Company Presentation

November 2011

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PIK
GROUP

PIK Group at a glance

1 **A leading mass market residential developer in Russia with 17 year track record**

- **Over 9% market share**[1] in Moscow Metropolitan Area (MMA)[2] in 2010
- **Over 11mn sqm** of net selling area (NSA) completed since inception
- **87%** of project portfolio by value is concentrated in **MMA**[3]

2 **Integrated business model with substantial production facilities and considerable portfolio of projects**

- **#1 in Russia** by prefabricated panel facilities
- Large/diversified **portfolio of projects with 10.1 mn sqm of unsold NSA valued by CB Richard Ellis ("CBRE") at US$2,724mn**[3]
- Construction services and in-house sales force

3 **Improving debt profile and financial performance**

- **Debt restructuring finalized**
- **Increased cash collections** from pre-sales (US$1.3bn[4] in 2010; US$0.8bn[4] in 1H2011)
- Recovering **profitability** of real estate sales

(1) Calculated as PIK's share in total housing completed (in sqm) in MMA in 2010 excluding individual homes
(2) Moscow Metropolitan Area (MMA) includes Moscow and the Moscow region
(3) As of June 30, 2011
(4) Exchange rates according to Centra Bank of Russia: 2010 av. RUB/US$ 30.37; 1H2011 av. RUB/US$ 28.62
Source: Company data; CBRE as of June 30, 2011; Rosstat

PIK Group's selected completed residential communities

Mass-market urban neighbourhood, Okskaya st.

Moscow

- Land plot area: 63ha
- Total NSA: c.536,000 sqm, ~8,200 units
- NSA PIK share: c.470,000 sqm

Mass-market urban neighbourhood, Novokurkino

Moscow region, phase 1 and 2 – completed

- Land plot area: 81ha
- Total NSA: c.835,000 sqm, ~12,800 units
- NSA PIK share: c.831,000 sqm

Business class residential project, Presnya House

Moscow

- Land plot area: 0.7ha
- Total NSA: c.15,000 sqm, ~240 units
- NSA PIK share: c.15,000 sqm

Mass-market urban neighbourhood, Ubileiniy

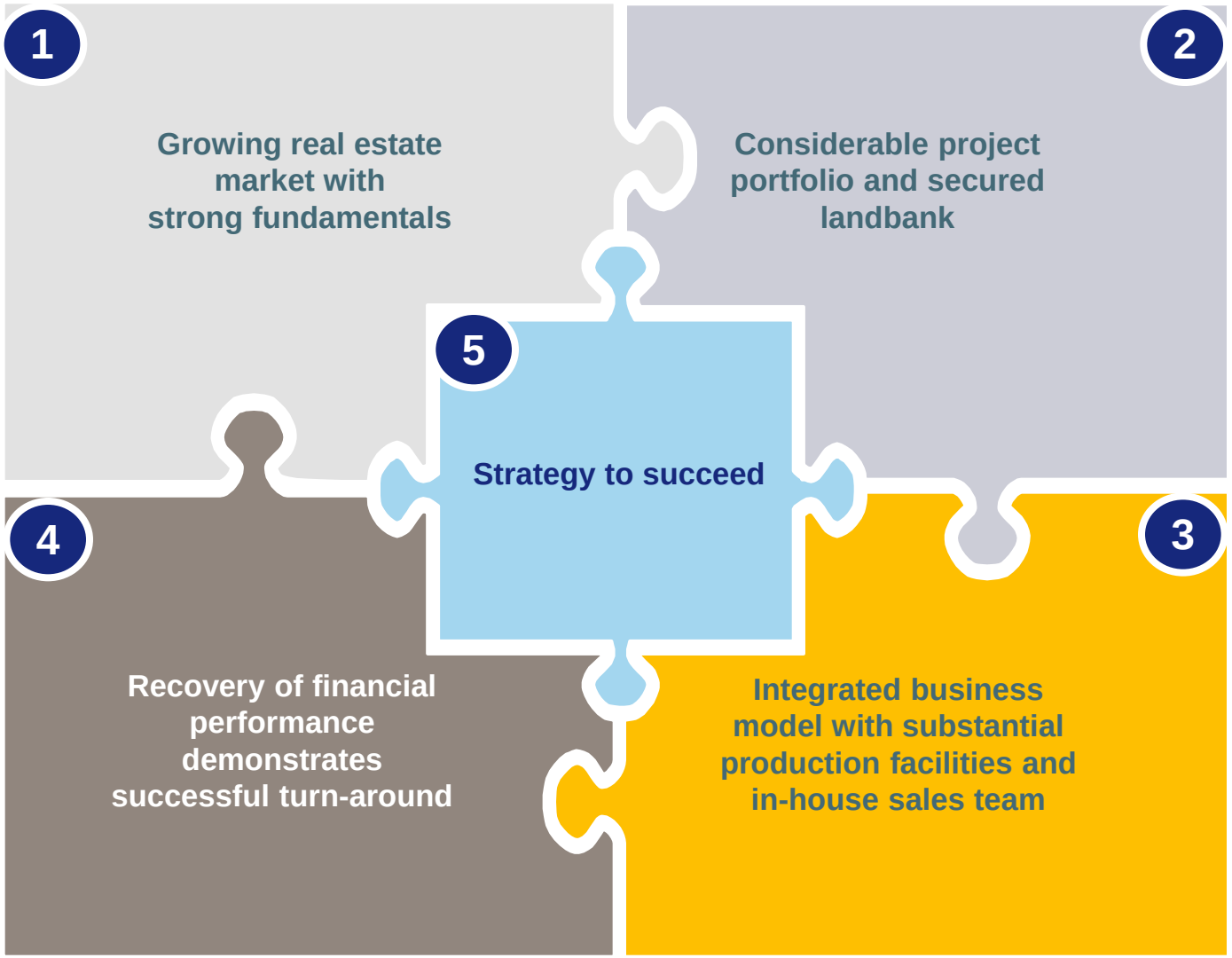
Moscow region

- Land plot area: 13ha
- Total NSA: c.276,000 sqm, ~4,255 units
- NSA PIK share: c.219,000 sqm

Over 600,000 people live in apartments developed by PIK Group

Source: Company data, CBRE

Key investment highlights

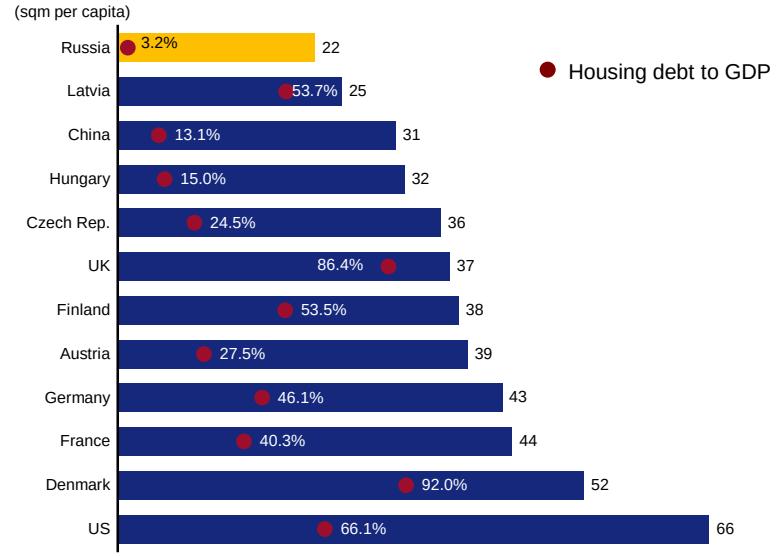


1 Growing real estate market with strong fundamentals

PIK's typical development – Novokurkino, Moscow region

Long-term fundamentals for Russia's real estate market

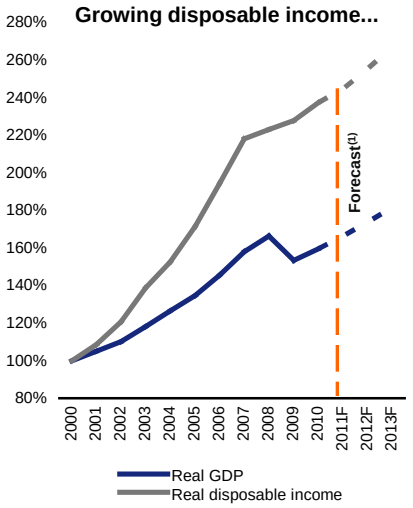
Low level of housing stock and housing debt underpins demand



Source: Rosstat for 2010, Euromonitor for 2010, UNECE for 2006-2009

Housing affordability at the highest since 2006

(rebased to 100%)



...higher affordability

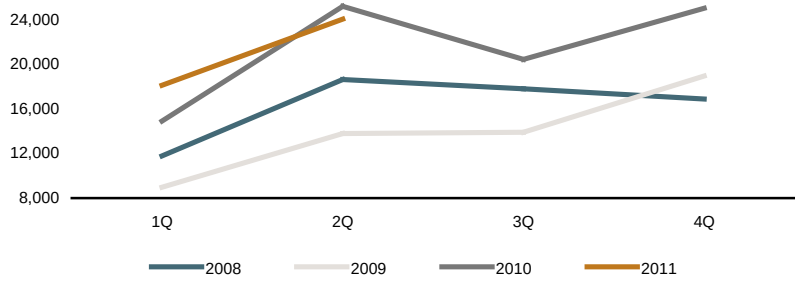
Average affordability ratio in Russia in 2010 stands at 48%, meaning that an average household needs to give away 48% of monthly income to pay down mortgage for an average size apartment; this is the lowest ratio (i.e. the highest affordability) since 2006

(1) Economist Intelligence Unit forecast
Source: Rosstat, Economist Intelligence Unit

