

## **PYATEROCHKA AND EUROSET SIGN COOPERATION AGREEMENT**

**Moscow, 29 October 2015** — X5 Retail Group, a leading Russian food retailer, announces the signing of a cooperation agreement between Pyaterochka and mobile phone retailer Euroset. The agreement involves the opening of 150 small-format Euroset outlets in Pyaterochka stores by late 2015, with 40 to be launched in Moscow and the Moscow region, 20 in St. Petersburg, and the rest in other regions where Pyaterochka operates.

Euroset outlets of up to 10 sq m each will be located near Pyaterochka's checkout area and will enjoy a single rental rate regardless of the outlet size or the region of operations.

Euroset has developed an improved outlet concept with an optimised product offering and a stronger service awareness focus to best match the needs of Pyaterochka customers. The outlets' main services will include SIM card sales, money transfers, utility, TV and internet bill payments, loan payments, as well as airline, rail and bus ticket sales.

This agreement with Pyaterochka will provide Euroset with a vast distribution network and access to its target audience, while also creating the opportunity for it to scale up its business in line with the growth Pyaterochka's national food retail chain. Taking advantage of the complementary value propositions of Pyaterochka and Euroset, this partnership will boost traffic thanks to additional services available to customers.

Such cooperation agreements are part of Pyaterochka's strategy for developing partnerships in high-value additional services segments, which, in addition to mobile phone stores, also include pharmacies, repairs and everyday service kiosks, children's stores, bakeries and more. The main purpose of sublease agreements is 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 high-quality, specialised goods or services.

**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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**For further details please contact:**

Maxim Novikov  
Head of Investor Relations  
Tel.: +7 (495) 502-9783  
e-mail: [Maxim.Novikov@x5.ru](mailto:Maxim.Novikov@x5.ru)