

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

QUARTERLY BUSINESS UPDATE FOR THREE MONTHS TO 31 DECEMBER 2016 AND SUMMARY OF BUSINESS RESULTS FOR TWELVE MONTHS TO 31 DECEMBER 2016

1st February 2017

HB Reavis, 3rd largest European office developer, as ranked by leading pan-European real estate magazine Property EU, today announces quarterly business update for three months to 31 December 2016 and reflects on business highlights for the twelve months to 31 December 2016.

Marian Herman, Chief Financial Officer said: “Year 2016 has been transformational for our company on number of fronts. We have decided to take advantage of the favourable macro-economic and investment market conditions and embarked on an ambitious divestment programme in which our group (including HBR CE REIF, investment fund managed on behalf of 3rd party investors) divested or committed to divest upon completion a total of 14 income producing assets and several non-core land positions worth over €1bn, releasing more than €270m of equity and repaying more than €340m of debt (equity release excludes forward-sale of 33 Central and HB Reavis CE REIF). With those divestments, we have not only achieved a significant premia over our IFRS valuations and contributing to set historical records in many of the markets, but also concluded a full development cycle across all our markets of operations including the United Kingdom where we have closed the forward-sale of 33 Central just days after the Britain’s EU referendum.

Last year, we also continued diversifying our funding sources by tapping local debt capital markets and with a total of c. €200m, debt capital markets funding now represents almost 28% of our funding mix, which is helping us at least partially off-set the significant reduction of indebtedness caused by realized divestments.

In order to secure our future pipeline and to balance the divestment activities, we have acquired five new development projects in four countries of our operation, securing pipeline for number of years to come.

During the course of the year, we have made great progress in our development activities across all markets, completing five projects in Poland, the Czech Republic and Slovakia, delivering over 137 thsd sq m of commercial space (the highest number in our history), and entering into leasing contracts with tenants or owner-occupiers for more than 130 thsd sq m across all our markets, making us one of the top leasing performers.

In addition, we have made significant progress in all our future development projects, including our three new flagship developments – obtaining the building permit for Varso Place in Warsaw (designed by Foster + Partners and including one of the highest buildings in Europe), obtaining zoning permit for Stanica Nivy (mall) & Nivy Tower in Bratislava and progressing preparation of Agora project in Budapest.

As we start the year 2017, we are looking forward to an increased development activity of our company on all of our markets, especially to commencing our three flagship developments in Bratislava, Warsaw and Budapest which we believe will become the true transformational landmarks in their respective cities.”

Quarterly business update for the fourth quarter until 31 December 2016

1) Acquisitions

- We have made two new acquisitions in the fourth quarter 2016 setting the number of acquisitions for the year 2016 to five.

- Mercuria, Prague, Czech Republic – the location of the project is in Prague 7 (Holesovice). The current project includes existing income-producing scheme which will be used for future re-development of class A office building with approximately 17 thousand sq m of GLA.
- “Ryba”, Bratislava, Slovakia – we have extended our Twin City project with further acquisition of the land that is in vicinity to our planned Twin City project in Bratislava and thus will be part of extension of our Twin City development. The current project includes existing income-producing scheme which will be used for future re-development. Details of the new scheme will be communicated in due course.

2) Leasing activity

- Total 17.5 thousand sq m of leases including renewals were signed during the fourth quarter 2016. Annual passing rent, excluding voids and rent free periods, represents €3.3m. Biggest new tenants are co-working operator in Postepu Business Center, Fundacja Rozwoju Systemu Edukacji in West Station I, AC Nielsen in Gdanski Building D.

3) Financing

- During Q4 2016, HB Reavis has drawdown the total amount of €49.5m and signed €12.0m of new bank financing.
- As at the end of December, the Group had available further €100.4m in bank loan commitments to be drawn against capital expenditures or leasing progress.
- We have launched a new bond programme in Poland amounting up to PLN 500m (approx. €116m) under which we have issued the first tranche of PLN 100m (€23.3m) in early fourth quarter 2016.
- We have launched a new bond programme amounting up to €100m in Slovakia under which we have issued the first tranche of €25m in early December.

4) Completions and developments progress

- 6 development schemes with about 250 thousand sq m of GLA under construction (or demolition) in three countries, namely: Varso Place and West Station II in Warsaw, Poland, Twin City Tower in Bratislava, Slovakia, 33 Central, 20 Farringdon Street and Cooper & Southwark in London, United Kingdom. Future gross development value of these projects has been estimated at around €1.5bn.
- We have expanded our Aupark brand beyond Slovak borders and opened our first retail scheme in Hradec Kralove, Czech Republic (22.9 thousand sq m of GLA) in line with the schedule.
- We have obtained building permit for our landmark project in Warsaw with a mix used scheme of c. 140 thousand sq m of office and retail. Part of Varso Place, Varso Tower will be the highest building in Poland and one of the highest in Europe. It was designed by renowned architectural studio Foster + Partners. The start of construction occurred in late 2016 and the project completion is scheduled for 2019-2020.
- We have obtained valid zoning permit for our landmark project in Bratislava, Stanica Nivy & Nivy Tower which is the mix used scheme of 135.4 thousand sq m of retail,

office and bus station in the heart of Bratislava. The start of the construction project is expected in 2017 with the projected completion scheduled for 2020.

