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JAPAN*

24 May 2018

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

RESULTS FOR THE THREE MONTHS TO 31 MARCH 2018

Performance continues to improve as positive momentum is maintained

AFI Development, a leading real estate company focused on developing property in Russia, has today announced its financial results for the three months ended 31 March 2018.

Q1 2018 financial highlights¹

- **Revenue** for Q1 2018 increased by 4% year-on-year to US\$49.4 million, including proceeds from the sale of trading properties:
 - Rental and hotel operating income increased by 22% year-on-year to US\$31.2 million
 - AFIMALL City contribution stood at US\$22.1 million (Q1 2017: US\$19.5 million), a 13% improvement year-on-year
 - Sale of residential properties contributed US\$17.9 million to total revenue²
- **Gross profit** decreased slightly to US\$15.8 million (Q1 2017: US\$16.1 million)
- **Net profit** for Q1 2018 amounted to US\$5.1 million, compared to US\$1.0 million in Q1 2017
- **Total gross value of portfolio of properties** was unchanged at US\$1.42 billion
- **Cash, cash equivalents and marketable securities** as of 31 March 2018 grew to US\$118.5 million (vs. US\$106.0 million at end-2017)

¹ The financial results for Q1 2018 reported in this publication are based on the Unaudited summary of financial results prepared by the Company. The results were not reviewed by the auditors.

² The Group has adopted IFRS 15 Revenue from Contracts with Customers from 1 January 2018. The "sale of residential properties" figure includes the revenue from sales of residential properties transferred over time calculated under IFRS 15.

Q1 2018 operational highlights

- The delivery of apartments to customers commenced at AFI Residence Paveletskaya. Progress was made in the marketing of the properties with 421 residential unit pre-sale contracts (67% of units under pre-sales) signed as of 21 May 2018
- At Odintsovo, construction works and pre-sales continue at Building 3 (phase I) and Building 6 (phase II). The last remaining apartments in Building 2 are in the process of being sold. As of 21 May 2018, the number of signed sale contracts stood at 677 (96% of total) in Building 2, 179 (19% of total) in Building 3 and 153 (68% of total) in Building 6
- At Bolshaya Pochtovaya, construction and pre-sale is progressing as planned. As of 21 May 2018, 115 apartments (61% of Phase I) have been pre-sold at Bolshaya Pochtovaya
- The construction and pre-sale of properties at Botanic Garden remains on track. As of 21 May 2018, 162 apartments (21% of Phase I) have been pre-sold to customers
- AFIMALL City continues to record solid NOI growth, reaching US\$16.8 million in Q1 2018, up from US\$14.3 million in Q1 2017 (a 17% increase year-on-year)

Commenting on today's announcement, Lev Leviev, Executive Chairman of AFI Development, said:

"We are pleased to confirm that the positive momentum of the previous year was maintained throughout the first quarter of 2018, leading to a solid set of financial results for the period. Our flagship AFIMALL City project continues to perform strongly and has contributed greatly to revenue and profit. We are confident this strong set of results leaves us well positioned to meet any potential challenges in the year ahead as we continue to advance our pipeline of projects under development."

Q1 2018 Results Conference Call:

AFI Development will hold a conference call for analysts and investors to discuss its Q1 2018 financial results on Friday, 25 May 2018.

Details for the conference call are as follows:

Date:	Friday, 25 May 2018		
Time:	3pm BST (5pm Moscow)		
Dial-in Tel:	International:	+44 (0)20 3003 2666	
	UK toll free:	0808 109 0700	
	US toll-free:	1 866 966 5335	
	Russia toll-free:	8 10 8002 4902044	
Password:	AFI Development		

The Q1 2018 investor presentation will be published on the Company's website: <http://www.afi-development.com/en/investor-relations/reports-presentations> by 11.00 UK (13.00 Moscow) on 25 May 2018.

- ends -

For further information, please contact:

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Ilya Kutnov, Corporate Affairs/Investments Director (Responsible for arranging the release of this announcement)

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Sandra Novakov

Aidan McGrattan

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 centres, 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 favourable return.

