X5 RETAIL GROUP

X^5

Winning Customers With The Power Of 5

Investor Presentation

March 2009

Disclaimer

This presentation does not constitute or form part of and should not be construed as an advertisement of securities, an offer or invitation to sell or issue or the solicitation of an offer to buy or acquire or subscribe for securities of X5 Retail Group N.V. or any of its subsidiaries or any depositary receipts representing such securities in any jurisdiction or an invitation or inducement to engage in investment activity in relation thereto. In particular, this presentation does not constitute an advertisement or an offer of securities in the Russian Federation.

No part of this presentation, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever.

No representation, warranty or undertaking, express or implied, is given by or on behalf of X5 Retail Group N.V. or any of its directors, officers, employees, shareholders, affiliates, advisers, representatives or any other person as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein or any other material discussed at the presentation. Neither X5 Retail Group N.V. nor any of its directors, officers, employees, shareholders, affiliates, advisors, representatives or any other person shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this presentation or any other material discussed at the presentation or their contents or otherwise arising in connection with the presentation.

This presentation includes statements that are, or may be deemed to be, “forward-looking statements”, with respect to the financial condition, results, operations and businesses of X5 Retail Group N.V. These forward-looking statements can be identified by the fact that they do not only relate to historical or current events. Forward-looking statements often use words such as” anticipate”, “target”, “expect”, “estimate”, “intend”, “expected”, “plan”, “goal” believe”, or other words of similar meaning.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, a number of which are beyond X5 Retail Group N.V’s control. As a result, X5 Retail Group N.V’s actual future results may differ materially from the plans, goals and expectations set out in these forward-looking statements. X5 Retail Group N.V. assumes no responsibility to update any of the forward looking statements contained in this presentation.

This presentation is not for distribution in, nor does it constitute an offer of securities for sale, or the solicitation of an offer to subscribe for securities in Australia, Canada, Japan or in any jurisdiction where such distribution, offer or solicitation is unlawful. Neither the presentation nor any copy of it may be taken or transmitted into the United States of America, its territories or possessions, or distributed, directly or indirectly, in the United States of America, its territories or possessions or to, or viewed by any U.S. person as defined in Regulation S under the US Securities Act 1933 (the "Securities Act”). Any failure to comply with these restrictions may constitute a violation of United States, Australian, Canadian or Japanese securities laws. The distribution of this presentation in certain jurisdictions may be restricted by law and persons into whose possession this document or any other document or other information referred to herein comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities law of any such jurisdiction.

For Russian law purposes, the securities mentioned in this presentation (the "Securities") represent foreign securities. It is not permitted to place or publicly circulate the Securities on the territory of the Russian Federation at present. No prospectus for the issue of the Securities has been or is intended to be registered with the Federal Service for Financial Markets of the Russian Federation. The information provided in this presentation is not intended to advertise or facilitate the offer of the Securities in the territory of the Russian Federation. This presentation does not represent an offer to acquire the Securities or an invitation to make offers to acquire the Securities.

The information and opinions contained in this document are provided as at the date of this presentation and are subject to change without notice. Some of the information is still in draft form and neither X5 Retail Group N.V. nor any other party is under any duty to update or inform recipients of this presentation of any changes to such information or opinions. In particular, it should be noted that some of the financial information relating to X5 Retail Group N.V. and its subsidiaries contained in this document has not been audited and in some cases is based on management information and estimates.

Neither X5 Retail Group N.V. nor any of its agents, employees or advisors intend or have any duty or obligation to supplement, amend, update or revise any of the statements contained in this presentation.

Agenda

I. Source of Strength in Russian Retail

- Leadership in Russian Retail
- Track Record of Operating Performance
- Retail Environment and Consumer Trends
- Government Support
- Power of 5 Go-To-Market Strategy
- 2009 Preliminary Guidance

II. Q3&9M 2008 Financial Performance & Liquidity Update

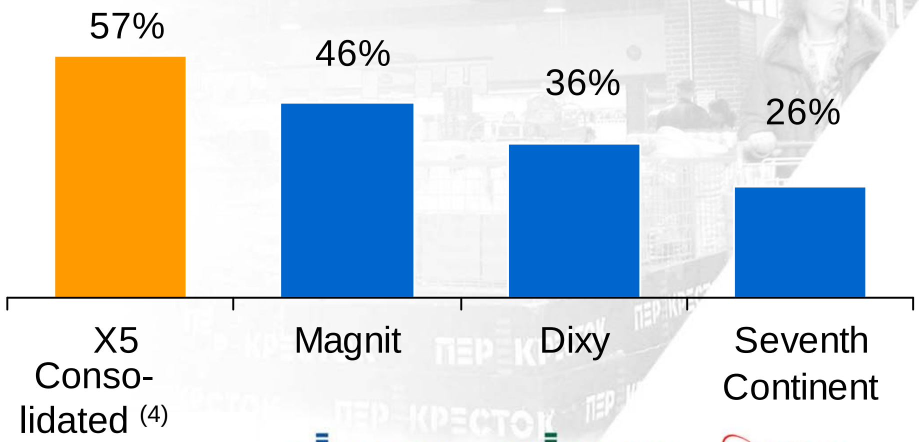
III. Long-Term View

X5 Retail Group…

… an Unrivaled Leader in Russian Retail…

- 2008 pro-forma[1] net sales - USD 8,844 mln
- 1,101 company-managed store in Russia and Ukraine[2]
- 607 stores operated by X5's franchisees across Russia[2]
- Over 874 thousand sq. m. of net selling space[2]
- Over 816 million customer visits to X5 stores in 2008

FY 2008 Retail Revenue Growth (in USD)



#	Company	FY 2007 Sales (USD mln)	% in Top-10	% in Total Market
1.	X5 + Karusel (1)	6,151	24.6%	3.2%
2.	Metro (3)	3,888	15.6%	2.0%
2.	Magnit	3,677	14.7%	1.9%
4.	Auchan	3,200	12.8%	1.7%
5.	Lenta	1,559	6.2%	0.8%
6.	Dixy	1,433	5.7%	0.8%
7.	Kopeyka	1,366	5.5%	0.7%
8.	Viktoria	1,305	5.2%	0.7%
9.	Seventh Continent	1,273	5.1%	0.7%
10.	O'Key	1,115	4.5%	0.6%
	Total	**24,967**	**100.0%**	**13.1%**

Sources: Business Analytica
(1) Including Karusel on pro-forma basis from 1 January 2007 and 2008, respectively; (2) As at 31 December 2008;
(3) Including Metro Cash & Carry and Real, excluding Media Markt and Saturn; (4) Including Karusel on consolidation basis from 1 July 2008;

