



# **RAVEN RUSSIA**

**Results for the 12 months ending 31 December 2011**





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## Highlights

- Focused Russian property investment business
- International management combined with in house team of Russian professionals
- Over 1 million square metres of Grade A warehouses built since 2006
- 92% let at 12 March 2012, including PLAs & LOIs
- Strong balance sheet, secure term financing and good cash resources
- Increasing operating cash inflows
- Excellent growth prospects



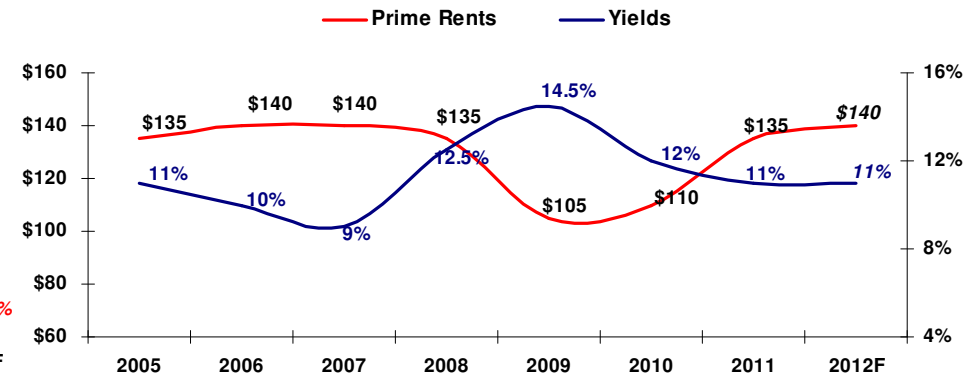
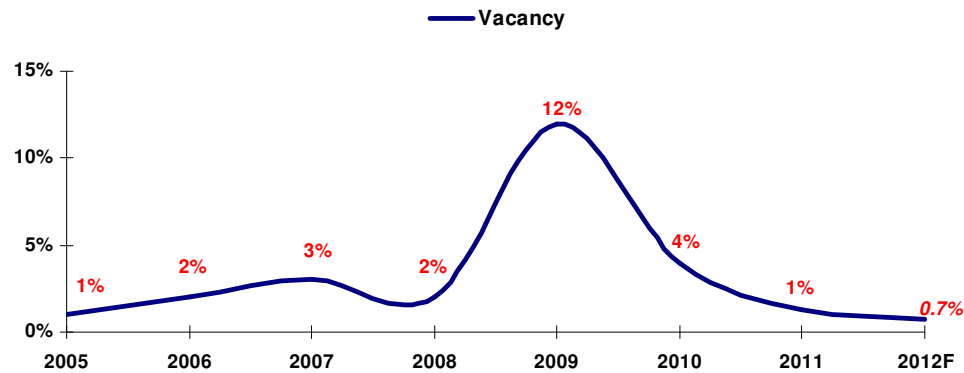
## Results Highlights

- Profit before tax increased 131% from \$55.7 million to \$128.9 million
- NAV per share up 13.3% from \$1.05 to \$1.19
- 222,000 sq m of new lettings during the year
- Portfolio now 92% let
- Annualised NOI of \$129 million at today's date
- Fully let portfolio NOI of \$137 million
- Fully let portfolio yield of 11.9%
- Tender offer buy-back of 1 in 39 shares at 68 pence proposed
- Basic EPS of 16.7 cents
- Fully diluted EPS of 14.7 cents
- Year end cash balance of \$181.8 million

