

Interim Report

Q3 2009



**EAST CAPITAL
EXPLORER**

Interim Report 1 January – 30 September 2009

- Net asset value per share on 30 September 2009 amounted to EUR 9.15 (EUR 8.77). The total net asset value amounted to EUR 324.7m (EUR 318.2m), which is a change of 11.2% (-13.6%) during the quarter and a change of 22.5% (-19.3%) during the reporting period
- For the reporting period, the net profit amounted to EUR 80.4m (EUR -91.4m), including EUR 89.9m (EUR -96.8m) in unrealised change in value of investments. Earnings per share amounted to EUR 1.81 (EUR -2.10)
- Net profit for the third quarter amounted to EUR 41.0m (EUR -60.7m), including EUR 44.0m (EUR -62.9m) in unrealised change in value of investments. Earnings per share amounted to EUR 0.96 (EUR -1.38)
- On 30 September 2009, East Capital Explorer made additional investments in the East Capital Bering Funds. EUR 20m was invested in the East Capital Bering Russia Fund and EUR 10m in the East Capital Bering Balkan Fund
- On 12 October 2009, East Capital Explorer announced that the Company had acquired approximately 2% of the shares in TEO LT, corresponding to a direct investment of approximately EUR 8.5m
- Net asset value per share on 31 October 2009 amounted to EUR 9.19 (SEK 95.48). Cash and deposits per the same date amounted to EUR 72.1m (SEK 749.1m) corresponding to EUR 2.03 (SEK 21.09) per share
- In November, East Capital Explorer decided to allocate an additional EUR 10m to short-term investments in bonds

PORTFOLIO ON 30 SEPTEMBER 2009

	Number of units	Acquisition value tEUR	Fair value 31 Dec 2008 tEUR	Fair value 30 Sep 2009 tEUR	Fair value change YTD 2009, % ¹	Fair value change Q3 2009, % ¹	NAV/share EUR	% of NAV
Semi-public Equity Fund Investments								
East Capital Bering Russia Fund	537,844	23,590	7,377	9,522	29.1	23.1	0.27	2.9
East Capital Bering Ukraine Fund	1,212,296	24,411	7,630	6,466	-15.3	1.8	0.18	2.0
East Capital Bering Balkan Fund	4,538,686	34,938	17,631	26,889	52.5	25.0	0.76	8.3
East Capital Bering Central Asia Fund ²	5,933,960	29,478	7,389	17,598	1.2	6.3	0.49	5.4
East Capital Bering New Europe Fund ³	2,516,097	14,972	6,842	16,137	36.3	19.5	0.45	5.0
East Capital Power Utilities Fund	162,000	81,000	26,515	64,228	142.2	28.7	1.81	19.8
East Capital Special Opportunities Fund ⁴	4,897,249	35,000	-	39,306	12.3	14.0	1.11	12.1
Total Semi-public Equity Investments		243,389	73,383	180,146	46.0	20.1	5.07	55.5
Direct investments								
MFG (OAO Melon Fashion Group)	4,996	9,941	9,941	9,941	0	0	0.28	3.1
Private Equity Fund Investments								
East Capital Russian Property Fund ⁵	400	1,425	513	642	-91.2	-18.9	0.02	0.2
Public Equity Fund Investments								
East Capital (Lux) Eastern European Fund (EUR)	182,500	18,250	5,814	10,427	79.3	27.1	0.29	3.2
Short-term Investments								
Short-term investments		15,369		16,138			0.45	5.0
Cash and deposits				80,579			2.27	24.8
Total short-term investments				96,717			2.72	29.8
Total Portfolio				297,872			8.37	91.7
Other assets and liabilities net ⁶				26,794			0.75	8.3
Net Asset Value (NAV)				324,666	22.5	11.2	9.15	100.0

¹ The fair value change measures the return on the actual invested amount during each respective period.

² The NAV per unit of the East Capital Bering Central Asia Fund increased 2.8% during the reporting period. An additional investment of EUR 10m, corresponding to an additional 3,447,506 newly issued shares, was made into the fund in May 2009, bringing the average fair value change of East Capital Explorer's total investment in the fund to 1.2% during the reporting period.

³ The NAV per unit of the East Capital Bering New Europe Fund increased 23.3% during the reporting period. An additional investment of EUR 5m, corresponding to an additional 956,097 newly issued shares, was made into the fund in May 2009, bringing the average fair value change of East Capital Explorer's total investment in the fund to 36.3% during the reporting period.

⁴ The East Capital Special Opportunities Fund was launched during the second quarter 2009. The full committed amount of EUR 35m had been drawn-down per 30 June 2009 and the remaining fund units were received in the beginning of July.

⁵ EUR 40m has been committed to the East Capital Russian Property Fund. To date, no investments have been made in the fund. Total draw-downs of EUR 1.5m have been made to cover costs in the fund, of which EUR 0.6m was made in July. The fair value change in the table above refers to the change in value of the draw-downs following payment of costs. The remaining committed EUR 38.5m is still placed in cash and short-term deposits.

⁶ Additional investments of EUR 20m to the East Capital Bering Russia Fund and EUR 10m to the East Capital Bering Balkan Fund were made on 30 September 2009 and appears under Other assets and liabilities net in this report as the fund units were received in October.

An indicative net asset value is calculated monthly and published through a press release and on the website www.eastcapitalexplorer.com on the fifth working day after the end of each month.

Comparable figures for the corresponding period 2008 are stated in parentheses. The income statement for 2008 has been restated following the amended IAS 1, see Accounting Principles on page 12. Note that certain numerical information may not sum due to rounding.

CEO COMMENTS ON THE THIRD QUARTER

On 9 November 1989, exactly 20 years ago, a milestone event occurred, as the dismantling of the Berlin Wall unleashed reform and convergence processes throughout our region. In only 20 years our countries have made much progress in building market economies, although there have been setbacks, both for internal and external reasons. However, these setbacks, even the near-collapse of the financial markets experienced a year ago, have not changed the megatrend for Eastern European development. Most of our countries were much better prepared for this crisis than previous ones. Looking forward, we should not expect an easy, one-way climb, but we are certain that Eastern Europe continues to be an exciting and profitable place for investors.

For East Capital Explorer, 9 November is also a special date, as it marks two years from our initial public offering. It has been two eventful years. We are pleased that despite the turbulent market, our NAV in SEK terms at the end of October 2009 is not far from the 100 SEK at our listing date, although our early investments lost substantially in value during 2008. This year we have used our large cash position to capitalize on the attractive valuations available in our region and we are confident that our portfolio still holds significant upside potential.

Our markets continued to perform well during Q3, as risk appetite grew. Although the widely expected market correction has not materialized, with September being an especially strong month for many markets, volatility remains quite high and sentiment fragile. RTS index was up nearly 19% in September and gained another 10% in October.

Although most of our countries have not yet released their Q3 GDP figures, the expectation is that the worst in terms of economic performance has passed. Central banks have continued monetary easing, with Russia, Turkey and Hungary being among those taking rates to new lows. The Turkish central bank has been particularly active, taking rates down by 1,000 basis points in one year. Inflation has continued to moderate and other imbalances have improved.

Recent improvements in geopolitics, such as friendlier notes in the US-Russia relationship and deepening cooperation between Russia and China, have increased confidence towards Russia. Oil price resilience in the USD 70-80 range is good for Russia: high enough not to cause fiscal problems, yet low enough to incentivize reforms and responsible international behavior. Recent statements by the Russian leadership about the need to continue with privatizations and reduce corruption have been encouraging.

Our NAV increased by 11.2% during the third quarter, taking the total gain in 2009 to 22.5%. Since inception and until 31 October, our NAV is down 15.9% in EUR terms and 4.7% in SEK terms.

The third quarter was a very active investment period, and the proportion of cash in our NAV has decreased to approximately 30% at the end of October. We are happy that the East Capital Special Opportunities Fund has been particularly active. Its top three investments are described on page 10. At the end of October, 81.2% of the fund was invested in a total of 14 holdings. As valuations have increased quickly during the past months, we are pleased that the portfolio managers were working efficiently in executing those truly unique opportunities that only arise in turbulent times. The fund has gained 12.3% since its launch and we are confident that this fund will continue to generate attractive returns for our shareholders.