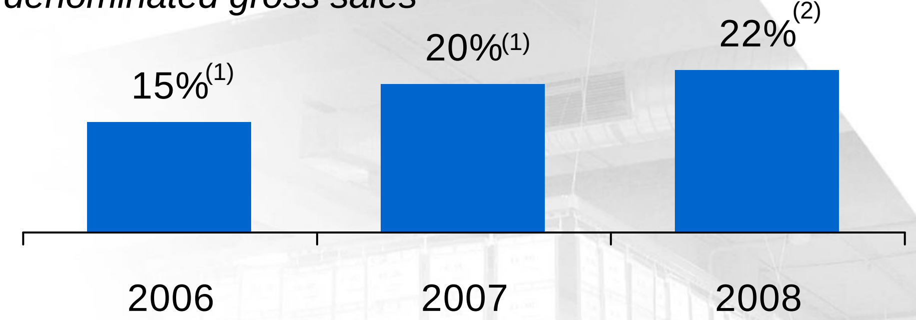
X5 RETAIL GROUP

With Strong Track Record…

… of Operating Performance…

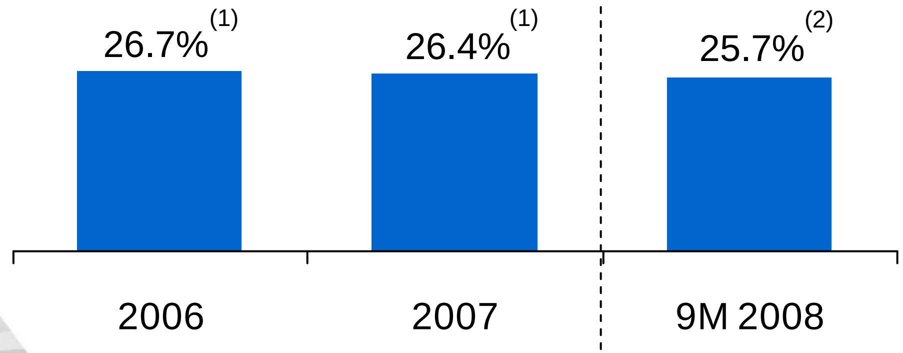
LFL

Based on RUR-denominated gross sales

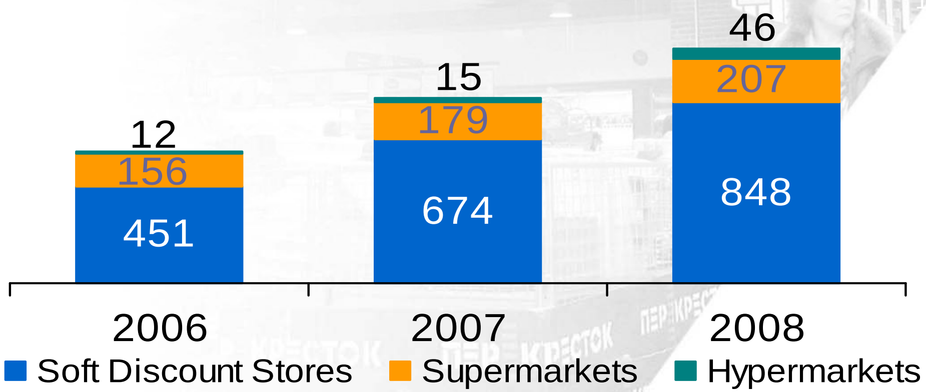


Gross Margin

% of net sales

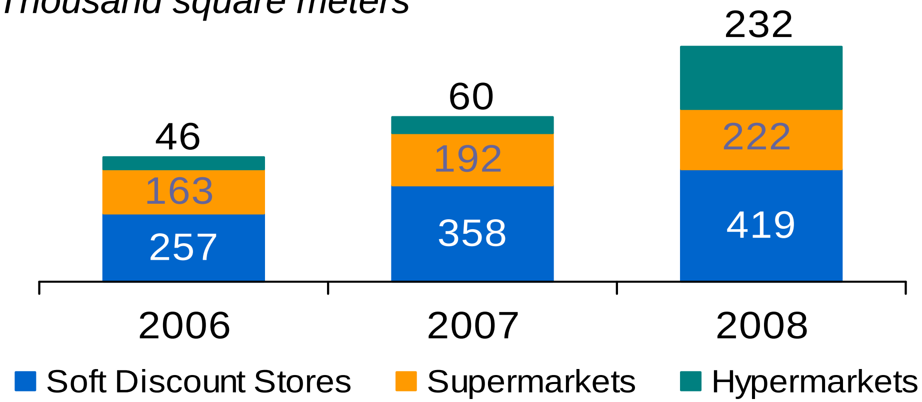


Number Of Stores



Net Selling Space

Thousand square meters



(1) Calculated on a pro-forma basis, i.e. by including acquired Pyaterochka stores for the full year in each of 2006 and 2007,

(2) Calculated on a pro-forma basis, i.e. by including acquired Karusel stores from 1 January 2008

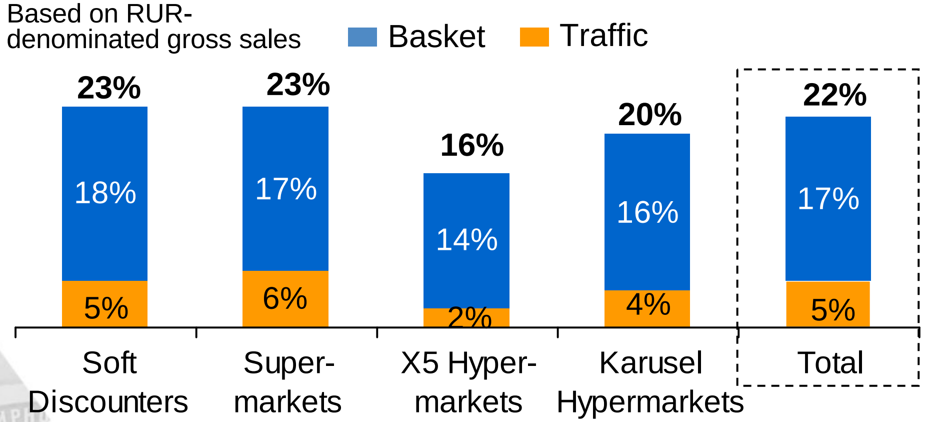
X5 RETAIL GROUP

2008 Operating Performance…

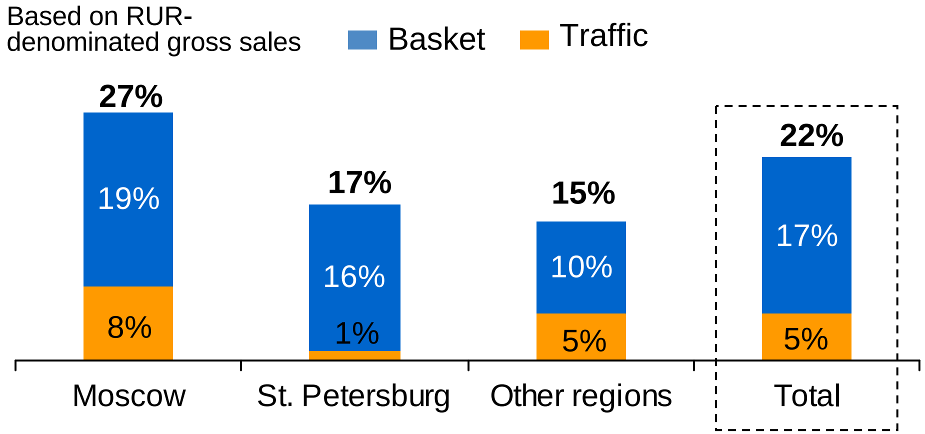
… Was Strong Across Formats & Regions…

- Positive traffic and basket growth in excess of inflation
- Karusel hypermarkets' performance affected by 3-4 day closings in Q3 2008 for IT platform replacement (4% revenue loss in Q3)
- In Q4 - first signs of trading down, resulting in strong customer inflow to discounters, especially noticeable in the regions (+7% traffic growth in Q4)
- Perekrestok supermarkets continue to perform very well in Moscow and St. Petersburg (76% of X5's supermarkets sales) despite trading down trends

