HALF YEAR REPORT
H1-2012

Table of Contents

AISI REALTY PUBLIC LIMITED
KIRIAKOU MATSI 16, AG. OMOLOGITES,1082, NICOSIA,CYPRUS
e-mail: office@aisicapital.com

This report may contain forward-looking statements about the Company. Such statements are predictive in nature and depend upon or refer to future events or conditions and may include such words as "expects", "plans'', "anticipates", "believes", "estimates'' or other similar expressions. In addition, any statement regarding future performances, strategies, prospects, actions or plans is also a forward-looking statement. Forward-looking statements are subject to known and unknown risks and uncertainties and other factors that may cause actual results, events, activities and achievements to differ materially from those expressed or implied by such statements. Such factors include general economic, political and market conditions, interest and foreign exchange rates, regulatory or judicial proceedings, technological change and catastrophic events. You should consider these and other factors carefully before making any investment decisions and before relying on forward-looking statements.

1. Management Report

1.1. Corporate Overview & Financial Performance

In summary

During the first half of 2012, management has focused on increasing sustainable and recurring revenues through letting of the remaining vacancies at Terminal Brovary, and eliminating the last of the "legacy liabilities" (those predating the Company's restructuring in August 2011). In parallel, management has devoted considerable efforts to building a pipeline of income yielding acquisition targets in line with the Company's strategic growth plan.

The economic climate in Europe, if anything, has deteriorated over the period, stemming from a protracted pre-election period in Greece with the inevitable spillover to Spain and Italy increasing instability in the Eurozone. In the first six months of 2012, Eurozone banks went into an effective hibernation, draining any remaining liquidity from the markets. In Ukraine, the preparations for the Euro 2012 championships increased the rate of economic growth but did not deliver the levels of development many had hoped for.

Operationally, the Company managed to reap the benefits of the new proactive commercialisation policy for Terminal Brovary, spearheaded by its new sales director. By the end of the period, the Terminal's occupancy had increased to 72% (end of 2011: 43%), having signed an additional tenant with two existing tenants leasing additional space. Post to the period end, occupancy rose in July to 83%, through the addition of a further new tenant increasing annual expected rental income from the asset to US$3.3m compared to US$0.9m as at 30 June 2011. All new tenancy agreements were contracted above the existing average rent, whilst at the same time, the cost of the Terminal's operations were streamlined.

The efforts to address the last of the legacy (pre-August 2011) liabilities, namely the UVK mortgage on the Bela land plot, continued during the period both in and out of court. In July 2012, management concluded an out of court agreement with UVK and subsequently both the mortgage and the subsequent arrest on the Company's land were lifted.

Currently, all legacy liabilities, including the contractors of Brovary and Bela, as well as land and income taxes, have been addressed, negotiated and settled. Most of these were concluded at substantial discount to their face value with the Aisi Bela settlement being finalized at a 33% discount before costs to the amount the Company had provided for.

At a corporate level, the Company appointed Liberum Capital as its new Nominated Advisor to assist with the delivery of its strategy for growth. In mid April 2012, the Managing Director of Ukraine, Besik Sikharulidze, arepresentative of the previous external manager, resigned his position. In addition the Company changed its name to Secure PDI, subject to shareholder approval at the next AGM, although it already trades under its new name.

Corporate Governance

The Company welcomed two new and very experienced Non-Executive Directors, having appointed Mr. Alvaro Portela and Mr. Harin Thaker to the board; both of whom are very well placed to help the company grow. Alvaro led Sonnae Sierra, the Portuguese based global retail property developer, for more than twenty years and is well recognised as a leading authority on retail real estate. Harin led the European and Asian desks of Hypo Real Estate/Pfandbriefbank, the German property lender, and is well respected in the property lending environment.

The first half of the year saw both an increase in revenues, which does not yet take into account the most recent lettings and decreased costs compared to the comparable period last year.

Financial performance

With rented space having substantially increased since the start of the year, monthly revenues have grown by 86% with the current annualised rent roll standing at US$3.3m. Management has also been effective in implementing its cost cutting scheme with a resulting reduction in overall expenses of 20% or 42% if exceptional costs are not included.

