



## DIXY Group 9 months 2010 Results

Conference Call Presentation  
Based on 9 months 2010 unaudited IFRS results  
1 December 2010

## Sustainable Growth

### Geographical Expansion

New store openings (71 store for 9mo 2010 vs. 37 for 9mo 2009) and capex on track

### Stable Top Line Performance

17.0% Net Sales increase for 9mo 2010, 24% Net Retail growth in September 2010

### Financial Leverage

Comfortable leverage level of 2.69 Total Debt/EBITDA

### Marketing Efforts

Focus on LFL growth (5.6% in the DIXY format for 9mo 2010 and 6.6% in 3Q 2010) through ongoing marketing efforts

## Operational Optimization

### Supply Chain Efficiency

Centralization level in September 2010 reached 79.0% with 80.9% for Central District and 78.2% for NW, supply chain optimization program is well on track

### Cost Cutting

Continued focus on operational cost cutting. SG&A decreased to 23.7% for 9mo 2010 from 24.4% for 9mo 2009

### Operational Processes Improvement

Ongoing efforts on key operational business processes improvement company-wide

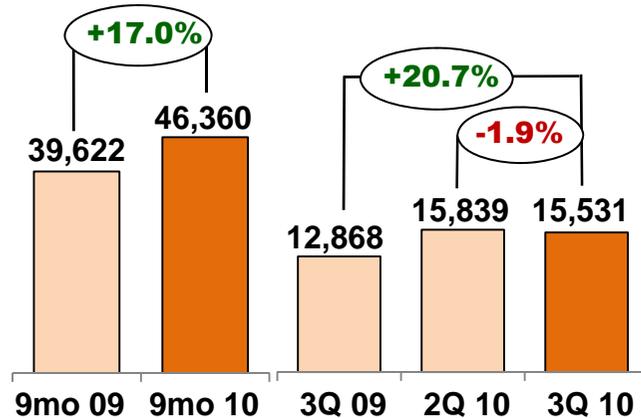
**DIXY Group is focused on operational optimization and sales growth**

# 9 Months 2010 Top Line Performance

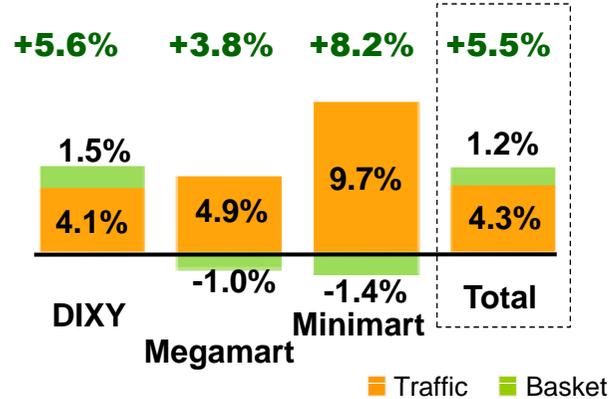


RUR, million

## 9mo 2010 Net Sales\*



## 9mo 2010 LFL Total Sales

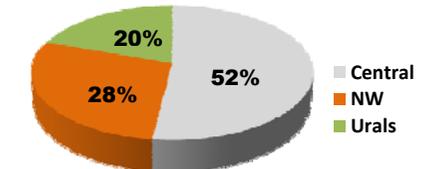
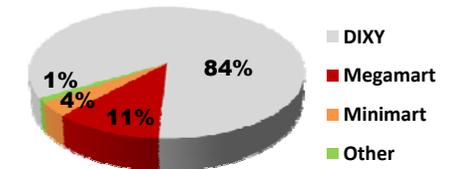


