

# CECONOMY

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## CECONOMY AG: CECONOMY AG reports on the status of talks concerning a possible transaction with respect to the Russian business of Media-Saturn Group

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Media-Saturn-Holding GmbH (MSH), a majority shareholding of CECONOMY AG (CECONOMY), is in advanced discussions with a company of SAFMAR Group (SAFMAR) relating to the acquisition of a 15% stake in publicly listed PAO M.video (M.video), the leading Russian consumer electronics retailer, by MSH and the transfer of its entire loss-making Russian MediaMarkt business to SAFMAR. MSH would pay a purchase price in the amount of approx. EUR 258m (based on today's exchange rates). Depending on the future development of certain financial ratios of M.video the cash purchase price may be reduced by an amount of up to EUR 86m (based on today's exchange rates). The purchase price would be subject to further customary adjustment mechanisms which might result in an increase or reduction of the purchase price. The contemplated transaction would entirely eliminate the operative losses of the Russian business of MSH and would hence be in line with the communicated strategic agenda of CECONOMY. At the same time would the contemplated transaction enable MSH to participate in the future value development of M.video.

A non-binding agreement on material cornerstones of the contemplated transaction has been reached.

On the basis of the available figures per 31 March 2018, the transaction would likely have a one-time negative impact on CECONOMY's net result for the current financial year 2017/18 of a low three-digit-million-Euro amount.

Neither has a binding agreement between MSH and SAFMAR concerning the transaction been entered into nor have MSH and CECONOMY taken a decision whether the transaction shall actually be pursued. CECONOMY will inform the capital market and the public about the progress of this matter in compliance with the applicable legal requirements.

Financial ratios:

Further background as regards the financial ratios referred to may be found on page 51 of the financial report for the financial year 2016/17 published on the company's homepage, accessible via the following link:

[https://www.ceconomy.de/media/ceconomy\\_annual\\_report\\_2016\\_17.pdf](https://www.ceconomy.de/media/ceconomy_annual_report_2016_17.pdf)

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End of Announcement

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