

## X5 REPORTS 15.5% REVENUE GROWTH IN Q1 2019, ADJ. EBITDA MARGIN 7.3%

- ✓ Revenue increased by 15.5% year-on-year (y-o-y) on the back of positive like-for-like (LFL) sales and selling space expansion in proximity and supermarket formats.
- ✓ Gross margin increased by 98 b.p. y-o-y to 24.8% (25.2% under IFRS 16) in Q1 2019, driven primarily by successful measures to decrease shrinkage levels.
- ✓ SG&A expenses (excl. D&A&I, LTI and share-based payments) as a percentage of revenue increased by 18 b.p. y-o-y to 18.3%, mainly due to higher staff costs, lease expenses and utilities costs.
- ✓ Adjusted EBITDA<sup>(1)</sup> increased by 32.6% y-o-y in Q1 2019. Adjusted EBITDA margin rose by 94 b.p. y-o-y to 7.3% (12.5% under IFRS 16).
- ✓ Net profit increased by 65.2% y-o-y in Q1 2019. Net profit margin increased by 69 b.p. to 2.3% (2.1% under IFRS 16).
- ✓ The net debt/EBITDA ratio was 1.59x as of 31 March 2019.

**Amsterdam, 25 April 2019** - X5 Retail Group N.V. ("X5" or the "Company"), a leading Russian food retailer (LSE and MOEX ticker: FIVE), today released its unaudited condensed consolidated interim financial information for the three months ended 31 March 2019 ("Q1"), in accordance with International Financial Reporting Standards as adopted by the European Union.

The impact of the implementation of the IFRS 16 standard on X5 Retail Group's IFRS financial statements is discussed in the 'Effect of IFRS 16 on X5 Retail Group's financial statements' section below.

### Profit and loss statement highlights<sup>(2)</sup>

Russian Rouble (RUB), million (mln)	IAS 17		change, y-o-y, %	IFRS 16 Q1 2019
	Q1 2019	Q1 2018		
<b>Revenue</b>	<b>405,864</b>	<b>351,518</b>	<b>15.5</b>	<b>405,864</b>
incl. net retail sales <sup>(3)</sup>	404,116	350,346	15.3	404,116
Pyaterochka	315,274	271,048	16.3	315,274
Perekrestok	66,445	55,250	20.3	66,445
Karusel	21,917	22,218	(1.4)	21,917
<b>Gross profit</b>	<b>100,564</b>	<b>83,670</b>	<b>20.2</b>	<b>102,165</b>
<i>Gross profit margin, %</i>	24.8	23.8	98 b.p.	25.2
<b>Adj. EBITDA</b>	<b>29,473</b>	<b>22,234</b>	<b>32.6</b>	<b>50,753</b>
<i>Adj. EBITDA margin, %</i>	7.3	6.3	94 b.p.	12.5
<b>Operating profit</b>	<b>16,507</b>	<b>11,236</b>	<b>46.9</b>	<b>23,266</b>
<i>Operating profit margin, %</i>	4.1	3.2	87 b.p.	5.7
<b>Net profit</b>	<b>9,297</b>	<b>5,628</b>	<b>65.2</b>	<b>8,335</b>
<i>Net profit margin, %</i>	2.3	1.6	69 b.p.	2.1

(1) Adjusted EBITDA is EBITDA before costs related to the LTI programme, share-based payments and other one-off remuneration payments expense

(2) Please note that in this and other tables, and in the text of this press release, immaterial deviations in the calculation of % changes, subtotals and totals are due to rounding.

(3) Net retail sales represent revenue from operations of X5-managed stores net of VAT. This number differs from revenue, which also includes proceeds from wholesale operations, royalty payments and other revenue.

## Net retail sales

Total net retail sales growth remained strong at 15.3% y-o-y driven by:

- 5.0% increase in LFL sales; and
- contribution from new openings, resulting from a 15.1% y-o-y rise in selling space.

