

MAGNIT PJSC (MGNT)

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**Press Release**

**Krasnodar**

**September 29, 2017**

**PJSC "Magnit" Announces the Execution of the Material Transaction**

**Krasnodar, Russia (September 29, 2017):** Magnit PJSC, one of Russia's leading retailers (the "Company", the "Issuer"; MOEX and LSE: MGNT), announces the execution of the material transaction on September 29, 2017.

**Type of transaction:** major transaction.

**Subject of transaction:**

Provision by the Issuer of the guarantee under the General agreement No. 0052/2017/0108 on the opening of the revolving framework credit line with tiered interest rates as of September 29, 2017 (hereinafter - the "Agreement") executed between Public Joint Stock Company "Sberbank of Russia" (hereinafter - the "Creditor") and JSC "Tander" (hereinafter - the "Borrower").

**Content of transaction:**

In accordance with the guarantee agreement the Guarantor shall be liable to the Creditor for the proper fulfillment by the Borrower of all obligations, both monetary and non-monetary, and obligations that may arise in the future under the Agreement concluded on the following conditions:

1. Under the Agreement the Creditor and the Borrower shall execute individual credit transactions (hereinafter - the Credit transactions) by signing confirmations containing the essentials of the Credit transaction;
  2. The total credit limit amount shall not exceed 30,000,000,000 (Thirty billion) rubles;
  3. The deadline for the full credits repayment under the Credit transactions is September 28, 2022;
  4. The interest rate for the credit use shall not exceed 30.0 (Thirty) percent per annum.
- Other conditions, procedure of granting and repayment of the credit amounts, interest and other payments shall be determined by the Agreement. The Guarantor's total liability shall not exceed 31,000,000,000 (Thirty one billion) rubles.

**Deadline for fulfillment of obligations under the transaction:**

The Guarantor's liability (the guarantee) is effective starting from the date of signing of the Guarantee agreement until September 28, 2025 inclusive. Before the specified date the Guarantee agreement shall terminate after the fulfillment of all obligations by the Borrower under the Agreement and Credit transactions, or after the fulfillment of obligations by the Guarantor under the Agreement, or otherwise in accordance with the legislation of the Russian Federation.

**Parties and beneficiaries under the transaction:**

The Creditor - Public Joint Stock Company "Sberbank of Russia";  
The Guarantor - Public Joint Stock Company "Magnit";  
The Borrower (Beneficiary) - Joint Stock Company "Tander".

**The amount of the transaction in the monetary value and as a % of the asset value of the issuer:**

The limit of the Guarantor's total liability to the Creditor for the fulfillment of obligations by the Borrower under the Agreement and all Credit transactions shall not exceed 31,000,000,000 (Thirty one billion) rubles, which amounts to 25.2496% of the balance sheet assets of the issuer .  
**Asset value of the issuer as of the closing date of the accounting period preceding the execution of the transaction:**

122,774,116,000 rubles

**Date of the transaction execution:** September 29, 2017

**Information on the approval of the transaction:**

The transaction was approved by the PJSC "Magnit" Board of Directors on July 27, 2017 (the minutes of the PJSC "Magnit" Board of Directors meeting w/o No. of July 27, 2017).

**For further information, please contact:**

Timothy Post

Head of Investor Relations

Email: [post@magnit.ru](mailto:post@magnit.ru)

Office: +7-861-277-4554 x 17600

Dina Svishcheva

Deputy Director, Investor Relations

Email: [Chistyak@magnit.ru](mailto:Chistyak@magnit.ru)

Office: +7-861-277-4554 x 15101

Media Inquiries

Media Relations Department

[press@magnit.ru](mailto:press@magnit.ru)

**Company description:**

Public Joint Stock Company "Magnit" is one of Russia's leading retailers. Founded in 1994, the company is headquartered in the southern Russian city of Krasnodar. As of June 30, 2017, Magnit operated 35 distribution centers and 14,844 stores (11,114 convenience, 430 hypermarkets and 3,300 drogerie stores) in 2,567 cities and towns throughout 7 federal regions of the Russian Federation.

In accordance with the reviewed IFRS consolidated financial statements for 1H 2017, Magnit had revenues of RUB 555 billion and an EBITDA of RUB 49 billion. Magnit's local shares are traded on the Moscow Exchange (MOEX: MGNT) and its GDRs on the London Stock Exchange (LSE: MGNT) and it has a credit rating from Standard & Poor's of BB+. Measured by market capitalization, Magnit is one of the largest retailers in Europe.

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