



Q2 AND H1 2017 FINANCIAL RESULTS

MOSCOW, RUSSIAN FEDERATION
2 AUGUST 2017

02 / DISCLAIMER



This presentation does not constitute or form part of and should not be construed as an advertisement of securities, an offer or invitation to sell or issue or the solicitation of an offer to buy or acquire or subscribe for securities of X5 Retail Group N.V. or any of its subsidiaries or any depositary receipts representing such securities in any jurisdiction or an invitation or inducement to engage in investment activity in relation thereto. In particular, this presentation does not constitute an advertisement or an offer of securities in the Russian Federation.

No part of this presentation, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever.

No representation, warranty or undertaking, express or implied, is given by or on behalf of X5 Retail Group N.V. or any of its directors, officers, employees, shareholders, affiliates, advisers, representatives or any other person as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein or any other material discussed at the presentation. Neither X5 Retail Group N.V. nor any of its directors, officers, employees, shareholders, affiliates, advisers, representatives or any other person shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this presentation or any other material discussed at the presentation or their contents or otherwise arising in connection with the presentation.

This presentation includes statements that are, or may be deemed to be, "forward- looking statements", with respect to the financial condition, results, operations and businesses of X5 Retail Group N.V. 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, X5 Retail Group N.V.'s actual future results may differ materially from the plans, goals and expectations set out in these forward- looking statements. X5 Retail Group N.V. assumes no responsibility to update any of the forward looking statements contained in this presentation. For Russian law purposes, the securities mentioned in this presentation (the "Securities") represent foreign securities. It is not permitted to place or publicly circulate the Securities on the territory of the Russian Federation at present. No prospectus for the issue of the Securities has been or is intended to be registered with the Federal Service for Financial Markets of the Russian Federation. The information provided in this presentation is not intended to advertise or facilitate the offer of the Securities in the territory of the Russian Federation. This presentation does not represent an offer

the Securities on the territory of the Russian Federation at present. No prospectus for the issue of the Securities has been or is intended to be registered with the Federal Service for Financial Markets of the Russian Federation. The information provided in this presentation is not intended to advertise or facilitate the offer of the Securities in the territory of the Russian Federation. This presentation does not represent an offer to acquire the Securities or an invitation to make offers to acquire the Securities. The information and opinions contained in this document are provided as at the date of this presentation and are subject to change without notice. Some of the information is still in draft form and neither X5 Retail Group N.V. nor any other party is under any duty to update or inform recipients of this presentation of any changes to such information or opinions. In particular, it should be noted that some of the financial information relating to X5 Retail Group N.V. and its subsidiaries contained in this document has not been audited and in some cases is based on management information and estimates.

Neither X5 Retail Group N.V. nor any of its agents, employees or advisors intend or have any duty or obligation to supplement, amend, update or revise any of the statements contained in this presentation.





I. HIGHLIGHTS

04 / STRATEGIC HIGHLIGHTS



- X5 is a true **multi-format** retailer with unique **decentralised model** that allows development autonomy for three banners, with support of Corporate Centre enhancing efficiency and sharing best-practices



- X5 achieved its strategic milestone of **market leadership** in Russian food retail, with **market share increasing to 8.0% in 2016**, up from 6.3% in 2015



- Constant adaptation of **value proposition** to Russian consumers' changing needs and current macro environment



- Significant **improvements in logistics and transport**: adding new links in the value chain, including **import hubs** and **cross-docking stations**, acquisition of **976 trucks** in 2016



- **Seven new DCs** opened in Moscow, St. Petersburg, Adygea, and Orenburg adding 213 th. sq. m. of storage space in 2016
- **Four new DCs** opened in Orel, Yekaterinburg and Perm in 1H 2017



05 / KEY ACHIEVEMENTS IN 12M 2016



- Revenue increased by **27.8%** y-o-y the fastest pace since 2011



- The Company added a record **2,167** new stores in 2016, vs. **1,537** stores in 2015.
- 1,254** stores refurbished



- Adj. EBITDA margin up by **35 b.p.** y-o-y to **7.7%**, X5's highest margin since 2010



- >94%** of Pyaterochka stores and **>52%** of Perekrestok stores operating under new concept



- The lowest level of Net debt / EBITDA in X5's public history at **1.81x** as of 31 December 2016



- Net additional selling space of **968.6 th. sq. m.**, **86%** of which was attributable to **organic growth**



- LFL traffic growth improved to **2.5%** in 2016, up from **2.3%** in 2015
- LFL traffic of Perekrestok was positive for **four quarters** in a row

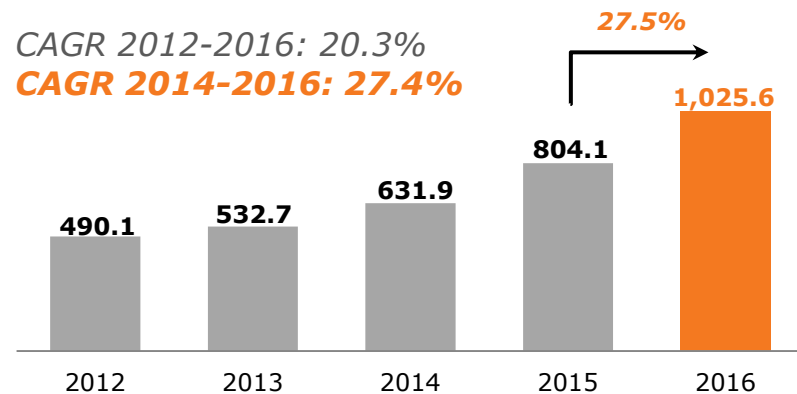


- Pyaterochka added **906.6 th. sq. m.** of net selling space

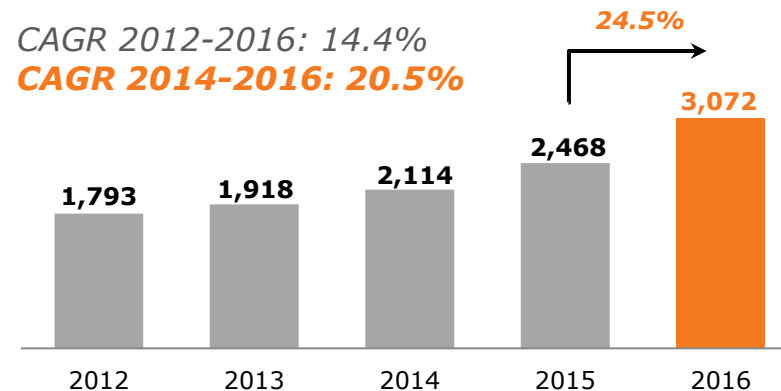


06 OPERATIONAL HIGHLIGHTS

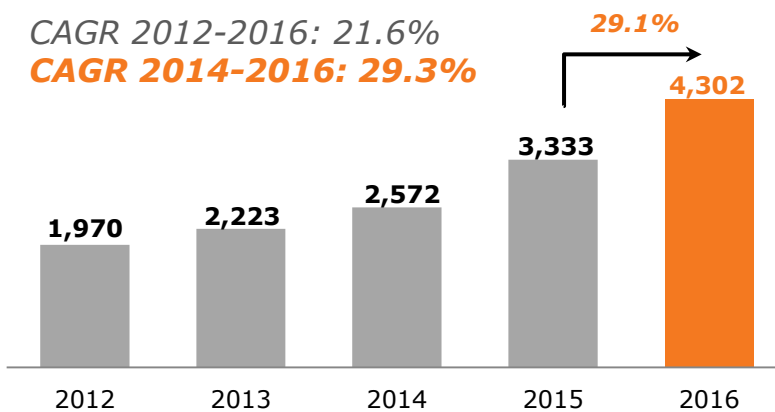
Net retail sales dynamics, Rub bn



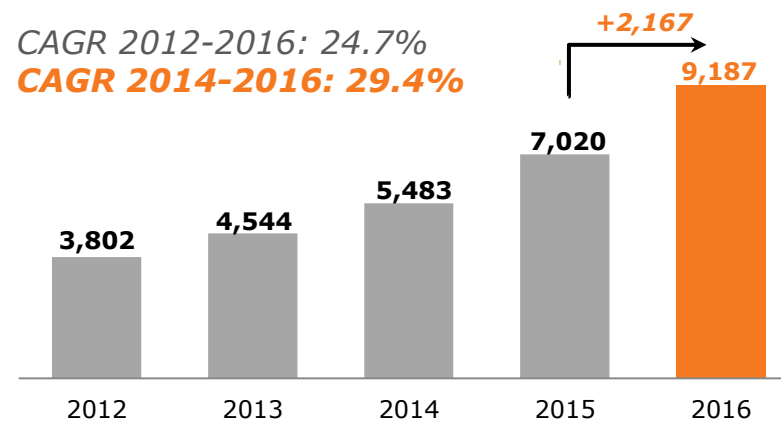
Customer visits, mln



Selling space, th. sq. m.



Number of stores, end of period



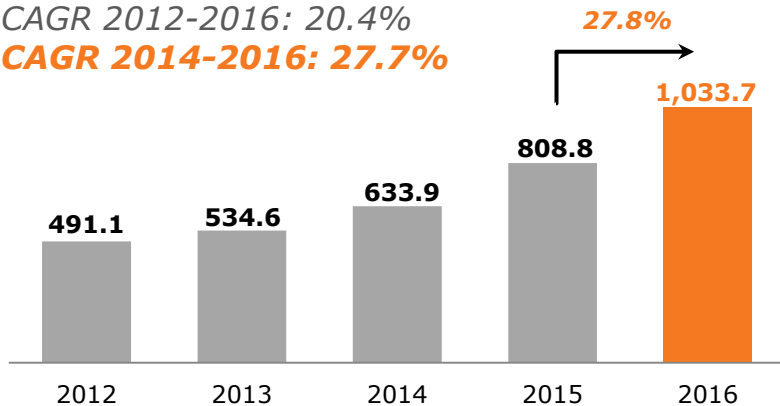
Source: X5 data

07 / FINANCIAL HIGHLIGHTS

Revenue dynamics, Rub bn

CAGR 2012-2016: 20.4%

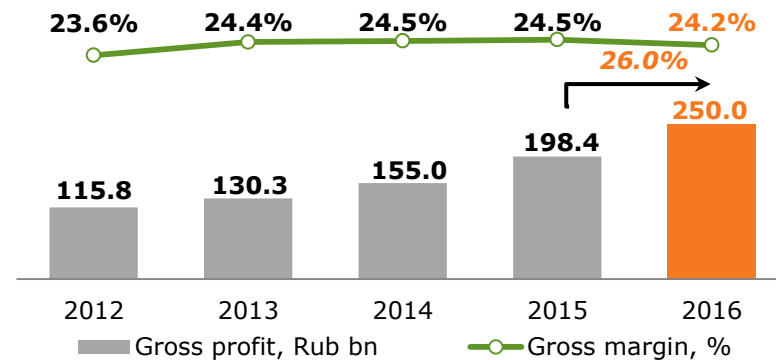
CAGR 2014-2016: 27.7%



Gross profit & gross margin

CAGR 2012-2016: 21.2%

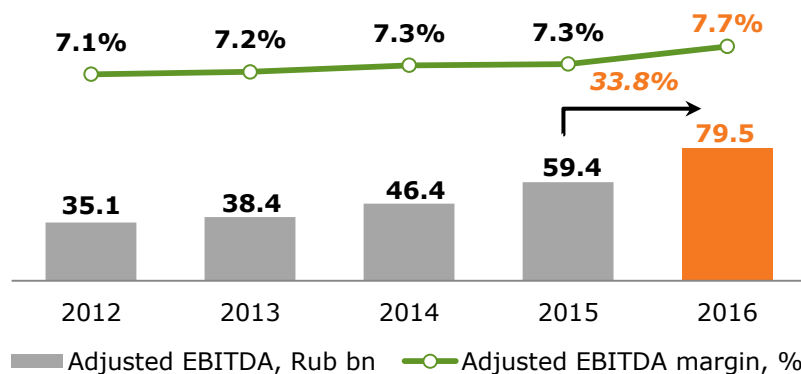
CAGR 2014-2016: 27.0%



Adjusted EBITDA & adjusted EBITDA margin^[1]

