

Press Release
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O'KEY GROUP S.A. announces unaudited operating results for 4Q and FY 2013

O'KEY GROUP S.A. (the "Company" or "O'KEY"), one of the leading Russian food retailers, announces its unaudited operating results for 4Q and FY 2013.

Operating Highlights

- LFL revenue growth of 8.0% in 2013;
- LFL traffic increased by 0.5% year-on-year (y-o-y);
- LFL basket expanded above CPI inflation;
- Net retail revenue increased by 18.7% y-o-y;
- Selling space exceeded 489,000 sq.m. as at 31 December, 2013.

Commenting on the results, O'KEY CEO Patrick Longuet said:

"2013 was a year of several important accomplishments for our Company. We achieved remarkable LFL progress, maintained high level of purchases and launched several successful promotional campaigns.

"LFL number of tickets continued to increase in 2013 despite growing competitive pressures and the high base effect of autumn 2012. I am pleased that our performance in November and December 2013 demonstrated a y-o-y increase in the number of tickets despite the relatively tough trading environment. We saw a quarterly traffic outflow of 0.5% caused by October's results, which compared to the high base of 2012, when an intensive promotion was in place to mark the Company's 10th anniversary.

"We would also like to highlight that our LFL average basket growth exceeded CPI inflation due to an increase in the number of items per basket. In other words, customers are putting more products in their O'KEY baskets than they were a year ago. This is the first time in several years that we have seen average basket growth, which is very encouraging.

"As a result, our LFL revenue increased by an industry leading¹ 8.0% for the full year and reached the highest level over the last three years.

"During the fourth quarter of 2013, we opened 4 hypermarkets and 3 supermarkets, bringing the total number of new stores to 11 and increasing our selling space to 489,000 sq.m.

"We significantly expanded our development pipeline in Q4 and added 17 new projects, of which 12 are hypermarkets and 5 are supermarkets. As at 31 December, 2013, we have secured 42 hypermarket and 28 supermarket locations for future expansion."

¹ Among public retailers.



Key operating results:

Number of new stores	2013	2012
Company	11	12
Hypermarkets	8	10
Supermarkets	3	2

Stores at the end of the period ⁱ	2013	2012
Company	94	83
Hypermarkets	60	52
Supermarkets	34	31

Trading space at the end of the period, '000 sq.m.	2013	2012	Growth
Company	489	428	14.3%
Hypermarkets	444	387	14.7%
Supermarkets	45	41	9.8%

Net Retail Revenue, mln RUB	2013	2012	Growth
Company	137,664	115,922	18.7%

LFL indicators, % ⁱⁱ	2013	2012
Retail Revenue, LFL	8.0	7.0
Average ticket, LFL	7.5	4.3
Number of tickets, LFL	0.5	2.5

Net Retail Revenue, mln RUB	4Q 2013	4Q 2012	Growth
Company	40,794	34,851	17.0%

LFL indicators, %	4Q 2013	4Q 2012
Retail Revenue, LFL	8.1	7.5
Average ticket, LFL	8.6	5.4
Number of tickets, LFL	-0.5	2.0

Number of New Stores Under Development

	<i>Locations secured</i>	<i>Preparing documentation/ obtaining construction permits</i>	<i>Land works, shell & core construction in progress</i>	<i>Fit-out in progress</i>	<i>Obtaining operating permit</i>	<i>Total number of stores under development</i>
<i>Hypermarkets</i>	20	9	9	1	3	42
<i>Supermarkets</i>	26	2	0	0	0	28



COMPANY OVERVIEW

“O’KEY” is one of the largest retail chains in Russia. Its primary retail format is the modern Western European hypermarket under the “O’KEY” brand, complemented by “O’KEY - Express” supermarkets.

The Company opened its first hypermarket in St. Petersburg in 2002 and has demonstrated continuous growth ever since. As of June 30, 2013, O’KEY operated 85 stores in 21 cities across Russia: 54 hypermarkets with an aggregate selling space of approximately 396,000 square meters and 31 supermarkets with an aggregate trading space of approximately 41,000 square meters. As of June 30, 2013, O’KEY employed more than 24,000 people.

In accordance with the consolidated financial statements for the 1H 2013, O’KEY’s revenue was RUB 64.7 billion, like-for-like revenue growth rate stood at 7.5% and its EBITDA margin was 6.6%.

For further information please contact:

Maksim Kravtsov

Head of Investor Relations

Num. +7(495)6636677, ext. 220

e-mail: ir@okmarket.ru

www.okmarket.ru

Artem Glushchenko

Head of Public Relations

Num. +7(495)6636677, ext. 338

e-mail: corpcom@okmarket.ru

www.okmarket.ru

ⁱ Savyshkina hypermarket is included in total number of stores, in calculation of trading space and total retail revenue

ⁱⁱ Savyshkina hypermarket was excluded from the calculation of like-for-like revenue because it has not been in operation July - December

