

Retail Real Estate

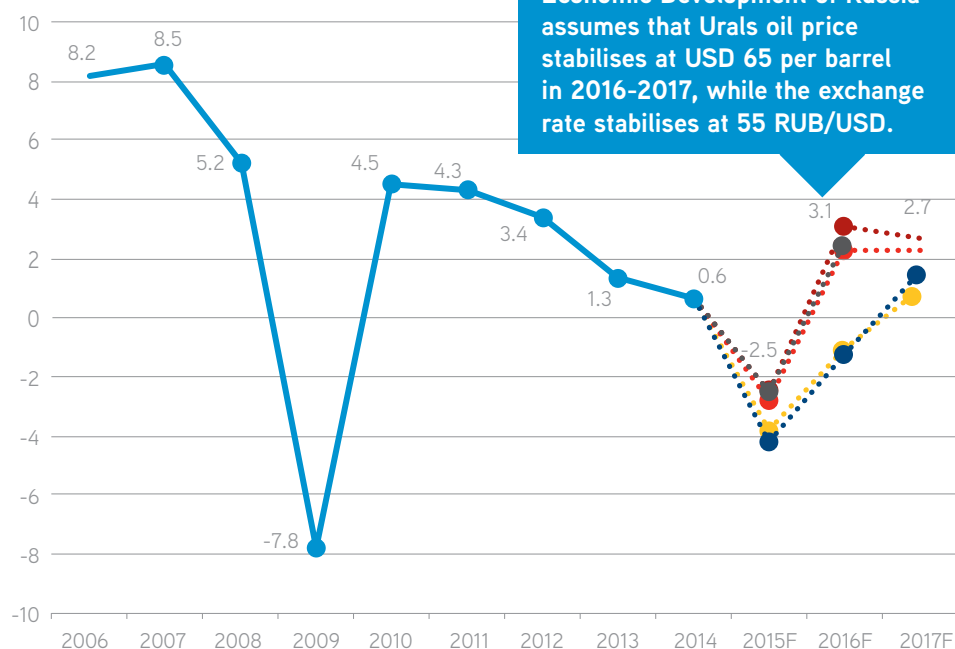


Accelerating success.

Prospects for economic growth

Experts forecast one to two years of recession

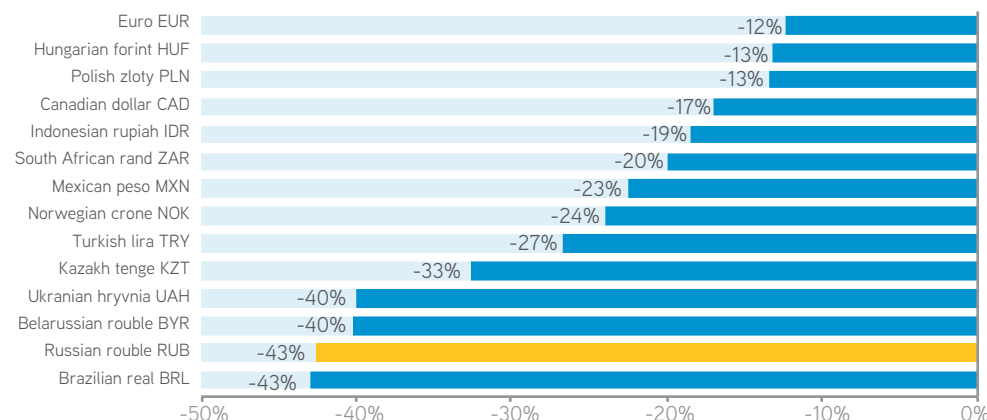
Real GDP growth, %



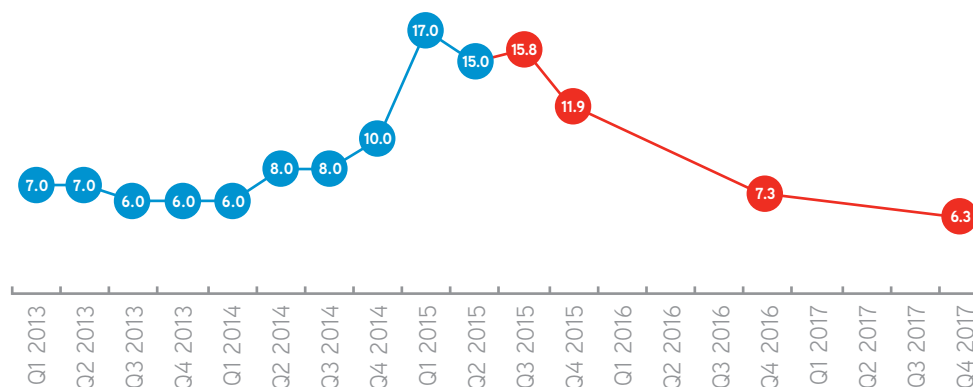
- GDP growth, %
- Ministry of Economic Development, basic forecast
- Ministry of Economic Development, moderately positive forecast
- IMF
- Sberbank CIB
- Morgan Stanley