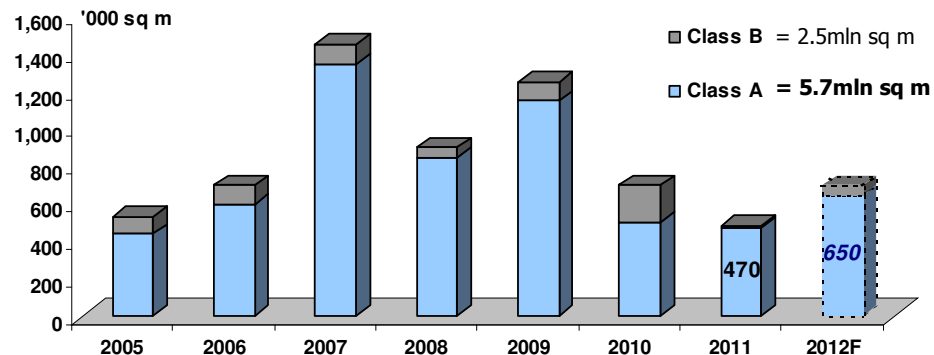




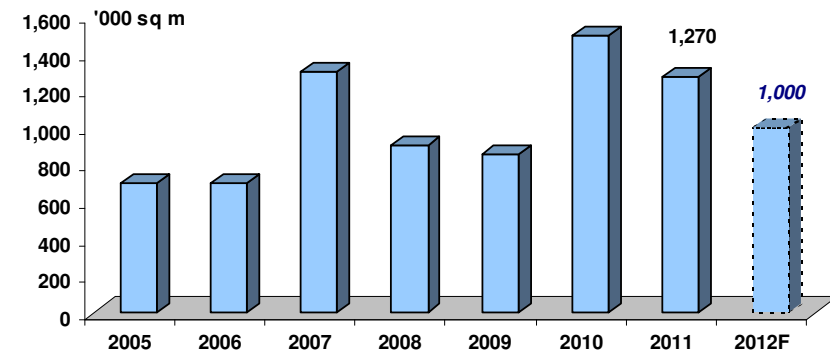
## Market Update – Moscow, Class “A”



