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INDUSTRY REVIEW

Russian consumer market and FMCG retail chains rating

Demo-version

The results I half 2017

- Retail business statistics in Russia and regions
- Retail indicators in Russia
- Review of retail market of Russia in I half 2017
- Rating of FMCG retailers by stores number, selling space in 2015-2017, net sales in 2014-2016

Contents

About Russian consumer market and FMCG retail chains rating

The industry review contains structured information about Russian retail market in the accounting period (**the results of I half 2017**), operational, financial and investment activity, as well as **rating of major FMCG retail chains in Russia**.

Objective: analysis of trends in retailing and in the consumer market, structured description, comparative analysis, monitoring of investments and organic growth dynamics, ranking of operational and financial indicators of more than 200 major FMCG chains in Russia.

Key market figures: the retail market capacity in Russia in 2016 exceeded RUB 28.1 tn (inclusive of VAT). The food products sales reached RUB 13.7 tn (inclusive of VAT). 700 described FMCG retail chains (including specialized ones and stores at gas filling stations), account for more 53% of food retail turnover in Russia. The share of 10 FMCG largest retail chains comes to about 26% of food retail.

Relevancy: as was forecasted by INFOLine's specialists, in 2015 the consumer market shifted to a new development paradigm. In H1 2016, the turnover of the Russian retail market in kind was down 5.9%, food (including beverages) and tobacco sales slumped by 5.2%. Here, retail grocery sales in rubles hit an all-time low in May 2016, non-food sales – in March 2016. Later things slightly improved amidst the upswing in consumer borrowing and people's adjustment to the economic stagnation. The retail turnover in kind has remained negative in 2016; however rising food prices are increasing the ruble grocery market size.

Research use: benchmarking, analysis of competitors and partners, marketing and strategic planning, searching for customers and partners, preparation for negotiations with retail chains.

Time framework: Dynamics from 2007 (market capacity and dynamics). Operational and financial indicators of largest FMCG chains from 2011. Results of I half 2017. Tendency of development in 2017-2018 (retail market capacity and dynamics, consumer incomes, strategy and plans of the largest FMCG chains).

Research preferences: Monthly analysis and structured description of the consumer market. Most important events in food retail, including governmental regulation (new legislative acts and initiatives). Monthly monitoring of more than 200 largest FMCG chains (corporative events, operational, financial and investment activity).

Research methods and data sources

- Monthly expert polling and interviews of more than 200 Russian retail FMCG chains
- Questionnaire survey of more than 100 FMCG retail chains, monitoring and analysis of Operational and financial results of more than **700 FMCG Retail Chains**
- Monthly update unique database **"1000 hypermarkets FMCG of Russia",** which is part of the preparation of the industry research **"FMCG Hypermarkets in Russia"**
- Monitoring in **commercial real estate** market, including **1800 Shopping Centres in 30 Largest Cities** base. Monitoring of investment projects and commercial real estate commissioning **"FMCG and DIY Shopping Centres and Hypermarkets in Moscow and Moscow Region**, **St. Petersburg and Leningrad region**. Comparative analysis **Shopping Centres Market in 27 Cities and Regions of the RF**
- Monitoring of over 2000 mass media. Exposure of key events on retail FMCG market since 2002 as part of **Industry News: Food Retail and FMCG Retail Chains of the RF**, **Industry News: Food Industry and Food Market of the RF** and **Industry News: Retail in th RF**.

Russian consumer market and FMCG retail chains rating consists of the following sections:

- **Rating of FMCG retail chains of Russia.** Operational results of 150 largest FMCG chains by formats: stores number and selling space dynamics (hypermarket, supermarket, discounter, convenience store). The most significant stores opening and closing. Ratings by number, selling space, revenue of TOP 50 FMCG chains in Russia (with over RUB 10 bn in revenue), selling space growth structure and dynamics by chains and formats.
- **Section I. Retail trends and development in Russia.** Macroeconomic retail: turnover and money supply dynamics, turnover forecast. Leading indicator of retail development. Governmental regulation of retail. Structure of retail turnover by businesses types. Regional structure of retail turnover. Food market inflation. Incomes and expenditures of population. Monetary policy. Consumer expectations and confidence of population
- **Section II. Key events for FMCG retail in Russia.** Important events for FMCG retailers in Russia. Expert assessment of the Russian market by INFOLine's specialists. Case – operational and analytical information on vital questions.
- **Section III. Key events and plans of major FMCG chains.** Current information on largest FMCG retail chains in Russia: strategy and plans, results and forecasts, investments, stores opening and

closing, stores opening in 2016, new formats development, A&M, resignations and appointments, logistics, private label , interaction with consumers and suppliers, corporative events, top management and contact information.

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

Please, pay attention, that since 2016 year changes in the conditions of purchase of the monthly industry survey «Russian consumer market and FMCG retail chains rating»:

The cost of a one-time purchase of the industry survey: **20 000 RUB** (without VAT)

The cost of subscription for 12 months: **150 000** RUB (without VAT)

If customer will issue the subscription up for at least 12 months, he will be given a **SPECIAL BONUS** Analytical note **"Changes at the FMCG retail market due to entry into a force of the Federal Law № 273 dated 03.07.2016 "About the changes into the Federal Law "The basis of state regulation of the commercial activities in the Russian Federation" and into the Code of administrative Offences in Russian Federation."**

Information about INFOLine agency

INFOLine information agency was established in 1999, its aim was to render information and advisory services to commercial organizations. The agency renders permanent information support to more than 1000 companies in Russia and world-wide. On daily basis INFOLine IA monitors publications in more than 5 000 MSM and carries out analytical research according to 80 subjects of RF economy. Since 2003 INFOLine IA has been conducting various desk researches of the markets both on the customer's request and on the Agency's own initiative. When working on a market research, the Agency's analysts make extensive use of their unique data support and their years-long experience of operating various data flows.

The research reports and surveys of INFOLine IA are used in their activities by the **largest FMCG retailers** (X5 Retail Group, Magnit, Auchan, Metro Cash&Carry, Lenta, O'Key DIXY, Globus, Azbuka vkusa), **producers** (Procter&Gamble, Coca-Cola, Pepsi, SABMiller, Fazer, Mars, KraftHeinz, Colgate-Palmolive,United Confectioners) , **distributors** (Megapolis GC), **financial** (Sberbank, VTB, etc.) and **service** companies (GC Servis-plus, Wincor-Nixdorf).

For additional information you are welcome to visit our sites at www.infoline.spb.ru and www.advis.ru

Rating of FMCG retail chains of Russia

TOP 190 FMCG chains[1] performance

Over **June 2017**, the number of stores belonging to TOP-190 retailers FMCG (excluding X5 Retail Group, Magnit, DIXY, GC) increased by * while during **I half 2017** this number increased by *. In **June 2017** a total selling space increased by * thousand square meters while for the period **I half 2017** it increased by more than * thousand square meters.

Figure 1. Dynamics of number of stores and their selling space of 190 largest retailers of Russia in 2010-2017 (at the beginning of the period)

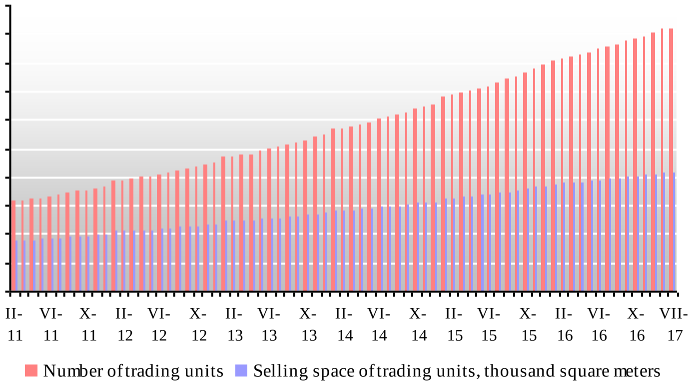
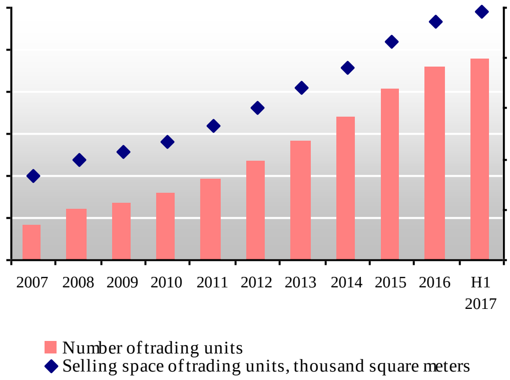


Figure 2. Dynamics of number of stores and their selling space of 190 largest retailers of Russia in 2006-2017 (to the end of the period)



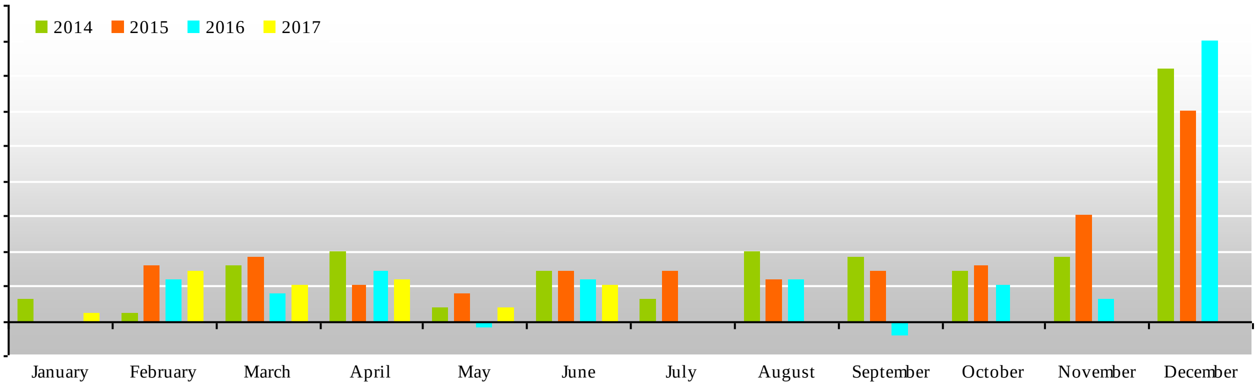
Data source: IA INFOLine

As of **July 1, 2017**, a total number of TOP -190 retailers FMCG stores was * while their total selling space was approximately * million square meters.

