



OJSC “Company “M.video” 1st Half 2008 Consolidated Financial Statements Presentation



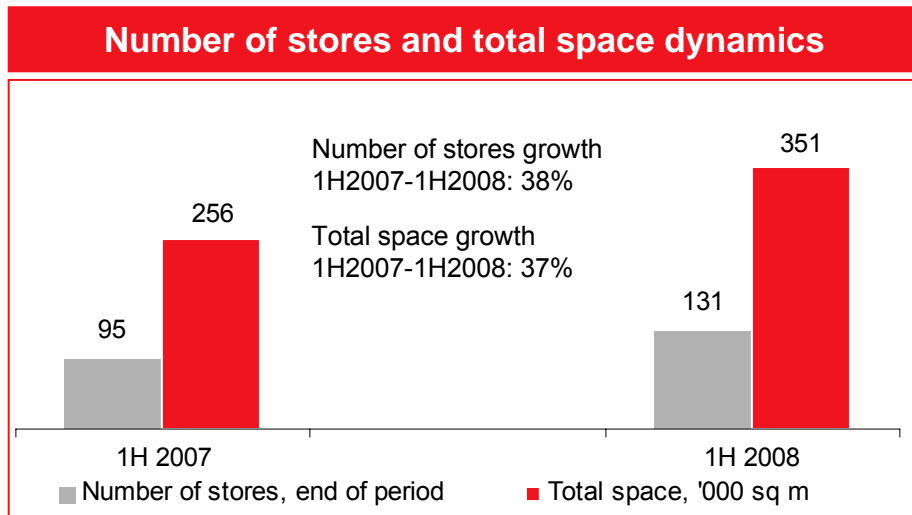
Moscow, November 12, 2008.

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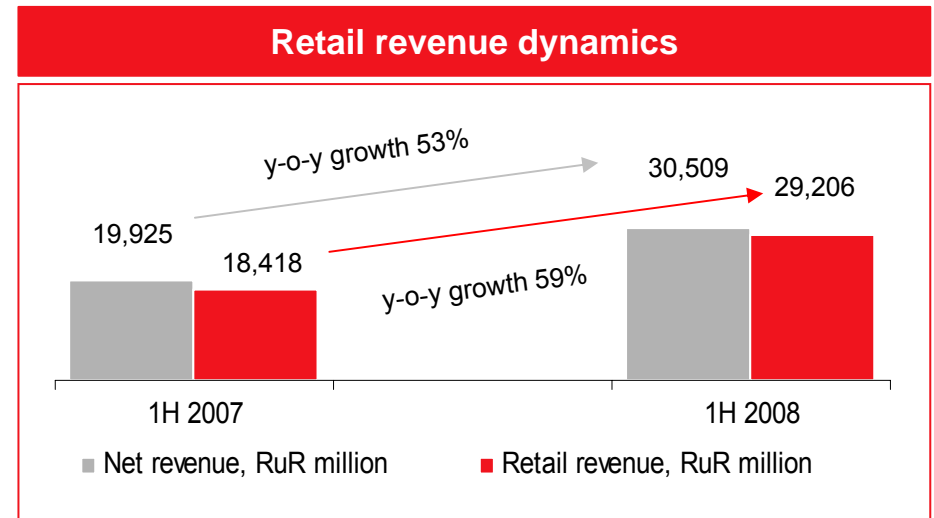
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- Positive 1H 2008 results of the Russia's 2nd largest consumer electronics retailer.
- Double-digit revenues and 17.4% L4L sales growth while achieving strong gross margin and EBITDA margin performance.
- Store expansion: 37 new hypermarkets (10 in 1H 2008)* opened with a total space growth of 37% (1H 2008 – 8.5%).
- Solid grounds built for the peak season 2008.

* One store was closed in 1H 2008



Source: Company data.



