

## **X5 BOARD ACCEPTS CFO RESIGNATION AND NOMINATES NEW CFO CANDIDATE**

**Amsterdam, 14 January 2013** – X5 Retail Group N.V. (“X5” or the “Company”), Russia's largest retailer in terms of sales (LSE ticker: “FIVE”), announced today the results of the Company’s Supervisory Board Meeting (the “Meeting”) held on Friday, 11 January 2013. At the Meeting, the Supervisory Board (the “Board”) agreed to accept the resignation of X5’s CFO, Kieran Balfe, effective 8 March 2013 and has nominated the Company’s Deputy Commercial Director, Sergey Piven, to become the new CFO after X5 shareholder approval at the Annual General Meeting to be held in April 2013.

Mr. Piven will assume the responsibilities of CFO effective 8 March 2013 and Mr. Balfe will be working closely with Mr. Piven over this time period to ensure an orderly transition.

Herve Deforrey, Chairman of X5’s Supervisory Board commented, “On behalf of the Company’s employees and the Supervisory Board we would like to thank Kieran for his contributions in helping to transform the Company to a true multi-format retailer and establish industry and global best-practice financial reporting. We wish him the best of luck in his future endeavors.”

Mr. Piven brings almost 20 years of financial experience to the CFO role. Mr. Piven joined X5 in 2011 as Finance Director for the Commercial Division. Prior to joining X5, he was CEO of Belmarket Co. a retail chain owned by A1, the private equity arm of Alfa Group and also served as investment director for A1. Before this, he was the Director for Strategic Planning with Alfa Group, responsible for coordinating the strategic planning process and reviewing the strategies and budgets of all group companies.

Over the 1999 to 2005 period, Mr. Piven held several management positions in the finance function of the Ford Motor Company in Cologne, Gothenburg, Helsinki and Moscow.

He is one of the founders of CluMBA, the association of Russian-speaking MBAs from 27 top global business schools.

Mr. Piven holds an MBA from INSEAD.

**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%.

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