

SOLLERS IFRS RESULTS 1H2017

1. 1H2017 SOLLERS STRATEGIC DEVELOPMENTS

2. RUSSIAN AUTOMOTIVE MARKET OVERVIEW

3. SOLLERS OPERATING AND FINANCIAL PERFORMANCE IN 1H2017

4. SOLLERS' JOINT VENTURES' RESULTS

JANUARY

SsangYong starts sales of new Tivoli and XLV in Russia



MARCH

UAZ launches UAZ FINANCE services for retail sales financing and leasing for corporate clients



JUNE

UAZ doubled export sales in 1H2017 to 1.9 k units (1H2016: 0.9 k units)



JUNE

MAZDA SOLLERS JV starts assembly of new Mazda CX-5 in Vladivostok



JUNE

Ford Sollers JV: retail sales up 24% in June 2017 vs. June 2016



JULY

UAZ presents pilot version of UAZ Cargo with hybrid power unit



UAZ STRATEGIC PRIORITIES

- Continuous development of the affordable products for the different market segments on a single frame-based platform
- Maintain the highest level of localisation in the industry
- Develop export sales
- Develop unique R&D competencies with the support of the Government



UAZ PATRIOT 2017

- **PRICE:** from RUB 699 k
- New exterior and interior
- Improved noise isolation
- New comfort options:
 - climate and cruise control
 - new sensor multimedia
 - heated multifunctional steering wheel
- Modern safety options
- Improved fuel system
- New platform by 2020

UAZ FUTURE MODELS

- UAZ PROFI – new light commercial vehicle based on UAZ Patriot platform
- Combines the comfort of passenger car and the payload of commercial vehicle
- Competitive price positioning will help to gain a market share on a new segment



UAZ PROFI 2017

- **PRICE:** from RUB 649 k
- **NEW ENGINE:** ZMZ-PRO – up to 160HP
- Increased payload: 1 500 kg
- Number of passengers: up to 3 p
- Enlarged wheel base: 5.9 m
- Strengthened frame and suspension
- Improved manoeuvrability
- Extra choice of comfort options
- Start of production in September 2017

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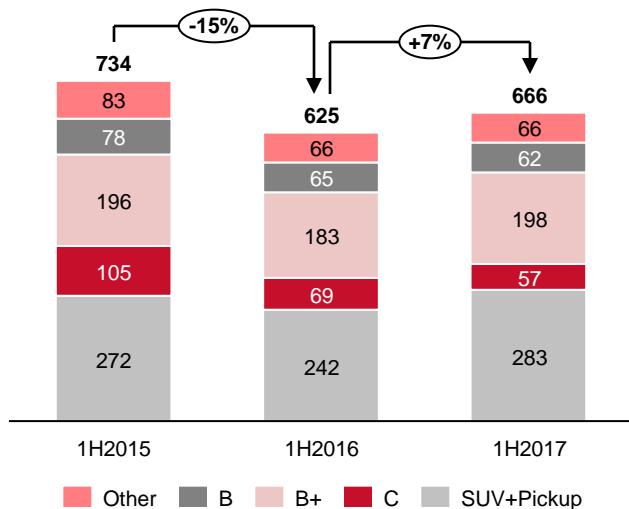
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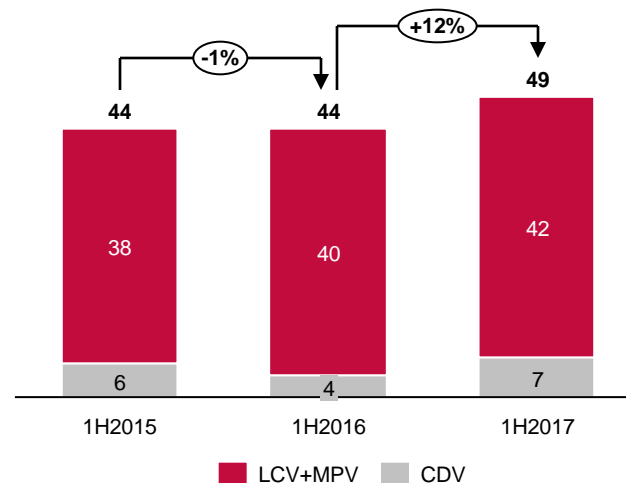
7 | 1H2015 - 1H2017 RUSSIAN AUTOMOTIVE MARKET, K UNITS*



