



# **RAVEN RUSSIA**

Results for the 6 months ending 30 June 2010





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## Highlights

- Unique focused Russian property business
- International management
- Fully listed on LSE in early August
- Strong Balance Sheet securely financed
- High Cash Balance
- Stable Cash Flow
- Excellent Growth Prospects



## Investment Case

<b>EMERGING MARKET PLAY</b>	<ul style="list-style-type: none"> <li>•Russia's economy shows signs of a strong recovery</li> <li>•Material improvement in the warehouse segment with a spike in leasing activity</li> <li>•Undersupply of grade 'A' warehouse space expected in the next 12 months</li> </ul>
<b>PROVEN TRACK RECORD</b>	<ul style="list-style-type: none"> <li>•Exclusive focus on warehouse segment</li> <li>•In-house team of 75 professionals in Moscow, Guernsey, Cyprus, London</li> <li>•In 2005-2009 delivered GLA of over 1 million sq m (11 million sq ft) with circa 50% completed in the second half of 2009</li> </ul>
<b>LARGE PORTFOLIO OF TOP QUALITY YIELDING ASSETS</b>	<ul style="list-style-type: none"> <li>•\$78.3m of consolidated, annualised NOI as at June 2010</li> <li>•\$82.3m of consolidated, annualised NOI as at August 2010</li> <li>•\$8.6m of additional income under PLAs &amp; LOIs signed on 79,000 sq m</li> <li>•\$90.9m of consolidated, annualised NOI on conversion of PLAs &amp; LOIs</li> <li>•\$123m of estimated rental value when fully let at current rental levels</li> </ul>
<b>STRATEGIC LAND BANK</b>	<ul style="list-style-type: none"> <li>•411 hectares of permitted land bank across Russia, in Ukraine and in Belarus</li> </ul>
<b>STRONG BALANCE SHEET</b>	<ul style="list-style-type: none"> <li>•\$113m of cash as at 30 June 2010</li> <li>•Gearing of 39% net of cash as at June 2010 with an average cost of debt of 7.1% and a weighted average term of 3.3yrs</li> </ul>
<b>HIGH CORPORATE GOVERNANCE STANDARDS</b>	<ul style="list-style-type: none"> <li>•Listed on London Stock Exchange</li> <li>•IFRS financial statements</li> <li>•Jones Lang LaSalle – portfolio valuation</li> </ul>
<b>EXCELLENT GROWTH PROSPECTS</b>	<ul style="list-style-type: none"> <li>•Current ERV yield of 13.9% on investment property portfolio</li> <li>•Current market rental level on average at \$100 per sq m</li> </ul>





## Results Highlights

- 145,400 sq m of new lettings in the 6 months to 30 June 2010
- 40,300 sq m of additional lettings since 30 June 2010
- Annualised consolidated NOI now \$82.3 million
- Increasing to \$91 million on conversion of PLAs and LOIs
- Portfolio ERV of \$123 million and portfolio ERV yield of 13.9%
- Baltia sale to complete in 2H 2010 with gross consideration of \$42m
- Profit before tax for the 6 months of \$8 million
- Operating cash generated of \$14.8 million
- Cash balance at 30 June \$113 million and \$110 million today
- Adjusted fully diluted NAV per share of 97 cents
- Tender offer buy back of 1 in 58 shares at 54p proposed



## Current Trading (as at 20<sup>th</sup> August 2010)

	Consolidated Annualised Income
NOI	\$82.3m
PLAs & LOIs	<u>\$8.6m</u>
	\$90.9m*
Potential Additional NOI	<u>\$32.1m</u>
<b>Entire Portfolio</b>	<b>\$123m</b>

\*Irrecoverable costs on vacant space are estimated at \$12.8m at this level of occupation, reducing to zero when fully let



