



ДИКСИ

PRESS RELEASE

DIXY GROUP ANNOUNCES UNAUDITED CONSOLIDATED IFRS RESULTS FOR THE FIRST QUARTER OF 2012

Moscow, June 04, 2012

DIXY Group (RTS, MICEX: DIXY) – one of Russia’s leading retailers of foods and everyday products - announces unaudited consolidated IFRS results for the first quarter of 2012.

Key Results of the Full Year and the First Quarter of 2012

- During the first quarter of 2012, the combined Company opened 56 new stores, having increased pro-forma selling space (including Victoria Group from June, 15 2011) by 18% year-on-year, while DIXY Group standalone selling space increased by 30% year-on-year. New stores were opened in the Central and Northwest Federal Districts.
- Consolidated Revenue for the first quarter 2012 increased by 93.1% (87% in USD) year-on-year to RUR 34.7 bln (USD 1.1 bln).
- Consolidated Gross Profit for the first quarter increased by 122.0% (115% in USD) to RUR 9.6 bln (USD 317 mln), while Gross Margin increased by 360 bp year-on-year to 27.6% of sales compared to 24.0% for the same period last year.
- Consolidated EBITDA for the first quarter increased by 111.9% (105% in USD) year-on-year to RUR 2.1 bln (USD 70 mln), while EBITDA margin increased by 50 bp to the level of 6.1% of sales from 5.6% for the same period last year.
- Consolidated Net Profit for the first quarter increased by 116.6% (110% in USD) and amounted to RUR 356 mln (USD 12 mln). Net Margin increased by 10 bp to 1.0% of sales compared to 0.9% for the same period last year.
- Consolidated Net Cash from Operating Activities for the first quarter increased by 5.6% (2% in USD) over the same period last year to RUR 718 mln (USD 24 mln).

As of March, 31, 2012, the Company operated 1,168 stores.

In the first quarter of 2012 DIXY Group continued to implement marketing initiatives on optimization of assortment and floor space, improvement of external and internal design of stores and their clearer positioning, as well as on improvement of customer service and

marketing communications. DIXY Group focuses on the consumer and offers the cheapest basket in "neighborhoods". DIXY Group has weekly offers and pays specific attention to each of the regions. These efforts have led to a 4.4% increase in like-for-like sales for the core DIXY format, and to a 4.7% increase in average ticket (with the highest like-for-like sales growth of 7.3% in the Urals Federal District).

The efficiency of the promotional activities was made possible also by means of increased levels of centralization of deliveries (rate of deliveries through own distribution centers) and logistical service (success of delivery rate) with DIXY format centralization rate at 85% in the first quarter of 2012, and general logistics service level reaching 90% in March 2012.

DIXY Group Financial Results for the Full Year and the First Quarter of 2012

1. DIXY Group unaudited consolidated financial results, including Victoria Group results from the date of acquisition on 15 June 2011

First Quarter of 2012 Year-on-year

Revenue increased by 93.1% (87% in USD) to RUR 34.7 bln (USD 1.1 bln).

Cost of Sales as a percentage of Revenue decreased by 360 bp to 69.9% compared to 73.5% for the same period last year.

Gross Profit increased by 122% (115% in USD) to RUR 9.6 bln (USD 317 mln). **Gross Margin** increased by 360 bp year-on-year to 27.6% of sales compared to 24.0% for the same period last year.

EBITDA increased by 111.9% (105% in USD) to RUR 2.1 bln (USD 70 mln). **EBITDA margin** increased by 50 bp year-on-year to the level of 6.1% from 5.6% for the same period last year.

Net Profit increased by 116.6% (110% in USD) to RUR 356 mln (USD 12 mln) while **Net Margin** increased by 10 bp to 1.0% of sales compared to 1.0% for the same period last year.

Net Cash from Operating Activities increased by 5.6% (2% in USD) to RUR 718 mln (USD 24 mln).

1.1. DIXY Group Unaudited Consolidated Financial Results, Including Victoria Group Results from the Date of Acquisition on 15 June 2011 Income Statement Highlights

| RUR, mln. | 1Q 2012 | 1Q 2011 | Δ% |
|-------------------------|---------------|---------------|---------------|
| Revenue | 34,705 | 17,975 | 93.1% |
| incl. Retail | 34,363 | 17,866 | 92.3% |
| Cost of Sales | 25,110 | 13,654 | 83.9% |
| as % of Sales | 72.4% | 76.0% | |
| Gross Profit | 9,595 | 4,322 | 122.0% |
| as % of Sales | 27.6% | 24.0% | |
| EBITDA | 2,131 | 1,005 | 111.9% |
| EBITDA, % | 6.1% | 5.6% | |
| Operating Profit | 1,226 | 544 | 125.2% |
| as % of Sales | 3.5% | 3.0% | |
| Net Profit | 356 | 164 | 116.6% |
| as % of Sales | 1.0% | 0.9% | |

1.2. DIXY Group Unaudited Consolidated Financial Results, Including Victoria Group Results from the Date of Acquisition on 15 June 2011.