Source: Brokers estimates

Demand shows increasing growth

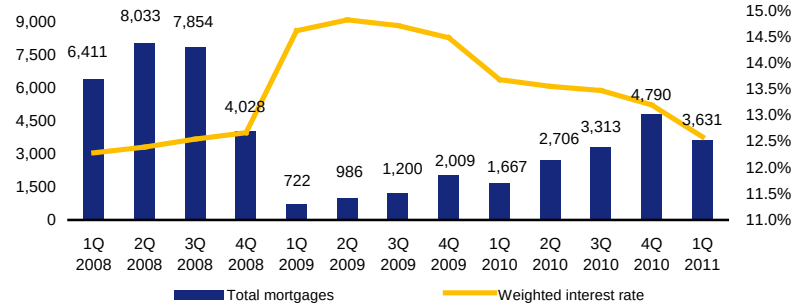
(# of deals) **Number of real estate transactions in Moscow in 1Q and 2Q 2011 by far overpassed 2008 and 2009 numbers and is in-line with 2010**



Note Number of registered residential secondary market deals in Moscow
Source: Rosreestr, IRN

Recovery of mortgage lending supports demand

(US$mn)

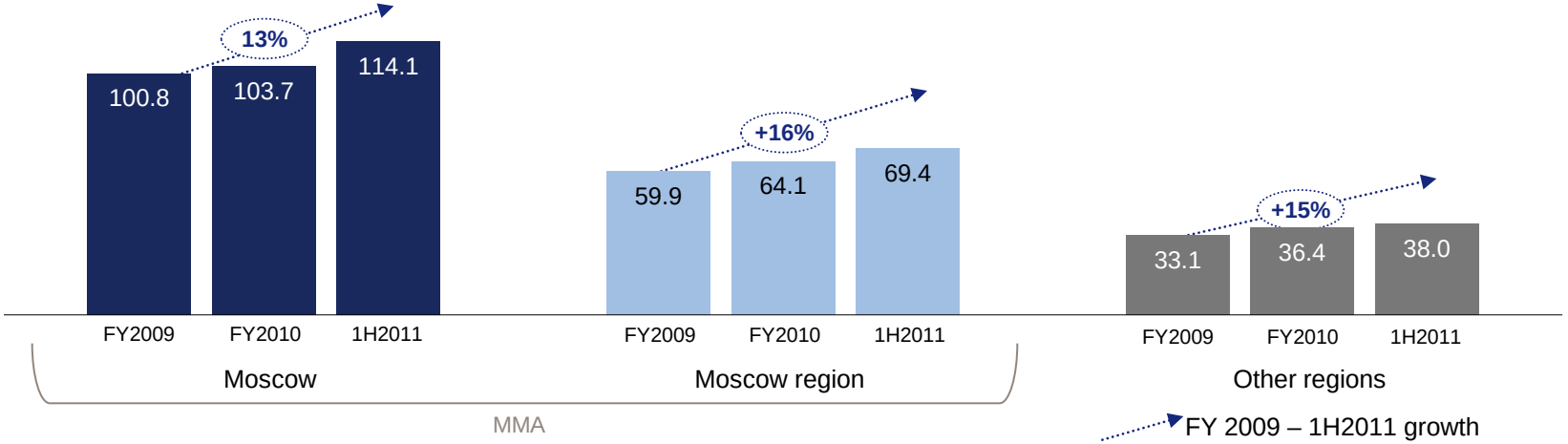


Note: Converted at historical CBR RUB/US$ exchange rates as at the end of the respective period
Source: CBR, Rusipoteka

Prices and buying patterns returned to normality

Environment is back to 2007 average realized price dynamics

(RUB '000 / sqm)



Note: *Realized prices based on pre-sales of mass market projects under construction excluding high-end residential projects (English Town)*
Source: *Company data (management accounts)*

Typical development process and typical sales pattern in MMA

Pre-crisis sales pattern – early 2008
During-crisis sales pattern – 2009
Post-crisis sales pattern – early 2010
Post-crisis sales pattern – late 2010/early 2011

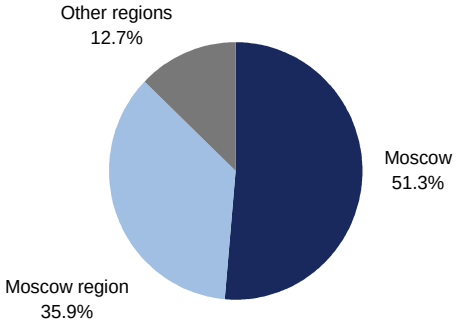
Construction period: >12 months
Total area: 20 ths. sqm

2 Considerable project portfolio and secured landbank

PIK's typical residential development – Zapovednaya, Moscow

Portfolio provides tangible opportunity for future growth

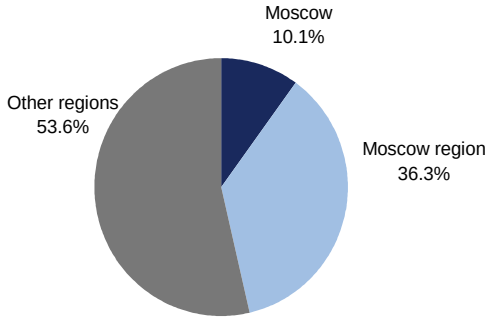
Project portfolio geography by market value



Total: US$2,724mn

Source: CBRE as of June 30, 2011

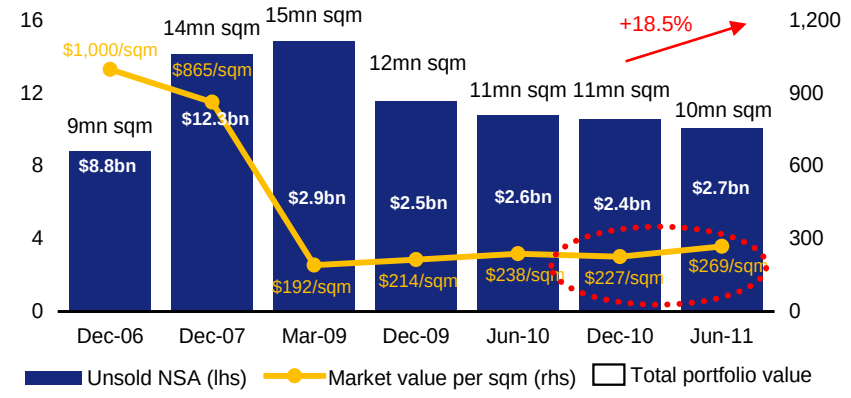
Project portfolio geography by unsold NSA