AFI Development is a leading force in urban regeneration, breathing new life into city squares and neighbourhoods 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 the future.

Legal disclaimer

Some of the information in these materials may contain projections or other forward-looking statements regarding future events, the future financial performance of the Company, its intentions, beliefs or current expectations and those of its officers, directors and employees concerning, among other things, the Company's results of operations, financial condition, liquidity, prospects, growth, strategies and business.

You can identify forward looking statements by terms such as "expect", "believe", "anticipate", "estimate", "intend", "will", "could," "may" or "might" or the negative of such terms or other similar expressions. These statements are only predictions and that actual events or results may differ materially. Unless otherwise required by applicable law, regulation or accounting standard, the Company does not intend to update these statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. Many factors could cause the actual results to differ materially from those contained in projections or forward-looking statements of the Company, including, among others, general economic conditions, the competitive environment, risks associated with operating in Russia and market change in the industries the Company operates in, as well as many other risks specifically related to the Company and its operations.

Executive Chairman's statement

Building on the positive momentum of 2017, the macroeconomic environment in Russia continued to stabilise into Q1 2108, as reflected by improved GDP growth projections and low inflation.

Supported by these positive trends, our financial performance continued to improve, with revenue growing 4% year-on-year to US\$49.4 million for the quarter. The rental and hotel operating income increased 22% year-on-year to US\$31.2 million, reflecting the strong performance of AFIMALL City. Our gross profit for the quarter was US\$15.8 million.

We are pleased to report that we have started the delivery of pre-sold apartments in Phase I of our AFI Residence Paveletskaya project. The construction and pre-sales at our other residential projects, namely, Odinburg, Bolshaya Pochtovaya and Botanic Garden are also progressing to plan.

Projects update

AFIMALL City

Continued improvement in the performance of AFIMALL City is reflected in increased revenue, up 13% year-on-year to US\$22.1 million for the quarter, and NOI, up 17% year-on-year to US\$16.8 million. Occupancy at the end of the quarter reached 90%, from 89% at the end-2017.

Recent new openings at AFIMALL City include a boutique of Russian designers' apparel "the House of Russian Fashion", Van Cliff men's fashion and Adolfo Dominguez women's fashion outlets.

Odinburg

At the Odinburg residential development, Building 3 (Phase I) and Building 6 (Phase II) are under construction and currently being marketed to customers. The last remaining apartments at the delivered Building 2 of Phase I are in the process of being sold.

As of 21 May 2018, 677 apartments (96% of total) were sold in Building 2, 179 (19% of total) in Building 3 and 153 (68% of total) in Building 6.

AFI Residence Paveletskaya (Paveletskaya II)

In Q1 2018, Phase I of the AFI Residence Paveletskaya development was commissioned and delivery of apartments to customers commenced. Meanwhile, construction works and marketing of apartments and special units continues to plan. As of the date of publication of this report, 421 contracts for pre-sales of both apartments and "special units" have been signed (67% of Phase I and Phase II combined).

Bolshaya Pochtovaya

During Q1 2018 the construction and marketing of the project progressed according to plan and as of 21 May 2018, 115 apartments (61% of Phase I) had been pre-sold to customers.

Botanic Garden

The construction and pre-sales are also progressing at Botanic Garden. As of 21 May 2018, 166 apartments (21% of Phase I) have been pre-sold to customers

Aquamarine III (Ozerkovskaya III)

In Q1 2018 the Company successfully completed the disposal of Buildings 2 and 4 to an end-user (one of the leading Russian banks) for circa US\$135 million.

Following the disposal, and the restructuring of the loans of Aquamarine III and of AFIMALL City with VTB Bank PJSC, the loan at Aquamarine III was fully repaid in January 2018.

AFI Development currently owns one remaining building in the complex (GBA 18,805 sq.m including underground parking), which is leased to Deutsche Bank, Brown-Forman and other tenants. The occupancy of the building as of the end of Q1 2018 was 87%.

