



# VALUATION REPORT

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Portfolio of Properties

Valuation report #07/12-320CV as at December 31, 2011

On behalf of

OJSC "PIK Group of Companies"

Part I

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The logo for CBRE, consisting of the letters "CBRE" in a bold, green, sans-serif font.

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April 10, 2012

Ladies and Gentlemen,

## VALUATION OF PROPERTIES LOCATED IN 29 CITIES AND SETTLEMENTS IN RUSSIA

### 1 Instructions

- 1.1 In accordance with valuation agreement #07/12-320CV dated December 15, 2011 between OJSC "PIK Group of Companies" (hereinafter referred to as "PIK" or "the Client") and CB Richard Ellis LLC, we have inspected the properties completed, offered for lease and partially sold described in Schedule 1 (the "**Properties Held as Investment**"), the properties in the course of development described in Schedule 2 (the "**Properties in the Course of Development**"), and the properties held for future development described in Schedule 3 (the "**Properties Held for Development**"), and made relevant enquiries in order to provide our opinion of Market Value of the interests held therein as at December 31<sup>st</sup>, 2011 (the "**Valuation Date**"). Thus, this appraisal incorporates the value of freehold interests in land plots and buildings, long-term and short-term leasehold interests in land with rights to develop the identified projects, and the value of the rights held in joint venture partnerships. The detailed information on the rights valued are provided in the full valuation reports issued by region.
- 1.2 We also set out below the aggregate of our opinion of the Market Value of the individual properties by region. We have been also requested by PIK to include for completeness in Schedule 4 (the "**Properties by Region**") a list of all properties grouped by region.
- 1.3 The purpose of this Valuation Report is to assist the management of PIK in the consideration of its real estate portfolio.

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## 2 The Properties

- 2.1 The properties we have valued are briefly described in Schedule 1, Schedule 2, and Schedule 3 (together, the “Schedules”) attached to this Valuation Report. Each property identified in the Schedules has been valued individually, and not as part of a portfolio. Therefore the conclusions for the individual properties are not interrelated.
- 2.2 We based our valuation on the assumption that the whole portfolio will continue to remain in its existing ownership. It should be noted, that if such a land bank, or a substantial amount of properties within it, were placed on the market at the same time, it could have the effect of flooding the market, leading to a reduction in values. However, given that PIK are one of Russian major developers especially in certain markets, the valuation assumes prudent lotting.
- 2.3 The Property Portfolio consists of 1,523.98 ha of land allocated amongst 95 projects (including projects completed, in the course of development and held for development) comprising c. 9,885,000 sq m of Net Selling Area (PIK’s share), of which PIK’s unsold share is c. 6,921,000 sq m. 99% or c. 9,791,000 sq m of the Property Portfolio consists of residential areas with infrastructure. The remainder of the Property Portfolio comprises c. 94,000 sq m of retail, office, industrial and hotel accommodation. We additionally extracted the projects where PIK has a share in the future freehold interest in apartments to be obtained on completion of the projects by the Third parties (Joint Venture Partners). PIK’s unsold share in those projects is estimated at c. 1,360,000 sq m.

## 3. Basis of Valuation

- 3.1 Our valuations have been carried out in accordance with The Royal Institution of Chartered Surveyors’ (RICS) Valuation Standards (7<sup>th</sup> Edition) (the “Standards”). They have been undertaken by External Valuers as defined in the Standards. The local market and valuation practices within Russia have been considered in our valuation.
- 3.2 In accordance with the Standards, our valuations have been prepared on the basis of Market Value, which is defined in the Standards as follows:
- “The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.”
- 3.3 In our valuation we assume that the development programmes intended by PIK are based on the highest and best use value for the sites if all the appropriate legal documents, rights to develop, and planning permissions were obtained or were in the process of being obtained. We have assumed a reasonable time period to receive appropriate development zoning and construction permits, although it could be delayed or modified which would have some impact on values. For the sites where development plans had not yet been confirmed, we have estimated value both in an “as is” state and with consideration of their highest and best alternative uses. The market value was based on the highest value.

#### 4. Valuation Methodology

- 4.1 We based our valuation on the Income Approach and adopted a Discounted Cash Flow method to arrive at a Net Present Value for most of the projects, however, we have also had regard to a Residual Approach for certain projects and as a cross-check to the values arrived via the discounted cash flows. The Sales Comparison Approach was used in addition to the Income Approach in the valuation of the Properties Held for Development, if comparable evidence on transactions or sites offered for sale was available. However, the availability of information on comparable transactions was limited in many cases.

Within the Income Approach, prospective cash flows from a property and the costs associated with being able to generate those cash flows were discounted back to the present using a market-derived discount rate. The resulting net present value is an indication of the market value. Specifically, with respect to properties in the course of development and properties held for future development, the market value is the net present value of all future income streams less the net present value of all future costs. The costs consist of all the development costs still outstanding for the property, including financing costs on construction. Future incomes were based on current market conditions and the anticipated future trends in rents and/or sales prices.

- 4.2 The discount rates adopted reflect the project's stage of completion and contain relevant risk elements, including the risk free rate plus market, finance, planning, construction and marketing risks. In most cases the rate varied in accordance with the project's stage of completion and the status of its title and planning documents. We have adopted the following ranges of the discount rates:

25-30% - properties planned for development, where title rights obtained or secured by interests in joint ventures, however, construction schemes planned would require rezoning, master plan development and approval, etc;

23-25% - properties planned for development, where the development master plan is approved, and some design documents are being prepared or going through the expertise stage;

18-20% - properties planned for development, where all appropriate approval documents are received and the construction permissions are obtained, but the ground work has not started yet; either properties in the course of development, where the ground works has been initiated with all permissions being either obtained or within its final approval stage;

14-16% - properties in the course of development, where all proper title documents and construction approvals are secured, and the properties are being under construction;

12% - properties completed and being offered for sale.

The Schedules show our opinion of the appropriate discount rates on an unleveraged basis as applied to individual objects within the Property Portfolio.

- 4.3 We have used the Residual Method where applicable to verify market values resulting from the discounted cash flow analysis for properties expected to be developed and sold in the near term. Within the residual method we applied the developer's profit appropriate for each individual property based on a potential third party developer's/purchaser's likely expectations, which should be especially

carefully considered when the properties planned for future development (land bank) is offered in the market. It should be noted, however, that in some regional cities the recent crisis had such a negative impact on sales of residential apartments, that the developer's margins were significantly reduced. Nevertheless as holding costs are comparatively low, developers can continue to acquire land inexpensively expecting some growth in prices which is likely to follow the improved activity in apartment sales in the market.

- 4.4 Under Schedule 1 ("Properties Held as Investment") we have detailed projects completed and offered for lease or sale.
- 4.5 Under Schedule 2 ("Properties in the Course of Development") we have detailed projects under construction as well as legal obligations in respect of properties sold prior to the date of valuation. However, PIK has an obligation to complete properties construction, which is reflected in the valuation through the inclusion of negative-valued properties.

It is common practice within the local residential market for developers to sell a significant portion of rights to the property prior to completion of construction. However, we have not made any investigations on the actual payments received from the rights transferred. For the purpose of this valuation we have assumed that all sale proceeds attributed to the sold units already received and would not be available to a potential purchaser of the project while there is the legal liability to complete the development. In some cases this results in a negative property value for assets in the course of development where the majority of rights have already been sold.

- 4.6 Under Schedule 3 ("Properties Held for Development") we have detailed projects planned for development where construction and sales have not started yet. We assumed the start of the construction to be associated with the start of the ground works.

Properties Held for Development included both properties where the development plans were observed and confirmed by the State Authorities or Developer (values reported per sq m selling area) and properties held as the land bank (values reported per hectare).

## 5. Market Conditions

- 5.1. In accordance with Guidance Note 1 (Valuation certainty) of the RICS Valuation Standards (Seventh Edition), we would draw your attention to the following comment regarding current market conditions.

The current slowdown in both America and Europe, including a sharp decrease of economy's growth and a drop of global share prices, has created some degree of uncertainty in commercial real estate markets across the world. In this environment, it is possible that prices and values could go through a period of heightened volatility whilst the market absorbs the various issues and reaches its conclusions.

- 5.2. The Property Portfolio hold by PIK is one of the largest development portfolios in the local market. The projects in the course of development and land banks are generally recognized as assets with a higher risk profile than investment properties due to the implicit risks and volatility of development in general and specifically in Russia, which in recent history has demonstrated significant market volatility. We would recommend that the situation and the valuations are kept under regular

review and specific marketing advice is obtained should you wish to conduct any disposal of the Property Portfolio or Part of the Property Portfolio valued.

**6. Valuation**

- 6.1. The valuations were prepared in Russian Roubles as this is the currency in which real estate in Russia commercially transacts, but given the purposes of the valuation the results are presented herein in US Dollars. The exchange rate was set on December 31, 2011 at 32.1961 RUR per 1 USD according to the Central Bank exchange rate.
- 6.2. On the bases outlined in this Valuation Report, we are of the opinion that each individual Market Value as at the Valuation Date of the respective leasehold and freehold interests, with vacant possession, as summarised in the Schedules, is as stated against that property in the Schedule.
- 6.3. Construction cost estimates used are inclusive of VAT. According to the Tax Code of the Russian Federation the income from sales of the premises related to the residential buildings which are being sold under the Federal Statute of the Russian Federation #214-FZ dated 30.12.2004 "On shared residential construction" and the income from sales of residential properties after state commissioning are not subject to VAT. We have made our calculations in accordance with the Statute.

In some projects PIK acts as a Co-Investor losing its VAT preferences. In such cases a potential buyer, acquiring right for future income streams will not be able to use VAT exemption, and the part of the income received from the home-buyers which exceeds construction expenses remains to be a subject to VAT.

VAT on construction costs of commercial properties is reimbursed at the tax period of their occurrence (item 6 of article 171 of the Tax Code).

The Market Values of the properties as well as the rental rates and sale prices of the commercial properties are exclusive of VAT.

- 6.4. The aggregate of the said individual Market Value of the Portfolio as at December 31, 2011 is Roubles

**c. 86,180,000,000 (Eighty Six Billion One Hundred Eighty Million Roubles)**

which is equal to

**c. 2,676,402,000 (Two Billion Six Hundred and Seventy Six Million Four Hundred and Two Thousand US Dollars)** made up as follows:

TYPE OF SCHEDULE	NUMBER OF PROPERTIES	MARKET VALUE
Properties Valued:		
Schedule 1 – Properties Held as Investment	13	\$42,561,000
Schedule 2 – Properties in the Course of Development	36	\$1,241,182,000
Including:		
Properties Generating Negative Cash Flows	3	\$-49,410,000
Schedule 3 – Properties Planned for Development	46	\$1,392,659,000
<b>Total:</b>	<b>95</b>	<b>\$2,676,402,000</b>

TYPE OF SCHEDULE	NUMBER OF PROPERTIES	MARKET VALUE
Including:	22	\$581,140,000
Joint Venture Partners		

6.5. The aggregate value is distributed between offices, hotel, industrial, mixed-use projects and residential properties with infrastructure as follows:

TYPE OF PROJECT	NUMBER OF PROPERTIES	MARKET VALUE
Properties Valued:		
Residential projects including commercial infrastructure	82	\$2,570,782,000
Office projects	3	\$16,090,000
Hotel projects	1	\$8,200,000
Industrial projects	1	\$11,000,000
Land vacant	8	\$70,330,000
<b>Total:</b>	<b>95</b>	<b>\$2,676,402,000</b>

6.6. The aggregate value is distributed between the regions as follows:

REGION	NUMBER OF PROPERTIES	MARKET VALUE
<b>Moscow Region:</b>	<b>51</b>	<b>\$2,369,061,000</b>
Moscow	25	\$1,392,285,000
Moscow Region	26	\$976,776,000
<b>Regions:</b>	<b>44</b>	<b>\$307,341,000</b>
Izhevsk	1	\$11,400,000
Kaliningrad Region	1	\$10,600,000
Kaluga Region	11	\$95,890,000
Nizhny Novgorod	2	\$27,920,000
Novorossiysk	4	\$35,234,000
Omsk	4	\$17,560,000
Perm	3	\$37,870,000
Rostov Region	11	\$41,995,000
Saint-Petersburg	1	\$3,460,000
Yaroslavl	6	\$25,412,000
<b>Total:</b>	<b>95</b>	<b>\$2,676,402,000</b>

On the basis that there have been no substantial changes in the market between the valuation date and the date of the Report, we believe that the value of the Portfolio as reported has not changed materially. This is subject to confirmation from the client that there have been no material changes to the Portfolio such as disposals, disputes etc.

