

**PRESS RELEASE**  
Stockholm, 16 April 2014

## **Liquidation of East Capital Special Opportunities Fund II expected to provide approximately EUR 19.4m\***

East Capital Special Opportunities Fund II was launched in 2010 with an investment life cycle of four years. As planned, East Capital has now commenced the divestment of the fund's holdings and will pay out the proceeds in tranches. The first pay-out, in late May - early June, is expected to amount to an equivalent of approximately 80% of the company's fund holding. The remainder is expected to be paid out during the autumn of 2014.

"This is yet another step in crystallizing our portfolio values by concentrating the portfolio and increasing the share of direct investments and private equity holdings. In the past year, the number of funds in our portfolio has decreased from twelve to five, while the share of direct investments and private equity has increased significantly. We intend to invest the proceeds primarily in Baltic real estate and in direct investments in the Baltic and Russian consumer sectors", says Catharina Hagberg, Acting CEO of East Capital Explorer.

The value of East Capital Explorer's holding in the fund at 31 March 2014 was EUR 19.4m, representing 7% of the company's net asset value. East Capital Explorer owns 57% of the fund, which was launched with the purpose of investing in Eastern European assets in special situations, where market corrections and liquidity issues created crisis-like valuations.

"The initial period of the fund was characterized by weaker than expected macroeconomic developments, which consequently affected market sentiment. Having worked persistently with the investments, it is encouraging that the holdings we have believed most in, have also performed well recently. We have successfully divested three holdings according to plan; Serbian confectionery manufacturer Bambi was sold with a large premium, Verofarm in a strategic bid and Sibirsky Cement in a negotiated deal. Following these divestments, half of the fund's assets now comprises of cash. The largest remaining holding, Slovenian insurance company Triglav, has gained 26% this year, and we believe that now is a good time to liquidate the portfolio", says Jacob Grapengiesser, Partner and Senior Advisor at East Capital.

*\* As a result of market fluctuations, the actual proceeds may deviate from the estimate, which is based on the value as of March 31, 2014*

### **Contact information**

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### **Financial reporting calendar**

- Monthly Net Asset Value report on the fifth working day after the end of each month
- Annual General Meeting 2014 on 22 April 2014
- Interim Report, 1 January – 31 March 2014 on 22 May 2014
- Interim Report, 1 January – 30 June 2014 on 21 August 2014
- Interim Report, 1 January – 30 September 2014 on 7 November 2014

## **About East Capital Explorer**

East Capital Explorer AB (publ) is a Swedish investment company, created with the specific aim of bringing unique investment opportunities in Eastern Europe to a broader investor base. The company makes direct investments into private and public companies but investments are also made through East Capital's private equity, real estate and alternative investment funds. East Capital Explorer's main investment theme is domestic growth and the Company targets fast growing sectors such as Retail and Consumer goods, Financials and Real Estate. East Capital Explorer has appointed East Capital to manage its investment activities. East Capital Explorer is listed on NASDAQ OMX Stockholm, Mid Cap.

**Listing:** NASDAQ OMX Stockholm, Mid Cap - **Ticker:** ECEX - **ISIN:** SE0002158568 -  
**Reuters:** ECEX.ST - **Bloomberg:** ECEX SS Equity

*This information is disclosed in accordance with the Securities Markets Act, the Financial Instruments Trading Act and demands made in the exchange rules. It was released for publication at 16:00 p.m. CET on 16 April 2014.*