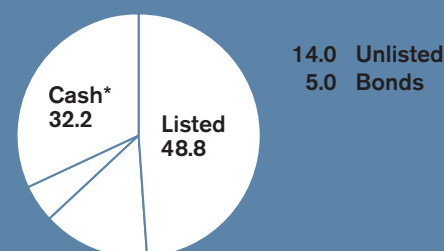
Towards the end of the quarter, we decided to allocate an additional EUR 20m to the East Capital Bering Russia Fund and EUR 10m to the East Capital Bering Balkan Fund. These add-on investments enable us to increase our exposure to small- and mid-cap segments, where valuations are still attractive.

We recently announced our second direct investment into TEO LT, a leading Baltic telecom company. We have known this company for years and followed its development with admiration. It is a very well managed company in a defensive sector and has been able to produce strong results both in good and bad times. But it has remained one of the lowest valued telecoms in our region, as the market has perceived its prospects to be limited. We see potential in TEO and will work with TeliaSonera, its strategic shareholder, to ensure that TEO develops in a way that creates value for all shareholders.

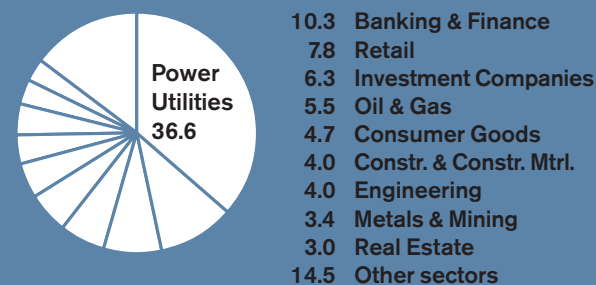
East Capital Explorer is not very far from having fully committed its capital. We currently have EUR 88m in cash, deposits and bonds of which approximately EUR 50m is available for future investments. We have a strong pipeline of ideas for new investments, and we also carefully monitor the development of the existing portfolio.

Gert Tiivas, CEO

PORTFOLIO EXPOSURE BY TYPE OF COMPANY, % per 30 September 2009



EXPOSURE OF INVESTED PORTFOLIO BY SECTOR, % per 30 September 2009



EXPOSURE OF INVESTED PORTFOLIO BY COUNTRY, % per 30 September 2009



* Includes cash and deposits of EUR 80.6m as well as any cash in the underlying funds per 30 September 2009.

NET ASSET VALUE

The net asset value on 30 September 2009 amounted to EUR 324.7m (EUR 318m), corresponding to EUR 9.15 (EUR 8.77) per share. This corresponds to a change of 11.2% compared to the net asset value on 30 June 2009 which was EUR 292m (EUR 8.22 per share) and a change of 22.5% compared to the net asset value on 31 December 2008 which was EUR 265m (EUR 7.31 per share).

On 30 September 2009, deposits, cash and cash equivalents amounted to EUR 2.27 (EUR 5.39) per share which corresponds to 24.8% (61.5%) of the total net asset value per share.

The closing price per share on 30 September 2009 was SEK 63.25 (corresponding to EUR 6.19).

Net asset value, share price and index development

(Share price and indices in SEK)	1 Jan – 30 Sept 2009	Oct 2009	1 Jan – 31 Oct 2009
Net asset value (EUR)	22.5%	0.8%	23.1%
East Capital Explorer share	57.3%	3.6%	62.9%
OMXSPI ¹	37.3%	4.8%	43.8%
RTS Index ²	79.6%	9.2%	96.1%
RTS 2 Index ³	102.7%	7.5%	118.0%
MSCI EM Europe ⁴	47.1%	4.7%	54.1%

Results

The Group consists of the Parent Company East Capital Explorer AB, the subsidiary East Capital Explorer Investments AB as well as the consolidated funds East Capital Power Utilities Fund AB, East Capital Special Opportunities Fund and the East Capital Bering New Europe Fund. East Capital Explorer currently holds 73% of the share of equity in the East Capital Power Utilities Fund AB and its subsidiary Consibilink Ltd, 82% of the share of equity in the East Capital Special Opportunities Fund and 86% of the share of equity in the East Capital Bering New Europe Fund. These funds are therefore regarded as subsidiaries and consolidated with the East Capital Explorer Group. The investments in the consolidated funds are reported as investments in the portfolio report on page 2 but are consolidated in the financial statements.

Group

Net profit for the reporting period 1 January – 30 September 2009 amounted to EUR 80.4m (EUR -91.4m), corresponding to earnings per share of EUR 1.81 (EUR -2.10). Net profit for the third quarter 2009 amounted to EUR 41m (EUR -60.7m), corresponding to earnings per share of EUR 0.96 (EUR -1.38).

For the reporting period, main items of the net profit include EUR 89.9m (EUR -96.8m) in unrealised change in value of investments, EUR -7.8m (EUR 0m) in realised change in value of investments,

¹ OMXSPI includes all equities listed on NASDAQ OMX Stockholm.

² RTS Index includes the 50 largest companies traded on the Russian Trading System (RTS).

³ RTS 2 Index includes 78 companies on the RTS that have limited trading volumes.

⁴ MSCI EM Europe Index includes Russian, Polish, Hungarian, Czech and Turkish equities.

which fully relate to sale of investment shares held in the East Capital Power Utilities Fund and EUR 3.1m (EUR 7.5m) in interest income from short-term deposits. Other items include EUR -4.3m (EUR -2.4m) in operating expenses and EUR -0.6m (EUR 0.4m) in income taxes.

Of the total operating expenses of EUR -4.3m (EUR -2.4m) during the reporting period, EUR -0.8m (EUR -0.9m) relate to ordinary operating expenses within the Parent Company. The remaining EUR -3.5m (EUR -1.5m) relate to operating expenses in consolidated funds.

For the third quarter, main items of the net profit include EUR 44m (EUR -60.7m) in unrealised change in value of investments, EUR -1m (EUR 0m) in realised change in value of investments, which fully relate to sale of investment shares held in the East Capital Power Utilities Fund and EUR 0.7m (EUR 2.4m) in interest income from short-term deposits. Other items include EUR -2.7m (EUR -0.8m) in operating expenses and EUR -0.1m (EUR 0.5m) in income taxes.

Parent Company

The Parent Company's net profit for the reporting period amounted to EUR 62.9m (EUR -73.2m) of which EUR 63.5m (EUR -72.6m) refers to a write up of shares in group companies. These shares have been valued to the lower of fair value and acquisition value. Operating expenses amounted to EUR -0.8m (EUR -0.9m).

The Parent Company's net profit for the third quarter amounted to EUR 32.8m (EUR -50m) of which EUR 32.9m (EUR -49.8m) refers to a write up of shares in group companies. These shares have been valued to the lower of fair value and acquisition value. Operating expenses for the third quarter amounted to EUR -0.2m (EUR -0.2m).

No investment activities are carried out within the Parent Company.

Tax

East Capital Explorer's consolidated tax of EUR -0.6m (EUR 0.4m) for the reporting period comprises the net effect of deferred income tax within the Parent Company of EUR 0.2m (EUR 0.2m) and actual tax related to subsidiaries of EUR -0.8m (EUR 0.2m).

Financial position

Cash flow from operating activities was EUR -4.7m (EUR -0.2m) during the reporting period. Cash flow from operating activities during the third quarter was EUR -5.9m (EUR 6.5m).

The Group's cash and cash equivalents at the end of the period amounted to EUR 84.1m (EUR 213.2m) of which EUR 3.3m (EUR 17.7m) is cash in the East Capital Power Utilities Fund and other consolidated funds. Cash and EUR-deposits amounted to EUR 80.6m (EUR 195.6m). Interest income from these deposits during the reporting period amounted to EUR 3.1m (EUR 7.5m). Of the total cash and deposits, EUR 42m was available for future commitments and investments on 30 September 2009.

East Capital Explorer had no debt on 30 September 2009.

Commitments and draw-downs

EUR 40m has been committed to the East Capital Russian Property Fund. To date, no investments have been made in the fund. Total draw-downs of EUR 1.5m have been made to cover costs in the fund. The remaining committed EUR 38.5m is still placed in cash and short-term deposits.

In the beginning of July, East Capital Explorer received the remaining fund units in the East Capital Special Opportunities Fund. The full committed amount of EUR 35m has now been drawn-down.

Portfolio overview

Per 30 September 2009, East Capital Explorer had investments totalling EUR 217.3m compared to EUR 121.3m on 30 September 2008.