\*based on sales update for 9 months 2010

## 10mo 2010 Monthly Net Retail Sales by Format

RUR mln	DIXY	Megamart	Minimart	TOTAL
January 09	3,669	458	154	4,305
January 10	4,063	544	162	4,769
Δ%	+11%	+19%	+5%	+11%
February 09	3,569	466	151	4,210
February 10	4,067	531	158	4,756
Δ%	+14%	+14%	+5%	+13%
March 09	3,920	529	170	4,636
March 10	4,541	603	180	5,324
Δ%	+16%	+14%	+6%	+15%
April 09	3,785	500	165	4,453
April 10	4,426	572	179	5,178
Δ%	+17%	+15%	+9%	+16%
May 09	3,876	500	165	4,541
May 10	4,592	615	195	5,402
Δ%	+18%	+23%	+19%	+19%
June 09	3,537	540	187	4,263
June 10	4,295	583	186	5,064
Δ%	+21%	+8%	0%	+19%
July 09	3,673	519	172	4,365
July 10	4,353	609	190	5,152
Δ%	+19%	+17%	+10%	+18%
August 09	3,540	495	161	4,196
August 10	4,318	591	177	5,086
Δ%	+22%	+19%	+10%	+21%
September 09	3,519	478	152	4,148
September 10	4,412	555	168	5,135
Δ%	+25%	+16%	+11%	+24%
October 09	3,706	521	162	4,436
October 10	4,752	618	183	5,613
Δ%	+28%	+19%	+13%	+27%

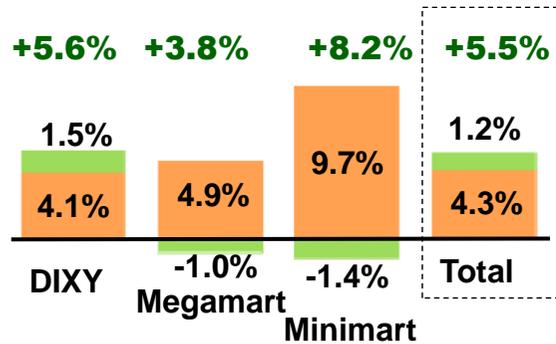
## Sales Breakdown by Region & Format\*



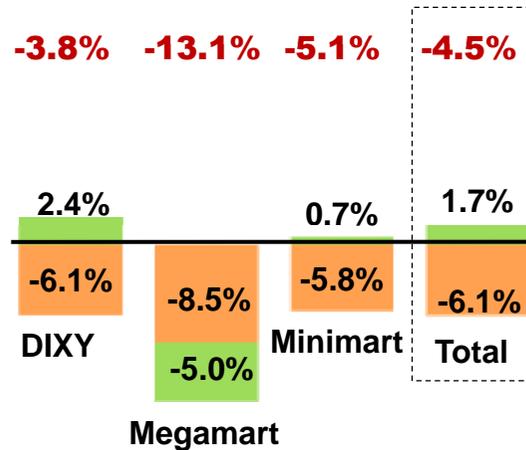
# LFL Results 9mo 2010 vs. 9mo 2009



## 9mo 2010 LFL Total Sales\*

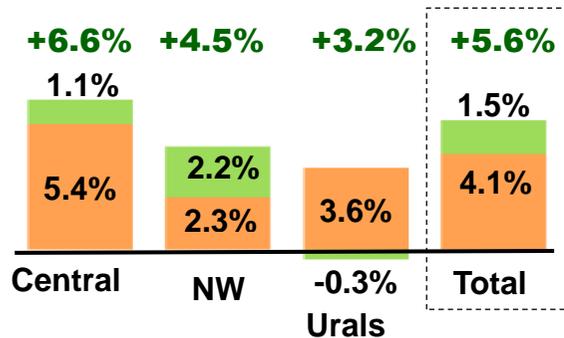


## 9mo 2009 LFL Total Sales\*\*

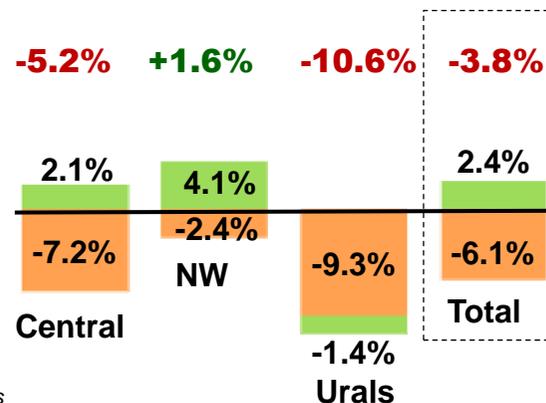


5.5% LFL Sales growth for 9mo 2010 fuelled by 5.6% LFL Sales growth in DIXY format and 8.2% growth in Minimart format

