



ЛЕНТА

2Q2017 Trading Update Investor Presentation

20 July, 2017



2Q2017 Highlights

*Total sales growth in 2Q2017 of **16.3%**, reaching Rub 85.6bn
(2Q2016 sales growth of 21.8%, reaching Rub 73.6bn)*

*LFL sales growth in 2Q2017 of **(2.0%)**, incl. (2.9%) LFL traffic and 0.9% LFL ticket growth*

*7 new supermarkets opened in 2Q2017
Total store count reaching 195 hypermarkets and 59 supermarkets*

*Total selling space of **1,173,416 sqm** as of 30 June 2017 (27.1% y-o-y growth)*

Completed Rub 5.0bn bond placement with semi-annual coupon rate of 8.7%

Lenta issued 98,217 new ordinary shares (491,085 GDRs) under MIP¹ and LTIP². Share capital increased to 97,416,963 shares (487,084,815 GDRs)

*2017 store opening guidance remains **unchanged** as well as Capex guidance of **Rub 30-35bn***

*Number of active cardholders increased to **11.5m** (23% y-o-y growth)*

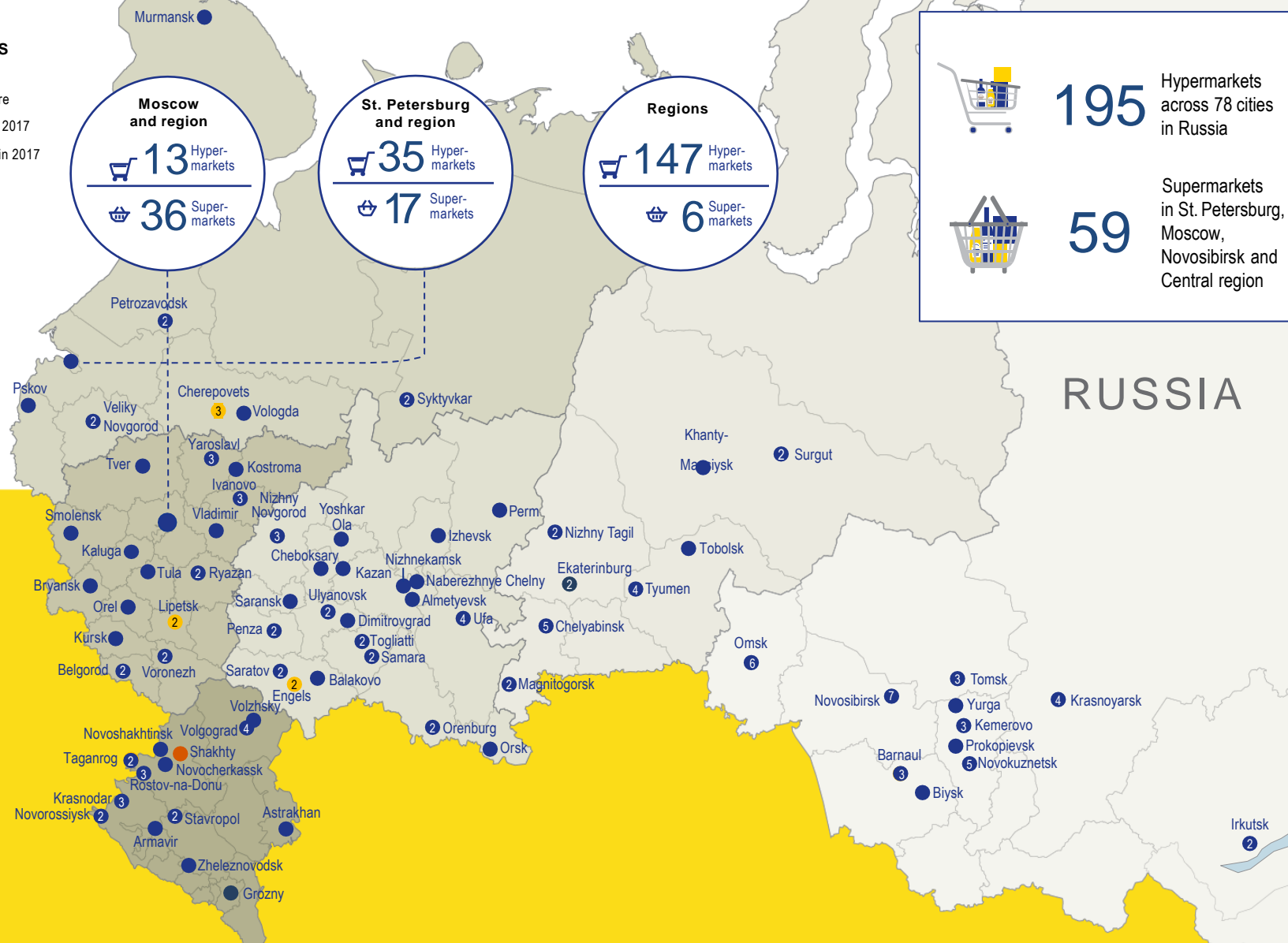
(1) Management Incentive Program

(2) Long-Term Incentive Program. 31,744 shares (158,720 GDRs) issued under LTIP are held as treasury shares

BUSINESS GEOGRAPHY

NUMBER OF HYPERMARKETS

- One store
- ② More than one store
- Stores opened in 2017
- New city entered in 2017



Moscow and region

13 Hypermarkets

36 Supermarkets

St. Petersburg and region

35 Hypermarkets

17 Supermarkets

Regions

147 Hypermarkets

6 Supermarkets

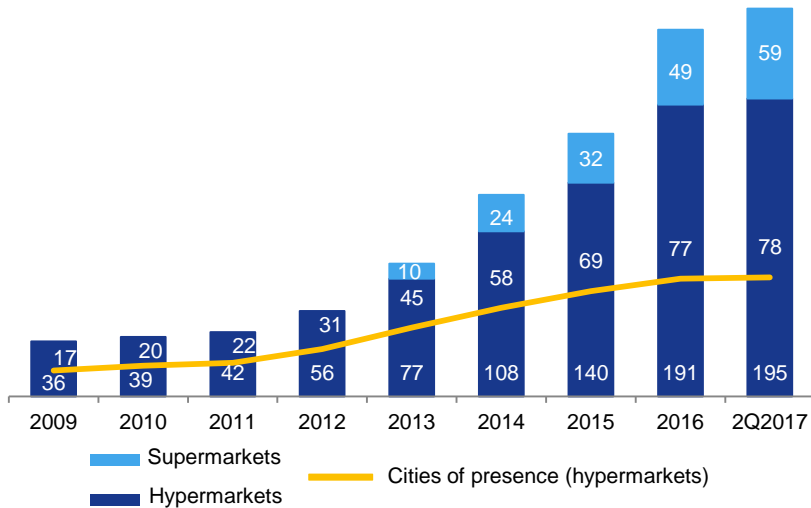
195 Hypermarkets across 78 cities in Russia

