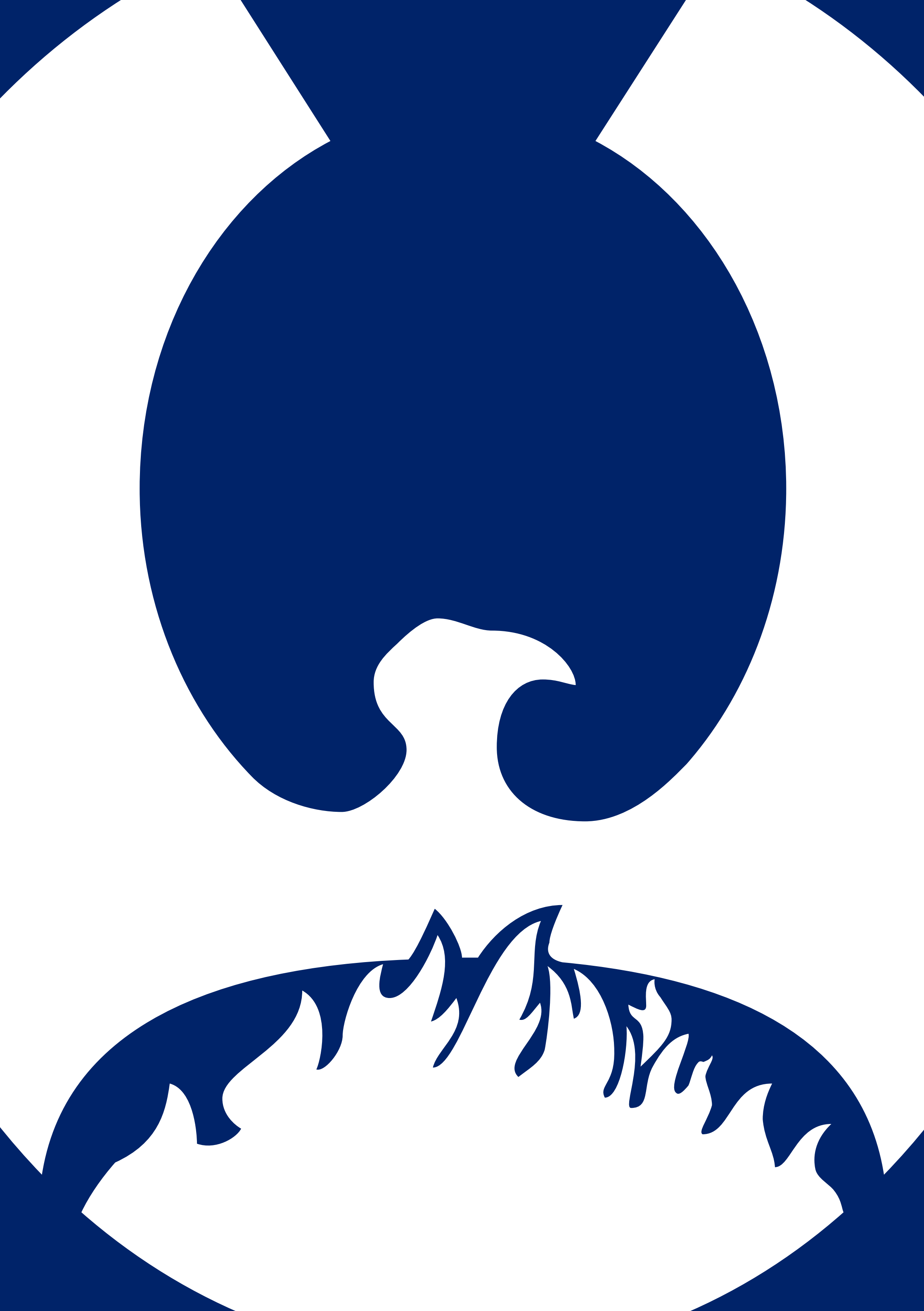
RAVEN RUSSIA LIMITED

2015 Interim Report



RAVEN RUSSIA LIMITED
INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2015

CONTENTS

HIGHLIGHTS

- IFRS loss after tax of $20.6 million (30 June 2014: profit of $45.3 million);
- Underlying earnings after tax down 10% to $34.5 million;
- Revaluation deficit on property portfolio of $51 million;
- Investment portfolio 89% let;
- Cash balance of $247 million today;
- Basic underlying earnings per share down 4% to 5.04 cents;
- Adjusted diluted net asset value per share down 4% to 102 cents;
- Proposed distribution of 1p by way of tender offer buy back of 1 in 47 shares at 47p.

Glyn Hirsch CEO said, "We have adopted a defensive strategy in the light of the difficult economic conditions we are facing. Our emphasis is on cash-flow and long term security."

Financial Summary

Income Statement for the 6 months ended:	30 June 2015	30 June 2014
Net rental and related income ($m)	95.45	97.78
Revaluation (deficit) / surplus ($m)	(50.77)	20.44
IFRS (loss) / earnings after tax ($m)	(20.61)	45.27
Underlying earnings after tax ($m)	34.48	38.22
IFRS basic EPS (cents)	(3.01)	6.21
Underlying basic EPS (cents)	5.04	5.24
Distribution per share (pence)	1.00	2.50

Balance Sheet at:	30 June 2015	31 December 2014
Investment property market value ($m)	1,551	1,613
Adjusted diluted NAV per share ($)	1.02	1.06
IFRS diluted NAV per share ($)	0.95	0.98

Letting Summary

The completed logistics portfolio of 1.5 million sqm is 89% let. The table below shows the progress on the renegotiation and extension of near term lease maturities in the six months to 30 June 2015.

Maturities, '000 sqm	2015	2016	2017-2018	2019-2023
Maturities at 1 January 2015	140	323	309	564
Renegotiated and extended	79	84	13	-
To be negotiated	11	205	296	564
Vacated, of which:	50	34	-	-
Re-let	-	15	-	-
Still vacant	50	19	-	-

CHAIRMAN'S MESSAGE

The six months ended 30 June 2015 have remained challenging operationally although we have generated underlying profits of $34.5 million (30 June 2014: $38.2 million) in the period. Given the continuing sanctions and poor economic conditions caused by the weak oil price and Rouble, this is a satisfactory result.

We continue to negotiate with tenants and have made good progress on the extension of leases maturing in 2015 and 2016. We are currently 89% let and we have a free cash balance of $247 million at today's date.

However, we recognise that the impact of the various macroeconomic events over the last 12 months is not yet fully reflected in our results.

We are acting on the basis that a low oil price and Rouble is the "new normal". We are ensuring that we remain in a strong financial position to deal with the inevitable impact on earnings and cash flow this would have over the coming 18 months.

In light of this and reflecting our continuing cautious stance, we intend to distribute the equivalent of 1p per share (30 June 2014: 2.5p per share) by way of a tender offer buy back of 1 in 47 shares at 47p per share.