## 9mo 2010 DIXY LFL Sales\*



## 9mo 2009 DIXY LFL Sales\*\*



For the 9mo 2010 DIXY LFL sales increased the most in Central (+6.6%) and NW (+4.5%) Federal Districts

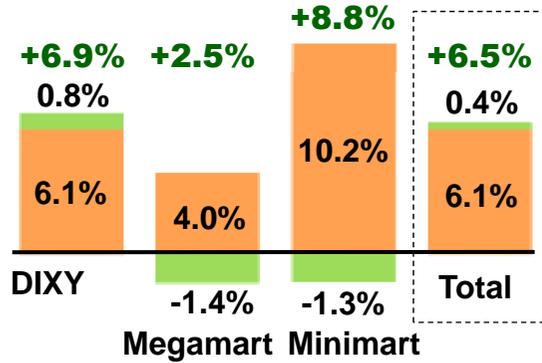
■ Traffic ■ Basket

\*LFL includes 474 DIXY store, 13 Megamart stores and 8 Minimart stores  
 \*\*LFL includes 305 DIXY stores, 5 Megamart stores and 6 Minimart stores

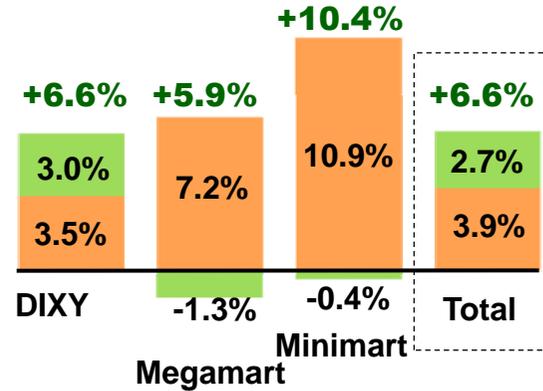
# LFL Quarterly Dynamics



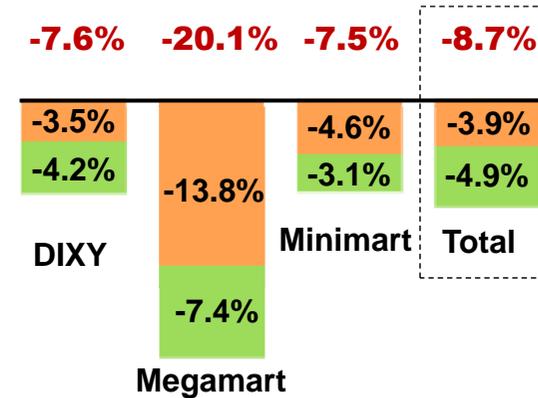
**Q2 10 LFL Total Sales\*\***



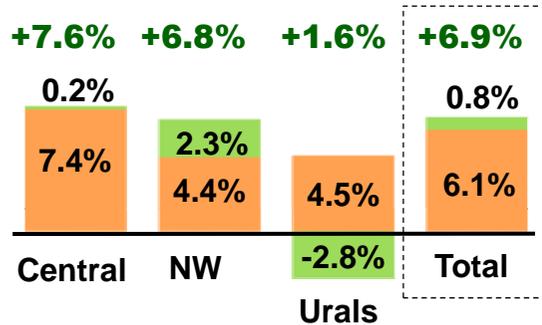
**3Q 10 LFL Total Sales\*\***



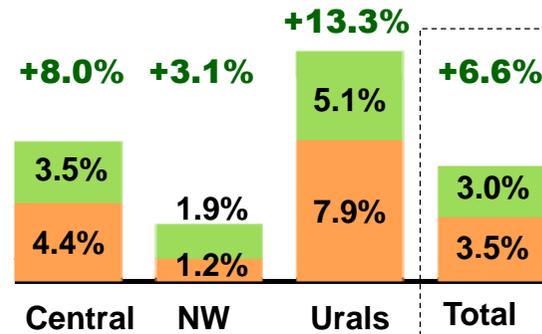
**3Q 09 LFL Total Sales\*\*\***



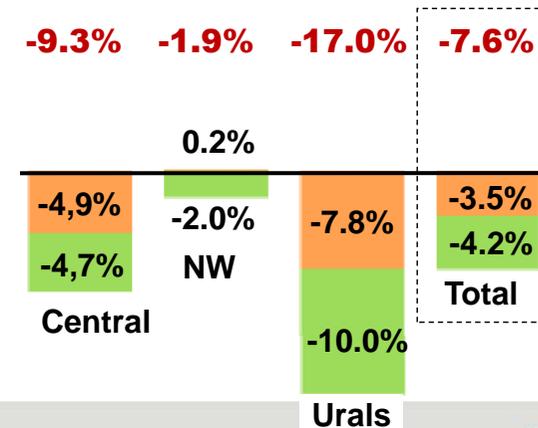
**Q2 10 DIXY LFL Sales\*\***



**3Q 10 DIXY LFL Sales\*\***



**3Q 09 DIXY LFL Sales\*\*\***



\*LFL includes 455 DIXY store, 13 Megamart stores and 8 Minimart stores  
 \*\*LFL includes 468 DIXY store, 13 Megamart stores and 8 Minimart stores  
 \*\*\*LFL includes 285 DIXY store, 5 Megamart stores and 6 Minimart stores

■ Traffic ■ Basket

