Valuation Advisory

Raven Russia

Portfolio of Properties in Russia

November 2013
Dear Sirs

RAVEN RUSSIA LIMITED
VALUATION OF A PORTFOLIO OF PROPERTIES

Scope of Instructions Information and Report

In accordance with our engagement agreement, contract number RU 6062, with Raven Russia Limited (the “Company”), we, (Jones Lang LaSalle), Chartered Surveyors, have considered the properties referred to in the attached schedule forming Appendix 1 (the “Schedule”), in order to advise you of our opinion of the Market Value (as defined below) of the freehold or part freehold and part leasehold interests (as appropriate) of the Company in each of these properties (the “Properties”).

Purpose of Valuation

We understand that this valuation report and the attached Schedule (together, the “Valuation Report”) is required for the purpose of Reporting in accordance with the International Financial Reporting Standards for inclusion in the Company’s Financial accounts and, in addition, we understand the valuation will be used for the purposes of inclusion in the prospectus to be published by the Company in respect of the Preference Share Conversion Offer.

Basis of Valuation and Assumptions

We confirm that the valuations have been carried out on the basis of Market Value in accordance with the appropriate sections of the current Practice Statements contained within the RICS Valuation – Professional Standards, the 2012 Edition (the “Red Book”). This is an internationally accepted basis of valuation.

Market Value is defined as:

“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

We can confirm that we have prepared our valuation as External Valuers as defined in the RICS Valuation – Professional Standards and our valuation has been prepared in accordance with our General Principles in Appendix 2 of this report.
In arriving at our opinions of Market Value we have also arrived at our opinions of current estimated net annual rent. These are assessed on the assumption that they are the best rent at which a new letting of an interest in property would have been completed at the date of valuation assuming:

(i) a willing landlord;

(ii) that prior to the date of valuation there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of the price and terms and for the completion of the letting;

(iii) that the state of the market, levels of value and other circumstances were, on any earlier assumed date of entering into an agreement for lease, the same as on the valuation date;

(iv) that no account is taken of any additional bid by a prospective tenant with a special interest;

(v) that where relevant the length of term and principal conditions assumed to apply to the letting and other tenants terms are the same as those set out in the rent review clause contained in the occupational lease which we confirm are not exceptionally onerous or beneficial for letting of the type and class of the subject property and;

(vi) that both parties to the transaction had acted knowledgeably, prudently and without compulsion.

Status of Value

We confirm that we have undertaken the valuations acting as External Valuers, as defined in the Red Book, qualified for the purpose of the valuation.

Date of Valuation and Inspections

The date of valuation is 15 November 2013 and is based upon tenancy information as at this date.

As part of our on going valuation of the portfolio, each of the properties is inspected on a rolling basis over a two year period. We set out below the dates of inspection of the individual properties:

<table>
<thead>
<tr>
<th>Property</th>
<th>Date of Inspection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southern, Moscow</td>
<td>26 June 2013</td>
</tr>
<tr>
<td>Krekshino, Moscow</td>
<td>25 June 2013</td>
</tr>
<tr>
<td>Istra, Moscow</td>
<td>27 June 2013</td>
</tr>
<tr>
<td>Lobnya, Moscow</td>
<td>24 June 2013</td>
</tr>
<tr>
<td>Klimovsk, Moscow</td>
<td>26 June 2013</td>
</tr>
</tbody>
</table>
Three of the properties we inspected are part freehold and part leasehold tenure and eleven are of freehold tenure.

**Assumptions and Sources of Information**

An assumption is stated in the Glossary to the Red Book to be a “supposition taken to be true” ("assumption"). Assumptions are facts, conditions or situations affecting the subject of, or approach to, a valuation that, by agreement, need not be verified by a Valuer as part of the valuation process. In undertaking our valuations, we have made a number of assumptions and have relied on certain sources of information. Where appropriate, the Company’s advisers have confirmed that our assumptions are correct so far as they are aware. We believe that the assumptions we have made are reasonable, taking into account our knowledge of the properties, and the contents of reports made available to us. However, in the event that any of these assumptions prove to be incorrect then our valuations should be reviewed. The assumptions we have made for the purposes of our valuations are referred to below.

We have also made an assumption that the information the Company and its professional advisers have supplied to us in respect of the Properties is both full and correct.