SALES OF PASSENGER CARS



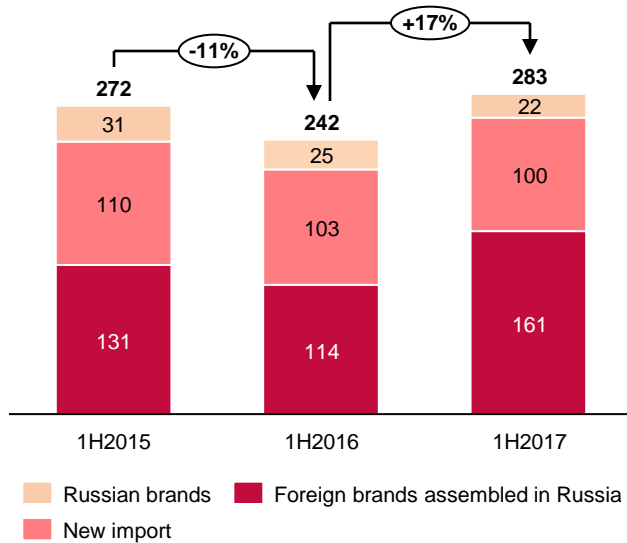
SALES OF LIGHT COMMERCIAL VEHICLES



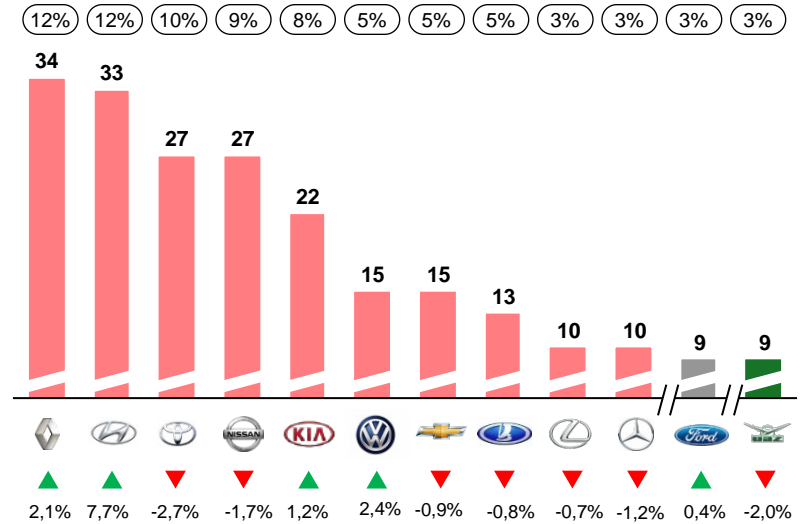
HIGHLIGHTS

- Growth in all main market segments, the overall passenger car market went up by 7%
- The largest SUV segment grew by 18% in 1H2017 mainly due to crossovers
- B+ segments was also growing by +8%
- The largest growth in light commercial vehicles is due to sales of UAZ and GAZ vehicles (+7% and 4% growth respectively)

