

## REFURBISHMENT OF FIRST X5 KARUSEL OVER

**St Petersburg, 5 September 2014** – X5 Retail Group N.V., (“X5” or the “Company”), a leading Russian food retailer, announced today the opening of Karusel hypermarket on Bolshevikov Avenue, Nevsky District, in St Petersburg following a major upgrade. The opening ceremony was attended by Elgiz Kachaev, Chairman of St Petersburg Committee for Development of Entrepreneurship and Consumer Market, Alexey Gulchuk, Deputy Head of Nevsky District Administration, and Vardan Dashtoyan, CEO of the Karusel hypermarket chain.

Karusel on 32 Bolshevikov Avenue opened in late 2004 and has been the first store of the chain. The store became a champion in running the then cutting-edge hypermarket technologies and a real talent foundry, with many people successfully promoted from the floor to management positions in X5 Retail Group's HQs in St Petersburg and Moscow. Over 10 years, the store has opened its doors to more than 19 million customers.

The refurbished Karusel employs over 250 staff, including 50 people hired after the 2014 reconstruction to handle the expanded product offering and upgraded customer service processes.

The live reconstruction took three months and a half to completely redesign the elevation, improve shelf and store conditions and get rid of high-rise shelving, which altogether contributes to a safer environment for shoppers. The hypermarket has received a modern air conditioning system for the office space, state-of-the-art shopping space lighting, with outdated self-made equipment replaced, to enhance working conditions and product quality. Karusel produces pastry and confectioneries in-house and operates four self-checkout units to boost throughput in rush hours.

The hypermarket's total floor space is 7,799 sq m, including 4,579 sq m of selling space; the product offering embraces over 22,000 SKUs with 50% classified as fresh, 32% as other food categories, and 18% as non-food. As of June 30 2014, 14 Karusel hypermarkets are open in St Petersburg and two more in the Leningrad Region around the city.

The opening ceremony featured the Kindness Candy charity project: launched jointly with the Life Line Fund, it aims to donate five roubles from every strawberry candy sold at X5 stores to treating children with heart disorders. A Kindness Candy costs 15 roubles.

The project started off in Moscow and the Moscow Region in June and has so far sold over 130,000 candies, helping save the life of three kids. Kindness Candies are now supplied to other X5 locations, including the North-West of Russia, where St Petersburg is situated.

### Contacts:

**Gregory Madick**

**Executive IR Director**

**Tel.: +7 (495) 502-9783**

**e-mail: [Gregory.Madick@x5.ru](mailto:Gregory.Madick@x5.ru)**

**Andrey Napolnov, CFA**

**Senior IR manager**

**Tel.: +7 (495) 662-8888, ext. 22-455**

**e-mail: [Andrey.Napolnov@x5.ru](mailto:Andrey.Napolnov@x5.ru)**

**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 30 June 2014, X5 had 4,779 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 4,128 Pyaterochka economy-class stores, 387 Perekrestok supermarkets, 81 Karusel hypermarkets and 183 Express stores. The Company operates 30 DCs and 1,622 Company-owned trucks across the Russian Federation.

For the full year 2013, revenue totaled RUB 534,560 mln, EBITDA reached RUB 38,350 mln, and net income amounted to RUB 10,984 mln. In H1 2014, revenue totaled RUB 299,746 mln, EBITDA reached RUB 21,194 mln, and net income amounted to RUB 6,449 mln.

X5's Shareholder structure is as follows: Alfa Group – 47.86%, founders of Pyaterochka – 14.43%, X5 Directors – 0.03%, treasury shares – 0.03%, free float – 37.65%.