## Selling space by format, square meters (sq. m)

	As at 31-Mar-19	As at 31-Dec-18	change vs 31-Dec-18, %	As at 31-Mar-18	change vs 31-Mar-18, %
Pyaterochka	5,434,862	5,291,421	2.7	4,642,926	17.1
Perekrestok	794,234	781,538	1.6	685,551	15.9
Karusel	369,493	382,024	(3.3)	382,168	(3.3)
<b>X5 Retail Group</b>	<b>6,598,589</b>	<b>6,463,735</b>	<b>2.1</b>	<b>5,733,064</b>	<b>15.1</b>

## Q1 2019 LFL<sup>(4)</sup> store performance by format, % change y-o-y

	Sales	Traffic	Basket
Pyaterochka	4.7	2.2	2.5
Perekrestok	7.6	7.8	(0.2)
Karusel	2.0	(2.4)	4.5
<b>X5 Retail Group</b>	<b>5.0</b>	<b>2.7</b>	<b>2.2</b>

For more details on net retail sales growth please refer to X5's [Q1 2019 Trading update](#).

## Gross profit margin

The gross profit margin increased by 98 b.p. y-o-y to 24.8%. The increase was driven primarily by successful measures to decrease shrinkage levels and better efficiency of logistics, while commercial margin remained flat y-o-y due to balanced promo.

(4) LFL comparisons of retail sales between two periods are comparisons of retail sales in local currency (including VAT) generated by the relevant stores. The stores that are included in LFL comparisons are those that have operated for at least 12 full months. Their sales are included in LFL calculation starting from the day of the store's opening. We include all stores that fit our LFL criteria in each reporting period.

## Selling, general and administrative (SG&A) expenses (excl. D&A&I)

RUB mln	IAS 17		change, y-o-y, %	IFRS 16 Q1 2019
	Q1 2019	Q1 2018		
<b>Staff costs</b>	<b>(33,251)</b>	<b>(28,530)</b>	<b>16.5</b>	<b>(33,251)</b>
% of Revenue	8.2	8.1	8 b.p.	8.2
incl. LTI and share-based payments	(457)	(962)	(52.5)	(457)
staff costs excl. LTI % of Revenue	8.1	7.8	24 b.p.	8.1
<b>Lease expenses</b>	<b>(20,767)</b>	<b>(17,802)</b>	<b>16.7</b>	<b>(1,327)</b>
% of Revenue	5.1	5.1	5 b.p.	0.3
<b>Utilities</b>	<b>(9,855)</b>	<b>(8,244)</b>	<b>19.5</b>	<b>(9,855)</b>
% of Revenue	2.4	2.3	8 b.p.	2.4
<b>Third party services</b>	<b>(2,674)</b>	<b>(2,440)</b>	<b>9.6</b>	<b>(2,672)</b>
% of Revenue	0.7	0.7	(4) b.p.	0.7
<b>Other store costs</b>	<b>(4,445)</b>	<b>(4,145)</b>	<b>7.2</b>	<b>(4,214)</b>
% of Revenue	1.1	1.2	(8) b.p.	1.0
<b>Other expenses<sup>(5)</sup></b>	<b>(3,854)</b>	<b>(3,602)</b>	<b>7.0</b>	<b>(3,848)</b>
% of Revenue	0.9	1.0	(8) b.p.	0.9
<b>SG&amp;A (excl. D&amp;A&amp;I)</b>	<b>(74,846)</b>	<b>(64,763)</b>	<b>15.7</b>	<b>(55,167)</b>
% of Revenue	18.4	18.4	3 b.p.	13.6
<b>SG&amp;A (excl. D&amp;A&amp;I and LTI and share-based payments)</b>	<b>(74,389)</b>	<b>(63,801)</b>	<b>16.6</b>	<b>(54,710)</b>
% of Revenue	18.3	18.2	18 b.p.	13.5

In Q1 2019, SG&A expenses excluding D&A&I, LTI and share-based payments as a percentage of revenue increased by 18 b.p. y-o-y mainly due to higher staff costs, lease expenses and utilities costs.

Staff costs (excluding LTI and share-based payments) as a percentage of revenue increased by 24 b.p. y-o-y in Q1 2019 to 8.1%, mainly due to initiatives to decrease staff turnover and increase service level in stores by aligning in-store personnel compensation to market benchmarks at the end of 2018, primarily in Pyaterochka stores in Moscow.

Lease expenses as a percentage of revenue in Q1 2019 increased by 5 b.p. y-o-y to 5.1%, mainly due to the growing share of leased space in X5's total real estate portfolio, which accounted for 77% as of 31 March 2019, compared to 74% as of 31 March 2018.

Utilities costs as a percentage of revenue in Q1 2019 rose by 8 b.p. y-o-y to 2.4% mainly due to increased expenses on third-party cleaning and waste disposal services.

