

## **X5 OPENS FIRST KARUSEL HYPERMARKET IN SMOLENSK REGION**

**Moscow, 14 December 2012** – X5 Retail Group N.V. (“X5” or the “Company”), Russia's largest retailer in terms of sales (LSE ticker symbol: FIVE), announced today the opening of the Company’s first Karusel hypermarket in the city of Smolensk. The new hypermarket will complement the 17 Pyaterochka soft discounter stores X5 operates in the Smolensk region.

The new Karusel hypermarket is located in the “Galaktika Mall” at 2/8 Novomoskovskaya Street and has 4,100 square meters of selling space, 23 checkout points and is open from 8 a.m. to 11 p.m.

X5 pays special attention to the Company’s assortment matrix in the regions where it operates to ensure that goods from local producers are included and makes adjustments on an ongoing basis, in order to reflect changes in consumer preferences. Currently, the Company has concluded several contracts with Smolensk suppliers, including local bakeries, dairies, meat processing factories and produce farmers and the share of locally produced products in the assortment matrix are expected to increase in the mid-term.

Karusel hypermarkets are one-stop shopping destination for families and individual customers who prefer to find everything under one roof. The hypermarket assortment includes a wide range of products at affordable prices and varies from 20,000 to 30,000 items, depending on the store size. The assortment consists of 80% food products and 20% non-food products, including, household cleaning products, children’s goods, pet food and home appliances.

The average number of store employees is 160, while the average number of customer visits per day is 4,000 - 5,000 and may increase 1.5 – 2.0 times during holidays.

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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 sales. 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 the E5.ru brand and convenience stores under various brands.

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 1,854 Company-owned trucks across the Russian Federation. 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 nine months of 2012, net sales totaled USD 11,475 mln, EBITDA reached USD 774 mln and net profit amounted to USD 147 mln.

X5's 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%.