

MIRA INFORM REPORT

Report No. :	542319
Report Date :	06.12.2018

IDENTIFICATION DETAILS

Name :	OOO LENTA
Registered Office :	Savushkina Street 112, Litera B, Primorskiy District, 197374 Saint Petersburg
Country :	Russia
Financials (as on) :	31.12.2017
Date of Incorporation :	04.11.2003
Com. Reg. No.:	OGRN 1037832048605
Legal Form :	Limited Liability Company
Line of Business :	Retail sale in non-specialised stores with food, beverages or tobacco predominating;
No. of Employees :	51,414

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

MIRA's Rating :

A+

Credit Rating	Explanation	Rating Comments
A+	Low Risk	Business dealings permissible with low risk of default

Status :	Excellent
Payment Behaviour :	Regular
Litigation :	Clear

NOTES :

Any query related to this report can be made on e-mail : infodept@mirainform.com while quoting report number, name and date.

ECGC Country Risk Classification List

Country Name	Previous Rating (30.06.2018)	Current Rating (30.09.2018)
Russia	A2	A2

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

RUSSIA - ECONOMIC OVERVIEW

Russia has undergone significant changes since the collapse of the Soviet Union, moving from a centrally planned economy towards a more market-based system. Both economic growth and reform have stalled in recent years, however, and Russia remains a predominantly statist economy with a high concentration of wealth in officials' hands. Economic reforms in the 1990s privatized most industry, with notable exceptions in the energy, transportation, banking, and defense-related sectors. The protection of property rights is still weak, and the state continues to interfere in the free operation of the private sector.

Russia is one of the world's leading producers of oil and natural gas, and is also a top exporter of metals such as steel and primary aluminum. Russia is heavily dependent on the movement of world commodity prices as reliance on commodity exports makes it vulnerable to boom and bust cycles that follow the volatile swings in global prices. The economy, which had averaged 7% growth during the 1998-2008 period as oil prices rose rapidly, has seen diminishing growth rates since then due to the exhaustion of Russia's commodity-based growth model.

A combination of falling oil prices, international sanctions, and structural limitations pushed Russia into a deep recession in 2015, with GDP falling by close to 2.8%. The downturn continued through 2016, with GDP contracting another 0.2%, but was reversed in 2017 as world demand picked up. Government support for import substitution has increased recently in an effort to diversify the economy away from extractive industries.

Source : CIA

COMPANY SUMMERY

<u>COMPANY NAME</u>	OOO LENTA			
<u>ADDRESS</u>	Street	Area	Town	PO Box
	Savushkina	Primorskiy District	Saint Petersburg	197374
	Street 112, Litera			Saint
	B			Petersburg
<u>TEL/FAX</u>	Verified Phones: (+7 812) 380 6131 ext. 1329 & 1454 / Fax: (+7 812) 380 6131			
<u>EMAIL/WEBSITE</u>	Email: info@lenta.com / Website: www.lenta.com			
<u>ACTIVITY</u>	NACE 4711 - Retail sale in non-specialised stores with food, beverages or tobacco predominating;			
<u>PRINCIPAL</u>	John Oliver			Workforce
	Chairman			51,414
<u>LEGAL INFO</u>	Date Of Est.	Reg. No.	Legal Form	Status
	04/11/2003	OGRN	LLC	Active
		1037832048605		
<u>CAPITAL</u>	CURRENCY		AMOUNT	
	RUBLE (RUB)		1,271,715,000	

BUSINESS INFORMATION

IDENTIFICATION

<u>CO. NAME</u>	OOO LENTA
<u>ENQUIRED NAME</u>	LLC LENTA
<u>TRADEMARK</u>	LENTA
<u>STREET</u>	Savushkina Street 112, Litera B
<u>AREA</u>	Primorskiy District
<u>POSTAL ADDRESS</u>	197374 Saint Petersburg
<u>TOWN</u>	Saint Petersburg
<u>COUNTRY</u>	Russia
<u>TELEPHONE</u>	(+7 812) 380 6131 ext. 1329 (Finance Department) & 1454 (Logistics Department)
<u>FAX</u>	(+7 812) 380 6131
<u>VERIFIED EMAIL</u>	info@lenta.com / Finance.Department@lenta.com / Commercial.Department.Food@lenta.com / Commercial.Department.Nonfood@lenta.com
<u>WEBSITE</u>	www.lenta.com
<u>BUSINESS HOURS</u>	DAYS Mon-Fri
	OFFICE HOURS 09:00-18:00
	BREAK TIME 13:00-14:00
<u>REGISTERED ADDRESS</u>	Savushkina Street 112, Litera B Primorskiy District 197374 Saint Petersburg

