



«ATCO»

RUSSIAN RAISINS MARKET

July 3rd, 2014



ATCO highlights



**1919 –August Topfer & Co (GMBH & Co)
was founded in Hamburg**

**1997 – an affiliate company in Russia started
its activity**

**1998 – the company started supplying nuts for
major confectionary enterprises**

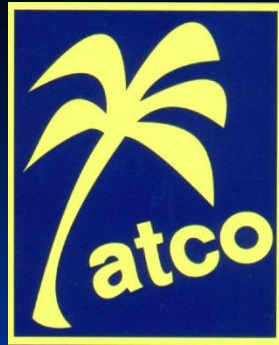
**2008-2010 –manufacturing and warehouse
complex was constructed**

**2010 – manufacturing operation in the new
complex started**

2011 – ISO: 22000 and ISO: 9001 certification



ATCO highlights



- Processing nuts for confectionary companies
- Wholesale of whole nuts and dried fruits
- Supplying retail networks with nuts and dried fruits in small packages
- Production and distribution of nut snacks
- Production and sales supplements to HoReCa



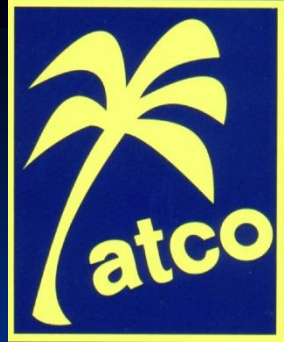
ATCO highlights



ATCO sales packed dried fruits and nuts under own trade mark Grune Zeit



ATCO highlights



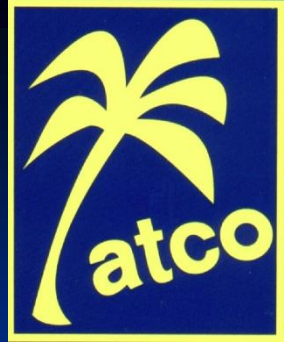
ATCO developed a line of snack products:

barbecue flavored almonds, salt mix, sweet mix etc.
Snacks are distributed in chain retail, gas stations,
bistro.



ATCO highlights

Our customers



MARS



Some key figures about Russia

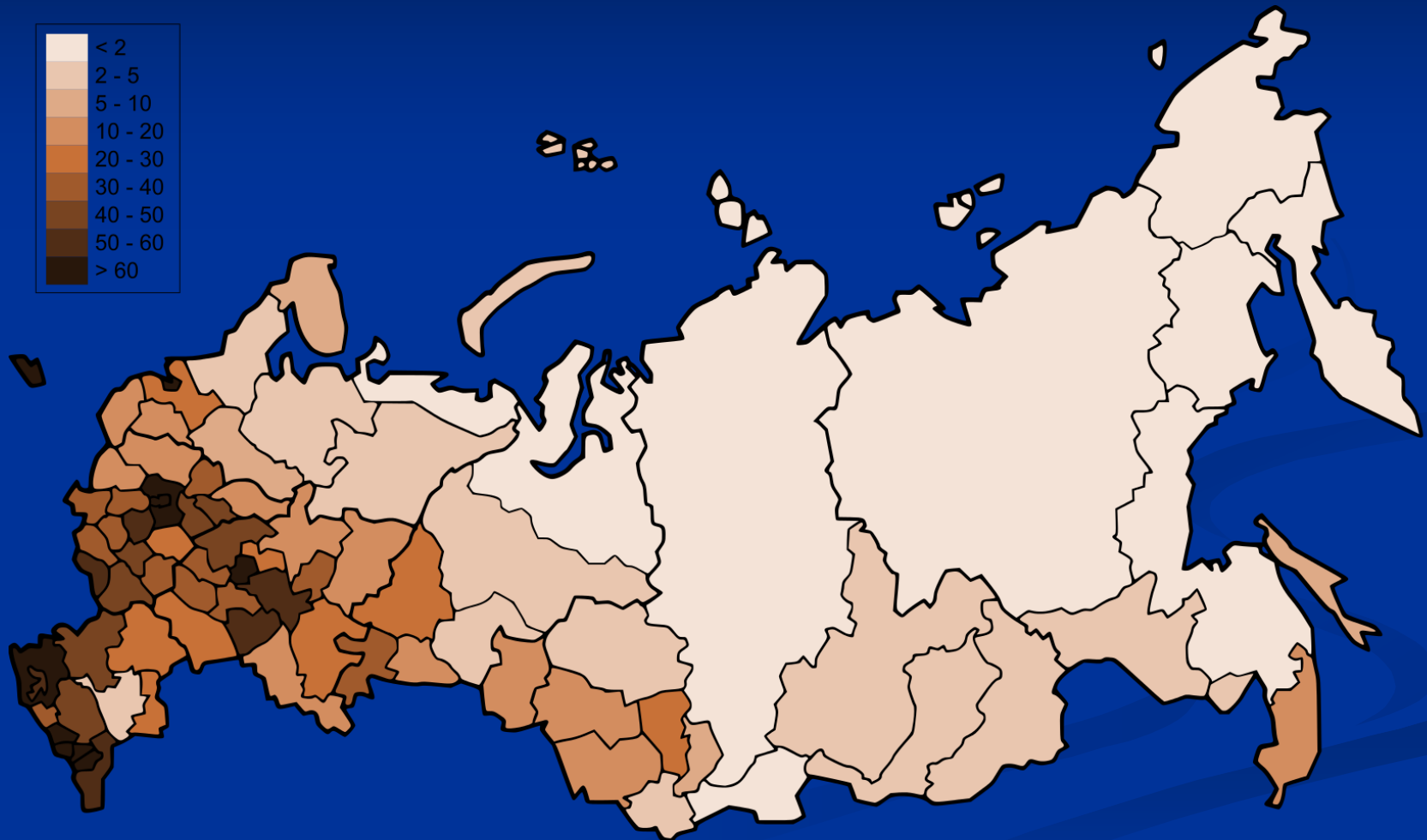
- **Area:** Total 17 125 187 km² (1st)
- **Population:** 143 666 000 (9th)
- **Density:** 8,4/km² (217th)
- **GDP (PPP):** 2013 \$2,556 trillion (6th)
- **Per capita:** \$17,884 (57th)
- **GDP (nominal) - Total**\$2,118 trillion
- **Per capita:** \$14,818 (49th)

Territory division

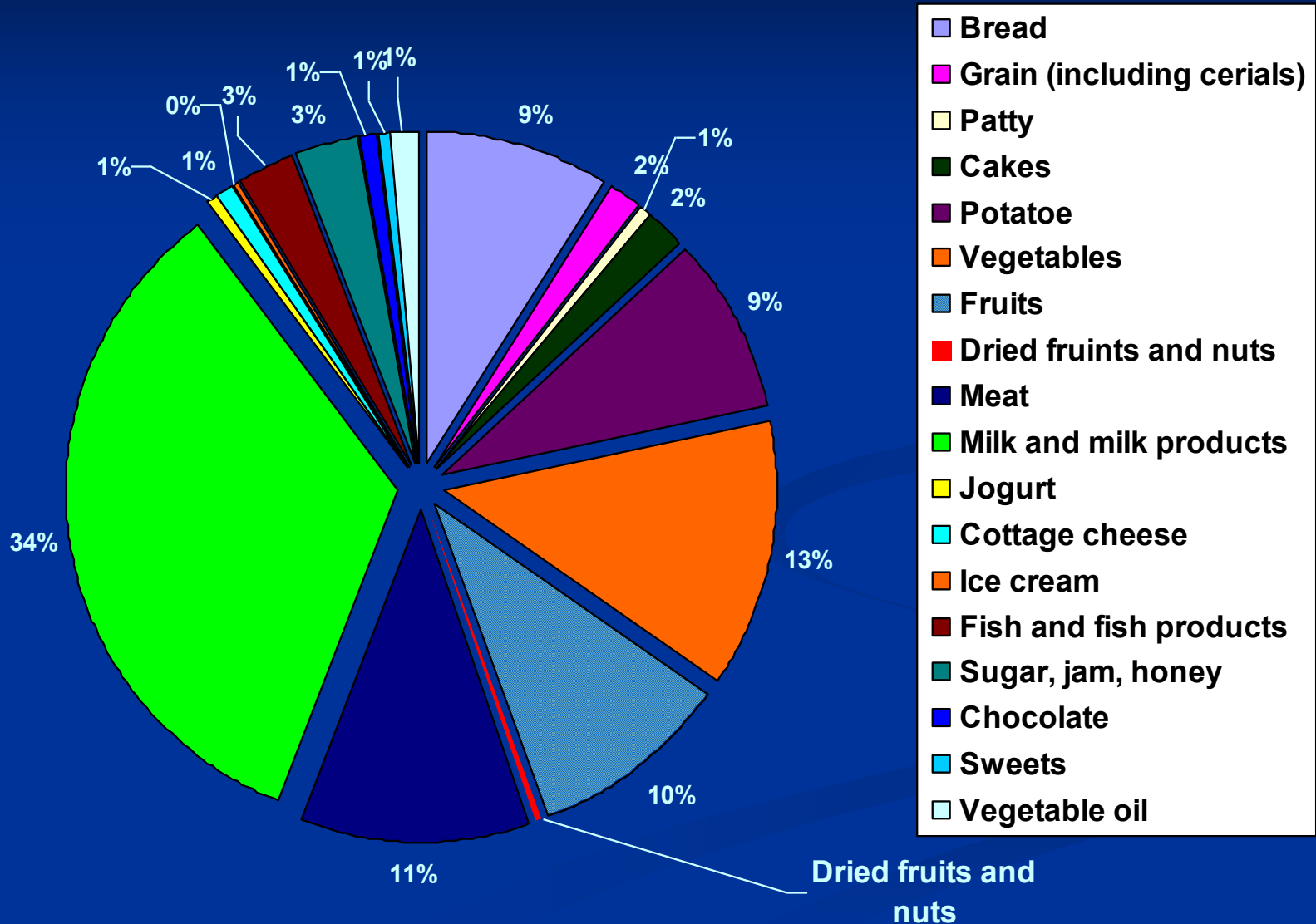


Nr.	Name of Region	Square (km²)	Population	Region Capital	Nr.	Name of Region	Square (km²)	Population	Region Capital
1	Central Federal Region	652,8	38,438,600	Moscow	5	Siberian Federal Region	5,114,800	19,254,300	Novosibirsk
2	Southern Federal Region	418,5	13,856,700	Rostov-on-Don	6	Ural Federal Region	1,788,900	12,082,700	Yekaterinburg
3	Northwestern Federal Region	1,677,900	13,583,800	Saint Petersburg	7	Volga Federal Region	1,038,000	29,900,400	Nizhny Novgorod
4	Far Eastern Federal Region	6,215,900	6,291,900	Khabarovsk	8	Region	170,7	9,496,800	Pyatigorsk

Population Density



Food consumption per capita



Few words about history



- Russia formed – end of IX century
On the trade route
“Vikings to the Greeks»
- Eastern trade route – first half of X century – Persian goods

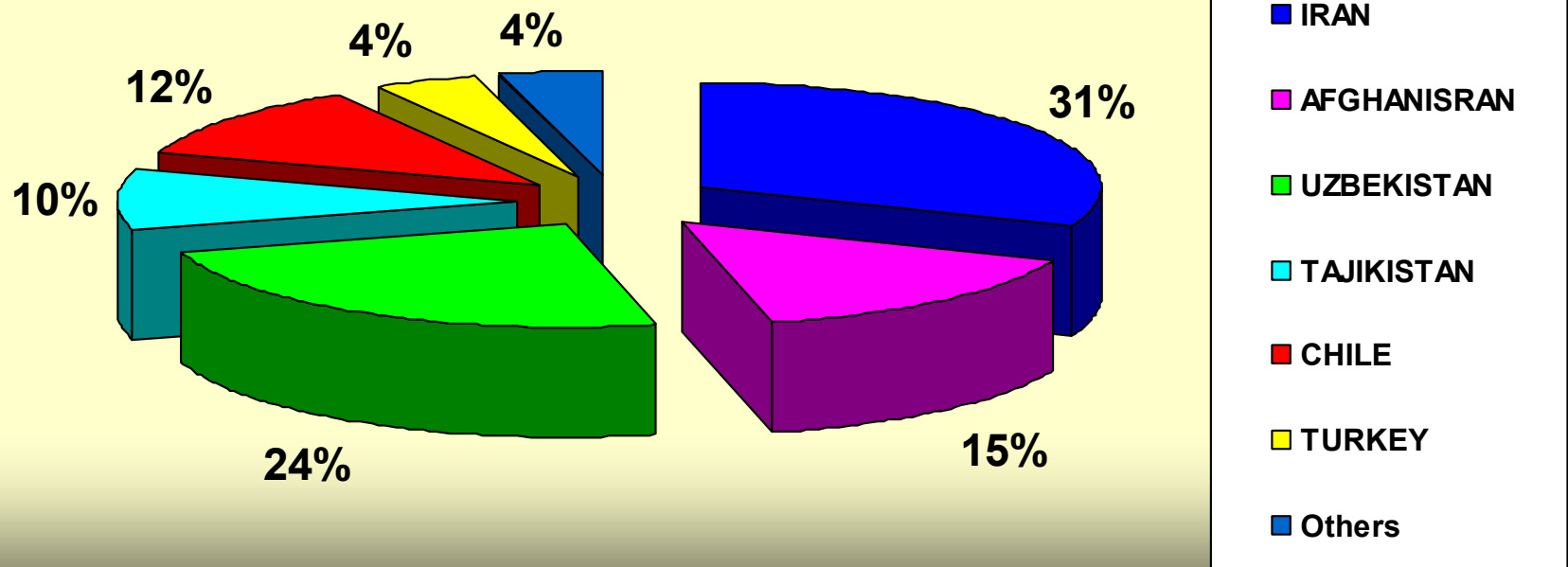


Russians: fells of wild animals, fur, pitch, honey, wax, tar
Eastern merchants: cloth, weapon, spices, dried fruits

Russian raisins market

RUSSIAN RAISIN MARKET 2013

Total - 62 742 747 kg



IRAN 19 502 230 kg

AFGHANISIRAN 9 686 093 kg

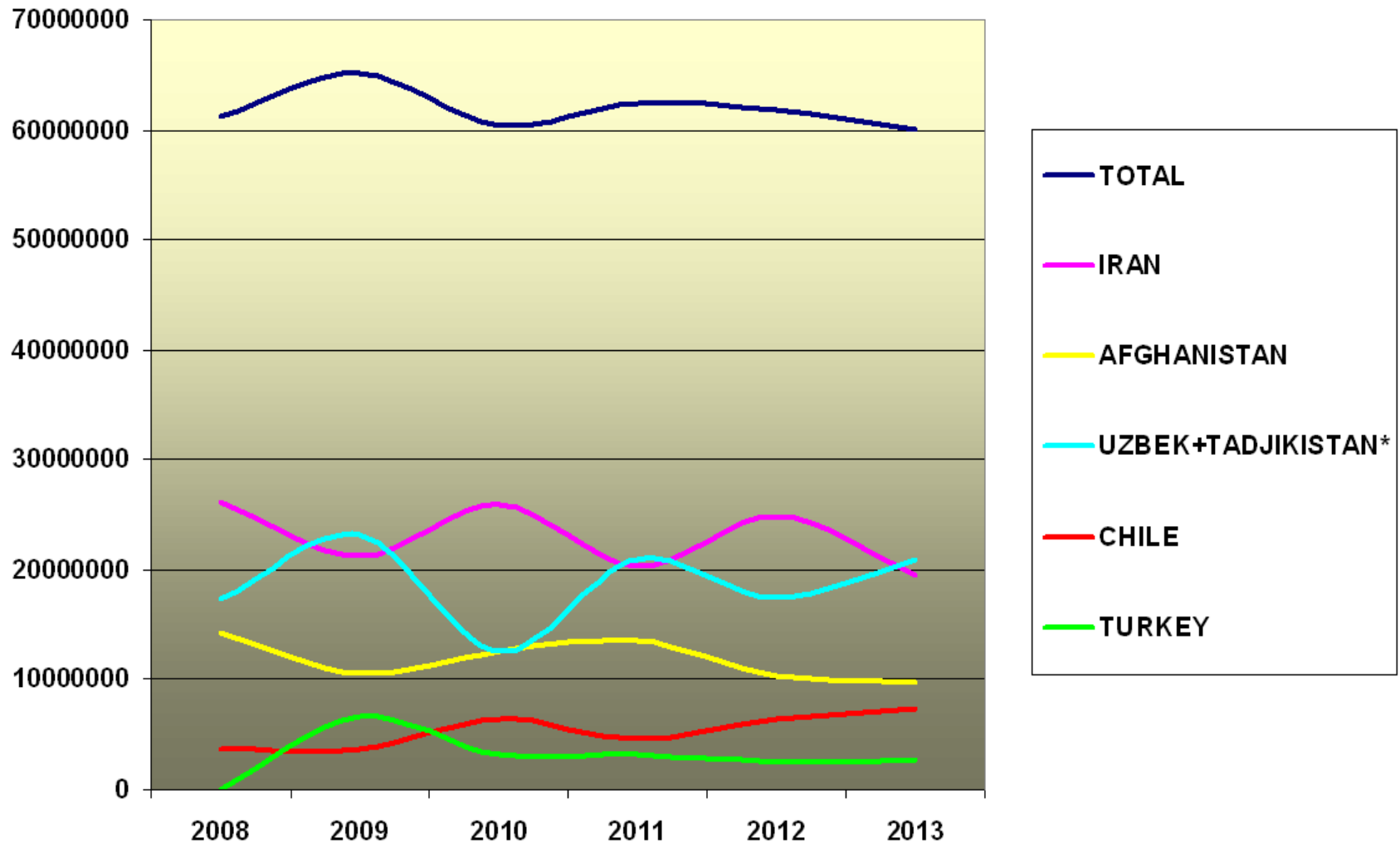
UZBEKISTAN +TADJIKISTAN* - 21 000 000 kg

