

Eastern Property Holdings Concludes Real Estate Transaction

Tortola, British Virgin Islands (29 June 2011): Eastern Property Holdings Ltd ('EPH') today concluded the transaction announced on 28 February 2011 in which a private real estate investment group has acquired a majority stake in two properties located on Petrovka Street in Moscow. Geneva House and Berlin House are both prime class-A mixed-use office/retail properties in one of Moscow's most prestigious locations. Berlin House was acquired by EPH in 2004, while the neighboring Geneva House was acquired as a project in 2006 and developed by EPH's in-house project management team in a joint venture. Upon completion and commissioning of the property, EPH acquired full ownership of Geneva House through purchase of its joint venture partner's 50% stake in July 2010.

The appraised values of the two properties as per EPH's audited 2010 year end financials, US\$ 90.3million for Berlin House and US\$ 140.5 million for Geneva House, were used as the basis for the transaction value, which was then adjusted for approximately US\$ 87 million of third party debt secured by the properties.

Following this first stage in the multi-stage transaction, EPH has become 20% owner of the two properties. Completion of a second stage, under which another 10% will be sold to the same investor using the same valuation, is planned by year-end. EPH will retain 10% stakes in the two trophy properties in order to participate in their potential future appreciation.

The management, leasing, operations and marketing strategy of the assets will continue unchanged under the new ownership structure. The proceeds from these transactions will be used first to ensure completion of the company's Moscow development projects. Other uses to be considered by the company include additional reduction of debt, payment of a dividend, or repurchasing shares.

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.
