



SOLLERS IFRS RESULTS 1H2016

29.08.2016

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FEBRUARY:

UAZ launched new welding shop for UAZ Patriot vehicles

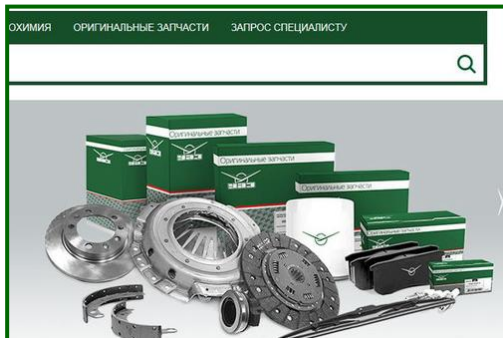


UAZ started production of the restyled CV model range with new interior and enhanced structure



MARCH-APRIL:

UAZ was the first Russian producer to launch online shop retailing parts and components



UAZ Patriot was ranked #1 popular model in Russia (auto.mail.ru)



UAZ introduced the pilot version of UAZ Patriot CNG powered by natural gas



FEBRUARY-MARCH:

Ford Sollers starts export of Ford Fiesta to Kazakhstan



Ford Sollers establishes new dealership network specialised on CVs



APRIL-JUNE:

New Ford Focus was equipped with locally produced engine



Ford Sollers starts export of its full model range to Belarus



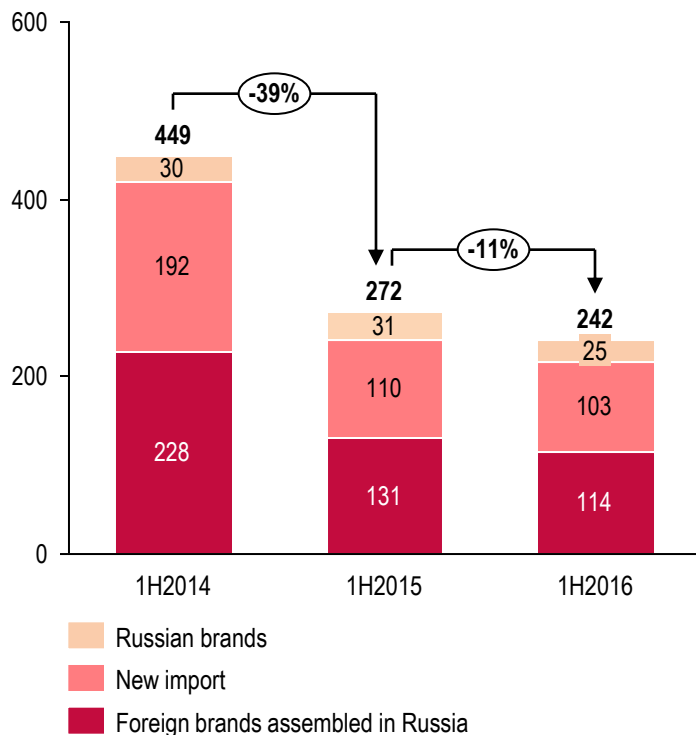
SOLLERS CONSOLIDATED WHOLESALERS

<i>k units</i>	1H2015	1H2016	Change
UAZ	23,4	20,6	-11,8%
UAZ Hunter	1,8	1,9	6,3%
UAZ Patriot	9,3	7,7	-16,7%
UAZ commercial vehicles - old model range	10,2	9,1	-10,8%
UAZ commercial vehicles - new model range	2,1	1,9	-10,1%
SSANG YONG	1,1	-	-100,0%

SOLLERS JVS WHOLESALERS

<i>k units</i>	1H2015	1H2016	Change
MAZDA SOLLERS JV	12,1	13,0	7,6%
FORD SOLLERS JV	14,0	23,4	67,2%

NEW SUV + PICKUP MARKET 1H2014 – 1H2016, K UNITS*



KEY PLAYERS (RETAIL SALES)

