

Q3 & 9 Months 2009 Financial Results

Conference Call Presentation
Moscow, 30 November 2009



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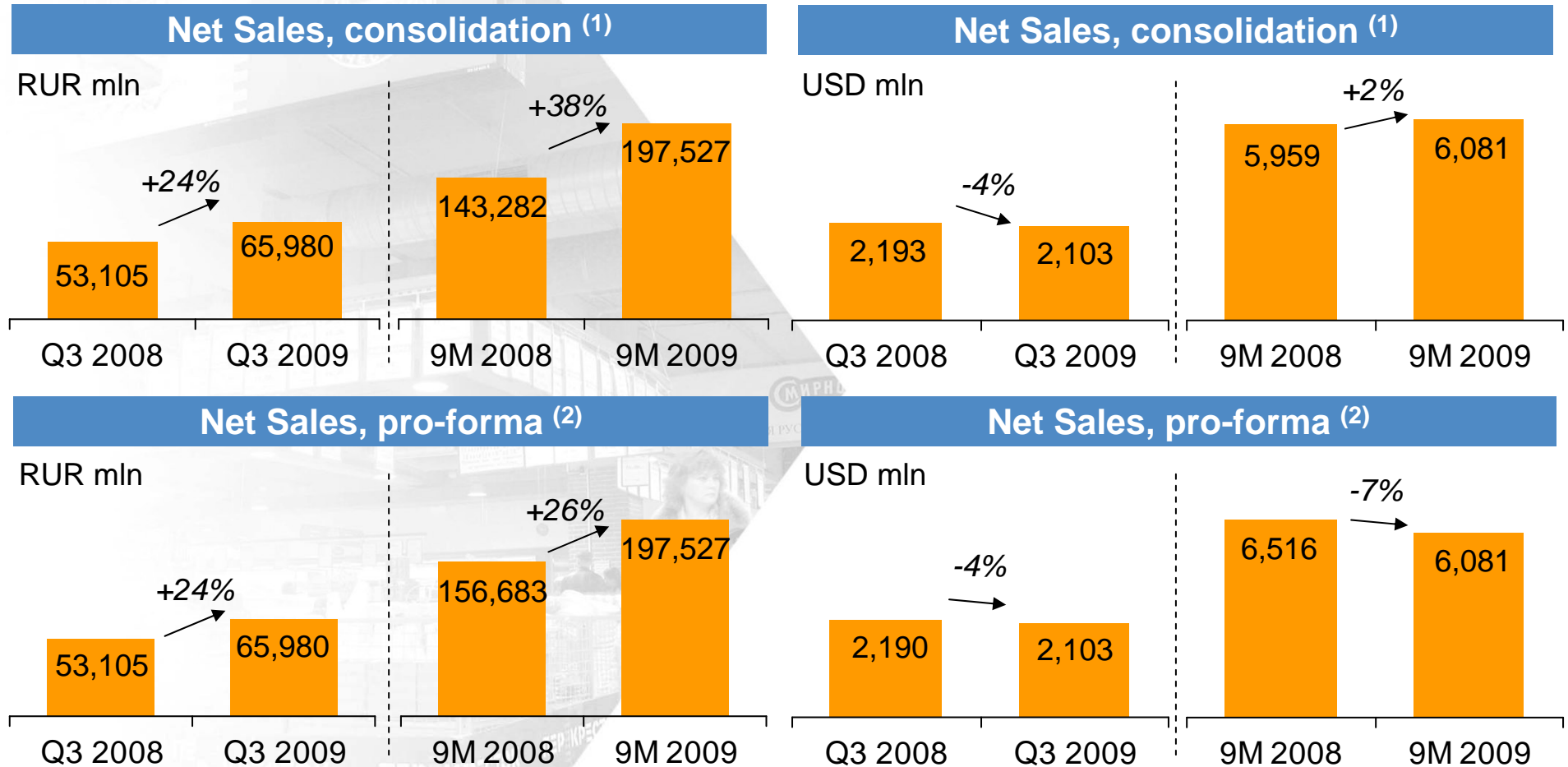
I. Q3&9M Operational Performance

II. Q3&9M Financial Performance and Liquidity Update

III. 2010 Preliminary Outlook



... Was Solid Despite Tougher Macro-Economic Environment



(1) Consolidated sales figures include acquired Karusel's business from 30 June 2008, i.e. include it in Q3 2008 and exclude in Q1&Q2 2008.

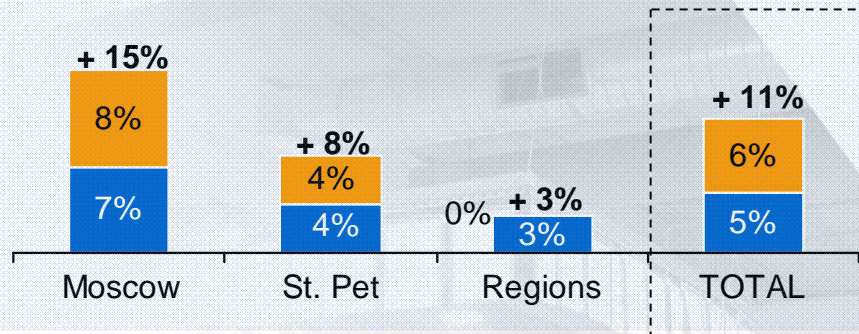
(2) Pro-forma sales figures include acquired Karusel's business from 1 January 2008, i.e. include it in both Q3&9M 2009 and Q3&9M 2008.

