



ROLF Group of Companies announces Half Year 2010 Financial Results

Moscow – 26 October 2010 – ROLF Group of Companies announces key financial results for the first half of 2010.

ROLF Group Revenues for the six month period ended at 30 June 2010 were 29,35 bln Rubles an increase of 434 mln Rubles compared to the corresponding period of the previous year.

In the first half of 2010, ROLF reported positive EBITDA of 1,09 bln Rubles. In contrast, for the period January to June 2009, reported EBITDA fell to negative 2,31 bln Rubles.

For the first half of 2010, ROLF reported a Net Loss of 1,53 bln Rubles while for the equivalent period in 2009, the reported loss was 5,94 bln Rubles.

The positive EBITDA and lower Net Loss in the first half of 2010 compared to the corresponding period in 2009 can be explained by a number of factors including different market tendencies and actions taken by management to reduce costs in line with market changes in 2010 and 2009. The sale of all vehicle stocks in the first 6 months of 2009 had a material impact on the profitability of the business. In the first half of 2010, the Russian market experienced vehicle sales growth of only 3% compared to the previous 2009, but business margins have improved significantly especially in the core Distribution operations.

During the first six months of 2010, ROLF sold 34 018 vehicles (9% less than the equivalent period in 2009). This overall reduction in sales illustrates the main tendency in the Russian automotive market – negative sales dynamic in the first quarter of 2010 compared to 2009 and vehicle shortages in the market in the second quarter of 2010.

Commenting on the half year results, ROLF Group's Chief Executive Officer Nick Hawkins remarked: "The ROLF financial results reflect the improving environment we have seen in the automotive market since March 2010. The Russian market continues to show great potential, and the growth of customers' confidence and the development of financial instruments will allow sales volumes to recover to pre-crisis level in the upcoming 3-4 years".

For additional information

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Rolf Group

**International Financial Reporting Standards
Interim Condensed Consolidated Financial Information**

As at and for the six months ended 30 June 2010

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Board of Directors and Other Officers

Board of Directors as at 30 June 2010

Sophia Nicolaou
Stavroulla Ioannou
Nicholas James Hawkins
Andreas Papacharalampous

Company Secretary

Zet Secretarial Limited
Elenion Building
5 Themistocles Dervis Street
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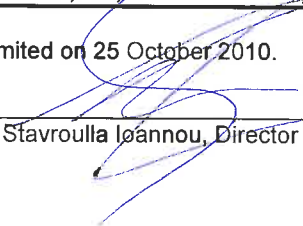
Registered office

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3 Themistocles Dervis Street
P O Box 22612
CY-1066 Nicosia
Cyprus

<i>In thousands of Russian Roubles</i>	Note	30 June 2010	31 December 2009
ASSETS			
Non-current assets			
Property, plant and equipment	8	14,774,986	14,708,342
Goodwill		659,093	659,093
Intangible assets	9	642,719	585,062
Other financial assets	10	1,218,575	38,321
Deferred income tax asset		2,887,772	2,551,669
Total non-current assets		20,183,145	18,542,487
Current assets			
Inventories	11	6,219,832	7,560,494
Prepayments for inventories		472,160	7,286
Trade and other receivables, including current income taxes		5,312,816	7,112,574
Other financial assets	10	258,028	1,539,864
Cash and cash equivalents		4,646,956	3,245,109
Total current assets		16,909,792	19,465,327
Assets held for sale	12	945,544	-
TOTAL ASSETS		38,038,481	38,007,814
EQUITY			
Share capital	12	292	292
Share premium	12	1,169	1,169
Retained earnings		4,013,792	5,481,826
Other reserves		3,211,240	3,288,718
Equity attributable to the Parent's ownership interest		7,226,493	8,772,005
Non-controlling interest		(638,117)	(642,781)
TOTAL EQUITY		6,588,376	8,129,224
LIABILITIES			
Non-current liabilities			
Borrowings	13	15,519,235	19,673,330
Deferred income tax liability		1,066,690	1,040,148
Other non-current liabilities	14	-	1,228,167
Total non-current liabilities		16,585,925	21,941,645
Current liabilities			
Borrowings	13	7,110,779	2,674,838
Trade and other payables		3,664,431	3,617,093
Advances from customers		898,340	518,040
Current income and other taxes payable		458,994	553,735
Other current liabilities	14	2,431,257	467,377
Derivative financial instruments		-	105,862
Total current liabilities		14,563,801	7,936,945
Liabilities directly associated with assets held for sale	12	300,379	-
TOTAL LIABILITIES		31,450,105	29,878,590
TOTAL LIABILITIES AND EQUITY		38,038,481	38,007,814

Approved for issue and signed on behalf of the Board of Directors of Delance Limited on 25 October 2010.


Andreas Papacharalampous, Director


Stavroulla Ioannou, Director

<i>In thousands of Russian Roubles</i>	Note	Six months ended 30 June	
		2010	2009
Revenue			
Vehicles		23,371,477	22,651,853
Spare parts, maintenance and other		5,978,137	6,263,601
Total revenue		29,349,614	28,915,454
Vehicles, consumables and services		(23,823,188)	(25,473,924)
Provision for onerous contracts	15	-	(867,842)
Gross margin		5,526,426	2,573,688
Logistics, insurance and advertising		(848,642)	(961,639)
Employee compensation and benefits		(2,433,574)	(2,777,530)
Office costs, business travel and services		(804,736)	(955,694)
Depreciation, amortisation and impairment	8,9,15	(652,175)	(1,579,588)
Other operating expenses, net		(174,703)	(242,626)
Foreign exchange (losses) / gains from operations, net		(178,699)	50,608
Operating profit / (loss)		433,897	(3,892,781)
Finance income		87,514	54,658
Finance costs		(1,514,238)	(1,193,217)
Foreign exchange losses on cash and borrowings, net		(591,300)	(998,541)
Loss before income tax		(1,584,127)	(6,029,881)
Income tax benefit	16	52,942	93,959
Loss for the period		(1,531,185)	(5,935,922)
Loss is attributable to:			
Parent's ownership interest		(1,528,439)	(5,931,723)
Non-controlling interest		(2,746)	(4,199)
Loss for the period		(1,531,185)	(5,935,922)