NEW SUV+PICKUP MARKET 1H2015 – 1H2017, K UNITS*



1H2017 KEY PLAYERS (RETAIL SALES), K UNITS

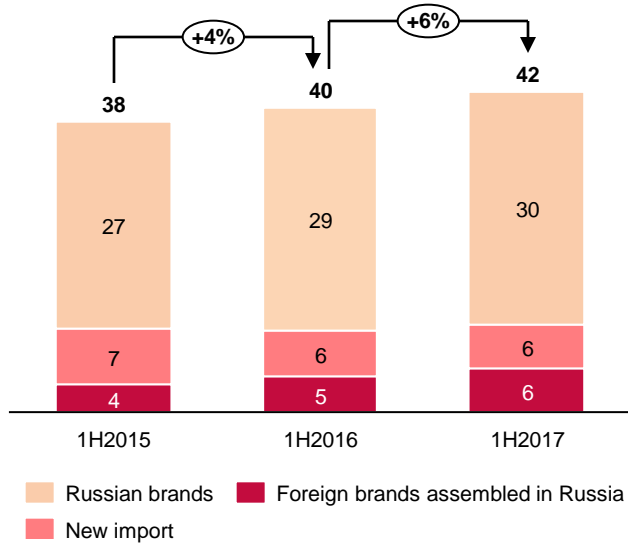


MAJOR MARKET TRENDS IN 1H2017

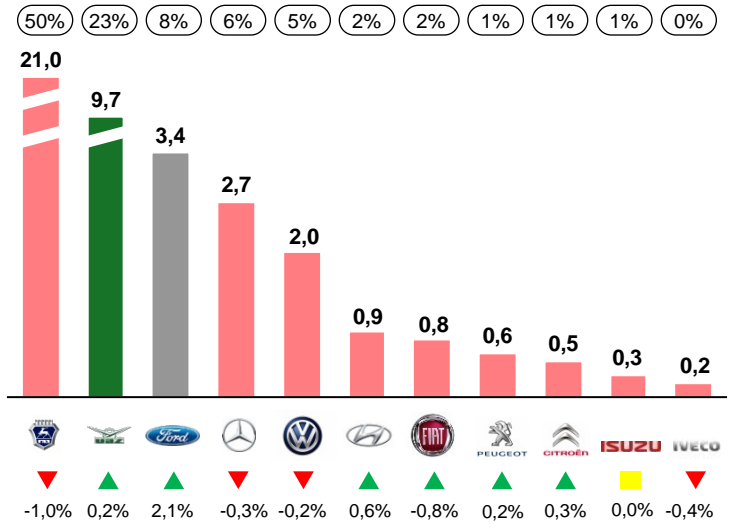
- The SUV and Pickup market outperformed the overall market: +17% vs. 7% growth of total passenger car sales
- The market leaders changed due to successful launch of Hyundai Creta and Renault Kaptur
- Ford sales increased by 32% in 1H2017 due to Ford EcoSport and Ford Kuga successful repositioning

* Source - AEB

NEW LCV+MPV MARKET 1H2015 – 1H2017, K UNITS*



1H2017 KEY PLAYERS (RETAIL SALES), K UNITS



MAJOR MARKET TRENDS IN 1H2017

- UAZ retail sales of commercial vehicles went up by 7%, the brand managed to gain 23% market share
- The sales of Ford CVs grew by 44,6% as a result of the launch of new Ford Transit at Elabuga production site and partly because of low base effect of the 1H2016

* Source - AEB

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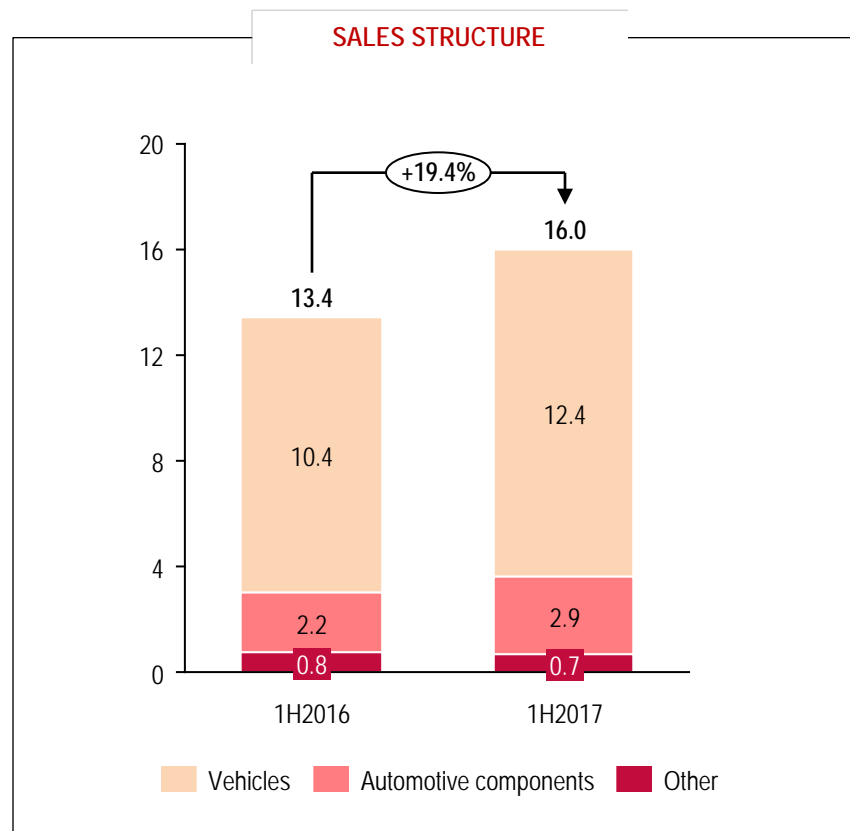
SOLLERS CONSOLIDATED WHOLESALLES

