

## **Results of Annual General Meeting**

Held 21 June 2011, Andaz Hotel Liverpool Street, London EC2M 7QN

Eastern Property Holdings Limited ('EPH'), a real estate investment and development company focusing on Russia and CIS, held its Annual General Meeting ('AGM'). All resolutions proposed were passed.

Gustav Stenbolt, Chairman of the meeting, said:

"This AGM approved a number of important resolutions to strengthen the corporate governance of Eastern Property Holdings. We are delighted to welcome two new independent non-executive directors – Kirill Rubinski and Bernard Sucher. Both Kirill and Bernard are highly experienced and deeply respected members of Russia's business community. I look forward to the greater independence and rigor they will bring to EPH's governance. The Board of Directors will build on today's progress to further improve EPH's corporate governance over the coming months."

**The following resolutions were duly passed by the AGM:**

- 1. Approval of the Annual Report for the year ended December 31, 2010**
- 2. Re-Election of Ernst & Young Ltd as EPH's auditor for one year.**
- 3. That the Directors' proposal that no dividend is paid for the year ending 31 December 2010 is approved.**
- 4. Amendment of Article 9.4: Term of Director's Election.** An amendment to the proposed resolution was accepted. The Article shall read:

"Subject to Article 9.5, each director holds office for the term fixed by the resolution appointing him. The term can be up to three years, and re-election is permissible."
- 5. The term of current board members, who were elected for an indefinite period, is now three years. Their terms will expire as of the 2014 Annual Shareholders' Meeting.**
- 6. Amendment of Article 14.3: Conflicts of Interest.** The Article shall read:

"A director of the Company who is interested in a transaction entered into or to be entered into by the Company cannot vote on the matter. The director may:

  - a) attend a meeting of the directors at which a matter relating to the transaction arises and be included among the directors present at the meeting for the purposes of a quorum; and b)

sign a document on behalf of the Company, or do any other thing in his capacity as a director, that relates to the transaction, and, subject to compliance with the Act shall not, by reason of his office be accountable to the Company for any benefit which he derives from such transaction and no such transaction shall be liable to be avoided on the grounds of any such interest or benefit."
- 7. Introduction of Article 7.6 – 7.8: Reporting of Significant Shareholdings. The following provisions will be added:**

“7.6 A Shareholder must notify the Company of the percentage of its shares outstanding he holds, directly or indirectly (or on account of another person who is a direct or indirect Shareholder), if such aggregate ownership reaches, exceeds or falls below 3%, 5%, 10%, 15%, 20%, 25%, 33%, 50% or 66% as a result of an acquisition or disposal of shares or any other form of financial instrument or derivative which results in an entitlement to acquire, on such Shareholder’s own initiative alone, shares of the Company.

7.7 Any notification required to be made to the Company pursuant to this Article 7 shall be effected as soon as possible, but not later than two business days after the change of ownership.

7.8 If it shall come to the notice of the directors that any Shareholder has not, within the requisite period, made any notification required by Article 7.6, the Company may (at the absolute discretion of the directors) at any time thereafter by notice (a “restriction notice”) to such Shareholder direct that, in respect of the shares in relation to which the default has occurred (the “default shares” which expression shall include any further shares which are issued in respect of any default shares), the Shareholder shall not be entitled to be present or to vote on any question, either in person or by proxy, at any general meeting of the Company or separate general meeting of the holders of any class of shares of the Company, or to be reckoned in a quorum, for a period of up to five (5) years after the date of the restriction notice.”

**8. To elect Mr. Kirill Rubinsky to the board of directors for a three year term**

**9. To elect Mr. Bernard Sucher to the board of directors for a three year term**

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**Eastern Property Holdings Ltd.** is an SIX Swiss Exchange-listed real estate development company focusing on Russia. The company holds interests in office, residential, retail and parking properties and developments, principally in Moscow and St. Petersburg. EPH is managed by Valartis International Ltd. a wholly-owned subsidiary of Valartis Group AG. Additional information on Eastern Property Holdings is available by contacting Terry Olin, Tel: +41 22 716 1035.

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