Interim Report
Q1 2010

EAST CAPITAL EXPLORER

Interim Report 1 January – 31 March 2010

- Net asset value per share on 31 March 2010 amounted to EUR 11.73 (EUR 7.25). The total net asset value amounted to EUR 410m (EUR 259m), corresponding to an increase of 20% (-2.2%) during the first quarter and an increase of 58% (-30%) during the last twelve months
- For the first quarter, the net profit amounted to EUR 86m (EUR -4.1m), including EUR 87m (EUR -3.9m) in unrealised value gain on investments. Earnings per share to the shareholders of the parent company amounted to EUR 1.94 (EUR -0.12)
- Cash, cash equivalents and bonds on 31 March 2010 amounted to EUR 83m (EUR 176m), corresponding to EUR 2.38 (EUR 4.92) per share
- In January, East Capital Explorer announced a EUR 5m direct investment in a new venture which, together with Intrum Justitia and the East Capital Financials Fund, will seek to invest in portfolios of non-performing consumer loans in Russia
- On 26 March 2010, East Capital Explorer announced an investment of additional EUR 5m in East Capital Bering Ukraine Fund Class A. East Capital Explorer invested in newly issued shares that were received in the beginning of April
- During March the Board utilised the buy-back mandate and repurchased 547,485 shares. After the close of the quarter, between 1 – 9 April, an additional 100,000 shares were repurchased, bringing the total number of shares repurchased to 647,485 for a total value of EUR 5.2m. These shares were resolved to be cancelled at the Annual General Meeting on 28 April 2010
- The total net asset value on 30 April 2010 amounted to EUR 417m, corresponding to EUR 11.96 (SEK 115 per share). Cash, cash equivalents and bonds per the same date amounted to EUR 55m (SEK 533m) corresponding to EUR 1.59 (SEK 15) per share. EUR 32m (SEK 303m) of those were available for future investments

PORTFOLIO ON 31 MARCH 2010	Number of units	Acquisition value tEUR	Fair value 31 Dec 2009 tEUR	Fair value 31 March 2010 tEUR	Fair value change Q1 2010, %[1]	NAV/ share EUR	% of NAV
Fund Investments							
East Capital Bering Russia Fund	1,660,805	43,590	33,130	40,487	22.2	1.16	9.9
East Capital Bering Ukraine Fund Class A	299,901	6,039	1,745	3,410	95.5	0.10	0.8
East Capital Bering Ukraine Fund Class R	912,395	18,372	5,308	5,505	3.7	0.16	1.3
East Capital Bering Balkan Fund	6,220,853	44,938	35,262	41,390	17.4	1.18	10.1
East Capital Bering Central Asia Fund	5,933,960	29,478	20,989	23,300	11.0	0.67	5.7
East Capital Bering New Europe Fund	2,516,097	14,972	16,767	18,668	11.3	0.53	4.6
East Capital Power Utilities Fund	162,000	81,000	73,394	104,652	42.6	2.99	25.5
East Capital Special Opportunities Fund	4,897,249	35,000	39,293	55,069	40.1	1.58	13.4
East Capital Russian Property Fund[2]	400	1,425	991	878	n/a	0.03	0.2
East Capital (Lux) Eastern European Fund (EUR)	182,500	18,250	11,467	13,792	20.3	0.39	3.4
Total Fund Investments		**293,064**	**238,346**	**307,152**	**28.9**	**8.78**	**74.9**
Direct investments							
Melon Fashion Group (MFG)	4,996	9,941	10,402	10,402	0.0	0.30	2.5
TEO LT, AB	16,722,875	8,964	8,860	11,288	27.4	0.32	2.8
Total Direct Investments		**18,905**	**19,262**	**21,690**	**12.6**	**0.62**	**5.3**
Short-term Investments							
Short-term investments[3]		51,000	37,406	53,134	1.4	1.52	13.0
Cash and cash equivalents			50,314	29,908		0.86	7.3
Total Short-term Investments			**87,720**	**83,042**		**2.38**	**20.2**
Total Portfolio			**345,328**	**411,884**		**11.78**	**100.4**
Other assets and liabilities net			-3,958	-1,636		-0.05	-0.4
Net Asset Value (NAV)			**341,369**	**410,248**	**20.2**	**11.73**	**100.0**

[1] The fair value change measures the return on the actual invested amount during each respective period.
[2] EUR 40m has been committed to the East Capital Russian Property Fund. On 31 March 2010, no investments had been made in the fund. Total draw-downs of EUR 1.5m had been made to cover costs in the fund, amounting to EUR 0.5m. The remaining committed EUR 38.5m was still placed in short-term investments.
[3] During the first quarter an additional EUR 15m was invested in Bonds.

An indicative net asset value is calculated monthly and published through a press release and on the website www.eastcapitalexplorer.com on the fifth working day after the-end of each month.

Comparable figures for the corresponding period 2009 are stated in parentheses. Note that certain numerical information may not sum due to rounding.

CEO COMMENTS ON THE FIRST QUARTER

This was again a good quarter for East Capital Explorer, both in terms of how our existing investments performed and in terms of progress on new investments. Our NAV ended the quarter up by 20% and added another 2% in April. The East Capital Power Utilities Fund, our single largest fund investment, has continued to show very strong performance and has added another 42% during the first quarter.

For most of our markets, the first quarter was strong. Media attention shifted from Eastern Europe to Western Europe and this is positive for our region in a number of ways. First of all, investors are gradually realizing that Eastern European countries are, with a few exceptions, in much better financial shape than several Western European countries. Also, many Eastern European countries, for example the Baltics, have demonstrated their ability to implement painful reforms and adjust to new economic realities without major social or political disruptions. This shows that political maturity and economic resilience in our region is better than many had thought before. In addition, we have seen Russia positively engaging on a number of issues of global and regional importance, thereby improving its standing among the investor community.

> "This was again a good quarter for East Capital Explorer, both in terms of how our existing investments performed and in terms of progress on new investments."

We invested EUR 5.2 million in our own shares during March and April. We have not changed our strategy and continue to see ample attractive investment opportunities in our universe. As the discount was high, the Board decided to send a clear signal again that we are confident about the valuation and value growth potential of our portfolio. The buyback had immediate positive effect for our shareholders, as our share outperformed all relevant benchmark indices. Now that the shareholders meeting has decided to cancel these shares, every shareholder´s ownership in our company has grown proportionally.

We were happy to announce our third direct investment in January and to get this venture up and running during the quarter. We have been impressed by the skills and experience that Intrum Justitia and the East Capital Financials Fund bring to the table. The pipeline has been satisfactory and we have taken an in-depth look at a dozen or so investment opportunities during the last couple of months. So far the debt portfolios we have evaluated have been of modest size and variable quality, but we are confident that we can find attractive investment opportunities in this field before long.

We have allocated an additional EUR 5 million to East Capital Bering Ukraine Fund Class A. This is the fund that focuses on listed Ukrainian securities, which we expect to benefit the most from political stabilization. We have been underweight in Ukraine for the last two years. Ukraine is a country of enourmous potential, but because of its troubled politics in recent years, we had decided to wait for a more favorable environment. Now, with the presidential elections behind us, and with a stable majority government in office, our expectation is that Ukraine is again better able to focus on the important reform issues that have been overshadowed by the political in-fighting before. The Ukrainian market has been the best performer in our universe this year: it is up by 93%, but still down by 41% from the peak. Our investment into the East Capital Bering Ukraine Fund Class A is up by 28% so far in 2010 [1].

Melon Fashion Group has continued to grow very fast: it now has a total of 343 shops. During the first quarter it added 70 shops, most of which came from taking over the operations of a former competitor. In the course, MFG has acquired the franchising rights for three international brands: Springfield, Women´s Secret and Colors&Beauty, first two from the Spanish retailer Cortefiel Group. By adding men´s fashion, women´s underwear and accessories to its brand portfolio, MFG has once again demonstrated its ability to utilize its strong financial position and execution capability to grow the business. This is exactly why we invested new capital into the company and once again, they are smartly taking advantage on the market situation. MFG´s same store sales during the first quarter were weak. The company had some problems with getting goods to the shops quickly enough; these issues have now been resolved. All in all, the financial result was better than expected due to higher gross margins and lower operating costs.

Our investment in TEO has done fine, the stock is up 24% so far in 2010 [2]. First quarter results showed a modest revenue decline, but good net profit, due to effective cost control. Also, comparing TEO´s performance to other Baltic telcos, we see that it has been quite resilient, as the economic dowturn has taken a bigger bite out of competitors´ revenues. TEO met our expectations in terms of dividend payout: it continued to pay high dividends, yielding 9.2%. This is great news for East Capital Explorer, as we will receive our first dividend income of approximately EUR 1 million in a couple of weeks. The TEO AGM also decided to cancel the 4.7% of share capital that was previously held in treasury, effectively meaning that our ownership in the company grew.

Looking ahead, we continue seeing many interesting opportunities, which means that we will continue investing at a fast pace, despite recent market nervousness. We are very close to meeting our target of being fully invested.

Gert Tiivas, CEO

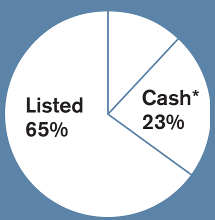
[1] Until 30 April 2010 and including the additional investment made in April. All numbers calculated in EUR terms.
[2] Until 30 April 2010.