It follows that we have made an assumption that details of all matters likely to affect value within their collective knowledge such as prospective lettings, outstanding requirements under legislation and planning decisions have been made available to us and that the information is up to date.

Shushary, Constanta, Rostov on Don, Lobnya, Pulkovo, Noginsk, Istra, Krekshino, Novosibirsk, Sholokhovo, and Klimovsk are held freehold. Pushkino, Southern and Padikovo are held on a leasehold basis granted by the local authorities. The ground rental payments of such interests may be reviewed on an annual basis, in either an upwards or downwards direction, by reference to an established formula. Within the terms of the lease, there is a right to extend the term of the lease upon expiry in line with the existing terms and conditions thereof. It should be noted, however, that
very few leasehold interests have yet reached termination and, hence, the effective ability to renew on such a basis is relatively untested. In arriving at our opinions of Market Value, we have assumed that the respective ground leases are capable of extension in accordance with the terms of each lease. In addition, given that such interests are not normally assigned as real estate assets, for example for taxation reasons, we have assumed that each leasehold interest is held by way of a special purpose vehicle ("SPV"), and that the shares in the respective SPVs themselves are capable of assignment. (See “Tenure and Tenancies” for more detail).

In terms of the Assumptions which we have made and which are summarised within this Valuation Report, the Company has confirmed that our Assumptions are correct as far as they are aware. In the event that any of our Assumptions prove to be incorrect, the valuations contained in this valuation report should be reviewed and modified as necessary.

**Tenure and Tenancies**

We have been not provided with copies of the title deeds for all the properties and have taken the advice from the Company, in terms of title, in arriving at our opinions of value. However, we are unable to confirm whether any other documents exist which may invalidate or alter our understanding of the legal status of the properties and, as a result, we have assumed that the title is marketable and that the properties are free from encumbrances, mortgages and charges. We have also assumed that, where the interest in the properties is leasehold, there are no unreasonable or unusual clauses which would affect value and no unusual restrictions or conditions governing the assignment or disposal of the interest.

We understand that each property is held entirely by the Company as at valuation date.

The majority of the properties are held under a freehold title. In the case of those with leasehold title the lessee of a ground lease has a priority right to renew the lease upon expiry, on the same terms and conditions. Our valuation is predicated on the special assumption that the ground lease at each property can be extended, effectively in perpetuity, on similar terms to the existing leases.

In terms of those Properties which are held by way of ground leases, we understand that such ground leases are capable of being transferred in Moscow and Moscow Region, normally through an SPV, and we further understand that each asset is held as a SPV. Consequently, as noted above, we have valued the Properties on the assumption that the shares in each of these SPVs can be sold and, in addition, that there are no further assets or liabilities held by each SPV which might affect the ability to sell the shares in the vehicles.

It is important to note that the rights to complete a development may be lost or, at least, delayed if the lessee fails to complete a permitted development within the timescale set out by the ground lease. In addition, in the event that a development has not been commenced upon the expiry of a lease then the City Authorities are entitled to decline the granting of a new lease on the basis that the land is not used in accordance with its designation. Furthermore, where all necessary permissions and consents for the development are not in place, this may provide the City with grounds for rescinding or non-renewal of the ground lease. In undertaking the valuations reported herein, we have made the assumption that no such circumstances will arise to permit the City to rescind the land lease or to not grant a renewal.
We have been provided with rental information in the form of tenancy schedules for the following properties: Klimovsk, Constanta, Krekshino, Southern, Istra, Shushary, Rostov on Don I, Novosibirsk, Lobnya, Noginsk I and IIa, Pulkovo, Sholokhovo and Pushkino.

We have not conducted credit enquiries into the financial status of any of the tenants. However, in undertaking our valuations we have reflected our understanding of the market perception of the financial status of the tenants. We have also assumed that each tenant is capable of meeting its leasehold obligations and that there are no undisclosed breaches of covenant.

**Floor Areas**

We have not undertaken any measured surveys of the Properties and have relied entirely on information as to site areas and floor areas and dimensions of existing and proposed developments as provided to us by the Company.

**Planning**

Although we have not made any formal searches in terms of planning consents and issues, we have generally relied upon information provided by the Company as well as project documentation (where available) in respect of each of the properties.

