

X5 TO DOUBLE FOOD COLLECTION POINTS IN 2017 TO SUPPORT PEOPLE IN NEED

Moscow, 21 February 2017 – X5 Retail Group N.V. (“X5” or the “Company”), a leading Russian food retailer (LSE ticker: “FIVE”), announces that in 2016, around 20,000 of its customers donated more than 27.5 tons of food to people in need as part of the ‘Basket of Kindness’ programme, which is organised jointly by X5, Mars and the “Rus” Food Foundation (a member of the Global Foodbanking Network). In 2016, the Basket of Kindness programme was rolled in 200 Pyaterochka, Perekrestok and Karusel stores in 18 cities across Russia. In 2017, the organisers of the project plan to expand the geographic reach of the project by two times and to recruit more than 1,000 volunteers.

Stephan Ducharme, Member of the “Rus” Food Foundation Board of Trustees and X5’s Chairman of Supervisory Board said:

“We have successfully created the necessary infrastructure, together with our consumers and partners, to provide food aid to people in need. Thanks to these efforts, about 3,000 people who were in critical need were able to receive food aid via the Basket of Kindness programme. Considering the efficiency with which we can provide targeted support to people in need, and the active involvement of our customers, we intend to develop further our food bank projects as we view this as a key part of our corporate social responsibility efforts.”

Moscow led the way with about 8.5 tons of food collected, including cereals, cooking oil, canned food, pasta, tea and other essential products. Other significant contributions came from Lipetsk (3.7 tons), Kazan (2.7 tons) and Yekaterinburg (2 tons), while St. Petersburg, Rostov-on-Don, Nizhny Novgorod, Chelyabinsk and Tambov collected 1.5 tons each. The “Rus” Food Foundation received over 30 tons of food during the year, and X5 did its part by topping up food donations collected by volunteers.

Project volunteers include X5 and Mars employees, as well as “Rus” Food Foundation representatives and recipients of food aid. The initiative attracted more than 500 volunteers, making it possible to run the scheme in 200 stores.

X5 pioneered food aid in Russia with the launch in 2015 of Basket of Kindness, which created and continues to develop local food aid infrastructure. This programme allows customers to buy and donate food in-store to help people who are in critical need of support.

Note to Editors:

X5 Retail Group N.V. (LSE: FIVE, Fitch – ‘BB’, Moody's – ‘Ba3’, S&P – ‘BB-’) 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 2016, X5 had 9,187 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 8,363 Pyaterochka proximity stores, 539 Perekrestok supermarkets, 91 Karusel hypermarkets and 194 convenience stores. The Company operates 35 DCs and 2,318 Company-owned trucks across the Russian Federation.

For the full year 2015, revenue totalled RUB 808,818 mln (USD 13,268 mln), Adjusted EBITDA reached RUB 59,413 mln (USD 975 mln), and net profit for the period amounted to RUB 14,174 mln (USD 233 mln). In 9M 2016, revenue totaled RUB 739,491 mln (USD 11,443 mln), EBITDA reached RUB 56,361 mln (USD 872 mln), and net profit amounted to RUB 19,874 mln (USD 308 mln).

X5's Shareholder structure is as follows: Alfa Group – 47.86%, founders of Pyaterochka – 14.43%, X5 Directors – 0.06%, treasury shares – 0.01%, free float – 37.64%.

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 at 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.

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