<i>k units</i>	1H2016	1H2017	Change
UAZ	20,6	21,1	2,4%
UAZ Hunter	1,9	1,3	-31,6%
UAZ Patriot	7,7	6,9	-10,4%
UAZ commercial vehicles - old model range	9,1	11,2	23,1%
UAZ commercial vehicles - new model range	1,9	1,7	-10,5%
SSANG YONG	-	0,2	n/a

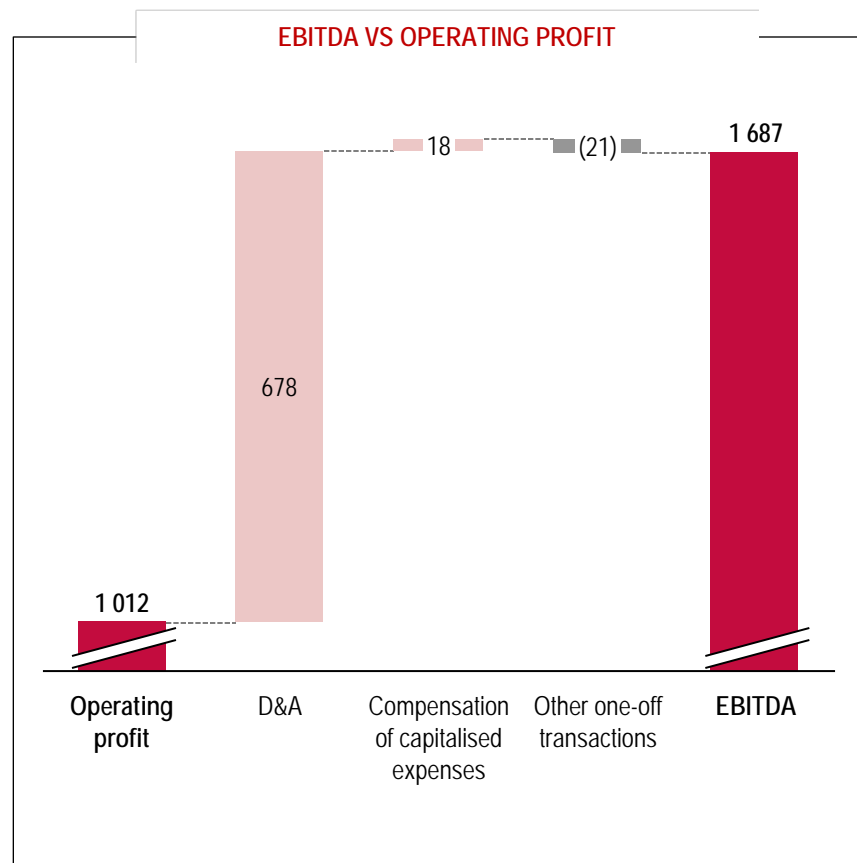
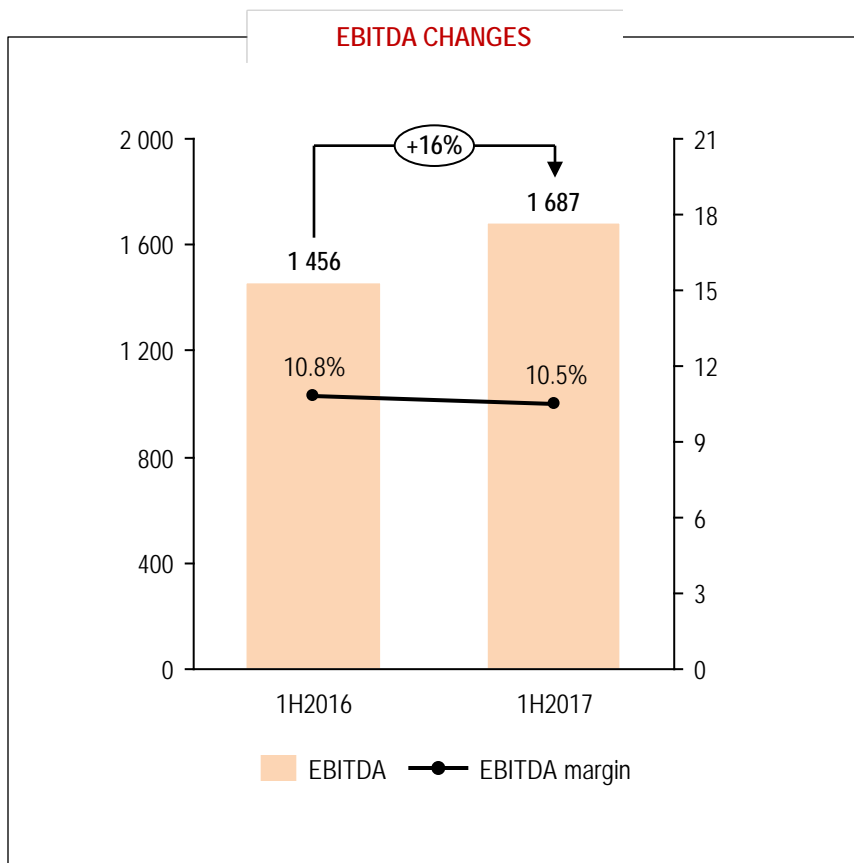
SOLLERS JVS WHOLESALLES

