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ОJSC “Company “M.video” H1 2013 Condensed Consolidated Financial Information Presentation

Moscow, August 28, 2013.



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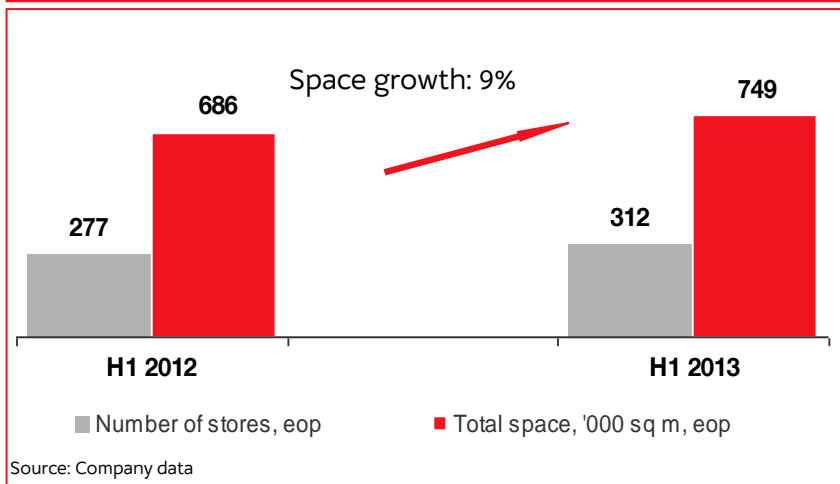
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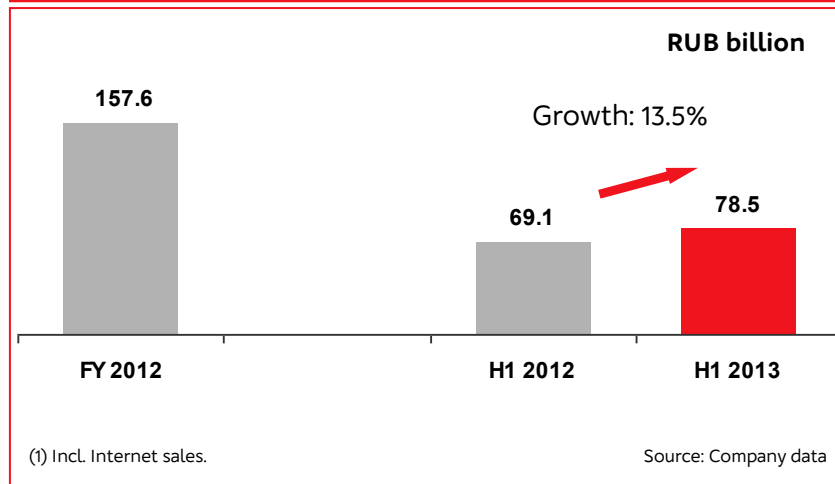
H1 2013 Highlights

- H1 2013 sales amounted to 78.5 billion RUB (66.5 billion RUB without VAT), demonstrating a 13.5% increase vs. H1 2012, LfL sales increased 2.5%.
- H1 2013 Internet sales grew by 62.4% to 2.9 billion RUB (with VAT)
- 18 new stores (16 net) added in H1 2013; network reached 312 stores.
- Net cash position of 3.3 billion RUB

H1 2013 number of stores and total space dynamics



H1 2012-H1 2013 sales dynamics (with VAT) ⁽¹⁾



Key Financial Indicators

In millions of Russian rubles	H1 2013	H1 2012	y-o-y, %
Sales (with VAT)	78,486	69,140	13.5%
Net revenue	66,514	58,593	13.5%
Gross profit	16,732	14,434	16%
<i>As % of net revenue</i>	<i>25.2</i>	<i>24.6</i>	<i>0.6%</i>
Operating expenses*	15,039	12,926	16%
<i>As % of net revenue</i>	<i>22.6</i>	<i>22.1</i>	<i>0.5%</i>
Operating profit (EBIT)	1,693	1,508	12%
<i>As % of net revenue</i>	<i>2.5</i>	<i>2.6</i>	<i>(0.1%)</i>
EBITDA	2,931	2,517	16%
<i>As % of net revenue</i>	<i>4.4</i>	<i>4.3</i>	<i>0.1%</i>
Net profit	1,296	1,208	7.3%
<i>As % of net revenue</i>	<i>1.9</i>	<i>2.1</i>	<i>(0.2%)</i>

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

Consolidated Income Statement Highlights

Russian rubles, million

	H1 2013	H1 2012
REVENUE	66,514	58,593
COST OF SALES	(49,782)	(44,159)
GROSS PROFIT	16,732	14,434
Selling, general and administrative expenses	(16,009)	(13,693)
Other operating income	1,011	819
Other operating expenses	(41)	(52)
OPERATING PROFIT	1,693	1,508
Finance income, net	44	176
PROFIT BEFORE INCOME TAX EXPENSE	1,737	1,684
INCOME TAX EXPENSE	(441)	(476)
NET PROFIT for the period	1,296	1,208

