

Russian Food Retailer O'Key Posts 5 Percent Net Profit Rise

By [The Moscow Times](#)

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People shop at a supermarket of Russian food retailer O'Key.

Russian food retailer O'Key posted a 5 percent rise in 2014 net profit to 5.2 billion rubles (\$86.5 million), helped by a tax refund, it said Thursday.

The company said its income tax expenses fell by 42 percent last year as a result of a tax reimbursement of around 1 billion rubles it had paid for 2010–2013, while profit before income tax was down 7.8 percent.

Pretax income was hit by a foreign exchange loss of 688 million rubles on a dollar loan, as well as a spike in financing costs as its debt rose 88 percent to 32 billion rubles.

The company also said its earnings before interest, taxes, depreciation and amortization (EBITDA) climbed 2.2 percent to 11.3 billion rubles, with its EBITDA margin sliding to 7.4 percent from 7.9 percent a year earlier.

Revenues grew 9 percent to 152 billion rubles, primarily driven by increased selling space, while like-for-like sales were down 0.2 percent.

O'Key, which operates hypermarkets and supermarkets, had seen customers leave in favor of budget retailers last year as Russia's economy weakened and a slump in the ruble fueled inflation.

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