DRAGON - UKRAINIAN PROPERTIES & DEVELOPMENT PLC
("DUPD" or the "Company"
and together with its subsidiaries, the "Group")

Interim Results for the Period Ended 30 June 2009

The Company is pleased to announce its interim financial statements for the period ending 30 June 2009

Financial Highlights:

- NAV per share at 30 June 2009, before and after deferred income tax liabilities ("DITL") grew to $2.65 and $2.51, respectively from $2.47 and $2.35 as at 31 December 2008, mainly as a result of continuing share buyback program. During the first half of 2009, ca 15.7 million shares have been purchased and subsequently cancelled.

- Balance sheet remains robust:

  - Group NAV at 30 June 2009 before and after DITL was $311.4 million and $295.3 million, respectively, down slightly from $329.2 million and $313.2 million as at 31 December 2008, reflecting a very conservative valuation policy with more than half of the investment portfolio valued at acquisition cost basis, while the rest does not account for substantial permitting advancement achieved during the period.
  - Cash in deposits, held in several leading European banks with highest ratings, was $88.5 million as at June 30, 2009.
  - No bank debt at Company, or Group level.

- Market capitalisation as at 30 June 2009 was £45.3 million ($74.9 million) which, despite a very conservative valuation policy adopted by the Company, represents a 76% discount to NAV, thereby creating strong prospects for share price improvement as the global real estate market recovers in the future.

Operational Highlights since 31 December 2008:

- On March 5, Kyiv District Architectural Council approved the new master plan of Green Hills cottage community (www.green-hills.com.ua);

- On April 6, the State Expertise Authority issued the Positive Conclusion for the project documentation of Mykolaiv retail centre (Henryland project)

- On April, 10, a total of 38 individual property acts were received for each of the properties in the Sadok Vishnevyj residential community;

- On April 30, Kyiv Architectural Administration approved the project documentation of the "Avenue" shopping mall (Komarova Project);

- On May 18, concept design has been developed by Colliers International (Moscow) for the shopping centre in Kremenchug (Glangate project);

- On May 25, Kyiv Council approved land rezoning for Obolon Residential Towers;

- On May 26, the State Expertise Authority issued the Positive Conclusion for the project documentation of Sevastopol retail centre (Glangate project);

- On May 29, project works on the part of social infrastructure for Riviera Villas community (www.r-v.com.ua) have been completed;

- On June 12, a total of 178 individual state acts were obtained as per newly approved master plan of the Green Hills community;

- On June, 24 the State Expertise Authority issued the Positive Conclusion for the project documentation of Vinnitsa retail centre (Henryland project);

- On June 28, construction works on the three show homes at Riviera Villas community have been completed, with interior renovation works currently in progress;

- On June 30, all works for installing communication lines in the Green Hills community were completed as well as construction of the first 4 showcase homes;

- On June, 30 all works connecting utilities to the show homes at Riviera Villas community as well as construction of access road to the community were completed;

Investment Activity:

- In line with the Company's announced investment policy to pursue investments and acquisitions on a highly selective basis, DUPD invested $13.1 million to secure the rights of a completed residential community "Sadok Vishnevyj" near the borders of Kyiv, previously owned by a distressed developer.

Chris Kamtsios, Senior Partner & Managing Director of Dragon Capital Partners ltd ("DCP or the "Manager") **commented:**

"DUPD is one of the very few real estate investment companies worldwide that enjoys a privileged status today, being completely debt-free and with ample cash resources to fund the ongoing development of its portfolio projects and consider new investments in distressed assets, on a highly selective basis. While the negative

effects of the market downturn, since the beginning of 2008, have resulted in significant share price reduction and lower NAV in absolute terms, projects continue to develop uninterrupted with significant permitting advancement being achieved which will allow the Company to bring them to the market in a phased manner, when market conditions improve.

We keep raising the bar on quality in all of our development projects which allows them a unique status and enhanced marketability over competing offering in the marketplace. Riviera Villas, being the first exclusive residence club in Ukraine, Green Hills, being the first North American style suburban community with extensive social infrastructure and Obolon Residential Towers, designed by renowned British architects, are some of the examples of the quality and unique character of our portfolio projects.

