

**X5 RETAIL GROUP REPORTS Q1 2009 TRADING RESULTS\*:****CONSOLIDATED\*\* RETAIL SALES UP 46% IN RUR TERMS****PRO-FORMA\*\*\* RETAIL SALES INCREASE 28% IN RUR TERMS  
ON THE BACK OF 13% LFL REVENUE GROWTH****DISCOUNTERS LFL SALES SURGE 17% IN RUR TERMS  
SUPPORTED BY TRAFFIC INCREASE OF 6%**

**Amsterdam, 9 April 2009** - X5 Retail Group N.V., Russia's largest retailer in terms of revenue (LSE ticker: "FIVE"), announced today its retail sales and operational performance for the first quarter 2009.

**Q1 2009 Highlights**

- Consolidated net retail sales increased 46% year-on-year in RUR terms to RUR 63,089 million or 5% in USD terms to USD 1,859 million;
- On a pro-forma basis, net retail sales grew 28% year-on-year in RUR terms and declined 8% in USD terms (due to negative RUR devaluation effect of approximately 36%);
- X5's like-for-like (LFL) sales grew 13% in RUR terms year-on-year;
- Discounters' customer traffic surged 6%, driving Pyaterochka's LFL sales growth of 17% year-on-year;
- 43 stores added on net basis in Q1 2009, including three hypermarkets, 38 soft discounters and two supermarkets;
- Net addition of selling space totalled 33.1 thousand square meters;
- Warehouse capacity increased by 10.3 thousand square meters due to one new Distribution Centre (DC) opening and expansion of two existing DCs.

**Lev Khasis**, X5 Retail Group CEO, commented:

*"X5's first quarter sales performance demonstrates the resilience of our multi-format approach, supported by leading positions in major cities and regions less impacted by trading down trends. Soft discounters were the clear winners, as Pyaterochka gained market share and strengthened its image as price leader. Supermarkets demonstrated healthy performance in Moscow, St. Petersburg and other large cities, partially offset by declines in certain regions more affected by economic downturn. The success of Karusel's relaunch was evident with the strong pick-up in LFL sales and traffic trends, as we are winning customers with our "Everything Under One Roof - at Low Prices" concept in hypermarkets."*

\* Numbers provided in this press-release are preliminary and unaudited.

\*\* Consolidated sales figures include acquired Karusel's business in Q1 2009 and exclude it in Q1 2008.

\*\*\* Pro-forma sales figures include acquired Karusel's business in both Q1 2008 and Q1 2009.

## Net Retail Sales\* Performance

X5 net retail sales for the first quarter of 2009 reached RUR 63,089 million or USD 1,859 million. On a consolidated basis, i.e. including the results of the acquired Karusel chain in Q1 2009 and excluding Karusel in Q1 2008, X5's net retail sales rose 46% in RUR terms or 5% in USD terms. On a pro-forma basis, i.e. including acquired Karusel stores in both Q1 2008 and Q1 2009, X5's net retail sales increased 28% in RUR terms and declined 8% in USD terms.

### *Net Retail Sales Dynamics by Format (pro-forma)*

RUR mln	Q1 2009	Q1 2008	% change y-o-y
Hypermarkets	11,979.2	9,243.7	30%
Supermarkets	18,323.8	15,493.1	18%
Soft Discounters	32,785.7	24,450.1	34%
<b>Total Net Retail Sales</b>	<b>63,088.7</b>	<b>49,186.9</b>	<b>28%</b>
USD mln	% change y-o-y		
Hypermarkets	353.0	381.0	(7%)
Supermarkets	540.0	638.6	(15%)
Soft Discounters	966.3	1,007.8	(4%)
<b>Total Net Retail Sales</b>	<b>1,859.3</b>	<b>2,027.5</b>	<b>(8%)</b>

## Gross Retail Sales\*\* Analysis

### *Like-For-Like\*\*\* Store Performance (see Appendix I for detailed LFL performance)*

Based on RUR-denominated gross retail sales	Total LFL, %	Q1 2009 Traffic, %	Basket, %
Hypermarkets	11	1	10
Supermarkets	8	(3)	11
Soft Discounters	17	6	11
<b>X5 Retail Group Total</b>	<b>13</b>	<b>3</b>	<b>10</b>

### *Gross Retail Sales Dynamics*

Based on RUR-denominated gross retail sales	LFL, %	Expansion, %	Total change %, excl. FX
Hypermarkets	11	19	30
Supermarkets	8	10	18
Soft Discounters	17	17	34
<b>Total Gross Retail Sales</b>	<b>13</b>	<b>15</b>	<b>28</b>
FX Effect			(36)
<b>Total change %, incl. FX</b>			<b>(8)</b>

\* Net retail sales represent revenue from operations of X5 managed stores excluding VAT. This number differs from total net sales that also include revenue from franchisees (royalty payments) and other revenue. The total net sales number will be reported along with the Q1 2009 financial results.

