



Investing into Belarus: discovering retail sector opportunities

2009



Retail industry overview

Key highlights

□ The retail turnover in Belarus reached \$ 23.7 billion in 2008 or \$ 2,4 thou per capita (20,6% real growth yoy).

□ Within the past 6 years the retail turnover in Belarus has been growing by more than 16.9% in real terms per annum.

□ Despite of high growth rates, Belarus is much behind CEE countries if compared to per capita retail trade turnover.

The retail industry is characterized by

1. Underdeveloped retail trade infrastructure

□ Non-organized retail trade (open markets, bazaars, etc.) share in total retail turnover reached 31% in 2008 (in 2000 its share was 28.1%), which is rather high compared to CEE countries (2006: Russia – 19.7%, Poland – about 10%, Western Europe - 5-6%)

□ Modern trade formats share in the retail trade turnover is insignificant. According to estimates, in 2007 it didn't exceed 10-15% in cities

□ Minsk has the lowest level of modern trade areas per 1000 inhabitants among the CEE countries. In 2008 modern trade areas averaged 160 sq. m per 1000 people, while in 2007 they reached 1 375 sq. m in Tallinn, 859 sq. m in Riga, and 399 sq. m in Moscow

2. Extremely low concentration

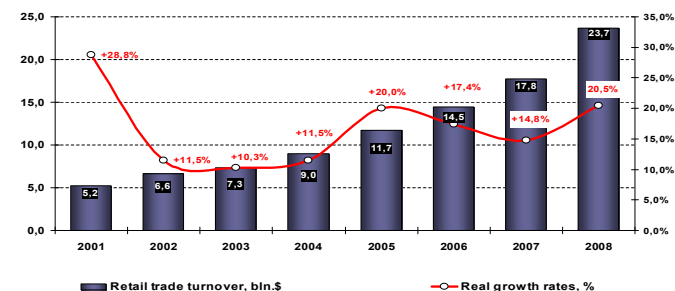
□ No large national / international chains

□ Only 5 hypermarkets operate in Belarus

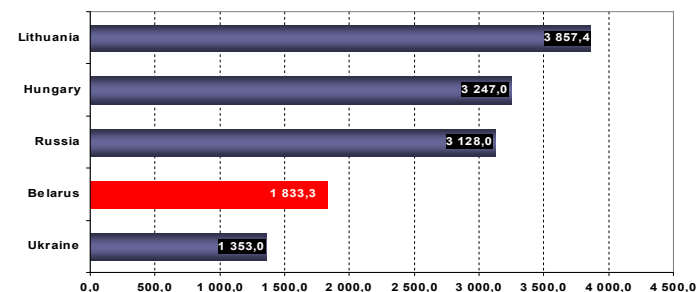
□ In view of described characteristics the governmental policy is aimed at development of modern forms of retail process. As a result of the governmental policy the share of non-organized retail turnover is forecasted to decline to 20-25% by 2010. As a result, annual retail turnover via modern retail forms (shopping centers, hypermarkets, shopping malls, outlets) is forecasted to grow by 30-50% annually

Figures

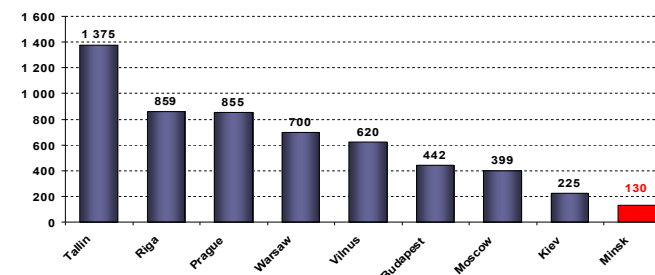
Retail trade turnover dynamics in Belarus in 2001-2008, bin.\$



Retail turnover per capita in selected countries in 2007, \$



Modern trade areas in selected Capitals, square metres per 1000 people



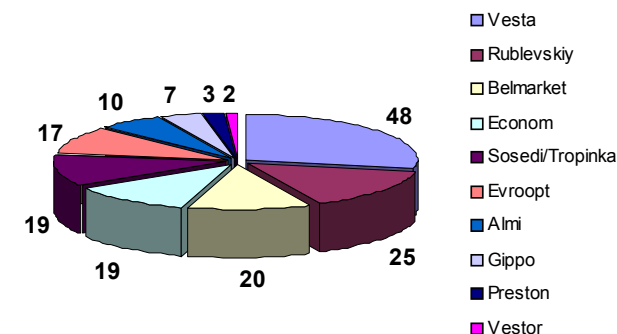


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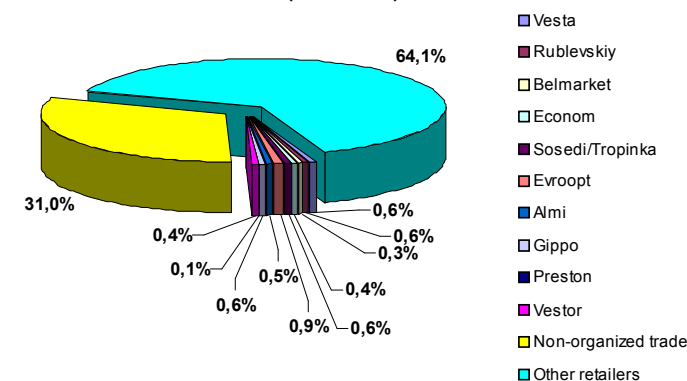
Retail Chain	N outlets	Trade area in Minsk, sq m	Trade area in regions, sq m	Location	Market entry, year	Annual retail turnover, \$ m (estimation)
Vesta	48	0	19 825	Vitebsk (47); Gomel (1)	1994	133
Rublevskiy	25	11 256	0	Minsk (25)	2003	135
Belmarket	20	1 440	6 126	Minsk (4); Mogilev (9); Zhodino (5); Molodechno (1); Bobruisk (1)	2007	76
Econom	19	1 000	8 500	Minsk (2); Novopolotsk (6); Polotsk (4); Vitebsk (1); Gomel (1); Mogilev (1); Mozir (1); Rechitsa (1); Vetrino (1); Borovuha (1)	2003	94
Sosedi/Tropinka	19	11 466	947	Minsk (12); Borisov (1); Zhodino (1)	2001	147
Evroopt	17	11 025	7 500	Minsk (7); Mogilev (2); Grodno (1); Brest (1); Gomel (1); Vitebsk (1); Orsha (1); Baranovich (1); Mozir (1); Pinsk (1)	1993	204
Almi	10	2 740	7 750	Minsk (5); Pinsk (1); Svetlogorsk (1); Grodno (1); Orsha (1); Bobruisk (1)	2004	107
Gippo	7	7 685	5 300	Minsk (5); Mogilev (1); Molodechno (1)	2005	143
Preston	3	2 548	0	Minsk (3)	1994	31
Vestor	2	7 200	0	Minsk (2)	2008	86
TOTAL	170	56360	55948			1 070

Sources: UNITER

Largest private retail chains in terms of total outlets number, 2008



Largest retail chains' market share in terms of annual turnover 2008, \$ m (estimation)





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