153</b>   | <b>77</b>   | <b>42</b>                | <b>8</b>    | <b>1,196</b> |
| <b>Depreciation</b>                     |              |                    |                  |              |             |                          |             |              |
| <b>At 1 January 2012</b>                | <b>(234)</b> | <b>(195)</b>       | <b>(102)</b>     | <b>(138)</b> | <b>(33)</b> | -                        | -           | <b>(702)</b> |
| Reclassification between groups         | (1)          | (1)                | 2                | -            | -           | -                        | -           | -            |
| Depreciation charge                     | (13)         | (28)               | (5)              | (4)          | (6)         | -                        | -           | <b>(56)</b>  |
| Disposals                               | 4            | 3                  | -                | 1            | -           | -                        | -           | <b>8</b>     |
| <b>At 30 June 2012</b>                  | <b>(244)</b> | <b>(221)</b>       | <b>(105)</b>     | <b>(141)</b> | <b>(39)</b> | -                        | -           | <b>(750)</b> |
| <b>Net Book Value</b>                   |              |                    |                  |              |             |                          |             |              |
| <b>At 1 January 2012</b>                | <b>132</b>   | <b>113</b>         | <b>24</b>        | <b>9</b>     | <b>40</b>   | <b>17</b>                | -           | <b>335</b>   |
| <b>At 30 June 2012</b>                  | <b>125</b>   | <b>199</b>         | <b>22</b>        | <b>12</b>    | <b>38</b>   | <b>42</b>                | <b>8</b>    | <b>446</b>   |

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# RBC GROUP

## NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR SIX MONTHS ENDED 30 JUNE 2013

| MIn USD*                           | TV equipment | Computer equipment | Office equipment | Other assets | Vehicles   | Construction-in-progress | Prepayments | Total       |
|------------------------------------|--------------|--------------------|------------------|--------------|------------|--------------------------|-------------|-------------|
| <b>Cost</b>                        |              |                    |                  |              |            |                          |             |             |
| <b>At 1 January 2013</b>           | 11           | 13                 | 4                | 1            | 2          | 1                        | -           | 32          |
| Reclassification between groups    | -            | -                  | -                | -            | -          | -                        | -           | -           |
| Additions                          | -            | 1                  | -                | -            | -          | -                        | -           | 1           |
| Disposal of fully amortized assets | -            | -                  | -                | -            | -          | -                        | -           | -           |
| Disposals                          | -            | -                  | -                | -            | -          | -                        | -           | -           |
| <b>At 30 June 2013</b>             | <b>11</b>    | <b>14</b>          | <b>4</b>         | <b>1</b>     | <b>2</b>   | <b>1</b>                 | <b>-</b>    | <b>33</b>   |
| <b>Depreciation</b>                |              |                    |                  |              |            |                          |             |             |
| <b>At 1 January 2013</b>           | (6)          | (8)                | (3)              | (1)          | (1)        | -                        | -           | (19)        |
| Reclassification between groups    | -            | -                  | -                | -            | -          | -                        | -           | -           |
| Depreciation charge                | -            | (1)                | -                | -            | -          | -                        | -           | (1)         |
| Disposal of fully amortized assets | -            | -                  | -                | -            | -          | -                        | -           | -           |
| Disposals                          | -            | -                  | -                | -            | -          | -                        | -           | -           |
| <b>At 30 June 2013</b>             | <b>(6)</b>   | <b>(9)</b>         | <b>(3)</b>       | <b>(1)</b>   | <b>(1)</b> | <b>-</b>                 | <b>-</b>    | <b>(20)</b> |
| <b>Net book value</b>              |              |                    |                  |              |            |                          |             |             |
| <b>At 1 January 2013</b>           | 5            | 5                  | 1                | -            | 1          | 1                        | -           | 14          |
| <b>At 30 June 2013</b>             | 5            | 5                  | 1                | -            | 1          | 1                        | -           | 13          |

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# RBC GROUP

## NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR SIX MONTHS ENDED 30 JUNE 2013

| MIn USD*                                | TV equipment | Computer equipment | Office equipment | Other assets | Vehicles   | Construction-in-progress | Prepayments | Total       |
|---|--------------|--------------------|------------------|--------------|------------|--------------------------|-------------|-------------|
| <b>Cost</b>                             |              |                    |                  |              |            |                          |             |             |
| <b>At 1 January 2012</b>                | 11           | 9                  | 4                | 4            | 2          | 2                        | -           | 32          |
| Reclassification between groups         | -            | -                  | -                | -            | -          | -                        | -           | -           |
| Additions through business combinations | -            | 2                  | -                | -            | -          | 1                        | -           | 3           |
| Additions                               | -            | 2                  | -                | -            | -          | -                        | -           | 2           |
| Disposals                               | -            | -                  | -                | -            | -          | -                        | -           | -           |
| <b>At 30 June 2012</b>                  | <b>11</b>    | <b>13</b>          | <b>4</b>         | <b>4</b>     | <b>2</b>   | <b>3</b>                 | <b>-</b>    | <b>37</b>   |
| <b>Depreciation</b>                     |              |                    |                  |              |            |                          |             |             |
| <b>At 1 January 2012</b>                | (7)          | (6)                | (3)              | (4)          | (1)        | -                        | -           | (21)        |
| Reclassification between groups         | -            | -                  | -                | -            | -          | -                        | -           | -           |
| Depreciation charge                     | -            | (1)                | -                | -            | -          | -                        | -           | (1)         |
| Disposals                               | -            | -                  | -                | -            | -          | -                        | -           | -           |
| <b>At 30 June 2012</b>                  | <b>(7)</b>   | <b>(7)</b>         | <b>(3)</b>       | <b>(4)</b>   | <b>(1)</b> | <b>-</b>                 | <b>-</b>    | <b>(22)</b> |
| <b>Net book value</b>                   |              |                    |                  |              |            |                          |             |             |
| <b>At 1 January 2012</b>                | 4            | 3                  | 1                | -            | 1          | 2                        | -           | 11          |
| <b>At 30 June 2012</b>                  | 4            | 6                  | 1                | -            | 1          | 3                        | -           | 15          |

