



Introduction to Lenta



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Lenta at a glance

Key facts

Leading player

- ◆ Leading hypermarket player and #7 food retailer in Russia¹

Wide footprint

- ◆ 68 stores across 37 cities²

Flexible store size

- ◆ Avg. 6.5k sqm.³

Customer focused assortment

- ◆ Avg. 22k SKUs/store

Loyal customer base

- ◆ 4.1mm active cardholders⁴

Central to our business model

- ◆ “Market-led”, low pricing and deep/frequent promotions
+ Customer-focused assortment strategy
= Strong customer loyalty and brand awareness
- ◆ Low cost in-store execution
- ◆ Integrated supply chain underpinned by network of distribution centres

National footprint²



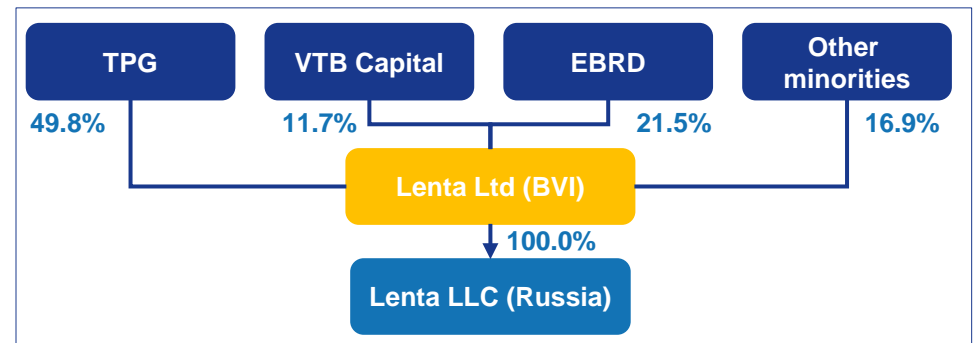
Summary financial performance

	RUBbn	USDbn ⁸	2010A	2011A	2012A		CAGR '10-'12A ⁹
Revenue	70.6	2.33	89.8	3.05	109.9	3.54	25%
Growth % ⁹			27%	27%	22%		
Gross profit	12.8	0.42	16.7	0.57	22.7	0.73	33%
Margin %			18.1%	18.6%	20.6%		
SG&A ⁵	(6.3)	(0.21)	(8.2)	(0.28)	(10.7)	(0.34)	31%
% of sales			8.9%	9.2%	9.7%		
Adj. EBITDA ⁶	7.2	0.24	9.1	0.31	12.7	0.41	33%
Margin %			10.1%	10.1%	11.6%		
CROCI % ⁷			33%	42%	44%		

