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Dragon-Ukrainian Prop. & Dev. PLC  
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Dragon - Ukrainian Properties & Development Plc (the "Company" or "DUPD")

Solid Progress on Development Projects

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 happy to report its solid progress on the development of the project portfolio and the resulting implications for NAV growth in the first half of 2008:

1. Henryland project (development of 6 DIY-anchored retail complexes around Ukraine):

- The first shopping centre was opened in Lutsk in Dec 2007 (11,000 sqm);

- Construction of the shopping centre in Kremenchuk started in Nov 2007 (16,000 sqm), and the centre is scheduled to open in Dec 2008;

- Design documentations for two shopping centers in Mykolaiv and Odesa are being produced, construction expected to commence in September and October 2008 respectively;

- One land plot in Luhansk is secured, and one more land plot in the western Ukraine is undergoing due-diligence.

Investment Summary: The Company committed \$12m for 38% in this project in September 2007, which by the end of 2007 generated a net asset gain of \$3.3m. Due to the minority stake of DUPD, the project is booked as investment, with its value expected to grow as the profits of Henryland increase.

2. Komarova project (development of a shopping centre for approx. 45,000 sqm in Kyiv):

- Architectural concept and tenant mix have been developed by Colliers International;

- Design documentation is currently being produced;

- Lease started by Colliers International, the exclusive agent of the project. The first Letter of Intent for 5,000 sqm was signed by a leading hypermarket chain at a triple-net rental rate of \$28/sqm/month, well exceeding 20\$/sqm/month assumed in the project's valuation.

Investment Summary: The Company committed in total \$10.75m for 50.01% in this project in September 2007 to be invested in stages. As of end of 2007, the Company booked only 15% of the project, valued by Knight Frank at \$4.9m. By the end of June 2008, DUPD's stake is expected to grow to 50.01%, providing for the additional expected net asset gain of at least \$8.3m.

3. PFRE project (development of an elite cottage community of 65 homes near Kyiv):

- Masterplan of the community and 18 distinct home projects have been developed and approved;

- All utility lines have been connected;

- Fencing of property is completed;

- 7 "show-case" homes are being constructed.

Investment Summary: The Company originally committed \$9m for 50.3% in this project in September 2007, and increased its stake to 58.2% in April 2008 having committed additional \$1.6m. As of end of 2007, the Company's interest in the project was booked at \$18.2m, which in June 2008 will increase to at least \$21.1m. The further growth of the asset's value in 2008 is expected to be driven by the development progress of the project.

4. Obolon project (development of a mixed-use complex for approx. 48,000 sqm in Kyiv):

- Architectural concept is being developed;

- Monthly rental income from the existing administrative building of 9,600 sqm has doubled since the investment of DUPD.

Investment Summary: The Company committed US \$16.4 million during Nov 2007-Feb 2008 to acquire 97.9% of Obolon project and to facilitate its further development. As of end of 2007, DUPD booked 75.2% interest in the project at \$49m according to the valuation of Knight Frank, having spent \$13m. The balance of 22.7% will be reflected in the books in June 2008, generating net asset gain of at least \$11.5m. In 2008, the project's value is expected to be also driven up by the progress with design documentation and permits.

5. Vita Poshtova project (development of a cottage community for up to 170 homes in close proximity to Kyiv):

- The approved masterplan is being optimized;
- Home designs and project documentation for the community are being developed;
- Gas pipe line and approach road are under construction.

Investment Summary: DUPD acquired the project on a 32 ha landplot in Feb 2008 from a local developer for the advantageous price of \$14m, which included approved masterplan and provision of major external utilities. The project is currently undergoing valuation by Knight Frank, the value of which will be reflected in June 2008 NAV. Based on the market comparables in the area, its fair value may be triple the acquisition costs.

Aloysius Van der Heijden, Chairman of DUPD said: 'We have managed to put the bulk of the available funds into quality projects in a very short time frame since IPO, and now the Manager is focused on showing solid progress in developing the portfolio projects. We are very pleased to see the projects moving at a fast pace, as this is key to the future performance of the Company.'

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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. In November 2008, DUPD successfully raised another US\$ 100 million in a secondary private placing largely funded by its existing shareholders.

##### About Dragon Capital Partners

DCP is a subsidiary of Dragon Asset Management, the asset management arm of Dragon Capital. Dragon Capital is 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.