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PJSC “M.video” H1 2015 Condensed Consolidated Financial Information Presentation

Moscow, August 26, 2015.



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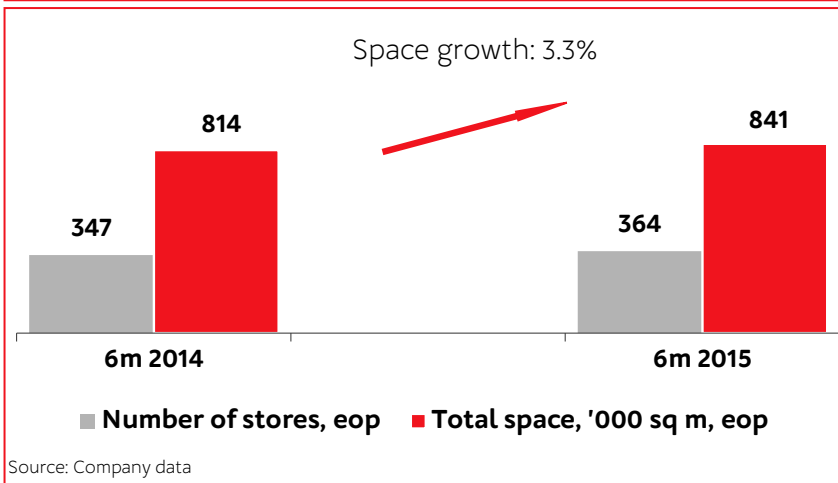
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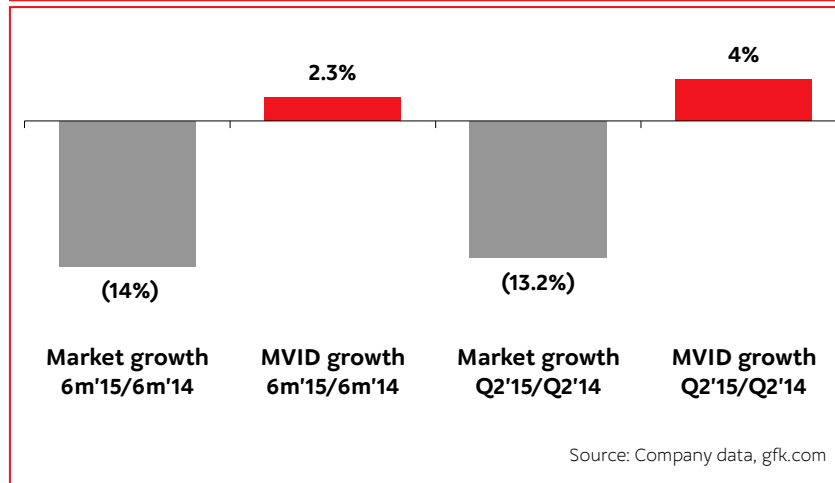
H1 2015 Highlights

- H1 2015 revenue amounted to 83 billion RUB (70.5 billion RUB without VAT), demonstrating a 2.3% increase vs. H1 2014. LfL sales were (8%).
- H1 2015 Internet based sales grew by 29% to 8.3 billion RUB (with VAT)
- 4 new stores added, 8 stores closed in H1 2015; the network has 364 stores in 157 cities.
- Net cash position of 1.3 billion RUB

H1 2015 number of stores and total space dynamics



6m and Q2 2015 CE market and MVID sales dynamics



Key Financial Indicators

In millions of Russian rubles	H1 2015	H1 2014	y-o-y, %
Sales (with VAT)	83,143	81,241	2.3%
Net revenue	70,460	68,848	2.3%
Gross profit	18,962	17,229	10.1%
<i>As % of net revenue</i>	<i>26.9</i>	<i>25</i>	<i>1.9</i>
Operating expenses*	16,346	15,918	2.7%
<i>As % of net revenue</i>	<i>23.2</i>	<i>23.1</i>	<i>0.1</i>
Operating profit (EBIT)	2,616	1,311	99.5%
<i>As % of net revenue</i>	<i>3.7</i>	<i>1.9</i>	<i>1.8</i>
EBITDA	4,258	2,696	57.9%
<i>As % of net revenue</i>	<i>6.0</i>	<i>3.9</i>	<i>2.1</i>
Net profit	2,306	1,122	105.5%
<i>As % of net revenue</i>	<i>3.3</i>	<i>1.6</i>	<i>1.7</i>

