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ОJSC “Company “M.video” FY 2013 Audited Consolidated Financial Statements Presentation

Moscow, March 27, 2014.



нам не всё равно 20 лет

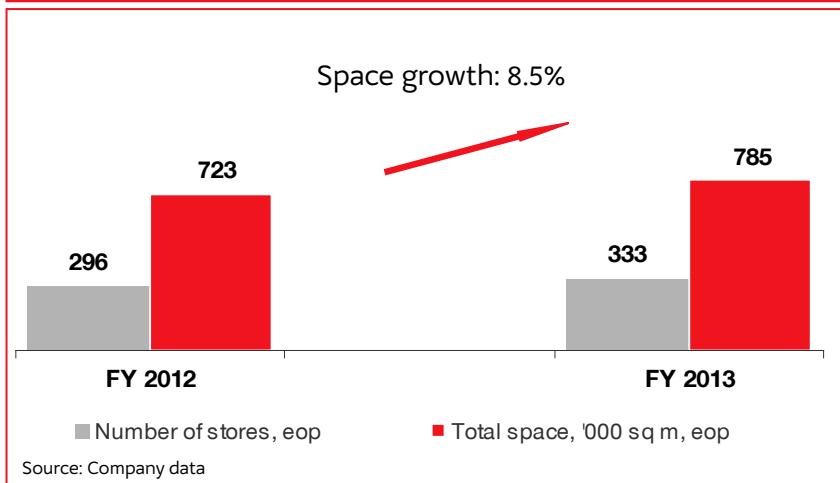
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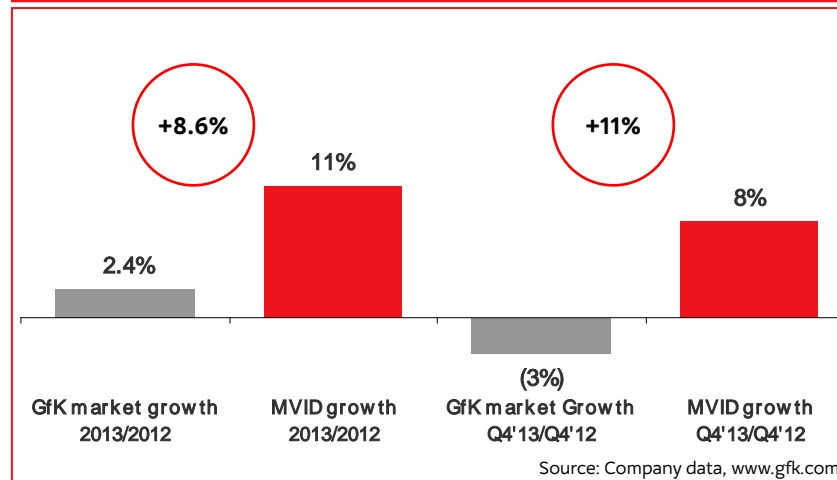
FY 2013 Highlights

- FY 2013 sales increased to 175 billion RUB (148 billion RUB without VAT), demonstrating an 11% growth vs. FY 2012, LfL sales increased by 1%.
- 40 new stores (37 net) added in FY 2013; network reached 333 stores.
- Net cash position of 11.5 billion RUB.

12m 2013 # of stores and total space dynamics



12m 2013 and Q4 2013 sales growth vs. market



Key Financial Indicators

| In millions of Russian rubles | 2013 | 2012 | y-o-y, % |
|--------------------------------|----------------|----------------|--------------|
| Sales (including VAT) | 174,690 | 157,640 | 10.8% |
| Net revenue | 148,042 | 133,593 | 10.8% |
| Gross profit | 38,360 | 32,955 | 16.4% |
| <i>As % of net revenue</i> | <i>25.9</i> | <i>24.7</i> | <i>1.2</i> |
| Operating expenses* | 31,593 | 27,583 | 14.5% |
| <i>As % of net revenue</i> | <i>21.3</i> | <i>20.6</i> | <i>0.7</i> |
| Operating profit (EBIT) | 6,767 | 5,372 | 26% |
| <i>As % of net revenue</i> | <i>4.6</i> | <i>4.0</i> | <i>0.6</i> |
| EBITDA | 9,400 | 7,525 | 24.9% |
| <i>As % of net revenue</i> | <i>6.3</i> | <i>5.6</i> | <i>0.7</i> |
| Net profit | 5,729 | 4,141 | 38.3% |
| <i>As % of net revenue</i> | <i>3.9</i> | <i>3.1</i> | <i>0.8</i> |

