

## X5 ADJUSTED EBITDA MARGIN REACHED 7.2% IN Q4 2018 SUPERVISORY BOARD RECOMMENDS DIVIDENDS OF RUB 92.06 PER GDR

- ✓ X5 delivered revenue growth of 16.9% year-on-year (y-o-y) in Q4 2018 on the back of positive like-for-like (LFL) sales and selling space expansion.
- ✓ Gross margin improved by 30 b.p. y-o-y to 24.1% in Q4 2018 despite a challenging external environment, driven by y-o-y commercial margin improvement, stable share of promo and the format mix effect from proportionally more sales at Perekrestok, as well as successful measures to control shrinkage levels.
- ✓ SG&A expenses (excl. D&A&I) as a percentage of revenue increased by 35 b.p. y-o-y to 18.1%, primarily as a result of non-food inflation exceeding food inflation, an increase in lease expenses due to the growing share of leased space in X5's total real estate portfolio, and utilities expenses due to tariffs rising faster than food inflation and other expenses.
- ✓ Adjusted EBITDA<sup>(1)</sup> grew by 26.2% y-o-y and reached RUB 30,387 mln in Q4 2018. The adjusted EBITDA margin improved by 53 b.p. y-o-y and reached 7.2%.
- ✓ In line with the Company's dividend policy, the X5 Supervisory Board recommended a 2018 dividend of RUB 25.0 billion, or RUB 92.06 per GDR<sup>(2)</sup>, which represents 87.3% of consolidated IFRS net profit.
- ✓ Net debt/EBITDA ratio was 1.70x as of 31 December 2018.

**Amsterdam, 20 March 2019** - X5 Retail Group N.V. ("X5" or the "Company"), a leading Russian food retailer (LSE and MOEX ticker: FIVE), today released its 2018 Annual Report, including audited consolidated financial statements prepared in accordance with International Financial Reporting Standards, as adopted in the European Union.

X5 Chief Executive Officer Igor Shekhterman said:

*"I am pleased to report another quarter of sustainable growth, which X5 has achieved by staying true to our mission of putting customers at the centre and adapting our business to meet their needs: in a challenging macro environment with increasing competition, we grew revenue by 16.9% year-on-year and delivered positive LFL performance at the group level for Q4 2018. We improved our gross margin by 30 b.p. year-on-year to 24.1%, thanks to more effective management of promo and successful measures introduced by the new team at Pyaterochka to control shrinkage that started to yield results from the third quarter.*

*"We operated in an environment of low inflation and weak consumer confidence stemming from flat real income growth during nearly all of 2018. Nonetheless, X5 continued to deliver on its strategic priorities: we grew our market share by revenue to 10.7% despite scaling back our store expansion programme to focus on more balanced growth. We saw Perekrestok Online, one of several key omnichannel initiatives within the Company, expand to St Petersburg and open two new dark stores to scale up its operations during the year. X5 has also taken the lead on innovations, establishing a Big Data Department at the Corporate Centre and piloting 37 innovative projects in stores during 2018.*

*"Looking ahead to 2019, we will continue to deliver on our three-layered strategy of implementing measures that will help to strengthen the existing business, developing our innovative capabilities in the medium term, and transforming X5 Retail Group into a next-gen retailer in the long term."*

(1) Adjusted EBITDA is EBITDA before costs related to the LTI programme, share-based payments and other one-off remuneration payments expense