Hypermarket Format Development[2]

In June 2017, the number of hypermarkets belonging to TOP-190 retailers FMCG increased by * store while selling space increased by * thousand square meters. Over the period of **I half 2017**, a number of hypermarkets of TOP-190 retailers FMCG increased by * stores while selling space expanded by * thousand square meters.

Figure 3. Dynamics of the net hypermarkets number increase among of 190 largest retailers of Russia in 2014-2017 on monthly basis, number of selling points



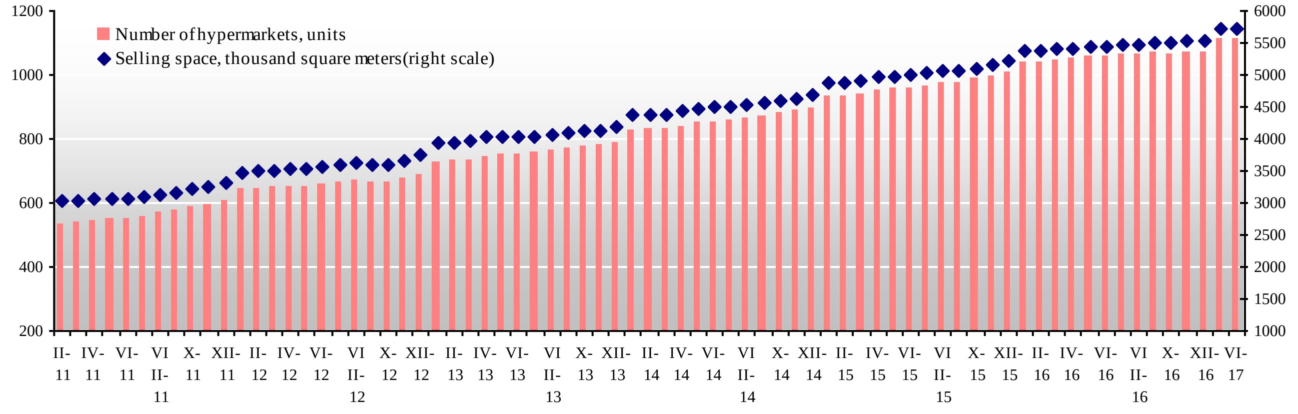
Data source: IA INFOLine

In **June 2017**, the following hypermarkets were **opened**:...
Meanwhile, in **June 2017** was **closed** a hypermarket …

[1] Data was corrected according to the 2016. Hereinafter the data for X5 Retail Group, Magnit and DIXY is presented as it was available at the date of this survey's preparation: Magnit – July 2017, DIXY – July 2017, X5 Retail Group – Jully 2017. Drogerie store chain "Magnet Cosmetic" is not included

[2] INFOLine-Analytics defines the hypermarket format as stores with more than 2.5 thousand sq. m. of selling space. Magnit Semeiniy is not included into the format, though Tander CJSC positions them as hypermarkets. We position them as supermarkets.

Figure 4. Dynamics of number of hypermarkets and their floorspace of 190 largest retailers of Russia in 2010-2017 (to the end of the period)



ata source: IA INFOLine

The total number of hypermarkets among TOP-190 FMCG retailers as of **July 1, 2017** was *****, with total selling space of *****million sq. m.

Research (full version) also includes the description of development of supermarket format, discounter[3] format and convenience store format

Rating of FMCG retail chains by number of stores

*INFOLine IA **monthly** collects information regarding stores number among more than 190 major FMCG retailers*

Expansion dynamics by number of stores

Major retailers' stores number dynamics in 2016-2017 are presented in the table.

Table 1. Number of stores of the largest FMCG chains during in 2016-2017

Legal name	Brand	Main formats[4]	Number of stores as of period's end			Stores number dynamics during the period			
			2016	Jun. 16	Jun.17	Jun. 16	Jun.17	H1 2016	H1 2017
Magnit, PC (Tander, CLSC)[5]	Magnit hypermarket	H	*	*	*	*	*	*	*
	Magnit	D	*	*	*	*	*	*	*
	Magnit Semeiniy	H	*	*	*	*	*	*	*
	Magnit-Cosmetic	C	*	*	*	*	*	*	*
	All formats	**All formats**	*	*	*	*	*	*	*
X5 Retail Group[6](TD Perekrestok, CLSC)	Pyaterochka	D	*	*	*	*	*	*	*
	Perekrestok	S	*	*	*	*	*	*	*
	Karusel, Perekrestok Hyper	H	*	*	*	*	*	*	*
	Perekrestok Expres, Kopeika	C	*	*	*	*	*	*	*
	All formats	**All formats**	*	*	*	*	*	*	*
Auchan Retail Russia (Auchan, LLC, Atac, LLC)	Auchan, Auchan-City, Nasha Raduga, Kazhdy Den, Auchan Supermarket, Moy Auchan	H, S, C	*	*	*	*	*	*	*
	Atac, V shage ot Vas	S, C	*	*	*	*	*	*	*
	All formats	**All formats**	*	*	*	*	*	*	*
DIXY Ug, SC[7]	Dixy	D	*	*	*	*	*	*	*
	Minimart	S	*	*	*	*	*	*	*

[3] 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 emphasise that in Russia the discounter format doesn't exist. At the same time the specialists of INFOLine IA would like to distinguish two subformats of the convenience store format: soft discounters, the formats of the number of the largest Russian players, such as Pyaterochka, Diksi, Magnit, Monetka, Kopeika, Maria-Ra and others, and convenience stores.

[4] H – hypermarket, S – supermarket, D – discounter, C – convenience store

[5] Due to the peculiarities of the information disclosure procedure applied by Magnit, the number of stores is presented as of the end of June 2016, the dynamics of a store number is presented for the period January-June 2016-2017

[6] Due to the peculiarities of the information disclosure procedure applied by X5 Retail Group, the number of stores is presented as of the end of June 2016, the dynamics of a store number is presented for the period January-June 2016-2017

[7] Due to the peculiarities of the information disclosure procedure applied by DIXY, the Group of Companies, the number of stores is presented as of the end of July 2016, the dynamics of a store number is presented for the period January-June 2016-2017.

Legal name	Brand	Main formats[4]	Number of stores as of period's end			Stores number dynamics during the period			
			2016	Jun. 16	Jun.17	Jun. 16	Jun.17	H1 2016	H1 2017
	Megamart	H	*	*	*	*	*	*	*
	Deshevo, Kvartal	C	*	*	*	*	*	*	*
	Victoriya	S	*	*	*	*	*	*	*
	Cash	H	*	*	*	*	*	*	*
	All formats	**All formats**	*	*	*	*	*	*	*
Lenta, LLC	Lenta	H, S	*	*	*	*	*	*	*
Metro Group (METRO Cash and Carry LLC)	METRO, METRO Punct, real,-	H, S	*	*	*	*	*	*	*
O'KEY LLC	O'KEY, O'KEY-Express	H, S	*	*	*	*	*	*	*
Fresh Market, LLC	DA!	D	*	*	*	*	*	*	*
O'KEY, GK	**All formats**	**All formats**	*	*	*	*	*	*	*
SPS Holding	Krasnoe&Beloe	C	*	*	*	*	*	*	*
Spar (all legal entities)[8]	***SPAR, SPAR Express, EUROSPAR, INTERSPAR***	***H, S, C***	*	*	*	*	*	*	*
Monetka, GK (Element - Trade, LLC)	Monetka, Monetka Super, Rayt	H, S, D	*	*	*	*	*	*	*
Hyperglobus, LLC	Globus	H	*	*	*	*	*	*	*
Maria-Ra GC	Maria-Ra	S, C	*	*	*	*	*	*	*
Intertorg TH, LLC	Narodnaya 7Ya, Ideya, Norma, SPAR (franchising), Spar Express	H, S, C, D	*	*	*	*	*	*	*
Holiday GC	Holiday Classic, Holiday, Planeta Holiday, Holdi, Sibiriada, Kora, Palata, Narodnaya Plata, Turne, Econom, Supermarket	H, S, C	*	*	*	*	*	*	*
Sedmoi Kontinent JSC	Sedmoi Kontinent, Nash Hypermarket	H, S, C	*	*	*	*	*	*	*
Gorodskoy Supermarket, LLC	Azbuka Vkusa, AV Daily, AV Market, AV Market, Enoteka, Spar	H, S, C	*	*	*	*	*	*	*

