

FOR IMMEDIATE RELEASE

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**EASTERN PROPERTY HOLDINGS ACQUIRES PETROVSKY FORT
BUSINESS CENTER IN ST. PETERSBURG FOR \$65 MILLION**



Eastern Property Holdings Ltd. (EPH), the Swiss exchange listed real estate company focusing on Russia and the CIS, acquires Petrovsky Fort Business Center in St. Petersburg, Russia.

Petrovsky Fort is a fully-let mixed-use multi-tenant business center located in central St. Petersburg, a short distance from the Peter and Paul Fortress. The building has total space of approximately 48,000 square meters, divided over nine office and two retail levels. There are 106 underground parking places, and ample above-ground parking. The building, located at 4 Finlyandsky Prospect, is on a 1.2 hectare plot of land leased from the city of St. Petersburg under a 49-year lease agreement.

Since its opening in May of 2003, Petrovsky Fort has operated as a Class B+ business center. Roughly half the building's office space is occupied by 10 large tenants, while

the rest is leased to over 200 small tenants. The two lower floors house a number of retail tenants and restaurants.

St. Petersburg is the second largest city in Russia, and ninth largest metropolitan area in Europe with a population of over 5.5 million people. Development of modern commercial space is still at an early stage: at the end of 2005, the total amount of international quality office space was less than 400,000 square meters.

EPH acquired Petrovsky Fort through the purchase of its parent company for a total consideration of \$65 million, representing an initial gross rental yield of over 13.5%. The acquisition was financed by EPH's current cash position and a \$32 million bridge debt facility. In the coming months the company will determine the optimal financing structure for the acquisition and evaluate the option to pursue a capital increase within the mandate provided by shareholders at the AGM in May.

EPH also owns Berlin House, a prime quality office and retail property in central Moscow, and is developing office and retail projects in Moscow and other Russian cities. With the acquisition of Petrovsky Fort the company expects its total assets to be over \$170 million. EPH intends to further expand its portfolio of Russian real estate investments in the near future.

Eastern Property Holdings Ltd. became in 2003 the first listed real estate company offering shareholders an exposure to the property markets of Russia and the CIS. By investing in both existing buildings and development projects, the company aims to combine long-term value appreciation with current income. The company trades on the SWX Swiss Exchange under the ticker EPH.

Additional information on Eastern Property Holdings is available on the company website (www.easternpropertyholdings.com) or by contacting Terry Olin, Tel: +41 22 716 1035, or Alexander Nikolaev, Tel +7 495 730 3525. Email: contact@easternpropertyholdings.com