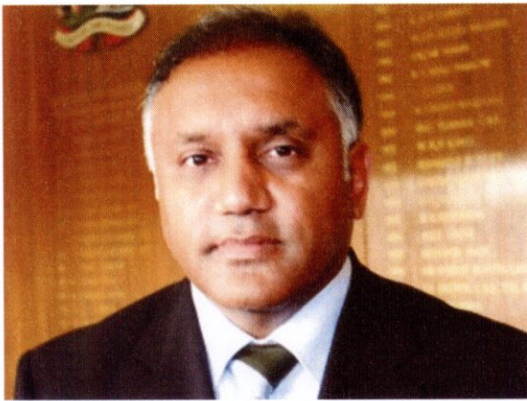


Revenue rise fails to prevent pre-tax loss at REI

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By Tamlyn Jones - Business Correspondent



Real Estate Investors chief executive Paul Bassi

REVENUES at Paul Bassi's Birmingham-based Real Estate Investors have climbed in the first half of 2011 yet the company has posted a H1 pre-tax loss.

In its half-year results for the six months to June 30, 2011, revenues rose year-on-year from £1.65m to £1.8m while gross profit climbed from £1.45m to £1.74m.

But the AIM-listed plc posted a pre-tax loss of £1.9m for the period, which it said reflected a revaluation deficit of £1.7m and a £71,000 loss on the revaluation of interest rate swaps, both of which are non-cash items.

Cash and cash equivalents amounted to £8m at the period end, it said today.

REI said rental income had increased in H1 2011 to £1.8m compared with £1.6m in 2010 while gross property assets had risen by 7% to £60.3m from £56.5m at the end of 2010.

New lettings and asset management initiatives increased the contracted rent roll, it said, to £4.5m from £4.1m at the end of 2010.

Following £13m worth of acquisitions, [which REI announced earlier this month](#), its contracted annual rent roll has increased to £6.1m.

Chief executive Bassi said: "Despite the doom and gloom in the financial markets we remain positive, focussed and continue to run our business prudently with the view to improving rental income and subsequent capital growth. With our existing cash and agreed bank facilities, we will secure further opportunistic investments that will comply with our acquisition criteria of attractive yields, asset management, and rising capital values."