59 Supermarkets in St. Petersburg, Moscow, Novosibirsk and Central region

RUSSIA

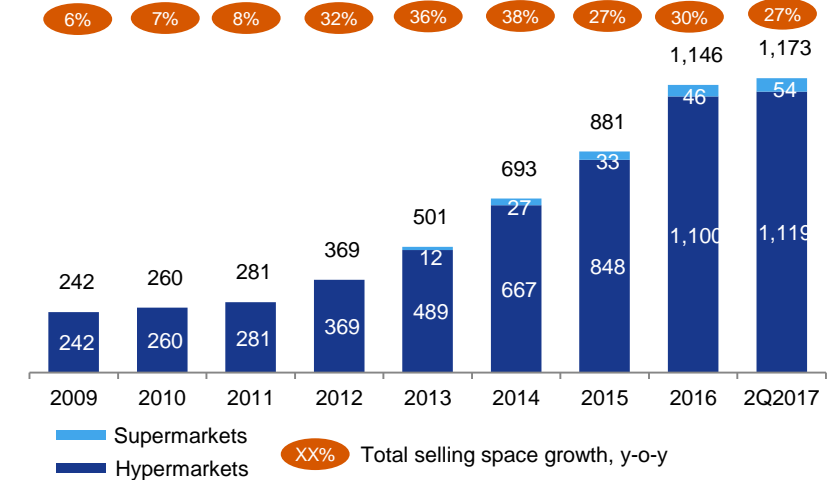
2Q2017 Store network development

Store network development



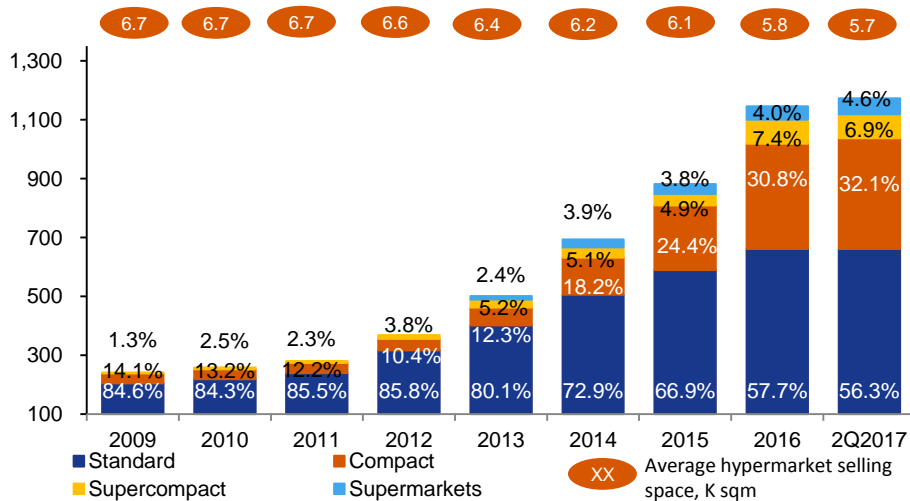
Selling space development

K sqm



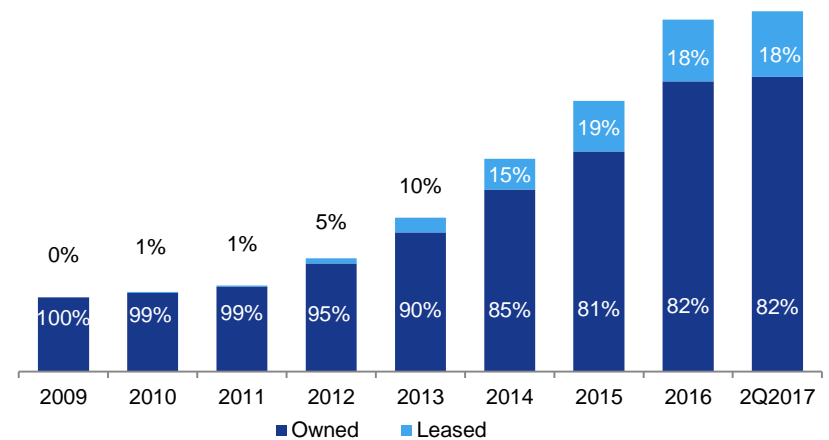
Format development

as % of total selling space



Selling space ownership