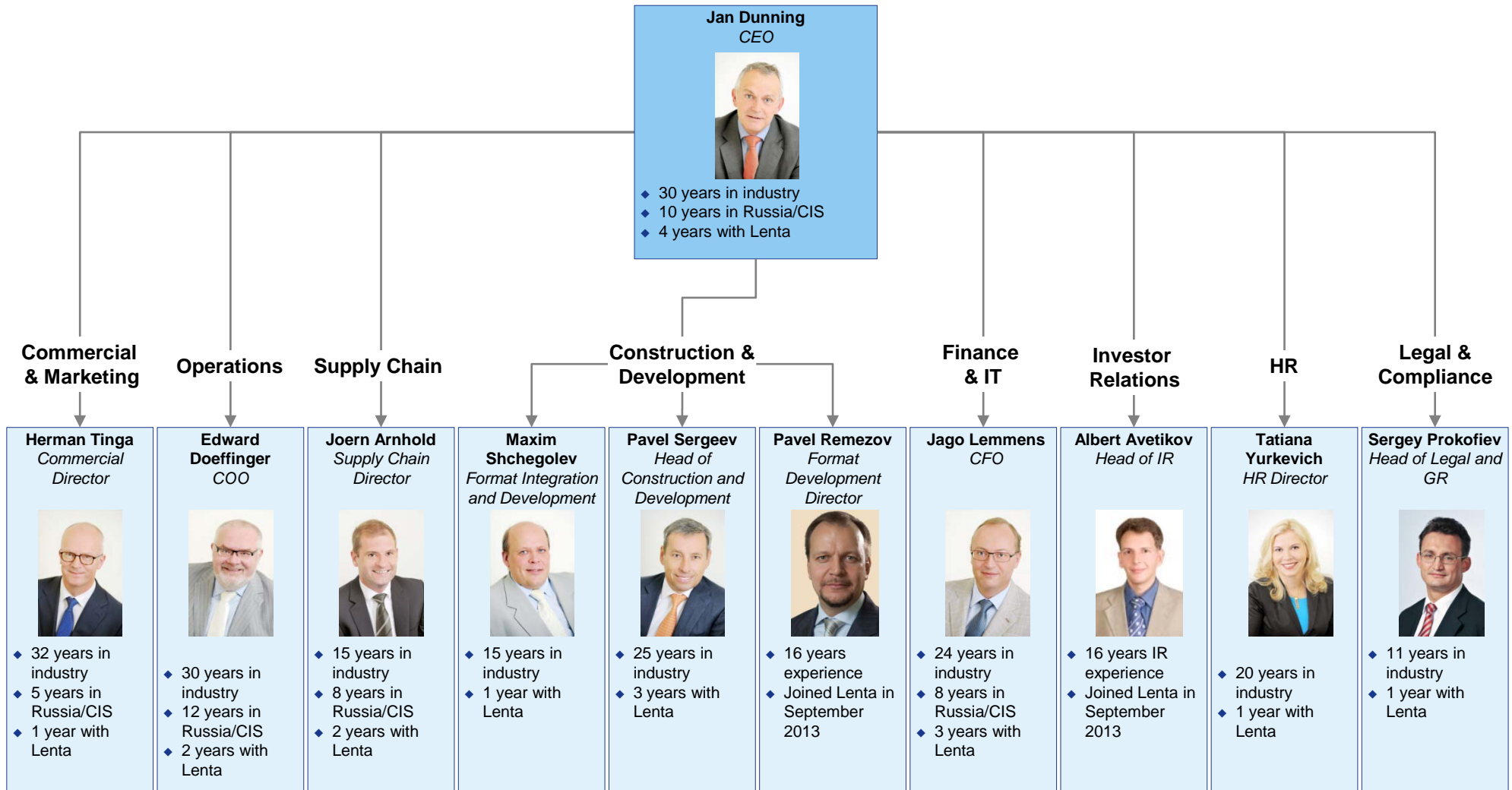
Source: Company information, public filings, Planet Retail, Russian Central Bank

Note: Financials based on IFRS accounting; ¹ Based on 2012A sales for hypermarkets and food retailers in Russia; ² As of September 30, 2013; ³ Retail trading space as of September 30, 2013; ⁴ Card holders who made at least 2 visits to Lenta during the 12 months to June 30, 2013 are considered active; ⁵ SG&A excludes rent, D&A, materials, supplies, impairment of certain assets, bad debt provisions and other company-specific adjustments; ⁶ Adj. EBITDA is adjusted for non-recurring one-off items such as changes in accounting policy and estimates and one-off non-operating costs; ⁷ Defined as Adj. EBITDA over average capital invested (book value of gross non-current assets plus net working capital), calculated as simple average of capital invested as at start and end of 2010A and YE of previous and current year for 2011A and 2012A; ⁸ Converted at yearly average RUB/USD exchange rates (2010: 30.38; 2011: 29.39; 2012: 31.07); ⁹ Growth rates calculated on RUB figures

