

MOODY'S UPGRADES X5'S CREDIT RATING TO "Ba3"

Amsterdam, 2 July 2015 – X5 Retail Group ("X5" or "the Company"), a leading Russian food retailer, announced today that the rating agency Moody's Investors Service ("Moody's") upgraded the Company's credit rating (corporate family rating - CFR) to Ba3 from B1. The outlook on the rating is stable.

"The upgrade of X5's ratings to Ba3 reflects the company's improved financial ratios as a result of the reduction in adjusted debt following changes in Moody's approach to capitalising operating leases, supported by a solid track record of healthy operating performance, prudent financial policy committed to organic growth, highly flexible capex, and limited foreign exchange risk." – Moody's noted in its report.

Note to Editors:

X5 Retail Group N.V. (LSE: FIVE, Fitch – ‘BB’, Moody's – ‘Ba3’, S&P – ‘BB-’) 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.

As of 31 March 2015, X5 had 5,639 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 4,958 Pyaterochka proximity stores, 405 Perekrestok supermarkets, 83 Karusel hypermarkets and 193 convenience stores. The Company operates 33 DCs and 1,407 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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