2008 LFL Performance by Format (1)



2008 LFL Performance by Region (1)



ПЕРЕКРЕСТОК ПЕРЕКРЕСТОК зелёный 5 Пятёрочка КАРУСЕЛЬ СЕТЬ ГИПЕРМАРКЕТОВ

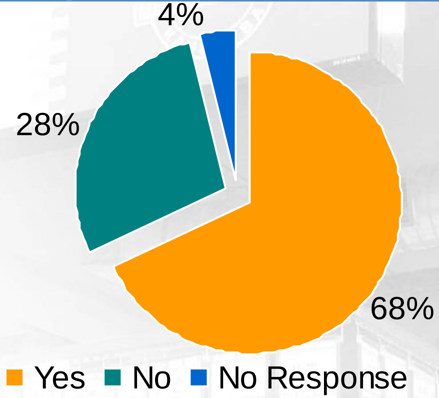
(1) Calculated on a pro-forma basis, i.e. by including Karusel stores from 1 January 2007 and 2008, respectively

X5 RETAIL GROUP

Market Environment…

… Is Changing…

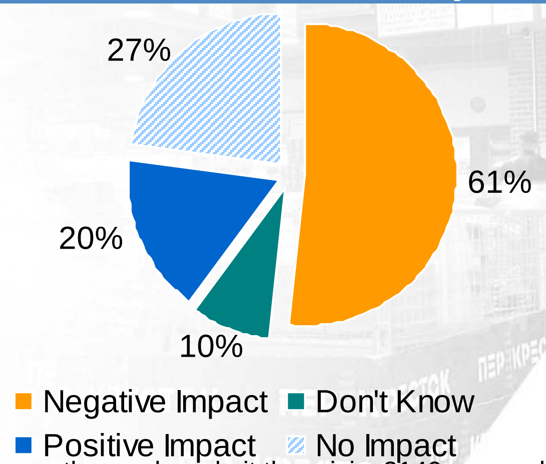
Russian Population Sees Financial Crisis



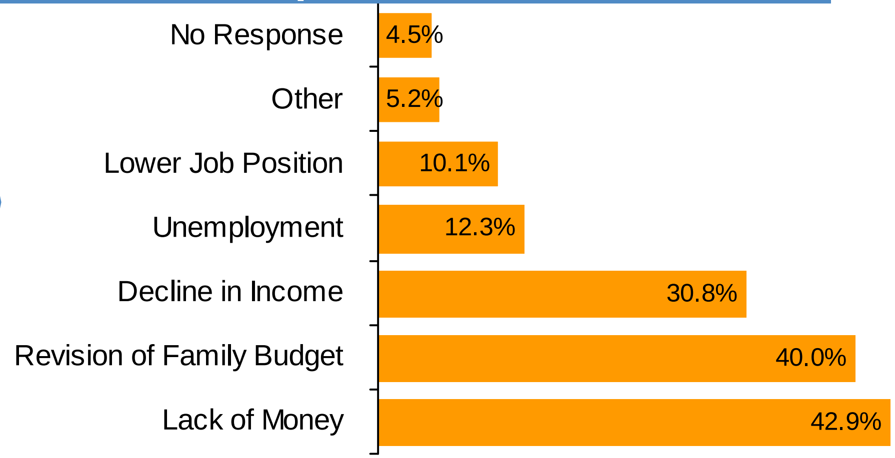
Sampling: 4166 respondents (Moscow, St. Petersburg, Samara)

- Almost two thirds of consumers (irrespective of income level) believe there is a financial crisis
- More than half of respondents believe that the financial crisis will impact them negatively
- People are mostly concerned about lacking enough money and the need to cut back on family spending

Public Opinion About Financial Crisis Impact



Sampling: among those who admit the crisis, 2140 respondents



ПЕРЕКРЕСТОК ПЕРЕКРЕСТОК зелёный Пятёрочка КАРУСЕЛЬ

Source: Romir, crisis perception research, Moscow, St. Petersburgh, Samara, October-November 2008

New Challenges for Retail Sector…

… Should Result in…

Trading Down by Consumers…

- On the back of…
  - slower income growth…
  - …higher unemployment…

…However….

- Impact on food retail will be limited as…
  - …people will continue buying staples…
  - …food represents mainly non-discretionary purchasing

Financial Constraints…

Operating performance

- Pressure on average ticket…
- …shift in demand for lower-margin products…
- …resulting in pressure on gross margin

Expansion

- Limited access to financing will affect expansion (resulting in either slower pace or adjusted approach)

…Opportunities for X5

- Attracting additional traffic from troubled retailers & non-organized trade
- Maximizing efficiency of existing store portfolio
- Further optimizing cost base
  - Cutting Moscow & regional HQ headcount by 30%
  - Lower pressure on wages and lease expenses
- More efficient CapEx due to…
  - …higher internal return requirements…
  - …lower cost of expansion…
  - …lower maintenance costs
- Opportunistic consolidation of distressed assets

State Policies Support Retail Market

Providing Short-Term Liquidity and Long-Term Sector Stimulus

RF Government has designated Retail as a strategic sector to ensure a well-functioning supply chain and efficient market for servicing consumer needs

- **Financial assistance to large Russian retailers on**
  - Refinancing of short-term debt
    - VTB has opened a 1.5 year credit line for X5 for a total amount of RUR 9 bln
  - Stabilization of payments to suppliers
  - Acquisitions of distressed retailers
- **Long-term policies to support sector development, including tax incentives**
  - Decrease of corporate income tax from 24% to 20% (not only retail)
  - Deferral of VAT payments
  - VAT reimbursement
  - Recognition of shrinkage for tax purposes
  - Assistance in streamlining legal structures for tax optimization purposes

X5 - Source of Strength In Russian Retail

X5's Multi-Format Diversification…

... Enables Quick Reaction to Changes in Consumer Spending

Soft Discount Stores

As at 31 Dec 2008

- 848 stores
- Total net selling space – 419,207 sq. m.
- Sales per sq.m. – USD 14,324