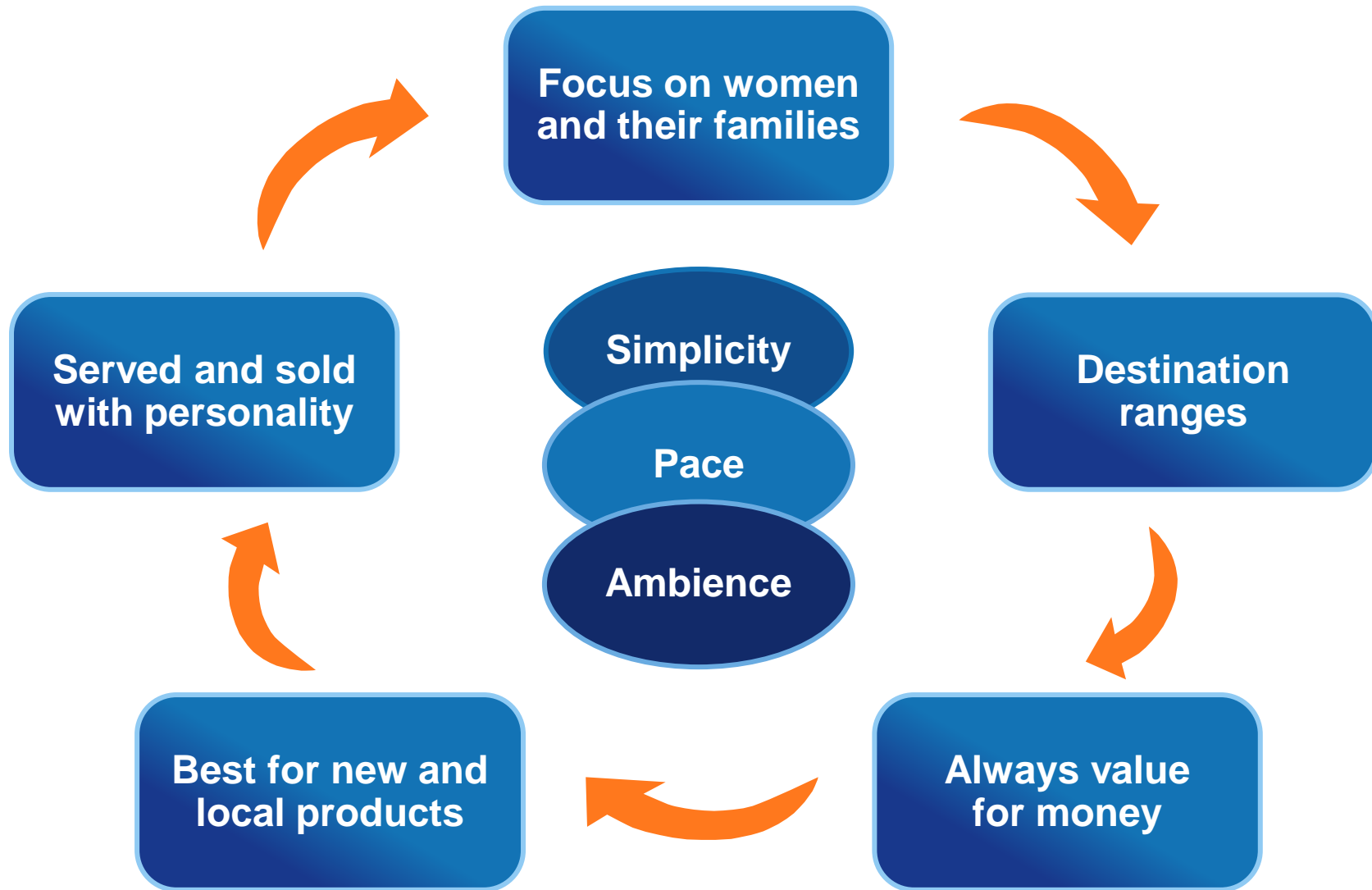
Our current shareholder structure



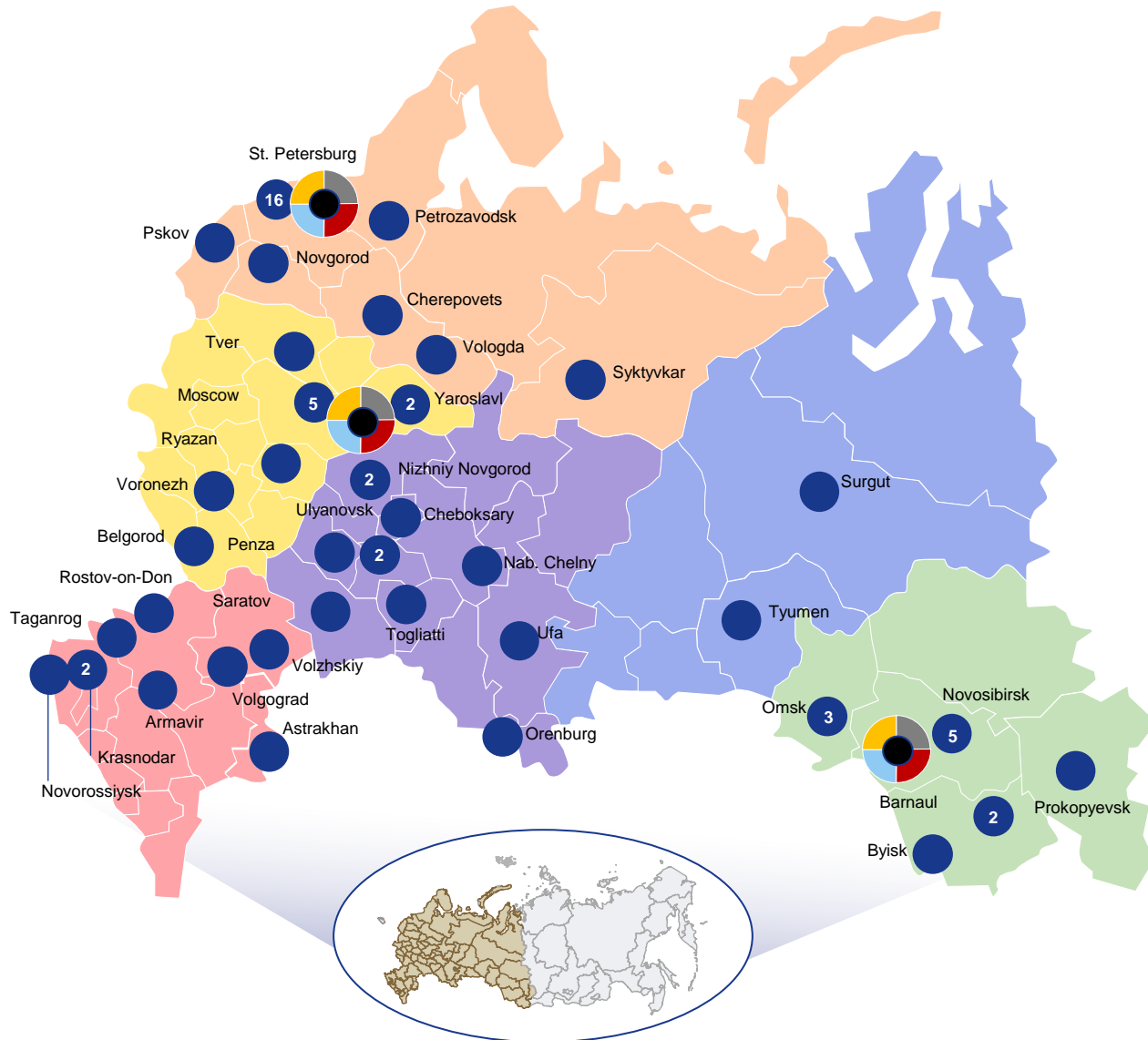
Lenta's management team



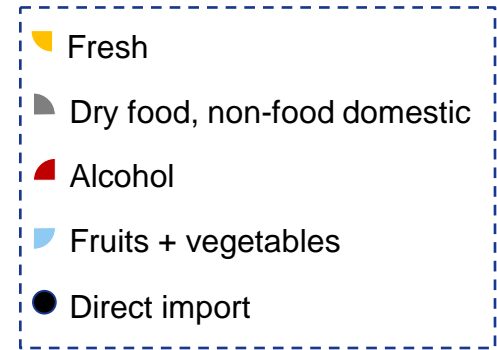
Overview of Lenta's customer proposition



