



Analyst Presentation



29 January 2008

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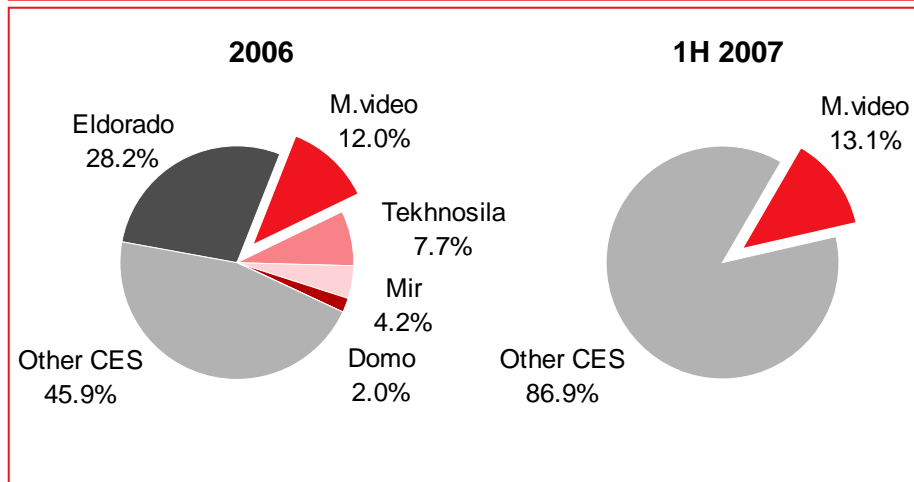
- I. M.video snapshot
- II. Investment highlights
- III. Company strategy
- IV. Financial overview

- Russia's 2nd largest consumer electronics retailer
- Retail sales in December 2007 were 428 mln USD, with VAT
- 13.1% market share in 1H 2007
- 122 stores in 48 cities (at December 31, 2007)
- Approx. 9,000 FTE employees as of December 31, 2007
- Uniform retail store format of 2,000+ sq m of selling space
- 20,000 SKUs of white, grey, brown and media products

Source: Company data

Note: All figures presented in US\$ were converted from RUB using the Central Bank's official exchange rates: Average: 2005 – 28.321; 1H 2006 – 27.68; 2H 2006 – 26.70; 2006 – 27.18; 1H 2007 – 26.08 At December 31, 2006 – 26.33; at June 30, 2007 – 25.82

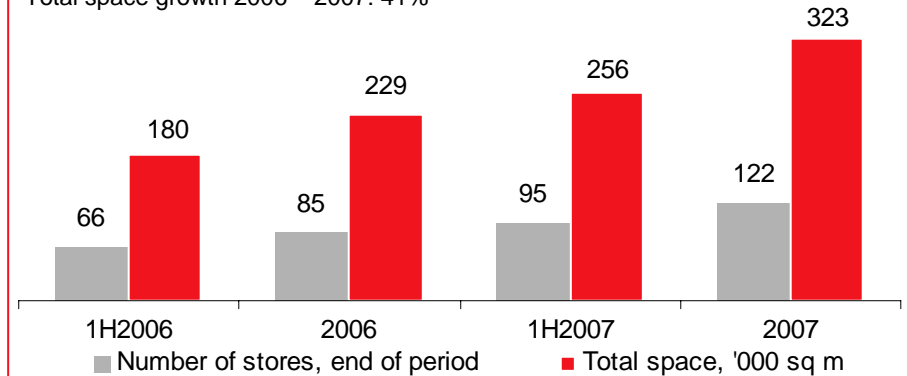
2nd largest CES player with expanding market share



Source: Company data

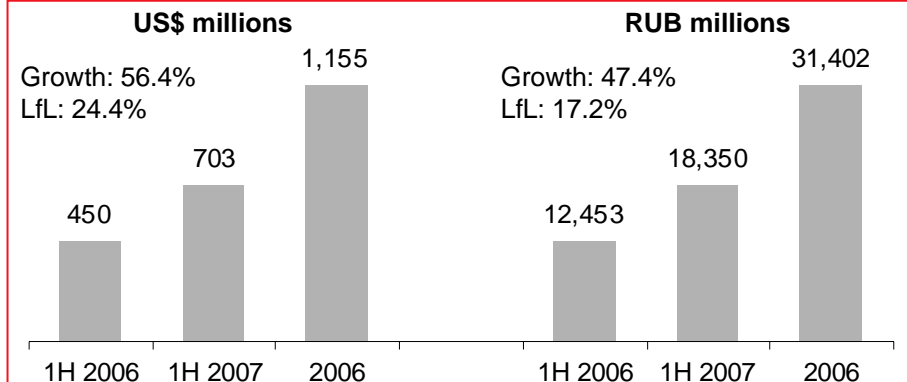
Number of stores and total space dynamics

Number of stores growth 2006 – 2007: 43.5%
Total space growth 2006 – 2007: 41%



Source: Company data at October 19, 2007

Retail revenue dynamics (2)



Note: Like-for-like data is based upon a comparison of stores open at January 1, 2006 and not closed for more than two weeks or permanently, or expanded or downsized by 20% or more by June 30, 2007. The financial periods compared in our like-for-like data are 1H 2006 and 1H 2007.

