

## **HB Reavis announces solid performance for 2016**

**HB Reavis Group (the “Group”) reported solid consolidated net profit of EUR 107.5 million in the year to 31 December 2016 according to its latest annual consolidated financial statements. Despite the challenging political environment in Europe, influenced chiefly by the UK referendum on the EU, the Group achieved record level of project completions, maintained strong leasing performance and advanced with its development programme.**

### Key financial highlights:

- Net profit reached EUR 107.5 million vs. EUR 239.4 million in 2015;
- Operating profit achieved EUR 235.3 million, vs. EUR 302.5 million in 2015;
- Currency movements, mainly GBP devaluation and to a lesser extent of PLN, impacted net profit by aggregate EUR 95.4 million loss, of which less than EUR 10 million has been realised losses;
- Modest return on shareholders’ equity at 6.9% vs 29.3% in 2015;
- Flat total assets at EUR 2.1 billion with Net Asset Value reaching almost EUR 1.2 billion;
- Significant drop in net debt to total assets ratio to 17.4% at the end of 2016 from 29.7% at the end of 2015;
- Robust cash reserves amounting to EUR 316.4 million, or almost 15% of the total balance sheet.

### Key business highlights:

- **Continued strong demand for our buildings across all markets:** signed agreements for almost 134,000 sqm of gross lettable area (“GLA”), high average occupancy (88%) on income-producing portfolio, solid level of pre-completion lease agreements, with clients including BNP Paribas, Accenture, General Electric International and SAP across two cities – Prague and Bratislava;
- **Completion of four office projects** in two European capital cities (Gdanski Business Center D and West Station I in Warsaw and Twin City B & C in Bratislava) and **two retail projects:** in Hradec Kralove (Czech Republic) and Bratislava – together these schemes total GLA of 136,700 sqm;
- **Ten office projects** (West Station II, Varso 1, Varso 2, Varso Tower, 33 Central, Cooper & Southwark, 20 Farrindgon, Agora HUB, Agora Tower and Twin City Tower) **under construction** in four countries at the end of 2016. Together these have a target gross development value at completion of more than EUR 1.5 billion;

- Strengthening and diversification of the development pipeline through the **acquisition of 5 new projects** in Czech Republic, Hungary, Slovakia and United Kingdom for total consideration of EUR 85.4 million, representing unique opportunities for remarkable schemes;
- **Disposals of 14 completed investment properties** in aggregate gross development value **exceeding EUR 1 billion** (including disposals from HB Reavis CE REIF, the fund);
- **Achieved split 50:50** between development and income-producing portfolio;
- **New debt proceeds raised** in excess of EUR 320 million through bank loans and issued bonds.
- Establishing a dedicated **business development team in Berlin**.

Alongside this strong performance, 2016 marked the start of several strategic initiatives. HB Reavis launched Origameo in order to provide end-to-end tailor-made consulting and workplace solutions for clients looking to relocate. Comprising of a multidisciplinary team of architects, designers, social scientists, innovators and business consultants, Origameo helps clients get the most out of the experience of relocating to a new space from the day they recognize a need to move until the moment they settle in.

In addition, HubHub, a proprietary large-scale co-working platform, aimed at serving a fast-growing segment of clients including freelancers and start-ups, will be opening its doors to first clients in Warsaw and Bratislava in the course of 2017.

HB Reavis is also the first Central European developer to pursue WELL certification for its development portfolio, focusing on enhancing people's health and wellbeing through the built environment.

Various activities fulfilling the company's mission to become one of the most attractive employers brought an important accolade: HB Reavis has been recognised by AON Hewitt as the Best Employer 2016 in Poland.

Pavel Trenka, CEO of the HB Reavis Group, said: *"Our 2016 results confirm that our geographically diversified presence and integrated delivery model proved to be resilient despite the political uncertainties that impacted the property market. Thanks to the strong performance of our team, we have delivered the largest area of commercial space (137,500 sqm) in our history. The ultimate proof of the quality of our products can be seen in the discerning organisations and global brands which chose to invest significantly in our buildings. Solid leasing performance meant about 10,000 employees found a 'new home' in an HB Reavis building last year. With net leverage at around 17.4% for the Group, HB Reavis started the New Year in an extremely strong financial position. The team is looking forward with huge enthusiasm to continuing work on our flagship developments in Warsaw (Varso Place), Budapest (Agora) and Bratislava (Stanica Nivy shopping centre)."*

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**About HB Reavis**

HB Reavis is an international real estate developer founded in 1993 in Bratislava, Slovakia. It operates in the United Kingdom, Poland, the Czech Republic, Slovakia, Hungary and in Turkey and is currently the third largest developer in Europe, according to PropertyEU's annual 'Top Developers Survey'.

To date the company has built a total of 993,000 sq m of modern offices, shopping and entertainment spaces in addition to logistics facilities. Another more than 1 million sq m is in the planning phase, permit proceedings or under construction. HB Reavis relies on a fully integrated business model covering development, construction, property and investment management of finished buildings. The group's assets total EUR 2.1 billion, with a net asset value reaching nearly EUR 1.2 billion. With over 600 professionals, HB Reavis is a worldwide leader on the international commercial real estate market.

HB Reavis' strong market position has been recognised through numerous awards, such as the UK Property Award "Best Office Architecture London 2015" for 33 Central and the CEE Quality Award for "Developer of the Year in CEE, 2015". For more information, please visit <http://www.hbreavis.com>

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