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**X5 RETAIL GROUP N.V. REPORTS 61%
NET RETAIL SALES* GROWTH IN USD TERMS FOR Q1 2008**

Amsterdam, 11 April 2008 - X5 Retail Group N.V., Russia's largest food retailer in terms of revenue (LSE ticker: "FIVE"), published today its retail sales and expansion results for the first quarter of 2008.

Q1 2008 Highlights

- 61% year-on-year growth in USD terms in net retail sales to USD 1,775.1 mln;
- 49% year-on-year growth in RUR terms in net retail sales to RUR 43,064 mln;
- 29% LFL sales growth in RUR terms;
- 62 stores added on net basis;
- 30.1 thousand square meters of net selling area added on net basis;

Lev Khasis, X5 Retail Group CEO, commented:

"We are pleased to report that strong sales growth momentum continued into the first quarter of 2008, with LFL sales exceeding management expectations. Our market leadership, regional diversification and multi-format strategy enabled us to take advantage of positive macroeconomic performance and the rise in consumer spending. We believe that our strong presence in each of the key three formats is crucial for the continuing success of the Company and see further expansion in hypermarket segment as a strategic priority going forward."

Antonio Melo, X5 Retail Group Chief Operating Officer, added:

"Sales growth of 61% that we recorded reflects our ability to digest and adapt to changing consumer preferences. We are continually improving the value proposition we offer to the market and consequently benefit from enhanced customer loyalty."

Thus, in response to consumer demand we are adding two new store concepts to our service offering. We are launching a new supermarket concept under the Green Perekrestok brand in order to widen our customer base and to tailor our products and services to the growing high-end consumer segment. We have also developed a new hypermarket concept that we intend to roll out throughout regions of our operations under the Mercado Supercenter brand, building on the successful experience of European retailers, while adapting to the needs and expectations of Russian consumers."

* Net retail sales represent revenue from operations of X5 managed stores excluding VAT. This number differs from total net sales that also include revenue from franchisees and other revenue. The total net sales number will be reported along with the Q1 2008 financial results.

Numbers provided in this press-release are preliminary and unaudited.

Q1 2007 exclude results of operations of *Korzinka* and *Strana Gerkulesia*, while Q1 2008 net retail sales exclude results of operations of *Kama Retail*. For your reference, *Korzinka* and *Strana Gerkulesia* net sales for Q1 2007 were USD 29.2 mln and USD 19.5 mln respectively.

Net Retail Sales Performance

Net Retail Sales Dynamics by Format

USD mln	Q1 2008	Q1 2007	% change y-o-y
Hypermarkets	128.7	76.7	68%
Supermarkets	638.6	407.5	57%
Soft Discounters	1,007.8	617.1	63%
Total Net Retail Sales	1,775.1	1,101.3	61%
RUR mln			
Hypermarkets	3,123.0	2,018.3	55%
Supermarkets	15,491.9	10,718.8	45%
Soft Discounters	24,449.1	16,233.4	51%
Total Net Retail Sales	43,064.0	28,970.4	49%

Total net retail sales for the first quarter 2008 increased by 61% in USD terms (49% in RUR terms) to USD 1,775 mln. All three formats contributed to an impressive sales surge, with soft discounters and hypermarkets demonstrating particularly strong growth.

Gross Retail Sales Analysis*

*Like-For-Like** Stores Performance (please see Appendix I for detailed LFL performance)*

	Total LFL, %	Q1 2008 Traffic, %	Basket, %
Hypermarkets	29	15	13
Supermarkets	34	17	17
Soft Discounters	26	6	20
X5 Retail Group Total	29	10	19

Gross Retail Sales Dynamics

Gross Retail Sales, RUR mln	LFL, %	Expansion, %	Total change %, excl. FX
Hypermarkets	29	26	55
Supermarkets	34	10	45
Soft Discounters	26	25	51
Total Gross retail sales	29	20	49
FX Effect			12
Total Change Y-O-Y, %			61

* In this section all sales dynamics analysis is based on RUR-denominated gross sales (including VAT, excluding FX). Net sales RUR growth rates may immaterially differ due to effective VAT rate.