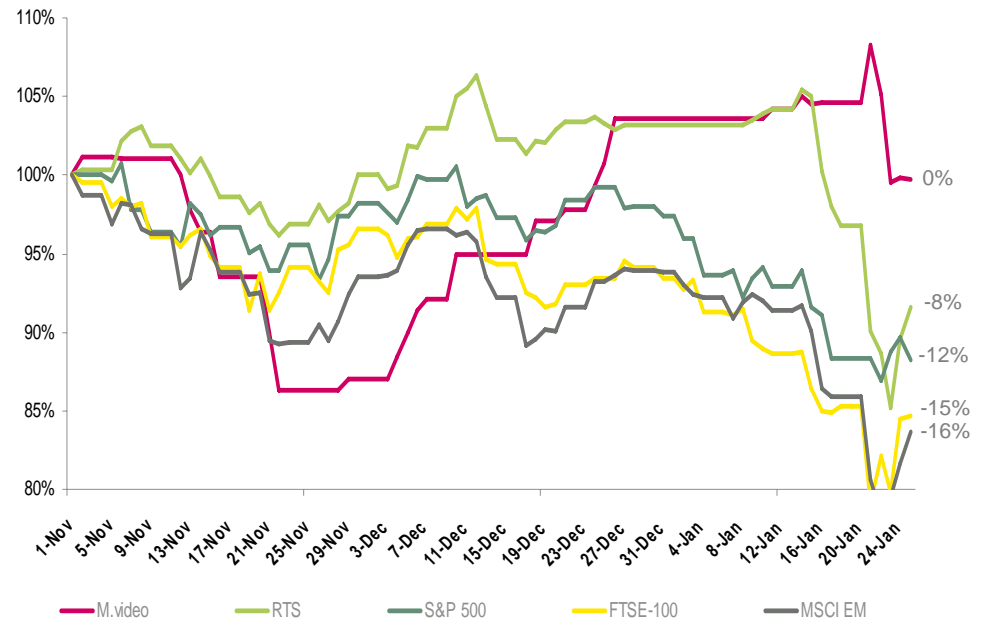
Source: Company data

(2) Incl. Internet, excl. wholesale sales and other revenue

IPO summary

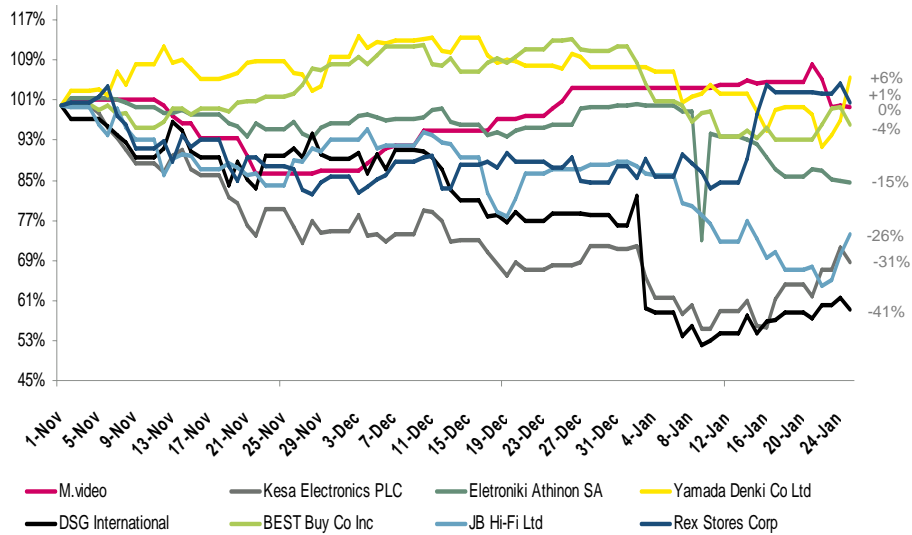
Issuer	Open Joint-Stock Company "Company "M.video"
Offer size	52.5 million shares Primary / secondary split: 30 mln / 22.5 mln shares Approximately 30% post-IPO free float
Price	US\$ 6.95 per share
Listing	List I on RTS and MICEX
Syndicate	Deutsche Bank – Sole Global Coordinator and Joint Bookrunner Renaissance Capital – Joint Bookrunner

M.video's performance vs. main indices



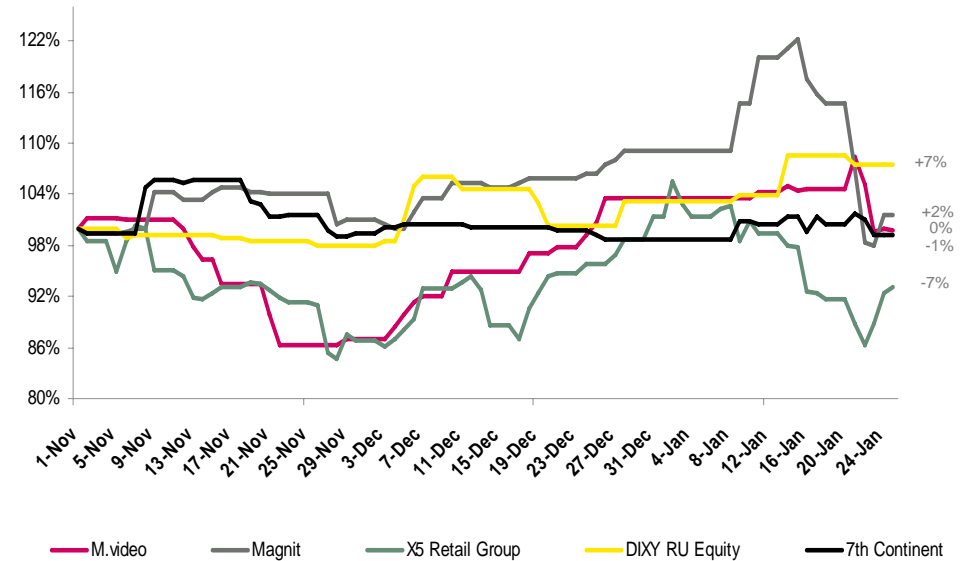
Source: Bloomberg

M.video's performance vs. comparable global peers

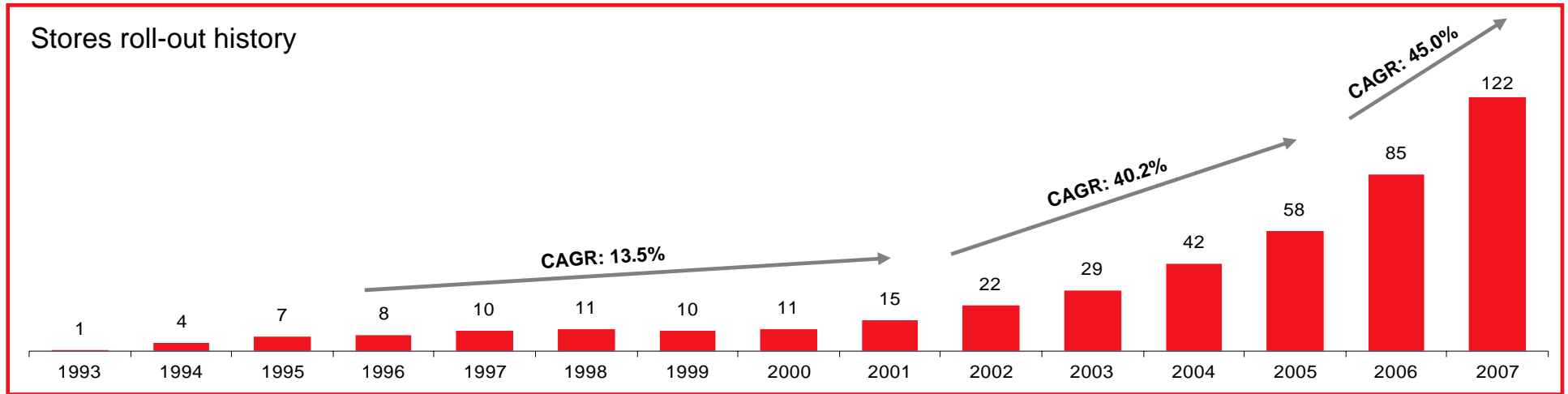


Source: Bloomberg

M.video's performance vs. Russian peers



Source: Bloomberg



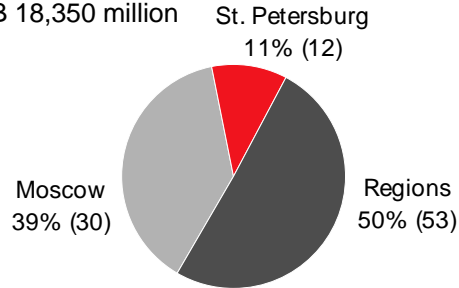
1993 – 1995 Launch	1996 – 2001 Accumulation of capital and growth in spite of economic crisis	2002 – 2005 Operations restructuring and preparation for expansion	2006 - present Growth and regional expansion
<ul style="list-style-type: none"> Opening of the first stores and service centers in Moscow Development of M.video brand 	<ul style="list-style-type: none"> In 2001, 1st store opened in the Russian regions Development of the Company's loyalty program including lottery and discount system Surviving the 1998 crisis 	<ul style="list-style-type: none"> Internal restructuring to prepare the Company for rapid growth In 2004, development and launch of unified 2,000 sq m store format Launch of advanced ERP system Introduction of professional international management 	<ul style="list-style-type: none"> 37 new stores opened in 2007 Launch of 24-hour operating stores - 2006 IPO – November 2007

