

ПАККО

Retail chain

March 2010

Company History



PAKKO Retail Chain

Financials

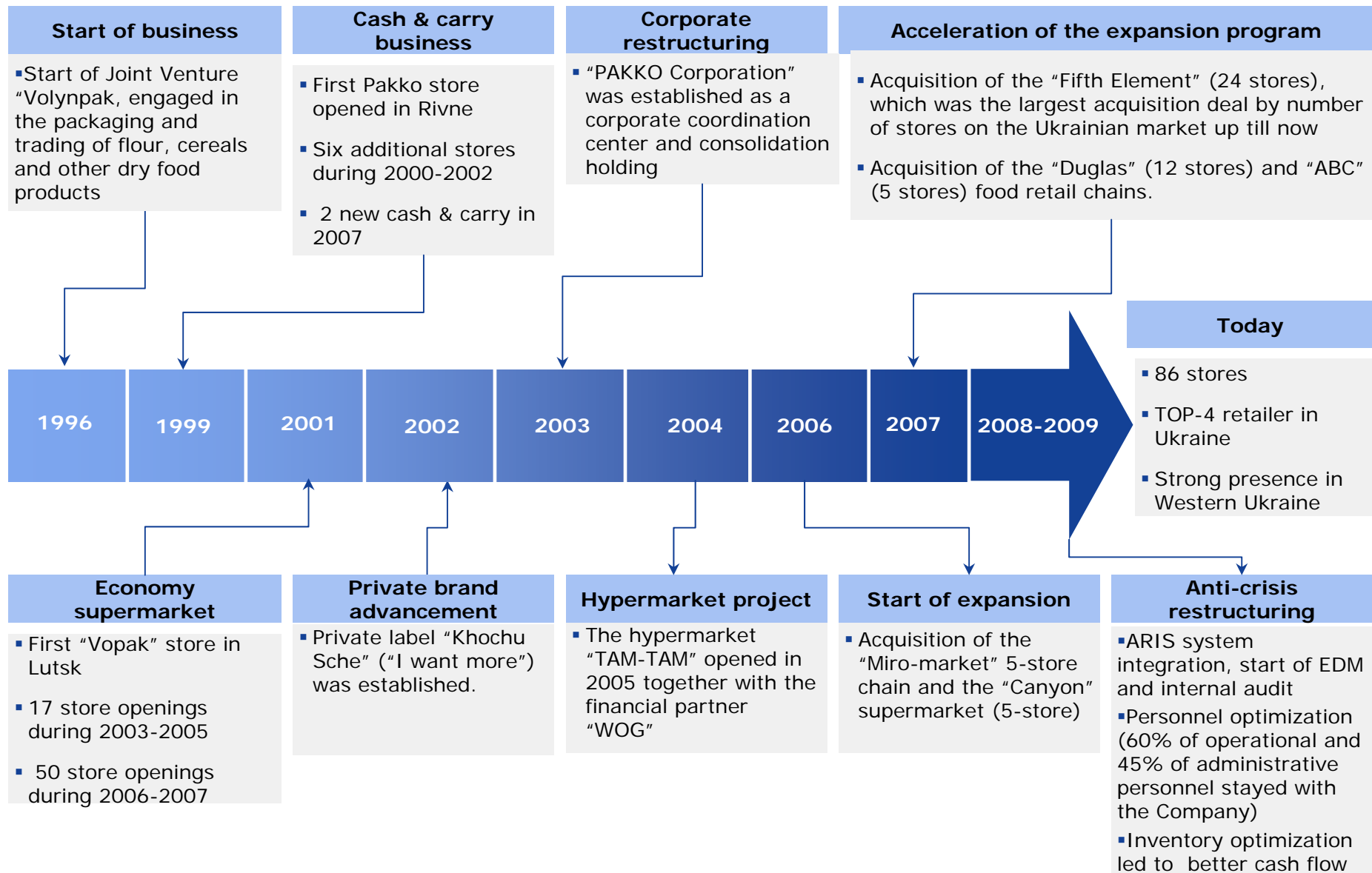


Strategy

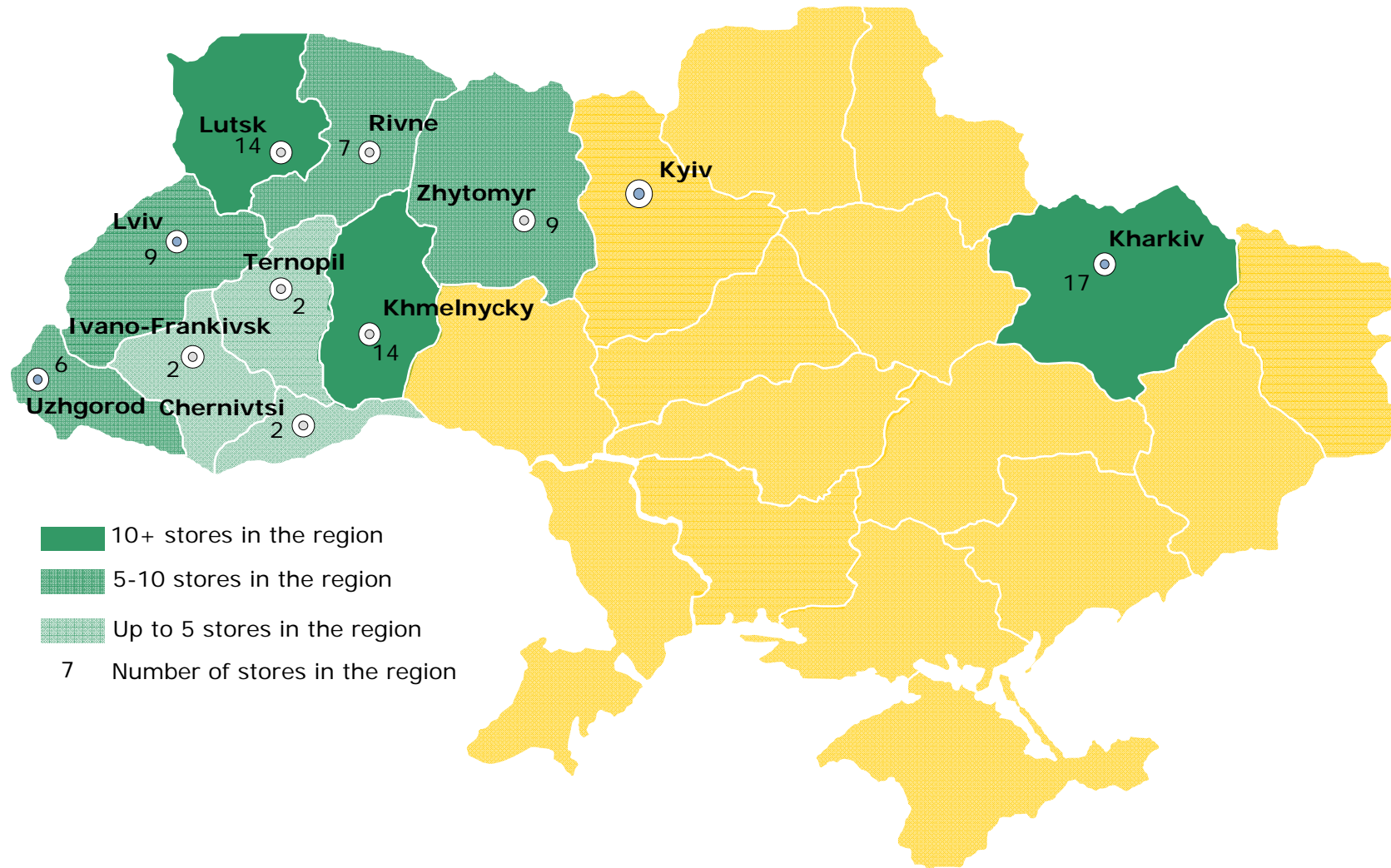
Running the Financial Debt



Company History



PAKKO Retail Chain



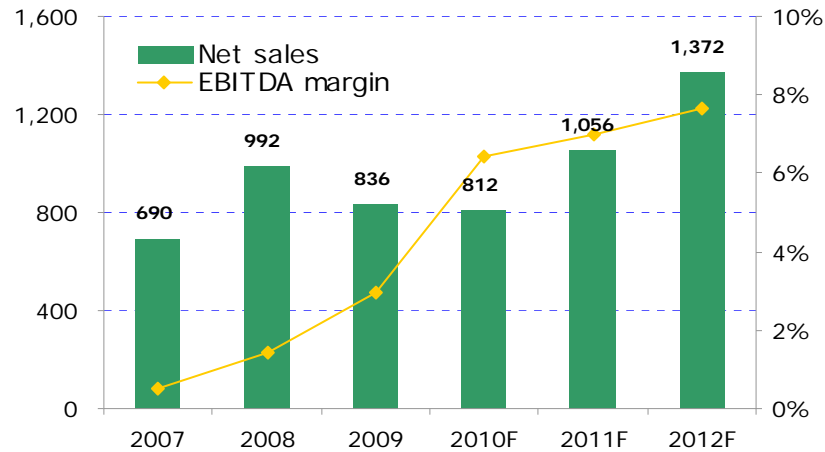
Financials

UAH, mln	2007	2008	2009	2010F	2011F	2012F
Gross sales	828.0	1,190.1	1,002.0	974.4	1,266.7	1,646.7
(VAT)	(138.0)	(198.3)	(165.8)	(162.4)	(211.1)	(274.5)
Net sales	690.0	991.7	836.2	812.0	1,055.6	1,372.3