Our key focus remains on maximizing shareholder value. While we have achieved that to a great extend via the results of our share buyback program, launched in July 2008, on the operations side we strive to ensure that all projects are well positioned in terms of concept, design and cost, and continue to obtain permitting to complete developments without delay in order to take advantage of the future market recovery."

Enquiries:
For further information, please contact:

Dragon Ukrainian Properties & Development Plc (www.dragon-upd.com)
Tomas Fiala
+380 44 490 7120

Dragon Capital Partners Limited (Investment Manager)
Chris Kamtsios
+ 380 44 490 7120

KBC Peel Hunt Ltd (Nominated Adviser and Broker)
Capel Irwin/Daniel Harris
+ 44 20 7418 8900

Consolidated balance sheet

(in thousands of USD)	*Note*	30 June 2009	31 December 2008
Assets			
Non-current assets			
Investment properties	*6*	**69,158**	**70,225**
Property under construction	*6*	**5,217**	**2,559**
Prepayments for land	*7*	**121,487**	**122,440**
Investments in associate	*8*	**13,693**	**13,151**
Long-term loan	*9*	**2,516**	**1,378**
Property and equipment		**52**	**63**
Intangible assets		**29**	**24**
Total non-current assets		**212,152**	**209,840**
Current assets			
Inventories	*10*	**12,230**	**70**
Trade and other receivables	*11*	**1,095**	**757**
Prepaid income tax		**16**	**16**
Cash and cash equivalents	*12*	**88,452**	**121,216**
Total current assets		**101,793**	**122,059**
Total assets		**313,945**	**331,899**

(in thousands of USD)	*Note*	30 June 2009	31 December 2008
Equity and Liabilities			
Equity	*13*		
Share capital		**2,354**	**2,668**
Share premium		**282,079**	**292,127**
Retained earnings		**10,867**	**18,429**
Total equity attributable to equity holders of the Parent Company		**295, 300**	**313,224**
Minority interests		**-**	**-**
Total equity		**295,300**	**313,224**
Non-current liabilities			
Deferred tax liabilities	*14*	**16,139**	**15,929**
Total non-current liabilities		**16,139**	**15,929**
Current liabilities			
Trade and other payables	*15*	**2,499**	**2,735**

Income tax payable	7	11
Total current liabilities	**2,506**	**2,746**
Total liabilities	**18,645**	**18,675**
Total equity and liabilities	**313,945**	**331,899**

The consolidated balance sheets are to be read in conjunction with the notes to and forming part of the financial statements

Consolidated statement of operations

(in thousands of USD)	*Note*	**For the six months ended 30 June 2009**	**For the six months ended 30 June 2008**
Rental income		**320**	**392**
Fair value (losses) gains on revaluation of investment properties	*6*	**(7,262)**	**12,634**
Write-down of trading properties to net realizable value		**(426)**	**-**
Management and performance fees	*16*	**(2,231)**	**(2,928)**
Administrative expenses	*17*	**(566)**	**(745)**
Other expenses		**-**	**(70)**
Other income		**2**	**-**
Loss from operating activities		**(10,163)**	**9,353**
Gain on acquisition of subsidiary	*5*	**-**	**20,136**
Net financial income	*18*	**765**	**6,830**
Share of the (loss) profit of associates	*8*	**542**	**165**
(Loss) profit before income tax		**(8,856)**	**36,414**
Income tax benefit (expense)		**1,285**	**(2,985)**
Net (loss) profit		**(7,571)**	**33,429**
Attributable to:			
Equity holders of the Company		**(7,571)**	**33,286**
Minority interests		**-**	**143**
Net (loss) profit for the period		**(7,571)**	**33,429**
(Loss) earnings per share			
Basic (loss) earnings per share (in USD)	*20*	**(0,058)**	**0.233**
Diluted (loss) earnings per share (in USD)	*20*	**(0,058)**	**0.234**

