



M.Video announces the improvement of key performance indicators amid the decline of consumer electronics market in Q1 2017

Moscow, April 18, 2017. PJSC M.video (MOEX: MVID), Russia's largest consumer electronics retailer by revenue, announced today its unaudited sales, performance indicators and expansion results for the 1st quarter of 2017.

Q1 2017 highlights:

- **Sales amounted to 52 billion RUB, including VAT;**
- **Online based sales grew by 5.9% up to 6,5 billion RUB, including VAT;**
- **Like-for-like sales demonstrated 6.5% decline.**

"The Russian consumer electronics market showed the decline in the first quarter of 2017 due to the continued decrease in traffic and retail prices on the back of the ruble appreciation. The sales of large household appliances, televisions, computers in Russia showed 4-8% decrease. This trend had the most significant impact on our sales in January 2017 compared to the high sales base in the beginning of 2016 that was caused by the growth of the dollar exchange rate. In February and March 2017 we were able to improve the trend and increase sales by 6% year-on-year. In January 2017 the ruble appreciated by 30% compared to the same period last year which led to a decrease in retail prices for consumer electronics, while M.Video sales in units during the first quarter of 2017 showed 5-15% growth in the core categories. Despite the general trend of traffic and average price reduction for the entire consumer electronics market M.Video managed to grow its share and increase the gap from competitors in such key categories as large and small household appliances, TVs and others, - said the president of M.video Alexander Tynkovan. - We may say that the consumer electronics market in Russia entered the period of normalized demand after active growth at the stage of saturation and unstable investment demand following ruble volatility".

"M.Video has also showed improvement in the key retail performance indicators that affect our bottom-line. The key indicators of the retail network efficiency such as average number of goods per transaction and the conversion rate showed the best dynamics during the last two years. The average number of goods per transaction increased by 4%, the conversion rate increased by 5.6% due to the best assortment, low price guarantee and high level of service", stressed Alexander Tynkovan.

"According to our estimates in the first quarter of 2017 the consumer electronics market demonstrates negative dynamics both in money terms and in units in core categories. At the same time M.Video continues to concentrate on strengthening its share and attracting a new audience, as well as increasing efficiency due to sale of accessories and services. Not only we grow our share in the core categories but we also increase sales of new categories such as gaming, digital content, etc. Our market share of these categories has grown up to more than 40%. We have also increased sales of services in the first quarter of 2017 by almost 20% and services attachment rate demonstrated double-digit growth. We continue the development of projects aimed at improving customers experience and loyalty, implementation of special promotions, as well as consumer credit with the most favorable terms of loans without increasing the purchase price which makes any appliances affordable to our customers", - said the chief executive officer of M.Video Enrique Fernandez.

M.Video opened one new store in Q1 2017. The total number of the Company's stores amounts to 399 in 165 cities of Russia as of the end Q1 2017. The selling space of M.Video network amounts to 664,000 sq.m, while the total space amounts to 897,000 sq.m as of March 31th, 2017.



НАМ НЕ ВСЁ РАВНО

Summary of the 1st quarter 2017 performance:

Sales				
	Q1 2017	Q1 2016*	% change y-o-y	
RUB million, with VAT	52 141	53 765	(3.0%)	
RUB million, without VAT	44 187	45 563		
Online Based Sales (Home Delivery + Pick Up)				
	Q1 2017	Q1 2016	% change y-o-y	
RUB million, with VAT	6 533	6 172	5.9%	
RUB million, without VAT	5 537	5 230		
LfL Sales Performance**				
	2017 LfL Dynamics, %			
Russian rubles	(6.5%)			
Expansion				
	As of 31 March 2017	As of 31 March 2016	New 2017	% change
Stores	399	398	1	0.3%
Selling space, sq.m	664 000	663 000	1 000	0.2%
Total space, sq.m	897 000	895 000	2 000	0.2%

* Information for Q1 2016 is updated in accordance with the IFRS accounting policy relevant for the 1st half of 2016.

** LfL data is based upon a comparison of stores open at January 1, 2016 and not closed for more than two weeks or permanently, or expanded or downsized by >20% of total space.

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Note for editors:

M.Video is the largest Russian consumer electronic retail chain by revenue. The Company started its operations in 1993. In November 2007 M.Video became the first publicly traded company in the domestic consumer electronic retail sector. The Company's shares are traded on Moscow Exchange (ticker: MVID).

M.Video runs 399 brand name stores in 165 Russian cities as of March 31, 2017. The selling space of M.Video stores accounts to 664,000 sq.m while the total space accounts to 897,000 sq.m.