Revenue by Format.

| RUR, mln. | 1Q 2012 | 1Q 2011 | Δ% |
|-------------------------|---------------|---------------|---------------|
| Revenue | 34,705 | 17,975 | 93.1% |
| incl. Retail | 34,363 | 17,866 | 92.3% |
| DIXY | 20,955 | 15,483 | 35.3% |
| MEGAMART | 2,477 | 547 | 352.4% |
| MINIMART | 622 | 1,836 | -66.1% |
| Kvartal/Deshevo/Kopilka | 6,113 | -- | -- |
| Victoria | 3,977 | -- | -- |
| CASH | 219 | -- | -- |
| Gross Profit | 9,595 | 4,322 | 122.0% |
| <i>as % of Sales</i> | 27.6% | 24.0% | |

1.3. DIXY Group Unaudited Consolidated Financial Results, Including Victoria Group Results from the Date of Acquisition on 15 June 2011

Cost of Sales.

| RUR, mln. | 1Q 2012 | 1Q 2011 | Δ% |
|---------------------------------|---------------|---------------|---------------|
| Cost of Goods Sold | 24,245 | 13,208 | 83.6% |
| <i>as % of Sales</i> | 69.9% | 73.5% | |
| Transportation Costs | 271 | 68 | 297.8% |
| <i>as % of Sales</i> | 0.8% | 0.4% | |
| Shrinkage of Inventories | 594 | 378 | 57.3% |
| <i>as % of Sales</i> | 1.7% | 2.1% | |
| TOTAL | 25,110 | 13,654 | 83.9% |
| <i>as % of Sales</i> | 72.4% | 76.0% | |

1.4. DIXY Group Unaudited Consolidated Financial Results, Including Victoria Group Results from the Date of Acquisition on 15 June 2011

Selling, General & Administrative Expenses (SG&A).

| RUR, mln. | 1Q 2012 | 1Q 2011 | Δ% |
|---|--------------|--------------|---------------|
| Salaries | 3,966 | 1,831 | 116.6% |
| <i>as % of Sales</i> | 11.4% | 10.2% | |
| Lease Expenses | 1,624 | 737 | 120.4% |
| <i>as % of Sales</i> | 4.7% | 4.1% | |
| D&A | 905 | 461 | 96.3% |
| <i>D&A, %</i> | 2.6% | 2.6% | |
| Utilities, Repair and Maintenance Expenses | 754 | 333 | 126.5% |
| <i>as % of Sales</i> | 2.2% | 1.9% | |
| Transportation and Handling Expenses | 35 | 16 | 121.8% |
| <i>as % of Sales</i> | 0.1% | 0.1% | |
| Advertising Expenses | 123 | 55 | 122.5% |
| <i>as % of Sales</i> | 0.4% | 0.3% | |
| Other Expenses | 963 | 345 | 179.1% |
| <i>as % of Sales</i> | 2.8% | 1.9% | |
| TOTAL SG&A | 8,369 | 3,778 | 121.6% |
| <i>as % of Sales</i> | 24.1% | 21.0% | |

Selling, General & Administrative Expenses for the first quarter of 2012 increased by 122% year-on-year, while increasing as a percentage of Revenue by 310 bp over the same period of 2011 from 21.0% to 24.1% of Revenue.

The larger part of the increases was due to the higher share of SGNA expenses (in particular, personnel-related expenses) in the Revenue of the Victoria Group.

In addition, the **Salaries Expense** increase for the first quarter 2012 is mainly due to the higher share of salaries expense in the Victoria Group: also, it includes, amongst other, increase by salaries indexation in some business units of DIXY Group.

Rental Expense have increased mainly due to the higher share of rental expenses in the Victoria Group, and also because of increase of share of leased real estate versus owned real estate in the Company's neighborhood stores portfolio.

Increase in **Other Expenses** in first quarter 2012 year-on-year by 86 bp includes, in particular, increases related to integration of the Victoria Group business and related processes optimization, as well as impairment of unfinished construction by the DIXY Group and disposal of assets as a result of inventory review at the Victoria Group, acquired in June 15, 2011.

Increase in **Advertising** expenses in first quarter 2012 year-on-year is 5 bp. This is due to conduct a more intensive advertising campaigns and promo-actions than for the first quarter of 2011.

1.5. DIXY Group Unaudited Consolidated Financial Results, Including Victoria Group Results from the Date of Acquisition on 15 June 2011
Non-operating Gains and Losses.

| RUR, mln. | 1Q 2012 | 1Q 2011 | Δ% |
|--------------------------|--------------|-------------|---------------|
| Operating Profit | 1,226 | 544 | 125.2% |
| Finance Costs (Net) | -526 | -212 | 148.8% |
| Net FX Result | 13 | -1 | -- |
| Profit before Tax | 713 | 332 | 115.0% |
| Income Tax Expense* | -357 | -168 | -- |
| Net Profit | 356 | 164 | 116.6% |
| <i>Net Margin, %</i> | <i>1.0%</i> | <i>0.9%</i> | <i>--</i> |

