

KFC Owner Yum Brands Nears Full Russia Exit With Sales Deal

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EPA/YURI KOCHETKOV

Yum Brands Inc announced Monday it has sold its KFC restaurants and franchise in Russia to a local buyer as one of the world's largest restaurant companies plans to fully exit the market over Moscow's invasion of Ukraine.

"Following the completion of the transaction, Yum! Brands will have ceased its corporate presence in Russia," the corporation [said](#) in a statement.

KFC restaurants, operating system and master franchise rights will transfer to Smart Service Ltd, which is run by existing KFC franchisees Konstantin Kotov and Andrei Oskolkov.

Smart Service will be responsible for retaining KFC employees in Russia and rebranding locations to a non-Yum concept.

Related article: [End of an Era as Russia's McDonald's Reopens Under New Name](#)

The Izhevsk-based buyers are required to “gradually” rebrand all 1,000 KFC locations into “Rostic’s,” the Kommersant business daily [reported](#) late Monday, citing unnamed sources close to the negotiators.

Yum’s deal with Smart Service is expected to close in late 2022, Kommersant reported, citing an investment consultant in the sales agreement.

The company has already sold its Pizza Hut business to Russian company Noi-M in a deal worth approximately \$5 million, Kommersant reported in June.

Yum Brands Inc suspended all operations and investments in Russia in March following the Kremlin’s invasion of Ukraine.

The company has more than 1,000 fast-food restaurants in Russia, out of which almost 70 are operated by the firm and the rest are independently franchised.

The move follows the decision by U.S. fast-food giant McDonald’s in May to sell all 850 of its restaurants in Russia to one of its local licensees for an undisclosed sum. The chain was reopened in June under the name Vkusno i Tochka (Tasty - Period).

Starbucks similarly sold its business in the country to a Russian restaurateur and a pro-Putin rapper, who re-opened the rebranded Stars Coffee in August.

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