(2) Gross amount subject to taxes and fees

### Profit and loss statement highlights<sup>(3)</sup>

Russian Rouble (RUB), million (mln)	Q4 2018	Q4 2017	change, y-o-y, %	FY 2018	FY 2017	change, y-o-y, %
<b>Revenue</b>	<b>422,955</b>	<b>361,705</b>	<b>16.9</b>	<b>1,532,537</b>	<b>1,295,008</b>	<b>18.3</b>
incl. net retail sales <sup>(4)</sup>	420,883	359,467	17.1	1,525,015	1,286,949	18.5
Pyaterochka	326,513	276,443	18.1	1,197,772	1,000,942	19.7
Perekrestok	67,215	54,624	23.1	230,848	186,936	23.5
Karusel	26,095	25,967	0.5	90,818	89,302	1.7
<b>Gross profit</b>	<b>101,780</b>	<b>85,940</b>	<b>18.4</b>	<b>369,720</b>	<b>308,938</b>	<b>19.7</b>
Gross profit margin, %	24.1	23.8	30 b.p.	24.1	23.9	27 b.p.
<b>Adj. EBITDA</b>	<b>30,387</b>	<b>24,084</b>	<b>26.2</b>	<b>109,871</b>	<b>99,131</b>	<b>10.8</b>
Adj. EBITDA margin, %	7.2	6.7	53 b.p.	7.2	7.7	(49) b.p.
<b>Operating profit</b>	<b>15,316</b>	<b>12,416</b>	<b>23.4</b>	<b>58,154</b>	<b>57,758</b>	<b>0.7</b>
Operating profit margin, %	3.6	3.4	19 b.p.	3.8	4.5	(67) b.p.
<b>Net profit</b>	<b>6,242</b>	<b>5,419</b>	<b>15.2</b>	<b>28,642</b>	<b>31,394</b>	<b>(8.8)</b>
Net profit margin, %	1.5	1.5	(2) b.p.	1.9	2.4	(56) b.p.

### Net retail sales

Total net retail sales growth remained strong at 17.1% y-o-y in Q4 2018, driven by:

- 3.7% increase in LFL sales; and
- 13.4% y-o-y increase in net retail sales from net new space, resulting from an 18.0% rise in selling space.

### Selling space by format, square meters (sq. m)

	As at 31-Dec-18	As at 31-Dec-17	change vs 31-Dec-17, %
Pyaterochka	5,291,421	4,426,808	19.5
Perekrestok	781,538	637,242	22.6
Karusel	382,024	385,271	(0.8)
<b>X5 Retail Group<sup>(5)</sup></b>	<b>6,463,735</b>	<b>5,479,741</b>	<b>18.0</b>

### Q4 & FY 2018 LFL<sup>(6)</sup> store performance by format, % change y-o-y

In Q4 2018, LFL sales performance remained strong at 3.7% y-o-y.

	Q4 2018			FY 2018		
	Sales	Traffic	Basket	Sales	Traffic	Basket
Pyaterochka	3.3	1.7	1.6	0.9	0.4	0.5
Perekrestok	7.5	8.2	(0.7)	5.9	6.2	(0.4)
Karusel	(0.4)	(2.8)	2.5	(0.0)	(3.1)	3.2
<b>X5 Retail Group<sup>(5)</sup></b>	<b>3.7</b>	<b>2.2</b>	<b>1.4</b>	<b>1.5</b>	<b>0.9</b>	<b>0.6</b>

For more details on net retail sales growth please refer to X5's [Q4 2018 Trading Update](#).

(3) Please note that in this and other tables, and in the text of this press release, immaterial deviations in the calculation of % changes, subtotals and totals are due to rounding.

(4) Net retail sales represent revenue from the operations of X5-managed stores net of VAT. This number differs from revenue, which includes proceeds from wholesale operations, direct franchisees (royalty payments) and other revenue.

(5) Including Perekrestok Express

(6) LFL comparisons of retail sales between two periods are comparisons of retail sales in local currency (including VAT) generated by the relevant stores. The stores that are included in LFL comparisons are those that have operated for at least 12 full months. Their sales are included in the LFL calculation starting from the day of the store's opening. We include all stores that fit our LFL criteria in each reporting period.

## Gross profit margin

The gross profit margin increased by 30 b.p. y-o-y to 24.1% in Q4 2018 as a result of continued stability in the share of promo and the effect of Perekrestok's faster sales growth on the format mix, which reached 16.0% of net retail sales in Q4 2018. Successful measures to control shrinkage levels also had a positive y-o-y impact on gross profit margin.

