

X5 RETAIL GROUP REPORTS Q1 2014 TRADING RESULTS ⁽¹⁾

Amsterdam, 11 April 2014 - X5 Retail Group N.V. (“X5” or the “Company”), a leading Russian food retailer (LSE ticker: “FIVE”), announced today the Company’s preliminary consolidated net retail sales and operational results for the first quarter (Q1) of 2014.

Net Retail Sales⁽²⁾⁽³⁾ Performance

Net Russian Rouble (RUR) retail sales by format, million (mln)

	Q1 2014	Q1 2013	% change, y-o-y
Pyaterochka	96,174.8	81,703.1	17.7%
Perekrestok	28,685.6	27,486.7	4.4%
Karusel	16,483.2	15,157.9	8.7%
Express ⁽⁴⁾	2,220.7	1,706.8	30.1%
E5.RU	333.7	241.7	38.0%
X5 Retail Group	143,898.1	126,296.2	13.9%

Regional contribution to formats’ total net RUR retail sales growth y-o-y, %

	Q1 2014			Total change
	Central	North-West	Other	
Pyaterochka ⁽⁵⁾	9.1%	1.6%	7.0%	17.7%
Perekrestok	3.2%	1.0%	0.2%	4.4%
Karusel	7.0%	0.1%	1.6%	8.7%
Express	30.1%	0.0%	0.0%	30.1%

Q1 2014 monthly net RUR retail sales by format, % change y-o-y

	January 2014	February 2014	March 2014
Pyaterochka	17.5%	19.0%	16.7%
Perekrestok	6.6%	4.8%	2.0%
Karusel	5.6%	11.6%	9.2%
Express	28.9%	26.7%	34.1%
E5.RU	(12.2%)	72.8%	39.2%
X5 Retail Group	13.7%	15.3%	13.0%

Average Ticket and Number of Customer Visits

Q1 2014 average ticket and customer visits by format

	Q1 2014	Q1 2013	% change, y-o-y
Average Ticket, RUR			
Pyaterochka	297.1	277.9	6.9%
Perekrestok	433.8	428.1	1.3%
Karusel	620.8	590.5	5.1%
Express	269.4	263.2	2.4%
E5.RU	1,416.9	1,669.2	(15.1%)
X5 Retail Group	338.7	323.4	4.8%
# of Customer Visits, mln			
Pyaterochka	369.8	335.7	10.1%
Perekrestok	75.7	73.5	3.1%
Karusel	30.4	29.2	4.2%
Express	9.6	7.7	25.7%
E5.RU	0.3	0.2	59.9%
X5 Retail Group	485.8	446.2	8.9%

⁽¹⁾ Numbers in this press release are preliminary and have not been reviewed or audited by the Company’s auditor.

⁽²⁾ In the tables of this press release, immaterial deviations in calculation of % change, subtotals and totals are due to rounding.

⁽³⁾ Net retail sales represent revenue from operations of X5 managed stores net of VAT. This number differs from revenue that also include proceeds from direct franchisees (royalty payments) and other revenue. The total revenue will be reported as part of Q1 2014 financial results.

⁽⁴⁾ Refers to Perekrestok Express and Kopeika branded convenience stores; previously disclosed as Convenience stores.

⁽⁵⁾ Regional contributions to net sales and net selling space are impacted by the redrawing of the Central, North-West, and “Other” regions’ boundaries for the Pyaterochka store base due to the new “cluster” based operational model. Year-on-year comparisons have been adjusted to reflect this.

Q1 2014 average monthly ticket and customer visits by format, % change y-o-y

	January 2014	February 2014	March 2014
Average Ticket			
Pyaterochka	6.4%	8.9%	5.6%
Perekrestok	2.8%	1.5%	(0.1%)
Karusel	6.5%	4.6%	4.4%
Express	5.4%	3.1%	(0.8%)
E5.RU	(20.6%)	(13.9%)	(14.8%)
X5 Retail Group	4.8%	6.3%	3.4%
# of Customer Visits			
Pyaterochka	10.4%	9.4%	10.6%
Perekrestok	3.7%	3.7%	2.0%
Karusel	2.2%	6.5%	4.2%
Express	21.4%	21.5%	33.2%
E5.RU	12.1%	98.7%	57.8%
X5 Retail Group	8.9%	8.5%	9.2%

LFL Sales Performance

Q1 2014 LFL⁽¹⁾ store performance by format, %

	Sales	Traffic	Basket
Pyaterochka	8.2	0.2	8.1
Perekrestok	0.4	(0.6)	1.0
Karusel	6.3	1.7	4.6
Express	3.8	0.1	3.7
X5 Retail Group	6.3	0.1	6.1

