30 July 2008

**Aisi Realty Public Limited**
(“Aisi” or “the Company”)

Interim Results for the six months ended June 30, 2008

Aisi, a property investment company focusing on development projects and related investments in Ukraine, announces its unaudited results for the six months ended June 30, 2008.

**Financial Highlights**

- As of June 30, 2008, the investment portfolio, net of capitalized construction costs, was valued by DTZ at $89.9m, an increase of 197% over a year ago and 59% from December 31, 2007.
- Adjusted Net Asset Value was $142.5m - an increase of 93% since June 30, 2007.
- Adjusted Net Asset Value per share of $0.74 (June 30, 2007: $0.64).
- Net income of $26.2m (June 30, 2007: $0.3m net loss).

**Operational Highlights**

- Completed acquisition of remaining 10% stake in Terminal Brovary. Construction of the property is nearing completion.
- Commenced construction on Bela Logistics Park in Odessa, comprising three independent warehouses with a gross area of 108,000 sq. m. Completion due in Q4, 2009.

**Post-period Highlights**

- Pre-lease agreement for Brovary Logistics Park signed with one of the leading Ukrainian logistics operators, UVK. The lease terms are in-line with market rates for a 10 year period commencing on January 1, 2009.
- Land lease extension obtained for Terminal Brovary to 49 years through 2055.
- Facility agreement signed for the construction and post-construction loan of up to $65m for the development of the Bela Logistics Park in Odessa.

Commenting on the results, Paul Ensor, Chairman of Aisi, said: “Aisi has continued to execute its strategy of establishing itself as a quality developer in the robust Ukraine real estate market. Management remains very upbeat about the prospects for both portfolio and pipeline projects. The Company’s potential pipeline is extremely robust with total project development and construction costs of about $800m. We look forward with considerable confidence.”

A copy of the financial statement may also be found on the Company’s website: www.aisicap.com

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**Overview**

The Board of Aisi is pleased to report its interim results for the six months ended June 30, 2008. During the first half of the year, the Company made good progress with two major logistics developments, namely Brovary near Kiev and Bela in Odessa. The Company's net asset value rose substantially over the period reflecting the Investment Manager's successful pursuit of major opportunities.

At June 30, 2008, the Company's interest in the portfolio projects was valued at $89.9m by DTZ, an increase of 59% since December 31, 2007.

**Operational Review**

The Ukrainian property market continues to benefit from strong long-term fundamentals driven by high economic growth, urbanisation, and a shortage of high quality commercial and residential property. In particular, the demand for quality logistics facilities remains high, supporting management's focus on this area.

Overall, the Company currently has investments in five development projects and an outdoor advertising business, all of which advanced significantly during the six months under review. In addition, the Investment Manager has progressed its other pipeline opportunities.

A summary of the status of each of the existing five projects and Aisi Outdoor is given below:

*Brovary Logistics Center*

As one of Ukraine's first Class A logistics warehouses situated approximately 30km north-east of Kiev it offers some 42,800 sq. m. of modern warehouse space. During the period, Aisi increased its shareholding to 100% in Terminal Brovary through the acquisition of the remaining 10% stake owned by the original vendors for a total of $0.4m in accordance with the sale and purchase agreement.

Since the period end, Aisi has signed a pre-lease agreement for the entire Brovary Logistics Park with one of the leading Ukrainian logistics operators, UVK. The lease terms are in line with market rates for a 10 year period commencing January 1, 2009. In addition, the land lease for the site has been extended from 5 years to 49 years to 2055.

*Bela Logistics Park – Odessa*

Bela Logistics Park is a logistics complex situated approximately 15km from Odessa and comprises three independent warehouse buildings constructed with a gross area of 108,000 sq. m. incorporating approximately 11,000 sq. m. of chilled storage. All the necessary permissions and approvals have been obtained and construction started in April. It is anticipated that completion will be in Q4, 2009.

Since the period end, a facility agreement has been signed with Marfin Popular Bank of Cyprus for the construction and post-construction loan of up to $65m for the development of this site. The monies have been secured at internationally competitive rates.

*Kiyanivsky Lane*

During the period Aisi has continued to pursue the necessary permissions and approvals required for Kiyanivsky Lane, a residential development overlooking the historic Podil district of Kiev. This process is now in the final permitting stage – expected by the end of August – with construction expected to commence in the second half of 2008.

