

PYATEROCHKA SIGNS COOPERATION AGREEMENT WITH THE MOSCOW REGIONAL UNION OF CONSUMER SOCIETIES

Moscow, 8 April 2015 – X5 Retail Group N.V., ('X5' or the 'Company') a leading Russian food retailer (LSE ticker: 'FIVE'), announced today the signing of a cooperation agreement (the 'Agreement') between Pyaterochka, the Company's proximity store chain, and the Moscow Regional Union of Consumer Societies ('MSPK'). According to the Agreement, Pyaterochka and MSPK will open co-branded stores under the *Pyaterochka.MSPK* brand at MSPK's retail facilities using a reverse franchise model in at least 21 of MSPK's Moscow Region district consumer societies.

The Agreement is aimed at meeting the needs of Moscow Region residents, particularly those living in rural areas, by providing a wide range of products and services at affordable prices. This will be achieved by leveraging MSPK's facilities and resources, in conjunction with Pyaterochka's food retail experience, to develop wholesale and retail trade. The process will be supported by modern retail technologies, efficient marketing and logistics models, a unified pricing policy and the procurement capabilities of one of Russia's largest retailers.

Pyaterochka's presence in the Moscow Region is currently comprised of approximately 800 stores while MSPK operates approximately 600 stores. In accordance with the Agreement, about 20 stores under the *Pyaterochka.MSPK* brand are expected to open at MSPK retail facilities in the Moscow Region before the end of 2015, with some 150 more in the pipeline.

In addition, up to 70 MSPK outlets may be launched in Pyaterochka stores during 2015 under the shop-in-shop model, which will help expand the Pyaterochka product range with goods from local farmers and producers.

The Agreement also specifies that MSPK will also have the right to extend the product range of stores not participating in the project with goods from Pyaterochka's range, which will provide customers from smaller towns and villages access to lower priced products. Also, members of the Moscow Regional Consumer Society will receive special discount cards for store purchases.

When needed, Pyaterochka will also gain access to MSPK's educational facilities (technical schools) to train and develop its staff, both as part of the Agreement and for Pyaterochka specific personnel needs.

Note to Editors:

X5 Retail Group N.V. (LSE: FIVE, Fitch – ‘BB’, 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 convenience stores. The Company operates 34 DCs and 1,438 Company-owned trucks across the Russian Federation.

For the full year 2014, revenue totaled RUB 633,873 mln (USD 16,498 mln), EBITDA reached RUB 45,860 mln (USD 1,194 mln), and profit for the period amounted to RUB 12,691 mln (USD 330 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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