

# X5 Business Model: Multi-Format Leadership & Operational Excellence

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CEO

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- Build multi-format success
- Strengthen value propositions
- Drive LFL and top line growth

**Customer Focus**



**Operational Excellence**



**Financial Discipline**

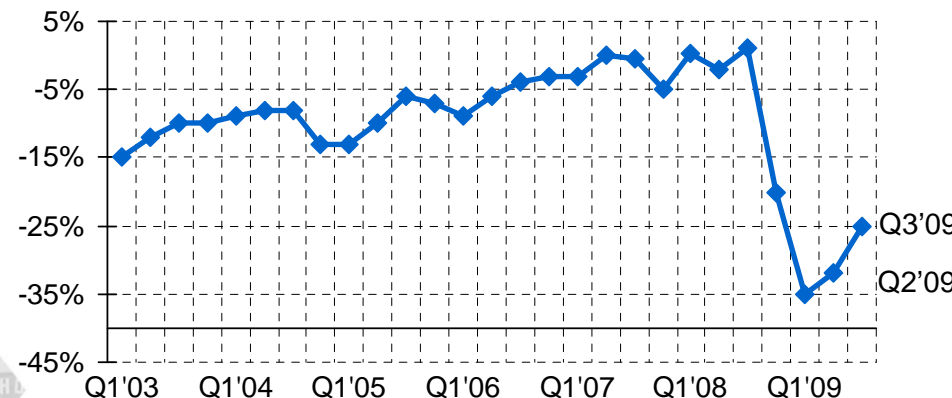
**Profitable Growth & Long-Term Leadership**

## ...Was Substantially Affected by the Economic Crisis

- Russian consumer confidence index (CCI) dropped to -35% in Q1 2009
- It is the lowest level of CCI since Q4 1999
- In Q2 09 and Q3 09 the index marginally recovered, indicating that a growing number of Russians believe the economy will improve next year

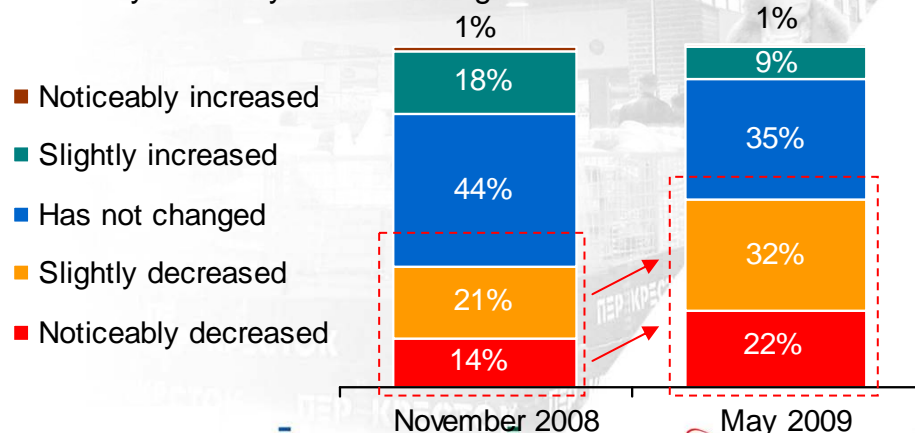
### Consumer Confidence at Lowest Level Since '99

Rosstat's Consumer Confidence Index<sup>(1)</sup>



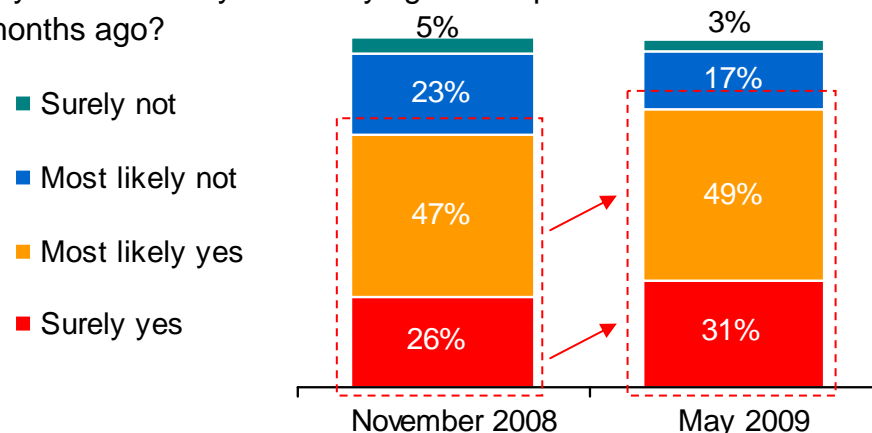
### On the Back of Declining Incomes<sup>(2)</sup> ...

