



Acquisition
Mon, 25th Apr 2016 10:39

RNS Number: 2013W
Arricano Real Estate PLC
25 April 2016

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

Acquisition

Arricano is one of the leading real estate developers and operators of shopping centres in Ukraine. Today, Arricano owns and operates five completed shopping centres comprising c.147,800 sqm of gross leasable area, and land for a further three sites currently under development.

Arricano (AIM: ARO) has agreed to acquire Green City LLC, a company incorporated in Russia ("Green City") from Retail Real Estate SA ("RRE") for a nominal consideration in cash of US\$1,560 (the "Acquisition"). The Acquisition will facilitate more efficient management of the Company's property located in Crimea.

Green City has been dormant for a number of years and its only assets or liabilities of any significance are tax losses of approximately 1.2 billion rubles (Russian) and loans due to Filgate Credit Enterprises Limited ("Filgate") amounting to approximately US\$22.6 million (the Filgate Loans). The Company has entered into a deed of assignment with Filgate under which all amounts due to Filgate under the Filgate Loans are assigned to the Company for a nominal consideration of US\$2 (the "Assignment"). The Company has entered into a separate agreement with Filgate and RRE which provides that the Acquisition is conditional on the Assignment (this agreement, together with the Assignment and the Acquisition, being the "Transactions").

Related Party Transactions

RRE and Filgate are ultimately controlled by Hillar Teder, who is the Company's majority shareholder and, therefore, is a "Related Party" under the AIM Rules for Companies. Consequently, the Transactions are considered to be Related Party Transactions under AIM Rule 13. The independent directors of the Company (Rupert Cottrell, Philip Scales and Michael Zampelas) consider, having consulted with its nominated adviser, that the terms of the Transactions are fair and reasonable insofar as its shareholders are concerned.

For further information please contact:

Arricano Real Estate plc
Mikhail Merkulov, CEO

Tel: +380 44 569 6708

Nominated Adviser and Joint Broker
Smith & Williamson Corporate Finance Limited
Azhic Basirov

Tel: +44 (0)20 7131 4000

Joint Broker
Whitman Howard Limited
Ranald McGregor-Smith

Tel: +44 (0)20 7659 1250

Financial PR
Novella
Tim Robertson / Ben Heath

Tel: +44 (0)20 3151 7008