Other store costs as a percentage of revenue decreased by 8 b.p. y-o-y to 1.1% in Q1 2019 driven by greater efficiency in materials, maintenance expenses and security costs.

### Lease/sublease and other income

As a percentage of revenue, the Company's income from lease, sublease and other operations increased by 12 b.p. y-o-y in Q1 2019 compared to Q1 2018, totalling 0.8%, mainly due to the reclassification of income from the sale of recyclable materials from SG&A expenses<sup>(5)</sup>.

(5) The Company made a decision to reclassify income from sale of recyclable materials from other expenses (SG&A) to lease/sublease and other income.

## EBITDA and EBITDA margin

RUB mln	IAS 17		change, y-o-y, %	IFRS 16 Q1 2019
	Q1 2019	Q1 2018		
<b>Gross profit</b>	<b>100,564</b>	<b>83,670</b>	<b>20.2</b>	<b>102,165</b>
<i>Gross profit margin, %</i>	24.8	23.8	98 b.p.	25.2
<b>SG&amp;A (excl. D&amp;A&amp;I and LTI and share-based payments)</b>	<b>(74,389)</b>	<b>(63,801)</b>	<b>16.6</b>	<b>(54,710)</b>
<i>% of Revenue</i>	(18.3)	(18.2)	(18) b.p.	(13.5)
<b>Net impairment losses on financial assets</b>	<b>(8)</b>	<b>(59)</b>	<b>(86.4)</b>	<b>(8)</b>
<i>% of Revenue</i>	(0.0)	(0.0)	1 b.p.	(0.0)
<b>Lease/sublease and other income</b>	<b>3,306</b>	<b>2,424</b>	<b>36.4</b>	<b>3,306</b>
<i>% of Revenue</i>	0.8	0.7	12 b.p.	0.8
<b>Adj. EBITDA</b>	<b>29,473</b>	<b>22,234</b>	<b>32.6</b>	<b>50,753</b>
<i>Adj. EBITDA margin, %</i>	7.3	6.3	94 b.p.	12.5
LTI, share-based payments and other one-off remuneration payments expense and SSC	(457)	(962)	(52.5)	(457)
<i>% of Revenue</i>	(0.1)	(0.3)	16 b.p.	(0.1)
<b>EBITDA</b>	<b>29,016</b>	<b>21,272</b>	<b>36.4</b>	<b>50,296</b>
<i>EBITDA margin, %</i>	7.1	6.1	110 b.p.	12.4

As a result of the factors discussed above, adjusted EBITDA in Q1 2019 totalled RUB 29,473 mln, or 7.3% of revenue, compared to RUB 22,234 mln, or 6.1% of revenue in Q1 2018.

## D&A&I

Depreciation, amortisation and impairment costs in Q1 2019 totalled RUB 12,509 mln, increasing y-o-y as a percentage of revenue by 23 b.p. to 3.1% from 2.9% in Q1 2018. This was due to continuous changes in the composition of buildings, with a growing share of fixtures and fittings versus foundation and frame.

## Non-operating gains and losses

RUB mln	IAS 17		change, y-o-y, %	IFRS 16 Q1 2019
	Q1 2019	Q1 2018		
<b>Operating profit</b>	<b>16,507</b>	<b>11,236</b>	<b>46.9</b>	<b>23,266</b>
Net finance costs	(4,294)	(4,207)	2.1	(13,522)
Net FX result	323	19	1,600.0	1,605
<b>Profit before tax</b>	<b>12,536</b>	<b>7,048</b>	<b>77.9</b>	<b>11,349</b>
Income tax expense	(3,239)	(1,420)	128.1	(3,014)
<b>Net profit</b>	<b>9,297</b>	<b>5,628</b>	<b>65.2</b>	<b>8,335</b>
<i>Net margin, %</i>	2.3	1.6	69 b.p.	2.1

Net finance costs in Q1 2019 increased y-o-y by 2.1% to RUB 4,294 mln. The effect from the higher level of gross debt as of 31 March 2019 compared to 31 March 2018 was offset by the lower weighted average effective interest rate on X5's debt for Q1 2019.

In Q1 2019, income tax expense increased by 128.1% y-o-y to RUB 3,239 mln, driven by the accrual of deferred tax on investments associated with potential dividend payments and the low base of Q1 2018 as a result of recognition of costs as per an amended tax return. X5's effective tax rate for the quarter totalled 25.8% (including the accrual of deferred tax associated with potential dividend payments).