*Tsimliansky Lane*

During the period Aisi has continued to pursue the necessary permissions and approvals required for Tsimliansky Lane, a residential development in the Podil district of Kiev. This process is now in the final permitting stages – anticipated to be finalised in September – and we expect to be breaking ground in Q4.

*Podil Residential*

A residential development situated in the Podil district of Kiev. The Company extended the term of the loan for this project till June 30, 2008, by which date it anticipated that the loan would have converted to equity once all necessary permits were obtained and confirmed by the legal due diligence or that the loan would have been repaid with interest. As of today, satisfactory documentation has not been provided and the Company is in discussion with the vendor with regards to the project and a further announcement will follow in due course.

*Aisi Outdoor*

In the first half of 2008, Aisi Outdoor, an outdoor advertising business and its property assets in Kiev, continued to perform well helped by high demand during the mayoral election campaign and also reflecting the buoyant nature of Kiev's consumer economy. Aisi intends to grow this business organically through the addition of suitable advertising sites and improving utilization of existing assets. Since acquisition, the Company has met utilization targets averaging 80% during the six month period, and has continued its growth from adding new sites from its internally generated cash flows.

**Outlook and Pipeline**

The Company's current portfolio projects continue to make good progress and the real estate market in Ukraine, particularly for development projects, remains strong. The Company has a strong pipeline of potential new projects which include two office sites for construction in Kiev, two office sites in Odessa, and six industrial sites in Donetsk, Brovary, Kharkiv, Dnipropetrovsk and Hlivaha.

All pipeline developments are in the vicinity of major metropolitan areas with a population of one million or more. Many of the sites are host cities for the European Football Championships in 2012.

Preliminary agreements have been entered into on four of these pipeline projects, for which financing options are currently being considered.

**Shares In Issue**

In June 2008, the Company issued 26,003,146 shares to the Founding Shareholders at the par value of Euro 0.01 per Warrant instrument. The total number of outstanding shares in issue is now 192,194,974.

## Consolidated Income Statement

| | Six Months Ended 30 June 2008 US$ (unaudited) | Six Months Ended 30 June 2007 US$ (unaudited) | Year Ended 31 December 2007 US$ (audited) |
|---|---|---|---|
| | Consolidated | | |
| **Income** | | | |
| Sales | 344,263 | | |
| Proceeds from sale of subsidiary | | 883,301 | |
| Interest Income | 186,206 | | |
| Miscellaneous | 821 | (205) | 109,304 |
| Total income | 531,290 | 883,096 | 109,304 |
| **Expenses** | | | |
| General and administrative expenses | (4,939,255) | (1,810,443) | (4,576,062) |
| Increase in fair value of investment property | 37,822,050 | 991,504 | 7,700,602 |
| | 32,882,795 | (818,939) | 3,124,540 |
| **Other income and expenses** | | | |
| Financial income/charges | 288,775 | (90,646) | (158,521) |
| Foreign exchange gains/losses | 2,346,000 | | |
| Net profit from investing activities | 0 | | 1,905,564 |
| Other miscellaneous income and losses | 0 | | |
| Total Other income/loss | 2,634,775 | (90,646) | 1,747,043 |
| **Net profit/(loss)** | 36,048,860 | (26,489) | 4,980,887 |
| Tax expense | (9,711,081) | (252,970) | (2,299,572) |
| **Net profit/(loss) after tax** | 26,337,779 | (279,459) | 2,681,315 |
| Minority interest | (132,487) | 10,618 | (125,943) |
| **Net profit/(loss)** | 26,205,292 | (268,841) | 2,555,372 |

