



O1 Properties shows transaction volumes 66% higher year-on-year in 2017

Moscow, Russia. February 12, 2018. Investment Company O1 Properties published operating results for 2017. Office lease transactions were in excess of 133,000 sq.m., of which more than 68,000 sq.m. represented new contracts. Total transaction volumes in 2017 were 66% more than in 2016 and space leased in new transactions was 36% greater than in 2016. As a result, the vacancy rate for the O1 Properties portfolio (including assets under management) fell to 12% and the rate for class-A facilities in the Central Business District of Moscow was under 7%. These figures are below the market average (according to JLL, the vacancy level for class-A offices in Moscow in 2017 was 16.5%).

The largest leasing volumes were at the Bolshhevik, Lefort, Krugozor and iCUBE business centres. The bulk of transactions took place in the third and fourth quarters of 2017.

Breakdown of new contracts between Russian and international companies reflects the overall structure of tenants in the O1 portfolio: two-thirds of space is leased to large international companies, and the remainder to major Russian companies.

Among largest deals 2017:

Company	Leased Area	Business Center
VimpelCom	17 004 м2	Большевик
DPD / SPSR	4 518 м2	Лефорто
Bionica Media	2 580 м2	Кругозор
Mitsubishi Electric (Rus)	2 250 м2	Вивальди Плаза
Yandex Money	2 099 м2	Аврора*
Alfa Leasing	2 084 м2	iCUBE
Rohde & Schwarz	2 083 м2	iCUBE
Kerama Marazzi	2 071 м2	Большевик
ERKAPHARM	1 241 м2	White Square
Pharmaceutical Research Association	1 694 м2	Silver City
Ksantis Pharma	1 016 м2	iCUBE

Lease of office space by O1 Properties to the leading Russian mobile operator, VimpelCom, was the largest deal of in 2016-2017 on Moscow's class-A office market. The mobile provider will occupy the whole of a standalone building, which is being renovated in the second stage of modernization and refurbishment at the Bolshhevik business and cultural centre.

The Russian internet company, Yandex, continued to increase volumes of space, which it rents at the Aurora business park, extending its office premises there by a further 2000 sq.m. for Yandex Money company. The business park is now 100% occupied. Vacant space at the Vivaldi Plaza business centre also fell to zero after O1 Properties closed a lease deal with Mitsubishi Electric.

Dmitry Mints, Chairman of the Board of Directors of O1 Properties: "The commercial real estate market recovered in 2017 and there was a decline of the vacancy rate at our business centres and across the market. Landmark events included the signing of a lease agreement with top Russian mobile operator, VimpelCom, at our Bolshevik business and cultural centre, representing the biggest lease transaction of the last two years in the Moscow class-A segment. Market consolidation in 2017 was due to limited supply in a context of stabilization of the ruble exchange rate and lowering of the Central Bank interest rate. We expect the trend to continue in 2018: demand will exceed supply, and the year should bring gradual increase of rental rates, assuming that main macroeconomic indicators remain stable."

* Aurora business park is managed by O1 Properties, which handles marketing, leasing and tenant relationships.

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Information about O1 Properties

O1 Properties is one of the major owners of class A office real estate in Moscow. The company owns and manages a portfolio of 15 completed office centers in key business districts of Moscow with the total net rentable area of 584,000.00 sq.m.. Currently the market value of the company's asset portfolio values USD 4.34 billion.