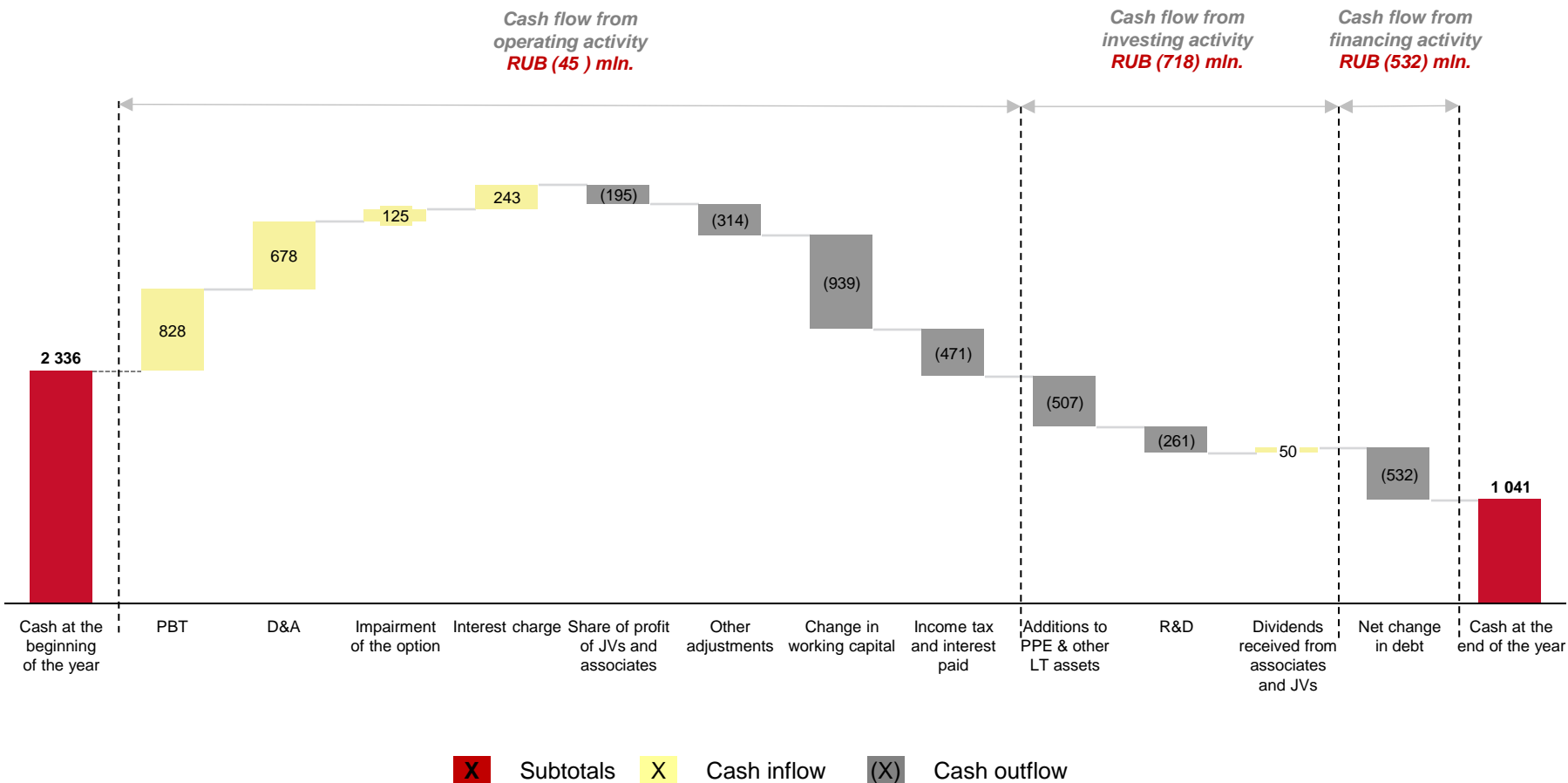
<i>k units</i>	1H2016	1H2017	Change
MAZDA SOLLERS JV	13,0	9,6	-26,2%
FORD SOLLERS JV	23,4	22,9	-2,1%

