



**Press Release**  
**Krasnodar**  
**July 21, 2017**

**PJSC “Magnit” Announces Unaudited 1H 2017 Results**

**Krasnodar, Russia (July 21, 2017):** Magnit PJSC, one of Russia’s leading retailers (MOEX and LSE: MGNT) announces its unaudited 1H 2017 results prepared in accordance with IFRS<sup>1</sup>.

During 1H 2017 Magnit added (net) 785 stores. The total store base as of June 30, 2017 reached 14,844 stores (11,114 convenience stores, 240 hypermarkets, 190 “Magnit Family” stores and 3,300 drogerie stores). Selling space increased by 13.73% in comparison with 1H 2016 from 4.68 million sq. m. to 5.32 million sq. m.

During the first half 2017 Magnit refurbished 830 convenience stores. 655 new stores have been opened under the new concept. Total number of the convenience stores in the new concept is 2,162 as of June 30, 2017.

Revenue increased by 6.4% from 522 billion RUR in 1H 2016 to 555 billion RUR in 1H 2017.

Gross Profit increased from 142 billion RUR in 1H 2016 to 153 billion RUR in 1H 2017. Gross Margin in 1H 2017 was 27.5%.

EBITDA in 1H 2017 was 49 billion RUR. EBITDA margin in the 1H of 2017 was 8.8%.

Net Income in 1H 2017 was 21 billion RUR. Net Income Margin in 1H 2017 was 3.8%.

According to Rosstat, CPI in 1H 2017 was 4.4% Y-o-Y compared to 7.5% in 1H 2016.

Food inflation in 1H 2017 was 4.8% Y-o-Y vs 6.2% in 1H 2016.

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<sup>1</sup> Based on management accounts

## 2Q 2017 Monthly Operating Highlights:

	April	Y-o-Y, %	May	Y-o-Y, %	June	Y-o-Y, %
<b>New Store Openings (NET)</b>	125	n/a	165	n/a	245	n/a
Convenience stores	101	n/a	124	n/a	180	n/a
Hypermarkets	0	n/a	2	n/a	1	n/a
Magnit Family	1	n/a	1	n/a	(1)	n/a
Drogerie Stores	23	n/a	38	n/a	65	n/a

<b>Number of Stores (EOP)</b>	14,434	n/a	14,599	n/a	14,844	n/a
Convenience stores	10,810	n/a	10,934	n/a	11,114	n/a
Hypermarkets	237	n/a	239	n/a	240	n/a
Magnit Family	190	n/a	191	n/a	190	n/a
Drogerie Stores	3,197	n/a	3,235	n/a	3,300	n/a

<b>New Selling Space, th. sq. m.</b>	40.95	n/a	55.55	n/a	75.11	n/a
Convenience stores	34.13	n/a	40.30	n/a	58.50	n/a
Hypermarkets	0.00	n/a	3.98	n/a	2.54	n/a
Magnit Family	1.07	n/a	1.43	n/a	(2.18)	n/a
Drogerie Stores	5.75	n/a	9.83	n/a	16.25	n/a

<b>Total Selling Space (EOP), th. sq. m.</b>	5,188.94	13.44%	5,244.49	12.95%	5,319.60	13.73%
Convenience stores	3,552.75	11.54%	3,593.05	11.50%	3,651.55	12.84%
Hypermarkets	684.54	3.97%	688.53	4.57%	691.07	4.63%
Magnit Family	209.66	18.89%	211.09	15.17%	208.91	11.69%
Drogerie Stores	741.99	33.82%	751.82	29.85%	768.07	29.41%

<b>Number of Customers, million</b>	328.00	2.65%	348.44	7.29%	341.62	4.55%
Convenience stores	276.41	1.80%	295.00	6.71%	288.42	4.02%
Hypermarkets	20.74	(7.79%)	21.38	(3.80%)	21.27	(3.97%)
Magnit Family	10.94	4.65%	11.47	8.46%	11.27	5.31%
Drogerie Stores	19.91	32.27%	20.59	32.77%	20.67	24.20%

