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информационное агентство | information agency

In 2007, research products of the information agency "INFOLine" were appreciated by the leading European companies. Agency "INFOLine" was made into a single association of consulting and marketing agencies of the world "ESOMAR". In accordance with the rules of the association all the products of the agency "INFOLine" certified by European standards, ensuring that our customers receive a quality product and sales service through further consultations at the request of customers.

Periodic review of industry

Rating of FMCG retailers in Russia:

June 2013

Demo-version

- Statistical data on retail trade in Russia and regions
- Changing the main indicators of retail trade in Russia
- Review of developments in the retail market of Russia, took place in June 2013
- Rating of FMCG retailers by the number of stores, selling area in June 2013 and revenues in 2012, II quarter 2013

Contents branch review "Rating retailers FMCG of Russia"

INFOLine Released 600 FMCG Retail Chains of Russia Research Report

Dear colleagues,

In June 2013 INFOLine IA prepared a research report devoted to **600 FMCG Retail Chains of Russia** according to results of 2012.

The report includes 3 main parts:

Part 1. Condition of the FMCG retail market in Russia

Part 2. Business reference data on TOP 70 major FMCG retailers of Russia

Part 3. Database of 600 FMCG Chains and 460 Distribution Centers in Russia

As of beginning of 2013 600 FMCG chains of Russia accounted for the main part of retail chain turnover, about 33 thousand stores (not counting 45 thousand stores of consumer cooperation and more than 41.9 thousand stores of FGUP Pochta Rossii (Russian Post Federal State Unitary Enterprise), with aggregate sales floor space of more than 14 million square meters, including 28 thousand convenience stores, more than 3.5 thousand supermarkets and more than 730 hypermarkets, 460 distribution centers, among them 55 distribution centers of TOP 8 largest retailers of Russia. Total revenue of chains in 2012 came up to over 3.2 trillion roubles. Chains are divided into groups: federal chains (inside the group they are arranged in descending order by revenue); other chains divided by Federal Districts (FD) (inside each FD the chains are arranged in descending order by revenue).

Database of 600 FMCG Chains and 460 Distribution Centers in Russia, which is intended for optimization of interaction with retail chains and includes the following fields:

- ✓ Chain's brand
- ✓ Legal name
- ✓ Chain's management
  - ✓ Chief Executive Officer
  - ✓ Chief Financial Officer
  - ✓ Chief Procurement Officer
  - ✓ Chief Information Officer
- ✓ Actual address
- ✓ Phone:
- ✓ Fax:
- ✓ E-mail
- ✓ Web site
- ✓ Formats developed (hypermarket, supermarket, convenience store)
- ✓ Total number of the chain's outlets as of 01 January 2013
- ✓ Number of stores as of 01 January 2013 in terms of formats (hypermarkets, supermarkets, convenience stores)
- ✓ Total trading floor space of the chain's stores as of 01 January 2013
- ✓ Net revenue (without VAT) of the retail chain in 2011-2012, billion roubles
- ✓ Regional representativeness (regional areas and cities in which the chain's stores are situated, including the number of stores)
- ✓ Number of DCs as of 01 January 2013
- ✓ Total floor space of DCs as of 01 January 2013
- ✓ Regions of DCs presence as of 01 January 2013

To obtain detailed information regarding Database of 600 FMCG Chains and 460 Distribution Centers do not hesitate to contact managers of INFOLine IA, Christine Savelyeva (+ 812 322-6848, +7 495 772-7640, ext. 140 or Darya Feschenko (ext. 126).

Best regards,

Burmistrov Michail
CEO INFOLine-Analitic

Fedyakov Ivan
CEO IA INFOLine

Introduction

The branch survey **The Rating of FMCG retail chain of Russia** contains information about the development of the retail trade, as well as the overview of events that took place at the Russian retail market during the period under review (for the present survey this is June 2013), the information related to the results of operating, financial and investment activities of FMCG chains in Russia, as well as **the rating of 130 largest FMCG retail chains of Russia**.

The survey is prepared on the basis of integrated set of data sources:

- Regular monthly polling of more than 150 retail chains of Russia by the experts of INFOLine IA;
- Materials from MSM (printed press, electronic MSM, federal and regional information agencies);
- Information materials of the retail chains and supplying companies (press-releases, Web-site content, yearly and quarterly statements, trade literature regarding the securities issue and investment memorandums);
- Financial statements of the chains according to international standards (audited and managerial);

At the present time a large variety of specialist in Russia require immediate and true-to-life coverage of events at the Russian retail market:

- Top-managers, the specialist of marketing and sale department of companies that produce consumer goods;
- Top-managers, the specialist of marketing and retail chains development departments;
- The specialists of sale departments of companies that produce goods for retail trade and offer services for various trade chains.
- Private and institutional investors, which own or are planning to acquire the assets in Russian retail chain trade.

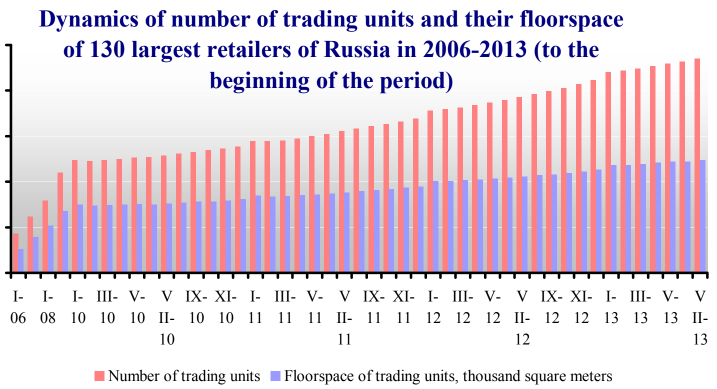
The principal objective of The Rating of FMCG retail chains in Russia is to satisfy the demand for immediate, statistical and analytical information regarding the Russian retail trade market and FMCG chains for the specialists of the above-mentioned specializations. To be able to receive the forthcoming issues of the survey, please, **forward a request to** INFOLine IA, E-mail: mail@advis.ru or by fax + 7 495 772 76 40 (+7 812 322 68 48) and **conclude a contract for our information services**.

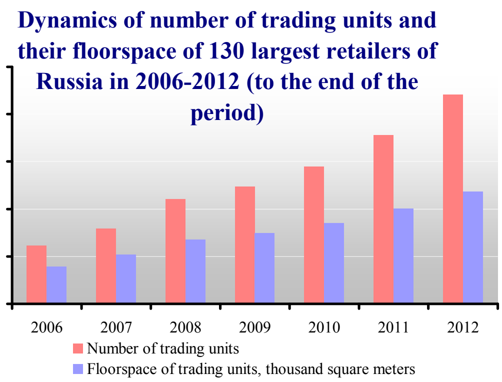
Rating of FMCG retailers in Russia

Performance results of TOP 130 FMCG chains[1]

Performance results of TOP 130 FMCG chains in Russia[2]

In **June** 2013 the number of trading units of TOP-130 FMCG retailers increased by * units; all in all, during **January-June** 2013 - by * units. At the same time in **June** 2013 the growth in the total trading space was about * thousand sq. m. Altogether, during **January-June** 2013 the total trading space increased by * thousand sq. m.





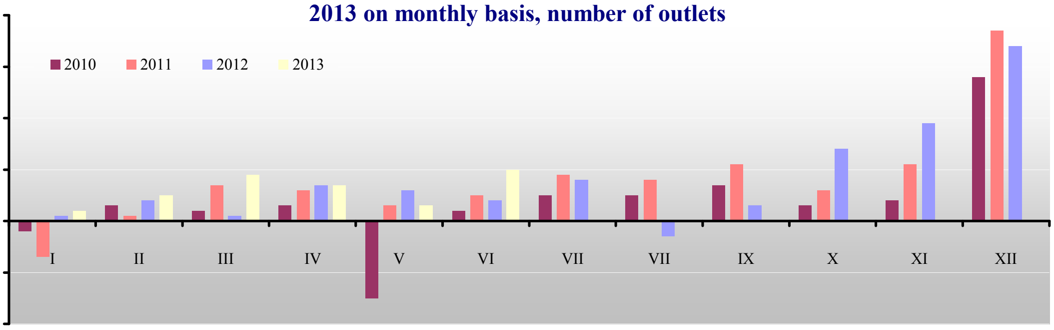
The total number of stores among TOP-130 FMCG retailers as of **01 July 2013** was *, with total trading floorspace of * thousand sq. m.