In arriving at our opinions of Market Value we have had regard, where available, to the Company’s specific proposals to develop each asset. However, although we have taken these proposals into account, each valuation reflects our opinion of such a development which may form the basis of a bid for the property by a prospective purchaser. As a result, our valuations do not necessarily fully reflect the Company’s proposed development programme.

We have assumed that all existing properties have been erected and are being occupied and used in accordance with all necessary consents and that there are no outstanding statutory notices. We have also assumed that all buildings comply with all statutory and Local Authority requirements including building, fire and health and safety regulations.

**Environmental Investigations and Ground Conditions**

We have not been instructed to carry out site surveys or environmental assessments nor have we investigated any historical records, to establish whether any land or premises are or have been, contaminated. Unless we have been provided with information to the contrary, we have assumed that the properties are not, nor are likely to be, affected by land contamination and that there are no ground conditions which would affect the present or future use of the properties.

We were not instructed to carry out structural surveys of the properties but we have reflected any apparent wants of repair in our opinion of the value as appropriate. Properties have been valued on the basis of the issuer’s advice save where we have been specifically advised to the contrary, no deleterious materials have been used in the construction of any of the subject buildings.

**Plant and Machinery**

In respect of any existing buildings, landlords’ plant and machinery such as lifts, escalators, air-conditioning and other normal service installations have been treated as an integral part of each
property and are included within our valuations. Plant and machinery, tenant’s fixtures and specialist trade fittings have been excluded from our valuations.

No specialist tests have been carried out on any of these service systems and for the purposes of our valuations we have assumed that all are in good working order and in compliance with any relevant statute bylaw or regulation.

Valuation

On the bases outlined within this Valuation Report, we are of the opinion that the aggregate of the individual gross Market Values, as at 15 November 2013, of the freehold and part freehold and part long leasehold interests subject to the existing lettings but otherwise with vacant possession is as set out below:

Freehold Properties:  
$1,423,525,000  
(One Billion Four Hundred and Twenty Three Million Five Hundred and Twenty Five Thousand US Dollars)

Part Freehold and Part Leasehold Properties:  
$281,350,000  
(Two Hundred and Eighty One Million Three Hundred and Fifty Thousand US Dollars)

It should be noted that the above valuation represents the aggregate of the individual values attributable to each property type and should not be regarded as a valuation of the portfolio as a whole in the context of a sale as a single lot.

The above aggregate sum of $1,704,875,000 represents our opinion of the Market Values of the individual properties forming the portfolio as at 15 November 2013, which was provided to the Company for the purposes of inclusion in the prospectus to be published by the Company in respect of the Preference Share Conversion Offer.

In accordance with standard market practice, we have arrived at our opinions of Market Value by reflecting (i.e. deducting) all outstanding costs required to complete the subject properties, as at the valuation date. The Company’s valuations are, however, disclosed gross of costs to complete the portfolio.

We understand from the Company that the aggregate Market Value of the portfolio disclosed in the Prospectus is $1,731,347,888 after adjusting for accrued capital expenditure.

Realisation Costs

Our Valuation is exclusive of VAT and no allowances have been made for any expenses of realisation nor for taxation which might arise in the event of a disposal of any property. It should be noted that our valuation does not reflect purchaser’s costs, which is a standard approach in the valuation of properties in Russia.
Exchange rates

We have indicated the Market Values of the subject properties in the attached valuation schedule in US Dollars, where necessary we have adopted the exchange rate of the Central Bank of Russia or the European Central Bank on 15 November 2013.

Responsibility

This report has been prepared for and only for Raven Russia Limited for the purposes of assisting Raven Russia Limited to value the property portfolio as detailed in the schedule below, at 15 November 2013 for accounting purposes and, in addition, we understand the valuation will be used for the purposes of inclusion in the prospectus to be published by the Company in respect of the Preference Share Conversion Offer, but for no other purpose.

For the purposes of Prospectus Rule 5. 5. .3R (2) (f), we are responsible for the report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration included in the Prospectus in compliance with item 1.2 of Annex I of the PD Regulations.