Q1 2014 monthly LFL store performance by format, %

	January 2014			February 2014			March 2014		
	Sales	Traffic	Basket	Sales	Traffic	Basket	Sales	Traffic	Basket
Pyaterochka	8.2	0.5	7.6	9.1	(0.8)	10.0	7.5	0.6	6.8
Perekrestok	2.6	(0.0)	2.6	0.9	(0.4)	1.3	(2.0)	(1.2)	(0.7)
Karusel	5.1	(1.0)	6.2	8.1	3.9	4.0	5.9	2.2	3.6
Express	4.8	(2.3)	7.3	3.3	(1.0)	4.3	3.5	3.3	0.2
X5 Retail Group	6.5	0.3	6.2	7.2	(0.4)	7.6	5.2	0.5	4.7

Expansion Dynamics

Selling space and # of stores by format

	As at	As at	% change	As at	% change
	31-Mar-14	31-Dec-13	vs 31-Dec-13	31-Mar-13	vs 31-Mar-13
Selling Space, square meters (sq. m.)					
Pyaterochka	1,443,137	1,414,102	2.1%	1,207,444	19.5%
Perekrestok	392,631	397,750	(1.3%)	386,307	1.6%
Karusel	360,531	375,808	(4.1%)	368,770	(2.2%)
Express	36,194	35,223	2.8%	25,744	40.6%
X5 Retail Group	2,232,492	2,222,883	0.4%	1,988,264	12.3%
# of Stores					
Pyaterochka	3,966	3,882	2.2%	3,279	21.0%
Perekrestok	384	390	(1.5%)	371	3.5%
Karusel	81	83	(2.4%)	78	3.8%
Express	187	189	(1.1%)	140	33.6%
X5 Retail Group	4,618	4,544	1.6%	3,868	19.4%

⁽¹⁾ 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 12 full months. Their sales are included in LFL calculation starting from the day of the store's opening. We include all stores that fit our LFL criteria in each reporting period.

Selling space and # of stores added by format

	Net Added Q1 2014	Net Added Q1 2013	% change, y-o-y
Net Selling Space, sq. m.			
Pyaterochka	29,035	16,091	80.4%
Perekrestok	(5,119)	2,848	n/a
Karusel	(15,277)	520	n/a
Express	971	(940)	n/a
X5 Retail Group	9,609	18,519	(48.1%)
Net # of Stores			
Pyaterochka	84	59	42.4%
Perekrestok	(6)	1	n/a
Karusel	(2)	0	n/a
Express	(2)	6	n/a
X5 Retail Group	74	66	12.1%

Regional contribution to formats' total net selling space growth y-o-y in Q1 2014, %

	Central	North-West	Other	Total change
Pyaterochka	3.8%	2.9%	12.8%	19.5%
Perekrestok	2.8%	0.8%	(2.0%)	1.6%
Karusel	4.6%	(5.1%)	(1.8%)	(2.2%)
Express	40.6%	0.0%	0.0%	40.6%

Key Drivers for Q1 2014 Results

Retail & LFL sales:

- Selling space expansion and the positive performance of maturing stores added over the past two years;
- Improvement in the average ticket and LFL basket due to changes in composition and increased volume;
- Active and effective promo and marketing campaigns during the quarter;
- Assortment rotation and improvements, particularly in fresh categories; and
- Improvements in logistics' service levels and product availability on shelves (particularly in Pyaterochka).

Expansion:

- Primarily organic growth in the Central region for all formats and also Other regions for Pyaterochka; and
- In Q1 2014, X5 closed six Pyaterochkas, three Perekrestoks, two Karusels and 19 Express stores that did not meet the respective formats' efficiency criteria; additionally the Company disposed of 12 Perekrestok supermarkets located in the Ukraine.

Selling space growth was particularly affected by the closure of two Karusels in the Chelyabinsk and St.Petersburg regions, with respective selling space of 4.4 and 10.9 thousand sq. m., and the Perekrestok disposal resulting in a decrease of 11.0 thousand sq. m.

2014 Financial Calendar

Date	Event
28 April 2014	Q1 2014 Financial Results
30 April 2014	Q1 2014 Financial Results conference call
11 July 2014	Q2 & 6M 2014 Trading Update
14 August 2014	Q2 & 6M 2014 Financial Results
18 August 2014	Q2 & 6M 2014 Financial Results conference call
10 October 2014	Q3 & 9M 2014 Trading Update
30 October 2014	Q3 & 9M 2014 Financial Results
Oct/Nov 2014, date TBC	X5 Capital Markets Day

Note to Editors:

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

At 31 March 2014, X5 had 4,618 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 3,966 Pyaterochka economy-class stores, 384 Perekrestok supermarkets, 81 Karusel hypermarkets and 187 Express stores. The Company operates 32 DCs and 1,690 Company-owned trucks across the Russian Federation.

For the full year 2013, revenue totaled USD 16,785 mln, EBITDA reached USD 1,204 mln, and net income amounted to USD 345 mln.

X5's Shareholder structure is as follows: Alfa Group – 47.86%, founders of Pyaterochka – 14.43%, X5 Directors – 0.02%, treasury shares – 0.08%, free float – 37.61%.

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.

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