Development of hypermarket format[3]

In **June 2013** the number of hypermarkets among TOP-130 FMCG retailers increased by *, and the trading space decreased by *thousand sq. m. Altogether, during **January-June 2013**, the number of trading units increased by *, while the trading space increased by *thousand sq. m.

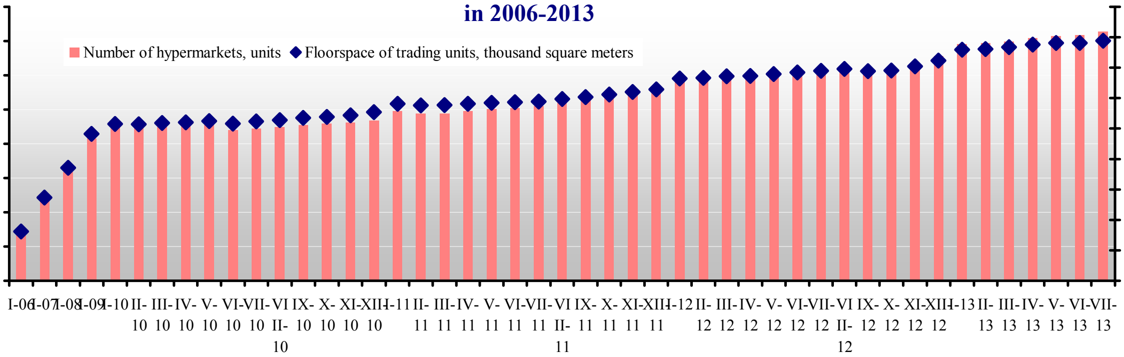
[1] Datas was corrected as a result of I qr. 2013. Hereinafter the data for X5 Retail Group, Magnit and Diksi is presented as it was available for the date of this survey's preparation: Magnit – April 2013, Dixy - March 2013, X5 Retail Group - March 2013.
[2] Datas was corrected as a result of I qr. 2013. Hereinafter the data for X5 Retail Group, Magnit and Diksi is presented as it was available for the date of this survey's preparation: Magnit – April 2013, Dixy - March 2013, X5 Retail Group - March 2013.
[3] Datas was corrected as a result of I qr. 2013. Hereinafter the data for X5 Retail Group, Magnit and Diksi is presented as it was available for the date of this survey's preparation: Magnit – April 2013, Dixy - March 2013, X5 Retail Group - March 2013.

Dynamics of the net hypermarkets number increase (beginning with January 2013 the list was expanded from 120 to 130) among the largest retailers of Russia in 2010-2013 on monthly basis, number of outlets



In **June** 2013 there were **opened** 2 Lenta hypermarkets in Rostov region (Taganrog) and in Ulyanovsk, an Auchan hypermarket in Moscow <…>.

Dynamics of number of hypermarkets and their floorspace of 130 largest retailers of Russia in 2006-2013



The total number of hypermarkets among TOP-130 FMCG retailers as of **01 July 2013** was ***,** with total trading floorspace of ***** thousand sq. m.

Research (full version) includes also the description of development of supermarket format, discounter[4] format and convenience store format

Key tendencies of January-June 2013

In **2013** one can see the continuation of trends that can be traced back:

- **Consolidation of independent retail**

Sergey Kuznetsov, the general director of the Union of Independent Chains of Russia (UICR), created in 2006 and with number of members that reached 55 as of 2012, informed in January 2013: "One of the objectives of our union for 2013 is aggressive promotion of our association and growth of the number of its members. Regional chains are going to open quite large (up to 1.5 thousand square meters) supermarkets with high share of in-house production and products in the fresh category. **<…>**

- **New projects**

In the first quarter of 2014 it is planned to open the first hypermarkets-discounters of the new retail chain NL (New Lenta), established by the former co-owners of Lenta chain, August Mayer and Dmitriy Kostygin. Big Box LLC will construct a network of the "club type self-service warehouses", where the product mix of an average discounter shop will be presented at the floor space of about 14 thousand square meters – 3500-4000 SKU, 60% of them – food commodities. **<…>**

- **New foreign retailers in Russia**

[4] As it has come to be generally accepted by the international retailers the format of discounter should meet the "one commodity - one demand" requirement. But it is important to emphasize that in Russia the discounter format, as such, is non-existent. At the same time the specialists of INFOLine IA would like to distinguish two subformats of the convenience store format: soft discounters, for the formats of the number of the largest Russian players, such as Pyaterochka, Diksi, Magnit, Monetka, Kopeika, Maria-Ra and others, and convenience stores.

In December 2012 the Finnish group Kesko (Kesko Food brand) began its development at the Russian market, opening the first hypermarket of K-RUOKA chain in St. Petersburg. In 2013 the company plans to open minimum another 2 hypermarkets in St. Petersburg (Uralskaya street) and Leningrad region (Vsevolozhsk). Besides, in 2013 the first hypermarkets of the chain are planned for commissioning in Moscow. **<…>**

The rating of FMCG retail chains of Russia in terms of number of stores

INFOLine IA has been monitoring the dynamics of commissioning of FMCG stores since 2006. At the present time we ***monthly*** *receive the data regarding the number of stores dynamics for 130 largest FMCG retailers of Russia*

The dynamics of number of trading units among the largest retailers[5]

The dynamics of number of stores of the largest retailers for the period of 2012-2013 are represented in the table below.

Number of stores of the largest FMCG chains during 2012-2013 as of the end of the period, (units)

Name	**Brand**	**Main formats6**	**Number of stores for the end of period**					**Dynamics of number of stores for the end of period**			
			2012	**I qr. 2012**	**I qr. 2013**	**II qr. 2012**	**II qr. 2013**	**June 2012**	**June 2013**	**January-June 2012**	**January-June 2013**
X5 Retail Group	Pyaterochka	D	*	*	*	*	*	* *	* * *	*	* *
	Perekrestok	S	*	*	*	*	*	* *	* * *	*	* *
	Karusel, Pyaterochka Maxi	H	*	*	*	*	*	* *	* * *	*	* *
	Perekrestok-Express, Pyaterochka- Express	C	*	*	*	*	*	* *	* * *	*	* *
	Kopeika, Kopeika Super	C, S	*	*	*	*	*	* *	* * *	*	* *
	Total Company	**Total formats**	*	*	*	*	*	* *	* * *	*	* *
Magnit, JSC (Tander, JSC)	Magnit	D	*	*	*	*	*	* *	* * *	*	* *
	Magnit cosmetic	C	*	*	*	*	*	* *	* * *	*	* *
	Magnit Semeiny, Rouge	H	*	*	*	*	*	* *	* * *	*	* *
	Hypermarket Magnit	H	*	*	*	*	*	* *	* * *	*	* *
	Total Company	**Total formats**	*	*	*	*	*	* *	* * *	*	* *
Auchan Groupe (Auchan, LTD.)	Auchan, Auchan-City, Raduga	H	*	*	*	*	*	* *	* * *	*	* *
	real,-	H	*	*	*	*	*	* *	* * *	*	* *
	Total Company	**Total formats**	*	*	*	*	*	* *	* * *	*	* *
Metro Group (Metro C&C, LTD.)	METRO, METRO Punct	H	*	*	*	*	*	* *	* * *	*	* *
DIXY GC	Megamart, Minimart, Diksi	D, S, H	*	*	*	*	*	* *	* * *	*	* *
	Victoria, Cash, Deshevo, Kvartal, Semeinaya kopilka	C, S, H	*	*	*	*	*	* *	* * *	*	* *
	Total Company	**Total formats**	*	*	*	*	*	* *	* * *	*	* *
O'KEY GC	O'KEY, O'KEY-express	S, H	*	*	*	*	*	* *	* * *	*	* *
Lenta, LTD.	Lenta	S, H	*	*	*	*	*	* *	* * *	*	* *
Sedmoi Kontinent, JSC	Sedmoi Kontinent, Nash hypermarket	C, S, H	*	*	*	*	*	* *	* * *	*	* *
Monetka GC (Element-Trade, LTD.)	Monetka, Monetka Super, Rait	D, S, H	*	*	*	*	*	* *	* * *	*	* *
Monetka GC (Investproekt, LTD.)	Monetka (francheese)	C	*	*	*	*	*	* *	* * *	*	* *
Monetka GK	**Total Company**	**Total formats**	*	*	*	*	*	* *	* * *	*	* *
Maria-Ra GC	Maria-Ra	D, S	*	*	*	*	*	* *	* * *	*	* *
Spar	**Spar (total company)**	**C, S, H**	*	*	*	*	*	* *	* * *	*	* *

[5] The rating was updated according to results of the January-April of 2013. It presents chains with sales revenue of more than 6 billion roubles.