The consolidated statements of cash flow are to be read in conjunction with the notes to and forming part of the financial statements

Consolidated statements of cash flow

(in thousands of USD)	*Note*	**For the six months ended 30 June 2009**	**For the six months ended 30 June 2008**
Cash flow from operating activities			
Profit (loss) before income tax		**(8,856)**	**36,414**
Adjustments for:			
Gain on acquisition of subsidiary and minority interest		**-**	**(20,136)**
Fair value losses (gains) on revaluation of investment properties	*6*	**7,262**	**(12,634)**
Write-down of trading properties to net realizable value		**426**	**-**
Depreciation		**9**	**-**
Share of the loss (profit) of associates		**(542)**	**(165)**
Net financial income	*18*	**(765)**	**(6,745)**
Gain on sale of property, equipment		**(2)**	**-**
Operating cash flow before changes in working capital		**(2,468)**	**(3,266)**
Decrease (increase) in inventories	*10*	**(12,586)**	**(50)**
Decrease (increase) in trade and other receivables		**(289)**	**4,438**
Increase (decrease) in trade and other payables		**(243)**	**(2,611)**
Share based payments		**9**	**14**
Income tax paid		**(7)**	**-**
Cash flows (used in) from operating activities		**(15,584)**	**(1,475)**

The Directors believe that all results derive from continuing activities.

(in thousands of USD)	Note	For the six months ended 30 June 2009	For the six months ended 30 June 2008
Cash flow from investing activities			
Interest received		**556**	**6,518**
Acquisition of investment properties		**-**	**(11,857)**
Payments for property under construction	*6*	**(2,733)**	**-**
Acquisition of property, equipment and intangible assets		**(7)**	**-**
Prepayments for land	*7*	**(3,547)**	**(5,000)**
Disbursement of long-term loan		**(1,042)**	**-**
Acquisition of subsidiary and minority interest, net of cash acquired		**(14)**	**-**
Acquisition of joint venture, net of cash acquired		**-**	**(4,410)**
Investments in associates		**-**	**(2,000)**
Proceeds from sale of property, plant and equipment		**6**	**-**
Cash flows (used in) from investing activities		**(6,781)**	**(16,749)**
Cash flow from financing activities			
Proceeds from issue of share capital		**-**	**-**
Purchase of own shares		**(10,362)**	**-**
Cash flows (used in) from financing activities		**(10,362)**	**-**
Net (decrease) increase in cash and cash equivalents		**(32,728)**	**(18,224)**
Cash and cash equivalents at 1 January		**121,216**	**178,350**
Effect of the foreign exchange fluctuation on cash balances		**(37)**	**-**
Cash and cash equivalents at the end of the period		**88,452**	**160,126**

The consolidated statements of cash flow are to be read in conjunction with the notes to and forming part of the financial statements.

Below is set out an abridged version of notes to the financial statements. For a full version please refer to Company's web site http://www.dragon-upd.com/investor-information/important-information/reports.

1. Basis of Preparation

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs).

2. Segment Reporting

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets and expenses.

During the year ended 31 December 2008 the following changes were made in the presentation of segments: (a) the land banking segment was segregated from residential property, and (b) the office segment was renamed the mixed-used segment. The segment includes development projects for construction of residential and office centers. Corresponding figures for the six months ended 30 June 2008 are adjusted to conform to the current period presentation.

Statement of operations information by business segment for the six months ended 30 June 2009 is as follows:

(in thousands of USD)	Land banking	Mixed-use	Retail	Residential	Unallocated	Total
Rental income	-	320	-	-	-	320
Fair value losses on revaluation of investment properties	-	(3,120)	(2,100)	(2,042)	-	(7,262)
Write-down of trading property to net realizable value	-	-	-	(426)	-	(426)
Management and performance fees	(1,174)	(297)	(337)	(423)		(2,231)
Administrative expenses	-	(217)	(20)	(71)	(258)	(566)
Other income	-	2	-	-	-	2
Loss from operating activities	(1,174)	(3,312)	(2,457)	(2,962)	(258)	(10,163)
Net financial income (expense)	(1)	3	28	121	614	765
Share of the (loss) profit of associate	-	-	542	-	-	542
Profit (loss) before income tax	(1,175)	(3,309)	(1,887)	(2,841)	356	(8,856)
Income tax benefit (expense)	-	610	424	251	-	1,285
Net segment profit (loss)	(1,175)	(2,699)	(1,463)	(2,590)	356	(7,571)