The rouble was not the only currency that came under pressure

(change in exchange rates during 24.09.2014-24.09.2015)



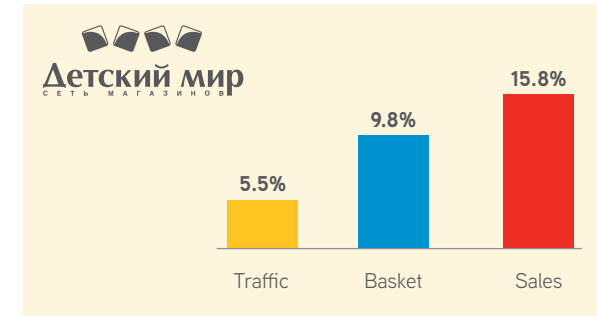
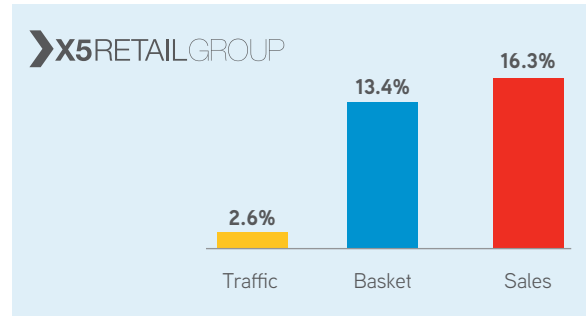
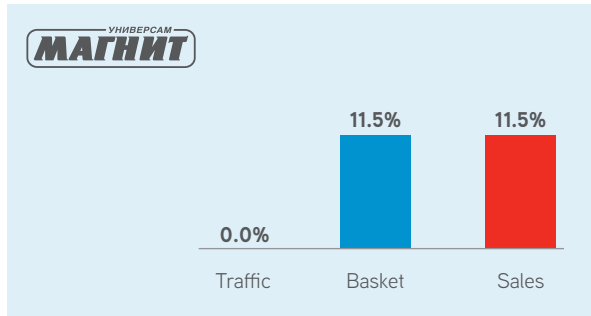
CPI growth, year-on-year, and Ministry of Economic Development forecast, %



