

**Eastern Property Holdings Ltd. announces closing of the acquisition of 94% of the office and retail complex CityGate in Stuttgart, Germany from The Carlyle Group**

*2 November 2016, Road Town, Tortola, BVI*

Eastern Property Holdings (“EPH” or the “Company”) announces the closing of the transaction regarding the acquisition of 94% ownership interest in the office and retail complex CityGate, located in Stuttgart, Germany, from The Carlyle Group. The property has been acquired through a competitive tender process on market terms. The parties to the transaction agreed not to disclose the acquisition price to the public.

CityGate is a newly constructed Class A office and retail complex with an underground parking garage perfectly located in the center of Stuttgart, in close proximity to the main railway station. The building with a total area of approx. 17,300 sqm on 11 floors (including more than 15,000 sqm of office space) is rented out to reputable national and international tenants. The forecasted annual net operating income of CityGate amounts to EUR 4.3m with an overall weighted average lease term of 10 years.

For further information on CityGate please refer to <http://citygate-stuttgart.de/>.

CityGate is EPH' first core commercial real estate asset in Germany, this transaction follows the strategy of the Company to focus on investments in premium quality income producing commercial property assets. Given its key investment parameters such as excellent location, reputable tenants with long-term leases and highest construction quality, the acquisition of CityGate will further diversify the Company's portfolio and strengthen sustainability of its long-term performance.

Although Russia remains to be the prime focus for the Company's investments and EPH is fully satisfied with its current real estate portfolio, on the back of current uncertainty in Russian real estate sector the Company searches for alternative destinations for investments that remains consistent with general EPH aims and objectives. Germany remains one of the most attractive, safe and liquid real estate markets in Europe.

**Eastern Property Holdings Ltd.** is an investment company listed on SIX Swiss Exchange which holds interest in office, residential and retail properties. 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 44 503 5400.