X5 RETAIL GROUP REPORTS 28.1% NET RETAIL SALES GROWTH IN Q2 2015

Amsterdam, 13 July 2015 - X5 Retail Group N.V. ("X5" or the "Company"), a leading Russian food retailer (LSE ticker: "FIVE"), announces its preliminary consolidated net retail sales and operational results for the three (Q2) and six (H1) months ended 30 June 2015[1].

Q2 2015 Trading Results Highlights

- Total net retail sales growth accelerated to 28.1% year-on-year (y-o-y), the highest rate since Q3 2011, on the back of a 23.9% rise in net selling space and a 15.6% increase in like-for-like sales.
- Net new stores more than doubled in Q2 2015 compared to Q2 2014, contributing to primarily organic selling space growth of 161.9 th. sq. m. during the period.
- Pyaterochka, which successfully continues to meet customers' needs in a challenging macro environment, was the key driver for X5's Q2 growth: net retail sales increased by 35.3% y-o-y, driven by an 18.6% rise in like-for-like (LFL) sales, and 32.9% y-o-y growth in net selling space.
- Karusel is successfully adjusting its value proposition to changing market conditions with a better offering and enhanced store operations, resulting in positive LFL traffic of 2.4% y-o-y in Q2 2015.

Net Retail Sales[2][3] Performance

Net Russian Rouble (RUR) retail sales by format, million (mln)[4]

RUR mln	Q2 2015	Q2 2014	*% change y-o-y*	H1 2015	H1 2014	*% change y-o-y*
Pyaterochka	145,049.9	107,201.8	*35.3%*	274,628.9	203,376.6	*35.0%*
Perekrestok	31,295.9	27,968.6	*11.9%*	63,045.6	56,654.1	*11.3%*
Karusel	19,419.7	16,998.9	*14.2%*	37,317.2	33,482.1	*11.5%*
Express	2,857.2	2,604.8	*9.7%*	5,684.4	4,825.5	*17.8%*
X5 Retail Group	**198,622.8**	**155,109.4**	***28.1%***	**380,676.2**	**299,007.5**	***27.3%***

Regional contribution to formats' total net RUR retail sales growth year-on-year (y-o-y), %

	Q2 2015			*Total change*	H1 2015			*Total change*
	Central	North-West	Other		Central	North-West	Other	
Pyaterochka	16.7%	4.0%	14.6%	*35.3%*	16.9%	4.2%	14.0%	*35.0%*
Perekrestok	7.9%	1.5%	2.5%	*11.9%*	8.0%	1.4%	2.0%	*11.3%*
Karusel	4.6%	3.6%	6.1%	*14.2%*	3.9%	2.6%	4.9%	*11.5%*
Express	9.7%	0.0%	0.0%	*9.7%*	17.8%	0.0%	0.0%	*17.8%*

Q2 2015 monthly net RUR retail sales by format, % change y-o-y

	April 2015	May 2015	June 2015
Pyaterochka	*35.4%*	*35.8%*	*34.7%*
Perekrestok	*8.4%*	*13.0%*	*14.5%*
Karusel	*15.3%*	*13.8%*	*13.6%*
Express	*14.9%*	*7.1%*	*7.1%*
X5 Retail Group	***27.4%***	***28.5%***	***28.2%***

(1) Numbers in this press release are preliminary and have not been reviewed or audited by the Company's auditor.
(2) Net retail sales represent revenue from operations of X5 managed stores net of VAT. This number differs from revenue, which also includes proceeds from direct franchisees (royalty payments) and other revenue, which will be reported as part of Q2 and H1 2015 financial results.
(3) Effective 1 January 2015, X5's online retail channel, E5.RU ceased commercial operations; however E5.RU's results are included in X5 Retail Group's 2014 total net retail sales.
(4) In the tables and text of this press release, immaterial deviations in calculation of % change, subtotals and totals are due to rounding.

