12 September 2013

Secure Property Development & Investment PLC

(the "Company")

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2013

CONTINUED STRONG PROGRESS IN IMPROVING PERFORMANCE AND PREPARING FOR FUTURE GROWTH

Secure Property Development & Investment PLC, (AIM: SPDI), a South Eastern European focused property and investment company, today announces results for the six months ended 30 June 2013. The results show substantially improved numbers and continued progress by the new management in improving operational performance, and a considerable strengthening of the Company's capital base in preparation for the implementation of its growth plan.

Financial highlights:

- 135% increase in operational income to $1.8 million (30 June 2012: $757,502 and 30 June 2011: $184,633) primarily driven by improved occupancy at Terminal Brovary, the Company's key income producing asset in Kiev.
- 35% reduction in overall operating expenses to $1.4 million (30 June 2012: $2.1 million and 30 June 2011: $2.6 million).
- Operating Profit of $0.24 million (30 June 2012: loss of $1.6 million).
- Loss before tax reduced by 74% to $0.57 million (June 2012: $2.2 million and June 2011: $16.6 million).
- 90% improvement in basic and diluted loss per share to $0.02 compared to $0.23 in June 2012 (30 June 2011: $4.01).
- Net Equity increased by 63% to $50.1 million (30 June 2012: $30.6 million and June 2011: $8.4 million.
- Balance sheet significantly strengthened with cash balance increasing by 93 times to $14.5 million (June 2012: $155.000).
- Total liabilities excluding bank and bond debt reduced by 38% to $3.9m (June 2012: $6.3m).
- Fully diluted NAV per share decreased to $1.71 compared to $2.60 as at 30 June 2012 (a result of a 152% increase in the number of ordinary shares in issue following capital raising initiatives during the period).

Operational highlights:

- Occupancy at Terminal Brovary increased by over 20% to an average of 87% (June 2012: 72%).
- Average rent levels for the reporting period increased by 11.5% compared to H1 2012.
- Average lease length increased from ~1.5 years in H1 2012 to ~2.5 years in H1 2013.
- Continued progress with implementing a new growth strategy, including building a pipeline of potential income yielding acquisition opportunities in-line with the Company's strategy of increasing cash flow, reducing development exposure and widening geographic diversity across South East Europe.

Lambros Anagnostopoulos, Chief Executive Officer at SPDI, commented:

"The first half of the year has seen us make excellent progress against our strategic goals and once again deliver strong operational improvements from the business, with significantly increased income, improved efficiencies and reduced cost. We have also strengthened our financial position, through the issue of equity, and are now well positioned to deliver on our strategy to grow the business, and I look forward to continuing to build on this momentum in the second half of the year."

Further information can be found on SPDI website www.secure-property.eu or from:

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1. Management Report

1.1. Corporate Overview & Financial Performance

In summary

During the first half of 2013, the management has focused on retaining the high level of sustainable and recurring revenues generated by Terminal Brovary, eliminating one of the last remaining "legacy liabilities" (those predating the Company's restructuring in August 2011), addressing a number of legal claims against the business and finalizing the refinancing of the EBRD loan amortization. In parallel, management has devoted considerable efforts to progressing the pipeline of income yielding acquisition targets in line with the Company's strategic growth plan and to raising debt and equity capital to effect this plan.

The economic climate in Europe, despite no major improvements, appears to have stabilized and sentiment across the continent is improving. Greece, Italy and Spain are still in challenging circumstances, but their respective governments are pushing forward with their financial stability and reform plans. Unemployment remains the key concern and social unrest, despite being subdued, remains a background risk. As a consequence of the slow recovery, bank lending remains constrained, with deleveraging plans restricting liquidity in all countries including those in which the Company operates in or plans to enter.

As per its stated growth plan, the Company is progressing several potential acquisitions in the greater South East European region, and specifically in Romania and Bulgaria. Target assets have been identified and are under due diligence with a view to finalizing a transaction during H2-2013.

At the same time the Company is progressing discussions with various banks in the region for securing debt financing at competitive terms for these transactions.

In parallel with these due diligence and the debt raising activities, the Company successfully completed a further equity raising with seven investors contributing a total of $17 million in February 2013. The Company aims to raise further capital in order to support the realization of its acquisition plan.

Operationally, the Company increased gross revenues from Terminal Brovary by 135% in comparison with last year to $1.8 million. At the same time the legacy liability to Altis (General Contractor of Terminal Brovary), has been settled and paid.

While the operational optimization process continues, the management has also focused on the restructuring of the EBRD loan amortization so as to match Company inflows with outflows for the foreseeable future. The process being substantially progressed, the Company expects to conclude this soon and will make a further announcement in due course.

Remuneration Committee

The Remuneration Committee concluded its assessment and forwarded to the Board, which subsequently approved, its proposal on the Directors and Management remuneration plan. The share option portion of the remuneration plan will be brought to a vote of the shareholders of the Company at the Annual General Meeting prior to implementation.

Financial performance

The first half of the year saw, yet again, an increase in revenues, compared to the same period last year. During the period there was a 35% reduction in overall operating expenses, which fell to $1.4 million from $2.1 million in H1 2012. As a result of this and the operational efficiency improvements, the operating profit for H1 2013 reached $239,130 compared to a loss of $1,584,478 in H1 2012.

Capital Raising

During the period, seven investors contributed a total of $17.05 million as a part of the ongoing capital raise in the Company (http://www.secure-property.eu/wp-content/uploads/2013/02/13-02-28-SECURE-PROPERTY-Completion-of-Placing-of-17.05-million.pdf).

Liquidity Management

The Group continues its prudent and optimal cash flow management in line with liquidity needs and, at the end of the period, the Company had $15 million in immediate cash liquidity to be used for implementing its growth plan as well as for working capital purposes.

As part of its active cash management, the Company transferred most of its cash out of the Cypriot home bank (CPB) just weeks before CPB went bust, eliminating almost entirely the effects of the collapse of the Cypriot economy. In fact the Cypriot banking crisis resulted in only a $135,000 loss for the Company (not recognized during the period in view of the expected receipt of BoC shares instead).

As part of the EBRD loan restructuring process, the Company repaid $1.04 million of the EBRD- Terminal Brovary loan during the reporting period. The outstanding loan amount currently stands at $15.3 million, including the previous restructuring fees and interest.

2. Regional Economic Developments [1]

Ukraine

In Ukraine GDP dropped to -1.1% year-on-year in Q1 2013 (-0.8% in Q4 2012 and -2% in Q3 2012). However, in quarter-on-quarter terms GDP increased slightly by 0.7%, following a series of consecutive declines. Industry contracted by 5% in Q1 2013, while the construction sector slumped by 16.8%. On the other hand, household demand still supports the economy, while real wages increased by 9.9% in Q1 and retail sales grew significantly by 13.4%. Moreover, net exports' contribution to GDP became positive for the first time since Q1 2010. Agriculture grew by 5.8% during the period from January to March 2013.

In June 2013, the National Bank of Ukraine cut interest rates by 0.5% to 7%, a decision primarily driven by the close-to-zero inflationary levels, the deposit growth in the banking sector, as well as the diminishing cost of funds.

The government is showing a dedication to implement reform policies, which should help to support an IMF deal. On the positive side Ukraine, continues to repay current foreign debt through international refinancing. However, Ukraine may be forced by the wide current account gap and the growing limited access to global markets to reach an agreement with the IMF by September 2013. The main discussion points for implementation of an IMF deal are the hikes in gas prices, UAH depreciation and fiscal consolidation measures.

[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.

Romania

Romania has made progress with its economic reforms. The Excessive Deficit Procedure led by the EU was closed to Romania, since the country's deficit was reduced below 3% of GDP. Moreover, the seventh and eighth IMF reviews of Romania's performance under its economic program were successfully completed, a fact that makes an additional amount of approximately €520.74 million available for disbursement. According to the IMF's release, although downside risks still exist, core inflation remains low, and the fiscal and current account balances are sustainable.

GDP growth is forecast to reach 2.2% in 2013 up from just 0.7% in 2012. One of the positive trends is the strength of the export market, which is a result of the broadening of Romania's export base, particularly in the automotive sector (40% of total exports) despite the recession in the EU. Particularly, exports increased by 7.2% in April 2013 from 1.9% in H2 2012, while imports inched up by just 0.5% in April 2013 from -2.1% in H2 2012, partly as a result of weak domestic demand. The 12-month rolling Current Account Deficit has already narrowed to a low of 2.6% of GDP in April, backed by the narrower trade deficit (0.7% of GDP).

