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**AFI DEVELOPMENT PLC  
("AFI DEVELOPMENT" OR "THE COMPANY")**

**FOURTH QUARTER 2015 TRADING UPDATE**

London, 7 March 2016 – AFI Development, a leading real estate company focused on developing property in Russia, today provides a fourth quarter 2015 trading update.

Based on preliminary indications of valuation results received from an independent appraiser (Jones Lang LaSalle), the Company expects to record a net valuation loss on investment properties, investment properties under development and trading property under development during the fourth quarter of 2015 of circa US\$522 million before taxes (after the impact of the foreign exchange on the assets value). In particular, the valuation of the AFIMALL City was decreased from US\$990 million to US\$686 million, incurring a potential valuation loss of US\$276 million (net after the impact of the forex on the asset value). Estimated loss after tax for the fourth quarter of 2015, including foreign exchange loss, will be circa US\$470 million. AFI Development expects the fourth quarter results to be affected by an equity deduction in the amount of circa US\$470 million.

The valuation loss and impairment reflect a decrease in the value of the Company's projects due to continuously challenging macroeconomic environment in Russia and respective depressed condition of the real estate market (in Q4 2015 there was further deterioration in the rouble/dollar exchange rate and the oil prices). AFI Development expects the gross value of its portfolio of properties to decrease from circa US\$1.97 billion recorded at end-September 2015 to circa US\$1.4 billion at year-end.

It should be noted that the figures presented in this update are estimates based on preliminary data. The preparation of the Company's annual financial statements is currently underway and remains subject to a review by KPMG, the Company's auditor. The final figures in AFI Development's audited financial statements may differ from the information stated above.

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**About AFI Development**

AFI Development is one of the leading real estate development companies operating in Russia. Established in 2001, AFI Development is a publicly traded subsidiary of Africa Israel Investments Ltd. AFI Development is listed on the Main Market of the London Stock Exchange and aims to deliver shareholder value through a commitment to innovation and continuous project development, coupled with the highest standards of design, construction and quality of customer service.



AFI Development focuses on developing and redeveloping high quality commercial and residential real estate assets across Russia, with Moscow being its main market. The Company's existing portfolio comprises commercial projects focused on offices, shopping centers, hotels and mixed-use properties, and residential projects. AFI Development's strategy is to sell the residential properties it develops and to either lease the commercial properties or sell them for a favorable return.

AFI Development is a leading force in urban regeneration, breathing new life into city squares and neighborhoods and transforming congested and underdeveloped areas into thriving new communities. The Company's long-term, large-scale regeneration and city infrastructure projects establish the necessary groundwork for the successful launch of commercial and residential properties, providing a strong base for future.