... Pressured Average Basket, while X5's "Close-to-the-Customer" Strategy Supported Healthy Traffic Growth...

X5's 9M '09 LFL Performance by Region

Based on RUR-denominated gross sales

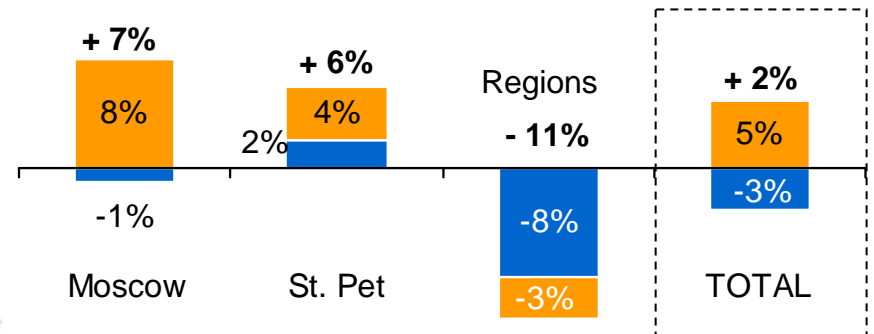
■ Traffic ■ Basket



Supermarkets' 9M '09 LFL Performance

Based on RUR-denominated gross sales

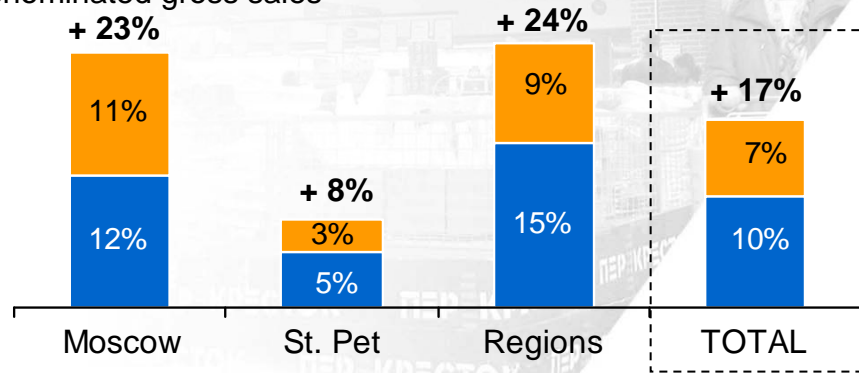
■ Traffic ■ Basket



Discounters' 9M '09 LFL Performance

Based on RUR-denominated gross sales

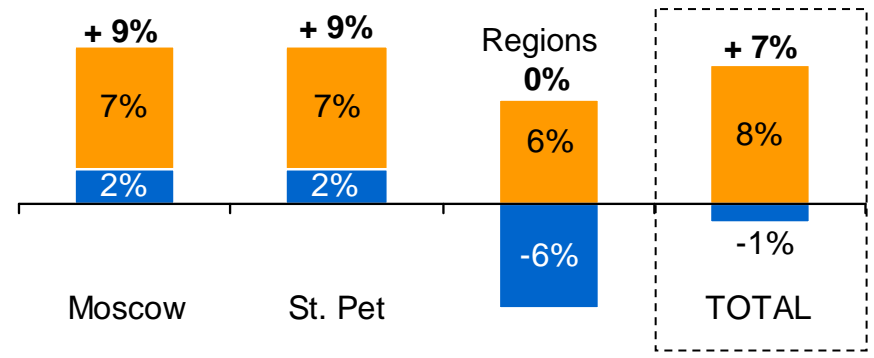
■ Traffic ■ Basket



Hypermarkets' 9M '09 LFL Performance

Based on RUR-denominated gross sales

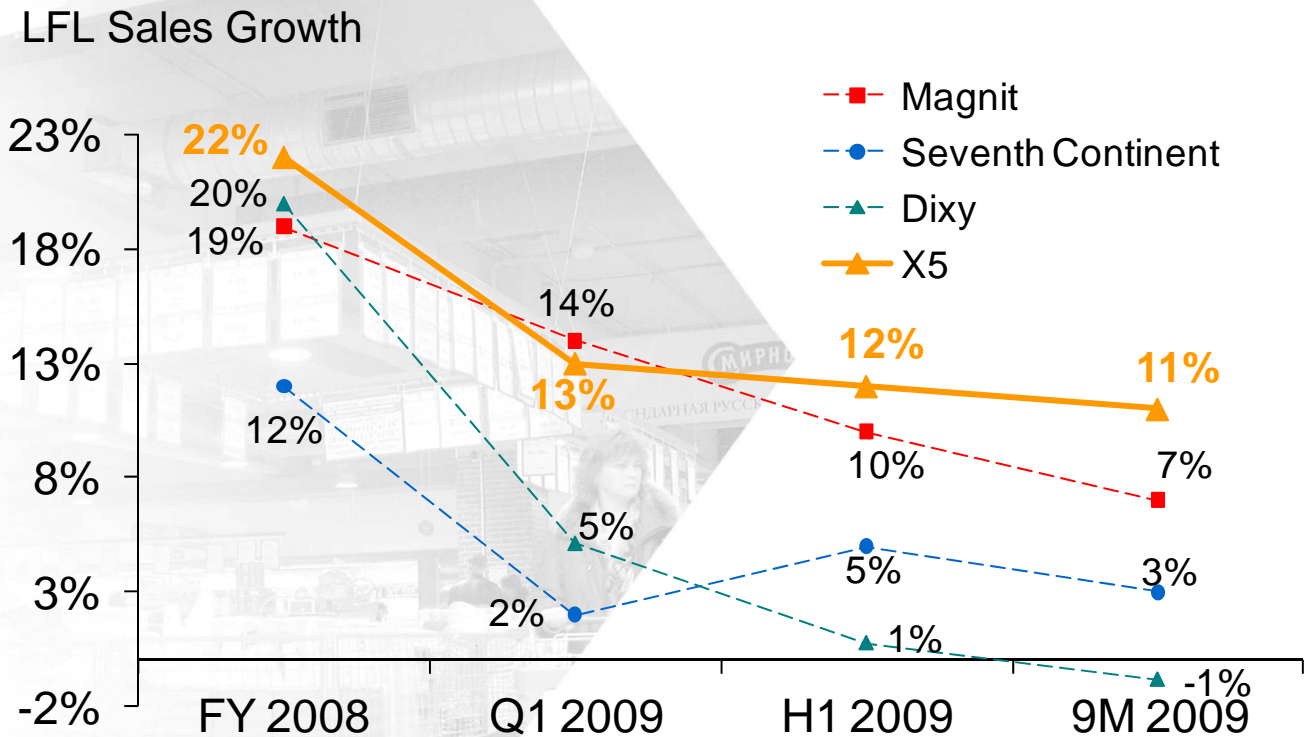
■ Traffic ■ Basket





...Further Strengthened since the Beginning of the Crisis

