

X5 RETAIL GROUP REPORTS Q1 2013 TRADING RESULTS ⁽¹⁾

Amsterdam, 12 April 2013 - X5 Retail Group N.V. (“X5” or the “Company”), a leading Russian retailer (LSE ticker: “FIVE”), announced today the Company’s preliminary consolidated net retail sales and operational performance for the first quarter (Q1) of 2013.

Expansion

In Q1 2013, X5 added a net 66 stores, including 59 soft discounters, one supermarket and six convenience stores resulting in an 18,519 square meter (sq. m.) net increase in total selling space. At 31 March 2013, X5 operated 3,868 stores or 1,988 thousand sq. m. of selling space.

Expansion Dynamics by Format⁽²⁾

	31-Mar-13	Net Added		% change	31-Mar-12	% change
		Q1 2013	31-Dec-12	vs 31-Dec-12		vs 31-Mar-12
Selling Space, sq. m.						
Soft Discounters	1,207,444	16,091	1,191,353	1.4%	1,028,986	17.3%
Supermarkets	386,307	2,848	383,459	0.7%	354,408	9.0%
Hypermarkets	368,770	520	368,249	0.1%	371,293	(0.7%)
Convenience stores	25,744	(940)	26,683	(3.5%)	14,867	73.2%
Total	1,988,264	18,519	1,969,745	0.9%	1,769,555	12.4%
# of Stores						
Soft Discounters	3,279	59	3,220	1.8%	2,643	24.1%
Supermarkets	371	1	370	0.3%	337	10.1%
Hypermarkets	78	-	78	0.0%	77	1.3%
Convenience stores	140	6	134	4.5%	82	70.7%
Total	3,868	66	3,802	1.7%	3,139	23.2%

Net selling space in Q1 2013 increased by 218,709 sq. m., or by 12.4%, year-on-year (y-o-y) primarily driven by additions at our soft discounter format where net selling space increased by 17.3% y-o-y.

The increase in soft discounter net selling space was mainly focused on additions of new soft discounters in “Other” regions (regions other than Central and North-West), which accounted for 10.8% of the format’s y-o-y increase in net selling space in Q1 2013 while expansion in the Central and North-West regions contributed 4.9% and 1.7%, respectively.

Supermarkets increased net selling space by 9.0% y-o-y primarily due to expansion in the Central and “Other” regions, which accounted for 5.2% and 3.6% of the format’s net selling space increase, respectively.

During Q1 2013, X5 closed eight soft discounters, three supermarkets, one hypermarket and five convenience stores that did not meet the respective efficiency criteria.

⁽¹⁾ Numbers in this press release are preliminary and have not been reviewed or audited by the Company’s auditor.

⁽²⁾ Note that in this and other tables of this press release, immaterial deviations in calculation of % change, subtotals and totals are explained by rounding.

Net Retail Sales ⁽¹⁾ Performance

Net Retail Sales Dynamics by Format

RUR mln	Q1 2013⁽²⁾	Q1 2012	% change, y-o-y
Soft Discounters	81,703.1	74,906.3	9.1%
Supermarkets	27,486.7	25,873.5	6.2%
Hypermarkets	15,157.9	15,165.6	(0.1%)
Convenience stores	1,706.8	907.1	88.2%
Online	241.7	26.5	813.1%
Total X5 Net Retail Sales	126,296.2	116,879.0	8.1%

X5's consolidated net Russian Rouble (RUR) retail sales for Q1 2013 totaled RUR 126,296 million (mln), a y-o-y increase of 8.1%. Overall, the increase in net retail sales was driven by selling space expansion, price inflation, the positive performance of maturing stores added over the past two years and on-going promotional activities.

Soft discounters increased net retail sales by 9.1% y-o-y and accounted for 5.8% of the Company's Q1 2013 y-o-y net retail sales growth. Soft discounters in "Other" regions accounted for 6.4% of the format's 9.1% net retail sales growth while the Central and North-West regions accounted for 3.2% and (0.5%), respectively. The increase in net retail sales was directly related to the format's 17.3% y-o-y expansion in net selling space, primarily in "Other" regions, as well as the reasons mentioned above.

Supermarkets increased net retail sales by 6.2% and accounted for 1.4% of X5's Q1 2013 y-o-y net retail sales growth. Supermarkets in the Central region accounted for 4.5% of the format's 6.2% net retail sales growth while the North-West and "Other" regions accounted for 0.4% and 1.3%, respectively. The increase in the format's net retail sales was due to selling space expansion in the Central region as well as the reasons mentioned above.

