



Extraordinary General Meeting of Shareholders of X5 Retail Group N.V.

The Management Board of X5 Retail Group N.V. ("X5" or the "Company") invites the Company's shareholders and holders of global depository receipts ("GDRs") to the Company's Extraordinary General Meeting of Shareholders (the "EGM") to be held at Parkstraat 20, 2514 JK The Hague, The Netherlands at 11.00 am CET on **7 December 2012**.

Agenda

1. Opening
2. Proposal to amend the Articles of Association of the Company (voting item)
3. Any other business and conclusion

Record date

Persons with the right to vote and/or the right to attend the EGM are considered to be those persons who on **9 November 2012** after processing of all debit and credit entries up to and including that day (the "Record Date") are registered in one of the registers mentioned hereafter.

A copy of the proposed amendment of the Articles of Association is available on the Company's website www.x5.ru and will also be deposited for inspection by the shareholders and other persons entitled to attend the EGM at the Company's offices in Amsterdam, The Netherlands and are available free of charge. Copies will also be available for inspection at the EGM.

The shareholders' register of the Company in Amsterdam, The Netherlands, has been designated as register to certify the shareholders entitled to vote on the shares. The shareholders identified as entitled to vote on the basis of the shareholders register of the Company on the Record Date may exercise their rights to vote and attend the EGM. These shareholders may also exercise their rights to vote and/or attend the EGM by a written proxy, in the English language, duly executed and legalised in accordance with the laws of the country where the proxy is issued. Proxy holders shall present their written proxy at the EGM.

The register of GDR holders maintained by The Bank of New York Mellon (the "Depository") indicates the persons entitled to GDRs on the Record Date and entitled to give voting instructions to the Depository pursuant to Article 12 of the GDR Terms and Conditions. GDR holders may instruct the Depository with regard to the exercise of voting rights with respect to Deposited Shares (as defined in the GDR Terms and Conditions) by completing, signing and returning to the Depository the relevant voting documentation forwarded by the Depository to the GDR holders following receipt by the Depository from the Company. The deadline for providing instructions to the Depository will be specified by the Depository in the information provided to GDR holders. The Depository will procure the exercise of voting instructions received from GDR holders by the relevant deadline in accordance with the GDR Terms and Conditions and the normal processes of the Depository.

Alternatively, GDR holders who wish to vote in person at the EGM will, on request, be granted an exclusive proxy to do so by the Depository. A GDR holder to whom such exclusive proxy has been granted must notify



the Management Board of the Company of their intention to attend and vote at the EGM and must provide the Management Board with a copy of such proxy at least five (5) days prior to the EGM. GDR holders who intend to vote in this manner must provide sufficient proof of identification on admission to the EGM. In addition, if the exclusive proxy has been granted by the Depository to a GDR holder which is a legal entity, the person who represents such legal entity at the EGM must provide sufficient proof that he is duly authorised to do so by means of a statement from a local lawyer or notary admitted to practice in the jurisdiction of the GDR holder, duly executed and legalised in accordance with the laws of such jurisdiction.

Amsterdam, 26 October 2012

The Management Board

Explanatory Notes

Item 2 (voting item)

It is proposed to amend the Articles of Association in accordance with certain provisions of the new Dutch Act on Management and Supervision (*Wet van 6 juni 2011 tot wijziging van boek 2 van het Burgerlijk Wetboek in verband met de aanpassing van regels over bestuur en toezicht in naamloze en besloten vennootschappen*) which will come into force in the Netherlands on 1 January 2013, in particular the provisions on conflict of interest and binding nomination of (supervisory) directors.

Furthermore, it is proposed to amend the Articles of Association in accordance with the new Dutch Corporate Governance Act (*Wijziging van de Wet op het financieel toezicht, de Wet giraal effectenverkeer en het Burgerlijk Wetboek naar aanleiding van het advies van de Monitoring Commissie Corporate Governance Code van 30 mei 2007*) which is expected to come into force on 1 January 2013, in particular the rule pertaining to the right to place items on the agenda for a General Meeting.

Finally, it is proposed to make an exception in article 17.1 sub (c) of the Articles of Association for intra-group transactions and, in alignment herewith, to amend the exception for transactions subject to approval of the Supervisory Board in articles 17.2 sub (d) and 24.6 sub (ii).

The Supervisory Board has granted its approval for the amendment of the Articles of Association.

The General Meeting is requested to approve the proposed amendments. The existing text of the Articles of Association with the proposed amendments is published on the Company's website (www.x5.ru) and is available for inspection at the offices of the Company until the EGM is held.

The resolution to amend the Articles of Association also includes the authorization of each director of the Company as well as any and all lawyers and paralegals practicing with Hogan Lovells LLP in Amsterdam to execute the notarial deed of amendment to the Articles of Association.