

11 September 2007

Dragon - Ukrainian Properties & Development Plc (the "Company" or "DUPD")

\$10.75 million Investment in Hindale Executive Investments Limited

Dragon - Ukrainian Properties & Development Plc, one of the largest AIM-listed real estate investment companies focused on investments in Ukraine, managed by Dragon Capital Partners Limited ("DCP"), is delighted to announce that its wholly owned subsidiary, Landzone Ltd, has entered into a Shareholders Agreement with Bartin Management Corp. Under the Shareholders' Agreement, it will acquire a 50.01% in Hindale Executive Investments Limited ("Hindale"), a company formed to develop a shopping center on a 1.2 hectare land plot on Komarova Ave in Kyiv. DUPD's total cash consideration is US \$10.75 million. Bartin Management Corp is controlled by Tiko Construction, a local developer which is sponsoring the project.

This project is in line with the investment strategy of DUPD, having its core focus on the development and re-development of commercial and residential real estate in Kyiv and other main regional centers of Ukraine.

Highlights:

- The Company has agreed to acquire 3,310 new ordinary shares in Hindale, a Cyprus-incorporated company, through a number of subscriptions, for the total cash consideration of US \$10.75 million. DUPD will maintain the shareholding of 50.01% in Hindale throughout the life of the project;
- The partner of DUPD in this project is Tiko Construction, a local developer which is well known to DCP, with experience in the development of commercial properties in Kyiv;
- The project entails development of a community shopping center in Vidradny, a residential district of Kyiv with the total area of approx. 45,000 sqm, on a leased 1.2 hectare land plot which has zoning permissions appropriate for the project;
- The center is to be anchored by a large supermarket and entertainment zone, with the remaining premises leased to national and international retailers;
- The Directors believe that the shopping centre will open at the end of 2009-beginning of 2010.

Aloysius Van der Heijden, Chairman of DUPD said: "DUPD is pleased to announce its first project in the retail development market – one of the most rapidly growing sectors of the Ukrainian economy. We look forward to bringing a quality product to the market which reaches western standards. We are also actively seeking similar opportunities in this sector".

Chris Kamtsios, Managing Director of DCP said: "The volume of quality supply in the shopping-centers market of Kyiv remains low, while in our view, the announced pipeline of new projects is distant and uncertain. We believe that Ukrainian households' incomes are steadily growing and thus, see great potential for such type of developments in the city. Unlike many existing retail schemes in Kyiv, this shopping centre will have convenient access for shoppers and will have a highly professional architectural and marketing emphasis. It will be the first

shopping center in Vidradny reaching western standards therefore, DCP believes it will become very popular, for both retailers and local shoppers".

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Notes to Editors

About Dragon- Ukrainian Properties & Development Plc

DUPD is an Isle of Man incorporated company formed to invest in the development of new commercial properties and re-development of existing properties in Ukraine which offer the prospect of attractive returns to its shareholders. Having raised US\$ 208 million at US\$2 per share, DUPD's ordinary shares were admitted to trading on the AIM market of the London Stock Exchange on 1 June 2007.

About Dragon Capital Partners

DCP is the private equity arm of Dragon Capital, a leading Ukrainian financial institution specialising in the provision of investment banking, securities trading, asset management and private equity services. Dragon Capital has received the "Best Equities House in Ukraine" award in 2002, 2004, 2005, 2006 and 2007 by "Euromoney", a leading financial journal.

DCP professionals combine extensive local knowledge and expertise gained through substantial investment activity in the Ukrainian private equity market across a wide spectrum of industries, including real estate.