

X5 Capital Spending to Rise

By [The Moscow Times](#)

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X5 chief executive Andrei Gusev said capital spending would reach at least 45 billion rubles (\$1.5 billion), up from the 27 billion rubles in 2011.

"We see the possibility for quite a healthy increase," Gusev said on a conference call late last week.

He said the food retailer's earnings before interest, taxes, depreciation, and amortization margin was above 7 percent in 2011, just under the 7.5 percent in 2010. "We believe that X5 can operate at plus 7 percent EBITDA margin going forward," he added. Gusev also forecast a slowdown in sales growth to 15 percent to 20 percent this year, echoing predictions made by rivals Magnit and Dixy.

(Reuters)

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