Data source: INFOLine IA , according to the companies' data

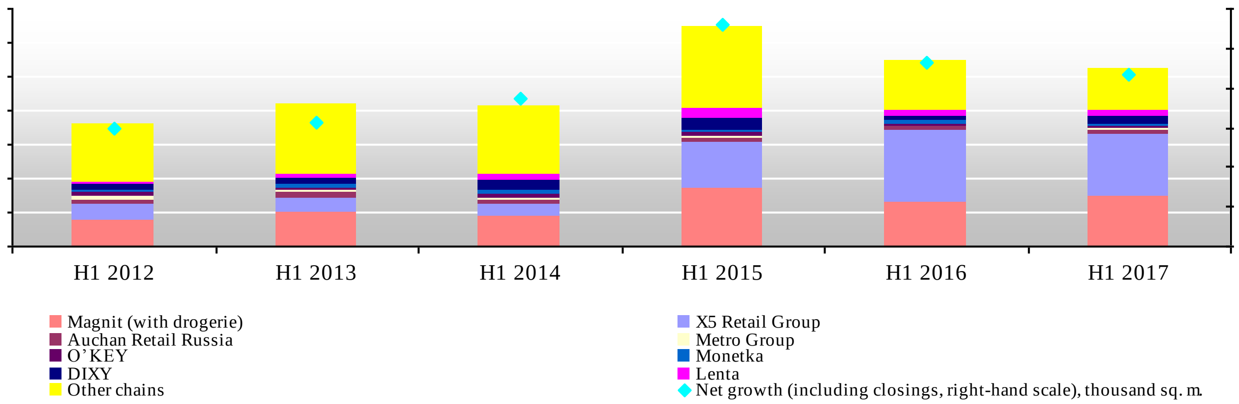
Rating of FMCG retail chains by selling space

*INFOLine IA **monthly** collects information about selling space dynamics for more than 150 major FMCG retailers of Russia.*

Performance for 2011-I half 2017 and trends of 2017

According to results of 2016 the increment of selling space among 190 major chains came to more than * thousand sq. m. (2015 - *thousand sq. m., 2014 – *thousand sq. m., in 2013 – *, in 2012 – *thousand sq. m., in 2011– *thousand sq. m.) or *% (in 2014 – *%, in 2013 – *%, in 2012 – *%, in 2011 – *%). Therefore, as of 01 January 2017 the aggregate selling space of TOP 150 FMCG retail chains was more than * million sq. m. <…>

Figure 11. 150 major retailers' selling space growth (exclusively of retailers with decreased space) in I half 2012-2017, thousand sq. m.



Data source: INFOLine IA

[8] Taking into account subfranchising stores.

Selling space dynamics of major retailers

Selling space dynamics of major retailers in 2016-2017 are presented in the table.

Table 2. Total selling space of major FMCG chains of Russia in 2016-2017, thousand sq. m.

Legal name	Brand	Main formats[9]	Total selling floorspace as of period's end			Dynamics of aggregate sales space for the period			
			2016	Jun. 16	Jun.17	Jun. 16	Jun.17	H1 2016	H1 2017
Magnit, PC (Tander, CLSC)[10]	Magnit hypermarket	H	*	*	*	*	*	*	*
	Magnit	D	*	*	*	*	*	*	*
	Magnit Semeiniy	H	*	*	*	*	*	*	*
	Magnit-Cosmetic	C	*	*	*	*	*	*	*
	All formats	**All formats**	*	*	*	*	*	*	*
X5 Retail Group[11](TD Perekrestok, CLSC)	Pyaterochka	D	*	*	*	*	*	*	*
	Perekrestok	S	*	*	*	*	*	*	*
	Karusel, Perekrestok Hyper	H	*	*	*	*	*	*	*
	Perekrestok Expres, Kopeika	C	*	*	*	*	*	*	*
	All formats	**All formats**	*	*	*	*	*	*	*
Auchan Retail Russia (Auchan, LLC, Atac, LLC)	Auchan, Auchan-City, Nasha Raduga, Kazhdy Den, Auchan Supermarket, Moy Auchan	H, S, C	*	*	*	*	*	*	*
	Atac, V shage ot Vas	S, C	*	*	*	*	*	*	*
	All formats	**All formats**	*	*	*	*	*	*	*
DIXY Ug, SC[12]	Dixy	D	*	*	*	*	*	*	*
	Minimart	S	*	*	*	*	*	*	*
	Megamart	H	*	*	*	*	*	*	*
	Deshevo, Kvartal	C	*	*	*	*	*	*	*
	Victoriya	S	*	*	*	*	*	*	*
	Cash	H	*	*	*	*	*	*	*
	All formats	**All formats**	*	*	*	*	*	*	*
Lenta, LLC	Lenta	H, S	*	*	*	*	*	*	*
Metro Group (METRO Cash and Carry LLC)	METRO, METRO Punct, real,-	H, S	*	*	*	*	*	*	*
O'KEY LLC	O'KEY, O'KEY-Express	H, S	*	*	*	*	*	*	*
Fresh Market, LLC	DA!	D	*	*	*	*	*	*	*
O'KEY, GK	**All formats**	**All formats**	*	*	*	*	*	*	*
SPS Holding	Krasnoe&Beloe	C	*	*	*	*	*	*	*
Spar (all legal entities)[13]	***SPAR, SPAR Express, EUROSPAR, INTERSPAR***	***H, S, C***	*	*	*	*	*	*	*
Monetka, GK (Element - Trade, LLC)	Monetka, Monetka Super, Rayt	H, S, D	*	*	*	*	*	*	*
Hyperglobus, LLC	Globus	H	*	*	*	*	*	*	*
Maria-Ra GC	Maria-Ra	S, C	*	*	*	*	*	*	*
Intertorg TH, LLC	Narodnaya 7Ya, Ideya, Norma, SPAR (franchising), Spar Express	H, S, C, D	*	*	*	*	*	*	*
Holiday GC	Holiday Classic, Holiday, Planeta Holiday, Holdi, Sibiriada, Kora, Palata, Narodnaya Plata, Turne, Econom, Supermarket	H, S, C	*	*	*	*	*	*	*
Sedmoi Kontinent JSC	Sedmoi Kontinent, Nash Hypermarket	H, S, C	*	*	*	*	*	*	*
Gorodskoy Supermarket, LLC	Azbuka Vkusa, AV Daily, AV Market, AV Market, Enoteka, Spar	H, S, C	*	*	*	*	*	*	*

Data source: INFOLine IA , according to the companies' data

Rating of FMCG retail chains by net sales

Financial indicators of public companies, published as of July 2017 are presented in the table (negative indicators in brackets).

Table 3. Financial indicators (exclusive of VAT) of major FMCG chains during 2016-2017, bn RUB

Legal name	Brand	Main formats[14]	Revenue in H1 2017	H1 2017 vs H1 2016, %	LfL in H1 2017,%	Revenue in Q2 2017	Q2 2017 vs Q2 2016, %	LfL in Q2 2017,%	Revenue in Jun. 2017	Jun. 2017vs Jun. 2016, %
Magnit, PC (Tander, CLSC)	Magnit	D	*	*	*	*	*	*	*	*
	Magnit Hypermarket	H	*	*	*	*	*	*	*	*
	Magnit Semeiniy	H	*	*	*	*	*	*	*	*

[9] H – hypermarket, S – supermarket, D – discounter, C – convenience store

[10] Due to the peculiarities of the information disclosure procedure applied by Magnit, the number of stores is presented as of the end of June 2017, the dynamics of a store number is presented for the period January-June 2016-2017

[11] Due to the peculiarities of the information disclosure procedure applied by X5 Retail Group, the number of stores is presented as of the end of June 2017, the dynamics of a store number is presented for the period January-June 2016-2017

[12] Due to the peculiarities of the information disclosure procedure applied by DIXY, the Group of Companies, the number of stores is presented as of the end of June 2017, the dynamics of a store number is presented for the period January-June 2016-2017.

[13] Taking into account subfranchising stores.

[14] Legend: D - discounter, H - hypermarket, S - supermarket, C – convenience store

Legal name	Brand	Main formats [14]	Revenue in H1 2017	H1 2017 vs H1 2016, %	LfL in H1 2017,%	Revenue in Q2 2017	Q2 2017 vs Q2 2016, %	LfL in Q2 2017,%	Revenue in Jun. 2017	Jun. 2017vs Jun. 2016, %
	Magnit-Cosmetic	C	*	*	*	*	*	*	*	*
	Total for company	D, H	*	*	*	*	*	*	*	*
X5 Retail Group N.V. TH Perekrestok, CJSC	Pyaterochka	D	*	*	*	*	*	*	*	*
	Perekrestok	S	*	*	*	*	*	*	*	*
	Karusel	H	*	*	*	*	*	*	*	*
	Perekrestok Express,	C	*	*	*	*	*	*	*	*
	Total for X5+ Kopeika	C, D, S, H	*	*	*	*	*	*	*	*
Dixy Group, JSC	Dixy	C	*	*	*	*	*	*	*	*
	Victoria	S	*	*	*	*	*	*	*	*
	Kvartal / Deshevo	C	*	*	*	*	*	*	*	*
	Cash	H	*	*	*	*	*	*	*	*
	Megamart	H	*	*	*	*	*	*	*	*
	Minimart	S	*	*	*	*	*	*	*	*
	Total for company	C, D, S, H	*	*	*	*	*	*	*	*
Lenta, LLC	Lenta	H	*	*	*	*	*	*	*	*
		S	*	*	*	*	*	*	*	*
		S, H	*	*	*	*	*	*	*	*
O'KEY GK	O'KEY, O'KEY-Express	S, H	*	*	*	*	*	*	*	*
	DA!	D	*	*	*	*	*	*	*	*
	Total for company	D, S, H	*	*	*	*	*	*	*	*

Data source: INFOLine IA data

Business financial efficiency indicators of the largest public retailers upon the results of 2016 are given in the table.

