



PIK GROUP 2Q2014 Trading Update

MOSCOW, July 22, 2014 - PIK Group (LSE: PIK) released today its trading update for the six months ended June 30, 2014. The operational and financial data are based on management assessment only and have not been reviewed by external auditors.

1H2014 key operational highlights:

- Total cash collections decreased by 19.7% to RUB 27.3 billion (1H2013: RUB33.9 billion) primarily due to a planned decline in volume of wholesale transactions and in line with the current development schedule which envisaged a temporary slowdown in the number of new sales launches in 1H2014.
 - Cash collections from sale of real estate to individuals decreased by 17.0% to RUB 21.5 billion (1H2013: RUB 25.9 billion)
 - Cash collections from wholesale transactions decreased by 96.7% to RUB 0.08 billion (1H2013: RUB 2.5 billion)
 - Cash collections from construction services and others stayed flat at RUB 5.6 billion
- New sales contracts to customers decreased by 25.1% to 218 th. sqm. (1H2013: 291 th. sq. meters). New sales contracts decreased in line with the development schedule which envisages an increase in the number of new project launches in 2H2014.
- In 1H2014, PIK launched sales at 26 new projects (including 19 project in Moscow Metropolitan Area) compared to 19 and 14 new projects respectively in 1H2013. The increase in launched projects occurred in June, 2014 and thus had limited effect on the volume of new sales contracts in 1H2014.
- Share of mortgage backed sales stayed flat compared to 1Q2014, reaching 36.8% in 2Q2014. The share of mortgage backed transactions declined slightly compared to 2013 full year average of 39.0%.



Table 1 - Cash collections summary

<i>(in RUB MM)</i>	2Q2013	2Q2014	Change, %	1H2013	1H2014	Change, %
TOTAL GROSS CASH COLLECTIONS ⁽¹⁾	16,416	11,121	(32.3%)	33,949	27,254	(19.7%)
Cash collections from sale of real estate⁽¹⁾	13,480	8,064	(40.2%)	28,406	21,657	(23.8%)
<i>including:</i>						
- Cash collections from retail real estate sales	12,645	7,993	(36.8%)	25,879	21,484	(17.0%)
- Cash collections from wholesale real estate sales	835	3	(99.6%)	2,527	83	(96.7%)
Cash collections from construction services activities and others	2,936	3,057	4.1%	5,462	5,597	2.5%

Note: 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.

(1) Including offsets with suppliers

Source: Management accounts

Table 2 – New sales contracts to customers

<i>in '000 sq. meters</i>	2Q 2013	2Q 2014	Change, %	1H2013	1H2014	Change, %
New sales contracts to customers ⁽¹⁾	138	81	(41.3%)	291	218	(25.1%)
<i>including:</i>						
New retail sales contracts to customers	137	81	(40.9%)	289	216	(25.3%)
Value of retail contracts for apartments and ground floors (in RUB mn)	12,601	7,134	(43.4%)	26,175	19,265	(26.4%)

Note: including contracted retail and wholesales

Source: Management accounts

Table 3 – New sales contracts to customers by region

<i>in '000 sq. meters</i>	2Q2013	2Q2014	Change, %	1H2013	1H2014	Change, %
Moscow	33	8	(75.8%)	74	26	(64.9%)
New Moscow	4	7	75.0%	12	27	125.0%
Moscow region	76	43	(43.4%)	154	113	(26.6%)
Other regions	25	23	(8.0%)	51	52	2.0%
Total	138	81	(41.3%)	291	218	(25.1%)

Note: including contracted retail and wholesales

Source: Management accounts



Table 4 – Pre-sales launches summary table

No. of buildings	1H2013	1H2014	Change
Number of buildings launched for sale	19	26	+7

Source: Management accounts

Table 5 - Share of mortgage backed retail sales

In %	1Q2013	2Q2013	3Q2013	4Q2013	1Q2014	2Q2014
Share of mortgage backed transactions	34.6%	39.2%	42.2%	39.8%	37.2%	36.8%

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

Source: Management accounts

Table 6 - Average PIK's net selling price dynamics

(in '000 RUB per sq. meter)	FY2012	FY2013	1H2014	Change, %
Moscow ⁽¹⁾	124.1	145.2	160.6	10.6%
New Moscow	77.4	94.0	106.2	13.0%
Moscow region	80.1	81.0	84.9	4.8%
Other regions	44.3	47.8	49.6	3.8%

Note: PIK is preselling 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. Before 21 January 2014 the average price calculation methodology included only PIK's projects in active construction stage.

(1) Excluding business class projects, such as the 'English Town'

Source: Management accounts

Enquiries:

PIK Group

Investors

Andrey Machanskis

Head of Investor Relations

Tel: +7 495 505 97 33 ext. 1157 / 1315

E-mail: ir@pik.ru

Media

Tel: +7 495 505 97 33 ext. 1010 /1014

E-mail: pressa@pik.ru

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