<i>RUB mln</i>	1H2016	1H2017	Change
Revenue	13 426	16 012	19,3%
EBITDA	1 456	1 687	15,9%
EBITDA margin	10,8%	10,5%	-0,3%
Operating profit	1 316	1 012	-23,1%
Operating margin	9,8%	6,3%	-3,5%
Financial instrument change in fair value	(828)	(125)	703
Share of result of JVs	(212)	195	407
Net profit	34	575	1591,2%
Net debt as of 31.12.2016/ 30.06.2017	4 740	5 521	16,5%
Net debt as of 30.06.2016/ 30.06.2017	4 123	5 521	33,9%

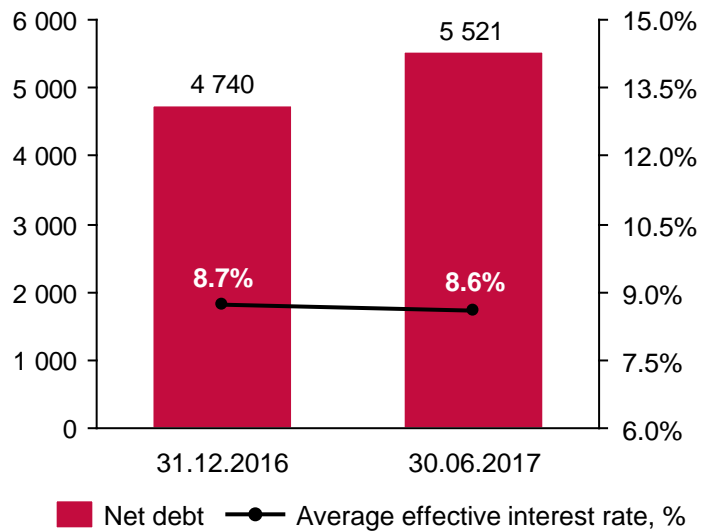


The growth in the Group's revenue of 19% due to the change in UAZ product mix and the relaunch of SsangYong vehicles distribution





Other adjustments include provision movements and profit/ loss on the sale of property, plant and equipment, investments and other assets

NET DEBT POSITION AND EFFECTIVE INTEREST RATE

NET DEBT STRUCTURE

<i>RUB mln</i>	31.12.2016	30.06.2017	Change
Long-term debt	3 420	2 716	-20,6%
Short-term debt	3 656	3 846	5,2%
Total debt	7 076	6 562	-7,3%
Cash at the end of the period	2 336	1 041	-55,4%
Net debt	4 740	5 521	16,5%

Liquidity reserves up to RUB 14.9 bln. including cash of RUB 1.0 bln. and available credit facilities of RUB 13.9 bln.

