

*Press Release*  
22 January 2015

## **O'KEY GROUP POSTS 9% RETAIL REVENUE GROWTH IN 2014**

O'KEY Group S.A (LSE: OKEY), a leading food retailer in Russia, today announces unaudited operating results for the fourth quarter and full year ended 31 December 2014.

### **Q4 2014 Operating Highlights:**

- Retail revenue increased 5.1% Y-o-Y
- Traffic up 3.4%, average ticket rose 1.5%
- 10 new store openings
- Like-for-like retail revenue down 5.1% Y-o-Y

### **FY 2014 Operating Highlights:**

- Retail revenue increased 8.9% Y-o-Y
- Traffic up 4.3%, average ticket rose 4.3%
- 14 net new store openings
- Net 13% increase in trading space
- Like-for-like retail revenue down 0.2% Y-o-Y

### **Tony Maher, CEO of O'KEY Group, commented:**

“O'KEY was hit especially hard by the macroeconomic downturn and the imposition of sanctions against products from a number of countries. A decline in traffic and average ticket, which we saw in the third quarter, continued into the fourth quarter.

Despite strong macroeconomic headwinds, we delivered on our store-opening plans with nine hypermarkets and five supermarkets opened in 2014. We remain committed to continued expansion, albeit at a level that is sustainable and not requiring us to engage in substantial new borrowing at current market rates.”



## Operating Summary

Number of new stores	4Q 2014	4Q 2013	12M 2014	12M 2013
Group	10	7	14	11
Hypermarkets	5	4	9	8
Supermarkets	5	3	5	3

Total stores at the end of the period	12M 2014	12M 2013
Group	108	94
Hypermarkets	69	60
Supermarkets	39	34

Trading space as at the end of the period, '000 m <sup>2</sup>	12M 2014	12M 2013	Change, %
Group	552	489	13%
Hypermarkets	503	444	13%
Supermarkets	49	45	9%

Sales Performance	Q4 2014			12M 2014		
	Retail revenue, %	Traffic, %	Av. Ticket, %	Retail revenue, %	Traffic, %	Av. Ticket, %
Group	5.1%	3.4%	1.5%	8.9%	4.3%	4.3%
Group, LFL	-5.1%	-6.2%	1.2%	-0.2%	-4.2%	4.2%

## Store Openings

In the fourth quarter, the Group opened a net 10 new stores, including five hypermarkets and five supermarkets. The total number of stores as of 31 December 2014 reached 108, up 14 stores compared to 94 a year earlier, including 69 hypermarkets and 39 supermarkets. This was in line with the Group's commitment to new store openings and despite the challenging macroeconomic



environment throughout 2014, in particular during the fourth quarter. Total trading space at the end of the period reached 552 thousand m<sup>2</sup>, an increase of 13% year-on-year.

## **Sales Performance**

Group retail revenue increased by 5.1% year-on-year in the fourth quarter, with traffic increasing by 3.4% and the average ticket rising 1.5%. During the full year, retail revenue increased 8.9%, with 4.3% increases in both traffic and the average ticket. Growth in retail revenue was primarily attributable to the increase in trading space in both the fourth quarter and full year. Inflation has not fully counter-balanced a decrease in the average ticket during the fourth quarter.

Group like-for-like (LFL) sales in the fourth quarter reflected challenging trading conditions, amid a sharp drop in traffic, with retail revenue falling 5.1% year-on-year, against a 6.2% decline in customer traffic. Average LFL ticket rose 1.2% year-on-year. For the full year, LFL retail revenue was virtually flat, declining 0.2%, with traffic down 4.2%, while the average ticket increased 4.2%.

## **Disclaimer**

These materials contain statements about future events and expectations that are forward-looking statements. These statements typically contain words such as "expects" and "anticipates" and words of similar import. Any statement in these materials that is not a statement of historical fact is a forward-looking statement that involves known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

None of the future projections, expectations, estimates or prospects in this announcement should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of the assumptions, fully stated in this announcement. We assume no obligations to update the forward-looking statements contained herein to reflect actual results, changes in assumptions or changes in factors affecting these statements.

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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 Group opened its first hypermarket in St. Petersburg in 2002 and has demonstrated continuous growth ever since. As of 31 December 2014, O'KEY operated 108 stores in 28 cities across Russia: 69 hypermarkets with an aggregate selling space of approximately 503,000m<sup>2</sup> and 39 supermarkets with an aggregate trading space of approximately 49,000m<sup>2</sup>. As of 31 December 2014, O'KEY employed over 25,000 people.

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