## Consolidated Balance Sheets

| | Six Months Ended 30 June 2008 (unaudited) US$ | Six Months Ended 30 June 2007 (unaudited) US$ | Year Ended 31 December 2007 (unaudited) US$ |
|---|---|---|---|
| **ASSETS** | | **Consolidated** | |
| **Non-current assets** | | | |
| Investment property | 89,870,000 | 29,894,205 | 32,830,000 |
| Investment property under development | - | | 6,722,135 |
| Intangibles | 2,003,407 | | 1,999,388 |
| Property, plant and equipment, net | 386,224 | 56,962 | 295,378 |
| Advances under investment contracts | 38,079,358 | 10,000,000 | 3,096,473 |
| | 130,338,989 | 39,951,167 | 44,943,374 |
| **Current assets** | | | |
| Advances for investments | 1,256 | | 10,000,000 |
| Accounts receivable | 4,033,021 | | 19,714 |
| Advances to related parties | (857) | 126,656 | (0) |
| Prepaid and other current assets | 6,162,316 | 931,721 | 10,090,449 |
| Cash and cash equivalents | 6,706,626 | 35,739,306 | 43,708,552 |
| | 16,902,362 | 36,797,683 | 63,818,715 |
| **Total assets** | 147,241,351 | 76,748,850 | 108,762,089 |
| **Current liabilities** | | | |
| Accounts payable | 2,660,712 | 2,189,714 | 961,394 |
| Due to related parties | 980,107 | 771,757 | 746,646 |
| Income tax payable | 95,283 | 77,462 | 92,639 |
| Current portion of finance lease | - | 8,878 | 23,695 |
| | 3,736,102 | 3,047,811 | 1,824,374 |
| **Non-current liabilities** | | | - |
| Long-term portion of finance lease | 113,928 | 45,164 | 94,455 |
| Deferred tax liability | 16,098,524 | 4,686,610 | 6,423,314 |
| | 16,212,452 | 4,731,774 | 6,517,769 |
| | - | | - |

| | | | |
|---|---|---|---|
| **Total liabilities** | 19,948,554 | 7,779,585 | 8,342,143 |
| | - | | - |
| **Net assets** | 127,292,797 | 68,969,265 | 100,419,946 |
| **Equity** | | | |
| Share capital | 94,967,229 | 64,478,521 | 94,565,022 |
| RE Reserves, net of minority interest | 31,405,264 | 2,276,656 | 5,100,871 |
| Minority interests | 920,304 | 2,214,088 | 754,053 |
| | | | - |
| **Equity shareholders' funds** | 127,292,797 | 68,969,265 | 100,419,946 |

## Consolidated Cash Flow Statements

| | Six Months Ended 30 June 2008 | Six Months Ended 30 June 2007 | Year Ended 31 December 2007 |
|---|---|---|---|
| | US$ | US$ | US$ |
| | (unaudited) | (unaudited) | (audited) |
| | | Consolidated | |
| **Operating activities** | | | |
| Net profit/ (loss) before tax | 36,048,860 | (26,489) | 4,980,887 |
| Adjustments to reconcile net profit/(loss) for the year(period) to net cash provided by operating activities: | | | |
| Depreciation | | | |
| (Increase)/decrease in advances for investments | 9,998,745 | | (10,000,000) |
| (Increase)/decrease in accounts receivables | (4,013,307) | | (19,714) |
| (Increase)/decrease in advances related parties | 857 | | 120,000 |
| (Increase)/decrease in prepaids and other current assets | 3,928,133 | (709,333) | (9,868,061) |
| (Increase)/decrease in advances under investment contracts | (34,982,885) | (10,000,000) | (3,096,473) |
| (increase)/decrease in intangibles | (4,019) | | (1,999,388) |
| (Increase)/decrease in investment properties under development | 6,722,135 | | (6,722,135) |
| Increase/(decrease) in trade and other payables | 1,699,318 | (2,198,439) | (770,660) |
| Increase/(decrease) in due to related parties | 233,460 | 156,278 | (375,424) |
| Increase /(decrease in income tax payables | 2,644 | | 15,177.00 |
| Purchase and development of property | (19,217,950) | | 47,554 |
| Gain on revaluation of investment property | (37,822,050) | (991,504) | (7,700,602) |
| Purchase of property, plant and equipment | | | (256,181) |
| Depreciation | 218,888 | 6,442 | 85,526 |
| Increase in deferred tax liability | | | (309,900) |
| Increase in minority shareholders' liability | 166,251 | (1,067,941) | (2,239,153) |
| Profit from sale of subsidiary | | (883,301) | |
| Capitalization of property related expenses | | (139,586) | |
| Miscellaneous profit/expenses | (69,256) | 722,514 | - |
| **Net cash provided by operating activities** | **(37,090,176)** | **(15,131,359)** | **(38,108,547)** |
| **Cash flows from investing activities** | | | |
| Proceeds from sale of investment in subsidiary undertakings | | 3,000,001 | |
| Purchases of investments | | (6,000,000) | |
| Purchases of property, plant and equipment | (313,957) | (2,788) | - |
| **Net cash used in investing activities** | **(313,957)** | **(3,002,787)** | |
| **Financing activities** | | | |
| Proceeds from shareholders' contributions | 402,207 | 53,499,980 | 81,443,627 |
| **Net cash provided by financing activities** | 402,207 | 53,499,980 | 81,443,627 |
| Net increase in cash and cash equivalents | (37,001,926) | 36,365,834 | 43,335,080 |
| Cash and cash equivalents at the beginning of the period/year | 43,708,552 | 373,472 | 373,472 |
| **Cash and cash equivalents at the end of the period/year** | **6,706,626** | **35,739,306** | **43,708,552** |

