



PIK GROUP 3Q2014 Trading Update

MOSCOW, October 21, 2014 - PIK Group (LSE: PIK) released today its trading update for the nine months ended September 30, 2014. The operational and financial data are based on management assessment only and have not been reviewed by external auditors.

9M2014 key operational highlights:

- Total cash collections decreased by 25.1% to RUB 39.1 billion (9M2013: RUB52.2 billion) primarily due to lower new sales launches in 1H2014 in accordance with the current development schedule and a slowdown in homebuyers' activity from March, 2014.
 - Cash collections from sale of real estate to individuals decreased by 23.8% to RUB 31.2 billion (9M2013: RUB 40.9 billion)
 - Cash collections from wholesale transactions decreased by 94.2% to RUB 0.2 billion (9M2013: RUB 2.8 billion)
 - Cash collections from construction services and others decreased by 8.9% to RUB 7.7 billion (9M2013: RUB 8.4 billion)
- New sales contracts to customers decreased by 23.5% to 362 th. sqm. (9M2013: 473 th. sq. meters) due to lower new sales launches, which resulted in lower apartment offering in 1H2014, as well as weaker homebuyers' activity. Starting from September, 2014, the revival of demand coupled with a wider new project inventory available for sale allowed sales volumes to recover. In 3Q2014, volumes of new contracts increased by 77.8% to 144 th. sqm. compared to 81 th. sqm. in 2Q2014.
- In 9M2014, PIK launched sales at 37 new projects (including 30 project in Moscow Metropolitan Area) compared to 33 and 23 new projects respectively in 9M2013. The largest increase in launched projects occurred in June, 2014 and had a noticeable effect on sales volumes by September, 2014.
- Share of mortgage backed sales continues to be strong at 39.9% in 3Q2014, which is in line with the 2013 full year average.



Table 1 - Cash collections summary

<i>(in RUB MM)</i>	3Q2013	3Q2014	Change, %	9M2013	9M2014	Change, %
TOTAL GROSS CASH COLLECTIONS ⁽¹⁾	18,299	11,889	(35.0%)	52,248	39,143	(25.1%)
Cash collections from sale of real estate⁽¹⁾	15,287	9,833	(35.7%)	43,693	31,490	(27.9%)
<i>including:</i>						
- Cash collections from retail real estate sales	15,032	9,709	(35.4%)	40,911	31,193	(23.8%)
- Cash collections from wholesale real estate sales	255	78	(69.4%)	2,782	161	(94.2%)
Cash collections from construction services activities and others	2,943	2,056	(30.1%)	8,405	7,653	(8.9%)

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>	3Q 2013	3Q 2014	Change, %	9M2013	9M2014	Change, %
New sales contracts to customers ⁽¹⁾	182	144	(20.9%)	473	362	(23.5%)
<i>including:</i>						
New retail sales contracts to customers	178	144	(19.1%)	467	360	(22.9%)
Value of retail contracts for apartments and ground floors (in RUB mn)	16,141	12,381	(23.3%)	42,316	31,646	(25.2%)

Note: including contracted retail and wholesales

Source: Management accounts

Table 3 – New sales contracts to customers by region

<i>in '000 sq. meters</i>	3Q2013	3Q2014	Change, %	9M2013	9M2014	Change, %
Moscow	29	7	(75.9%)	103	33	(68.0%)
New Moscow	6	19	216.7%	18	46	155.6%
Moscow region	108	94	(13.0%)	262	207	(21.0%)
Other regions	39	24	(38.5%)	90	76	(15.6%)
Total	182	144	(20.9%)	473	362	(23.5%)

Note: including contracted retail and wholesales

Source: Management accounts



Table 4 – Pre-sales launches summary table

No. of buildings	9M2013	9M2014	Change
Number of buildings launched for sale	33	37	+4

Source: Management accounts

Table 5 - Share of mortgage backed retail sales

In %	1Q2013	2Q2013	3Q2013	4Q2013	1Q2014	2Q2014	3Q2014
Share of mortgage backed transactions	34.6%	39.2%	42.2%	39.8%	37.2%	36.8%	39.9%

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

Enquiries:

PIK Group
Investors

Media

Andrey Machanskis
Head of Investor Relations

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

E-mail: ir@pik.ru

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

E-mail: pressa@pik.ru

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