



Maximizing Brand Value



Investor and Analyst Presentation, September 2008.

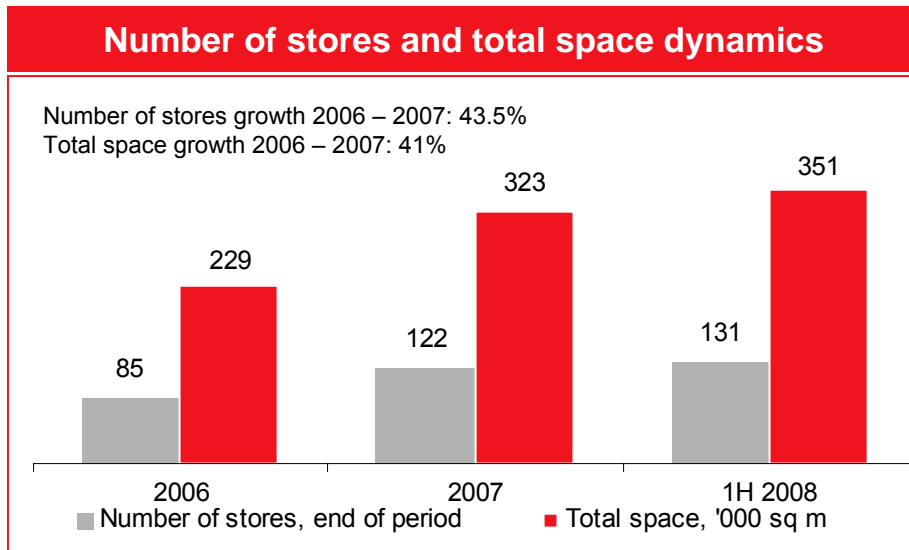
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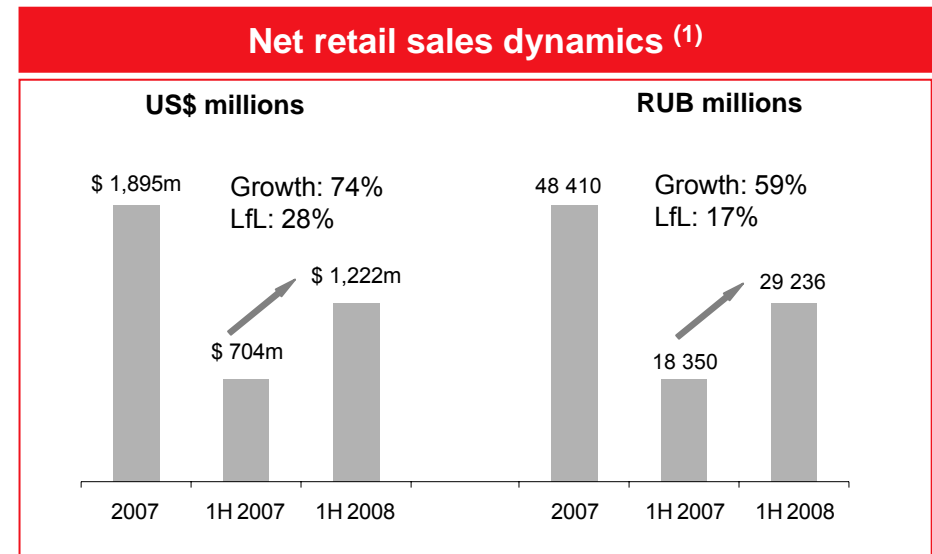
- I. M.video snapshot
- II. Market overview
- III. Highlights
- IV. Financial overview

- Russia's 2nd largest consumer electronics retailer
- 1H 2008 net retail sales reached USD 1,222 million, demonstrating 74% growth vs. 1H 2007
- 131 stores in 53 locations (at July 1st, 2008)
- Uniform retail store format of 2,000+ sq m of selling space
- 20,000+ SKUs of white, grey, brown and media products

Note: All figures in US\$ were converted from RUB using the Central Bank's official exchange rates



Source: Company data



Source: Company data

(1) Incl. Internet sales, excl. wholesale sales and other revenue. 2008 data is based on unaudited management accounts

IPO summary

Issuer

Open Joint-Stock Company
"Company "M.video"

Offer size

52.5 million shares
Primary / secondary split: 30 million /
22.5 million shares
Approximately 30% post-IPO free float

Price

US\$ 6.95 per share

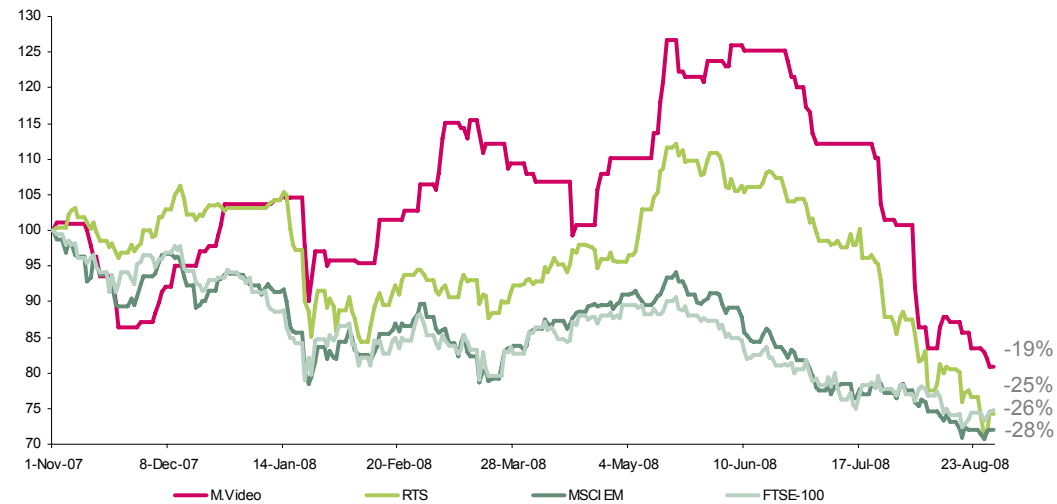
Listing

List I on RTS and MICEX

Syndicate

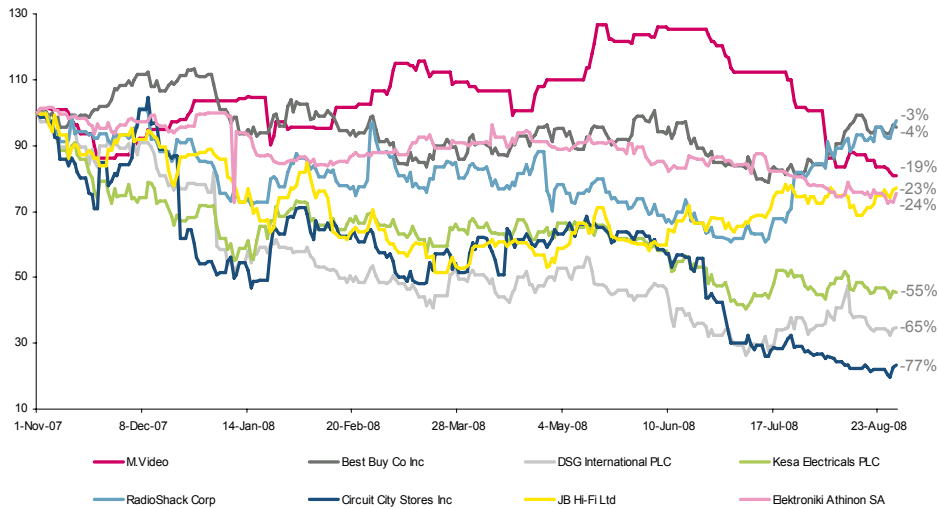
Deutsche Bank – Sole Global
Coordinator and Joint Bookrunner
Renaissance Capital – Joint Bookrunner

