

## PEREKRESTOK REDUCES PRICES

**Moscow, 24 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 the launch of the “Now It Is Cheaper” campaign to reduce prices on selected items in all Perekrestok supermarket stores.

The campaign will reduce prices on the following products: processed foods, baby food, diabetic products, confectionery products, bread, dairy products, soft drinks and other goods. The Company will continue to increase the number of products with reduced prices, as goods from other categories are included in the program through the end of June. During the program’s first stage, the range of price decreases for over 1,000 products selected by customers via a survey will reach ten to 40%.

The discounted products will be marked with special “Now It Is Cheaper” labels to enable customers to easily identify them on store shelves. Every week the list of discounted products will be expanded based on customer suggestions. As customer preferences and product ranges vary across regions, there may be some differences between the lists of lower priced products in Moscow compared to Nizhny Novgorod.

**Igor Sotnikov**, Perekrestok General Director, commented:

*“This is not the first year that Perekrestok has conducted a pricing program to slow down price growth to promote long-term customer loyalty. We want our customers to know that, “We hear you!” The price cuts are our response to the customers’ voice and requests.”*

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*For further details please contact*

**Gregory Madick**  
Executive IR Director  
Tel.: +7 (495) 502-9783  
e-mail: [gregory.madick@X5.ru](mailto:gregory.madick@X5.ru)

**Svetlana Vitkovskaya**  
Head of PR Department  
Tel.: +7 (495) 662-8888, ext. 41 130  
e-mail: [svetlana.vitkovskaya@X5.ru](mailto:svetlana.vitkovskaya@X5.ru)

**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 Management and/or Supervisory Board members – 0.12%, treasury shares – 0.11%, free float – 32.06%.