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26 September 2006

Pyaterochka Holding N.V.

**NOTICE OF CONVENING OF THE EXTRAORDINARY GENERAL MEETING OF
THE SHAREHOLDERS OF PYATEROCHKA HOLDING N.V.**

Pyaterochka Holding N.V. (hereinafter: "the Company") invites its shareholders and holders of global depository receipts to its Extraordinary Annual General Meeting of Shareholders (hereinafter: "the EGM") to be held at Rokin 55, 1012 KK Amsterdam, The Netherlands at 11.00 AM CET on 16 October 2006

AGENDA

1. Opening and announcements;
2. Proposal to amend the articles of association;
3. Proposal to accept the resignation of Mr. Nigel Robinson as Supervisory Board member as per the date of this meeting and to grant him full discharge for having acted as Supervisory Board member of the Company;
4. To appoint Mr. Hervé Defforey (or alternatively Mr. Franz Wolf) and Mr. Vladimir Ashurkov (or alternatively Mrs Olga Manuylova) as Supervisory Board members of the Company with effect per the date of this meeting for a period of four years until 2010;
5. Proposal to approve the remuneration scheme of the Supervisory Board;
6. Authorisation of the Management Board, to have the Company acquire shares or depository receipts, for a consideration in its own capital, to the maximum number that may, by virtue of the provisions of section 2:98 (2) of the Netherlands Civil Code, be acquired by the Company;
7. Authorization of the Management Board, to allow the Company to sell or otherwise dispose, the Company's own issued and fully paid up share capital or depository receipts;
8. Any other business and conclusion.

The draft deed of amendment of the articles of association, submitted to approval of the EGM, will be deposited for inspection by the shareholders and other persons entitled to attend the meeting at the Company's offices in Amsterdam as of today until and including the date of the EGM and is available free of charge.

The shareholders' register of the Company in Amsterdam, the Netherlands, has been designated as register to certify the shareholders entitled to vote on the shares. The shareholders identified as entitled to vote on the basis of the shareholders register of the Company on the date of the EGM may exercise their rights to vote and attend the EGM. These shareholders may also exercise their rights to vote and/or attend the EGM by a written proxy, in the English language, duly executed and legalized in accordance with the laws of the country where the proxy is issued. Proxy holders shall present their power of attorney at the EGM.

The register of GDR holders maintained by the Depositary indicates the persons entitled to GDRs on the relevant record date and entitled to give voting instructions to the Depositary pursuant to Condition 12 of the GDRs. GDR Holders may instruct the Depositary with regard to the exercise of voting rights with respect to Deposited Shares by completing, signing and returning to the Depositary the relevant voting documentation forwarded by the Depositary to the GDR Holders following receipt by the Depositary from the Company. The deadline for providing instructions to the Depositary will be specified by the Depositary in the information provided to GDR Holders. The Depositary will procure the exercise of voting instructions received from GDR Holders by the relevant deadline in accordance with the GDR conditions and the normal processes of the Depositary.

Alternatively, GDR Holders who wish to vote in person at the EGM will, on request, be granted an exclusive proxy to do so by The Bank of New York. A GDR Holder to whom such exclusive proxy has been granted must notify the Management Board of the Company of their intention to attend and vote at the EGM and must provide the Management Board with a copy of such proxy at least five (5) days prior to the EGM. GDR Holders who intend to vote in this manner must provide sufficient proof of identification on admission to the EGM. In addition, if the exclusive proxy has been granted by The Bank of New York to a GDR Holder which is a legal entity, the person who represents such legal entity at the EGM must provide sufficient proof that he is duly authorized to do so by means of a statement from a local lawyer or notary admitted to practice in the jurisdiction of the GDR Holder, duly executed and legalized in accordance with the laws of such jurisdiction.

Amsterdam, 13 September 2006

The Management Board

Explanatory notes to the agenda

Item 2

Pyaterochka and Perekrestok have merged their operations in Russia as of 18 May 2006. In that respect the Company considers to change its name into X5 Retail Group N.V.

It is anticipated that article 15, 17 and 24 will be revised due to the increase of the activities of the combined group. This change will effectively improve the decision making process at the level of the Management and Supervisory Board.

Item 3 and 4

As mentioned in the shareholders circular dated 24 April 2006 the Company intends to appoint a second independent member to the Supervisory Board in 2006 to replace one of the Alfa Group representatives. In addition to this, the Supervisory Board wishes to increase the number of members of the Supervisory Board to nine and ask the meeting to appoint Mr. Vladimir Ashurkov (or alternatively Mrs Olga Manuylova) as a representative of the Alfa Group.