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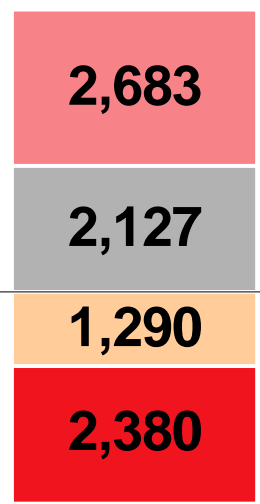
1H 2008 key financial indicators (unaudited)

In Russian rubles, millions (without VAT)	1H 2008	1H 2007	y-o-y, %
Net revenue, incl.	30,509	19,925	53%
Retail revenue	29,206	18,418	59%
Gross profit	7,381	4,380	69%
<i>Gross margin, %</i>	24.2%	22.0%	
Operating expenses*	6,507	4,061	60%
<i>As % of net revenue</i>	21.3%	20.4%	
Operating profit (EBIT)	874	319	174%
<i>EBIT margin, %</i>	2.9%	1.6%	
EBITDA	1,247	545	129%
<i>EBITDA margin, %</i>	4.0%	2.7%	
Net profit	397	(159)	-

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

- Long term debt
- Bonds & short term debt
- Short term investment
- Cash

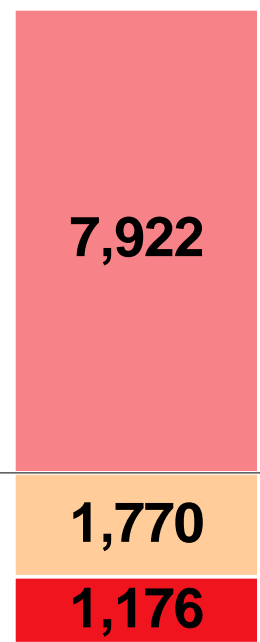
Net debt = 1,140



Net debt/EBITDA ≈ 0.5x

31 Dec 2007

Net debt = 4,976 (unaudited)



30 June 2008

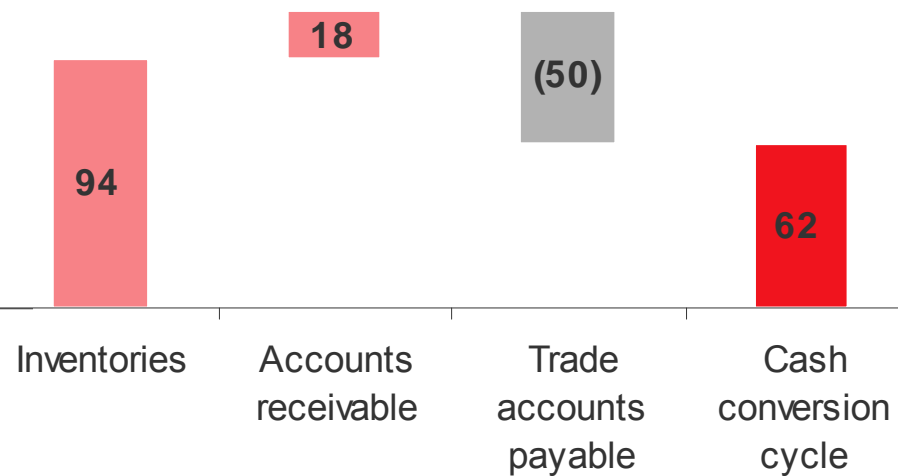
In Russian Rubles, millions

<i>Russian rubles, million</i>	unaudited			
	1H 2008	as % of revenue	1H 2007	as % of revenue
Payroll and related taxes	2,062	6.8%	1,297	6.5%
Lease expenses (rent)	1,408	4.6%	631	3.2%
Advertising and promotional expenses	1,013	3.3%	690	3.5%
Transportation	462	1.5%	316	1.6%
Warehouse services	435	1.4%	388	1.9%
Depreciation and amortization	373	1.2%	226	1.1%
Other SG&A	1,133	3.7%	750	3.8%
Other operating income (net)	(379)		(237)	
Total	6,507	21.3%	4,061	20.4%

