



**DETSKY MIR GROUP ANNOUNCES  
ITS OPERATING RESULTS FOR 9 MONTHS 2015**

**28 October 2015. Russia, Moscow.** Detsky Mir Group (hereinafter referred to as "Detsky Mir" or "the Group"), Russia's largest children's goods retailer, announces its unaudited operating results for 9 months of 2015 ended on 30 September 2015.

**KEY OPERATING RESULTS FOR 9 MONTHS 2015**

- The Group's revenue has increased by 34.1%, to RUB 40.0bn, vs RUB 29.8bn of 9 months 2014.
- Detsky Mir's like-for-like sales gained 13.8%<sup>1</sup> (with the number of checks growing by 4.3%, and the average check growing by 9.1%);
- The number of stores in the Group increased to 370 as a result of 49 new stores opened for 9 months 2015, including 48 new Detsky Mir stores and 1 ELC stores

Reporting date	30.09.2014	31.12.2014	30.09.2015	Growth 9m 2015/9m 2014
Number of stores	296	322	370	25%
<i>Detsky Mir</i> <sup>2</sup>	255	278	326	28%
<i>ELC</i>	41	43	44	7%
Retail floorspace (K sq.m)	362	390	435	20%

**Vladimir Chirakhov, CEO of Detsky Mir Group:**

*“Detsky Mir Group demonstrates the strong growth rate of business and, in particular, revenue, which increased by 34.1% YoY. to RUB 40.0bn for 9 months 2015, while the growth was only 24% in the same period of last year. The main driver of revenue was the double-digit growth in comparable sales (like-for-like) 13,8%, obtained due to the growth of the average check by 9.1% and the growth in the number of checks by 4.3%.*

*Detsky Mir Group continues to develop and opens new stores. For 9 months 2015, we opened 48 DM stores and 1 store ELC, 19 out of them - in the Moscow region. At the end of September 2015, Detsky Mir is represented in 136 cities of Russia. One hundred supermarkets will be opened in dozens of cities across the country in FY 2015.*

*The key event of the third quarter was the launch of our new distribution center in the Naro-Fominsk district, Moscow region. The logistics center of 72 000 sq. m area is the largest specialized logistics terminal in the segment of children's products in Russia. It completely corresponds to modern requirements for such terminals, which helps to provide trouble-free operation and the provision of goods for stores within the required time. The construction of our own DC will reduce logistics costs and increase centralization of the supply.*

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

(2) Excluding one Yakimanka Children's Gallery store

*E-commerce and the implementation of a multi-channel strategy remain one of the main directions of strategic development of the company. For 9 months 2015 revenues of e-commerce increased by 2 times compared to the same period last year and amounted to 496 million rubles."*

*Detsky Mir Group successfully adapts to the current macroeconomic situation and continues to increase its share of children's retail market."*

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**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 30 September 2015, Detsky Mir's chain is represented by 326 stores in Russia and Kazakhstan, the ELC retail chain is represented by 44 stores in Russia. The total floorspace of the chain is 435 K sq.m. Detsky Mir's principal shareholder is Sistema JSFC. Websites: [www.detmir.ru](http://www.detmir.ru), [www.det-mir.ru](http://www.det-mir.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 164 billion for IIQ 2015 and total assets of RUB 1.2 trillion as June 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 Stock Exchange. Website: [www.sistema.com](http://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.*