16 April 2013

SECURE PROPERTY Development & Investment

("SPDI" or "the Company")

NEW MANAGEMENT TEAM DELIVERS ON TURNAROUND STRATEGY WITH 188% INCREASE IN OPERATING PROFIT AND A RETURN TO PROFIT BEFORE TAX FOR THE FIRST TIME IN FIVE YEARS

- $21.2 million of capital raised to fund growth strategy -

SECURE PROPERTY Development & Investments Ltd (LSE:SPDI), a South Eastern European focused property and investment company, today announces its full year results for the year ended 31 December 2012.This is the Company's first full year of operation since the new management was introduced in August 2011 and the results show transformational improvements across all major financial and operational metrics.

Financial highlights:

- A 188% increase in operating profit to $2.3 million (2011: $0.8 million).
- The Company returned to overall profitability in 2012 delivering a profit before tax of $0.14 million (2011: loss of $0.84 million).
- Net Asset Value increased by 7.9% to $33.9 million (2011: $31.4 million).
- Gross Rental Income increased by 302% to $2.1 million (2011:$0.5) as a result of improved occupancy at Terminal Brovary, the Group's key income producing asset in Kyiv.
- Cost savings of over 50% in operating expenses generated through improved operational efficiencies, including continued streamlining and consolidation of third party advisors as well as initiating and implementing tendering procedures and other cost monitoring and internal controls for operating processes.
- $4 million of capital raised in 2012 with a further $17 million raised post the period end, adding momentum to the Company's recovery and funding its ambitions for growth.

Operational highlights:

- Occupancy at Terminal Brovary increased to 84% at the year end from 43% as at 31 December 2011, following the signing of six new leases with blue chip tenants, while average leases are now 20% higher than the existing average rent at the end of 2011, and 40% higher than the average rent of the pre-restructuring period.
- All major pre-August 2011 legacy liabilities have been settled including the legal case with UVK, which was settled, after a series of court hearings, at a significant discount to the nominal $1.5 million claim.
- Two respected and experienced non-executive directors were appointed during the year to improve Corporate Governance and strengthen the management team. The following joined the Board during the year;
    - Harin Thaker, former Head of International Real Estate Finance at pbb Deutsche Pfandbriefbank AG

– Alvaro Portela, the previous Executive President and Chief Executive Officer of Sonnae Sierra, a global leader in retail property development and management

Lambros Anagnostopoulos, Chief Executive Officer at SECURE PROPERTY Development & Investments, commented:

"2012 was a transformational year for the Company in which we successfully completed our turnaround strategy, recording substantial increases across all our key metrics. With a new name and new vision, the Company now scarcely resembles the troubled entity it was only a mere 18 months ago when the current management team, backed by a group of new shareholders, took over.

"We are now firmly on track to enter the second phase of the Company's evolution having raised a total of $30m in the last eighteen months, from a number of well-respected individual and institutional investors, to fund SPDI's strategy to expand in the SEE region at a time when prices are still depressed from the economic crisis. We believe significant opportunities exist to acquire under-priced or distressed assets where we believe we can create value from asset management, as we have demonstrated at Terminal Brovary, with the opportunity to also benefit from any improvement in market sentiment."

- Ends –

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Notes to Editors:

About SECURE PROPERTY Development & Investment plc

SECURE PROPERTY Development & Investment is a Central and South Eastern European focused property company with a portfolio that comprises the 50,000 sqm Terminal Brovary logistics park in Kyiv, which is 84% let, and four development projects at different stages of progression, all of which have a combined net value of €32 million.

Since the start of 2013, the Company has raised $17 million from placings with new investors including Peter Munk and Ned Goodman which followed the recapitalisation and restructuring of the Company in August 2011 and the successful completion of various stabilising initiatives during 2012.

The recent placings have provided the Company with funds to commence its strategy for growth through the acquisition of income producing assets in Central and South Eastern Europe in order to build a more geographically diverse portfolio, whilst maintaining its emphasis on efficient asset management to create and enhance value.

SPDI employs a team of 15 experienced professionals operating in three countries. SPDI's shares are publicly traded on the AIM market of the London Stock Exchange (LSE:SPDI).

1. Chairman's Statement

Following the transformation of 2011, 2012 has been a year of consolidation for the Group, which has emerged much stronger, and is poised for further positive changes in 2013. High on the list of achievements in 2012 were the successful leasing of the remainder of Brovary Terminal, which helped to enable the company to achieve a small net profit of $61,550, compared the $1.1m loss of the previous year. The high quality tenants that have signed new leases at Brovary are doing so at rates 20% than the average rent at the end of 2011, a testament both to the capabilities of the new management team and the much better market conditions for logistics operators in Ukraine in 2012, a trend which looks likely to continue due to a lack of new facilities and steady growth in demand. Also encouraging was the raising of new equity in early 2013, which will enable the Group to embark on its growth plan in 2013, which will diversify the Group's exposure with the purchase of Grade A investment properties on low valuations in Romania and Bulgaria, markets that offer stable income flows and considerable upside in the future through yield compression from their current depressed levels. The Group is firmly on track to achieve its goal of being cash flow positive in 2013.

During 2012 the Board was considerably strengthened with the addition of two new members, Harin Thaker and Alvaro Portela, both of whom have had long and highly successful careers in property. I would like to welcome them, and thank the rest of the Board and Management for their tireless dedication in what has remained a very difficult environment in European capital markets, especially for smaller companies like ours.

These achievements were made in what has remained a very difficult environment in European capital markets, especially for smaller companies like ours. I would like to thank the Management and Board for their tireless dedication in overcoming these challenges. The Group is still very much on track to achieve much more in coming years.

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Paul Ensor

Chairman

2. Letter to the Shareholders

20 March 2013

Dear shareholder,

2012 could be remembered in the future as the year when Europe began to finally act towards overcoming the troubles it has been battling since the onset of the financial crisis at the end of 2007. A combination of election results and institutional (ECB, Eurogroup, etc) decisions brought a turnaround in the sentiment and signalled hope for the continent's economics and currency. Unfortunately the positive sentiments were shortlived and events in March of 2013 signalled, yet again, increased uncertainty and doubt on the future of the European experiment. For our Company, 2012 was the year of its re-birth. We completed the turnaround that had started a year earlier and, perhaps more importantly, we commenced the implementation of our growth strategy. As a result, the Company is now well positioned and looks forward to a brighter future.

The turnaround effort assumed by the new management in August 2011 was effectively completed by mid-2012. More specifically, during this period the Company's annual revenues increased by a factor of 4, while its annual operating costs decreased by over 50%. The liabilities / payables of the Company were reduced by a factor of 7 and as a result of all this the Company's net equity increased by a factor of 4 (compared to August 2011).

As a result of the improvements detailed above, we are very pleased to be able to report an increase in operating profit of almost 200% to $2.3m (2011: $0.8m) and a return to profitability for the first time in years with profits before tax of $145,000 compared to a loss of $843,999 in 2011.

As difficult it is to achieve such immense transformation by itself, our Company effected this turnaround while in a mode of intensive cost minimisation and liquidity constraints highlighted and anchored by the management and board members decision to defer their salaries until such transformation is completed. Furthermore, as the liquidity needs of the Company grew, reflecting increasing past liabilities, more capital became available both through Narrowpeak, the key turnaround investor, as well as from other existing and new shareholders, contributing a total of $4m during the year (both in equity and debt), as per the original 2011 plan.

The end of the turnaround process was signalled by the change of the Company's name to SECURE Property Development and Investment, borrowing the name and logo from SECURE Management, Narrowpeak's property operational affiliate with extensive track record and goodwill in the region.

On the asset management front, the Company's key income producing asset, Terminal Brovary, started the year with half occupancy, and a new commercial manager. Throughout the year, intensive asset management efforts brought success in leasing all the warehouse area of Brovary (90% of total

Gross Leasable Area) at rates 20% higher than the existing average rent at last year's end and 40% higher than the average rent of the pre-restructuring era. By attracting internationally renowned tenants such as Amway, Rhenus, FM Logistics, Sigma Bleyzer, Pernod Ricard and Billa and by increasing annual cashflow from the property to $3.5m we have been able to create an institutional quality logistics asset.

Having successfully executed the turnaround plan and completed its task of leasing Brovary so that it provides a healthy level of recurring and visible revenue, the management of the Company put in place the first stage of its Growth Plan. This strategy involves expanding and diversifying into other South East European countries, and particularly Romania and Bulgaria, by acquiring high value and/or high value added property assets with considerable upside potential.

The South East European region has witnessed a substantial economic slow-down during the last four years, mostly as a collateral damage of the Euro and Greek crisis. It is noteworthy that a large percentage of both Romania's and Bulgaria's banking systems are owned by Greek and Austrian banks, which, despite being healthy enough themselves, suffered from the deleveraging imposed on them and necessitated by their international parent banks. This slow down caused a shock in the regional property markets creating a step down in demand, a liquidity crunch, leverage unavailability and a consequent collapse in property prices. In turn, this has generated a substantial number of distressed projects and property owners.

Despite these factors, the economies in the region still grew at a higher rate than the European average, and they command better fundamentals than their peers in the Eurozone's periphery. With low unemployment, minimal private and low government debt (as a percentage of GDP), a very well educated workforce and (for Romania) a strong industrial base, these economies are poised to continue to outperform as the market improves.

The property markets of the South East European countries opened up to foreign funded development and investment later than any in East Europe, with mass FDI influx being seen as late as 2005. Consequently, not much new property stock had time to be built before the global financial crisis impacted the region (late 2008). Consequently, the needs of the market (ie demand) are substantially greater than both current, and, more importantly, potential near term supply. As such the region combines good economic and excellent property market fundamentals, a rare combination which is difficult to find anywhere in the world without a consequential over-inflation of pricing attached to it.

The Company's strategy is to expand in the region now that prices are still reeling from the crisis shock and take advantage of underpriced assets or distress opportunities similar to the turnaround of the Company itself effected in the last 16 months in order to create value through its own asset management and take advantage of any improvement in market sentiment.

In the last quarter of 2012 the Company embarked on a fundraising effort to attract new investors that share its strategic view of the market opportunity and, in February 2013, the Company announced that it had raised $17m of fresh capital from a number of well respected individual and institutional shareholders. We have begun the process of putting these proceeds to work having already agreed heads of terms for the acquisition of an income producing commercial asset in Bucharest. This, along with the other opportunities we are assessing, will help further strengthen the Company's ability to generate recurring income and offer the potential for value enhancement through capital appreciation. The fundraising effort will continue as and when new interesting opportunities for acquisition are identified.

The Company now scarcely resembles the troubled entity it was only 18 months ago. With a new name and vision, a new strategy focussed on growth and a committed management team, SECURE Property and its shareholders have every right to raise their expectations. As the management who have spearheaded this turnaround and are directing SECURE Property's future course, we can assure both the old investors, who have endured the difficult times and kept faith, as well as the new investors, who share our dream and vision, that we will do everything it takes to maintain the positive momentum already achieved and attain an even brighter future for our Company.

