

**X5 RETAIL GROUP APPOINTS TATIANA KOZHEVNIKOVA AS HUMAN
RESOURCES DIRECTOR**

**RETAIL INDUSTRY EXECUTIVE WITH STRONG OPERATIONAL EXPERIENCE
IN RUSSIAN MARKET**

Amsterdam, 31 May 2011 - X5 Retail Group N.V., Russia's largest retailer in terms of sales, announced today that Tatiana Kozhevnikova has become X5 Retail Group Human Resources Director.

Tatiana Kozhevnikova has almost two decades of management experience in the Russian market, including 7 years as HR Director of METRO Cash&Carry Russia. Tatiana joined METRO in 2002 and built the Russian HR department, where she was responsible for: HR development to support METRO's expansion strategy; organizational design, pay and benefits system, performance management and evaluation; staff recruitment for head office and new stores; personnel policies and procedures, training and development.

Andrei Gusev, CEO of X5 Retail Group, said: *“X5 has consistently viewed HR as a strategic function, and the role of HR Director is absolutely critical for a fast-growing organization with over 90,000 employees. Tatiana Kozhevnikova brings invaluable retail industry experience and operational best practices to the job. I look forward to working with Tatiana to deliver on our objectives for record new store openings and regional expansion, successful integration of Kopeyka, productivity improvement across our Company, and training and development at every level to realize the potential of our people.”*

Tatiana, 43, graduated with honors from Moscow State University, Economics Faculty, where she also received a Ph.D. in Economics for her work on labor factors in economic development. In 2007 Tatiana went through London Business School's Executive Program on Strategic Talent Management. She is fluent in English and Russian. From 1993 to 2011, she held positions at Coca-Cola, Mars, Ernst & Young, Metro Cash&Carry and Rosatom.

Note to Editors:

X5 Retail Group N.V. (LSE: FIVE, Moody's - "B2", S&P - "B+") 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 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 (including 45 stores already rebranded as Pyaterochka).

As at 31 March 2011, X5's franchisees operated 690 stores across Russia.

For the full year 2010, net sales totaled USD 11,280 mln, EBITDA reached USD 844 mln, and net profit amounted to USD 271 mln. For the first quarter 2011, net sales totaled USD 3,845 mln, EBITDA reached USD 281 mln and net profit amounted to USD 97 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.

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