



For immediate release

M.video reports 39% increase in net profit for FY 2014.

Moscow, March 26, 2015. OJSC "Company "M.video", Russia's largest consumer electronics retailer by revenue (MOEX: MVID), releases today its audited consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) for the year ended 31 December 2014.

M.video's sales increased by 16.3% to 203.2 billion Russian rubles (RUB), including VAT, in FY 2014. Revenue growth was mainly driven by opening of new stores, LFL sales growth and increase of internet sales by more than 90%.

The Company's gross profit increased by 21.5% to 46.6 billion RUB in 2014 (38.4 billion RUB in 2013) or as a % of revenue reached 27.1% (25.9% in 2013).

M.video's operating profit (EBIT) reached 10.1 billion RUB in 2014 (6.8 billion RUB in 2013) and the EBIT margin improved to 5.9% (4.6% in 2013).

The Company's EBITDA increased to almost 13 billion RUB versus 9.4 billion RUB in 2013 while an EBITDA margin improved to 7.5% as compared to 6.3% in 2013.

M.video's net profit for 2014 increased by 39.4% to almost 8 billion RUB as compared to 5.7 billion RUB in 2013.

Alexander Tynkovan, CEO of OJSC "Company "M.video", commented: "In 2014 we achieved a record profitability while remaining a debt free, growing business. We also sustained our leadership in the Russian Consumer Electronics retail, continued to gain market share and delivered on returns to all our major stakeholders – our staff, our customers, our suppliers and our shareholders".

He also added: "Our Omni-Channel concept has shown once again that the customers prefer to have a choice in how to shop while knowing that pricing and services are the same. This winning formula brought more people to our stores last year and gave us a chance to almost double our online based sales".

M.video key financial results for the FY 2014 based on IFRS consolidated financial statements*:

In millions of Russian rubles	2014	2013	y-o-y
Sales (including VAT)	203,181	174,690	16.3%
Net revenue	172,187	148,042	16.3%
Gross profit	46,600	38,360	21.5%
<i>As % of net revenue</i>	<i>27.1</i>	<i>25.9</i>	<i>1.2</i>
Operating expenses⁽¹⁾	36,500	31,593	15.5%
<i>As % of net revenue</i>	<i>21.2</i>	<i>21.3</i>	<i>(0.1)</i>
Operating profit (EBIT)	10,100	6,767	49.3%
<i>As % of net revenue</i>	<i>5.9</i>	<i>4.6</i>	<i>1.3</i>
EBITDA	12,909	9,400	37.3%
<i>As % of net revenue</i>	<i>7.5</i>	<i>6.3</i>	<i>1.2</i>
Net profit	7,989	5,729	39.4%
<i>As % of net revenue</i>	<i>4.6</i>	<i>3.9</i>	<i>0.7</i>

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

Note for editors:

OJSC "Company "M.video" is the largest Russian consumer electronic retail chain by revenue. The Company started its operations in 1993. In November 2007 OJSC "Company "M.video" became the first publicly traded company in the domestic consumer electronic retail sector. The Company's shares are traded on Moscow Exchange (ticker: MVID).

M.video runs 368 brand name stores in 158 Russian cities as of December 31, 2014. The selling space of M.video stores amounts to 630,500 sq. m while the total space amounts to 848,500 sq. m.

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