## Segmental Analysis

US\$ '000				
	Property Investment	Roslogistics	Raven Mount	TOTAL
Gross Income	45,097	10,479	7,167	62,743
Operating costs/ Cost of Sale	(20,715)	(9,528)	(5,381)	(35,624)
<b>Net Operating Income</b>	<b>24,382</b>	<b>951</b>	<b>1,786</b>	<b>27,119</b>
Administrative expenses	(10,910)	(1,983)	(1,463)	(14,356)
Share based payments	(4,501)	-	-	(4,501)
<b>Operating profit/(loss)</b>	<b>8,971</b>	<b>(1,032)</b>	<b>323</b>	<b>8,262</b>



## Portfolio Summary

Operating Properties			
Project	GLA, sqm	Occupancy (1)	NOI (2), (3)
Constanta	16,000	100%	\$11,000,000
Krekshino	118,000	100%	\$13,200,000
Baltia	28,000	100%	\$3,900,000
Southern	14,000	89%	\$1,900,000
Istra ph 1-5	201,000	92%	\$23,600,000
Shushary ph 1-3	145,000	50%	\$7,000,000
Noginsk ph 1	123,000	45%	\$5,800,000
Pulkovo 1	36,000	77%	\$3,100,000
Lobnya	51,000	82%	\$5,100,000
Klimovsk ph 1	54,000	84%	\$6,100,000
Rostov ph 1	100,000	46%	\$6,300,000
Novosibirsk	117,000	30%	\$4,000,000
<b>Total</b>	<b>1,003,000</b>	<b>68%</b>	<b>\$91,000,000</b>

Land Bank		
Project	Area, ha	GLA, sqm
Pulkovo 2	10	67,000
Klimovsk 2	9	54,000
Noginsk 2	40	180,300
Rostov 2	27	126,500
Khabarovsk	27	140,000
Chelyabinsk	59	295,000
Omsk	55	275,000
Saratov	29	159,000
Ufa	48	240,000
Nizhniy Novgorod	44	220,000
Kiev	19	118,000
Minsk	44	225,000
<b>Total</b>	<b>411</b>	<b>2,099,800</b>

(1) Includes pre-lets, letters of intent and vacant space of Roslogistics, a wholly owned subsidiary

(2) Net Operating Income for income producing assets represents the annualised rental income as at 20<sup>th</sup> August 2010 including pre-let agreements and letters of intent

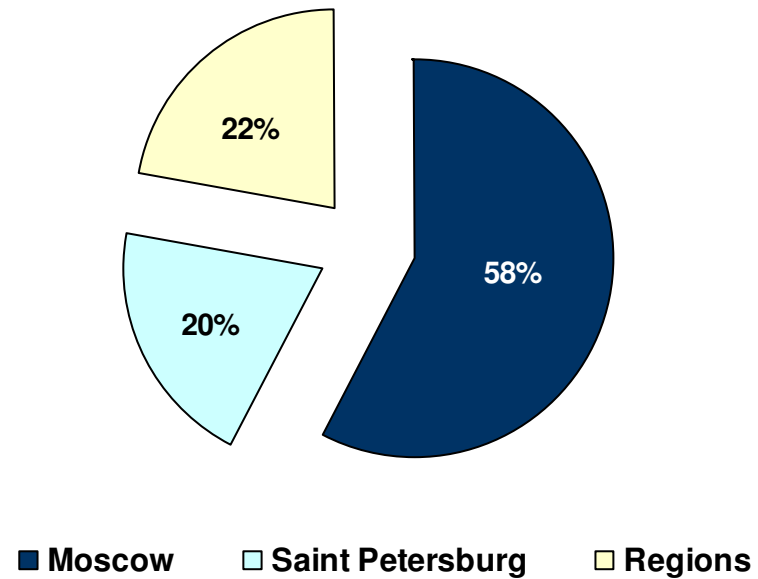
(3) Includes a contribution to NOI of \$4.8 million from Roslogistics



