

SIX HYPERMARKETS ADDED TO KARUSEL RETAIL CHAIN

Moscow, 4 May 2012 – X5 Retail Group N.V., (“X5” or the “Company”), Russia's largest retailer in terms of revenue (LSE ticker symbol: FIVE), announced today that the Company has opened five new Karusel hypermarkets as a result of the rebranding of Pyaterochka-Maxi stores. The new hypermarkets are located in the following cities: Chelyabinsk (two stores), Kostroma (one store), Ryazan (one store) and the city of Zelenodolsk in the Republic of Tatarstan (one store). The Company plans to open an additional rebranded Karusel hypermarket on 12 May in the city of Syzran, located in the Samara Region. The new openings have increased the number of hypermarkets that the Company operates under the “Karusel” brand to 77.

The decision to rebrand Pyaterochka-Maxi stores to Karusel hypermarkets was made in line with X5’s large-store format management strategy. Opened approximately one year ago, the Pyaterochka-Maxi stores (managed under the Hypermarket format) demonstrated promising results, which management feels warrants further development and greater opportunities to target a wider range of customers.

The key objective of the rebranding is to retain the best features of the Pyaterochka-Maxi stores and combine them with the expanded assortment of the Karusel stores to increase sales turnover and customer traffic.

In addition to changing the signboards the Company has also redecorated the stores and upgraded the navigability of the selling area. Fruits and vegetables (“Fresh Products”) are placed near the entrance while household products are located in close proximity to the check-out area. The Company has doubled the former Pyaterochka-Maxi stores product range and created a greater variety of household goods targeting a ratio of food to non-food products of approximately 80%/20%, respectively. The Company has also increased the Fresh Products category and bread baked on the premises will be sold in the stores.

The new hypermarkets' pricing policy will be established at the regional level in line with the format’s policy. Every Thursday, Karusel will issue new catalogues distributed by mail or available in stores, which will include information about special prices, helpful advice, recipes and other interesting information.

Jan Fuchs, X5 Retail Group Hypermarket Format Director, commented:

"We feel that the family oriented atmosphere of our Karusel format is a very important part of our hypermarkets' value proposition. Karusel's assortment has been created to offer shoppers all the products necessary for a comfortable home life without spending all day in multiple stores. We offer high quality products from the most reputable and reliable suppliers at attractive prices. Whether you are shopping for dinner or a picnic, cosmetics or gifts, household products for your home or country house we have what you're looking for!"

Notes to editors:

Headquartered in Moscow, X5 Retail Group (LSE: FIVE, Moody's - "B2", S&P - "B+") is Russia's largest retailer in terms of revenue. 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, the online retail channel under E5.ru brand and convenience stores under various brands.

As at 31 March 2012, X5 had 3,139 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 2,643 soft discounter stores, 337 supermarkets, 77 hypermarkets and 82 convenience stores. The Company operates 29 DCs and 1,392 Company-owned trucks across the Russian Federation.

X5 is run on an SAP platform.

As at 31 March 2012, X5's franchisees operated 434 stores across Russia.

For the full year 2011, net sales totaled USD 15,455 mln, EBITDA reached USD 1,130 mln, and net profit amounted to USD 302 mln.

X5 Shareholder structure is as follows: Alfa Group – 47.86%, founders of Pyaterochka – 19.85%, X5 Directors – 0.12%, treasury shares – 0.11%, free float – 32.06%.

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