

X5 SIGNED UP MORE THAN 1,000 NEW SUPPLIERS FROM 63 REGIONS IN 2017

Moscow, 14 February 2018 - X5 Retail Group N.V. ("X5" or the "Company"), a leading Russian food retailer (LSE and MOEX ticker: "FIVE"), announces that it strengthened its supply agreements with Russian producers in 2017, with the Group's offering enhanced by produce from 1,050 new manufacturers from 63 regions across Russia's seven Federal Districts.

The Central Federal District showed the strongest activity, with X5 establishing partnerships with nearly 500 new suppliers (more than 50% of them from the Moscow region). The number of producers from the Volga Federal District also increased substantially: of the 166 new suppliers from the District, major additions came from the Nizhny Novgorod region (30 partners) and Tatarstan (28 partners). 143 new suppliers contributed to greater visibility of products from the South and North Caucasian Federal Districts, with one third of them coming from the Krasnodar region. In 2017, X5's retail chains also established partnerships with 86 new manufacturers from the Northwestern Federal District, 91 manufacturers from the Siberian Federal District and 68 manufacturers from the Ural Federal District. The new suppliers helped expand the offering of staples such as dairy, meat and fish products, cheeses, vegetables, fruits, grocery and others.

In 2017, X5 Dialogue business forums played an important role in bringing in new suppliers. In 2017, X5 staged a total of seven business forums, including as part of the openings of distribution centres in the Moscow region, Orel, Orenburg, Perm, Yekaterinburg and Novosibirsk. X5 Dialogue was launched in 2015 to improve relations with Russian producers interested in working with the Company's retail chains. As part of the programme, regional manufacturers receive valuable advice on how to build relationships with retail chains, including information on product quality controls, marketing opportunities and requirements for transportation, storage, sales and disposal of food products set out by the Customs Union and X5 in applicable technical regulations.

As of the end of 2017, in some regions the share of locally produced items at Pyaterochka, Perekrestok and Karusel stores exceeded 30%, with Russian accounting for over 90% of the stores' product mix.

In total, X5's retail chains offer products from more than 5,000 suppliers.

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 2017, X5 had 12,121 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 11,225 Pyaterochka proximity stores, 638 Perekrestok supermarkets, 93 Karusel hypermarkets and 165 convenience stores. The Company operates 39 DCs and 3,144 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: CTF Holdings S.A. – 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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