

X5 RETAIL GROUP RELEASES 2013 ANNUAL REPORT

Amsterdam, 6 March 2014 - X5 Retail Group N.V., (“X5” or the “Company”) a leading Russian food retailer (LSE ticker: “FIVE”), today released the Company’s 2013 Annual Report and Accounts (“Annual Report”) prepared in accordance with the Dutch Financial Markets Supervision Act.

The Annual Report, including the full set of audited consolidated financial statements and notes thereto prepared in accordance with International Financial Reporting Standards, as adopted in the European Union, is available on X5’s corporate website at http://www.x5.ru/en/investors/financial_reports.

Financial highlights:

Income Statement ⁽¹⁾⁽²⁾

US Dollar million (USD mln)	Q4 2013	Q4 2012	% change, y-o-y	FY 2013	FY 2012	% change, y-o-y
Revenue	4,632.4	4,319.9	7.2%	16,784.7	15,795.2	6.3%
Gross profit	1,133.5	1,041.7	8.8%	4,092.8	3,724.2	9.9%
<i>Gross profit margin, %</i>	<i>24.5%</i>	<i>24.1%</i>	<i>-</i>	<i>24.4%</i>	<i>23.6%</i>	<i>-</i>
EBITDA	348.6	349.6	(0.3%)	1,204.2	1,123.8	7.1%
<i>EBITDA margin, %</i>	<i>7.5%</i>	<i>8.1%</i>	<i>-</i>	<i>7.2%</i>	<i>7.1%</i>	<i>-</i>
Operating profit / (loss)	259.5	(245.3)	n/a	794.3	191.4	314.9%
<i>Operating profit/(loss) margin, %</i>	<i>5.6%</i>	<i>(5.7%)</i>	<i>-</i>	<i>4.7%</i>	<i>1.2%</i>	<i>-</i>
Profit / (loss) for the period	136.0	(273.8)	n/a	344.9	(126.5)	n/a
<i>Profit/(loss) margin, %</i>	<i>2.9%</i>	<i>(6.3%)</i>	<i>-</i>	<i>2.1%</i>	<i>(0.8%)</i>	<i>-</i>
Russian Rouble million						
Revenue	150,341	134,255	12.0%	534,560	491,122	8.8%
Gross profit	36,782	32,374	13.6%	130,348	115,796	12.6%
EBITDA	11,299	10,866	4.0%	38,350	34,944	9.7%
Operating profit / (loss)	8,388	(7,629)	n/a	25,296	5,952	325.0%
Profit / (loss) for the period	4,381	(8,514)	n/a	10,984	(3,933)	n/a

Cash flow

USD mln	Q4 2013	Q4 2012	% change, y-o-y	FY 2013	FY 2012	% change, y-o-y
Net cash from operating activities	709.5	486.1	46.0%	891.3	609.2	46.3%
Net cash used in investing activities	(244.4)	(226.0)	8.1%	(661.3)	(796.3)	(17.0%)
Net cash (used in)/generated from financing activities	(342.1)	(82.9)	312.5%	(379.7)	187.6	n/a

Balance sheet

USD mln	31-Dec-13	% in total	30-Sep-13	% in total	31-Dec-12	% in total
Total debt	3,376.9		3,751.6		4,027.3	
Short-term debt	937.4	27.8%	1,368.8	36.5%	1,680.9	41.7%
Long-term debt	2,439.5	72.2%	2,382.8	63.5%	2,346.4	58.3%

⁽¹⁾ Please note that in this and other tables of the press release, immaterial deviations in the calculation of % changes, subtotals and totals are explained by rounding.

⁽²⁾ X5’s operational currency is the RUR, while the Company’s presentation currency is the USD. As the RUR/USD exchange rate has substantially changed in the past twelve months, comparisons of the Company’s financial results either with the corresponding period a year ago or with the beginning of the year have been substantially affected by these movements. Please see the 2013 Annual Report for more information.

Note to Editors:

X5 Retail Group N.V. (LSE: FIVE, Moody's - "B2", S&P - "B+") is a leading Russian food retailer that operates the following retail formats: a chain of economy class stores under the Pyaterochka brand, the supermarket chain under the Perekrestok brand, the hypermarket chain under the Karusel brand, a chain of express convenience stores under the Perekrestok Express and Kopeyka brands and an online retail channel under the E5.ru brand.

At 31 December 2013, X5 had 4,544 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 3,882 Pyaterochka economy class stores, 390 Perekrestok supermarkets, 83 Karusel hypermarkets and 189 Express convenience stores. The Company operates 32 DCs and 1,848 Company-owned trucks across the Russian Federation.

For the full year 2012, revenue totaled USD 15,795 mln, EBITDA reached USD 1,124 mln, and loss for the period amounted to USD 126 mln. For the full year 2013, revenue totaled USD 16,785 mln, EBITDA reached USD 1,204 mln and profit for the period amounted to USD 345 mln.

X5's Shareholder structure is as follows: Alfa Group – 47.86%, founders of Pyaterochka – 16.35%, X5 Directors – 0.02%, treasury shares – 0.07%, free float – 35.70%.

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 of 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.

For further details please contact

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

Vladimir Rusanov
Head of PR Department
Tel.: +7 (495) 662-8888, ext. 11-357
e-mail: vladimir.rusanov@X5.ru