X5 RETAIL GROUP REPORTS Q3&9M 2014 TRADING RESULTS [1]

Amsterdam, 10 October 2014 - X5 Retail Group N.V. ("X5" or the "Company"), a leading Russian food retailer (LSE ticker: "FIVE"), announced today the Company's preliminary consolidated net retail sales and operational results for the three (Q3) and nine (9M) months ended 30 September 2014.

Net Retail Sales[2][3] Performance

Net Russian Rouble (RUB) retail sales by format, million (mln)

	Q3 2014	Q3 2013	% change, y-o-y	9M 2014	9M 2013	% change, y-o-y
Pyaterochka	106,498.9	81,708.0	*30.3%*	309,875.5	250,870.2	*23.5%*
Perekrestok	26,610.4	24,614.7	*8.1%*	83,264.6	79,623.5	*4.6%*
Karusel	16,245.4	14,964.1	*8.6%*	49,727.5	45,944.7	*8.2%*
Express [4]	2,473.5	1,959.1	*26.3%*	7,299.0	5,643.7	*29.3%*
E5.RU	200.3	287.8	*(30.4%)*	869.3	824.3	*5.5%*
X5 Retail Group	**152,028.5**	**123,533.8**	***23.1%***	**451,035.9**	**382,906.4**	***17.8%***

Regional contribution[5] to formats' total net RUB retail sales growth year-on-year (y-o-y), %

	Q3 2014			Total change	9M 2014			Total change
	Central	North-West	Other		Central	North-West	Other	
Pyaterochka	15.7%	3.4%	11.2%	*30.3%*	13.2%	1.7%	8.6%	*23.5%*
Perekrestok	6.4%	1.4%	0.3%	*8.1%*	3.9%	1.1%	(0.4%)	*4.6%*
Karusel	7.7%	0.0%	0.9%	*8.6%*	7.4%	0.0%	0.8%	*8.2%*
Express	26.3%	0.0%	0.0%	*26.3%*	29.3%	0.0%	0.0%	*29.3%*

Q3 2014 monthly net RUB retail sales by format, % change y-o-y

	July 2014	August 2014	September 2014
Pyaterochka	30.9%	31.0%	29.1%
Perekrestok	9.6%	9.1%	5.5%
Karusel	6.5%	12.1%	7.0%
Express	28.0%	23.3%	27.6%
E5.RU	(31.1%)	(32.7%)	(26.7%)
X5 Retail Group	**23.4%**	**24.0%**	**21.7%**

Average Ticket and Number of Customer Visits

Q3 & 9M 2014 average ticket and customer visits by format

	Q3 2014	Q3 2013	% change, y-o-y	9M 2014	9M 2013	% change, y-o-y
Average Ticket, RUB						
Pyaterochka	289.0	260.5	*11.0%*	293.9	268.4	*9.5%*
Perekrestok	411.5	386.0	*6.6%*	423.8	404.2	*4.9%*
Karusel	623.1	587.1	*6.1%*	621.9	588.5	*5.7%*
Express	257.6	243.9	*5.6%*	263.8	249.3	*5.8%*
E5.RU	1,658.1	1,463.2	*13.3%*	1,494.3	1,557.0	*(4.0%)*
X5 Retail Group	**324.2**	**300.6**	***7.8%***	**331.9**	**310.6**	***6.9%***
# of Customers, mln.						
Pyaterochka	421.3	358.1	*17.6%*	1,204.7	1,067.4	*12.9%*
Perekrestok	73.9	72.9	*1.4%*	225.1	225.3	*(0.1%)*
Karusel	29.8	29.2	*2.1%*	91.4	89.1	*2.6%*
Express	11.3	9.5	*19.6%*	32.5	26.7	*21.7%*
E5.RU	0.1	0.3	*(46.5%)*	0.7	0.7	*4.0%*
X5 Retail Group	**536.5**	**470.0**	***14.2%***	**1,554.5**	**1,409.2**	***10.3%***

[1] Numbers in this press release are preliminary and have not been reviewed or audited by the Company's auditor.

[2] In the tables and text of this press release, immaterial deviations in calculation of % change, subtotals and totals are due to rounding.

[3] Net retail sales represent revenue from operations of X5 managed stores net of VAT. This number differs from revenue that also include proceeds from direct franchisees (royalty payments) and other revenue, which will be reported as part of Q3 and 9M 2014 financial results.