1.6. DIXY Group Unaudited Consolidated Financial Results, Including Victoria Group Results from the Date of Acquisition on 15 June 2011.
Cash Flow Statement Highlights.

| RUR, mln. | 1Q 2012 | 1Q 2011 | Δ% |
|---|--------------|--------------|--------------|
| Net Cash Flows (Used in)/Generated from Operating Activities | 718 | 680 | -- |
| <i>Net Cash from Operating Activities before Changes in Working Capital</i> | 2,066 | 1,028 | 101.0% |
| <i>Change in Working Capital</i> | -380 | 53 | -811.7% |
| <i>Net Interest and Income Tax Paid</i> | -968 | -401 | 141.6% |
| Net Cash Used in Investing Activities | -1,639 | -1,026 | 59.7% |
| Net Cash Generated from/(Used in) Financing Activities | 403 | -179 | -- |
| Net Increase/(Decrease) in Cash & Cash Equivalents | -518 | -525 | -1.4% |
| Cash and Cash Equivalents at the End of the Period | 1,866 | 1,072 | 74.1% |

2. DIXY Group unaudited pro-forma financial statements, including Victoria results from the beginning of the year*

Note: the pro-forma financial statements for the first quarter of 2012 are identical with the consolidated statements for the first quarter presented above.

First Quarter of 2012 Year-on-year

Revenue increased by 21.6% (18% in USD) to RUR 34.7 bln (USD 1.1 bln).

Cost of Sales as a percentage of Revenue decreased by 220 bp to 69.9% from 72.1% of sales for the same period of the last year.

Gross Profit increased by 31% (27% in USD) to RUR 9.6 bln (USD 317 mln)

Gross Margin increased by 190 bp year-on-year to 27.6% of sales compared to 25.7% for the same period of the last year.

EBITDA increased by 24.6% (21% in USD) to RUR 2.1 bln (USD 70 mln). **EBITDA margin** increased by 10 bp year-on-year to the level of 6.1% from 6.0% for the same period of the last year.

Net Profit increased by 9.4% (9% in USD) to RUR 356 mln (USD 12 mln) while **Net Margin** decreased by 10 bp to 1.0% of sales compared to 1.1% for the same period last year.

2.1. DIXY Group Unaudited Pro-forma Financial Statements, Including Victoria from the Beginning of the Year. Income Statement Highlights.

| RUR, mln. | 1Q 2012 | 1Q 2011 | Δ% |
|-------------------------|---------------|---------------|--------------|
| Revenue | 34,705 | 28,549 | 21.6% |
| incl. Retail | 34,363 | 28,270 | 21.6% |
| Cost of Sales | 25,110 | 21,225 | 18.3% |
| as % of Sales | 72.4% | 74.3% | |
| Gross Profit | 9,595 | 7,323 | 31.0% |
| as % of Sales | 27.6% | 25.7% | |
| EBITDA | 2,131 | 1,710 | 24.6% |
| EBITDA, % | 6.1% | 6.0% | |
| Operating Profit | 1,226 | 932 | 31.6% |
| as % of Sales | 3.5% | 3.3% | |
| Net Profit | 356 | 325 | 9.4% |
| as % of Sales | 1.0% | 1.1% | |

*Pro-forma financial statements differ from a simple sum of financial results of DIXY Group and Victoria Group in particular because of a change in reporting policy regarding recognition of sales through agent agreements in Kaliningrad region.

**2.2. DIXY Group Unaudited Pro-forma Financial Statements, Including Victoria from the Beginning of the Year.
Revenue by Format.**

| RUR, mln. | 1Q 2012 | 1Q 2011 | Δ% |
|-------------------------|---------------|---------------|--------------|
| Revenue | 34,705 | 28,549 | 21.6% |
| incl. Retail | 34,363 | 28,270 | 21.6% |
| DIXY | 20,955 | 15,483 | 35.3% |
| MEGAMART | 2,477 | 1,836 | 34.9% |
| MINIMART | 622 | 547 | 13.5% |
| Kvartal/Deshevo/Kopilka | 6,113 | 6,884 | -11.2% |
| Victoria | 3,977 | 3,275 | 21.4% |
| CASH | 219 | 244 | -10.2% |
| Gross Profit | 9,595 | 7,323 | 31.0% |
| <i>as % of Sales</i> | 27.6% | 25.7% | |

2.3. DIXY Group Unaudited Pro-forma Financial Statements, Including Victoria from the Beginning of the Year. Cost of Sales.

| RUR, mln. | 1Q 2012 | 1Q 2011 | Δ% |
|---------------------------------|---------------|---------------|---------------|
| Cost of Goods Sold | 24,245 | 20,571 | 17.9% |
| <i>as % of Sales</i> | 69.9% | 72.1% | |
| Transportation Costs | 271 | 111 | 145.0% |
| <i>as % of Sales</i> | 0.8% | 0.4% | |
| Shrinkage of Inventories | 594 | 543 | 9.3% |
| <i>as % of Sales</i> | 1.7% | 1.9% | |
| TOTAL | 25,110 | 21,225 | 18.3% |
| <i>as % of Sales</i> | 72.4% | 74.3% | |

