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**PYATEROCHKA HOLDING N.V.
RESULTS FOR 6 MONTHS ENDING 30 JUNE 2005**

CONTINUING GROWTH IN LINE WITH IPO EXPECTATIONS

Pyaterochka Holding N.V. ("Pyaterochka" or "the Company") today announces its consolidated financial results for the 6 months ending 30 June 2005 in accordance with IFRS.

Financial highlights

- » Gross banner sales totalled USD 947 million up 28% from USD 738 million in H1 2004
- » Net sales reached USD 638.2 million up 20% from H1 2004
- » EBITDA up 46% to USD 75.9 million
- » Net Income at USD 47.3 million up 38% on the same period last year
- » Strong growth in profitability driven by increasing private label contribution and lower purchasing costs
 - Gross margin of 24.0% vs 21.4% in H1 2004
 - EBITDA margin of 11.9% vs 9.7% in H1 2004
- » Robust organic cash flow profile, generating USD 47.4 million of net cash from operating activities
- » Full Year expectations:
 - H2 2005 sales expected to represent 60% of total FY 2005 sales
 - EBITDA margin in line with H1 2005
 - New store openings to exceed target

Operating Highlights

- » Total number of stores operating under Pyaterochka's brand reached 616 on 1 September 2005 up 39% since the beginning of this year
- » Store openings on target - 77% of FY 2005 target of 70 new store openings achieved by 1 September
 - 28 stores opened by 30 June, total 54 stores opened by 1 September
- » Continued strong growth of franchisees reaching 327 stores as of 1 September, up 58% from 207 stores from 1 January 2005

Commenting, Mr. Vysotsky, the CEO of Pyaterochka Holding, said:

"We are very pleased to announce these first half results today. We have continued both to expand our network of stores, and to increase our margins, and look to the second half of the year with confidence."

First Half Review

Pyaterochka maintained its high rate of organic growth, supported by value-enhancing acquisitions.

In H1 2005, Pyaterochka opened 28 stores and added further 26 stores in July and August, bringing the total number of company-managed stores to 289 by 1 September, including 17 of the 18 acquired Kopeika stores in St. Petersburg which have been re-branded and are now fully operational under Pyaterochka's brand. This represents an increase of approximately 23% from 235 stores as of 1 January 2005. A total of 54 company-managed stores opened in the first eight months representing 77% of the FY 2005 target of 70 store openings and confirms Pyaterochka's ability to meet this target over the remaining four months of 2005.

Pyaterochka's real estate pipeline remains robust for the next 18-24 months, and is now supported by framework agreements, entered into with the governments of the Moscow and Leningrad regions. Under these agreements, Pyaterochka expects to secure a number of suitable land plots for new store construction.

Pyaterochka's franchisees have also demonstrated significant growth, bringing the total franchise stores to 327 as of 1 September 2005, an increase of 58% from 207 franchise stores as of 1 January 2005. Five additional master franchise agreements have been signed with new regions since the beginning of this year. Pyaterochka now has franchise operations in 15 Russian regions, as well as in Ukraine and Kazakhstan. In addition, the company has begun its programme of selective consolidation of regional operations with the successful acquisition in June of the Yekaterinburg franchisee. Other discussions with existing franchise partners are currently under way.

In H1 2005, Pyaterochka's consolidated net sales were USD 638.2 million, representing 20% growth from USD 523.6 million in H1 2004.

In H1 2005, Pyaterochka's gross profit comprised USD 152.9 million, an increase of 34% from gross profit of USD 114.1 million in H1 2004. Strong improvement in gross profit margin has been primarily driven by significant increases in supplier bonuses, both related to ongoing purchasing and stocking of new store openings.

Operating income in H1 2005 increased by 47% to USD 66.2 million from USD 45 million in H1 2004.

As a result, Pyaterochka recorded EBITDA of USD 75.9 million in H1 2005, representing an increase of 46% from USD 51.9 million in H1 2004. Net income comprised of USD 47.3 million in H1 2005, an increase of 38% from USD 34.3 million in H1 2004. Pyaterochka maintains its FY 2005 EBITDA and net income targets.

During H1 2005, Pyaterochka maintained a robust cash flow profile, generating USD 47.4 million of operating cash flow, largely covering USD 51.1 million of organic capex.

The USD 60.9 million acquisition of Kopeika stores in June was largely financed by a USD 59.2 million loan to Pyaterochka from its founding shareholders. The acquisition price was payable in installments, of which USD 12 million was paid in June, with the balance being paid in July and August.

In May, Pyaterochka issued a 5-year, 11.45% annual coupon, 1.5 billion Russian ruble bond (equivalent to USD 52.3 million). Net debt as of 30 June 2005 comprised USD 106.8 million vs. USD 59.9 million as of 1 January 2005.

- End -

Notes to Editors:

Pyaterochka is the largest grocery retailer in Russia in terms of sales, with a total of 616 stores operating under the Pyaterochka brand as of 1 September 2005, of which 289 are company-owned stores located in the Moscow and St. Petersburg areas. In addition to the company-owned stores, franchisees operate stores under the Pyaterochka brand in 15 Russian regions outside the Moscow and St. Petersburg areas, and in Kazakhstan and Ukraine (327 stores as at 1 September 2005).

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.

Analysts and Investors Conference Call

The teleconference will be held on the morning of Tuesday 13 September 2005, following the release of the First Half 2005 results earlier this morning. It will be hosted by David Noble, Chairman of the Supervisory Board, Angelika Lee, CFO, Victor Beliaikov, Board Director and Tanja Djurdjevic, Investor Relations Manager.

