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PIK GROUP (“PIK” or “the Company”)

TRADING UPDATE

SUMMARY OF CASH COLLECTIONS FOR THE SIX MONTHS ENDED JUNE 30 2010

(LONDON, July 28 2010) - PIK Group (LSE: PIK), one of Russia’s leading residential real estate developers, is pleased to announce a summary of residential real estate cash collections for the six months ended June 30 2010, based upon unaudited management accounts.

<i>(RUB MM)</i>	6 months ended June 30 2008	6 months ended June 30 2009	6 months ended June 30 2010	Change, YoY, %
TOTAL CASH COLLECTIONS*	30,208	6,071	12,835	111%
<i>Including:</i>				
Cash collections from residential real estate sales	24,051	1,723	8,682	404%
<i>Comprising:</i>				
Cash collections from retail residential real estate sales	17,625	1,083	6,010	455%
Cash collections from wholesale residential real estate sales	6,426	640	2,672	318%
Cash collections from construction services sales and others	6,157	4,348	4,153	-5%

**excluding offsets with suppliers*

<i>(RUB MM)</i>	6 months ended June 30 2008	6 months ended June 30 2009	6 months ended June 30 2010	Change, YoY, %
Cash collections from residential real estate sales	24,051	1,723	8,682	404%

Including:

Moscow	5,633	245	4,453	1,717%
Moscow and other regions	18,418	1,478	4,229**	186%

**Note: in 1H10, RUB3,602MM of residential real estate sales in other regions were represented by the Moscow region

Key Highlights:

- On the back of a recovering macroeconomic environment, increasing real disposable income and improvements in mortgage accessibility, PIK saw a noticeable pick-up in 1H10 in residential real estate sales
- The improvement has begun in the company's core market, the Moscow Metropolitan Area, starting from Moscow. Residential real estate sales in Moscow increased by more than eighteen-fold and reached RUB4,453MM
- Total cash collections (excluding offsets with suppliers) more than doubled from RUB6,071MM in 1H09 to RUB12,835MM in 1H10, driven by both retail and wholesale residential real estate sales

2010 Outlook

- PIK Group reiterates its FY2010 guidance for total housing completions at 1MM sq meters and total cash sales of 280,000 sq meters
- PIK Group expects to draw down up to RUB10BN in 2010 (out of which RUB3.0BN has been received) from its open credit facility to finance its development pipeline.

Pavel Poselenov, CEO of PIK Group, comments:

"The market for residential property continues to show signs of steady improvement, with Moscow leading the way. The Russian economy enjoys a strong fiscal position and is well placed to underpin the recovery of strategically important sectors such as residential real estate. Mortgage lending is improving and we believe the Company is now showing a sustainable trend of improving cash collections"

Note: (1) In our recent press announcement dated July 7 2010 we reported upon contracted new home retail presales (RUB6,957MM), which is not equivalent to cash collections from residential retail real estate sales (RUB6,010MM) given the fact that cash collections represents cash received by the Group while contracted sales 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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