<i>In thousands of Russian Roubles</i>	Six months ended 30 June	
	2010	2009
Loss for the period	(1,531,185)	(5,935,922)
Other comprehensive income / (loss)		
Property, plant and equipment - revaluation, pre-tax	-	(1,070,915)
Income tax recorded in equity	19,369	214,183
Fair value gain on interest rate swap	-	73,329
Total comprehensive loss for the period	(1,511,816)	(6,719,325)
Comprehensive loss for the period attributable to:		
- Parent's ownership interest	(1,509,070)	(6,715,126)
- Non-controlling interest	(2,746)	(4,199)

<i>In thousands of US dollars</i>	Attributable to equity holders of the Company				Total	Non-controlling interest	Total equity
	Share capital	Share premium	Other reserves	Retained earnings			
Balance at 1 January 2009	292	1,169	1,391,880	10,179,776	11,573,117	9,049	11,582,166
Total comprehensive loss for the period			(783,403)	(5,931,723)	(6,715,126)	(4,199)	(6,719,325)
Balance at 30 June 2009	292	1,169	608,477	4,248,053	4,857,991	4,850	4,862,841
Balance at 1 January 2010	292	1,169	3,288,718	5,481,826	8,772,005	(642,781)	8,129,224
Total comprehensive loss for the period	-	-	19,369	(1,528,439)	(1,509,070)	(2,746)	(1,511,816)
Realised revaluation reserve	-	-	(96,847)	96,847	-	-	-
Non-controlling interest acquisition	-	-	-	(7,410)	(7,410)	7,410	-
Dividends	-	-	-	(29,032)	(29,032)	-	(29,032)
Balance at 30 June 2010	292	1,169	3,211,240	4,013,792	7,226,493	(638,117)	6,588,376

The share premium reserve and other reserves are not available for distribution by way of dividend.

<i>In thousands of Russian Roubles</i>	Note	Six months ended 30 June	
		2010	2009
Cash flows from operating activities			
Total loss before income tax		(1,584,127)	(6,029,881)
Adjustments for:			
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	8,9,15	652,175	1,579,588
Impairment of trade and other receivables		(24,242)	41,975
Impairment of inventory	11	(118,219)	517,049
Impairment of loans receivable		16,550	-
Provision for onerous contracts		-	867,836
Net gain on disposal of property, plant, equipment and intangible assets		(29,798)	(6,792)
Interest expense, net		1,426,725	1,138,559
Provision for bonuses, taxes and warranties		(9,182)	-
Foreign exchange differences		769,999	947,933
Operating cash flows before working capital changes		1,099,881	(943 733)
Decrease in trade and other receivables, excluding income taxes		1,259,022	40,088
Decrease / (increase) in inventories		1,316,789	(845,665)
(Increase) / decrease in vehicles in transit - prepaid		(464,873)	497,774
(Decrease) / increase in trade and other payables, excluding dividends		(130,709)	1,088,919
Increase / (decrease) advances from customers		380,297	(682,569)
Decrease in taxes payable, excluding income taxes		(126,907)	(46,475)
Cash generated from / (used in) operations		3,333,500	(891,661)
Income taxes paid		(85,368)	(289,598)
Interest paid including interest capitalised		(1,355,342)	(1,374,411)
Net cash generated from / (used in) operating activities		1,892,790	(2,555,670)
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(684,796)	(597,411)
Proceeds from sale of property, plant and equipment		109,225	215,769
Purchase of intangible assets	9	(143,884)	(60,252)
Contingent consideration received		623,908	-
Decrease in financial and other assets		(16,608)	(114,864)
Proceeds from loans repayment		18,305	-
Net cash used in investing activities		(93,850)	(556,758)
Cash flows from financing activities			
Proceeds from borrowings		10,094,277	4,673,016
Repayment of borrowings		(10,494,842)	(5,302,356)
Dividends paid to parent's ownership interest	12	(29,032)	-
Net cash from financing activities		(429,597)	(629,340)
Effect of exchange rate changes on cash and cash equivalents		32,504	488,687
Net increase / (decrease) in cash and cash equivalents		1,401,847	(3,253,081)
Cash and cash equivalents at the beginning of the period		3,245,109	6,751,410
Cash and cash equivalents at the end of the period		4,646,956	3,498,329

1 The Rolf Group and its Operations

This interim condensed consolidated financial information has been prepared for the period ended 30 June 2010 for Delance Limited (the "Company") and its subsidiaries (together referred to as the "Group" or "Rolf Group").

The Company was incorporated in Cyprus on 13 September 2004, and has no corporate parent. The Group is ultimately controlled by a trust acting in the interests of Mr. Sergey Petrov's family.

Principal activity. The Group's principal business activity, which is unchanged from last year, is the sale of vehicles and related services within the Russian Federation. The Group has an exclusive distribution agreement with Mitsubishi Motors Corporation for importing vehicles into the Russian Federation until March 2014. The Group also acts as an official distributor of Geely vehicles under a distribution agreement with Geely International Corporation, a Chinese manufacturer. The Group sells vehicles to customers through its own network of dealer centres, and through independent dealers throughout Russia. In addition to these agreements with Mitsubishi Motors Corporation and Geely International Corporation, the Group also has non-exclusive purchasing arrangements with Ford, Mazda, Audi, Hyundai, Mercedes, Renault, Land Rover and Skoda. During the period ended 30 June 2010, the Group sold a total of 34,018 vehicles (for six months ended 30 June 2009: 37,503 vehicles).