Lenta's stores and distribution centers



Distribution Centers



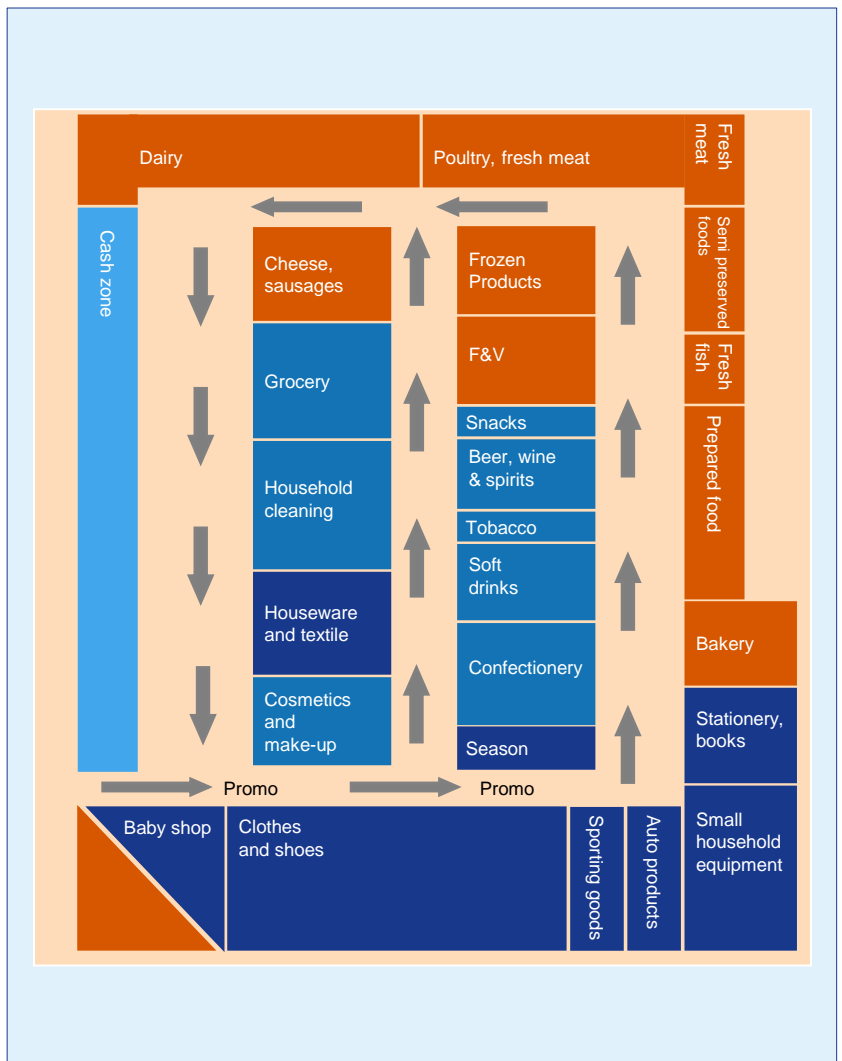
- Lenta's stores
- ② Indicates number of stores in the city
- Southern
- Volga
- Urals
- Siberia
- North Western
- Central

Standardised and flexible store formats

Lenta hypermarket store formats

	Hypermarket formats		
	Standard	Compact	Supercompact
Number of stores	47	10	6
Proportion of total selling space	83%	12%	5%
Typical selling space / store (sqm.)	7,040	5,500	3,000
Typical total space / store (sqm.)	12,500	9,200	5,000
Number of parking spaces	500	400	100
Recommended plot size (Ha)	4	2.5 – 3	1.2
SKUs	24,000	21,000	15,000