X5 LFL Performance vs Competition⁽¹⁾



(1) While some of X5's Russian peers may use a more conservative LFL calculation approach, this does not have impact on quarter-on-quarter or cumulative LFL evolution since the beginning of the year



... while Focused & Selective... Exceeded Initial Plans

- 89 thousand sq. m. or 116 stores added on a net basis:

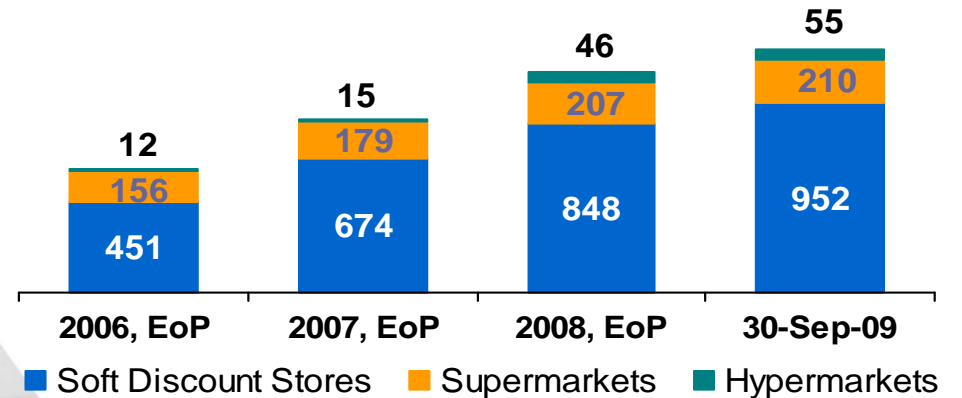
- 104 soft discounters
- 3 supermarkets
- 9 hypermarkets

- Since the beginning of 2009 X5 rebranded 5 supermarkets as soft discounters and closed 19 stores (3 supermarkets and 16 discounters)

- As at 30 September 2009, X5 operated 1,217 stores in total:

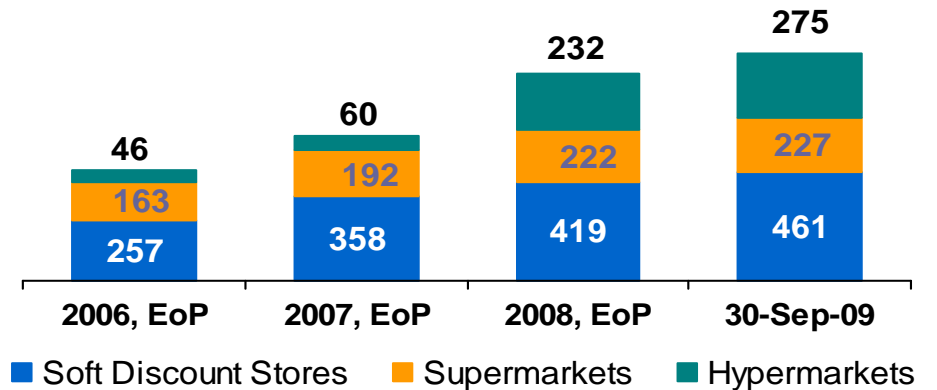
- 952 soft discounters
- 210 supermarkets
- 55 hypermarkets