Top 10 in East Capital Explorer on a see-through basis[1]

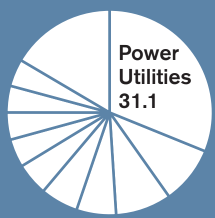
Company	% of NAV	Value of the holding on 31 March 2010 EURm	Country	Type of company	Market capitalisation on 31 March 2010 EUR m	East Capital Explorer's investment vehicle
Fondul Proprietatea	5.3	21.9	Romania	Investment Company	1,564[2]	East Capital Special Opportunities Fund East Capital Bering Balkan Fund
TEO	4.1	16.7	Lithuania	Telecom	549	Direct investment East Capital Special Opportunities Fund East Capital (Lux) Eastern European Fund
Melon Fashion Group	2.5	10.4	Russia	Retail	65[2]	Direct investment
OGK-6	1.8	7.5	Russia	Power Utilities	1,053	East Capital Power Utilities Fund
Sollers	1.8	7.3	Russia	Engineering	462	East Capital Special Opportunities Fund East Capital (Lux) Eastern European Fund
MRSK Center-Volga	1.7	7.0	Russia	Power Utilities	1,323	East Capital Power Utilites Fund East Capital (Lux) Eastern European Fund
MRSK Center	1.7	6.9	Russia	Power Utilities	797	East Capital Power Utilities Fund East Capital (Lux) Eastern European Fund
MRSK Holding	1.6	6.4	Russia	Power Utilities	4,991	East Capital Power Utilites Fund East Capital (Lux) Eastern European Fund
TGK-7 (Volzhskaya Gen)	1.5	6.3	Russia	Power Utilities	1,143	East Capital Bering Russia
Bank CentreCredit	1.4	5.9	Kazakhstan	Banking & Finance	542	East Capital Bering Russia East Capital Bering Central Asia East Capital (Lux) Eastern European Fund
Total top 10	23.5	96				

[1] As if East Capital Explorer AB had owned its pro-rata share of all the underlying securities in the different funds it had invested in.
[2] Fondul Proprietatea and Melon Fashion Group are unlisted. The markets caps. represent the implied values given the value of East Capital Explorer AB shares in the companies.

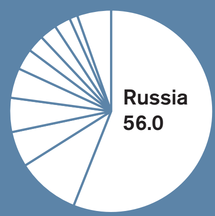
EXPOSURE BY TYPE OF INVESTMENT, %
per 31 March 2010



EXPOSURE OF INVESTED PORTFOLIO BY SECTOR, %
per 31 March 2010



EXPOSURE OF INVESTED PORTFOLIO BY COUNTRY, %
per 31 March 2010



* Includes cash, cash equivalents and bonds of EUR 83m as well as any cash in the underlying funds per 31 March 2010.

NET ASSET VALUE

The net asset value on 31 March 2010 amounted to EUR 410m (EUR 259m), corresponding to EUR 11.73 (EUR 7.25) per share. This corresponds to an increase of 20% compared to the net asset value on 31 December 2009 which was EUR 341m (EUR 9.61 per share) and an increase of 58% compared to the net asset value on 31 March 2009.

On 31 March 2010, cash, cash equivalents and bonds amounted to EUR 2.38 (EUR 4.92) per share which corresponds to 20% (68%) of the total net asset value per share.

The closing price per share on 31 March 2010 was SEK 82.50 (corresponding to EUR 8.47).

Net asset value, share price and index development

(EUR)	1 Jan – 31 March 2010	1 Jan – 31 March 2009	April 2010	1 Jan – 30 April 2010
Net asset value	20.2%	-2.2%	1.6%	22.1%
East Capital Explorer share	29.8%	18.4%	3.8%	34.8%
OMXSPI [1]	14.2%	-1.6%	3.7%	18.4%
RTS Index [2]	15.3%	15.1%	2.0%	17.6%
RTS 2 Index [3]	37.5%	-0.9%	5.8%	45.5%
MSCI EM Europe [4]	12.3%	-1.8%	2.3%	14.9%

[1] OMXSPI includes all equities listed on NASDAQ OMX Stockholm.
[2] RTS Index includes the 50 largest companies traded on the Russian Trading System (RTS).
[3] RTS 2 Index includes 78 companies on the RTS that have limited trading volumes.
[4] MSCI EM Europe Index includes Russian, Polish, Hungarian, Czech and Turkish equities.

Portfolio overview

Per 31 March 2010, East Capital Explorer had investments totalling EUR 329m compared to EUR 84m on 31 March 2009.

Changes in the portfolio during the quarter

On 26 March 2010, East Capital Explorer announced an investment of additional EUR 5m in East Capital Bering Ukraine Fund Class A. East Capital Explorer received the 438,740 newly issued shares at the beginning of April.

EAST CAPITAL BERING RUSSIA FUND

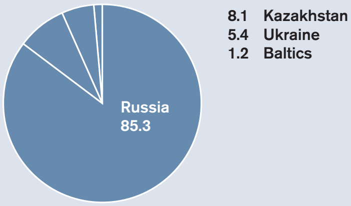
The aim of the fund is to achieve long term capital appreciation from investments in Russian equities, both listed and unlisted.

Fund portfolio on 31 March 2010

Sector weighting

Sector	% of fund
Metals & Mining	21.6
Banking & Finance	11.6
Engineering	10.4
Consumer Goods	10.0
Transportation	9.2
Constr. & Constr. Mtrl.	6.7
Oil & Gas	5.1
Power Utilities	4.6
Real Estate	4.5
Other	16.3

Asset allocation by country
(% of the portfolio)



10 largest holdings

Company	Weight % of fund Q1 2010	Weight % of fund Q4 2009	% Performance*	Country	Sector
FESCO	8.6	9.2	19	Russia	Transportation
Kuzbass Razrezugol	8.5	8.7	25	Russia	Metals & Mining
Bank CenterCredit	8.0	9.7	6	Kazakhstan	Banking & Finance
Ostankinsky Molochny	5.6	3.5	105	Russia	Consumer Goods
Korshunovsky GOK	5.5	4.4	60	Russia	Metals & Mining
Neftekamsky Auto	4.7	5.3	13	Russia	Engineering
Belon	4.6	3.4	70	Russia	Metals & Mining
Nova Liniya	3.8	4.5	6	Ukraine	Retail
Veropharm	3.7	3.3	43	Russia	Pharmaceuticals
LSR Group	3.3	0.0	102	Russia	Real Estate

10 largest holdings (% of portfolio)	Unlisted holdings (% of portfolio)	Total number of holdings
56.3	7.2	101

* Share price development in EUR during the quarter.

Fund performance

	Q1 2010	FY 2009	Since 1st investment December 2007
East Capital Bering Russia Fund, EUR[1]	25.7%	43.9%	-43.3%
RTS2 Index, EUR[2]	37.5%	153.5%	-16.3%
East Capital Explorer's share of the fund on 31 March 2010:			34%

[1] Data representing the fund's master series.
[2] The Russian Trading System Second-tier Stock Index is the Russian mid-cap stock market index composed of 78 companies on the RTS that have limited trading volumes.

Portfolio comment first quarter

Jacob Grapengiesser, Partner and member of the Portfolio Management team, East Capital

Global crude steel production reached a new monthly record high of 120 million tonnes in March (+31% year-on-year). This has been the key driver for increasing demand and prices for coking coal over the past 6-12 months. Furthermore, the World Steel Association forecasts that global steel demand will increase 11% in 2010, thereby exceeding the pre-crisis levels of 2007. Our blast furnace feed stocks, Korshunovsky GOK (+60% during the quarter) and Belon (+90% during the quarter) together contributed almost 6 percentage points to the fund's quarterly performance. Korshunovsky GOK currently exports 70% of its iron ore concentrate to China. We believe that the planned IPO of its holding company, Mechel Mining, will boost the stock price. Based on an enterprise value per metric tonne of capacity, it trades at a 70% discount to peers (USD 100 per tonne vs. USD 350 per tonne). Cash flows are also undervalued with a 2010 price-earnings ratio of three and a free cash flow yield of 30%. It is trading at an enterprise value of three times 2011 Ebitda and a price-earnings ratio of four, which is a 40% discount to Raspadskaya. Magnitogorsk Iron and Steel Works owns 85% of the company, and most of its free cash flow is expected to be paid out as dividend.

Steam coal company, Kuzbassrazrezugol, is enjoying the recovery in energy prices and demand – European prices for heating oil and coal prices have increased 75% and 60% respectively year-on-year. On top of improved sector fundamentals, the company has to some extent diminished the practice of diverting profits through transfer prices. The stock price has doubled since October 2009, but valuations look very attractive with a price-earnings ratio of three in 2010 and an enterprise value per metric tonne of production of USD 60 vs. USD 150 for Kuzbasskaya Toplivnaya Company and USD 120 for SUEK. The stock was up 25% during the quarter, and contributed 1.5 percentage points to the fund's performance.

The local shares of LSR Group, one of the largest Russian home builders, were among the best performing, with a 90% gain over the quarter, thereby contributing 2.2 percentage points to the fund's performance. We purchased shares at the beginning of the year, anticipating a 57% discount (from local shares to London listed GDRs). Several events had a positive effect on the share price performance. Firstly, a fast recovery of the consumer demand in Russia supported sector stocks: March statistics showed 70% month-on-month growth in the number of deals on Moscow residential real estate and 2% month-on-month growth in real estate prices on the back of declining mortgage rates (from 20% last year to 11%-15%) and the allocation of savings from low yield deposits to real estate. Secondly, solid 2009 financials from the company and an additional share placement expected at the end of April drove the share price up. Placement proceeds would fund acquisitions of additional capacity in building materials and the repayment of debt.

Another consumer stock, Ostankinsky Molochny, was the single best performer. Shares gained 105% over the quarter and contributed 3.3 percentage points to the fund's returns.

FESCO surprised the market, announcing plans to place treasury shares and cut down debt by 30%, to USD 650m, also via asset and working capital optimisation. Recovery of imports and container turnover in Russia during the quarter supported the 19% share price increase. Contribution to the fund performance was 1.2 percentage points.

EAST CAPITAL BERING UKRAINE FUND CLASS A

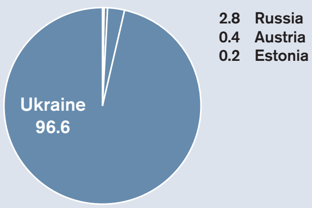
The aim of the fund is to achieve long term capital appreciation from investments in Ukrainian equities. Since 1 January 2010, the East Capital Bering Ukraine fund is split into two classes: East Capital Bering Ukraine Fund Class A, comprising listed holdings; and East Capital Bering Ukraine Fund Class R that comprises the illiquid private equity assets.