CHILE - 7 352 960 kg

TURKEY 2 600 759 kg

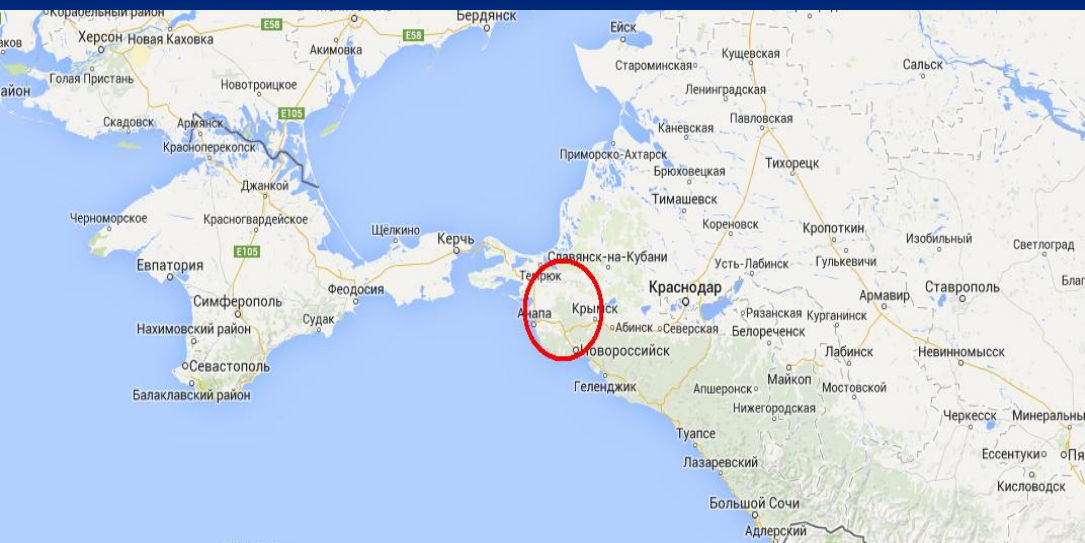
Market development 2008-2013

Russian Market Development 2008-2013



Local Russian raisins

do not exist



Медали вин «Шато Тамань» компании «Кубань-Вино» дегустационного конкурса ПРОДЭКСПО-2013

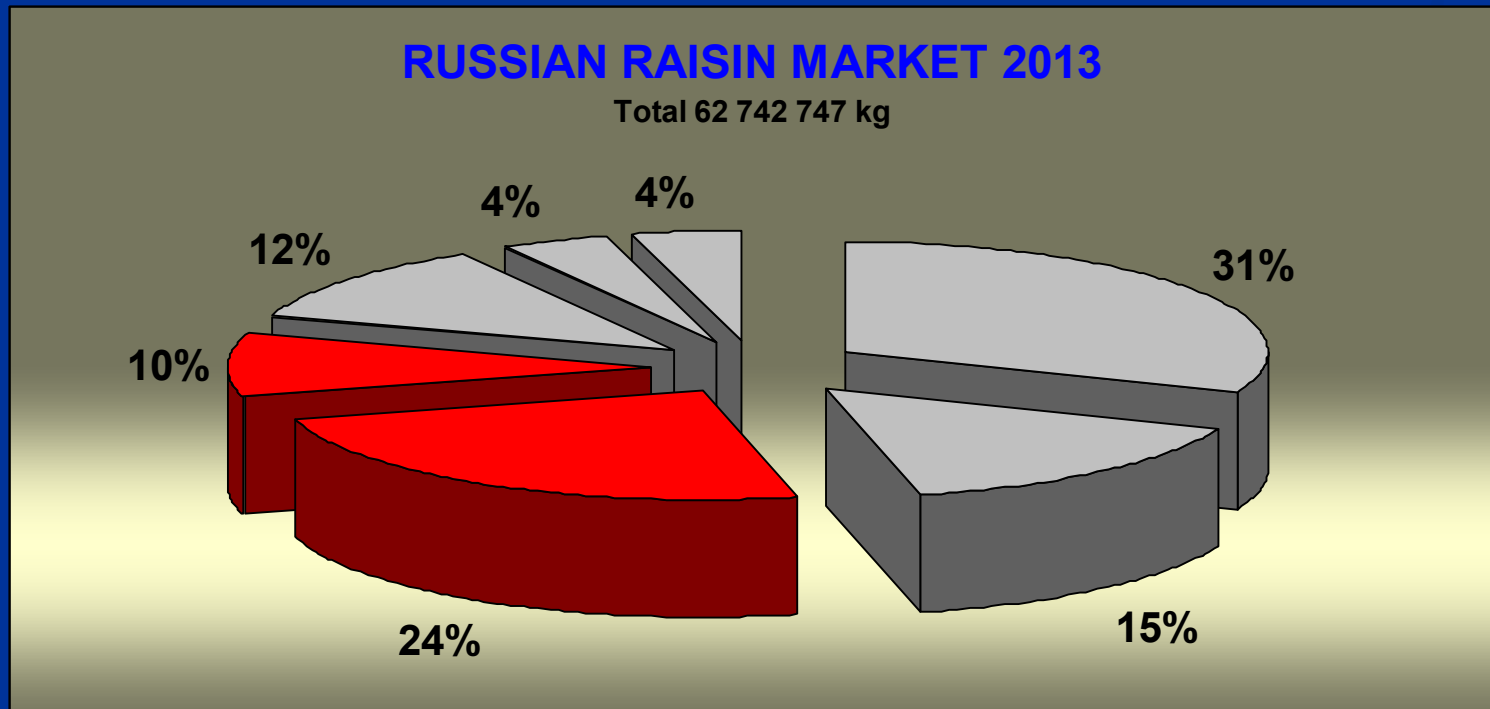


Tajikistan and Uzbekistan raisins

- Market share
- Varieties
- Production process description
- Usage
- New plant

Tadjikistan and Uzbekistan raisins

- Market share (together with Tadjik- 34%)
- Types. Uzbekistan plants only one variety of grapes – a type of sultana named Kish-mish. It differs from Iranian or Afghan a little bit by berry size. Usually Uzbek is a little bit smaller. And only in Uzbekistan a special – dark blue kish mish is planted.



Tajikistan and Uzbekistan raisins. Varieties.

Name	Appearance
<p>SHIGANI (only Uzbek)</p> <p>The product is produced from dark blue seedless grapes kish mish, dried in oven (planted only in Uzbekistan).</p> <p>The most popular raisins in Russia</p> <p>Price – 1.4 USD/ kg</p>	
<p>SOYAGI (from Farsi – shady)</p> <p>Produced from seedless light kish mish grapes, dried in special rooms away from sunlight</p> <p>It takes a lot of time to dry raisins in such a way, so this is the most expensive raisins, ecologically clean and very tasty (for those, who understand)</p> <p>Around 8 – 9 USD/kg. On sale only in the markets, for direct consumption only</p>	

Tajikistan and Uzbekistan raisins. Varieties.

Name	Appearance
<p>SABZA (means green on Farsi)</p> <p>After harvest grapes are steeped in a solution of water, potassium carbonate and vegetable oil in order to fasten the drying process.</p> <p>If it is treated with sulfur in order to get a light golden color it is called Kapifar.</p> <p>If not – Objush (ob – water, jush – boiled)</p> <p>The most widely spread in Russia.</p>	
<p>BEDONA(Oftobi – sundried, Farsi)</p> <p>The product is produced from light seedless grapes, variety Kish Mish by air drying. Is not pretreated</p>	

Tadjikistan and Uzbekistan raisins production



Grapes
are harvested by hand



Tadjikistan and Uzbekistan raisins

SOYAGI: for Soyagi they choose clusters with most high-quality and big berries. Grapes are dried in specially equipped rooms or attics. Drying is achieved without any gases, powders or solutions. This limbo grapes dried for 2-3 months



Tadjikistan and Uzbekistan raisins



Caustic soda has the ability to corrode almost any surface. Grapes, falling into the water with caustic soda, cover with net - grape skin cracks. This is done in order to accelerate the evaporation of water from the grapes and speed up drying.

Tadjikistan and Uzbekistan raisins

KALIPAR. use only light grape. Select clusters with good quality fruits, those that remain after the production of raisins Soyagi.



Step 1: Collected grapes are laid in pairs and tied to each other with a strong cord.

Tadjikistan and Uzbekistan raisins



Step 2:
In boiling water they
dissolve caustic soda

Bunches of strings grapes
are lowered into
a bowl of boiling solution



Tadjikistan and Uzbekistan raisins

Step 3: grapes hang on a specially arranged for this purpose frame.



Tadjikistan and Uzbekistan raisins

Step 4: Frame is covered with cellophane. To achieve tightness, edges are pressed to the ground by stones.



Tadjikistan and Uzbekistan raisins



Embers are pulled out of the fire. Put on 4-5 plates, than covered with sulfur.

Plates are placed under cellophane and sealed. Sulfur burns and smokes grapes.



Tadjikistan and Uzbekistan raisins

Step 5. After 3-4 hours grapes are hanged in the attic.

In 2-3 weeks raisins will be ready.

Perhaps all volume of Kalipar is exported. Locals do not eat it. This kind of raisins is intended for direct consumption and is not used in any production



Tadjikistan and Uzbekistan raisins

OB-JUSH. for its production use all grapes that remains after making raisins Soyagi and Kalipar, including crumpled, immature, separate berries, falled down and picked up from earth – all.



Step 1: Grapes are collected in latticed basins - something like a colander. This is needed to treat all separate berries and loose bunches.

Tadjikistan and Uzbekistan raisins



Step 2: The same solution of boiling water and caustic soda is used



Tadjikistan and Uzbekistan raisins

Step 3: Perhaps, all ob-jush goes to export. Before being exported it is washed, treated with vegetable oil and packed in boxes.



Tadjikistan and Uzbekistan raisins

Ob-jush is used in confectionary



Tadjikistan and Uzbekistan raisins

OFTOBI (BEDONA). For this type of raisins used mainly black Kish Mish



Step 1: Without any treatment grapes are put on specially prepared platform under the sun.

Tadjikistan and Uzbekistan raisins

In 10-15 days the product is ready.



Tadjikistan and Uzbekistan raisins

Before going to the customers it is also washed and sprinkled with oil.

Used in confectionary.



Tadjikistan and Uzbekistan raisins.

Trends. New modern plants.

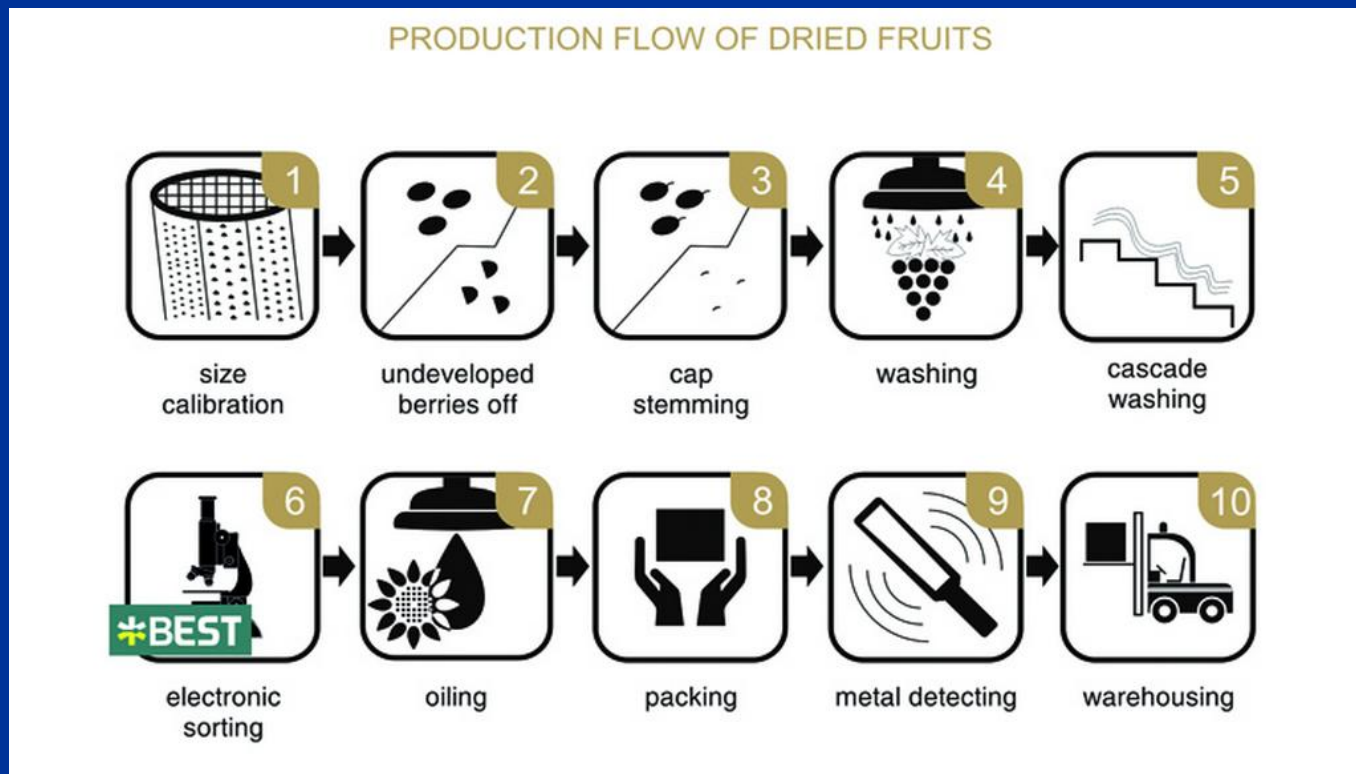
Despite the fact that enourmous share of raisins volume is produced in described above manner, new modern plants, equipped with the latest technology has appeared recently



Tadjikistan and Uzbekistan raisins. Trends.

New modern plants.

Berad Group bases its activity on a «GPR» principle (Growing, Processing, Refining).



Tadjikistan and Uzbekistan raisins. Trends.

New modern plants.

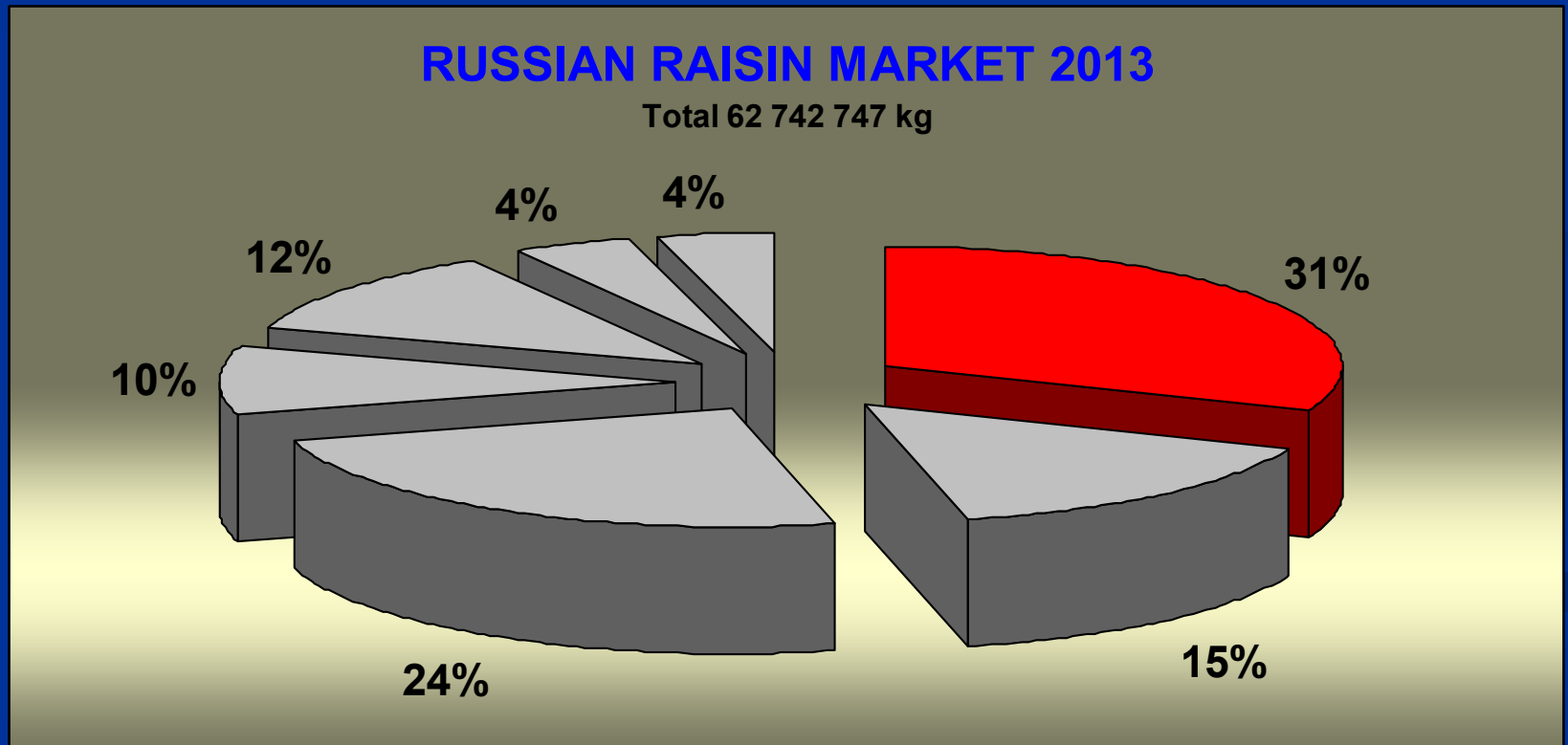
- **GROWING.** The company owns acreage on which it grows natural products.
- **PROCESSING.** The company dries products on its drying lines «SANDVIK» (Italy).
- **REFINING.** The company cleans up dried products on the laser-optical sorter, X-ray machine and an air separator, , which allows ensure the quality of products, ready to use.