Table 4. Financial indicators (exclusive of VAT) of major FMCG chains during 2016, bn RUB

Indicator	Magnit, PC			X5 Retail Group N.V.			Dixy Group, SC			Lenta, LLC			O'KEY, LLC		
	Q1 2017	Q2 2017	H1 2017	Q1 2017	Q2 2017	H1 2017	Q1 2017	Q2 2017	H1 2017	Q1 2017	Q2 2017	H1 2017	Q1 2017	Q2 2017	H1 2017
Total revenue, bn RUB	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Net retail revenue, bn RUB	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Retail revenue growth, %	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Gross profit, bn RUB	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Gross margin, %	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Net profit, bn RUB	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Net profit margin, %	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
EbitDA, bn RUB	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
EbitDA profit margin, %	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
LfL (revenue), %	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
LfL (average ticket),%	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
LFL (traffic), %	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*

Data source: INFOLine IA data

<...>

TOP 20 retailers' revenue dynamics in 2014-2016 are presented in the table.

Table 5. Net sales dynamics (excluding VAT) of the major FMCG chains in 2014-2016, bn RUB

Legal name	Brand	Main formats[15]	Data	2014	2015	2016
Magnit, PC (Tander, CLSC)	Magnit hypermarket	H	IFRS	*	*	*
	Magnit	D		*	*	*
	Magnit Semeiniy	H		*	*	*
	Magnit-Cosmetic	C		*	*	*
	All formats	**All formats**		*	*	*
X5 Retail Group	Karusel, Perekrestok Hyper	H	IFRS	*	*	*
	Perekrestok	S		*	*	*
	Pyaterochka	D		*	*	*
	Perekrestok Expres, Kopeika	C		*	*	*
	All formats	**All formats**		*	*	*
Auchan Retail Russia (Auchan, LLC; Atac, LLC)	Auchan, Auchan-City, Nasha Raduga	H	RAS	*	*	*
	Atac	S		*	*	*
	All formats	**All formats**		*	*	*
DIXY Ug, SC	Dixy, Megamart, Minimart, Kvartal, Victoriya, Cash	H, S, C, D	IFRS	*	*	*
Lenta, LLC	Lenta	H, S	IFRS	*	*	*
Metro Group (METRO Cash and Carry LLC)	METRO, METRO Punct, real,-	H, S	IFRS, RAS, 2015 estimation	*	*	*
O'KEY LLC	O'KEY, O'KEY-Express	H, S	IFRS	*	*	*
SPS Holding	Krasnoe&Beloe	C	management accounting	*	*	*

[15] Legend: D - discounter, H - hypermarket, S - supermarket, C – convenience store

Legal name	Brand	Main formats[15]	Data	2014	2015	2016
Spar (all legal entities)	***SPAR, SPAR Express, EUROSPAR, INTERSPAR***	***S, H, C***	***management accounting***	*	*	*
Monetka, GK (Element - Trade, LLC)	Monetka, Monetka Super, Rayt	H, S, D	management accounting	*	*	*
Giperglobus, LLC	Globus	H	RAS, management accounting	*	*	*
Maria-Ra GC	Maria-Ra	C, D	management accounting	*	*	*
Intertorg TH, LLC	Narodnaya 7Ya, Ideya, Norma, SPAR (franchising)	H, S, C, D	management accounting	*	*	*
Holiday GC	Holiday Classic, Holdi, Sibiriada, Kora, Palata, Turne, Holdi Plus, Chervonets	H, S, D	RAS, management accounting, 2014-2015 estimation	*	*	*
Sedmoi Kontinent JSC	Sedmoi Kontinent, Nash Hypermarket	H, S, C	IFRS, 2014-2015 estimation	*	*	*
Gorodskoy Supermarket, LLC	Azbuka Vkusa, AV Daily, AV Market	H, S, C	RAS, management accounting	*	*	*
REWE Group (Billa, LLC)	Billa	S	2014-2015 estimation	*	*	*
GC Torgservis, LLC	Svetofor	S	estimation	*	*	*

Data source: INFOLine IA data

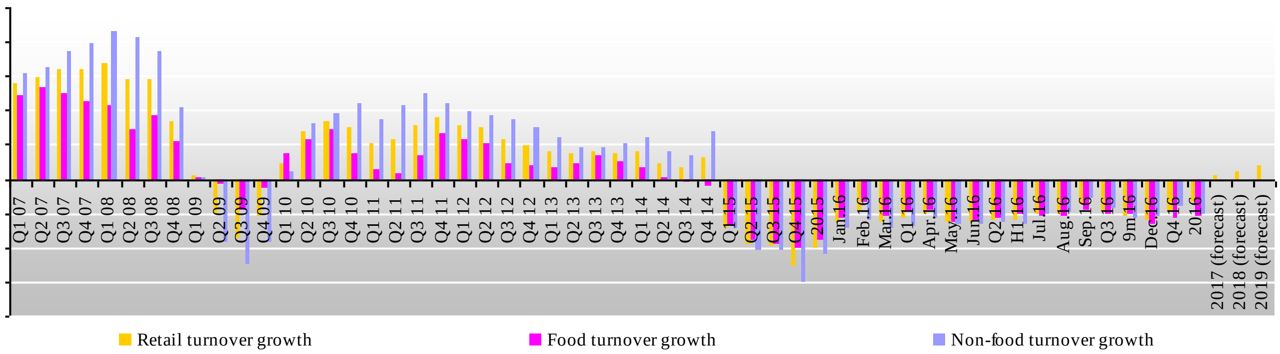
Full version also includes the description of the aggregated financial performance for the largest chains with revenue of more than 11 billion rubles.

Section I. Retail trends and development in Russia

Macroeconomic retail indicators

On November 24, 2016 the Ministry of Economic Development of Russia issued a forecast of social and economic development of the Russian Federation for 2017 and plans for 2018 and 2019. It contains the renewed forecast of the Ministry of Economic Development of the Russian Federation with three options: base, base+ and target. **<...>**

Figure 5. Main consumer market indicators 2007-2017 and forecast till 2017-2019, % against the same period of previos year.



Data source: FSSS

Experts of the Russian Ministry of Economic Development also predict that the retail sales volume increase in 2017 by 0.6% in 2017, 1.1% in 2018 and 1.8% in 2019.

Table 6. Retail turnover dynamics in Russia in 2007-2016 and forecast till 2017-2019 (basic forecast)

Period	Turnover, bn RUB	In % to corresponding period of previous year	
		In comparable prices, %	In current prices, %
2007	*	*	*
…	…	…	…
2012	*	*	*
…	…	…	…
2013	*	*	*
Q1 2014	*	*	*
…	…	…	…
2014	*	*	*

Period	Turnover, bn RUB	In % to corresponding period of previous year	
		In comparable prices, %	In current prices, %
…	…	…	…
Q1 2015	*	*	*
…	…	…	…
Q2 2015	*	*	*
H1 2015	*	*	*
…	…	…	…
Q3 2015	*	*	*
9 months 2015	*	*	*
…	…	…	…
Q4 2015	*	*	*
2015	*	*	*
…	…	…	…
Q2 2016	*	*	*
H1 2016	*	*	*
…	…	…	…
Q3 2016	*	*	*
9m 2016	*	*	*
…	…	…	…
Q4 2016			
2016	*	*	*
Q1 2017	*	*	*
Q2 2017	*	*	*
H1 2017	*	*	*
2017 (forecast)	*	*	*
2018 (forecast)	*	*	*
2019 (forecast)	*	*	*

Data source: FSSS and the Ministry of Economic Development

Main indicators of retail development[16]

Businessmen's evaluations of the factual and expected economic situation give evidence of a serious destabilization. However, retail dynamics of recent years did not give grounds to expect such dramatic indicators' decline. The business climate degraded accordingly. According to FSSS (the Federal State Statistics Service), in Q1 2016 the business confidence index came to * pp, decreasing by * pp vs. Q4 2015 and unchanged vs. Q1 2015. After the actual changes in economic situation evaluation came to * pp in Q3 2016, in Q4 2016 it increased by * pp to * pp.

[16] The index of entrepreneurial confidence in retail 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.
Balance of indicators changes estimations (actual turnover changes; actual employees number changes; stock reserves actual changes of product mix; selling prices; average margin level; actual changes of investments into business expansion, repair and modernization; prospective changes in storage space; actual changes in provision with own financial resources; profit), which is determined as difference between respondents' share with "positive" and "negative" assessments of changes in comparison with the previous quarter (%).The seasonal component in time series of the index is not excluded.

