

X5 STRENGTHENS LOGISTICS INFRASTRUCTURE WITH SIX NEW DCs COMMISSIONED IN 2015

Moscow, 8 February 2016 — X5 Retail Group commissioned six new distribution centres (DCs) with a total area of 142 thousand sq. m. in 2015. The DCs service X5's retail network across a number of high-potential geographies: the Kaluga, Voronezh and Chelyabinsk regions, as well as Moscow and Tatarstan.

Four of the new DCs are new-builds being leased by X5, one was added under a third-party logistics (3PL) contract, while the DC in Moscow was relaunched following complete renovation. The new DCs in St. Petersburg, Voronezh and Kazan provide safe storage across all temperature bands, reducing stores' overall cost of delivery, as a full range of products can be shipped from a single DC.

X5's new logistics centres strengthen the connection between food producers and shoppers, and help to increase levels of sourcing from local suppliers. Strengthening distribution infrastructure is a priority for X5 over the next five years. The Company plans to increase the pace of development of its logistics infrastructure in 2016.

X5's total warehousing capacity increased by more than 82 thousand sq. m. in 2015. During the year, X5 put more new DCs into operation than any other major Russian retailer, and ranked second by total warehousing space added (data from analytical agency Infoline).

X5's distribution centres serve more than 7,000 stores, ensuring seamless logistics operations for the Company and its suppliers. As of 31 December 2015, X5 operated 35 distribution centres and owned a fleet of 1,561 trucks.

Note to Editors:

X5 Retail Group N.V. (LSE: FIVE, Fitch – 'BB', Moody's – 'Ba3', S&P – 'BB-') is a leading Russian food retailer. The Company operates several retail formats: the chain of proximity stores under the Pyaterochka brand, the supermarket chain under the Perekrestok brand, the hypermarket chain under the Karusel brand and Express convenience stores under various brands.

As of 31 December 2015, X5 had 7,020 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 6,265 Pyaterochka proximity stores, 478 Perekrestok supermarkets, 90 Karusel hypermarkets and 187 convenience stores. The Company operates 35 DCs and 1,561 Company-owned trucks across the Russian Federation.

For the full year 2014, revenue totaled RUB 633,873 mln (USD 16,498 mln), EBITDA reached RUB 45,860 mln (USD 1,194 mln), and profit for the period amounted to RUB 12,691 mln (USD 330 mln). In 9M 2015, revenue totaled RUB 578,701 mln (USD 9,763 mln), EBITDA reached RUB 41,780 mln (USD 705 mln), and net income amounted to RUB 12,084 mln (USD 204 mln).

X5's Shareholder structure is as follows: Alfa Group – 47.86%, founders of Pyaterochka – 14.43%, X5 Directors – 0.06%, treasury shares – 0.02%, free float – 37.64%.

For further details please contact:

Maxim Novikov
Head of Investor Relations
Tel.: +7 (495) 502-9783
e-mail: Maxim.Novikov@x5.ru