X5 Retail Group N.V.

Condensed Consolidated Interim Financial Information

Three months ended 31 March 2018

The attached condensed consolidated interim statement of financial position, condensed consolidated interim statement of profit or loss, condensed consolidated interim statement of comprehensive income, condensed consolidated interim statement of cash flows and condensed consolidated interim statement of changes in equity have been prepared on the basis of the X5 Retail Group NV accounting policies as disclosed in the audited annual financial statements for the year ended 31 December 2017. These accounting policies have been consistently applied in the preparation of these statements except that these statements do not comprise a full set of financial statements as required by International Financial Reporting Standards as adopted by the EU.

(expressed in millions of Russian Roubles, unless otherwise stated)

	31 March 2018	31 December 2017
Assets		
Non-current assets		
Property, plant and equipment	284,328	278,928
Investment property	5,440	5,488
Goodwill	91,099	90,276
Other intangible assets	18,594	18,442
Other non-current assets	7,638	7,708
Deferred tax assets	5,342	5,143
	412,441	**405,985**
Current assets		
Inventories	99,174	99,300
Indemnification asset	35	106
Trade, other accounts receivable and prepayments	12,532	15,531
Current income tax receivable	3,044	2,384
VAT and other taxes receivable	12,310	14,347
Cash and cash equivalents	12,935	27,605
	140,030	**159,273**
Total assets	**552,471**	**565,258**
Equity and liabilities		
Equity attributable to equity holders of the parent		
Share capital	2,458	2,458
Share premium	46,212	46,212
Retained earnings	115,283	109,655
Share-based payment reserve	138	117
	164,091	**158,442**
Total equity	**164,091**	**158,442**
Non-current liabilities		
Long-term borrowings	134,215	135,622
Deferred tax liabilities	6,024	5,670
Long-term deferred revenue	4	5
Other non-current liabilities	1,942	1,344
	142,185	**142,641**
Current liabilities		
Trade accounts payable	122,600	130,766
Short-term borrowings	57,427	58,674
Interest accrued	1,886	1,642
Short-term deferred revenue	1,582	1,701
Current income tax payable	571	635
Provisions and other liabilities	62,129	70,757
	246,195	**264,175**
Total liabilities	**388,380**	**406,816**
Total equity and liabilities	**552,471**	**565,258**

Svetlana Demyashkevich
Chief Financial Officer
25 April 2018

(expressed in millions of Russian Roubles, unless otherwise stated)

	Three months ended 31 March 2018	**Three months ended 31 March 2017**
Revenue	351,518	293,078
Cost of sales	(267,848)	(222,466)
Gross profit	**83,670**	**70,612**
Selling, general and administrative expenses	(74,858)	(58,001)
Lease/sublease and other income	2,424	1,848
Operating profit	**11,236**	**14,459**
Finance costs	(4,269)	(3,846)
Finance income	62	22
Net foreign exchange gain	19	158
Profit before tax	**7,048**	**10,793**
Income tax expense	(1,420)	(2,438)
Profit for the period	**5,628**	**8,355**
Profit for the period attributable to:		
Equity holders of the parent	5,628	8,355
Basic earnings per share for profit attributable to the equity holders of the parent (expressed in RUB per share)	**82.90**	**123.08**
Diluted earnings per share for profit attributable to the equity holders of the parent (expressed in RUB per share)	**82.89**	**123.07**

Svetlana Demyashkevich
Chief Financial Officer
25 April 2018

(expressed in millions of Russian Roubles, unless otherwise stated)

	Three months ended 31 March 2018	Three months ended 31 March 2017
Profit for the period	**5,628**	**8,355**
Total comprehensive income for the period, net of tax	**5,628**	**8,355**
Total comprehensive income for the period attributable to:		
Equity holders of the parent	**5,628**	**8,355**

Svetlana Demyashkevich
Chief Financial Officer
25 April 2018

(expressed in millions of Russian Roubles, unless otherwise stated)

	Three months ended 31 March 2018	Three months ended 31 March 2017
Profit before tax	**7,048**	**10,793**
Adjustments for:		
Depreciation, amortisation and impairment of property, plant and equipment, investment property and intangible assets	10,036	7,708
Loss on disposal of property, plant and equipment, investment property and intangible assets	6	10
Finance costs, net	4,207	3,824
Impairment of trade, other accounts receivable and prepayments	179	109
Share-based compensation expense	21	9
Net foreign exchange gain	(19)	(158)
Other non-cash items	(160)	(8)
Net cash from operating activities before changes in working capital	**21,318**	**22,287**
Decrease in trade, other accounts receivable and prepayments	4,992	15,578
Decrease/(increase) in inventories	126	(8,077)
Decrease in trade payable	(8,152)	(25,270)
Increase in other accounts payable	1,146	3,855
Net cash flows generated from operations	**19,430**	**8,373**
Interest paid	(3,822)	(4,112)
Interest received	33	19
Income tax paid	(1,937)	(4,698)
Net cash flows from/(used in) operating activities	**13,704**	**(418)**
Cash flows from investing activities		
Purchase of property, plant and equipment	(18,000)	(16,789)
Acquisition of businesses, net of cash acquired	(6,794)	(221)
Proceeds from disposal of property, plant and equipment, investment property and intangible assets	52	173
Purchase of other intangible assets	(914)	(800)
Net cash flows used in investing activities	**(25,656)**	**(17,637)**
Cash flows from financing activities		
Proceeds from loans	54,798	38,783
Repayment of loans	(57,500)	(32,700)
Net cash flows (used in)/generated from financing activities	**(2,702)**	**6,083**
Effect of exchange rate changes on cash and cash equivalents	(16)	14
Net decrease in cash and cash equivalents	**(14,670)**	**(11,958)**
Movements in cash and cash equivalents		
Cash and cash equivalents at the beginning of the period	27,605	18,190
Net decrease in cash and cash equivalents	(14,670)	(11,958)
Cash and cash equivalents at the end of the period	**12,935**	**6,232**

Svetlana Demyashkevich
Chief Financial Officer
25 April 2018

(expressed in millions of Russian Roubles, unless otherwise stated)

	Attributable to equity holders of the parent						
	Number of shares	**Share capital**	**Share premium**	**Share-based payment reserve**	**Retained earnings**	**Total shareholders' equity**	**Total**
Balance as at 1 January 2017	**67,884,340**	**2,458**	**46,251**	**70**	**78,261**	**127,040**	**127,040**
Profit for the period	-	-	-	-	8,355	8,355	8,355
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**8,355**	**8,355**	**8,355**
Share-based payment compensation	-	-	-	9	-	9	9
Balance as at 31 March 2017	**67,884,340**	**2,458**	**46,251**	**79**	**86,616**	**135,404**	**135,404**
Balance as at 1 January 2018	**67,886,748**	**2,458**	**46,212**	**117**	**109,655**	**158,442**	**158,442**
Profit for the period	-	-	-	-	5,628	5,628	5,628
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**5,628**	**5,628**	**5,628**
Share-based payment compensation	-	-	-	21	-	21	21
Balance as at 31 March 2018	**67,886,748**	**2,458**	**46,212**	**138**	**115,283**	**164,091**	**164,091**

Svetlana Demyashkevich
Chief Financial Officer
25 April 2018