



**DETSKY MIR GROUP ANNOUNCES
OPERATING RESULTS FOR THE FULL YEAR 2015**

26 January 2015. Russia, Moscow. Detsky Mir Group (hereinafter referred to as "Detsky Mir" or "the Company"), Russia's largest children's goods retailer, announces its unaudited operating results for the full year 2015 ended on 31 December 2015.

KEY OPERATING RESULTS FOR THE FULL YEAR 2015

- The Group's preliminary unaudited retail revenue increased by 32% to RUB 59.5bn, vs RUB 45.0bn for FY 2014.
- Detsky Mir's like-for-like sales gained 12.4%¹ (with the number of checks growing by 3.7%, and the average check growing by 8.4%);
- The number of stores in the Group increased to 425 with total retail floorspace of 491 th. sq. m. as a result of 104 new stores opened in 2015, including 103 new Detsky Mir stores and 1 ELC store

Reporting date	31.12.2013	31.12.2014	31.12.2015	Growth FY 2015/FY 2014
Number of stores	252	322	425	32%
<i>Detsky Mir</i>	225	279	381	37%
<i>ELC</i>	27	43	44	2%
Retail floorspace (th. sq.m)	320	390	491	26%

Vladimir Chirakhov, CEO of Detsky Mir Group said:

“Despite the challenging economic environment in Russia, 2015 was one of the most successful for Detsky Mir Group in terms of business growth and strengthening its leading position in the market for children's goods.

“Preliminary consolidated unaudited retail revenue increased by 32% to RUB 59.5bn. Strong revenue growth was a result of higher sales at comparable stores, with like-for-like (LFL) growth of 12.4% mainly on the back of an 8.4% increase in average check and a 3.7% rise in the number of purchases. Against the background of an expected decline of the children's goods market in volume terms, Detsky Mir Group's LFL growth of sales volume amounted to 6%.

“In 2015, Detsky Mir Group opened 104 new stores, a record for the Company. Detsky Mir grew fastest in the Moscow region (33 major new stores opened) and St. Petersburg and Leningrad region (13 major new stores opened). We continued to expand in Kazakhstan with the opening of a new store in Astana. In 2016, the retail chain will continue to grow.

“In line with our multi-channel sales strategy, E-commerce was the fastest growing segment of Detsky Mir Group. For the full year 2015, unaudited revenues of this segment increased by almost four times and amounted to RUB 1.3bn.²

(1) LFL and average check are hereinafter specified as year on year in Russian roubles in comparative periods

“As a result of long-term strong performance of the Company, OJSC “Detsky Mir”’s main shareholder Sistema JSFC completed the sale of 23.1% of the Company to the Russia-China Investment Fund for a total consideration of RUB 9.75bn. The agreement was the first sizeable transaction in the children's goods market with the participation of foreign capital, confirming the high interest of Russian as well as international investors to such a high-performing asset as the Detsky Mir retail chain.”

For additional information contact:

Nadezhda Kiseleva

Head of PR

+7 (495) 781-08-08, ext. 2041

Cell: +7 (903) 969-00-86

nkiseleva@detmir.ru

Sergey Levitskiy

Head of M&A and Business Valuation

+7 (495) 781-08-08, ext. 2315

Cell: + 7 903 971 43 65

slevitskiy@detmir.ru

The Detsky Mir Group is the largest children's goods retailer in Russia. The Group includes the national-wide retail chain Detsky Mir, the ELC retail chain, and two online stores (DM and ELC). As of 31 December 2015, Detsky Mir's chain is represented by 381 stores in Russia and Kazakhstan, the ELC retail chain is represented by 44 stores in Russia. The total retail floorspace of the chain is 491 th sq.m. Detsky Mir's principal shareholder is Sistema JSFC. Websites: www.detmir.ru, corp.detmir.ru

Sistema is a publicly-traded diversified Russian holding company serving over 100 million customers in the sectors of telecommunications, high technology, pulp and paper, radio and space technology, banking, retail, mass media, tourism and healthcare services. Founded in 1993, the company reported revenues of RUB 184 billion for IIIQ 2015 and total assets of RUB 1.2 trillion as September 30, 2015. Sistema's global depository receipts are listed under the symbol “SSA” on the London Stock Exchange. Sistema's ordinary shares are listed under the “AFKS” ticker on the Moscow Exchange. Website: www.sistema.com.

Some of the information in this document may contain projections or other forward-looking statements regarding future events of the Detsky Mir Group and Sistema JSFC. Such statements contain phrases like "expected", "estimated", "intended", "will", "could", negatives of such statements, and other similar expressions. We would like to warn you that such statements are assumptions only and the actual course of events and their results may differ significantly from such statements. We do not intend to revise such statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. Due to numerous factors, the actual results of the Detsky Mir Group and Sistema JSFC may differ significantly from those stated in our assumptions and projections. Such factors may include general economic conditions, competitive environment in which we operate, risks related to the operations in Russia, rapid technological or market changes in our sphere of business, and many other risks directly related to the Detsky Mir Group and Sistema JSFC and their activities.

(2)The indicator includes all online orders on the website - www.detmir.ru, including home delivery to customers and in store pick-up