# Geographical Coverage & Logistics



## Stores by Region\* Distribution Centers\*

Location	No
Moscow City	54
Moscow Region	192
Vladimir	2
Kaluga	19
Kostroma	17
Ryazan	29
Smolensk	9
Yaroslavl	41
<b>Total Central District</b>	<b>363</b>
St. Petersburg	93
Leningrad Region	42
Karelia	16
Novgorod	14
Pskov	11
Vologda	7
<b>Total NW District</b>	<b>183</b>
Chelyabinsk	50
Yekaterinburg**	18
Tyumen	3
<b>Total Urals District</b>	<b>71</b>
<b>TOTAL</b>	<b>617</b>

Location	sqm	
Serpukhov	36,400	Owned
Ryazan	15,650	Owned
Yaroslavl	9,350	Owned
St. Pete	13,700	Owned
St. Pete	3,700	Leased
Chelyabinsk	7,500	Leased
<b>TOTAL</b>	<b>86,300</b>	
<b>Owned</b>	<b>87%</b>	

Fleet of 280\* vehicles



Ongoing efforts on supply chain efficiency improvement resulted in centralization level (percentage of deliveries processed through own warehouses) of **79.0%** in September 2010 with 80.9% for Central District and 78.2% for North-Western and general logistics service level (success of delivery rate) of **83.4%** in 3Q 2010



DIXY Distribution Center

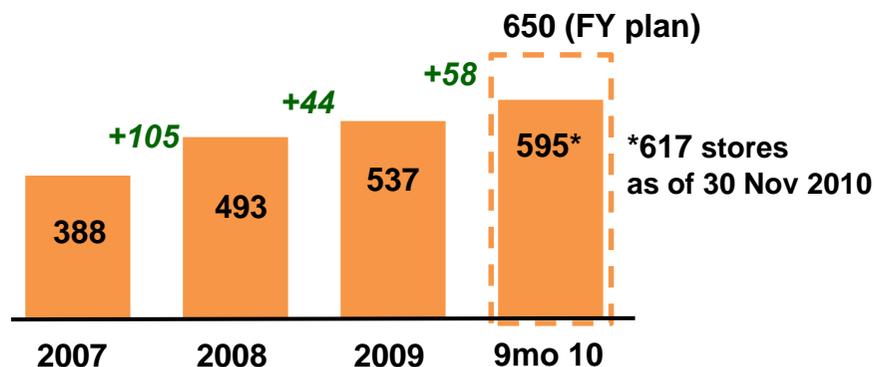
\*as of November 30, 2010  
 \*\*Minimarts and Megamarts

