

HB Reavis Holding S.á r.l. („HB Reavis“)

QUARTERLY BUSINESS UPDATE FOR THREE MONTHS TO 31 DECEMBER 2015

1 February 2016

HB Reavis, Central and Eastern Europe's leading commercial property group, also operating in London property market, today announces the quarterly business update for three months to 31 December 2015.

Marian Herman, Chief Financial Officer commented: "I am very pleased to report set of very strong results, driven by successful development achievements and outstanding leasing activity accomplished in 4Q 2015 and full year 2015. For the full year 2015, we have achieved gross lease-up, including renewals over 199 thousands sq m of GLA, across all segments and countries, which represents an increase of 43% y-o-y and the record annual lease-up in our history. During fourth quarter, we achieved practical completion on two of our office projects, Twin City A in Bratislava and Gdanski Business Center building C in Warsaw, comprising over 39 thousand sq m of GLA. It is already our fifth project in Warsaw that we successfully delivered to the market since our entry to Poland. For the full year 2015 we achieved practical completion on four our office projects in Warsaw, Prague and Bratislava with total GLA of over 108 thousand sq m. On the divestment front, we have disposed Forum Business Center building in Bratislava to REICO, the real-estate investment fund of Ceska Sporitelna (the member of Erste Group). We are also under exclusive negotiation for prospective divestment of our buildings in Warsaw and in Budapest, the Konstruktorska Business Center and the VACI Corner Offices, respectively. We also completed the spin-off of the non-core bus transportation business, in line with our strategy to focus on real estate development. With all these great achievements we have accomplished in course of 2015 I am already looking forward to continue in this trend into 2016."

Quarterly business update for fourth quarter 2015

1. Acquisitions

- No acquisition has materialized in the fourth quarter, though we are prospecting several opportunities on all of our markets.

2. Leasing activity

- 42 lease contracts or future lease contracts with total of 64,100 sq m of gross leasable area were signed. Annual passing rent, excluding voids and rent free periods, represents almost EUR 7.9 million. Biggest new tenants being SAP, STRV (both Prague), Guest-Tek (Warsaw), MVM (Budapest), Zdrofit (Warsaw), Bayer (Bratislava) and Regus (Prague), which represent about 38 thousand of sq m of GLA.
- Total year-to-date leasing activity in terms of new leases exceeded 157.3 thousand sq m of GLA, hence outperforming previous year by 53%. Gross lease-up, including renewals, achieved over 199 thousand sq m of GLA, 43% increase year-on-year, beating all our previous leasing records.

3. Financing

- In the 4th quarter 2015, EUR 100.8 million (gross basis) were drawn down under existing or new loan facilities. As of 31 December 2015, the total amount of outstanding debt stood at EUR 737.3 million, out of which EUR 103 million (14.0% of outstanding debt) represented issued outstanding bonds and EUR 634.3 million (86.0%) stemmed from bank financing.
- Weighted average maturity of our outstanding real-estate debt reached 4.25 years.

4. Completions and Construction Developments

- 8 development schemes with over 197 thousand sq m of GLA under construction (or demolition) in four countries, namely: Gdanski BC building D, West Station BC I and II in Warsaw, Poland, Twin City B and C in Bratislava, Slovakia, 33 Central and 20 Farringdon

Street in London, United Kingdom and Aupark Shopping Center in Hradec Kralove, Czech Republic. Future gross development value of these projects has been estimated at just below EUR 1.1 billion.

- Land registration process completed in case of our latest Hungarian acquisition, the Budapest Central Towers, in line with valid zoning plan allowing us to develop over 130 thousand sq m of GLA.
- We have obtained occupancy permit for Twin City A and received conclusive EIA opinion in respect to Twin City North development area.
- Practical completion of the construction of Gdanski BC building C achieved in December 2015 and the handover to first tenant happened in January 2016.

5. Divestments

- Forum Business Center I (Bratislava, Slovakia), the headquarters of Slovak Telekom, divested in December 2015 to ČS nemovitostní fond managed by REICO investiční společnost České spořitelny (member of Erste Group Bank) for EUR 46.2 million.
- Ongoing exclusive negotiation for a future sale of four standing and two development logistic assets in the Czech Republic and Slovakia to a new player in this real-estate segment.
- We have entered into exclusive negotiation for prospective sale of Vaci Corner Offices, Budapest, consisting of 22,400 sq m of GLA.
- We have entered into exclusive negotiation for prospective sale of Konstruktorska Business Center, Warsaw consisting of 49,400 sq m of GLA by signing of the letter of intent at the end of December.
- Deconsolidation of non-core bus transportation business in line with our strategy to focus on real-estate business.

Forward-Looking Statements

Certain statements contained in this release are “forward-looking”, based on current view on our markets, activities and prospects and involve risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. In addition, we, through our management, from time to time, make forward-looking public statements concerning our expected future operations and performance and other developments. All forward-looking statements included in this release are made only as of the date hereof and no representation, assurance, guarantee or warranty is given in relation to them and HB Reavis assumes no obligation to update any written or oral forward-looking statements made by us or on our behalf as a result of new information, future events or other factors.

About HB Reavis

HB Reavis is an international commercial property group founded in 1993 in Bratislava. It operates on the key markets of Central and Eastern Europe (Poland, Czech Republic, Slovakia, Hungary), and in the United Kingdom and Turkey. The operations so far have yielded a total of 863,000 sq m of modern offices, shopping and entertainment spaces, and logistics facilities. Another 1.1 million sq m is in the planning or permit stages. HB Reavis relies on an integrated business model covering development, construction, property management, and investments. The group’s equity exceeded EUR 1 billion (as of 30 June 2015), while the assets under its management are valued at over EUR 1.8 billion. With around 440 professionals working all over Europe, HB Reavis is a strong market leader. The group's position is confirmed by multiple distinctions, including the “Developer of the Year in Central and Eastern Europe, 2015” title in the CEE Quality Awards and the “Office Developer of the Year, CEE” title in Eurobuild Awards.

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