

S&P UPGRADES X5'S OUTLOOK TO POSITIVE

Amsterdam, 19 November 2014 - X5 Retail Group N.V. ("X5" or the "Company"), a leading Russian food retailer (LSE ticker: "FIVE"), announced today that Standard & Poor's ("S&P") has changed the Company's outlook from stable to positive and affirmed X5's long-term corporate rating at B+.

As stated in the rating agency's press-release, *"The rating actions reflect the group's improved operating performance and credit metrics over the past few quarters. We think that the group should be able to sustain similar or stronger operating performance and credit measures over the next few quarters, despite ongoing difficult economic conditions in Russia."* S&P also noted that, *"X5's liquidity was adequate, as defined in our criteria, with sources comfortably covering uses, which is expected to continue due to the active refinancing of debt and keeping short-term maturities at manageable levels."*

The agency explained that the change in outlook to stable from positive was mainly prompted by its view that *"The Company has adopted a more disciplined financial policy over the past four years, especially in terms of acquisitions, which, if continued, should support an upgrade."*

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 9M 2014, revenue totaled RUB 452,285 mln, EBITDA reached RUB 32,365 mln, and net income amounted to RUB 9,869 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%.

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