

## **X5 RETAIL GROUP AND A&NN GROUP ANNOUNCE COMPLETION OF THE DEAL WITH SPAR RETAIL**

**Moscow, 30 April 2015** – X5 Retail Group (‘X5’ or the ‘Company’), a leading Russian food retailer, and A&NN Investments Ltd, one of biggest privately-owned investment groupings, announce the acquisition by X5 Retail Group of 100% stake in SPAR Retail, owned by A&NN Investments Ltd. SPAR Retail operates 26 stores (previously – under the “SPAR” brand) in Moscow (11), Moscow Region (7) and Vladimir (8). The transaction has been approved by the Russian Federal Antimonopoly Service.

The average selling space of the acquired stores ranges from 400 sq m to 1,600 sq m. The majority of the acquired stores will be integrated into the “Perekrestok” supermarket format, with only a few stores to be rebranded as “Pyaterochka”.

The Company currently operates 1,300 Pyaterochka proximity stores and over 200 Perekrestok supermarkets in Moscow and the Moscow Region as well as 12 Pyaterochka stores in Vladimir.

Organic growth remains the key growth priority for X5. At the same time, the Company does not rule out the possibility of opportunistic local acquisitions to the extent they add value to the business, are in line with the Company’s strategy and its management and financial capacities and do not negatively impact X5's on-going operations.

**Stephan DuCharme**, CEO, X5 Retail Group:

*"The A&NN Investments Ltd team has made a significant contribution in transforming the SPAR stores into a modern retail chain tailored for a successful integration with X5 Retail Group – one of the leaders on the Russian food retail market. The transaction will enable Perekrestok to further consolidate its leadership position in Moscow and the Moscow region as an operator of modern supermarkets focused on the middle class, offering an ever larger number of customers the advantages of shopping at Perekrestok".*

**Dmitry Dorofeev**, Chairman of the Supervisory Board, X5 Retail Group:

*"The acquisition of this asset is not the first transaction between Alfa Group and Alexander Mamut’s companies. We are confident that this successful experience will open up new opportunities for business development between our groups".*

**Note to Editors:**

**X5 Retail Group N.V.** (LSE: FIVE, Fitch – ‘BB’, Moody's – ‘B1’, S&P – ‘BB-’) is a leading Russian food retailer. The Company operates several retail formats: the chain of proximity stores under the Pyaterochka brand, the supermarket chain under the Perekrestok brand, the hypermarket chain under the Karusel brand and Express convenience stores under various brands.

At 31 March 2015, X5 had 5,639 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 4,958 Pyaterochka proximity stores, 405 Perekrestok supermarkets, 83 Karusel hypermarkets and 193 convenience stores. The Company operates 33 DCs and 1,407 Company-owned trucks across the Russian Federation.

For the full year 2014, revenue totaled RUB 633,873 mln (USD 16,498 mln), EBITDA reached RUB 45,860 mln (USD 1,194 mln), and profit for the period amounted to RUB 12,691 mln (USD 330 mln).

X5's Shareholder structure is as follows: Alfa Group – 47.86%, founders of Pyaterochka – 14.43%, X5 Directors – 0.04%, treasury shares – 0.04%, free float – 37.63%.

**A&NN Group** is one of the biggest privately-owned investment groupings in Russia established in 2002, with Alexander Mamut one of its beneficiary.

The investment portfolio of A&NN Group includes portfolio investments into leading Russian and multinational companies as well as direct investments into companies operating in rapidly developing sectors and having high potential.

Currently A&NN Group's investments cover the following segments: mining, engineering, IT and media, development, printing industry, publishing business and retail sale of printed products, financial services and retail sale of children's goods. A&NN Group's portfolio also includes a number of charity projects.

One of the key objectives of the A&NN Group's management team is the increase of the portfolio companies' capitalization in cooperation with the local management. This implies active participation in management, realization of partnerships and joint projects with other portfolio companies, which enables significant synergy, additional financing opportunities, including bank financing, as well as supporting many other aspects of the business.

Applying significant experience in direct investments in conjunction with in-depth understanding of local markets and business trends in Russia, A&NN Group supports efficient development of the portfolio companies as well as the achievement of the fund's main investment objectives – preparation of the portfolio companies for strategic sale, IPO etc.

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