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PIK GROUP (“The Group” or “PIK”)

RESULTS OF DEVELOPMENT PORTFOLIO VALUATION

(LONDON, 09 October 2009) - PIK (LSE: PIK), a leading Russian residential real estate developer, today announces the results of a revaluation of its properties, conducted by the independent appraiser CB Richard Ellis as at April 1 2009.

Key highlights

- Total net sellable space increased by approximately 4,7% to 14.89MM square meters (14.2MM as of January 1 2008)), of which 98% is represented by residential area;
- 77% decrease in market portfolio value to US\$2.86bn (January 1 2008: US\$12.3bn) due to changes in the following assumptions:
 - depreciation of the ruble over time (38% drop);
 - increased development cycles for projects (by 2-4 years);
 - flat selling prices and construction costs for 2009-2010 years;
 - higher discount rates given higher project execution risks in the current macroeconomics environment (3-7%);
 - lower starting selling prices with deferred pattern of presales towards the end of the development projects;
- As a result of the above changes, market portfolio value per square meter totaled US\$192 (January 1 2008: US\$865).
- At the same time, share of properties in the course of development was at approximately 29% of the total area (January 1 2008: 40%).

Portfolio of Properties Breakdown by Type as of April 1 2009

	Net Sellable Area, PIK Share (000' sqm)	Unsold Net Sellable Area (000' sqm)	Value (\$MM)
Completed and partially sold properties	71	12	33
Properties in course of development	6 237	4 316	1 709
Properties held for future development	10 629	10 566	1 113
Total	16 937	14 894	2 855

Source: CB Richard Ellis valuation report

Portfolio of Properties Breakdown by Location as of April 1 2009

	Number of Properties	Net Sellable Area, PIK share (000' sqm)	Unsold Net Sellable Area (000' sqm)	Value (\$MM)
Moscow	31	1 760	1 515	1 343
Moscow Region	23	5 752	4 569	1 021
Russia's Regions	57	9 425	8 810	491
Total	111	16 937	14 894	2 855

Source: CB Richard Ellis valuation report

Top-5 Project Highlights by Value as of April 1 2009

Project Name	Location	Type	January 1 2007		January 1 2008		April 1 2009	
			Unsold Area (ths. sqm)	Value (\$MM)	Unsold Area (ths. sqm)	Value (\$MM)	Unsold Area (ths. sqm)	Value (\$MM)
English town neighbourhood	Moscow	High-end residential	65	238	63	693	63	338
Khimki, Novokurkino	Moscow Region	Mass Market Residential	905	1 283	742	1 196	680	326
Park city	Moscow	High-end residential, Office	177	252	122	977	101	75
Mytishi, Yaroslavsky	Moscow Region	Mass Market Residential	1 141	1 327	881	998	729	166
Kommunarka	Moscow Region	Mass Market Residential	n/a	n/a	1 023	745	1 023	155
Subtotal			2 288	3 100	2 832	4 609	2 755	1 157

Source: CB Richard Ellis valuation report

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