An increase in risk aversion towards the Emerging Market assets over the past month resulted in pressures for leu depreciation, which reached an eight month high at 4.5503 EUR/RON in early June. Although inflation stood at 5.3% in March (above the 1.5 – 3.5% target band), the Central Romania Bank has taken the decision to cut the policy rate by 0.25% to 5%.

Bulgaria

GDP growth stood at 0.4% in Q1 2013, slightly improved from 0.1% in Q4 2012. Collective consumption contributed to the growth by increasing more than 3%, while imports and exports grew by 5.6% and 10.8% respectively.

The budget execution data reveals that Bulgaria outperformed its 2012 full year deficit target. The general government deficit (cash basis) declined by 78% to BGN350 million. The debt to GDP ratio is expected to drop at 14% by year end from 14.75% in January 2013.

Total expenditure per household surged by 15.2% year-on-year, which is in line with the 20.6% rise in wages and salaries that constitute more than half of household income. Generally, private consumption is expected to rise, because of the lower levels of inflation (2% in May 2013) and looser income policies, but at the same time remains hindered by tight credit conditions.

Bulgaria's new Socialist-led government won a parliamentary vote of confidence on 29 of May. The government is backed by the BSP party and the Turkish minority party MRF, while it is one seat short of a parliamentary majority and relies on support from the nationalist Ataka party. However, the situation remains fragile.

3. Real Estate Market Developments[2]

3.1. Ukraine

General

In 2012, approximately $580 million of investment transactions were registered. In 2013, prime yields are expected to remain unchanged and investment volumes are likely to stay moderate.

Logistics Market

In 2012, vacancy rates in the logistics sector dropped from 17% to 10% and are expected to decrease further during 2013. Simultaneously, a slowing of take-up is forecasted, due to uncertainty in respect of future economic developments.

Office Market

The office market vacancy rate increased to 16.8% from 13.5%, due to office stock increase of ~12%. Another 170,000 sq m of office space is expected to be delivered in 2013, 70% of which will be Grade A office buildings. Consequently, headline rents are predicted to remain flat if not experiencing downward pressures.

Retail Market

In 2012 and during the first quarter of 2013, premium fashion brands such as Dolce & Gabana and Tom Ford opened their first mono-brand boutiques in Kiev. Moreover, Ukraine is expected to experience double-digit growth in shopping center floor space in the next 12-18 months, which translate into 520,000-1.1 million sq m of GLA.

3.2. Romania

General

Real estate transactions in Romania grew by up to 32% in April 2013, while the real estate investments increased by 18% in Q1 2013.

Logistics Market

Carrefour's 45,000 sq m lease in the Europolis Logistics Park has been renewed, while the total take up for Q1 2013 was 65,000 sq m, being the largest aggregate transaction volume in Romania since 2007. Investors' interest seems to spread in Bucharest and other emerging markets such as Timisoara and Constanta. Apart from the traditional occupiers, there are some new industries such as manufacturing companies seeking to benefit from Romania's attractive production costs. In Q1 2013, there was only 17,600 sq m of logistics space under construction.

Office Market

Over the first quarter of 2013, 72,000 sq m of new office space was delivered and, with 46% already secured under pre-let agreements, the vacancy rate only slightly increased to 15.4%. Take-up reached 62,500 sq m and while some new leases were signed, the bulk of activity is being driven by renewals or space consolidations due to cost reductions. The office pipeline is an estimated 147,000 sq m of which 23% is pre-let and approximately 51,600 sq m is expected to be completed in 2013.

Retail Market

The first quarter of 2013 saw the addition of a single shopping center of 15,000 sq m of GLA, with Uvertura City Mall opening its doors in downtown Botosani, in northern Romania. In the same period, the most important transaction was the purchase of the 50% share of Intercora's retail portfolio by Mitiska Ventures, consisting of eight stores.

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

3.3. Bulgaria

General

According to the Bulgarian Registry Agency, the number of real estate deals increased by 23% in Q1 2013.

Logistics Market

Prime logistics yields moved around the 11.75% range, in a market characterized by a lack of high quality, accessible space. Although investors remain cautious, the vacancy rate dropped to 4% in Sofia, whereas Q4 2012 saw the highest absorption (40,700 sq m) in a year and half.

Office Market

The office sector did not experience any significant investment transactions. However, investors continue to monitor the prime market, where space is becoming scarcer. Key players are companies from the IT and Business Process Outsourcing sectors. Headline rents have maintained their levels, supported by incentive packages, while prime CBD yields are now in the region of 9.5%.

Retail Market

The first leisure and retail center in Sofia, Paradise Center, opened up in Q1 2013. The project is estimated to have cost €150 million and has more than 200,000 sq m built-up area, including 82,000 sq m for retail outlets, while 80% of already let to tenants including Zara, Marks & Spencer, H&M, and GAP. Prime yields and prime rent stood at 9.25% and €40 /month/sq m respectively in Q1 2013.

4. Property Assets

4.1. Aisi Brovary – Terminal Brovary Logistic Park (Kiev)

Project description

The Brovary Logistics Park consists of a 49,180 sq m GLA Class A warehouse and associated office space. The building has large facades overlooking the Brovary ring road, at the intersection of Brovary (E-95/M-01 highway), and the Boryspil ring road. It is strategically located 10 km from Kiev 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.

Current status

The property is fully let as far as the warehouse space is concerned, although a small space (circa 1.500 sq m) was empty for part of the period. However, due to its small size, this space is now being rented on a short term basis by existing tenants who need to expand. Average rent for the reporting period increased by 11.5% compared to H1 2012 with parallel increase at the average lease length from 1.5 years to 2.5 years.

4.2. Aisi Bela – Bela Logistic Center (Odessa)

Project description

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. It is situated on the main Kiev – Odessa highway, 20km from Odessa port and in an area of high demand for logistics and distribution warehousing.

Current status

Following the completion of planning and issuance of permits in 2008, construction commenced with column foundation and peripheral walls for 100,000 sq m being completed in 2009. Development was then put on hold due to lack of funding and deteriorating market conditions.

4.3. Kiyanovsky Lane – Land for Residential Complex

Project description

The project consists of 0.55 ha of land located at Kiyanovskiy, near Kiev city centre. Current plans are for the development of residential properties with beautiful protected views overlooking the scenic Dnipro River, St. Michael's Spires and historic Podil, when market conditions allow for it.

Current status

The Company is evaluating its options for the scheme, which include, inter alia, progressing with the development of the plot. In early 2012, the Company concluded geotechnical studies showing that the soft ground necessitates retaining walls prior to construction.

4.4. Tsymlyanski Lane – Land for Residential Complex

Project description

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

Current status

In 2009, all necessary documents were submitted to the relevant authorities for the 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 sq. m of office space on lower floors, as well as 41 parking spaces in three underground levels. Since then, the project has been frozen and the land lease fee to the state was not paid last year. The Company is evaluating its options for the scheme, which include, inter alia, an outright sale as well as a contribution in kind to a larger development.

4.5. Balabino-Land for Retail/Entertainment Development

Project description

The 26.38 ha land site is situated on the south entrance of Balabino 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.

