



**ДИКСИ**

**Просто. Рядом. По-соседски.**

# **DIXY Group 1<sup>st</sup> Half 2011 Results**

**Conference Call Presentation**

**Based on 1 Half of 2011 IRFS unaudited management accounts**

20 September 2011



# DIXY Group 1H 2011 Achievements

## Victoria Acquisition

✓ Victoria Group acquisition on 15 June 2011 added over 50% of revenue, 257 stores, over 50% of selling space and made DIXY Group the third largest Russian national food retailer by revenue, selling area and number of stores, strengthened the DIXY Group's competitive positions in the two key regional markets: Russia's Central and Northwestern Federal Districts with access to new regional markets in Kaliningrad and Tula regions

## New Marketing Strategy

✓ In 1H 2011 DIXY Group started to implement new marketing strategy encompassing entire marketing operation, and on 1 June 2011 launched a nationwide advertising campaign «Simple. Nearby. Neighborly»

## Main Indices Inclusion

✓ DIXY shares were included into the RTS Index (RTSI) and into the MICEX Consumer Goods and Services Index (MICEX CGS) based on capitalization and liquidity criteria

## Performance Improvement

✓ In 1H 2011 DIXY Group (both standalone and consolidated) significantly improved financial performance, improving Gross Margin, EBITDA margin, Net Margin and other performance indicators

# Expanding Geographic Reach in 1H 2011\*

## Stores by Region \*

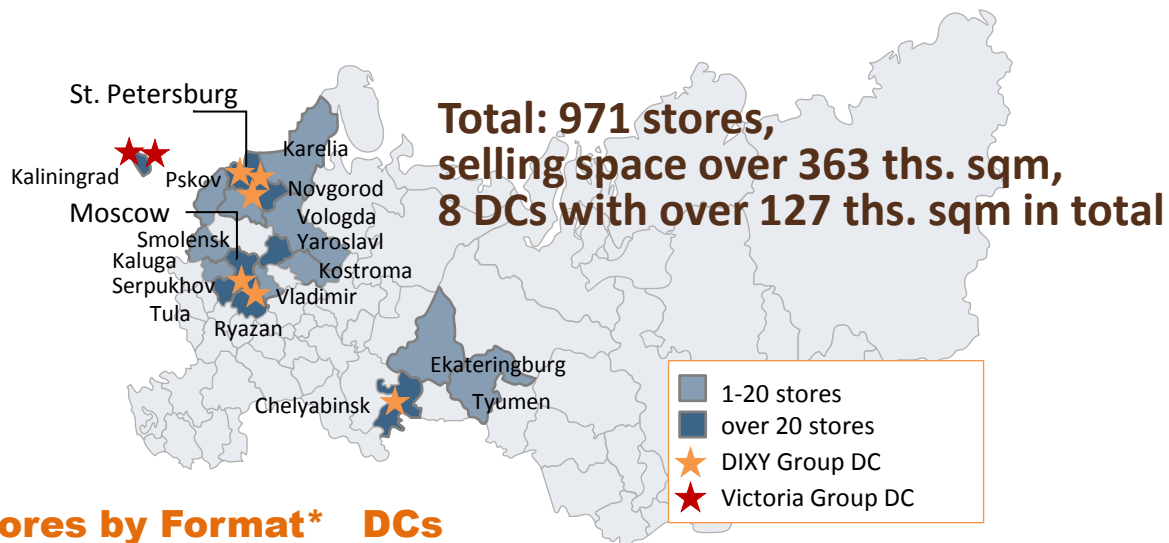
Location	Victoria	DIXY	TOTAL
Moscow City	87	51	138
Moscow Region	47	254	301
Bryansk Region	--	1	1
Vladimir Region	--	5	5
Kaluga Region	--	23	23
Kostroma Region	--	16	16
Ryazan region	--	32	32
Smolensk Region	--	11	11
Yaroslavl Region	--	49	49
Tula Region	37	--	37
<b>Total Central District</b>	<b>171</b>	<b>442</b>	<b>613</b>
St. Petersburg	28	95	123
Leningrad Region	10	43	53
Kaliningrad Region	47	--	47
Republic of Karelia	--	19	19
Murmansk Region	--	5	5
Novgorod Region	--	14	14
Pskov Region	--	12	12
Vologda Region	--	9	9
<b>Total NW District</b>	<b>85</b>	<b>197</b>	<b>282</b>
Chelyabinsk Region	--	53	53
Sverdlovsk Region (Ekaterinburg)**	--	18	18
Tyumen Region	--	3	3
<b>Total Urals District</b>	<b>--</b>	<b>74</b>	<b>74</b>
<b>GRAND TOTAL</b>	<b>256</b>	<b>715</b>	<b>971</b>

\*as of 30 June 2011

\*\*including 2 Megamarts

\*\*\*8 Minimarts & 10 Megamarts

\*\*\*\*Megamarts only



## Stores by Format\*

Format	No
<b>Neighborhood stores</b>	
DIXY	692
Kvartal/Deshevo	235
<b>Supermarkets</b>	
Victoria	20
Minimart	8
<b>Hypermarkets</b>	
Megamart	15
<b>Cash&amp;carry</b>	
CASH	1
<b>TOTAL</b>	<b>971</b>

## DCs

Location	ths. sqm	
Serpukhov	36.1	Owned
Ryazan	15.5	Owned
Yaroslavl*	Closed	Owned
St. Pete Shushary	33.4	Leased
St. Pete Obvodny	18.9	Owned
St. Pete Kubinka	4.6	Leased
Chelyabinsk	6.8	Leased
Kaliningrad – 1	7.9	Owned
Kaliningrad – 2	4.3	Owned
<b>TOTAL</b>	<b>127.5</b>	
<b>Owned</b>	<b>65%</b>	

\*Yaroslavl DC was closed at the end of 2Q 2011

DIXY reached centralization level (percentage of deliveries processed through own warehouses) of **84%** in 2Q 2011 and general logistics service level (success of delivery rate) of **88%** in 2Q 2011



