



ЛЕНТА

3Q2015 Trading Update
Investor Presentation

16 October, 2015



3Q and 9M2015 Highlights

*Total sales growth in 3Q2015 – 29.3%, reaching Rub 62.8bn
(9M2015 sales growth of 32.1%, reaching Rub 177.7bn)*

*LFL sales growth in 3Q2015 – 8.5% (incl. 2.1% LFL traffic and 6.2% LFL average ticket growth)
(9M2015 LFL sales growth of 10.4% (incl. 3.7% LFL traffic and 6.4% LFL ticket growth))*

*6 hypermarkets opened in 3Q2015,
total store count reaching 122 hypermarkets and 27 supermarkets*

Total selling space of 787,804 sqm as of 30 September 2015 (38.3% y-o-y growth)

Lenta acquired three stores and four land plots from O'Key group

Lenta completed placement of two bond offerings in 3Q 2015 for a total of Rub 10bn

Moody's and S&P upgraded Lenta's rating to "Ba3" and "BB-" respectively with "stable" outlook

Guidance update

*Store opening guidance for 2015 increased to at least **30** hypermarkets
supermarket guidance remains unchanged*

Total sales growth guidance for 2015 revised to 29-33%

*Capital expenditure of ~RUB **35bn** in 2015*

*Expect to further increase hypermarket openings in 2016 to at least 32 stores and to
maintain a similar or higher pace of expansion thereafter*

The number of supermarket openings to increase in 2016

*Expect to comfortably exceed target to **double selling space over 3 years** to
December 2016*

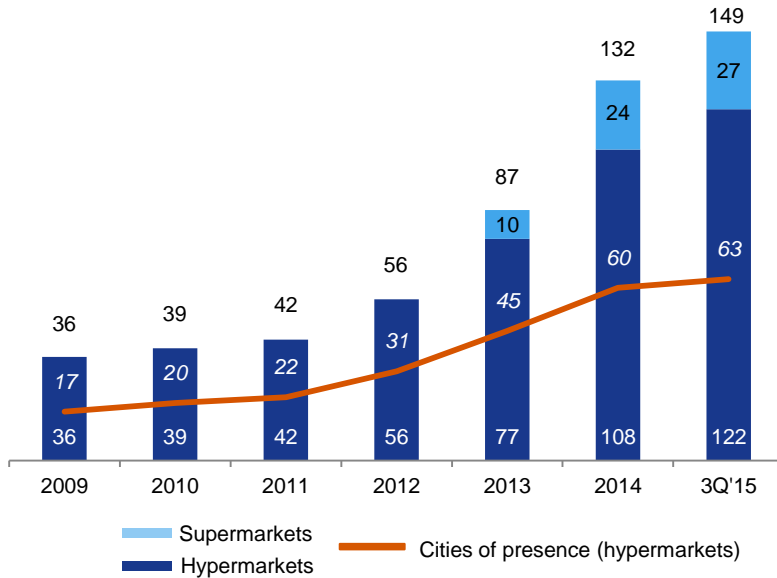
Lenta store network as of 16th October 2015

| New Stores | 1Q'15 | 2Q'15 | 3Q'15 | 9M'15 | 9M'14 | FY'14 |
|--------------|-------|-------|-------|-------|-------|-------|
| Hypermarkets | 4 | 4 | 6 | 14 | 10 | 31 |
| Supermarkets | - | 3 | - | 3 | 6 | 14 |