CAGR 2012-2016: 22.7%

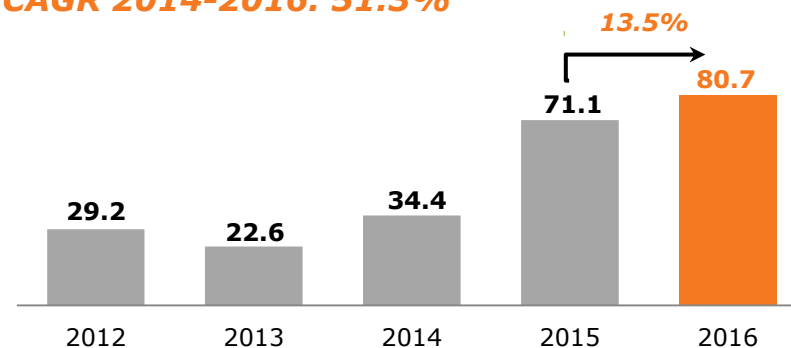
CAGR 2014-2016: 30.9%



Capex dynamics, Rub bn

CAGR 2012-2016: 28.1%

CAGR 2014-2016: 51.3%



[1] – Adjusted for LTI, exit share-based payments and other one-off remuneration payments

Source: X5 data

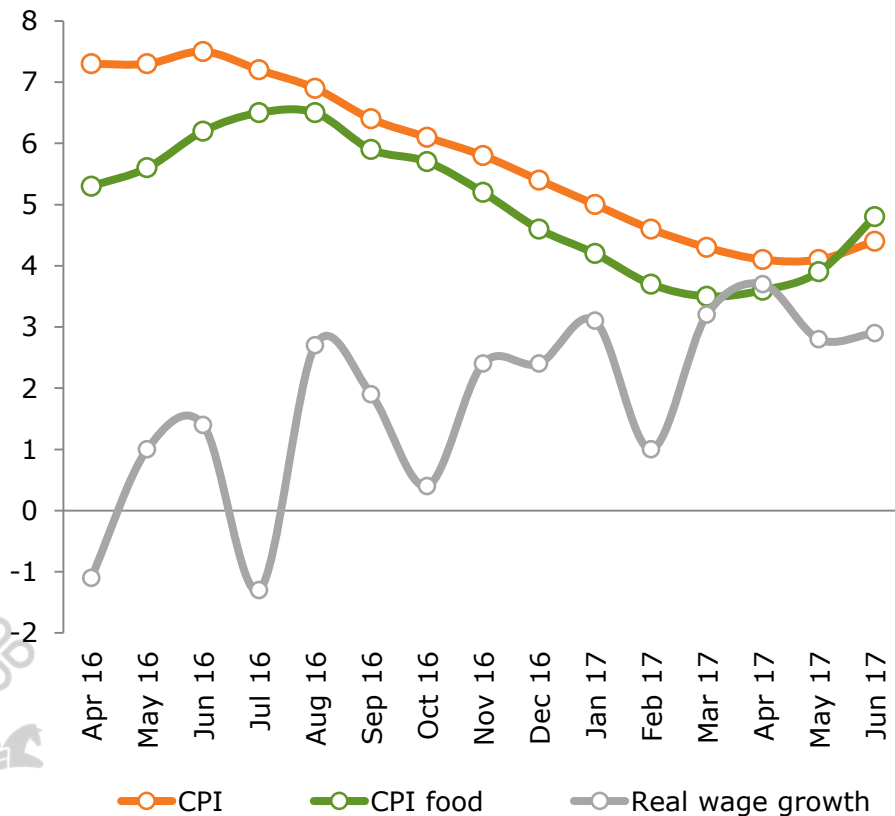




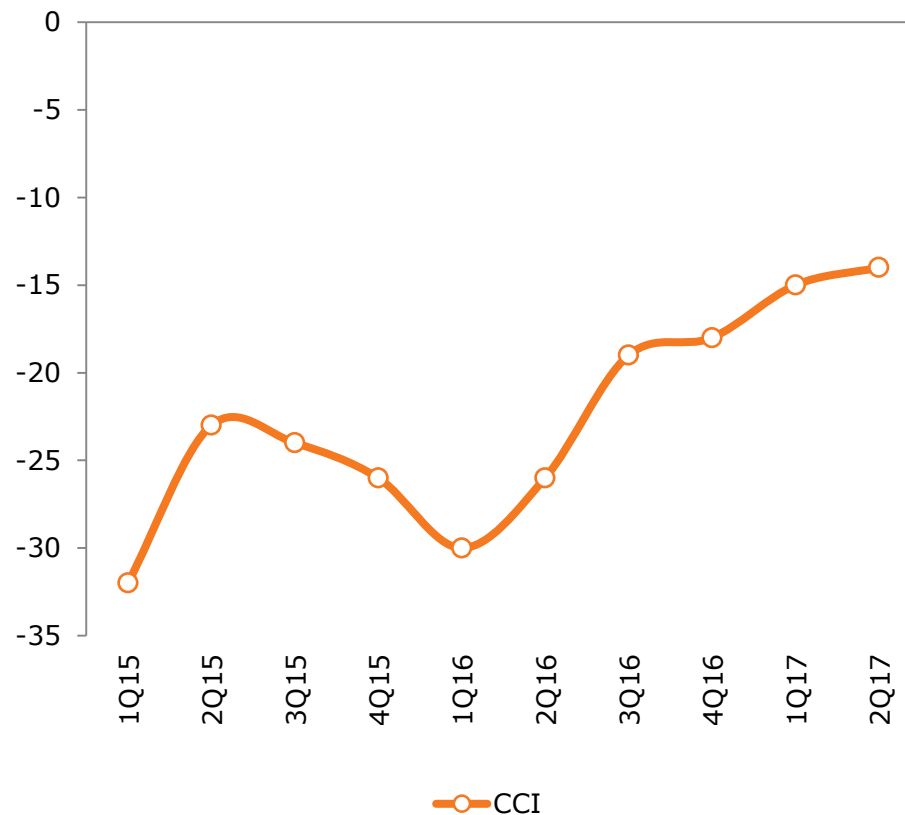
III. MARKET OVERVIEW

09 WEAK CONSUMER & MACRO ENVIRONMENT

Inflation and real wage growth



Consumer confidence index



Source: Rosstat

Although the majority of macroeconomic indicators confirm a trend towards gradual economic recovery, market environment still remains challenging because of some negative temporary factors

10 RECENT MARKET TRENDS...

KEY TRENDS

DESCRIPTION

CONCLUSIONS

Changing demographics

- Growth of 60+ age population by 2-3% p.a. vs. reduction of 20-29 year group by 6% p.a.

- Growth of price-sensitive consumer segment
- Growth of proximity format popularity

Declining population income

- Increased price sensitivity and rational spending
- Growth of "cherry pickers"

- Growth in attractiveness of proximity/discounters
- Increased pressure on margins (need for opex reduction)

Growing competition

- Retail space saturation
- "Value" format development (e.g., hard discounters, dollar stores)

- Increasing pressure on LFL
- Increased pressure on margins (need for opex reduction)

Spread of new technologies

- Growth of online shopping and price transparency
- Increase in Big Data analytics

- Opportunity to improve competitiveness through service and personalisation

Tightening market regulation

- Retail trade legislation (back margin constraints)
- EGAIS and other control systems
- International sanctions

- Additional costs due to new regulation
- Growing margin pressures
- Product shortages and price inflation



11 / ...AND X5'S RESPONSE

KEY TRENDS

X5 RESPONSE

Changing demographics

- Continued expansion of proximity segment (>75% of X5 revenues)
- 5-10% discounts for pensioners from 9:00 until 13:00
- Focus on mothers with children

Declining population income

- Constant adaptation of value proposition to customers' needs
- Best-in-class "promo engine"

Growing competition

- Strong regional expansion with effective value proposition for small cities and towns
- Development and rollout of new regional supermarket concept
- Effective GIS system to help find optimal locations

