



NATIONAL AGENCY
OF INVESTMENT
AND PRIVATIZATION
REPUBLIC OF BELARUS



THE
WORLD
BANK



OJSC «LENTA»

Investment opportunity

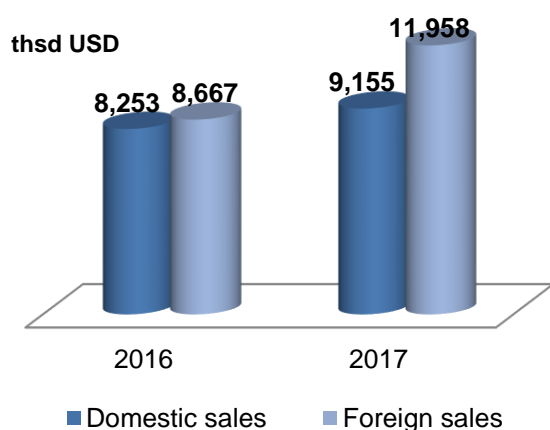
September, 2018

OJSC “LENTA”

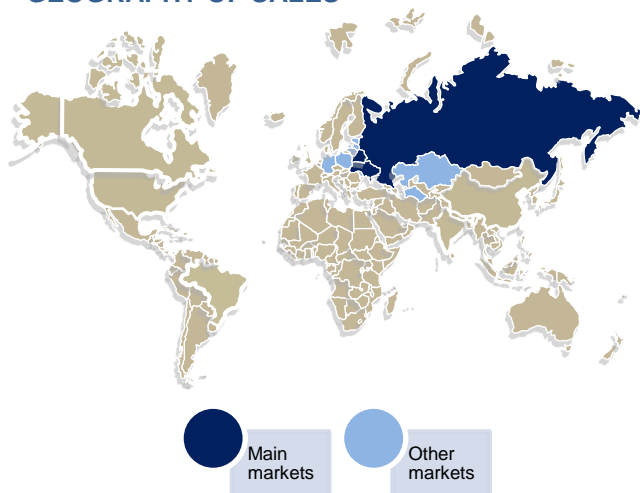
State institution "National Agency of Investments and Privatization" (NAIP) with support of the World Bank is implementing the project of attracting strategic investors to Belarusian light industry enterprises and invites you to consider investing in OJSC "Lenta" – the leading Belarusian manufacturer of textile haberdashery and curtain products, as well as medical dressings.

The purpose of this document is to present the Company to potentially interested investors. The recipients of this document are invited to sign a confidentiality agreement to obtain more detailed information about the Company.

PROCEEDS



GEOGRAPHY OF SALES



PROPERTY STRUCTURE



COMPANY OVERVIEW

- OJSC “Lenta” was founded in 1961 and is the leading Belarusian producer of textile haberdashery, curtains, garments, medical dressings. Long-term work experience and high business reputation of the Company have allowed forming a strong brand, which causes trust among consumers.
- OJSC “Lenta” has achieved high rates of economic efficiency and has a stable financial position, while continuing intensive development and further diversification of its activities and markets.
- At the end of 2017 the Company received a net profit of \$ 1,933 thousand USD (the growth rate compared to 2016 was 251.7%). The revenue growth rate in 2017 compared to 2016 was 124.8% (the absolute revenue figure received in 2017 was 21,113 thousand USD).
- OJSC “Lenta” carries out continuous work to update the technological equipment, expand the assortment and maintain an appropriate quality control system for the products that meet high industry standards.
- The Company has developed an effective distribution network both in Belarus and abroad. Significant efforts are being made to further develop it. More than 50% of Company's products are exported. Effective production and high quality of the products allowed the Company to become one of the main players on the Russian market, as well as to export its products to Ukraine, Poland, Germany, the Baltic States, Moldova, Armenia, Kazakhstan and Turkmenistan.

PROPOSED TRANSACTION

The Government of the Republic of Belarus is interested in the partnership of OJSC “Lenta” with a strategic investor in order to further develop the Company. NAIP is ready to consider various forms of cooperation which may include purchase of state owned shares, purchase of additionally issued shares, a joint venture and/or other investment models.

FACTORS OF INVESTMENT ATTRACTIVENESS



ACCESS TO THE MARKET DEMONSTRATING SUSTAINABLE GROWTH

- ✓ In 2018, analysts forecast further development of the Belarusian economy – GDP growth is expected at 3%. This lays the foundation for further positive dynamics of revenue and profits of OJSC “Lenta” as the Belarusian market is one of the key markets for the company's products’ sale.
- ✓ Membership of the Republic of Belarus in the Eurasian Economic Union opens to the Company unimpeded access to the markets of Russia and Kazakhstan, forming a significant potential for further expansion.
- ✓ Products of OJSC "Lenta" is in great in the garment, knitted, shoe sub-sectors of light industry, electrical, furniture, chemical and other industries, as well as in medicine. About 85% of the company's products’ sales fall on the corporate segment.



STRONG BRAND AND HIGH QUALITY OF PRODUCTS

- ✓ Products of OJSC "Lenta" are models for the light industry segments of the market which is confirmed by numerous awards and prizes for achievements in the field of quality.
- ✓ The company has certified the current quality system for compliance with the requirements of STB ISO 9001-2009, and also certified the environmental management system for compliance with the requirements of STB ISO 14001-2005 and the OSH management system for compliance with the requirements of STB 18001-2009.