Following a period of capital accumulation and restructuring, M.video has embarked on growth and regional expansion

Revenue (%) and store count, 1H 07

1H 2007 total:
Retail revenue⁽¹⁾:
US\$ 703 million
RUB 18,350 million

At June 30 2007:
95 stores,
31 cities

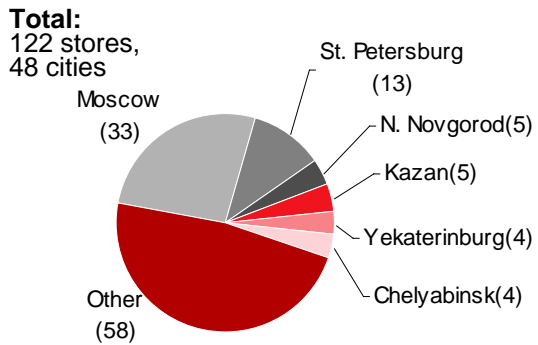


Source: Company data

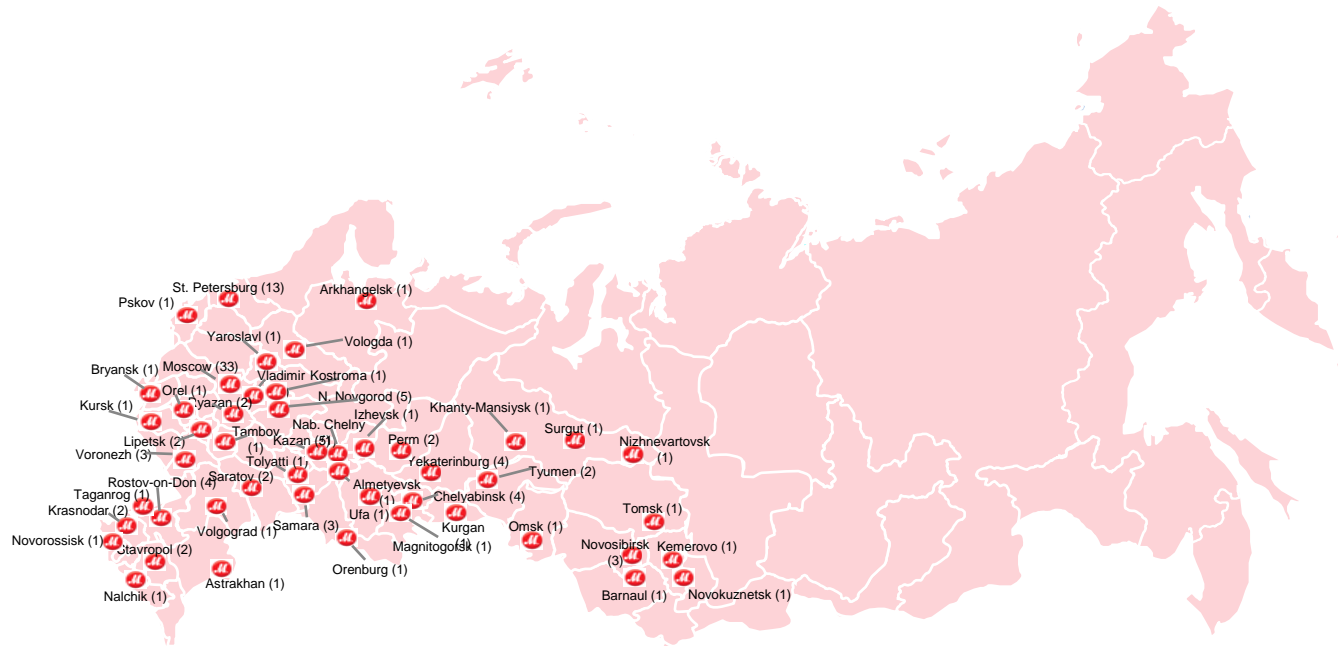
(1) Incl. Internet, excl. wholesale sales and other revenue. Internet revenue is included in "Other"


Note: numbers converted from RUB into US\$ at the average exchange rate for respective periods

Store count at December 31, 2007



Source: Company data



 M.video stores

Wide geographic presence with a leading position in major cities

I. M.video snapshot

II. Highlights

III. Company strategy

IV. Financial overview

Strong position in growing market

- 1 Changing consumption trends
- 2 Growing market with consolidation potential
- 3 A leading consumer electronics retailer in Russia
- 4 Strong ability to achieve #1 position in each city

Customer-oriented retail concept

- 5 Successful modern retail concept
- 6 Innovative and exclusive product assortment
- 7 Premium customer service

Outstanding performance

- 8 Widely recognized brand and high customer loyalty
- 9 Focused expansion program
- 10 Experienced international management team

M.video introduced a modern retail concept...

Customer-oriented environment

- Properly selected assortment to fit the demand
- In-store information and navigation
- High quality service and consultation for customers

“Devices are not enough”

- Focus on innovative products, technologies and solutions
- Product information and testing

Creating temptation to buy

- Product presentation and store layout
- Attracting new customers to come in and encourage to spend more time in store
- Modern merchandising techniques
- Stimulating impulse purchasing

Best international practices

- Store concept developed in cooperation with international consultants
- Retail concept adapted and tailored for Russian customers
- Continuous improvements to reflect the most recent market trends

Core store model

Store size

Total area	2,500	sq m
Selling area	2,000	sq m

Product offering

20,000 SKUs

Headcount per store

Day shift	60	people
Night shift (24h stores)	20	people

Product offering by SKU

	SKUs
Audio/Video	1,400
Large Appliances	1,800
Small Appliances	700
IT	200
Telecom	450
Photo	150
Media	10,200
Accessories	5,100
Total	20,000

M.video has created a modern retail concept delivering a compelling shopping experience

Targeting affluent customer base ...

Target customer base

A	▪ Top managers, highly qualified specialists, entrepreneurs
B	▪ Middle managers, middle-sized business entrepreneurs
C	▪ Highly qualified specialists, small business owners, low-middle managers
D	▪ State companies, budget organizations employees
E	▪ Auxiliary workers

Note: Categories definition by Comcon TGI Russia

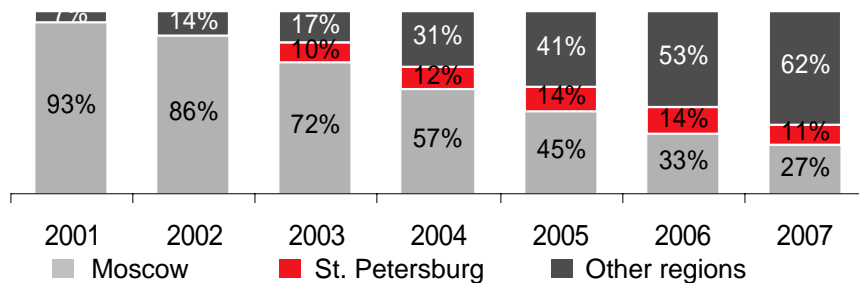
... through effective advertising and promotion strategy

		Share of 2007 marketing budget
Federal TV channels	<ul style="list-style-type: none"> ▪ Support for regional expansion ▪ Awareness building 	31%
Outdoor	<ul style="list-style-type: none"> ▪ Continuous presence and navigation ▪ Support for promotions 	30%
Leaflets	<ul style="list-style-type: none"> ▪ Regular communication of promotions 	31%

Source: Company data

Increasing share of regional operations ...

