M.video reports 53% growth of its net revenue for the first half 2008 and strong margin performance.

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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 unaudited consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) for the half year ended 30 June 2008.

The Group's net revenue increased 53% to 30,509 million Russian rubles (RuR) from 19,925 million RuR in 1H 2007. Retail revenue (the sale of goods and services including internet sales) increased by 59% up to 29,206 million RuR. Growth in retail revenues was driven by the Group's expansion and healthy double-digit like-for-like sales growth of 17%.

The Group's gross profit increased 69% reaching 7,381 million RuR. The Group's gross profit % amounted to 24.2% compared to 22% in 1H 2007. Improvement of the gross profit was achieved from increased scale of operations and growth in sales of high margin products and services.

The Group's operating profit reached 874 million RuR from 319 million RuR in 1H 2007, with the EBIT margin improved to 2.9% in 1H 2008 from 1.6% in 1H 2007.

The Group's EBITDA more than doubled to 1,247 million RuR and the EBITDA margin improved to 4% in 1H 2008 from 2.7% in 1H 2007.
M.video net profit for 1H 2008 amounted to 397 million RuR versus a net loss of 159 million RuR as compared to 1H 2007.

M.video key financial results for the 1st Half of 2008:

In millions of Russian Rubles	1H 2008	1H 2007	y-o
Net revenue, incl.	30,509	19,925	
Retail revenue,	29,206	18,418	
Gross profit,	7,381	4,380	
As % of net revenue	24.2%	22.0%	
Operating expenses(1),	6,507	4,061	

As % of net revenue	21.3%	20.4%
Operating profit (EBIT),	874	319
As % of net revenue	2.9%	1.6%
EBITDA,	1,247	545
As % of net revenue	4.0%	2.7%
Net profit,	397	(159)

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

The full version of the Company's financial statements for the first half of 2008 prepared in accordance with IFRS is available at the official web-site english.mvideo.ru under For Our Investor and Shareholders/Financial Statements section.