

Fabian Romania paints sombre picture about state of market

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The Romanian property market is now “fully experiencing” the effects of the worldwide credit crunch, the directors of AIM-listed Fabian Romania have warned.

Fabian Romania, which invests in the Bucharest and wider Romanian real estate market, has announced a significant fall in its net asset value for the year to the end of 2008.

The directors are warning that problems raising bank financing are having a damaging affect on the residential housing market.

Mark Holdsworth and Jan-Olof Hansson said in a statement: “The Romanian property market is now fully experiencing the effect of the worldwide credit and liquidity crisis. Banks are reluctant to approve any further advances both in the commercial and residential markets.”

At 31 December 2008, the net asset value per share in Fabian Romania was €1.501 (30 September 2008: €1.665) representing a decrease of 9.8 per cent in the fourth quarter of 2008.

Over the year as a whole, the net asset value per share fell by 9.9 per cent from the value per share at Dec 31 2007 of €1.666.

Adjusting the current net asset value for the estimated future development profits of €0.298 per share indicates a future net asset value (development profit net asset value) of €1.799 per share, a decrease of 18.7 per cent in the year.

Despite a 4.3 per cent rise in rental income over the year, Fabian paints a sombre picture on the state of the Bucharest commercial property rental market. “There is now less certainty as to the take-up of Bucharest office space and rental levels for the foreseeable future.”

Fabian Romania, an AIM-listed company, has just been acquired by Black Sea Global Properties, which is controlled by one of the most successful Romanian entrepreneurs, Dinu Patriciu.

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