## Selling, general and administrative (SG&A) expenses (excl. D&A&I)

RUB mln	Q4 2018	Q4 2017	change, y-o-y, %	FY 2018	FY 2017	change, y-o-y, %
<b>Staff costs</b>	<b>(32,786)</b>	<b>(28,337)</b>	<b>15.7</b>	<b>(119,883)</b>	<b>(99,124)</b>	<b>20.9</b>
% of Revenue	7.8	7.8	(8) b.p.	7.8	7.7	17 b.p.
incl. LTI and share-based payments	(586)	(282)	107.8	(2,243)	(2,938)	(23.7)
staff costs excl. LTI	7.6	7.8	(14) b.p.	7.7	7.4	25 b.p.
<b>Lease expenses</b>	<b>(19,848)</b>	<b>(16,762)</b>	<b>18.4</b>	<b>(75,392)</b>	<b>(60,080)</b>	<b>25.5</b>
% of Revenue	4.7	4.6	6 b.p.	4.9	4.6	28 b.p.
<b>Utilities</b>	<b>(8,767)</b>	<b>(6,930)</b>	<b>26.5</b>	<b>(31,942)</b>	<b>(23,795)</b>	<b>34.2</b>
% of Revenue	2.1	1.9	16 b.p.	2.1	1.8	25 b.p.
<b>Other store costs</b>	<b>(4,588)</b>	<b>(4,477)</b>	<b>2.5</b>	<b>(17,208)</b>	<b>(15,450)</b>	<b>11.4</b>
% of Revenue	1.1	1.2	(15) b.p.	1.1	1.2	(7) b.p.
<b>Third party services</b>	<b>(3,970)</b>	<b>(3,767)</b>	<b>5.4</b>	<b>(12,463)</b>	<b>(10,854)</b>	<b>14.8</b>
% of Revenue	0.9	1.0	(10) b.p.	0.8	0.8	(2) b.p.
<b>Other expenses<sup>(7)</sup></b>	<b>(6,644)</b>	<b>(3,981)</b>	<b>66.9</b>	<b>(16,996)</b>	<b>(11,408)</b>	<b>49.0</b>
% of Revenue	1.6	1.1	47 b.p.	1.1	0.9	23 b.p.
<b>SG&amp;A (excl. D&amp;A&amp;I)</b>	<b>(76,603)</b>	<b>(64,254)</b>	<b>19.2</b>	<b>(273,884)</b>	<b>(220,711)</b>	<b>24.1</b>
% of Revenue	18.1	17.8	35 b.p.	17.9	17.0	83 b.p.
<b>SG&amp;A (excl. D&amp;A&amp;I and LTI and share-based payments)</b>	<b>(76,017)</b>	<b>(63,972)</b>	<b>18.8</b>	<b>(271,641)</b>	<b>(217,773)</b>	<b>24.7</b>
% of Revenue	18.0	17.7	29 b.p.	17.7	16.8	91 b.p.

In Q4 2018, SG&A expenses excluding D&A&I, LTI and share-based payments as a percentage of revenue increased by 29 b.p. to 18.0%, mainly due to increased lease expenses, utilities and other expenses.

Staff costs (excluding LTI and share-based payments) as a percentage of revenue decreased by 14 b.p. y-o-y in Q4 2018 to 7.6%, thanks to our efforts to improve labour productivity and helped by higher food inflation compared to Q4 2017.

Lease expenses as a percentage of revenue in Q4 2018 increased by 6 b.p. y-o-y to 4.7%, mainly due to the growing share of leased space in X5's total real estate portfolio, which accounted for 76% as of 31 December 2018, compared to 73% the previous year.

Utilities costs as a percentage of revenue in Q4 2018 increased by 16 b.p. y-o-y to 2.1%, due to tariffs rising faster than food inflation.

Other store costs as a percentage of revenue in Q4 2018 decreased by 15 b.p. y-o-y to 1.1%, thanks to greater efficiency in security costs, materials and maintenance expenses.

Third party services as a percentage of revenue in Q4 2018 decreased by 10 b.p. y-o-y to 0.9%, mostly on account of lower advertising and marketing expenses.

(7) As a result of IFRS 9 adoption the Company changed presentation of its consolidated statement of profit or loss by reclassification of net impairment losses on financial assets out of selling, general and administrative expenses.

The Company made a decision to reclassify income from sale of recyclable materials from other expenses (SG&A) to lease/sublease and other income.