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# Store Formats

## Core Format – Neighborhood store\*

**ДИКСИ**  
УНИВЕРСАМ



Av. sell. sp. 294 sqm  
SKUs 3,500

**692 stores**

**кварталі** /

Семеунауа Копилка



Av. sell. sp. 368 sqm  
SKUs 6,000

**215 stores**

**ДІШЕВ%**  
ПРОДУКТЫ



Av. sell. sp. 345 sqm  
SKUs 2,500

**20 stores**

**= 927**

## Supermarket\*

**МИНИМАРТ**



Av. sell. sp. 686 sqm  
SKUs 7,500

**8 stores**

**ВИКТОРИЯ**  
СЕТЬ СУПЕРМАРКЕТОВ



Av. sell. sp. 1,835 sqm  
SKUs 20,000

**20 stores**

**= 28**

## Hypermarket (incl. cash&carry)\*

**МЕГАМАРТ**



Av. sell. sp. 2,008 sqm  
SKUs 20,500

**15 stores**

**К-99**  
СЕТЬ СУПЕРМАРКЕТОВ



Av. sell. sp. 3,051 sqm  
SKUs 19,000

**1 store**

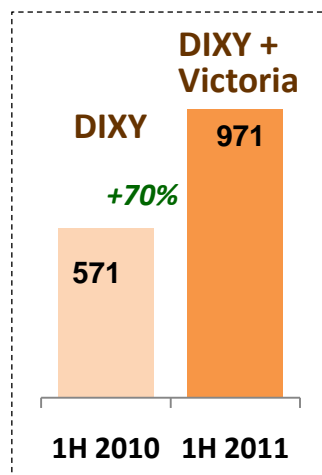
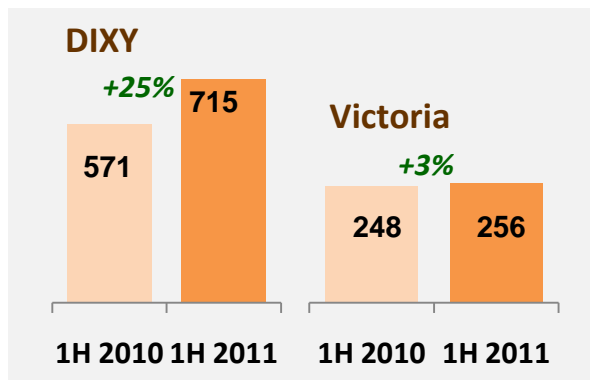
**= 16**

**Grand Total: 971 stores\***

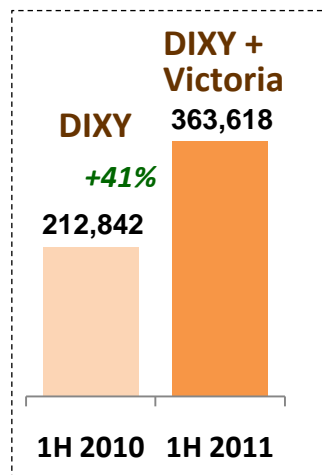
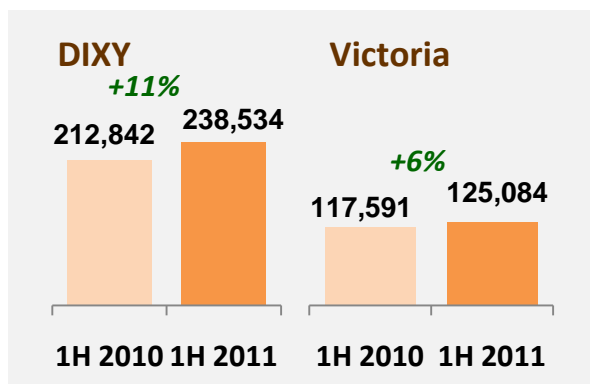


# Selling Space and Stores as of 30 June 2011

## Stores



## Selling Space, sqm



## Stores and Space

	1H 10	1H 11	Δ%
<b>Total Number of Stores</b>	819	971	19%
<b>New Store Openings*</b>	45	94	109%
DIXY Group	41	82	100%
Victoria Group	4	12	200%
<b>Total Selling Space</b>	330,433	363,618	10%
DIXY	177,235	202,927	14%
Megamart	30,121	30,121	--
Minimart	5,486	5,486	--
Kvartal/Deshevo/Kopilka	82,830	85,330	3%
Victoria	31,710	36,703	16%
Cash	3,051	3,051	--

**For the 6 months of 2011** there were opened **82** DIXY stores, **11** Kvartals and **1** Victoria and closed **13** DIXY stores and **13** Kvartals; for comparison, in 1H 2010 there were opened **41** DIXY stores, **3** Kvartals and **1** Victoria, and closed **7** DIXY stores and **4** Kvartals.

Total pro-forma selling space in 1H 2011 increased by **33,185 sqm (+10%)** year-on-year to **363,618 sqm** (DIXY Group Selling Space increased by 11%, Victoria Group – by 6% year-on-year).



## Total Number of Permanent Employees

	1H 10	1H 11	Δ%
<b>DIXY Group</b>			
Stores	12,768	13,867	9%
Office	2,179	2,333	7%
Warehouse	2,532	2,449	(3%)
<b>TOTAL</b>	<b>17,479</b>	<b>18,649</b>	<b>7%</b>

<b>VICTORIA</b>			
Stores	11,468	11,633	1%
Office	1,322	1,390	5%
Warehouse	405	404	--
<b>TOTAL</b>	<b>13,194</b>	<b>13,427</b>	<b>2%</b>

<b>Combined TOTAL</b>	<b>30,673</b>	<b>32,427</b>	<b>5%</b>
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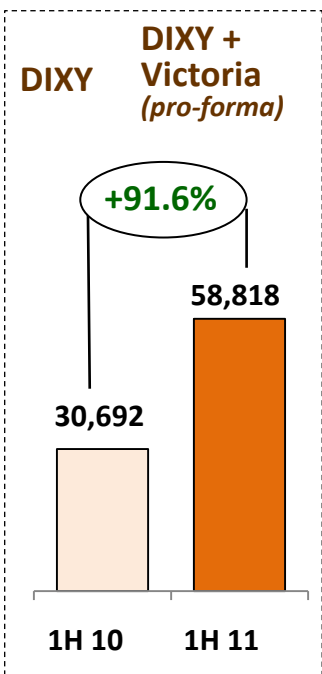
## Average Number of Employees per Store

	Permanent Workers			Outsourcing		
	1H 10	1H 11	Δ%	1H 10	1H 11	Δ%
<b>DIXY Group</b>						
DIXY	18	15	-17%	2	2	--
Megamart	148	154	4%	--	1	--
Minimart	86	89	3%	--	1,7	--
<b>VICTORIA</b>						
Kvartal / Deshevo/ Kopilka	30,2	27,7	-8%	2,2	3,3	50%
Victoria	254,7	235,8	-7%	41,3	--	--
Cash	173,3	177,2	2%	--	--	--

As of 30 June 2011 the combined company total number of employees amounted to **32,427**. DIXY Group personnel increased by 7% year-on-year, and Victoria Group personnel increased by 2% year-on-year for the combined company total increase of 5%.

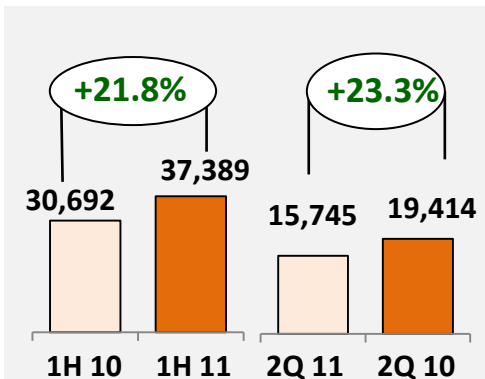


## Pro-forma 1H 2011 Total Sales\*\*



## Standalone 1H 2011 Total Sales\*

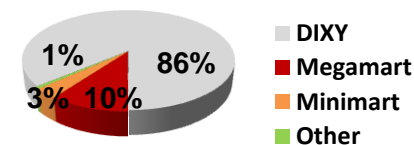
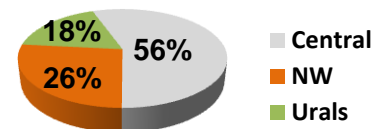
### DIXY



