

PRESS RELEASE
First Quarter 2017 Financial Update

31 May 2017, Road Town, Tortola, BVI

FINANCIAL HIGHLIGHTS

- The performance of the Company's income-generating properties continues to demonstrate good profitability. During the first quarter 2017 EPH rental properties generated \$19.24 million of net rental income (Q1 2016: \$17.43 million). The contribution of each property to net rental income is presented in the table below;
- Cash generated by the rental properties is sufficient to cover the Company's operating expenses, including payment of interest on the bonds issued by the Company;
- The volatility of Rouble/US dollar exchange rate continues to be one of the main factors affecting the Company's operating results;
- Strengthening of Rouble against US dollar during Q1 2017 led to increase of Arbat development property value which is carried at cost nominated in Roubles;

Significant Q1 2017 Income and Expense Items

Net Rental Income	31.03.2017	31.03.2016	Change YoY
Berlin House	4,081,620	3,910,323	171,297
Geneva House	3,404,942	3,639,876	-234,935
Polar Lights	3,378,898	3,326,352	52,546
Hermitage Plaza	6,485,583	6,423,991	61,592
City Gate	811,047	-	811,047
Magistral'naya	153,666	128,353	25,313
Total	18,315,756	17,428,896	886,859

YoY changes in Income/Expense Items	31.03.2017	31.03.2016	Change YoY
Net foreign exchange loss	-28,936,745	-34,696,378	5,759,633
Finance costs	-7,015,376	-8,540,327	1,524,951

Significant Q1 2017 changes in Financial Position

Assets	31.03.2017	31.12.2016	Change
Cash & cash equivalents	42,808,389	41,378,278	1,430,111
Assets under development	79,402,860	72,855,882	6,546,978
Liabilities	31.03.2017	31.12.2016	Change
Borrowings (LT & ST)	480,878,856	480,934,738	(55,882)
Accounts payable and accrued expenses	52,826,436	60,122,219	(7,295,783)

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.