RAVEN RUSSIA LIMITED

Interim Results
for the six months ended 30 June 2014

CONTENTS

Cover Photograph: Noginsk.

HIGHLIGHTS

- Underlying earnings after tax for the six months increase 37% to $38 million;
- IFRS earnings for the period of $45 million;
- Current annualised NOI of $192 million and portfolio 97% let;
- Cash balance of $188 million;
- Construction of 107,000sqm new space in Moscow completing by the end of the year;
- New space over 50% pre let, generating a further $12.5 million of NOI;
- Basic underlying earnings per share increase 6% to 5.24 cents;
- Adjusted diluted net asset value per share up 5% to $1.32;
- Proposed distribution up 25% to the equivalent of 2.5p per share by way of tender offer buy back of 1 in 30 shares at 75p.

Financial Summary

Income Statement	Six Months to 30 June 2014	Six Months to 30 June 2013
Net Rental and Related Income ($m)	97.78	87.44
Underlying Earnings after tax ($m)	38.22	27.80
IFRS Earnings after tax ($m)	45.27	54.40
Underlying Basic EPS (cents)	5.24	4.96
IFRS Basic EPS (cents)	6.21	9.71
Distribution per share (pence)	2.50	2.00
Balance Sheet	**30 June 2014**	**31 December 2013**
Investment Property Market Value ($m)	1,651	1,646
Adjusted Diluted NAV per Share ($)	1.32	1.26
IFRS Diluted NAV per Share ($)	1.21	1.16

Letting Summary

Completed investment portfolio of 1.4 million sqm, currently 97% let. Letting summary in the six months to 30 June 2014:

(sqm)	Maturities	Lease Renewal	Lease Renegotiation	Expansion	New Letting	Net Letting*
Moscow	(28,696)	17,934	(17,395)	17,395	4,037	(6,725)
St Petersburg	(4,886)	4,886	-	-	2,660	2,660
Regions	(9,745)	-	-	-	4,428	(5,316)
Total	**(43,327)**	**22,820**	**(17,395)**	**17,935**	**11,126**	**(9,381)**

*In addition to the above, pre let agreements and letters of intent on 64,878 sqm have been signed on Moscow space and 2,688 sqm in St Petersburg.

CHAIRMAN'S MESSAGE

The six months ended 30 June 2014 have been good operationally but this strong performance has been overshadowed by the current crisis in Ukraine and its implications for Russia.

We have continued to improve our key financials and intend to distribute the equivalent of 2.5p per share (a 25% increase on last year) by way of a tender offer buy back of 1 in 30 shares at 75p per share.

Our portfolio is virtually fully let and there continues to be strong tenant interest on attractive terms in the space we have recently developed.

We are in the process of completing a number of re-financings which are progressing well. This will strengthen our capital base and provide a substantial cash balance.

There is little merit in speculating, in this statement, on the potential impact of current or future sanctions against Russia on our business. So far we have not been directly affected. We will continue working to improve our financial position whilst providing solid returns to our shareholders.

Richard Jewson
Chairman

25 August 2014

CHIEF EXECUTIVE'S REVIEW

Results

The first half of the year has shown strong results. Underlying earnings before tax increased to $43 million (2013: $31 million) giving basic underlying earnings per share of 5.24 cents (2013: 4.96 cents). Net operating and related income increased to $98 million (2013: $87 million).

IFRS profit before tax for the six months was $58 million (2013: $68 million) after revaluation gains of $20 million (2013: $40 million). The value of our completed investment portfolio has remained stable in the period, the majority of the surplus arising on our construction pipeline.

Our completed portfolio comprises 1.4 million square metres ("sqm") of space and remains 97% let, generating annualised net operating income ("NOI") of $192 million. Fully let, NOI would rise to $197 million.

We are also constructing 107,000 sqm of new space at our Noginsk and Nova Riga sites in Moscow, with completion expected by the year end. This space currently has pre let agreements ("PLAs") and letters of intent ("LOIs") on 60,000 sqm, which will generate additional NOI of $12.5 million.

Fully diluted adjusted net asset value per share has increased to $1.32 (31 December 2013: $1.26) and cash balances at the half year were $188 million.

Financing

We have continued our strategy of refinancing the more expensive of our debt facilities even though we were comfortable with our maturity profile.

The nearest term maturity we have is the facility secured on the Konstanta office block due at the end of September. We have agreed that this will be rolled over for two and a half years on the existing terms.

The first stage of refinancing the facility secured on our Novosibirsk project was completed with Sberbank prior to the half year. $39 million was drawn on 30 June 2014 for the repayment of the existing facility. This repayment was completed on 2 July 2014 and the second tranche of the new facility of $34 million drawn subsequently. This facility has a margin of 5.6% over US LIBOR for the Group and a term of ten years. US LIBOR has been hedged with a five year cap at 200 bps.

We signed agreements on 8 July 2014 to refinance the facility secured on our Noginsk asset, backed by VTB Germany. The full facility is for $180 million, satisfied in two tranches, $140 million, which will be used in part to repay the existing facility of $99 million, and a further $40 million to be drawn on completion of the current pre let construction project in the first quarter of 2015. The new facility has a term of six years and a fixed cost to the Group of just below that of the existing facility. The first tranche to repay the existing facility was received on 21 August 2014.

A further $8 million of the facility secured on our Klimovsk project was drawn in August, leaving $5 million still to draw.

A new facility agreement with UniCredit has been signed in August, to be secured on our Lobnya site. This will be at a margin below the current cost to the Group and will release additional cash of $12 million after repaying the existing facility of $26 million. The facility has a five year term and we aim to draw in the coming month.

We also continue discussions on a refinancing of the new development at Nova Riga and hope to have something in place prior to the year end.

At 30 June 2014, the weighted average term of outstanding debt was 4.4 years, with a total cost to the Group of 7.1%, reducing from 7.4% at 30 June 2013 and 7.2% at the year end.

Current interest bearing loans and borrowings increase on the balance sheet at 30 June 2014 reflecting the repayment of the Novosibirsk facility straddling the half year and the short term maturity of the Konstanta loan at that time.

The finance charge for the period reduced following the conversion of half of our preference shares to equity just prior 31 December 2013.

Foreign Exchange

We continue to hedge foreign exchange cash flows with a mixture of cash holdings in our principal transaction currencies and a forward quarterly Sterling conversion, fixed at $1.6, for our preference coupon, which matures at the end of 2016. A 10% depreciation in both Sterling and Rouble to the Dollar has seen a slight increase in overheads and a foreign exchange loss in the income statement from the translation of our non Dollar assets at the balance sheet date.