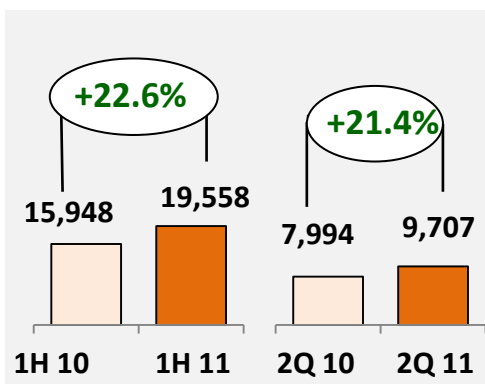
## 6 Months 2011 Net Retail Sales by Format\*\*\*

RUR mln	DIXY	Mega mart	Mini mart	TOTAL
Jan 11	5,023	585	177	5,785
Feb 11	4,970	587	173	5,730
Mar 11	5,490	664	198	6,351
Apr 11	5,468	645	198	6,311
May 11	5,715	675	214	6,604
Jun 11	5,506	657	209	6,373

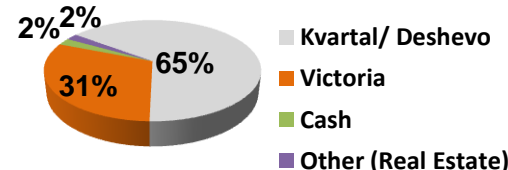
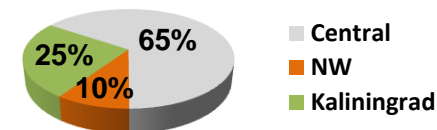
## Sales Breakdown by Region and Format\*



### Victoria



RUR mln	Kvartal/ Deshevo	Victoria	Cash	TOTAL
Jan 11	2,283	1,068	77	3,429
Feb 11	2,172	1,046	80	3,298
Mar 11	2,428	1,175	90	3,693
Apr 11	2,387	1,137	71	3,596
May 11	2,422	1,096	74	3,592
Jun 11	2,279	1,056	83	3,418



\*unaudited IFRS results for the 1<sup>st</sup> half of 2011

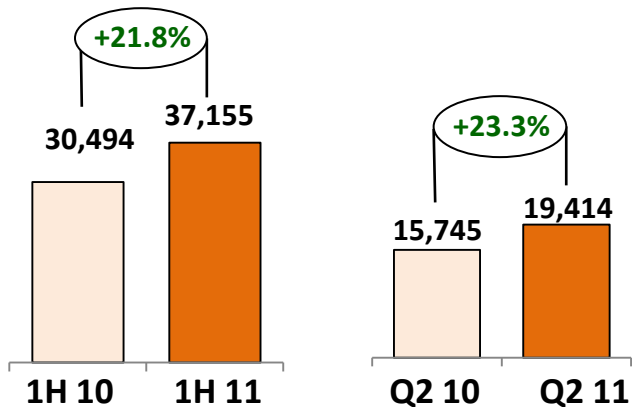
\*\* unaudited pro-forma IFRS results for the 1<sup>st</sup> half of 2011, including Victoria Group from the beginning of the year

\*\*\*based on Trading Updates for 6 months of 2011, data before IFRS transformation

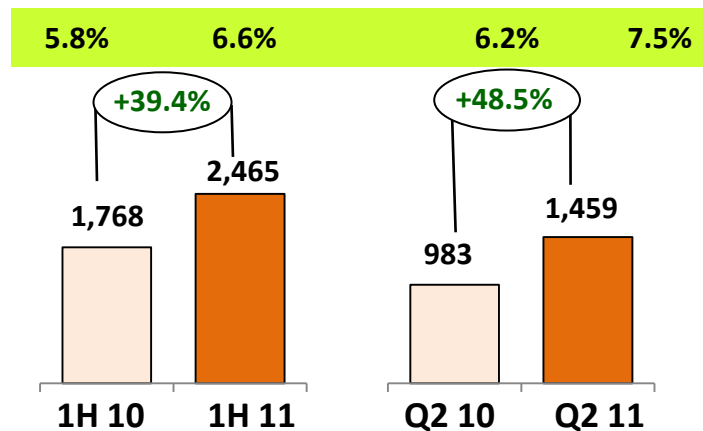
# DIXY Group Standalone 1H and 2Q 2011 Financial Performance\*

