

2012 Annual General Meeting of Shareholders of X5 Retail Group N.V.

The Management Board of X5 Retail Group N.V. ("X5" or the "Company") invites the Company's shareholders and holders of global depository receipts ("GDRs") to the Company's Annual General Meeting of Shareholders (the "AGM") to be held at Parkstraat 20, 2514 JK The Hague, The Netherlands at 11.00 am CET on **14 June 2012**.

Agenda

1. Opening
2. Annual report of the Management Board for the financial year 2011
3. Explanation of policy on additions to reserves and payment of dividends
4. Adoption of the Annual Accounts for the financial year 2011 (**voting item**)
5. Determination of the allocation of the profits earned in the financial year 2011 (**voting item**)
6. Discharge from liability of the members of the Management Board (**voting item**)
7. Discharge from liability of the members of the Supervisory Board (**voting item**)
8. Re-appointment of Mr. Alexander Tynkovan as member of the Supervisory Board (**voting item**)
9. Re-appointment of Mr. Stephan DuCharme as member of the Supervisory Board (**voting item**)
10. Appointment of Mr. Dmitry Dorofeev as member of the Supervisory Board (**voting item**)
11. Remuneration of the Supervisory Board (**voting item**)
12. Designation of the Supervisory Board as the corporate body authorised to issue new shares or grant rights to subscribe for shares (**voting item**)
13. Designation of the Supervisory Board as the corporate body authorised to restrict or exclude the pre-emptive rights upon issue of new shares or granting of rights to subscribe for shares (**voting item**)
14. Authorisation of the Management Board to have the Company acquiring shares or GDRs in its own capital (**voting item**)
15. Appointment of the external auditor for the financial year 2012 (**voting item**)
16. Any other business and conclusion



Record date

Persons with the right to vote and/or the right to attend the AGM are considered to be those persons who on **17 May 2012** after processing of all debit and credit entries up to and including that day (the "Record Date") are registered in one of the registers mentioned hereafter.

The Company's annual report for the financial year 2011 (the "2011 Annual Report"), which includes the Company's balance sheet and income statement with the explanatory notes (the "2011 Annual Accounts") are available on the Company's website www.x5.ru and will also be deposited for inspection by the shareholders and other persons entitled to attend the AGM at the Company's offices in Amsterdam, The Netherlands and are available free of charge. Copies will also be available for inspection at the AGM.

The shareholders' register of the Company in Amsterdam, The Netherlands, has been designated as register to certify the shareholders entitled to vote on the shares. The shareholders identified as entitled to vote on the basis of the shareholders register of the Company on the Record Date may exercise their rights to vote and attend the AGM. These shareholders may also exercise their rights to vote and/or attend the AGM by a written proxy, in the English language, duly executed and legalised in accordance with the laws of the country where the proxy is issued. Proxy holders shall present their written proxy at the AGM.

The register of GDR holders maintained by The Bank of New York Mellon (the "Depository") indicates the persons entitled to GDRs on the Record Date and entitled to give voting instructions to the Depository pursuant to Article 12 of the GDR Terms and Conditions. GDR holders may instruct the Depository with regard to the exercise of voting rights with respect to Deposited Shares (as defined in the GDR Terms and Conditions) by completing, signing and returning to the Depository the relevant voting documentation forwarded by the Depository to the GDR holders following receipt by the Depository from the Company. The deadline for providing instructions to the Depository will be specified by the Depository in the information provided to GDR holders. The Depository will procure the exercise of voting instructions received from GDR holders by the relevant deadline in accordance with the GDR Terms and Conditions and the normal processes of the Depository.

Alternatively, GDR holders who wish to vote in person at the AGM will, on request, be granted an exclusive proxy to do so by the Depository. A GDR holder to whom such exclusive proxy has been granted must notify the Management Board of the Company of their intention to attend and vote at the AGM and must provide the Management Board with a copy of such proxy at least five (5) days prior to the AGM. GDR holders who intend to vote in this manner must provide sufficient proof of identification on admission to the AGM. In addition, if the exclusive proxy has been granted by the Depository to a GDR holder which is a legal entity, the person who represents such legal entity at the AGM must provide sufficient proof that he is duly authorised to do so by means of a statement from a local lawyer or notary admitted to practice in the jurisdiction of the GDR holder, duly executed and legalised in accordance with the laws of such jurisdiction.