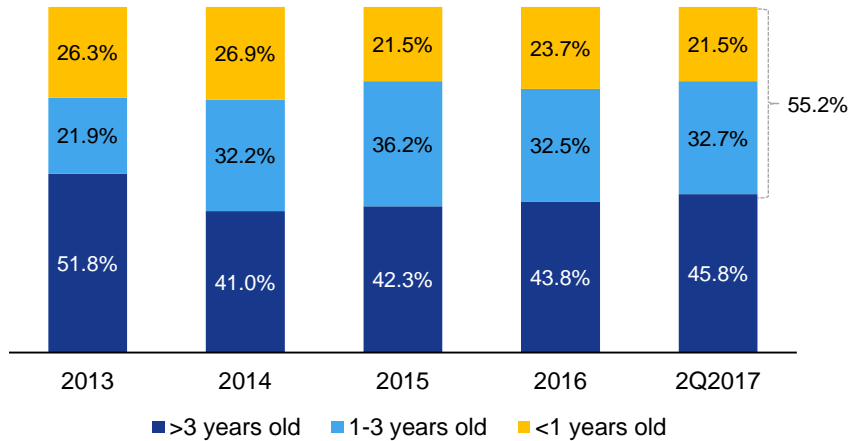
as % of total selling space



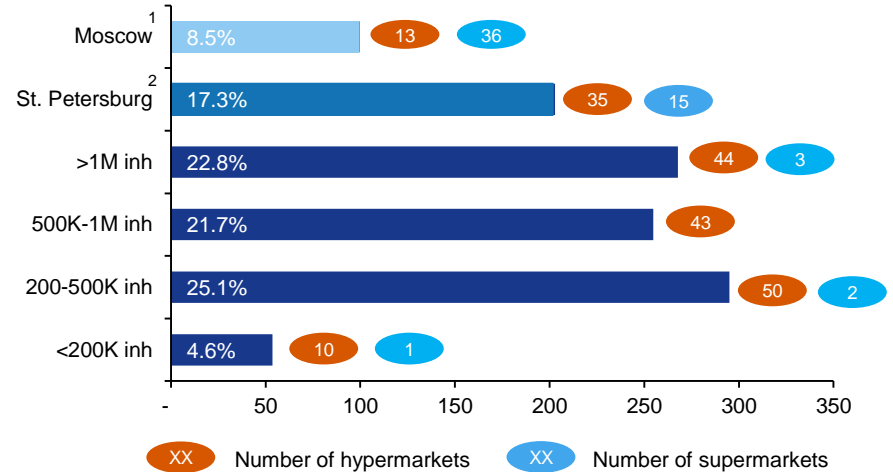
2Q2017 Selling space development

Lenta total selling space age split

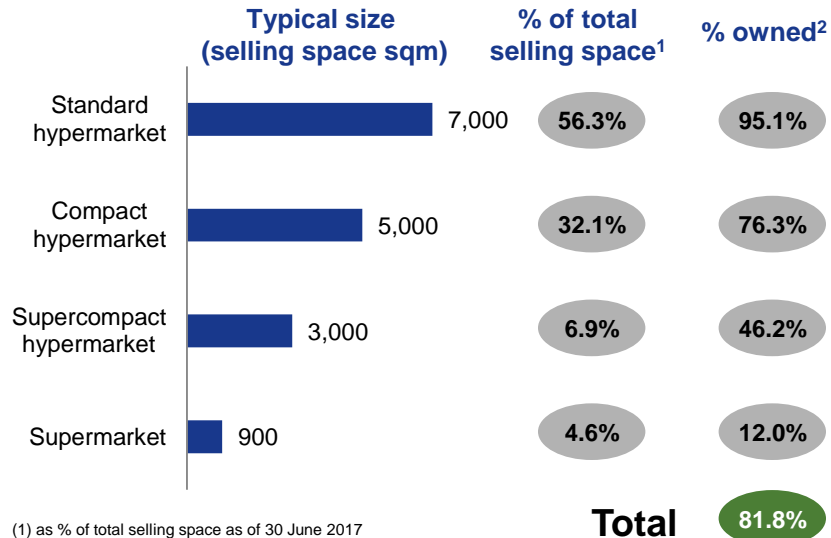
as % of total selling space



Selling space by city population

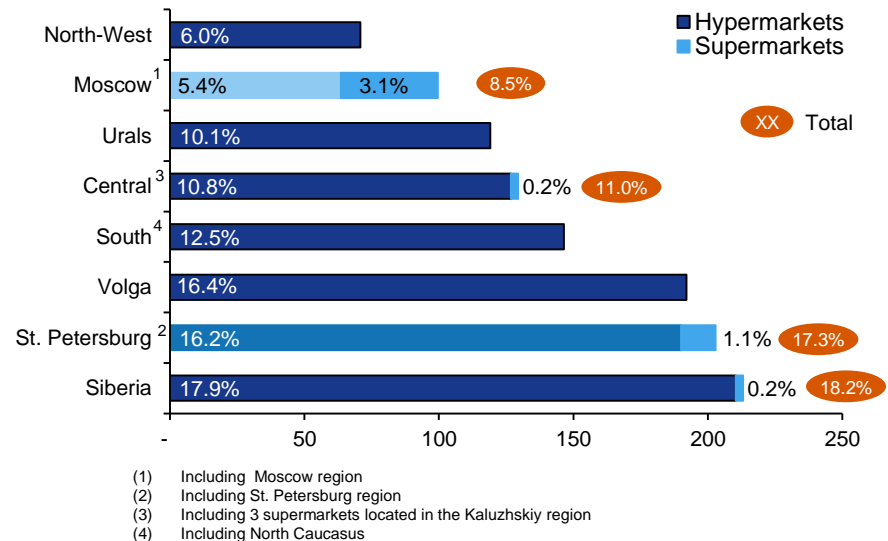


Lenta formats



(1) as % of total selling space as of 30 June 2017
 (2) as % of total selling space of the format as of 30 June 2017

Selling space by region



(1) Including Moscow region
 (2) Including St. Petersburg region
 (3) Including 3 supermarkets located in the Kaluzhskiy region
 (4) Including North Caucasus

2Q and 1H2017 Sales growth

Sales growth in 1H2017

	Sales	Traffic	Ticket
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Total + 16.7% + 19.1% - 2.0%