	H1 2011	H1 2012		
		Recurring Expenses	Non Recurring-One-off Expenses	Total
Revenues [1]	***184.633***	***757.502***		***757.502***
Payroll [2,3]	*251.029*	*355.329*	*284.571*	*639.900*
Public Entity, Audit & Accounting	*372.676*	*177.092*		*177.092*
Legal/ Consulting Fees	*245.378*	*413.614*	*298.296*	*711.910*
Directors/ Management remuneration [4]	*1.485.246*	*308.400*		*308.400*
Operating expenses [2]	*314.029*	*297.226*		*297.226*
Total Expenses	***2.668.358***	***1.551.661***	***582.867***	***2.134.528***
Net Operating Profit (Loss)	**(2.483.725)**	**(794.159)**		**(1.377.026)**

1. Full effect of current leases is expected in H2-12
2. Large part of H1-11 payroll and operating expenses was paid after the Narrowpeak deal in July-August 2011
3. H1-12 includes Director Ukraine severence pay and AISI Realty Capital LLC expense reimbursement
4. Directors as well as CEO and CFO have deferred payment of their remunaration to assist company's liquidity

Capital Injection

During the period, the first two tranches of the $4million capital injection, approved by the Company's shareholders in July 2011 as part of the Narrowpeak deal, were injected into Aisi with two existing shareholders contributing $1.500.000 and two new ones an additional $850.000.

Liquidity Management-Cash Flow Risk

The Group continues its prudent and optimal cash flow management in line with liquidity needs and at the end of the period the Company had $1 million in immediate cash liquidity. With Terminal Brovary currently 83% let, the Group has now turned operationally cash flow positive. Management entered into discussions with the European Bank for Reconstruction and Development (EBRD) to restructure the Terminal Brovary construction loan facility and hopes to provide a positive update on this initiative in due course.

2. Regional Economic Developments

Ukraine

The Ukrainian economy continued to grow, although at a slower pace, by 2% year on year ('YoY') in Q1 2012 down from 4,7% YoY recorded in Q4 2011. This deceleration in growth was mainly driven by a slump in the industrial sector due to weakened international demand for metals, particularly from the Eurozone and Russia, impacting Ukraine's steel industry.

On the other hand, the consumer sector retained its upward trend supported by robust real wage growth and slowing inflation. Retail sales recorded a growth of 13,9% YoY in April whilst real wages grew by 16,9% in the same month from 12,6% YoY and from 15,8% in the prior month.

The downward trend of headline inflation continued, receding for 10 consecutive months (from a peak of 11,9% in June 2011) turning negative by 0,5% in May 2012. The deflation stemmed from the sharp decline in food prices. Lower inflation allowed the National Bank of Ukraine to cut its central interest rate by 25bps to 7,50% in late March, which has been unchanged since August 2010.

The Parliamentary elections scheduled for October 2012 are considered important in terms of both the political climate within the country and the nation's relationships with Russia and the European Union. In relation to currency movements, the UAH maintains its level against the major currencies but the impact of the upcoming elections has the potential to cause some devaluation.

Romania

The new government (led by social democrats-PSD) ,which has been formed following a turbulent period, successfully negotiated with the IMF-EU the upward revision of 2012 deficit targets thus facilitating a restoration of public wages to their early 2010 levels, whilst in parallel it declared its commitment to the present IMF-EU austerity program. The government instigated referendum failed to impeach the ex President, turnout being less than 45%, short of the 50% needed, continuing the political uncertainty and the poor relations between the two political institutions. It should be noted that Romania has made visible progress in fiscal consolidation over the last couple of years, reducing the general government deficit, on a cash basis, from 7,3%-of-GDP in 2009 to 4,2%-of-GDP.