Amsterdam, 27 April 2012

The Management Board

Explanatory Notes to the Agenda

Item 2

Annual report of the Management Board for the financial year 2011

This agenda item includes an account of the financial year 2011, including the report of the Supervisory Board.

Item 3

Explanation of policy on additions to reserves and payment of dividends

The Management Board will give an explanation to the General Meeting of the dividend and reservation policy of the Company.

Item 4 (voting item)

Adoption of the Annual Accounts for the financial year 2011

It is proposed to the General Meeting to adopt the 2011 Annual Accounts. The 2011 Annual Accounts are included in the 2011 Annual Report which is deposited for inspection by the shareholders and other persons entitled to attend the AGM at the Company's offices in Amsterdam, The Netherlands. Copies of the Annual Report 2011 are available on-line on the Company's website, and will also be available for inspection at the AGM.

Item 5 (voting item)

Determination of the allocation of the profits earned in the financial year 2011

In accordance with article 28, paragraph 1 of the Articles of Association, the Supervisory Board proposes to the General Meeting to allocate the profits made by the Company in the financial year 2011, as follows: to transfer the results to the other reserves of the Company (2011 Annual Report, page 112).

Item 6 (voting item)

Discharge from liability of the members of the Management Board

It is proposed to the General Meeting to discharge the members of the Management Board from all liability in relation to the exercise of their duties in the financial year 2011, to the extent that such exercise is apparent from the 2011 Annual Report or has been otherwise disclosed to the General Meeting prior to the approval of the 2011 Annual Accounts.

Item 8 (voting item)

Discharge from liability of the members of the Supervisory Board

It is proposed to the General Meeting to discharge the members of the Supervisory Board from all liability in relation to the exercise of their duties in the financial year 2011, to the extent that such exercise is apparent from the 2011 Annual Report or has been otherwise disclosed to the General Meeting prior to the approval of the 2011 Annual Accounts.



Item 8 (voting item)

Re-appointment of Mr. Alexander Tynkovan as member of the Supervisory Board

Under the rotation schedule of the Supervisory Board, Mr. Tynkovan reaches his end of term as Supervisory Board member this year. Mr. Tynkovan is eligible for re-appointment. The Supervisory Board proposes to appoint Mr. Tynkovan for a new term ending on the day of the annual general meeting of shareholders to be held in 2016, which is the fourth year after the year of the re-appointment.

Mr. Alexander Tynkovan (14 June 1967), a Russian citizen, is the founder and CEO of “M.Video”, a leading consumer electronics and home appliance retailer in the Russian Federation. Mr. Tynkovan graduated summa cum laude from the Moscow Energy Institute, majoring in Aircraft Electric Equipment.

Mr. Tynkovan was appointed to the Supervisory Board of the Company in 2008. The Supervisory Board recommends to appoint Mr. Tynkovan for a new term in view of his knowledge of X5, his particular knowledge and experience of the retail industry in Russia and the dedication with which he fulfills his role as member of the Supervisory Board, Chairman of the Related Party Committee and member of the Nomination and Remuneration Committee and Strategy Committee. Mr. Tynkovan has no shareholding in the Company.

Item 9 (voting item)

Re-appointment of Mr. Stephan DuCharme as member of the Supervisory Board

Under the rotation schedule of the Supervisory Board, Mr. DuCharme reaches his end of term as Supervisory Board member this year. Mr. DuCharme is eligible for re-appointment. The Supervisory Board proposes to appoint Mr. DuCharme for a new term ending on the day of the annual general meeting of shareholders to be held in 2016, which is the fourth year after the year of the re-appointment.