## 7. Transaction Costs

Seller's costs, such as advertising and agent's fees, have been allowed for in our valuation, as have purchaser costs. No allowances have been made for any other extraordinary expenses of realisation nor for taxation that might arise in the event of a disposal.

No account has been taken of any inter-company leases or arrangements, nor of any mortgages, debentures or other charges.

## 8. Assumptions and Sources of Information

### *Documents*

7.1. We have been supplied with the following documents from PIK for the majority of the properties:

- Information on construction costs and construction phases for the Property Portfolio
- Copies of Land Lease agreements and cadastral plans
- Copies of Land Ownership certificates
- Copies of Building Ownership certificates and BTI plans
- Copies of Investment Contracts defining PIK's rights for development
- Copies of Government Decrees confirming development areas, zoning and permitted uses
- Copies of Project Architectural Drawings
- Copies of Project Design Approvals
- Copies of documents confirming technical specifications for utilities (if available)
- Copies of Construction Permits

We have not provided independent verification of the information contained within the documents nor have we verified that it is complete and accurate. Where supplied with legal documents relating to the properties, we have had regard to them in undertaking our valuations, which reflect our understanding of such information. However, we will not take responsibility for the legal interpretation of these documents. We reserve the right to amend our opinions of value should any legal information be provided which contains a material variation from the assumptions we have adopted in our valuations.

Additionally we have had regard to information provided by PIK on construction phasing and development costs. We have verified construction costs and phasing with market evidence and adjusted PIK's development plans accordingly for the purposes of this valuation where we find it appropriate.

### *Floor Areas*

7.2. Gross Building Area

Given that some of the properties are at the development stage where final Gross Building Area (GBA) has not yet been fixed, we have relied on PIK's information on



GBA supported by evidence from investment contracts and other property documents listed in the sources of information. In cases where clear references to GBA have not been provided to us, the gross and net areas were calculated as follows:

- Residential projects: Gross Buildable Areas were calculated by adding 20% to the Net Selling Area of economy properties and 25% to business class properties.
- Retail and office projects: the project design documents state the gross building areas of the commercial properties, therefore in our calculations we applied the GBA as stated in the project documents.
- Parking garages: by allocating 35 sq m per parking space.

We based our cost estimates on the GBA. All income estimates are based on the Net Selling Area/Net Leasable Area only. All measurements and areas quoted in the Valuation Statement are approximate.

### 7.3. Net Selling Area

Net Selling Area for the properties is adopted in accordance with data provided by PIK. In some cases these net selling areas differed from the documentation that we were provided with. In the majority of these cases the differences in the areas were under 10%, which is common in the local market and often occurs at early development stages since investment contracts are drawn up in approximate areas. For the purposes of our valuation we assumed that PIK will be able to get all the permissions required to complete construction in accordance with the business plans considered herein and that there would be no additional cost or delay associated with this.

It is important to note that upon construction of the residential properties the official apartment area is calculated by the Bureau of Technical Inventory (BTI). Often the BTI measurements vary from the planned area stated in purchase agreements. In this case an additional agreement is signed between the buyer and the seller to cover the extra area for any areas sold prior. The additional income from area increases might be an additional source of income for PIK. For the purposes of this valuation we assumed that the BTI areas are in accordance with the PIK stated areas used in this report.

### 7.4. Net Leasable Area

Net leasable area for the office centres was adopted as 85% of GBA, this assumes the allocation of the common areas between the tenants, but as usual not more than 10-15% of their usable area.

Net leasable area for the retail units was adopted in respect to the size of the property as follows:

- 0% loss factor for the properties under 2,000 sq m aboveground GBA;
- 20%-25% loss factor for the properties within 2,000 – 12,000 sq m aboveground GBA;
- 35% loss factor for the properties above 12,000 sq m aboveground GBA.

We assumed the Net Leasable Area of the commercial built-in properties to be equal to their Gross Building Area due to their small size.

#### 7.5. Parking

Certain developments include parking garages. For the purpose of this report, all values associated with standalone parking structures have been distributed among the appropriate residential buildings they are intended for on the basis of the weighted net selling area of these buildings.

#### ***Machinery***

7.6. Machinery such as lifts, central heating, and other normal service installations has been treated as an integral part of the building and is included within our valuations. Ownership of these items is to be transferred to the proper municipal maintenance authority upon building completion as defined in the investment contracts.

7.7. No specialist tests have been carried out on any of the service systems and, for the purpose of our valuations, we have assumed that all are either in good working order or in compliance with any relevant statute, by-law or regulation, or will be upon completion of development of the Property concerned.

#### ***Environmental Investigations and Ground Conditions***

7.8. We have not ourselves undertaken any environmental investigations for contamination or otherwise.

7.9. We have therefore assumed in our valuations that there are no abnormal ground conditions, nor archaeological remains present, which might adversely affect the present or future occupation, development or value of any of the properties.

#### ***Inspections***

7.10. We inspected the properties within the dates of June 15, 2011 and July 21, 2011 during our previous valuation. The properties in the process of active development were inspected within the dates of February 03, 2012 and February 10, 2012.

#### ***Building Structure***

7.11. We were not instructed to carry out structural surveys for the purpose of this Valuation and have assumed that there are not and will not be any structural or latent defects within the properties. We have assumed that no known deleterious or hazardous materials have been, or are being, used in the construction of any of the properties.

7.12. For the properties where the project design has not yet been completed, we have carried out an analysis to determine the most feasible structural materials to be used in construction based on our studies of local demand and the capacity of the construction industry within the area.

7.13. Our valuation of the projected income stream from the sale of each Property assumes that the building works will be completed to a high quality standard in accordance with the plans and specifications provided to us by PIK.

7.14. We assume that the properties will be completed on time and the buildings will be commissioned upon completion in accordance with local regulations.

### ***Town Planning and Statutory Requirements***

- 7.15. We have not made any planning enquiries but have relied upon the information provided by PIK. For the purposes of our valuation we assume that there are no adverse town planning, highway, or other schemes or proposals that will have a detrimental effect on our valuations.
- 7.16. For all properties we have assumed that all relevant planning consents and building permits exist or will be granted without material cost or delay for the properties and their respective present or proposed uses (as appropriate). We also assumed that all required engineering infrastructure is available or will be provided by State Authorities or Developer at the level of the budgeted costs.
- 7.17. We have assumed that all buildings currently comply, or upon completion will comply, with all statutory and local authority requirements, including building (SNiP), fire, and health and safety regulations (where appropriate).

### ***Development Costs***

- 7.18. We have broken development costs into the following major categories – purchase of additional rights if required, hard and soft construction costs, and financing costs. Hard construction costs included mainly costs related to ground works, building construction, internal engineering works, landscaping and fit-out. Soft costs include project management, project design and approvals, project utility infrastructure, construction of roads, social infrastructure, and other encumbrances. Information on construction costs could be verified from market data, whereas encumbrances are specific to individual projects. We have principally relied on information provided by PIK related to encumbrances, as this information will be derived from experience of direct tenders for this type of product and could be confirmed by PIK if there is a special request regarding this issue. Financing costs on construction have been estimated for each project individually, however, we have not reflected therein any interest related to the purchase of land, the cost of which is implicit in the discount rate adopted in deriving the net present value of each project's cash flow.
- 7.19. The information on construction costs provided by the Client was verified with the KO-Invest bulletins "Residential buildings", issued in 2009, "Public buildings", issued in 2008, and index data for the period from Q1 2008 to Q4 2011 from the Federal Statistics Services ([www.gks.ru](http://www.gks.ru)). Our opinion on construction costs has also been based on data obtained from developers and supported by published sources. Construction costs are inclusive of VAT.
- 7.20. Engineering and design costs vary from project to project. We assumed that the information provided by PIK is correct and complete.
- 7.21. We have included liabilities to the city in our calculations. Liabilities to the city could be in the form of encumbrances included in the development budget or as a share of the project. They could also be incorporated into land rights costs. The total encumbrances could vary widely from project to project. We have adopted encumbrances in accordance with the information provided by PIK and assume that this information is complete and correct.

### ***Development Schedules***

- 7.22. The objects that comprise the Property Portfolio are at various stages of development. We state the percentage of completed work in accordance with the information provided by PIK, which seems to accord with our visual inspections. We did not survey construction work to estimate the percentage completion of each object and we assume that the properties will be completed in accordance with the information provided by PIK. For the properties planned for development and at early development stages, we have verified the development schedules with regard to the design approval and construction permit documents provided by PIK. Furthermore we assume that this information is in accordance with city planning and is applicable in the event that a potential buyer should proceed with the project.

### ***Financing***

- 7.23. Within the discounted cash flow calculations we have assumed that construction of the properties in most of the cases will be financed on the following terms:
- 60% debt;
  - 40% equity;
  - 12% interest on loan during construction;
  - 10% interest on loan after construction.

However, financing scheme for some residential projects could vary depending on the development stage, phasing and sales schedule which reflects the region's potential and the demand. We have assumed that the development costs of the pre-construction period to be primarily covered by debt financing while the costs during building construction would be partly financed by the income stream attributed to unit sales, which commence before the completion of the buildings.

### ***Third Party Covenants***

- 7.24. The titles of some properties within the portfolio are subject to onerous Joint Venture agreements which confer considerable financial obligations. We have assumed that these Joint Venture agreements are inseparable from the respective freehold titles until the obligations thereunder have been fulfilled.
- 7.25. We have not conducted credit enquiries into the financial status of any of the building contractors or other parties with whom PIK has entered into contracts. We have assumed that each party is capable of meeting its obligations and that there are no material undisclosed breaches of covenant.

### ***Residential Sale Prices***

- 7.26. Having analysed general market prices for properties of comparable location and quality, we determined the current price range for similar properties as of the valuation date. The tables of comparables are provided in the Property Description section.

### ***Real Estate Cycle in Estimating Current and Future Market Conditions***

- 7.27. The real estate market operates through the dynamic interaction of supply and demand, which can be perceived as cycles of activity, correlating with business

cycles in the economy. Real estate values are likely to change during different phases of a cycle, so it is extremely important to understand and address the effects of these cycles in the valuation of long-term development projects.

It should be noted that the Market Value of the large projects stated in this report is very sensitive to changes in inputs, such as building costs, growth rates and inflation, over the term of the cash flow. Changes to these inputs can have a major effect on the resultant land value. In approaching our valuation we have carried out a sensitivity analysis and our resultant value reflects our opinion of the Market Value of the Property as at the valuation date.

We have closely studied the following key factors affecting current and future market conditions when conducting the portfolio valuation:

- Cumulative demand analysis for residential premises over the long-term;
- Sales schedules for residential projects estimated on the basis of PIK’s historical market share;
- Residential prices dynamic and its long-term trends;
- Construction prices dynamic and its long-term trends.

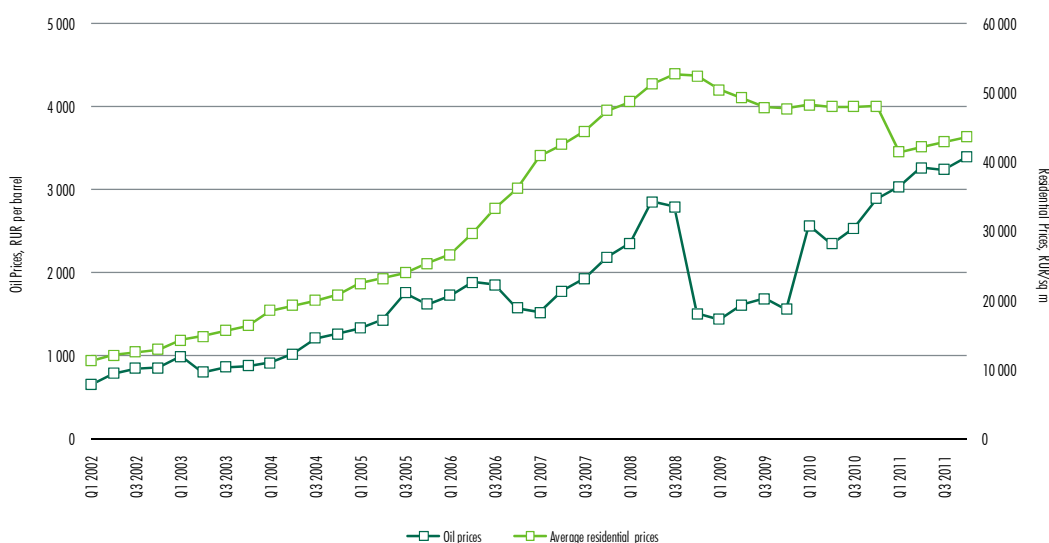
**Sales Schedules**

7.28. We have adopted sales schedules on the basis of PIK’s market share analysis. We have studied historical data on PIK’s share in residential markets and used it to verify the achievable volume of the sales forecasts per region with some adjustments for newly approved urban plans and information on large competitive projects.

