



OJSC “Company “M.video” H1 2010 Consolidated Financial Statements Presentation



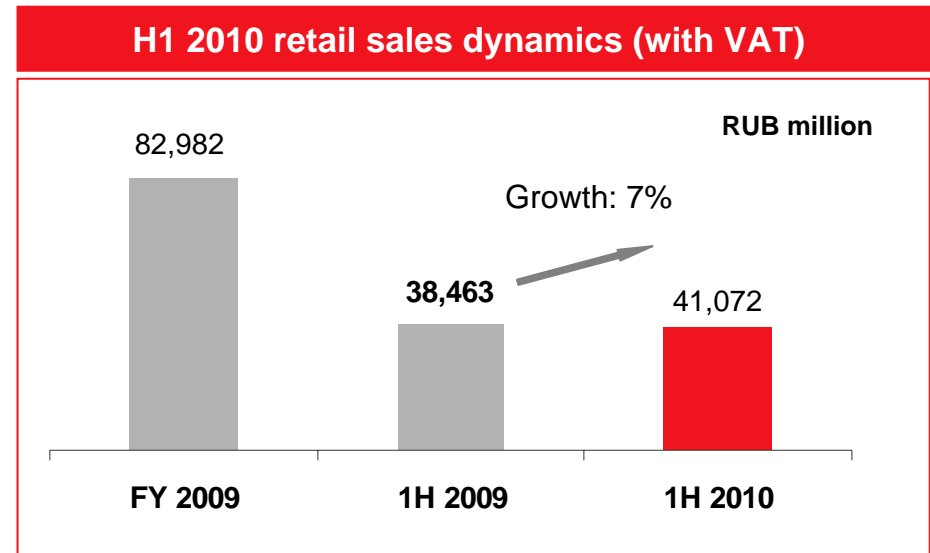
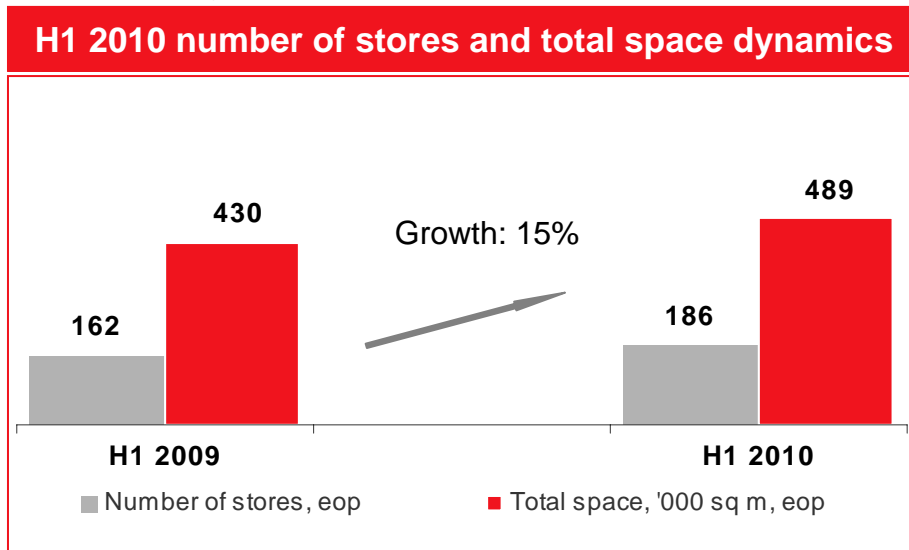
Moscow, September 1, 2010.

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- H1 2010 retail revenue reached 35 billion RUB (41 billion RUB with VAT), demonstrating 7% increase vs. H1 2009.
- Gross Margin demonstrated sustainable performance at 25.8% as the business comes back to the 'normal' grounds
- Net cash position of 275 million RUB achieved (as of June 30, 2010).
- Stores opening: 10 new stores added; network reached 186 stores and 489,000 sq.m total space*

* net of closing



| <i>In millions of Russian rubles</i> | H1 2010 | H1 2009 | y-o-y, % |
|--------------------------------------|----------------|----------------|-----------------|
| Sales (with VAT), including | 41,249 | 40,162 | 2.7% |
| <i>retail sales (with VAT)</i> | <i>41,072</i> | <i>38,463</i> | <i>6.8%</i> |
| Net revenue, including | 34,957 | 34,036 | 2.7% |
| <i>net retail revenue</i> | <i>34,807</i> | <i>32,596</i> | <i>6.8%</i> |
| Gross profit | 9,019 | 8,909 | 1.2% |
| <i>As % of net revenue</i> | <i>25.8</i> | <i>26.2</i> | <i>-</i> |
| Operating expenses* | 8,197 | 7,757 | 5.7% |
| <i>As % of net revenue</i> | <i>23.4</i> | <i>22.8</i> | <i>-</i> |
| Operating profit (EBIT) | 822 | 1,152 | (28.6%) |
| <i>As % of net revenue</i> | <i>2.4</i> | <i>3.4</i> | <i>-</i> |
| EBITDA | 1,435 | 1,699 | (15.5%) |
| <i>As % of net revenue</i> | <i>4.1</i> | <i>5.0</i> | <i>-</i> |
| Net profit | 518 | 247 | 109.7% |
| <i>As % of net revenue</i> | <i>1.5</i> | <i>0.7</i> | <i>-</i> |

* - the operating expenses include selling, general and administrative expenses (SGA), other operating income and other operating expenses.



