OJSC “Company M.video” reports 33% sales growth in Q1 2011.

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OJSC “Company M.video” (RTS, MICEX: MVID), Russia’s largest consumer electronics retailer, announced today its unaudited retail sales, like-for-like sales (LfL) and expansion results for the 1st quarter of 2011.

Q1 2011 Highlights:

- Retail sales amounted to approx. 30 billion RUB (with VAT)
- Like-for-like sales increased by 12% as compared to Q1 2010
- Net cash position amounted to over 600 million RUB
- 9 new stores opened, total space amounted to 581,000 sq.m.

In Q1 2011 M.video retail sales increased by 33% up to 29.8 billion RUB (with VAT), as compared to 22.5 billion RUB in the first quarter last year. The Company’s LfL sales in Q1 2011 grew by 12% year-on-year in RUB terms.

M.video opened 9 new stores in Q1 2010 while adding 4 new cities to its coverage; one store was closed in St.Petersburg. The total number of the Company’s stores increased to 227 in 90 cities of Russia. The total space of M.video network amounted to 581,000 sq.m as of March 31st, 2011.

The group’s net cash position as of March 31st, 2011 amounted to over 600 million RUB.

Alexander Tynkovan, President and CEO of OJSC “Company M.video”, commented on the results: "We continued our network expansion, opened nine stores in this quarter and achieved excellent sales results in Q1 2011. This makes us quite optimistic about full year performance and signals our number one position for our customers, employees suppliers and shareholders”.

He added: “We are committed to open 30 to 40 new stores this year and we are also going to develop further our customers centric approach and superior brand image to continue building up a solid platform for the future sales growth and network development”.

Summary of the Q1 2011 performance:

Retail Sales Performance				
	Q1 2011		Q1 2010	change, %
RUB million, with VAT	29,825		22,509	32,5%
RUB million, without VAT	25,275		19,075	
LfL Sales Performance*				
	Q1 2011 LfL Dynamics			
Russian rubles	12%			
Expansion				
	As of 31 March 2011	As of 31 December 2010	New Q1 2011	change, %
Stores	227	219	8**	3.7%
Total square, sq.m	581,000	564,000	17,000	3.0%

*- LfL data is based upon a comparison of stores open at January 1, 2010 and not closed for more than two weeks or permanently, or expanded or downsized by >20% of total space.

**- net of closing one store.