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Arricano Real Estate PLC

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**Arricano Real Estate plc**  
("Arricano" or the "Company")

### **Notice of Results and Net Asset Value Update**

The Company announces that it expects its final results for the year ended 31 December 2014 to be released in the week beginning 22 June 2015. Ahead of the announcement of the results, the Company is now providing further information in relation to the proposed accounting treatment of its interest in the Sky Mall shopping centre and of its loan to Weather Empire Limited.

#### *Sky Mall*

Sky Mall is one of the largest shopping centres in Kyiv, built to an award-winning design by the international architectural firm Chapman Taylor. It is home to top-quality brands, which include TopShop and Marks & Spencer, and anchored by the hypermarket Auchan, Comfy and stores of the Inditex Group. The first phase of the shopping centre (hypermarket) opened in 2007 and the second phase of the development opened in August 2010. The GLA (Gross Leasable Area) of the current operating centre (Phases I and II) is approximately 68,000 sq. m, with approximately 1,880 parking spaces. It is anticipated that the third phase, which may be developed provided such development will be feasible at the time, would add a further GLA of approximately 46,500 sq. m.

The Company's interest in Sky Mall was held through its 49.97% holding in Assofit Holdings Limited ('Assofit') which held 100% of Prizma Beta LLC which in turn owned 100% of Sky Mall. Arricano's interest in Assofit was included in the Company's consolidated statements of financial position at 31 December 2013 and 30 June 2014 as 'Available-for-sale financial assets' in an amount of US\$20.7m, representing cost. As announced by the Company on 12 September 2014, it understands that Assofit no longer owns Prizma Beta LLC and that ownership of the Sky Mall shopping centre has been transferred to Bank Pivdennyi PJSC. The Company continues to believe this transfer to be illegal and is pursuing legal proceedings aimed at securing its rights to Sky Mall. While the Company is hopeful that it will be successful, there is a significant degree of uncertainty over the outcome of the litigation and, accordingly, the Company has decided to provide fully against the US\$20.7m carrying value of its interest in Assofit for the purposes of its 2014 year-end accounts.

#### *Weather Empire*

In July 2011 the Company granted a loan of US\$30m to Weather Empire Limited ('WEL'). This loan (which has a maturity date of 31 December 2014) was included in the Company's consolidated statement of financial position at 30 June 2014 as 'Loans receivable' in current assets in an amount of US\$39.2m (including accrued interest). WEL is ultimately controlled by Hillar Teder, who holds an interest of 63.8% in Arricano's issued ordinary share capital. The Company is currently in discussions with WEL regarding the settlement of the loan, which may take the form of a transfer of assets to the Company. The Company believes that this loan and the accrued interest will be repaid in full although, in light of the fact that the loan is overdue and the uncertainty surrounding the form of the settlement, the Company has decided to provide fully against the US\$39.8m owed by WEL for the purposes of its 2014 year-end accounts.

*Net Asset Value*

As a result of the provisions referred to above, taken together with the effect of the significant fall in the value of the Ukrainian Hryvnia against the US\$, the Company's net asset value to be reported in its audited 2014 financial statements is expected to be in the order of US\$61.6m.

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