

PEREKRESTOK AND RENAISSANCE LIFE LAUNCH THE FIRST INSURANCE CO-BRAND IN RUSSIAN RETAIL

Moscow, 21 August 2018 – X5 Retail Group N.V. (“X5” or the “Company”), a leading Russian food retailer (LSE and MOEX ticker: FIVE), has announced the launch of a joint federal project between the Perekrestok supermarket format and Renaissance Life: a 10-year, points-based loyalty programme for customers of Perekrestok supermarkets.

The Generous Life programme is an add-on to Perekrestok Club, a loyalty programme currently offered by the supermarket business. By making purchases in Perekrestok supermarkets, programme members will continue to get Club points, and part of the amount spent will be transferred to an endowment insurance programme. To make this transfer, a customer must present the Generous Life card at checkout. The card can be plastic or virtual, via the Perekrestok mobile app.

“This joint project with Renaissance Life is unprecedented in the Russian market. For our company, this is a major new direction in the development of Perekrestok’s loyalty programme. Our frequent customers who participate in the programme can continue making purchases in our supermarkets while also accumulating significant savings for the future,” said Dmitry Medvedev, Head of Marketing at Perekrestok.

“The Generous Life loyalty programme gives customers access to all the advantages that life insurance provides: accumulating savings that can be accessed at the end of the programme, insurance coverage throughout the programme duration, and potential tax deductions. Another service available to the customers is Telemedicine, or 24/7 online medical advice. The Generous Life programme helps set aside very sizeable sums when making everyday purchases. Without any damage to personal budgets, customers apply small cashbacks over 10 years towards an amount that can later help them achieve their major financial plans,” said Sergei Faizov, Vice President for Strategic Development at Renaissance Life.

Under the terms and conditions of the programme, customers get 7% cashback on all purchases and 100% cashback when buying Perekrestok Market private label bottled water. Shoppers can choose whether to apply a special offer discount or pay the full amount and apply the difference (up to 50% of the marked price) to the savings account under the programme. To track cash flows, a shopper will get two receipts for every purchase: a standard receipt for the items and a receipt confirming the contribution to the Generous Life programme. Discounts offered by Perekrestok cannot be combined with the Generous Life card offer.

Members of the endowment life insurance programme may opt for additional savings by choosing the Round Up option. All amounts are rounded up to a multiple of 50. Customers can switch this option on or off in their mobile app or with the help of Generous Life consultants.

To qualify, a customer needs to save at least RUB 1,000 per month. Statistics from the first several weeks after launch show that this implies making purchases worth RUB 5,000–6,000 per month. Customers may also deposit the required amount through the mobile app. The programme provides a three-month grace period for its members: during this period, the programme continues even if the member makes no purchases. The Generous Life card is not personalised, the holder can transfer it or request additional cards to add cashback to the same account. Programme members are eligible for a tax refund in the amount of 13% of the account balance.

The Generous Life card is available free of charge from Renaissance Life consultants at Perekrestok supermarkets. The Generous Life programme has already started in 23 supermarkets in Moscow and 25 in St Petersburg. The number of supermarkets offering this service will gradually grow.

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 30 June 2018, X5 had 13,178 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 12,314 Pyaterochka proximity stores, 691 Perekrestok supermarkets, 93 Karusel hypermarkets and 80 convenience stores. The Company operates 40 DCs and 2,983 Company-owned trucks across the Russian Federation.

For the full year 2017, revenue totalled RUB 1,295,008 mln (USD 22,193 mln), Adjusted EBITDA reached RUB 99,131 mln (USD 1,699 mln), and adjusted net profit for the period amounted to RUB 33,768 mln (USD 579 mln). In H1 2018, revenue totalled RUB 734,077 mln (USD 12,368 mln), adjusted EBITDA reached RUB 51,697 mln (USD 871 mln), and net profit amounted to RUB 14,313 mln (USD 241 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% – 40.64%.

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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