

Arbitration Update
Wed, 11th May 2016 17:04

RNS Number : 9846X
Arricano Real Estate PLC

11 May 2016

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

Arbitration Award

Further to previous announcements made by the Company, most recently on 5 November 2015, Arricano is pleased to announce that The London Court of International Arbitration ("LCIA") has issued a further award in the arbitration between Arricano and Stockman Interhold S.A. ("Stockman") concerning the ownership of the holding company of the Sky Mall shopping centre, Assofit Holdings Limited ("Assofit"). The dispute concerns a Call Option Agreement (COA) between Arricano and Stockman, dated 25 February 2010. The COA provided for Arricano's right to purchase all of Stockman's shares in Assofit ("Option Shares"). As previously announced, all of Assofit's assets, including Sky Mall, have been transferred to other legal entities.

In its latest award, the tribunal has found that Stockman is in breach of the COA and has taken "steps deliberately to dissipate and misappropriate Assofit's assets". As a result, the tribunal has ordered Stockman to transfer, or procure the transfer of, the Option Shares to Arricano within 30 days of the award. Upon registration of the transfer, Arricano shall pay to Stockman the Option Price minus damages, which when netted out brings the balance to nil. In the event that Stockman does not transfer, or procure the transfer of the Option Shares, Arricano may elect instead to claim damages in lieu of the share transfer.

Mykhailo Merkulov, CEO of the Company commented: "We are delighted with the arbitration award from the LCIA and the decision by the tribunal that Arricano has acted properly in its dispute against Stockman's actions. We now hope that Stockman will comply with the terms of our original agreement which we believe will help us in our efforts to regain control of Sky Mall itself."

For further information, please contact:

Arricano Real Estate plc
Mykhailo Merkulov

Tel: +380 44 569 6708

Financial PR
Novella
Tim Robertson/Ben Heath

Tel: +44 (0)20 3151 7008

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 7087 4555

