

## X5 RETAIL GROUP RELEASES INTERIM REPORT FOR THE SECOND QUARTER AND HALF YEAR 2014

**Amsterdam, 14 August 2014** - X5 Retail Group N.V., (“X5” or the “Company”) a leading Russian food retailer (LSE ticker: “FIVE”), today released the Company’s Interim Report for the Second Quarter and Half Year 2014 (the “Interim Report”) prepared in accordance with International Financial Reporting Standards (IFRS) and the Dutch Financial Markets Supervision Act.

The Interim Report, including the full set of reviewed IFRS condensed consolidated interim financial statements and notes thereto, is available on X5’s corporate website at [http://www.x5.ru/en/investors/financial\\_reports](http://www.x5.ru/en/investors/financial_reports).

In Q1 2014, the Company changed its presentation currency from the U.S. Dollar to the Russian Rouble (RUB), in order to eliminate exchange rate volatility and improve comparability of presented results with prior years’ figures. Key financial highlights and financial results for the past three years are available in RUB on X5’s corporate website at <http://www.x5.ru/en/investors/highlights>.

Interim Report highlights:

### Income statement highlights,

<i>Russian Rouble (RUB), million (mln)<sup>(1)</sup></i>	Q2 2014	Q2 2013	<i>change y-o-y</i>	H1 2014	H1 2013	<i>change y-o-y</i>
<b>Revenue</b>	<b>155,579</b>	<b>133,449</b>	<b>16.6%</b>	<b>299,746</b>	<b>259,973</b>	<b>15.3%</b>
<b>Gross profit</b>	<b>38,110</b>	<b>31,573</b>	<b>20.7%</b>	<b>72,756</b>	<b>62,475</b>	<b>16.5%</b>
<i>Gross profit margin, %</i>	<i>24.5%</i>	<i>23.7%</i>	<i>84 bp</i>	<i>24.3%</i>	<i>24.0%</i>	<i>24 bp</i>
<b>EBITDA</b>	<b>11,398</b>	<b>9,209</b>	<b>23.8%</b>	<b>21,194</b>	<b>17,854</b>	<b>18.7%</b>
<i>EBITDA margin, %</i>	<i>7.3%</i>	<i>6.9%</i>	<i>43 bp</i>	<i>7.1%</i>	<i>6.9%</i>	<i>20 bp</i>
<b>Operating profit</b>	<b>7,290</b>	<b>5,798</b>	<b>25.7%</b>	<b>13,197</b>	<b>11,080</b>	<b>19.1%</b>
<i>Operating profit margin, %</i>	<i>4.7%</i>	<i>4.3%</i>	<i>27 bp</i>	<i>4.4%</i>	<i>4.3%</i>	<i>14 bp</i>
<b>Net profit</b>	<b>3,980</b>	<b>2,325</b>	<b>71.2%</b>	<b>6,449</b>	<b>4,305</b>	<b>49.8%</b>
<i>Net profit margin, %</i>	<i>2.6%</i>	<i>1.7%</i>	<i>82 bp</i>	<i>2.2%</i>	<i>1.7%</i>	<i>50 bp</i>

### Cash flow highlights

RUB mln	Q2 2014	Q2 2013	<i>change y-o-y</i>	H1 2014	H1 2013	<i>change y-o-y</i>
Net cash generated from operating activities	12,776	1,548	725.4%	8,144	2,413	237.6%
Net cash used in investing activities	(4,911)	(4,787)	2.6%	(9,200)	(7,991)	15.1%
Net cash (used in)/generated from financing activities	(6,556)	2,910	<i>n/a</i>	(421)	427	<i>n/a</i>
Effect of exchange rate changes on cash & cash equivalents	(13)	(11)	21.8%	(13)	(10)	30.0%
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>1,296</b>	<b>(339)</b>	<i>n/a</i>	<b>(1,490)</b>	<b>(5,162)</b>	<b>(71.1%)</b>

### Balance sheet highlights

RUB mln	30-Jun-14	<i>% in total</i>	31-Mar-14	<i>% in total</i>	31-Dec-13	<i>% in total</i>
<b>Total debt</b>	<b>110,361</b>		<b>116,735</b>		<b>110,523</b>	
Short-term debt	20,729	18.8%	32,169	27.6%	30,680	27.8%
Long-term debt	89,632	81.2%	84,566	72.4%	79,843	72.2%

<sup>(1)</sup> Please note that in this and other tables of the press release, immaterial deviations in the calculation of % changes, subtotals and totals are explained by rounding.

**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 June 2014, X5 had 4,779 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 4,128 Pyaterochka economy-class stores, 387 Perekrestok supermarkets, 81 Karusel hypermarkets and 183 Express stores. The Company operates 30 DCs and 1,622 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 RUB 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 – 0.03%, free float – 37.65%.

***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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