Before this valuation report, or any part thereof, is reproduced or referred to in any other document, circular or statement and before its contents, or any part thereof, are otherwise disclosed orally or otherwise to a third party, the Valuer’s written approval as to form and context of such publication or disclosure must first be obtained. For the avoidance of doubt, such approval is required whether or not Jones Lang LaSalle are referred to by name and whether or not the contents of our Valuation Report are combined with other reports. Subject to the relevant provisions of the Prospectus Rules, but otherwise to the fullest extent permitted by law, we do not accept or assume responsibility or liability in respect of the whole or any part of the report, or valuation, for any other purpose or to any other person or entity to whom the report or valuation is shown or disclosed or into whose hands it may come, whether published with our consent or otherwise, except where expressly agreed by our prior consent in writing.

Yours faithfully

Christopher Dryden MRICS
Director
For and on behalf of Jones Lang LaSalle
Appendices

Appendix 1................................................................................................................Schedule of Portfolio Assets and Valuations
Appendix 2.................................................................................................................General Principles Adopted in the Preparation of Valuation and Reports
Appendix 3..................................................................................................................Extract from the RICS Valuation - Professional Standards – the 2012 edition
APPENDIX 1

SCHEDULE OF PORTFOLIO ASSETS AND VALUATIONS
## RAVEN RUSSIA LIMITED
### SCHEDULE
#### Portfolio of Investment Assets
#### Valuation as at 15 November 2013

<table>
<thead>
<tr>
<th>Property Name</th>
<th>Location, Description, Tenure &amp; Tenancy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Southern</td>
<td>The Class A warehouse is located in an industrial area of the Southern administrative district of Moscow, approximately 10 km from the city centre, around 1 km from the Varshavskoye highway and 5 km from MKAD. The gross lettable area is 14,100 sq. m. The property provides net operating income of $2,147,000 and is let to multiple tenants including L’Occitane, A&amp;D Rus, Roland and WeMaTek on a number of leases expiring between December 2013 and December 2018.</td>
</tr>
<tr>
<td>2 Krekshino</td>
<td>The Class A warehouse scheme is located in Moscow about 40 km to the south west of the city centre, 24 km from MKAD, between the Minsk and Kiev highways. Vnukovo airport, one of the largest airports in Moscow, which has both passenger and freight terminals, is located within about 15 km of the property. The gross lettable area is 118,000 sq. m. Net operating income is $17,730,000 and is let to multiple tenants including Itella, NLC, Gorenje and Top Logistics on leases expiring between February 2014 and June 2019.</td>
</tr>
<tr>
<td>3 Istra</td>
<td>The Class A warehouse scheme is located directly adjacent to the New Riga highway, approximately 50 km from Moscow city centre, 41 km from MKAD and 8 km from the Betonka A 107 motorway. The gross lettable area is 205,300 sq.m. The scheme provides net operating income of $28,303,000 and is let to multiple tenants including Bacardi, DSV, Seacontinental, Azbuka Vkusa, PresLogistics and R-Klimat on leases expiring between December 2013 and July 2021.</td>
</tr>
<tr>
<td>4 Klimovsk</td>
<td>The Class A warehouse scheme is located to the south of Moscow, approximately 21 km from the MKAD in the town of Klimovsk. The project is a short distance from the M2 Simferopolskoye highway, a major route to the south of Moscow. The gross lettable area is 157,600 sq. m. The net operating income from all phases is $21,382,000 from multiple tenants including signed lease agreements with Gradient, Gates, Alliance Healthcare, Fisher Clinical, Danone, Burda, De Agostini and Kupi Vip as well as preliminary lease agreements with Marvel and Farm, on leases expiring between December 2013 and July 2020.</td>
</tr>
</tbody>
</table>
5 Noginsk I and IIa
The Class A warehouse scheme is located in the Noginsk district of the Moscow region approximately 55km from the city centre, 44km from the MKAD and 3km outside the Betonka A107 motorway. Access to the site is from the Volga highway, which links Moscow to Nizhniy Novgorod. A rail spur serves the site.
The gross lettable area of 160,600 sq.m.
Net operating income is $24,200,000 from multiple tenants including signed lease agreements with UPM, X5, and Ontex as well as a preliminary lease agreements with ID Logistics and Sportmaster, on leases expiring between February 2014 and November 2021.

6 Lobnya
The Class A warehouse scheme is located on the Rogachevckoe highway located approximately 35 km to the north of the city centre, 20 km from the MKAD and 10 km north-east of Sheremetyevo airport.
The gross lettable area of 52,300 sq.m.
Net operating income is $7,075,000 from two major tenants - RosLogistics and Nippon Express on leases expiring between May 2014 and December 2017.

