

**X5 CUTS 2008 CAPEX BY 30%**  
**REPORTS 73% SALES GROWTH ON CONSOLIDATION BASIS IN Q3**  
**ITS NUMBER OF STORES EXCEEDS 1,000; AND**  
**ACQUIRED KARUSEL HYPERMARKETS ARE RELAUNCHED AHEAD OF**  
**SCHEDULE**

**Amsterdam, 10 October 2008** - X5 Retail Group N.V., Russia's largest retailer in terms of revenue (LSE ticker: "FIVE"), published today its retail sales and expansion results for the quarter and nine months ended 30 September 2008.

#### Q3 2008 Highlights

- Net retail sales\* including Karusel on pro-forma basis totaled USD 2,177 mln – an increase of 48% year-on-year (year-on-year growth on consolidation basis totaled 73%);
- Pro-forma LFL sales increased 21%;
- In Q3 2008 X5 added net 36 stores;
- In Q3 2008 net addition of selling space equaled 31.2 thousand sq.m.;
- All of the acquired Karusel stores were re-launched on new IT platform ahead of schedule.

#### 9M 2008 Highlights

- Net retail sales including Karusel on pro-forma basis totaled USD 6,479 mln – an increase of 56% year-on-year (year-on-year growth on consolidation basis totaled 65%);
- Pro-forma LFL sales increased 25%;
- In the first nine months 2008 X5 added net 159 stores, including 24\*\* acquired Karusel hypermarkets;
- In the first nine months 2008 net addition of selling space equaled 213.8 thousand sq.m., including 138.0 thousand sq. m. of acquired Karusel hypermarkets

**Lev Khasis**, X5 Retail Group CEO, commented:

*"We are pleased to report that X5 has surpassed the 1,000 store milestone and progresses on Karusel integration well ahead of schedule. The third quarter results came out in line with the management's expectation as we continued to see healthy consumer demand despite financial markets turbulence and weak seasonality typical for modern retail in this quarter. At the same time, we understand that the financial crisis may in the end affect consumer confidence, so we closely track our customer behaviour and are ready to quickly respond to changes in consumption patterns."*

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\* Net retail sales represent revenue from operations of X5 managed stores excluding VAT. This number differs from total net sales that also include revenue from franchisees and other revenue. The total net sales number will be reported along with the 9M 2008 financial results.

Numbers provided in this press-release are preliminary and unaudited.

For your convenience, we provide net retail sales for Q3 2007 and 2008 both excluding and including *Karusel* (on pro-forma and consolidation basis). Q3 2007 numbers exclude results of operations of Korzinka, Strana Gerkulesia and Kama Retail.

\*\* Including 23 hypermarkets operating at the time of the acquisition and one hypermarket under construction that was opened in Q3.

**Evgeny Kornilov**, X5 Retail Group CFO, added:

*“We believe that we do all the right things in the current financial crisis environment – we prudently manage our cash flows and have taken decision to scale down CapEx, focus on highest returns and shortest paybacks and reduce short-term debt exposure. We also chase all the opportunities that this distressed market may offer. It is quite clear by now that the strongest and the smartest will successfully live through the crisis and come out as winners and it is our intention to continue to lead the way.”*

## **Net Retail Sales Performance**

### **Net Retail Sales Dynamics by Format**

<b>USD mln</b>	<b>Q3 2008</b>	<b>Q3 2007</b>	<b>% change</b>		<b>9M 2008</b>	<b>9M 2007</b>	<b>% change</b>	
			<b>y-o-y</b>				<b>y-o-y</b>	
Hypermarkets	143.0	93.6	53%		406.7	260.8	56%	
Supermarkets	657.9	461.9	42%		1,992.8	1,326.6	50%	
Soft Discounters	1,112.2	705.5	58%		3,256.9	2,005.0	62%	
<b>Total excluding acquired Karusel Hypermarkets*</b>	<b>1,913.2</b>	<b>1,261.0</b>	<b>52%</b>		<b>5,656.4</b>	<b>3,592.4</b>	<b>57%</b>	
Acquired Karusel Hypermarkets	263.9	209.2	26%		822.3	551.9	49%	
<b>Total including acquired Karusel Hypermarkets</b>	<b>2,177.0</b>	<b>1,470.2</b>	<b>48%</b>		<b>6,478.7</b>	<b>4,144.3</b>	<b>56%</b>	

  

