

X5 LAUNCHES FOOD BANKING IN RUSSIA WITH IN-STORE FOOD DRIVES

Moscow, 2 December 2015 – X5 Retail Group, a leading Russian food retailer, and the Rus Food Foundation have launched Basket of Kindness, a nationwide initiative to provide food aid to those in need across Russia. Rus Food Foundation is the Russian arm of the Global FoodBanking Network.

The Basket of Kindness organisers have set up infrastructure for customers to buy and donate food for in-store food drives, an approach used by retailers around the world to help the undernourished. X5 and Rus Food Foundation today launched two-week Basket of Kindness food drives at five Perekrestok stores in Moscow. On December 3, Basket of Kindness will also kick off in five stores in St. Petersburg.

Customers at participating stores can buy long shelf-life foods, as well as ready-made food packs worth up to RUB 200 that include cereal grains, sugar, pasta, tea, tinned meats, biscuits and vegetable oil. Rus Food Foundation volunteers will collect food donations in-store, and the Baskets of Kindness will then be distributed to multi-child families and people in need. In addition to building project infrastructure, X5 Retail Group will make significant food donations in addition to those collected from customers.

Today, **Ivan Zubtsov**, First Deputy Director at the Moscow City Department of Trade and Services, **Andrey Besshtanko**, Deputy Director at the Moscow City Department of Labour and Social Protection, visited one of the participating Perekrestok stores in Moscow. The visitors were among the first participants in the food drive, donating bags of food to families in need, and stressing the importance of the initiative for Moscow residents.

"We hope that a simple and convenient food aid scheme like Basket of Kindness will be well received by Moscow and St. Petersburg residents wishing to provide food aid to those in need," said Elena Konnova, Corporate Communication Director at X5 Retail Group.

X5 is the first retail partner of the Rus Food Foundation to sell, collect and assemble ready-made food packs for distribution to low-income families using the Food Drive approach. The nationwide roll-out was preceded by a pilot in Perm's Karusel hypermarket. In just 11 days, the campaign yielded over 650 kg of food, which was given to 200 families. The initiative is currently being rolled out in Tyumen as well.

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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