30 September 2009

Aisi Realty Public Limited
("Aisi" or "the Company")

Unaudited Financial Results for the six months ended 30 June 2009

Aisi, a property investment company focusing on development projects and related investments in Ukraine, announces its unaudited results for the six months ended 30 June 2009.

Financial Summary

- Investment portfolio valued by DTZ at $48.7 million as at 30 June 2009 (31 December 2008: $64.8 million; 30 June 2008: $89.9 million).
- Net Asset Value was $63.1 million (31 December 2008: $82.5 million; 30 June 2008: $142.5 million).
- Net Asset Value per share of $0.33 (31 December 2008: $0.43; 30 June 2008: $0.74).
- Ungeared balance sheet with no debt as at 30 June 2009.

Operational Summary

- Signed agreement with the European Bank for Reconstruction and Development ("EBRD") for $34.4 million of project finance for Brovary Logistics Center.
- Construction of Brovary Logistics Center, Aisi's first commercial project, is 80% complete. Property on track for completion and occupancy by Q1 2010.
- Implemented new cost reduction measures focusing on tight cash management in response to challenging market conditions.

Post-period Summary

- Raised $5.4 million (before expenses) in additional funding by way of a placing of shares with new and existing investors.
- Proceeds of the Placing have been used by the Company primarily to finance the construction of Brovary Logistics Center to meet the equity spending requirement for accessing the EBRD funding facility, which will enable the completion of the project.
- On 24 September, Marfin Popular Bank Public Co. Ltd of Cyprus ("Marfin Bank") signed a participation agreement with EBRD for syndication of the first tranche of funding, which will amount to $16 million.
- Renewed agreement with UVK, a leading Ukrainian logistics operator, for the pre-letting of Brovary Logistics Center, covering a 10-year lease term commencing January 2010.
- Following the equity raise, the Company reiterates that it is currently reviewing its options for internalizing the management structure of the Company.

Commenting on the results, Beso Sikharulidze, executive director of Aisi, said: "Trading conditions in the Ukrainian property market have remained difficult due to an uncertain macroeconomic environment. However, the Company remains debt free and is nearing completion of its first income-generating property. We are now focusing on securing the release of EBRD funds, which have already been approved, to complete construction as planned in the first quarter of 2010."

A copy of the financial statements, as well as the full interim report, may also be found on the Company's website: www.aisicap.com

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Overview

The Board of Aisi today reports its half year results for the six months ended 30 June 2009. As of period end, the investment portfolio was valued by the independent surveyor DTZ Kiev B.V at $48.7 million compared with $64.8 million as at 31 December 2008, reflecting an exceptionally challenging economic environment and lack of market transactions. The revision of the portfolio valuation resulted in a pre-tax loss of $19.5 million. However, post-period end, Aisi successfully raised additional funding, the proceeds of which have been used by the Company primarily to finance the construction of Brovary Logistics Center to meet the equity spending requirement for accessing the EBRD facility. In addition, in September 2009, Marfin Popular Bank Public Co Ltd of Cyprus signed a participation agreement with EBRD, which should enable the release of the first $16 million tranche of funding that will contribute to completing this project. Construction is now 80% complete, and is due for finalization and occupancy by Q1 2010.

As part of the equity raising, the Company communicated to its shareholders that it would consider its options for internalizing the current external management structure of the Company. Aisi is currently reviewing the Company's options in this matter.

Operational Review

In response to the challenging operating conditions, during the period the Company revised its investment strategy from aggressive growth to consolidation of existing assets. In particular, Aisi is focusing on:

- Tight management of cash flow and working capital;
- Generation of cash from completed projects;
- Recovery of advances from the pipeline projects and asset sales.

While economic conditions remain severe, Aisi has managed to take important actions to mitigate the detrimental impact and was able to progress some of its key developments.

Key projects

Brovary Logistics Center

The most imminent cash flow-generating asset for the Company is the wholly-owned Brovary Logistics Center, a 49,180 sq.m. warehouse on the outskirts of Kiev. During the period, the Company signed a $34.4 million loan facility agreement with the European Bank for Reconstruction and Development for this project. Progress on the project's development was hampered by delays in access to the first tranche of funding. However, in August 2009 the Company finalized an equity raising of $5.4 million, the proceeds of which have been used primarily to finance the construction of Brovary Logistics Center to meet the spending requirement for accessing the EBRD facility. Also after the period, on 24 September, Marfin Bank signed a participation agreement with the EBRD for syndication of the first tranche of funding, which will amount to $16 million. Aisi is now finalizing the condition precedents in order for the EBRD to release the already-approved funds. The project is now 80% complete, and is due for finalization and occupancy by the first quarter of 2010.