Spread of new technologies

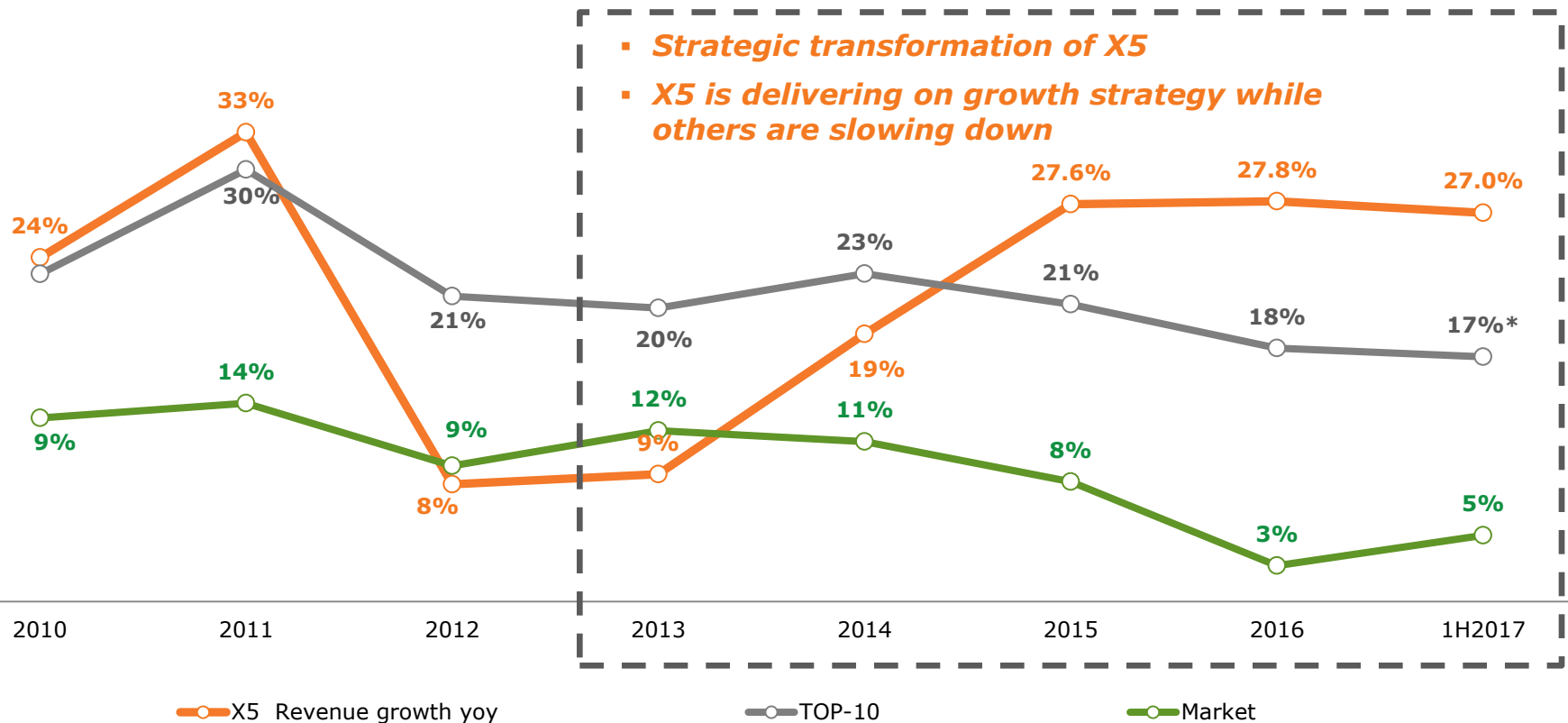
- Online retail initiative within the supermarket segment
- Successful development of loyalty programme and personalised promo in Perekrestok
- Further implementation of advanced analytics

Tightening market regulation

- Self-regulation approach
- Switch to net-net pricing
- Strategic partnerships with suppliers



12 X5 VS. RUSSIAN FOOD RETAIL IN TOP-LINE GROWTH



Source: Infoline, X5 analysis











* X5 estimate

Starting from 2013, X5 has constantly accelerated its growth rates



13 / RETAIL MARKET SNAPSHOT

Top 10 Russian Food retailers

#	Company name	% in total market 2015	% in total market 2016
1	 X5	6.3%	8.0%
2	 Magnit	6.8%	7.4%
3	 Auchan	2.8%	2.9%
4	 Dixy	2.2%	2.4%
5	 Lenta	1.8%	2.1%
6	 Metro	1.6%	1.6%
7	 SPS Holding	0.7%	1.2%
8	 O'Key	1.2%	1.2%
9	 Monetka	0.6%	0.6%
10	 Globus	0.5%	0.6%
	Total	24.5%	28.0%

Source: InfoLine

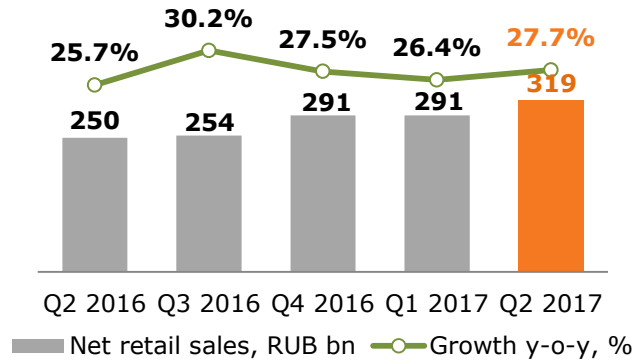
X5's market share increased from 6.3% in 2015 to 8.0% in 2016



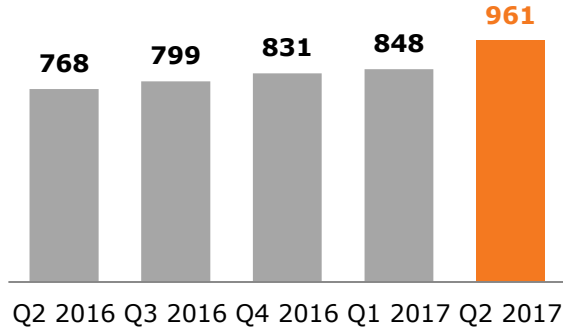
**IV. OPERATIONAL RESULTS
Q2 2017**

15 / Q2 2017 RESULTS: OPERATIONAL HIGHLIGHTS

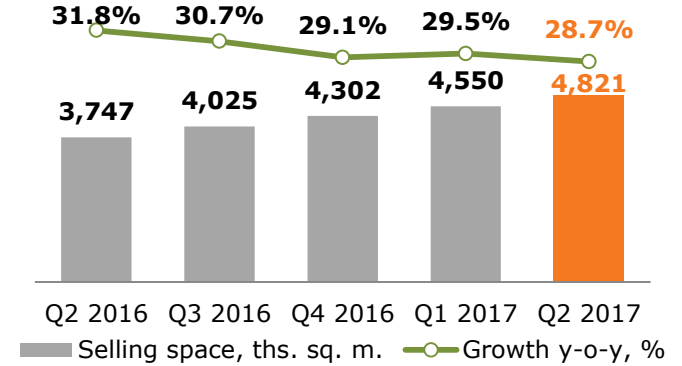
Net retail sales



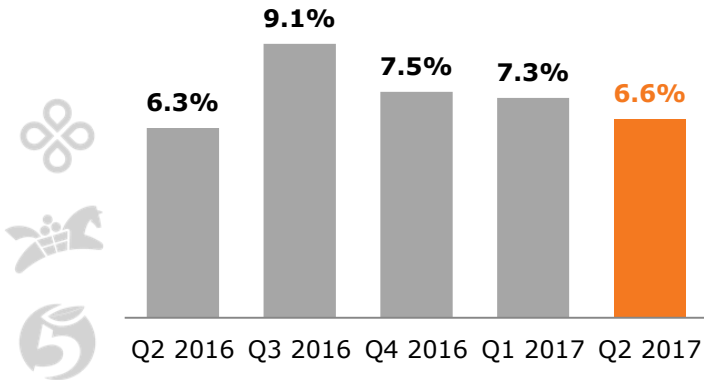
Traffic, mln customers



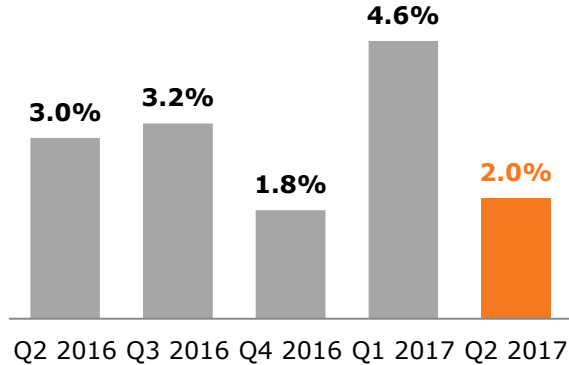
Net selling space (eop), th. sq. m



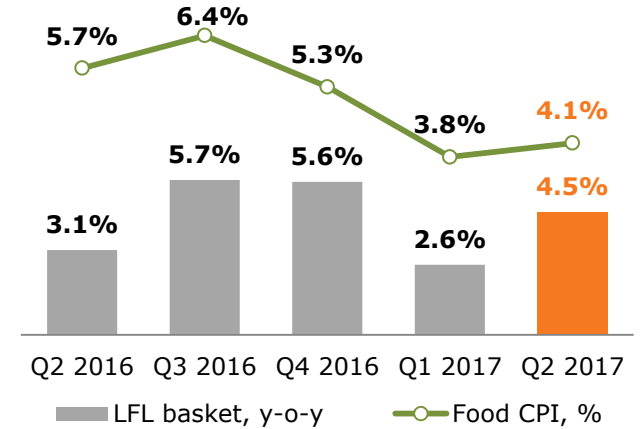
LFL sales, y-o-y



LFL traffic, y-o-y



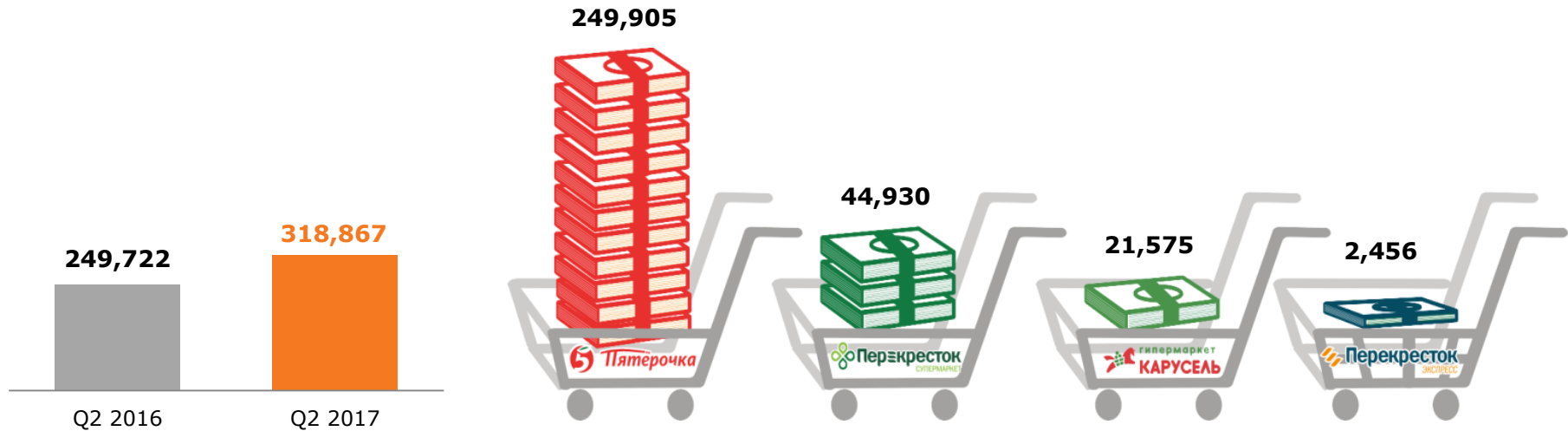
LFL basket, y-o-y



Source: X5 data

16 / Q2 2017 RESULTS: NET RETAIL SALES SUMMARY

Net retail sales breakdown by retail format, RUB mln



Source: X5 data

KEY DRIVERS

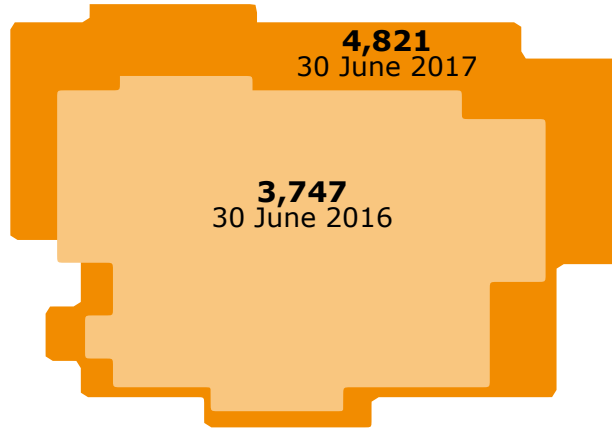
- Pyaterochka, which continues to meet customers' needs in a challenging macro environment, was the key driver for X5's growth thanks to:
 - Value proposition that is one of the best-adapted to Russian consumers' needs
 - Ambitious expansion programme

