

## **PYATEROCHKA AND POST BANK LAUNCH CO-BRANDED CARD**

**Moscow, 7 August 2017** – X5 Retail Group (“X5” or “the Company”), a leading Russian food retailer (LSE: FIVE), announces the launch of a co-branded Visa card by the Pyaterochka retail format and Post Bank (part of VTB Group), offering customers the combined benefits of the Helping Card loyalty programme with enhanced banking services. Clients can apply for the card at any Post Bank branch, with no issuance or service fees.

From 1 August 2017, the cards are available at over 1,500 Post Bank branches in the Northwestern and Central Federal Districts, where more than 5,000 Pyaterochka stores operate. Starting from September, the cards will be issued at the bank’s branches across the entire territory where Pyaterochka operates, including the Volga, Urals and Southern Federal Districts, and certain regions of the Siberian Federal District.

*“The Pyaterochka loyalty programme is gaining momentum. In the first four months since its launch, more than 10 million Helping Cards have been activated, and the pace of growth remains high. This co-branded card with Post Bank gives participants of the loyalty programme additional benefits. Card holders will get points for all of their purchases, while earning three times as many points when shopping at Pyaterochka compared to the regular Helping Card. The pilot project in St Petersburg and the Leningrad region showed that Pyaterochka card holders visited our stores almost twice as often than they did before getting the card,”* said Pyaterochka CEO Olga Naumova.

*“The co-branded card with Pyaterochka is our first project of its kind. I am confident that Pyaterochka’s many customers will value the card and the benefits it offers. In addition to points for purchases, card owners gain a free savings account with monthly accruals at an annual interest rate of up to 7%,”* said Grigory Babajanyan, Vice-President, Director for Retail Business Development at Post Bank.

The Pyaterochka loyalty programme gives participants points for any purchase with the Pyaterochka card. Purchases in Pyaterochka will return card owners 3 points for every 20 roubles if the ticket is up to 555 roubles or 4 points for every 20 roubles if the ticket is over 555 roubles. Moreover, card owners get Pyaterochka points (2 points for every 20 roubles) for purchases with the card in any other store, including online. When shopping in Pyaterochka, customers can then use these points to pay for up to 100% of the amount of their purchases at the conversion rate of 10 points per 1 rouble. Participants of the Helping Card loyalty programme can get the new co-branded Pyaterochka card from Post Bank and consolidate points under both programmes.

**Note to Editors:**

X5 Retail Group N.V. (LSE: FIVE, Fitch – ‘BB’, Moody's – ‘Ba2’, 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 June 2017, X5 had 10,506 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 9,688 Pyaterochka proximity stores, 557 Perekrestok supermarkets, 90 Karusel hypermarkets and 171 convenience stores. The Company operates 36 DCs and 2,425 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 H1 2017, revenue totalled RUB 613,879 mln (USD 10,587 mln), EBITDA reached RUB 50,000 mln (USD 862 mln), and net profit amounted to RUB 18,698 mln (USD 322 mln).

X5's Shareholder structure is as follows: Alfa Group – 47.86%, Intertrust Trustees Ltd (Axon Trust) – 11.43%, X5 Directors – 0.06%, treasury shares – 0.01%, Shareholders with less than 3% – 40.63%.

Pochta Bank is a universal retail bank established by the VTB Group and the Russian Post in January 2016 on the basis of Leto Bank. The bank's first customer centres opened on 5 April 2016.

Pochta Bank is expanding its regional network using the branches of the Russian Post. By the end of 2016, the bank had 6,310 customer service points in 5,439 post offices from 61 regions of Russia, with its customer base amounting to 3.3 mln people. Pochta Bank is the second largest bank in Russia by retail network.

In post offices, the bank operates as a sales window with an employee of Pochta Bank or the Russian Post servicing the customers. The bank does not use conventional teller stations, with all operations performed by customers via ATMs with a cash recycling function. Pochta Bank is the only bank in Russia with a network of over 3,000 machines that consists entirely of such ATMs. Pochta Bank's website: <http://www.pochtabank.ru/>.

**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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