

OJSC “Metafrax”

**Summary Consolidated Financial
Statements for 2014**

Report of management of OJSC "Metafrax"

OJSC "Metafrax" has prepared consolidated financial statements for 2014, which present the financial position of the Group "Metafrax" as at 31 December 2014, and its financial performance and its cash flows for 2014 in accordance with International Financial Reporting Standards (IFRS). Management of the Group "Metafrax" is responsible for accounting and reporting processes within the Group entities, which enable to present fairly in all material respects the financial position of each entity and ensure the compliance: of the Russian statutory financial statements – to the Russian laws and legislation, and the consolidated financial statements – to the International Financial Reporting Standards. JSC "KPMG" has audited the consolidated financial statements of the Group "Metafrax", prepared in accordance with IFRS.

OJSC "Metafrax" publishes the summary financial statements for 2014, derived from the consolidated financial statements audited by JSC "KPMG".

The consolidated financial statements of the Group "Metafrax", prepared in accordance with IFRS for 2014, are available for review upon request to OJSC "Metafrax".

A handwritten signature in blue ink, consisting of stylized, overlapping loops and a long horizontal stroke extending to the right.

General Director Daut V. A.

OJSC “Metafrax”
Summary Consolidated Statement of Financial Position as at 31 December 2014

’000 RUB	31 December 2014	31 December 2013
Assets		
Property, plant and equipment	13,094,002	11,898,590
Investment property	263,247	299,959
Advances given for acquisition of property, plant and equipment and investment property	884,839	376,211
Advances given for acquisition of LLC “MetaTrading”	480,000	-
Intangible assets	873,644	1,123,769
Equity-accounted investees	65,822	62,197
Other investments	1,575,050	392,180
Deferred tax assets	17,735	18,074
Trade and other receivables	40,632	15,171
Non-current assets	17,294,971	14,186,151
Inventories	1,737,850	1,486,647
Other investments	6,348,729	3,775,918
Current tax assets	30,551	23,105
Trade and other receivables	3,561,141	3,565,210
Prepayments	639,629	538,665
Cash and cash equivalents	1,355,734	622,846
Other current assets	5,093	501
Current assets	13,678,727	10,012,892
Total assets	30,973,698	24,199,043

OJSC "Metafrax"
Summary Consolidated Statement of Financial Position as at 31 December 2014

'000 RUB	31 December 2014	31 December 2013
Equity		
Share capital	662,245	662,245
Treasury share reserve	(409,444)	(284,378)
Translation reserve	423,409	32,927
Fair value reserve for available-for-sale investments	3,716	921
Retained earnings	19,252,859	17,124,878
Equity attributable to owners of the Company	19,932,785	17,536,593
Non-controlling interests	127,629	100,539
Total equity	20,060,414	17,637,132
Liabilities		
Loans and borrowings	5,423,323	2,375,641
Employee benefits	595,899	387,354
Deferred tax liabilities	636,955	579,217
Non-current liabilities	6,656,177	3,342,212
Loans and borrowings	1,653,505	1,366,903
Trade and other payables	2,159,681	1,667,163
Advances received	275,109	106,723
Current tax liabilities	123,599	26,245
Non-controlling interests in limited liability companies	38,081	42,942
Other current liabilities	7,132	9,723
Current liabilities	4,257,107	3,219,699
Total liabilities	10,913,284	6,561,911
Total equity and liabilities	30,973,698	24,199,043

OJSC “Metafrax”
Summary Consolidated Statement of Profit or Loss and Other Comprehensive Income for 2014

