



PRESS RELEASE

TMM Real Estate Development PLC Publishes 2013 Audited Consolidated Financial Results

Kyiv, 01 July 2014 - TMM Real Estate Development PLC (FRA: TR61) (“TMM” or the “Company”) announces publication of its consolidated financial statements as at 31st December 2013 and for the year then ended. The financial statements were prepared in accordance with IFRS and audited by Ernst & Young Cyprus Limited.

Key Highlights:

<i>US\$ thousands, unless otherwise indicated</i>	FY2013	FY2012
Revenue	45,114	29,663
Gross profit	2,389	4,942
<i>Gross margin, %</i>	<i>5.3%</i>	<i>16.7%</i>
EBITDA ⁽¹⁾	1,660	-8,421
<i>EBITDA margin, %</i>	<i>3.7%</i>	<i>neg.</i>
Operating profit / (loss)	-4,737	-10,247
<i>Operating margin, %</i>	<i>neg.</i>	<i>neg.</i>
Profit / (loss) before tax	-18,057	-21,500
Profit / (loss) for the year from continuing operations	-15,680	-22,187
Total assets	389,993	361,174
Net debt ⁽²⁾	172,873	155,842

Larysa Chyvurina, TMM Company’s CFO, commented: “In FY 2013 TMM’s **revenue from sales of completed inventory property** more than **doubled** (USD 28,406 thousand vs. USD 11,765 thousand in 2012). This was to a large extent attributable to completion* of the 2nd phase of Sonyachna Brama project (Lomonosova str., Kyiv) in Q1 2013. However, high borrowing costs (USD 7,120 thousand) included in cost of completed inventory property sold did not allow us to achieve high gross margin.

This year we are commissioning the 3rd phase of the Lomonosova str. project, presales in which have been very strong. Total cash collections from sales of properties increased 2x y-o-y in H1 2014.

We also continued providing construction services to third parties, with FY 2013 **construction services revenue** remaining at the level of 2012 and amounting to **USD 7.6mn**.

As for the company’s liabilities, we have recently entered into an additional agreement with one of our lenders, **extending repayment of the UAH credit line** current principal and interest in the amount of USD 42,249 thousand and USD 12,415 thousand respectively from 2014 to 2015-2017.”

The consolidated financial statements as at 31st December 2013 and for the year then ended with the Independent Auditor’s report are published at our website at <http://www.tmm.ua/eng/ir/reports.html>

⁽¹⁾ EBITDA is equal to operating profit plus borrowing costs included in cost of completed inventory property, plus depreciation and amortization of fixed assets and intangible assets, less changes in the fair value of investment property.

⁽²⁾ Net Debt is calculated as total interest bearing loans and borrowings less cash and cash equivalents

* - Revenues from the sale of completed inventory property are recognized in profit or loss for the period only when the construction is complete and approved by the state commissioner.

About TMM:

TMM is a leading Ukrainian real estate development and construction company delivering residential, office and commercial real estate projects in Kyiv, Kharkiv and the Crimea. During the past 20 years the company has completed 32 projects totaling to over 680 thousand sq m. Currently TMM's portfolio includes around 30 projects at various stages of development.

For further questions, please contact:

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