Other expenses as a percentage of revenue in Q4 2018 increased by 47 b.p. y-o-y to 1.6%, due to the reclassification of proceeds from the sale of recyclable materials to other income<sup>(8)</sup> and an increase in acquiring costs driven by increasing penetration of card payments.

In FY 2018, SG&A expenses excluding D&A&I, LTI and share-based payments as a percentage of revenue increased by 91 b.p. y-o-y to 17.7%, mainly due to increased staff costs as we continued to adjust our store personnel wages to market average levels, rising lease expenses as the share of leased stores increased, as well as higher utilities costs and other expenses. An accrual of RUB 2,171 mln has been made in 2018 related to the old LTI programme, which focused on achieving market leadership in revenue terms, and the new LTI programme, which aims to maintain leadership in revenue terms and achieve leadership in terms of enterprise value multiples relative to peers.

## Lease/sublease and other income

As a percentage of revenue, the Company's income from lease, sublease and other operations in Q4 2018 increased by 52 b.p. y-o-y to 1.1% mainly due to the reclassification of income from the sale of recyclable materials from SG&A expenses<sup>(8)</sup>.

## EBITDA and EBITDA margin

RUB mln	Q4 2018	Q4 2017	change, y-o-y, %	FY 2018	FY 2017	change, y-o-y, %
<b>Gross profit</b>	<b>101,780</b>	<b>85,940</b>	<b>18.4</b>	<b>369,720</b>	<b>308,938</b>	<b>19.7</b>
<i>Gross profit margin, %</i>	<i>24.1</i>	<i>23.8</i>	<i>30 b.p.</i>	<i>24.1</i>	<i>23.9</i>	<i>27 b.p.</i>
<b>SG&amp;A (excl. D&amp;A&amp;I and LTI and share-based payments)</b>	<b>(76,017)</b>	<b>(63,972)</b>	<b>18.8</b>	<b>(271,641)</b>	<b>(217,773)</b>	<b>24.7</b>
<i>% of Revenue</i>	<i>18.0</i>	<i>17.7</i>	<i>29 b.p.</i>	<i>17.7</i>	<i>16.8</i>	<i>91 b.p.</i>
<b>Net impairment losses on financial assets</b>	<b>(126)</b>	<b>(68)</b>	<b>85.3</b>	<b>(501)</b>	<b>(230)</b>	<b>117.8</b>
<i>% of Revenue</i>	<i>0.03</i>	<i>0.02</i>	<i>1 b.p.</i>	<i>0.03</i>	<i>0.02</i>	<i>1 b.p.</i>
<b>Lease/sublease and other income</b>	<b>4,750</b>	<b>2,184</b>	<b>117.5</b>	<b>12,293</b>	<b>8,196</b>	<b>50.0</b>
<i>% of Revenue</i>	<i>1.1</i>	<i>0.6</i>	<i>52 b.p.</i>	<i>0.8</i>	<i>0.6</i>	<i>17 b.p.</i>
<b>Adj. EBITDA</b>	<b>30,387</b>	<b>24,084</b>	<b>26.2</b>	<b>109,871</b>	<b>99,131</b>	<b>10.8</b>
<i>Adj. EBITDA margin, %</i>	<i>7.2</i>	<i>6.7</i>	<i>53 b.p.</i>	<i>7.2</i>	<i>7.7</i>	<i>(49) b.p.</i>
LTI, share-based payments and other one-off remuneration payments expense and SSC	(586)	(282)	107.8	(2,243)	(2,938)	(23.7)
<i>% of Revenue</i>	<i>0.1</i>	<i>0.1</i>	<i>6 b.p.</i>	<i>0.1</i>	<i>0.2</i>	<i>(8) b.p.</i>
<b>EBITDA</b>	<b>29,801</b>	<b>23,802</b>	<b>25.2</b>	<b>107,628</b>	<b>96,193</b>	<b>11.9</b>
<i>EBITDA margin, %</i>	<i>7.0</i>	<i>6.6</i>	<i>47 b.p.</i>	<i>7.0</i>	<i>7.4</i>	<i>(41) b.p.</i>

As a result of the factors discussed above, adjusted EBITDA in Q4 2018 increased to RUB 30,387 mln, or 7.2% of revenue, compared to RUB 24,084 mln, or 6.7% of revenue in Q4 2017 mainly due to the rise in other expenses and a proportionally smaller effect from utilities and lease costs.

