

PYATEROCHKA INTRODUCES SELF-CHECKOUT MACHINES

Moscow, 26 June 2018 – X5 Retail Group N.V (“X5” or the “Company”), a leading Russian food retailer (LSE and MOEX ticker: FIVE), announces that Pyaterochka has begun testing Helping Tills (Vyruchai-Kassa), new self-checkout machines with voice assistance to help customers understand and enjoy the new shopping format. For the convenience of customers who don’t speak Russian, the system's interface is also available in English and Chinese. The UI has been designed to match the retail chain's style and customer experience, making it easy and convenient to use.

The first self-checkout machines have already arrived at two Moscow stores, and self-checkout zones with up to six machines each will be opened at ten Pyaterochka stores in the city by the end of 2018. A store employee will be available to assist users of Helping Tills and to check IDs of customers buying alcohol and cigarettes.

The new machines will increase the number of open tills, reduce queueing times especially at peak hours, and more actively engage employees in selling spaces. Pilot test results suggest customers will use self-service for around 50% of their purchases. Helping Tills accept cash and all bank cards, as well as loyalty points and coupons. Self-checkout users can also earn or spend Helping Card programme points.

Once the testing closes in December 2018, around 50 self-checkouts will be installed at ten Pyaterochka stores in Moscow. During the pilot tests, X5 experts will look at the tills’ performance and fault tolerance, and make final tweaks to the voice interface. In addition, they will work out the most effective ways to communicate promos and determine which payment methods are the most popular among Helping Till users.

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 March 2018, X5 had 12,701 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 11,797 Pyaterochka proximity stores, 674 Perekrestok supermarkets, 92 Karusel hypermarkets and 138 convenience stores. The Company operates 39 DCs and 3,038 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 Q1 2018, revenue totalled RUB 351,518 mln (USD 6,180 mln), adjusted EBITDA reached RUB 22,234 mln (USD 391 mln), and net profit amounted to RUB 5,628 mln (USD 99 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).

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