M.video's stock performance vs. main indices

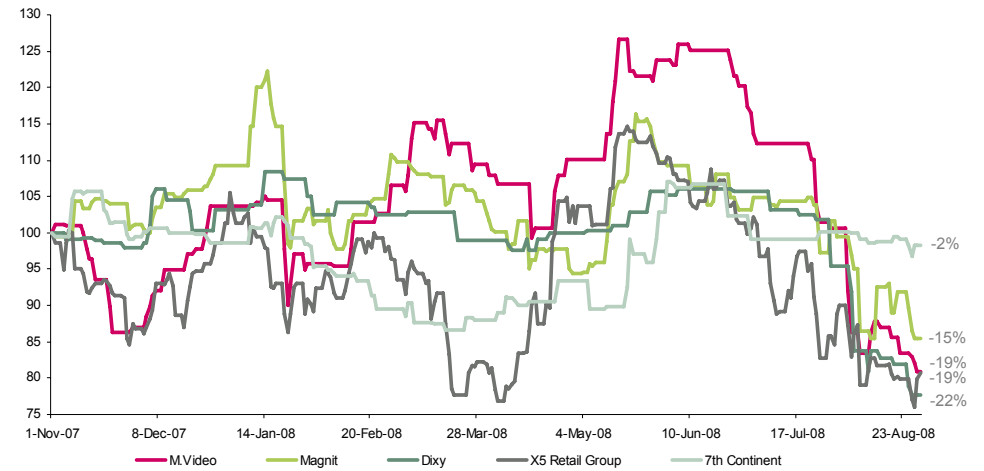


Source: Bloomberg

M.video's stock performance vs. comparable global peers



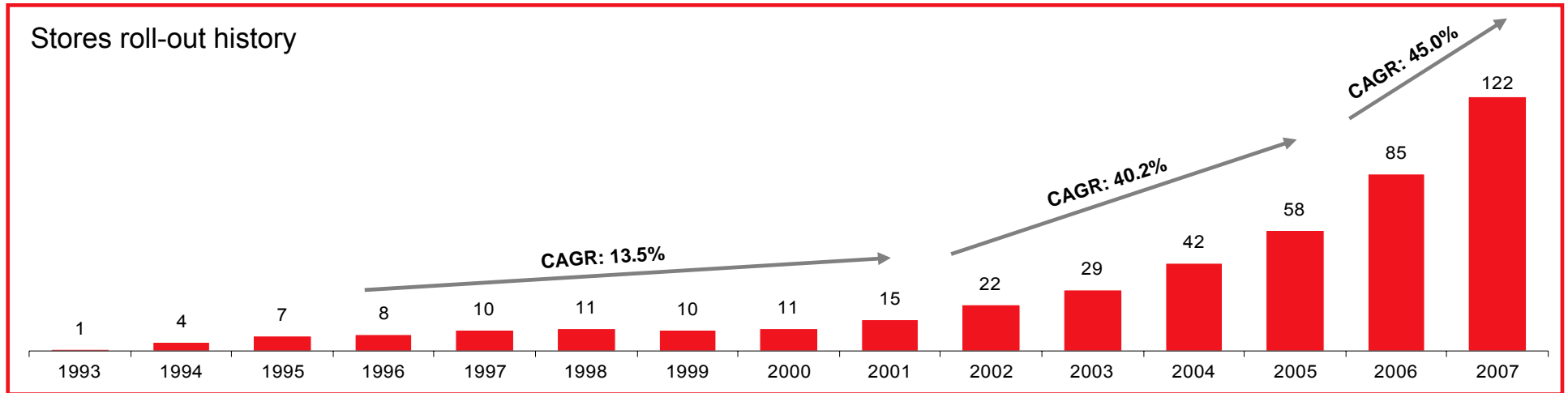
M.video's stock performance vs. Russian peers



Source: Bloomberg

Source: Bloomberg

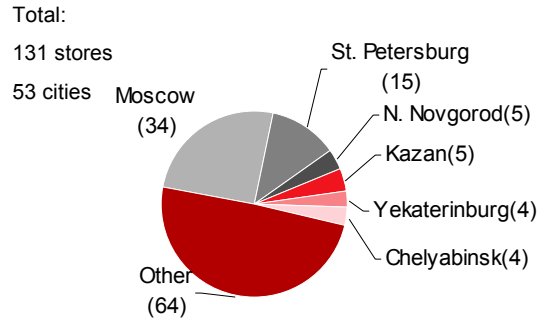
Company history – Key development stages



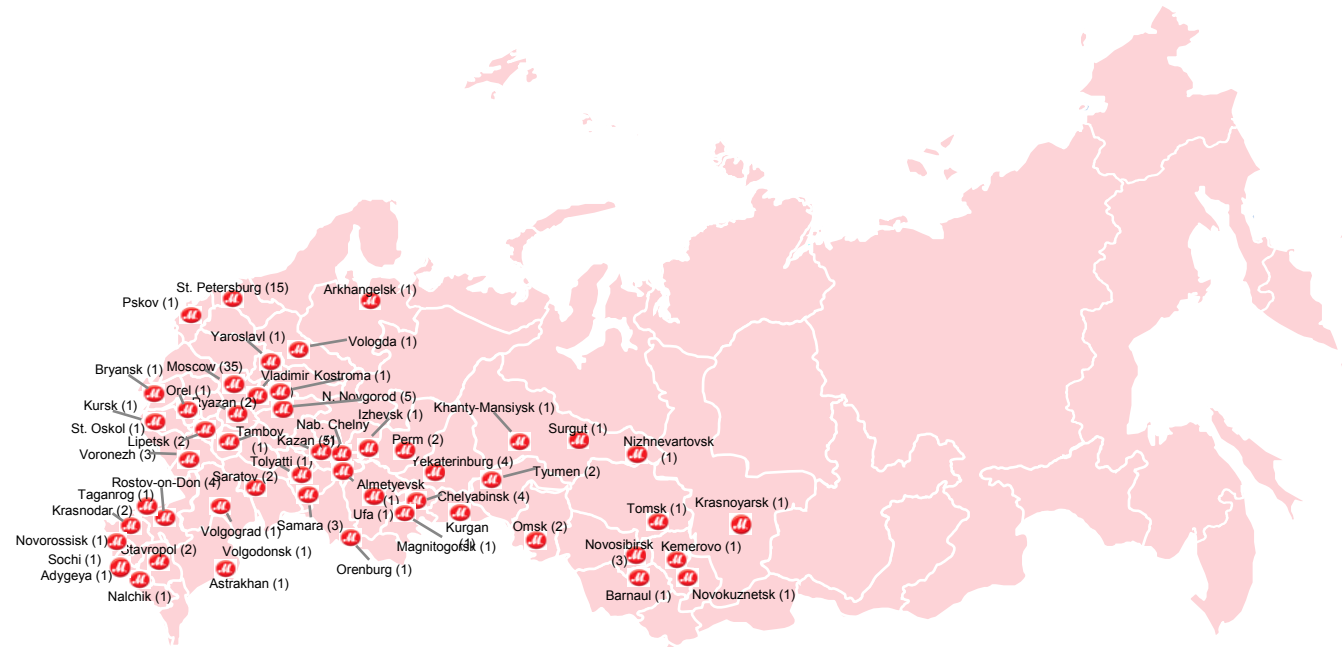
1993 – 1995 Launch	1996 – 2001 Accumulation of capital and growth in spite of economic crisis	2002 – 2005 Operations restructuring and preparation for expansion	2006 - present Growth and regional expansion
<ul style="list-style-type: none"> Opening of the first stores and service centers in Moscow Development of M.video brand 	<ul style="list-style-type: none"> In 2001, 1st store opened in the Russian regions Development of the Company's loyalty program including lottery and discount system Surviving the 1998 crisis 	<ul style="list-style-type: none"> Internal restructuring to prepare the Company for rapid growth In 2004, development and launch of unified 2,000 sq m store format Launch of advanced ERP system Introduction of professional international management 	<ul style="list-style-type: none"> 37 new stores opened in 2007 Launch of 24-hour operating stores in 2006 IPO – November 2007