Russia

SENIOR PERSONNEL

MANAGEMENT

NAME	POSITION
John Oliver Board of Directors	Chairman
Jan Dunning	Chief Executive Officer
Steve Johnson	Senior Independent Director
	Director
Michael Lynch-Bell	Chief Financial Officer
Jago Lemmens	Director
Julia Solovieva	Director
Dmitry Shvets	Director
Martin Elling	Director
Steven Hellman	
Management	
Management	Chief Executive Officer
Jan Dunning	Chief Financial Officer
Jago Lemmens	Legal and Government Relations Director
Sergey Prokofiev	Supply Chain Director
Joern Arnhold	Chief Operational Officer
Edward Doeffinger	Integration and Format Development Director
Maxim Shchegolev	Chief Commercial Officer
Herman Tinga	HR Director

Tatiana Yurkevich	Chief Marketing Officer
Bert Jan Vukkink	Chief Strategy Officer
Dmitry Bogod	Public Relations Manager

Maria Filippova
NO. OF EMPLOYEES
51,414

PERIOD
09.2018

WORKFORCE

FINANCIAL SUMMARY

TURNOVER

31/12/2017	31/12/2016
RUBLE 385,130,740,000	RUBLE 351,342,477,000

NET PROFIT / (LOSS)

31/12/2017	31/12/2016
RUBLE 6,908,748,000	RUBLE 9,875,975,000

NOTES

Balance sheets (Russian Accounting Standards) as at 31 December 2017 showed :

31/12/2017	31/12/2016
(in RUBLE)	

ASSETS

Non-current assets

Intangible assets	27,269,000	16,292,000
Fixed assets	143,563,592,000	115,358,628,000
Financial investments	7,590,000	12,092,704,000
Deferred tax assets	730,005,000	690,863,000
Other non-current assets	12,585,747,000	18,114,684,000
Total non-current assets	156,914,203,000	146,273,171,000
Current assets		
Stock	37,007,245,000	29,501,725,000
Value added tax on purchased valuables	1,586,140,000	2,215,198,000
Trade receivables	15,802,709,000	21,908,173,000
Financial investments	0	231,863,000
Cash equivalents	14,033,124,000	13,084,024,000
Other current		

Total current
assets 68,429,218,000 66,940,983,000
TOTAL ASSETS 225,343,421,000 213,214,154,000

EQUITY & LIABILITIES

Equity
Share capital 1,271,715,000 1,271,715,000
Additional
capital 22,145,486,000 14,360,119,000
Retained
earnings 27,135,541,000 28,390,049,000
Total equity 50,552,742,000 44,021,883,000
Long-term liabilities
Borrowings 66,477,227,000 71,235,687,000
Deferred tax
liabilities 5,364,652,000 5,404,236,000
Total long-term
liabilities 71,841,879,000 76,639,923,000
Short-term
liabilities
Borrowings 44,968,985,000 35,272,167,000
Accounts
payable 57,585,124,000 56,896,400,000
Total Short-term
liabilities 102,948,800,000 92,552,348,000
TOTAL EQUITY &
LIABILITIES 225,343,421,000 213,214,154,000

INCOME STATEMENT

Revenue 385,130,740,000 351,342,477,000
Cost of Sales(287,423,892,000)(266,077,174,000)
Gross Profit 97,706,848,000 85,265,303,000
Commercial
expenses (81,371,475,000)(63,372,043,000)
Profit(loss) from
sales 16,335,373,000 21,893,260,000
Other income and expenses
Interest income 479,304,000 923,902,000
Interest
payable (11,102,943,000)(10,058,650,000)
Other income 6,606,939,000 4,159,553,000
Other expenses (4,063,272,000) (4,481,161,000)
Profit(loss) before
taxation 8,255,401,000 12,436,904,000
Change in deferred
tax assets (1,202,961,000) 115,261,000
Change in deferred
tax liabilities 80,710,000 1,591,299,000

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Current income
tax (642,662,000) (1,084,891,000)
Net Profit(loss) 6,908,748,000 9,875,975,000

The following consolidated financial statements as at 31/12/2017 applies to subject's ultimate parent company, Lenta Limited and its subsidiaries:

