

April 2008

Dragon - Ukrainian Properties & Development Plc (the “Company” or “DUPD”)

Investment into acquisition and development of a mixed-use project in Obolon

Dragon - Ukrainian Properties & Development Plc, one of the largest AIM-listed real estate investment companies focused on investments in Ukraine, managed by Dragon Capital Partners Limited (“DCP”), is delighted to announce that its wholly owned subsidiary, Startide Ltd, has acquired 96.6% of shares of JSC “Budynok Pobutu Obolon” (“Budynok Pobutu” or the “Property”), a consumer services company located in Obolon, a large residential district of Kyiv with population of approximately 300,000 people. The Property consists of a 9,600 sqm 9-storeyed administrative building located on a 1.07 ha land plot on the central square of this highly populous district, next to the Minska metro station. The unique location of the Property makes it highly attractive for development of a new mixed-use complex consisting of residential and retail units.

DUPD’s total commitment to acquire the Property and to facilitate further development of the land plot is US \$16.2 million.

This project is in line with the investment strategy of DUPD, having its core focus on the development and re-development of commercial and residential properties in Kyiv and main regional centers of Ukraine.

Highlights of the Property:

- The Company has obtained control over the Property through acquisition of a 96.6% shareholding in Budynok Pobutu, from a number of private and institutional shareholders.
- The Property is situated in a unique location, on the crossroads of two major streets, next to the exit from the metro, adjacent to the central square of the district and near a prestigious area of modern high-rise housing. A small part of the land plot is occupied by McDonald’s restaurant which generates significant pedestrian traffic.
- The directors believe that the site is highly attractive for the development of a large mixed-use complex with the total area of 45,000-50,000 sqm. The results of the highest and best use study of the land plot (currently underway) will be used to finalise the concept for this development. The directors believe that full development of this project may take 3-4 years.
- The Company has entered into negotiations regarding joint development of the land plot with a number of leading Ukrainian and international property developers.

Aloysius Van der Heijden, Chairman of DUPD said: “We are very glad that we have managed to secure such a unique land plot for development in the capital city of Ukraine. This is probably the best location in Obolon, which is a very popular residential district in the city.

Chris Kamtsios, Managing Director of DCP said: “We are proud to announce this acquisition, on which our team has worked for 4 months. It is important to note that this property was not on the open market but rather sourced through our proprietary network of contacts. This has allowed us to negotiate an attractive acquisition price for our shareholders and thus, increase the potential investment returns on this project. Obolon is a popular and fast growing district in Kyiv both in residential and commercial development, and we are excited to add a project on the central square of this district to the investment portfolio of DUPD.”

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Notes to Editors

About Dragon- Ukrainian Properties & Development Plc

DUPD is an Isle of Man incorporated company formed to invest in the development of new commercial properties and re-development of existing properties in Ukraine which offer the prospect of attractive returns to its shareholders. Having raised US\$ 208 million at US\$2 per share, DUPD's ordinary shares were admitted to trading on the AIM market of the London Stock Exchange on 1 June 2007.

About Dragon Capital Partners

DCP is a subsidiary of Dragon Asset Management, the asset management arm of Dragon Capital. Dragon Capital is a leading Ukrainian financial institution specialising in the provision of investment banking, securities trading, asset management and private equity services. Dragon Capital has received the "Best Equities House in Ukraine" award in 2002, 2004, 2005, 2006 and 2007 by "Euromoney", a leading financial journal.

DCP professionals combine extensive local knowledge and expertise gained through substantial investment activity in the Ukrainian private equity market across a wide spectrum of industries, including real estate.