SAFMAR GROUP COMPLETES ACQUISITION OF THE STAKES OF A TYNKOVAN AND PARTNERS IN M.VIDEO, CONSOLIDATES ITS RETAIL ASSETS UNDER M.VIDEO PJSC, TO BE RENAMED SAFMAR RETAIL

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SAFMAR GROUP ANNOUNCES THE COMPLETION OF ITS ACQUISITION OF THE STAKES OF ALEXANDER TYNKOVAN AND HIS PARTNERS IN M.VIDEO, AS WELL AS THE CONSOLIDATION OF ITS RETAIL ASSETS UNDER M.VIDEO PJSC, TO BE RENAMED SAFMAR RETAIL

- SAFMAR Group has acquired 57.7% of PJSC M.video from Alexander Tynkovan and his partners at the price of USD 7 per M.video share.
- Earlier, SAFMAR Group had received approval from Russia's Federal Anti-Monopoly Service (FAS) to acquire 100% of PJSC M.video and subsequently made a voluntary tender offer to minority shareholders to acquire their shares in the company at the same price as the main transaction.
- PJSC M.video will be renamed PJSC SAFMAR Retail and will become the management company for retail chains M.video and Eldorado, as well as the Marketplace project.
- Retail chains M.video and Eldorado will continue to be developed separately in accordance with the strategies to be approved by the new Board of Directors of SAFMAR Retail, which will include representatives of the new shareholder.
- Alexander Tynkovan will continue to serve as General Director of PJCS M.video (which will be renamed SAFMAR Retail), and together with Pavel

Breev will be nominated by the Buyer to the Board of Directors, and will also chair the Management Board.

- The GOODS.RU project (also known as Marketplace) will be developed as announced. Alexander Tynkovan and Pavel Breev will purchase a 20% stake in the equity of Marketplace LLC.

- The regulatory conditions set forth by FAS with regards to the transaction will have no material impact on the business of SAFMAR Retail.

Moscow, 28 April 2017 - SAFMAR Group ("the Buyer") announces the completion of its acquisition of 100% of the investment company previously owned by Alexander Tynkovan and his partners, which, in turn, owned 57.7% of M.video, for the prices of USD 7 per PJSC M.video share. Earlier, the transaction was approved by the Russian Federal Anti-Monopoly Service (FAS).

On 28 April 2017, prior to the closing of the transaction and in accordance with the conditions outlined in the agreement between the Seller and Buyer, SAFMAR Group made a voluntary tender offer to minority shareholders of PJSC M.video concerning the acquisition of their ordinary shares in the company (further "the Voluntary Tender Offer") at the price of USD 7 per share, with payment to be made in Russian rubles at the CBR exchange rate of RUB 56.9364 per USD (the exchange rate on 29 March 2017, when the Voluntary Tender Offer was sent to the Bank of Russia). The Voluntary Tender Offer shall remain open for a period of 71 days from the receipt of the Voluntary Tender Offer by PJSC M.video (28 April 2017). In accordance with the law, the Voluntary Tender Offer will be secured by bank guarantee.

As previously announced, SAFMAR Group intends to rename PJSC M.video as PJSC SAFMAR Retail and establish on its basis a management company into which the Buyer will also include Eldorado Group. At the same time, SAFMAR Retail will continue to develop the M.video and Eldorado chains as separate businesses, retaining the management team at each. The Buyer intends for PJSC M.video (to be renamed PJSC SAFMAR Retail) to remain a public company and to adhere to best practice corporate governance.

In the course of 2017, the shareholders and management of SAFMAR Retail will analyse potential options for consolidating the two businesses and begin developing an integration plan to achieve optimal synergy between the businesses. At the same time, the conditions imposed by FAS will have no material impact on SAFMAR Retail's business.

Marketplace LLC (the e-commerce platform GOODS.RU) will also become part of SAFMAR Retail, and will be developed in line with previously announced plans. Alexander Tynkovan and Pavel Breev will be partners to SAFMAR Group in this project by purchasing a 20% stake of the equity capital of Marketplace LLC at nominal value.

The main governance bodies of PJSC SAFMAR Retail will be the Board of Directors, which will be responsible for the development strategy of the newly united companies, and the Management Board, which will be the collective executive body for making timely decisions on key operational and management matters. The following individuals will be nominated to the Board of Directors: Mikhail Gutseriev, Said Gutseriev, Sait-Salam Gutseriev, Mikhail Shishkhanov, Bilan Uzhakhov, Alexander Tynkovan, Pavel Breev, as well as at least three industry-recognised independent directors. The Management Board will comprise: Alexander Tynkovan, Said Gutseriev, Bilan Uzhakov, and Pavel Breev. Alexander Tynkovan will remain General Director of M.video (to be renamed SAFMAR Retail) and will chair the Management Board.

Mikhail Gutseriev, founder of BIN Group (SAFMAR), commented on the closing of the transaction: "By managing such strong brands as M.video and Eldorado, SAFMAR Retail will become a leading player in the Russian non-food retail sector with excellent prospects for further sustainable growth. Thanks to the synergies and deep professional expertise, our new company can strive for and achieve even the most ambitious tasks. We are grateful to Alexander Tynkovan and Pavel Breev for their support while this deal was in the works and we are excited by the opportunity to continue to work with them in their new capacity."

Alexander Tynkovan, founder of M.video, commented: "My partners and I are fully satisfied with the results of this transaction. I believe in the future of the newly united company and I look forward to taking part in its management together with the new shareholders."

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