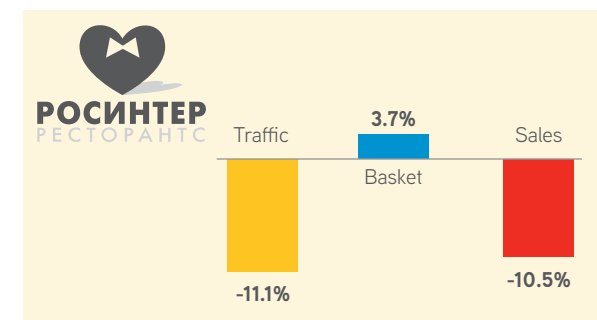
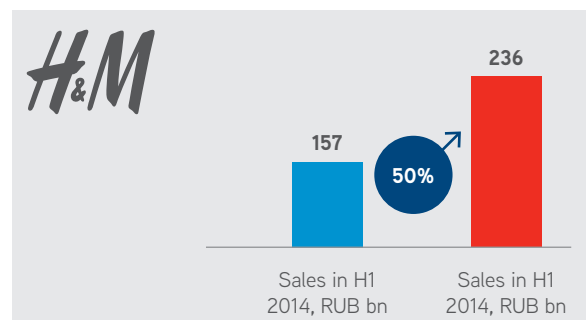
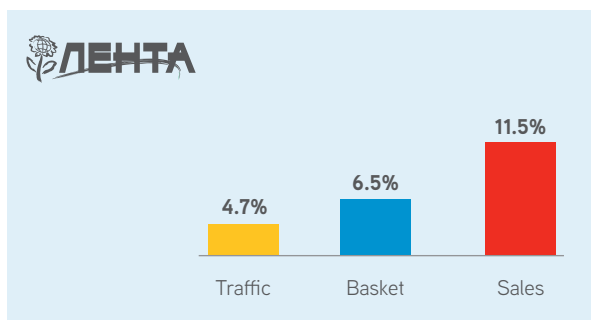
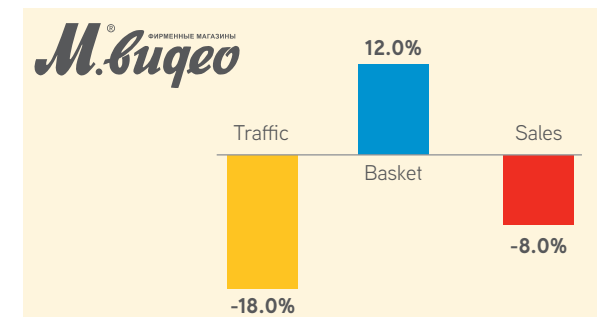
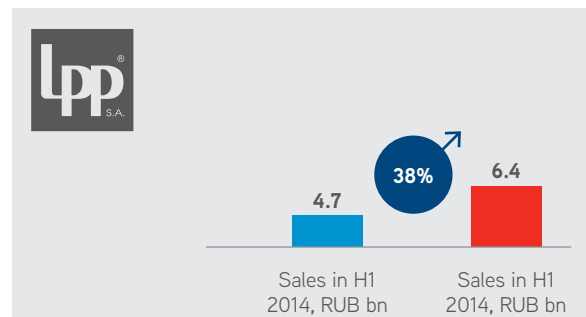
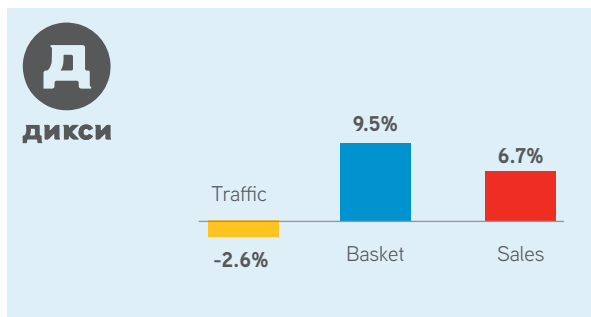
Source: Colliers International, Ministry of Economic Development of Russia, IMF, Bloomberg, Rosstat, Sberbank CIB, Morgan Stanley

Retailers: who works well in Russia

H1 2015 versus H1 2014 results



grocery
clothes
other



*LFL figures are given for all Russian companies. Sales figures for LPP Group and H&M represent only their activity in Russia.

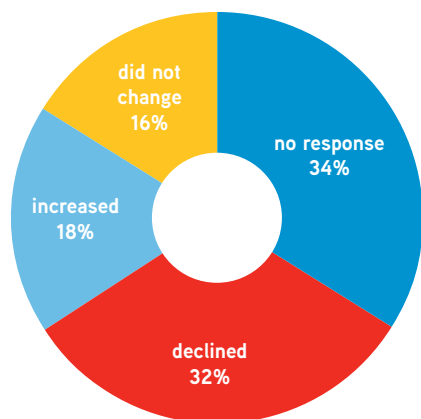
Sources: companies' websites

Retailer demand

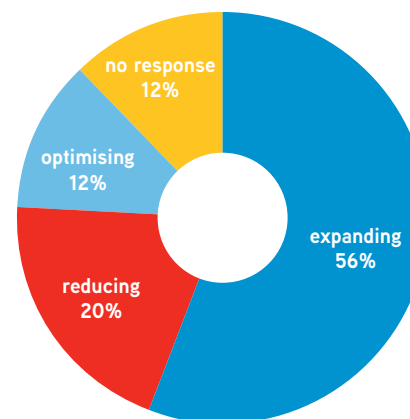
Results of a Colliers International survey of 50 key retail operators