### Completion dynamics, '000 sq m

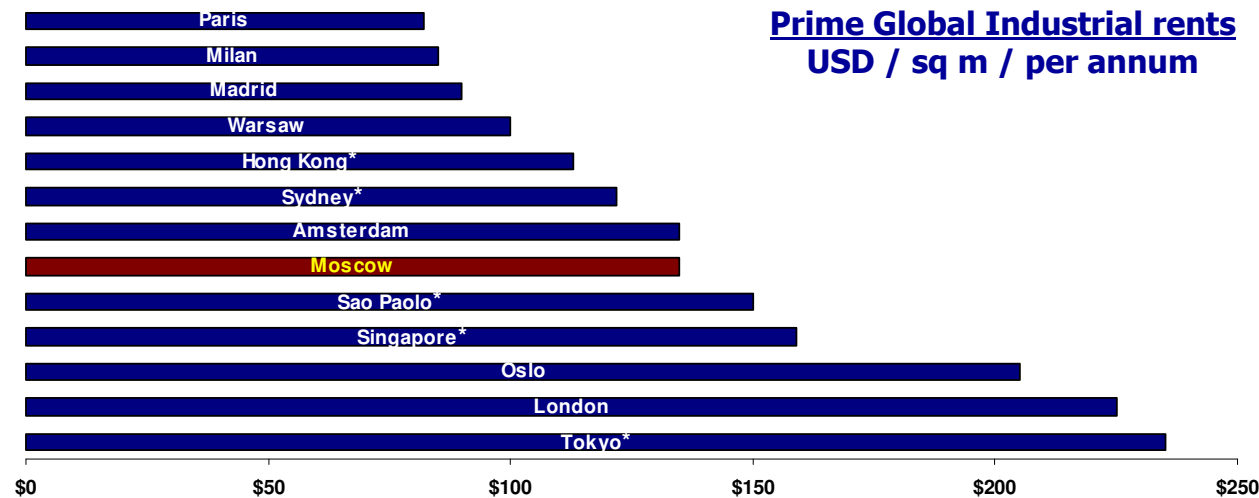


### Take-up dynamics, '000 sq m

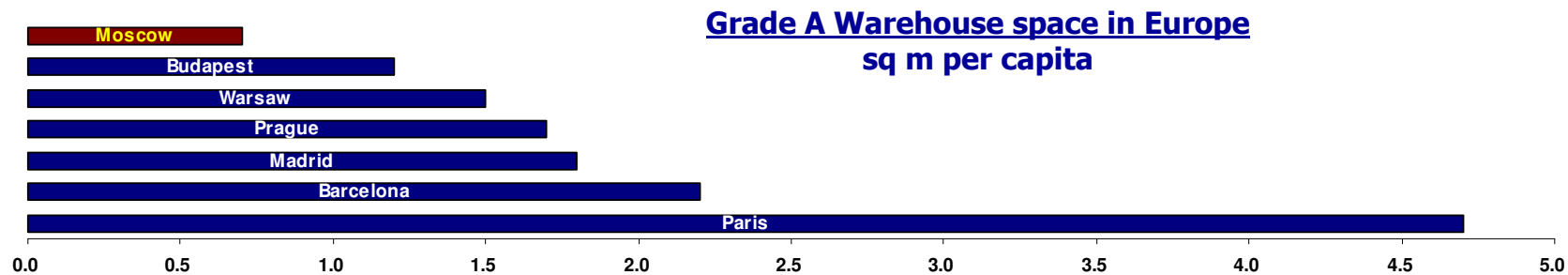




## Market Update – International Comparison



Source: JLL "Moscow Warehouse Market"\_Q4 2011; \*CBRE "Global Industrial Market View"\_Q3 2011



Source: JLL "Moscow Warehouse Market"\_Q4 2011



## Portfolio Summary

| Operating Properties       |             |                   |                        |   | Land Bank                                      |            |
|----------------------------|-------------|-------------------|------------------------|---|--|------------|
| Location                   |             | GLA<br>sqm ('000) | Occupancy <sup>1</sup> | Annualised Net<br>Operating Income <sup>2</sup><br>US\$ mln | Location                                       | Hectares   |
| <b>Grade A Warehouse</b>   |             |                   |                        |   | <b>Additional Phases of Completed Property</b> |            |
| Moscow                     | Krekshino   | 118               | 100%                   | 14.0  | Noginsk ph 2                                   | 40         |
|                            | Southern    | 14                | 91%                    | 2.1   | Rostov ph 2                                    | 27         |
|                            | Istra       | 202               | 100%                   | 26.6  | Klimovsk ph 3                                  | 8          |
|                            | Noginsk     | 123               | 97%                    | 17.8  | <b>Land Bank</b>                               |            |
|                            | Lobnya      | 51                | 100%                   | 6.8   | Pulkovo 2                                      | 10         |
|                            | Klimovsk 1  | 53                | 100%                   | 7.5   | Khabarovsk                                     | 27         |
|                            | Klimovsk 2  | 53                | 71%                    | 6.7   | Chelyabinsk                                    | 59         |
| St Petersburg              | Pulkovo     | 35                | 85%                    | 3.9   | Omsk   | 19         |
|                            | Shushary    | 145               | 89%                    | 13.5  | Omsk 2   | 9          |
| Regions                    | Rostov      | 100               | 100%                   | 12.6  | Saratov  | 29         |
|                            | Novosibirsk | 120               | 65%                    | 9.1   | Ufa  | 48         |
| <b>Office</b>              |             |                   |                        |   | Nizhniy Novgorod                               | 44         |
| St Petersburg              | Constanta   | 16                | 100%                   | 8.7   | Minsk  | 45         |
| <b>Sub-Total</b>           |             |                   | <b>92%</b>             | <b>129.3</b>  | <b>Total</b>                                   | <b>365</b> |
| ERV of Vacant Space        |             |                   | 8%                     | 8.1   |  |            |
| <b>Completed Portfolio</b> |             | <b>1,030</b>      | <b>100%</b>            | <b>137.4</b>  |  |            |

