

X5 PROPOSES RUSBRAND MEMBERS MANUFACTURE EXCLUSIVE PRODUCTS

Moscow, 20 March 2013 - X5 Retail Group N.V. (“X5” or the “Company”), Russia's largest retailer in terms of sales (LSE ticker symbol: FIVE), and members of RusBrand, Russia’s biggest Association of FMCG producers, agreed to increase cooperation.

Representatives of X5 and RusBrand participated in a meeting, which was held in line with Fair Practices Code signed in December 2012.

X5 representatives called on branded good manufacturers to actively develop cooperation related to exclusive goods sold only in the Pyaterochka, Perekrestok and Karusel retail chains. X5 already has substantial experience in working with these types of products, for example, alcohol.

Paul Martins, the Company’s Commercial Director, presented X5’s private label and first price products strategy. The suppliers asked questions related to various aspects of cooperation with X5. Corporate representatives expressed their readiness to cooperate to boost sales, improve logistics, and upgrade formats and product range.

The meeting was held in the X5 central office. Largest international and Russian companies attended the meeting, including Kraft Foods, Procter & Gamble, Unilever, MARS, PepsiCo Россия, Nestle Russia, Baltika Breweries, Wrigley, Heinz, Perfette van Melle, Diageo, and Kimberly-Clark.

In addition to Paul Martins, Commercial Director of X5, the Company was also represented by: Denis Vasilyev, Director for Regional Sales, Andrei Kravets, Procurement Director for the Private Label and First Price Products, and Mikhail Susov, Director for Corporate Relations. X5 and RusBrand members agreed on further interactions and the next meeting will be held in June.

Paul Martins, Commercial Director of X5, commented:

“These meetings help manufacturers and suppliers better understand X5 Retail Group’s needs, foster better communication, and allow them to see how Russia’s largest retail company works. As a result, manufacturers and suppliers can make offers that increase of sales jointly produced goods.”

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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.

As of 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. As of 31 December 2012, the number of X5 employees totaled 109 thousand.

For full year 2012, net sales totaled USD 15,795 mln, EBITDA reached USD 1,124 mln, and net loss amounted to USD 126 mln.

X5's shareholder structure is as follows: Alfa Group – 47.86%, the founders of Pyaterochka – 19.85%, X5 Directors – 0.13%, treasury shares – 0.11%, and free float – 32.05%.

Not-for-Profit Partnership “RusBrand Association of Brand Products Manufacturers” was founded in 2002. It is Russia's largest association of FMCG manufacturers and has more than 57 members (made up of leading Russian and international companies).

RusBrand members' investments in the Russian economy exceed US\$18 billion; they have founded and managed more than 150 companies, and have created more than 90,000 jobs; the aggregate annual turnover for Association members exceeds US\$30 billion; companies pay more than US\$6 billion in taxes per annum.

Members of the Association include the largest advertisers in the national TV advertising market; 60% of the TV advertising market is represented by RusBrand members' TV commercials.

The Fair Practices Code (FPC) was signed December 14th, 2012. Signatories included: AKORT Retailers Association, the RusBrand Association, Soyuzmoloko, the Rusprodsyuz Association, the National Meat Association, the Seafood Union, the Association of Producers and Consumers of Oil Products, the Russian Chamber of Industry and Commerce and the Russian Union of Consumers. The document envisages upgrading cooperation between suppliers and retailers, balancing parties' commercial interests and contributing to the development of competition.