How has your family income changed over the last 3 months?



### ...Forcing Trading Down Behavior<sup>(2)</sup>

Are you more thrifty when buying FMCG products now than 3 months ago?



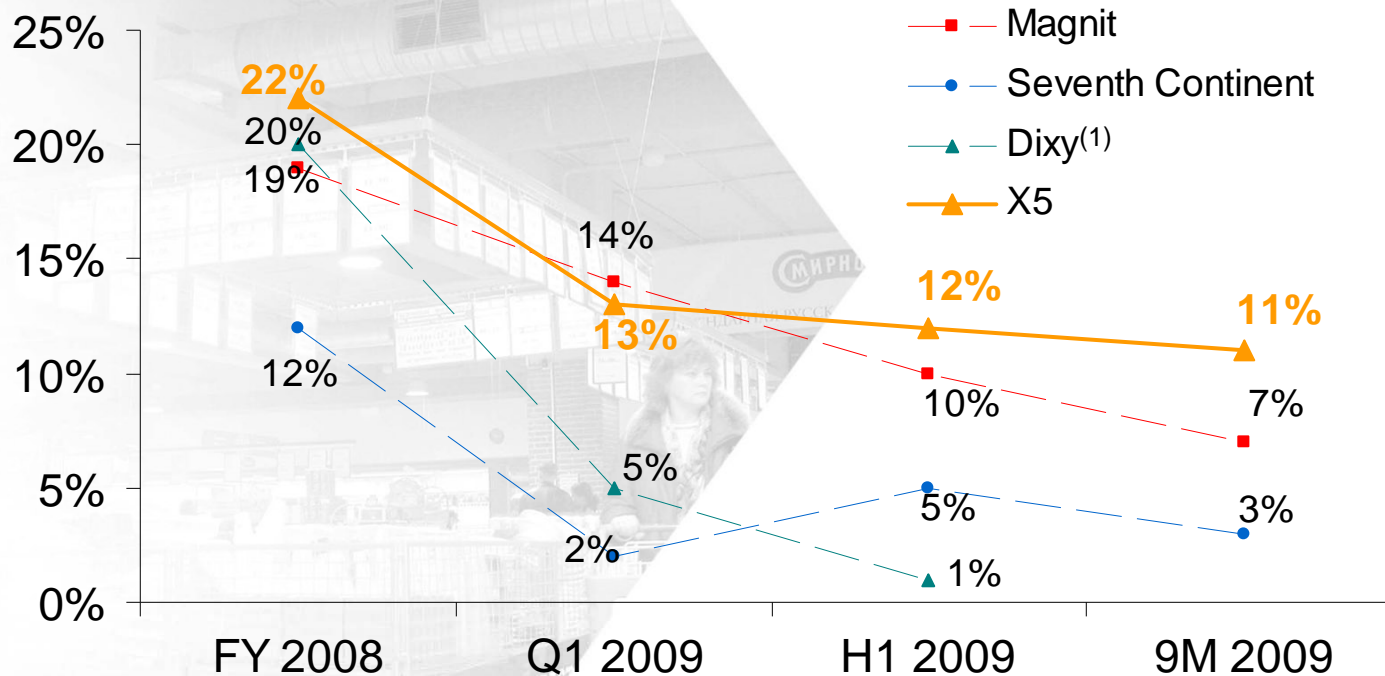
Source: (1) Rosstat; (2) Nielsen, Shopper Trends 2009, 25 August 2009, 500 respondents in Moscow, Samara, Yekaterinburg, Novosibirsk, Rostov-on-Don, Nizhny Novgorod and Samara



