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Omni-Channel Strategy in the Russian Consumer Electronic Retail

Investor and Analyst Presentation, July 2014.

М.видео

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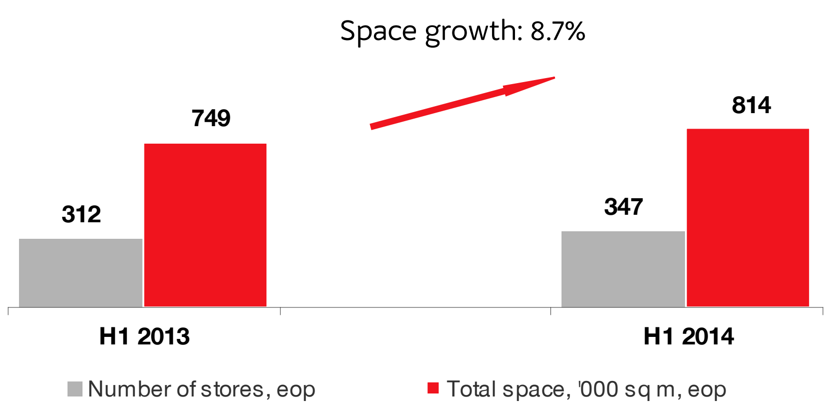
H1 2014 trading update summary

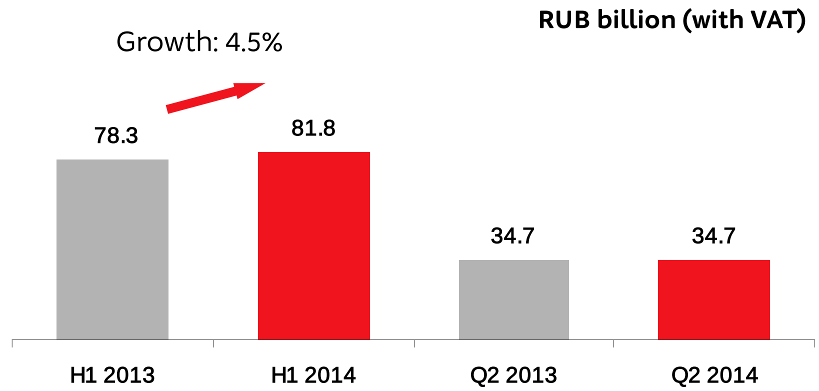
- H1 2014 sales amounted to 82 billion RUB (69 billion RUB without VAT), demonstrating an 4.5% increase vs. H1 2013. LfL sales were down by 2%.
- H1 2014 online based sales grew by 91% to 6.4 billion RUB (with VAT)
- Q2 2014 sales remained flat.
- 15 new stores (14 net) added in H1 2014; network reached 347 stores and 814,000 sq.m total space.

