

PRESS RELEASE

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Eastern Property Holdings Announces Real Estate Joint Venture and Concludes USD 40,000,000 Loan Facility

Road Town, Tortola, BVI,

Eastern Property Holdings (EPH) has entered into an agreement to create a real estate joint venture on the basis of its two prime Moscow properties, Geneva House and Berlin House. A real estate investment group will acquire the majority stake in this joint venture in two stages - 80% at first stage and 10% at second stage - and has agreed to make a substantial advance payment. EPH would retain a 10% interest in this joint venture, subject to a shareholders' agreement with the majority shareholder. The transaction valuation is in excess of EPH's carrying value at 30 June 2010, and consistent with the appraised value used for its 31 December 2010 financial statements which will be released at the end of March.

Completion of the transaction is expected mid-year 2011 and remains subject to the consent of financial lenders and other customary conditions.

EPH also announces that its fully-owned subsidiary has entered into a two-year, non-recourse USD 40,000,000 investment loan facility with OAO "Nomos Bank" secured by a mortgage in Geneva House.

The proceeds from these transactions are expected to be used for such purposes as providing further investment for development projects, repaying debt, share buy-backs and/or paying dividends.

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 Terry Olin, Tel: +41 22 716 1035.