



# RAVEN RUSSIA

Results for the 12 months ending 31 December 2013



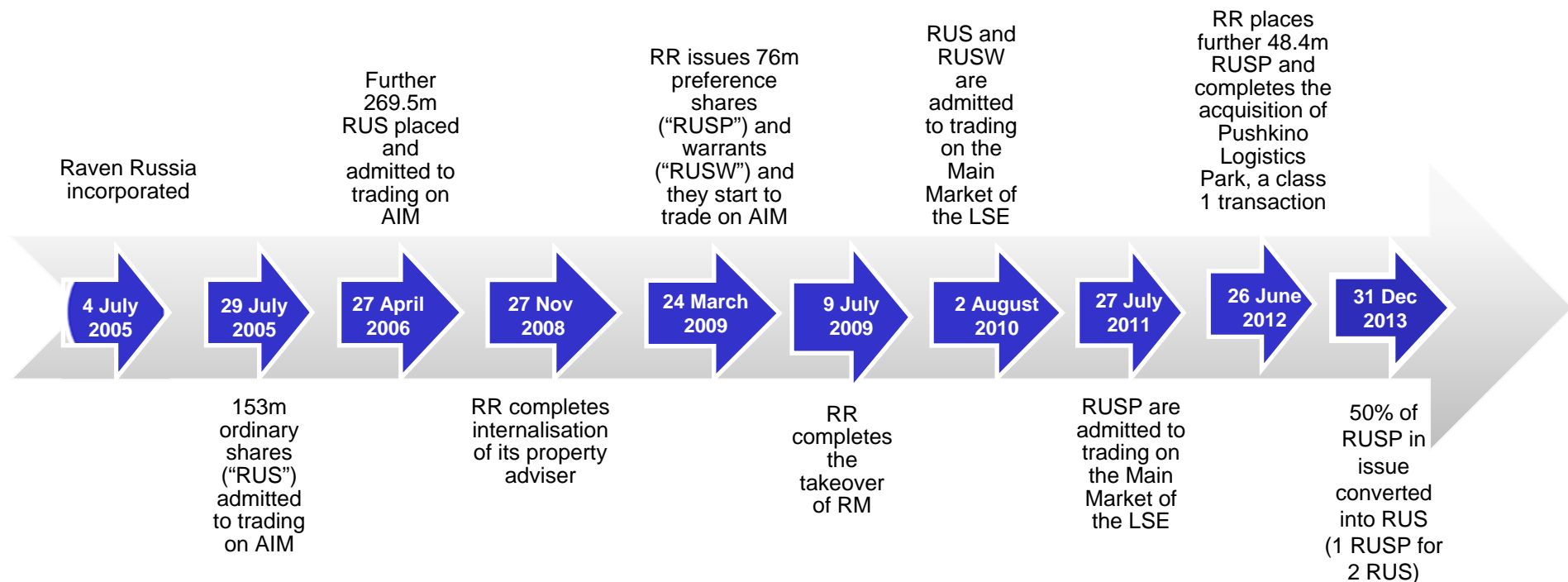


## Company Overview

- Raven Russia has a simple strategy of building an investment portfolio in the Russian warehouse sector, generating a high US Dollar denominated, ungeared yield;
- We are introducing product into an undersupplied logistics infrastructure which is suffering increasing stress from a burgeoning consumer market;
- Since incorporation in 2005, RR has acquired or developed 1.4 million sqm of Grade A warehouse space in 4 major Russian cities and is the market leader in the sector;
- RR is registered and headquartered in Guernsey and its ordinary shares, preference shares and warrants trade on the Main Market of the London Stock Exchange;
- RR has offices in Guernsey, Cyprus, Moscow, St Petersburg and the UK.

