

X5 OPENS 9 KARUSEL HYPERMARKETS IN 2015

Moscow, 23 December 2015 – X5 Retail Group (“X5” or the “Company”), a leading Russian food retailer (LSE ticker: “FIVE”), announces that its Karusel hypermarket chain has grown by more than 10% in 2015. Since the beginning of the year, the chain has added nine hypermarkets, compared to a decline of one Karusel store in 2014.

Conveniently located in the Moscow area, Ufa, Perm, Tyumen, Nizhnevartovsk, Veliky Novgorod and Nevinnomyssk, the new hypermarkets have a total sales floor of more than 37,000 sq m and support more than 1,600 jobs.

Each of the new hypermarkets boasts a product mix of 20,000–25,000 SKUs, with more than 90% of food products in the fresh and ultra-fresh categories such as meat, fish, fruits, vegetables and dairy. Most of the new hypermarkets operate an in-house bakery and confectionery. Alongside food products, Karusel hypermarkets feature a broad selection of household goods such as dishes, toys, cleaning products, clothes and footwear, consumer appliances and electronics and much more. Depending on their sales floor, the hypermarkets have 16-22 checkouts which allow for higher throughput, including at times of peak demand.

In addition to the nine new hypermarket openings this year, Karusel has renovated eleven existing stores – four in Moscow, three in St Petersburg and four in Samara. The stores, which remained operational while being refurbished, have had state-of-the-art air conditioning and lighting systems installed. Advanced shelf and storage solutions have been implemented to remove the need for high-rise shelving, contributing to a safer environment for shoppers. As a result, some of the stores now have self-checkout units which also boost throughput at peak times.

In 2015, Karusel has extended its footprint with the launch of operations in the Stavropol and Tyumen regions. In the newly-opened hypermarkets, X5 has launched Karusel of Health pilot projects in cooperation with the Russian Institute of Nutrition of the Russian Academy of Medical Sciences. The initiative is intended to promote a range of products that the institute recommends for nutrition in that particular region through special shelf labelling and easy-to-understand in-store navigation. Shoppers can now easily find basic products deemed to help prevent diseases common to the region.

Separately, in August 2015, Karusel was X5 Retail Group’s first chain to launch the Basket of Kindness nationwide initiative offering food support to disadvantaged families. As part of the pilot project, X5 and the Rus Food Foundation have created the infrastructure for customers to be able to buy food and donate it in-store to those in need. The project has been already implemented in Karusel hypermarkets in Perm and Tyumen.

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: 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.

As of 30 September 2015, X5 had 6,512 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 5,795 Pyaterochka proximity stores, 451 Perekrestok supermarkets, 84 Karusel hypermarkets and 182 convenience stores. The Company operates 34 DCs and 1,393 Company-owned trucks across the Russian Federation.

For the full year 2014, revenue totaled RUB 633,873 mln, EBITDA reached RUB 45,860 mln, and profit for the period amounted to RUB 12,691 mln. In 9M 2015, revenue totaled RUB 578,701 mln, EBITDA reached RUB 41,780 mln, and net income amounted to RUB 12,084 mln.

X5’s Shareholder structure is as follows: Alfa Group – 47.86%, founders of Pyaterochka – 14.43%, X5 Directors – 0.05%, treasury shares – 0.02%, 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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