

16 May 2011



Raven Russia Limited (“Raven” or the “Company”)

INTERIM MANAGEMENT STATEMENT FOR THE PERIOD FROM 1 JANUARY 2011 TO 16 MAY 2011

Key Highlights

- New lettings of 135,000 square metres in the year to date
- Includes letting of 75,681 square metres to X5 Retail Group at Noginsk, Moscow.
- 780,000 square metres (80%) of the existing portfolio now fully let and income producing.
- Annualised, consolidated net operating income (“NOI”) of \$106 million.
- Increasing to \$111 million on conversion of 43,500 square metres of pre let agreements and letters of intent.
- A further 69,000 square metres of lettings under active negotiation.
- Commenced construction of 53,000 square metres on second phase of Klimovsk, Moscow.
- Portfolio ERV of \$128 million, increasing to \$134 million including Klimovsk phase 2.

Overview

Our business has performed well in the year to date and we are seeing high levels of tenant demand in all of our markets and especially Moscow. Both Russian and international tenants are actively looking for new warehouse space and this is causing rents to rise.

In Moscow we recently announced the leasing of 75,681 square metres at Noginsk to X5 Retail Group and have subsequently let the last block of vacant space at Istra, which is now fully let. In Moscow, our vacancy is less than 20,000 square metres in total and as a consequence of the lack of supply and strong demand we have commenced construction of the second phase of the Klimovsk project. We aim to deliver approximately 53,000 square metres at the start of 2012 and will commence active marketing during the late summer. This project could add \$6.4 million to our NOI once fully leased.

In St Petersburg, Rostov and Novosibirsk we have also been active in leasing new space although the average size of tenant requirements is much smaller. Vacancy rates in these markets are also falling and no new space is being constructed.

There are signs that the investment market is coming to life. As well as the Southgate transaction, where we await formal notification of the minority shareholders' purchase completion, another prime Moscow warehouse (similar to the Company's properties) has been sold to an international investor at an initial yield of around 11%. In other sectors we are aware of impending deals that will create firm pricing reference points for the market. All of this is good for the valuation of our own projects and we anticipate valuation upside at the half year driven by improving rents and lower yields.

Letting

The group focus continues to be on increasing the income from our existing portfolio. In the year to date we have leased 135,000 square metres. Currently, pre let agreements and letters of intent are in place for a further 43,500 square metres and we are currently negotiating 69,000 square metres of additional letters of intent.

Financial

We completed the financing of our Lobnya project, drawing \$30 million in January on a 7 year term loan and have signed a facility agreement secured on phase one of our Klimovsk project, with a view to drawing \$38 million in the second quarter on a 9 year term loan.

As the banking environment continues to improve, we are in advanced negotiations to extend the term of some of our existing debt with existing and new lenders, including the refinancing of our Noginsk project where debt matures in October 2011.

With the construction of the second phase of Klimovsk, improvements on existing sites, including the cold storage element of the X5 letting and payment of final retentions and profit shares, we now have capital commitments in the current financial year of \$90 million, including VAT.

Net debt at 31 March 2011, excluding preference shares, was \$345 million with a cash holding of \$113 million.

If approved at the AGM, the final dividend for 2010, of 1p per ordinary share, will be paid according to the following timetable:

- XD date 25 May 2011;
- Record date 27 May 2011; and
- Payment date 24 June 2011.

Glyn Hirsch, Chief Executive of Raven Russia said:

"The first 4 months of the year has seen vacancy in the Moscow market drop below 3 percent. Rents are on the rise and the investment market is starting to take notice. All good fundamentals for the business".

Enquiries

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This announcement contains forward-looking statements that involve risk and uncertainties and speak only as at the date of this announcement. The Group's actual results could differ materially from those estimated or anticipated in the forward-looking statements as a result of many factors. Information contained in this announcement relating to the Company should not be relied upon as a guide to future performance.

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 £360 million, operates out of offices in Guernsey, Moscow and Cyprus.

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