

Press Release



Net profit of O1 Properties in H1 2013 increased 2 times - up to 189 million dollars

Moscow, Russia. October 8, 2013 - O1 Properties, one of the largest owners of investment grade office properties in Moscow, has announced at Expo Real 2013 trade fair its consolidated interim financial results in accordance with IFRS for the first six months ended June 30, 2013.

US\$ million	H1 2013	H1 2012	Changes
Net Rental Income	122	57	114%
Net gain from revaluation	251	106	137%
Interest expense	69	46	50%
Net Profit	189	92	105%
Investment property	3,714	2,640**	41%
Equity	1,359	1,077*	26%

Interest expense on borrowings (excluding finance lease liabilities and including Forex)

***Balance sheet items are represented as at 31 December 2012*

As compared to the first six months of 2012, the net rental income grew by 114% and amounted to 122 US\$ million. More than twofold increase of net rental income was stemming mainly from new acquisitions (White Square, Ducat Place III, Silver City), reletting the remaining vacant space and expiration of rental abatements on projects which development has been completed last year (Vivaldi Plaza, Lighthouse). The transaction on purchase of White Square was acknowledged as the largest office transaction ever on the Russian market.

Revaluation of our investment property has changed from 106 US\$ million in 2012 to 251 US\$ million in 2013 mainly impacted by devaluation of Russian ruble in 2013 (our functional currency).

At the end of June 2013, our portfolio was valued at 3.7 US\$ billion and enjoyed 98% occupancy rate what confirms the importance we are putting on tenant retention in our strategy. As in the past, our main tenants are the leading international and Russian companies with stabilized situation.

At the end of June 2013, our borrowings were at 2.4 US\$ billion with average maturity of 5 years. For first 6 months of 2013, our interest expense raised from 46 US\$ million (H1 2012) to 69 US\$ million mainly due to consolidation of debt finance used on new

acquisitions. We also successfully renegotiated financial terms on the existing loan portfolio that lowered our interest

expense in 2013. The 50% increase in interest expense was significantly lower than 114% increase in net rental income which confirms our target to strengthen NRI to interest expense ratio.

As a result of the above our net profit increased from 92 US\$ million in H1 2012 to 189 US\$ million in H1 2013.

Thanks to improvement in our financial results and addition of White Square to the portfolio, our equity has increased from 1,077 US\$ billion to 1,359 US\$ billion over first 6 months in 2013.

Dmitry Mints, Chairman of the Management Board of O1 Properties: "We are gradually reaching our five year target of becoming one of the main players on Moscow office market as well as keeping sustainable, better than market average, lease up indicators for class A offices. Along with renegotiated financial terms of our debt financing, all that will further strengthen our cash flow and we believe year 2013 will be first stable year from the financial results perspective. We are happy of adding to O1 Properties portfolio the best asset - White Square office complex. We will continue focusing on further growth both organic and through acquisitions. Our shareholders are also firmly committed to this strategy, confirmed by their recent subscriptions to our capital".

Subsequent Events

O1 Properties Company keeps implementing its long-term investment strategy acquiring high quality office assets in Moscow. In August 2013, a contract on purchase of iCUBE office center was signed – the transaction will be closed when the office center is fully leased out. This investment should add additional 150 US\$ million to our GAV in the near future. The reconstruction of Bolshevik complex is underway – the first stage of the office complex will be commissioned in the 1st quarter of 2014. In September 2013, the Company acquired a land plot in Park Pobedy area for the purpose of construction of a new A class business center.

In August 2013, a 6 billion rouble bond issue, guaranteed by O1 Properties, was successfully placed on MICEX. As the Company's revenue is based on US dollars, a subsequent swap into US dollars was implemented with international and Russian banks, which resulted in an effective USD interest rate below 7% p.a. The Bond Issue was rated "B+" by Standard & Poor's.

For more information please visit the official web site of the company www.o1properties.ru
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About O1 Properties Company

O1 Properties is one of the largest owners of office real estate of Class A and B+/B in Moscow. The company owns and operates a portfolio of 11 completed office centers in the key business districts of the Russian capital city, with the total net rentable area of 446,000 sq. m. The company also runs 3

development projects. By October 2013, the company's portfolio has estimated market value of \$3.85 billion.