

X5 OPENS LOGISTICS FACILITY IN SIBERIA

Novosibirsk, 6 September 2019 – X5 Retail Group (“X5” or the “Company”), a leading Russian food retailer (LSE and MOEX ticker: “FIVE”), has expanded its logistics infrastructure in the Siberian Federal District with a Pyaterochka distribution centre (DC) in Novosibirsk.

The 38,500 sq m Tolmachevo DC will be used by Pyaterochka stores in the Novosibirsk, Omsk, Tomsk and Kemerovo regions, Krasnoyarsk and Altai territories, and the republics of Altai and Khakassia, handling up to 5,000 tonnes of goods per day. Its capacity enables it to service up to 1,200 retail outlets (as at 30 June 2019, the retail chain had 583 stores in Siberia).

Featuring eight storage zones, each with a specific temperature band, this modern centre can accommodate dry goods and alcoholic beverages, fresh and frozen products, caviar, fruit and vegetables and has a banana ripening room.

The new site will be a hub for local suppliers seeking to keep up with the rapid pace of Pyaterochka's expansion in Siberia. At full capacity, it will be able to handle products from 700+ suppliers, driving the share of the Novosibirsk region's producers up from about 20%. Today, X5 works with 62 local suppliers, of which 44 were added to the supplier list in 2018.

The seamless operation of the centre is ensured by more than 500 employees and some 100 vehicles. To date, Pyaterochka has created over 6,000 jobs in Siberia, with nearly 2,000 in the Novosibirsk region.

The opening ceremony was attended by Sergey Syomka, Deputy Governor of the Novosibirsk Region, Alexander Ilyin, X5 GR Director, Alexey Drobotay, Executive Director at Pyaterochka, and Julia Tuleneva, Pyaterochka's Director for the Siberia macro-region, as well as managers of more than 170 suppliers from the Siberian Federal District who were invited by X5 Retail Group. After the ceremony, the Tolmachevo DC hosted the X5 Dialogue Forum, where local manufacturers were given advice on working with the retail chain and quality, transportation, storage, sales and disposal requirements for food products as set out in the Customs Union's and X5's applicable technical regulations.

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 H1 2019, revenue totalled RUB 843,175 mln (USD 12,905 mln), adjusted EBITDA reached RUB 66,072 mln (USD 1,011 mln), and net profit amounted to RUB 22,805 mln (USD 349 mln).

X5's Shareholder structure is as follows: CTF Holdings S.A. – 47.86%, Intertrust Trustees Ltd (Axon Trust) – 11.43%, X5 Directors – 0.08%, treasury shares – 0.01%, 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).

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

Head of Corporate Finance and IR
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