

PRESS RELEASE

Stockholm, 29 September 2010

East Capital Explorer invests EUR 3.7m in Georgian food retailer Populi

East Capital Explorer AB has agreed to invest EUR 3.7m in the privately held Georgian food retail chain Populi.

Gert Tiivas, CEO East Capital Explorer says: *“We have communicated our goal to make more direct investments. Populi provides a promising opportunity to profit from the recovery of the Georgian economy and the long-term development of the consumer market within the region.”*

The Georgian food retail sector is highly fragmented, most of the market is held by small independent retailers. Populi is the largest food retailer in Georgia with 43 stores, yet it holds a relatively small share of the market. It was established in 2005, and enjoyed fast growth until 2008. 2009 was a crisis year for Georgia, which suffered from the consequences of the war with Russia and the global financial crisis. Part of the strategy of the company is to grow the number of stores.

The EUR 3.7m investment by East Capital Explorer is made initially through a bridge loan which upon completion of a share capital increase will be converted into a mix of shares and share options. Following the investment, East Capital Explorer will own 22% of the company's share capital and receive a seat on the company's board of directors. If East Capital Explorer exercises the option, its share in the company is expected to increase to approx 29% in one year. Furthermore, the company and its shareholders have the right to buy back the shares and the option in one year at a guaranteed return for East Capital Explorer.

East Capital Bering Central Asia Fund, of which East Capital Explorer owned 40% as of the end of the second quarter, is one of the largest shareholders of the company holding 24% prior to the transaction. In order to avoid any potential conflicts of interest the investment decision was taken by the independent board members of East Capital Explorer.

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Financial reporting calendar - East Capital Explorer:

- Monthly Net Asset Value report on the fifth working day after the end of each month
- Interim Report 1 January – 31 September 2010, 11 November 2010
- Year-end Report 2010, 16 February 2011

About East Capital Explorer | East Capital Explorer AB is a Swedish company, created with the specific aim of bringing unique investment opportunities in Eastern Europe to a broader investor base. The company invests mainly in East Capital's private equity and semi-

public equity funds that provide exposure to companies not otherwise accessible via the local stock exchanges in Eastern Europe. East Capital Explorer targets fast growing sectors such as the power utilities, financial, retail and consumer goods and real estate sectors. East Capital Explorer has appointed East Capital to manage its investment activities. Since 9 November 2007, East Capital Explorer is listed on NASDAQ OMX Stockholm, Mid Cap.

This information is disclosed in accordance with the Securities Markets Act, the Financial Instruments Trading Act or demands made in the exchange rules.