Provisions

The legacy litigation claim on the Pushkino project continues. 1.45 billion Roubles ($43 million) was placed into court as part of the appeal process just prior to the half year. This is covered by retention monies released by the vendor and the corresponding asset has moved from "Other receivables" in Non-current assets to "Trade and other receivables" in Current assets on the balance sheet.

Cash flow

Our cash balances at 30 June 2014 were $188 million. Net cash from operating activities in the six months was $80 million, construction costs just over $50 million and distributions to shareholders, including preference coupon, $48 million. The amortisation of debt and bank interest payments in the period was covered by the draw of new debt.

Tender Offer

We propose distributing income by way of tender offer buy back again and intend to pay the equivalent of 2.5p per share by way of an offer of 1 in 30 ordinary shares at 75p, an increase of 25% on the comparative period.

Outlook

The uncertainty caused by the situation in Ukraine and the related sanctions has not had a marked impact on our day to day operations. That may change if there is further escalation or the sanctions remain in place for a prolonged period. What the effect on our business might be over the medium to long term is difficult to estimate. The Russian logistics market remains undersupplied and we do not envisage the pressure on current tenancies that one would expect in a more mature market. A lengthy period of Rouble weakness will weigh on US Dollar market rents but development of new space would reduce significantly, acting as a counterbalance. The number of international banks operating in our market would continue to contract and the cost of financing for local banks would rise, hence our drive to push out maturities on favourable terms now.

We believe we are in a strong, defensive position with high letting levels, extended debt maturities at or below our target cost of finance and high, free cash balances. This also gives us a strong platform to exploit opportunities if, as we all hope, the situation in Ukraine is resolved satisfactorily.

Glyn Hirsch
Chief Executive
25 August 2014

CORPORATE GOVERNANCE

Principal Risks and Uncertainties

Internal controls and an effective risk management regime are integral to the Group's continued operation. The assessment of risks faced by the Group is set out in the Risk Report on pages 29 to 34 of the Group's 2013 Annual Report. The prolongation of the situation in Ukraine and the escalation of international sanctions against Russia is the obvious change in risk since the Group's 2013 Annual Report was released. This could have an increasing negative effect on our risk profile, impacting bank financing, the strength of the Rouble, tenant demand and asset valuations. The sanctions are not retrospective and have no impact on the legality of existing contracts or financing arrangements that the Group has entered into prior to sanctions being introduced.

A summary of the principal risks and uncertainties within the context of heightened sanctions is as follows:

Financial Risks

Bank Financing and Costs

A reduction in the number of banks lending in the market, an increased cost of finance for local banks, a reduction in gearing and an inability to borrow in US Dollars from certain banks because of the effect of sanctions.

Foreign Exchange

A continued weakening of the Rouble against the US Dollar leading to pressure on market rents and a reduction on our US denominated earnings and the carrying value of assets. If required to seek funding in alternative currencies to US Dollars an increase in foreign exchange risk would result.

Property Investment and Development

Composition of Portfolio

The portfolio comprises one type of asset with a concentration in the Moscow Region.

Tenant Demand

A slow down in Russian consumer spending is exacerbated by international sanctions with the resultant impact on market rents, lease renewals and asset valuations.

Development Returns

Cost and time overruns, lower rental levels and delays in leasing on development projects can mean target yields are missed and profitability reduced.

Acquisitions

The investment market in Russia continues to mature and legacy issues are common with Russian corporate acquisitions.

Russian Domestic Risk

Legal and Taxation Frameworks

The Russian legal and taxation frameworks are still developing with large volumes of new legislation being open to interpretation and abuse.

Going Concern

The financial position of the Group, its cash flows, liquidity and borrowings are described in the Chief Executive's Review and the accompanying financial statements and related notes. During the period the Group had, and continues to hold, substantial cash and short term deposits and has increasing and profitable rental streams. As a consequence, the Directors believe the Group is well placed to manage its business risks.

After making enquiries and examining major areas that could give rise to significant financial exposure, the Board has a reasonable expectation that the Company and the Group have adequate resources to continue its operations for the foreseeable future. Accordingly, the Group continues to adopt the going concern basis in the preparation of the accompanying interim financial statements.

Directors' Responsibility Statement

The Board confirms to the best of its knowledge:

The condensed financial statements have been prepared in accordance with IAS 34 as adopted by the European Union, and that the half year report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R.

The names and functions of the Directors of Raven Russia Limited are disclosed in the 2013 Annual Report of the Group.

This responsibility statement was approved by the Board of Directors on the 25 August 2014 and is signed on its behalf by

Mark Sinclair
Chief Financial Officer

Colin Smith
Chief Operating Officer

INDEPENDENT REVIEW REPORT TO RAVEN RUSSIA LIMITED

We have been engaged by the Company to review the condensed set of financial statements in the Interim Results financial report for the six months ended 30 June 2014 which comprises the Condensed Unaudited Group Income Statement, the Condensed Unaudited Group Statement of Comprehensive Income, the Condensed Unaudited Group Statement of Changes in Equity, the Condensed Unaudited Group Balance Sheet, the Condensed Unaudited Group Cash Flow Statement and the related notes 1 to 15. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Directors' Responsibilities

The Interim Results financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the Interim Results financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the Interim Results financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom.