[6] Legend: D - discounter, H - hypermarket, S - Supermarket, C – convenience store

GK Holiday	Holiday Classic, Holdy, Sibiriada, Kora, Palata	C, D, S, H	*	*	*	*	*	*	*	*	*	*	*	*	*
Metro Group (Real-Hypermarket, LTD.)	real,-	H	*	*	*	*	*	*	*	*	*	*	*	*	*
HyperGlobus, LTD.	Globus	H	*	*	*	*	*	*	*	*	*	*	*	*	*
Auchan Groupe (Atak-Rossiya, LTD.)	Atak	S (D)	*	*	*	*	*	*	*	*	*	*	*	*	*
TD Intertorg, LTD.	Norodnaya 7Ya, Idea, Spar, Norma	C, S	*	*	*	*	*	*	*	*	*	*	*	*	*
Corporation Grinn, JSC	Liniya	S, H	*	*	*	*	*	*	*	*	*	*	*	*	*
Gorodskoy supermarket, LTD.	Azbuka Vkusa	S	*	*	*	*	*	*	*	*	*	*	*	*	*
REWE Group (Billa LTD.)	Billa	S	*	*	*	*	*	*	*	*	*	*	*	*	*
Ritm 2000, LTD	Tverskoy kupets, Volny kupets, Telegka, Apelsin, Econim, 4 Seasona	C, D, S, H	*	*	*	*	*	*	*	*	*	*	*	*	*

Data source INFOLine IA, according to the companies' data

Research (full version) includes the rating of TOP largest FMCG chains

The rating of FMCG retail chains of Russia in terms of trading floorspace

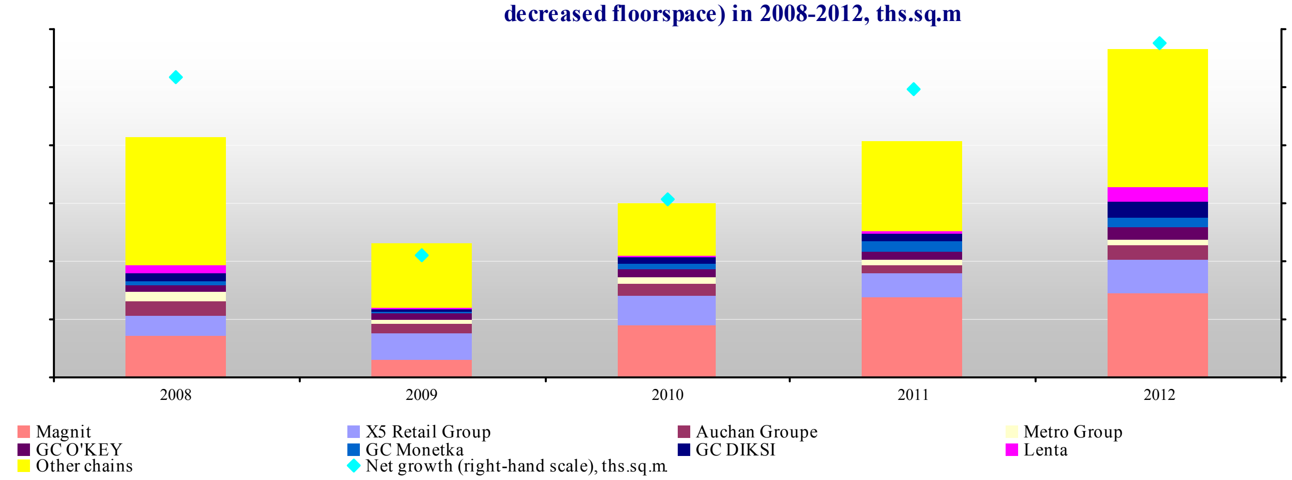
*INFOLine IA has been monitoring the dynamics of trading floorspace in FMCG retail since 2006. At the present time we monthly analyze the data regarding the changes in trading space for 130 largest FMCG retailers of Russia **(since January 2013 the number of monitored retailers increased from 110 to 130).***

The results of 2008-2012

<…>

The key tendency of 2012 was the declining of growth rates of the largest multiformat chains (Magnit and X5 Retail Group), of retailers developing large-format outlets (Auchan, Metro C&C, O'Key, Lenta), as well as federal retailers with the remaining key format of the convenience store (Diksi, Monetka), while other chains increased their development rates (in the first place due to high growth rates of such chains as Fix Price, Holiday GC, Maria-Ra, TH Intertorg (Narodnaya 7Ya) and others). For instance, the two biggest retail companies of Russia (Magnit and X5 Retail Group) accounted in 2012 for *% (in 2011 – *%, in 2010 – *%, in 2009 – *%, in 2008 – *%) of the total sales floorspace growth.

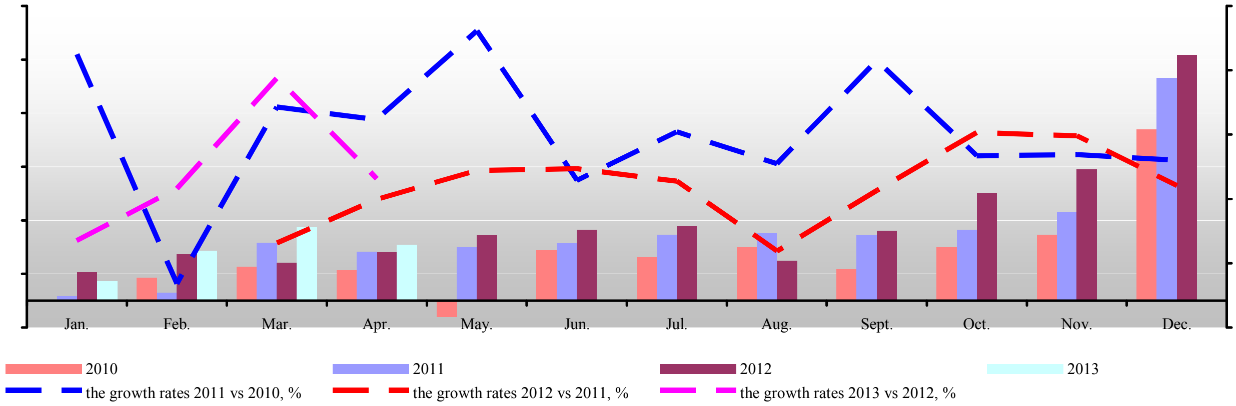
Dynamics of trading floorspace growth of 130 major retailer of Russia (not considering retailers with decreased floorspace) in 2008-2012, ths.sq.m



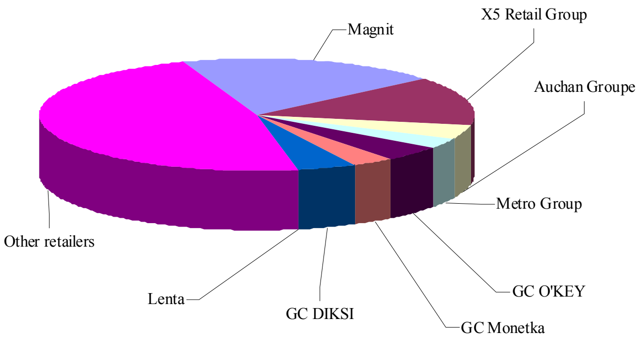
The results of I half 2013

In **June 2013** 17 of the largest chains increased their trading floorspace by * thousand sq. m. The dynamics of monthly floorspace growth of the major 130[7] chains are represented at the diagram. The floorspace growth was provided by commissioning of Magnit, Magnit Semeiny, Lenta, K-RUOKA, supermarkets Maria-Ra, GC Holiday, Spar, outlets in the formats of discounter and convenience store – by Magnit, Pyaterochka, Diksi, Monetka, Maria-Ra and others.

