

X5 OPENS FIRST STORE IN ALTAI REPUBLIC

Moscow, 28 September 2018 – X5 Retail Group, a leading Russian food retailer, announces further expansion in the Siberian Federal District and the opening of the first Pyaterochka chain store in Gorno-Altaysk, the capital and the only city of the Altai Republic.

Expanding the reach of its business into locations with less than 100,000 residents, X5 follows its strategy and invests in the quality of life in Russia. Over 45% of all Pyaterochka stores are located in cities and towns with a population of below 100,000 people.

The newly opened store offers over 5,000 SKUs, some of which are sourced locally in Siberia. In particular, Pyaterochka in Gorno-Altaysk will feature products from the Novosibirsk, Omsk, and Kemerovo Regions, as well as from the Altai Territory. Customers will be able to distinguish local products by the special “Made in Altai” shelf stoppers.

By the end of the year, X5 plans to open two more stores in the Republic of Altai – one more in Gorno-Altaysk and one in Mayma, which in total will create 30 jobs.

Pyaterochka started its operations in the Siberian Federal District in August 2016, when the first stores were opened in Novosibirsk. As at 30 June 2018, a total of 374 stores were up and running in the Novosibirsk, Kemerovo and Omsk Regions and in the Altai Territory. The Novosibirsk distribution centre that was opened in September 2017 brought a new impetus to the Company’s development in Siberia.

Note to Editors:

X5 Retail Group N.V. (LSE and MOEX: FIVE, Fitch – 'BB+', Moody's – 'Ba2', 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, the hypermarket chain under the Karusel brand and Express convenience stores under various brands.

As of 30 June 2018, X5 had 13,178 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 12,314 Pyaterochka proximity stores, 691 Perekrestok supermarkets, 93 Karusel hypermarkets and 80 convenience stores. The Company operates 40 DCs and 2,983 Company-owned trucks across the Russian Federation.

For the full year 2017, revenue totalled RUB 1,295,008 mln (USD 22,193 mln), Adjusted EBITDA reached RUB 99,131 mln (USD 1,699 mln), and adjusted net profit for the period amounted to RUB 33,768 mln (USD 579 mln). In H1 2018, revenue totalled RUB 734,077 mln (USD 12,368 mln), adjusted EBITDA reached RUB 51,697 mln (USD 871 mln), and net profit amounted to RUB 14,313 mln (USD 241 mln).

X5's Shareholder structure is as follows: CTF Holdings S.A. – 47.86%, Intertrust Trustees Ltd (Axon Trust) – 11.43%, X5 Directors – 0.06%, treasury shares – 0.01%, Shareholders with less than 3% – 40.64%.

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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