Store count by regions (% of total)



Source: Company data

... based on replication of the uniform store model...

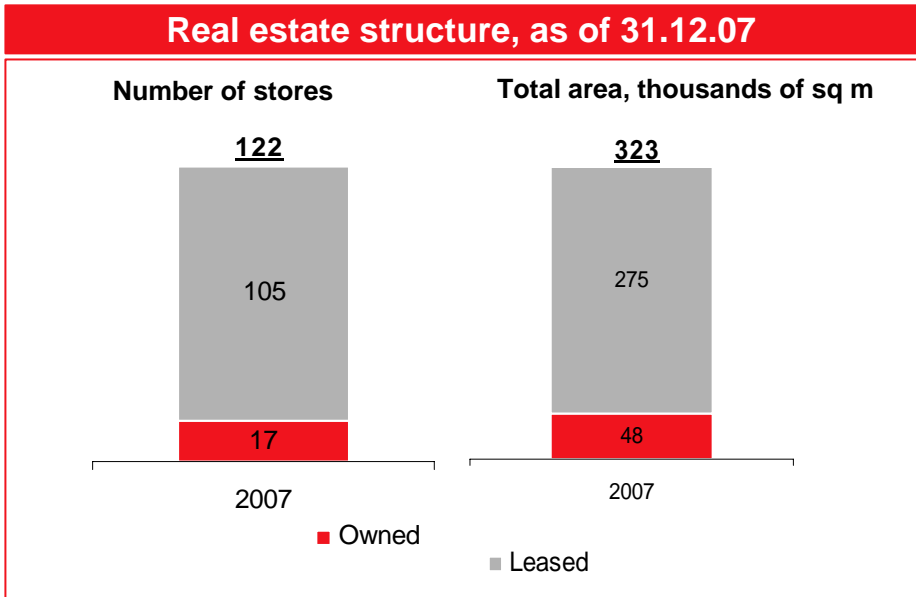
- Network-wide format requirements and brand standards
- Uniform store model is easily replicated and can be tailored to accommodate specific market requirements
- Absence of franchising operations: maximum flexibility and control over the brand and format standards
- Cost of store opening – US\$2 million (excluding working capital)

... and selective approach to new markets

- “ABC” cities concept – potential cities are categorised by population and analyzed for market potential
- Focus cities to be supported by regional distribution centers within the store clusters
- 88 potential target cities on the horizon compared to 48 cities of M.video’s current presence
- Potential for increasing number of stores in cities of presence leveraging on existing distribution platform

	A cities	B cities	C cities
Population	> 800 thousand	300-800 thousand	150-300 thousand
Other requirements	<ul style="list-style-type: none"> ▪ High average disposable income ▪ Economic security and stability ▪ High density of population and defined traffic zones ▪ Significant construction development 		
Potential target cities	16	30	42
Current Presence	<ul style="list-style-type: none"> ▪ 15 cities ▪ 84 stores 	<ul style="list-style-type: none"> ▪ 22 cities ▪ 27 stores 	<ul style="list-style-type: none"> ▪ 11 cities ▪ 11 stores

Significant expansion potential in existing markets and new geographic regions



Source: Company data

Shopping centers vs stand-alone stores, as of 31.12.07

Total number of stores	<u>122</u>
% owned	<u>14%</u>
Number of stores in shopping centers	<u>98</u>
% of total	<u>80 %</u>
Number of stand-alone stores	<u>24</u>
% of total	<u>20 %</u>

Source: Company data

- M.video plans to open up to 40 stores a year between 2008-2010
- Closing of 1 store is expected in 2008*

Balancing fast roll-out through leases and ownership of prime real estate properties

Experienced international management team...



Alexander Tynkovan
President and CEO
14 years with M.video

In 1993, established the Company where he holds the position of President and sits on the Company's Board of directors

Graduated from the Moscow Energy Institute



Christopher Parks
CFO
2 years with M.video

Prior to joining M.video, worked as the Financial Director of GTS and has spent 9 years with Price Waterhouse in Canada, Belgium and Russia

Holds a Bachelors degree in business administration from Simon Fraser University and is a certified Chartered Accountant of Canada



Janusz Lella
Retail Operations Director
4 years with M.video

Prior to joining M.video, worked as President and CEO of Retail Investment Concepts (Office Depot) (Central Europe)

Before that, worked as the General Manager and Chairman of the Board of Yoplait Polska

Graduated from Warsaw Technical University in 1980



Michael Kuchment
Commercial Director
5 years with M.video

Prior to joining M.video, worked at Samsung Electronics Russia in 1994-2002

In 1999, Michael received "Samsung Electronics Manager of the Year" award

Graduated from the Moscow Institute of Physics and Technology in 1994



Martina Frieser
Marketing Director
1 year with M.video

Martina joined M.video in 2006

Prior to joining M.video, Martina worked for more than 9 years as head of the marketing department at Leiner/Kika

Martina holds a degree in business administration with focus on advertising, marketing and market research from Vienna University



Natalia Muravieva
Logistics Director
4 years with M.video

Prior to joining M.video, Natalia spent 8 years with Samsung where she was a senior logistics manager in Moscow and later a senior logistics manager in the Netherlands

Natalia graduated from the Plekhanov State Economics Academy in 2000



Georges Correia
IT Director
2 years with M.video

Prior to joining M.video, Georges worked at Auchan as an International Project Manger from 1996 – 2002 and headed the Auchan IT department in Russia in 2002 - 2006

Since January 2006 Georges has served as IT Director



Olga Vasiliskova
HR Director
4 years with M.video

Prior to joining M.video as an HR Director in 2004, Olga worked at Philip Morris Int. in 1995-2003

Olga has completed professional courses on HR management in MCE (Brussels), Ashridge (UK), Lausanne PM HQ and INSEAD (France)

She graduated from Moscow State University Economic faculty

Chairman of the Board

Peter Gyoerffy

Independent Director
Chairman of the Board
Member of Remuneration and
Nomination Committee



