ЛЕНТА

4Q and FY2015 Trading Update
Investor Presentation

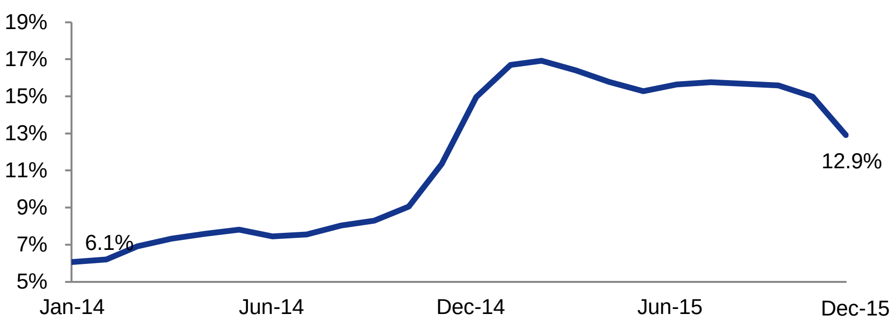
28 January, 2016


Contracting economy and weakening consumer environment …

- Inflation starting to fall, but still significantly outpacing disposable income growth - continuous deterioration of retail sales
- Consumer confidence back to 2009 levels (-26% in Q4'15)