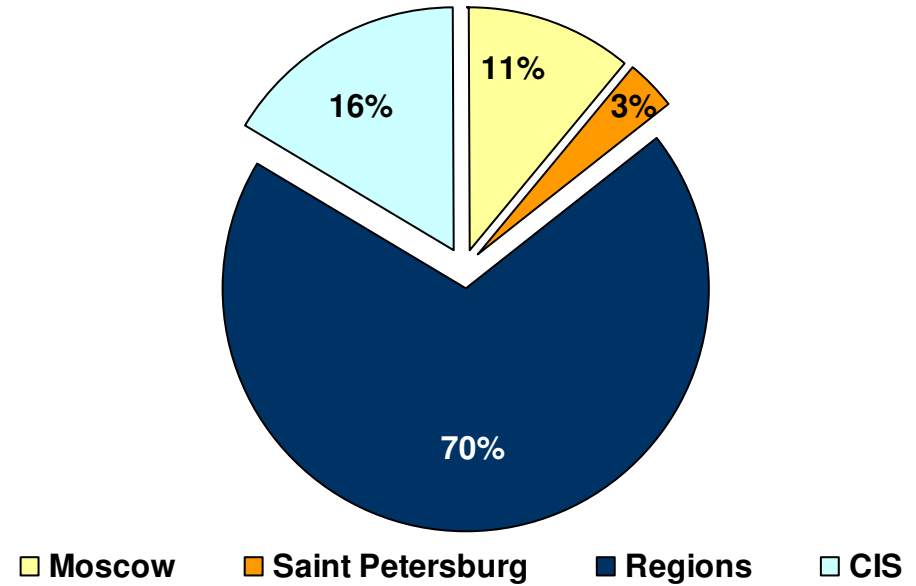


## Portfolio Location

Built Portfolio



Land Bank





## Balance Sheet Valuation

- \$905.8m investment properties based on valuation by JLL as at 30 June 2010, an increase of \$27 million over the December 2009 valuations
- Investment properties at ERV yield of 13.9%
- \$1.15 of Basic NAV per share at 30 June 2010 (74p at date of announcement)
- Adjusted fully diluted NAV per share 97 cents (62.5p at date of announcement)



## Capital Structure<sup>1</sup>

▪ Ordinary Shares	537,413,219
▪ Warrants (strike @ 25p, expiry in 2019)	103,188,965
▪ Irredeemable 12% Preference Shares	143,635,447

<sup>1</sup> As at 2<sup>nd</sup> August 2010



## Distributions to Shareholders & Warrantholders

### Six months to 30<sup>th</sup> June 2010

- |                                      |              |
|--------------------------------------|--------------|
| • Ordinary Shareholders – dividend   | \$4m         |
| • Preference Shareholders – dividend | <u>\$13m</u> |
|                                      | \$17m        |

### Paid or proposed six months to 31<sup>st</sup> December 2010

- |   |              |
|---|--------------|
| • Warrantholder offer                     | \$5m         |
| • Ordinary Shareholders – tender buy-back | \$8m         |
| • Preference Shareholders – dividend      | <u>\$13m</u> |
|   | \$26         |

