

Magnit Named One of Europe's 50 Most Valuable Brands

By [The Moscow Times](#)

April 13, 2014

The  **Moscow Times**

Magnit, Russia's largest food retailer, has been named one of the 50 most valuable brands in Europe.

The brand is worth \$272 million, placing it 44th on the list just after The Body Shop and before such retailers as department store Debenhams and mobile phone retailer Carphone Warehouse, according to the report Best Retail Brands 2014 by brand consultancy Interbrand.

Clothing chain H&M topped the rating with a brand worth more than \$18 billion, followed by furniture retailer IKEA and Spanish fashion chain Zara.

"It is of course pleasant to end up on the list," Magnit founder and CEO Sergei Galitsky said, Vedomosti reported.

"But the value of any brand is something fictitious. It seems to me that the brand in isolation

from the service that it offers is practically worth nothing," Galitsky added.

Magnit's earnings rose 26 percent in 2013 to \$18.2 billion with a net profit of \$1.1 billion. By comparison, the company's primary competitor X5 Retail Group, owner of supermarket chains Pyatyorochka, Perekryostok and Carousel, saw earnings of \$16.8 billion and a net profit of \$345 million.

Magnit had more than 8,000 stores across the country in late 2013, while X5 had about 4,500 locations.

Despite its strong position in the market, Magnit cut its full-year 2014 sales growth forecast from 25 percent down to between 22 and 24 percent to account for reduced consumer confidence stemming from Russia's weak economic growth. The IMF has predicted that Russia's gross domestic product will grow by a mere 1.4 percent in 2014, revised from an earlier forecast of 2 percent.

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