

X5 OPENS 8,000th STORE IN RUSSIA

Orenburg, 29 July 2016 – X5 Retail Group, a leading Russian food retailer, announces the opening of its 8,000th store in Russia. The milestone opening is a new Karusel hypermarket in Orenburg (149/2 Turkestanskaya St.).

The nearly-5.5 thousand sq m store has selling space of 3.5 thousand sq m, was custom built for X5, and is owned by the Karusel chain. The building features a modern air conditioning and cutting-edge shopping space lighting systems. Twenty checkout aisles will enable higher throughput in busy times. The opening of the new hypermarket has created 189 new jobs.

The store offers 19,500 SKUs, with a large proportion of fresh and ultrafresh categories, including meat, fish, vegetables, fruits, and dairy, in its food selection. Over 90% of the hypermarket's food products are manufactured in Russia. Local producers account for more than 15% of the product mix, and in some categories (meat products, bakery and confectionery) their share reaches 50–95%. In particular, Karusel offers products by Demetra, Khlebnaya Karusel, Stepnye Prostory, Novotroitsk Meat Processing Plant, Orenburg Bakery Plant, Tashlinsky Trade House, Torty, Sordes, and others. In addition, the new hypermarket boasts a broad selection of household goods such as dishes, toys, cleaning products, clothes, footwear, and much more.

This is the second Karusel hypermarket in Orenburg and the Orenburg region. X5 Retail Group is also represented in the Orenburg region by more than 180 Pyaterochka stores and 5 Perekrestok supermarkets, providing over 2,000 jobs to local residents.

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 30 June 2016, X5 had 7,936 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 7,164 Pyaterochka proximity stores, 493 Perekrestok supermarkets, 89 Karusel hypermarkets and 190 convenience stores. The Company operates 35 DCs and 1,469 Company-owned trucks across the Russian Federation.

For the full year 2015, revenue totalled RUB 808,818 mln (USD 13,268 mln), Adjusted EBITDA reached RUB 59,413 mln (USD 975 mln), and net profit for the period amounted to RUB 14,174 mln (USD 233 mln). In Q1 2016, revenue totalled RUB 231,611 mln (USD 3,104 mln), EBITDA reached RUB 16,493 mln (USD 221 mln), and net profit amounted to RUB 5,054 mln (USD 68 mln).

X5's Shareholder structure is as follows: Alfa Group – 47.86%, founders of Pyaterochka – 14.43%, X5 Directors – 0.06%, treasury shares – 0.01%, free float – 37.64%.

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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