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17 July 2007

Eastern Property Partners to Acquire 50% of Two Development Projects

Eastern Property Partners LP, a Cayman limited partnership 90% owned by Eastern Property Holdings Ltd. (EPH) announces its intention to acquire 50% stakes in two development projects. Total size of the two projects will be at least 38,000 square meters of mixed-use (luxury retail & apartments with underground parking) space in the historical center of Moscow.

Total project budget including construction costs is approximately US\$ 180 million. The first of the two projects is currently underway, and groundbreaking for the second is expected before the end of the year.

EPH will pay for this acquisition using cash currently on hand. As additional acquisitions are expected in the near future, and cash will be required to fund construction of the new project, as well as the company's ongoing development projects on Moscow's Petrovka Street and in Nizhny Novgorod, EPH is in the process of refinancing its Berlin House and Petrovsky Fort properties in Moscow and St. Petersburg.

In addition to leveraging its existing properties, EPH will list 338,000 new shares on the SWX Swiss stock exchange on 20 July. The new shares, representing just under 10% of the company's current share capital, will be held by the company as treasury stock which may, if necessary, be placed with institutional investors to meet cash requirements in the coming months.

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