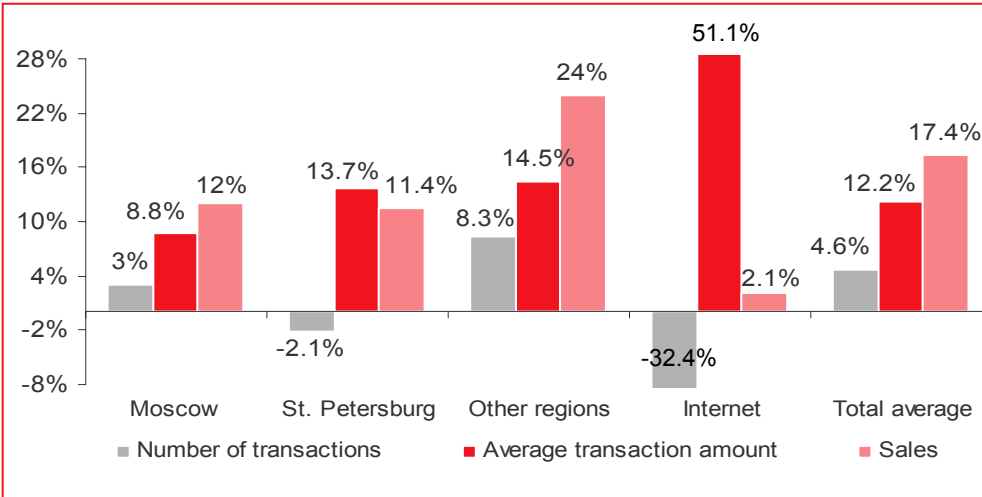
1H 2008 Conversion cycle



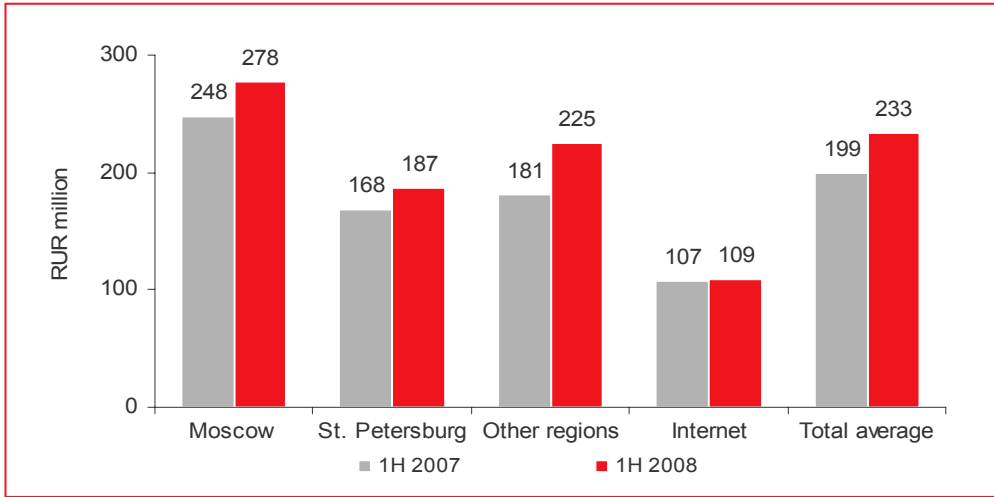
1H 2007 Conversion cycle



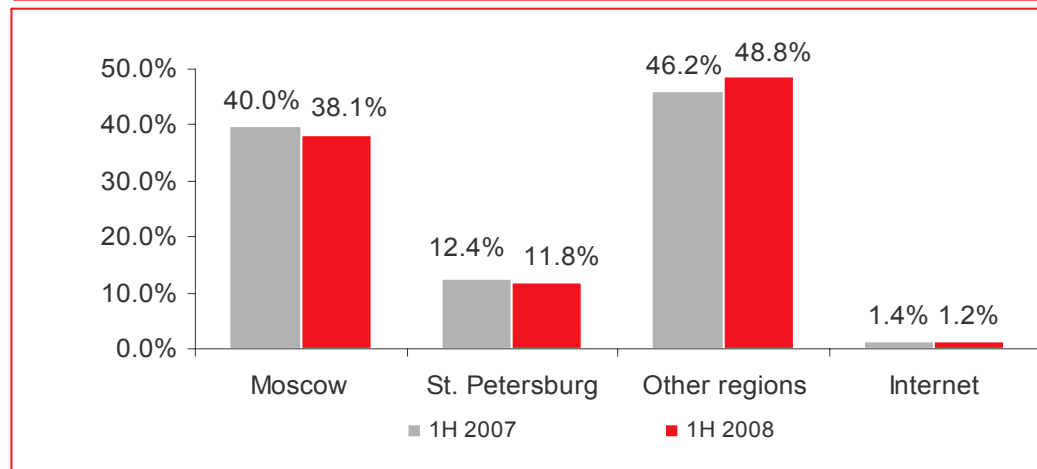
1H 2007 – 1H 2008 LfL dynamics, %



1H 2007 – 1H 2008 LfL revenue per store



1H 2007 – 1H 2008 LfL revenue breakdown



Note: LfL data is based upon a comparison of stores open at January 1, 2007 and not closed for more than two weeks or permanently, or expanded or downsized by >20% of total space

In Russian Rubles, millions (without VAT)	unaudited	
	1H 2008	1H 2007
REVENUE	30,509	19,925
COST OF SALES	(23,128)	(15,545)
GROSS PROFIT	7,381	4,380
Selling, general and administrative expenses	(6,886)	(4,298)
Other operating income	416	299
Other operating expenses	(37)	(62)
OPERATING PROFIT	874	319
Finance costs, net	(190)	(401)
PROFIT BEFORE INCOME TAX EXPENSE	684	(82)
INCOME TAX EXPENSE	(287)	(77)
NET PROFIT/(LOSS)	397	(159)

1H 2008 consolidated balance sheet summary

In Russian Rubles, millions	unaudited 1H 2008	December 31, 2007
ASSETS		
NON-CURRENT ASSETS:		
Property, plant and equipment	4,832	4,412
Other	1,069	916
Total non-current assets	5,901	5,328
CURRENT ASSETS:		
Inventories	10,943	10,187
Accounts receivable and prepaid expenses	2,017	1,834
VAT recoverable and other taxes receivable	1,622	1,595
Short term investment	1,770	1,290
Cash and cash equivalents	1,176	2,380
Other	217	113
Total current assets	17,745	17,399
TOTAL ASSETS	23,646	22,727



1H 2008 consolidated balance sheet summary (continued)

In Russian Rubles, millions	unaudited 1H 2008	December 31, 2007
SHAREHOLDERS' EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY:		