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# RBC GROUP

## NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR SIX MONTHS ENDED 30 JUNE 2013

### 12. INTANGIBLE ASSETS AND GOODWILL

| MIn RUB  | Trade<br>marks | Software     | Web-sites    | Brands       | Customer<br>list | Cable<br>network<br>connection | Goodwill       | Prepay-<br>ments | Other        | Total          |
|--|----------------|--------------|--------------|--------------|------------------|--------------------------------|----------------|------------------|--------------|----------------|
| <b>Cost</b>                                    |                |              |              |              |                  |                                |                |                  |              |                |
| <b>At 1 January 2013</b>                       | <b>138</b>     | <b>339</b>   | <b>825</b>   | <b>539</b>   | <b>463</b>       | <b>1,021</b>                   | <b>1,706</b>   | <b>21</b>        | <b>213</b>   | <b>5,265</b>   |
| Additions through business combinations        | -              | -            | -            | -            | -                | -                              | 17             | -                | -            | 17             |
| Additions                                      | 1              | 33           | 95           | -            | -                | -                              | -              | 13               | 19           | 161            |
| Disposals                                      | (1)            | (14)         | (7)          | -            | -                | -                              | -              | -                | -            | (22)           |
| <b>At 30 June 2013</b>                         | <b>138</b>     | <b>358</b>   | <b>913</b>   | <b>539</b>   | <b>463</b>       | <b>1,021</b>                   | <b>1,723</b>   | <b>34</b>        | <b>232</b>   | <b>5,421</b>   |
| <b>Accumulated amortization and impairment</b> |                |              |              |              |                  |                                |                |                  |              |                |
| <b>At 1 January 2013</b>                       | <b>(132)</b>   | <b>(137)</b> | <b>(581)</b> | <b>(406)</b> | <b>(86)</b>      | <b>(277)</b>                   | <b>(1,032)</b> | -                | <b>(178)</b> | <b>(2,829)</b> |
| Amortization charge                            | (3)            | (32)         | (67)         | (11)         | (26)             | (33)                           | -              | -                | (12)         | (184)          |
| Disposals                                      | -              | 14           | 7            | -            | -                | -                              | -              | -                | -            | 21             |
| <b>At 30 June 2013</b>                         | <b>(135)</b>   | <b>(155)</b> | <b>(641)</b> | <b>(417)</b> | <b>(112)</b>     | <b>(310)</b>                   | <b>(1,032)</b> | -                | <b>(190)</b> | <b>(2,992)</b> |
| <b>Net book value</b>                          |                |              |              |              |                  |                                |                |                  |              |                |
| <b>At 1 January 2013</b>                       | <b>6</b>       | <b>202</b>   | <b>244</b>   | <b>133</b>   | <b>377</b>       | <b>744</b>                     | <b>674</b>     | <b>21</b>        | <b>35</b>    | <b>2,436</b>   |
| <b>At 30 June 2013</b>                         | <b>3</b>       | <b>203</b>   | <b>272</b>   | <b>122</b>   | <b>351</b>       | <b>711</b>                     | <b>691</b>     | <b>34</b>        | <b>42</b>    | <b>2,429</b>   |

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## RBC GROUP

### NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR SIX MONTHS ENDED 30 JUNE 2013

| MIn RUB  | Trade<br>marks | Software     | Web-sites    | Brands       | Customer<br>list | Cable<br>network<br>connection | Goodwill       | Prepay-<br>ments | Other        | Total          |
|--|----------------|--------------|--------------|--------------|------------------|--------------------------------|----------------|------------------|--------------|----------------|
| <b>Cost</b>                                    |                |              |              |              |                  |                                |                |                  |              |                |
| <b>At 1 January 2012</b>                       | <b>491</b>     | <b>255</b>   | <b>652</b>   | <b>513</b>   | <b>198</b>       | <b>974</b>                     | <b>1,707</b>   | <b>12</b>        | <b>193</b>   | <b>4,995</b>   |
| Additions through business combinations        | -              | 164          | -            | 143          | 412              | -                              | 191            | -                | 10           | <b>920</b>     |
| Additions                                      | -              | 8            | 109          | -            | -                | -                              | -              | -                | -            | <b>117</b>     |
| Disposals                                      | -              | -            | (14)         | -            | -                | -                              | -              | -                | -            | <b>(14)</b>    |
| <b>At 30 June 2012</b>                         | <b>491</b>     | <b>427</b>   | <b>747</b>   | <b>656</b>   | <b>610</b>       | <b>974</b>                     | <b>1,898</b>   | <b>12</b>        | <b>203</b>   | <b>6,018</b>   |
| <b>Accumulated amortization and impairment</b> |                |              |              |              |                  |                                |                |                  |              |                |
| <b>At 1 January 2012</b>                       | <b>(375)</b>   | <b>(217)</b> | <b>(521)</b> | <b>(506)</b> | <b>(180)</b>     | <b>(256)</b>                   | <b>(1,486)</b> | <b>-</b>         | <b>(174)</b> | <b>(3,715)</b> |
| Amortization charge                            | (23)           | (15)         | (31)         | (4)          | (21)             | (30)                           | -              | -                | (6)          | <b>(130)</b>   |
| Disposal                                       | -              | -            | 13           | -            | -                | -                              | -              | -                | -            | <b>13</b>      |
| <b>At 30 June 2012</b>                         | <b>(398)</b>   | <b>(232)</b> | <b>(539)</b> | <b>(510)</b> | <b>(201)</b>     | <b>(286)</b>                   | <b>(1,486)</b> | <b>-</b>         | <b>(180)</b> | <b>(3,832)</b> |
| <b>Net book value</b>                          |                |              |              |              |                  |                                |                |                  |              |                |
| <b>At 1 January 2012</b>                       | <b>116</b>     | <b>38</b>    | <b>131</b>   | <b>7</b>     | <b>18</b>        | <b>718</b>                     | <b>221</b>     | <b>12</b>        | <b>19</b>    | <b>1,280</b>   |
| <b>At 30 June 2012</b>                         | <b>93</b>      | <b>195</b>   | <b>208</b>   | <b>146</b>   | <b>409</b>       | <b>688</b>                     | <b>412</b>     | <b>12</b>        | <b>23</b>    | <b>2,186</b>   |