# 9 Months 2010: Selling Space Expansion

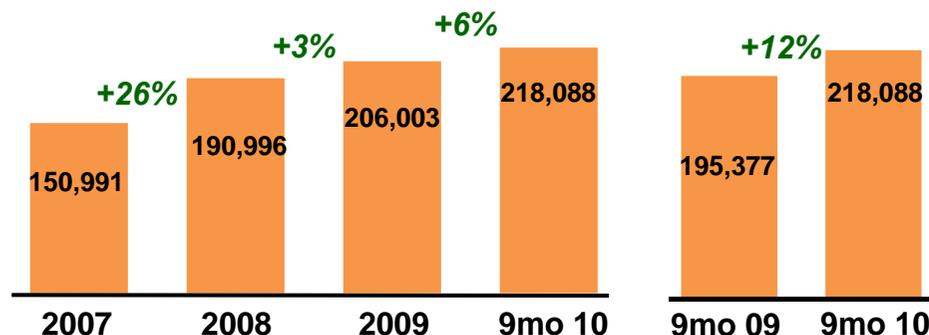


## Number of Stores

	2007	2008	2009	9mo 2010
DIXY	373	460	514	572
Megamart	8	13	15	15
Minimart	7	8	8	8
Vmart		12		



## Net Selling Space, sqm



## Stores and space

	9mo 2010	9mo 2009	Δ%
Stores	595	509	16.9%
New store openings	71	38	87%
Total space	521,393	472,388	10.4%
Total space owned	178,467	173,537	2.8%
Selling space	218,088	195,377	11.6%
DIXY	182,481	161,860	12.7%
Megamart	30,121	28,031	7.5%
Minimart	5,486	5,486	--
Selling space owned	68,614	66,957	2.5%
Selling space owned, %	31%	34%	
DIXY	47,643	45,986	3.6%
Megamart	16,781	16,781	--
Minimart	4,190	4,190	--

## Personnel

	9mo 2010	9mo 2009	Δ%
Store	12,907	12,074	6.9%
Office	2,224	1,936	14.9%
Warehouse	2,649	2,075	27.7%
Total	17,780	16,085	10.5%

As of 30 September 2010 the DIXY Group added net **58** stores (all in discounter DIXY format) and **22,711** sqm of net selling space (**12%** increase compared to 9mo 2009)

as at 30 November 2010 DIXY Group operated **617** stores (**218,088** sqm of net selling space):

- **594** discounters **DIXY**
- **15** compact hypermarkets **Megamart**
- **8** supermarkets **Minimart**

