

## Press Release



### Net Profit of O1 Properties Grows 3.5x in 2013 up to \$232M.

**Moscow, Russia, – June 17, 2014** – The investment company O1 Properties, one of the largest owners of class A office real estate in Moscow, announced its financial results for 2013, prepared in accordance with IFRS.

Million USD	2013	2012
Net rental income	292	144
Net gain from revaluation	286	4
Interest expense	178	128
Net profit	232	66
Investment property	4,172	2,639
Equity capital	1,682	1,077

The Company's net rental income increased by 103% to 292 million USD compared to 2012. More than doubling of the net rental income was due to new acquisitions as well as the letting of vacant space in the projects completed in 2012, namely Vivaldi Plaza and Lighthouse. The said factors offset the impact of BC Olympia Park sale completed in 2013. The equity released from the sale was used to repay the mezzanine loan taken out earlier by the Company for the acquisition of new projects.

As of December 31, 2013, the company's portfolio of investment properties was valued at \$4.2 billion. In accordance with IFRS, this valuation did not include the Bolshevik project, BC iCUBE as its purchase transaction has not completed yet, and BC Nevis under Company's management. The value growth in view of new property acquisition amounted to \$1.5 billion. The net gain of revaluation of investment assets has grown from \$4 million in 2012 to \$286 million in 2013. The yield of the Group's properties is stable, standing at about 9%.

The occupancy rate of the office centers owned by O1 Properties (exclusive of the projects currently under construction) is 95%, with leading national and international companies being the key tenants, as in the previous year.

The cumulative debt of O1 Properties amounts to \$2.8 billion. The interest expense on loans paid by the company went up from \$128 million in 2012 to \$178 million in 2013, which is mainly caused by consolidation of the debt financing used for new purchases. The increase in interest expenses (39%) is way below the growth of net rental income (by 103%). In 2013 the company took measures to review the terms of financing for its loans. Completing a number of transactions to attract financing, the Company reduced the average interest rate on loans from 8% to below 7%, thus saving as much as \$31 million.

Overall \$1.6 billion of new financing was attracted in 2013, including the placement in August 2013 of an uncollateralized bond. A cross-currency swap successfully allowed to convert the

rouble debt into USD at 6.65% p.a. The bond issue is another step towards diversifying the Company's sources of financing.

The average debt maturity for the Group's loan portfolio was more than 5 years as of December 31, 2013, while in 2012 the average debt maturity stood at 4 years. The Company's net LTV in 2013 was 59%.

The net profit of O1 Properties increased from \$66 million in 2012 to \$232 million in 2013. The Company's equity capital grew from \$1.077 billion in 2012 to 1.682 billion in 2013, thanks to, among others, improved financial performance. Support of the Company by the shareholders has been reflected in further growth of share capital during 2013 by \$433 million.

**Tomasz Zamiara, CFO of O1 Properties:** "Our good performance in 2013 was one of the factors that allowed us to expand our shareholders base in the first half of 2014 by inviting such strong partners as Goldman Sachs and ICT Group."

For more information please visit the official web site of the company [www.o1properties.ru](http://www.o1properties.ru)

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#### **Information about O1 Properties**

O1 Properties is one of the major owners of class A office real estate in Moscow. The company owns and manages a portfolio of 13 completed business centers in key business districts of Moscow with the total net rentable area of 497,000.00 sq.m. The company also runs three development projects. Currently the market value of the company's asset portfolio values USD 4.5 billion.