

X5 RETAIL GROUP AND KAMAZ SIGN COOPERATION AGREEMENT

St Petersburg, 17 June 2016 – X5 Retail Group, a leading Russian food retailer (LSE ticker: "FIVE"), and KAMAZ (part of Rostech State Corporation) have agreed to launch a strategic partnership. The cooperation agreement was signed at the St. Petersburg International Economic Forum by Igor Shekhterman, X5 Retail Group CEO, and Sergey Kogogin, KAMAZ CEO.

The partnership envisages developing bilateral ties to bring further improvements to X5 Retail Group's transportation support system, which covers over 50 regions where the Group operates across Russia. Pursuant to the agreement, X5 Retail Group intends to buy trucks from KAMAZ and its official dealers, and use official KAMAZ service centres for maintenance purposes. The model, number and configuration of KAMAZ vehicles meant for purchase will be determined based on the retailer's needs in accordance with the Group's annual fleet expansion plans.

The agreement is designed to establish a lasting win-win partnership with KAMAZ, and to best meet the needs of X5 as regards the expansion of its own fleet.

Igor Shekhterman, X5 CEO, said:

"Over the past few years, KAMAZ has done a great job significantly boosting its product quality, primarily through the implementation of advanced production management methods and further improvements in truck design. The partnership with KAMAZ will help X5 meet the increasing need for new vehicles to expand its own fleet, which is viewed as an essential logistics element of today's retail industry."

Sergey Kogogin, KAMAZ CEO:

"The company's new model range is designed to meet the requirements of the most sophisticated customers. KAMAZ trucks with Daimler components have emerged as a practical alternative to European trucks, proving to be competitive in both price and quality terms. We are delighted to offer X5 Retail Group the best cargo transport solutions, and are confident that KAMAZ vehicles will take their deserved place in X5's fleet."

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 2016, X5 had 7,397 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 6,636 Pyaterochka proximity stores, 486 Perekrestok supermarkets, 91 Karusel hypermarkets and 184 convenience stores. The Company operates 35 DCs and 1,462 Company-owned trucks across the Russian Federation.

For the full year 2015, revenue totalled RUB 808,818 mln (USD 13,268 mln), Adjusted EBITDA reached RUB 59,413 mln (USD 975 mln), and net profit for the period amounted to RUB 14,174 mln (USD 233 mln). In Q1 2016, revenue totalled RUB 231,611 mln (USD 3,104 mln), EBITDA reached RUB 16,493 mln (USD 221 mln), and net profit amounted to RUB 5,054 mln (USD 68 mln).

X5's Shareholder structure is as follows: Alfa Group – 47.86%, founders of Pyaterochka – 14.43%, X5 Directors – 0.06%, treasury shares – 0.02%, free float – 37.64%.

KAMAZ Publicly Traded Company (KAMAZ PTC) is the largest automobile corporation in the Russian Federation. It is in the top 20 leading world producers of heavy duty trucks.

KAMAZ Group of Organizations comprises 89 companies located in Russia, CIS and the far abroad. Approximately 40 000 employees work in various divisions and subsidiaries of the Company. The sales and service network of KAMAZ PTC has a footprint in all the regions of Russia and the CIS as well as a presence in the historical foreign sales markets; today there are 191 dealers in the network. KAMAZ's core product is trucks with GVW from 14 to 40 tons (more than 60 models, over 1500 configurations, right hand drive trucks), as well as trailers, buses, tractors, engines, power packs and various tools. The vehicles are operated in more than 80 countries of the CIS, Europe, Asia, Africa and Latin America.

Several joint venture companies are successfully operating with the participation of leading international component producers: ZF KAMA (transmissions), CUMMINS KAMA (engines), KNORR-BREMSE KAMA (brake systems), Federal Mogul Naberezhnye Chelny (cylinder and piston parts).

Forward looking statements:

This announcement includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the fact that they do not only relate to historical or current events. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "expected", "plan", "goal", "believe", or other words of similar meaning.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, a number of which are beyond X5 Retail Group N.V.'s control. As a result, actual future results may differ materially from the plans, goals and expectations set out in these forward-looking statements.

Any forward-looking statements made by or on behalf of X5 Retail Group N.V. speak only as at the date of this announcement. Save as required by any applicable laws or regulations, X5 Retail Group N.V. undertakes no obligation publicly to release the results of any revisions to any forward-looking statements in this document that may occur due to any change in its expectations or to reflect events or circumstances after the date of this document.

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