



OJSC "Company "M.video" H1 2012 Condensed Consolidated Financial Information Presentation

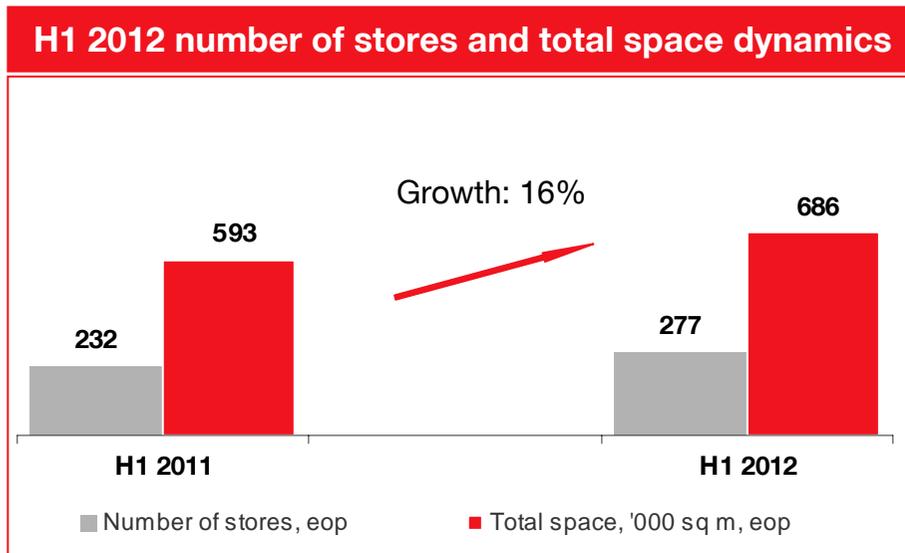


Moscow, August 29, 2012.

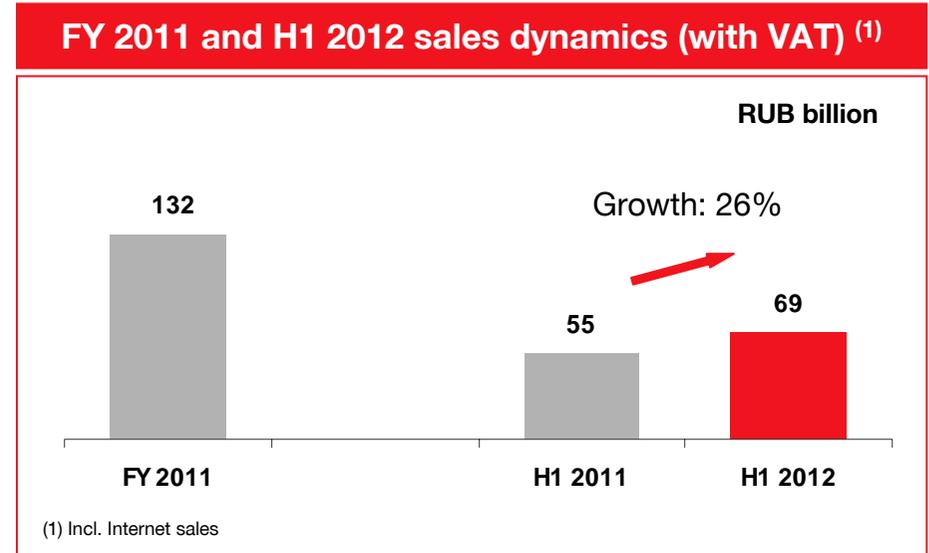
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- Sales increased to 69 billion RUB (58.6 billion RUB without VAT), demonstrating a 26% growth vs. H1 2011. Like-for-like sales grew by 16.3%.
- Network expansion: 18 new stores opened (16 net); network reached 277 stores.
- Net cash position of 5 billion RUB vs. 1.6 billion in 1H 2011.
- Profitability improvements:
 - EBITDA margin up by 20 basis points to 4.3%
 - Net profit up by 58% to 1.2 billion RUB



