

Arricano Real Estate plc

("Arricano" or the "Company" or, together with its subsidiaries, the "Group")

Improvement in Vacancy Rates and Tenant Base

Arricano (AIM:ARO), a leading real estate developer and shopping mall operator in Ukraine, is pleased to announce, a significant improvement in vacancy rates in 2016 across its portfolio of five shopping centres which together comprise 147,800 m² of gross leasable area.

	31 Dec 2015 Vacancy Rate	31 Dec 2016 Vacancy Rate
City Mall Shopping Center (Zaporizhzhia)	0.00%	0.00%
Sun Gallery Shopping Mall (Kryvyi Rih)	2.32%	0.18%
Prospect Shopping Mall (Kyiv)	7.00%	2.42%
South Gallery Shopping Mall (Simferopol)	4.91%	3.86%
RayON Shopping Mall (Kyiv)	3.53%	1.35%

As at 31 December 2016, occupancy improved to 98.3% versus 96.2% on 31 December 2015. A good performance in a challenging economic period during which the Company added 179 new tenants leasing 23,404 m² of retail space. The portfolio now has a tenant base of 750 up by 12% (31 December 2015: 670 tenants).

Of particular note is the improvement in occupancy at the Prospect Shopping Mall, a highly creditable achievement given that this site was only completed in September 2014 and is now 97.6% let. The Company's success has been built upon developing strong and long-term tenant relationships together with focusing on creating a positive experience for consumers when they visit an Arricano shopping centre and providing a service led approach to supporting its tenant base.

Mikhail Merkulov, CEO of Arricano, commented: "This letting performance reflects well on the Company and proves the strength of our lettings team and their ability to work with tenants and deliver improved turnover and rental income. Our strategy is not to drive short-term

performance but to create long-term tenant relationships and focus on creating value partnerships with our tenants, in turn making our shopping centres welcoming, interesting and innovative places which bring people together to shop and socialise.”

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