



**FOR IMMEDIATE RELEASE**

2 May 2008

Road Town, Tortola, BVI

**Eastern Property Holdings Announces FY2007 Results**

Please refer to our 2007 Annual Report, available at [www.easternpropertyholdings.com](http://www.easternpropertyholdings.com) for full details.

Though only our investment properties and certain financial investments have been revalued, our Net Asset Value per share has increased from \$95.38 at year-end 2006 to \$107.82 at the end of 2007.

This increase reflects a lower discount rate being applied to higher rents and reversion assumptions for our investment properties, and growth of the Mosmart retail chain. Land and projects acquired late in 2007 remain at cost, as do our projects on Moscow's Petrovka and Arbat Streets, where construction is in progress.

Please note: For comparison to peer group companies, it should be remembered that this is Net Asset Value as per our balance sheet, and cannot be compared to a "Target NAV" or other calculation not subject to IFRS.

Earnings per share were for US\$18.77 for 2007, compared to US\$ 13.65 for the prior year.

**Appraisals:**

Our Berlin House and Petrovsky Fort properties, collectively valued at US\$ 205.3 million, are valued using discount rates of 8.5% and 10.5% respectively. Our shopping center assets, held through our stake in Sarnatus, have been valued using a capitalization rates of 9-10%

**Projects:**

Our Geneva House project in Moscow has been under construction since the beginning of this 2007, and is scheduled to "top out" this month (May 2008). As we are financing the project in return for its commissioning in the name of our joint venture upon completion, we are carrying it as Advance Payments, and it remains at cost on our balance sheet.

**Subsequent Events:**

An additional portfolio of projects were added in March 2008, as Eastern Property Partners II, which is 90% owned by EPH, acquired a 50% stake in Inkonika, Moscow's largest parking garage developer. The first Inkonika project will be completed by the end of this year. The second is already under construction.

#### Debt:

The company remains very lightly leveraged, with only US\$40 million of bank debt on the balance sheet as of YE2007. Additional refinancings are underway. Proceeds will be used to build out our project pipeline.

#### Project and Pipeline Valuation:

Our project pipeline has increased from 114,000 square meters of GBA to over 424,000 through new acquisitions since the beginning of 2007. As our accounting policy of generally keeping projects at cost until completed is consistent with most European peers, but not always with local peers, analysts and investors have found it difficult to compare the scale of our project pipeline with those of other Russian or emerging Europe-focused property companies. In order to provide an independent valuation of our projects prepared on the same basis as peer group companies, we have engaged DTZ to value our project pipeline. As the Inkonka acquisition was completed in March, results of the valuation are expected only at the end of May. The results will be announced as soon as available.

#### **About Eastern Property Holdings:**

Eastern Property Holdings Limited is an SWX listed real estate development and investment company focusing on Russia. The Company holds interests in office, residential and retail real estate and property developments, principally in Moscow and St. Petersburg. EPH is managed by Eastern Property Management Limited, a real estate management company that is a wholly-owned subsidiary of Valartis Group AG.

Additional information on Eastern Property Holdings is available on the company website: [www.easternpropertyholdings.com](http://www.easternpropertyholdings.com), or by contacting Terry Olin at Eastern Property Holdings Limited, tel: +41 22 716 1000, e-mail: [contact@easternpropertyholdings.com](mailto:contact@easternpropertyholdings.com).