

X5 STRENGTHENS LOGISTICS IN THE VOLGA REGION

Saratov, 27 November 2018 – X5 Retail Group (“X5” or the “Company”), a leading Russian food retailer (LSE and MOEX ticker: FIVE), announces the development of its logistics infrastructure in the Volga Federal District and the opening of a distribution centre (DC) in Saratov.

The opening ceremony was attended by Saratov region Governor Valery Radayev, X5 Government Relations Director Stanislav Naumov and major suppliers of the Saratov region.

The 16,000 sq m Saratov DC is the tenth logistics facility in the Volga Federal District, and it will supply all Pyaterochka stores in the Saratov and Volga regions. Featuring six separate zones, each with a specific temperature band, the facility is designed to store nearly all categories of goods.

The advanced logistics facility will help make sure that goods are always fresh and available, while matching the pace of Pyaterochka's active expansion, contributing to lower transportation costs and unlocking new opportunities for local suppliers. The Saratov DC will be the focal point for suppliers, as it will help ramp up sales and bring their products to other regions, as well as significantly cut delivery costs. At full capacity, the centre will be able to handle and store products from over 350 suppliers.

The new logistics facility will help enhance the share of local goods, which currently account for more than 20% of Pyaterochka's turnover in the Saratov region. In 2017, X5 Retail Group added seven producers from the region to its supplier list.

The seamless operation of the Saratov DC will be supported by more than 200 employees. Pyaterochka has generated almost 2,000 jobs in the Saratov region across its facilities and over 160 stores, 50 of which are located in Saratov.

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 September 2018, X5 had 13,685 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 12,822 Pyaterochka proximity stores, 712 Perekrestok supermarkets, 92 Karusel hypermarkets and 59 convenience stores. The Company operates 40 DCs and 3,293 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 9M 2018, revenue totalled RUB 1,109,582 mln (USD 18,061 mln), adjusted EBITDA reached RUB 79,484 mln (USD 1,294 mln), and net profit amounted to RUB 22,400 mln (USD 365 mln).

X5's Shareholder structure is as follows: CTF Holdings S.A. – 47.86%, Intertrust Trustees Ltd (Axon Trust) – 11.43%, X5 Directors – 0.07%, 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).

For further details please contact:**Natalia Zagvozdina**

Head of Corporate Finance
Tel.: +7 (495) 662-88-88 ext. 27-300
e-mail: Natalia.Zagvozdina@x5.ru

Andrey Vasin

Head of Investor Relations
Tel.: +7 (495) 662-88-88 ext. 13-151
e-mail: Andrey.Vasin@x5.ru