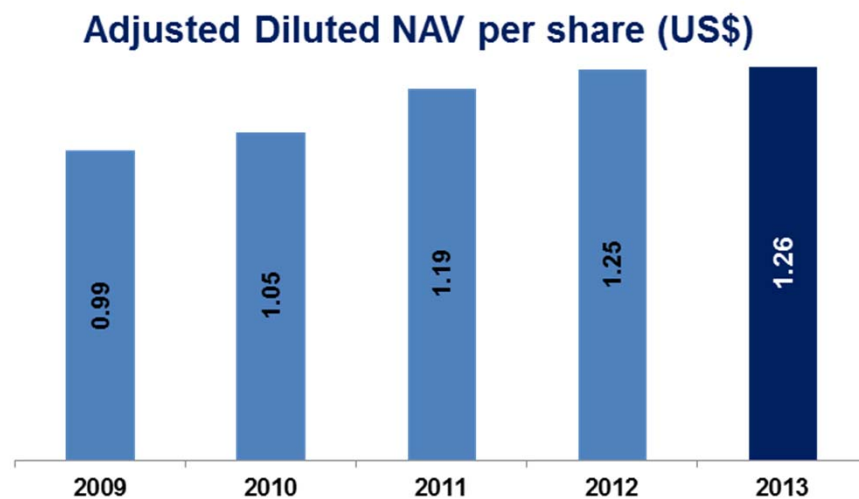
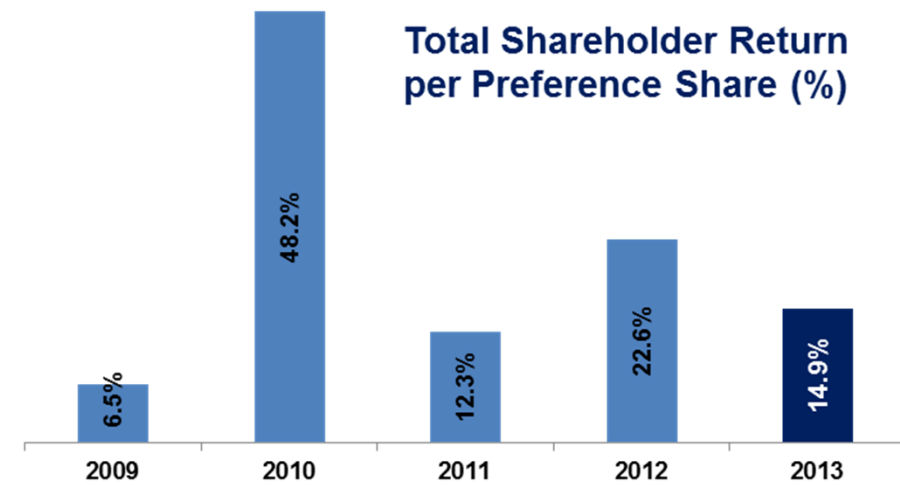
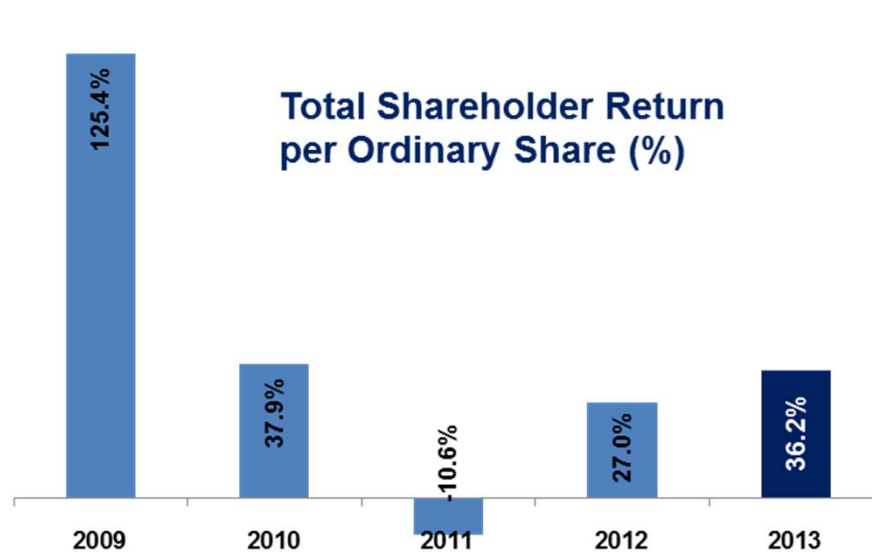


## Corporate History





## Highlights





## Results Highlights

- Full year distribution up 33% from 3.75 pence to 5 pence
- NOI up 37% from \$135.6 million to \$186.4 million
- Underlying profit before tax is up 103% from \$34.5 million to \$70.0 million
- Basic underlying earnings per share are up 106% from 5.3 cents to 10.9 cents
- Adjusted diluted net asset value per share up a cent to 126 cents
- Free cash of US\$229 million at today's date



