

## **X5 CONVERTS ITS REMAINING 400 MLN USD-DENOMINATED DEBT TO RUBLES**

**Amsterdam, 15 December 2011** - X5 Retail Group N.V. (“Company”), Russia’s largest retailer in terms of sales (LSE ticker: “FIVE”), today announced that it has converted its final tranche of USD-denominated 400 mln debt to Rubles thus completing the process of fully denominating X5’s debt portfolio only in local currency. The conversion took place at a USD/RUR exchange rate of 30.74.

X5 Retail Group CFO **Kieran Balfe** commented:

*“Moving to a 100% Ruble-denominated debt portfolio reduces risk for our shareholders by significantly minimizing the impact of USD/RUR volatility on X5’s reported financial results. Against a background of being fully funded for 2012 we secured this Ruble credit facility on attractive terms that lengthened our average debt maturity profile. Our objective remains to further strengthen the Company’s financial position through continued focus on deleveraging the balance sheet.”*

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**Note to Editors:**

X5 Retail Group N.V. (LSE: FIVE, Moody's - "B2", S&P - "B+") is Russia's largest food retailer. The Company operates several retail formats: the soft discounter chain under the Pyaterochka brand, the supermarket chain under the Perekrestok brand, the hypermarket chain under the Karusel brand and convenience stores under different brands.

As at 30 September 2011, X5 had 2,785 Company-operated stores. It has the leading market position in both Moscow and St. Petersburg and a significant presence in the European part of Russia. Its' store base includes 2,327 soft discounter stores, 321 supermarkets, 72 hypermarkets and 65 convenience stores. The Company operates 29 distribution centers across the Russian Federation.

As at 30 September 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 nine months of 2011, net sales totaled USD 11,490 mln, EBITDA reached USD 786 mln and net profit amounted to USD 168 mln.

X5's 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.*