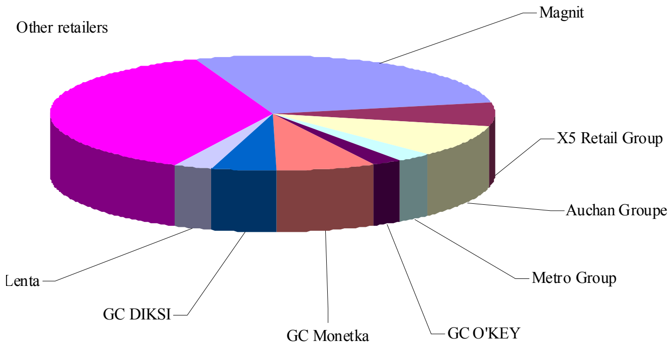
Dynamics of net trading floorspace growth of 130 largest retailers of Russia in 2010-2013 (beginning with January 2013 the list was expanded from 120 to 130), per month (thousand square meters)



Structure of floorspace growth for 130 major retailers of Russia (without retailers with reduced floorspace) in the I qr. 2012, %



Structure of floorspace growth for 130 major retailers of Russia (without retailers with reduced floorspace) in the I qr. 2013, %



Research (full version) includes the rating of TOP largest FMCG chains

The dynamics of trading floorspace of the largest retailers[8]

The dynamics of trading floorspace of the major retailers for the period of 2012-2013 are represented in the table below.

Name	Brand	Main formats[9]	Total trading floorspace for the end of period							Dynamics of total trading floorspace for the end of period	
			2012	I qr. 2012	I qr. 2013	II qr. 2012	II qr. 2013	June 2012	June 2013	January-June 2012	January-June 2013
X5 Retail Group	Pyaterochka	D	*	*	*	*	*	*	*	*	*
	Perekrestok	S	*	*	*	*	*	*	*	*	*

[7] The represented data include 130 chains of the monthly branch survey of INFOLine IA: TOP - 92 chains with revenue over 3 billion roubles, as well as other FMCG chains, including the members of Union of Independent Chains of Russia and Sistema T3S.

[8] The rating was updated according to results of the January-April of 2013. It presents chains with sales revenue of more than 6 billion roubles.

[9] Legend: D - discounter, H - hypermarket, S - Supermarket, C – convenience store

	Karusel, Pyaterochka Maxi	H	*	*	*	*	*	*	*	*	*
	Perekrestok-Express, Pyaterochka- Express	C	*	*	*	*	*	*	*	*	*
	Kopeika, Kopeika Super	C, S	*	*	*	*	*	*	*	*	*
	Total Company	**Total formats**	*	*	*	*	*	*	*	*	*
Magnit, JSC (Tander, JSC)	Magnit	D	*	*	*	*	*	*	*	*	*
	Magnit cosmetic	C	*	*	*	*	*	*	*	*	*
	Magnit Semeiny, Rouge	H	*	*	*	*	*	*	*	*	*
	Hypermarket Magnit	H	*	*	*	*	*	*	*	*	*
	Total Company	**Total formats**	*	*	*	*	*	*	*	*	*
Auchan Groupe (Auchan, LTD.)	Auchan, Auchan-City, Raduga	H	*	*	*	*	*	*	*	*	*
	real,-	H	*	*	*	*	*	*	*	*	*
	Total Company	**Total formats**	*	*	*	*	*	*	*	*	*
Metro Group (Metro C&C, LTD.)	METRO, METRO Punct	H	*	*	*	*	*	*	*	*	*
DIXY GC	Megamart, Minimart, Diksi	D, S, H	*	*	*	*	*	*	*	*	*
	Victoria, Cash, Deshevo, Kvartal, Semeinaya kopilka	C, S, H	*	*	*	*	*	*	*	*	*
	Total Company	**Total formats**	*	*	*	*	*	*	*	*	*
O'KEY GC	O'KEY, O'KEY-express	S, H	*	*	*	*	*	*	*	*	*
Lenta, LTD.	Lenta	S, H	*	*	*	*	*	*	*	*	*
Sedmoi Kontinent, JSC	Sedmoi Kontinent, Nash hypermarket	C, S, H	*	*	*	*	*	*	*	*	*
Monetka GC (Element-Trade, LTD.)	Monetka, Monetka Super, Rait	D, S, H	*	*	*	*	*	*	*	*	*
Monetka GC (Investproekt, LTD.)	Monetka (franchise)	C	*	*	*	*	*	*	*	*	*
Monetka GK	**Total Company**	**Total formats**	*	*	*	*	*	*	*	*	*
Maria-Ra GC	Maria-Ra	D, S	*	*	*	*	*	*	*	*	*
Spar	**Spar (total company)**	**C, S, H**	*	*	*	*	*	*	*	*	*
GK Holiday	Holiday Classic, Holdy, Sibiriada, Kora, Palata	C, D, S, H	*	*	*	*	*	*	*	*	*
Metro Group (Real-Hypermarket, LTD.)	real,-	H	*	*	*	*	*	*	*	*	*
HyperGlobus, LTD.	Globus	H	*	*	*	*	*	*	*	*	*
Auchan Groupe (Atak-Rossiya, LTD.)	Atak	S (D)	*	*	*	*	*	*	*	*	*
TD Intertorg, LTD.	Norodnaya 7Ya, Idea, Spar, Norma	C, S	*	*	*	*	*	*	*	*	*
Corporation Grinn, JSC	Liniya	S, H	*	*	*	*	*	*	*	*	*
Gorodskoy supermarket, LTD.	Azbuka Vkusa	S	*	*	*	*	*	*	*	*	*
REWE Group (Billa LTD.)	Billa	S	*	*	*	*	*	*	*	*	*

Ritm 2000, LTD	Tverskoy kupets, Volny kupets, Telegka, Apelsin, Econim, 4 Seasona	C, D, S, H	*	*	*	*	*	*	*	*	*

Data source INFOLine IA ,according to the companies' data

The rating of FMCG retail chains of Russia in terms of net sales[10]

Financial performance results 2012, January-April 2013 for public companies are represented in the table below.

Financial performance (without VAT) of the largest FMCG chains during 2012-2013, billion roubles.

Legal name	Brand	Main formats[11]	Sales during 2012	2012 vs 2011, %	LFL 2012 , %	Sales during I qr. 13	I qr. 13 m vs I qr.12, %	LFL I qr. 2013 , %	Sales during Jan.-May 13	Jan.-May 13 vs Jan.-May 12, %	Sales during May 13	May 13 vs May 12, %
X5 Retail Group N.V.	Pyaterochka	D	*	*	*	*	*	*	*	*	*	*
	Perekrestok	S	*	*	*	*	*	*	*	*	*	*
	Karusel, Pyaterochka Maxi	H	*	*	*	*	*	*	*	*	*	*
	Perekrestok-Express, Pyaterochka- Express, Kopeika	M	*	*	*	*	*	*	*	*	*	*
	On-line retail	-	*	*	*	*	*	*	*	*	*	*
	Total Company	D, S, H, M	*	*	*	*	*	*	*	*	*	*
Magnit. JSC	Magnit	D	*	*	*	*	*	*	*	*	*	*
	Magnit-Cosmetic, Rouge	C	*	*	*	*	*	*	*	*	*	*
	Magnit Seminy	S	*	*	*	*	*	*	*	*	*	*
	Hypermarket Magnit	H	*	*	*	*	*	*	*	*	*	*
	Total Company	D, H	*	*	*	*	*	*	*	*	*	*
Diksi group. JSC	Diksi	C	*	*	*	*	*	*	*	*	*	*
	Kvartal, Deshevo	C, D	*	*	*	*	*	*	*	*	*	*
	Victorya	S	*	*	*	*	*	*	*	*	*	*
	Kesh	S	*	*	*	*	*	*	*	*	*	*
	Megamart	H	*	*	*	*	*	*	*	*	*	*
	Minimart	H	*	*	*	*	*	*	*	*	*	*
	Total company	C, D, S, H	*	*	*	*	*	*	*	*	*	*
O'KEY, LTD.	O'KEY, O'KEY-Express	S, H	*	*	*	*	*	*	*	*	*	*
Lenta LTD.	Lenta	S, H	*	*	*	*	*	*	*	*	*	*
Sedmoi Kontinent, JSC	Sedmoi Kontinent, Nash hypermarket	C, S, H	*	*	*	*	*	*	*	*	*	*

Data source: INFOLine IA

The net sales (without VAT) of the largest FMCG chains in 2011-2012 in billion roubles companies are represented in the table below. The net sales (without VAT) by all FMCG chains in 2012 are represented in Research, released in 2013 (the **"Hypermarkets FMCG of Russia. Results of 2012. The forecast till 2015"**, **"Database of 600 FMCG Chains and 460 Distribution Centers in Russia"** and **"FMCG Retail in Russia "**).

