

X5 SIGNS COOPERATION AGREEMENT WITH TULA REGIONAL GOVERNMENT

Moscow, 17 September 2012 - X5 Retail Group N.V., (“X5” or the “Company”), Russia's largest retailer in terms of sales (LSE ticker: “FIVE”), announced today that the Company and the Tula Regional Administration have signed a Cooperation Agreement (the “Agreement”) to implement an investment project to develop the region’s retail infrastructure. The Agreement was signed by Mikhail Susov, X5’s Corporate Relations Director, and Vladimir Gruzdev, Governor of the Tula Region. Yulia Peskovskaya, Deputy Governor, Deputy Chief of the Representative Office of the Administration of the Tula Region in the Russian Government, also attended the signing ceremony.

According to the Agreement, during the period from 2012 to 2014, X5 will invest up to one billion Russian roubles to open at least 45 stores in the Tula Region. The investment in new store openings is expected to positively contribute to the region’s development by creating an estimated 1,000 new jobs, supporting local producers and introducing the latest retail technologies to the local markets.

The expansion of a major federal retailer in the region will also help satisfy consumer demand for high quality products at affordable prices.

Currently, the Company operates 57 Pyaterochka soft discounter stores in the Tula Region and cooperates with the largest Tula producers of food products (including: bread, milk and meat). X5 adapts its trading matrix to include local products sold in its regional stores wherever possible.

The Company has previously concluded Cooperation Agreements with the Yaroslavl, Ryazan, Tver, Kursk, Samara and Orel Regional Administrations.

Mikhail Susov provided the following comments:

“The Tula Region is a fast developing Russian region that is open for investments. That is why X5 intends to expand the Company’s presence in the region by opening new Pyaterochka, Perekrestok and Karusel stores, in order to provide consumers with high quality products at affordable prices.”

For further details please contact

Gregory Madick
Executive IR Director
Tel.: +7 (495) 502-9783
e-mail: gregory.madick@X5.ru

Vladimir Rusanov
Acting Head of PR
Tel.: +7 (495) 662-8888, ext. 31-328
e-mail: vladimir.rusanov@X5.ru

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%.