Best regards,

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Lambros G. Anagnostopoulos
Chief Executive Officer

3. Management Report

3.1. Corporate Overview & Financial Performance

The Company's management spent the better part of 2012 completing its turnaround both by continuing to reduce and control costs, and also putting heavy emphasis on increasing revenue generation by substantially improving occupancy at Terminal Brovary. At the same time we addressed and settled most of the pre-August 2011 liabilities both in a friendly basis, through out of court settlements as well as through the court system.

Most notably, in July 2012 the Company reached an out of court settlement with UVK, previously a potential Brovary tenant, over a $1.5m claim which had been ongoing for more than three years and was settled, after a series of court hearings, at a significant discount to the nominal amount of the claim.

While dealing with those financial and legal liabilities, the management took substantial care in managing the liquidity of the Company, given the limited resources available to it. In addition, the Company succeeded in attracting over $4m of fresh capital with $2.3 million being raised through the issue of new ordinary shares during the first half of the year and, in October, raising $1.7m in debt. This was paramount in ensuring that liquidity did not hold the company back from achieving its ambitions.

By the end of the year, the Company was much leaner both in terms of administrative expenses, (reduced from $5.5m in 2011 to $3.2m in 2012) and in terms of human resources (reduced by 46% over the previous year).

This progress was then built on when, in February 2013, the Company raised a further $17m from the issue of new ordinary shares, securing sufficient funds to provide medium term liquidity and to start investing for growth.

With the past liabilities being addressed, management has gradually shifted more of its efforts to identifying growth opportunities and to try raising capital in order to take advantage of them. Indeed, and as a means to diversify risk various income producing properties have been identified and contracted for acquisition via Head of Terms expected to materialize during 2013.

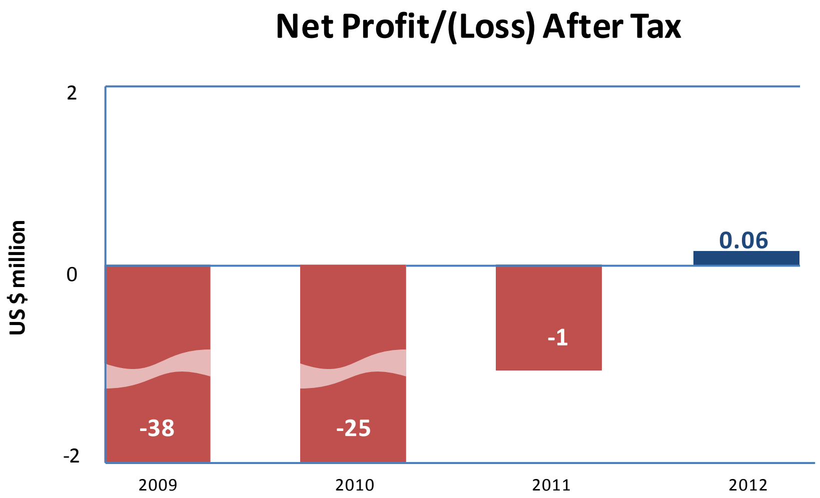
In its push to further improve Corporate Governance, SECURE Property attracted two new heavyweight non-executive directors during the first half of the year. Harin Thaker, the former Head of Real Estate Finance International at PBB Deutsche Pfandbriefbank AG, a specialist lender in real estate finance and public sector finance, and Alvaro Portela, the previous Executive President and Chief Executive Officer of Sonnae Sierra, a global leader in retail property development and management, leading global retail property company, joined the Board bringing vast expertise and knowledge of both the region and the subject matter.

As mandated by the Board in early 2012, the Audit Committee introduced new audit procedures to enhance the Board's supervisory and controlling capabilities. To that effect the Audit Committee has also been in contact with the Auditor of the Company both to verify the working of the 2011 audit as well as for the timely preparation of the 2012 audit.

The Board's Remuneration Committee prepared the outline of a new incentive and compensation scheme that will be offered to the Company's management executives and directors and will help align interests, while rewarding for high performance and creation of shareholder value.

The Board is ultimately responsible for the Group's financial reporting, internal control and risk management systems. The Finance Department prepares detailed budgets and cash flow projections, which are approved annually by the Board and updated regularly throughout the year. Ongoing financial control is the responsibility of the management. A control structure is in place with defined delegated authorities and signatory rights for both management decisions and cash payments throughout the Group.

The Company's turnaround is most clearly demonstrated by its financial performance for the year in comparison with the previous one. Income increased by 400% to $2.1 million, while operating expenses decreased by 40% to $3.2m. This resulted in an EBITDA improvement of 290% to $2.3m and a NPAT of $60,000 (2011: Loss of $1.1m).



3.2. Property Holdings

The Company's portfolio, currently entirely focused on Ukraine, comprises of one income producing property and four development projects at different stages in the development process.

Terminal Brovary Logistic Park consists of a 49,180 sqm Class A warehouse and associated office space, situated on the junction of the main Kyiv – Moscow highway and the Borispil road. The facility has been in operation since Q1 2010 and as at the end of the reporting period was 84% leased.

Bela Logistic Centre is a 22.4 ha plot in Odessa situated on the main highway to Kyiv. Following the issuance of permits in 2008, below ground construction for the development of a 103,000 sqm GBA logistic centre commenced. Construction was put on hold in 2009 due to the global economic crisis. During 2012 we have held negotiations with a number of interested parties with regard to a possible sale of this asset.

Kiyanovsky Lane consists of four adjacent plots of land, totaling 0.55 ha earmarked for a residential development, which are well located, overlooking the scenic Dnipro River, St. Michaels's Spires and historic Podil neighborhood.

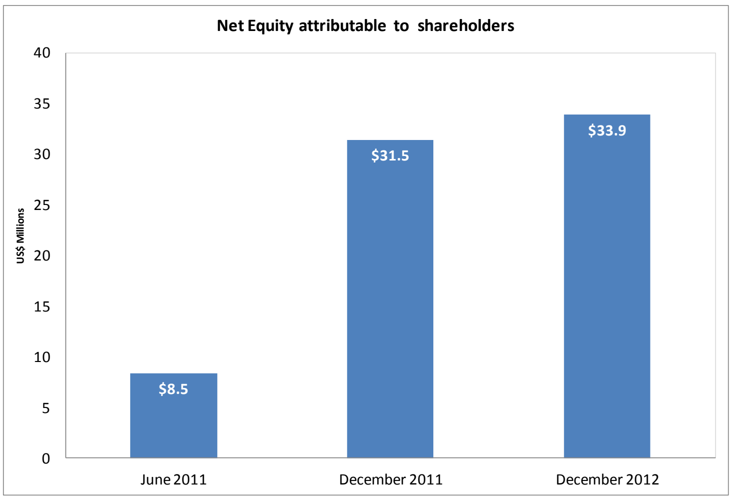
Tsymlyanski Lane is a 0.36 ha plot of land located in the historic Podil District of Kyiv earmarked for the development of a residential complex.

Balabino project is a 26.38 ha plot of land situated on the south entrance of Zaporozhye, a city in the south of Ukraine with a population of 800,000 people. Balabino is zoned for retail and entertainment development.

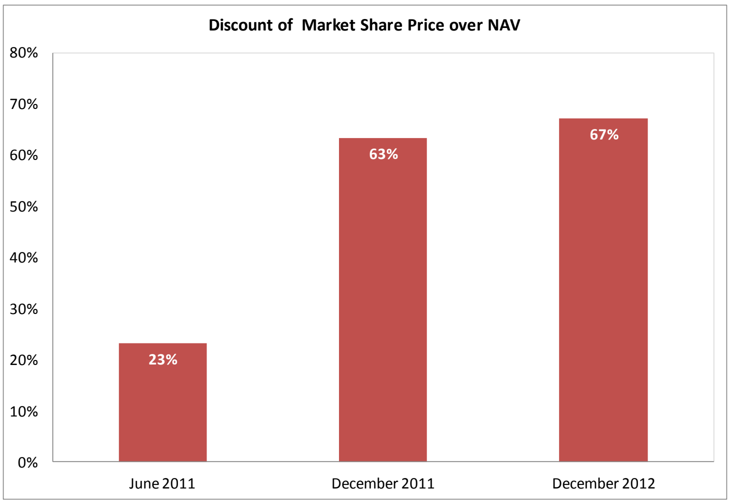
In 2012, the Company re-appointed BNP Paribas as its valuer. The valuations have been carried out by the appraisers on the basis of Market Value in accordance with the appropriate sections of the current Practice Statements contained within the Royal Institution of Chartered Surveyors ("RICS") Appraisal and Valuation Standards, 7th Edition (the "Red Book").

At the year-end, the Company's property assets held a value of $47.6m, an increase of 8.2% from the December 2011 valuation. This increase can be attributed mostly to the doubling of occupancy, as well as to an increase of the average unit rental revenue of the Brovary Logistics Center.

The Net Equity attributable to the shareholders as at 31 December 2012 stood at $33.9m representing a ~400% increase over the June 2011 ($8.5m) figure.



The NAV per share as at 31 December 2012 stood at $3.05 ($2.67 fully diluted).



3.3. Financial and Risk Management

The Group's overall debt exposure at the reporting date comprises of a $15.5m net construction loan to Aisi Brovary from EBRD, which was originally restructured in June 2011, and a $1.7m loan from a related party. In June 2012 the Company engaged in discussions with EBRD in order to match cash inflows from the asset with the debt amortization plan. Overall the Group's gearing ratio (debt/equity) stands at 0.54x.

Throughout 2012 the Company continued to preserve liquidity and optimize its cash flow in a worsening credit environment. By maintaining a tight cash flow schedule, the Company has been able to manage its liabilities while preparing its growth strategy.

3.4. 2013 and beyond

At the end of 2012 and into 2013 the real estate market has started to show signs of recovery. The Euro collapse having been averted last year, the European banks are pushing forward with their deleveraging plans, raising hopes that some forms of leverage will become increasingly available this year. The Greek banks (owners of a large number of banking institutions in both Ukraine and other countries of South East Europe) have also been saved by the European bailout mechanism and are in the process of being recapitalized, signaling a turn towards business as usual in the not too distant future. Conclusive elections in both Ukraine and Romania in the last quarter of the year offer further political stability, a necessary base for any property market upswing.

2013 will be the first year in many that the Company follows a growth path. Having raised fresh capital in February, the Company is planning to expand regionally by acquiring good underpriced income producing assets, as well as exploiting other high upside potential opportunities, in a distressed market environment. In line with its policy of pursuing best practice and robust corporate governance, the Company will keep its cost minimization policies and risk control practices, ensuring both its financial health and its successful contribution to its social and physical environment.

