

Magnit Sales Up Despite Alcohol Limitations

By [The Moscow Times](#)

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Fast-growing retailer Magnit said Thursday that its July sales grew 32 percent year on year to 37.9 billion rubles (\$1.20 billion), the same pace as in the previous month.

The company opened 115 outlets in July, bringing its total number of stores to 5,837, it said in a statement.

Magnit is targeting 30 percent sales growth in the whole of 2012, chief executive Sergei Galitsky said during a conference call last month.

Magnit was compelled to halt alcohol sales at 111 stores after amendments to the law regulating alcohol production and turnover took effect.

The reason for the suspension of alcohol sales was the stores' proximity to markets, sporting and medical facilities, and places where large numbers of people gather, Magnit said in a

statement, Interfax reported.

The retailer temporarily stopped selling alcohol at another 144 stores due to the absence of long-term registered rental agreements. More than a hundred of these will resume trade in alcohol products after registration procedures are completed in August and September.

Since the beginning of the year, Magnit has renewed and registered more than 1,000 rental agreements to comply with the new legal requirements, which went into effect July 1.

"We expect the impact of this situation on company sales volume and operational effectiveness in 2012 will not be substantial," the company said.

(Reuters, MT)

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