

E5.RU RECEIVES GOLDEN WEB SITE AWARD

Moscow, 23 October 2012 – X5 Retail Group, (“X5” or the “Company”), Russia's largest retailer in terms of sales (LSE ticker symbol: FIVE), announced today that the Company’s online retail project, **E5.RU**, placed first in the “Innovations, Services and Technologies” category of the Golden Web Site, an all-Russian open online contest.

A jury, made up of well-known businessmen, journalists and IT specialists, selected the winner from ten nominees. The jury members pointed out that they valued the innovative character of the E5.RU project, as well as its commitment to offering customers maximum service.

The Golden Web Site contest was the first of its kind for online projects and has been held annually since 1997. This year’s contest included 45 categories and the winners included web sites of major companies, State-owned corporations and personal web sites.

In 2012, E5.RU was recognized by Online Retail Russia as the Outstanding Project of the Year and was a winner in both the Russian Internet Rating and the People’s Choice contests.

X5’s E5.RU online retail store offers customers the convenience and flexibility of choosing the time, location and method of receiving and paying for their online purchases. The products may be selected and ordered online and then picked up and paid for at the nearest Perekrestok, Green Perekrestok or Pyaterochka stores.

On average, the E5.RU web site attracts 150,000 visitors per day. Selective surveys conducted by E5.RU and its partners revealed that for more than 30% of the hundreds of thousands of Russian customers, the E5.RU online store introduced them to the world of online shopping.

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Note 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 September 2012, X5 had 3,472 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 2,936 soft discounter stores, 350 supermarkets, 76 hypermarkets and 110 convenience stores. The Company operates 28 DCs and 1,841 Company-owned trucks across the Russian Federation.

X5 is run on an SAP platform.

As at 30 September 2012, X5's direct franchisees operated 404 stores across Russia.

As at 30 September 2012, the number of X5 employees totaled 102 thousand.

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 – 0.13%, treasury shares – 0.11%, free float – 32.05%.