

O'KEY Group S.A. (OKEY)

23-Aug-2018 / 10:30 CET/CEST

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Press Release  
23 August 2018

### **O'KEY GROUP OPENS FIRST NEW FORMAT HYPERMARKET IN THE ROSTOV REGION**

**O'KEY Group S.A (LSE: OKEY, Fitch - 'B+', RAEX - 'ruA-'), one of the leading Russian food retailers, announces the opening of a compact city hypermarket in Novocherkassk. The O'KEY hypermarket located in Baton Mall in Yashchenko Street is the first hypermarket of a new format opened in the Rostov Region. O'KEY is the first federal retailer to have completed the 'Made in Don Land' certification, affirming the high quality of its own production.**

O'KEY Group first introduced the compact city hypermarket format in 2017. These stores have a smaller area and more convenient navigation system. Some stores in Moscow, St. Petersburg and Yekaterinburg have already been modernized and are now operating under the new format.

The O'KEY hypermarket in Novocherkassk offers spacious alleys, simple and customer-friendly navigation. The space is divided into convenient departments including cooking, bakery, tasting area, an express café and a Farmer's Corner offering products from farms in the Rostov Region. Despite the relatively small store size of just 4,000 sq.m., the new hypermarket features a wide range of products, including more than 25 thousand SKUs. Over 160 staff members will be employed at the new hypermarket, ensuring the highest standards of customer service and smooth operation of the store.

Together with the opening of the new hypermarket, a large-scale promotion, the Don Producer Week, will be launched in all O'KEY stores in the Rostov Region and will offer customers the opportunity to taste goods manufactured by firms local to the Don area.

O'KEY places strong emphasis on working with local suppliers. This approach is practiced by the Company in every region of its operations. As part of the 'Retail chain - federal, products - local' programme, O'KEY continuously holds meetings and educational workshops for producers. In many of the Group's operating regions, the share of local products in the retail stores is growing. Some goods manufactured in the Don Area account for up to 50 percent of the shelf in a number of product categories.

O'KEY has become the first retailer to have passed the audit in accordance with the 'Made in Don Land' certification and will be able to use this label further in marking its own production goods. This label guarantees the high quality of goods and conformity to international standards in their production.

#### **Miodrag Borojević, Chief Executive Officer of O'KEY:**

'The hypermarket opened in Novocherkassk is the third O'KEY store in the Rostov Region and the first under the new format in Southern Russia. Now, in addition to our attractive prices, wide range of products and highest standard of quality, our customers will be able to experience the new format of a compact city hypermarket. By bringing together global best practices and our expertise, we are pleased to offer optimal modern solutions to our customers.'

#### **Irina Telarova, Director for Consumer Market Department in the Rostov Region:**

'The opening of the O'KEY hypermarket in a new trade format is a landmark event for the consumer markets of both Novocherkassk and the Rostov Region. The new store will provide jobs to residents of the Don region. The consumer market is the fastest growing sector of economy and is characterised by strong competition. Through innovations in business administration and the application of new technologies, retailers have secured consistent rates of growth.'

## **OVERVIEW**

O'KEY Group S.A. (LSE: OKEY, Fitch - 'B+', RAEX - 'ruA-') is one of the largest retail chains in Russia. The Group operates under two main formats: hypermarkets, under the 'O'KEY' brand and discounters, under the 'DAI' brand.

As at August 23, 2018, the Group operates 149 stores across Russia. The Group opened its first hypermarket in St. Petersburg in 2002 and has since demonstrated continuous growth. O'KEY is the first among Russian food retailers to launch and actively develop e-commerce operations in St. Petersburg and Moscow, offering a full range of hypermarket products for home delivery. The Group operates four distribution centres across the Russian Federation.

For the full year 2017, revenue totalled RUB 177,454,848 thousand, EBITDA reached RUB 9,334,993 thousand, and the net income for the

period amounted to RUB 3,166,913 thousand.

The O'KEY shareholder structure is as follows: NISEMAX Co Ltd - 50.95%, GSU Ltd - 29.52%, free float - 19.53%.

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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.

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ISIN: US6708662019  
Category Code:MSCM  
TIDM: OKEY  
LEI Code: 213800133YYU23T4L791  
Sequence No.: 5911  
EQS News ID: 716731

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