

## X5 RETAIL GROUP REPORTS 26.7% NET RETAIL SALES GROWTH IN Q1 2016

- ✓ Total net retail sales growth remained strong at 26.7% y-o-y driven by:
  - 7.8% increase in like-for-like (LFL) sales; and
  - 18.9% sales growth contribution from a 31.0% rise in selling space.
- ✓ In Q1 2016, X5 demonstrated strong LFL traffic growth of 2.0% y-o-y. LFL traffic was positive in each month of the quarter, driven by the strong performance of Pyaterochka and solid traffic improvement at Perekrestok.
- ✓ Pyaterochka, benefitting from its continued appeal to value-seeking customers and strong opening programme, was the key driver for X5's Q1 2016 growth: net retail sales rose by 32.3% y-o-y, on the back of:
  - 10.3% rise in like-for-like (LFL) sales; and
  - 22.0% increase from net new space, resulting from a 39.3% rise in selling space.
- ✓ Perekrestok's net retail sales growth improved during the reporting period from 15.7% y-o-y in January to 20.6% y-o-y in March.
- ✓ In Q1 2016, Perekrestok delivered positive LFL traffic for the first time since Q4 2013.
- ✓ X5 added 377 net new stores in Q1 2016 vs. 156 in Q1 2015, contributing to additional net selling space of 181.0 th. sq. m. in the quarter.

**Amsterdam, 19 April 2016** - X5 Retail Group N.V. ("X5" or the "Company"), a leading Russian food retailer (LSE ticker: "FIVE"), announces today the Company's preliminary consolidated net retail sales and operational results for the first quarter (Q1) of 2016<sup>(1)</sup>.

### Net Retail Sales<sup>(2)</sup> Performance

*Net Russian ruble (RUB) retail sales by format, million (mln)<sup>(3)</sup>*

RUB mln	Q1 2016	Q1 2015	change y-o-y, %
Pyaterochka	171,369.2	129,578.9	32.3
Perekrestok	37,541.3	31,749.7	18.2
Karusel	19,016.8	17,897.5	6.3
Express	2,674.1	2,827.2	(5.4)
<b>X5 Retail Group</b>	<b>230,601.4</b>	<b>182,053.4</b>	<b>26.7</b>

*Q1 2016 monthly net RUB retail sales by format, % change y-o-y*

	January 2016	February 2016	March 2016
Pyaterochka	33.2	36.0	28.3
Perekrestok	15.7	18.2	20.6
Karusel	4.0	13.2	2.4
Express	(7.4)	(1.9)	(6.7)
<b>X5 Retail Group</b>	<b>26.5</b>	<b>30.1</b>	<b>23.9</b>

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

(2) Net retail sales represent revenue from operations of X5-managed stores net of VAT. This number differs from revenue, which also includes proceeds from direct franchisees (royalty payments) and other revenue, which will be reported as part of X5's Q1 2016 financial results.

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

## Average Ticket and Number of Customer Visits

### Q1 2016 average ticket and customer visits by format

	Q1 2016	Q1 2015	change y-o-y, %
<b>Average Ticket, RUB</b>			
Pyaterochka	355.6	339.2	4.8
Perekrestok	522.5	505.8	3.3
Karusel	703.0	678.3	3.6
Express	306.0	304.2	0.6
<b>X5 Retail Group</b>	<b>391.0</b>	<b>378.9</b>	<b>3.2</b>
<b># of Customers, mln</b>			
Pyaterochka	551.4	435.8	26.5
Perekrestok	81.9	71.5	14.6
Karusel	31.0	30.2	2.5
Express	10.2	10.9	(6.7)
<b>X5 Retail Group</b>	<b>674.5</b>	<b>548.4</b>	<b>23.0</b>

### Q1 2016 average monthly ticket and customer visits by format, % change y-o-y

	January 2016	February 2016	March 2016
<b>Average Ticket</b>			
Pyaterochka	9.1	3.8	2.2
Perekrestok	5.5	2.8	1.9
Karusel	2.9	4.4	3.5
Express	3.6	(0.6)	(0.8)
<b>X5 Retail Group</b>	<b>6.4</b>	<b>2.4</b>	<b>1.2</b>
<b># of Customer Visits</b>			
Pyaterochka	23.0	31.1	25.6
Perekrestok	8.2	14.2	20.8
Karusel	1.2	8.5	(1.1)
Express	(11.2)	(2.1)	(6.7)
<b>X5 Retail Group</b>	<b>19.2</b>	<b>27.0</b>	<b>22.9</b>

## LFL Sales Performance

### Q1 2016 LFL<sup>(4)(5)</sup> store performance by format, % change y-o-y

	Sales	Traffic	Basket
Pyaterochka	10.3	2.9	7.2
Perekrestok	4.4	0.5	3.9
Karusel	(1.4)	(3.4)	2.1
Express	(7.6)	(10.7)	3.5
<b>X5 Retail Group</b>	<b>7.8</b>	<b>2.0</b>	<b>5.8</b>

