

X5 INTRODUCES ELECTRONIC INVOICING

Moscow, 22 August 2012 - X5 Retail Group N.V., (“X5” or the “Company”), Russia's largest retailer in terms of revenue (LSE ticker symbol: FIVE), announced today that it has developed technology to support the exchange of electronic sales invoices with suppliers.

The automated exchange of sales invoices was approved by Russia’s Ministry of Justice on 11 April 2012. Immediately following the approval, X5 launched a pilot project where select suppliers sent more than 700 sales invoices using the Company’s new network. The pilot project will be completed in late September.

Starting from 1 October 2012, X5 will start connecting suppliers to the network allowing for the exchange of sales invoices through Electronic Data Interchange (EDI) providers Exite, LeraData and Edisoft, which hold Efficient Consumer Response - Russia certificates. Exite and LeraData have partner relations with Kaluga Astral LLC and Tensor LLC, which are EDI operators authorized by the Russian Federal Tax Service to transmit electronic sales invoices (incoming and outgoing) between X5 and suppliers.

Implementing the automated exchange of electronic sales invoices will simplify and speed up the invoicing process and is another step towards improving X5’s cooperation with suppliers.

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Note to Editors:

Headquartered in Moscow, X5 Retail Group (LSE: FIVE, Moody's - "B2", S&P - "B+") is Russia's largest retailer in terms of revenue. The Company operates several retail formats: the soft discounter chain under the Pyaterochka brand, the supermarket chain under the Perekrestok brand, the hypermarket chain under the Karusel brand, the online retail channel under E5.ru brand and convenience stores under various brands.

As at 30 June 2012, X5 had 3,298 Company-operated stores. It has the leading market position in both Moscow and St. Petersburg and a significant presence in the European part of Russia. Its store base includes 2,783 soft discounter stores, 341 supermarkets, 77 hypermarkets and 97 convenience stores. The Company operates 28 DCs and 1,539 Company-owned trucks across the Russian Federation.

X5 is run on an SAP platform.

As at 30 June 2012, X5's direct franchisees operated 399 stores across Russia.

For the full year 2011, net sales totaled USD 15,455 mln, EBITDA reached USD 1,130 mln, and net profit amounted to USD 302 mln. For the first half 2012, net sales totaled USD 7,859 mln, EBITDA reached USD 554 mln and net profit amounted to USD 135 mln.

X5 Shareholder structure is as follows: Alfa Group – 47.86%, founders of Pyaterochka – 19.85%, X5 Directors – 0.14%, treasury shares – 0.11%, free float – 32.04%.