**Residential Price Dynamics and Long-term Trends**

7.29. When forecasting residential prices we have considered that the pace of development of the Russian property market is likely to heavily depend on external economic drivers such as oil prices:

**Correlation of the Oil prices and Average Residential Prices**



Having analysed the forecasts of leading investment banks and agencies (IMF, Barclays, Citigroup, Credit Suisse, JP Morgan, Merrill Lynch etc.) we derived an average oil price forecast as follows:

	2012	2013	2014
BRENT Price, US \$/bbl	102.27	98.5	101.00

Having conducted a statistical analysis of residential prices in different regions relative to the oil (Brent) price, we have developed the following forecast for residential prices in different regions of Russia in Roubles using data on the Rouble/US Dollar exchange rate:

#### Residential Price Growth Rate by Region, %

REGION	2012	2013	2014	CUMULATIVE INDEXATION APPLIED
Moscow	11.1%	8.3%	4.9%	26.2%
Moscow Region (cities close to Moscow)	10.4%	8.2%	3.8%	24.0%
Moscow Region (distant cities)	7.0%	10.4%	7.3%	26.7%
Rostov Region	4.0%	3.9%	2.0%	10.3%
Kaliningrad Region	6.1%	8.1%	4.0%	19.2%
Kaluga Region	7.5%	9.6%	5.0%	23.9%
Krasnodar Area	5.2%	6.2%	2.8%	14.9%
Omsk Region	3.9%	5.6%	3.2%	13.2%
Permsky Area	6.6%	9.5%	4.7%	22.2%
St. Petersburg	9.8%	9.7%	4.1%	25.4%
Udmurt Republic	5.8%	6.9%	5.3%	19.2%
Nizhny Novgorod Region	6.5%	6.5%	3.7%	17.6%
Yaroslavl Region	5.9%	5.9%	3.6%	16.1%

It should be noted that historical residential prices and data on historical and forecast oil prices were key drivers of the conclusions developed, where all other factors, having lesser influence on residential prices in Russia, were disregarded for the purpose of this analysis.

Given the long-term nature of the residential projects and the increasing uncertainty of modelling and forecasts in the long-term, we have adopted 0% growth rates in the cash flow models starting from the year 2015.

#### Construction Cost Dynamic and its Long-term Trends

7.30. The analysis of construction cost and residential price fluctuations reveals a correlation between them. We estimated the dependence of construction costs on apartment prices for all portfolio properties by region. The results of the forecast are summarised in the table below:

#### Construction Cost Growth Rate by Region, %

REGION	2012	2013	2014	CUMULATIVE INDEXATION APPLIED
Moscow	6.6%	4.9%	2.9%	15.2%
Moscow Region (cities close to Moscow)	10.4%	8.2%	3.8%	13.5%

REGION	2012	2013	2014	CUMULATIVE INDEXATION APPLIED
Moscow Region (distant cities)	4.0%	7.0%	4.3%	16.1%
Rostov Region	1.5%	1.4%	0.7%	3.7%
Kaliningrad Region	3.9%	5.7%	1.9%	11.9%
Kaluga Region	5.3%	7.2%	3.1%	16.4%
Krasnodar Area	3.0%	3.8%	1.0%	8.1%
Omsk Region	1.5%	2.4%	1.1%	5.1%
Permsky Area	3.6%	6.1%	2.1%	12.2%
St. Petersburg	6.9%	6.9%	2.0%	16.5%
Udmurt Republic	3.1%	4.1%	2.6%	10.1%
Nizhny Novgorod Region	3.8%	3.8%	1.3%	9.1%
Yaroslavl Region	3.0%	3.0%	1.4%	7.5%

### ***Net Operational Income Assessment from Office and Retail Properties***

- 7.31. We have adopted rental rates for retail and office premises in line with market evidence confirmed by comparable leasing offers/transactions for each individual property. The rental rates are net of operating expenses and VAT. We applied no indexation for rental rates.
- 7.32. We have assumed a future stabilised occupancy of 90%-100% for the commercial properties in the process of development or planned for development with an NSA of below 10,000 sq m and 85%-95% for bigger properties, which is in line with the expected long-term level of real estate demand in Russia.
- 7.33. We have estimated operational and credit losses to reach approximately up to 10% of Gross Potential Income for the purpose of this valuation.

### ***EBITDA Assessment from Hotel Property in Moscow***

- 7.34. We have assumed that the hotel property will be open 365 days per year. The stabilised occupancy for the hotel project in the third year of operation was estimated at 60%.
- 7.35. The rack rate for the future hotel property was derived from comparable evidence as of the valuation date. The table of comparable hotel projects is provided in the Property Description section. For the purpose of this valuation we considered an annual indexation of hotel rack rate of 3%.
- This indexation reflects our understanding of current and future market conditions as based on the analysis of the current stage in the property market cycle in Russia.
- 7.36. With consideration of class and location of the hotel property, we have approximately estimated room revenues to represent 70% of gross hotel revenues, where the ratio assigned to the revenues from food, beverages and other services was reported at a 30% level given the budget class of the hotel.
- 7.37. We have assumed total undistributed costs to be capped at the level of 20%, and the gross operating profit of the hotel to stabilise at a level close to 50%. We have considered the EBITDA ratio of the hotel project to stabilise at 35%-40%.

### Terminal Capitalisation Rates

- 7.38. We have taken into consideration the specific location, class and marketability of the commercial properties valued as a part of the portfolio and assigned the following terminal capitalisation rates for the commercial projects planned to be offered to the market within a period of 2012 - 2019:

TERMINAL CAPITALISATION RATES	OFFICE	RETAIL	FITNESS	HOTEL
Moscow	-	11%-12%	12%	11%
Moscow Region	-	11%-12%	12%-14%	-
Saint-Petersburg	12%	-	-	-
Regions	12%	-	-	-

### Tenure and Tenancies

- 7.39. In the absence of any information to the contrary we have assumed that:
- the properties possess good marketable titles free from any unusual encumbrances, restrictions or obligations;
  - nothing would be revealed by any local search or replies to usual enquiries of the seller which would materially adversely affect the respective values of the properties;
  - for the properties where only an investment contract with the proper authorities exists, property title will be issued upon completion of the development; and
  - land leases from the local authorities will be extended where required.

### Unlet Accommodation

- 7.40. According to information provided by PIK, the properties are unlet and either currently for sale or planned to be offered for sale. Therefore, we valued the Property Portfolio based on the assumption of Vacant Possession.

## 8. Variations from Standard Assumptions

- In the project Yaroslavsky (Mytischki city) PIK's rights (or the rights of PIK's affiliates) for the future income received from the project implementation is partially transferred to the third party investors through the sale of shares in the companies holding the project's rights. The Market Value of this project represents PIK's corresponding share in the Net Property Value. The indication of this project is provided below:

PROPERTY	NET SELLING AREA, SQ M	PIK'S SHARE	PIK'S NET SELLING AREA, SQ M
Moscow Region, Mytischki, Yaroslavsky mcr.	1,150,357	75%	833,873

## 9. Future Pipeline

At the request of PIK, we have additionally carried out an estimation of the Market Value of Properties where PIK is currently in the process of obtaining of the legal rights. The Market Value of those properties is not included in the aggregate value



of the Portfolio, however it will represent a potential addition to the Developer’s land bank in the Moscow Region.

PROPERTY	TOTAL NET SELLING AREA OF THE PROJECT, SQ M	PIK’S NET SELLING AREA, SQ M	MARKET VALUE, ROUNDED USD
Drozhino, Moscow Region	63,306	34,027	8,630,000
Bobrovo, Moscow Region	320,753	171,602	22,100,000

**10. Independence**

10.1 The total fees, including the fee for this assignment, earned by CB Richard Ellis Limited (or other companies forming part of the same group of companies within the UK and Russia) from the addressees to this report (or other companies forming part of the same group of companies) is less than 5.0 per cent of the respective companies’ total UK and Russian revenues.

**11. Responsibility**

11.1 This Report may only be relied upon for the purposes for which it has been produced.

11.2 This Report is for the use only of the following parties:

- a. the addressees of this Report;
- b. Shareholders of PIK Group.

11.3 Neither the whole nor any part of this Valuation Report nor any reference thereto may be included in any other published document, circular or statement, nor published in any way without our written approval of the form and context in which it is to appear.

**12. Verification**

12.1 We recommend that before any financial transaction is concluded based on this Valuation Report, you obtain verification of the information contained within it and the validity of the assumptions we have adopted.

Yours faithfully,

Jana Kuzina MSc MRICS  
 Director  
 Head of Strategic Consulting and Valuation  
 Department