H1 2014 # of stores and total space dynamics



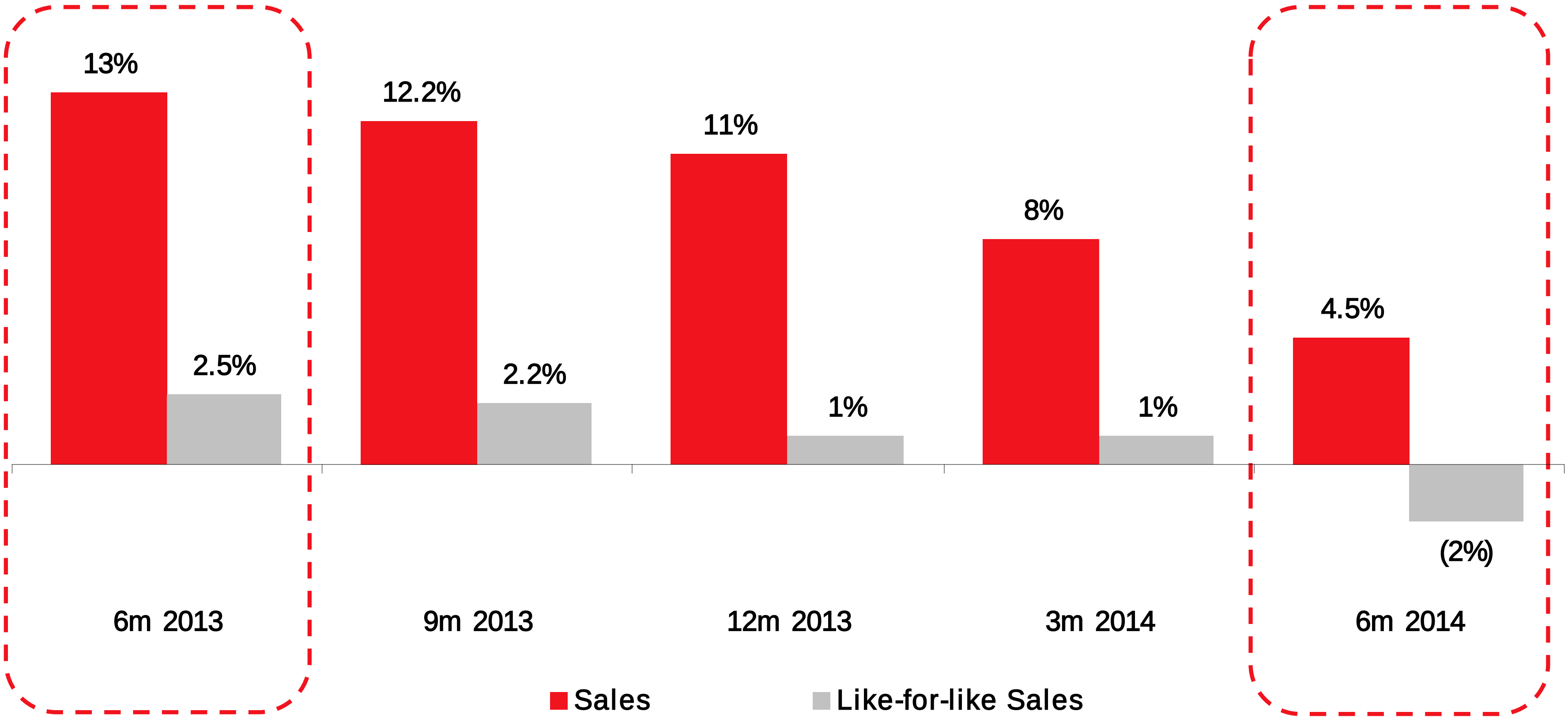
Source: Company data

H1 and Q2 2014 sales growth



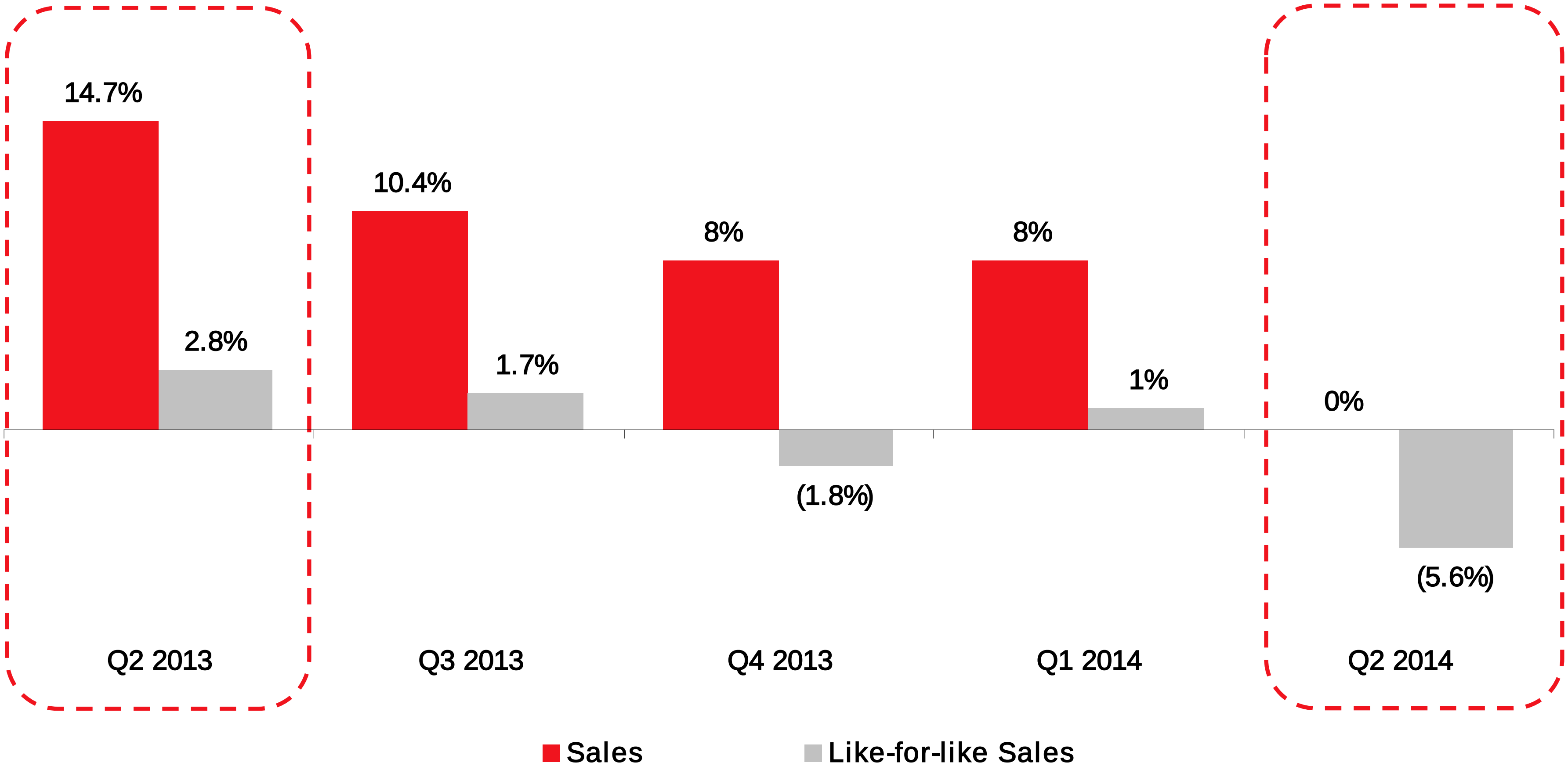
Source: Company data

6m 2013 – 6m 2014 YTD sales/LfL dynamics



Source: Company data

