

CECONOMY AG

# CECONOMY

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## **CECONOMY AG: Acquisition of a 15% stake in PJSC M.video against transfer of the Russian business of Media-Saturn Group**

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CECONOMY AG: Acquisition of a 15% stake in PJSC M.video against transfer of the Russian business of Media-Saturn Group

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Media-Saturn-Holding GmbH (MSH), a majority shareholding of CECONOMY AG (CECONOMY), today signed a share purchase agreement with a company of Safmar Group (Safmar) relating to the acquisition of a 15% stake in publicly listed PJSC 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. The consummation of the transaction is, inter alia, subject to the approval by the Russian antitrust agency.

MSH will 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 purchase price may be reduced by an amount of up to EUR 86m based on today's exchange rates. The purchase price is subject to further customary adjustment mechanisms which might result in an increase or reduction. The transaction will entirely eliminate the operating losses of the Russian business of MSH and hence is in line with the communicated strategic agenda of CECONOMY. At the same time the transaction enables MSH to participate in the future value development of M.video.

On the basis of the available figures per 31 March 2018, CECONOMY will likely incur an aggregated negative one-time impact of around EUR 250 million on its net income as a result of the transaction. This effect together with the ongoing operative results of the transferred Russian business will be recorded as discontinued activities.

The deconsolidation of the loss-making Russian business leads to technical adjustments with regards to CECONOMY's earnings outlook (excluding the earnings contributions from the investment in Fnac Darty S.A. and excluding the discontinued operations) for the current financial year 2017/18. The comparable figures for the fiscal year 2016/17 increase from EUR 704 million to EUR 717 million as regards the EBITDA and from EUR 471 million to EUR 498 million as regards the EBIT. Due to this increased comparison basis and without the improvement in the results of the Russian business in the low double-digit million Euro range anticipated for the fiscal year 2017/18, CECONOMY now expects an increase in both EBITDA and EBIT in the low to medium single-digit percentage range.

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)

Person making the notification: Sebastian Kauffmann, Vice President Investor Relations, CECONOMY AG

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Indices: MDAX

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