** Like-for-like calculations contained are comparisons of revenue (including VAT denominated in the local currency) between two periods generated by the relevant stores. The stores that are included in like-for-like comparisons are those that were in operation for at least a full month prior to the beginning of the more recent period and for each month in that period. The like-for-like comparison for each store takes into account the revenue generated by that store during the same months it was in operation in each period; the revenue of all the relevant stores in the relevant months is then aggregated for each period and compared. Revenue is included for each store only from the first day of the month following the month that store was opened or acquired. For example, the like-for-like comparison of revenue between 2007 and 2006 would include the revenue of a store that was opened or acquired on 15 October 2006, and the revenue to be compared would be the aggregate revenue generated by that store in November and December of each year.

For the first quarter 2008, LFL sales surged 29% in RUR terms, composed of 10% increase in traffic and 19% increase in average basket, which underlines X5's ability to capitalize on growth in income per capita and consequent upgrade of spending pattern by Russian consumers. Expansion brought additional 20% in terms of growth.

Hypermarkets

For the first quarter 2008, hypermarket sales surged 55%, excluding FX effect. This growth came as a result of a 29% increase in LFL sales with 26% added by non-LFL stores. LFL sales growth was very strong both in the regions and in Moscow on the back of growing consumer spending and improved hypermarket value proposition helped by successful promotional campaigns. Stronger performance of stores opened after 31 March 2007 and addition of a new hypermarket in Voronezh in the first quarter this year contributed to strong results of non-LFL stores.

Supermarkets

For the first quarter 2008, supermarket sales grew by 45%, excluding FX effect, as a result of 34% surge in LFL sales and 10% coming from expansion. Impressively strong LFL results are mainly due to outperformance of supermarkets located in Moscow and St. Petersburg. We are proud to report that supermarket traffic in Moscow and St. Petersburg posted impressive growth of 20% and 19%, respectively, which once again underscores our leading positions in these core markets.

Soft Discounters

In the first quarter 2008 soft discounter sales grew by 51%, excluding FX effect, as a result of a 26% surge in LFL sales and 25% coming from expansion. The strongest LFL growth in the soft discounter format was demonstrated by regional stores (up 48%) due to continuing excellent performance of stores in Urals. Despite the fact that St. Petersburg remains a very competitive market, the Company's soft discounters continued reporting positive traffic there with total LFL reaching 15%.

Expansion

	31 Dec '07	As of 31 March '08	Net Added in Q1 '08	% change, y-o-y
Selling Space, sq.m.				
Hypermarkets	59,963	64,111	4,148	7%
Supermarkets	191,730	196,102	4,372	2%
Soft Discounters	357,517	379,084	21,567	6%
X5 Retail Group Total	609,210	639,297	30,087	5%
# of Stores				
Hypermarkets	15	16	1	7%
Supermarkets	179	183	4	2%
Soft Discounters	674	731	57	8%
X5 Retail Group Total	868	930	62	7%

In the first quarter 2008, X5 Retail Group N.V. added net 62 stores, including 57 soft discounters, four supermarkets and one compact hypermarket (in Voronezh) with a total net selling space of 30.1 thousand sq. m. This takes into account 2.8 thousand sq.m. that were closed during the quarter (five soft discounters and one supermarket) and includes 28 stores purchased as a result *Kama-Retail* acquisition (9.3. thousand sq.m. in net selling space).

As a result, at 31 March 2008, X5 Retail Group N.V. operated 930 company-managed stores, consisting of 731 soft discounters, 183 supermarkets, 15 compact hypermarkets and one full-size hypermarket store, with the total net selling space of 639.3 thousand sq. m. (please see Appendices IV and V for detailed information on store opening progress).

Tactical M&A Transactions & Franchises Buy-Out Update

In the first quarter 2008 X5 Retail Group has started the integration and rebranding of *Korzinka* and *Strana Gerkulesia* stores, which is expected to be completed in the second quarter for most of the discounters and in the third quarter for all supermarkets. As we have announced on 5 March 2008, X5 plans to rebrand its full size hypermarket in Lipetsk purchased within the *Korzinka* deal to Mercado Supercenter by 30 June 2008.