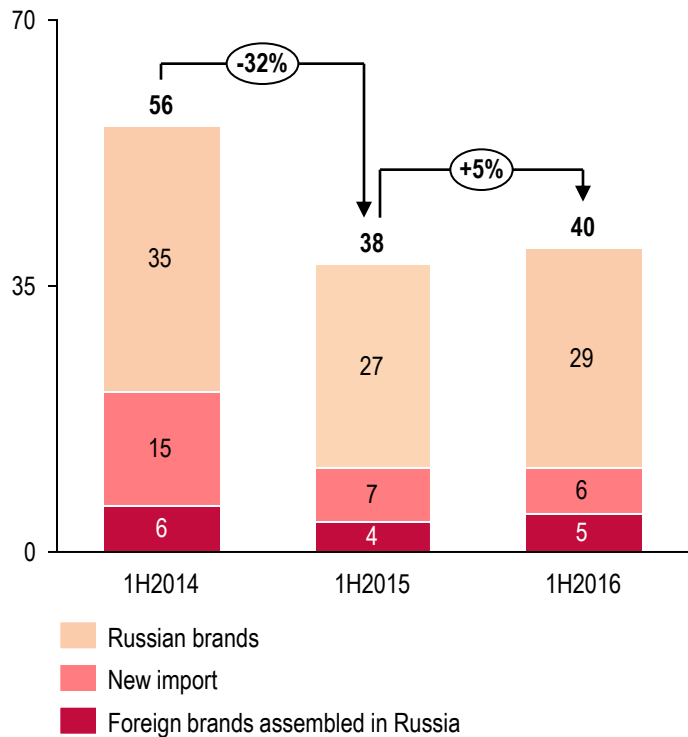
	1H2014		1H2015		1H2016	
	k units	%	k units	%	k units	%
1 Toyota	43	10%	27	10%	30	12%
2 Nissan	47	10%	28	10%	27	11%
3 Renault	42	9%	21	8%	24	10%
4 Kia	22	5%	17	6%	16	7%
5 Lada	19	4%	20	7%	13	5%
6 UAZ	11	2%	11	4%	12	5%
...						
13 Ford Sollers	10	2%	5	2%	7	3%
25 SsangYong	11	2%	3	1%	1	0%
Other	244	56%	140	52%	112	47%
Total	449	100%	272	100%	242	100%

MARKET TRENDS IN 1H2016

- The market for SUVs and pickups decreased slower than the overall market: -11% vs. -14% overall decline
- UAZ increased its market share from 4% in 1H2015 to 5% in 1H2016
- SsangYong sales fell by 67% due to production discontinuation
- Ford Sollers sales went up by 32% due to the launch of new Ford Explorer and the increase in sales of Ford Kuga

* Source: AEB (Association of European Businesses), Company

NEW LCV+MPV* MARKET 1H2014-1H2016, K UNITS**



KEY PLAYERS (RETAIL SALES)

	1H2014		1H2015		1H2016	
	k units	%	k units	%	k units	%
1 GAZ	27	48%	19	50%	20	50%
2 UAZ	9	16%	8	21%	9	23%
3 Mercedes	3	5%	3	8%	3	8%
4 Ford Sollers	4	7%	2	5%	2	5%
5 Volkswagen	4	7%	2	5%	2	5%
Other	9	17%	4	11%	4	9%
Total	56	100%	38	100%	40	100%

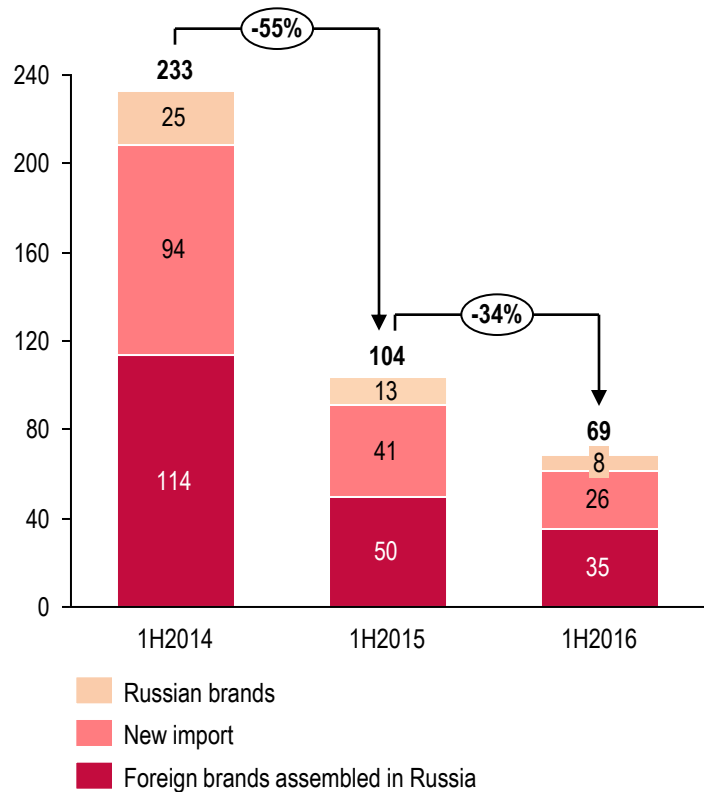
MARKET TRENDS IN 1H2016

- UAZ retail sales of commercial vehicles went up by 11%, the brand managed to gain 23% market share
- The sales of Ford LCVs grew from 1.6 k units to 2.3 k units (+51%) as a result of the launch of new Ford Transit at Elabuga production site and partly because of low base effect of the prior year related period

* Excluding CDV

** Source: AEB (Association of European Businesses), Company

NEW C-CLASS CARS 1H2014-1H2016, K UNITS*



KEY PLAYERS (RETAIL SALES)