<b>RUR mln</b>			<b>% change</b>				<b>% change</b>	
			<b>y-o-y</b>				<b>y-o-y</b>	
Hypermarkets	3,465.5	2,391.9	45%		9,779.0	6,751.9	45%	
Supermarkets	15,955.1	11,791.7	35%		47,917.5	34,345.5	40%	
Soft Discounters	26,961.6	18,016.4	50%		78,313.0	51,910.9	51%	
<b>Total excluding acquired Karusel Hypermarkets</b>	<b>46,382.2</b>	<b>32,199.9</b>	<b>44%</b>		<b>136,009.5</b>	<b>93,008.2</b>	<b>46%</b>	
Acquired Karusel Hypermarkets	6,401.6	5,349.1	20%		19,772.7	14,290.2	38%	
<b>Total including acquired Karusel Hypermarkets</b>	<b>52,783.8</b>	<b>37,549.1</b>	<b>41%</b>		<b>155,782.2</b>	<b>107,298.4</b>	<b>45%</b>	

Excluding 24 acquired Karusel hypermarkets, net retail sales for the third quarter 2008 increased by 52% to USD 1,913 mln, translating into a 57% (46% in RUR terms) increase year-on-year to USD 5,656 mln in the first nine months of 2008.

Acquired Karusel hypermarkets posted 26% growth to USD 264 mln in the third quarter 2008. Acquired stores' performance was negatively affected by the 3-4 days closing needed for IT platform replacement. All of the acquired stores were closed and relaunched in Q3. As a result net retail sales in the first nine months 2008 reached USD 822.3 mln (year-on-year growth of 49% in USD terms).

Including acquired Karusel stores on pro-forma basis, net retail sales for the first nine months 2008 totaled USD 6,479 mln, a year-on-year increase of 56% in USD terms.

\* Acquired Karusel hypermarkets include 23 hypermarkets operating at the time of the acquisition and one hypermarket under construction that was opened in Q3

## Gross Retail Sales Analysis\*

*Like-For-Like\*\* Store Performance (please see Appendix I for detailed LFL performance)*

Based on RUR-denominated gross retail sales	Q3 2008			9M 2008		
	Total LFL, %	Traffic, %	Basket, %	Total LFL, %	Traffic, %	Basket, %
Hypermarkets	18	2	16	21	5	16
Supermarkets	22	4	18	27	9	18
Soft Discounters	23	2	21	24	4	20
<b>Total excluding acquired Karusel Hypermarkets***</b>	<b>22</b>	<b>3</b>	<b>19</b>	<b>25</b>	<b>6</b>	<b>19</b>
Acquired Karusel Hypermarkets	14	-3	17	27	8	19
<b>Total including acquired Karusel Hypermarkets</b>	<b>21</b>	<b>3</b>	<b>18</b>	<b>25</b>	<b>6</b>	<b>19</b>

## Gross Retail Sales Dynamics

Based on RUR-denominated gross retail sales	Q3 2008			9M 2008		
	LFL, %	Expansion, %	Total change %, excl. FX	LFL, %	Expansion, %	Total change %, excl. FX
Hypermarkets	18	27	45	21	24	45
Supermarkets	22	13	35	27	13	40
Soft Discounters	23	27	50	24	27	51
<b>Total excluding acquired Karusel Hypermarkets</b>	<b>22</b>	<b>22</b>	<b>44</b>	<b>25</b>	<b>21</b>	<b>46</b>
Acquired Karusel Hypermarkets	14	5	19	27	11	38
<b>Total including acquired Karusel Hypermarkets</b>	<b>21</b>	<b>19</b>	<b>40</b>	<b>25</b>	<b>20</b>	<b>45</b>
FX Effect			8			11
<b>Total change y-o-y, %</b>			<b>48</b>			<b>56</b>

For the third quarter 2008, LFL sales, excluding acquired Karusel hypermarkets, surged 22% in RUR terms, composed of 3% increase in traffic and 19% increase in average basket. As expected, we saw slow down in LFL sales growth in Q3 versus the first half of the year, as the comparative 2007 base was already very strong due to changes in pricing and assortment policies that we started benefitting from in the second half of 2007. Expansion brought additional 22% in terms of growth. As a result, first nine months 2008 LFL sales increased by 25% with traffic growing by 6% and basket – by 19%, while 21% came from expansion.

\* In this section all sales dynamics analysis is based on RUR-denominated gross sales (including VAT, excluding FX). Net sales RUR growth rates may immaterially differ due to effective VAT rate.

\*\* Like-for-like comparisons of retail sales between two periods are comparisons of retail sales in local currency (including VAT) generated by the relevant stores. The stores that are included in like-for-like comparisons are those that have operated for at least twelve full months preceding the beginning of the last month of the reporting period. Their sales are included in like-for-like calculation starting from the first day of the month following the month of the store opening. The like-for-like comparison for each store takes into account retail sales generated by that store during the same months it was in operation in both the reporting period and the period of comparison. The retail sales of all the relevant stores in the relevant months are then aggregated and compared. Like-for-like sales are calculated on the basis of traffic and basket amounts of relevant stores in the period under review.