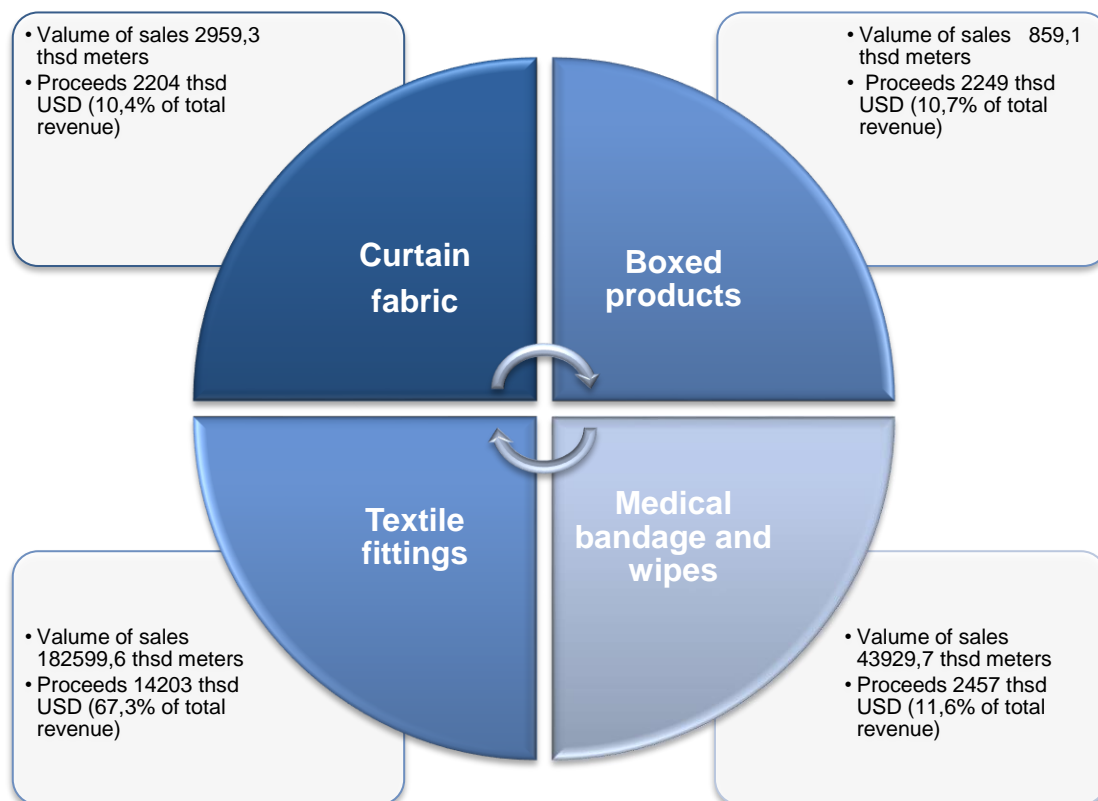
EFFICIENT TECHNOLOGIES AND DEVELOPED INFRASTRUCTURE

- ✓ OJSC “Lenta” has a well-developed production base, which includes a number of technologically connected blocks that allow in complex to create additional added value: tapes, plaiting, curtains, dyeing, production of textile fastenings "Contact" ("Velcro"), sewing, medical products.
- ✓ Company's equipment has been supplied by the best manufacturers in the respective segment, including Semel / Italy, Karl Mayer / Germany, Jacob Muller / Switzerland, Brother / Japan, Comez / Italy and Juki / Japan. On an ongoing basis, investments are made in the renewal of fixed assets.
- ✓ Total area of production and administrative premises of OJSC “Lenta” is about 40 thousand square meters.
- ✓ The Company is located in Mogilev, the third largest city in the Republic of Belarus, located 200 km from Minsk and 76 km from the border with the Russian Federation. The developed industry of the city contributes to the development of a resource and sales base; good transport links allow to optimize logistics.
- ✓ OJSC “Lenta” conducts an active marketing and distribution policy. Through its own distribution network, more than 70% of products are sold in the Republic of Belarus.

PRODUCTION AND LOGISTICS

WIDE PRODUCT LINE

Indicators for 2017



SKILLED STAFF

- ✓ The number employees of OJSC "Lenta" is 1048 people.
- ✓ About 70% of all employees work in the Company for more than 5 years.
- ✓ Human Recourse policy of OJSC "Lenta" provides for a program of continuous staff development.

DEVELOPED COMMERCIAL DISTRIBUTION NETWORK

Trading network of OJSC "Lenta" includes:

- three branches: in Gomel, Brest and Vitebsk;
- five stores: three in Minsk, and one per Mogilev, Bobruisk, Grodno;
- two warehouses (in Minsk and Grodno) with functions of wholesale distribution centers;
- 65 branded sections in various retail sites.

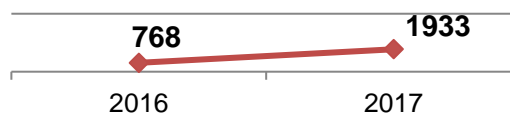
FINANCIAL RESULTS

HIGH INDICATORS OF YIELD



The profitability of sales in 2017 amounted to 15,9%

Net profit, thsd USD



FURTHER STEPS OF THE INVESTOR AND CONTACT INFORMATION

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In case of interest, you can contact the contact persons at the addresses and phone numbers listed below.



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