<sup>1</sup> Includes Pre-let Agreements & Letters of Intent

<sup>2</sup> Includes rent payable of \$8 million from Roslogistics



# Segmental Analysis

| US\$ '000  |                     |               |                |                  |                |
|--|---------------------|---------------|----------------|------------------|----------------|
|  | Property Investment | Roslogistics  | Raven Mount    | Central Overhead | TOTAL          |
| Gross Revenue  | 124,229             | 24,599        | 13,942         | -                | 162,770        |
| Operating costs/ Cost of Sale  | (43,281)            | (13,870)      | (13,966)       | -                | (71,117)       |
| <b>Net Operating Income</b>  | <b>80,948</b>       | <b>10,729</b> | <b>(24)</b>    | <b>-</b>         | <b>91,653</b>  |
| <b>Administrative expenses</b>   |                     |               |                |                  |                |
| Running general & administration expenses                                  | (12,848)            | (2,982)       | (2,986)        | (6,122)          | (24,938)       |
| Listing costs  | -                   | -             | -              | (548)            | (548)          |
| Closure costs  | -                   | -             | -              | -                | -              |
| Depreciation   | (650)               | (1,086)       | (18)           | -                | (1,754)        |
| Share-based payments   | (1,502)             | -             | -              | (4,597)          | (6,099)        |
| Foreign currency (losses) / profits  | (35)                | (528)         | -              | -                | (563)          |
|  | <b>65,913</b>       | <b>6,133</b>  | <b>(3,028)</b> | <b>(11,267)</b>  | <b>57,751</b>  |
| Profit on disposal of investment property                                  | -                   | -             | -              | -                | -              |
| Loss on disposal of investment property under construction                 | (1,158)             | -             | -              | -                | (1,158)        |
| Unrealised profit on revaluation of investment property                    | 133,062             | -             | -              | -                | 133,062        |
| Unrealised profit on revaluation of investment property under construction | 10,611              | -             | -              | -                | 10,611         |
| <b>Segment profit/(loss)</b>   | <b>208,428</b>      | <b>6,133</b>  | <b>(3,028)</b> | <b>(11,267)</b>  | <b>200,266</b> |



## Balance Sheet Valuation at 31 December 2011

- Completed investment properties' independent valuation of \$1,154 million
- Total revaluation surplus of \$153 million
- Fully let portfolio yield of 11.9%
- Compares to yields of emerging market peers of circa 8.5%
- Basic adjusted NAV per share \$1.26 (2010: \$1.20)
- Fully diluted adjusted NAV per share \$1.19 (2010: \$1.05)



## Capital Structure at 25 January 2012

|   |             |
|---|-------------|
| ▪ Ordinary Shares                         | 594,093,554 |
| ▪ Warrants (strike @ 25p, expiry in 2019) | 37,830,720  |
| ▪ Irredeemable 12% Preference Shares      | 145,036,942 |

| Institutional and Directors' Shareholdings | Ordinary    |    | Preference |      | Warrant    |    |
|--|-------------|----|------------|------|------------|----|
|  | number      | %  | number     | %    | number     | %  |
| Invesco Perpetual                          | 170,896,092 | 29 | 75,000,000 | 52   |            |    |
| Schroder Investment                        | 87,103,270  | 15 | 5,331,213  | 4    | 1,444,467  | 4  |
| Mackenzie Cundill Investment               | 56,739,131  | 10 |            |      |            |    |
| F&C Asset Management                       | 29,367,457  | 5  |            |      |            |    |
| Raven Russia EBT                           | 25,961,120  | 4  |            |      |            |    |
| JOHambro                                   | 24,624,889  | 4  |            |      |            |    |
| Directors                                  | 22,819,194  | 4  | 31,592,166 | 22   | 17,422,475 | 46 |
| Legal & General                            | 20,660,744  | 3  |            |      |            |    |
| Black Rock                                 | 13,780,038  | 2  |            |      |            |    |
| Majedie Asset Management                   | 11,262,414  | 2  | 476,117    | 0.33 | 777,773    | 2  |





