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PIK GROUP (“The Group” or “PIK”)

1Q11 TRADING UPDATE PIK STARTS THE YEAR WITH STRONG CASH COLLECTIONS

(LONDON, April 20 2011) - PIK Group (LSE: PIK), one of Russia’s leading residential real estate developers, is pleased to publish today a trading update for 3 three months ended March 31 2011 based upon management accounts.

Cash collections summary

(in RUB MM)

	1Q2010	1Q2011	Change, %
TOTAL GROSS CASH COLLECTIONS	4,441	8,066	81.6%
TOTAL NET CASH COLLECTIONS*	4,416	7,218	63.5%
<i>including:</i>			
Cash collections from residential real estate sales activities	2,946	5,293	79.7%
<i>comprising:</i>			
- Cash collections from retail real estate sales	2,542	4,927	93.8%
- Cash collections from wholesale real estate sales	403	366	-9.2%
Cash collections from construction services activities and others	1,470	1,925	30.9%

Note: () excluding offsets with suppliers*

Source: Management accounts

Quarterly cash collections summary in 2010

(in RUB MM)

	1Q2010	2Q2010	3Q2010	4Q2010
TOTAL NET CASH COLLECTIONS*	4,416	8,421	11,326	11,545
<i>including:</i>				
Cash collections from residential real estate sales activities	2,946	5,736	5,770	8,942
<i>comprising:</i>				
- Cash collections from retail real estate sales	2,542	3,468	4,383	6,282
- Cash collections from wholesale real estate sales	403	2,269	1,388	2,660
Cash collections from construction services activities and others	1,470	2,685	5,556	2,603

Note: (*) excluding offsets with suppliers
Source: Management accounts

Strong cash collections were achieved due to growing customer interest in new projects launched in the final quarter of 2010, during which thirteen new properties were put on sale (FY10: 25 properties were put on sale). During the first quarter of 2011, eleven new properties have been put on sale, as shown below.

Pre-sales launches summary (2011 YTD)⁽¹⁾

Project	Location	Type of housing	Start of sales
South Chertanovo, mcr.17, 18 "Chertanovsky", bldg. 40A	Moscow	Mass-market	February 2011
Khimki, 'Novokurkino' - bldg 10 - bldg 11	Moscow region	Mass-market	April 2011 April 2011
Khimki, 'Levoberezhny' - bldg 18 - bldg 2	Moscow region	Mass-market	April 2011 March 2011
Khimki, 'Yubileiniy' - bldg 8a	Moscow region	Mass-market	February 2011
Mytischki 'Yaroslavsky' - bldg 13 - bldg 14	Moscow region	Mass-market	February 2011 February 2011
Obninsk, mkr. 38 - bldg 5	Russian regions	Mass-market	January 2011
Kaliningrad 'Selma-2' - bldg 11	Russian regions	Mass-market	January 2011
Roston-on-Don - Grecheskogo str.	Russian regions	High-end residential	March 2011

Note: In Rostov-on-Don, PIK launched (pre)-sales on a project reactivated early 2011
Source: Management accounts

New sales contracts to retail customers (contracted retail volume)

New sales contracts to customers	1Q2010	1Q2011	Change, %
value (in RUB MM)	2,928	5,502	+87.9%
size (in thousand sqm)	40	66	+65.0%
size (in units*)	828	1,212	+46.4%

Note: (*) equivalent to the aggregated amount of apartments, ground floors and parking lots
Source: Management accounts

New sales contracts to retail customers summary in 2010

New sales contracts to customers	1Q2010	2Q2010	3Q2010	4Q2010	FY2010
value (in RUB MM)	2,928	4,029	5,110	6,091	18,158
size (in thousand sqm)	40	54	70	76	240*
as of total by value, %	16.1%	22.2%	28.1%	33.6%	100%

Note: (*) total new sales in 2010 including wholesales contracts amounted to 392 thousand sqm
Source: Management accounts

The first quarter of the year traditionally has lower seasonal activity, however, despite this fact, new sales to retail customers were significantly higher, surging by 87.9% year-on-year to RUB5.5billion in Q1 2011.

This is another sign of the residential mass market recovery in Moscow metropolitan area ('MMA'), which contributed around 90% to the Group's 1Q11 sales numbers.

In addition to the above factors, mortgage affordability continued increasing with the introduction of various mortgage programs for properties under construction. Since 2011, PIK sees increasing interest from commercial banks to provide mortgages to customers on PIK's properties. The share of mortgage funded sales surged to an average of approx 12.4% of total sales in 1Q11 vs. 3.1% in 1Q10, evidencing the growing affordability of mortgages. In March 2011 alone, share of mortgage funded sales were at 18.2% of total sales.

Average unit sales to retail customers in 1Q11 reached 21.6 units per business days vs. 14.0 units in 1Q10.

PIK believes that this recovering trend will continue going forward. In terms of total new sales to all type of customers PIK aims to reach the 2008 level of 520,000 sqm.

Note: (1) In our press-release, we reported upon 1Q11 new sales contracts to customers (RUB5,502million), which is not equivalent to 1Q11 cash collections from retail real estate sales activities (RUB4,927million) given the fact that cash collections represents cash received by the Group while new sales contracts mean signed agreements with individuals. In line with PIK's standard sales practice, individuals usually pay 100% upfront within 5 working days for residential real estate or they are offered to pay in installments within a certain period (e.g. up to 6 months for apartments);

(2) 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 units.

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