

ДИКСИ



Analyst Presentation

Conference call Dec. 2008

WELCOME to OUR CONFERENCE CALL



9M 2008 Results

- P&L
- Revenue Growth
- Balance Sheet Changes
- CASH FLOW, CAPEX, and DEBT

DIXY TODAY

- STORES, FORMATS, REGIONS and GROWTH
- DEBT BURDEN & LIQUIDITY
- LOGISTICS & WAREHOUSES
- STRATEGIES & MARKETING MIX

2009 GUIDELINES

9M 2008 Results

2008: 9M and Q3 P&L – highlights



REVENUE & EBITDA GROWTH DYNAMIC



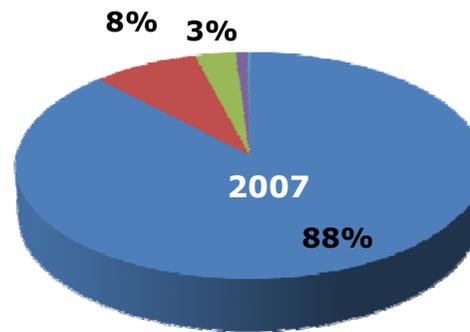
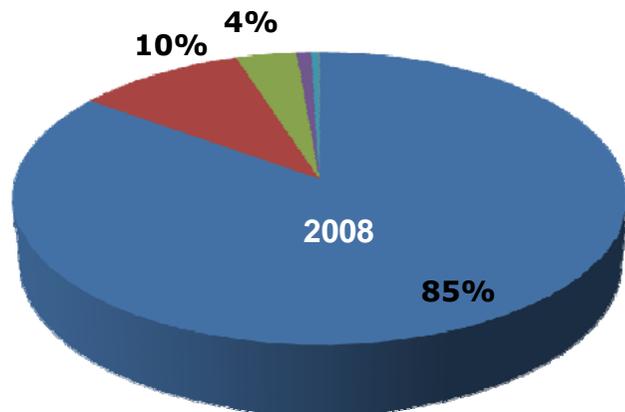
P&L Q3 & 9 M: 2007 – 2008

thou. USD

	Q3 2008	Q3 2007	Growth(%)	9M 2008	9M 2007	Growth(%)
Revenue	474 402	342 495	38,5%	1 438 684	988 994	45,5%
Gross Profit	124 155	83 351	49,0%	358 988	233 393	53,8%
EBITDAR	43 583	27 900	56,2%	130 901	78 518	66,7%
EBITDA	26 653	15 666	70,1%	78 631	40 796	92,7%
Net Income	-1 311	8 592	-//-	10 095	3 054	230,5%
Net Income (w/o FX)	8 540	7 900	8.1%	19 958	1 604	1144%

9M 2008 Results

Revenue Breakdown



- Retail Revenue (Dixy)
- Retail Revenue (Megamart)
- Retail Revenue (Minimart)
- Other Revenue
- Retail Revenue (V-Mart)

thou. USD	9M 2008	9M 2007	Growth(%)	Q3 2008	Q3 2007	Growth(%)
DIXY	1 221 736	867 692	40,8%	397 401	296 919	33.8%
MEGAMART	144 844	79 646	81,9%	52 134	29 415	77.2%
MINIMART	52 400	30 638	71,0%	17 663	11 586	52.5%
V-MART	6 607	1 473	348.7%	2 614	659	300%
OTHER	12 613	9 370	35%	4 591	3 916	17%

