## Metro Baltic Horizons plc (MET.L)

## Interim results for the six months ended 30 June 2009

Metro Baltic Horizons plc ("MBH" or the "Company"), the property investment company focused on prime office, retail and residential development opportunities in St Petersburg, Russia and the cities of Riga, Latvia and Tallinn, Estonia announces its unaudited interim results for six months ended 30 June 2009.

### Highlights

- Net asset value per share (NAV) after deferred tax liabilities declined by 27% to €0.50 (31 December 2008: €0.69)
- Total gross property portfolio valued at €39.1 million (31 December 2008: €42.5 million)
- At the period end, the Group held a total of €19.8 million of bank and other borrowings all held at asset level
- Development of Metro Plaza in Tallinn completed on schedule in January 2009 and launched in February 2009. Currently 75% of the lettable space under lease with an additional 5% under advanced negotiation
- Massive correction in property markets still ongoing with significant falls being seen in rental levels and capital values throughout the region but the Latvian market in particular is amongst the worst performing property markets globally
- Macroeconomic environment and outlook remains bleak with record falls in GDP in Estonia and Latvia. Credit and investment markets in the region remain closed
- Preservation of shareholder value remains a priority but external factors present significant challenges and there remains a risk of further value diminution

**Robin James, Chairman of MBH, commented:**

"The Company is facing a macro environment that is unprecedented in terms of the depth, breadth and speed of contraction. Despite having a well structured investment portfolio in prime city locations, the almost total absence of credit and buyers of property assets has had a negative impact on shareholder value. The Company has made operational progress in its portfolio over the period but the collapse of the property market, deteriorating economic conditions and the absence of credit in the markets in which we operate, make the outlook for the Company very challenging and prospects uncertain. The Board, together with the Investment Manager, have worked hard to cut costs and refocus the Company's business and investment strategy to reflect the very difficult environment which we now face. Although property values have continued to fall in 2009, we will make every effort to restore shareholder value in 2010 and beyond when markets move into eventual recovery"

*For further information, please contact:*

**Metro Group**
James Kenny jkenny@metro.ee
Mart Habakuk mart.habakuk@metro.ee
www.metrocapital.ee

**Fairfax I.S. PLC (Nominated Adviser and Broker)**
James King/Andrew Cox
Tel: +44 (0) 20 7598 5368
www.fairfaxplc.com

*Notes to Editors*

Metro Baltic Horizons (ticker code: MET.L) is a property investment company targeting development opportunities in the cities of St Petersburg, Russia and Riga and Tallinn, the capitals of Latvia and Estonia respectively.

The Company's Investment Manager is a member of the Metro Capital Management Group, an experienced property asset manager and developer with offices in Tallinn, Riga and St Petersburg. It has a team of 18 experienced professionals managing a portfolio of 21 projects across the region where it has been active since 2001.

## Chairman's Statement

### Introduction

The Company's results for the period ended 30 June 2009 are as follows. As was hightlighted in our 2008 annual report and accounts issued in June, the dramatic continued deterioration in the local, regional and global property markets and the macro-economic and credit environments in which we operate, have fundamentally changed the outlook and prospects for the Company. The extent of the decline in Estonia and Latvia in particular, is without parallel in a European context and brings major challenges to our continuing operations.

### Results

In the six months ended 30 June 2009, the Company's net asset value after tax decreased by 27% to €0.50 (31 Dec 2008: €0.69) and, before deferred tax, decreased by 23% to €0.65 (31 Dec 2008: €0.84).

During the period the Company recorded a loss of €4.8 million, principally due to changes in the value of its property portfolio.

At 30 June the Company had a total of €19.8 million in bank and other borrowings, and of which, circa €13.3 million related to the Company's now completed Metro Plaza development in Tallinn.

### Valuation

At 30 June 2009, the Company's gross property portfolio was valued €39.1 million. However, as the Company only holds an 80% economic interest in two of its four assets, this should be taken into account in calculating the underlying asset value per share. It is also noted that the valuations prepared for the Company by external valuers partly utilised the discounted cash flow based valuation methodology which does not necessarily reflect the lack of credit and buyers of property assets in the current market. Furthermore, the widely used comparable transaction method of valuation is also potentially unrepresentative in the current climate due to the lack of meaningful secondary property market activity in the target markets. Further details are contained in the Investment Manager's report below.

