

## X5 RETAIL GROUP REPORTS Q4 & FY 2013 TRADING RESULTS <sup>(1)</sup>

Amsterdam, 23 January 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 operational results and net retail sales for the fourth quarter (Q4) and full year (FY) of 2013.

- FY 2013 net selling space increased by 12.9%, year-on-year (y-o-y); and
- Q4 and FY 2013 net Russian Rouble (RUR) retail sales increased y-o-y by 11.9% and 8.7%, respectively.

### Expansion Dynamics <sup>(2)</sup>

#### *Selling space and # of stores by format*

	As at 31-Dec-2013	As at 31-Dec-2012	% change, y-o-y
<b>Net Selling Space, square meters (sq. m.)</b>			
Pyaterochka	1,414,102	1,191,353	18.7%
Perekrestok	397,750	383,459	3.7%
Karusel	375,808	368,249	2.1%
Express <sup>(3)</sup>	35,223	26,683	32.0%
<b>X5 Retail Group</b>	<b>2,222,883</b>	<b>1,969,745</b>	<b>12.9%</b>
<b># of Stores</b>			
Pyaterochka	3,882	3,220	20.6%
Perekrestok	390	370	5.4%
Karusel	83	78	6.4%
Express	189	134	41.0%
<b>X5 Retail Group</b>	<b>4,544</b>	<b>3,802</b>	<b>19.5%</b>

#### *Selling space and # of stores added by format*

	Net Added Q4 2013	Net Added Q4 2012	% change, y-o-y	Net Added FY 2013	Net Added FY 2012	% change, y-o-y
<b>Net Selling Space, sq. m.</b>						
Pyaterochka	112,248	77,798	44.3%	222,749	195,300	14.1%
Perekrestok	6,606	14,248	(53.6%)	14,292	36,193	(60.5%)
Karusel	17,266	6,782	154.6%	7,559	(3,044)	na
Express	5,888	5,495	7.2%	8,540	14,012	(39.1%)
<b>X5 Retail Group</b>	<b>142,009</b>	<b>104,323</b>	<b>36.1%</b>	<b>253,139</b>	<b>242,461</b>	<b>4.4%</b>
<b>Net # of Stores</b>						
Pyaterochka	314	284	10.6%	662	695	(4.7%)
Perekrestok	8	20	(60.0%)	20	40	(50.0%)
Karusel	5	2	150.0%	5	1	na
Express	30	24	25.0%	55	64	(14.1%)
<b>X5 Retail Group</b>	<b>357</b>	<b>330</b>	<b>8.2%</b>	<b>742</b>	<b>800</b>	<b>(7.3%)</b>

#### *Regional contribution to net selling space added by format in 2013, %*

	Central	North-West	Other	Total change
Pyaterochka <sup>(4)</sup>	3.9%	2.7%	12.1%	18.7%
Perekrestok	2.9%	0.8%	0.0%	3.7%
Karusel	3.8%	(2.1%)	0.4%	2.1%
Express	32.0%	0.0%	0.0%	32.0%

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

<sup>(2)</sup> Note that in the text and other tables of this press release, immaterial deviations in calculation of % change, subtotals and totals are explained by rounding.

<sup>(3)</sup> Refers to Perekrestok Express and Kopeika branded convenience stores; previously disclosed as Convenience stores.

<sup>(4)</sup> Regional contributions to net selling space and net sales 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 the new boundaries.

In Q4 2013, X5 closed six Pyaterochka and two Perekrestok stores. In FY 2013, X5 closed 34 Pyaterochka stores, eight Perekrestok supermarkets, two Karusel hypermarkets and 19 Express stores. Stores closed in both periods did not meet the respective formats' efficiency criteria.