9M 2008 Results

LFL



On stores opened

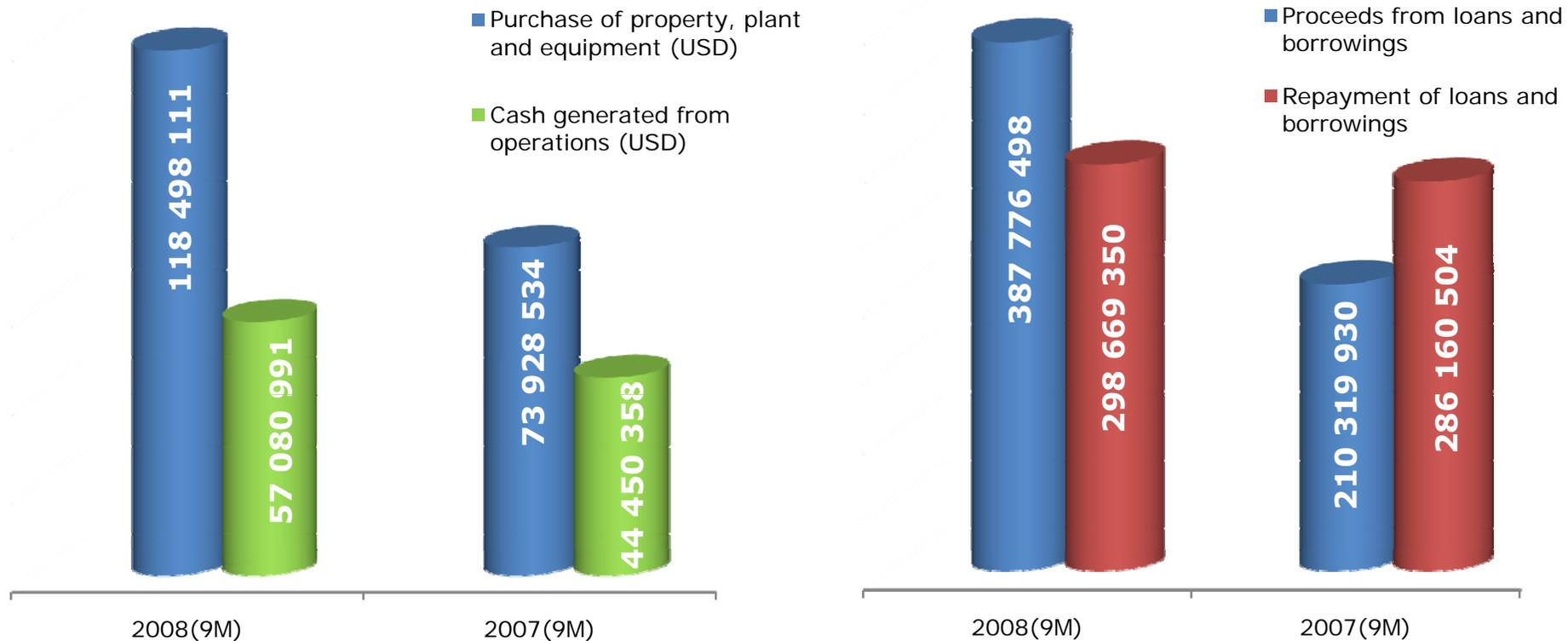
*before January 1, 2006**

*before September 1, 2007***

9 months	<i>before January 1, 2006*</i>			<i>before September 1, 2007**</i>		
	TOTAL	number of tickets	average ticket	TOTAL	number of tickets	average ticket
DIXY (RUR)						
Central Fed. District	17.57%	-1.02%	18.79%	21.70%	1.15%	20.32%
North-West FD	23.38%	6.33%	16.03%	27.42%	8.76%	17.16%
Urals FD	12.80%	-3.91%	17.39%	16.72%	-1.50%	18.51%
TOTAL DIXY (RUR)	18.92%	1.03%	17.71%	23.03%	3.23%	19.18%
Megamart (Urals)	4.23%	-2.66%	7.07%	12.22%	1.04%	11.06%
Minimart (Urals)	12.57%	-3.47%	16.62%	33.74%	6.47%	25.61%
TOTAL GROUP (RUB)	16.90%	0.80%	15.98%	22.35%	3.40%	18.33%
TOTAL GROUP (USD)	25.86%	0.80%	24.87%	31.72%	3.40%	27.39%

9M 2008 Results

CAPEX, CASH & DEBT: 9M 2008



43 new stores with a net selling space of 22,776 sq. m. including 5,200 sq. m. in own selling areas

3 MEGAMART and 4 V-MART stores were opened during the 9 month period and a total of 5,500 sq.m. of selling space sublet to third parties

9M 2008 Results

BALANCE SHEET – VIRTUALLY UNCHANGED



USD 728 mln. in Assets as of Sept. 2008 vs. USD 689 mln. in Assets as of Dec. 2007

