

**X5 RETAIL GROUP APPOINTS KIRILL GRODINSKY  
AS CEO OF IT BUSINESS**

**Amsterdam, 31 January 2011** - X5 Retail Group N.V., Russia's largest retailer in terms of revenue (LSE ticker: "FIVE"), today announced the appointment of Kirill Grodinsky as CEO of IT Business Company.

IT Business is a dedicated X5 group company for e-commerce and currently operates through [www.bolero.ru](http://www.bolero.ru) and [www.003.ru](http://www.003.ru) online stores.

IT Business posted 2010 net sales of USD 20.3 million and USD 6.9 million in the fourth quarter, while Q4 traffic averaged 50,000 customer visits per day with average ticket of USD 151.

Kirill Grodinsky has significant experience in FMCG and e-commerce. From 2006 to 2008 he served as general director of O-Courier (major delivery channel of OZON.RU in Moscow and St. Petersburg Regions). In November 2008 he was appointed Deputy CEO and Operational Director of OZON.ru. In February 2010 Mr. Grodinsky became the head of Alterwest, a Russian leader in ice cream and frozen foods. He graduated from St. Petersburg State Technical University, Faculty of Mechanics and Physics.

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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. In June 2008, X5 acquired Karusel hypermarket chain and substantially strengthened its position in hypermarket format.

As at 31 December 2010, X5 had 2,469 Company-managed stores located in Moscow, St. Petersburg and other regions of European Russia, Urals and Ukraine, including 1,392 soft discount stores, 301 supermarkets, 71 hypermarkets, 45 convenience stores and 660 acquired Kopeyka stores.

As at 31 December 2010, X5's franchisees operated 665 stores across Russia.

For the first nine months 2010, net sales totaled USD 7,798 mln, EBITDA reached USD 593 mln, and net profit amounted to USD 183 mln. For the full year 2010, net retail sales totaled USD 11,248 mln.

X5 Shareholder structure is as follows: Alfa Group – 47.9%, founders of Pyaterochka – 19.8%, X5 Management – 1.9%, treasury shares – 0.1%, free float – 30.3%.

***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.*