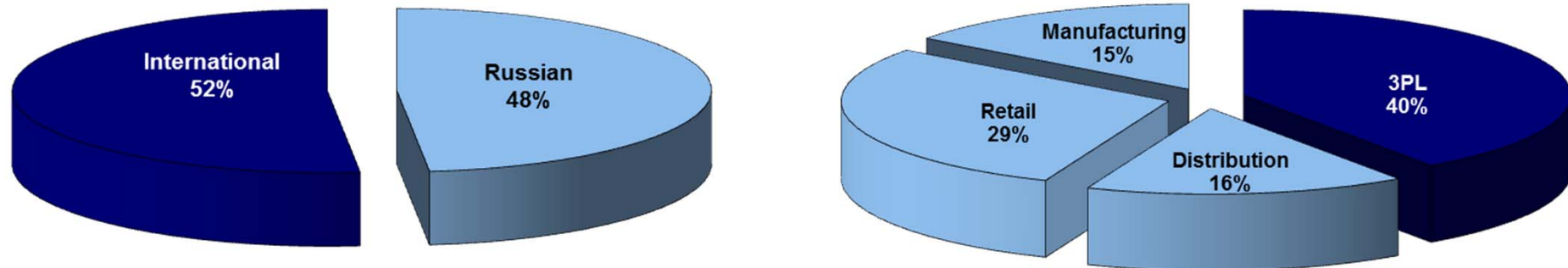
## Portfolio Summary

Operating Properties								
Location		Land	GLA	Occupancy	Annualised Net Operating Income	Finance		
						ha	000 sqm	%
Grade A Warehouse								
Moscow	Pushkino	35	214	99	28	124	Apr-17	Aareal
	Istra	33	205	100	29	132	Apr-16	Aareal
	Noginsk	33	161	100	24	75	Nov-16	Unicredit
	Krekshino	22	118	100	18	98	Dec-19	Sberbank
	Klimovsk	26	158	96	22	96	Apr-20/ Sept-22	Raiffeisen ZB
	Lobnya	10	52	100	7	27	Dec-17	Marfin
	Sholokhovo	7	45	100	6	27	Aug-21	Raiffeisen ZB
	Southern	2	14	90	2	n/a	n/a	n/a
		168	967	98	136	579		
St Petersburg	Shushary	26	147	99	17	69	Nov-21	Raiffeisen ZB
	Pulkovo	5	37	96	4	n/a	n/a	n/a
		31	184	98	21	69		
Regions	Novosibirsk	18	120	96	15	40	May-18	IFC/ EBRD
	Rostov	19	100	95	12	60	Dec-18	VTB
		37	220	96	27	100		
Sub-Total Warehouse		236	1,371	96	184	748		
Office								
St Petersburg	Constanta	1	16	100	8	37	Sep-14	HSH Nordbank
Sub-total Let		237	1,387	97	192	785		
ERV of Vacant Space				3	4			
Completed Portfolio		237	1,387	100%	\$196	\$785		
Under Construction						30	Sep-20	DEG
Moscow	Noginsk III		39		9			
	Nova Riga I		67					
Entire Portfolio		237	1,493		\$205	\$815		

Land Bank		
Location		Land  ha
Additional Phases		
Moscow	Noginsk	26
Regions	Rostov	27
		53
Land Bank		
Moscow	Nova Riga	38
St Petersburg	Pulkovo II	10
Regions	Chelyabinsk	59
	Omsk	19
	Omsk II	9
	Saratov	29
	Ufa	48
	Novgorod	44
		256
Total		309



