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Russia's Dixy Plans to Buy Controlling Stake in Bristol Retail Chain

By The Moscow Times

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People walking past a Dixy store in Moscow.

Russian food retailer Dixy plans to buy a controlling stake in spirits and tobacco chain Bristol in the second half of 2015, Dixy chief financial officer Fyodor Rybasov said Friday.

Dixy already owns 33 percent of Russian company Bristol's shares. It bought a 31.8 percent stake in May for 1.78 billion rubles ($32 million) from Russian tobacco distributor Megapolis, increasing its interest from 1.2 percent.

"We are going to buy the Bristol retail chain, a controlling stake, in the second part [of the year], pretty much soon, in the next couple of months," Rybasov told a conference call.

He added that in connection with the acquisition the company's total debt could rise by between 6 billion and 8 billion rubles this year although the company did not have a specific target as to how much new debt it would raise.

The Bristol chain comprises more than 1,400 stores in some 400 Russian cities. It generated 7.7 billion rubles in revenues last year, according to Renaissance Capital.

Dixy Chief Executive Ilya Yakubson said the acquisition of Bristol, which also sells food, would allow it to expand in a smaller store format of 100-120 square meters.

"That is the type of a neighborhood convenience store which comes in the stead of kiosks, pavilions, etc. A small shop which sells everything you may need to buy quickly," Yakubson said on the sidelines of a retail conference on Thursday.

Dixy Group and Megapolis are both controlled by Russia's Mercury Group of businessmen Igor Kesayev and Sergei Katsiyev.

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