

X5 SIGNS COOPERATION AGREEMENTS WITH FOUR RUSSIAN REGIONS

Moscow, 24 May 2018 – X5 Retail Group (“X5” or the “Company”), a leading Russian food retailer (LSE and MOEX ticker: FIVE), has signed four cooperation agreements with the Leningrad, Vologda and Yaroslavl regions and Republic of Karelia on the sidelines of the St Petersburg International Economic Forum.

The document signed by Alexander Drozdenko, Governor of the Leningrad region, and Stanislav Naumov, X5 GR Director, states that X5 will continue its rapid development in the region. Specifically, the Company plans to open at least 30 new stores within the next two years, creating about 600 jobs in the Leningrad region. All new stores will be accessible for people with disabilities. In addition, X5 plans to maintain and expand its contacts with local producers and continue its charity activities. There are currently 335 Pyaterochka proximity stores, six Perekrestok supermarkets and three Karusel hypermarkets in the Leningrad region.

The cooperation agreement signed by the Yaroslavl region Governor Dmitri Mironov and Stanislav Naumov will result in the construction of an X5 distribution centre and 50 new stores in 2018–2019. This undertaking should create nearly 800 new jobs. As part of the agreement, Yaroslavl Farmers’ Corners may also be set up in X5 stores to help deepen cooperation with local producers. At present, the region has 140 X5 stores, including 133 Pyaterochkas, five Perekrestoks and two Karusels, employing 1,740 people.

The agreement reached with Oleg Kuvshinnikov, Governor of the Vologda region, outlines joint plans to make the region more attractive for investors, promote Russian and local product in particular, and provide support for the poor. The Company intends to bring more quality goods, including those from local producers, to the regional market. The Vologda region has 126 Pyaterochkas currently employing 1,400 local residents.

The cooperation between X5 and Karelia aims to develop the local retail industry to satisfy popular demand for high quality goods at affordable prices. The agreement to this effect was signed by Artur Parfenchikov, Head of the Republic of Karelia, and Stanislav Naumov. X5 will open about 30 stores and a distribution centre in Karelia by the end of 2019. The logistics hub will strengthen relations with local producers and increase employment in the republic, creating at least 700 jobs. At present, there are 85 Pyaterochkas and one Perekrestok operating in Karelia and employing more than 1,200 local residents.

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 adjusted net profit for the period amounted to RUB 33,768 mln (USD 579 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 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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