



**Presentation of the condensed consolidated IFRS results for
6 months ended June 30 2012**

18 September 2012

Speakers:

- Pavel Poselenov, President
- Andrey Rodionov, Vice President for Economics and Finance
- Artem Eyramdzhants, First Vice President
- Viktor Szalkay, Director for Investor Relations and Capital Markets

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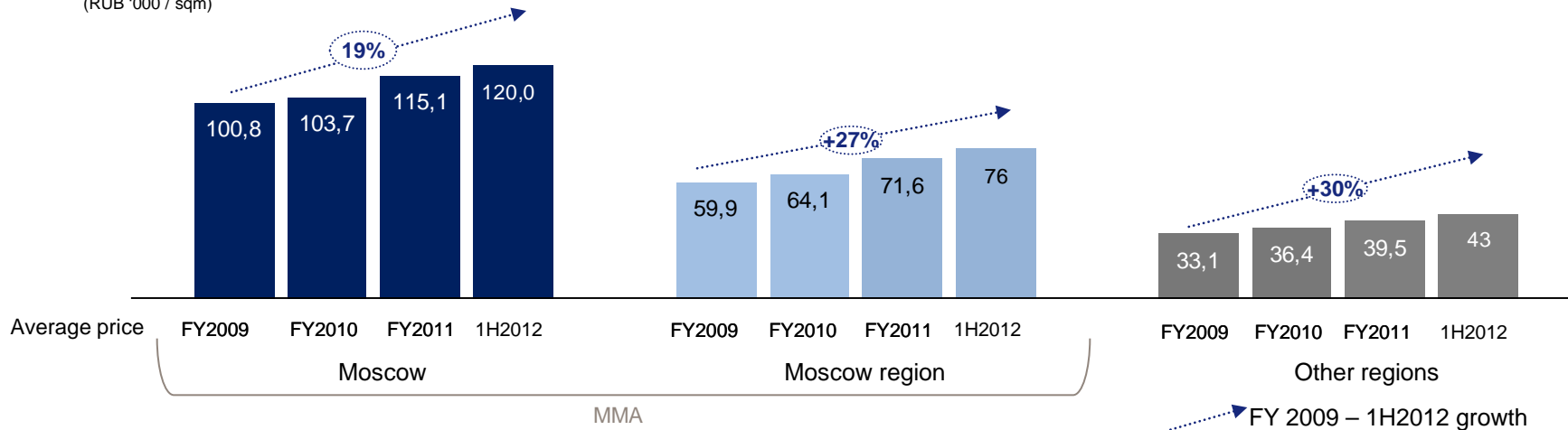
Strong operating environment



Prices and buying patterns returned to normality

PIK's average realized price dynamics

(RUB '000 / sqm)



Note: Realized prices based on pre-sales of mass market projects under construction excluding high-end residential projects (English Town)
 Source: Company data (management accounts)

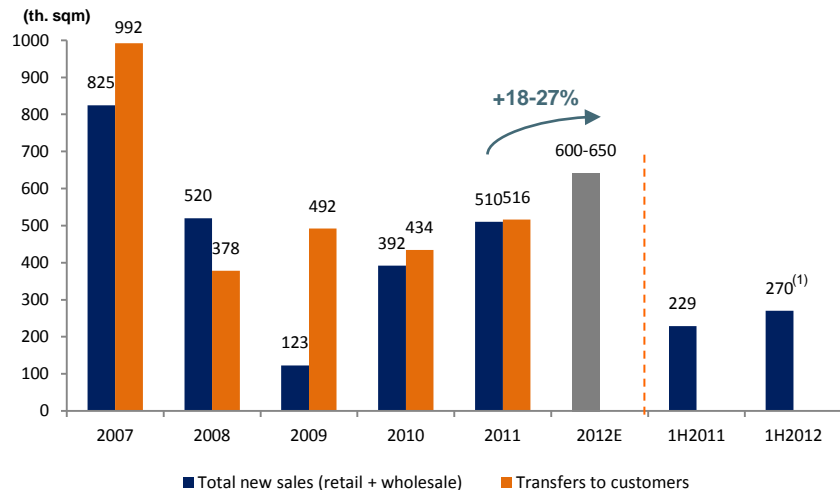
Typical development process and typical sales pattern in MMA