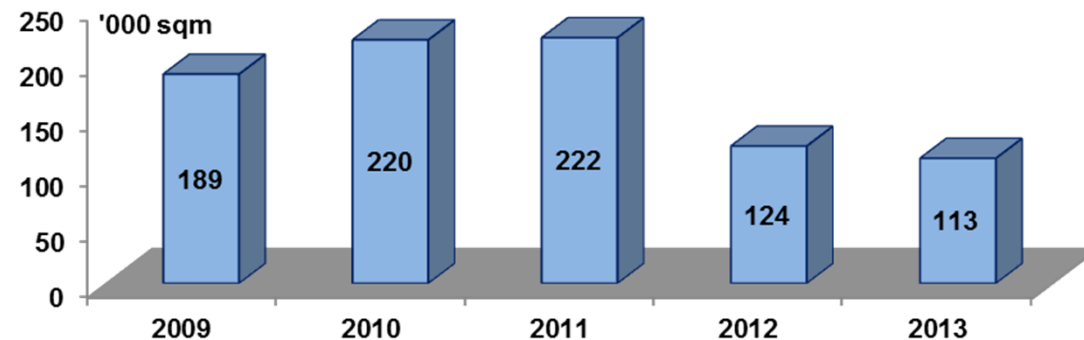
## Tenant Mix



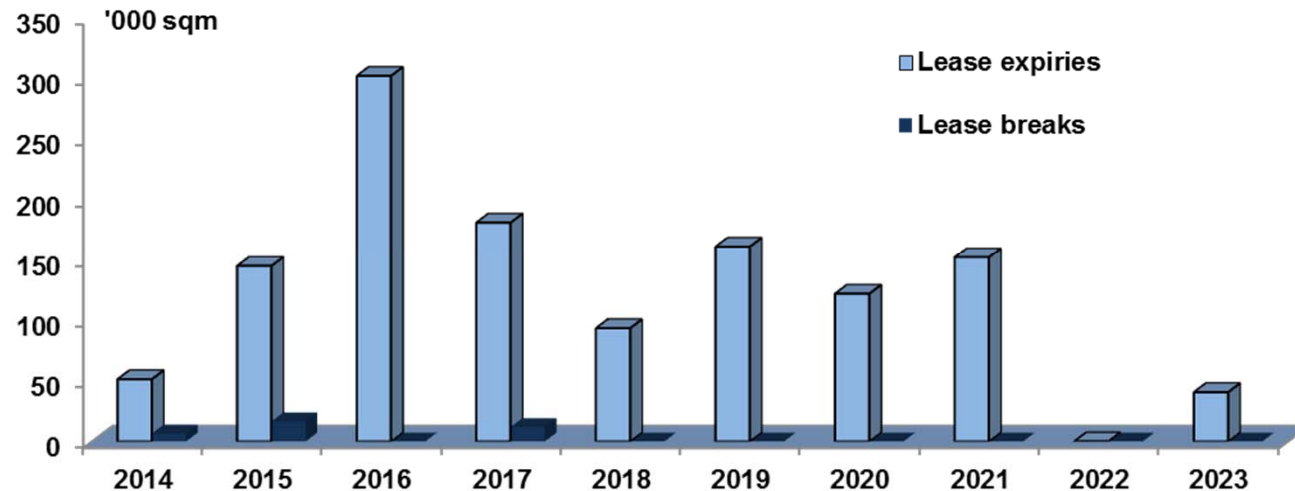


## Leasing Update

**Annual Lettings of new space, '000 sqm**



**Lease expiries, '000 sqm**



Weighted average unexpired lease term for the portfolio is 4.6 years and for the five largest tenants is 7.2 years.



## Largest Tenants

Raven Russia's Top Warehouse Tenants, by income			
	Current Annualised NOI*	% of	% of
	USD mln	Current Annualised NOI	Fully Let**
NLC (Finland Post)	\$20	11%	10%
X5 Retail Group	\$19	10%	10%
DSV Logistics	\$11	6%	6%
Roslogistics	\$10	5%	5%
DHL	\$9	5%	4%
Leroy Merlin	\$6	3%	3%
Dixy Retail Group	\$5	3%	7%**
<b>Subtotal</b>	<b>\$80</b>	<b>43%</b>	<b>45%</b>
Others	\$104	57%	55%
<b>TOTAL</b>	<b>\$184*</b>	<b>100%</b>	<b>100%</b>

\*Warehouse net operating annualised income, does not include \$8mln from the office building Constanta

\*\*Based on Warehouse NOI of \$197million per annum, which includes additional rent of \$8.5m from Dixy on Noginsk III, currently under construction. Following completion, Dixy will be the third largest tenant paying circa \$13.5 million of NOI per annum.



## Capital Structure at 31 January 2014

- Ordinary Shares 753,384,463
- Irredeemable Preference Shares (12p annual dividend) 97,674,608
- Warrants (strike @ 25p, expiry in 2019) 26,742,823

Institutional and Directors' Shareholdings	Ordinary		Preference		Warrant	
	number	%	number	%	number	%
Invesco Perpetual	261,574,491	34.7	49,999,999	51.2		
Raven Russia Directors & EBT	90,429,077	12.0	13,293,500	13.6	14,643,193	54.8
Schroder Investment	82,624,570	11.0				
Mackenzie & CIM	54,501,981	7.2				
JO Hambro	46,748,689	6.2				
Ruffer	23,093,378	3.1	1,551,738	1.6		
Legal & General	15,799,243	2.1				
Majedie Asset Management	14,184,721	1.9	340,000	0.4		
Henderson Global	13,562,102	1.8	3,345,693	3.4		
F&C Asset Management	13,357,977	1.8				
Black Rock	8,686,979	1.2	268,524	0.3		
NBIM	6,876,522	0.9				
<b>Subtotal</b>	<b>631,439,730</b>	<b>83.9</b>	<b>68,799,454</b>	<b>70.5</b>	<b>14,643,193</b>	<b>54.8</b>
Others	121,944,733	16.1	28,875,154	29.5	12,099,630	45.2
<b>TOTAL</b>	<b>753,384,463</b>	<b>100%</b>	<b>97,674,608</b>	<b>100%</b>	<b>26,742,823</b>	<b>100%</b>