Source: Company data



Source: Company data



H1 2012 Key Financial Indicators

<i>In millions of Russian rubles</i>	H1 2012	H1 2011	y-o-y, %
Sales (with VAT)	69,140	54,872	26%
Net revenue	58,593	46,502	26%
Gross profit	14,434	11,627	24%
<i>As % of net revenue</i>	24.6	25	(0.4)%
Operating expenses	12,926	10,486	23%
<i>As % of net revenue</i>	22	22.5	(0.5)%
Operating profit (EBIT)	1,508	1,141	32%
<i>As % of net revenue</i>	2.6	2.5	0.1%
EBITDA	2,517	1,906	32%
<i>As % of net revenue</i>	4.3	4.1	0.2%
Net profit	1,208	766	58%
<i>As % of net revenue</i>	2	1.6	0.4%

* - the operating expenses include selling, general and administrative expenses (SGA), other operating income and other operating expenses.



H1 2012 Consolidated Income Statement Highlights

Russian rubles, million

	H1 2012	H1 2011
REVENUE	58,593	46,502
COST OF SALES	(44,159)	(34,875)
GROSS PROFIT	14,434	11,627
Selling, general and administrative expenses	(13,693)	(11,006)
Other operating income	819	575
Other operating expenses	(52)	(55)
OPERATING PROFIT	1,508	1,141
Finance income/(costs), net	176	4
PROFIT BEFORE INCOME TAX EXPENSE	1,684	1,145
INCOME TAX EXPENSE	(476)	(379)
NET PROFIT for the period	1,208	766



Operating Expenses

<i>Russian rubles, million</i>	H1 2012		as % of revenue	H1 2011	as % of revenue
Payroll and related taxes	4,197	↑	7.2	3,301	7.1
Lease expenses (rent)	3,030	↑	5.2	2,262	4.9
Advertising and promotional expenses	1,618	↓	2.8	1,550	3.3
Warehouse services	749	↓	1.3	641	1.4
Utilities	660	↓	1.1	545	1.2
Repair & maintenance	394		0.7	341	0.7
Consulting services	219	↑	0.4	146	0.3
Other SG&A	1,817		3.1	1,455	3.1
Depreciation, amortization	1,009	↑	1.7	765	1.6
Subtotal	13,693	↓	23.4	11,006	23.7
Net other operating income	(767)			(520)	
Total	12,926	↓	22.0	10,486	22.5



EBITDA(R)

Russian rubles, million

	H1 2012	H1 2011
Net profit for the period	1,208	766
Income tax expense	476	379
Finance income, net	(176)	(4)
Depreciation and amortization	1,009	765
EBITDA	2,517	1,906
Rent expense	3,030	2,262
EBITDAR	5,547	4,168
EBITDA(R) - Earnings before interest, taxes, depreciation & amortization (& rent)		
Income tax rate	28%	33%



H1 2012 Consolidated Balance Sheet Summary

Russian rubles, million

	<u>30 June 2012</u>	<u>31 Dec 2011</u>
NON-CURRENT ASSETS:		
Property, plant and equipment	9,245	8,920
Other	3,776	3,619
Total non-current assets	13,021	12,539
CURRENT ASSETS:		
Inventories	23,261	24,487
Trade and other accounts receivable and prepaid expenses	1,309	1,246
Income tax receivable	163	412
Other taxes receivable	947	1,239
Cash and cash equivalents	8,016	13,220
Other current assets	158	204
Total current assets	33,854	40,808
TOTAL ASSETS	46,875	53,347



H1 2012 Consolidated Balance Sheet Summary (continued)