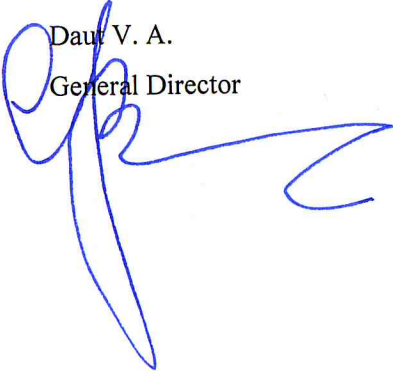
’000 RUB	2014	2013
Revenue	31,001,186	23,294,851
Cost of sales	(22,047,872)	(15,694,058)
Gross profit	8,953,314	7,600,793
Other income	400,326	190,612
Distribution expenses	(3,100,354)	(2,835,256)
Administrative expenses	(1,126,650)	(994,842)
Other expenses	(513,078)	(420,608)
Results from operating activities	4,613,558	3,540,699
Finance income	1,775,311	419,304
Finance costs	(307,552)	(218,681)
Net finance costs	1,467,759	200,623
Change in net assets attributable to non-controlling interests in limited liability companies	(210)	105
Share of profit of equity accounted investees (net of income tax)	3,625	1,088
Profit before income tax	6,084,732	3,742,515
Income tax expense	(1,051,230)	(631,809)
Profit	5,033,502	3,110,706
Other comprehensive income		
<i>Items that will never be reclassified to profit or loss</i>		
Remeasurements of defined benefit liability	(37,097)	(6,885)
Related income tax	9,300	1,721
<i>Items that are or may be reclassified to profit or loss</i>		
Foreign currency translation differences for foreign operations	390,482	32,927
Net change in fair value of available-for-sale financial assets	3,710	1,228
Related income tax	(915)	(307)
Other comprehensive income, net of income tax	365,480	28,684
Total comprehensive income	5,398,982	3,139,390

OJSC "Metafrax"

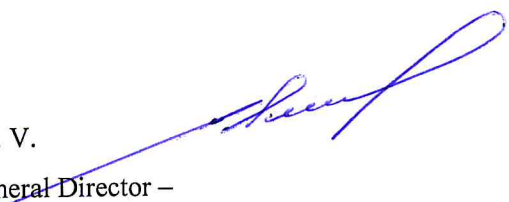
Summary Consolidated Statement of Profit or Loss and Other Comprehensive Income for 2014

'000 RUB	<u>2014</u>	<u>2013</u>
Profit attributable to:		
Owners of the Company	5,006,412	3,105,109
Non-controlling interests	<u>27,090</u>	<u>5,597</u>
Total comprehensive income attributable to:		
Owners of the Company	5,371,892	3,133,793
Non-controlling interests	<u>27,090</u>	<u>5,597</u>
Earnings per share		
Basic and Diluted earnings per share (RUB)	<u>15.85</u>	<u>9.68</u>

These summary consolidated financial statements were approved by management on 17 April 2015 and were signed on its behalf by:



Daut V. A.
General Director



Sivkova M. V.
Deputy General Director –
Director of Finance and Economy

’000 RUB

	Attributable to the equity holders of the Company						
	Share capital	Treasury share reserve	Translation reserve	Fair value reserve for available-for-sale investments	Retained earnings	Total	Non-controlling interests
Balance at 1 January 2013	662,245	(24,249)	-	-	14,346,816	14,984,812	94,942
Total comprehensive income							
Profit	-	-	-	-	3,105,109	3,105,109	5,597
Other comprehensive income							
Foreign currency translation differences for foreign operations	-	-	32,927	-	-	32,927	-
Remeasurements of defined benefit liability	-	-	-	-	(6,885)	(6,885)	-
Net change in fair value of available-for-sale financial assets	-	-	-	1,228	-	1,228	-
Related income tax	-	-	-	(307)	1,721	1,414	-
Total other comprehensive income	-	-	32,927	921	(5,164)	28,684	-
Total comprehensive income	-	-	32,927	921	3,099,945	3,133,793	5,597
Transactions with owners of the Company							
Contributions and distributions							
Dividends	-	-	-	-	(321,883)	(321,883)	-
Treasury shares acquired	-	(260,129)	-	-	-	(260,129)	-
Total contributions and distributions	-	(260,129)	-	-	(321,883)	(582,012)	-
Total transactions with owners of the Company	-	(260,129)	-	-	(321,883)	(582,012)	-
Balance at 31 December 2013	662,245	(284,378)	32,927	921	17,124,878	17,536,593	100,539