### Net Retail Sales <sup>(1)</sup> Performance

*Net RUR retail sales by format, million (mln)*

	Q4 2013	Q4 2012	% change, y-o-y	FY 2013	FY 2012	% change, y-o-y
Pyaterochka	97,520.0	85,451.6	14.1%	348,390.2	317,751.3	9.6%
Perekrestok	31,038.3	29,411.0	5.5%	110,661.8	105,472.1	4.9%
Karusel	18,362.3	17,143.4	7.1%	64,306.9	61,484.9	4.6%
Express	2,258.7	1,595.1	41.6%	7,902.3	4,877.8	62.0%
E5.RU	606.8	280.2	116.6%	1,431.1	502.1	185.0%
<b>X5 Retail Group</b>	<b>149,786.0</b>	<b>133,881.4</b>	<b>11.9%</b>	<b>532,692.4</b>	<b>490,088.2</b>	<b>8.7%</b>

*Regional contribution to net RUR retail sales by format, %*

	Q4 2013			Total % change	FY 2013			Total % change
	Central	North-West	Other		Central	North-West	Other	
Pyaterochka	5.6%	0.4%	8.1%	14.1%	2.9%	(0.2%)	6.9%	9.6%
Perekrestok	4.0%	1.2%	0.3%	5.5%	3.7%	0.7%	0.5%	4.9%
Karusel	5.4%	0.4%	1.3%	7.1%	3.3%	0.3%	1.0%	4.6%
Express	41.6%	0.0%	0.0%	41.6%	62.0%	0.0%	0.0%	62.0%
<b>X5 Retail Group</b>				<b>11.9%</b>				<b>8.7%</b>

*Q4 2013 monthly net RUR retail sales by format, % change y-o-y*

	October 2013	November 2013	December 2013
Pyaterochka	11.6%	14.9%	15.6%
Perekrestok	3.8%	7.7%	5.2%
Karusel	2.3%	6.3%	10.9%
Express	44.3%	45.0%	36.7%
E5.RU	103.7%	148.4%	104.8%
<b>X5 Retail Group</b>	<b>9.4%</b>	<b>12.9%</b>	<b>13.0%</b>

### Average Ticket and Number of Customer Visits

*Q4 & FY 2013 average ticket and customer visits by format*

	Q4 2013	Q4 2012	% change, y-o-y	FY 2013	FY 2012	% change, y-o-y
<b>Average Ticket, RUR</b>						
Pyaterochka	291.2	282.2	3.2%	274.4	268.1	2.4%
Perekrestok	433.4	434.4	(0.2%)	412.0	405.9	1.5%
Karusel	633.3	624.4	1.4%	600.7	593.0	1.3%
Express	267.5	259.0	3.3%	254.3	237.3	7.1%
E5.RU	1,153.2	1,814.6	(36.4%)	1,366.2	1,754.9	(22.1%)
<b>X5 Retail Group</b>	<b>337.1</b>	<b>331.5</b>	<b>1.7%</b>	<b>317.6</b>	<b>312.3</b>	<b>1.7%</b>
<b># of Customer Visits, mln</b>						
Pyaterochka	382.7	346.1	10.6%	1,450.1	1,353.0	7.2%
Perekrestok	81.8	77.5	5.5%	307.1	297.1	3.4%
Karusel	33.3	31.8	4.6%	122.4	118.8	3.0%
Express	10.0	7.3	36.9%	36.7	24.1	52.3%
E5.RU	0.6	0.2	224.6%	1.3	0.3	270.0%
<b>X5 Retail Group</b>	<b>508.4</b>	<b>462.8</b>	<b>9.8%</b>	<b>1,917.6</b>	<b>1,793.3</b>	<b>6.9%</b>

<sup>(1)</sup> Net retail sales represent revenue from operations of X5 managed stores net of VAT. This number differs from total net sales that also include revenue from direct franchisees (royalty payments) and other revenue. The total net sales number will be reported as part of Q4 & FY 2013 financial results.

**Q4 2013 average monthly ticket and customer visits by format, % change y-o-y**

	October 2013	November 2013	December 2013
<b>Average Ticket</b>			
Pyaterochka	2.8%	4.5%	2.0%
Perekrestok	(0.7%)	1.1%	(1.0%)
Karusel	3.9%	0.6%	(0.7%)
Express	3.9%	4.8%	1.9%
E5.RU	(47.9%)	(38.6%)	(23.9%)
<b>X5 Retail Group</b>	<b>1.5%</b>	<b>2.9%</b>	<b>0.4%</b>
<b># of Customer Visits</b>			
Pyaterochka	8.4%	10.1%	13.3%
Perekrestok	4.0%	6.3%	6.3%
Karusel	(1.5%)	5.7%	9.2%
Express	39.8%	37.7%	33.7%
E5.RU	308.5%	227.7%	170.1%
<b>X5 Retail Group</b>	<b>7.6%</b>	<b>9.7%</b>	<b>12.2%</b>