A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the Interim Results financial report for the six months ended 30 June 2014 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Ernst & Young LLP
London

25 August 2014

CONDENSED UNAUDITED GROUP INCOME STATEMENT

For the six months ended 30 June 2014

	Note	Six months ended 30 June 2014 Underlying earnings US$'000	Six months ended 30 June 2014 Capital and other US$'000	Six months ended 30 June 2014 Total US$'000	Six months ended 30 June 2013 Underlying earnings (Restated) US$'000	Six months ended 30 June 2013 Capital and other (Restated) US$'000	Six months ended 30 June 2013 Total (Restated) US$'000
Gross revenue	2	132,274	–	132,274	134,746	–	134,746
Property operating expenditure and cost of sales		(34,491)	–	(34,491)	(47,305)	–	(47,305)
Net rental and related income	2	**97,783**	**–**	**97,783**	**87,441**	**–**	**87,441**
Administrative expenses		(15,433)	(1,059)	(16,492)	(14,047)	(992)	(15,039)
Share-based payments and other long term incentives	13c	–	(1,186)	(1,186)	–	(4,288)	(4,288)
Foreign currency (losses)/profits		(2,337)	–	(2,337)	1,915	–	1,915
Operating expenditure		**(17,770)**	**(2,245)**	**(20,015)**	**(12,132)**	**(5,280)**	**(17,412)**
Share of profits of joint ventures		306	–	306	488	–	488
Operating profit/(loss) before profits and losses on investment property		**80,319**	**(2,245)**	**78,074**	**75,797**	**(5,280)**	**70,517**
Unrealised profit on revaluation of investment property	4	–	1,608	1,608	–	22,757	22,757
Unrealised profit on revaluation of investment property under construction	5	–	18,830	18,830	–	17,695	17,695
Operating profit	2	**80,319**	**18,193**	**98,512**	**75,797**	**35,172**	**110,969**
Finance income		1,672	1,098	2,770	1,249	8,134	9,383
Finance expense		(38,938)	(4,431)	(43,369)	(45,567)	(6,583)	(52,150)
Profit before tax		**43,053**	**14,860**	**57,913**	**31,479**	**36,723**	**68,202**
Tax		(4,831)	(7,811)	(12,642)	(3,680)	(10,118)	(13,798)
Profit for the period		**38,222**	**7,049**	**45,271**	**27,799**	**26,605**	**54,404**
Earnings per share:	3						
Basic (cents)				6.21			9.71
Diluted (cents)				5.99			9.31
Underlying earnings per share:	3						
Basic (cents)				5.24			4.96
Diluted (cents)				5.05			4.75

The total column of this statement represents the Group's Income Statement, prepared in accordance with IFRS as adopted by the EU. The "Underlying earnings" and "Capital and other" columns are both supplied as supplementary information permitted by IFRS as adopted by the EU. Further details of the allocation of items between the supplementary columns are given in note 3.

All items in the above statement derive from continuing operations.

All income is attributable to the equity holders of the parent company. There are no non-controlling interests.

The accompanying notes are an integral part of this statement.

CONDENSED UNAUDITED GROUP STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2014

	Six months ended 30 June 2014 US$'000	Six months ended 30 June 2013 US$'000
Profit for the period	**45,271**	**54,404**
Items to be reclassified to profit or loss in subsequent periods:		
Foreign currency translation on consolidation	(616)	4,914
Tax relating to foreign currency translation	–	–
	(616)	4,914
Other comprehensive income, net of tax	**(616)**	**4,914**
Total comprehensive income for the period, net of tax	**44,655**	**59,318**

All income is attributable to the equity holders of the parent company. There are no non-controlling interests.

The accompanying notes are an integral part of this statement.

CONDENSED UNAUDITED GROUP STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2014

	Note	Share Capital US$'000	Share Premium US$'000	Warrants US$'000	Own Shares Held US$'000	Capital Reserve US$'000	Translation Reserve US$'000	Retained Earnings US$'000	Total US$'000
At 1 January 2013		**11,131**	**71,475**	**1,367**	**(24,145)**	**102,808**	**(123,697)**	**650,023**	**688,962**
Profit for the period		–	–	–	–	–	–	54,404	54,404
Other comprehensive income		–	–	–	–	–	4,914	–	4,914
Total comprehensive income for the period		**–**	**–**	**–**	**–**	**–**	**4,914**	**54,404**	**59,318**
Warrants exercised	9/10	10	266	(38)	–	–	–	–	238
Own shares allocated	11	–	–	–	626	–	–	(626)	–
Ordinary shares cancelled under tender offers	9	(274)	(19,845)	–	195	–	–	–	(19,924)
Share-based payments	13c	–	–	–	–	–	–	488	488
Transfer to retained earnings		–	–	–	–	–	(6,808)	6,808	–
Transfer in respect of capital profits		–	–	–	–	32,597	–	(32,597)	–
At 30 June 2013		**10,867**	**51,896**	**1,329**	**(23,324)**	**135,405**	**(125,591)**	**678,500**	**729,082**
At 1 January 2014		**13,876**	**287,605**	**1,279**	**(22,754)**	**146,392**	**(145,378)**	**610,899**	**891,919**
Profit for the period		–	–	–	–	–	–	45,271	45,271
Other comprehensive income		–	–	–	–	–	(616)	–	(616)
Total comprehensive income for the period		**–**	**–**	**–**	**–**	**–**	**(616)**	**45,271**	**44,655**
Warrants exercised	9/10	4	104	(15)	–	–	–	–	93
Own shares allocated	11	–	–	–	6,909	–	–	(6,909)	–
Own shares acquired under tender offers	11	–	–	–	(38,044)	–	–	–	(38,044)
Own shares acquired	11	–	–	–	(403)	–	–	–	(403)
Share-based payments	13c	–	–	–	–	–	–	1,258	1,258
Transfer in respect of capital profits		–	–	–	–	16,065	–	(16,065)	–
At 30 June 2014		**13,880**	**287,709**	**1,264**	**(54,292)**	**162,457**	**(145,994)**	**634,454**	**899,478**

The accompanying notes are an integral part of this statement.

CONDENSED UNAUDITED GROUP BALANCE SHEET

As at 30 June 2014

	Note	30 June 2014 US$'000	31 December 2013 US$'000
Non-current assets			
Investment property	4	1,635,960	1,632,476
Investment property under construction	5	177,315	118,919
Plant and equipment		7,128	6,818
Goodwill		7,824	7,906
Investment in joint venture		19,378	18,464
Other receivables		26,127	66,436
Derivative financial instruments		9,763	10,266
Deferred tax assets		45,817	48,092
		1,929,312	1,909,377
Current assets			
Inventory		2,621	2,523
Trade and other receivables		97,211	56,431
Derivative financial instruments		2,421	1,519
Cash and short term deposits		188,292	201,324
		290,545	261,797
Total assets		**2,219,857**	**2,171,174**
Current liabilities			
Trade and other payables		91,715	101,630
Interest bearing loans and borrowings	6	117,973	81,803
		209,688	**183,433**
Non-current liabilities			
Interest bearing loans and borrowings	6	722,719	721,311
Preference shares	7	179,373	172,205
Provisions	8	43,124	42,700
Other payables		37,667	39,707
Derivative financial instruments		4,347	4,413
Deferred tax liabilities		123,461	115,486
		1,110,691	1,095,822
Total liabilities		**1,320,379**	**1,279,255**
Net assets		**899,478**	**891,919**
Equity			
Share capital	9	13,880	13,876
Share premium		287,709	287,605
Warrants	10	1,264	1,279
Own shares held	11	(54,292)	(22,754)
Capital reserve		162,457	146,392
Translation reserve		(145,994)	(145,378)
Retained earnings		634,454	610,899
Total equity		**899,478**	**891,919**
Net asset value per share (US dollars):	12		
Basic		1.26	1.22
Diluted		1.21	1.16
Adjusted net asset value per share (US dollars):	12		
Basic		1.38	1.32
Diluted		1.32	1.26

The accompanying notes are an integral part of this statement.

