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PRESS RELEASE

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East Capital Private Equity:**Explorer Property Fund – Baltic States is fully invested**

Explorer Property Fund – Baltic States has within its two year investment period successfully invested the EUR 55.1m that was raised during the summer 2005. The fund will be fully invested following its three latest acquisitions, bringing the total number of properties in the fund to 18. The newly acquired properties are:

Duntes Nami, a 8,700m² new office building in a business district in Riga, Latvia. The building has already received several architectural awards.

Papiniidu Commercial Centre, a retail building under construction in Pärnu, Estonia, to be completed by March 2008. The total area will be 22,508m² with the anchor tenant EhitusService.

Jin-Jan Office Centre, a 9,600m² office facility situated near the business centre of Vilnius, Lithuania. The centre is under construction and will be completed in 2008.

As per August 27, 2007 the total value of the fund's 18 properties amounted to EUR 202m. Of the fund's committed capital, 60% has been invested in Estonia, 26% in Latvia and 14% in Lithuania. The fund portfolio consists of 43% in offices, 32% in retail, 15% in hotel and 10% in production and logistics properties.

"We are very pleased to be fully invested within our investment period. The fund has a well-balanced portfolio of attractive properties across the Baltic States, which will deliver good returns for our investors," says **Gert Tiivas**, Chairman of the Board, Explorer Property Fund – Baltic States.

Facts about the Explorer Property Fund – Baltic States

The Explorer Property Fund – Baltic States is one of the most active investors on the Baltic property market, after the fund closed in the summer of 2005 with EUR 55.1m in available capital. The portfolio of the fund as of today comprises eighteen objects in total, 12 in Estonia, three in Latvia and three in Lithuania. The fund is managed by AVEC Asset Management, a management company based in Tallinn with regional offices in Riga and Vilnius. AVEC Asset Management is jointly owned by Arco Vara and East Capital.

Facts about Arco Vara

Arco Vara was established in 1992 in Estonia and is today the leading real estate development group in the Baltic States. Arco Vara is active in brokering, development and investments and construction. The company is present in 29 cities across Estonia, Latvia, Lithuania, Ukraine, Bulgaria and Romania and employed 546 people at the end of Q1 2007. Consolidated audited turnover of Arco Vara group in 2006 rose to approx. EUR 31m, with the net profit at EUR 13.9m. Arco Vara shares are listed on the Tallinn Stock Exchange.

Facts about East Capital

East Capital is a leading, independent asset manager specialising in Eastern European financial markets. The company, which is headquartered in Stockholm, with offices in Paris, Hong Kong, Tallinn, Moscow and Oslo and Milan, actively manages over EUR 4.7bn, basing its investment strategy on thorough knowledge of the markets, fundamental analysis and frequent company visits by fund managers and analysts.

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