	31/12/2017	31/12/2016
	(in thousands of RUBLE)	
Assets		
Non-current assets		
Property, plant and equipment	170,308,406	147,812,289
Prepayments for construction	2,818,543	7,741,743
Leasehold rights	3,075,027	3,744,009
Intangible assets other than leasehold rights	1,816,716	1,890,176
Long-term portion of cash flow hedging instruments	-	62,618
Other non-current assets	226,741	199,131
Deferred tax assets	-	123,508
Total non-current assets	178,245,433	161,573,474
Current assets		
Inventories	36,933,128	27,490,941
Trade and other receivables	10,957,360	17,035,789
Advances paid	2,862,446	2,669,761
Taxes recoverable	2,874,174	3,920,940
Prepaid expenses	124,915	131,932
Short-term portion of cash flow hedging instruments	8,179	309,592
Cash and cash equivalents	14,301,859	13,037,767
	68,062,061	64,596,722
Assets held for sale	423,094	-
Total current assets	68,485,155	64,596,722
Total assets	246,730,588	226,170,196
Equity and liabilities		
Equity		
Share capital	284	284
Additional paid-in capital	26,480,481	26,216,147
Share options	825,176	668,200

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Hedging reserve	164,886	431,570
Retained earnings	44,316,449	31,052,910
Total equity	71,787,276	58,369,111
Liabilities		
Non-current liabilities		
Long-term borrowings	62,194,204	66,955,931
Long-term portion of cash flow hedging instruments	-	2,137
Deferred tax liabilities	8,386,732	7,359,998
Total non-current liabilities	70,580,936	74,318,066
Current liabilities		
Trade and other payables	57,259,762	56,171,598
Short-term borrowings and short-term portion of long-term borrowings	44,888,131	35,245,120
Short-term portion of cash flow hedging instruments	18,049	46,588
Advances received	514,909	340,062
Other taxes payable	1,131,099	1,111,306
Current income tax payable	550,426	568,345
Total current liabilities	104,362,376	93,483,019
Total liabilities	174,943,312	167,801,085
Total equity and liabilities	246,730,588	226,170,196

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

31/12/2017 31/12/2016
(in thousands of RUBLE)

Sales	365,177,586	306,352,092
Cost of sales	(286,942,078)	(238,584,029)
Gross profit	78,235,508	67,768,063
Selling, general and administrative expenses	(55,917,584)	(46,442,510)
Impairment of assets held for sale	(222,147)	-
Other operating income	4,129,232	3,086,079
Other operating expenses	(648,445)	(716,375)
Operating profit	25,576,564	23,695,257
Interest expense	(10,942,820)	(10,084,573)
Interest income	445,751	851,813

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Foreign exchange gains	92,398	90,751
Profit before income tax	15,171,893	14,553,248
Income tax expense	(1,908,354)	(3,351,220)
Profit for the year	13,263,539	11,202,028

31 December.

FISCAL YEAR-END

LEGAL STATUS

INCORPORATION
REGISTRATION NO.

04/11/2003
C.R. NUMBER
OGRN 1037832048605

ISSUED BY
Federal Tax
Service

OTHER REGISTRATION NO.

INN 7814148471 (Tax Code) / KPP 781401001 / OKPO 71385386
(Statistics Code) / OKTMO 40322000000

AUTHORISED CAPITAL

AMOUNT
1,271,715,000

CURRENCY
RUBLE

PAID-UP CAPITAL

AMOUNT
1,271,715,000

CURRENCY
RUBLE

BUSINESS HISTORY

The Company was incorporated in Russia on 4 November 2003, however its origins of business activities can be traced back to 25 October 1993.

LEGAL FORM
STATUS

Limited Liability Company
Active

SOLE SHAREHOLDER

NAME
OOO Lenta-2
Savushkina Street 112, Litera B
Primorskiy District
197374 Saint Petersburg
Russia
C.R. No.: OGRN 1127847650556
Tax Code: INN 7814555999
Shareholders:
Zoronvo Holdings Limited – 99%
Lenta Ltd – 1%

PERCENTAGE
100.00%

Ultimate parent company:

Lenta Ltd
Road Town, Tortola
PO Box: 3340
British Virgin Islands
Est.: 16/07/2003
Shareholders:
TPG Group – 33.94%
European Bank for Reconstruction and

