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PIK GROUP (“The Company”)

PIK GROUP acquires new development site in Moscow Region

(LONDON, 28 January 2008) - PIK Group (LSE: PIK), one of Russia’s leading residential real estate developers, today announced the acquisition of a new land plot in the Moscow Region.

The 127 hectare site is located along the Kalyzhskoe shosse, about 4-5 km from Moscow Ring Road, in a developing part of Moscow Region. The intention is for the site to be developed as a township, with an estimated 1 million square meters of net sellable area, including social infrastructure and also 55 000 square meters of middle class cottages. The whole project is planned to be finalized in 9 years.

PIK has been operating in this area to the north of Moscow for nearly four years. Existing projects located in the vicinity include: “Novokurkino” and “Yubileyny” in Khimki (1.7 million square metres in total) and “Yaroslavsky” in Mytishi (1.1 million square metres)

Commenting on today’s announcement, Kirill Pisarev, CEO of PIK said:

“This recent acquisition is in line with our strategy. PIK continues to acquire some of the most attractive assets in Moscow Region”.

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NOTES TO EDITORS

PIK Group Overview

Founded in 1994, PIK is one of the leading vertically integrated residential developers in Russia with over 14,000 employees across the country. Its business activities are concentrated in Moscow and the Moscow region with an increasing footprint in many of Russia's other regions. Its principal activity is the development, construction and sale of residential properties in large scale developments targeted primarily at the middle income housing market in Russia.

PIK's core activities include:

- development of residential real estate projects and sales of completed units, including servicing and maintenance of residential real estate developed by PIK and other developers;
- production and assembly of concrete panel housing in Moscow as a subcontractor for the Moscow city government; and
- production and sale of raw materials and construction materials.

The last three years between 2004 and 2006, PIK has completed over 2.5 million square meters of residential housing and over 36,000 residential units in Russia, including over 1.2 million square meters and over 17,000 residential units in 2006 alone.

June 1, 2007, the Group completed successful listings on the London Stock Exchange, the RTS and MICEX exchanges in Russia.

PIK Group's website address is: www.pik.ru

Group Financial Summary

Revenue for 2006 rose by 90% and equalled US\$ 1,546 million, while EBITDA for 2006 amounted to US\$ 486 million. Net profit was US\$ 298 million in 2006 compared to US\$ 20 million in 2005.

According to CBRE, an independent appraiser, the combined market value of the Group's properties valued as of January 1, 2007 was \$8.8 billion.

Some of the information in this press release may contain projections or other forward-looking statements regarding future events or the future financial performance of PIK. You can identify forward-looking statements by terms such as "expect," "believe," "anticipate," "estimate," "intend," "will," "could," "may" or "might" the negative of such terms or other similar expressions. These statements are only predictions and actual events or results may differ materially. PIK does not intend to or undertake any obligation to update these statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. Many factors could cause the actual results to differ materially from those contained in PIK's projections or forward-looking statements, including, among others, general economic conditions, PIK's competitive environment, risks associated with operating in Russia, rapid technological and market change, and other factors specifically related to PIK and its operations.