

X5 TO CONVERT RECENTLY ACQUIRED WAREHOUSE INTO FLAGSHIP KARUSEL

Moscow, 11 November 2014 – X5 Retail Group N.V., (“X5” or the “Company”), a leading Russian food retailer (LSE ticker: “FIVE”), announced today the purchase of a large, completed warehouse facility in the Moscow suburb of Krasnogorsk from Oriflame. A portion of the class “A” warehouse facility with total floor space of 21,000 square meters, will be converted into a Karusel hypermarket and the remaining space offered for sublease.

The purchase of the facility included the adjacent land plot of 11.6 hectares and certain infrastructure facilities.

Apart from the hypermarket, the facility will also be developed into a trade center offering a diverse range of stores and additional services. The planned conversion of the warehouse premises is not expected to take long and the hypermarket is slated to open in Q3 2015.

The facility is located on the Baltic federal highway, just 10 kilometers off the Moscow Ring Road, providing easy access in all directions from the Novorizhskoye highway, one of the most popular Moscow suburban areas with a substantial amount of housing developments.

Vardan Dashtoyan, CEO of Karusel hypermarket chain, commented:

"The new Karusel on the Novorizhskoye highway is an opportunity to expand into a strategically important and promising region and penetrate a new consumer segment. We are happy that we can now compete in this segment and have come up with an attractive value proposition for our new customers regarding both product mix and services. The new facility will not be just the largest hypermarket in Karusel's Moscow Regional chain, but will also be the most advanced store in terms of retail design and technology. For Karusel, it is one step further in the quality evolution of the brand and we expect the new store to become the chain's flagship store representing the "new" Karusel."

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 9M 2014, revenue totaled RUB 452,285 mln, EBITDA reached RUB 32,365 mln, and net income amounted to RUB 9,869 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%.

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