The executive and management teams continue to do all that they can to secure the long term income from the portfolio in a turbulent market and, with the oil price and the Rouble continuing to fall this week, it is unlikely that we will see any respite in the coming year.

Richard Jewson
Chairman
26 August 2015

CHIEF EXECUTIVE'S REVIEW

Results

The first half of the year has been frustrating. Our underlying results have reduced by 10% in the period but this has been a significant achievement given all of the economic factors acting against us.

Our IFRS loss after tax for the six months was $20.6 million (30 June 2014: profit of $45.3 million) following an unrealised loss on revaluation of investment properties of $50.8 million (30 June 2014: surplus of $20.4 million). The value of our completed investment portfolio has fallen, principally as a result of weaker market rents driven by the weak Rouble.

Underlying earnings after tax for the six months to 30 June 2015 were $34.5 million (30 June 2014: $38.2 million) giving basic underlying earnings per share of 5.0 cents (30 June 2014: 5.2 cents). Net operating and related income was $95.5 million (30 June 2014: $97.8 million). Income from investment properties remained stable at $90 million (30 June 2014: $89.1 million) but the contribution from our subsidiaries declined from $8.7 million to $5.5 million.

The completed portfolio comprises 1.5 million square metres ("sqm") of space and is 89% let, generating annualised net operating income of $188 million at 30 June 2015 (30 June 2014: $192 million). The reduction in annualised net operating income reflects the rebasing of maturing leases in the period to the current lower market rental levels.

Our focus continues to be on the renegotiation of near term, maturing leases. The majority of the 140,000sqm of leases maturing in 2015 and 37% of the 323,000sqm maturing in 2016 had been renegotiated by 30 June 2015. This resulted in 84,000sqm of additional vacant space, 15,000sqm of which had been re-let by 30 June 2015.

Most of the remaining maturities in 2016 relate to six tenants and we are in discussion with all of these on renewal terms. Letters of intent have been signed on the extension of a further 28,000sqm of 2016 maturities since 30 June 2015.

As I said at the year end, we will continue to work with tenants who have longer lease maturities and may be in difficulties as a result of the Rouble depreciation but who also recognise it is a reciprocal arrangement. All lease negotiations also have to be undertaken in the context of existing banking covenants.

We are, in limited circumstances, contracting with tenants in Roubles for lease extensions where this is balanced by other contractual terms such as lease length, annual indexation and tenant covenant. At 30 June 2015, 7% of the warehouse portfolio had annualised net operating income denominated in Roubles with Rouble linked annual indexation. The average Rouble rent for these leases is 5,000 Roubles per sqm with a minimum weighted average indexation of 8% per annum. A further 7% is denominated in US Dollars but with Rouble caps and collars.

The weighted average term of the Rouble leases is just over two years, allowing a rebase to US Dollars if the market has stabilised at maturity. The majority of caps run for one year.

The effect of all of these negotiations is not yet properly reflected in our results but will impact as our average rent moves towards current market levels on lease maturities. The drop in oil price and further decline in the Rouble in the last week does not help matters.

We are not currently engaged in any construction, we had 166,000sqm of vacant space at 30 June 2015, 52,000sqm of which is new space completed at Nova Riga in Moscow at the end of last year.

Fully diluted adjusted net asset value per share has decreased from 106 cents at 31 December 2014 to 102 cents. Cash balances at 30 June 2015 were $221 million and are $247 million at today's date (representing 36 cents per share).

Financing

During the six months to 30 June 2015, the Group has drawn on existing facilities secured on the Nova Riga and Noginsk projects, generating a further $66 million of funds. The weighted average cost of debt remains at 7% (31 December 2014: 7%) and the weighted average term to maturity on debt was 4.3 years at 30 June 2015 (31 December 2014: 4.8 years).

Since 30 June 2015, a facility agreement for a two year extension on borrowings secured on the Istra project has been signed, extending the maturity to April 2018. This accounts for $125 million of the bank loans due for settlement within 12 months at 30 June 2015. Similar discussions are underway on the facility secured on the Pushkino project, maturing in April 2017, which would extend the maturity to April 2019.

The facility secured on the Konstanta office asset in St Petersburg remains on cash sweep as explained in note 9 to the Interim Results.

Foreign exchange

As the Rouble exchange rate with the US Dollar began and ended the six month period at similar levels, there was no significant movement in foreign exchange in balance sheet terms. In comparison to the first six months of 2014, the significant drop in the average Rouble rate has reduced the US Dollar equivalent income of Roslogistics, the Group's wholly owned subsidiary, with contribution in the period dropping from $7.2 million to $4.1 million due solely to the exchange rate movement.

The increase in Rouble denominated rents has also changed our foreign exchange risk profile. However the link to Russian CPI for indexation purposes gives some protection against further Rouble weakening during the lease term. A strengthening of the Rouble over the lease term would generate commensurate upside.

Cash flow

With no significant construction costs, the release of $25 million of restricted cash on the conclusion of the litigation against CJSC Toros and the additional funds drawn on existing bank facilities, the Group generated $46 million of cash in the period. This was after $32 million of shares bought back and cancelled and $9 million of preference share coupon paid.

Tender offer

We propose to distribute income by way of a tender offer buy back and intend to pay the equivalent of 1p per share by way of an offer of 1 in 47 shares at 47p (30 June 2014: 2.5p by way of an offer of 1 in 30 shares at 75p). Shareholders will be permitted to over tender if they so wish. This will result in a maximum cash distribution of $10.9 million (30 June 2014: $30.5 million) at today's exchange rate.

Outlook

We have adopted a defensive strategy in the light of the difficult economic conditions we are facing. Our emphasis is on cash flow and long term security.

Our business is proving resilient to these difficult conditions, whilst rents remain depressed. We still believe that there exists a structural under supply of quality logistics property in Russia and the retail sector continues to expand.

Despite the difficult market, we have high occupancy levels, high cash balances and secure financing. We are confident that when market conditions stabilise we will be able to capitalise on our market leading position and re-establish our forward momentum.

Glyn Hirsch
Chief Executive Officer
26 August 2015

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 34 to 39 of the Group's 2014 Annual Report. The principal risks and uncertainties to which the Group is subject have remained consistent with those at the 2014 year end, dominated by the impact of oil prices on the Rouble exchange rate. The recent downward pressure on oil prices with the rapid depreciation of the Rouble since 30 June 2015 increases credit risk for the Group and will apply further pressure to market rental levels.

A summary of the principal risks and uncertainties are as follows:

Russian Political and Economic Risks

Oil Price
The global economy operates in a low oil price environment for the medium term with the related impact on the Rouble exchange rate and infrastructure investment, extending the slow down in the Russian economy.

Ukraine
The situation in Ukraine is not resolved peaceably or escalates resulting in increased isolation of Russia from international markets and increased sanctions which exacerbate the slow down in the Russian economy.

Financial Risks

Foreign Exchange
A continued weakening of the Rouble against the US Dollar leading to pressure on market rents, a reduction in the Group's US Dollar denominated earnings, heightened credit risk and a further reduction in the carrying value of assets.