Supermarkets

As at 31 Dec 2008

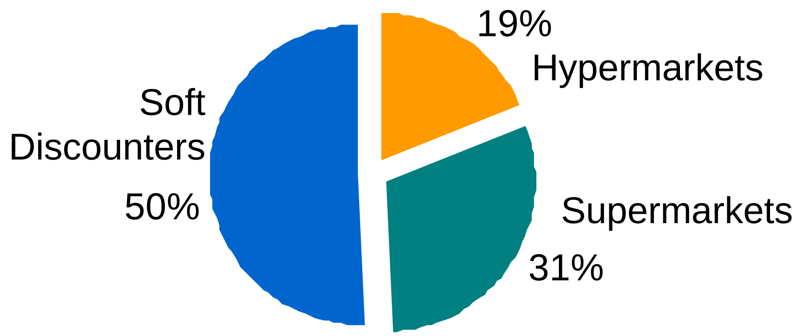
- 207 stores
- Total net selling space – 222,362 sq. m.
- Sales per sq.m. – USD 16,193

Hypermarkets

As at 31 Dec 2008

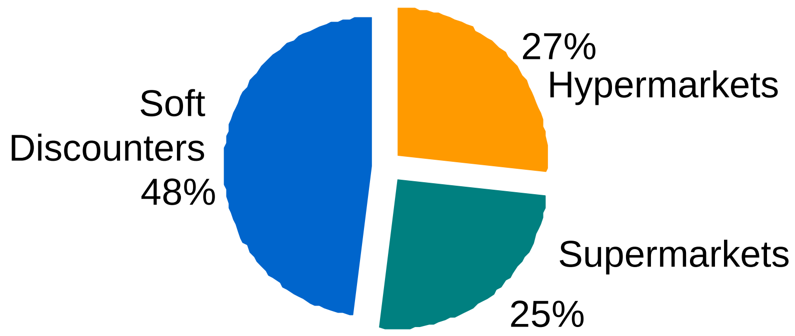
- 46 stores
- Total net selling space – 232,462 sq.m.
- Sales per sq.m. – USD 9,635

FY 2008 Net Retail Sales Break Down by Format [1]



Total net retail sales including Karusel[1] – USD 8.8 bln

FY 2008 Selling Space Break Down by Format



Total selling space – 874,032 sq. m.

(1) Including Karusel on pro-forma basis from 1 January 2008

www.e5.ru Пятёрочка PYATEROCHKA

X5's Soft Discounters – Positioned for Trading-Down Trends

Value Proposition

- Price leadership
- Convenient location
- Attractive assortment

Strengths

- High brand recognition
- Basic assortment at lowest price on the market
- Low cost operations
- Cheap & quick expansion potential
- Significant opportunities for private label development
- High quality store portfolio

Opportunities

- Attracting new customer categories on the back of trading down
- Traffic inflow from non-organized retail
- Traffic inflow from troubled competitors

Focus in 2009

- Strengthening the image of price leader
- Ensuring product availability
- Capitalizing on private label opportunities
- Limiting expansion to X5's core regions to maximize value

Power of 5 - Perekrestok

X5's Supermarkets – Best Value for Money

Value Proposition

- Quality & Convenience
- The best supermarket in promotions
- The best supermarket in fresh

Strengths

- High brand recognition
- The most attractive price in supermarkets
- Efficient promotions, strong customer response
- Strong loyalty program
- Opportunities for private label development
- Concentration in cities/regions with highest incomes
- High quality store portfolio

Opportunities

- Attracting new customers from premium supermarkets
- Retaining existing customers through smart pricing
- Traffic inflow from troubled competitors

Focus in 2009

- Optimizing regional supermarkets portfolio
- Rationalizing assortment
- Enhancing strength in fresh
- Facilitating promo activities
- Enhancing private label sales
- Improving service
- Limiting expansion to cities with over 1 mln of population

X5RETAILGROUP

Power of 5 - Karusel

КАРУСЕЛЬ

X5's Hypermarkets – Better Alternative to Open-Air Markets

Value Proposition

- Everything under one roof
- Low price
- High quality of goods
- Good location and convenient access

Strengths

- Premium locations
- Two formats – compact & full-size
- Basic assortment at lowest price available in the market
- Supplemental services and attractions
- Efficient promos
- Opportunities for private label development
- Limited exposure to non-food

Opportunities

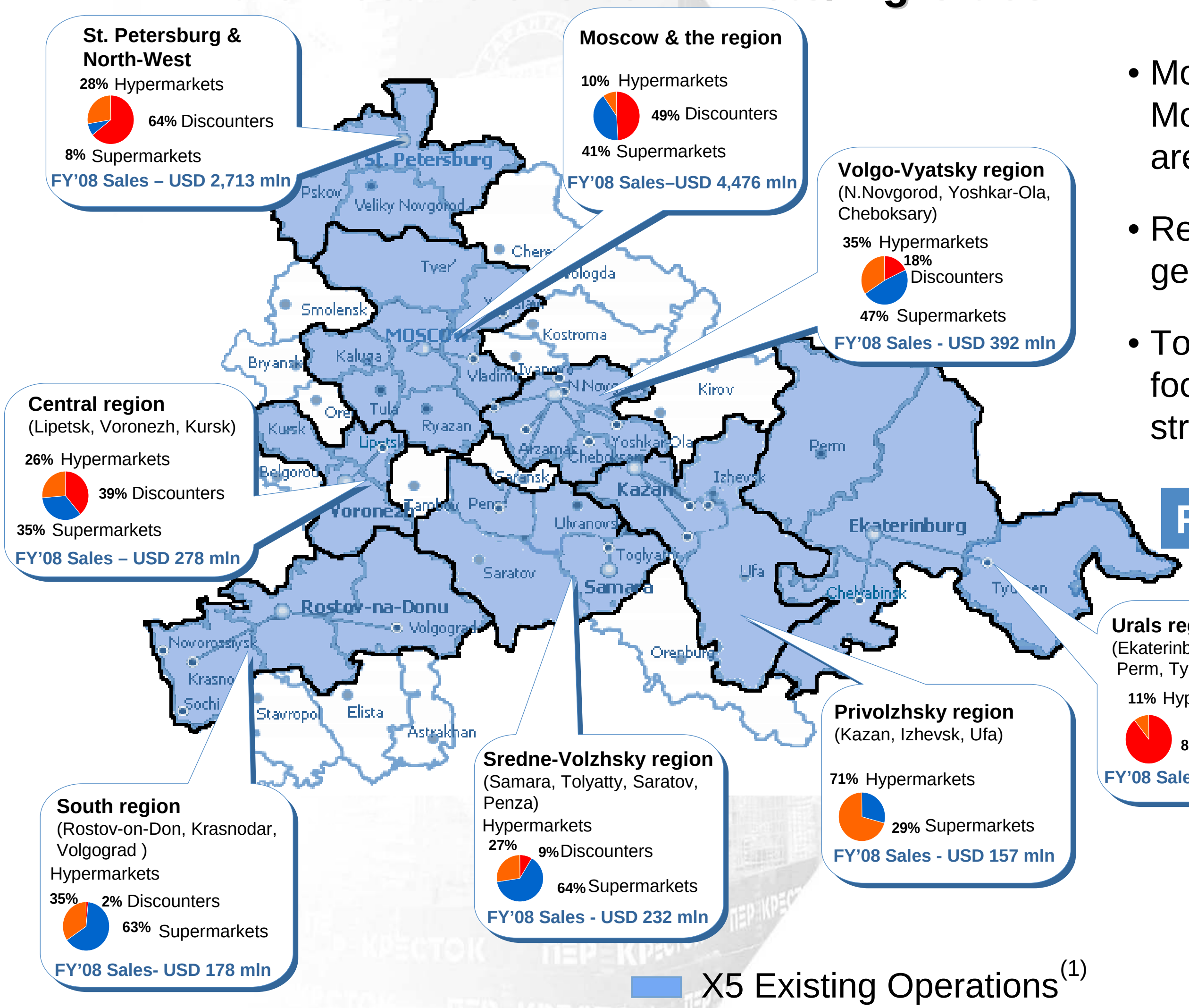
- Capturing all possible consumer segments for week-end shopping
- Providing an attractive alternative to open-air markets
- Traffic inflow from troubled competitors