**2.4. DIXY Group Unaudited Pro-forma Financial Statements, Including Victoria from the Beginning of the Year.
Selling, General & Administrative Expenses (SG&A).**

| RUR, mln. | 1Q 2012 | 1Q 2011 | Δ% |
|---|--------------|--------------|---------------|
| Salaries | 3,966 | 2,966 | 33.7% |
| <i>as % of Sales</i> | 11.4% | 10.4% | |
| Lease Expenses | 1,624 | 1,207 | 34.5% |
| <i>as % of Sales</i> | 4.7% | 4.2% | |
| D&A | 905 | 779 | 16.2% |
| <i>D&A, %</i> | 2.6% | 2.7% | |
| Utilities, Repair and Maintenance Expenses | 754 | 625 | 20.6% |
| <i>as % of Sales</i> | 2.2% | 2.2% | |
| Transportation and Handling Expenses | 35 | 16 | 121.8% |
| <i>as % of Sales</i> | 0.1% | 0.1% | |
| Advertising Expenses | 123 | 98 | 25.8% |
| <i>as % of Sales</i> | 0.4% | 0.3% | |
| Other Expenses | 963 | 702 | 37.3% |
| <i>as % of Sales</i> | 2.8% | 2.5% | |
| TOTAL SG&A | 8,369 | 6,392 | 30.9% |
| <i>as % of Sales</i> | 24.1% | 22.4% | |

2.5. DIXY Group Unaudited Pro-forma Financial Statements, Including Victoria from the Beginning of the Year. Non-operating Gains and Losses.

| RUR, mln. | 1Q 2012 | 1Q 2011 | Δ% |
|--------------------------|--------------|------------|--------------|
| Operating Profit | 1,226 | 932 | 31.6% |
| Finance Costs (Net) | -526 | -299 | 76.2% |
| Net FX Result | 13 | -36 | -136.4% |
| Profit before Tax | 713 | 597 | 19.5% |
| Income Tax Expense* | -357 | -271 | 31.8% |
| Net Profit | 356 | 325 | 9.4% |
| <i>Net Margin, %</i> | 1.0% | 1.1% | |

2.6. DIXY Group Unaudited Pro-forma Financial Statements, Including Victoria from the Beginning of the Year. Cash Flow Statement Highlights.

| RUR, mln. | 1Q 2012 | 1Q 2011 | Δ% |
|---|--------------|--------------|--------------|
| Net Cash Flows (Used in)/Generated from Operating Activities | 718 | 755 | -4.8% |
| <i>Net Cash from Operating Activities before Changes in Working Capital</i> | 2,066 | 1,701 | 21.5% |
| <i>Change in Working Capital</i> | -380 | -348 | -- |
| <i>Net Interest and Income Tax Paid</i> | -968 | -598 | 61.7% |
| Net Cash Used in Investing Activities | -1,639 | -317 | -- |
| Net Cash Generated from/(Used in) Financing Activities | 403 | -372 | -- |
| Net Increase/(Decrease) in Cash & Cash Equivalents | -518 | 65 | -- |
| Cash and Cash Equivalents at the End of the Period | 1,866 | 1,662 | 12.3% |

KEY STATISTICS OF THE COMBINED COMPANY FOR THE 1Q OF 2012

Key Operational Statistics

| | 1Q 12 | 1Q 11 | Δ% |
|--|---------|---------|------|
| Total Number of Stores | 1,168 | 919 | 27% |
| New Store Openings* | 56 | 27 | 107% |
| ГК «ДИКСИ» | 54 | 26 | 108% |
| ГК «Виктория» | 2 | 1 | 50% |
| Total Space, sqm | 935,349 | 805,211 | 16% |
| Total Space Owned, sqm | 276,352 | 255,080 | 8% |
| Owned, % | 29.5% | 31.7% | |
| Total Selling Space, sqm | 417,402 | 352,592 | 18% |
| Total Selling Space Owned, sqm | 112,982 | 100,280 | 13% |
| Owned, % | 27.1% | 28.4% | |
| Neighborhood Stores | 328,378 | 279,088 | 18% |
| DIXY | 255,938 | 194,472 | 32% |
| Kvartal/Deshevo/Kopilka | 72,440 | 84,616 | -14% |
| Supermarkets | 47,978 | 40,332 | 19% |
| Victoria | 42,492 | 34,846 | 22% |
| Minimart | 5,486 | 5,486 | - |
| Compact hypermarkets | 41,046 | 33,172 | 24% |
| Megamart | 37,995 | 30,121 | 26% |
| Cash&Carry | 3,051 | 3,051 | - |
| CASH | 3,051 | 3,051 | - |
| Total Number of Permanent Employees | 37,934 | 33,227 | 14% |
| DIXY Group | 24,601 | 17,735 | 39% |
| Victoria Group | 13,333 | 15,492 | -14% |

