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OJSC DIXY GROUP announces pricing of its Initial Public Offering at US\$14.40 per Share

Moscow, Russian Federation, 21 May 2007. Open Joint-Stock Company DIXY GROUP (“Dixy”, “Company”) today announces the pricing of its Initial Public Offering of ordinary shares (“Shares”) at US\$14.40 per Share.

- The Offering is structured as the sale of 24,999,999 existing Shares by Dixy Holding Ltd. (the “Selling Shareholder”), representing 50% less one share of the Company’s existing charter capital (41.67% following the issuance of 10,000,000 new shares as part of a closed subscription as described below).
- The total deal size is approximately US\$360 million.
- The Shares were allocated among a large number of domestic and international investors.
- The Selling Shareholder has agreed to use a proportion of the Proceeds received by it from the Offering to pay for 10,000,000 new shares issued by the Company in a closed subscription in favor 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 referred to above, net of certain fees and expenses incurred in connection with the Offering. The Company intends to use the proceeds received by it in the closed subscription, expected to amount to approximately USD133.1 million, to fund its future growth, including the purchase of real estate and opening of new stores, and to repay a bridge loan.
- The Shares have been included into quotation list “I” on the RTS Stock exchange and have been admitted to trading on MICEX. Dealing in the Shares on MICEX and the RTS under the symbol “DIXY” will commence on or about 24 May 2007.

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.

Commenting on today’s announcement, Oleg Leonov, the founder and Chairman of the Company’s Board of Directors, said: “We consider our IPO to be an important step in the history of the Company which we believe will help us to strengthen our position in the Russian food retail market”.

Enquiries:

In the first instance all enquiries to:

Fedor Rybasov, Dixy Group, General Director Tel. (+7 495) 933 1450

About Dixy:

OJSC “DIXY GROUP” (“Dixy”, “Company”) is one of the leading Russian food retailers. Dixy has expanded its business aggressively, from 25 stores as of 31 December 2000, to a total of 338 stores as of 30 April 2007. As of the same date the Company operated 327 Dixy format stores, six Minimart format stores and five Megamart format stores. The Company operates in three core districts of the Russian Federation: Central, North-Western and Urals. The Company had total revenues of US\$1,009.2 million and US\$709.4 million and net income of US\$9.0 million and US\$10.1 million, for the years ended 31 December 2006 and 2005, respectively.

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