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## RBC GROUP

### NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR SIX MONTHS ENDED 30 JUNE 2013

| MIn USD*                                       | Trade<br>marks | Software   | Web-sites   | Brands      | Customer<br>list | Cable<br>network<br>connection | Goodwill    | Prepay-<br>ments | Other      | Total       |
|--|----------------|------------|-------------|-------------|------------------|--------------------------------|-------------|------------------|------------|-------------|
| <b>Cost</b>                                    |                |            |             |             |                  |                                |             |                  |            |             |
| <b>At 1 January 2013</b>                       | <b>4</b>       | <b>10</b>  | <b>25</b>   | <b>16</b>   | <b>14</b>        | <b>31</b>                      | <b>52</b>   | <b>1</b>         | <b>7</b>   | <b>160</b>  |
| Additions through business combinations        | -              | -          | -           | -           | -                | -                              | 1           | -                | -          | 1           |
| Additions                                      | -              | 1          | 3           | -           | -                | -                              | -           | -                | 1          | 5           |
| Disposals                                      | -              | -          | -           | -           | -                | -                              | -           | -                | -          | -           |
| <b>At 31 December 2013</b>                     | <b>4</b>       | <b>11</b>  | <b>28</b>   | <b>16</b>   | <b>14</b>        | <b>31</b>                      | <b>53</b>   | <b>1</b>         | <b>8</b>   | <b>166</b>  |
| <b>Accumulated amortization and impairment</b> |                |            |             |             |                  |                                |             |                  |            |             |
| <b>At 1 January 2013</b>                       | <b>(4)</b>     | <b>(4)</b> | <b>(18)</b> | <b>(12)</b> | <b>(3)</b>       | <b>(8)</b>                     | <b>(32)</b> | <b>-</b>         | <b>(5)</b> | <b>(86)</b> |
| Amortization charge                            | -              | (1)        | (2)         | -           | (1)              | (1)                            | -           | -                | (1)        | (6)         |
| Disposals                                      | -              | -          | -           | -           | -                | -                              | -           | -                | -          | -           |
| <b>At 31 December 2013</b>                     | <b>(4)</b>     | <b>(5)</b> | <b>(20)</b> | <b>(12)</b> | <b>(4)</b>       | <b>(9)</b>                     | <b>(32)</b> | <b>-</b>         | <b>(6)</b> | <b>(92)</b> |
| <b>Net book value</b>                          |                |            |             |             |                  |                                |             |                  |            |             |
| <b>At 1 January 2013</b>                       | <b>-</b>       | <b>6</b>   | <b>7</b>    | <b>4</b>    | <b>11</b>        | <b>23</b>                      | <b>20</b>   | <b>1</b>         | <b>2</b>   | <b>74</b>   |
| <b>At 31 December 2013</b>                     | <b>-</b>       | <b>6</b>   | <b>8</b>    | <b>4</b>    | <b>10</b>        | <b>22</b>                      | <b>21</b>   | <b>1</b>         | <b>2</b>   | <b>74</b>   |

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## RBC GROUP

### NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR SIX MONTHS ENDED 30 JUNE 2013

| MIn USD*                                       | Trade<br>marks | Software   | Web-sites   | Brands      | Customer<br>list | Cable<br>network<br>connection | Goodwill    | Prepay-<br>ments | Other      | Total        |
|--|----------------|------------|-------------|-------------|------------------|--------------------------------|-------------|------------------|------------|--------------|
| <b>Cost</b>                                    |                |            |             |             |                  |                                |             |                  |            |              |
| <b>At 1 January 2012</b>                       | <b>15</b>      | <b>8</b>   | <b>20</b>   | <b>16</b>   | <b>6</b>         | <b>30</b>                      | <b>52</b>   | <b>-</b>         | <b>6</b>   | <b>153</b>   |
| Additions through business combinations        | -              | 5          | -           | 4           | 13               | -                              | 6           | -                | -          | 28           |
| Additions                                      | -              | -          | 3           | -           | -                | -                              | -           | -                | -          | 3            |
| Disposals                                      | -              | -          | -           | -           | -                | -                              | -           | -                | -          | -            |
| <b>At 30 June 2012</b>                         | <b>15</b>      | <b>13</b>  | <b>23</b>   | <b>20</b>   | <b>19</b>        | <b>30</b>                      | <b>58</b>   | <b>-</b>         | <b>6</b>   | <b>184</b>   |
| <b>Accumulated amortization and impairment</b> |                |            |             |             |                  |                                |             |                  |            |              |
| <b>At 1 January 2012</b>                       | <b>(11)</b>    | <b>(7)</b> | <b>(16)</b> | <b>(15)</b> | <b>(6)</b>       | <b>(8)</b>                     | <b>(45)</b> | <b>-</b>         | <b>(5)</b> | <b>(113)</b> |
| Amortization charge                            | (1)            | -          | (1)         | -           | (1)              | (1)                            | -           | -                | -          | (4)          |
| Disposal                                       | -              | -          | -           | -           | -                | -                              | -           | -                | -          | -            |
| <b>At 30 June 2012</b>                         | <b>(12)</b>    | <b>(7)</b> | <b>(17)</b> | <b>(15)</b> | <b>(7)</b>       | <b>(9)</b>                     | <b>(45)</b> | <b>-</b>         | <b>(5)</b> | <b>(117)</b> |
| <b>Net book value</b>                          |                |            |             |             |                  |                                |             |                  |            |              |
| <b>At 1 January 2012</b>                       | <b>4</b>       | <b>1</b>   | <b>4</b>    | <b>1</b>    | <b>-</b>         | <b>22</b>                      | <b>7</b>    | <b>-</b>         | <b>1</b>   | <b>40</b>    |
| <b>At 30 June 2012</b>                         | <b>3</b>       | <b>6</b>   | <b>6</b>    | <b>5</b>    | <b>12</b>        | <b>21</b>                      | <b>13</b>   | <b>-</b>         | <b>1</b>   | <b>67</b>    |