\*\* In this section all sales dynamics analysis is based on RUR-denominated gross sales (including VAT, excluding FX). Net sales RUR growth rates may immaterially differ due to effective VAT rate.

\*\*\* Like-for-like (LFL) comparisons of retail sales between two periods are comparisons of retail sales in local currency (including VAT) generated by the relevant stores. The stores that are included in LFL comparisons are those that have operated for at least twelve full months preceding the beginning of the last month of the reporting period. Their sales are included in LFL calculation starting from the first day of the month following the month of the store opening.

The Company's total LFL sales (including Karusel stores on a pro-forma basis) in first quarter 2009 increased 13% in RUR terms, driven by a 3% increase in customer traffic and 10% increase in average basket. Organic expansion of selling space plus contributions from new stores not included in the LFL calculation accounted for the balance of the retail sales increase of 28%.

### **LFL Sales Performance**

Q1 2009 was the first quarter in which trading down trends became clearly evident, especially in February and March. The impact of trading conditions on our stores' performance varied significantly from region to region and format to format:

- Soft discounters were the clear winners in Moscow and the regions, reporting 10% and 11% traffic increases, respectively, with overall LFL sales growth reaching 25% in Moscow and 23% in regional locations, underscoring Pyaterochka's strength over the competition. St. Petersburg discounters' performance was affected by aggressive promotional campaigns by competitors, which had certain pressure on Pyaterochka's average ticket and resulted in 7% LFL sales growth on the back of flat traffic. On 19 March 2009, Pyaterochka announced a new pricing strategy across the regions extending its "lowest price" concept to every item on our shelves, to further strengthen its image as price leader and encourage customers to spend more at our stores.
- Supermarkets' performance was in line with management's expectations: LFL sales increased 8% on the back of healthy trends in Moscow and St. Petersburg-based stores and declines in regions affected by economic conditions. In Moscow and St. Petersburg, average traffic held steady and basket increased as we made up for the loss of more price-sensitive consumers shifting to discounters and hypermarkets by winning new customers from competing supermarkets and premium stores. Regional stores' performance varied significantly across our regions of operation, but LFL sales declined 6% overall. In Q1 X5 began converting Perekrestok stores in the most economically sensitive regions to soft discounter format, and completed the rebranding of three stores by the end of the quarter.
- Hypermarket LFL sales increased 11% year on year. Karusel's "*Everything Under One Roof - at Low Prices*" brand promise clearly gained recognition among customers as the chain was successfully relaunched following completion of the integration program last year. The relaunched Karusel hypermarkets delivered a clear improvement in LFL sales trends compared to the second half of 2008: Moscow and St. Petersburg-based stores delivered strong year-on-year traffic growth of 3% and 4% respectively, resulting in LFL sales increases of 10% in Moscow and 15% in St. Petersburg. Overall hypermarket performance in the regions and partially in Moscow was impacted by the one-time effects of a major Q1 2009 program to rebrand 14 Perekrestok hypermarket stores as Karusel.

During the first quarter 2009 X5 continued to invest in its customer value proposition and restrain price increases despite inflationary pressures. Prices on X5's shelves increased on average by 14% year-on-year (March 2009 versus March 2008) compared to officially reported food inflation in Russia of 16% for the same comparison period.

## Expansion

	As of 31-Dec-08	31-Mar-09	Reformatting/ Rebranding	Net Added in Q1 2009	% change vs 31-Dec-08
<b>Selling Space, sq. m.</b>					
Hypermarkets	232,462	245,942	-	13,480	6%
Supermarkets	222,362	225,359	(1,943)	2,997	1%
Soft Discounters	419,207	435,859	1,943	16,652	4%
<b>X5 Retail Group Total</b>	<b>874,032</b>	<b>907,161</b>	<b>-</b>	<b>33,129</b>	<b>4%</b>
<b># of Stores</b>					
Hypermarkets	46	49	-	3	7%
Supermarkets	207	209	(3)	2	1%
Soft Discounters	848	886	3	38	4%
<b>X5 Retail Group Total</b>	<b>1,101</b>	<b>1,144</b>	<b>-</b>	<b>43</b>	<b>4%</b>

In first quarter 2009, X5 added a net 43 stores, including 38 soft discounters, 2 supermarkets and 3 hypermarkets with total net selling space of 33.1 thousand sq.m. Of the 38 discounter stores, 21 were relaunched *Agrotorg-Rostov* Pyaterochka outlets acquired in December 2008. A further three were supermarkets converted to the discounter format (one Perekrestok in Lipetsk and two in Nizhny Novgorod); contributions from these stores will be excluded from supermarkets and included in discounters' results as from 1 April 2009. During the quarter, X5 closed a total of 13 stores (one supermarket and 12 discounters), in order to maximise the efficiency of our store portfolio in the current economic environment. In line with the Company's plans for 2009, expansion concentrated on regions with existing operations.