Inflation monthly evolution

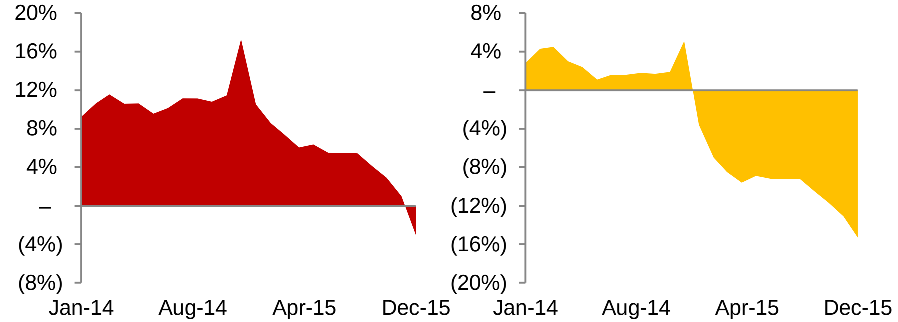
y-o-y CPI, %



Retail sales dynamics

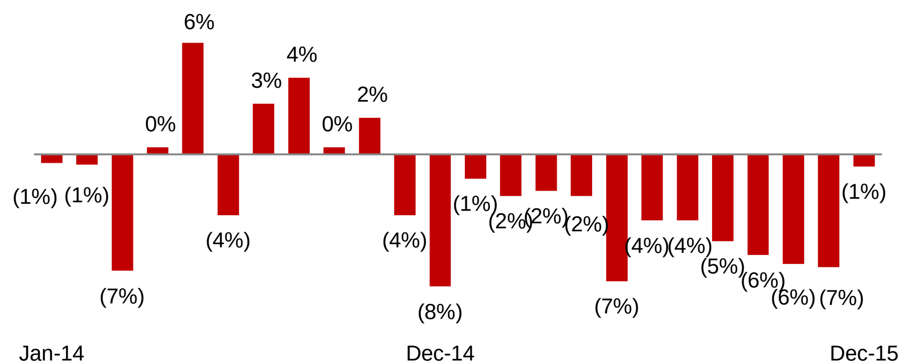
y-o-y nominal growth, %

y-o-y real growth, %

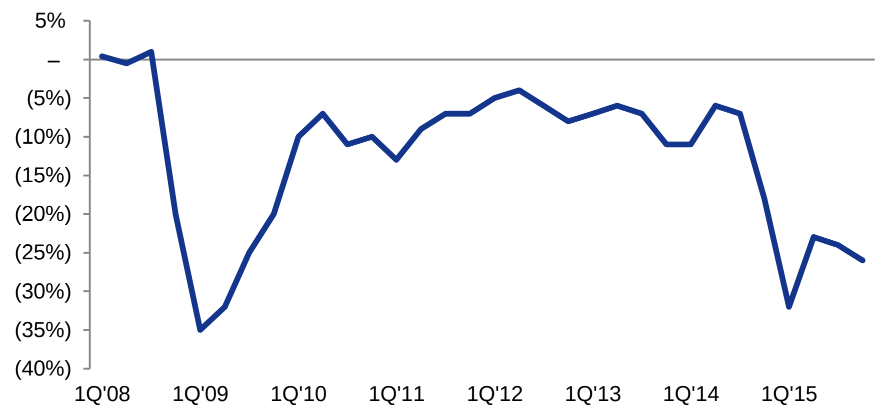


Real household disposable income

y-o-y dynamics, %



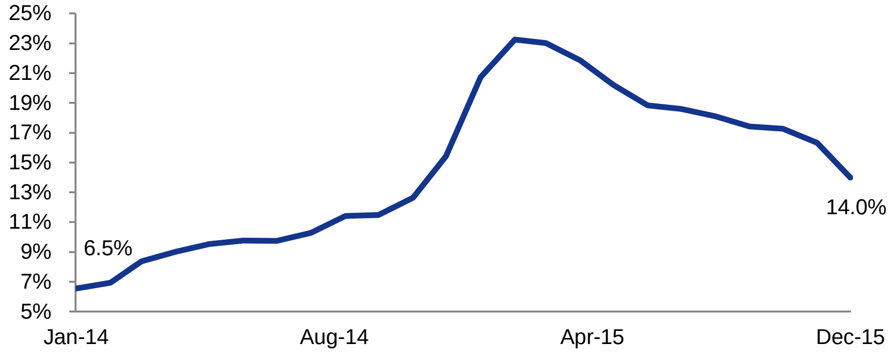
Consumer confidence index



Source: Rosstat

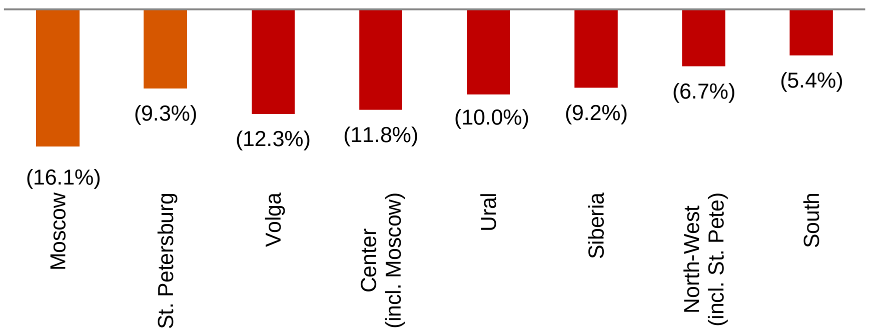
…feeding through to the food retail sector

Food inflation monthly evolution



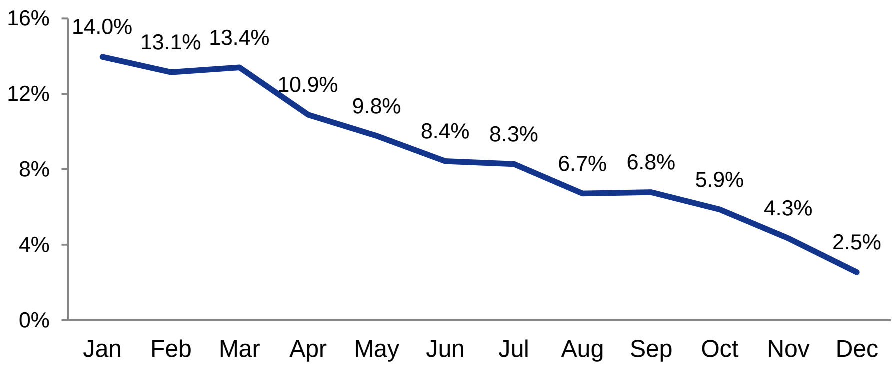
Food retail sales growth in real terms in 2015[1]