Average Ticket and Number of Customer Visits

Q2 & H1 2015 average ticket and customer visits by format

	Q2 2015	Q2 2014	*% change, y-o-y*	H1 2015	H1 2014	*% change, y-o-y*
Average Ticket, RUR						
Pyaterochka	334.8	296.0	*13.1%*	336.9	296.5	*13.6%*
Perekrestok	475.1	426.0	*11.5%*	490.0	429.9	*14.0%*
Karusel	682.1	621.8	*9.7%*	680.3	621.3	*9.5%*
Express	285.4	265.3	*7.6%*	294.4	267.1	*10.2%*
X5 Retail Group	**369.4**	**333.5**	***10.8%***	**373.9**	**336.0**	***11.3%***
# of Customers, mln.						
Pyaterochka	495.2	413.6	*19.7%*	930.9	783.3	*18.8%*
Perekrestok	75.5	75.5	*0.1%*	147.0	151.2	*-2.8%*
Karusel	32.5	31.2	*4.1%*	62.7	61.6	*1.8%*
Express	11.8	11.6	*1.7%*	22.7	21.2	*7.0%*
X5 Retail Group	**615.0**	**532.2**	***15.6%***	**1,163.4**	**1,018.0**	***14.3%***

Q2 2015 average monthly ticket and customer visits by format, % change y-o-y

	April 2015	May 2015	June 2015
Average Ticket			
Pyaterochka	15.2%	14.5%	9.7%
Perekrestok	13.8%	13.0%	7.8%
Karusel	8.6%	13.8%	6.7%
Express	11.1%	8.8%	2.8%
X5 Retail Group	**12.5%**	**12.3%**	**7.5%**
# of Customer Visits			
Pyaterochka	17.6%	18.7%	22.9%
Perekrestok	(4.2%)	(0.6%)	5.4%
Karusel	6.0%	(0.1%)	6.8%
Express	3.1%	(1.8%)	3.9%
X5 Retail Group	**13.3%**	**14.3%**	**19.1%**

LFL Sales Performance

Q2 & H1 2015 LFL(1) store performance by format, %

	Q2 2015			H1 2015		
	Sales	**Traffic**	**Basket**	**Sales**	**Traffic**	**Basket**
Pyaterochka	18.6	3.5	14.6	20.1	4.3	15.1
Perekrestok	6.9	(4.2)	11.6	7.2	(5.1)	13.0
Karusel(2)	12.3	2.4	9.7	10.1	0.5	9.5
Express	2.3	(3.0)	5.4	3.9	(2.6)	6.7
X5 Retail Group	**15.6**	**2.2**	**13.0**	**16.3**	**2.6**	**13.4**

Q2 2015 monthly LFL store performance by format, %

	April 2015			May 2015			June 2015		
	Sales	**Traffic**	**Basket**	**Sales**	**Traffic**	**Basket**	**Sales**	**Traffic**	**Basket**
Pyaterochka	20.3	3.1	16.7	19.2	2.7	16.0	16.4	4.7	11.2
Perekrestok	6.1	(6.1)	12.9	7.3	(5.2)	13.2	7.3	(1.1)	8.5
Karusel	13.0	4.1	8.5	11.8	(1.8)	13.8	12.0	5.1	6.6
Express	2.3	(4.8)	7.4	1.4	(5.0)	6.7	3.2	1.0	2.2
X5 Retail Group	**16.6**	**1.7**	**14.6**	**16.0**	**1.2**	**14.6**	**14.2**	**3.9**	**9.9**

(1) LFL comparisons of retail sales between two periods are comparisons of retail sales in local currency (including VAT) generated by the relevant stores. The stores that are included in LFL comparisons are those that have operated for at least 12 full months. Their sales are included in LFL calculation starting from the day of the store's opening. We include all stores that fit our LFL criteria in each reporting period.

(2) Karusel's LFL traffic and basket in Q2 2014 were affected by a loyalty programme for the Football World Cup in May-June 2014, which artificially inflated traffic and decreased average basket size. Adjusted for the effect of this campaign, in Q2 2015 Karusel y-o-y LFL traffic would have increased by 3.6% and the LFL basket increased by 8.5%. Karusel's overall LFL sales were not affected.