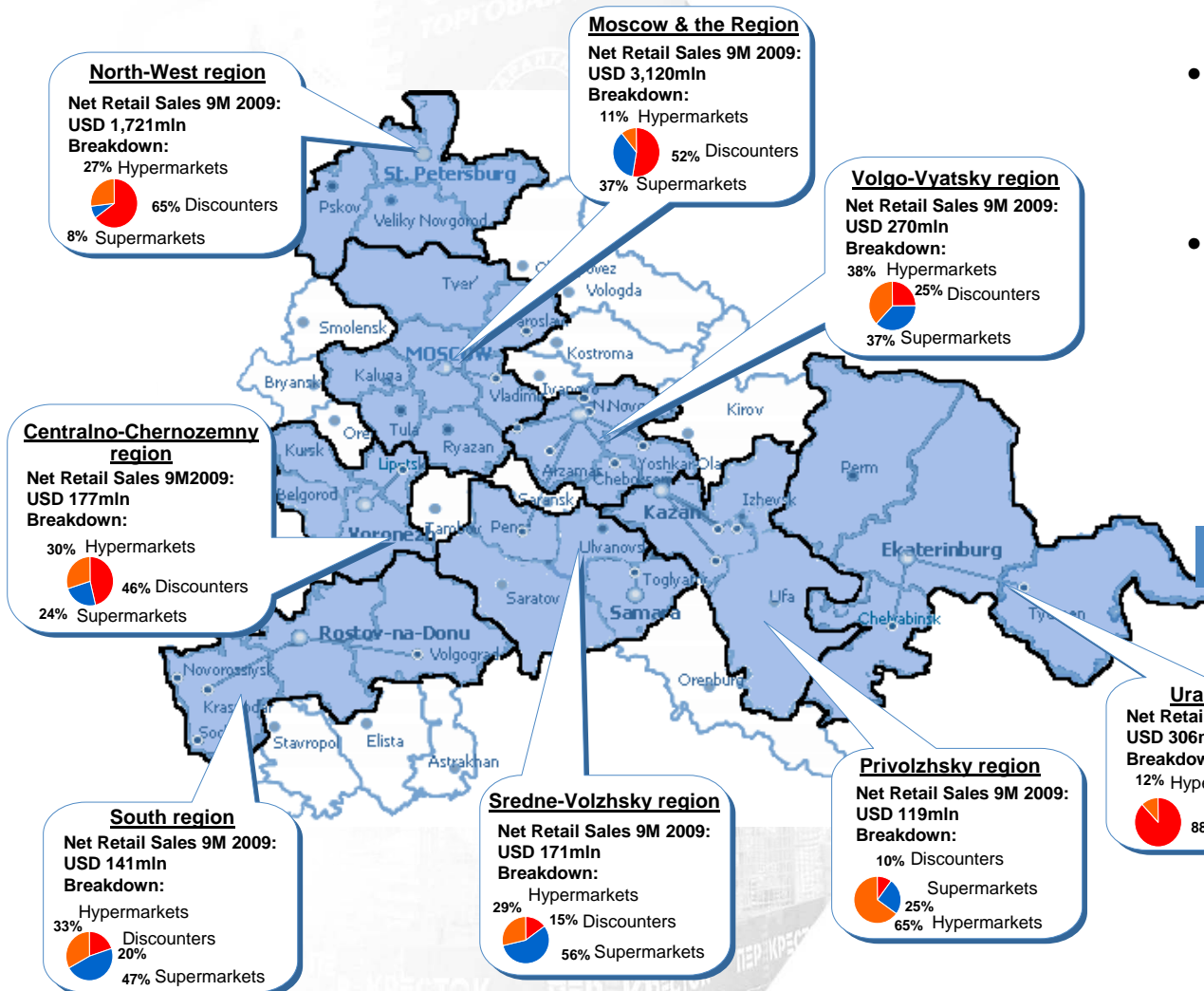
Number Of Stores



Net Selling Space

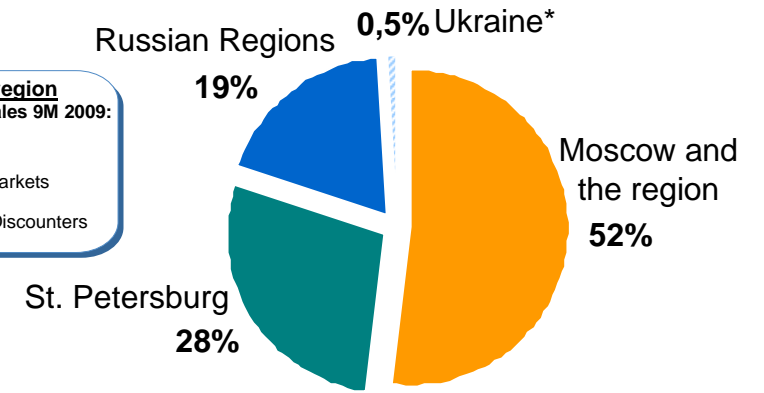
'000 sq.m.





- As at 30 September, X5 was present in 42 cities of European Russia and the Urals, and also in Ukraine
- In addition to Moscow and St. Petersburg, a leading position secured in 5 large regional cities: Nizhny Novgorod, Lipetsk, Samara, Chelyabinsk and Perm

