

## **X5 AND SOYUZMOLOKO SIGN COOPERATION AGREEMENT TO COMBAT COUNTERFEIT DAIRY PRODUCTS**

**Moscow, 16 April 2013** - X5 Retail Group N.V. (“X5” or the “Company”), a leading Russian retailer (LSE ticker: “FIVE”), and the National Union of Milk Producers’ (“SOYUZMOLOKO”) signed a cooperation agreement aimed at preventing the sale of tainted dairy products. The agreement was signed by Valentin Trofimov, CEO of SOYUZMOLOKO, and Svetlana Chebarova, the Company’s Quality Director.

Under the terms of the agreement X5 and SOYUZMOLOKO will jointly monitor the quality of dairy products and regularly exchange information on monitoring results.

The Company’s Pyaterochka, Perekrestok and Karusel stores will provide inspectors from SOYUZMOLOKO with dairy product samples from the stores’ shelves for laboratory testing at accredited test centers. Product sampling from low- and medium-priced dairy products with a "high risk rate" (cottage cheese, sour cream, curds, cheese and butter) will be conducted once every three months and "medium risk" products (milk, cream, ice cream, condensed milk and concentrated milk) will be tested once every six months.

The product testing will be carried out in compliance with the requirements of the technical regulations of the Customs Union and the Russian National Standards and Inter-state Standards (adopted across the country), including: mandatory identification of the fat phase composition and physical, chemical and organoleptic (taste, color, odor and feel) standards.

The test results will be presented in detailed reports that will enable producers and retailers to undertake timely measures to prevent the sale of tainted and sub-standard products.

Cooperation between retailers and retail trade associations are based on the principles of the Code of Good Practice (the “Code”), which was signed in December 2012. The Code develops the basis for self-regulation in the production and trade of food products.

Last year, X5 launched the “Quality” project, a large-scale information disclosure project that provides the results of quality monitoring and information on unscrupulous producers on X5’s corporate web site <http://www.x5.ru/ru/kachestvo/>.

**For further details please contact:**

**Contacts:**

**Gregory Madick**  
**Executive IR Director**  
**Tel.: +7 (495) 502-9783**  
**e-mail: [Gregory.Madick@x5.ru](mailto:Gregory.Madick@x5.ru)**

**Vladimir Rusanov**  
**Head of PR**  
**Tel.: +7 (495) 662-8888, ext. 31-328**  
**e-mail: [Vladimir.Rusanov@x5.ru](mailto:Vladimir.Rusanov@x5.ru)**

**Note to Editors:**

X5 Retail Group N.V. (LSE: FIVE, Moody's - "B2", S&P - "B+") is a leading Russian retailer. The Company operates several retail formats: the soft discounter chain under the Pyaterochka brand, the supermarket chain under the Perekrestok brand, the hypermarket chain under the Karusel brand, the online retail channel under the E5.ru brand and convenience stores under various brands.

At 31 March 2013, X5 had 3,868 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 3,279 soft discounter stores, 371 supermarkets, 78 hypermarkets and 140 convenience stores. The Company operates 29 DCs and 1,924 Company-owned trucks across the Russian Federation. At 31 December 2012, the number of X5 employees totaled 109 thousand.

For the full year 2012, net sales totaled USD 15,795 mln, EBITDA reached USD 1,124 mln, and net loss amounted to USD 126 mln.

X5's Shareholder structure is as follows: Alfa Group – 47.86%, founders of Pyaterochka – 19.85%, X5 Directors – 0.01%, treasury shares – 0.11%, free float – 32.17%.

**The Code of Good Practice (CDP)** was signed on 14 December 2012 by: the Retailers Association ACORT, the Association "RusBrand", "SOYUZMOLOKO", the Association "Rusprodsoyuz", the "National Meat Association", the "Seafood Union", the Association of Producers and Consumers of Oil and Fat Products, the Chamber of Commerce and Industry of the Russian Federation and the Union of Russian consumers.

The document aims to promote more effective cooperation between suppliers and retailers, ensuring that the parties' commercial interests are balanced and promote competition.