Total: 10.1mn sqm

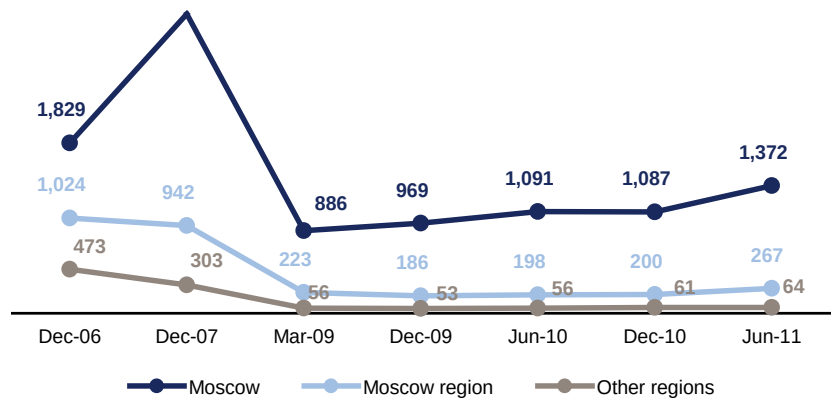
Source: CBRE as of June 30, 2011

Portfolio dynamics



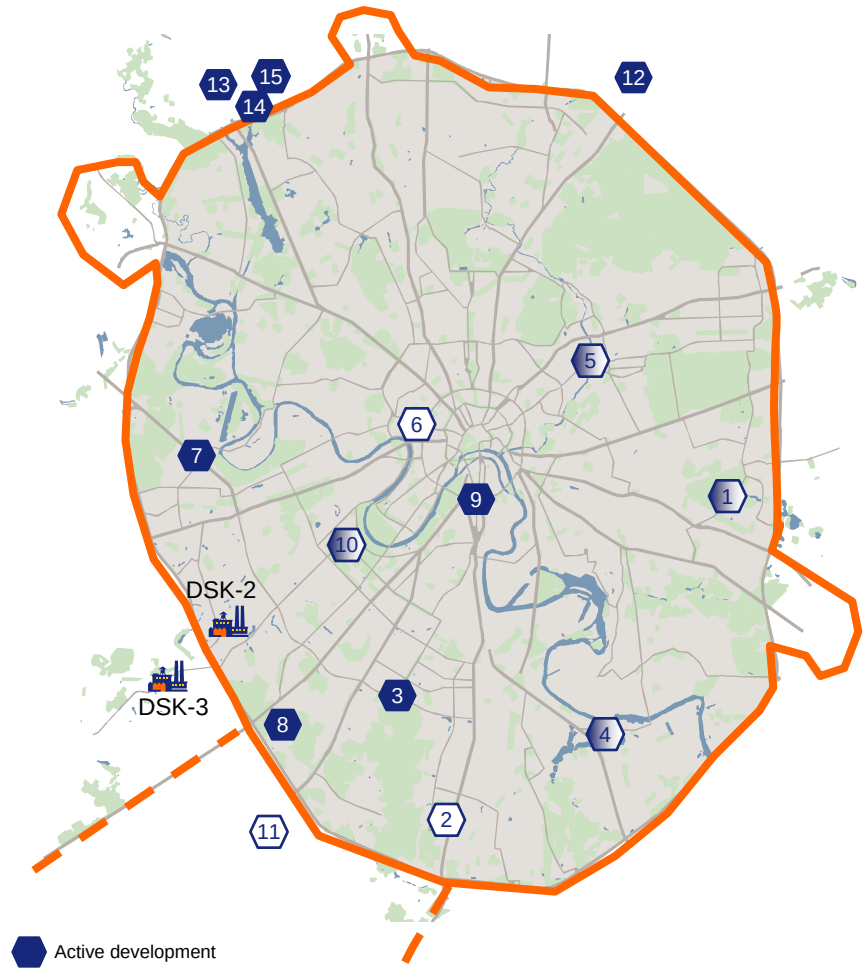
Source: CBRE

Market value per sqm dynamics



Source: CBRE

Portfolio of top 15 projects under execution in MMA



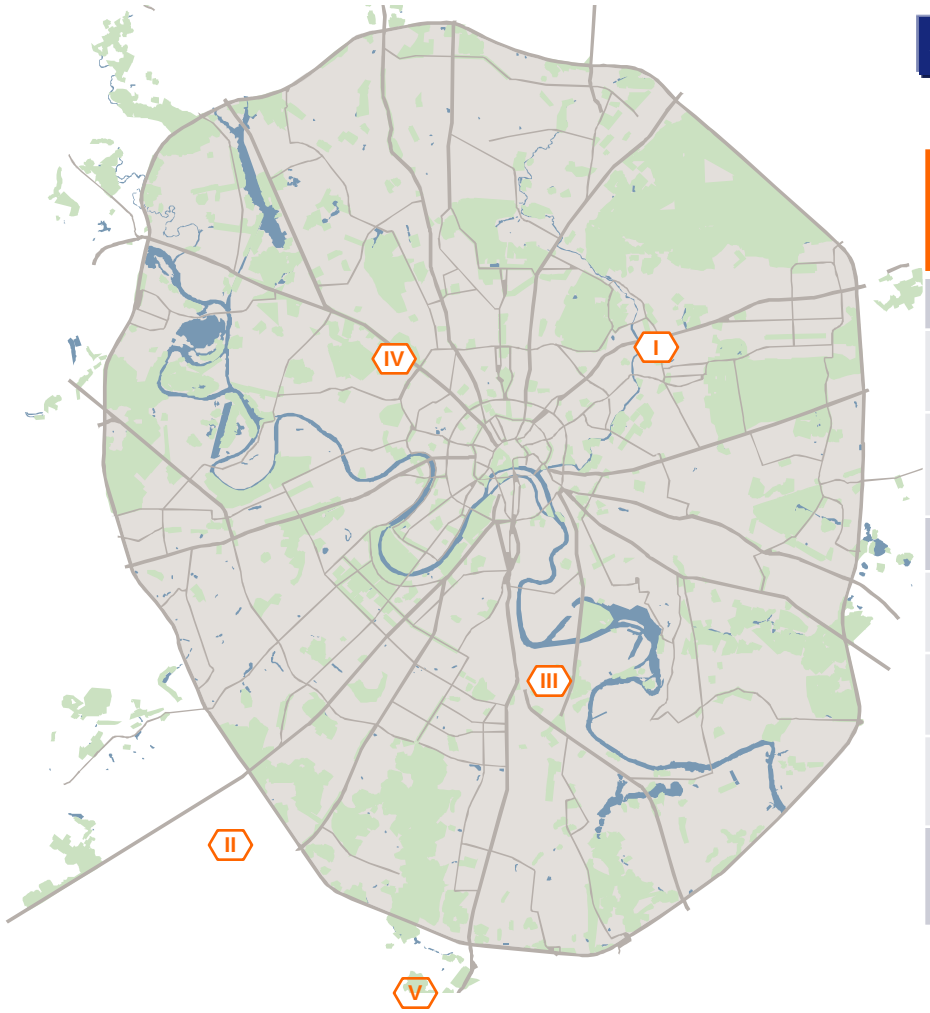
		Landplot (ha)	Unsold NSA ('000 sqm)	Market value (US$mn)	Total remaining budget (US$m)	Total Number of buildings
	Moscow					
1	Perovskaya str., 66	15.32	139	114	326	7(1)
2	Varshavskoe highway, own. 141	8.87	130	105	257	6(1)
3	South Chertanovo, micro-districts 17-18	11.35	55	60	196	6
4	Marshala Zakharova str.	1.7	79	65	199	2(1)
5	Mironovskaya str., 46	2.64	43	53	88	2(1)
6	Mantulinskaya str., 7	6.93	122	360	478	2(1)
7	Kuntsevo	0.95	151	177	390	7
8	Ak. Vinogradova str., own. 7	2.06	36	80	92	7
9	Mitnaya, 13 (English Town)	4.58	26	130	169	2
10	Michurinsky pr-t., blocks 5-6	19.03	64	129	155	1(1)
	Moscow Region					
11	Leninsky district, Kommunarka village	127.79	1,079	161	1,895	50+
12	Mytishi, Yaroslavsky	114.25	660	264	1,756	58
13	Khimki, Novokurkino	81.00	277	167	586	38
14	Khimki, Sovkhoznaya str.,11	41.67	340	193	577	25
15	Khimki, The Star of Russia	7.09	131	69	201	8
	Subtotal		**3,332**	**2.117**		
	Total all projects		**10,109**	**2,724**		
	Subtotal as % of total		**33%**	**78%**		

(1) Company assumptions

Balanced portfolio of existing projects in the most attractive market, of which four to be launched in the next 12 months

Source: CBRE as of June 30, 2011; Company data

New pipeline of future projects in MMA



Seizing lucrative small and middle-size projects in MMA

- New projects to be launched within the next 18 months

		Land plot area (ha)	Total NSA ('000 sqm)	Number of buildings	Expected gross profit margin[2],[3]
	New projects already acquired				
I	Moscow, Izmaylovsky Proezd	3.5	54	2	45%
II	Moscow region, Pykhtino vil., Phase 2	15.0	86	3[2]	25%
	Pipeline of future projects				
III	Moscow, Kashirskoe Highway	3.5	58	2	32%
IV	Moscow, Vucheticha Str.	0.6	11	1	35%
V	Moscow region, Drozhino [1]	n/a	101	n/a	n/a
	Total	**>22.6**	**310**		

(1) Project under consideration
(2) Company assumptions
(3) Gross profit margin calculated as expected revenue from apartment sales less total costs for development divided by total costs of development

New projects carefully selected to offer higher profitability, faster cash conversion, less working capital requirements

Source: CBRE as of June 30, 2011; Company data

Promising regional projects

Active development

Predevelopment

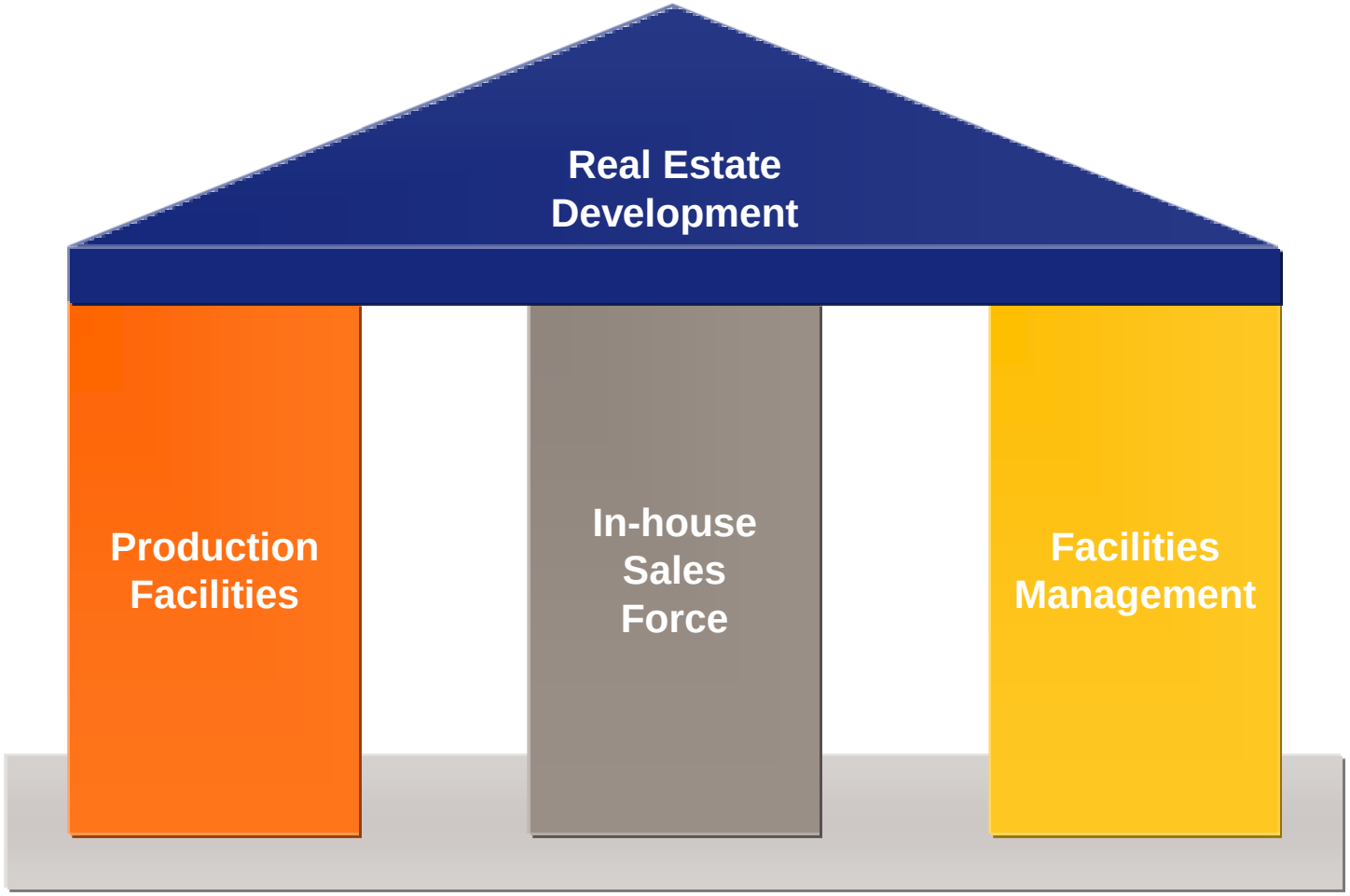
Projects located in growing regions

		Number of projects	PIK's aggregate unsold NSA ('000 sqm)	Aggregate market value (US$mn)	Aggregate number of buildings
Growing regionalmarkets *Projects in the course of active development*					
Most active	Obninsk (Kaluga region)	2	175	52	19
	Yaroslavl	2	93	19	23
	Nizhniy Novgorod	2	35	23	5
	Rostov-on-Don	5	257	20	>6
	Perm	2	110	28	14
	Kaliningrad	1	70	12	17
	Subtotal		**740**	**154**	
	All projects		**10,109**	**2,724**	
	Subtotal as % of total		**7%**	**6%**	

