

## **PYATEROCHKA'S HELPING CARD LOYALTY PROGRAMME WILL BE AVAILABLE AT EVERY PYATEROCHKA STORE STARTING FROM AUGUST 2017**

**Moscow, 4 July 2017** — X5 Retail Group N.V. ("X5" or "the Company"), a leading Russian food retailer, announces the company-wide launch of Pyaterochka's Helping Card (Vyruchai-Karta) loyalty programme following successful completion of the pilot phase. The programme uses a points-based system and personalised offers based on data about customer preferences.

The pilot programme was successfully completed in selected regions where Pyaterochka operates on 4 July 2017, and the Helping Card programme has now been fully launched in 38 regions of the Russian Federation<sup>[1]</sup>, which represents 66% of the chain's current territory. By the end of August 2017, Pyaterochka stores in every region where the chain operates will offer customers Helping Cards.

As a result of the pilot project, over 12 million Pyaterochka customers received loyalty cards and began using them, and around 7 million activated their cards by filling in an application online. To date, the new loyalty cards have been used for around 30% of purchases made in the regions where the Helping Cards programme was launched. According to the Company's preliminary estimates, the loyalty programme may attract up to 30 million customers across Russia once it has been fully rolled out, which would mean that every second Pyaterochka shopper will use the card.

Pyaterochka CEO Olga Naumova said: *"Pyaterochka's pilot loyalty programme has been completed successfully. Our technology-based solution enables us to analyse large volumes of data and focus on our customers' preferences by developing personalised offers. In addition, the programme's infrastructure enables our suppliers to plan promos and marketing campaigns more effectively."*

Data on each customer's shopping habits is stored in the loyalty programme database, and then used to automatically create personalised marketing offers such as extra points for buying certain goods or categories of goods, a multiple-based increase in points earned for purchases made during certain hours of the day, or a 10-fold increase in points on purchases made for the customer's birthday.

Pyaterochka customers can receive a loyalty card for free with any purchase of RUB 555 or more, or may buy one at the checkout for RUB 25. The customer earns their first points when purchasing the card. Points are earned for buying any goods, including during promotions, with the exception of those offered at the minimum retail price for tobacco and alcohol products. Helping Card points can be earned even if the customer receives other discounts for a purchase, such as the 10% discount offered to pensioners or special offers for parents.

Points are earned and redeemed based on the following system: 1 point is granted for every RUB 20 or RUB 10, depending on the amount paid, and 10 points earn a RUB 1 discount when redeemed. In order to redeem the points and receive a discount, a customer must activate the card, or confirm participation in the loyalty programme by sending a text message, via Pyaterochka's call centre or online. The total discount may be for up to 100% of the ticket.

*[1] – As of 4 July 2017, the Pyaterochka loyalty program has been operating in Moscow and the Moscow Region, in St. Petersburg and the Leningrad Region, in Bryansk, Murmansk, Novgorod, Pskov, Belgorod, Voronezh, Kursk, Lipetsk, Orel, Tambov, Kaluga, Ryazan, Smolensk, Tula, Kirov, Nizhny Novgorod, Samara, Saratov, Ulyanovsk, Orenburg, Penza, Astrakhan, Volgograd, Rostov regions, in the republics of Karelia, Komi, Mari El, Mordovia and Chuvashia, in Adygeya, Kalmykia and Karachay-Cherkessia, and also in the Krasnodar and Stavropol Territories.*

**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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