4. Regional Economic Developments [1]

4.1. Ukraine

The Ukrainian economy recorded in the third quarter of 2012 negative growth for the first time since Q4 2009. The annual GDP growth declined by 1.3% in Q3 mainly reflecting the impact of the summer drought on agricultural output. Overall GDP growth for 2012 is expected at 0.4%. The negative signs can be attributed more to external (global) demand factors.

The Current Account Deficit ("CAD") widened further in November, bringing the 12-month rolling CAD at 8.3% of GDP compared with 6.2% at the end of 2011 due to a sharp deterioration in the terms of trade driven by weaker trade activity with Russia and EU (representing 50% of exports, weaker commodity prices (steel price fell by 25%, which represents 30% of exports) and eroding competitiveness. Private consumption remained in positive territory, posting a growth of 12% yoy in Q3 supported by the initiation of populist measures by the government in May, ahead of the Q4 2012 parliamentary elections with real wages posting a double-digit growth rate of 14% yoy in Q3 2012. On the other end of the spectrum, private investment growth turned negative in Q3 2012 (-2.9% y-o-y, following eight successive quarters of strong growth), reflecting the completion of the Euro-2012 construction projects.

In November's parliamentary elections, President Yanukovich's Party of Regions did not perform as well as was widely expected, even though it is still holding a majority with the help of the Communist Party. However, this moderate outcome influences the authorities' willingness to address a hefty twin deficits problem, scheduled IMF repayments and declining FX reserves (putting UAH under pressure despite the Ukrainian authorities effort of buying time throughout 2012 by rolling over loans to Russia, limiting gas imports and issuing debt in USD).

Even in the case that Ukraine makes a new agreement with the IMF, most of the IMF funding will be used for the rollover of the current outstanding payments, making it imperative for Ukraine to be able to access the markets. Another option for funding is Russia, but this will mean a step further away from the EU.

Macroeconomic data and forecasts					
	2010	**2011**	**2012e**	**2013f**	**2014f**
GDP (EUR bn)	102,6	118,4	126,7	126,4	128,6
Population (mn)	45,8	45,5	45,3	45,1	44,9
GDP (constant prices y-o-y %)	4,1	5,2	0,4	1,0	2,9
CPI (average, y-o-y %)	9,4	8,0	0,8	7,4	9,3
Unemployment rate (%)	8,4	8,2	8,0	8,3	8,3
Net FDI (EUR bn)	4,3	5,4	4,7	5,0	5,0
FDI % GDP	4,2	4,5	3,7	3,9	3,9

Sources : Unicredit Bank, Eurobank EFG, NBG

[1] Sources : UniCredit Group – research Division, Eurobank Research, NBG Strategy and Economic Research Division, National Institute of Statistics- Romania, National Statistical Institute –Republic of Bulgaria.

4.2. Romania

The election victory of the Social Liberal Union (USL) was affirmed through a vote of confidence in late-December. Immediately afterwards the IMF mission returned to Bucharest for the conclusion of the seventh and eighth reviews of Romania's precautionary agreement, mainly focused on the preparation of 2013 budget and identification of the measures required to reduce the fiscal deficit to 1.8% of GDP as well as the implementation of the substantially delayed structural reforms (especially in state-owned enterprises).

The Romanian economy contracted by 0.6% yoy (down 0.5% q-o-q) in Q3 2012, following six consecutive quarters of positive annual growth, having been mainly affected by the lower agricultural output due to summer drought as well as the political uncertainty before the 2012 elections. Overall, Romania's economy growth for 2012 is estimated at circa 0.2%.

In terms of the main GDP components, private consumption contracted by 1.5%yoy in Q3 (down from +1.8%yoy in Q2) influenced by lower real wages (despite public wages hikes) and higher food and energy prices. In the same vein, exports and imports contracted by 4.2% yoy and 1.9% yoy in Q3 compared to +0.7% yoy and +0.2% yoy in Q2 respectively. In addition, investments decelerated to +9.9% yoy, down from +15.2% yoy in Q2, backed by the decline of public investment in the construction sector due to the underperformance in EU funds absorption. The EU funds absorption rate has reached a mere 8% against an ambitious government target of 19%. Funds earmarked for investments in the budget were cut in order to finance the public wages hikes as part of the budget revision in 2012.

In December 2012, headline inflation rose to 5% yoy from 4.6% in November, above National Bank of Romania's (NBR) target range of 3+1%, influenced by the hike in regulated electricity price and higher food prices. The depreciation of the RON against EUR by 5% in 2012 (adjusting for the latter, end-year inflation is estimated at 3.5%) is also having a negative effect on the economic climate although at year end the trend has partially reversed. Despite the high headline inflation, the NBR Board left the monetary policy rate unchanged at a record low of 5.25% for a ninth consecutive month, at its first meeting in 2013, due to weak economic activity.

The positive news came from international debt markets where Romania over performed by selling EUR 2.25bn and $2.25bn of debt in 2012. In addition, in local markets, following the well received election result, interest for two post-election debt issuances was significantly higher, leading to a slight decrease in yields at an average yield of 6.57% from 6.66% and an oversubscription of both.

Macroeconomic data and forecasts					
	2010	2011	2012e	2013f	2014f
GDP (EUR bn)	124,1	136,5	135,9	140,1	144,4
Population (mn)	21,5	21,4	21,4	21,4	21,4
GDP (constant prices y-o-y %)	-1,7	2,5	0,2	1,3	1,8
CPI (average, y-o-y %)	6,1	5,8	3,3	4,0	3,5
Unemployment rate (%)	7,3	7,4	7,3	7,2	7,0
Net FDI (EUR bn)	2,2	1,8	1,5	2,0	2,6
FDI % GDP	1,8	1,3	1,1	1,4	1,8

Sources : Unicredit Bank, Eurobank EFG, NBG

4.3. Bulgaria

The Bulgarian economy grew at a steady pace in Q3-2012, at 0.5% yoy, the same as in Q2 2012, indicating overall GDP growth for 2012 at 0.6%. On the positive side, several important indicators outperformed during Q3 showing encouraging signs for the Bulgarian economy. But the economy faces greater risk in 2013, following the resignation of the government in February and the fact that elections are ahead.

Consumption has exceeded expectations for the second consecutive quarter, staying at +3% yoy in Q3 (+3.2% yoy in Q2), driven by relatively high real wages (+5.7% yoy in Q3) and the seasonal improvement in labour market conditions (unemployment improved to 11.5% in Q3, down from 12.3% in Q2 and a peak of 12.9% in Q1, the highest level in 2009-2012).

Investments moved into positive territory for the first time since Q4-2008, rising by 1% yoy in Q3 compared to a contraction of 2.1% yoy in Q2, 5.4% yoy in Q1 and 10.4% yoy in Q4 2011. Investment's share to GDP had dropped to 23% in 2011 against a record high at 37% in 2008. The main driver behind investment growth was the higher absorption rate of EU funds while the post-crisis drop in investments is largely explained by the decline of FDI inflows (from €9 bn in 2007 to €1.4bn in 2011).

After reducing the budget deficit down to 2.1% of GDP in 2011, Bulgaria was the first country to exit the excessive deficit process. Fiscal metrics have continued to improve in 2012 and the fiscal deficit is currently on track to narrow to 0.9% of GDP. This would be better than the government had planned (2012 deficit target was set at 1.3% of GDP) and would imply a sizeable underlying fiscal tightening of ~1.2% of GDP. For 2013, the government plans to pause its fiscal consolidation efforts (budget will target a deficit of 1.35% of the GDP).

Current Account reversed to a deficit of 0.1% of GDP in January-October 2012 against a 1.9% surplus in January-October 2011 mainly due to the deterioration in the trade deficit. The trade deficit doubled, from 3.8% of GDP in January-October 2011, to 7.8% of GDP in January-October 2012. On the other hand, the surplus of services improved marginally to 6.1% of GDP in January-October 2012 against 5.8% in January-October 2011, current transfers improved to 4.1% of GDP January-October 2012, compared to 3.7% a year ago and the income deficit improved to 2.5% of GDP in January-October 2012 against 3.7% at the same period a year ago, however without being enough to counterbalance the deterioration of the trade balance. Headline inflation has resumed its upward trend, reaching 4.2% yoy in December against 3.9% in November mainly due to a surge in food and electricity prices.

Macroeconomic data and forecasts					
	2010	2011	2012e	2013f	2014f
GDP (EUR bn)	36,1	38,4	39,9	41,6	43,9
Population (mn)	7,5	7,3	7,3	7,2	7,2
GDP (constant prices y-o-y %)	0,4	1,7	0,6	1,7	3,8
CPI (average, y-o-y %)	2,4	4,2	2,9	2,6	2,9
Unemployment rate (%)	11,3	11,8	12,7	12,5	11,7
Net FDI (EUR bn)	0,7	1,4	1,5	1,7	1,9
FDI % GDP	1,8	3,5	3,7	4,1	4,4

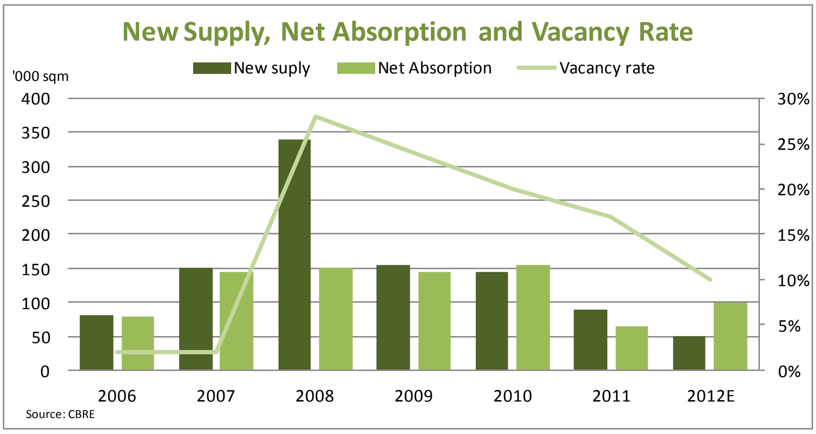
Sources : Unicredit Bank, Eurobank EFG, NBG

5. Real Estate Market Developments [2]

5.1. Ukraine

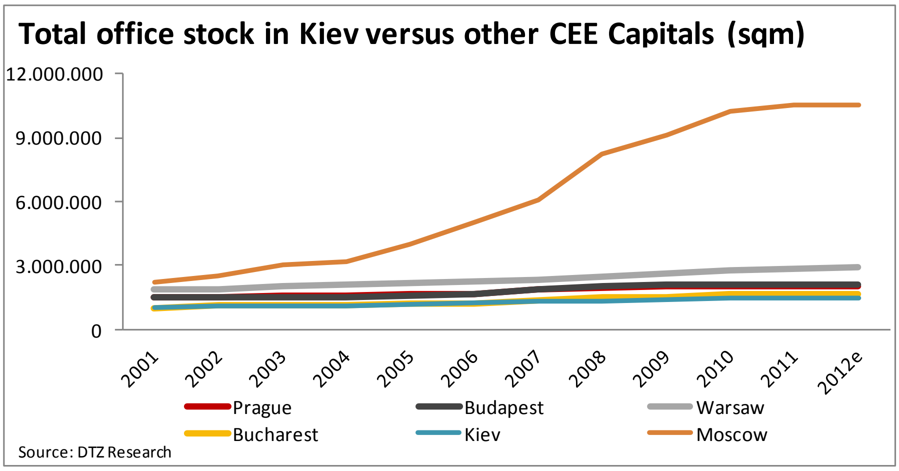
During 2012, prime yields in Ukraine remained high compared to other European countries even though a slight compression was recorded, especially in the first semester of the year.