## Consolidated cash flow statement highlights

RUB mln	IAS 17		change, y-o-y, %	IFRS 16 Q1 2019
	Q1 2019	Q1 2018		
Net cash from operating activities before changes in working capital	28,791	21,318	35.1	50,070
Change in working capital	(3,176)	(1,888)	68.2	(3,114)
Net interest and income tax paid	(8,403)	(5,726)	46.8	(17,611)
Net cash flows generated from operating activities	17,212	13,704	25.6	29,345
Net cash used in investing activities	(17,373)	(25,656)	(32.3)	(17,373)
Net cash used in financing activities	(5,926)	(2,702)	119.3	(18,059)
Effect of exchange rate changes on cash & cash equivalents	-	(16)	n/a	-
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>(6,087)</b>	<b>(14,670)</b>	<b>(58.5)</b>	<b>(6,087)</b>

Net cash from operating activities before changes in working capital increased y-o-y by RUB 7,473 mln, or by 35.1%, and totalled RUB 28,791 mln in Q1 2019, reflecting business expansion and positive profitability trends. The higher negative change in working capital of RUB (3,176) mln in Q1 2019 compared to RUB (1,888) mln in Q1 2018 was mainly due to a decrease in accounts payable, which was partially compensated by a decline in inventories driven by higher purchases of inventories in Q4 2018 that were sold during Q1 2019.

Net interest and income tax paid in Q1 2019 increased to RUB 8,403 mln from RUB 5,726 mln in Q1 2018. Interest paid remained stable as the effect from the higher level of gross debt as of 31 March 2019 compared to 31 March 2018 was offset by the lower weighted average effective interest rate on X5's debt for Q1 2019. Growth in income tax paid was in line with increase in income tax expense adjusted for deferred tax on investments associated with potential dividend payments.

As a result, in Q1 2019, net cash flow generated from operating activities was RUB 17,212 mln, compared to net cash flow generated from operating activities of RUB 13,704 mln in Q1 2018.

Net cash used in investing activities, which generally consists of payments for property, plant and equipment, decreased to RUB 17,373 mln in Q1 2019 compared to RUB 25,656 mln for the same period last year, mainly driven by the slower pace of new openings.

Net cash used in financing activities totalled RUB 5,926 mln in Q1 2019, compared to net cash used in financing activities of RUB 2,702 mln in Q1 2018.

## Liquidity update

RUB mln	31-Mar-19	% in total	31-Dec-18	% in total	31-Mar-18	% in total
<b>Total debt</b>	<b>201,941</b>		<b>207,764</b>		<b>191,642</b>	
Short-term debt	60,291	29.9	60,435	29.1	57,427	30.0
Long-term debt	141,650	70.1	147,329	70.9	134,215	70.0
<b>Net debt</b>	<b>183,660</b>		<b>183,396</b>		<b>178,707</b>	
<b>Net debt/ EBITDA</b>	<b>1.59</b>		<b>1.70</b>		<b>1.88</b>	
<b>Lease liabilities (IFRS 16)</b>	<b>436,001</b>		-		-	

As of 31 March 2019, the Company's total debt amounted to RUB 201,941 mln, of which 29.9% was short-term debt and 70.1% long-term debt. The Company's debt is 100% denominated in Russian Roubles.

As of 31 March 2019, the Company had access to RUB 350,888 mln of available credit limits with major Russian and international banks.

## **Effect of IFRS 16 on X5 Retail Group's financial statements**

### ***Effect on gross profit***

Gross profit and gross margin are higher by RUB 1,601 mln and 39 b.p., respectively, under the new standard due to the lease for distribution centers, which was previously part of cost of sales, but has been excluded from the gross profit calculation.

### ***Effect on EBITDA, operating profit and finance costs***

Lease expenses of RUB 19,440 mln and part of other store costs of RUB 231 mln have been excluded from SG&A expenses. Additional depreciation of RUB 14,521 mln related to leased assets have been added under operating costs.

Financial costs increased by RUB 9,208 mln under the new standard due to the interest expense on lease liabilities.

The implementation of IFRS 16 increases the Company's EBITDA significantly, as lease expenditure previously recognised in the income statement is excluded. Adjusted EBITDA margin is 524 b.p. higher under the new standard. Interest expense on liability is recognised in finance costs, below EBITDA level.

### ***Effect on net profit***

Net FX result is RUB 1,282 mln higher under the new standard due to the revaluation of foreign currency liabilities resulting from lease contracts denominated in foreign currencies.