Bank Financing and Costs
Reduced access to funding and potential increases in funding costs hinders the Group's ability to refinance maturing facilities. Reduced income and asset values driven by a weak Rouble increases the risk of covenant breaches.

Treasury
Sanctions precipitate the introduction of currency controls and restrict the flow of funds into and out of Russia.

Property Investment

Tenant Demand
A slow down in Russian growth and consumer spending will impact demand for new lettings, renewal of existing leases, restrict rental growth and reduce asset values.

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 is generating underlying profits. 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 2014 Annual Report of the Group.

This responsibility statement was approved by the Board of Directors on the 26 August 2015 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 report for the six months ended 30 June 2015 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 17. We have read the other information contained in the Interim Results 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 report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the Interim Results 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 Interim Results 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 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 report for the six months ended 30 June 2015 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
26 August 2015

CONDENSED UNAUDITED GROUP INCOME STATEMENT

For the six months ended 30 June 2015

		Six months ended 30 June 2015			Six months ended 30 June 2014		
	Notes	Underlying earnings $'000	Capital and other $'000	Total $'000	Underlying earnings $'000	Capital and other $'000	Total $'000
Gross revenue	2	118,289	–	118,289	132,274	–	132,274
Property operating expenditure and cost of sales		(22,838)	–	(22,838)	(34,491)	–	(34,491)
Net rental and related income	**2**	**95,451**	**–**	**95,451**	**97,783**	**–**	**97,783**
Administrative expenses	3	(17,567)	(17)	(17,584)	(15,433)	(1,059)	(16,492)
Share-based payments and other long term incentives	15d	–	(3,280)	(3,280)	–	(1,186)	(1,186)
Foreign currency profits / (losses)		1,974	–	1,974	(2,337)	–	(2,337)
Operating expenditure		**(15,593)**	**(3,297)**	**(18,890)**	**(17,770)**	**(2,245)**	**(20,015)**
Share of profits of joint ventures		717	–	717	306	–	306
Operating profit / (loss) before profits and losses on investment property		**80,575**	**(3,297)**	**77,278**	**80,319**	**(2,245)**	**78,074**
Unrealised (loss) / profit on revaluation of investment property	6	–	(51,901)	(51,901)	–	1,608	1,608
Unrealised profit on revaluation of investment property under construction	7	–	1,128	1,128	–	18,830	18,830
Operating profit / (loss)	**2**	**80,575**	**(54,070)**	**26,505**	**80,319**	**18,193**	**98,512**
Finance income	4	1,636	1,965	3,601	1,672	1,098	2,770
Finance expense	4	(42,280)	(5,904)	(48,184)	(38,938)	(4,431)	(43,369)
Profit / (loss) before tax		**39,931**	**(58,009)**	**(18,078)**	**43,053**	**14,860**	**57,913**
Tax		(5,448)	2,919	(2,529)	(4,831)	(7,811)	(12,642)
Profit / (loss) for the period		**34,483**	**(55,090)**	**(20,607)**	**38,222**	**7,049**	**45,271**
Earnings per share:	5						
Basic (cents)				(3.01)			6.21
Diluted (cents)				(3.01)			5.99
Underlying earnings per share:	5						
Basic (cents)		5.04			5.24		
Diluted (cents)		4.90			5.05		

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 5.

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 2015

	Six months ended 30 June 2015 $'000	Six months ended 30 June 2014 $'000
(Loss) / profit for the period	**(20,607)**	**45,271**
Items to be reclassified to profit or loss in subsequent periods:		
Foreign currency translation on consolidation	(953)	(616)
Total comprehensive income for the period, net of tax	**(21,560)**	**44,655**

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 BALANCE SHEET

As at 30 June 2015

	Notes	30 June 2015 $'000	31 December 2014 $'000
Non-current assets			
Investment property	6	1,528,340	1,593,684
Investment property under construction	7	49,929	47,958
Plant and equipment		4,339	4,491
Goodwill		2,355	2,375
Investment in joint ventures		16,871	17,355
Other receivables		9,184	37,042
Derivative financial instruments		8,348	6,853
Deferred tax assets		33,024	35,766
		1,652,390	**1,745,524**
Current assets			
Inventory		1,427	1,389
Trade and other receivables		48,686	52,623
Derivative financial instruments		605	432
Cash and short term deposits		220,912	171,383
		271,630	**225,827**
Total assets		**1,924,020**	**1,971,351**
Current liabilities			
Trade and other payables		56,853	84,962
Derivative financial instruments		1,989	1,253
Interest bearing loans and borrowings	9	208,377	55,252
		267,219	**141,467**
Non-current liabilities			
Interest bearing loans and borrowings	9	723,214	837,429
Preference shares	10	166,354	164,300
Other payables		32,267	37,595
Derivative financial instruments		1,914	4,153
Deferred tax liabilities		86,013	89,118
		1,009,762	**1,132,595**
Total liabilities		**1,276,981**	**1,274,062**
Net assets		**647,039**	**697,289**
Equity			
Share capital	11	12,998	13,623
Share premium		235,347	267,992
Warrants	12	1,193	1,195
Own shares held	13	(53,923)	(63,649)
Capital reserve		(28,255)	16,597
Translation reserve		(187,341)	(186,388)
Retained earnings		667,020	647,919
Total equity		**647,039**	**697,289**
Net asset value per share (US dollars):	14		
Basic		0.99	1.01
Diluted		0.95	0.98
Adjusted net asset value per share (US dollars):	14		
Basic		1.06	1.10
Diluted		1.02	1.06

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 2015

	Notes	Share Capital $'000	Share Premium $'000	Warrants $'000	Own Shares Held $'000	Capital Reserve $'000	Translation Reserve $'000	Retained Earnings $'000	Total $'000
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		4	104	(15)	–	–	–	–	93
Own shares acquired		–	–	–	(38,447)	–	–	–	(38,447)
Own shares allocated		–	–	–	6,909	–	–	(6,909)	–
Share-based payments	15d	–	–	–	–	–	–	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**
At 1 January 2015		**13,623**	**267,992**	**1,195**	**(63,649)**	**16,597**	**(186,388)**	**647,919**	**697,289**
Loss for the period		–	–	–	–	–	–	(20,607)	(20,607)
Other comprehensive income		–	–	–	–	–	(953)	–	(953)
Total comprehensive income for the period		–	–	–	–	–	(953)	(20,607)	(21,560)
Warrants exercised	11 / 12	1	15	(2)	–	–	–	–	14
Own shares acquired	13	-	–	–	(76)	–	–	–	(76)
Ordinary shares cancelled	11 / 13	(626)	(32,660)	–	2,746	–	–	–	(30,540)
Own shares allocated	13	–	–	–	7,056	–	–	(8,424)	(1,368)
Share-based payments	15d	–	–	–	–	–	–	3,280	3,280
Transfer in respect of capital losses		–	–	–	–	(44,852)	–	44,852	–
At 30 June 2015		**12,998**	**235,347**	**1,193**	**(53,923)**	**(28,255)**	**(187,341)**	**667,020**	**647,039**

The accompanying notes are an integral part of this statement.