At the end of 2012, rents for prime warehouse space in the Greater Kyiv area stood at $5.5-6.5/sqm/month (net of VAT and operating expenses) topped by $0.5-1/sq m/month of expenses. In addition, vacancy rates for prime warehouse space decreased further to below 8% due to limited new supply and steady demand. The healthy leasing activity of retail operators combined with the positive indicators of the logistics market present the first signs of market recovery.

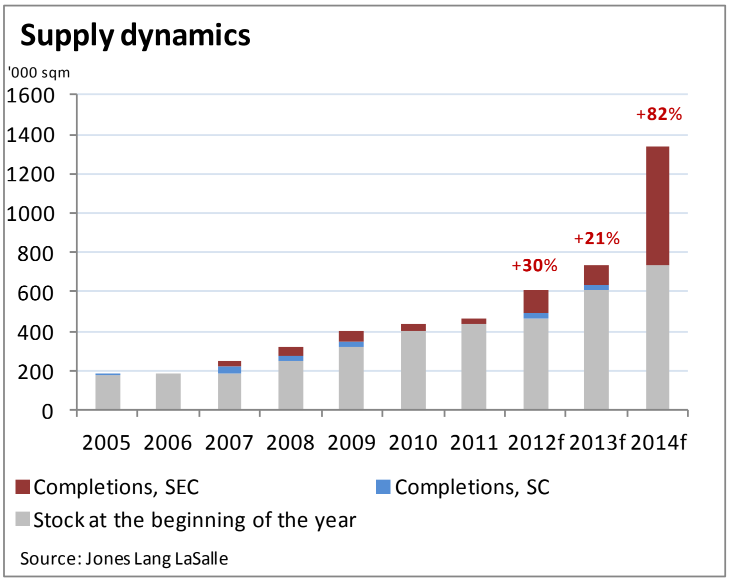


[2] Sources : Jones Lang LaSalle, DTZ Research, CBRE Research, Colliers International, Forton International, MBL Research.

Activity in the office market during 2012 was mainly based on relocations to larger premises or better located and/or higher quality buildings. The main source of demand was from manufacturing, IT and business services companies. Due to gradually picking up of new office supply, occupancy rate decreased by around 2% during the year. Despite the increasing new supply, Kyiv office market remains undersupplied compared to the markets in other CEE capitals.



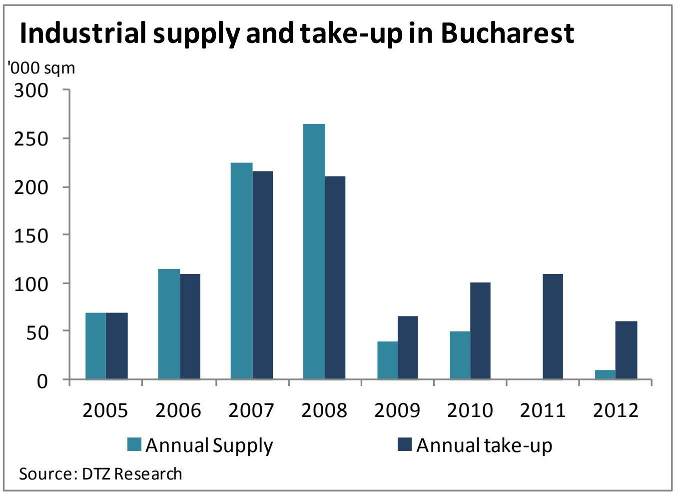
Local anchors continued to lead the Ukrainian retail market while new international retailers continued to enter the market primarily at major new schemes such as "Ocean Plaza", the first superregional shopping center. The strengthening confidence of developers and investors in the market has the potential lead to a significant increase in new delivery in the sector, which remains fundamentally undersupplied, with the vacancy rate for quality retail spaces below 2.5%.



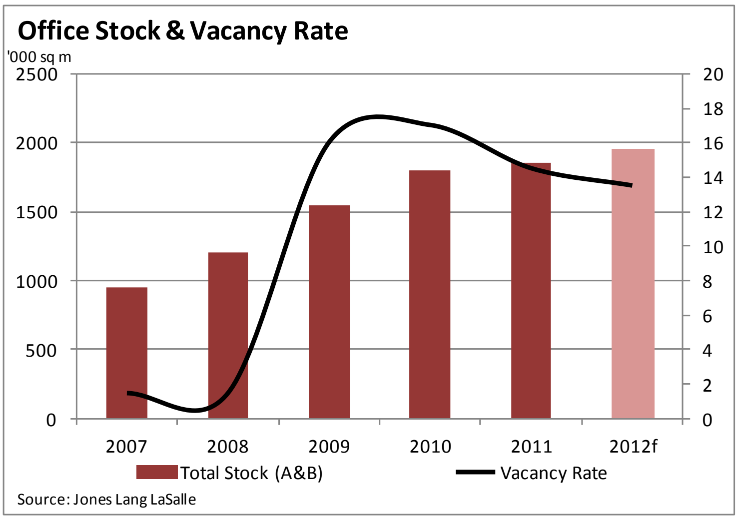
5.2. Romania

The overall investment volume in 2012 was limited as both the local and international political and economical uncertainties made most potential investors adopt a wait and see approach. However, there are a number of medium size investors active in the market and looking to take advantage of the opportunistic nature of the market. In Q3 2012 the total investment volume transacted was €140.2m, representing a 183% increase against the same period of previous year.

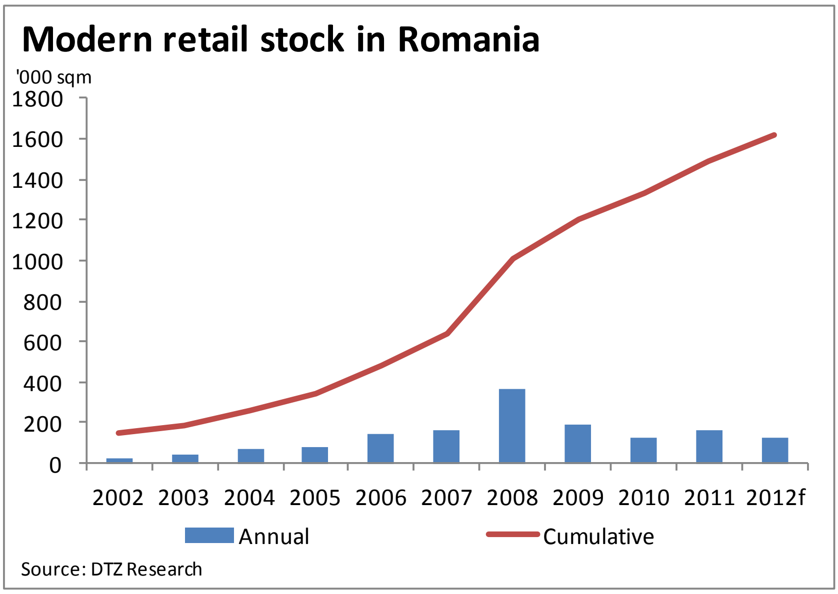
The main driver of Romanian logistics market remained the build-to-suit schemes with other types of development being really scarce. Despite the fact that take-up dropped in 2012 compared with 2011, when it reached the highest level tracked since 2008, it still outweighs the new supply resulting in rental and vacancy rates being maintained at the same levels of $4-5/sqm/month and 10% respectively.



The volume of net transactional activity remained at the same level as in 2011, at 180,000 sqm dominated by the Technology & Communication sector (56% of net take-up volume). The prime rent remains unchanged from the previous quarter, situated at EUR 18.5-19/sqm/month for CBD buildings. Meanwhile, the average vacancy in Bucharest is at 14.5-15.5%, registering a slight increase from last year mainly driven by the addition of new supply to the total existing stock of office space in Bucharest.



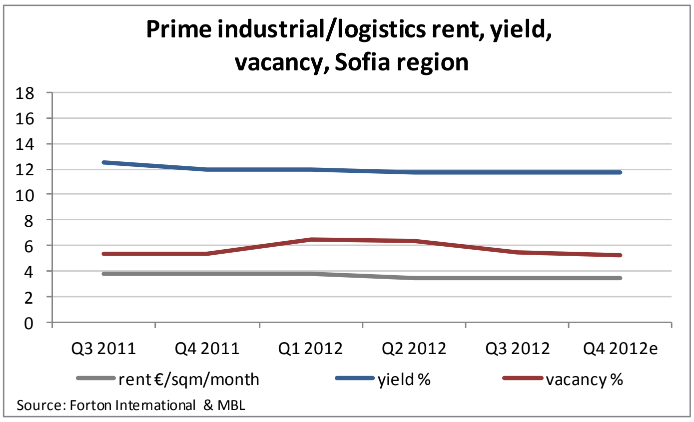
The increased interest of international retailers to enter or expand their share in the Romanian retail market continued in the last quarter of 2012. As the supply of new shopping centers was limited, the increased demand is mainly absorbed by existing centers, which offered important incentives in order to renew their tenant mix, with well known international brands as H&M, C&A, Deichman, New Yorker, Inditex group, in an effort to improve their results. Prime rent and vacancy rate remained stable at EUR 60-70/sqm/month and 9-10% respectively.