Average Basket Size by Format, RUR (VAT included)

| RUR | 1Q 2012 | 1Q 2011 | Δ% |
|----------------------------|---------|---------|-----|
| Neighborhood Stores | 252.4 | 215.4 | 17% |
| DIXY | 254.4 | 216.1 | 18% |
| Kvartal/Deshevo/Kopilka | 245.8 | 213.8 | 15% |
| Supermarkets | 499.0 | 439.2 | 14% |
| Victoria | 512.1 | 460.1 | 11% |
| Minimart | 429.2 | 346.3 | 24% |
| Hypermarkets | | | |
| Megamart | 572.5 | 489.0 | 17% |
| Cash&carry | | | |
| CASH | 2172.6 | 2302.4 | -6% |

Total Number of Stores

| | As of 31.03.2012 | As of 31.03.2011 |
|------------------------|---------------------|---------------------|
| Магазины у дома | 1,117 | 876 |
| ДИКСИ | 918 | 641 |
| Квартал/Дешево | 199 | 235 |
| Супермаркеты | 32 | 27 |
| Виктория | 24 | 19 |
| Минимарт | 8 | 8 |
| Гипермаркеты | 18 | 15 |
| Мегамарт | 18 | 15 |
| Cash&carry | 1 | 1 |
| КЭШ | 1 | 1 |
| ИТОГО | 1,168 | 919 |

Total Number of Store Openings

| | 1Q 12' | 1Q 11** | Δ% |
|-----------------------------|-----------|-----------|-------------|
| Neighborhood Stores | 55 | 27 | 104% |
| DIXY | 54 | 26 | 108% |
| Kvartal/Deshevo | 1 | 1 | - |
| Supermarkets | | | |
| Victoria | 1 | - | - |
| Minimart | - | - | - |
| Compact hypermarkets | | | |
| Megamart | - | - | - |
| Cash&carry | | | |
| CASH | - | - | - |
| TOTAL | 56 | 27 | 107% |

*For the period from 01.01.2012 to 31.03.2012 there were closed 4 DIXY stores and 3 Kvartals.

** For the period from 01.01.2011 to 31.03.2011 there were closed 8 DIXY stores and 3 Kvartals.

Combined Company Pro-forma Debt as of 31 March 2012

| | As of 31 March 2012 | % of Total |
|------------------------------|---------------------|------------|
| Total financial debt* | 21,726 | |
| Short-term Debt | 11,041 | 51% |
| Long-term Debt | 10,685 | 49% |
| Net Debt | 19,860 | |

*Total debt does not include financial lease obligations

| | | |
|--|----------------|----------------|
| Exchange rates (Central Bank of the Russian Federation) | 1Q 2012 | 1Q 2011 |
| RUR/USD average (three months) | 30.2642 | 29.2698 |



ДИКСИ

OJSC DIXY Group (RTS, MICEX: DIXY) is one of Russia's leading retailers of foods and everyday products.

The first DIXY store opened in 1999 in Moscow and, after the period of intense organic development and purchase of Victoria Group in June, 2011, as of April 30, 2012, the Group operated 1,175 stores, including 925 DIXY neighborhood stores, 198 stores under the "Kvartal", "Deshevo", "Semeynaya Kopilka" brands, 24 Victoria supermarkets, 18 MEGAMART (compact hypermarket) stores, 9 MINIMART supermarket stores and 1 CASH (cash&carry) store.

The Company operates in three Federal Districts of Russia: Central, Northwest, Urals, and in Kaliningrad region.

As of April 30, 2012, the Company had a total of 419,717 square meters of selling space. The Company is the third largest among Russian national retail operators in the food retail market by revenue, selling area and number of stores. The Company employs over 33,000 people.

In May 2007 the Company raised USD 360 million in its IPO on the RTS and MICEX. A controlling stake in DIXY Group, OJSC (54.4%) is owned by the Mercury Group of Companies, a diversified holding company.

In 2011, DIXY Group's total revenue (including revenue of the Victoria Group, acquired on June 15, 2011, from the year beginning) amounted to RUR 122 billion (USD 4 bln).

The Russian business magazine *Expert* rates DIXY Group as one of the Top-100 largest Russian companies.

Contacts

Fedor Rybasov

VP/CFO, DIXY Group
Tel: +7 495 933 1450
Fax: + 7 495 933-0259
Email: IR@hq.dixy.ru
<http://www.dixy.ru/>

Lavrentiy Gubin

Press Representative DIXY Group
Tel: + 7 495 933-1450
Fax: + 7 495 933-0259
Mobile: +7 910 467-5894
E-mail: l.gubin@hq.dixy.ru
<http://www.dixy.ru/>

APPENDIX

1. DIXY Group Unaudited Consolidated Financial Results, Including Victoria Group from the Date of Acquisition on 15 June 2011

