

X5 DIALOGUE TO FURTHER DEVELOP RETAILER'S RELATIONS WITH RUSSIAN PRODUCERS

Voronezh, 17 September 2015 – X5 Retail Group, a leading Russian food retailer, has launched a business forum programme, *X5 Dialogue*, to foster relations with Russian producers interested in cooperation with the Company's retail chains.

One of the key events of the programme was today's X5 Regional Supplier's Day in Voronezh. The programme will also include meetings with food producers' unions and a conference with the Company's top 100 suppliers, which is scheduled for October 2015.

Voronezh was selected to host the first X5 Regional Supplier's Day because it is Central Russia's key agricultural region. In 2015, X5 opened two state-of-the-art logistics facilities here, Ramon and Chernozemye, strengthening ties between local companies and consumers from six neighbouring regions.

The forum's objective was to provide local producers with information and advice on a wide range of topics concerning cooperation with retail chains, such as product quality control, as well as requirements for transportation, storage, selling and disposal of food products set out in the Customs Union's and X5's technical regulations.

The producers were also informed of marketing opportunities available at various production stages, from regional to national sales. Marketing directors from national retail chains presented approaches to organising joint promotions, provided recommendations on packaging design and advertising in stores, as well as on participation by various producers in the retail chains' private label product line.

The forum also focused on requirements and conditions for selecting contractors, recommendations on drafting of business proposals, and compliance with the Code of Good Practice, the key retail self-regulation tool.

In total, 40 agricultural and processing companies from the Voronezh Region participated in the forum. In addition to general sections, any participant could get an individual consultation from X5's leading category managers. The forum also hosted an exposition of products from local Voronezh companies.

As part of the X5 Dialogue programme, this autumn the Company will also hold meetings with representatives of the Russian Guild of Bakers and Confectioners, National Meat Association, National Dairy Producers Union, the Union of Russian Brewers, and other industry unions and regional trade associations. These meetings will focus on compliance with the Code of Good Practice and the use of self-regulation tools and processes.

The final event in the 2015 programme will be a conference with the Company's top 100 suppliers, which will serve as a platform for real-time dialogue between the Company's senior managers and executives of its largest suppliers.

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 June 2015, X5 had 5,971 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 5,273 Pyaterochka proximity stores, 438 Perekrestok supermarkets, 83 Karusel hypermarkets and 177 convenience stores. The Company operates 35 DCs and 1,364 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 H1 2015, revenue totaled RUB 382,608 mln (USD 6,666 mln), EBITDA reached RUB 27,518 mln (USD 479 mln), and net income amounted to RUB 7,942 mln (USD 138 mln).

X5's Shareholder structure is as follows: Alfa Group – 47.86%, founders of Pyaterochka – 14.43%, X5 Directors – 0.05%, treasury shares – 0.01%, free float – 37.64%.

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