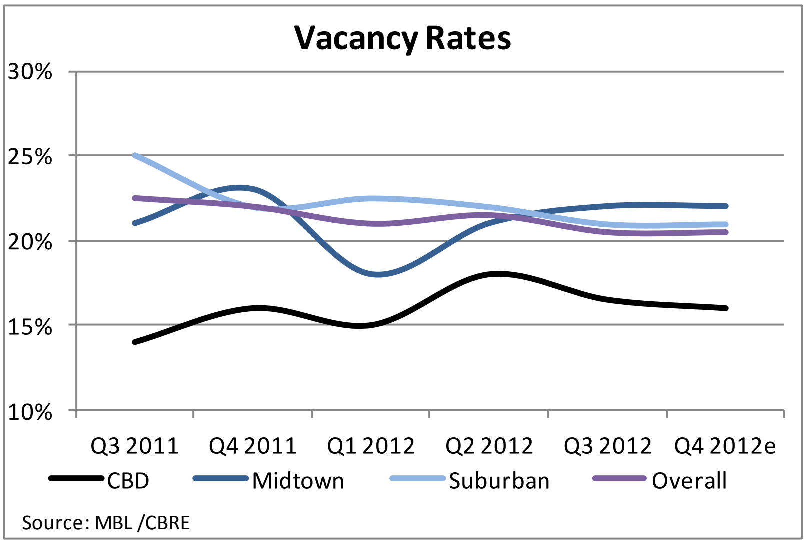
5.3. Bulgaria

The level of activity in the Bulgarian property market remained sluggish during the 2012 with no significant investment deals. The main reasons for this were the lack of financing and liquidity, as well as the general economic and political problems in the eurozone.

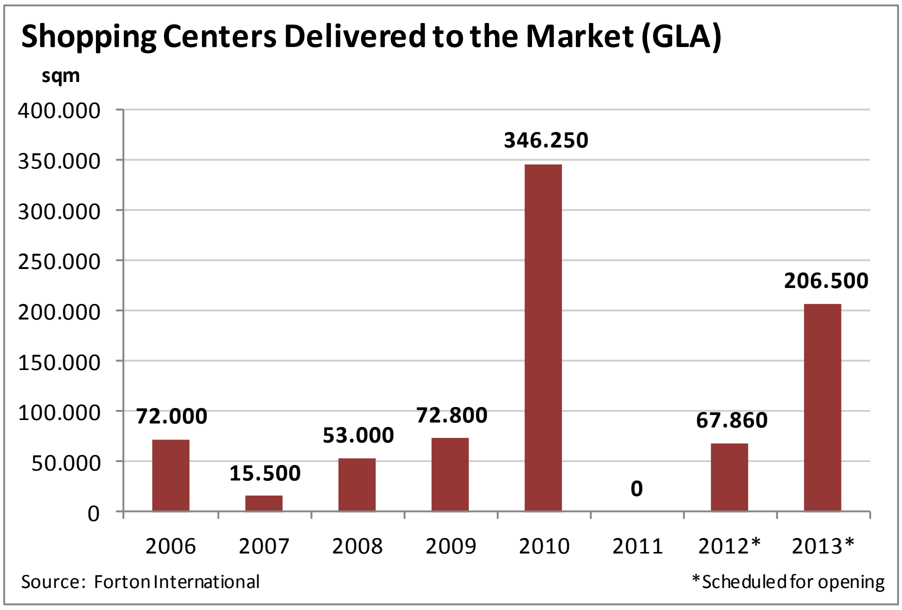
As in Romania, the new supply in the logistics market in Bulgaria was dominated by owner-occupied and built-to-suit schemes. Notably though the limited new supply in combination with the shortage of available modern logistics space lead to a further decrease of vacancy rate to 5.2% compared to 5.5% in Q3 and 6.4% in Q2, as demand picked up supported by automotive and electronics supply chains, which move to the Eastern Europe in search of cost savings and operational flexibility.



The activity in the Bulgarian office market continued to increase, however the volume of absorbed office space matches the new office supply. In that vein, prime office rents remained stable with only the annual indexation influencing their levels, while prime quality office buildings gradually increased their occupancy level. The top 10 grade A office projects on the market recorded over 82% occupancy.



During the last quarter of the year no major new retail projects were put into operation despite the fact that a substantial volume was scheduled to do so, bringing the stock ratio to only 90 sq m per 1,000 people putting Bulgaria at 31st place among 35 European countries, where the average figure is 250 sqm GLA per 1,000 residents. The total shopping mall space under construction for 2013 is 206,500 sqm of GLA.



6. Property Assets

6.1. Aisi Brovary – Terminal Brovary Logistic Park (Kyiv)

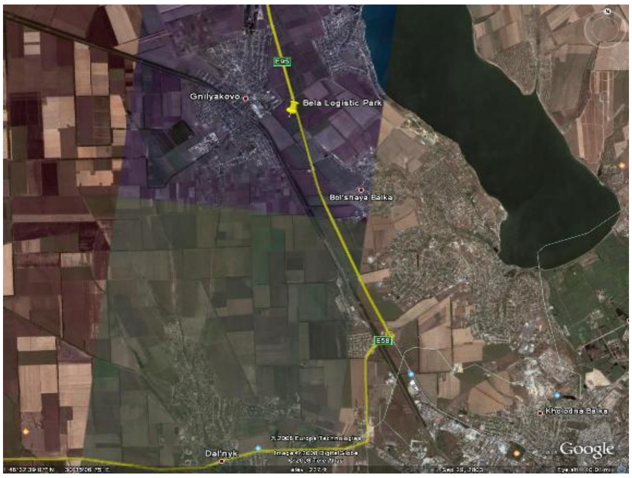
The Brovary Logistic Park consists of a 49,180 sqm GLA Class A warehouse and associated office space. The building has large facades to Brovary ring road, at the intersection of Brovary (E-95/M-01 highway), and Boryspil ring road. It is located 10 km from Kyiv city border and 5 km from Borispol international airport.

The building is divided into six independent sections (each at least 6,400 sq m), with internal clear ceiling of 12m height and industrial flooring constructed with anti – dust overlay quartz finish. The terminal accommodates 90 parking spaces for cars and trucks, as well as 24 hour security and municipal provided sewage, water and garbage collection.

As of the end of 2012, the building is 84% leased, reflecting a 91% lease of its warehouse capacity. The majority of the leases, which have been entered into with large, multinational corporate tenants, have a three to five year duration.

6.2. Aisi Bela – Bela Logistic Center (Odessa)

The site consists of a 22.4 ha plot of land with zoning allowance to construct industrial properties of up to 103,000 sq m GBA, is situated on the main Kyiv – Odessa highway, 20km from Odessa port and in an area of high demand for logistics and distribution warehousing.



Following the completion of planning and issuance of permits in 2008, construction commenced with column foundation and peripheral walls for 100,000 sqm being completed in 2009. Development was then put on hold due to lack of funding and deteriorating market conditions. During 2012 discussions were held with a potential buyer who wanted to acquire the site and continue the development. Such negotiations which continued for a few months broke down after the summer when the election period started.

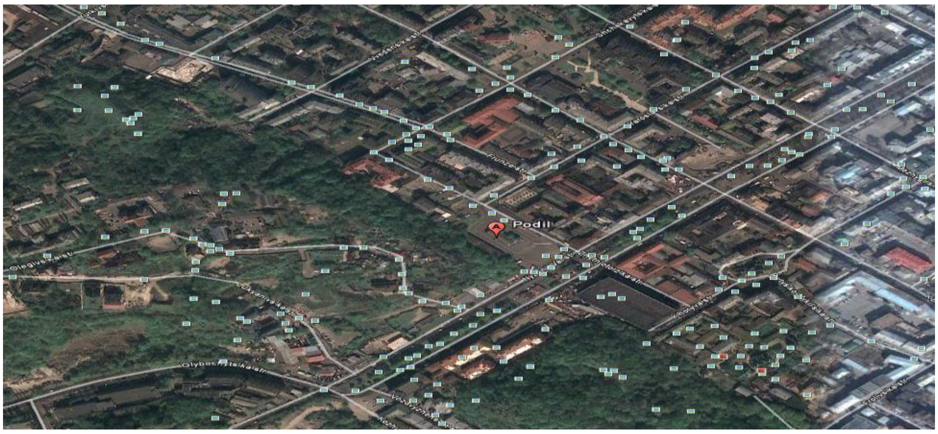
6.3. Kiyanovsky Lane – Land for Residential Complex

The project consists of 0.55 ha of land located at Kiyanovsky Lane, near Kyiv city centre. It is destined for the development of business to luxury residences with beautiful protected views overlooking the scenic Dnipro River, St. Michaels's Spires and historic Podil.

The concept design of the project is under review with proposed development to include circa 100 residential apartments with office and retail space on the lower floors (GBA of circa 21,000 sqm) and 100 parking spaces across two levels of basement.

6.4. Tsymlyanski Lane – Land for Residential Complex

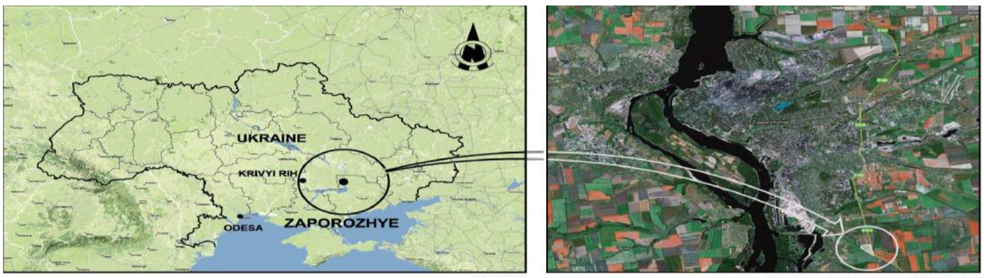
The 0.36 ha plot, is located in the historic and rapidly developing Podil District in Kyiv. The Company owns 55% of the plot, with one local co-owner owning the remaining 45%.



In 2009, all necessary documents were submitted to relevant authorities for approval and the issuance of a construction permit. The plan was to develop circa 10,000 sq m GBA of 40 high end residential units and office spaces on lower floors, as well as 41 parking spaces in three underground levels. Since then, the project has been frozen. The Company is evaluating the options of going forward, which include inter alia an outright sale as well as a contribution in kind to a larger development.

6.5. Balabino-Land for Retail/Entertainment Development

The site, consisting of 26.38 ha land is situated on the south entrance of the city, 3 km away from the administrative border of Zaporozhye. It borders the Kharkov-Simferopol Highway (which connects eastern Ukraine and Crimea and runs through the two largest residential districts of the city) as well as another major artery accessing the city centre.