Under the articles of association, members of the Supervisory Board are nominated by the Supervisory Board and appointed by the shareholders at the General Meeting of Shareholders from a list of nominees, drawn up by the Supervisory Board, containing names of at least two persons for each vacancy.

Under the Dutch Corporate Governance Code, supervisory directors are generally appointed for a maximum term of four years and may not be re-appointed more than twice for a term of four years.

The Supervisory Board has prepared a binding nomination of the two following persons for appointment to the Supervisory Board upon resignation of Mr. Nigel Robinson as member of the Supervisory Board at the EGM, to serve until 2010.

- (i) Mr. Hervé Defforey, or, alternatively,
- (ii) Mr. Franz Wolf.

Finally the Supervisory Board has prepared a binding nomination of the two following persons for appointment to the Supervisory Board, to serve until 2010.

- (i) Mr. Vladimir Ashurkov, or, alternatively,
- (ii) Mrs Olga Manuylova

Item 5

It is proposed to approve the following compensation structure of the Supervisory Board.

- (i) Chairman of the Board: Euro 120.000 per year;
- (ii) Board members who chairs one or more committees; Euro 75.000 per year ;

- (iii) Board members who does not chair at least one committee; Euro 50.000 per year;
- (iv) Further resolve to request the Shareholders Meeting to grant Mr. Hervé Defforey (or alternatively Mr. Franz Wolf) the following compensation:
 - Euro 24.000 for each Board Meeting attended whereby the compensation shall not be less than Euro 120.000 per year starting the day of his appointment
 - Mr. Hervé Defforey (or alternatively Mr. Franz Wolf) shall be eligible to participate to the annual bonus program and/or any other option plan to be concluded by the Company, if any
- (v) With respect to the above (i-iv) compensation shall begin to accrue from the moment that the Supervisory Board Member is officially appointed to his position, as follows:
 - (A) 18 May 2006 for Mr. Mikhail Fridman, Mr. Alexander Kosiyanenko, Mr. David Gould, Mr. Nigel Robinson and Mr. Alexander Savin;
 - (B) The compensation for Mr. Andrey Rogachev and Ms Tatyana Franus shall be increased from Euro 24.000 per year to the compensation mentioned under II and III, respectively, starting 18 May 2006 and
 - (C) 16 October 2006 for Mr. Hervé Defforey (or alternatively Mr. Franz Wolf) and for Mr. Vladimir Ashurkov (or alternatively Mrs Olga Manuylova).

For Mr. David Noble, the current Chairman of the Supervisory Board, his compensation shall begin to accrue from 1 January 2006.

Item 6

The meeting is asked, in accordance with article 9, paragraph 4, of the Company's current articles of association, to authorize the Management Board for a period of 18 months as of the date of the meeting, to allow the Company to purchase, for general corporate purposes, up to 10% of the Company's own issued and fully paid up share capital or depository receipts (ie GDRs) representing up to 10% of the Company's issued fully paid up share capital, at or below the market price of the GDRs (as being traded at London Stock Exchange) when such purchase is executed.

The Supervisory Board has resolved, subject to the above delegation by the meeting to the Management Board, that in case the amount of Company's own issued share capital or depository receipts (ie GDRs) being purchased reaches a level of more than 5% of the Company's own issued share capital the Management Board shall obtain a Supervisory Board approval before proceeding with such purchase, pursuant to article 17, paragraph 3 of the Company's articles of association.

The Company may only acquire its own fully paid up shares or depository receipts (ie GDRs) thereof, provided that the part of the Company's net assets which exceeds the aggregate of the issued share capital and the reserves which must be maintained by virtue of the law, is at least equal to the purchase price for the Company's own shares.

Item 7

The meeting is asked, in accordance with article 9, paragraph 6, of the Company's current articles of association, to authorize the Management Board for a period of 18 months as of the date of the meeting, to allow the Company to sell or otherwise dispose, for general

corporate purposes, the Company's own issued and fully paid up share capital or depository receipts (ie GDRs) at or above the market price of the GDRs (as being traded at London Stock Exchange) when such disposal is executed.

The Supervisory Board has resolved, subject to the above delegation by the meeting to the Management Board, that in case the price of the sale is below the market price when such disposal is executed or if there is any uncertainty over whether the price of the sale may be below the market price when such disposal is executed, the Management Board shall be obligated to receive Supervisory Board approval before proceeding with such sale, pursuant to article 17, paragraph 3 of the Company's articles of association.

