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**PIK GROUP (“The Group” or “PIK”)  
4Q 2012 Trading Update**

**STRONG CASH GENERATION AND FURTHER STRENGTHENING OF  
FINANCIAL POSITION**

**PIK FULL-YEAR TRADING RESULTS BEATS GUIDANCE FOR THE YEAR**

(LONDON, January 23 2013) - PIK Group (LSE: PIK), one of Russia’s leading residential real estate developers, is pleased to publish today a trading update for the twelve months ended December 31, 2012 based upon management accounts.

**12M2012 key operational highlights:**

- On the back of a healthy housing market, PIK delivered solid year growth, exceeding management expectations and previous guidance to the market ;
- Total gross cash collections grew by 29.6% to RUB67.5 billion (12M11: RUB52.0 billion);
  - Cash collections from sales to individuals rose by 47.3% to RUB44.8 billion (12M11: RUB30.4 billion) driven by volume and sales price growth;
  - Cash collections from construction services were up by 11.5% to RUB14.4 billion (12M11: RUB12.9 billion);
- PIK launched 49 new projects (12M11: 41) of which 36 were in the Moscow Metropolitan Area (MMA);
- New sales contracts to customers grew by 29.0% to 658,000 sq. meters (12M11: 510,000 sq. meters), driven by fundamental demand for affordable housing in Russia;
  - 4Q12 alone new sales contracts to customers reached 219,000 sq. meters, which were 31.1% higher than those of the previous year and 29.6% higher than in 3Q12;
  - In December 2012 alone, PIK sold over 118,000 sq. meters to its customers ;
- Mortgage backed sales were stable during the year despite increased interest rates for individual mortgages in the range of 50-100bps;
  - 4Q12 mortgage backed sales amounted to 29.2% of total sales;
- Average selling prices in 2012 increased by 10% in Moscow, and 12% in Moscow region and other regions, significantly higher than Russia’s inflation;

- Overall, as a result of the above strong drivers of growth, PIK made a significant step towards deleveraging its balance sheet through cutting its debt burden down to RUB41.8 billion.
- Compared to December 31 2011, net debt decreased by RUB5.8billion and totaled RUB37.1 billion as of December 31 2012.

## 2013 Outlook

- Fundamentals for residential mass market housing remain strong. PIK provides the following annual guidance for 2013:
  - Total new sales to customers between the range of 660,000-700,000 sq. meters, with total gross cash collections of RUB69-73billion.

Table 1 - Cash collections summary <sup>(1)</sup>

<i>(in RUB MM)</i>	4Q2011	12M2011	4Q2012	12M2012	Change, % (4Q12/4Q11)	Change, % (FY12/FY11)
<b>TOTAL GROSS CASH COLLECTIONS <sup>(2)</sup></b>	<b>16,986</b>	<b>52,063</b>	<b>25,513</b>	<b>67,475</b>	+50.2%	+29.6%
<b>TOTAL NET CASH COLLECTIONS <sup>(3)</sup></b>	<b>16,471</b>	<b>47,876</b>	<b>25,141</b>	<b>66,691</b>	+52.6%	+39.3%
<i>including:</i>						
<b>Cash collections from residential real estate sales activities</b>	<b>12,532</b>	<b>34,974</b>	<b>19,961</b>	<b>52,296</b>	+59.3%	+49.5%
<i>including:</i>						
- Cash collections from retail real estate sales	10,894	30,438	15,470	44,839	+42.0%	+47.3%
<b>Cash collections from construction services activities and others</b>	<b>3,939</b>	<b>12,902</b>	<b>5,180</b>	<b>14,395</b>	+31.5%	+11.5%

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' sq. meters	1Q	2Q	3Q	4Q	YTD	Change 4Q/3Q
<b>2012</b>	128	142	169	219	658	+29.6%
<b>2011</b>	81	148	114	167	510	+46.5%
<i>change, y-o-y, %</i>	58%	-4%	48%	31%	29.0%	

Note: including contracted retail and wholesales

Source: Management accounts

Table 3 – Pre-sales launches summary table

No. of buildings	2011	2012	Change
<b>Number of projects launched on sales</b>	41	49	+8

