

PEREKRESTOK OPENS STORE TO PILOT NEW CONCEPT

Moscow, 11 June 2019 – X5 Retail Group N.V. (“X5” or the “Company”), a leading Russian food retailer (LSE and MOEX ticker: “FIVE”), announces the opening of the first Perekrestok supermarket that pilots elements of the format’s new concept. The store, located at 7 Tallinskaya St., will test the majority of the innovations that lie at the heart of Perekrestok’s new concept. The supermarket format plans to test more ideas at several other new stores before the end of 2019, in order to conduct a comprehensive review of the pilots as the new supermarket concept is finalised.

Perekrestok closely tracks the changing needs and sentiment of its customers. Based on its analysis of current trends, the chain is introducing "emotional" design elements at its stores and ensuring that they meet demand for fresh products and ready-to-eat foods. Half of the new supermarket's 2,000 sq m selling space is devoted to fresh assortment, including both a variety of fruit and vegetables (F&V) and refrigerated deli cheeses and meats, a special chamber for dressed meat storage, a counter with fresh fish and meat, as well as a salad bar, bakery and cafe. The entire zone features an inspiring design with accent lighting and suspended elements. This will be the first thing that customers see when they enter the supermarket.

For the smoothest shopping experience possible, the new Perekrestok offers two paths for its customers, one shorter and the other one longer. The first one takes shoppers through the F&V zone, salad bar, ready-to-eat section, cafe, and bakery. This makes it possible for people who popped in to grab some ready-made or fresh foods can be out of the store in no time. The long route takes the customer along the outer areas of the store that sell fish, meat, deli, dairy, grocery, beverages and associated goods. By smartly positioning "magnet" categories that enjoy the highest demand, the store is able to eliminate “grey” zones.

The appearance of the store and its interior design remain consistent with the existing Perekrestok branding, colour schemes, and the prevalence of lighter tones. At the same time, lighting in various zones and the sections' colour temperature have been updated. The F&V, cafe, fish and meat, bakery, wine and spirits sections have all been given individual illumination. In addition, the fish and F&V sections are piloting dynamic lighting that changes colour and accented visual icons. This kind of lighting really catches the eye and does a great job setting the tone.

Note to Editors:

X5 Retail Group N.V. (LSE and MOEX: FIVE, Fitch – ‘BB+’, Moody's – ‘Ba1’, 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 and the hypermarket chain under the Karusel brand.

As of 31 March 2019, X5 had 14,779 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 13,917 Pyaterochka proximity stores, 771 Perekrestok supermarkets and 91 Karusel hypermarkets. The Company operates 41 DCs and 3,837 Company-owned trucks across the Russian Federation.

For the full year 2018, revenue totalled RUB 1,532,537 mln (USD 24,439 mln), Adjusted EBITDA reached RUB 109,871 mln (USD 1,752 mln), and net profit for the period amounted to RUB 28,642 mln (USD 457 mln). In Q1 2019, revenue totalled RUB 405,864 mln (USD 6,138 mln), adjusted EBITDA reached RUB 29,473 mln (USD 446 mln), and net profit amounted to RUB 9,297 mln (USD 141 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 – 0.02%, Shareholders with less than 3% – 40.62%.

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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