

NORTHERNMOST VOENTORG-PYATEROCHKA OPENS IN THE MURMANSK REGION

Moscow, 5 February 2019 – X5 Retail Group N.V. (“X5” or the “Company”), a leading Russian food retailer (LSE and MOEX ticker: FIVE), announces the opening of the northernmost Voentorg-Pyaterochka store in the Pechengsky District of the Murmansk region. Located in the town of Pechenga, the new outlet has become the most northern outpost of the Pyaterochka retail chain.

With a sales floor exceeding 300 sq m, the store’s design, layout, information systems, and assortment are in line with Pyaterochka’s new concept. Food goods account for 75% of the store’s 3,500 SKUs, with a special focus on the fresh category. The remainder of the assortment consists of non-food items, mostly Russian Army-branded goods and various military supplies.

Supervised by a Freshness Director, the new Voentorg-Pyaterochka is staffed exclusively with Voentorg employees who have been trained at Pyaterochka’s training centre and completed internships at the format’s stores. The opening has created 15 new jobs.

Voentorg and Pyaterochka kicked off their joint project back in 2014, following an instruction from Russia's Defence Minister, Army General Sergei Shoigu, to ensure the availability of food at prices below the regional average and a more diverse offering to the military to improve their social security and service.

The new store became the 51st Voentorg-Pyaterochka. The co-branded stores are located in Moscow, the Moscow, Leningrad, Kaluga, Arkhangelsk, Murmansk, Orenburg, Kursk and Volgograd regions, the Republic of Tatarstan, the Altai and Krasnodar territories, Khakassia, and other regions.

The partnership between Voentorg and the federal retail chain Pyaterochka is a unique example of mutually beneficial business relations between two large Russian companies where one of them, Voentorg, leverages the infrastructure and business model of the other, Pyaterochka, at its own premises. Operated by Voentorg, the project uses a reverse franchising scheme.

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 2018, X5 had 14,431 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 13,522 Pyaterochka proximity stores, 760 Perekrestok supermarkets, 94 Karusel hypermarkets and 55 convenience stores. The Company operates 42 DCs and 3,830 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 9M 2018, revenue totalled RUB 1,109,582 mln (USD 18,061 mln), adjusted EBITDA reached RUB 79,484 mln (USD 1,294 mln), and net profit amounted to RUB 22,400 mln (USD 365 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 – 0.01%, 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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