

X5 OPENS 8,500TH STORE IN RUSSIA

Moscow, 2 September 2016 — X5 Retail Group N.V. ("X5" or the "Company"), has reached 8,500 store openings in Russia. The latest milestone store is a Perekrestok in Moscow, at 57 Kutuzovsky prospekt.

With net selling space of over 2,000 sq m and 13,000 SKUs on offer, it is fully in line with the new Perekrestok concept launched in summer 2014. The supermarket, featuring the first in-house Bistro in Moscow, has created 72 new jobs. It has 14 checkout lanes for a smooth shopping experience.

To celebrate the opening of the 8,500th store, X5 also opened another 13 Pyaterochkas in Moscow, St. Petersburg, Yekaterinburg, Kazan, Rostov-on-Don, Cheboksary, Yaroslavl, Ryazan, Lipetsk, Novosibirsk, Chelyabinsk, Perm, and Samara. This makes 14 openings in one day, which equals the number of "eight-thousanders," the world's 14 highest mountain peaks that are all over 8,000 metres high. In addition to X5 Retail Group CEO Igor Shekhterman, the CEOs of the Perekrestok and Pyaterochka retail chains Vladimir Sorokin and Olga Naumova, the opening ceremonies were attended by renowned climbers who have conquered one or several eight-thousanders, including Russian Federation Master of Sports and three-time national champion Viktor Afanasiev in Moscow, Russian Federation Honoured Master of Sports in mountain climbing Sergey Bogomolov in Kazan, and Vice-President of the Russian Mountaineering Federation Ivan Dusharin in Rostov-on-Don. Each of the 14 stores launched this day has received a commemorative plaque with the name of one of the 14 eight-thousanders.

X5 CEO Igor Shekhterman commented:

"We were inspired by the climbers, their commitment and readiness to reach new heights. For X5, new heights means new stores being opened throughout the country to grant local communities access to a broad range of high-quality products. X5's multi-format model ensures that the Company keeps evolving and moving upwards, even in the most challenging times."

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 2016, X5 had 7,936 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 7,164 Pyaterochka proximity stores, 493 Perekrestok supermarkets, 89 Karusel hypermarkets and 190 convenience stores. The Company operates 35 DCs and 1,469 Company-owned trucks across the Russian Federation.

For the full year 2015, revenue totalled RUB 808,818 mln (USD 13,268 mln), Adjusted EBITDA reached RUB 59,413 mln (USD 975 mln), and net profit for the period amounted to RUB 14,174 mln (USD 233 mln). In H1 2016, revenue totalled RUB 483,244 mln (USD 6,878 mln), EBITDA reached RUB 36,498 mln (USD 519 mln), and net profit amounted to RUB 13,004 mln (USD 185 mln).

X5's Shareholder structure is as follows: Alfa Group – 47.86%, founders of Pyaterochka – 14.43%, X5 Directors – 0.06%, 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 of 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.

For further details please contact:**Maxim Novikov**

Head of Investor Relations

Tel.: +7 (495) 502-9783

e-mail: Maxim.Novikov@x5.ru**Andrey Vasin**

Investor Relations Officer

Tel.: +7 (495) 662-88-88 ext. 21-456

e-mail: Andrey.Vasin@x5.ru