

22 January 2012

Dragon-Ukrainian Properties & Development plc  
("DUPD" or the "Company" and together with its subsidiaries, the "Group")

### Reduction of Capital

The directors of DUPD are pleased to announce that the High Court of the Isle of Man has granted an order confirming the reduction of the Company's capital.

At the extraordinary general meeting on 14 November 2012 shareholders granted DUPD authority to apply to the High Court in the Isle of Man to approve a reduction of capital in accordance with the Isle of Man Companies Act 1931 (as amended) (the "Act") to cancel the shares which DUPD bought back through a series of on-market transactions made between August 2008 and May 2009, and in response to three public tender offers made respectively on 4 June 2009, 25 October 2011 and 6 December 2011 (together the "Share Buy-Backs").

Following a hearing on 18<sup>th</sup> December 2012, the High Court of the Isle of Man issued an order on 19<sup>th</sup> December. On 17<sup>th</sup> January 2013 the Company received a Certificate of Registration from the Isle of Man Companies Registry dated 9<sup>th</sup> January 2013 providing conclusive evidence that the requirements of the Act for share capital reduction were complied with from 19<sup>th</sup> December 2012.

As a result of the shareholders resolution and court order the issued capital of Dragon - Ukrainian Properties & Development plc has been reduced from £1,423,287.16 divided into 142,328,716 ordinary shares of £0.01 each to £1,093,615.15 divided into 109,361,515 ordinary shares of £0.01 each by cancelling and extinguishing 32,967,201 of issued ordinary shares of £0.01 each in the capital of the Company, each of which is fully paid up.

The effect of the reduction of capital is to cancel the shares purchased by the Company through the Share Buy-Backs. In practice this action puts both the Company and the sellers of shares under the Share Buy-Backs in the same position as they would have been in had the Share Buy-Backs been properly authorised. The shareholdings of current shareholders are unaffected by the reduction in capital and they do not need to report any changes in their shareholdings.

ENDS

For further information, please contact:

Dragon-Ukrainian Properties & Development plc ([www.dragon-upd.com](http://www.dragon-upd.com))

Tomas Fiala +380 44 490 7120

Dragon Capital Partners Limited (Investment Manager)

Chris Kamtsios +380 44 490 2021

Panmure Gordon (UK) Limited (Nominated Adviser and Broker)

Richard Gray / Andrew Potts +44 (0)20 7886 2500