

PYATEROCHKA AND RPM GROUP SIGN SOCIAL COOPERATION AGREEMENT

Kaluga, 18 February 2015 – X5 Retail Group N.V. ('X5' or the 'Company'), a leading Russian food retailer (LSE ticker: 'FIVE'), and RPM Group ('RPM'), part of Russian Railways, announced today a joint cross-industry initiative between Pyaterochka, the Company's proximity store chain and RPM's plant in Kaluga, in the form of a social cooperation agreement (the 'Agreement'). The agreement was signed today by the CEO of Pyaterochka, Olga Naumova and the CEO of RPM, Konstantin Danilov, in the presence of Anatoly Artamonov, Governor of the Kaluga region and X5's CFO Elena Milinova.

As part of the Agreement, in 2015 Pyaterochka will establish training centers at ten RPM plants across Russia to retrain staff facing redundancy and provide full-time employment opportunities with one of Russia's leading food retailers. The joint project enjoys support from the Russian Trade Union of Railway Workers and Transport Builders.

After the agreement was signed, the first training center at RPM's plant in Kaluga was formally opened while another training center was opened on the same day at RPM's plant in Perm.

Russian Railways is one of the world's leading railway operators, whose consistent efforts in technology innovation and operational excellence boost overall performance, ultimately leading to a release of staff resources. X5 Retail Group is one of Russia's largest employers with approximately 120,000 employees. With the rapid expansion of Pyaterochka's footprint across Russia, opening and reconstruction of Perekrestok and Karusel stores, X5 Retail Group added almost 15,000 new jobs last year, generating strong demand for a skilled retail workforce.

Pyaterochka's RPM-based training centers will train up to 3,000 retail professionals, including store directors, assistant store directors, stock managers, supervisors, distribution center operators, operations engineers, and HSE engineers, every year. The centers will be able to enroll staff released by both RPM and non-Russian Railways companies.

Currently, there are 74 Pyaterochka proximity stores and three Perekrestok supermarkets in the Kaluga region. This year, the Company is going to open up new stores and upgrade those in operation. X5 Retail Group launched its first Pyaterochka in the Kaluga region back in 2007.

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 proximity stores under the Pyaterochka brand, the supermarket chain under the Perekrestok brand, the hypermarket chain under the Karusel brand and Express convenience stores under various brands.

At 31 December 2014, X5 had 5,483 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 4,789 Pyaterochka proximity stores, 403 Perekrestok supermarkets, 82 Karusel hypermarkets and 209 Express stores. The Company operates 34 DCs and 1,438 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 – 0.04%, treasury shares – 0.04%, free float – 37.63%.

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