

X5 LAUNCHES OPERATIONS IN TOMSK

Tomsk, 23 March 2018 – X5 Retail Group N.V. (“X5” or the “Company”), a leading Russian food retailer (LSE and MOEX ticker: “FIVE”), announces its further expansion in the Siberian Federal District with the opening of the first three Pyaterochka stores in Tomsk.

The stores, with a total area of about 1,700 sq m, are fully in line with the new Pyaterochka concept launched in October 2013.

Local Tomsk producers will account for up to 20% of the product mix in the Pyaterochka stores in the region. The retail format has already entered into agreements with 17 suppliers from the Tomsk region. Producers whose products are already available in the new Pyaterochka stores include: Mezheninovka Poultry Farm, Tomsky Pig Farm, Derevenskoe Molochko, Tomskoye Moloko, Bakery Plant #4, etc. Some of X5's local partners will also have the opportunity to supply their goods to neighbouring regions. The Pyaterochka format is keen to expand cooperation with local producers. Last year, the format added goods from 91 suppliers from a variety of Siberian regions to its product mix.

The new Pyaterochka stores have created 40 jobs in the city. By the end of the year, the retail format plans to increase the number of stores in the Tomsk region to 20, thus ramping up the local headcount to over 300 employees.

Pyaterochka started its operations in the Siberian Federal District in August 2016, when the first stores were opened in Novosibirsk. As of 31 December 2017, a total of 270 stores were up and running in the Novosibirsk, Kemerovo and Omsk regions, and in the Altai territory. The Novosibirsk distribution centre, 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 31 December 2017, X5 had 12,121 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 11,225 Pyaterochka proximity stores, 638 Perekrestok supermarkets, 93 Karusel hypermarkets and 165 convenience stores. The Company operates 39 DCs and 3,144 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 9M 2017, revenue totalled RUB 933,303 mln (USD 15,999 mln), EBITDA reached RUB 72,392 mln (USD 1,241 mln), and net profit amounted to RUB 25,975 mln (USD 445 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% – 40.63%.

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).

For further details please contact:

Maxim Novikov
Head of Investor Relations
Tel.: +7 (495) 502-9783
e-mail: Maxim.Novikov@x5.ru

Andrey Vasin
Investor Relations Officer
Tel.: +7 (495) 662-88-88 ext. 21-456
e-mail: Andrey.Vasin@x5.ru