



Customer Focus: Soft Discounters

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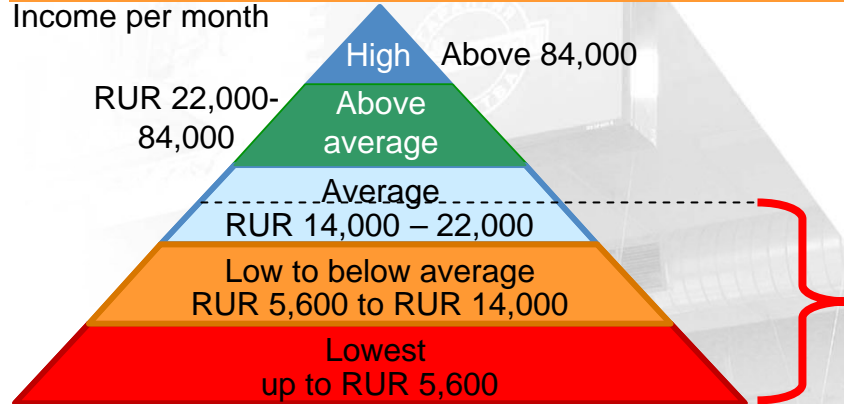
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Target Customer Base

Income per month



- 110 million Russians
- Price-conscious or looking for value
- Walk to shops
- Shop several times a week
- Want to eat well and enjoy life!



Value Proposition

**Every Day Low Price
Close to Your Home**

Price Leadership
(lowest price in the market on 100% of assortment)