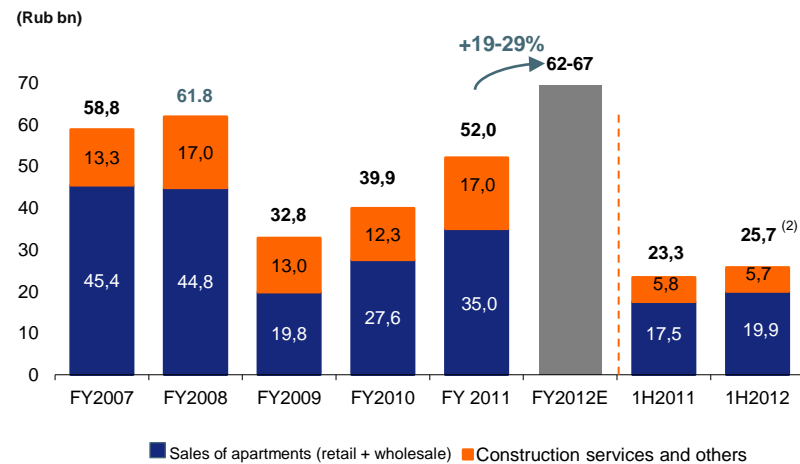
- ✓ Start of intensive sales since early 2011 (= 2008 pre-crisis period)
- ✓ Start of intensive sales during crisis period (2009)

Operating performance continues to accelerate

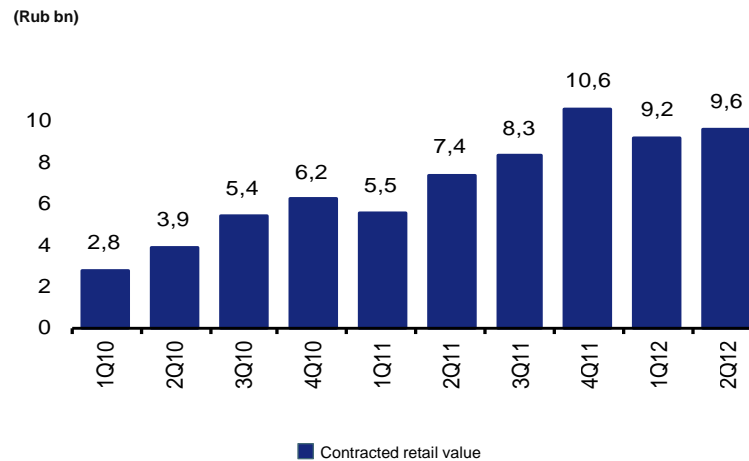
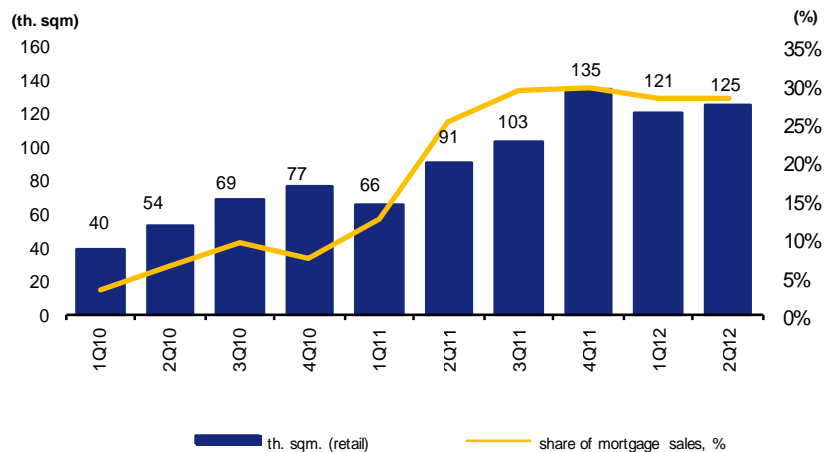
Total new sales and transfers to customers