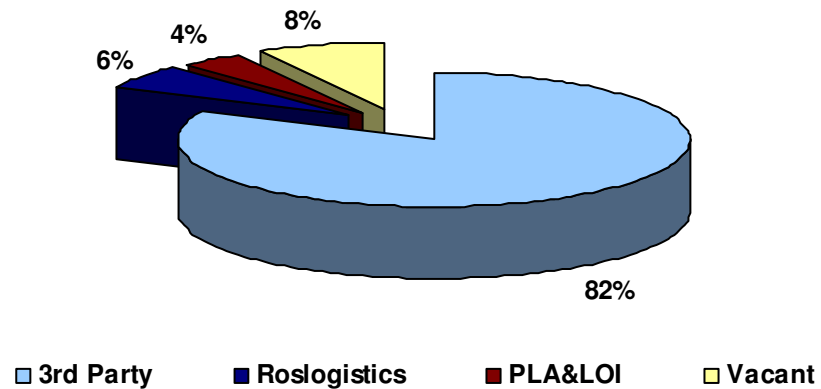
## Debt Update

| Loan                    | US\$ million | Term End   | Bank          |
|-------------------------|--------------|------------|---------------|
| <b>Project finance</b>  |              |            |               |
| Constanta               | 44           | 16-Nov-12  | HSH Nordbank  |
| Southern                | 12           | 23-Nov-12  | HSH Nordbank  |
| Krekshino               | 80           | 30-Jan-13  | DPB           |
| Istra                   | 142          | 16-Apr-16  | Aareal        |
| Noginsk                 | 83           | 22-Oct-16  | Unicredit     |
| Lobnya                  | 30           | 31-Dec-17  | Marfin        |
| Novosibirsk             | 48           | 1-May-18   | IFC / EBRD    |
| Rostov on Don           | 42           | 1-Oct-18   | IFC           |
| Klimovsk                | 38           | 23-June-20 | Raiffeisen ZB |
| Shushary                | 40           | 10-Nov-21  | Raiffeisen ZB |
|                         | <b>559</b>   |            |               |
| <b>Group facilities</b> |              |            |               |
| Raven Mount             | 2            | 13-May-12  | Barclays      |
|                         |              |            |               |
| <b>Total</b>            | <b>561</b>   |            |               |

