

2<sup>nd</sup>, May 2016

**HB Reavis Holding S.á r.l. („HB Reavis“)  
QUARTERLY BUSINESS UPDATE FOR THREE MONTHS TO 31 MARCH 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 March 2016.

**Marian Herman, Chief Financial Officer commented:** “After very strong year in 2015, we entered the new year very well positioned to build on the last year's successes. In the first quarter, we have made progress on several fronts. We have secured our pipeline in the Czech Republic for upcoming years by acquiring another project, Radlicka Office, located in Prague-Smichov district. Also, in Budapest we have entered into acquisition agreement for the project on the Buda side of the city in very prominent location, Bem Palace. Staying in Budapest, I am very pleased with the completion of our first divestment outside Czech and Slovak Republics: the project Vaci Corner Offices was bought by Zeus Capital Management, privately managed investment firm. We have thus completed full development cycle in Hungary and are proving to be respected player in this market. We have also entered into sale agreement on our logistics portfolio with scheduled closing in Q2 2016 which is in line with our strategy to focus on office and retail segments. In addition, we have been successful on debt capital markets by way of issuing our first bonds in the Czech Republic which helps us further optimize our capital structure.”

**Quarterly business update for first quarter 2016**

**1. Acquisitions**

- We have made new acquisition in Prague, Radlicka Office located in Smichov district and hence secured the development of approximately 28 000 sq m of GLA. Estimated Gross Development Value of Radlicka Office is EUR 66.4 million. The cost of the acquisition was EUR 6.9 million.
- We have made new acquisition in Budapest, Bem Palace located in very prominent Bem square. The acquisition will allow us to build approximately 31 400 sq m of GLA. Estimated Gross Development Value of Bem Palace is EUR 96.9 million. The cost of the acquisition was EUR 11.9 million.

**2. Leasing activity**

- Total 19 200 sq m including renewals were signed during the first three months of the year. Annual passing rent, excluding voids and rent free periods, represents almost EUR 3.3 million. Largest new tenants being Alza (Bratislava), Phillip Morris (Warsaw), SAP (Bratislava).

**3. Financing**

- Issued our second unsecured bonds and first bonds in the Czech Republic, listed on Prague Stock Exchange in total amount 700 000 000 CZK (25 887 574 EUR) with coupon rate 6M Pribor + 4% swapped into fixed EUR rate at 4,88%.
- Secured new development financing for Twin City C project and re-financed HB Reavis CE REIF-managed Aupark Piestany to obtain terms that are more in line with current market conditions.

**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.

- Obtained zoning permit for Twin City Tower where we are starting the construction in Q2 2016.

## 5. Divestments

- Vaci Corner Offices (Budapest, Hungary), consisting of 22 200 sq m of GLA, was divested in March 2016 to Zeus Capital Management, international privately held investment management company.
- Strategic sale of four standing and two development logistic assets LC Raca, LC Svaty Jur, LC Maly Saris and LC Mosnov (Slovakia and Czech Republic) to a new player in this real-estate segment has been signed with expected closing date in May 2016. Two of these assets belong to HB Reavis CE REIF (LC Svaty Jur, LC Maly Saris)
- Prospective sale of Konstruktorska Business Center (Warsaw, Poland) consisting of 49 400 sq m of GLA is on a good track to materialise by the end of 2Q 2016.
- We have entered into exclusive negotiation for prospective sale of Twin City A (Bratislava, Slovakia), consisting of 16 600 sq m of GLA, by signing the letter of intent.
- We have entered into exclusive negotiation for prospective sale of Gdanski BC I (Warsaw, Poland), which includes buildings A and B consisting of 47 900 sq m of GLA combined, by signing the letter of intent.

## 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 871,000 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 net asset value exceeded EUR 1.2 billion (as of 31 December 2015), while the assets under its management are valued at over EUR 2.1 billion. With around 500 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.