

X5 RETAIL GROUP APPOINTS ALEXANDER ERMOLENKO AS SUPPLY CHAIN DIRECTOR

Amsterdam, 02 August 2011 - X5 Retail Group N.V., Russia's largest retailer in terms of sales, announced today the appointment of Alexander Ermolenko as X5 Retail Group Supply Chain Director.

Alexander Ermolenko has longstanding experience in Russian retail operations, having served as Magnit's Deputy CEO for logistics. He succeeds Dmitriy Ishevskiy, who has overseen the successful expansion of X5's logistics infrastructure and is leaving X5 to pursue other opportunities.

Andrei Gusev, CEO of X5 Retail Group, said:

"We are grateful to Dmitriy for his valuable contributions in building X5's logistics infrastructure. He has played a leading role in achieving X5's significant increases in centralization and service levels. Alexander brings a wealth of supply chain management experience to X5, and I am confident he will enable us to make great strides in our objectives for logistics infrastructure improvement as a driver of the Company's efficiency and growth."

Alexander Ermolenko, 51, was born in Krasnodar. He graduated in 1987 with honors from Novorossiysk Marine-Engineering Academy, Radio Engineering Faculty. From 1987 to 2000, he was deputy Director of Communication, Electro-navigation and Information Department of the Novorossiysk shipping company. From 2000 to 2010 he served as Deputy CEO for logistics at OAO Magnit.

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 30 June 2011, X5 had 2,683 Company-managed stores located in Moscow, St. Petersburg and other regions of European Russia, Urals and Ukraine, including 1,606 soft discount stores, 306 supermarkets, 70 hypermarkets, 54 convenience stores and 647 acquired Kopeyka stores (including 315 stores rebranded as Pyaterochka and one as Perekrestok).

As at 30 June 2011, X5's franchisees operated 705 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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