M.video reports online based sales growth by 31% in Q1 2015.

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OJSC “Company M.video” (RTS, MICEX: MVID), Russia’s largest consumer electronics retailer by revenue, announced today its unaudited sales, like-for-like sales (LfL) and expansion results for the 1st quarter of 2015.

Q1 2015 Highlights:

- Sales amounted to 47 billion RUB (with VAT)
- Like-for-like sales were (12%) compared to Q1 2014
- Online based sales grew by 31%
- 3 new stores opened, selling space amounted to 628,500 sq. m.

In Q1 2015 M.video’s sales (if adjusted for revenue for goods prepaid in 2014 but delivered to customers in 2015) remained flat compared to the first quarter last year. The non-adjusted sales in Q1 2015 were (6%) while LfL sales stood at (12%).

M.video’s online based sales in Q1 2015 (orders from Company’s online: home delivery to customers + pickup in stores) increased by 31% to 4.8 billion RUB (with VAT), as compared to 3.7 million RUB in Q1 2014.

M.video opened 3 new stores in Q1 2015; five stores were closed in various regions of Russia. The total number of the Company’s stores stands at 366 in 157 cities of Russia. The selling space of M.video network amounted to 628,500 sq.m while the total space amounted to 845,500 sq.m as of March 31st, 2015.

Alexander Tynkovan, President and CEO of OJSC “Company M.video”, commented: "We again achieved a solid performance, especially in comparison to the market which was impacted by weaker demand in Q1 2015 versus end of 2014. The increase in our online based sales indicates that the Omni-Channel model provides for steady growth in Internet sales, whilst allowing us to optimise our store portfolio choosing the best locations for pick-up purposes”.

He added: “The Omni concept is demonstrably successful and our Internet proposition is now available in 56 Russian cities. Online based sales now stand for more than 10% of the total turnover of the Company”.

Summary of the Q1 2015 performance:

Sales

	Q1 2015	Q1 2014	
RUB million, with VAT (adjusted)*	47,035	47,076	
RUB million, with VAT	44,094	47,076	
RUB million, without VAT	37,368	39,895	

Online Based Sales (Home delivery + Pick-up)

	Q1 2015	Q1 2014	
RUB million, with VAT	4,779	3,654	
RUB million, without VAT	4,049	3,097	

LfL Sales Performance**

	Q1 2015 LfL Dynamics
Russian rubles	(12%)

Expansion

	As of 31 March 2015	As of 31 December 2014	
Stores	366	368	
Selling space, sq. m	628,500	630,500	
Total space, sq. m	845,500	848,500	

* - the sales amount was adjusted for 2,941 (2,492 without VAT) million RUB recognized as revenue in January 2015 in accordance with IFRS; this amount was classified as prepayment in 2014 having physical delivery made in 2015 and recorded as revenue in January when products were delivered to customers.

** - LfL data is based upon a comparison of stores open at January 1, 2014 and not closed for more than two weeks or permanently, or expanded or downsized by >20% of total space.

*** - net of closing 5 stores.