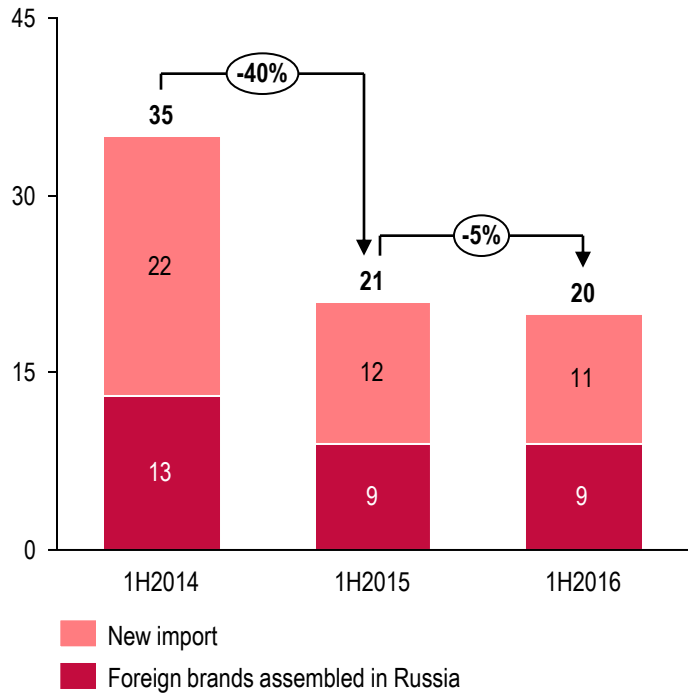
	1H2014		1H2015		1H2016	
	k units	%	k units	%	k units	%
1 Skoda	19	8%	11	10%	11	16%
2 Kia	19	8%	12	12%	11	16%
3 Nissan	29	12%	20	19%	9	13%
4 Lada	25	11%	13	13%	8	12%
5 Daewoo	18	8%	8	8%	7	10%
6 Ford Sollers	15	6%	5	4%	5	7%
7 VW	16	7%	7	7%	4	6%
Other	92	40%	29	27%	14	20%
Total	233	100%	105	100%	69	100%

MARKET TRENDS IN 1H2016

- The demand for Ford Focus was up 14% as a result of the launch of restyled Focus in July 2015 and partly because of low base effect of the prior year related period

* Source: AEB (Association of European Businesses), Company

NEW D-CLASS CARS 1H2014-1H2016, K UNITS*



KEY PLAYERS (RETAIL SALES)

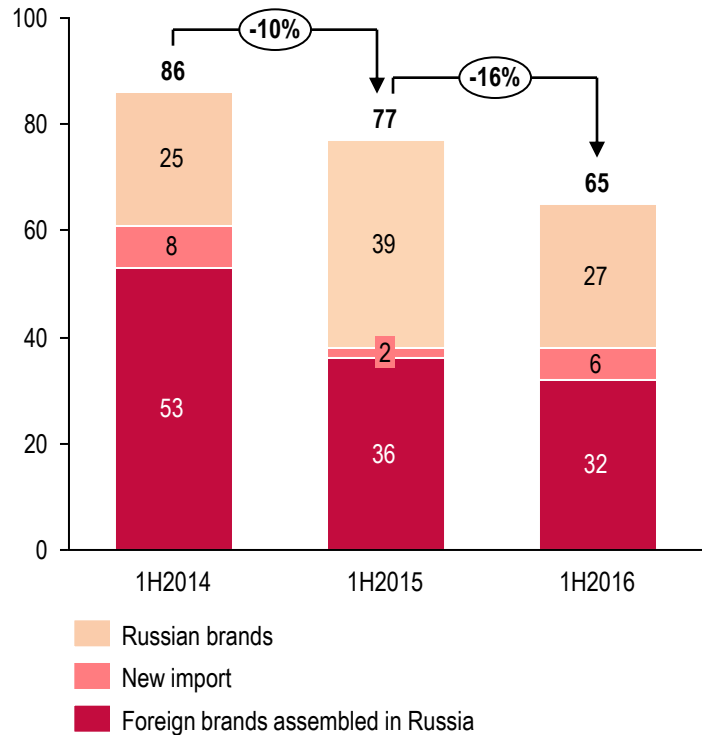
	1H2014		1H2015		1H2016	
	k units	%	k units	%	k units	%
1 Hyundai	4	10%	4	18%	3	18%
2 Kia	1	4%	1	6%	2	12%
3 Mazda	5	14%	3	14%	2	12%
4 BMW	5	15%	3	13%	2	12%
5 Ford Sollers	2	5%	2	7%	2	10%
6 Mercedes	2	7%	3	13%	2	10%
Other	15	45%	6	29%	5	26%
Total	34	100%	21	100%	20	100%