Iranian raisins


- Market share
- Varieties
- Production process
- Top-5 Importers. Top-5 exporters
- Way of delivery
- Usage

Iranian raisins. Market share


- Market share – 31% (1st place)




Iranian raisins. Varieties.

Name	Sizes	Appearance
<p>MALAYAR</p> <p>The most popular with all kind of consumers.</p> <p>Raisins are grown in the Malayar area. They are golden amber color with a naturally sweet and fruity flavor. The “younger” raisins are, the lighter color is. Malayar could be called only raisins, grown in Malayar area.</p> <p>Price – 2.65 USD/kg</p>	<p>Jumbo < 310 Standard 310-370 Medium 370-500 Small 500-650</p>	


Iranian raisins. Varieties.

Name	Sizes	Appearance
SULTANA Sultana raisins are light to dark brown in color. They are dried in special drying plants and due to their very high sugar content, sultanas are very sweet and similar in flavor to honey. Sultanas can be treated with sulfur in order to gain a light brown color but the most popular one is the dark brown sultana which does not contain any sulfur and is used widely for different applications	Jumbo < 310 Standard 310-370 Medium 370-500 Small 500-650	


Iranian raisins. Varieties.

Name	Sizes	Appearance
<p>KASHMAR</p> <p>Kashmar raisins are produced from seedless grapes of local Iranian type, in Russia called Ladyfinger. This kind is famous for its special sweet and sour taste and its oblong shape. Grown in Kashmar area</p> <p>In spite that is really delicious it is not Popular in Russia, but could be a competitor to Chilean Golden Jumbo in HoReCa sales, as price is 62% less than Chilean Golden Jumbo. 3.55 USD/kg</p> <p>It could be sulfur treated or sun dried</p>		

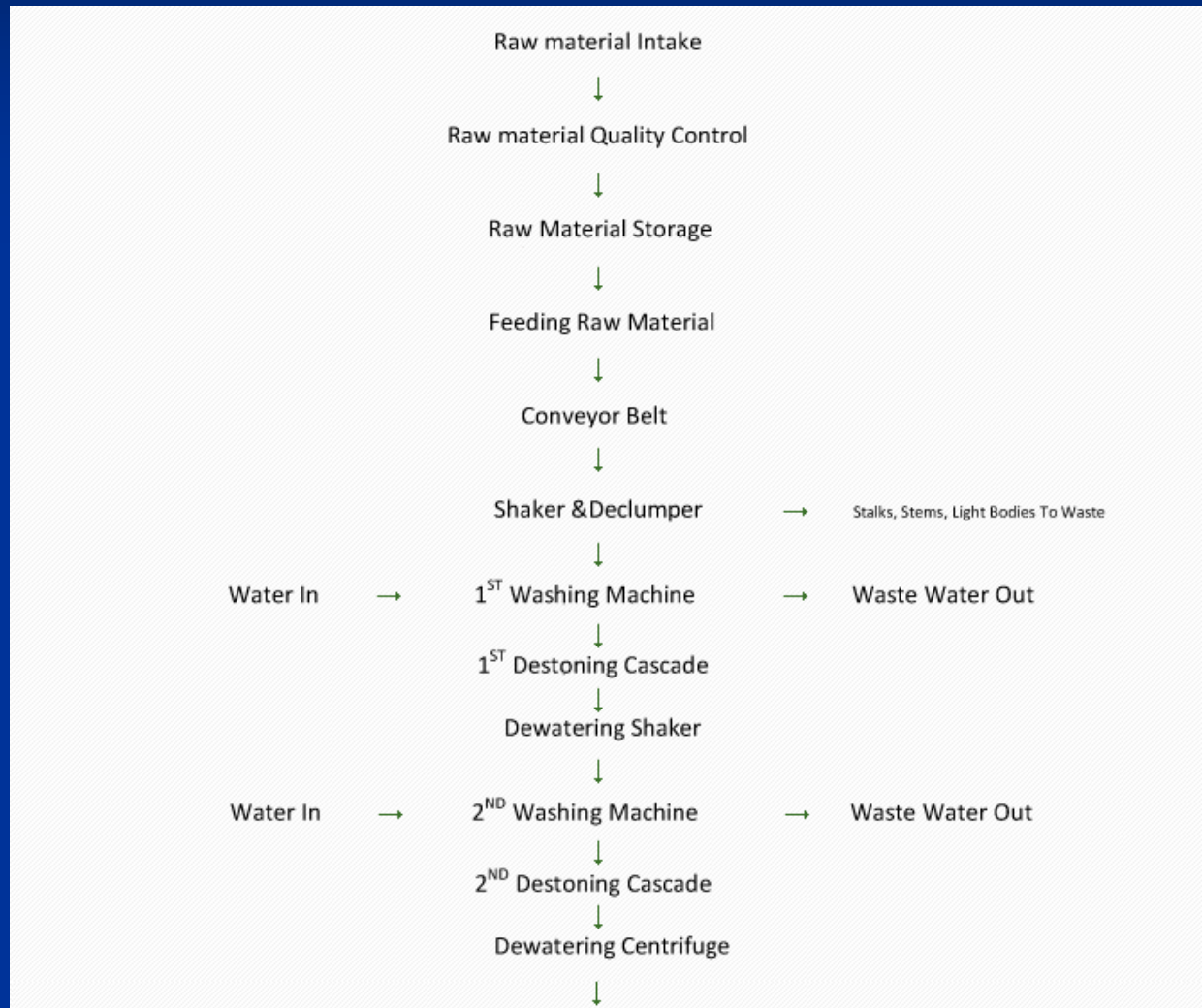
Iranian raisins. Varieties.

Name	Sizes	Appearance
<p>BANAVAT</p> <p>Sultana type. Planted in Banavat province (350 km from Malayar). Color – from light brown to dark brown. Could content 1-2% of seeds. Used by some confectionary enterprises.</p> <p>Some dishonest suppliers provide it as Malayar</p> <p>Price is about 2.4 USD/kg, but it is not popular in Russia as it is very close to some Afghan varieties and Afghan are much more cheaper</p>	<p>Jumbo < 310 Standard 310-370 Medium 370-500 Small 500-600</p>	

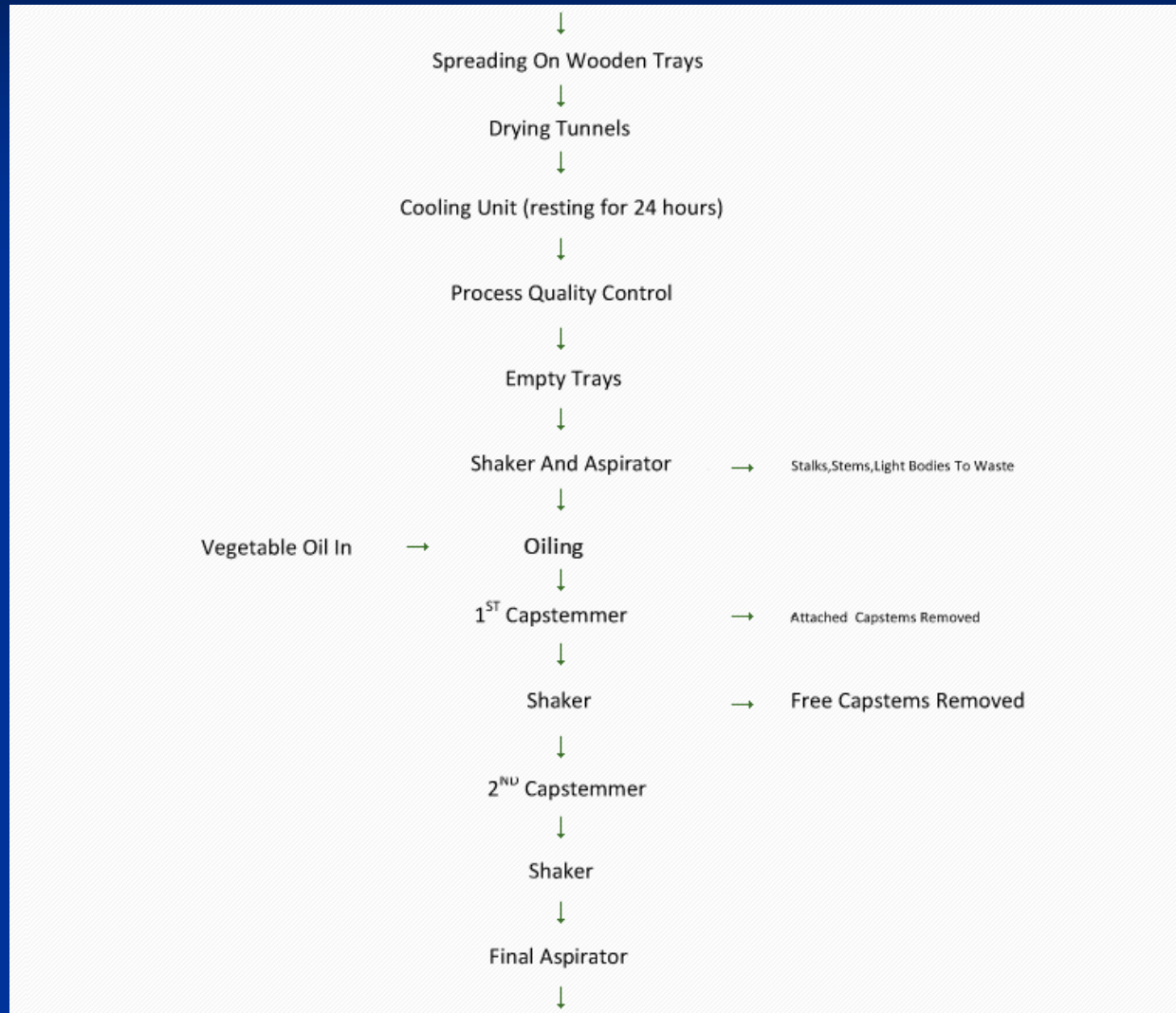
Iranian raisins. Varieties.

Name	Sizes	Appearance
SUN DRIED Sun-dried raisins are seedless grapes dried in direct sunlight and as a result they are typically dark-brown in color. This kind is treated without any additive and is high in sugar level. Very cheap, but could be contaminated by sand. Not supplied to Russia	Jumbo < 310 Standard 310-370 Medium 370-500 Small 500-650	

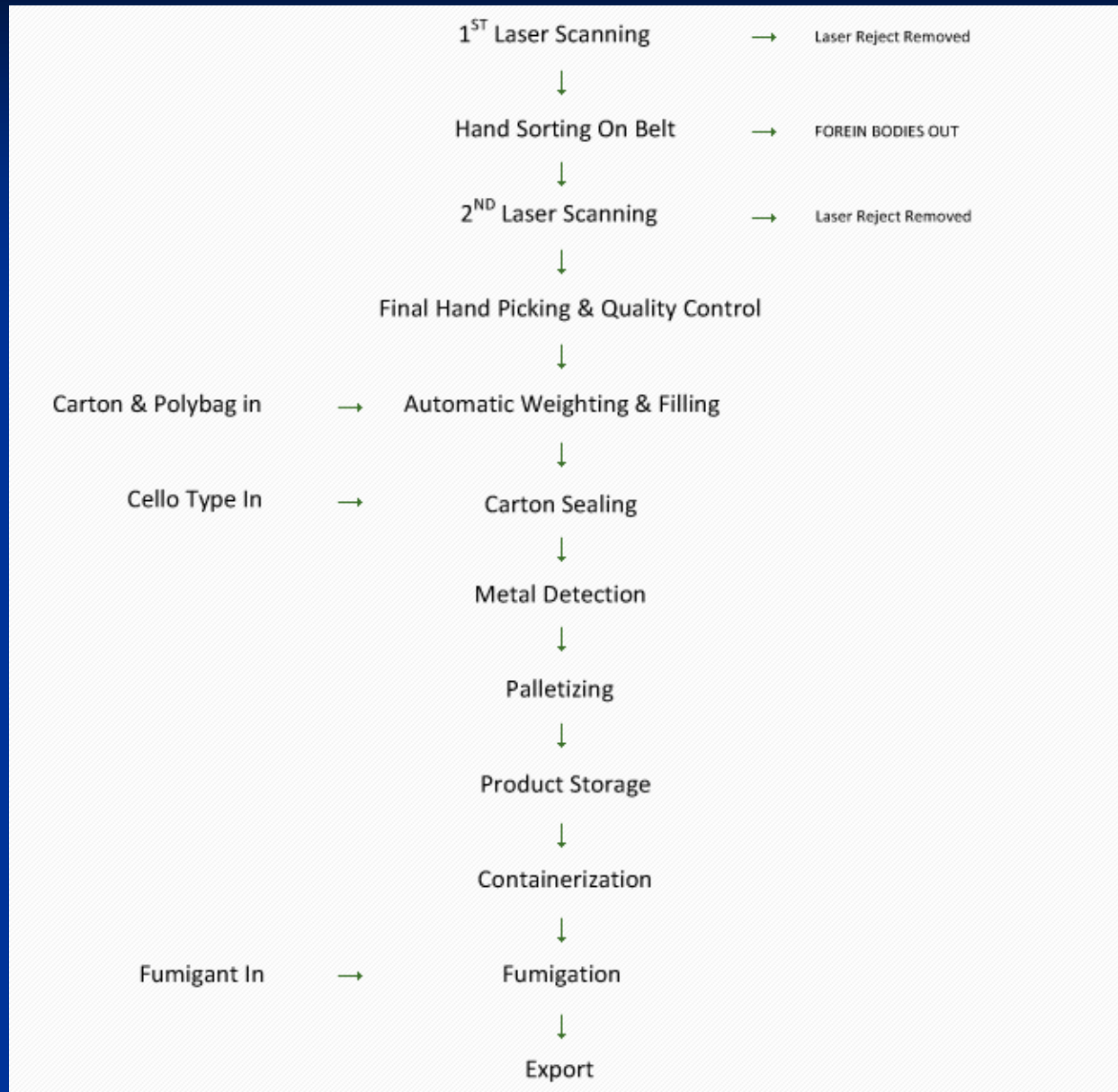
Iranian raisins. Production process



Iranian raisins. Production process



Iranian raisins. Production process



Iranian raisins. Top-5s

Top 5 Importers

COMPANY NAME	Q-ty	%
LORENSA	2 297 500	12%
TADJ	1 400 000	7%
BUSINESSLINE	913 600	5%
VAVILON	900 000	5%
PERSIAN TRADE HOUSE	860 000	4%
Others	13 131 130	67%
Total	19 502 230	100%

Top 5 Exporters

COMPANY NAME	Q-ty, kg	%
PARLAG	2 852 500	15%
ZARRIN TAK ARYA CO	1 440 000	7%
MALAYER BEHTAK CO	1 299 740	7%
AZAR GOSTAR	1 018 750	5%
HATAMI CO	840 000	4%
Others	12 051 240	62%
Total	19 502 230	100%