7 Pushkino
The Class A warehouse scheme is located on the Yaroslavskoe Highway, approximately 15 km from the MKAD before the exit to Pushkino city in the north-eastern part of Moscow Region.
The gross lettable area of 213,650 sq.m.
Net operating income is $27,504,000 from multiple tenants including DHL Logistics, Leroy Merlin and Itella on leases expiring between December 2013 and August 2020.

8 Sholokhovo
The Class A warehouse complex is located in Myitischensky District of the Moscow Region, on Dmitrovskoe highway, approximately 16 km from the MKAD.
The gross lettable area of 45,250 sq.m.
Net operating income is $6,082,000 from a number of tenants including Kuehne & Nagel and X5 on leases expiring between December 2013 and March 2017.

9 Shushary
The Class A warehouse scheme is located in the Shushary District of St. Petersburg, approximately 15 km south of the city centre and 5 km from the St. Petersburg ring road (KAD) on a motorway linking St. Petersburg to Moscow.
The gross lettable area of 147,400 sq.m.
Net operating income is $18,144,000 from multiple tenants including Dixi, Johnson Controls, Marvel, NYK, Samson, RosLogistics, BBraun, LEAR on leases expiring between December 2013 and December 2023, as well as a further preliminary lease agreement with Dixi.

10 Pulkovo 1
The Class A warehouse scheme is located to the south of the city centre on Pulkovskoe highway forming part of the Finland-Russia-Ukraine corridor and in close proximity to the Ring Road (KAD) and 2 km from Pulkovo International airport. The gross lettable area is 36,700 sq.m.
Net operating income is $4,353,000 from multiple tenants including OSG Records, Oriola, SKL, Co-Pack and Alidi on leases expiring between January 2014 and March 2018.
11 **Rostov on Don I**

The Class A warehouse scheme is located on the Federal Highway M4, approximately 10 km from the City centre and 7 km from the airport. The gross lettable area is 99,850 sq.m. Net operating income is $12,944,000 from multiple tenants including RosLogistics, Auchan, Sport Master, Centr Obuv and X5 on leases expiring between December 2013 and October 2019.

12 **Novosibirsk**

The Class A warehouse scheme is located on Petukhova Street in the south of the city of Novosibirsk, close to M51 highway to Moscow with a rail spur serving the site. The gross lettable area is 119,700 sq.m. Net operating income is $14,596,000 from multiple tenants including RosLogistics, FM Logistics, Pepsi, Oriflame, Rich Family, Sportmaster, and Amway as well as a preliminary lease agreement with Toyota, on leases expiring between December 2013 and October 2019.

13 **Constanta**

The stand-alone Class B+ office building is located on Leninsky Prospekt in the Moskovskiy district of St. Petersburg, approximately 8 km to the south of the city centre. The property is a modernised administrative building, which was converted in 2005 to provide an eight storey, self-contained office building with a gross lettable area of 15,828 sq.m. The entire building is let to LenEnergo on a lease expiring in April 2017 and provides $7,730,000 of net operating income.
## Portfolio of Assets under Development Valuation as at 15 November 2013

<table>
<thead>
<tr>
<th>Property Name</th>
<th>Location, Description, Tenure &amp; Tenancy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Padikovo</td>
<td>The site is located near Padikovo village in Istrinsky District of the Moscow Region, close to Novorizhskoe highway, approximately 25 km from MKAD and 5 km from A107 highway. On the date of valuation the site did not have immediate road access to Novorizhskoe highway. It comprises 2 land plots with areas of 10.33 ha and 27.89 ha held leasehold. The future GLA planned by the Client is circa 197,700 sq.m. The category of the land plots is for industry, energy, transport, communications, radio, television, information technologies, space activities, defence and security, and other special uses. The project has received a construction permit for Phase I. As at the date of valuation ground works had commenced.</td>
</tr>
<tr>
<td>2 Noginsk IIb and III</td>
<td>It comprises part of a 69.5 ha freehold development site located in the Noginsk district of Moscow region approximately 55km east of the city centre, 44 km from the MKAD and 3km inside the Betonka. Access to the site is from the Volga highway, which links Moscow to Nizhniy Novgorod. It is composed of four land plots with a total area of 37 ha for future phases IIb and III. The site is fully serviced with external utilities. The future GLA is 70,965 sq.m and 100,748 sq.m for phase IIb and III respectively. A preliminary lease agreement has been signed for the construction of a new 39,000 sq m building for delivery in Q1 2015. Construction is due to commence shortly.</td>
</tr>
<tr>
<td>3 Rostov on Don II</td>
<td>The site is located to the north east of Rostov on Don, in the Aksay District of Rostov Region, on the M4 “Don” Federal Highway approximately 10 km from the city centre. The site is linked directly to the Federal Highway M4 “Don” via a short access road. The site has an excellent position with good road accessibility, within close proximity to the local railway station and airport. The site with a total area of 27 ha is held freehold. The future Gross Leasable Area (GLA) is circa 126,500 sq.m. The category of the land is for industry, energy, transport, communications, radio, television, information technologies, space activities, defence and security, and other special uses.</td>
</tr>
</tbody>
</table>
APPENDIX 2