The Romanian economy, affected by the uncertainty in the euro-area, a reducing demand for its exports and severe weather, slightly contracted by 0,1% quarter on quarter ('QoQ')in Q1 2012. At the same time, the current account deficit ended at 4,1% of GDP in April, far from the unsustainable pre crisis 10-13% levels. While annual inflation slightly increased to 2% in June, the first increase in eight months after the historical low of 1,79% at the end of May 2012, retail sales grew by 3,8% YoY in Q1 2012 and infrastructure works by 14,8% YoY, the latter providing the strongest boost to investment (+11,8%).

Domestic financial markets were affected negatively from the political volatility with the EUR/RON FX rate fluctuating between 4,25-4,40 during the period. Meanwhile, the National Bank of Romania halted its monetary easing policy during Q2 2012, retaining central interest rates at 5,25%.

Bulgaria

The Bulgarian economy remained in positive territory as real GDP grew by 0,5% in the first quarter of 2012, still stronger than the EU-27 average of +0,1%. However, close trade links with Greece as well as bank deleveraging and a large surplus of uncompleted housing stock have stalled further economic recovery.

However, individual consumption, driven mainly by rising wages, 8,8% YoY, and easing inflation, 1,6% YoY in June, recorded a modest growth of 1% YoY in Q1 2012, but was still 5,4% below its pre-crisis peak.

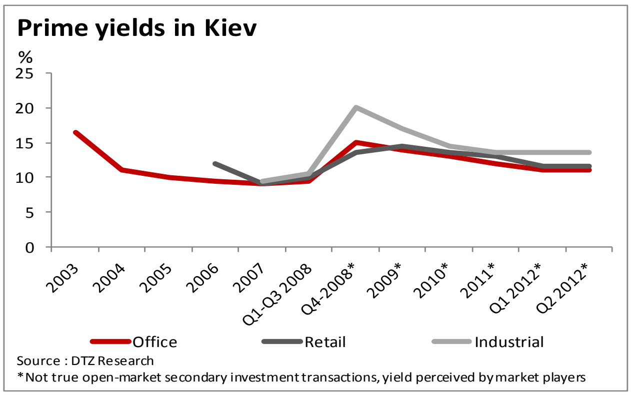
Positive signs came from the banking sector which remains profitable, as net profit after tax jumped by 11,7% YoY in Q1 2012 to BGN 176 million (EUR 90 million or 0,2% of GDP), compared with profits of BGN 102 million in Q4 2011. Bulgaria's banking system remains well-capitalised as the loans-to-deposits ratio dropped from 123,32% in November 2008, the highest level of the decade, to 101,8% in February 2012, the lowest level since Q1 2008.

3. Real Estate Market Developments

3.1. Ukraine

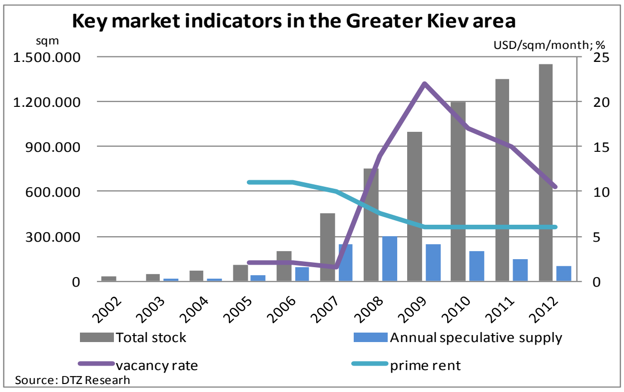
General

The first half of 2012 was characterised by a strengthened demand in the Ukrainian property market, especially for high quality, income generating, premises in Kiev. This interest has driven the compression of yields, which despite this, are still higher than in other CEE countries.



