



DIXY GROUP
PRESS-RELEASE

**DIXY GROUP ANNOUNCES 35% REVENUE GROWTH IN RUSSIAN RUBLES FOR
9 MONTHS OF 2008**

Moscow, Russian Federation, October 28, 2008

Dixy Group – one of the leading food retailers in the Russian Federation - has announced robust revenue growth of 35% growth in Russian ruble terms (45% in US dollar terms) for the nine months ended 30 September 2008 over the same period in 2007.^{1,2}

Dixy Group's total revenue for the first nine months of 2008 was RUR 34,594 million, a 35% increase compared to RUR 25,606 million for the first nine months of 2007.³ In USD terms total revenue increased to 1,439 million, a 45% increase compared to USD 989 million for the same period of 2007.

Retail revenue from Dixy for the nine months of 2008 was RUR 29,376 million (USD 1,222 million), which was 31% in RUR (41% in USD) higher than in the same period last year.

Retail revenue from Megamart for the nine months of 2008 was RUR 3,483 million (USD 145 million), which was 69% in RUR (82% in USD) higher than in the same period last year.

Retail revenue from Minimart for the eight months of 2008 was RUR 1,260 million (USD 52 million), which was 69% in RUR (82% in USD) higher than in the same period last year.

Retail revenue from VMart for the eight months of 2008 was RUR 160 million (USD 6.7 million).

Revenue from other activities, such as marketing revenue, sublease income and wholesale revenue amounted to RUR 315 million (USD 13 million).

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

Exchange Rate according to CBR⁴	2007	2008
Average (9 months), RUR/USD	25.8905	24.0454

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

² All revenue figures provided in this press release 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 Russia.



Key operating and financial data for the eight months ended September 30, 2008 and 2007

<i>At the end of</i>	<i>30 September 2008</i>	<i>30 September 2007</i>	<i>Growth</i>
Number of stores	425 ⁵	363 ⁶	17%
Net Selling space (sq.m.)	166,823	144,362	16%
 <i>For the nine months</i>			
<i>period ending</i>	<i>30 September 2008</i>	<i>30 September 2007</i>	<i>Growth</i>
Revenue (RUR)	34,594 million	25,606 million	35%
Revenue (USD)	1,438 million	989 million	45%
Store openings	37	40	
Dixy	29	37	
Megamart	3	2	
Minimart	0	1	
VMart	5	0	

Commenting on the Group's performance, the President of the DIXY Group of Companies Vitaliy Klyuchnikov, said:

“The Company continues to develop according to a plan, in spite of the crisis on the financial markets. Sales growth has stabilized on the earlier reached level of 35% in Russian roubles (45% in USD). As of October 27, 2008 the Company has opened 53 stores, which is in line with the plan approved at the beginning of the year. Last week we opened the first DIXY store in the new region of Vologda and right now our stores are present in 16 federal regions of Russia. Before the yearend we intend to open more than 50 new stores, which were financed, for the most part, during the last several months.”

⁵ Six Dixy stores were closed during the period from 1 January 2008 to 30 September 2008 due to changing market and competitive conditions.

⁶ Three Dixy stores were closed during the period from 1 January 2007 to 30 September 2007 due to changing market and competitive conditions.



LFL Sales in RUR & USD

During the first nine months of 2008 the Company achieved high Like-for-Like Sales of 17% reflecting the Company's efforts to increase the effectiveness of its retail formats and attractiveness of its various store formats resulting in higher average check size.

For purposes of internal reporting and planning we include in like-for-like store base only stores which were opened twelve months before the beginning of the start of the comparison period thus giving the stores time to achieve maturity. We view this calculation as the most conservative and prudent as it reflects the performance of the mature stores. We include in this base stores opened before 01.01.06

For the purposes of comparison of our results with those published by our peers in Russia, we also present dynamic like-for-like store base calculation. We include in this base stores, which were opened before 01.09.07. Note that the latter calculation shows not just the performance of mature stores in our definition, but also the results of stores, which were opened during 01.01.2006 and 01.09.2007, which are still maturing (as we define them).

9 months	On stores opened					
	before January 1, 2006*			before September 1, 2007**		
	TOTAL	number of tickets	average ticket	TOTAL	number of tickets	average ticket
DIXY (RUR)						
Central Fed. District	17.57%	-1.02%	18.79%	21.70%	1.15%	20.32%
North-West FD	23.38%	6.33%	16.03%	27.42%	8.76%	17.16%
Urals FD	12.80%	-3.91%	17.39%	16.72%	-1.50%	18.51%
TOTAL DIXY (RUR)	18.92%	1.03%	17.71%	23.03%	3.23%	19.18%
Megamart (Urals)	4.23%	-2.66%	7.07%	12.22%	1.04%	11.06%
Minimart (Urals)	12.57%	-3.47%	16.62%	33.74%	6.47%	25.61%
TOTAL GROUP (RUB)	16.90%	0.80%	15.98%	22.35%	3.40%	18.33%
TOTAL GROUP (USD)	25.86%	0.80%	24.87%	31.72%	3.40%	27.39%

* LFL Block includes 131 "DIXY" stores, 4 "MEGAMART" stores and 1 "MINIMART" store

** LFL Block includes 254 "DIXY" stores, 7 "MEGAMART" stores and 7 "MINIMART" stores



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Press release

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 September 30, 2008, the Group operated 425 stores, including 397 Dixy (discounter) stores, 11 Megamart (compact hypermarket) stores, 7 Minimart (supermarket) stores and 10 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 total revenue reached USD 1.43 billion (USD 1.00 billion in 2006). Total revenue for the 9 months of 2008 was USD 1 439 million. As of September 30, 2008, the Company had a total of 166,823 sq.m. of net selling space and employed 15,854 people.

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