Focus in 2009

- Rebrand all hypermarkets to Karusel by March 2009
- Strengthen "everything under one roof" image
- Focus on sales per square meter improvement
- Develop private label
- Non-food focused on fast-moving goods
- Expansion: only selective projects in best locations with outstanding economics

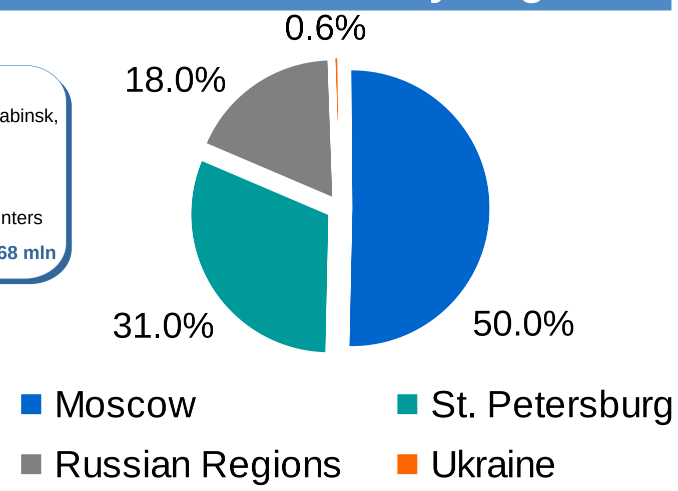
X5 Has Strong Competitive Positions…

… In the Most Defensive Markets/Big Cities



- More than 80% of X5's sales are generated in Moscow & St. Petersburg, where consumers are unlikely to significantly cut spending on food
- Regional sales (18% of total) are mainly generated in big cities
- To maximize value, in 2009 expansion will be focused on the regions where X5 already has strong positions

FY 2008 Net Retail Sales by Region [2]



(1) As at 31 December 2008; (2) Including Karusel on pro-forma basis from 1 January 2008

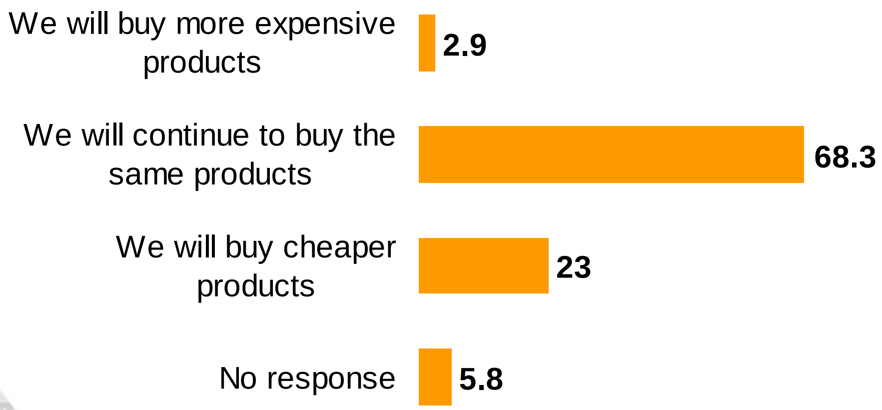
X5 RETAIL GROUP

Big Cities…

… Are the Most Resilient in the Changing Market Environment

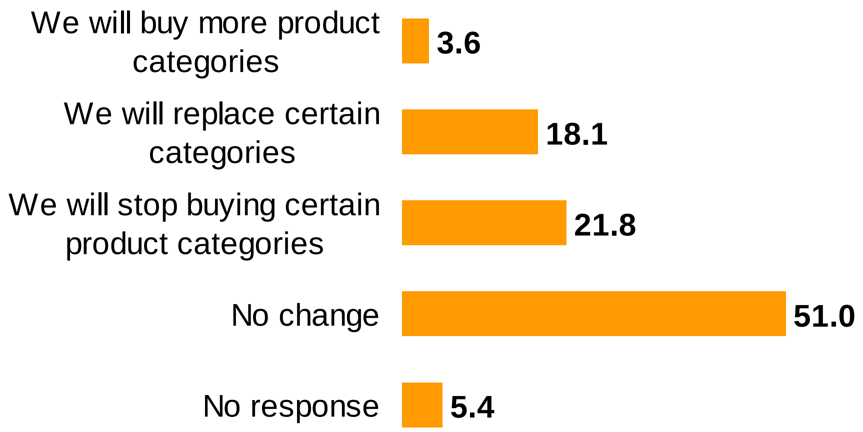
- 68% of respondents have not changed their pricing preferences
- 72% of respondent plan to buy the same quantity of food items
- 51% of respondents do not plan to stop buying or replace usual product categories

PRICE



QUANTITY

PRODUCT CATEGORIES



Source: Romir, random search of 4166 people, Moscow, St. Petersburgh, Samara, October-November 2008

X5's Purchasing Power

Sector Leadership Leads to Stronger Pricing Advantage over Competition

- Purchasing power further grows with market leadership
- Suppliers need and want to do business with X5 due to…
  - increasing purchasing volumes
  - guaranteed payment
- Enhanced opportunity to balance margin and cash flow (payment terms)
- Benefits of deliveries to own DCs given increasing centralization