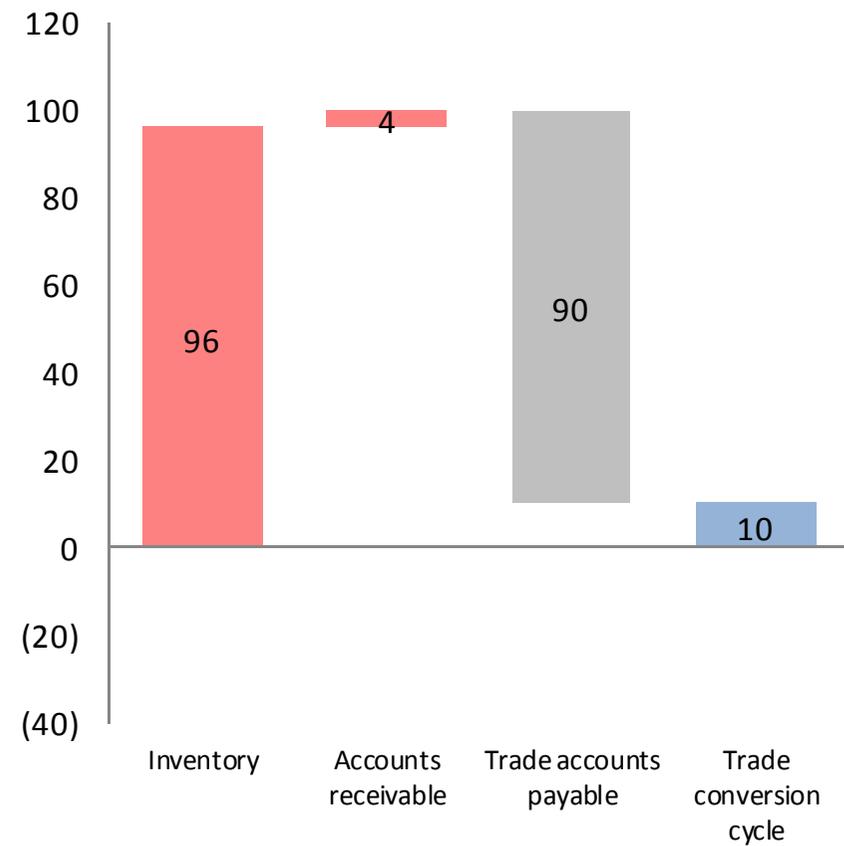
Russian rubles, million

	<u>30 June 2012</u>	<u>31 Dec 2011</u>
EQUITY:		
Total equity	13,045	12,827
NON-CURRENT LIABILITIES:		
Deferred tax liabilities	317	317
Provisions	56	100
Total non-current liabilities	373	417
CURRENT LIABILITIES:		
Short-term loans and borrowings	3,001	0
Trade accounts payable	21,109	32,673
Other payables and accrued expenses	2,899	2,334
Other	6,448	5,096
Total current liabilities	33,457	40,103
Total liabilities	33,830	40,520
TOTAL EQUITY AND LIABILITIES	46,875	53,347

1H 2012 Trade conversion cycle, days



1H 2011 Trade conversion cycle, days





H1 2012 Consolidated Cash Flow Statement

Russian rubles, million

	<u>H1 2012</u>	<u>H1 2011</u>
OPERATING ACTIVITIES:		
Total comprehensive income for the period	1,208	766
Adjustments	1,900	1,567
Operating cash flows before movements in working capital	3,108	2,333
Change in working capital	(9,055)	(5,599)
Cash used in operations	(5,947)	(3,266)
Income taxes, interest and forward contracts settlement	(1,093)	(1,082)
Net cash used in operating activities	(7,040)	(4,348)
INVESTING ACTIVITIES:		
PP&E	(1,159)	(1,020)
Interest received	177	24
Other	(182)	(207)
Net cash used in investing activities	(1,164)	(1,203)
FINANCING ACTIVITIES:		
Proceeds from short-term borrowings	3,250	2,788
Repayment of borrowings	(250)	(1,838)
Net cash generated by financing activities	3,000	950
Net decrease in cash and cash equivalents	(5,204)	(4,601)
Cash and cash equivalents at the beginning of the period	13,220	7,183
Cash and cash equivalents at the end of the period	8,016	2,582