

## X5 STREAMLINES LOGISTICS OPERATIONS IN VOLGA FEDERAL DISTRICT

**Ufa, 22 March 2018** – X5 Retail Group N.V. (“X5” or the “Company”), a leading Russian food retailer (LSE and MOEX ticker: “FIVE”), announces the development of its logistics infrastructure in the Volga Federal District and the opening of its first distribution centre (DC) in Ufa, Republic of Bashkortostan.

The 24,500 sq m logistics facility will cover all Pyaterochkas in the Republic of Bashkortostan (currently 260 stores). Featuring five storage zones, each with a specific temperature band, the Ufa DC is designed to accommodate nearly all categories of goods.

With the new multi-category logistics facility, products will always be fresh and available as Pyaterochka continues its active expansion, and local producers will have new opportunities. The Ufa DC will be the focal point for them as it helps to ramp up their sales and bring their products to other regions. At its full capacity, the DC will be able to process and handle products from more than 360 local suppliers.

Local suppliers account for 17% of the product mix in Pyaterochka stores in Bashkortostan, with this share due to increase to 25% in the coming months. At present, Pyaterochka sells products from over 50 suppliers from Bashkortostan. Last year, the product mix of X5 Retail Group was enhanced with products from 166 new suppliers from the Volga Federal District, including 11 new producers from Bashkortostan.

After the opening ceremony, the Ufa DC played host to the X5 Dialogue Forum, which brought together over 70 suppliers. They listened to X5 Retail Group representatives, who shared X5’s best practices in dealing with local suppliers and food producers. Local manufacturers received valuable advice on how to build relationships with retail chains, including information on product quality controls and requirements for transportation, storage, sales and disposal of food products set out in the Customs Union’s and X5’s applicable technical regulations.

The new logistics facility increased the number of jobs offered by the Pyaterochka retail format in Bashkortostan to 3,000. Non-stop operation of the Ufa DC will be supported by 140 local residents.

**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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