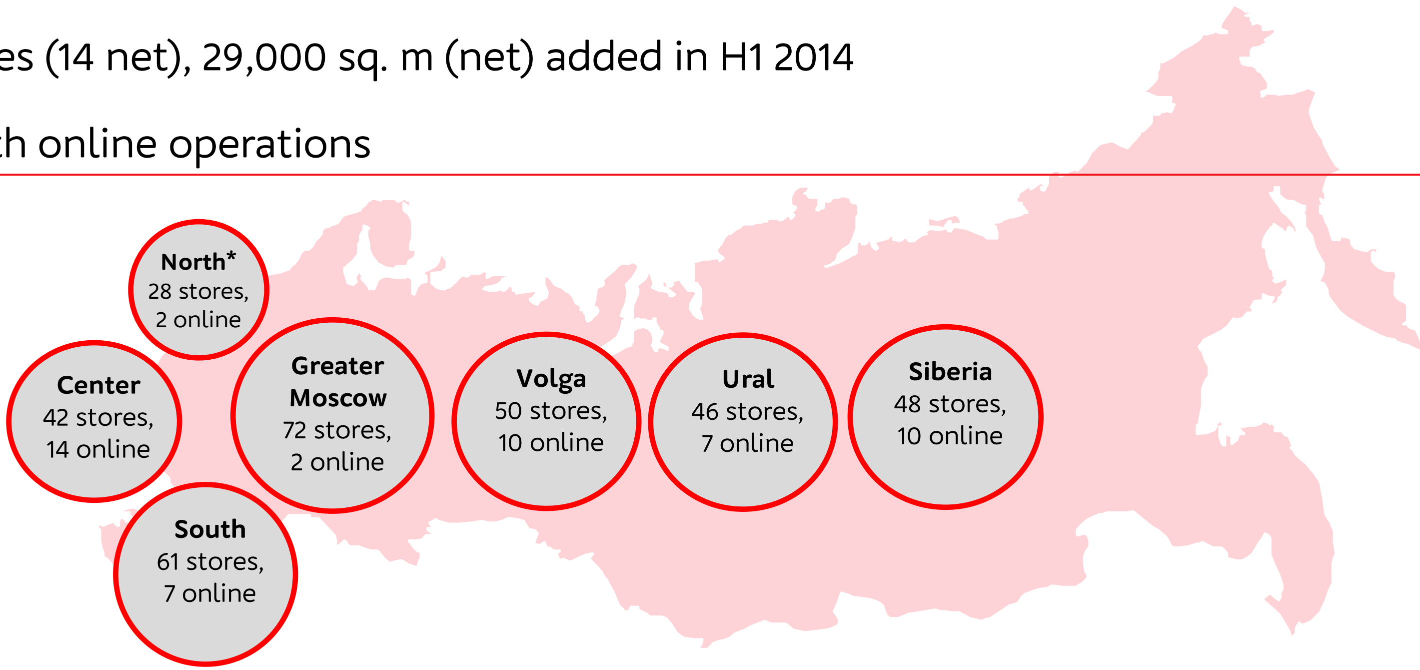
Q2 2013 – Q2 2014 quarterly (eop) sales/LfL dynamics



Source: Company data

H1 2014: Omni Channel Model Development

- Total: 347 stores, 149 cities of Russia.
- 15 new stores (14 net), 29,000 sq. m (net) added in H1 2014
- 52 cities with online operations



