

Press Release

Krasnodar

February 08, 2018

PJSC "Magnit" Announces the Execution of the Material Transaction

Krasnodar, Russia (February 08, 2018): Magnit PJSC, one of Russia's leading retailers (the "Company", the "Issuer"; MOEX and LSE: MGNT), announces the execution of the transaction on February 08, 2018.

Type of transaction: material transaction which is not major.

Subject of transaction:

Provision by the Issuer of the guarantee under the credit Agreement No. KRD/RK/001/18 on the revolving credit line as of February 08, 2018 (hereinafter - the "Principal agreement") executed between Public joint-stock company ROSBANK (hereinafter - the "Bank") and Joint Stock Company "Tander" (hereinafter - the "Debtor").

Content of transaction:

In accordance with the Guarantee agreement No. KRD/PR/001/18 as of February 08, 2018, PJSC "Magnit" (hereinafter - the "Guarantor") shall be liable to the Bank jointly with the Debtor in the maximum amount of 11,500,000,000.00 (Eleven billion five hundred million) rubles for the fulfillment of all and any obligations by the Debtor arising under or in connection with the Principal agreement (hereinafter - the "Secured Obligations") executed on the following terms and conditions:

1. In accordance with the terms and conditions of the Principal agreement the Bank shall open the revolving credit line for the Debtor for the amount not exceeding the amount of the Debt Limit with the obligation to provide the Tranche (the Credit Line), and the Debtor agrees to repay the Principal Debt, pay interest accrued hereon and other amounts to be paid in accordance with the Agreement, as well as to fulfill all other obligations under the Principal Agreement.
2. The credit shall be provided in the form of individual tranches, each is provided for a period not more than 12 (twelve) months under the Principal agreement.
3. The aggregate amount of the Debtor's obligations including the amount of the provided Tranche shall not exceed 10,000,000,000.00 (Ten billion) rubles.
4. The repayment date of any tranche shall occur not later than in 12 (Twelve) months and at the same time the maturity date of the tranche shall not be later than February 07, 2019.
5. The interest rate for the use of each tranche provided within the Principal Agreement shall be additionally agreed between the Bank and the Debtor prior to the Provision of the relevant tranche, provided that the interest rate shall not exceed 30% (Thirty) percent per annum.

Deadline for fulfillment of obligations under the transaction:

The guarantee is provided for the period until February 07, 2020 inclusive.

The loan maturity and interest payment date is February 07, 2019 according to the Agreement.

Parties to the transaction:

The Guarantor - Public Joint Stock Company "Magnit";
The Bank - Public joint-stock company ROSBANK;
The Debtor (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 amount of the secured obligations (the amount of the transaction) is 11,500,000,000.00 (Eleven billion five hundred million) rubles, which amounts to 10.0974% 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:

113,890,709 thousand rubles

Date of the transaction execution: February 08, 2018

Information on the approval of the transaction:

The transaction was approved by the Board of Directors of PJSC "Magnit" on May 29, 2017 (minutes of the w/o No. of May 29, 2017).

For further information, please contact:

Timothy Post

Head of Investor Relations

Email: post@magnit.ru

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

Dina Svishcheva

Deputy Director, Investor Relations

Email: Chistyak@magnit.ru

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

Media Inquiries

Media Relations Department

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 December 31, 2017, Magnit operated 37 distribution centers and 16,350 stores (12,125 convenience, 243 hypermarkets, 208 Magnit Family stores and 3,774 drogerie stores) in 2,709 cities and towns throughout 7 federal regions of the Russian Federation.

In accordance with the unaudited IFRS management accounts for 2017, Magnit had revenues of RUB 1,143 billion and an EBITDA of RUB 92 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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