Iranian raisins. Way of delivery



Iranian raisins. Where is used

In bread industry



In confectionery



Iranian raisins. Where is used

In dairy products



In chocolate



Iranian raisins. Where is used

In retail

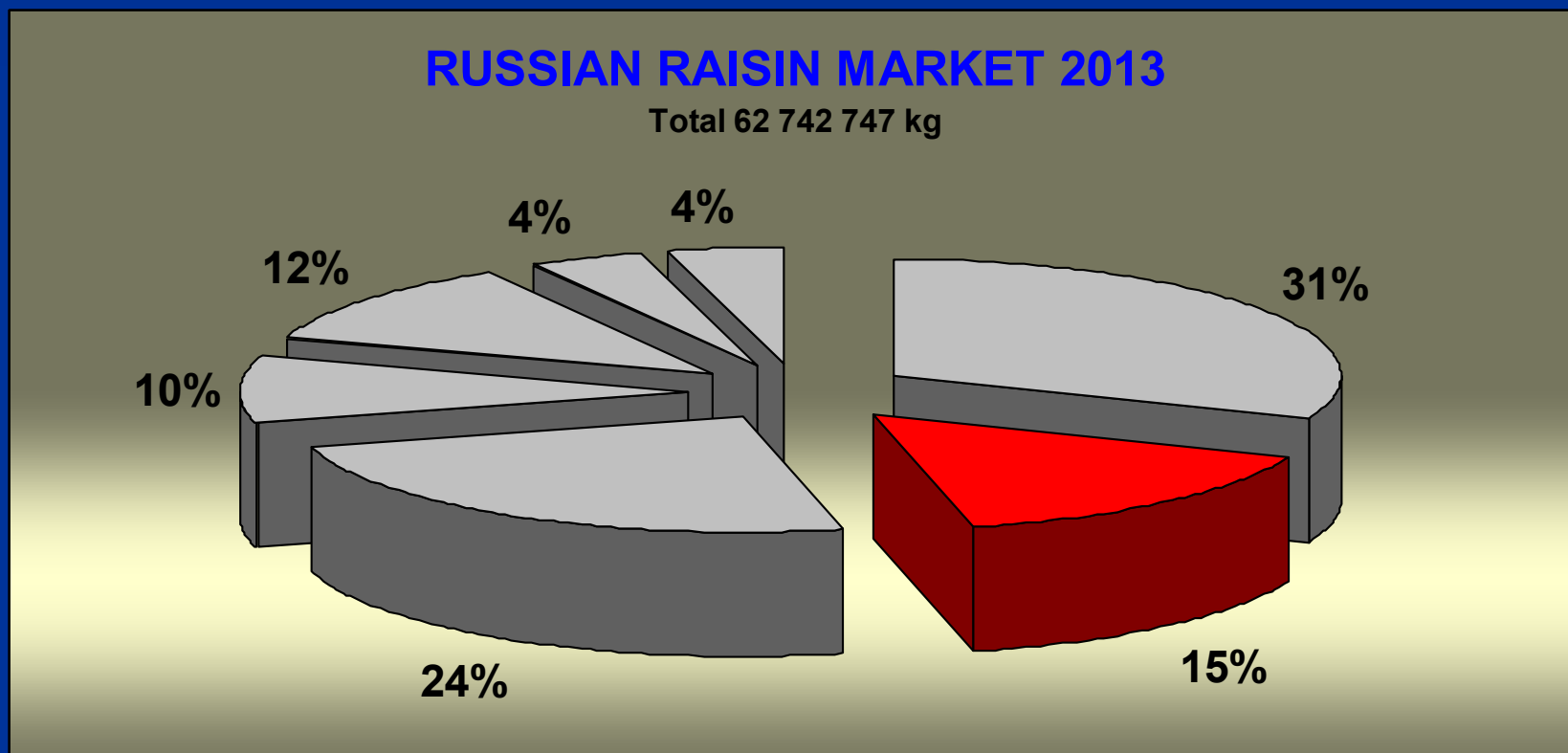


Afghan raisins

- Market share
- Varieties.
- Production process
- Top-5 Importers. Top-5 exporters
- Transportation to Russia
- Usage

Afghan raisins. Market share

- Market share – 15%



Afghan raisins. Varieties.

The same sort of grapes as in Uzbekistan is used – seedless grapes Kish Mish.

The only produced sort of raisins – Bedona (Oftobi).



Afghan raisins. Production process.

Grapes are sun dried, than washed, sorted and packed.
Sometimes handled with vegetable oil.

No pretreatment is done. Washing is not very well done
and you can find some steaks and sand in raisins.



Afghan raisins. Top 5s

Top 5 Importers

COMPANY NAME	Q-ty, kg	%
SUNFRUIT	2 766 030	29%
VELES	2 353 575	24%
FRUTTA	2 240 470	23%
INTELLECT SERVICE	374 575	4%
KURAISHI	316 260	3%
Others	1 635 183	17%
Total	9 686 093	100%

Top 5 Exporters

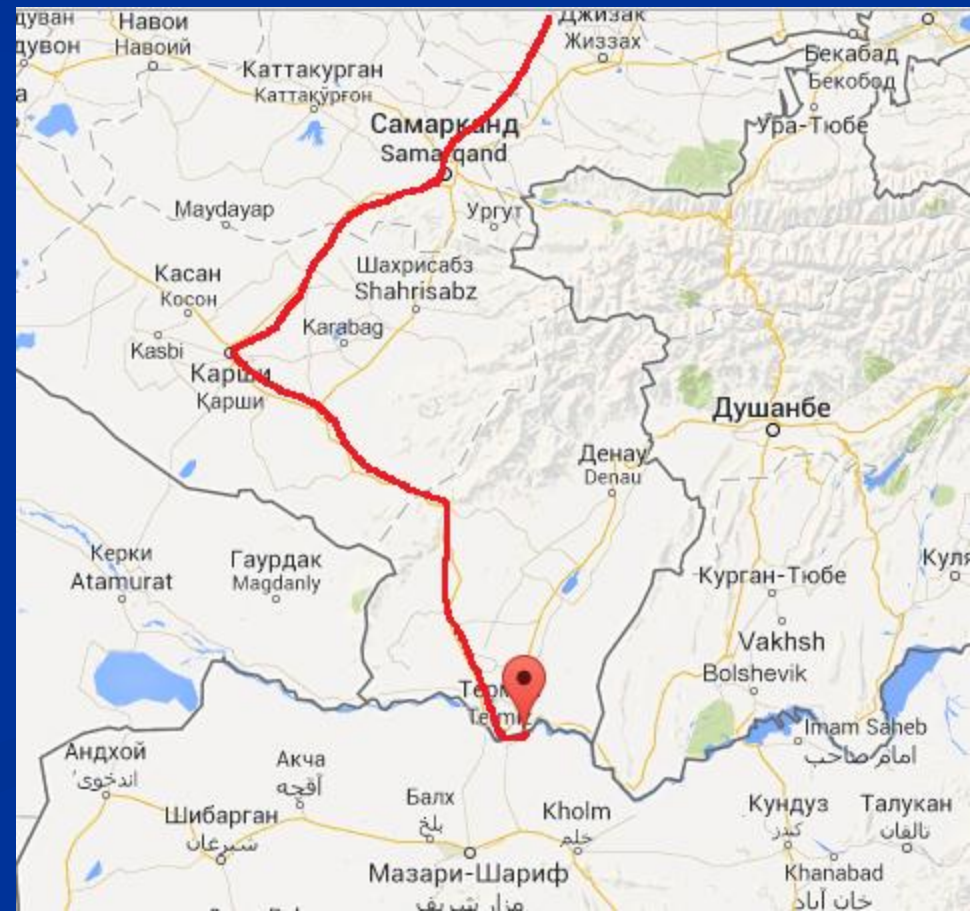
COMPANY NAME	Q-ty	%
TABASOM RAISIN	4 209 600	43%
AMIN HAROON CO.LTD	2 415 950	25%
QARSHI CO.LTD	525 780	5%
DANISHMAND	474 375	5%
TARIQ BAGHDAR NASERI	370 125	4%
Others	1 690 263	17%
Total	9 686 093	100%

Afghan raisins. Delivery

1. Cargo is transported from the plant to Hairaton port by trucks. There boxes are unloaded and collected in a warehouse, waiting for a barge, coming from Uzbekistan. .

2. By barge it travels further to Termez unloaded there and stored in Termez.

3. Than the cargo is put on railroad and distributed to the final destinations by railroad.



Afghan raisins. Where is used

Afghan raisins are very widely used in the same applications as Iranian. It is preferred by confectioners due to it's very low price (1.55-1.6 USD/kg) and sweet nice taste.

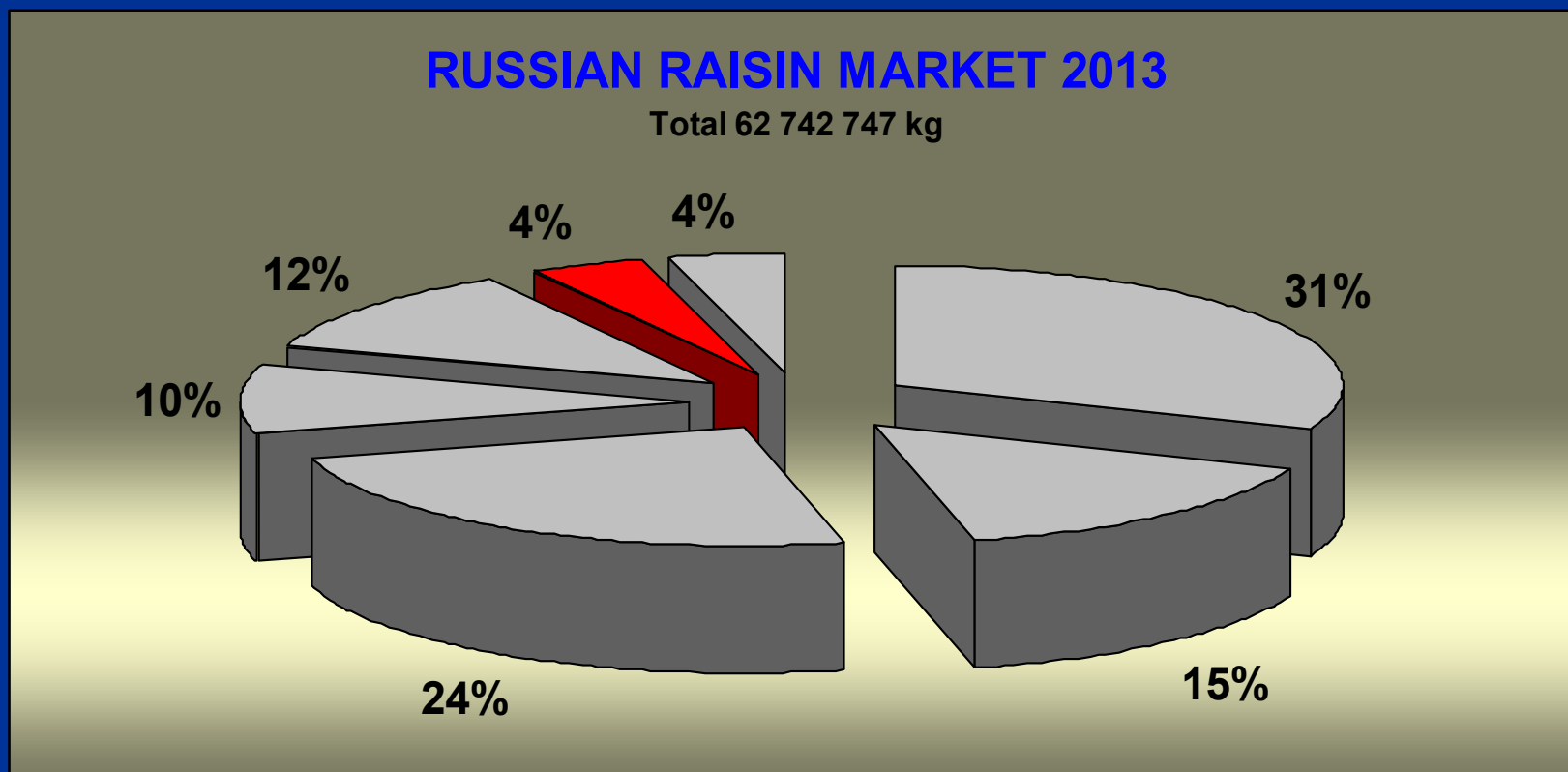


Turkish raisins

- Market share
- Varieties.
- Customer`s requirements
- Production process
- Top-5 Importers. Top-5 exporters
- Usage

Turkish raisins. Market share

- Market share – 4 %



Turkish raisins. Varieties.

There are more than 1200 types of grapes, planted in Turkey, but to Russian market supplied only sultana.

Turkish sultana is used mainly in chocolate production by Nestle, Mondelēz, Mars, etc



Turkish raisins. Customer's requirements

MICROBIOLOGICAL REQUIREMENTS

n = Number of samples

c = Maximum number of samples greater than or equal to m and less than M

m = Microbiological limit that:

- in a 2 class plan separates good from defective quality;
- in a 3 class plan separates good from marginally acceptable quality.

M = Microbiological limit that:

- in a 3 class plan separates marginally acceptable from unacceptable quality;
- in a 2 class plan M may be assimilated to m.

	n	c	m	M	Comments
Aerobic mesophilic microorganisms	5	2	5.000 /g	50.000 /g	
Yeasts	5	2	150 /g	500 /g	
Molds	5	2	150 /g	500 /g	
Coliforms	5	2	0 /g	10 /g	absence in 0,1g
Salmonella	5	0	0 /25g		absence in 25 g.
Enterobacteriaceae	5	2	0 /g	10 /g	absence in 0,1g

Turkish raisins. Production process



Turkish raisins. Top 5s

Top 5 Importers

COMPANY NAME	Q-ty	%
AGROIMPEX	1 159 703	38%
TONTINA	460 000	15%
MONDELIZ	460 000	15%
KAMELIA	300 000	10%
SHA-LE FOODS	260 000	9%
Others	379 864	13%
Total	3 019 566	100%

K.F.C. GIDA,
OSMAN OKSA and
UNSOY

There are few sites, certified by these pillars of confectionary, that are able to meet the requirements of these companies

Top 5 Exporters

COMPANY NAME	Q-ty	%
KFC GIDA	1 682 492	56%
UNSOY TARIM	600 000	20%
OSMAN AKCA TARIM	280 000	9%
ERTURK PAMUK VE UZUM	244 775	8%
DFS GIDA NAKLIYAT	80 000	3%
Others	132 299	4%
Total	3 019 566	100%

Turkish raisins. Where is used

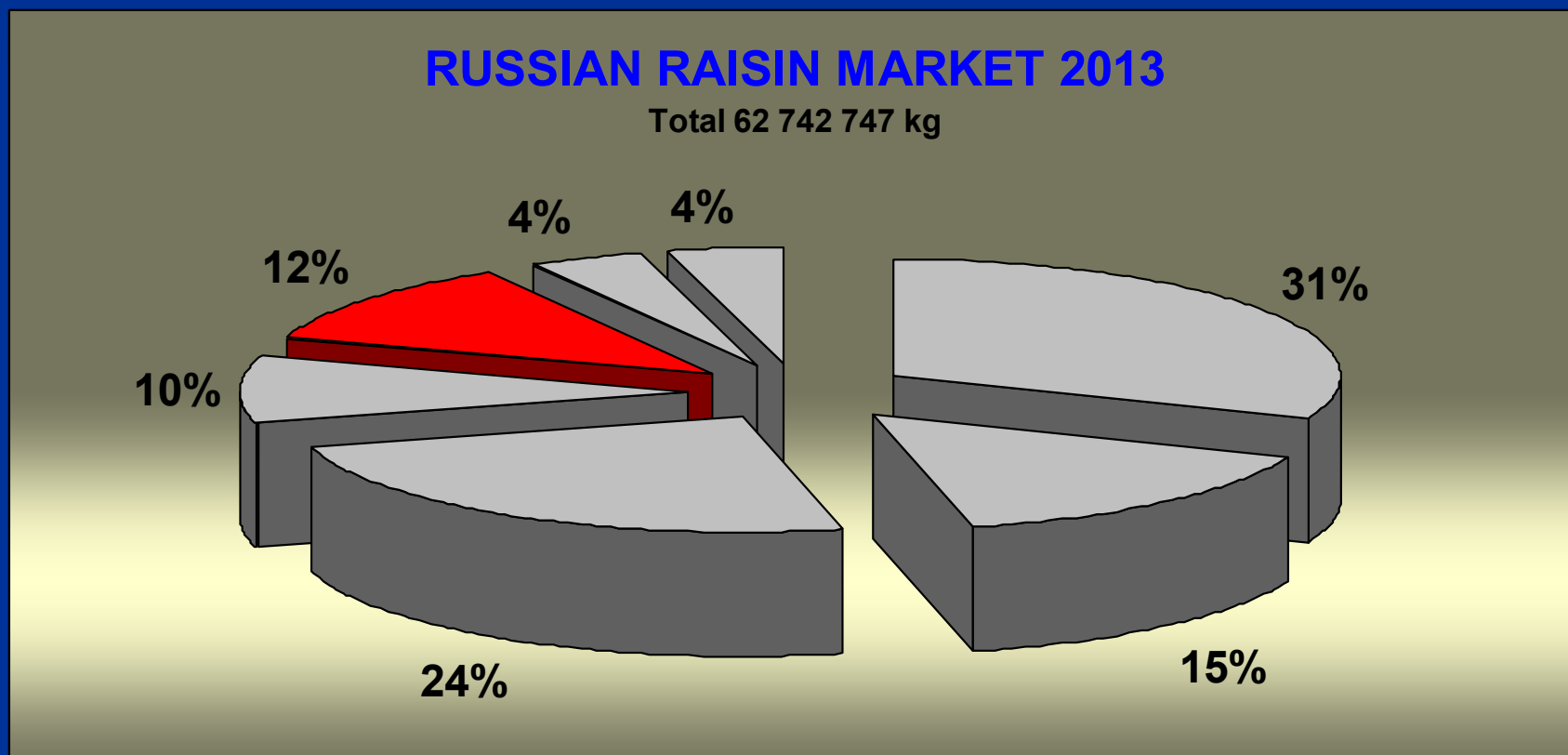


Chilean raisins

- Market share
- Import growth
- Top-10 exporters
- Top-10 Importers
- Cost break down template
- Usage

