



## PRESS RELEASE

Stockholm, October 12, 2007

### **East Capital Explorer AB (publ) to list on the OMX Nordic Exchange Stockholm, providing unique access to investment opportunities in Eastern Europe**

- East Capital Explorer AB is a newly formed Swedish investment company which will be listed on the OMX Nordic Exchange Stockholm
- East Capital Explorer's aim is to bring unique investment opportunities in Eastern Europe to a broader investor base
- Size of offering: Approximately €300 million (including an over-allotment option), at a price of SEK 100 per share
- International private placement to institutional investors and a public offering to retail investors in Sweden
- Application period: October 15 – November 5, 2007
- Expected first day of trading: November 9, 2007

East Capital Explorer AB has been approved for listing on the OMX Nordic Exchange Stockholm, subject to notice of the requisite number of shareholders.

#### **East Capital Explorer in brief**

East Capital Explorer AB ("East Capital Explorer" or the "Company") is a newly formed Swedish company, created with the specific aim of bringing unique investment opportunities in Eastern Europe to a broader investor base. The Company will focus on investments in non-listed and semi-public companies in fast growing sectors in Eastern Europe and has appointed East Capital (the "Investment Manager") to manage its investment activities.

*"East Capital, as one of the largest and most experienced investors in Eastern Europe, has proven its ability to identify profitable investments in this part of the world. This is a logical next step in making investments in Eastern Europe even more accessible"* says Peter Elam Håkansson, Chairman of East Capital.

*"East Capital Explorer's goal is to deliver attractive returns to our investors by offering a unique diversified exposure to some of the most interesting sectors in this dynamic region. Our special affiliation with East Capital provides us with the most efficient way of achieving this,"* says Gert Tiivas, CEO of East Capital Explorer.

East Capital Explorer intends to invest in certain East Capital Funds with a focus on private and semi-public companies and real estate as well as make selected direct investments. East Capital Explorer will focus on sectors with high growth potential driven by strong domestic demand and convergence with the European Union, including the power utilities, financial, retail and consumer goods and real estate sectors. The Company will focus on investments in Russia and the other CIS countries, the Balkans, the Baltic States, Central Asia and Central Eastern Europe.

### **Investment Highlights**

#### *Unique exposure and preferential access to East Capital*

- The Company will benefit from the experience, knowledge and network of the East Capital investment teams
- The Company will have preferential access to participate in all capital raisings by any East Capital Bering fund or any new private equity, semi-public equity or real estate fund established by East Capital

#### *Rapid deployment of proceeds*

- The Investment Manager has identified a significant pipeline of investment opportunities, and hopes to deploy up to 50% of proceeds within three months. The Company expects to be fully invested within 18 months

#### *Robust shareholder protection and active discount management*

- The Company's Board of Directors has a majority of independent directors
- The Company's Board of Directors will seek approval from shareholders to be able to repurchase shares in the secondary market
- The Company will have limited use of leverage for certain specified purposes, including share repurchases

#### *Management participation*

- East Capital Holding AB intends to participate in the offering

#### *The Investment Manager will bear all main IPO costs*

- East Capital Explorer will only bear very limited costs associated with the listing. Most of the IPO costs will be borne by the Investment Manager

#### *No layering of fees*

- East Capital Explorer will not suffer dual layers of fees at fund and company level. All fees will be payable at the underlying fund level only

**Details of the offering**

The price per share is SEK 100 and a total of up to 24,332,100 shares will be offered, excluding any shares issued upon the exercise of the over-allotment option. Assuming the offer will be subscribed in its entirety, the offering corresponds to approximately €260 million or €300 million should the over-allotment option be exercised in full. However, the aggregate size of the offering may be increased to approximately €500 million depending on market demand for the shares.

East Capital Holding AB intends to become a shareholder in the Company and will be given priority for allocation of up to 4 per cent of the shares offered in the offering, excluding any shares issued upon the exercise of the over-allotment option. Furthermore, East Capital's Eastern European Fund may participate in the offering for up to 10 per cent of the shares offered.

The offering will consist of a public offering in Sweden and a private placement to institutional investors outside of Sweden, subject to applicable restrictions. The roadshow and bookbuilding for institutional investors begins on October 15, 2007 and the application period for retail investors will be October 15 – November 5, 2007. East Capital Explorer's shares are expected to trade on the OMX Nordic Exchange Stockholm beginning November 9, 2007.

Carnegie Investment Bank AB, Citigroup Global Markets Limited and Morgan Stanley & Co. International plc are acting as joint global co-ordinators in connection with the offering.

The Swedish prospectus is available at East Capital Explorer's office, Kungsgatan 33, 103 88 Stockholm, Sweden. The Swedish prospectus is available for download on the Company's website at [www.eastcapitalexplorer.com](http://www.eastcapitalexplorer.com). The Swedish prospectus is also available at Carnegie Investment Bank AB's offices on Västra Trädgårdsgatan 15, 103 38 Stockholm, Sweden.

**Expected timetable of the offering**

Publication of the Swedish prospectus and international offering circular	October 12, 2007
Institutional roadshow and bookbuilding begins	October 15, 2007
Retail application period	October 15 – November 5, 2007
Announcement of allocation	November 6, 2007
First day of trading	November 9, 2007

### **About East Capital Explorer**

East Capital Explorer AB is a newly formed Swedish company, created with the specific aim of bringing unique investment opportunities in Eastern Europe to a broader investor base. The company will focus on investments in non-listed and semi-public companies in fast growing sectors in Eastern Europe and has appointed East Capital to manage its investment activities.

Gert Tiivas is the CEO of East Capital Explorer. The Board of Directors in the Company comprises Paul Bergqvist (Chairman), Lars Emilson, Alexander Ikonnikov, Justas Pipinis and Kestutis Sasnauskas.

### **About East Capital**

Founded in 1997, East Capital is a leading, independent asset manager focused on investments in Russia and the other CIS countries, the Balkans, the Baltic States, Central Asia and Central Eastern Europe, with approximately €5.0 billion in assets under management as of August 31, 2007 and has offices in Stockholm, Tallinn, Moscow, Paris, Oslo, Hong Kong and Milan.

East Capital has approximately 150 employees representing 26 different nationalities and including 29 investment professionals. As of August 31, 2007, East Capital's funds had public and semi-public investments in 27 countries and 546 companies and private equity investments in 11 countries and 60 companies in its target region.

### **Contact information:**

**Gert Tiivas**, CEO East Capital Explorer AB  
+46 8 505 977 30

**Louise Hedberg**, Head of Communications/IR East Capital Explorer AB  
+46 8 505 977 20

**Peter Elam Håkansson**, Chairman of East Capital  
+46 8 505 885 72

This announcement is not an offer for sale of shares in East Capital Explorer in the United States. Shares in East Capital Explorer have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons, absent registration or an exemption from the registration requirements of the Securities Act. Any public offering of shares of East Capital Explorer will be made by means of a prospectus that may be obtained from East Capital Explorer and that will contain detailed information about East Capital Explorer and management, as well as financial statements. East Capital Explorer does not intend to register the securities or conduct a public offering in the United States. This announcement is directed only (a) at persons outside the United Kingdom, (b) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (c) high net worth entities and other persons to whom it may otherwise lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). By accepting this announcement, recipients are deemed to confirm that they are such relevant persons. This document must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.