<b>Retail Sales<sup>2</sup>, million RUR</b>	92,038.46	4.40%	97,135.56	10.70%	95,495.90	7.15%
Convenience stores	69,093.40	5.41%	73,534.19	12.11%	71,907.16	8.33%
Hypermarkets	12,154.80	(9.71%)	12,454.14	(4.15%)	12,330.59	(5.35%)
Magnit Family	4,852.63	3.30%	5,043.63	9.25%	4,973.78	6.64%
Drogerie Stores	5,937.63	33.48%	6,103.59	34.33%	6,284.36	24.38%

<b>Retail Sales<sup>2</sup>, million USD<sup>3</sup></b>	1,630.98	23.39%	1,699.01	27.15%	1,651.29	21.01%
Convenience stores	1,224.38	24.57%	1,286.19	28.77%	1,243.40	22.35%
Hypermarkets	215.39	6.71%	217.84	10.09%	213.22	6.89%
Magnit Family	85.99	22.09%	88.22	25.48%	86.01	20.43%
Drogerie Stores	105.22	57.75%	106.76	54.29%	108.67	40.47%

<sup>2</sup> Excluding wholesale

<sup>3</sup> Based on the average exchange rate for April 2017 – 56.4315 RUB per 1 USD, May 2017 – 57.1720 RUB per 1 USD, June 2017 - 57.8311 RUB per 1 USD

## 2Q and 1H 2017 Operating Highlights:

	2Q 2017	2Q 2016	Y-o-Y, %	1H 2017	1H 2016	Y-o-Y, %
<b>New Store Openings (NET)</b>	535	454	n/a	785	799	n/a
Convenience stores	405	187	n/a	593	308	n/a
Hypermarkets	3	3	n/a	3	9	n/a
Magnit Family	1	13	n/a	(4)	15	n/a
Drogerie Stores	126	251	n/a	193	467	n/a

	2Q 2017	2Q 2016	Y-o-Y, %	1H 2017	1H 2016	Y-o-Y, %
<b>Number of Stores (EOP)</b>	14,844	12,888	n/a	14,844	12,888	n/a
Convenience stores	11,114	9,902	n/a	11,114	9,902	n/a
Hypermarkets	240	228	n/a	240	228	n/a
Magnit Family	190	170	n/a	190	170	n/a
Drogerie Stores	3,300	2,588	n/a	3,300	2,588	n/a

	2Q 2017	2Q 2016	Y-o-Y, %	1H 2017	1H 2016	Y-o-Y, %
<b>New Selling Space, th. sq. m.</b>	171.61	153.57	n/a	251.93	263.48	n/a
Convenience stores	132.93	73.25	n/a	199.15	116.57	n/a
Hypermarkets	6.52	6.86	n/a	7.39	21.37	n/a
Magnit Family	0.33	15.02	n/a	(3.85)	16.87	n/a
Drogerie Stores	31.83	58.45	n/a	49.24	108.68	n/a

	2Q 2017	2Q 2016	Y-o-Y, %	1H 2017	1H 2016	Y-o-Y, %
<b>Total Selling Space (EOP), th. sq. m.</b>	5,319.60	4,677.20	13.73%	5,319.60	4,677.20	13.73%
Convenience stores	3,651.55	3,236.13	12.84%	3,651.55	3,236.13	12.84%
Hypermarkets	691.07	660.51	4.63%	691.07	660.51	4.63%
Magnit Family	208.91	187.05	11.69%	208.91	187.05	11.69%
Drogerie Stores	768.07	593.52	29.41%	768.07	593.52	29.41%

	2Q 2017	2Q 2016	Y-o-Y, %	1H 2017	1H 2016	Y-o-Y, %
<b>Number of Customers, million</b>	1,018.05	971.04	4.84%	1,944.14	1,864.57	4.27%
Convenience stores	859.83	825.26	4.19%	1,635.78	1,579.27	3.58%
Hypermarkets	63.38	66.86	(5.20%)	122.62	132.27	(7.30%)
Magnit Family	33.67	31.72	6.14%	64.88	61.38	5.70%
Drogerie Stores	61.17	47.21	29.58%	120.86	91.64	31.88%