Registered address and place of business. The Company's registered address is Julia House Building, 3 Themistocles Dervis Street, P.O. Box 22612, CY-1066 Nicosia, Cyprus. The Group's principal place of business is Ivana Franko, Moscow, Russian Federation.

2 Operating Environment of the Group

Russian Federation. The Russian Federation has been experiencing political and economic change that has affected, and may continue to affect, the activities of enterprises operating in this environment. Consequently, operations in the Russian Federation involve risks that typically do not exist in other markets. In addition, the recent contraction in the capital and credit markets and its impact on the Russian economy have further increased the level of economic uncertainty in the environment.

The Russian Federation displays certain characteristics of an emerging market, including relatively high inflation and a volatile currency. Despite historic strong economic growth, the financial situation in the Russian market significantly deteriorated in 2009 with some improvement being shown during 2010. As a result, there has been reduced but continued volatility of the Russian rouble in currency markets. The official US dollar (US\$) exchange rate of the Central Bank of the Russian Federation increased from RR 30.2442 at 31 December 2009 to RR 31.1954 at 30 June 2010. At 30 September 2010 it was RR 30.4030. Due to increased market volatility, the one-day MosPrime rate fluctuated between 2.5% and 6.91% during January - June 2010 and 2.63% and 4.37% during July - September 2010.

Market and forecast results. In the first half of 2010 the Russian market for vehicles grew by 3% in respect of car unit sales against the same period last year. The Russian market for vehicles is beginning to recover with sales in June 2010 being the highest volume since January 2009. The biggest growth was seen in the segment of foreign cars produced in Russia. The sales growth is a result of increasing demand due to improvements in macroeconomic situation, continuing effective government supportive programs and manufactures' incentive schemes.

Financial obligations. The Group had RR 4,646,956 thousand of cash and cash equivalents as at 30 June 2010 (31 December 2009: cash and cash equivalents and long-term deposits in the amount of RR 3,388,359 thousand), and borrowings of RR 22,630,014 thousand (31 December 2009: RR 22,348,168 thousand).

The losses incurred in the first half of 2009 were mainly resulting from a combination of adverse exchange rate movements, a sharp decrease in units sold and severe competition in the Russian market. Revenues and margins have shown improvement in the first half of 2010 and the Group returned to operating profitability.

3 Seasonal Nature of Activity

Interim revenue and operating profit are seasonal, traditionally with a low level of activity in summer months and a high level of activity during the last quarter of the year, particularly in December. Pursuant to IFRS accounting principles, interim revenue is accounted for under the same principles as year-end revenue, that is, in the period in which they are achieved.

4 Significant Accounting Policies and Critical Accounting Estimates

Basis of preparation. This interim condensed consolidated financial information for the six months ended 30 June 2010 has been prepared in accordance with IAS 34, "Interim financial reporting". The interim condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2009, which have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), as adopted by the European Union ("EU"), and the requirements of Cyprus Companies Law, Cap. 113.

4 Significant Accounting Policies and Critical Accounting Estimates (Continued)

As of the reporting date, all International Financial Reporting Standards issued by the International Standards Board (IASB) and effective as of 1 January 2010 have been adopted by the EU through the endorsement procedure established by the European Commission.

Standards and interpretations which are mandatory for future accounting periods are detailed in Note 5, showing those, which have, and have not been early adopted by the Group.

All amounts in this interim condensed consolidated financial information are presented in thousands of Russian Roubles, unless otherwise stated.

Subsidiaries acquired exclusively with a view to resale. A subsidiary acquired exclusively with a view to resale is measured, presented and disclosed as a discontinued operation. It must meet the conditions to be classified as held for sale: a) the assets are available for immediate sale in their present condition; (b) the Group's management approved and initiated an active programme to locate a buyer; (c) the assets are actively marketed for a sale at a reasonable price; (d) the sale is expected within one year; and (e) it is unlikely that significant changes to the plan to sell will be made or that the plan will be withdrawn.

A subsidiary acquired exclusively with a view to resale is accounted for by a 'short cut' method. Initially the subsidiary is measured at fair value less costs to sell and at each subsequent reporting date it is remeasured to the lower of initial carrying amount and fair value less costs to sell. 'Short cut' method allows an entity to measure the overall fair value less costs to sell of the subsidiary, then measure the fair value of its liabilities with the fair value less costs to sell of its assets (including goodwill) being the balancing figure.

Judgments that have the most significant effect on the amounts recognised in the interim condensed consolidated financial information and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the financial year include:

Estimated income and deferred taxes. The income tax expense for the interim reporting period is calculated on the basis of the average annual tax rate that is expected for the entire fiscal year in accordance with IAS 34.

For the six months ended 30 June 2010, the Group incurred tax losses in the amount of RR 910,149 thousand (for the six months ended 30 June 2009: in the amount of RR 3,009,829 thousand). The Group has continued to recognise deferred tax assets on losses incurred during the six months ended 30 June 2010 in businesses where it is probable that sufficient future profits will exist against which to off-set the deferred tax losses. Where the future profitability is less than probable, losses are not recognised as a deferred tax asset.