Changes in the portfolio during the quarter

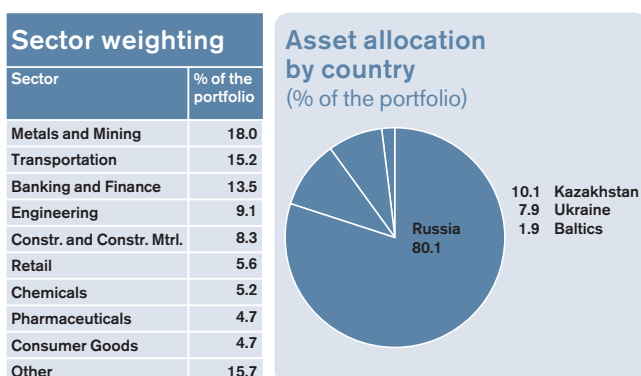
On 30 September 2009, East Capital Explorer made additional investments in some of the East Capital Bering Funds. EUR 20m was invested in 1,122,961 newly issued shares in East Capital Bering Russia Fund, bringing East Capital Explorer's total holding in the fund to 1,660,805 shares. EUR 10m was invested in 1,682,166 newly issued shares in East Capital Bering Balkan Fund, bringing East Capital Explorer's total holding in the fund to 6,220,852 shares. The fund units were received in the beginning of October.

At the end of September, East Capital Explorer started acquiring shares in TEO LT. On 30 September 2009, a total of approximately EUR 0.4m had been invested in TEO shares.

EAST CAPITAL BERING RUSSIA FUND

The aim of the fund is to achieve long term capital appreciation from investments in Russian equities, both listed and unlisted.

Sector and country exposure per 30 September 2009



Fund performance during the period

The NAV per unit of the East Capital Bering Russia Fund increased 29.1% in EUR terms during the reporting period. In USD terms, the NAV per unit increased 34.0% during the reporting period compared to the RTS2 Index which gained 126.5% during the same period.

During the third quarter, the NAV per unit increased 23.1% in EUR terms. In USD terms, the NAV per unit increased 28.3% during

the quarter compared to the RTS2 Index which posted a gain of 42.3% during the same period.

On 30 September 2009 the NAV per unit in the fund amounted to USD 25.91.

Market comment third quarter

The Russian market continued its strong rally during the third quarter, with September proving exceptionally strong. Relatively low valuations, a better macroeconomic outlook and increased risk appetite supported the upward trend. With an increase of 100.6% year-to-date, the Russian market has been one of the best performing markets in the Eastern European universe.

Portfolio comment third quarter

The underperformance of the fund versus index is mostly attributed to the fund's exposure to small cap companies compared to index which represents mid cap companies. Mid caps started to rebound earlier as investors thus far have preferred investing in more liquid stocks. However, it is worth remembering that the stock market performance following the 1998 crisis in Russia showed that small caps outperformed large and mid caps in the mid-term perspective. In terms of valuations, small caps are currently still attractively valued and should risk appetite continue to grow, investors are expected to return also to these stocks.

During the quarter, automotive and industrial stocks in the portfolio outperformed all other sectors, increasing 79.7% quarter-on-quarter. Some of the companies benefitted from strong government orders. Another positive factor was the new rules allowing for a higher portion of prepayments under government contracts, thus easing the working capital structure of companies.

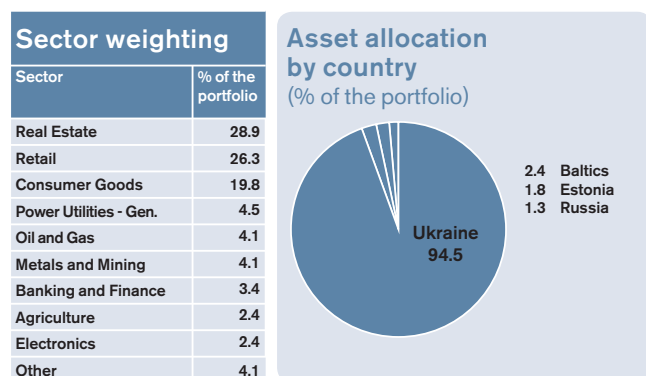
Russian metal and mining stocks also performed strongly, gaining 30.3% during the quarter. The main reasons for this were rising commodity prices both globally and in Russia, improving utilisation rates, which led to an improved outlook across all sectors for the second half of 2009. As a result of the strong performance, the weighting of metals and mining sector in the fund increased from 15.2% to 18.0% during the quarter.

Out of the holdings in the fund, one of Russia's largest coal producers gained 80.3%, while a large iron ore producer gained 54.6%. Utilities stocks performed well on the news about a forced transition to a regulatory asset base tariff system (RAB) during 2010. In the new asset-based pricing system, tariffs will be set to provide a guaranteed level of return in relation to a company's stipulated regulatory asset base which will result in better tariff predictability. One of the regional distribution companies gained almost 145.0% during the quarter.

EAST CAPITAL BERING UKRAINE FUND

The aim of the fund is to achieve long term capital appreciation from investments in Ukrainian equities, both listed and unlisted.

Sector and country exposure per 30 September 2009



Fund performance during the period

The NAV per unit of the East Capital Bering Ukraine Fund decreased 15.3% in EUR terms during the reporting period. In USD terms, the NAV per unit decreased 10.4% during the reporting period compared to the PFTS Index which gained 70.0% during the same period.

During the third quarter, the NAV per unit increased 1.8% in EUR terms. In USD terms, the NAV per unit increased 8.1% during the quarter compared to the PFTS Index which posted a gain of 25.4% during the same period.

On 30 September 2009 the NAV per unit in the fund amounted to USD 7.95.

East Capital has decided to suspend redemptions in the East Capital Bering Ukraine Fund as of 30 September 2009. The severe fall in the Ukrainian stock market during the past year has significantly changed the weighting between listed and unlisted holdings in the Fund's investment portfolio. The illiquid portion of the portfolio currently exceeds 2/3 of the fund. A proposal has been put forward to investors to restructure the Fund. The restructuring contemplates splitting the participating shares into two different share classes; one for listed holdings and one for unlisted holdings. A shareholders meeting in the fund will be held on 12 November 2009, and if approved, the restructuring will take effect on 1 January 2010.

Market comment third quarter

Ukraine is one of the countries that has been worst-hit by the current financial crisis. However, with commodity prices increasing, the metals and mining and agricultural sectors, which are the backbone of the Ukrainian economy, appear to be recovering rapidly. Moreover, as the balance of payments has improved and a proportion of the debt burden in the banking and corporate sectors has been renegotiated or rolled over, the country's economy is now hopefully stabilised, albeit at a low level. This was also indicated by the latest IMF report, which expects the Ukrainian economy to grow 2.7% next year after the expected 14% decline in 2009. The inflation and current account outlooks are promising, although Ukraine will be unlikely to push inflation into the single digits in the mid-term.

One of the most important risks remaining is a further weakening of the hryvina. The Ukrainian currency has weakened from 7.6 to 8.5 to the dollar following gas purchases and the population preferring dollars to hryvina. However, fears of further weakening ahead of the presidential elections in January 2010 may not necessarily materialise, as rising exports of steel and grain and improving balance of payments reduce pressure on the currency.

The situation in the banking system is still dire in terms of asset quality. Even the soundest of the major banks are seeing their non-performing loans reach 20%, most of which are still expected to be covered by operating profits. The banking sector posted total losses of USD 2.7bn during the first eight months in 2009, due to the total write-downs of over USD 6bn versus pre-provisioning operating profit of USD 3.4bn.

Portfolio comment third quarter

The impressive rally of the PFTS Index is due to decreased fears of recession and recovering commodity prices. However, due to the illiquid nature of the East Capital Bering Ukraine Fund, featuring more than 2/3 private equity investments in the portfolio, the fund has been under-performing the index. Positive sentiment has returned to the Ukrainian stock market, primarily as neighbouring Russian and other Eastern European markets are seeing strong demand. During the third quarter, listed securities of the fund have posted strong gains, with the least liquid shares showing the largest gains. Electricity generation stocks, some sold down agro companies as well as metals and mining stocks showed strong gains.