UKRAINE SATELITE MAP OF ZAPOROZHYE

The site is zoned for retail and entertainment and various development options are being evaluated as per the market's needs. During 2012 the Company has been in discussions to sell part of the plot (circa 1 ha) to third parties but such sale has been postponed following a request of the prospective buyers.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2012

	Note	2012 US$	2011 US$
Valuation gains/(losses) from investment property	2	3.452.294	(628.720)
Operational income	2	2.121.072	526.520
		5.573.366	**(102.200)**
Administration expenses	3	(3.242.494)	(5.445.162)
Investment property operating expenses	4	(554.281)	(172.158)
Other income, net	5	524.112	6.520.512
Operating profit		**2.300.703**	**800.992**
Finance costs, net	6	(2.155.308)	(1.644.991)
Profit/(loss) before tax		**145.395**	**(843.999)**
Income tax expense	7	(83.845)	(249.715)
Profit/(loss) for the year		**61.550**	**(1.093.714)**
Other comprehensive income/(loss)			
Exchange difference on translation of foreign operations		6.727	(100.222)
Total comprehensive income/(loss) for the year		**68.277**	**(1.193.936)**
Profit/(loss) attributable to:			
Owners of the parent		131.735	(1.084.023)
Non-controlling interests		(70.185)	(9.691)
		61.550	**(1.093.714)**
Total comprehensive income attributable to:			
Owners of the parent		112.880	(1.141.331)
Non-controlling interests		(44.603)	(52.605)
		68.277	**(1.193.936)**
Earnings/(losses) per share ($ cent per share):	1		
Basic earnings /(loss) for the year attributable to ordinary equity owners of the parent		0,01	(0,25)
Diluted earnings/ (loss) for the year attributable to ordinary equity owners of the parent		0,01	(0,25)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2012

	Note	2012 US$	2011 US$
ASSETS			
Non-current assets			
Investment properties	8b	39.230.000	35.937.000
Investment property under construction	8a	8.353.161	8.100.000
Prepayments made for investments	8c	5.000.000	5.000.000
Property, plant and equipment		96.331	21.788
		52.679.492	**49.058.788**
Current assets			
Prepayments and other current assets		5.448.173	5.005.135
Cash and cash equivalents		256.447	754.640
		5.704.620	**5.759.775**
Total assets		**58.384.112**	**54.818.563**
EQUITY AND LIABILITIES			
Issued share capital	9	5.531.191	5.507.276
Share premium		104.779.503	102.447.925
Foreign currency translation reserve		(1.249.526)	(1.230.671)
Accumulated losses		(75.170.260)	(75.301.995)
Equity attributable to equity holders of the parent		33.890.908	31.422.535
Non-controlling interests		1.038.795	1.083.398
Total equity		**34.929.703**	**32.505.933**
Non-current liabilities			
Interest bearing borrowings	10	1.777.680	-
Finance lease liabilities		565.973	652.397
Trade and other payables	11	664.899	496.892
Deposits from tenants		427.918	63.809
		3.436.470	**1.213.098**
Current liabilities			
Interest bearing borrowings	10	16.563.976	15.813.857
Trade and other payables	11	2.561.736	4.094.357
Taxes payable		529.827	815.076
Provisions		334.552	348.734
Finance lease liabilities		27.848	27.508
		20.017.939	**21.099.532**
Total liabilities		**23.454.409**	**22.312.630**
Total equity and liabilities		**58.384.112**	**54.818.563**
Net Asset Value (NAV) $ per share:	1		
Basic NAV attributable to equity holders of the parent		3,05	3,39
Diluted NAV attributable to equity holders of the parent		2,67	2,88

On 15 April 2013 the Board of Directors of SECURE PROPERTY DEVELOPMENT & INVESTMENT PLC authorised these financial statements for issue.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2012

	Attributable to equity holders of the Parent								
	Share capital	Share premium	Accumulated losses, net of non-controlling interest	Other reserves	Advances for issue of shares	Foreign currency translation reserve	Total	Non-controlling interests	Total
	US$	US$	US$	US$	US$	US$	US$	US$	US$
Balance – 1 January 2011	**5.431.918**	**94.523.283**	**(74.217.972)**	**68.390**	**223.118**	**(1.068.153)**	**24.960.584**	**1.030.793**	**25.991.377**
Profit /(Loss) for the period	-	-	(1.084.023)	-	-	-	**(1.084.023)**	(9.691)	**(1.093.714)**
Issue of share capital	75.358	7.924.642	-	-	-	-	**8.000.000**	-	**8.000.000**
Return of advances for issues of shares	-	-	-	-	(223.118)	-	**(223.118)**	-	**(223.118)**
Reverse of other reserve	-	-	-	(68.390)	-	-	**(68.390)**	-	**(68.390)**
Foreign currency translation reserve	-	-	-	-	-	(162.518)	**(162.518)**	62.296	**(100.222)**
Balance – 31 December 2011/ 1 January 2012	**5.507.276**	**102.447.925**	**(75.301.995)**	**-**	**-**	**(1.230.671)**	**31.422.535**	**1.083.398**	**32.505.933**
Profit /(Loss) for the period	-	-	131.735	-	-	-	**131.735**	(70.185)	**61.550**
Issue of share capital	23.915	2.331.578	-	-	-	-	**2.355.493**	-	**2.355.493**
Foreign currency translation reserve	-	-	-	-	-	(18.855)	**(18.855)**	25.582	**6.727**
Balance - 31 December 2012	**5.531.191**	**104.779.503**	**(75.170.260)**	**-**	**-**	**(1.249.526)**	**33.890.908**	**1.038.795**	**34.929.703**

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 20% will be payable on such deemed dividends to the extent that the shareholders (companies and individuals) are Cyprus tax residents. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable on account of the shareholders.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2012

	Note	2012 US$	2011 US$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax and non-controlling interests		**145.395**	**(843.999)**
Adjustments for:			
Profit/(loss) on revaluation of investment property	2	(3.452.294)	628.720
Other non-cash movements		151.978	1.168.306
Prepayments for investments impairment loss	5	-	1.000.000
Impairment loss/(reversal) for VAT recoverable	5	-	417.645
Prepayments and other current assets impairment loss/(reversal)	5	(53.264)	316.592
Trade and other payables written off	5	(614.667)	(8.628.135)
Depreciation of property, plant and equipment		11.590	32.875
Interest income	6	(1.496)	(8.164)
Interest expense	6	1.767.095	1.402.333
Provisions		-	273.824
Other reserves		-	(68.390)
Write off advances		-	(223.118)
Effect of foreign exchange difference	6	7.370	117.484
Cash flows used in operations before working capital changes		**(2.038.293)**	**(4.414.027)**
Change in prepayments and other current assets		(597.968)	256.371
Change in trade and other payables	11	(465.657)	(251.748)
Change in other taxes and duties		(139.766)	73.619
Increase in deposits from tenants		364.111	165.963
Income tax paid		(247.180)	(97.162)
		(1.086.460)	**147.043**
Net cash flows used in operating activities		**(3.124.753)**	**(4.266.984)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures on investment property	8	(112.393)	(889.947)
Decrease in payables for construction	11	(463.592)	(573.199)
Change in VAT recoverable		418.724	(714.704)
Increase/(Decrease) in financial lease liabilities		(86.084)	43.691
Changes in property, plant and equipment		(86.133)	120
Decrease in prepayments for investments	8	-	-
Interest received	6	1.496	8.164
Net cash flows from / (used in) investing activities		**(327.982)**	**(2.125.875)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital / shareholders advances	9	2.353.864	8.000.000
Interest and financial charges paid		(1.128.532)	(1.142.794)
Proceeds from borrowings	10	1.729.295	-
Net cash flows from / (used in) financing activities		**2.954.627**	**6.857.206**
Effect of foreign exchange rates on cash		(85)	(760)
Net increase/(decrease) in cash at banks		**(498.193)**	**463.587**
Cash:			
At beginning of the year		754.640	291.053
At end of the year		**256.447**	**754.640**

NOTES TO THE ACCOUNTS

1. Earnings and net assets per share attributable to equity holders of the parent

a. Weighted average number of ordinary shares

	2012		2011
Issued ordinary shares capital	11.111.975		9.277.727
Weighted average number of ordinary shares (Basic)	10.157.531		4.297.480
Diluted weighted average number of ordinary shares	11.724.013		4.297.480

b. Basic diluted and adjusted earnings per share

Earnings per share	**31/12/2012**		**31/12/2011**
	US$		**US$**
Profit/(Loss) after tax attributable to owners of the parent	131.735		(1.084.023)
Basic	0,01		(0,25)
Diluted	0,01		(0,25)

c. Net assets per share

Net assets per share	**31/12/2012**		**31/12/2011**
	US$		**US$**
Net assets attributable to equity holders of the parent	33.890.908		31.422.535
Number of ordinary shares	11.111.975		9.277.727
Diluted weighted number of ordinary shares	12.699.400		10.900.111
Basic	3,05		3,39
Diluted	2,67		2,88

2. Revenues

Operational income in the amount of US$2.121.072 for the year ended 31/12/2012 and US$526.520 for the year ended 31/12/2011 represents rental, service charged and utilities income generated during the reporting periods by the rental agreements concluded with tenants of the Terminal Brovary Logistic Park. Vacancy rate of the Terminal has gone down from 55% as at 31/12/2011 to 16% as at 31/12/2012 (Note 8).

	2012	2011
	US$	US$
Rental income	1.699.253	409.494
Service charged and utilities income	421.819	117.026
Net finance result	**2.121.072**	**526.520**

Valuation gains/losses from investment property represent the adjustment for the period of the fair value of the Investment Property stemming mainly by the value appreciation of Brovary Logistic Park.

Project Name	**Valuation gains/(losses) 2012**	**Valuation gains/(losses) 2011**
	US$	**US$**
Brovary Logistic Park	4.134.923	3.337.770
Bela Logistic Center	211.354	(2.836.174)
Kiyanovskiy Lane	(576.709)	(905.192)
Tsymlyanskiy Lane	(139.033)	8.817
Balabino	(178.241)	(233.941)
Total	**3.452.294**	**(628.720)**

3. Administration Expenses

	2012	2011
	US$	US$
Management fees	-	1.403.501
Salaries and Wages	1.379.640	950.235
Director remuneration	194.202	143.130
Legal fees	467.641	713.145
Consulting fees	425.605	740.149
Travelling expenses	182.765	111.135
Public group expenses	133.938	207.962
Audit and Accounting expenses	162.878	287.779
Office and Apartment rental expense	93.765	134.188
Marketing fees	48.669	-
Taxes and duties	47.070	480.820
Security	45.859	127.569
Other expenses	48.872	112.674
Depreciation	11.590	32.875
Total Administration Expenses	**3.242.494**	**5.445.162**

The management fee charged by Aisi Realty Capital LLC has been calculated at the rate of 2,5% on the committed capital up to 30/6/2011. Following the Settlement Agreement of July 2011 between the Company and Aisi Realty Capital LLC the relevant management fee charge is no longer applicable.

Salaries and wages include:

a) an amount of US$297.232 paid to Mr. Besik Sikharulidze, Managing Director of Ukraine. The amount incorporates all his remuneration as well as the payables for early termination of his employment agreement

b) the remuneration of the CEO, the CFO and the Managing Director Ukraine

c) the remuneration of personnel employed in Ukraine

Director remuneration represents the remuneration of all non-executive Directors and committee members.

Public group expenses includes among others fees paid to the AIM: LSE stock exchange and the Nominated Advisor of the Company.