Lev Leviev
Executive Chairman of the Board

NOT REVIEWED BY AUDITORS

SUMMARY OF FINANCIAL RESULTS

For the period from 1 January 2018 to 31 March 2018

UNAUDITED CONSOLIDATED INCOME STATEMENT
For the period from 1 January 2018 to 31 March 2018

	Note	Unaudited 1/1/18- 31/3/18 US\$ '000	Audited 1/1/17- 31/3/17 US\$ '000
Revenue	2	49,401	47,498
Other income		210	155
Operating expenses	4	(15,766)	(12,262)
Carrying value of trading properties sold		(16,377)	(20,331)
Administrative expenses	3	(1,371)	(546)
Other expenses		(250)	(385)
Total expenses		(33,764)	(33,524)
Share of the after tax profit of joint ventures		-	1,957
Gross Profit		15,847	16,086
Gain on 100% acquisition of previously held interest in a joint venture		-	7,532
Decrease in fair value of properties	7,8	(4,011)	(43,613)
Results from operating activities		11,836	(19,995)
Finance income		6,545	24,470
Finance costs		(11,834)	(11,863)
Net finance (costs)/income	5	(5,289)	12,607
(Loss)/profit before tax		6,547	(7,388)
Tax (expense)/benefit	6	(1,429)	8,419
(Loss)/profit for the period		5,118	1,031
(Loss)/profit attributable to:			
Owners of the Company		5,140	1,091
Non-controlling interests		(22)	(60)
		5,118	1,031
Earnings per share			
Basic and diluted earnings per share (cent)		0.49	0.10

The unaudited summary of financial results was approved by the Board of Directors on 23 May 2018.

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 March 2018

	Note	Unaudited 31/3/18 US\$ '000	Audited 31/12/17 US\$ '000
Assets			
Investment property	7	818,060	818,060
Investment property under development	8	163,240	163,240
Property, plant and equipment	9	78,040	77,633
Long-term loans receivable		1,705	1,669
Intangible assets		693	204
VAT recoverable		52	48
Non-current assets		1,061,790	1,060,854
Trading properties	10	9,188	10,792
Trading properties under construction	11	357,039	349,735
Other investments		15,032	10,515
Inventories		1,088	1,318
Short-term loans receivable		1,105	1,090
Trade and other receivables	12	57,368	70,402
Current tax assets		4,148	4,114
Cash and cash equivalents	13	103,418	95,468
Current assets		548,386	543,434
Total assets		1,610,176	1,604,288
Equity			
Share capital		1,048	1,048
Share premium		1,763,409	1,763,409
Translation reserve		(300,791)	(301,050)*
Capital reserve		(19,330)	(19,333)
Retained earnings		(660,299)	(665,438)*
Equity attributable to owners of the Company		784,037	778,636
Non-controlling interests		(149)	(144)*
Total equity		783,888	778,492
Liabilities			
Long-term loans and borrowings	14	584,147	492,484
Deferred tax liabilities		44,853	44,538*
Deferred income		12,894	12,641
Non-current liabilities		641,894	549,663
Short-term loans and borrowings	14	3,405	86,775
Trade and other payables	15	40,228	65,106
Advances from customers		140,105	114,335*
Current tax liabilities		656	9,917
Current liabilities		184,394	276,133
Total liabilities		826,288	825,796
Total equity and liabilities		1,610,176	1,604,288

*The Group has adopted IFRS 15 Revenue from Contracts with Customers from 1 January of 2018. For further details refer to note 4 of Report and Financial Statement for the year ended 31 December 2017.

