

X5 INCREASES ITS STAKE IN ONLINE BUSINESS

Amsterdam, 17 May 2010 - X5 Retail Group N.V., Russia's largest food retailer in terms of sales (LSE ticker: "FIVE"), today announced that it has completed the acquisition of additional 31% stake in IT Business, operating bolero.ru and 003.ru online stores. The purchase brings X5's total ownership interest to 82% of IT Business company, with an option to acquire the remaining part of the business by 2014.

For reference: In October 2009 X5 entered into a joint venture agreement with experienced internet retailers and owners of online stores www.bolero.ru and www.003.ru. According to the agreement, X5's partners in this joint venture contributed rights to the above Internet properties as well as their key employees and essential business infrastructure including IT equipment, call-center, software, databases and leasing rights to a distribution center. In 2009 X5 purchased a 51% interest in the new company with an option to buy the remaining 49% within 5 years. For Q1 2010 IT Business reported net sales of USD 4 million, 40 000 customer visits and the average ticket of USD 126.

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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 31 March 2010, X5 had 1,399 Company-managed stores located in Moscow, St. Petersburg and other regions of European Russia, Urals and Ukraine, including 1,063 soft discount stores, 276 supermarkets and 60 hypermarkets.

As at 31 March 2010, X5's franchisees operated 640 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 quarter 2009 X5's net retail sales reached USD 2,534 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.