Development (EBRD) – 7.36%
Directors and Management – 1.23%
Free float - 57.47%

Lenta is one of the largest retail chains in Russia and the country's second largest hypermarket chain. In addition to hypermarkets, there are also supermarkets under the Lenta brand. The company was founded in 1993 in St. Petersburg. Founded by Oleg Zherebtsov, Lenta opened its first "Cash & Carry" store in St. Petersburg, Russia, in October 1993. Lenta then registered its trademark in 1994. And, by 1999, it opened its first big-box hypermarket format and has expanded ever since. Now Lenta operates 233 hypermarkets in 85 cities across Russia and 128 supermarkets in the Moscow, St. Petersburg, Siberia, Urals and the Central Region with a total of approximately 1,409,030 sq.m. of selling space. The average Lenta hypermarket store has selling space of 5,600 sq m. The company operates five distribution centres for hypermarkets. The company's stores base themselves on price-led hypermarkets and supermarket scheme. Lenta's largest shareholders include TPG Capital, the European Bank for Reconstruction and Development and VTB Capital. Global Depository Receipts (GDRs) of Lenta Ltd. are listed on the London Stock Exchange and on the Moscow Exchange.

OPERATION

BANKERS

1. PAO Bank VTB
Bolshaya Morskaya Street 30, Liter A
Saint Petersburg
Russia
Telephone: (+7 495) 777 2424
Acc. No.: 40702810539000004574
Corr. Acc. No.: 30101810200000000704
BIK: 044030704
2. PAO Sberbank
Severo-Zapadny Branch
Saint Petersburg
Russia
Telephone: (+7 495) 957 5731

3. Credit Bank of Moscow PJSC
2 (bldg. 1) Lukov pereulok
Moscow 107045
Russia
Phone: (+7 495) 777 4888

4. JSC UniCredit Bank
nab. Fontanki 48/2
Saint Petersburg 196084
Russia
Telephone: (+7 812) 346 8410
Fax : (+7 812) 346 8410

AUDITORS

Ernst & Young LLC
Russia 115035, Moscow, Sadovnicheskaya naberezhnaya, 77,
building
Record made in the State Register of Legal Entities on 5 December
2002, State Registration Number 1027739707203.
Ernst & Young LLC is a member of Self-regulated organization of
auditors "Russian Union of auditors" (Association) ("SRO RUA"). Ernst
& Young LLC is included in the control copy of the register of auditors
and audit organizations, main registration number 11603050648.
4711 - Retail sale in non-specialised stores with food, beverages or
tobacco predominating;
Owners and operators of 233 hypermarkets and 128 supermarkets in
Russian Federation with a total of 1,409,030 sq.m. of selling space.
The average Lenta hypermarket store has selling space of 5,600 sq m.

ACTIVITY CODE (NACE)

LINE OF BUSINESS

Subject also operates seven distribution centres for hypermarkets and
one for supermarkets.

Subject has more than 13.5 million active loyalty cardholders and
approximately 96% of all sales in Lenta stores are tied to our loyalty
card.

IMPORT FROM

EXPORT TO

FACILITIES

Worldwide.

Subject does not export, all sales are domestic.

Premises comprising administrative offices located at the heading
address as well as 233 hypermarkets located throughout 85 cities
across Russia and 128 supermarkets in Moscow, St. Petersburg,
Siberia, Urals and the Central region.

RELATED COMPANIES

Subsidiaries

1. OOO TRK-VOLZHISKY
Savushkina Street 112, Litera B
Primorskiy District
197374 Saint Petersburg
Russia
Est.: 27/03/2007
C.R. No.: OGRN 1073435002178
Tax Code: INN 3435085100

Shareholders:
OOO Lenta – 99.9%
Lenta Ltd - 0.1%

2. OOO TK Zheleznodorozhny
Savushkina Street 112, Litera B
Primorskiy District
197374 Saint Petersburg
Russia
Est.: 04/03/2014
C.R. No.: OGRN 1147746224493
Tax Code: INN 7703806990
Shareholders:
OOO Lenta – 99.9%
Lenta Ltd - 0.1%

On 30 November 2016, Lenta Group purchased the Kesko food retail business in Russia ("KFR"), operating under the K-Ruoka brand. The Group became the owner of 100% participatory interests in six KFR companies registered in Russia and dealing in food and non-food retail business through a chain of 11 hypermarkets.

PAYMENT

CREDIT OPINION

We consider it is acceptable to deal with subject for LARGE amounts.

SPECIAL REMARKS

INTERVIEWED COMMENTS

Maria Filippova (Public Relations Manager).
You enquired on: LLC LENTA. Please note that this name applies to an English translation of the subject's name. Subject's correct registered name is as per heading.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.52
UK Pound	1	INR 89.45
Euro	1	INR 79.84
RUB	1	INR 1.06

Note : Above are approximate rates obtained from sources believed to be correct

INFORMATION DETAILS

Analysis Done by :	VIVR
Report Prepared by :	KET

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RATING EXPLANATIONS

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)