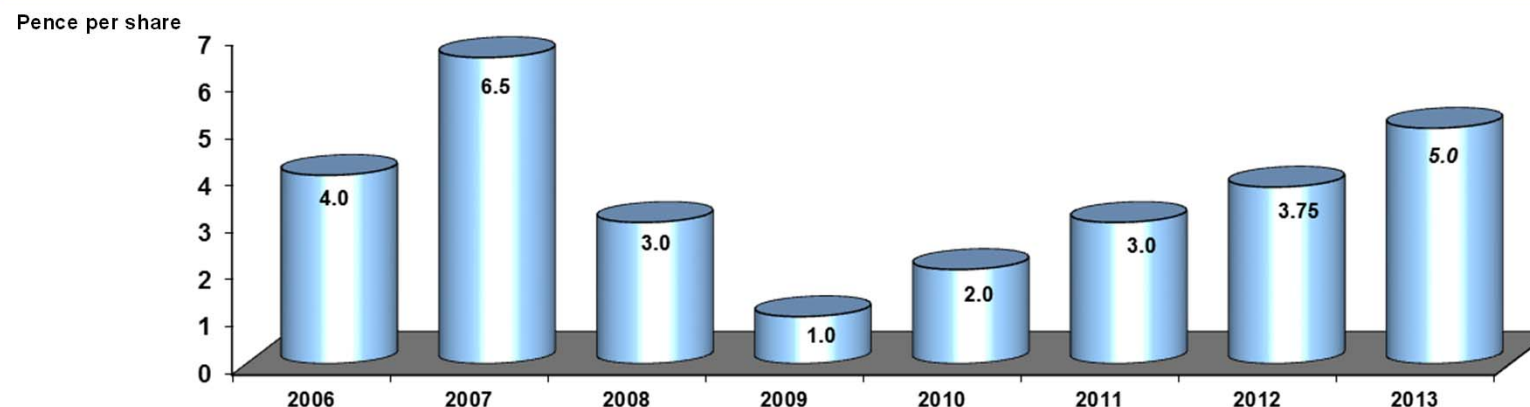


## Dividends Distribution

### Ordinary and Preference shares cash payments per annum, US\$ '000

	2006	2007	2008	2009	2010	2011	2012	2013	Total
<b>Ordinary</b>	\$17,075	\$31,081	\$50,923	\$4,048	\$11,996	\$25,107	\$30,740	\$38,581	<b>\$209,551</b>
<b>Preference</b>				\$19,226	\$24,599	\$25,973	\$31,570	\$36,424	<b>\$137,792</b>
<b>Total</b>	<b>\$17,075</b>	<b>\$31,081</b>	<b>\$50,923</b>	<b>\$23,274</b>	<b>\$36,595</b>	<b>\$51,080</b>	<b>\$62,310</b>	<b>\$75,005</b>	<b>\$347,343</b>

### Distributions declared on Ordinary shares, pence per share



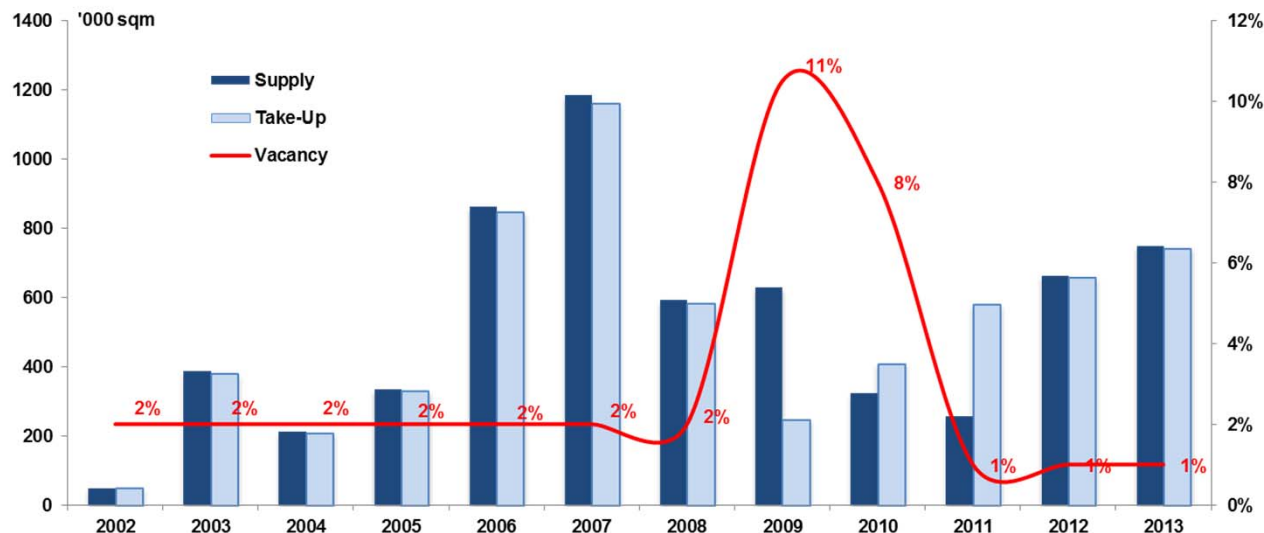
Share buy backs	Oct-10	Nov-11	2012	2013	Total to-date
Number of ordinary shares purchased	8,677,910	4,406,122	27,293,896	32,194,378	<b>72,572,306</b>



## Market Update – Moscow, Class “A”

- The development of the Russian warehouse market is still in its early stages compared to the Western Europe;
- The construction boom occurred between 2006 and 2008 to meet the demand of consumer led 3PLs;
- The global crisis dampened take up demand in 2008 and 2009 and the new stock built in previous years was slow to let hence pushing the vacancy up;
- The retailers have driven demand from 2010 onwards but lack of development finance has reduced the amount of new product being brought to market;
- This means demand has outstripped supply in the last years and is expected to continue to do so.

