

X5 RETAIL GROUP N.V.

Consolidated statement of financial position

at 31 December 2017

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

	Note	31 December 2017	31 December 2016
Assets			
Non-current assets			
Property, plant and equipment	10	278,928	232,316
Investment property	11	5,488	4,590
Goodwill	12	90,276	80,369
Other intangible assets	13	18,442	16,380
Other non-current assets	16	7,708	4,448
Deferred tax assets	28	5,143	5,306
		405,985	343,409
Current assets			
Inventories	14	99,300	73,801
Indemnification asset	33	106	182
Trade, other accounts receivable and prepayments	16	15,531	28,027
Current income tax receivable		2,384	954
VAT and other taxes receivable	17	14,347	8,922
Cash and cash equivalents	9	27,605	18,190
		159,273	130,076
TOTAL ASSETS		565,258	473,485
Equity and liabilities			
Equity attributable to equity holders of the parent			
Share capital	20	2,458	2,458
Share premium		46,212	46,251
Retained earnings		109,655	78,261
Share-based payment reserve	27	117	70
		158,442	127,040
Total equity		158,442	127,040
Non-current liabilities			
Long-term borrowings	19	135,622	110,865
Deferred tax liabilities	28	5,670	6,505
Long-term deferred revenue		5	8
Other non-current liabilities		1,344	1,697
		142,641	119,075
Current liabilities			
Trade accounts payable		130,766	131,180
Short-term borrowings	19	58,674	45,168
Interest accrued		1,642	1,177
Short-term deferred revenue		1,701	282
Current income tax payable		635	821
Provisions and other liabilities	18	70,757	48,742
		264,175	227,370
Total liabilities		406,816	346,445
TOTAL EQUITY AND LIABILITIES		565,258	473,485

The accompanying notes are the integral part of these consolidated financial statements.

X5 RETAIL GROUP N.V.

Consolidated statement of profit or loss

for the year ended 31 December 2017

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

	Note	2017	2016
Revenue	22	1,295,008	1,033,667
Cost of sales	23	(986,070)	(783,682)
Gross profit		308,938	249,985
Selling, general and administrative expenses	23	(259,376)	(211,314)
Lease/sublease and other income	24	8,196	6,960
Operating profit		57,758	45,631
Finance costs	25	(16,138)	(17,372)
Finance income	25	121	54
Net foreign exchange gain		75	340
Profit before tax		41,816	28,653
Income tax expense	28	(10,422)	(6,362)
Profit for the year		31,394	22,291
Profit for the year attributable to:			
Equity holders of the parent		31,394	22,291
Basic earnings per share for profit attributable to the equity holders of the parent (expressed in RUB per share)	21	462.45	328.37
Diluted earnings per share for profit attributable to the equity holders of the parent (expressed in RUB per share)	21	462.36	328.36

X5 RETAIL GROUP N.V.

Consolidated statement of comprehensive income

for the year ended 31 December 2017

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

	2017	2016
Profit for the year	31,394	22,291
Total comprehensive income for the year, net of tax	31,394	22,291
Total comprehensive income for the year attributable to:		
Equity holders of the parent	31,394	22,291

The accompanying notes are the integral part of these consolidated financial statements.

X5 RETAIL GROUP N.V.

Consolidated statement of cash flows

for the year ended 31 December 2017

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

	Note	2017	2016
Profit before tax		41,816	28,653
Adjustments for:			
Depreciation, amortisation and impairment of property, plant and equipment, investment property and intangible assets	23	38,435	30,636
(Gain)/loss on disposal of property, plant and equipment, investment property and intangible assets		(61)	47
Finance costs, net	25	16,017	17,318
Impairment of trade, other accounts receivable and prepayments	23	522	247
Share-based compensation expense	27	71	48
Net foreign exchange gain		(75)	(340)
Other non-cash items		105	(864)
Net cash from operating activities before changes in working capital		96,830	75,745
Decrease in trade, other accounts receivable and prepayments		4,290	350
Increase in inventories		(25,498)	(15,914)
Increase in trade payable		448	27,471
Increase in other accounts payable		9,374	8,149
Net cash flows generated from operations		85,444	95,801
Interest paid		(15,069)	(17,236)
Interest received		59	40
Income tax paid		(11,776)	(3,690)
Net cash flows from operating activities		58,658	74,915
Cash flows from investing activities			
Purchase of property, plant and equipment		(78,355)	(68,694)
Acquisition of businesses, net of cash acquired	7	(6,467)	(6,658)
Proceeds from disposal of property, plant and equipment, investment property and intangible assets		776	589
Purchase of other intangible assets		(3,438)	(2,516)
Proceeds from disposal of available-for-sale investments		210	-
Net cash flows used in investing activities		(87,274)	(77,279)
Cash flows from financing activities			
Proceeds from loans	19	100,780	131,563
Repayment of loans	19	(62,700)	(119,922)
Purchase of treasury shares		(63)	-
Net cash flows generated from financing activities		38,017	11,641
Effect of exchange rate changes on cash and cash equivalents		14	(45)
Net increase in cash and cash equivalents		9,415	9,232
Movements in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year	9	18,190	8,958
Net increase in cash and cash equivalents		9,415	9,232
Cash and cash equivalents at the end of the year	9	27,605	18,190

The accompanying notes are the integral part of these consolidated financial statements.

X5 RETAIL GROUP N.V.

Consolidated statement of changes in equity

for the year ended 31 December 2017

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

	Attributable to equity holders of the parent						Total
	Number of shares	Share capital	Share premium	Share-based payment reserve	Retained earnings	Total shareholders' equity	
BALANCE AS AT 1 JANUARY 2016	67,882,421	2,458	46,253	37	55,970	104,718	104,718
Profit for the period	-	-	-	-	22,291	22,291	22,291
Total comprehensive income for the period	-	-	-	-	22,291	22,291	22,291
Share-based payment compensation (Note 27)	-	-	-	31	-	31	31
Transfer and waiving of vested equity rights	1,919	-	(2)	2	-	-	-
BALANCE AS AT 31 DECEMBER 2016	67,884,340	2,458	46,251	70	78,261	127,040	127,040
BALANCE AS AT 1 JANUARY 2017	67,884,340	2,458	46,251	70	78,261	127,040	127,040
Profit for the period	-	-	-	-	31,394	31,394	31,394
Total comprehensive income for the period	-	-	-	-	31,394	31,394	31,394
Share-based payment compensation (Note 27)	-	-	-	71	-	71	71
Transfer and waiving of vested equity rights	2,408	-	(39)	(24)	-	(63)	(63)
BALANCE AS AT 31 DECEMBER 2017	67,886,748	2,458	46,212	117	109,655	158,442	158,442

The accompanying notes are the integral part of these consolidated financial statements.