GENERAL PRINCIPLES ADOPTED IN THE PREPARATION OF VALUATION AND REPORTS
These are the general principles upon which our Valuations and Reports are normally prepared; they apply unless we have specifically mentioned otherwise in the body of the report. Where appropriate, we will be pleased to discuss variations to suit any particular circumstances, or to arrange for the execution of structural or site surveys, or any other more detailed enquiries.

These General Principles should be read in conjunction with Jones Lang LaSalle’s General Terms and Conditions of Business.

1. **RICS Valuation – Professional Standards:**
Valuations and Reports are prepared in accordance with the Valuation Standards contained in the RICS Valuation – Professional Standards – the 2012 Edition published by the Royal Institution of Chartered Surveyors, by valuers who conform to the requirements thereof.

Except where stated, Jones Lang LaSalle are External Valuers.

2. **Valuation Basis:**
Properties are generally valued to “Market Value” or alternatively another basis of valuation as defined in the Valuation Manual. Market Value is defined as “The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

The full definition of any other basis, which we may have adopted, is either set out in our report or in the Valuation Manual.

There are interpretative commentaries on the definitions which are set out in the Valuation Manual and which we will be pleased to supply on request.

In our valuations no allowances are made for any expenses of realisation, or for taxation, which might arise in the event of a disposal. All property is considered as if free and clear of all mortgages or similar financial encumbrances, which may be secured thereon.

Unless otherwise stated, our valuations are of each separate property. Portfolio valuations are aggregates of individual valuations rather than the portfolio having been valued as a whole. No allowance is made for the effect of the simultaneous marketing of all/or a proportion of the properties.

3. **Source of Information:**
We accept as being complete and correct the information provided to us, by the sources listed, as to details of tenure, tenancies, tenant's improvements, planning consents and other relevant matters, as summarised in our report.

4. **Documentation:**
We do not normally read leases or documents of title. We assume, unless informed to the contrary, that each property has a good and marketable title, that all documentation is satisfactorily drawn and that there are no encumbrances, restrictions, easements or other outgoings of an onerous nature, which would have a material effect on the value of the interest under consideration, nor material litigation pending. Where we have been provided with documentation we recommend that reliance should not be placed on our interpretation without verification by your lawyers.
5. Tenants:
Although we reflect our general understanding of a tenant’s status in our valuations, enquiries as to the financial standing of actual or prospective tenants are not normally made unless specifically requested. Where properties are valued with the benefit of lettings, it is therefore assumed, unless we are informed otherwise, that the tenants are capable of meeting their financial obligations under the lease and that there are no arrears of rent or undisclosed breaches of covenant.

6. Measurements:
Where appropriate, all measurement is carried out in accordance with the Code of Measuring Practice issued by the Royal Institution of Chartered Surveyors, except where indicated or where we specifically state that we have relied on another source.

7. Town Planning and Other Statutory Regulations:
Information on Town Planning, wherever possible, is obtained verbally from the Local Planning Authority. We do not make formal legal enquiries and, if reassurance is required, we recommend that verification be obtained from lawyers that:

7.1. the position is correctly stated in our report;
7.2. the property is not adversely affected by any other decisions made, or conditions prescribed, by public authorities;
7.3. there are no outstanding statutory notices.

Outside the UK however, it is often not possible to make such verbal enquiries.

Our valuations are prepared on the basis that the premises (and any works thereto) comply with all relevant statutory and EC regulations, including enactments relating to fire regulations, access and use by disabled persons and control and remedial measures for asbestos in the workplace.

