

18 February 2015

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

**Sale of 2<sup>nd</sup> stage of Obolon project**

Dragon-Ukrainian Properties & Development plc, a leading investor in the real estate sector in Ukraine, is pleased to announce that it has finalised an agreement to sell the rights to develop the second phase of the Obolon project to Cheriton Overseas Limited, an unrelated party.

The consideration of USD 5 million is payable in cash in four equal quarterly installments commencing 31 March 2015, and in the short term will be retained for working capital purposes.

The second phase of the Obolon project comprises the second residential tower of 118 residential apartments as well as 1,925 sq. metres of commercial space.

The Company has sold 118 apartments of 160 apartments and 2,230 sq.metres of commercial space out of 2,721 sq. metres total commercial space in the first phase of the project to date.

Under the terms of the agreement, the Company will continue to define the sales and marketing policy of the project, and will retain title to the property in the event that the development of the second tower by Cheriton Overseas Limited is terminated for any reason. If Cheriton Overseas Limited does not complete construction of the second stage of the Obolon project in line with the agreed project timeframe the rights revert to the Company and any consideration paid to that point will not be refunded, mitigating the risk of the second stage not being developed by its buyer.

The Company's investing policy states that the Board will seek to return to shareholders the net proceeds of property realisations subject to retention of funds necessary for financing of the remaining portfolio and short term general working capital purposes. Following this strategy, the Company paid out \$6m of dividends in January 2015. Given the installment basis of the consideration, the Board has decided that an additional distribution to shareholders is not appropriate at this stage but will update shareholders on this matter in due course.

For further information, please contact:

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