<b>Total</b>	<b>\$43m</b>
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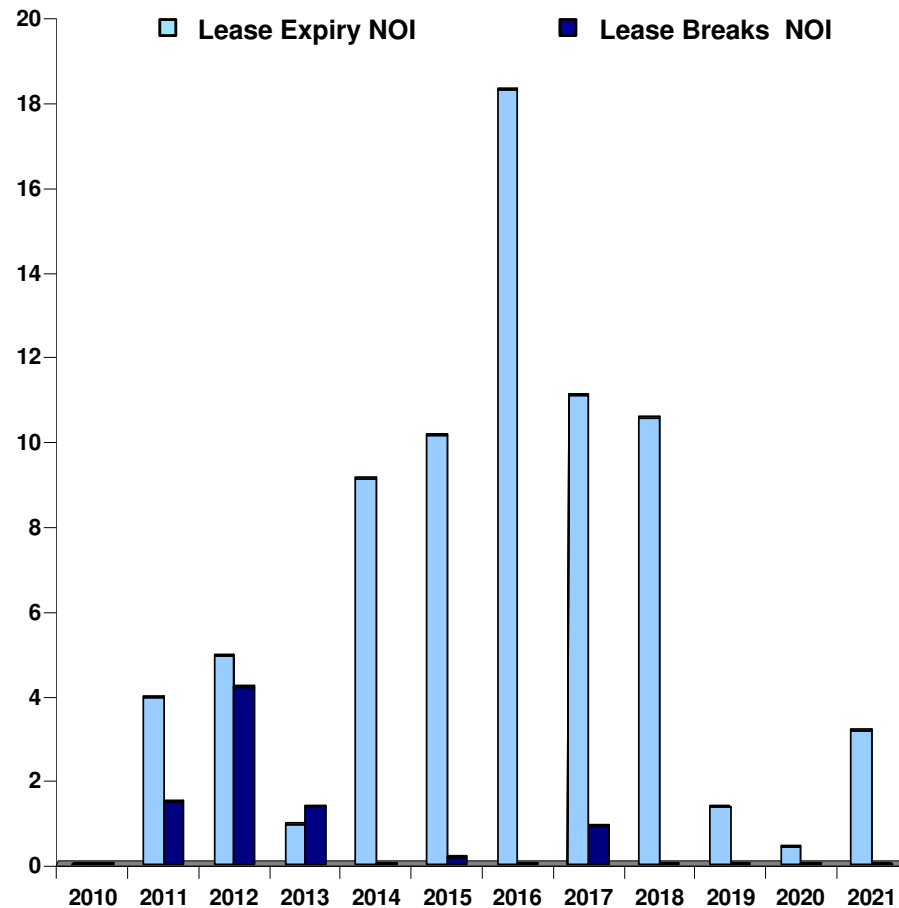
## Debt Update

Project	Principal, \$m	Drawn, \$m	Term End	Bank
Baltia	\$22.6	\$22.6	24-Oct-12	HSH Nordbank
Southern	\$13.4	\$13.4	23-Nov-12	HSH Nordbank
Krekshino	\$89.3	\$89.3	30-Jan-13	Hypo RE
Constanta	\$53.3	\$53.3	16-Nov-12	HSH Nordbank
Istra 1-5	\$119.0	\$109.0	24-Oct-13	Aareal
Noginsk 1	\$59.7	\$59.7	22-Oct-11	HSH Nordbank
Novosibirsk	\$50.0	\$50.0	15-May-18	IFC/EBRD
Rostov on Don 1	\$40.0	\$30.0	30-Sep-17	IFC
Shushary	Unencumbered			
Pulkovo	Unencumbered			
Klimovsk 1	Unencumbered			
Lobnya	Unencumbered			
Raven Russia	\$9.6	\$9.6	31-Jan-11	RBSI
Raven Mount	\$10.5	\$10.5	13 May 11	Barclays
Coln	\$5.9	\$5.9	30-Sep-10	Anglo Irish
<b>Total</b>	<b>\$473.3</b>	<b>\$453.3</b>		