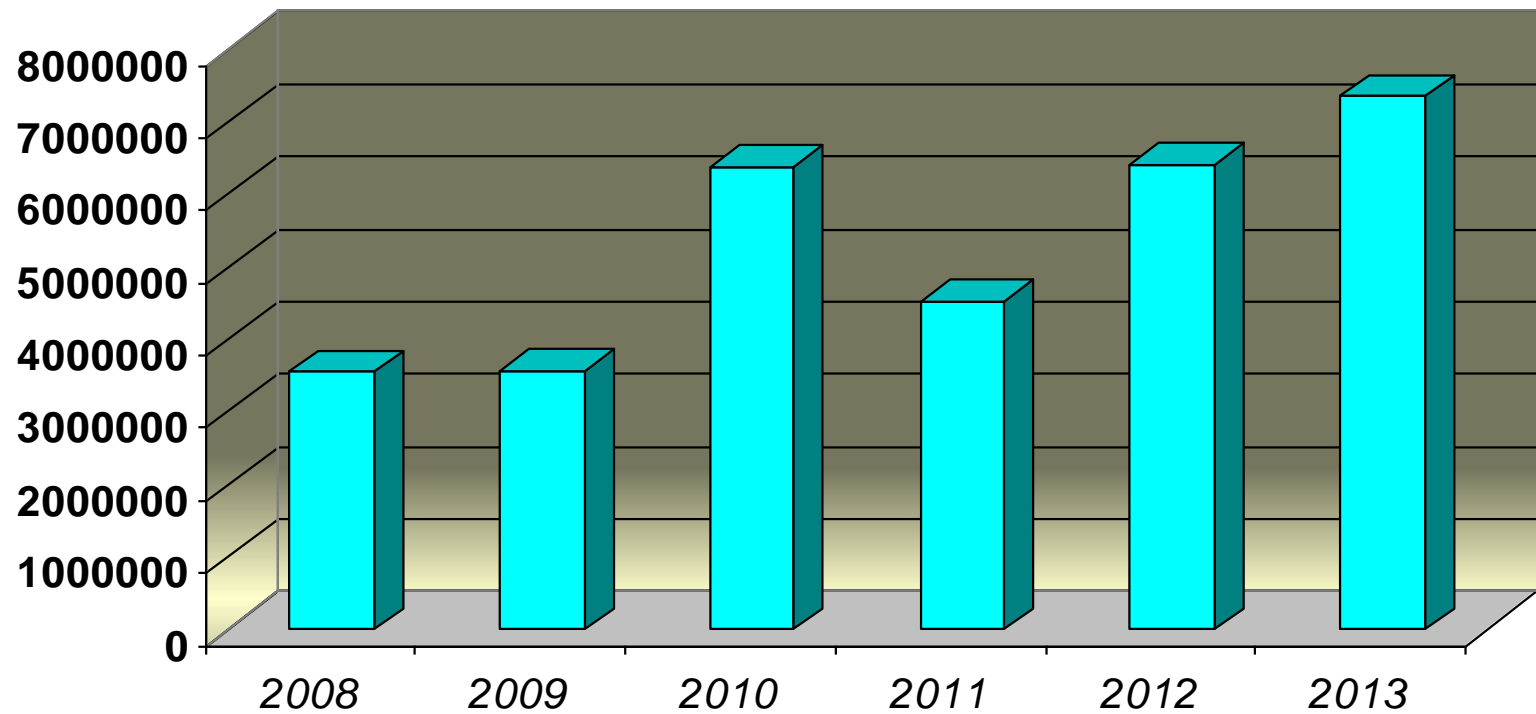
Chilean raisins. Market share

- Market share – 12%

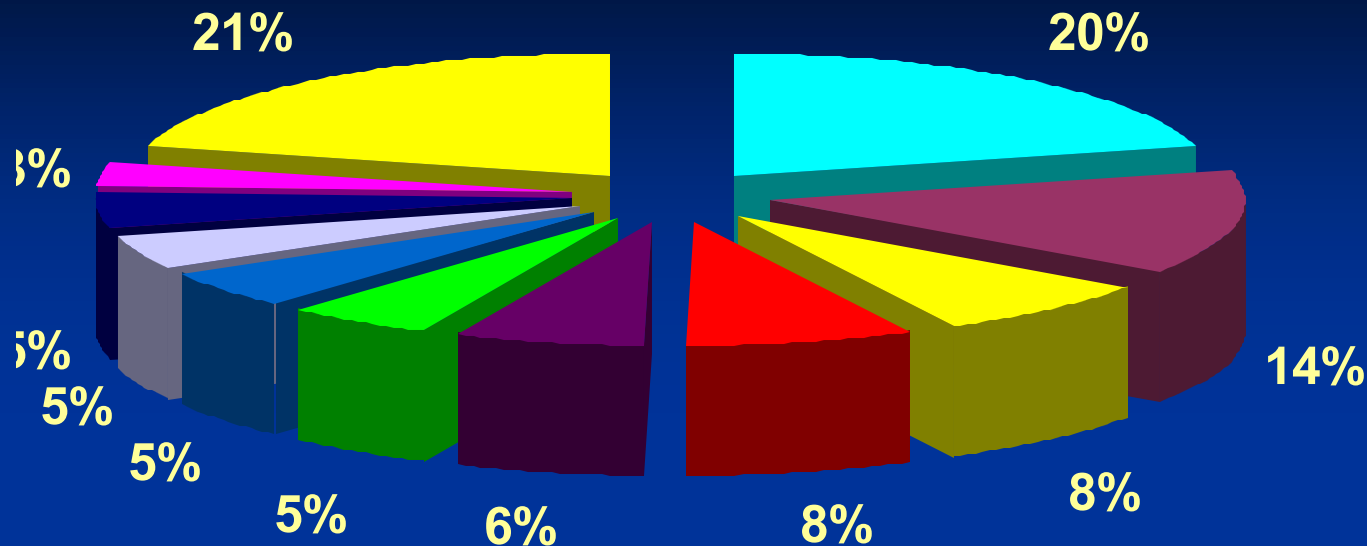


Chilean raisins. Import growth

CHILEAN RAISIN IMPORT 2008 - 2013 (kg)



Chilean raisins. Top 10 Exporters



 BELLAFRUT S.A.

 FRUTEXSA

 EXPORTADORA AGROMAR S.A.

 DESHIDRATADOS DEL ACONCAGUA S.A.

 PACIFIC NUT

 SOC.EXPORTADORA SANTIS FRUT LTDA

 EXPORTADORA FRUTAMERICA S.A.

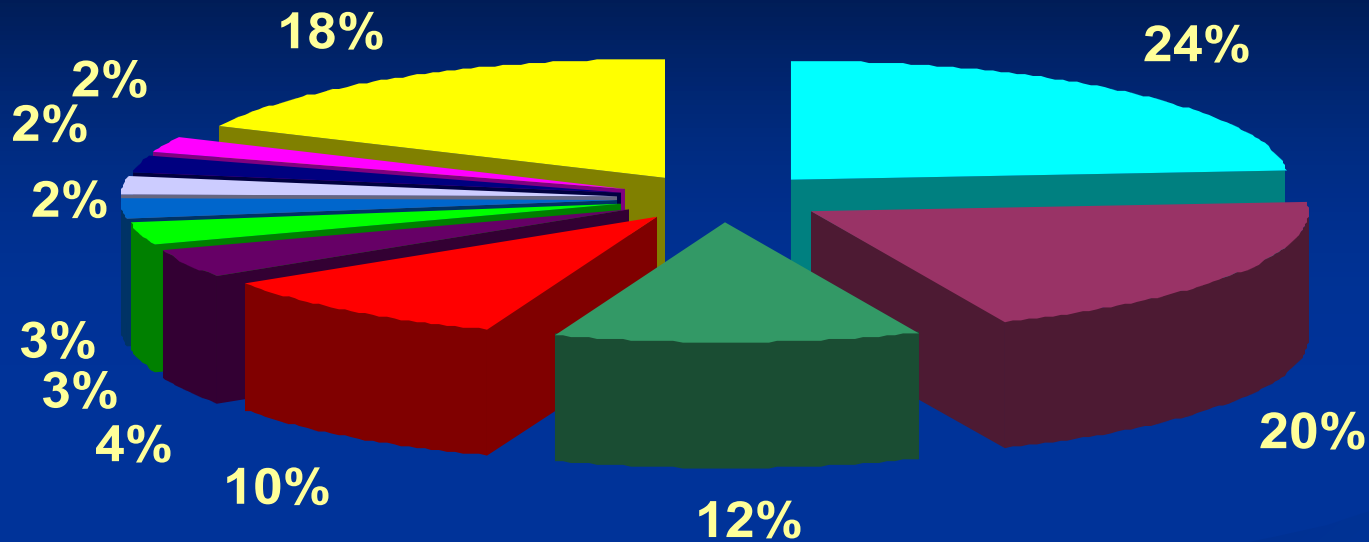
 SILVESTRES S.A.

 VALDOVINOS Y ARAYA LTDA

 AGRO-PRODEX INTERNACIONAL S.A.

 Others

Chilean raisins. Top 10 Importers



KAMELIA

ROSSERVICE

FRUTLAND

LEMANA

OREHPROM

FRUTALINE

LATIN FRUIT

INTERTORGSNAB

NEVA LINE

KFC-PRODUCT

Others

Chilean raisins. Top 10s

COMPANY NAME	Q-ty	%
BELLAFRUT S.A.	1 547 500	21%
FRUTEXSA	1 000 000	14%
EXPORTADORA AGROMAR S.A.	587 200	8%
DESHIDRATADOS DEL ACONCAGUA S.A.	560 000	8%
PACIFIC NUT	463 770	6%
SOC.EXPORTADORA SANTIS FRUT LTDA	380 000	5%
EXPORTADORA FRUTAMERICA S.A.	357 000	5%
SILVESTRES S.A.	340 000	5%
VALDOVINOS Y ARAYA LTDA	336 000	5%
AGRO-PRODEX INTERNACIONAL S.A.	238 900	3%
Others	1 542 590	
Total	7 352 960	100%

Importers

Exporters

COMPANY NAME	Q-ty	%
KAMELIA	1 745 000	24%
ROSSERVICE	1 470 660	20%
FRUTLAND	878 720	12%
LEMANA	722 740	10%
OREHPROM	280 000	4%
FRUTALINE	227 200	3%
LATIN FRUIT	208 000	3%
INTERTORGSNAB	181 000	2%
NEVA LINE	174 120	2%
KFC-PRODUCT	165 000	2%
Others	1 300 520	18%
Total	7 352 960	100%

RUB/USD rate	34,5	
	Golden Jumbo	
		for FCL
Container load (kg)	20 000,00	
Contract price USD/kg, CIF Saint Petersbrg	\$4,60	
Full container load cost, CIF Saint Petersburg		\$92 000,00
Customs duty, %	3,75%	\$3 450,00
VAT	18,00%	\$17 181,00
Customs fee	5 500,00p.	\$159,42
THC	\$390,00	\$390,00
Cargo inspection	\$295,00	\$295,00
Release	\$190,00	\$190,00
Storage	\$100,00	\$100,00
Demurrage		\$0,00
Late pick-up (14 days)	\$250,00	\$250,00
Expedition services inside port area	3 000,00p.	\$86,96
Expedition services outside port area	13 000,00p.	\$376,81
Broker services	12 000,00p.	\$347,83
Declaration of Conformity	4 500,00p.	\$130,43
Total cost:		\$114 957,45
Total cost at customer`s disposal		\$5,75

**Chilean
raisins.
Cost break
down.
Example**

Chilean raisins. Where is used



In retail

Chilean raisins. Where is used



In cereals and porridges

Chilean raisins. Where is used



In HoReCa as a supplement to
breakfast

Raisins from different origin.

Prices (delivered and cleared. May 2014)

Raisin origin	Price USD/kg	Where is used
Uzbek ordinary	1,4	Confectionary, direct consumption
Uzbek from new plant	2,28	Confectionery, dairy, chocolate, direct consumption
Iranian (Malayar)	2,65	Confectionery, dairy, chocolate, direct consumption
Afghan	1,55	Confectionery, dairy, direct consumption
Turkish	2,55	Chocolate
Chilean Thomson	3,10 - 3,25	Cereals, porridges, direct consumption



Bakery



Packer



Railroad



HoReCa



Raisins



Small
wholesale



Retail



Small shop



Mini-bakery



Market



Diary



Confectionary



Government
procurement
(tenders)



Raisins Distribution

Chain retail. Overview

Chains in Russia could be rated to:

Global:

Number of stores more than 1000, widely spread, consist of different kind of stores.

Examples: MAGNIT, X5 Retail Group, DIXY



Chain retail. Overview

Chains in Russia could be rated to:

Federal:

Number of stores 50-100, widely-spread (more, than in 2 regions, use only 1 format of stores (hypermarkets)

Examples: OKEY, LENTA, AUCHAN, METRO



Chain retail. Overview

Chains in Russia could be rated to:

Local: locally spread, small quantity of stores, usually represented by supermarkets or convenience stores.

Examples: NETTO, 7Я, NORMA



Chain retail. Overview

Types of the chain stores:

HYPERMARKET: –

selling area more than 2 500 sq. meters

product range numbers up to 150 000 and more, varies from food to automotive spare parts and sanitary ware items



Chain retail. Types of the chain stores

SUPERMARKET: –

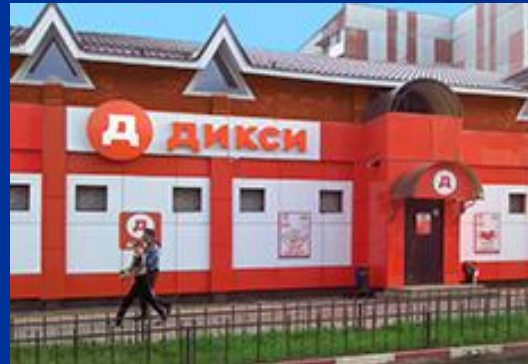
selling area 800 - 2000 sq. meters, wide food product range and some non-food



Chain retail. Types of the chain stores

CONVENIENCE STORE (next door store, one step distance store) :

selling area 350-700 sq. meters, narrow (in comparison with mentioned above) food product range and some few items of household chemicals



Territory division



Nr.	Name of Region	Square (km²)	Population	Region Capital	Nr.	Name of Region	Square (km²)	Population	Region Capital
1	Central Federal Region	652,8	38,438,600	Moscow	5	Siberian Federal Region	5,114,800	19,254,300	Novosibirsk
2	Southern Federal Region	418,5	13,856,700	Rostov-on-Don	6	Ural Federal Region	1,788,900	12,082,700	Yekaterinburg
3	Northwestern Federal Region	1,677,900	13,583,800	Saint Petersburg	7	Volga Federal Region	1,038,000	29,900,400	Nizhny Novgorod
4	Far Eastern Federal Region	6,215,900	6,291,900	Khabarovsk	8	Region	170,7	9,496,800	Pyatigorsk

Chain retail. Who is who

Turnover 2013:	579,7 billion RUB
EBITDA 2013:	64,7 billion RUB
Net income 2013:	35,6 billion RUB

Total store number:	8517
Locations:	1905

Convenience stores:	7571
Supermarkets:	54
Hypermarkets:	169

Spreading:	Central, Southern, North West, Siberian, Urals, Volga, North Caucasian
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Magnit's global depository receipts have been traded on the London Stock Exchange since Magnit's SPO in October 2009.

Chain retail. Who is who

Turnover 2013:	16,8 billion RUB
EBITDA 2013:	1,2 billion RUB
Net income 2013:	345 million RUB

Total store number:	4618
Locations:	1900

Convenience stores:	4153
Supermarkets:	384
Hypermarkets:	81

Spreading:	Central, Southern, North West, Volga
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Trademark:



X5 Retail Group N.V.'s global depository receipts have been traded on the London Stock Exchange since Pyaterochka's IPO in May 2005 under the ticker "FIVE LI".

Chain retail. Who is who

Turnover 2013:	180 billion RUB
EBITDA 2013:	7,5 billion RUB
Net income 2013:	3,1 billion RUB

Total store number:	1842
Locations:	24

Convenience stores:	1762
Supermarkets:	54
Hypermarkets:	21

Spreading:	Central, North West, Urals, Volga
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Chain retail. Who is who

Turnover 2013:	139,4 billion RUB
EBITDA 2013:	33,3 billion RUB
Net income 2013:	5 billion RUB

Total store number:	96
Locations:	23

Hypermarkets:	96
Supermarkets:	50 planned in 2014

Spreading:	Central, Southern, North West, Siberian, Urals
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Trademark:



Chain retail. Who is who

Turnover 2013:	144,3 billion RUB
EBITDA 2013:	13,7 billion RUB
Net income 2013:	7,09 billion RUB

Total store number:	91
Locations:	46

Hypermarkets:	81
Supermarkets:	10 (only Moscow region)

Spreading:	Central, Southern, North West, Siberian, Urals, Volga
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Trademark:



Lenta's global depository receipts have been traded on the London Stock Exchange since its IPO in February 2014

Chain retail. Who is who

Local chains: convenience shops,
sales squares 300-700 sq. meters, about 7000 SKU.
Usually each shop is equipped with own bakery.