## X5's LFL Performance is Stable vs Competition Thanks to Multi-Format Approach

### X5 LFL Performance vs Competition

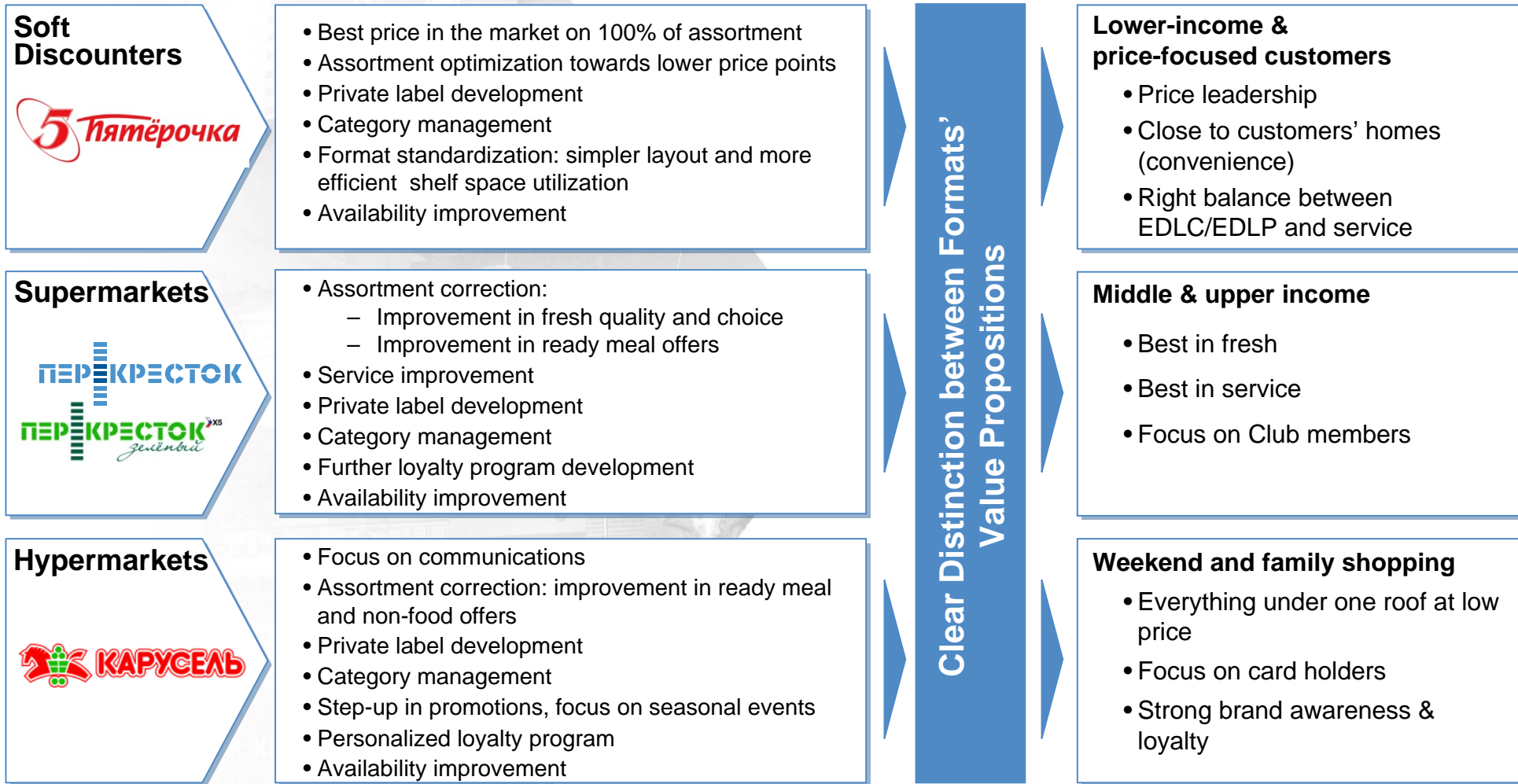
LFL Sales Growth



(1) Dixy has not provided its Q3 results yet



