



# OJSC “Company “M.video” H1 2011 Consolidated Financial Statements Presentation



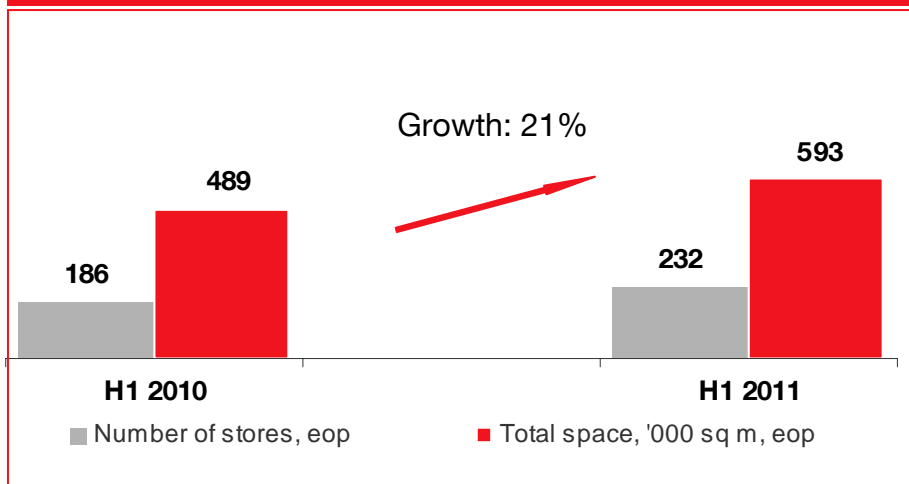
Moscow, August 30, 2011.

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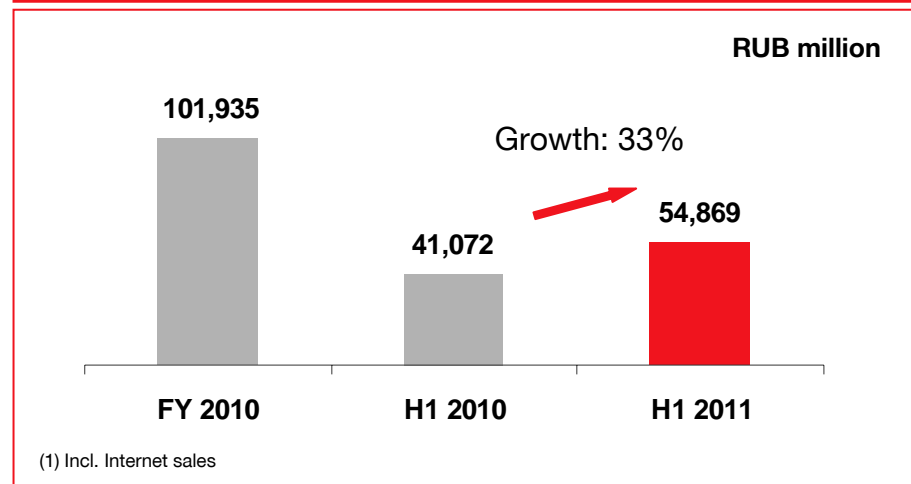
- Sales increased to almost 55 billion RUB (46.5 billion RUB without VAT), demonstrating a 33% growth vs. H1 2010. Like-for-like sales grew by 11.4%.
- Network expansion: 15 new stores opened; network reached 232 stores.
- Net cash position of 1.6 billion RUB vs. 300 million in 1H 2010.
- Profitability improvements:
  - Gross Margin up by 80 basis points to 26.6%
  - Net profit up by 50% to 766 million RUB

### H1 2011 number of stores and total space dynamics



Source: Company data

### FY 2010 and H1 2011 sales dynamics (with VAT) <sup>(1)</sup>



Source: Company data

<i>In millions of Russian rubles</i>	<b>H1 2011</b>	<b>H1 2010</b>	<b>y-o-y, %</b>
<b>Sales (with VAT), including</b>	54,872	41,249	33%
Retail sales (with VAT)	54,868	41,072	33.6%
<b>Net revenue, including</b>	46,502	34,957	33%
Net retail revenue	46,498	34,807	33.6%
<b>Gross profit</b>	12,386	9,019	37.3%
<i>As % of net revenue</i>	26.6	25.8	3%
<b>Operating expenses*</b>	11,245	8,197	37%
<i>As % of net revenue</i>	24.2	23.4	3%
<b>Operating profit (EBIT)</b>	1,141	822	39%
<i>As % of net revenue</i>	2.5	2.4	-
<b>EBITDA</b>	1,906	1,435	33%
<i>As % of net revenue</i>	4.1	4.1	-
<b>Net profit</b>	766	518	48%
<i>As % of net revenue</i>	1.6	1.5	-