Net retail sales growth of 27.7% was driven by a 6.6% increase in like-for-like (LFL) sales and a 21.1% sales growth contribution from a 28.7% rise in selling space

17 / Q2 2017 RESULTS: EXPANSION SUMMARY

- Total store base increased to 10,506 stores as of 30 June 2017
- Continued investments into existing stores, with 90 refurbishments in Q2 2017
- Pyaterochka was the main driver for the store base increase. In Q2 2017, net added space increased by 11.8% y-o-y

Net selling space, th. sq. m.

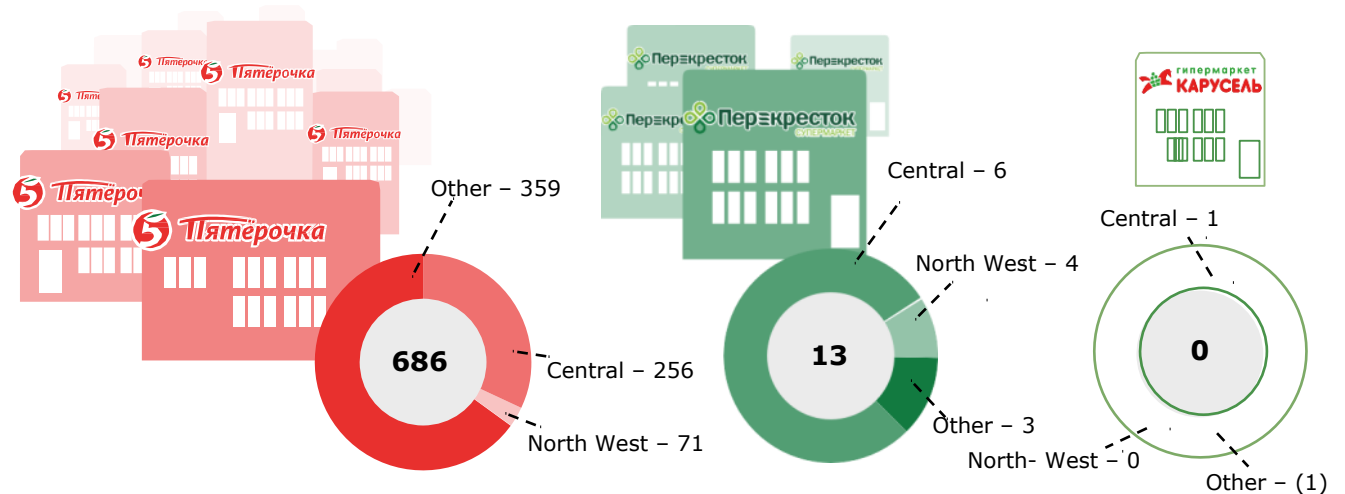
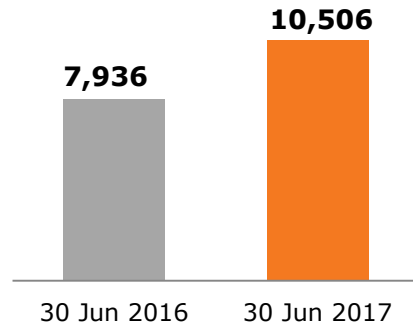


Net selling space added in Q2 2017, th. sq. m.



Net stores added in Q2 2017 by formats and by regions

Net stores base



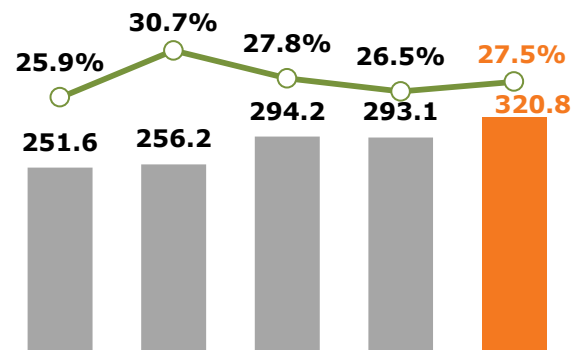
Source: X5 data



**V. FINANCIAL RESULTS
Q2 2017**

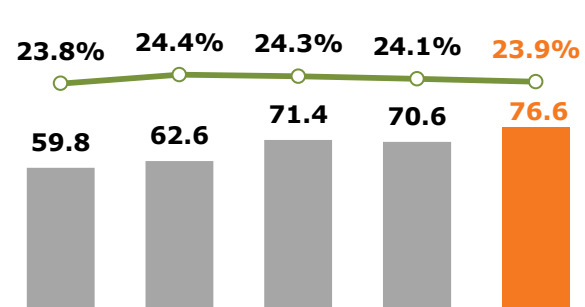
19 Q2 2017 RESULTS: FINANCIAL HIGHLIGHTS

Revenue



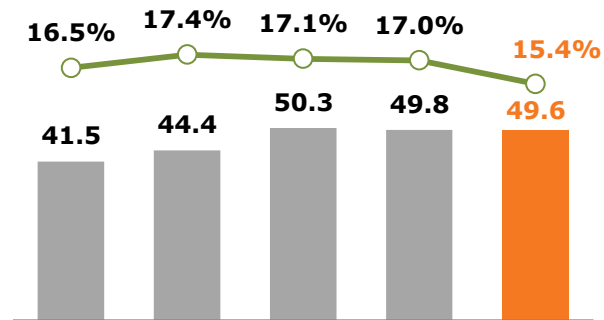
Q2 2016 Q3 2016 Q4 2016 Q1 2017 Q2 2017
 ■ Revenue, RUB bn ● Growth y-o-y, %

Gross profit & gross margin



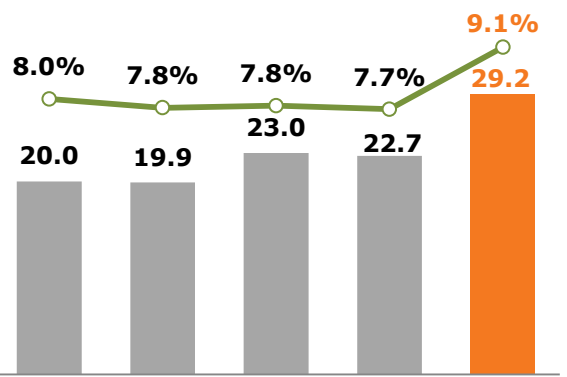
Q2 2016 Q3 2016 Q4 2016 Q1 2017 Q2 2017
 ■ Gross profit, RUB bn ● Margin, %

SG&A (excl. D&A<I), Rub bn ^[1]



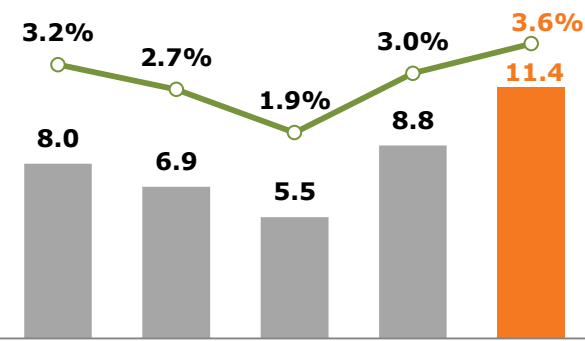
Q2 2016 Q3 2016 Q4 2016 Q1 2017 Q2 2017
 ■ SG&A (excl. D&A&I), RUB bn ● as % of revenue

EBITDA & EBITDA margin ^[1]



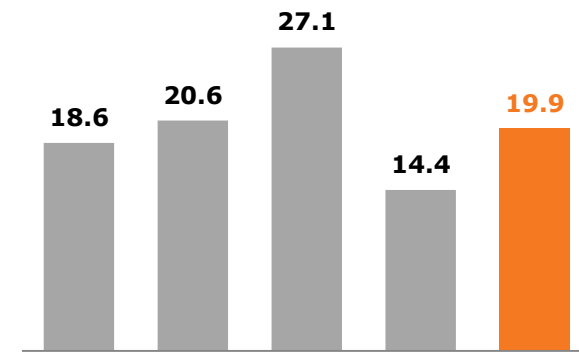
Q2 2016 Q3 2016 Q4 2016 Q1 2017 Q2 2017
 ■ EBITDA, RUB bn ● EBITDA margin, %

Net profit & net profit margin ^[1]



Q2 2016 Q3 2016 Q4 2016 Q1 2017 Q2 2017
 ■ Net profit, RUB bn ● Net profit margin, %

