

**PRESS RELEASE**

**24 April 2007**

**Open Joint-Stock Company DIXY GROUP  
Intention to Float on the RTS and MICEX**

Open Joint-Stock Company DIXY GROUP (“Dixy” or the “Company”), one of the leading Russian food retailers, announces its intention to proceed with an initial public offering of its ordinary shares (the “Offering”).

The ordinary shares will be offered to investors in the Russian Federation and to investors outside the United States and the Russian Federation in reliance on Regulation S under the U.S. Securities Act of 1933. It is planned that the shares will receive a category “I” listing on the RTS and admission to trading on the MICEX.

The Offering will be structured as the sale of existing shares currently owned by Dixy Holding Ltd. (the “Selling Shareholder”). The Selling Shareholder, which currently owns 100 per cent. of the Company’s share capital, has indicated its intention to use a part of the proceeds received from the Offering to pay for new shares in a closed subscription in favour of the Selling Shareholder which the Company will conduct immediately following the Offering. The price for the closed subscription will be the equivalent of the Offering price net of the portion of fees and expenses incurred in connection with the Offering attributable to the Company. The Company intends to use the proceeds from the closed subscription to fund its future growth.

Commenting on the proposed Offering, Oleg Leonov, the founder and Chairman of the Company’s Board of Directors, said:

“Our plans for a listing on the RTS and admission to trading on MICEX mark an important step in the development of Dixy into a leading value-added retailer in Russia and will help finance the Company’s continued strong growth. The proceeds of the Offering will be in part payable to Dixy via the closed subscription to finance the roll out of our retail network”.

Deutsche Bank and Renaissance Capital are acting as Joint Global Coordinators and Joint Bookrunners of the Offering. TRUST Investment Bank is acting as the Co-Lead Manager of the Offering.

Enquiries:

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**Notes to editors:**

*Dixy Group is one of the largest Russian food retailers by revenue. As of 15 April 2007, the Company operated 333 stores located in urban and suburban areas, of which 184 were located in the Central District, 99 were located in the North-Western District and 50 were located in the*

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*Urals District. Dixy Group operates three separate store formats: discounter, economy supermarket and compact hypermarket under the brand names Dixy, Minimart and Megamart, respectively. For the year ended 31 December 2006, consolidated revenue was RUR 27,436 mln (US\$ 1,009 mln), gross profit was RUR 5,718 mln (US\$ 210 mln).*

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