Growth rates by region (11M y-o-y), %

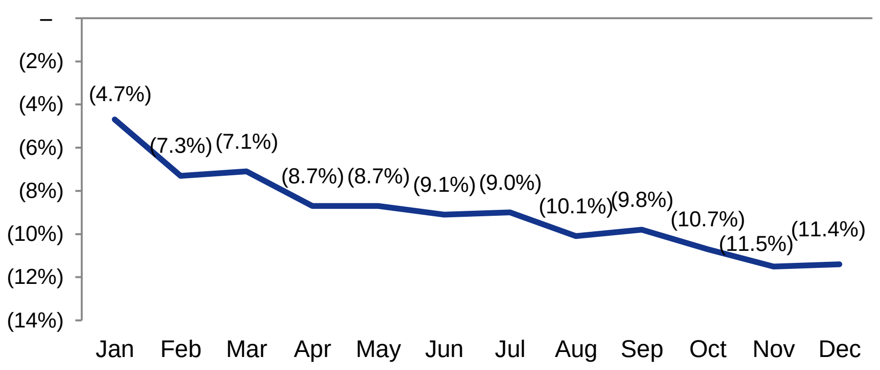


Food retail sales dynamics in 2015

y-o-y nominal sales growth in RUB, %



y-o-y real sales growth in RUB, %



Source: Rosstat

(1) In the federal districts of Lenta's presence (North-West, St.Petersburg, Center, Moscow, South, Volga, Ural, Siberia)

4Q and 2015 Highlights

*Total **sales growth** in 2015 of **30.3%,** reaching Rub **252.8bn in line with the guidance** (4Q2015 sales growth of **26.2%**, reaching Rub **75.1bn**)*

***LFL sales growth** in **2015 of 9.1%** (incl. 3.9% LFL traffic and 5.0% LFL average ticket growth) (4Q2015 LFL sales growth of **6.1%** (incl. 4.3% LFL traffic and 1.8% LFL average ticket growth)*

18 hypermarkets and 5 supermarkets** opened in 4Q2015, **32** hypermarkets and **8** supermarkets opened in 2015 – **exceeding the guidance

*Total selling space of **882,383 sqm** as of 31 December 2015[1] (25.8% y-o-y growth)*

*Entered **11 new cities**, bringing the total number of cities of presence to **69** Continued building supply chain network – **opened an owned DC in Yekaterinburg** in October*

*Commenced expansion of supermarket format in **St. Petersburg** with the first **four stores** opened in December*

*Completed a successful equity placing of **21.1 million new GDRs** in October raising gross proceeds of **$150 million***

(1) After the adjustments to reported selling space

Guidance

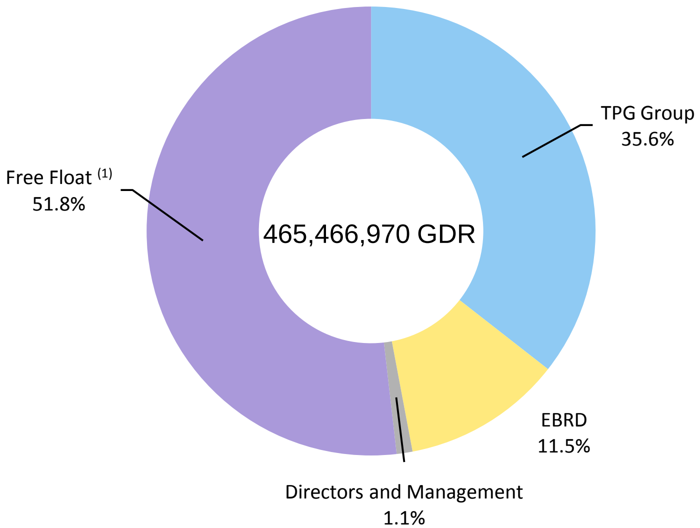
*To open at least **40 hypermarkets** in 2016 and to maintain a similar or higher pace of expansion thereafter*