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

Consolidated Income Statement Highlights

| <i>Russian rubles, million</i> | 2013 | Audited | 2012 |
|---|--------------|---------|--------------|
| REVENUE | 148,042 | | 133,593 |
| COST OF SALES | (109,682) | | (100,638) |
| GROSS PROFIT | 38,360 | | 32,955 |
| Selling, general and administrative expenses | (33,566) | | (29,376) |
| Other operating income | 2,094 | | 1,925 |
| Other operating expenses | (121) | | (132) |
| OPERATING PROFIT | 6,767 | | 5,372 |
| Finance income, net | 113 | | 182 |
| PROFIT BEFORE INCOME TAX EXPENSE | 6,880 | | 5,554 |
| Income tax expense | (1,151) | | (1,413) |
| NET PROFIT FOR THE YEAR, being TOTAL COMPREHENSIVE INCOME for the year | 5,729 | | 4,141 |

Operating Expenses

| <i>Russian rubles, million</i> | 2013 | as % of revenue | Audited = | 2012 | as % of revenue |
|---|---------------|--------------------|--------------|---------------|--------------------|
| Payroll and related taxes | 9,678 | 6.5% | = | 8,742 | 6.5% |
| Lease expenses (net of sublease income) | 7,422 | 5.0% | ↑ | 6,480 | 4.9% |
| Advertising & promotional expenses | 3,942 | 2.7% | = | 3,665 | 2.7% |
| Warehouse services (incl.related lease expense) | 2,204 | 1.5% | ↑ | 1,757 | 1.3% |
| Utilities | 1,491 | 1.0% | = | 1,331 | 1.0% |
| Bank charges | 1,034 | 0.7% | ↑ | 779 | 0.6% |
| Transportation to customers | 984 | 0.7% | ↑ | 754 | 0.6% |
| Other SG&A | 4,178 | 2.8% | = | 3,715 | 2.8% |
| D&A | 2,633 | 1.8% | ↑ | 2,153 | 1.6% |
| Subtotal | 33,566 | 22.7% | ↑ | 29,376 | 22.0% |
| Net other operating income | (1,973) | 1.3% | = | (1,793) | 1.3% |
| Total | 31,593 | 21.3% | ↑ | 27,583 | 20.6% |

EBITDA(R)

Russian rubles, million

| | 2013 | 2012 |
|---|---------------|---------------|
| Net profit for the year | 5,729 | 4,141 |
| Income tax expense | 1,151 | 1,413 |
| Finance income, net | (113) | (182) |
| Depreciation and amortization of non-current assets | 2,633 | 2,153 |
| EBITDA | 9,400 | 7,525 |
| Rent expense | 7,422 | 6,480 |
| EBITDA(R) | 16,822 | 14,005 |

As % of net revenue

11.4

10.5

EBITDA(R) - Earnings before interest, taxes, depreciation & amortization (& rent)

Effective income tax rate (Note 15)

23.1%

25.4%

Consolidated Statement of Financial Position Summary

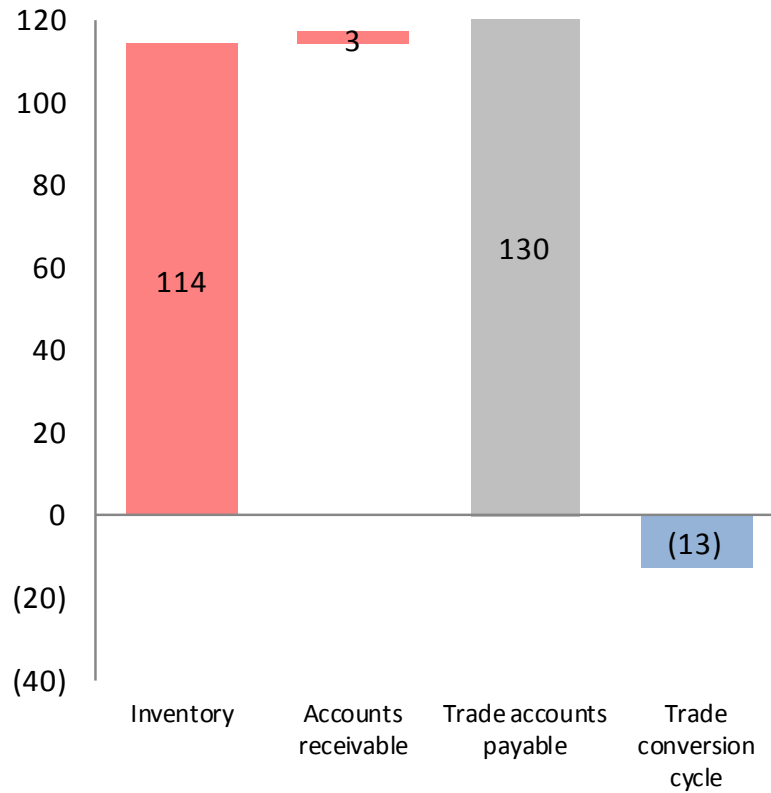
| | Audited | |
|--|-------------------------|-------------------------|
| | 31 December 2013 | 31 December 2012 |
| ASSETS | | |
| NON-CURRENT ASSETS: | | |
| Property, plant and equipment | 9,696 | 9,645 |
| Intangible assets | 3,190 | 2,092 |
| Other | 3,350 | 2,864 |
| Total non-current assets | 16,236 | 14,601 |
| CURRENT ASSETS: | | |
| Inventories | 34,215 | 32,259 |
| Accounts receivable and prepaid expenses | 1,151 | 1,557 |
| Income tax and other tax receivable | 1,454 | 1,947 |
| Cash and cash equivalents | 11,542 | 6,521 |
| Short-term investment | - | 981 |
| Other current assets | 21 | 79 |
| Total current assets | 48,383 | 43,344 |
| TOTAL ASSETS | 64,619 | 57,945 |