\*\*\* On pro-forma basis

During the first nine months of the year X5 continued to restrain prices growth and invest in its customer loyalty – in September 2008 product prices on X5's shelves increased on average by 14.1% year-on-year compared to officially reported food inflation in Russia of 19.9% (September 2008 to September 2007).

Including Karusel on a pro-forma basis, third quarter 2008 LFL sales increased 21% in RUR terms on the back of 3% growth in traffic and 18% increase in average basket. Expansion added 19% in terms of growth. As a result, first nine months 2008 LFL sales (including Karusel) increased 25% (6% growth in traffic and 19% in average basket) with additional 20% delivered by non-LFL stores.

#### X5 Hypermarkets

For the third quarter 2008, hypermarket sales increased 45%, excluding FX effect. This growth came as a result of an 18% increase in LFL sales with another 27% added by non-LFL stores. Hypermarkets located in Moscow and the Moscow region posted impressively strong results, especially noticeable in remodeled hypermarkets. As X5 continues to implement its new concept in all of its hypermarkets, we expect to improve the regional stores performance as well.

For the first nine months 2008, gross sales in the hypermarket format increased by 45% in RUR terms (LFL sales up 21%, non-LFL stores sales up 24%).

#### Karusel Hypermarkets

For the third quarter 2008 Karusel sales grew by 19%, excluding FX effect, as a result of a 14% growth in LFL sales and 5% coming from expansion. As discussed above, acquired Karusel stores' LFL performance was affected by the closings associated with the IT platform change.

For the first nine months of 2008, gross sales in Karusel hypermarkets increased by 38% in RUR terms (LFL sales up 27%, non-LFL stores sales up 11%).

#### Supermarkets

For the third quarter 2008, supermarket sales grew by 35%, excluding FX effect, as a result of 22% surge in LFL sales and 13% coming from expansion. Strong LFL results are due to healthy performance of supermarkets located in Moscow and St. Petersburg and we continue to see very positive trends in both cities. The Company has changed its pricing policy in Moscow and St. Petersburg-based supermarkets by decreasing prices on certain back-basket product categories (approximately 15,000 SKUs) by 15% on average in order to enhance sales of more premium goods and raise the average ticket. Based on encouraging consumer response that we start seeing already now, we are introducing these re-pricing initiatives in our regional supermarkets as well and expect to see positive impact, especially during the New Year and Christmas sales. We are also very happy with the results of our new Green Perekrestok store launched in Rostov-on-Don – the first premium class supermarket of X5.

For the first nine months of 2008, gross sales in the supermarket format increased by 40% in RUR terms (LFL sales up 27%, non-LFL stores sales up 13%).

### Soft Discounters

For the third quarter 2008 soft discounter sales grew by 50%, excluding FX effect, as a result of a 23% surge in LFL sales and 27% coming from expansion. The strongest LFL growth in the soft discounter format was demonstrated by regional stores (up 37%) underpinning success of the format in the regions.

For the first nine months of 2008, gross sales in the soft discounter format increased by 51% in RUR terms (LFL sales up 24%, new stores sales up 27%).

### Expansion

	31-Dec-07	As of 30-Jun-08	30-Sep-08	Net Added in Q3 '08	Net Added in 9M '08	% change YTD
<b>Selling Space, sq. m.</b>						
Hypermarkets	59,963	65,187	73,149	7,962	13,186	22%
Supermarkets	191,729	205,333	207,595	2,262	15,865	8%
Soft Discounters	357,517	389,321	404,320	15,000	46,803	13%
<b>Total excluding acquired Karusel Hypermarkets</b>	<b>609,209</b>	<b>659,840</b>	<b>685,064</b>	<b>25,224</b>	<b>75,854</b>	<b>12%</b>
Acquired Karusel Hypermarkets	-	132,014	137,952	5,938	137,952	
<b>Total including acquired Karusel Hypermarkets</b>	<b>609,209</b>	<b>791,854</b>	<b>823,016</b>	<b>31,162</b>	<b>213,807</b>	<b>35%</b>
<b># of Stores</b>						
Hypermarkets	15	16	18	2	3	20%
Supermarkets	179	190	191	1	12	7%
Soft Discounters	674	762	794	32	120	18%
<b>Total excluding acquired Karusel Hypermarkets</b>	<b>868</b>	<b>968</b>	<b>1,003</b>	<b>35</b>	<b>135</b>	<b>16%</b>
Acquired Karusel Hypermarkets	-	23	24	1	24	
<b>Total including acquired Karusel Hypermarkets</b>	<b>868</b>	<b>991</b>	<b>1,027</b>	<b>36</b>	<b>159</b>	<b>18%</b>

In the third quarter 2008, X5 Retail Group N.V. opened net 36 stores, including 32 soft discounters, one supermarket and three hypermarkets with a total net selling space of 31.2 thousand sq.m. As a result, at 30 September 2008, X5 Retail Group N.V., operated 1,027 stores in total, consisting of 794 soft discounters, 191 supermarkets, and 42 hypermarket stores (including 24 acquired Karusel hypermarkets), with the total net selling space of 823.0 thousand sq. m.