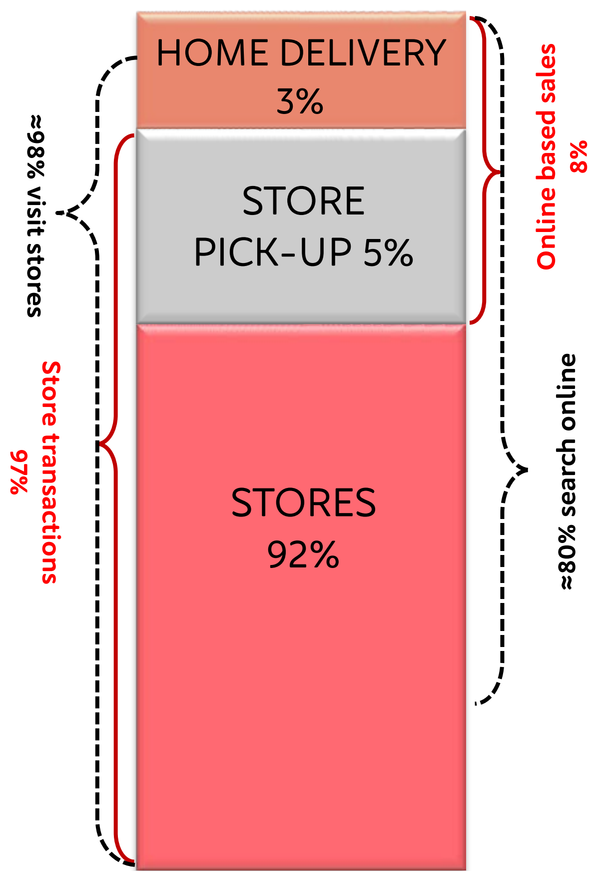
*Including stores in St.Petersburg

- 319 stores (92%) leased, 28 stores (8%) owned.
- 306 stores are in shopping malls, 41 stores are standalone.

Source: Company data

H1 2014: Omni Channel Model Development

Omni Channel Customer Universe

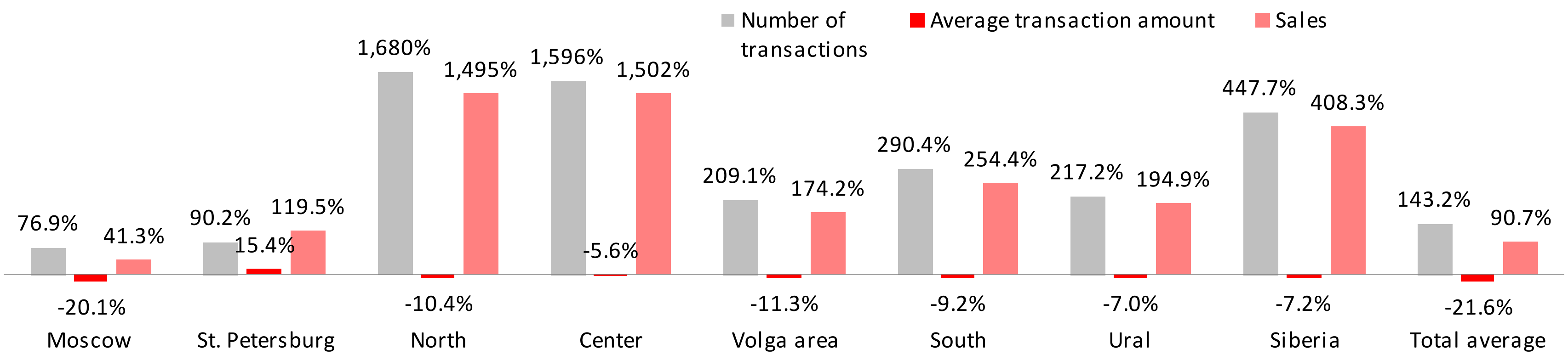


Source: Company data

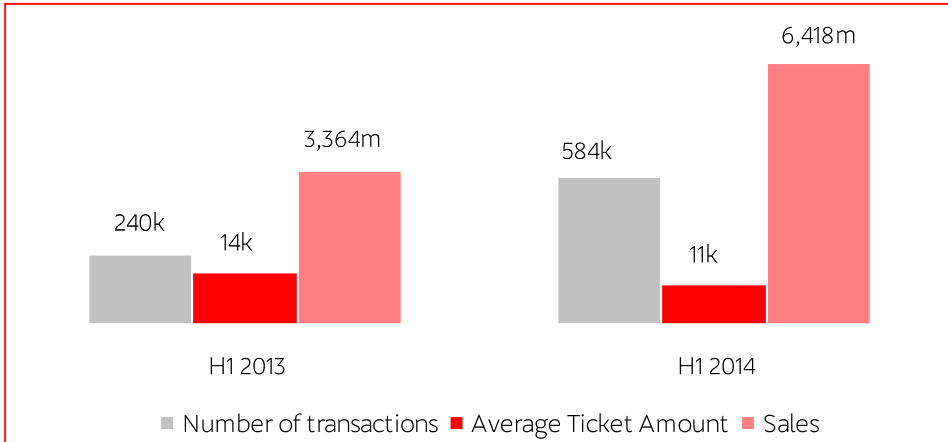
- Online based sales up 91% year on year;
- Pick-up in Store is up to 60%;
- Stores are the main focus of the customer:
    - 98% visit stores while 97% buy in Mvideo stores;
    - Online customers continue to come to stores for convenience and selection
- Store pick-up helps to get customer walking through store and feeds "impulse buys";
- People tend to buy accessories and small home appliances as their "second purchase" in store.

