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**PRESS RELEASE**

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**East Capital launches new fund with aim to acquire undervalued assets in special situations**

**The new East Capital Special Opportunities Fund targets investment opportunities that due to market or owner specific reasons can be acquired at low valuations. The fund is mandated to invest in Russia and the rest of Eastern Europe.**

Peter Elam Håkansson, Chairman and Head of Portfolio Management East Capital said:

*“Capital is scarce and opportunities to buy sound companies at low valuations only stay until market conditions have normalised. The ability to act fast, across markets and sectors is crucial to capitalise on these opportunities.”*

The fund will target investments in companies with a solid operation and business outlook, which due to market or owner specific reasons can be acquired at low valuation levels. These opportunities are usually sourced outside ordinary markets, thus East Capital’s experience, local presence and network will be key. East Capital will target investments with both a clear trigger for revaluation and exit opportunity within four years. The strategy implies that East Capital will, when appropriate, take a more active role in the company through board representation or other means. Investment focus will be listed, or otherwise traded, equity securities, but other financial instruments can also be utilised. Distributions to investors can be made throughout the life time of the fund. All proceeds from divestments after three years will be distributed to the investors.

The Board of Directors of East Capital Explorer AB has decided to invest EUR 35m in the fund upon its expected launch during the second quarter of 2009.

The fund will target institutional and other qualified investors and the maximum fund size is limited to USD 100m. The fund term is four years.

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**About East Capital**

East Capital is a leading independent asset manager specialising in Eastern European financial markets. Basing its investment strategy on thorough knowledge of the markets, fundamental analysis and frequent company visits by its investment teams, East Capital actively manages EUR 1.8bn in the East Capital Universe, which spans 29 countries and encompasses more than 400 million people. East Capital has its headquarters in Stockholm, with offices in Paris, Tallinn, Moscow, Oslo, Hong Kong and Vienna.

[www.eastcapital.com](http://www.eastcapital.com)