Teleconference Details:

DATE: Tuesday, 13 September 2005
TIME: 09:30 UK time
DIAL IN TEL: +44 (0)20 8322 3372

The Conference Call, including Q&A’s, will last approximately 1 hour.

<p>Enquiries to: Tanja Djurdjevic Investor Relations Manager Mobile +7 095 724 6414 Email ir@e5.ru</p>	<p>Citigate Dewe Rogerson David Westover / Marina Zakharova +44 (0)20 7282 8226 / 1079</p>
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PYATEROCHKA HOLDING N.V.

CONSOLIDATED BALANCE SHEETS

As of June 30, 2005 and December 31, 2004

	30.06.2005 '000 USD	31.12.2004 '000 USD
ASSETS		
NON-CURRENT ASSETS:		
Property, plant and equipment	215,356	198,261
Construction-in-progress	56,566	38,679
Long-term prepayments	6,511	3,950
Other long-term assets	11,955	-
	<u>290,388</u>	<u>240,890</u>
DEFERRED TAX ASSETS	<u>3,033</u>	<u>2,870</u>
CURRENT ASSETS:		
Inventories	32,841	39,778
Receivables and prepayments	91,595	117,361
Cash and cash equivalents	58,003	14,748
	<u>182,439</u>	<u>171,887</u>
TOTAL ASSETS	<u>475,860</u>	<u>415,647</u>
SHAREHOLDERS' EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY:		
Share capital	46,125	45,695
Share premium	6,013	6,213
Retained earnings	97,658	114,094
	<u>149,796</u>	<u>166,002</u>
DEFERRED TAX LIABILITIES	<u>12,126</u>	<u>12,319</u>
NON-CURRENT LIABILITIES:		
Long-term loans	84,311	38,609
Long-term obligations under finance leases	3,271	3,546
	<u>87,582</u>	<u>42,155</u>
CURRENT LIABILITIES:		
Trade accounts payable	114,349	123,939
Short-term loans	77,258	32,519
Other payables and accrued expenses	34,749	38,713
	<u>226,356</u>	<u>195,171</u>
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	<u>475,860</u>	<u>415,647</u>

PYATEROCHKA HOLDING N.V.

CONSOLIDATED INCOME STATEMENT

For the six month periods ending June 30, 2005 and 2004

	<u>30.06.2005</u> <u>'000 USD</u>	<u>30.06.2004</u> <u>'000 USD</u>
REVENUE	638,178	532,576
COST OF SALES	(485,277)	(418,393)
GROSS PROFIT	<u>152,901</u>	<u>114,183</u>
Selling, general and administrative expenses	(86,712)	(69,182)
OPERATING PROFIT	<u>66,189</u>	<u>45,001</u>
Other expenses, net	(3,419)	(1,002)
Finance costs, net	(3,084)	(1,450)
Foreign currency exchange gain	(1,018)	1,505
PROFIT BEFORE INCOME TAX	<u>58,668</u>	<u>44,054</u>
INCOME TAX	(11,336)	(9,759)
NET PROFIT	<u>47,332</u>	<u>34,295</u>

	<u>30.06.2005</u> <u>'000 USD</u>	<u>30.06.2004</u> <u>'000 USD</u>
EBITDA ¹	75,911	51,857
EBITDAR ²	88,122	61,848

¹ EBITDA is defined by the Company as Operating Income plus D&A

² EBITDAR is defined by the Company as EBITDA plus Net Rental Expense

PYATEROCHKA HOLDING N.V.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six month periods ending 30 June 2005 and 30 June 2004

	30.06.2005 '000 USD	30.06.2004 '000 USD
OPERATING ACTIVITIES:		
Profit before income tax	58,668	44,054
Adjustments for:		
Depreciation of property, plant and equipment	9,622	6,812
Amortization of long-term prepayments	100	43
Loss on disposal of property, plant and equipment	2,471	-
Change in provision for doubtful receivables	1,169	675
Interest expense	3,470	1,334
Operating cash flow before movements in working capital	75,500	52,918
Increase in receivables and prepayments	(2,348)	(17,647)
Decrease in inventories	5,798	7,511
Increase / (Decrease) in trade accounts payable	(5,741)	11,671
Decrease in other payables and accrued expenses	(11,389)	(5,559)
Cash provided by operations	61,820	48,894
Income tax paid	(11,602)	(6,602)
Interest paid	(2,781)	(1,681)
	47,437	40,611
INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(36,439)	(29,477)
Construction in progress	(19,614)	(11,256)
Proceeds on disposal of property, plant and equipment	1,089	1,176
Long-term prepayments	(3,157)	(82)
Loans given	(27,977)	(36,089)
Acquisition of other long-term assets	(11,955)	-
	(98,053)	(75,728)
FINANCING ACTIVITIES:		
Proceeds from bank loans	140,438	26,474
Repayments of bank loans	(45,427)	2,303
Net increase in bank overdrafts	51	3,434
Dividends paid	-	(2,336)
Repayment of obligations under finance leases	(713)	(301)
	94,349	24,968
EFFECT OF FOREIGN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS	(478)	210
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	43,255	(9,939)
CASH AND CASH EQUIVALENTS, beginning of period	14,748	14,341
CASH AND CASH EQUIVALENTS, end of period	58,003	4,403

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