

OJSC “Company M.video” reports 33% sales growth in Q1 2011.

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OJSC “Company M.video” (RTS, MICEX: MVID), Russia’s largest consumer electronics retailer, announced today its unaudited retail sales, like-for-like sales (LfL) and expansion results for the 1st quarter of 2011.

Q1 2011 Highlights:

- Retail sales amounted to approx. 30 billion RUB (with VAT)
- Like-for-like sales increased by 12% as compared to Q1 2010
- Net cash position amounted to over 600 million RUB
- 9 new stores opened, total space amounted to 581,000 sq.m.

In Q1 2011 M.video retail sales increased by 33% up to 29.8 billion RUB (with VAT), as compared to 22.5 billion RUB in the first quarter last year. The Company’s LfL sales in Q1 2011 grew by 12% year-on-year in RUB terms.

M.video opened 9 new stores in Q1 2010 while adding 4 new cities to its coverage; one store was closed in St.Petersburg. The total number of the Company’s stores increased to 227 in 90 cities of Russia. The total space of M.video network amounted to 581,000 sq.m as of March 31st, 2011.

The group’s net cash position as of March 31st, 2011 amounted to over 600 million RUB.

Alexander Tynkovan, President and CEO of OJSC “Company M.video”, commented on the results: “We continued our network expansion, opened nine stores in this quarter and achieved excellent sales results in Q1 2011. This makes us quite optimistic about full year performance and signals our number one position for our customers, employees suppliers and shareholders”.

He added: “We are committed to open 30 to 40 new stores this year and we are also going to develop further our customers centric approach and superior brand image to continue building up a solid platform for the future sales growth and network development”.

Summary of the Q1 2011 performance:

| Retail Sales Performance | | | | |
|--------------------------|----------------------|------------------------|-------------|-----------|
| | Q1 2011 | | Q1 2010 | change, % |
| RUB million, with VAT | 29,825 | | 22,509 | 32,5% |
| RUB million, without VAT | 25,275 | | 19,075 | |
| LfL Sales Performance* | | | | |
| | Q1 2011 LfL Dynamics | | | |
| Russian rubles | 12% | | | |
| Expansion | | | | |
| | As of 31 March 2011 | As of 31 December 2010 | New Q1 2011 | change, % |
| Stores | 227 | 219 | 8** | 3.7% |
| Total square, sq.m | 581,000 | 564,000 | 17,000 | 3.0% |

* LfL sales is based on a comparison of sales in Q1 2011 and Q1 2010 and does not include the effect of store openings or closures or expansion of Q1 2011.

** Net of store openings.