Following a period of capital accumulation and restructuring, M.video has embarked on growth and regional expansion

Store count at June 30, 2008



Source: Company data



M.video stores

Wide geographic presence with a leading position in major cities

I. M.video snapshot

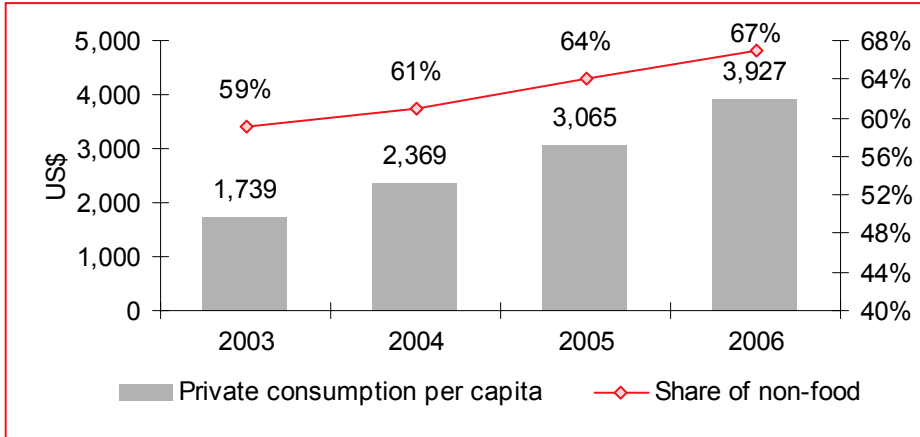
II. Market overview

III. Highlights

IV. Financial overview

M.video is set to benefit from the changing consumption trends...

... driven by rising income and increasing wealth ...

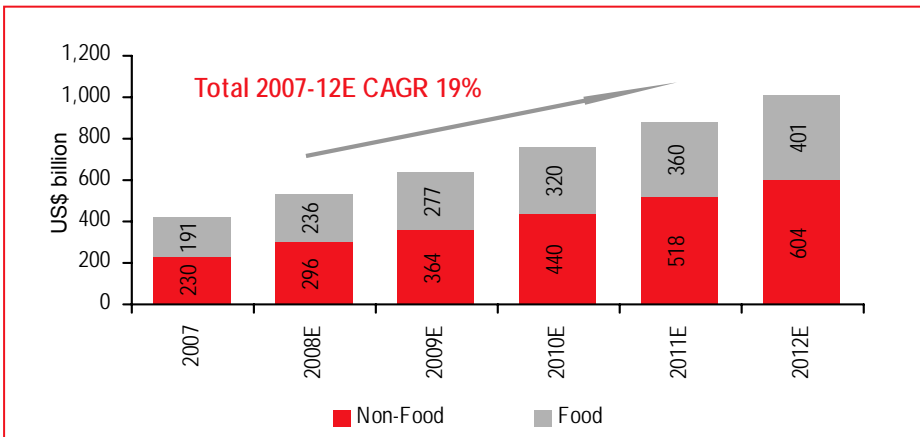


Source: Rosstat, Euromonitor

... changing lifestyle and consumption habits ...

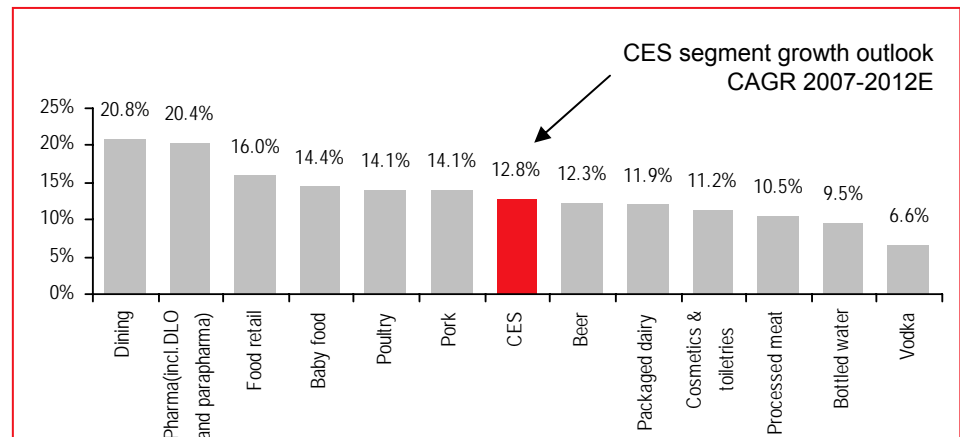
- Increasing demand for modern consumer electronics driven by the replacement of outdated appliances as a result of:
 - “digital revolution” & convergence
 - shortening product lifecycle
 - appeal for innovative products
- Shift to modern retail channels

... reflected in Retail market potential ...