**Fine-Tuning of Formats' Value Proposition to Match Long-Term Leadership Goal**





Customer  
Focus

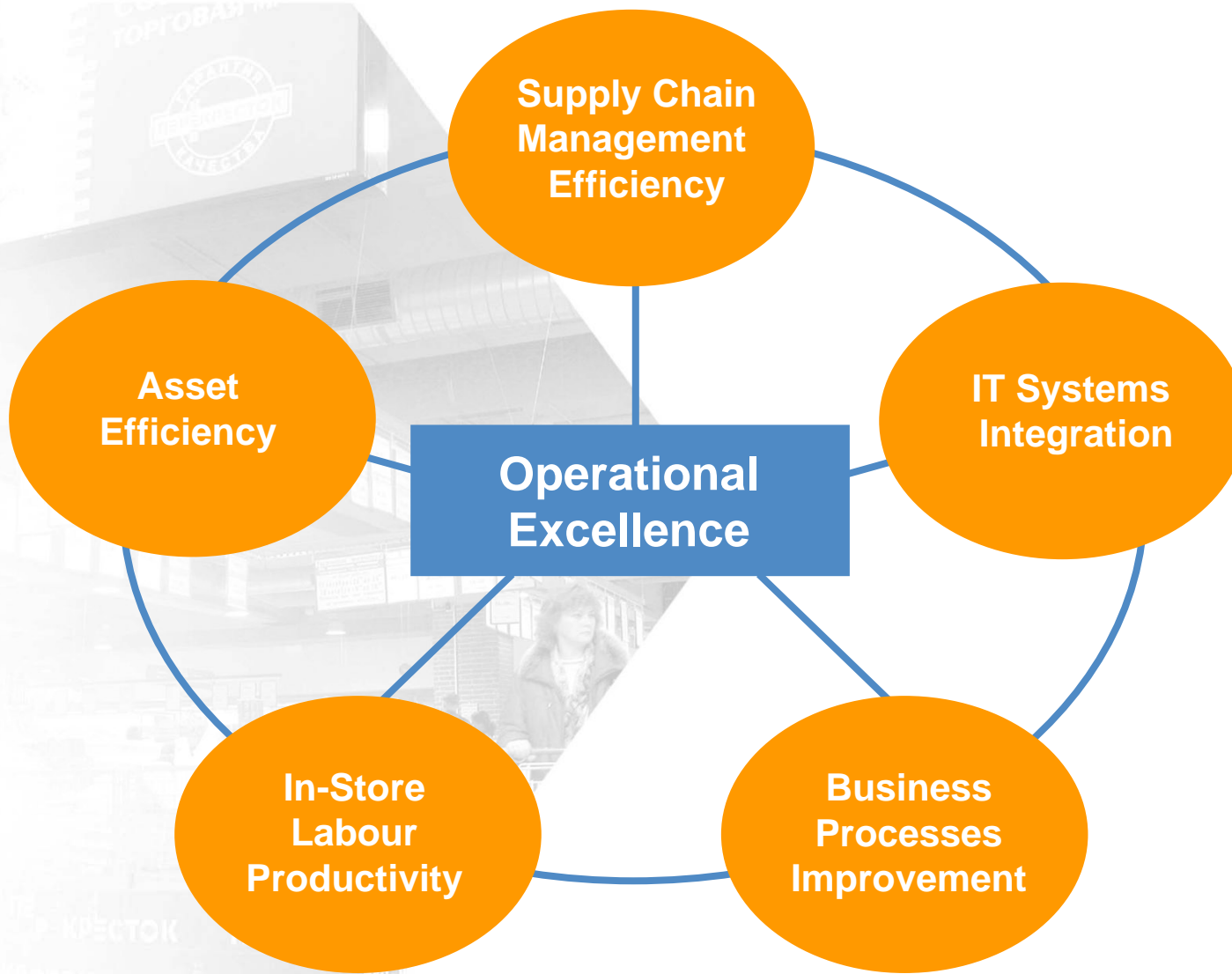
- Build supply chain advantages
- Drive efficiency and margins
- Ensure support for long-term growth