Reclassifications and adjustments of prior period figures. Where necessary, corresponding figures have been reclassified or adjusted to conform to the presentation of the current period. The effects of the most significant reclassifications and adjustments were as follows:

<i>In thousands of Russian Roubles</i>		Reclassifications and adjustments
Other current liabilities; Trade and other payables	376,263	Reclassification of short term portion of contingent consideration payable from trade and other payables to other current liabilities
Vehicles, consumables and services; Office Costs, Business Travel and Services	225,743	Reclassification of repair and maintenance expenses from Office Costs, Business Travel and Services to Vehicles, consumables and services based on nature of services
Revenue from vehicles sale - incentives to customers; Vehicles, consumables and services	202,350	Gross presentation of incentives from manufactures in Revenue and Vehicles, consumables and services to correct net off incentives provided to customers with incentives provided by suppliers
Other operating expenses; Finance cost	45,580	Reclassification of transaction costs from operating expenses to finance costs

5 Adoption of New or Revised Standards and Interpretations and New Accounting Pronouncements

During the first half of 2010, the Group adopted all the new and revised IFRS's that are relevant to its operations and are effective for accounting periods beginning on 1 January 2010.

The adoption of these new or revised IFRSs did not have a material effect on the accounting policies of the Group.

Pronouncements not yet endorsed by the EU are indicated with an asterisk (*). The Group does not adopt pronouncements until they have been endorsed by the EU.

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2010:

- **IAS 38 (amendment), 'Intangible assets'**, effective 1 January 2010.
- **Improvements to International Financial Reporting Standards** (amendments to IFRS 5, IFRS 8, IAS 1, IAS 7, IAS 17, IAS 36 and IAS 39 are effective for annual periods beginning on or after 1 January 2010).

Certain new standards and interpretations became effective from 1 January 2010 but are not relevant to the Group:

- **IFRS 2 (amendments), 'Group cash-settled share-based payment transactions'**, effective from 1 January 2010.
- **IFRIC 17, Distribution of Non-Cash Assets to Owners** (effective for annual periods beginning on or after 1 July 2009).
- **IFRIC 18, Transfers of Assets from Customers** (effective for annual periods beginning on or after 1 July 2009).

The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2010 and have not been early adopted:

- **IFRS 9, Financial Instruments Part 1: Classification and Measurement***. (IFRS 9 was issued in November 2009 and replaces those parts of IAS 39 relating to the classification and measurement of financial assets on or after 1 January 2013).
- **Classification of Rights Issues – Amendment to IAS 32** (issued 8 October 2009; effective for annual periods beginning on or after 1 February 2010).
- **Amendment to IAS 24, Related Party Disclosures*** (issued in November 2009 and effective for annual periods beginning on or after 1 January 2011).
- **IFRIC 19, Extinguishing Financial Liabilities with Equity Instruments*** (effective for annual periods beginning on or after 1 July 2010).
- **Amendment to IFRIC 14, 'IAS 19 – The limit on a defined benefit assets, minimum funding requirements and their interaction'** (effective for annual periods beginning on or after 1 January 2011).
- **Improvements to International Financial Reporting Standards** (amendments to IFRS 3, IAS 27 are effective for annual periods beginning on or after 1 July 2010; IFRS 7, IAS 1, IAS 34, IFRIC 13 are effective for annual periods beginning on or after 1 January 2011).

The Group is assessing the effects of these changes, but does not expect these new or revised standards to have a material effect on its financial statements.

6 Segment Reporting

The Group prepares its segment analysis in accordance with IFRS 8, Operating segments, which replaced IAS 14, Segment reporting. Following the requirements of IAS 1, comparative information was restated and is presented below.

Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker (CODM) and for which discrete financial information is available. The CODM is the person or group of persons who allocates resources and assesses the performance for the entity. The functions of CODM are performed by the Executive Management Board of the Group.

i Description of products and services from which each reportable segment derives its revenue

The Group is organised on the basis of the following segments:

- Retail – representing retail sales of new and used vehicles and other services together with repair and maintenance services;
- Mitsubishi – representing distribution of Mitsubishi-branded vehicles and spare parts;
- Geely – representing the distribution of Geely-branded vehicles and spare parts;
- Corporate and Other – representing various activities and businesses not allocated to a specific segment, which mainly includes the holding function of the Group.

ii Factors that management used to identify the reportable segments

The Group's format for reporting segment information is based on different types of products and services, from which each reportable segment earns its revenues. The reportable segments are each managed separately due to their distinct operating and gross margin characteristics.

Segment financial information reviewed by the CODM includes working capital of the Group's subsidiaries. Regular review of these subsidiaries is delegated to the local management teams.

iii Measurement of operating segment profit or loss, assets and liabilities

The CODM reviews financial information prepared based on management accounts. The management accounts are prepared according to International Financial Reporting Standards. The CODM evaluates performance of each segment based on adjusted EBITDA, defined for the purpose of management accounts as consolidated operating profit before income tax, finance costs (net) and depreciation, amortization and impairment, adjusted for certain items, which the CODM considers outside the normal operating cycle.

Transactions between business segments are on normal commercial terms and conditions. Internal charges between segments have been reflected in the performance of each business segment. Finance income and costs, income taxes are not allocated to segments as this type of activity is driven by the central function of the Group.

