

## **X5 RETAIL GROUP IMPROVES LOAN PORTFOLIO QUALITY BY EXPANDING ITS COOPERATION WITH SBERBANK CIB**

Moscow, 21 December 2016 – X5 Retail Group N.V. ("X5" or "the Company"), a leading Russian food retailer (LSE ticker: "FIVE"), announces that it has signed a number of agreements with Sberbank CIB to obtain financing worth over RUB 45 bn for a period of up to three years. The loans will not increase the Company's leverage, as the entire amount will be used to refinance existing debt, which will decrease the weighted average interest rate on X5's loan portfolio as a result.

X5 and Sberbank CIB have been strategic partners since 2009, and these transactions will expand further the long-term cooperation between Russia's largest bank and one of the country's leading modern food retailers.

Anna Korzhova, X5's Director of Treasury and Corporate Finance, said:

*"Fostering collaboration with Sberbank in the area of lending has helped improve X5's loan portfolio parameters and enabled us to refinance loans linked to the Bank of Russia's key rate."*

Igor Bulantsev, Senior Vice President, Acting Head of Sberbank CIB, commented:

*"We have long been providing a wide range of banking products to X5, which is one of our key food retail clients. We plan to continue developing the current areas of cooperation, while also focusing on new potential transactions."*

In Q3 2016, Sberbank CIB offered X5 a single loan limit of RUB 130 bn, providing for various forms of lending depending on the Company's needs. In addition, this enables Sberbank to purchase and hold to maturity X5's bonds.

**Note to Editors:**

**X5 Retail Group N.V.** (LSE: FIVE, Fitch – ‘BB’, Moody’s – ‘Ba3’, S&P – ‘BB-’) 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 September 2016, X5 had 8,574 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 7,787 Pyaterochka proximity stores, 503 Perekrestok supermarkets, 90 Karusel hypermarkets and 194 convenience stores. The Company operates 35 DCs and 1,561 Company-owned trucks across the Russian Federation.

For the full year 2015, revenue totalled RUB 808,818 mln (USD 13,268 mln), Adjusted EBITDA reached RUB 59,413 mln (USD 975 mln), and net profit for the period amounted to RUB 14,174 mln (USD 233 mln). In 9M 2016, revenue totalled RUB 739,491 mln (USD 11,443 mln), EBITDA reached RUB 56,361 mln (USD 872 mln), and net profit amounted to RUB 19,874 mln (USD 308 mln).

X5’s Shareholder structure is as follows: Alfa Group – 47.86%, founders of Pyaterochka – 14.43%, X5 Directors – 0.06%, treasury shares – 0.01%, free float – 37.64%.

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