Figure 34. Entrepreneur confidence index in Russia in 2007-2017

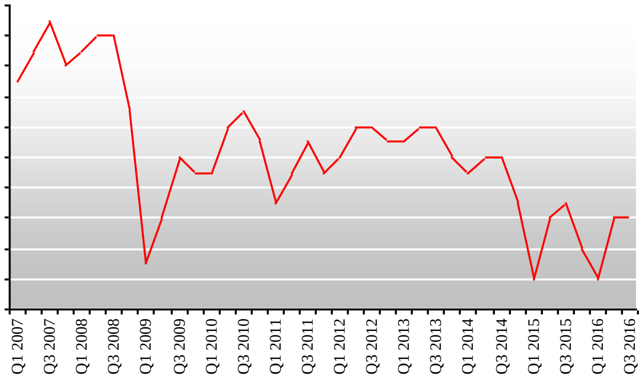
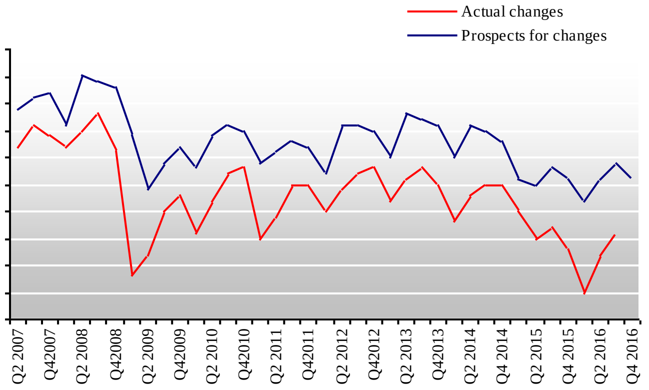


Figure 35. Assessment of economic situation in Russia in 2007-2017



Data source: FSSS

<…>

Government regulation of retailing

The Trade Act

<…>In 2017, the Russian Ministry of Economic Development will evaluate the real effect of the Russian Trade Activity Law. The updated list of regulatory acts that will be evaluated by the Ministry was sent to the Russian Government for approval. If the Ministry finds any obstacles for businesses or entrepreneurs, the law might be corrected. We would like to remind you that based on the results of the discussion regarding evaluation of real effect of any regulatory act, 'decisions could be made to amend or annul certain regulatory act or do what is deemed necessary, based on the conclusions made'. This is a quote from the Russian Government resolution No. 83 which regulates the real effect evaluation.**<…>**

Code of Good Practices (CGP)

In December 2016, the Association of Russian Manufacturers and Suppliers of Foodstuffs Rusprodsoyuz urged its members to sign no new agreements with the retailers for 2017 if a chain refuses to observe the self-regulation norms as set forth in the Code of Fair Practices (CFP). **<…>**

Regulation of Non-Stationary Trade (NSRF)

<…>In December 2016, the Ministry of industry and trade (MIT) was supposed to submit a draft law about development of non-permanent commerce into the government. However, some relevant controversy occurred between the Ministry of economic development and FAMS. For instance, FAMS raised questions about the form of an auction where the entrepreneurs obtain the lease rights for the vending kiosks and stalls. On the other hand, disagreements with the Ministry of economic development occurred regarding the level of the developer of a document setting forth the overall auction rules. Because of this, the law consideration was postponed to 2017.**<…>**

The Cash Registers Regulation

<…>Starting March 31, 2017, a new version of article 16 of Federal Law No. 171-FZ «Government regulation of manufacture of and trade in ethanol, alcohol and alcohol-containing products and restriction of consumption (drinking) of alcohol products» dated November 22, 1995, will come into force. There will be added to it, among other things, clause 10 that says that CRE must be implemented in retail sales of alcohol products, including those by foodservice organizations, regardless of whether beer is sold through a store or through a foodservice facility. **<…>**

USAIS

The Wholesale section appeared in the USAIS on January 1, 2016. Back then, virtually all the market agents faced system errors occurring. They recorded an hours-long hang, due to which the accounting of goods was 80% manual - and-time consuming. "The

USAIS is now operating normally. No extra load on either the system itself or the support hotline. We should admit how nicely the alcohol retailers did their job. Most of such stores joined the system long in advance of the law-stipulated deadlines and are quite comfortable within it", the AMR Press Service says. **<…>**

Alcohol Beverage Market Regulation

<…> In 2017 the floor price for still wines might be set at the level of 200 to 250 RUB per 0.75 l bottle. However, the exact price has yet to be determined. It has to be calculated perfectly in order to avoid counterfeit and improve the quality of Russian wines in general, Ministry’s experts say. Earlier, the Federal Service for Alcohol Market Regulation has suggested the possibility of introduction of floor price on still wines after they evaluated the results of a pilot project that consisted in introduction of floor prices for sparkling wines. **<…>**

Road toll

<…> In December 2016, at the session of the board of the Federal Road Agency held by the head of Rosavtodor Roman Starovoit, it was announced that by the end of 2016, the share of federal motorways of Russia that are in the normative condition has been increased up to 71%. First deputy minister of transportation of the Russian Federation Evgeny Ditriech pointed out that the road facilities were developing dynamically. By 2018, the entire network of the country’s federal motorways will be brought into a normative condition. **<…>**

National System of Targeted Food Assistance

In October 2016, the Russian Minister of Trade and Industry Denis Manturov said that the food assistance program for the underprivileged might be launched as early as 2018. Earlier, Deputy Minister of Trade and Industry Viktor Yevtukhov said that the food assistance program would not be launched in 2017 and was not likely to be launched in 2018 either. **<…>**

Food products quality regulation

Starting from January 1, 2017, a national standard GOST R 57022-2016 «Organic Production. The Procedure of Voluntary Certification of Organic Production» was introduced in the Russian Federation. Its objective is to establish the single regulations for voluntary certification of organic production. At the moment there are numerous labeling and certificates declaring that this product is made without use of food additives, synthetic fertilizers and GMO. **<…>**

Internet Trading Regulation

In H1 2017, MIT presented a strategy for e-commerce development. This is what the deputy director of the department of domestic trade, consumer goods industry and consumer market development within MIT Nikita Kuznetsov declared. **<…>**

Other news in the sphere of consumer market regulation

<…> Starting from January 1, 2017, in accordance with the Federal Law No. 277 of July 3, 2016, the Federal Service for Oversight of Consumer Protection and Welfare may carry out test purchases from businesses and must publish all the relevant new laws on its official website and issue guidelines for business. **<…>**

Research (full version) includes information on the key events in the government regulation of Russian retail market

Structure of retail turnover by the category of products

<…>

In June 2017 the share of food products in the structure of the retail turnover increased by *p.p. comparing to June 2016. **<…>**

Table 8. Structure of retail turnover in terms of product groups in 2011-2017[17]

Indicator	2011	2012	2013	2014	2015	2016	Q2 2016	Q2 2017	H1 2016	H1 2017	Jun.16	Jun. 17
Retail turnover	*	*	*	*	*	*	*	*	*	*	*	*
Food	*	*	*	*	*	*	*	*	*	*	*	*
Non-food	*	*	*	*	*	*	*	*	*	*	*	*
Food share, %	*	*	*	*	*	*	*	*	*	*	*	*
Non-food share, %	*	*	*	*	*	*	*	*	*	*	*	*

Data source: FSSS

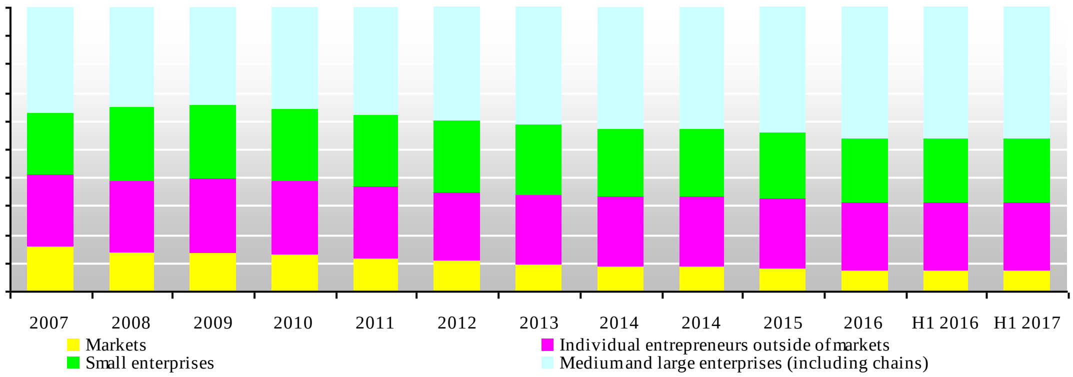
<…>

Research (full version) also includes sales dynamics of the major food and non-food retailers

Structure of retail turnover by the category of retailer

The share of markets in the retail structure continued to decrease in H1 2017 (* pp vs. H1 2016). The share of small enterprises is also decreasing – by *pp vs. H1 2016 and of individual entrepreneurs increased by * pp vs. H1 2016. The share of medium-size businesses increased by *pp vs. H1 2016 and micro enterprises unchanged. The share of large businesses (largely, retail chains) increased by *pp vs. H1 2016.

Figure 6. Retail turnover structure by business types in 2007-2017, %



Data source: FSSS

<…>

Research (full version) also contains information on structure of sales in the markets and at fairs, detailed information on unorganized trade: number of markets, trading places, market structure and the managing subjects and other.

