

7 April 2008

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

Acquisition of a gated community project in Vita Poshtova

Dragon - Ukrainian Properties & Development Plc, one of the largest AIM-listed real estate investment with an exclusive focus on Ukraine, managed by Dragon Capital Partners Limited ("DCP"), is delighted to announce its acquisition of a project (the "Project") which entails the development of an upscale residential cottage community on a 31.9 hectare land plot in Vita Poshtova, from Global Solutions, a local land developer. Through the acquisition of the Project, DUPD secured freehold rights on a 16.2 hectare land plot and 49-year leasehold rights on an adjacent 15.7 hectares landplot, as well as a set of preliminary project approvals which allow for a prompt start of development works.

DUPD's total commitment for the acquisition of the Project is US \$14 million, of which US \$10.4 is disbursed to the seller. The balance of funds will be paid to the seller upon completion of certain milestones, including conversion to freehold of approx. 4 hectares of the leased land, construction of an access road and building of a gas pipeline to the land plot, all expected by May-June 2008.

This Project is the second investment of DUPD in the sector of out-of-town cottage communities near Kyiv, following the Pine Forest Riverside Estate project, currently under construction.

Highlights:

- The Project has passed the preliminary development stage with initial masterplan of the community approved, technical conditions for gas and water received, and working projects for road and gas pipe construction approved.
- The total acquisition price translates to US \$44 per sqm of land, while the current retail prices in the area vary from US \$80-\$120. Moreover, payment of US \$ 3.7 million of the total price to be paid to the seller, is conditional upon the seller concluding certain improvements, such as the building of a new bridge across a narrow river, as well as obtaining certain permits and working documentation to facilitate further development.
- The Project envisions construction of an upscale community comprising of up to 170 cottages supported by significant infrastructure including a convenience store, sports facilities and kids playgrounds, child care room, restaurant, BBQ zones, car wash and administrative building.
- The Project is located only 9 km from the city border and 22 km away from the city centre. The approach to the site is via the newly reconstructed Odesa highway (5km) connecting to a good quality asphalt road (4km), providing for convenient and fast transport communication with Kyiv.
- The land plot is placed on a picturesque hill bordering a forest area with a small river and a pond nearby. Given its close proximity to the city, this shall make the Project highly attractive for potential buyers.
- The Directors expect the project to be fully completed in 2010.

Aloysius Van der Heijden, Chairman of DUPD said: "The popularity of out-of-town residences is booming in Kyiv these days as middle-class is growing and the city centre becomes more and more congested.

This is the second investment of DUPD in the sector of residential cottage communities near Kyiv. We are very pleased with the progress on our first cottage development, in the north of Kyiv, and are excited to add Vita Poshtova to our portfolio”.

Chris Kamtsios, Managing Director of DCP said: “Vita Poshtova ideally suits our intentions to expand our development activities in the segment of upscale gated communities near Kyiv. The land plot combines convenient access with very picturesque immediate surroundings, boasts significant size for a large scale development and is located in the opposite direction from the city to our existing project in Kyiv Sea.

We have been carefully selecting the location for our next project in the sector and now feel highly confident about this particular development. With such unique location, we should be able to deliver a strong product to meet market demand.”

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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.