9M 2009 Net Retail Sales by Region

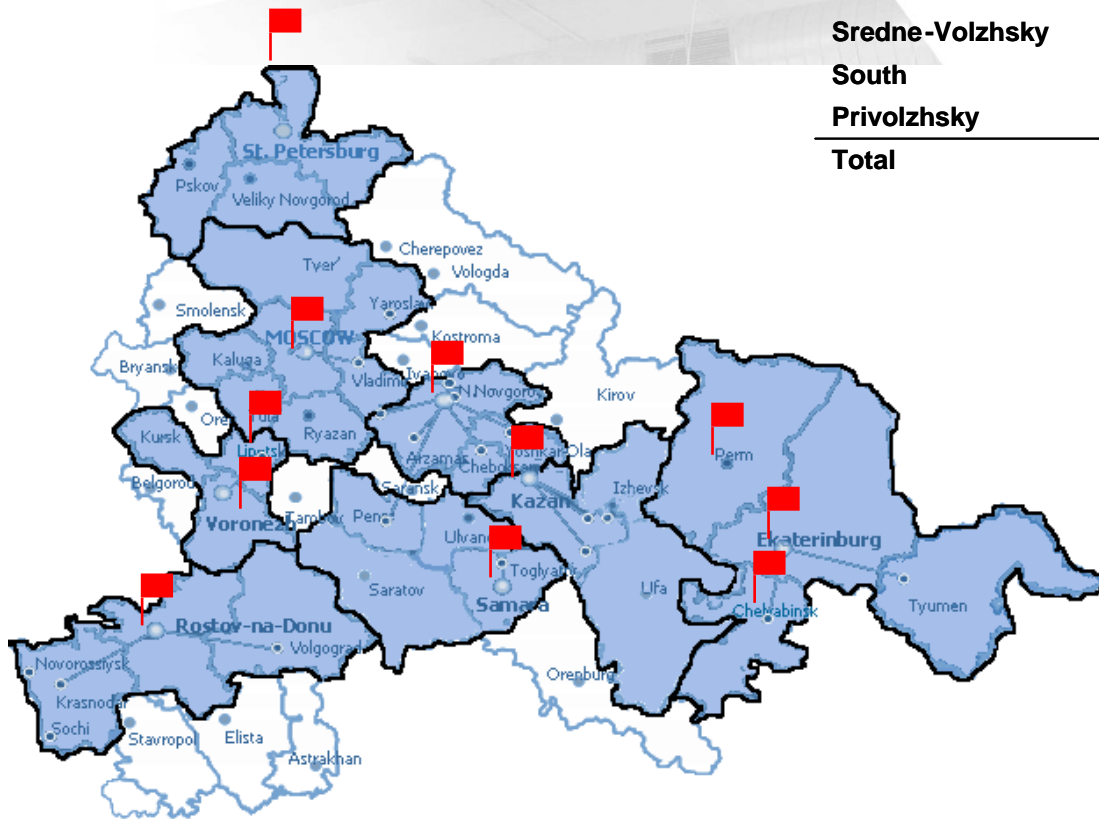


X5 Existing Operations as at 30 September 2009



* 9M 2009 net retail sales totaled USD 29 million

DC locations as at 30 September 2009



Region	# of DCs	000 sq. m.	Dry	Fruit & Veg	Fresh	Frozen
Central	8	153.9	v	v	v	v
North-West	5	55.2	v	v	v	v
Volgo-Vyatsky	1	17.5	v	v	v	
Urals	4	18.8	v	v	v	
Centralno-Chernozemny	2	11.8	v	v	v	
Sredne-Volzhsy	1	10.5	v	v	v	
South	1	12.6	v	v		
Privolzhsky	1	13.1	v	v	v	
Total	23	293.3				

In 9 months 2009:

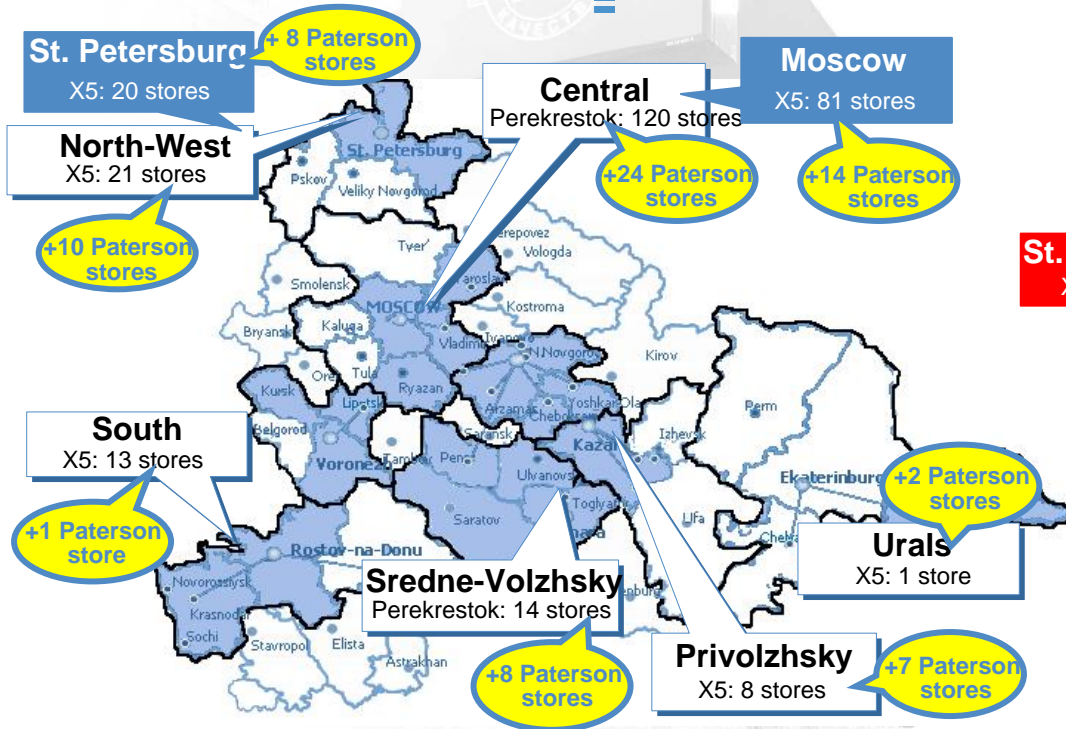
- ✓ X5 added a net four new DCs, including its first national non-food DC
- ✓ Expanded warehouse capacity by 102 thousand sq.m. on a net basis