RUR, million

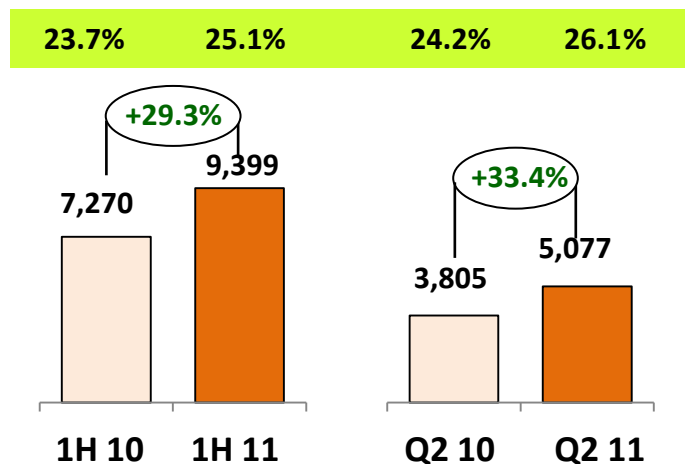
## Total Sales



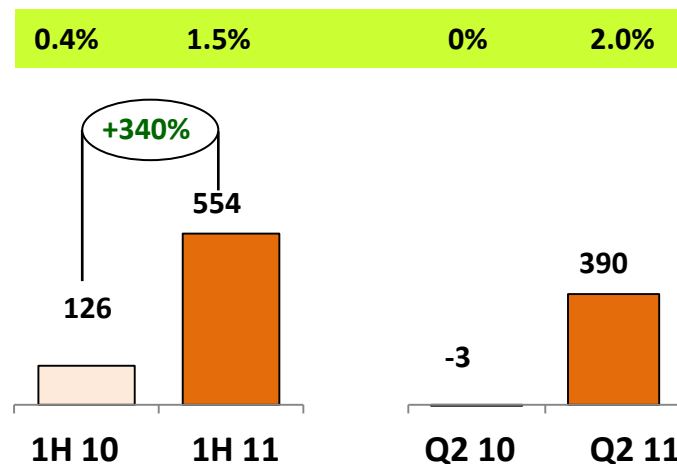
## EBITDA & EBITDA Margin



## Gross Profit & Gross Profit Margin



## Net Profit & Net Profit Margin



\*Based on unaudited 1H 2011 IFRS results

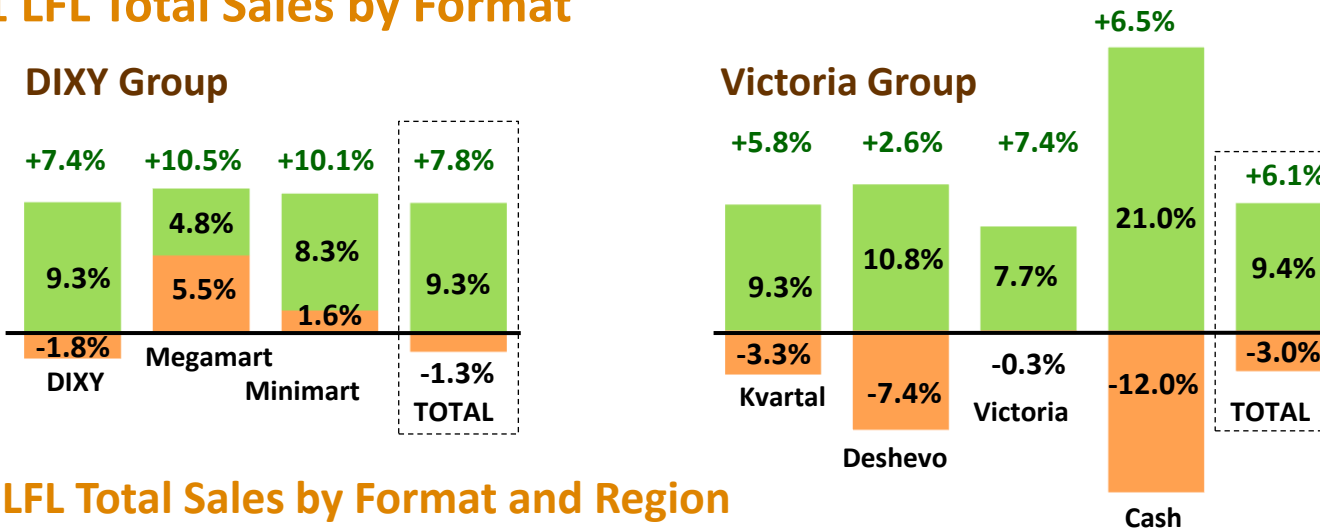


## 7 Months 2011 Net Retail Sales by Format\*

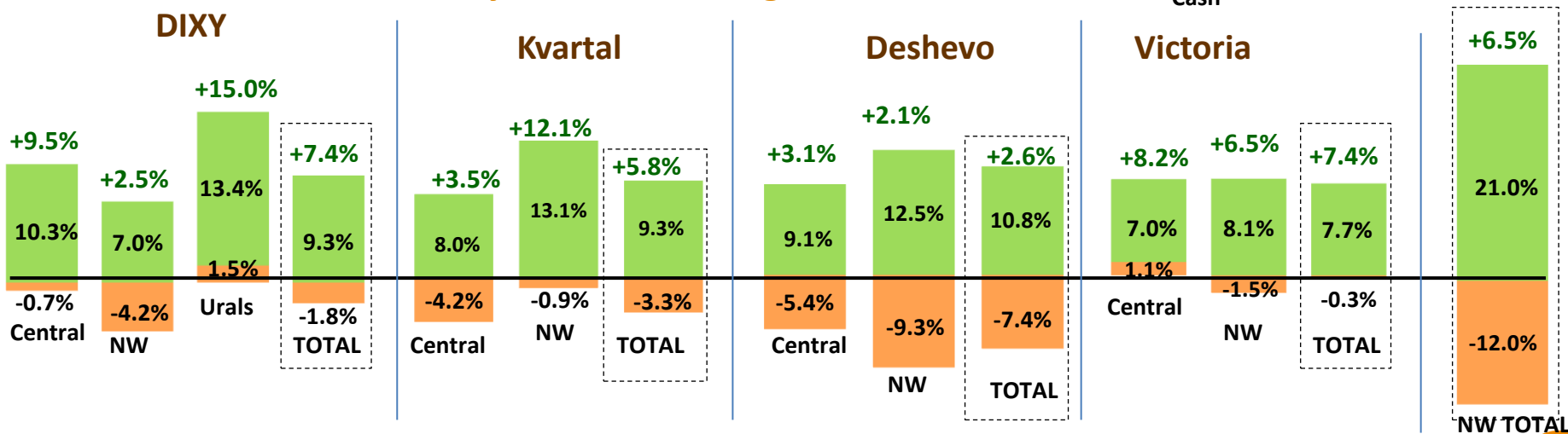
<i>RUR mln</i>	DIXY	Megamart	Minimart	TOTAL	Victoria	Kvartal/ Deshevo/ Kopilka	CASH	TOTAL
<b>Jan 10</b>	4,063	544	162	<b>4,769</b>	1,061	1,841	64	<b>2,830</b>
<b>Jan 11</b>	5,023	585	177	<b>5,785</b>	926	2,278	76	<b>3,416</b>
<b>Δ%</b>	<b>+24%</b>	<b>+8%</b>	<b>+9%</b>	<b>+21%</b>	<b>+15%</b>	<b>+24%</b>	<b>+20%</b>	<b>+21%</b>
<b>Feb 10</b>	4,067	531	158	<b>4,756</b>	885	1,797	67	<b>2,749</b>
<b>Feb 11</b>	4,970	587	173	<b>5,730</b>	1,040	2,168	79	<b>3,287</b>
<b>Δ%</b>	<b>+22%</b>	<b>+11%</b>	<b>+10%</b>	<b>+20%</b>	<b>+18%</b>	<b>+21%</b>	<b>+18%</b>	<b>+20%</b>
<b>Mar 10</b>	4,541	603	180	<b>5,324</b>	1,012	1,991	78	<b>3,082</b>
<b>Mar 11</b>	5,489	664	197	<b>6,350</b>	1,168	2,424	89	<b>3,680</b>
<b>Δ%</b>	<b>+21%</b>	<b>+11%</b>	<b>+10%</b>	<b>+19%</b>	<b>+15%</b>	<b>+22%</b>	<b>+13%</b>	<b>+19%</b>
<b>April 10</b>	4,426	572	179	<b>5,178</b>	956	1,917	74	<b>2,946</b>
<b>April 11</b>	5,468	645	198	<b>6,311</b>	1,129	2,385	70	<b>3,583</b>
<b>Δ%</b>	<b>+24%</b>	<b>+13%</b>	<b>+10%</b>	<b>+22%</b>	<b>+18%</b>	<b>+24%</b>	<b>-5%</b>	<b>+22%</b>
<b>May 10</b>	4,592	4,592	195	<b>5,402</b>	977	1,924	73	<b>2,974</b>
<b>May 11</b>	5,715	5,715	214	<b>6,604</b>	1,088	2,419	72	<b>3,579</b>
<b>Δ%</b>	<b>+24%</b>	<b>+24%</b>	<b>+9%</b>	<b>+22%</b>	<b>+11%</b>	<b>+26%</b>	<b>-1%</b>	<b>+20%</b>
<b>June 10</b>	4,295	4,295	186	<b>5,064</b>	893	1,773	74	<b>2,739</b>
<b>June 11</b>	5,506	5,506	209	<b>6,373</b>	1,047	2,275	82	<b>3,405</b>
<b>Δ%</b>	<b>+28%</b>	<b>+28%</b>	<b>+12%</b>	<b>+26%</b>	<b>+17%</b>	<b>+28%</b>	<b>+12%</b>	<b>+24%</b>
<b>July 10</b>	4,354	4,354	198	<b>5,152</b>	926	1,802	85	<b>2,814</b>
<b>July 11</b>	5,697	5,697	216	<b>6,622</b>	1,060	2,160	78	<b>3,299</b>
<b>Δ%</b>	<b>+31%</b>	<b>+31%</b>	<b>+14%</b>	<b>+29%</b>	<b>+14%</b>	<b>+20%</b>	<b>-8%</b>	<b>+17%</b>



