

## East Capital wins First Ever Cayman Islands Court Ruling on "Fair Value" in the Context of Cayman Companies Mergers

East Capital, a specialist in emerging and frontier markets, announces the positive outcome of the legal case to determine the fair value of shares held in Russian oilfield services company Integra Group in conjunction with the Management Buy Out (MBO), announced in March 2014. The ruling of Mr Justice Jones dated 28 August 2015 resulted in East Capital becoming the first investor ever to conclude the full court route to establish fair value according to Cayman Islands Companies Law, increasing the value of the East Capital funds' holdings in Integra (including interest) by 24% over the MBO offer price.

As an investment specialist, East Capital is a long-term and active investor in numerous companies, including Integra Group, a company incorporated in the Cayman Islands that was listed on the London Stock Exchange and subject to a MBO in the spring of 2014. Following the announcement of the MBO, East Capital considered that the offered price was below the fair value of the company.

As the largest shareholder in Integra not part of the MBO consortium, East Capital believed it was essential under these circumstances to ensure that unit holders in the East Capital funds received a fair value for their holdings in Integra.

East Capital successfully took legal action via the *Cayman Islands Companies Law*, which offers shareholders who disagree with the price offered in a merger an opportunity to dissent, and ultimately entails the Cayman Islands Grand Court determining the fair value, should the parties fail to agree a fair price between them.

The hands-on involvement of East Capital's investment team following the MBO announcement resulted in the Court's decision which increased the value of the recovery for the holdings in Integra (including interest) by 24% over the MBO offer price in USD.

Commenting on the case, Jacob Grapengiesser, Partner at East Capital, said: *"As a long term and active shareholder, we saw it as our responsibility in this case to do our utmost to attain fair value for our fund unit holders. We are pleased that the efficient process to exercise our dissenting rights and the fact that the Cayman Islands Grand Court demonstrated understanding of the issue and the ability to determine fair value enabled us to do so, strengthening the rights of many minority shareholders in similar situations. This ruling contributes to positioning the Cayman Islands legal system as a credible enforcer of legal rights in conjunction with responsible and transparent investment practices."*

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**About East Capital**

East Capital is a specialist in emerging and frontier markets. The company, founded in 1997, bases its investment strategy on thorough knowledge of the markets, fundamental analysis and frequent company visits by its investment teams. East Capital actively manages EUR 2.6 billion in public equity, private equity and real estate. It is headquartered in Stockholm, with offices in Dubai, Hong Kong, Luxembourg, Moscow, Oslo and Tallinn.

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