Fund portfolio on 31 March 2010

Sector weighting

Sector	% of fund
Oil & Gas	25.5
Metals & Mining	16.6
Power Utilities	16.6
Agriculture	8.8
Consumer Goods	7.3
Banking & Finance	6.8
Retail	4.5
Chemicals	3.9
Engineering	2.7
Other	7.3

Asset allocation by country
(% of the portfolio)



10 largest holdings

Company	Weight % of fund Q1 2010	Weight % of fund Q4 2009	% Performance*	Country	Sector
Galnaftogaz	23.2	17.5	158	Ukraine	Oil & Gas
Centrenergo	12.8	12.8	96	Ukraine	Power Utilities
Zaporizh Stal	9.1	6.9	158	Ukraine	Metals & Mining
Bank Forum	6.3	8.5	63	Ukraine	Banking & Finance
Poltavsky GOK	5.8	4.1	175	Ukraine	Metals & Mining
Kreativ Gruppa	5.7	9.3	64	Ukraine	Agriculture
Slavutich	4.8	5.1	82	Ukraine	Consumer Goods
Retail Group	3.4	2.0	238	Ukraine	Retail
Zaporozh Koks	3.0	1.0	493	Ukraine	Chemicals
Russkoe Zerno	2.8	5.0	10	Russia	Agriculture

10 largest holdings (% of portfolio)	Unlisted holdings (% of portfolio)	Total number of holdings
76.9	0	35

* Share price development in EUR during the quarter.

Fund performance

	Q1 2010	FY 2009	Since 1st investment January 2008
East Capital Bering Ukraine Fund Class A, EUR[1]	94%	-9%	-43%
PFTS Index, EUR[2]	76%	79%	-43%
East Capital Explorer's share of the fund on 31 March 2010:			12%

Source: Bloomberg
[1] Data representing the fund's master series.
[2] The PFTS Index is the Ukraine stock market index composed of the twenty largest shares on the stock exchange in Kiev.

Portfolio comment first quarter

Aivaras Abromavicius, Partner and member of the Portfolio Management team, East Capital

The positive post-presidential developments in Ukraine facilitated a successful and quick formation of a new government and new parliamentary majority. It also meant unlocked negotiations with the IMF, resumed work on the 2010 budget and new expectations for a number of other important reforms yet to be announced. Thus, our bet that the quarter would bring about a chain of positive events that would spur a long-awaited relief to market participants, played out. Liquid holdings were, as expected, the best performers. We had prepared for the rally already in the fourth quarter 2009 by increasing our exposure to large caps. No major allocation changes were made during the first quarter.

Galnaftogaz, the largest holding in the fund, gained 158% during the quarter. The company has managed the crisis well: the top line was affected only marginally in local currency terms, while profitability improved and the bottom line reversed from a loss of USD 80m in 2008 to a net profit of USD 12m in 2009. Despite tough competition, Galnaftogaz increased its market share by 1.1 percentage points to 9.3% in 2009. Investor interest has increased, and as the stock is rather illiquid, it gained substantially on small volumes. At a recent capital markets day, the company revealed rather aggressive plans for 2010, including a 50% increase in investments in the expansion of fuel stations and development of non-fuel operations. The expected IPO of at least 25% of the equity in 2011-2012 will also keep the stock on analysts' watch lists.

Centrenergo gained 96% and was the second largest contributor to the fund's performance. As the deputy prime minister of Ukraine, Serhiy Tigipko, revealed at an investor conference in Kyiv at the end of March, also attended by East Capital, power generation companies are on the list of the companies to be privatized in 2010-2011. As Centrenergo itself indicated at the conference, the future owner would have to invest USD 2bn in capital expenditure (current market value USD 824m), half of it during the first five years, to bring the company's environmental and operating environments in line with those of EU competitors. Another catalyst for the rally was the expectation that tariffs will grow this year as electricity prices for households are expected to increase by 20%-25% in April and another 20%-25% in August, which would improve the company's profitability. The company also expects 10%-12% growth in output in 2010. However, the company remains the cheapest of the largest four Ukrainian generation companies in terms of enterprise value per capacity for 2010 at USD 115 per kilowatt, or half the price compared to Russian power generation companies.

Although Bank Forum gained 63% during the quarter, it performed worse than the market, which indicates that recent positive developments within the bank have not yet been priced in. Firstly, the corporate governance situation of the bank improved substantially. The shareholder dispute, which has paralyzed the last four AGMs and has prevented controlling shareholder Commerzbank from formulating a near-term recovery strategy for the bank, was resolved. Commerzbank bought the shares from the other majority shareholder and thus increased its stake to 89%. Secondly, a 130% Tier 1 capital increase was approved, which will boost the bank's capital adequacy ratio to approximately 30%. Analysts estimate that among the Ukrainian banks, Forum Bank has the largest upside potential while still attractively valued at an estimated price-to-book ratio of 1.3 for 2010.

EAST CAPITAL BERING UKRAINE FUND CLASS R

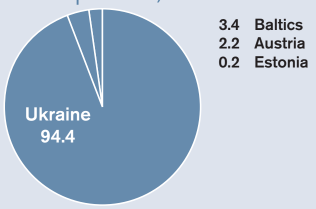
The aim of the fund is to achieve long term capital appreciation from investments in Ukrainian equities. Since 1 January 2010, the East Capital Bering Ukraine fund is split into two classes: East Capital Bering Ukraine Fund Class A, comprising listed holdings; and East Capital Bering Ukraine Fund Class R that comprises the illiquid private equity assets. The East Capital Bering Ukraine Fund Class R currently comprises seven unlisted companies in Ukraine.

Fund portfolio on 31 March 2010

Sector weighting

Sector	% of fund
Retail	37.0
Real Estate	36.9
Consumer Goods	20.4
Electronics	3.4
Constr. & Constr. Mtrl.	2.2
Other	0.0

Asset allocation by country
(% of the portfolio)



Fund holdings

Company	Weight % of fund Q1 2010	Weight % of fund Q4 2009	% Performance*	Country	Sector
Nova Liniya	36.1	36.1	6	Ukraine	Retail
Chumak	19.9	19.9	1	Ukraine	Consumer Goods
Henryland	17.6	17.6	6	Ukraine	Real Estate
Kantik	17.0	17.0	4	Ukraine	Real Estate
Elko	3.3	3.3	6	Baltics	Electronics
Trev-2 Grupp	2.1	2.1	-7	Estonia	Constr. & Constr. Mtrl.
Sablink	1.3	1.3	6	Ukraine	Real Estate

7 largest holdings (% of portfolio)	Unlisted holdings (% of portfolio)	Total number of holdings
97.4	100	7

* Share price development in EUR during the quarter.

Fund performance

	Q1 2010	FY 2009	Since 1st investment January 2008
East Capital Bering Ukraine Fund Class R, EUR[1]	4%	-9%	-68%
East Capital Explorer's share of the fund on 31 March 2010:			12%

Source: Bloomberg and East Capital
[1] Data representing the fund's master series.

Portfolio comment first quarter

Aivaras Abromavicius, Partner and member of the Portfolio Management team, East Capital

The biggest holding of the fund, Nova Liniya, Ukraine's second largest Do-It-Yourself chain, has not been revalued during the quarter and is still valued in the fund at an enterprise value of around eight times Ebitda. The situation in the company has stabilised, even though sales during the first two months of 2010 were down 22% year-on-year in USD terms, due to the fact that the base effect of the first months of last year was still quite strong. Two new stores were opened during the quarter, one in Sevastopol on the Crimean Peninsula, and one in Bucha, close to the capital Kyiv. We believe that growth recovery rates in the retail sector will be above average, once the economy starts growing. Analysts project 4% GDP growth for Ukraine in 2010, pushed by growing exports, while the domestic consumption driven sectors should start recovering in 2011, with projected 8%-10% retail growth in 2012 and 14%- 17% in 2013. We expect that Nova Liniya is set to benefit from this growth in the medium to long term. At the same time, the company is potentially a very attractive acquisition target once international retail chains put Ukraine back on their expansion maps.

Domestic sales for the second biggest holding in the fund, Chumak, were below the projections, as the demand is picking up more slowly than expected. Moreover, there were very severe snow storms in January, slowing down all economic activity for a few weeks. However, export was stronger than expected thanks to a currency advantage and increased focus on exports, bringing total February sales for Chumak 9% higher than last year (in USD terms). In February, Chumak opened a new factory for pasta production, significantly increasing its competitiveness in this segment. Overall, 2009 was a very tough year for the company in terms of revenues and volumes: the market dropped significantly, and so did the company's revenues. Margin-wise, however, Chumak managed to keep similar levels as in 2008, thanks to significant cost cuts during the year. For 2010, the main focus is to increase market share in the key categories, and significant amounts will be invested in marketing and distribution.

The valuations of Henryland and Kantik, the two real estate vehicles that develop shopping malls for Nova Liniya, were unchanged during the quarter in local currency terms but increased somewhat in EUR terms. Kantik has four operating shopping centres and one land plot under development. During the quarter, Kantik completed the construction of its shopping centre in Bucha under the brand name Modul. The property was commissioned by the state authorities in February and was opened in March. Anchor tenants of this property are Nova Liniya and EKOmarket. The management team has also signed lease agreements with smaller tenants, including a cafe, a florists and a pharmacy. Henryland, with two operating shopping malls in Lutsk and Kremenchuk and four land plots under development, is finalising the updated construction budget of the Odessa project, where the Letter of Intent has been signed with anchor tenant Nova Liniya.

EAST CAPITAL BERING BALKAN FUND

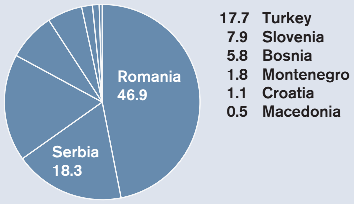
The aim of the fund is to achieve long term capital appreciation from investments in Balkan equities, both listed and unlisted.

Fund portfolio on 31 March 2010

Sector weighting

Sector	% of fund
Investment Companies	40.0
Banking & Finance	16.7
Consumer Goods	10.0
Real Estate	6.1
Media	5.7
Constr. & Constr. Mtrl.	4.7
Telecom	3.2
Agriculture	2.2
Hotels	2.1
Other	9.3

Asset allocation by country
(% of the portfolio)



10 largest holdings

Company	Weight % of fund Q1 2010	Weight % of fund Q4 2009	% Performance*	Country	Sector
Fondul Proprietatea	22.8	12.7	116	Romania	Investment Companies
Abanka	5.6	6.7	0	Slovenia	Banking & Finance
B92	5.4	8.1	-28	Serbia	Media
Pinar Et Ve Un	4.7	4.7	21	Turkey	Consumer Goods
Impact	4.3	4.1	29	Romania	Real Estate
Finans Leasing	3.9	3.4	39	Turkey	Banking & Finance
SIF Oltenia	2.9	2.4	48	Romania	Investment Companies
Agrobanka	2.9	3.3	4	Serbia	Banking & Finance
SIF Transilvania	2.6	2.1	32	Romania	Investment Companies
SIF Banat-Crisana	2.4	2.0	49	Romania	Investment Companies

10 largest holdings (% of portfolio)	Unlisted holdings (% of portfolio)	Total number of holdings
57.5	30.4	65

* Share price development in EUR during the quarter.

