

X5 OPENS 9,000TH STORE IN RUSSIA

Sochi, 9 December 2016 – X5 Retail Group N.V. ("X5" or "the Company"), a leading Russian food retailer (LSE ticker: "FIVE"), announces the opening of its 9,000th store in Russia. Today, the Company opened nine new stores, including eight Pyaterochkas in Sochi, St Petersburg, Samara, Chelyabinsk, Kemerovo, Cheboksary, Lipetsk and Reutov, and a Perekrestok in Pyatigorsk. The milestone store is a new Pyaterochka in Sochi at 53A Demokraticheskaya Street.

The 9,000th store opening was attended by X5 Retail Group CEO Igor Shekhterman, and Head of Pyaterochka Olga Naumova.

Boasting a sales area of over 400 sq. m, the store is fully in line with the new Pyaterochka concept already implemented in more than 90% of Pyaterochkas located across 56 Russian regions (as of 30 September 2016). It offers a product mix of 3,900 SKUs, with the share of locally produced items exceeding 28%, and even as high as 90% for some product categories.

As of 30 September 2016, X5 operated 639 Pyaterochka stores, 27 Perekrestok supermarkets, six Karusel hypermarkets, and three distributions centres in the South of Russia (Southern and North Caucasian Federal Districts).

X5 CEO Igor Shekhterman commented:

"Opening of the 9,000th store is an important milestone on the way to the strategic goal of doubling our market share by 2020. Since the start of the year, we have opened nearly 2,000 stores, setting industry records both by the number of new openings and by the total selling space added. We are happy to open our landmark store in Sochi, one of the most prominent cities in the South of Russia. The huge potential of the Southern and North Caucasian Federal Districts makes this region an important part of our growth strategy."

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 2016, X5 had 8,574 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 7,787 Pyaterochka proximity stores, 503 Perekrestok supermarkets, 90 Karusel hypermarkets and 194 convenience stores. The Company operates 35 DCs and 1,561 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 9M 2016, revenue totalled RUB 739,491 mln (USD 11,443 mln), EBITDA reached RUB 56,361 mln (USD 872 mln), and net profit amounted to RUB 19,874 mln (USD 308 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%.

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