

X5 RETAIL GROUP TO RECORD NON-CASH PP&E IMPAIRMENT IN Q4 2012 ⁽¹⁾

Amsterdam, 23 January 2013 - X5 Retail Group N.V. (“X5” or the “Company”), Russia's largest retailer in terms of sales (LSE ticker: “FIVE”), announced today that the Company will record a non-cash property, plant & equipment (PP&E) impairment charge in the fourth quarter of 2012. The impairment of PP&E was carried out in accordance with IAS 36 “Impairment of assets” and comprises impairments to certain non-performing operating stores and transportation assets, equipment and the Kopeyka brand. Based on preliminary, unaudited results the aggregate amount of the impairment charge will be between 14 and 16 billion Russian Roubles.

The impairment charge is a non-cash item, which will not affect X5’s EBITDA or the Company’s key credit metrics. The impairment of PP&E also has no impact on bank credit arrangements, covenants or bonds.

⁽¹⁾ Numbers in this press release are preliminary and have not been reviewed or audited by the Company’s auditor.

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 31 December 2012, X5 had 3,802 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 3,220 soft discounter stores, 370 supermarkets, 78 hypermarkets and 134 convenience stores. The Company operates 29 DCs and 1,956 Company-owned trucks across the Russian Federation. At 31 December 2012, the number of X5 employees totaled 109 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%.

Forward looking statements:

This announcement includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the fact that they do not only relate to historical or current events. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "expected", "plan", "goal", "believe", or other words of similar meaning.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, a number of which are beyond X5 Retail Group N.V.'s control. As a result, actual future results may differ materially from the plans, goals and expectations set out in these forward-looking statements.

Any forward-looking statements made by or on behalf of X5 Retail Group N.V. speak only as at the date of this announcement. Save as required by any applicable laws or regulations, X5 Retail Group N.V. undertakes no obligation publicly to release the results of any revisions to any forward-looking statements in this document that may occur due to any change in its expectations or to reflect events or circumstances after the date of this document.

Contacts:

Gregory Madick
Executive IR Director
Tel.: +7 (495) 502-9783
e-mail: Gregory.Madick@x5.ru

Vladimir Rusanov
Acting Head of PR
Tel.: +7 (495) 662-8888, ext. 31-328
e-mail: Vladimir.Rusanov@x5.ru