

### **East Capital launches new fund to capture strong growth in Power Utilities sector**

The new East Capital Power Utilities Fund will invest in the power utilities industry in Russia and other CIS countries such as Ukraine, Kazakhstan and Georgia. The fund will target the many investment opportunities arising from the ongoing power sector reform in Russia and will invest in both listed and unlisted companies across sub-sectors of the industry – including electricity generation, distribution and service.

Peter Elam Håkansson, Chairman and Portfolio Manager East Capital said: *“We have always liked the power utilities sector. East Capital Power Utilities Fund will capitalize on the opportunities from the ongoing reform.”*

The fund will target the many investment opportunities arising from the ongoing power sector reform in Russia. The reform outlines that electricity generation, sales and service companies will be privatized to be able to operate in open and competitive markets with market prices. This is expected to improve the cost structure and efficiency of the Russian power sector which is currently lagging behind Western Europe.

The Board of Directors of East Capital Explorer AB has decided to invest EUR 81m in the new East Capital Power Utilities Fund upon its launch before year-end.

Orkla Financial Investments will be the strategic partner in the East Capital Power Utilities Fund and will invest EUR 30m. Orkla's knowledge related to power production, trading and renewable energy will mean a very valuable contribution to the fund management. Furthermore, the investment provides Orkla with an attractive addition to its existing Russian portfolio.

No additional investors will be taken in at the moment.

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#### **About East Capital**

Founded in 1997, 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, Tallinn, Moscow, Oslo, Hong Kong and Milan, actively manages over EUR 5.1bn, basing its investment strategy on thorough knowledge of the markets, fundamental analysis and frequent company visits by fund managers and analysts.