M.video reports 52% increase in net profit for FY 2011.

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OJSC “Company M.video” (“M.video” or the “Group”), Russia's largest consumer electronics retailer (RTS, MICEX: MVID), releases today its audited consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) for the year ended 31 December 2011.

M.video sales increased by almost 30% to 132 billion Russian rubles (RUB), including VAT in FY 2011. Growth in revenue was mainly driven by M.video’s opening of 44 stores, increased by 10% like-for-like stores sales and a 90% increase in Moscow Internet sales.

The Group’s gross profit increased to 29.3 billion RUB. M.video’s gross margin grew to 26.2% in FY 2011 as compared to 25.8% in FY 2010.

M.video’s operating profit (EBIT) increased by 42% to 4.6 billion RUB with an EBIT margin of 4.1% in FY 2011.

The Group’s EBITDA increased to 6.2 billion RUB in FY 2011 as compared to 4.5 billion RUB in FY 2010 while the EBITDA margin was 5.6% in FY 2011 as compared to 5.2% in FY 2010.

M.video’s net profit for the FY 2011 grew by 52% to 3.4 billion RUB from 2.2 billion RUB in FY 2010.

Alexander Tynkovan, President of OJSC “Company “M.video”, commented that: “The Company demonstrated significant improvements both in revenues and profitability from top to bottom in 2011. We sustained remarkable growth and added again 44 new stores and 24 cities to our network”.

He also added: “We are committed to growing our business in Russia using an Omni-Channel approach where customers can receive the same service level whatever way – on-line or store – they choose to shop. We are one brand name to serve our customers’ demand. We are also delivering a superior value to our shareholders and investors with a consistent dividend story which stands for increasing amounts of dividends for the foreseeable future”.

M.video key financial results for the FY 2011 based on IFRS consolidated financial statements:

In millions of Russian rubles	2011	2010	y-o-y, %
Sales (with VAT)	132,086	102,147	29.3%
Net revenue	111,937	86,565	29.3%
Gross profit	29,267	22,361	30.9%
As % of net revenue	26.2	25.8	0.4%
Operating expenses[1]	24,666	19,127	28.9%
As % of net revenue	22.0	22.1	(0.1%)
Operating profit (EBIT)	4,601	3,234	42.3%
As % of net revenue	4.1	3.7	0.4%
EBITDA	6,239	4,523	37.9%
As % of net revenue	5.6	5.2	0.4%
Net profit	3,374	2,221	52%
As % of net revenue	3.0	2.6	0.4%

[1] The operating expenses include selling, general and administrative expenses (SGA), other operating income and other operating expenses.