Consolidated Statement of Financial Position Summary (continued)

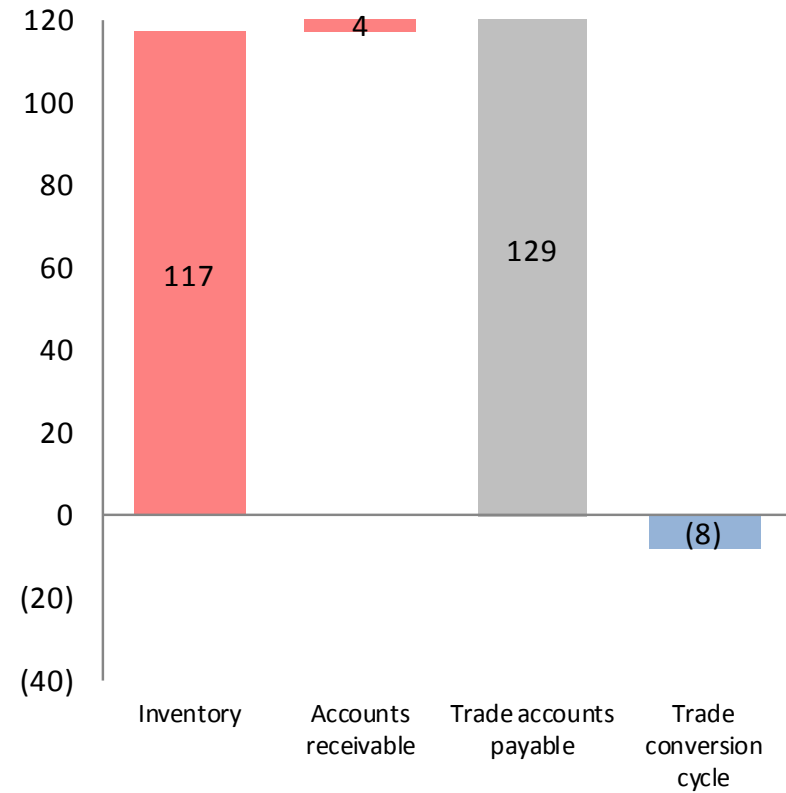
| | Audited | |
|--------------------------------------|-------------------------|-------------------------|
| | 31 December 2013 | 31 December 2012 |
| EQUITY AND LIABILITIES | | |
| EQUITY: | | |
| Total equity | 13,933 | 10,692 |
| NON-CURRENT LIABILITIES: | | |
| Total non-current liabilities | 83 | 208 |
| CURRENT LIABILITIES: | | |
| Trade accounts payable | 39,159 | 35,586 |
| Other payables and accrued expenses | 4,548 | 3,690 |
| Deferred revenue | 4,555 | 4,687 |
| Other | 2,341 | 3,082 |
| Total current liabilities | 50,603 | 47,045 |
| Total liabilities | 50,686 | 47,253 |
| TOTAL EQUITY AND LIABILITIES | 64,619 | 57,945 |

Trade Conversion Cycle

2013 Trade conversion cycle, days



2012 Trade conversion cycle, days



Consolidated Statement of Cash Flows Summary

| | 2013 | Audited | 2012 |
|---|----------------|---------|----------------|
| OPERATING ACTIVITIES: | | | |
| Total comprehensive income for the year | 5,729 | | 4,141 |
| Adjustments | 4,811 | | 4,840 |
| Operating cash flows before movements in working capital | 10,540 | | 8,981 |
| Change in working capital | 1,944 | | (3,469) |
| Cash generated by operations | 12,484 | | 5,512 |
| Income tax, interest and other | (2,141) | | (1,895) |
| Net cash generated by operating activities | 10,343 | | 3,619 |
| INVESTING ACTIVITIES: | | | |
| Purchases of PP&E | (2,308) | | (2,523) |
| Short-term investments with banks | 981 | | (981) |
| Purchase of intangible assets | (1,689) | | (756) |
| Interest received | 156 | | 290 |
| Net cash used in investing activities | (2,860) | | (3,970) |
| FINANCING ACTIVITIES: | | | |
| Dividends paid | (2,462) | | (6,348) |
| Net cash used in financing activities | (2,462) | | (6,348) |
| NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS | 5,021 | | (6,699) |
| CASH AND CASH EQUIVALENTS, at the beginning of the year | 6,521 | | 13,220 |
| CASH AND CASH EQUIVALENTS, at the end of the year | 11,542 | | 6,521 |

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