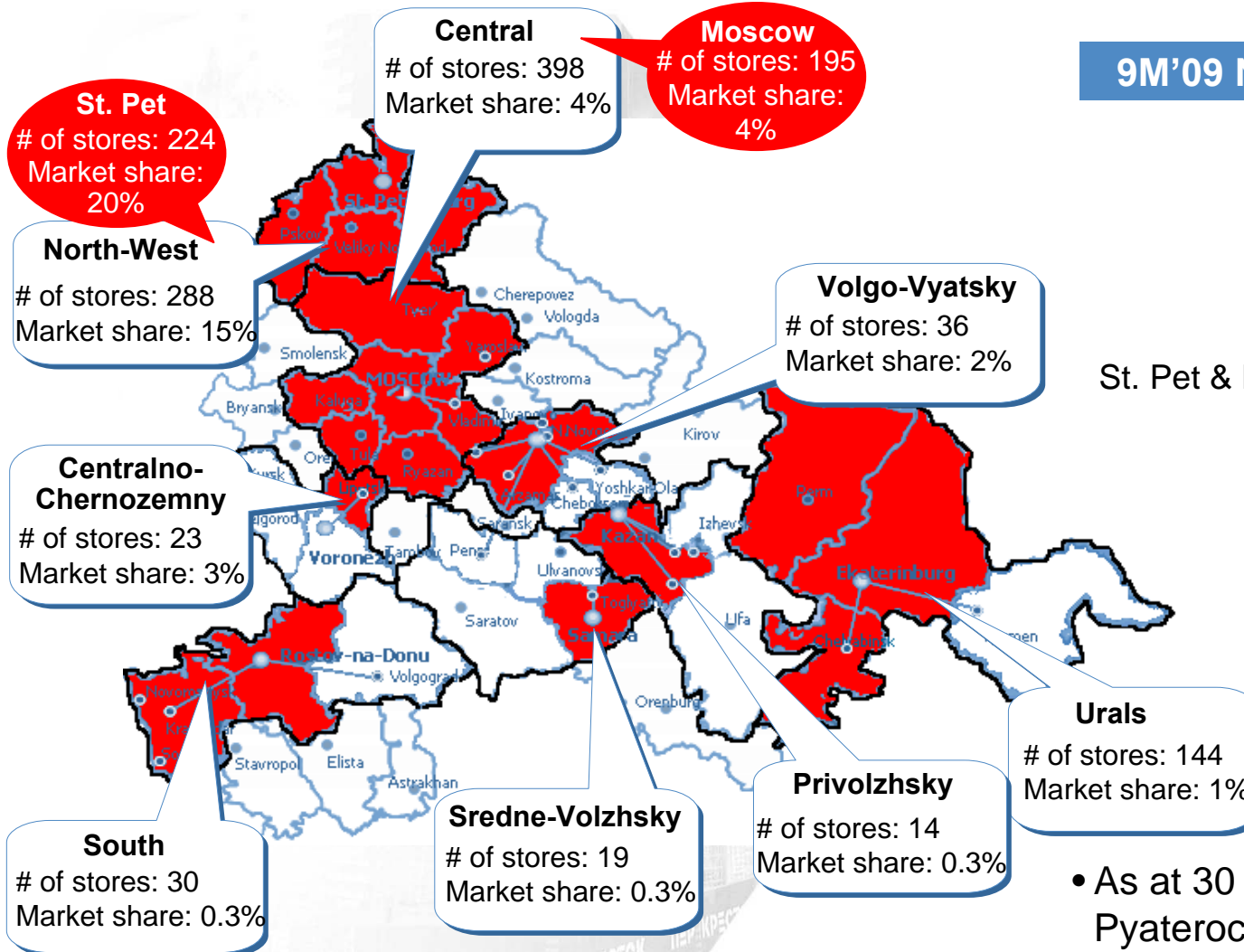
Close to Your Home

Pyaterochka – a national chain of conveniently located stores for lower-income & price-conscious customers looking for food products and household items at best price in the market

- Pyaterochka's net retail sales for 2008 surged 47% y-o-y to RUR 110,953 mln (USD 4,464 mln)
- Net retail sales for 9M 2009 were up 34% y-o-y and totaled RUR 105,321 mln (USD 3,243 mln)
- Pyaterochka's share in total X5 Net Retail Sales for 9M 2009 was 54%

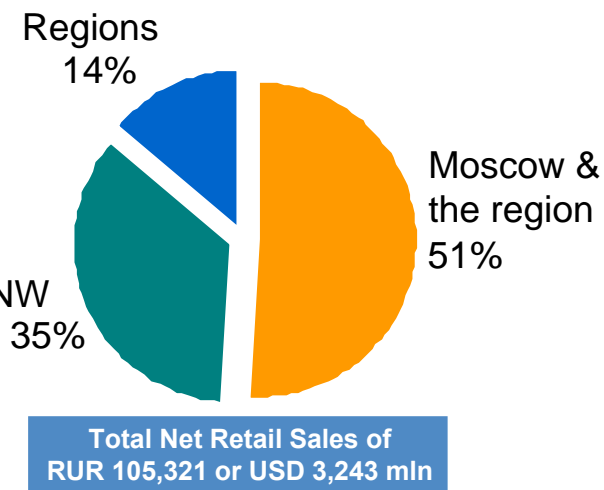
As at 30 September 2009	Total	Average per Store
Selling Space, sq.m.	461,121	484
Number of stores		952
Assortment, # of SKUs		from 2,200 to 3,900
Number of check-out transactions per day	Over 1.8 mln	Over 2,000

	All Stores	LFL Stores
Average check, RUR	250	256
Sales per square meter (RUR/year)	362,550	384,045



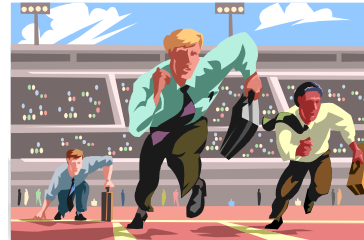
As at 30 September 2009

9M'09 Net Retail Sales by Region



As at 30 September 2009, Pyaterochka was present in 26 cities of European Russia and the Urals