Current status

The site is zoned for retail and entertainment and various development options are being evaluated as per the market's needs.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2013

	Note	Six month ended	
		30 June 2013 US$	30 June 2012 US$
Operational income	7	1.784.299	757.502
Administration expenses	8	(1.393.092)	(2.134.528)
Investment property operating expenses	9	(378.927)	(254.716)
Other operating income, net	10	226.850	47.264
Operating profit/(loss)		**239.130**	**(1.584.478)**
Finance costs, net	11	(809.109)	(647.381)
Loss before tax		**(569.979)**	**(2.231.859)**
Income tax expense	12	-	-
Loss for the period		**(569.979)**	**(2.231.859)**
Other comprehensive income			
Exchange difference on translation of foreign operations	17	43.777	1.491
Total comprehensive loss for the period		**(526.202)**	**(2.230.368)**
Loss attributable to:			
Owners of the parent		(565.692)	(2.225.695)
Non-controlling interests		(4.287)	(6.164)
		(569.979)	**(2.231.859)**
Total comprehensive loss attributable to:			
Owners of the parent		(521.915)	(2.226.841)
Non-controlling interests		(4.287)	(3.527)
		(526.202)	**(2.230.368)**
Losses per share ($USD per share):	6		
Basic loss for the period attributable to ordinary equity owners of the parent		(0,02)	(0,23)
Diluted loss for the period attributable to ordinary equity owners of the parent		(0,02)	(0,23)

SECURE PROPERTY DEVELOPMENT & INVESTMENT PLC

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2013

	Note	30 June 2013 US$	31 December 2012 US$	30 June 2012 US$
ASSETS				
Non-current assets				
Investment property	13b	39.270.576	39.230.000	35.987.103
Investment property under construction	13a	8.353.161	8.353.161	8.130.029
Advances for investments	13c	5.000.000	5.000.000	5.000.000
Property, plant and equipment		163.577	96.331	14.867
		52.787.314	**52.679.492**	**49.132.000**
Current assets				
Prepayments and other current assets	14	5.035.303	5.448.173	4.589.394
Cash and cash equivalents	15	14.463.850	256.447	154.672
		19.499.153	**5.704.620**	**4.744.066**
Total assets		**72.286.467**	**58.384.112**	**53.876.066**
EQUITY AND LIABILITIES				
Issued share capital	16	5.728.918	5.531.191	5.518.970
Share premium		121.388.224	104.779.503	103.788.196
Reserve -Shareholder's Advances	16	-	-	130.000
Translation difference reserve	17	(1.205.749)	(1.249.526)	(1.238.870)
Accumulated losses		(75.735.952)	(75.170.260)	(77.527.690)
Equity attributable to equity holders of the parent		50.175.441	33.890.908	30.670.606
Non-controlling interests	18	1.034.508	1.038.795	1.086.925
Total equity		**51.209.949**	**34.929.703**	**31.757.531**
Non-current liabilities				
Interest bearing borrowings	19	1.872.630	1.777.680	-
Finance lease liabilities	23	526.169	565.973	637.877
Trade and other payables	20	671.004	664.899	496.892
Deposits from tenants	21	427.918	427.918	78.662
		3.497.721	**3.436.470**	**1.213.431**
Current liabilities				
Interest bearing borrowings	19	15.302.805	16.563.976	15.813.857
Trade and other payables	20	1.371.500	2.561.736	3.893.586
Taxes payable	22	460.197	529.827	818.493
Provisions for taxes	22	416.641	334.552	348.734
Finance lease liabilities	23	27.654	27.848	30.434
		17.578.797	**20.017.939**	**20.905.104**
Total liabilities		**21.076.518**	**23.454.409**	**22.118.535**
Total equity and liabilities		**72.286.467**	**58.384.112**	**53.876.066**

US$ Net Asset Value (NAV) per share:	6			
Basic NAV attributable to equity holders of the parent		1,95	3,05	3,01
Diluted NAV attributable to equity holders of the parent		1,71	2,67	2,60

On 10th September 2013 the Board of Directors of SECURE PROPERTY DEVELOPMENT AND INVESTMENT PLC authorised these financial statements for issue.

Lambros Anagnostopoulos	Paul Ensor	Constantinos Bitros
Director & Chief Executive Officer	Director & Chairman of the Board	Chief Financial Officer

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended 30 June 2013

	Attributable to equity holders of the Parent							
	Share capital	Share premium, net	Accumulated losses, net of non-controlling interest	Reserve-Shareholder 's advances	Foreign currency translation reserve	**Total**	Non-controlling interests	**Total**
	US$	US$	US$	US$	US$	**US$**	US$	**US$**
Balance - 31 December 2011	**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	-	-	(2.225.695)	-	-	**(2.225.695)**	(6.164)	**(2.231.859)**
Issue of share capital	11.694	1.340.271	-	-	-	**1.351.965**	-	**1.351.965**
Reserve-Shareholder's advances	-	-	-	130.000		**130.000**	-	**130.000**
Foreign currency translation reserve	-	-	-	-	(8.200)	**(8.200)**	9.691	**1.491**
Balance - 30 June 2012	**5.518.970**	**103.788.196**	**(77.527.690)**	**130.000**	**(1.238.870)**	**30.670.606**	**1.086.925**	**31.757.531**
Profit/(Loss) for the period	-	-	2.357.430	-	-	**2.357.430**	(64.021)	**(2.293.409)**
Issue of share capital	12.221	991.307	-	-	-	**1.003.528**	-	**1.003.528**
Reserve-Shareholder's advances	-	-	-	(130.000)		**(130.000)**	-	**(130.000)**
Foreign currency translation reserve	-	-	-	-	(10.656)	**(10.656)**	15.891	**5.235**
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**
Profit/(Loss) for the period	-	-	(565.692)	-	-	**(565.692)**	(4.287)	**(569.979)**
Issue of share capital, net (note 16)	197.727	16.608.721	-	-	-	**16.806.448**	-	**16.806.448**
Foreign currency translation reserve	-	-	-	-	43.777	**43.777**	-	**43.777**
Balance - 30 June 2013	**5.728.918**	**121.388.224**	**(75.735.952)**	**-**	**(1.205.749)**	**50.175.441**	**1.034.508**	**51.209.949**

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.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 30 June 2013

	Note	30 June 2013 US$	30 June 2012 US$
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax and non-controlling interest		**(569.979)**	**(2.231.859)**
Adjustments for:			
Impairment loss/(reversal) of prepayments and current assets	10	8.161	(54.881)
Accounts payable written off	10	(339.207)	-
Depreciation of property, plant and equipment		5.795	8.125
Other expenses/(income)		82.089	(48.200)
Interest expense	11	674.372	569.796
Interest income	11	(46.630)	(767)
Effect of foreign exchange difference	11	25.399	12.709
Cash flows used in operations before working capital changes		**(160.000)**	**(1.745.077)**
(Increase)/Decrease in prepayments and other current assets	14	(157.191)	329.767
Decrease in VAT recoverable	14	289.589	141.622
Increase/(Decrease) in trade and other payables	20	(577.775)	136.557
Change in other taxes and duties		(3.545)	3.416
Increase in deposit from tenants		-	14.855
Income tax paid		(66.085)	-
Net Working Capital Changes		**(515.007)**	**626.217**
Net cash flows used in operating activities		**(675.007)**	**(1.118.860)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease in payables for construction	20	(218.007)	(300.384)
Capital expenditures on investment property	13	(40.576)	(80.133)
Decrease in financial lease liabilities	23	(39.998)	(11.594)
Changes of property, plant and equipment		(73.041)	(1.204)
Interest received		46.630	767
Net cash flows used in investing activities		**(324.992)**	**(392.548)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital / shareholders advances, gross	16	17.045.000	1.481.965
Repayment of borrowings		(1.216.177)	-
Interest and financial charges paid		(603.342)	(570.481)
Net cash flow from financing activities		**15.225.481**	**911.484**
Effect of foreign exchange rates on cash		(18.079)	(44)
Net increase/(decrease) in cash at banks	15	**14.207.403**	**(599.968)**
Cash:			
At beginning of the period		256.447	754.640
At end of the period		**14.463.850**	**154.672**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the six months ended 30 June 2013

1. General Information

Country of incorporation

SECURE PROPERTY DEVELOPMENT & INVESTMENT PLC (the "Company", formerly AISI REALTY PUBLIC LTD) was incorporated in Cyprus on 23 June 2005 and is a public limited liability company, listed on the London Stock Exchange (AIM): ISIN CY0102102213. Its registered office is at Kyriakou Matsi 16, Eagle House, 10th floor, Agioi Omologites, 1082 Nicosia, Cyprus.

Principal activities

The principal activities of the Group, which are unchanged, are directly or indirectly to invest in and/or manage real estate properties as well as real estate development projects in Central, East and South East Europe (the "Region"). These include the acquisition, development, operation and selling of property assets, in major population centres in the Region.

The Group maintains offices in Kiev, Ukraine and Nicosia, Cyprus, while it has an affiliate in Bucharest, Romania.

As at the reporting date, the Group has 12 Full Time Equivalent (FTEs) employed persons, including the CEO and the CFO (December 2012 → 13, June 2012 → 16, December 2011 → 19, December 2010→ 28).

2. Adoption of new and revised Standards and Interpretations

The accounting policies adopted for the preparation of these interim condensed consolidated financial statements for the six months ended 30 June 2013 are consistent with those followed for the preparation of the annual financial statements for the year ended 31 December 2012.