### Finance

The Board continues to review all strategic and financing alternatives available to the Company. As previously reported, one financing initiative undertaken in the period was the drawing of a circa €1.45m short-term (18 month) mezzanine loan facility as a result principally of the very limited availability to the Company of traditional bank credit. This loan carries a semi-annual coupon of 10% (20% per annum) and is secured over the Company's St Petersburg property. It is expected that this loan facility may be increased up to €2.5m (without additional security being pledged) in the coming months to part finance the working capital requirements of the Group. Other strategic investment, debt, mezzanine and equity placement scenarios remain under consideration reflecting the Company's very tight working capital position.In this respect, it is possible that an issue of additional equity may be pursued by the Company over the coming months.

Following the passing of enabling resolutions at the Company's recent AGM, the Investment Manager has agreed to accrue up to 100% of its management fees (paid quarterly) from time to time. As was explained in the Company's 2008 annual report and accounts, any accrual will be made solely at the Company's discretion and any fees so accrued may be converted into new ordinary shares in the Company based on a historical 30 day average closing price of the Company. Your Board believe that this concession agreed with the Investment Manager is a major benefit for the Company, given that annual management fees which are calculated on the basis of the gross assets of the Company are the largest component of the Company's operating expenses.

**Outlook**

As I stated in my letter of 29 June 2009, the scale and extent of the corporate and financial market turmoil we have seen in the last year is without precedent. Massive deleveraging is in progress and one of the obvious effects is the virtual disappearance of credit flows and equity capital. The impacts on small, open economies like Estonia and Latvia, in particular, which had experienced a long period of high economic growth, fuelled by the widespread availability of cheap credit, have been dramatic.

The challenges facing the Company are considerable given that the markets in which we operate continue to decline and show few, if any, signs of recovery. While there is some evidence that Russia has begun a cautious recovery, the position in the Baltics is considerably less hopeful. In Latvia for example, unemployment reached 17.4% at the end of June, the second highest rate in EU, and the economy contracted by a massive 18.9% year-on-year. Against this backdrop and broader international weakness, it is clear that the financial return objectives of the Company as stated at the time of Admission to trading on the Alternative Investment Market are no longer realistic. This is due not only to the fall in capital value of the Company's property portfolio but also to the unavailability of credit to fund development. While we remain satisfied with the location, profile and nature of the assets assembled and the manner in which we have both funded and are developing the portfolio, shareholder value has been significantly impacted by factors outside of the Company's control. As such, we have taken steps to refine our operating cost structure and portfolio strategy. The Board also recognises that in common with many comparable companies, there remains a significant disconnect between the Company's underlying asset value and its share price. If this position continues it may be appropriate in time to consider the Company's future listing strategy.

We are living in difficult times and while the outlook for the Group is much less positive than last year, we remain fully focused on preserving and restoring the value of the Company's portfolio for the benefit of all shareholders.

**Robin James**
**Chairman**

**30 September 2009**

## Investment Manager's Report

The Company's portfolio currently comprises four assets located in St Petersburg, Riga and Tallinn.

### Bolshaya Pushkarskaya, St Petersburg, Russia

This property comprises a privatised, freehold site of 0.72 hectares on a prominent street in the centre of St Petersburg. The site runs parallel to Bolshoi Prospekt, one of St Petersburg's main shopping and business streets, and is about 3 kms from the Winter Palace. There are six buildings on the site, of which it is intended that one will be retained and the others demolished for full redevelopment as part of a mixed office/retail scheme of circa 22,000 sq m of net rentable area with 300 underground parking spaces.

Since the acquisition of the property, considerable work has been done, and continues on, the design and planning for the redevelopment of the site. Many of the attendant approvals necessary for the redevelopment of the site have been received including sketch design and critically, the approval of St Petersburg's Historical Monuments Agency.

The first half of 2009 saw a continuation in the trend seen in St Petersburg in 2008, with a dramatic decline in lease and take up rates in all segments of the property market, but in particular of class A office and retail space. As a result, due to the continued weakness in the local and broader Russian macro-economic environment and the continued unavailability of construction finance, it is deemed prudent to take a multi-phased approach to the site's development. It is also now proposed that the initial development focus for Bolshaya Pushkarskaya will be on predominantly class B standard offices as there is estimated to be greatest depth of demand and lease rate resilience in this market segment. In this context, planning has now been received for the redevelopment of circa 5,000m2 of existing space and the construction of 3,000m2 of new space above and adjacent to the redeveloped area and which combined should deliver circa 5,000m2 of net rentable office space, 900m2 of retail space and 600m2 of storage/industrial space. Although limited, financing options to fund the redevelopment of the site continue to be investigated and subject, inter alia, to market conditions, finance and the receipt of the requisite building permit, construction could commence in H2 2010.

