

## **X5 TO PROVIDE TARGETED SOCIAL ASSISTANCE IN ULYANOVSK REGION**

**Moscow, 8 June 2017** – X5 Retail Group (“X5” or the “Company”), a leading Russian food retailer (LSE ticker: FIVE), announces the signing of a letter of intent with the government of the Ulyanovsk region. The document was signed by Ulyanovsk region Governor Sergey Morozov and X5 Retail Group Government Relations Director Stanislav Naumov.

Pursuant to the letter, the parties will cooperate on a programme to provide assistance for socially disadvantaged parts of the population as part of the Social Cards for Ulyanovsk Region Residents project. The parties have agreed to develop and implement electronic social certificates (ESCs) that could be used to pay for food products at the more than 90 Pyaterochka stores in the region. X5’s expertise and experience with a similar project in Moscow will be helpful for the successful launch of the Social Certificates for Ulyanovsk Region Residents project.

The Moscow government launched a project to provide social assistance to pensioners and multi-child families using ESCs in October 2013, and X5 was the first retailer to start accepting the certificates at its stores. In 2016, 250,000 Muscovites used ESCs to buy 480,000 items worth over RUB 260 million. An ESC can be obtained by submitting an application to the Moscow Department of Labour and Social Protection. If a decision is made to issue a certificate worth RUB 1,000, this information will appear on the Moscow resident’s social card. The cardholder can then use the certificate to pay for goods (excluding tobacco and alcohol) by scanning it at the checkout.

Moscow is the only Russian city currently offering ESCs, which are a cost-effective and convenient alternative to food baskets, the traditional method of providing food aid. The certificates give Muscovites an opportunity to choose when and what to buy using social subsidies. According to the Russian Public Opinion Research Centre (VCIOM), most of the Russian population approves of substituting food baskets with ESCs.

**Note to Editors:**

X5 Retail Group N.V. (LSE: FIVE, Fitch – ‘BB’, Moody's – ‘Ba2’, 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 March 2017, X5 had 9,817 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 9,002 Pyaterochka proximity stores, 544 Perekrestok supermarkets, 90 Karusel hypermarkets and 181 convenience stores. The Company operates 36 DCs and 2,293 Company-owned trucks across the Russian Federation.

For the full year 2016, revenue totalled RUB 1,033,667 mln (USD 15,420 mln), Adjusted EBITDA reached RUB 79,519 mln (USD 1,186 mln), and net profit for the period amounted to RUB 22,291 mln (USD 333 mln). In Q1 2017, revenue totalled RUB 293,078 mln (USD 4,981 mln), EBITDA reached RUB 22,167 mln (USD 377 mln), and net profit amounted to RUB 8,355 mln (USD 142 mln).

X5's Shareholder structure is as follows: Alfa Group – 47.86%, Intertrust Trustees Ltd (Axon Trust) – 11.43%, X5 Directors – 0.06%, 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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