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



# H1 2011 Consolidated Income Statement Highlights

*Russian rubles, million*

	<b>H1 2011</b>	<b>H1 2010</b>
<b>REVENUE</b>	46,502	34,957
<b>COST OF SALES</b>	(34,116)	(25,938)
<b>GROSS PROFIT</b>	12,386	9,019
Selling, general and administrative expenses	(11,765)	(8,516)
Other operating income	575	361
Other operating expenses	(55)	(42)
<b>OPERATING PROFIT</b>	1,141	822
Finance income/(costs), net	4	21
<b>PROFIT BEFORE INCOME TAX EXPENSE</b>	1,145	843
<b>INCOME TAX EXPENSE</b>	(379)	(325)
<b>NET PROFIT FOR THE PERIOD</b>	<b>766</b>	<b>518</b>

*Russian rubles, million*

	<b>H1 2011</b>	<b>as % of revenue</b>	<b>H1 2010</b>	<b>as % of revenue</b>
Payroll and related taxes	3,301	7.1	2,414	6.9
Lease expenses (rent)	2,262	4.9	1,896	5.4
Advertising and promotional expenses	1,529	3.3	1,098	3.1
Transportation	1,009	2.2	544	1.5
Warehouse services	641	1.4	500	1.4
Utilities	545	1.2	372	1.1
Other SG&A	1,713	3.7	1,079	3.1
Depreciation, amortization	765	1.7	613	1.8
Subtotal	11,765	25.3	8,516	24.4
Net other operating income	(520)		(319)	
<b>Total</b>	<b>11,245</b>	<b>24.2</b>	<b>8,197</b>	<b>23.5</b>

*Russian rubles, million*

	<u>H1 2011</u>	<u>H1 2010</u>
<b>Net profit for the period</b>	<b>766</b>	<b>518</b>
Income tax expense	379	325
Finance income, net	(4)	(21)
Depreciation and amortization	765	613
<b>EBITDA</b>	<b>1,906</b>	<b>1,435</b>
Rent expense	2,262	1,896
<b>EBITDAR</b>	<b>4,168</b>	<b>3,331</b>

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



# H1 2011 Consolidated Balance Sheet Summary

*Russian rubles, million*

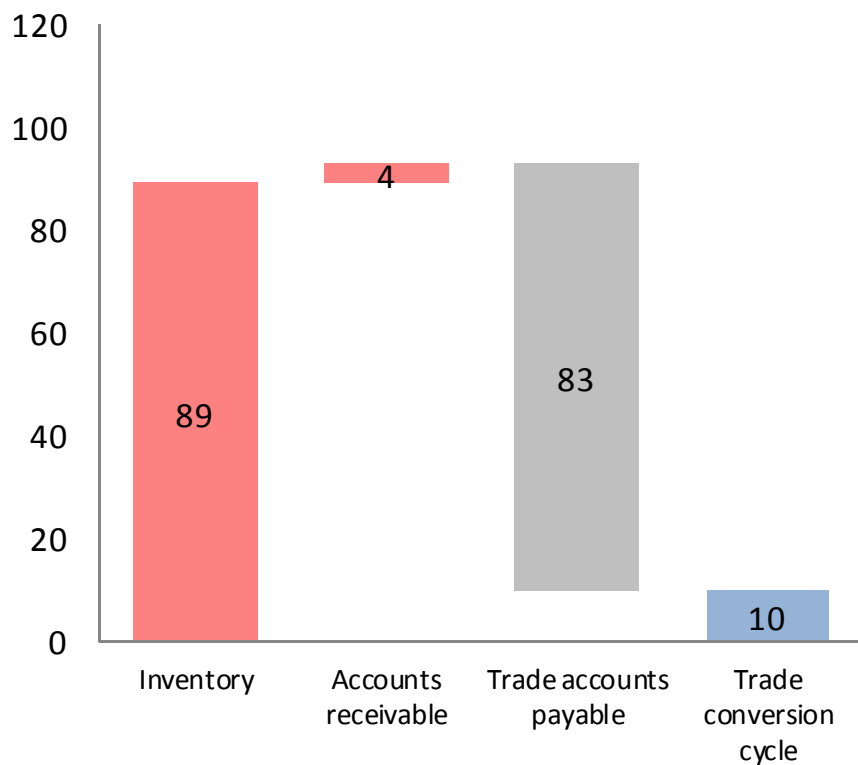
	<u>30 June 2011</u>	<u>31 Dec 2010</u>
<b>NON-CURRENT ASSETS:</b>		
Property, plant and equipment	7,653	7,417
Other	3,157	2,821
<b>Total non-current assets</b>	<b><u>10,810</u></b>	<b><u>10,238</u></b>
<b>CURRENT ASSETS:</b>		
Inventories	16,721	20,751
Trade and other accounts receivable and prepaid expenses	838	1,048
Income tax receivable	292	-
Other taxes receivable	552	1,229
Cash and cash equivalents	2,582	7,183
Other current assets	235	246
<b>Total current assets</b>	<b><u>21,220</u></b>	<b><u>30,457</u></b>
<b>TOTAL ASSETS</b>	<b><u><u>32,030</u></u></b>	<b><u><u>40,695</u></u></b>