Online based sales H1 2014 – H1 2013 LfL dynamics

Home Delivery + Pick-up in Stores

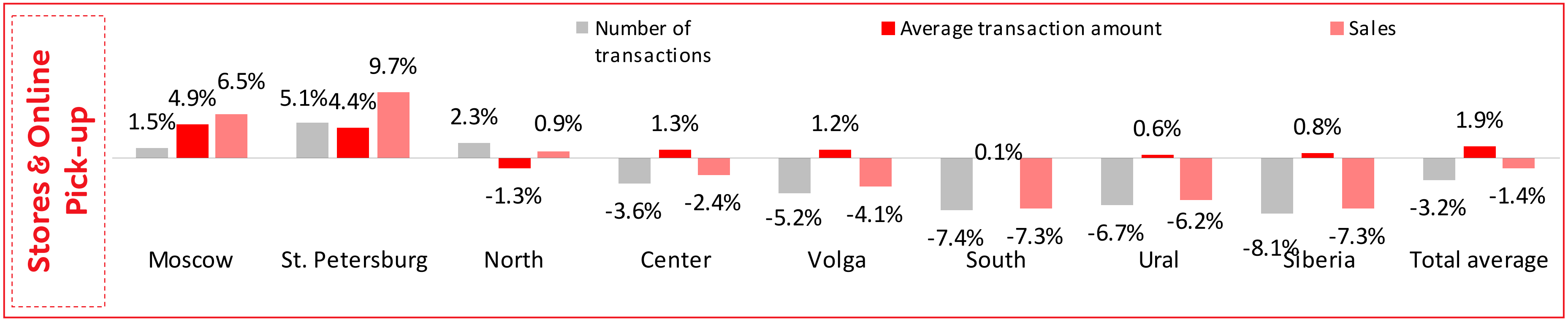


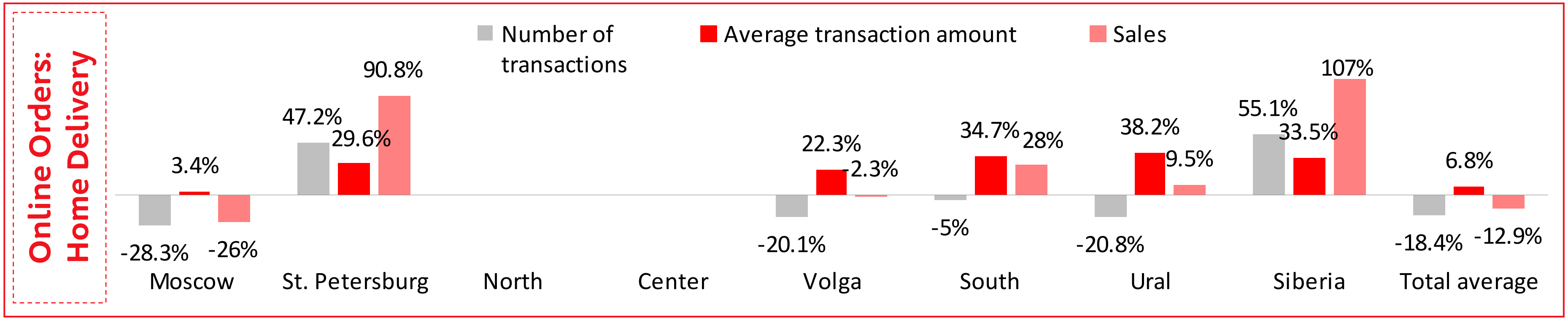
H1 2013 – H1 2014 Internet indicators comparison (RUB, with VAT)