4. Investment property operating expenses

	2012	2011
	US$	US$
Property management Utilities and other costs	554.281	172.158
Total	**554.281**	**172.158**

On 20 December 2011 the Company entered into a three year Maintenance and Property Management Agreement with DTZ Consulting Limited Liability Company. Operating expenses also include utility expenses, insurance premiums, as well as various other expenses needed for the proper operation of the Terminal Brovary complex.

5. Other income/(expenses), net

	2012	2011
	US$	US$
Accounts payable written off	614.667	8.450.252
Provision on advance payments -gain/(loss)	-	(1.000.000)
Provision on prepayments and other current assets impairment loss	26.079	(316.592)
Impairment loss of VAT recoverable	(75.864)	(417.645)
Penalties	(39.070)	(194.379)
Other expenses, net	(1.700)	(1.124)
Total	**524.112**	**6.520.512**

Accounts payable written off represent the total amount of creditors' payables written off as a result of negotiations and settlement during the reorganization of the Group that started in August 2011.

Provision for advance payments reflects an allowance estimate made by the Management. The Group has advanced ~US$12 mil. in 2007 as a loan to a company who would sell its Podol property asset to the Group, taking as collateral an asset of 42ha at Kiev Oblast-Rozny (Kiev Oblast property). As Management estimated already from August 2008 that the deal has limited probability to be effected, it has reduced the amount of the advance throughout the years currently standing at US$5.000.000.

Provision for prepayments and other current assets impairment represent difference between allowances for prepayments and other current assets estimated previously by the Management and the amounts which have been finally settled.

Impairment loss for VAT recoverable in 2012 represents the non- recoverable VAT in Terminal Brovary LLC. Impairment loss for VAT recoverable in 2011 relates to VAT receivable by Aisi Bela LLC, fully written off as of 31/12/2011 due to loss of corporate tax status of "VAT payer" in July 2011.

Penalties incurred by the Group were mainly caused as a result of delayed payments of its liabilities.

Other expenses in 2012 mainly consist of agency fees related to the letting of Terminal Brovary.

6. Finance (costs), net

	2012	2011
	US$	US$
Bank interest expenses	(1.180.387)	(1.153.000)
Finance charges and commissions	(433.282)	(133.338)
Loan restructuring cost	(535.765)	(249.333)
Foreign exchange (losses) /gains	(7.370)	(117.484)
Bank interest income	1.496	8.164
Net finance result	**(2.155.308)**	**(1.644.991)**

Bank interest represents interest paid on the borrowings of the Group as described in note 10.1.1.

Finance charges and commissions include mainly financial fees paid to the banks and financial lease interest.

7. Tax

	2012	2011
	US$	US$
Taxes	83.845	249.715
Total Tax	**83.845**	**249.715**

The income tax rate for the Company's Ukrainian subsidiaries is 25% for the year ended 31/12/2012 and for the Company and its Cypriot subsidiaries is 10% for the year ended 31/12/2012 (years ending 31 December 2011 and 2010: 10%).

The tax on the Group's results differs from the theoretical amount that would arise using the applicable tax rates as follows:

	2012	2011
	US$	US$
Profit / (loss) before tax	145.395	(843.999)
Tax calculated on applicable rates	14.540-	(84.400)
Allowances for tax losses carry forward	-	-
Expenses not recognized for tax purposes	344.238	985.637
Income/ (loss) on revaluation not subject to tax	345.229	62.872
Tax allowances not subject to tax	(620.180)	(734.768)
10% additional tax	18	20.374
Total Tax	**83.845**	**249.715**

As from 1 January 2008, deferred tax is not provided in respect of the revaluation of the investment property and investment property under construction as the Group is able to control the timing of the reversal of this temporary difference and the management has intention not to reverse the temporary difference in the foreseeable future, the properties are held by subsidiary companies in Ukraine. The management estimates that the assets will be realised through a share deal rather than through an asset deal. Should any subsidiary be disposed of, the gains generated from the disposal will be exempted from any tax.

The respective reversal of previously accrued Deferred Tax Liabilities has been made in 2008.

8. Investment Property

Investment Property consists of the following assets:

Terminal Brovary Logistic Park consists of a 49.180 sq m Class A warehouse and associated office space, situated on the junction of the main Kiev – Moscow highway and the Borispil road. The facility is in operation since Q1 2010 and as at the end of the reporting period was 84% leased.

Bela Logistic Center is a 22,4Ha plot in Odessa situated on the main highway to Kiev. Following the issuance of permits in 2008, below ground construction for the development of a 103.000 sq m GBA logistic center commenced. Construction was put on hold in 2009 following adverse macro-economic developments at the time.

Kiyanovsky Lane consists of four adjacent plots of land, totaling 0,55 Ha earmarked for a residential development, overlooking the scenic Dnipro River, St. Michael's Spires and historic Podil neighbourhood.

Tsymlyanski Lane, is a 0,36 Ha plot of land located in the historic Podil District of Kiev and is destined for the development of a residential complex.

Balabino project is a 26,38 ha plot of land situated on the south entrance of Zaporozhye, a city in the south of Ukraine with a population of 800.000 people. Balabino is zoned for retail and entertainment development.

Asset Name	Description/ Location	Principal activities/ Operations	Related Companies	Carrying amount as at 31/12/2012 US$	Carrying amount as at 31/12/2011 US$
Terminal Brovary Logistic Park	Brovary, Kiev Oblast	Warehouse	TERMINAL BROVARY AISI BROVARY AISI LOGISTICS	25.115.000	20.937.000
Bela Logistic Center	Odessa	Land and Development Works for Warehouse	AISI BELA	8.353.161	8.100.000
Kiyanovskiy Lane	Podil, Kiev City Center	Land for residential development	AISI UKRAINE TORGOVIY CENTR	7.435.000	8.000.000
Tsymlyanskiy Lane	Podil, Kiev City Center	Land for residential development	ALMAZ PRES UKRAINE	2.360.000	2.500.000
Balabino	Zaporozhie	Land for retail development	INTERTERMINAL MERELIUM INVESTMENTS	4.320.000	4.500.000
TOTAL				**47.583.161**	**44.037.000**

Carrying amounts of the properties represent fair value estimates as of 31 December 2012 as provided by P.Danos-BNP Paribas an external valuer, except in the case of Bela Logistic Center (Note 8a).

a. Investment Property Under Construction

	2012	2011
	US$	US$
At 1 January	**8.100.000**	**10.300.000**
Capital expenditures on investment property	45.050	666.402
Revaluation on investment property	211.354	(2.836.175)
Translation difference	(3.243)	(30.227)
At 31 December	**8.353.161**	**8.100.000**

As at 31 December 2012 investment property under construction represents the carrying value of Bela Logistic Center project, which has reached the +10% construction in late 2008 but it is stopped since then. The Company's external valuer has appraised the property's value at US$8.500.000, while earlier in the year the Company had an offer to sell the plot at a slightly higher value.

b. Investment Property

	2012	2011
	US$	US$
At 1 January	**35.937.000**	**33.631.000**
Capital expenditure on investment property	67.343	223.545
Revaluation gain/(loss) on investment property	3.240.843	2.207.455
Translation difference	(15.186)	(125.000)
At 31 December	**39.230.000**	**35.937.000**

Terminal Brovary, Kiyanovskiy Lane, Tsymlyanskiy Lane and Balabino village are included in the Investment Property category.

c. Advances for Investments

	31/12/2012	31/12/2011
	US$	US$
Advances for investments	11.840.547	11.840.547
Impairment provision (cumulative as of the reporting period)	(6.840.547)	(6.840.547)
Total	**5.000.000**	**5.000.000**

The Group has made an advance payment of ~US$12mil. (representing principal plus interest) for the acquisition of a project in Podol (Kiev) in 2007. As of the end of the reporting period the Management does not expect such acquisition to proceed while the seller has already defaulted on his credit to the Group.

As a consequence, the Group has commenced legal proceedings for the transfer of the collateral (land plot of 42 ha in Kiev Oblast) in the Group's name as well legal proceeding against the company which collected the original $12mil. payment.

9. Share capital

Number of Shares (as at)	31/12/2011	30/3/2012	23/5/2012	24/9/2012	24/9/2012	31/12/2012
		Increase of Share Capital	Increase of Share Capital	Increase of Share Capital	Exercise of warrants	
Authorised						
Ordinary shares of €0,01 each	989.869.935	-	-	-	-	989.869.935
Ordinary shares of €1 each	-	-	-	-	-	-
Ordinary Shares of €0,92 each	1	-	-	-	-	1
Deferred Shares of €0,99 each	4.142.727	-	-	-	-	4.142.727
Total	994.012.663	-	-	-	-	994.012.663
Issued and fully paid						
Ordinary shares of €0,01 each	9.277.727	562.248	333.000	666.000	273.000	11.111.975
Ordinary shares of €1 each	-	-	-	-	-	-
Ordinary Shares of €0,92 each	1	-	-	-	-	1
Deferred Shares of €0,99 each	4.142.727	-	-	-	-	4.142.727
Total	13.420.455	562.248	333.000	666.000	273.000	15.254.703

Value (as at)	31/12/2011	30/3/2012	23/5/2012	24/9/2012	24/9/2012	31/12/2012
		Increase of Share Capital	Increase of Share Capital	Increase of Share Capital	Exercise of warrants	
Authorised (€)						
Ordinary shares of €0,01 each	9.898.699	-	-	-	-	9.898.699
Ordinary shares of €1 each	-	-	-	-	-	-
Ordinary Shares of €0,92 each	0.92	-	-	-	-	0.92
Deferred Shares of €0,99 each	4.101.300	-	-	-	-	4.101.300
Total	14.000.000	-	-	-	-	14.000.000
Issued and fully paid ($)						
Ordinary shares of €0,01 each	5.507.276	7.478	4.252	8.642	3.543	5.531.191
Ordinary shares of €1 each	-	-	-	-	-	-
Ordinary Shares of €0,92 each	-	-	-	-	-	-
Deferred Shares of €0,99 each	-	-	-	-	-	-
Total	5.507.276	7.478	4.252	8.642	3.543	5.531.191

As at the end of the reporting period the authorized share capital of the Company is 989.869.935 Ordinary Shares of €0,01 nominal value each, 1 Ordinary Share of €0,92 nominal value and 4.142.727 Deferred Shares of €0,99 nominal value each.

9.1 Issued Share Capital

Further to the resolutions approved at the EGM of 24 July 2011 the Board has allotted 1.561.248 new ordinary shares at a price of £0,95 per Share raising US$2.352.027 of new equity.

The Board has also allotted 273.000 new ordinary shares at a price of £0,95 per Share following the exercise of Class A warrants in September 2012.