The number of supermarket openings to increase in 2016

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

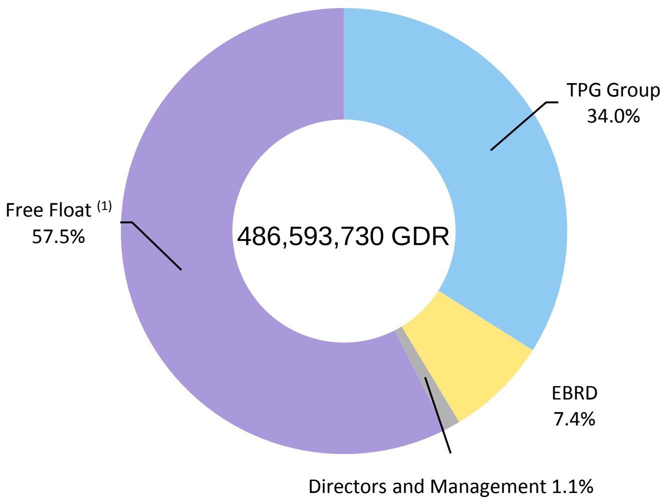
Successful capital increase in October 2015

Shareholder structure before capital increase



(1) Company estimate

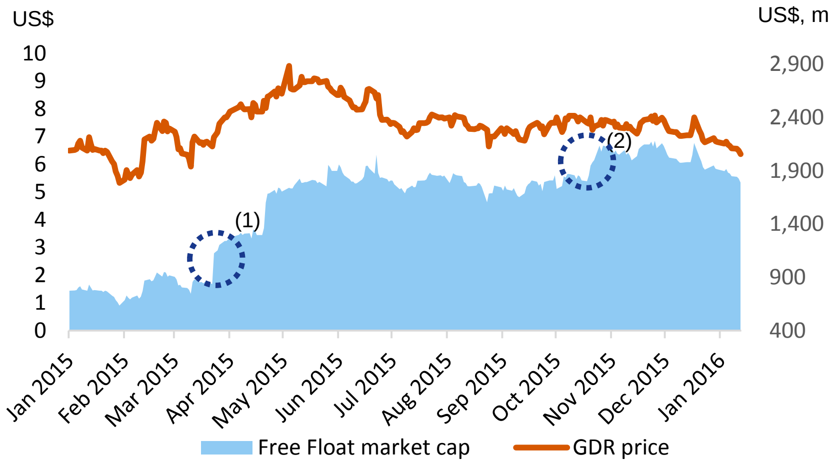
Shareholder structure after capital increase



Key highlights

- Pricing date: 21 October 2015;
- Primary / Secondary: 55% / 45%;
- GDRs issued: 21.1m;
- Deal value: US$275.1m (US$150m primary and US$125m secondary);
- Deal price: US$7.1 per GDR;
- Free float: increased from 51.8% to 57.5%.

Free float market capitalization vs. GDR price



(1) March SPO. Issue of 35.2m GDR
(2) October SPO. Issue of 21.1m GDR

Lenta store network as of 31st December 2015

New Stores	4Q'15	FY'15	4Q'14	FY'14
Hypermarkets	18	32	21	31
Supermarkets	5	8	8	14

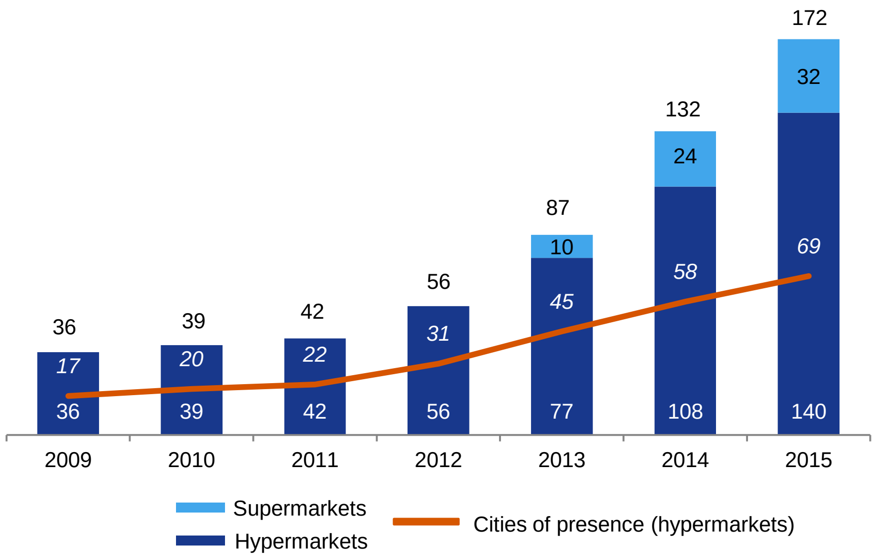
Regions:

- North West
- Central
- South
- Volga
- Urals
- Siberia

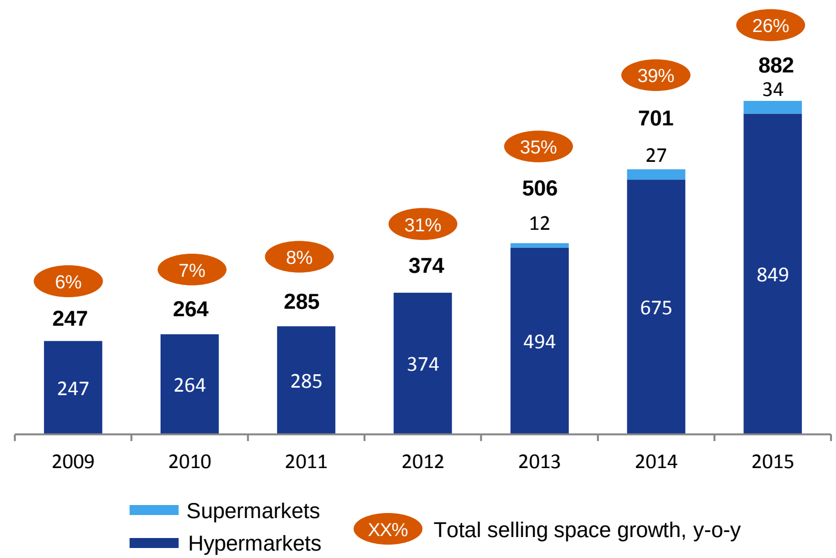
- Lenta store
- X Indicates # of hypermarkets in the city
- Cities where Lenta hypermarkets opened in 2015

