8 December 2014

Raven Russia Limited ("Raven Russia" or the "Group")

Trading Update

Raven Russia currently has annualised Net Operating Income of $188 million, including pre let agreements, rising to $201 million on completion of the developments at Noginsk and Nova Riga by the year end. The reduction of $3.5 million in annualised NOI since the half year announcement follows a drop in the US Dollar value on the Group's only Rouble denominated lease at the St Petersburg office block, Konstanta, and the loss of a tenant on a lease maturity requiring expansion space that could not be offered at that site. Given the significant Rouble depreciation in the last four months, this demonstrates the strength of the Group's US Dollar-pegged lease contracts.

Vacancy remains at 3% of the completed portfolio which comprises a total of 1.4 million square metres. The majority of the Group's space is let to large organisations and lease breaks and expiries in 2015 are not significant

The Group has refinanced $295 million of debt facilities in the year to date, generating additional cash of $95 million. Since the half year announcement, the Group has completed the refinancing, secured on the Noginsk project, of $141 million with VTB and drawn $38 million from Unicredit, repaying existing debt of $27 million secured on the asset at Lobnya. The facility secured on the Konstanta asset has also been rolled over for two and a half years on existing terms.

At today's date, Raven Russia's total, weighted average cost of debt has reduced to 7.0% from 7.1% as at 30 June 2014 and the weighted average term to maturity has increased to 5 years from 4.4 years. Raven Russia's cash balances currently total approximately $181 million.

The Group has also signed a facility agreement with Unicredit to refinance equity of $65 million secured on the construction at Nova Riga. It is intended to complete the draw on this facility in the first quarter next year.

2015 is likely be a difficult year in Russia and, if the Rouble continues at around 50 to the US Dollar for a sustained period, this will affect some tenant sectors. Of particular concern are the smaller third party logistic operators where US Dollar pegged rents form the majority of the overhead in their Rouble denominated businesses. Any lease renegotiations or renewals at maturity could erode the benefit of the uplift in annualised rental income from leases signed in 2014 and pre lets on new space coming on line at the start of 2015.

Glyn Hirsch, Chief Executive of Raven Russia said:

"We are pleased with our progress in reducing the cost of our debt and extending existing maturities given the current backdrop of limited availability of US Dollar financing and increasing margins. It is comforting to have $181 million in the bank.

We will be in a better position to gauge the real impact of the current economic situation on demand and market rents as we enter into detailed negotiations on lease renewals in 2015.

Lease breaks and expiries in 2015 are not significant. Our tenant base tends to be large, sophisticated organisations and although we can expect pressure on rental levels if the rouble exchange rate remains low, we are confident that we can manage the situation effectively and, in some cases, to our commercial advantage.

On a positive note, it is unlikely that many new construction projects will commence in the coming year meaning 2016 will see limited new space coming on to a structurally undersupplied market.

Whilst the geopolitical situation remains uncertain, we have a robust and cash generative Company with a strong tenant base and we intend to continue to distribute surplus cashflows to our shareholders by way of tender offer buy backs.”

Enquiries

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This announcement contains forward-looking statements that involve risk and uncertainties. The Group’s actual results could differ materially from those estimated or anticipated in the forward-looking statements as a result of many factors. Information contained in this announcement relating to the Company should not be relied upon as a guide to future performance.

About Raven Russia

Raven Russia was founded in 2005 to invest in class A warehouse complexes in Russia and lease to Russian and International tenants. Its Ordinary Shares, Preference Shares and Warrants are listed on the Main Market of the London Stock Exchange with a market capitalisation of approximately £410 million. The company operates out of offices in Guernsey, Moscow and Cyprus and has to date completed a portfolio of circa 1.4 million square metres of Grade "A" warehouses in Moscow, St Petersburg, Rostov-on-Don and Novosibirsk. For further information visit the Company’s website: www.ravenrussia.com