Gross cash collections⁽¹⁾



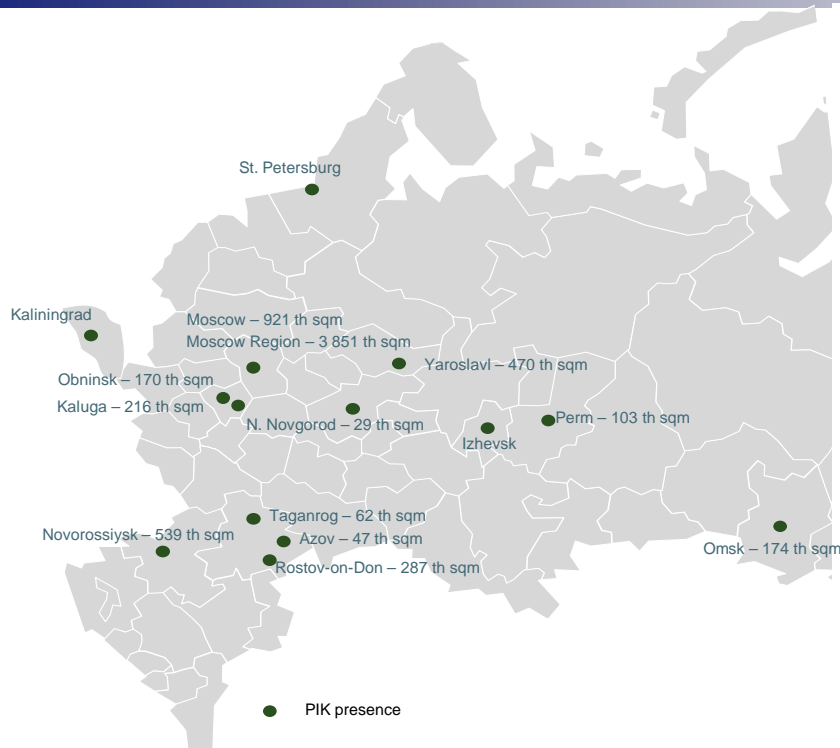
New sales to retail customers





Landbank conversion through active development

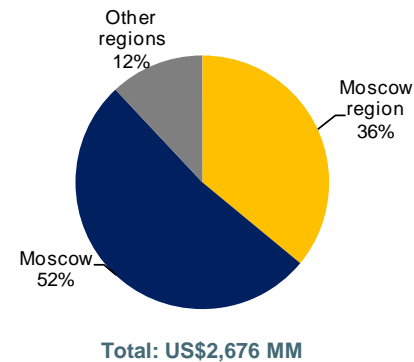
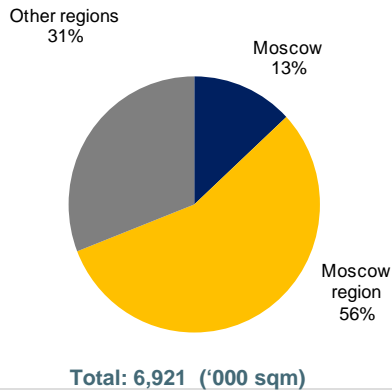




Portfolio strategy

- Selected new acquisitions are made in MMA mostly through co-investment agreements, meaning
 - no material upfront payment for land acquisition
 - no undertakings for future infrastructure costs
 - the same time, PIK overtakes the liability for construction of the buildings, whereas it retains a share of apartments
- Target GPM for newly acquired projects:
 - Moscow >30%,
 - Moscow region >25%

