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**RetailStudio TOP-25**  
UKRAINE'S LARGEST GROCERY RETAILERS 2007

**Annual Industry Rating**  
Extended Edition

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**RetailStudio™**

Студия исследования розницы

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## Some Findings

### Market

- **Grocery retail chains grow faster than national retail market as a whole.** According to official data from the Ukrainian National Committee on Statistics, total retail turnover in Ukraine reached UAH318.7bn (\$63.1bn) in 2007, which constitutes 40.5 per cent growth in comparison to 2006 (UAH226.9bn or \$44.9bn). In comparative prices, the growth is more modest – 28.8%. During the same period the sales of TOP-25 country's retailers increased by 60.7% from \$5.5bn in to \$8.8bn in 2007.
- **The modern retail market is dominated by several national leaders in Ukraine.** Almost 60% of the gross sales turnover of the TOP-25 is generated by five biggest players – Fozzy, Metro Cash & Carry, ATB-Market, Furshe», Velyka Kyshenia. However, the growth rate of retail leaders slows down. While the sales of the TOP-25 increased by 73% in average, the individual growth of some leaders lags far behind. For instance, Donetsk Amstor's revenue grew at 60%, Fozzy Group grew at 44.8%, Furshet at 42.8%, Lviv's Intermarket at 39.7%.
- **Ukrainian retail market maintains a low level of concentration.** With combined gross sales of \$8,760.7mn, RetailStudio TOP-25 generates less than 14% of the overall retail market in Ukraine. The real concentration could be even lower, given that retail sales of many TOP-25 groups include revenue from wholesale operations, as well as other activities, such as franchising.

### Leaders

- **Fozzy Group remains an absolute industry leader.** Like a year before, Fozzy Group leads in terms of gross sales (\$1,500.0mn), number of retail outlets of all group's banners, as well as overall trade area. On the other hand, group grows at a slower pace in comparison with other retail leaders.
- **ATB follows Fozzy on the heels.** As estimated by RetailStudio, ATB managed to overcome the psychologic vault of \$1bn (holding 3rd place in the TOP-25, with \$1,056.4bn sales in 2007). The retailer is 5th in terms of overall trade area, and it operates the nation's largest chain of outlets working under the single banner (ATB-Market). In 2007, the ATB-Market added 48 outlets to its chain thus reaching 217 outlets by the end of the year. The retailer's outlets and their trade area demonstrate modest growth, while the company is a leader in terms of sales growth rate.
- **TOP-5 is unchanged since last year.** Besides the aforementioned Fozzy Group and ATB, Top-5 includes also Metro Cash & Carry Ukraine (not listed in the 2006 RetailStudio Rating, with 2007 gross sales reaching \$1,202.0mn), Furshet (\$870.7 mn), and Velyka Kyshenia (\$556.1mn).
- **Ukrainian retail market sees the burgeoning of aggressive middle-range players striving for national leadership.** Kyiv hosts the headquarters of 8 companies from TOP-25. The central offices of 4 companies are located in Dnipropetrovsk, 3 companies have Donetsk residence; Lviv, Lutsk, Luhansk and Odesa host the headquarters of 2 retailers each, 1 retailer is located in Ternopil («Roveks, 18th in TOP-25, \$131.0mn), and 1 in Chernihiv («Soyuz», 20<sup>th</sup> in TOP-25, \$100.7mn). However, only one regional player - ATB » - found itself among the TOP-5 retailers, while all the rest have Kyiv residence.

## Regional Trends

- **Regional retailers show a faster sales growth.** Of the 10 fastest-growing retail companies only Billa Ukraine and EKO have their headquarters situated in Kyiv (97.8% and 93.0% growth respectively). Omega, a retail operator from Dnipropetrovsk, (Varus fascia, 21<sup>st</sup> place in the TOP-25) exhibits the biggest growth (164.4%).
- **Regions are still dominated by local players.** Although the biggest national players have stepped in almost every of the Ukraine oblast center, they, apparently, do not hurry to expand in smaller cities. This remains a competitive advantage of the regional retailers, such as Soyuz (Chernihiv) or Intermarket (Lviv). ATB is an exception that proves the rule. This retailer launches its outlets in cities with population above 16,000, mainly in the Eastern part of the country.