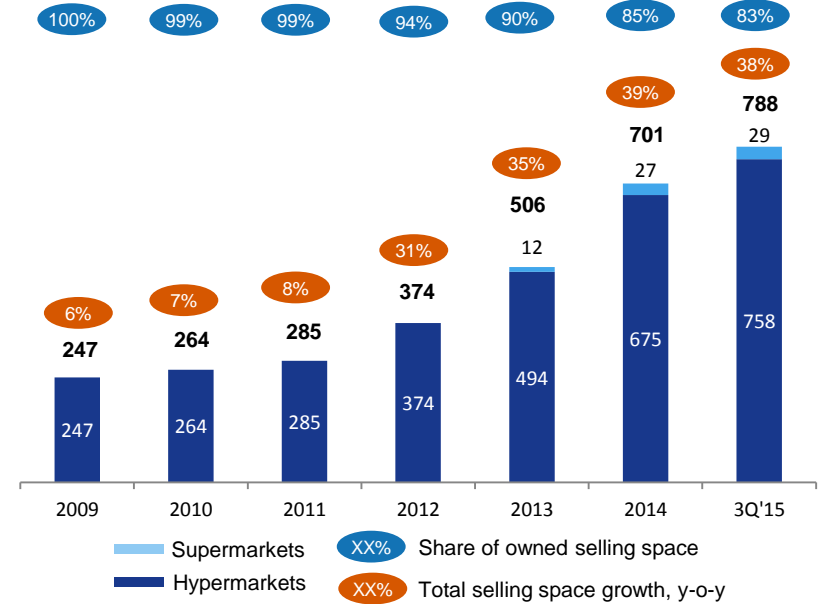


3Q2015 Store network development

Store network development



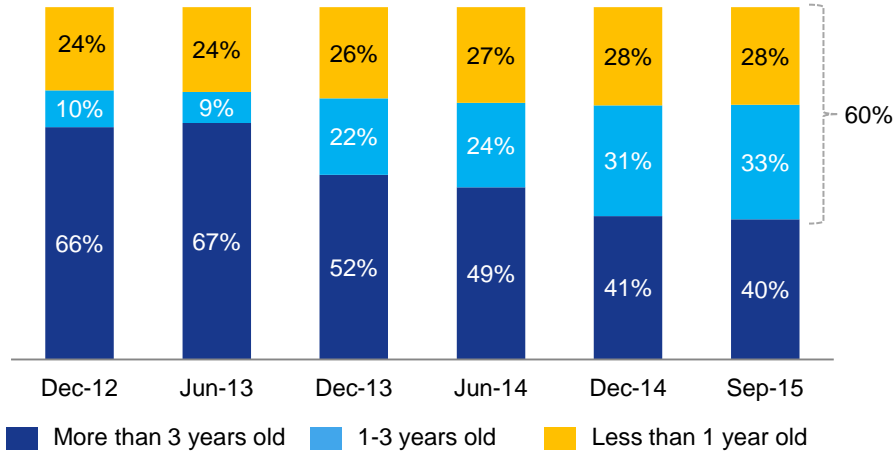
Selling space development ('000 sqm)



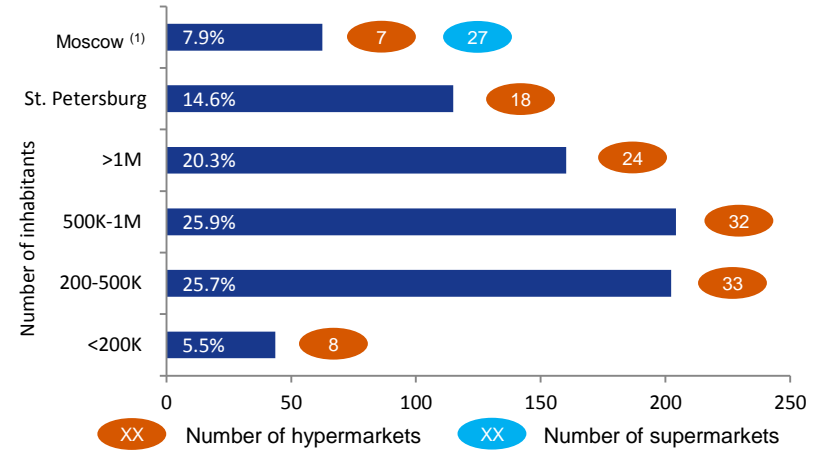
| City | Opening date | Federal district | Format | Selling space, sqm | Ownership |
|--------------------------|--------------|------------------|----------|--------------------|-----------|
| Kemerovo | 28.07.2015 | Siberia | Compact | 4 680 | Owned |
| Murmansk | 31.07.2015 | North-West | Standard | 7 018 | Owned |
| Zheleznodorozhniy | 24.08.2015 | Moscow | Standard | 7 018 | Owned |
| Novokuznetsk | 27.08.2015 | Siberia | Standard | 7 018 | Owned |
| Moscow | 15.09.2015 | Moscow | Compact | 5 040 | Leased |
| Volgograd | 30.09.2015 | South | Compact | 5 585 | Owned |