3. Significant accounting policies

Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2013 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Certain information and footnote disclosures normally included in the consolidated financial statements prepared in accordance with the International Financial Reporting Standards ("IFRS") have been condensed or omitted. However, such information reflects all adjustments (consisting of normal recurring adjustments), which are, in the opinion of the Group's Management, necessary to fairly state the results of interim periods.

Interim results are not necessarily indicative of the results to be expected for the full year.

The 31 December 2012 statement of financial position was derived from the audited consolidated financial statements.

Basis of consolidation

The interim condensed consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries).

The Group's consolidated financial statements comprise of the financial statements of the parent company, SECURE PROPERTY DEVELOPMENT & INVESTMENT PLC and the financial statements of the following subsidiaries:

3. Significant accounting policies (continued)

Name	Country of incorporation	Related Asset	Holding % as at 30.06.2013	Holding % as at 30.06.2012
SECURE Capital Limited (ex AISI CAPITAL)	Cyprus		100	100
SECURE Logistics Limited (ex AISI LOGISTICS)	Cyprus	Brovary Logistics Park	100	100
LLC Aisi Brovary	Ukraine	Brovary Logistics Park	100	100
LLC Terminal Brovary	Ukraine	Brovary Logistics Park	100	100
LLC Aisi Ukraine	Ukraine	Kiyanovskiy Residence	100	100
LLC Trade Center	Ukraine	Kiyanovskiy Residence	100	100
LLC Almaz-pres-Ukrayina	Ukraine	Tsymlianskiy Residence	55	55
LLC Aisi Bela	Ukraine	Bela Logistic Park	100	100
LLC Mirelium Investments	Ukraine	Zaporozyia Retail Center	100	100
LLC Interterminal	Ukraine	Zaporozyia Retail Center	100	100
LLC Aisi Outdoor	Ukraine		100	100
LLC Aisi Vida	Ukraine		100	100
LLC Aisi Val	Ukraine		100	100
LLC Aisi Ilvo	Ukraine		100	100
LLC Aisi Consta	Ukraine		100	100
LLC Aisi Roslav	Ukraine		100	100
LLC Aisi Donetsk	Ukraine		100	100
LLC Retail Development Balabino	Ukraine	Retail	100	100

As of the reporting date the subsidiaries as LLC Mirelium Investments, LLC Aisi Outdoor, LLC Aisi Vida, LLC Aisi Val, LLC Aisi Consta, LLC Aisi Roslav and LLC Aisi Donetsk were under the merging process to LLC Aisi Ilvo. The reorganization (merger) process is expected to be finished in H2 2013.

Functional and presentation currencies

The Management believes that the US Dollar reporting reflects better the economic substance of the underlying events and circumstances relevant to the Group itself. Consequently the Group’s Management has determined that the Group’s functional currency is the US Dollar.

The interim condensed consolidated financial statements are presented in US Dollar, which is the Group’s presentation currency.

As Management records the consolidated financial information of the entities domiciled in Ukraine in Hryvnia, in translating financial information of the entities domiciled in Ukraine into US Dollars for incorporation in the consolidated financial information, the Group follows a translation policy in accordance with International Accounting Standard No. 21, “The Effects of Changes in Foreign Exchange Rates”, and the following procedures are performed:

- All assets and liabilities are translated at closing rate;
- Income and expense items are translated using exchange rates at the dates of the transactions, or where this is not practicable the average rate has been used;
- All resulting exchange differences are recognized as a separate component of equity;
- When a foreign operation is disposed of through sale, liquidation, repayment of share capital or abandonment of all, or part of that entity, the exchange differences deferred in equity are reclassified to the consolidated statement of comprehensive income as part of the gain or loss on sale.

3. Significant accounting policies (continued)

The relevant exchange rates of the Central Bank of Ukraine used in translating the financial information of the entities domiciled in Ukraine into US Dollars are as follows:

	Average for the first 6 months ended		30 June	
Currency	**2013**	**2012**	**2013**	**2012**
US$	7,993	7,9891	7,993	7,9925

4. Financial risk Management

4.1 Financial risk factors

The Group is exposed to country risk, real estate holding and development associated risks, market price risk, interest rate risk, credit risk, liquidity risk, currency risk, other market price risk, operational risk, compliance risk, litigation risk, reputation risk, capital risk management and other risks arising from the financial instruments it holds. The risk management policies employed by the Group to manage these risks remain consistent with those used and described in the Group's annual financial statements for the year ended 31 December 2012. Financial Risk Management is also described in note 27 of the financial statements.

4.1.1 Operating Country Risks

The Group is exposed to country risk, stemming from the political and economic environment of every country in which it operates.

4.1.1.1 Ukraine

In recent years, the Ukrainian economy has been characterised by a number of features that contribute to economic instability, including a relatively weak banking system providing limited liquidity to Ukrainian enterprises, significant capital outflows, and low wages for a large portion of the Ukrainian population.

The implementation of reforms has been partially impeded by lack of political consensus, controversies over privatisation, the restructuring of the energy sector, the removal of exemptions and privileges for certain state-owned enterprises or for certain industry sectors, the limited extent of cooperation with international financial institutions and non-stable taxing environment.

Although Ukraine has made significant progress in increasing its gross domestic product, decreasing inflation, stabilising its currency, increasing real wages and improving its trade balance, these gains may not be sustainable over the longer term and may be reversed unless Ukraine undertakes certain important structural reforms in the near future while continuing to exercise restrictive monetary policies.

Ukraine's internal debt market remains illiquid and underdeveloped as compared to markets in most western countries. Unless the international capital markets or syndicated loan markets open up to Ukraine, the Government will have to continue to rely to a significant extent on official or multilateral borrowings to finance part of the budget deficit, fund its payment obligations under domestic and international borrowings and support foreign exchange reserves. These borrowings may be conditioned on Ukraine satisfying certain requirements, which may include, among other things, implementation of strategic, institutional and structural reforms; reduction of overdue tax arrears; absence of increase of budgetary arrears; improvement of sovereign debt credit ratings; and reduction of overdue indebtedness for electricity and gas. Negative developments on these may result in Ukraine not finding adequate financing which could, in its turn put pressure on Ukraine's budget and foreign exchange reserves and have a material adverse effect on the Ukrainian economy as a whole, and thus, on the Group's business prospects.

Any major adverse changes in Ukraine's relations with Russia, in particular any such changes adversely affecting supplies of energy resources from Russia to Ukraine and/or Ukraine's revenues derived from transit charges for Russian oil and gas, would likely have negative effects on certain sectors of the Ukrainian economy which could under certain conditions affect the Group's business.

The Ukrainian legal system has also been developing to support this market-based economy. Ukraine's legal system is, however, in transition and is, therefore, subject to greater risks and uncertainties than a more mature legal system. In particular, risks associated with the Ukrainian legal system include, but are not limited to:

4. Financial risk Management (continued)

4.1 Financial risk factors (continued)

(i) inconsistencies between and among the Constitution of Ukraine and various laws, presidential decrees, governmental, ministerial and local orders, decisions, resolutions and other acts;
(ii) provisions in the laws and regulations that are ambiguously worded or lack specificity and thereby raise difficulties when implemented or interpreted;
(iii) difficulty in predicting the outcome of judicial application of Ukrainian legislation; and
(iv) the fact that not all Ukrainian resolutions, orders and decrees and other similar acts are readily available to the public or available in understandably organised form.

Furthermore, several fundamental Ukrainian laws either have only relatively recently become effective or are still pending hearing or adoption by the Parliament. The recent origin of much of Ukrainian legislation, the lack of consensus about the scope, content and pace of economic and political reform and the rapid evolution of the Ukrainian legal system in ways that may not always coincide with market developments, place the enforceability and underlying constitutionality of laws in doubt, and result in ambiguities, inconsistencies and anomalies.

In addition, Ukrainian legislation often contemplates implementing regulations. Often such implementing regulations have either not yet been promulgated, leaving substantial gaps in the regulatory infrastructure, or have been promulgated with substantial deviation from the principal rules and conditions imposed by the respective legislation, which results in a lack of clarity and growing conflicts between companies and regulatory authorities.

Tax laws are changing and compared to more developed market economies are in a non mature level thus creating often an unclear tax environment of unusual complexity. This particularly affects negatively the ability of the Group to recuperate VAT paid and/or to utilize operating losses as a carry forward tax shield.

