

X5 LAUNCHES “KINDNESS CANDY” PROJECT

Moscow, 29 May 2014 – X5 Retail Group N.V., (“X5” or the “Company”), a leading Russian food retailer, announced that on 1 June, International Children’s Day, the Company will launch the Kindness Candy project, together with the Life Line Charitable Fund (the “Fund”).

Kindness Candy will be available for sale in all Pyaterochka, Perekrestok and Karusel stores for 15 RUR (~0.4 USD) and 30% of sales will be transferred to the Fund to support pediatric surgeries. Kindness Candy sales will begin on 1 June in Perekrestok supermarkets and Karusel hypermarkets in the Central region and by mid-June will be available in all X5 stores across Russia.

The Strawberry flavored Kindness Candy is an X5 private label product manufactured in Russia’s Rostov region. The key criteria for selecting the manufacturer included manufacturing quality and ingredients. The candies are handmade with no artificial colors or preservatives and the packaging is done using equipment purchased specifically for this product.

X5 has partnered with the Life Line Fund since 2006 to provide support to children with severe medical conditions. The Company is represented on the Fund’s Board of Trustees and supports the Fund via customer donations to special collection boxes in its supermarkets and hypermarkets. In 2013, X5 customers donated approximately RUR 22 million to provide medical treatment to children in need. The Company’s goal for 2014 is to increase donations by 35%.

Oleg Sysuyev, Chairman of the Board of Trustees of the Life Line Fund, Vice President of X5, First Deputy Chairman of the Board of Directors of Alfa Bank, commented:

“This year, the Life Line Charitable Fund celebrates its 10th anniversary. Over the past ten years almost 7,000 children have been given a second chance at a better life due to the Fund’s work. Our joint projects are not simply about giving away money, but rather helping to solve certain social problems. I hope the Kindness Candy project will provide us and our customers the ability to help more children receive the medical treatment they need.”

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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 31 March 2014, X5 had 4,618 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 3,966 Pyaterochka economy-class stores, 384 Perekrestok supermarkets, 81 Karusel hypermarkets and 187 Express stores. The Company operates 32 DCs and 1,690 Company-owned trucks across the Russian Federation.

For the full year 2013, revenue totaled RUR 534,560 mln, EBITDA reached RUR 38,350 mln, and net income amounted to RUR 10,984 mln. In Q1 2014, revenue totaled RUR 144,167 mln, EBITDA reached RUR 9,796 mln, and net income amounted to RUR 2,469 mln.

X5's Shareholder structure is as follows: Alfa Group – 47.86%, founders of Pyaterochka – 14.43%, X5 Directors – 0.02%, treasury shares – 0.08%, free float – 37.61%.

Life Line Charitable Fund. The mission of the Life Line Charitable Fund is to treat and save severely ill children (up to 17 years old) who suffer from life-threatening diseases, such as: congenital heart defects (CHD), abnormal heart rhythm (arrhythmia), cerebrovascular pathology, craniostenosis, epilepsy, cephalocele and scoliosis.

The Fund provides targeted aid – paying for high-tech surgeries and purchasing special medical instruments that improve the quality of life or even help children recover. Since its inception, the Life Line Fund collected more than 1.4 billion RUR and helped almost 7,000 severely ill children. The Fund's work is possible due to the good will of caring people – donations by dozens of Russian companies and hundreds of thousands of individuals. Money received by Life Line is used solely to fund medical treatment for children across Russia.