

X5 OPENS FIRST PEREKRESTOK SUPERMARKET IN SURGUT

Moscow, 5 October 2012. – X5 Retail Group N.V., (“X5” or the “Company”), Russia's largest retailer in terms of sales (LSE ticker symbol: FIVE) announced today that the Company has opened its first Perekrestok supermarket in the city of Surgut located in the Khanty-Mansiysk Autonomous District (Tyumen region, Siberia). The new store was opened by X5’s reverse franchisee partner, RIA Group of Companies (RIA Group).

The RIA Group has operated in the retail food market for more than 20 years and owns Labaz, one of the largest retail chains in the Tyumen region, and RIA Company LLC, the largest wholesale supplier of food and alcohol in the Khanty-Mansiysk and the Yamalo-Nenetsky Autonomous Districts.

As part of the reverse franchise project, specialists from the RIA Group completed a training program in X5 supermarkets located in Moscow, Yekaterinburg and Tyumen. The RIA Group’ plans to open two more supermarkets in Surgut in October 2012.

The total area of the three new Perekrestok stores will amount to 3,000 square meters and each supermarket's product range is made up of more than 12,000 different items; 90% of these are food, including the chain’s own production (meat and fish products, salads and baked goods). Products will be supplied from X5’s distribution center located in the city of Yekaterinburg using the franchisee’s own trucks as well as from local producers in the region. The value proposition will be in accordance with the format’s standards: high quality products for affordable prices. Promotional campaigns will be held in the new stores and customers will be able to collect points for their purchases and then use them to receive prizes or discounts.

The Perekrestok supermarket opened in Surgut is the first reverse franchising project that was launched in Siberia. X5 has been developing the reverse franchise business model since 2009 and under the reverse franchise agreement X5 transfers the right to sell goods under its own brands to the franchisee in exchange for an obligation from the latter to control the quality of goods sold, maintain the chain’s high standard of service, utilize the Company’s technologies and operate in pre-agreed locations.

Surgut is the largest city in the Khanty-Mansisk Autonomous District and one of the few Russian regional cities that are larger than the administrative center of the region (Khanty-Mansiysk city) in terms of population and industrial and economic influence. Surgut is an important center of the Russian Oil&Gas industry and has a population of approximately 320 thousand with a large share of young people (25-35 years) and high birth rates.

Igor Sinko, Director of X5’s Franchise Department, commented:

“The reverse franchising scheme developed by X5 is becoming more popular in the retail market. The X5 partner that acquires the franchise becomes an owner of a ready and time-tested business model and is supported by the leading Russian retailer. I am sure that our partnership with the well-known regional retailer, Labaz, will be successful and that the new Perekrestok store will become a very popular shopping destination in Surgut.”

Vladimir Likhouzov, General Director, RIA Group, commented:

“RIA Group has chosen Perekrestok out from a large number of potential candidates. X5 is a retail chain with high quality service, a wide range of goods on the shelves and own in-store production.”

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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%.