

MAGNIT PJSC (MGNT)

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## **Press Release**

**Krasnodar**

**November 15, 2017**

### **PJSC "Magnit" Announces the Execution of the Major Transaction**

**Krasnodar, Russia (November 15, 2017):** Magnit PJSC, one of Russia's leading retailers (the "Company", the "Issuer"; MOEX and LSE: MGNT), announces the execution of the major transaction on November 14, 2017.

On November 14, 2017 the following major transaction was executed by JSC "Tander, the entity controlled by the issuer and material to it.

**Type of transaction:** major transaction.

**Subject of transaction:**

Deed of Indemnity (hereinafter - the "Deed of Indemnity") the parties (beneficiaries) to which are (a) Merrill Lynch International and VTB Capital plc and other entities specified in the Block Trade Agreement between Lavreno Limited, Merrill Lynch International and VTB Capital plc (hereinafter - the "Block Trade Agreement") acting as managers (hereinafter jointly - the "Managers"), (b) Joint Stock Company "Tander" (hereinafter - the "Indemnifying Company"), (c) Public Joint Stock Company "Magnit" (hereinafter - the "Company"), (d) Lavreno Limited and (e)

other entities covered by Indemnity under the Deed of Indemnity.

**Content of transaction:**

According to the Deed of Indemnity, the Indemnifying Company accepts obligations to indemnify the Managers and other entities covered by the Indemnity clause under the Deed of Indemnity occurred to the above persons due to including but not limited to the sale of shares of the Company under the Block Trade Agreement and due to the Company Support Deed as of November 14, 2017 executed by the Company, Merrill Lynch International and VTB Capital plc (hereinafter - the "Company Support Deed").

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

Until the obligations are fulfilled by the parties under the Deed of Indemnity.

**Parties and beneficiaries under the transaction:**

- a) Managers - Merrill Lynch International (party and beneficiary), VTB Capital plc (party and beneficiary);
- b) the Company - Public Joint Stock Company PJSC "Magnit" (party);
- c) Lavreno Limited (beneficiary) and
- d) other entities covered by Indemnity under the Deed of Indemnity (beneficiary).

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

The price of the transaction shall be determined on the basis of obligations of the Indemnifying Company under the Deed of Indemnity, including the obligations of the Indemnifying Company on payments according to the article 2 of the Deed of Indemnity.

Price (monetary value) of the Indemnifying Company's property, which can be directly or indirectly disposed by the Indemnifying Company (the amount of obligations of the Indemnifying Company) under the Deed of Indemnity may amount to 25 (twenty five) and more percent of the book value of the Indemnifying Company's assets determined by its accounting report as of the last reporting date.

**The asset value of the entity which is controlled by the issuer and executed the transaction as of the closing date of the accounting period preceding the execution of the transaction:**

413,785,405 rubles

**The date of the transaction execution:** November 14, 2017.

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

The transaction is approved by the decision of the sole shareholder of Joint Stock Company "Tander" w/o No. of November 14, 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 September 30, 2017, Magnit operated 36 distribution centers and 15,697 stores (11,743 convenience, 432 hypermarkets and 3,522 drogerie stores) in 2,664 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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