For and on behalf of  
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PROPERTY	PROJECT DESCRIPTION	NUMBER OF BUILDINGS	LAND PLOT, HA	TOTAL PROJECT NET SELLING AREA, SQM	PIKS NET SELLING AREA, SQM	PIKS PARKING SPACES	PIKS UNSOLD AREA, SQM	PIKS UNSOLD PARKING SPACES	START OF SALES	ESTIMATED COMPLETION DATE	DEVELOPMENT STAGE	DISCOUNT RATE	TOTAL DEVELOPMENT COST, USD	INCLUDING ENCUMBRANCES, USD	ACTUAL DEVELOPMENT COST, YTD, USD	DEVELOPMENT COST TO COMPLETION, USD	DEVELOPMENT COST TO COMPLETION, USD PER UNSOLD AREA	SALE PRICES, USD/SQM	SALE PRICES, USD/SPACE	RENTAL RATE, USD/SQM/YEAR	MARKET VALUE, THOUSAND ROUBLES	MARKET VALUE, RUB PER SQM UNSOLD ABOVEGROUND AREA	MARKET VALUE, USD	MARKET VALUE, USD PER SQM UNSOLD ABOVEGROUND AREA
<b>Schedule 1</b>	<b>Properties Held for Investment (Completed and Partially Sold)</b>																							
Moscow, Konkovo, Mikukho-Makoye St., 33	Residential building of prefabricated structure KOPF series with built-in commercial premises on the ground floors.	1	1.03	24,972	14,378	0	79	0	on sale	Completed	All five sections of the building were delivered. State permissioning acts are in place for all sections.	12%	16,805,002		16,507,052	297,950	3,772	4,999	0	0	1,714	21,696	53,000	671
Moscow, Ligetskaya St., own. 46	Residential building of prefabricated structure	1	0.66	11,844	8,172	0	223	0	on sale	Completed	State Commissioning Act is in place (received on 30.06.2011)	12%	22,672,537		22,672,537	0	3,440	0	0	24,102	108,081	749,000	3,359	
Moscow, Orekhovy Prospekt, 41	Residential building of prefabricated structure with some commercial space on the ground floor and parking	1	0.72	8,464	5,804	63	0	10	on sale	Completed	State Commissioning Act is in place.	12%	17,432,067		17,432,067	0	0	26,997	0	8,470	24,200	263,000	751	
Moscow, Prospekt Mira St., ul. 165-169	Residential building of variable heights with cast reinforced concrete structure, commercial premises on the ground floor and underground parking	1	0.40	12,605	11,776	88	2,072	42	on sale	Completed	State commissioning act is in place.	12%	0		0	3,304,937	1,595	3,894	63,992	0	208,987	100,862	6,490,000	3,132
Moscow, Ryabinovaya St., 22A	Warehouse premises with office space.	1	3.85	12,285	12,285	100	12,285	100	-	-	Land parcel is held on investment and currently occupied with warehouse/ industrial buildings.	n/a	0		0	0	893	0	0	853,166	28,748	11,000,000	895	
Moscow, Shmitovskiy Prospekt, vl. 20	Business class residential building of monolithic concrete structure with some commercial space on the ground floor and parking.	1	0.73	15,240	15,240	70	373	0	on sale	Completed	State commissioning act is in place dated 2008	12%	41,819,460		41,819,460	0	0	7,699	0	0	85,554	229,367	2,660,000	7,131
Moscow, Zhukov Lane, 29	Class B office building with an underground parking garage.	1	0.23	2,181	2,181	6	2,181	6	-	Completed	The office building is finished, state commissioning act is in place. Ownership certificate is received dated January 26 2012	12%	7,342,824		7,342,824	0	0	0	0	360	273,860	125,566	8,510,000	3,902
Moscow Region, Dmitrov, DZFS	Residential buildings of brick structure with some commercial premises on the ground floor	3	3.89	46,599	38,829	0	90	0	on sale	completed	State Commissioning Acts for all buildings are in place.	12%	50,777,856		50,777,856	0	0	1,440	0	0	4,061	45,122	126,000	1,400
Novosibirsk, Myskholo vill.	Townhouses (sandwich panel)	n/a	3.89	12,659	9,494	0	2,107	0	on sale	Completed	Ownership certificates for all townhouses are obtained	12%	14,070,366		14,042,145	28,221	13	1,040	0	0	57,584	27,330	1,790,000	850
Rostov, Telmana St., Zhuravleva Lane, Greshchikova Goroda Valer St. (Phase I)	Business class residential building of monolith structure with commercial premises on the ground floor and underground car park.	1	0.59	15,414	7,380	16	840	7	on sale	Completed	State commissioning act is in place. The construction is completed.	12%	8,526,894		8,526,894	0	0	1,830	26,997	0	52,674	62,707	1,640,000	1,952
Rostov, Krasnoarmeyskaya St.	Class B office centre	1	0.24	4,735	2,785	0	2,785	0	-	Completed	State commissioning act is in place. The construction is completed. The ownership certificate is planned to be obtained in H1 2012.	14%	1,316,146		1,316,146	0	0	0	0	280	132,581	47,605	4,120,000	1,479
Rostov, Gazety Lane, Ulyanovskaya St.	Business class residential building of monolith structure with commercial premises on the ground floor and underground car park.	1	0.16	5,112	1,606	0	819	0	on sale	Completed	State commissioning act is in place. The construction is completed.	12%	2,217,329		2,217,329	0	0	1,790	0	0	44,946	54,879	1,400,000	1,709
Perm, Kosmonavtov Hwy., Mira St.	Economy class residential buildings of monolith structure and ground parking.	5	2.43	54,481	47,366	300	719	244	on sale	completed	State Commissioning Acts for buildings # #215, 217, 213, 136 and 136A are obtained.	12%	57,555,112		57,555,112	0	0	1,510	12,422	0	121,136	168,478	3,760,000	5,229
<b>Total, Schedule 1</b>			<b>18.82</b>	<b>226,591</b>	<b>177,296</b>	<b>643</b>	<b>24,573</b>	<b>409</b>					<b>240,535,593</b>	<b>0</b>	<b>240,209,422</b>	<b>3,631,108</b>	<b>93</b>				<b>1,368,835</b>	<b>55,705</b>	<b>42,561,000</b>	<b>1,732</b>
<b>Schedule 2</b>	<b>Properties in the Course of Development</b>																							
Moscow, Akademika Vinogradova str., owning 7	Residential buildings with some commercial space on the ground floor and parking.	5	2.06	83,099	80,868	892	14,908	301	on sale	40 2012	State commissioning acts are in place for 4 buildings. 1 building is in process of construction.	12%-23%	212,096,328		168,543,837	43,552,491	2,921	4299-4600	40295-43116	0	1,036,966	69,558	32,200,000	2,160
Moscow, Krasnaya Mayaka St.	Residential buildings of prefabricated structure, single standing multilevel parking, kindergarten, sports centre.	5	5.82	49,359	34,925	871	4,893	370	on sale	20 2012	State Commissioning Acts for residential building and stand alone parking are in place. Kindergarten is completed. A sport centre is at the final stage of construction: facade and fit-out works have left.	12%-14%	86,947,144		84,709,467	2,237,677	3,730	22497-25872	350	586,785	119,923	18,200,000	3,720	
Moscow, Kuntsovo, Rublevskoe Highway	Large residential district comprising economy and business class buildings of monolith structure.	n/a	0.95	149,055	146,126	1,818	145,885	1,451	on sale	40 2017	Construction permit certificate for one building is in place (building is under construction, works are now on 31st level). The investment contract provides for additional construction of 7 buildings on the place of existing ones, after the Moscow Government finishes the relocation process.	14%-25%	504,587,021		171,656,739	334,930,282	2,296	4429-5199	60,993	0	5,175,217	35,475	160,700,000	1,102
Moscow, Novo-Penedelkino mcr.14	Residential buildings of prefabricated and monolith structure with some commercial space on the ground floor, underground parkings.	17	21.22	211,888	210,616	1,633	33,749	1,240	on sale	10 2014	Project design is approved for two buildings, and in the process of approval for one building. State commissioning acts for 13 buildings are in place.	12%-25%	363,458,734		308,478,515	54,980,221	1,628	3190-3413	23,997	0	2,317,706	68,634	72,000,000	2,132
Moscow, Otkryta St. - Volzhsky Boulevard	Large residential district comprising residential buildings of prefabricated structure	8	17.86	228,367	228,367	0	107	0	on sale	completed	State commissioning Acts are in place for all residential buildings.	12%	267,964,300		242,411,846	25,552,453	238,808	3,600	0	0	-774,988	-7,242,879	-24,100,000	-225,234
Moscow, Southern Chertanovo, mcr.17, 18	Residential buildings of prefabricated structure and monolith structure	8	11.35	133,632	88,052	1,264	30,742	1,132	on sale	10 2014	State commissioning acts are in place for buildings 41 and 40A, state commissioning acts for the buildings 40B in 17th microdistrict and # #1,2,3 in 18th microdistrict are ready but have not been issued yet. Construction permit for bld. 40 is in place and construction works are at the foundation stage for this building.	12%-23%	226,498,185		128,872,715	97,625,473	3,176	3900-4129	31596-35171	0	1,851,545	60,229	57,500,000	1,870