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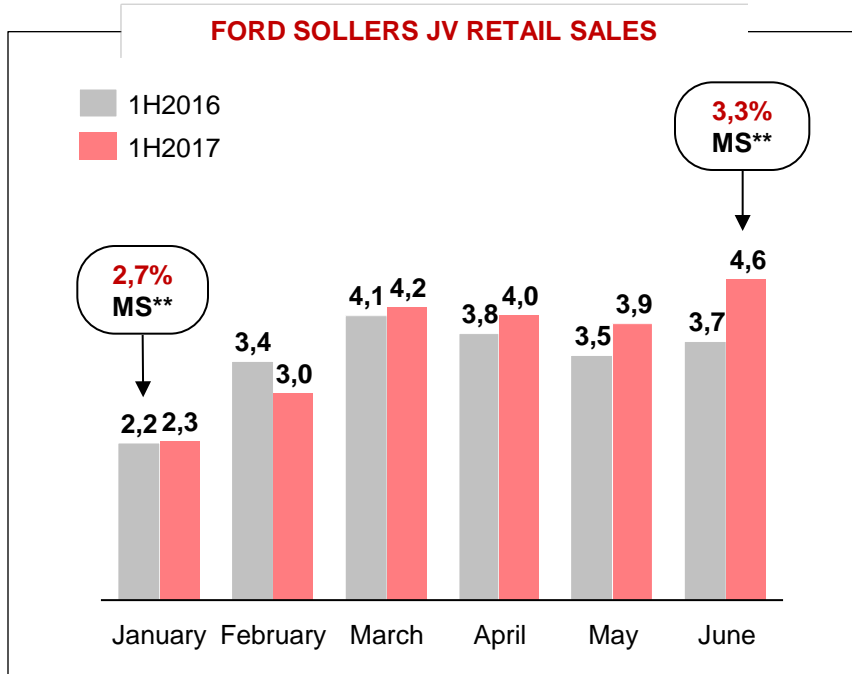
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BREAKDOWN OF JVS' CONTRIBUTION TO THE SHARE OF PROFIT OF JVS

<i>RUB mln</i>	Current SOLLERS' stake	1H2016	1H2017	Change
MAZDA SOLLERS JV	50%	(251)	149	159%
SOLLERS-BUSSAN JV	50%	(14)	(11)	-21%
SOLLERS-FINANCE JV	50%	53	57	8%
TOTAL CONTRIBUTION		(212)	195	192%

- In 1H2016 **MAZDA SOLLERS JV** had a net loss of RUB 2.1 bln., which was recovered by the end of the year 2016. MAZDA SOLLERS JV Special Investment Contract on engine plant construction was signed in September 2016
- 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

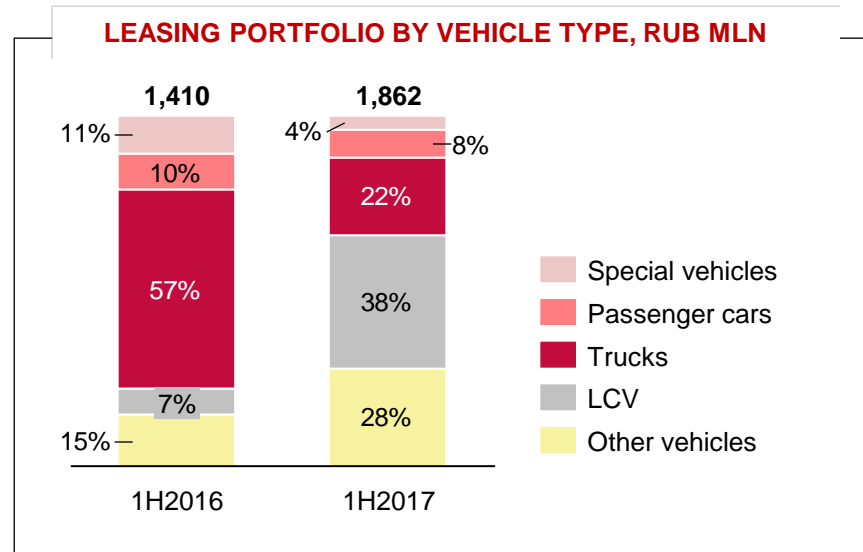
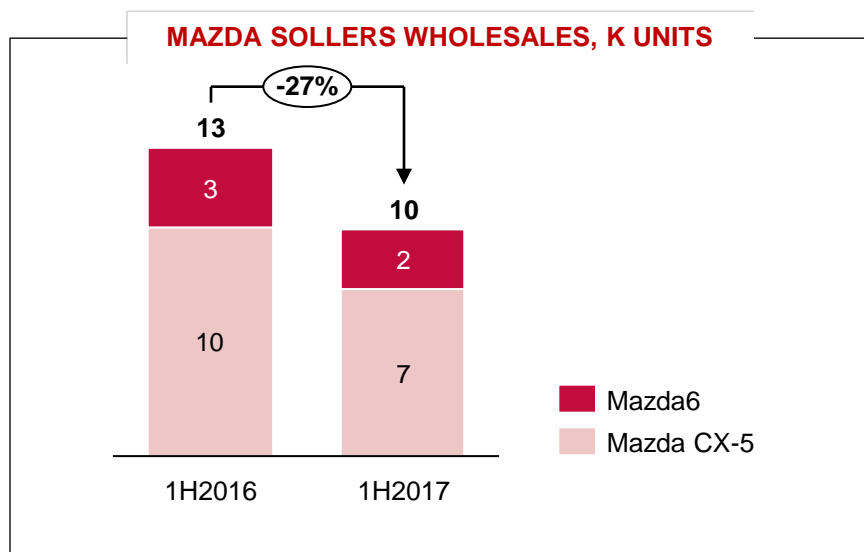