National Competitors



Magnit



Dixy



Kopeika



Competition by Region

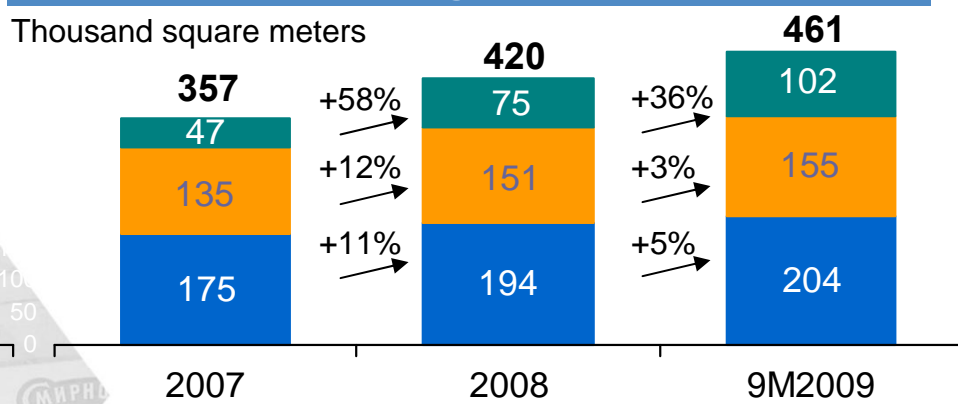
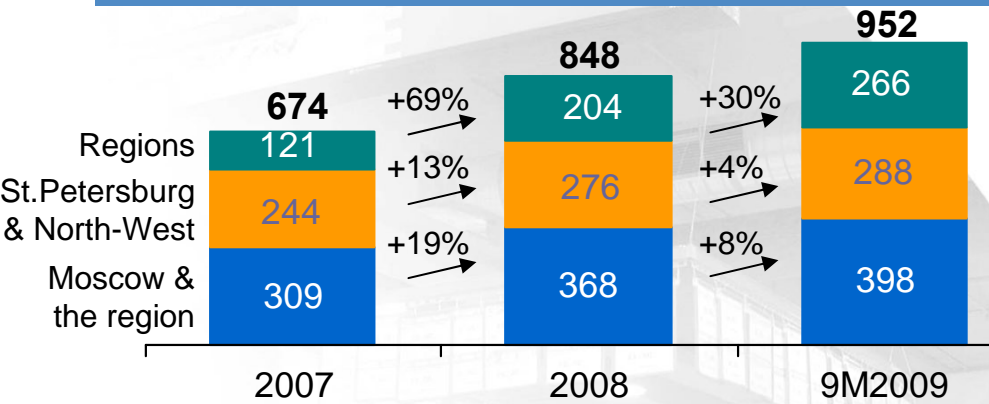
Region	Direct Competitors	Indirect Competitors
Central	Kopeika, Magnit, Dixy, Kvartal	Aushan, Atack
North-West	Dixy, Semya, Polushka, Norma, Netto, Magnit	O'key, Lenta, Aushan
Privolzhsky	Magnit	Real
Centralno-Chernozemny	Lipka, Pokupaika	Linia
Urals	Magnit, Dixy, Monetka, Molnia-express, Disco (Perm), Dobrynya (Perm)	Aushan, Megamart, NASH
Volgo-Vyatsky	Kopeika, Magnit	Aushan, O'key
South	Magnit	Aushan, O'key
Sredne-Volzhsky	Magnit, Kopeika, Lyubimyi	Aushan, O'key, Real

