

## **KupiVIP.ru, Russia's leading ecommerce player, completes record \$55m funding**

April 14, 2011 – Moscow

**KupiVIP, Russia's leading online shopping club, today announced the completion of a \$55 million Series C funding – a record transaction for a Russian ecommerce business.** The funding further enhances KupiVIP's consumer offering and strengthens its ability to offer white label ecommerce services to international brands.

Three new investors participated in the funding: Balderton Capital, Bessemer Venture Partners and Russia Partners. The new investors joined existing investors including Accel Partners and Mangrove Capital Partners.

Launched in October 2008, KupiVIP hosts up to 20 private online flash sales every day, selling heavily-discounted fashion and home goods from 1200 high-street and luxury brands. Offers include products from well-known international designers such as Dolce & Gabbana and Roberto Cavalli, as well as Russian labels and global sportswear brands. Retail prices are typically reduced by 70% for KupiVIP members.

The new investment accelerates development of the company's Private Trade Ecommerce Services – a white-label ecommerce platform, allowing world-renowned brands to build online retail stores that reach the 270m-strong consumer audiences of Russia and the CIS. TSUM, Russia's leading luxury retailer, has already worked with KupiVIP to launch its online store, as has international surf brand Quiksilver. Both chose to partner with KupiVIP because of the company's deep knowledge of the Russian internet market.

KupiVIP is headquartered in Moscow and was founded by 28-year-old Oskar Hartmann, a German-born entrepreneur. The rapidly-growing company employs 750 employees, manages its own distribution and logistics network from the Russian capital, and operates throughout the country with approximately one half of sales generated in the Russian provinces.

Since an earlier \$20m funding led by Accel Partners and Mangrove Capital Partners in January 2010, KupiVIP has become a household name in Russia. Its shopping-club membership has quadrupled to more than 7 million Russian customers across all clubs, and 2010 revenue grew by 600% on the previous year.

Commenting on the new investment, Oskar Hartmann, CEO of KupiVIP, said: *"Our new partners recognise that KupiVIP has only begun to scratch the surface of what we can offer global brands as they race to connect with the Russian consumer. More than 200,000 customers log on to our sales every day, and we deliver millions of packages to members every year. Now we have everything we need to exploit the opportunities offered by this vast and still-growing market and to develop KupiVIP into a world-class ecommerce powerhouse."*

Dharmash Mistry, partner at Balderton Capital, commented: *"Russia is one of the most exciting internet markets anywhere - currently number two in Europe in terms of users and soon to overtake Germany, with 35% year-on-year ecommerce growth. Oskar and the KupiVIP team have already built the leading high-class shopping club in the country and continue to pioneer the development of ecommerce there. We are very excited about the company's turnkey business services for major offline retailers and international manufacturers entering Russia."*

Jeremy Levine of Bessemer Venture Partners said: *"At Bessemer, we have been scouring the globe for ecommerce opportunities for several years now. With our investment in KupiVIP, we are delighted to have a stake in the fastest-growing online retailer in one of the fastest-growing ecommerce markets in the world."*

Drew Guff, Managing Director of Russian Partners and founding principal of Siguler Guff, commented: *"Quality investments start and end with the quality of the entrepreneur, and in Oskar Hartmann we found unparalleled*

*leadership in one of Russia's fastest growing market segments. Russia Partners was privileged to lead this round that brought the best investor base possible to the company. We are all focused on developing this category-defining opportunity in the Russian ecommerce market."*

Jefferies acted as sole financial advisor to KupiVIP on the transaction.

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## **Contact**

For KupiVIP.ru

Juliana Kaspranova – [jk@kupivip.ru](mailto:jk@kupivip.ru) / +7 926 215 6136

For Balderton Capital

Victoria Palmer-Moore – [vpm@powerscourt-group.com](mailto:vpm@powerscourt-group.com) / +44 (0) 20 7250 1446

## **About Russia Partners**

Russia Partners is one of the oldest and largest private equity firms in Russia with more than \$1 billion of assets under management and over 40 employees in Moscow, Samara and Kiev. Since its founding in 1991, Russia Partners has become the leader in attracting and managing long-term private equity investments from U.S. and foreign institutional investors into Russia and the CIS. The firm has made more than 50 investments since its inception, the most notable of which include EPAM Systems, MDM Bank, MTV Russia, Parallels, Syktyvkar Pulp & Paper. [www.russiapartners.com](http://www.russiapartners.com). Russia Partners is a wholly-owned subsidiary of [Siguler Guff & Company, LP](#), a multi-strategy private equity investment firm serving corporate and public employee benefit plans, endowments, corporations, government agencies, financial institutions, family offices and high net worth individuals. Siguler Guff and its affiliates, which have over \$9.0 billion in assets under management, invest opportunistically in sectors of market inefficiency.

## **About Balderton Capital**

Balderton Capital is one of the leading venture capital firms in Europe. Based in London, Balderton manages \$1.9 billion in committed venture capital, and has invested in over 100 companies, principally in Europe but also in the US and Asia. Balderton focuses on the technology sector and notable investments include The Hut Group (one of Europe's fast growing online retailers), WorldStores (UK's largest online furniture & homewares retailer), YOOX Group (the online retailer of leading fashion brands, listed in December 2009), bebo (acquired by AOL for \$850m), Betfair (floated on the LSE in October 2010), LOVEFiLM (sold to Amazon in January 2010) and MySQL (acquired by Sun Microsystems for \$1 billion). [www.balderton.com](http://www.balderton.com)

## **About Bessemer Venture Partners**

Bessemer Venture Partners is a global investment group with offices in Menlo Park, Cambridge, New York, Mumbai and Herzliya. Among the oldest venture-capital practices in the United States, BVP has partnered as an active, hands-on investor in Ciena, LinkedIn, Postini, Shriram EPC, Skype, Staples, VeriSign and Yelp. More than 100 Bessemer-funded companies have gone public on exchanges in Canada, India, the UK and the United States. [www.bvp.com](http://www.bvp.com)

## **About Accel Partners**

Founded in 1983 and with offices in Palo Alto, London, Bangalore and China (via the IDG-Accel Partnership), Accel Partners has a history of excellence and innovation in the venture capital business. Accel is dedicated to partnering with outstanding entrepreneurs and management teams to build world-class internet and technology businesses. Category-defining companies backed by Accel include Facebook, Groupon, Kayak and Playfish.

[www.accel.com](http://www.accel.com)

## **About Mangrove Capital Partners**

Mangrove Capital Partners looks to invest in passionate entrepreneurs who want to build world-changing companies. Mangrove invests early, often before the product launch, and wants to be the partner of choice for innovators seeking financial partners. Its hands-on philosophy in all areas of business and technological development is the cornerstone of its investment strategy and positions Mangrove as a true partner for growth. Mangrove has invested in among others the following companies: Skype, Seatwave, Brands4friends, Rdio, Nimbuzz, Wix, KupiVip, Spreets, Dialcom, Bettymovil, and Drimmi. [www.mangrove-vc.com](http://www.mangrove-vc.com)