

Eastern Property Holdings Completes Second Stage of Real Estate Transaction

Tortola, British Virgin Islands (15 August 2011): Eastern Property Holdings Ltd ('EPH') has completed the second stage of the transaction in which a private real estate investment group has acquired a majority stake in two properties located on Petrovka Street in Moscow. The first stage was completed on 29 June 2011.

Berlin House and Geneva House were formerly 100% owned by EPH. Following the first stage in the multi-stage transaction, EPH became 20% owner of the two properties. Completion of this second stage, in which another 10% was sold to the same investor using the same valuation, brings EPH's ownership in each building to 10%. EPH will retain these stakes in the two trophy properties in order to participate in their potential future appreciation.

In February 2011, the former EPH subsidiary which owned Geneva House drew a US\$ 40 million investment loan facility secured by the property. The two-year loan, which was at an interest rate of 9.75%, has now been repaid. EPH and the new majority owner have each paid their pro rata share of the loan amount.

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.
