

## X5 PARTNERS WITH ACMERO AND MARATHON GROUP ON UNIVERSAL RETAIL CENTRES FOR PASSENGERS

**Moscow, 7 June 2017** – X5 Retail Group, a leading Russian food retailer, has made a trilateral partnership agreement with Acmero Capital, a private equity fund, and Marathon Group, an investment company, to develop state-of-the-art universal retail centres at passenger transport hubs (Passenger Service Centres, or PSCs).

The agreement was signed by X5 CEO Igor Shekhterman, Acmero Capital Senior Managing Partner Siman Povarenkin, and Marathon Group President Alexander Vinokurov.

As part of the project, the parties expect to open around 600-1,000 PSCs at bus and railway stations, roadside facilities and airports across Russia by the end of 2021. PSCs will offer a selection of state-of-the-art services under one roof, including Pyaterochka grocery stores, pharmacies operated by Marathon Group, catering facilities by Acmero, ticket booths, parcel lockers, ATMs and payment terminals. The mix-and-match service format will be tailored to the needs of each specific location.

A geographic information system (GIS) in use at the Pyaterochka chain since 2014 will help choose the optimal location and the most economically viable format for each PSC.

*"In Russia, an average of 50 million people use public transport daily. This passenger traffic is ripe for converting into retail sales. According to X5's calculations, passengers at bus and railway stations may become important contributors to the traffic of grocery stores and catering facilities. The project is especially beneficial for smaller cities, where bus and railway stations are often big gathering areas, but do not have modern developed retail infrastructure"* said Igor Shekhterman, CEO of X5.

*"This is an exciting business idea and a retail format that guarantees demand and good development potential. In our highly mobile living environment, transport hubs attract multitudes of people, and the footfall matters as much for pharmacies as it does for stores and food courts. Marathon Group has all the expertise and resources required for a pharmacy operator in a large-scale project like this. In addition, we already have an extensive track record with X5 Retail Group, so we are very confident about the success of this partnership"* said Alexander Vinokurov, President of Marathon Group.

*"This is an unjustly forgotten idea that is very much in line with our modern needs. It has the potential to fundamentally change the notions of convenience and travel in Russia. We are looking to breathe new life into old transport stations, which may involve construction of new facilities from scratch, for example, on major roads. This requires large-scale partnerships with transport infrastructure operators, and, importantly, the largest industry players have already shown their openness to cooperation and a proactive approach"* said Siman Povarenkin, Senior Managing Partner at Acmero Capital.

**Note to Editors:**

X5 Retail Group N.V. (LSE: FIVE, Fitch – ‘BB’, Moody's – ‘Ba2’, 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 31 March 2017, X5 had 9,817 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 9,002 Pyaterochka proximity stores, 544 Perekrestok supermarkets, 90 Karusel hypermarkets and 181 convenience stores. The Company operates 36 DCs and 2,293 Company-owned trucks across the Russian Federation.

For the full year 2016, revenue totalled RUB 1,033,667 mln (USD 15,420 mln), Adjusted EBITDA reached RUB 79,519 mln (USD 1,186 mln), and net profit for the period amounted to RUB 22,291 mln (USD 333 mln). In Q1 2017, revenue totalled RUB 293,078 mln (USD 4,981 mln), EBITDA reached RUB 22,167 mln (USD 377 mln), and net profit amounted to RUB 8,355 mln (USD 142 mln).

X5's Shareholder structure is as follows: Alfa Group – 47.86%, Intertrust Trustees Ltd (Axon Trust) – 11.43%, X5 Directors – 0.06%, treasury shares – 0.01%, Shareholders with less than 3% – 40.63%.

Marathon Group LLC (Marathon Group brand) was incorporated on 1 February 2017. The company's core business is investing in pharma, infrastructure and agriculture projects and developing these assets later on. Marathon Group's Marathon Pharma sub-holding company embraces SIA Group, Mega Pharm (Da Zdorov and A-Mega pharmacy chains), Sintez, Biocom, interests in Bentus Laboratories (manufacturer of Sanitelle branded products) and in Fort (manufacturer of immunobiological vaccines). Marathon Group's shareholders are Alexander Vinokurov and Sergey Zakharov.

Marathon Group and X5 are already running a partner project to develop Mega Pharm at X5's chain stores. A total of 300 pharmacies have already been opened, and by year-end 2017 their number is expected to hit 850.

Acmero Funds make private equity investments in companies mainly based in Europe and Russia. The key target industries include retail and catering, logistics, infrastructure, Internet and technology sector. The entity's total commitment is up to USD 500 m.

Acmero's founder and senior managing partner is Siman Povarenkin, a Russian businessman and entrepreneur investing in metals and mining abroad.

For now, Acmero Funds has made a number of investments in companies like Shokoladnitsa Group, the country's largest coffee house chain combining several brands and over 450 cafés in Russia and CIS countries, and Monopoliya, a provider of refrigerated cargo transportation services.

**Forward looking statements:**

*This announcement includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the fact that they do not only relate to historical or current events. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "expected", "plan", "goal", "believe", or other words of similar meaning.*

*By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, a number of which are beyond X5 Retail Group N.V.'s control. As a result, actual future results may differ materially from the plans, goals and expectations set out in these forward-looking statements.*

*Any forward-looking statements made by or on behalf of X5 Retail Group N.V. speak only as of the date of this announcement. Save as required by any applicable laws or regulations, X5 Retail Group N.V. undertakes no obligation publicly to release the results of any revisions to any forward-looking statements in this document that may occur due to any change in its expectations or to reflect events or circumstances after the date of this document.*

*Elements of this press release contain or may contain inside information about X5 Retail Group N.V. within the meaning of Article 7(1) of the Market Abuse Regulation (596/2014/EU).*

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