CONDENSED UNAUDITED GROUP CASH FLOW STATEMENT

For the six months ended 30 June 2014

	Note	Six months ended 30 June 2014 US$'000	Six months ended 30 June 2013 (Restated) US$'000
Cash flows from operating activities			
Profit before tax		57,913	68,202
Adjustments for:			
Depreciation	2	1,059	992
Share of profits of joint ventures		(306)	(488)
Finance income		(2,770)	(9,383)
Finance expense		43,369	52,150
Profit on revaluation of investment property	4	(1,608)	(22,757)
Profit on revaluation of investment property under construction	5	(18,830)	(17,695)
Foreign exchange losses/(profits)		2,337	(1,915)
Share-based payments and other long term incentives	13c	1,186	4,288
		82,350	73,394
Receipts from joint ventures		–	284
Decrease/(increase) in operating receivables		4,902	(8,021)
Decrease in other operating current assets		25	8,404
(Decrease)/increase in operating payables		(4,352)	1,452
		82,925	75,513
Tax paid		(2,916)	(1,757)
Net cash generated from operating activities		**80,009**	**73,756**
Cash flows from investing activities			
Payments for investment property and investment property under construction		(53,757)	(39,780)
Refunds of VAT on construction		2,454	782
Acquisition of subsidiary undertakings		–	(914)
Proceeds from sale of plant and equipment		70	176
Purchase of plant and equipment		(988)	(198)
Loans repaid		34	36
Interest received		1,672	1,240
Net cash used in investing activities		**(50,515)**	**(38,658)**
Cash flows from financing activities			
Proceeds from long term borrowings		61,741	103,500
Repayment of long term borrowings		(24,058)	(96,552)
Bank borrowing costs paid		(34,292)	(35,793)
Exercise of warrants		93	238
Own shares acquired		(38,447)	(19,923)
Dividends paid on preference shares		(9,439)	(16,762)
Settlement of maturing forward currency financial instruments		507	–
Premium paid for forward currency financial instruments		–	(1,451)
Net cash used in financing activities		**(43,895)**	**(66,743)**
Net decrease in cash and cash equivalents		**(14,401)**	**(31,645)**
Opening cash and cash equivalents		201,324	191,697
Effect of foreign exchange rate changes		1,369	(8,971)
Closing cash and cash equivalents		**188,292**	**151,081**

The accompanying notes are an integral part of this statement.

NOTES TO THE CONDENSED UNAUDITED GROUP FINANCIAL STATEMENTS

For the six months ended 30 June 2014

1. Basis of accounting

Basis of preparation

The condensed unaudited financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards adopted for use in the European Union ("IFRS") and have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting.

The condensed financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the Group's financial statements for the year ended 31 December 2013.

Significant accounting policies

The accounting policies adopted in the preparation of the condensed financial statements are consistent with those followed in the preparation of the Group's financial statements for the year ended 31 December 2013, except for the adoption of new standards and interpretations effective as of 1 January 2014.

The Group has adopted new and amended IFRS and IFRIC interpretations as of 1 January 2014, which did not have any effect on the financial performance, financial position or disclosures in the financial statements of the Group. These were:

Amendment to IFRS 10 Consolidated Financial Statements

Amendment to IFRS 12 Disclosure of Interests in Other Entities

The Group has not adopted early any standard, interpretation or amendment that has been issued but is not yet effective.

Restatement of comparatives

The adoption by the Group of IFRS 11 in the year to 31 December 2013 requires the restatement of the comparative financial information for the six months ended 30 June 2013. IFRS 11 requires that joint ventures are equity accounted rather than proportionally consolidated. The impact of the change is set out below.

Impact on the Income Statement	2013 US$'000
Gross revenue	(1,871)
Property operating expenditure and cost of sales	1,223
Net rental and related income	(648)
Administrative expenses	101
Share of profits of joint ventures	488
Profit before tax	(59)
Tax	59
Profit for the period	–

The change did not have any impact on net profit, other comprehensive income for the period or the Group's basic or diluted EPS.

Impact on the Cash Flow Statement	2013 US$'000
Operating	(669)
Investing	–
Financing	–
Net decrease in cash and short term deposits	(669)

2. Segmental information

The Group has three operating segments, which are managed and report independently to the Board of Directors. These comprise:

Property investment – acquire, develop and lease commercial property in Russia

Roslogistics – provision of warehousing, transport, customs brokerage and related services in Russia

Raven Mount – sale of residential property in the UK.

(a) Segmental information for the six months ended and as at 30 June 2014

For the six months ended 30 June 2014	Property Investment US$'000	Roslogistics US$'000	Raven Mount US$'000	Segment Total US$'000	Central Overhead US$'000	Total US$'000
Gross revenue	119,113	13,012	149	132,274	–	132,274
Operating costs/Cost of sales	(30,057)	(4,421)	(13)	(34,491)	–	(34,491)
Net operating income	**89,056**	**8,591**	**136**	**97,783**	**–**	**97,783**
Administrative expenses						
Running general and administration expenses	(9,398)	(1,175)	(978)	(11,551)	(3,882)	(15,433)
Depreciation	(924)	(131)	(4)	(1,059)	–	(1,059)
Share-based payments and other long term incentives	(305)	–	–	(305)	(881)	(1,186)
Foreign currency losses	(2,203)	(134)	–	(2,337)	–	(2,337)
	76,226	**7,151**	**(846)**	**82,531**	**(4,763)**	**77,768**
Unrealised profit on revaluation of investment property	1,608	–	–	1,608	–	1,608
Unrealised profit on revaluation of investment property under construction	18,830	–	–	18,830	–	18,830
Share of profits of joint ventures	–	–	306	306	–	306
Segment profit/(loss)	**96,664**	**7,151**	**(540)**	**103,275**	**(4,763)**	**98,512**
Finance income						2,770
Finance expense						(43,369)
Profit before tax						**57,913**

