

AZBUKA VKUSA



A WORLD
WE LIKE

AZBUKA VKUSA

Our mission is to create the world's best retail food chain, improving the quality of life and setting high standards for retail and corporate social responsibility.

Our business philosophy is based on uncompromising quality, freshness of our products and personal service for every customer.

Thanks to its unique concept and continuous development, Azbuka Vkusa is one of the most vibrant and visible Russian brands.





We give our customers the opportunity to enjoy each purchase; to our suppliers and contractors, the chance to build a long-term, stable and open relationship; and to our employees, the chance to grow professionally and fully comprehend their personal contribution.

THE RUSSIAN RETAIL FOOD MARKET

The Russian food market may become the biggest in Europe in the next two years. Retail trade will keep growing – up to 10% each year.



2





Open air market business will continue to dwindle, while online sales will continue to increase.

In the competition with global players Russian retail chains will keep the leading role – unlike the countries of Eastern Europe.

3


LEADING POSITIONS

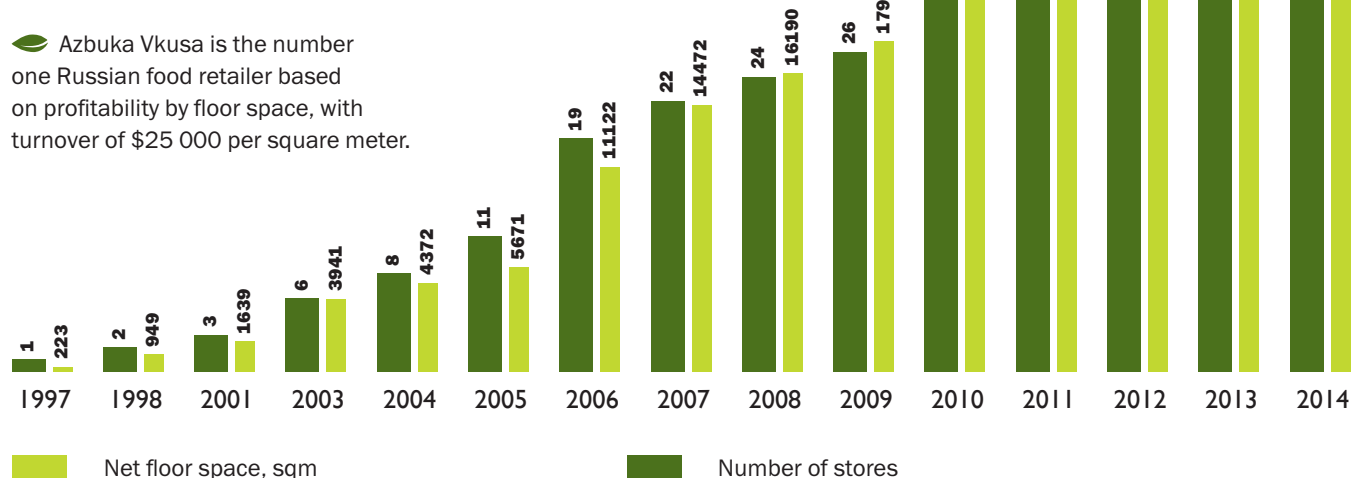


MOSCOW

ST-PETERSBURG

Azbuka Vkusa was founded in 1997, and the retail chain has now more than 60 supermarkets in and around Moscow and in St. Petersburg.

 Azbuka Vkusa is the number one Russian food retailer based on profitability by floor space, with turnover of \$25 000 per square meter.



UNIQUE FORMAT

Azbuka Vkusa was the first retail chain in Russia to offer customers a wide range of high quality products and an unprecedentedly high level of service in Russia.

4

The company increases its turnover by more than


30%
every year.


Growth in the number of stores is based on an effective combination of internal growth and mergers and acquisitions.