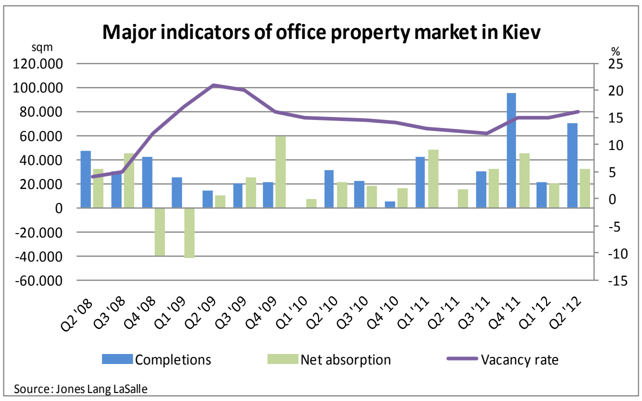
Logistics Market

The national vacancy rate remained stable at 12% as no new logistics properties were put into operation during the first half of 2012 in the Greater Kiev area. The forthcoming increase in commercial activity and strengthening of occupier demand is expected to lead to a further fall in vacancy and an upward pressure on logistics rents.



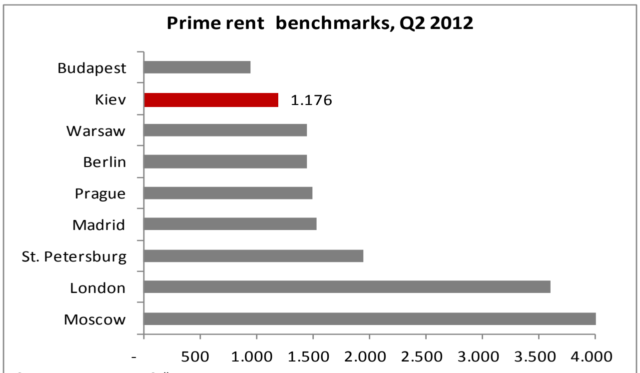
Office Market

The upward trend of demand continued in the first semester of 2012 mainly supported by manufacturing, finance and business services companies which relocated to larger premises, better quality buildings and/or better locations.



Retail Market

Despite the increasing interest from new retail operators to enter into the Kiev market, the lack of critical mass of quality retail space is preventative. The rapid delivery of new quality projects in the coming years is expected to stimulate retailer expansion. As no new completed projects entered the market during the first semester of 2012, vacancy rates slightly decrease near to 2,5% from 3% with rental levels remaining unchanged.



Source: Jones Lang LaSalle

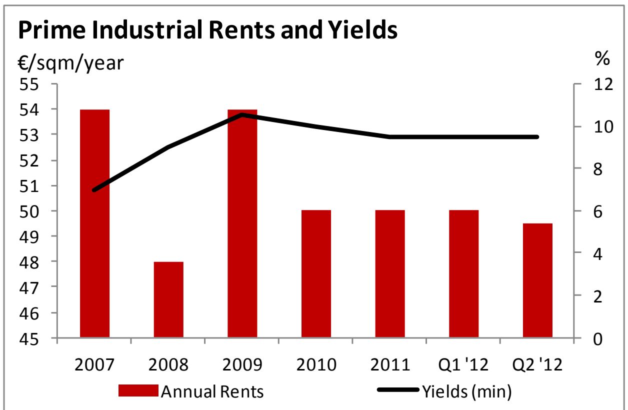
3.2. Romania

General

During the first semester of 2012, the Romanian real estate market remained stable despite the economic and political uncertainties at local and European levels.

Logistics Market

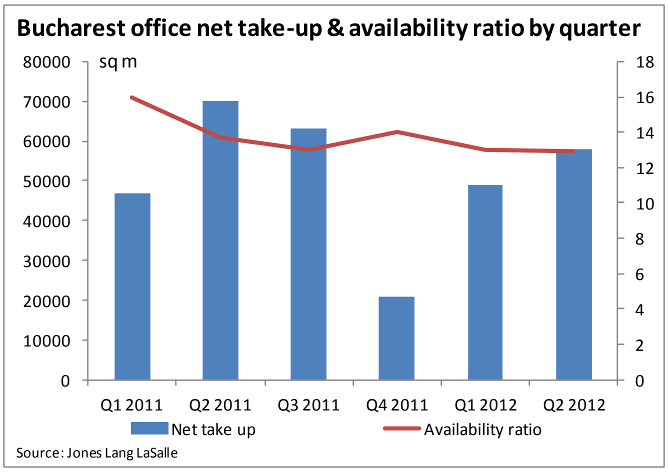
The upward trend of demand continued in the first half of 2012 supported by various industries such as electronic components, FMCG distributors, plastics and fashion. With few projects planned to be delivered in the remainder of 2012, of which most are purpose built schemes, the vacancy rate for class A logistics and industrial space located in Bucharest is expected to remain at, or even to decrease below, 10%, while prime rents are expected to remain stable at €4-5/sqm/month.