## Banner Developments

- **The TOP-25 owe their leading positions to the supermarket and discounter formats.** 45.5% of all retailers' outlets in the RetailStudio TOP-25 operate as supermarkets, more than 32% are discounters. In 2007 the number of supermarkets and discounters have grown by 37.5% and 27.9% respectively.
- **Growth of hypermarkets and neighbourhood stores drive the development of retail in Ukraine.** The number of neighbourhood stores has nearly doubled last year (43% growth). The trade area of neighbourhood stores shows an even greater increase at 50.3%. In 2006, the number of neighbourhood stores of the these groups of companies increased by 23.8%, their trade areas – by 35.9%. While the growth rate of neighbourhood stores increases, their share among TOP-25 companies remains stable. In 2007, only 16.5% of all retail outlets of TOP-25 operated as neighbourhood stores (15.6% in 2006). The number of hypermarkets of the TOP-25 retailers was up by 64.7%, with trade areas up by 72%. In 2007, 2.5% of the retail outlets of the TOP-25 were hypermarkets (2% in 2006); their trade area grew from 11.1% in 2006 up to 14.1% in 2007.

**Table 1. TOP-25 Retail Groups Gross Sales, 2007**

<b>№</b>	<b>Retail group</b>	<b>Headquarters</b>	<b>Banners</b>	<b>Gross sales turnover, \$</b>
<b>1</b>	Fozzy	Vyshneve, Kyiv Oblast	Silpo, Fora, Fozzy C&C	1,500.0
<b>2</b>	Metro Cash&Carry Ukraine	Kyiv	Metro	1,202.0
<b>3</b>	ATB-Market	Dnipropetrovsk	ATB-Market	1,056.4*
<b>4</b>	Furshet	Kyiv	Furshet, Furshet-Gourman	870.7*
<b>5</b>	Velyka Kyshenia	Kyiv	Velyka Kyshenia, Prosto Market, Green Hills Market	556.1
<b>6</b>	Amstor	Donetsk	Amstor	554.5
<b>7</b>	LIA	Luhansk	Absolut	294.0*
<b>8</b>	Tavria	Odesa	Tavria-V	286.2*
<b>9</b>	Pakko Holding	Lutsk	Vopak, PAKKO	235.0
<b>10</b>	Billa Ukraine	Kyiv	Billa	221.5*
<b>11</b>	Eko	Kyiv	EKO-Market	220.0
<b>12</b>	Intermarket	Lviv	Arsen, Barvinok, Intermarket	211.0
<b>13</b>	VIT	Odesa	Kopeyka	161.1*
<b>14</b>	Mars	Luhansk	Mars	157.4*
<b>15</b>	Effekt	Donetsk	BUM	155.6*
<b>16</b>	Karavan	Kyiv	Karavan	132.0*
<b>17</b>	Roveks	Ternopil	Torgoviy svit	131.0
<b>18</b>	Lvivholod	Lviv	Rukavychka, Lvivholod	122.9*
<b>19</b>	Reardi	Dnipropetrovsk	Bolshaya Lozhka	114.6
<b>20</b>	Soyuz	Chernihiv	Soyuz, Soyuz-Ekspres, Kvartal	100.7
<b>21</b>	Omega	Dnipropetrovsk	Varus	100.2
<b>22</b>	KSTrading	Dnipropetrovsk	PIK	92.1*
<b>23</b>	Krai	Kyiv	Krai, Kraina	91.3
<b>24</b>	Obzhora	Donetsk	Obzhora	78.8*
<b>25</b>	Agrokontrakt	Lutsk	Kolibris, Nash!, Agrokontrakt-Market	63.0

\* RetailStudio estimate

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**Table 2. TOP-25 Gross Sales Growth, 2006-2007**

