

**X5 RETAIL GROUP APPOINTS VARDAN DASHTOYAN
AS GENERAL DIRECTOR OF THE HYPERMARKET FORMAT**

Amsterdam, 25 June 2014 – X5 Retail Group N.V. (“X5” or the “Company”), a leading Russian food retailer (LSE ticker: “FIVE”), announced today the appointment of Vardan Dashtoyan as General Director of Karusel, the Company’s hypermarket format, effective 21 July 2014.

Mr. Dashtoyan has approximately 18 years of combined operational, managerial and entrepreneurial experience in retail, fast moving consumer goods (FMCG) and food manufacturing. During this time, he has served as CEO for Rolf Retail, one of the largest car dealers in Russia, as well as Business Development Manager for Danone Russia and Key Account Manager for Heinz Russia. Most recently he co-owned a successful confectionary manufacturing company in Moscow.

Mr. Dashtoyan replaces Svetlana Volikova who will move to an X5 group role as the Director of Corporate Audit and Control effective 21 July 2014.

Stephan DuCharme, X5 CEO, commented:

“Svetlana has done a tremendous job stabilizing Karusel’s operations. When she took over hypermarkets for X5 in the summer of 2012 the format’s results were deteriorating and employee motivation was low.

Since that time she has presided over significant improvements in store operations and execution, resulting in positive like-for-like results and higher employee morale.

Svetlana is leaving Karusel in a much better position than when she took over, and the timing and conditions are right for someone with Vardan’s entrepreneurial and client focused experience to manage the next phase of Karusel’s development and expansion.

With her deep knowledge and experience in the retail industry and the Company Svetlana’s new role in the corporate center will allow us to further develop our internal business processes and make them more effective and transparent.

I am confident that Vardan and Svetlana will be valuable contributors to X5’s future growth.”

Note to Editors:

X5 Retail Group N.V. (LSE: FIVE, Moody's - "B2", S&P - "B+") is a leading Russian food retailer. The Company operates several retail formats: the chain of economy class stores under the Pyaterochka brand, the supermarket chain under the Perekrestok brand, the hypermarket chain under the Karusel brand, Express convenience stores under various brands and the online retail channel under the E5.RU brand.

At 31 March 2014, X5 had 4,618 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 3,966 Pyaterochka economy-class stores, 384 Perekrestok supermarkets, 81 Karusel hypermarkets and 187 Express stores. The Company operates 32 DCs and 1,690 Company-owned trucks across the Russian Federation.

For the full year 2013, revenue totaled RUR 534,560 mln, EBITDA reached RUR 38,350 mln, and net income amounted to RUR 10,984 mln. In Q1 2014, revenue totaled RUR 144,167 mln, EBITDA reached RUR 9,796 mln, and net income amounted to RUR 2,469 mln.

X5's Shareholder structure is as follows: Alfa Group – 47.86%, founders of Pyaterochka – 14.43%, X5 Directors – 0.02%, treasury shares – 0.08%, free float – 37.61%.

Contacts:

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

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