

## PRESS RELEASE

### First Quarter 2016 Financial Update

30 May 2016, Road Town, Tortola, BVI

#### FINANCIAL HIGHLIGHTS

- The performance of the Company's income-generating properties is almost not impacted by the overall decline in the Russian market and continues to demonstrate high profitability;
- The volatility of Rouble/US dollar exchange rate continues to be one of the main factors affecting the Company's operating results;
- Deferred part of the purchase price of Hermitage Plaza in the amount of US\$ 100.9 million was paid in March 2016 resulting in tangible decrease in the Company's accounts payable;
- Strengthening of Rouble against US dollar during Q1 2016 led to increase of Arbat development property value which is carried at cost nominated in Roubles;
- NAV as of 31 March 2016 is slightly higher than as at 31 December 2015 (assuming that the real estate valuations done as of 31 December 2015 are unchanged).

#### Significant Q1 2016 Income and Expense Items

Net Rental Income	31.03.2016	31.03.2015	Change YoY
Berlin House	3,910,323	3,945,745	-35,422
Geneva House	3,639,876	3,978,745	-338,868
Polar Lights	3,326,352	3,771,171	-444,819
Hermitage Plaza	6,423,991	6,050,247	373,744
Magistral'naya	128,353	139,449	-11,096
<b>Total</b>	<b>17,428,896</b>	<b>17,885,357</b>	<b>-456,461</b>

YoY changes in Income/Expense Items	31.03.2016	31.03.2015	Change YoY
Net foreign exchange gain/ (loss)	-34,696,378	-5,901,067	-28,795,311
Finance costs	-8,540,327	-8,051,124	-489,203

#### Significant Q1 2016 changes in Financial Position

Assets	31.03.2016	31.12.2015	Change
Cash & cash equivalents	24,518,218	127,772,076	-103,253,858
Assets under development	64,442,137	57,656,429	6,785,708
Liabilities	31.03.2016	31.12.2015	Change
Accounts payable and accrued expenses	88,313,179	198,552,400	-110,239,221

*Eastern Property Holdings Ltd. is an investment company listed on SIX Swiss Exchange which holds interest in office, residential and retail properties. EPH is managed by Valartis International Ltd. a wholly-owned subsidiary of Valartis Group AG.*

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