

PRESS RELEASE

EPH GROUP EXPECTS A SIGNIFICANTLY LOWER ANNUAL LOSS IN 2017 COMPARED TO THE LOSS OF THE PREVIOUS YEAR

22 March 2018, Road Town, Tortola, BVI

Eastern Property Holdings (“EPH” or the “Company”) would like to announce that the Company expects a net loss of between US\$ 1 - 10 million for the year 2017, compared to a net loss of US\$ 70.5 million for the same period a year earlier.

The main factor contributing to such significant decrease in loss is currency effect. In 2016 the Company recognized a net foreign exchange loss in amount of USD 85.0 million. Due to decrease in the volatility of USD/RUB exchange rate in 2017 we expect that the net foreign exchange result will not have significant impact on the overall 2017 Company's results.

The Company also expects that in 2017 the loss from fair value adjustments of its investment properties will be less than in 2016. It should be noted, however, that the valuation process is not finalized yet, therefore, further changes are still possible.

The Company would also like to emphasize that both 2017 and 2016 losses are caused by non-operational and non-monetary factors in accordance with International Financial Reporting Standards. From an operating standpoint the Company's income-generating properties continue to demonstrate stable profitability and generate sufficient cash to cover the Company's operating expenses, including payment of interest on the bonds issued by the Company.

The above stated 2017 figures and expectations are still subject to auditor's confirmation. The annual results for 2017 and the annual report will be published on 28 April 2018. No further information on the Group's business performance will be released until then.

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.