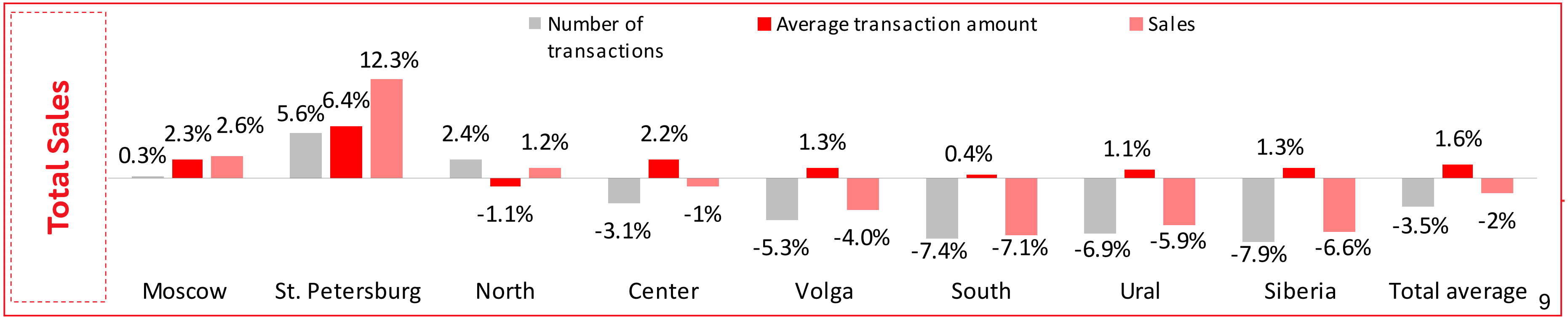


Source: Company data

H1 2014 – H1 2013 LfL dynamics, %

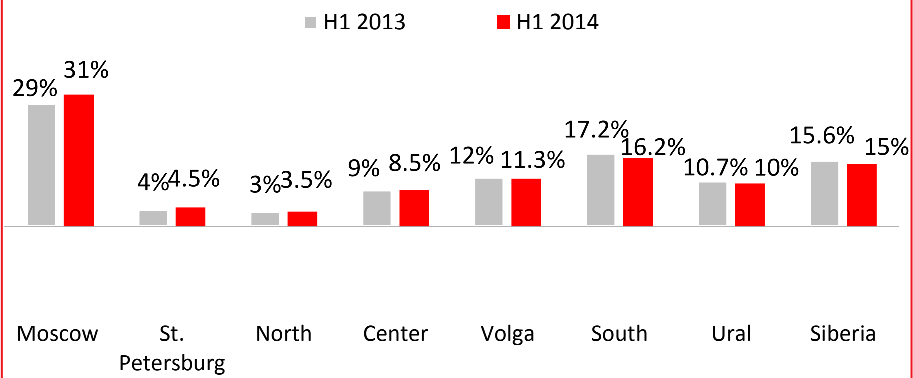




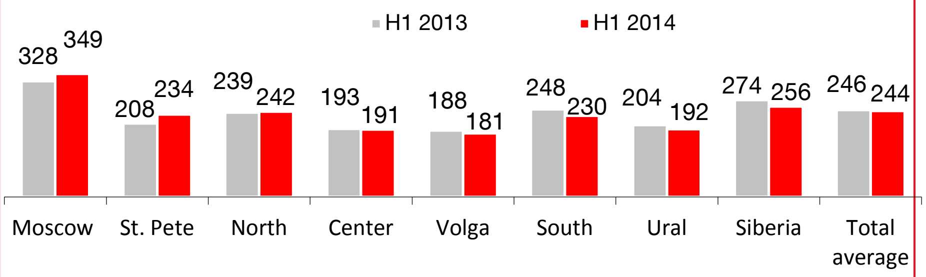


H1 2014 LfL stores performance analysis

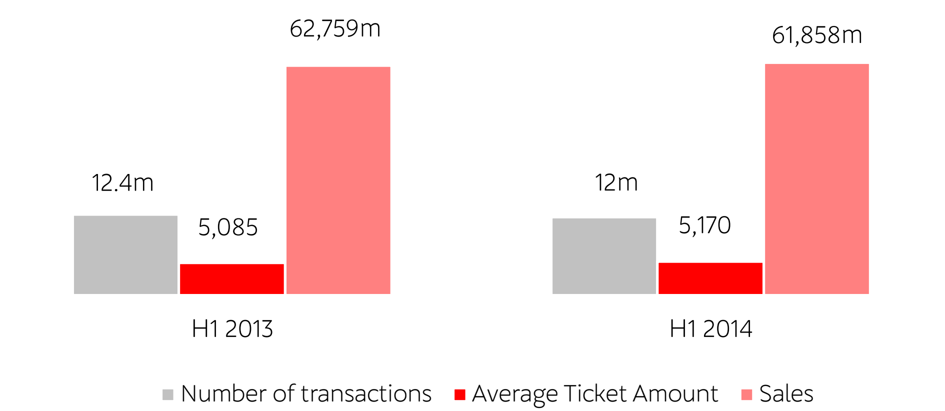
H1 2014 – H1 2013 LfL revenue breakdown, %