Source: Management accounts

Table 4 – 12M2012 pre-sales launches detailed summary

<b>Project</b>	<b>Location</b>	<b>Start of sales</b>
<b>“Novoperedelkino”</b>	Moscow	
- bldg 9a		June 2012
- bldg 13ab		July 2012
<b>“Chertanovsky”</b>		
- bldg 4		November 2012
- bllg 40 (parking)		November 2012
<b>“Grand Kuskovo”</b>	Moscow	
- bldg 5		July 2012
- bldg 6		June 2012
- bldg 4		October 2012
- bldg 7		October 2012
<b>“2<sup>nd</sup> Maryina Roscha str.”</b>	Moscow	
- bldg 1		December 2012
<b>“Michurinsky”</b>	Moscow	
- bldg 20a		July 2012
- bldg 21-22		October 2012
<b>“Mironovsky”</b>	Moscow	
- bldg 1		November 2012
- bllg 2		December 2012
<b>“Drozhino”</b>	Moscow region	
- bldg 2		August 2012
- bldg 5-1		August 2012
- bldg 6		August 2012
<b>Khimki, “Novokurkino”</b>	Moscow region	
- bldg 9		March 2012
- bldg 7		June 2012
- bldg 19		June 2012
- bldg 12		October 2012
<b>Khimki, “Levoberegny”</b>	Moscow region	
- bldg 8		August 2012
<b>Mytishi “Yaroslavsky”</b>	Moscow region	
- bldg 22		March 2012
- bldg 23		March 2012
- bldg 38		June 2012
- bldg 40		June 2012
<b>Lubertsy, “Krasnaya Gorka”</b>	Moscow region	
- bldg 7		February 2012
- bldg 37		February 2012
- bldg 9		June 2012
- bldg 53a		September 2012
- bldg 53b		September 2012
- bldg 39		December 2012
<b>Pykhtino</b>	Moscow	
- bldg 24		March 2012
- bldg 25		March 2012

- bldg 26a		March 2012
<b>Lobnya</b>	Moscow region	
- bldg 6		December 2012
<b>Zheleznodorogny</b>	Moscow region	
- bldg 313		December 2012
<b>Kaluga</b>	Central Russia	
- Dmitrova str, bldg 2		October 2012
<b>Novorossiysk</b>	Central Russia	
- mkr. 16, bldg 2		November 2012
<b>N. Novgorod</b>	Central Russia	
- "Mescherskoe ozero", bldg 1		September 2012
<b>Rostov-on-Don</b>	Central Russia	
- "Nord", bldg 1		October 2012
<b>Obninsk</b>	Central Russia	
- mkr. 55, bldg 1a		January 2012
- mkr. 55, bldg 1b		April 2012
- mkr. 55, bldg 2b		October 2012
<b>Yaroslavl</b>	Central Russia	
- Krivova str.		June 2012
- "Bragino", bldg 5-5a		April 2012
- "Bragino", bldg 2		December 2012
- "Sokol", bldg 5		July 2012
<b>Perm</b>	Central Russia	
- "Griboedovsky", bldg 31		May 2012
- "Griboedovsky", bldg 29		December 2012

Source: Management accounts

Table 5 - Share of mortgage funded retail sales

000' sqm	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q2012	4Q2012
<b>Share of sales funded by mortgages</b> <sup>(1)</sup>	12.4%	25.3%	29.5%	29.7%	28.5%	27.3%	29.0%	29.2%

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

Table 6 - New sales contracts to retail customers (contracted retail volume)

New sales contracts to customers	4Q2012	4Q2011	Change %	12M2012	12M2011	Change %
Value, apartments and ground floors (in RUB MM) <sup>(1)</sup>	13,582	10,558	28,6%	44,666	31,809	40,4%
size (in thousand sqm) <sup>(2)</sup>	154,480	135,222	14,2%	531,459	395,503	34,4%

Note: (1) unit is equivalent to aggregated amount of flats, ground floors and parking lots

(2) size is taken for flats and ground floors

Source: Management accounts

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