Source: CBRE as of June 30, 2011

3 Integrated business model with substantial production facilities and in-house sales team

Strong vertical integration – true competitive advantage



Operating business model

Total 1H 2011 revenue

US$796mn[2]

Real estate development

- Full chain of mass market residential development, including land bank acquisition => design => permitting => construction => sales => maintenance
- Land bank
  - 10.1mn sqm of unsold NSA [1]
- Prefabricated housing manufacturing
  - Capacity: 1.4mn sqm p.a.[1]

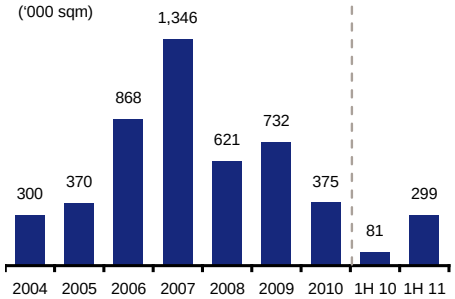
Construction services

- Construction services provision to 3rd parties:
  - 3rd party developers
  - Federal and regional governments

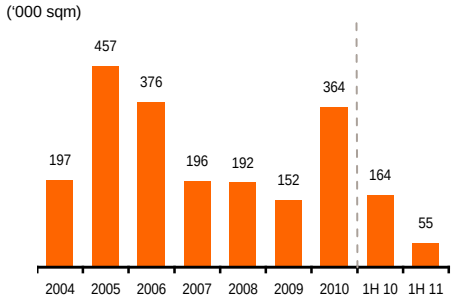
Facilities management and other

- Post completion property management
- Sale of construction materials

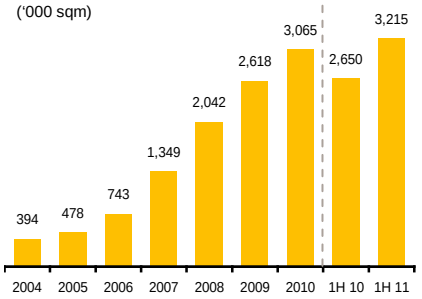
Housing completions[3],[4]



Construction services completions[4]



Area under management[4]



(1) *As of June 30, 2011*
(2) *Segment reporting based on management accounts presented in IFRS statements. Facility management and others include revenue of entities not included into reportable segments and other revenues Numbers are translated at RUB/US$ 28.62- average exchange rate for 1H2011 according to the Central Bank of Russia (CBR)*
(3) *Excluding construction services completions to 3rd parties (shown on the middle chart)*
(4) *Net sellable area*
Source: *Company data, CBRE*

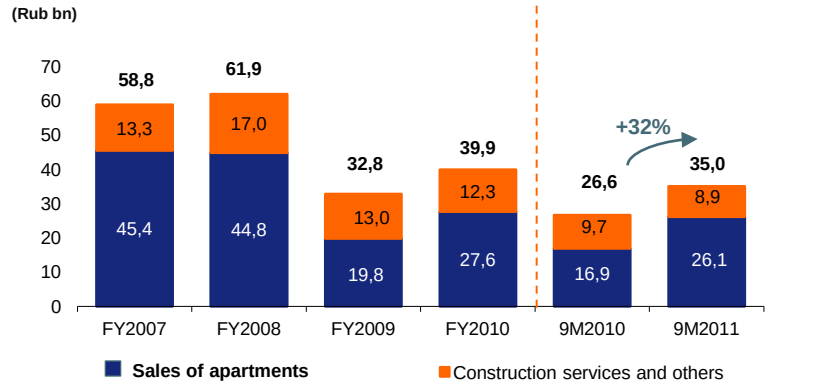
PIK intends to significantly increase volumes of own mass market development as real estate market continues to grow

4 Recovery of financial performance demonstrates successful turn-around

Operating results indicate continuing growth

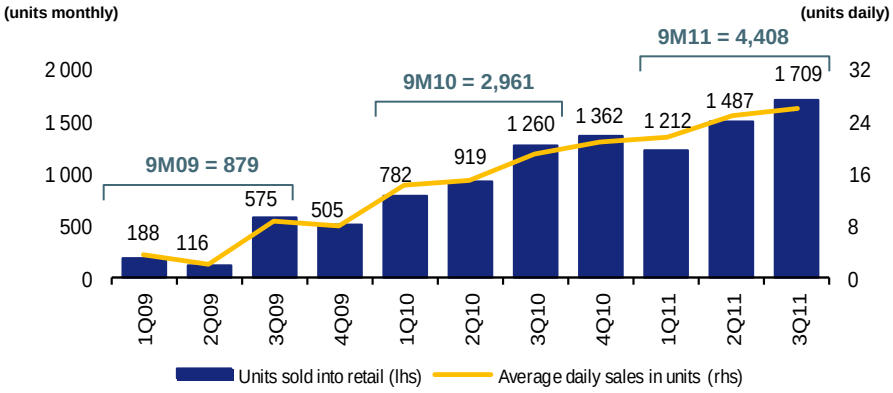
- Gross cash collections increased **32%** 9M11 year-on-year
  - **+54.4%** in gross cash collections from sales of apartments
- **In 9M11** the company sold **1.5x the number of units sold in 9M10** which indicates strong y-o-y
  - in 9M11 average units sales to retail customers per business days were 52% higher than 9M10 (~24 vs. ~16 units)
- the share of mortgage funded sales surged to an average of approximately **29.5%** of total sales (6.3% in 9M10), evidencing the growing affordability of mortgages
  - For September 2011, share of mortgage-funded sales hit **>30%**

Gross cash collections dynamics(1)



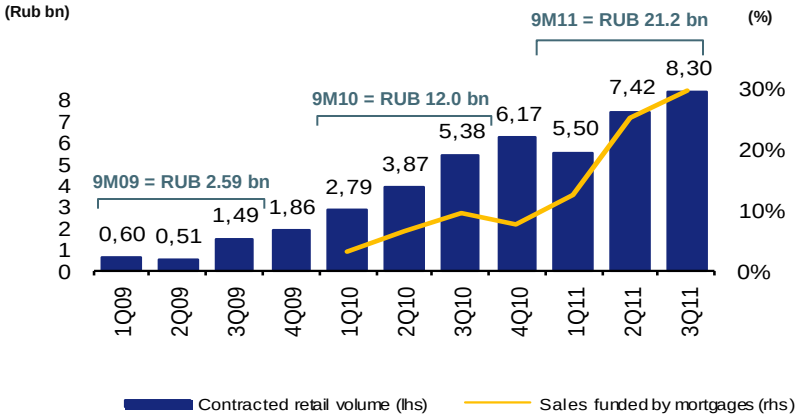
(1) *Refers to all sales, including wholesales, retail including offsets*
Source: *Company data, management accounts*

Units sold per day dynamics(1)



(1) *Units = flats + ground floors + parking lots*
Source: *Company Data, management accounts, contracted sales subject to potential changes*

Sales funded by mortgages dynamics



Source: *Company Data, management accounts, contracted sales subject to potential changes*

IFRS financial highlights

US$mn, unless otherwise stated	FY2008	FY2009	FY2010	1H2010	2H2010	1H2011
Revenue	1 356	1 298	1 254	503	751	796
Revenue in million RUB	*33 695*	*41 175*	*38 090*	*15 126*	*22 964*	*22 794*
Gross profit according to IFRS	339	251	82	(1)	84	130
Gross profit after additional provisions in million RUB	*8 424*	*7 957*	*2 492*	*(44)*	*2 536*	*3 734*
Gross profit after additional provisions margin	*25,0%*	*19,3%*	*6,5%*	*na*	*11,0%*	*16,4%*
Gross profit before additional provisions for social and infrastructure costs	361	251	220	128	92	130
Gross profit in million RUB	*8 972*	*7 957*	*6 673*	*3 848*	*2 825*	*3 734*
Gross profit margin	*26,6%*	*19,3%*	*17,5%*	*25,4%*	*12,3%*	*16,4%*
Distribution and administrative expences	(262)	(138)	(127)	(67)	(61)	(77)
Distribution and administrative expences in million RUB	*6 514*	*4 367*	*3 860*	*2 002*	*1 858*	*2 214*
EBITDA [(1)]	(1 085)	(99)	(81)	(107)	26	176
EBITDA in million RUB	*(26 962)*	*(3 150)*	*(2 463)*	*(3 230)*	*767*	*5 029*
EBITDA margin	*na*	*na*	*na*	*na*	*3,3%*	*22,1%*
Adjusted EBITDA[(2)]	92 [(3)]	143	(27) [(3)]	(58) [(3)]	31 [(3)]	64
Adjusted EBITDA in million RUB	*2 278*	*4 530*	*(829)*	*(1 739)*	*910*	*1 830*
Adjusted EBITDA margin	*6,8%*	*11,0%*	*na*	*na*	*4,0%*	*8,0%*
Net income/(loss) according to IFRS	(1 165)	(362)	(200)	(172)	(28)	111
Net income (loss) in million RUB	*(28 963)*	*(11 488)*	*(6 085)*	*(5 171)*	*(914)*	*3 186*
Net Income margin	*na*	*na*	*na*	*na*	*na*	*14,0%*