Hypermarket + 16.3% + 18.2% - 1.6%

Supermarket + 26.3% + 28.4% - 1.6%

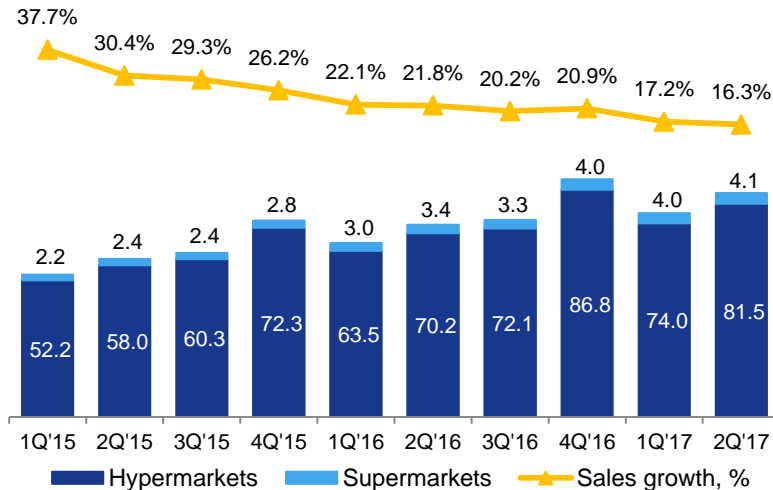
LFL - 1.8% - 2.4% + 0.6%

Hypermarket - 2.0% - 2.5% + 0.6%

Supermarket + 0.7% - 1.8% + 2.5%

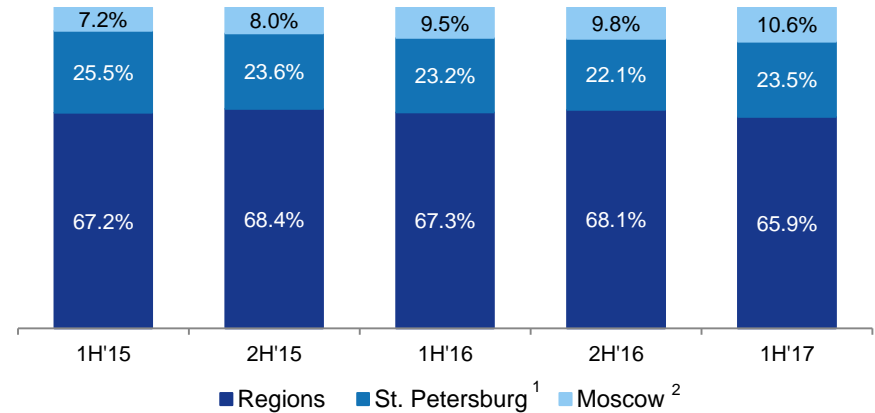
Total Sales growth

Quarterly sales, Rub bn



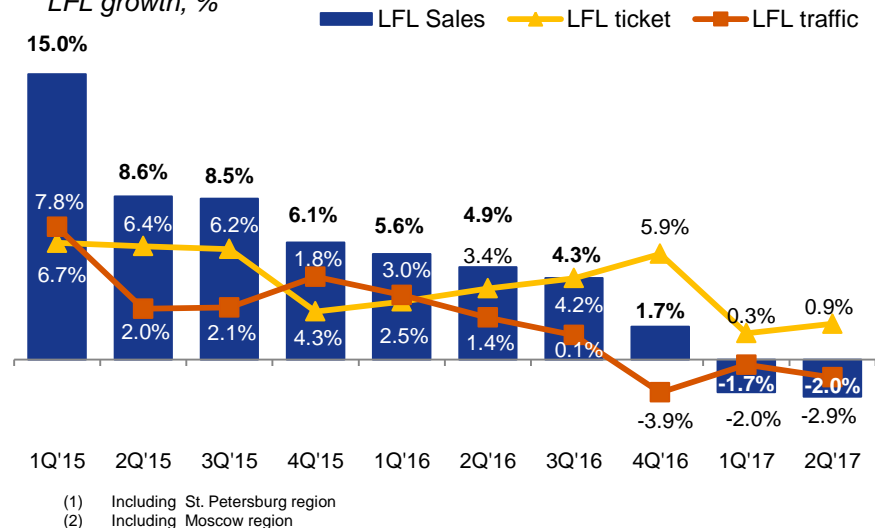
Sales split – St. Petersburg and Moscow vs. regions

