

HB Reavis publishes results for first six months of 2015

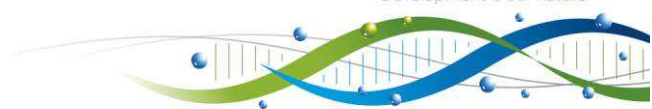
HB Reavis Group (the “Group”) more than doubled its consolidated net profit to EUR 100 million during first six months to 30 June 2015 according to its semi-annual financial statements. The improvement was driven mainly by increased development activity in the markets with higher value added as well as record-breaking leasing activity.

Key financial highlights:

- **139% increase in net profit** to EUR 99.8 million from EUR 41.7 million as of 30 June 2014.
- **99% growth in operating profit** to EUR 106.1 million from EUR 53.2 million as of 30 June 2014.
- **11.6% year-on-year growth in net asset value** to EUR 1,024 million from EUR 917.5 million as of 30 June 2014.
- **Net debt leverage ratio up** from 26.5% at the end of 2014 to 28.4% as of 30 June 2015.
- **Cash reserve** at the end of June 2015 amounted to EUR 111.4 million, or 6.1% of the total balance sheet.

Key business highlights:

- **Record leasing activity** with new lease agreements signed for over 77,300 sqm of gross lettable area (“GLA”), confirming strong occupational markets mainly in Warsaw, Bratislava and Budapest.
- **Completion of two office projects** with aggregate GLA of almost 69,000 sqm: Postępu 14 in Warsaw, Poland and Metronom BC, Prague, Czech Republic.
- **9 development projects with over 198,000 sqm of GLA under construction** in four countries as of 30 June 2015, namely: Gdański Business Center C and D, West Station Business Center I in Warsaw, Poland; Twin City buildings A, 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.
- As of 30 June 2015, the total amount of **outstanding debt** stood at EUR 630.2 million out of which EUR 103 million represented **issued outstanding bonds** and EUR 527.2 million stemmed from bank financing.



Pavel Trenka, HB Reavis Group CEO, said: *“We continue to focus on our large markets with the higher value added products and have boosted our pan-European presence with UK and Poland comprising two-thirds of total value of projects currently under construction. Development activities outside Slovakia contributed three-fourths of our Group profit before income tax. We have also achieved yet another record in the newly contracted leases across multiple markets, based on a differentiated, trend-setting quality of our products.”*

“An almost 40% compound annual growth rate in the value of development portfolio in the last 3.5 years steers the rebalancing of our balance sheet towards development activities which greatly contributes to our improved financial performance”, commented Marian Herman, HB Reavis Group CFO. *“An ongoing capital structure optimisation and diversification of our funding sources together with the overall performance improvement have driven our shareholder’s return to achieve 10% during the first six months of 2015”,* he added.

The Group continues to pursue its successful business strategy focused on strengthening its current presence in Slovakia, Poland, Czech Republic and Hungary, and, at the same time, expanding its activities into new markets such as Turkey. As the only CEE developer, HB Reavis has successfully launched development activities in the United Kingdom, with its two projects: 33 Central and 20 Farringdon Street. The strong position of the Group was confirmed in the annual rating carried out by Property EU placing HB Reavis among the top 10 biggest developers across Europe.

About HB Reavis

HB Reavis is an international real estate developer founded in 1993 in Bratislava, Slovakia. It operates in the key markets of Central and Eastern Europe (Poland, Czech Republic, Slovakia, Hungary), the United Kingdom and in Turkey. The operations have so far yielded a total of 820,000 sq m of modern offices, shopping and entertainment spaces in addition to logistics facilities, and a further 1 million sq m of developments are in the planning, permit or construction stages. HB Reavis relies on a fully integrated business model covering development, construction, property and investment management. The group has total assets of EUR 1.8 billion, with a net asset value of EUR 1.024 billion. With more than 400 professionals, HB Reavis is one of the market leaders in commercial real estate in Europe. HB Reavis’ strong market position has been confirmed through numerous awards, such as the CEE Quality Award in the "Developer of the Year in CEE, 2015" category and the "Office Developer of the Year, CEE" title in the Eurobuild Awards. For more information, please visit <http://www.hbreavis.com/>.

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