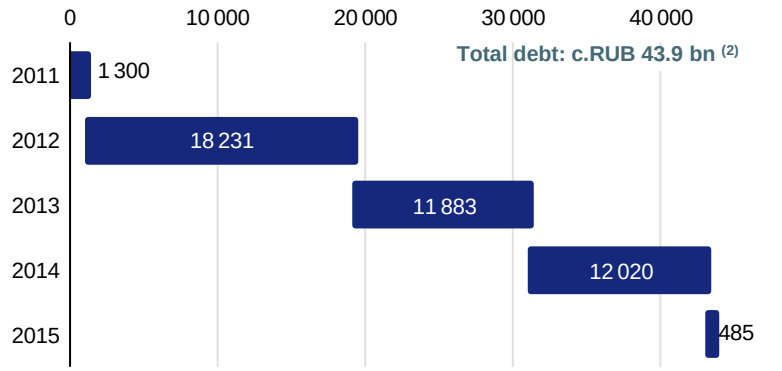
(1) EBITDA represents total comprehensive income/(loss) before income tax expense, interest income, interest expense including penalties payable and depreciation and amortization
(2) Adjusted EBITDA represents EBITDA before impairment losses and reversal of impairment, impairment losses on financial assets, foreign exchange losses (gains), share of loss of equity accounted investees, net gain/loss on disposal of PP&E, gain/loss on disposal of subsidiaries and development rights, effect of termination of long-term land lease agreements, provision for doubtful accounts and accrued penalties and fees
(3) Adjusted EBITDA for 2008 and 2010 does not add back the effect of revision of social infrastructure costs of RUB548mn (US$22mn) and RUB4,181mn (US$138mn), respectively
Note: Converted at historical average CBR RUB/US$ exchange rates for respective period; 2007, 2008, 2009 numbers were restated in 1H2010; 2H2010 numbers in US$ calculated as full year 2010 less 1H2010
Source: Audited annual IFRS accounts, reviewed 1H2011 accounts; translated at relevant average ex-rates except for 2H2010

Debt position

- Debt restructuring finalized (total debt RUB 43.9[1] bn, net debt – RUB 42.53 bn as of June 30, 2011)
- New dialogue on future financing with the banks has been reopened
  - US$40mn debt from Absolutbank is refinanced at lower interest rate (12 September 2011)
- Average cost of debt continues to decrease

(1) Excluding possible impacts of breaches of covenants under underlying credit facilities
Source: Company data

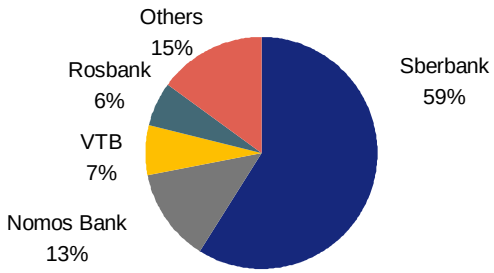
Debt repayment schedule[1]



(1) Excluding possible impacts of breaches of covenants under underlying credit facilities as of June 30, 2011
(2) Equivalent to total debt of RUB45.0bn as of June 30, 2011 excluding RUB1.11bn of accrued interest

Source: IFRS accounts as of June 30, 2011

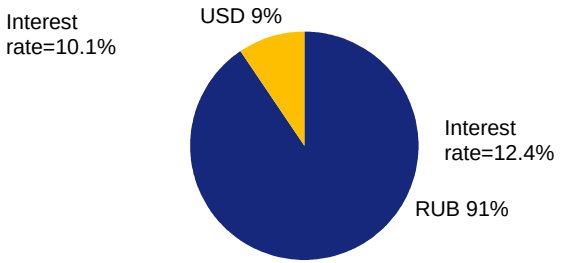
Debt composition by source



Total debt as of June 30, 2011 c.RUB 43.9 bn

Source: IFRS accounts as of June 30, 2011; Company data.

Bank debt composition by currency



Total debt as of June 30, 2011 c.RUB 43.9 bn

Source: IFRS accounts as of June 30, 2011

5 Strategy to succeed

Strategy to succeed in the current growing market

- **Focus on affordable segment of residential real estate**
  - 10.1mn sqm land bank as at June 30, 2011
- **Focus on existing project portfolio in synergy with manufacturing facilities**
  - annual housing construction capacity over 1.3mn/sqm
- **Maintain focus on Moscow Metropolitan Area**
  - 9% market share in 2010
- **Selective development projects in regions**
- **Enhancement and modernization of production facilities**
  - US$60mn planned CAPEX in the next 5 years(1)
- **Developing in-house regional network**
  - Norilsk, Tyumen, Khanty-Mansiysk, Yekaterinburg, Ufa, Saint-Petersburg, Kazan
- **Improving cost control over development process**

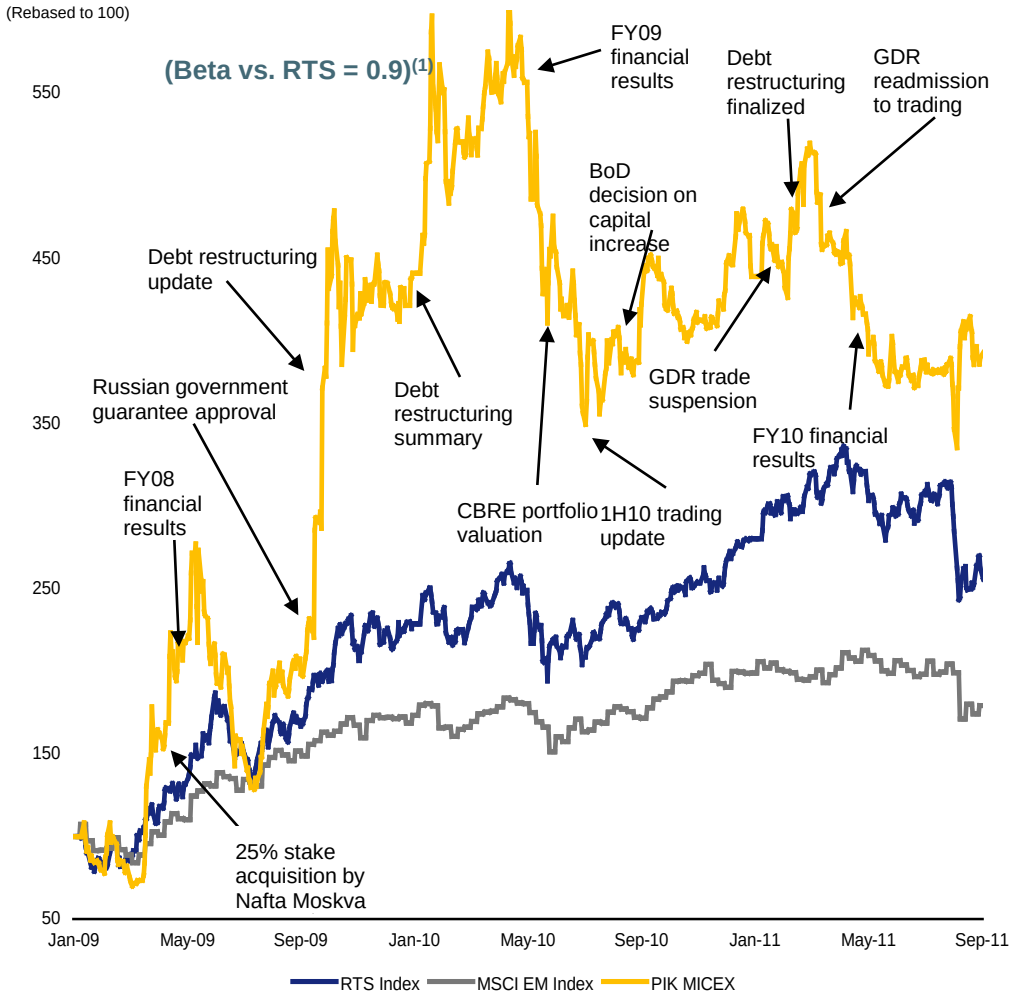
(1) Company estimates

Appendix

PIK's typical residential development, Bitsevsky (Moscow)

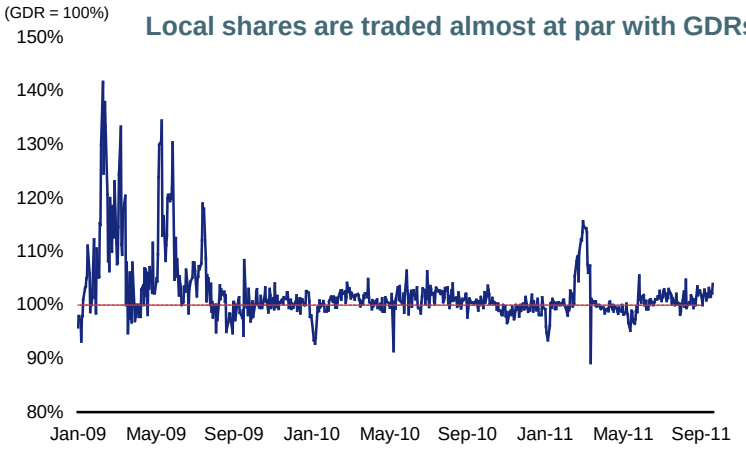
PIK's relative stock performance

PIK share price performance vs. indices



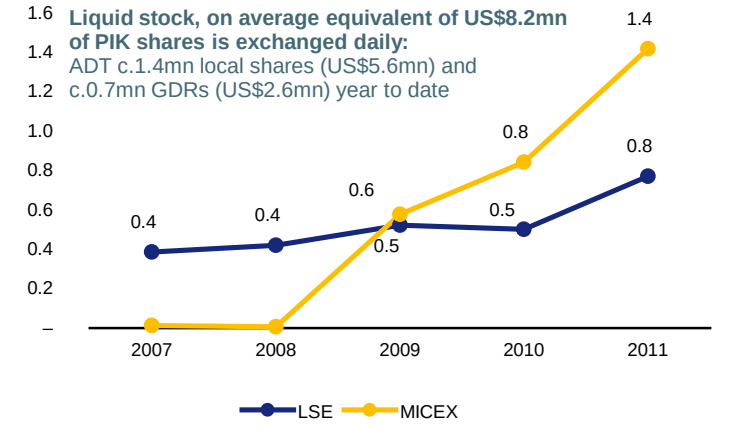
(1) 3 years, adjusted Beta as of September 23, 2011
Source: Datastream, Bloomberg as of September 23, 2011