In April 2008 X5 Group acquired 100% of the business and assets of *Kama Retail* company - a Pyaterochka franchisee in the Perm region. As a result, X5 bought out 28 soft discount stores in Perm and the Perm region with a net selling area of 9.3 thousand sq.m. for a total consideration of approximately USD 18 million, including debt. The total area of purchased stores is 19.9 thousand sq.m, out of which 1.9* thousand sq.m. are wholly owned. This was the second deal in the execution of the Group's strategy of selective franchisee buy-out in strategically important regions.

Franchisee Store Operations

During the first quarter 2008 the Group's franchisee store network was expanded by net 23 soft discounter stores. As of 31 March 2008, franchisees operated 711 stores across Russia and Kazakhstan in total, including 8 *Perekrestok* and 703 *Pyaterochka* stores. X5 Retail Group does not consolidate franchisee stores' sales. The Group receives royalty payments from franchisees and reports them as other revenue.

Appendices

- I. LFL Store Performance by Format and Region**
- II. Net Retail Sales Performance by Region**
- III. Average Ticket and Number of Customers**
- IV. Net Selling Space Addition by Format and Region**
- V. Net Store Addition by Format and Region**
- VI. Financial Calendar for 2008**

* one store under a financial leasing arrangement with a buy-out option

Note to Editors:

X5 Retail Group N.V. is Russia's largest food retailer in terms of sales. The Company was created as a result of a merger between Pyaterochka (soft discounter chain) and Perekrestok (supermarket chain) on 18 May 2006.

As of 31 March 2008, the Group had 731 Company managed soft discount stores located in Moscow (321), St. Petersburg (249) and other Russian areas (161), 183 Company managed supermarkets across Central Russia and Ukraine, including 108 stores in Moscow (Moscow region and Yaroslavl region), and 16 Company managed hypermarkets.

As of 31 March 2008, X5's franchisees operated 711 stores across Russia and Kazakhstan.

In accordance with preliminary unaudited data, the Group's net sales for the full year 2007 reached USD 5,320 mln, an increase of 53% year-on-year. Gross profit for the period totaled USD 1,404 mln, EBITDA amounted to USD 479 mln. Full year 2007 net income reached USD 141 mln.

X5 Retail Group N.V.'s net retail sales for the first quarter 2008 surged 61% in USD terms and reached USD 1,775 mln.

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.

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Appendix I: LFL Store Performance by Format and Region*

	Total LFL, %	Q1 2008 Traffic, %	Basket, %
<u>Moscow & the Moscow Region</u>			
Hypermarkets	27	9	18
Supermarkets	39	20	19
Soft Discounters	34	9	26
Total	36	13	23
<u>St. Petersburg & North-West</u>			
Hypermarkets	0	0	0
Supermarkets	32	19	13
Soft Discounters	15	1	14
Total	17	3	14
<u>Regions</u>			
Hypermarkets	30	19	11
Supermarkets	21	11	10
Soft Discounters	48	21	27
Total	28	16	13
<u>X5 Retail Group</u>			
Hypermarkets	29	15	13
Supermarkets	34	17	17
Soft Discounters	26	6	20
X5 Retail Group Total	29	10	19

* Based on RUR-denominated gross sales (including VAT, excluding FX). Net sales RUR growth rates may immaterially differ due to effective VAT rate.

Like-for-like calculations contained are comparisons of revenue (including VAT denominated in the local currency) between two periods generated by the relevant stores. The stores that are included in like-for-like comparisons are those that were in operation for at least a full month prior to the beginning of the more recent period and for each month in that period. The like-for-like comparison for each store takes into account the revenue generated by that store during the same months it was in operation in each period; the revenue of all the relevant stores in the relevant months is then aggregated for each period and compared. Revenue is included for each store only from the first day of the month following the month that store was opened or acquired. For example, the like-for-like comparison of revenue between 2007 and 2006 would include the revenue of a store that was opened or acquired on 15 October 2006, and the revenue to be compared would be the aggregate revenue generated by that store in November and December of each year.

