

PYATEROCHKA PROMOTES REUSABLE SHOPPING BAGS

Moscow, 31 May 2019 – X5 Retail Group N.V. (“X5” or the “Company”), a leading Russian food retailer (LSE and MOEX ticker: “FIVE”), launched a pilot project to promote the use of reusable, environmentally friendly shopping bags, which are now available in Pyaterochka stores in Moscow and the Moscow Region. When purchasing eco-bags, customers will receive double points on their Vyruchai-Karta loyalty card.

From 17 June 2019, the initiative will be rolled out to include Pyaterochka stores in 14 other major cities: St Petersburg, Voronezh, Kazan, Samara, Volgograd, Perm, Novosibirsk, Omsk, Yekaterinburg, Ufa, Chelyabinsk, Rostov, Krasnodar and Sochi. The reusable eco-bags are offered as an alternative to plastic bags and reusable polyester and polypropylene sacks already available in stores.

The bags are made of unprocessed cotton, an environmentally friendly material, confirmed by its RosEcoStandart safety certificate. The design was chosen from a competition organised by Pyaterochka on a specialised design platform. The eco-bags will be available in the checkout area, where bright green labels will tell shoppers about the campaign and provide information on the material used to make the bags.

Last year, Pyaterochka sold around 2 million reusable bags. X5 expects that the initiative will demonstrate the benefits of reusable packaging and stimulate responsible use of disposable bags. A number of Pyaterochka stores in St Petersburg are also offering paper bags, as a pilot project.

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).

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