3Q2015 Selling space development

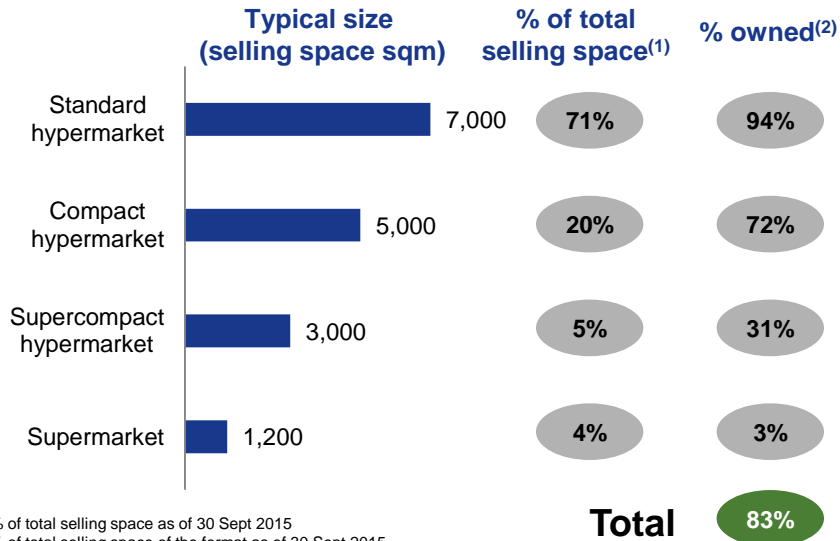
Lenta stores age split



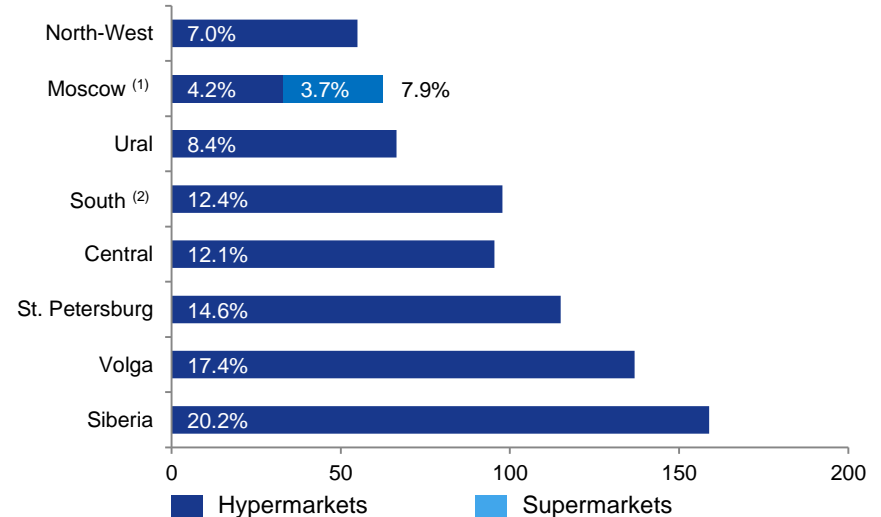
Selling space by city population



Lenta formats



Selling space by region



(1) Including Moscow region

(2) Including hypermarket in Zheleznovodsk (North Caucasus)

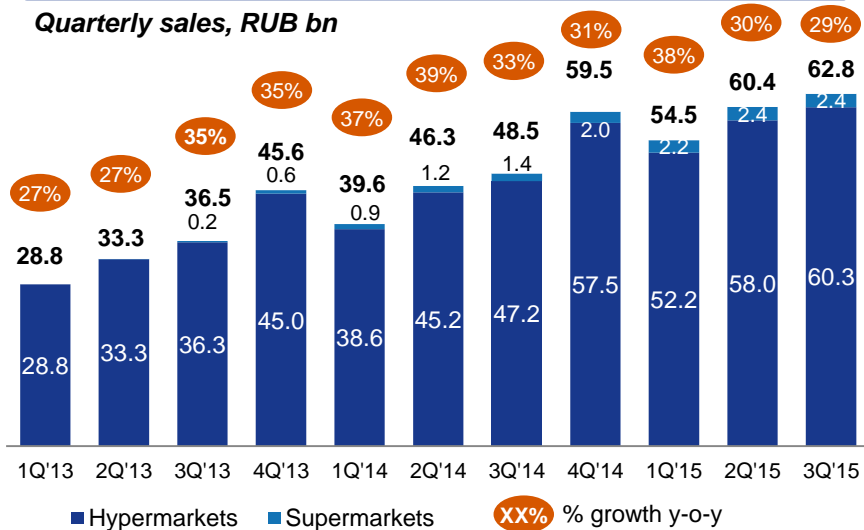
Sales growth

Sales growth in 9M2015

| | Sales | Traffic | Ticket |
|--------------|----------------|----------------|---------------|
| Total | + 32.1% | + 29.1% | + 2.3% |
| Hypermarket | + 30.3% | + 25.8% | +3.5% |
| Supermarket | +101.3% | + 87.9% | +7.1% |
| LFL | + 10.4% | + 3.7% | + 6.4% |
| Hypermarket | +10.2% | + 3.5% | + 6.5% |
| Supermarket | +19.1% | + 8.5% | + 9.7% |

