

## **X5 OPENS NEW WAREHOUSE FOR PEREKRESTOK AND KARUSEL IN THE NIZHNY NOVGOROD REGION**

**Dzerzhinsk, 17 November 2014** — X5 Retail Group N.V., (“X5” or the “Company”), a leading Russian food retailer (LSE ticker: “FIVE”), announced today the opening of the Company’s second distribution center (DC) in the Nizhny Novgorod Region. The new DC is located in Dzerzhinsk and will focus on providing goods to Perekrestok and Karusel stores in the Nizhny Novgorod and Kirov Regions and the Chuvash and Mari El Republics. Sladkaya Zhizn owns the 44,000 square meter facility and will act as operator.

According to X5’s logistics development strategy the DC will enable stores to offer a wide ranging assortment, including a higher share of products from local suppliers. Currently, the Dzerzhinsk DC can accommodate approximately 11,000 SKUs, including grocery, beverages, fresh, frozen, associated and non-food goods. In line with the three-year strategy’s objective to increase centralization levels the new facility plans to increase the number of SKU’s handled by the DC to over 15,000, including products from local suppliers.

Previously, X5 managed just one DC in the Nizhny Novgorod Region in the city of Kstovo. Since the opening of the new DC the Kstovo DC will provide dedicated services for Pyaterochka stores. Currently, there are nine Karusel hypermarkets, 25 Perekrestok supermarkets and 452 Pyaterochka stores operating in the Nizhny Novgorod and Kirov Regions and the Chuvash and Mari El Republics. The new DC facility provides additional logistics capacity, which will allow X5 to continue expanding in the aforementioned regions and republics while at the same time enabling the Company to increase the pool of local suppliers, reduce logistics costs and streamline business processes related to store replenishment. X5’s accent on fresh products in store assortments provides greater opportunities for collaboration with regional suppliers.

Dzerzhinsk DC is the second project under the Company's new logistics strategy. On 12 September, X5 opened the Rostov DC, the second distribution center in the Rostov region, which provides dedicated services for Pyaterochka stores while the Don DC, the region's first distribution center, remains focused on services for Perekrestok and Karusel stores located in the south of Russia. The Company is now preparing to open a new class ‘A’ distribution facility in the Voronezh Region.



**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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