

X5 RETAIL GROUP ANNOUNCES CFO TRANSITION

Amsterdam, 09 July 2010 - X5 Retail Group N.V., Russia's largest retailer in terms of sales, today announced that Chief Financial Officer Evgeny Kornilov will leave X5 in October 2010 following his acceptance of a senior management position at another company. X5 has initiated a transition plan and the Supervisory Board has commenced an executive search process to recruit the best candidate for the CFO position.

Lev Khasis, CEO of X5 Retail Group, commented:

“During a critical period for the Company, Evgeny Kornilov has demonstrated time and again the importance of a good CFO. He was instrumental to X5’s successful response to the financial crisis and economic downturn, and played a leading role in controlling costs, increasing capex discipline, improving working capital and strengthening our liquidity and balance sheet. Evgeny also made valuable contributions in building X5’s finance organization and strengthening communication with the capital markets. We wish Evgeny much success and I am confident we will find an excellent successor to follow in his footsteps.”

Evgeny Kornilov added:

“It’s been my privilege to be part of X5 at a time of phenomenal growth and increased market leadership. The Company is in a strong financial position to support its strategic goals for the years to come. This is a good time to make a change and I will work closely with my colleagues on the management board and X5’s finance team to ensure a smooth transition.”

Evgeny Kornilov was appointed Chief Financial Officer of X5 Retail Group on 18 January 2008. He joined the Company as CFO of Perekrestok in 2006 and became Deputy CFO of X5 in 2007. Previously he was CFO and Chief Controller of SUN Interbrew in Russia and worked in the Management Consultancy and Audit Services practice of PricewaterhouseCoopers. He has been recognized with numerous awards, including the award for “Best Investor Relations by a CFO” in the Focus Russia 2009 Thomson Reuters Extel Survey.

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Note to Editors:

X5 Retail Group N.V. is Russia's largest retailer in terms of sales. The Company was created as a result of a merger between Pyaterochka (soft discounter chain) and Perekrestok (supermarket chain) on 18 May 2006. In June 2008, X5 acquired Karusel hypermarket chain and substantially strengthened its position in hypermarket format.

As at 30 June 2010, X5 had 1,514 Company-managed stores located in Moscow, St. Petersburg and other regions of European Russia, Urals and Ukraine, including 1,135 soft discount stores, 275 supermarkets, 62 hypermarkets and 42 convenience stores.

As at 30 June 2010, X5's franchisees operated 610 stores across Russia.

For the full year 2009 X5's net sales totaled USD 8,717 mln, EBITDA reached USD 736 mln, and net profit amounted to USD 165 mln.

For the first half 2010, net retail sales totaled USD 5,172 mln.

X5 Shareholder structure is as follows: Alfa Group – 47.9%, founders of Pyaterochka – 23.1%, X5 Management – 1.9%, treasury shares – 0.1%, free float – 27.0%.

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.