

## **STEPHAN DUCHARME NOMINATED AS CHAIRMAN OF THE SUPERVISORY BOARD AND STEPPING DOWN AS CEO; X5 SUPERVISORY BOARD MEMBER IGOR SHEKHTERMAN NOMINATED AS NEW CEO**

**Amsterdam, 8 September 2015** – X5 Retail Group N.V. (“X5” or the “Company”), a leading Russian food retailer (LSE ticker: “FIVE”), today announced that Stephan DuCharme has decided to step down as CEO of X5 having successfully completed X5’s turnaround. He will return to the Company’s Supervisory Board (the “Board”) as its Chairman, subject to his nomination as a Board member being approved by the Company’s shareholders at an extraordinary general meeting (“EGM”) to take place in November this year. The Board has nominated Igor Shekhterman, currently member of the Board, to succeed Stephan as CEO of the Company.

Stephan has over the last three years led the implementation of X5’s new operating model, the renewal of its three retail formats based on refreshed value propositions, the accelerated ramp-up of new trading space delivery and the formation of a strong senior management team. Stephan and Igor have worked together closely over this period, in particular with regard to building the current leadership team. Stephan previously served on the Board from 2008-2012. The Board is confident that Stephan’s appointment as Chairman offers shareholders and other stakeholders the greatest continuity.

**Stephan DuCharme**, CEO, commented:

*"I am proud that with my team we have been successful in returning X5 to a pathway of strong and sustainable growth. I am pleased and honored to transition to a new role as future Chairman of the Supervisory Board. In this role I look forward to guiding, supporting and encouraging X5 in its aim for sustainable market leadership within the unique Russian food retail landscape. As Chairman I will focus on strategic issues such as exploring further growth opportunities for the Company, key partnerships and engagement with shareholders."*

Igor has been a member of the Board and Chairman of its Nomination and Remuneration Committee since 2013. In this capacity he has played an active role in the formation of the current X5 senior management team, based on a deep understanding of X5 and its business needs. Igor has been Managing Partner and CEO in RosExpert, which he co-founded in 1996 and has subsequently successfully developed into the Russian alliance partner of Korn Ferry.

Stephan and Igor are working hand-in-hand over a three-month transition period to ensure a smooth and seamless transition, continuity of X5’s operating model and culture, as well as avoidance of any distraction as X5 pursues its objective of accelerated, sustainable and profitable growth. They will also ensure clear communication with employees, shareholders and other stakeholders during this period.

**Dmitry Dorofeev**, Chairman of the Board, commented:

*"Stephan became CEO of X5 Retail Group at a moment when the Company faced important challenges. He initiated a process of re-positioning the Company to take advantage of the unique opportunity in Russian food retail, and the current results demonstrate the success of the transformation. I would like to join my fellow Board members in thanking Stephan for his contribution. Recognising and respecting Stephan’s decision to step down as CEO, the Board welcomes the fact that he will continue to be closely associated with X5’s ongoing development in his capacity as Chairman."*

*Igor is highly familiar with the Company's strategy and affairs having served on the Board for the past two years. We are confident that under his future executive leadership the senior management team will continue to execute on our strategy of maximizing retail customer satisfaction and delivering shareholder value for X5 Retail Group."*

#### **Note to Editors:**

X5 Retail Group N.V. (LSE: FIVE, Fitch - 'BB', Moody's - 'Ba3', S&P - 'BB-') is a leading Russian food retailer. The Company operates several retail formats: a chain of proximity stores under the Pyaterochka brand, a supermarket chain under the Perekrestok brand, the hypermarket chain under the Karusel brand, as well as Express convenience stores under various brands.

As of 30 June 2015, X5 had 5,971 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 5,273 Pyaterochka proximity stores, 438 Perekrestok supermarkets, 83 Karusel hypermarkets and 177 convenience stores. The Company operates 35 DCs and 1,364 Company-owned trucks across the Russian Federation.

For the full year 2014, revenue totalled 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). In Q1 2015, revenue totalled RUB 182,725 mln (USD 2,938 mln), EBITDA reached RUB 13,129 mln (USD 211 mln), and net income amounted to RUB 4,110 mln (USD 66 mln).

X5's Shareholder structure is as follows: Alfa Group - 47.86%, founders of Pyaterochka - 14.43%, X5 Directors - 0.05%, treasury shares - 0.01%, free float - 37.64%.

#### *Forward looking statements:*

*This announcement includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the fact that they do not only relate to historical or current events. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "expected", "plan", "goal", "believe", or other words of similar meaning.*

*By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, a number of which are beyond X5 Retail Group N.V.'s control. As a result, actual future results may differ materially from the plans, goals and expectations set out in these forward-looking statements.*

*Any forward-looking statements made by or on behalf of X5 Retail Group N.V. speak only as at the date of this announcement. Save as required by any applicable laws or regulations, X5 Retail Group N.V. undertakes no obligation publicly to release the results of any revisions to any forward-looking statements in this document that may occur due to any change in its expectations or to reflect events or circumstances after the date of this document.*

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