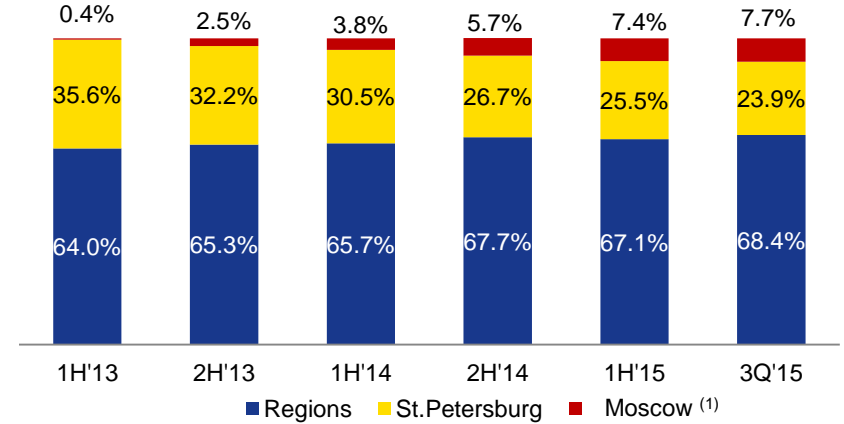
Total Sales growth

Quarterly sales, RUB bn



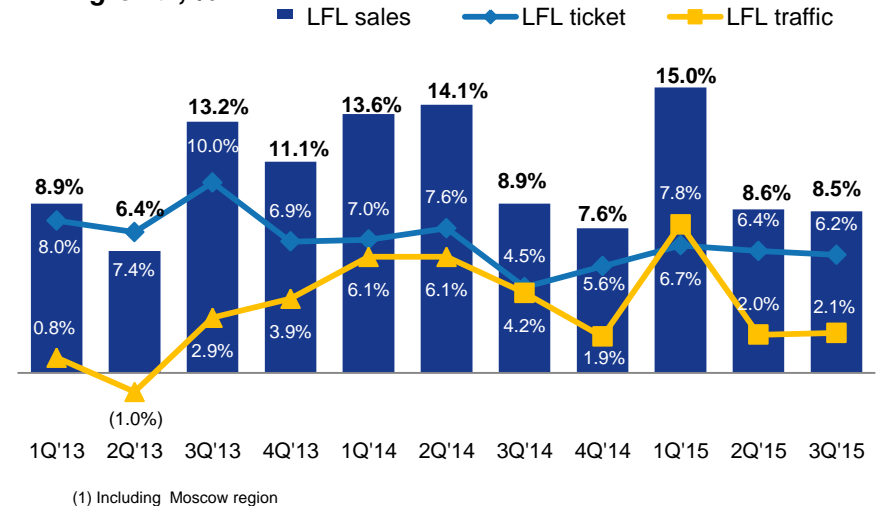
Sales split – St. Petersburg and Moscow vs regions