Strong Selling Space and Top Line Growth

Number Of Stores

Selling Space

Thousand square meters



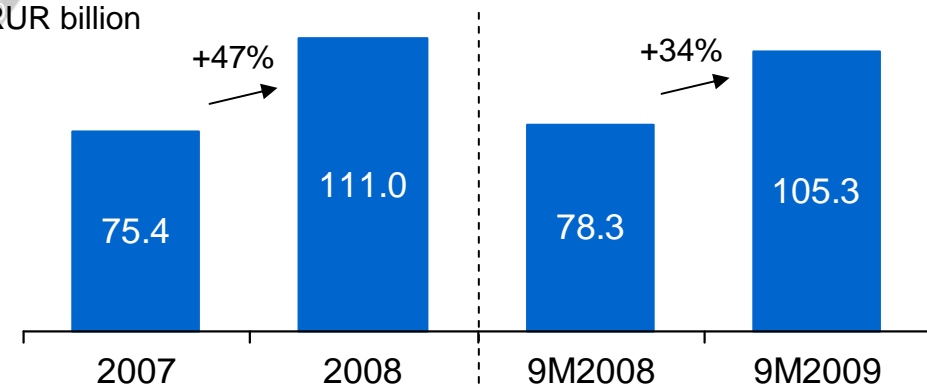
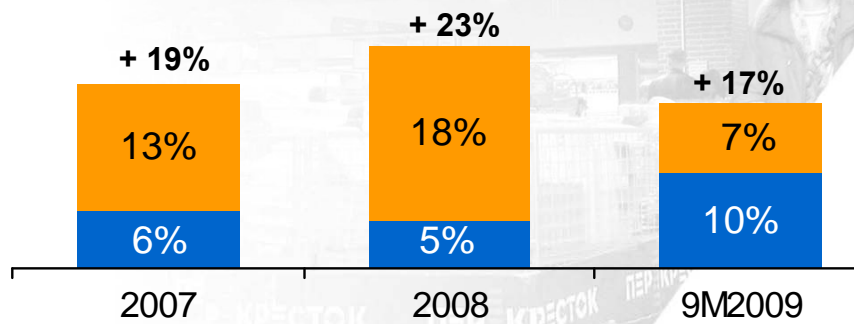
LFL Sales Growth

Net Retail Sales

%, based on RUR-denominated gross sales

RUR billion

Traffic (blue) Basket (orange)

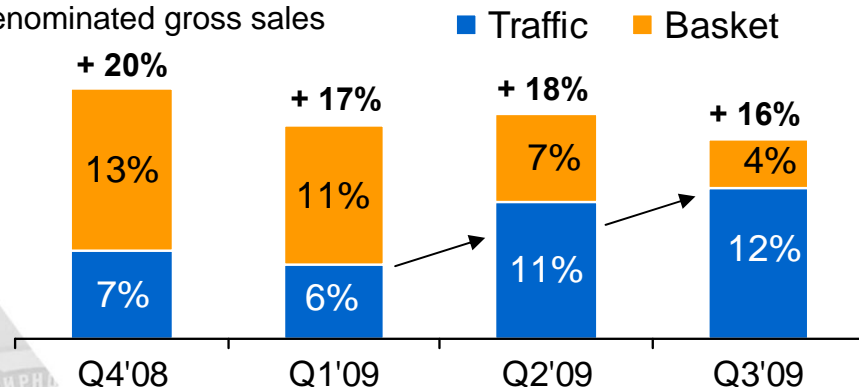


... in Tough Economic Environment

- Continuous outperformance among competition
- Strong traffic growth in good times, further acceleration in hard times
- Pressure on average ticket is in line with purchasing power deterioration

