

OJSC “Company M.video” upgrades the investment program to 30 new stores for 2010 and reports Q1 2010 sales results.

14.04.2010 14:27

OJSC “Company M.video” (RTS, MICEX: MVID), one of the Russia’s largest consumer electronics retailers, announced today that the Company is upgrading its investment program for FY 2010 to 30 new stores. Previously the Company anticipated the opening of at least 20 new stores in 2010.

Alexander Tynkovan, President and CEO of OJSC “Company M.video”, commented on that: “The company is able to increase by 50% the guidance on the number of store openings this year as we are the premier brand in the consumer electronics market, we have a solid financial position and our store format is welcomed by the landlords. Some of the market players have problems and are losing sites as the shopping centers owners understand the need to attract tenants who will generate traffic. Altogether it gives us an opportunity to expand our investment program up to 30 new stores for 2010”.

OJSC “Company M.video” also reported its unaudited retail sales, like-for-like sales (LfL) and expansion results for the 1st quarter of 2010.

Q1 2010 Highlights:

- Retail sales amounted to 22.5 billion Russian roubles (RUB)
- Like-for-like sales declined by 11% as compared to Q1 2009
- Net cash position amounted to 700 million RUB
- 3 new stores opened, total space amounted to 473,000 sq.m.

In Q1 2010 M.video retail sales reached 22.5 billion roubles, including VAT, as compared to 23.1 billion roubles in the first quarter last year. Q1 2009 sales were exceptional due to the RUB weakness. The Company’s LfL sales in Q1 2010 amounted to -11% year-on-year in RUB terms.

M.video opened 3 new stores in Q1 2010 in Orenburg, Izhevsk and Stary Oskol and closed one store in Kemerovo. The total number of the Company’s supermarkets reached 179 stores located in 72 cities of Russia. The total space of M.video stores amounted to 473,000 sq.m as of March 31st, 2010.

The group’s cash and cash equivalents as of March 31st, 2010 amounted to more

than 700 million RUB.

Alexander Tynkovan, President and CEO of OJSC “Company M.video”, commented on the results: “In the first quarter of 2010 we were competing with the strong results we achieved in Q1 last year. Since then the economy and the market have changed significantly and customers’ behavior is no longer driven by the national currency performance which caused the booming sales in our sector in the beginning of 2009”.

He added: “We are happy with our Q1 sales results and are optimistic about 2010. The outstanding performance of some categories, such as digital products in Q1 2010 shows the Russian consumer still enjoys new sophisticated devices and technologies. M.video will use its strong financial position to increase our investment in new stores, update our existing stores and add to our already superior customer service image”.

Summary of the Q1 2010 performance:

Retail Sales Performance				
	Q1 2010	Q1 2009	% change y-o-y	
RUB million, with VAT	22 509	23 134	(2,7%)	
RUB million, without VAT	19 075	19 605		
LfL Sales Performance*				
	Q1 2010 LfL Dynamics			
Russian rubles	(11%)			
Expansion				
	As of 31 March 2010	As of 31 December 2009	New Q1 2010	% change
Stores	179	177	2**	1,1%
Total space, sq. m	473 000	467 000	6000**	1,3%