#### Amortization charge

The amortization charge for the six months ended 30 June 2013 and 2012 is included in “Cost of sales” and “Administrative expenses”.

\* The USD equivalent figures are provided for information purposes only and do not form part of the unaudited interim condensed consolidated financial information – refer to Note 2(b).

## RBC GROUP

### NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR SIX MONTHS ENDED 30 JUNE 2013

#### 13. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

As at 30 June 2013 the Group had the following investments in the associates and joint ventures:

| Name                                    | Principal activity                                    | The share ownership as of<br>six months ended |                     |
|---|---|---|---------------------|
|   |   | 30 June<br>2013                               | 31 December<br>2012 |
| Limandora Ltd.                          | Developing online resource for<br>children's audience | 51%   | 51%                 |
| CJSC Yuzhny Region-<br>Telekommunikacii | TV broadcasting                                       | 50%   | 50%                 |
| IGlobe (Braddy S.A.)                    | Internet resource iglobe.ru                           | 25%   | 25%                 |
| BidLive Russia, LLC                     | Internet resource<br>bidonthecity.com                 | 45%   | 45%                 |
| KUPONGID Corp.                          | Internet resource kupongid.ru                         | -*  | 43%                 |

\*- KUPONGID Corp. was reclassified from associates to subsidiary as the Group acquired additional 10% of KuponGid in the first half of 2013 and its ownership reached 53% (Note 16).

|   | 30 June<br>2013<br>Mln RUB | 31 December<br>2012<br>Mln RUB | 30 June<br>2013<br>Mln USD* | 31 December<br>2012<br>Mln USD* |
|---|----------------------------|--------------------------------|-----------------------------|---------------------------------|
| IGlobe                                  | 78                         | 78                             | 2                           | 2                               |
| CJSC Yuzhny Region-<br>Telekommunikacii | 20                         | 22                             | 1                           | 1                               |
| KUPONGID Corp.                          | -                          | 19                             | -                           | 1                               |
| Limandora Ltd.                          | -                          | 4                              | -                           | -                               |
| <b>Total</b>                            | <b>98</b>                  | <b>123</b>                     | <b>3</b>                    | <b>4</b>                        |

No impairment loss was recognized during six months ended 30 June 2013.

#### 14. TRADE AND OTHER RECEIVABLES

|   | 30 June<br>2013<br>Mln RUB | 31 December<br>2012<br>Mln RUB | 30 June<br>2013<br>Mln USD* | 31 December<br>2012<br>Mln USD* |
|---|----------------------------|--------------------------------|-----------------------------|---------------------------------|
| <b>Financial assets</b>                         |                            |                                |                             |                                 |
| Trade accounts receivable                       | 803                        | 769                            | 24                          | 24                              |
| Other receivable                                | 311                        | 327                            | 10                          | 10                              |
| Impairment provision for accounts<br>receivable | (82)                       | (94)                           | (3)                         | (3)                             |
| <b>Total accounts receivable</b>                | <b>1,032</b>               | <b>1,002</b>                   | <b>31</b>                   | <b>31</b>                       |
| <b>Non-financial assets</b>                     |                            |                                |                             |                                 |
| Other taxes receivable                          | 4                          | 62                             | -                           | 2                               |
| Other prepayments                               | 82                         | 112                            | 3                           | 3                               |
| VAT receivable                                  | 85                         | 87                             | 3                           | 3                               |
| Deferred expenses                               | 4                          | 5                              | -                           | -                               |
|   | <b>175</b>                 | <b>266</b>                     | <b>6</b>                    | <b>8</b>                        |

\* The USD equivalent figures are provided for information purposes only and do not form part of the unaudited interim condensed consolidated financial information – refer to Note 2(b).

**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
FOR SIX MONTHS ENDED 30 JUNE 2013**
**15. LOANS AND BORROWINGS**
**Terms and debt repayment schedule**

Terms and conditions of outstanding loans were as follows:

|                                     |          |                       |                  | Carrying amount |               |              |               |
|-------------------------------------|----------|-----------------------|------------------|-----------------|---------------|--------------|---------------|
|                                     |          |                       |                  | 30 June 2013    | December 2012 | 30 June 2013 | December 2012 |
|                                     | Currency | Nominal Interest rate | Year of maturity | Mln RUB         | Mln RUB       | Mln USD*     | Mln USD*      |
| <b>Current liabilities</b>          |          |                       |                  |                 |               |              |               |
| <b>Loans</b>                        |          |                       |                  |                 |               |              |               |
| Loans at 7%                         | USD      | 7%                    | 2015             | 4,082           | 3,794         | 125          | 116           |
| Loans at 6%                         | USD      | 6%                    | 2018             | 3,040           | 2,756         | 93           | 84            |
| <b>Unsecured bond issues</b>        |          |                       |                  |                 |               |              |               |
| Bonds (issue B-1)                   | RUB      | 7%                    | 2015             | 120             | 120           | 4            | 4             |
| Bonds (issue B-4)                   | RUB      | 6%                    | 2018             | 82              | 81            | 2            | 3             |
| Bonds (issue BO-5)                  | RUB      | 11%                   | 2009             | -               | 1             | -            | -             |
| <b>Other loans</b>                  | RUB      |                       |                  | 375             | 206           | 11           | 6             |
| <b>Total short-term liabilities</b> |          |                       |                  | <b>7,699</b>    | <b>6,958</b>  | <b>235</b>   | <b>213</b>    |