H1 2010 Consolidated Income Statement Highlights

| <i>Russian rubles, million</i> | H1 2010 | H1 2009 |
|--|----------------|----------------|
| REVENUE | 34,957 | 34,036 |
| COST OF SALES | (25,938) | (25,127) |
| GROSS PROFIT | 9,019 | 8,909 |
| Selling, general and administrative expenses | (8,580) | (7,951) |
| Other operating income | 425 | 259 |
| Other operating expenses | (42) | (65) |
| OPERATING PROFIT | 822 | 1,152 |
| Finance income/(costs), net | 21 | (718) |
| PROFIT BEFORE INCOME TAX EXPENSE | 843 | 434 |
| INCOME TAX EXPENSE | (325) | (187) |
| NET PROFIT FOR THE PERIOD | 518 | 247 |

Russian rubles, million

| | H1 2010 | as % of revenue | H1 2009 | as % of revenue |
|--------------------------------------|----------------|----------------------------|----------------|----------------------------|
| Payroll and related taxes | 2,414 | 6.9 | 2,102 | 6.2 |
| Lease expenses (rent) | 1,896 | 5.4 | 1,868 | 5.5 |
| Advertising and promotional expenses | 1,098 | 3.1 | 1,162 | 3.4 |
| Transportation | 544 | 1.5 | 476 | 1.4 |
| Warehouse services | 500 | 1.4 | 403 | 1.2 |
| Depreciation, amortization | 613 | 1.8 | 547 | 1.6 |
| Other SG&A | 1,515 | 4.3 | 1,393 | 4.1 |
| Subtotal | 8,580 | 24.5 | 7,951 | 23.4 |
| Net other operating income | (383) | | (194) | |
| Total | 8,197 | 23.4 | 7,757 | 22.8 |

Russian rubles, million

| | <u>H1 2010</u> | <u>H1 2009</u> |
|----------------------------------|----------------|----------------|
| Net profit for the period | 518 | 247 |
| Income tax expense | 325 | 187 |
| Finance cost | (21) | 718 |
| Depreciation and amortization | 613 | 547 |
| EBITDA | 1,435 | 1,699 |
| Rent expense | 1,896 | 1,868 |
| EBITDAR | 3,331 | 3,567 |

EBITDA(R) - Earnings before interest, taxes, depreciation & amortization (& rent)

H1 2010 Consolidated Balance Sheet Summary

Russian rubles, million

| | <u>30 June 2010</u> | <u>31 Dec 2009</u> |
|--|-----------------------------|-----------------------------|
| ASSETS | | |
| NON-CURRENT ASSETS: | | |
| Property, plant and equipment | 6,539 | 6,074 |
| Other | 2,074 | 2,038 |
| Total non-current assets | <u>8,613</u> | <u>8,112</u> |
| CURRENT ASSETS: | | |
| Inventories | 13,821 | 15,474 |
| Accounts receivable and prepaid expenses | 1,049 | 1,051 |
| VAT recoverable and other taxes receivable | 668 | 1,193 |
| Cash and cash equivalents | 1,738 | 6,447 |
| Other | 236 | 225 |
| Total current assets | <u>17,512</u> | <u>24,390</u> |
| TOTAL ASSETS | <u><u>26,125</u></u> | <u><u>32,502</u></u> |

Russian rubles, million

30 June 2010 31 Dec 2009

SHAREHOLDERS' EQUITY AND LIABILITIES

SHAREHOLDERS' EQUITY:

Total shareholders' equity

8,912 8,759

NON-CURRENT LIABILITIES:

Total non-current liabilities

436 417

CURRENT LIABILITIES:

Trade accounts payable

12,427 20,495

Short-term loans and borrowings

1,463 -

Other

2,887 2,831

Total current liabilities

16,777 23,326

Total liabilities

17,213 23,743

TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES

26,125 32,502

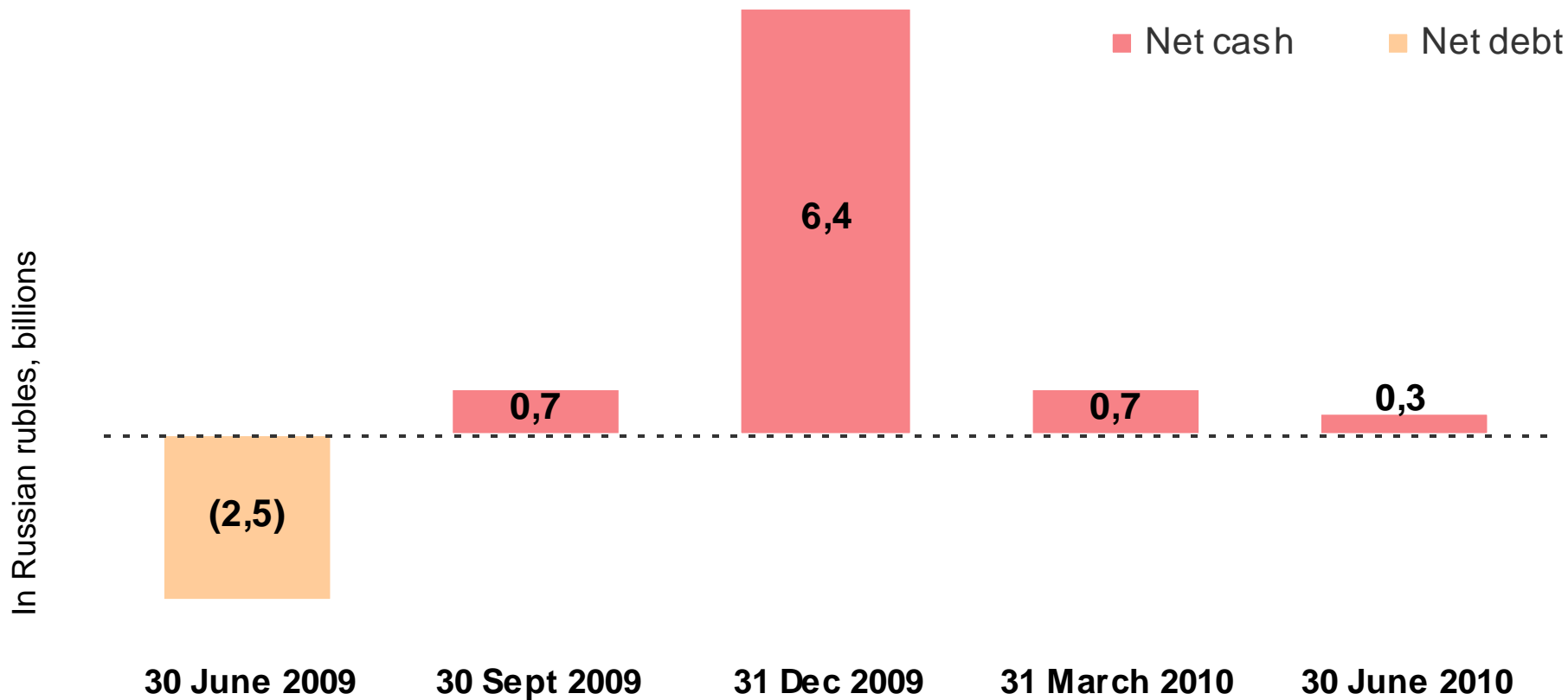
H1 2009 Trade conversion cycle, days



H1 2010 Trade conversion cycle, days



Q2 2009 – Q2 2010 net debt/cash dynamics



H1 2010 Consolidated Cash Flow Statement

Russian rubles, million

| | <u>H1 2010</u> | <u>H1 2009</u> |
|---|-----------------------|-----------------------|
| OPERATING ACTIVITIES: | | |
| Total comprehensive income for the period | 518 | 247 |
| Adjustments | 1,326 | 1,390 |
| Operating cash flows before movements in working capital | 1,844 | 1,637 |
| Change in working capital | (6,287) | (2,963) |
| Cash used in operations | (4,443) | (1,326) |
| Income taxes and interest | (645) | (1076) |
| Forward contracts settlement | - | 542 |
| Net cash (used in)/generated by operating activities | <u>(5,088)</u> | <u>(1,860)</u> |
| INVESTING ACTIVITIES: | | |
| PP&E | (1,077) | (431) |
| Proceeds from settlement of short term investments | - | 1,770 |
| Other | (5) | 14 |
| Net cash generated by/(used in) investing activities | <u>(1,082)</u> | <u>1,353</u> |
| FINANCING ACTIVITIES: | | |
| Net cash generated by/(used in) financing activities | <u>1,461</u> | <u>(4,668)</u> |
| Net decrease in cash and cash equivalents | (4,709) | (5,175) |
| Cash and cash equivalents at the beginning of the period | 6,447 | 5,448 |
| Cash and cash equivalents at the end of the period | <u>1,738</u> | <u>424</u> |