## 1H 2011 LFL Total Sales by Format



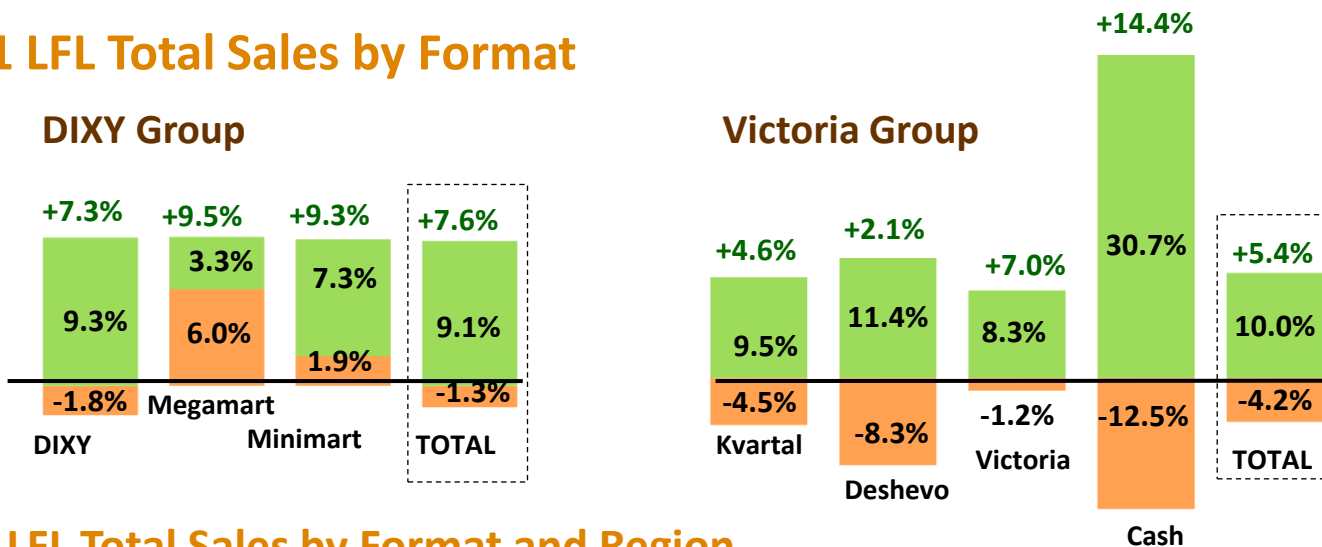
## 1H 2011 LFL Total Sales by Format and Region



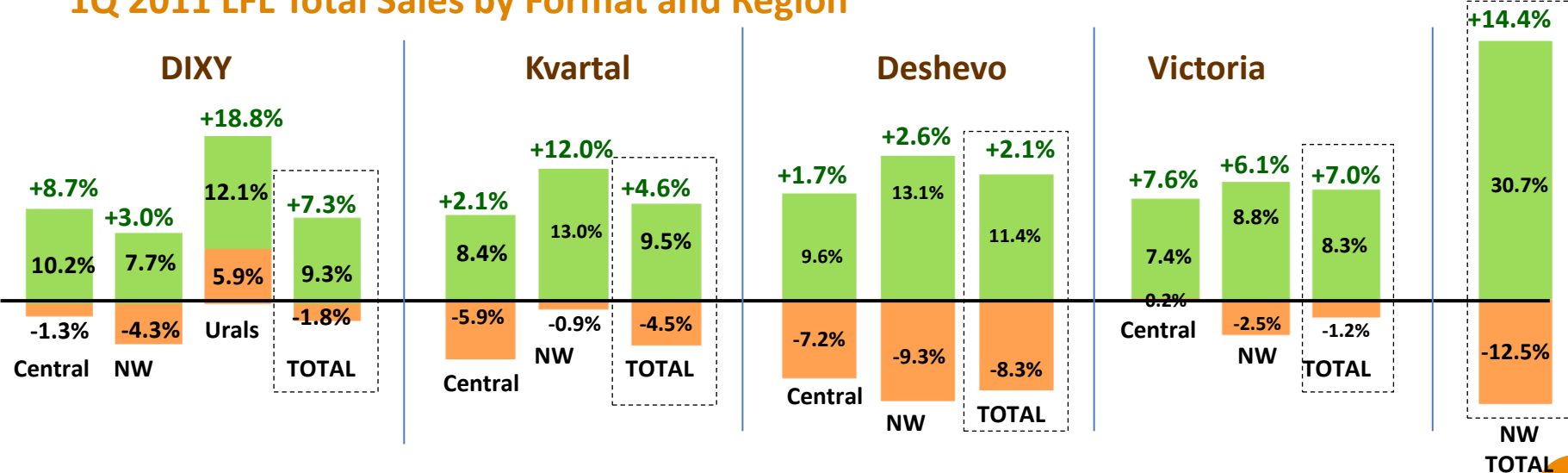
\*LFL block includes 525 DIXY stores, 15 Megamarts, 8 Minimarts, 206 Kvartals, 19 Deshevo, 17 Victorias, 1 Cash



## 1Q 2011 LFL Total Sales by Format



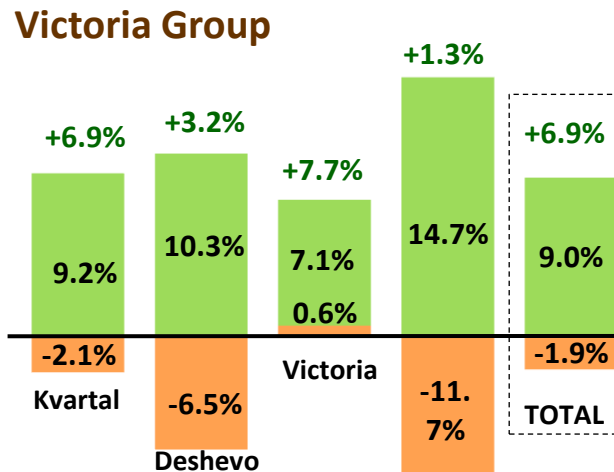
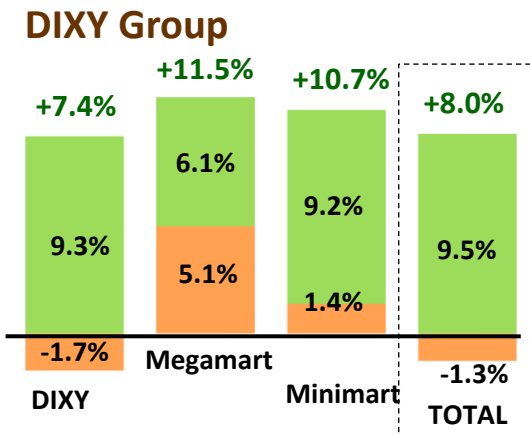
## 1Q 2011 LFL Total Sales by Format and Region