At 30 June 2009, Bolshaya Pushkarskaya 10 was valued by GVA Sawyer at €15 million on an open market basis.

### Krasta 99, Riga, Latvia

This asset (80% owned by the Company) is a prominently located land plot of 1.7 hectares situated approximately 5 kms from Riga Old Town at the intersection of a major inner city highway (Krasta Street) and the new Riga South Bridge which opened in 2009. Planning permission has been granted for the construction of approximately 40,000 sq m of net rentable office space in three towers together with approximately 1000 on-site and underground parking spaces. However, as previously reported the dramatic collapse in the Riga property market and the Latvian economy as a whole has meant that the development of Krasta 99 is under review. Although substantially all the planning and project documentation has been completed it is unlikely that further capital or operating expenditure can be justified on the project at this time.

The Krasta project currently has short-term bank loans outstanding of €2.6 million (at Euribor plus 4.5% with a 15 year amortisation schedule) and no cash flow. As previously reported, the Company's Latvian subsidiary which was established to hold the Krasta 99 asset remains in breach of certain loan covenants contained in the non-recourse loan provided by SEB/Danske Bank. A default notice was issued due to non-payment of interest and subsequently alternative debt servicing/repayment proposals were offered by the Company to the lenders and these remain under consideration. The Krasta 99 loan is secured solely on the Krasta 99 asset and any loan impairment or default will not have any impact on the other assets or borrowings of the Company. In addition, consideration is still being given to possibly utilising certain legal protection provisions available under Latvian law which provide scope for companies to address short term liquidity and creditor issues through a court approved process.

At 30 June 2009, Krasta 99 was valued by Colliers at €3.5 million (100%) which represents a decline of some 75% in an 18 month period, broadly in line with the general market decline in land prices.

**Metro Plaza, Viru Square, Tallinn, Estonia**

This asset on acquisition comprised a run-down historic building on a 2,200 sq m land plot located on a high profile square on the very edge of Tallinn Old Town, an area that historically commanded some of the highest rents in the city. Construction commenced in Q4 2007 and was completed on schedule and on budget in January 2009. The project now comprises 8,900 sq m of gross retail and office floor space (7,300 sq m net area), as well as underground parking for 78 cars.

At present, long term lease agreements have been signed for 75% of the total rentable area and a further 5% is under advanced lease negotiation. In addition, earlier in 2009 a lease had been signed covering a total of 27% of the total lettable area with a leading retailer in the region who subsequently filed for bankruptcy before the commencement of the lease. The rental levels so far achieved are amongst the highest of any mixed scheme in Tallinn which positively reflects the quality of Metro Plaza's location, specification and finish. The main tenants in Metro Plaza are Trigon Capital (30% of total leased area), Regus (15%), Sampo Life (7%) and Hansaworld (7%). Although there have been several opportunities to let out the remaining space in Metro Plaza at lower rental levels, in order to maximise the cashflow and future capital value of the building, we have determined to secure higher rents from quality tenants with strong lease provisions. Although a further circa €1.0m will be required to be invested to complete the fit out of the unleased and some central areas, at current lease levels the project will turn cash flow positive in Q1 2010. It is also expected that once fully let and after rent holidays and other initial lease incentives expire, net operating income for Metro Plaza will stabilise at circa €1.6 million per annum.

To date the project has been financed by equity and a €14.3 million 10 year non-recourse senior loan facility of which €13.3 million was drawn at period end and a short term mezzanine facility in the amount of €0.92 million at period end. The senior loan amortizes over 20 years and is based on an interest charge of Euribor plus 1% (currently 2.66%). The estimated total gross development cost (acquisition, construction and finance) for Metro Plaza is approximately €25 million.

The current objective for Metro Plaza is to secure high quality tenants at premium lease rates for the remaining lettable space and hence maximize the future cashflow and valuation of the asset.

At June 30 2009, Metro Plaza was valued by Colliers at €16.2 million on an open market basis.