(COGS)	(550.5)	(761.0)	(634.9)	(609.8)	(791.7)	(1,029.2)
Gross profit	139.5	230.7	201.3	202.2	263.9	343.1
<i>Gross margin</i>	<i>20.2%</i>	<i>23.3%</i>	<i>24.1%</i>	<i>24.9%</i>	<i>25.0%</i>	<i>25.0%</i>
(SG&A expenses, of which)	(120.5)	(181.3)	(131.3)	(112.3)	(148.1)	(186.1)
(Personnel)	(52.4)	(74.2)	(57.8)	(51.0)	(66.5)	(87.8)
(Other expenses)	(47.6)	(70.2)	(50.5)	(45.6)	(57.2)	(68.6)
Developer	13.0	14.1	16.2	13.6	10.0	10.0
(Logistics)	(2.4)	(7.2)	(13.8)	(10.4)	(13.2)	(16.3)
(Distribution)	1.0	(0.4)	0.0	0.0	0.0	0.0
(Administration)	(32.0)	(43.5)	(25.4)	(18.9)	(21.1)	(23.3)
EBITDAR	19.1	49.4	70.0	89.9	115.8	157.0
<i>EBITDAR margin</i>	<i>2.8%</i>	<i>5.0%</i>	<i>8.4%</i>	<i>11.1%</i>	<i>11.0%</i>	<i>11.4%</i>
(Rent expenses)	(15.5)	(35.3)	(45.4)	(37.7)	(42.0)	(52.1)
EBITDA	3.6	14.1	24.6	52.2	73.8	104.8
<i>EBITDA margin</i>	<i>0.5%</i>	<i>1.4%</i>	<i>2.9%</i>	<i>6.4%</i>	<i>7.0%</i>	<i>7.6%</i>

* UAH/USD exchange rate as of February 25, 2010 – 8.0 UAH per USD

Financials (continued)