As at 30 September 2009:

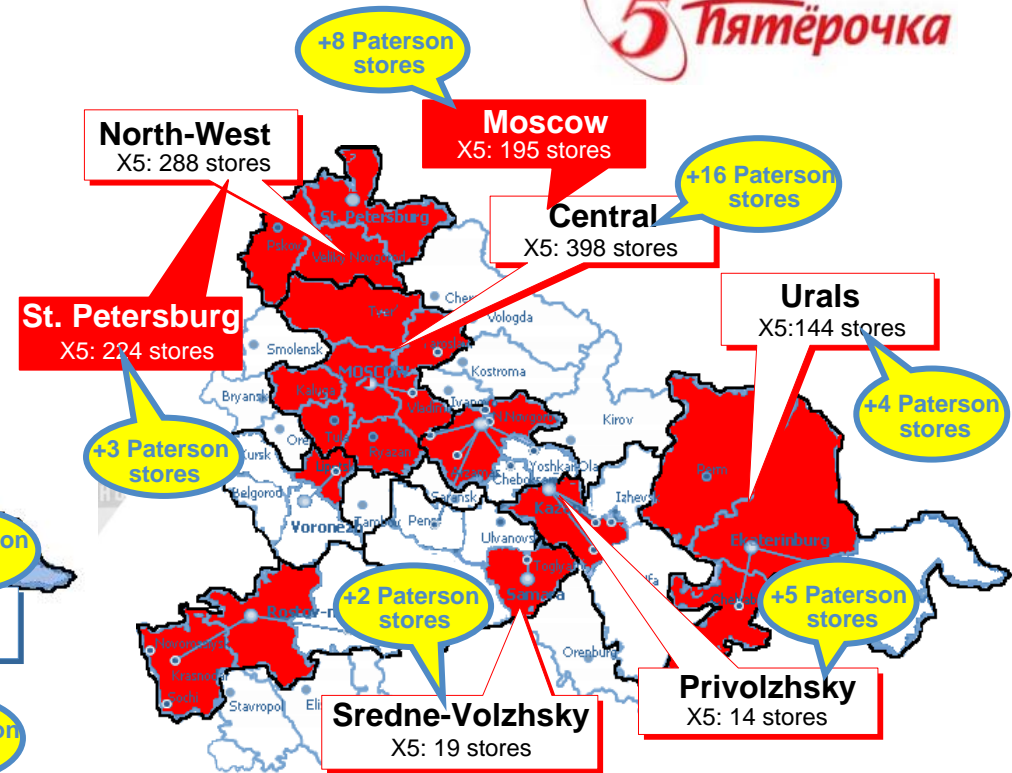
- ✓ 23 multifunctional DCs across the European part of Russia and the Urals
- ✓ Fleet of 500 trucks under management
- ✓ Supply centralization level of 59%



...Further Reinforces X5 Positions in Supermarkets...



...And Adds Complementary Discounters



■ Regions of Perekrestok operations (as at 30 September 2009)

■ Regions of Pyaterochka operations (as at 30 September 2009)

- An estimated 52 stores to be integrated as supermarkets, 30 smaller stores as discounters⁽¹⁾
- Several stores are under review with regard to their non-compliance with X5's operational and financial criteria



(1) Based on a preliminary assumption



I. Q3&9M Operational Performance

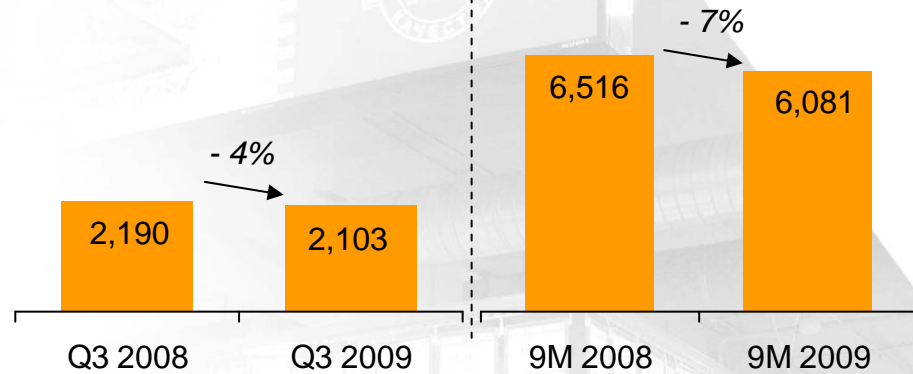
II. Q3&9M Financial Performance and Liquidity Update