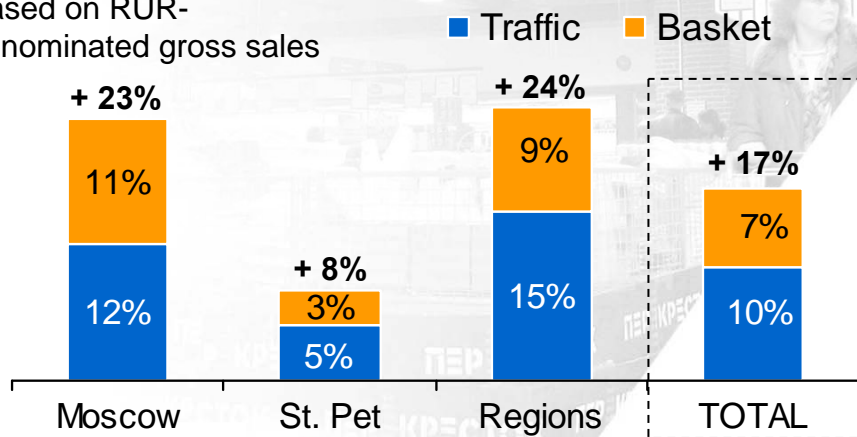
LFL Traffic Growth Acceleration Q-o-Q

Based on RUR-denominated gross sales



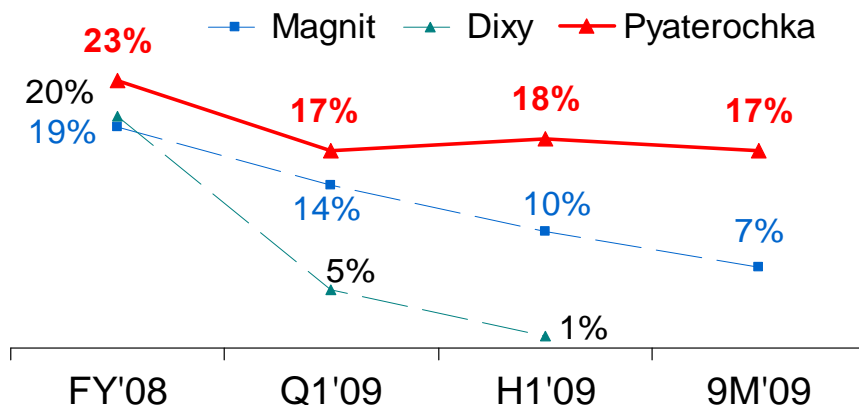
9M 2009 LFL Performance by Region

Based on RUR-denominated gross sales



Outperforming Competition

LFL Performance

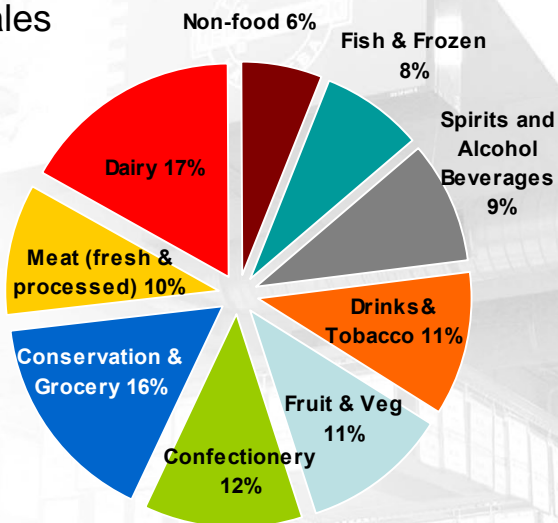


Key Medium-Term Objectives



Key Product Categories, 2009 YTD

Share in sales



Assortment Principles

- Assortment matrix based on target customer preferences
 - Fast moving staples
 - Major brands, sales-leaders
 - Focus on low price segment
- Optimize assortment to drive traffic and margin goals
- 70% national, 30% locally sourced assortment
- Private label to reach 50% of SKUs in 2011

Live Examples of Changes in Consumption on the back of the Crisis



Russian people reduced consumption of:

- instant coffee
- preserved foods, e.g. mushrooms, fruit & veg, berries
- cognac
- smoked & salted fish
- certain frozen foods
- olive oil
- fruits perceived as expensive



Russian people increased consumption of:

- coffee drinks, tea
- chocolate
- cigarettes
- canned fish, frozen fish
- flour, dried crusts, dry bread rings
- vegetables



Super - Promo

Timing: each week (Tuesday to Monday)
 # of SKUs: 4
 Price Reduction: no less than 25%

Mega - Promo

Timing: three times a year for two weeks
 # of SKUs: 20
 Price Reduction: no less than 25%

Promo Assortment

- Category Leaders
- Strong Brands with Best Sales Statistics

Advertising Support

- External
 - TV & printed media
- In-store
 - at the entrance and everywhere in-store
 - guide-boards and guide-signs
 - stoppers



Leading on Service...



- In 220 stores that lead on customer service and operational results, store directors' pictures welcome customers at the entrance
 - Customers should know that *we take great service personally*
 - Recognize and motivate excellence in our store directors

...Supporting National Football

- Pyaterochka is a proud partner of the Russian National Football Team
- And millions of Russians “root for Russian football” with us!



... Catering to Tastes of Ordinary Russians



Q

New pricing strategy introduced March 2009 –
“the Lowest Price in the Market on 100% of
Assortment”

Supported by new image advertising campaign

Q

“Guslyar” – a popular character from Russian folklore – is
featured in all of Pyaterochka’s TV spots....

Q

...and ads evoke Pyaterochka’s roots through humorous
references to Russian folktales and ancient times

Эх Пятерочка, ай да Матушка!