### ***Franchisees Expansion and Buy-Out Update***

In the third quarter 2008 X5 decided to terminate its franchise contracts with counterparties that operated under *Pyaterochka* brand in Belgorod, Krasnodar and Kazakhstan due to breaches of the agreement terms.

As a result, at 30 September 2008 the Company's franchisee store network totaled 684 stores across Russia, including 8 *Perekrestok* and 676 *Pyaterochka* stores. X5 Retail Group does not consolidate franchisee stores' sales. The Group receives royalty payments from franchisees and reports them as other revenue.

### **Logistics Infrastructure Development**

During the third quarter 2008 X5 Retail Group expanded its warehouse capacity by net 9.7 thousand sq. m. by opening three new distribution centers (DCs) in St. Petersburg, Lipetsk and Yekaterinburg, expanding storage capacity of an existing warehouse in St. Petersburg and closing a small warehouse in Yekaterinburg. As a result, at 30 September 2008 the Group had 16 DCs totaling 198.5 thousand sq.m., including six DCs in Moscow (total storage space of 123.7 thousand sq.m.), four DCs in St. Petersburg (total storage space of 41.3 thousand sq.m.), one DC in Nizhniy Novgorod (storage space of 13.5 thousand sq.m.), one DC in Chelyabinsk (6.6 thousand sq.m.), one DC in Yekaterinburg (7.0 thousand sq.m.), one DC in Perm (3.6 thousand sq.m.) and two in Lipetsk (2.8 thousand sq.m.). Six Moscow-based DCs include a distribution center in Lobnya (the Moscow region) with the storage area of 32.0 thousand sq.m., which is currently under reconstruction. 17.4 thousand sq.m. of this DC will become operational by the end of October this year with the rest scheduled for opening during 2009.

### **Update on Karusel Integration**

As it was announced by the Company earlier, X5 acquired operational control over *Karusel* hypermarkets on 26 June 2008. By the end of the third quarter 2008 the Company made substantial progress on Karusel integration and had:

- completed stock-takings;
- closed and re-launched all 23 acquired hypermarkets to change the IT systems and all the store-related software;
- centralized HR and administrative functions, integrated the stores into respective regional branches and closed down two Karusel head offices;
- centralized operations, including pricing and assortment management;
- centralized purchasing;
- integrated logistics in fresh product categories;
- integrated all the financial functions, including accounting, management and tax planning.

The Company also launched the 24<sup>th</sup> of the acquired hypermarkets that operated in a test mode at the time of the acquisition.

### **Liquidity Risk Management**

X5 continues to carefully manage its liquidity position. This includes:

- prudent cash flow management with a particular focus on working capital;
- cost controls enhancement including optimization of staff costs;
- scale down of CapEx, including suspension of capital-intensive projects and concentration on projects with shortest payback periods;
- gradual reduction of short-term debt;
- constant contact with the leading Russian and foreign banks to ensure that the Company has available funding and sufficient committed credit facilities.

## Revised Outlook for 2008

X5 Retail Group has revised its full year guidance for 2008 to take into account current situation in the financial markets and in the country in general. While LFL and sales expectations remain fundamentally unchanged, we revise our CapEx and store openings outlook as we decided to defer certain projects in order to consolidate resources in the current liquidity-constrained environment, reduce short-term debt exposure and ensure that we are well positioned to capitalize from the ongoing decrease in real estate prices, lower construction costs and emergence of attractive M&A opportunities. We also conservatively expect that three hypermarkets initially planned for opening this year will open only in 2009 due to delays on the developers' side.