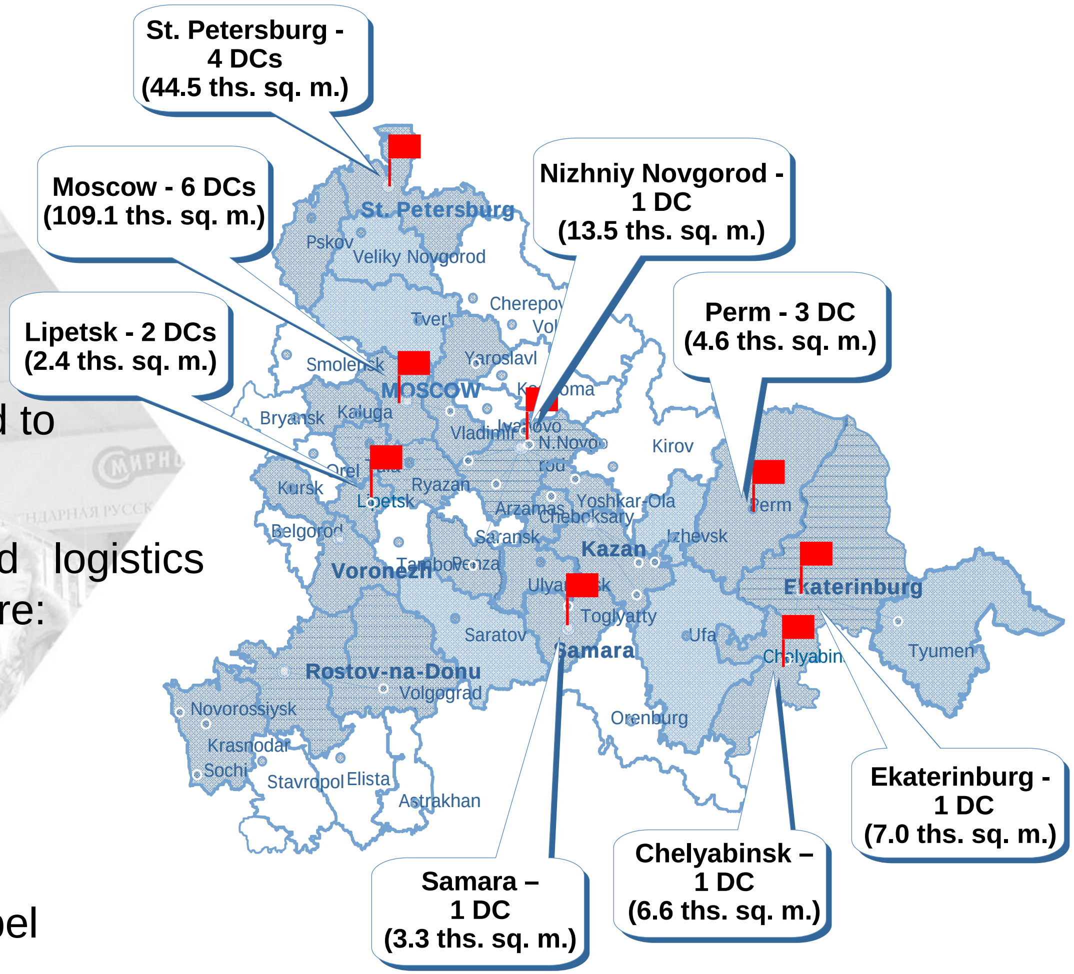
Leadership in Price

- Inflation in X5 stores is always well below average inflation in Russia
  - December 08 to December 07 food inflation in Russia totaled 16.5%, while in X5's stores it was 12.9%

Supply Chain Efficiency…

… Is Supported by Developed Logistics Infrastructure

- Total area of 19 DCs operated by X5 at 31 December 2008 was appr. 191 thousand sq.m.
- The Company operates fleet of over 450 trucks
- Current average level of supply centralization is appr. 50% and is expected to go up to 57% by end of 2009
- The Company will continue to expand logistics infrastructure in 2009 (lease&3PL) to ensure:
    - Higher levels and control over product availability
    - Better working capital management
    - Support for promotions and private label development



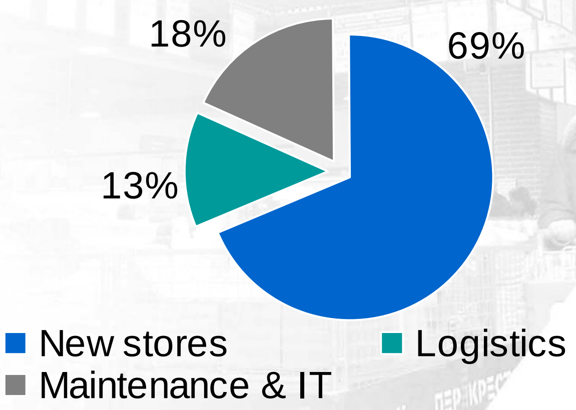
Rationalization of Assortment & Private Label Development Should Enhance Appeal to Consumers and Support Margins…

- Financial crisis triggers rationalization of supplier base….
- …category leaders will have priority
- Focusing on food (90% of total Group’s sales today) and only fast-moving categories in non-food
- Private label development will become an increasingly attractive option for:
  - Consumers – because of price
  - Retailers – as traffic generators and margin support
  - Suppliers – guaranteed volume and payment by large, stable customer

Preliminary Outlook for 2009

	2008	2009E
Sales Growth (in RUR)	41%	>25%[1]
Capital Expenditures	~USD 1,000 mln	Up to RUR 14 bln (USD 500 mln at RUR/USD of 28)

2009 Preliminary CapEx Breakdown



Key Rules for Expansion in 2009

- Higher returns and shortest possible paybacks required
- Priority given to
  - discounters versus other formats
  - leased properties versus ownership
  - regions with already strong presence of X5
- CapEx may be adjusted in response to financial market changes

(1) Based on management's current estimates of 2009 inflation (of around 12%) and may be adjusted in future based on actual inflation trends

Agenda

I. Source of Strength in Russian Retail

- Leadership in Russian Retail
- Track Record of Operating Performance
- Retail Environment and Consumer Trends
- Government Support
- Power of 5 Go-To-Market Strategy
- 2009 Preliminary Guidance

II. Financial Performance & Liquidity Update

III. Long-Term View

X5 RETAIL GROUP

Q3 & 9M 2008 Financial Overview

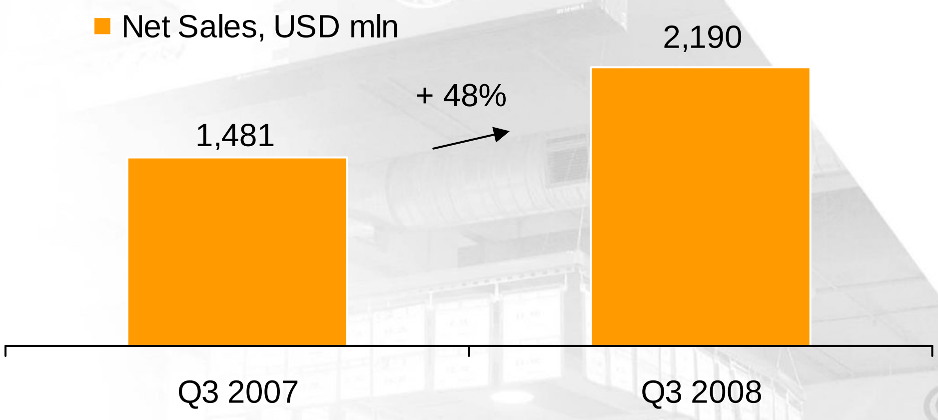
- Solid Revenue Growth
- Higher Profitability before FX Revaluation Effects
- Strong Cash Generation from Operations
- Financial Position Provides Room for Maneuver and Deleveraging