**Pirita Road, Tallinn, Estonia**

This asset (owned 80% by the Company) is a 1.3 hectare site located approximately 3km from the city centre, adjacent to the President's Castle and overlooking the Bay of Tallinn. The site is zoned for residential development.

Following an architectural tender in 2008, Koko, one of the leading Estonian architectural practices, was appointed to design a scheme for the site. Initially, it had been thought that due to the prime location of the site that it would be most suitable for an elite/luxury residential development comprising a nine storey luxury apartment building (circa 7,000 sq m saleable area) and a boutique spa hotel (3,000 sq m). Although considerable work has been done on the proposed residential development design including receipt of City planning and heritage protection committee approvals, the current market reality is that the demand for such a high end development has virtually disappeared and a reconfiguration of the design is now being considered.

With second hand apartments reported to have fallen by approximately 60% over the last two years and in some areas of Tallinn are being offered at circa a 30% discount to current construction cost, it is expected that construction on the Pirita site may be postponed for some considerable time. As previously reported, efforts were being made to introduce an equity partner in to the Pirita project but these efforts have been unsuccessful as investor interest in early stage Baltic residential development is currently negligible.

As at 30 June 2009, the Pirita site was valued by Colliers at €4.4 million on an open market basis.

**Economic overview and property market outlook**

In the first half of 2009, the Russian economy continued to decelerate with GDP dropping by approximately 11% year-on-year. Declines were experienced in many key indicators including industrial production, retail sales, residential construction and real wages. The gradual Rouble devaluation undertaken in late 2008/early 2009 and the $280bn support package for the Russian financial markets/banks did restore some stability, but structural issues including Russia's oil dependency remain. There is some evidence of a fragile recovery and it is expected that this will be confirmed by a 1.5% rise in GDP in Q3 2009 compared to Q2. Furthermore a forecast debt to GDP ratio of 16% at end 2012 would place Russia at the lowest level amongst G20 nations and leave it potentially well placed to resume positive economic growth.

The commercial property market in Russia has continued to decline in 2009 as evidenced by 94% year on year drop in investment in Q2. Foreign investors have deserted Russia attracted by lower risk, higher yields now available in many Western European markets. In H1 2009 foreign investment in the Russian commercial property market dropped to 4% of total, down from 72% in 2008. Within Russia itself there is also a noticeable shift way from regional investment markets to the more mature markets of Moscow and St Petersburg. In the St

Petersburg office market where the Company is active, there has been a marked increase in vacancy rates which is currently 31% in the Class A segment compared to 18% in Class B. Although there was positive absorption for Class A and Class B space combined in Q2 2009, rental rates remain under pressure and have now declined some 40% from 2007 levels.

After 7/8 years of consistent economic growth, the Baltics are now in the midst of a very deep recession which started in 2008. The recession was exacerbated by the international financial crisis but stemmed initially from the closing off of foreign credit and steep declines in domestic spending and consumption. The most extreme correction in the Baltics has been in Latvia which saw both the nationalisation of the largest domestically owned bank, Parex Bank, and a €7.5 bn IMF lead bailout. Latvia's economy is currently expected to decline by a massive 17% in 2009 compared to 13% in Estonia and meaningful recovery cannot be predicted with any confidence.

Unsurprisingly against this backdrop, the Baltic property markets have been in virtual freefall. Prime yields have gapped out by 60-70% from 2007 levels and are now estimated at 10%+. Rents too have fallen dramatically, with for example, Class A rents dropping by 22% in Riga and by 18% in Tallinn in 2008 and by a further circa 25%  and 22 % respectively in 2009 to date. At these rental and capitalisation levels there is no commercial justification for commencing any new construction. Land prices too have been decimated as credit and buyers disappeared and falls of 70-80% in land values have been seen in the region.

**Metro Capital Management AS** **Metro Frontier Limited**

**30 September 2009**

**Consolidated Income Statement**
For the six months ended 30 June 2009

| | Note | Unaudited<br>30 June<br>2009<br>Group<br>€'000 | Unaudited<br>30 June<br>2008<br>Group<br>€'000 |
|---|---|---|---|
| Gross rental income | | 409 | 319 |
| Service charge expense | | (358) | (260) |
| Net Rental and related income | | 51 | 59 |
| Changes in value of investment property | | (4,737) | (3,482) |
| Administrative expenses | | (381) | (894) |
| Net foreign exchange gain (loss) | | (20) | 98 |
| Net operating loss before financing income | | (5,087) | (4,219) |
| Financial income | | (637) | (72) |
| Loss for the period before tax | | (5,724) | (4,291) |
| Tax charge | | 445 | 483 |
| Loss for the period | | (5,279) | (3,808) |
| Minority interest in the loss for the period | | 464 | 254 |
| Loss attributable to ordinary shareholders | | (4,815) | (3,554) |
| Basic loss per share (cents) | 3 | (18.4) | (13.6) |
| Diluted loss per share (cents) | 3 | (18.4) | (13.6) |