Project portfolio split by geography





- Active development
- Active development starts in the next 6-12 months
- Predevelopment
- Recent acquisitions

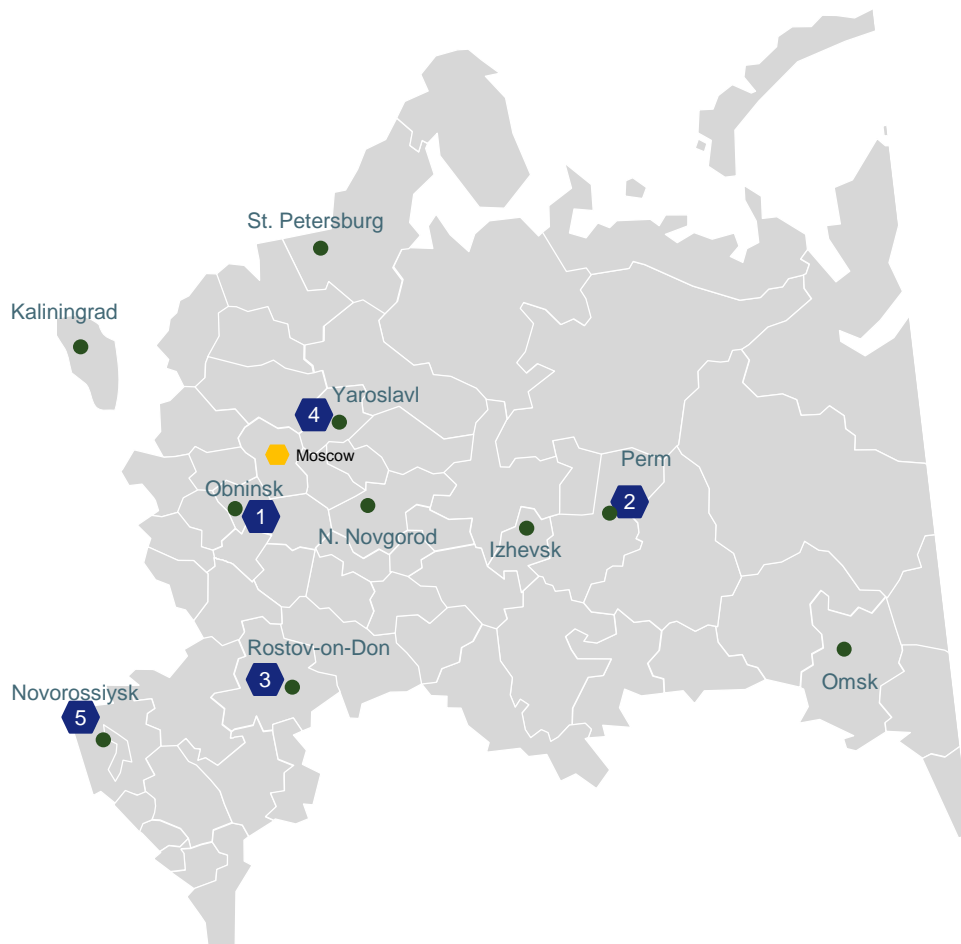
- Moscow city border before 01.07.12
- Extended Moscow city border
- Prefabricated manufacturing capacities