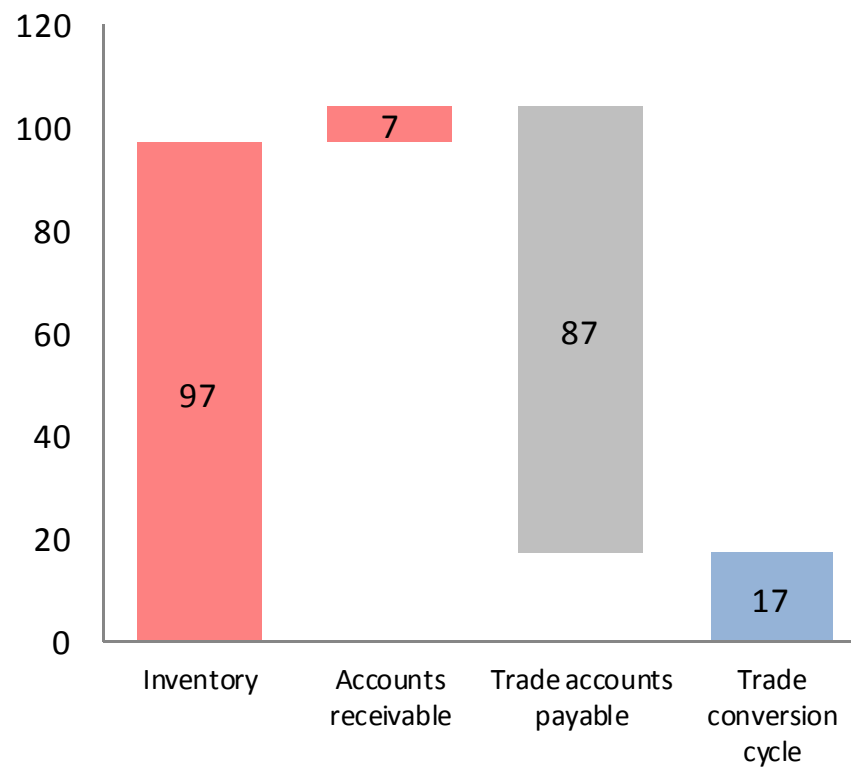
*Russian rubles, million*

	<u>30 June 2011</u>	<u>31 Dec 2010</u>
EQUITY:		
<b>Total equity</b>	<b>10,184</b>	<b>10,065</b>
NON-CURRENT LIABILITIES:		
Deferred tax liabilities	432	327
Provisions	135	147
<b>Total non-current liabilities</b>	<b>567</b>	<b>474</b>
CURRENT LIABILITIES:		
Short-term loans and borrowings	951	-
Trade accounts payable	15,507	25,046
Other payables and accrued expenses	1,664	1,464
Other	3,157	3,646
<b>Total current liabilities</b>	<b>21,279</b>	<b>30,156</b>
<b>Total liabilities</b>	<b>21,846</b>	<b>30,630</b>
 <b>TOTAL EQUITY AND LIABILITIES</b>	 <b>32,030</b>	 <b>40,695</b>

### H1 2011 Trade conversion cycle, days



### H1 2010 Trade conversion cycle, days



*Russian rubles, million*

	<u>H1 2011</u>	<u>H1 2010</u>
<b>OPERATING ACTIVITIES:</b>		
Total comprehensive income for the period	766	518
Adjustments	1,567	1,326
Operating cash flows before movements in working capital	2,333	1,844
Change in working capital	(5,599)	(6,287)
Cash used in operations	(3,266)	(4,443)
Income taxes and interest	(1,082)	(645)
<b>Net cash used in operating activities</b>	<b><u>(4,348)</u></b>	<b><u>(5,088)</u></b>
<b>INVESTING ACTIVITIES:</b>		
PP&E	(1,020)	(1,077)
Other	(183)	(5)
<b>Net cash used in investing activities</b>	<b><u>(1,203)</u></b>	<b><u>(1,082)</u></b>
<b>FINANCING ACTIVITIES:</b>		
Proceeds from short-term borrowings	2,788	3,683
Repayment of borrowings	(1,838)	(2,222)
<b>Net cash generated by financing activities</b>	<b><u>950</u></b>	<b><u>1,461</u></b>
<b>Net decrease in cash and cash equivalents</b>	<b>(4,601)</b>	<b>(4,709)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>(7,183)</b>	<b>6,447</b>
<b>Cash and cash equivalents at the end of the period</b>	<b><u>(2,582)</u></b>	<b><u>1,738</u></b>