

X5 OPENS FIRST PEREKRESTOK REFURBISHED UNDER NEW CONCEPT

Moscow, 16 October 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 Perekrestok supermarket refurbished under the new concept at 12 Osenniy Blvd., Bld. 1.

The opening ceremony was attended by Stephan DuCharme, X5 Retail Group CEO and Valdimir Sorokin, General Director of Perekrestok.

The new Perekrestok is the culmination of all the experience and know-how acquired by the chain over the past 19 years of operations. The refurbishment of the store’s 1,668 square meters (sq. m.) of selling space was carried out over a two month period and included the installation of state-of-the-art equipment and an updated interior and exterior reflecting the supermarket's new logo and refreshed corporate design. The new concept is focused on efficient store layout and improved lighting resulting in more space and light in the store. Everything in the store is tailored to offer customers a better shopping experience including the zoning, location of promotional offers and even the interior colors are based on customer preferences.

The product range is focused on fresh and ultra-fresh offering, for instance we increased the offering of bread and bakery, culinary and own production, fish and seafood products and over 30% of the assortment is provided by local Russian producers. To enhance customer service and quality control in line with the new concept, a new training and incentive program for employees has been launched, which is supported by a new quality control department. However, the pricing policy has not changed.

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

The new Perekrestok concept will comprise stores with selling space of 800 sq. m., 1,000 sq. m. and 1,500 sq. m. located in premium shopping malls, stand-alone stores and street retail stores,.

At September 30 2014 X5 Retail Group had 148 Perekrestok supermarkets located in Moscow. The refurbishment program is expected to last three to four years.

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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 September 2014, X5 had 5,005 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 4,342 Pyaterochka economy-class stores, 389 Perekrestok supermarkets, 81 Karusel hypermarkets and 193 Express stores. The Company operates 31 DCs and 1,528 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 – 0.04%, free float – 37.64%.