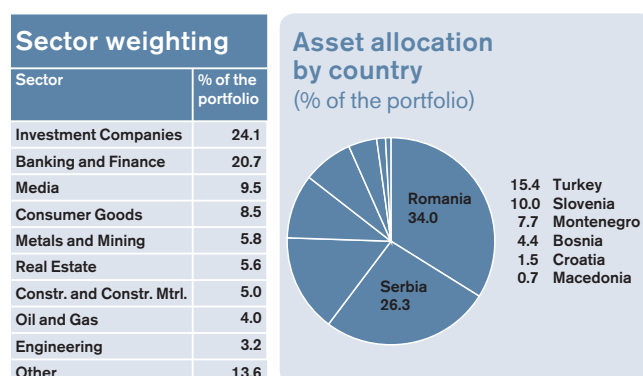
However, the liquidity on the Ukrainian market still remains poor, with less than USD 4m traded per day. In the future liquidity may increase, as the turnover of the newly set up UX Exchange, a competing exchange to the PFTS, already exceeds that on the PFTS by 4 or 5 times.

Amid the generally improved sentiment, some shares posted negative performance. Food retailers saw sharp declines due to the lack of news on debt restructuring and the negative sector development, as real disposable income declined and household consumption was down by 11.6% in the second quarter 2009.

EAST CAPITAL BERING BALKAN FUND

The aim of the fund is to achieve long term capital appreciation from investments in Balkan equities, both listed and unlisted.

Sector and country exposure per 30 September 2009



Fund performance during the period

The NAV per unit of the East Capital Bering Balkan Fund increased 52.5% in EUR terms during the reporting period. In USD terms, the NAV per unit increased 59.8%. There is currently no relevant benchmark index available for this fund.

During the third quarter, the NAV per unit increased 25.0% in EUR terms. In USD terms, the NAV per unit increased 31.1%.

On 30 September 2009 the NAV per unit in the fund amounted to USD 8.83.

Market comment third quarter

All markets in Southeastern Europe closed the third quarter in positive territory. The macroeconomic picture remains weak for the region but conditions are expected to gradually improve in upcoming quarters. Economic data published for the second quarter was mixed: the Romanian GDP decline of 8.7% was larger than expected, while in Turkey, the decline, albeit high at 7.0%, was better than expected. Macroeconomic imbalances continued to correct throughout the region, with sharp drops in trade and current account deficits. All the currencies in the region appreciated against the USD, which contributed positively to the performance of the fund.

Serbia was the best-performing market in Southeastern Europe. Serbian banks performed particularly well, due to depressed valuations and relatively strong Q2 results. Turkish equities gained 33.6% during the quarter. Banks posted another set of strong figures in the second quarter which has led to upgraded estimates for 2009. Automotive shares were also among the strong performers after the Turkish government decided to continue the support package (reduced special consumption tax) for the sector. Despite their positive performance, consumer goods companies were among the laggards in Turkey.

In Romania, equities gained 38.8% during the quarter. Some of the five Romanian privatisation funds outperformed the market following positive news on a possible relaxation of the ownership limitation.

Portfolio comment third quarter

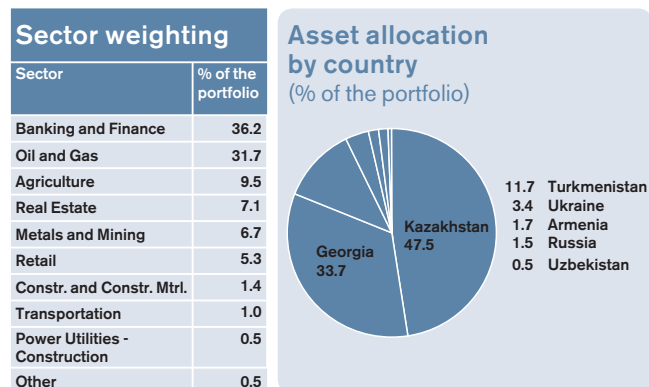
The performance of the fund during the quarter was positively impacted by the exposure to the Romanian privatisation funds and a Romanian real estate company. Also two Serbian banks contributed positively. A Romanian fertiliser company was among the negative performers.

The main portfolio changes during the quarter were related to Romanian equities. Exposure to one of the Romanian privatisation funds was increased and the fund also invested in another Romanian privatisation fund based on valuation considerations and the positive fact that a long-lasting legal battle regarding a share capital increase had been resolved. In Bulgaria, the fund exited a real estate company due to its relatively unattractive valuation. In Turkey, the fund reduced its positions in consumer goods companies based on declining market shares and unimpressive Q2 results.

EAST CAPITAL BERING CENTRAL ASIA FUND

The aim of the fund is to achieve long term capital appreciation from investments in Central Asian equities, both listed and unlisted.

Sector and country exposure per 30 September 2009



Fund performance during the period

The NAV per unit of the East Capital Bering Central Asia Fund increased 0.1% in EUR terms during the reporting period. In USD terms, the NAV per unit increased 3.7% during the reporting period compared to the KASE Index which increased 37.5% during the same period.

During the third quarter, the NAV per unit increased 6.6% in EUR terms. In USD terms, the NAV per unit increased 10.8% during the quarter compared to the KASE Index which gained 40.8% during the same period.

On 30 September 2009 the NAV per unit in the fund amounted to USD 4.34.

Market comment third quarter

The macro situation has deteriorated significantly in Central Asia during the past year. Dependency on commodities and foreign credit has exacerbated the problems in Kazakhstan and Georgia, but the recovery may very well be faster than widely expected. The IMF expects the Kazakh and Georgian economies to decline 2% and 4% respectively this year, which is better than most other economies in Eastern Europe. Both countries are expected to grow by around 2% next year. However, major imbalances – such as bad loans, high inflation and current account deficits – need to be shaken out of the system before these countries can return to a growth trend.

Increased commodity prices provided significant support to the Kazakh government's finances. The National Fund's revenue totalled USD 5.7bn at the end of August 2009 and is expected to reach USD 9.1bn in 2010 at the projected oil price of 50 USD/bbl. The total size of the fund is targeted to reach USD 31bn by 2012. The National Bank of Kazakhstan is in a strong position to sustain the tenge, as Kazakhstan has USD 43.2bn of total reserves, currently covering 90% of the total money supply. A significant part of that money is expected to be used for decreasing the external debt of the banking sector.

Resource related industrial production has almost recovered to pre-crisis levels. Industrial production data indicates a significant recovery in output in the mining sector, but that many processing

industries remain depressed, with only the food industry looking more promising.

Portfolio comment third quarter

Stronger commodities, especially the crude oil price, contributed to the sharp increase of Kazakhstan's benchmark index. As only 47% of the fund is invested in Kazakh stocks, the performance in comparison to the Kazakh KASE benchmark index is not fully relevant. The rest of the fund is invested in other parts of the region, such as Georgia, Turkmenistan and Armenia, countries to which investors have not yet returned.

Most of the Kazakh shares performed well during the quarter, particularly metals and mining companies, as well as banks. Less liquid stocks in the construction materials sector and in real estate posted solid gains. Only a handful of stocks performed negatively. The valuation of the unlisted Georgian modern format food retailer Populi was marked down by almost 42% because of a share capital increase done at a lower valuation. The company is continuing to expand and has raised money from existing shareholders. The fund increased its stake in the company from 14% to 24% at a low valuation, leaving substantial upside once the business climate improves.

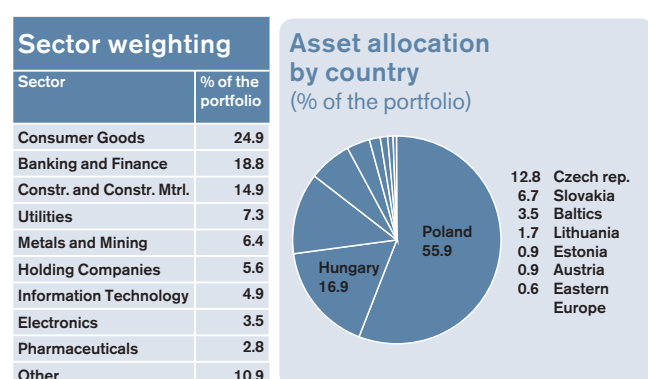
Banking stocks Tsentrkredit, Halyk, Bank of Georgia and Kazkomertsbank increased sharply on the back of the strong global demand for banking stocks. The shares of BTA Bank continued to fall, as an agreement has still not been reached with the bondholders.

Kazakh giant KMG EP gained a lot of ground on the higher oil price and a large minority stake purchased by a Chinese oil company.

EAST CAPITAL BERING NEW EUROPE FUND

The aim of the fund is to achieve long term capital appreciation from investments in Central European and Baltic equities, both listed and unlisted.