	2Q 2017	2Q 2016	Y-o-Y, %	1H 2017	1H 2016	Y-o-Y, %
<b>Retail Sales<sup>2</sup>, million RUR</b>	284,669.92	265,023.79	7.41%	549,241.24	519,458.80	5.73%
Convenience stores	214,534.75	197,517.70	8.62%	411,816.81	385,027.44	6.96%
Hypermarkets	36,939.54	39,483.14	(6.44%)	71,737.27	78,956.03	(9.14%)
Magnit Family	14,870.04	13,978.32	6.38%	28,727.13	27,493.41	4.49%
Drogerie Stores	18,325.59	14,044.64	30.48%	36,960.03	27,981.92	32.09%

	2Q 2017	2Q 2016	Y-o-Y, %	1H 2017	1H 2016	Y-o-Y, %
<b>Retail Sales<sup>2</sup>, million USD<sup>4</sup></b>	4,981.53	4,022.32	23.85%	9,471.93	7,393.56	28.11%
Convenience stores	3,754.21	2,997.77	25.23%	7,101.98	5,480.17	29.59%
Hypermarkets	646.42	599.23	7.87%	1,237.14	1,123.79	10.09%
Magnit Family	260.22	212.15	22.66%	495.41	391.32	26.60%
Drogerie Stores	320.69	213.16	50.44%	637.39	398.27	60.04%

<sup>4</sup> Based on the average exchange rate for 2Q 2017 – 57.1451 RUB per 1 USD, 2Q 2016 – 65.8883 RUB per 1 USD, 1H 2017 – 57.9862 RUB per 1 USD, 1H 2016 – 70.2583 RUB per 1 USD

## LFL Results

Formats	2Q 2017 - 2Q 2016 <sup>5</sup>			
	# of Stores	Average Ticket	Traffic	Sales
Convenience Stores	8,890	3.89%	(3.25%)	<b>0.50%</b>
Hypermarkets	221	(1.14%)	(8.92%)	<b>(9.96%)</b>
Magnit Family	150	(0.51%)	(7.42%)	<b>(7.90%)</b>
Drogerie	2,378	1.46%	2.79%	<b>4.29%</b>
<b>Total</b>	<b>11,639</b>	<b>2.17%</b>	<b>(3.51%)</b>	<b>(1.42%)</b>

Formats	1H 2017 – 1H 2016 <sup>5</sup>			
	# of Stores	Average Ticket	Traffic	Sales
Convenience Stores	8,557	2.90%	(3.42%)	<b>(0.62%)</b>
Hypermarkets	221	(1.67%)	(11.22%)	<b>(12.70%)</b>
Magnit Family	150	(1.47%)	(9.13%)	<b>(10.46%)</b>
Drogerie	2,337	0.78%	1.46%	<b>2.26%</b>
<b>Total</b>	<b>11,265</b>	<b>0.97%</b>	<b>(3.99%)</b>	<b>(3.06%)</b>

<sup>5</sup> LFL calculation base includes stores (all formats), which have been opened 12 months prior to the last month of the reporting period. i.e. by June 1, 2016.

**2Q and 1H 2017 Key Financial Results, million RUR**

	<b>2Q 2017</b>	<b>2Q 2016</b>	<b>Growth Rate</b>	<b>1H 2017</b>	<b>1H 2016</b>	<b>Growth Rate</b>
<b>Net Sales</b>	<b>288,041.75</b>	<b>266,224.84</b>	<b>8.19%</b>	<b>555,024.83</b>	<b>521,527.58</b>	<b>6.42%</b>
Convenience stores	214,534.75	197,517.70	8.62%	411,816.81	385,027.44	6.96%
Hypermarkets	36,939.54	39,483.14	(6.44%)	71,737.27	78,956.03	(9.14%)
Magnit Family	14,870.04	13,978.32	6.38%	28,727.13	27,493.41	4.49%
Drogerie Stores	18,325.59	14,044.64	30.48%	36,960.03	27,981.92	32.09%
Wholesale	3,371.84	1,201.04	180.74%	5,783.60	2,068.78	179.57%
Gross Profit	80,659.54	77,027.06	4.72%	152,546.85	142,062.99	7.38%
<b>Gross Margin, %</b>	<b>28.00%</b>	<b>28.93%</b>	<i>n/a</i>	<b>27.48%</b>	<b>27.24%</b>	<i>n/a</i>
EBITDAR	38,871.40	41,153.08	(5.54%)	70,492.60	69,961.97	0.76%
<i>EBITDAR Margin, %</i>	<i>13.50%</i>	<i>15.46%</i>	<i>n/a</i>	<i>12.70%</i>	<i>13.41%</i>	<i>n/a</i>
EBITDA	27,770.38	31,810.44	(12.70%)	48,765.80	51,599.85	(5.49%)
<b>EBITDA Margin, %</b>	<b>9.64%</b>	<b>11.95%</b>	<i>n/a</i>	<b>8.79%</b>	<b>9.89%</b>	<i>n/a</i>
EBIT	19,488.27	25,678.61	(24.11%)	32,398.43	39,498.47	(17.98%)
<i>EBIT Margin, %</i>	<i>6.77%</i>	<i>9.65%</i>	<i>n/a</i>	<i>5.84%</i>	<i>7.57%</i>	<i>n/a</i>
Net Income	13,254.95	17,863.96	(25.80%)	20,798.04	26,107.24	(20.34%)
<b>Net Income Margin, %</b>	<b>4.60%</b>	<b>6.71%</b>	<i>n/a</i>	<b>3.75%</b>	<b>5.01%</b>	<i>n/a</i>