Fund performance

	Q1 2010	FY 2009	Since 1st investment December 2007
East Capital Bering Balkan Fund, EUR[1]	23%	43%	-42%
East Capital Explorer's share of the fund on 31 March 2010:			48%

Source: Bloomberg
[1] Data representing the fund's master series.

Portfolio comment first quarter

Jacob Grapengiesser, Partner and member of the Portfolio Management team, East Capital

Comprising 23% of the fund, Fondul Proprietatea, the Romanian investment company, remained the largest holding in the East Capital Bering Balkan Fund. During the quarter, the stock gained 116%. As Fondul Proprietatea is not yet listed, the price increase reflects the conclusions of the East Capital Valuation Committee, after taking into account the trading prices on the OTC market. As mentioned in the fourth quarter report, the signing of the asset management contract with Franklin Templeton, coupled with the listing of the fund on the exchange, are the two major stock price triggers that we expected to take place this year. By the end of February, after several months of delay, the management contract with Franklin Templeton was signed. In addition, representatives of Franklin Templeton have subsequently stated their commitment to listing the fund on the stock exchange. The above-mentioned news was the main driver of the stock price performance during the quarter. In addition, a Czech brokerage house was actively buying shares on the OTC market during the quarter, as these serve as underlying for warrants on Fondul Proprietatea shares, which are traded on the Vienna Stock Exchange. The discount to NAV narrowed to 61% during the quarter. We still consider the current valuation as highly attractive and we expect further price triggers in the upcoming months. These may include a possible dividend distribution, as well as the above-mentioned listing.

The share price of Turkish Finans Leasing gained 39% during the quarter, contributing positively to the fund's performance. The price performance was mainly due to good results reported for the fourth quarter 2009, along with an attractive valuation of the company. At the time of writing, Finans Leasing is trading at 2009 price-earnings ratio of 7.5 and a price-to-book ratio of 0.9.

The largest negative contributor to the fund's performance during the quarter was B92, the unlisted Serbian media company. Its price decreased by 28% during the period, reflecting the decision taken by the East Capital Valuation Committee to value the stock to the level at which shares were issued in the minor (EUR 0.5m) share capital increase that took place recently. The proceeds of the share issue will be used to cover the short-term liquidity needs of the company. 2009 was in general a difficult year for the media sector. The drop in advertising revenues was more pronounced in the smaller economies in Eastern Europe, such as Serbia, and negatively affected the revenues and profitability of the company. However, for 2010 we expect an improvement in the operations of B92. The current valuation of B92 implies an enterprise value of 1.6 times 2009 revenues. As a comparison, peer companies are currently trading at an enterprise value-to-sales multiples of around 3.0-3.5, while recent acquisitions in the region have been closed at enterprise values of around four times sales.

EAST CAPITAL BERING CENTRAL ASIA FUND

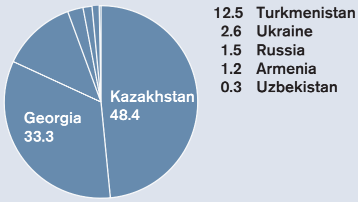
The aim of the fund is to achieve long term capital appreciation from investments in Central Asian equities, both listed and unlisted.

Fund portfolio on 31 March 2010

Sector weighting

Sector	% of fund
Banking & Finance	41.1
Oil & Gas	27.1
Metals & Mining	8.2
Real Estate	8.1
Agriculture	7.3
Retail	3.9
Constr. & Constr. Mtrl.	1.7
Transportation	1.2
Power Utilities	0.9
Other	0.4

Asset allocation by country
(% of the portfolio)



10 largest holdings

Company	Weight % of fund Q1 2010	Weight % of fund Q4 2009	% Performance*	Country	Sector
Bank of Georgia	20.4	16.1	42	Georgia	Banking & Finance
Dragon Oil	12.4	10.2	24	Turkmenistan	Oil & Gas
KazMunaiGas EP	12.0	13.8	4	Kazakhstan	Oil & Gas
Bank CentreCredit	10.5	11.1	6	Kazakhstan	Banking & Finance
Caucasus Agro Development	6.2	6.9	1	Georgia	Agriculture
Chagala Group	5.5	4.7	25	Kazakhstan	Real Estate
Halyk Bank	4.8	4.2	30	Kazakhstan	Banking & Finance
ENRC	4.6	2.3	30	Kazakhstan	Metals & Mining
Populi	3.9	4.1	6	Georgia	Retail
Henryland	2.5	2.7	6	Ukraine	Real Estate

10 largest holdings (% of portfolio)	Unlisted holdings (% of portfolio)	Total number of holdings
82.9	13.7	33

* Share price development in EUR during the quarter.

Fund performance

	Q1 2010	FY 2009	Since 1st investment January 2008
East Capital Bering Central Asia Fund, EUR[1]	14%	18%	-48%
KASE Index, EUR[2]	14%	43%	-36%
East Capital Explorer's share of the fund on 31 March 2010:			40%

[1] Data representing the fund's master series.
[2] The Kazakhstan Stock Exchange index is composed of the seven most traded companies on the exchange.

Portfolio comment first quarter

Aivaras Abromavicius, Partner and member of the Portfolio Management team, East Capital

The fund's largest holding, Bank of Georgia, comprising 20% of the fund, performed well during the quarter, gaining 42%. The bank's full year 2009 IFRS results were viewed as positive by the market, despite a one-off loss of USD 64m from writing-off Ukrainian banks' goodwill and Georgian real estate investments. After acknowledging the loss, which was flagged before and did not surprise the market, the bank is well positioned to show a robust performance in 2010. The management expects the loan portfolio to grow 3% quarter on quarter, and deposits to increase 5% during the first quarter. The most significant improvements are to come in the second half of 2010, with non-performing loans decreasing, provisions recovering and lending picking up. The bank's valuations are undemanding (based on Bloomberg consensus estimates): the share price trades at 9.8 times estimated earnings for 2010 and 1.1 times estimated book value for the same year (approximately 45% and 20% discount respectively to general emerging market peers). On 31 March, the bank was trading 35% over our average acquisition price.

Our two largest holdings in the Kazakh banking sector, Bank CentreCredit and Halyk Bank, showed different trends. Bank CentreCredit was the largest contributor to the fund performance in the fourth quarter 2009 with a 38% share price gain, but ended the first quarter flat. Halyk, on the contrary, continued to perform well, and registered a 30% gain over the period. During our meetings in Almaty at the end of March with the management of both banks, the excessive liquidity and pressure on the margins were mentioned as continued major concerns. The situation, however, is expected to improve towards the year end. Both banks have strengthened their positions during the crisis in terms of market share. This should serve as a good platform for lending growth, with Bank CentreCredit expecting 15%-20% and Halyk 10% in 2010.

Our major oil sector holdings, Dragon Oil and KazMunaiGas Exploration Production (KMG EP), comprising 12.4% and 12.0% of the fund respectively, showed mixed performance. Dragon Oil gained 24% on the strength in the oil price, and reported results in line with expectations. KMG EP underperformed, registering a small up-tick of 4%, mainly due to output loss as a result of a strike at its main production unit and uncertainty about upcoming acquisitions. Dragon Oil has so far been delivering results in line with its growth target of 15% in 2010, with two out of ten production wells planned for 2010 delivered on schedule. We increased our exposure to Dragon, which is trading at enterprise value of 3.6 times and 2.8 times estimated Ebitda for 2010 and 2011 respectively. After a sluggish performance this quarter, we expect to see more of KMG EP in the next period once more details over the timing of acquisitions reach the market.

EAST CAPITAL BERING NEW EUROPE FUND

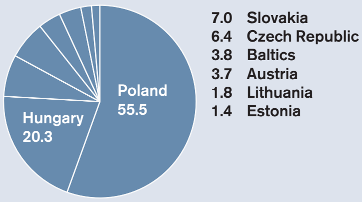
The aim of the fund is to achieve long term capital appreciation from investments in Central European and Baltic equities, both listed and unlisted.

Fund portfolio on 31 March 2010

Sector weighting

Sector	% of fund
Constr. & Constr. Mtrl.	17.5
Consumer Goods	15.2
Banking & Finance	15.0
Utilities	9.1
Metals & Mining	6.5
Holding Companies	5.8
Information Technology	5.1
Engineering	4.0
Electronics	3.8
Other	18.0

Asset allocation by country
(% of the portfolio)



10 largest holdings

Company	Weight % of fund Q1 2010	Weight % of fund Q4 2009	% Performance*	Country	Sector
RFV Nyrt	8.3	7.9	20	Hungary	Utilities
Budimex	5.6	4.4	45	Poland	Constr. & Constr. Mtrl.
Pannenergy	5.6	6.2	3	Hungary	Holding Companies
Bogdanka	5.0	5.1	12	Poland	Metals & Mining
Pegas Nonwovens	4.9	7.6	4	Czech Rep.	Consumer Goods
Asseco Slovakia	4.9	4.5	22	Slovakia	Information Technology
Bank Handlowy	4.1	3.9	22	Poland	Banking & Finance
Koelner	3.7	3.7	14	Poland	Constr. & Constr. Mtrl.
Elko	3.6	3.9	6	Baltics	Electronics
Bank BPH	3.6	5.0	-16	Poland	Banking & Finance

10 largest holdings (% of portfolio)	Unlisted holdings (% of portfolio)	Total number of holdings
49.4	6.8	69

* Share price development in EUR during the quarter.

Fund performance

	Q1 2010	FY 2009	Since 1st investment May 2008
East Capital Bering New Europe Fund, EUR[1]	13%	51%	18%
East Capital Explorer's share of the fund on 31 March 2010:			86%

Source: Bloomberg
[1] Data representing the fund's master series.