MARKET TRENDS IN 1H2016

- The segment is dominated by imported foreign brands which represented 55% of sales
- The retail sales of Ford Mondeo continued to grow and accelerated by 21% due to the launch of new model in April 2015
- The market share of Ford Mondeo increased by 3% to 10% in 1H2016

* Source: AEB (Association of European Businesses), Company

NEW B-CLASS CARS 1H2014-1H2016, K UNITS*



KEY PLAYERS (RETAIL SALES)

	1H2014		1H2015		1H2016	
	k units	%	k units	%	k units	%
1 Lada	25	29%	39	51%	27	42%
2 Renault	19	22%	13	17%	13	21%
3 Kia	10	11%	6	7%	8	13%
4 Hyundai	13	15%	11	14%	8	12%
5 Ford Sollers	0	0%	0	0%	4	7%
6 Datsun	0	0%	0	0%	0	1%
Other	19	23%	8	11%	3	4%
Total	86	100%	78	100%	65	100%

MARKET TRENDS IN 1H2016

- B-class was the least declining segment in the mass market, with locally produced foreign brands and traditional Russian brands dominating the segment
- In 2015 Ford Sollers launched Ford Fiesta, which was well received by the market and captured the market share of 7% in 1H2016

* Source: AEB (Association of European Businesses), Company

	1H2015	1H2016	Change
SUV + Pickup	7%	8%	1,0%
LCV + MPV	26%	28%	2,0%
C	4%	7%	3,0%
D	7%	10%	3,0%
B	0%	7%	7,0%

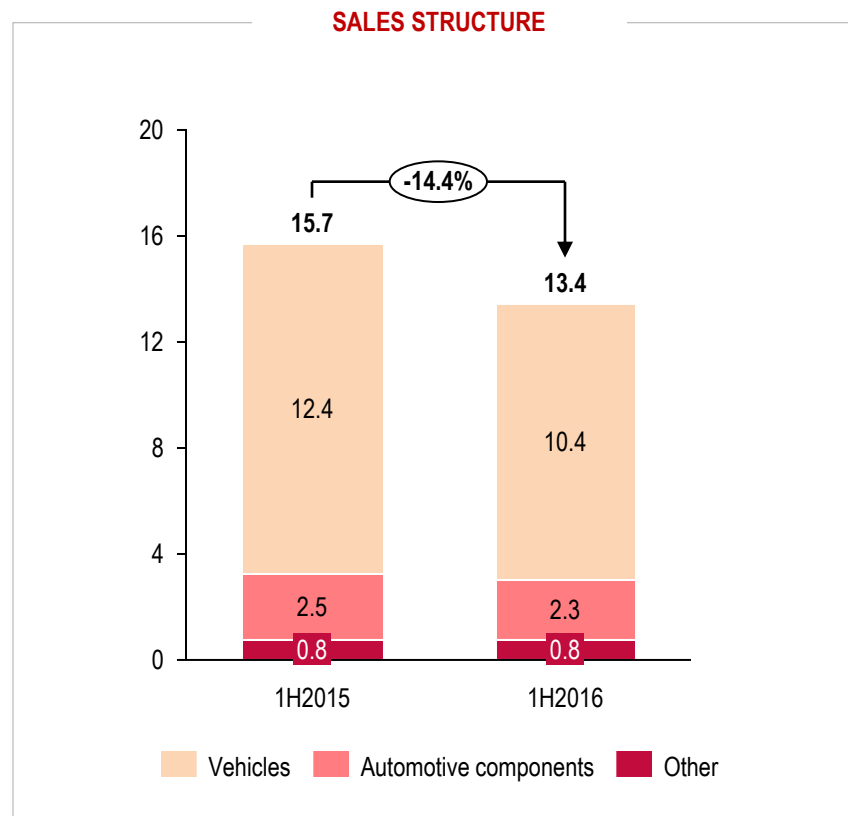
HIGHLIGHTS

- SOLLERS Group considerably increased its market shares in the key market segments
- UAZ increased its market share in LCV+MPV segment from 21% in 1H2015 to 23% in 1H2016
- Ford Sollers started production of new Ford Mondeo in April 2015, which triggered Ford market share to grow to 10% of D-segment in 1H2016
- New Ford Fiesta was well received by the market and reached the market share of 7% of B-segment
- SOLLERS Group has increased its presence on the SUV and pickup segment due to the growth in sales of Ford Kuga (+73%) and UAZ Patriot (+14%)

