

M.video reports growth of its revenue and strong margins' performance in the first half of 2009.

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OJSC "Company "M.video" ("M.video" or the "Group"), Russia's leading consumer electronics retailer (RTS, MICEX: MVID), announces today its unaudited consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) for the half year ended 30 June 2009.

M.video sales increased by 12% to 40,162 million Russian rubles (RUB) with VAT in 1H 2009. The Group's net revenue increased by 11.6% to 34,036 million RUB from 30,509 million RUB in 1H 2008. Retail revenue (the sale of goods and services including internet sales) also increased by 11.6% up to 32,596 million RUB (38, 463 million RUB with VAT). Growth in retail revenue was driven by M.video's expansion and was achieved despite reported market decline in the 1st half of 2009.

The Group's gross profit increased by 21% reaching 8,909 million RUB. M.video's gross margin amounted to 26.2% in 1H 2009 as compared to 24.2% in 1H 2008. Improvement of the gross margin was achieved from focusing on sales of high margin, value added products and services.

M.video's operating profit (EBIT) reached 1,152 million RUB in 1H 2009, with the EBIT margin improved to 3.4% in 1H 2009 from 2.8% in 1H 2008. The Group's EBITDA increased to 1,699 million RUB and the EBITDA margin improved to 5% in 1H 2009 from 4% in 1H 2008.

M.video's net profit for 1H 2009 amounted to 247 million RUB versus 397 million RUB as compared to 1H 2008. The reduction in net profit is due to the increased financing costs of the Group in 1H 2009.

Alexander Tynkovan, President and CEO of OJSC "Company "M.video", commented on that: "We again demonstrated positive dynamics through our major operational and financial indicators in the first half of this year. We also made quite a remarkable achievement this year when surpassed other consumer electronics retailers and became number one, in terms of sales, in the Russian Federation". He also added: "We at M.video feel well prepared for the upcoming high season - we will continue to open new stores, we have strengthened our good relationship with suppliers, we have enough stock in the warehouse and we

have the strongest consumer electronic retail brand in the Russian market. M.video is well positioned in terms of debts and cash: while many companies are struggling to pay suppliers, refinance or repay debts we are able to concentrate on the business and the market”.

M.video key financial results for the 1st Half of 2009 based on consolidated financial statements:

| In millions of Russian Rubles | 1H 2009 | 1H 2008 | y-o-y, % |
|-----------------------------------|---------|---------|----------|
| Sales (with VAT) | 40 162 | 36 001 | 12% |
| Net revenue | 34 036 | 30 509 | 12% |
| Retail revenue (with VAT) | 38 463 | 34 463 | 12% |
| Retail revenue (without VAT) | 32 596 | 29 206 | 12% |
| Gross profit | 8 909 | 7 381 | 21% |
| As % of net revenue | 26,2% | 24,2% | - |
| Operating expenses ⁽¹⁾ | 7 757 | 6 522 | 19% |
| As % of net revenue | 22,8% | 21,4% | - |
| Operating profit (EBIT) | 1 152 | 859 | 34% |
| As % of net revenue | 3,4% | 2,8% | - |
| EBITDA | 1 699 | 1 232 | 38% |
| As % of net revenue | 5,0% | 4,0% | - |
| Net profit | 247 | 397 | (38%) |

(1) The operating expenses include selling, general and administrative expenses (SG&A) after deducting income of other operating divisions.