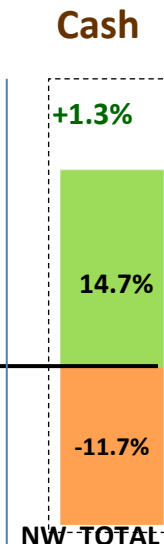
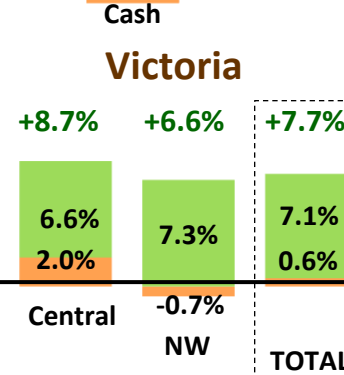
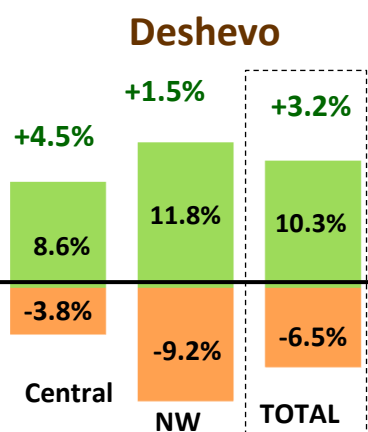
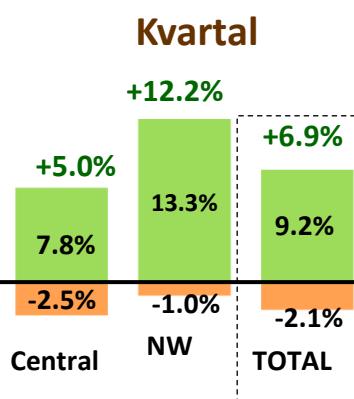
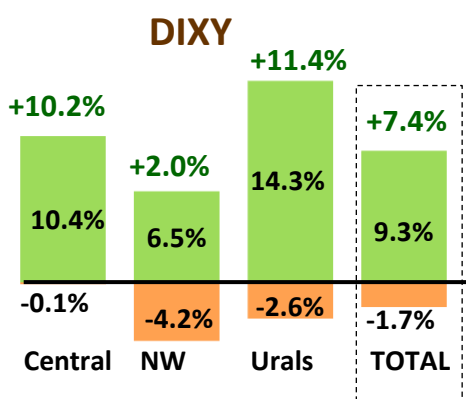
\*LFL block includes 500 DIXY stores, 15 Megamarts, 8 Minimarts, 204 Kvartals, 19 Deshevo, 16 Victorias, 1 Cash



## 2Q 2011 LFL Total Sales by Format



## 2Q 2011 LFL Total Sales by Format and Region



\*LFL block includes 514 DIXY stores, 15 Megamarts, 8 Minimarts, 201 Kvartals, 19 Deshevo, 17 Victorias, 1 Cash



# DIXY Group Standalone 1H 2011 and 2Q 2011 Income Statement Highlights\*

## Income Statement Highlights

RUR, mln.	2Q 2011	2Q 2010	Δ%	1H 2011	1H 2010	Δ%
<b>Revenue</b>	19,414	15,745	23.3%	37,389	30,692	21.8%
incl. Retail	19,288	15,644	23.3%	37,155	30,494	21.8%
<b>Cost of Sales</b>	14,337	11,939	20.1%	27,991	23,422	19.5%
as % of Sales	73.9%	75.8%		74.9%	76.3%	
<b>Gross Profit</b>	5,077	3,805	33.4%	9,399	7,270	29.3%
as % of Sales	26.1%	24.2%		25.1%	23.7%	
<b>EBITDA</b>	1,459	983	48.5%	2,465	1,768	39.4%
EBITDA, %	7.5%	6.2%		6.6%	5.8%	
<b>Operating Profit</b>	869	539	61.2%	1,413	900	57.1%
as % of Sales	4.5%	3.4%		3.8%	2.9%	
<b>Net Profit</b>	390	-3	-	554	126	340.3%
as % of Sales	2.0%	0.0%		1.5%	0.4%	

## Revenue by Format

RUR, mln.	2Q 2011	2Q 2010	Δ%	1H 2011	1H 2010	Δ%
<b>Revenue</b>	19,414	15,745	23.3%	37,389	30,692	21.8%
incl. Retail	19,288	15,644	23.3%	37,155	30,494	21.8%
<b>By Format</b>						
DIXY	16,689	13,313	25.4%	32,172	25,985	23.8%
Megamart	1,978	1,770	11.7%	3,813	3,448	10.6%
Minimart	621	561	10.7%	1,169	1,061	10.2%
<b>Gross Profit</b>	5,077	3,805	33.4%	9,399	7,270	29.3%
as % of Sales	26.1%	24.2%		25.1%	23.7%	



**ДИКСИ**  
Просто. Рядом. По-соседски.

# DIXY Group Standalone 1H 2011 and 2Q 2011 Cost of Sales and SG&A\*

## Cost of Sales

RUR, mln.	2Q 2011	2Q 2010	Δ%	1H 2011	1H 2010	Δ%
<b>Cost of Goods Sold</b>	13,801	11,557	19.5%	27,008	22,605	18.6%
<i>as % of Sales</i>	71.1%	73.4%		72.2%	73.7%	
<b>Transportation Costs</b>	111	72	54.8%	179	140	28.2%
<i>as % of Sales</i>	0.6%	0.5%		0.5%	0.5%	
<b>Shrinkage of Inventories</b>	426	311	37.0%	804	677	18.7%
<i>as % of Sales</i>	2.2%	2.0%		2.1%	2.2%	
<b>TOTAL</b>	14,337	11,940	20.1%	27,991	23,422	19.5%
<i>as % of Sales</i>	73.9%	75.8%		74.9%	76.3%	

## Selling General & Administrative Expenses

RUR, mln.	2Q 2011	2Q 2010	Δ%	1H 2011	1H 2010	Δ%
<b>Salaries</b>	1,920	1,508	27.3%	3,751	2,941	27.5%
<i>as % of Sales</i>	9.9%	9.6%		10.0%	9.6%	
<b>Lease Expenses</b>	795	623	27.5%	1,531	1,219	25.6%
<i>as % of Sales</i>	4.1%	4.0%		4.1%	4.0%	
<b>D&amp;A</b>	477	444	7.3%	938	869	8.0%
<i>as % of Sales</i>	2.5%	2.8%		2.5%	2.8%	
<b>Utilities, Repair and Maintenance Expenses</b>	371	303	22.6%	704	561	25.5%
<i>as % of Sales</i>	1.9%	1.9%		1.9%	1.8%	
<b>Transportation and Handling Expenses</b>	17	17	-4.6%	32	28	14.1%
<i>as % of Sales</i>	0.1%	0.1%		0.1%	0.1%	
<b>Advertising Expenses</b>	103	68	51.5%	158	121	30.7%
<i>as % of Sales</i>	0.5%	0.4%		0.4%	0.4%	
<b>Other Expenses</b>	526	303	73.7%	871	633	37.7%
<i>as % of Sales</i>	2.7%	1.9%		2.3%	2.1%	
<b>TOTAL SG&amp;A</b>	4,208	3,266	28.8%	7,985	6,371	25.3%
<i>as % of Sales</i>	21.7%	20.7%		21.4%	20.8%	