Sector and country exposure per 30 September 2009



Fund performance during the period

The NAV per unit of the East Capital Bering New Europe Fund increased 48.7% in EUR terms during the reporting period. In USD terms, the NAV per unit increased 53.9% during the same period. The fund currently has no relevant benchmark index.

During the third quarter, the NAV per unit increased 21.4% in EUR terms. In USD terms, the NAV per unit had increased 26.2% during the same period.

On 30 September 2009 the NAV per unit in the fund amounted to USD 9.51 and 99.6% of the fund was invested.

Market comment third quarter

The rally in Central European and Baltic small and mid-cap stocks continued during the third quarter. During the quarter the Polish mid-cap MIDWIG index gained 41%, the OMX Baltic index gained 62.5% and the Hungarian mid-cap index BUMIX was up 21.9%. The Czech composite PX index gained 41.1% while the Slovak SAX index dropped 5.5%, thereby lagging all other markets.

Portfolio comment third quarter

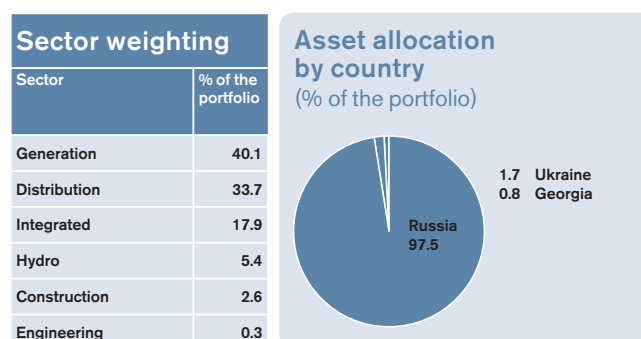
The performance year-to-date has been strong and the fund is nearing the initial issue price of USD 10. In SEK terms, the fund has made a positive return since inception. The fund underperformed local indices, with the exception of Hungary and Slovakia during the quarter. The fund made a write-down of 50% of a non listed Baltic computer equipment wholesale company. The rest of the portfolio performed in line with the strong market performance.

The fund became fully invested in July, also including the additional EUR 5m that East Capital Explorer invested in the beginning of June. During the quarter, the fund increased its exposure to the Polish banking, retail and construction sectors. The exposure to the renewable energy sector was increased as well. The fund participated in the IPO of a Czech biogas company and also acquired a larger stake in the SPO of a Hungarian energy saving company. Finally the fund also acquired a block in a Hungarian geothermal energy company. Towards the end of the quarter, the fund began to decrease exposure to the Polish finance sector, Czech consumer goods sector and also a Hungarian pharmaceutical company. The created liquidity will be used to participate in attractively valued upcoming SPOs and IPOs.

EAST CAPITAL POWER UTILITIES FUND

The aim of the fund is to target the many investment opportunities arising from the ongoing power sector reform in Russia. The fund invests in both listed and unlisted companies across sub-sectors of the industry including electricity generation, distribution and services.

Sector and country exposure per 30 September 2009



Fund performance during the period

The NAV per fund unit in the East Capital Power Utilities Fund increased 142.2% in EUR terms during the reporting period, outperforming the Russian power utilities sector index, RTSu, which increased 103.6% during the same period.

During the third quarter, the NAV per unit increased 28.7% in EUR terms, compared to RTSu which increased 22.8% during the same period.

On 30 September 2009 the NAV per unit in the fund amounted to EUR 396.47 and 96.7% of the fund was invested.

Market comment third quarter

The utilities sector continued to be a favourite among investors, and the steadily increasing inflows and mounting appetite for risk have caused investors to also focus on less liquid companies.

The distribution sub-sector was the best performing sub-sector during the third quarter, gaining 69.4% during the quarter compared to generation companies that gained 61.0% and hydro companies that declined -7.7%. The outperformance can be attributed the government support of an accelerated introduction of a Regulatory Asset Base tariff system (RAB) for grids following the accident at the RusHydro hydro power plant at the beginning of August 2009.

As a result, Federal Grid Company's management is aiming to introduce RAB during 2010, with a subsequent 53% tariff increase. Distribution companies, in turn, may see RAB being introduced during 2010. Talks are now underway at the regional level, where the final decision on introducing RAB is to be made. MRSK Holding says that half of the 69 regions have agreed to move to RAB.

Portfolio comment third quarter

During the third quarter, the fund focused on continuing to increase exposure to distribution companies, increasing the portfolio exposure from 14% of the fund at the beginning of the year to 33% at the end of Q3. In terms of individual stocks, MRSK Siberia, MRSK Severo-Zapada and MRSK-Holding were among the fund's top performers, delivering 126.7%, 123.1% and 85.6% respectively during the quarter.

The fund assumed a more cautious approach to the generation sub-sector, given that these companies gained considerably during the first half of 2009. The RusHydro accident also affected the performance of generation companies and again pointed to the lack of investments in the sector. Restoration costs are estimated to amount to USD 1.3bn during the two years required for repair works. RusHydro GDRs lost 15% on the day of accident but have later bounced back. The fund's exposure to generation holdings has decreased from 44% to 40% of the portfolio, with RusHydro being decreased by half, from 6% at the beginning of the quarter.

EAST CAPITAL RUSSIAN PROPERTY FUND

The aim of the fund is to invest in shopping centres and other types of cash flow generating retail real estate in Russian cities with more than 1 million inhabitants.

Fund performance during the period

Per 30 September 2009, no investments had been made in the fund. Total draw-downs of EUR 1.5m have been made to cover costs in the fund. The fair value of the total draw-downs was EUR 0.6m as of 30 September 2009, following payment of costs related

to fund management. The remaining committed EUR 38.5m was still placed in cash and short-term deposits per 30 September 2009.

Market comments third quarter

Russian property market fundamentals deteriorated only marginally in the third quarter and the market started to show some signs of stabilisation towards the end of the quarter. Vacancy rate in the office segment in Moscow has reached 25% and the average asking office rental rates are USD 650 and USD 350 per sqm per annum for classes A and B+ respectively. There are some signs of increased leasing activity with businesses now exploring the opportunities to upgrade to higher quality space.

Rental rates in the retail segment have been under less pressure than the office segment during Q3. Rental rates in new properties have also stabilised, although at lower levels than fully operating retail schemes. Well-capitalised retailers are still leveraging the situation to secure space in fundamentally good properties. Among the newly announced openings is the first H&M store in St. Petersburg in MEGA Dybenko shopping center.

On the investment side very few property transactions have taken place. Investment yields for office and retail properties are consolidating at levels close to 13% - 14%.

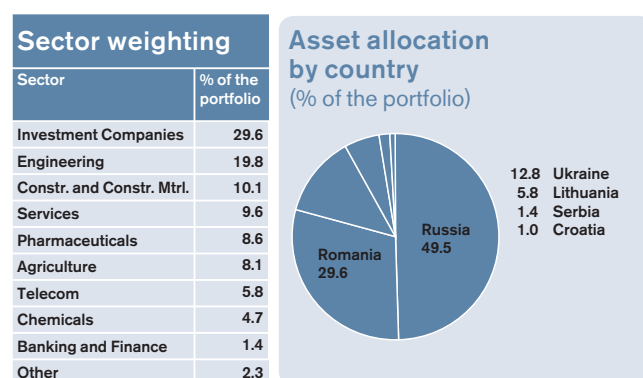
Portfolio comments third quarter

The East Capital Real Estate team is actively working on a number of potential transactions, several of which are in an advanced stage.

EAST CAPITAL SPECIAL OPPORTUNITIES FUND

The East Capital Special Opportunities Fund was launched on 30 June 2009. NAV per unit at inception was USD 9.92. As of 30 September 2009, the NAV had reached USD 11.71 which is a gain of 19.35%, and 60.2% of the fund was invested. There is no relevant benchmark for the fund, as it invests in small and medium-sized companies across Eastern Europe. The MSCI EM Europe index gained 27.8% during the same period.

Sector and country exposure per 30 September 2009



Portfolio comment third quarter

During the quarter the portfolio managers actively looked at the investment universe of small and medium sized companies across Eastern Europe. As previously announced, the fund has placed a special emphasis on Russia and the Balkan region, but also looked for opportunities in Ukraine, the Baltics and Central Europe. A total of 47 companies qualified for the pipeline of the

fund. Of these companies, 16 were selected as potential investment targets and during the quarter the fund acquired stakes in 14 of the companies. The portfolio managers have met with all the companies that the fund has invested in. It should be noted that the managers have worked extensively with identifying distressed sellers, for example banks that have taken shares as collateral for a defaulted loan or private individuals in financial distress.