Moscow, Zopovednaya St., 14-16, Bld. 1-9	Residential complex with built-in commercial premises on the ground floor of P3M, KOPF prefabricated structure and monolith concrete parking facilities.	9	4.39	86,628	62,472	543	3,368	277	on sale	10 2012	State commissioning acts for buildings 1,2,3,4,5,6,7,8,9 are in place.	12%	155,869,951		155,393,180	476,769	142	3,600	29,996	0	636,073	188,858	19,800,000	5,879
Moscow, Mytnaya St., 13	Business-class residential buildings with an underground parking.	n/a	4.58	99,556	71,872	834	17,232	740	on sale	30 2012	Construction permit is in place, but needs to be renewed. Construction works on frameworks is nearly finished, facade works are at about 60%. Underground parking is complete, engineering systems are being installed.	n/a	257,880,348		145,858,069	117,788,075	6,835	0	77,991	0	2,200,121	127,676	68,300,000	3,964
Moscow region, Lobny, Botareynaya St., 5	Economy class residential building of monolith structure with some commercial premises on the ground floor	1	0.97	21,778	4,139	0	4,139	0	10 2012	20 2012	Construction Permit Certificate is in place. The building is under construction. Installation of the internal engineering communications is in progress.	14%	1,772,064		1,632,312	139,752	34	1,940	0	0	241,258	58,289	7,490,000	1,810
Moscow region, Saitsevskiy Park mcr., Pykhino vil., Bld. #10	Economy class residential building of prefabricated structure KOPF-M-Paris type with built-in commercial premises on the ground floor.	1	40.92	29,888	16,199	0	2,322	0	on sale	10 2012	Construction permit for building #10 is in place. The property is at the final stage of development. The construction of building #10 is finished and fit-out works are in progress.	n/a	24,595,285		21,961,111	2,634,174	1,134	2,430	0	0	74,611	32,132	2,320,000	999
Moscow region, Saitsevskiy Park mcr., Pykhino vil., Phase 2	Economy class residential buildings of prefabricated structure KOPF-M-Paris and KOPF-Tower types with built-in commercial premises on the ground floor.	n/a	14.98	103,426	46,370	0	43,611	0	on sale	01 2013	There has been no construction permits received for the buildings. However, buildings #23, #24 and #26A are under construction. Buildings #24 and #25 have not been started yet.	n/a	81,119,489		6,017,827	75,101,662	1,722	2,260	0	0	276,815	6,347	8,600,000	197
Moscow region, Scherbinika, Chkhova-Industrialnaya St.	Residential building of prefabricated structure with commercial premises on the ground floor.	1	0.79	24,998	24,998	0	22,889	0	on sale	01 2013	As at the valuation date, ownership had only been acquired for the 0.7866 ha land site (total land plot intended for development in accordance with the Investment Contract is 0.9266 ha). The construction of residential building has been started without permission.	n/a	0		0	20,675,446	903	2,500	0	0	607,121	26,525	18,900,000	826
Moscow region, Dolgoprudny, Tsental District	Economy class residential buildings with commercial premises on the ground floor, detached commercial buildings and townhouses.	29	64.81	446,825	351,941	0	157,047	0	on sale	40 2018	Construction Permit Certificate for building #1. State Commissioning Acts for buildings # #2, 4, 6, 31, 32, 33, 35, 35a, 38 are in place; Buildings # #9, 11, 52, 14, and detached commercial buildings are at the pre-design stage. Building # #18 is on project stage. Building # #8,17 started construction.	12%-23%	522,376,498		226,924,943	295,451,557	1,881	2400-2700	0	300-350	1,154,972	7,354	35,900,000	229
Moscow region, Khimki, Novokurkino	Residential buildings of prefabricated and monolith structure, commercial premises on the ground floors, standalone shopping centres, fitness centre, aboveground and underground parking.	38	81.00	835,413	831,237	4,710	239,305	4,158	on sale	40 2018	Master Plan is approved. Construction permits for 6 buildings are received. 7 buildings are in the process of construction. State Commissioning Acts for 20 buildings are obtained.	12%-23%	1,213,513,604		692,201,375	521,312,229	2,178	2490-2664	16998-18698	390	2,892,090	12,085	89,800,000	375
Moscow region, Khimki, Sovkhovaya str., 11	Residential buildings of prefabricated and monolith structure with some commercial space on the ground floors, stand alone shopping centres and parking.	25	41.67	404,425	404,425	4,210	301,272	4,210	on sale	40 2017	Master Plan is approved. State commissioning act is in place for 1 building. 5 buildings are in the course of development. Construction permits are in place for 4 buildings.	12%-23%	711,715,583		256,337,411	455,378,172	1,512	2140-2290	16,998	310	5,508,160	18,283	171,100,000	568
Moscow region, Khimki, The Star of Russia	Residential buildings of monolith structure with some commercial space on the ground floors.	8	7.09	201,612	140,609	0	108,685	0	on sale	40 2016	Master plan is approved. Investment contract with the city government is in place (195,351 sqm of net selling area excluding the share of interest holders). Project design is approved. Construction permit for 1 building is obtained. 1 buildings are in the course of development. Commissioning permissions for 4 buildings are obtained.	12%-23%	220,566,327		49,057,793	171,508,534	1,578	2280-2439	0	0	1,514,709	13,937	47,000,000	432
Moscow region, Khimki, Ubleniny	Residential buildings of prefabricated structure, retail centre and parking	16	8.54	276,429	218,430	930	19,739	550	on sale	30 2013	State Commissioning Acts for 12 buildings are obtained. Project design is approved. Construction permits for 3 buildings are received. 4 buildings are in the process of construction.	12%-20%	362,750,946		276,084,942	86,666,002	4,391	2,880	18,698	400	-801,249	-40,592	-24,900,000	-1,261
Moscow region, Lubertsy, Krasnaya Gorka	Economy class residential buildings of prefabricated structure with some commercial premises on the ground floor, detached commercial premises, and parking.	55	29.80	1,063,683	666,252	0	359,877	0	on sale	40 2016	State Commissioning Acts for buildings # #1, 2, 3, 4, 5, 6, 12, 17, 21, 22, 23, 24, 25, 31, 31a, 32, 34, 36, 45, 46 are in place; Construction Permit Certificates for buildings # #7, 13, 14, 15, 16, 18, 19, 20, 26, 37, 38, 43, 44, 47 are obtained. Project has been re-developed, adding a lot residential buildings and renovating parkings. New project is on the approval stage.	12%-23%	1,046,844,648		416,542,038	630,302,612	1,751	2120-2270	0	210	1,215,201	3,377	37,700,000	105
Moscow region, Mytishchi, 3rd Krestyarskaya str., bld.60-62	Residential buildings of prefabricated structure with some commercial space on the ground floor	1	2.30	42,820	15,724	0	15,724	152	on sale	40 2012	Construction permit is obtained. The building is in the course of development.	n/a	54,672,254		32,157,533	22,514,720	1,432	2,570	2,570	0	435,486	27,676	13,500,000	859
Moscow region, Mytishchi, Yaslovskiy	Residential buildings of prefabricated and monolith structure, stand alone commercial buildings, fitness centre, aboveground and underground parking	58	114.25	1,150,357	833,873	7,603	632,415	7,516	on sale	40 2022	State Commissioning Acts for 14 buildings are obtained. Construction permits for 4 buildings are obtained. 7 buildings are in the course of development.	12%-23%	1,943,699,247		472,052,780	1,471,646,464	2,327	2520-2814	16198-18598	200-400	8,168,963	12,917	253,700,000	401
Moscow Region, Dmitrov, Mokhalina, 1st Phase	Residential buildings of monolith and prefabricated structure	5	2.66	111,880	41,664	0	17,493	0	on sale	40 2013	State Commissioning Act for building #3 is in place. Construction permits for buildings # #4, 8, 13, 15 are in place. The construction of buildings 4 and 13 are at the final stage. The construction of buildings 8 and 15 are at the beginning.	12%-18%	35,838,118		31,860,382	3,977,735	227	1350-1490	0	0	624,060	35,675	19,400,000	1,109
Moscow Region, Dmitrov, Vnukovskaya St.	Residential buildings of monolith/brick and SMKD structure	8	3.78	54,626	47,782	0	20,666	0	on sale	20 2014	State Commissioning Acts for buildings 1, 2, 3, 9, 10 are in place. Masterplan is approved for buildings 4, 5. Investment contract with Dmitrov Region Administration and Ministry of Moscow Region													