In FY 2018, adjusted EBITDA reached RUB 109,871 mln, decreasing as a percentage of revenue to 7.2% compared to RUB 99,131 mln, or 7.7% of revenue in FY 2017 driven by increased staff costs, lease and utilities expenses in equal proportions.

(8) The Company made a decision to reclassify income from sale of recyclable materials from other expenses (SG&A) to lease/sublease and other income

## D&A&I

Depreciation, amortisation and impairment costs in Q4 2018 totalled RUB 14,485 mln, (RUB 49,474 mln in FY 2018), increasing as a percentage of revenue by 28 b.p. y-o-y to 3.4% (for FY 2018: up by 26 b.p. to 3.2%). This was due to continuous changes in the composition of buildings, with a growing share of fixtures and fittings versus foundation and frame driven by the growing share of leased space in X5's total real estate portfolio.

## Non-operating gains and losses

RUB mln	Q4 2018	Q4 2017	change, y-o-y, %	FY 2018	FY 2017	change, y-o-y, %
<b>Operating profit</b>	<b>15,316</b>	<b>12,416</b>	<b>23.4</b>	<b>58,154</b>	<b>57,758</b>	<b>0.7</b>
Net finance costs	(5,504)	(4,046)	36.0	(18,667)	(16,017)	16.5
Net FX result	(234)	112	n/a	(447)	75	n/a
<b>Profit before tax</b>	<b>9,578</b>	<b>8,482</b>	<b>12.9</b>	<b>39,040</b>	<b>41,816</b>	<b>(6.6)</b>
Income tax expense	(3,336)	(3,063)	8.9	(10,398)	(10,422)	(0.2)
<b>Net profit</b>	<b>6,242</b>	<b>5,419</b>	<b>15.2</b>	<b>28,642</b>	<b>31,394</b>	<b>(8.8)</b>
Net profit margin, %	1.5	1.5	(2) b.p.	1.9	2.4	(56) b.p.

Net finance costs in Q4 2018 increased by 36.0% y-o-y to RUB 5,504 mln. The effect from the higher level of gross debt as of 31 December 2018 compared to 31 December 2017 was partially offset by the decreased weighted average effective interest rate on X5's total debt from 9.51% for FY 2017 to 8.39% for FY 2018 as a result of declining interest rates in Russian capital markets and actions taken to minimise interest expenses.

In Q4 2018 income tax expense increased by 8.9% y-o-y to RUB 3,336 mln.

## Consolidated cash flow statement highlights

RUB mln	Q4 2018	Q4 2017	change y-o-y, %	FY 2018	FY 2017	change y-o-y, %
Net cash from operating activities before changes in working capital	30,101	24,268	24.0	107,827	96,830	11.4
Change in working capital	21,148	4,480	372.1	19,609	(11,386)	n/a
Net interest and income tax paid	(8,994)	(7,688)	17.0	(29,402)	(26,786)	9.8
Net cash flows generated from operating activities	42,255	21,060	100.6	98,034	58,658	67.1
Net cash used in investing activities	(23,774)	(27,364)	(13.1)	(92,760)	(87,274)	6.3
Net cash (used in) /generated from financing activities	(9,451)	22,187	n/a	(8,436)	38,017	n/a
Effect of exchange rate changes on cash & cash equivalents	-	8	(100.0)	(75)	14	n/a
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>9,030</b>	<b>15,891</b>	<b>(43.2)</b>	<b>(3,237)</b>	<b>9,415</b>	<b>n/a</b>

In Q4 2018, the Company's net cash from operating activities before changes in working capital increased by 24.0% y-o-y to RUB 30,101 mln, driven by business growth and stronger profitability. Improvements in working capital management and business growth allowed the Company to achieve a positive working capital change in Q4 2018: growth in accounts payable reflected business growth as well as higher food inflation, while the slower increase in accounts receivable was due to improved accounts receivable collection.

Net interest and income tax paid in Q4 2018 increased by RUB 1,306 mln, or 17.0%, and totalled RUB 8,994 mln mainly driven by the increase in income tax paid due to the higher level of profit before tax in Q3 2018.