2015 Store network development

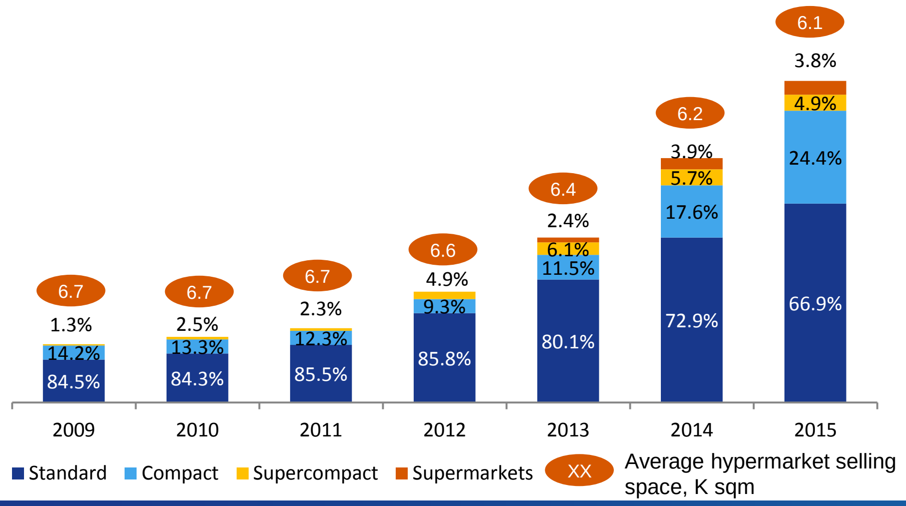
Store network development



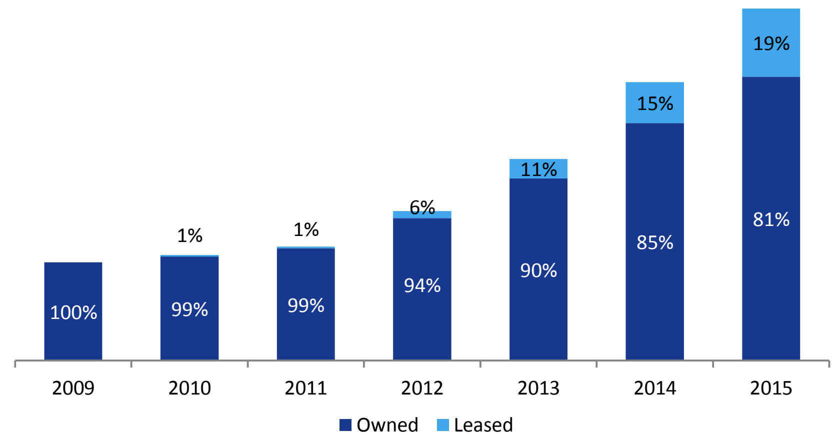
Selling space development (K sqm)