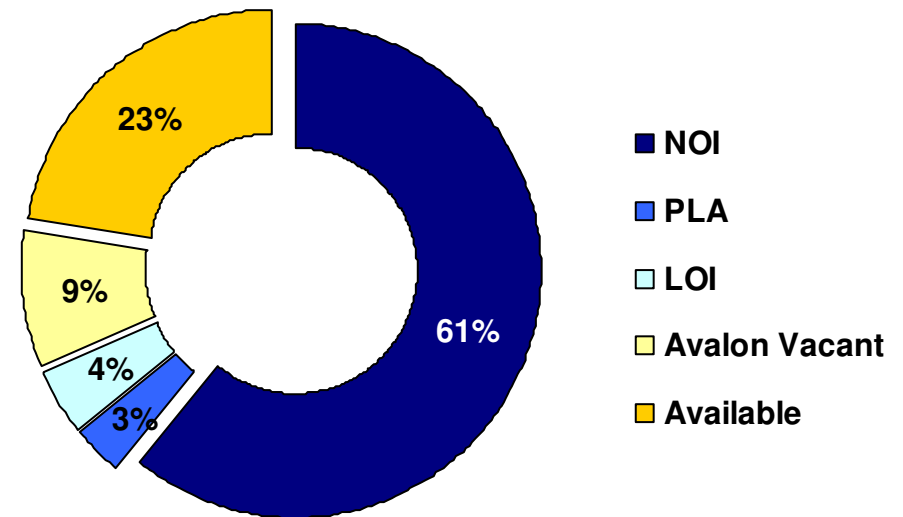


## Leasing Update

### Income Expiry



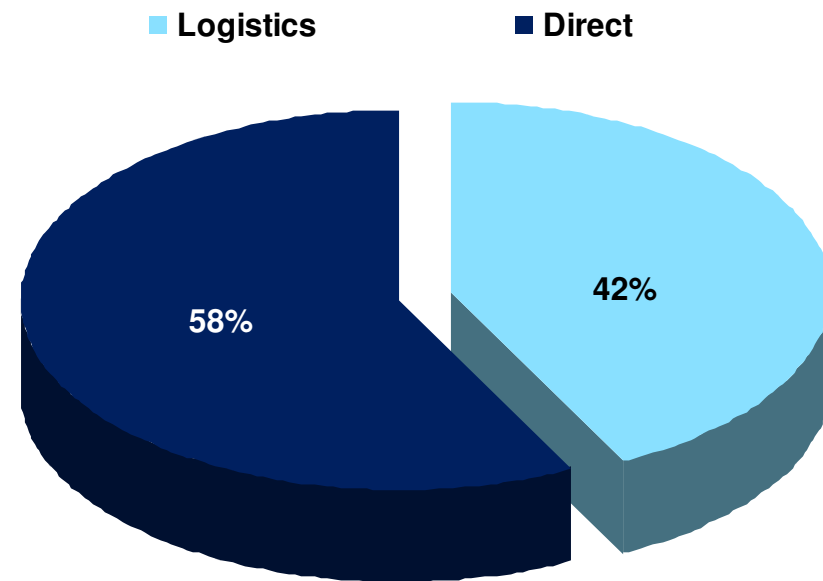
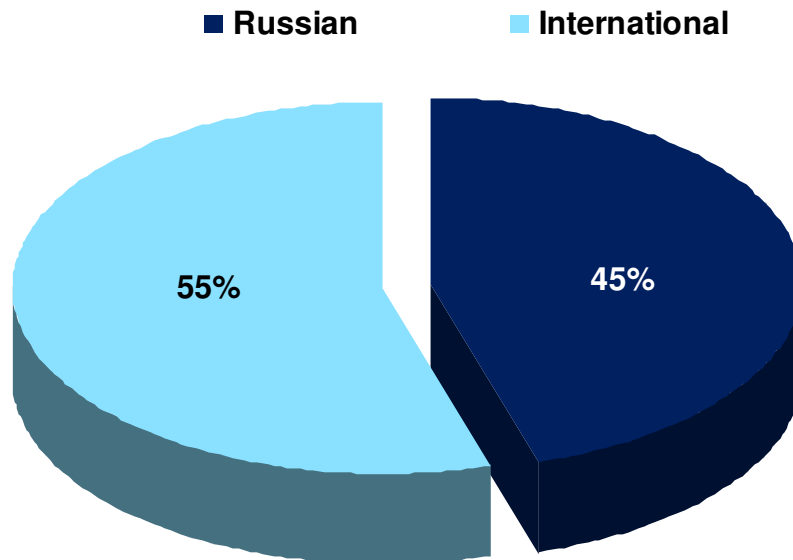
### Occupancy





