

The termination of the East Capital Russian Property Fund

Dear investor,

As previously communicated, we have regretfully decided to discontinue the investment activities of East Capital Russian Property Fund AB (publ) (the "Fund") and to return capital in the East Capital Russian Property Investors AB (publ) (the "Investor Consortium") to you and the other shareholders. We are now in the process of taking the necessary steps to finalize the return of capital and the termination as soon as possible.

EGM – Redemption of Ordinary Shares

As now the repayment on Fund level has been completed, the next step in the process is to hold an Extraordinary General Meeting (EGM) of the Investor Consortium to effect the repayment of capital to you, as expedient and tax efficient as possible. The EGM will be held on 16 August 2010 in East Capital's office in Stockholm, and attached to this letter you will find the formal notice for the meeting.

At the EGM, it will be proposed that holders of ordinary shares of the Investor Consortium are offered to redeem all their shares in the Investor Consortium at a price of EUR 491.20 per share. The redemption price contemplates a complete distribution of all remaining capital of the Investor Consortium, less a reservation of EUR 23 500 to cover some final termination costs and the initial equity capital of EUR 55 000 contributed by East Capital at the set up of the Investor Consortium.

Assuming the EGM votes in favour of the proposal, the redemption offer will be issued soon thereafter with a redemption period ending on 31 August. For those investors not being in a position to respond within this fairly short time frame, there will also be second redemption period ending on 4 October.

Please note that your will be asked to respond to this redemption offer expected to be issued after the EGM.

Tax consequences

For Swedish taxation purposes, the redemption proceeds will be treated as a capital gain or loss, depending on your acquisition cost of the share. You are encouraged to consult with your tax advisor how this income may affect your taxation, with particular regard to your tax status and your other taxable income.

For all non-Swedish registered shareholders, however, the local custodian in Sweden will automatically withhold a 30 percent tax, which can be reclaimed in full at the Swedish Tax Authority, assuming you have not incurred any capital gain on your shareholding. East Capital together with its tax advisors Price Waterhouse Coopers will assist to make this process as smooth as possible. Such reclaim procedure, may, however, take two to four months and will incur some additional tax advisory charges.

Carnegie Purchase Offer

Carnegie Investment Bank will offer, subject to certain conditions, to purchase your shares at a price of EUR 484 per share. Such purchase must be completed on **24 September at the latest**.

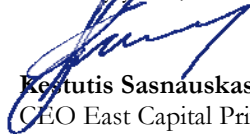
For non-Swedish investors, a sale to Carnegie would not result in any Swedish tax or tax withholding, as described above.

Should you be interested in this alternative, please contact Magnus Andersson at Carnegie (phone number +46 8 5886 8949) for further details. **Please note** that the purchase offer is contingent upon that the EGM resolves to approve the redemption as described above. Any purchase will therefore be completed after the EGM.

For your convenience, we attach an overview timeline over the redemption process and related events.

Thank you for your trust in us. If you have any questions you are welcome to contact us at +46 8 505 88 520.

Sincerely yours,



Rostutis Sasnauskas

CEO East Capital Private Equity and partner of East Capital