## Consolidated Statement of Changes in Equity

| | Share Capital | Share Premium | Exchange Difference Reserve | Retained Earnings | Minority Interest | Total |
|---|---|---|---|---|---|---|
| | US$ | US$ | US$ | US$ | US$ | US$ |
| **Balance as at 1 January 2008** | 1,881,092 | 92,683,929 | - | 5,100,872 | 754,053 | 100,419,946 |
| Shares issued | 402,207 | | | | | 402,207 |
| Minority interest from subsidiaries | | | | | 11,800 | 11,800 |
| Profit for the year | | | | 26,205,292 | 132,487 | 26,337,779 |
| Foreign Currency Exchange | | | 99,101 | | 21,964 | 121,065 |
| **Balance as at 30 June 2008** | 2,283,299 | 92,683,929 | 99,101 | 31,306,164 | 920,304 | 127,292,797 |

## Notes to the Interim Financial Statements

1. Statement of compliance

These interim consolidated financial statements for the six months ended June 30, 2008 and the comparative figures for the six months ended June 30, 2007 have been prepared on the basis of the accounting policies set out in consolidated financial statements for the year ended December 31, 2007 in so far as applicable, as to the measurement and presentation in accordance with International Accounting Standards ("IAS") and International Financial Reporting Standards ("IFRS") promulgated by the International Accounting Standards Board ("IASB") up to the date of this announcement and applicable to the Group for the reporting period.

The accounting policies are consistent with those used in preparing the annual IFRS consolidated financial statements for the year ended December 31, 2007 and those that the Directors intend to use in the annual IFRS consolidated financial statements for the year ending December 31, 2008, except for Investment Properties under Construction. According to IAS40 Investment Property Revised, Investment Properties under Construction are re-valued at fair value and the surplus is reflected in the Income Statement. The Company proceeded to early adoption of the revised standard and all Investment properties under Construction are shown at fair value.

The interim results for the six months ended June 30, 2008 were approved by the Board of Directors on July 29, 2008.

2. Share Capital

| | 2008<br>*No. of shares* | 2008<br>*Share Capital* | 2008<br>*Share Premium* | 2007<br>*No. of shares* | 2007<br>*Share Capital* | 2007<br>*Share Premium* |
|---|---|---|---|---|---|---|
| **Authorized** | | | | | | |
| Ordinary Shares of CYP0.01 each | 875,000,000 | | | 875,000,000 | | |
| **Issued and fully paid** | | ` | | | | |
| on January 1 | 166,191,828 | 1,881,092 | 92,683,929 | 15,024,981 | 332,508 | 13,192,493 |
| Payment for Shares Issued in 2006 | | | | | | 1,499,980 |
| Conversion of shares at 1:100 | | | | | | |
| Conversion of shares at 7/4 | | | | 45,018,746 | | |
| Issue of shares | 26,003,146 | 402,207 | - | 55,937,500 | 1,118,750 | 50,881,250 |
| | | - | - | - | - | - |
| At June 30, 2008 | 192,194,974 | 2,283,299 | 92,683,929 | 115,981,227 | 1,451,258 | 65,573,723 |

Additional 26,003,146 ordinary shares were issued in connection with executing the warrants granted to the Founding Shareholder prior to IPO at par value of Euro 0.01 per share which represents 16% dilution of the existing shares.

3. Net Asset Value per Share

The per-share computations retroactively reflect the changes in number of shares occurred as a result of conversions in April 2007 and issuance of additional shares in June 2008. Net asset value per share of $0.74 is calculated based on the adjusted net assets and ordinary shares of 192,194,974 outstanding at the end of current reporting period and represents and increase of 5.7% over the adjusted NAV per share as of December 31, 2008. The Investment Manager believes that the adjustments made fairly reflect the net asset value as at June 30, 2008.