

FIRST KARUSEL HYPERMARKET OPENS IN KLIN

Klin, 1 December 2017 – X5 Retail Group N.V. (“X5” or the “Company”), a leading Russian food retailer (LSE ticker: “FIVE”), announces the opening of its first Karusel hypermarket in Klin, Moscow region.

The new store, boasting a sales area of around 4,200 sq m, is located in a stand-alone building near Leningradskoe Highway at 9 Pobedy St.

The hypermarket offers 19,000 SKUs. Karusel cooperates closely with domestic suppliers: 90% of its food products are manufactured in Russia. The store’s suppliers include Moscow region producers, such as the Klinsky Bread Baking Complex, Shelkovohleb, Dedovsky Khleb, the Elinar-Broiler Poultry Farm and CHERKIZOVO Trading House.

The Karusel hypermarket features a wide range of products prepared in-store. Its bakery makes delicious fresh tandoor flatbreads and pizza. In addition to the standard menu items, the store cooks will take customised orders.

With 24 checkouts, this Karusel store will have a high throughput even during peak hours. The new hypermarket helped create over 170 new jobs.

X5 operates 11 Karusel hypermarkets in the Moscow region.

Karusel hypermarkets are one-stop shops for a variety of reasonably priced products. In addition to affordable prices, Karusel offers discounts for pensioners (5% from opening until 1 pm) and frequent shoppers (Karusel loyalty cardholders), as well as seasonal sales and special promotions.

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 September 2017, X5 had 11,326 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 10,481 Pyaterochka proximity stores, 584 Perekrestok supermarkets, 91 Karusel hypermarkets and 170 convenience stores. The Company operates 37 DCs and 2,550 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 9M 2017, revenue totalled RUB 933,303 mln (USD 15,999 mln), EBITDA reached RUB 72,392 mln (USD 1,241 mln), and net profit amounted to RUB 25,975 mln (USD 445 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%.

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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