Regional structure of retail turnover

The regional structure of the retail turnover of Russia is characterized by its inhomogeneity: in 1 half 2017 *% of the turnover accounted for 11 territorial entities (Moscow, the Moscow region, Saint-Petersburg, the Sverdlovsk region, the Krasnodar Krai, the Samara region, the Republic of Tatarstan and Bashkortostan, the Tyumen region, the Chelyabinsk and Rostov regions). **<…>**

[17] For comparison with 2009-2015 the turnover and food share in it are provided for 2002-2008, taking into account tobacco products.

Figure 7. Retail turnover structure by regions of Russia in H1 2016, %

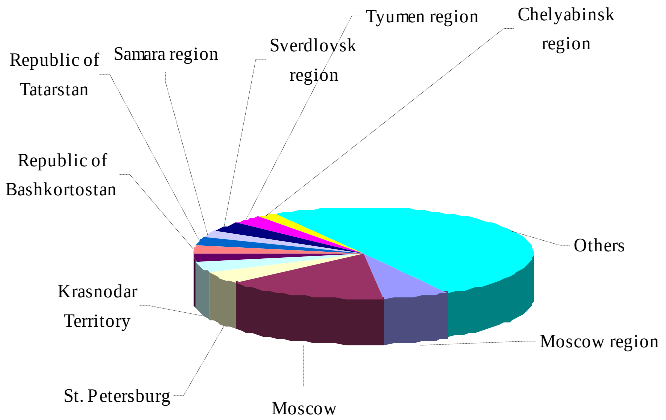
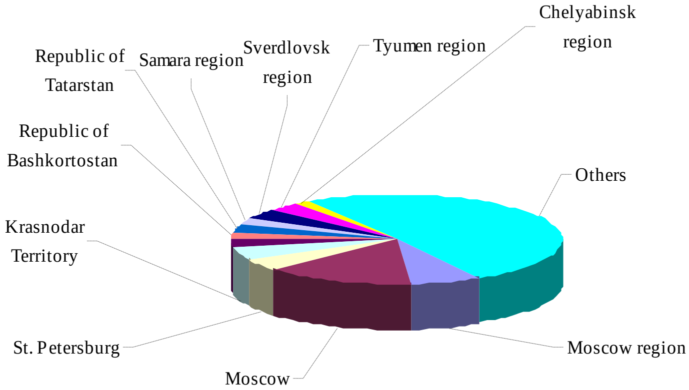


Figure 8. Retail turnover structure by regions of Russia in H1 2017, %

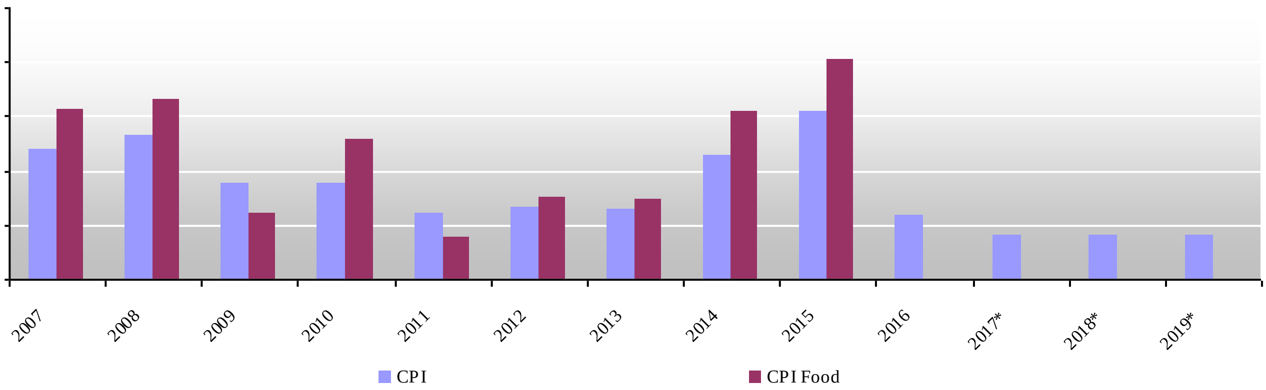


Data source: FSSS

Food market inflation

According to the updated base projection by the Ministry of Economic Development of Russia for 2017-2019, the inflation rate at the end of 2017 will be *****%, and in the next three years it will be stable and amount to *****%. **<…>**

Figure 9. Consumer prices index as of the period's end in 2007-2017 and forecast for 2017-2019 (basic forecast), % to December of previous year



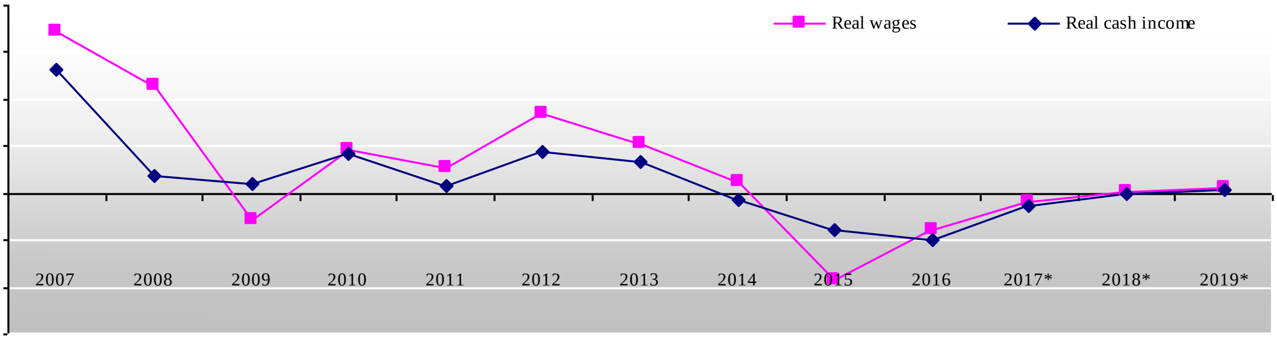
Data source: FSSS

Research (full version) also contains the information on dynamics of price changes for consumer products in Russia and 8 regions of Russia

Consumer incomes and expenditures

During 1 half 2017, population's real income has decreased by *****% (compared to *****% in 1 half 2016), and real wages have increased by *****%, compared to the decrease of *****% in 1 half 2016. **<…>**

Figure 10. Real salary and real income dynamics in 2007-2016, forecast for 2017-2019 (basic forecast), %



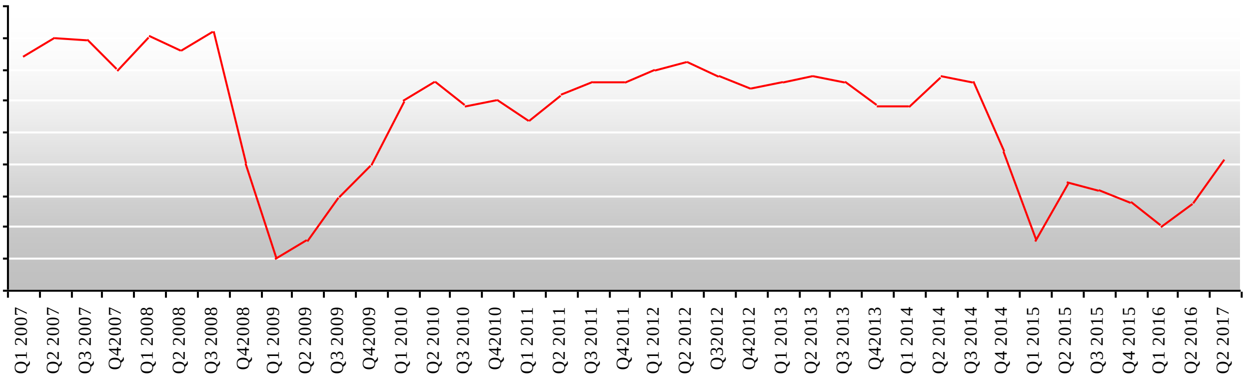
Data source: FSSS

<...>

Consumer expectations and confidence index

Despite the economic situation remaining complicated, the population demonstrates demand recovery. In August the Central Bank of Russia mentioned that recovery of demand on a group of goods with a high price flexibility increases inflation risks already in 2017. Besides, the situation of an increased level of loan burden on the population continues to aggravate.