H1 2014 – H1 2013 LfL revenue per store (RUB mln, with VAT)



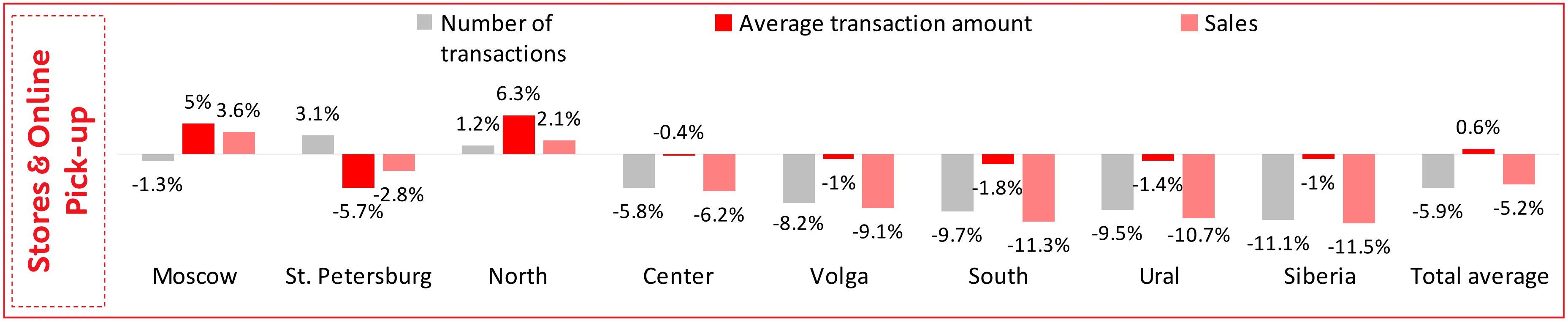
H1 2013 – H1 2014 LfL stores indicators comparison (RUB, with VAT)

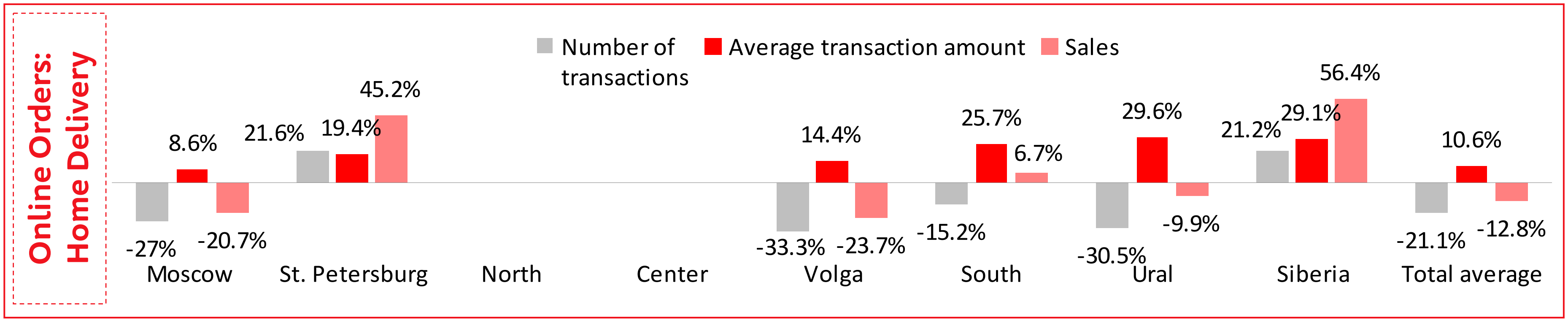


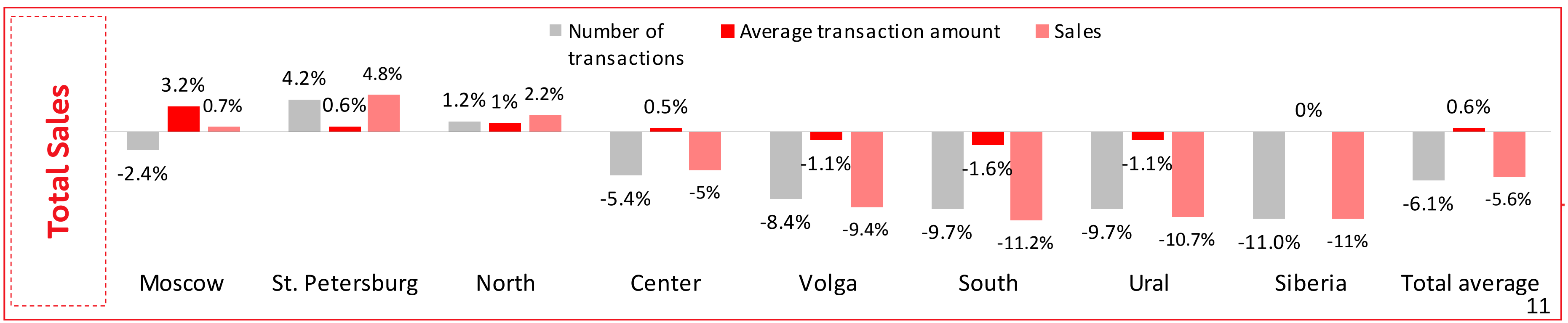
Source: Company data

Note: LfL data is based upon a comparison of stores open at January 1, 2012 and not closed for more than two weeks or permanently, or expanded or downsized by >20% of total space.

