

PRESS RELEASE

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East Capital to launch new Special Opportunities Fund

East Capital announced, today, its forthcoming launch of Special Opportunities Fund II, which will target investments in companies with a positive outlook for future operations but which, due to market or owner-specific reasons, can be acquired at valuations which are lower than those suggested by the companies' fundamentals. In addition, the Fund will also invest in distressed situations, and through directed rights issues, when the risk reward ratio for such investments is favorable. The Fund will invest in Russia and in all regions within Eastern Europe.

Investment opportunities will typically be sourced outside the ordinary market environment, hence, leveraging East Capital's experience and local networks. The Fund will target investments with a clear trigger for revaluation and with exit opportunities within a four-year period. When appropriate, East Capital will assume an active role in companies through board representation, or other means. The Fund's investment focus will be on listed, or otherwise traded, equities but other financial instruments may also be utilized, if deemed appropriate. All proceeds on divestments after three years will be distributed to investors.

Peter Elam Håkansson, Chairman and Head of Portfolio Management at East Capital says, "Continued market volatility and scarcity of capital are playing into our hands, enabling us to make investments similar to those undertaken immediately following the 2008 crisis. Our local presence and our on the ground analysis will enable us to act promptly, across markets and sectors, and to capitalise upon these opportunities before market conditions normalise."

The new Fund follows the successful launch of the East Capital Special Opportunities Fund in the second quarter of 2009, which is fully invested and has returned 38% (USD) since inception.

East Capital Explorer AB, a Swedish listed entity investing mainly in East Capital's private equity and semi-public equity funds, will invest EUR35m in the Fund during the fourth quarter of 2010. The Special Opportunities Fund II is a Luxemburg domiciled, EUR denominated fund and will also be open to other institutional and qualified investors. The Fund term is four years and the maximum fund size is limited to EUR100m.

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About East Capital

East Capital is the leading independent asset manager specialising in Eastern European financial 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 4.2bn both in public and private equity across the East Capital Universe which spans 30 countries and encompasses more than 400 million people. East Capital is headquartered in Stockholm, with offices in Hong Kong, Kyiv, Moscow, Oslo, Paris, Tallinn and Vienna.

www.eastcapital.com

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