5

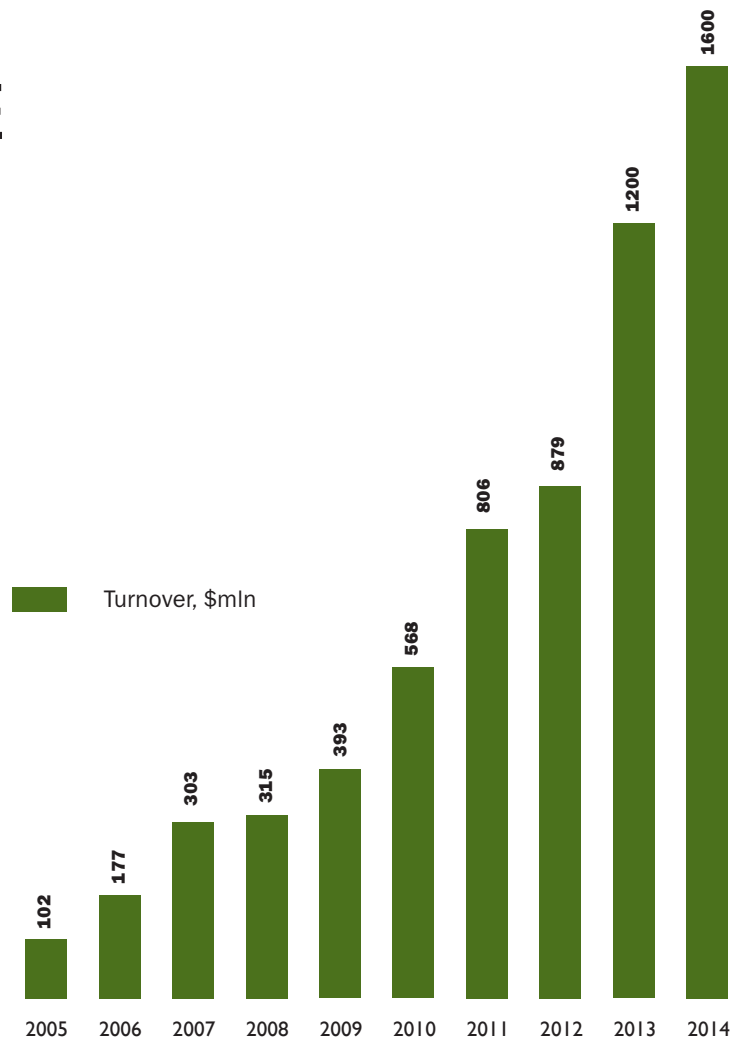
FINANCIAL PERFORMANCE

 Azbuka Vkusa is among the 50 largest Russian retail store chains. By the end of 2013 fiscal year company turnover will reach \$1.2 bln .

 The official auditor of the company is Ernst & Young, a member of the «Big Four» of the leading auditing firms in the world.

The annual growth rate of net sales is about

30%



6

LOGISTICS

☛ Azbuka Vkusa offers customers products of the highest quality. In order to provide prompt delivery to our supermarkets, we use the most up-to-date logistics technologies and are continually improving our methods.

☛ Our distribution center has an automated warehouse management system that allows us to effectively control the movement and storage of goods in warehouses and optimize the processes of delivery, receipt and purchase.



7

PURCHASING

Thanks to well devised niche strategy, Azbuka Vkusa has been able to become an exclusive and profitable partner with many foreign suppliers and manufacturers.

We offer our customers the best choice in terms of quality, variety and standard of service. Azbuka Vkusa works with the 900 producers from 70 countries all over the world.

We are constantly monitoring consumer preferences to generate the best product lines for different customer types.

Azbuka Vkusa develops direct imports to improve the quality of products sold. Direct import allows the company to have more control over products' quality.



8

ENOTEKA



11

🍷 In 2011 Azbuka Vkusa established a retail chain, Enoteka, which includes shop-in-shops in supermarkets and 3 specialized boutiques in Moscow aimed at customers who are interested in viniculture and want the opportunity to acquire the best wines and spirits at special conditions. Enoteka's assortment includes 1,500 varieties, including the most exciting and distinctive wines and spirits from Europe and the New World. Our experts personally select the best wine from the best wine houses all over the world.



9

PRIVATE LABELS

Azbuka Vkusa is aimed at different groups of customers for whom product quality is paramount. In 2011 we began producing and selling goods under our own brand.

The share of the private labels in the company's turnover will reach

15%

in 2014.



ПРОСТО АЗБУКА

Basic everyday products. The quality is higher than of similar products in the market.



Почти готово!

Ready-to-cook products. The recipes are created by restaurant chefs.



Наша Ферма

Farm products produced without the use of industrial technologies under conditions virtually matching international standards of eco-agriculture.



УЖЕ ГОТОВО

Ready-to-eat meals that have passed strict quality control.



Selection

A collection of premium products from around the world.



10

MULTI-PROFILE CULINARY DIVISION

Azbuka Vkusa was one of the first Russian food retail chains to launch production of its own food products.



