M.video reports 33% growth in revenues and 50% increase in net profit in the first half of 2011.

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OJSC “Company “M.video” (“M.video” or the “Group”), Russia's leading consumer electronics retailer (RTS, MICEX: MVID), releases today its consolidated unaudited financial statements prepared in accordance with International Financial Reporting Standards (IFRS) for the half year ended 30 June 2011.

M.video sales increased by 33% to 55 billion Russian rubles (RUB) with VAT in H1 2011. Growth in revenues was achieved due to the opening of the new stores as well as due to increased like-for-like stores sales of 11.4% in H1 2011.

The Group’s gross profit increased by 37% and amounted to 12.4 billion RUB. M.video’s gross profit % amounted to 26.6% in H1 2011 as compared to 25.8% in H1 2010.

M.video’s operating profit (EBIT) reached 1.1 billion RUB in H1 2011 with the EBIT margin amounted to 2.5%.

The Group’s EBITDA improved to 1.9 billion RUB with an EBITDA margin of 4.1% in H1 2011.

M.video’s net profit for H1 2011 increased by almost 50% to 766 million RUB as compared to 518 million RUB in H1 2010.

Alexander Tynkovan, President and CEO of OJSC “Company “M.video”, commented on that: “M.video again demonstrated solid financial performance due to superior sales results and new stores opening. We managed to increase our gross margin by 84 basis points proving that we were able to keep our sales growth without sacrificing our margin. It also reflects very strong relationship M.video has with its major suppliers”.

He added: “We are also pleased to announce that we’re going to continue with our ambitious expansion plan in the H1 2011 and will open at least 40 stores by the year end 2011”.

M.video key financial results for the H1 2011 based on consolidated financial statements*:

In millions of Russian rubles	H1 2011	H1 2010	y-o-y, %
Sales (with VAT), including	54,872	41,249	33%
Retail sales (with VAT)	54,868	41,072	33,6%
Net revenue, including	46,502	34,957	33%
Net retail revenue	46,498	34,807	33,6%
Gross profit	12,386	9,019	37.3%
As % of net revenue	26,6	25,8	3%
Operating expenses	11,245	8,197	37%
As % of net revenue	24.2	23.4	3%
Operating profit (EBIT)	1,141	822	39%
As % of net revenue	2.5	2.4	-
EBITDA	1,906	1,435	33%
As % of net revenue	4.1	4.1	-
Net profit	766	518	48%
As % of net revenue	1.6	1.5	-

* All key financial indicators are calculated without 18% VAT (value added tax) unless mentioned otherwise.