IFRS 16 resulted in lower income tax expense due to lower profit before tax. The effective tax rate under the new standard is 26.6% in Q1 2019.

Net profit and net profit margin are impacted by the IFRS 16 standard, as a result of additional depreciation and interest, and are lower by RUB 961 mln and 24 b.p. under the new standard.

### ***Effect on cash flow statement***

The implementation of the new standard affects cash flow statement presentation but not the net change in cash result, as principal payments on leases will be classified as financing activities, prepayments – as investing activities and interest payments – as interest paid in operating activities.

**Note to Editors:**

**X5 Retail Group N.V.** (LSE and MOEX: FIVE, Fitch – ‘BB+’, Moody's – ‘Ba1’, S&P – ‘BB’, RAEX – ‘ruAA’) 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 and the hypermarket chain under the Karusel brand.

As of 31 March 2019, X5 had 14,779 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 13,917 Pyaterochka proximity stores, 771 Perekrestok supermarkets and 91 Karusel hypermarkets. The Company operates 41 DCs and 3,837 Company-owned trucks across the Russian Federation.

For the full year 2018, revenue totalled RUB 1,532,537 mln (USD 24,439 mln), Adjusted EBITDA reached RUB 109,871 mln (USD 1,752 mln), and net profit for the period amounted to RUB 28,642 mln (USD 457 mln). In Q1 2019, revenue totalled RUB 405,864 mln (USD 6,138 mln), adjusted EBITDA reached RUB 29,473 mln (USD 446 mln), and net profit amounted to RUB 9,297 mln (USD 141 mln).

X5's Shareholder structure is as follows: CTF Holdings S.A. – 47.86%, Intertrust Trustees Ltd (Axon Trust) – 11.43%, X5 Directors – 0.07%, treasury shares – 0.02%, Shareholders with less than 3% – 40.62%.

**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).*

**For further details please contact:****Natalia Zagvozdina**

Head of Corporate Finance and IR  
Tel.: +7 (495) 662-88-88 ext. 27-300  
e-mail: [Natalia.Zagvozdina@x5.ru](mailto:Natalia.Zagvozdina@x5.ru)

**Andrey Vasin**

Head of Investor Relations  
Tel.: +7 (495) 662-88-88 ext. 13-151  
e-mail: [Andrey.Vasin@x5.ru](mailto:Andrey.Vasin@x5.ru)

**X5 Retail Group N.V.**

**Condensed Consolidated Interim  
Financial Information**

**Three months ended 31 March 2019**

The attached condensed consolidated interim statement of financial position, condensed consolidated interim statement of profit or loss, condensed consolidated interim statement of comprehensive income, condensed consolidated interim statement of cash flows and condensed consolidated interim statement of changes in equity have been prepared on the basis of the X5 Retail Group NV accounting policies as disclosed in the audited annual financial statements for the year ended 31 December 2018. These accounting policies have been consistently applied in the preparation of these statements except for adoption of new standards that are mandatory for financial annual periods beginning on 1 January 2019 and the fact that these statements do not comprise a full set of financial statements as required by International Financial Reporting Standards as adopted by the EU.



**X5 Retail Group N.V.**  
**Condensed Consolidated Interim Statement of Financial Position**  
**at 31 March 2019**  
*(expressed in millions of Russian Roubles, unless otherwise stated)*

	31 March 2019	31 December 2018 Restated*
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	305,628	307,717
Right-of-use assets	387,986	387,364
Investment property	6,115	6,173
Goodwill	95,930	94,627
Other intangible assets	18,421	17,947
Investments in associates and joint ventures	200	203
Other non-current assets	2,076	1,531
Deferred tax assets	14,210	14,136
	<b>830,566</b>	<b>829,698</b>
<b>Current assets</b>		
Inventories	101,997	115,990
Trade, other accounts receivable and prepayments	11,472	12,959
Current income tax receivable	8,316	6,167
VAT and other taxes receivable	9,839	10,328
Cash and cash equivalents	18,281	24,368
	<b>149,905</b>	<b>169,812</b>
<b>Total assets</b>	<b>980,471</b>	<b>999,510</b>
<b>Equity and liabilities</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	2,458	2,458
Share premium	46,117	46,192
Retained earnings	82,216	73,881
Share-based payment reserve	130	118
	<b>130,921</b>	<b>122,649</b>
<b>Total equity</b>	<b>130,921</b>	<b>122,649</b>
<b>Non-current liabilities</b>		
Long-term borrowings	141,650	147,329
Long-term lease liabilities	383,556	381,297
Deferred tax liabilities	4,851	4,669
Other non-current liabilities	870	626
	<b>530,927</b>	<b>533,921</b>
<b>Current liabilities</b>		
Trade accounts payable	130,667	154,873
Short-term borrowings	60,291	60,435
Interest accrued	2,040	1,770
Short-term lease liabilities	51,921	52,516
Short-term contract liabilities	2,080	1,664
Current income tax payable	935	725
Provisions and other liabilities	70,689	70,957
	<b>318,623</b>	<b>342,940</b>
<b>Total liabilities</b>	<b>849,550</b>	<b>876,861</b>
<b>Total equity and liabilities</b>	<b>980,471</b>	<b>999,510</b>

