

X5 RETAIL GROUP APPOINTS IGOR SOTNIKOV AS SUPERMARKET FORMAT DIRECTOR

Amsterdam, 01 September 2011 - X5 Retail Group N.V., Russia's largest retailer in terms of sales, announced today the appointment of Igor Sotnikov as X5 Retail Group Supermarket Format Director.

Having joined the Company in 2001, Mr. Sotnikov spent almost 10 years mostly in supermarket operations. He succeeds Ekaterina Stolypina, who is leaving X5 for personal reasons.

Andrei Gusev, CEO of X5 Retail Group, commented:

“We are grateful to Ekaterina for her valuable contribution in managing supermarkets and hypermarkets. Our strategy is to manage these two formats separately. As an experienced retail executive Igor is ideally placed to further develop our winning supermarket format.

X5 is in the process of recruiting senior talent to take over the management of hypermarkets and expects to complete this process in the near future.”

Mr. Sotnikov has extensive managerial experience with X5. Igor had been running Perekrestok operations since 2005. From 2007 he headed logistics of X5. Igor served as CEO of X5 Ukraine for several years. He was born in 1968 in Ukraine. Mr. Sotnikov graduated from Bauman Moscow State Technical University in 1992. In 1997 he was awarded his second degree from Moscow State University, Mathematics Faculty.

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 the 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 half 2011, net sales totaled USD 7,867 mln, EBITDA reached USD 566 mln and net profit amounted to USD 170 mln.

X5 Shareholder structure is as follows: Alfa Group – 47.86%, founders of Pyaterochka – 19.85%, X5 Management and/or Supervisory Board members – 0.02%, treasury shares – 0.11%, free float – 32.16%.

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

Anastasiya Kvon
IR Director
Tel.: +7 (495) 792-3511
e-mail: anastasiya.kvon@X5.ru

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