## Consolidated Statement of Changes in Equity
For the 6 months ended 30 June 2009

| | Share Capital €'000 | Distributable Reserve €'000 | Revaluation Reserve €'000 | Retained Earnings €'000 | Minority Interest €'000 | Total €'000 |
|---|---|---|---|---|---|---|
| As at 1 January 2008 | 262 | 36,186 | 2,388 | 6,288 | 193 | 45,317 |
| Revaluation of Land & Buildings | | | (57) | | | (57) |
| Loss for the period | | | | (3,554) | (254) | (3,808) |
| Foreign exchange gains or losses | | | | (168) | | (168) |
| As at 30 June 2008 Unaudited | 262 | 36,186 | 2,331 | 2,566 | (61) | 41,284 |
| As at 1 January 2009 | 262 | 36,186 | - | (18,436) | (2,363) | 15,649 |
| Minority loan converted to equity in subsidiaries | | | | | 1,600 | 1,600 |
| Loss for the period | | | | (4,815) | (464) | (5,279) |
| As at 30 June 2009 Unaudited | 262 | 36,186 | - | (23,251) | (1,227) | 11,970 |

**Consolidated Balance Sheet**
For the six months ended 30 June 2009

| | | Unaudited | Unaudited |
|---|---|---|---|
| | | 30 June | 30 June |
| | | 2009 | 2008 |
| | | Group | Group |
| | Note | €'000 | €'000 |
| ASSETS | | | |
| Non current assets | | | |
| Land & investment property | | 39,132 | 64,760 |
| Other Assets | | 10 | 4 |
| | | 39,142 | 64,764 |
| CURRENT ASSETS | | | |
| Other current assets | | 146 | 16 |
| Trade and other receivables | | 547 | 669 |
| Cash and cash equivalents | | 1,078 | 3,613 |
| | | 1,771 | 4,298 |
| TOTAL ASSETS | | 40,913 | 69,062 |

**Consolidated Balance Sheet**
For the six months ended 30 June 2009

| | Note | Unaudited<br>30 June<br>2009<br>Group<br>€'000 | Unaudited<br>30 June<br>2008<br>Group<br>€'000 |
|---|---|---|---|
| EQUITY | | | |
| Issued capital | | 262 | 262 |
| Distributed reserves | | 36,186 | 36,186 |
| Revaluation reserve | | - | 2,331 |
| Retained earnings | | (23,251) | 2,566 |
| Total equity attributable to ordinary shareholders | | 13,197 | 41,345 |
| Minority Interest | | 1,227 | 61 |
| TOTAL EQUITY | | 11,970 | 41,284 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Bank loans | | 13,142 | 9,845 |
| Other loans | | 3,470 | 3,255 |
| Deferred tax liabilities | | 3,749 | 8,207 |
| Total Non Current Liabilities | | 20,361 | 21,307 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 1,926 | 2,691 |
| Bank Loans | | 6,656 | 3,780 |
| Total Current Liabilities | | 8,582 | 6,471 |
| TOTAL LIABILITIES | | 28,943 | 27,778 |
| TOTAL EQUITY AND LIABILITIES | | 40,913 | 69,062 |
| Net asset value per ordinary share – basic (cents) | 4 | 50.4 | 157.8 |
| Net asset value per ordinary share – diluted (cents) | 4 | 50.4 | 157.8 |

