

## **DENIAL OF MERGER NEGOTIATIONS WITH INTERNATIONAL RETAILERS**

**Amsterdam, 07 April 2011** - X5 Retail Group N.V., Russia's largest retailer in terms of sales (LSE ticker: "FIVE"), today issued a statement by its majority shareholder Alfa-Group in response to unfounded press speculation and rumours of merger plans involving X5.

**Mikhail Fridman**, Chairman of the Supervisory Board of Alfa-Group, commented: *"We have stated many times that Alfa-Group is a long-term investor in X5 Retail Group. We see tremendous growth potential for the Company and strongly support its focus on development in the still immature and fragmented Russian retail market. Press speculation about merging X5 with international retailers is unfounded."*

### **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. In 2010 X5 acquired Kopeyka discounter chain.

As at 31 March 2011, X5 had 2,545 Company-managed stores located in Moscow, St. Petersburg and other regions of European Russia, Urals and Ukraine, including 1,472 soft discount stores, 303 supermarkets, 71 hypermarkets, 47 convenience stores and 652 acquired Kopeyka stores.

As at 31 March 2011, X5's franchisees operated 690 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 – 19.9%, X5 Management – 1.8%, 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.*

---

***For further details please contact***

**Anna Kareva**  
**IR Director**  
**Tel.: +7 (495) 792-3511**  
**e-mail: [anna.kareva@X5.ru](mailto:anna.kareva@X5.ru)**

**Svetlana Vitkovskaya**  
**Head of PR Department**  
**Tel.: +7 (495) 662-8888, ext. 31 140**  
**e-mail: [svetlana.vitkovskaya@X5.ru](mailto:svetlana.vitkovskaya@X5.ru)**