№	Retail group	Headquarters	Banners	Gross sales turnover, \$		Growth rate, %
				2006	2007	
1	Omega	Dnipropetrovsk	Varus	37.9	100.2	164.4%
2	VIT	Odesa	Kopeyka	64.9*	161.1*	148.2%
3	Obzhora	Donetsk	Obzhora	31.8*	78.8*	147.8%
4	ATB-Market	Dnipropetrovsk	ATB-Market	488.2	1,056.4*	116.4%
5	Billa Ukraine	Kyiv	Billa	112.0*	221.5*	97.8%
6	Eko	Kyiv	EKO-Market	114.0	220.0	93.0%
7	Lvivholod	Lviv	Rukavychka, Lvivholod	66.3*	122.9*	85.4%
8	Reardi	Dnipropetrovsk	Bolshaya Lozhka	62.9	114.6	82.2%
9	KSTrading	Dnipropetrovsk	PIK	50.6*	92.1*	82.0%
10	LIA	Luhansk	Absolut	163.2*	294.0*	80.1%
11	Mars	Luhansk	Mars	91.2*	157.4*	72.6%
12	Pakko Holding	Lutsk	Vopak, PAKKO	139.2*	235.0	68.8%
13	Krai	Kyiv	Krai, Kraina	59.5	100.2	66.4%
14	Tavria	Odesa	Tavria-V	172.0*	286.2*	66.4%
15	Effekt	Donetsk	BUM	94.6*	155.6*	64.5%
16	Amstor	Donetsk	Amstor	346.5	554.5	60.0%
17	Karavan	Kyiv	Karavan	84.3	132.0*	56.6%
18	Metro Cash&Carry Ukraine	Kyiv	Metro	810.0	1,202.0	48.4%
19	Fozzy	Vyshneve, Kyiv Oblast	Silpo, Fora, Fozzy C&C	1,036.0	1,500.0	44.8%
20	Furshet	Kyiv	Furshet, Furshet-Gourman	609.9*	870.7*	42.8%
21	Intermarket	Lviv	Arsen, Barvinok, Intermarket	151.0	211.0	39.7%
22	Roveks	Ternopil	Torgovyi svit	94.6	131.0	38.5%
23	Velyka Kyshenia	Kyiv	Velyka Kyshenia, Prosto Market, Green Hills Market	403.0	556.1	38.0%
24	Soyuz	Chernihiv	Soyuz, Soyuz-Ekspres, Kvartal	91.1	100.7	10.5%
25	Agrokontrakt	Lutsk	Kolibris, Nash!, Agrokontrakt-Market	70.0	63.0	-10.0%

\* RetailStudio estimate

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Table 3. Retail Outlets of the TOP-25

№	Retail group	Headquarters	Banners	Number of retail outlets		Growth rate, %
				2006	2007	
1	Fozzy	Vyshneve, Kyiv Oblast	Silpo, Fora, Fozzy C&C	179	241	34.6%
2	ATB-Market	Dnipropetrovsk	ATB-Market	169	217	28.4%
3	Furshet	Kyiv	Furshet, Furshet-Gourman	68	85	25.0%
4	Pakko Holding	Lutsk	Vopak, PAKKO	37	77	108.1%
5	Soyuz	Chernihiv	Soyuz, Soyuz-Ekspres, Kvartal	46	58	26.1%
6	Velyka Kyshenia	Kyiv	Velyka Kyshenia, Prosto Market, Green Hills Market	33	48	45.5%
7	Eko	Kyiv	EKO-Market	28	42	50.0%
8	Intermarket	Lviv	Arsen, Barvinok, Intermarket	31	35	12.9%
9	Lvivholod	Lviv	Rukavychka, Lvivholod	13	27	107.7%
10	Reardi	Dnipropetrovsk	Bolshaya Lozhka	14	22	57.1%
11	LIA	Luhansk	Absolut	16	20	25.0%
12	Amstor	Donetsk	Amstor	11	19	72.7%
13-14	Tavria	Odesa	Tavria-V	15	18	20.0%
13-14	VIT	Odesa	Kopeyka	15	18	20.0%
15	Metro Cash&Carry Ukraine	Kyiv	Metro	13	18	38.5%
16	Agrokontrakt	Lutsk	Kolibris, Nash!, Agrokontrakt-Market	15	17	13.3%
17	Roveks	Ternopil	Torgovyi svit	10	15	50.0%
18	KSTrading	Dnipropetrovsk	PIK	16	14	-12.5%
19	Mars	Luhansk	Mars	10	12	20.0%
20	Obzhora	Donetsk	Obzhora	10	11	10.0%
21	Billa Ukraine	Kyiv	Billa	9	10	11.1%
22	Krai	Kyiv	Krai, Kraina	5	6	20.0%
23	Omega	Dnipropetrovsk	Varus	4	6	50.0%
24	Karavan	Kyiv	Karavan	3	4	33.3%
25	Effekt	Donetsk	BUM	2	4	100.0%

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**Table 4. Overall Trade Areas of the TOP-25**