6 Segment Reporting (Continued)

iv Information about reportable segment profit or loss, assets and liabilities

Segment information for the reportable segments for the period ended 30 June 2010 is set out below:

<i>In millions of Russian Roubles</i>	Retail	Mitsubishi	Geely	Corporate and Other*	Total	Eliminations	Group
Period ended							
30 June 2010							
Revenue from external customers	19,897	8,704	252	497	29,350	-	29,350
Inter-segment revenue	147	4,269	3	1,777	6,196	(6,196)	-
Segment revenue	20,044	12,973	255	2,274	35,546	(6,196)	29,350
Adjusted EBITDA	1,124	792	(55)	(265)	1,596	(510)	1,086
Depreciation, amortisation and impairment	(404)	(16)	(1)	(243)	(664)	12	(652)
Segment assets at							
30 June 2010							
Financial and other non-current assets	10,636	-	-	4,145	14,781	(13,562)	1,219
Non current assets held for sale	-	-	-	946	946	-	946
Financial and other current assets	1,694	-	-	14,824	16,518	(16,260)	258
Other reportable segment assets	16,472	7,035	1,030	11,755	36,292	(3,564)	32,728
Total reportable segment assets	28,802	7,035	1,030	31,670	68,537	(33,386)	35,151
Segment liabilities at 30 June 2010							
Non-current borrowings	(15,771)	(3,123)	-	(13,093)	(31,987)	16,468	(15,519)
Liabilities directly associated with non current assets classified as held for sale	-	-	-	(443)	(443)	143	(300)
Current borrowings	(2,707)	(5,846)	(2,181)	(5,977)	(16,711)	9,601	(7,110)
Other reportable segment liabilities	(1,040)	(849)	(392)	(7,782)	(10,063)	2,537	(7,526)
Total reportable segment liabilities	(19,518)	(9,818)	(2,573)	(27,295)	(59,204)	28,749	(30,455)
Period ended							
30 June 2010							
Capital expenditure**	826	34	-	175	1,035	(179)	856

* On 1 January 2010, part of this segment's business, related to Mitsubishi spare parts distribution, was transferred into the Mitsubishi segment. Inventory on hand was sold at cost plus an agreed margin.

** Capital expenditure represents additions to non-current assets other than financial instruments and deferred tax assets.

6 Segment Reporting (Continued)

iv Information about reportable segment profit or loss, assets and liabilities (Continued)

<i>In millions of Russian Roubles</i>	Retail	Mitsubishi	Geely	Corporate and Other	Total	Eliminations	Group
Period ended 30 June 2009							
Revenue from external customers	19,475	6,946	876	1,618	28,915	-	28,915
Inter-segment revenue	47	4,481	-	1,984	6,512	(6,512)	-
Segment revenue	19,522	11,427	876	3,602	35,427	(6,512)	28,915
Adjusted EBITDA	407	(2,496)	(496)	360	(2,225)	(88)	(2,313)
Depreciation, amortisation and impairment	(1,261)	(38)	(4)	(298)	(1,601)	21	(1,580)
Segment assets at 31 December 2009							
Financial and other non-current assets	533	-	-	1,822	2,355	(2,317)	38
Financial and other current assets	395	-	-	18,231	18,626	(17,086)	1,540
Other reportable segment assets	15,168	7,034	661	14,242	37,105	(3,227)	33,878
Total reportable segment assets	16,096	7,034	661	34,295	58,086	(22,630)	35,456
Segment liabilities at 31 December 2009							
Non-current borrowings	(1,500)	(3,024)	-	(16,967)	(21,491)	1,818	(19,673)
Current borrowings	(6,081)	(6,232)	(1,698)	(3,344)	(17,355)	14,680	(2,675)
Other reportable segment liabilities	(351)	(547)	(326)	(9,211)	(10,435)	3,945	(6,490)
Total reportable segment liabilities	(7,932)	(9,803)	(2,024)	(29,522)	(49,281)	20,443	(28,838)
Period ended 30 June 2009							
Capital expenditure	423	11	1	223	658	-	658

v Reconciliation of reportable segment profit or loss, assets and liabilities

<i>In thousands of Russian Roubles</i>	Six months ended 30 June	
	2010	2009
Segment result (adjusted EBITDA)	1,086,072	(2,313,192)
Finance costs (net)	(2,018,024)	(2,137,100)
Depreciation, amortisation and impairment	(652,175)	(1,579,588)
Income tax benefit/ (expense)	52,942	93,958
(Loss)/profit for the period as reported under IFRS	(1,531,185)	(5,935,922)

<i>In thousands of Russian Roubles</i>	Period ended	
	30 June 2010	31 December 2009
Total reportable segment assets	35,150,709	35,456,145
Deferred income tax assets	2,887,772	2,551,669
Total assets as reported under IFRS at 30 June	38,038,481	38,007,814

<i>In thousands of Russian Roubles</i>	Period ended	
	30 June 2010	31 December 2009
Total reportable segment liabilities	(30,455,563)	(28,838,442)
Deferred income tax liability	(1,066,690)	(1,040,148)
Total liabilities as reported under IFRS at 30 June	(31,522,253)	(29,878,590)

All of the Group's revenues arise and the majority of its non-current assets are located in the Russian Federation.

7 Balances and Transactions with Related Parties

For the purposes of this interim condensed financial information, parties are considered to be related if one party has the ability to control the other party, is under common control, or can exercise significant influence over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of relationships, not merely the legal form. The Company's ultimate controlling party is disclosed in Note 1. Amounts are unsecured and interest-free unless otherwise stated.

i Loans / Other balances due from / (to) beneficiaries of the ultimate controlling party

<i>In thousands of Russian Roubles</i>	Note	30 June 2010	31 December 2009
Loans included in other financial assets (interest rate: 8.7%)	10	156,809	150,458
Other payables		(379,604)	(368,187)
Net balance due to beneficiaries of the ultimate controlling party		(222,795)	(217,729)

The above loans are subject to annual interest, and are due for repayment within 12 months from the reporting period.