2. Segmental information – continued

(a) Segmental information for the six months ended and as at 30 June 2014 – continued

As at 30 June 2014	Property Investment US$'000	Roslogistics US$'000	Raven Mount US$'000	Total US$'000
Assets				
Investment property	1,635,960	–	–	1,635,960
Investment property under construction	177,315	–	–	177,315
Investment in joint ventures	–	–	19,378	19,378
Inventory	–	–	2,621	2,621
Cash and short term deposits	181,507	1,253	5,532	188,292
Segment assets	**1,994,782**	**1,253**	**27,531**	**2,023,566**
Other non-current assets				96,659
Other current assets				99,632
Total assets				**2,219,857**
Segment liabilities				
Interest bearing loans and borrowings	840,692	–	–	840,692
Capital expenditure				
Payments for acquisition of subsidiary undertakings, investment property and investment property under construction	53,757	–	–	53,757

(b) Segmental information for the six months ended 30 June 2013

For the six months ended 30 June 2013	Property Investment US$'000	Roslogistics US$'000	Raven Mount (Restated) US$'000	Segment Total (Restated) US$'000	Central Overhead US$'000	Total (Restated) US$'000
Gross revenue	110,237	14,188	10,321	134,746	–	134,746
Operating costs/Cost of sales	(32,033)	(5,180)	(10,092)	(47,305)	–	(47,305)
Net operating income	**78,204**	**9,008**	**229**	**87,441**	**–**	**87,441**
Administrative expenses						
Running general and administration expenses	(8,800)	(1,423)	(768)	(10,991)	(3,056)	(14,047)
Depreciation	(824)	(164)	(4)	(992)	–	(992)
Share-based payments and other long term incentives	(1,131)	–	(23)	(1,154)	(3,134)	(4,288)
Foreign currency profits/(losses)	2,694	(779)	–	1,915	–	1,915
	70,143	**6,642**	**(566)**	**76,219**	**(6,190)**	**70,029**
Unrealised profit on revaluation of investment property	22,757	–	–	22,757	–	22,757
Unrealised profit on revaluation of investment property under construction	17,695	–	–	17,695	–	17,695
Share of profits of joint ventures	–	–	488	488	–	488
Segment profit/(loss)	**110,595**	**6,642**	**(78)**	**117,159**	**(6,190)**	**110,969**
Finance income						9,383
Finance expense						(52,150)
Profit before tax						**68,202**

(c) Segmental information as at 31 December 2013

As at 31 December 2013	Property Investment US$'000	Roslogistics US$'000	Raven Mount US$'000	Total US$'000
Assets				
Investment property	1,632,476	–	–	1,632,476
Investment property under construction	118,919	–	–	118,919
Investment in joint ventures	–	–	18,464	18,464
Inventory	–	–	2,523	2,523
Cash and short term deposits	190,463	1,714	9,147	201,324
Segment assets	**1,941,858**	**1,714**	**30,134**	**1,973,706**
Other non-current assets				139,518
Other current assets				57,950
Total assets				**2,171,174**
Segment liabilities				
Interest bearing loans and borrowings	803,114	–	–	803,114
Capital expenditure				
Payments for investment property under construction	75,834	–	–	75,834

3. Earnings measures

The calculation of basic and diluted earnings per share is based on the following data:

Earnings	30 June 2014 US$'000	30 June 2013 US$'000
Earnings for the purposes of basic and diluted earnings per share being the profit for the period prepared under IFRS	**45,271**	**54,404**
Adjustments to arrive at EPRA earnings:		
Unrealised profit on revaluation of investment property	(1,608)	(22,757)
Unrealised profit on revaluation of investment property under construction	(18,830)	(17,695)
Profit on maturing foreign currency derivative financial instruments	(507)	–
Change in fair value of open forward currency derivative financial instruments	(256)	2,595
Change in fair value of open interest rate derivative financial instruments	1,821	(7,997)
Movement on deferred tax thereon	8,402	11,600
Adjusted EPRA earnings	**34,293**	**20,150**
Share-based payments and other long term incentives	1,186	4,288
Premium on redemption of preference shares and amortisation of issue costs	348	733
Depreciation	1,059	992
Amortisation of loan origination costs	1,927	3,118
Tax charge on unrealised foreign exchange movements in loans	(591)	(1,482)
Underlying earnings	**38,222**	**27,799**

Number of shares	30 June 2014 No '000	30 June 2013 No '000
Weighted average number of ordinary shares for the purpose of basic EPS (excluding own shares held)	**729,556**	**560,033**
Effect of dilutive potential ordinary shares:		
Warrants	17,882	18,040
ERS	325	872
LTIP	4,370	5,674
CBLTIS	3,980	–
Weighted average number of ordinary shares for the purposes of diluted EPS (excluding own shares held)	**756,113**	**584,619**

	30 June 2014 Cents	30 June 2013 Cents
EPS basic	**6.21**	**9.71**
Effect of dilutive potential ordinary shares:		
Warrants	(0.15)	(0.30)
ERS	-	(0.01)
LTIP	(0.04)	(0.09)
CBLTIS	(0.03)	-
Diluted EPS	**5.99**	**9.31**
EPRA EPS basic	**4.70**	**3.60**
Effect of dilutive potential ordinary shares:		
Warrants	(0.11)	(0.11)
ERS	-	(0.01)
LTIP	(0.03)	(0.03)
CBLTIS	(0.02)	-
EPRA diluted EPS	**4.54**	**3.45**
Underlying EPS basic	**5.24**	**4.96**
Effect of dilutive potential ordinary shares:		
Warrants	(0.13)	(0.15)
ERS	-	(0.01)
LTIP	(0.03)	(0.05)
CBLTIS	(0.03)	-
Underlying diluted EPS	**5.05**	**4.75**