All dishes are created under the supervision of Michel Chevais, Azbuka Vkusa's brand chef, a well-known former restaurant chef in Moscow.

AZBUKA VKUSA'S OWN PRODUCTS ACCOUNT FOR ABOUT 15% OF THE COMPANY'S TURNOVER.

🌿 The culinary division is a full-cycle enterprise, producing a wide range of food products.

🌿 The culinary division occupies more than 7000 sq. m. and produces over 350 products. Their total production is about 16 tons per day.



COOPERATION WITH FARMERS

One of the Azbuka Vkusa's priorities is the support of farming in Russia. The company currently works with two dozen farms in the Central and Southern regions of Russia. These farms produce a wide range of dairy products and vegetables for Azbuka Vkusa.





🌿 This ongoing program is a combination of efforts aimed at stimulating the development of agriculture, creation of new jobs and opportunities to offer consumers high-quality and organic domestic products at an affordable price.

🌿 In the near future the company plans to launch the production of marbled beef.



12

QUALITY MONITORING

Guaranteeing the safety and quality of goods in supermarkets are our key objectives.

🌿 The quality control department of the company conducts supermarket inspections for compliance with shelf life and ensuring that the products offered meet company standards.

Azbuka Vkusa was the first Russian food retailer to implement a quality control system based on ISO standard 9001:2008.

In 2012, the company was successfully certified as in compliance with international quality management system ISO standard 9001:2008.

🌿 The Customer Support Service was established in 2006. It is responsible for continuously responding to all customers' requests.



13

LOYALTY

We operate in a highly competitive market. We know that customers always have a choice, so we are constantly reviewing consumer needs to make them our regular clients. Our loyal customer base has more than 500 000 people.

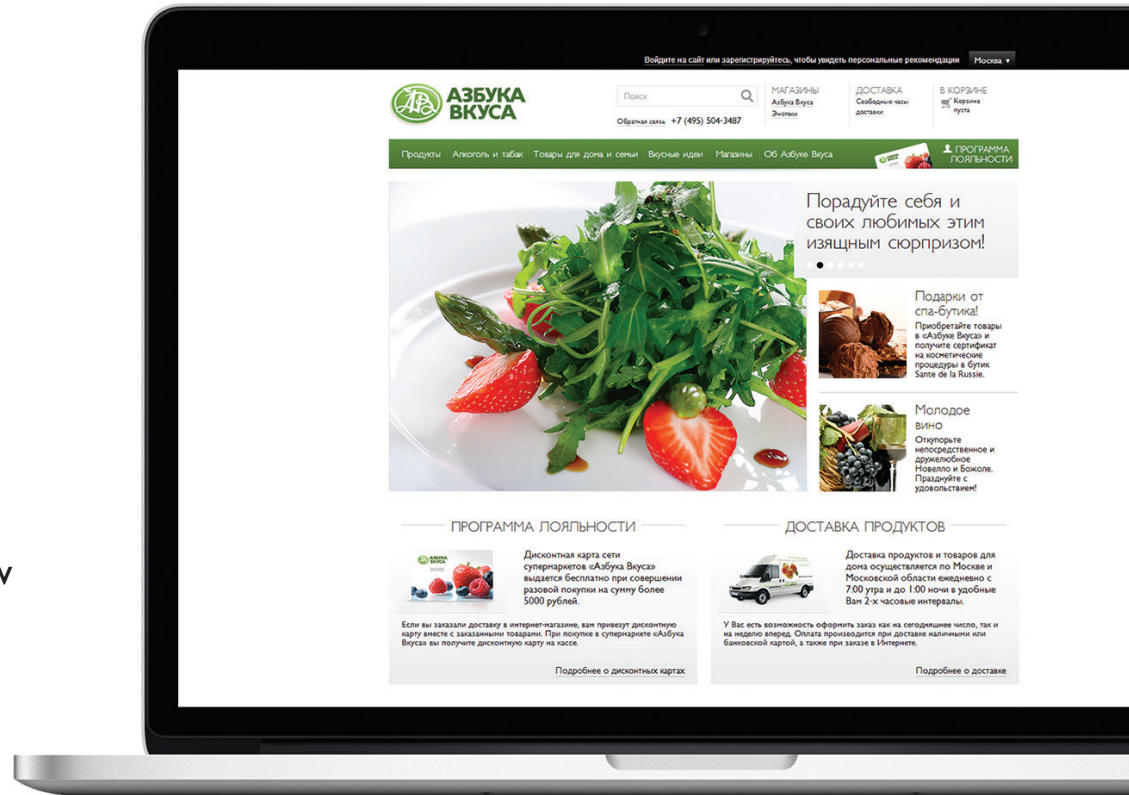


Since 2006, Azbuka Vkusa publishes TASTE, its own culinary magazine for customers, containing recipes from top chefs, ideas for travel, interviews with interesting people and fascinating stories about products.