**LFL Sales Performance**

**Q4 & FY 2013 LFL<sup>(1)</sup> store performance by format, %**

	Q4 2013			FY 2013		
	Sales	Traffic	Basket	Sales	Traffic	Basket
Pyaterochka	5.2	0.6	4.5	0.3	(3.7)	4.2
Perekrestok	(0.0)	0.2	(0.2)	(0.2)	(2.0)	1.8
Karusel	3.4	2.5	0.9	3.1	2.5	0.6
Express	9.7	3.8	5.7	12.7	4.2	8.1
<b>X5 Retail Group</b>	<b>3.9</b>	<b>0.7</b>	<b>3.1</b>	<b>0.7</b>	<b>(2.9)</b>	<b>3.7</b>

**Q4 2013 monthly LFL store performance by format, %**

	October 2013			November 2013			December 2013		
	Sales	Traffic	Basket	Sales	Traffic	Basket	Sales	Traffic	Basket
Pyaterochka	3.1	(1.3)	4.4	6.5	0.4	6.1	5.9	2.7	3.1
Perekrestok	(2.3)	(1.6)	(0.8)	1.8	0.8	1.0	0.3	1.3	(1.0)
Karusel	1.5	(1.9)	3.4	3.8	3.4	0.4	4.2	5.5	(1.2)
Express	11.6	4.4	6.9	9.6	2.3	7.1	8.2	4.6	3.4
<b>X5 Retail Group</b>	<b>1.8</b>	<b>(1.3)</b>	<b>3.1</b>	<b>5.2</b>	<b>0.7</b>	<b>4.4</b>	<b>4.4</b>	<b>2.7</b>	<b>1.7</b>

**Key Drivers for Q4 2013 Results**

**Expansion:** Primarily organic growth in current regions of presence.

**Retail & LFL sales:**

- selling space expansion and the positive performance of maturing stores added over the past two years;
- improvement in volume and quality of promotional and marketing activities;
- assortment rotation and expansion (especially at Pyaterochka and Karusel); and
- improvement in product shelf availability (especially in December).

<sup>(1)</sup> 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 twelve full months preceding the beginning of the last month of the reporting period. 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.

X5 Retail Group CEO **Stephan DuCharme** commented:

*“I am pleased with the way we finished 2013 and the solid revenue growth we achieved in the last three months of the year. These results were underpinned by improved LFL sales across all banners and reflect the investments we have made into our customers, stores and people as well as our preparedness for the traditional retail high season.*

*The fourth quarter provides momentum going into 2014, however with signs that consumer confidence may be ebbing we need to continue executing on many fronts to complete the turnaround in our operations.*

*We have set an ambitious program for 2014 that includes the separation of our supply chain services and infrastructure, the continued roll-out of our new Pyaterochka concept including a significant store refurbishment program and the introduction of category management principles at our larger Perekrestok and Karusel banners. We will also continue to expand our store base to support revenue growth and strengthen our position in current regions of presence.*

*We have made significant progress in 2013 in strengthening our team, our operations and our multi-format operating model, which gives me confidence that we are on the right path and can deliver the results our customers and shareholders expect.”*

#### **2014 Financial Calendar**

<b>Date</b>	<b>Event</b>
14 February 2014	FY 2014 guidance press release
6 March 2014	Q4 & FY 2013 Financial Results
7 March 2014	FY 2013 Financial Results conference call
11 April 2014	Q1 2014 Trading Update
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
4 November 2014, 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 soft discounter chain under the Pyaterochka brand, the supermarket chain under the Perekrestok brand, the hypermarket chain under the Karusel brand, the online retail channel under the E5.RU brand and Express convenience stores under various brands.

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 soft discounter stores, 390 Perekrestok supermarkets, 83 Karusel hypermarkets and 189 convenience stores. The Company operates 32 DCs and 1,848 Company-owned trucks across the Russian Federation.

For the full year 2012, net sales totaled USD 15,795 mln, EBITDA reached USD 1,124 mln, and net loss amounted to USD 126 mln. For the nine months of 2013, net sales totaled USD 12,152 mln, EBITDA reached USD 856 mln and net profit amounted to USD 209 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 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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