Source: Jones Lang LaSalle

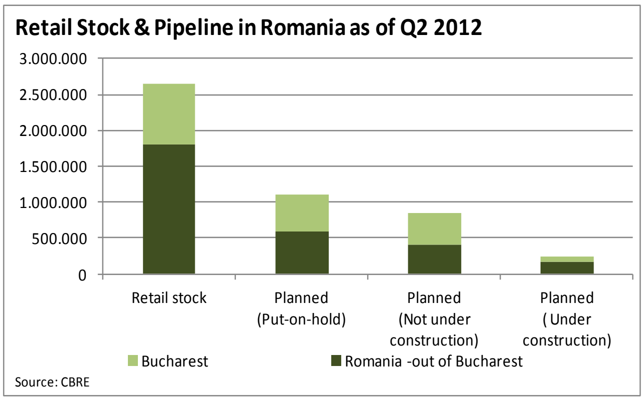
Office Market

Office take-up registered a significant increase in the first quarter of 2012, at approximately 50.000 sqm while the same trend continued in Q2 2012 at approx. 58.000 sqm. Prime rents remain unchanged at EUR 19/sq m/month. Meanwhile, the average vacancies in Bucharest is at 1,5-14%, registering a slight decrease in the second quarter.



Retail Market

Bucharest's retail stock remained at the same level for the fourth consecutive quarter, at approximately 770.000 sqm gross lettable area ('GLA') (510.000 sqm GLA of shopping centre and 260.000 sqm GLA of retail park). In Q2 2012, the only new delivery was Palas Mall, a 55.000 sqm shopping centre located in North-eastern Romania. The prime rent and the vacancy rate remain stable at €50-€70/sqm/month and 9-10% respectively despite the slight increase in demand. However, prime yields in Bucharest remained amongst the highest in CEE capitals at 8,5-9%.



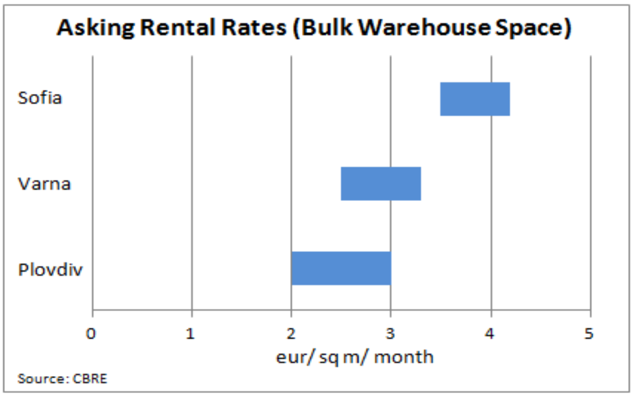
3.3. Bulgaria

General

The promising signs for a gradual pick up of the Bulgarian property market were hampered during the first six months of the year due to the ongoing economic crisis in the Euro area; however a gradual improvement is anticipated for the second half of the year.

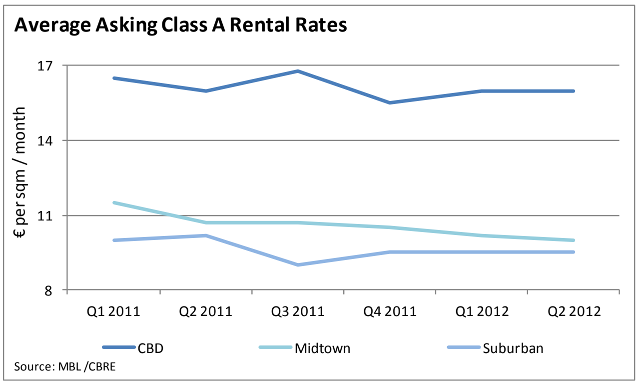
Logistics Market

Following the extremely cold winter that impacted on industrial output, demand for space has picked up over the last few months. The vacancy rate dropped for the fourth consecutive quarter to 5,4% while rental rates remained at the same level of €4-4,30/sqm for modern warehouses in Sofia.