### Supply vs Demand & Vacancy dynamics



**Total Grade “A” stock in  
Moscow  
at the end of 2013:**

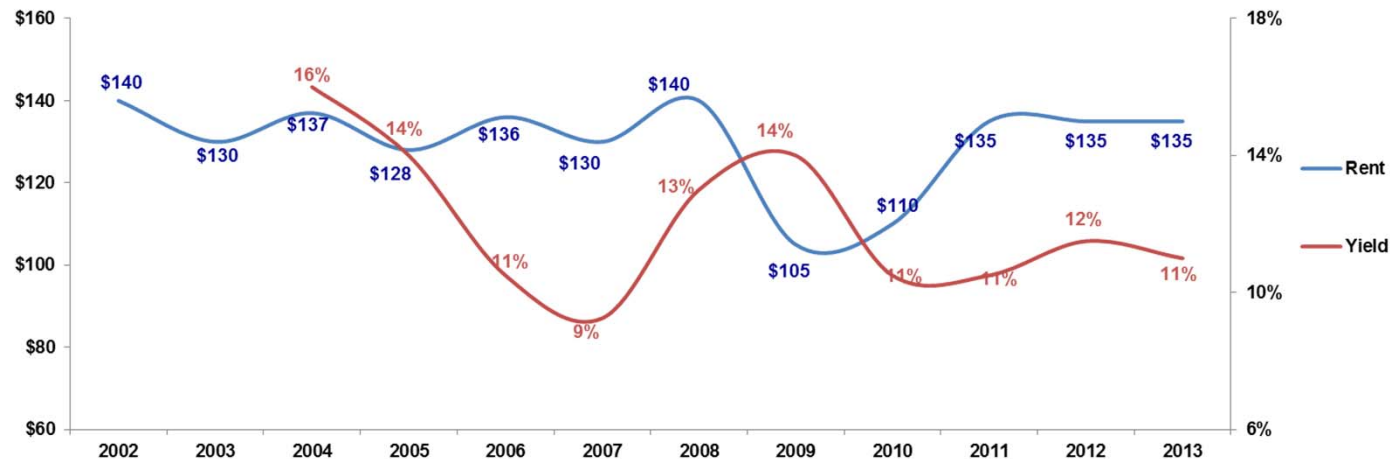
**6.4 million sqm**



## Market Update – Moscow, Class “A”

- The graphs below show the trend in the Russian logistics market since 2002;
- In fact Cushman & Wakefield has no record of relative capitalisation rate until 2004, when it was set at 16%;
- 9% was the lowest yield reached in Moscow during the construction boom years of 2006-2008;
- Prime rental levels also hit an all time high of \$140 per sqm in that period;
- The crisis of 2009 pushed yields to 14% and the market rents dropped to \$105 per sqm;
- Rental rates have now recovered, driven by a tight supply squeeze, but valuation yields still lag behind and remain several percentage points above the pre crisis levels.

Rents & Yields in Moscow





## Competition Across Russia

- Raven Russia is the largest logistics warehouse landlord in Russia, according to C&W's latest research;
- Moscow's total Class A warehouse stock currently totals 6.4 million sqm– this is Russia's main and largest distribution hub;
- RR has circa 9% of the Moscow market on par with the BIN Group, who have recently consolidated two competitors, MLP and Eurasia;
- PNK is the third largest operator.

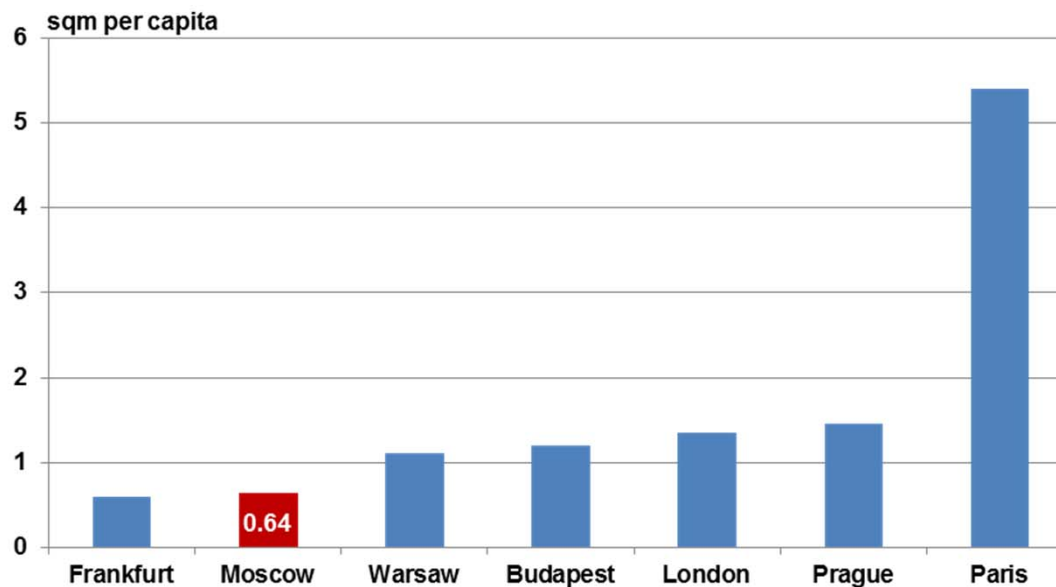
Major Industrial Landlords			
Company	Completed 000, sqm	Under Construction 000, sqm	Total 000, sqm
Raven Russia	1,369	107	1,476
BIN Group	1,216	-	1,216
PNK Group	692	395	1,087
Infrastroy	441	146	587
Medion	374	117	491
Hines	253	-	253
RosEvroDevelopment	240	-	240
Investment Trust	111	-	111
Radius	155	210	365
TGC	110	295	405
Logopark Development	110	190	300
<b>Total</b>	<b>5,071</b>	<b>1,460</b>	<b>6,531</b>