5) Divestments

Poland

- We have completed the sale of Gdanski Business Center I (Warsaw, Poland), which includes buildings A and B consisting of 47.8 thousand sq m of GLA. The total transaction value amounted €186m with the investor being the global pension fund advised by Savills Investment Management.

Slovakia

- We have completed the sale of Twin City A (Bratislava, Slovakia), consisting of 16.5 thousand sq m of GLA. The yield of transaction reached 6.5% with the investor being IAD Investments.

Czech Republic

- We have completed the sale of River Garden II/III (Prague, Czech Republic), of 25.8 thousand sq m of GLA. The total transaction value amounted €84m with the investor being Aviva Investors and LaSalle Investment Management on behalf of Encore+ fund.
- We have completed the sale of Aupark in Hradec Kralove (Czech Republic), consisting of 22.9 thousand sq m of GLA. The transaction value amounted €88.8m with the investor being HB Reavis CE REIF.

Summary of key business achievements in the year 2016

1, Acquisitions

In aggregate, we have acquired five projects in four countries for total of €85.4m.

- Cooper & Southwark in London, United Kingdom
- Mercuria in Prague, Czech Republic
- Radlicka Business Center in Prague, Czech Republic
- Ryba in Bratislava, Slovakia
- BEM Palace in Budapest, Hungary

2, Leasing activity

Total 130 300 sq m signed rental or occupation agreements including renewals.

The biggest occupiers:

- Wells Fargo, 21 105 sq m – 33 Central, London, United Kingdom
- AC Nielsen, 6 725 sq m – Gdanski Business Center C and D, Warsaw, Poland
- GE International, 4 102 sq m incl expansion option – Gdanski Business Center D, Warsaw, Poland
- Phillip Morris, 3 526 sq m – Gdanski Business Center D, Warsaw, Poland
- Fundacja Rozwoju Systemu Edukacji, 3 224 sq m – West Station I, Warsaw, Poland
- SAP, 3 221 sq m - Twin City C, Bratislava, Bratislava, Slovakia
- Alza.sk, 2 920 sq m – Centrum Bottova, Bratislava, Slovakia

3, Financing

The group raised total amount of new debt financing €328.6m.

Debt capital markets:

Total amount raised through issued bonds amounting to €94.5m across three markets:

- Issuance of 1.25bn CZK (€46.2m) with maturity in 3/2021 with hedged EUR rate of 4.86% p.a.
- Issuance of PLN 100m (€23.3m) with maturity in 4/2021 with hedged EUR rate of 3.94% p.a.
- Issuance of €25m with maturity of 12/2021 with coupon rate of 3.5% p.a.

Project financing:

- Total new amount raised of €234.2m

4, Completions and developments progress

Total Gross Leasable Area of completed projects amounts to 136 700 sq m

- Gdanski Business Center D – Warsaw, Poland
- West Station I – Warsaw, Poland
- Twin City B – Bratislava, Slovakia
- Twin City C – Bratislava Slovakia
- Centrum Bottova, Bratislava, Slovakia
- Aupark Hradec Kralove – Hradec Kralove, Czech Republic

Construction started in 2016, total amount of GLA of 181 100 sq m

- Twin City Tower, Bratislava, Slovakia
- Varso Place, Warsaw, Poland
- Cooper & Southwark, London, United Kingdom

Permitting Progress in 2016

Construction Permit

- Varso Place
- Twin City Tower

Zoning Permit

- Stanica Nivy & Nivy Tower

5, Divestments

HB Reavis together with HB Reavis CE REIF fund divested 14 assets in total value of more than €1.0bn in aggregate transaction value:

HB Reavis divestments in 2016, total transaction value of €931m

- Vaci Corner Office, Budapest, Hungary
- Logistics Center Raca, Bratislava, Slovakia
- Logistics Center Mosnov, Ostrava, Czech Republic
- 33 Central, London, United Kingdom
- Konstruktorska Business Center, Warsaw, Poland
- Gdanski Business Center I, Warsaw, Poland
- Twin City A, Bratislava, Slovakia
- River Garden II-III, Prague, Czech Republic
- Aupark in Hradec Kralove, Czech Republic

HB Reavis CE REIF fund divestments in 2016, total transaction value of €70m

- Logistics Center Maly Saris, Presov, Slovakia

- Logistics Center in Svaty Jur, Slovakia
- Aupark in Piestany, Slovakia

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 seeking to establish presence in Istanbul and Berlin. The operations so far have yielded about 1 million 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 reaches €1.1 billion (as of 30 June 2016), while the total assets amount to €2.2 billion. With over 600 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.