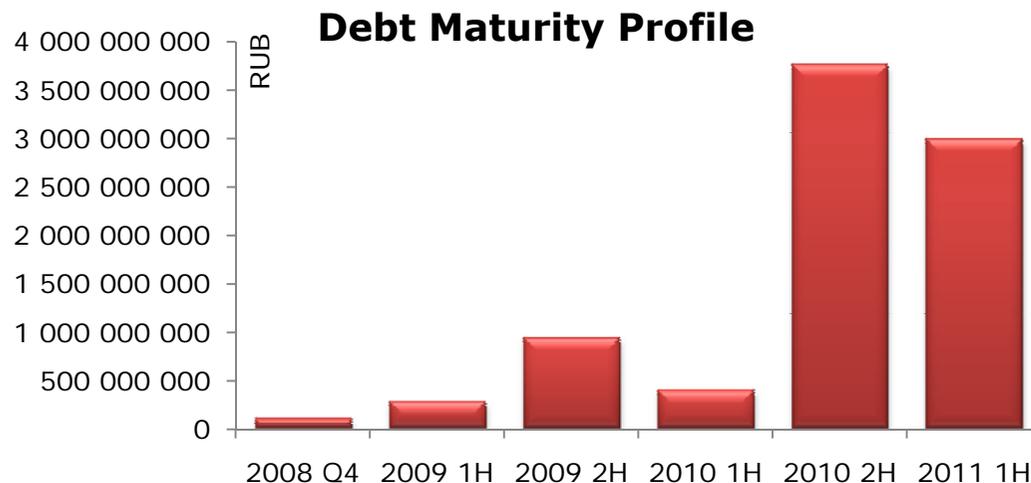


Equity & Liabilities as of Sept. 2008 and Dec. 2007



9M 2008 Results

CREDIT PORTFOLIO



Total Debt by Currency



25,2464

Currency	Utilisation	Cost of funds	Drawdown date	Final maturity
USD	135 000 000	LIBOR + 3,3%	26.06.2008	26.06.2010
USD	32 333 161	LIBOR + 4,25%	23.07.2008	23.07.2009
RUB	411 450 550	11,40%	11.10.2006	03.10.2010
RUB	85 661 874	o/d lines	01.07.2008	09.06.2009
RUB	3 000 000 000	9,25%	23.03.2008	17.03.2011

Key Indicators

TOTAL DEBT to 12M EBITDA	2,98
12M EBITDA to INTEREST EXPENSE	5,28
Net DEBT to 12M EBITDA	2,83

Debt burden as of Sept. 2008

TOTAL in RUB	7 721 672 340
TOTAL in USD	305 852 412

Available limits as of Sept. 2008

TOTAL in RUB	1 862 320 000
TOTAL in USD	73 765 765



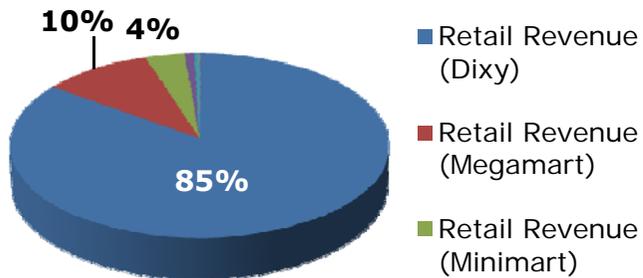
To be among the leading food retailers in Russia with mass market focus through tailored convenience stores in neighboring locations



OUR FORMATS



SALES by FORMAT



ДИКСИ УНИВЕРСАЛ МИНИМАРТ



МЕГАМАРТ



Vmart



NUMBER of STORES (Dec. 10th)

440

11

11

SALES (USD) for 10 months

1411

162

8

AVERAGE SELLING SPACE

345 / 720

2,900

92

NUMBER of SKUs

3,500 / 7,500

20,500

1,500

Average number of employees

27 / 75

215

11

Revenue per sq.m. last 12M

12,120

14,520

15,700

Direct ops expenses per sq.m. p.a.

1450

1170

4800

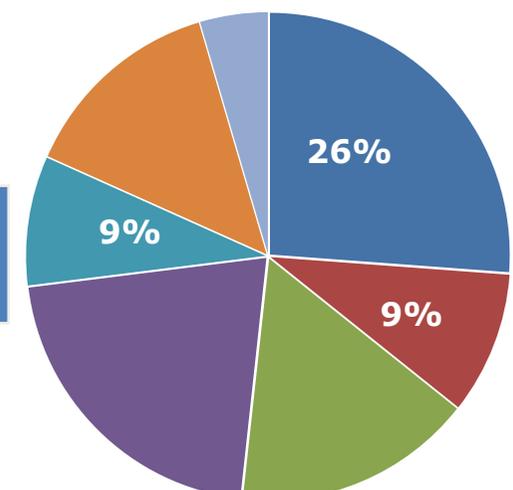
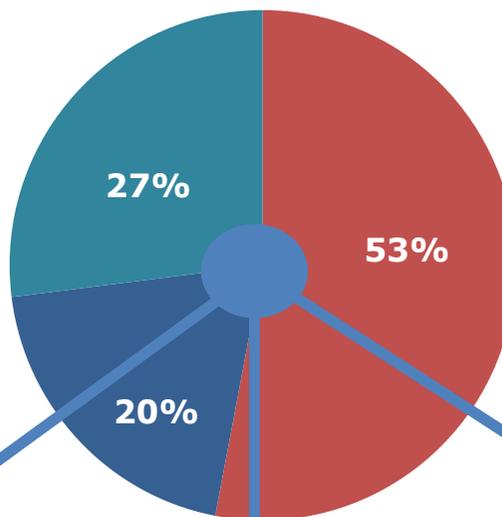
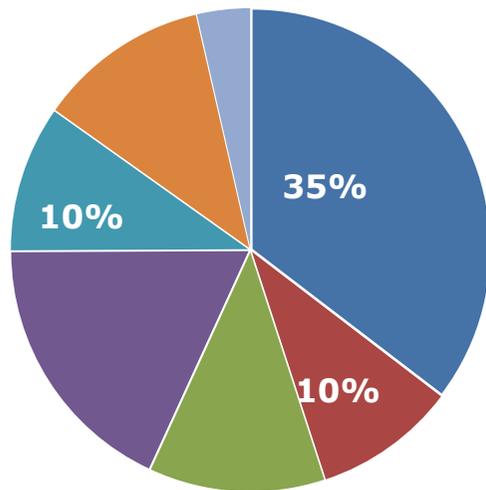
OUR REGIONS