14

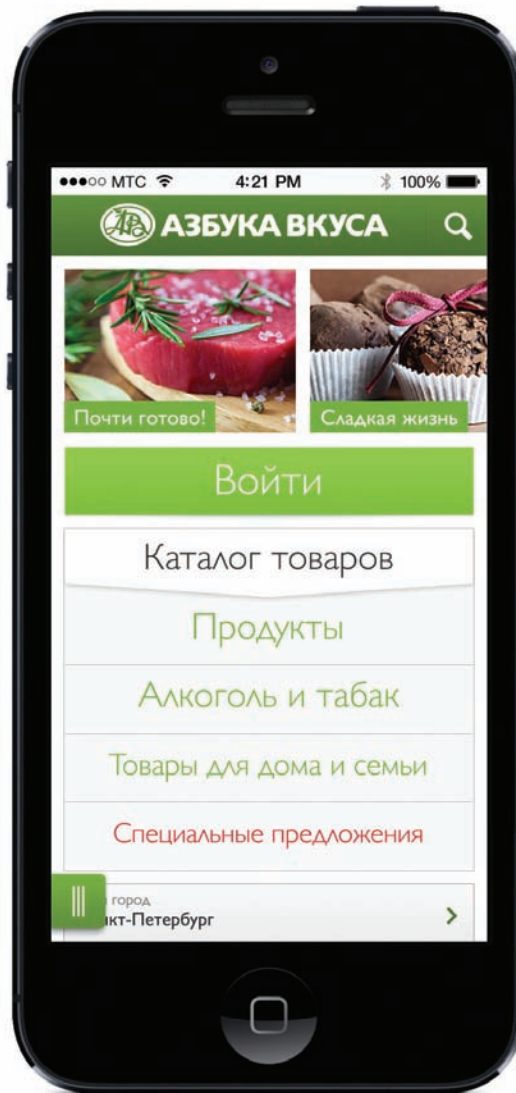
INTERNET
TRADE

In 2009 we launched our own delivery service. Azbuka Vkusa is one of few Russian retailers offering delivery of food, including such categories as chilled meat and seafood.



🌿 The Company intends to actively develop Internet-commerce and increase it to 5% of the company's turnover. The potential for the development of Internet trade remains rather high. Online business accounts for about 2% of total retail sales in Russia today (by comparison, in the U.S. the figure is 5%; in the UK, 8%).

NEW TECHNOLOGIES



We attach great importance to communications with consumers over the Internet. Since 2010, Azbuka Vkusa has accounts in social networks where it attracts everyone who is interested in cooking and food culture.

🌿 We actively develop new services such as Internet applications for users of smart phones and tablets.

16

PERSONNEL

Personnel are the locomotive of our business. Our staff combines professionalism with a desire to constantly improve their skills.

☘ Azbuka Vkusa has its own training center, and the Wine Academy is responsible for the preparation of highly qualified specialists for their own Enoteka. Azbuka Vkusa formed a group of expert salesmen to share their experience and maintain high standards of customer service.

One of the distinctive features of Azbuka Vkusa is their development of a corporate culture based on their perception of the company as one big family.

☘ To ensure effective communication between the employees of the central office and supermarkets, a program called «immersion» was established to give office staff a chance to get hands-on experience in the supermarkets.



17

SOCIAL RESPONSIBILITY

We do our best to comply with the highest international standards of business ethics and corporate responsibility. Charity and support of social projects are elements of company's business philosophy. Long-standing priorities include care for seriously ill children and protecting the environment.

- Permanent partner: Gift of Life, Charitable Foundation for Children with Cancer and Blood Diseases.
- Azbuka Vkusa is actively implementing «green» technologies and environmental programs and enlisting customers to take part in these projects.
- In 2012 Azbuka Vkusa completely switched to biodegradable packaging.





**AZBUKA
VKUSA**

facebook.com/AzbukaVkusa
twitter.com/azbukavkusa
azbukavkusa.livejournal.com
youtube.com/azbukav
instagram.com/azbukavkusa



www.av.ru