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## PRESS RELEASE

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### **East Capital launches an exclusive offshore fund dedicated to Southeastern Europe**

The East Capital Bering Balkan Fund will provide qualified investors with a unique exposure to the rapidly expanding countries of Southeastern Europe. The fund is to be launched by East Capital Alternative Investments (Cayman) Ltd, a wholly-owned subsidiary of East Capital Holding, on 29 July 2006. The strategy of the East Capital Bering Balkan Fund, a closed-end fund open for quarterly subscriptions until it reaches the size of USD 100m, will be to make the most of the Balkan stock opportunities by investing in second-tier stocks throughout the Balkan region.

Strong economic growth, increasing investment activity and decreasing country risk all make for attractive opportunities on the Balkan stock markets, where valuations are still low. The local equity markets are also benefiting from the impressive economic and political achievements in the countries that aim to join the EU by the year 2007, as well as from the positive development in those that target EU entry at a later stage.

East Capital has several years of experience of successfully investing in Southeastern Europe, and is one of the largest investors in the region with ca. USD 1.2 billion invested through different vehicles. In October 2004, the company launched the East Capital Balkan Fund, which has returned 91% in USD terms since inception. The East Capital Bering Balkan Fund will be managed by Peter Elam Håkansson, Aivaras Abromavicius and Jacob Grapengiesser.

East Capital believes that the outstanding opportunities offered by smaller companies and less liquid stocks in the region will be more efficiently exploited by a specialised vehicle. "*The long-term nature of these investment opportunities deserves to attract investors with the same long-term view for their investments. They should be thinking along the lines of at least four years, and be willing to accept the risks associated with investments of that kind*" explains Peter Elam Håkansson. The Fund, to be listed on the Cayman Stock Exchange, will be open for new investments on a quarterly basis until total subscriptions reach USD 100m. The minimum size for the investments in the fund, which are then closed for four years, is USD 75,000. First closing will take place on July 29.

Information about the East Capital Bering Balkan Fund, including complete offering material, and about subscription to the fund can be ordered from Trident Trust (Cayman) Ltd, telephone: +1 345 914 5374, fax: +1 345 949 0881, or email: [cayman@tridenttrust.com](mailto:cayman@tridenttrust.com).

#### **Facts about East Capital**

East Capital is a leading, independent asset manager specialising in Eastern European financial markets. The company actively manages over EUR 3.3bn, basing its investment strategy on thorough knowledge of the markets, fundamental analysis and frequent company visits by fund managers and analysts.

Further information can be obtained from:  
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