



Leader of Russian  
footwear retail  
in middle-price segment

# Financial results of 2013

 WESTFALIKA

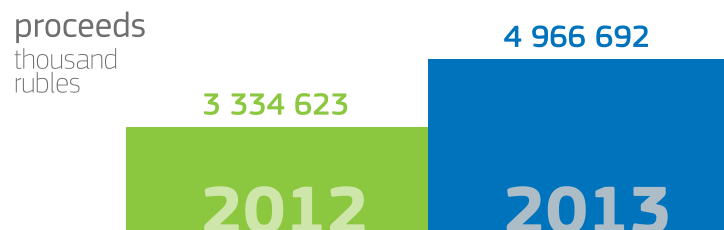
**ПЕШЕХОД**  
ФАБРИКА ОБУВИ

EMILIA ESTRA

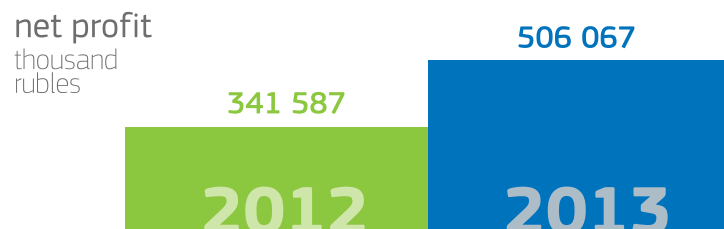
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March 2014

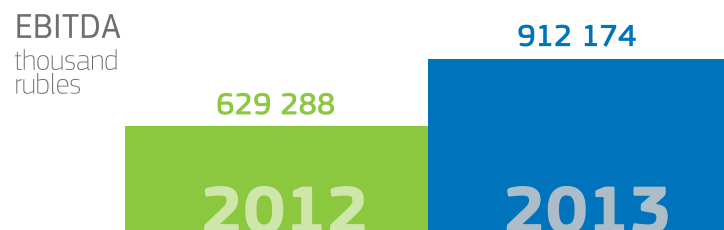
# Main financial results



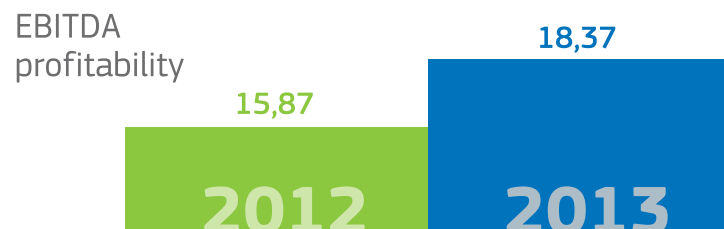
**Proceeds** of the Company for the reporting period increase **by 49%** and made up **4.97 bln rubles**.



**The net profit** increased **by 48%** — up to **506 mln rubles**.



**EBITDA** was **912 mln rubles**, the increase as related to 2012 year being **72%**.



**EBITDA profitability** — **18.4%** (2012 — 15.9%).

# Dynamics of main financial activities

|                                     | 2012      | 2013      | gain, % | times |
|-------------------------------------|-----------|-----------|---------|-------|
| <b>proceeds</b> , thousand rubles   | 3 334 523 | 4 966 692 | 49      | 1,49  |
| <b>EBITDA</b> , thousand rubles     | 529 288   | 912 147   | 72,34   | 1,72  |
| <b>EBITDA profitability</b> , %     | 15,87     | 18,37     | 15,70   | 1,16  |
| <b>Quantity of the shops</b>        | 199       | 273       | 37      | 1,37  |
| <b>net profit</b> , thousand rubles | 341 587   | 506 067   | 48,15   | 1,48  |
| <b>net profit profitability</b> , % | 10,20     | 10,20     | - 0,53  | 0,99  |

# Anton Titov, CEO of Obuv Rossii GC

« 2013 was a very efficient year for us – we became leaders in the mid-price segment of the shoe market, showed significant growth of net profit and profitability, - says Anton Titov, Director of Obuv Rossii GC. – It became possible due to both professional marketing strategy, when we invest in the development of brands, improvement of the assortment and introduction of new services for the customers and due to the unique situation on the shoe market. Russian shoe market is growing at the rate of 7-11% per year. The consolidation of the market is weak, many formats have not been represented yet, that is why there are big opportunities for shoe retail development. »