Statement of operations information by business segment for the six months ended 30 June 2008 is as follows:

(in thousands of USD)	Land banking	Mixed-use	Retail	Residential	Unallocated	Total
Rental income	-	392	-	-	-	392
Fair value gains on revaluation of investment properties	-	861	-	11,773	-	12,634
Management and performance fees	(1,198)	(793)	(424)	(513)	-	(2,928)
Administrative expenses	-	(301)	(6)	(88)	(350)	(745)
Profit (loss) from operating activities	(1,198)	159	(430)	11,172	(350)	9,353
Gain on acquisition of subsidiary	-	11,728	8,408	-	-	20,136
Net financial income	-	(2)	(1)	318	6,515	6,830
Share of profit of associates	-	-	165	-	-	165
Other losses	-	(70)	-	-	-	(70)
Profit before income tax	(1,198)	11,815	8,142	11,490	6,515	36,414
Income tax expense	-	(16)	-	(2,957)	(12)	(2,985)
Net segment profit (loss)	(1,198)	11,799	8,142	8,533	6,153	33,429

Assets and liabilities by business segments as at 30 June 2009 are as follows:

(in thousands of USD)	Land banking	Mixed-use	Retail	Residential	Unallocated	Total
Segment assets	120,500	30,465	20,967	43,448	84,872	300,252
Investment in associates	-	-	13,693	-	-	13,693
Unallocated assets	-	-	-	-	-	-
Total assets	120,500	30,465	34,660	43,448	84,872	313,945
Segment liabilities	1,174	7,713	4,260	5,427	71	18,645
Total liabilities	1,174	7,713	4,260	5,427	71	18,645
Capital expenditures	(3,544)	(845)	(278)	(1,508)	-	(6,175)
Depreciation	-	-	-	-	9	9

Assets and liabilities by business segments as at 31 December 2008 are as follows:

(in thousands of USD)	Land banking	Mixed-use	Retail	Residential	Unallocated	Total
Segment assets	116,955	32,561	21,188	30,143	-	200,847

Investment in associates	**-**	**-**	**13,151**	**-**	**-**	**13,151**
Unallocated assets	**-**	**-**	**-**	**-**	**117,901**	**117,901**
Total assets	**116,955**	**32,561**	**34,339**	**30,143**	**117,901**	**331,899**
Segment liabilities	**1,013**	**8,316**	**3,079**	**5,531**	**736**	**18,675**
Total liabilities	**1,013**	**8,316**	**3,079**	**5,531**	**736**	**18,675**
Capital expenditures	**20,940**	**4,588**	**13,202**	**16,353**	**24**	**55,107**
Depreciation	**-**	**-**	**-**	**-**	**7**	**7**

3. Investment properties and property under construction

Movements in investment properties for the six months ended 30 June 2009 are as follows:

	Freehold land	Leasehold land	Total
(in thousands of USD)			
At 31 December 2007	**18,197**	**87,599**	**105,796**
Acquisitions	**11,901**	**-**	**11,901**
Assets acquisition*	**-**	**1,339**	**1,339**
Construction	**1,259**	**1,192**	**2,451**
Recognized as joint venture	**-**	**22,204**	**22,204**
Fair value losses on revaluation	**(2,679)**	**(68,228)**	**(70,907)**
At 31 December 2008	**28,678**	**44,106**	**72,784**
Assets acquisition**	**-**	**6,018**	**6,018**
Construction	**1,359**	**1,475**	**2,934**
Fair value loss on revaluation	**(2,042)**	**(5,219)**	**(7,261)**
At 30 June 2009	**27,995**	**46,380**	**74,375**

*During the year ended 31 December 2008 the Group recognized the acquisition of subsidiary Tradecom Inco LCC as an acquisition of assets since the entity had no operations or business activities.