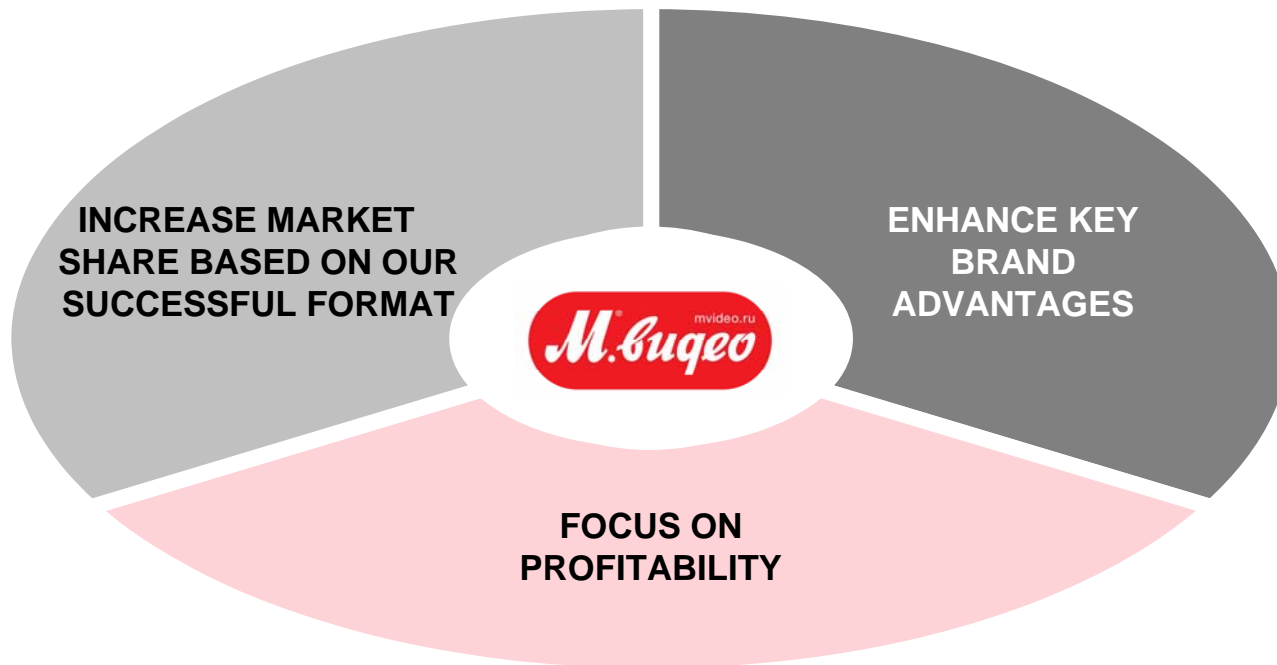
- Board concept in place for 5 years; formal Board of Directors introduced in 2006
- Board comprises 9 people, including 4 Independent Directors
 - Independent Chairman
- Audit Committee chaired by Independent Director
 - Comprised of independent members only
- Remuneration and Nomination Committee chaired by Independent Director

Members of the Board⁽¹⁾

Alexander Tynkovan	Pavel Breev	Mikhail Tynkovan	Alexander Zayonts	Christopher Parks	David Hamid	Ilo Helander	Stuart Leighton
Shareholder President	Shareholder General Director Expansion Director	Shareholder Deputy General Director (M.video Management)	Ex-Shareholder	CFO	<u>Independent Director</u> Chairman of Remuneration and Nomination Committee	<u>Independent Director</u> Member of Audit Committee	<u>Independent Director</u> Chairman of Audit Committee

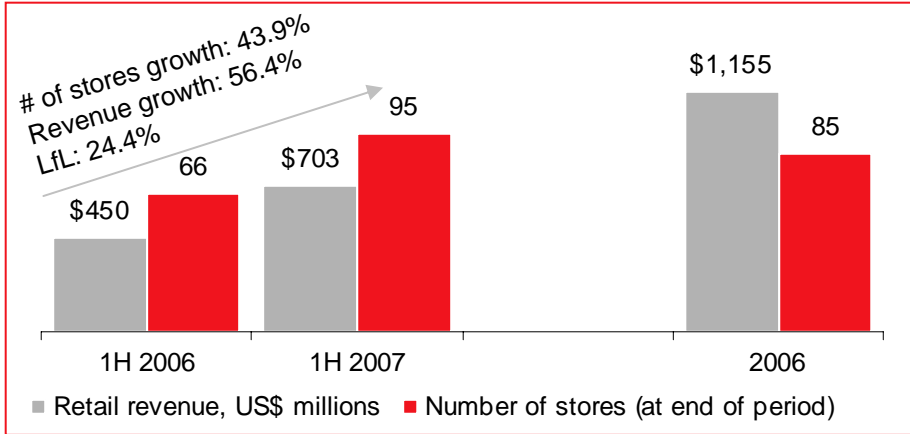
(1) Corporate logos represent the past experience of our Board

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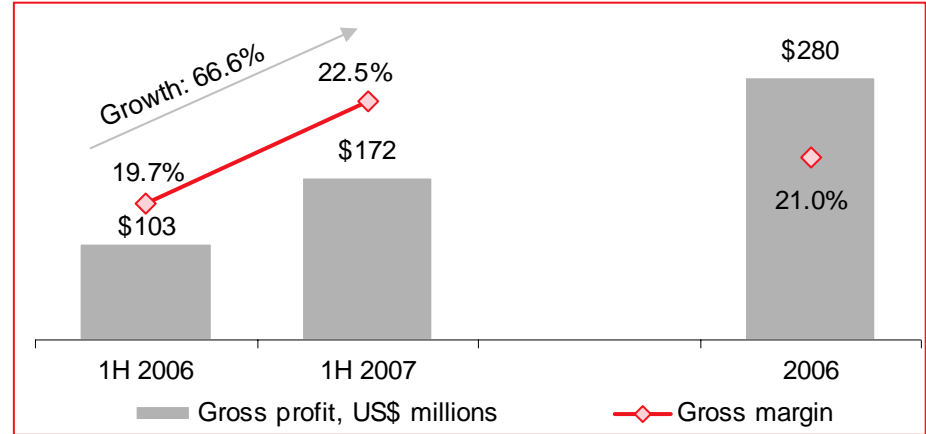
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Retail revenue and number of stores



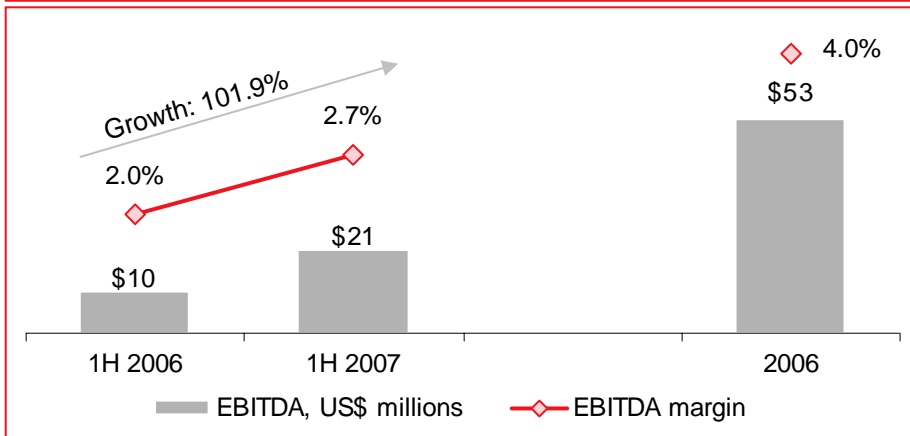
Source: Company data
Note: Revenue growth in RUB terms: 47.4%, LfL: 17.2%