Portfolio comment first quarter

Andras Szalkai, Member of the Portfolio Management team, East Capital

In January, we continued to shift from holdings that performed very strongly in 2009 to some new investments. We further decreased Pegas, the Czech specialist textile maker, and the company is currently only the fifth largest holding in the fund. The Pegas share increased 4% during the quarter. In January, we built positions in the power plant construction sector, as we expect the heavy reconstruction needs within the old power plants to entail significant demand. We also built positions in a Slovak boiler maker, as well as in a Polish construction specialist. In February, the fund participated in the secondary offering of ENEA. ENEA is the second largest power energy group in Poland, and the Polish treasury sold the shares with a 9% discount to the market price at a enterprise value of 3.5 times estimated 2010 Ebitda. We made a return of nearly 20% on the position in a month, and decided to decrease our exposure. Our main reasons for this was disappointing 2009 results, with net profits of PLN 513m compared to market expectations of PLN 640m as well as a large expected overhang from initial and secondary public offerings in the sector in Poland going forward.

With a gain of 45% during the quarter, the best performance contributor was Budimex, the largest road construction company in Poland. Budimex reported strong 2009 earnings of PLN 174m, 67% higher than in 2008. During March, the company announced that it had won a PLN 1.5bn motorway project in South East Poland, which corresponds to more than half of total 2009 revenues. We visited the company twice last year and decided to invest as we expect investments in motorway projects to accelerate in Poland.

The fund's largest holding, RFV Nyrt, the Hungarian energy saving consultancy company, added another 20% due to good prospects and favourable financing deals. We met the newly-elected CEO, who explained the organisational restructuring that aims to enable sustainable growth. RFV Nyrt expect 15%-20% Ebitda growth over the next five years on average.

The best performing stock in the portfolio was Czech Photon Energy, which gained 165% after the company reported a CZK 60m profit in 2009 vs. CZK -7m in 2008. The company is a developer and operator of solar panel installations and benefits from an advantageous solar power regulatory environment in the Czech Republic. We visited the company in Prague, where it disclosed its 2010 expected earnings of CZK 220m, which means that the company is trading at four times those earnings.

On the negative side, Polish BPH Bank, the best contributor during the fourth quarter 2009, decreased 16% in the first quarter. Going forward, we will focus on the Czech and Hungarian markets, but will consider participating in Polish initial and secondary public offerings if valuations are attractive.

EAST CAPITAL POWER UTILITIES FUND

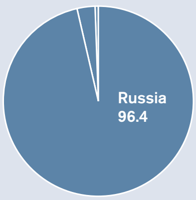
The aim of the fund is to target the many investment opportunities arising from the ongoing power sector reform in Russia. The fund invests in both listed and unlisted companies across sub-sectors of the industry including electricity generation, distribution and services.

Fund portfolio on 31 March 2010

Sector weighting

Sub sector	% of fund
Generation	45
Distribution	29
Integrated	14
Hydro	8
Construction	2
Other	1

Asset allocation by country
(% of the portfolio)



10 largest holdings

Company	Weight % of fund		% Performance*	Country	Sub sector
	Q1 2010	Q4 2009			
OGK-6	7.3	4.9	78	Russia	Generation
MRSK Center	6.7	6.0	58	Russia	Distribution
MRSK Center Volga	6.5	5.9	55	Russia	Distribution
MRSK Holding	6.1	7.4	52	Russia	Distribution
OGK-4	5.6	5.3	42	Russia	Generation
OGK-2	5.6	3.2	94	Russia	Generation
Bashkir Energo	5.5	5.1	63	Russia	Integrated
TGK-7	5.3	7.3	14	Russia	Generation
TGK-5	4.3	4.2	40	Russia	Generation
OGK-3	3.8	3.0	42	Russia	Generation

10 largest holdings (% of portfolio)	Unlisted holdings (% of portfolio)	Total number of holdings
56.7	1.5	52

* Share price development in EUR during the quarter.

Fund performance

	Q1 2010	FY 2009	Since 1st investment December 2007
East Capital Power Utilities Fund, EUR	43%	177%	29%
RTS Electric Utilities Index[1]	42%	127%	-33%
East Capital Explorer's share of the fund on 31 March 2010:			73%

Source: East Capital Bloomberg
[1] The RTS Electric Utilities index is a sector index comprising 15 utility equities listed on RTS.

Portfolio comment first quarter

Aivaras Abromavicius, Partner and member of the Portfolio Management team, East Capital

After a strong rally in the generation sub-sector, the weighting of generation companies increased from 40% to 45% during the quarter. Two main factors behind the rally in the sub-sector were increased M&A appetite and Prime Minister Putin signing a decree to create a long-term power capacity market which provides incentives for new construction in the sector.

The holdings in Ukrainian generation companies doubled from 1.3% to 2.8% of the fund, due to both purchases and strong performance. Ukrainian generation companies still trade at half of the valuation of their Russian peers, i.e. an average of USD 146 per kilowatt vs. USD 308 per kilowatt. However, in terms of de-regulation, Ukrainian utilities are not at all comparable to Russian peers. The electricity market is not liberalised and huge investments are needed for capacity modernisation. Thus, despite the discount to Russian peers, the Ukrainian companies are not as attractive investment alternatives.

In terms of individual stock performance, Gazprom controlled generation companies OGK-2 and OGK-6, gained 94% and 78% respectively during the quarter on the back of merger news announced by Gazprom-Energoholding. The merger will allow the combined company to expand its investment opportunities and optimise expenses. Additionally, stocks gained momentum after a preliminary calculation of capacity payments for existing capacity was presented by the Market Council. Once the concept of marginal pricing is adopted, the most efficient thermal generators with the lowest capacity tariffs, including OGK-6 and OGK-2, will benefit. Valuation-wise, OGK-6 and OGK-2 are still below the sector average of USD 308 per kilowatt, trading at USD 173 and USD 258 per kilowatt respectively. RusHydro gained 47% after new management was appointed and the fact that the two damaged power units at Sayano-Shushenskaya HPP were brought back into operation ahead of schedule. In late spring, the company has promised to present a ten-year strategy, which could become another near-term catalyst for the stock.

During the first quarter, the exposure to distribution companies in the fund decreased from 33% to 27%. Distribution companies showed strong performance overall, with MRSK Holding advancing 52%. The stock was supported by MRSK Holding inviting Electricite de France to co-manage Russia's electricity distribution grids. To team up MRSK Holding with a foreign partner was welcomed by the market as it gives access to foreign professional expertise and better corporate governance practice. However, the long-expected inclusion of the stock into the MSCI Russia has not materialised because of low liquidity. On multiples, the stock trades at enterprise value of 6.7 times Ebitda, compared to a sector average of 8.0 times.

EAST CAPITAL SPECIAL OPPORTUNITIES FUND

The fund targets investments in companies with a solid business model and outlook which due to market or owner specific reasons can be acquired at low valuation levels. The fund targets investments with both a clear trigger for revaluation and an exit opportunity within four years. The strategy implies that the fund manager will, when appropriate, take a more active role in the company through board representation or other means.

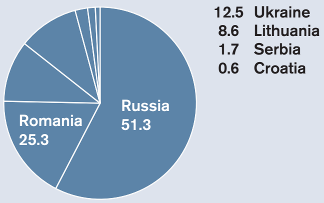
Investment focus is listed, or otherwise traded, equity securities, but other financial instruments can also be utilised. Distributions to investors can be made throughout the lifetime of the fund. All proceeds on divestments after three years will be distributed to the investors.

Fund portfolio on 31 March 2010

Sector weighting

Sector	% of the portfolio
Investment Companies	25.3
Engineering	11.7
Services	10.8
Metals & Mining	9.3
Constr. & Constr. Mtrl.	9.1
Telecom	8.6
Chemicals	8.0
Pharmaceuticals	6.4
Agriculture	6.1
Other	4.7

Asset allocation by country
(% of the portfolio)



Holdings in the portfolio

Company	Weight % of fund Q1 2010	Weight % of fund Q4 2009	% Performance*	Country	Sector
Fondul Proprietatea	25.2	17.1	116	Romania	Investment Companies
Sollers	11.6	14.0	38	Russia	Engineering
TEO LT	8.6	9.9	27	Lithuania	Telecom
Sibirskiy Cement	7.4	8.1	34	Russia	Services
Integra Group	7.1	9.6	8	Russia	Constr. & Constr. Mtrl.
Sintal	6.0	6.2	54	Russia	Services
Belon	5.0	4.3	70	Russia	Pharmaceuticals
Veropharm	4.5	6.2	43	Ukraine	Agriculture
Stirol	4.5	3.8	98	Russia	Metals & Mining
Korshunovsky GOK	4.2	0.0	64	Ukraine	Chemicals

10 largest holdings (% of portfolio)	Unlisted holdings (% of portfolio)	Total number of holdings
84	25.2	18

* Share price development in EUR during the quarter.

Fund performance

	Q1 2010	FY 2009	Since 1st investment May 2009
East Capital Special Opportunities Fund, EUR	40%	n/a	48%
East Capital Explorer's share of the fund on 31 March 2010:			82%

Source: East Capital

Portfolio comment first quarter

Jacob Grapengiesser, Partner and member of the Portfolio Management team, East Capital

The fund is fully invested, but has partially disposed holdings to finance new purchases. One new holding was added during the quarter. The largest positive contributors to performance were Fondul Proprietatea and Sollers, which gained 116% and 38%, respectively. The fund's Ukrainian holdings also did well; Sintal gained +54%, Nord Star Pharma 126% and Stirol +98%. Negative contribution came from Centrenergogaz, which decreased 18%.

There was a lot of news about Fondul Proprietatea during the quarter. In February we went to Bucharest to obtain more information regarding the signing of the management agreement with Franklin Templeton, as this process had been delayed a number of times. During our meetings, the minister of finance confirmed that agreement would be signed and that it would be up to Franklin Templeton to list Fondul Proprietatea; the government would not interfere. Mark Mobius, who is responsible for Franklin Templeton's emerging markets investments and who seems to have taken a special interest in the management of Fondul Proprietatea, announced that the listing would take place in September. These two pieces of news were very important drivers for the stock. In anticipation of the listing, regional brokers have created warrant structures facilitating investor access to the company, which led to the stock doubling during the quarter. However, it is still quoted at a 61% discount to NAV.

Coking coal producer Belon performed well during the quarter on the back of increasing coking coal prices, which are up by approximately 30% year to date in Russia. We visited the company recently in Belovo, which is situated in the south Siberian coal region of Kemerovo. Compared to other coal companies, Belon has modern and more efficient equipment for the enrichment of coking coal. The largest risk for the company is selling coking coal at below market prices to its main shareholder, Magnigotorsk Steel Works. The company has now ensured the market that the 70% of production that is sold to its main shareholder would be sold at exactly the same prices as the 30% that is sold to third parties. This confirmation has been key to the stock recording a 70% gain during the quarter.

