

OJSC “Company “M.video” announces its year 2008 preliminary net retail sales and expansion results.

28.01.2009 11:44

OJSC “Company “M.video” (RTS, MICEX: MVID), one of the Russia’s largest consumer electronics retailers, announced today its unaudited net retail sales, like-for-like (LfL) performance and expansion results for the full year of 2008 and the 4th quarter 2008.

In 2008 M.video demonstrated 41% year-on-year growth of its net retail sales in Russian roubles terms (43% growth in USD terms) and 11% year-on-year growth of LfL sales in RUR terms (14% in USD terms) as compared to FY2007.

In Q4 2008 M.video increased its net retail sales by 25% in RUR terms (13% increase in USD terms) and demonstrated flat year-on-year LfL performance in RUR terms (-9% in USD terms due to the Russian rouble depreciation against the US dollar) as compared to Q4 2007.

M.video opened 37 new hypermarkets in 2008 (17 in the 4th quarter 2008) as compared to the same number of new stores opened the year before. The total number of the Company’s hypermarkets reached 157 stores located in 64 cities of Russia versus 122 stores in 48 Russian cities opened by the end of 2007. The total space of M.video stores amounted to 416,500 sq.m as of December 31, 2008 demonstrating a 29% increase as compared to FY2007. The Company entered 16 new cities throughout 2008.

The group’s net debt position¹ as of December 31, 2008 amounted to RUR 1.0 billion (gross debt of RUR 7.4 billion and cash and cash equivalents of RUR 6.4 billion).

The management of OJSC “Company “M.video” will hold a conference call on January 28, 2009 at 4.00 pm Moscow time (1.00 pm London, 8.00 am New York) to discuss the operational results of FY 2008 and to give comments on 2009 performance.

Dial-in numbers to access the conference call are as follows:

- [+44 \(0\) 203 003 2666 \(International\)](tel:+442030032666)
- [8 499 272 43 37 \(Russia\)](tel:84992724337)

Participants will have to quote the Company's name ("M.video") when dialing into the conference.

The conference call will be held in English.

To help ensure the conference begins in a timely manner, we kindly ask all participants to dial in 5 to 10 minutes prior to the scheduled start time.

* Both net and gross debt positions are presented in Russian rubles as far as the USD/EUR based loans are given using the official Central Bank of Russia exchange rates as of December 31, 2008.

Summary of the FY2008 and the 4th quarter 2008 performance:

Net Retail Sales Performance*						
	FY 2008	FY 2007	% change y-o-y	Q4 2008	Q4 2007	% change y-o-y
RUR million	68,253	48,410	41%	21,654	17,373	25%
USD million**	2,733	1,905	43%	794	705	13%
LfL Sales Performance***						
	FY 2008 LfL Dynamics, %		Q4 2008 LfL Dynamics, %			
Russian rubles	11%		0.1%			
US dollars	14%		-9%			
Expansion						
	As of 31 December 2008		As of 31 December 2007		New FY 2008	% change
Stores	157****		122		37	29%
Total space, sq. m	416,500		323,400		93,100	29%

* - net retail sales figures are exclusive of VAT.

** - M.video group has a functional currency of Russian rubles. The US dollars are presented for convenience purpose only.

The USD amounts are prepared using the weighted average exchange rates over the periods presented. Average

exchange rate for the year is weighted for relative quarter sales level.

*** - LfL data is based upon a comparison of stores open at January 1, 2007 and not closed for more than two weeks or permanently, or expanded or downsized by >20% of total space.

**** - net of closing.