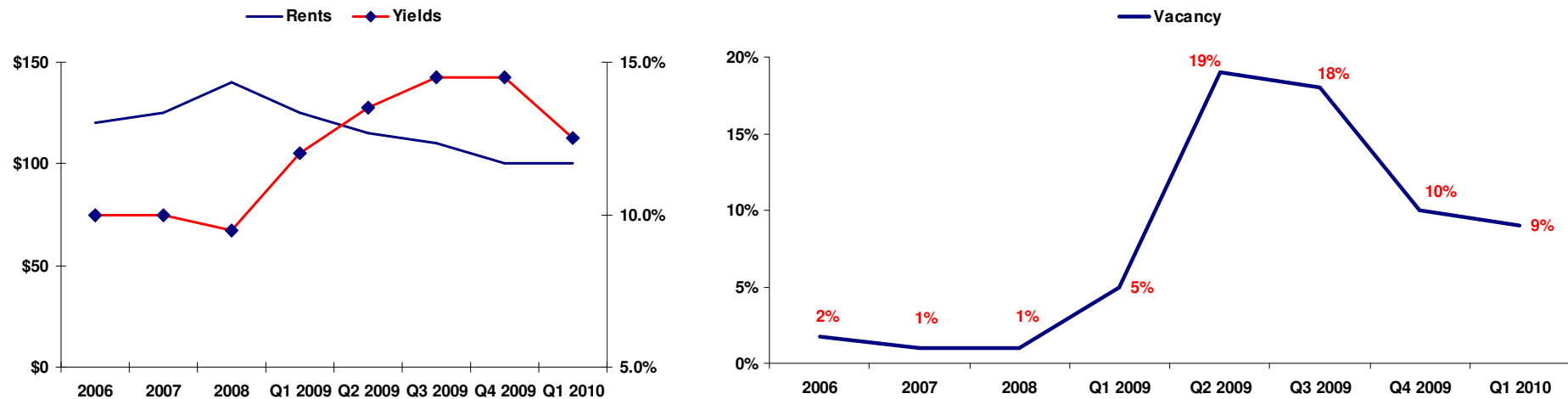


## Tenant Mix

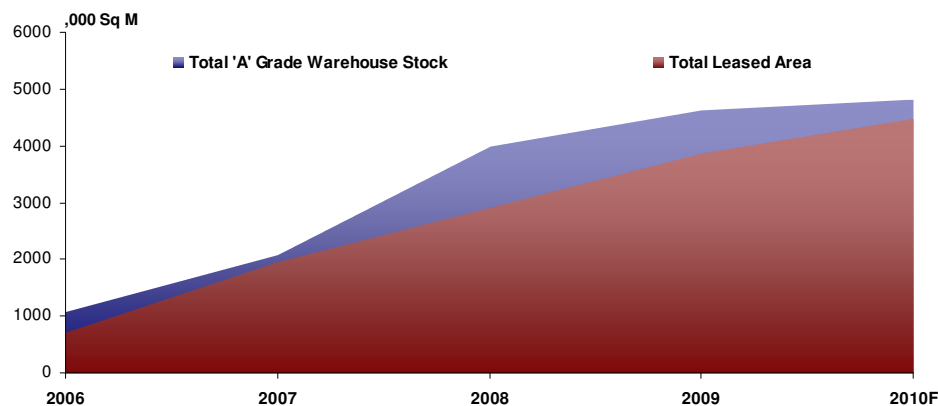




## Market Update – Moscow, Class “A”



Source: Colliers International, Annual Real Estate Review 2010; JLL Russian Industrial Review Q2 2010