The USD-denominated loan participation notes and RUB-denominated bonds were issued by the Group as part of debt restructuring process in 2010, in which the Group reached agreement with its creditors to exchange all of the outstanding debt into 6,337 Mln RUB / 193.7 Mln USD\* loan participation notes, 191 Mln RUB / 5.8 Mln USD\* of RUB-denominated bonds and options/warrants granted to the loan participation notes and bond holders as described below.

As part of debt restructuring, CJSC RBC-TV, the Group subsidiary, pledged the rights to its trademarks and brand name in the appraised amount of 46 Mln RUB / 1.4 Mln USD\* to E.M.I.S. Finance B.V. acting as lender.

The loan participation notes and bonds are subject to certain covenants which impose restrictions in respect of certain transactions and financial ratios, including, but not limited to, restrictions in respect of indebtedness and profitability. As a result of having breached certain of these restrictions as at 30 June 2013 the Group reclassified loan principal and accumulated interest owed to E.M.I.S. Finance B.V. and bonds in the total amount of 7,324 Mln RUB / 224 Mln USD\* from long-term to short-term liabilities. At the date of approval of these interim condensed consolidated financial information, management has received a preliminary agreement from MDM Bank, the enforcement agent under loan agreement with E.M.I.S. Finance B.V., and been negotiating with lenders about the possibility of removing certain restrictions and waiving an early repayment condition in the event of breaching the covenants (Note 2(c)). The Group expects to obtain a written waiver from its creditors to amend the restrictions of the loan agreement until December 31 2013. ONEXIM Group has agreed to provide financial support in the event that the Group is required to repay its liabilities within the next 12 months.

In the future, the Group plans to repay its debts not just through the results of its operating activities, but also through the sale of assets owned by the Group.

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**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
FOR SIX MONTHS ENDED 30 JUNE 2013**
**Derivative financial liabilities**

In 2010, as part of the debt restructuring process, the Group agreed to grant to the loan participation notes call warrants and to the bond holders – call options, vesting in 2015 and in 2018. In accordance with the terms of warrant and option agreements the Group is obliged to pay the options and warrants holders the difference between average price of a share of OJSC RBC for the last 120 days preceding the exercise date and the fixed price of USD 1.96 per warrant/option. Further, the exercise of W-2 warrants is conditional upon the Group's non-default on certain loan participation notes.

The number of options granted and outstanding was as follows:

|              | <b>Exercise date</b> | <b>30 June<br/>2013</b> | <b>31 December<br/>2012</b> |
|--------------|----------------------|-------------------------|-----------------------------|
| Warrants W-1 | 6 May 2015           | 21,220,220              | 21,220,220                  |
| Warrants W-2 | 6 May 2018           | 18,579,709              | 18,579,709                  |
| Options W-1  | 2 June 2015          | 196,128                 | 196,128                     |
| Options W-2  | 2 June 2018          | 246,403                 | 246,403                     |

Warrants/options are to be settled in cash and are classified as financial liability in the accompanying statement of financial position. The fair value of the warrants/options was determined using the Black-Scholes valuation model and amounted to 15 Mln RUB / 0.4 Mln USD\* and 43 Mln RUB / 1.3 Mln USD\* at 30 June 2013 and 31 December 2012, respectively.

**16. ACQUISITION OF SUBSIDIARIES AND NON-CONTROLLING INTEREST**
**Acquisition of Kupongid**

| <b>Principal activity</b>   | <b>Date of<br/>Acquisition</b> | <b>Proportion of<br/>voting equity<br/>interests<br/>acquired<br/>(%)</b> | <b>Consideration<br/>transferred<br/>Mln RUB</b> | <b>Consideration<br/>transferred<br/>Mln USD*</b> |
|---|--------------------------------|---|--|---|
| KUPONGID Corp. Provides services and products to the ultimate customers of promotions | 5 February<br>2013             | 53%   | 19   | 1   |

In the first half of 2012, the Group acquired 43% of KUPONGID Corp., the holding company of Kupongid LLC (together "KuponGid"), in exchange for advertising services to be provided in the amount of 16.5 mln RUB / 0.5 Mln USD\*, with an option to increase its share to 73% over the next two years. According to the conditions of the agreement, the Group is entitled to purchase 10% of the share capital semiannually, either for a cash consideration or for internet services provided to Kupongid LLC.

On 5 February 2013 the Group purchased 10% of shares of KUPONGID Corp., registered under the laws of the British Virgin Islands, for a consideration of 1.9 mln RUB / 0.06 mln USD\*, increasing its ownership to 53%, for expansion of the area of the Group advertising services. As a result, KuponGid became the subsidiary of Halverston Holdings Ltd., owned by the Group, and was included in the Consumer Internet Segment in segment information.

The recent acquisition resulted in recognition of goodwill in the amount of 17 mln RUB / 1 Mln USD\* which is primary attributable to the expected future development, revenue growth and assembled workforce of KuponGid.

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**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
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The results of operations of KuponGid for the period prior to acquisition would not have had a material impact on the Group's results of operations for the 6 months ended 30 June 2013 and 2012. Accordingly, no pro forma financial information is presented. The results of operations of KuponGid did not have a material impact on the Group's results of operations for the 6 months ended 30 June 2013.