Emerging economies such as Ukraine’s are subject to rapid change and the information set out in these financial statements may become outdated relatively quickly.

Many of the imbalances mentioned above need to be addressed in the course of the next few years should Ukraine want to pursue integration with the EU. Most notably defending the UAH, which has come at an increasingly high cost, needs to be addressed urgently. So far, there has been no sign of a relaxation of the fixed exchange-rate regime, presumably at an increasing cost to reserves and economic growth. However, the government's readiness to assume a more conservative approach to the budget should improve Ukraine's relations with the IMF. In turn, this should allow a resumption in multilateral lending, which was suspended since late 2010 owing to non-compliance with loan conditions.

4.1.1.2 Cyprus

The indebtedness of the Cypriot Republic and its two main banks Bank of Cyprus and Cyprus Popular Bank (Laiki) creates the basis for the country to be part of a financial rescue plan under the supervision of the IMF, the ECB and the European Union. Such plan which has been discussed throughout 2012 may result in a changing economic and financial environment.

At the same time, the recent discovery of potentially significant natural gas and oil deposits within the boundaries of the Cypriot exclusive economic zone perplexes the geographic and political relationships and developments as Cyprus is in the crossroad of 3 continents.

During the past 10 years Cyprus has become an established financial center taking advantage of favourable double tax treaties with various countries around the world, most importantly with Eastern European countries where the Company operates. Due to the world financial crisis erupting in 2008 and the ensuing debt crisis which had a liquidity effect of the Cypriot banking system as in all of the south and east European countries, following the restructuring of the Greek public debt certain of the Cypriot banks have taken a blow to their solvency (write off of €4,5bn of Greek debt) and have requested the support of the ECB through the ELA mechanism.

The Ministry of Finance has estimated that Cyprus could need about €17bn between 2012 and 2016, of which €10bn would be used to shore up the banking sector and the remainder would be used to cover the government's financing needs.

Any failure to effect and implement an economic restructuring plan, may have a devastating effect on the financials of the Cypriot economy that could lead to a default and the abandonment of the Euro currency. Such result may have a distabilizing effect on the operations of the Company at the corporate level.

4. Financial risk Management (continued)

4.1 Financial risk factors (continued)

On that note, the Company had proactively 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 held most of its liquidity with non-Cypriot owned banking institutions, partly in Cyprus and partly outside Cyprus. Liquidity used for operational reasons was held partly in Ukraine, with a non-Cypriot banking institution, and partly in Cyprus, predominately with a Cyprus bank, Laiki Bank (now Bank of Cyprus).

The latter was the only part of the Company's liquidity that, according to the decisions taken by the European and Cypriot authorities, was at any risk. The impact of the measures is estimated at US$135.000, or less than 1% of the Company's liquidity and appears as receivable within the present financial statements subject to finalisation of Laiki Bank restructuring and the possible receipt of shares in Bank of Cyprus.

4.1.2 Risks associated with property holding

Several factors may affect the economic performance and value of the Group's properties, including:

- risks associated with construction activity at the properties, including delays, the imposition of liens and defects in workmanship;
- the ability to collect rent from tenants, on a timely basis or at all;
- the amount of rent and the terms on which lease renewals and new leases are agreed being less favourable than current leases;
- cyclical fluctuations in the property market generally;
- local conditions such as an oversupply of similar properties or a reduction in demand for the properties;
- the attractiveness of the property to tenants or residential purchasers;
- decreases in capital valuations of property;
- changes in availability and costs of financing, which may affect the sale or refinancing of properties;
- covenants, conditions, restrictions and easements relating to the properties;
- changes in governmental legislation and regulations, including but not limited to designated use, allocation, environmental usage, taxation and insurance;
- the risk of bad or unmarketable title due to failure to register or perfect our interests or the existence of prior claims, encumbrances or charges of which we may be unaware at the time of purchase;
- the possibility of occupants in the properties, whether squatters or those with legitimate claims to take possession;
- the ability to pay for adequate maintenance, insurance and other operating costs, including taxes, which could increase over time; and
- terrorism and acts of nature, such as earthquakes and floods that may damage the properties.

4.1.3 Property Market price risk

Market price risk is the risk that the value of the Company's portfolio investments will fluctuate as a result of changes in market prices. The Group's assets are susceptible to market price risk arising from uncertainties about future prices of the investments. The Group's market price risk is managed through diversification of the investment portfolio, continuous elaboration of the market conditions and active asset management.

The prevailing global economic conditions throughout 2008-2010 and the ensuing Euro zone Sovereign Debt crisis have had a considerable effect on the market prices of the current portfolio investments of the Group.

In cases that the Board of Directors deemed necessary, it has taken provisions on the assets' valuation in order to ensure that the asset value is presented within the financial statements of the Group in such a way as to take into account various uncertainties. To quantify the value of its assets and/or indicate the possibility of impairment losses, the Company commissioned internationally acclaimed valuers.

4. Financial risk Management (continued)

4.1 Financial risk factors (continued)

4.1.4 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates.

The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest-bearing assets apart from its cash balances that are mainly kept for liquidity purposes.

The Group is exposed to interest rate risk in relation to its borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. All of the Group's borrowings are issued at a variable interest rate. Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

4.1.5 Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets at hand at the end of the reporting period. Cash balances are held with high credit quality financial institutions and the Group has policies to limit the amount of credit exposure to any financial institution. Analysis for risks related to deposits with Cypriot based banking institutions is presented in note 4.1.1.2.

Management has been in continuous discussions with banking institutions monitoring their ability to extend financing as per the Group’s needs. The sovereign debt crisis has affected the pan-European banking system during 2011 and 2012 imposing financing uncertainties for new development projects. The financial crisis in the European Union periphery has strained any remaining liquidity and the financial institutions in the region (including those that have Italian, Greek or Austrian parent) are contemplating deleveraging programmes.

4.1.6 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Group's functional currency. Most of the Group’s transactions, including the rental proceeds are denominated in the functional currency (USD). For the rest of the foreign exchange exposure Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

As a precaution against probable depreciation of local currencies, and especially of the UAH, the majority of the Group’s liquid assets are held in USD and EUR denominated deposit accounts.

4.1.7 Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Group’s core strategy is described in note 27 of the financial statements.

4.1.8 Compliance risk

Compliance risk is the risk of financial loss, including fines and other penalties, which arises from non-compliance with laws and regulations of the state.

Although the Group is trying to limit such risk, the uncertain environment in which it operates in various countries increases the complexities handled by Management. The Group's exposures are discussed under note 27.

4. Financial risk Management (continued)

4.1 Financial risk factors (continued)

4.1.9 Litigation risk

Litigation risk is the risk of financial loss, interruption of the Group's operations or any other undesirable situation that arises from the possibility of non-execution or violation of legal contracts and consequentially of lawsuits. The risk is restricted through the contracts used by the Group to execute its operations and is discussed in note 25.

4.1.10 Reputation risk

The risk of loss of reputation arising from the negative publicity relating to the Group's operations (whether true or false) may result in a reduction of its clientele, reduction in revenue and legal cases against the Group. Following the Group's restructuring in 2011, the settlement of its liabilities, the letting of the Terminal Brovary warehouse and the first capital raise of the Company post 2010, Management expects the Company to be receiving positive publicity.

4.2. Operational risk

Operational risk is the risk that derives from the deficiencies relating to the Group's information technology and control systems as well as the risk of human error and natural disasters. The Group’s systems are evaluated, maintained and upgraded continuously.

4.3. Fair value estimation

The fair values of the Group's financial assets and liabilities approximate their carrying amounts at the end of the reporting period.

5. Critical accounting estimates and judgments

The accounting estimates and judgments used in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2012.

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

a. Weighted average number of ordinary shares

	H1 2013		H1 2012
Issued ordinary shares capital	25.680.817		10.172.975
Weighted average number of ordinary shares (Basic)	22.770.720		9.621.375
Diluted weighted average number of ordinary shares	26.402.559		11.243.760

b. Basic diluted and adjusted earnings per share

	30/06/2013		30/06/2012
	US$		US$
(Loss) after tax attributable to owners of the parent	(565.692)		(2.225.695)
Basic	(0,02)		(0,23)
Diluted	(0,02)		(0,23)

c. Net assets per share

	30/06/2013		31/12/2012
	US$		US$
Net assets attributable to equity holders of the parent	50.175.441		33.890.908
Number of ordinary shares	25.680.817		11.111.975
Diluted number of ordinary shares	29.349.505		12.699.400
Basic	1,95		3,05
Diluted	1,71		2,67

7. Operational income

Operational income represents rental, service charged and utilities income generated during the reporting period by the rental agreements concluded with tenants of the Terminal Brovary Logistics Park. Vacancy rate of the Terminal was 16% as at the reporting date.