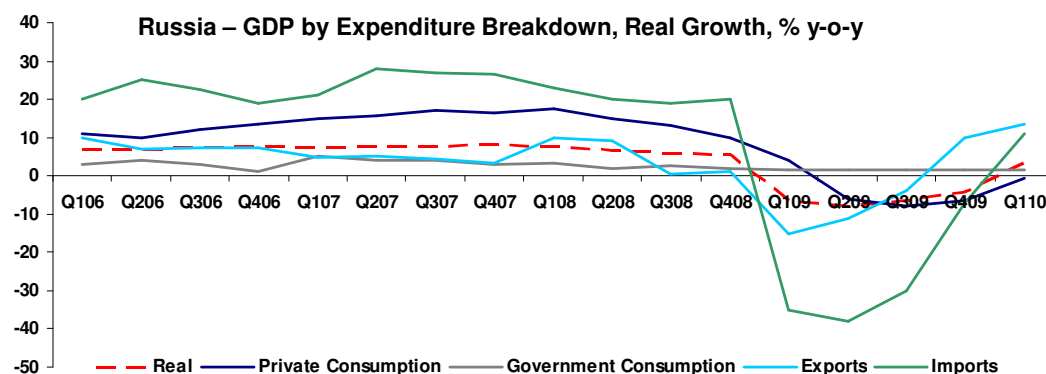


Source: CBRE Moscow Big Box Q1 2010

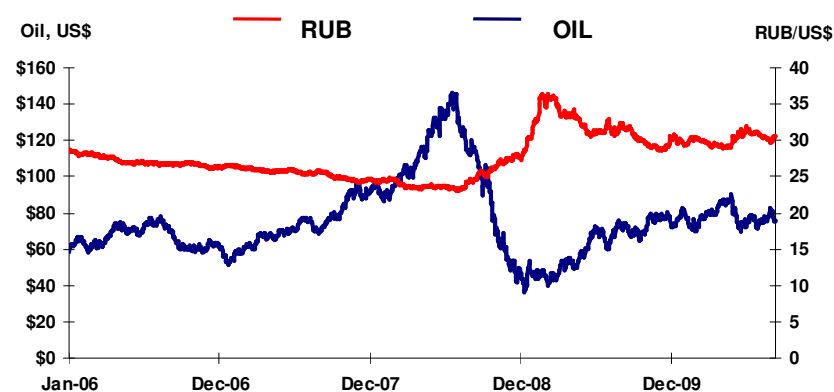
- 400,000 sq m of New Delivery is expected in 2010 (vs 750,000 sq m delivered in 2009)
- 230,000 sq m has been already leased in Q1 2010
- Main active market players are: Raven Russia (c15% market share), PNK Group, Giffels, MLP



## Economic Indicators



Source: Russian Federal State Statistics Service, BMI Russia Q4 2010



Source: Goldman Sachs research

### Russia - Macroeconomic Data & Forecasts

	2006	2007	2008	2009	2010F	2011F	2012F	2013F	2014F
Real GDP growth, % change y-o-y [1]	7.7	8.1	5.6	-7.9	4.1	4.3	4.5	4.7	4.3
GDP per capita, US\$ [2]	6,710	8,813	11,304	8,682	10,532	12,398	14,586	16,952	19,235
Population, mn [3]	142.5	142.1	142	141.9	141.8	141.2	140.6	140.1	139.5
Industrial Production index, % y-o-y, ave [1]	4.7	9.4	2.7	-10.7	14	6.5	6	6	5.5
Unemployment, % of labour force, eop [1]	6.7	6.1	7.7	8.2	9	9	8	7	6.5
Consumer prices, % y-o-y, eop 6 [2]	9	11.9	13.3	8.8	7.5	9	7	6.5	6.5
Exchange rate RUB/US\$, eop 9 [3]	26.33	24.57	29.4	30.31	28.5	27.5	26	25.5	25

Notes: 1 Federal State Statistics Service; 2 Federal State Statistics Service/ BMI Calculation; 3 World Bank/ BMI Calculation/ BMI

Source: Business Monitor International (BMI): Russia Business Forecast Report Q4 2010



