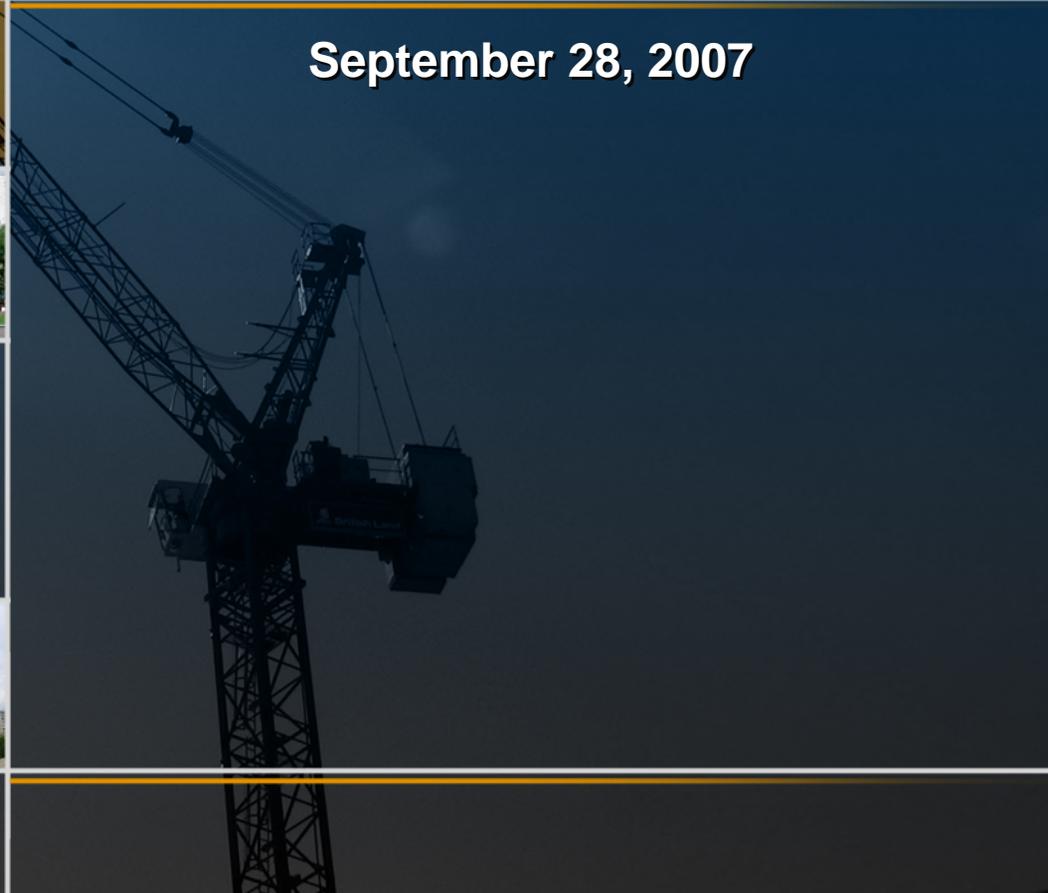




# Presentation of the Financial Results for the Six Months 2007

September 28, 2007



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- One of the largest residential developers in Russia, founded in 1994
- Leading residential developer in Moscow and Moscow Region<sup>(1)</sup>
- Rapidly increasing presence in Russia's various regions, since IPO entered into Kaluga, Krasnodar, Volgograd.
- Integrated business model
  - Real estate development
  - Production and assembly of pre-fabricated panel housing
- Since 1994 completed over 5MM square meters of housing
- Large and diversified land bank with a total unsold area of 8.8 MM square meters, combined market value of \$8.8 Bn as at 1 January 2007 (CB Richard Ellis)
- FY06 Sales of \$1,546 MM, EBITDA of \$486 MM