\* Certain amounts shown here do not correspond to the consolidated financial statements for the year ended 31 December 2018 and reflect adjustments recognised as a result of IFRS 16 initial application. The Group made a transition to IFRS 16 using the modified retrospective approach provided by IFRS 16 C5(b) and C7-13, under which the cumulative effect of initial application was recognised as an adjustment to the opening balance of retained earnings.

Svetlana Demyashkevich  
Chief Financial Officer  
24 April 2019

**X5 Retail Group N.V.**  
**Condensed Consolidated Interim Statement of Profit or Loss**  
**for the three months ended 31 March 2019**  
*(expressed in millions of Russian Roubles, unless otherwise stated)*

	<b>Three months ended 31 March</b>	
	<b>2019</b>	<b>2018*</b>
Revenue	405,864	351,518
Cost of sales	(303,699)	(267,848)
<b>Gross profit</b>	<b>102,165</b>	<b>83,670</b>
Selling, general and administrative expenses	(82,197)	(74,799)
Net impairment losses on financial assets	(8)	(59)
Lease/sublease and other income	3,306	2,424
<b>Operating profit</b>	<b>23,266</b>	<b>11,236</b>
Finance costs	(13,543)	(4,269)
Finance income	21	62
Net foreign exchange gain	1,605	19
<b>Profit before tax</b>	<b>11,349</b>	<b>7,048</b>
Income tax expense	(3,014)	(1,420)
<b>Profit for the period</b>	<b>8,335</b>	<b>5,628</b>
<b>Profit for the period attributable to:</b>		
Equity holders of the parent	8,335	5,628
Basic earnings per share for profit attributable to the equity holders of the parent (expressed in RUB per share)		
	<b>122.79</b>	<b>82.90</b>
Diluted earnings per share for profit attributable to the equity holders of the parent (expressed in RUB per share)		
	<b>122.79</b>	<b>82.89</b>

\* The Group made a transition to IFRS 16 using the modified retrospective approach provided by IFRS 16 C5(b) and C7-13, under which the comparative information was not restated.

Svetlana Demyashkevich  
Chief Financial Officer  
24 April 2019

**X5 Retail Group N.V.**  
**Condensed Consolidated Interim Statement of Comprehensive Income**  
**for the three months ended 31 March 2019**  
*(expressed in millions of Russian Roubles, unless otherwise stated)*

---

	<b>Three months ended 31 March</b>	
	<b>2019</b>	<b>2018*</b>
Profit for the period	<b>8,335</b>	<b>5,628</b>
<b>Total comprehensive income for the period, net of tax</b>	<b>8,335</b>	<b>5,628</b>
<b>Total comprehensive income for the period attributable to:</b>		
Equity holders of the parent	<b>8,335</b>	<b>5,628</b>

\* The Group made a transition to IFRS 16 using the modified retrospective approach provided by IFRS 16 C5(b) and C7-C13, under which the comparative information was not restated.

