OJSC “Company “M.video” reports 28% retail sales growth in 1Q 2009.

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OJSC “Company “M.video” (RTS, MICEX: MVID), one of the Russia’s largest consumer electronics retailers, announced today its unaudited retail sales, like-for-like sales (LfL) and expansion results for the 1st quarter of 2009.

1Q 2009 Highlights:

1. Retail sales increased 28%
2. Like-for-like sales improved 7.3%
3. Debt reduced 44%
4. Total space of 11,500 sq.m added

M.video retail sales reached 23,134 million Russian rubles (RUR), including VAT, in 1Q 2009 demonstrating more than 28% growth as compared to 1Q 2008. The Company’s LfL sales in 1Q 2009 increased 7.3% year-on-year in RUR terms.

M.video opened 4 new stores in 1Q 2008. The total number of the Company’s outlets reached 161 stores as of March 31st, 2009 versus 157 stores opened by the year end 2008. The total space of M.video stores amounted to 428,000 sq.m as of March 31st, 2009 demonstrating a 2.7% increase as compared to FY2008 results.

The group’s net debt position as of March 31, 2009 amounted to RUR 2.1 billion (total debt of RUR 4.1 billion and cash and cash equivalents of RUR 2 billion). During the 1st quarter 2009 M.video decreased its total debt position by 44% as compared to year end 2008.

Alexander Tynkovan, President and CEO of OJSC “Company “M.video”, commented on the operational results of 1Q 2009: “We demonstrated solid performance in 1Q 2009 in terms of the revenue growth and like-for-like sales as well adding several stores to our network. These results were achieved in a turbulent economic environment and we highly appreciate a strong support from our loyal customers. Despite a declining market M.video continues to grow organically and gain market share in those cities where we operate”.

He added: “It’s quite a significant achievement for us to continue to open stores while decreasing our overall debt position. Our strong balance sheet and low leverage sends a very good signal to our employees, suppliers, customers and

investors”.

[1] Both net and gross debt positions are presented in Russian roubles as far as the foreign currency based loans are given using the official Central Bank of Russia relative exchange rates as of March 31, 2009.

Summary of the 1st quarter 2009 performance:

Retail Sales Performance*				
	1Q 2009		1Q 2008	% change y-o-y
RUR million, with VAT	23,134		18,052	28.2%
RUR million, without VAT	19,605		15,298	
LfL Sales Performance**				
	1Q 2009 LfL sales growth, %			
Russian rubles	7.3%			
Expansion				
	As of 31 March 2009	As of 31 December 2008	New 1Q 2009	% change
Stores	161	157	4	2.5%
Total space, sq. m	428 000	416 500	11 500	2.7%

* - Rivoldex group has a functional currency of Russian rubles.

** - LfL data is based upon a comparison of stores open at January 1, 2008 and not closed for more than two weeks or permanently, or expanded or downsized by >20% of total space.