Total shareholders' equity	7,086	6,639
NON-CURRENT LIABILITIES:		
Long-term loans and borrowings	-	2,127
Other	562	575
Total non-current liabilities	562	2,702
CURRENT LIABILITIES:		
Trade accounts payable	6,409	9,176
Bonds payable	118	118
Short-term loans and borrowings	7,804	2,565
Other	1,667	1,527
Total current liabilities	15,998	13,386
Total liabilities	16,560	16,088
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	23,646	22,727

In Russian Rubles, millions	unaudited	
	1H 2008	1H 2007
OPERATING ACTIVITIES:		
Profit (loss) for the half year	397	(159)
Adjustments	898	849
Operating cash flows before movements in working capital	1,295	690
Change in working capital	(3206)	(2,064)
Cash generated by/ (used in) operations	(1,911)	(1,374)
Income tax, interest and other	(1,139)	(1,204)
Net cash generated by/(used in) operations	(3,050)	(2,578)
INVESTING ACTIVITIES:		
PP&E	(786)	(505)
Short term investment with banks, net	(480)	-
Other	41	22
Net cash used in investing activities	(1,225)	(483)
FINANCING ACTIVITIES:		
Net cash generated by financing activities	3,071	2,411
Net increase in cash and cash equivalents	(1,204)	(650)
Cash and cash equivalents at the beginning of the period	2380	932
Cash and cash equivalents at the end of the period	1,176	282

In Russian Rubles, millions

unaudited

	1H 2008	1H 2007
Net profit (loss)	397	(159)
Income tax expense	287	77
Interest income	190	401
Depreciation and amortization of non-current assets	373	226
EBITDA	1,247	545
Rent expense	1,408	631
EBITDAR	2,655	1,176

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