Gross profit and gross margin



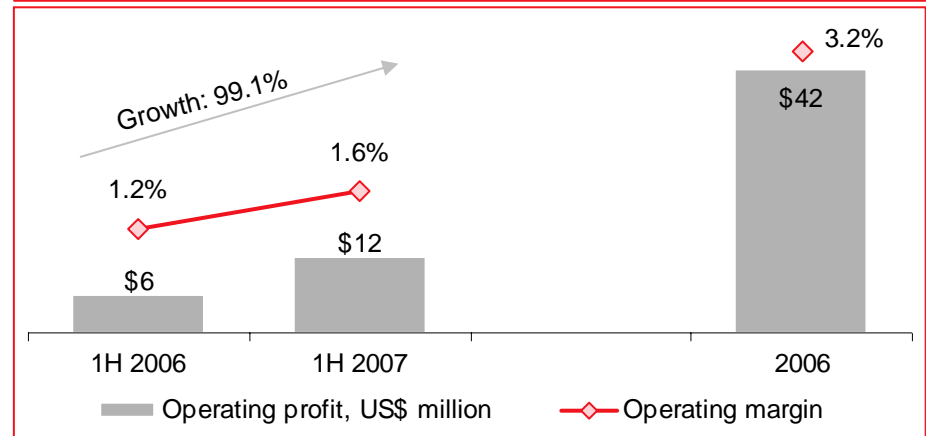
Source: Company data
Note: Growth in RUB terms: 56.9%

EBITDA dynamics



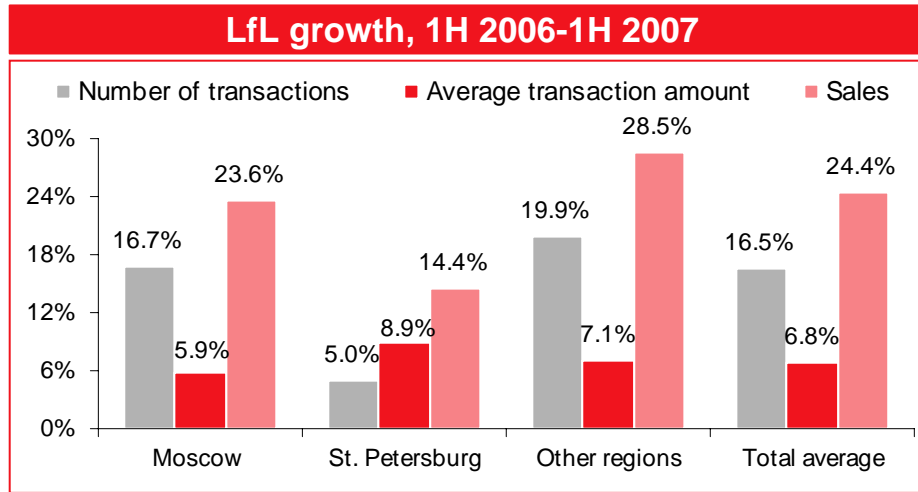
Source: Company data
Note: Growth in RUB terms: 90.2%

Operating profit dynamics

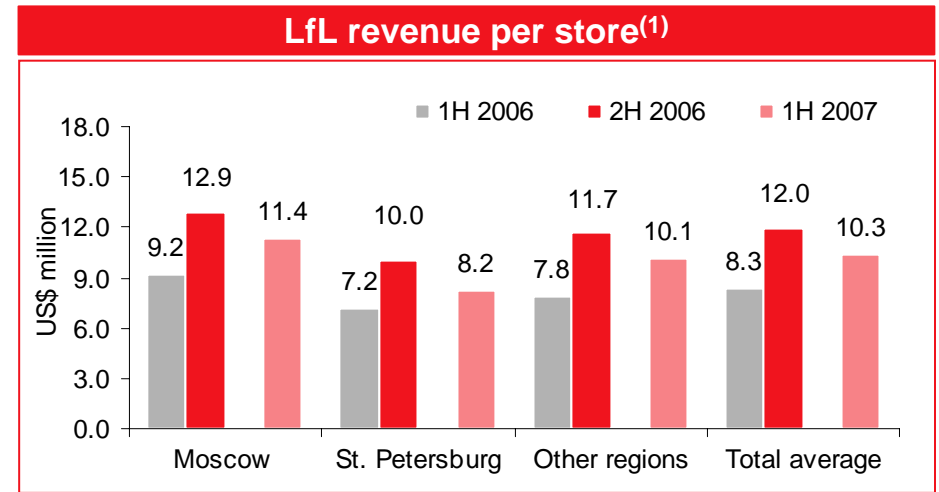


Source: Company data
Note: Growth in RUB terms: 87.6%

LfL performance analysis (in US\$ terms)

