OJSC “Company “M.video” reports 7% sales growth in H1 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 1st half and 2nd quarter of 2010.

H1 2010 Highlights:

- Retail sales increased by 7% to 41 billion Russian rubles (RUB), with VAT;
- Like-for-like sales showed (2.5%) as compared to H1 2009;
- Net cash position exceeded 200 million RUB as of June 30, 2010;
- 10 new stores opened, total space increased to 489,000 sq.m.

In Q2 2010 M.video retail sales increased by 22% and LfL sales were 11% positive versus Q2 2009.

M.video opened 10 new stores in H1 2010 (7 new stores in Q2 2010) while closed 1 store in Q1 2010. The total number of the Company’s supermarkets reached 186 stores as of June 30th, 2010. The total space of M.video stores amounted to 489,000 sq.m, demonstrating a 5% increase as compared to FY 2009 results.

The group’s net cash position as of June 30th, 2010 exceeded 200 million RUB.

Alexander Tynkovan, President and CEO of OJSC “Company “M.video”, said: “We’re quite pleased with our second quarter positive retail revenue and double digit like-for-like sales of 11%. These results were underpinned by growing consumer confidence and increased number of purchases in our network. At the same time we noticed that the volume of consumer loans increased in our network signaling customers’ readiness to buy our products and services. We view that as a good sign for both the consumer electronics market and M.video performance in the second half of the year”.

He added: “Our successful store format and focus on the customer allows us to open new stores while remaining in a net cash position”.

Summary of the 1st half and 2nd quarter 2010 performance:

Retail Sales Performance						
	H1 2010	H1 2009	% change y-o-y	Q2 2010	Q2 2009	% change y-o-y
RUB million, with VAT	41 154	38 463	7%	18 645	15 329	22%
RUB million, without VAT	34 876	32 596		15 801	12 991	
LfL Sales Performance*						
	1H 2010 LfL Dynamics, %			Q2 2010 LfL Dynamics, %		
Russian rubles	(2,5%)			11%		
Expansion						
	As of 30 June 2010		As of 31 December 2009	New 1H 2009	% change	
Stores	186		177	9**	5%	
Total space, sq. m	489 000		467 000	22 000**	5%	

* - LfL data is based upon a comparison of stores open as of 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