

Eastern Property Holdings Ltd. Announces Interim Unaudited Results for the six months ended 30 June 2011

Tortola, British Virgin Islands (13 September 2011): Eastern Property Holdings Ltd., a real estate development company focused on Russia, today announces interim unaudited results for the first half of 2011.

- Total assets held at fair value were US\$ 359.27 million (31 December 2010: 485.81 million). Though Russian property markets are little changed since 31 December, and there has been no deterioration in the quality of EPH's assets, the company appointed a new appraiser who has used different assumptions in the valuation of the company's development projects. The valuations of rental properties were little changed since 31 December 2010.
- Net loss for the period is US\$ 59.13 million (31 December 2010: loss 3.39 million). This reflects the one-off adjustment of fair values as well as a US\$ 11.49 million loss from foreign currency translation due to the strength of the Russian ruble against the US\$ during the period.
- NAV per share was US\$ 69.03 (31 December 2010: 80.54), reflecting the adjustment in fair values of our assets.
- In the closing days of the period, the company sold majority stakes in its Moscow properties Berlin House and Geneva House. As of balance sheet date, the company had cash and equivalents of over US\$ 83 million, with additional amounts arriving from the same transaction in July and August.
- On 7 September, the Board of Directors declared a US\$ 5.00 per share dividend, to be paid on 20 September to shareholders of record on 19 September.

Full Report

The full **Semi-annual Report 2011**, including the Consolidated Interim Financial Information for the company is available on the company's website. The interim information is unaudited.

Conference Call with Management

EPH management will host a conference call for analysts and investors on **September 13, 2011 at 18.00 CET**. Dial-in details and the presentation for the call are available on the company website.

	30.06.2011	31.12.2010	% Change
Assets			
Investment properties	\$114'677'772	\$370'228'101	
Assets under development	\$56'600'000	\$40'247'869	
Loans and receivables	\$53'807'590	\$28'888'022	
Cash & cash equivalents	\$83'316'849	\$9'621'851	
Other assets	\$50'867'620	\$36'824'850	
Total assets	\$359'269'831	\$485'810'693	-26.05%
Liabilities			
Bank loans	\$37'000'000	\$75'482'666	
Accounts payable and accrued expenses	\$5'308'330	\$28'492'261	
Total liabilities	\$65'028'805	\$142'503'510	-54.37%
Total equity	\$294'241'026	\$343'307'183	
Number of shares outstanding	4'262'613	4'262'613	
Net asset value per share	\$69.03	\$80.54	-14.29%
	30.06.2011	30.06.2010	
Results			
Gross rental income	\$10'223'477	\$6'146'708	
Net (loss)/ gain from fair value adjustment on investment properties	-\$13'342'316	\$11'813'287	
Net gain/ (loss) from fair value adjustment on financial investments	\$737'427	-\$1'300'032	
Net operating (loss)/ gain before finance cost	-\$23'367'162	\$7'485'229	
Net loss for the period	-\$59'125'917	-\$3'391'768	
Earnings per share	-\$13.87	-\$0.80	
Market capitalisation	\$156'437'897	\$104'434'019	+49.80

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.