# Store Formats

# ДИКСИ

**ДИКСИ**  
УНИВЕРСАМ **DIXY**



**Soft Discounter**

**594 stores\*\***

**319 sqm\***  
average selling space

**3,500 SKUs**

**RUR 213.8 thousand**  
sales per sqm selling space\*

**RUR 212** average ticket size\*

**17.3** average employees per store\*

**МИНИМАРТ**  
**Minimart**



**Economic Supermarket**

**8 stores\*\***

**686 sqm\***  
average selling space

**7,500 SKUs**

**RUR 290.9 thousand**  
sales per sqm selling space\*

**RUR 362** average ticket size\*

**85.5** average employees per store\*

**МЕГАМАРТ**  
**Megamart**



**Hypermarket**

**15 stores\*\***

**2,008 sqm\***  
average selling space

**20,500 SKUs**

**RUR 172.7 thousand**  
sales per sqm selling space\*

**RUR 498** average ticket size\*

**152.5** average employees per store\*

\*as of September 30, 2010

\*\*as of November 30, 2010

# Key P&L Highlights



## Key 9 Months and 3Q 2010 P&L Highlights

RUR Million	9mo 2010	9mo 2009	Δ% y-on-y	3Q 2010	2Q 2010	Δ% Q-on-Q
<b>Net Sales</b>	46,360	39,622	17.0%	15,531	15,839	-1.9%
<b>Gross Profit</b>	12,002	10,613	13.1%	4,014	4,088	-1.8%
Gross margin, %	25.9%	26.8%		25.8%	25.8%	
SG&A	(10,993)	(9,654)	13.9%	(3,840)	(3,614)	6.3%
SG&A, % of Revenue	23.7%	24.4%		24.7%	22.8%	
<b>EBITDA</b>	<b>2,299</b>	<b>2,124</b>	8.3%	<b>605</b>	<b>909</b>	-33.5%
EBITDA Margin, %	5.0%	5.4%		3.9%	5.7%	
<b>Operating Profit (loss)</b>	<b>1,009</b>	<b>959</b>	5.3%	<b>173</b>	<b>475</b>	-63.5%
Operating Margin, %	2.2%	2.4%		1.1%	3.0%	
FX gain (loss)	(105)	(163)		(10)	(235)	
<b>Profit (Loss) before tax</b>	<b>381</b>	<b>188</b>	102.9%	<b>(20)</b>	<b>81</b>	-124.1%
Income Tax Expense*	(418)	(290)	44.2%	(93)	(135)	-31.4%
<b>Net Profit (Loss)</b>	<b>(37)</b>	<b>(102)</b>		<b>(112)</b>	<b>(54)</b>	
Net Margin, %	-0.1%	-0.3%		-0.7%	-0.3%	

### For the 9 months of 2010

**Net sales** increased 17.0% year-on-year in RUR terms to 46,360 mln

**Gross profit** totaled 12,002 mln, for a gross margin of 25.9%

**SG&A as % of Revenue** decreased by 0.7 pp year-on-year to 23.7%

**EBITDA** increased 8.3% to 2,299 mln (5.0% EBITDA margin)

**Operating Profit** increased 5.3% to 1,009 mln

**Profit before tax** increased 102.9% to 381 mln

**Net Loss** improved to 37 mln from Net Loss of 102 mln for the 9mo 2009

\*Effective tax rate **109.7%**

# Cash Flow Highlights & Credit Portfolio



## 9 Months and 3Q Cash Flow Highlights

RUR Million	9mo 2010	9mo 2009	Δ% y-on-y	3Q 2010	2Q 2010	Δ% Q-on-Q
<b>Net cash from operating activities</b>	<b>769</b>	<b>303</b>	<b>153.9%</b>	<b>(31)</b>	<b>499</b>	<b>-106.2%</b>
Operating cash flows before WC changes	2,378	2,215	7.3%	712	884	-19.4%
Change in WC	(352)	(665)	-47.1%	(283)	(29)	881.4%
Net Interest & Income Tax Paid	(1,257)	(1,247)	0.8%	(460)	(356)	29.3%
<b>Net cash used in investing activities</b>	<b>(917)</b>	<b>(1 025)</b>	<b>-10.5%</b>	<b>(321)</b>	<b>(217)</b>	<b>47.5%</b>
<b>Net cash from financing activities</b>	<b>(714)</b>	<b>(142)</b>	<b>401.4%</b>	<b>286</b>	<b>(246)</b>	<b>-216.3%</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(862)</b>	<b>(865)</b>	<b>-0.3%</b>	<b>(65)</b>	<b>36</b>	<b>-282.7%</b>

## Credit Portfolio

Facility	Issued	Total amount	Interest rate, %	Term	Maturity
RUR Bonds	23.03.2006	RUR 3 bln	9,25%	5 yrs	17.03.2011
Syndicated credit	22.06.2010	RUR 6,145,340,000*	MosPrime + 4% p.a. margin	4 yrs	22.06.2014

