0144/00022458/en
Other Announcements
AFI DEVELOPMENT PLC
AFID

AFI D PLC_Announcement of Agreement for VTB Loan Restructuring

Relevant announcement is attached.

Attachment:

1. **Announcement_AFI DEVELOPMENT PLC_Agreement for VTB Loan Restructuring**

Non Regulated
Publication Date: 18/01/2018

THIS ANNOUNCEMENT IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN OR INTO THE RUSSIAN FEDERATION, THE UNITED STATES, CANADA, AUSTRALIA OR JAPAN

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

AFI DEVELOPMENT AGREES TO RESTRUCTURE ITS LOANS WITH VTB BANK

London, 18 January 2018 – AFI Development Plc announces that it has reached an agreement to restructure its loan agreements with VTB Bank PJSC ("VTB") in relation to the AFIMALL City project and the Ozerkovskaya III project. It has been agreed that the Company subsidiary Bellgate Constructions Limited ("Bellgate", the owner of AFIMALL City) signs a new loan facility agreement ("the New Loan"), which will be used to refinance the existing Bellgate loan from VTB and to repay its loan from AFI Development.

Bellgate will receive the New Loan in five tranches, in Euros and in Russian Roubles. The blended interest rate on the New Loan is circa 5.6% (assuming current EUR/RUR exchange rate and current Russian Central Bank key lending rate). The interest and the principal of the New Loan are to be paid quarterly, while the term of the loan is 5 years. After drawdown of all the tranches, Bellgate will have loan obligations in Russian Roubles of a maximum amount of RUR9.6 billion and in Euros in the equivalent of US$360 million.

AFI Development plans to use the funds received by Bellgate to repay the remainder of Ozerkovskaya III loan. Taking into account partial repayment of this loan from proceeds received from disposal of two buildings at Ozerkovskaya III in December 2017, the Ozerkovskaya III loan at VTB will be fully repaid.

The New Loan has additional conditions and securities common for this type of loan agreements on the Russian market. AFI Development Plc will not provide a guarantee for the New Loan.

- ENDS -

For further information, please contact:

AFI Development, +7 495 796 9988
Ilya Kutnov, Corporate Affairs/Investments Director (Responsible for arranging the release of this announcement)

Citigate Dewe Rogerson, London +44 20 7638 9571
David Westover
Sandra Novakov

This announcement contains inside information.

About AFI Development

Established in 2001, AFI Development is one of the leading real estate development companies operating in Russia.

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.