Share of the region in the overall market

Company's turnover by region

Share in the total population of the region (2008)



- Central region
- Southern region
- Ural region
- Far East region

- North-Western region
- Privolzhye region
- Siberia region

- Central Division
- North-West Division
- Ural Division

- Central region
- Southern region
- Ural region
- Far East region

- North-Western region
- Privolzhye region
- Siberia region

North-West Region

142 DIXY and V-MART stores; 20 new and 27 owned; 32K sq. m. in selling space; 17 K sq. m. in warehousing areas;

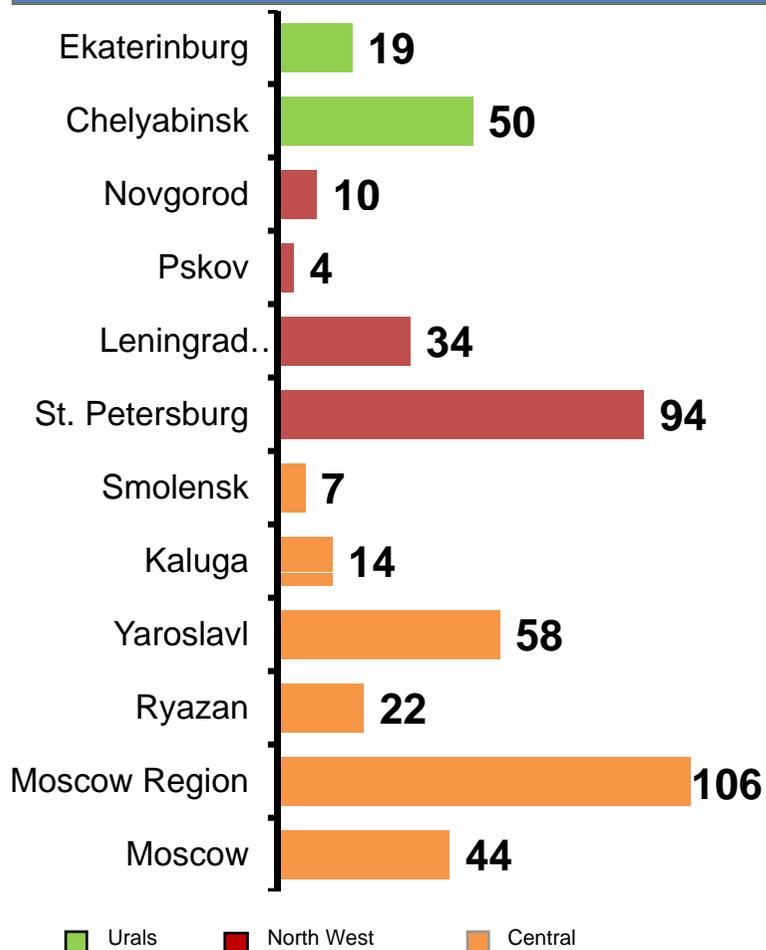
Ural Region

69 DIXY, MINIMART and MEGAMART stores; 14 new and 18 owned. 49K in selling space; 5K sq.m in warehousing areas-low centralization;

Central Region

251 DIXY stores; 44 new and 69 owned; 95K sq. m. selling space; 4 warehouses over 74K sq. m;

Store locations (Dec. 2008)



Pipeline of 2008 new store openings, including those secured by signed agreements

	Central	North-West	Ural	Group
Dixy	45+24	14 + 9	11 + 1	70 + 34
V-Mart	0 + 0	6 + 0	0 + 0	6 + 0
Megamart	0 + 0	0 + 0	3 + 2	3 + 2
Group	45 + 24	20 + 9	14 + 3	79 + 36

- Real Estate Strategy: a) primary focus – leased properties on a long-term basis; b) 1.5 years average payback period for new leased stores and c) dedicated in-house real estate team focused on securing the most attractive locations
- Local adaptability: in each region Dixy stores are adapted to local customers' needs in terms of assortment and number of SKUs
- Total CAPEX for 2008 at just over RUB 5.0 bln.