Source: Rosstat, Renaissance Capital Estimates

... and strong growth outlook for the segment



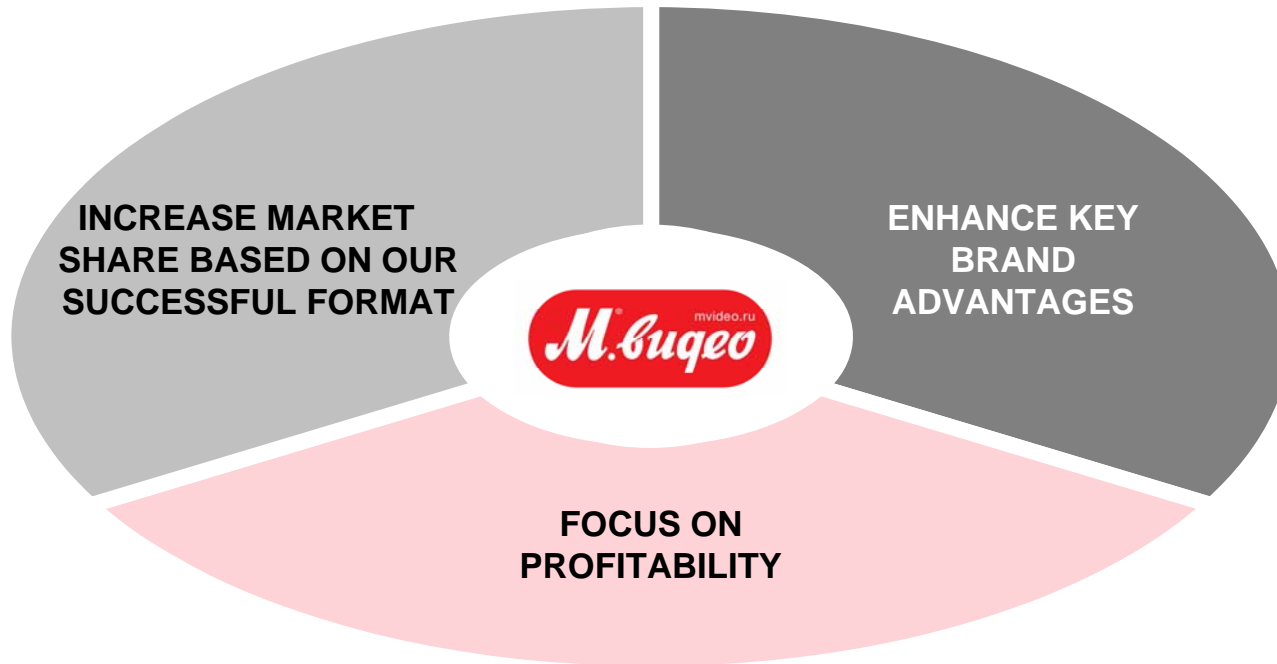
Source: Renaissance Capital estimates

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Strong position in growing market

- 1 Changing consumption trends
- 2 Growing market with consolidation potential
- 3 A leading consumer electronics retailer in Russia
- 4 Strong ability to achieve #1 position in each city

Customer-oriented retail concept

- 5 Successful modern retail concept
- 6 Innovative and exclusive product assortment
- 7 Premium customer service

Outstanding performance

- 8 Widely recognized brand and high customer loyalty
- 9 Focused expansion program
- 10 Experienced international management team

M.video introduced a modern retail concept...

Customer-oriented environment

- Properly selected assortment to fit the demand
- In-store information and navigation
- High quality service and consultation for customers

“Devices are not enough”

- Focus on innovative products, technologies and solutions
- Product information and testing

Creating temptation to buy

- Product presentation and store layout
- Attracting new customers to come in and encourage to spend more time in store
- Modern merchandising techniques
- Stimulating impulse purchasing

Best international practices

- Store concept developed in cooperation with international consultants
- Retail concept adapted and tailored for Russian customers
- Continuous improvements to reflect the most recent market trends

Core store model

Store size

Total area	2,500	sq m
Selling area	2,000	sq m

Product offering

20,000 SKUs

Headcount per store

Day shift	60	people
Night shift (24h stores)	20	people

Product offering by SKU

	SKUs
Audio/Video	1,400
Large Appliances	1,800
Small Appliances	700
IT	200
Telecom	450
Photo	150
Media	10,200
Accessories	5,100
Total	20,000

M.video has created a modern retail concept delivering a compelling shopping experience

Targeting affluent customer base ...

Target customer base

A	▪ Top managers, highly qualified specialists, entrepreneurs
B	▪ Middle managers, middle-sized business entrepreneurs
C	▪ Highly qualified specialists, small business owners, low-middle managers
D	▪ State companies, budget organizations employees
E	▪ Auxiliary workers

Note: Categories definition by Comcon TGI Russia

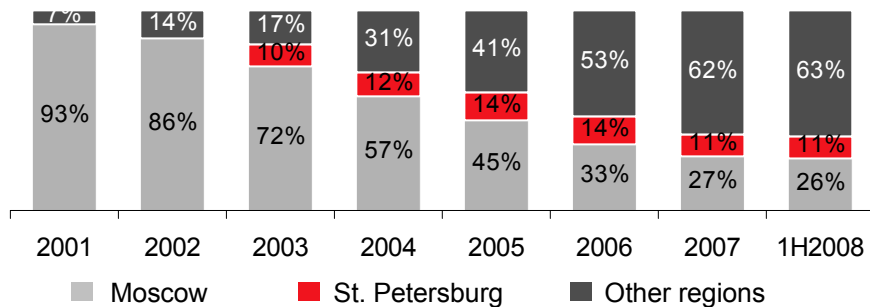
... through effective advertising and promotion strategy

		Share of 2007 marketing budget
Federal TV channels	<ul style="list-style-type: none"> ▪ Support for regional expansion ▪ Awareness building 	31%
Outdoor	<ul style="list-style-type: none"> ▪ Continuous presence and navigation ▪ Support for promotions 	30%
Leaflets	<ul style="list-style-type: none"> ▪ Regular communication of promotions 	31%

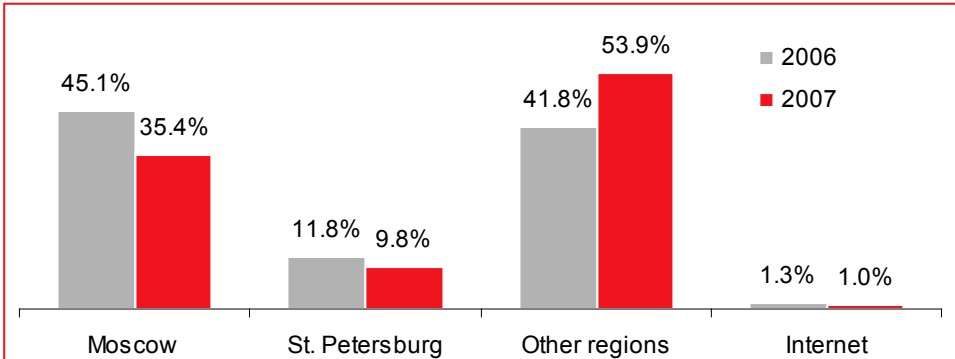
Source: Company data

Increasing share of regional operations

Store count by regions (% of total)



