

X5 ENTERS 61st REGION IN RUSSIA

Barnaul, 28 September 2017 – X5 Retail Group (“X5” or “the Company”), a leading Russian food retailer (LSE: FIVE), announces its further expansion in the Siberian Federal District and the opening of the first Pyaterochka stores in Barnaul.

Five new Pyaterochka stores were opened in the city. The stores, which have a total area of over 2,100 sq. m, are fully in line with the new concept launched in October 2013. To date, Pyaterochka has upgraded and rebranded over 97% of its stores across the 61 regions where it operates.

Siberian producers account for over 25% of Pyaterochka’s product mix in its Siberian stores. At present, the retail chain partners with more than 130 local suppliers. Over 50 producers are located in the Novosibirsk region, over 30 in the Omsk region, 22 in the Kemerovo region and 23 in the Altai territory. Some of X5's partners also have the opportunity to supply goods to X5 stores in neighbouring regions. Products made in Siberia are marked with a special eye-stopper.

The new stores in Barnaul have created around 100 jobs in the city. By the end of 2017, the retail chain plans to open another 19 Pyaterochkas in the city, and to ramp up the local headcount to 350 employees.

Pyaterochka launched its operations in Siberia in early August 2016.

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 30 June 2017, X5 had 10,506 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 9,688 Pyaterochka proximity stores, 557 Perekrestok supermarkets, 90 Karusel hypermarkets and 171 convenience stores. The Company operates 36 DCs and 2,425 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 H1 2017, revenue totalled RUB 613,879 mln (USD 10,587 mln), EBITDA reached RUB 50,000 mln (USD 862 mln), and net profit amounted to RUB 18,698 mln (USD 322 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%.

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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