	<b>FY 2008 PREVIOUS</b>		<b>FY 2008 REVISED</b>	
	<b>X5</b>	<b>Pro-Forma</b>	<b>X5</b>	<b>Pro-Forma</b>
Sales Growth (excl. FX)	>40%	>40%	~40%	~40%
LFL Sales Growth (excl. FX)	~20%	>20%	~20%	~20%
Net Selling Space Growth	140 – 160,000 sq.m.**		~120,000 sq.m.**	
<i>New hypermarkets</i>	8	10	5	7
DC Area Growth	~45,000 sq.m.		>60,000 sq.m.	
Capital Expenditure	~USD 1,400 mln		~USD 1,000 mln	

## Appendices

- I. LFL Store Performance by Format and Region*
- II. Net Retail Sales Performance by Region*
- III. Average Ticket and Number of Customers*
- IV. Net Selling Space Addition by Format and Region*
- V. Net Store Addition by Format and Region*
- VI. Financial Calendar for 2008*

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\*\* Excluding 132 thousand sq.m. of 23 acquired *Karusel* stores that were operational at the time of the acquisition

**Note to Editors:****X5 Retail Group**

X5 Retail Group N.V. is Russia's largest food retailer in terms of sales. The Company was created as a result of a merger between Pyaterochka (soft discounter chain) and Perekrestok (supermarket chain) on 18 May 2006.

As at 30 September 2008, X5 had 1,027 Company-managed stores located in Moscow, St. Petersburg and other regions of European Russia, Urals and Ukraine, including 794 soft discount stores, 191 supermarkets and 42 hypermarkets.

As of 30 September 2008, X5's franchisees operated 684 stores across Russia.

X5's net sales for the full year 2007 reached USD 5,320 mln, an increase of 53% year-on-year. Gross profit for the period totaled USD 1,404 mln, EBITDA amounted to USD 479 mln. Full year 2007 net income reached USD 144 mln.

For the first nine months of 2008, X5 Retail Group N.V.'s net retail sales including acquired Karusel stores on pro-forma basis totaled USD 6,479 mln.

***Forward looking statements:***

*This announcement includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the fact that they do not only relate to historical or current events. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "expected", "plan", "goal" believe", or other words of similar meaning.*

*By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, a number of which are beyond X5 Retail Group N.V.'s control. As a result, actual future results may differ materially from the plans, goals and expectations set out in these forward-looking statements.*

*Any forward-looking statements made by or on behalf of X5 Retail Group N.V. speak only as at the date of this announcement. Save as required by any applicable laws or regulations, X5 Retail Group N.V. undertakes no obligation publicly to release the results of any revisions to any forward-looking statements in this document that may occur due to any change in its expectations or to reflect events or circumstances after the date of this document.*



## Appendix I: LFL Store Performance by Format and Region\*

	Total LFL, %	Q3 2008 Traffic, %	Basket, %	Total LFL, %	9M 2008 Traffic, %	Basket, %
<b><u>Moscow &amp; the Moscow Region</u></b>						
Hypermarkets	32	11	21	27	8	19
Supermarkets	26	7	19	31	11	20
Soft Discounters	27	4	23	31	6	25
<b>Total excluding acquired Karusel Hypermarkets</b>	<b>27</b>	<b>5</b>	<b>22</b>	<b>31</b>	<b>8</b>	<b>23</b>
Acquired Karusel Hypermarkets	7	-7	14	20	1	19
<b>Total including acquired Karusel Hypermarkets</b>	<b>26</b>	<b>5</b>	<b>21</b>	<b>30</b>	<b>8</b>	<b>22</b>
<b><u>St. Petersburg &amp; North-West</u></b>						
Hypermarkets	-	-	-	-	-	-
Supermarkets	25	5	20	29	11	18
Soft Discounters	15	-2	17	16	-	16
<b>Total excluding acquired Karusel Hypermarkets</b>	<b>17</b>	<b>-1</b>	<b>18</b>	<b>17</b>	<b>1</b>	<b>16</b>
Acquired Karusel Hypermarkets	17	-3	20	29	8	21
<b>Total including acquired Karusel Hypermarkets</b>	<b>17</b>	<b>-1</b>	<b>18</b>	<b>20</b>	<b>2</b>	<b>18</b>
<b><u>Regions</u></b>						
Hypermarkets	10	-2	12	16	4	12
Supermarkets	9	-2	11	13	2	11
Soft Discounters	37	13	24	42	16	26
<b>Total excluding acquired Karusel Hypermarkets</b>	<b>15</b>	<b>3</b>	<b>12</b>	<b>20</b>	<b>7</b>	<b>13</b>
Acquired Karusel Hypermarkets	10	-	10	23	17	6
<b>Total including acquired Karusel Hypermarkets</b>	<b>14</b>	<b>3</b>	<b>11</b>	<b>20</b>	<b>8</b>	<b>12</b>
<b><u>X5 Retail Group</u></b>						
Hypermarkets	18	2	16	21	5	16
Supermarkets	22	4	18	27	9	18
Soft Discounters	23	2	21	24	4	20
<b>Total excluding acquired Karusel Hypermarkets</b>	<b>22</b>	<b>3</b>	<b>19</b>	<b>25</b>	<b>6</b>	<b>19</b>
Acquired Karusel Hypermarkets	14	-3	17	27	8	19
<b>Total including acquired Karusel Hypermarkets</b>	<b>21</b>	<b>3</b>	<b>18</b>	<b>25</b>	<b>6</b>	<b>19</b>

\* Based on RUR-denominated gross sales (including VAT, excluding FX). Net sales RUR growth rates may immaterially differ due to effective VAT rate.