Sub sales breakdown



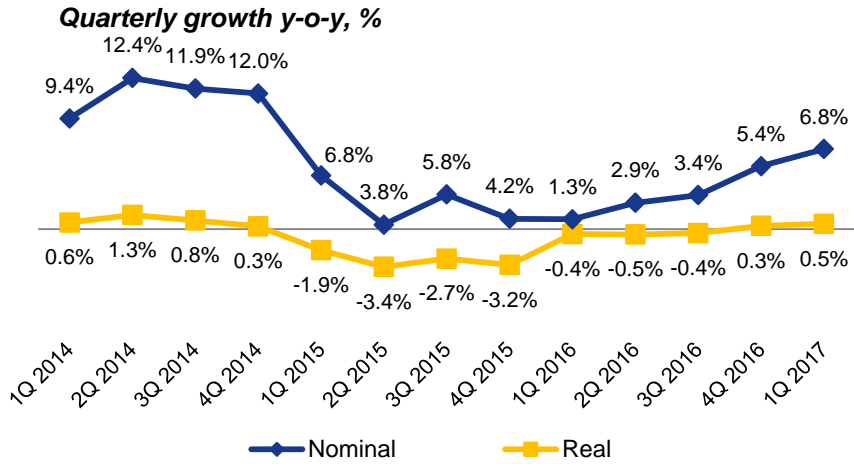
LFL Sales growth

LFL growth, %

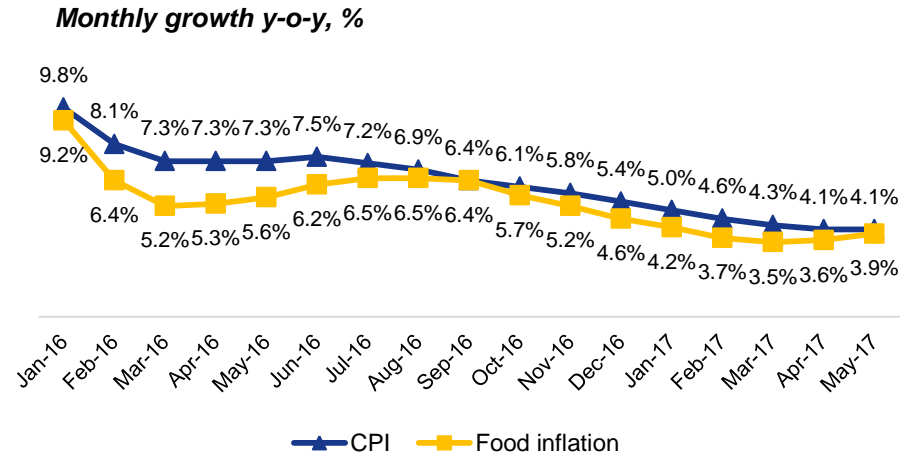


Market – inflation and income trends

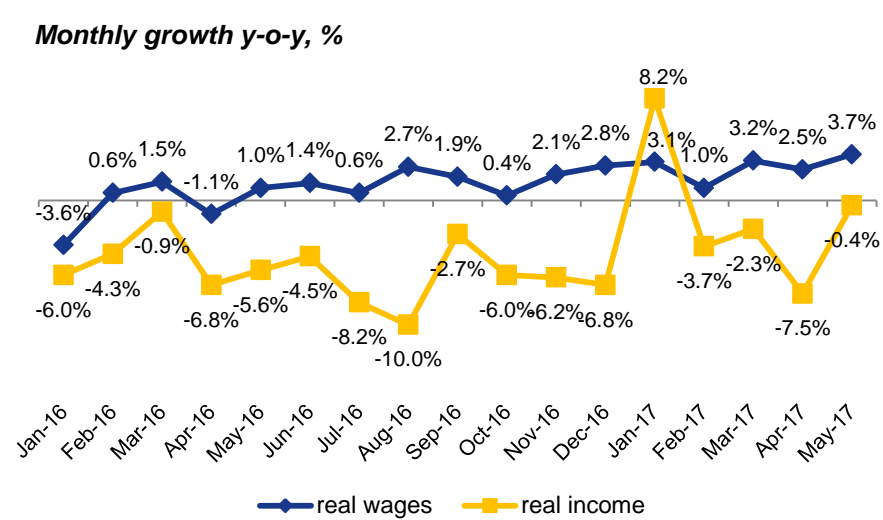
Nominal and real GDP dynamics in 2014-2017