Q2 2014 – Q2 2013 LfL dynamics, %

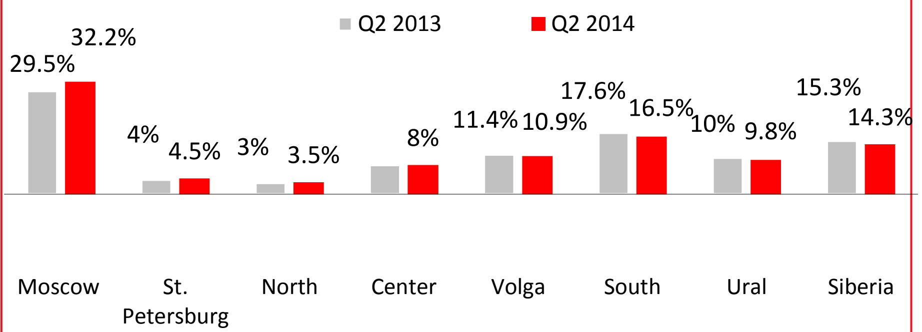




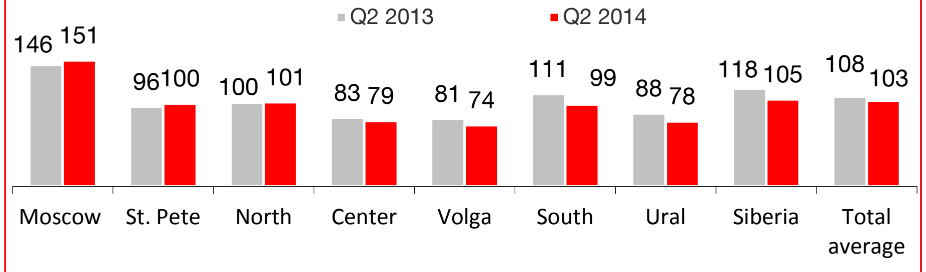


Q2 2014 LfL stores performance analysis

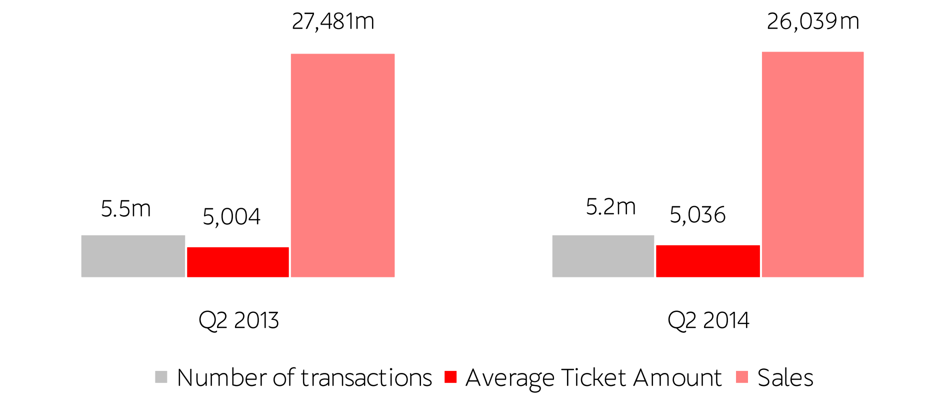
Q2 2014 – Q2 2013 LfL revenue breakdown, %



Q2 2014 – Q2 2013 LfL revenue per store (RUB mln, with VAT)



Q2 2013 – Q2 2014 LfL stores indicators comparison (RUB, with VAT)



Source: Company data

Note: LfL data is based upon a comparison of stores open at January 1, 2012 and not closed for more than two weeks or permanently, or expanded or downsized by >20% of total space.

OJSC “Company “M.video”
Nizhnaya Krasnoselskaya Str., 40/12
Moscow 107066
Russia

Tel: +7 495 644 28 48, ext. 7064
E-mail: ir@mvideo.ru
Official web-site: invest.mvideo.ru

Official ticker: MVID RU
Exchange: Moscow Exchange

For investor relations purposes, please contact:
Christopher Parks
Denis Davydov