OVERVIEW OF 1H2016 FINANCIAL RESULTS

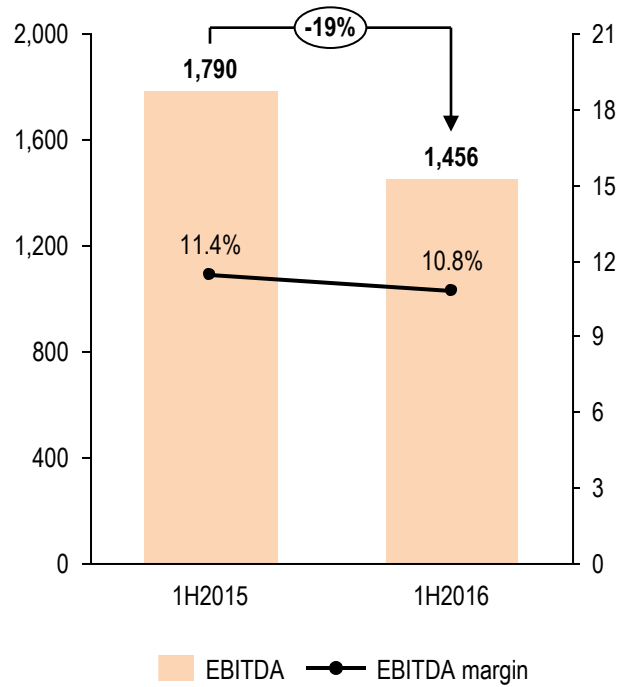
<i>RUB mln</i>	1H2015	1H2016	Change
Revenue	15 690	13 426	-14,4%
EBITDA	1 790	1 456	-18,7%
EBITDA margin	11,4%	10,8%	-0,6%
Operating profit	1 240	1 316	6,1%
Operating margin	7,9%	9,8%	1,9%
Financial instrument recognition and change in fair value*	(4)	(828)	-824
Share of result of other JVs	8	(212)	-220
Net profit	938	34	-96,4%
Net debt as of 31.12.2015/ 30.06.2016	5 543	4 123	-25,6%
Net debt as of 30.06.2015/ 30.06.2016	6 928	4 123	-40,5%

* The comparative 1H2015 figure includes share of loss of impaired joint venture, including impairment