8. Administration Expenses

	H1 2013	H1 2012
	US$	US$
Salaries and Wages	528.421	838.300
Legal fees	206.305	406.901
Travelling expenses	159.853	144.062
Consulting fees	138.751	305.009
Directors' remuneration	105.000	110.000
Audit and accounting fees	63.634	83.612
Public group expenses	56.563	93.480
Office expenses	56.506	66.090
Taxes and duties	21.039	27.228
Security	13.649	26.132
Depreciation	5.795	8.125
Other expenses	37.576	25.589
Total Administration Expenses	**1.393.092**	**2.134.528**

Salaries and Wages include personnel remuneration as well as remuneration for the Management of the Company including the CEO, CFO, Commercial Director and VP-Finance Ukraine.

Travelling expenses represent mainly expenses incurred in relation to the on going share capital increase of the Company.

Legal and Consulting fees represent expenses of the Company in the various legal and tax cases it has in Ukraine. Management estimates that contrary to what happened in 2012, in 2013 the total annual amount will be weighted toward H2-2013.

9. Investment property operating expenses

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 complex.

10. Other operating income/(expenses), net

	H1 2013	H1 2012
	US$	US$
Accounts payable written off	339.207	-
Penalties	(16.133)	(1.999)
Other income/(expenses), net	(96.224)	49.263
Total	**226.850**	**47.264**

Accounts payable written off mainly represent the amount of Altis Holding's (the general constructor of Terminal Brovary) guarantee reserve payable written off (US$ 311.390) as a result of negotiations and settlement during the reporting period.

Penalties recognized in the first half of 2013 relate to Terminal Brovary LLC which were accrued by the tax authority on the land leased in Brovary.

Other expenses mainly consist of agency fees related to the letting of Terminal Brovary amounting to US$ 25.598 and VAT receivable written off amounting to US$ 38.409.

11. Finance costs/ (income), net

	H1 2013	H1 2012
	US$	US$
Borrowing interest expenses (notes 19, 24)	780.041	570.563
Finance charges and commissions	50.299	64.876
Foreign exchange losses, net	25.399	12.709
Bank interest income	(46.630)	(767)
Net finance result	**809.109**	**647.381**

Borrowing interest represents interest paid on the borrowings of the Group for EBRD facility (note 19) and the interest expense accrued on a related party loan (note 24).

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

12. Tax

The corporate income tax rate for the Company's Ukrainian subsidiaries is 19% for the six months ended 30/06/2013. The corporate tax that is applied to the qualifying income of the Company and its Cypriot subsidiaries is 10% for the six months ended 30 June 2013.

13. Investment Property (all)

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 is 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.

Tsymlianskiy 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.

13. Investment Property (continued)

Asset Name	Description/ Location	Principal activities/ Operations	Related Companies	Carrying amount as at 30/06/2013 US$	Carrying amount as at 31/12/2012 US$
Terminal Brovary Logistics Park	Brovary, Kiev Oblast	Warehouse	TERMINAL BROVARY AISI BROVARY AISI LOGISTICS	25.155.576	25.115.000
Bela Logistic Center	Odessa	Land and Development Works for Warehouse	AISI BELA	8.353.161	8.353.161
Kiyanovskiy Lane	Podil, Kiev City Center	Land for residential development	AISI UKRAINE TORGOVIY CENTR	7.435.000	7.435.000
Tsymlianskiy Lane	Podil, Kiev City Center	Land for residential development	ALMAZ PRES UKRAINE	2.360.000	2.360.000
Balabino	Zaporozhie	Land for retail development	INTERTERMINAL MERELIUM INVESTMENTS	4.320.000	4.320.000
TOTAL				**47.623.737**	**47.583.161**

Carrying amounts of the properties stated in these interim condensed consolidated financial statements remain the same as were presented in the Group's audited consolidated financial statements as of 31 December 2012, except for Terminal Brovary for which some expenses have been capitalised, increasing the carrying amount of the property.

a. Investment Property Under Construction

	H1 2013
	US$
At 1 January	**8.353.161**
Capital expenditures on investment property	-
Revaluation on investment property	-
Translation difference	-
At 30 June	**8.353.161**

As at 30 June 2013 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 as at 31 December 2012.

b. Investment Property

	H1 2013
	US$
At 1 January	**39.230.000**
Capital expenditure on investment property	40.576
Revaluation gain/(loss) on investment property	-
Translation difference	-
At 30 June	**39.270.576**

Terminal Brovary, Kiyanovskiy Lane, Tsymlyanskiy Lane and Balabino Village are included in the Investment Property category. Movement within capital expenditure on investment property represents some expenses of Terminal Brovary which have been capitalised.

13. Investment Property (continued)

c. Advances for Investments

	30/6/2013	31/12/2012
	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 ~USD$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 USD$12mil. payment.

14. Prepayments and other current assets

	30/06/2013	31/12/2012
	US$	US$
Prepayments and other current assets	636.137	709.249
VAT and other tax receivable	3.966.835	4.256.424
Deferred expenses	453.796	495.804
Impairment of prepayments and other current assets	(21.465)	(13.304)
Total	**5.035.303**	**5.448.173**

Prepayments and other current assets mainly include prepayments made for services as well as the amount of ~US$135.000 which is the blocked amount by Cyprus authorities subject to finalisation of Laiki Bank restructuring and the possible receipt of shares in Bank of Cyprus.

VAT and other tax receivable represent the current portion of the Terminal Brovary VAT receivable, to be offset from VAT charged over rental income during the next years.

As at the reporting date deferred expenses include due diligence expenses related to the possible acquisition of investment properties. The amount of US$238.552 of deferred expenses actually paid in 2012 and recognized as of 31/12/2012 which were incurred in connection to the share capital increase effected in H1 2013 were deducted from the capital increase proceeds (note 16).

15. Cash and cash equivalents

Cash and cash equivalents represent liquidity held at banks.

	30/06/2013	31/12/2012
	US$	US$
Cash at banks in USD	9.788.148	32.546
Cash at banks in EUR	4.461.805	9.086
Cash at banks in UAH	213.897	214.815
Total	**14.463.850**	**256.447**

16. Share capital

Number of Shares (as at)	31/12/2012	1/2/2013	27/2/2013	30/6/2013
		Increase of Share Capital	Increase of Share Capital	
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	11.111.975	14.389.926	178.916	25.680.817
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	15.254.703	14.389.926	178.916	29.823.545

Value (as at)	31/12/2012	1/2/2013	27/2/2013	30/6/2013
		Increase of Share Capital	Increase of Share Capital	
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	5.531.191	195.320	2.407	5.728.918
Ordinary shares of €1 each	-	-	-	-
Ordinary Shares of €0,92 each	-	-	-	-
Deferred Shares of €0,99 each	-	-	-	-
Total	5.531.191	195.320	2.407	5.728.918

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.

16.1 Issued Share Capital

Since the start of 2013 and pursuant to the Annual General Meeting of 26th November 2012, the Company has raised US$17.045.000 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. The Board has allotted 14.568.842 new ordinary shares at a price of £0, 74 per share following the raising of the US$17.045.000.

During 2012 the Company paid for legal, advisory, consulting and marketing services related to share capital increase an amount of US$238.552. These expenses were capitalized and recognized as deferred expenses as of 31/12/2012 (note 14). In H1 2013 when the share capital increase was effected, this amount was set off against capital proceeds.

16. Share capital (continued)

16.2 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

16.3 Warrants issued

On 8 August 2011 the Company has issued an amount of Class B Warrants for an aggregate equivalent to 12,5% of the issued share capital of the Company at the time of the exercise. 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.

16.4 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)** 30/06/2013	**(as at)** 31/12/2012
Ordinary shares of €0,01	Listed in AIM	25.680.817	11.111.975
Class B Warrants		3.668.688	1.587.425
Total number of Shares	**Non Dilutive Basis**	**25.680.817**	**11.111.975**
Total number of Shares	**Full Dilutive Basis**	**29.349.505**	**12.699.400**
Ordinary Share €0,92		1	1
Options		4.460	4.460

17. Foreign Currency Translation Reserve

Exchange differences related to the translation from the functional currency of the Group's subsidiaries are accounted by entries made directly to the foreign currency translation reserve. The foreign exchange translation reserve represents unrealized profits or losses related to the appreciation or depreciation of the local currencies against the USD in the countries where the Company's subsidiaries own property assets.