The cash-for-clunkers program that was launched in Russia in March was positive news for automotive companies. Sales of new cars increased 38% month-on-month. Sollers, the second largest holding in the fund, gained significantly on the back of this. During a recent meeting with the management of the company, we became more convinced that the company's business model, which is based on foreign technology with production of parts in Russia, is the best way forward for the troubled Russian car industry. The company has also launched a large-scale project that would come into operation in 2014.

Ukraine turned out to be the strongest performer during the first quarter, though stocks are still far below their peak. With the new government in place, we believe there will be increased interest for the market. The only part of Eastern Europe in which investor interest is still subdued is the Balkan countries. We are seeing some small signs of improvement however, which could potentially lead to stocks revaluing.

EAST CAPITAL RUSSIAN PROPERTY FUND

The aim of the fund is to invest in shopping centres and other types of cash flow generating retail real estate in Russian cities with more than 1 million inhabitants.

Fund performance during the period

Per 31 March 2010, no investments had been made in the fund. Total draw-downs of EUR 1.5m had been made, of which EUR 0.5m had been used to cover costs in the fund. The remaining, committed EUR 38.5m was still held in cash, cash equivalents and bonds per 31 March 2010.

Real estate market

Consensus among the real estate professionals is that the Russian real estate market is through its worst period. Positive trends such as increased tenant activity, declining vacancies, gradual phasing out of earlier given temporary discounts (in the retail market), and improved debt markets are more evident. On the other hand, the supply still significantly exceeds the demand, especially in the office sector.

According to the real estate consultancy Jones Lang LaSalle, the vacancy rate in the Moscow shopping center market stood at approximately 10% at the end of the first quarter, although there is generally no vacant space in the successful shopping centers like Mega, Evropeiskiy and Metropolis. The retail market saw more than 600,000 square meters delivered in 2009. New delivery during 2010 is expected to reach 580,000 square meters, with two large shopping centers Vegas (130,000 sq m) and Mall of Russia (101,000 sq m) to be opened in the second and fourth quarter respectively. The rental rates did not change during the first quarter but some landlords started to eliminate temporary rental discounts that had been forced to give to tenants in 2009 as the consumer demand sharply declined.

Portfolio management activities

Despite the increased activity in the real estate market, fundamentals in the rental market still remain poor and we are not forecasting sharp improvements in 2010. It is our expectation that the yields will continue to go down as sentiment improves and some of the international investors return to the Russian market due to still attractive spread in the yields compared to other markets. Also, the lending to the real estate sector started to come back in the end of 2009 – beginning of 2010, although banks, in general, are not yet ready to finance development projects, only existing income-generating assets.

We continue to maintain a positive long-term view of the retail real estate market fundamentals in Russia and are currently very focused on completing investment transactions.

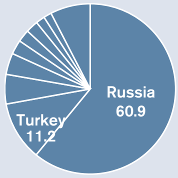
EAST CAPITAL (LUX) EASTERN EUROPEAN FUND

Fund portfolio on 31 March 2010

Sector weighting

Sector	% of the fund
Oil & Gas	30.3
Banking & Finance	22.0
Telecom	8.8
Metals & Mining	6.9
Investment Companies	6.5
Power Utilities	5.4
Retail	4.2
Transportation	2.4
Engineering	2.0
Other	11.4

Asset allocation by country
(% of portfolio)



5.6	Eastern Europe
4.1	Poland
2.7	Romania
2.4	Kazakhstan
2.3	Hungary
1.7	Lithuania
1.5	Greece
7.6	Other

10 largest holdings

Company	Weight % of fund		Performance*	Country	Sector
	Q1 2010	Q4 2009			
Sberbank	5.6	6.9	7.1	Russia	Banking & Finance
Lukoil	4.2	5.2	0.9	Russia	Oil & Gas
Gazprom	4.2	5.2	-3.0	Russia	Oil & Gas
Trans Neft	3.5	2.7	46.2	Russia	Oil & Gas
MMC Norilsk Nickel	3.1	2.6	30.3	Russia	Metals & Mining
Surgut Ng	3.0	2.7	16.2	Russia	Oil & Gas
VTB Bank	3.0	3.0	17.6	Russia	Banking & Finance
Sistema	2.8	2.8	25.5	Russia	Telecom
East Captial Explorer	2.7	2.6	22.9	Sweden	Investment Companies
Ros Neft	2.4	3.5	-5.2	Russia	Oil & Gas

10 largest holdings (% of portfolio)	Unlisted holdings (% of portfolio)	Total number of holdings
34.6	0	173

* Share price development in EUR during the quarter.

Fund performance

	Q1 2010	FY 2009	Since investment Dec 2007
East Capital (Lux) Eastern European Fund, EUR	20%	97%	-24%
MSCI EM Europe Index, EUR[1]	12%	76%	-37%
East Capital Explorer's share of the fund on 31 March 2010:			28%

Source: Bloomberg

[1] MSCI EM Europe Index includes Russian, Polish, Hungarian, Czech and Turkish equities.

DIRECT INVESTMENTS

MELON FASHION GROUP

MFG is an unlisted Russian fashion retailer with brands in the low- and mid-market segment. It has an ambitious management team and a shareholder base that contributes with both entrepreneurial skills and solid financial backing. MFG has stable cash flows and no financial debt.

Comments on the first quarter

MFG's total turnover for the first quarter amounted to RUR 750M (EUR 18.1), corresponding to an increase of 18% compared to the same quarter last year (+26% in EUR). Like for like sales in the three original MFG brands decreased by 16% in RUR terms and decreased by 10% in EUR terms during the quarter compared 2009, mainly due to insufficient supply of goods to the stores.

In March 2010, MFG acquired the rights for Springfield, women'secret and Colours & Beauty trademarks in Russia as well as 59 sales locations in different regions of Russia for these three trademarks. The new trademarks mark MFG's entry into three new segments of fashion retailing: men's wear (Springfield), women's underwear (women'secret) and accessories (Colours & Beauty), and thus serve as a complement to MFG's three existing brands within women's fashion. MFG will operate the Springfield and women'secret trademarks under a franchise agreement with the Spanish fashion group Cortifiel SA. The Colours & Beauty trademark rights for Russia will be owned by MFG. The operations of the 59 acquired shops are consolidated into MFG's financials from March 1 2010.

As of 31 March 2010, MFG operated 343 stores, an increase of 70 stores during the quarter. In addition to the 59 acquired stores, MFG opened a net of eleven stores in the three original concepts: seven befree stores and six Love Republic stores were opened, while two Zarina stores were closed.

TEO LT

TEO is a leading Baltic fixed line operator, internet access and TV services provider in Lithuania. East Capital Explorer started to invest in the company at the end of the third quarter 2009 and on 31 March 2010 East Capital Explorer directly held 16,722,875 shares in TEO LT, corresponding to a total value of EUR 11.3m. East Capital Explorer's and entities managed by East Capital had a total holding of 48,065,061 shares in TEO LT amounting to 5.9% of the company's outstanding shares on 31 March 2010.

Despite the severe recession, which has kept spotlight on the deteriorating economic and financial situation in the Baltics, TEO continued to deliver strong financial results and share price performance. During 2010, the TEO share has gained 24% in EUR[1] terms, yet is still trading at a discount to other Eastern European peers.

TEO's first quarter results showed a slightly mixed picture with sales continuing to fall on the back of weaker revenue from business customers. At the same time, the net profit was almost unchanged due to the effective cost control and lower corporate income tax. Revenues contracted 6.4% year-on-year, of which fixed voice revenues were down 10.9% year-on-year, and internet was down 7.9% year-on-year. Fixed voice decreased due to lower traffic, a diminishing number of lines in service, and lower ARPU, especially from the business customers. The decreasing broadband income is a rather new tendency although was still anticipated as the company is carrying out aggressive marketing campaigns to grow its broadband customer base. As a result, the number of broadband connections grew by 4.8% year-on-year. EBITDA amounted to LTL 81m, down 13.4% year-on-year, nevertheless the EBITDA margin remained high at 42%. The decrease in fixed voice traffic was one of the major reasons behind the diminishing EBITDA. Net profit amounted to LTL 43m, down just 1% year-on-year due to lower corporate income tax.

The AGM 2010 recently approved LTL 0.21 dividends per share, paying out 96% of the earnings, resulting in an attractive dividend yield before tax of 9%. Moreover, shareholders voted to cancel treasury shares held by the company – around 5% of the capital.

[1] Until 30 April 2010

SHORT-TERM INVESTMENTS

Bonds

During the first quarter, East Capital Explorer allocated additionally EUR 15.0m (-), bringing the total to EUR 51.0m, to investments in a portfolio of USD or EUR denominated liquid bonds as a short-term cash management tool to create more attractive returns on cash while remaining liquid for future investments. On 31 March 2010, the fair value of the bond portfolio amounted to EUR 53.1m (-), corresponding to a increase of 1.4% (-) during first quarter 2010.

Cash and cash equivalents

EUR 30m (EUR 176m) that have not yet been invested or drawn-down, are placed in cash and cash equivalents. Interest income from cash and cash equivalents during the first quarter amounted to EUR 0.0m (EUR 1.6m).

Results

The Group consists of the Parent Company East Capital Explorer AB, the subsidiary East Capital Explorer Investments AB as well as the consolidated funds East Capital Power Utilities Fund AB, East Capital Special Opportunities Fund and the East Capital Bering New Europe Fund. East Capital Explorer currently holds 73% of the share of equity in the East Capital Power Utilities Fund AB and its subsidiary Consibilink Ltd, 82% of the share of equity in the East Capital Special Opportunities Fund and 86% of the share of equity in the East Capital Bering New Europe Fund. These funds are therefore regarded as subsidiaries and consolidated with the East Capital Explorer Group. The investments in the consolidated funds are reported as investments in the portfolio report on page 2 but are consolidated in the financial statements.

Group

Net profit for the reporting period 1 January – 31 March 2010 amounted to EUR 86m (EUR -4.1m), corresponding to earnings per share to shareholders of the parent company of EUR 1.94 (EUR -0.12).