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
For the period from 1 January 2018 to 31 March 2018

	Note	Unaudited 1/1/18- 31/3/18 US\$ '000	Audited 1/1/17- 31/3/17 US\$ '000
Cash flows from operating activities			
Profit/(loss) for the period		5,118	1,031
<i>Adjustments for:</i>			
Depreciation	9	242	197
Net finance costs/(income)	5	4,514	(12,728)
Decrease in fair value of properties	7,8	4,011	43,613
Share of profit in joint ventures		-	(1,957)
Gain on 100% acquisition of previously held interest in a joint venture		-	(7,532)
Tax expense/(benefit)	6	<u>1,429</u>	<u>(8,419)</u>
		15,314	14,205
Change in trade and other receivables		18,323	(2,264)
Change in inventories		239	33
Change in trading properties and trading properties under construction		(4,444)	(3,318)
Change in advances and amounts payable to builders of trading properties under construction		(3,786)	2,725
Change in advances from customers		25,271	(1,430)
Change in trade and other payables		(25,734)	9,962
Change in VAT recoverable		(557)	(663)
Change in deferred income		<u>181</u>	<u>291</u>
Cash generated from operating activities		24,807	19,541
Taxes paid		(10,043)	(500)
Net cash from operating activities		14,764	19,041
Cash flows from investing activities			
Acquisition of subsidiary net of cash acquired		-	(786)
Proceeds from sale of other investments		5,148	2,621
Proceeds from sale of property, plant and equipment		2	-
Interest received		349	159
Change in advances and amounts payable to builders	15	(263)	1,836
Payments for construction of investment property under development	8	(756)	(796)
Payments for the acquisition/renovation of investment property	7	(256)	(97)
Change in VAT recoverable		143	614
Acquisition of property, plant and equipment	9	(305)	(11)
Acquisition of other investments		(9,845)	(2,612)
Acquisition of intangible assets		(964)	-
Proceeds from repayments of loans receivable		-	4,178
Payments for loans receivable		(2)	(1,429)
Net cash from / (used in) investing activities		(6,749)	3,677

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
For the period from 1 January 2018 to 31 March 2018

	Note	Unaudited 1/1/18- 31/3/18 US\$ '000	Audited 1/1/17- 31/3/17 US\$ '000
Cash flows from financing activities			
Acquisition of non-controlling interests		-	(1,500)
Proceeds from loans and borrowings		102,686	5,632
Repayment of loans and borrowings		(92,314)	-
Interest paid		(12,555)	(11,978)
Net cash used in financing activities		(2,183)	(7,846)
Effect of exchange rate fluctuations		2,118	(2,044)
Net increase in cash and cash equivalents		95,468	12,828
Cash and cash equivalents at 1 January		7,950	10,619
Cash and cash equivalents at 31 March	13	103,418	23,447

NOTES TO THE UNAUDITED SUMMARY OF FINANCIAL RESULTS
For the period from 1 January 2018 to 31 March 2018

1. SUMMARY OF OPERATION

Incorporation and principal activity

AFI Development PLC (the “Company”) was incorporated in Cyprus on 13 February 2001 as a limited liability company under the name Donkamill Holdings Limited. In April 2007 the Company was transformed into public company and changed its name to AFI Development PLC. The address of the Company’s registered office is 165 Spyrou Araouzou Street, Lordos Waterfront Building, 5th floor, Flat/office 505, 3035 Limassol, Cyprus. As of 7 September 2016, the Company is a 64.88% subsidiary of Flotonic Limited, a private holding company registered in Cyprus, 100% owned by Mr Lev Leviev. Prior to that, the Company was a 64.88% subsidiary of Africa Israel Investments Ltd (“Africa-Israel”), which is listed on the Tel Aviv Stock Exchange (“TASE”). The remaining shareholding of “A” shares is held by a custodian bank in exchange for the GDRs issued and listed in the London Stock Exchange (“LSE”). On 5 July 2010 the Company issued by way of a bonus issue 523,847,027 “B” shares, which were admitted to a premium listing on the Official List of the UK Listing Authority and to trading on the main market of LSE. On the same date, the ordinary shares of the Company were designated as “A” shares.

This summary of financial results comprises the Company and its subsidiaries (together referred to as the “Group”). The principal activity of the Group is real estate investment and development.