Dynamics of net sales (without VAT) of the largest FMCG chains in 2011-2012, billion roubles

Legal name	Brand	Main formats[12]	Data	2011	2012
X5 Retail Group	Pyaterochka	D	IFRS	*	*
	Perekrestok	S		*	*
	Karusel, Pyaterochka Maxi	H		*	*
	Perekrestok-Express, Pyaterochka- Express	C		*	*
	Kopeika, Kopeika Super	C, S		*	*

[10] The rating was updated according to results of the first half of 2012 regarding the revenue of chains in 2011. It presents chains with sales revenue of more than 6 billion roubles in 2011.
[11] Legend: D - discounter, H - hypermarket, S - supermarket, C – convenience store
[12] Legend: D - discounter, H - hypermarket, S - supermarket, C – convenience store

	Total Company	**Total formats**		*	*
Magnit, JSC (Tander, JSC)	Magnit	D	IFRS	*	*
	Magnit cosmetic	C		*	*
	Magnit Semeiny, Rouge	H		*	*
	Hypermarket Magnit	H		*	*
	Total Company	**Total formats**		*	*
Auchan Groupe (Auchan, LTD.)	Auchan, Auchan-City, Raduga	H	RAS	*	*
Metro Group (Metro C&C, LTD.)	METRO, METRO Punct	H	IFRS	*	*
DIXY GC	Megamart, Minimart, Diksi	D, S, H	IFRS, 2011-IFRS pro-forma, 2012-IFRS (consolidate)	*	*
	Victoria, Cash, Deshevo, Kvartal, Semeinaya kopilka	C, S, H		*	*
	Total Company	**Total formats**	IFRS (retail revenue)	*	*
O'KEY GC	O'KEY, O'KEY-express	S, H	IFRS	*	*
Lenta, LTD.	Lenta	S, H	MR	*	*
Sedmoi Kontinent, JSC	Sedmoi Kontinent, Nash hypermarket	C, S, H	IFRS	*	*
Monetka GC (Element-Trade, LTD.)	Monetka, Monetka Super, Rait	D, S, H	RAS, MR	*	*
Monetka GC (Investproekt, LTD.)	Monetka (franchise)	C	RAS	*	*
Monetka GK	**Total Company**	**Total formats**	**RAS, MR**	*	*
Maria-Ra GC	Maria-Ra	D, S	MR	*	*
Spar	**Spar (total company)**	**C, S, H**	MR, 2009-2012 - estimate	*	*
GK Holiday	Holiday Classic, Holdy, Sibiriada, Kora, Palata	C, D, S, H	RAS, MR	*	*
Metro Group (Real-Hypermarket, LTD.)	real,-	H	IFRS	*	*
HyperGlobus, LTD.	Globus	H	RAS	*	*
Auchan Groupe (Atak-Rossiya, LTD.)	Atak	S (D)	RAS	*	*
TD Intertorg, LTD.	Norodnaya 7Ya, Idea, Spar, Norma	C, S	RAS, MR	*	*
Corporation Grinn, JSC	Liniya	S, H	MR	*	*
Gorodskoy supermarket, LTD.	Azbuka Vkusa	S	IFRS, MR	*	*
REWE Group (Billa, LTD.)	Billa	S	MR	*	*
Ritm 2000, LTD	Tverskoy kupets, Volny kupets, Telegka, Apelsin, Econim, 4 Seasona	C, D, S, H	RAS	*	*

Data source INFOLine IA data

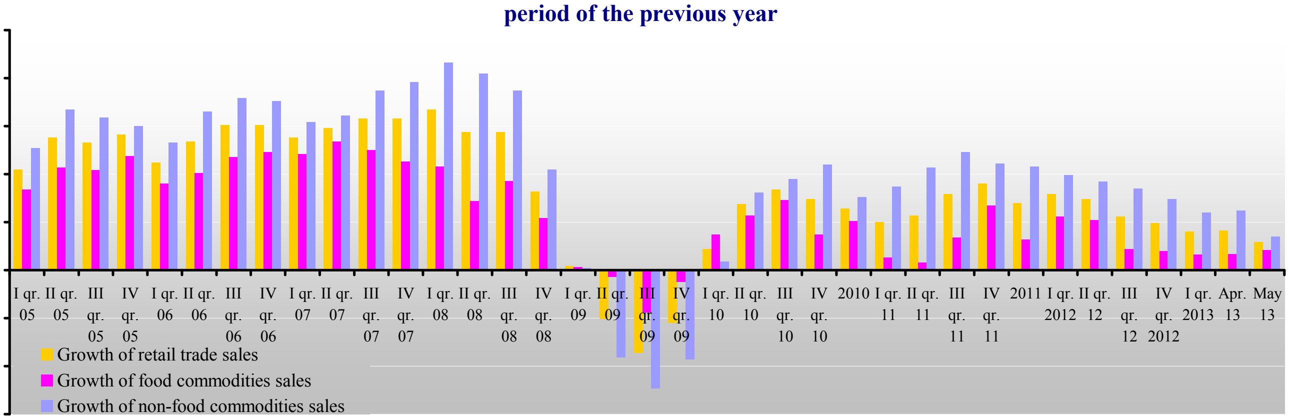
Research (full version) includes the rating of TOP largest FMCG chains

Section I. Development of retail trade in Russia

Macroeconomical figures of the retail trade

In 2012 the retail trade turnover came up to * billion roubles, in terms of commodities mass that was *% vs. 2011. In January-May 2013 there happened a sharp decline of food products retail turnover growth (it decreased by *pp in January-May 2013 vs. January-May 2012). In May 2013 the growth rates of food retail turnover demonstrated decline by * pp against March 2013, by * pp – against May 2012. <…>

Dynamics of the main figures of the consumer market in 2005-2013, in % as to the corresponding period of the previous year



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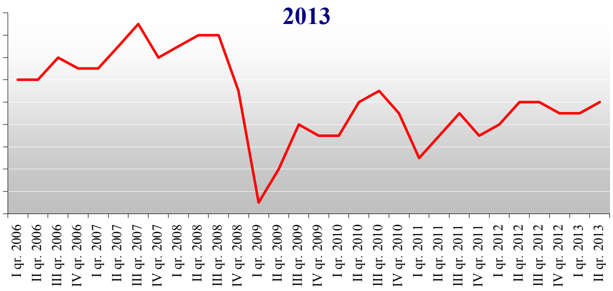
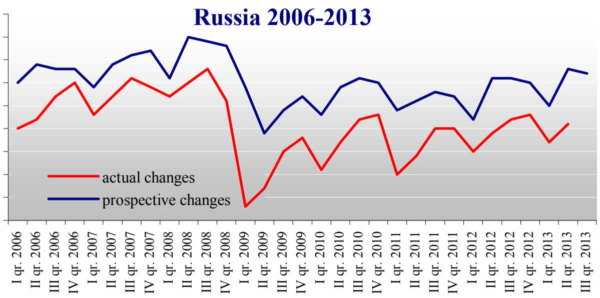
Leading indicator of retail trade development

According to results of the polls conducted by FSGS (Federal Service of Government Statistics) the Index of Business Confidence[13] decreased by 10 pp in the first half of 2009 (initial period of the recession in 2009), upon which it began to recover and according to results of the IV quarter of 2012 the index increased by 8 pp against the first quarter of 2009. However, the index has not yet reached the pre-crisis level of confidence and it is unlikely to reach the level of 2006-2008 in the near future because of worsening of the overall macroeconomic situation. As for the evaluation of the economic situation in Russia as a whole, the economic situation[14] in Russia by results of the II quarter of 2013, according to FSGS data, by 18 pp exceeded the results of I quarter the recessionary 2009, when actual changes of economic situation came up to -12 pp.

The Index of Business Confidence in Russia 2006-2013



The evaluation of the economic situation in Russia 2006-2013



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[13] The index of entrepreneurial confidence in retail trade is calculated as the arithmetic mean value of evaluation balances for the level of storage stock (with the opposite sign), changes in economic situation during the current quarter as compared with the previous one and expected changes in economic situation during the coming quarter (in percentage points).
The seasonal component in time series of the index is not excluded.

[14] The balance of the index changes evaluation, determined as the difference between respondents' shares which distinguished "improvement" and "decline" of the index in comparison with the previous quarter (in percentage points).

State regulation of retail trade

Trade Act

On 03 June 2013 the draft law **No. 290220-6 On Introduction of Amendments into Individual Legal Acts of the Russian Federation with Regard to Organization and Carrying out of the All-Russia Free Trade Day** was introduced to the State Duma. The draft provides for carrying out the Free Trade Day on the last Saturday of August. On this day, in specially designated areas, any citizen will be entitled to the right to sell anything he or she considers fit and good – from food to home appliances, with exception of goods that require special licensing. At the same time the deputies of the State Duma propose to the Government of RF to define the list of goods forbidden from realization during the All Russia Free Trade Day.