**17. PROVISIONS**

Provisions at 30 June 2013 and 31 December 2012 are stated as follows:

|  | 30 June<br>2013<br>Mln RUB | 31 December<br>2012<br>Mln RUB | 30 June<br>2013<br>Mln USD* | 31 December<br>2012<br>Mln USD* |
|--|----------------------------|--------------------------------|-----------------------------|---------------------------------|
| Legal case provision                                   | 240                        | 239                            | 8                           | 8                               |
| Unused vacation provision                              | 62                         | 47                             | 2                           | 1                               |
| Late-payment interests and<br>penalties related to VAT | 2                          | 2                              | -                           | -                               |
|  | <b>304</b>                 | <b>288</b>                     | <b>10</b>                   | <b>9</b>                        |

**18. TRADE AND OTHER PAYABLES**

|  | 30 June<br>2013<br>Mln RUB | 31 December<br>2012<br>Mln RUB | 30 June<br>2013<br>Mln USD* | 31 December<br>2012<br>Mln USD* |
|--|----------------------------|--------------------------------|-----------------------------|---------------------------------|
| <b>Financial liabilities</b>           |                            |                                |                             |                                 |
| Other payables and accrued<br>expenses | 306                        | 331                            | 9                           | 10                              |
| Trade accounts payables                | 261                        | 180                            | 8                           | 6                               |
|  | <b>567</b>                 | <b>511</b>                     | <b>17</b>                   | <b>16</b>                       |

|                                  | 30 June<br>2013<br>Mln RUB | 31 December<br>2012<br>Mln RUB | 30 June<br>2013<br>Mln USD* | 31 December<br>2012<br>Mln USD* |
|----------------------------------|----------------------------|--------------------------------|-----------------------------|---------------------------------|
| <b>Non-financial liabilities</b> |                            |                                |                             |                                 |
| Advances received                | 438                        | 460                            | 13                          | 14                              |
| VAT Payable                      | 226                        | 207                            | 7                           | 6                               |
| Other taxes payable              | 56                         | 88                             | 2                           | 3                               |
| Deferred income                  | 24                         | 28                             | 1                           | 1                               |
|                                  | <b>744</b>                 | <b>783</b>                     | <b>23</b>                   | <b>24</b>                       |

**19. EQUITY**
**(a) Share capital and share premium**

As at 30 June 2013 OJSC RBC share capital contains of 365,631,010 ordinary shares.

|   | Ordinary shares<br>30 June<br>2013 | Ordinary shares<br>31 December<br>2012 |
|---|------------------------------------|--|
| <b>Number of shares unless otherwise stated</b> |                                    |  |
| Authorized shares                               | 365,631,010                        | 318,890,625                            |
| Par value                                       | RUB 0.0006                         | RUB 0.0006                             |
| On issue at beginning of year                   | 365,631,010                        | 318,890,625                            |
| Issued for cash                                 | -                                  | 46,740,385                             |
| <b>On issue at end of the period fully paid</b> | <b>365,631,010</b>                 | <b>365,631,010</b>                     |

\* The USD equivalent figures are provided for information purposes only and do not form part of the unaudited interim condensed consolidated financial information – refer to Note 2(b).

## RBC GROUP

### NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR SIX MONTHS ENDED 30 JUNE 2013

In May 2012 the Board of Directors approved additional share issuance by offering 51,109,375 shares via public subscription with price set at RUB 20 per share. 46,740,385 shares out of share issuance were sold for RUB 935 million / USD\* 29 million, 4,368,990 shares were cancelled. ONEXIM Group acquired 32,444,607 shares of the total amount of the shares sold. As a result ONEXIM Group increased its share in the Group to approximately 53%.

The holders of the ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the shareholders' meetings of the Company.

As results of additional shares issue the following changes in share capital and additional capital are presented:

|               | 30 June<br>2013<br>Mln RUB | 31 December<br>2012<br>Mln RUB | 30 June<br>2013<br>Mln USD* | 31 December<br>2012<br>Mln USD* |
|---------------|----------------------------|--------------------------------|-----------------------------|---------------------------------|
| Share capital | -                          | -                              | -                           | -                               |
| Share premium | 3,281                      | 3,281                          | 100                         | 100                             |

#### (b) Dividends

In accordance with the Russian legislation the Company's distributable reserves are limited to the balance of accumulated retained earnings as recorded in the Company's statutory financial statements prepared in accordance with Russian Accounting Principles.

As at 30 June 2013 and 31 December 2012 the Group had cumulative retained loss and, therefore, no dividends could be distributed.

#### (c) Treasury shares

At as 30 June 2013 and 31 December 2012 the Group held 4,228,393 of its own shares as the exchange of the shares of OJSC RBC Information Systems to the shares of OJSC RBC in proportion of 1 to 1.116.

## 20. LOSS PER SHARE

The calculation of basic earnings per share as at 30 June 2013 was based on the profit for the year and the weighted average number of ordinary shares outstanding during 2013 of 361,403 thousand (30 June 2012: 322,452 thousand). Basic earnings per share were calculated as:

|   | Six months<br>ended<br>30 June 2013 | Six months<br>ended<br>30 June 2012 |
|---|-------------------------------------|-------------------------------------|
| <b>Number of shares</b>   |                                     |                                     |
| Issued shares at 1 January  | 365,631,010                         | 318,890,625                         |
| Own shares held at 1 January  | (4,228,393)                         | (4,228,393)                         |
| Effect of shares issued in May  | -                                   | 46,740,385                          |
| <b>Weighted average number of shares for the period ended 30 June</b> | <b>361,402,617</b>                  | <b>321,118,479</b>                  |

\* The USD equivalent figures are provided for information purposes only and do not form part of the unaudited interim condensed consolidated financial information – refer to Note 2(b).