\*Based on 1H 2011 unaudited IFRS management accounts

# DIXY Group Standalone 1H 2011 and 2Q 2011 Cash Flow Highlights\*

## Non-operating Gains and Losses\*

RUR, mln.	2Q 2011	2Q 2010	Δ%	1H 2011	1H 2010	Δ%
<b>Operating Profit</b>	869	539	61.2%	1,413	900	57.1%
Finance Costs (Net)	(221)	(551)	-59.8%	(443)	(359)	23.3%
Net FX Result	(9)	(235)	-96.3%	(10)	(95)	-89.6%
<b>Profit before Tax</b>	649	145	347%	981	465	111%
Income Tax Expense	(258)	(148)	74.7%	(426)	(338)	25.9%
<b>Net Profit</b>	390	(3)	-	554	126	339%
<i>Net Margin, %</i>	2.0%	0.0%	-	1.5%	0.4%	

\*effective tax rate for the 1<sup>st</sup> half of 2011 is 43%

## Cash Flow Statement Highlights

RUR, mln.	1H 2011	1H 2010	Δ%
Net Cash Flows (Used in)/Generated from Operating Activities	1,308	802	63.2%
<i>Net Cash from Operating Activities before Changes in Working Capital</i>	2,486	1,739	43.0%
<i>Change in Working Capital</i>	(279)	(141)	98.3%
<i>Net Interest and Income Tax Paid</i>	(899)	(797)	12.9%
Net Cash Used in Investing Activities	(15,464)	(598)	-
Net Cash Generated from/(Used in) Financing Activities	13 426	(1,001)	-
Effect of FX Rate Changes on Cash & Cash Equivalents	(10)	(95)	-89.6%
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	(730)	(797)	-
<b>Cash and cash equivalents at the end of the period</b>	866	535	62.1%



# Victoria Group Standalone 1H 2011 and 2Q 2011 Income Statement Highlights\*

## Income Statement Highlights

RUR, mln.	2Q 2011	2Q 2010	Δ%	1H 2011	1H 2010	Δ%
<b>Revenue</b>	9,707	7,994	21.4%	19,558	15,948	22.6%
incl. Retail	9,639	7,736	24.6%	19,023	15,435	23.2%
<b>Cost of Sales</b>	6,352	5,489	15.7%	13,334	10,909	22.2%
<i>as % of Sales</i>	65.4%	68.6%		68.1%	68.4%	
<b>Gross Profit</b>	3,355	2,505	34.0%	6,224	5,039	23.5%
<i>as % of Sales</i>	34.5%	31.3%		31.8%	31.5%	
<b>EBITDA</b>	684	642	6.6%	1,411	1,231	14.7%
<i>EBITDA, %</i>	7.0%	8.0%		7.2%	7.7%	
<b>Operating Profit</b>	455	481	-5.5%	950	828	14.7%
<i>as % of Sales</i>	4.7%	6.0%		4.9%	5.2%	
<b>Net Profit</b>	223	225	-0.8%	471	362	30.0%
<i>as % of Sales</i>	2.3%	2.8%		2.4%	2.3%	

## Revenue by Format

RUR, mln.	2Q 2011	2Q 2010	Δ%	1H 2011	1H 2010	Δ%
<b>Revenue</b>	9,707	7,994	21.4%	19,558	15,948	22.6%
incl. Retail	9,639	7,736	24.6%	19,023	15,435	23.2%
<b>By Format</b>						
Kvartal/Deshevo/Kopilka	6,843	5,207	31.4%	13,176	10,433	26.3%
Victoria	2,680	2,413	11.1%	5,582	4,784	16.7%
CASH	116	116	-0.3%	264	218	20.9%
<b>Gross Profit</b>	3,355	2,505	34.0%	6,224	5,039	23.5%
<i>as % of Sales</i>	34.5%	31.3%		31.8%	31.5%	

# Victoria Group Standalone 1H 2011 and 2Q 2011 Cost of Sales and SG&A\*

## Cost of Sales

RUR, mln.	2Q 2011	2Q 2010	Δ%	1H 2011	1H 2010	Δ%
<b>Cost of Goods Sold</b>	6,217	5,216	19.2%	13,022	10,449	24.6%
<i>as % of Sales</i>	64.0%	65.2%		66.5%	65.5%	
<b>Transportation Costs</b>	42	125	-66.1%	55	145	-62.1%
<i>as % of Sales</i>	0.4%	1.5%		0.3%	0.9%	
<b>Shrinkage of Inventories</b>	92	148	-37.4%	258	315	-18.1%
<i>as % of Sales</i>	0.9%	1.8%		1.3%	1.9%	
<b>TOTAL</b>	6,352	5,489	15.7%	13,334	10,909	22.2%
<i>as % of Sales</i>	65.4%	68.6%		68.1%	68.4%	

## Selling General & Administrative Expenses

RUR, mln.	2Q 2011	2Q 2010	Δ%	1H 2011	1H 2010	Δ%
<b>Salaries</b>	1,581	1,131	39.7%	2,716	2,123	27.9%
<i>as % of Sales</i>	16.3%	14.1%		13.9%	13.3%	
<b>Lease Expenses</b>	481	399	20.4%	951	767	24.0%
<i>as % of Sales</i>	5.0%	5.0%		4.9%	4.8%	
<b>D&amp;A</b>	229	161	42.4%	461	402	14.7%
<i>as % of Sales</i>	2.4%	2.0%		2.4%	2.5%	
<b>Utilities, Repair and Maintenance Expenses</b>	289	185	56.5%	532	338	57.6%
<i>as % of Sales</i>	3.0%	2.3%		2.7%	2.1%	
<b>Transportation and Handling Expenses</b>	57	60	-3.9%	127	103	23.2%
<i>as % of Sales</i>	0.6%	0.8%		0.6%	0.6%	
<b>Advertising Expenses</b>	48	40	19.4%	90	88	2.6%
<i>as % of Sales</i>	0.5%	0.5%		0.5%	0.6%	
<b>Other Expenses</b>	384	207	85.9%	736	699	5.3%
<i>as % of Sales</i>	4.0%	2.6%		3.8%	4.4%	
<b>TOTAL SG&amp;A</b>	3,069	2,183	40.6%	5,613	4,520	24.2%
<i>as % of Sales</i>	31.6%	27.3%		28.7%	28.3%	

\*Based on 1H 2011 unaudited IFRS management accounts



# Victoria Group Standalone 1H 2011 Cash Flow Highlights\*

## Non-operating Gains and Losses\*\*

RUR, mln.	1H 2011	1H 2010	Δ%
<b>Operating Profit</b>	950	828	14.7%
Finance Costs (Net)	(208)	(277)	-12.9%
Net FX Result	(58)	51	--
<b>Profit before Tax</b>	725	687	5.5%
Income Tax Expense	(254)	(325)	-21.7%
<b>Net Profit</b>	471	362	30.0%
Net Margin, %	2.4%	2.3%	