CONDENSED UNAUDITED GROUP CASH FLOW STATEMENT

For the six months ended 30 June 2015

	Notes	Six months ended 30 June 2015 $'000	Six months ended 30 June 2014 $'000
Cash flows from operating activities			
(Loss)/profit before tax		(18,078)	57,913
Adjustments for:			
Depreciation	3	946	1,059
Provision for bad debts	3	2,486	–
Share of profits of joint ventures		(717)	(306)
Finance income	4	(3,601)	(2,770)
Finance expense	4	48,184	43,369
Loss/(profit) on revaluation of investment property	6	51,901	(1,608)
Profit on revaluation of investment property under construction	7	(1,128)	(18,830)
Foreign exchange (profits)/losses		(1,974)	2,337
Share-based payments and other long term incentives	15d	3,280	1,186
		81,299	82,350
Receipts from joint ventures		1,349	–
(Increase)/decrease in operating receivables		(436)	4,902
(Increase)/decrease in other operating current assets		(16)	25
Decrease in operating payables		(9,269)	(4,352)
		72,927	82,925
Tax paid		(3,194)	(2,916)
Net cash generated from operating activities		**69,733**	**80,009**
Cash flows from investing activities			
Payments for investment property under construction		(12,260)	(53,757)
Refunds of VAT on construction		5,058	2,454
Release of restricted cash		25,392	–
Proceeds from sale of plant and equipment		–	70
Purchase of plant and equipment		(531)	(988)
Loans repaid		290	34
Interest received		1,636	1,672
Net cash generated from / (used in) investing activities		**19,585**	**(50,515)**
Cash flows from financing activities			
Proceeds from long term borrowings		65,944	61,741
Repayment of long term borrowings		(28,006)	(24,058)
Bank borrowing costs paid		(34,934)	(34,292)
Exercise of warrants		14	93
Ordinary shares purchased		(31,984)	(38,447)
Dividends paid on preference shares		(8,938)	(9,439)
Settlement of derivative financial instruments		(3,999)	507
Premium paid for derivative financial instruments		(855)	–
Net cash used in financing activities		**(42,758)**	**(43,895)**
Net increase / (decrease) in cash and cash equivalents		**46,560**	**(14,401)**
Opening cash and cash equivalents		171,383	201,324
Effect of foreign exchange rate changes		2,969	1,369
Closing cash and cash equivalents		**220,912**	**188,292**

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 2015

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 2014.

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 2014.

The Group has adopted new and amended IFRS and IFRIC interpretations as of 1 January 2015, which did not have any effect on the financial performance, financial position or disclosures in the financial statements of the Group.

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

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; and

Raven Mount - sale of residential property in the UK.

(a) Segmental information for the six months ended and as at 30 June 2015

For the six months ended 30 June 2015	Property Investment $'000	Roslogistics $'000	Raven Mount $'000	Segment Total $'000	Central Overhead $'000	Total $'000
Gross revenue	109,905	7,699	685	118,289	–	118,289
Operating costs / cost of sales	(19,876)	(2,928)	(34)	(22,838)	–	(22,838)
Net operating income	**90,029**	**4,771**	**651**	**95,451**	**–**	**95,451**
Administrative expenses						
Running general and administration expenses	(13,781)	(699)	(601)	(15,081)	(2,486)	(17,567)
Other acquisition / abortive project costs	929	–	–	929	–	929
Depreciation	(812)	(132)	(2)	(946)	–	(946)
Share-based payments and other long term incentives	(1,979)	–	–	(1,979)	(1,301)	(3,280)
Foreign currency profits	1,797	177	–	1,974	–	1,974
	76,183	**4,117**	**48**	**80,348**	**(3,787)**	**76,561**
Unrealised loss on revaluation of investment property	(51,901)	–	–	(51,901)	–	(51,901)
Unrealised profit on revaluation of investment property under construction	1,128	–	–	1,128	–	1,128
Share of profits of joint ventures	–	–	717	717		717
Segment profit	**25,410**	**4,117**	**765**	**30,292**	**(3,787)**	**26,505**
Finance income						3,601
Finance expense						(48,184)
Loss before tax						**(18,078)**

As at 30 June 2015	Property Investment $'000	Roslogistics $'000	Raven Mount $'000	Total $'000
Assets				
Investment property	1,528,340	–	–	1,528,340
Investment property under construction	49,929	–	–	49,929
Investment in joint ventures	–	–	16,871	16,871
Inventory	–	–	1,427	1,427
Cash and short term deposits	213,098	1,479	6,335	220,912
Segment assets	**1,791,367**	**1,479**	**24,633**	**1,817,479**
Other non-current assets				57,250
Other current assets				49,291
Total assets				**1,924,020**
Segments liabilities				
Interest bearing loans and borrowings	931,591	–	–	931,591
Capital expenditure				
Payments for investment property under construction	12,260	–	–	12,260

(b) Segmental information for the six months ended 30 June 2014

	Property Investment $'000	Roslogistics $'000	Raven Mount $'000	Segment Total $'000	Central Overhead $'000	Total $'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)
Other acquisition/ abortive project costs	–	–	–	–	–	–
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 loss 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**

(c) Segmental information as at 31 December 2014

As at 31 December 2014	Property Investment $'000	Roslogistics $'000	Raven Mount $'000	Total $'000
Assets				
Investment property	1,593,684	–	–	1,593,684
Investment property under construction	47,958	–	–	47,958
Investment in joint ventures	–	–	17,355	17,355
Inventory	–	–	1,389	1,389
Cash and short term deposits	164,868	618	5,897	171,383
Segment assets	**1,806,510**	**618**	**24,641**	**1,831,769**
Other non-current assets				86,527
Other current assets				53,055
Total assets				**1,971,351**
Segments liabilities				
Interest bearing loans and borrowings	892,681	–	–	892,681
Capital expenditure				
Payments for investment property under construction	105,582	–	–	105,582

3. Administrative expenses

	Six months ended 30 June 2015 $'000	Six months ended 30 June 2014 $'000
Employment costs	9,154	8,170
Directors' remuneration	1,760	1,872
Bad debts	2,486	–
Office running costs and insurance	2,139	2,124
Travel costs	901	999
Auditors' remuneration	343	569
Abortive project costs	(929)	–
Legal and professional	560	1,483
Depreciation	946	1,059
Registrar costs and other administrative expenses	224	216
	17,584	**16,492**