PROPERTY	PROJECT DESCRIPTION	NUMBER OF BUILDINGS	LAND PLOT, HA	TOTAL PROJECT NET SELLING AREA, SQM	PIK'S NET SELLING AREA, SQM	PIK'S PARKING SPACES	PIK'S UNSOLD AREA, SQM	PIK'S UNSOLD PARKING SPACES	START OF SALES	ESTIMATED COMPLETION DATE	DEVELOPMENT STAGE	DISCOUNT RATE	TOTAL DEVELOPMENT COST, USD	INCLUDING ENCUMBRANCES, USD	ACTUAL DEVELOPMENT COST, YTD, USD	DEVELOPMENT COST TO COMPLETION, USD	DEVELOPMENT COST TO COMPLETION, USD PER UNSOLD AREA	SALE PRICES, USD/SQM	SALE PRICES, USD/SPACE	RENTAL RATE, USD/SQM/YEAR	MARKET VALUE, THOUSAND ROUBLES	MARKET VALUE, RUR PER SQM UNSOLD ABOVEGROUND AREA	MARKET VALUE, USD	MARKET VALUE, USD PER SQM UNSOLD ABOVEGROUND AREA
Yaroslavl, Frunzensky district, microdistrict 5 of "Sokol" residential district, phase 2	Economy class residential buildings of prefabricated, monolith, and brick structure with commercial premises on the ground floor.	18	12.68	155,100	140,819	0	74,641	0	on sale	40 2015	Master plan is approved. State Commissioning Acts for buildings # #1,2,3,4,6,7,8,9 are obtained. Construction permit is in place for the building #11. The project design for buildings # #5,10,12,14,15,16,17 is under development.	12%-23%	139,140,466		62,212,824	76,947,641	1,031	1250-1400	0	0	398,252	5,336	12,400,000	166
Yaroslavl, Brogino, 7a microdistrict	Economy class residential buildings of prefabricated panel and brick structure.	7	2.71	40,686	37,435	0	5,551	0	on sale	30 2013	State Commissioning Acts for buildings # #5/5a, 6, 17, 13,14 are in place. Construction permits for the middle unit 5/5a is obtained. The project design for buildings # #2,4 is under development.	12%-23%	38,150,940		30,680,840	7,470,099	1,346	1210-1330	0	0	-13,292	-2,395	-410,000	-74
Yaroslavl, Krieva St.	Economy class residential building of monolith structure.	1	0.28	5,371	5,371	0	5,371	0	20 2012	10 2013	The construction permit is obtained. The preparatory and ground works are in progress.	n/a	6,192,113		897,544	5,645,188	1,055	1,430	0	0	23,448	4,366	728,000	136
<b>Total, Schedule 2</b>			<b>556.68</b>	<b>6,998,193</b>	<b>5,674,862</b>	<b>25,933</b>	<b>2,878,041</b>	<b>22,698</b>					<b>9,385,123,065</b>	<b>647,955,702</b>	<b>4,344,959,697</b>	<b>5,067,145,634</b>	<b>1,380</b>				<b>39,967,925</b>	<b>13,887</b>	<b>1,241,182,000</b>	<b>431</b>
<b>Schedule 3</b>	<b>Properties Held for Development</b>																							
Moscow, 2nd Maryina Roscha St.	250-room 3* hotel with a fitness centre	1	1.40	25,030	25,030	166	25,030	166	20 2015	20 2015	Vacant land plot zoned for hotel development. The Property is included in the Moscow Government Decree on Hotel Construction in Moscow.	25%	47,058,132		4,879,444	42,178,688	1,685	0	48,994	0	263,916	10,544	8,200,000	328
Moscow, Lzovoyevskiy Prospekt, 11	Economy class residential buildings of prefabricated structure with underground car-parks	n/a	3.50	53,820	53,820	693	53,820	693	10 2013	04 2014	Land plot is currently occupied with a sports facility. The project is at the pre-design stage.	n/a	141,594,425		0	122,318,270	2,273	4,199	38,995	0	1,630,630	30,298	50,600,000	940
Moscow, Mantulinskaya St., own.7 (City Quarters)	Redevelopment of an old sugar factory site with construction of a mixed-use complex "City Quarters" comprising residential, office premises and parking.	n/a	6.83	113,077	113,077	1,800	113,077	1,800	10 2013	20 2019	The buildings of former sugar plant are in place. The project is at the pre-design stage.	25%	640,130,823		269,662,609	370,468,214	3,276	10,699	87,989	0	12,100,388	107,010	375,800,000	3,323
Moscow, 17th prospekt Maryina Resha, own.1, build.1-5	Residential tower building of prefabricated structure with an underground parking.	1	0.54	9,585	9,585	184	9,585	184	20 2013	10 2015	Pre-design stage. The land lease agreement for the land plot is obtained and valid until July 06, 2040.	n/a	35,358,202		8,883,256	26,474,946	2,762	4,499	45,994	0	320,705	33,459	9,960,000	1,039
Moscow, Marshala Zakharova St., vl. 7	Residential buildings of prefabricated structure KOPPE series and monolith surface parking	n/a	4.79	79,230	79,230	1,306	79,230	1,306	30 2013	40 2015	Permitted Use Act is in place. Design stage will be started at the end of Q2 2012	n/a	206,572,800		59,573,742	146,999,058	1,855	3,740	26,997	0	2,352,809	29,696	73,100,000	923
Moscow, Ramezni, Michurinsky Av., bld. 21-22, 23	Business class residential buildings of monolith concrete structure with built-in commercial premises on the ground floor and underground parking.	1	19.03	399,429	63,761	428	63,761	428	20 2012	40 2013	The building related to PIK's share is at design stage. All permits are outdated, PIK is looking for a new contractor. According to Moscow Government Decree dated August 30, 2011, the deadline on meeting the obligations under Investment Contract has been prolonged till December 31, 2015 without penalties to investors.	12%	193,727,547		62,487,143	131,240,404	2,058	5,799	49,694	0	4,272,592	67,009	132,700,000	2,081
Moscow, Mironovskaya Str., 46	Redevelopment of an industrial site with construction of residential buildings of prefabricated structure.	n/a	2.64	33,018	33,018	457	33,017	457	30 2012	20 2013	Old factory buildings are being demolished, construction is expected to start in March 2012.	n/a	0		0	72,313,493	2,190	4,599	25,997	0	1,495,280	45,288	46,400,000	1,405
Moscow, Perovskaya Str., 66	Redevelopment of a former chemical plant with the construction of residential buildings of prefabricated structure P3MK series.	n/a	15.32	131,565	131,565	2,000	131,565	2,000	30 2012	30 2016	The buildings of the former chemical plant are in place. The Developer has an investment contract with the City of Moscow, and a positive conclusion on the entered one development project. Demolition works started in February, and 1st phase construction is expected to start in May 2012.	n/a	35,254,415		12,677,320	249,942,793	1,900	3,800	21,997	0	4,333,221	32,936	134,600,000	1,023
Moscow, Presnensky Val St., 21	Apartments with an underground car-park	1	0.16	14,210	13,500	77	13,500	77	30 2012	40 2013	Act of permitted use is in place, the project design is in the process of approval. Order for earthwork execution was received on December 26, 2011. Earthworks have started as of valuation date.	12%	55,431,088		11,620,088	43,811,000	3,245	5,599	77,791	0	436,091	32,303	13,500,000	1,000
Moscow, Varshavskoe highway, own. 141 - Gzozprosvod st., own. 2	Residential buildings of prefabricated structure with some commercial space on ground floor and underground parking.	n/a	8.87	130,000	130,000	1,650	130,000	1,650	30 2013	04 2016	Moscow Government Decree on the land redevelopment is to be issued in March 2012. Masterplan is in the process of approval.	n/a	272,994,129		49,432,142	223,561,988	1,720	3,700	32,896	0	3,642,735	28,021	113,100,000	870
Moscow region, Zheleznodorozhnyy, Avtozavodskaya St., Centr-2	Economy class residential buildings of prefabricated structure KOPPE and P3MK series with some commercial premises on the ground floor.	n/a	37.33	446,237	233,119	0	233,119	0	40 2012	40 2018	The Property is planned for construction. The masterplan is to be approved.	27%	319,631,976		4,178,882	315,453,094	1,353	1,700	0	0	901,324	3,866	28,000,000	120
Moscow region, Kartmazovo Village	Land plot with the allowed use for mixed use (office, retail and industrial) development of about 180,000 sq m	n/a	17.17	0	0	0	0	0	-	-	Vacant land plot held for development	n/a	0		0	0	# DIV/0!	0	0	0	482,942	-	15,000,000	-
Moscow region, Kommunarika, plot #27	Economy class residential buildings of prefabricated structure with some commercial space on the ground floor and ground parking. Shopping centre of 28,000 sq m GLA	n/a	127.79	1,078,800	1,068,533	5,800	1,068,533	5,800	10 2013	40 2026	Land plot is vacant and held for development. Masterplan for the 1st phase is approved.	25%-27%	2,061,715,214		281,791,222	1,779,923,987	1,666	2,790	13,998	500	5,401,617	5,055	167,800,000	157
Moscow region, Konelev	Residential complex with economy class residential buildings of prefabricated structure, aboveground car parks, school, and kindergarten.	n/a	10.58	89,970	89,970	850	89,970	850	40 2014	20 2019	Property is held for development and at the pre-design stage. The site is occupied with industrial and warehouse buildings subject to demolishing.	27%	146,686,170		0	146,686,170	1,430	2,100	14,998	0	525,075	5,836	16,300,000	181
Moscow Region, Dedovsk, Nogina St./Pevomyskaya St.	Economy class residential buildings with built-in commercial premises on the ground floor, detached commercial premises, and aboveground parking.	10	3.68	88,286	68,307	100	68,307	100	10 2013	20 2018	Investment contract between Itritskiy district Administration and "PIK Region" CJSC is in place. State Commissioning Act for 1 building is obtained. Five residential buildings, commercial premises and parking are held for development and at the pre-design stage.	12%-25%	111,360,164		7,493,558	103,666,608	1,518	1,870	13,298	330	339,166	4,965	10,500,000	154
Moscow Region, Dmitrov, Kosmanovsk St.	Residential buildings of prefabricated SMKD structure	9	9.62	145,402	126,738	21	111,794	0	30 2013	30 2017	State Commissioning Act for Building 1 is in place. Investment contract with Dmitrov Region Administration for other buildings which are at the pre-design stage is in place.	12%-25%	142,568,775		33,936,621	108,632,154	972	1,290	0	0	485,709	4,345	15,100,000	135
Moscow Region, Dmitrov, Makhalina str., phase II	Residential buildings of prefabricated structure	15	25.06	232,100	201,927	0	201,927	0	40 2014	40 2019	Project design is under development. Land lease agreements for buildings # # 16, 18 and 19 are in place.	25%-27%	221,579,779		114,048	221,465,724	1,097	1,350-1380	0	0	351,601	1,741	10,900,000	54
Moscow Region, Dmitrov, Moskalovskaya St.	Residential buildings of monolith structure with some commercial space on the ground floors	2	2.18	31,799	30,663	0	30,663	0	30 2012	40 2014	The land lease agreement is in place. Favourable conclusion of state expertise for building # 1 is in place.	20%-25%	37,536,215		6,404,581	31,131,634	1,015	1,760	0	0	448,248	14,619	13,900,000	453
Moscow Region, Dmitrov, Sennaya St., build. 1	Residential building of prefabricated structure (SMKD) with some commercial space on the ground floor	1	0.89	22,033	19,830	0	19,830	0	30 2013	20 2014	Investment contract with Dmitrov Region Administration is in place. Land lease Agreement is in place. Project is at the design stage.	25%	22,361,366		4,456,087	17,905,280	903	1,510	0	0	197,117	9,940	6,120,000	309
Moscow Region, Dmitrov, Shizovaya St.	Residential buildings of prefabricated structure with some commercial spaces on the ground floors.	3	2.28	41,717	36,711	0	36,711	0	10 2014	10 2017	Project is at the pre-design stage. Investment Contract with Dmitrov Region Administration is in place. Land plot is in the course of rehousing. Land lease agreement for the land plot is in place.	27%	44,023,988		3,614,229	40,409,759	1,101	1,550	0	0	202,773	5,523	6,300,000	172
Moscow Region, Yakhroma, Levoberezhnye	Economy class residential buildings of prefabricated structure with some commercial premises on the ground floors	2	2.98	50,332	45,298	0	45,298	0	20 2013	30 2015	Investment contract with Dmitrov Region Administration for 150,000 sqm net selling residential area is in place. Land lease agreements for building # # 6 and 7 are in place. The project is at the design stage.	23%	56,437,752		12,090,286	44,347,466	979	1,210	0	0	105,791	2,335	3,290,000	73
Izhensk, Aleksandrovo	Settlement land zoned for multi-level residential construction	n/a	196.48	0	0	0	0	0	-	-	Land plots are vacant and held for the Development.	n/a	1,465,229,303		38,313,763	1,426,915,541	# DIV/0!	0	0	0	365,400	-	11,400,000	-
Kalininograd, Serlogorsk, Otradnoe	Settlement land zoned for construction of recreational complex with residential units	n/a	88.58	0	0	0	0	0	-	-	Land plot is vacant and held for development.	n/a	307,707,200		27,978,616	279,728,585	# DIV/0!	0	0	0	339,700	-	10,600,000	-
Kaluga, Trudovoy settlement	Settlement land zoned for multi-level residential construction	n/a	5.01	0	0	0	0	0	-	-	Land plots are vacant and held for the Development.	n/a	37,381,925		478,431	36,903,493	0	0	0	54,900	-	1,710,000	-	
Kaluga, Bolotnikov St.	Economy class residential building of SMKD structure	3	1.59	18,302	18,302	96	18,302	96	10 2013	30 2014	Land plot is vacant and held for Development. Project is at the design stage.	n/a	2,718,859		48,898	19,336,837	1,057	1,530	18,998	0	159,251	8,701	4,950,000	270
Kaluga, Dimitrova St.	Economy class residential buildings of prefabricated (SMKD) structure	2	1.00	11,636	11,636	0	11,636	0	40 2012	40 2013	Land plot is vacant and held for Development. Project design approval is in place	n/a	5,946,654		474,832	10,447,742	915	1,290	0	0	72,919	6,267	2,260,000	194
Kaluga, Emelovskaya St.	Economy class residential buildings of prefabricated (111M) structure	11	7.19	99,876	98,802	0	98,802	0	30 2013	10 2020	Land plot is vacant and held for Development. Project is at the design stage	27%	94,596,707		1,222,986	93,373,721	945	1,200	0	0	98,900	1,001	3,070,000	31
Kaluga, Kaluzhskogo Opolcheniya St.	Economy class residential building of prefabricated (111M) structure	1	1.10	15,707	15,707	0	15,707	0	30 2012	20 2014	Project is at the design stage.	25%	14,469,797		1,483,166	12,986,631	827	1,110	0	0	115,001	7,322	3,570,000	227
Kaluga, mcr. Likhin settlement	Settlement land zoned for multi-level residential construction	n/a	47.56	0	0	0	0	0	-	-	Land plots are vacant and held for the Development.	n/a	14,122,785		405,879	13,716,906	0	0	0	439,200	-	13,600,000	0	
Kaluga, mcr. Pravoberezhnyy, plots # 8, 9	Economy class residential buildings of monolith structure	n/a	4.96	37,550	37,550	0	37,550	0	20 2014	40 2016	Land plots are vacant and held for Development. Project is at the pre-design stage	27%	38,389,909		6,110,840	32,279,069	840	1,220	0	0	134,224	3,575	4,170,000	111
Kaluga, Sirenevyy Boulevard	Economy class residential buildings of prefabricated (SMKD) structure	3	2.59	23,166	23,166	0	23,166	0	10 2013	10 2015	Land plot is vacant and Planned for Development. Master plan is in the progress.	n/a	4,250,515		199,041	24,127,521	1,042	1,290	0	0	51,241	2,212	1,590,000	69
Novosibirsk, Yuzhny Bereg, mcr. 16	Economy class residential buildings of monolith structure with commercial premises on the ground floors	15	11.47	179,299	157,784	0	157,784	0	20 2013	10 2020	Master Plan for construction of the residential complex is approved. External engineering works have been started on the site.	25%	159,747,150		6,059,491	153,687,657	974	1,300	0	0	430,889	2,731	13,400,000	85
Novosibirsk, Yuzhny Bereg, mcr. 17	Economy class residential buildings of monolith structure with commercial premises on the ground floors and social infrastructure.	27	37.06	378,565	378,565	0	378,565	0	30 2013	40 2025	Land plot is vacant and held for Development. Master plan is under development.	27%	364,620,269		26,596,209	338,024,045	893	1,300	0	0	639,660	1,690	19,900,000	53
Azov, Southwestern microdistrict	Four																							