2006-2007 retail revenue breakdown



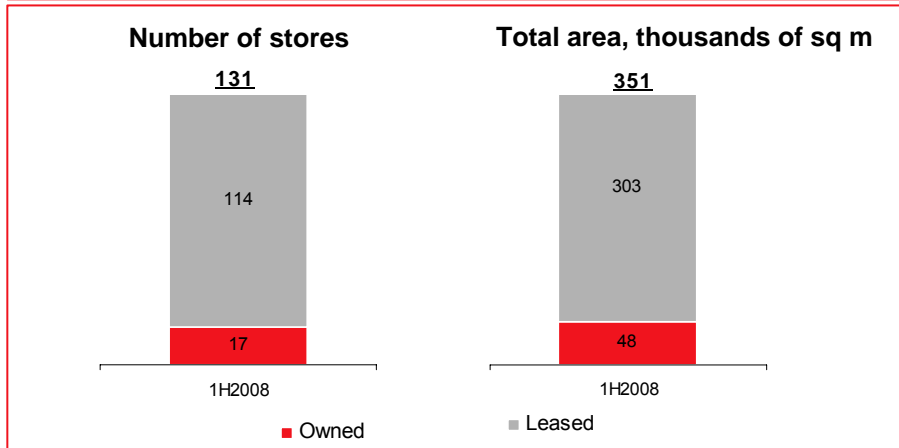
Replication of the uniform store model and selective approach to new markets

- Store model is easily replicated, maximum flexibility and control over the brand and format standards, no franchise operations
- Cost of store opening ≈ RuR 55 million (excl. working capital)
- “ABC” cities concept – potential cities are categorised by population and analyzed for market potential
- Focus cities to be supported by regional distribution centers within the store clusters
- 88 potential target cities on the horizon compared to 53 cities of M.video’s current presence
- Potential for increasing number of stores in cities of presence leveraging on existing distribution platform

	A cities	B cities	C cities
Population	> 800 thousand	300-800 thousand	150-300 thousand
Other requirements	<ul style="list-style-type: none"> High average disposable income Economic security and stability High density of population and defined traffic zones Significant construction development 		
Potential target cities	16	30	42
Current Presence	<ul style="list-style-type: none"> 17 cities 90 stores 	<ul style="list-style-type: none"> 24 cities 29 stores 	<ul style="list-style-type: none"> 12 cities 12 stores

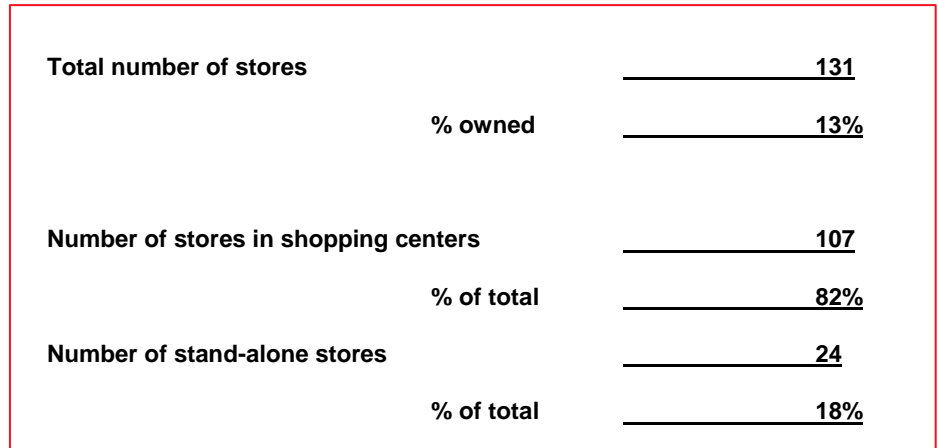
Significant expansion potential in existing markets and new geographic regions

Real estate structure, as of 30.06.08



Source: Company data

Shopping centers vs. stand-alone stores, as of 30.06.08

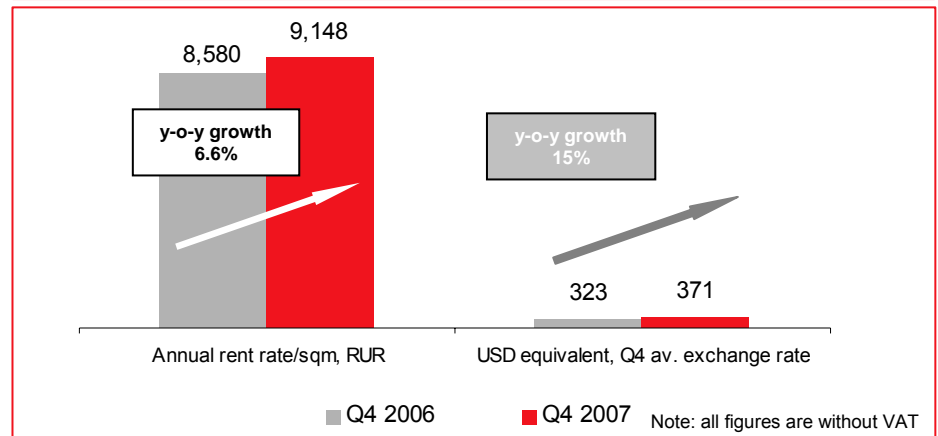


Source: Company data

Expansion plans and delivery

- M.video plans to open up to 40 stores a year between 2008-2010
- H1 2008 expansion: 10 new store opened, 5 new cities entered
- One store closed in Moscow in April 2008.

Rent rates for stores opened in Q4 2006 and Q4 2007



Balancing fast roll-out through leases and ownership of prime real estate properties

Experienced international management team...



Alexander Tynkovan
President and CEO
15 years with M.video

In 1993, established the Company where he holds the position of President and sits on the Company's Board of directors

Graduated from the Moscow Energy Institute



Christopher Parks
CFO
3 years with M.video

Prior to joining M.video, worked as the Financial Director of GTS and has spent 9 years with Price Waterhouse in Canada, Belgium and Russia

Holds a Bachelors degree in business administration from Simon Fraser University and is a certified Chartered Accountant of Canada



Janusz Lella
Retail Operations Director
5 years with M.video

Prior to joining M.video, worked as President and CEO of Retail Investment Concepts (Office Depot) (Central Europe)

Before that, worked as the General Manager and Chairman of the Board of Yoplait Polska.

Graduated from Warsaw Technical University in 1980



Jaap Van Vreden
Commercial Director
1 year with M.video

Jaap joined M.video in 2007 as Head of Supply Chain Commercial Group. Since April 1, 2008 serves as Commercial Director

Prior to joining the Company occupied several positions at Royal Ahold Group for seven years (1999-2006)

Graduated from Higher College of the Retail Trade (Netherland)



Maxim Zakhir
Marketing Director

Maxim joined M.video in July 2008.

Prior to joining M.video, Maxim worked for 4 years as Marketing Director at Bely Veter DIGITAL chain.

Maxim holds MBA Marketing degree from the Russian Academy of National Economy under the Government of Russia.