### Q1 2016 monthly LFL<sup>(5)</sup> store performance by format, % change y-o-y

	January 2016			February 2016			March 2016		
	Sales	Traffic	Basket	Sales	Traffic	Basket	Sales	Traffic	Basket
Pyaterochka	14.2	2.6	11.4	10.6	4.1	6.3	6.8	2.2	4.5
Perekrestok	2.3	(3.3)	5.8	2.6	(1.0)	3.7	8.1	5.3	2.6
Karusel	(1.9)	(3.5)	1.7	3.0	(0.2)	3.2	(4.7)	(6.0)	1.4
Express	(6.0)	(11.4)	6.0	(6.6)	(9.2)	2.8	(9.8)	(11.6)	2.0
<b>X5 Retail Group</b>	<b>10.1</b>	<b>1.2</b>	<b>8.8</b>	<b>8.2</b>	<b>2.9</b>	<b>5.2</b>	<b>5.6</b>	<b>1.9</b>	<b>3.7</b>

(4) 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.

(5) LFL figures for February and Q1 2016 were adjusted for additional trading day in February as 2016 is a leap year. Unadjusted LFL Sales for February: X5 - 11.7%, Pyaterochka - 14.2%, Perekrestok - 5.7%, Karusel - 6.1%; for Q1 2016: X5 - 8.9%, Pyaterochka - 11.4%, Perekrestok - 5.4%, Karusel - (0.4%)

## Expansion Dynamics

### Selling space and # of stores by format

	As at 31-Mar-16	As at 31-Dec-15	change vs 31-Dec-15, %	As at 31-Mar-15	change vs 31-Mar-15, %
<b>Selling Space, square meters (sq. m.)</b>					
Pyaterochka	2,589,581	2,422,626	6.9	1,859,307	39.3
Perekrestok	494,255	484,008	2.1	419,827	17.7
Karusel	394,619	390,133	1.1	361,679	9.1
Express	35,732	36,407	(1.9)	40,932	(12.7)
<b>X5 Retail Group</b>	<b>3,514,186</b>	<b>3,333,174</b>	<b>5.4</b>	<b>2,681,745</b>	<b>31.0</b>
<b># of Stores</b>					
Pyaterochka	6,636	6,265	5.9	4,958	33.8
Perekrestok	486	478	1.7	405	20.0
Karusel	91	90	1.1	83	9.6
Express	184	187	(1.6)	193	(4.7)
<b>X5 Retail Group</b>	<b>7,397</b>	<b>7,020</b>	<b>5.4</b>	<b>5,639</b>	<b>31.2</b>

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

	Net Added Q1 2016	Net Added Q1 2015	change, y-o-y, %
<b>Selling Space, square meters (sq. m.)</b>			
Pyaterochka	166,955	105,057	58.9
Perekrestok	10,247	4,039	153.7
Karusel	4,486	3,086	45.4
Express	(675)	(2,679)	(74.8)
<b>X5 Retail Group</b>	<b>181,012</b>	<b>109,503</b>	<b>65.3</b>
<b>Net # of Stores</b>			
Pyaterochka	371	169	119.5
Perekrestok	8	2	300.0
Karusel	1	1	0.0
Express	(3)	(16)	(81.3)
<b>X5 Retail Group</b>	<b>377</b>	<b>156</b>	<b>141.7</b>

## Key Drivers for Q1 2016 Results

### Sales

- LFL sales performance was strong despite slowing food price inflation during Q1 2016 and decreasing consumer consumption. Particularly encouraging was the LFL traffic growth in both Pyaterochka and Perekrestok.
- New space delivery continued to accelerate, X5 added 181 th. sq. m of selling space in Q1 2016 vs. 109.5 th. sq. m in Q1 2015.

### Expansion and refurbishment programme

- Pyaterochka was the main driver for the store base increase, accounting for ca. 92% of selling space added in Q1 2016.
- 345 Pyaterochka stores were refurbished in Q1 2016 as part of X5's investment programme to upgrade existing stores. In conjunction with new openings, more than 76% of Pyaterochka stores are now operating under the new concept.
- 14 Perekrestok stores were refurbished in Q1 2016, which, along with new openings, brought the total share of stores operating under the new concept to more than 35% as of 31 March 2015.

# X5 RETAIL GROUP

- In Q1 2016, X5 opened a new 65,000 sq. m. distribution centre (DC) in the Moscow region to serve the Perekrestok format and a new 33,000 sq. m. DC in St. Petersburg was opened to serve the Perekrestok and Karusel formats. X5 closed one DC in St. Petersburg and one in Voronezh region that did not meet the Company's efficiency criteria.
- In Q1 2016, as part of the Company's ongoing rationalisation programme, X5 closed 25 Pyaterochka stores, six Perekrestok stores, one Karusel store and 11 Express stores.

## 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 March 2016, X5 had 7,397 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 6,636 Pyaterochka proximity stores, 486 Perekrestok supermarkets, 91 Karusel hypermarkets and 184 convenience stores. The Company operates 35 DCs and 1,462 Company-owned trucks across the Russian Federation.

For the full year 2015, revenue totaled RUB 808,818 mln (USD 13,268 mln), Adjusted EBITDA reached RUB 59,413 mln (USD 975 mln), and profit for the period amounted to RUB 14,174 mln (USD 233 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%.

## 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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