

X5 INTRODUCES RE-USABLE, ENVIRONMENTALLY FRIENDLY ECOBAGS

Moscow, 17 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 introduced “ECObags”, made of biodegradable non-woven materials, for customers at Perekrestok and Green Perekrestok supermarkets in Moscow and Karusel Hypermarkets in Moscow and Saint-Petersburg, to reduce the Company’s environmental impact. The size of the new environmentally friendly bag is 450x390x170 mm (31 liters) and is available for RUR 23.9 (USD 0.75).

The bags are made of spunbond biodegradable fabric and comply with EU Directive 94/62EC on packaging and packaging waste. Due to its durability every spunbonded bag replaces 8-10 plastic bags and can be easily recycled.

X5 Retail Group will continue to improve its operations to comply with highest social responsibility standards and pays special attention to environmental issues. In 2009, customers of Green Perekrestok were offered recyclable paper boxes to carry their purchases and earlier this year Perekrestok stores located in Central region (Moscow, Kaluga and Tver regions) introduced eco-friendly bags made of recycled paper. In September 2012, X5 plans to introduce biodegradable plastic bags and will continue efforts to offer customers environmentally-friendly options like the “ECObag”.

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Note to Editors:

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 30 June 2012, X5 had 3,298 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 2,783 soft discounter stores, 341 supermarkets, 77 hypermarkets and 97 convenience stores. The Company operates 28 DCs and 1,539 Company-owned trucks across the Russian Federation.

X5 is run on an SAP platform.

As at 30 June 2012, X5's direct franchisees operated 399 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. For the first quarter 2012, net sales totaled USD 3,871 mln, EBITDA reached USD 274 mln and net profit amounted to USD 66 mln.

X5 Shareholder structure is as follows: Alfa Group – 47.86%, founders of Pyaterochka – 19.85%, X5 Directors – 0.14%, treasury shares – 0.11%, free float – 32.04%.