Mr. Stephan DuCharme (20 April 1964), a U.S. citizen, currently holds a portfolio of positions, including as advisor to the Supervisory Board at First Ukraine International Bank. Previously, he held positions with SUN Group, Alfa Group, European Bank for Reconstruction and Development (EBRD) and Salomon Brothers Inc. Mr. DuCharme has served on the Boards of Directors of CSA Czech Airlines, Alfa Bank, SUN-Interbrew Ltd. and JSC SUEK. He graduated with distinction from the University of California at Berkeley and received his MBA from INSEAD.

Mr. DuCharme was appointed to the Supervisory Board of the Company in 2008. The Supervisory Board recommends to appoint Mr. DuCharme for a new term in view of his knowledge of X5, his management experience in international and Russian business in particular, his knowledge and experience of employment and executive reward matters, and the dedication with which he fulfills his role as member of the Supervisory Board, Chairman of the Nomination and Remuneration Committee and member of the Related Party Committee. Mr. DuCharme holds 17,444 GDRs in the Company.

Item 10 (voting item)

Appointment of Mr. Dmitry Dorofeev as member of the Supervisory Board

Under the rotation schedule of the Supervisory Board, also Mr. Ashurkov reached his end of term as Supervisory Board member this year. As Mr. Ashurkov is not eligible for re-appointment, the Supervisory Board proposes to fill the vacancy and appoint Mr. Dmitry Dorofeev as new member of the Supervisory Board for a term ending on the day of the annual general meeting of shareholders to be held in 2016, which is the fourth year after the year of the appointment. The Supervisory Board has drawn up the following binding list of candidates for this position:



Mr. Dmitry Dorofeev, or alternatively Mr. Franz Wolf.

Mr. Dmitry Dorofeev (23 April 1977), a Russian citizen, was appointed as Director of Group Portfolio Management and Control in Alfa Group in May 2012. Prior to joining Alfa Group, Mr. Dorofeev served as Associate Principal in McKinsey & Company from 2004. He also held different positions at Ernst & Young in St. Petersburg and Moscow from 2000 to 2004.

Mr. Dorofeev graduated as Master of Science -with honors- from the St. Petersburg Baltic State Technical University (International Industrial Management) and from the Bodo Graduate School of Business, Norway (International Business). He qualified as a Chartered Certified Accountant (ACCA) in 2004.

Mr. Dorofeev is expected to deliver an important and valuable contribution to the Supervisory Board and the overall development of the Company. Subject to his appointment, Mr. Dorofeev will replace Mr. Ashurkov as member of the Audit Committee, Nomination and Remuneration Committee and Strategy Committee. Mr. Dorofeev's will be rewarded in accordance with the Company's remuneration principles for the Supervisory Board, as approved by the General Meeting in 2010. Mr. Dorofeev has no shareholding in the Company.

Mr. Franz Wolf (30 May 1953), a German citizen, is a director of CTF Holdings, the ultimate holding company of the Alfa Group since 1998. As member of the Board of CTF and of various other companies within the Alfa Group he has gained substantial experience in managing and supervising the activities of companies, including those of X5 Retail Group. Mr. Wolf is a graduate of the Academy of State and Legal Sciences (Potsdam, Germany). Mr. Wolf owns 2,857 GDRs in the Company.

Item 11 (voting item)

Remuneration of the Supervisory Board

It is proposed to the General Meeting that under the Restricted Stock Unit Plan as approved by the General Meeting on 25 June 2010, the Supervisory Directors Hervé Defforey, Alexander Tynkovan, Stephan DuCharme and Christian Couvreur shall be granted a number of Restricted Stock Units (RSUs) with award date 19 May 2013, equal to 100% of the gross annual remuneration of the relevant Supervisory Director, divided by the average market value of one GDR as of 19 May 2012. Under the rules of the plan, the average market value is defined as the volume weighted average price of a GDR over the thirty calendar days immediately preceding 19 May 2012. The volume weighted average price is calculated using the closing price of a GDR taken from the Official List of the London Stock Exchange. The exact number of RSUs to be awarded, based on this calculation, shall be announced at the AGM.

