

Retailer Lenta's Sales Rise Despite Economic Slowdown

By [The Moscow Times](#)

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Russian hypermarket chain Lenta, which recently joined the stock market, said sales growth quickened in the first quarter as customers were, so far, unaffected by the country's economic slowdown.

Lenta is the only Russian company to have made an initial public offering this year. The February listing in London came days before Russian stocks tumbled because of the crisis in neighboring Ukraine and netted around \$1 billion for shareholders including U.S. private equity firm TPG.

The company's GDRs fell as low as \$8.10 in mid-March from the IPO price of \$10, as the political turmoil fueled expectations that Russia's economy would be dragged

into recession. Shares were down 0.3 percent at \$9.94 on Thursday.

Lenta said it had not seen any major changes in consumer behavior as it reported a 37.3 percent year-on-year rise in first-quarter sales to 39.6 billion rubles (\$1.1 billion) after a 35 percent rise in the previous quarter.

Growth in like-for-like sales, an indicator of mature store performance, was 13.6 percent compared with 11.1 percent in the final quarter of 2013, Lenta said.

"We expect that continued robust LFL growth and additional store openings will ensure rapid sales growth for the rest of the year," Chief Executive Jan Dunning said.

"The first quarter results provide the best evidence to support our confidence, though we will continue to be vigilant because of the many uncertainties which may impact consumer spending during the remainder of 2014," he added.

Lenta plans to open 24 hypermarkets and 15 supermarkets in 2014. In the first quarter it opened two hypermarkets, while its total number of stores rose to 89 from 57 a year earlier.

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