III. 2010 Preliminary Outlook



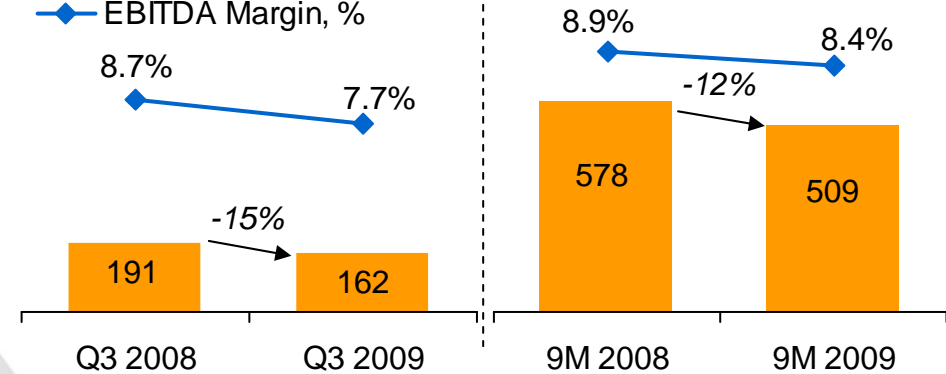
Net Sales

USD mln



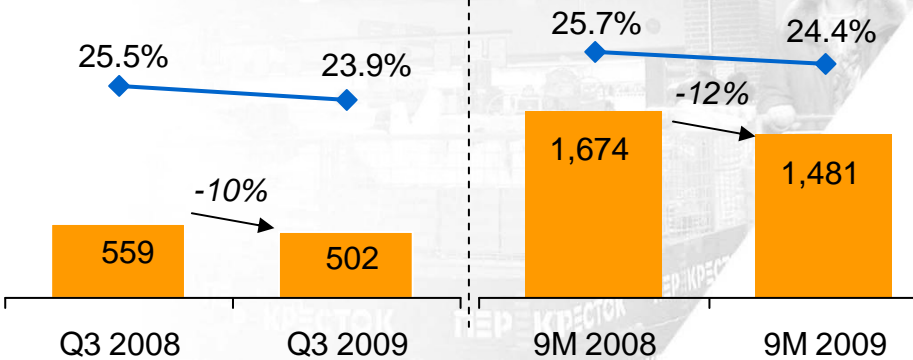
EBITDA & EBITDA Margin

■ EBITDA, USD mln
◆ EBITDA Margin, %



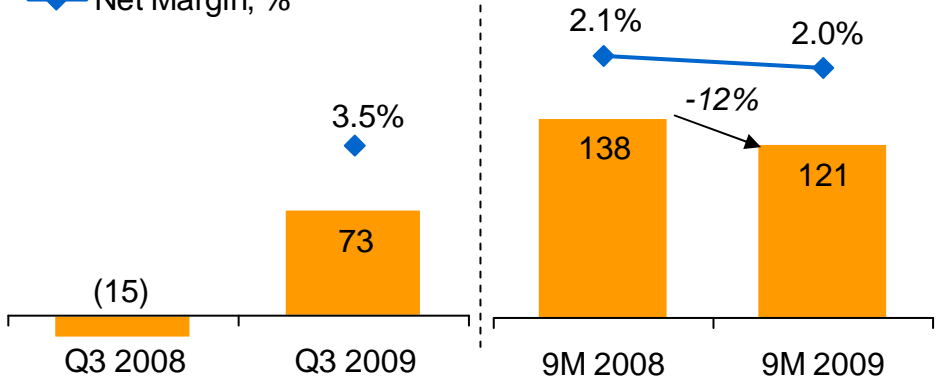
Gross Profit

■ Gross Profit, USD mln
◆ Gross Margin, %



Net Profit

■ Net Profit, USD mln
◆ Net Margin, %



(1) All P&L numbers are provided on pro-forma basis, i.e. including Karusel results both in Q3&9M 2009 and Q3&9M 2008

USD mln	Q3 2009	Q3 2008	% change USD	% change RUR	9M 2009	9M 2008	% change USD	% change RUR
Net Sales	2,103.1	2,190.3	(4%)	24%	6,081.2	6,516.1	(7%)	26%
incl. Retail	2,094.2	2,177.0	(4%)	24%	6,053.2	6,478.7	(7%)	26%
Gross Profit	501.8	558.8	(10%)	16%	1,480.8	1,673.7	(12%)	20%
Gross Margin, %	23.9%	25.5%			24.4%	25.7%		
EBITDA	161.8	190.5	(15%)	9%	508.8	578.0	(12%)	19%
EBITDA Margin, %	7.7%	8.7%			8.4%	8.9%		
SG&A (incl. D&A)	(417.0)	(456.6)	(9%)	18%	(1,196.2)	(1,358.2)	(12%)	19%
% of revenue	19.8%	20.8%			19.7%	20.8%		
ESOP expense ⁽²⁾	(26.3)	10.0	n/a	(456%)	(31.6)	0.0	n/a	n/a
% of revenue	1.3%	(0.5%)			0.5%	0.0%		
Operating Profit	107.5	127.4	(16%)	8%	353.5	393.3	(10%)	21%
Operating Margin, %	5.1%	5.8%			5.8%	6.0%		
Net FX Result	39.7	(84.9)	n/a	n/a	(38.1)	(40.0)	(5%)	29%
(Loss)/Profit before tax	108.9	(2.1)	n/a	n/a	198.7	235.6	(16%)	14%
Income Tax Expense	(36.0)	(12.6)	185%	266%	(77.5)	(97.5)	(20%)	7%
Net Profit	72.9	(14.7)	n/a	n/a	121.2	138.2	(12%)	18%
Net Margin, %	3.5%	(0.7%)			2.0%	2.1%		