PROPERTY	PROJECT DESCRIPTION	NUMBER OF BUILDINGS	LAND PLOT, HA	TOTAL PROJECT NET SELLING AREA, SQM	PIK'S NET SELLING AREA, SQM	PIK'S PARKING SPACES	PIK'S UNSOLD AREA, SQM	PIK'S UNSOLD PARKING SPACES	START OF SALES	ESTIMATED COMPLETION DATE	DEVELOPMENT STAGE	DISCOUNT RATE	TOTAL DEVELOPMENT COST, USD	INCLUDING ENCUMBRANCES, USD	ACTUAL DEVELOPMENT COST, YTD, USD	DEVELOPMENT COST TO COMPLETION, USD	DEVELOPMENT COST TO COMPLETION, USD PER UNSOLD AREA	SALE PRICES, USD/SQM	SALE PRICES, USD/SPACE	RENTAL RATE, USD/SQM/YEAR	MARKET VALUE, THOUSAND ROUBLES	MARKET VALUE, RUB PER SQM UNSOLD ABOVEGROUND AREA	MARKET VALUE, USD	MARKET VALUE, USD PER SQM UNSOLD ABOVEGROUND AREA
<b>Schedule 4</b>	<b>Summary by regions</b>																							
<b>Moscow</b>																								
Moscow, 2nd Maryina Roscha Str.	250-room 3* hotel with a fitness centre	1	1.40	25,030	25,030	166	25,030	166	20 2015	202015	Vacant land plot zoned for hotel development. The Property is included in the Moscow Government Decree on Hotel Construction in Moscow.	25%	47,058,132	0	4,879,444	42,178,688	1,685	0	48,994	0	263,916	10,544	8,200,000	328
Moscow, Akademika Vinogradova str., owning 7	Residential buildings with some commercial space on the ground floor and parking.	5	2.06	83,099	80,868	892	14,908	301	on sale	4Q 2012	State commissioning acts are in place for 4 buildings. 1 building is in process of construction.	12%-23%	212,096,328	0	168,543,837	43,552,491	2,921	4299-4600	40295-43116	0	1,036,966	69,558	32,200,000	2,160
Moscow, Lzmaylovsky Proezd, 11	Economy class residential buildings of prefabricated structure with underground car-parks	n/a	3.50	53,820	53,820	693	53,820	693	1Q2013	Q4 2014	Land plot is currently occupied with a sports facility. The project is at the pre-design stage	n/a	141,594,425	2,886,957	0	122,318,270	2,273	4,199	38,995	0	1,630,630	30,298	50,600,000	940
Moscow, Konkava, Mikhalo-Maklaya St., 33	Residential building of prefabricated structure KOPE series with built-in commercial premises on the ground floors.	1	1.03	24,972	14,378	0	79	0	on sale	Completed	All five sections of the the building were delivered. State permissioning acts are in place for all sections.	12%	16,805,002	0	16,507,052	297,950	3,772	4,999	0	0	1,714	21,696	53,000	671
Moscow, Krasnaya Mayaka St.	Residential buildings of prefabricated structure, single standing multilevel parking, kindergarten, sports centre.	5	5.82	49,359	34,925	871	4,893	370	on sale	2Q 2012	State Commissioning Acts for residential building and stand alone parking are in place. Kindergarten is completed. A sport centre is at the final stage of construction; facade and fit-out works have left.	12%-14%	86,947,144	3,200,974	84,709,467	2,237,677	3,730	22497-25872	350	586,785	119,923	18,200,000	3,720	
Moscow, Kuntsevo, Rublevskoe Highway	Large residential district comprising economy and business class buildings of monolith structure.	n/a	0.95	169,055	166,126	1,818	145,885	1,451	on sale	4Q 2017	Construction permit certificate for one building is in place (building is under construction, works are now on 31st level). The investment contract provides for additional construction of 7 buildings on the place of existing ones, after the Moscow Government finishes the relocation process.	14%-25%	506,587,021	0	171,656,739	334,930,282	2,296	4429-5199	60,993	0	5,175,217	35,475	160,700,000	1,102
Moscow, Lipetskaya St., own. 46	Residential building of prefabricated structure	1	0.66	11,844	8,172	0	223	0	on sale	Completed	State Commissioning Act is in place (received on 30.06.2011)	12%	22,672,537	0	22,672,537	0	3,440	0	0	24,102	108,081	749,000	3,359	
Moscow, Mantulinskaya Str., own.7 (City Quarters)	Redevelopment of an old sugar factory site with construction of a mixed-use complex "City Quarters" comprising residential, office premises and parking.	n/a	6.83	113,077	113,077	1,800	113,077	1,800	1Q2013	202019	The buildings of former sugar plant are in place. The project is at the pre-design stage.	25%	640,130,823	11,180,124	269,662,609	370,468,214	3,276	10,699	87,989	0	12,100,388	107,010	375,800,000	3,323
Moscow, 17th proezd of Maryina Roscha, own.1, build.1-5	Residential tower building of prefabricated structure with an underground parking.	1	0.54	9,585	9,585	184	9,585	184	2Q2013	1Q2015	Pre-design stage. The land lease agreement for the land plot is obtained and valid until July 06, 2060.	n/a	35,358,202	0	8,883,256	26,474,946	2,762	4,499	45,994	0	320,705	33,459	9,960,000	1,039
Moscow, Marshala Zakharova St., vl. 7	Residential buildings of prefabricated structure KOPE series and monolith surface parking	n/a	4.79	79,230	79,230	1,306	79,230	1,306	3Q 2013	4Q2015	Permitted Use Act is in place. Design stage will be started at the end of Q2 2012	n/a	206,572,800	0	59,573,742	146,999,058	1,855	3,740	26,997	0	2,352,809	29,696	73,100,000	923
Moscow, Ramenki, Michurin'sky Av., bld. 21-22, 23	Business class residential buildings of monolith concrete structure with built-in commercial premises on the ground floors and underground parking.	1	19.03	399,429	63,761	428	63,761	428	2Q2012	4Q 2013	The building related to PIK's share is at design stage. All permits are outdated, PIK is looking for a new contractor. According to Moscow Government Decree dated August 30, 2011, the deadline on meeting the obligations under Investment Contract has been prolonged till December 31, 2015 without penalties to investors.	12%	193,727,547	0	62,487,143	131,240,404	2,058	5,799	49,694	0	4,272,592	67,009	132,700,000	2,081
Moscow, Mironovskaya Str., 46	Redevelopment of an industrial site with construction of residential buildings of prefabricated structure.	n/a	2.64	33,018	33,018	457	33,017	457	3Q2012	202013	Old factory buildings are being demolished, construction is expected to start in March 2012.	n/a	0	0	0	72,313,493	2,190	4,599	25,997	0	1,495,280	45,288	46,400,000	1,405
Moscow, Novo-Peredelkino mcr.14	Residential buildings of prefabricated and monolith structure with some commercial space on the ground floor, underground parkings.	17	21.22	211,888	210,616	1,633	33,769	1,240	on sale	1Q 2014	Project design is approved for two buildings, and in the process of approval for one building. State commissioning acts for 13 buildings are in place. State compliance act is obtained for 1 building.	12%-25%	363,458,734	103,644,690	308,478,515	54,980,221	1,628	3190-3413	23,997	0	2,317,706	68,634	72,000,000	2,132
Moscow, Otkskaya St. - Volzhsky Boulevard	Large residential district comprising residential buildings of prefabricated structure	8	17.86	228,367	228,367	0	107	0	on sale	completed	State commissioning Acts are in place for all residential buildings.	12%	267,964,300	13,145,527	242,411,846	25,552,453	238,808	3,600	0	0	-774,988	-7,242,879	-24,100,000	-225,234
Moscow, Orekhoviy Proezd, 41	Residential building of prefabricated structure with some commercial space on the ground floor and parking	1	0.72	8,464	5,804	63	0	10	on sale	Completed	State Commissioning Act is in place.	12%	17,432,067	0	17,432,067	0	0	26,997	0	8,470	24,200	263,000	751	
Moscow, Petovskaya Str., 66	Redevelopment of a former chemical plant with the construction of residential buildings of prefabricated structure P3MK series.	n/a	15.32	131,565	131,565	2,000	131,565	2,000	3Q 2012	3Q2016	The buildings of the former chemical plant are in place. The Developer has an investment contract with the City of Moscow, and a positive conclusion on the general area development project. Demolition works started in February, and 1st phase construction is expected to start in May 2012.	n/a	35,254,415	2,525,450	12,677,320	249,962,793	1,900	3,800	21,997	0	4,333,221	32,936	134,600,000	1,023
Moscow, Presnensky Val St., 21	Apartments with an underground car-park	1	0.16	14,210	13,500	77	13,500	77	3Q 2012	4Q2013	Act of permitted use is in place, the project design is in the process of approval. Order for earthwork execution was received on December 26, 2011. Earthworks have started as of valuation date.	12%	55,431,088	0	11,620,088	43,811,000	3,245	5,599	77,791	0	436,091	32,303	13,500,000	1,000
Moscow, Prospekt Mira St., vl. 165-169	Residential building of variable heights with cast reinforced concrete structure, commercial premises on the ground floor and underground parking	1	0.40	12,605	11,776	88	2,072	42	on sale	Completed	State commissioning act is in place.	12%	0	0	0	3,304,937	1,595	3,894	63,992	0	208,987	100,862	6,490,000	3,132
Moscow, Ryabinovaya, St., 22A	Warehouse premises with office space.	1	3.85	12,285	12,285	100	12,285	100	-	-	Land parcel is held as investment and currently occupied with warehouse/ industrial buildings.	n/a	0	0	0	0	0	893	0	0	353,166	28,748	11,000,000	895
Moscow, Shmitovskiy Proezd, vl. 20	Business class residential building of monolithic concrete structure with some commercial space on the ground floor and parking.	1	0.73	15,240	15,240	70	373	0	on sale	Completed	State commissioning act is in place dated 2008	12%	41,819,460	0	41,819,460	0	0	7,699	0	0	85,554	229,367	2,640,000	7,131
Moscow, Southern Chertanovo, mcr.17, 18	Residential buildings of prefabricated structure and monolith structure	8	11.35	133,632	88,052	1,264	30,742	1,132	on sale	1Q 2014	State commissioning acts are in place for buildings 41 and 40A, state commissioning acts for the buildings 40B in 17th microdistrict and #1,2,3 in 18th microdistrict are ready but have not been issued yet. Construction permit for bld. 40 is in place and construction works are at the foundation stage for this building.	12%-23%	226,498,185	3,298,378	128,872,715	97,625,473	3,176	3900-4129	31596-35171	0	1,851,545	60,229	57,500,000	1,870
Moscow, Varshavskoe highway, own. 141 - Gazoprovod str., own. 2	Residential buildings of prefabricated structure with some commercial space on ground floor and underground parking	n/a	8.87	130,000	130,000	1,650	130,000	1,650	3Q 2013	Q4 2016	Moscow Government Decree on the land redevelopment is to be issued in March 2012. Masterplan is in the process of approval	n/a	272,994,129	0	49,432,142	223,561,988	1,720	3,700	32,896	0	3,642,735	28,021	113,100,000	870
Moscow, Zapovednaya St., 14-16, Bld. 1-9	Residential complex with built-in commercial premises on the ground floor of P3M, KOPE prefabricated structure and monolith concrete parking facilities.	9	4.39	86,628	62,472	543	3,368	277	on sale	1Q 2012	State commissioning acts for buildings 1,2,3,4,5,6,7,8,9 are in place.	12%	155,869,951	0	155,393,180	476,769	142	3,600	29,996	0	636,073	188,858	19,800,000	5,879
Moscow, Mlynsaya Str., 13	Business-class residential buildings with an underground parking.	n/a	4.58	99,556	71,872	834	17,232	740	on sale	3Q2012	Construction permit is in place, but needs to be renewed. Construction works on frameworks is nearly finished, facade works are at about 60%. Underground parking is complete, engineering systems are being installed.	n/a	257,880,348	0	145,858,069	117,788,075	6,835	0	77,991	0	2,200,121	127,676	68,300,000	3,964
Moscow, Zhukov Lane, 29	Class B office building with an underground parking garage.	1	0.23	2,181	2,181	6	2,181	6	-	Completed	The office building is finished, state commissioning act is in place. Ownership certificate is received dated January 26 2012.	12%	7,342,824	0	7,342,824	0	0	0	0	360	273,860	125,566	8,510,000	3,902
<b>Total, Moscow</b>			<b>138.93</b>	<b>2,138,139</b>	<b>1,665,720</b>	<b>16,943</b>	<b>920,702</b>	<b>14,430</b>					<b>3,811,495,462</b>	<b>139,882,100</b>	<b>1,990,914,052</b>	<b>2,110,075,182</b>	<b>2,292</b>				<b>44,833,645</b>	<b>48,695</b>	<b>1,392,285,000</b>	<b>1,512</b>
<b>Moscow Region</b>																								
<b>Near Moscow</b>																								
Moscow region, Zhelezodorozhny, Artzvodskaya St., Centr-2	Economy class residential buildings of prefabricated structure KOPE and P3M series with some commercial premises on the ground floor	n/a	37.33	466,237	233,119	0	233,119	0	4Q 2012	4Q2018	The Property is planned for construction. The masterplan is to be approved	27%	319,631,976	0	4,178,882	315,453,094	1,353	1,700	0	0	901,324	3,866	28,000,000	120
Moscow region, Kartmazovo Village	Land plot with the allowed use for mixed use (office, retail and industrial) development of about 180,000 sq m	n/a	17.17	0	0	0	0	0	-	-	Vacant land plot held for development	n/a	0	0	0	0	0	0	0	0	482,942	-	15,000,000	-
Moscow region, Kommunka, plot #27	Economy class residential buildings of prefabricated structure with some commercial space on the ground floor and ground parking. Shopping centre of 28,000 sq m GIA	n/a	127.79	1,078,800	1,068,533	5,800	1,068,533	5,800	1Q 2013	4Q 2026	Land plot is vacant and held for development. Masterplan for the 1st phase is approved.	25%-27%	2,061,715,214	170,807,453	281,791,222	1,779,923,987	1,666	2,790	13,998	500	5,401,617	5,055	167,800,000	157
Moscow region, Karolev	Residential complex with economy class residential buildings of prefabricated structure, aboveground car parks, school, and kindergarten.	n/a	10.58	89,970	89,970	850	89,970	850	4Q 2014	2Q 2019	Property is held for development and at the pre-design stage. The site is occupied with industrial and warehouse buildings subject to demolishing.	27%	146,686,170	15,778,435	0	146,686,170	1,630	2,100	14,998	0	525,075	5,836	16,300,000	181
Moscow region, Lobnya, Batovaynaya St., 5	Economy class residential building of monolith structure with some commercial premises on the ground floor	1	0.97	21,778	4,139	0	4,139	0	1Q 2012	2Q 2012	Construction Permit Certificate is in place. The building is under construction. Installation of the internal engineering communications is underway	14%	1,772,064	0	1,632,312	139,752	34	1,940	0	0	241,258	58,289	7,490,000	1,810
Moscow region, Saitsevo-Park mcr., Pykhtino vil., Bld. #10	Economy class residential building of prefabricated structure KOPE-M-Pous type with built-in commercial premises on the ground floor.	1	40.92	29,888	16,199	0	2,322	0	on sale	1Q2012	Construction permit for building #10 is in place. The Property is at the final stage of development. The construction of building #10 is finished and fit out works are in progress.	n/a	24,595,285	0	21,961,111	2,634,174	1,134	2,430	0	0	74,611	32,132	2,320,000	999
Moscow region, Saitsevo-Park mcr., Pykhtino vil., Phase 2	Economy class residential buildings of prefabricated structure KOPE-M-Pous and KOPE-Tower types with built-in commercial premises on the ground floor.	n/a	14.98	103,426	46,370	0	43,611	0	on sale	Q1 2013	There has been no construction permits received for the buildings. However, buildings #23, #26 and #26A are under construction. Buildings #24 and #25 have not been started yet.	n/a	81,119,489	0	6,017,827	75,101,662	1,722	2,260	0	0	276,815	6,347	8,600,000	197
Moscow region, Scherbinka, Chekhova-Industrialnaya St.	Residential building of prefabricated structure with commercial premises on the ground floor.	1	0.79	24,998	24,998	0	22,889	0	on sale	Q1 2013	As at the valuation date, ownership had only been acquired for the 0.7866 ha land site (total land plot intended for development in accordance with the Investment Contract is 0.9266 ha). The construction of residential building has been started without permission.	n/a	0	0	0	20,675,446	903	2,500	0	0	607,121	26,525	18,900,000	826
Moscow region, Dolgoprudny, Tsentral District	Economy class residential buildings with commercial premises on the ground floor, detached commercial buildings and townhouses.	29	64.81	446,825	351,941	0	157,047	0	on sale	4Q 2018	Construction Permit Certificate for building #1. State Commissioning Acts for buildings #2,													