8. Structural Surveys:
Unless expressly instructed, we do not carry out a structural survey, nor do we test the services and we therefore do not give any assurance that any property is free from defect. We seek to reflect in our valuations any readily apparent defects or items of disrepair, which we note during our inspection, or costs of repair which are brought to our attention.

9. Deleterious Materials:
We do not normally carry out investigations on site to ascertain whether any building was constructed or altered using deleterious materials or techniques (including, by way of example, high-alumina cement concrete, woodwool as permanent shuttering, calcium chloride or asbestos). Unless we are otherwise informed, our valuations are on the basis that no such materials or techniques have been used.

10. Site Conditions:
We do not normally carry out investigations on site in order to determine the suitability of ground conditions and services for the purposes for which they are, or are intended to be, put; nor do we undertake archaeological, ecological or environmental surveys. Unless we are otherwise informed, our valuations are on the basis that these aspects are satisfactory and that, where development is contemplated, no extraordinary expenses or delays will be incurred during the construction period due to these matters.
11. Environmental Contamination:
Unless expressly instructed, we do not carry out site surveys or environmental assessments, or investigate historical records, to establish whether any land or premises are, or have been, contaminated. Therefore, unless advised to the contrary, our valuations are carried out on the basis that properties are not affected by environmental contamination. However, should our site inspection and further reasonable enquiries during the preparation of the valuation lead us to believe that the land is likely to be contaminated we will discuss our concerns with you.

12. Insurance:
Unless expressly advised to the contrary we assume that appropriate cover is and will continue to be available on commercially acceptable terms. For example in regard to the following:

Composite Panels
We understand that a number of insurers are substantially raising premiums, or even declining to cover, buildings incorporating certain types of composite panel. Information as to the type of panel used is not normally available, and the market response to this issue is still evolving. Accordingly, our opinions of value make no allowance for the risk that insurance cover for any property may not be available, or may only be available on onerous terms, or for any adverse market reaction to the presence of such panels.

Terrorism
To the extent that it is feasible, our valuations have been made on the basis that the properties are insured against risks of loss or damage including damage caused by acts of Terrorism.

Flood and Rising Water Table
Our valuations have been made on the assumption that the properties are insured against damage by flood and rising water table.

13. Currency:
The valuations are prepared in US Dollars.

14. Value Added Tax:
Valuations are prepared and expressed exclusive of VAT payments, unless otherwise stated.

15. Outstanding Debts:
In the case of property where construction works are in hand, or have recently been completed, we do not normally make allowance for any liability already incurred, but not yet discharged, in respect of completed works, or obligations in favour of contractors, subcontractors or any members of the professional or design team.

16. Confidentiality and Third Party Liability:
Our Valuation and the Schedule are for the specific purpose to which they refer and form part of the prospectus. Save where the contents of this Valuation Report are reproduced, referred to or otherwise disclosed by virtue of the Prospectus in which it appears (or any part thereof) being incorporated by reference (as that term is used in the Prospectus Rules and/or the Listing Rules), before this Valuation Report, or any part thereof, is reproduced or referred to in any other document, circular or statement and before its contents, or any part thereof, are otherwise disclosed orally or otherwise to a third party, the Valuer's written approval as to form and context of such publication or disclosure must first be obtained.

For the avoidance of doubt, such approval is required whether or not Jones Lang LaSalle are referred to by name and whether or not the contents of our Valuation Report are combined with other reports.
17. Valuations Prepared On Limited Information:
In the event that we are instructed to provide a valuation without the opportunity to carry out an adequate inspection and/or without the extent of information normally available for a formal valuation, we are obliged to state that the valuation is totally dependent on the adequacy and accuracy of the information supplied and/or the assumptions made. Should these prove to be incorrect or inadequate, the accuracy of the valuation may be affected.
APPENDIX 3

MARKET VALUE DEFINITION

(EXTRACT FROM THE RICS VALUATION – PROFESSIONAL STANDARDS – THE 2012 EDITION)
Market Value

Definition and Interpretive Commentary. Reproduced from the RICS Valuation – Professional Standards, the 2012 Edition

3.2

Valuations based on Market Value (MV) shall adopt the definition, and the interpretive commentary, settled by the International Valuation Standards Committee.

Definition

‘The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.’