[4] Refers to Perekrestok Express and Kopeika branded convenience stores; previously disclosed as Convenience stores.

[5] According to the economic classification of Russian regions promulgated by the Ministry of Economy. This classification differs from previously reported information regarding the regional breakdown of our store base, which was based on internal definitions of regions and which has changed in 2013 for some formats.

Q3 2014 average monthly ticket and customer visits by format, % change y-o-y

	July 2014	August 2014	September 2014
Average Ticket			
Pyaterochka	11.5%	11.9%	9.5%
Perekrestok	6.2%	7.5%	6.1%
Karusel	5.5%	8.1%	4.7%
Express	7.0%	6.9%	2.8%
E5.RU	3.6%	9.0%	22.6%
X5 Retail Group	**8.0%**	**9.1%**	**6.4%**
# of Customer Visits			
Pyaterochka	17.6%	17.2%	18.2%
Perekrestok	2.6%	2.7%	(1.3%)
Karusel	0.8%	3.5%	2.0%
Express	19.8%	15.4%	24.0%
E5.RU	(33.6%)	(38.6%)	(59.9%)
X5 Retail Group	**14.2%**	**14.0%**	**14.2%**

LFL Sales Performance

Q3 & 9M 2014 LFL[(1)] store performance by format, %

	Q3 2014			9M 2014		
	Sales	**Traffic**	**Basket**	**Sales**	**Traffic**	**Basket**
Pyaterochka	17.7%	5.3%	11.8%	12.3%	1.6%	10.5%
Perekrestok	4.3%	(0.1%)	4.5%	1.8%	(1.6%)	3.5%
Karusel	4.5%	(1.5%)	6.1%	5.3%	(0.0%)	5.3%
Express	4.6%	0.9%	3.6%	3.8%	(1.2%)	5.1%
X5 Retail Group	**13.3%**	**4.0%**	**9.0%**	**9.2%**	**0.9%**	**8.2%**

Q3 2014 monthly LFL store performance by format, %

	July 2014			August 2014			September 2014		
	Sales	**Traffic**	**Basket**	**Sales**	**Traffic**	**Basket**	**Sales**	**Traffic**	**Basket**
Pyaterochka	18.2%	5.4%	12.1%	17.8%	4.5%	12.7%	17.0%	5.9%	10.5%
Perekrestok	6.1%	2.0%	4.1%	5.4%	(0.3%)	5.8%	1.4%	(2.1%)	3.6%
Karusel	4.0%	(1.4%)	5.5%	6.8%	(1.4%)	8.3%	2.7%	(1.6%)	4.4%
Express	5.9%	1.0%	4.9%	2.9%	(2.1%)	5.1%	4.9%	3.9%	1.0%
X5 Retail Group	**13.9%**	**4.4%**	**9.1%**	**13.8%**	**3.3%**	**10.2%**	**12.1%**	**4.2%**	**7.6%**

Expansion Dynamics

Selling space and # of stores by format

	As at 30-Sep-14	As at 31-Dec-13	*% change vs 31-Dec-13*	As at 30-Sep-13	*% change vs 30-Sep-13*
Selling Space, square meters (sq. m.)					
Pyaterochka	1,579,803	1,414,102	*11.7%*	1,301,854	*21.4%*
Perekrestok	399,781	397,750	*0.5%*	391,144	*2.2%*
Karusel	357,259	375,808	*(4.9%)*	358,542	*(0.4%)*
Express	39,157	35,223	*11.2%*	29,335	*33.5%*
X5 Retail Group	**2,375,999**	**2,222,883**	***6.9%***	**2,080,874**	***14.2%***
# of Stores					
Pyaterochka	4,342	3,882	*11.8%*	3,568	*21.7%*
Perekrestok	389	390	*(0.3%)*	382	*1.8%*
Karusel	81	83	*(2.4%)*	78	*3.8%*
Express	193	189	*2.1%*	159	*21.4%*
X5 Retail Group	**5,005**	**4,544**	***10.1%***	**4,187**	***19.5%***

[(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.