Format development



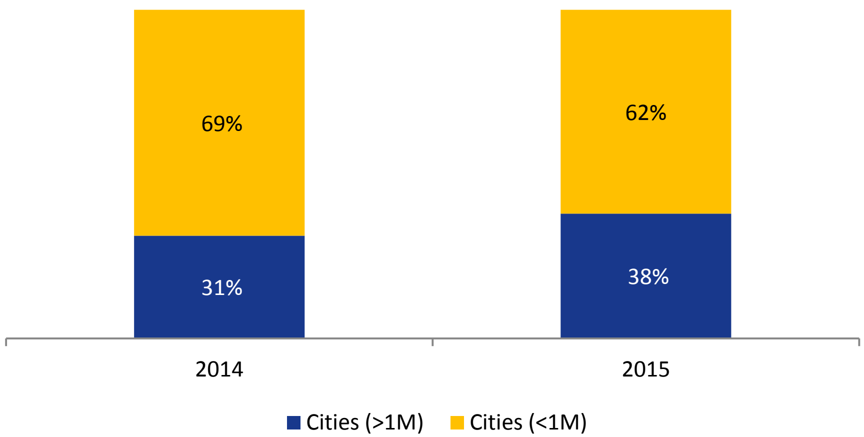
Selling space ownership



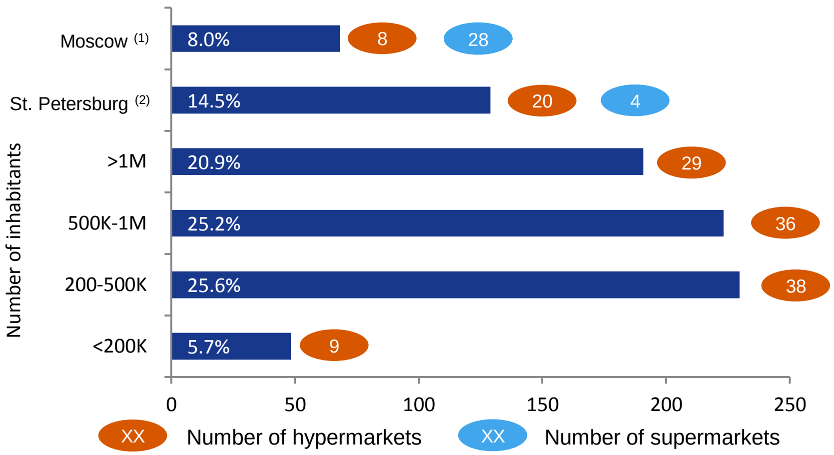
2015 Selling space development

2015 store openings by city size, inhabitants

as % of total selling space opened



Selling space by city population

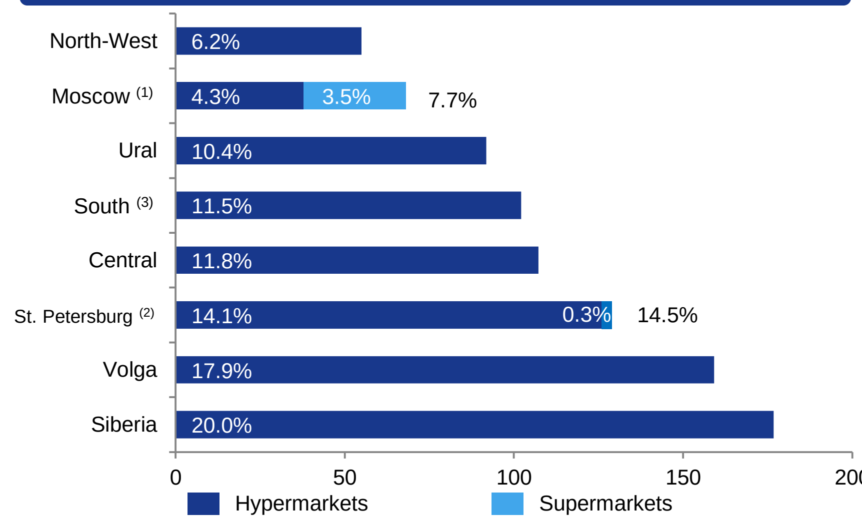


Lenta formats

	Typical size (selling space sqm)	% of total selling space[1]	% owned[2]
Standard hypermarket	7,000	**66%**	**93%**
Compact hypermarket	5,000	**26%**	**70%**
Supercompact hypermarket	3,000	**4%**	**29%**
Supermarket	1,000	**4%**	**6%**
Total			**81%**

(1) as % of total selling space as of 31 December 2015
(2) as % of total selling space of the format as of 31 December 2015

Selling space by region



(1) Including Moscow region
(2) Including St. Petersburg region
(3) Including hypermarket in Zheleznovodsk (North Caucasus)

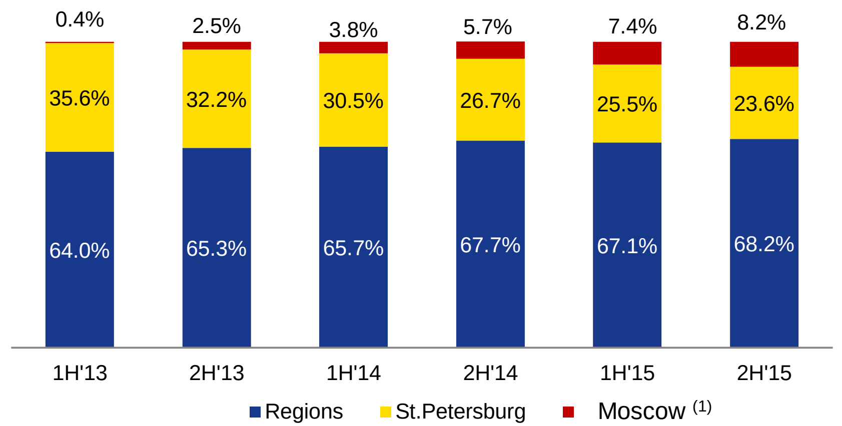
2015 Sales growth

Sales growth in 2015

	Sales	Traffic	Ticket
Total	+ 30.3%	+ 28.7%	+ 1.3%
Hypermarket	+ 28.9%	+ 26.0%	+2.3%
Supermarket	+78.8%	+ 72.4%	+3.7%
LFL	+ 9.1%	+ 3.9%	+ 5.0%
Hypermarket	+9.0%	+ 3.7%	+ 5.1%
Supermarket	+15.1%	+ 7.7%	+ 6.8%

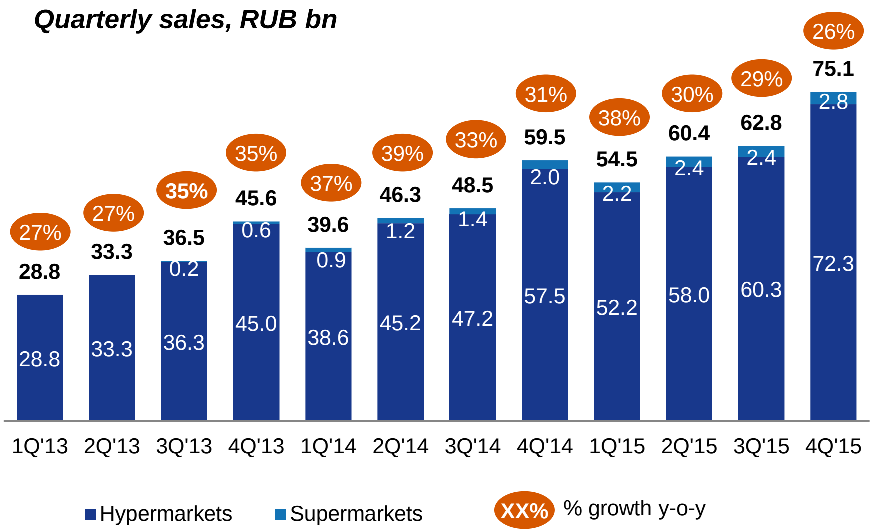
Sales split – St. Petersburg and Moscow vs regions

