

Press Release



Moody's Assigns First-Time B1 Rating to O1 Properties With Stable Outlook

Moscow, Russia. September 2, 2016. Investment company O1 Properties, one of the largest owners of class A office real estate in Moscow, and Moody's Investors Service announces the assignment of the a first-time grade B1 corporate family rating (CFR) to O1 Properties. The outlook on the ratings is stable.

The corporate family rating reflects the ability of the company to complete it's financial obligations. Among the positive factors Moody's analysts named the large office property portfolio, which is comparable to those of its Baa-rated peers in Europe and the US, as measured by its adjusted gross assets of \$4.3 billion as at 31 December 2015; (2) modern properties, with Class A offices comprising around 92% of its total asset value and around 81% of assets being located in Moscow's central business district (CBD); (3) diversified top-tier tenant base with 68% of net operating income coming from large multinational companies with strong credit profiles and the share of its top-10 clients not exceeding 30%; and (4) well-spread lease maturity profile, averaging 4 years, and protective lease terms with a triple net structure, annual indexation, and no break clauses. The Agency also pointed out that despite the ongoing pressure exerted by a weak economy on the Moscow office market, O1 Properties has preserved adequate occupancy and retention rates, as well as reported relatively modest rent reductions and asset revaluations when compared with the market average. Moody's expects that the adoption of a more conservative financial and development policy and some stabilisation in the market since Q2 2016 will likely result in gradual deleveraging in 2016-2017.

O1 Properties received the Moody's rating for the first-time. In 2013 Standard&Poor's assigned the company B+ credit rating which was confirmed in 2016.

For more information please visit the official web site of the company www.o1properties.ru or contact:

Gubina Tatyana
Deputy Head of Corporate Communications
Phone: +7 495 788 5575
Email: press@o1properties.ru

Information about O1 Properties

O1 Properties is one of the largest owners of class A office property in Moscow. The company owns and manages a portfolio of 13 completed office centres located in prime business areas of Moscow with a total net rented area of 501,000 m². The company's current project portfolio is valued at USD 3.9 billion.