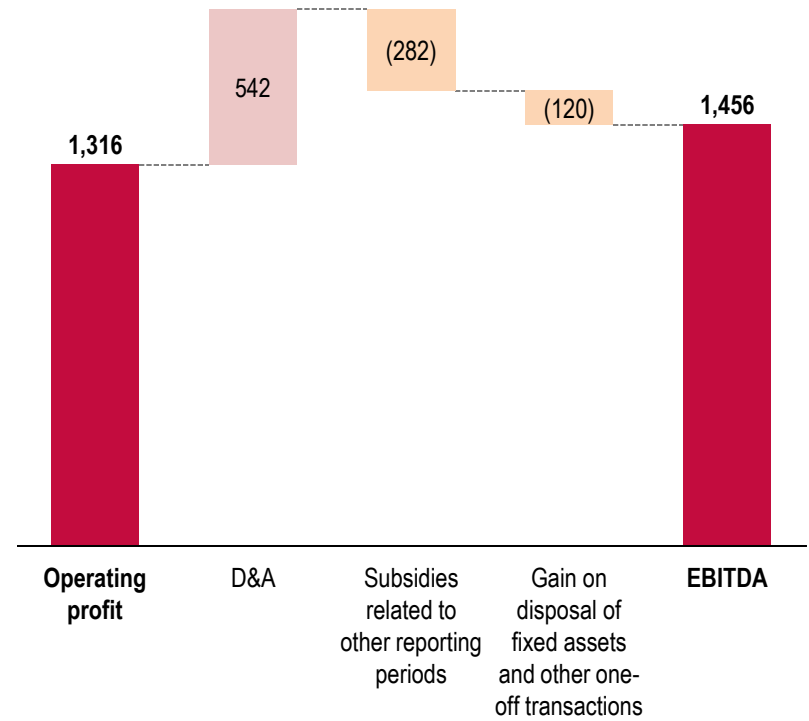


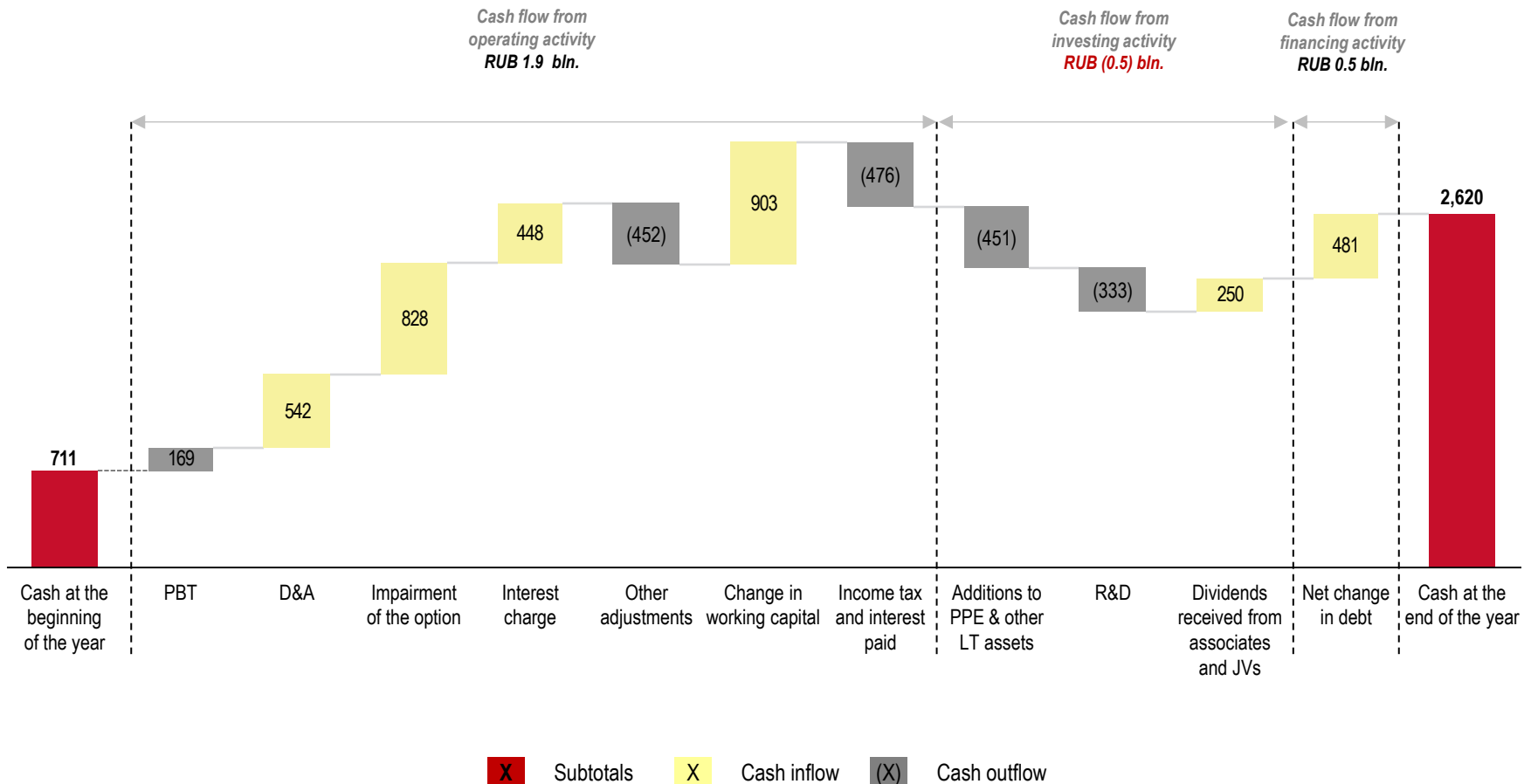
- The reduction in automotive revenue of 16% due to discontinuation of SsangYong vehicles production and distribution and a slow down in UAZ sales

EBITDA CHANGES



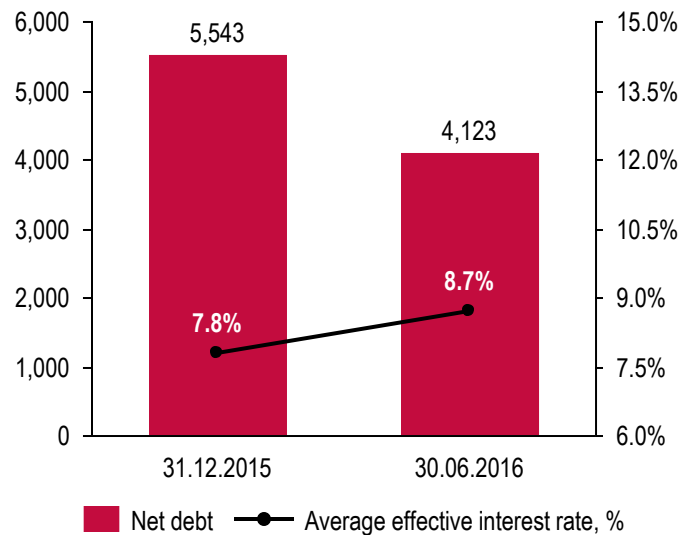
EBITDA VS OPERATING PROFIT





- Other adjustments include provision movements, share of loss of the joint ventures and profit from the sale of property, plant and equipment
- Net operating cash flow increased to RUB 1,962 mln. in 1H2016 due to stabilisation of working capital which was distorted by discontinuation of SsangYong vehicles assembly