- Q3 2009 **gross margin** totaled 23.9% - a 160 bp decline year-on-year, resulting in 9M 2009 gross margin decline of 130 bp year-on-year to 24.4%. This decline is in line with the management's expectations and is attributable to our continuous investment in prices across formats, including:
 - ✓ New Pyaterochka's pricing policy to offer lowest price in the market on every item launched in Mar-09
 - ✓ A managed reduction in Karusel's gross margin
 - ✓ The impact of trading down trends (change of product mix in favour of staples)
- **SG&A** decline as a % of revenue was achieved as a result of strong cost controls and implementation of X5's strategic efficiency programs
 - ✓ Q3 2009 SG&A expenses including ESOP⁽¹⁾ declined as % of sales by 100 bp year-on-year to 19.8%. Net of ESOP, SG&A costs declined as % of sales by 270 bp year-on-year to 18.6% of sales
 - ✓ 9M 2009 SG&A expenses including ESOP declined as % of sales by 110 bp to 19.7%. Net of ESOP, SG&A costs decreased as % of sales by 160 bp year-on-year to 19.2% of sales
- Q3 2009 **EBITDA margin** of 7.7% (100 bp decline year-on-year) was affected by ESOP cost of USD 26 mln on the back of strong GDR price growth in Q3 2009. 9M 2009 EBITDA margin totaled 8.4%, including ESOP expense of USD 32 mln
- X5 reported an **FX gain** of USD 40 mln in Q3 2009 and an **FX loss** of USD 38 mln for 9M 2009 as a result of sharp RUR devaluation in Q1 2009 followed by partial RUR recovery in Q2&Q3 2009. FX loss is primarily non-cash, resulting from long-term USD-denominated debt revaluation

Strong Cash Generation from Operations Offset by Working Capital Seasonality

USD mln	Q3 2009	Q3 2008	% change USD	% change RUR	9M 2009	9M 2008	% change USD	% change RUR
Net Cash Flows from Operating Activities	151.0	147.7	2%	37%	190.5	259.8	(27%)	(1%)
<i>Net Cash from Operating Activities before Changes in Working Capital</i>	191.8	184.8	4%	34%	571.9	554.7	3%	39%
<i>Change in Working Capital</i>	0.0	90.7	n/a	n/a	(182.9)	21.1	n/a	n/a
<i>Net Interest and Income Tax Paid</i>	(40.8)	(127.9)	(68%)	(60%)	(198.5)	(316.0)	(37%)	(15%)
Net Cash Used in Investing Activities	(50.1)	(297.5)	(83%)	(79%)	(149.1)	(1,524.2)	(90%)	(87%)
Net Cash (Used in)/Generated from Financing Activities	13.9	18.6	(25%)	0%	(47.6)	1,318.3	n/a	n/a
Effect of Exchange Rate Changes on Cash & Cash Equivalents	17.2	(21.5)	n/a	513%	6.2	(9.1)	n/a	n/a
Net Increase/(Decrease) in Cash	131.9	(152.7)	n/a	n/a	0.0	44.7	n/a	n/a



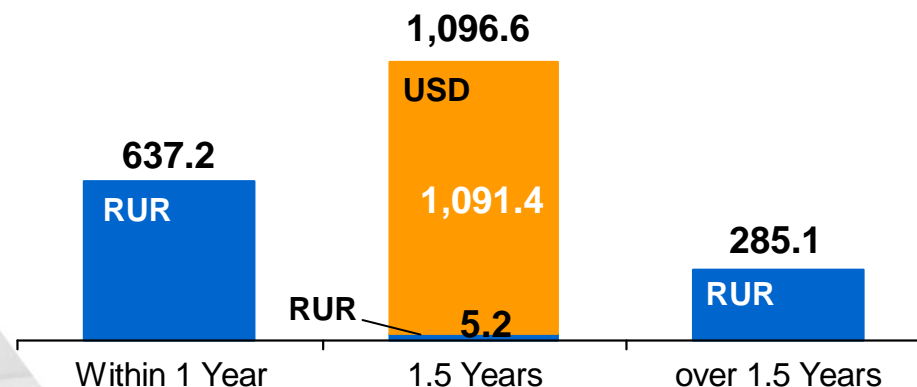
Key Highlights

- In Q1 2009 X5 completely eliminated its short-term USD exposure
- In June 2009 placed 7-year RUR 8 bln corporate bonds with a put option in 2 years. Proceeds were used to reduce short-term debt
- As at 30-Sep-09 X5's short-term debt increased versus 30-Jun-09 as the Company's RUR 9 bln bonds issued in July 2007 with a put option in July 2010 were reclassified to short-term obligations
- As at 30 September 2009 X5 had access to RUR-denominated credit facilities of c.RUR 24.9 bln (c.USD 825 mln), out of which RUR 15.3 bln (c.USD 508 mln) are available undrawn credit lines

Debt Maturity Profile as at 30.09.09

USD mln

■ Denominated in RUR ■ Denominated in USD



USD mln	30-Sep-09	% in total	30-Jun-09	% in total	31-Dec-08	% in total
Total Debt	2,018.9		1,962.4		2,059.4	
Short-Term Debt	637.2	32%	272.1	14%	578.4	28%
Long-Term Debt	1,381.7	68%	1,690.3	86%	1,481.0	72%
Net Debt	1,742.1		1,817.6		1,782.6	
Denominated in USD	1,064.6	61%	1,061.8	58%	1,170.0	66%
Denominated in RUR	677.6	39%	755.8	42%	612.6	34%
FX rate, EoP	30.09		31.29		29.38	
Net Debt/EBITDA	2.37x		2.38x		2.22x	



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Step-Up in New Store Openings

2010 Preliminary Expansion & CapEx Outlook

- Net new store addition:
 - Hypermarkets: 7-10 stores;
 - Supermarkets: ~15 stores;
 - Discounters: 200-250 stores.
- Capital Expenditures of up to RUR 18 bln.