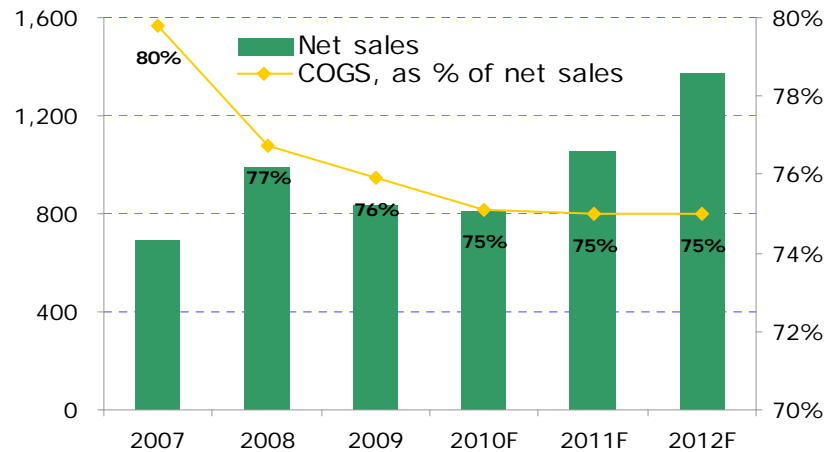
Major financials



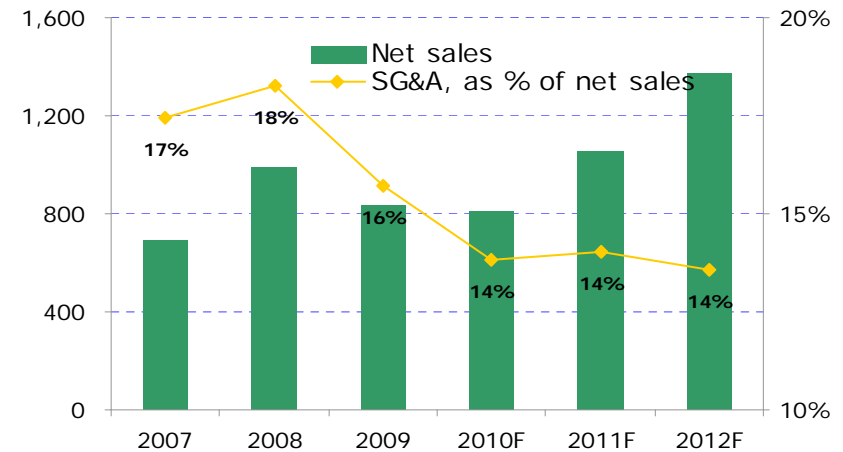
Comments

- The Company sees 30% growth in sales since 2010 due to:
 - 10% inflation
 - 10% natural growth
 - 10% growth due to new stores opening
- PAKKO is negotiating the sale of Kharkiv stores, 2010 forecasted sales are without Kharkiv division
- PAKKO plans to increase its own logistics to 50% of the turnover from current 25-30%
- The Company expects less SG&A costs due to recent anti-crisis optimization

Better gross margin due to own logistics



SG&A costs optimization

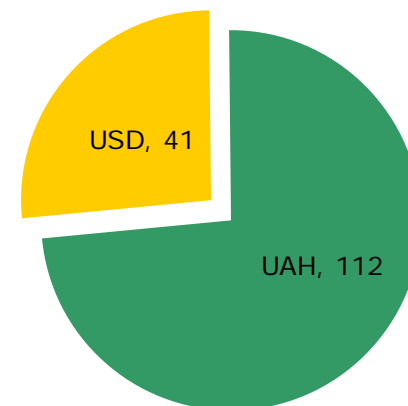


Loan portfolio

Comments on debts restructuring

- As of now, PAKKO is at final stage of negotiating the debt restructuring with all debt holders. Figures below reflect the most probable debt repayment schedule for the Company
- Debt are restructured in several ways:
 - Transfer of collateral (real estate) to debt holders
 - Write-off part of the debts
 - Sale of Kharkiv 17 stores, negotiations are at the final stage

Debt structure by currency, UAH mln



Debt repayment schedule, mln

Bank	Currency	Debt before restructuring	Debt outstanding	2009	2010	2011	2012	2013	2014	2015	2016	TOTAL
Ukrsybbank	UAH	65.4	31.0	-	1.0	1.0	6.0	6.0	6.0	6.0	5.0	31.0
Pryvatbank	UAH	22.0	20.3	-	2.0	0.0	3.7	3.7	3.7	3.7	3.7	20.3
PIB	UAH	69.7	36.8	-	1.0	1.0	7.2	7.2	7.2	7.2	6.2	36.8
Ukrsotsbank UAH	UAH	3.8	3.8	-	0.0	0.0	0.8	0.8	0.8	0.8	0.8	3.8
Ukrsotsbank USD	USD	12.0	12.0	-	1.0	1.0	1.8	1.8	1.8	1.8	2.8	12.0
Swedbank	USD	2.3	1.3	-	0.0	0.0	0.3	0.3	0.3	0.3	0.3	1.3
Zakhidinkombank	UAH	28.5	27.7	-	0.8	0.8	5.2	5.2	5.2	5.2	5.2	27.7
Kredobank	UAH	22.1	5.0	-	0.0	0.0	1.0	1.0	1.0	1.0	1.0	5.0
Rodovid	UAH	5.0	2.5	-	0.0	0.6	0.6	0.6	0.6	0.0	0.0	2.5
TOTAL UAH		216.5	127.0	-	4.8	3.4	24.4	24.4	24.4	23.8	21.8	127.0
TOTAL USD		14.3	13.3	-	1.0	1.0	2.1	2.1	2.1	2.1	3.0	13.3
Total Debt in UAH		330.8	233.1	-	12.8	11.4	40.9	40.9	40.9	40.3	45.9	233.1