PIK stock performance on MICEX vs. LSE



Source: Datastream as of September 23, 2011

PIK's average daily trading volumes on stock exchanges



Source: Datastream as of September 23, 2011

Commitment towards best corporate governance practice

Shareholders

Nafta Moskva 38.3% + Free float 61.7%

Board of Directors

Vladislav Mamukin

Chairman of the Board of Directors

- Managing Director of Moscow Representative Office of Nafta Moskva

Pavel Poselenov

CEO, Member of the Board of Directors

- President of PIK Group

Anna Kolonchina

Member of the Board of Directors

- Managing Director of Moscow Representative Office of Nafta Moskva
- Member of the Supervisory Board of "Uralkali"

Dmitry Skryabin

Member of the Board of Directors

- VTB Capital Senior Dealer, Own Transactions Department

Sergey Bessonov

Member of the Board of Directors

- Sberbank, Managing Director – Head of Real Estate Financing Department

Alexander Gubarev

Member of the Board of Directors

- Galahard Advisors Limited, Head of Moscow Representative Office,

Zumrud Rustamova

Independent Director

- Deputy General Director of Polymetall

Robert Eugene Tsenin

Independent Director

- Centro Properties Group (Aus), CEO

Lee Timmins

Independent Director,

- Head of the Hines Company Moscow office since 1993

Committees

Audit (1)

- Ensures interaction with auditors and other departments. Considers procedures for internal control

Remuneration & Personnel (1)

- Ensures that the Company is managed by qualified professionals, and assesses the activities of the company's governing bodies

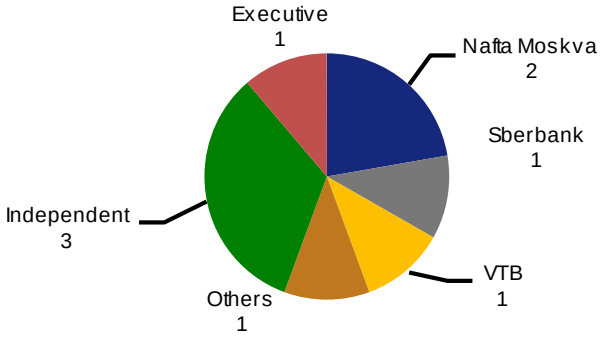
Investment (2)

- Project strict monitoring and control, review of potential M&A activities

Disclosure committee (2)

- Establishment, maintenance and updating of the reporting systems and procedures
- Formulation, introduction and updating as required of various guidelines and thresholds
- Implementation and production of materials for the employees, officers, etc. relating to compliance
- Final determinations about inside information and its disclosure

Board Composition



Investor Relations

- Detailed and timely corporate information flow
- Focus on active dialogue with institutional investors

(1) *Board of Directors committee*
(2) *Management board committee*

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Technological enhancement of PIK's product

Present | **Near future** | **Medium term**

MMA – Potential evolution of prefabricated buildings

Modern prefabricated buildings

Redesigned prefabricated buildings

"Generation next" buildings

Regions: SMKD(1) – Optimal solution for regional expansion

Currently, SMKD technology is used in Obninsk (Kaluga region) only

Potential expansion of the technology into other regions

Improving the living experience

- Improved fittings for apartments

- New playgrounds and communal space

(1) *Analogue to poured concrete construction - uses reinforced concrete blocks for the superstructure of the buildings and masonry walls*

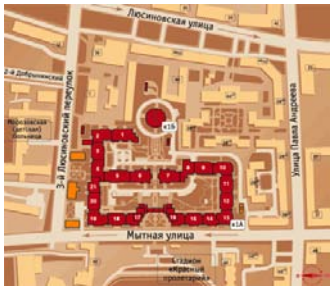
Source: *Company data*

Introducing new construction technologies to meet growing requirements of customers

Selected projects under active construction in Moscow

Moscow, Mytnaya, 13 (English Town)	
NSA (PIK share), ‘000 sqm	72
Unsold area, ‘000 sqm	26
Market value, US$ mn	131
Pre-sales launch	on sale
Estimated completion date	3Q2012
Development cost to completion, US$ mn	169

Source: CBRE as of June 30, 2011



Master plan

December 2010

August2011

Area, Ha: 4.58 Type: Poured concrete Class: High-end Residential

English Town is one of the largest elite residential complexes in Moscow. It is situated in Moscow’s historical center, a few blocks away from the Ring Road and close to more than 20 foreign embassies. The project’s scale is its key difference from an ordinary residential complex. A large area of more than 4 ha allows to create a unique oasis in the center of Moscow, where people with the similar status and income level will live comfortably.

Moscow, South Chertanovo, 17 and 18 districts	
NSA (PIK share), ‘000 sqm	87
Unsold area, ‘000 sqm	55
Market value, US$ mn	61
Pre-sales launch	on sale
Estimated completion date	2Q2014
Development cost to completion, US$ mn	196

Source: CBRE as of June 30, 2011

Master plan

December 2010

August 2011

Area, Ha: 11.35 Type: Poured concrete Class: Mass Residential

The Property is situated between Varshavskoe highway and the Moscow Outer Ring Road (MKAD), only one minute walk from the nearest metro station, Annino. The location is very popular in terms of access, amenities and quality of residential buildings in the area. Access to the Property is convenient by both public and private transport.

Selected projects under active construction in the Moscow region

Moscow region, Khimki, Novokurkino	
NSA (PIK share), ‘000 sqm	831
Unsold area, ‘000 sqm	277
Market value, US$ mn	167
Pre-sales launch	on sale
Estimated completion date	4Q2017
Development cost to completion, US$ mn	586

Source: CBRE as of June 30, 2011

Master plan

September 2010

August 2011

Area, Ha:	81.0	Type:	KOPE Parus, KOPE Tower Poured Concrete	Class:	Mass Residential

Khimki lies at the intersection of important transport corridors of Russia, namely the Moscow-St. Petersburg highway, the Oktyabsrkaya Railroad, and the Moscow River. One of Russia’s largest airport, Sheremetyevo is also in the Khimki region not far from the site. Access to the Property is convenient by both public and private transport. This project is the first large-scale development of PIK Group in the Moscow region.

Moscow region, Mytischi, Yaroslavsky	
NSA (PIK share), ‘000 sqm	834
Unsold area, ‘000 sqm	660
Market value, US$ mn	264
Pre-sales launch	on sale
Estimated completion date	4Q2022
Development cost to completion, US$ mn	1,756

Source: CBRE as of June 30, 2011

Master plan

April 2009

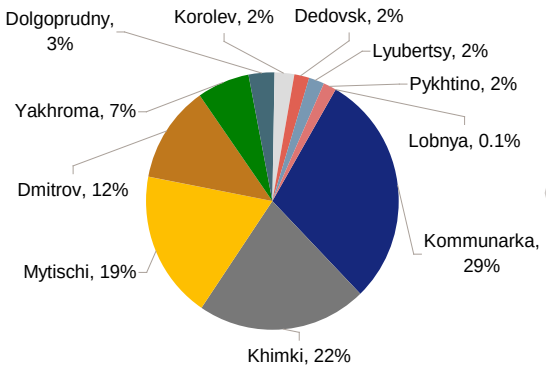
August 2011

Area, Ha:	114.3	Type:	KOPE Parus KOPE Tower Poured Concrete P3M/P3M-17/23	Class:	Mass Residential

The city of Mytischi is located next to the Moscow Outer Ring Road (MKAD). Mytischi is conveniently accessed by way of Yaroslavskoye, Dmitrovskoye and Ostashkovskoye highways. Trains connect Mytischy with the Yaroslavsky railway station in Moscow (Komsomolskaya metro station). Access to the Property is convenient by both public and private transport.