1. Based on square meters of housing completed in 2006

## Residential Complexes and High-rise Buildings



Fersman Street, Moscow

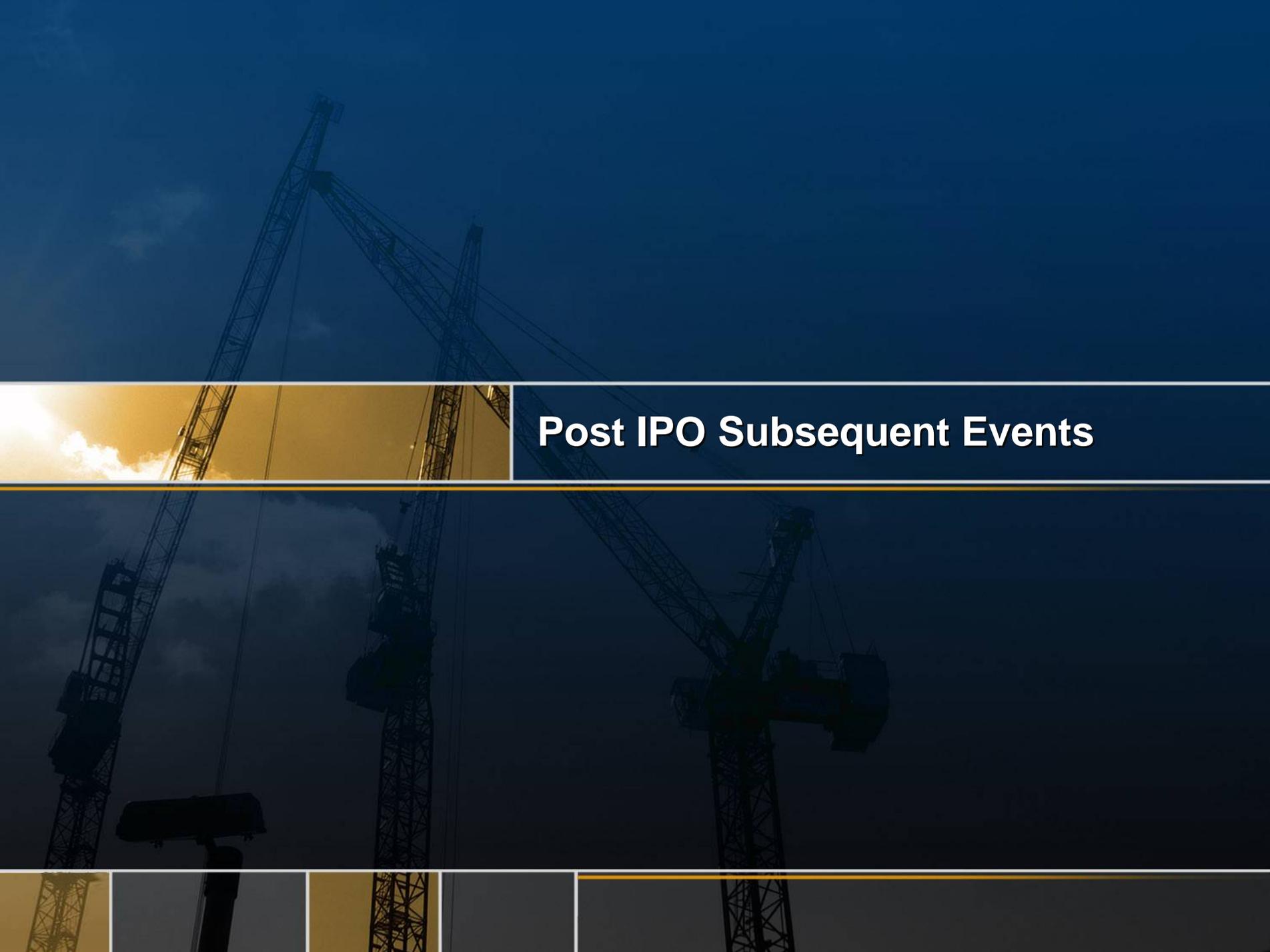


Malomoskovskaya, Moscow

## Entire Communities Developed by PIK Group



Novokurkino, Moscow Region



# Post IPO Subsequent Events

# The largest European and the largest non-REIT real estate IPO globally

## Successful Russian real estate IPO



**US\$1.93bn IPO**



The largest European real estate IPO; and  
The largest non-REIT real estate IPO globally

<b>Issuer</b>	<b>PIK Group</b>
Size	US\$1.93bn
Pricing Date	1 June 2007
Listing	London Stock Exchange, MICEX, RTS
Issued securities	GDRs and ordinary shares (1 GDR = 1 share)
Offer Structure	Reg S and 144A to QIBs
Pricing	US\$25 per GDR and US\$25 per ordinary share
New / existing capital	50% primary and 50% secondary
Free float	Approx. 16%
Major shareholders	Approx 42% - Mr. Pisarev; approx 42% - Mr. Zhukov
Valuation	US\$12.3bn at offer price
Use of proceeds	<b>1.</b> Expand landbank; <b>2.</b> Pursue return-driven acquisitions; <b>3.</b> Rationalize capital structure

- PIK's investor base represent high quality of long-term investors with broad geographical spread;
- Shares were placed in though market conditions (RTS index declined by appr. 8% during one and half week preceding the date of pricing of the Offering)