4. Finance income and expense

	Six months ended 30 June 2015 $'000	Six months ended 30 June 2014 $'000
Finance Income		
Total interest income on financial assets not at fair value through profit or loss		
Income from cash and short term deposits	1,636	1,672
Other finance income		
Change in fair value of open forward currency derivative financial instruments	–	256
Change in fair value of open interest rate derivative financial instruments	557	335
Change in fair value of foreign currency embedded derivatives	1,408	–
Profit on maturing forward currency derivative financial instruments	–	507
Finance Income	**3,601**	**2,770**
Finance Expense		
Interest expense on loans and borrowings measured at amortised cost	35,085	31,076
Interest expense on preference shares	9,278	10,137
Total interest expense on financial liabilities not at fair value through profit or loss	44,363	41,213
Change in fair value of open forward currency derivative financial instruments	848	–
Change in fair value of open interest rate derivative financial instruments	2,973	2,156
Finance expense	**48,184**	**43,369**

5. Earnings measures

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

	Six months ended 30 June 2015 $'000	Six months ended 30 June 2014 $'000
Earnings		
Earnings for the purposes of basic and diluted earnings per share being the profit for the period prepared under IFRS	**(20,607)**	**45,271**
Adjustments to arrive at EPRA earnings:		
Unrealised loss / (profit) on revaluation of investment property	51,901	(1,608)
Unrealised profit on revaluation of investment property under construction	(1,128)	(18,830)
Profit on maturing foreign currency derivative financial instruments	–	(507)
Change in fair value of open forward currency derivative financial instruments	848	(256)
Change in fair value of open interest rate derivative financial instruments	2,416	1,821
Change in fair value of foreign currency embedded derivatives	(1,408)	–
Movement on deferred tax thereon	(3,054)	8,402
Adjusted EPRA earnings	**28,968**	**34,293**
Abortive project costs	(929)	-
Share-based payments and other long term incentives	3,280	1,186
Premium on redemption of preference shares and amortisation of issue costs	317	348
Depreciation	946	1,059
Amortisation of loan origination costs	1,766	1,927
Tax charge on unrealised foreign exchange movements in loans	135	(591)
Underlying earnings	**34,483**	**38,222**

	30 June 2015 Number '000	30 June 2014 Number '000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic EPS (excluding own shares held)	**683,750**	**729,556**
Effect of dilutive potential ordinary shares:		
Warrants	12,310	17,882
ERS	298	325
LTIP	2,566	4,370
CBLTIS 2012	3,885	3,980
CBLTIS 2015	–	–
Weighted average number of ordinary shares for the purposes of diluted EPS (excluding own shares held)	**702,809**	**756,113**

	Six months ended 30 June 2015 Cents	Six months ended 30 June 2014 Cents
EPS basic	**(3.01)**	**6.21**
Effect of dilutive potential ordinary shares:		
Warrants	–	(0.15)
ERS	–	–
LTIP	–	(0.04)
CBLTIS 2012	–	(0.03)
CBLTIS 2015	–	–
Diluted EPS	**(3.01)**	**5.99**
EPRA EPS basic	**4.24**	**4.70**
Effect of dilutive potential ordinary shares:		
Warrants	(0.08)	(0.11)
ERS	–	–
LTIP	(0.02)	(0.03)
CBLTIS 2012	(0.02)	(0.02)
CBLTIS 2015	–	–
EPRA diluted EPS	**4.12**	**4.54**
Underlying EPS basic	**5.04**	**5.24**
Effect of dilutive potential ordinary shares:		
Warrants	(0.09)	(0.13)
ERS	–	–
LTIP	(0.02)	(0.03)
CBLTIS 2012	(0.03)	(0.03)
CBLTIS 2015	–	–
Underlying diluted EPS	**4.90**	**5.05**

6. Investment property

Asset class **Location** **Fair value hierarchy***	Logistics Moscow Level 3 $'000	Logistics St Petersburg Level 3 $'000	Logistics Regions Level 3 $'000	Office St Petersburg Level 3 $'000	Total $'000
Market value at 1 January 2015	1,222,101	170,074	191,576	28,852	1,612,603
Transfer from investment property under construction (note 7)	–	–	–	–	–
Property improvements and movement in completion provisions	(6,877)	(2,238)	(127)	(125)	(9,367)
Unrealised loss on revaluation	(26,690)	(13,196)	(11,010)	(1,645)	(52,541)
Market value at 30 June 2015	**1,188,534**	**154,640**	**180,439**	**27,082**	**1,550,695**
Tenant incentives and contracted rent uplift balances	(15,966)	(5,075)	(1,990)	(1,363)	(24,394)
Head lease obligations	2,039	–	–	–	2,039
Carrying value at 30 June 2015	**1,174,607**	**149,565**	**178,449**	**25,719**	**1,528,340**
Revaluation movement in the period ended 30 June 2015					
Gross revaluation	(26,690)	(13,196)	(11,010)	(1,645)	(52,541)
Effect of tenant incentives and contracted rent uplift balances	345	(176)	333	138	640
Revaluation reported in the Income Statement	**(26,345)**	**(13,372)**	**(10,677)**	**(1,507)**	**(51,901)**

Asset class Location Fair value hierarchy*	Logistics Moscow Level 3 $'000	Logistics St Petersburg Level 3 $'000	Logistics Regions Level 3 $'000	Office St Petersburg Level 3 $'000	Total $'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 7)	105,553	–	–	–	105,553
Property improvements and movement in completion provisions	(7,667)	312	348	877	(6,130)
Unrealised loss on revaluation	(74,771)	(19,328)	(25,885)	(12,947)	(132,931)
Market value at 31 December 2014	**1,222,101**	**170,074**	**191,576**	**28,852**	**1,612,603**
Tenant incentives and contracted rent uplift balances	(16,311)	(4,899)	(2,323)	(1,501)	(25,034)
Head lease obligations	6,115	–	–	–	6,115
Carrying value at 31 December 2014	**1,211,905**	**165,175**	**189,253**	**27,351**	**1,593,684**

*Classified in accordance with the fair value hierarchy. There were no transfers between fair value hierarchy in 2014 or 2015.

At 30 June 2015 the Group has pledged investment property with a value of $1,503 million (31 December 2014: $1,541 million) to secure banking facilities granted to the Group (note 9).