Operational  
Excellence



Financial  
Discipline

Profitable Growth & Long-Term Leadership



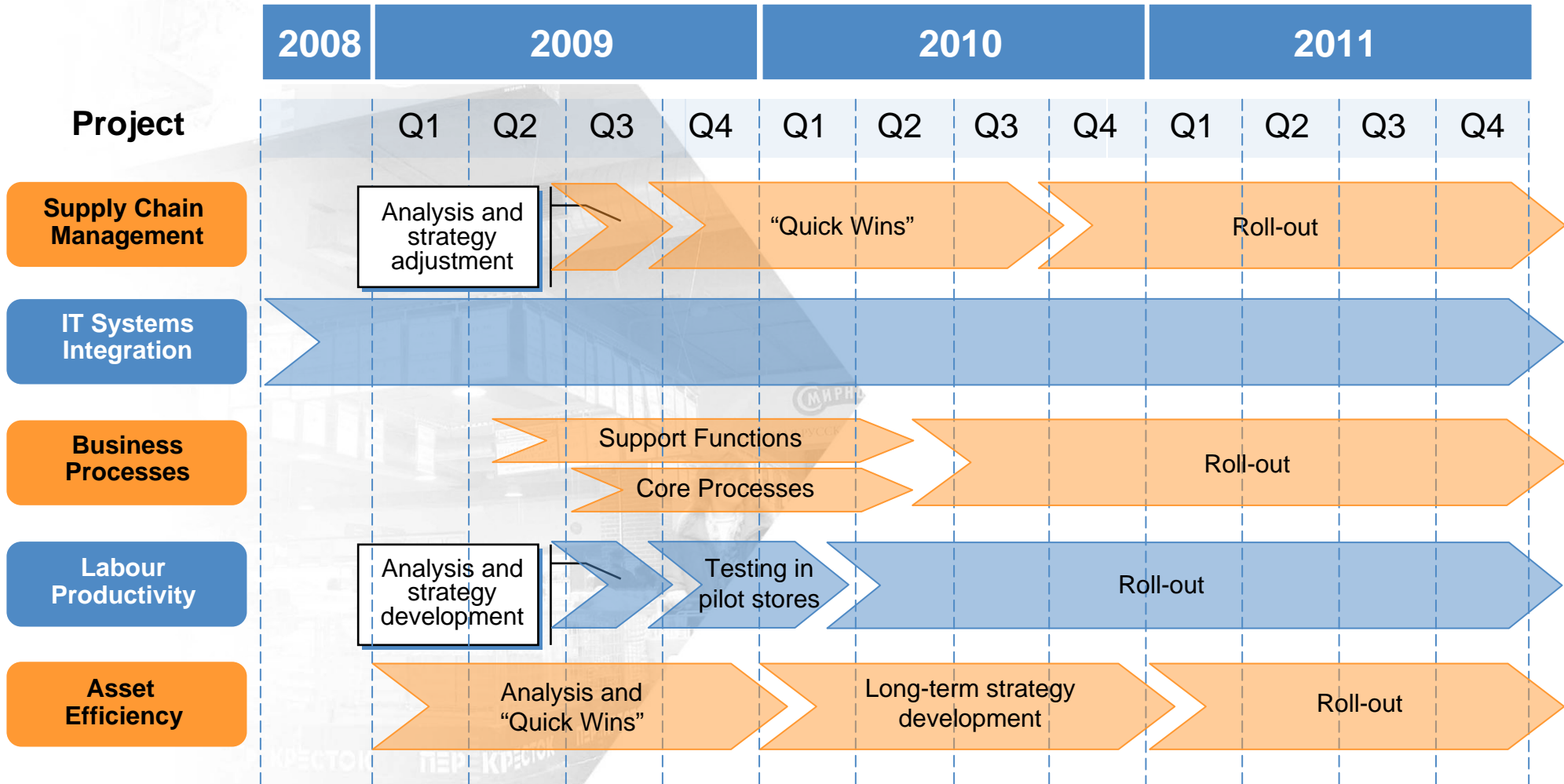




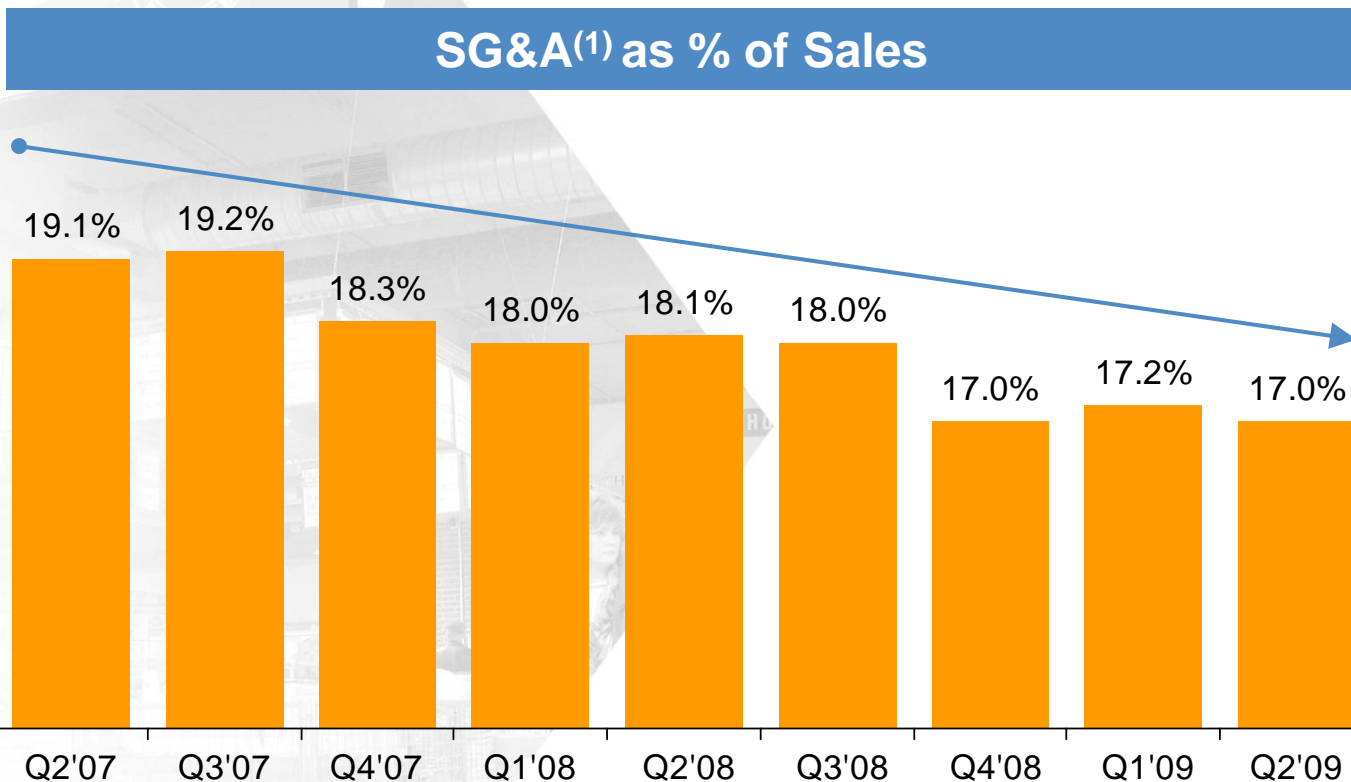
...will Impact Every Area of X5's Business

Project	Support of Long-Term Scalable Expansion	Sales Growth	Cost Savings	Working Capital Improvement
Efficient Supply Chain Management				
IT Systems Integration				
Business Processes Improvement				
Labour Productivity Improvement				
Efficient Asset Employment				