As at 31 March 2009, X5 Retail Group was present in 41 cities of European Russia and the Urals and operated 1,144 stores in total. This consisted of 886 soft discounters, 209 supermarkets, and 49 hypermarket stores, with total net selling space of 907.2 thousand sq. m.

## Franchisee Relationship Update

In first quarter 2009, X5 completed the integration of its former franchisee's business in the South of Russia (*Agrotorg-Rostov*), which was acquired in December 2008. X5 relaunched 21 acquired Pyaterochka stores in Rostov-on-Don and Rostov region, and opened a further four stores organically. As a result, Pyaterochka's presence in the area increased from only four stores to a total of 29 stores within 50 working days.

As at 31 March 2009 the Company's franchisee store network totaled 586 stores across Russia, including 543 Pyaterochka and 43 Perekrestok-Express stores.

## Logistics Infrastructure Development

In the first quarter 2009 X5 Retail Group added one Distribution Centre (DC) in Voronezh, and expanded storage capacity of two existing DCs in Nizhny Novgorod and Samara, increasing overall warehouse capacity by 10.3 thousand sq.m.

Region	Warehouse space, '000 sq. m.			# of DCs		
	31-Dec-08	31-Mar-09	Net Added	31-Dec-08	31-Mar-09	Net Added
Central	109.1	109.1	-	6	6	-
North-West	44.5	44.5	-	4	4	-
Volgo-Vyatsky	13.5	15.1	1.6	1	1	-
Urals	18.2	18.2	-	5	5	-
Centralno-Chernozemny	2.4	8.4	6.0	2	3	1
Sredne-Volzhsky	3.3	6.0	2.7	1	1	-
<b>X5 Retail Group Total</b>	<b>191.0</b>	<b>201.3</b>	<b>10.3</b>	<b>19</b>	<b>20</b>	<b>1</b>

**Appendices**

- I. LFL Store Performance by Format and Region*
- II. Net Retail Sales Performance by Region*
- III. Average Ticket and Number of Customers*
- IV. Net Store Addition by Format and Region*

---

*For further details please contact*

**Anna Kareva**  
**IR Director**  
**Tel.: +7 (495) 792-3511**  
**e-mail: [anna.kareva@x5.ru](mailto:anna.kareva@x5.ru)**

**Svetlana Vitkovskaya**  
**Head of PR Department**  
**Tel.: +7 (495) 662-8888, ext. 31 140**  
**e-mail: [svetlana.vitkovskaya@x5.ru](mailto:svetlana.vitkovskaya@x5.ru)**

## **Note to Editors:**

### **X5 Retail Group**

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 2009, X5 had 1,144 Company-managed stores located in Moscow, St. Petersburg and other regions of European Russia, Urals and Ukraine, including 886 soft discount stores, 209 supermarkets and 49 hypermarkets.

As at 31 March 2009, X5's franchisees operated 586 stores across Russia.

For the full year 2008, X5's net retail sales including acquired Karusel stores on pro-forma basis totaled USD 8,844 mln. For the first quarter 2009, pro-forma net retail sales totaled USD 1,859 mln.

X5 Shareholder structure is as follows: Alfa Group – 47.9%, founders of Pyaterochka – 23.1%, X5 Management – 1.9%, treasury shares – 0.1%, free float – 27.0%.

### ***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.*

## Appendix I: LFL Store Performance by Format and Region\*

	Total LFL, %	Q1 2009 Traffic, %	Basket, %
<b><u>Moscow &amp; the Moscow Region</u></b>			
Hypermarkets	10	3	7
Supermarkets	12	(1)	13
Soft Discounters	25	10	15
<b>Total</b>	<b>18</b>	<b>6</b>	<b>12</b>
<b><u>St. Petersburg &amp; North-West</u></b>			
Hypermarkets	15	4	11
Supermarkets	10	-	10
Soft Discounters	7	-	7
<b>Total</b>	<b>9</b>	<b>1</b>	<b>8</b>
<b><u>Regions</u></b>			
Hypermarkets	5	(5)	10
Supermarkets	(6)	(8)	2
Soft Discounters	23	11	12
<b>Total</b>	<b>5</b>	<b>-</b>	<b>5</b>
<b><u>X5 Retail Group</u></b>			
Hypermarkets	11	1	10
Supermarkets	8	(3)	11
Soft Discounters	17	6	11
<b>X5 Retail Group Total</b>	<b>13</b>	<b>3</b>	<b>10</b>

\* Based on RUR-denominated gross sales (including VAT, excluding FX). Net sales RUR growth rates may immaterially differ due to effective VAT rate.