RUB sales breakdown



LFL Sales growth

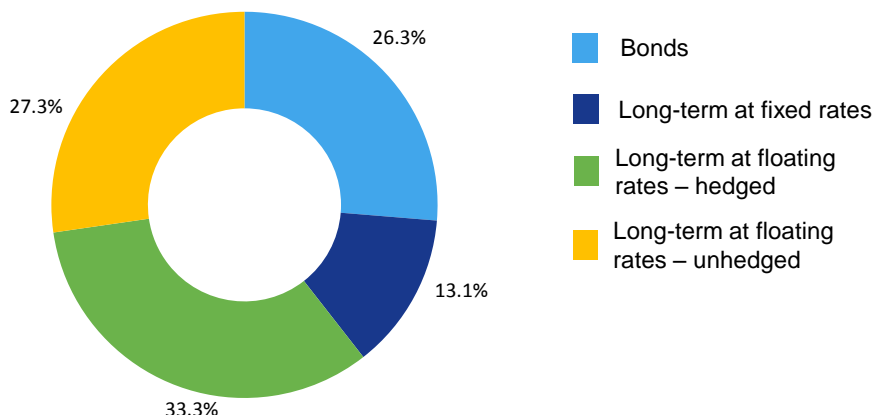
LFL growth, %



(1) Including Moscow region

Debt portfolio as of 30th September 2015

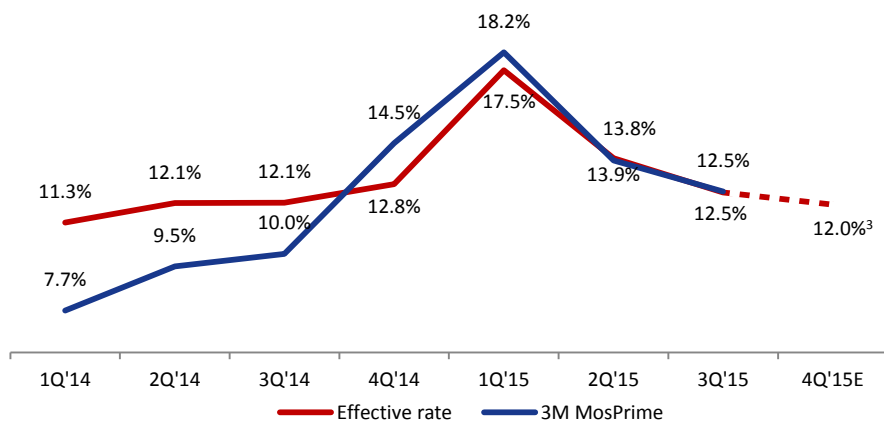
Debt mix



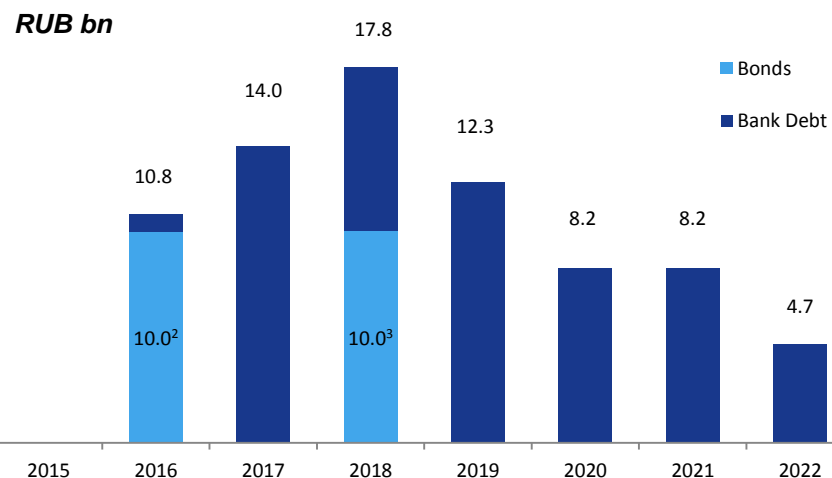
Comments

- ◆ 100% of debt is long-term¹;
- ◆ 72.7% of long-term debt is at fixed rate or hedged with only 27.3% of long-term debt exposed to MosPrime;
- ◆ Average effective interest rate reduced from 13.9% in 2Q2015 to 12.5% in 3Q2015;
- ◆ Project average effective interest rate to decrease in 4Q2015 to 12.0% (based on the current MosPrime);
- ◆ Average debt maturity 40 months;
- ◆ Fitch assigned Lenta ratings at “BB-” with “positive” outlook. S&P and Moody’s upgraded Lenta ratings to “BB-” and “Ba3” respectively with “stable” outlook;
- ◆ Total debt of Rub 76.0bn with Rub 40.3bn of undrawn facilities and Rub 9.5bn cash on hand.

Average effective cost of debt¹ vs 3M MosPrime rate²



Maturity profile



(1) Recalculation of average effective cost of debt for the previous periods reflects changes in the methodology: average effective cost of debt is calculated based on interest expenses paid in the reported period, not taking into account interest income received in the respective periods on excess cash the Company is holding

(2) Average for the period; Interest rate under VTB loan is fixed at the end of the last month of each quarter

(3) Projected 4Q15 effective interest rate is based on current MosPrime

(1) Assuming no exercise of the put option under 01-03 bonds series in March 2016

(2) Bond issue with 7 year maturity and 3 year put option shown with maturity on date of put option

(3) Bond issues with 10 year maturity and 2.5 year and 3.0 year put option shown with maturity on date of put option

