

X5 ADDS OVER 1,400 NEW SUPPLIERS IN 2018

Moscow, 26 February 2019 – X5 Retail Group N.V. (“X5” or the “Company”), a leading Russian food retailer (LSE and MOEX ticker: FIVE), added 1,312 new Russian suppliers from 67 regions across seven Federal Districts and 114 new foreign suppliers under its direct import programme during 2018. The number of new partners grew nearly 1.5 times year-on-year, with X5 retail chains now offering products sourced from over 5,600 suppliers.

The largest number of new suppliers in 2018 came from the Central Federal District, with 576 suppliers (including 400+ partners registered in Moscow and the Moscow region). A substantial increase in the number of producers came from the Volga Federal District, with the Samara and Nizhny Novgorod regions accounting for the greatest shares of its 183 new partners. In the Northwestern Federal District, X5’s offering was boosted by 176 suppliers, including 89 from St Petersburg. Pyaterochka, Perekrestok, and Karusel stores welcomed 128 new partners from the Southern Federal District, with 69 suppliers coming from the Krasnodar Territory. The Siberian, Ural and North Caucasian Federal Districts contributed 121, 92 and 36 partners, respectively. In Siberia, the Novosibirsk region and Altai Territory led the pack.

The largest part of the new suppliers contributed to expansion of the offering in fresh categories (dairy, meat and fish products, fruit and vegetables), as well as grocery and others. X5’s partners grow with the Company, improving their business performance and expanding their supply networks.

X5 seeks to build long-term, mutually beneficial partnerships with producers. In every region, it focuses on local suppliers and aims to maximise the assortment of local products. Through close cooperation, local producers gain access to a robust sales channel while consumers can enjoy a wide range of high-quality, fresh products at affordable prices.

By the end of 2018, in some regions the share of locally produced items in the Pyaterochka, Perekrestok and Karusel stores exceeded 30%, with domestic produce making up over 90% of the current product mix in X5’s stores.

The Company also holds events to attract new suppliers. Last year, Moscow, Ufa and Saratov hosted four X5 Dialogue business forums, where the Company offered regional producers insights into marketing opportunities and working with retail chains, as well as providing advice on quality, transportation, storage, sales and disposal requirements for food products. Together with the Chamber of Commerce and Industry, X5 arranged nine Market Council events for suppliers in the Leningrad, Smolensk, Vladimir, Orel, Saratov and Tyumen regions and the Krasnodar and Stavropol Territories. In 2018, X5 entered into supply agreements with 20 new producers at these events, while September 2018 saw X5 Retail Group sign a cooperation agreement with the Federal Corporation for Developing Small and Medium Business (SME Corporation). The SME Corporation will select promising small- and medium-sized agricultural suppliers for X5, including those with production and raw material capacities to manufacture private label products for the Company. This will create favourable long-term conditions for cooperation in the consumer goods sector, with fisheries in the Russian Far East among the potential beneficiaries as the initiative hopes to boost the offering of locally-produced fish in the domestic market.

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 2018, X5 had 14,431 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 13,522 Pyaterochka proximity stores, 760 Perekrestok supermarkets, 94 Karusel hypermarkets and 55 convenience stores. The Company operates 42 DCs and 3,830 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 9M 2018, revenue totalled RUB 1,109,582 mln (USD 18,061 mln), adjusted EBITDA reached RUB 79,484 mln (USD 1,294 mln), and net profit amounted to RUB 22,400 mln (USD 365 mln).

X5's Shareholder structure is as follows: CTF Holdings S.A. – 47.86%, Intertrust Trustees Ltd (Axon Trust) – 11.43%, X5 Directors – 0.07%, 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).

For further details please contact:**Natalia Zagvozdina**

Head of Corporate Finance and IR
Tel.: +7 (495) 662-88-88 ext. 27-300
e-mail: Natalia.Zagvozdina@x5.ru

Andrey Vasin

Head of Investor Relations
Tel.: +7 (495) 662-88-88 ext. 13-151
e-mail: Andrey.Vasin@x5.ru