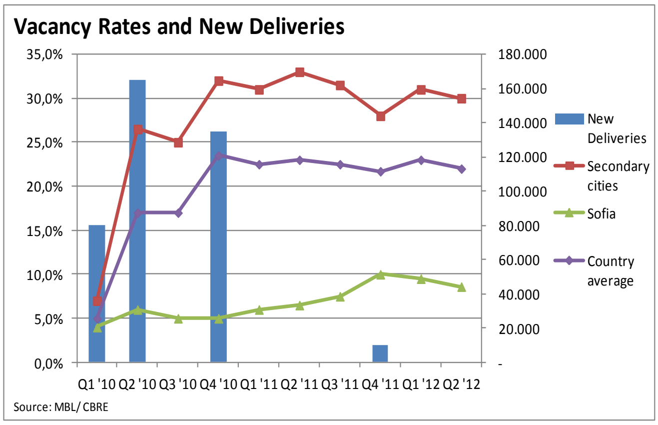
Office Market

The overall vacancy rate at the end of the second quarter was recorded at 21,7%, however vacanies for class A buildings in certain prime locations were well below this level. The average prime rent in Sofia stands at €16/sqm/month.



Retail Market

The Bulgarian retail market will undergo considerable change in the coming years, as nine shopping centers are currently under construction, six of which are in Sofia, increasing the provision rate for the country to slightly over 100 sqm GLA per 1,000 inhabitants by the end of 2012. This is still well below the average rate for CEE countries, of 200 sqm GLA per 1,000 people. The average vacancy rate in Sofia dropped to 8,6% at the end of H1 2012 compared to 10% as at 31 December 2011.



4. Property Assets

4.1. Aisi Brovary – Terminal Brovary Logistic Park (Kiev)

Project description

The Brovary Logistics Park consists of a 49.180 sqm GLA Class A warehouse and associated office space. The building has large facades overlooking the Brovary ring road, at the intersection of Brovary (E-95/M-01 highway), and the Boryspil ring road. It is strategically located 10 km from Kyiv city border and 5 km from Borispol international airport.

The building is divided into six independent sections (each at least 6,400 sqm), with internal clear ceiling of 12m height and industrial flooring constructed with anti – dust overlay quartz finish. The terminal accommodates 90 parking spaces for cars and trucks, as well as 24 hour security and municipal provided sewage, water and garbage collection.

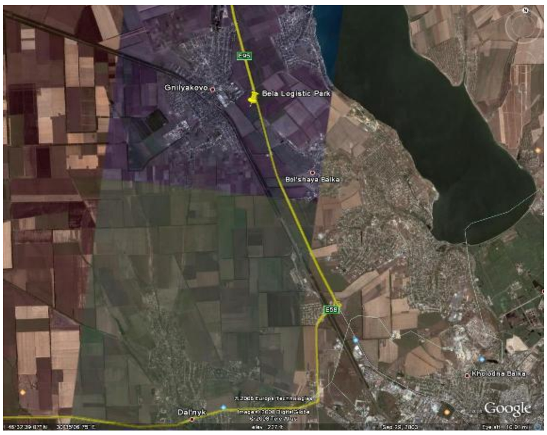
Current status

Three new tenancy agreements were signed during the first half of 2012 bringing overall occupancy to 72%. Kosmo, a cosmetics retailer owned by the US based Private Equity firm Sigma Bleyzer Inc. signed a long term lease while FM Logistics and Rhenus Revival, both existing tenants, leased additional space. Amway, the US based logistics operator was also signed in July bringing the overall occupancy up to 83%.

