



22 April, 2005

Roadtown, Tortola, BVI

Eastern Property Holdings announces completion of US\$55 million capital increase

Eastern Property Holdings has placed 715,000 new ordinary shares at US\$77 per share with new and existing shareholders. The offering period ended 21 April 2005, and the first day of trading for the new shares is planned for 25 April 2005. The price was set in a bookbuilding process.

The offering consisted of a public offering in Switzerland and a private placement in certain other countries outside Switzerland, and outside the United States, Canada, Australia and Japan. Eastern Property Holdings will receive all of the proceeds from the sale of the ordinary shares purchased upon exercise of such subscription rights and otherwise, net of fees and expenses.

In conjunction with the offering, 254,030 Series A non-voting preferred shares are being automatically converted at a one to one ratio into ordinary shares.

With the completion of this offering Eastern Property Holdings has 1,587,837 ordinary shares outstanding, which represents the entire share capital of the company.

Eastern Property Holdings plans to use the net proceeds from the offering for funding of future growth through investment in real estate and real estate development projects in Russia and the CIS. In 2004, the company invested over US\$62 million in the Russian real estate sector through the acquisition of Berlin House in central Moscow, and participation in the development of Mosmart hypermarkets.

Renaissance Capital was sole global co-ordinator and bookrunner and Renaissance Capital and OZ Bankers acted as joint lead managers in the offering process.

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 +7 095 730 3525. Email: contact@easternpropertyholdings.com