

X5 RETAIL GROUP ANNOUNCES MANAGEMENT TEAM RESHUFFLE

Amsterdam, 28 August 2012 – X5 Retail Group N.V. (“X5” or the “Company”), Russia's largest retailer in terms of revenue (LSE ticker: “FIVE”), announced today that the Company’s Supervisory Board has approved a number of changes to X5’s Executive Board in order to improve execution on the Company’s strategy and streamline operations.

Valeriy Tarakanov, General Director of the convenience store format, has assumed responsibility for the supermarket format. Igor Sotnikov, General Director of the supermarket format, has been appointed as Director of Logistics. Mr. Sotnikov was previously Director of Logistics for the supermarket format and managed the integration of logistics during the merger between soft discounters and supermarkets. Igor will continue to implement the strategy created by former Director of Logistics, Alexander Ermolenko, who has decided to leave the Company.

In other changes, Jan Fuchs, General Director of the hypermarket format, has decided to leave the Company. An announcement regarding his replacement will be made at a later date.

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 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 half 2012, net sales totaled USD 7,859 mln, EBITDA reached USD 554 mln and net profit amounted to USD 135 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%.

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