ii Income / (expenses) with beneficiaries of the ultimate controlling party

<i>In thousands of Russian Roubles</i>	30 June 2010	30 June 2009
Finance costs	(62,448)	-
Interest income	6,352	14,047
Total income/(expenses) with beneficiaries of the ultimate controlling party	(56,096)	14,047

iii Balances due from / (to) entities under common control

<i>In thousands of Russian Roubles</i>	Note	30 June 2010	31 December 2009
Available-for-sale investments	10	3	3
Trade receivables		-	815,824
Other receivables		14,818	195,690
Trade payables		(61)	(3,649)
Other payables		(27,102)	-
Current term loan payable (interest rate: 7.9-11.0%)	13	(5,152)	(5,216)
Current term loan receivable (interest rate: interest-free)	10	6,365	23,199
Non-current term loan receivable (interest rate: interest free)	10	25,347	25,576
Non-current term loan receivable (interest rate: 9.0%)	10	1,193,225	-
Current term loan receivable (interest rate: 9.0%)	10	80,354	1,208,107
Total balances due from entities under common control		1,287,797	2,259,534

iv Income / (expenses) with entities under common control

<i>In thousands of Russian Roubles</i>	30 June 2010	30 June 2009
Revenue from sale of vehicles and spare parts	130	317,286
Revenue from autoservice and other services	10,669	4,100
Purchases of vehicles	(23,479)	(108,430)
Interest income	51,747	22,460
Interest expense	(189)	(5,258)
Employee compensation and benefits	(2,311)	(7,837)
Net foreign exchange losses on cash and borrowings	13,702	6,085
Loan receivable impairment	(16,550)	-
Other expenses	178	(595)
Total income with entities under common control	33,897	227,811

v Key management personnel compensation

Directors' fees for the six months ended 30 June 2010 amounted to US\$ 0.8 thousand (for the six months ended 30 June 2009: US\$ 1.0 thousand). Compensation of 4 directors holding executive positions and 8 other key management personnel for the six months ended 30 June 2010 amounted to RR 142,088 thousand (for six months ended 30 June 2009: RR 145,036 thousand).

8 Property, Plant and Equipment

<i>In thousands of Russian Roubles</i>	Buildings	Freehold land	Other	Assets under construction	Total
Cost at 1 January 2009	5,923,558	2,073,816	4,053,467	2,204,470	14,255,311
Accumulated depreciation	(589,958)	-	(1,471,958)	-	(2,061,916)
Carrying amount at 1 January 2009	5,333,600	2,073,816	2,581,509	2,204,470	12,193,395
Additions	-	-	359,351	238,060	597,411
Transfers	470,640	-	-	(470,640)	-
Disposals	(3,741)	-	(205,239)	-	(208,980)
Depreciation charge	(134,076)	-	(356,331)	-	(490,407)
Effect of revaluation – impairment in income statement	(695,744)	(36,102)	-	-	(731,846)
Effect of revaluation – statement of changes in equity	(660,113)	(410,801)	-	-	(1,070,914)
Carrying amount at 30 June 2009	4,310,566	1,626,913	2,379,290	1,971,890	10,288,659
Cost at 30 June 2009	5,062,974	1,626,913	4,286,878	1,971,890	12,948,655
Accumulated depreciation	(752,408)	-	(1,907,588)	-	(2,659,996)
Carrying amount at 30 June 2009	4,310,566	1,626,913	2,379,290	1,971,890	10,288,659
Cost at 1 January 2010	10,057,531	1,758,975	4,251,749	1,954,257	18,022,512
Accumulated depreciation	(1,658,241)	-	(1,655,929)	-	(3,314,170)
Carrying amount at 1 January 2010	8,399,290	1,758,975	2,595,820	1,954,257	14,708,342
Additions	-	-	75,685	609,111	684,796
Capitalised borrowing costs	-	-	-	27,223	27,223
Disposals	(7,199)	-	(69,908)	(2,321)	(79,428)
Depreciation charge	(121,658)	-	(444,289)	-	(565,947)
Carrying amount at 30 June 2010	8,270,433	1,758,975	2,157,308	2,588,270	14,774,986
Cost at 30 June 2010	10,049,010	1,758,975	4,061,883	2,588,270	18,458,138
Accumulated depreciation	(1,778,577)	-	(1,904,575)	-	(3,683,152)
Carrying amount at 30 June 2010	8,270,433	1 758 975	2,157,308	2 588 270	14 774 986

Borrowing costs of RR 27,223 thousand (six months ended 30 June 2009: RR nil thousand), arising on financing for the construction of new, or significantly renovated, dealer centers were capitalized during the period, at an interest rate 10.66% (six months ended 30 June 2009: nil), representing the weighted average borrowing costs of the Group, applied to the balance after excluding prepayments, which were approximately 37% of the value of assets under construction at the end of the reporting period.

The carrying amount that would have been recognised in this interim condensed consolidated financial information had the assets been carried at historical cost is, for the freehold land, RR 1,327,877 thousand (31 December 2009: 1,327,877 thousand) and for the buildings, RR 4,102,350 thousand (31 December 2009: 4,212,303 thousand) respectively.