Capital expenditures, Rub bn



Q2 2016 Q3 2016 Q4 2016 Q1 2017 Q2 2017

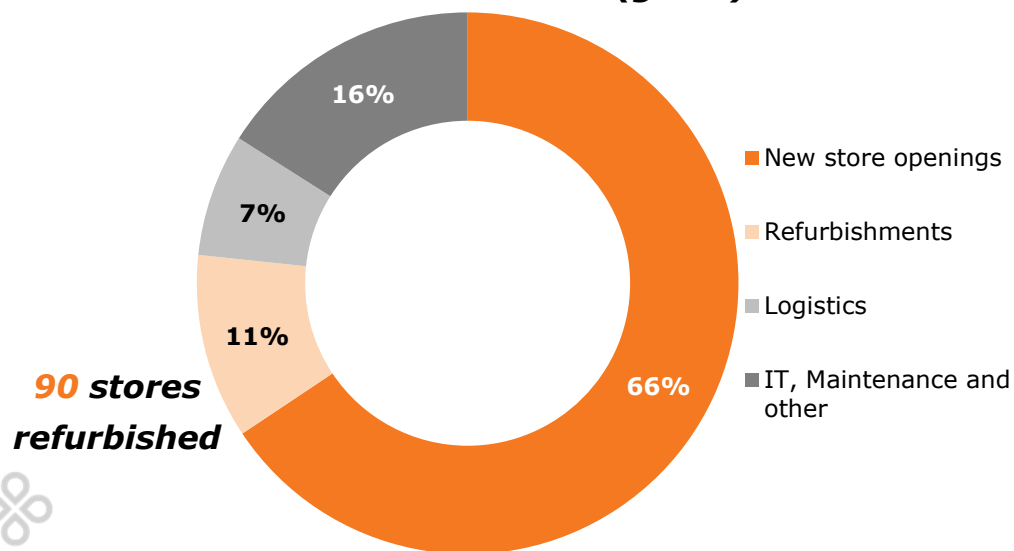
[1] – Adjusted for LTI, exit payments and share-based payments and other one-off remuneration payments

Source: X5 data

20/ Q2 2017 RESULTS: CAPITAL EXPENDITURE OVERVIEW

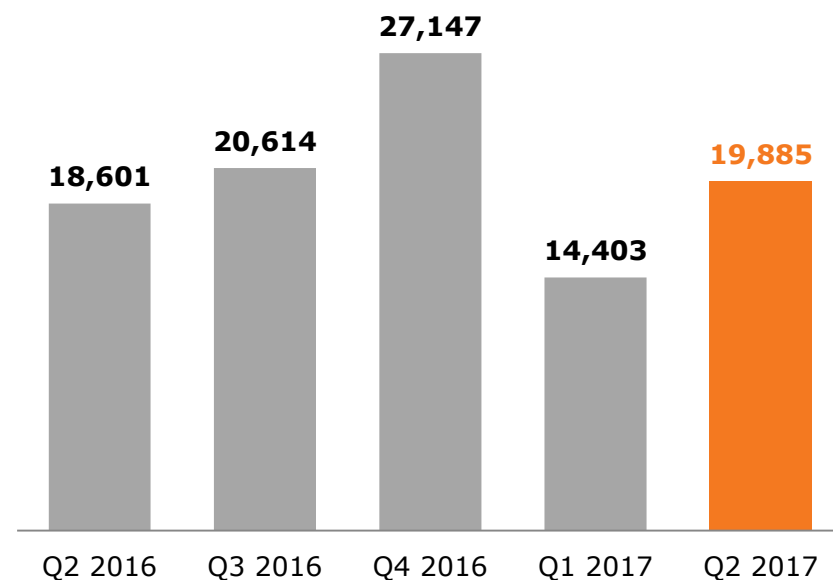
Capex breakdown for Q2 2017

742 stores opened (gross)



Capex breakdown by quarter, RUB mln

Total Capex in Q2 2017: **19,885 RUB mln**



Source: X5 data

In Q2 2017, capex programme focused on organic expansion, investments in store refurbishments and logistics

21 / Q2 2017 RESULTS: DEBT STRUCTURE

Debt profile

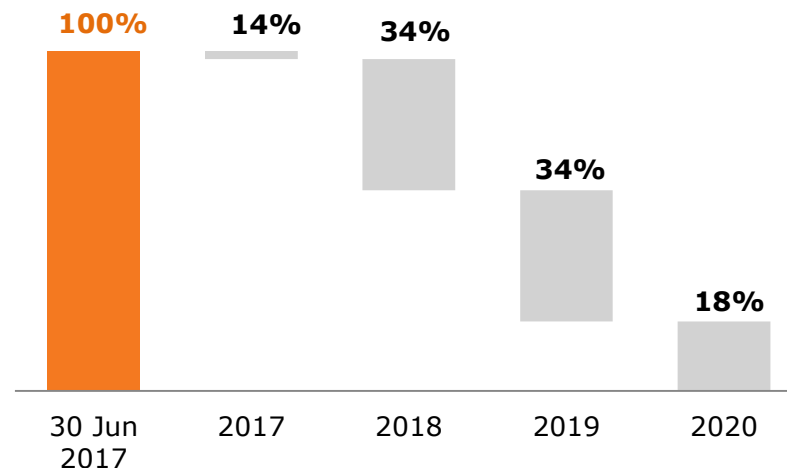
Rub mln	30 Jun 2017	30 Jun 2016
Total Debt	170,635	156,000
Short-Term Debt	46,389	43,063
<i>% of total debt</i>	<i>27,2%</i>	<i>27,6%</i>
Long-Term Debt	124,246	112,937
<i>% of total debt</i>	<i>72,8%</i>	<i>72,4%</i>
Net Debt	163,856	150,569

Covenants & liquidity update

Covenant metrics & liquidity sources	30 Jun 2017	30 Jun 2016
Net Debt / EBITDA	1.83x	2.34x
Cash & cash equiv., Rub mln	6,779	5,431
Available credit limits, Rub mln	298,696	156,475



Debt portfolio maturity



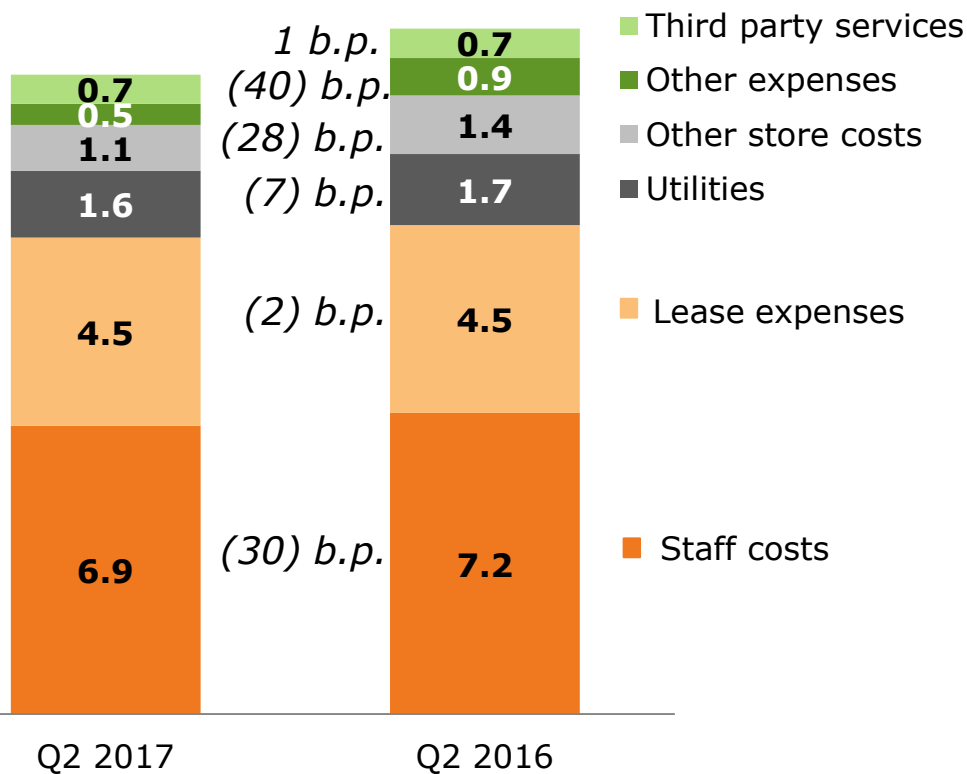
Highlights

- X5's debt portfolio is 100% RUB-denominated
- All of the X5's loans and bonds have fixed interest rates
- X5's available credit limits increased by 1,9 times to RUB 298,7 bn
- The weighted average effective interest rate on X5's debt during H1 2017 decreased by 182 b.p. to 9,85% from 11,67% in H1 2016.
- Net debt/EBITDA ratio decreased to 1.83x as of 30 June 2017, from 2.34x as of 30 June 2016

22 / Q2 2017 RESULTS: ADJUSTED SG&A [1] EXPENSES ANALYSIS

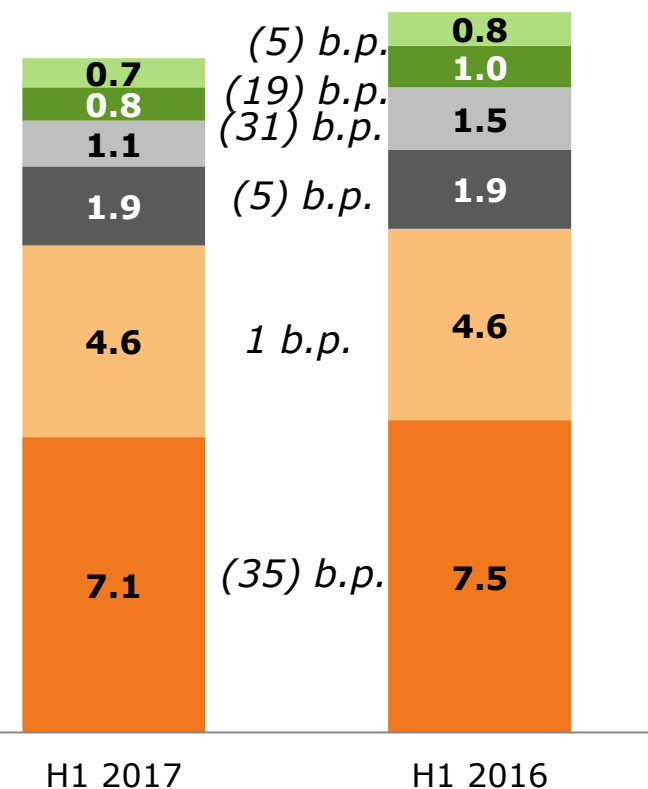
Q2 2017 analysis as percent of revenue

15.4% (104) b.p. **16.5%**



H1 2017 analysis as percent of revenue

16.2% (95) b.p. **17.1%**



23 / FINANCIAL STATEMENTS (1/3)

