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**PIK GROUP (“The Group” or “PIK”)
2Q2012 Trading update**

PIK REPORTS HIGHER NET CASH FLOWS IN FIRST HALF 2012, DRIVEN BY INCREASED DEMAND AND RISING PROPERTY PRICES

(LONDON, July 17 2012) - PIK Group (LSE: PIK), one of Russia’s leading residential real estate developers, is pleased to publish today a trading update for the six months ended June 30, 2012, based upon management accounts.

1H2012 key highlights:

- Total net cash collections up by 26.3% to RUB 25.3 billion (1H11: RUB 20.0 billion);
 - Cash collections from sales of apartments to individuals surged 52.6% to RUB 17.8 billion (1H11: RUB 11.7 billion), driven by increases in both sales volumes and property prices;
 - Cash collections from construction services remained flat at RUB 5.7 billion (1H11: RUB 5.8 billion);
- PIK launched 20 new projects (1H11: 15), 16 of which are located in its core Moscow Metropolitan Area (MMA);
- Total new sales contracts represented to 270,000 square metres, an increase of 17.9% yoy;
 - New sales contracts with retail customers increased by 49.5% yoy to 235,000 square metres;
- Mortgage backed sales in 2Q12 decreased slightly to 27.3% of total sales, but increased by 8% yoy;
- Compared to the same period of 2011, the average realised sales price in 1H12 for PIK’s properties increased by 16%.

Table 1 - Cash collections summary⁽¹⁾

<i>(in RUB MM)</i>	2Q2012	2Q2011	Change, %	1H2012	1H2011	Change, %
TOTAL GROSS CASH⁽²⁾ COLLECTIONS	13 152	15 261	-13.8%	25 669	23 333	+10.0%
TOTAL NET CASH COLLECTIONS⁽³⁾	13 752	12 784	+7.6%	25 258	20 003	+26.3%
<i>including:</i>						
Cash collections from residential real estate sales activities	10 317	8 889	+16.1%	19 533	14 182	+37.7%
<i>comprising:</i>						
- Cash collections from retail real estate sales	8 486	6 763	+25.5%	17 842	11 690	+52.6%
- Cash collections from wholesale real estate sales	1 831	2 126	-13.9%	1 691	2 492	-32.1%
Cash collections from construction services activities and others	3 435	3 893	-11.8%	5 725	5 818	-1.6%

Note: (1) In line with PIK's accounting standards, these cash collections will be recognized as sales revenue once the residential real estate properties have been completed and third party acceptance acts (formal building certification provided by authorities) are received upon the completed unit

(2) Including offsets with suppliers

(3) Excluding offsets with suppliers

Source: Management accounts

Table 2 - New sales contracts to customers

000' sqm	1H2012	1H2011	Change, %
Total new real estate sales contracts to customers⁽¹⁾	270	229	+17.9%

Note: (1) including contracted retail and wholesales

Source: Management accounts

Table 3 – 1H2012 pre-sales launches summary

Project	Location	Start of sales
“Novoperedelkino”	Moscow	
- bldg 9a		June 2012
“Grand Kuskovo”	Moscow	
-bldg 5		June 2012
- bldg 6		July 2012
Khimki, ‘Novokurkino’	Moscow region	
- bldg 9		March 2012
- bldg 7		June 2012
- bldg 19		June 2012
Mytischki ‘Yaroslavsky’	Moscow region	
- bldg 22		March 2012
- bldg 23		March 2012
- bldg 38		June 2012
- bldg 40		June 2012
Lubertsy	Moscow region	
- bldg 7		February 2012

- bldg 37		February 2012
- bldg 9		June 2012
Pykhtino	Moscow region	
- bldg 24		March 2012
- bldg 25		March 2012
- bldg 26a		March 2012
Obninsk	Central Russia	
- mkr. 55, bldg 1a		January 2012
Yaroslavl	Central Russia	
- Krivova str.		June 2012
- "Bragino", bldg 5-5a		April 2012
Perm	Central Russia	
- "Griboedovsky", bldg 31		May 2012

Table 4 - Share of mortgage funded retail sales

000' sqm	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12
Share of sales funded by mortgages ⁽¹⁾	12.4%	25.3%	29.5%	29.7%	28.5%	27.3%

Note: (1) based upon retail sales, calculated as per flats
Source: Management accounts

Table 5 - New sales contracts to retail customers (contracted retail volume)

New sales contracts to customers	2Q2012	2Q2011	Change %	1H2012	1H2011	Change %
Value, apartments and ground floors (in RUB MM)*	9,589	7,418	29.3%	18,724	12,920	44.9%
size (in thousand sqm)**	114,309	91,200	25.3%	234,963	157,201	49.5%

Note: * unit is equivalent to aggregated amount of flats, ground floors and parking lots
Source: Management accounts

** size is taken for flats and ground floors

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