18. Non-Controlling Interests

Non-controlling interests represent the equity value of 45% shareholding in LLC Almaz-pres-Ukraina, which is being held by ERI Trading & Investments Co. Limited.

19. Borrowings

	30/06/2013	31/12/2012
	US$	US$
Principal EBRD loan	14.488.235	15.529.412
Principal payable to related parties (note 24)	1.700.000	1.700.000
Other Borrowing	-	175.000
Restructuring fees and interest payable to EBRD	785.098	785.098
Interests payable to related parties (note 24)	172.630	77.680
Interests accrued on bank loans	29.472	74.466
Total	**17.175.434**	**18.341.656**

19.1 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. Discussions with EBRD, on a new restructuring are nearly complete. In view of these discussions the Company repaid USD$1.041.177 of principal during the six months ended 30 June 2013 representing the first 2 instalments under the existing agreement. The loan bears interest of 6.75% over LIBOR.

19.2 Other Borrowings

The amount represents short term borrowing to repay part of the UVK settlement amount (note 20). The loan was contracted in December 2012 and fully repaid by end of January 2013.

20. Trade and other payables

	30/06/2013	31/12/2012
	US$	US$
Payables to related parties (note 24)	962.760	1.057.983
Payables for construction, non-current	414.819	414.819
Payables for construction, current	24.826	24.826
Deferred income from tenants	256.185	250.080
Guarantee reserve on construction works, current	213.621	743.018
Payables for services	110.551	351.611
Accruals	59.742	84.298
Provision for reimbursements	-	300.000
Total	**2.042.504**	**3.226.635**

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

Payables for construction represent amounts payable to the contractor of Bela 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.

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

Guarantee reserve on construction works, represents the portion of the performance guarantee amount payable to the contractor of Brovary Logistic Park upon finalization of the works and of the snagging list. In H1 2013 the Management negotiated with Altis Holding to reduce the amount of the guarantee reserve payable by US$ 311.390 that was recognized as income from payables written off (note 10) and consequently US$ 218.007 were paid. The remaining amount as at the reporting date was fully repaid in July 2013. At the same time the Company hired a third party to conclude the remaining works and part of the snagging list.

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

21. Deposits from Tenants

Deposits from tenants appearing under non-current liabilities include the amounts received from the tenants of LLC Terminal Brovary as advances/guarantees and are to be reimbursed to these clients at the expiration of the leases agreements.

22. Taxes payable & Provisions for taxes

	30/06/2013	31/12/2012
	US$	US$
Corporate Income tax payable	453.554	519.639
Other taxes payable	6.643	10.188
Provisions for taxes	416.641	334.552
Total Tax Liability	**876.838**	**864.379**

Corporate Income tax represents taxes payable in Cyprus.

Other taxes represent local property taxes payable in Ukraine.

Provision represents a Management estimate on potential land tax payable for Bela LLC and land lease payment Terminal Brovary LLC accrued by the Tax Authority (note 25).

23. Finance lease liabilities

The Group rents land plots classified as finance lease. Lease obligations are denominated in UAH. The fair value of lease obligations approximate to their carrying amounts. Following the appropriate discounting finance lease liabilities are carried at USD $553.823 under current and non-current portion. The Group's obligations under finance leases are secured by the lessor's title to the leased assets.

24. Related Party Transactions

The following represent transactions with related parties:

24.1 Expenses

	H1 2013	H1 2012
	US$	US$
Management Remuneration	209.600	198.400
Board of Directors & Committees	105.004	110.000
Back office - SECURE Management Ltd	88.953	190.751
Interest expenses to Narrowpeak loan (note 11)	98.105	-
Total	**501.662**	**499.151**

Management remuneration represents the H1 2013 remuneration of the CEO and the CFO pursuant to the decision of the Remuneration Committee.

Board of Directors and Committees expense represents the H1 2013 remuneration of all the non-executive members of the board pursuant to the decision of the Remuneration Committee.

Back office expenses represent expenses incurred by the Group for part time expert personnel of SECURE Management Ltd, a real estate project and asset management company, seconded to the Company to cover various non-permanent positions, variations of the work flow in finance and administration functions and/or specialized advisory and consultancy needs.

Interest expense represents the interest from the loan granted on 21st September 2012 from Narrowpeak Consultants Ltd and other parties, in order to facilitate the Group's cash flow. The loan to the Company is of up to US$2.500.000 bearing interest at 12% per annum and is repayable on 31st December 2014. The loan is collateralised against the Odessa land plot.

24.2 Payables to related parties

	30/06/2013	31/12/2012
	US$	US$
Grafton Properties	150.000	150.000
Secure Management Ltd	45.000	30.000
Board of Directors & Committees	329.615	291.050
Management Remuneration	438.145	586.933
Total	**962.760**	**1.057.983**

24. Related Party Transactions (continued)

24.2 Payables to related parties (continued)

24.2.1 Board of Directors & Committees

The amount payable represents mainly fees payable to non Executive Directors and members of Committees covering a period from August 2011 to June 2013. Pursuant to the AGM approval, the members of the Board of Directors have agreed in order to facilitate the Company's cash flow, to release their fees covering the period from August 2011 to December 2012 in exchange of shares in the Company's capital.

24.2.2 Loan payable to Grafton Properties

Under the Settlement Agreement of July 2011, the Company undertook the obligation to repay to certain lenders who had contributed certain funds for the operating needs of the Company between 2009-2011, by lending to AISI Realty Capital LLC, the total amount of US$450.000. As of the reporting date the liability towards Grafton Properties, representing the Lenders, was US$150.000, which is contingent to the Company raising US $50m of capital in the markets.

24.2.3 Payable to Secure Management

Payable represents payable to Secure Management for expert personnel seconded by SECURE Management Ltd, covering unpaid fees for Q2 2013.

24.2.4 Management Remuneration

Management Remuneration represents fees payable a) to the CEO of the Company covering the period from May 2012 to June 2013, which the CEO has willingly agreed not to receive in order to facilitate the Company's cash flow, and b) to the CFO of the Company covering the period from May 2012 to December 2012.

24.3 Borrowings from related parties

	30/06/2012	**31/12/2012**
	US$	**US$**
Narrowpeak Ltd (note 19)	1.872.630	1.777.680
Total	**1.872.630**	**1.777.680**

On 21st September 2012 and in order to facilitate the Group's cash flow Narrowpeak Consultants Ltd and other parties, have provided a loan to the Company of up to US$2.500.000 bearing interest at 12% per annum and is repayable on 31st December 2014. The loan is collateralized against the Odessa land plot.

24.4 Loans from AISI Capital Ltd to the Company's subsidiaries

SECURE CAPITAL LTD, the finance subsidiary of the Company has proceeded to provide capital in the form of loans to the Ukrainian subsidiaries of the Company so as to support the acquisition of assets, development expenses of the projects, as well as various operational costs.

Borrower	Repayment Date	Limit -US$	Outstanding amount, as of 30/06/2013 - US$	Outstanding amount, as of 31/12/2012- US$
LLC "TERMINAL BROVARY"	19/12/2014	35.000.000	34.432.771	33.282.634
LLC "AISI BROVARY"	09/10/2014	40.000.000	-	4.275.000
LLC "AISI UKRAINE"	18/10/2014	28.000.000	14.903	9.867.859
LLC "ALMAZ PRES	21/3/2014	10.000.000	170.000	170.000
LLC "AISI OUTDOOR"	21/8/2014	5.000.000	-	2.160.000
LLC "AISI VIDA"	15/10/2014	10.000.000	-	310.000
LLC "AISI VAL"	15/10/2014	7.000.000	-	210.000
LLC "AISI ROSLAV"	15/10/2014	10.000.000	-	310.000
LLC "AISI KONSTA"	15/10/2014	8.000.000	-	610.000
LLC "AISI ILVO"	15/10/2014	10.000.000	-	610.000
LLC "AISI DONETSK"	19/11/2014	40.000.000	-	930.000
LLC "TORGOVI CENTR"	18/10/2014	10.000.000	-	120.000

During the reporting period the Company has proceeded in share capital increase effected on certain of its Ukrainian subsidiaries which in turn returned the funds back to SECURE Capital Limited (ex AISI CAPITAL) in the form of loan repayment (loans have been provided throughout 2007-2012 period). The total loan amount repaid 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.

