



Press Release

Geneva, 29 April 2016

ENR RUSSIA INVEST SA ANNOUNCES 2015 RESULTS AND ATTRIBUTABLE NET ASSET VALUE PER SHARE AT END FIRST QUARTER 2016

2015 Results

2015 was another difficult year for the Russian economy and the gross domestic product contracted by 3.7%. Domestic demand and consumption were weaker, manufacturing growth and construction output lower and fixed investment contracted. Oil and gas prices remain key factors to prospects of the Russian economy, representing two-thirds of all exports and generating the bulk of federal budget revenues. Therefore, low global oil prices have a negative impact on the Russian economy as was seen with crude oil prices which fell sharply by 34% in 2015.

There is a strong correlation between these prices and the value of the ruble which weakened by almost 30% against the Swiss Franc in 2015. As ENR Russia Invest SA's reporting currency is in Swiss Franc and its investments are made in a ruble based economy into companies who have the ruble as their currency, the depreciation of the ruble against the Swiss Franc represents a challenge. Higher consumer prices and utility tariffs and a weaker ruble have a negative impact on Russian inflation which was 12.90% at year-end 2015. Despite the inflationary pressures the Russian Central Bank cut the key interest rate to 11% in July 2015 where it remained for the rest of the year in an attempt to make lending more accessible for businesses.

This made for a challenging environment for businesses operating or investing in Russia and ENR Russia Invest SA and its subsidiaries ("ENR") results reflect that. For the year ended 31 December 2015 ENR produced a consolidated net loss of CHF 17.83 million (consolidated net loss of CHF 24.50 million for the 2014 financial year).

At 31 December 2015 ENR's consolidated net asset value ("NAV") was CHF 42.18 million (down from CHF 88.22 million at 31 December 2014) mainly due to the CHF 29.60 million dividend distribution to shareholders in July 2015 and the lower appraised value of the Petrovsky Fort business center in Saint-Petersburg. Via the dividend distribution ENR balanced stakeholder aspirations by returning a meaningful amount of cash whilst retaining sufficient resources to enable it to maintain existing commitments and to continue considering potential new investments in accordance with its investment objectives.

Despite the challenging economic environment in Russia and as for similar economic cycles in the past, there are still interesting investment opportunities at potential lower entry valuations. Currently opportunities relate to export orientated businesses where revenues are linked to hard currencies and these businesses have a ruble cost base; import substitution businesses where imported products and services are replaced and companies operating in non-cyclical sectors. With lower wage growth and lower real wages consumption patterns change as consumers favor convenience, trade down, shop smarter and tend to spend more on healthcare. The consumer demographic environment is also changing as pensioners, who currently make-up 29% of the Russian population, are expected to grow to 34% of Russian population by 2025 and the middle class may potentially contract. This should lead to more business for food retail and discounters, healthcare and pharmaceutical, internet and media businesses.

ENR will continue to monitor the economic and political developments and opportunities in these industry segments to consider private equity transactions and investments and do so mainly in Russia and then potentially also in other member countries of the Commonwealth of Independent States and the Baltic States.

The ENR annual report will be available from today on ENR's website at www.enr.ch

Attributable net asset value per share at end first quarter 2016

At 31 March 2016 the unaudited attributable net asset value of ENR was CHF 16.42 per share.

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ENR Russia Invest is an investment company listed on the SIX Swiss Exchange. It specialises in the management of equities and equity-like investments, real estate and as fixed income instruments in Russia, the CIS States and the Baltic States. Additional information on ENR Russia Invest is available on the company website www.enr.ch