1.1. BALANCE SHEET

| ASSETS | 31 March 2012 | 31 December 2011 |
|--|-------------------|-------------------|
| Property, plant and equipment | 25 159 740 | 24 529 085 |
| Capital advances | 2 485 870 | 2 224 283 |
| Goodwill | 17 665 527 | 17 665 526 |
| Other Intangible assets | 2 961 239 | 3 078 570 |
| Initial lease costs | 86 980 | 85 105 |
| Loans | - | 123 |
| Deferred tax asset | 513 905 | 539 592 |
| Investment in equity | - | - |
| | 48 873 261 | 48 122 284 |
| Current assets | | |
| Inventories | 6 829 355 | 7 855 779 |
| Trade and other receivables | 2 483 337 | 2 641 382 |
| Taxes recoverable and prepayments | 1 914 277 | 1 863 335 |
| Income tax prepaid | 180 858 | 173 194 |
| Loans | 118 673 | 129 072 |
| Initial lease costs | 25 618 | 31 994 |
| Cash and cash equivalents | 1 866 086 | 2 383 651 |
| | 13 418 204 | 15 078 407 |
| TOTAL ASSETS | 62 291 465 | 63 200 691 |
| EQUITY AND LIABILITIES | | |
| Equity attributable to equity holders of the Parent | | |
| Share capital | 1 248 | 1 248 |
| Additional paid-in capital | 20 437 555 | 20 437 555 |
| Treasury shares | - | 554 |
| Retained earnings | 3 332 188 | 2 976 625 |
| | 23 770 437 | 23 414 874 |
| Non-controlling interest | 228 | 286 |
| TOTAL EQUITY | 23 770 665 | 23 415 160 |
| Non-current liabilities | | |
| Borrowings | 10 605 927 | 9 809 737 |
| Finance leases | 78 769 | 87 270 |
| Unfavourable operating lease commitments | 156 153 | 168 584 |
| Deferred tax liability | 1 237 065 | 1 238 788 |
| | 12 077 914 | 11 304 379 |
| Current liabilities | | |
| Trade and other payables | 13 852 440 | 15 893 466 |
| Borrowings | 10 933 960 | 11 258 982 |
| Finance leases | 107 362 | 145 191 |
| Advances from customers | 129 419 | 145 964 |
| Tax liability, other than income taxes | 1 172 110 | 701 607 |
| Income taxes payable | 163 920 | 245 635 |
| Unfavourable operating lease commitments | 65 320 | 71 954 |
| Provisions for liabilities and charges | 18 354 | 18 354 |
| | 26 442 885 | 28 481 153 |
| | 38 520 799 | 39 785 532 |
| TOTAL EQUITY AND LIABILITIES | 62 291 465 | 63 200 691 |

1.2. INCOME STATEMENT

| | 1Q 2012 | 1Q 2011 |
|--|------------------|------------------|
| Revenue | 34 704 818 | 17 975 492 |
| Cost of sales | (25 109 725) | (13 653 501) |
| <i>Cost of goods sold</i> | (26 884 815) | (14 320 292) |
| <i>Supplier bonuses</i> | 2 640 211 | 1 112 737 |
| <i>Transportation costs</i> | (270 960) | (68 123) |
| <i>Shrinkage of inventories</i> | (594 161) | (377 823) |
| Gross profit | 9 595 093 | 4 321 992 |
| General and administrative expenses | (8 369 121) | (3 777 525) |
| Operating profit | 1 225 972 | 544 466 |
| Finance income | 4 004 | 9 966 |
| Finance costs | (530 183) | (221 480) |
| Foreign exchange (loss)/gain, net | 13 183 | (1 276) |
| Profit/ (loss) before income tax | 712 976 | 331 676 |
| Income tax expense | (357 413) | (167 551) |
| Profit for the year | 355 563 | 164 125 |
| Total comprehensive profit for the year | 355 563 | 164 125 |
| Attributable to: | | |
| Equity holders of the Parent | 355 563 | 164 125 |
| Equity holders of the non-controlling interest | - | - |
| | 355 563 | 164 125 |

