

Dragon Ukrainian Properties & Development Plc raises USD \$208 million and lists on AIM

1 June, 2007 - Dragon Ukrainian Properties & Development Plc ("DUPD" or the "Company"), today announces the placing of its ordinary shares by way of an Initial Public Offering ("IPO"). DUPD is a real estate investment company incorporated in the Isle of Man whose strategy is to invest in the development of new commercial properties as well as in the redevelopment of existing properties in.

Highlights of the IPO are:

104,000,000 million ordinary shares have been placed with certain institutional investors at a price of \$2.00 (the "Offer Price") per ordinary share raising gross proceeds of \$208 million (the "Placing").

Admission to trading on AIM is expected to become effective and unconditional dealings on AIM under the ticker symbol DUPD are expected to begin at 8:00 am on 1 June 2007

The Company's strategy is to invest in the development of new commercial properties as well as in the redevelopment of existing properties in, and expects to invest the net proceeds of the Placing within 24 to 30 months after Admission.

Once the proceeds of the Placing have been fully invested, the Directors intend to work towards a target dividend yield of 7 to 10% per annum at the Placing Price and also currently intend that in due course the dividends paid by the Company will represent not less than 85% of annual net profits.

Zimmerman Adams International has been appointed as the Company's Nominated Adviser and Broker.

Commenting on the Placing and Admission:

Aloysius van der Heijden, Chairman of DUPD said "We are delighted with the response from investors to DUPD, a fund focussing on investing in property in Ukraine. Through our management agreement with Dragon Capital Partners Ltd, the private equity division of Dragon Capital, we will receive advice from a manager with expertise across a wide spectrum of industry sectors in the Ukrainian investment market."

Mr. Tomas Fiala, a Non Executive Director of DUPD and Director of the Investment Manager, Dragon Capital Partners Limited, said "Our track record in the sector and ability to deliver a solid pipeline of projects allowed us to complete the placing within a very short timeframe, while securing several of the world's largest investment banks and asset managers among our shareholders. From now on, Dragon Capital is committed to pursue all of its real estate investments in Ukraine through DUPD. It has also subscribed for \$10 million worth of shares of the Company at admission."

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