Interpretive Commentary, as published in International Valuation Standards

The definition of market value shall be applied in accordance with the following conceptual framework:

(a) “the estimated amount” refers to a price expressed in terms of money payable for the asset in an arm’s length market transaction. Market value is the most probable price reasonably obtainable in the market on the valuation date in keeping with the market value definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of special value;

(b) “an asset should exchange” refers to the fact that the value of an asset is an estimated amount rather than a predetermined amount or actual sale price. It is the price in a transaction that meets all the elements of the market value definition at the valuation date;

(c) “on the valuation date” requires that the value is time-specific as of a given date. Because markets and market conditions may change, the estimated value may be incorrect or inappropriate at another time. The valuation amount will reflect the actual market state and circumstances as of the effective valuation date, not as of either a past or future date. The definition also assumes simultaneous exchange and completion of the contract for sale without any variation in price that might otherwise be made;

(d) “between a willing buyer” refers to one who is motivated, but not compelled to buy. This buyer is neither over eager nor determined to buy at any price. This buyer is also one who purchases in accordance with the realities of the current market and with current market expectations, rather than in relation to an imaginary or hypothetical market that cannot be demonstrated or anticipated to exist. The assumed buyer would not pay a higher price than the market requires. The present owner is included among those who constitute “the market”;  

(e) “and a willing seller” is neither an over eager nor a forced seller prepared to sell at any price, nor one prepared to hold out for a price not considered reasonable in the current market. The willing seller is motivated to sell the asset at market terms for the best price attainable in the open market after proper marketing, whatever that price may be. The factual circumstances of the actual owner are not a part of this consideration because the willing seller is a hypothetical owner;
(f) “in an arm’s length transaction” is one between parties who do not have a particular or special relationship, eg parent and subsidiary companies or landlord and tenant, that may make the price level uncharacteristic of the market or inflated because of an element of special value. The market value transaction is presumed to be between unrelated parties, each acting independently;

(g) “after proper marketing” means that the asset would be exposed to the market in the most appropriate manner to effect its disposal at the best price reasonably obtainable in accordance with the market value definition. The method of sale is deemed to be that most appropriate to obtain the best price in the market to which the seller has access. The length of exposure time is not a fixed period but will vary according to the type of asset and market conditions. The only criterion is that there must have been sufficient time to allow the asset to be brought to the attention of an adequate number of market participants. The exposure period occurs prior to the valuation date;

(h) “where the parties had each acted knowledgeably, prudently” presumes that both the willing buyer and the willing seller are reasonably informed about the nature and characteristics of the asset, its actual and potential uses and the state of the market as of the valuation date. Each is further presumed to use that knowledge prudently to seek the price that is most favourable for their respective positions in the transaction. Prudence is assessed by referring to the state of the market at the valuation date, not with benefit of hindsight at some later date. For example, it is not necessarily imprudent for a seller to sell assets in a market with falling prices at a price that is lower than previous market levels. In such cases, as is true for other exchanges in markets with changing prices, the prudent buyer or seller will act in accordance with the best market information available at the time;

(i) “and without compulsion” establishes that each party is motivated to undertake the transaction, but neither is forced or unduly coerced to complete it.

32. The concept of market value presumes a price negotiated in an open and competitive market where the participants are acting freely. The market for an asset could be an international market or a local market. The market could consist of numerous buyers and sellers, or could be one characterised by a limited number of market participants. The market in which the asset is exposed for sale is the one in which the asset being exchanged is normally exchanged.

33. The market value of an asset will reflect its highest and best use. The highest and best use is the use of an asset that maximises its productivity and that is possible, legally permissible and financially feasible. The highest and best use may be for continuation of an asset’s existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid.

34. The highest and best use of an asset valued on a stand-alone basis may be different from its highest and best use as part of a group, when its contribution to the overall value of the group must be considered.

35. The determination of the highest and best use involves consideration of the following:

(a) to establish whether a use is possible, regard will be had to what would be considered reasonable by market participants,

(b) to reflect the requirement to be legally permissible, any legal restrictions on the use of the asset, eg zoning designations, need to be taken into account,
(c) the requirement that the use be financially feasible takes into account whether an alternative use that is physically possible and legally permissible will generate sufficient return to a typical market participant, after taking into account the costs of conversion to that use, over and above the return on the existing use.