25. Contingent liabilities

The Group is involved in various legal proceedings in the ordinary course of its business.

25.1 Tax litigation

The Group performed during the reporting period most of its operations in Ukraine and therefore within the jurisdiction of the Ukrainian tax authorities. The Ukrainian tax system can be characterized by numerous taxes and frequently changing legislation, which may be applied retroactively, open to wide interpretation and in some cases, is conflicting. Instances of inconsistent opinions between local, regional, and national tax authorities and between the National Bank of Ukraine and the Ministry of Finance are not unusual. Tax declarations are subject to review and investigation by a number of authorities, that are enacted by law to impose severe fines and penalties and interest charges. A tax year remains open for review by the tax authorities during the three subsequent calendar years, however, under certain circumstances a tax year may remain open for longer. These facts create tax risks which are substantially more significant than those typically found in countries with more developed tax systems. Management believes that it has adequately provided for tax liabilities, based on its interpretation of tax legislation, official pronouncements and court decisions. However, the interpretations of the relevant authorities could differ and the effect on these consolidated financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

25.2 Construction related litigation

There are no material claims from contractors due to the postponement of projects or delayed delivery other than those appearing in the financial statements.

25.3 Other Litigation

Following the restructuring of the Group, a former employee of the Company (the previous acting Director for a number of the Ukrainian subsidiaries) has taken the Group to the Ukrainian courts. Management does not believe that the result of any legal proceedings will have a material effect on the Group's financial position or the results of its operations other than the one already provided for, within the financial statements.

25.4 Other Contingent Liabilities

The Group had no other contingent liabilities as at 30 June 2013.

26. Commitments

26.1 Capital commitments

The Group has two (2) construction agreements:
a) for the construction of Brovary Logistics Park (note 20)
b) for the construction of Bela Logistics Center (note 20)

26.2 Operational commitments

In December 2011 the Company entered into a three year Property Management and Maintenance Service Agreement with DTZ Consulting Limited Liability Company. The Agreement stipulates a range of services that were outsourced by Terminal Brovary to DTZ (billing, servicing, maintaining) so as to both reduce cost and improve quality. The Company has the right to terminate the Agreement with DTZ unilaterally before its expiration date subject to prior written notice to DTZ for 90 days before the desired date of termination.

27. Financial Risk Management

27.1 Capital Risk Management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt-equity structure and value enhancing actions in respect of its portfolio of investments. The capital structure of the Group consists of borrowings (note 19), cash and cash equivalents (note 15), receivables (note 14) and equity attributable to ordinary shareholders (issued capital, reserves and retained earnings).

The Group is not subject to any externally imposed capital requirements.

27. Financial Risk Management (continued)

27.1 Capital Risk Management (continued)

Management reviews the capital structure on an on-going basis. As part of the review Management considers the differential capital costs in the debt and equity markets, the timing at which each investment project requires funding and the operating requirements so as to proactively provide for capital either in the form of equity (issuance of shares to the Group's shareholders) or in the form of debt. Management balances the capital structure of the Group with a view of maximizing the shareholder's Return on Equity (ROE) while adhering to the operational requirements of the property assets and exercising prudent judgment as to the extent of gearing.

27.2 Significant Accounting Policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liabilities and equity instruments are disclosed in note 3 of the financial statements.

27.3 Categories of Financial Instruments

Financial Assets	**Note**	**30/06/2013**	**31/12/2012**
		US$	**US$**
Cash at Bank	15	14.463.850	256.447
Total		**14.463.850**	**256.447**
Financial Liabilities	**Note**	**30/06/2013**	**31/12/2012**
		US$	**US$**
Interest bearing borrowings	19	17.175.435	18.341.656
Trade and other payables	20	2.042.504	3.226.635
Deposits from tenants	21	427.918	427.918
Finance lease liabilities	23	553.823	593.821
Taxes payable	22	876.838	864.379
Total		**21.076.518**	**23.454.409**

27.4 Financial Risk Management Objectives

The Group's Treasury function provides services to its various corporate entities, coordinates access to local and international financial markets, monitors and manages the financial risks relating to the operations of the Group, mainly the investing and development functions. Its primary goal is to secure the Group's liquidity and to minimize the effect of the financial asset price variability on the cash flow of the Group. These risks cover market risks including foreign exchange risks and interest rate risk as well as credit risk and liquidity risk.

The above mentioned risk exposures may be hedged using derivative instruments whenever appropriate. The use of financial derivatives is governed by the Group's approved policies which indicate that the use of derivatives is for hedging purposes only. The Group does not enter into speculative derivative trading positions. The same policies provide for the investment of excess liquidity. As at 30 June 2013, the Group had not entered into any derivative contracts.

Post August 2011, the priority on cash use and management was set on settling all past liabilities (eliminating thus the relevant legal and financial risks) while maintaining a minimum liquidity to allow for the future development of the Group's strategy.

27.5 Economic Market Risk Management

The Group operates in the Region. The Group's activities expose it primarily to financial risks of changes in currency exchange rates and interest rates. The exposures and the management of the associated risks are described below. There has been no change to the Group's manner in which it measures and manages risks.

Foreign Exchange Risk

Currency risk arises when commercial transactions and recognized financial assets and liabilities are denominated in a currency that is not the Group's functional currency. Most of the Group's financial assets are denominated in the functional currency.

Interest Rate Risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest-bearing assets. On June 30th, 2013, cash and cash equivalent financial assets amounted to US$14.463.850 (31/12/2012:US $256.447).

27. Financial Risk Management (continued)

27.5 Economic Market Risk Management (continued)

The Group is exposed to interest rate risk in relation to its borrowings amounting to US$14.488.235 (31/12/2012: US$15.529.412) as they are issued at variable rates tied to the Libor. Management monitors the interest rate fluctuations on a continuous basis and evaluates hedging options to align the Group's strategy with the interest rate view and the defined risk appetite. Although no hedging has been applied for the reporting period, such may take place in the future if deemed necessary in order to protect the cash flow of a property asset through different interest rate cycles.
The Group's exposures to financial risk are discussed also in note 4.

27.6 Credit Risk Management

The Group has no significant credit risk exposure. The credit risk emanating from the liquid funds is limited because the Group's counterparties are banks with high credit-ratings assigned by international credit rating agencies. The Credit risk of receivables is reduced as the majority of the receivables represent VAT to be offset through VAT income in the future.

27.7 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which applies a framework for the Group's short, medium and long term funding and liquidity management requirements. The Treasury function of the Group manages liquidity risk by preparing and monitoring forecasted cash flow plans and budgets while maintaining adequate reserves. The following table details the Group's contractual maturity of its financial liabilities. The tables below have been drawn up based on the undiscounted contractual maturities including interest that will be accrued.

30 June 2013	Carrying amount	**Total**	Less than one year	From one to two years	More than two years
	US$	**US$**	US$	US$	US$
Financial assets					
Cash at Bank	14.463.850	**14.463.850**	14.463.850	-	-
Financial liabilities					
Interest bearing borrowings	17.175.435	**17.175.435**	15.302.805	-	1.872.630
Trade and other payables	2.042.504	**2.042.504**	1.371.500	-	671.004
Deposits from tenants	427.918	**427.918**	-	-	427.918
Finance lease liabilities	553.823	**2.323.558**	104.404	104.404	2.114.750
Taxes payable	876.838	**876.838**	876.838	-	-

31 December 2012	Carrying amount	**Total**	Less than one year	From one to two years	More than two years
	US$	**US$**	US$	US$	US$
Financial assets					
Cash at Bank	256.447	**256.447**	256.447	-	-
Financial liabilities					
Interest bearing borrowings	18.341.656	**18.341.656**	16.563.976	-	1.777.680
Trade and other payables	3.226.635	**3.226.635**	2.561.736	-	664.899
Deposits from tenants	427.918	**427.918**	-	-	427.918
Finance lease liabilities	593.821	**2.429.651**	104.404	104.404	2.220.843
Taxes payable	864.379	**864.379**	864.379	-	-

28. Events after the end of the reporting period

After the end of the reporting period there were no material events.