PROPERTY	PROJECT DESCRIPTION	NUMBER OF BUILDINGS	LAND PLOT, HA	TOTAL PROJECT NET SELLING AREA, SQM	PIK'S NET SELLING AREA, SQM	PIK'S PARKING SPACES	PIK'S UNSOLD AREA, SQM	PIK'S UNSOLD PARKING SPACES	START OF SALES	ESTIMATED COMPLETION DATE	DEVELOPMENT STAGE	DISCOUNT RATE	TOTAL DEVELOPMENT COST, USD	INCLUDING ENCUMBRANCES, USD	ACTUAL DEVELOPMENT COST, YTD, USD	DEVELOPMENT COST TO COMPLETION, USD	DEVELOPMENT COST TO COMPLETION, USD PER UNSOLD AREA	SALE PRICES, USD/SQM	SALE PRICES, USD/SPACE	RENTAL RATE, USD/SQM/YEAR	MARKET VALUE, THOUSAND ROUBLES	MARKET VALUE, RUR PER SQM UNSOLD ABOVEGROUND AREA	MARKET VALUE, USD	MARKET VALUE, USD PER SQM UNSOLD ABOVEGROUND AREA
<b>Rostov Region</b>																								
<b>Azov</b>																								
Azov, Southeastern microdistrict	Four economy class residential buildings of prefabricated structure and aboveground car park	5	2.59	47,335	47,335	200	47,335	200	30 2015	30 2017	Land plot is vacant and held for development. Master plan is under development.	25%	48,312,736	0	821,407	47,491,327	1,003	1,090	9,119	0	20,221	427	628,000	13
<b>Total, Azov</b>			<b>2.59</b>	<b>47,335</b>	<b>47,335</b>	<b>200</b>	<b>47,335</b>	<b>200</b>					<b>48,312,736</b>	<b>0</b>	<b>821,407</b>	<b>47,491,327</b>	<b>1,003</b>				<b>20,221</b>	<b>427</b>	<b>628,025</b>	<b>13</b>
<b>Rostov-on-Don</b>																								
Rostov, Sokolova Avenue, Varfolomeeva St.	Two business class residential buildings of monolith structure and stand alone car park.	3	0.42	26,116	18,281	68	13,134	68	on sale	40 2014	There are following documents are in place: the state commissioning act - for the first residential building, the construction permit - for the car park. The construction of the car park is at the final stages. The land plot for the second residential building is vacant, and legally is close to obtaining clean title, the project design is under development.	12%-25%	20,941,449	0	5,964,224	14,977,225	1,140	1640-1740	26,997	0	157,191	11,968	4,880,000	372
Rostov, Telmana St., Zhuravleva Lane, Grecheskogo Goroda Valos St. (Phase I)	Business class residential building of monolith structure with commercial premises on the ground floor and underground car park.	1	0.59	15,414	7,380	16	840	7	on sale	Completed	State commissioning act is in place. The construction is completed.	12%	8,526,894	0	8,526,894	0	0	1,830	26,997	0	52,674	62,707	1,640,000	1,952
Rostov, Krasnoarmeyskaya St.	Class B office centre	1	0.24	4,735	2,785	0	2,785	0	-	Completed	State commissioning act is in place. The construction is completed. The ownership certificate is planned to be obtained in H1 2012.	14%	1,316,146	0	1,316,146	0	0	0	0	280	132,581	47,605	4,120,000	1,479
Rostov, Residential Complex "NORD"	Residential complex with economy class residential buildings of prefabricated structure, aboveground car parks, multifunctional leisure centre, school, kindergarten, and church.	n/a	15.67	278,178	244,908	557	236,652	533	on sale	40 2018	The master plan was approved for the whole complex. Construction permit is in place for the first building and the construction is in progress at the level of 2-8 floors depending on the unit.	12%-25%	234,222,805	844,110	17,654,086	216,739,126	916	1,180	10999-14898	0	430,781	-	13,400,000	57
Rostov, Pushkinskaya St., Dolomanovsky Lane, Soglasiya St.	Business class residential building of monolith structure with commercial premises on the ground floor and mixed underground and aboveground car park.	2	0.69	32,907	31,799	135	31,799	135	10 2013	10 2016	The construction permit is obtained. The construction has not commenced.	23%	40,910,769	0	8,983,184	31,927,585	1,004	1,640	23,997	0	335,713	10,557	10,400,000	327
Rostov, Shepkinsko	The land plot is zoned for agricultural use. According to the anticipated new general development plan of the area, the subject land plot will be re-zoned to high-rise residential development.	n/a	30.66	0	0	0	0	0	-	-	Land plot is vacant and held for development.	n/a	269,003,413	0	5,711,367	263,292,046	#DIV/0!	0	0	0	58,919	-	1,830,000	-
Rostov, Zhuravleva Lane, Telmana St. (Bazis)	Business class residential building of monolith structure with commercial premises on the ground floor and underground car park.	1	0.16	9,373	1,036	0	1,036	0	20 2014	40 2014	The land plot is occupied by private houses which are in the course of rehousing. Local Government Decree on the allocation of the land plot is in place.	30%	1,229,009	0	1,229,009	0	0	1,730	0	0	29,190	28,176	907,000	875
Rostov, Gazetny Lane, Ulyanovskaya St.	Business class residential building of monolith structure with commercial premises on the ground floor and underground car park.	1	0.16	5,112	1,606	0	819	0	on sale	Completed	State commissioning act is in place. The construction is completed.	12%	2,217,329	0	2,217,329	0	0	1,790	0	0	44,946	54,879	1,400,000	1,709
<b>Total, Rostov-on-Don</b>			<b>48.59</b>	<b>371,835</b>	<b>307,795</b>	<b>776</b>	<b>287,065</b>	<b>743</b>					<b>578,367,814</b>	<b>844,110</b>	<b>51,602,239</b>	<b>526,935,982</b>	<b>1,836</b>				<b>1,241,995</b>	<b>4,327</b>	<b>38,575,992</b>	<b>134</b>
<b>Taganrog</b>																								
Taganrog, Tolbukhina St.	Business class residential buildings of brick structure with commercial premises on the ground floor and underground car park.	1	1.22	34,142	34,142	91	34,142	91	30 2014	20 2016	Land plot is vacant and held for development. Preliminary concept design is under development.	25%	34,834,612	0	1,174,389	33,660,223	986	1,000	12,299	0	45,400	1,330	1,410,000	41
Taganrog, "Russkoe Pole" microdistrict, S.Shilo St.	Economy class residential buildings.	6	3.78	32,630	30,953	0	27,599	0	on sale	40 2015	State Commissioning Act for building VA-1 is in place. Construction permit for building VA-3 is obtained and the construction is in progress at the level of 7-8 floors depending on the unit. Five buildings: (VA-2.1, VA-2.2, VA-2.3, VA-2.4, VA-4) are at the design stage.	16%-23%	29,147,318	0	8,443,075	20,704,243	750	870	0	0	44,505	1,613	1,380,000	50
<b>Total, Taganrog</b>			<b>5.00</b>	<b>66,772</b>	<b>65,095</b>	<b>91</b>	<b>61,741</b>	<b>91</b>					<b>63,981,930</b>	<b>0</b>	<b>9,617,464</b>	<b>54,364,466</b>	<b>881</b>				<b>89,905</b>	<b>1,456</b>	<b>2,792,324</b>	<b>45</b>
<b>Total, Rostov Region</b>			<b>56.18</b>	<b>485,942</b>	<b>420,225</b>	<b>1,067</b>	<b>396,141</b>	<b>1,034</b>					<b>690,662,480</b>	<b>844,110</b>	<b>62,041,110</b>	<b>628,791,775</b>	<b>1,587</b>				<b>1,352,121</b>	<b>3,413</b>	<b>41,995,000</b>	<b>106</b>
<b>Omsk</b>																								
Omsk, mcr. Volgogradsky	Residential buildings of monolith concrete structure with commercial premises on the ground floors	5	5.16	80,726	80,725	0	80,725	0	20 2013	40 2015	Investment contract with Omsk region Administration is in place. Construction permit for the whole district is obtained (expires 15.05.2012). The process of construction for 2 buildings is put on hold.	23%	66,986,755	0	3,137,468	63,849,287	791	920	0	0	79,592	986	2,470,000	31
Omsk, mcr. Crystal, phase II	Residential buildings of monolith concrete structure with commercial premises on the ground floors	2	6.03	14,814	6,019	0	6,019	0	10 2013	10 2013	Construction Permit for the whole district is obtained. Construction resumes after a break.	20%	3,478,444	0	3,478,444	0	0	970	0	0	145,767	24,218	4,530,000	753
Omsk, Rakosovskogo str.	Settlement land zoned for multi-level residential construction	n/a	117.20	0	0	0	0	0	-	-	Land plot is vacant and held for development.	n/d	813,686,651	0	21,307,409	792,379,243	#DIV/0!	0	0	0	298,828	-	9,280,000	-
Omsk, mcr. Sadovy	Residential buildings of monolith concrete structure with commercial premises on the ground floors	10	7.71	96,976	87,280	270	87,280	270	10 2013	20 2017	Construction permit for all buildings according to old master plan is obtained (valid till 07.11.2012). New master plan is in process of reconciliation. Construction has not started.	30%	82,734,740	0	2,691,654	80,043,086	917	940	12,199	0	41,180	472	1,280,000	15
<b>Total, Omsk</b>			<b>136.10</b>	<b>192,516</b>	<b>174,024</b>	<b>270</b>	<b>174,024</b>	<b>270</b>					<b>966,886,590</b>	<b>0</b>	<b>30,614,975</b>	<b>936,271,616</b>	<b>5,380</b>				<b>565,367</b>	<b>3,249</b>	<b>17,560,000</b>	<b>101</b>
<b>Perm</b>																								
Perm, Kosmonavtov Hwy., Mira St.	Economy class residential buildings of monolith structure and ground parking.	5	2.43	54,481	47,366	300	719	244	on sale	completed	State Commissioning Acts for buildings # #215, 217, 213, 136 and 136A are obtained.	12%	57,555,112	0	57,555,112	0	0	1,510	12,422	0	121,136	168,478	3,740,000	5,229
Perm, Bakharevka mcr.	Settlement land zoned for allocation of existing facilities of air transport	n/a	39.00	0	0	0	0	0	-	-	Land plot is vacant and held for development.	n/a	381,204,539	20,625,000	37,397,751	343,806,787	#DIV/0!	0	0	0	222,619	-	6,910,000	-
Perm, mcr. Iva-1	Economy class residential buildings of monolith structure with commercial premises on the ground floor.	9	6.42	115,724	115,724	0	102,683	0	on sale	40 2017	Construction Permit Certificate for 9 residential buildings and 2 parkings is obtained. Buildings #3,4,5 are at the final stage of construction.	14%-20%	125,510,554	0	31,343,366	94,167,189	917	1,370	0	0	876,806	8,539	27,200,000	265
<b>Total, Perm</b>			<b>47.85</b>	<b>170,205</b>	<b>163,090</b>	<b>300</b>	<b>103,402</b>	<b>244</b>					<b>564,270,205</b>	<b>20,625,000</b>	<b>126,296,229</b>	<b>437,973,976</b>	<b>4,236</b>				<b>1,220,561</b>	<b>11,804</b>	<b>37,870,000</b>	<b>366</b>
<b>Saint Petersburg</b>																								
St. Petersburg, Pulkovo - 3, Startovaya St.	Class B+ business centre with aboveground parking	1	1.51	51,518	51,518	892	51,518	892	20 2015	10 2015	Land plot is vacant and held for development. Temporary Regulations of land plot development approved by Committee of City planning and Architecture is in place. Project design is under development.	12%	88,193,069	0	0	86,463,793	1,678	0	0	380	111,515	2,165	3,460,000	67
<b>Total, Saint Petersburg</b>			<b>1.51</b>	<b>51,518</b>	<b>51,518</b>	<b>892</b>	<b>51,518</b>	<b>892</b>					<b>88,193,069</b>	<b>0</b>	<b>0</b>	<b>86,463,793</b>	<b>1,678</b>				<b>111,515</b>	<b>2,165</b>	<b>3,460,000</b>	<b>67</b>
<b>Yaroslavl</b>																								
Yaroslavl, Frunzensky district, microdistrict 5 of "Sokol" residential district, phase 2	Economy class residential buildings of prefabricated, monolith, and brick structure with commercial premises on the ground floor.	18	12.68	155,100	140,819	0	74,641	0	on sale	40 2015	Master plan is approved. State Commissioning Acts for buildings # #1,2,3,4,6,7,8,9 are obtained. Construction permit is in place for the building #11. The project design for buildings # #5,10,12,14,15,16,17 is under development.	12%-23%	139,160,466	0	62,212,824	76,947,641	1,031	1250-1400	0	0	398,252	5,336	12,400,000	166
Yaroslavl, Braqina, 7a microdistrict	Economy class residential buildings of prefabricated panel and brick structure.	7	2.71	40,686	37,435	0	5,551	0	on sale	30 2013	State Commissioning Acts for buildings # #5/5a, 6, 17, 13,14 are in place. Construction permits for the middle unit 5/5a is obtained. The project design for buildings # #2,4 is under development.	12%-23%	38,150,940	0	30,680,840	7,470,099	1,346	1210-1330	0	0	-13,292	-2,395	-410,000	-74
Yaroslavl, Dzerzhinsky District, 15 microdistrict	Economy class residential buildings of prefabricated structure with commercial premises on the ground floors and aboveground car parks.	n/a	10.32	111,509	111,509	688	111,509	688	30 2015	10 2022	Land plot is vacant and held for development. Master plan is under development.	30%	110,746,032	0	21,699,557	89,046,476	799	1,060	14,598	0	136,099	1,221	4,230,000	38
Yaroslavl, Kivova St.	Economy class residential building of monolith structure.	1	0.28	5,371	5,371	0	5,371	0	20 2012	10 2013	The construction permit is obtained. The preparatory and ground works are in progress.	n/a	6,192,113	0	897,544	5,665,188	1,055	1,430	0	0	23,448	4,366	728,000	136
Yaroslavl, Maskovsky Pr.	Economy class residential building of monolith structure.	1	0.20	4,298	4,298	0	4,298	0	30 2012	20 2013	Land plot is vacant and held for development. Project design is under development.	n/a	5,101,269	0	490,959	4,610,310	1,073	1,430	0	0	16,538	3,848	514,000	120
Yaroslavl, Frunzensky district, microdistrict 1 of "Sokol" residential district	Economy class residential buildings of prefabricated structure with commercial premises on the ground floors and aboveground car parks.	n/a	24.83	268,272	268,272	2,070	268,272	2,070	40 2015	40 2023	Land plot is vacant and held for development. Master plan is under development.	30%	285,530,326	0	52,815,517	232,714,809	867	1,250	14,598	0	255,878	954	7,950,000	30
<b>Total, Yaroslavl</b>			<b>51.02</b>	<b>585,236</b>	<b>567,704</b>	<b>2,758</b>	<b>469,642</b>	<b>2,758</b>					<b>584,881,146</b>	<b>0</b>	<b>168,797,241</b>	<b>416,454,523</b>	<b>887</b>				<b>816,923</b>	<b>1,739</b>	<b>25,412,000</b>	<b>54</b>
<b>Total</b>			<b>1,523.98</b>	<b>11,961,601</b>	<b>9,885,266</b>	<b>46,550</b>	<b>6,920,777</b>	<b>43,060</b>					<b>19,155,336,611</b>	<b>900,554,777</b>	<b>5,685,496,200</b>	<b>13,820,740,192</b>	<b>1,997</b>				<b>86,179,667</b>	<b>12,452</b>	<b>2,676,402,000</b>	<b>387</b>