№	Retail Group	Headquarters	Banners	Overall trade area, sq.m.		Growth rate, %
				2007	2006	
1	Fozzy	Vyshneve, Kyiv Oblast	Silpo, Fora, Fozzy C&C	144,471.8	191,881.8	32.8%
2	Metro Cash&Carry Ukraine	Kyiv	Metro	106,500.0	145,300.0	36.4%
3	Amstor	Donetsk	Amstor	74,900.0	137,570.0	83.7%
4	Furshet	Kyiv	Furshet, Furshet-Gourman	102,500.0	134,200.0	30.9%
5	ATB-Market	Dnipropetrovsk	ATB-Market	111,550.5	132,630.1	18.9%
6	Velyka Kyshenia	Kyiv	Velyka Kyshenia, Prosto Market, Green Hills Market	80,555.0	119,553.0	48.4%
7	Tavria	Odesa	Tavria-V	49,819.0	57,319.0	15.1%
8	Intermarket	Lviv	Arsen, Barvinok, Intermarket	41,133.2	49,943.2	21.4%
9	Eko	Kyiv	EKO-Market	25,580.0	41,348.0	61.6%
10	Pakko Holding	Lutsk	Vopak, PAKKO	26,505.0	38,706.0	46.0%*
11	Karavan	Kyiv	Karavan	21,100.0	28,331.0	34.3%
12	Billa Ukraine	Kyiv	Billa	22,167.8	23,167.8	4.5%
13	Soyuz	Chernihiv	Soyuz, Soyuz-Ekspres, Kvartal	18,291.2	21,736.2	18.8%
14	Krai	Kyiv	Krai, Kraina	18,200.0	20,700.0	13.7%
15	Agrokontrakt	Lutsk	Kolibris, Nash!, Agrokontrakt-Market	19,325.7	20,325.7	5.2%
16	KSTrading	Dnipropetrovsk	PIK	16,900.0	17,300.0	2.4%**
17	Reardi	Dnipropetrovsk	Bolshaya Lozhka	9,709.0	17,010.0	75.2%
18	LIA	Luhansk	Absolut	11,650.0	15,100.0	29.6%
19	Omega	Dnipropetrovsk	Varus	8,822.0	13,675.0	55.0%
20	Lvivholod	Lviv	Rukavychka, Lvivholod	8,350.0	12,920.0	54.7%
21	VIT	Odesa	Kopeyka	9,700.0	12,700.0	30.9%
22	Effekt	Donetsk	BUM	6,115.0	8,915.0	45.8%
23	Obzhora	Donetsk	Obzhora	7,650.0	8,850.0	15.7%
24	Roveks	Ternopil	Torgovyi svit	3,012.5	6,002.1	99.2%
25	Mars	Luhansk	Mars	4,050.0	5,250.0	29.6%

\* including retail outlets acquired from «Piatyi element»

\*\* including 1 Eurospar outlet

## About

### **TOP-25**

- RetailStudio TOP-25 Ukraine Grocery Retailers 2007 Annual Industry Rating covers the biggest Ukrainian retail groups. The list is compiled on the basis of gross retail sales volume, with account of other operations of the groups, such as cash and carry turnover, franchising royalties etc.
- RetailStudio rating was first published in May 2007. RetailStudio ratings are based on publicly available information, collected in own retail database. RetailStudio database dates back as of 2005 and at present covers 64 retail banners belonging to 52 retail groups.

### **RetailStudio**

RetailStudio LLC is a Kyiv-based independent analytical company, which provides information and research of Ukraine's fast-growing grocery retail industry.

Our clients span the entire retail supply chain (grocery), as well as financial services, property, investment, and mass-media.

RetailStudio has experience providing the industry with

- Macroeconomic country data & research
- Detailed corporate & regional profiles
- Daily & weekly monitoring of the industry's news and trends
- Ad-hoc analysis powered by the RetailStudio store database

### **RetailStudio.org**

In 2004, RetailStudio.org web-site was launched. Its mission is to foster the development of retail market in Ukraine through providing a forum for discussion and sharing of the best practice.

Now RetailStudio.org provides a round-up of the most important news in domestic retailing sourced from a comprehensive range of nation-wide and local publications. Designed to provide regular coverage of events shaping the sector, RetailStudio.org follows the major players' strategy and tactics on the national market.

## **Contacts**

vul. Stelmakha 10A, office 406  
03 040 Kyiv, Ukraine  
Tel/Fax: +380 44 258 00 57  
Mob: +380 95 270 27 50  
<http://www.retailstudio.org/>

## **E-mail**

- write to [retailstudio@retailstudio.org](mailto:retailstudio@retailstudio.org) for comments, general questions, and press-releases
- order the Review of Ukrainian FMCG Retailers by RetailStudio™ and other analytics at [marketing@retailstudio.org](mailto:marketing@retailstudio.org)
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