

Press Release
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O'KEY GROUP S.A. announces unaudited operating results for 1Q 2013

O'KEY GROUP S.A. (the "Company" or "O'KEY"), one of the leading Russian food retailers, announces its unaudited operating results for 1Q 2013.

Operating Highlights

- LFL revenue growth of 5.3% in 1Q
- LFL number of purchases increased by 0.4% quarter-on-quarter (q-o-q)
- 1Q retail revenue increased by 17.0% q-o-q
- Selling space exceeded 435,000 sq.m. as at 31 March 2013

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

"While the strong comparable base and fewer trading days in February led to relatively modest growth in retail revenues during 1Q 2013, we did maintain healthy levels of LFL revenue growth during the quarter. I am also pleased to note that revenue growth accelerated throughout 1Q 2013 and exceeded 21% in March. We therefore remain on track to meet our full year guidance.

"LFL revenue grew by 5.3% in 1Q 2013 driven by our growing average ticket. Our LFL ticket increased by 5.0% during 1Q 2013, reflecting the change in real wages for the same period. The LFL number of purchases as well continued to grow in 2013 despite the very strong base of 2012 and less trading days in February of 2013. We consider 1Q 2013 LFL traffic growth of 0.4% a positive achievement in these circumstances.

"Retail revenue increased by 17% in 1Q 2013 supported by the selling space expansion and LFL revenue growth. The pace of revenue growth during 1Q 2013 slowed compared to 1Q 2012 mostly as a result of more modest LFL progress and fewer store openings in 2013. LFL revenue growth of 5.3% in 2013 compared to an increase of 12.1% in 1Q 2012. The high comparative LFL base of 1Q 2012 included 7.2% traffic growth and we did not expect the same level of growth in LFL traffic to continue in 1Q 2013. As for the new openings, during 1Q 2013 we opened 1 store that contributed less than 1% to retail revenue growth, in comparison to the two stores in 2012 with contribution of 2%.

"In 1Q 2013 we added 3 new projects to our development pipeline and opened one hypermarket. Currently our pipeline includes 26 hypermarket and 11 supermarket locations which we intend to open in the coming 2-3 years. A summary of the progress we are making on our store development pipeline is detailed below."



Key operating results:

Number of new stores	1Q 2013	1Q 2012
Company	1	2
Hypermarkets	1	2
Supermarkets	-	-

Stores at the end of the period	1Q 2013	1Q 2012
Company	84	73
Hypermarkets	53	44
Supermarkets	31	29

Trading space at the end of the period, '000 sq.m.	1Q 2013	1Q 2012	Growth
Company	435	358	21.5%
Hypermarkets	394	320	23.1%
Supermarkets	41	38	7.9%

Net Retail Revenue, mln RUB	1Q 2013	1Q 2012	Growth
Company	30 778	26 308	17.0%

LFL indicators, % ⁱ	1Q 2013	1Q 2012
Retail Revenue, LFL	5.3	12.1
Average ticket, LFL	5.0	4.6
Number of tickets, LFL	0.4	7.2

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>	7	11	5	3	0	26
<i>Supermarkets</i>	9	1	1	0	0	11



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 at 30 June 2012, O’KEY operated 75 stores in 18 cities across Russia: 45 hypermarkets with an aggregate selling space of approximately 329,000 square meters and 30 supermarkets with an aggregate selling space of approximately 39,000 square meters. As of 30 June 2012 OKEY employed more than 20,000 people.

In accordance with the unaudited consolidated financial statements for 1H 2012, O’KEY’s revenue was RUR 54,122 million, like-for-like revenue growth rate was 7.9% and its EBITDA margin was 6.8%.

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