X5 RETAIL GROUP

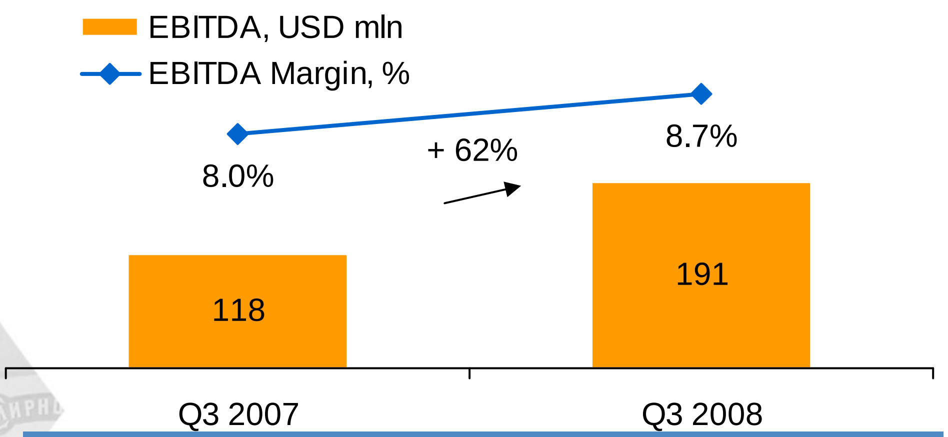
Q3 2008 Financial Review (1)

Solid Financial Results

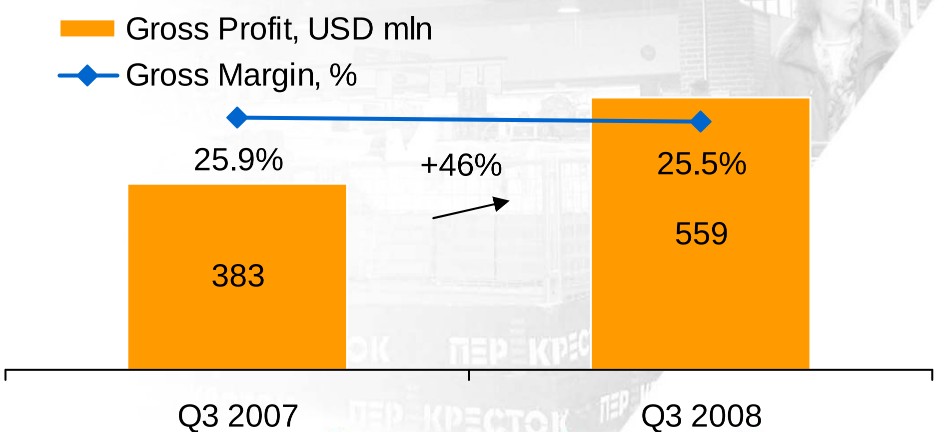
Net Sales



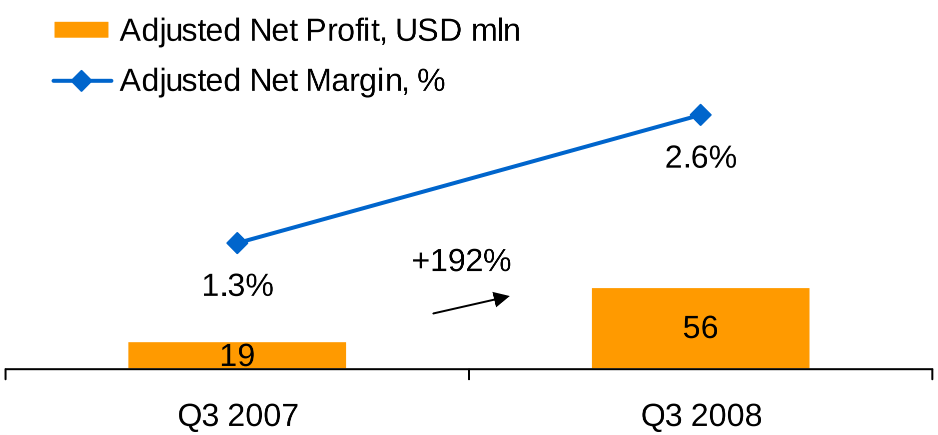
EBITDA



Gross Profit



Adjusted Net Profit excl. FX Revaluation (2)



(1) All P&L numbers in this presentation are provided on pro-forma basis, i.e. including Karusel results from 1 January 2007 and 2008 respectively.
(2) Excluding FX gain/loss and adjusted for respective tax

Q3 & 9M 2008 P&L Highlights [1]

USD mln	Q3 2008	Q3 2007	% change, y-o-y	9M 2008	9M 2007	% change, y-o-y
Net Sales	**2,190.3**	**1,480.6**	***48%***	**6,516.1**	**4,171.3**	***56%***
incl. Retail	2,177.0	1,470.2	*48%*	6,478.7	4,144.3	*56%*
Gross Profit	**558.8**	**382.9**	***46%***	**1,673.7**	**1,083.4**	***54%***
Gross Margin, %	*25.5%*	*25.9%*		*25.7%*	*26.0%*	
EBITDA	**190.5**	**117.7**	***62%***	**578.0**	**358.7**	***61%***
EBITDA Margin, %	*8.7%*	*8.0%*		*8.9%*	*8.6%*	
EBIT	**127.4**	**68.0**	***87%***	**393.3**	**217.0**	***81%***
EBIT Margin, %	*5.8%*	*4.6%*		*6.0%*	*5.2%*	
Finance costs (net)	(44.5)	(48.0)	*-7%*	(117.6)	(111.1)	*6%*
Net FX gain/(loss)	(84.9)	1.8	*n/a*	(40.0)	11.7	*n/a*
Profit before tax	**(2.1)**	**22.2**	***n/a***	**235.6**	**118.1**	***100%***
Income tax expense	(12.6)	(4.4)	*187%*	(97.5)	(57.5)	*69%*
Net Profit (Loss)	**(14.7)**	**17.8**	***n/a***	**138.2**	**60.6**	***128%***
Net Margin, %	*n/a*	*1.2%*		*2.1%*	*1.5%*	
Adjusted Net Profit excl. FX Revaluation effects[2]	**55.9**	**19.2**	***192%***	**165.9**	**53.6**	***210%***
Adjusted Net Margin, %	*2.6%*	*1.3%*		*2.5%*	*1.3%*	

(1) All P&L numbers in this presentation are provided on pro-forma basis, i.e. including Karusel results from 1 January 2007 and 2008 respectively.
(2) Excluding FX gain/loss and adjusted for respective tax

9M 2008 Cash Flow Highlights (1)

Strong Cash Generation from Operations

USD mln	For the nine months ended 30-Sep-08	For the nine months ended 30-Sep-07	*% change*
Net Cash from Operating Activities, incl.	259.8	95.7	*171%*
Net Cash from Operating Activities before Changes in Working Capital	*554.7*	*354.1*	*57%*
Change in Working Capital	*21.1*	*(106.3)*	*n/a*
Net Interest and Income Tax Paid	*(316.0)(2)*	*(152.0)*	*108%*
Net Cash Used in Investing Activities	(1,524.2)	(508.8)	*200%*
Net Cash from Financing Activities	1,318.3	364.2	*262%*
Effect of Exchange Rate Changes on Cash	(9.1)	7.5	*n/a*
Net Increase /(Decrease) in Cash	**44.7**	**(41.4)**	***n/a***

