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**ADG Group and Lenta sign lease contracts for 36 supermarkets in Moscow**

***Moscow, Russia,******19 January, 2017*** *– Lenta, (LSE, MOEX:LNTA) one of the largest retail chains in Russia, has signed lease contracts with Edisonenergo LLC, part of the ADG Group real estate development company, who are building a network of neighborhood shopping and entertainment centers across Moscow’s residential areas.*

The agreements cover 36 locations for future Lenta supermarkets in Moscow shopping and entertainment centers currently under construction. All the centers are to be reconstructed on the sites of former Moscow cinemas. Each center will have an individual architectural style while delivering the concept of the project as a whole.

Attractively located in the middle of high traffic residential areas, the neighborhood shopping and entertainment centers are intended to meet the daily shopping and leisure needs of local residents. Each center will be a multi-functional space providing a wide range of consumer outlets, entertainment, and essential services, including social, cultural, and educational facilities which will draw citizens to visit them frequently.

A total of around 47,000 square meters will be leased by Lenta under ruble denominated 15 year contracts. All the rented areas conform to the specifications of Lenta’s ‘supermarket’ format, with each store’s total space varying from 740 sq m to 1,800 sq m.

The first supermarkets are scheduled to start operations in the end of 2018 with the remainder opening in 2019.

**Jan Dunning, CEO of Lenta** said: “Customer reaction to Lenta’s supermarket concept has been very positive since the first store was opened in Moscow in 2013 and we are pleased with the performance of our 36 existing stores in the city. We are accelerating growth in this format and this important agreement with ADG supports our strategy by adding a further 36 stores in attractive high traffic sites. We have a strong pipeline and will continue to add stores through our normal development process, giving us the potential to reach well over 100 supermarkets in Moscow within the next three years or so.”

**Grigory Pechersky, Managing Director of ADG Group** said: "We are offering our business partner an efficient and scalable way to expand its network across Moscow.  The main feature of our project is that we put hospitality and customer service before concrete and square footage aiming to become the leader of the local district neighborhood.

We are confident that people living close to our center will be visiting it two or three times a week.  Moreover, the exceptionally favorable locations and the use of advanced technologies and flexible formats make us uniquely positioned to be the first in the market to offer access to a loyal customer base of 2.5 million people residing within 15 minutes walking distance.  We will provide not just a shopping experience venue – we will become an integral part of our customers’ lives.”

**About Lenta**

1. *Lenta is the largest hypermarket chain in Russia (in terms of selling space) and the country’s fifth largest retail chain (in terms of 2015 sales). The Company was founded in 1993 in St. Petersburg. Lenta operates 190 hypermarkets in 77 cities across Russia and 50 supermarkets in Moscow, St. Petersburg and the Central region with a total of approximately 1,146,542 sq m of selling space. The average Lenta hypermarket store has selling space of approximately 5,800 sq m. The average Lenta supermarket store has selling space of approximately 1,000 sq m. The Company operates seven owned distribution centres.*
2. *The Company’s price-led hypermarket formats are differentiated in terms of their promotion and pricing strategies as well as their local product assortment. The Company employed approximately 34,134 people as of 30 June 2016*[[1]](#footnote-2)*.*
3. *The Company’s management team combines a mix of local knowledge and international expertise coupled with extensive operational experience in Russia. Lenta’s largest shareholders include TPG Capital and the European Bank for Reconstruction and Development, both of which are committed to maintaining high standards of corporate governance. Lenta is listed on the London Stock Exchange and on the Moscow Exchange and trades under the ticker: ‘LNTA’.*
4. *A brief video summary on Lenta’s business and its Big Data initiative can be seen [here](http://www.lentainvestor.com/about/lenta-video).*
5. **For further information please visit [www.lentainvestor.com](http://www.lentainvestor.com), or contact:**

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**About ADG Group**

*ADG Group is a pioneering urban developer whose mission is to better serve the new expectations of modern Moscow. The company was founded in 2003 with the single-minded vision of expanding the major regional centres of Russia. By 2009, ADG Group’s portfolio of projects covered over 1 million square metres with successfully implemented projects right across the country, from Kaliningrad to Novosibirsk.*

*In December 2014 ADG Group won the Moscow Government auction for purchasing 39 Moscow obsolete movie theaters. Rebuilding work is starting in winter 2017, and the opening of the first Neighborhood centers is planned for 2018. The project mission is to restore in Moscow residential areas spaces for meeting with families and friends, shopping and entertainment.*

*The total GBA of 39 objects is 470,000 sq. m. After complete Neighborhood centers commissioning in 2019 ADG Group will become the Moscow’s largest commercial real estate owner by number of objects.*

**For further information about ADG Group please visit [www.adggroup.ru](http://www.adggroup.ru), or contact:**

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1. *FTE (full-time equivalent). Average FTE for 1H 2016 was 33,758 employees* [↑](#footnote-ref-2)