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**PIK GROUP (“The Group” or “PIK”)**

**PIK SHOWS SUSTAINABLE GROWTH IN 3Q11 AND REITERATES FY11 GUIDANCE**

(LONDON, October 20 2011) - PIK Group (LSE: PIK), one of Russia’s leading residential real estate developers, is pleased to publish today a trading update for 9 months ended September 30, 2011 based upon management accounts.

**Key highlights:**

- In 9M11 cash collections from sale of apartments surged 55% to RUB 22.4 billion (9M10: RUB 14.4 billion) driven by higher volume and residential selling prices in the corresponding period;
- Total gross cash collections for 9M11 showed continuing growth of the Group’s operations and increased by 32% reaching RUB 35.1 billion (9M10: RUB 26.6 billion);
- 9M11 new sales contracts to customers showed 29.9% growth up to 343 thousand sq meters compared to the same period of 2010 upon continuing market growth & diversification of product offering.
- In 2011 year-to-date PIK continued aggressively launching new projects as the market continued to grow. In total 31 new projects were put on sale, of which 21 projects came from Moscow Metropolitan area. The rest was attributed by Russian regions.
- 3Q11 sales funded by mortgages continued growing, reaching 29.5% as a result of PIK’s initiative to introduce various mortgage partnership programs;
- Cash collections from construction services declined by 7.7% to RUB 8.9 billion (9M10: RUB 9.7 billion);
- FY2011 guidance on new sales contracts to customers of 520 000 square meters is reiterated together with total gross cash collections of RUB 50-55 billion (RUB 40-45 billion of which account for sales of apartments)

*Cash collections summary*<sup>(1)</sup>

<i>(in RUB MM)</i>	3Q2010	9M2010	3Q2011	9M2011	Change, % (3Q11/3Q10)	Change, % (9M11/9M10)
<b>TOTAL GROSS CASH COLLECTIONS</b> <sup>(2)</sup>	11,683	26,581	11,744	35,077	0.5%	32.0%
<b>TOTAL NET CASH COLLECTIONS</b> <sup>(3)</sup>	11,326	24,163	11,402	31,405	0.7%	30.0%

*including:*

<b>Cash collections from residential real estate sales activities</b>	<b>5,770</b>	<b>14,453</b>	<b>8,260</b>	<b>22,442</b>	43.1%	55.3%
<i>Including:</i>						
- Cash collections from retail real estate sales	4,383	10,393	7,854	19,544	79.1%	88.0%
<b>Cash collections from construction services activities and others</b>	<b>5,556</b>	<b>9,710</b>	<b>3,145</b>	<b>8,963</b>	-43.4%	-7.7%

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

9M11 total gross cash collections reached RUB35.1billion, up by 32%. With a recovery in consumer confidence, mortgage accessibility and property price growth in place, PIK saw a 55% year-on-year growth in 9M11 residential real estate sales, which came to RUB 22.4 billion (9M10: RUB 14.4 billion). This was driven by retail sales which accounted for 87% of the total residential real estate sales.

#### *Pre-sales launches summary (2011 YTD)*

<b>Project</b>	<b>Location</b>	<b>Start of sales</b>
<b>South Chertanovo, mcr.17, 18</b>	Moscow	
“Chertanovsky”, bldg. 40A		February 2011
“Chertanovsky”, bldg. 40B (parking)		July 2011
“Chertanovsky”, bldg. 40		September 2011
“Chertanovsky”, 2 (parking)		October 2011
<b>Mytnaya (English Town)</b>	Moscow	
parking		September 2011
<b>Khimki, ‘Novokurkino’</b>	Moscow region	
- bldg 10		April 2011
- bldg 11		April 2011
- 4G (parking)		June 2011
- bldg 8		July 2011
<b>Khimki, ‘Levoberezhny’</b>	Moscow region	
- bldg 18		April 2011
- bldg 2		March 2011
- bldg 5		October 2011
<b>Khimki, ‘Sovhoznaya’</b>	Moscow region	
- bldg 3		July 2011
<b>Khimki, ‘Yubileiniy’</b>	Moscow region	
- bldg 8a		February 2011
- bldg 10		July 2011
<b>Mytischki ‘Yaroslavsky’</b>	Moscow region	
- bldg 13		February 2011
- bldg 14		February 2011
- 64 (parking)		June 2011
- bldg 8		September 2011
<b>Lubertsy, Krasnaya gorka</b>	Moscow region	
- bldg 43		October 2011
- bldg 44		October 2011
<b>Obninsk</b>	Central Russia	
- mkr. 38, bldg 5		January 2011