1.3. CASH FLOW STATEMENT

| | 1Q 2012 | 1Q 2011 |
|---|--------------------|--------------------|
| Cash flows from operating activities : | | |
| Profit/(loss) before income tax | 712 976 | 331 676 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 785 088 | 427 539 |
| Amortisation of intangible assets | 131 060 | 15 840 |
| Amortisation of initial lease costs | 7 653 | 17 581 |
| Amortisation of unfavourable lease commitments | (19 056) | - |
| Gain less losses on disposals of property, plant and equipment and intangible assets | 31 553 | 4 645 |
| (Decrease)/ increase in provision for impairment of taxes recoverable and prepayments | (44 710) | 11 404 |
| (Decrease)/ increase in provision for impairment of trade and other receivables | (36 140) | 14 259 |
| Reversal of write-down of inventory to net realizable value | (15 420) | (8 073) |
| Finance costs | 530 183 | 221 480 |
| Interest income on loans and cash deposits | (4 004) | (9 966) |
| Unrealised foreign exchange (gains)/losses on borrowings | (13 183) | 1 276 |
| Operating cash flows before working capital changes | 2 066 000 | 1 027 661 |
| Decrease in trade and other receivables | 211 577 | 122 643 |
| Decrease in inventories | 1 041 842 | 469 818 |
| Increase in taxes recoverable and prepayments | (46 135) | (16 727) |
| Decrease in trade and other payables | (2 041 076) | (703 341) |
| Increase in tax liabilities other than income tax | 470 502 | 185 433 |
| Decrease in advances from customers | (16 546) | (4 454) |
| Cash generated from operations | 1 686 164 | 1 081 033 |
| Income taxes paid | (422 827) | (246 783) |
| Interest paid | (544 846) | (153 782) |
| Net cash from operating activities-continuing operations | 718 491 | 680 468 |
| Net cash from operating activities-discontinued operations | | |
| Net cash from operating activities | 718 491 | 680 468 |
| Cash flows from investing activities: | | |
| Purchase of property, plant and equipment | (1 622 450) | (739 766) |
| Proceeds from sale of property, plant and equipment | 10 548 | 25 058 |
| Initial Lease costs paid | (3 161) | (3 739) |
| Acquisition of subsidiaries, net of cash acquired | | |
| Loans repaid | 1 608 | 15 788 |
| Disbursement of loans | - | (326 000) |
| Interest received | 2 138 | 6 007 |
| Purchases of intangible assets | (28 078) | (3 636) |
| Net cash used in investing activities-continuing operations | (1 639 395) | (1 026 288) |
| Net cash from investing activities | (1 639 395) | (1 026 288) |
| Cash flows from financing activities | | |
| Proceeds from loans and borrowings | 1 613 206 | 2 056 075 |
| Repayment of loans and borrowings | (1 170 103) | (2 347) |
| Repayment of bonds | - | (2 852 822) |
| Proceeds from sale of treasury shares | - | 294 952 |
| Contributions from shareholders | - | 392 258 |
| Finance lease payments | (39 762) | (67 275) |
| Dividends payable to ultimate shareholder | - | - |
| Net cash from financing activities-continuing operations | 403 340 | (179 159) |
| Net cash from financing activities | 403 340 | (179 159) |
| Net decrease in cash and cash equivalents | (517 565) | (524 979) |
| Cash and cash equivalents at the beginning of the year | 2 383 651 | 1 596 680 |
| Cash and cash equivalents at the end of the year | 1 866 086 | 1 071 701 |

2. DIXY Group Unaudited Pro-forma Financial Statements, Including Victoria from the Beginning of the Year

2.1. BALANCE SHEET

| ASSETS | 31 March 2012 | 31 December 2011 |
|--|----------------------|-------------------------|
| Non-current assets | | |
| Property, plant and equipment | 25 159 740 | 24 529 085 |
| Capital advances | 2 485 870 | 2 224 283 |
| Goodwill | 17 665 527 | 17 665 526 |
| Other Intangible assets | 2 961 239 | 3 078 570 |
| Initial lease costs | 86 980 | 85 105 |
| Loans | - | 123 |
| Deferred tax asset | 513 905 | 539 592 |
| Investment in equity | - | - |
| | 48 873 261 | 48 122 284 |
| Current assets | | |
| Inventories | 6 829 355 | 7 855 779 |
| Trade and other receivables | 2 483 337 | 2 641 382 |
| Taxes recoverable and prepayments | 1 914 277 | 1 863 335 |
| Income tax prepaid | 180 858 | 173 194 |
| Loans | 118 673 | 129 072 |
| Initial lease costs | 25 618 | 31 994 |
| Cash and cash equivalents | 1 866 086 | 2 383 651 |
| | 13 418 204 | 15 078 407 |
| TOTAL ASSETS | 62 291 465 | 63 200 691 |
| EQUITY AND LIABILITIES | | |
| Equity attributable to equity holders of the Parent | | |
| Share capital | 1 248 | 1 248 |
| Additional paid-in capital | 20 437 555 | 20 437 555 |
| Treasury shares | - | - |
| | 554 | 554 |
| Retained earnings | 3 332 188 | 2 976 625 |
| | 23 770 437 | 23 414 874 |
| Non-controlling interest | 228 | 286 |
| TOTAL EQUITY | 23 770 665 | 23 415 160 |
| Non-current liabilities | | |
| Borrowings | 10 605 927 | 9 809 737 |
| Finance leases | 78 769 | 87 270 |
| Unfavourable operating lease commitments | 156 153 | 168 584 |
| Deferred tax liability | 1 237 065 | 1 238 788 |
| | 12 077 914 | 11 304 379 |
| Current liabilities | | |
| Trade and other payables | 13 852 440 | 15 893 466 |
| Borrowings | 10 933 960 | 11 258 982 |
| Finance leases | 107 362 | 145 191 |
| Advances from customers | 129 419 | 145 964 |
| Tax liability, other than income taxes | 1 172 110 | 701 607 |
| Income taxes payable | 163 920 | 245 635 |
| Unfavourable operating lease commitments | 65 320 | 71 954 |
| Provisions for liabilities and charges | 18 354 | 18 354 |
| | 26 442 885 | 28 481 153 |
| | 38 520 799 | 39 785 532 |
| TOTAL EQUITY AND LIABILITIES | 62 291 465 | 63 200 691 |

