

PEREKRESTOK OPENS FIRST SUPERMARKET IN ASTRAKHAN

Moscow, 2 July 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 its first Perekrestok supermarket in Astrakhan, a major city with a population of 520 thousand people in the southern part of European Russia on the coast of the Caspian Sea.

The new Perekrestok supermarket has 795 square meters of selling space and employs 80 local residents from the Astrakhan region. The supermarket is operated under a reverse franchising agreement whereby X5 provides its franchisee with inventory, market research and advertising, at the federal level, while the franchisee is obliged to comply with the standards set by X5 in return for a commission fee from the Company. Reverse franchising is an attractive business model that provides entrepreneurs with the opportunity to develop a business in partnership with the leading Russian retail company.

The Perekrestok store in Astrakhan offers approximately 12,000 stock keeping units, 90% of which are food, including goods supplied by local producers. X5 pays special attention to the Company’s assortment matrix in the regions where it operates and makes adjustments on an ongoing basis, in order to reflect changes in consumer preferences. As a result, the share of locally produced products in the assortment matrix is expected to increase in the mid-term.

X5 Franchise Department Director, Igor Sinko commented:

“Due to its size and demographics, Astrakhan is a very attractive region for retailers. This store was opened by a local entrepreneur who wanted to start his own business and turned to us for help. I’m sure that the local shoppers will appreciate the new best-in-class supermarket and this project will be another successful example of the reverse franchising business model”.

For further details please contact

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

Vladimir Rusanov
Head of Regional PR Projects
Tel.: +7 (495) 662-8888, ext. 31328
e-mail: vladimir.rusanov@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 as of 31 March 2012: Alfa Group – 47.86%, founders of Pyaterochka – 19.85%, X5 directors – 0.12%, treasury shares – 0.11%, free float – 32.06%.