

**PRESS RELEASE**

6 October 2008

**Eastern Europe growth prospects to outpace western world****High profile line up of speakers at East Capital Summit in Kiev optimistic about Ukraine's economic prospects**

Despite the turbulence in Eastern Europe over the past few months, Peter Elam Håkansson, Chairman and co-founder of East Capital believes the macro economic fundamentals and future growth prospects of Eastern Europe will continue to be significantly higher than the Western world.

Speaking to 150 investors at the twelfth East Capital Summit taking place in Kiev, Peter Elam Håkansson pointed to the structural reforms that have taken place across Eastern Europe, saying this historic process is very much long term, and the changes are likely to have a positive impact over the next decade or more.

“Walking around Kiev, one can see that Eastern Europe has indeed prospered under the structural and economic reforms but there is still much to do to catch up to Western Europe,” said Peter Elam Håkansson.

Commenting on Ukraine's prospects, Carl Bildt, Minister for Foreign Affairs of Sweden, said, “Ukraine is not drifting between East and West; there is stability and direction in what the country wishes to achieve over the years ahead in terms of building a nation and an independent State. Even in these turbulent times, there is reason to be optimistic about Ukraine's medium and long-term prospects. Ukraine is a country that is on its way to an association with the European Union. It is negotiating for a very extensive agreement with deep free trade and regulatory cooperation.”

Peter Elam Håkansson believes some of the best investment opportunities in Eastern Europe can still be found by investing in power utilities, financials and retail sector, which benefit from the domestic growth story.

Commenting on Russia, where East Capital has been investing for over 10 years, Peter Elam Håkansson said, “The political risk premium on equities has increased, causing capital to become more difficult and more expensive. But against this backdrop, the fundamentals for Russia are still strong. With valuations of 3.6 times earnings for 2009, the Russian market is the most attractively priced large market in the world.”

Anders Åslund, Senior Fellow, Peterson Institute for International Economics in Washington DC and a speaker at the Summit said: “Ukraine is lagging behind but it has become a normal market economy and therefore we should expect higher growth as measured in dollars, for a long time to come.”

The Summit featured a number of high profile speakers, including Dr. Hryhoriy Nemyria, Vice Prime Minister of Ukraine and Yuri Melnik, Minister of Agrarian Policy of Ukraine.

The East Capital Summits are held three times per year in Eastern Europe. This time the Summit attracted 150 investors from over 22 countries.

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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 4.5bn 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, Milan and Vienna.

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