Turnover 2013:	1.5 billion RUB
Stores:	397
Location:	North West and Moscow regions



Stores:	47
Locations:	Saint Petersburg



Stores:	19
Locations:	Saint Petersburg

Chain retail. Who is who

Turnover 2013: 187,4 billion RUB

Total store number: 55

Locations: 15

Spreading: Central, Southern, North
West, Siberian, Urals,
Volga

Turnover 2013: 45,2 billion RUB

Total store number: 65

Locations: Only Central

Trademark:



Overview



PRESENT IN
15
COUNTRIES

Western Europe

France
Spain
Italy
Portugal
Luxembourg

Central and Eastern Europe

Poland
Hungary
Russia
Romania
Ukraine

Asia and rest of the world

China
Taiwan
India

Senegal
Tunisia

302,500
EMPLOYEES

on 31/12/13 – Consolidated perimeter
Average payroll – Full-time equivalent



11th largest
food
retailer
in the world

2nd largest
French food
retailer
in the world



€62.1
billion

of revenue including
taxes for the chains
on 31/12/13



774

fully-consolidated
hypermarkets
on 31/12/13



817

fully-consolidated
supermarkets
on 31/12/13



362

shopping
centres
managed on 31/12/13



7.6

million
Oney Banque Accord
customers
on 31/12/13



15.2

million customers for
E-commerce, E-Drive
and other activities
on 31/12/13

Ashaw

ATAK
Супермаркет

Chain retail. Who is who

Turnover 2013:	183 billion RUB
EBITDA 2013:	13,7 billion RUB
Net income 2013:	13,09 billion RUB

Total store number:	91
Locations:	46

Hypermarkets:	72
Supermarkets:	45

Spreading:	Central, Southern, North West, Siberian, Urals, Volga
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METRO Cash & Carry Russia is a subsidiary of METRO AG, one of the largest international retail companies, operating more than 2,200 outlets in 32 countries in Europe, Asia and Africa

Chain retail. Who is who

KESKO – the largest retail in Finland, where it's hypermarkets called **K-CITYMARKET**.

Kesko has about 2,000 stores in 8 countries. In Russia they named the chain **RUOKA**

2014: 4 hypermarkets in St Petersburg, 1-under the construction

PRISMA occupies nr 2 position in retail in Finland (more than 60 hypermarkets) and successfully operates in Baltic countries.

2014: 6 hypermarkets in St Petersburg, 11 – supermarkets



Chain retail. Game conditions

1. To enter the chain a supplier has to provide at least **5** (in some chains **not less than 8 SKU**).
2. The supplier has to follow 3 enslaving terms:
 - to pay to the chain a **RETRO BONUS**
 - to pay **MARKETING BONUS**
 - to pay **LISTING**

Chain retail. Game conditions

Retro bonus is a discount (usually 3-10%) from the total cost of production, shipped by the Supplier to the chain during the certain period

Marketing-bonus is a 0-10% discount form the total cost of production shipped by the Supplier to the chain during the certain period

Listing is an entrance ticket.

*In big chains it costs ~ 3000 RUB (~ 90 USD) for one SKU, in local ~ 1000 RUB (~ 90 USD) for one SKU
0 USD if you supply products under private chain label.*

Russian Bakery Industry

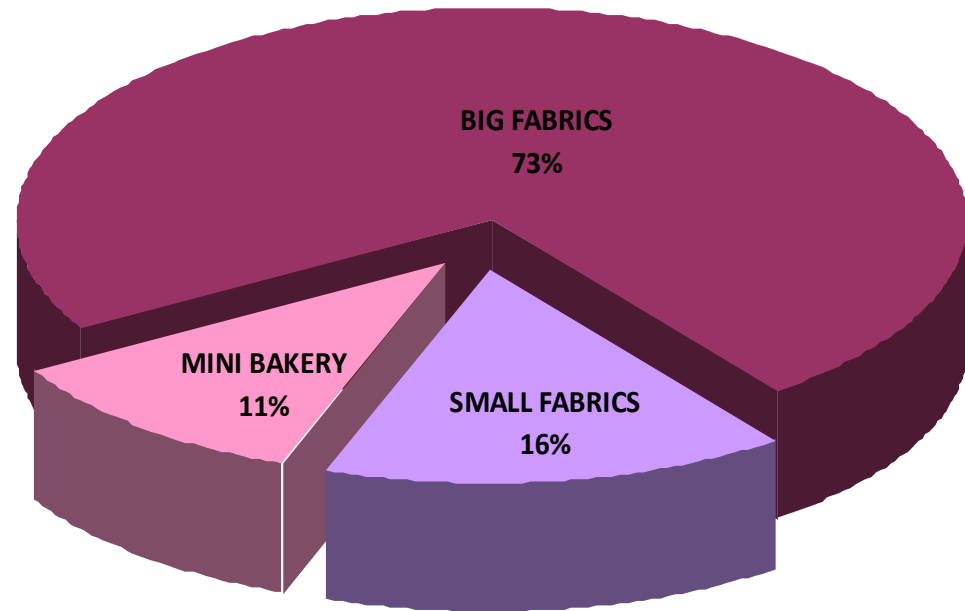
Bakery industry
counts about:

Big fabrics – 885

Small fabrics –
11 500

Mini bakery –
uncounted (at
least attached to
each hypermarket
and more than to
the half of
supermarkets)

PRODUCTION VOLUME SHARE



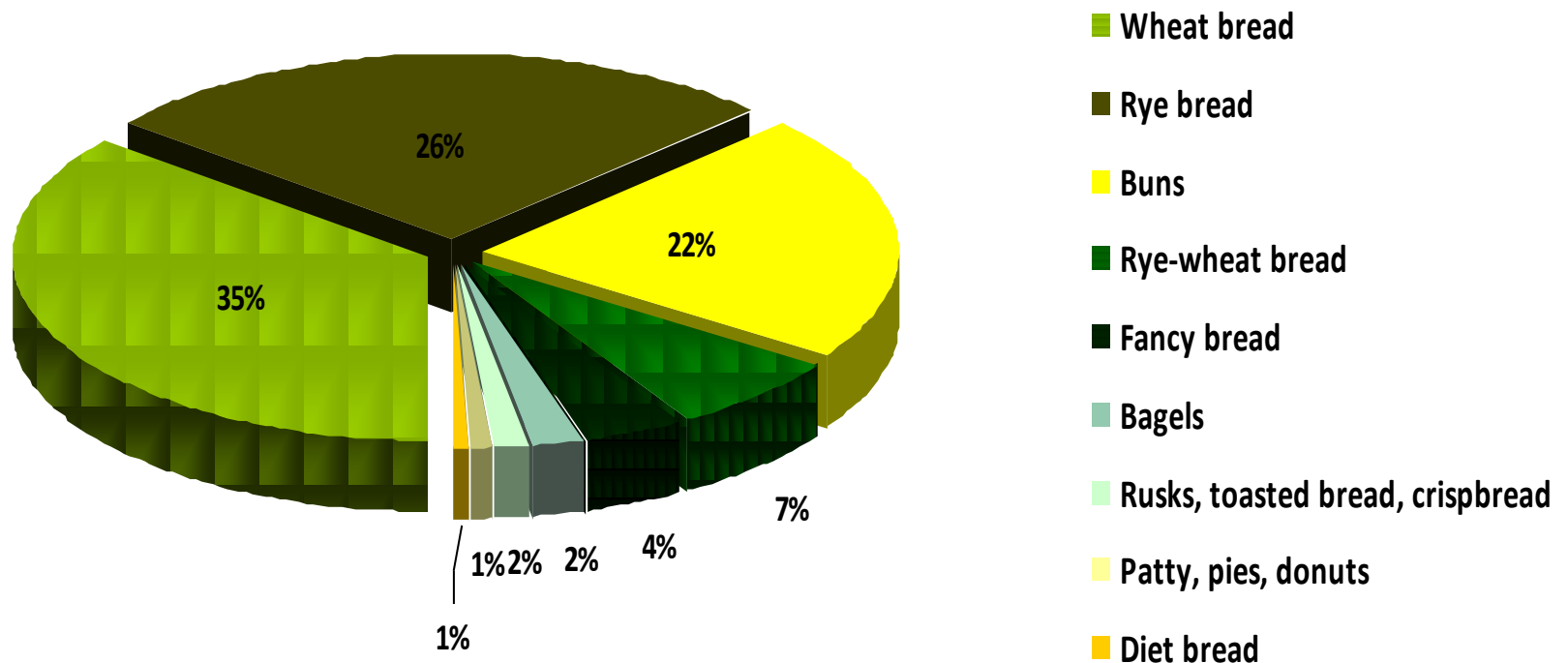
Russian Bakery Industry

BAKERY AND PASTRY PRODUCTS MARKET STRUCTURE (IN TERMS OF VALUE)



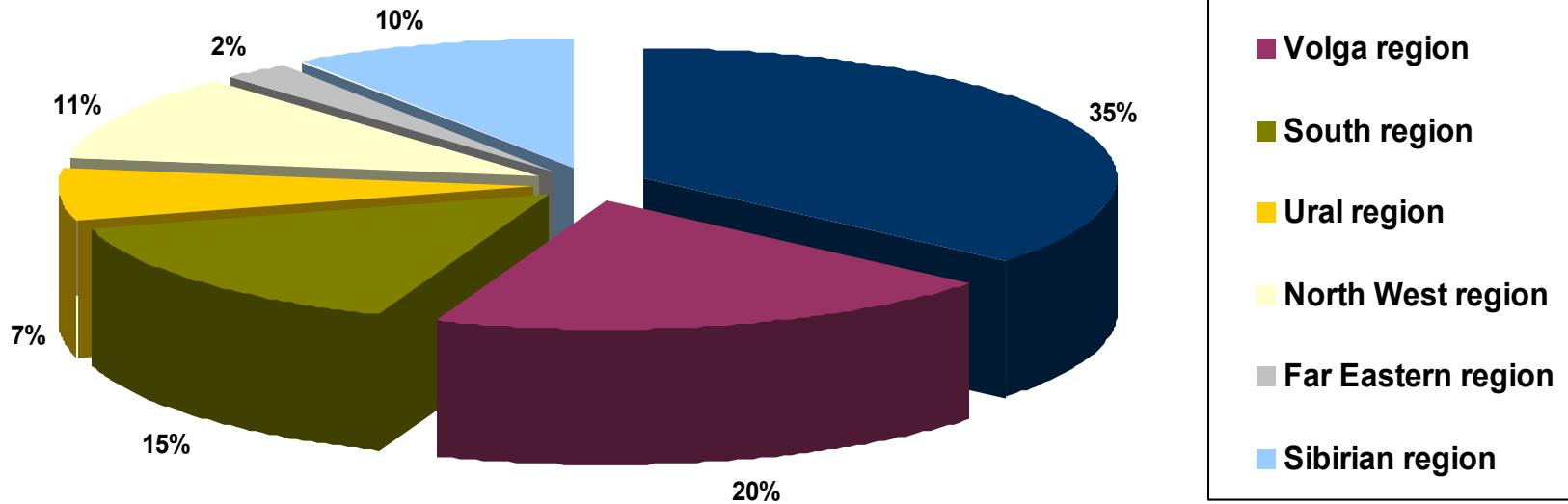
Russian Bakery Industry

MARKET STRUCTURE OF BREAD AND BAKERY PRODUCTS BY TYPES (*IN PHYSICAL TERMS*). %



Russian Bakery Industry

CAPACITY SHARE BY REGION

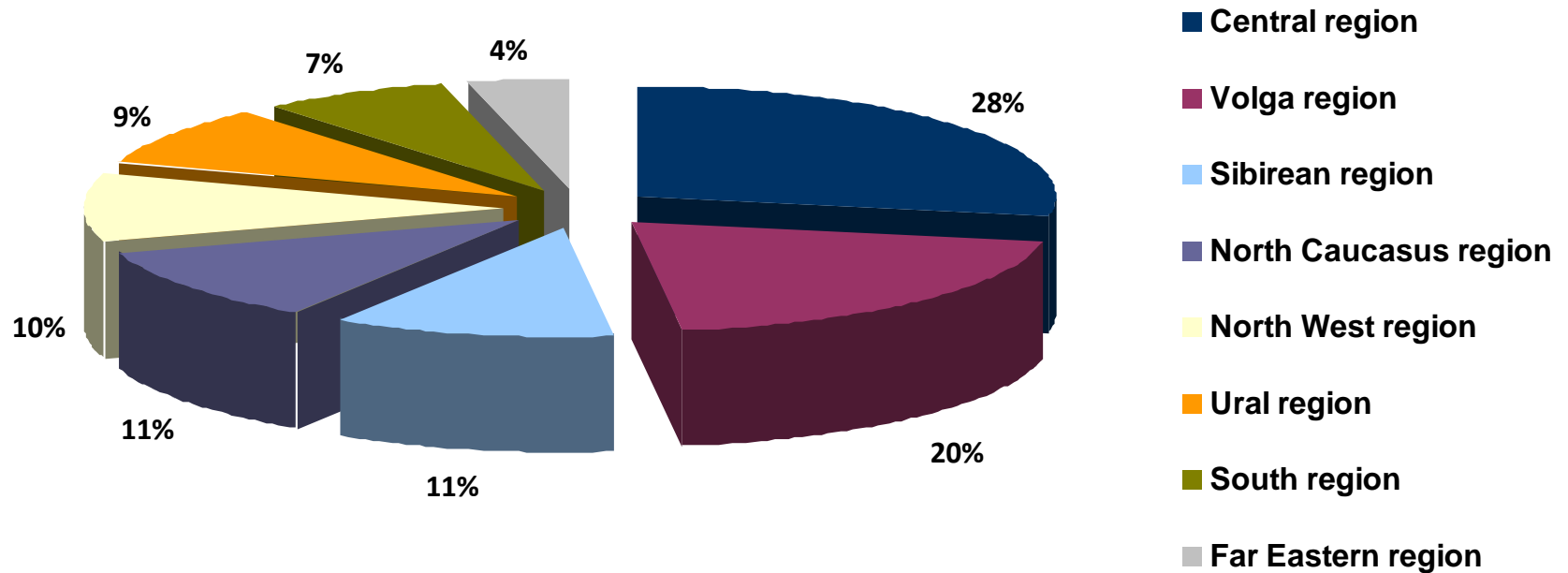


Main production capacity (more than 70%) located in Central, Volga and South reg



Russian Bakery Industry

BREAD AND BAKERY STRUCTURE PRODUCTION BY REGION *IN TERMS OF VALUE, %*

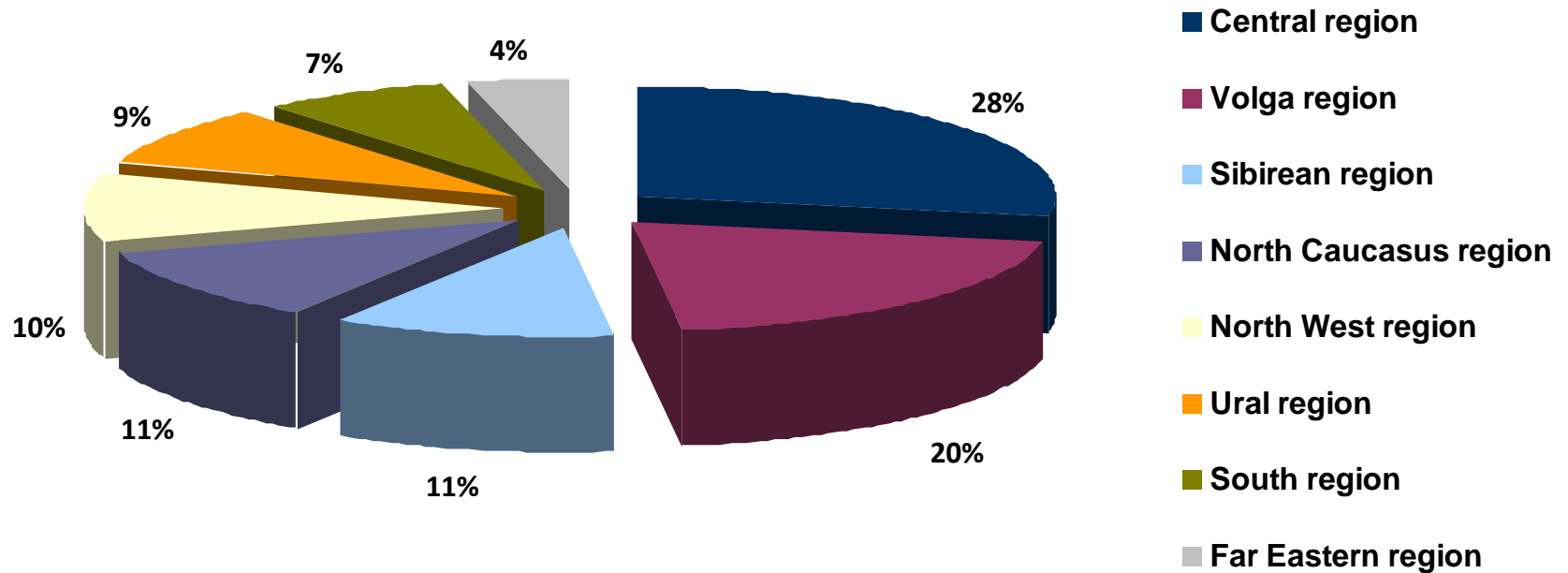


These 3 regions produce 64% of all bakery. Russian bakery industry cover the demand of domestic customers totally