In addition, post-period end, Aisi renewed an agreement with UVK, a leading Ukrainian logistics operator, for the pre-letting of Brovary Logistics Center. The agreement covers a 10-year lease term that commences in January 2010, and is for the entire development at rental values in line with current market rates. The new rental rate per sq.m. per month is approximately 30% lower than the comparable rate in the original agreement (announced 4 July 2008), which reflects prevailing market conditions in the property sector. Aisi has also made an arrangement with the tenant to extend a $3 million penalty payment for non-delivery of the property in July 2009, to 1 January 2010.

Bela Logistics Park

Construction on the Company's second project, Bela Logistics Park, a 100,000 sq.m. warehousing facility located outside of Odessa, will resume once the space has been pre-leased.

Construction of two residential projects in Kiev has been put on hold until a clearer picture of market demand emerges.

Placing

In August 2009, the Company finalized the raising of $5.4 million through the placing of 222,081,507 new ordinary shares at a placing price of 1.5 pence per share with new and existing investors.

The net proceeds of the fundraising have been used by the Company primarily to finance the construction of Brovary Logistics Center to fulfill the spending requirement for accessing the EBRD funding facility. Funds will also be used to pay certain outstanding operating expenses of the Company, excepting any accrued or outstanding annual management fees due to the Company's principals.

Outlook

The Company is focusing on managing its assets and working diligently to recover advances to strengthen its cash position. Aisi looks forward to bringing on-stream its first income-generating property, which is now 80% complete and is due for finalization and occupancy by the first quarter of 2010.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the six months ended 30 June 2009

	Six months ended	
	30 Jun 2009	**30 Jun 2008**
	US$	US$
Revenue from operations		
Fair value gains/ (loss) on investment property	**(18,410,447)**	37,822,050
Miscellaneous (costs)/ income, net	**(20,345)**	345,084
Income from investing activities, net	**449,264**	495,239
Expenses		
Administration expenses	**(2,021,779)**	(4,939,255)
Finance (costs)/ income, net	**536,039**	(20,258)
Other (costs)/ income, net	**(878)**	2,346,000
Profit / (loss) before income tax	**(19,468,146)**	36,048,860
Income tax (expense)/ income, net	**2,450**	(9,711,081)
Comprehensive income	**(19,465,696)**	26,337,779
Net comprehensive income attributable to:		
Owners of the parent	**(19,213,250)**	26,470,266
Minority interest	**(252,446)**	(132,487)
	(19,465,696)	26,337,779
Earnings/ (Loss) per share attributable to equity holders of the parent (cent)	**(10.0)**	13.8

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 June 2009

	30 Jun 2009	30 Jun 2008	31 Dec 2008
	US$	US$	US$
ASSETS			
Non-current assets			
Property, plant and equipment	**165,053**	386,224	207,703
Investment property under construction	**26,506,000**	-	41,867,000
Investment property	**22,153,000**	89,870,000	22,894,000
Intangible assets	**-**	2,003,407	-
Advances for investments	**15,424,000**	10,926,093	15,426,229
Prepayments under development contracts	**1,820,908**	27,154,521	2,511,292
	66,068,981	130,340,245	82,906,224
Current assets			
Accounts receivable	**7,536,248**	10,194,480	6,372,133
Cash and cash equivalents	**9,268**	6,706,626	35,733
	7,545,516	16,901,106	6,407,866
Total assets	**73,614,497**	147,241,351	89,314,090

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
as at 30 June 2009

EQUITY AND LIABILITIES	**30 Jun 2009 US$**	30 Jun 2008 US$	31 Dec 2008 US$
Equity attributable to owners of the parent			
Share capital	**2,283,299**	2,283,299	2,283,299
Share premium	**92,683,930**	92,683,930	92,683,930
(Accumulated losses) / Retained earnings	**(29,595,205)**	31,405,264	(10,381,955)
Other reserves	**46,710**	-	46,710
Translation reserve	**(2,300,133)**	-	(2,091,777)
	63,118,601	126,372,492	82,540,207
Minority interest	**1,401,544**	920,305	1,635,510
Total equity	**64,520,145**	127,292,797	84,175,717
Non-current liabilities			
Obligations under finance leases	**118,122**	113,928	52,747
Deferred tax liabilities	**-**	16,098,524	-
Accounts payable	**212,410**	-	1,018,414
	330,532	16,212,452	1,071,161
Current liabilities			
Accounts payable	**7,896,826**	3,640,819	3,211,194
Obligations under finance leases	**44,212**	-	33,236
Current tax liabilities	**822,782**	95,283	822,782
	8,763,820	3,736,102	4,067,212
Total liabilities	**9,094,352**	19,948,554	5,138,373
Total equity and liabilities	**73,614,497**	147,241,351	89,314,090

