

X5 Seeks Permission to Acquire Kopeika

By [The Moscow Times](#)

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X5 Group has filed a request with the Federal Anti-Monopoly Service to buy smaller rival Kopeika, X5 chief executive Lev Khasis said Thursday.

X5, seen as the chief consolidator of Russia's highly fragmented retail sector, is keen to increase its 4.4 percent market share before the crisis-hit sector makes a full recovery.

Khasis said the firm needed clarity from the watchdog before it could begin acquisition talks with Kopeika.

"This is a technical action necessary to clarify the possibility of negotiating such a deal," he said.

Kopeika chief executive Maxim Goldberg said he was aware of the request from X5, which is just under 50 percent owned by billionaire Mikhail Fridman's Alfa Group.

"At the current stage, Kopeika is studying various opportunities that will allow it to maximize

the company's value," Goldberg said.

Industry and banking sources said last month that Kopeika, which is owned by Nikolai Tsvetkov — the beneficial owner of UralSib bank — might hoist the "for sale" sign as an alternative to an initial public offering and has valued itself at between \$1.6 billion and \$1.8 billion.

The sources said Kopeika was talking to X5 after talks with rival Magnit failed over price.

Kopeika is a discount retailer with 2009 sales of 55 billion rubles (\$1.8 billion).

Sales at X5, which operates the Pyatyorochka discount chain, supermarkets Perekryostok and the Karusel hypermarket network, stood at 275 billion rubles in 2009.

Last November, X5 paid \$189.5 million cash for the Paterson supermarket chain and assumed \$85 million of its debts in its only major acquisition since purchasing Karusel in the middle of 2008.

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