NET DEBT POSITION AND EFFECTIVE INTEREST RATE



NET DEBT STRUCTURE

RUB mln	31.12.2015	30.06.2016	Change
Long-term debt	3 868	4 741	22,6%
Short-term debt	2 386	2 002	-16,1%
Total debt	6 254	6 743	7,8%
Cash at the end of the period	711	2 620	268,5%
Net debt	5 543	4 123	-25,6%

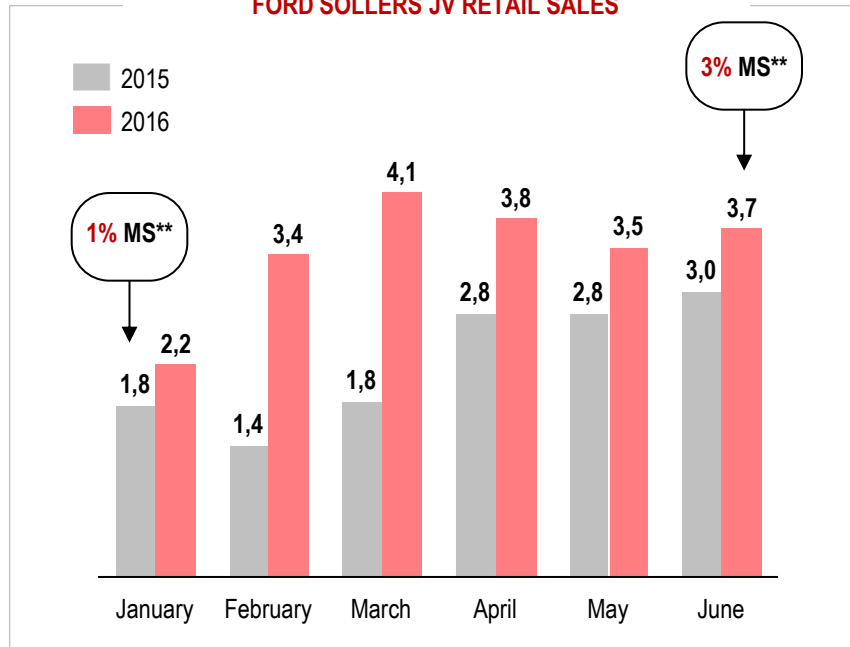
- Improved debt maturity structure: the share of short-term debt lowered from 38% as of the end of 2015 to 33% on June 30, 2016
- Average effective interest rate increased as a result of the lower share of subsidised debt in the Group's loan portfolio as of June 30, 2016 (45% vs 71% as of 31.12.2015). The government subsidy is applied to the credit lines commenced before 2015
- Liquidity reserves up to RUB 11.7 bln. including cash of RUB 2.6 bln. and available credit facilities of RUB 9.1 bln.

BREAKDOWN OF JVS' CONTRIBUTION TO THE SHARE OF PROFIT OF JVS

<i>RUB mln</i>	SOLLERS' stake	1H2015	1H2016	Change
MAZDA SOLLERS JV	50%	(319)	(251)	-21%
SOLLERS-BUSSAN JV	50%	400	(14)	-104%
SOLLERS-FINANCE JV	50%	44	53	20%
SOLLERS-ISUZU JV	50%	(117)	-	-100%
TOTAL CONTRIBUTION		8	(212)	-2750%

- In 1H2016 **MAZDA SOLLERS JV** had a net loss of RUB 2.1 bln., which is expected to be recovered by the end of the year 2016. In the Group consolidated financial statements SOLLERS recognised its share of the MAZDA SOLLERS JV net loss in the amount of RUB 251 mln.
- MAZDA SOLLERS JV Special Investment Contract will be signed in 3Q2016
- SOLLERS sold its 50% stake in **SOLLERS-ISUZU JV** to its joint venture partners in December 2015, the results of **Ford Sollers JV** are not presented due to impairment of the investment and recognition of the option in SOLLERS' consolidated financial statement

FORD SOLLERS JV RETAIL SALES



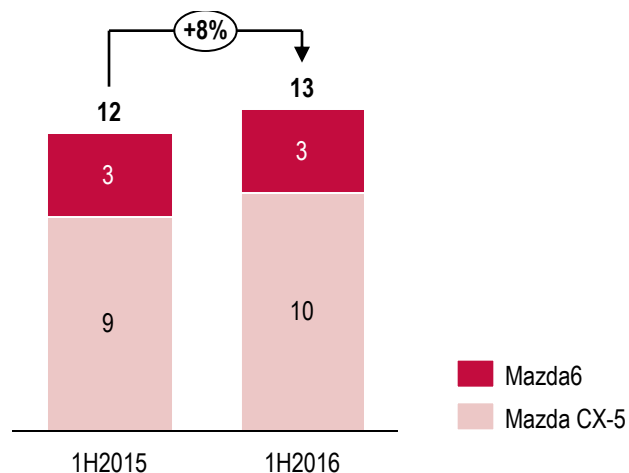
HIGHLIGHTS

- Sales of Ford vehicles grew by 51% in 1H2016 on the back of better market performance and a number of successful launches: Ford Fiesta, Ford Mondeo, Ford Transit, Ford Focus and Ford Explorer