In July 2013 it became known that the chairman of the State Duma Committee on Security and Corruption Countering Irina Yarovaya, one of the authors of **FZ-381 On Principles of State Regulation of Trade in RF,** was preparing a draft of amendments to this act. The main amendments concern article nine of this act.

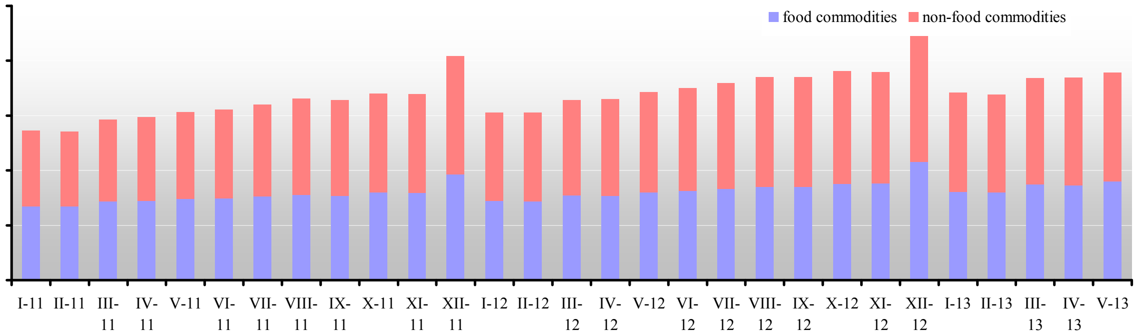
<…>

Research (full version) includes information on key events in the state regulation of retail trade of Russia

The structure of retail sales by the categories of goods

<…>

Structure of retail trade turnover by commodity groups in 2011-2013 (by months), billion roubles



In May 2013 the share of food commodities came up to *%, and share of non-food commodities in retail trade turnover of in Russia came up to *% (in May 2012 – *% and *% accordingly). In January-May 2013 the share of food commodities came up to *%, and share of non-food commodities in retail trade turnover of in Russia came up to *% (in January-May 2012 – *% and *% accordingly).

Research (full version) also consists the dynamics of sales of the main food and non-foods

The structure of retail sales by the categories of trading units

The structure of retail trade sales according to the categories of trading units according to results of I qr. 2013 continues to demonstrate the decrease of the share of the marketplaces (by 0.6 percentage points vs 2012 and by 1.1 percentage points vs I qr. 2012), individual entrepreneurs (by 0.4 and 0.1 percentage points) and small enterprises (by 0.4 and 0.4 percentage points).

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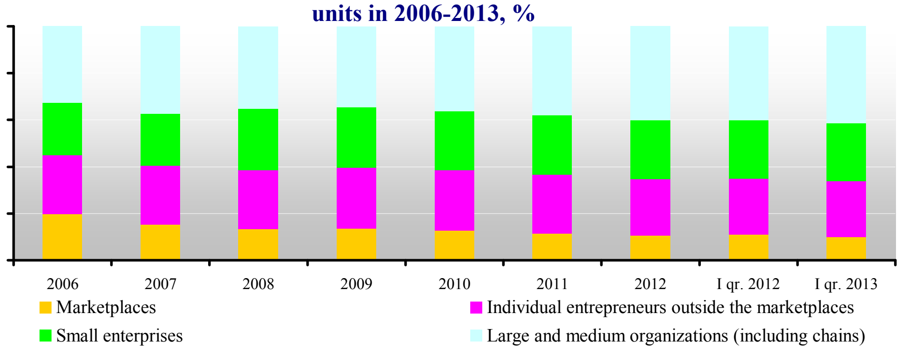
The structure of retail trade sales according to the categories of trading units in 2006-2013, %



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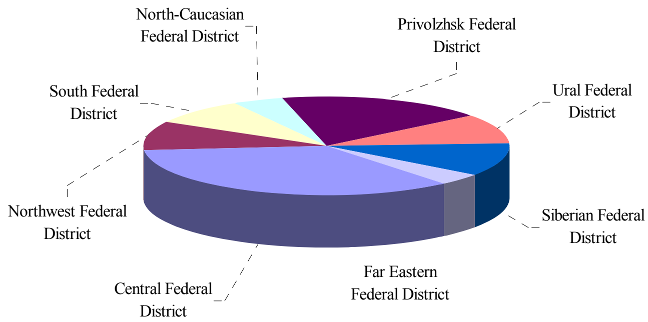
Research (full version) also consists information on structure of sale of the goods in the retail markets and fairs, detailed information on unorganized trade: number of the markets, trading places on them, structure of the markets and the managing subjects presented on them and other.

Regional structure of retail sales

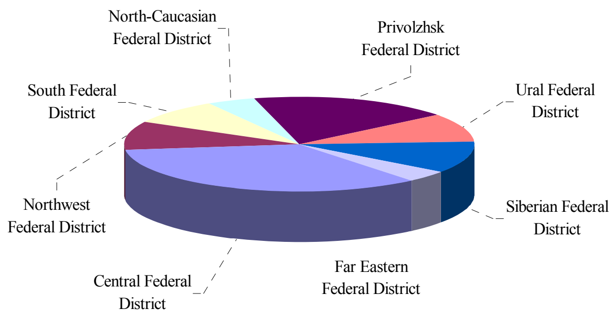
Regional structure of retail trade sales in Russia features irregularity: *% retail trade sales in January-May 2013 falls on 11 territorial subjects of RF (Moscow, Moscow region, St. Petersburg, Sverdlovsk region, Krasnodarskiy Territory, Samara region, Republics of Tatarstan and Bashkortostan, Tyumen region, Chelyabinsk and Rostov regions), which is *pp lower then in January-May 2012.

According to results of January-May 2013 such federal districts of RF as Volga, Urals, North-Western, FDs increased their shares in the retail turnover, shares of the North-Caucasus, Far Eastern and Southern Fds didn't changed, shares of the Central and Siberian FDs decreased by *pp and *pp correspondingly.

Structure of retail sales according to federal districts of RF in January-May 2012, %



Structure of retail sales according to federal districts of RF in January-May 2013, %



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Inflation at the food market

Dynamics of the prices for articles of food

<…>

In June 2013 the consumer inflation in Russia came up to *% (in June 2012 – *%). In June 2013 food price index reached *% (in June 2012 – *%), non-food products – 105.1% (in June 2012 – *%), services – *% (in June 2012 – *%).

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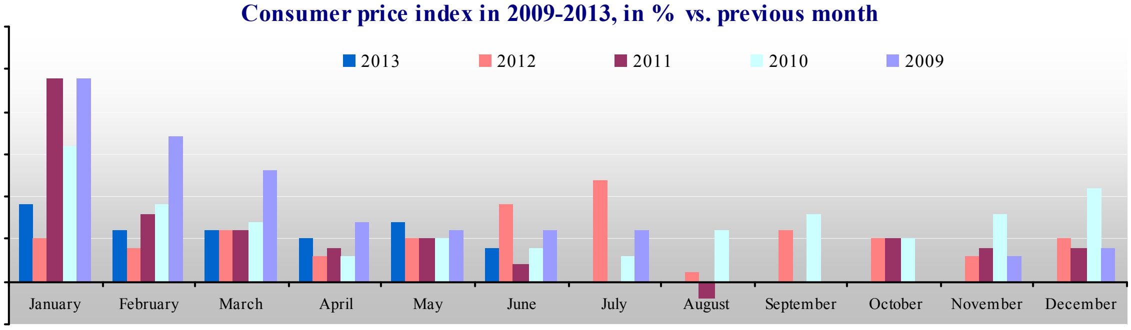
Consumer price index in 2009-2013, in % vs. previous month



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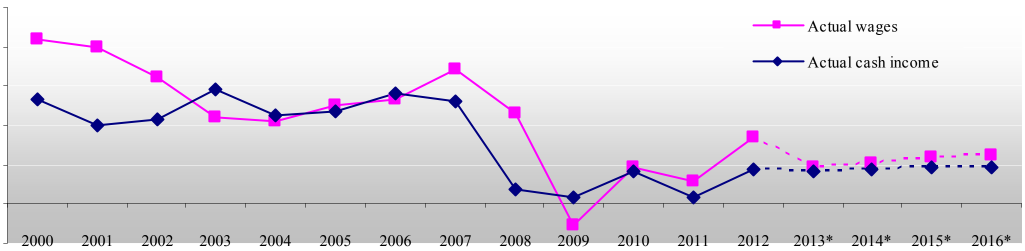
Research (full version) also consists the information on dynamics of cost on key consumer products on Russia and 8 regions of Russia

Incomes and expenditures of the population

According to results of 2010 the growth of actual cash earnings was at the level of actual wages, then according to results of 2011 it considerably slowed down. In April 2013 the Ministry of Economic Development decreased its forecast of salaries and wages growth in 2013 to *% from *% projected earlier. In 2014 the Ministry of Economic Development expects the salaries and wages to grow by *%, in 2015 – by *%, in 2016 – *%.