Appendix II: Net Retail Sales Performance by Region

USD mln	Q1 2008	Q1 2007	% change y-o-y
Moscow & the region	980.2	619.3	58%
St. Petersburg & North-West	466.4	327.6	42%
Other regions	328.5	154.4	113%
Total Net Retail Sales	1,775.1	1,101.3	61%
RUR mln			
Moscow & the region	23,780.3	16,290.4	46%
St. Petersburg & North-West	11,315.0	8,619.0	31%
Other regions	7,968.7	4,061.1	96%
Total Net Retail Sales	43,064.0	28,970.4	49%

Appendix III: Average Ticket and Number of Customers

	Q1 2008	Q1 2007	% change, y-o-y
X5 Average Ticket, USD	11.5	9.3	23%
Hypermarkets	18.3	15.2	20%
Supermarkets	14.0	11.5	21%
Soft Discounters	9.9	8.0	24%
X5 # of Customers, mln	176.6	134.0	32%
Hypermarkets	8.1	5.8	39%
Supermarkets	52.2	40.1	30%
Soft Discounters	116.3	88.1	32%

Appendix IV: Net Selling Space Addition by Format and Region

	31 Dec '07	As of 31 March '08	Net Added in Q1 2008	% change, y-o-y
<u>Moscow & the Moscow Region</u>				
Hypermarkets	17,189	17,189	-	0%
Supermarkets	107,555	110,370	2,815	3%
Discounters	175,101	181,330	5,229	3%
Total	299,845	307,890	8,045	3%
<u>St. Petersburg & North-West</u>				
Hypermarkets	-	-	-	-
Supermarkets	24,061	23,633	-428	-2%
Discounters	135,006	137,273	2,267	2%
Total	159,067	160,906	1,839	1%
<u>Regions</u>				
Hypermarkets	42,774	46,922	4,148	10%
Supermarkets	60,114	62,098	1,984	3%
Discounters	47,410	61,481	14,071	30%
Total	150,298	170,501	20,203	13%
<u>X5 Retail Group</u>				
Hypermarkets	59,963	64,111	4,148	7%
Supermarkets	191,730	196,102	4,372	2%
Discounters	357,517	379,084	21,567	6%
X5 Retail Group Total	609,210	639,297	30,087	5%

Appendix V: Net Store Addition by Format and Region

# of Stores	31 Dec '07	As of 31 March '08	Net Added in Q1 2008	% change, y-o-y
<u>Moscow & the Moscow Region</u>				
Hypermarket	4	4	-	0%
Supermarket	105	108	3	3%
Discounter	309	321	12	4%
Total	418	433	15	4%
<u>St. Petersburg & North-West</u>				
Hypermarket	-	-	-	
Supermarket	19	18	-1	-5%
Discounter	244	249	5	2%
Total	263	267	4	2%
<u>Regions</u>				
Hypermarket	11	12	1	9%
Supermarket	55	57	2	4%
Discounter	121	161	40	33%
Total	187	230	43	23%
<u>X5 Retail Group</u>				
Hypermarkets	15	16	1	7%
Supermarkets	179	183	4	2%
Soft Discounters	674	731	57	8%
X5 Retail Group Total	868	930	62	7%

Appendix VI: Financial Calendar for 2008

Date	Event
April 11, 2008	Q1 2008 Trading Update Release, Conference Call & Analyst Meeting
April 17, 2008 TBC	Audited FY 2007 IFRS Results Release, Conference Call
May 29, 2008, TBC	Q1 2008 Unaudited Financial Results Release
July 10, 2008, TBC	Q2 & H1 2008 Trading Update Release
September 23, 2008, TBC	Q2 & H1 Audited IFRS Results Release
October 9, 2008, TBC	Q3 2008 Trading Update Release
November 25, 2008, TBC	Q3 2008 Unaudited Financial Results Release