

X5 SIGNS COOPERATION AGREEMENT WITH TATARSTAN

Kazan, 5 June 2014 - X5 Retail Group N.V., (“X5” or the “Company”), a leading Russian food retailer, announced today that a Cooperation Agreement (the “Agreement”) has been signed between the Company, represented by X5’s Chief Executive Officer, Stephan DuCharme, and the Government of the Tatarstan Republic (the “Republic”), represented by the Republic’s Prime minister Ildar Khalikov. Rustam Minnikhanov, the Republic’s President, also participated in the signing ceremony. The Agreement was signed during the Strategic Forum held at the VI International Economic Summit of Russia and Organization of Islamic Cooperation (the KazanSummit 2014).

The Agreement covers cooperation in the areas of investment and economic development of the Tatarstan Republic. According to the agreement, from 2014 to 2016 X5 plans to invest up to three billion Russian Roubles in the Region to open at least 70 stores (including franchise stores) and to build a second distribution center. The new investment will create approximately 2,000 jobs and the Company also plans to expand partnerships with local manufacturers, including participants of the “We Buy Local Products” project and the contest “The Best Products and Services of Tartarstan.”

The Government of Tatarstan plans to support the Company as it expands operations in the Republic.

As of March 31 2014 there were 182 Pyaterochka economy-class stores, 13 Perekrestok supermarkets, four Karusel hypermarkets, and one distribution center in Tatarstan and more than 4,000 employees work for the Company in the Republic. The share of local suppliers’ products in X5’s Tatarstan stores amounts to 35% on average, and reaches 70% to 90% in some categories (bread and delicatessen).

To date, X5 has concluded cooperation agreements with the governments of the Moscow, Leningrad, Tyumen, Sverdlovsk, Samara, Volgograd, Kursk, Orel, Ryazan, Stavropol and Krasnodar Regions to promote modern retail and economic development in Russia.

For further details please contact

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

Andrey Napolnov, CFA
Senior IR manager
Tel.: +7 (495) 662-8888, ext. 22-455
e-mail: Andrey.Napolnov@x5.ru

Vladimir Rusanov
Head of PR
Tel.: +7 (495) 662-8888, ext. 11-357
e-mail: Vladimir.Rusanov@x5.ru

**Note to Editors:**

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

At 31 March 2014, X5 had 4,618 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 3,966 Pyaterochka economy-class stores, 384 Perekrestok supermarkets, 81 Karusel hypermarkets and 187 Express stores. The Company operates 32 DCs and 1,690 Company-owned trucks across the Russian Federation.

For the full year 2013, revenue totaled RUR 534,560 mln, EBITDA reached RUR 38,350 mln, and net income amounted to RUR 10,984 mln. In Q1 2014, revenue totaled RUR 144,167 mln, EBITDA reached RUR 9,796 mln, and net income amounted to RUR 2,469 mln.

X5's Shareholder structure is as follows: Alfa Group – 47.86%, founders of Pyaterochka – 14.43%, X5 Directors – 0.02%, treasury shares – 0.08%, free float – 37.61%.