| | Top projects | Landplot (ha) | Total NSA ('000 sqm) | Market value 01.01.12 (US\$m) | Unsold NSA ('000 sqm) 01.07.12 | Total remaining budget (RUB bn) 01.07.12 | Total remaining income (RUB bn) 01.07.12 |
|-------------------------------|--------------------------------------|---------------|----------------------|-------------------------------|--------------------------------|--|--|
| Москва | | | | | | | |
| | 1 Mantulinskaya str., "City Quarter" | 6.93 | 113 | 376 | 113 | 13,0 | 40,9 |
| | 2 Kuntsevo | - | 166 | 161 | 135 | 12,0 | 24,5 |
| | 3 Michurinsky pr-t., blocks 5-6, 11 | 19.03 | 34,5 | 133 | 34,5 | - | 5,6 |
| | 4 Perovskaya str., "Grand Kuskovo" | 15.32 | 131,5 | 135 | 126 | 8,5 | 17,4 |
| | 5 Varshavskoe highway, own. 141 | 8.87 | 130 | 113 | 130 | 7,2 | 16,1 |
| | 6 Novo-Peredelkino, mcr. 14 | 21.22 | 211 | 72 | 31,7 | 2,4 | 4,2 |
| | 7 Mitnaya, 13, "English Town" | 4.58 | 71,9 | 68 | 10,6 | 2,1 | 4,7 |
| | 8 Marshala Zakharova str. | 4.79 | 79 | 73 | 79 | 4,7 | 10,5 |
| | 9 Southern Chertanovo, mcr 17, 18 | 11.35 | 89 | 58 | 20,7 | 1,6 | 3,4 |
| | 10 Mironovskaya str., 46 | 2.64 | 33 | 46 | 33 | 2,1 | 5,0 |
| | 11 Izmaylovsky Proezd | 3.5 | 54 | 51 | 54 | 3,6 | 7,3 |
| | 12 Ak. Vinogradova str., own. 7 | 2.06 | 81,6 | 32 | 2,2 | 0,9 | 0,99 |
| | 13 Kommunarka, "Buninskiy" | 127.79 | 1 066 | 168 | 1 067 | 57 | 99,5 |
| Московская область | | | | | | | |
| | 14 Mytishi, Yaroslavsky" | 114.25 | 1 110 | 254 | 808 | 46,5 | 74,6 |
| | 15 Khimki, "Levoberegny" | 41.67 | 404 | 171 | 263 | 12,4 | 20,9 |
| | 16 Khimki, "Novokurkino" | 81.0 | 833 | 90 | 217 | 15,4 | 19,6 |
| | 17 Khimki, "The Star of Russia" | 7.09 | 135 | 47 | 88 | 5,1 | 6,3 |
| | 18 Lubertsy, "Red hill" | 29.8 | 666 | 38 | 341 | 21,1 | 24,2 |
| Subtotal | | | | 2,085 | | | |
| Total all projects | | | | 2,676 | | | |
| Subtotal as % of total | | | | 78% | | | |

New projects launched in 2012

CBRE data as of 31.12.2011, management accounts as of 01.07.2012

Project pipeline in other regions



Active development

PIK presence

| | Landplot (ha) | Total NSA ('000 sqm) | Market value 01.01.12 (US\$mn) | Unsold NSA ('000 sqm) 01.07.12 | Total remaining budget (RUB bn) 01.07.12 | Total remaining income (RUB bn) 01.07.12 | |
|-------------------------------|--------------------------------|----------------------|--------------------------------|--------------------------------|--|--|------|
| 1 | Kaluga region, Obninsk, mcr 55 | 13.5 | 169 | 56 | 151 | 4,5 | 7,5 |
| 2 | Perm, "Griboedovsky" | 6.42 | 116 | 27 | 90 | 2,6 | 4,0 |
| 3 | Rostov-on-Don, "Nord" | 15.67 | 265 | 13 | 254 | 7,2 | 11,0 |
| 4 | Yaroslavl, "Sokol" | 12.68 | 139 | 12 | 66 | 2,2 | 2,8 |
| 5 | Novorossiysk, "Piccadilly" | 11.47 | 158 | 13 | 158 | 4.5 | 6.8 |
| Subtotal | | | | 121 | | | |
| All projects | | | | 2,676 | | | |
| Subtotal as % of total | | | | 4.5% | | | |