The summary of financial results was not audited. The amounts are based on the Group’s financial information, which is prepared in accordance with International Financial Reporting Standards (“IFRS”), as adopted by the European Union (“EU”) and the Group’s accounting policy, while the disclosures and presentation are not in compliance with IFRSs, specifically with IAS 34 “Interim Financial Reporting” and IAS 1 “Presentation of Financial Statements”.

Exchange rates

The table below shows the exchange rates of Russian Rubles, which is the functional currency of the Russian subsidiaries of the Group, to the US Dollar, which is the presentation currency of the Group:

As of:	Russian Rubles for US\$1	% change quarter	% change year to date
31 March 2018	57.2649	(0.6)	(0.6)
31 December 2017	57.6002		(5.0)
31 March 2017	56.3779		(7.2)
Average rate during:			
Three-month period ended 31 March 2018	56.8803		(2.5)
Three-month period ended 31 March 2017	58.8366		(21.2)

NOTES TO THE UNAUDITED SUMMARY OF FINANCIAL RESULTS
For the period from 1 January 2018 to 31 March 2018

2. REVENUE

	Unaudited 1/1/18- 1/3/18 US\$ '000	Audited 1/1/17- 31/3/17 US\$ '000
Investment property rental income	23,638	20,975
Sales of trading properties (note 10)	1,750	21,865
Sales of residential – transferred over time* (note 11)	16,160	-
Hotel operation income	7,590	4,546
Non-core activity revenue	260	-
Construction consulting/management fees	3	112
	49,401	47,498

*The Group has adopted IFRS 15 Revenue from Contracts with Customers from 1 January of 2018.

3. ADMINISTRATIVE EXPENSES

	Unaudited 1/1/18- 31/3/18 US\$ '000	Audited 1/1/17- 31/3/17 US\$ '000
Consultancy fees	160	91
Legal fees	329	576
Auditors' remuneration	62	77
Valuation expenses	16	36
Directors' remuneration	328	325
Depreciation	32	35
Insurance	36	37
Provision for Doubtful Debts	6	(986)
Other administrative expense	402	355
	1,371	546

NOTES TO THE UNAUDITED SUMMARY OF FINANCIAL RESULTS
For the period from 1 January 2018 to 31 March 2018

4. OPERATING EXPENSES

	Unaudited 1/1/18- 31/3/18 US\$ '000	Audited 1/1/17- 31/3/17 US\$ '000
Maintenance, utility and security expenses	5,479	4,318
Agency and brokerage fees	924	234
Advertising expenses	1,816	916
Salaries and wages	4,089	3,438
Consultancy fees	126	161
Depreciation	210	163
Insurance	116	148
Rent	432	452
Property and other taxes	2,554	2,418
Other operating expenses	20	14
	15,766	12,262

5. FINANCE COST AND FINANCE INCOME

	Unaudited 1/1/18- 31/3/18 US\$ '000	Audited 1/1/17- 31/3/17 US\$ '000
Interest income	368	315
Net foreign exchange gain	6,177	24,104
Net change in fair value of financial assets	-	51
Finance income	6,545	24,470
Interest expense on loans and borrowings	(9,205)	(11,742)
Net change in fair value of financial assets	(621)	-
Other finance costs	(770)	(121)
Interest expenses (financing component under IFRS 15)*	(1,238)	-
Finance costs	(11,834)	(11,863)
Net finance (costs)/income	(5,289)	12,607

*The Group has adopted IFRS 15 Revenue from Contracts with Customers from 1 January of 2018.

NOTES TO THE UNAUDITED SUMMARY OF FINANCIAL RESULTS
For the period from 1 January 2018 to 31 March 2018

6. TAX EXPENSE / (BENEFIT)

	Unaudited 1/1/18- 31/3/18 US\$ '000	Audited 1/1/17- 31/3/17 US\$ '000
Current tax expense		
Current year	990	481
Deferred tax expense/(benefit)		
Origination and reversal of temporary differences	439	(8,900)
Total income tax expense/(benefit)	1,429	(8,419)

7. INVESTMENT PROPERTY

Reconciliation of carrying amount

	Unaudited 31/3/18 US\$ '000	Audited 31/12/17 US\$ '000
Balance 1 January	818,060	915,350
Renovations / additional costs	256	998
Disposals	-	(140,026)
Fair value adjustment	(2,684)	18,218
Effect of movement in foreign exchange rates	2,428	23,520
Balance 31 March / 31 December	818,060	818,060

The increase/decrease due to the effect of the foreign exchange fluctuation is a result of the weakening of the US Dollar to the Russian Rouble by 0.6% during the first quarter 2018. The fair value adjustment in investment property was a result of this weakening of the US Dollar.

