



DIXY GROUP
PRESS-RELEASE

**DIXY GROUP ANNOUNCES 48% REVENUE GROWTH IN US DOLLARS FOR
FIRST 6 MONTHS OF 2008**

Moscow, Russian Federation, July 29, 2008

Dixy Group – one of the leading food retailers in the Russian Federation - has announced robust revenue growth of 48% in US dollar terms (36% growth in Russian ruble terms) for the six months ended 30 June 2008 over the same period in 2007.^{1,2}

Dixy Group's total revenue for the first half of 2008 was USD 964.4 million, a 48% increase compared to USD 652 million the first half of 2007. In Russian ruble terms, revenue increased to RUR 23,092 million, a 36% increase compared to RUR 17,010 million for the first half of 2007.³

Retail revenue from Megamart for the first half of 2008 was USD 92.7 million (RUR 2,219 million), which was 84.3% (69.2% in RUR) higher than in the same period last year.

Retail revenue from Minimart for the first half of 2008 was USD 34.7 million (RUR 831.7 million), which was 82.1% (67.1% in RUR) higher than in the same period last year.

Retail revenue from VMart for the first half of 2008 was USD 3.99 million (RUR 95.5 million).

Following exchange rates were used for converting Russian Rubles to US dollars:

Exchange Rate according to CBR⁴	2007	2008
Average (6 month), RUR/USD	26.0827	23.9440

¹ Revenue figures are based on internal management reports and have not been audited.

² All revenue figures provided in this press release, including like-for-like calculations, do not include VAT.

³ Total revenue includes retail revenue and other revenue, which consists of income from subleases and marketing revenue.

⁴ Exchange rate is an average rate for the period calculated using official daily rate of Central Bank of Russian Federation.



Key operating and financial data for the six months ended 30 June 2008 and 2007

<i>At the end of</i>	<i>30 June 2007</i>	<i>30 June 2008</i>	<i>Growth</i>
Number of stores	347 ⁵	403 ⁶	16%
Selling space (sq.m.)	134,019	157,514	18%
<i>For the six months period ending</i>	<i>30 June 2007</i>	<i>30 June 2008</i>	<i>Growth</i>
Revenue (RUR)	17,009 million	23,091 million	36%
Revenue (USD)	652 million	964 million	48%
Store openings			
Dixy	23	16	
Megamart	0	1	
Minimart	0	0	
VMart	0	2	

⁵ Two Dixy stores were closed during the period from 30 June 2007 to 31 December 2007 due to changing market and competitive conditions.

⁶ Four Dixy stores were closed during the period from 1 January 2008 to 30 June 2008 due to changing market and competitive conditions.



Like-for-Like (LFL) Sales in Russian ruble and USD Terms

During the first half of 2008 the Company increased its revenue in terms of LFL Sales by an average of 17.24% in Russian ruble terms (26.3% in USD), driven by the Company's continuous efforts to increase the efficiency of each of its retail formats and attractiveness for customers, which led to higher customer traffic, and, as a result, a higher average ticket size.

For the purposes of internal reporting and planning, the Company includes in its LFL comparison only those stores that were open for at least twelve months before the beginning of the period under review, which the Company believes gives the stores time to reach maturity. The Company views this calculation as the most conservative and prudent as it reflects only the performance of mature stores. For purposes of this release, LFL revenues are for stores opened before January 1, 2006.

For the purposes of comparison of its results with relevant peers in Russia, the Company also presents LFL calculations based on stores that were opened before June 1, 2007 (i.e. twelve months prior to the beginning of the last month of the reporting period), which includes stores that were not fully mature in the comparison period (i.e. stores opened between January 1, 2006 and June 1, 2007).

	<i>On stores opened</i>					
	<i>before January 1, 2006*</i>			<i>before June 1, 2007**</i>		
	TOTAL	number of tickets	average ticket	TOTAL	number of tickets	average ticket
DIXY (RUR)						
Central Fed. Distr.	17.66%	-0.27%	18.04%	22.43%	2.53%	20.71%
North - West. FD	24.11%	7.12%	15.94%	29.30%	10.42%	17.19%
Urals FD	12.92%	-3.84%	17.51%	17.89%	-0.22%	18.52%
TOTAL Dixy (RUR)	19.07%	1.56%	17.40%	24.01%	4.56%	19.52%
Megamart (Urals)	4.82%	-1.93%	6.60%	9.94%	0.92%	8.98%
Minimart (Urals)	14.13%	-2.11%	16.48%	36.10%	8.53%	26.64%
TOTAL GROUP (RUR)	17.24%	1.36%	16.56%	23.09%	4.68%	19.15%
TOTAL GROUP (USD)	26.30%	1.36%	25.56%	32.59%	4.68%	26.55%

* LFL Block includes 139 "DIXY" stores, 4 "MEGAMART" stores and 1 "MINIMART" store

** LFL Block includes 242 "DIXY" stores, 5 "MEGAMART" stores and 6 "MINIMART" stores. For stores opened after January 1, 2007, takes into account sales generated by that store during the same months it was in operation in both the reporting period and the comparison period.



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OJSC DIXY Group (RTS, MICEX: DIXY) is one of the leading Russian companies operating in the food retail and FMCG market.

The first DIXY store opened in 1999 in Moscow. As of June 30, 2008, the Group operated 403 stores, including 380 Dixy (discounter) stores, 9 Megamart (compact hypermarket) stores, 7 Minimart (supermarket) stores and 7 VMart (on-the-go convenience) stores in three Federal Districts of Russia: Central, Northwest and Urals.

In May 2007 the Company completed an IPO on RTS and MICEX, in which it raised USD 360 million. The controlling stake of OJSC DIXY Group (51%) is owned by the Mercury Group of Companies.

In 2007, DIXY's net sales reached USD 1.43 billion (USD 1.00 billion in 2006). Net sales for the first half of 2008 were USD 964 million. As of 30 June 2008, the Company had a total of 157,514 sq.m. of selling space and employed 15,417 people.

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