

X5 OPENS FIRST DISTRIBUTION CENTRE IN KARELIA

Petrozavodsk, 24 September 2018 – X5 Retail Group (“X5” or the “Company”), a leading Russian food retailer (LSE and MOEX ticker: FIVE), announces the opening of its first distribution centre (DC) in the Republic of Karelia.

The Petrozavodsk logistics facility, with an area of 17,500 sq m, will serve 152 Pyaterochka stores located in 62 towns and cities of Karelia and the Murmansk region. Featuring three separate zones with a specific temperature band in each, the facility is designed to store nearly all categories of goods such as fruit, vegetables, perishable products, groceries, etc.

The advanced logistics facility will help ensure that goods are always fresh and available to match the pace of Pyaterochka’s active expansion, thus contributing to lower logistics costs and unlocking new opportunities for local producers. The Petrozavodsk DC will be the focal point for local suppliers, as it will help to increase their sales and bring their products to other regions. The DC will also help cut delivery costs for suppliers. At its full capacity, the Petrozavodsk DC will be able to process and handle products from 230 suppliers. This is expected to boost the percentage of goods made by Karelian producers in the Pyaterochka product mix up to 15%.

The logistics facility helped increase the number of jobs provided by the Pyaterochka retail chain in Karelia by 300, to 1,500 in total.

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 30 June 2018, X5 had 13,178 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 12,314 Pyaterochka proximity stores, 691 Perekrestok supermarkets, 93 Karusel hypermarkets and 80 convenience stores. The Company operates 40 DCs and 2,983 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 H1 2018, revenue totalled RUB 734,077 mln (USD 12,368 mln), adjusted EBITDA reached RUB 51,697 mln (USD 871 mln), and net profit amounted to RUB 14,313 mln (USD 241 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% - 40.64%.

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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