Like-for-like comparisons of retail sales between two periods are comparisons of retail sales in local currency (including VAT) generated by the relevant stores. The stores that are included in like-for-like comparisons are those that have operated for at least twelve full months preceding the beginning of the last month of the reporting period. Their sales are included in like-for-like calculation starting from the first day of the month following the month of the store opening. The like-for-like comparison for each store takes into account retail sales generated by that store during the same months it was in operation in both the reporting period and the period of comparison. The retail sales of all the relevant stores in the relevant months are then aggregated and compared. Like-for-like sales are calculated on the basis of traffic and basket amounts of relevant stores in the period under review.

## Appendix II: Net Retail Sales Performance by Region

<b>USD mln</b>	<b>Q1 2009</b>	<b>Q1 2008</b>	<b>% change y-o-y</b>
Moscow & the Region	961.4	1,028.4	(7%)
St. Petersburg & North-West	535.7	646.9	(17%)
Other Regions	362.3	352.1	3%
<b>Total Net Retail Sales</b>	<b>1,859.3</b>	<b>2,027.5</b>	<b>(8%)</b>

<b>RUR mln</b>			<b>% change y-o-y</b>
Moscow & the Region	32,620.2	24,949.5	31%
St. Petersburg & North-West	18,177.0	15,694.7	16%
Other Regions	12,291.5	8,542.7	44%
<b>Total Net Retail Sales</b>	<b>63,088.7</b>	<b>49,186.9</b>	<b>28%</b>



### Appendix III: Average Ticket and Number of Customers

	Q1 2009	Q1 2008	% change y-o-y
<b><u>Average Ticket, RUR</u></b>			
Hypermarkets	601	561	7%
Supermarkets	370	339	9%
Soft Discounters	257	239	7%
<b>X5 Retail Group Total</b>	<b>320</b>	<b>299</b>	<b>7%</b>
<b><u>Average Ticket, USD</u></b>			
Hypermarkets	17.7	23.1	(23%)
Supermarkets	10.9	14.0	(22%)
Soft Discounters	7.6	9.9	(23%)
<b>X5 Retail Group Total</b>	<b>9.4</b>	<b>12.3</b>	<b>(24%)</b>
<b><u># of Customers, mln.</u></b>			
Hypermarkets	22.8	18.9	21%
Supermarkets	56.5	52.2	8%
Soft Discounters	145.1	116.3	25%
<b>X5 Retail Group Total</b>	<b>224.4</b>	<b>187.4</b>	<b>20%</b>

## Appendix IV: Net Store Addition by Format and Region

# of Stores	As of 31-Dec-08	31-Mar-09	Reformatting/ Rebranding	Net Added in Q1 2009	% change vs 31-Dec-08
<b><u>Moscow &amp; the Moscow Region</u></b>					
Hypermarkets	10	13	-	3	30%
Supermarkets	114	117	-	3	3%
Soft Discounters	368	374	-	6	2%
<b>Total</b>	<b>492</b>	<b>504</b>	<b>-</b>	<b>12</b>	<b>2%</b>
<b><u>St. Petersburg &amp; North-West</u></b>					
Hypermarkets	15	15	-	-	0%
Supermarkets	20	20	-	-	0%
Soft Discounters	276	275	-	(1)	0%
<b>Total</b>	<b>311</b>	<b>310</b>	<b>-</b>	<b>(1)</b>	<b>0%</b>
<b><u>Regions</u></b>					
Hypermarkets	21	21	-	-	0%
Supermarkets	73	72	(3)	(1)	(1%)
Soft Discounters	204	237	3	33	16%
<b>Total</b>	<b>298</b>	<b>330</b>	<b>-</b>	<b>32</b>	<b>11%</b>
<b><u>X5 Retail Group</u></b>					
Hypermarkets	46	49	-	3	7%
Supermarkets	207	209	(3)	2	1%
Soft Discounters	848	886	3	38	4%
<b>X5 Retail Group Total</b>	<b>1,101</b>	<b>1,144</b>	<b>-</b>	<b>43</b>	<b>4%</b>