For the reporting period, main items of the net profit include EUR 87m (EUR -3.9m) in unrealised change in the value of investments, EUR 7.8m (EUR -0.6m) in realised change in the value of investments, which relates to sale of investment shares held in the consolidated funds. Financial income amounted to EUR 2.6m (EUR 1.6m) and includes net result from bond portfolio EUR 2.1m (-) and exchange gain in subsidiary EUR 0.5m (-). The bond portfolio net result consists of EUR 0.7m (-) in interest income, result from exchange losses from forward contract on bonds EUR -1,9m (-) and fair value change in the bond portfolio EUR 3.3m (-). Other items include EUR -11.7m (EUR -1.0m) in operating expenses (described further below) and EUR -0.4m (EUR -0.3m) in income taxes.

Of the total operating expenses of EUR -11.7m (EUR -1.0m) during the reporting period, EUR -0.3m (EUR -0.2m) relates to ordinary operating expenses within the Parent Company. The remaining EUR -11.4m (EUR -0.8m) relates to operating expenses in consolidated funds and subsidiaries. The increase in operating expenses largely depend on performance fees EUR -10.2m (-) in consolidated funds due to the funds improved performance during 2010. For more details about fees, please see page 56 in the Annual report 2009.

Parent Company

The Parent Company's net profit for the reporting period amounted to EUR 46m (EUR -4.2m) of which EUR 46m (EUR -4.0m) refers to a reversal of write down of shares in group companies. These shares have been valued to the lower of fair value and acquisition value. Operating expenses amounted to EUR -0.3m (EUR -0.2m).

No investment activities are carried out within the Parent Company.

Tax

East Capital Explorer's consolidated tax of EUR –0.4m (EUR -0.3m) for the reporting period comprises mainly of actual tax related to subsidiaries.

Financial position

Cash flow from operating activities during the first quarter was EUR -0.4m (EUR -1.1m).

The Group's cash, cash equivalents and bonds at the end of the period amounted to EUR 99m (EUR 181m). The Group's cash, cash equivalents and bonds differs from the portfolio on page 2 since cash and cash equivalents in the consolidated funds are included in the Group. Excluding the consolidated funds; cash, cash equivalents and bonds amounted to EUR 83m (EUR 176m) and interest income from these amounted to EUR 0.7m (EUR 1.6m) during the reporting period. On 31 March, EUR 35m was available for future commitments and investments .

East Capital Explorer had no debt on 31 March 2010.

Commitments and draw-downs

EUR 40m has been committed to the East Capital Russian Property Fund. On 31 March 2010, no investments have been made in the fund. Total draw-downs of EUR 1.5m had been made, of which EUR 0.5m have been used to cover costs in the fund. The remaining committed EUR 38.5m were still placed in cash, cash equivalents and bonds.

EUR 5m has been committed to a direct investment in a new venture, which, together with Intrum Justitia and East Capital Financial Funds, will seek to invest in portfolios of non-performing consumer loans mainly in Russia. To date, no investments have been made.

In the beginning of April, East Capital Explorer received the additional 438,740 fund units in East Capital Bering Ukraine Fund Class A for the committed amount of EUR 5m.

OTHER INFORMATION

Risks and uncertainty factors

The dominant risk in East Capital Explorer's operations is commercial risk in the form of exposure to certain sectors, geographic regions or individual holdings. The current volatile financial markets may increase the risks associated with our investments. Our evaluation is that the risks for the coming six months are the same as described in the annual report 2009.

Related party transactions

No changes or transactions have occurred during the year other than fee payments according to agreements. For information on related party transactions please see pages 56 and 87 in the 2009 annual report.

Organisational and investment structure

East Capital Explorer is a public limited liability company that indirectly invests in Russia and other countries within the Commonwealth of Independent States (CIS), the Balkans, the Baltic States, Central Asia and Central Eastern Europe, through a selection of East Capital's current and future funds. In addition, the Company may also invest directly in companies in this region.

The investment activities of the company are governed by an investment policy within an Investment Management Agreement between the Company and East Capital PCV Management AB (the Investment Manager), a company within the East Capital Group.

For further information about the organisation and investment structure of the Company, please see the corporate governance report for 2009 that has been included in the annual report and on our web site www.eastcapitalexplorer.com in the section, 'About East Capital Explorer/Corporate Governance'

Share buy-back mandate

The Annual General Meeting 2009 issued a new repurchase authorization for the Board to decide on acquiring the company's own shares until the Annual General Meeting 2010. On 8 March 2010, East Capital Explorer announced that the Company's Board had decided to utilise the authorisation for the purpose of giving the Board wider freedom of action in the work with the Company's capital structure and thus creating more value for the shareholders.

The utilisation of the authorisation allowed the Company to repurchase own shares from 8 March 2010 up to and including 9 April 2010. On 31 March 2010, East Capital Explorer had repurchased 547,485 shares.

Between 1 – 9 April, the Company repurchased an additional 100,000 shares, bringing the total number of shares repurchased to 647,485 own shares, corresponding to 1.82% of the shares in the Company. Average price per share paid was SEK 78.46. At the Annual General Meeting held in Stockholm on 28 April 2010, the 647,485 repurchased shares were resolved to be cancelled. Following the cancellation of shares, the new total number of shares in the Company will amount to 34,851,675.

EVENTS OCCURRING AFTER THE END OF QUARTER

Annual Meeting 2010

East Capital Explorer's Annual General Meeting 2010 was held on Wednesday 28 April 2010, at Konserthuset in Stockholm. See www.eastcapitalexplorer.com for a full report and documents from the AGM.

Draw down to East Capital Russian Property Fund

In April, EUR 20m was drawn down to the East Capital Russian Property Fund in anticipation of future investments.

NAV on 30 April 2010

NAV per share per 30 April 2010 amounted to EUR 11.96 (corresponding to SEK 115), compared to EUR 11.73 (corresponding to SEK 114) on 31 March 2010. The share price on 30 April 2010 was SEK 84.75 (corresponding to EUR 8.81). Cash, cash equivalents and bonds on 30 April 2010 amounted to EUR 55m (SEK 533m) which corresponds to EUR 1.59 (SEK 15) per share. Of those, EUR 32m (SEK 303m), were available for future investments.

PORTFOLIO ON 30 APRIL 2010

	Nav per Share, EUR	NAV, MEUR	% of NAV
Semi-Public Equity Fund Investments			
East Capital Bering Russia Fund	1.26	44	11
East Capital Bering Ukraine Fund Class A	0.25	9	2
East Capital Bering Ukraine Fund Class R	0.16	6	1
East Capital Bering Balkan Fund	1.23	43	10
East Capital Bering Central Asia Fund	0.69	24	6
East Capital Bering New Europe Fund	0.55	19	5
East Capital Power Utilities Fund	3.01	105	25
East Capital Special Opportunities Fund	1.65	57	14
East Capital Russian Property Fund[1]	0.60	21	5
East Capital (Lux) Eastern European Fund (EUR)	0.41	14	3
	9.79	**341**	**82**
Direct Investments			
Melon Fashion Group (MFG)	0.30	10	2
TEO LT, AB	0.31	11	3
	0.61	**21**	**5**
Short-term Investments [2]			
Short term Investments (incl. bonds)	1.49	52	12
Cash and cash equivalents	0.10	3	1
	1.59	**55**	**13**
Total Portfolio	**11.99**	**418**	**100**
Other assets and liabilities net	-0.03	-1	0
Net Asset Value (NAV)	**11.96**	**417**	**100**

[1] EUR 40m has been committed to the East Capital Russian Property Fund. On 30 April 2010, no investments had been made in the fund. Total draw-downs of EUR 21.5m had been made in anticipation of future investments, of which EUR 0.5m had been used to cover costs in the fund. The remaining committed EUR 18.5m was still placed in short term investments.

[2] On 25 January 2010, East Capital Explorer AB announced an investment of MEUR 5 in a venture with Intrum Justitia and East Capital Financial Fund. The money was committed but still placed in short term investments.

Note that certain numerical information may not sum due to rounding.

DEFINITIONS

Please see the Annual Report 2009, pages 56-57 and 91 for a list of definitions.

ACCOUNTING PRINCIPLES

The consolidated interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable provisions in the Swedish Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with The Swedish Annual Accounts Act Chapter 9, interim report. The accounting principles that have been applied for the Group and Parent Company are in agreement with the accounting principles and the methods of computation used in last years annual report.

The Group applies the revised versions of IFRS 3 and IAS 27 as of 1 January 2010. The changes in these standards will affect future acquisitions. New or revised IFRS principles and interpretations of the IFRIC have not had any material effect on the financial position or results of the Group or Parent Company.

Stockholm, 11 May 2010

Gert Tiivas
Chief Executive Officer

CONTACT INFORMATION

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Mathias Pedersen, CFO,+46 8 505 977 48

FINANCIAL CALENDAR

- Monthly net asset value report on the fifth working day after the end of each month
- Interim Report 1 January – 30 June 2010, 20 August 2010
- Interim Report 1 January – 30 September 2010, 11 November 2010

The information in this interim report is that which East Capital Explorer AB is required to disclose under Sweden's Securities Market Act. It was released for publication at 07:00 a.m. CET on 11 May 2010.

Review Report

To the Board of East Capital Explorer AB (publ)

Corporate identity number 556693-7404

Introduction

We have reviewed the interim report for East Capital Explorer AB (publ) as of 31 March 2010, and the three-month reporting period ending on that date. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Focus and Scope of the Review

We conducted our review in accordance with the Standard on Review Engagements SÖG 2410, "Review of Interim Financial Information Performed by the Independent Auditors of the Entity". A review consists of making inquiries, primarily to persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with Standards on Auditing in Sweden RS and other generally accepted auditing practices in Sweden. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed on the basis of a review does not give the same level of assurance as a conclusion expressed on the basis of an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm, 11 May 2010
KPMG AB

Carl Lindgren
Authorised Public Accountant

This review report is a translation of the original review report in Swedish.

