OJSC “Company “M.video” reports 37% sales growth in Q3 2010

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OJSC “Company “M.video” (RTS, MICEX: MVID), one of the Russia’s largest consumer electronics retailers, announced today its unaudited retail sales, like-for-like sales (LfL) and expansion results for the 9 months and 3rd quarter of 2010.

9 months 2010 Highlights:

- Retail sales increased by 17% to 67 billion Russian rubles (RUB), with VAT;
- Like-for-like sales grew by 5%;
- The Company continues to be in a net cash position;
- 20 new stores opened, total space increased to 512,000 sq.m.

In Q3 2010 M.video retail sales increased by 37% and LfL sales were 21% positive versus Q3 2009.

M.video opened 20 new stores in 9 months 2010 (10 new stores in Q3 2010) while closing 1 store in Q1 2010. The total number of the Company’s supermarkets reached 196 stores as of September 30th, 2010. The total space of M.video stores amounted to 512,000 sq.m, demonstrating almost a 10% increase as compared to FY 2009 results.

The Company’s net cash position as of September 30th, 2010 exceeded 1.7 billion RUB.

Alexander Tynkovan, President and CEO of OJSC “Company “M.video”, said: “We feel very positive about our performance in the 3rd quarter when both our retail and like-for-like revenues showed double digit growth. As a consumer confidence is improving our sales trends appear to return to traditional seasonality. It gives us even more optimism about our high season in December where most of our annual sales are derived”.

Alexander Tynkovan also stated: “M.video is approaching now a historical benchmark of 200 stores. It sends a very positive signal to all our customers, employees and stakeholders proving again that we have an ambitious growth strategy and can successfully roll-out our recognized store format in the Russian market. We have also upgraded our opening plan up to 40 new stores by the end

of 2010”.

Summary of the 9 months and 3rd quarter 2010 performance:

Retail Sales Performance						
	9m 2010	9m 2009	% change y-o-y	Q3 2010	Q3 2009	% change y-o-y
RUB million, with VAT	67 221	57 552	16,8%	26 149	19 110	36,8%
RUB million, without VAT	56 967	48 773	16,8%	22 160	16 195	36,8%
LfL Sales Performance*						
	9m 2010 LfL Dynamics, %			Q3 2010 LfL Dynamics, %		
Russian rubles	5,3%			20,6%		
Expansion						
	As of 30 September 2010		As of 31 December 2009		New 9m 2009	% change
Stores	196		177		19**	11%
Total space, sq. m	512 000		467 000		45 000**	10%

* - LfL data is based upon a comparison of stores open at January 1, 2009 and not closed for more than two weeks or permanently, or expanded or downsized by >20% of total space.

** - net of closing