✓ New projects launched in 2012

CBRE data as of 31.12.2011, management accounts as of 01.07.2012



Improving financial performance



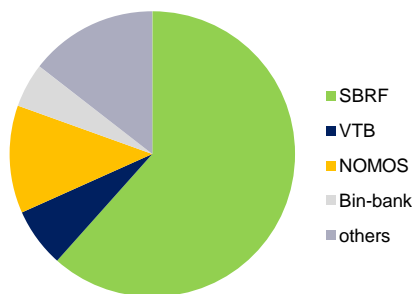
Key financial highlights

| RUB bn, unless otherwise stated | FY2009 | FY2010 | FY2011 | 1H2011 | 2H2011 | 1H2012 |
|--|--------------|-------------|--------------|--------------|--------------|--------------|
| Revenue | 41,2 | 38,1 | 46,0 | 22,8 | 23,2 | 15,1 |
| - Transfers to customers, '000 sqm | 492 | 434 | 512 | 260 | 252 | 138 |
| - New sales contracts to customers (PIK share), '000 sqm | 123 | 392 | 510 | 229 | 281 | 270 |
| - Total housing completions, '000 sqm | 884 | 739 | 870 | 354 | 516 | 234 |
| <i>Revenue from sales of apartments</i> | 30,7 | 27,1 | 35,1 | 17,3 | 17,8 | 9,6 |
| Implied average price '000 RUB/sqm | 62,5 | 62,5 | 68,8 | 66,5 | 70,6 | 69,6 |
| Gross profit | 8,6 | 2,9 | 9,4 | 3,6 | 5,8 | 3,2 |
| <i>Gross profit margin, %</i> | <u>20,9%</u> | <u>7,5%</u> | <u>20,4%</u> | <u>15,8%</u> | <u>25,0%</u> | <u>21,2%</u> |
| Distribution and administrative expenses | 4,4 | 3,9 | 4,8 | 1,6 | 3,2 | 1,6 |
| <i>EBITDA ⁽¹⁾</i> | (3,2) | (2,1) | 11,7 | 5,5 | 6,2 | 1,8 |
| <i>EBITDA margin, %</i> | na | na | 25,4% | 24,1% | 26,7% | 11,9% |
| Adjusted EBITDA ⁽²⁾ | 4,5 | (0,4) | 5,9 | 3,0 | 2,9 | 2,2 |
| <i>Adjusted EBITDA margin, %</i> | <u>11,0%</u> | na | <u>12,8%</u> | <u>13,1%</u> | <u>12,5%</u> | <u>14,5%</u> |
| Net income (loss) | (11,5) | (6,0) | 4,8 | 3,2 | 1,6 | (0,9) |
| <i>Net Income margin, %</i> | na | na | 10,4% | 14,0% | 6,9% | na |

(1) EBITDA represents total comprehensive income/(loss) before income tax expense, interest income, interest expense including penalties payable and depreciation and amortization

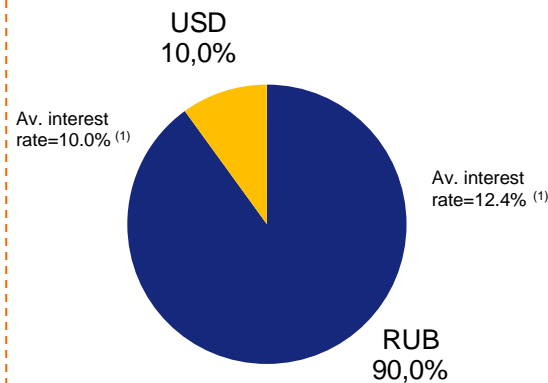
(2) Adjusted EBITDA represents EBITDA before impairment losses and reversal of impairment, impairment losses on financial assets, foreign exchange losses (gains), share of loss of equity accounted investees, net gain/loss on disposal of PP&E, gain/loss on disposal of subsidiaries and development rights, effect of termination of long-term land lease agreements, provision for doubtful accounts and accrued penalties and fees

Debt composition by source



Total debt - RUB 45.8 bn

Debt composition by currency



Av. Interest rate=12.2%

Debt repayment schedule as of September 2012