Hypermarkets net retail sales remained almost flat y-o-y in Q1 2013 primarily due to an aggregated y-o-y increase in net retail sales of approximately 1.5% in the format's Central and North-West regions, which was due to the reasons mentioned above. The increase was offset by an approximately 1.6% decline in the format's net retail sales in "Other" regions primarily due to a 3.5% y-o-y decrease in "Other" regions' net selling space as at the end of Q1 2013 due to store closures and downsizing.

⁽¹⁾ Net retail sales represent revenue from operations of X5 managed stores net of VAT. This number differs from total net sales that also include revenue from direct franchisees (royalty payments) and other revenue. The total net sales number will be reported as part of the Q1 2013 financial results.

⁽²⁾ Net retail sales results in Q1 2013 are not adjusted for the 2012 leap year effect (29 days in February). The adjusted net retail sales growth for Q1 2013 is as follows: X5 - 9.3%, Soft Discounters - 10.3%, Supermarkets - 7.4%, Hypermarkets - 1.1%, Convenience stores - 90.3%.

Average Ticket and Number of Customer Visits

	Q1 2013	Q1 2012	% change, y-o-y
<u>Average Ticket, RUR</u>			
Soft Discounters	277.9	274.7	1.2%
Supermarkets	428.1	420.0	1.9%
Hypermarkets	590.5	599.1	(1.4%)
Convenience stores	263.2	240.3	9.5%
Online	1,669.2	1,930.6	(13.5%)
Total	323.4	321.6	0.6%
<u># of Customers, mln</u>			
Soft Discounters	335.7	311.1	7.9%
Supermarkets	73.5	70.5	4.3%
Hypermarkets	29.2	28.8	1.3%
Convenience stores	7.7	4.4	73.5%
Online	0.18	0.02	1,032.2%
Total	446.2	414.7	7.6%

In Q1 2013, X5's average RUR ticket increased by 0.6% y-o-y primarily due to the increase in Russian food inflation, which averaged approximately 8.5% y-o-y during the 2013 period.

The effect of food inflation on the average ticket in Q1 2013 was negatively offset by both a change in the composition of the basket across all formats compared to Q1 2012, due to availability and price, and an increase in the formats' promotional activities during the 2013 period.

In Q1 2013, the total number of customer visits increased by 7.6% y-o-y primarily driven by soft discounters, where customer visits increased by 7.9% y-o-y.

Customer visits to soft discounters, supermarkets and hypermarkets increased in Q1 2013 as a result of the stores opened in the past two years at the respective formats and the associated increase in selling space. Customer visits to Supermarkets and hypermarkets also benefitted from successful marketing and promotional campaigns during the 2013 period.

LFL Sales Performance

In Q1 2013, X5's like-for-like (LFL) store performance increased by 0.5% primarily due to an increase in basket.

LFL ⁽¹⁾ Store Performance

		Q1 2013	
	Total LFL, %	Traffic, %	Basket, %
<u>X5 Retail Group</u>			
Soft Discounters	(0.2)	(3.3)	3.2
Supermarkets	1.1	0.3	0.8
Hypermarkets	0.6	3.7	(3.0)
Convenience stores	13.5	4.1	9.0
X5 Retail Group Total	0.5	(2.1)	2.5

Total LFL results in Q1 2013 were supported by an overall higher basket, which increased 2.5% y-o-y primarily due to the increase in Russia's average food inflation in Q1 2013 compared to Q1 2012, which was moderated by changes in the format's basket composition and an increase in promotional activities during the same period.

Soft discounters reported slightly negative LFL sales results on traffic decline of 3.3% in Q1 2013. The format's Central and "Other" regions reported positive LFL sales results, while in the North-West region LFL sales results were negative. The format's negative LFL traffic reflects the on-going operational challenges at the soft discounter format.

Supermarkets reported positive Q1 2013 LFL sales results of 1.1% driven by strong traffic and basket growth in the Central and North-West regions, which was offset by a decline in the LFL sales performance in "Other" regions primarily due to weaker traffic during the period.

Hypermarkets reported positive LFL sales results in Q1 2013 due to a 3.7% increase in traffic, which was offset by a 3.0% decrease in basket due to the promotional campaigns the format ran during the quarter.

The improvements in supermarket and hypermarket LFL traffic in Q1 2013 reflect the overall improvements in the shopping experience for the customer at the stores during the quarter, which was driven in part by improvements in fresh (fruits and vegetables) and employee motivation.

⁽¹⁾ LFL comparisons of retail sales between two periods are comparisons of retail sales in local currency (including VAT) generated by the relevant stores. The stores that are included in LFL comparisons are those that have operated for at least twelve full months preceding the beginning of the last month of the reporting period. Their sales are included in LFL calculation starting from the day of the store's opening. We include all stores that fit our LFL criteria in each reporting period.