## Conclusion & Outlook

- Macro
- Lettings
- Acquisitions
- Dividends
- Share Buy-backs

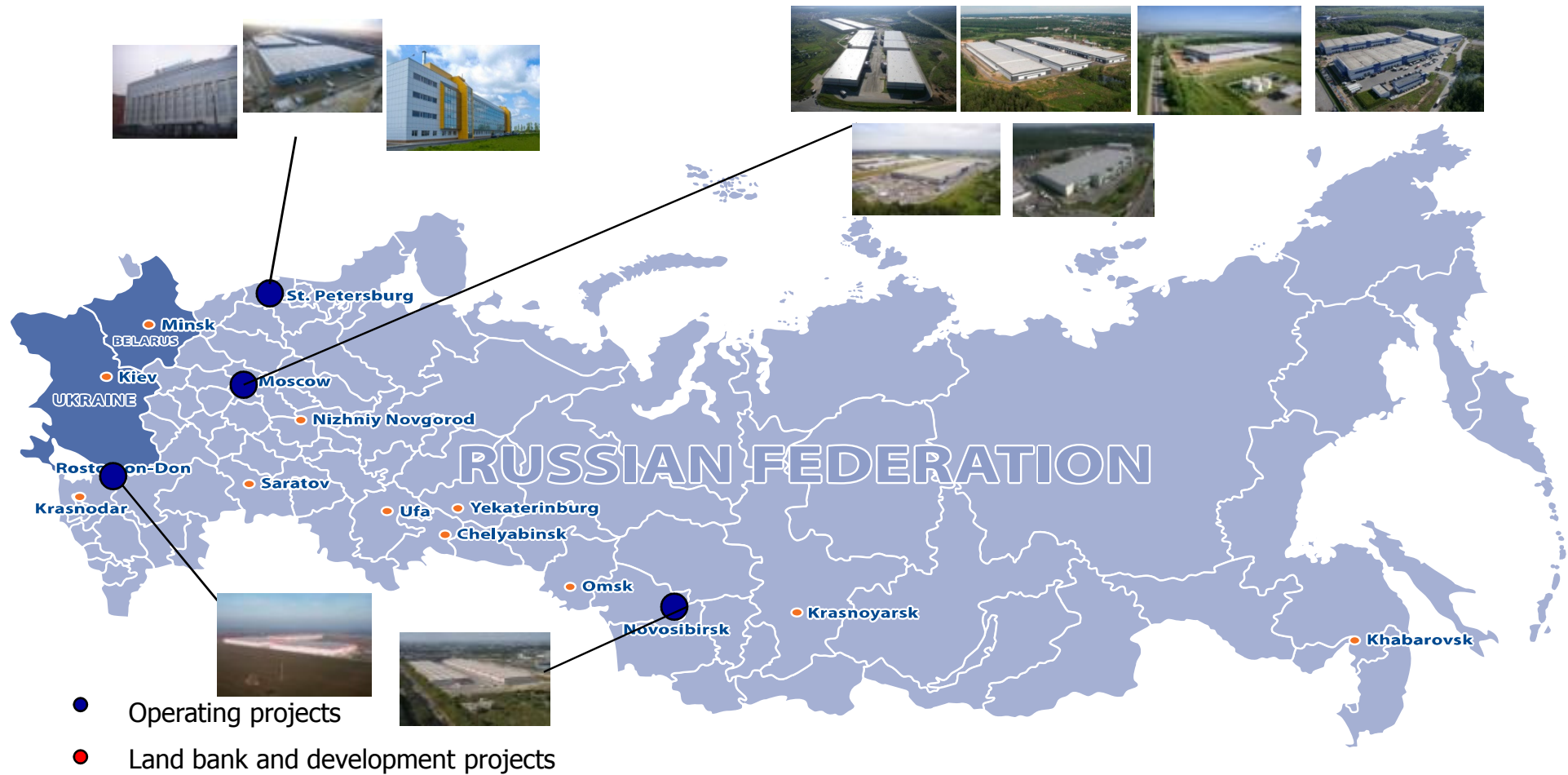


## Analyst Research Coverage

- Credit Suisse
- Goldman Sachs
- Merrill Lynch
- ING
- Numis Securities
- Singers Capital
- Liberum Capital
- Renaissance Capital
- Uralsib Bank



# Pan-Russian Logistic Warehouse Platform







## Individual Project Locations

### **Moscow**



### **St Petersburg**



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## Baltia, Moscow





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**Krekshino, Moscow**





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## Istra, Moscow





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## Klimovsk, Moscow





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**Southern, Moscow**



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**Constanta, St Petersburg**





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**Shushary, St Petersburg**





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**Pulkovo I, St Petersburg**





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## Rostov on Don





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## Novosibirsk