The largest contributors to fund performance were Sollers, Fondul Proprietatea and Sintal, which have gained 66.5%, 34.9% and 101.4% respectively since they were acquired. All holdings but one in the fund have recorded positive returns since acquisition.

Fondul Proprietatea (20.6% of NAV) is the largest privatisation fund in Romania and most likely the largest in Eastern Europe. Shares in Fondul Proprietatea were acquired in different stages from local sellers. The process of acquiring shares is relatively complicated, as shares are trading OTC and separate agreements are needed for each transaction. Fondul Proprietatea is structured as a holding company run by state-appointed management. Holdings are mainly within the electricity and energy sectors, and include both listed and unlisted holdings. At the time of acquisition, shares were bought at a 81% discount to estimated NAV. The appointment of a new manager, Franklin Templeton, was approved at an EGM in September. This is very positive, as a professional manager should be significantly better at running the fund than previously was the case. The listing of the stock is another trigger for the revaluation of the share, and will most likely occur in 2010. During the quarter, Fondul Proprietatea sold its stakes in two energy distribution companies to CEZ for EUR 230m, bringing the total cash position in Fondul Proprietatea to approximately EUR 500m, or half the market capitalisation. At the peak, shares in Fondul Proprietatea were trading OTC at RON 0.6 per share, and the average acquisition price for the East Capital Special Opportunities Fund was RON 0.23.

Sollers (13.8% of NAV) is a Russian car producer of foreign brands such as Fiat, SsangYong and Isuzu. The company is professionally and efficiently run. However, the stock price collapsed during the crisis, as the automotive market in Russia contracted 50-60% during January-August 2009 compared to same period in 2008. The company also increased its debt as it needed to provide credit to its dealers, which were cut off from bank financing. These two factors sent the stock price plummeting from the peak of USD 67 per share. The fund acquired shares at USD 8.5 from a distressed seller. At the end of the quarter, the stock was trading at USD 14.2. The improving credit conditions should, over time, enable dealers to again be able to get loans and repay the ones now provided by Sollers, which would decrease the company's debt burden. The company also benefits from increased import duties on cars coming into Russia. These measures have been introduced by the Russian government to protect the domestic car industry, including cars that are produced abroad but assembled in Russia. Furthermore, a cash-for-clunkers program of RUB 50,000 (USD1,670) per scrapped car is currently being discussed. This could have a very positive effect on the Russian automotive market, should it be introduced.

Sintal (5.7% of NAV) is a Ukrainian agricultural company. The fund acquired a stake in the company from a bank that had taken the shares as collateral for a defaulted loan. Most of the shares

were acquired at a price of EUR 1.08, when the market price was EUR 4. Even though the market price fell substantially during the period, the fund still has a large profit on the position. Some 15% of the holding was immediately sold at prices between EUR 3.60 and 4.00, which financed half of the fund's acquisition amount. The company is now planning to raise more equity in order to fund further land bank expansion and construction of additional storage capacity. This should further raise the interest for the stock.

MELON FASHION GROUP

MFG is an unlisted Russian fashion retailer with brands in the low- and mid-market segment. It has an ambitious management team and a shareholder base that contributes with both entrepreneurial skills and solid financial backing. MFG has stable cash flows and no financial debt.

Comments on the third quarter

The value of East Capital Explorer's investment in MFG on 30 September 2009 was equal to the acquisition cost of EUR 9.9m. During the reporting period, MFG's turnover amounted to RUR 2,265m (EUR 69.5m), an increase of 50% in RUR (10% in EUR) compared to the corresponding period 2008. Sales in comparable stores for the two original store concepts befree and Zarina remained flat in RUR terms and decreased by 26% in EUR terms during the reporting period compared to the same period 2008.

During the third quarter, MFG's turnover amounted to RUR 891m (EUR 31.4m), an increase of 43% in RUR (11% in EUR) compared to the corresponding period 2008. Sales in comparable stores for the two original store concepts befree and Zarina decreased by 9% in RUR terms and decreased by 30% in EUR terms during the third quarter compared to the same period 2008.

In the beginning of September, MFG officially launched the new Love Republic concept and all former TAXI shops have been re-branded into Love Republic. The launch campaign was promoted by the Ukrainian pop-duo ViaGra, who are the advertising faces of Love Republic for this season.

On 30 September 2009, MFG had a total of 240 shops, an increase of 16 shops during the third quarter. Of the 16 new shops, 9 were Love Republic shops, 4 were befree shops and 3 were Zarina shops. The number of own shops increased by 15 to 183 shops and the number of franchise shops increased by 1 to 57 shops. Since the beginning of the year, MFG has opened 48 new shops, of which 24 are Love Republic shops.

PUBLIC EQUITY FUND INVESTMENTS

East Capital (Lux) Eastern European Fund

The fair value of East Capital Explorer's investment in the East Capital (Lux) Eastern European Fund increased 79.3% during the reporting period while the MSCI EM Europe Index increased 59.2% during the same period. During the third quarter the fair value of the fund gained 27.1% compared to the MSCI EM Europe Index which increased 23.8% during the same period.

SHORT-TERM INVESTMENTS

In May 2009, East Capital Explorer allocated EUR 15m to investments in a portfolio of USD or EUR denominated liquid bonds in order to create more attractive returns on cash while remaining liquid for future investments. On 30 September 2009, the fair value of the bond portfolio amounted to EUR 16.1m, corresponding to a change of 7.6% during May-September 2009.

Cash and deposits

80.6m (EUR 195.6m) that have not yet been invested or drawn-down, are placed in cash and EUR-deposits. Interest income from deposits during the third quarter amounted to EUR 0.7m (EUR 2.4m), which brings the total income from deposits for the reporting period to EUR 3m (EUR 7.5m).

On 30 September 2009, deposits had an average duration of 5.3 months (5.3 months) and an average interest rate of 1.07% (5.08%).

OTHER INFORMATION

Risks and uncertainty factors

The dominant risk in East Capital Explorer's operations is commercial risk in the form of exposure to certain sectors, geographic regions or individual holdings. The current volatile financial markets may increase the risks associated with our investments. A detailed description of the risks associated with East Capital Explorer's operations is presented on pages 50-52 and 76-77 in the 2008 annual report.

Related party transactions

For information on related party transactions please see pages 52 and 78 in the 2008 annual report. No changes or transactions have occurred during the quarter other than fee payments according to agreements.

Organisational and investment structure

East Capital Explorer is a public limited liability company that indirectly invests in Russia and other countries within the Commonwealth of Independent States (CIS), the Balkans, the Baltic States, Central Asia and Central Eastern Europe, through a selection of East Capital's current and future funds. In addition, the Company may also invest directly in companies in this region.

The investment activities of the company are governed by an investment policy within an Investment Management Agreement between the Company and East Capital PCV Management AB (the Investment Manager), a company within the East Capital Group.

For further information about the organisation and investment structure of the Company, please see the corporate governance report for 2008 that has been included in the annual report and on our web site www.eastcapitalexplorer.com in the section, 'About East Capital Explorer/Corporate Governance'.

Share buy-back mandate

The Annual General Meeting 2009 issued a new repurchase authorization for the Board to decide on acquiring the company's

own shares until the Annual General Meeting 2010. To date, no shares have been bought back by the company under the new authorization.

Nomination Committee

The members of the Nomination Committee have been appointed based on the ownership structure on 30 June 2009. Ramsay Brufer, Alecta Pension Insurance is Chairman of the Committee. The other owner representatives are Anders Klein, SEB Foundations and Johan Gustavsson, Apoteket ABs Pensionsstiftelse. The Committee also includes Paul Bergqvist as Chairman of the Board in East Capital Explorer and Peter Elam Håkansson as Chairman of the Board of the Investment Manager.

The role of the Nomination Committee is to present proposals to the Annual General Meeting 2010 on issues including chairman of the meeting, members of the Board of Directors and chairman of the Board. The Nomination Committee shall also propose remuneration to the members of the Board of Directors, remuneration for any committee work and fees to be paid to the company's auditors as well as propose the process for electing a Nomination Committee prior to the 2011 Annual General Meeting.