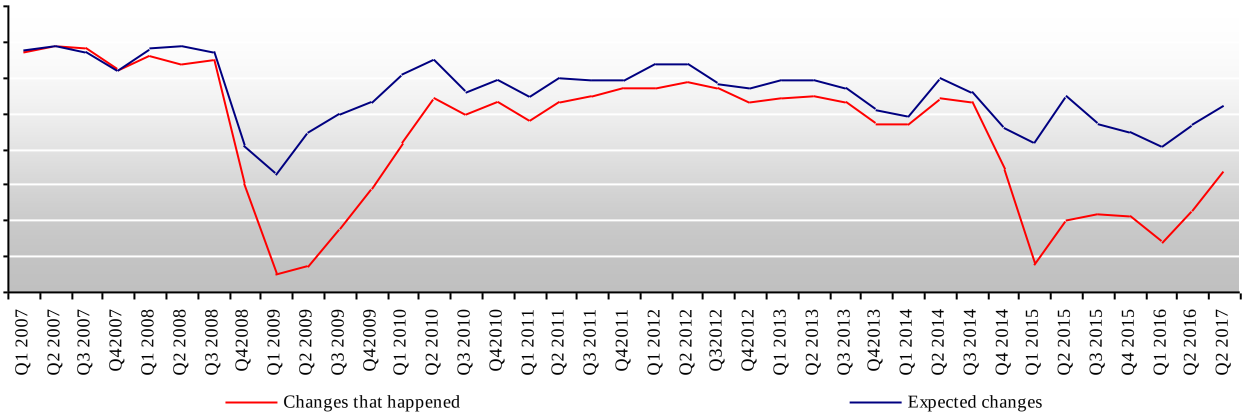
Figure 83. Consumer confidence index in Russia 2007-2017



Data source: FSSS

According to surveys conducted by the Federal State Statistics Service (FSSS), 5,000 people aged 16+ and living in all territorial entities of the Russian Federation in Q2 2017, the index of consumer confidence reflecting general consumer expectations, increased by * pp against Q1 2017 and was *%. <...>

Figure 84. Consumers' assessment of economic situation in Russia in 2007-2017



Data source: FSSS

<...>

Research (full version) also includes the structure of consumer income and expenses, credit and monetary policy, results of the household panel following the results of the complete period, average ticket value analysis, consumer expectations and confidence indexes and etc.

Section II. Key events for FMCG retail in Russia

On Prolongation of Counter-Sanctions Restricting Food Product Supplies from the EU, the USA and Some Other Countries

<…>

On December 23, 2016, Vladimir Putin informed during the open press conference: «We are interested in developing our relationships with Europe; we will work toward it. And, of course, we would like Europe to speak in one voice, to have a partner we can talk to – this is what is important for us. Still, if it is not so, we will seek other opportunities to talk at the international level – that is, in the state dimension, with each of the partners in Europe. Although this is how it does work today – we settle some issues with the European Commission and other issues with European states, at the national level. In fact, it suits us… We never imposed any sanctions against European countries, including Germany. The only thing we did was responding to the restrictions brought against Russian economy. But we would gladly go for the lifting of it all (although Russian agricultural manufacturers urge us not to do it) if our partners, including European ones, lift anti-Russian sanctions… **<…>**

Milestones of 1 half 2017

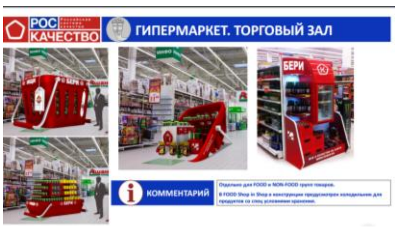
<…>

Online projects of Russian companies in FMCG retail

instamart

In December 2016, Mail.Ru Group, together with the ex-president of DIXY group of companies Ilya Yakubson and other funders, invested RUB 100 M into Instamart service of foodstuffs delivery from outlets. Raised funds will be primarily used for the product development, IT infrastructure, project upscaling and, in particular, for promotion of Instamart mobile applications based on iOS (already available in AppStore) and Android (wase released in January 2017).**<…>**

Roskachestvo activities



<…> On December 27, 2016, Roskachestvo informed that it had studied about 1.5 Thousand consumer goods within the year of its operations. The study objects included clothes for schoolchildren, fish products, sparkling wine, processed grain products, and many other categories. In total, there are published 37 studies, including the first international testing of telephones Roskachestvo conducted together with ICRT. The studies were conducted in 20-120 quality and safety indicators standardized by the mandatory requirements of the Technical Regulation of the Customs Union (TR CU), GOSTs or Roskachestvo standards generated by the specialized technical committee within Rosstandart (Federal Agency on Technical Regulating and Metrology). **<…>**

Section III. Key events and plans of major FMCG chains

<…>

GC DIXY (DIXY Group, PC) / DIXY retail chain, Megamart, Minimart, Viktoria-kvartal, Deshevo, Victoria, Cash

GK DIXY (DIXY Group, PC) / DIXY, Megamart, Minimart

Company's name: *DIXY Yug, PC (DIXY, Megamart, Minimart retail chain)* Address: *119361, Moscow, B. Ochakovskaya str., 47a* Phones: *+7 495 9331450* Hot line: *+7 88003330201*. Fax: *+7 495 9330259.* E-Mail: *info@dixy.ru* Web: *www.dixy.ru, www.megamart.ru* Executive officer: *Sergey Belyakov, the President and the CEO (since 08 February 2016)*

Chain development

As of July 1, 2017, the total number of stores owned by DIXY Group PAO was <…>

On November 16, 2016, DIXY Group of companies told about its plans to renovate the stores in its presentation for the investor day. The main objectives of the group today are maintenance of the consumer flow, double-digit sales growth each year, revision of the assortment and reduction of costs, bringing the share of private label products in the revenue to 25% or more, etc. These goals were outlined by the DIXY President Pedro Pereira da Silva in his presentation for analysts and investors. The most noticeable change concern the assortment at the DIXY neighborhood stores: today, they have 4750 kinds of items, and the renovated version of the store will have a third less, about 3400 names. The constant assortment of DIXY will consist of 3000 kinds as compared to 4600 now, but the temporary assortment changing every month depending on marketing campaigns is going to have 400 as compared to the previous 150. In Q3 2016 DIXY started to expand its temporary product range, which led to a sharp increase in costs of advertising: up to 739 M RUB (by 161%) in Q3 2016 (1% of the revenue). The presentation for investors includes a diagram of the sales area of a renovated DIXY store: design, zoning and product display are changed. Fresh and perishable products, as well as bread are located closer to the entrance, the marketing campaign goods on the lateral shelves; a flower sector appears. The new scheme will be tested in about 30% of the stores and finally adopted by September 2017. This is not yet an approved strategy, but just the strategic vision of the company's managers they are sharing with the analytics, a representative of DIXY group of companies noted. <…>

Results and expectations

<…>

The DIXY GC's key financial indicators (according to the formats) as of Q1, Q2, Q3, H1 and 9m 2015-2016 according to IFRS, and managing company are summarized in the table below (with negative indicators given in brackets).

Table 7. The key financial indicators of DIXY GC (by formats) in 2015-2016

Indicator	Format	2015	2016	Q1 2016	Q1 2017	Q2 2016	Q2 2017	H1 2016	H1 2017	Jun.16	Jun.17
Net revenue, bn RUB	**DIXY division**	**219,026**	**252,167**	*	*	*	*	*	*	*	*
	DIXY	219,026	252,167	*	*	*	*	*	*	*	*
	Victoria division	**33,308**	**37,543**	*	*	*	*	*	*	*	*
	Victoria	26,951	30,796	*	*	*	*	*	*	*	*
	Kvartal, Deshevo	5,269	5,522	*	*	*	*	*	*	*	*
	CASH	1,087	1,225	*	*	*	*	*	*	*	*
	Megamart division	**18,124**	**19,375**	*	*	*	*	*	*	*	*
	Megamart	14,348	15,281	*	*	*	*	*	*	*	*
	Minimart	3,776	4,095	*	*	*	*	*	*	*	*
	Retail revenue	**270,458**	**309,085**	*	*	*	*	*	*	*	*
	Other income	1,887	2,152	*	*	*	*	*	*	*	*
	Total income	**272,345**	**311,237**	*	*	*	*	*	*	*	*
Net revenue growth, %	**DIXY division**	**19,6%**	**15,1%**	*	*	*	*	*	*	*	*
	DIXY	19,6%	15,1%	*	*	*	*	*	*	*	*
	Victoria division	**11,0%**	**12,7%**	*	*	*	*	*	*	*	*
	Victoria	12,5%	14,3%	*	*	*	*	*	*	*	*
	Kvartal, Deshevo	6,7%	4,8%	*	*	*	*	*	*	*	*
	CASH	(4,9%)	12,7%	*	*	*	*	*	*	*	*
	Megamart division	**0,1%**	**6,9%**	*	*	*	*	*	*	*	*
	Megamart	(0,1%)	6,5%	*	*	*	*	*	*	*	*

Indicator	Format	2015	2016	Q1 2016	Q1 2017	Q2 2016	Q2 2017	H1 2016	H1 2017	Jun.16	Jun.17
	Minimart	1,3%	8,4%	*	*	*	*	*	*	*	*
	Retail revenue	**17,0%**	**14,3%**	*	*	*	*	*	*	*	*
	Other income	(4,0%)	14,1%	*	*	*	*	*	*	*	*
	Total revenue	**16,8%**	**14,3%**	*	*	*	*	*	*	*	*
Gross profit, bn RUB	Company in total	-	-	*	*	*	*	*	*	*	*
Gross margin, %	Company in total	-	-	*	*	*	*	*	*	*	*
Net profit, bn RUB	Company in total	-	-	*	*	*	*	*	*	*	*
Net profit margin, %	Company in total	-	-	*	*	*	*	*	*	*	*
EbitDA, bn RUB	Company in total	-	-	*	*	*	*	*	*	*	*
EbitDA profitability, %	Company in total	-	-	*	*	*	*	*	*	*	*
Net debt, bn RUB	Company in total	-	-	*	*	*	*	*	*	*	*

Data source: DIXY GC

<…>

M&A deals

On December 13, 2016, DIXY group of companies bought out 12 property items with a total area of about 30 Thousand sq. m from MCapital group that owns Sedmoy Continent and NASH chains in Kaliningrad. The purchased facilities will come under the management of Viktoria division. On 9 platforms there are operating Sedmoy Continent S that are going to be re-formatted into Viktoria S. The deal amount has not been disclosed. According to estimations, it could have been RUB 1.5-2.4 bn. The company explains the decision that has been made by the board of directors of Sedmoy Continent by the desire to «concentrate on development on Moscow region». «Our objective today is to increase business efficiency in the key regions to the max; purchasing a pool of property items most of which will soon replace their signboards for Viktoria's green apple lies within the scope of this strategy,» – commented Sergey Belyakov. As of mid-December, DIXY group of companies is determining the use potential for each of the purchased facilities.