RUB sales breakdown



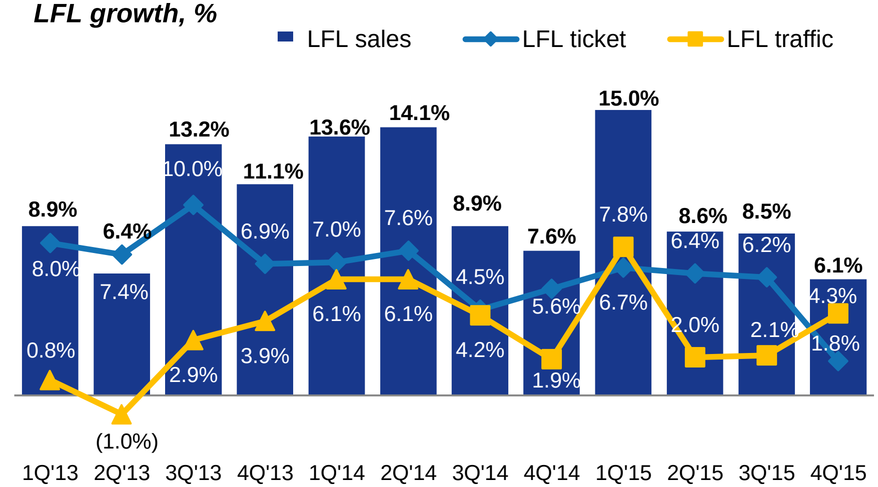
Total Sales growth

Quarterly sales, RUB bn



LFL Sales growth

LFL growth, %



(1) Including Moscow region

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	4Q'15	FY'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**	**75.1**	**252.8**
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%	26.2%	30.3%
Hypermarkets	*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*	*72.3*	*242.9*
Supermarkets	-	*0.0*	*0.2*	*0.6*	*0.9*	*0.9*	*1.2*	*1.4*	*2.0*	*5.5*	*2.2*	*2.4*	*2.4*	*2.8*	*9.8*
Number of stores	**57**	**61**	**68**	**87**	**87**	**89**	**96**	**103**	**132**	**132**	**136**	**143**	**149**	**172**	**172**
Hypermarkets	*57*	*60*	*63*	*77*	*77*	*79*	*82*	*87*	*108*	*108*	*112*	*116*	*122*	*140*	*140*
Supermarkets	-	*1*	*5*	*10*	*10*	*10*	*14*	*16*	*24*	*24*	*24*	*27*	*27*	*32*	*32*
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**	**882.4**	**882.4**
Hypermarkets	*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*	*848.9*	*848.9*
Supermarkets	*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*	*33.5*	*33.5*
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%**	**6.1%**	**9.1%**
Hypermarkets	*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%*	*6.1%*	*9.0%*
Supermarkets	-	-	-	-	-	-	*71.3%*	*13.6%*	*14.5%*	*17.2%*	*28.0%*	*17.1%*	*14.7%*	*7.7%*	*15.1%*
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%**	**4.3%**	**3.9%**
Hypermarkets	*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%*	*4.2%*	*3.7%*
Supermarkets	-	-	-	-	-	-	*62.9%*	*13.4%*	*4.7%*	*11.0%*	*14.1%*	*8.4%*	*5.2%*	*5.9%*	*7.7%*
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%**	**1.8%**	**5.0%**
Hypermarkets	*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%*	*1.9%*	*5.1%*
Supermarkets	-	-	-	-	-	-	*5.1%*	*0.1%*	*9.4%*	*5.6%*	*12.2%*	*8.0%*	*9.0%*	*1.7%*	*6.8%*

ЛЕНТА

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