9 Intangible Assets

<i>In thousands of Russian Roubles</i>	Leasehold interests	Acquired software licences and other	Acquired trade mark	Software products under development	Total
Cost at 1 January 2009	44,257	754,248	91,513	84,482	974,500
Accumulated amortisation	(2,857)	(272,209)	(3,050)	-	(278,116)
Carrying amount at 1 January 2009	41,400	482,039	88,463	84,482	696,384
Transfer	-	18,585	-	(18,585)	-
Additions	-	26,646	-	33,606	60,252
Amortisation charge	(2,882)	(128,255)	(4,573)	-	(135,710)
Carrying amount at 30 June 2009	38,518	399,015	83,890	99,503	620,926
Cost at 30 June 2009	44,213	799,657	91,368	99,503	1,034,741
Accumulated depreciation	(5,695)	(400,642)	(7,478)	-	(413,815)
Carrying amount at 30 June 2009	38,518	399,015	83,890	99,503	620,926
Cost at 1 January 2010	24,467	884,454	91,512	118,855	1,119,288
Accumulated amortisation	(8,607)	(512,997)	(12,622)	-	(534,226)
Carrying amount at 1 January 2010	15,860	371,457	78,890	118,855	585,062
Reclassification of the opening balance	-	(420)	420	-	-
Additions	-	108,012	-	35,872	143,884
Amortisation charge	(352)	(81,677)	(4,198)	-	(86,227)
Carrying amount at 30 June 2010	15,508	397,372	75,112	154,727	642,719
Cost at 30 June 2010	24,467	992,046	91,932	154,727	1,263,172
Accumulated amortisation	(8,959)	(594,674)	(16,820)	-	(620,453)
Carrying amount at 30 June 2010	15,508	397,372	75,112	154,727	642,719

10 Other Financial Assets

<i>In thousands of Russian Roubles</i>	Note	30 June 2010	31 December 2009
Investments in related companies	7	3	3
Other investments		-	12,742
Loans to entities under common control	7	1 218 572	25,576
Total non-current other financial assets		1,218,575	38,321

<i>In thousands of Russian Roubles</i>	Note	30 June 2010	31 December 2009
Interest bearing loans to beneficiaries of the Group's ultimate controlling party, repayable within 12 months of the reporting period	7	156,809	150,458
Long-term bank deposits		-	143,250
Other loans		14,500	14,850
Loans to entities under common control	7	86,719	1,231,306
Total current other financial assets		258,028	1,539,864

11 Inventories

<i>In thousands of Russian Roubles</i>	30 June 2010	31 December 2009
Vehicles at storage areas, warehouses and Group dealer centres	3,641,500	5,149,997
Vehicles in transit and at non-Group dealer centres	583,700	993,375
Spare parts for vehicles and maintenance in progress	1,943,919	1,458,849
Other materials	141,717	167,496
Impairment provision on vehicles	(14,285)	(134,136)
Impairment provision on spare parts	(76,719)	(75,087)
Total inventories	6,219,832	7,560,494

12 Share Capital and Dividends, Other reserves and Acquisitions

<i>In thousands of Russian Roubles</i>	Ordinary shares	Share premium	Total
At 31 December 2008 and 2009	292	1,169	1,461

Delance Limited was incorporated with a share capital of US\$ 10 thousand, representing 10 thousand authorised and issued fully paid ordinary shares of US\$ 1 each, issued in September 2004 at a premium of 4 times the nominal amount.

The Board of Directors recommended dividends in respect of the year ended 31 December 2009 in the amount of RR 29,032 thousand, which were paid to the single shareholder on 19 April 2010.

On 31 May 2010, the Group acquired the non-controlling interest of 10% in its consolidated subsidiary Elite Trans with no consideration paid.

In April 2010, the Group obtained 100% control over Capital Moscow Bank, accounted for as subsidiary acquired exclusively with a view to resale. The Group has recognized the assets held for sale of RR 945,544 thousand as a total of estimated fair value of subsidiary acquired exclusively with a view to resale and fair value of its liabilities at 30 June 2010.

At 30 June 2010 shares of certain Delance's subsidiaries were pledged according to loan agreement requirements.

13 Borrowings

<i>In thousands of Russian Roubles</i>	30 June 2010	31 December 2009
Term loans	17,858,049	17,714,266
Eurobonds	4,771,387	4,625,900
Finance lease liabilities	578	8,002
Total borrowings	22,630,014	22,348,168
Less current portion	(7,110,779)	(2,674,838)
Non-current borrowings	15,519,235	19,673,330

The balance of term loans at 30 June 2010 was RR 17,858,049 thousand, including accrued interest of RR 29,918 thousand less unamortized transaction costs of RR 165,118 thousand.

The balance related to the Eurobond issue at 30 June 2010 was RR 4,771,387 thousand, comprised of principal amount of RR 4,678,468 thousand plus accrued interest of RR 92,919 thousand. At 30 June 2010 the Eurobond balance is classified as current according to its maturity date.

At 30 June 2010, the market value of bond liabilities amounted to US\$ 98.81 determined on the quoted market prices at this date, and at 31 December 2009, it amounted to US\$ 91.75 determined on the quoted market prices at this date, compared to the nominal value of US\$ 100.00.

At 30 June 2010, the term loans include a short-term loan payable to a related party of RR 5,152 thousand with a contractual interest rate of 10% (at 31 December 2009: RR 5,216 thousand with the interest rate of 11.0%).

In February 2010, the Group received RR 10,217,714 thousand under a new credit facility agreement. The loan is subject to market interest rates and is to be repaid in 2015. As security for the loan, the Group is required to pledge certain assets (Note 12).

The majority of the Group's borrowings, other than the Russian Rouble term loan of RR 1,468,700 thousand, are denominated in US dollars.

At 30 June 2010, the effective interest rates for the US dollar term loans equalled to 7.0-12.5% and for the Russian Rouble term loan 18.0-20.0% (31 December 2009: for the US dollar term loans 4.6-12.5%, for the Russian Rouble term loan 18.0%).

At 30 June 2010, the effective interest rates for eurobonds equalled to 13.0% (31 December 2009: 9.0-13.0%).

13 Borrowings (Continued)

In June 2010 effective interest rates on certain terms loans were significantly decreased (for the Russian Rouble term loan with the principal amount of RR 1,500,000 thousand: from 14.85% to 10.00%; for the US dollar term loan with the principal amount of US\$ 73,787 thousand: 10.0% to 9.25%).

The total unused facilities available to the Group at 30 June 2010 were US\$ 214,120 thousand (31 December 2009: US\$ 96,213 thousand).