---

Svetlana Demyashkevich  
Chief Financial Officer  
24 April 2019

**X5 Retail Group N.V.**  
**Condensed Consolidated Interim Statement of Cash Flows**  
**for the three months ended 31 March 2019**  
*(expressed in millions of Russian Roubles, unless otherwise stated)*

	Three months ended 31 March	
	2019	2018*
<b>Profit before tax</b>	<b>11,349</b>	<b>7,048</b>
<i>Adjustments for:</i>		
Depreciation, amortisation and impairment of property, plant and equipment, investment property and intangible assets	27,030	10,036
(Gain)/Loss on disposal of property, plant and equipment, investment property and intangible assets	(34)	6
Finance costs, net	13,522	4,207
Net impairment losses on financial assets	8	59
(Reversal of impairment)/Impairment of prepayments	(179)	120
Share-based compensation expense	11	21
Net foreign exchange gain	(1,605)	(19)
Other non-cash items	(32)	(160)
<b>Net cash from operating activities before changes in working capital</b>	<b>50,070</b>	<b>21,318</b>
Decrease in trade, other accounts receivable and prepayments	1,555	4,992
Decrease in inventories	13,993	126
Decrease in trade payable	(24,191)	(8,152)
Increase in other accounts payable and contract liabilities	5,529	1,146
<b>Net cash flows from operations</b>	<b>46,956</b>	<b>19,430</b>
Interest paid	(13,111)	(3,822)
Interest received	18	33
Income tax paid	(4,518)	(1,937)
<b>Net cash flows generated from operating activities</b>	<b>29,345</b>	<b>13,704</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(14,116)	(18,000)
Acquisition of businesses, net of cash acquired	(991)	(6,794)
Proceeds from disposal of property, plant and equipment, investment property and intangible assets	185	52
Purchase of other intangible assets and right-of-use assets	(2,454)	(914)
Proceeds from sale of interest in associates and joint ventures	3	-
<b>Net cash flows used in investing activities</b>	<b>(17,373)</b>	<b>(25,656)</b>
<b>Cash flows from financing activities</b>		
Proceeds from loans	15,698	54,798
Repayment of loans	(21,549)	(57,500)
Purchase of treasury shares	(75)	-
Payments of principal portion of lease liabilities	(12,133)	-
<b>Net cash flows used in financing activities</b>	<b>(18,059)</b>	<b>(2,702)</b>
Effect of exchange rate changes on cash and cash equivalents	-	(16)
<b>Net decrease in cash and cash equivalents</b>	<b>(6,087)</b>	<b>(14,670)</b>
<b>Movements in cash and cash equivalents</b>		
Cash and cash equivalents at the beginning of the period	24,368	27,605
Net decrease in cash and cash equivalents	(6,087)	(14,670)
<b>Cash and cash equivalents at the end of the period</b>	<b>18,281</b>	<b>12,935</b>

\* The Group made a transition to IFRS 16 using the modified retrospective approach provided by IFRS 16 C5 (b) and C7-13, under which the comparative information was not restated.

	Attributable to equity holders of the parent						Total
	Number of shares	Share capital	Share premium	Share-based payment reserve	Retained earnings	Total shareholders' equity	
<b>Balance as at 1 January 2018</b>	<b>67,886,748</b>	<b>2,458</b>	<b>46,212</b>	<b>117</b>	<b>109,655</b>	<b>158,442</b>	<b>158,442</b>
Profit for the period	-	-	-	-	5,628	5,628	5,628
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,628</b>	<b>5,628</b>	<b>5,628</b>
Share-based payment compensation	-	-	-	21	-	21	21
<b>Balance as at 31 March 2018</b>	<b>67,886,748</b>	<b>2,458</b>	<b>46,212</b>	<b>138</b>	<b>115,283</b>	<b>164,091</b>	<b>164,091</b>
<b>Balance as at 1 January 2019</b>	<b>67,890,099</b>	<b>2,458</b>	<b>46,192</b>	<b>118</b>	<b>116,707</b>	<b>165,475</b>	<b>165,475</b>
Effect of adoption of new accounting standards	-	-	-	-	(42,826)	(42,826)	(42,826)
<b>Balance as at 1 January 2019 Restated</b>	<b>67,890,099</b>	<b>2,458</b>	<b>46,192</b>	<b>118</b>	<b>73,881</b>	<b>122,649</b>	<b>122,649</b>
Profit for the period	-	-	-	-	8,335	8,335	8,335
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,335</b>	<b>8,335</b>	<b>8,335</b>
Acquisition of treasury shares	(11,719)	-	(75)	-	-	(75)	(75)
Share-based payment compensation	-	-	-	12	-	12	12
<b>Balance as at 31 March 2019</b>	<b>67,878,380</b>	<b>2,458</b>	<b>46,117</b>	<b>130</b>	<b>82,216</b>	<b>130,921</b>	<b>130,921</b>

Svetlana Demyashkevich  
Chief Financial Officer  
24 April 2019