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18 May 2006

Pyaterochka Holding N.V.

Completion of Merger of Pyaterochka and Perekrestok

Pyaterochka Holding N.V. ("Pyaterochka") is pleased to announce the completion of its merger with Perekrestok Holdings Limited following fulfilment of all the relevant conditions to the transaction, including receipt of Pyaterochka shareholder approval. As a result of this transaction, Alfa Group, one of the largest and most successful financial investors in Russia and a long-standing investor in the Russian food retail sector, together with certain members of Perekrestok management, will control 54.0% of the Enlarged Group. Andrei Rogachev and Alexander Girda, the founders of Pyaterochka, will retain a combined stake of 21.2% in the Enlarged Group.

Pyaterochka has also today entered into a facility agreement with a number of leading international banks to finance the US\$300 million cash element of the consideration payable for the acquisition of Perekrestok, to refinance the existing debt of Perekrestok and to provide for a capex facility to finance the future development of the Enlarged Group.

Commenting on the completion of the merger, David Noble, Chairman of Pyaterochka's Board of Supervisory Directors said:

"We are delighted to announce the completion of the merger between these two highly complementary businesses. Together we will use our new position as the largest food retailer in Russia to deliver enhanced value to all our customers and shareholders".

Copies of the prospectus in relation to this transaction have been lodged with the document viewing facility at the UKLA.

- Ends -

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