**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
FOR SIX MONTHS ENDED 30 JUNE 2013**

|   | Six months ended        |                         |
|---|-------------------------|-------------------------|
|   | 30 June 2013<br>Mln RUB | 30 June 2012<br>Mln RUB |
| Loss for the year attributable to Shareholders of the Company       | (853)                   | (473)                   |
| (Loss) / profit for the period from discontinued operations         | (21)                    | 18                      |
| Loss for the period from continuing operations                      | (832)                   | (491)                   |
| Weighted average number of shares                                   | 361,402,617             | 321,118,479             |
| Basic Loss per share from continuing operations, RUB                | (2.30)                  | (1.53)                  |
| Basic (Loss) / earnings per share from discontinued operations, RUB | (0.06)                  | 0.06                    |
| <b>Total Basic Loss per share, RUB</b>                              | <b>(2.36)</b>           | <b>(1.47)</b>           |

|  | Six months ended         |                          |
|--|--------------------------|--------------------------|
|  | 30 June 2013<br>Mln USD* | 30 June 2012<br>Mln USD* |
| Loss for the year attributable to Shareholders of the Company        | (27)                     | (15)                     |
| (Loss) / profit for the period from discontinued operations          | (1)                      | 1                        |
| Loss for the period from continuing operations                       | (26)                     | (16)                     |
| Weighted average number of share                                     | 361,402,617              | 321,118,479              |
| Basic Loss per share from continuing operations, USD*                | (0.07)                   | (0.05)                   |
| Basic (Loss) / earnings per share from discontinued operations, USD* | (0.00)                   | 0.00                     |
| <b>Total Basic Loss per share, USD*</b>                              | <b>(0.07)</b>            | <b>(0.05)</b>            |

As at 30 June 2013 and 30 June 2012 the Company had no potentially dilutive ordinary shares.

**21. CONTINGENCIES**
**(a) Operating environment**

Emerging markets such as the Russian Federation are subject to different risks than more developed markets, including economic, political and social, and legal and legislative risks. Laws and regulations affecting businesses in the Russian Federation continue to change rapidly tax and regulatory frameworks are subject to varying interpretations. The future economic direction of the Russian Federation is heavily influenced by the fiscal and monetary policies adopted by the government, together with developments in the legal, regulatory, and political environment.

**(b) Taxation**

Commercial legislation of the Russian Federation, including tax legislation, is subject to varying interpretations and frequent changes. In addition, there is a risk of tax authorities making arbitrary judgments of business activities. If a particular treatment, based on management's judgment of the Group's business activities, was to be challenged by the tax authorities, the Group may be assessed additional taxes, penalties and interest.

Generally, taxpayers are subject to tax audits with respect to three calendar years preceding the year of the audit. However, completed audits do not exclude the possibility of subsequent additional tax audits performed by upper-level tax inspectorates reviewing the results of tax audits of their subordinate tax inspectorates. Also according to the clarification of the Russian Constitutional Court the statute of limitation for tax liabilities may be extended beyond the three year term set forth in the tax legislation, if a court determines that the taxpayers has obstructed or hindered a tax inspection.

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**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
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Management has not provided any amounts in respect of the potential tax contingencies in this interim condensed consolidated financial information, except for the provision in amount of RUB 2 million / USD\* 0.6 recorded as part of provisions at 30 June 2013 and 31 December 2012 (Note 17).

**(c) Litigation**

During the reporting year entities of the Group were involved in various claims and legal proceedings (both as plaintiff and defendant) arising in the normal course of business. Management does not believe that the ultimate resolution of such matters will give a material adverse impact on the Group's operating results or financial position.

On 19 December 2012 partners of the Group in joint entity "BidOnTheCity Russia" (BidLive), in which the Group owns 45%, filed a lawsuit to court of the city of New York (USA) against OJSC "RBC" and Halverston Holdings Limited, a Group's subsidiary, as well as a number of senior managers and members of the Board of Directors of the Group, for damages incurred due to the loss of reputation. Management believes that this claim has no basis and will not be considered by the court.

**22. RELATED PARTY DISCLOSURES**

For the purposes of this interim condensed consolidated financial information, parties are considered to be related if one party has the ability to control the other party, is under common control or exercise significant influence over the other party in making financial or operational decisions as defined by IAS 24 "Related Party Disclosures". In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. Key management personnel and close family members are also related parties.

**(a) Transactions with key management personnel and close family members**
***Compensation to key management personnel***

Compensation of key management personnel consists of remuneration paid to directors, general directors and executive directors for the services in full- or part-time positions. Compensation is made up of annual remuneration and a performance bonus depending on operating results.

Total key management compensation represented by short-term employee benefits and included in administrative expenses in the interim condensed consolidated statement of comprehensive income was RUB 88 million / USD\* 3 million and RUB 67 million / USD\* 2 million for six-month periods ended 30 June 2013 and 30 June 2012, respectively.

**(b) Transactions with the associates and joint ventures**

The Group's transactions and balances with the associates are disclosed below.

|                               | Outstanding<br>balance | Transaction<br>value | Outstanding<br>balance | Transaction<br>value |
|-------------------------------|------------------------|----------------------|------------------------|----------------------|
|                               |                        | Six months<br>ended  | 31 December            | Six months<br>ended  |
| MIn RUB                       | 30 June 2013           | 30 June 2013         | 2012                   | 30 June 2012         |
| Accounts receivable, trade    | 16                     | -                    | -                      | -                    |
| Accounts receivables, other   | 3                      | -                    | 3                      | -                    |
| Advertising services provided | -                      | 16                   | -                      | (30)                 |
| Loans received                | 7                      | -                    | -                      | -                    |
| Loans issued                  | -                      | -                    | 7                      | -                    |
| Other services provided       | -                      | 7                    | -                      | (1)                  |
| Other services received       | -                      | -                    | -                      | 36                   |

\* The USD equivalent figures are provided for information purposes only and do not form part of the unaudited interim condensed consolidated financial information – refer to Note 2(b).

