

## **X5 TO INCORPORATE CODE OF GOOD PRACTICE PRINCIPLES IN SUPPLIER CONTRACTS**

**Moscow, 6 November 2013** – X5 Retail Group N.V., (“X5” or the “Company”) a leading Russian food retailer, announced today that it has introduced additional clauses to its standard supply agreement based on the Code of Good Practice for relationships between retail chains and suppliers.

In particular, the amendments to the template contract are related to mandatory documentation of negotiations between the parties related to the approval or change in terms and termination of agreements, cancellation penalties, principles of order placement, document exchange, netting and other partnership issues.

The key objective of adding the new clause to the standard agreement is to ensure mutually beneficial cooperation with suppliers, cost optimization, increased efficiency and satisfying customers’ requirements in respect to the purchase of high quality products.

Since early 2013, X5 has regularly conducted briefings and consultations with industrial unions and supplier associations, in accordance with the main principles of the Code of Good Practice. A number of joint resolutions on improving relationships and communication have been made as a result of these meetings.

**Stephan DuCharme, Chief Executive Officer, X5 Retail Group, stated:**

*“X5 is one of the initiators of the Code of Good Practice and we have been doing our best to make this document not just a declaration of good intentions, but a useful instrument for the real work of all market participants. Our actions are aimed at strengthening partner relations, which will be a great advantage for Russian consumers and the industry in general.”*

**Contacts:**

**Gregory Madick**

**Executive IR Director**

**Tel.: +7 (495) 502-9783**

**e-mail: [Gregory.Madick@x5.ru](mailto:Gregory.Madick@x5.ru)**

**Vladimir Rusanov**

**Head of PR Department**

**Tel.: +7 (495) 662-8888, ext. 31-328**

**e-mail: [Vladimir.Rusanov@x5.ru](mailto:Vladimir.Rusanov@x5.ru)**

**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 chains: the soft discounter chain under the Pyaterochka brand, the supermarket chain under the Perekrestok brand, the hypermarket chain under the Karusel brand, the online retail channel under the E5.ru brand and convenience stores under various brands.

At 30 September 2013, X5 had 4,187 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 3,568 Pyaterochkas, 382 Perekrestoks, 78 Karusels and 159 convenience stores. The Company operates 29 DCs and 1,823 Company-owned trucks across the Russian Federation.

For the full year 2012, net sales totaled USD 15,795 mln, EBITDA reached USD 1,124 mln, and net loss amounted to USD 126 mln. For the first six months of 2013, net sales totaled USD 8,382 mln, EBITDA reached USD 576 mln and net profit amounted to USD 139 mln.

X5's Shareholder structure is as follows: Alfa Group – 47.86%, founders of Pyaterochka – 16.35%, X5 Directors – 0.02%, treasury shares – 0.06%, free float – 35.71%.