4.2. Aisi Bela – Bela Logistic Center (Odessa)

Project description

The site consists of a 22,4 ha plot of land with zoning allowance to construct industrial properties of up to 103.000 sq m GBA. It is situated on the main Kyiv – Odessa highway, 20km from Odessa port and in an area of high demand for logistics and distribution warehousing.



Current status

Following the completion of planning and issuance of permits in 2008, construction commenced with column foundation and peripheral walls for 100.000 sqm being completed in 2009. Development was then put on hold due to lack of funding and deteriorating market conditions. Following an out of court agreement with UVK the Company lifted both the mortgage and the arrest on the property held by UVK.

4.3. Kiyanovsky Lane – Land for Residential Complex

Project description

The project consists of 0,55 ha of land located at Kiyanovskiy Lane, near Kyiv city centre. It is destined for the development of business to luxury residences with beautiful protected views overlooking the scenic Dnipro River, St. Michael's Spires and historic Podil.

Current status

The concept design of the project is under review with proposed development to include circa 100 residential apartments with office and retail space on the lower floors (GBA of circa 21.000 sqm) and 100 parking spaces across two levels of basement. In early 2012, the Company concluded geotechnical studies (showing that the soft ground necessitates retaining walls prior to construction) and evaluated options for proceeding with the permitting process. The high upfront costs of such process, though, puts on hold any decision to proceed until after the Company has adequate cash reserves.

4.4. Tsymlyanski Lane – Land for Residential Complex

Project description

The 0,36 ha plot, is located in the historic and rapidly developing Podil District in Kyiv. The Company owns 55% of the plot, with one local co-owner owning the remaining 45%.

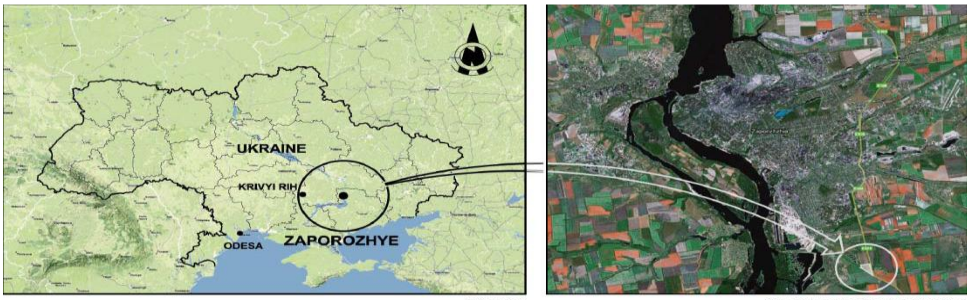
Current status

In 2009, all necessary documents were submitted to relevant authorities for approval and the issuance of a construction permit. The plan was to develop circa 10.000 sqm GBA of 40 high end residential units and office spaces on lower floors, as well as 41 parking spaces in three underground levels. Since then, the project has been frozen and the land lease fee to the state was not paid last year. The Company is evaluating the options of going forward which include inter alia an outright sale as well as a contribution in kind to a larger development.

4.5. Balabino-Land for Retail/Entertainment Development

Project description

The 26,38 ha land site is situated on the south entrance of Balabino city, 3 km away from the administrative border of Zaporozhye. It borders the Kharkov-Simferopol Highway (which connects eastern Ukraine and Crimea and runs through the two largest residential districts of the city) as well as another major artery accessing the city centre.



UKRAINE SATELITE MAP OF ZAPOROZHY

Current status

The site is zoned for retail and entertainment and various development options are being evaluated as per the market's needs.

5. Sources for Regional Economic and Real Estate Market Developments

1. UniCredit Group – research Division
2. Eurobank Research
3. NBG Strategy and Economic Research Division
4. National Institute of Statistics- Romania
5. National Statistical Institute –Republic of Bulgaria
6. Jones Lang LaSalle
7. DTZ Research
8. CBRE Research
9. Colliers International
10. Cushman & Wakefield
11. MBL Research