Irina Ivanova
Supply Chain Director
2 years with M.video

Irina joined M.video as Supply Chain project manager in 2006

Prior to joining M.video, Irina spent 10 with NESTLE Russia where she was a Supply Chain manager and also was responsible for implementing of the integrated IT solutions (SAP, R3)

Since April 1, 2008 serves as Supply Chain Director



Georges Correia
IT Director
2 years with M.video

Prior to joining M.video, Georges worked at Auchan as an International Project Manger from 1996 – 2002 and headed the Auchan IT department in Russia in 2002 - 2006

Since January 2006 Georges has served as IT Director



Olga Vasiliskova
HR Director
5 years with M.video

Prior to joining M.video as an HR Director in 2004, Olga worked at Philip Morris Int. in 1995-2003

Olga has completed professional courses on HR management in MCE (Brussels), Ashridge (UK), Lausanne PM HQ and INSEAD (France)

She graduated from Moscow State University Economic faculty

Chairman of the Board

Peter Gyoerffy

Independent Director
Chairman of the Board
Member of Remuneration and
Nomination Committee



- Board concept in place for 5 years; formal Board of Directors introduced in 2006
- Board comprises 9 people, including 5 Independent Directors
 - Independent Chairman
- Audit Committee chaired by Independent Director
 - Comprised of independent members only
- Remuneration and Nomination Committee chaired by Independent Director

Members of the Board⁽¹⁾

Alexander Tynkovan	Pavel Breev	Christopher Parks	Mikhail Kuchment	Utho Creusen	David Hamid	Ilo Helander	Stuart Leighton
Shareholder President	Shareholder General Director Expansion Director	CFO	Ex-Commercial Director	Independent Director	Independent Director Chairman of Remuneration and Nomination Committee	Independent Director Member of Audit Committee	Independent Director Chairman of Audit Committee

(1) Corporate logos represent the past experience of our Board

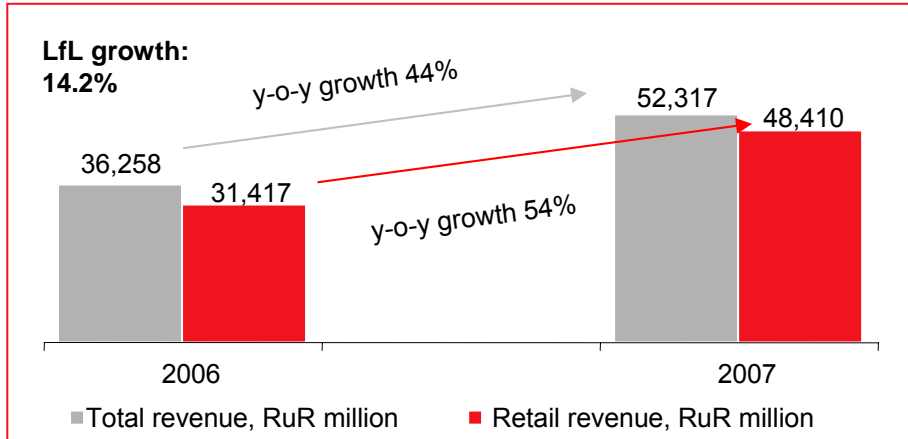
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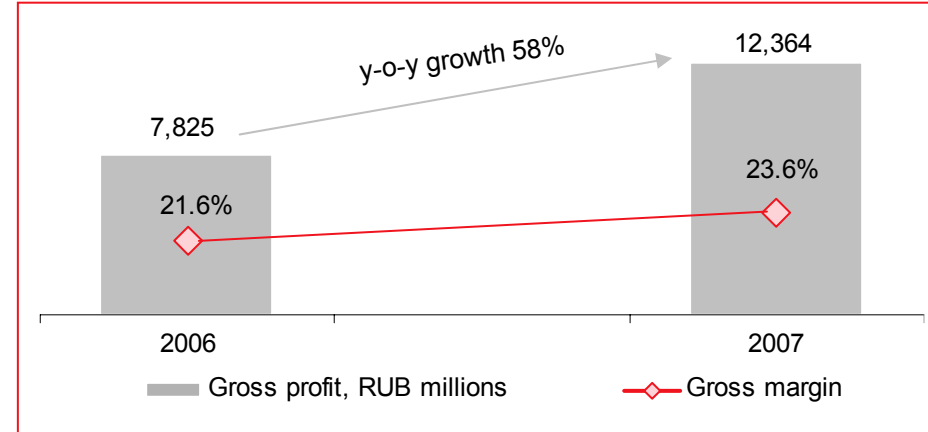
IV. Financial overview

Revenues dynamics



Source: Company consolidated audited financial statements FY 2007

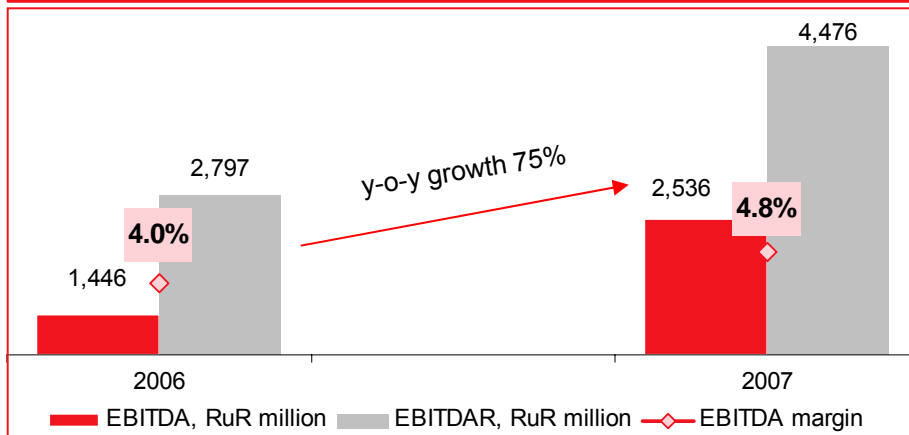
Gross profit and gross margin



Source: Company consolidated audited financial statements FY 2007

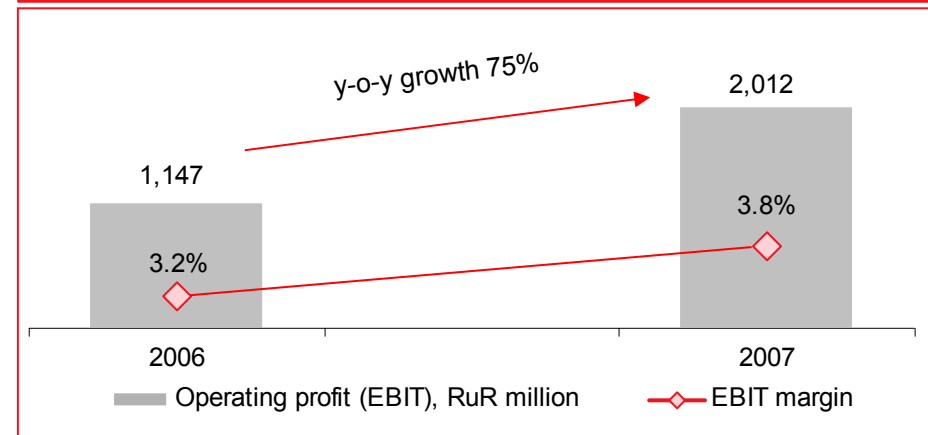
Note: 2006 gross margin number was adjusted as soon as some advertising revenue showed as "other income" in 2006 has been reclassified to gross margin to be consistent with 2007 presentation.