**During six months ended 30 June 2009 the Group recognized the acquisition of subsidiary Novyy region LLC as an acquisition of assets since the entity had no operations or business activities.

Management engaged a registered independent appraiser CB Richard Ellis LLC, having a recognized professional qualification and recent experience in the location and categories of the projects being valued, to assist with the estimation of fair value.

The estimation of fair value is made using a net present value calculation based on certain assumptions, the most important of which are as follows:

- rental rates which were based on current market rental rates ranging from USD 10 to USD 47 per sq.m.
- development costs based on current market construction prices
- discount rates ranging from 12% to 24%

4. Income tax expense

a. Income tax expense

Income taxes for the period for the six months ended 30 June 2009 and for the six months ended 30 June 2008 are as follows:

(in thousands of USD)	For the six months ended 30 June 2009	For the six months ended 30 June 2008
Current tax expense	(3)	41
Deferred tax expense	1,288	2,944
Total	1,285	2,985

The applicable tax rate is 25% for Ukrainian companies and 10% for Cypriot companies.

b. Reconciliation of effective tax rate

The difference between the total expected income tax expense for the period of the six months ended 30 June 2009 and for the six months ended 30 June 2008 computed by applying the Ukrainian statutory income tax rate to profit before tax and the reported tax expense is as follows:

(in thousands of USD)	30 June 2009	%	30 June 2008	%
Profit before tax	(8,859)	100	36,414	100
Computed expected income tax benefit at statutory rate	(2,215)	(25)	9,103	25
Effect of lower tax rates	1,060	11	(4,587)	(12)
Non-taxable income (income earned by holding companies)	1,472	16	(2,087)	5
Non-deductible expenses	(1,602)	(17)	556	1
Effective income tax expense	(1,285)	(15)	2,985	8

c. Recognized deferred tax assets and liabilities

The movement in deferred tax liabilities for the period of six months ended 30 June 2009 is as follows:

(in thousands of USD)	1 January 2009 liability	Recognized in income	Recognised in business combinations	30 June 2009 Liability
Investment property	(15,929)	1,288	(1,498)	(16,139)
Tax liabilities	(15,929)	1,288	(1,498)	(16,139)

The movement in deferred tax liabilities for the period from 01 January 2008 to 31 December 2008 is as follows:

(in thousands of USD)	**01 January 2008 liability**	**Recognized in income**	**Recognised in business combinations**	**31 December 2008 liability**
Investment property	**(25,051)**	**14,612**	**(5,490)**	**(15,929)**
Tax liabilities	**(25,051)**	**14,612**	**(5,490)**	**(15,929)**

5. Earnings per share

Basic earnings per share

The calculation of basic earnings per share is based upon the loss for the six months ended 30 June 2009 attributable to the ordinary shareholders of USD 7,571 thousand (for the six months ended 30 June 2008 profit of USD 33,286 thousand) and a weighted average number of ordinary shares outstanding calculated as follows:

(in number of shares weighted on the period outstanding)	**30 June 2009**	**30 June 2008**
Shares issued on incorporation on 23 February 2007	**2**	**2**
Sub-division of GBP 1 shares into GBP 0.01 shares on 16 May 2007	**198**	**198**
Shares issued on 1 June 2007	**104,000,000**	**104,000,000**
Shares issued on 29 November 2007	**36,630,100**	**36,630,100**
Shares issued on April 24, 2008	**1,698,416**	**1,698,416**
Own shares buyback July 1 – Dec. 31 2008	**(8,943,000)**	
Effect of own shares buyback Jan. 1- June 30 2009	**(1,968,028)**	
Weighted average number of shares for the period Jan.1 – June 30	**131,417,688**	**142,328,716**
Basic earnings per share (in USD)	(0.058)	0.234