Russian Bakery Industry

BREAD AND BAKERY STRUCTURE PRODUCTION BY REGION *IN TERMS OF VALUE, %*

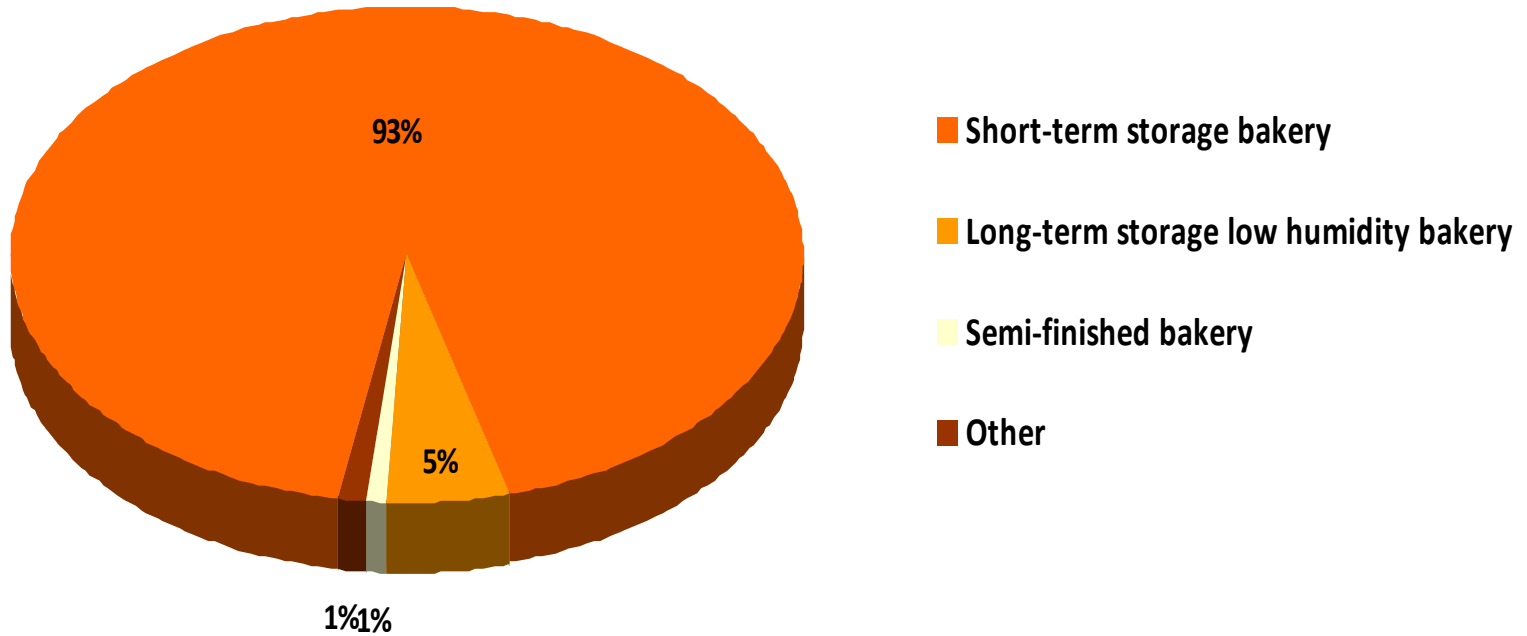


These 3 regions produce 64% of all bakery. Russian bakery industry cover the demand of domestic customers totally



Russian Bakery Industry

BREAD AND BAKERY PRODUCTS MARKET STRUCTURE BY BY TYPES IN PHYSICAL TERMS, %



Russian Bakery Industry

Top-3 bakery leaders (by Turnover):

	Market share, %	Turnover (billion RUB)
Fazer	5,00%	12,6
Karavay	2,18%	5,7
Calloggs	1,75%	4,58



Russian Bakery Industry

	Long-term storage low humidity bakery	Short-term storage bakery
Central region	Callogg Rus	Cheremushki
Volga region	Akkond	Chelny-hleb
South region	Kuban	Ug Rusi
Ural region	Hlebprom	First Bread factory
North West region	Chipita	Fazer
Far Eastern region	Blagoveschensk	Vladhleb
Siberian region	KDV	Voshod
North Caucasus region	Zhako	Third Bread factory

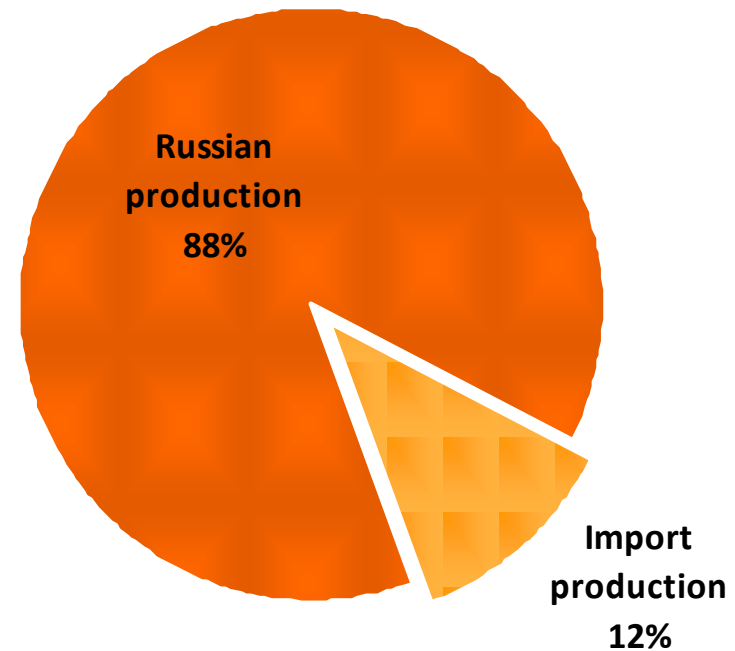


Russian Confectionery Market

Russian confectionery market is in the top 5 world's largest markets.

Import/domestic production ratio remains unchanged over the past years

IMPORT/ DOMESTIC PRODUCTION RATIO



Russian Confectionary Market

In Russia we distinguish flour and sugar confectionery



Sugar: candy, marshmallow, caramel, chocolate

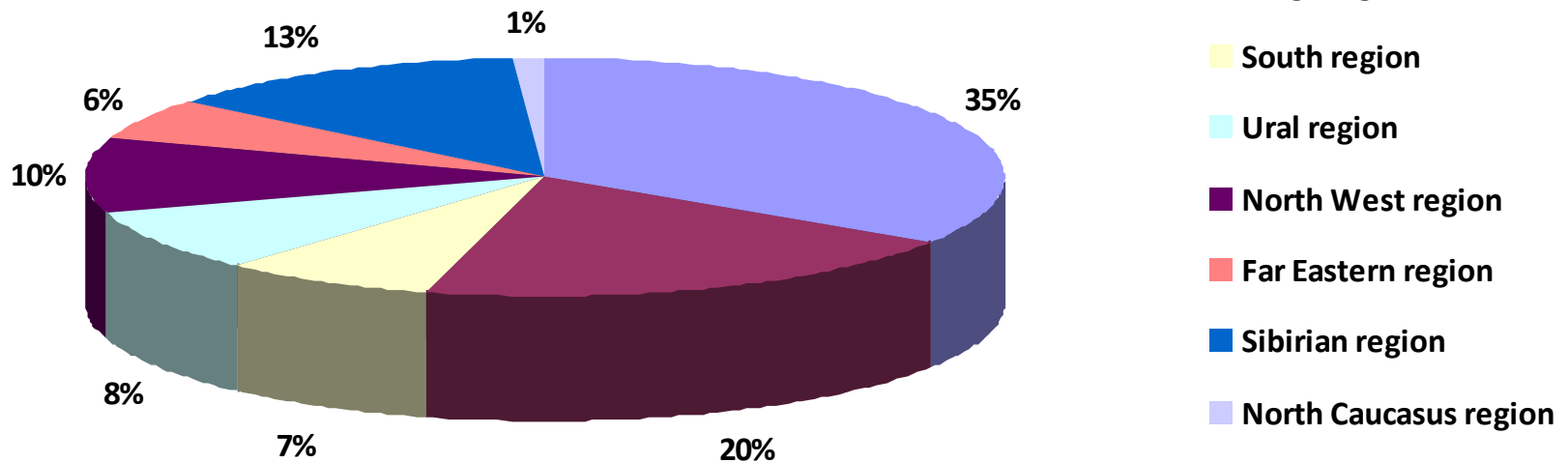


Flour: cookies, cakes, pies, pastries, cakes, waffles, muffins

Average resident of Russia eats 36 kg of sweets annually: 13.2 kg were sugar products, and 15.2 kg - flour.

Russian Confectionary Market

CONFECTIONARY PRODUCTION BY FEDERAL REGIONS

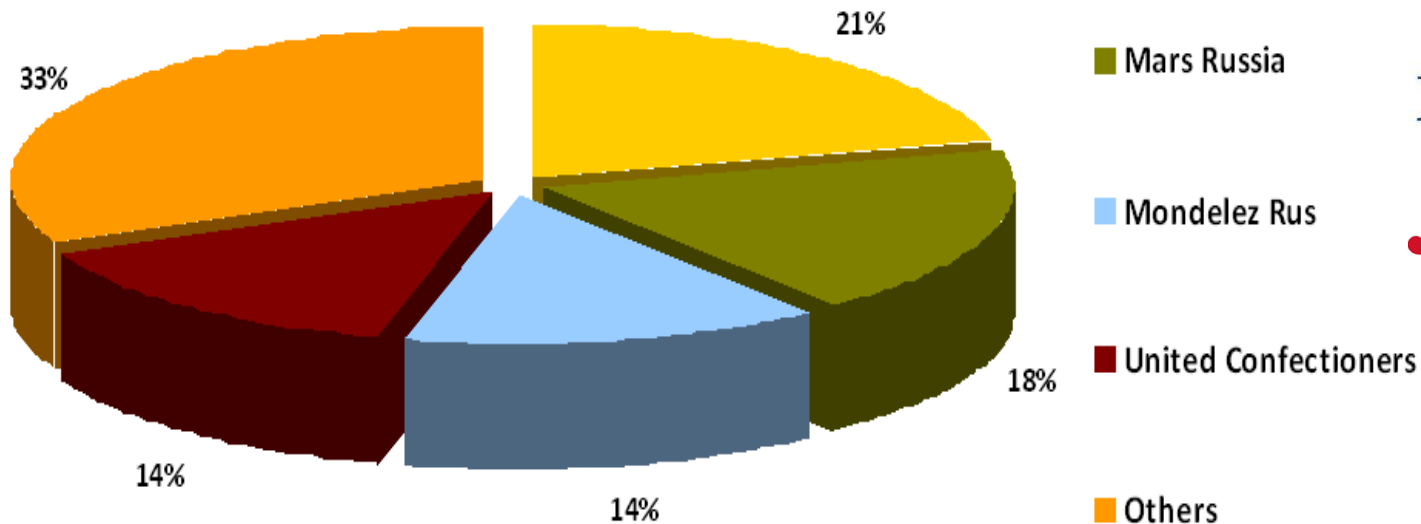


Moscow region is a Leader in confectionery manufacture



Russian Confectionery Market

TOP 4 LEADERS SHARES, %



International confectionery concerns play enormous role



Russian Confectionary Market. Sales

Sales 2012 Top 5 regions

- Moscow 18%
- Moscow region 6%
- Sverdlovsk 4%
- Samara 4%
- Saint Petersburg 4%

