M.video reports sales growth by 8% and online based sales growth by 113% in Q1 2014

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OJSC “Company M.video” (MOEX: MVID), Russia’s largest consumer electronics retailer by revenue, announced today its unaudited sales, like-for-like sales (LfL) and expansion results for the 1st quarter of 2014.

Q1 2014 Highlights:

- Sales amounted to 47 billion RUB (with VAT)
- Like-for-like sales increased 1% as compared to Q1 2013
- Online based sales grew by 113%
- 8 new stores opened, selling space amounted to 594,000 sq.m.

In Q1 2014 M.video’s sales increased by 8% up to 47 billion RUB (with VAT), as compared to 43.6 billion RUB in the first quarter last year. The Company’s LfL sales in Q1 2014 grew by 1% year-on-year.

M.video’s online based sales in Q1 2014 (orders from Company’s online: home delivery to customers + pickup in stores) more than doubled and increased to 3.7 billion RUB (with VAT), as compared to 1.7 million RUB in Q1 2013.

M.video opened 8 new stores in Q1 2014 while adding 2 new cities to its coverage; one store was closed in Moscow area. The total number of the Company’s stores increased to 340 in 146 cities of Russia. The selling space of M.video network amounted to 594,000 sq.m while the total space amounted to 799,000 sq.m as of March 31st, 2014.

Alexander Tynkovan, President and CEO of OJSC “Company M.video”, commented: "We are delighted with improved performance in our like-for-like sales in the first quarter comparing to Q4 even though the market softness continues following end of 2013”.

He added: “This was achieved due to the rapid expansion of our Omni model, including opening of online operations in 52 Russian cities last year. We can admit that the Omni model works successfully as we enjoyed more than double growth in our online based sales in the past quarter. I would like to highlight also the increasing penetration of the pickup in store service which now stands for

more than half of the overall online based sales. It gives us a very good opportunity to interact further with our customers and to unlock some additional opportunities by attracting people to our stores”.

Summary of the Q1 2014 performance:

Sales			
	Q1 2014		Q1 2013
RUB million, with VAT	47,076		43,607
RUB million, without VAT	39,895		36,955
Online Based Sales (Home delivery + Pickup)			
	Q1 2014		Q1 2013
RUB million, with VAT	3,654		1,716
RUB million, without VAT	3,097		1,454
LfL Sales Performance*			
	Q1 2014 LfL Dyna		
Russian rubles	1%		
Expansion			
	As of 31 March 2014		As of 31 December 201
Stores	340		333

Selling space, sq.m	594,000		582,500
Total space, sq. m	799,000		785,000

* - LfL data is based upon a comparison of stores open at January 1, 2012 and not closed for more than two weeks or permanently, or expanded or downsized by >20% of total space.

** - net of closing 1 store.