Appendix – Quarterly operational data

| | 1Q'13 | 2Q'13 | 3Q'13 | 4Q'13 | FY'13 | 1Q'14 | 2Q'14 | 3Q'14 | 4Q'14 | FY'14 | 1Q'15 | 2Q'15 | 3Q'15 |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Sales total, Rub bn | 28.8 | 33.3 | 36.5 | 45.6 | 144.3 | 39.6 | 46.3 | 48.5 | 59.5 | 194.0 | 54.5 | 60.4 | 62.8 |
| Total sales growth | 26.8% | 26.6% | 35.0% | 35.0% | 31.3% | 37.3% | 39.1% | 32.9% | 30.6% | 34.5% | 37.7% | 30.4% | 29.3% |
| <i>Hypermarkets</i> | 28.8 | 33.3 | 36.3 | 45.0 | 143.3 | 38.6 | 45.2 | 47.2 | 57.5 | 188.5 | 52.2 | 58.0 | 60.3 |
| <i>Supermarkets</i> | - | 0.0 | 0.2 | 0.6 | 0.9 | 0.9 | 1.2 | 1.4 | 2.0 | 5.5 | 2.2 | 2.4 | 2.4 |
| Number of stores | 57 | 61 | 68 | 87 | 87 | 89 | 96 | 103 | 132 | 132 | 136 | 143 | 149 |
| <i>Hypermarkets</i> | 57 | 60 | 63 | 77 | 77 | 79 | 82 | 87 | 108 | 108 | 112 | 116 | 122 |
| <i>Supermarkets</i> | - | 1 | 5 | 10 | 10 | 10 | 14 | 16 | 24 | 24 | 24 | 27 | 27 |
| Selling space, K sqm | 382.8 | 396.4 | 416.0 | 507.8 | 507.8 | 519.7 | 542.3 | 569.8 | 701.2 | 701.2 | 727.6 | 751.4 | 787.8 |
| <i>Hypermarkets</i> | 382.8 | 395.4 | 411.6 | 495.4 | 495.4 | 507.8 | 525.8 | 550.9 | 674.6 | 674.6 | 701.0 | 722.1 | 758.5 |
| <i>Supermarkets</i> | 0.0 | 1.0 | 4.4 | 12.4 | 12.4 | 11.8 | 16.5 | 18.9 | 26.6 | 26.6 | 26.6 | 29.3 | 29.3 |
| LFL Sales growth | 8.9% | 6.4% | 13.2% | 11.1% | 10.0% | 13.6% | 14.1% | 8.9% | 7.6% | 10.6% | 15.0% | 8.6% | 8.5% |
| <i>Hypermarkets</i> | 8.9% | 6.4% | 13.2% | 11.1% | 10.0% | 13.6% | 14.0% | 8.9% | 7.6% | 10.6% | 14.7% | 8.3% | 8.3% |
| <i>Supermarkets</i> | - | - | - | - | - | - | 71.3% | 13.6% | 14.5% | 17.2% | 28.0% | 17.1% | 14.7% |
| LFL Traffic growth | 0.8% | -1.0% | 2.9% | 3.9% | 1.8% | 6.1% | 6.1% | 4.2% | 1.9% | 4.4% | 7.8% | 2.0% | 2.1% |
| <i>Hypermarkets</i> | 0.8% | -1.0% | 2.9% | 3.9% | 1.8% | 6.1% | 5.9% | 4.0% | 1.8% | 4.3% | 7.5% | 1.7% | 1.9% |
| <i>Supermarkets</i> | - | - | - | - | - | - | 62.9% | 13.4% | 4.7% | 11.0% | 14.1% | 8.4% | 5.2% |
| LFL Ticket growth | 8.0% | 7.4% | 10.0% | 6.9% | 9.6% | 7.0% | 7.6% | 4.5% | 5.6% | 6.0% | 6.7% | 6.4% | 6.2% |
| <i>Hypermarkets</i> | 8.0% | 7.4% | 10.0% | 6.9% | 9.6% | 7.0% | 7.7% | 4.6% | 5.6% | 6.0% | 6.7% | 6.6% | 6.3% |
| <i>Supermarkets</i> | - | - | - | - | - | - | 5.1% | 0.1% | 9.4% | 5.6% | 12.2% | 8.0% | 9.0% |

Albert Avetikov

Director for Investor Relations

albert.avetikov@lenta.com

Roman Safiyulin

Investor Relations Manager

roman.safiyulin@lenta.com

112 Savushkina str.

St. Petersburg, Russia