14 November 2011

Raven Russia Limited ("Raven" or the "Company")

INTERIM MANAGEMENT STATEMENT FOR THE PERIOD FROM 1 JULY 2011 TO 14 NOVEMBER 2011

Key Highlights

- New lettings of 205,000 square metres since 1 January 2011.
- 850,000 square metres (87%) of completed portfolio now let.
- Additional 15,000 square metres of letters of intent ("LOIs") signed on completed portfolio.
- 53,000 square metres at Klimovsk phase 2 to complete early 2012.
- 11,000 square metres of pre let agreements ("PLAs") and 17,000 square metres of LOIs signed on Klimovsk phase 2.
- Annualised consolidated NOI now $114 million.
- Increases to $121 million on conversion of PLAs and LOIs including Klimovsk phase 2.
- Portfolio ERV of $137 million including Klimovsk phase 2.

Overview

The Russian warehouse rental market continues to perform well. The undersupply of product, especially in Moscow, is now putting upward pressure on rental levels.

In Moscow, we are nearing completion of 53,000 square metres of new space at our Klimovsk phase 2 project. This is due for commissioning early in 2012 and is now generating good tenant interest. In the last quarter, we have signed a pre let agreement with Danone for 11,000 square metres and have signed letters of intent on a further 17,000 square metres of the new space.

In the regional cities, Rostov on Don is performing well and is now 93% let. St Petersburg, and Novosibirsk are proving to be slower markets but we are still seeing steady interest for smaller let sizes.

Elsewhere, we completed the sale of our Kiev project to our local development partner for close to its net book value.

We remain keen to acquire more development land in Moscow and have completed the purchase of 8ha of land adjacent to our existing Klimovsk site. This will allow the development of a further 43,000 square metres of warehouse space.

Investment Market

The investment market in Russia has started to mature with a number of developers selling projects and creating a healthy secondary market for completed income producing properties. During the first nine months of the year there were three transactions in our sector in Russia at initial yields of between 11% and 11.5%.

The turbulence in the euro zone means it is unlikely any other deals, dependent on acquisition finance, will close in the final quarter. However, investor interest remains strong as evidenced by a number of large transactions in other sectors and interest from a number of the major Global real estate funds. The strength of the unleveraged Russian consumer and the double digit yields that Russia offers in a world of low inflation should mean continuing interest from investors even in a world where debt is scarce.

In the warehousing sector increasing rents and declining vacancy in Moscow continue to underpin value.

Letting

In the year to date we have completed leases on 205,000 square metres of space. Currently, pre let agreements and letters of intent are in place for a further 43,000 square metres, including the new site at Klimovsk phase 2.

Financial

In the face of uncertain financial markets, we continue to work on extending the average maturity of our existing debt facilities. We have completed the extension of our debt facility with Aareal bank at Istra, drawing an additional $34 million and extending maturity on the total facility of $143 million to April 2016.

We have signed the facility documents on the refinancing of our facility on the Noginsk project with Unicredit and are now awaiting confirmation of the registration of the various mortgage documents to allow us to draw down. The facility is for $83 million with maturity in October 2016. This facility refinances the existing $57 million debt with HSH Nordbank and is on improved terms.

The recent conversion of 63.1 million warrants has also generated $25 million of additional funds.

Net debt at 31 October 2011, excluding preference shares, was $366 million with a cash holding of $139 million.

As announced on 3 November 4.4m Ordinary shares were tendered by shareholders taking advantage of the Tender Offer Alternative to the interim dividend. Payment for those shares tendered and the interim dividend will be made on the 18 November.

Glyn Hirsch, Chief Executive of Raven Russia said:
“The Russian warehouse rental market continues to perform well. The undersupply of product, especially in Moscow, is now putting upward pressure on rental levels”

Enquiries

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About Raven Russia

Raven Russia was founded in 2005 to invest in class A warehouse complexes in Russia and lease to Russian and International tenants. Its Ordinary Shares and Warrants are listed on the Main Market of the London Stock Exchange with a market capitalisation of approximately £326 million. The company operates out of offices in Guernsey, Moscow and Cyprus and has to date completed a portfolio of circa 1 million square metres of Grade "A" warehouses in Moscow, St Petersburg, Rostov-on-Don and Novosibirsk. For further information visit the Company's website: www.ravenrussia.com