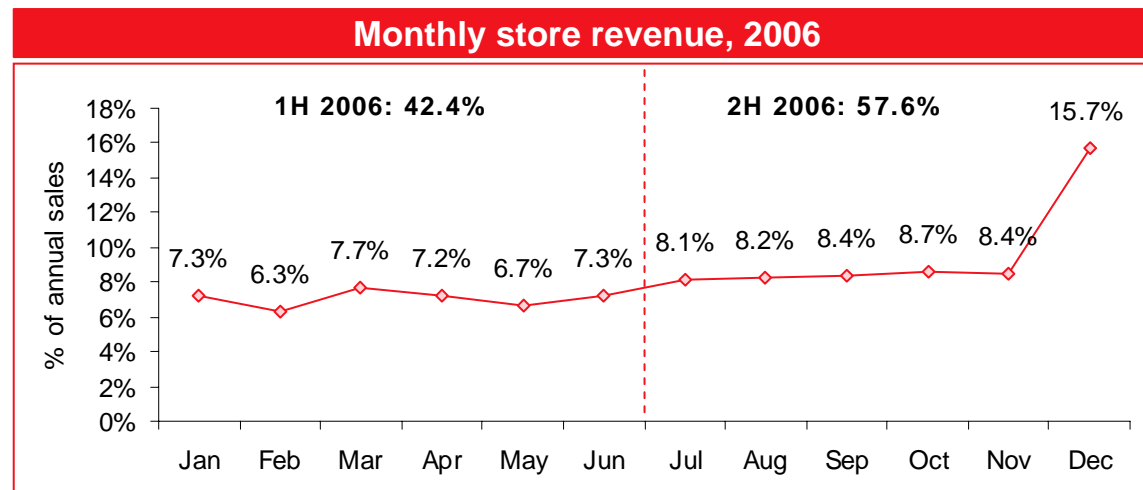


Source: Company data



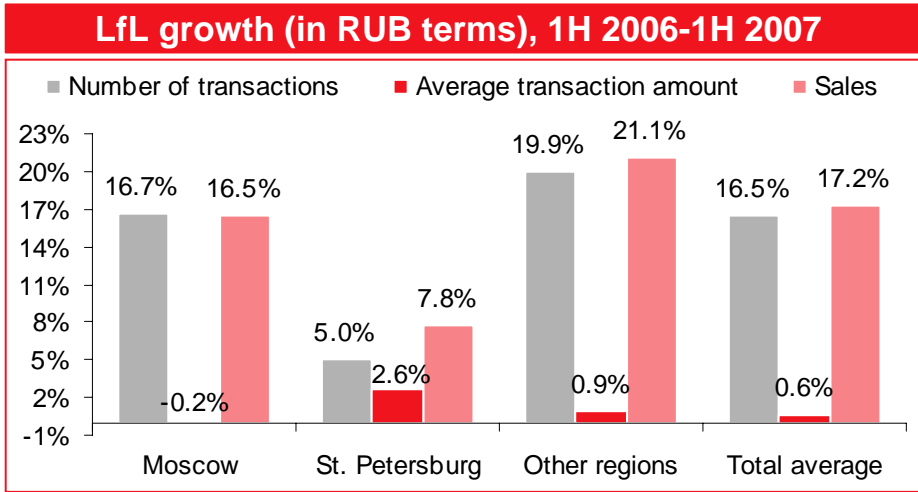
Source: Company data

(1) Including VAT, numbers converted from RUB into US\$ at the average exchange rate for respective periods

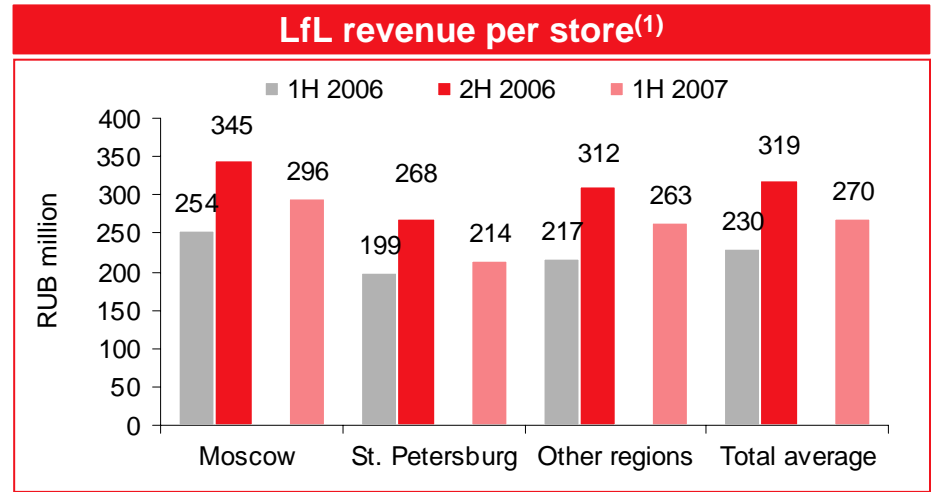


Source: Company data

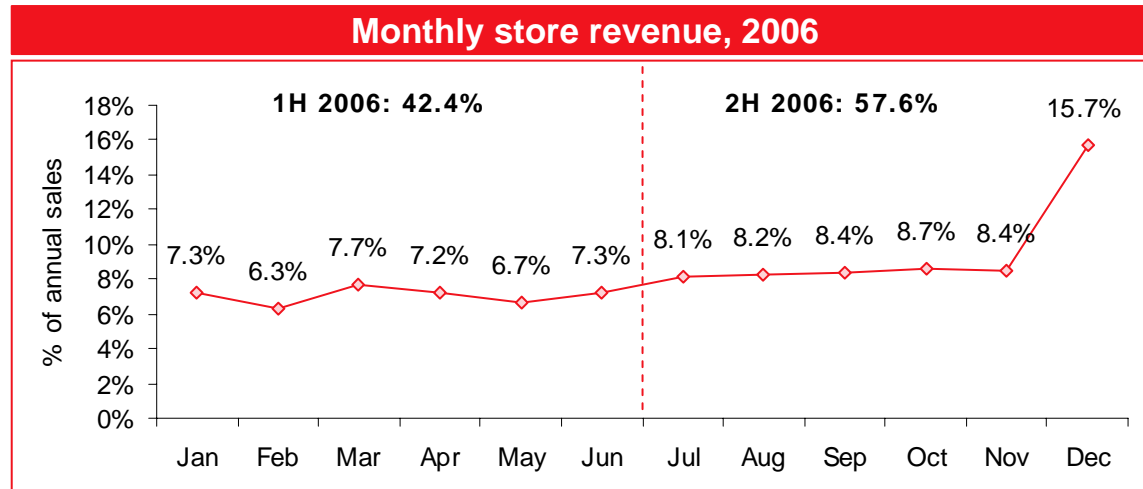
LfL performance analysis (in RUB terms)