7. Investment property under construction

Asset class	Assets under construction			Land Bank			
Location	Moscow	Regions		St Petersburg	Regions		
Fair value hierarchy*	Level 3 $'000	Level 3 $'000	Sub-total $'000	Level 3 $'000	Level 3 $'000	Sub-total $'000	Total $'000
Market value at 1 January 2015	34,000	9,500	**43,500**	–	3,216	**3,216**	**46,716**
Costs incurred	341	2	**343**	28	183	**211**	**554**
Effect of foreign exchange rate changes	138	91	**229**	–	46	**46**	**275**
Transfer between asset classes	–	–	–	–	–	–	–
Transfer to investment property (note 6)	–	–	–	–	–	–	–
Unrealised profit / (loss) on revaluation	1,821	(693)	**1,128**	–	–	–	**1,128**
Market value at 30 June 2015	**36,300**	**8,900**	**45,200**	**28**	**3,445**	**3,473**	**48,673**
Head lease obligations	1,256	–	**1,256**	–	–	–	**1,256**
Carrying value at 30 June 2015	**37,556**	**8,900**	**46,456**	**28**	**3,445**	**3,473**	**49,929**

Asset class	Assets under construction			Land Bank			
Location	Moscow	Regions		St Petersburg	Regions		
Fair value hierarchy*	Level 3 $'000	Level 3 $'000	Sub-total $'000	Level 3 $'000	Level 3 $'000	Sub-total $'000	Total $'000
Market value at 1 January 2014	79,535	13,800	**93,335**	3,668	18,963	**22,631**	**115,966**
Costs incurred	66,669	58	**66,727**	175	284	**459**	**67,186**
Effect of foreign exchange rate changes	(7,032)	(4,908)	**(11,940)**	(1,286)	(7,675)	**(8,961)**	**(20,901)**
Transfer between asset classes	–	–	–	–	–	–	–
Transfer to investment property (note 6)	(105,553)	–	**(105,553)**	–	–	–	**(105,553)**
Unrealised profit / (loss) on revaluation	381	550	**931**	(2,557)	(8,356)	**(10,913)**	**(9,982)**
Market value at 31 December 2014	**34,000**	**9,500**	**43,500**	–	**3,216**	**3,216**	**46,716**
Head lease obligations	1,242	–	**1,242**	–	–	–	**1,242**
Carrying value at 31 December 2014	**35,242**	**9,500**	**44,742**	–	**3,216**	**3,216**	**47,958**

*Classified in accordance with the fair value hierarchy

	Six months ended 30 June 2015 $'000	Six months ended 30 June 2014 $'000
Revaluation movement in the period		
Unrealised profit on revaluation of assets carried at external valuations	1,128	18,830
Unrealised loss on revaluation of assets carried at Directors' valuation	–	–
	1,128	**18,830**

No borrowing costs were capitalised in the period (31 December 2014: $2.7 million).

At 30 June 2015 the Group has pledged investment property under construction with a value of $45.2 million (31 December 2014: $43.5 million) to secure banking facilities granted to the Group (note 9).

8. Valuation assumptions and key inputs

Class of property	Carrying amount 30 June 2015 $'000	Carrying amount 31 December 2014 $'000	Valuation Technique	Input	Range 30 June 2015	Range 31 December 2014
Completed investment property						
Moscow - Logistics	1,174,607	1,211,905	Income capitalisation	ERV per sqm	$100 to $110	$110 to $135
				Initial yield	11.3% to 12.8%	11.3% to 12.8%
				Equivalent yield	11.8% to 12.5%	10.5% to 13.7%
				Vacancy rate	1.1% to 100.0%	0.9% to 69.0%
				Passing rent per sqm	$46 to $247	$68 to $231
St Petersburg - Logistics	149,565	165,175	Income capitalisation	ERV per sqm	$100	$110
				Initial yield	13.0% to 13.3%	13.0% to 13.8%
				Equivalent yield	12.9% to 13.5%	12.8% to 13.6%
				Vacancy rate	7.5% to 40.0%	0% to 8.4%
				Passing rent per sqm	$83 to $132	$96 to $129
Regional - Logistics	178,449	189,253	Income capitalisation	ERV per sqm	$95	$105
				Initial yield	13.9% to 14.4%	14.3% to 14.6%
				Equivalent yield	12.5% to 13.3%	13.0% to 13.3%
				Vacancy rate	2.1% to 5.3%	0.9% to 5.2%
				Passing rent per sqm	$76 to $214	$99 to $214
St Petersburg - Office	25,719	27,351	Income capitalisation	ERV per sqm	$235	$235
				Initial yield	18.5%	19.5%
				Equivalent yield	13.0%	13.0%
				Vacancy rate	0%	0%
				Passing rent per sqm	$327	$323

Other key information	Description	Range 30 June 2015	Range 31 December 2014
Moscow - Logistics	Land plot ratio	34% - 65%	34% - 65%
	Age of building	0 to 11 years	0 to 10 years
	Outstanding costs (US$'000)	7,073	9,131
St Petersburg - Logistics	Land plot ratio	51% - 57%	51% - 57%
	Age of building	1 to 7 years	0 to 6 years
	Outstanding costs (US$'000)	1,848	1,573
Regional - Logistics	Land plot ratio	48% - 61%	48% - 61%
	Age of building	6 years	5 years
	Outstanding costs (US$'000)	235	-
St Petersburg - Office	Land plot ratio	320%	320%
	Age of building	9 years	8 years
	Outstanding costs (US$'000)	-	400

	Carrying amount				Range	
Investment property under construction	30 June 2015 $'000	31 December 2014 $'000	Valuation Technique	Input	30 June 2015	31 December 2014
Moscow - Logistics	37,556	35,242	Comparable	Value per ha ($m)	$0.59 - $0.81	$0.42 - $0.89
Regional - Logistics	8,900	9,500	Comparable	Value per ha ($m)	$0.35	$0.37

In preparing their valuations at 30 June 2015, JLL have again made reference to the uncertainty caused in the market by the low oil price, weak rouble and continuing sanctions. This was the case at 31 December 2014 and the impact of this on the valuation process is set out more fully in note 13 of the 2014 Annual Report.

9. Interest bearing loans and borrowings

	30 June 2015 $'000	31 December 2014 $'000
Bank loans		
Loans due for settlement within 12 months	208,377	55,252
Loans due for settlement after 12 months	723,214	837,429
	931,591	**892,681**
The Group's borrowings have the following maturity profile:		
On demand or within one year	208,377	55,252
In the second year	159,540	174,646
In the third to fifth years	303,710	406,066
After five years	259,964	256,717
	931,591	**892,681**

The amounts above include unamortised loan origination costs of $12.2 million (31 December 2014: $13.3 million) and interest accruals of $1.3 million (31 December 2014: $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 2015	Interest Rate	Maturity (years)	$'000
Secured on investment property and investment property under construction	7.0%	4.3	905,341
Unsecured facility of the Company	7.9%	5.2	26,250
			931,591
As at 31 December 2014			
Secured on investment property and investment property under construction	6.9%	4.8	863,931
Unsecured facility of the Company	7.9%	5.7	28,750
			892,681

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

During the period, the remaining $39 million of the facility secured on the Noginsk project was drawn and a further $27 million on the facility secured on the Nova Riga project.

On 21 August 2015, a two year extension on the facility secured on the Istra project was signed, extending the maturity to April 2018.

The facility secured on the office asset in St Petersburg was in technical breach of its debt service covenant ratio in the first quarter of the year due to the average Rouble / US dollar exchange rate for the period. In accordance with accounting standards, the outstanding amount of $33 million has been moved to loans due for settlement within twelve months. However, as previously disclosed, the facility has been on a full cash sweep since December 2012 following a potential loan to value covenant breach that was subsequently waived. The cash sweep continues and no further action has been taken.