Diluted earnings per share

The calculation of diluted earnings per share is based upon the loss for the six months ended 30 June 2009 attributable to the ordinary shareholders of USD 7,571 thousand (for the six months ended 30 June 2008 profit of USD 33,286 thousand) and a weighted average number of ordinary shares after adjustment for the effects of all dilutive potential ordinary shares calculated as follows:

(in number of shares)	**30 June2009**	**30 June2008**
Weighted average number of shares for the period **Jan.1 – June 30**	**131,417,688**	**142,328,716**
Share options	**-**	**11,562**
Warrants	**-**	**721,488**

Weighted average number of shares for the period (fully diluted)	**131,417,688**	**143,061,766**
Diluted earnings per share (in USD)	(0.058)	0.233

Because during the six months ended 30 June 2009 the average market price of ordinary shares was below the exercise price of the share options and warrants these options and warrants have no dilutive effect.

6. Related party transactions

a. Transactions with management and close family members

i. Key management remuneration

Key management compensation included in the statement of operations for the six months ended 30 June 2009 and for the six months ended 30 June 2008 is as follows:

(in thousands of USD)	**2009**	**2008**
Directors' fees	**63**	**63**
Share based payment expense (options granted)	**9**	**14**
Total management remuneration	**75**	**77**

ii. Key management personnel and director transactions

The Directors owned shares in the Parent Company as at 30 June 2009 and 31 December 2008 as follows:

	30 June 2009		**31 December 2008**	
	Number of shares	**Ownership, %**	**Number of shares**	**Ownership, %**
Aloysius Johannes van der Heijden	**200,000**	**0.17%**	**200,000**	**0.15%**
Tomas Fiala	**6,831,500**	**5.80%**	**6,831,500**	**5.12%**
Total	**7,031,500**	**5.97%**	**7,031,500**	**5.27**

Boris Erenburg, one of the Group's directors, is also an executive of Spinnaker Capital Group, which acquired 14,874,400 shares (12.64%) of the Group during the first and second share issues.

Mr. Rafaël Biosse Duplan, one of the Group's directors, is a partner at emerging markets investment specialist, Finisterre Capital LLP, which is authorised and regulated by the Financial Services Authority. Finisterre Capital LLP is involved in managing total return funds, including Finisterre Recovery Fund 1 which currently owns 9,900,000 shares and Finisterre Global Opportunity Master Fund which currently owns 4,369,299 shares of Dragon – Ukrainian Properties and Development Plc.

Tomas Fiala, one of the Group's directors, is the principal shareholder and managing director of Dragon Capital Group which acquired 6,831,500 shares (5.80%) of the Group during the first and second share issues. Also Tomas Fiala is a director in Dragon Capital Partners which has received 1,698,416 ordinary shares at a price of USD 2.60 per ordinary share to settle 70 % of the Manager's performance fee for 2007 in the amount of USD 4,432 thousand.

b. Transactions with other related parties

Expenses incurred and outstanding balances of transactions at 30 June 2009 and 31 December 2008:

	2009		**2008**	
(in thousands of USD)	**Transactions**	**Balance outstanding**	**Transactions**	**Balance outstanding**
Payment to DRGN LTD				
Expenses to be reimbursed to Manager	-	-	164	164
	-	**-**	**164**	**164**

All outstanding balances have been settled in cash within the period of the six months ended 30 June 2009 .

7. Events subsequent to the balance sheet date

On 2 July 2009 the Parent Company has signed a shareholders agreement and a share purchase agreements with the third party Fontis Limited (Cyprus) under the terms of which two blocks of shares 10% each in the Parent's Company subsidiary Startide Limited will be transferred to Fontis Limited (Cyprus). This transaction is subject to a number of conditions precedent which should be met by the Fontis Limited (Cyprus) and these conditions precedent as well as the consideration in exchange for which Fontis Limited (Cyprus) would be able to receive 20% shareholding in Startide Limited were approved by the Parent Company's board resolution dated 1 August 2008.

8. Results Announcement

This interim results announcement, was approved by the board on 31 August 2009. Full text of the interim Financial Statements could be found at Company's website http://www.dragon-upd.com/investor-information/important-information/reports