Dynamics of labor wages and per capita incomes of the population from 2000 to 2012 and forecast on 2013-2016 are represented in the diagrams below.

Dynamics of actual wages and actual income of population in 2000-2012 and forecast on 2013-2016, % as to the previous period



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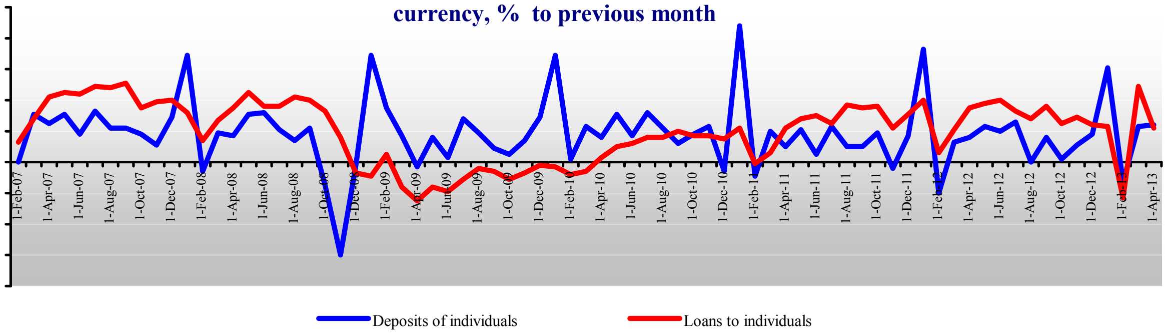
Credit and monetary policy

<…>

In the total volume of granted loans the credit cards account for just *% (in 2011 – *%), consumer loans – *% (*%), auto loans – *% (*%), mortgage loans – *% (*%). According to NBCH the overall number of loans increased by *% during the year against *% in 2011.

The volume of household deposits and loans to individuals in 2007-2013, in rubles and currency, % to previous month



Household expenditures

According to scan-panel of households, the Russians' everyday consumer in May 2013 the consumption nominally decreased by *% in comparison to April 2013 and by *% in comparison to May 2012. In particular, the food consumption declined by 16.5%, a non-food consumption grew by *%. Meanwhile, in comparison to May 2012 the consumption increased by *%.

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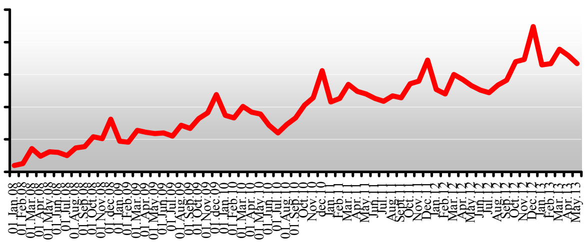
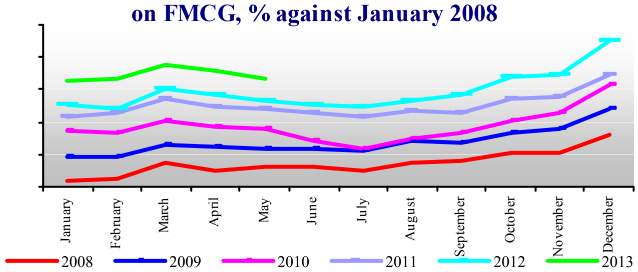
The recessionary 2009 became the exception. In this way the annual trend is again confirmed by the current year.

Dynamics of average households expenditures on FMCG, % against January 2008



Dynamics of average households expenditures on FMCG, % against January 2008



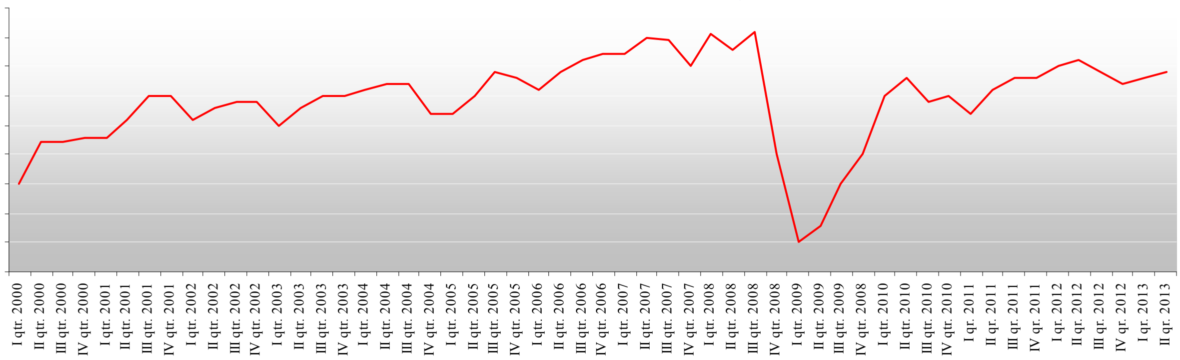
Research (full version) also consists the structure of the monetary income of the population and structure of their use, credit and monetary policy, results of the skan-panel of households following the results of the complete period, Average receipt dynamics in household spendings, etc.

Consumer expectations and confidence of population

<...>

The results of the polls conducted by the Federal State Statistics Service among 5 000 people at the age of 16 and older, residing in all RF territorial subjects, during after-crisis period starting from the II quarter of 2009 and till the II quarter of 2010, the index reflecting collective consumer expectations of the population demonstrated growth and according to results of third quarter came up to (*%). However, in the IV quarter of 2010 and the I quarter of 2011 the dynamics of the consumer expectations index were negative and just in the II quarter of 2011 the index grew up by * pp to (*%), and in the III quarter of 2011 – for another * pp to (*%), in the I quarter of 2012 somewhat improved, growing by * pp (*%), also continuing its growth in the II quarter of 2012 (*%) and in III-IV quarter 2012 demonstrated decrease by *pp (*) and (*) again. In the second quarter of 2013 the index of consumer confidence in Russia demonstrated growth by * pp against the first quarter of 2013 and came up to (*).

Consumer confidence index for Russia, 2000-2013



Section II. Other events of the retail trade

Activities of INFOLine IA specialists

Appearances at forums and conferences

On 02 July 2013 the CEO of *INFOLine IA* Ivan Fedyakov made a presentation at the **Production Quality – from Manufacturer to Consumer All-Russia Congress** held in Moscow in the context of activities of the Working Group for Support of National Regional Producer[15]. As part of the Congress program, the CEO of *INFOLine* and a permanent member of the Working Group Ivan Fedyakov made a presentation on the subject of the Commercial Register's formation and phrased several suggestions.

In his presentation made at the All-Russia Congress, Ivan Fedyakov not only phrased the latest data on development of consumer market, retail turnover and presented the results of INFOLine Retail FMCG TOP Rating, but also told the participants of the Working Group about the successful implementation of the Commercial Registry project in St. Petersburg. *INFOLine IA* settled down to its development in October 2012 on commission of the Committee for Economic Development, Industrial Policy and Trade.

Today it is possible to say positively that St. Petersburg is becoming one of the leaders among Russian regions with regard to formation of the Commercial Register, one of the most important instruments for development of positive environment for commercial and retail business. On the basis of *INFOLine's* experience with formation of the Commercial Register in St. Petersburg Ivan Fedyakov formulated propositions for the Working Group:

1. Carry out an audit of development of Commercial Registers in the subjects of RF
2. Boost up the process of filling the Registers of RF subjects with information
3. Render the Commercial Registers publicly accessible

The implementation of those propositions will contribute to better efficiency of interaction between businesses and satisfying the demand of consumers for quality goods at affordable prices.