Like-for-like comparisons of retail sales between two periods are comparisons of retail sales in local currency (including VAT) generated by the relevant stores. The stores that are included in like-for-like comparisons are those that have operated for at least twelve full months preceding the beginning of the last month of the reporting period. Their sales are included in like-for-like calculation starting from the first day of the month following the month of the store opening. The like-for-like comparison for each store takes into account retail sales generated by that store during the same months it was in operation in both the reporting period and the period of comparison. The retail sales of all the relevant stores in the relevant months are then aggregated and compared. Like-for-like sales are calculated on the basis of traffic and basket amounts of relevant stores in the period under review.

## Appendix II: Net Retail Sales Performance by Region

USD mln	Q3 2008	Q3 2007	% change		9M 2008	9M 2007	% change	
			y-o-y				y-o-y	
Moscow & the Region	1,041.9*	694.3	50%		3,095.1*	1,996.7	55%	
St. Petersburg & North-West	484.8	361.4	34%		1,460.8	1,046.3	40%	
Other Regions	386.5*	205.4	88%		1,100.4*	549.4	100%	
<b>Total excluding acquired Karusel Hypermarkets**</b>	<b>1,913.2</b>	<b>1,261.0</b>	<b>52%</b>		<b>5,656.4</b>	<b>3,592.4</b>	<b>57%</b>	
Moscow Region, Karusel	56.4	47.6	18%		170.8	114.6	49%	
St. Petersburg & NW, Karusel	176.3	142.4	24%		562.9	392.1	44%	
Regions, Karusel	31.2	19.1	63%		88.6	45.3	96%	
<b>Total acquired Karusel Hypermarkets**</b>	<b>263.9</b>	<b>209.2</b>	<b>26%</b>		<b>822.3</b>	<b>551.9</b>	<b>49%</b>	
<b>Total including acquired Karusel Hypermarkets**</b>	<b>2,177.0</b>	<b>1,470.2</b>	<b>48%</b>		<b>6,478.7</b>	<b>4,144.3</b>	<b>56%</b>	

  

RUR mln	Q3 2008	Q3 2007	% change		9M 2008	9M 2007	% change	
			y-o-y				y-o-y	
Moscow & the Region	25,261.0*	17,724.3	43%		74,423.7*	51,696.2	44%	
St. Petersburg & North-West	11,755.0	9,225.0	27%		35,126.0	27,088.9	30%	
Other Regions	9,366.1*	5,250.7	78%		26,459.8*	14,223.1	86%	
<b>Total excluding acquired Karusel Hypermarkets**</b>	<b>46,382.2</b>	<b>32,199.9</b>	<b>44%</b>		<b>136,009.5</b>	<b>93,008.2</b>	<b>46%</b>	
Moscow Region, Karusel	1,366.7	1,219.0	12%		4,107.7	2,966.4	38%	
St. Petersburg & NW, Karusel	4,279.4	3,639.7	18%		13,535.4	10,152.3	33%	
Regions, Karusel	755.6	490.5	54%		2,129.6	1,171.6	82%	
<b>Total acquired Karusel Hypermarkets**</b>	<b>6,401.6</b>	<b>5,349.1</b>	<b>20%</b>		<b>19,772.7</b>	<b>14,290.2</b>	<b>38%</b>	
<b>Total including acquired Karusel Hypermarkets**</b>	<b>52,783.8</b>	<b>37,549.1</b>	<b>41%</b>		<b>155,782.2</b>	<b>107,298.4</b>	<b>45%</b>	

\* One supermarket located in the Vladimir region has been reclassified to Moscow & the Moscow Region

\*\* Acquired Karusel hypermarkets include 23 hypermarkets operating at the time of the acquisition and one hypermarket under construction that was opened in Q3

