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### **PIK GROUP (“The Group” or “PIK”)**

#### **PIK ENDS 2011 WITH GROWING SALES IN THE FINAL QUARTER 2011 AND PROVIDES GUIDANCE FOR 2012**

(LONDON, January 23 2012) - PIK Group (LSE: PIK), one of Russia’s leading residential real estate developers, is pleased to publish today a trading update for twelve months ended December 31, 2011 based upon management accounts.

#### **2011 Key highlights:**

- Total gross cash collections increased by over 30% to RUB52.1billion (FY10: RUB 39.9 billion)
- Cash collections from sale of apartments surged 49.5% to RUB34.9billion (FY10: RUB23.4billion) driven mainly by higher volume sales
- Cash collections from construction services remained stable at RUB12.9billion (FY10:RUB12.3billion)
- New sales contracts to customers showed growth to 510,000 sq. meters due to wider range of available projects by PIK
- PIK launched 41 new projects (FY10: 25) of which 26 in its core Moscow Metropolitan Area (MMA)
- 4Q11 sales figures showed a 30% year-on-year increase, reinforcing management’s confidence that growth in PIK’s segment of the market is intact and based upon solid and sustainable fundamentals
- 4Q11 mortgage backed sales continued to grow, consolidating at approximately 30% of total sales

#### **2012 Outlook:**

- FY2012 guidance on new sales contracts to customers is range of 600–650,000 sq. meters, with total gross cash collections of RUB62-67billion.

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

<i>(in RUB MM)</i>	FY2011	FY2010	Change, %	4Q2011	4Q2010	Change, %
<b>TOTAL GROSS CASH COLLECTIONS <sup>(2)</sup></b>	<b>52,063</b>	<b>39,897</b>	<b>30.5%</b>	<b>16,986</b>	<b>13,316</b>	<b>27.6%</b>
<b>TOTAL NET CASH COLLECTIONS<sup>(3)</sup></b>	<b>47,876</b>	<b>35,708</b>	<b>34.1%</b>	<b>16,471</b>	<b>11,545</b>	<b>42.7%</b>
<i>including:</i>						
<b>Cash collections from residential real estate sales activities</b>	<b>34,974</b>	<b>23,394</b>	<b>49.5%</b>	<b>12,532</b>	<b>8,942</b>	<b>40.2%</b>
<i>Including:</i>						
- Cash collections from retail real estate sales	30,438	16,675	82.5%	10,894	6,282	73.4%
<b>Cash collections from construction services activities and others</b>	<b>12,902</b>	<b>12,314</b>	<b>4.8%</b>	<b>3,939</b>	<b>2,603</b>	<b>51.3%</b>

*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*

Total gross cash collections reached RUB52.1billion, up by 30.5% year-on-year. Cash collections from sale of apartments reached RUB34.9billion, of which 87% were retail cash collections from customers.

## 2011 pre-sales launches summary

Project	Location	Start of sales
<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
- bldg 11a		November 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</b>	Moscow region	
- bldg 43		October 2011
- bldg 44		October 2011
<b>Dmitrov</b>	Moscow region	
- bldg 4		October 2011
<b>Pykhtino</b>	Moscow region	
- bldg 23		November 2011
- bldg 26		November 2011
<b>Scherbinka</b>	Moscow region	
- bldg 10		November 2011
<b>Obninsk</b>	Central Russia	
- mkr. 38, bldg 5		January 2011
- mkr. 55, bldg 2A		March 2011
- mkr. 38, bldg 9		September 2011
- mkr. 38, bldg 6		November 2011
<b>Kaluga</b>	Central Russia	
- Gen. Popova st.		October 2011
<b>Perm</b>	Central Russia	
- Industrial dst., Mira st., bldg 136		August 2011
- Industrial dst., Mira st. bldg 136/1		August 2011
- Iva dst., 4		October 2011
<b>Yaroslavl</b>	Central Russia	
- microdst. 7a, bldg 7		August 2011
- microdst. Sokol, bldg. 11		December 2011
<b>Kaliningrad 'Selma-2'</b>	Western Russia	
- bldg 11		January 2011
<b>Rostov-on-Don</b>	Southern Russia	
- Grecheskogo str.		March 2011
- Orbitalnaya str., Nord		April 2011
- Ulyanovskaya st., 44/10		December 2011
<b>Novorossiysk, micr. 15</b>	Southern Russia	
- bldg 7		September 2011

Source: Management accounts

New launches totaled 41 buildings for 2011, up by 64% compared to the previous year, with 26 launches in the MMA (2010: 25 new launches were made of which 19 were in the MMA). The split of new launched clearly illustrates recovery in Russia's regions.

### *New sales contracts to customers <sup>(1)</sup>*

000' sqm	1H	2H	FY	4Q
<b>2010</b>	159	233	392	128
<b>2011</b>	229	281	510	167
<b>Change, %</b>			30,1%	30,5%

Note: (1) including contracted retail and wholesales and others  
Source: Management accounts

Total new sales to customers reached 510,000 sq meters, representing 30.1% year-on-year growth. 81.1% of new sales to customers came through MMA.

Seasonally the final quarter of the year was as usual the strongest, with new sales rising to 167,000 sq. meters, up by 30.5% compared to the corresponding period of last year (4Q10: 128,000 sq. meters).

### *Share of mortgage funded retail sales*

000' sqm	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11
<b>Share of sales funded by mortgages <sup>(1)</sup></b>	3.1%	6.4%	9.3%	7.5%	12.4%	25.3%	29.5%	29.7%

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

Following early 2011 PIK initiatives to extend the availability of different type of mortgages on all development projects, the share of mortgage driven sales reached a sustainable level at around 30% of total and consolidated in that territory during 3Q-4Q11. In addition to the above, in December alone, PIK enjoyed the same level of mortgages sales as it had in all previous months, showing strong consumer confidence and macroeconomic stability.

### *New sales contracts with individuals*

New unit sales contracts with individuals*	FY2011	FY2010	Change, %	4Q2011	4Q2010	Change, %
<b>Value (in RUB MM)*</b>	<b>31,809</b>	<b>18,158</b>	<b>75.2%</b>	<b>10,558</b>	<b>6,091</b>	<b>73.3%</b>
size (in sqm)**	395,503	240,212	64.6%	135,222	76,907	75.8%

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 only

New sales contracts showed a 64.6% year-on-year increase in 2011. This advance in volumes was driven by the large number of new launches of affordable housing projects across all cities in Russia, coupled with more affordable mortgages and sustainable consumer confidence.

### *Average PIK property price dynamics <sup>(1)</sup>*

Average property prices <sup>(2)</sup>	FY2011	FY2010	Change, %
<i>(in '000 RUB per square meter)</i>			
Moscow	143.1	113.8	25.7%
Moscow(excl. business-class) <sup>(3)</sup>	115.1	103.7	11.0%
Moscow region	71.6	64.1	11.7%
Other regions	39.5	36.4	8.5%

*Note: (1) 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.*

*(2) Calculated for property under construction on contracts with retail customers*

*(3) I.e. English Town project, which was launched in 4Q2010*

*Source: Management accounts*

In FY2011 compared to FY2010, PIK's realized real estate prices in Moscow were up by 25.7%, excluding business-class projects (i.e. English Town) they showed 11% growth. At the same time, prices in Moscow region and other regions increased by 11.7% and 8.5%.

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