

## PYATEROCHKA ENTERS VOLGOGRAD REGION

**Volgograd, 25 September 2014** – X5 Retail Group N.V. (“X5” or the “Company”), a leading Russian food retailer (LSE ticker: “FIVE”), announced today the opening of the first Pyaterochka economy class stores in the Volgograd Region. The Company's presence in the region was previously limited to the Karusel hypermarket chain and a Pyaterochka franchisee, whose contract expired in the middle of 2013. The newly opened stores, as well as the chain’s further development in the Volgograd Region, will be managed Pyaterochka’s Southern Division.

The first three stores opened in Volgograd are located at: 98 Marshala Eremenko St. (500 square meters (sqm) of selling space), 1 Panferova St. (350 sqm of selling space) and 12v Nevskaya St. (250 sqm of selling space). At today’s opening ceremony, Svetlana Krylkova, Deputy Minister of Industry and Trade for the Volgograd Region, Olga Naumova, CEO of Pyaterochka, and Gennady Taran, Head of Pyaterochka's Southern Division all took part in the celebration of Pyaterochka’s entry into the Volgograd Region. The chain plans to open two more stores on 26 September, and a total of ten Pyaterochka stores are planned to open in the city by the end of 2014, creating over 200 additional jobs for the local community.

As at 30 June 2014, there are 4,128 Pyaterochka stores located all over European Russian and Western Siberia, from Petrozavodsk in the Republic of Karelia, to Tobolsk in the Tyumen Region of Western Siberia.

The new stores are leased by Pyaterochka and the design is in full compliance with the chains new rebranding concept launched in October 2013. In addition to the rebranding, Pyaterochka has focused on enlarging its offering of fresh products, including fruits and vegetables, meat, fish and dairy products. The new stores will be supplied by the recently launched Rostov Distribution Center (Rostov DC), located in the Aksaisk District of the Rostov Region, which has total floor space of 30,200 sqm. Today the Rostov DC serves Pyaterochka’s entire Southern Division including the Volgograd, Rostov, Saratov, Krasnodar and Stavropol Regions. As at 30 June 2014, there were 243 Pyaterochka stores in the Southern Division.

The retail chain's expansion into the Volgograd Region offers new opportunities for local suppliers to offer their goods not only to the local market but potentially to the other regions where Pyaterochka is located as well. Local products account for 35% of Pyaterochka’s offering in Volgograd and to improve cooperation with local vendors, X5 is planning to hold a special suppliers’ conference in Volgograd this October.

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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 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%.