EBITDA/EBITDAR dynamics



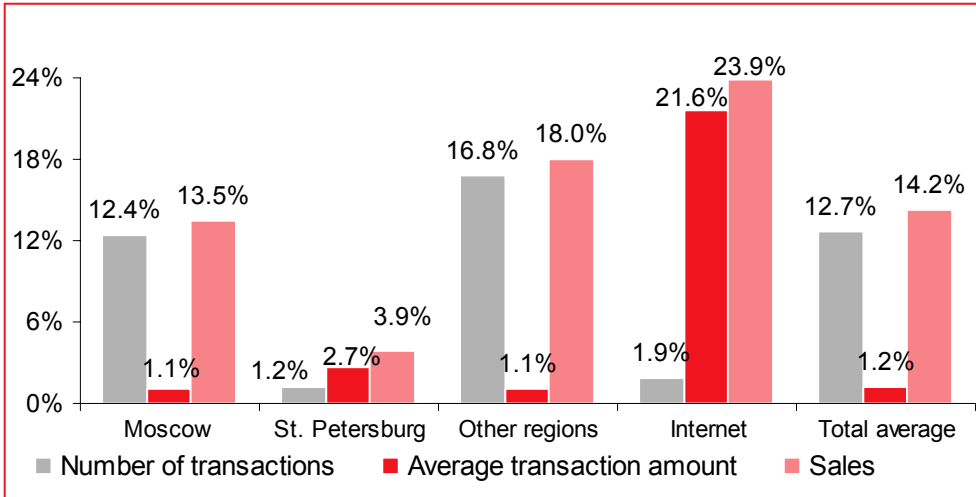
Source: Company consolidated audited financial statements FY 2007