25,2464

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Debt burden as of Sept. 2008

TOTAL in RUB	7 721 672 340
TOTAL in USD	305 852 412

Available limits as of Sept. 2008

TOTAL in RUB	1 862 320 000
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28,0043

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USD	32 333 161	LIBOR + 4,25%	23.07.2008	23.07.2009
RUB	376 780 550	11,40%	11.10.2006	03.10.2010
RUB	198 288 038	o/d lines	01.07.2008	09.06.2009
RUB	3 000 000 000	9,25%	23.03.2008	17.03.2011

Debt burden as of Dec. 10 2008

TOTAL in RUB	8 261 116 628
TOTAL in USD	294 994 577

Available limits as of Dec. 10, 2008

TOTAL in RUB	1 931 926 962
TOTAL in USD	68 986 797

Our credit portfolio: a 12 month horizon – key undertakings:

- to maintain a Total Debt / EBITDA at below X 3.5
- to reduce the risk of increase in our cost of debt by possibly hedging out some interest rate risk
- to secure additional available sources of debt financing from state banks under Gov. sponsored initiative
- to continue building relations with foreign banks, aiming at securing MT debt capital when mkt unlocks

SOME of the OTHER PLAYERS ON THE MARKET

Grew at almost any costs

Risks of being stranded with a portfolio of underperforming assets

Grew primarily outside of the central and north-western regions

Rising local risks, as some key employers in a the regions are downsizing

Grew primarily in large and capital intensive formats

Risks of CAPEX underfunding, and decreasing sales across non-food categories

Growing distressed assets

Lower CAPEX guidelines

Lower sales per sq. m.

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Grew organically, analyzing each location on its own merits

6 stores closed this year (total 29 stores since 2002)

Grew primarily within the central and north-western regions

70% of our stores are in these regions

Grew primarily in convenience format via lease agreements

Average budget of DIXY store is around \$450K with current projects' IRR at over 50%

Opening of at least 100 new stores in 2008

CAPEX '08 > \$170 mln.

Maintaining store opening CAPEX guideline for 2009 at over 100 stores

Maintaining careful approach to selecting assets, while taking advantage of the prevailing low prices

Overview

- Stock is managed using primarily GOLD system, also used by Carrefour, Tesco, and Casino.
- Dixy currently operates four warehouses in Central Region, three in North West Region and two in Urals
- Number of deliveries done through warehouses vary by region – on a group level it is around 70%
- 180 Volvo trucks offering multi-temperature delivery capability.

Improvements in logistics

- Implementation of GOLD System across all regions with only two warehouses remaining upgraded.
- 2009/10: 2 more warehouses in St. Pet and in Chelyabinsk
- Further upgrading of existing warehousing facilities
- Gradual integration of radio frequency technology
- Increase number of deliveries to stores from own warehouses and distribution centres to 90%

Distribution Centres

Location	Size (sq.m.)	Owned / Leased
Ryazan	15,650	Owned
Yaroslavl	7,500	Owned
Moscow	11,200	Leased
Serpukhov	35,000	Owned
St Petersburg	1,500	Leased
St Petersburg	12,230	Owned
St Petersburg	3,600	Leased
Chelyabinsk	3,300	Leased
Chelyabinsk	1,200	Leased





Close to 1,500 suppliers – 54% of purchases are made with the local suppliers
Supplier agreements are typically for 1 year
Fresh products supply remains managed on local levels
No direct imports, around 8% of goods sold are of the foreign origins

SUPPLIES & SUPPLIERS



The share of Private Label in our Sales remains around 7%.
Continue to rely on our effective KVI pricing policy and maintain assortment strategy
In spite of some suppliers' attempts to pass down their costs to the consumer we started a new marketing initiative: "DIXY Controls the Prices"

MARKETING STRATEGIES



Restyling all stores until 2011. All new stores are open using the new corp. style
Positive contribution to margins; Reduction of salary expense as a proportion to sales; sales growth as a result of new customers inflow & better product range. Cost of USD 50 K per store.
All DIXY & MINIMART stores will now be reunited under DIXY brand & logo and based on selling space area divided into 5 sub format

STORES

Goals for 2009



**Thank you for your
attention**

Q & A