

X5 AND UNILEVER INSTALL REVERSE VENDING MACHINES IN PEREKRESTOK AND KARUSEL CHAINS

Moscow, 2 August 2019 – X5 Retail Group, a leading Russian food retailer, and Unilever, a major manufacturer of fast moving consumer goods, installed reverse vending machines at seven Perekrestok and three Karusel stores in Moscow as part of a pilot project to collect used plastics for recycling. A partnership agreement to put into action circular economy principles was signed in June 2019 on the sidelines of the St Petersburg International Economic Forum. The parties will decide on a further roll-out of the project based on the results of this pilot programme.

The reverse vending machines will encourage consumers to sort their waste by issuing a coupon for 10% off a selection of Unilever products at Perekrestok and Karusel stores for each item of packaging that is submitted. The machines accept used PET bottles and plastic containers for household chemicals irrespective of the manufacturer. The company in charge of reverse vending machine maintenance, plastic transportation to recycling facilities and recycling will be EcoTechnologies.

Elena Konnova, Corporate Communication Director at X5 Retail Group, said: *“X5 is committed to maximising recycling in order to reduce the amount of landfill waste. We already recycle all of the non-food waste generated by our stores and DCs. A month ago, we piloted plastic packaging collection at our Pyaterochka proximity stores. Now, together with our partners, we will run a similar project in the Perekrestok and Karusel formats.”*

Irina Bakhtina, Vice President for Sustainable Business and Communications at Unilever, commented: *“Our partnership with X5 is one of the few examples of implementing circular economy principles in Russia, which comes in the form of making plastics reusable through high-tech recycling. This is a win-win situation as our project helps reduce the amount of waste sent to landfills or incinerators, grants responsible customers of X5 Retail Group useful discounts and boosts the sales of our household chemicals brands led by Domestos.”*

Note to Editors:

X5 Retail Group N.V. (LSE and MOEX: FIVE, Fitch – ‘BB+’, Moody’s – ‘Ba1’, 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 and the hypermarket chain under the Karusel brand.

As of 30 June 2019, X5 had 15,260 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 14,385 Pyaterochka proximity stores, 785 Perekrestok supermarkets and 90 Karusel hypermarkets. The Company operates 42 DCs and 3,952 Company-owned trucks across the Russian Federation.

For the full year 2018, revenue totalled RUB 1,532,537 mln (USD 24,439 mln), Adjusted EBITDA reached RUB 109,871 mln (USD 1,752 mln), and net profit for the period amounted to RUB 28,642 mln (USD 457 mln). In Q1 2019, revenue totalled RUB 405,864 mln (USD 6,138 mln), adjusted EBITDA reached RUB 29,473 mln (USD 446 mln), and net profit amounted to RUB 9,297 mln (USD 141 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 – 0.02%, Shareholders with less than 3% – 40.62%.

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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