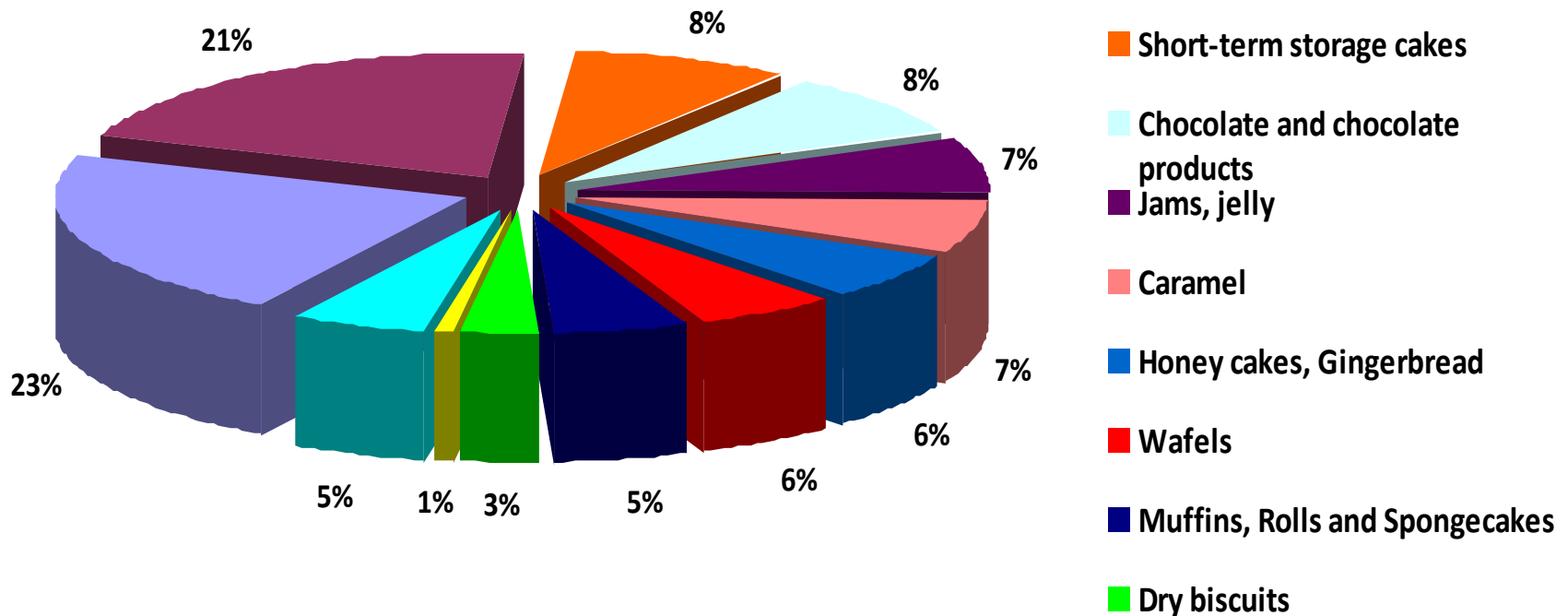


Moscow & Moscow region



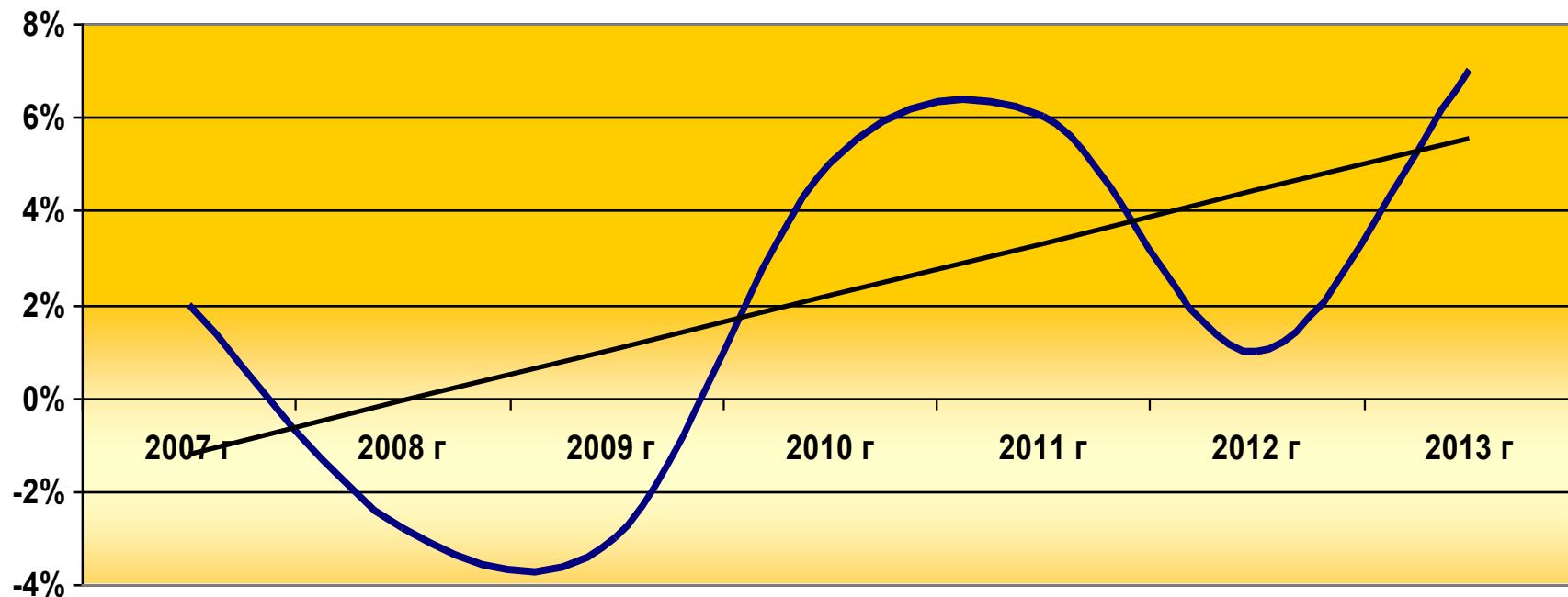
Russian Confectionary Market

CONFECTIONARY MARKET STRUCTURE



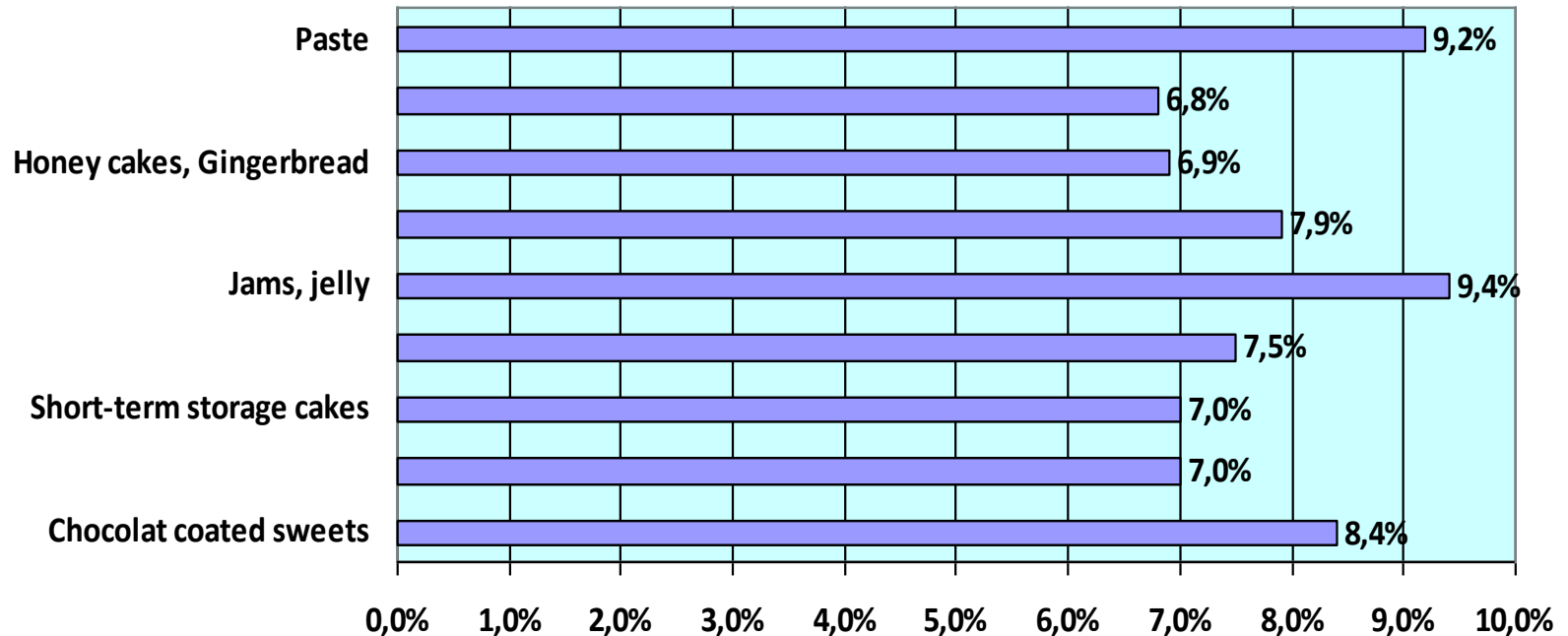
Russian Confectionary Market

CONFECTIONARY MARKET GROWTH



Russian Confectionary Market

CONSUMER PRICE GROWTH



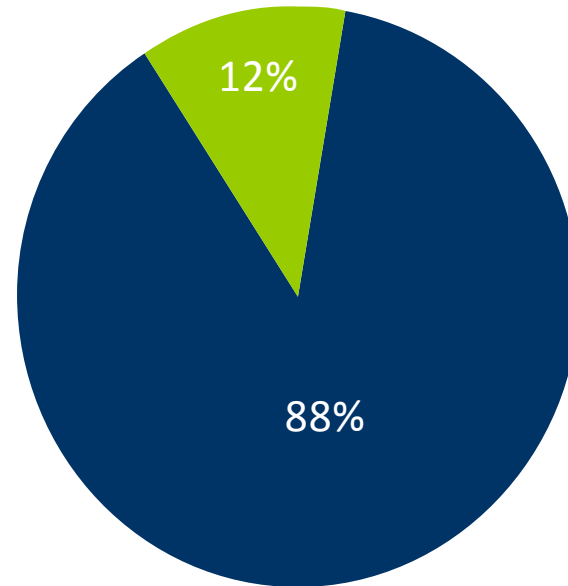
Russian Dairy Market

Russia is among the world's top ten consumers of milk and dairy products.

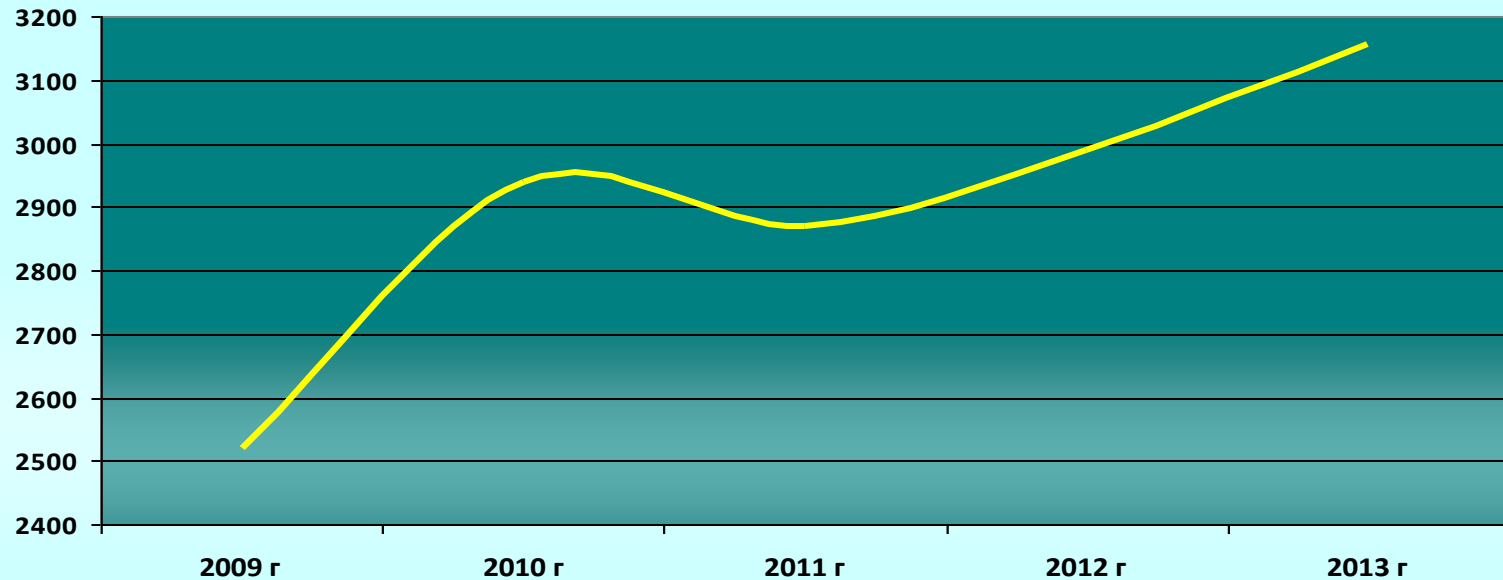
Consumption is growing at 9% per year, the production growth rate is not so high, the share of imports rises.

IMPORT/DOMESTIC PRODUCTION RATIO

■ Russian production ■ Import production



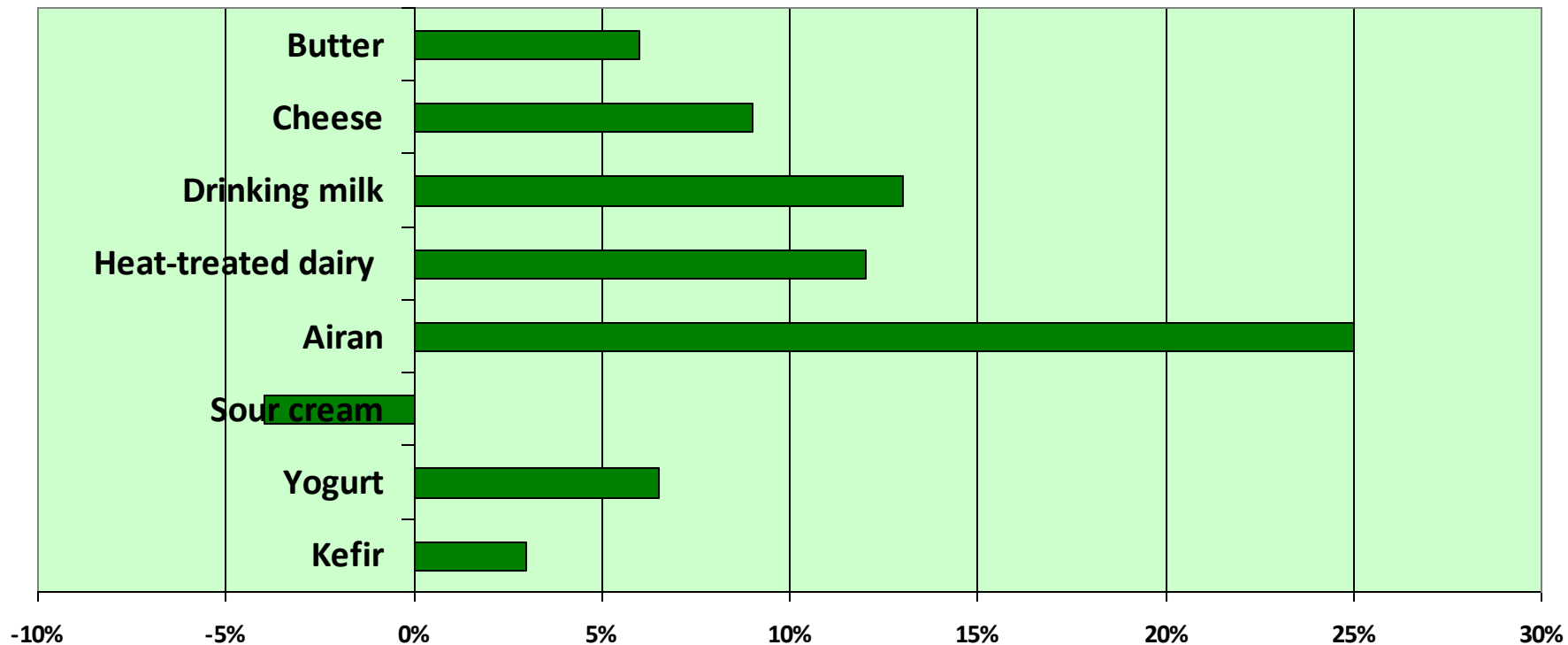
DIARY PRODUCTION GROWTH



The production of milk and dairy products has been growing steadily, but not satisfactory

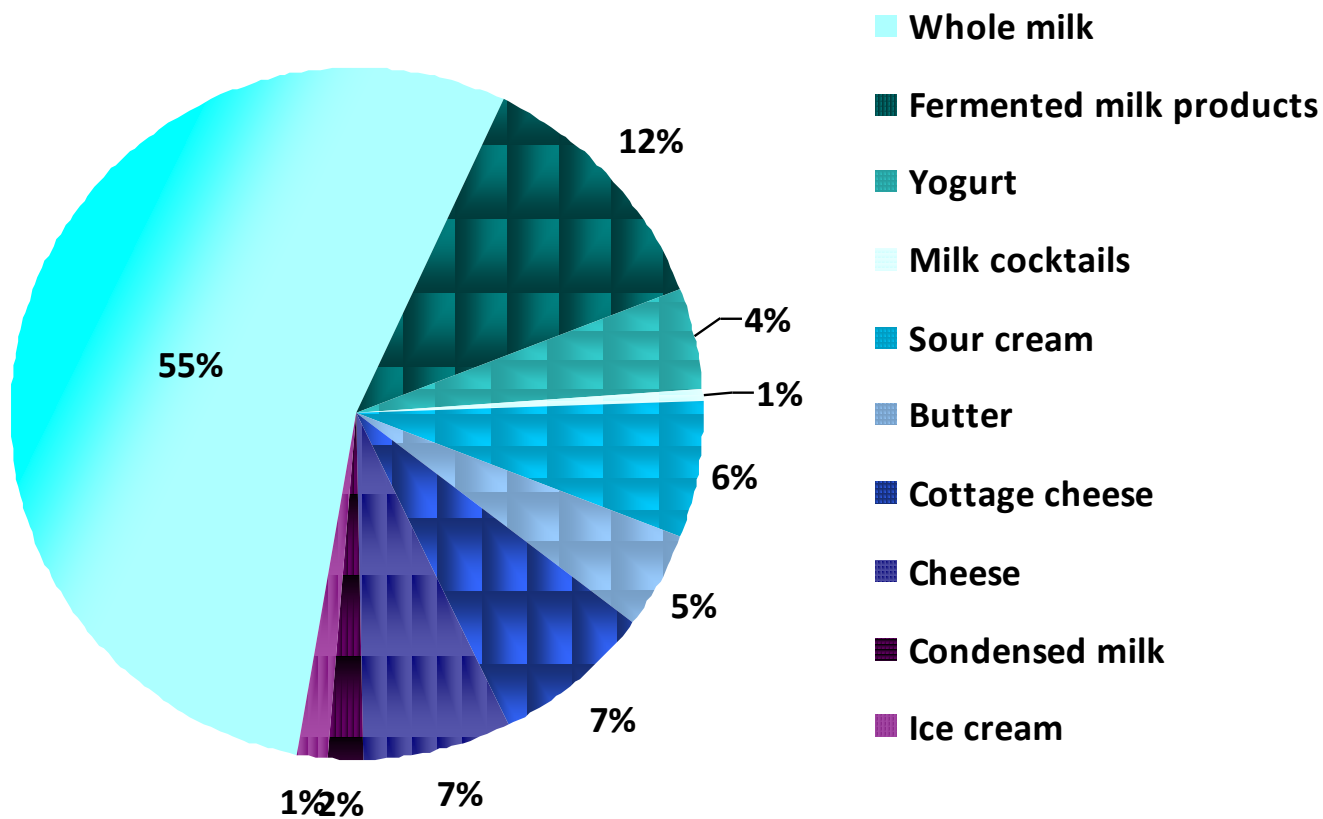


MILK PRODUCTION GROWTH IN 2013

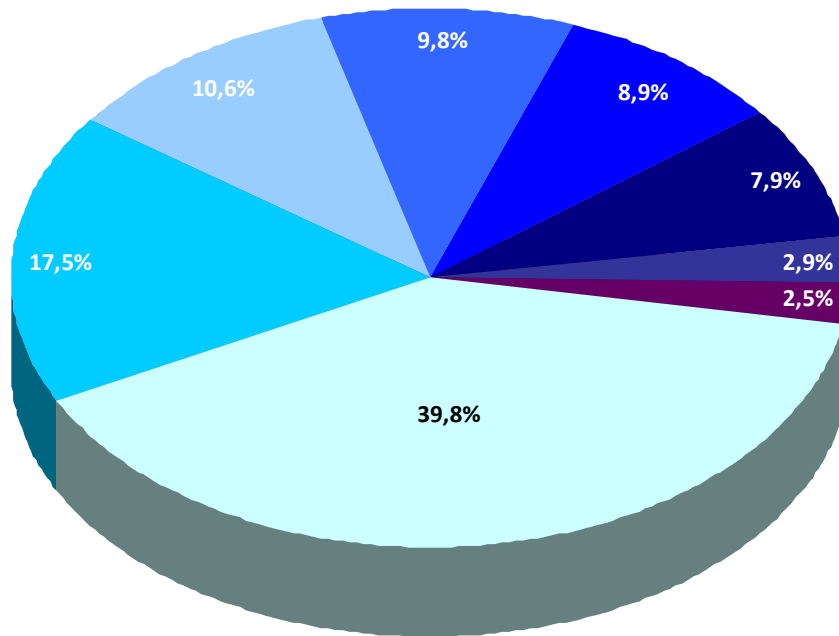


MILK PRODUCTS MARKET STRUCTURE BY TYPES

IN PHYSICAL TERMS, %



MILK STRUCTURE PRODUCTION BY REGION *IN TERMS OF VALUE, %*



- Central Federal Region
- Volga Federal Region
- Siberian Federal Region
- Northwest Federal Region
- Southern Federal Region
- Urals Federal Region
- The North Caucasus Federal Region
- Far Eastern Federal Region



Russian Dairy Market

Top-5 Market Leaders

Company name	Market share, %
Danon-Unimilk	22.00%
Vimm-Bill-Dan (60% belongs to PepsiCo)	18.6%
Ermann	3.1%
Campina	2.9%
Molvest	2.2%



Conclusions:

- Russian raisin market is stable and do not grow
- There are a lot of raisins of other origin presented
- Chilean raisins are most popular for direct consumption (different packing presented in retail) and in cereals.
- Russian chain retail develops rapidly
- The share of Chilean raisins goes up continuously

**Thank you
for your patience
and attention**

