



PIK GROUP 2014 Trading Update

MOSCOW, January 23, 2015 - PIK Group (LSE: PIK) released today its trading update for the twelve months ended December 31, 2014. The operational and financial data are based on management assessment only and have not been reviewed by external auditors.

2014 key operational highlights:

- Total cash collections decreased by 17.5% to RUB 61.7 billion (2013: RUB 74.8 billion)
 - Cash collections from sale of real estate to individuals decreased by 14.7% to RUB 50.6 billion (2013: RUB 59.3 billion);
 - Cash collections from wholesale transactions decreased by 95.5% to RUB 0.2 billion (2013: RUB 3.6 billion)
 - Cash collections from construction services and others were down by 7.8% to RUB 10.7 billion (2013: RUB 11.6 billion);
- Total cash collections in 4Q2014 stayed flat compared to 4Q2013 at RUB 22.5 billion
 - Cash collections from sale of real estate to individuals in 4Q2014 increased by 5.4% to RUB 19.4 billion (4Q2013: RUB 18.4 billion);
- New sales contracts to customers decreased by 8.4% to 620 th. sq. meters (2013: 677 th. sq. meters). In 4Q2014 new sales contracts to customers rose by 26.5% to 258 th sq. meters (4Q2013: 204 th. sq. meters)
- In 2014, PIK launched 43 new projects compared to 52 new projects in 2013. New sellable area in the buildings put on sale rose by 6.4% to 645 th. sq. meters (2013: 606 th. sq. meters)
- Share of mortgage backed sales totaled 36.2% in 2014 compared to 39.0% in 2013.
- PIK's average selling prices in 2014 increased by 8.1% in Moscow, 18.4% in New Moscow, 5.7% in the Moscow region and 3.1% in other regions.



Detailed information on key operating results

Table 1 - Cash collections summary⁽¹⁾

<i>(in RUB MM)</i>	4Q2013	4Q2014	Change, %	2013	2014	Change, %
TOTAL GROSS CASH COLLECTIONS⁽²⁾	22 504	22 523	0.1%	74 752	61 666	(17.5%)
Cash collections from sale of real estate	19 263	19 461	1.0%	62 956	50 951	(19.1%)
<i>including:</i>						
- Cash collections from retail real estate sales	18 429	19 420	5.4%	59 340	50 613	(14.7%)
- Cash collections from wholesale real estate sales	834	1	(99.9%)	3 616	162	(95.5%)
Cash collections from construction services activities and others	3 218	3 062	(4.8%)	11 623	10 715	(7.8%)

⁽¹⁾ In line with PIK's accounting policies, these cash collections will be recognized as sales revenue once the residential real estate properties have been completed, approved by the local State commission established for acceptance of finished buildings and the larger share of proceeds is received upon the completed unit.

⁽²⁾ Including offsets with suppliers

Source: Management accounts

Table 2 – New sales contracts to customers

<i>in '000 sq. meters</i>	4Q 2013	4Q 2014	Change, %	2013	2014	Change, %
New sales contracts to customers⁽¹⁾	204	258	26.5%	677	620	(8.4%)
<i>including:</i>						
New retail sales contracts to customers	192	258	34.4%	658	618	(6.1%)
Value of retail contracts for apartments and ground floors (in RUB mn)	15 201	22 260	46.4%	57 517	53 906	(6.3%)

Source: Management accounts

Table 3 – Quarterly new sales contracts to customers

<i>In 000' sq. meters</i>	1Q	2Q	3Q	4Q	YTD
2013	153	138	182	204	677
2014	137	81	144	258	620
<i>change, y-o-y, %</i>	(10.5%)	(41.3%)	(20.9%)	26.5%	(8.4%)

Note: including contracted retail and wholesales

Source: Management accounts



Table 4 – New sales contracts to customers by region

In 000' sqm	2013	2014	Change, %
Moscow	132	40	(70.0%)
New Moscow	33	93	175.8%
Moscow region	374	365	(2.4%)
Other regions	138	122	(11.6%)
Total	677	620	(8.4%)

Note: including contracted retail and wholesales

Source: Management accounts

Table 5 – Pre-sales launches summary table

	2013	2014	Change
Number of buildings launched for sale	52	43	-9
New sellable area, 000' sqm	606	645	6.4%

Source: Management accounts

Table 6 - Share of mortgage backed retail sales

	1Q	2Q	3Q	4Q	Annual average
2014	37.2%	36.8%	39.9%	32.4%	36.2%
2013	34.6%	39.2%	42.2%	39.8%	39.0%

Note: Based on monthly averaged data from retail sales, calculated using apartments only

Source: Management accounts

Table 7 – Average PIK's net selling price dynamics

(in '000 RUB per sq. meter)	FY2013	FY2014	Change, %
Moscow	145.2	156.9	8.1%
New Moscow	94.0	111.3	18.4%
Moscow region	81.0	85.6	5.7%
Other regions	47.8	49.3	3.1%

Note: PIK is pre-selling properties at different stages of construction. Selling prices vary depending on geographic location, size, floor location, stage of construction. Accordingly, average prices per square meters represent blended average price calculations of the above. Calculated on the basis of retail contracts on completed project and projects in active construction stage.

Source: Management accounts

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