



**DETSKY MIR GROUP ANNOUNCES
OPERATING RESULTS FOR 1st QUARTER 2016**

27 April 2016. Russia, Moscow. Detsky Mir Group ("Detsky Mir" or "the Group"), Russia's largest children's goods retailer, announces its unaudited operating results for the first quarter of 2016, which ended on 31 March 2016.

KEY OPERATING RESULTS FOR 1st QUARTER 2016

- Group unaudited revenue increased by 35% to RUB 16.4bn, vs. RUB 12.2bn in Q1 2015
- Detsky Mir's like-for-like sales gained 13.1%¹ (with the number of checks growing by 0.9%, and the average check increasing by 12.1%)
- Group stores increased to 429 with total retail floorspace of approximately 495,000 sq. m. as a result of the opening of four new Detsky Mir stores in Q1 2016.

Reporting date	31 March 2015	31 December 2015	31 March 2016	Change, Q1 2015 vs. Q1 2016
Number of stores	330	425	429	30%
<i>Detsky Mir</i>	287	381	385	34%
<i>ELC</i>	43	44	44	2%
Retail floorspace (th. sq.m.)	399	491	495	24%

Vladimir Chirakhov, CEO of Detsky Mir Group said:

“As competitors rolled back growth plans, in the first quarter Detsky Mir continued to expand its chain, increasing the number of Group retail outlets to 429 stores. Unaudited consolidated revenue in the first quarter increased by 35% year-on-year to RUB 16.4bn. This significant growth in revenue was mainly driven by increased traffic in stores opened in 2015 and 2014, as well as an increase in like-for-like sales of 13.1%.

In 2015 Detsky Mir Group became the largest taxpayer in Russia among children's goods retailers. Total taxes paid in 2015 increased by 11.9% to RUB 3.7bn. Total taxes paid to the Republic of Kazakhstan increased by 13.7% to RUB 59.6mln.

Detsky Mir continues to adhere to its policy of limiting price growth on children's goods. One promising area is the conclusion of new rouble-denominated supply contracts with international partners. In the first quarter we negotiated a rouble-based contract for the supply of children's clothing with Reima, which will allow our customers to buy popular Finnish products at attractive prices.

In 2016, Detsky Mir Group will continue growing at a strong pace, with plans to open at least 50 new stores and hypermarkets, including five retail facilities in Kazakhstan. ”

(1) Like-for-like (LFL) and average check are hereinafter specified as year-on-year in Russian roubles in comparative periods, included only Detsky Mir stores in Russia.

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Detsky Mir Group is the largest children's goods retailer in Russia. The Group includes the nationwide retail chain Detsky Mir, the ELC retail chain, and two online stores (Detsky Mir and ELC). As of 31 March 2016, Detsky Mir's had 385 stores in Russia and Kazakhstan while the ELC retail chain consisted of 44 stores in Russia. The total retail floorspace of the chain is 495 th sq.m. Detsky Mir's principal shareholder is Sistema JSFC. Websites: www.detmir.ru, corp.detmir.ru, elc-russia.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 708.6 billion for 2015 and total assets of RUB 1.3 trillion as of December 31, 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 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.