**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
FOR SIX MONTHS ENDED 30 JUNE 2013**

|                               | Outstanding<br>balance | Transaction<br>value<br>Six months<br>ended 30 June<br>2013 | Outstanding<br>balance<br>31 December<br>2012 | Transaction<br>value<br>Six months<br>ended 30 June<br>2012 |
|-------------------------------|------------------------|---|---|---|
| <b>MIn USD*</b>               | <b>30 June 2013</b>    | <b>30 June 2013</b>   | <b>31 December<br/>2012</b>                   | <b>30 June 2012</b>   |
| Accounts Receivable, Trade    | -                      | -   | -   | -   |
| Accounts Receivable, Other    | -                      | -   | -   | -   |
| Advertising services provided | -                      | -   | -   | (1)   |
| Loans received                | -                      | -   | -   | -   |
| Loans issued                  | -                      | -   | -   | -   |
| Other services provided       | -                      | -   | -   | -   |
| Other services received       | -                      | -   | -   | 1   |

***Transactions with other related parties***

The Group's transactions and balances with other related parties are disclosed below.

|                               | Outstanding<br>balance | Transaction<br>value<br>Six months<br>ended<br>30 June 2013 | Outstanding<br>balance<br>31 December<br>2012 | Transaction<br>value<br>Six months<br>ended<br>30 June 2012 |
|-------------------------------|------------------------|---|---|---|
| <b>MIn RUB</b>                | <b>30 June 2013</b>    | <b>30 June 2013</b>   | <b>31 December<br/>2012</b>                   | <b>30 June 2012</b>   |
| Accounts Receivable, Trade    | 3                      | -   | -   | -   |
| Accounts Receivables, Other   | 1                      | -   | -   | -   |
| Advertising service received  | -                      | (1)   | -   | -   |
| Advertising services provided | -                      | 5   | 7   | 14  |
| Loans received                | (209)                  | -   | (186)   | -   |
| Interest expense              | -                      | (22)  | -   | -   |
| Other services provided       | -                      | 1   | -   | -   |
| Other services received       | -                      | (2)   | -   | (4)   |

|                               | Outstanding<br>balance | Transaction<br>value<br>Six months<br>ended<br>30 June 2013 | Outstanding<br>balance<br>31 December<br>2012 | Transaction<br>value<br>Six months<br>ended<br>30 June 2012 |
|-------------------------------|------------------------|---|---|---|
| <b>MIn USD*</b>               | <b>30 June 2013</b>    | <b>30 June 2013</b>   | <b>31 December<br/>2012</b>                   | <b>30 June 2012</b>   |
| Accounts Receivable, Trade    | -                      | -   | -   | -   |
| Accounts Receivables, Other   | -                      | -   | -   | -   |
| Advertising service received  | -                      | -   | -   | -   |
| Advertising services provided | -                      | -   | -   | -   |
| Loans received                | (6)                    | -   | (6)   | -   |
| Interest expense              | -                      | (1)   | -   | -   |
| Other services provided       | -                      | -   | -   | -   |
| Other services received       | -                      | -   | -   | -   |

**23. SEASONALITY**

The Group advertising revenue depends on seasonal demand. Advertising demand traditionally is the highest in the fourth quarter. In 2012 and 2011 years revenue of the first half of the year was approximately 43% of annual revenue. Seasonality does not impact the Group's revenue or cost recognition policies.

\* The USD equivalent figures are provided for information purposes only and do not form part of the unaudited interim condensed consolidated financial information – refer to Note 2(b).

**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
FOR SIX MONTHS ENDED 30 JUNE 2013**

**24. EVENTS SUBSEQUENT TO THE REPORTING DATE**

On 2 August 2013 the Group acquired 100% of the domain registrar Reggi LLC from 3rd parties for cash consideration of 35 Mln RUB / 1 Mln USD. Reggi is going to become a part of Domain registration and Hosting segment and will contribute to the increase of customer base. The net assets of Reggi LLC as of the date of acquisition amounted 3 Mln RUB / 0.09 Mln USD.

In September 2013 preliminary sale agreement for the disposal of Salon segment was signed. Management expects to finalize the deal before 31 December 2013.

As at 8 August 2013 the Group received an additional loan from North Financial Overseas Corp. in the amount of 33 Mln RUB / 1 Mln USD. As at 30 June 2013 the Group has already received a loan in the amount of 164 Mln RUB / 5 Mln USD.

**25. EBITDA**

The Board of Directors monitors the performance of the Group by EBITDA, which is determined as result from operating activities adjusted to exclude depreciation and amortization expenses and any impairment losses.

|   | Six months ended        |                         | Six months ended         |                          |
|---|-------------------------|-------------------------|--------------------------|--------------------------|
|   | 30 June 2013<br>Mln RUB | 30 June 2012<br>Mln RUB | 30 June 2013<br>Mln USD* | 30 June 2012<br>Mln USD* |
| <b>Results from operating activities</b>                    | <b>(217)</b>            | <b>(306)</b>            | <b>(7)</b>               | <b>(10)</b>              |
| Profit / (loss) for the period from discontinued operations | (21)                    | 18                      | (1)                      | 1                        |
| <i>Adjustments for:</i>                                     |                         |                         | -                        | -                        |
| Amortization  | 184                     | 130                     | 6                        | 4                        |
| Depreciation  | 72                      | 54                      | 2                        | 2                        |
| <b>EBITDA</b>   | <b>18</b>               | <b>(104)</b>            | <b>-</b>                 | <b>(3)</b>               |

\* The USD equivalent figures are provided for information purposes only and do not form part of the unaudited interim condensed consolidated financial information – refer to Note 2(b).