Selling space and # of stores added by format

	Net Added Q3 2014	Net Added Q3 2013	% change, y-o-y	Net Added 9M 2014	Net Added 9M 2013	% change, y-o-y
Net Selling Space, sq. m.						
Pyaterochka	73,690	45,969	*60.3%*	165,701	110,500	*50.0%*
Perekrestok	3,388	(839)	*n/a*	2,030	7,685	*(73.6%)*
Karusel	(109)	(12,323)	*n/a*	(18,549)	(9,707)	*n/a*
Express	3,050	43	*n/a*	3,934	2,652	*48.3%*
X5 Retail Group	**80,019**	**32,850**	***143.6%***	**153,116**	**111,130**	***37.8%***
Net # of Stores						
Pyaterochka	214	149	*43.6%*	460	348	*32.2%*
Perekrestok	2	4	*n/a*	(1)	12	*n/a*
Karusel	0	(1)	*n/a*	(2)	-	*n/a*
Express	10	4	*n/a*	4	25	*(84.0%)*
X5 Retail Group	**226**	**156**	***44.9%***	**461**	**385**	***19.7%***

Regional contribution to formats' total net selling space growth y-o-y in Q3 2014, %

	Central	North-West	Other	*Total change*
Pyaterochka	6.1%	1.1%	14.1%	21.4%
Perekrestok	3.3%	(0.3%)	(0.8%)	2.2%
Karusel	3.8%	(3.0%)	(1.1%)	(0.4%)
Express	33.5%	0.0%	0.0%	33.5%

Key Drivers for Q3 and 9M 2014 Results

Net retail & LFL sales:

- Selling space expansion and increase in number of customers, primarily at Pyaterochka, and the positive performance of maturing stores from all formats added over the past two years;
- Improvement in the average ticket and LFL basket due to changes in composition and increased volume, which were also supported by rising food inflation;
- Improved promotional and marketing campaigns as well as assortment rotation at Pyaterochka, which contributed to the increase in LFL traffic and number of customer visits;
- Improvements in logistics' service levels and product availability on shelves, primarily at Pyaterochka.

Expansion:

- Primarily organic growth in Pyaterochka's Central and Other regions and the Central region for Perekrestok;
- Opening of a new Pyaterochka distribution center with approximately 34 thousand sq.m. in the southern region of Rostov-on-Don;
- In Q3 2014, X5 closed nine Pyaterochkas, four Perekrestoks and six Express stores that did not meet the respective formats' efficiency criteria.

  In 9M 2014, X5 closed 25 Pyaterochkas, 10 Perekrestoks, two Karusels and 40 Express stores that did not meet the respective formats' efficiency criteria; additionally the Company disposed of 12 Perekrestok supermarkets located in the Ukraine.
- Selling space growth y-o-y as of 30 September 2014 was particularly affected by the closure of two Karusels in Chelyabinsk and St.Petersburg in Q1 2014, with respective selling space of 4.4 and 10.9 thousand sq. m. and the resizing of a Karusel, which decreased net selling space by approximately 3.2 thousand sq. m. in Q2 2014. The disposal of X5's Ukrainian subsidiary in Q1 2014 resulted in a decrease of 11.0 thousand sq. m. in Perekrestok's net selling space.

2014 Financial Calendar

Date	Event
29 October 2014	Q3 & 9M 2014 Financial Results
29-30 October 2014	X5 Capital Markets Day and Rostov Field Trip

Note to Editors:

X5 Retail Group N.V. (LSE: FIVE, Moody's - "B2", S&P - "B+") is a leading Russian food retailer. The Company operates several retail formats: the chain of economy class stores under the Pyaterochka brand, the supermarket chain under the Perekrestok brand, the hypermarket chain under the Karusel brand, Express convenience stores under various brands and the online retail channel under the E5.RU brand.

At 30 September 2014, X5 had 5,005 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 4,342 Pyaterochka economy-class stores, 389 Perekrestok supermarkets, 81 Karusel hypermarkets and 193 Express stores. The Company operates 31 DCs and 1,528 Company-owned trucks across the Russian Federation.

For the full year 2013, revenue totaled RUB 534,560 mln, EBITDA reached RUB 38,350 mln, and net income amounted to RUB 10,984 mln. In H1 2014, revenue totaled RUB 299,746 mln, EBITDA reached RUB 21,194 mln, and net income amounted to RUR 6,449 mln.

X5's Shareholder structure is as follows: Alfa Group – 47.86%, founders of Pyaterochka – 14.43%, X5 Directors – 0.03%, treasury shares – 0.04%, 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.

Contacts:

Gregory Madick
Executive IR Director
Tel.: +7 (495) 502-9783
e-mail: Gregory.Madick@x5.ru

Andrey Napolnov, CFA
Deputy IR Director
Tel.: +7 (495) 662-8888, ext. 22-455
e-mail: Andrey.Napolnov@x5.ru