10. Preference shares

	30 June 2015 $'000	31 December 2014 $'000
Authorised share capital:		
400,000,000 preference shares of 1p each	**5,981**	**5,981**

	2015 $'000	2014 $'000
At 1 January	164,300	172,205
Reissued/issued in the period/year	–	593
Premium on redemption of preference shares and amortisation of issue costs	328	650
Scrip dividends	315	935
Effect of foreign exchange rate changes	1,411	(10,083)
At 30 June/31 December	**166,354**	**164,300**

	2015 Number	2014 Number
Issued share capital:		
At 1 January	98,012,427	97,379,362
Reissued/issued in the period/year	–	258,197
Scrip dividends	140,023	374,868
At 30 June/31 December	**98,152,450**	**98,012,427**
Shares in issue	98,189,499	98,049,476
Held by the Company's Employee Benefit Trusts	(37,049)	(37,049)
At 30 June/31 December	**98,152,450**	**98,012,427**

11. Share capital

	30 June 2015 $'000	31 December 2014 $'000
Authorised share capital:		
1,500,000,000 ordinary shares of 1p each	**27,469**	**27,469**

	2015 $'000	2014 $'000
Issued share capital:		
At 1 January	13,623	13,876
Issued in the period / year for cash on warrant exercises	1	21
Repurchased and cancelled in the period / year	(626)	(274)
At 30 June / 31 December	**12,998**	**13,623**

	2015 Number	2014 Number
Issued share capital:		
At 1 January	737,598,353	753,379,368
Issued in the period / year for cash on warrant exercises	37,438	1,281,506
Repurchased and cancelled in the period / year	(40,657,415)	(17,062,521)
At 30 June / 31 December	**696,978,376**	**737,598,353**

Of the authorised ordinary share capital at 30 June 2015, 25.4 million (31 December 2014: 25.5 million) ordinary shares are reserved for warrants.

Details of own shares held are given in note 13.

12. Warrants

	2015 $'000	2014 $'000
At 1 January	1,195	1,279
Exercised in the period / year	(2)	(84)
At 30 June / 31 December	**1,193**	**1,195**

	2015 Number	2014 Number
At 1 January	25,466,412	26,747,918
Exercised in the period / year	(37,438)	(1,281,506)
At 30 June / 31 December	**25,428,974**	**25,466,412**

In the period since 30 June 2015, 250,000 warrants have been exercised.

13. Own shares held

	2015 $'000	2014 $'000
At 1 January	(63,649)	(22,754)
Acquired under a tender offer	–	(48,095)
Other acquisitions	(76)	(541)
Cancelled	2,746	600
Allocation to satisfy ERS options exercised (note 15a)	77	–
Allocation to satisfy LTIP options exercised (note 15a)	206	1,189
Allocation to satisfy CBLTIS 2012 awards vesting (note 15b)	6,773	5,952
At 30 June / 31 December	**(53,923)**	**(63,649)**

	2015 Number	2014 Number
At 1 January	49,048,873	22,199,776
Acquired under tender offers	–	35,000,000
Other acquisitions	98,040	449,014
Cancelled	(2,525,209)	(768,220)
Allocation to satisfy ERS options exercised (note 15a)	(70,912)	–
Allocation to satisfy LTIP options exercised (note 15a)	(189,096)	(1,272,447)
Allocation to satisfy CBLTIS 2012 awards vesting (note 15b)	(6,229,528)	(6,559,250)
At 30 June / 31 December	**40,132,168**	**49,048,873**

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 2012 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 15a.

14. Net asset value per share

	30 June 2015 $'000	31 December 2014 $'000
Net asset value	647,039	697,289
Goodwill	(2,355)	(2,375)
Goodwill in joint venture	(5,478)	(5,431)
Deferred tax on revaluation gains	49,329	55,250
Unrealised foreign exchange losses on preference shares	15,366	13,955
Fair value of interest rate derivative financial instruments	(2,295)	(3,856)
Fair value of embedded derivatives	2,035	3,443
Fair value of foreign exchange derivative financial instruments	(4,791)	(1,466)
Adjusted net asset value	**698,850**	**756,809**
Assuming exercise of potential ordinary shares		
– Warrants (note 12)	9,998	9,927
– ERS (note 15)	–	–
– LTIP (note 15)	2,038	2,099
– CBLTIS 2012 (note 15)	–	–
– CBLTIS 2015 (note 15)	–	–
Adjusted fully diluted net asset value	**710,886**	**768,835**

	30 June 2015 Number	31 December 2014 Number
Number of ordinary shares (note 11)	696,978,376	737,598,353
Less own shares (note 13)	(40,132,168)	(49,048,873)
	656,846,208	688,549,480
Assuming exercise of all potential ordinary shares		
– Warrants (note 12)	25,428,974	25,466,412
– ERS (note 15)	250,000	325,000
– LTIP (note 15)	5,183,784	5,383,784
– CBLTIS 2012 (note 15)	–	7,401,158
– CBLTIS 2015 (note 15)	8,115,857	–
Number of ordinary shares assuming exercise of potential ordinary shares	**695,824,823**	**727,125,834**

	30 June 2015 $	31 December 2014 $
Net asset value per share	0.99	1.01
Diluted net asset value per share	0.95	0.98
Adjusted net asset value per share	1.06	1.10
Adjusted diluted net asset value per share	1.02	1.06

The number of potential ordinary shares is the total number of ordinary shares assuming the exercise of all potential ordinary shares less those not expected to vest.

15. Share-based payments and other long term incentives

(a) Movements in Executive Share Option Schemes

	Six months ended 30 June 2015 Number of options	Six months ended 30 June 2015 Weighted average exercise price	Six months ended 30 June 2014 Number of options	Six months ended 30 June 2014 Weighted average exercise price
Outstanding at the beginning of the period	5,708,784	24p	7,037,613	24p
Exercised during the period				
– ERS	(75,000)	0p	–	–
– LTIP	(200,000)	25p	(1,100,001)	25p
Outstanding at the end of the period	**5,433,784**	**24p**	**5,937,612**	**24p**
Represented by				
– ERS	250,000		325,000	
– LTIP	5,183,784		5,612,612	
	5,433,784		**5,937,612**	
Exercisable at the end of the period	**5,433,784**	**24p**	**5,937,612**	**24p**

(b) Movements in Combined Bonus and Long Term Incentive Scheme 2012 Awards

	Six months ended 30 June 2015 Number of award shares	Six months ended 30 June 2014 Number of award shares
Awards of Ordinary shares		
Outstanding at the beginning of the period	7,401,158	14,201,085
– Granted during the period	–	–
– Lapsed during the period	–	–
– Vested during the period	(7,401,158)	(6,754,668)
Outstanding at the end of the period	**–**	**7,446,417**

	Six months ended 30 June 2015 Number of award shares	Six months ended 30 June 2014 Number of award shares
Awards of Preference shares		
Outstanding at the beginning of the period	–	314,906
– Granted during the period	–	–
– Lapsed during the period	–	–
– Vested during the period	–	(314,906)
Outstanding at the end of the period	**–**	**–**

