OJSC “Company M.video” reports its audited consolidated FY 2008 IFRS results.

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OJSC “Company “M.video” (“M.video” or the “Group”), one of the Russia's leading consumer electronics retailers (RTS, MICEX: MVID) announces today its audited consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) for the full year ended 31 December 2008.

“M.video” sales in 2008 grew by 37% up to Russian roubles (RuR) 84,4 billion. The Group’s IFRS net revenue in 2008 increased to RuR 71,486 million from RuR 52,317 million in 2007. Retail revenue (the sale of goods and services including internet sales) increased by 41% up to RuR 68,131 million (80,395 million with VAT). Growth in revenues was driven by the Group’s expansion and healthy double-digit like-for-like sales growth.

“M.video” IFRS gross profit increased 49% in 2008 reaching RuR 17,876 million. The Group’s gross margin improved to 25% compared to 22.9% in 2007. Improvement of the gross margin was achieved from increased scale of operations and growth in sales of high margin products and services.

The Group’s EBITDA increased by 38% and reached RuR 3,596 million with the EBITDA margin increasing to 5.03% in 2008 from 4.98% in 2007.

M.video IFRS net profit for 2008 grew to RuR 1,256 million demonstrating 94% increase as compared to 2007.

Alexander Tynkovan, President and CEO of M.video commented on FY 2008 financial statements: “We achieved those positive benchmarks in 2008 due to the high sales volumes as well as focus on the growth of the high margin products and services share. In the reported period M.video became the fastest growing consumer electronic retail chain in Russia while building strong financial position and significantly improving its net debt. Today M.video is a definite leader of the Russian consumer electronic retail sector, demonstrating positive development of the major financial indicators and strengthening its competitive market positions”.

M.video FY 2008 key financial indicators calculated based on consolidated financial statements:

Russian rubles, million	2008	2007	y-o-y, %
Sales (with VAT)	84 353	61 734	37%
Net revenue, incl.	71 486	52 317	37%
Retail revenue	68 131	48 410	41%
Gross profit (1)	17 876	11 965	49%
Gross margin	25,0	22,9	-
Operating expenses	15 143	9 881	53%
As % of net revenue	21,2	18,9	-
Operating profit (EBIT)(1)	2 733	2 084	31%
EBIT margin, %	3,8	4,0	-
EBITDA	3 596	2 607	38%
EBITDA margin	5,03	4,98	-
Net profit	1 256	649	94%
Net margin	1,8	1,2	-

* All key financial indicators are calculated without 18% VAT (value added tax) unless mentioned otherwise.

(1) These numbers were reclassified (adjusted) for 2007 due to changes in accounting policies following adoption of the new and amended IFRS standards and IFRIC interpretations.