

PRESS RELEASE

Stockholm, 22 July 2011

East Capital Explorer to acquire additional shares in Melon Fashion Group

East Capital Explorer AB has agreed to acquire Swedfund International AB's approximately 15 percent stake in Melon Fashion Group (MFG), the unlisted Russian fashion retailer with over 500 shops in Russia and Ukraine, for approximately EUR 14m.

Gert Tiivas, CEO of East Capital Explorer AB says: "*MFG has grown very fast and remains one of the most exciting retail companies in our investment universe with potential for further value growth.*"

Prior to the transaction, East Capital Explorer AB held a 16 percent stake in MFG acquired in late 2008 for EUR 10m. The transaction is subject to regulatory approval in Russia, and another shareholder of MFG has an option to acquire up to 50% of Swedfund's stake in MFG. In addition, the deal may result in the obligation for East Capital Explorer to make a mandatory offer to buy out the shares of remaining shareholders of the company at the same valuation. Upon successful completion of the transaction, East Capital Explorer AB together with East Capital Holding AB expect to jointly hold approximately 40 percent of the company's shares. The final size of the transaction will depend on the exercise of the outstanding option and the number of shareholders who elect to participate in the mandatory buy out offer.

Completion of the transaction is expected during the third quarter of 2011. The current transaction is carried out at a 4 percent premium to the current valuation of company, which will result in an upward valuation of the existing holding in the company by the same amount.

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Financial reporting calendar - East Capital Explorer:

- Monthly Net Asset Value report on the fifth working day after the end of each month
- Interim Report, 1 January – 30 June 2011 on 5 August 2011
- Interim Report, 1 January – 30 September 2011 on 11 November 2011

About East Capital Explorer - East Capital Explorer AB is a Swedish company, created with the specific aim of bringing unique investment opportunities in Eastern Europe to a broader investor base. The company invests mainly in East Capital's alternative investment funds as well as in direct investments into private and public companies. East Capital Explorer targets fast growing sectors such as the power utilities, financial, retail and consumer goods and real estate sectors. East Capital Explorer has appointed East Capital to manage its investment activities. Since 9 November 2007, East Capital Explorer is listed on NASDAQ OMX Stockholm, Mid Cap.

This information is disclosed in accordance with the Securities Markets Act, the Financial Instruments Trading Act or demands made in the exchange rules. It was released for publication at 7:00 a.m. CET on 22 July 2011.