

**Press Release**  
**11.10.2013**

**O'KEY GROUP S.A. announces unaudited operating results for 3Q and 9M 2013**

O'KEY GROUP S.A. (the "Company" or "O'KEY"), one of the leading Russian food retailers, announces its unaudited operating results for 3Q and 9M 2013.

**Operating Highlights**

- LFL revenue growth of 9.2% in 3Q
- LFL traffic increased by 0.7% in 3Q
- 3Q net retail revenue increased by 19.9% y-o-y
- Selling space totalled 452 thsd sq.m. as of 30 September 2013

Patrick Longuet, CEO of O'KEY Group, commented:

"We had a very successful quarter both in terms of operating results and in securing our future expansion plans. On operational side, we maintained impressive growth in LFL revenue, where basket growth exceeded inflation and the LFL number of transactions continued to increase year-on-year. On the expansion side, we added a record number of new projects to our development pipeline.

"LFL revenue increased by 9.2% mainly driven by the expansion of our average basket, which stood at 8.4% for the quarter. Progress in our average basket outpaced inflation trends and was supported by the growing number of items per basket. At the same time, traffic was not compromised by the strong progress on the basket side, as it grew by 0.7% in Q3.

In July and August, we had particularly strong results in both average basket and the number of purchases, which were stimulated by a successful promotional campaign. We witnessed a slowdown in revenue progress in September, which we attribute to a stronger comparative base of 2012, when an intensive promotion was in place to mark the Company's 10<sup>th</sup> anniversary and we had an additional weekend day when trading is higher.

"In terms of our expansion, we opened two hypermarkets during the third quarter and continued to work actively on securing new locations. Our development pipeline has increased significantly in Q3 2013 as we signed twelve new contracts, eight of which are for hypermarkets, two are for supermarkets and the remaining two are for the new project. As of 30 September 2013, the total number of projects reached 34 hypermarkets and 26 locations for smaller formats."



## Key operating results:

Number of new stores	9M 2013	9M 2012
Company	4	6
Hypermarkets	4	4
Supermarkets	-	2

Stores at the end of the period	9M 2013	9M 2012
Company	87	77
Hypermarkets	56	46
Supermarkets	31	31

Trading space at the end of the period, '000 sq.m.	9M 2013	9M 2012	Growth
Company	452	379	19.3%
Hypermarkets	412	338	21.9%
Supermarkets	41	41	0.0%

Net Retail Revenue, mln RUB	9M 2013	9M 2012	Growth
Company	96,870	81,072	19.5%

LFL indicators, %	9M 2013	9M 2012
Retail Revenue, LFL	8.1	6.7
Average ticket, LFL	7.1	3.9
Number of tickets, LFL	0.9	2.7

Net Retail Revenue, mln RUB	3Q 2013	3Q 2012	Growth
Company	33,006	27,536	19.9%

LFL indicators, %	3Q 2013	3Q 2012
Retail Revenue, LFL	9.2	4.5
Average ticket, LFL	8.4	4.2
Number of tickets, LFL	0.7	0.2

Number of New Stores Under Development

	<i>Locations secured</i>	<i>Preparing documentation/ obtaining construction permits</i>	<i>Land works, shell&amp;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>	13	6	7	8	0	34
<i>Supermarkets</i>	21	2	0	3	0	26



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**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%.

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