Note to Editors:

X5 Retail Group N.V. (LSE: FIVE, Moody's - "B2", S&P - "B+") is a leading Russian retailer. The Company operates several retail formats: the soft discounter chain under the Pyaterochka brand, the supermarket chain under the Perekrestok brand, the hypermarket chain under the Karusel brand, the online retail channel under the E5.ru brand and convenience stores under various brands.

At 31 March 2013, X5 had 3,868 Company-operated stores. It has the leading market position in both Moscow and St. Petersburg and a significant presence in the European part of Russia. Its store base includes 3,279 soft discounter stores, 371 supermarkets, 78 hypermarkets and 140 convenience stores. The Company operates 29 DCs and 1,924 Company-owned trucks across the Russian Federation. At 31 December 2012, the number of X5 employees totaled 109 thousand.

For the full year 2012, net sales totaled USD 15,795 mln, EBITDA reached USD 1,124 mln, and net loss amounted to USD 126 mln.

X5's Shareholder structure is as follows: Alfa Group – 47.86%, founders of Pyaterochka – 19.85%, X5 Directors – 0.01%, treasury shares – 0.11%, free float – 32.17%.

Forward looking statements:

This announcement includes statements that are, or may be deemed to be, "forward-looking statements". 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, actual future results may differ materially from the plans, goals and expectations set out in these forward-looking statements.

Any forward-looking statements made by or on behalf of X5 Retail Group N.V. speak only as at the date of this announcement. Save as required by any applicable laws or regulations, X5 Retail Group N.V. undertakes no obligation publicly to release the results of any revisions to any forward-looking statements in this document that may occur due to any change in its expectations or to reflect events or circumstances after the date of this document.

Contacts:

Gregory Madick
Executive IR Director
Tel.: +7 (495) 502-9783
e-mail: Gregory.Madick@x5.ru

Vladimir Rusanov
Acting Head of PR
Tel.: +7 (495) 662-8888, ext. 31-328
e-mail: Vladimir.Rusanov@x5.ru

Appendix I: Q1 2013 Monthly RUR Sales Results, y-o-y

January	Net retail sales	Customer visits	Average ticket⁽³⁾	Total LFL	Traffic	Basket
Soft Discounters	10.8%	10.2%	0.6%	0.3%	(2.4%)	2.8%
Supermarkets	4.6%	7.0%	(2.2%)	(1.5%)	0.2%	(1.7%)
Hypermarkets	0.1%	3.9%	(6.1%)	(2.2%)	4.5%	(6.7%)
Convenience stores	99.5%	84.7%	9.3%	13.0%	3.8%	9.2%
X5 Retail Group⁽¹⁾	8.7%	10.0%	(1.4%)	(0.2%)	(1.4%)	1.2%

February⁽²⁾	Net retail sales	Customer visits	Average ticket⁽³⁾	Total LFL	Traffic	Basket
Soft Discounters	5.4%	7.1%	(1.5%)	(1.2%)	(1.6%)	0.4%
Supermarkets	5.0%	4.9%	0.0%	1.4%	1.1%	0.3%
Hypermarkets	(3.4%)	(0.6%)	(1.5%)	0.7%	3.0%	(2.3%)
Convenience stores	83.1%	73.5%	6.6%	12.2%	5.6%	6.6%
X5 Retail Group⁽¹⁾	5.0%	6.9%	(1.6%)	(0.1%)	(0.7%)	0.6%

March	Net retail sales	Customer visits	Average ticket⁽³⁾	Total LFL	Traffic	Basket
Soft Discounters	11.0%	6.7%	4.1%	0.2%	(5.6%)	6.1%
Supermarkets	8.9%	1.4%	7.5%	3.3%	(0.2%)	3.6%
Hypermarkets	2.8%	0.7%	3.0%	3.1%	3.4%	(0.3%)
Convenience stores	83.7%	64.9%	12.4%	15.0%	3.2%	11.4%
X5 Retail Group⁽¹⁾	10.2%	6.1%	4.2%	1.6%	(4.0%)	5.8%

⁽¹⁾ Including E5.RU results.

⁽²⁾ Net retail sales results in the table are not adjusted for the 2012 leap year effect (29 days in February). Adjusted net retail sales growth for February 2013 is as follows: X5 - 8.7%, Soft Discounters - 9.1%, Supermarkets - 8.7%, Hypermarkets - 0.1%, Convenience stores - 89.6%, and for Q1 2013: X5 - 9.3%, Soft Discounters - 10.3%, Supermarkets - 7.4%, Hypermarkets - 1.1%, Convenience stores - 90.3%.

⁽³⁾ Based on gross retail sales.