### Appendix III: Average Ticket and Number of Customers

	Q3 2008	Q3 2007	% change, y-o-y	9M 2008	9M 2007	% change, y-o-y
<b><u>Average Ticket, RUR</u></b>						
Hypermarkets	457.5	396.3	15%	451.7	395.5	14%
Supermarkets	339.7	296.7	14%	340.2	298.5	14%
Soft Discounters	238.2	208.2	14%	238.8	208.8	14%
<b>Total excluding acquired Karusel Hypermarkets*</b>	<b>276.7</b>	<b>243.5</b>	<b>14%</b>	<b>277.5</b>	<b>244.4</b>	<b>14%</b>
Acquired Karusel Hypermarkets*	671.9	581.3	16%	668.1	566.9	18%
<b>Total including acquired Karusel Hypermarkets*</b>	<b>298.1</b>	<b>265.7</b>	<b>12%</b>	<b>299.8</b>	<b>264.6</b>	<b>13%</b>
<b><u>Average Ticket, USD</u></b>						
Hypermarkets	18.9	15.5	22%	18.8	15.3	23%
Supermarkets	14.0	11.6	21%	14.2	11.5	23%
Soft Discounters	9.8	8.2	21%	9.9	8.1	23%
<b>Total excluding acquired Karusel Hypermarkets*</b>	<b>11.4</b>	<b>9.5</b>	<b>20%</b>	<b>11.5</b>	<b>9.4</b>	<b>22%</b>
Acquired Karusel Hypermarkets*	27.7	22.7	22%	27.8	21.9	27%
<b>Total including acquired Karusel Hypermarkets*</b>	<b>12.3</b>	<b>10.4</b>	<b>18%</b>	<b>12.5</b>	<b>10.2</b>	<b>22%</b>
<b><u># of Customers</u></b>						
Hypermarkets	8.7	6.9	25%	24.8	19.6	27%
Supermarkets	53.7	45.4	18%	161.0	131.2	23%
Soft Discounters	128.6	98.4	31%	372.7	282.8	32%
<b>Total excluding acquired Karusel Hypermarkets*</b>	<b>191.0</b>	<b>150.7</b>	<b>27%</b>	<b>558.5</b>	<b>433.5</b>	<b>29%</b>
Acquired Karusel Hypermarkets*	10.9	10.6	3%	33.9	28.9	17%
<b>Total including acquired Karusel Hypermarkets*</b>	<b>201.9</b>	<b>161.4</b>	<b>25%</b>	<b>592.5</b>	<b>462.5</b>	<b>28%</b>

\* Acquired Karusel hypermarkets include 23 hypermarkets operating at the time of the acquisition and one hypermarket under construction that was opened in Q3

## Appendix IV: Net Selling Space Addition by Format and Region

Selling Space, sq. m.	31-Dec-07	As of 30-Jun-08	30-Sep-08	Net Added in Q3 '08	Net Added in 9M '08	% change vs 31-Dec-07
<b><u>Moscow &amp; the Moscow Region</u></b>						
Hypermarkets	17,189	18,259	22,223	3,964	5,034	29%
Supermarkets	107,554	111,234	112,711*	1,477*	5,157*	5%
Soft Discounters	175,101	181,335	188,084	6,749	12,983	7%
<b>Total excluding acquired Karusel Hypermarkets**</b>	<b>299,845</b>	<b>310,829</b>	<b>323,018</b>	<b>12,190</b>	<b>23,174</b>	<b>8%</b>
Acquired Karusel Hypermarkets**	-	16,977	22,915	5,938	22,915	
<b>Total including acquired Karusel Hypermarkets**</b>	<b>299,845</b>	<b>327,805</b>	<b>345,933</b>	<b>18,128</b>	<b>46,088</b>	<b>15%</b>
<b><u>St. Petersburg &amp; North-West</u></b>						
Hypermarkets	-	-	-	-	-	
Supermarkets	24,061	23,628	23,628	-	- 433	-2%
Soft Discounters	135,006	143,477	148,037	4,560	13,031	10%
<b>Total excluding acquired Karusel Hypermarkets**</b>	<b>159,067</b>	<b>167,105</b>	<b>171,665</b>	<b>4,560</b>	<b>12,598</b>	<b>8%</b>
Acquired Karusel Hypermarkets**	-	93,467	93,467	-	93,467	
<b>Total including acquired Karusel Hypermarkets**</b>	<b>159,067</b>	<b>260,572</b>	<b>265,132</b>	<b>4,560</b>	<b>106,065</b>	<b>67%</b>
<b><u>Regions</u></b>						
Hypermarkets	42,774	46,928	50,926	3,998	8,152	19%
Supermarkets	60,114	70,470	71,255*	785*	11,141*	19%
Soft Discounters	47,410	64,508	68,199	3,691	20,789	44%
<b>Total excluding acquired Karusel Hypermarkets**</b>	<b>150,298</b>	<b>181,907</b>	<b>190,381</b>	<b>8,474</b>	<b>40,083</b>	<b>27%</b>
Acquired Karusel Hypermarkets**	-	21,570	21,570	-	21,570	
<b>Total including acquired Karusel Hypermarkets**</b>	<b>150,298</b>	<b>203,477</b>	<b>211,951</b>	<b>8,474</b>	<b>61,653</b>	<b>41%</b>
<b><u>X5 Retail Group</u></b>						
Hypermarkets	59,963	65,187	73,149	7,962	13,186	22%
Supermarkets	191,729	205,333	207,595	2,262	15,865	8%
Soft Discounters	357,517	389,321	404,320	15,000	46,803	13%
<b>Total excluding acquired Karusel Hypermarkets**</b>	<b>609,209</b>	<b>659,840</b>	<b>685,064</b>	<b>25,224</b>	<b>75,854</b>	<b>12%</b>
Acquired Karusel Hypermarkets**	-	132,014	137,952	5,938	137,952	
<b>Total including acquired Karusel Hypermarkets**</b>	<b>609,209</b>	<b>791,854</b>	<b>823,016</b>	<b>31,162</b>	<b>213,807</b>	<b>35%</b>

