

OVER 700 SUPPLIERS SIGN UP TO X5'S CODE OF INTERACTION WITH BUSINESS PARTNERS

Moscow, 24 March 2016 — X5 Retail Group, a leading Russian food retailer, announces that more than 700 suppliers have signed up to its Code of Interaction with Business Partners since the Code was introduced in November 2015. The aim of the Code is to establish standards that X5 expects its employees and partners to comply with when doing business in order to enhance integrity, transparency and efficiency. The Code builds on the Code of Good Practice recognised as the industry standard for self-regulation of supplier-retailer relations, as well as global best practices.

Since November 2015, over 700 businesses supplying goods and services to a variety of X5 Retail Group's units have signed up to the code, including major food producers such as Ostankino Dairy Plant, Mikoyan Meat Processing Plant, Wimm-Bill-Dann Foods, Heineken Russia, Mars and Danone.

By signing up to the Code, the parties express their mutual commitment to uniform standards of ethics to ensure good partnership practices.

The Conciliation Commission coordinated by X5's Audit, Risk and Compliance Department works to facilitate the Code's implementation. The Commission is a vital platform for direct dialogue with business partners and out-of-court resolution of disputes arising out of contractual commitments.

X5 Retail Group's vision is to have the Code endorsed by as many partners as possible to cover the commercial suppliers of goods for resale and providers of goods and services for X5's in-house needs. Today, the number of commercial suppliers is over 6,000.

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 December 2015, X5 had 7,020 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 6,265 Pyaterochka proximity stores, 478 Perekrestok supermarkets, 90 Karusel hypermarkets and 187 convenience stores. The Company operates 35 DCs and 1,561 Company-owned trucks across the Russian Federation.

For the full year 2015, revenue totaled RUB 808,818 mln (USD 13,268 mln), adjusted EBITDA reached RUB 59,413 mln (USD 975 mln), and profit for the period amounted to RUB 14,174 mln (USD 233 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%.

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