

**LEV KHASIS TO STEP DOWN AS CEO AFTER FIVE SUCCESSFUL YEARS WITH X5
TO PURSUE PERSONAL PROJECTS;
ANDREI GUSEV NOMINATED AS NEW CEO**

Amsterdam, 10 March 2011 - X5 Retail Group N.V., Russia's largest retailer in terms of sales, today announced that it has accepted the resignation of Lev Khasis after five successful years as CEO. The Company's Supervisory Board has elected Andrei Gusev as successor with immediate effect and will recommend to the Annual General Meeting of Shareholders to appoint Mr. Gusev as Chief Executive Officer as of the date of the meeting to be held in June 2011. Lev Khasis will remain with the Company through 01 June 2011 to ensure a smooth transition. Andrei Gusev is currently Deputy CEO of X5 and as such widely contributed to the Company's success over the last years.

Hervé Defforey, Chairman of the Supervisory Board, commented:

"We would like to thank Lev Khasis for his leadership and dedication to our Company over many years. Lev has made an outstanding contribution to X5 and brought a strong focus on serving customers. During Lev's tenure as CEO the Company has grown more than fourfold in size. We wish him great success in his future endeavors."

"This management change occurs at a time of strength and momentum for our Company. I have been working with Andrei Gusev over the last five years. I am convinced that the Company under Andrei's leadership will continue to be the dominant player in Russian retail in the years to come."

Andrei Gusev added: *"I have been with X5 for many years and understand well its priorities, challenges and opportunities. The Company has a well articulated strategy aimed at enhancing competitive advantages of its multi-format business model. Our senior and experienced management team is focused on strengthening X5's position and on making X5 a stronger and more efficient company that generates substantial value for shareholders."*

Lev Khasis commented: *"My five years as CEO of X5 have been the most amazing of my life, and I am proud of the Company's achievements. Thanks to our investments in new store openings, logistics, IT and modern retail technologies X5 has the number one position in the market and has emerged from the economic downturn stronger than before. I believe it is time for me to focus on other opportunities in life, and I will remain a loyal customer and shareholder of X5. It has been a great pleasure working with Andrei since X5 was created and prior to that serving together with him at the Board of Perekrestok where I served as Chairman, and I wish him all the success in taking the business to new highs building on the strong platform we created."*

"I want to thank all X5 shareholders and the Board for their support over the last few years. And a special thank you to all employees of X5 for working hard to make X5 a great company and a great place to work."

Andrei Gusev, 38, currently Deputy CEO of X5, has longstanding experience in the retail sector and at X5. He joined X5 in 2006 and since then has been exposed to every facet of the Company's business. He has been deeply involved in X5 strategy development to drive top line growth. Prior to that Andrei has had over 10 years of management consulting experience with key international firms, intervening among others in the retail and FMCG sectors. Andrei Gusev graduated with honours from Moscow State University. He also holds an MBA from the Wharton Business School in the USA.

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. In 2010 X5 acquired Kopeyka discounters chain.

As at 31 December 2010, X5 had 2,469 Company-managed stores located in Moscow, St. Petersburg and other regions of European Russia, Urals and Ukraine, including 1,392 soft discount stores, 301 supermarkets, 71 hypermarkets, 45 convenience stores and 660 acquired Kopeyka stores.

As at 31 December 2010, X5's franchisees operated 665 stores across Russia.

For the first nine months 2010, net sales totaled USD 7,798 mln, EBITDA reached USD 593 mln, and net profit amounted to USD 183 mln. For the full year 2010, net retail sales totaled USD 11,248 mln.

X5 Shareholder structure is as follows: Alfa Group – 47.9%, founders of Pyaterochka – 19.8%, X5 Management – 1.9%, treasury shares – 0.1%, free float – 30.3%.

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.

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