OJSC "Metafrax"
Summary Consolidated Statement of Changes in Equity for 2014

'000 RUB

'000 RUB	Attributable to the equity holders of the Company						Non-controlling interests	Total equity
	Share capital	Treasury share reserve	Translation reserve	Fair value reserve for available-for-sale investments	Retained earnings	Total		
Balance at 1 January 2014	662,245	(284,378)	32,927	921	17,124,878	17,536,593	100,539	17,637,132
Total comprehensive income								
Profit	-	-	-	-	5,006,412	5,006,412	27,090	5,033,502
Other comprehensive income								
Foreign currency translation differences for foreign operations	-	-	390,482	-	-	390,482	-	390,482
Remeasurements of defined benefit liability	-	-	-	-	(37,097)	(37,097)	-	(37,097)
Net change in fair value of available-for-sale financial assets	-	-	-	3,710	-	3,710	-	3,710
Related income tax	-	-	-	(915)	9,300	8,385	-	8,385
Total other comprehensive income	-	-	390,482	2,795	(27,797)	365,480	-	365,480
Total comprehensive income	-	-	390,482	2,795	4,978,615	5,371,892	27,090	5,398,982
Transactions with owners of the Company								
Contributions and distributions								
Dividends	-	-	-	-	(2,850,634)	(2,850,634)	-	(2,850,634)
Treasury shares acquired	-	(125,066)	-	-	-	(125,066)	-	(125,066)
Total contributions and distributions	-	(125,066)	-	-	(2,850,634)	(2,975,700)	-	(2,975,700)
Total transactions with owners of the Company	-	(125,066)	-	-	(2,850,634)	(2,975,700)	-	(2,975,700)
Balance at 31 December 2014	662,245	(409,444)	423,409	3,716	19,252,859	19,932,785	127,629	20,060,414

OJSC "Metafrax"
Summary Consolidated Statement of Cash Flows for 2014

'000 RUB	2014	2013
OPERATING ACTIVITIES		
Proceeds from customers	35,585,716,	25,333,537
Payments to suppliers of goods, services, raw materials and other current assets	(25,816,100)	(18,835,778)
Wages and salaries paid	(1,770,737)	(1,442,828)
Payment of taxes other than income tax	(1,060,410)	(927,423)
Cash flows from operations before income tax and interest paid	6,938,469	4,127,508
Income tax paid	(902,993)	(667,790)
Interest paid	(309,976)	(188,641)
Net cash from operating activities	5,725,500	3,271,077
INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment and investment property	255,657	209,679
Proceeds from sale of other securities	-	15,757
Interest received	433,111	136,392
Acquisition of property, plant and equipment and investment property	(2,360,712)	(1,005,642)
Loans given	(3,474,148)	(1,573,713)
Proceeds from repayment of loans given	606,640	1,511,394
Placement of deposits	(3,791,778)	(2,687,127)
Proceeds from return of deposits	4,911,340	1,031,567
Acquisition of subsidiaries, net of cash acquired	(480,000)	(1,371,610)
Net cash used in investing activities	(3,899,890)	(3,733,303)
FINANCING ACTIVITIES		
Proceeds from borrowings	4,803,738	3,638,774
Repayment of borrowings	(2,777,484)	(2,663,164)
Treasury shares acquired	(125,066)	(260,129)
Payment of finance lease liabilities	(107,345)	(15,011)
Dividends paid	(2,851,983)	(321,919)
Net cash (used in)/from financing activities	(1,058,140)	378,551
Net increase/(decrease) in cash and cash equivalents	767,470	(83,675)
Cash and cash equivalents at the beginning of the year	588,264	671,939
Cash and cash equivalents at the end of the year	1,355,734	588,264