Operating Expenses

Russian rubles, million

	H1 2013	as % of revenue		H1 2012	as % of revenue
Payroll and related taxes	4,839	7.3%	↑	4,197	7.2%
Lease expenses	3,502	5.3%	↑	3,030	5.2%
Advertising & promotional expenses	1,849	2.8%	=	1,618	2.8%
Warehouse services	987	1.5%	↑	749	1.3%
Utilities expense	756	1.1%	=	660	1.1%
Transportation to customers	462	0.7%	↑	319	0.5%
Bank charges	461	0.7%	↑	342	0.6%
Other SG&A	1,915	2.9%	↓	1,769	3.0%
D&A	1,238	1.9%	↑	1,009	1.7%
Subtotal	16,009	24.1%		13,693	23.4%
Net other operating income	(970)	1.5%		(767)	1.3%
Total	15,039	22.6%	↑	12,926	22.1%

EBITDA(R)

Russian rubles, million

	H1 2013	H1 2012
Net profit for the period	1,296	1,208
Income tax expense	441	476
Finance income, net	(44)	(176)
Depreciation and amortization	1,238	1,009
EBITDA	2,931	2,517
Rent expense	3,502	3,030
EBITDAR	6,433	5,547
<i>As % of net revenue</i>	<i>9.7</i>	<i>9.5</i>

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

Income tax rate

25%

28%

Consolidated Balance Sheet Summary

Russian rubles, million

	<u>30 June 2013</u>	<u>31 Dec 2012</u>
NON-CURRENT ASSETS:		
Property, plant and equipment	9,747	9,645
Other	5,029	4,956
Total non-current assets	14,776	14,601
CURRENT ASSETS:		
Inventories	26,869	32,259
Accounts receivable and prepaid expenses	1,165	1,557
Income tax and other taxes receivable	1,093	1,947
Cash and cash equivalents	3,339	6,521
Short-term investments	-	981
Other current assets	40	79
Total current assets	32,506	43,344
TOTAL ASSETS	47,282	57,945

Consolidated Balance Sheet Summary (continued)

Russian rubles, million

	<u>30 June 2013</u>	<u>31 Dec 2012</u>
EQUITY:		
Total equity	11,946	10,692
NON-CURRENT LIABILITIES:		
Deferred tax liabilities	180	180
Provisions	15	28
Total non-current liabilities	195	208
CURRENT LIABILITIES:		
Trade accounts payable	25,498	35,586
Other payables and accrued expenses	4,003	3,690
Advances received	1,431	987
Deferred revenue	3,305	4,687
Other	904	2,095
Total current liabilities	35,141	47,045
Total liabilities	35,336	47,253
TOTAL EQUITY AND LIABILITIES	47,282	57,945

Trade Conversion Cycle

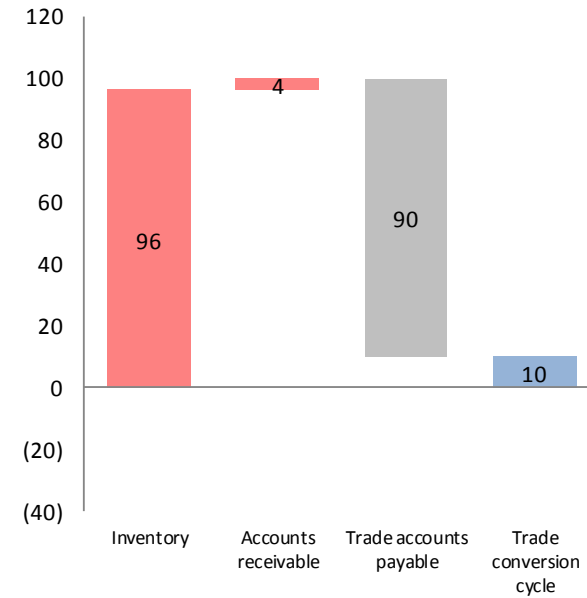
1H 2013 Trade conversion cycle, days



1H 2012 Trade conversion cycle, days



1H 2011 Trade conversion cycle, days



Consolidated Cash Flow Statement Summary

Russian rubles, million

	H1 2013	H1 2012
OPERATING ACTIVITIES:		
Total comprehensive income for the period	1,296	1,208
Adjustments	2,319	1,900
Operating cash flows before movements in working capital	3,615	3,108
Change in working capital	(4,797)	(9,055)
Cash used in operations	(1,182)	(5,947)
Income taxes, interest and forward contract settlement	(1,308)	(1,093)
Net cash used in operating activities	(2,490)	(7,040)
INVESTING ACTIVITIES:		
PP&E	(1,208)	(1,159)
Short-term investments with banks	981	-
Purchase of intangible assets	(556)	(182)
Interest received	91	177
Net cash used in investing activities	(692)	(1,164)
FINANCING ACTIVITIES:		
Proceeds from short-term loans and borrowings	3,511	3,250
Repayment of short-term loans and borrowings	(3,511)	(250)
Net cash generated by financing activities	-	3,000
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,182)	(5,204)
CASH AND CASH EQUIVALENTS, at the beginning of the period	6,521	13,220
CASH AND CASH EQUIVALENTS, at the end of the period	3,339	8,016

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