East Capital Explorer's Annual General Meeting 2010 will be held on Wednesday 28 April 2010, at Konserthuset in Stockholm. Shareholders who wish to submit a proposal for consideration at the AGM should send such proposal to the Chairman of the Board in good time prior to publication of the notice of the meeting which is scheduled to take place in mid-March 2010.

Shareholders who wish to contact the Nomination Committee or the Board of Directors, are welcome to send an e-mail to agm@eastcapitalexplorer.com, or a letter to East Capital Explorer, att: Nomination Committee, Box 7214, 103 88 Stockholm, Sweden.

EVENTS OCCURRING AFTER THE END OF QUARTER

Direct investment in Baltic telecom operator TEO LT

In the end of September, East Capital Explorer started acquiring shares in TEO LT, a leading Baltic telecom operator. In the beginning of October, East Capital Explorer, together with some East Capital Funds, made a joint offer to the Board of TEO LT to acquire the shares held in treasury by the company, corresponding to 4.67% of the total number of shares. As the Board of TEO did not respond to this offer, East Capital Explorer, together with East Capital funds, acquired shares in the market. On 12 October 2009, East Capital Explorer announced the direct investment of approximately 2% of the shares in TEO LT, corresponding to an investment of approximately EUR 8.5m. Following this investment, East Capital Explorer, together with East Capital funds, hold a total of 5.54% of the shares in TEO LT.

TEO is a fixed line operator and the leading broadband operator in Lithuania. The company has been able to defend its market share and even improve its operating results both on top and bottom line during the very tough operating environment this year. In Q3, TEO impressed by increasing its revenues by 2.3%, operating profit by 21.4% and net income by 5.5%. The EBITDA margin reached 42.8%. TEO has a net cash position of EUR 77m, which corresponds to more than 24% of total assets and the share has been

yielding 11% dividend (net). Compared to international peers, TEO is one of the lowest valued telecom stocks, so East Capital Explorer considers this an attractive investment story and will work with the Board of TEO LT to unleash shareholder value.

NAV on 31 October 2009

NAV per share per 31 October 2009 amounted to EUR 9.19 (corresponding to SEK 95.48), compared to EUR 9.15 (corresponding to SEK 93.42) on 30 September 2009. The share price on 31 October 2009 was SEK 65.50 (corresponding to EUR 6.30). Cash and deposits on 31 October 2009 amounted to EUR 72.1m (SEK 749.1m) which corresponds to EUR 2.03 (SEK 21.09) per share.

PORTFOLIO ON 31 OCTOBER 2009

	Fair value change 2009, %	Fair value change October, %	Nav/ share EUR	% of NAV
Semi-Public Equity Fund Investments				
East Capital Bering Russia	34.7	4.4	0.84	9.2
East Capital Bering Ukraine	-14.2	1.3	0.18	2.0
East Capital Bering Balkan	41.2	-7.4	0.98	10.7
East Capital Bering Central Asia	6.0	4.7	0.52	5.6
East Capital Bering New Europe	31.3	-3.6	0.44	4.8
East Capital Power Utilities Fund	152.3	4.2	1.88	20.5
East Capital Special Opportunities Fund	12.3	1.8	1.11	12.0
	37.9	1.2	5.96	64.8
Direct Investments				
MFG (OAO Melon Fashion Group)	0.0	0.0	0.28	3.0
TEO LT, AB	4.1	4.1	0.24	2.7
			0.52	5.7
Private Equity Fund Investments				
East Capital Russian Property Fund ¹	-93.9	-6.3	0.01	0.2
Public Equity Fund Investments				
East Capital (Lux) Eastern European Fund (EUR)	82.7	1.9	0.30	3.3
Short-term Investments				
Short term Investments (incl bonds)			0.46	5.0
Cash and deposits			2.03	22.1
			2.49	27.1
Total Portfolio			9.29	101.1
Other assets and liabilities net			-0.10	-1.1
Net Asset Value (NAV)	23.1	0.8	9.19	100.0

¹ EUR 40m has been committed to the East Capital Russian Property Fund. To date, no investments have been made in the fund. Total draw-downs of EUR 1.5m have been made to cover costs in the fund, of which EUR 0.6m was made in July. The fair value change in the table above refers to the change in value of the draw-downs following payment of costs. The remaining committed EUR 38.5m is still placed in cash and short-term deposits.

Additional EUR 10m allocated to investments in bonds

In November, East Capital Explorer decided to allocate an additional EUR 10m to the existing bond portfolio in order to create more attractive returns on East Capital Explorer's cash position and at the same time remain liquid for future investments.

ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The accounting principles that have been applied for the Group and Parent Company are in agreement with the accounting principles used in the 2008 annual report.

In the amended IAS 1 Presentation of Financial Statements: A Revised Presentation, changes are made in the presentation of the financial statements and new non-mandatory changes to the titles of the statements are proposed. Other new or revised IFRS principles and interpretations of the IFRIC have not had any material effect on the financial position or results of the Group or Parent Company.

Stockholm, 12 November 2009



Gert Tiivas
Chief Executive Officer

CONTACT INFORMATION

Gert Tiivas, CEO, +46 8 505 977 30
Louise Hedberg, Head of Communications/IR,
+46 8 505 977 20

FINANCIAL CALENDAR

- Monthly net asset value report on the fifth working day after the end of each month
- Year-end Report 2009, 17 February 2010
- Annual Report 2009 available in the week of 5 April 2010
- Annual General Meeting 2010 on 28 April 2010
- Interim Report 1 January – 31 March 2010, 11 May 2010
- Interim Report 1 January – 30 June 2010, 20 August 2010
- Interim Report 1 January – 31 September 2010, 11 November 2010

The information in this interim report is that which East Capital Explorer AB is required to disclose under Sweden's Securities Market Act. It was released for publication at 08:20 a.m. CET on 12 November 2009.

Review Report

To the Board of East Capital Explorer AB (publ)

Corp id 556693-7404

Introduction

We have reviewed the interim report for East Capital Explorer AB (publ) as of 30 September 2009, and the nine-month reporting period ending on that date. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Focus and Scope of the Review

We conducted our review in accordance with the Standard on Review Engagements SÖG 2410, "Review of Interim Financial Information Performed by the Independent Auditors of the Entity". A review consists of making inquiries, primarily to persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with Standards on Auditing in Sweden RS and other generally accepted auditing practices in Sweden. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed on the basis of a review does not give the same level of assurance as a conclusion expressed on the basis of an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm, 12 November 2009

KPMG AB

Carl Lindgren

Authorised Public Accountant

This review report is a translation of the original review report in Swedish.

Income Statement – Group

EUR thousands	1 Jan – 30 Sept 2009	1 Jan – 30 Sept 2008	1 July – 30 Sept 2009	1 July – 30 Sept 2008
Result from financial assets at fair value through profit or loss	89,907	-96,830	44,037	-62,856
Realised gains/losses from financial assets through profit or loss	-7,793	-	-967	-
Dividends	173	-	26	-
Total operating income	82,287	-96,830	43,096	-62,856
Staff expenses	-401	-411	-157	-137
Other operating expenses	-3,922	-1,998	-2,528	-695
Operating profit/loss	77,964	-99,239	40,411	-63,688
Financial income	3,089	7,496	732	2,442
Financial expense	-9	-21	-	-
Profit/loss after financial items	81,044	-91,764	41,143	-61,246
Income tax	-608	359	-128	541
NET PROFIT/LOSS FOR THE PERIOD	80,436	-91,405	41,015	-60,705
Other comprehensive income:				
Exchange differences on translating foreign operations	-1,644	-	-1,644	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	78,792	-91,405	39,371	-60,705
Profit/loss distribution:				
Shareholders of the Parent Company	64,252	-76,011	34,088	-49,985
Minority interest	16,184	-15,394	6,927	-10,720
	80,436	-91,405	41,015	60,705
Total comprehensive income distribution:				
Shareholders of the Parent Company	62,916	-76,011	32,752	-49,985
Minority interest	15,876	-15,394	6,619	-10,720
	78,792	-91,405	39,371	-60,705
Earnings per share, EUR				
- shareholders of the Parent Company	1.81	-2.10	0.96	-1.38
No dilution effects				

Segment reporting

East Capital Explorer has chosen to classify the company's segments based on the nature of its investments. Segment results, assets and liabilities include items directly attributable to the segment as well as those that can be allocated on a reasonable basis.

