

X5 OPENS 6th DISTRIBUTION CENTRE IN MOSCOW REGION

Moscow, 19 October 2017 – X5 Retail Group (“X5” or “the Company”), a leading Russian food retailer (LSE: FIVE), announces the opening of a new distribution centre (DC) in the Moscow region.

The 43,000 sq m Moscow-North logistics facility will serve 650 Pyaterochka stores in Moscow and in the Moscow and Tver regions. Featuring five separate temperature zones, the facility is designed to store nearly all categories of goods.

The new logistics centre will help support Pyaterochka’s rapid expansion with a reliable supply of fresh goods, contribute to lower transportation costs and unlock new opportunities for local producers. The Moscow-North DC will be a focal point for local suppliers by helping them to increase sales and bring their products to new regions. It will also help significantly cut delivery costs for contractors. The new distribution centre is ready to handle products from over 500 suppliers.

The Moscow-North DC is one of the most high-tech of its kind in Russia. It employs innovative solutions that streamline operations and increase labour productivity. The DC is also one of the first projects to implement cutting-edge merchandise distribution control systems such as USAIS (Unified State Automated Information System) and Mercury.

The opening of X5’s new distribution centre has created 600 jobs.

The DC opening ceremony was attended by Alexander Kalinin, President of the OPORA Russia public association of small and medium-sized businesses, Olga Naumova, Pyaterochka CEO, and representatives of government authorities. X5 Retail Group also invited its suppliers to the event. For suppliers, the Moscow-North DC hosted an X5 Dialogue Forum and the Chain Reaction business game after the opening. Organised in cooperation with OPORA Russia, these were held to communicate X5’s key business principles to its current and potential suppliers.

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 30 September 2017, X5 had 11,326 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 10,481 Pyaterochka proximity stores, 584 Perekrestok supermarkets, 91 Karusel hypermarkets and 170 convenience stores. The Company operates 37 DCs and 2,550 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 9M 2017, revenue totalled RUB 933,303 mln (USD 15,999 mln), EBITDA reached RUB 72,392 mln (USD 1,241 mln), and net profit amounted to RUB 25,975 mln (USD 445 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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