Typical hypermarket store layout¹

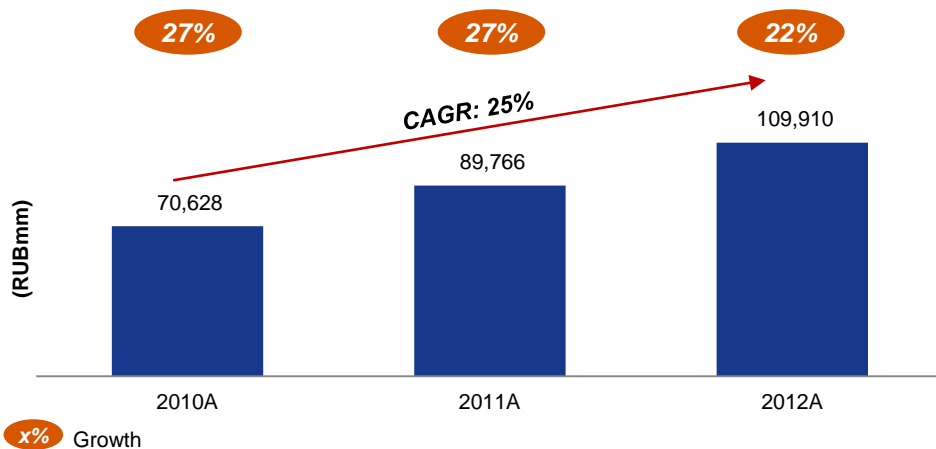


Source: Company information

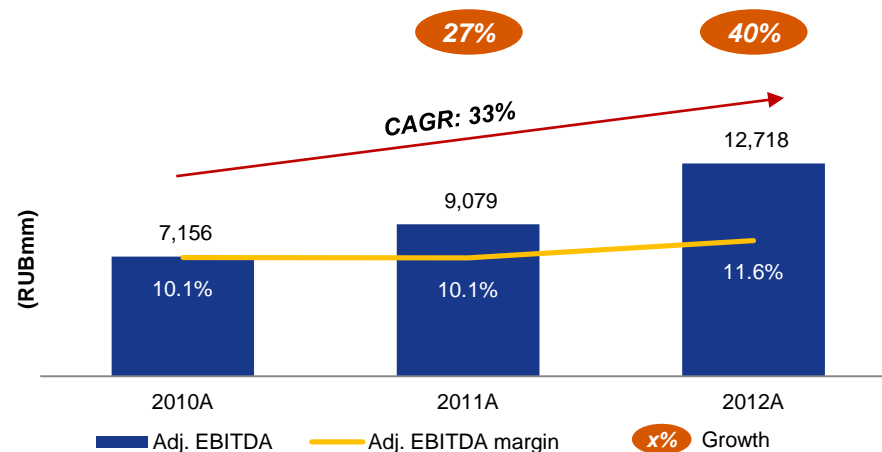
¹ Not representative of Supercompact format