(c) Movements in Combined Bonus and Long Term Incentive Scheme 2015 Awards

	Six months ended 30 June 2015 Number of award shares	Six months ended 30 June 2014 Number of award shares
Awards of Ordinary shares		
Outstanding at the beginning of the period	–	–
– Granted during the period	34,800,000	–
– Lapsed during the period	–	–
– Vested during the period	–	–
Outstanding at the end of the period	**34,800,000**	**–**

(d) Income statement charge for the period

	30 June 2015 $'000	30 June 2014 $'000
Combined Bonus and Long Term Incentive Scheme 2015 awards	3,320	–
Combined Bonus and Long Term Incentive Scheme 2012 awards	(40)	1,048
Expense attributable to ERS and LTIP awards in prior periods	–	138
	3,280	**1,186**
To be satisfied by allocation of:		
Ordinary shares (IFRS 2 expense)	3,280	1,258
Preference shares (IAS 19 expense)	–	(72)
	3,280	**1,186**

16. Ordinary dividends

The Company did not declare a final dividend for the year ended 31 December 2014 (2013: none) and instead implemented a tender offer buy back for ordinary shares on the basis of 1 in every 15 shares held and a tender price of 52p per share, the equivalent of a final dividend of 3.5p per share (2013: 1 in every 28 shares at 85p per share, the equivalent of 3p per share).

17. 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 2015		31 December 2014	
	Carrying Value $'000	Fair Value $'000	Carrying Value $'000	Fair Value $'000
Non-current assets				
Loans receivable	759	711	1,029	958
Security deposits	4,432	4,432	4,596	4,596
Restricted cash	–	–	26,329	26,329
Derivative financial instruments	8,348	8,348	6,853	6,853
Current assets				
Trade receivables	38,287	38,287	36,459	36,459
Other current receivables	959	959	778	778
Derivative financial instruments	605	605	432	432
Cash and short term deposits	220,912	220,912	171,383	171,383
Non-current liabilities				
Interest bearing loans and borrowings	723,214	545,872	837,429	593,480
Preference shares	166,354	213,103	164,300	183,467
Derivative financial instruments	1,914	1,914	4,153	4,153
Rent deposits	28,920	23,611	30,249	22,736
Other payables	3,347	3,347	7,346	7,346
Current liabilities				
Interest bearing loans and borrowings	208,377	208,377	55,252	55,252
Derivative financial instruments	1,989	1,989	1,253	1,253
Other payables	9,445	9,445	27,977	27,977

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:

As at 30 June 2015	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total Fair Value $'000
Assets measured at fair value				
Investment property	–	–	1,528,340	1,528,340
Investment property under construction	–	–	49,929	49,929
Derivative financial instruments	–	8,953	–	8,953
Liabilities measured at fair value				
Derivative financial instruments	–	3,903	–	3,903
As at 31 December 2014				
Assets measured at fair value				
Investment property	–	–	1,593,684	1,593,684
Investment property under construction	–	–	47,958	47,958
Derivative financial instruments	–	7,285	–	7,285
Liabilities measured at fair value				
Derivative financial instruments	–	5,406	–	5,406

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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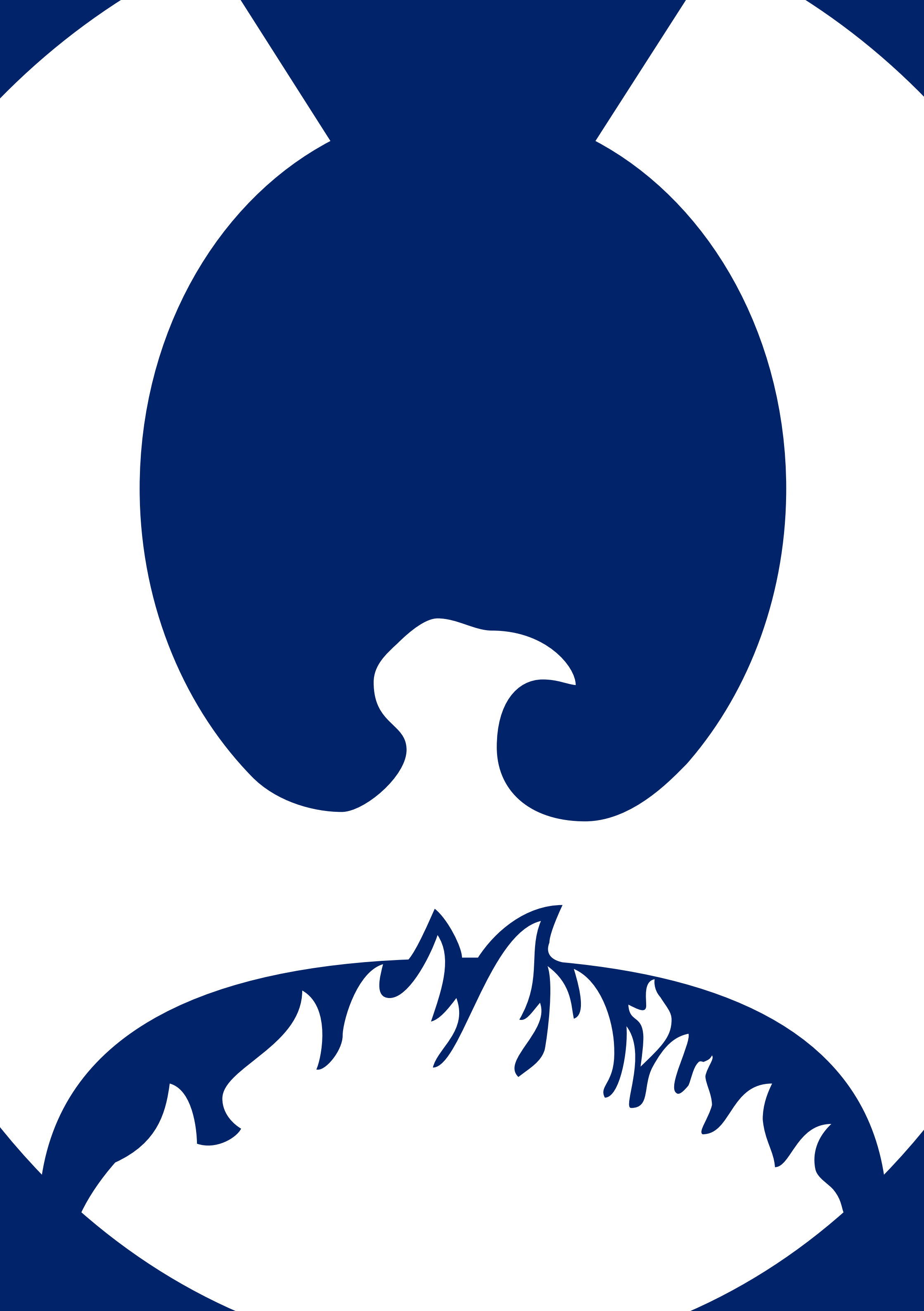

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