9.2 Director's Option scheme

Under the said scheme each of the directors serving at the time, which is still a Director of the Company is entitled to subscribe for 2.631 Ordinary Shares exercisable as set out below:

	Exercise Price	Number of
	US$	Shares
Exercisable till 1 August 2017	57	1.754
Exercisable till 1 August 2017	83	877

Director Franz M. Hoerhager Option scheme, 12/10/2007

Under the said scheme, director Franz M. Hoerhager is entitled to subscribe for 1.829 ordinary shares exercisable as set out below:

	Exercise Price	Number of
	GBP	Shares
Exercisable till 1 August 2017	40	1.219
Exercisable till 1 August 2017	50	610

The above option schemes were approved by the shareholders of the Company in General Meeting on 31 March 2008. As of the reporting date the Company has reversed the reserved equity (from past periods) for the share options in the statement of financial position as at 31 December 2011 in the amount of US$68.390 as the options are well out of the money.

9.3 Warrants issued

On 8 August 2011 the Company has issued an amount of 1.587.425 Class B Warrants to Narrowpeak Consultants Ltd , Besik Sikharulidze and Nugzar Kachukhasvili (for an aggregate equivalent to 12,5% of the issued share capital of the Company). Each Class B Warrant entitles the holder to receive one Ordinary Share. The Class B Warrants may be exercised at any time until the third anniversary of the issuance date of the Class B Warrant Instrument. The exercise price of the Class B Warrants will be the nominal value per Ordinary Share as at the date of exercise. The Class B Warrant Instruments have anti-dilution protection so that, in the event of further share issuances by the Company, the number of Ordinary Shares to which the holder of a Class B Warrant is entitled will be adjusted so that he receives the same percentage of the issued share capital of the Company (as nearly as practicable), as would have been the case had the issuances not occurred. This anti-dilution protection will lapse on the earlier of (i) the expiration of the Class B Warrants; and (ii) capital increase(s) undertaken by the Company generating cumulative gross proceeds in excess of US$100.000.000.

9.4 Capital Structure as at the end of the reporting period

As at the reporting date the Company's share capital is as follows:

Number of		**(as at)** 31/12/2012	**(as at)** 31/12/2011
Ordinary shares of €0,01	Listed in AIM	11.111.975	9.277.727
Class A Warrants		-	273.000
Class B Warrants		1.587.425	1.364.000
Total number of Shares	**Non Dilutive Basis**	**11.111.975**	**9.277.727**
Total number of Shares	**Full Dilutive Basis**	**12.699.400**	**10.914.727**
Ordinary Share €0,92		1	1
Options		4.460	4.460

10. Borrowings

	31/12/2012	31/12/2011
	US$	**US$**
Principal EBRD loan	15.529.412	15.529.412
Principal due to related parties	1.700.000	-
Other Borrowing	175.000	-
Restructuring fees and interest payable to EBRD	785.098	249.333
Interests accrued on bank loans	74.466	35.112
Interests due to related parties	77.680	-
Total	**18.341.656**	**15.813.857**

	31/12/2012	31/12/2011
	US$	**US$**
Current portion	16.563.976	15.813.857
Non - current portion	1.777.680	-
Total	**18.341.656**	**15.813.857**

10.1 Current borrowings

10.1.1 EBRD

Following the restructuring of the EBRD loan for the construction of Terminal Brovary in June 2011 and the lapse of the relevant grace period on the principal repayments in September 2012 the Company commenced discussions with EBRD in an effort to restructure the loan repayment plan so as to match the cash inflows with the principal and interest payments as well as the company's operational expenses. As at the end of the reporting period and although the interest is paid quarterly the cash generated by the project is not sufficient to cover the principal instalments. Discussions with EBRD, are ongoing. The loan bears interest of 6,75% over LIBOR and is repayable in 33 equal instalments.

The collaterals accompanying the loan are as follows :

1. LLC Terminal Brovary pledged all movable property with the carrying value more than US$25.000.
2. LLC Terminal Brovary pledged its Investment property, Brovary Logistics Centre that was finished construction in 2010 (Note 8), and all property rights on the centre.
3. SECURE PROPERTY DEVELOPMENT & INVESTMENT PLC pledged 100% corporate rights in Aisi Logistics Ltd, a Cyprus Holding Company for the Shareholder of LLC Terminal Brovary, LLC Aisi Brovary.
4. Aisi Logistics Ltd pledged 99% corporate rights in LLC Aisi Brovary.
5. LLC Aisi Brovary pledged 100% corporate rights in LLC Terminal Brovary.
6. LLC Terminal Brovary pledged all current and reserved accounts opened by LLC Terminal Brovary in Erste Bank, Ukraine.
7. LLC Aisi Brovary entered into a call and put option agreement with EBRD, SECURE PROPERTY DEVELOPMENT & INVESTMENT PLC and LLC Terminal Brovary pursuant to which
    a. Following an Event of Default (as described in the Agreement) EBRD shall have the right (Call option) to purchase at the Call Price from LLC Aisi Brovary, 20% of the Participatory Interest held by LLC Aisi Brovary on the relevant Settlement Date,
    b. EBRD shall have the right (Put Option), exercisable in its sole discretion, to sell to LLC Aisi Brovary all but not less than all of the Participatory Interest in the Charter Capital of LLC Terminal Brovary held by EBRD on the relevant Settlement Date at the Put Price.
8. LLC Terminal Brovary has granted EBRD a second ranking mortgage in relation to its own and LLC Aisi Brovary's obligations under the call and put option agreement.

Also the Company issued the corporate guarantee dated 12 January 2009 to guarantee all liabilities and fulfilment of conditions under the loan agreement signed with EBRD. The maturity of the guarantee is equal to the maturity of the loan.

The credit agreement with EBRD includes among others the following requirements for LLC Terminal Brovary and the Group as a whole:

1. Consolidated total liabilities to audited equity of the Company, adjusted for deferred tax and independent valuation, should not exceed 60% over the life of SECURE PROPERTY DEVELOPMENT & INVESTMENT PLC Guarantee.
2. At all times minimum value of unencumbered assets and cash of the Company should not be less than US$30.000.000 (based on the Group consolidated results).
3. At all times Brovary Logistics shall maintain a balance in the Debt Service Reserve Amount (DSRA) account equal to not less than the sum of all payments of principal and interest on the Loan which will be due and payable during the next six months on and after the Project Completion Date provided, however, that (A) LLC Terminal Brovary shall deposit not less than 50% of the DSRA before the end of the Grace Period and (B) the DSRA shall be fully funded on or before 18th December 2012.
4. LLC Terminal Brovary shall achieve a "CNRI"(Contract Net Rental Income is the aggregate of monthly lease payments, net of value added tax, contracted by the Borrower pursuant to the Lease Agreements as of the relevant testing date and converted into Dollars at the official exchange rate established by the National Bank of Ukraine as of such testing date) according to the following schedule:
   (a) on and after 18th March, 2012 until the end of the Grace Period, the CNRI of more than US$200.000.

10.1.2 Other Borrowings

The amount represents short term borrowing to repay part of the UVK settlement amount (Note 11). Loan has been contracted in December 2012 and has been repaid by end of January 2013 (Note 12B).

11. Trade and other payables

	31/12/2012	31/12/2011
	US$	US$
Payables to related parties	1.057.983	925.704
Guarantee reserve on construction works, current	743.018	751.419
Payables for construction, non-current	414.819	364.032
Payables for construction, current	24.826	480.027
Payables for services	351.611	246.531
Provision for reimbursements	300.000	1.550.000
Deferred income from tenants	250.080	132.860
Accruals	84.298	140.676
Total	**3.226.635**	**4.591.249**

	31/12/2012	31/12/2011
	US$	US$
Current portion	2.561.736	4.094.357
Non - current portion	664.899	496.892
Total	**3.226.635**	**4.591.249**

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

Guarantee reserve on construction works, represents the portion of the guaranteed amount payable to the contractor of Brovary Logistic Park upon finalization of the works and of the snagging list.

Payables for construction represent amounts payable to the contractor of Bella Logistic Center in Odessa. The settlement was reached in late 2011 on the basis of maintaining the construction contract in an inactive state (to be reactivated at the option of the Group), while upon reactivation of the contract or termination of it (because of the sale of the asset) the Group would have to pay an additional UAH5.400.000 (~US$700.000) payable upon such event occurring. Since it is uncertain when the latter amount is to be paid it has been discounted at the current discount rates in Ukraine and is presented as a non current liability.

Payables for services represent amounts payable to various service providers including auditors, legal advisors, consultants and third party accountants.

Provision for reimbursements represents the Group's liability towards UVK, a company that was to become the first tenant of Brovary Logistic Park. Following a settlement with UVK the Group has agreed to pay US$1.000.000, US$ 700.000 of which have been paid during the reporting period.

Deferred income from tenants represents advances from tenants which will be used as future rental income & utilities charges.

12. Events after the end of the reporting period

A. EBRD loan restructuring

In February 2013 and as the negotiations with EBRD were ongoing for the restructuring of the repayment of the loan, the Company repaid the first 2 principal instalments corresponding to September and December 2012 payments.

B. Short term borrowing

Short term borrowing to the amount of US$175.000 contracted in December 2012 in order to partially cover the UVK settlement during December 2012 payment amounting to US$400.000. The facility has been repaid in January 2013.

C. Share Capital Increase

Since the start of 2013 and pursuant to the Annual General Meeting of 26th November 2012, the Company has raised US$17.05 million from placing regular shares with new investors. This capital raise which follows the recapitalisation and restructuring of the Company in August 2011 and the successful completion of various stabilising initiatives during 2012 provides funding for the Company to commence its strategy for growth through the acquisition of income producing assets in Central and South Eastern Europe in order to build a more geographically diverse portfolio of income yielding assets, whilst maintaining its emphasis on efficient asset management to create and enhance value.

D. Cyprus current developments

As the situation stands at the date of issuance of this report, the Cyprus banks bail-in will have no material effect on the Company’s business. More specifically, the Company has evaluated the probable effect of the measures in relation to the levy on deposits and the restrictions on capital movement applied to Cyprus based financial institutions. The Company holds most (98%) of its liquidity with non-Cypriot owned banking institutions, partly in Cyprus and partly outside Cyprus. Liquidity used for operational reasons is held partly in Ukraine, with a non-Cypriot banking institution, and partly in Cyprus, predominately with a Cyprus bank, Laiki Bank. The latter is the only part of the Company's liquidity that, according to the decisions taken by the European and Cypriot authorities to date, is at any risk. The maximum impact of the current measures is US$135.000, or less than 1% of the Company’s liquidity.

E. Repayment of intragroup loans

The Company has proceeded in share capital increase effected on certain of its Ukrainian subsidiaries which in turn returned the funds back to the Cyprus financing SPV (AISI CAPITAL) in the form of loan repayment (loans have been provided throughout 2007-2012 period). The total loan amount repaid as of the issuing date of this report is US$ 25million including principal and interest payment. This repayment is expected to have a substantial positive material impact on the tax position of the Company going forward.