4. Investment property

Asset class Location Fair value hierarchy*	Logistics Moscow Level 3 US$'000	Logistics St Petersburg Level 3 US$'000	Logistics Regions Level 3 US$'000	Office St Petersburg Level 3 US$'000	30 June 2014 Total US$'000
Market value at 1 January 2014	1,198,986	189,090	217,113	40,922	1,646,111
Transfer from investment property under construction (note 5)	-	-	-	-	-
Property improvements and movement in completion provisions	666	342	19	581	1,608
Unrealised profit/(loss) on revaluation	3,283	2,997	(1,014)	(2,353)	2,913
Market value at 30 June 2014	**1,202,935**	**192,429**	**216,118**	**39,150**	**1,650,632**
Tenant incentives and contracted rent uplift balances	(15,082)	(4,482)	(2,289)	(1,995)	(23,848)
Head lease obligations	9,176	-	-	-	9,176
Carrying value at 30 June 2014	**1,197,029**	**187,947**	**213,829**	**37,155**	**1,635,960**
Revaluation movement in the period ended 30 June 2014					
Gross revaluation	3,283	2,997	(1,014)	(2,353)	2,913
Effect of tenant incentives and contracted rent uplift balances	(1,404)	24	303	(228)	(1,305)
Revaluation reported in the Income Statement	**1,879**	**3,021**	**(711)**	**(2,581)**	**1,608**

4. Investment property – continued

Asset class	Logistics	Logistics	Logistics	Office	31 December
Location	Moscow	St Petersburg	Regions	St Petersburg	2013
Fair value hierarchy*	Level 3	Level 3	Level 3	Level 3	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Market value at 1 January 2013	1,083,879	173,409	200,032	45,000	1,502,320
Transfer from investment property under construction (note 5)	85,356	11	–	–	85,367
Property improvements and movement in completion provisions	(8,716)	8,468	1,864	–	1,616
Unrealised profit/(loss) on revaluation	38,467	7,202	15,217	(4,078)	56,808
Market value at 31 December 2013	**1,198,986**	**189,090**	**217,113**	**40,922**	**1,646,111**
Tenant incentives and contracted rent uplift balances	(13,678)	(4,506)	(2,592)	(1,767)	(22,543)
Head lease obligations	8,908	–	–	–	8,908
Carrying value at 31 December 2013	**1,194,216**	**184,584**	**214,521**	**39,155**	**1,632,476**

*Classified in accordance with the fair value hierarchy. There were no transfers between fair value hierarchy in 2013 or 2014.

At 30 June 2014 the Group has pledged investment property with a value of US$1,567 million (31 December 2013: US$1,565 million) to secure banking facilities granted to the Group (note 6).

5. Investment property under construction

Asset class	Assets under construction			Land Bank				30 June
Location	Moscow	Regions		Moscow	St Petersburg	Regions		2014
Fair value hierarchy*	Level 3	Level 3	Sub-total	Level 3	Level 3	Level 3	Sub-total	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Market value at 1 January 2014	79,535	13,800	93,335	–	3,668	18,963	22,631	115,966
Costs incurred	39,854	27	39,881	–	229	307	536	40,417
Effect of foreign exchange rate changes	(451)	(315)	(766)	–	79	(84)	(5)	(771)
Transfer between asset classes	–	–	–	–	–	–	–	–
Transfer to investment property (note 4)	–	–	–	–	–	–	–	–
Unrealised profit on revaluation	18,542	288	18,830	–	–	–	–	18,830
Market value at 30 June 2014	**137,480**	**13,800**	**151,280**	**–**	**3,976**	**19,186**	**23,162**	**174,442**
Head lease obligations	2,873	–	2,873	–	–	–	–	2,873
Carrying value at 30 June 2014	**140,353**	**13,800**	**154,153**	**–**	**3,976**	**19,186**	**23,162**	**177,315**

Asset class	Assets under construction					Land Bank		31 December
Location	Moscow	Regions		Moscow	St Petersburg	Regions		2013
Fair value hierarchy*	Level 3	Level 3	Sub-total	Level 3	Level 3	Level 3	Sub-total	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Market value at 1 January 2013	71,400	14,200	85,600	25,700	4,111	31,709	61,520	147,120
Costs incurred	52,652	60	52,712	–	153	1,017	1,170	53,882
Effect of foreign exchange rate changes	(1,907)	(906)	(2,813)	(13)	(585)	(2,969)	(3,567)	(6,380)
Transfer between asset classes	25,687	–	25,687	(25,687)	–	–	(25,687)	–
Transfer to investment property (note 4)	(85,356)	–	(85,356)	–	(11)	–	(11)	(85,367)
Unrealised profit/(loss) on revaluation	17,059	446	17,505	–	–	(10,794)	(10,794)	6,711
Market value at 31 December 2013	**79,535**	**13,800**	**93,335**	**–**	**3,668**	**18,963**	**22,631**	**115,966**
Head lease obligations	2,953	–	2,953	–	–	–	–	2,953
Carrying value at 31 December 2013	**82,488**	**13,800**	**96,288**	**–**	**3,668**	**18,963**	**22,631**	**118,919**

*Classified in accordance with the fair value hierarchy.

	30 June 2014	30 June 2013
	US$'000	US$'000
Revaluation movement in the period		
Unrealised profit on revaluation of assets carried at external valuations	18,830	17,695
Unrealised loss on revaluation of assets carried at directors' valuation	–	–
	18,830	17,695

Borrowing costs capitalised in the period amounted to US$1.2 million (31 December 2013: US$1.2 million).

At 30 June 2014 the Group has pledged investment property under construction with a value of US$85.6 million (31 December 2013: US$54.7 million) to secure banking facilities granted to the Group (note 6).

6. Interest bearing loans and borrowings

	30 June 2014 US$'000	31 December 2013 US$'000
Bank loans		
Loans due for settlement within 12 months	117,973	81,803
Loans due for settlement after 12 months	722,719	721,311
	840,692	803,114
The Group's borrowings have the following maturity profile:		
On demand or within one year	117,973	81,803
In the second year	167,165	47,553
In the third to fifth years	361,367	487,197
After five years	194,187	186,561
	840,692	803,114

The amounts above include unamortised loan origination costs of US$13.4 million (31 December 2013: US$13.4 million) and interest accruals of US$1.3 million (31 December 2013: US$1.4 million).

The principal terms of the Group's interest bearing loans and borrowings on a weighted average basis are summarised below:

As at 30 June 2014	Interest Rate	Maturity (years)	US$'000
Secured on investment property and investment property under construction	7.1%	4.4	810,692
Unsecured facility of the Company	7.9%	6.2	30,000
			840,692
As at 31 December 2013			
Secured on investment property and investment property under construction	7.2%	4.6	773,114
Unsecured facility of the Company	7.9%	6.7	30,000
			803,114

The interest rates shown above are the weighted average cost, including US LIBOR, as at the Balance Sheet dates.