Expansion Dynamics

Selling space and # of stores by format

	As at 30-Jun-15	As at 31-Dec-14	*% change vs 31-Dec-14*	As at 30-Jun-14	*% change vs 30-Jun-14*
Selling Space, square meters (sq. m.)					
Pyaterochka	2,002,200	1,754,250	*14.1%*	1,506,113	*32.9%*
Perekrestok	444,814	415,788	*7.0%*	396,393	*12.2%*
Karusel	361,197	358,593	*0.7%*	357,367	*1.1%*
Express	35,453	43,612	*(18.7%)*	36,107	*(1.8%)*
X5 Retail Group	**2,843,663**	**2,572,243**	*10.6%*	**2,295,980**	*23.9%*
# of Stores					
Pyaterochka	5,273	4,789	*10.1%*	4,128	*27.7%*
Perekrestok	438	403	*8.7%*	387	*13.2%*
Karusel	83	82	*1.2%*	81	*2.5%*
Express	177	209	*(15.3%)*	183	*(3.3%)*
X5 Retail Group	**5,971**	**5,483**	*8.9%*	**4,779**	*24.9%*

Selling space and # of stores added by format

	Net Added Q2 2015	Net Added Q2 2014	*% change y-o-y*	Net Added H1 2015	Net Added H1 2014	*% change y-o-y*
Net Selling Space, sq. m.						
Pyaterochka	142,892	62,976	*126.9%*	247,949	92,011	*169.5%*
Perekrestok	24,987	3,762	*564.2%*	29,026	(1,358)	*n/a*
Karusel	(482)	(3,163)	*(84.8%)*	2,604	(18,440)	*n/a*
Express	(5,480)	(87)	*6169.7%*	(8,159)	883	*n/a*
X5 Retail Group	**161,918**	**63,487**	*155.0%*	**271,420**	**73,097**	*271.3%*
Net # of Stores						
Pyaterochka	315	162	*94.4%*	484	246	*96.7%*
Perekrestok	33	3	*1000.0%*	35	(3)	*n/a*
Karusel	-	-	*n/a*	1	(2)	*n/a*
Express	(16)	(4)	*300.0%*	(32)	(6)	*433.3%*
X5 Retail Group	**332**	**161**	*106.2%*	**488**	**235**	*107.7%*

Regional contribution to formats' total net selling space growth y-o-y in Q2 2015, %

	Central	North-West	Other	*Total change*
Pyaterochka	10.9%	2.6%	19.4%	32.9%
Perekrestok	8.7%	0.9%	2.7%	12.2%
Karusel	1.7%	(0.3%)	(0.2%)	1.1%
Express	(1.8%)	0.0%	0.0%	(1.8%)

Key Drivers for Q2 and H1 2015 Results

Sales

- Despite decelerating food inflation in Russia the company demonstrated strong LFL performance in the reporting period.
- The increase in customer visits was primarily attributable to Pyaterochka's expansion, as well as higher traffic in existing Pyaterochka stores due to the ongoing store refurbishment programme.
- A variety of measures implemented at Perekrestok stores related to enhanced assortment, increased service level, as well as higher availability on the shelves, resulted in significant improvement in LFL traffic in Q2 2015.
- LFL traffic at Karusel stores returned to growth in Q2 2015 (+2.4%), driven by improved customer marketing and an enlarged local assortment in regional stores. As a result LFL traffic at Karusel stores totalled 0.5% in H1 2015.

Expansion

- X5 added 271.4 th. sq. m of selling space in H1 2015, 3.7x more space than was added in the same period last year.
- Pyaterochka was the main driver for the increase, accounting for more than 90% of selling space added in H1 2015.
- 582 Pyaterochka stores were reopened after refurbishment in H1 2015 under the ongoing investment programme to upgrade existing stores. This, along with the new openings, brings the share of Pyaterochka stores operating under the new concept to over 50% as of 30 June 2015.
- 33 Perekrestok stores were added in Q2 2015, mainly as a result of the acquisition of 22 stores previously operated under the Spar brand. 26 Perekrestok stores were reopened after refurbishment, bringing the total share of rebranded stores to approximately 10%.
- In H1 2015, as part of the Company's ongoing rationalisation programme, X5 closed 19 Pyaterochka stores, nine Perekrestok stores and 49 Express stores.

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 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 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). In Q1 2015, revenue totaled 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%.

For further details please contact

Maxim Novikov
Head of Investor Relations
Tel.: +7 (495) 502-9783
e-mail: Maxim.Novikov@x5.ru

Anastasiya Kvon
IR Director
Tel.: +7 (495) 792-3511
e-mail: Anastasiya.Kvon@x5.ru