

X5 OPENS FIRST KARUSEL UNDER NEW CONCEPT

Sergiyev Posad, 27 April 2018 – X5 Retail Group N.V. (“X5” or the “Company”), a leading Russian food retailer (LSE and MOEX ticker: “FIVE”), announces the opening of its first new concept Karusel hypermarket.

The new hypermarket, located in the Moscow region's Sergiyev Posad (29 Vifanskaya St.) boasts a sales floor of more than 4,000 sq m. The store offers 20,500 SKUs, with about 20% of the mix sourced locally from the Moscow region. This is the 14th Karusel hypermarket in the Moscow region. With its launch, 184 new jobs were created.

Karusel’s new concept was developed with an updated value proposition, as well as revised product offering and pricing strategies. The new concept has fundamentally revamped the corporate style and interior design of the format.

The new concept focuses specifically on shopping space layout. The navigation system guides buyers across various departments and product categories for quick and easy planning of both the route and the shopping list, with shelves displaying bargain prices, as well as special product offerings such as the best new arrivals, farmer and local produce, healthy food items and much more.

For a more comfortable shopping experience, there is an in-store café for visitors to enjoy a short gastronomic break. In addition, the new concept offers an expanded range of in-house production, which will vary for each hypermarket depending on local demand. The Karusel hypermarket in Sergiyev Posad offers 200 items produced in-house, including handmade desserts (marshmallow souffle, éclairs, muffins, tarts) and hot bread baked every hour. Self-service checkouts are available to save time.

To enhance product quality, the Company invested in creating a full-fledged Cold Chain. The new hypermarket is equipped with four temperature circuits to accommodate product categories requiring special temperatures (meat, fish, vegetables, fruits, in-house products).

Note to Editors:

X5 Retail Group N.V. (LSE and MOEX: FIVE, Fitch – ‘BB’, Moody's – ‘Ba2’, S&P – ‘BB’, RAEX - ‘ruAA’) 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 2018, X5 had 12,701 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 11,797 Pyaterochka proximity stores, 674 Perekrestok supermarkets, 92 Karusel hypermarkets and 138 convenience stores. The Company operates 39 DCs and 3,038 Company-owned trucks across the Russian Federation.

For the full year 2017, revenue totalled RUB 1,295,008 mln (USD 22,193 mln), adjusted EBITDA reached RUB 99,131 mln (USD 1,699 mln), and net profit for the period amounted to RUB 31,394 mln (USD 538 mln). In Q1 2018, revenue totalled RUB 351,518 mln (USD 6,180 mln), adjusted EBITDA reached RUB 22,234 mln (USD 391 mln), and net profit amounted to RUB 5,628 mln (USD 99 mln).

X5's Shareholder structure is as follows: CTF Holdings S.A. – 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 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.

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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