Source: Company data

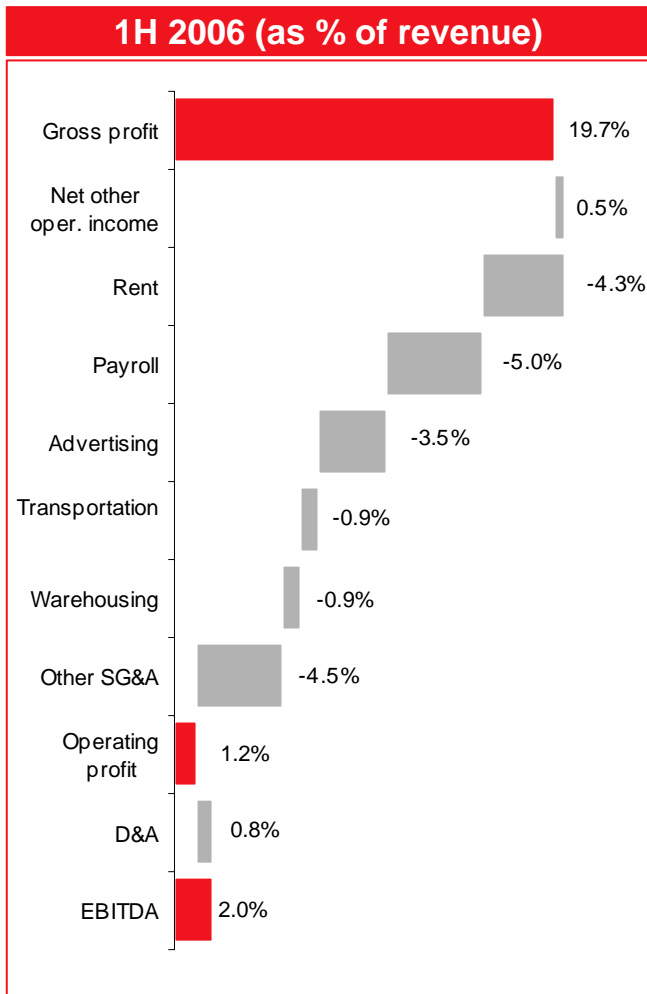


Source: Company data
(1) Including VAT

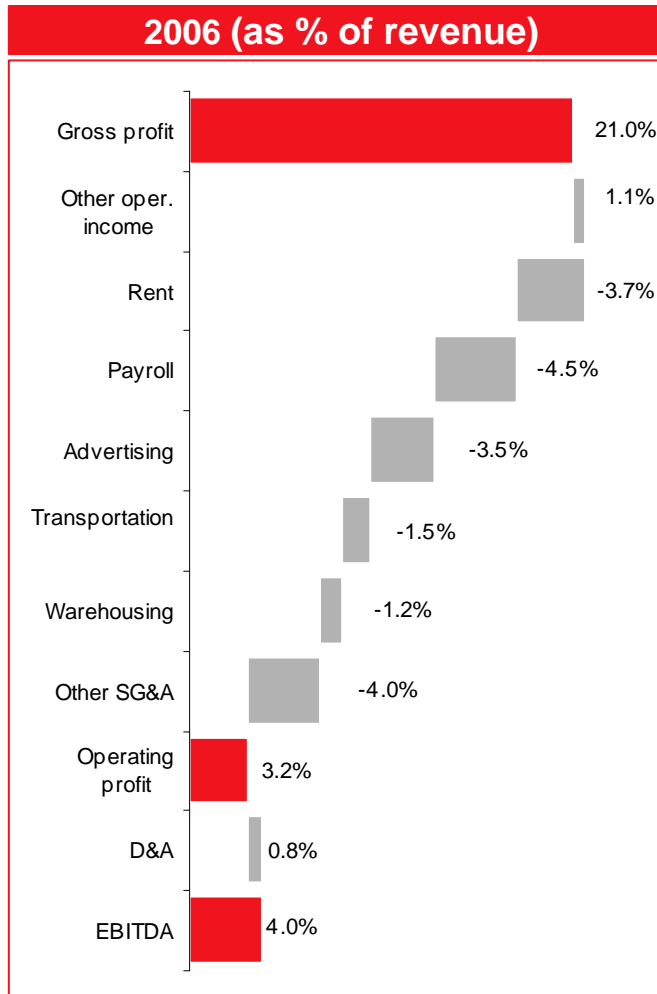


Source: Company data

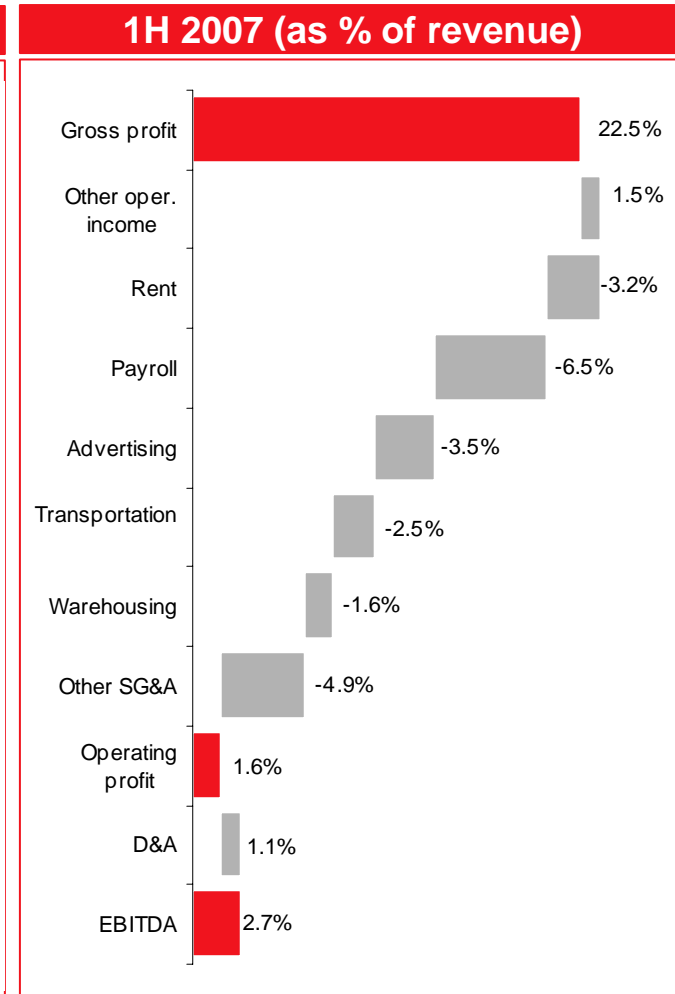
Operating expenses analysis: EBITDA build-up



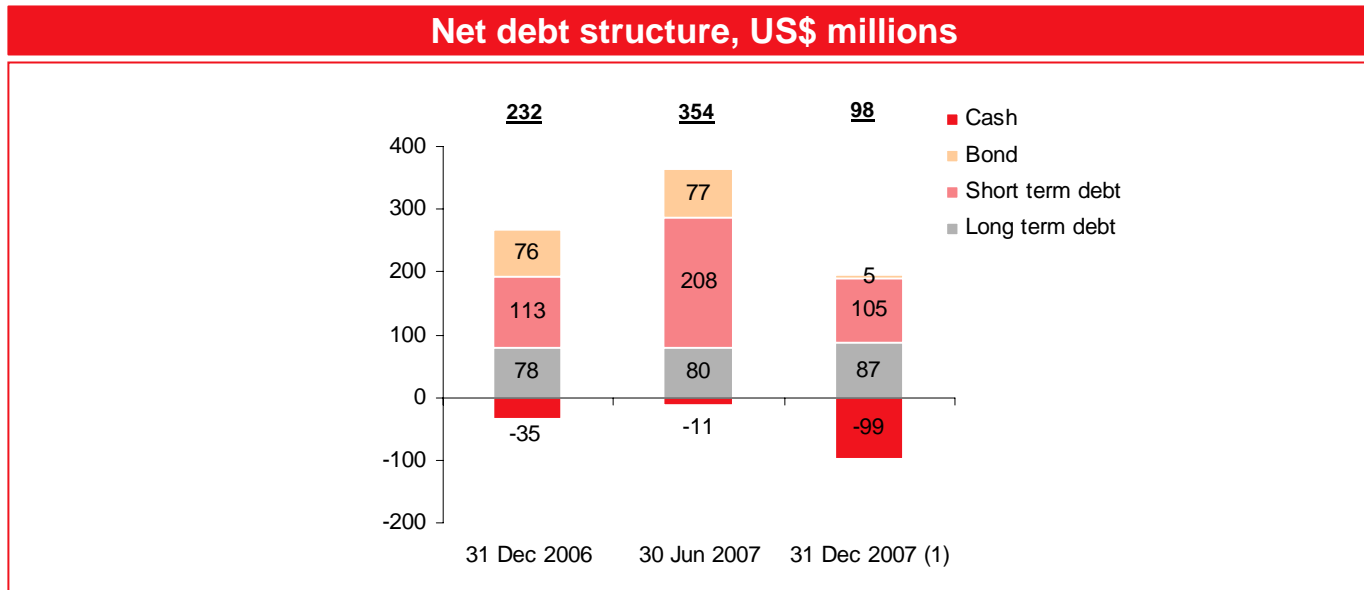
Source: Company data



Source: Company data



Source: Company data



Source: Company data

Note: numbers converted from RUB into US\$ at the exchange rate at the end of respective period

(1) Unaudited management accounts

1

Booming market

2

Leading retail format

3

Huge potential for expansion

4

Best in class dedicated management team

5

Clear scope for margins improvement