Financial highlights

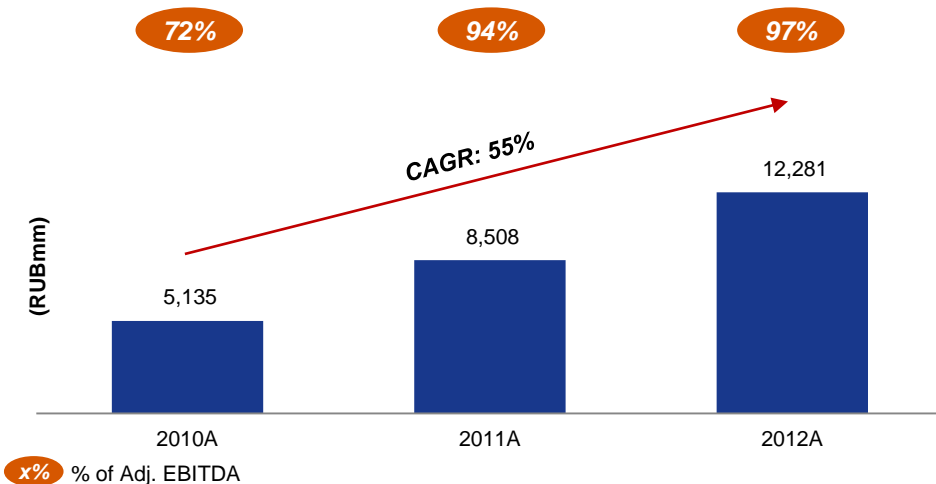
Sales



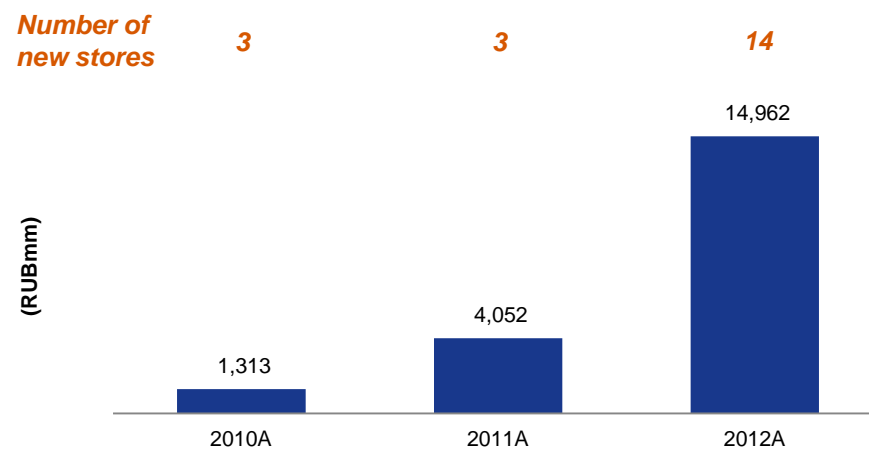
Adj. EBITDA¹



Operating cash flow²



Capital expenditure³



Source: Company information (financials based on audited IFRS accounts)

¹ Adj. EBITDA is adjusted for non-recurring one-off items such as changes in accounting policy and estimates and one-off non-operating costs

² Net cash generated from operating activities before net cash interest paid

³ Includes purchases of property, plant and equipment, purchases of intangible assets other than leasehold rights, purchases of leasehold rights

Financial highlights

Historical financial overview (2012 – H1 2013 results)

RUBmm	2010A	2011A	2012A	H1 2012	H1 2013
Sales	70,628	89,766	109,910	49,054	62,131
<i>Growth %</i>	27%	27%	22%		26.7%
<i>LFL¹</i>	25%	21%	14%	13.6%	7.5%
Gross profit	12,752	16,711	22,677	9,456	13,171
<i>Margin %</i>	18.1%	18.6%	20.6%	19.3%	21.2%
Adj. EBITDA²	7,156	9,079	12,718	5,083	6,634
<i>Growth %</i>		27%	40%		30.5%
<i>Margin %</i>	10.1%	10.1%	11.6%	10.4%	10.7%
Net profit	2,220	1,697	5,136	2,434	2,529
<i>Growth %</i>		(24%)	203%		3.9%
<i>Margin %</i>	3.1%	1.9%	4.7%	5.0%	4.1%
Operating Cash Flow³	5,135	8,508	12,281	2,411	575
<i>Growth %</i>		66%	44%		(76%)
<i>% of Adj. EBITDA</i>	72%	94%	97%	47%	9%
Free Cash Flow⁴	3,822	4,457	(2,681)	(1,608)	(7,701)
Total debt	7,726	24,961	28,877	25,460	37,818
Cash	771	5,136	3,536	2,062	3,378
Net debt	6,955	19,825	25,341	23,398	34,440
<i>Net debt / Adj. EBITDA</i>	1.0x	2.2x	2.0x	2.1x	2.4x
<i>Adj. EBITDA / Interest⁵</i>	7.3x	7.1x	4.1x	4.5x	4.0x
No. of new hypermarkets	3	3	14	2	4
Total store base⁶	39	42	56	44	61

Source: Company information (financials based on audited IFRS accounts except LFL)

Note: H1 2012 and H1 2013 financials have not been finalised and are subject to review

¹ LFL based on 12-months rolling methodology (i.e. LFL panel includes stores that have been open for more than 12 months); ² Adj. EBITDA is adjusted for non-recurring one-off items such as changes in accounting policy and estimates and one-off non-operating costs; ³ Net cash generated from operating activities before net paid cash interest; ⁴ Operating cash flow less capital expenditure; ⁵ Interest calculated as net interest expense (interest expenses less interest income); ⁶ Includes 1 supermarket as at June 30, 2013