

X5 RETAIL GROUP SELLS “IT BUSINESS LLC”

Amsterdam, 29 April 2011 - X5 Retail Group N.V., Russia's largest retailer in terms of sales (LSE ticker: “FIVE”), today announced that it has sold IT Business, its e-commerce unit which operates the www.bolero.ru and www.003.ru online stores. Terms of the deal were not disclosed.

X5 Retail Group CEO **Andrei Gusev** commented:

“X5 is currently focused on strengthening its core business, ensuring efficiency and financial discipline. We have gained invaluable experience in managing internet retailing and will continue to develop X5’s e-commerce strategy with a professional e-commerce team to make our core business more effective and customer oriented.”

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 2011, X5 had 2,545 Company-managed stores located in Moscow, St. Petersburg and other regions of European Russia, Urals and Ukraine, including 1,472 soft discount stores, 303 supermarkets, 71 hypermarkets, 47 convenience stores and 652 acquired Kopeyka stores (including 45 stores already rebranded as Pyaterochka).

As at 31 March 2011, X5's franchisees operated 690 stores across Russia.

For the full year 2010, net sales totaled USD 11,280 mln, EBITDA reached USD 844 mln, and net profit amounted to USD 271 mln. For the first quarter 2011, net retail sales totaled USD 3,826 mln.

X5 Shareholder structure is as follows: Alfa Group – 47.9%, founders of Pyaterochka – 19.9%, X5 Management – 1.8%, 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.

For further details please contact

Egor Voytenkov
Senior IR Manager
Tel.: +7 (495) 662-8888, ext. 22 455
e-mail: egor.voytenkov@X5.ru

Svetlana Vitkovskaya
Head of PR Department
Tel.: +7 (495) 662-8888, ext. 31 140
e-mail: svetlana.vitkovskaya@X5.ru