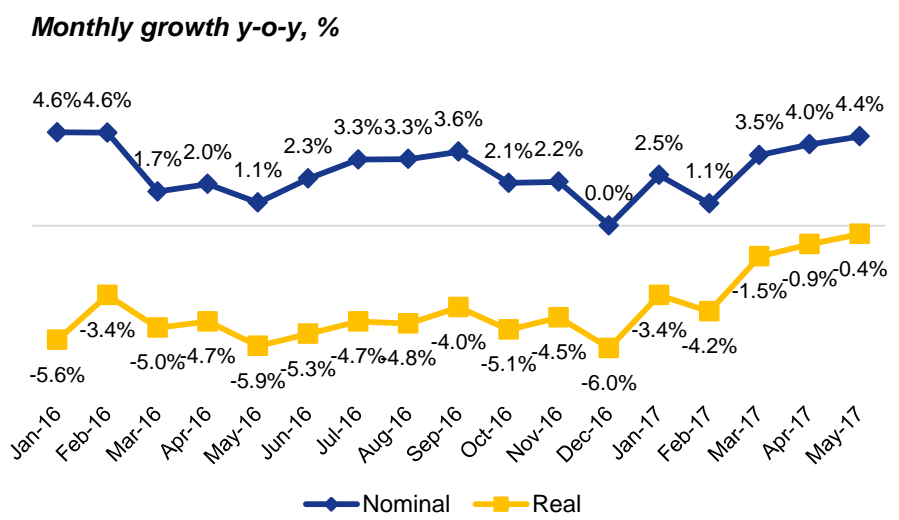
CPI dynamics in 2016-2017



Real disposable income and wage dynamics in 2016-2017



Nominal and real food retail sales dynamics in 2016-2017



Source: Rosstat.

Appendix – Quarterly operational data

	1Q'15	2Q'15	3Q'15	4Q'15	FY'15	1Q'16	2Q'16	3Q'16	4Q'16	FY'16	1Q'17	2Q'17
Sales total, Rub bn	54.5	60.4	62.8	75.1	252.8	66.5	73.6	75.4	90.8	306.4	77.9	85.6
Total sales growth	37.7%	30.4%	29.3%	26.2%	30.3%	22.1%	21.8%	20.2%	20.9%	21.2%	17.2%	16.3%
<i>Hypermarkets</i>	52.2	58.0	60.3	72.3	242.9	63.5	70.2	72.1	86.8	292.6	74.0	81.5
<i>Supermarkets</i>	2.2	2.4	2.4	2.8	9.8	3.0	3.4	3.3	4.0	13.7	4.0	4.1
Number of stores	136	143	149	172	172	180	189	195	240	240	247	254
<i>Hypermarkets</i>	112	116	122	140	140	142	147	153	191	191	195	195
<i>Supermarkets</i>	24	27	27	32	32	38	42	42	49	49	52	59
Selling space, K sqm	720	744	780	881	881	896	923	955	1,146	1,146	1,168	1,173
<i>Hypermarkets</i>	693	714	751	848	848	858	882	915	1,100	1,100	1,119	1,119
<i>Supermarkets</i>	27	29	29	33	33	38	40	40	46	46	49	54
LFL Sales growth	15.0%	8.6%	8.5%	6.1%	9.1%	5.6%	4.9%	4.3%	1.7%	3.9%	-1.7%	-2.0%
<i>Hypermarkets</i>	14.7%	8.3%	8.3%	6.1%	9.0%	5.5%	4.9%	4.3%	1.6%	3.9%	-1.8%	-2.1%
<i>Supermarkets</i>	28.0%	17.1%	14.7%	7.7%	15.1%	7.9%	3.5%	4.4%	6.1%	5.5%	0.9%	0.4%
LFL Traffic growth	7.8%	2.0%	2.1%	4.3%	3.9%	3.0%	1.4%	0.1%	-3.9%	-0.1%	-2.0%	-2.9%
<i>Hypermarkets</i>	7.5%	1.7%	1.9%	4.2%	3.7%	2.8%	1.3%	0.0%	-4.2%	-0.2%	-2.2%	-2.8%
<i>Supermarkets</i>	14.1%	8.4%	5.2%	5.9%	7.7%	5.2%	2.7%	1.0%	-0.7%	1.9%	0.2%	-3.4%
LFL Ticket growth	6.7%	6.4%	6.2%	1.8%	5.0%	2.5%	3.4%	4.2%	5.9%	4.0%	0.3%	0.9%
<i>Hypermarkets</i>	6.7%	6.6%	6.3%	1.9%	5.1%	2.6%	3.6%	4.2%	6.0%	4.1%	0.3%	0.8%
<i>Supermarkets</i>	12.2%	8.0%	9.0%	1.7%	6.8%	2.5%	0.8%	3.4%	6.9%	3.5%	0.7%	4.0%



Albert Avetikov

Director for Investor Relations

albert.avetikov@lenta.com

Dmitry Kovalenko

Investor Relations Manager

dmitry.kovalenko@lenta.com

112 Savushkina str.

St. Petersburg, Russia