At 30 June 2014 the Group had drawn US$39 million of new debt out of a total facility of US$73 million to refinance the IFC and EBRD facilities secured on the Novosibirsk project. On 2 July 2014, the Group repaid in full the IFC and EBRD facilities and subsequently drew the remainder of the new facility. The new facility is for a ten year term and has a margin of 5.6% over US LIBOR.

7. Preference shares

	30 June 2014 US$'000	31 December 2013 US$'000
Authorised share capital:		
400,000,000 preference shares of 1p each	5,981	5,981

	30 June 2014 Number	31 December 2013 Number
Issued share capital:		
At 1 January	97,379,362	190,409,488
Reissued/issued in the period/year	258,197	3,410,388
Converted to ordinary shares	–	(97,359,522)
Scrip dividends	214,679	919,008
At 30 June/31 December	97,852,238	97,379,362
Shares in issue	97,889,287	97,674,608
Held by the Company's Employee Benefit Trusts	(37,049)	(295,246)
At 30 June/31 December	**97,852,238**	**97,379,362**

	30 June 2014 US$'000	31 December 2013 US$'000
At 1 January	172,205	325,875
Reissued/issued in the period/year	650	8,473
Premium on redemption of preference shares and amortisation of issue costs	356	1,476
Converted to ordinary shares	–	(171,973)
Scrip dividends	587	2,238
Movement on accrual for preference dividends	–	(59)
Effect of foreign exchange rate changes	5,575	6,175
At 30 June/31 December	**179,373**	**172,205**

On 31 December 2013 the Company converted 97,416,231 preference shares into 194,832,462 ordinary shares in accordance with the terms of the preference share conversion offer made to preference shareholders on 27 November 2013. The difference between the carrying value of the preference shares converted and the fair value of the ordinary shares created resulted in a charge of US$86 million to the Income Statement for the year ended 31 December 2013. The Company's Employee Benefit Trust participated in the conversion and converted 56,709 preference shares.

8. Provisions

Provisions reflect the ongoing litigation in CJSC Toros ("Toros"), the subsidiary company that owns the Pushkino project.

In December 2010, prior to the Group's acquisition of Pushkino, a supplier to Toros filed a claim against Toros in the Moscow Region Arbitration Court, concerning alleged non payment of rent in respect of the supply of electricity generating equipment. Various hearings have been held since that date and the court process is ongoing. At 30 June 2014, an amount of 1.45 Billion Roubles was lodged at Court by Toros as part of that court process.

At the time of the acquisition the vendor of Toros, PLP Holding GmbH ("PLP"), agreed to indemnify Padastro, the acquiring entity and the new holding company of Toros, in respect of this litigation. The indemnity was secured by a cash retention and PLP retained conduct of the claim on behalf of Toros in return. On 12 October 2013, PLP agreed with Padastro and Toros to release the retention in return for which Padastro released its claim under the indemnity. The majority of the retention monies received are restricted until the litigation has been resolved.

9. Share capital

	30 June 2014 US$'000	31 December 2013 US$'000
Authorised share capital:		
1,500,000,000 ordinary shares of 1p each	27,469	27,469

	30 June 2014 US$'000	31 December 2013 US$'000
Issued share capital:		
At 1 January	13,876	11,131
On conversion of preference shares	–	3,227
Issued in the period/year for cash on warrant exercises	4	22
Cancelled under tender offers (see note 14)	–	(504)
At 30 June/31 December	**13,880**	**13,876**

	30 June 2014 Number	31 December 2013 Number
Issued share capital:		
At 1 January	753,379,368	589,349,049
On conversion of preference shares	–	194,832,462
Issued in the period/year for cash on warrant exercises (note 10)	223,232	1,392,235
Cancelled under tender offers (see note 14)	–	(32,194,378)
At 30 June/31 December	**753,602,600**	**753,379,368**

Of the authorised ordinary share capital at 30 June 2014, 26.5 million (31 December 2013: 26.7 million) ordinary shares are reserved for warrants.

Details of own shares held are given in note 11.

10. Warrants

	30 June 2014 Number	31 December 2013 Number
At 1 January	26,747,918	28,140,153
Exercised in the period/year (note 9)	(223,232)	(1,392,235)
At 30 June/31 December	**26,524,686**	**26,747,918**

	30 June 2014 US$'000	31 December 2013 US$'000
At 1 January	1,279	1,367
Exercised in the period/year	(15)	(88)
At 30 June/31 December	**1,264**	**1,279**

In the period since 30 June 2014 256,483 warrants have been exercised.

11. Own shares held

	30 June 2014 Number	31 December 2013 Number
At 1 January	22,199,776	25,557,737
Acquired under a tender offer	26,494,584	-
On conversion of preference shares	-	113,418
Other acquisitions	320,097	528,515
Cancelled	-	(900,941)
Allocation to satisfy bonus awards (note 13c)	-	(121,429)
Allocation to satisfy ERS options exercised (note 13a)	-	(979,592)
Allocation to satisfy LTIP options exercised (note 13a)	(1,049,219)	(1,997,932)
Allocation to satisfy CBLTIS awards vesting (note 13a)	(6,559,250)	-
At 30 June/31 December	**41,405,988**	**22,199,776**

11. Own shares held – continued

	30 June 2014 US$'000	31 December 2013 US$'000
At 1 January	22,754	24,145
Acquired under a tender offer	38,044	–
On conversion of preference shares	–	150
Other acquisitions	403	704
Cancelled	–	(388)
Allocation to satisfy bonus awards (note 13c)	–	(52)
Allocation to satisfy ERS options exercised (note 13a)	–	(422)
Allocation to satisfy LTIP options exercised (note 13a)	(957)	(1,383)
Allocation to satisfy CBLTIS awards vesting (note 13a)	(5,952)	–
At 30 June/31 December	**54,292**	**22,754**

Allocations are transfers by the Company's Employee Benefit Trusts to satisfy bonus awards made in the period, ERS and LTIP options exercised in the period and the vesting of CBLTIS awards. The amounts shown for share movements are net of the Trustees' participation in tender offers during the period from grant to exercise. Details of outstanding ERS and LTIP options, which are vested but unexercised, are given in note 13a.

