

## PJSC "Magnit" Consolidated statement of comprehensive income for the year ended 31 December 2018

(In thousands of Russian rubles)

	Notes	2018	2017(Note 3)*
Revenue from contracts with customers	21	1,237,015,457	1,143,314,405
Cost of sales	22	(940,568,293)	(853,816,856)
<b>Gross profit</b>		<b>296,447,164</b>	<b>289,497,549</b>
Selling expenses	23	(16,069,946)	(15,629,200)
General and administrative expenses	24	(234,766,774)	(222,963,876)
Investment income		210,316	340,714
Finance costs	25	(9,136,262)	(12,978,882)
Other income	26	8,710,355	7,759,273
Other expenses		(907,548)	(735,488)
Foreign exchange (loss)/gain		(1,415,310)	133,680
<b>Profit before income tax</b>		<b>43,071,995</b>	<b>45,423,770</b>
Income tax expense	27	(9,207,471)	(9,884,798)
<b>Profit for the year</b>		<b>33,864,524</b>	<b>35,538,972</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>33,864,524</b>	<b>35,538,972</b>
<b>Profit for the year</b>			
Attributable to:			
Equity holders of the Parent		33,864,524	35,538,972
		<b>33,864,524</b>	<b>35,538,972</b>
<b>Total comprehensive income for the year, net of tax</b>			
Attributable to:			
Equity holders of the Parent		33,864,524	35,538,972
		<b>33,864,524</b>	<b>35,538,972</b>
<b>Earnings per share (in RUB per share)</b>			
- basic and diluted, for profit for the year attributable to equity holders of the parent	28	334.81	373.68

\* Certain amounts shown here do not correspond to the financial statements for the year ended 31 December 2017 and reflect adjustments described in Note 3.

Chief Executive PJSC "Magnit" Naumova O.V.

14 March 2019

The accompanying notes on pages 12-67 are an integral part of these consolidated financial statements

## PJSC "Magnit" Consolidated statement of cash flows for the year ended 31 December 2018

(In thousands of Russian rubles)

	Notes	2018	2017 (Note 3)*
<b>Cash flows from operating activities</b>			
<b>Profit before income tax</b>		<b>43,071,995</b>	<b>45,423,770</b>
<i>Adjustments for:</i>			
Depreciation	7	35,521,322	32,947,360
Amortization including land lease rights	24	996,116	768,342
Loss from disposal of property, plant and equipment		549,026	464,016
Loss from disposal of intangible assets		27,278	-
Loss from disposal of land lease rights	8	25,789	24,697
Gain from disposal of investment property		(1,180)	-
(Reversal) of expected credit losses / accrual of bad debt provision	24	(97,118)	129,225
Foreign exchange loss/(gain)		1,415,310	(133,680)
Finance costs	25	9,136,262	12,978,882
Investment income		(210,316)	(340,714)
<b>Operating cash flows before working capital changes</b>		<b>90,434,484</b>	<b>92,261,898</b>
Increase in trade and other receivables		(1,213,236)	(684,289)
(increase)/decrease in advances paid		(663,651)	217,829
Increase in advances received		511,328	375,292
Decrease/(increase) in taxes receivable		1,145,281	(150,461)
Decrease/(increase) in prepaid expenses		118,695	(181,674)
Increase in inventories		(23,424,016)	(27,260,045)
Increase in trade and other payables		10,247,625	15,353,763
Increase in accrued expenses		511,124	926,667
Decrease in taxes payable		(1,827,166)	(2,527,243)
Increase in contract liabilities		1,131,356	189,020
Increase in government grants	20	1,858,968	355,296
<b>Cash generated from operations</b>		<b>78,830,792</b>	<b>78,876,053</b>
Income tax paid		(4,433,235)	(4,876,235)
Interest paid		(9,860,959)	(13,334,900)
Interest received		200,720	343,376
<b>Net cash from operating activities</b>		<b>64,737,318</b>	<b>61,008,294</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(51,603,538)	(73,528,262)
Purchase of intangible assets	9	(2,154,557)	(1,560,744)
Purchase of land lease rights	8	(847)	(63,023)
Cash received from business combination	6	187,758	-
Proceeds from sale of property, plant and equipment		1,079,628	459,417
Proceeds from sale of investment property		601,180	-
Loans provided		(1,507,414)	(1,855,287)
Loans repaid		166,756	1,552,549
Proceeds from government grants	20	22,742	800,695
<b>Net cash used in investing activities</b>		<b>(53,208,292)</b>	<b>(74,194,655)</b>
<b>Cash flows from financing activities</b>			
Proceeds from loans and borrowings	30	600,693,859	688,243,578
Repayment of loans and borrowings	30	(572,272,534)	(689,033,285)
Dividends paid	30	(13,808,982)	(29,233,198)
Repayment of obligations under finance leases		(3,345)	(1,250)
Proceeds from additional issue of shares	14	-	44,988,662