The Company assessed that the fair value of the properties has not materially changed since 31 December 2017 as there were no significant changes in the macroeconomic conditions in Russia. The same applies for investment property under development. See note 8 below.

The disposals of investment property represent the below two transactions:

- Two out of the three buildings of Ozerkovskaya III also known as Aquamarine III Business Centre owned by Krown Investments LLC to one of the leading Russian banks. The consideration received amounted to Russian rouble 7.89 billion, equivalent to US\$135 million net of the applicable Russian VAT, brokerage fees and cost of agreed repairs resulting in a loss of approximately US\$4 million before taxes.
- An agreement based on which the Group acquired the additional 26% interest in Bizar LLC increasing its ownership to 100% in exchange for one of the four buildings owned by Bizar LLC of a total value of US\$5,341 thousand.

NOTES TO THE UNAUDITED SUMMARY OF FINANCIAL RESULTS
For the period from 1 January 2018 to 31 March 2018

8. INVESTMENT PROPERTY UNDER DEVELOPMENT

	Unaudited 31/3/18 US\$ '000	Audited 31/12/17 US\$ '000
Balance 1 January	163,240	232,900
Construction costs	756	4,865
Transfer to trading properties under construction (note 11)	-	(74,100)
Fair value adjustment	(1,327)	(6,648)
Effect of movements in foreign exchange rates	571	6,223
Balance 31 March / 31 December	163,240	163,240

The investment property under development was revalued by independent appraisers on 31 December 2017. The cumulative adjustments, for all projects, are shown in line "Fair value adjustment" in the table above.

The increase/decrease due to the effect of the foreign exchange fluctuation is a result of the weakening of the US Dollar to the Russian Rouble by 0.6% during the first quarter 2018, as described in note 7 above.

9. PROPERTY, PLANT AND EQUIPMENT

	Unaudited 31/3/18 US\$ '000	Audited 31/12/17 US\$ '000
Balance 1 January	77,633	31,215
Effect of acquisition of subsidiary	-	45,580
Depreciation charge	(242)	(846)
Additions	305	484
Disposals	(2)	(137)
Effect of movements in foreign exchange rates	346	1,337
Balance 31 March / 31 December	78,040	77,633

10. TRADING PROPERTIES

	Unaudited 31/3/18 US\$ '000	Audited 31/12/17 US\$ '000
Balance 1 January	10,792	6,854
Transfer from trading properties under construction (note 11)	-	63,202
Disposals	(1,628)	(59,747)
Effect of movements in exchange rates	24	483
Balance 31 March / 31 December	9,188	10,792

Trading properties comprise unsold apartments and parking spaces of "Odinburg" project. During the period the sale of 18 flats and 1 parking places were recognised, upon transferring of the rights to the buyers according to the signed acts of transfer, in the income statement.

NOTES TO THE UNAUDITED SUMMARY OF FINANCIAL RESULTS
For the period from 1 January 2018 to 31 March 2018

11. TRADING PROPERTIES UNDER CONSTRUCTION

	Unaudited 31/3/18 US\$ '000	Audited 31/12/17 US\$ '000
Balance 1 January	349,735	243,327
Transfer from investment property under development (note 8)	-	74,100
Transfer to trading properties (note 10)	-	(63,202)
Sale of residential*	(14,749)	-
Construction costs	20,821	96,481
Impairment	-	(9,548)
Effect of movements in exchange rates	1,232	8,577
Balance 31 March / 31 December	357,039	349,735

*The Group has adopted IFRS 15 Revenue from Contracts with Customers from 1 January of 2018.