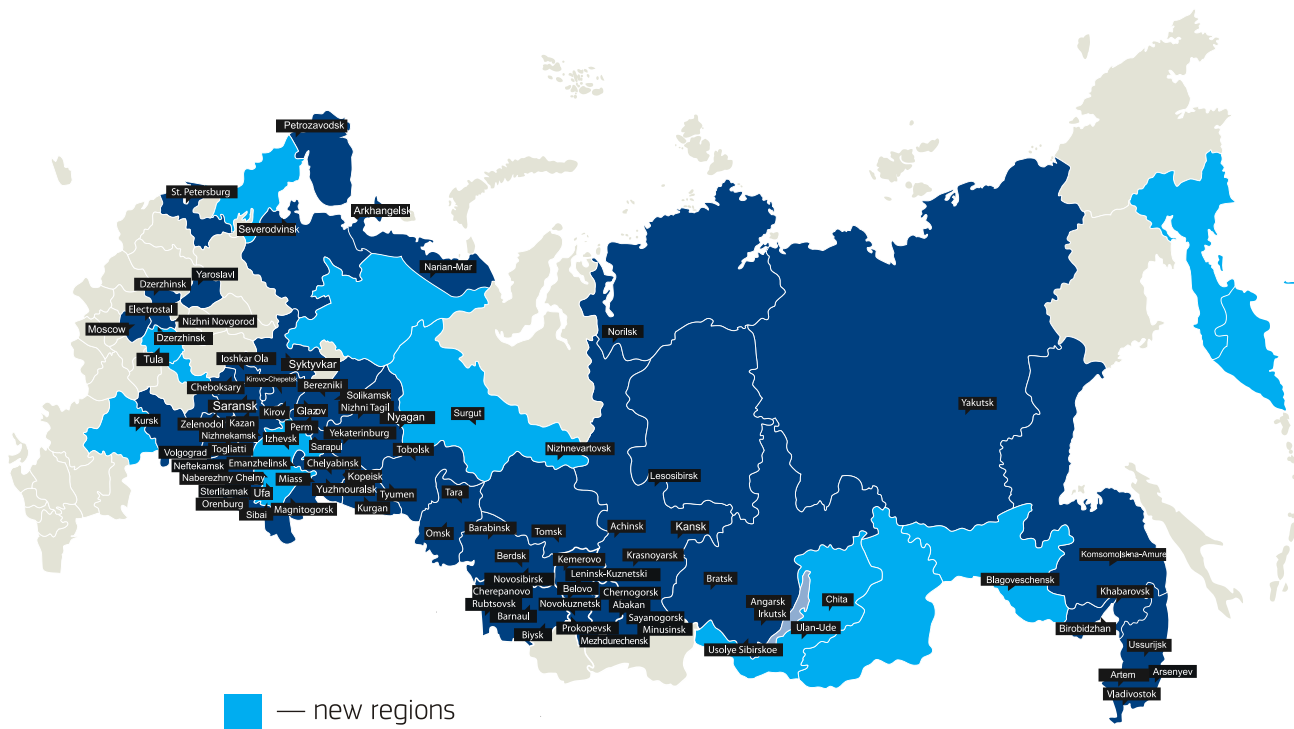


# Net development

**1 bln rubles**  
— investments in the development of the retail chain

**over 85 stores**  
— the highest index over the whole period of «Obuv Rossii» operation

**30 new cities**



The company opened mainly Westfalika shops in the shopping centers.



# Assortment development



In the spring of 2013 the Company introduced a new brand on the market, **Valeryia by Westfalika** — a line of exclusive shoes developed with the participation of the singer **Valeryia**.

These more expensive **designer shoes** make **30%** of Westfalika's store collections now.

# Assortment development

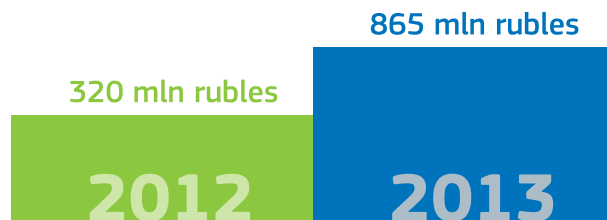


The Company also developed the high margin assortment of **related products**, which includes over **500 SKU** now.

In 2013 Obuv Rossii increased sales of related products up to **865 mln rubles**; their share in the proceeds increased up to **17%**.