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the six months period ended 30 June 2009

	Attributable to equity holders of the Parent								
	Share capital US$	Share premium US$	Notes payables from shareholders US$	Accumulated loss, net of minority interest US$	Other reserves US$	Translation difference US$	Total US$	Minority interest US$	Total US$
Balance as at 1 Jan 2008	**1,881,092**	**92,683,930**	**-**	**5,100,870**	**-**	**-**	**99,665,892**	**754,053**	**100,419,945**
Total comprehensive income/ (loss)	-	-	-	(15,482,825)	-	-	(15,482,825)	1,791,363	(13,691,462)
Issue of share capital	402,207	-	-	-	-	-	402,207		402,207
Acquisition of minority interest	-	-	-	-	-	-	-	(109,000)	(109,000)
Directors' options	-	-	-	-	46,710	-	46,710	-	46,710
Translation to presentation currency	-	-	-	-	-	(2,091,777)	(2,091,777)	(800,906)	(2,892,683)
Balance as at 1 Jan 2009	**2,283,299**	**92,683,930**	**-**	**(10,381,955)**	**46,710**	**(2,091,777)**	**82,540,207**	**1,635,510**	**84,175,717**
Total comprehensive income/ (loss)	-	-	-	(19,213,251)	-	-	(19,213,251)	(252,446)	(19,465,697)
Translation to presentation currency	-	-	-	-	-	(208,357)	(208,357)	18,480	(189,877)
Balance as at 30 Jun 2009	**2,283,299**	**92,683,930**	**-**	**(29,595,206)**	**46,710**	**(2,300,134)**	**63,118,599**	**1,401,544**	**64,520,143**

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
for the six months period ended 30 June 2009

	Six months ended	
	30 Jun 2009	30 Jun 2008
	US$	US$
Operating activities		
Profit/ (loss) before tax	**(19,468,146)**	36,048,860
Adjustments for:		
Depreciation of property, plant and equipment	**44,200**	218,888
Foreign exchange losses	**(543,236)**	-
(Gain)/ Loss on revaluation of investment property	**18,410,447**	(37,822,050)
Other finance expenses	**44,884**	(69,256)
Interest income	**(449,264)**	
Operating profit / (loss) before working capital changes	**(1,961,115)**	(1,623,558)
(Increase)/ Decrease in trade accounts receivable	**(1,164,115)**	(4,013,307)
(Increase)/ Decrease in advances to related parties	**-**	857
(Increase)/ Decrease in prepayments and other current assets	**-**	3,928,133
Increase/ (Decrease) in trade and other payables	**56,324**	1,701,962
Increase/ (Decrease) in payables due to related parties	**1,454,634**	233,460
Increase/ (Decrease) in financial lease liabilities	**(73,240)**	-
Cash flows used in operating activities	**(1,687,512)**	227,547
Investing activities		
(Increase)/ Decrease in prepayments under development contracts	**690,385**	(34,982,885)
(Increase)/ Decrease in advances for investments	**(15,215)**	9,998,745
Increase in payables to constructors	**2,368,669**	-
Additions to investment property	**(1,820,837)**	(12,495,815)
Additions to property, plant and equipment	**-**	(313,957)
Additions to intangible assets	**-**	(4,019)
Acquisition of / Changes in minority interest	**-**	166,251
Cash flows used in investing activities	**1,223,001**	(331,957)
Financing activities		
Proceeds from issue of share capital	**-**	402,207
Net cash from financing activities	**-**	402,207
Effect of foreign exchange rates on cash and cash equivalents	**438,046**	-
Net (decrease)/ increase in cash and cash equivalents	**(26,465)**	(37,001,926)
Cash and cash equivalents:		
At beginning of the period	**35,733**	43,708,552
At the end of the period	9,268	6,706,626