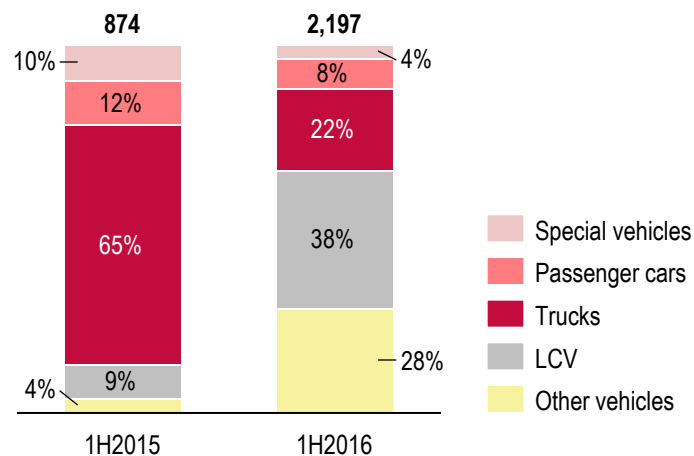
* Source: AEB (Association of European Businesses), Company

** MS – market share

MAZDA SOLLERS WHOLESALES, K UNITS



LEASING PORTFOLIO BY VEHICLE TYPE, RUB MLN



MAZDA SOLLERS JV FINANCIAL RESULTS*

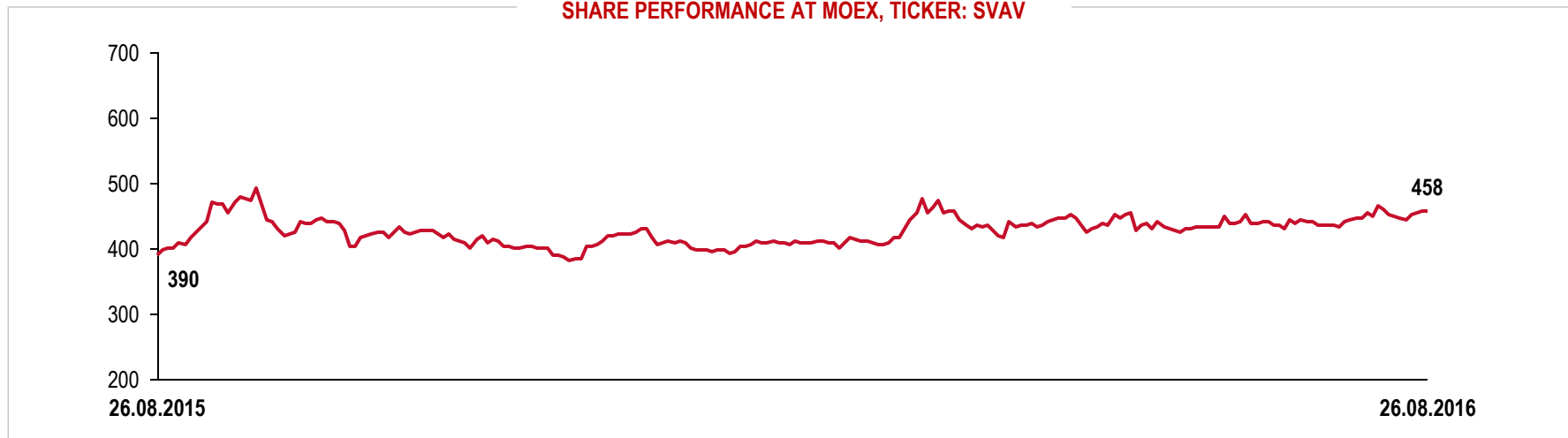
RUB mln	1H2015	1H2016
Revenue	11 258	13 871
Operating profit	(647)	(2 644)
Operating margin	-6%	-19%
Net profit	(638)	(2 059)
Net profit margin	-6%	-15%
Debt as of 31.12.2015/30.06.2016	1 591	1 591

SOLLERS-FINANCE JV FINANCIAL RESULTS

RUB mln	1H2015	1H2016
Revenue	266	274
Operating profit	110	140
Operating margin	41%	51%
Net profit	87	106
Net profit margin	33%	39%
Leasing portfolio as of 30.06.2015/30.06.2016	874	2 197

* See p.17 for further details on MAZDA SOLLERS JV performance

SHARE PERFORMANCE AT MOEX, TICKER: SVAV



STOCK EXCHANGE DATA AT 26.08.2016

Market capitalisation, RUB mln.	15 696
Shares, mln.	34.27
Price at 26.08.2016, RUB	458
Security List	I