(1) *Cash Flow numbers are provided on consolidation basis, i.e. including Karusel from 30 June 2008 (excluding Karusel in 2007)*
(2) *Strong cash generation from operations was to a large extent offset by advance income tax payments, which should result in lower tax to be paid in the fourth quarter 2008*

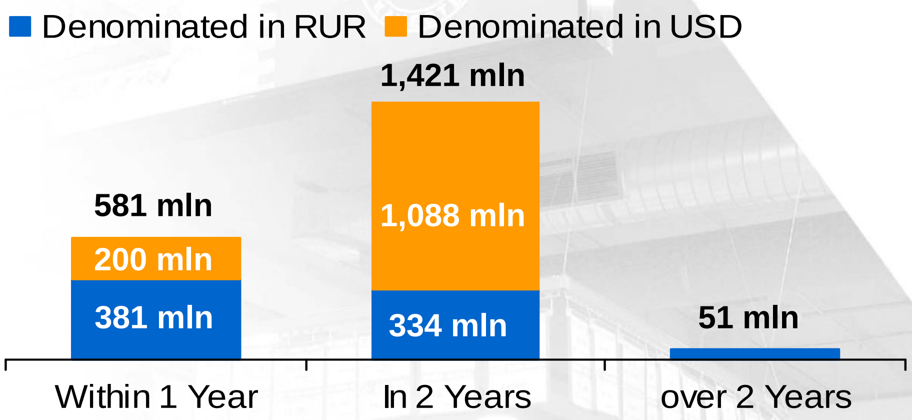
9M 2008 Balance Sheet Highlights (1)

USD mln	30-Sep-08	30-Jun-08	31-Dec-07	% change vs 31-Dec-07
Non-Current Assets, incl.	**7,592.8**	**7,881.8**	**5,688.4**	***33%***
PP&E & investment property	3,693.4	3,708.4	2,119.6	*74%*
Goodwill	3,230.7	3,477.6	2,955.6	*9%*
Current Assets, incl.	**1,212.5**	**1,533.7**	**861.2**	***41%***
Cash	224.2	377.0	179.5	*25%*
ASSETS	**8,805.3**	**9,415.5**	**6,549.6**	***34%***
Total Equity	**4,585.7**	**4,963.5**	**3,243.7**	***41%***
Non-Current Liabilities, incl.	**1,929.0**	**2,032.9**	**1,725.7**	*12%*
Long-term borrowings	1,561.3	1,605.3	1,464.7	*7%*
Current Liabilities	**2,290.6**	**2,419.2**	**1,580.2**	***45%***
Short-term borrowings	706.0	712.7	253.7	*178%*
Total Liabilities	**4,219.6**	**4,452.1**	**3,305.9**	***28%***
EQUITY AND LIABILITIES	**8,805.3**	**9,415.5**	**6,549.6**	***34%***
Net Debt	**2,043.0**	**1,941.1**	**1,538.9**	***33%***
Net Debt/EBITDA	**2.7x**	**2.8x**	**3.2x**	
Net Working Capital	**(372.1)**	**(172.8)**	**(465.3)**	***-20%***

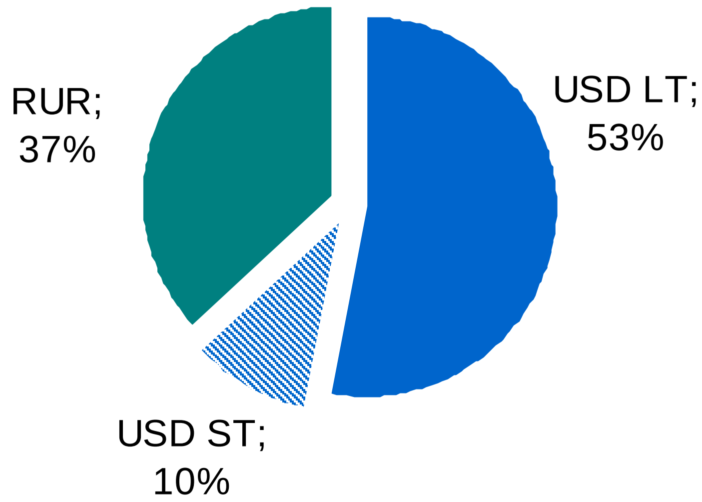
(1) Balance Sheet numbers are provided on consolidation basis, i.e. including Karusel from 30 June 2008 (excluding Karusel in 2007)

Year-End Liquidity Update[1]

Debt Maturity Profile, USD (as at 31.12.08)



Debt Currency Profile (as at 31.12.08)



- Over 70% of X5's debt is long-term, represented mainly by RUR 9 bln bonds with put option in July 2010 and USD 1.1 billion syndicated loan maturing in December 2010
- For refinancing of short-term debt
  - the Company had undrawn credit lines for a total amount of more than RUR 13 bln as at 10 February 2009
- Approximately 70% of debt is not exposed to interest rate fluctuations (long-term debt with fixed or hedged interest). Refinancing or new short-term borrowings are undertaken on fixed-rate basis
- No margin call risk on X5's debt (no margin call provisions in credit arrangements)

(1) Preliminary and unaudited, based on management accounts

X5 RETAIL GROUP

Financial Position

Liquidity Position

- USD 581 mln of short-term debt maturing within 12 months
- Year-end cash balance of approximately USD 250 mln
- As at 10 February 2009 RUR 13 bln of undrawn credit lines available for refinancing
- Expected free cash flow generation in 2009 should enable further deleveraging
- Over 80% of planned 2009 CapEx is fully discretionary and can be adjusted in response to market conditions

FX Exposure

- No material FX risk in operations
- FX risk on short-term USD debt hedged by purchased dollars in Q4 2008 (USD 115 mln)
- FX risk mainly arises on USD 1.1 bln syndicated loan maturing in December 2010, however:
  - Exposure on revaluation of principal is non-cash
  - Limited cash flow exposure as the facility has a very attractive interest rate (LIBOR + 150 bp) which minimizes potential cash FX losses on interest payments
  - Hedging is prohibitively expensive
  - Refinancing in RUR would negatively affect not only P&L but also cash flow, as X5 would commit to much higher interest payments
- To mitigate FX risks, X5 undertakes new borrowings primarily in RUR

Agenda

I. Source of Strength in Russian Retail

- Leadership in Russian Retail
- Track Record of Operating Performance
- Retail Environment and Consumer Trends
- Government Support
- Power of 5 Go-To-Market Strategy
- 2009 Preliminary Guidance

II. Q3&9M 2008 Financial Performance & Liquidity Update

III. Long-Term View

Long-Term View

We Should Not Forget that…

- Russian retail market remains very fragmented and immature…
- …offering unique opportunities to strongest players…
- …on the back of…
  - long-term potential for income and spending growth…
  - …organic expansion…
  - …and market consolidation