Investment activities

In Q2 2017, DIXY Group's capital expenditures were RUB *, increased by * if compared with RUB * in Q2 2016. **<…>**

Plan for new supermarkets opening

In 2017, a Minimart supermarket to be opened in Sverdlovsk region (Pervouralsk).

Logistics: data

As of June 30, 2017, DIXY Group operated * DCs and over *trucks. The centralization of its supply chain operations exceeded *% in H2 2017.

Logistics: plans

<…>

In 2017, DIXY Group is looking forward to build a RUB2.5 bn-worth DC in the south of St. Petersburg with approximately 50,000 sq. m area. The probable partners of the company are Adamant Holding Company or A Plus Development. The project should be rolled out in build-to-suit format.

Private label

In December 2016, the operating officer of DIXY group of companies Julio Duarte stated: «The share of PL in DIXY constituted up to 20% of the goods turnover. It is a strategic course for us and we develop it actively, expand current product lines and generate new ones. For instance, in 2016, new business areas were presented: ice-cream under Vivante brand and baby hygiene products under Baby Boom brand». **<…>**

Consumers communications

In December 2016, the operating officer of DIXY group of companies Julio Duarte stated: «At the current development stage, the loyalty program is not a priority line for DIXY, because we believe that we can give the best offer to our customers. Currently our efforts are focused on short-term loyalty programs that demonstrated excellent results in the past. Successful examples of such campaigns are «STIKEEZ» with funny stick-on figurines, «Farmer's yard» campaign where we gave out soft toys, a ceramic knives campaign, and others. In September last, Viktoria presented a new system – instead of the flat discount up to 5%, the emphasis was then made on personalized offers: deep discounts for the most demanded product groups and an opportunity to participate in specialized clubs. <…>

Research (full version) contains the description of 8 largest FMCG chains in Russia:

X5 Retail Group N.V. (Pyaterochka, Perekrestok, Karusel and Perekrestok-express); Magnit, PJSC (Magnit, Magnit Semeiny, Magnit-Cosmetic retail chains); Auchan Groupe (Auchan, Auchan-City, Nasha Raduga, real,-, Auchan Supermarket, Moy Auchan and Atac retail chains); Metro Group (METRO, METRO Punct and real- retail chains); GC DIXY JSC (Dixy trading chain, Megamart, Minimart, Viktoria-kvartal, Deshevo, Semeynaya Kopilka, Viktoria, Kesh) ; Lenta, LTD. (Lenta retail chain); Kesko Food Rus, LLC (K-RUOKA retail chain); O'KEY, LTD. (O'KEY, O'KEY-Express retail chain); Hyperglobus, LLC (Globus retail chain)

The description of each chan includes news according to the sections:

- **Chain development (operational results, plans of further development);**
- **Performance and expectations (key financial idicators and plans);**
- **Investment projects;**
- **Private label (key private label of the chain, their development and plans to the future expansion);**
- **Resignations and appointments;**
- **M&A;**
- **New formats (introduce and/or plans on introduce new formats to the market);**
- **Logistics (opening new distribution centers, the level of supply centralisation, etc.);**
- **Store openings (during the last month);**
- **Store closures (during the last month);**
- **Co-operation with consumers (actions, loyalty programs, etc.);**
- **Co-operation with suppliers (working conditions with suppliers, new partners, etc.);**
- **Corporate events (other news by the chain (judicial proceedings, labor relations, etc.).**

About INFOLine IA products

Currently the most topical issue for the companies is monitoring and analysis of industry and general business events in Russia and the world. It is impossible to solve this problem without a professional and highly efficient information department. INFOLine IA is exactly such department. It will work for the benefit of your business. All your colleague and employees are welcome to make use of our services. INFOLine IA is an independent company. It has been working on the industry research market of Russia since 2001. The retail industry study conducted by INFOLine during 2005-2016 is the best on the market. This was acknowledged by many of our customers and partners.

There is a range of information products especially prepared for FMCG retail companies:

Russian consumer market and FMCG retail chains rating, Industry review

It contains structured information regarding the development of retail chains, commissioning of new stores, new formats, M&A transactions, corporate events, logistics, operational results and expectations, investment plans and interaction with suppliers regarding the leading FMCG chains. The review also contains: macroeconomic figures, statistic data and analytical information regarding the development of retail and chains in Russia during the month under report.

Russian consumer market and FMCG retail chains rating contains:

TOP 190 FMCG chains performance
- Rating of FMCG chains by number of stores
- Rating of FMCG chains by selling space
- Rating of FMCG chains by net sales

Section I. Development of retailing in Russia
- Macroeconomic retail indicators
- Government regulation of retailing
- Structure of retail turnover by the category of product
- Structure of retail turnover by the category of retailer
- Regional structure of retail sales
- Inflation and the food market
- Consumer incomes and expenses
- Consumer expectations and confidence index

Section II. Key events for FMCG retail in Russia
- Important events for FMCG retailers
- Activities of INFOLine IA specialists
- Case –The effects of price increases on consumer behavior

Section III. Key events and plans of major FMCG retailers

Publication date:	**monthly**
Thhe number of pages:	**From 150**
Method:	**Elictronic**
Price, rub./month	**20 0000**
Price when subscribing for I half 2017, rub.	**75 000**

Complete research reports on retail

Title	Contents	Publication date	Price, roubles
HIT of SALES! Analytical Database of **700 FMCG retail chains of the RF**	It contains the following sections: Conditions of the FMCG retail market in Russia; Business reference data on TOP 50 retailers; Data base of 700 chains and 530 DCs that includes the following entries: the Retail chain's operator, Brands, Contacts, Management (CEO, procurement director, financial director, IT director), total number of stores, total selling space, revenue, presence in regions, number of distribution centres	Q2 2016	50 000 or 70 000
FMCG Hypermarkets in Russia, The database 1000 FMCG hypermarkets in Russia	The standard version of the industry review presents analysis of FMCG and Non-Food retail market (macroeconomic indicators, structure and dynamics of retail turnover, number, selling space, net sales of stores by sales channels); TOP-50 ratings and business reports on 12 largest retailers developing hypermarkets; history and key features of hypermarket format; forecast for hypermarkets for 2017-2019. Extended version of the industry review contains also analysis of hypermarket segment in 8 federal districts of Russia and data on 1100 operating hypermarkets.	March 2017	50 000 or 75 000
NEW! DIY Market, Results of 2015 and Forecast for 2017	Rating of the largest retail and wholesale-retail DIY chains by their financial efficiency (gross margin and net profit margin) and the average purchase size; by selling/gross floorspace, number of stores, revenue per one square meter of selling/gross floorspace Development of online retailing on the DIY market; regional development of the largest DIY operators; business reference data on TOP 50 DIY operators; prospects for development of the largest players on the DIY market NEW! *Description of TOP 50 players on the DIY market; debt load; development strategy;*	May 2015/refresh Q2 2016	From 30 000

Title	Contents	Publication date	Price, roubles
	preferences of DIY consumers in Russia; description of the largest players among "specialized chains".		
NEW! Analytical Database of 600 DIY chains	Database contains operational and financial indicators, contact information on TOP management of 600 DIY chains of Russia: legal name; chain's brand; chain's management **NEW!** *Development director, marketing director*; Factual address; phone; fax; e-mail; Web-site; developed formats; total number of stores; selling/gross floor space; revenue (excluding VAT); regional presence; number of DCs.	June 2015/refresh Q2 2016	From 50 000 roubles

Periodical information products on food industry, food market, retail etc.

Title	Description of the product	Periodicity	Price in roubles per month
Macroeconomics of Russia and Condition of Processing Industry	Monthly macroeconomic survey of the situation in various branches of RF industry	Once per month	5 000
News of Retail in RF	Latest and periodic information about RF industry of your interest	Daily	5 000
News of Logistics and Warehousing		Once per week	5 000
News of Food Industry and Food Market (more than 15 segments of food industry!)		Twice per week	6 000
News of Advertising and Marketing		Once per week	4 000
Bank of Innovations on Food Market	Monthly review of new products on the food market of the RF and abroad	Once per month	12 500

Please, take note! *The above-mentioned selection of our products is not complete.*

Besides the completed pilot products INFOLine IA offers its customers a package of individual information services for solution of specific problems that might arise in the process of the company's operation. These are custom-made research reports, compilation of data bases, product mix and prices monitoring, special monitoring on our customer's request etc.

We are always glad to be of assistance to you! To obtain demo-versions and presentations of Reports or if you have any questions do not hesitate to contact our manager , +7 (812) 322 68 48, +7 (495) 772 76 40 or e-mail: retail@infoline.spb.ru