APPENDIX

List of candidates nominated by the Supervisory Board for appointment to the Supervisory Board at the Extraordinary General Meeting of Shareholders on 16 October 2006

Mr. Herve Defforey, (56) is a Partner of GRP Partners, London and Los Angeles and an Executive Chairman for GRP (Europe) Ltd. Mr. Defforey spearheads GRP Partners' European venture capital activities using his extensive strategic, operational and geographic experience to evaluate new investments and advise portfolio companies. In the current portfolio Mr. Defforey serves on the Boards of Prepay Technologies, IFCO Systems N.V., and Ulta, Inc. Mr. Defforey from 1975 till 2004 held number of positions being in finance, management, corporate development, acquisitions integration, e-commerce, assets and construction within such companies as Carrefour, S.A. Paris, Azucarrera EBRO S.A., Madrid, BMW AG (Munich) and other companies. Mr. Defforey graduated from University of St. Gallen, Switzerland (licentiate of Business Administration/Economics, specializing in Marketing and Distribution). Mr. Defforey is recommended to be appointed to the Board of Supervisory Directors due to his strong experience in international retail industry, corporate governance experience exercised on different positions, extensive investment, management and corporate development experience. He has no shareholding in the Company.

Mr. Vladimir Ashurkov, (34) is a Director for Portfolio Management and Control in Alfa Group. Prior to joining Alfa Group Mr. Ashurkov worked as Vice President of Strategic Development in Industrial Investors Group (owns controlling stake in Far East Shipping Company, FESCO), and also held top positions in major transport and logistic companies in Russia, as well as a number of positions in the investment banking industry. Mr. Ashurkov is a former member of the board of directors of FESCO and a number of its subsidiaries. Mr. Ashurkov graduated from Moscow Institute of Physics and Technology as Bachelor of Science in Physics and from the Wharton School, the University of Pennsylvania, with a Master of Business Administration (major in Finance, Director's Honour List). Mr. Ashurkov is recommended to be appointed to the Board of Supervisory Directors due to his strong experience in acquisitions, organizing management structures of acquired companies, extensive experience in strategic development and investment planning. He has no shareholding in the Company and is a representative of Alfa Group.

Mr. Franz Wolf, (53) is a director of the CTF Holdings, the ultimate holding company of the Alfa Group since 1998. As member of the board of CTF, Perekrestok and of various other companies within the Alfa Group he has gained substantial experience in managing and supervising the activities of companies, including those of the Perekrestok Group. Mr. Wolf is a graduate of the Academy of State and Legal Sciences (Potsdam, Germany). Mr. Wolf is recommended to be appointed to the Board of Supervisory Directors because of his substantial experience as a director of a number of rapidly developing businesses in Russia. He has no shareholding in the Company and is a representative of Alfa Group.

Ms. Olga Manuylova, (34) is the Head of Project Management Team, Corporate Development Finance and Control, Alfa Group. In this position Ms. Manuylova directs the project team of the Alfa Group's corporate centre responsible for overseeing the financial control, financial reporting and internal audit functions of the Alfa Group's companies. Ms. Manuylovagraduated from the State Academy of Management (International Economic Relations Department) Moscow, Russia and also was qualified as a Certified Chartered Accountant in 1997 (Association of Certified Chartered Accountants (U.K.) (ACCA). Prior to joining Alfa Group Ms. Manuylova worked as a Manager in the Audit and Business Advisory Services Group in PricewaterhouseCoopers, Moscow (1994-2001). Ms. Manuylova is recommended to be appointed to the Board of Supervisory Directors due to her strong financial expertise and experience as a member of Audit Committees of a number of companies of the Alfa Group. She has no shareholding in the Company and is a representative of Alfa Group.



Note to Editors:

Pyaterochka Holding N.V. is Russia's largest food retailer in terms of sales. The group has 391 company-managed "Pyaterochka" soft discount stores located in the Moscow (187), St. Petersburg (185) and Yekaterinburg (19) areas, and 133 company-managed "Perekrestok" supermarkets across 14 regions of Central Russia and Ukraine, including 78 stores in Moscow, as of 30 June 2006.

As of 30 June 2006, franchisees operated 479 Pyaterochka branded stores in 20 regions of Russia, Ukraine and Kazakhstan. Perekrestok has 10 convenience stores operated by franchisees in the Moscow area.

Pyaterochka and Perekrestok have merged their operations as of 18 May 2006 to create the clear leader in the Russian food retail market.

Pyaterochka's 2005 net sales (pre-merger) reached USD 1,359 million, with gross banner sales in 2005 of over USD 2 billion. Perekrestok net sales reached USD 1,015 million in 2005.

The Group's pro forma (assuming both chains contribution from 1 January 2006) net sales for the first half of 2006 were US \$1,581 million. During 1H 2006, the Pyaterochka chain provided US \$906 million of net sales, while the Perekrestok chain contributed US \$675 million of net sales.

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