

X5 OPENS FIRST REFURBISHED PYATEROCHKA STORES IN URAL REGION

Moscow, 18 October 2013 – X5 Retail Group N.V. (“X5” or the “Company”), a leading Russian food retailer, announced today the opening of the first refurbished Pyaterochka stores based on the new brand positioning initiative, launched at the beginning of October, in the cities of Yekaterinburg and Perm.

The opening ceremony for the refurbished Pyaterochka, located at 139 Chkalova Street in Yekaterinburg, took place on 17 October, 2013. Olga Naumova, General Director of Pyaterochka, Igor Soloviev, Head of the Ural Division of Pyaterochka and Tatiana Popova, Deputy Minister of Agriculture of the Yekaterinburg Region all took part in the event.

The refurbished Pyaterochka in the Perm region was reopened at Kondratovo Village (3a Culture Street). As part of the refurbishment process the store’s selling space and subleased areas were increased, new equipment was installed and the store is “lighter” and more convenient for shopping. The fresh category assortment (fruits, vegetables, meat, dairy products and fish) was also significantly expanded.

The refurbishment program was launched on 1 October 2013. According to the program, almost all Pyaterochka stores will be renovated within two years. The assortment at Pyaterochka will be refreshed weekly with up to 50 new products introduced each week, primarily in the fresh category (fresh meat, fish, bread, fruits and vegetables). As part of the brand positioning initiative, store Directors will also assume the role of Fresh Director and be responsible for control of product expiry dates, customer relations and service and will always be available to customers on the trading floor.

The brand positioning is based on the results of field surveys, customer feedback and analysis of comments left on the soft discounter’s “hot line” communication resource for customers. The new slogan, “Pyaterochka, surprising customers every day!” reflects the focus on an updated assortment, fresh products, convenient store lay out and attention to customer service, which will surprise our customers on a daily basis. Pyaterochka will also optimize subleasing arrangements and customers will find new services in stores, like E5.ru stands (X5’s online retail channel), pharmacies, dry cleaners, mobile phone outlets and payment terminals for utilities.

As of 18 October, Pyaterochka has 123 stores in the Yekaterinburg region, 154 stores in the Chelyabinsk region and 123 stores in the Perm region. By the end of 2013, X5 plans to refurbish 20 Pyaterochkas in the Yekaterinburg region and 10 in the Perm region. The Ural region is one of the first regions targeted for refurbishment.

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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 convenience stores under various brands.

At 30 September 2013, X5 had 4,187 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 3,568 Pyaterochka soft discounter stores, 382 Perekrestok supermarkets, 78 Karusel hypermarkets and 159 convenience stores. The Company operates 29 DCs and 1,820 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 first six months of 2013, net sales totaled USD 8,382 mln, EBITDA reached USD 576 mln and net profit amounted to USD 139 mln.

X5's Shareholder structure is as follows: Alfa Group – 47.86%, founders of Pyaterochka – 16.35%, X5 Directors – 0.02%, treasury shares – 0.06%, free float – 35.71%.