Dynamics of sales growth



Dynamics of growth of the proceeds part



# Sales on installments and microloans

Sales on installments

**2,2** bln rubles  
sales on installments

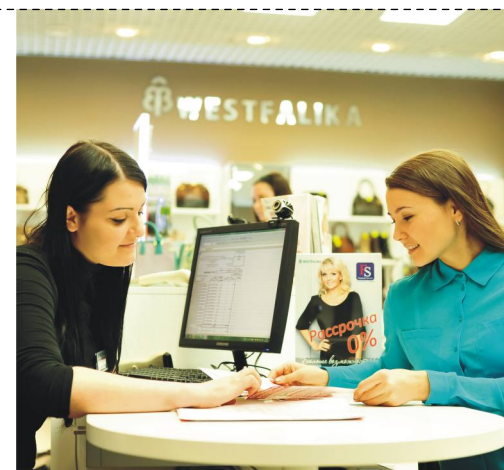
over **400** thousand people  
have already purchased footwear on installments

**70** %  
have purchased footwear on installments two and more times

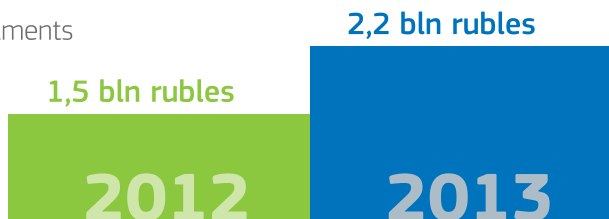
Microloans

**1,2** bln rubles  
— the volume of extended loans

**571** mln rubles  
— the interest profit of the Company



Dynamics of growth of sales on installments



Sales on installments **increased** in 2013 by **47%**



# Innovation activity

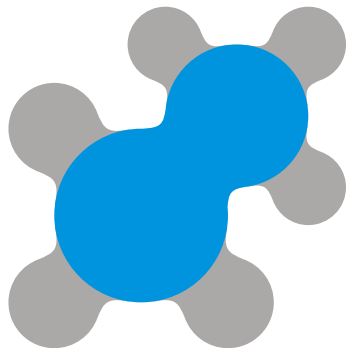


**Investments** in the operation of the centre in 2014 will increase **30 mln rubles**.

In 2013 Obuv Rossii opened a new line in its business – **development of new materials to make shoes**.

For this purpose, a research centre called **Modified Polymers** was created in the Group.

Development of **superlight, superstrong and frost-proof materials** is the key line in the Centre's operation.



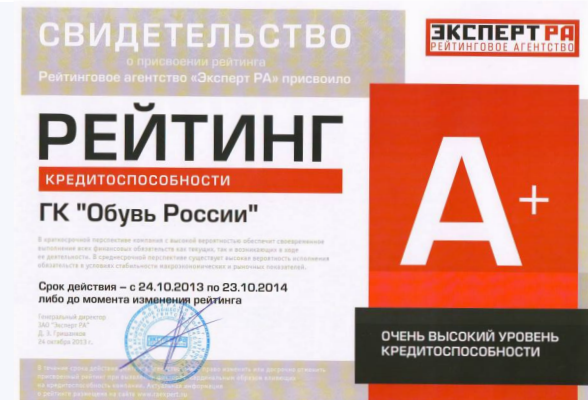
**Modified Polymers**  
research centre

# Increasing of investment attractiveness and transparency of business



- «**Obuv Rossii**» consolidated the assets into an open joint stock company with the authorized capital of **7 billion rubles**.
- «**Obuv Rossii**» established a board of directors with the participation of **independent directors**.
- The Company transferred to the **International Financial Reporting Standards**.

In October 2013 the «Expert RA» rating agency increased the credit rating of the Group to the «A+» level, which is the high level of credit solvency.



# Financial activities of Obuv Rossii GC

|                                  | 2004    | 2005    | 2006    | 2007      | 2008      | 2009      | 2010      | 2011      | 2012      | 2013      |
|----------------------------------|---------|---------|---------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Proceeds, thousand rubles        | 207 595 | 302 048 | 582 072 | 1 235 759 | 1 623 398 | 1 328 644 | 1 586 732 | 2 203 355 | 3 334 523 | 4 966 692 |
| Growth<br>to the previous period |         | 45,50   | 92,71   | 112,30    | 31,37     | -18,16    | 19,42     | 38,86     | 51,34     | 48,95     |
| EBITDA, thousand rubles          | 47 529  | 33 944  | 89 698  | 215 112   | 202 518   | 177 595   | 184 419   | 287 692   | 529 288   | 912 174   |
| EBITDA profitability             | 22,90   | 11,24   | 15,41   | 17,41     | 12,47     | 13,37     | 11,62     | 13,06     | 15,87     | 18,37     |
| Owned capital                    | 46 751  | 76 239  | 253 867 | 418 635   | 535 535   | 677 830   | 778 025   | 1 140 692 | 2 216 161 | 2 837 493 |
| Assets                           | 202 298 | 209 014 | 530 124 | 1 407 314 | 1 157 153 | 1 326 859 | 1 419 712 | 2 353 856 | 4 139 958 | 5 655 185 |

Thank you for your attention!