PROFIT AND LOSS STATEMENT

RUB mln	Q2 2017	Q2 2016	+ / (-)	+ / (-), %	H1 2017	H1 2016	+ / (-)	+ / (-), %
Revenue	320,801	251,633	69,168	27,5	613,879	483,244	130,635	27,0
Net retail sales	318,867	249,722	69,145	27,7	610,351	480,323	130,028	27,1
COGS	(244,180)	(191,826)	(52,354)	27,3	(466,646)	(367,246)	(99,400)	27,1
Gross profit	76,621	59,807	16,814	28,1	147,233	115,998	31,235	26,9
<i>Gross profit margin</i>	<i>23.9</i>	<i>23.8</i>		<i>12 b.p.</i>	<i>24.0</i>	<i>24.0</i>		<i>(2) b.p.</i>
SG&A	(60,684)	(47,084)	(13,600)	28,9	(118,685)	(93,480)	25,205	27,0%
EBITDA	27,833	20,005	7,828	39,1	50,000	36,498	13,502	37,0
<i>EBITDA margin</i>	<i>8,7</i>	<i>8,0</i>		<i>73 b.p.</i>	<i>8,1</i>	<i>7,6</i>		<i>59 b.p.</i>
Operating profit	18,039	14,458	3,581	24,8	32,498	25,864	6,634	25,6
<i>Operating margin</i>	<i>5,6</i>	<i>5,7</i>		<i>(12) b.p.</i>	<i>5,3</i>	<i>5,4</i>		<i>(6) b.p.</i>
Net profit	10,343	7,950	2,393	30,1	18,698	13,004	5,694	43,8
<i>Net profit margin</i>	<i>3,2</i>	<i>3,2</i>		<i>6 b.p.</i>	<i>3,0</i>	<i>2,7</i>		<i>35 b.p.</i>

Source: X5 data

24 / FINANCIAL STATEMENTS (2/3)

BALANCE SHEET

RUB mln	30 Jun 2017	30 Jun 2016	+/(-)	+/(-)%
Total current assets	114,153	101,986	12,167	11,9
Cash & cash equivalents	6,779	5,431	1,348	24,8
Inventories	82,767	62,970	19,797	31,4
Total non-current assets	360,137	315,098	45,039	14,3
Net PP&E	246,994	208,199	38,795	18,6
Goodwill	81,207	77,800	3,407	4,4
Total assets	474,290	417,084	57,206	13,7
Total current liabilities	198,110	180,044	18,066	10,0
ST debt	46,389	43,063	3,326	7,7
Trade accounts payable	99,257	99,185	72,000	0,1
Total non-current liabilities	130,476	119,305	11,171	9,4
LT debt	124,246	112,937	11,309	10,0
Total liabilities	328,586	299,349	29,237	9,8
Total equity	145,704	117,735	27,969	23,8
Total liabilities & equity	474,290	417,084	57,206	13,7

Source: X5 data

25 / FINANCIAL STATEMENTS (3/3)

CASH FLOW

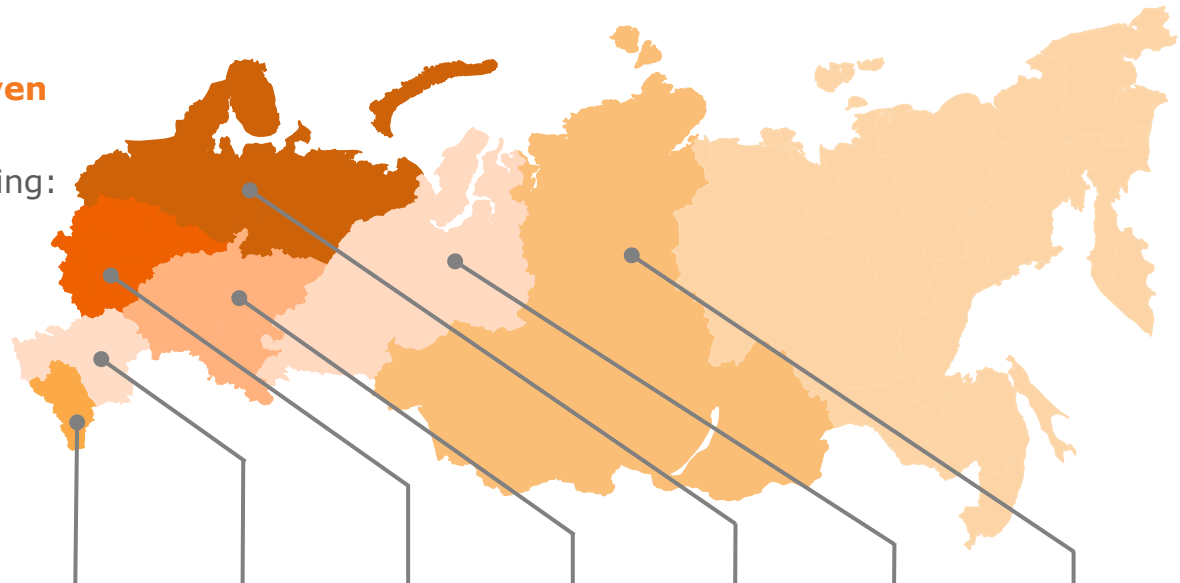
RUB mln	Q2 2017	Q2 2016	+/(-)	+/(-)%	H1 2017	H1 2016	+/(-)	+/(-)%
Net cash generated from operating activities	11,323	12,555	(1,232)	(9,8)	10,905	18,281	(7,376)	(40,3)
Net cash from operating activities before changes in working capital	27,994	20,122	7,872	39,1	50,281	36,810	13,471	36,6
Change in Working Capital, incl.:	(11,873)	(2,914)	(8,959)	307,4	(25,787)	(9,221)	(16,566)	179,7
Decrease/(increase) in trade and other AR	(2,354)	2,575	(4,929)	n/a	13,224	6,499	6,725	103,5
Decrease/(increase) in inventories	(889)	(50)	(839)	1678,0	(8,966)	(5,083)	(3,883)	76,4
(Increase)/decrease in trade payable	(6,614)	(2,930)	(3,684)	125,7	(31,884)	(4,559)	(27,325)	599,4
(Decrease)/increase in other AP	(2,016)	(2,509)	493	(19,6)	1,839	(6,078)	7,917	n/a
Net interest and income tax paid	(4,798)	(4,653)	(145)	3,1	(13,589)	(9,308)	(4,281)	46,0
Net cash used in investing activities	(19,138)	(18,596)	(542)	2,9	(36,775)	(33,531)	(3,244)	9,7
Net cash generated from/(used in) financing activities	8,372	6,979	1,393	20,0	14,455	11,728	2,727	23,3
Effect of exchange rate changes on cash & cash equiv.	(10)	(6)	(4)	66,7	4	(5)	9	(180,0)
Net increase/(decrease) in cash & cash equiv.	547	932	(385)	(41,3)	(11,411)	(3,527)	(7,884)	223,5





Source: X5 data

26 X5 REGIONAL PRESENCE

X5 today

- Multi-format presence in **seven** Federal Districts
- Total stores – 10,506, including:
 - 9,688 Pyaterochka
 - 557 Perekrestok
 - 90 Karusel
 - 171 Express stores



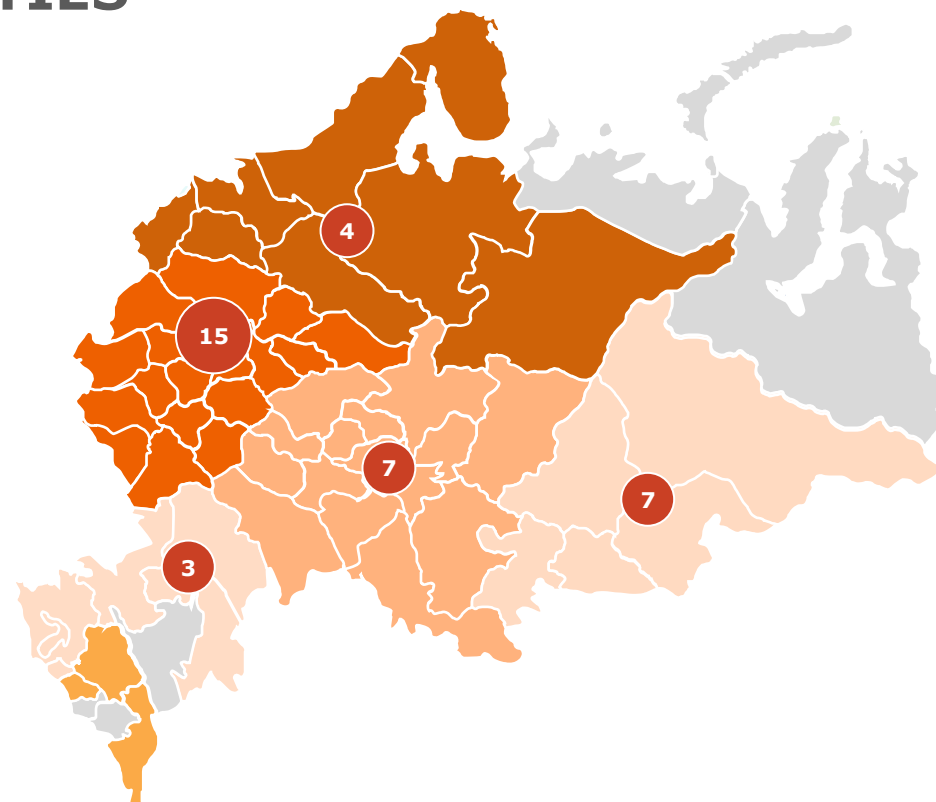
Format	Unit	North Caucasus	Southern	Central	Volga	North Western	Ural	Siberian	Total
 Пятёрочка		152	681	4,016	2,717	1,166	841	115	9,688
 Перекресток	Number of stores, #	8	26	345	94	56	28	0	557
 гипермаркет КАРУСЕЛЬ		1	5	36	23	17	8	0	90
 X5 RETAIL GROUP	Net retail sales (H1 2017), %	0.8%	4.3%	55.6%	18.2%	14.6%	6.1%	0.4%	100%

Source: X5 data

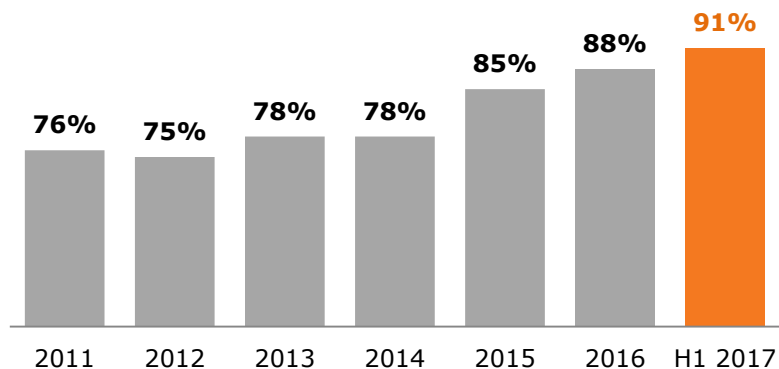
27 X5 DISTRIBUTION CAPABILITIES

Warehouse space as of 30 June 2017

Federal district	Space, th. sq. m.	# of DCs
Central	499	15
North-Western	123	4
Volga	143	7
Ural	149	7
Southern	77	3
Total	991	36



Centralisation levels



Source: X5 data

Highlights for Q2 2017

- In Q2 2017, X5 opened two new distribution centres (DC) in Yekaterinburg (36 th. sq. m.) and Perm (24 th. sq. m.) to serve the Pyaterochka format.
- X5 closed one DC in Perm that served the Pyaterochka format and did not meet the Company's efficiency criteria. One DC in St Petersburg that served the Pyaterochka format was converted into an import hub.





