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**PYATEROCHKA AGREES TO ACQUIRE
KOPEIKA STORES IN ST PETERSBURG**

Pyaterochka Holding NV, Russia's leading grocery retailer, today announces that it has reached agreement in principle to acquire 18 of the 24 Kopeika stores in St Petersburg. With the acquisition of these stores Pyaterochka would bring its total number of outlets in St Petersburg to 140 and acquire an additional 7,200 sq.m. selling space in the city.

The purchase price for the 18 stores has been agreed as \$60.8 million and the acquisition is expected to be finalised within the next month.

Pyaterochka intends that the Kopeika stores will be rebranded as part of the Pyaterochka network during a thirty-day conversion period and will stock Pyaterochka's range of products. Average sales per acquired Kopeika store are estimated at \$6 million for 2005.

Commenting on the transaction, Oleg Vysotsky, Chief Executive Officer of Pyaterochka said, *"Given their similar size and discount format, we believe the Kopeika stores would be a good fit with the Pyaterochka model and intend to integrate quickly the new stores within the existing business"*

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Notes to Editors:

About Pyaterochka

Pyaterochka is the largest grocery retailer in Russia in terms of sales, with a chain of 235 stores located in the Moscow and St. Petersburg areas as at 31 December 2004. In addition to the company's own stores, franchisees operate stores under the Pyaterochka brand in the Russian regions outside the Moscow and St. Petersburg areas and in Kazakhstan and Ukraine (207 stores as at 31 December 2004).

Pyaterochka's stores are conveniently located "soft" discount stores, open seven days a week from 9am to 10pm, offering a product range of up to 3,500 items that cover the day-to-day needs of customers.