12. Net asset value per share

	30 June 2014 US$'000	31 December 2013 US$'000
Net asset value	899,478	891,919
Goodwill	(7,824)	(7,906)
Goodwill in joint venture	(5,956)	(5,769)
Deferred tax on revaluation gains	75,232	70,859
Unrealised foreign exchange losses on preference shares	29,613	24,038
Fair value of interest rate derivative financial instruments	(1,536)	(1,510)
Fair value of foreign exchange derivative financial instruments	(6,301)	(5,862)
Adjusted net asset value	**982,706**	**965,769**
Assuming exercise of all potential ordinary shares		
– Warrants (note 10)	11,339	11,076
– ERS (note 13)	–	–
– LTIP (note 13)	2,399	2,780
– CBLTIS (note 13)	–	–
Adjusted fully diluted net asset value	**996,444**	**979,625**

	30 June 2014 Number	31 December 2013 Number
Number of ordinary shares (note 9)	753,602,600	753,379,368
Less own shares held (note 11)	(41,405,988)	(22,199,776)
	712,196,612	**731,179,592**
Assuming exercise of all potential ordinary shares		
- Warrants (note 10)	26,524,686	26,747,918
- ERS (note 13)	325,000	325,000
- LTIP (note 13)	5,612,612	6,712,613
- CBLTIS (note 13)	7,446,417	14,201,085
Number of ordinary shares assuming exercise of all potential ordinary shares	**752,105,327**	**779,166,208**

	30 June 2014 US$	31 December 2013 US$
Net asset value per share	1.26	1.22
Fully diluted net asset value per share	1.21	1.16
Adjusted net asset value per share	1.38	1.32
Adjusted fully diluted net asset value per share	1.32	1.26

13. Share-based payments and other long term incentives

(a) Movements in Executive Share Option Schemes

	Period 1/1/14 to 30/6/14		Period 1/1/13 to 30/6/13	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the period	7,037,613	24p	10,104,279	22p
Exercised during the period				
- ERS	-		(1,000,000)	0p
- LTIP	(1,100,001)	25p	(300,001)	25p
Outstanding at the end of the period	**5,937,612**	**24p**	**8,804,278**	**24p**
Represented by:				
- ERS	325,000		325,000	
- LTIP	5,612,612		8,479,278	
	5,937,612		8,804,278	
Exercisable at the end of the period	**5,937,612**	**24p**	**5,788,964**	**24p**

(b) Movements in Combined Bonus and Long Term Incentive Scheme Awards

	30 June 2014 Number of award shares	30 June 2013 Number of award shares
Awards of Ordinary shares		
Outstanding at the beginning of the period	14,201,085	14,303,279
– Granted during the period	–	–
– Lapsed during the period	–	–
– Vested during the period	(6,754,668)	–
Outstanding at the end of the period	**7,446,417**	**14,303,279**
Awards of Preference shares		
Outstanding at the beginning of the period	314,906	3,731,343
– Granted during the period	–	–
– Lapsed during the period	–	–
– Vested during the period	(314,906)	(3,410,388)
Outstanding at the end of the period	**–**	**320,955**

(c) Income statement charge for the period

	30 June 2014 US$'000	30 June 2013 US$'000
Expense attributable to ERS and LTIP awards in prior periods	138	257
Bonus awards in the period	–	131
Combined Bonus and Long Term Incentive Scheme awards 2012 to 2014	1,048	3,900
	1,186	4,288
To be satisfied by allocation of:		
Ordinary shares (IFRS 2 expense)	1,258	488
Preference shares (IAS 19 expense)	(72)	3,800
	1,186	4,288

14. Ordinary dividends

The Company did not declare a final dividend for the year ended 31 December 2013 (2012: none) and instead implemented a tender offer buy back for ordinary shares on the basis of 1 in every 28 shares held and a tender price of 85 pence per share, the equivalent of a final dividend of 3 pence per share.

15. Financial instruments

Set out below is a comparison of the carrying amounts and fair value of the Group's financial instruments as at the Balance Sheet date:

	30 June 2014		31 December 2013	
	Carrying Value US$'000	Fair Value US$'000	Carrying Value US$'000	Fair Value US$'000
Non-current assets				
Loans receivable	1,268	1,186	1,261	1,180
Security deposits	4,596	4,596	4,781	4,781
Restricted cash	7,479	7,479	50,000	50,000
Derivative financial instruments	9,763	9,763	10,266	10,266
Current assets				
Trade receivables	36,853	36,853	37,620	37,620
Other current receivables	4,707	4,707	638	638
Derivative financial instruments	2,421	2,421	1,519	1,519
Cash and short term deposits	188,292	188,292	201,324	201,324
Non-current liabilities				
Interest bearing loans and borrowings	722,719	536,652	721,311	524,269
Preference shares	179,373	277,830	172,205	255,561
Derivative financial instruments	4,347	4,347	4,413	4,413
Rent deposits	25,671	19,316	24,737	17,979
Other payables	11,995	11,995	14,970	14,970
Current liabilities				
Interest bearing loans and borrowings	117,973	117,973	81,803	81,803
Other payables	26,773	26,773	30,686	30,686

Fair value hierarchy

The following table shows an analysis of the fair values of financial instruments recognised in the balance sheet by level of the fair value hierarchy:

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total Fair Value US$'000
As at 30 June 2014				
Assets measured at fair value				
Investment property	–	–	1,635,960	1,635,960
Investment property under construction	–	–	177,315	177,315
Derivative financial instruments	–	12,184	–	12,184
Liabilities measured at fair value				
Derivative financial instruments	–	4,347	–	4,347
As at 31 December 2013				
Assets measured at fair value				
Investment property	–	–	1,632,476	1,632,476
Investment property under construction	–	–	118,919	118,919
Derivative financial instruments	–	11,785	–	11,785
Liabilities measured at fair value				
Derivative financial instruments	–	4,413	–	4,413

15. Financial instruments – continued

Level 1 – Quoted prices in active markets for identical assets or liabilities that can be accessed at the Balance Sheet date.

Level 2 – Use of a model with inputs that are directly or indirectly observable market data.

Level 3 – Use of a model with inputs that are not based on observable market data.

The Group's foreign currency derivative financial instruments are call options and are measured based on spot exchange rates, the yield curves of the respective currencies as well as the currency basis spreads between the respective currencies. The Group's interest rate derivative financial instruments comprise swap contracts and interest rate caps.These contracts are valued using a discounted cash flow model and where not cash collateralised consideration is given to the Group's own credit risk.

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