\* One supermarket located in the Vladimir region has been reclassified to Moscow & the Moscow region

\*\* Acquired Karusel hypermarkets include 23 hypermarkets operating at the time of the acquisition and one hypermarket under construction that was opened in Q3

## Appendix V: Net Store Addition by Format and Region

# of Stores	31-Dec-07	As of 30-Jun-08	30-Sep-08	Net Added in Q3 '08	Net Added in 9M '08	% change vs 31-Dec-07
<b><u>Moscow &amp; the Moscow Region</u></b>						
Hypermarkets	4	4	5	1	1	25%
Supermarkets	105	109	110*	1*	5*	5%
Soft Discounters	309	334	348	14	39	13%
<b>Total excluding acquired Karusel Hypermarkets**</b>	<b>418</b>	<b>447</b>	<b>463</b>	<b>16</b>	<b>45</b>	<b>11%</b>
Acquired Karusel Hypermarkets**	-	4	5	1	5	
<b>Total including acquired Karusel Hypermarkets**</b>	<b>418</b>	<b>451</b>	<b>468</b>	<b>17</b>	<b>50</b>	<b>12%</b>
<b><u>St. Petersburg &amp; North-West</u></b>						
Hypermarkets	-	-	-	-	-	
Supermarkets	19	18	18	-	-1	-5%
Soft Discounters	244	259	267	8	23	9%
<b>Total excluding acquired Karusel Hypermarkets**</b>	<b>263</b>	<b>277</b>	<b>285</b>	<b>8</b>	<b>22</b>	<b>8%</b>
Acquired Karusel Hypermarkets**	-	15	15	-	15	
<b>Total including acquired Karusel Hypermarkets**</b>	<b>263</b>	<b>292</b>	<b>300</b>	<b>8</b>	<b>37</b>	<b>14%</b>
<b><u>Regions</u></b>						
Hypermarkets	11	12	13	1	2	18%
Supermarkets	55	63	63*	-*	8*	15%
Soft Discounters	121	169	179	10	58	48%
<b>Total excluding acquired Karusel Hypermarkets**</b>	<b>187</b>	<b>244</b>	<b>255</b>	<b>11</b>	<b>68</b>	<b>36%</b>
Acquired Karusel Hypermarkets**	-	4	4	-	4	
<b>Total including acquired Karusel Hypermarkets**</b>	<b>187</b>	<b>248</b>	<b>259</b>	<b>11</b>	<b>72</b>	<b>39%</b>
<b><u>X5 Retail Group</u></b>						
Hypermarkets	15	16	18	2	3	20%
Supermarkets	179	190	191	1	12	7%
Soft Discounters	674	762	794	32	120	18%
<b>Total excluding acquired Karusel Hypermarkets**</b>	<b>868</b>	<b>968</b>	<b>1,003</b>	<b>35</b>	<b>135</b>	<b>16%</b>
Acquired Karusel Hypermarkets**	-	23	24	1	24	
<b>Total including acquired Karusel Hypermarkets**</b>	<b>868</b>	<b>991</b>	<b>1,027</b>	<b>36</b>	<b>159</b>	<b>18%</b>

\* One supermarket located in the Vladimir region has been reclassified to Moscow & the Moscow Region

\*\* Acquired Karusel hypermarkets include 23 hypermarkets operating at the time of the acquisition and one hypermarket under construction that was opened in Q3

**Appendix VI: Financial Calendar for 2008**

Date	Event
4 December 2008, TBC	Q3 2008 Financial Results Release