



PRESS RELEASE

Eastern Property Holdings Limited announces pricing of its offering of up to USD 130'000'000 5.5% Bonds 2014 – 2023

18 September 2014, Road Town, Tortola, BVI

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Following Eastern Property Holdings Limited's announcement dated 15 September 2014 of its launch of a bond issuance denominated in US Dollars, Eastern Property Holdings Limited confirms that the offering will be structured as follows:

USD 130'000'000 5.5% Bonds due 2023, with an issue price of 100% of the principal amount.

The closing of the offer period is currently expected on 23 September 2014, 15:00 CET, in line with the Swiss market practice. The bonds will be issued by Eastern Property Holdings Limited, a business company under the laws of the British Virgin Islands.

Please, refer to the attached EPH term sheet for further information.

The issuance is authorized pursuant to the resolution of the board of directors of Eastern Property Holdings Limited dated 15 September 2014 and lead managed by Valartis Bank (Liechtenstein) AG.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.

This announcement does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States or any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The Bonds have not been registered under the U.S. Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the U.S. Securities Act. A public offering of securities will be made in Switzerland solely by means of a prospectus. Such prospectus will contain detailed information about the Company making the offer and its management and financial statements. No public offering will be made outside of Switzerland, including the United States.

Eastern Property Holdings Ltd. is an SIX Swiss Exchange-listed real estate development and investment 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 Anna Bernhart Tel: +41 43 336 8111.

EASTERN PROPERTY HOLDINGS LIMITED (EPH)

c/o Blenheim Trust (BVI) Ltd., R.G. Hodge Plaza, Wickhams Cay I, PO Box 3483, Road Town, Tortola,
British Virgin Islands

5.5 % p.a. Fixed Income Bond 2014 – 2023 of up to USD 130'000'000

Preliminary Prospectus dated 18 September 2014

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|-----------------|---|
| Issuer | Eastern Property Holdings Limited (EPH) |
| Nominal Amount | up to USD 130'000'000 |
| Denomination | USD 10'000 nominal and multiples thereof |
| Form / Delivery | Permanent Global Bond in accordance with Art. 973b of the Swiss Code of Obligations Bondholders do not have the right to request the printing and delivery of definitive Bonds |
| Interest Rate | 5.5 % p.a. payable semi-annually on 31 March and 30 September, for the first time on 31 March 2015. |
| Issue Price | at par (100% of nominal amount) |
| Offer Period | 18 September 2014 until 23 September 2014, 15:00 CET |
| Payment Date | 26 September 2014 |
| Reopening | The Issuer reserves the right to reopen this issue according to the terms and conditions of the Bonds |
| Redemption | 30 September 2023, at par |

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| Early Redemption | Early Redemption for tax reasons, at the option of the Issuer in case of a Spin off Event and at the option of the Bondholders (after 3 and 6 years) |
| Covenants | Pari Passu Clause, Negative Pledge (with exemptions), Cross Default (with exemptions) (each covenant in accordance with the Terms and Conditions of the Bonds) |
| Payments in another Currency | The Issuer reserves the right to deliver the respective amounts required for interest payments or redemption in any other world currency as accepted by SIX Swiss Exchange instead of US\$ at the Swiss National Bank's spot rate of exchange prevailing between US\$ and the other currency on 09:00 CET of the respective Interest Payment Date or the Maturity Date |
| Listing | Bond standard of SIX Swiss Exchange |
| Lead Manager and Principal Paying Agent | Valartis Bank (Liechtenstein) AG |
| ISIN | CH0254468074 |
| Securities Number | 25446807 |
| Restrictions | In particular U.S.A., U.S. persons, United Kingdom, European Economic Area, Russian Federation, British Virgin Islands |
| Governing Law | Switzerland |
| Jurisdiction | Zurich |

Please, contact Mr. Alexander Pozenel, Valartis Advisory Services SA, under e-mail a.pozenel@valartis.ch or phone +41 43 336 83 35 regarding further information.

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