The award is subject to the relevant Supervisory Director holding office during the period until the award date. The awarded RSUs will vest on 19 May 2015, followed by a lock-in period ending on 19 May 2017.

Item 12 (voting item)

Designation of the Supervisory Board as the corporate body authorised to issue new shares or grant rights to subscribe for shares

In accordance with article 6 paragraph 1 of the Articles of Association, it is proposed to the General Meeting to designate the Supervisory Board, for a period of 18 months as of the date of the AGM, until 14 December 2013, as the corporate body of the Company authorised to resolve on the issuance of, and/or the granting of rights to subscribe for, up to a maximum of 13,578,643 new shares (i.e. 20% of the issued and outstanding capital of the Company at the date of this resolution), for general corporate purposes, including but not limited to financing of acquisitions and pursuant to the Company's Employee Stock Option Plan and/or Restricted Stock Unit Plan. This delegation (the "2012 Delegation") also applies to the issue of new GDRs, or rights to subscribe for new GDRs. One GDR represents 0.25 share of the Company.

Item 13 (voting item)**Designation of the Supervisory Board as the corporate body authorised to restrict or exclude the pre-emptive rights upon issue of new shares or granting of rights to subscribe for shares**

Pursuant to article 7 paragraph 3 of the Articles of Association, the General Meeting may designate the Supervisory Board as the corporate body authorised to resolve on the restriction or exclusion of any pre-emptive right (*voorkeursrecht*) in connection with the issuance of, and/or the granting of rights to subscribe for, shares in the capital of the Company. Such designation shall only be valid for a specific period of no more than five (5) years and may from time to time be extended with a period of not more than five (5) years.

It is proposed to the General Meeting to designate the Supervisory Board as the corporate body authorised to resolve on the restriction or exclusion of any pre-emptive right in connection with the issuance of, and/or the granting of rights to subscribe for, shares in the capital of the Company under the 2012 Delegation for a period of 18 months as of the date of the AGM, until 14 December 2013.

The proposal to designate the Supervisory Board must be adopted by two-thirds of the votes cast, if less than 50% of the issued capital of the Company is present or represented at the AGM. If 50% or more of the issued capital of the Company is present or represented at the AGM, a simple majority is sufficient to adopt the proposal.

Item 14 (voting item)**Authorisation of the Management Board to have the Company acquiring shares or GDRs in its own capital**

The General Meeting is requested, in accordance with article 9 paragraph 3 of the Articles of Association, to authorise the Management Board for a period of 18 months as of the date of the AGM, until 14 December 2013, to cause the Company to purchase, for general corporate purposes, shares or GDRs in the Company's own capital, representing up to 10% of the issued share capital of the Company as at the date of the AGM (for the avoidance of doubt, the 'issued share capital of the Company' includes issued shares and/or GDRs yet owned by the Company (directly or indirectly) in its own capital), at or below the market price of the GDRs (as being traded at London Stock Exchange) when such purchase is being executed.

The Supervisory Board has resolved, in accordance with article 17 paragraph 3 of the Articles of Association and subject to the above delegation by the General Meeting to the Management Board, that in case the amount of Company's own issued share capital or GDRs being purchased reaches a level of more than 5% of the Company's own issued share capital as at the date of the AGM (for the avoidance of doubt, the 'issued share capital of the Company' includes issued shares and/or GDRs yet owned by the Company (directly or indirectly) in its own capital), the Management Board shall obtain Supervisory Board approval before proceeding with such purchase.

The Company may only acquire its own fully paid up shares or GDRs, provided that the part of the Company's net assets which exceeds the aggregate of the issued share capital and the reserves which must be maintained by virtue of the law, is at least equal to the purchase price for the Company's own shares.

Item 15 (voting item)**Appointment of the external auditor for the financial year 2012**

The Supervisory Board proposes to re-appoint PricewaterhouseCoopers as the Company's external auditor for the financial year 2012.