HIGHLIGHTS

- Sales of Ford vehicles grew by 6% in 1H2017 on the back of better market performance and a number of improvements in product positioning

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

** MS – market share



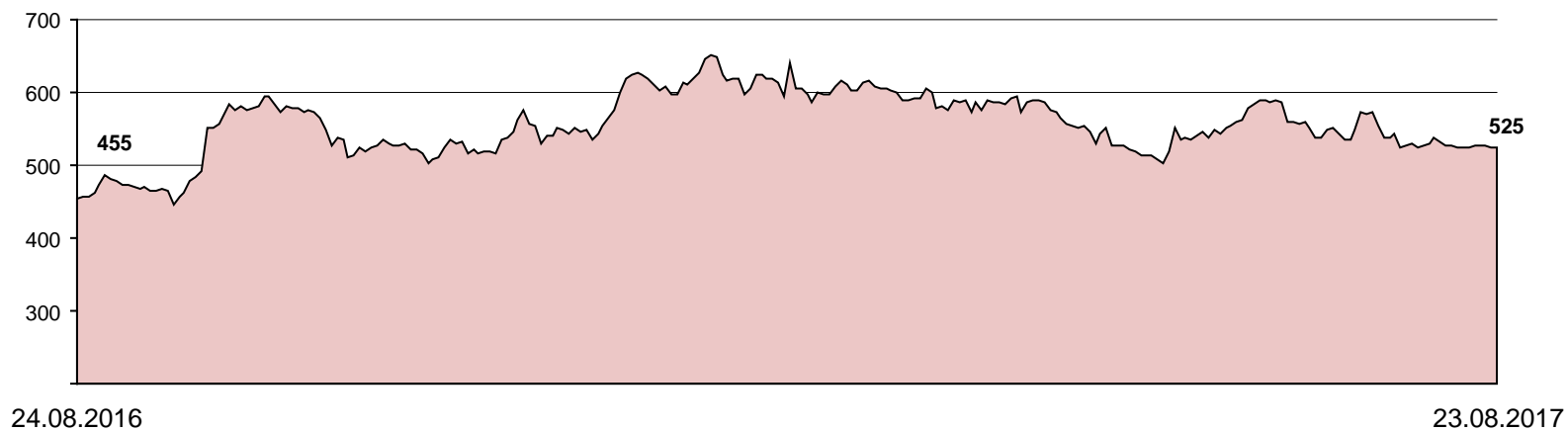
MAZDA SOLLERS JV FINANCIAL RESULTS*

RUB mln	1H2016	1H2017
Revenue	13 872	10 384
Operating profit	(2 644)	308
Operating margin	-19%	3%
Net profit	(2 059)	298
Net profit margin	-15%	3%
Debt as of 31.12.2016/30.06.2017	1 432	70

SOLLERS-FINANCE JV FINANCIAL RESULTS

RUB mln	1H2016	1H2017
Revenue	274	401
Operating profit	140	144
Operating margin	51%	36%
Net profit	106	114
Net profit margin	39%	28%
Leasing portfolio as of 31.12.2016/30.06.2017	2 633	2 919

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

SHARE PERFORMANCE AT MOEX, TICKER: SVAV**STOCK EXCHANGE DATA AT 23.08.2017**

Market capitalisation, RUB mln.	17 992
Shares, mln.	34,27
Price at 23.08.2017, RUB	525
Security List	I