Trading properties under construction comprise “Odinburg”, “AFI Residence Paveletskaya”, “Botanic Garden” and “Bolshaya Pochtovaya” projects that involve primarily the construction of residential properties.

12. TRADE AND OTHER RECEIVABLES

	Unaudited 31/3/18 US\$ '000	Audited 31/12/17 US\$ '000
Advances to builders	33,811	29,313
Amounts receivable from related parties	121	109
Trade receivables, net	2,114	3,458
Other receivables	6,287	21,713
VAT recoverable	10,353	9,889
Tax receivables	4,682	5,920
	57,368	70,402

Trade receivables net

Trade receivables are presented net of an accumulated provision for doubtful debts of US\$94 thousand (31/12/2017: US\$82 thousand).

NOTES TO THE UNAUDITED SUMMARY OF FINANCIAL RESULTS
For the period from 1 January 2018 to 31 March 2018

13. CASH AND CASH EQUIVALENTS

	Unaudited 31/3/18 US\$ '000	Audited 31/12/17 US\$ '000
Cash and cash equivalents consist of:		
Cash at banks	103,136	95,102
Cash in hand	282	366
Cash and cash equivalents as per statement of cash flows:	103,418	95,468

14. LOANS AND BORROWINGS

	Unaudited 31/3/18 US\$ '000	Audited 31/12/17 US\$ '000
Non-current liabilities		
Secured bank loans	584,147	492,484
	584,147	492,484
Current liabilities		
Secured bank loans	3,095	86,468
Unsecured loans from other non-related companies	310	307
	3,405	86,775

The following changes to the loans took place during the three-month period ended 31 March 2018:

- (i) A secured loan from VTB Bank JSC ("VTB") signed on 22 June 2012 by one of the Group's subsidiary, Bellgate Construction Ltd ("Bellgate") with a maturity date in April 2018, was refinanced through a new loan, signed on 28 December 2017 by the Group's subsidiary Bellgate. This loan facility agreement refinanced the existing Bellgate loan from VTB and was also used to repay the remainder of Ozerkovskaya III loan. Bellgate has received the New Loan in five tranches, in Euros and in Russian Rubles. 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.
- (ii) On 26 January 2018 Krown Investments LLC ("Krown") fully repaid the remaining balance of the secured loan from VTB Bank JSC ("VTB") signed on 25 January 2013.
- (iii) A secured loan from VTB Bank JSC ("VTB") signed on 18 July 2017 by one of the Group's subsidiary, MKPK PJSC (the owner of the AFI Residence Paveletskaya Project). In January 2018 MKPK PJSC drawdown the whole amount of the agreed loan facility, being RUR711 million, so as to refinance the previously incurred costs for the construction of the project. The loan bears floating interest rate of the Russian Central Bank key lending rate + 1.5%. The principal on the loan is payable monthly, while the interest is payable quarterly. The loan matures in July 2019. During first quarter of 2018 the loan was partly repaid in amount circa RUR88 million.
- (iv) During first quarter of 2018 the loans received by the "Plaza SPA Zheleznovodsk" from VTB were partly repaid in amount circa US\$507 thousand.

NOTES TO THE UNAUDITED SUMMARY OF FINANCIAL RESULTS
For the period from 1 January 2018 to 31 March 2018

15. TRADE AND OTHER PAYABLES

	Unaudited 31/3/18 US\$ '000	Audited 31/12/17 US\$ '000
Trade payables	12,460	13,756
Payables to related parties	237	183
Amount payable to builders	15,772	15,340
VAT and other taxes payable	6,004	28,982
Other payables	5,755	6,845
	40,228	65,106

The above are payable within one year and bear no interest.

VAT and other taxes payable include an amount of US\$24,618 thousand of tax payable as at 31.12.2017 arising from the disposal of the two buildings of Aquamarine III Business Centre, as described in note 7.