- mkr. 55, bldg 2A		March 2011
- mkr. 38, bldg 9		September 2011
<b>Perm, Industrial dst., Mira st.</b>	Central Russia	
- bldg 136		August 2011
- bldg 136/1		August 2011
<b>Yaroslavl, microdistrict 7a</b>	Central Russia	
- bldg 7		August 2011
<b>Kaliningrad 'Selma-2'</b>	Western Russia	
- bldg 11		January 2011
<b>Roston-on-Don</b>	Southern Russia	
- Grecheskogo str.		March 2011
- Orbitalnaya str., Nord		April 2011
<b>Novorossiysk, micr. 15</b>	Southern Russia	
- bldg 7		September 2011

Source: Management accounts

In 2011 year-to-date PIK continued aggressively launching new projects as the market continued to grow. In total 31 new projects were put on sale, of which 21 projects came from Moscow Metropolitan area (in 2010 PIK launched 25 projects, 19 of which came from MMA).

### *New sales contracts to customers*

000' sqm	1H10	2H10	1H11	9M10	9M11	Change, %
<b>Total new real estate sales contracts to customers</b> <sup>(1)</sup>	159	233	229	264	343	29.9%

Note: (1) including contracted retail and wholesales and others

Source: Management accounts

Total new sales to customers in 9M11 reached 343 thousand sq meters, of which 260 thousand sq meters attributed to sales to retail customers. 9M11 total sales to customers showed a 29.9% increase compared to the same period of last year. Moscow Metropolitan area contributed towards 80% of total new sales to customers. Following recovery in 2010 and growth in 2011 in Moscow Metropolitan area, other Russia's regions started to recover in 2011 with 1 year lag post MMA.

### *Share of mortgage funded retail sales*

000' sqm	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11
<b>Share of sales funded by mortgages</b> <sup>(1)</sup>	3.1%	6.4%	9.3%	7.5%	12.4%	25.3%	29.5%

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

Source: Management accounts

Following introduction and extension of partnership programs with commercial banks, share of the mortgage funded sales continued to grow, reaching 29.5% in 3Q11 (September alone was 31.2%).

### *New apartment sales contracts with individuals*

New unit sales contracts with individuals *	9M2010	9M2011	Change, %
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<b>Value (in RUB MM)*</b>	<b>12,067</b>	<b>21,251</b>	<b>76,1%</b>
size (in sqm)**	163,305	260,281	59,4%

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

<b>New unit sales contracts with individuals*</b>	<b>3Q2010</b>	<b>3Q2011</b>	<b>Change,%</b>	<b>6M2010</b>	<b>6M2011</b>	<b>Change, %</b>
<b>Value (in RUB MM)*</b>	<b>5,110</b>	<b>8,331</b>	<b>63,0%</b>	<b>6,957</b>	<b>12,920</b>	<b>85,7%</b>
size (in sqm)**	69,098	103,080	49,2%	94,207	157,201	66,9%

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

New apartment sales contracts with individuals continued growth in 3Q2010 showing a 63% year-on-year increase. This advance in volumes was driven by a number of new launches in affordable housing projects, extension of mortgage programmes with Russia's leading state-owned banks and growing consumer confidence.

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