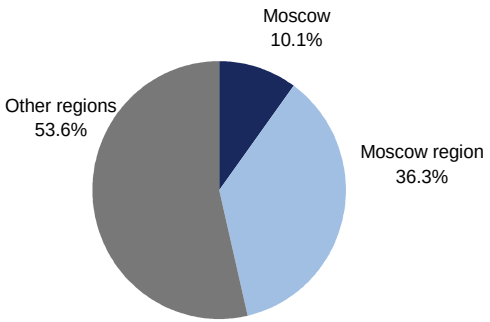
Portfolio geography

Moscow region split by cities
Unsold NSA, mn sqm



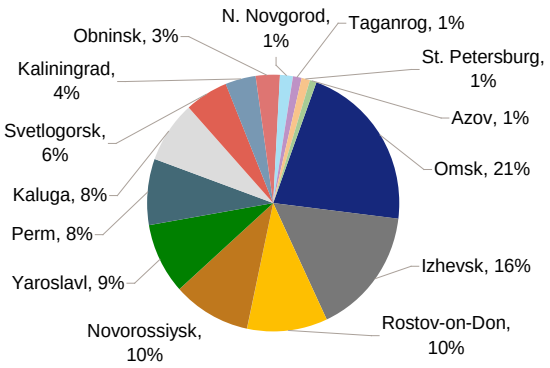
Total 3.7mn sqm

Portfolio breakdown by regions
Unsold NSA, mn sqm



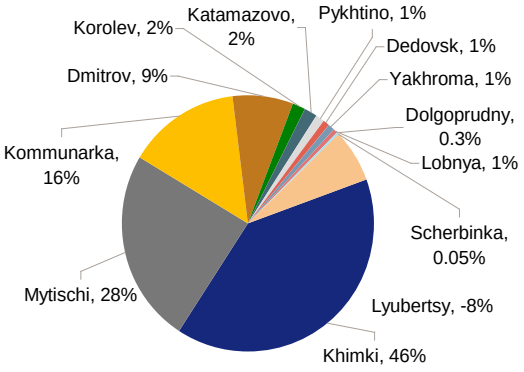
Total 10.1mn sqm

Other regions split by cities
Unsold NSA, mn sqm



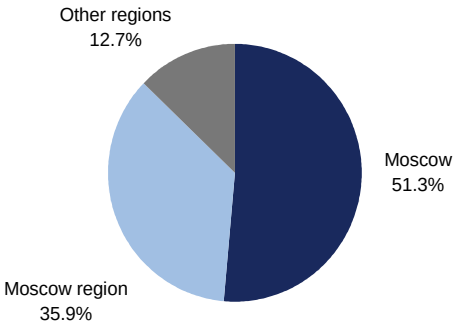
Total 5.4mn sqm

Moscow region split by cities
Market value, US$ mn



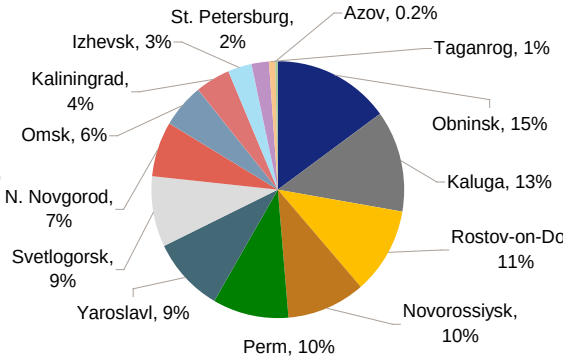
Total US$979mn

Portfolio breakdown by regions
Market Value, US$ mn



Total US$2,724mn

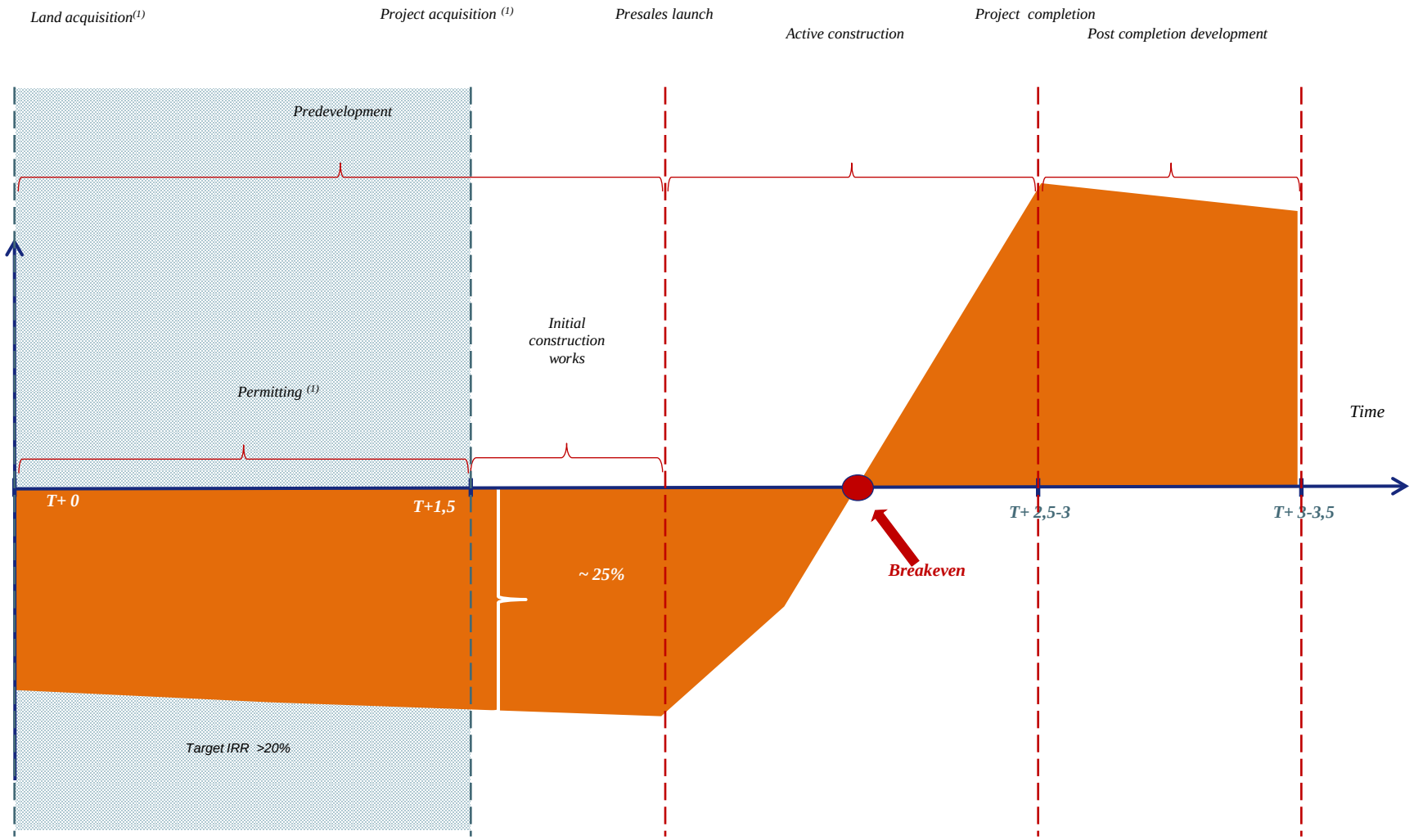
Other regions split by cities
Market Value, US$ mn



Total US$347mn

Source: CBRE as of June 30, 2011

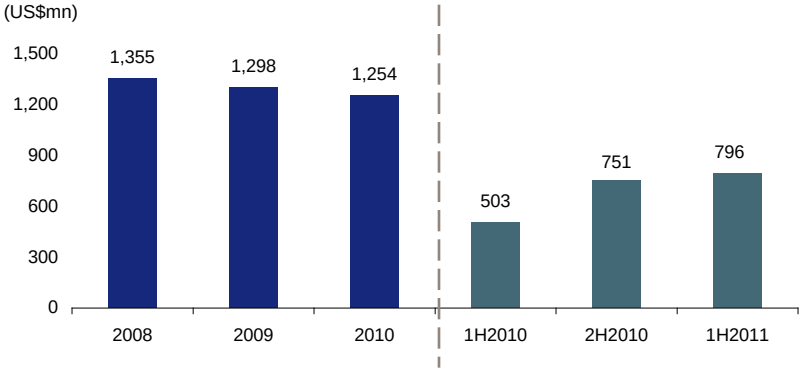
Indicative cumulative net cash flow pattern on project level



(1) In case of co-investment agreement, permitting process is shortened, thus the predevelopment period is shorter
Note: Based on typical building construction and sales schedule
Source: Company data

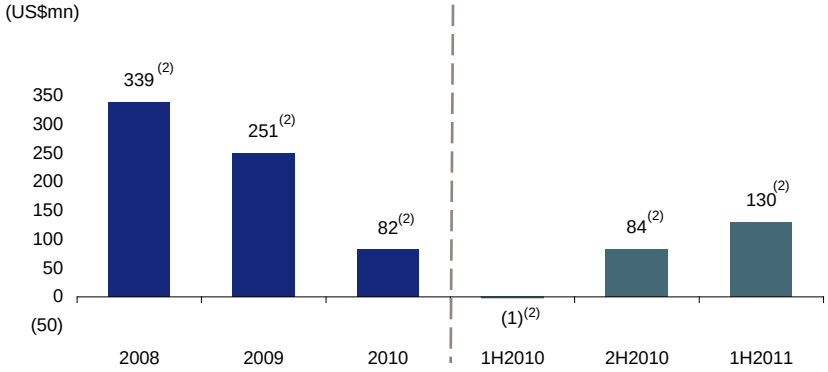
Improving financial results overview

Revenue



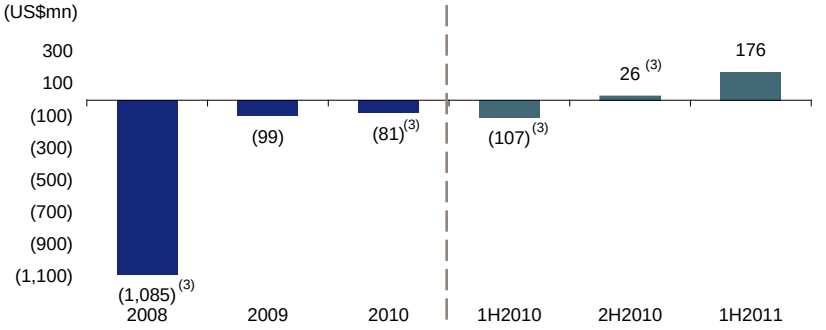
Note: 2006, 2007, 2008, 2009 numbers were restated in 1H2010
2H2010 numbers in US$ calculated as full year 2010 less 1H2010
Source: Audited annual IFRS accounts, reviewed 1H2011 accounts
Translated at relevant average ex-rates except for 2H2010

Gross Profit(1)



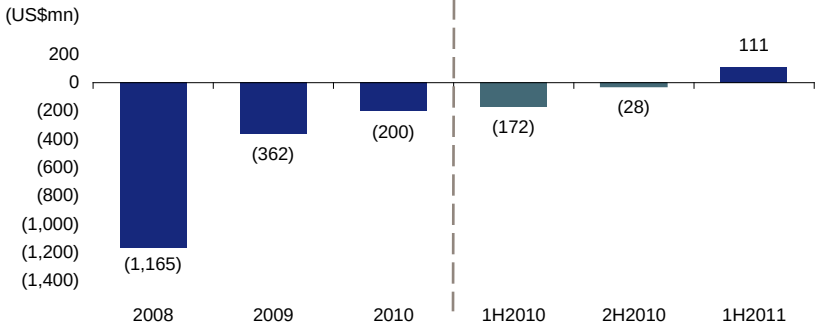
(1) Gross profit in accordance with IFRS
(2) Gross profit before additional provisions for social and infrastructure costs was US$361mn, US$251mn, US$220mn US$128mn, US$92mn and US$130mn in 2008, 2009, 2010, 1H2010, 2H2010 and 1H2011 respectively
Note: 2006, 2007, 2008, 2009 numbers were restated in 1H2010; 2H2010 numbers in US$ calculated as full year 2010 less 1H2010
Source: Audited annual IFRS accounts, reviewed 1H2011 accounts. Translated at relevant average ex-rates except for 2H2010