**Consolidated Cash Flow Statement**
For the six months ended 30 June 2009

| | Note | Unaudited<br>30 June<br>2009<br>Group<br>€'000 | Unaudited<br>30 June<br>2008<br>Group<br>€'000 |
|---|---|---|---|
| Cash flows from operating activities | | | |
| Cash generated from operations | 5 | 77 | (166) |
| Net cash generated from operating activities | | 77 | (166) |
| Cash flows from investing activities | | | |
| Capital Expenditure on Investment Property | | (2,666) | (2,699) |
| Acquisition of Investment Property | | (38) | (561) |
| Interest received | | 10 | 88 |
| Net cash generated from investing activities | | (2,694) | (3,172) |
| Cash flows from financing activities | | | |
| Interest paid | | (392) | (623) |
| Repayments of borrowings | | - | (720) |
| Bank borrowing | | 2,644 | 4,914 |
| Other borrowing | | 511 | 1 |
| Net cash generated from financing activities | | 2,763 | 3,572 |
| Net (decrease)/increase in cash and cash equivalents | | 146 | 234 |
| Cash and cash equivalents at the beginning of the period | | 967 | 3,411 |
| Exchange gains/(losses) on cash and cash equivalents | | (35) | (32) |
| Cash and cash equivalents at the end of the period | | 1,078 | 3,613 |

**Notes to the consolidated financial statements**
For the period ended 30 June 2009

## 1. General Information

Metro Baltic Horizon plc (The "Company") is a company incorporated and domiciled in the Isle of Man on 18 September 2006 for the purposes of investing in and developing property in the Baltic States and in the St. Petersburg area of Russia.

The interim report of the Company for the period to 30 June 2009 comprises the Company and its subsidiaries (together referred to as the "Group")

The Company's registered address is IOMA House, Hope Street, Douglas, Isle of Man.

The Company was admitted to the AIM of the London Stock Exchange and commenced operations on the 11 December 2006.

The functional currency of the consolidated financial statements is the Euro and consequently the Company is reporting in Euro.

## 2. Basis of preparation

The Interim Financial Statements have been prepared using accounting policies consistent with International Financial Reporting Standards and in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting.

The Interim Financial Statements do not include all the information and disclosures required in Annual Financial Statements, and should be read in conjunction with the Group's Annual Financial Statements for the year ended 31 December 2008.

Significant accounting policies

The same accounting policies, presentation and methods of computation are followed in these Condensed Financial Statements as those followed in the preparation of the Group's Annual Financial Statements for the year ended 31 December 2008.

## 3. Earnings per share

Basic earnings per share

The calculation of basic earnings per share at 30 June 2009 was based on the loss attributable to shareholders of € (4,815) k and a weighted average number of ordinary shares outstanding during the period ended 30 June 2009 of 26,200,270.

| | Unaudited | Unaudited |
|---|---|---|
| | 30 June | 30 June |
| | 2009 | 2008 |
| | Group | Group |
| | €'000 | €'000 |
| **Basic earnings per share** | | |
| Profit attributable to ordinary shareholders | (4,815) | (3,553) |
| Weighted average number of ordinary shares in issue during the period | 26,200,270 | 26,200,270 |
| Basic earnings per share (expressed as cents per share) | (18.4) | (13.6) |
| **Diluted earnings per share** | | |
| Weighted average number of ordinary shares in issue during the period | 26,200,270 | 26,200,270 |
| Adjustments required to weighted average number of Ordinary shares | - | - |
| Diluted weighted average number of ordinary shares | 26,200,270 | 26,200,270 |
| Diluted earnings per share (expressed as cents per share) | (18.4) | (13.6) |

## 4. Net Asset Value per share

| | Unaudited<br>30 June<br>2009<br>Group<br>€'000 | Unaudited<br>30 June<br>2008<br>Group<br>€'000 |
|---|---|---|
| Net Asset Value attributable to ordinary shareholders | 13,195 | 41,346 |
| Deferred tax | 3,749 | 8,207 |
| Net Asset Value excluding deferred tax | 16,944 | 49,554 |
| Net Asset Value per share (cents per share) | 50.4 | 157.8 |
| Diluted Net Asset Value per share (cents per share) | 50.4 | 157.8 |
| Net Asset Value excluding deferred tax (cents per share) | 64.7 | 189.1 |

## 5. Notes to the cash flow statement

| | UnauditedUnaudited<br>30 June<br>2009<br>Group<br>€'000 | <br>30 June<br>2008<br>Group<br>€'000 |
|---|---|---|
| Cash generated from operations | | |
| Operating profit for the period | (5,085) | (4,202) |
| Adjustment for: | | |
| Changes in Creditors | 129 | 710 |
| Changes in Debtors | 317 | (158) |
| Revaluation of Land and Buildings | 4,716 | 3,482 |
| Depreciation | _ | 2 |
| Cash flow from operations | 77 | (166) |