

O'Key IPO Raises \$420M

By [The Moscow Times](#)

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O'Key Group, Russia's third-largest food retailer, said Tuesday that its initial public offering raised \$420 million, part of which will fund expansion as the economy recovers from the steepest contraction on record.

O'Key and existing shareholders sold 38.1 million Global Depositary Receipts at \$11 each, the St. Petersburg-based company said in a statement distributed on Regulatory News Services. The company will receive net proceeds of \$161 million to fund expansions and reduce debt, it said.

"It has been a pleasure to receive such a warm welcome from the financial community in so many geographies," O'Key chief executive officer Patrick Longuet said in the statement. "We are confident that we have the skills as well as the capacity to deliver on our strategy for further growth."

The sale, in the bottom half of O'Key's \$9.90 to \$12.90 range, valued the company at \$2.95 billion before the start of trading Tuesday.

O'Key boosted sales 21 percent in the first six months of 2010 compared with the same period last year, to 38.3 billion rubles (\$1.2 billion), according to the statement.

X5 Retail Group and Magnit, Russia's two largest food chains, are adding stores and locations to benefit from a recovery that's boosting disposable incomes and spending.

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