

FITCH ASSIGNS X5 'BB' RATING – OUTLOOK STABLE

Amsterdam, 9 February 2015 - X5 Retail Group N.V. ('X5' or the 'Company'), a leading Russian food retailer (LSE ticker: 'FIVE'), announced today that Fitch Ratings ('Fitch') has assigned the Company Long-term foreign and local currency Issuer Default Ratings of 'BB' and a National Long-term Rating of 'AA-(rus)'. The Outlooks for both ratings are Stable.

As stated in the rating agency's press-release, *'the ratings reflect X5's strong market position and healthy operating performance in 2014, which we expect to continue in the medium term. The ratings are supported by moderate leverage together with adequate financial flexibility thanks to limited FX risks, capex scalability and adequate near-term liquidity profile'*. Fitch also noted that *'X5 is well positioned to retain and improve its market position in the medium term. The Company's revenues and operating margins will not be negatively affected by consumers' purchasing power erosion as a potential decrease in supermarket and hypermarket traffic will be offset by more frequent purchases at proximity stores. We also expect accelerated traffic migration to the largest retail chains, including X5, thanks to their better price proposition in comparison with traditional stores and small retailers.'*

Note to Editors:

X5 Retail Group N.V. (LSE: FIVE, Fitch – 'BB', Moody's – 'B2', S&P – 'B+') 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.

At 31 December 2014, X5 had 5,483 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 4,789 Pyaterochka proximity stores, 403 Perekrestok supermarkets, 82 Karusel hypermarkets and 209 Express stores. The Company operates 34 DCs and 1,438 Company-owned trucks across the Russian Federation.

For the full year 2013, revenue totaled RUB 534,560 mln, EBITDA reached RUB 38,350 mln, and net income amounted to RUB 10,984 mln. In 9M 2014, revenue totaled RUB 452,285 mln, EBITDA reached RUB 32,365 mln, and net income amounted to RUB 9,869 mln.

X5's Shareholder structure is as follows: Alfa Group – 47.86%, founders of Pyaterochka – 14.43%, X5 Directors – 0.04%, treasury shares – 0.04%, free float – 37.63%.

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