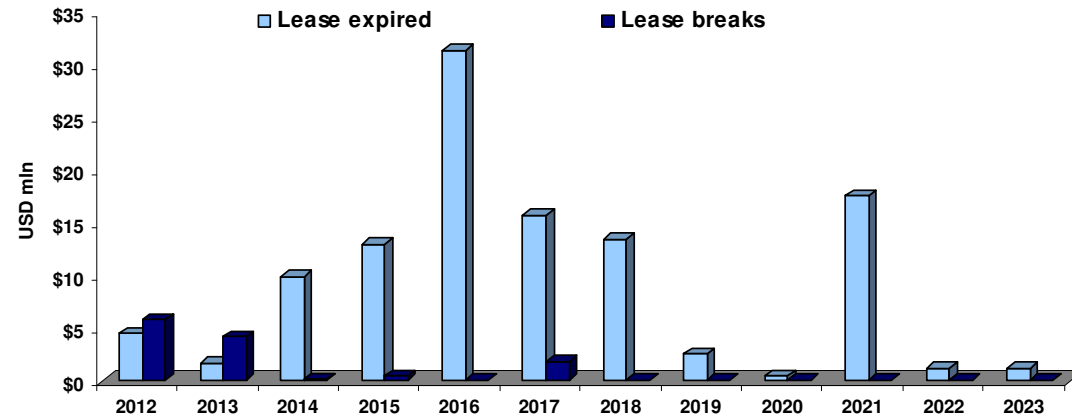


## Leasing Update – Income, \$US million

Income Flow



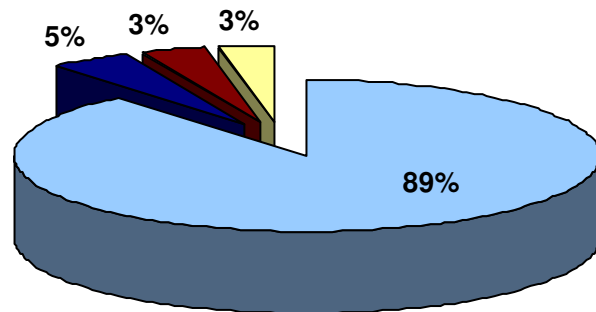
Income Expiry



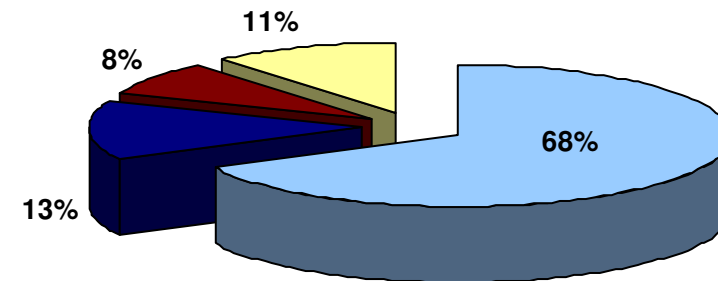


## Leasing Update – Occupancy, Sq m

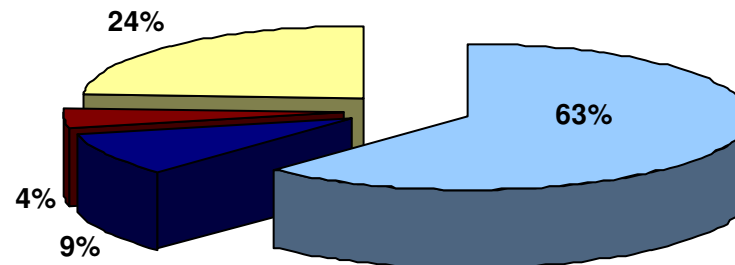
**Moscow**



**St Petersburg**



**Regions**



□ 3rd Party

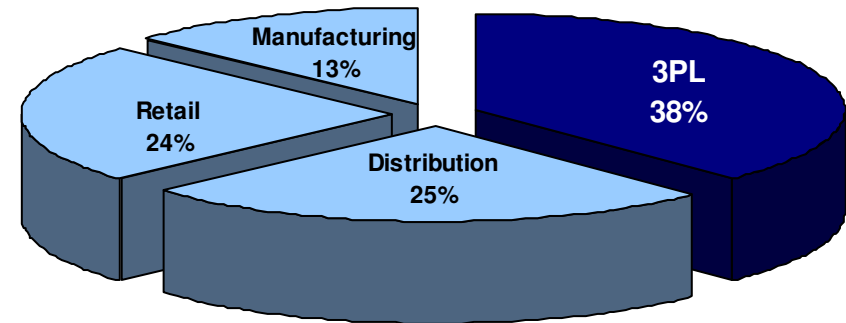
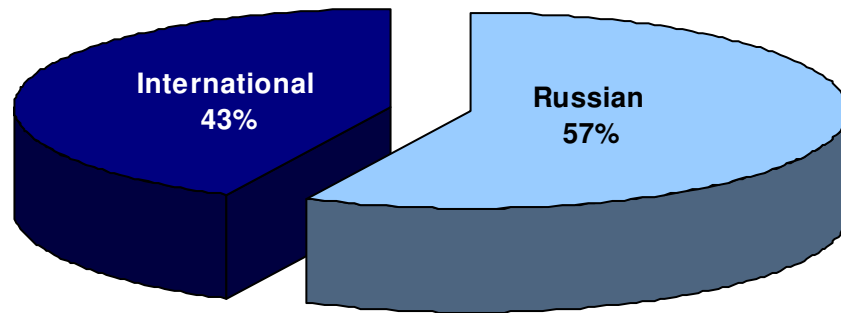
■ Roslogistics