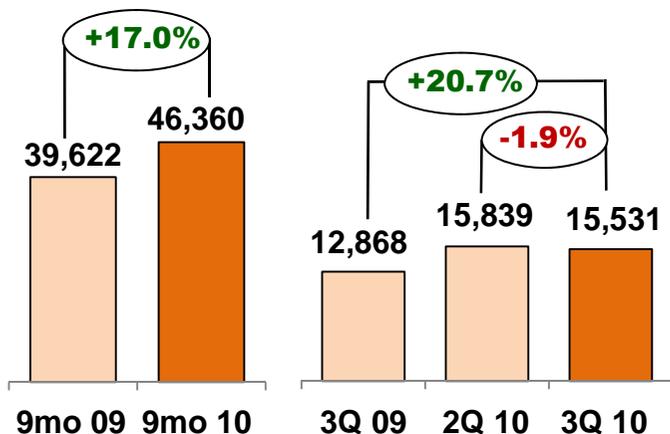
\*As at 01.11.2010 drawn amount is RUR 4,824,091,900

# 9 Months 2010 Financial Performance\*



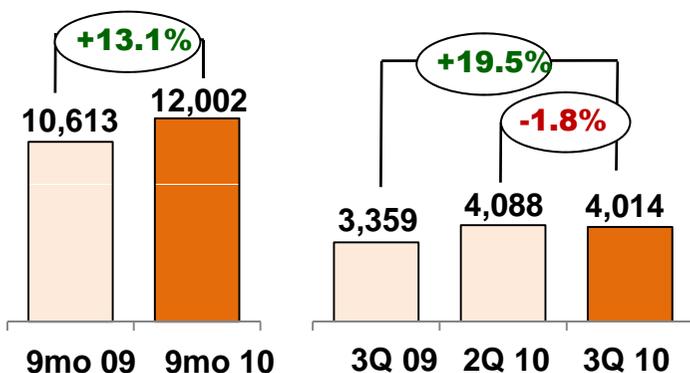
RUR, million

## Net Sales\*



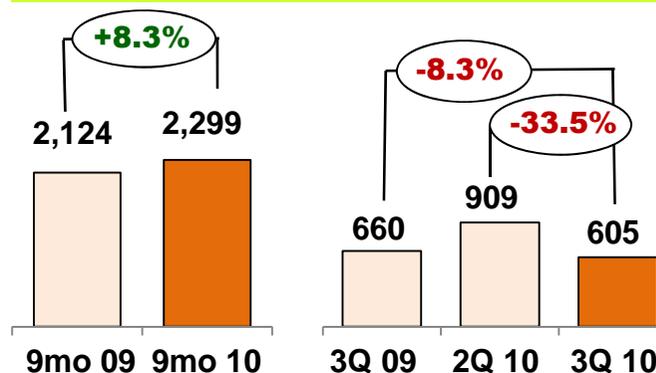
## Gross Profit & Gross Profit Margin

26.8% 25.9% 26.1% 25.8% 25.8%



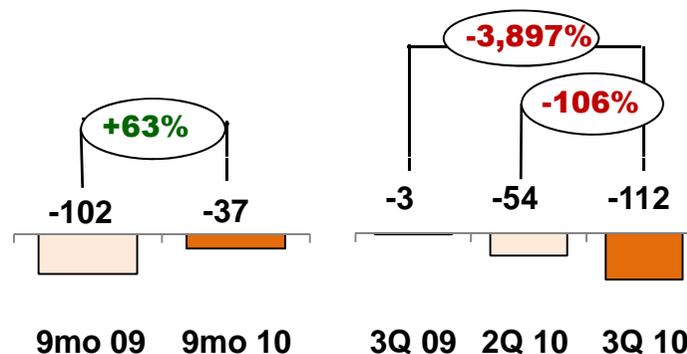
## EBITDA & EBITDA Margin

5.4% 5.0% 5.1% 5.7% 3.9%



## Net Profit & Net Profit Margin

-0.3% -0.1% 0.0% -0.3% -0.7%



\*Based on unaudited IFRS management accounts

**Thank you for your attention!**