APPENDICIES

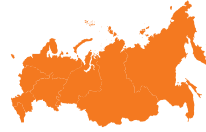
I. PERFORMANCE SUMMARY OF KEY FORMATS

29 / PYATEROCHKA SUMMARY (1/3)

HIGHLIGHTS



9,688 stores as of
30 June 2017,
35.2% increase y-o-y



3,844 th. sq. m. of selling space
as of 30 June 2017,
36.1% increase y-o-y



**Q2 2017 net retail sales –
RUB 249.9 bn,**
31.9% increase y-o-y



817 mln of customers for Q2 2017,
28.7% increase y-o-y



Share of X5's Q2 2017 sales:
~78%



Q2 2017 LFL Results

- Sales: **6.0%**
- Traffic: **2.0%**
- Basket: **3.9%**



Average check:
RUB 350 (Q2 2017),
2.4% increase y-o-y



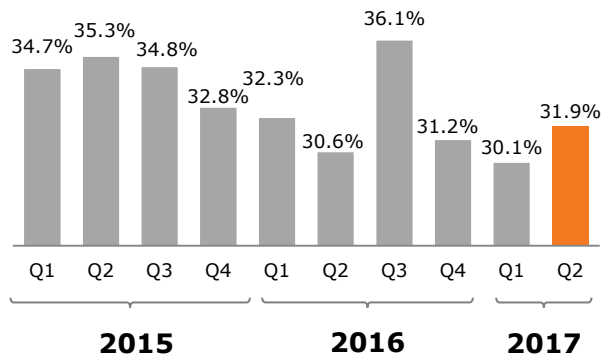
- Avg. net selling space: **397 sq. m.**
- **Formats**
 - 250-330 sq. m.
 - 330-430 sq. m.
 - 430-620 sq. m.
 - 620-and more

30 PYATEROCHKA SUMMARY (2/3)

BUILDING ON A SUCCESSFUL TRACK RECORD

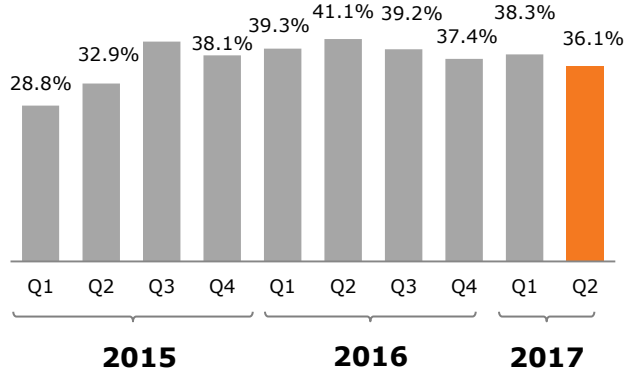
**Q2 2017 net retail sales growth:
31.9% increase y-o-y**

Net Sales Growth (% y-o-y)



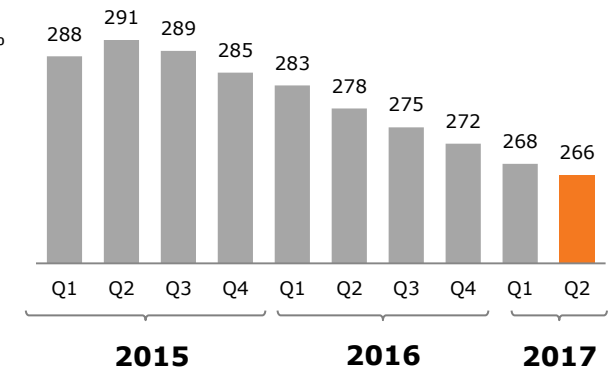
**Q2 2017 selling space growth:
36.1% increase y-o-y**

Net Selling Space Growth (% y-o-y)



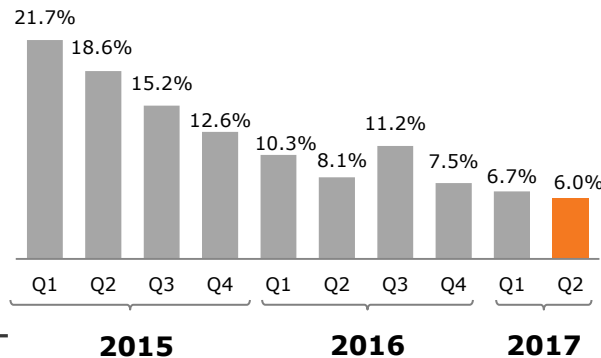
**Q2 2017 sales densities:
4.4% decline y-o-y**

Sales Densities Net (th. RUB/sq.m. [1])



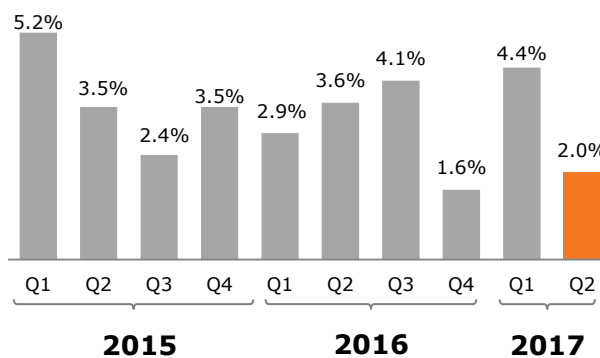
**Q2 2017 LFL sales growth:
6.0% increase y-o-y**

Total LFL Sales Growth (% y-o-y)



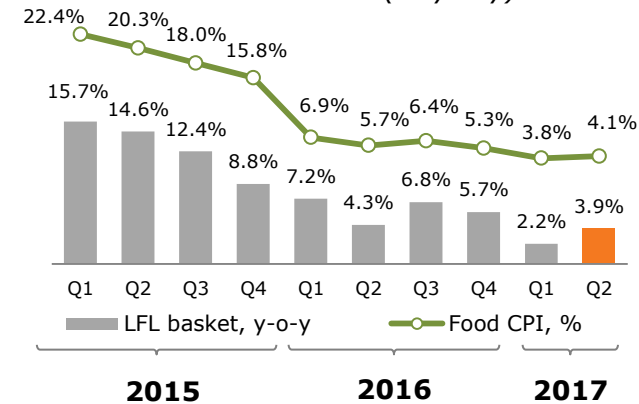
**Q2 2017 LFL traffic growth:
2.0% increase y-o-y**

Total LFL Traffic Growth (% y-o-y)



**Q2 2017 LFL basket growth:
3.9% increase y-o-y**

Total LFL Basket Growth (% y-o-y)



[1] – Total net sales from trailing four quarters divided by average selling space of trailing four quarters

31 / PYATEROCHKA SUMMARY (3/3)

STRATEGY OVERVIEW

- **Maximise the share of customers, and maximise share of these customers' wallet:**
 - Continue applying the current **value proposition**, enhancing it through implementation of new initiatives
 - Support rapid, **sustainable growth** with development in **new regions** (Siberia)
 - Further **adaptation of assortment**, introducing new categories, entry-price PLUs
 - Implement a **loyalty programme** and launch customised promotions
 - Further **improve NPS**
- **Improve efficiency and reduce costs:**
 - Grow the share of **private label** to >20% during the next 3-5 years
 - Increase the share of **direct import**
 - **Lean and agile** approach
 - **Further** improvements in opex and purchasing terms

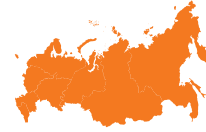


32 / PEREKRESTOK SUMMARY (1/3)

RUSSIA'S #1 SUPERMARKET



557 stores as of
30 June 2017,
13.0% increase y-o-y



565 th. sq. m. of selling space
as of 30 June 2017,
12.6% increase y-o-y



**Q2 2017 net retail sales of
RUB 44.9 bn,**
20.4% increase y-o-y



99.8 mln customers for Q2 2017,
14.3% increase y-o-y



Share of X5's Q2 2017 sales:
~14%



Q2 2017 LFL Results

- Sales: **11.1%**
- Traffic: **5.7%**
- Basket: **5.2%**



Average ticket:
RUB 513 (Q2 2017)
5.4% increase y-o-y



Avg. net selling space:
1,014 sq. m.

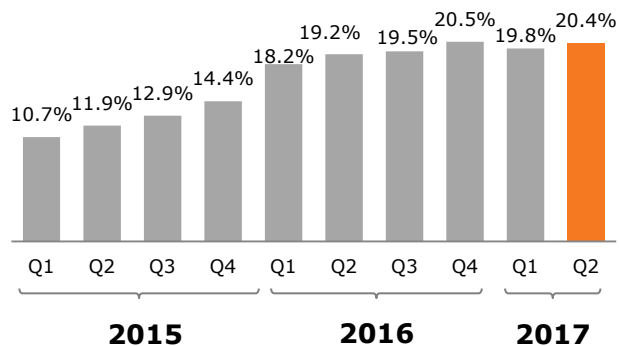


33 PEREKRESTOK SUMMARY (2/3)

IMPROVING OPERATIONS: GROWING LFL AND SELLING SPACE

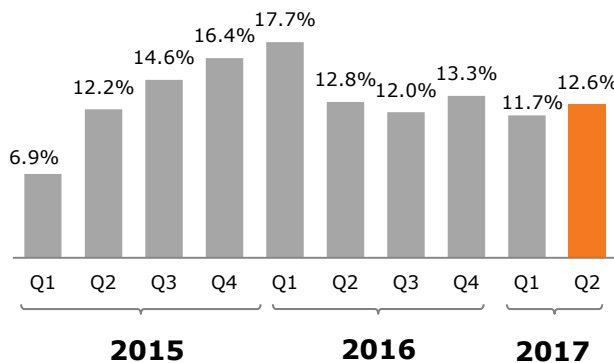
Q2 2017 net retail sales growth:
20.4% increase y-o-y

Net Sales Growth (% y-o-y)



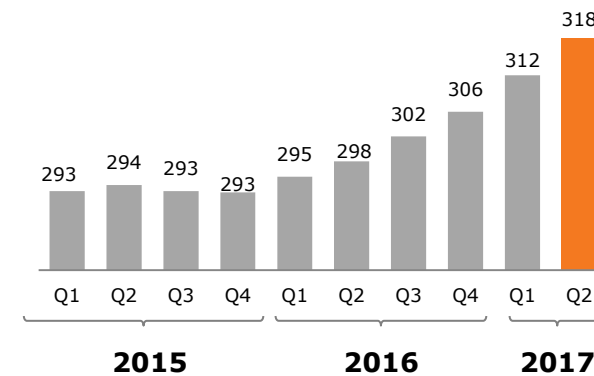
Q2 2017 selling space growth:
12.6% increase y-o-y