■ PLA&LOI

□ Vacant



## Tenant Mix



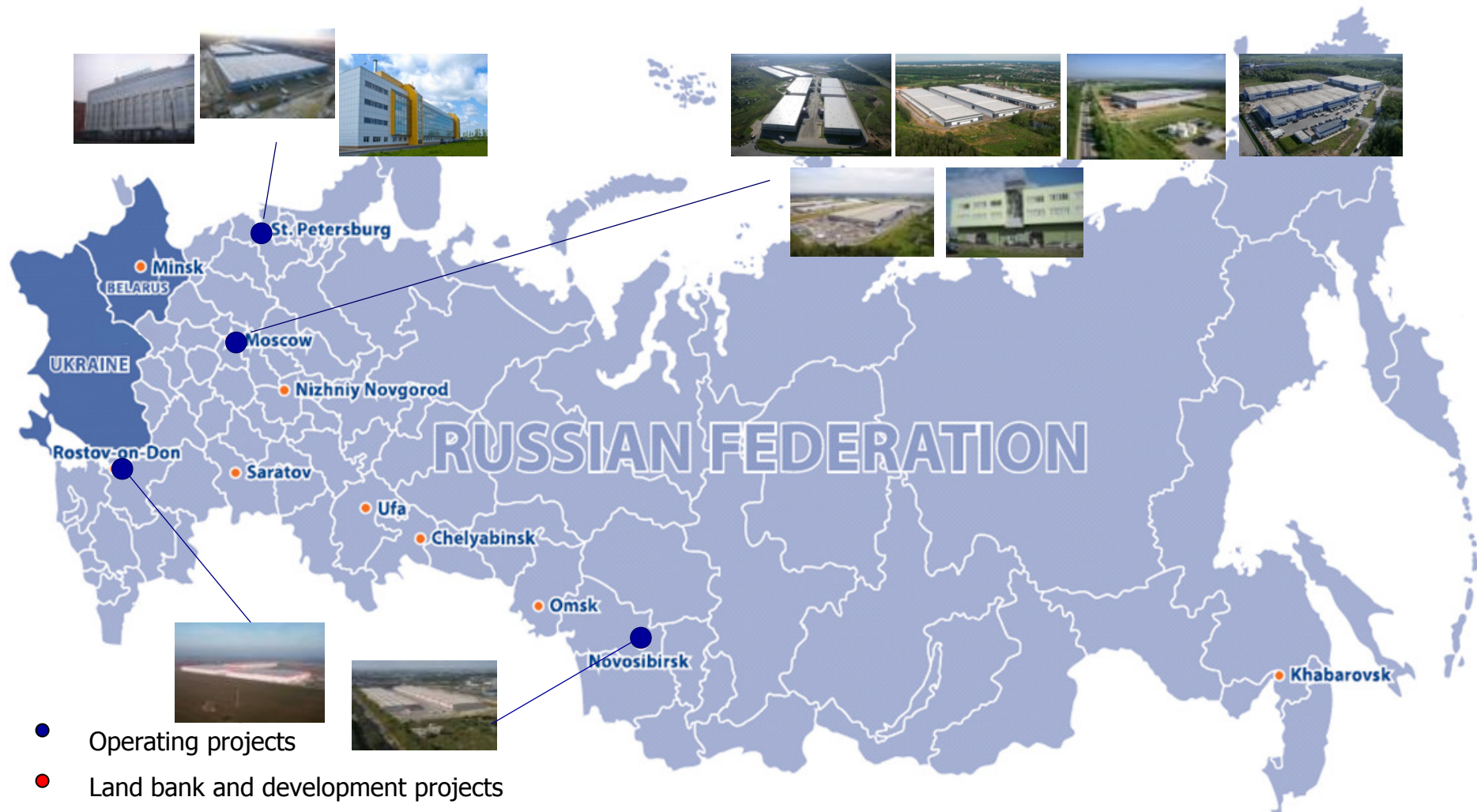


## Conclusion & Outlook

- Impact of global macro events
- Refinancing programme & balance sheet stability
- New lettings
- Organic growth through construction
- Potential acquisitions, Moscow land and completed assets
- Progressive dividend policy
- Tender offer buy-back policy



# Pan-Russian Logistic Warehouse Platform







## Individual Project Locations

### **Moscow**



### **St Petersburg**



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**Krekshino, Moscow**





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## Istra, Moscow





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## Lobnya, Moscow





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**Southern, Moscow**





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**Pulkovo I, St Petersburg**



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**Constanta, St Petersburg**





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## Novosibirsk





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## Rostov on Don