Statement of Comprehensive Income

EUR thousands	1 Jan – 31 March 2010	1 Jan – 31 March 2009
Result from financial assets at fair value through profit or loss	87,034	-3,916
Realised gains/losses from financial assets through profit or loss	7,813	-623
Dividends	195	105
Total operating income	**95,042**	**-4,434**
Staff expenses	-179	-124
Other operating expenses	-11,503	-868
Operating profit/loss	**83,360**	**-5,427**
Financial income	2,608	1,617
Financial expense	-27	-
Profit/loss before tax	**85,941**	**-3,809**
Income tax	-430	-326
NET PROFIT/LOSS FOR THE PERIOD	**85,511**	**-4,136**
Other comprehensive income:		
Exchange differences on translating foreign operations	4,918	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**90,429**	**-4,136**
Net profit/loss for the period distribution:		
Shareholders of the Parent Company	67,783	-4,214
Non-controlling interest	17,728	78
	85,511	**-4,136**
Total comprehensive income distribution:		
Shareholders of the Parent Company	72,701	-4,214
Non-controlling interest	17,728	78
	90,429	**-4,136**
Earnings per share, EUR		
- shareholders of the Parent Company	1.94	-0.12
No dilution effects		

Statement of Financial position

EUR thousands	31 March 2010	31 December 2009	31 March 2009
Shares and participations in investing activities	386,363	292,174	90,666
Deferred tax assets	92	-	68
Total non-current assets	**386,455**	**292,174**	**90,734**
Other short-term receivables	3,546	1,286	175
Accrued income and prepaid expenses	74	388	2,064
Short-term investments [1]	53,134	36,138	-
Cash and cash equivalents	45,682	57,909	180,896
Total current assets	**102,436**	**95,721**	**183,135**
Total assets	**488,891**	**387,895**	**273,870**
Share capital	3,628	3,628	3,627
Other contributed capital	380,553	384,376	386,155
Translation reserve	3,281	-1,637	-316
Profit/loss brought forward	-44,997	-125,418	-125,938
Net profit/loss for the period	67,783	80,421	-4,214
Equity attributable to shareholders of the Parent Company	410,248	341,370	259,314
Non-controlling interest	57,900	40,171	10,503
Total equity	**468,148**	**381,541**	**269,817**
Deferred tax liabilities	713	713	589
Total long-term liabilities	**713**	**713**	**589**
Tax liabilities	798	1,950	2,114
Other liabilities	6,430	1,686	806
Accrued expenses and prepaid income	12,802	2,005	544
Total current liabilities	**20,030**	**5,641**	**3,464**
Total equity and liabilities	**488,891**	**387,895**	**273,870**

[1] In the Annual report 2009 the bond portfolio is presented on several rows in the Statement of financial position. In this report all items related to the bond portfolio are accounted for under short-term investment. The figures for 2009 have been adjusted accordingly.

Statement of Changes in Equity

EUR thousands 2010	Share capital	Other contri-buted capital	Translation reserve	Retained earnings incl. profit /loss for the period	Total equity shareholders in Parent Company	Minority	Total equity
Opening equity 1 Jan 2010	**3,628**	**384,376**	**-1,117**	**-45,517**	**341,370**	**40,171**	**381,541**
Adjustment of consolidation of foreign subsidiaries[1]	-	-	-520	520	-	-	-
Restated opening equity 1 Jan 2010	**3,628**	**384,376**	**-1,637**	**-44,997**	**341,370**	**40,171**	**381,541**
Total comprehensive income	-	-	4,918	67,783	72,701	17,728	90,429
Share buy-back	-	-3,823	-	-	-3,823	-	-3,823
Per 31 March 2010	**3,628**	**380,553**	**3,281**	**22,786**	**410,248**	**57,900**	**468,148**

[1] Adjustment of translation reserve from initial consolidation of foreign subsidaries

EUR thousands 2009	Share capital	Other contri-buted capital	Translation reserve	Retained earnings incl. profit/loss for the period	Total equity shareholders in Parent Company	Minority	Total equity
Opening equity 1 Jan 2009	**3,627**	**387,652**	**-316**	**-125,938**	**265,025**	**10,425**	**275,450**
Total comprehensive income	-	-	-	-4,214	-4,214	78	-4,136
Share buy-back	-	-1,497	-	-	-1,497	-	-1,497
Per 31 March 2009	**3,627**	**386,155**	**-316**	**-130,152**	**259,314**	**10,503**	**269,817**

Statement of Cash Flow

EUR thousands	1 Jan – 31 March 2010	1 Jan – 31 March 2009
Operating activities		
Operating profit/loss	83,360	-5,427
Adjusted for unrealised change in value	-87,034	3,916
Capital gain/loss from divestment	-7,813	623
Interest received	351	2,179
Interest paid	-27	-
Tax paid	-1,582	-233
Cash flow from current operations before changes in working capital	**-12,745**	**1,058**
Cash flow from changes in working capital		
Increase (-)/decrease (+) in other current receivables	-2,038	-165
Increase (+)/decrease (-) in other current payables	14,391	-2,030
Cash flow from operating activities	**-392**	**-1,137**
Investing activities		
Investment in shares and participations	-32,031	-1,608
Sale of shares and participations	23,936	1,495
Cash flow from investing activities	**-8,095**	**-113**
Financing activities		
Share buy-back	-3,823	-1,497
Cash flow from financing activities	**-3,823**	**-1,497**
Cash flow for the period	**-12,310**	**-2,747**
Cash and cash equivalents at beginning of the year[2]	57,909	183,643
Exchange rate differences in cash and cash equivalents	83	-
Cash and cash equivalents at end of the period	**45,682**	**180,895**

[2] Cash equivalents comprise deposits and cash.

Segment reporting

East Capital Explorer classifies the company's segments based on the nature of its investments. Segment results and assets include items directly attributable to the segment as well as those that can be allocated on a reasonable basis.

EUR thousands 1 Jan – 31 March 2010	Fund Investments	Direct Investments	Short-term Investments	Unallocated	Total consolidated
Result from financial assets at fair value through profit or loss	84,606	2,428	-	-	87,034
Realised gains on financial assets through profit or loss	7,813	-	-	-	7,813
Dividends	195	-	-	-	195
Staff expenses	-	-	-	-179	-179
Other operating expenses	-11,221	-120	-	-162	-11,503
Operating profit/loss	**81,393**	**2,308**	**-**	**-341**	**83,360**
Financial income	559	-	2,049	-	2,608
Financial expense	-	-	-18	-9	-27
Profit/loss before tax	**81,952**	**2,308**	**2,031**	**-350**	**85,941**
Assets	**368,215**	**21,690**	**98,816**	**170**	**488,891**

EUR thousands 1 Jan – 31 March 2009	Fund Investments	Direct Investments	Short-term Investments	Unallocated	Total consolidated
Result from financial assets at fair value through profit or loss	-3,916	-	-	-	-3,916
Realised losses on financial assets through profit or loss	-623	-	-	-	-623
Dividends	105	-	-	-	105
Staff expenses	-	-	-	-124	-124
Other operating expenses	-681	-63	-	-124	-868
Operating profit/loss	**-5,115**	**-63**	**-**	**-248**	**-5,427**
Financial income	49	-	1,558	10	1,617
Financial expense	-	-	-	-	-
Profit/loss before tax	**-5,066**	**-63**	**1,558**	**-238**	**-3,809**
Assets	**80,896**	**9,941**	**182,793**	**239**	**273,869**

Consolidated key figures

Value at the end of the period	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Net asset value, EURt	410,248	341,369	324,666	291,914	259,314
Change in NAV during the quarter	20.2%	5.1%	11.2%	12.6%	-2.2%
Equity ratio, %	95.8%	98.3%	97.7%	98.1%	98.5%
Market capitalisation, SEKm	2,884	2,378	2,245	2,192	1,696
Market capitalisation, EURt[1]	296,049	231,817	219,914	202,221	154,906
Number of employees	3	4	4	4	4

Key figures/share	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Earnings, EUR, YTD	1.94	2.26	1.80	0.84	-0.12
NAV, SEK[1]	114.25	98.60	93.12	89.10	79.39
NAV, EUR	11.73	9.61	9.12	8.22	7.25
Share price, SEK	82.50	67.00	63.25	61.75	47.40
Share price, EUR[1]	8.47	6.53	6.19	5.70	4.33
Outstanding number of shares	34,951,675	35,499,160	35,499,160	35,499,160	35,785,160
Weighted average number of shares	35,316,665	35,651,493	35,702,271	35,803,827	36,108,493

[1] Some currency translations are made for informational purposes. 1 EUR = SEK 9.74 on 31 March 2010, SEK 10.26 on 31 December 2009, SEK 10.21 on 30 September 2009, SEK 10.84 on 30 June 2009, SEK 10.95 on 31 March 2009. Source: Reuters.

Income statement – Parent Company

EUR thousands	1 Jan – 31 March 2010	1 Jan – 31 March 2009
Staff expenses	-179	-124
Other operating expenses	-162	-124
Operating profit/loss	**-341**	**-248**
Financial income[1]	46,006	7
Financial expense[2]	-9	-4,040
Profit/loss before tax	**45,656**	**-4,281**
Income tax	92	68
NET PROFIT/LOSS FOR THE PERIOD	**45,748**	**-4,214**

[1] Financial income in Parent Company comprises reversal of write down of shares in Group companies.
[2] Financial expense in Parent Company comprises write down of shares in Group companies.

Statement of Comprehensive Income – Parent Company

EUR thousands	1 Jan – 31 March 2010	1 Jan – 31 March 2009
NET PROFIT/LOSS FOR THE PERIOD	**45,748**	**-4,214**
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**45,748**	**-4,214**

Balance Sheet – Parent Company

EUR thousands	31 March 2010	31 December 2009	31 March 2009
Participations in group companies	380,576	339,570	256,096
Deferred tax assets	92	-	68
Total non-current assets	**380,668**	**339,570**	**256,164**
Other short-term receivables	1,040	2,540	1,399
Accrued income and prepaid expenses	34	59	33
Cash and cash equivalents	2,622	247	2,061
Total current assets	**3,696**	**2,846**	**3,493**
Total assets	**384,364**	**342,416**	**259,657**
Share capital	3,628	3,628	3,627
Share premium reserve	380,553	384,376	386,155
Profit/loss brought forward	-45,854	-125,413	-126,254
Net profit/loss for the period	45,748	79,559	-4,214
Total equity	**384,075**	**342,150**	**259,314**
Tax liabilities	-	-	37
Other liabilities	79	84	82
Accrued expenses and prepaid income	210	182	224
Total current liabilities	**289**	**266**	343
Total equity and liabilities	**384,364**	**342,416**	**259,657**
PLEDGED ASSETS AND CONTINGENT LIABILITIES			
Pledged assets	-	-	-
Contingent liabilities	-	-	-

EAST CAPITAL
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