Net Selling Space Growth (% y-o-y)



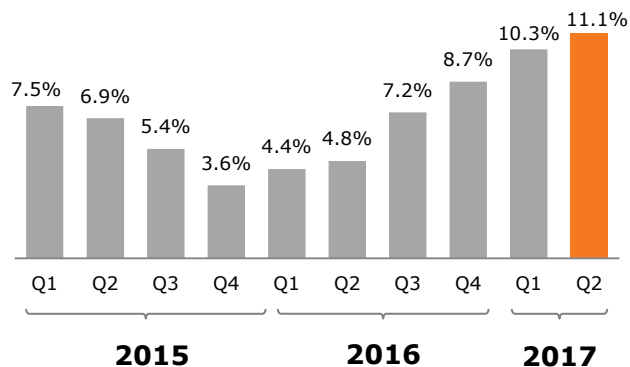
Q2 2017 sales densities:
6.8% increase y-o-y

Sales Densities Net (th. RUB/sq.m. [1])



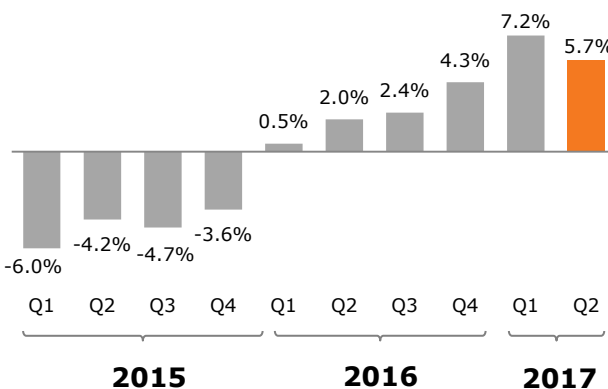
Q2 2017 LFL sales growth:
11.1% increase y-o-y

Total LFL Sales Growth (% y-o-y)



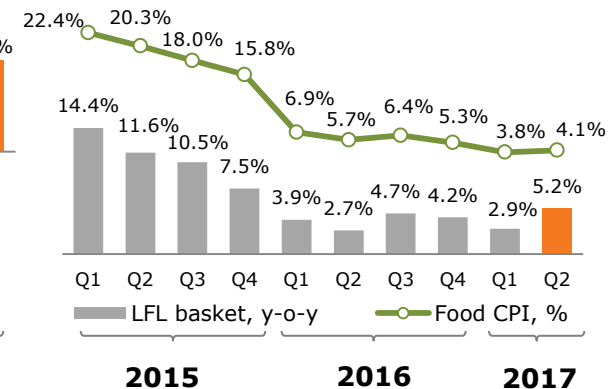
Q2 2017 LFL traffic growth:
5.7% increase y-o-y

Total LFL Traffic Growth (% y-o-y)



Q2 2017 LFL basket growth:
5.2% increase y-o-y

Total LFL Basket Growth (% y-o-y)



[1] – Total net sales from trailing four quarters divided by average selling space of trailing four quarters

34 / PEREKRESTOK SUMMARY (3/3)

STRATEGY OVERVIEW

- **Fine-tuning value proposition and adapting to customer needs:**
 - Maintaining the pace of **organic growth** and **refurbishments**
 - Roll out the **regional model** to support the future growth
 - Further **adaptation of assortment** to meet customer needs
 - **Increase loyalty card** penetration, and implement **personalised promotions**
 - Develop **online supermarket**
 - **Improve NPS**
- **Improve efficiency and reduce costs:**
 - Increase the share of **private labels**
 - Increase the share of **direct import**
 - **Further improve logistics** (forecasting, stock replenishment system)
 - **Further** improvements in opex and purchasing terms

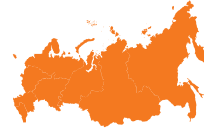


35 / KARUSEL SUMMARY (1/3)

HIGHLIGHTS



90 stores as of
30 June 2017:
1.1% increase y-o-y



380 th. sq. m. of selling space
as of 30 June 2017,
down 1.2% y-o-y



Q2 2017 net retail sales:
RUB 21.6 bn,
7.2% increase y-o-y



33.4 mln customers in Q2 2017,
down 2.3% y-o-y



Share of X5's Q2 2017 sales:
~7%



Q2 2017 LFL Results

- Sales: **6.3%**
- Traffic: **(2.3%)**
- Basket: **8.8%**



Average ticket:
RUB 737 (Q2 2017)
9.7% increase y-o-y



Avg. net selling space:
4,219 sq. m.

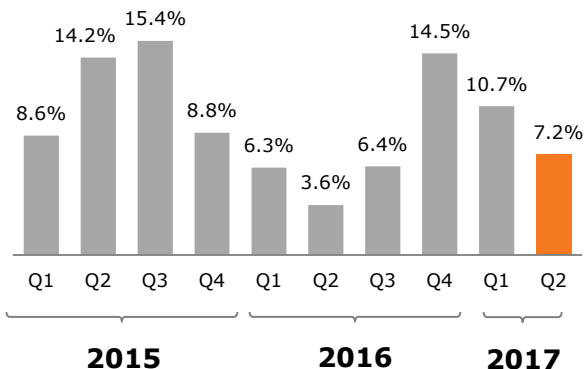


36 / KARUSEL SUMMARY (2/3)

THE RIGHT TIME FOR RELAUNCH

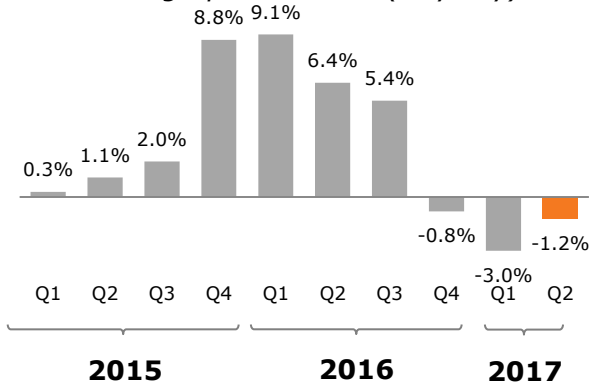
Q2 2017 net retail sales growth: 7.2% increase y-o-y

Net Sales Growth (% y-o-y)



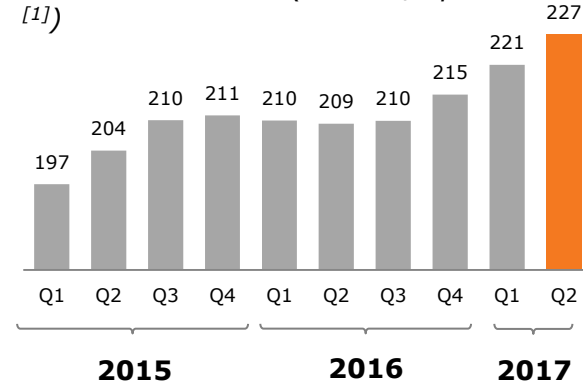
Q2 2017 selling space growth: 1.2% decline y-o-y

Net Selling Space Growth (% y-o-y)



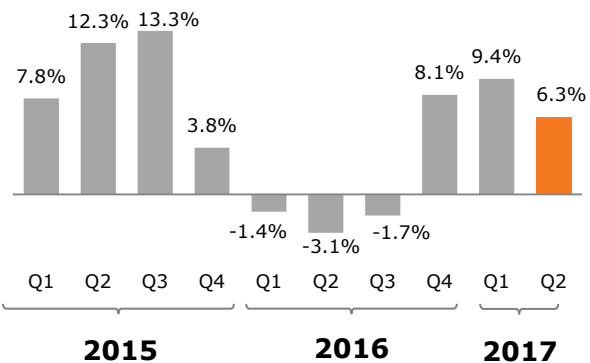
Q2 2017 sales densities growth: 8.5% increase y-o-y

Sales Densities Net (th. RUB/sq.m. [1])



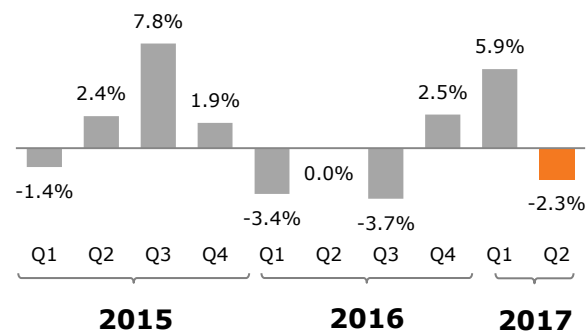
Q2 2017 LFL sales growth: 6.3% increase y-o-y

Total LFL Sales Growth (% y-o-y)



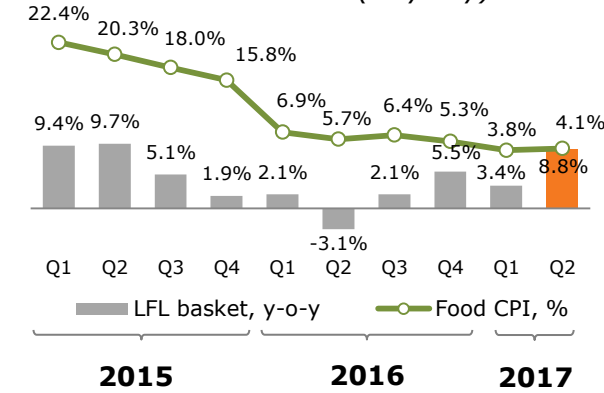
Q2 2017 LFL traffic growth: 2.3% decline y-o-y

Total LFL Traffic Growth (% y-o-y)



Q2 2017 LFL basket growth: 8.8% increase y-o-y

Total LFL Basket Growth (% y-o-y)



[1] – Total net sales from trailing four quarters divided by average selling space of trailing four quarters

37 / KARUSEL SUMMARY (3/3)

KARUSEL STRATEGY OVERVIEW

Good results at model hypers

- Key achievements:
 - **Positive LFL traffic** in model hypers
 - Increase of **average check**
 - Improvement of **on-shelf availability**
- Results analysis
- Different instruments for model roll-out should be used

Development plan

- **Upgrade operating model** for new hypermarkets with all best practices taken from “**Model Hypermarkets**” pilots
- Further **adaptation of assortment** and **pricing optimisation**
- **Increase loyalty card** penetration, and implement **personalised promotions**
- Increase the share of **private labels**
- Increase **sales density**
- Improve **logistics**, reduce **lease costs** and **shrinkage**



Best practices from model hypers should be translated to new commercial model