On 26 June 2013 the CEO of *INFOLine-Analytics* Mikhail Burmistrov, as one of the key speakers, addressed the Consumer Market of St. Petersburg and North-West, Retail, Supplier and Buyers forum, the main annual meeting of food/nonfood suppliers with the first persons of chain retail of North-West of Russia, traditionally arranged by KVK Imperia (congresses and exhibition providing company). *INFOLine* was the information partner of this forum.

25 June 2013 the CEO of *INFOLine-Analytics* Mikhail Burmistrov made a presentation devoted to the subject of Retail in Russia: Development Outlooks and Directions in 2013-2014 at the annual meeting of O'KEY Company's top management. On the basis of the latest research done by *INFOLine* in the domain of retail, he presented the main trends of this market together with forecast for several next years. Top management of O'KEY GC, directors of stores and managers of functional units took part in the meeting.

In 2013 the presentations were made by:
Patrick Longuet, CEO of O'KEY GC
Mikhail Burmistrov, INFOLine-Analytics, CEO
Nikolay Pavlov, chief of management control department of O'KEY GC
Vladislav Kurbatov, Chief Sales Officer of O'KEY GC
Vadim Korsunskiy, Chief Commercial Officer of O'KEY GC

[15] The Working Group for Support of the National Regional Producer was created by deputies of the State Duma and senators of the Council of Federation. The events, arranged within the framework of the Working Group, are aimed at creation of new instruments to provide for a dialogue between business and authorities, consolidation of legislative efforts, single-point concentration on problems of Russian producers of food products.

Section III. Events and development plans of FMCG retail chains

X5 Retail Group N.V. / Pyaterochka, Perekrestok, Karusel and Perekrestok-express retail chain

X5RETAILGROUP

Company name: *X5 Retail Group N. V.* Address: *28, str.4, Srednyaya Kalitnikovskaya, Moscow, 109029.* Phones: *+7 495 6628888 +7 495 7899595* Fax: *+7 495 6628888, +7 495 7899595* E-Mail: *info@x5.ru* Web: *www.x5.ru* Chief executive: *Stephan Ducharme, CEO.*

Chain development

As of 01 April of 2013 X5 Retail Group manages 3 868 stores, with trading floorspace of 1 988 thousand square meters. The chain includes 3 279 Pyaterochka soft discounters[16], Perekrestok-Express 140 convenience stores, 371 Perekrestok supermarkets, 78 Karusel hypermarkets. During I qr. 2013 X5 Retail Group increased its trading floorspace by 18.519 thousand sq. m., and the number of stores – by 66, including 59 Pyaterochka soft discounters, 6 Perekrestok-Express convenience stores and 1 Perekrestok supermarket.

In 2013 X5 Retail Group plans to open 800-900 stores: among them 40-45 supermarkets (3-4 out which are Zeleniy Perekrestok), 60-70 stores of Perekrestok-Express and the rest are Pyaterochka outlets. Besides, it is planned to increment the number of franchisee stores – to about 10-15% of newly opened stores are to work according to the reverse franchising program.

<…>

In July 2013 it became known that X5 Retail Group and RZHD (Russian Railways) structures were negotiation opening of Pyaterochka and Perekrestok outlets in the territory of railway stations and adjacent squares.

As of 01 June of 2013 the stock capital of X5 Retail Group was distributed as follows: Alfa Group – 47.86%, founders of Pyaterochka chain – 19.85%, management of X5 – 0.01%, treasury stock – 0.11%, in free floating – 32.17%.

The performance results and expectations

The key financial indicators of X5 Retail Group (company as a whole) as of 2012 and the first quarter of 2013 according to IFRS are presented in the table below.

Indicator	2012	I qtr 2013
Net revenue, billion roubles	480.496	126.506
Net revenue growth, %	5.8%	8%
LFL (revenue), %	(1.4%)	0.5%
LFL (average receipt), %	(0.9%)	2.5%
LFL (traffic), %	9.4%	(2.1%)
Gross profit, billion roubles.	115.785	30.897
Gross margin, %	23.6%	24.4%
Net profit, billion roubles	(3.933)	1.98
Net profit margin, %	-	1.6%
EbitDA, billion roubles	34.939	8.643
EbitDA profit margin, %	7.1%	6.8

Data source: X5 Retail Group's data.

Net debt of X5 Retail Group, according to results of 2012, came up to 3.619 billion US dollars, ration of net debt/EBITDA – 3.15x.

<…>

Resignations and appointments

In June 2013 it became known that Alexander Malis, the president of Euroset, is being considered for introduction to the supervisory board. On 07 June 2013 X5 Retail Group N.V. announced the extraordinary general shareholders meeting, which was to take

[16] As it has come to be generally accepted by the international retailers the format of discounter should meet the "one commodity - one demand" rule. But it is important to emphasize that in Russia the discounter format, as such, is non-existent. At the same time the specialists of INFOLine IA would like to distinguish two subformats of the convenience store format: soft discounters, for the formats of the number of the largest Russian players, such as Pyaterochka, Diksi, Magnit, Monetka, Kopeika, Maria-Ra and others, and convenience stores. In this section we are using the term of a convenience store meaning a soft discount store.

place on 19 July 2013. The main questions of agenda include appointment of Alexander Malis and Igor Shehterman the members of the supervisory board, as well as election of the chief legal officer of X5 Retail Group Vladlena Yavorskaya a member of the Company Board.

In June 2013 X5 Retail Group was left by the director for corporative relations Mikhail Susov, who had been with the company since 2008. In X5 Retail Group he was responsible for PR, interaction with state authorities, advertisement and marketing. **<…>**

New formats

Magazin Buduschego (Store of Future), the pilot RFID-store in Moscow office of X5 Retail Group stopped its operation in April 2013. Currently the RFID-equipment is transferred to the headquarters of Magazin Buduschego (a joint project of Rosnano, X5 Retail Group and RTI, subsidiary of Sitronics) and is used as a test stand. Corporative store of X5 operates with regular cashier register terminals that had been used before the launch of the Magazin Buduschego project. As it was mentioned at the company, the outlet operated under Perekrestok brand, though before introduction of the RFID-store its name had been PePyaKa. So far X5 has no plans to test the RFID-technology in its commercial outlets, though earlier it was reported about a possibility of opening a RFID-store at a Sochi resort Roza Hutor as early as in the first quarter of 2013. **<…>**

Co-operation with suppliers

<…>

In June 2013 it became known that in April 2013 the chairman of the management board of NP Soyuz Proizvoditeley Hleba Moskovskoy Oblasti (Association of Bread Producers of Moscow Region Uncommercial Partnership) Alena Sabatarova submitted to the chief of FAS Igor Artemyev an appeal with complaint against X5 Retail Group. In her appeal she pointed out that the retailer imposes on suppliers certain provisions about the return of non-sold products at the end of a specified period, in this way violating article 13 of the Trade Act. In case of bread producers, the retailer obligates them to buy out goods with expired shelf life at the selling price. An employee of the FAS press office confirmed the receipt of the bakers' appeal, but explained that presented documents were not sufficient to commence a suit.

<…>

Research (full version) consists description by 10 largest FMCG chains in Russia:

X5 Retail Group N.V. (Pyaterochka, Perekrestok, Karusel and Perekrestok-express); Magnit, JSC (Magnit, Magnit Semeiny, Magnit-Cosmetic, Rouge retail chains); Auchan Groupe (Auchan, Auchan-City, Nasha Raduga, real,- and Atac retail chains); Metro Group (METRO, METRO Punct and real- retail chains); GC DIKSI, JSC (Diksi trading chain, Megamart, Minimart, Viktoria-kvartal, Deshevo, Semeynaya Kopilka, Viktoria, Kesh) ; O'KEY, LTD. (O'KEY, O'KEY-Express retail chain); Lenta, LTD. (Lenta retail chain); Sedmoi Kontinent, JSC (Sedmoi Kontinent, Nash)

The description of each network includes news according to sections:

- **Chain development (operation results, plans of further development);**
- **The performance results and expectations (key financial results and plans);**
- **Investment activities;**
- **Private label (key private label of the chain, their development and plans to the future expansion);**
- **Resignations and appointments;**
- **M&A deals;**
- **New formats (introduce and/or plans on introduce new formats to the market);**
- **Logistics (opening new distribution centers, the level of supply centralization, etc.);**
- **Commissioning of the stores (during last month);**
- **Closing the stores (during last month);**
- **Co-operation with consumers (actions, loyalty programs, etc.);**
- **Co-operation with suppliers (working conditions with suppliers, new partners, etc.);**
- **Corporative events (other news by the chain (judicial proceedings, labor relations, etc.).**