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PIK GROUP (“The Group” or “PIK”)

RESULTS OF DEVELOPMENT PORTFOLIO VALUATION

(LONDON, 07 June 2010) - PIK Group (LSE: PIK), one of leading Russian residential real estate developers, today announces the results of a revaluation of its properties, conducted by the independent appraiser CB Richard Ellis **as of January 01 2010**.

Key highlights

- Total net sellable area⁽¹⁾ decreased by approximately 22% to 11.59MM square meters (14.89MM as of April 1 2009), of which 96% is represented by residential area;
- Total landbank decreased by 3.3MM sqm since last appraisal date due to contracted presales, divested non-core projects and partially abandoned projects;
- 13% decrease in market portfolio value to US\$2.48bn (April 1 2009: US\$2.86bn) due to changes in the following assumptions:
 - postponed launches of some perspective projects, especially in Russia’s regions (by two and more years);
 - conservative assumptions applied towards upward trend in selling prices and construction costs in subsequent periods (these are dependent upon underlying average oil price assumptions derived from forecasts of leading investment banks and agencies);
 - remaining incumbencies on existing projects, where apartments have been already presold;
- Market portfolio value per square meter increased to US\$214 (April 1 2009: US\$192).
- Applied discount rate on projects remained flattish (20% on average for properties in the course of development vs. 21% YoY; 27% on average for properties held for future development vs. 26% YoY);
- Operational horizon at around 5 years in Moscow and Moscow region remains appropriate and safe.

Note: (1) Net sellable area = unsold area

Portfolio of Properties Breakdown by Type as of January 01 2010

	Net sellable area, PIK share (‘000 sqm)	Unsold area (‘000 sqm)	Value (\$MM)
Completed and partially sold properties	53	17	18
Properties in course of development	6,383	3,793	1,511
Properties held for future development	7,784	7,784	951
Total	14,220	11,594	2,480
<i>Source: CB Richard Ellis valuation report</i>			

Portfolio of Properties Breakdown by Location as of January 1 2010

	Number of properties	Net sellable area, PIK share (‘000 sqm)	Unsold area (‘000 sqm)	Value (\$MM)
Moscow	29	1,960	1,419	1,375
Moscow Region	24	5,675	4,235	788
Russia's Regions	55	6,585	5,940	317
Total	108	14,220	11,594	2,480
<i>Source: CB Richard Ellis valuation report</i>				

Top-10 Project Highlights by Value as of January 1 2010

Project Name	Location	Type	April 1 2009		January 1 2010	
			Unsold area (‘000 sqm)	Value (\$MM)	Unsold area (‘000 sqm)	Value (\$MM)
Mytnaya 13, (English Town)	Moscow	High-end Residential	63	338	48	357
Khimki, Novokurkino	Moscow Region	Mass Market Residential	680	326	650	311
Mytischki, Yaroslavsky District	Moscow Region	Mass Market Residential	729	166	726	190
Mantulinskaya 7	Moscow	High-end Residential /Commercial	260	172	252	184
Kommunarka, Leninsky Region	Moscow Region	Mass Market Residential	1,023	155	1,023	158
Kuntsevo	Moscow	High-end Residential	163	112	163	150
Khimki, Sovkhoznyaya str. (Levy Bereg)	Moscow Region	Mass Market Residential	334	64	318	104
Michurinsky pr-t., district 5-6	Moscow	High-end Residential	62	72	65	95
Perovskaya str., 66	Moscow	Mass Market Residential	139	73	139	82
Kutuzovsky prospekt, 14A (Park-City)	Moscow	High-end Residential, Commercial	101	76	101	81
Subtotal			3,554	1,554	3,485	1,712
As of total, %			23.9%	54.4%	30.0%	69.1%
<i>Source: CB Richard Ellis valuation report</i>						

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