**Roadmap**



**...is Multi-Year but We Are Already Delivering Results**



(1) Excluding Depreciation and Amortization



**Customer  
Focus**



**Operational  
Excellence**

- Cash generation
- Disciplined growth
- Liquidity management

**Financial  
Discipline**

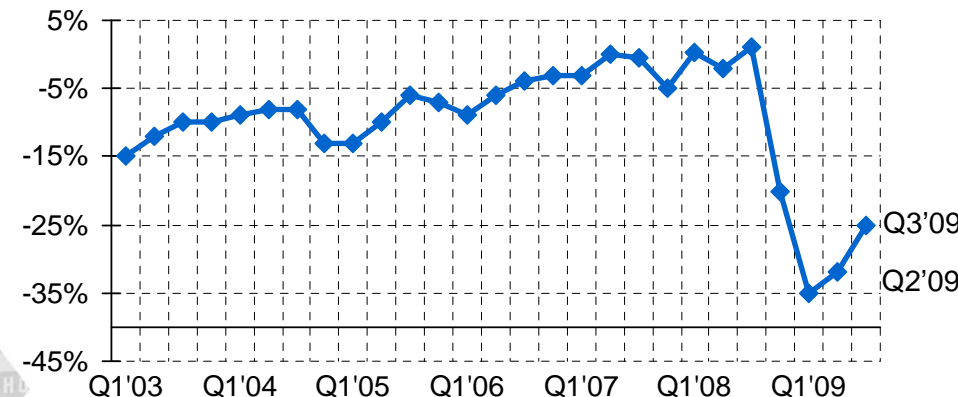
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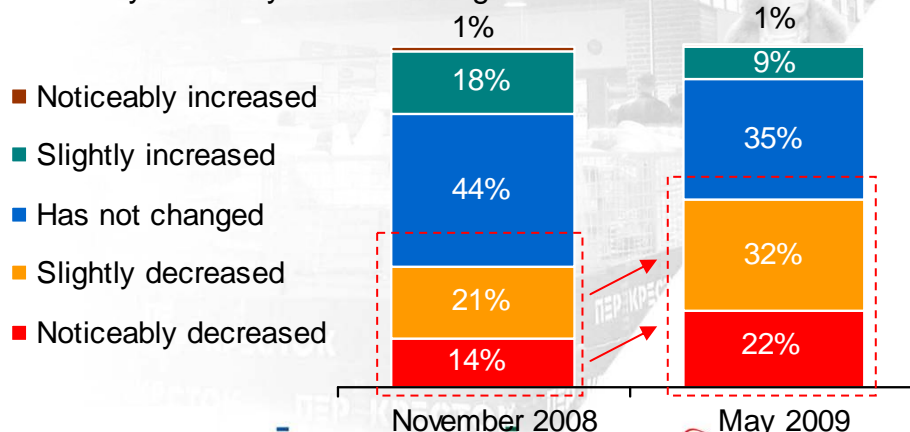
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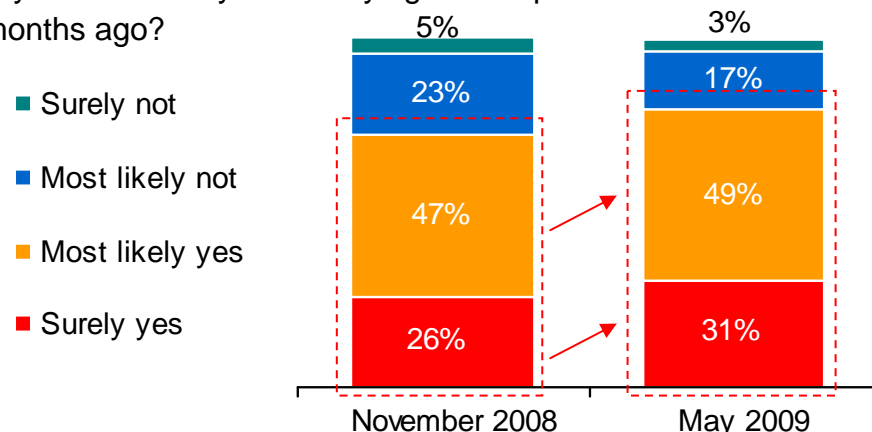
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**THANK YOU!**