

PYATEROCHKA SIGNS AGREEMENT WITH ROSPECHAT TO OPEN 100 NEWSSTANDS

Moscow, 1 December 2015 — X5 Retail Group, a leading Russian food retailer, and Rospechat, a leading Russian newspaper and magazine distribution agency, announce the signing of a cooperation agreement to open 100 Rospechat outlets selling print media and stationery at Pyaterochka stores. 20 outlets will open by the end of the year, with the rest following by mid-2016.

Rospechat newsstands of 4 to 15 sq m will be located both outside (near cash desks) and inside (shop-in-shop) Pyaterochka's shopping area. The stands will carry an optimised product mix designed to match the needs of Pyaterochka's customers, including an offer for pre-school and school children.

The Rospechat newsstands will be opened in Pyaterochka stores across 11 Russian regions, as well as Moscow and St Petersburg. Next year, X5 and Rospechat will discuss opportunities to roll the initiative out in other regions where Pyaterochka operates.

Such agreements form part of Pyaterochka's strategy for developing partnerships in high-value additional services segments, which also include pharmacies, children's stores, mobile phone stores, repairs and everyday service kiosks and bakeries. The agreements are designed to create a comprehensive product and service offering tailored to customers' needs at each location. In line with this initiative, Pyaterochka is working to build a strong pool of major partners that provide specialised services or goods of the highest quality.

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 30 September 2015, X5 had 6,512 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 5,795 Pyaterochka proximity stores, 451 Perekrestok supermarkets, 84 Karusel hypermarkets and 182 convenience stores. The Company operates 34 DCs and 1,393 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). In 9M 2015, revenue totaled RUB 578,701 mln (USD 9,763 mln), EBITDA reached RUB 41,780 mln (USD 705 mln), and net income amounted to RUB 12,084 mln (USD 204 mln).

X5's Shareholder structure is as follows: Alfa Group – 47.86%, founders of Pyaterochka – 14.43%, X5 Directors – 0.05%, treasury shares – 0.02%, free float – 37.64%.

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