\*\*effective tax rate for the 1<sup>st</sup> half of 2011 is 35%

## Cash Flow Statement Highlights

RUR, mln.	1H 2011	1H 2010	Δ%
Net Cash Flows (Used in)/Generated from Operating Activities	409	869	-52.9%
<i>Net Cash from Operating Activities before Changes in Working Capital</i>	1,658	1,498	10.6%
<i>Change in Working Capital</i>	(714)	(113)	732%
<i>Net Interest and Income Tax Paid</i>	(535)	(516)	3.6%
Net Cash Used in Investing Activities	(369)	(87)	323%
Net Cash Generated from/(Used in) Financing Activities	197	(547)	--
Effect of FX Rate Changes on Cash & Cash Equivalents	(58)	51	--
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	238	235	1.2%
<b>Cash and cash equivalents at the end of the period</b>	1,052	1,420	-25.9%



# Consolidated DIXY Group 1H 2011 and 2Q 2011 Income Statement Highlights \*

## Income Statement Highlights

RUR, mln.	2Q 2011	2Q 2010	Δ%	1H 2011	1H 2010	Δ%
<b>Revenue</b>	21,193	15,745	34.6%	39,169	30,692	27.6%
incl. Retail	21,035	15,644	34.5%	38,902	30,494	27.6%
<b>Cost of Sales</b>	15,570	11,940	30.4%	29,224	23,422	24.8%
<i>as % of Sales</i>	73.5%	75.8%		74.6%	76.3%	
<b>Gross Profit</b>	5,623	3,805	47.8%	9,945	7,270	36.8%
<i>as % of Sales</i>	26.5%	24.2%		25.4%	23.7%	
<b>EBITDA</b>	1,528	983	54.5%	2,533	1,768	43.3%
<i>EBITDA, %</i>	7.2%	6.2%		6.5%	5.8%	
<b>Operating Profit</b>	875	539	62.4%	1,419	900	57.8%
<i>as % of Sales</i>	4.1%	3.4%		3.6%	2.9%	
<b>Net Profit</b>	393	-3	-	557	126	342%
<i>as % of Sales</i>	1.9%	0.0%		1.4%	0.4%	

## Revenue by Format

RUR, mln		2Q 2011	2Q 2010	Δ%	1H 2011	1H 2010	Δ%
<b>Revenue</b>		21,193	15,745	34.6%	39,169	30,692	27.6%
incl. Retail		21,035	15,644	34.5%	38,902	30,494	27.6%
<b>By Format</b>							
<b>Neighborhood Store</b>	DIXY	16,689	13,313	25.4%	32,172	25,985	23.8%
	Kvartal/Deshevo/Kopilka	1,210	0		1,210	0	
<b>Supermarket</b>	Victoria	513	0		513	0	
	Minimart	621	561	10.7%	1,169	1,061	10.2%
<b>Hypermarket</b>	Megamart	1,978	1,770	11.7%	3,813	3,448	10.6%
<b>Cash&amp;carry</b>	CASH	24	0		24	0	
<b>Gross Profit</b>		5,623	3,805	47.8%	9,945	7,270	36.8%
<i>as % of Sales</i>		26.5%	24.2%		25.4%	23.7%	

\*Based on 1H 2011 unaudited IFRS management accounts, including Victoria Group from acquisition date of 15 June 2011,

# Consolidated DIXY Group 1H 2011 and 2Q 2011 Cost of Sales and SG&A \*

## Cost of Sales

RUR, mln.	2Q 2011	2Q 2010	Δ%	1H 2011	1H 2010	Δ%
<b>Cost of Goods Sold</b>	14,985	11,557	29.7%	28,193	22,605	24.7%
<i>as % of Sales</i>	77.2%	73.4%		72.0%	73.7%	
<b>Transportation Costs</b>	117	72	63.8%	186	140	32.8%
<i>as % of Sales</i>	0.6%	0.5%		0.5%	0.5%	
<b>Shrinkage of Inventories</b>	468	311	50.5%	845	677	24.9%
<i>as % of Sales</i>	2.4%	2.0%		2.3%	2.2%	
<b>TOTAL SG&amp;A</b>	15,570	11,940	30.4%	29,224	23,422	24.8%
<i>as % of Sales</i>	73.5%	75.8%		74.6%	76.3%	

## Selling General & Administrative Expenses

RUR, mln.	2Q 2011	2Q 2010	Δ%	1H 2011	1H 2010	Δ%
<b>Salaries</b>	2,124	1,508	40.9%	3,955	2,941	34.5%
<i>as % of Sales</i>	10.0%	9.6%		10.1%	9.6%	
<b>Lease Expenses</b>	870	623	39.6%	1,607	1,219	31.9%
<i>as % of Sales</i>	4.1%	4.0%		4.1%	4.0%	
<b>D&amp;A</b>	539	444	21.4%	1,000	869	15.1%
<i>as % of Sales</i>	2.5%	2.8%		2.6%	2.8%	
<b>Utilities, Repair and Maintenance Expenses</b>	416	303	37.2%	748	561	33.4%
<i>as % of Sales</i>	2.0%	1.9%		1.9%	1.8%	
<b>Transportation and Handling Expenses</b>	27	17	54.3%	42	28	50.4%
<i>as % of Sales</i>	0.1%	0.1%		0.1%	0.1%	
<b>Advertising Expenses</b>	109	68	59.8%	164	121	35.3%
<i>as % of Sales</i>	0.5%	0.4%		0.4%	0.4%	
<b>Other Expenses</b>	663	303	119.0%	1,008	633	59.3%
<i>as % of Sales</i>	3.1%	1.9%		2.6%	2.1%	
<b>TOTAL SG&amp;A</b>	4,748	3,266	45.4%	8,525	6,371	33.8%
<i>as % of Sales</i>	22.4%	20.7%		21.8%	20.8%	



# Consolidated DIXY Group 1H 2011 Cash Flow Highlights\*

## Non-operating Gains and Losses\*\*

RUR, mln.	1H 2011	1H 2010	Δ%
<b>Operating Profit</b>	1,419	900	57.8%
Finance Costs (Net)	(462)	(359)	28.7%
Net FX Result	(10)	(95)	-89.3%
<b>Profit before Tax</b>	971	465	109%
Income Tax Expense	(413)	(338)	22.2%
<b>Net Profit</b>	557	126	341%
<i>Net Margin, %</i>	<i>0.9%</i>	<i>0.4%</i>	

\*\*effective tax rate for the 1<sup>st</sup> half of 2011 is 42%

## Cash Flow Statement Highlights

RUR, mln.	1H 2011	1H 2010	Δ%
Net Cash Flows (Used in)/Generated from Operating Activities	1,308	802	63.2%
<i>Net Cash from Operating Activities before Changes in Working Capital</i>	2,555	1,739	46.9%
<i>Change in Working Capital</i>	(348)	(140)	149%%
<i>Net Interest and Income Tax Paid</i>	(899)	(797)	12.9%
Net Cash Used in Investing Activities	(14,412)	(598)	-
Net Cash Generated from/(Used in) Financing Activities	13,426	(1,001)	-
Effect of FX Rate Changes on Cash & Cash Equivalents	(10)	(95)	-89.3%
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	321	(797)	-
<b>Cash and Cash Equivalents at the End of the Period</b>	1,918	535	259%

**Thank you  
for your attention!**



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