

Hypermarket Lenta Narrows London IPO Guidance to \$10-\$10.25 per GDR

By [The Moscow Times](#)

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Hypermarket chain Lenta has narrowed guidance for its initial public offering to \$10 to \$10.25 per global depositary receipt, two banking sources said Thursday.

The previous guidance for Lenta's London IPO stood at \$10 to \$11 per GDR. Sources said order books — which closed later Thursday — were covered within the new range.

Lenta is among a number of retail companies hoping to tap into demand from investors for stakes in consumer-oriented businesses in Russia and follows the successful flotation of telecoms firm MegaFon in 2012 and Russian consumer credit firm TCS last year.

The IPO comes as Russia's economy is flagging — growth fell from an average 7 percent a year to just over one percent last year, causing a slowdown in consumer sectors such as car sales. Some of Lenta's rivals have seen growth rates start to slow.

The ruble has also fallen on worries about slowing growth, the tapering of the U.S. Federal Reserve's monetary stimulus program and upheaval in neighboring Ukraine, limiting spending activity.

Lenta first set a price range of between \$9.5 and \$11.5 per GDR on Feb. 14, which implied a market capitalization of between \$4.09 billion and \$4.95 billion, with the sale of some 19 million shares or 22.1 percent of existing share capital.

Lenta has said TPG, which owns a 49.8 percent stake, will sell some but not all its shares, as will the European Bank for Reconstruction and Development, which holds 21.5 percent, and Russian bank VTB, which owns 11.7 percent.

The banks advising on Lenta's IPO are JP Morgan Chase & Co., Credit Suisse, UBS, Deutsche Bank and VTB Capital. TPG Capital is acting as a co-manager while Rothschild is financial adviser to Lenta.

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