As a result, net cash flows generated from operating activities in Q4 2018 more than doubled y-o-y.

In FY 2018, net cash flows generated from operating activities totalled RUB 98,034 mln, compared to RUB 58,658 mln for the same period of 2017, mainly due to the changes in working capital.

Net cash used in investing activities, which generally consists of payments for property, plant and equipment, decreased to RUB 23,774 mln in Q4 2018 from RUB 27,364 mln in Q4 2017 and reflected lower expenditures on store expansion. For FY 2018, net cash used in investing activities rose to RUB 92,760 mln from RUB 87,274 mln in FY 2017, mainly due to payment for O'KEY's supermarket business. Despite a decrease in capital expenses in 2018 compared to 2017, the payment for the O'KEY transaction was made in 2018.

Net cash used in financing activities was RUB 9,451 mln in Q4 2018 compared to net cash generated from financing activities of RUB 22,187 mln in Q4 2017. In FY 2018, net cash used in financing activities was RUB 8,436 mln compared to net cash generated from financing activities of RUB 38,017 mln in 2017.

### Liquidity update

RUB mln	31-Dec-18	% in total	30-Sep-18	% in total	31-Dec-17	% in total
<b>Total debt</b>	<b>207,764</b>		<b>217,184</b>		<b>194,296</b>	
Short-term debt	60,435	29.1	55,987	25.8	58,674	30.2
Long-term debt	147,329	70.9	161,197	74.2	135,622	69.8
<b>Net debt</b>	<b>183,396</b>		<b>201,846</b>		<b>166,691</b>	
<b>Net debt/ EBITDA</b>	<b>1.70</b>		<b>1.99</b>		<b>1.73</b>	

As of 31 December 2018, the Company's total debt amounted to RUB 207,764 mln, and comprised of 29.1% short-term debt and 70.9% long-term debt. The Company's debt is 100% denominated in Russian Roubles.

The Company's net debt/EBITDA ratio was 1.70x as of 31 December 2018.

As of 31 December 2018, the Company had access to RUB 341,502 million in available credit limits with major Russian and international banks.

### Dividends

X5 continues to adhere to its dividend policy and based on the Company's FY 2018 financial results, the Supervisory Board proposes to pay dividends in the amount of RUB 25,000 mln/RUB 92.06 per GDR (gross amount subject to taxes and fees), which represents 87.3% of X5 Retail Group's 2018 net profit.

The proposed dividend will be considered by the AGM on 10 May 2019. The record date for the 2019 dividend payment has been set at 24 May 2019, the ex-dividend date at 23 May 2019. The dividends will be payable within 45 days from the AGM date, or by 22 June 2019.

### Related Party Transactions

For a description of the related party transactions entered into by the Company, please refer to note 8 of the consolidated financial statements.

### Risks and Uncertainties

X5's risk management programme provides executive management with a periodic and in-depth understanding of X5's key business risks and the risk management systems and internal controls in place to mitigate these risks. For a detailed description of key risks that the Company faces, please refer to the 2018 Annual Report. It should be noted that there are additional risks that management believe are immaterial or otherwise common to most companies, or that it is currently unaware of. The Company has assessed the risks for the first half of 2019 and believes that the risks identified are in line with those presented in the 2018 Annual Report. For a description of the financial risks faced by the Company, please refer to note 30 of the audited consolidated financial statements and the Company's 2018 Annual Report.

**Annual Report and Accounts**

The Annual Report and Accounts, including the full set of audited consolidated financial statements and notes thereto, prepared in accordance with International Financial Reporting Standards, as adopted in the European Union, are available on X5's corporate website at:

[https://www.x5.ru/en/PublishingImages/Pages/Investors/ResultCenter/X5\\_Annual\\_Report\\_2018\\_ENG.pdf](https://www.x5.ru/en/PublishingImages/Pages/Investors/ResultCenter/X5_Annual_Report_2018_ENG.pdf)

**Information on Alternative Performance Measures**

For more information on Alternative Performance Measures, which provide readers with a more detailed and accurate understanding of the Company's financial and operating performance, please refer to pages 122-125 of the Annual Report 2018.

**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 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).

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).*

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