Source: Cushman & Wakefield, Russia, "Top 10 Industrial Landlords", December 2013



## Market Update – International Comparison

### Warehouse stock provision in Europe, sqm per capita

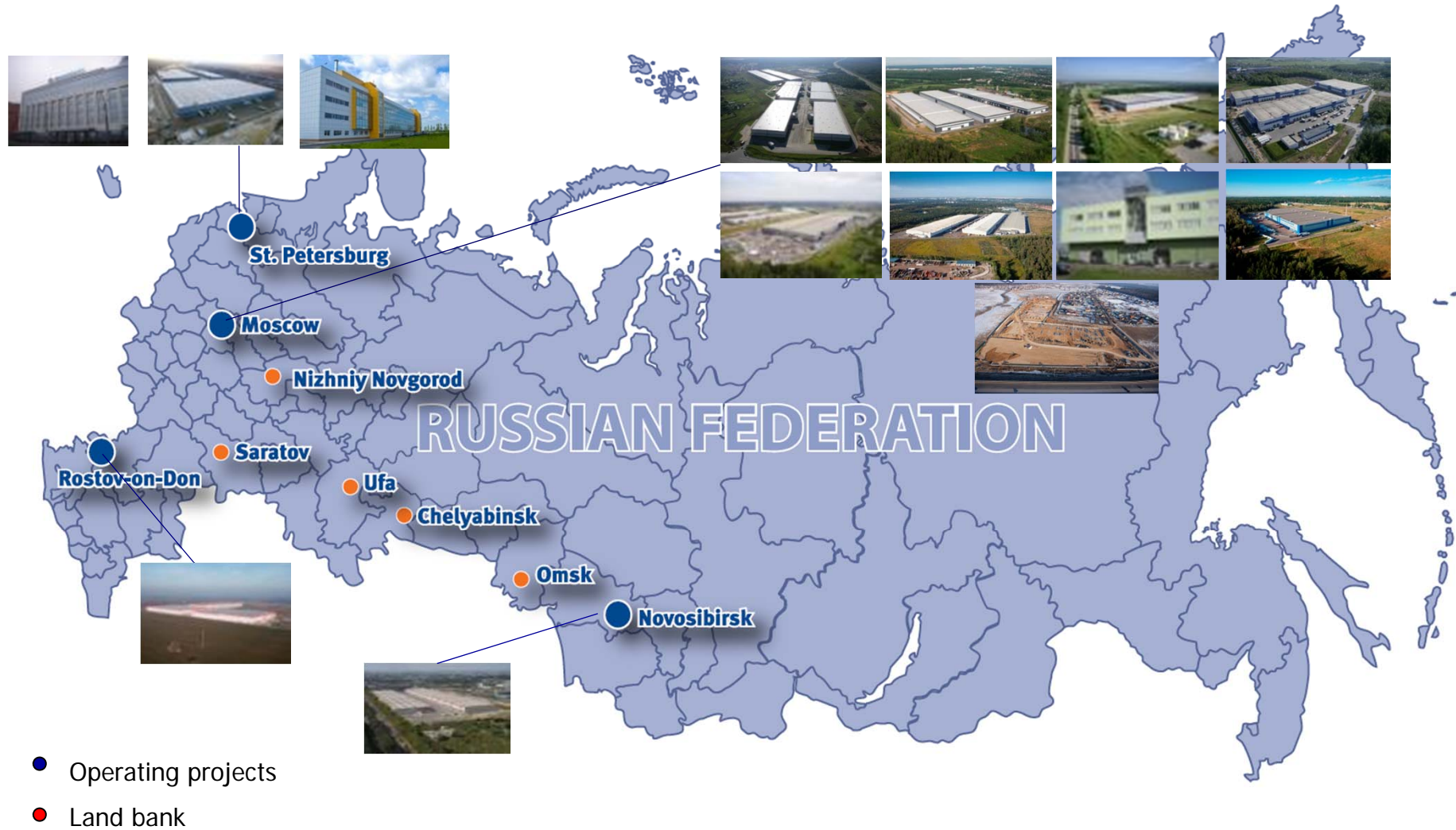


Source: JLL Russia , 'Warehouse Market Outlook, Moscow'\_Q4 2013



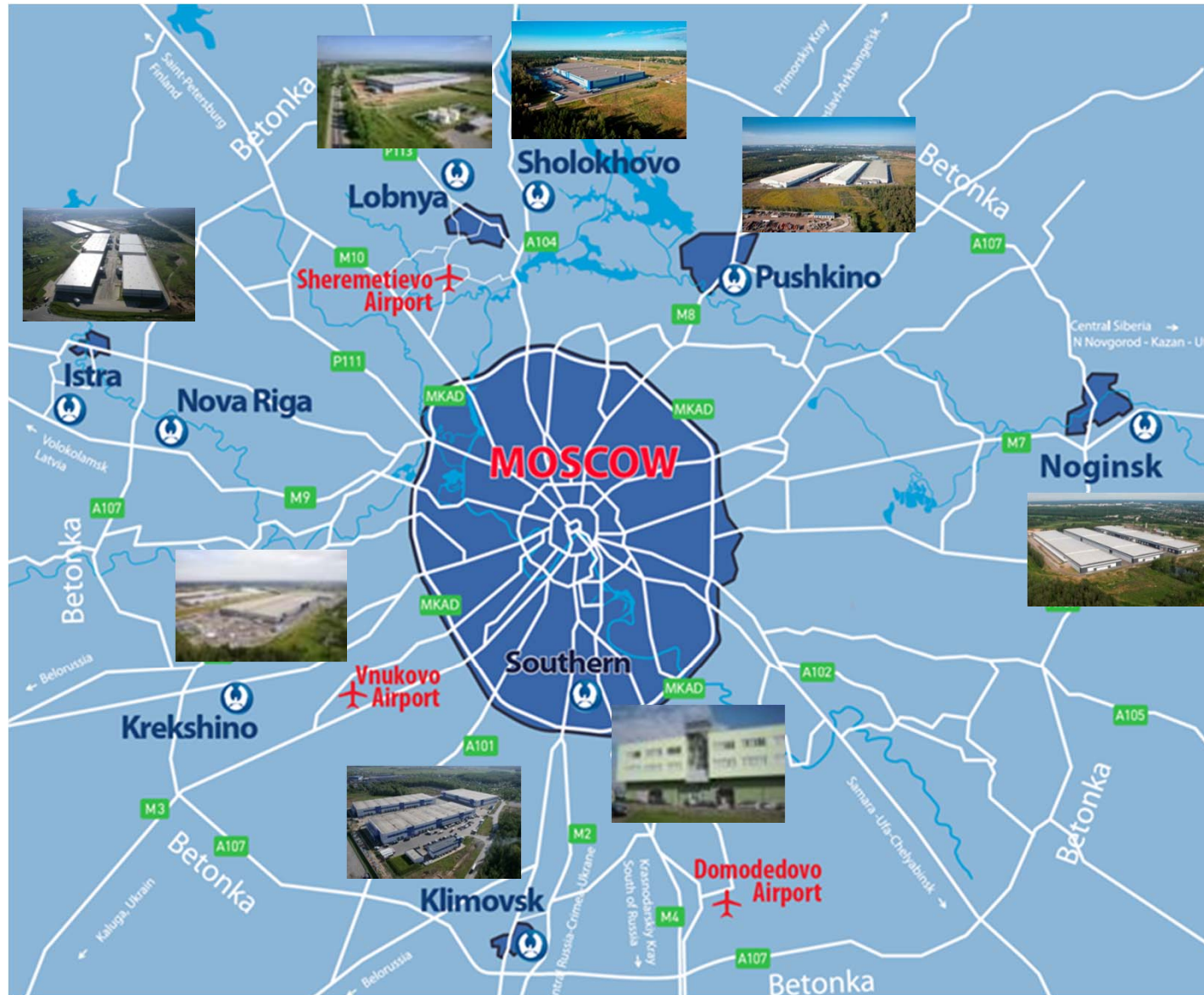
## Conclusion & Outlook

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





# Moscow





## St Petersburg



# Raven Russia Ltd.

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## Pushkino, Moscow



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## Istra, Moscow



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**Noginsk phases 1 & 2, Moscow**





## Noginsk phase 3, Moscow



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## Klimovsk, Moscow



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**Sholokhovo, Moscow**



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## Krekshino, Moscow



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## Lobnya, Moscow



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**Southern, Moscow**



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Constanta, St Petersburg



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## Rostov on Don



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## Novosibirsk





## Nova Riga, Moscow





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