Operating profit (EBIT) dynamics

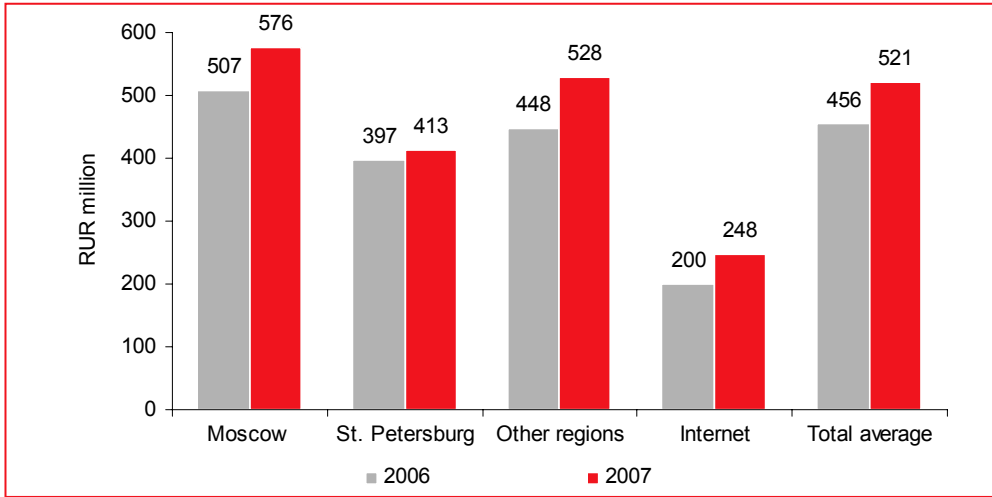


Source: Company consolidated audited financial statements FY 2007

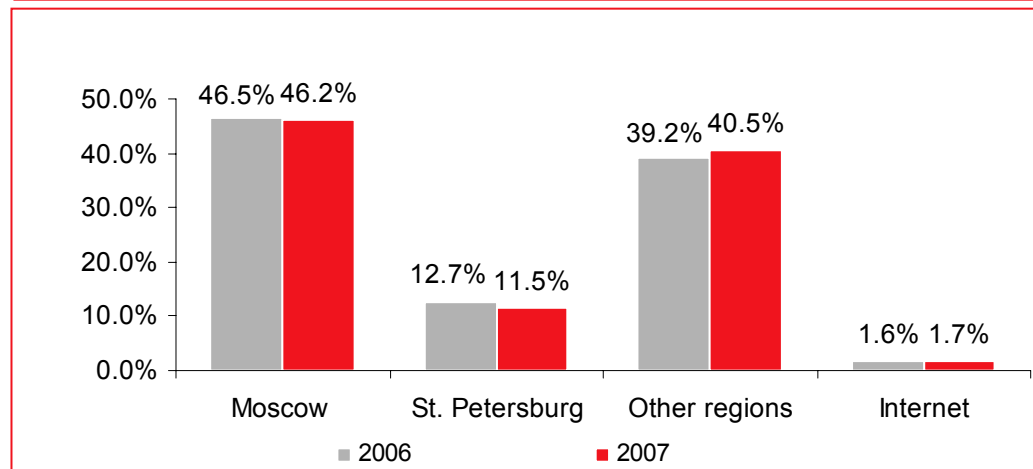
2006-2007 LfL growth, %



2006-2007 LfL revenue per store

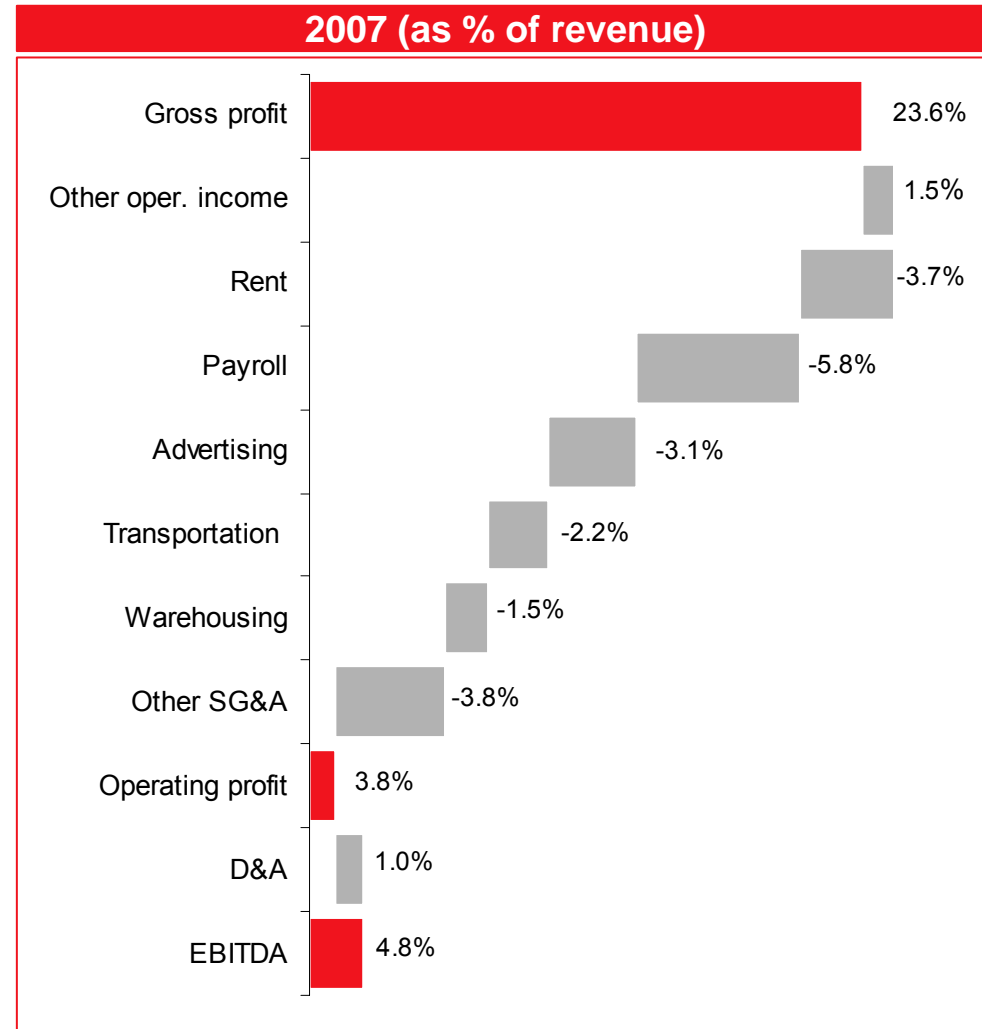
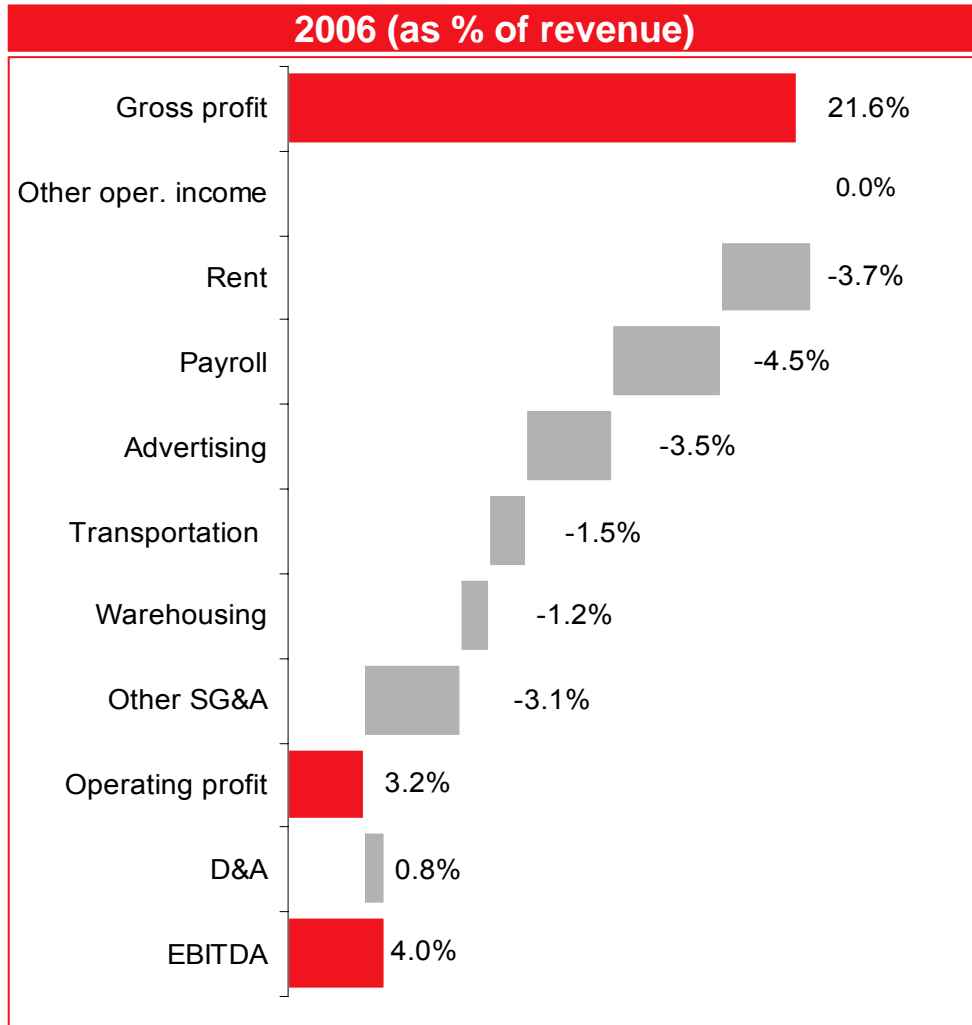


2006-2007 LfL revenue breakdown



Note: LfL data is based upon a comparison of stores open at January 1, 2007 and not closed for more than two weeks or permanently, or expanded or downsized by >20% of total space

Operating expenses analysis: EBITDA build-up



In Russian Rubles, millions

■ Long term debt

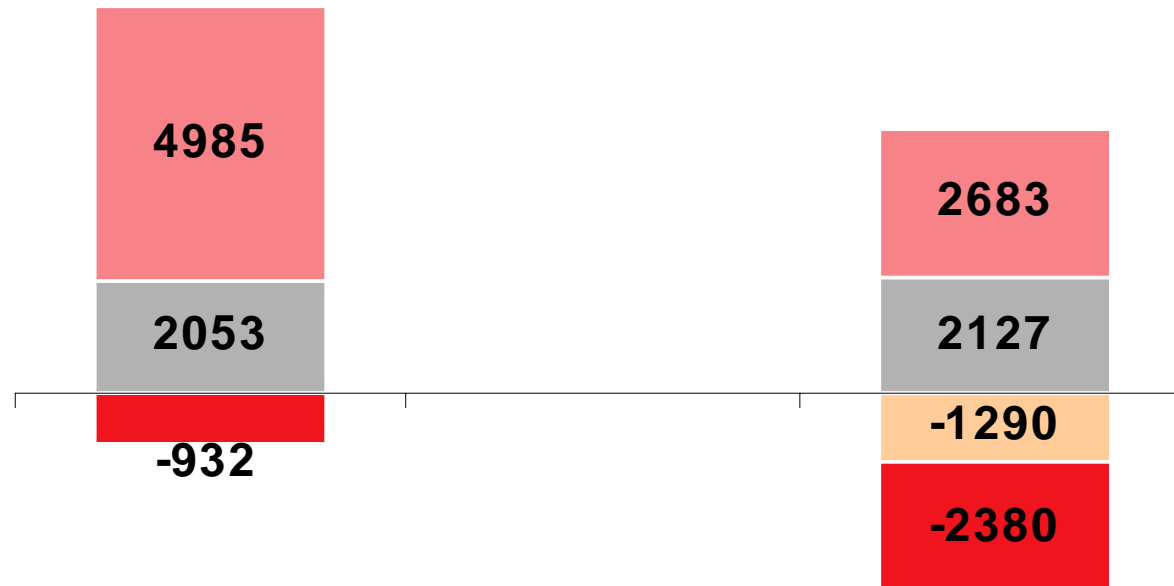
■ Short term investment

■ Bonds & short term debt

■ Cash

Net debt = 6,106

Net debt = 1,140



Net debt/EBITDA ≈ 4.2x

Net debt/EBITDA ≈ 0.5x

31 Dec 2006

31 Dec 2007

1

Booming market

2

Leading retail format

3

Huge potential for expansion

4

Best in class dedicated management team

5

Clear scope for margins improvement

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