EUR thousands 1 Jan – 30 Sept 2009	Semi-public Equity Funds	Direct Investments	Private Equity Funds	Short-term Investments	Other & unallocated	Total consolidated
Total operating income	77,319	-	-783	1,138	4,613	82,287
Other expenses	-3,540	-	-	-	-783	-4,323
Operating profit/loss	73,779	-	-783	1,138	3,830	77,964
Financial income	-	-	-	3,089	-	3,089
Financial expense	-	-	-	-9	-	-9
Profit/loss after financial items	73,779	-	-783	4,218	3,830	-
Income tax for the period	-	-	-	-809	201	-608
Net profit/loss for the period	73,779	-	-783	3,409	4,031	80,436
Assets	218,636	9,941	642	99,167	41,295	369,681
Liabilities	-	-	-	-	8,451	8,451
EUR thousands 1 Jan – 30 Sept 2008	Semi-public Equity Funds	Direct Investments	Private Equity Funds	Short-term Investments	Other & unallocated	Total consolidated
Total operating income	-89,532	-	-	-7,298	-	-96,830
Other expenses	-1,551	-	-	-	-858	-2,409
Operating profit/loss	-91,083	-	-	-7,298	-858	-99,239
Financial income	-	-	-	7,496	-	7,496
Financial expense	-	-	-	-21	-	-21
Profit/loss after financial items	-91,083	-	-	177	-858	-91,764
Income tax for the period	-	-	-	-	359	359
Net profit/loss for the period	-91,083	-	-	177	-499	-91,405
Assets	110,551	-	-	223,844	3,825	338,220
Liabilities	-	-	-	-	3,051	3,051

The above tables provides information about allocating revenues to segments for the group.

Balance Sheet – Group

EUR thousands	30 Sept 2009	31 Dec 2008
Shares and participations in investing activities	239,004	95,092
Deferred tax assets	201	-
Total non-current assets	239,205	95,092
Other short-term receivables	30,448	20
Accrued income and prepaid expenses	861	2,617
Short-term Investments	15,074	-
Deposits	74,700	175,190
Cash and cash equivalents	9,393	8,453
Total current assets	130,476	186,280
Total assets	369,681	281,372
Share capital	3,628	3,627
Other contributed capital	384,376	387,652
Reserves	-1,652	-316
Profit brought forward	-125,938	3,298
Net profit/loss for the period	64,252	-129,236
Equity attributable to shareholders of the Parent Company	324,666	265,025
Minority interest	36,564	10,425
Total equity	361,230	275,450
Deferred tax liabilities	589	589
Total long-term liabilities	589	589
Tax liabilities	2,518	1,953
Other liabilities	4,872	2,482
Accrued expenses and prepaid income	472	898
Total current liabilities	7,862	5,333
Total equity and liabilities	369,681	281,372

Changes in equity – Group

EUR thousands 2009	Share capital	Other contributed capital	Reserves	Retained earnings incl. profit /loss for the period	Total equity shareholders in Parent Company	Minority	Total equity
Opening equity 1 Jan 2009	3,627	387,652	-316	-125,938	265,025	10,425	275,450
Bonus issue	1	-1	-	-	-	-	-
Share buy-back	-	-3,275	-	-	-3,275	-	-3,275
Acquired subsidiaries	-	-	-	-	-	10,263	10,263
Total comprehensive income	-	-	-1,336	64,252	62,916	15,876	78,792
Per 30 September 2009	3,628	384,376	-1,652	-61,686	324,666	36,564	361,230

EUR thousands 2008	Share capital	Other contributed capital	Reserves	Retained earnings incl. profit/loss for the period	Total equity shareholders in Parent Company	Minority	Total equity
Opening equity 1 Jan 2008	3,627	387,652	-316	3,298	394,261	32,313	426,574
Net profit/loss for the period/ Total comprehensive income	-	-	-	-76,030	-76,030	-15,375	-91,405
Per 30 September 2008	3,627	387,652	-316	-72,732	318,231	16,938	335,169

Cash Flow Statement – Group

EUR thousands	1 Jan – 30 Sept 2009	1 Jan – 30 Sept 2008
Operating activities		
Operating profit/loss	77,964	-99,238
Adjusted for unrealised change in value	-89,907	98,336
Capital gain/loss from divestment	7,793	-
Interest received	4,943	6,209
Interest paid	-9	-21
Tax paid	-243	-57
Cash flow from current operations before changes in working capital	541	5,229
Cash flow from changes in working capital		
Increase (-)/decrease (+) in other current receivables	-267	111
Increase (+)/decrease (-) in other current payables	-5,013	-5,528
Cash flow from operating activities	-4,739	-188
Investing activities		
Investment in shares and participations	-129,898	-48,016
Proceeds from sale of shares and participations	30,866	-
Cash flow from investing activities	-99,032	-48,016
Financing activities		
Contribution from minority	7,606	-
Share buy-back	-3,275	-
Cash flow from financing activities	4,331	-
Cash flow for the period	-99,440	-48,204
Cash and cash equivalents at beginning of the year ¹	183,643	260,701
Exchange rate differences in cash and cash equivalents	-110	742
Cash and cash equivalents at end of the period	84,093	213,239

¹ Cash equivalents comprise deposits and cash.

Consolidated key figures

Value at the end of the period	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008
Net asset value, EURt	324,666	291,914	259,314	265,025	318,231	368,235	369,876
Change in NAV during the quarter	11.2%	12.6%	-2.2%	-16.7%	-13.6%	-0.5%	-6.2%
Equity ratio, %	97.7%	98.0%	99.9%	97.9%	99.1%	99.4%	99.5%
Market capitalisation, SEKm	2,245	2,192	1,696	1,458	2,167	2,974	3,409
Market capitalisation, EURt ¹	219,914	202,221	154,950	134,013	221,363	314,393	363,433
Key figures/share	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008
Earnings, EUR	1.81	1.11	-0.12	-1.48	-1.51	-0.07	-0.67
NAV, SEK ¹	93.12	89.10	79.39	79.53	85.86	96.02	95.68
NAV, EUR	9.12	8.22	7.25	7.31	8.77	10.15	10.20
Share price, SEK	63.25	61.75	47.40	40.20	59.75	82	94
Share price, EUR ¹	6.19	5.70	4.33	3.69	6.10	8.67	10.02
Number of employees	4	4	4	4	4	4	3

¹ Some currency translations are made for informational purposes. 1 EUR = SEK 10.21 on 30 September 2009, SEK 10.84 on 30 June 2009, SEK 10.95 on 31 March 2009, SEK 10.88 on 31 December 2008, SEK 9.79 on 30 September 2008, SEK 9.46 on 30 June 2008 and SEK 9.38 on 31 March 2008. Source: Reuters.

Income statement – Parent Company

EUR thousands	1 Jan – 30 Sept 2009	1 Jan – 30 Sept 2008	1 July – 30 Sept 2009	1 July – 30 Sept 2008
Staff expenses	-401	-411	-157	-137
Other operating expenses	-382	-447	-63	-92
Operating profit/loss	-783	-858	-220	-229
Financial income ¹	63,498	25	32,917	-
Financial expense ²	0	-72,612	0	-49,843
Profit/loss after financial items	62,715	-73,445	32,697	-50,072
Income tax	201	237	55	68
NET PROFIT/LOSS FOR THE PERIOD	62,916	-73,208	32,752	-50,004

¹ Financial income in Parent Company comprises write up of shares in group companies.

² Financial expense in Parent Company comprises write down of shares in group companies.

Balance Sheet – Parent Company

EUR thousands	30 Sept 2009	31 Dec 2008
Shares and participations in investing activities	322,645	263,764
Deferred tax assets	201	-
Total non-current assets	322,846	263,764
Other short-term receivables	1,399	1,399
Accrued income and prepaid expenses	95	23
Cash and cash equivalents	546	286
Total current assets	2,040	1,708
Total assets	324,886	265,472
Share capital	3,628	3,627
Other contributed capital	384,376	387,652
Profit brought forward	-126,254	1,168
Net profit/loss for the period	62,916	-127,422
Total equity	324,666	265,025
Tax liabilities	39	63
Other liabilities	35	128
Accrued expenses and prepaid income	146	256
Total current liabilities	220	447
Total equity and liabilities	324,886	265,472

**EAST CAPITAL
EXPLORER**

Kungsgatan 33, Box 7214, 103 88 Stockholm, Sweden | Tel: +46 8 505 97 700
Corporate identity no. 55 66 93 - 7404 | www.eastcapitalexplorer.com