## 2Q and 1H 2017 Key Financial Results, USD million<sup>6</sup>

	2Q 2017	2Q 2016	Growth Rate	1H 2017	1H 2016	Growth Rate
<b>Net sales</b>	<b>5,040.53</b>	<b>4,040.54</b>	<b>24.75%</b>	<b>9,571.67</b>	<b>7,423.00</b>	<b>28.95%</b>
Convenience stores	3,754.21	2,997.77	25.23%	7,101.98	5,480.17	29.59%
Hypermarkets	646.42	599.23	7.88%	1,237.14	1,123.79	10.09%
Magnit Family	260.22	212.15	22.66%	495.41	391.32	26.60%
Drogerie Stores	320.69	213.16	50.45%	637.39	398.27	60.04%
Wholesale	59.00	18.23	223.64%	99.74	29.45	238.68%
Gross Profit	1,411.49	1,169.06	20.74%	2,630.74	2,022.01	30.11%
<b>Gross Margin, %</b>	<b>28.00%</b>	<b>28.93%</b>	<i>n/a</i>	<b>27.48%</b>	<b>27.24%</b>	<i>n/a</i>
EBITDAR	680.22	624.59	8.91%	1,215.68	995.78	22.08%
<i>EBITDAR Margin, %</i>	<i>13.50%</i>	<i>15.46%</i>	<i>n/a</i>	<i>12.70%</i>	<i>13.41%</i>	<i>n/a</i>
EBITDA	485.96	482.79	0.66%	840.99	734.43	14.51%
<b>EBITDA Margin, %</b>	<b>9.64%</b>	<b>11.95%</b>	<i>n/a</i>	<b>8.79%</b>	<b>9.89%</b>	<i>n/a</i>
EBIT	341.03	389.73	(12.50%)	558.73	562.19	(0.62%)
<i>EBIT Margin, %</i>	<i>6.77%</i>	<i>9.65%</i>	<i>n/a</i>	<i>5.84%</i>	<i>7.57%</i>	<i>n/a</i>
Net Income	231.95	271.12	(14.45%)	358.67	371.59	(3.48%)
<b>Net Income Margin, %</b>	<b>4.60%</b>	<b>6.71%</b>	<i>n/a</i>	<b>3.75%</b>	<b>5.01%</b>	<i>n/a</i>

Notes:

- 1) Net revenue in USD terms is calculated using the average exchange rate for the period.
- 2) This announcement contains inside information which is disclosed in accordance with the Market Abuse Regulation which came into effect on 3 July 2016.
- 3) Please note that there may be small variations in calculation of totals, subtotals and/ or percentage change due to rounding of decimals.

<sup>6</sup> Based on the average exchange rate for 2Q 2017 - 57.1451 RUB per 1 USD, 2Q 2016 – 65.8883 RUB per 1 USD, 1H 2017 - 57.9862 RUB per 1 USD, 1H 2016 – 70.2583 RUB per 1 USD

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**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 unaudited IFRS management accounts 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.