EBITDA(1,2)



(1) ***EBITDA*** *represents total comprehensive income/(loss) before income tax expense, interest income, interest expense including penalties payable and depreciation and amortization*
(2) ***Adjusted EBITDA*** *represents EBITDA before impairment losses and reversal of impairment, impairment losses on financial assets, foreign exchange losses/gains, share of loss of equity accounted investees, net gain/loss on disposal of PP&E, gain/loss on disposal of subsidiaries and development rights, effect of termination of long-term land lease agreements, provision for doubtful accounts and accrued penalties and fees*
(3) *Adjusted EBITDA was US$92mn,US$143mn, (US$27mn), (US$58mn), US$31mn, US$64mn in 2008, 2009, 2010, 1H2010, 2H2010 and 1H2011 respectively*
Adjusted EBITDA for 2008 and 2010 does not add back the effect of revision of social infrastructure costs of RUB548mn (US$22m) and RUB4,181mn (US$138m), respectively
Note: 2006, 2007, 2008, 2009 numbers were restated in 1H2010
2H2010 numbers in US$ calculated as full year 2010 less 1H2010
Source: Audited annual IFRS accounts, reviewed 1H2011 accounts
Translated at relevant average ex-rates except for 2H2010

Net Income



Note: 2006, 2007, 2008, 2009 numbers were restated in 1H2010
2H2010 numbers in US$ calculated as full year 2010 less 1H2010
Source: Audited annual IFRS accounts, reviewed 1H2011 accounts
Translated at relevant average ex-rates except for 2H2010

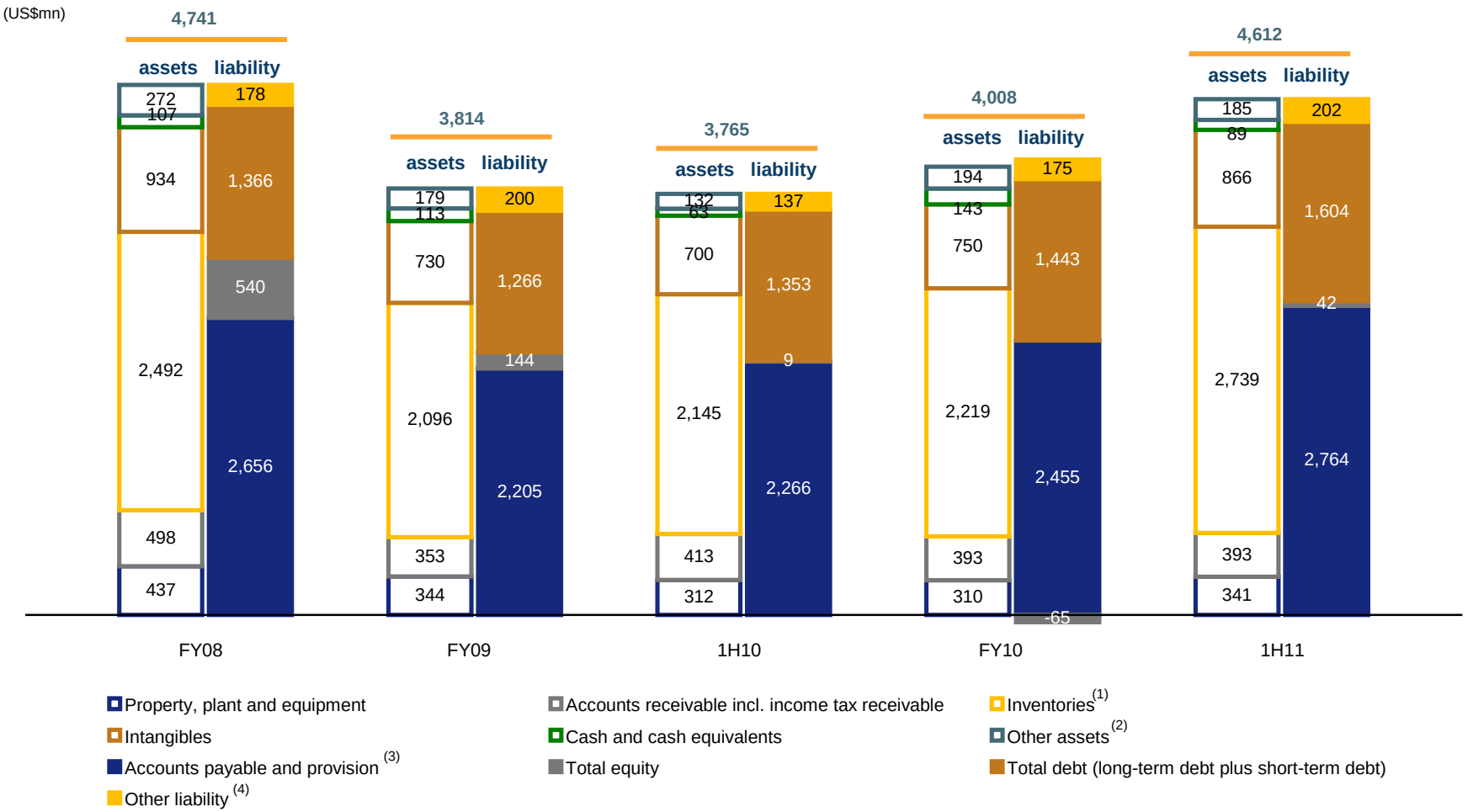
Note: Converted at historical average CBR RUB/US$ exchange rates for respective period
- 2008 av. RUB/US$ 24.86; 2009 av. RUB/US$ 31.72; 2010 av. RUB/US$ 30.37
- 1H2010 av. RUB/US$ 30.07; 2H2010 calculated as FY2010 results less 1H2010 (not adjusted for 2H2010 av. ex-rate); 1H2011 av. RUB/US$ 28.62

Operational highlights

	2008	2009	2010	1H2010	1H2011
Key Operating indicators ('000 sqm)					
New sales contracts to customers (PIK share)[1]	520	123	392	159	229
Transferred to customers (PIK share)[2]	378	492	434	152	260
Total housing completions [1]	813	884	739	245	354
Key Financial indicators (US$mn)					
Revenue[2]	1,356	1,298	1,254	503	796
Average selling price, US$/sqm [1]	2,472	1,970	2,058	2,234	2,409
EBITDA / Adjusted EBITDA [1]	(1,085) / 92	(99) / 143	(81) / (27)	(107) / (58)	176 / 64
Net Debt[2,3]	1,250	1,112	1,221	1,214	1,476

(1) Management accounts
(2) IFRS accounts
(3) Net debt calculated as LT&ST debt - accrued interest payable – accrued penalties – cash; USD/RUB exchange rate end of respective period – 29.4, 30.2, 30.5, 31.2 and 28.1 for 2008, 2009, 2010, 1H2010 and 1H2011 respectively
Note: 2007, 2008, 2009 financial numbers were restated in 1H2010
2H2010 numbers in US$ calculated as full year 2010 less 1H2010
Source: Audited annual IFRS accounts, reviewed 1H2011 accounts
Translated at relevant average ex-rates except for 2H2010

Balance sheet structure



(1) Mostly consist of construction in progress, intended for sale and prepayments for real estate property intended for sale
(2) Consist of assets held for sale, deferred tax assets, investments in equity accounted investee and other investments
(3) Mostly consist of advances from customers, accounts payable for construction works and provision for construction costs to complete
(4) Consist of income tax payable, deferred tax liabilities.
Note: 2008, 2009 numbers were restated in 1H2010. Converted at CBR historical RUB/US$ rates as at the end of the respective period
Source: Audited IFRS accounts

Strong upside expected from mortgages growth

Substantial number of potential mortgage lenders… + **..coupled with beneficial mortgage program** = **…resulted in significant upside potential from mortgages growth**

Typical PIK's customer[1]

- Average age: 25-35 y. o.
- Education: university degree
- Marital status: formal / common law marriage (70% of families have children)
- Professional status: professionals / mid-level managers
- Monthly income per family: over RUB45 – (over US$1,300)[2]
- Purpose for buying apartments: for living, as the first own apartment
- Key factors that prompt customers to buy from PIK:
  - PIK's solid track record and sense of security in dealing with PIK (42%)
  - good value (37%)
  - availability of mortgage and the option to pay by installments (11%)
  - better services compared to other companies (10%)

Average mortgage program

- Borrower's age: 21-60 y. o.
- Downpayment: 10% - 20%
- Maturity: up to 30 years
- Interest rate[3]:
  - before registration of title 10% - 14%,
  - after registration of title 8% - 12%
- Security:
  - prior to registration of title: pledge of claims under the agreement
  - after registration of title: encumbrance on purchased apartment

PIK's strategic plans for mortgage development support

- ✓ **Offer clients the opportunity to buy an apartment in each of PIK's residential development using mortgage**
- ✓ **Create a broad range of mortgage products to cover the widest client universe**
- ✓ **Together with partner banks promote lending products and properties in order to boost mortgage sales**
- ✓ **Reach and exceed the pre-crisis level of mortgage sales (>=25%)[4]**

(1) PIK data; (2) Translated at average 2010 exchange rate of 30.4 RUB/US$ exchange rate; (3) Depends on the bank-creditor, individual mortgage partnership program and project location (Moscow, Moscow region, other regions); (4) Pre-crisis-level reached in 2Q2011
Source: Company data.

Strong demand expected from mortgage programs promoting