

*PRESS-RELEASE*

**NOMINATION OF MR. STEPHAN DUCHARME  
AS INDEPENDENT MEMBER OF X5 RETAIL GROUP SUPERVISORY BOARD**

**Amsterdam, 1 October 2008** - X5 Retail Group N.V. (the “Company”), Russia's largest retailer in terms of sales, invites its shareholders/holders of global depository receipts (“GDRs”) to its Extraordinary General Meeting of Shareholders to be held at Parkstraat 20, 2514 JK The Hague, The Netherlands at 11.00 am CET on **29 October 2008** (hereinafter: the "EGM"). The record date for the EGM is **01 October 2008**.

Among other items on the agenda, X5’s Supervisory Board proposes to the EGM to appoint Mr. Stephan DuCharme as a fourth independent member of the Supervisory Board of X5 Retail Group N.V.

**Mr. Stephan DuCharme** was born on 20 April 1964 in Addis Ababa, Ethiopia. Mr. DuCharme has held executive positions in EBRD, Alfa Group and SUN Group, where he played a significant role in managing the group’s equity stake in SUN-Interbrew Ltd, one of the largest beer producers in Russia and Ukraine, and in the divestiture of the equity stake to InBev S.A. in 2005. Mr. DuCharme has served on the Board of Directors of CSA Czech Airlines, Alfa Bank and SUN-Interbrew Ltd as well as on the Board of Directors of JSC SUEK as an independent director. Currently he acts as an advisor for SUN Group and serves – on behalf of EBRD - on the Supervisory Board of Iberia Refreshments in the Republic of Georgia. Mr. DuCharme graduated with distinction from the University of California at Berkeley and received his MBA from INSEAD.

A copy of the agenda of the EGM (including the explanatory notes to the agenda) can be found at [www.x5.ru](http://www.x5.ru).

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**Note to Editors:**

X5 Retail Group N.V. is Russia's largest 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. The Company further strengthened its leadership on 26 June 2008 by completing the acquisition of Karusel hypermarket chain.

As at 30 June 2008, X5 operated 991 store located in Moscow, St. Petersburg, other regions of European Russia and the Urals, as well as in Ukraine. X5's multiformat store network comprises 762 soft discount stores under "Pyaterochka" brand, 190 supermarkets under "Perekrestok" brand and 39 hypermarkets under "Karusel" and "Perekrestok" brands.

As of 30 June 2008, X5's franchisees operated 710 stores across Russia and in Kazakhstan. X5'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 144 mln.

X5 Retail Group N.V.'s net sales for the first half 2008 surged 60% in USD terms and reached USD 3,766 mln (excluding Karusel). Gross profit for the period totaled USD 978 mln, EBITDA amounted to USD 351 mln, net income reached USD 161 mln.

Including Karusel on pro-forma basis the Company's net sales for the first half 2008 totaled USD 4,326 mln, gross profit amounted to USD 1,115 mln, EBITDA – to USD 388 mln and net income – to USD 153 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.*