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

Consolidated Income Statement Highlights

Russian rubles, million

	H1 2015	H1 2014
REVENUE	70,460	68,848
COST OF SALES	(51,498)	(51,619)
GROSS PROFIT	18,962	17,229
Selling, general and administrative expenses	(16,650)	(16,692)
Other operating income	355	861
Other operating expenses	(51)	(87)
OPERATING PROFIT	2,616	1,311
Finance income, net	405	148
PROFIT BEFORE INCOME TAX EXPENSE	3,021	1,459
INCOME TAX EXPENSE	(715)	(337)
NET PROFIT for the period being		
TOTAL COMPREHENSIVE INCOME for the period	2,306	1,122

Operating Expenses

Russian rubles, million

	H1 2015	as % of revenue		H1 2014	as % of revenue
Lease (net of sublease) and utilities expenses	5,514	7.8%	↑	4,810	7.0%
Payroll and related taxes	4,862	6.9%	↓	5,120	7.4%
Advertising & promotional expenses	1,537	2.2%	↓	1,863	2.7%
Warehouse services (incl. related lease expense)	975	1.4%	↓	1,070	1.6%
Bank charges	466	0.7%	↓	525	0.8%
Repair and maintenance expenses	448	0.6%	=	406	0.6%
Security	428	0.6%	↓	486	0.7%
Other SG&A	778	1.1%	↓	1,433	2.1%
D&A	1,642	2.3%	↑	1,385	2.0%
Subtotal	16,650	23.6%	↓	16,692	24.2%
Net other operating income	(304)	(0.4%)		(774)	(1.1%)
Total	16,346	23.2%	↑	15,918	23.1%

EBITDA(R)

Russian rubles, million

Net profit for the period

Income tax expense

Finance income, net

Depreciation and amortization

EBITDA

Rent expense

EBITDAR

As % of net revenue

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

Effective sustainable income tax rate

	H1 2015	H1 2014
Net profit for the period	2,306	1,122
Income tax expense	715	337
Finance income, net	(405)	(148)
Depreciation and amortization	1,642	1,385
EBITDA	4,258	2,696
Rent expense	4,648	4,006
EBITDAR	8,906	6,702
<i>As % of net revenue</i>	<i>12.6</i>	<i>9.7</i>

23.7%

23.1%

Consolidated Balance Sheet Summary

Russian rubles, million

	<u>30 June 2015</u>	<u>31 Dec 2014</u>
NON-CURRENT ASSETS:		
Property, plant and equipment	8,910	9,935
Intangible assets	4,408	4,310
Other	3,449	3,833
Total non-current assets	16,767	18,078
CURRENT ASSETS:		
Inventories	34,070	35,434
Accounts receivable and prepaid expenses	6,534	10,870
Income tax and other taxes receivable	1,679	1,115
Cash and cash equivalents	1,257	26,122
Other current assets	11	12
Total current assets	43,551	73,553
TOTAL ASSETS	60,318	91,631

Consolidated Balance Sheet Summary (continued)

Russian rubles, million

	<u>30 June 2015</u>	<u>31 Dec 2014</u>
EQUITY:		
Total equity	11,301	13,895
NON-CURRENT LIABILITIES:		
Total non-current liabilities	46	5
CURRENT LIABILITIES:		
Trade accounts payable	32,784	57,428
Other payables and accrued expenses	6,527	6,894
Advances received	750	4,422
Dividends payable	4,848	-
Income tax and other taxes payable	720	3,554
Deferred revenue	3,207	4,969
Provisions	135	464
Total current liabilities	48,971	77,731
Total liabilities	49,017	77,736
TOTAL EQUITY AND LIABILITIES	60,318	91,631

Consolidated Cash Flow Statement Summary

Russian rubles, million

OPERATING ACTIVITIES:

	<u>H1 2015</u>	<u>H1 2014</u>
Total comprehensive income for the period	2,306	1,122
Adjustments	2,603	1,848
Operating cash flows before movements in working capital	4,909	2,970
Movement in working capital	(26,484)	(8,694)
Cash used in operations	(21,575)	(5,724)
Income taxes and interest paid	(3,057)	(1,118)
Net cash used in operating activities	(24,632)	(6,842)

INVESTING ACTIVITIES:

Purchase and sale of PP&E	(257)	(800)
Purchase of intangible assets	(494)	(836)
Deposits with banks, net	(297)	(59)
Interest received	820	149
Net cash used in investing activities	(228)	(1,546)

FINANCING ACTIVITIES:

Proceeds from short-term loans and borrowings	1,823	1,115
Repayment of short-term loans and borrowings	(1,823)	(1,115)
Net cash used in financing activities	-	-

NET DECREASE IN CASH AND CASH EQUIVALENTS

CASH AND CASH EQUIVALENTS, at the beginning of the period	26,122	11,542
Impact of foreign exchange on cash and cash equivalents	(5)	(2)
CASH AND CASH EQUIVALENTS, at the end of the period	1,257	3,152

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