

PEREKRESTOK – CHOOSE THE BEST

Moscow, 18 June 2014 - X5 Retail Group N.V., (“X5” or the “Company”), a leading Russian food retailer, announced today a new brand positioning initiative (the “Initiative”) for Perekrestok the Company’s supermarket chain. The Initiative is focused on repositioning the standard “Blue” Perekrestok and the premium “Green” Perekrestok as a unified concept under a single brand. X5 plans to open the first Perekrestok store based on the new concept in Moscow in the fall of 2014.

The Initiative’s primary focus includes the establishment of an improved and unified assortment matrix, enhanced customer service, appropriate pricing, better quality control and improved store design and lay-out. The new Perekrestok concept will take advantage of the experience and know-how that the chain has acquired during 19 years of operations.

Today’s Perekrestok is no longer just a supermarket; it is a destination where people go for a wide range of high quality goods, quality service and a positive shopping experience. All of these attributes are reflected in the new marketing campaign slogan – “Perekrestok – Choose the Best!”

The Initiative is accompanied by a new advertising campaign, “Fresh Perekrestok”, which has been running on TV, radio, and billboards since 17 June and is designed to introduce customers to the new corporate style, logo and branding.

The new Perekrestok Initiative will continue to develop under the three sub-formats, which are defined by selling space of 800 square meters (sqm), 1,000 sqm and 1,500 sqm stores and in all appropriate sites, including stand-alone stores, shopping malls and street retail locations. While the main focus will be on “fresh” and “ultra-fresh” products, Perekrestok’s assortment will also vary from region to region depending on local demand and demographics. The establishment of a standard assortment matrix will be implemented in stages in both existing and new Perekrestok stores.

In order to provide a high level of customer service and product quality Perekrestok has launched new training and motivation programs and established a separate quality department to meet higher quality standards.

The rebranding of Perekrestok stores will continue in 2015 and the Company plans to complete the program within the next three to four years.

Janusz Lella, General Director of the Perekrestok retail chain, commented:

“Over the past 19 years Perekrestok has grown from a small, local network of supermarkets to a large national retail chain that opens tens of stores per year. During the past year we analyzed all aspects of Perekrestok’s operations, including customer perception and satisfaction. Based on this we have launched a number of change initiatives and can already see the first positive results from them. We are launching our new Perekrestok for the consumer and the new positioning and unique store concept will differentiate us from the competition. Shopping in a new Perekrestok will not only be pleasant but also convenient. Perekrestok – Choose the Best!”

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 RUR 534,560 mln, EBITDA reached RUR 38,350 mln, and net income amounted to RUR 10,984 mln. In Q1 2014, revenue totaled RUR 144,167 mln, EBITDA reached RUR 9,796 mln, and net income amounted to RUR 2,469 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%.

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