2.2. INCOME STATEMENT

| <i>Continuing operations</i> | 1Q 2011 | 1Q 2010 |
|--|---------------------|---------------------|
| Revenue | 34 704 818 | 28 548 789 |
| Cost of sales | (25 109 725) | (21 225 321) |
| <i>Cost of goods sold</i> | <i>(26 884 815)</i> | <i>(22 477 720)</i> |
| Supplier bonuses | 2 640 211 | 1 906 464 |
| Transportation costs | (270 960) | (110 578) |
| <i>Shrinkage of inventories</i> | <i>(594 161)</i> | <i>(543 487)</i> |
| Gross profit | 9 595 093 | 7 323 469 |
| General and administrative expenses | (8 369 121) | (6 391 888) |
| Operating profit | 1 225 972 | 931 581 |
| Finance income | 4 004 | 27 597 |
| Finance costs | (530 183) | (326 301) |
| Foreign exchange (loss)/gain, net | 13 183 | (36 256) |
| Profit/ (loss) before income tax | 712 976 | 596 621 |
| Income tax expense | (357 413) | (271 148) |
| Profit for the year | 355 563 | 325 473 |
| Total comprehensive profit for the year | 355 563 | 325 473 |
| Attributable to: | | |
| Equity holders of the Parent | 355 563 | 325 473 |
| Equity holders of the non-controlling interest | - | (346) |
| | 355 563 | 325 126 |

2.3. CASH FLOW STATEMENT

| | 1Q 2011 | 1Q 2010 |
|---|--------------------|------------------|
| Cash flows from operating activities : | | |
| Profit/(loss) before income tax | 712 976 | 596 620 |
| <u>Adjustments for:</u> | | |
| Depreciation of property, plant and equipment | 785 088 | 634 476 |
| Amortisation of intangible assets | 131 060 | 149 050 |
| Amortisation of initial lease costs | 7 653 | 17 581 |
| Amortisation of unfavourable lease commitments | (19 056) | (22 378) |
| Gain less losses on disposals of property, plant and equipment and intangible assets | 31 553 | 16 705 |
| (Decrease)/ increase in provision for impairment of taxes recoverable and prepayments | (44 710) | 73 726 |
| Decrease in provision for impairment of trade and other receivables | (36 140) | (78 874) |
| Reversal of write-down of inventory to net realizable value | (15 420) | (21 065) |
| Finance costs | 530 183 | 326 301 |
| Interest income on loans and cash deposits | (4 004) | (27 597) |
| Unrealised foreign exchange (gains)/losses on borrowings | (13 183) | 36 256 |
| Operating cash flows before working capital changes | 2 066 000 | 1 700 801 |
| Decrease in trade and other receivables | 211 577 | 60 195 |
| Decrease in inventories | 1 041 842 | 487 211 |
| (Increase)/decrease in taxes recoverable and prepayments | (46 135) | 13 913 |
| Decrease in trade and other payables | (2 041 076) | (1 224 038) |
| Increase in tax liabilities other than income tax | 470 502 | 320 353 |
| Decrease in advances from customers | (16 546) | (5 188) |
| Cash generated from operations | 1 686 164 | 1 353 247 |
| Income taxes paid | (422 827) | (420 322) |
| Interest paid | (544 846) | (178 082) |
| Net cash from operating activities-continuing operations | 718 491 | 754 843 |
| Net cash from operating activities-discontinued operations | | |
| Net cash from operating activities | 718 491 | 754 843 |
| Cash flows from investing activities: | | |
| Purchase of property, plant and equipment | (1 622 450) | (808 591) |
| Proceeds from sale of property, plant and equipment | 10 548 | 23 418 |
| Initial Lease costs paid | (3 161) | (3 739) |
| Cash acquired as a result of the acquisition of subsidiaries | | 813 780 |
| Loans repaid | 1 608 | 15 788 |
| Disbursement of loans | - | (348 001) |
| Interest received | 2 138 | 7 687 |
| Purchases of intangible assets | (28 078) | (17 633) |
| Net cash used in investing activities-continuing operations | (1 639 395) | (317 291) |
| Net cash from investing activities | (1 639 395) | (317 291) |
| Cash flows from financing activities | | |
| Proceeds from loans and borrowings | 1 613 206 | 2 056 324 |
| Repayment of loans and borrowings | (1 170 103) | (195 688) |
| Repayment of bonds | - | (2 852 822) |
| Proceeds from sale of treasury shares | - | 294 952 |
| Contributions from shareholders | - | 392 258 |
| Finance lease payments | (39 762) | (67 275) |
| Net cash from financing activities-continuing operations | 403 340 | (372 251) |
| Net cash from financing activities | 403 340 | (372 251) |
| Net decrease in cash and cash equivalents | (517 565) | 65 301 |
| Cash and cash equivalents at the beginning of the year | 2 383 651 | 1 596 680 |
| Cash and cash equivalents at the end of the year | 1 866 086 | 1 661 981 |