14 Other Liabilities

<i>In thousands of Russian Roubles</i>	30 June 2010	31 December 2009
Non-current portion of contingent consideration payable	-	1,228,167
Total other non-current liabilities	-	1,228,167
Provisions for liabilities and charges	81,932	91,115
Current portion of contingent consideration payable	2,349,325	376,262
Total other current liabilities	2,431,257	467,377

15 Operating Profit

The following items of unusual nature, size or incidence have been charged during the period:

<i>In thousands of Russian Roubles</i>	Note	30 June 2010	30 June 2009
Six months ended 30 June			
Impairment of Property, plant and equipment:			
- Buildings	8	-	(695,744)
- Freehold land	8	-	(36,102)
Impairment of Assets held for sale		-	(221,625)
Impairment of Inventories:			
Loans receivable impairment	7	(16,550)	-
- Vehicles in stock and at dealer centres	11	119,851	(500,714)
- Spare parts	11	(1,632)	(16,336)
Provision for onerous contracts		-	(867,842)

16 Income Taxes

Income tax benefit / (expense) is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the year to 31 December 2010 is 3 % (the estimated tax rate for the period ended 30 June 2009 was 2%).

17 Contingencies, Commitments and Operating Risks

Legal proceedings. During the period, the Group was involved in a number of court proceedings (both as a plaintiff and a defendant) arising in the ordinary course of business. In the opinion of management, there are no current legal proceedings or other claims outstanding which could have a material effect on the result of operations or financial position of the Group and which have not been accrued or disclosed in the interim condensed consolidated financial information.

Tax contingencies. The taxation and customs systems in the Russian Federation are developing and are characterised by frequent changes in legislation, official pronouncements and court decisions, which are often unclear, contradictory and subject to varying interpretation by different tax authorities. Taxes are subject to review and investigation by a number of authorities, which have the authority to impose severe fines, penalties and interest charges. A tax year remains open for review by the tax authorities during the three subsequent calendar years; however, under certain circumstances a tax year may remain open longer. Recent events within the Russian Federation suggest that the tax authorities are taking a more assertive position in their interpretation and enforcement of tax legislation and it is possible that transactions and activities that have not been challenged in the past, may be challenged in the future, and that overseas companies within the Group may be alleged to have created a permanent establishment in Russia, which if successfully proven in court, would render the activities of those overseas companies subject to taxation in Russia.

These circumstances may create tax risks in the Russian Federation that are substantially more significant than in other countries. Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable Russian tax legislation, official pronouncements and court decisions. However, the interpretations of the relevant authorities could differ and the effect on this interim condensed consolidated financial information, if the authorities were successful in enforcing their interpretations, could be significant.

17 Contingencies, Commitments and Operating Risks (Continued)

Management estimates that as at 30 June 2010 the Group has possible obligations from exposure to other than remote tax risks in the amount of RR 927,968 thousand (31 December 2009: RR 721,527 thousand). These exposures primarily relate to profits tax, VAT, and associated interest and penalties. Included in the above is the amount of possible obligations for uncertain tax positions of RR 127,041 thousand (31 December 2009: RR 127,041 thousand) for which inspection rights of tax authorities have expired, but which may be challenged by regulatory bodies under certain circumstances. In management's estimate no losses are anticipated from these contingent liabilities.

Contractual commitments. At 30 June 2010 the Group had contractual capital commitments in respect of purchase or construction of property, plant and equipment totalling RR 636,563 thousand (31 December 2009: RR 828,956 thousand). The properties on which the Group's buildings are situated are in Moscow and St. Petersburg on land leased from the respective city authorities under operating leases. Currently, private ownership of land is not common in Moscow and in fact most land is held on a long-term leasehold basis (typically a 49 year lease with an option for a 49 year extension). The leases have varying terms and renewal rights, and an annual rent is payable to the city authorities based on indexation.

The Group has future aggregate minimum lease payment commitments under these non-cancellable operating leases, based on the latest available annual rents, as follows:

<i>In thousands of Russian Roubles</i>	30 June 2010	31 December 2009
Not later than one year	315,430	317,910
Later than one year and not later than five years	819,173	956,283
Later than five years	1,200,966	1,240,238
Total non-cancellable operating leases	2,335,569	2,514,431

Vehicles in transit. As at 30 June 2010, the Group has outstanding orders for vehicles produced by the Mitsubishi Motors Corporation in the amount of RR 4,238,840 thousand (31 December 2009: RR 62,060 thousand).

Compliance with covenants. The Group is subject to certain covenants related primarily to its borrowings. Non-compliance with such covenants may result in negative consequences for the Group. The Group is in compliance with the covenants as at 30 June 2010.

18 Events after the Reporting Period

Retailing of Skoda vehicles. In August 2010, the Group signed a letter of intent on retailing Skoda vehicles in Moscow.

Retailing of Toyota. The Group opened its new Toyota dealership in October 2010.

Business combination. The Group plans to set up a 50/50 joint venture with Wallenius Wilhelmsen Logistics to provide vehicle handling logistics operations in the ports of Russia and Finland. The joint venture is formed by contribution of the Group's port handling operations in Russia and by contribution of Wallenius Wilhelmsen Logistics's wholly owned subsidiary, whose main business is vehicle handling operations in a port in Finland.

New purchase agreement. In September 2010, the Group signed a new agreement with Mitsubishi Motors Rus LLC for the purchasing of certain Mitsubishi motor vehicles produced in the Russian Federation.

Repayment of loans. In September 2010, the Group converted a term loan agreement to a revolving loan facility with the limit of RR 1,500,000 thousand, with its partial repayment in the amount of RR 800,000 thousand in September and October 2010.