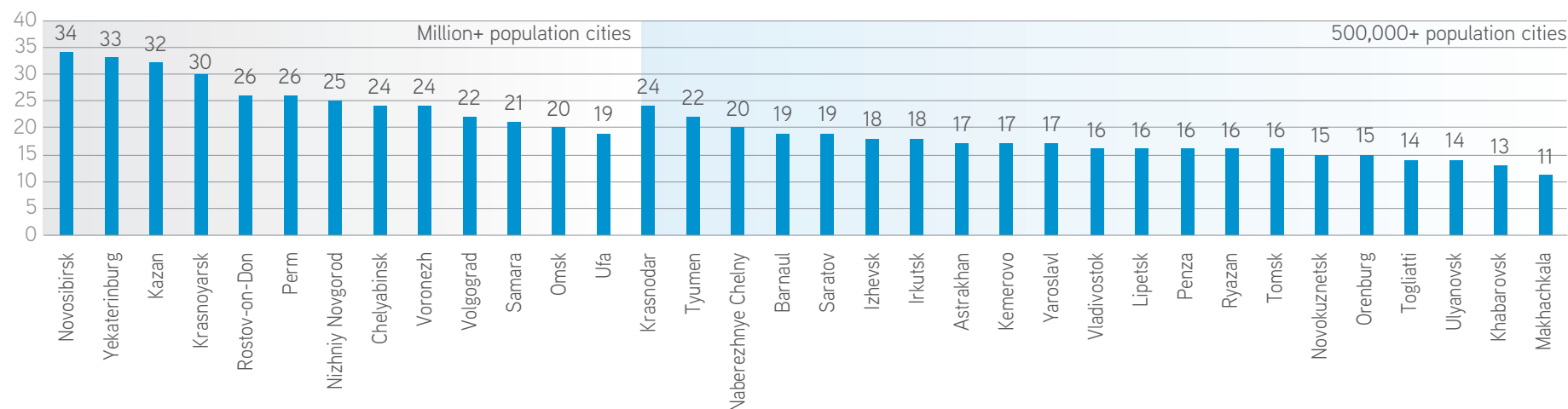
Change in sales in H1 2015



Development plans



The most interesting Russian cities for development, number of retailers*



Source: Colliers International

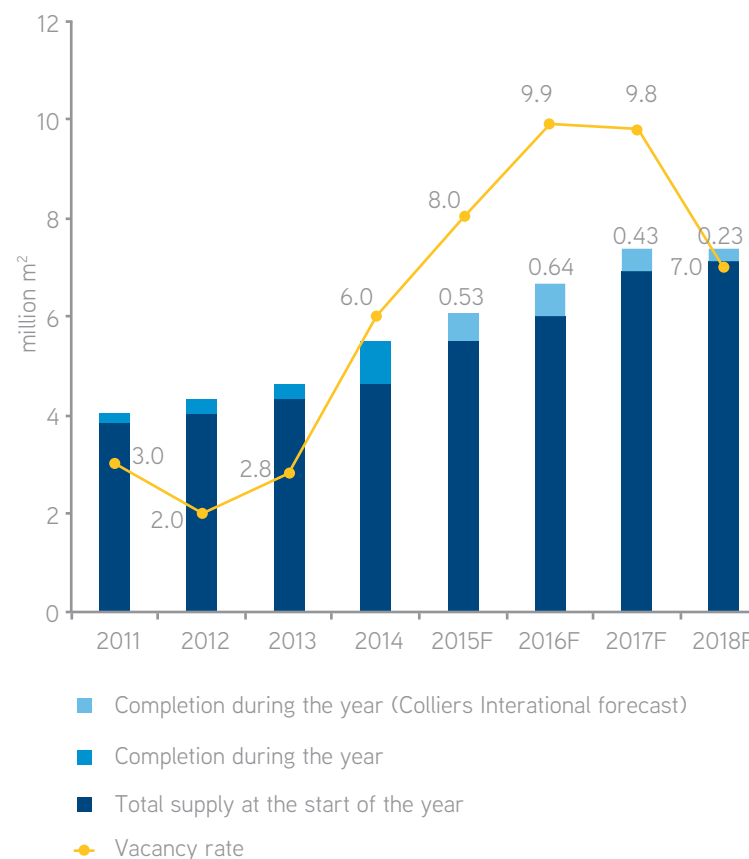
*according to Colliers International survey of 50 retailers

Moscow retail market

New construction is limited by lack of financing

- There has been no new shopping centers construction recently.
- The average size for shopping centers currently under construction in Moscow is 40,000 m² GLA. Active developers are mostly Russian companies.
- Properties under construction are mostly funded by equity or banking finance secured before the current turmoil began.
- Completion dates for shopping centers under construction are often postponed.
- If stabilisation persists, the emergence of bank funding with acceptable rates is expected.
- Properties that are currently under construction will be in demand in the next one-and-a-half to two years due to a fewer completions in 2017-2018.

Moscow retail market balance



Source: Colliers International



10 Presnenskaya Embankment
BC Naberezhnaya Tower, Block C
123317 Moscow, Russia
+7 495 258 5151

3 Volynsky Lane, 8th floor
BC Northern Capital
191186 St. Petersburg, Russia
+7 812 718 3618

www.colliers.ru

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