# Land Bank Expansion in 2007

Kaliningrad	
<b>Location</b>	<b>NSA ('000 sqm)</b>
Svetlogorsk	320

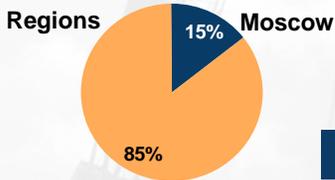
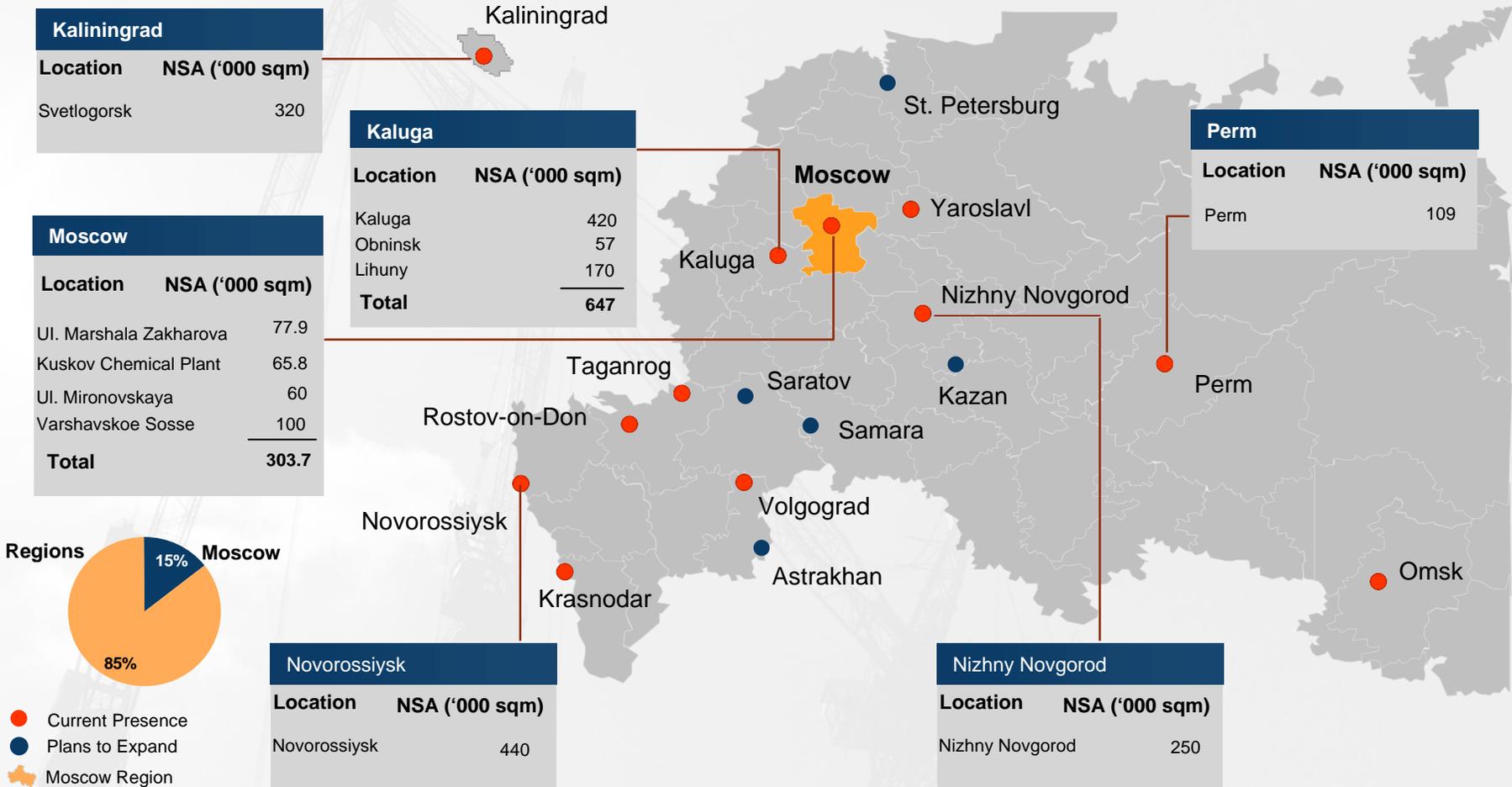
Moscow	
<b>Location</b>	<b>NSA ('000 sqm)</b>
Ul. Marshala Zakharova	77.9
Kuskov Chemical Plant	65.8
Ul. Mironovskaya	60
Varshavskoe Sosse	100
<b>Total</b>	<b>303.7</b>

Kaluga	
<b>Location</b>	<b>NSA ('000 sqm)</b>
Kaluga	420
Obninsk	57
Lihuny	170
<b>Total</b>	<b>647</b>

Perm	
<b>Location</b>	<b>NSA ('000 sqm)</b>
Perm	109

Novorossiysk	
<b>Location</b>	<b>NSA ('000 sqm)</b>
Novorossiysk	440

Nizhny Novgorod	
<b>Location</b>	<b>NSA ('000 sqm)</b>
Nizhny Novgorod	250



- Current Presence
- Plans to Expand
- ★ Moscow Region

■ Total estimated NSA acquired equaled to 2.07 MM for the total consideration of \$474.8 MM

# Large and Diversified Development Portfolio

## Land Bank Expansion Potential for FY07- 08



### Immediate Land Acquisition Pipeline

Project Location	Estimated Net Selling Area (sqm)	Estimated Acquisition Cost (\$MM)	Current Stage of Negotiation (\$MM)
Yaroslavsky-2, Mytishi (Moscow Region)	150,000	8	MoU
Airport, Perm	129,000	-	MoU
Moscow, western part	230,000	-	Advanced Negotiations
Moscow, southern-eastern part	260,000	-	Advanced Negotiations
Various (Nizhny Novgorod, Saratov, Volgograd, Perm, Moscow Region, Yaroslavl)	~3,108,000	-	Advanced Negotiations
	<b>3,877,000</b>		

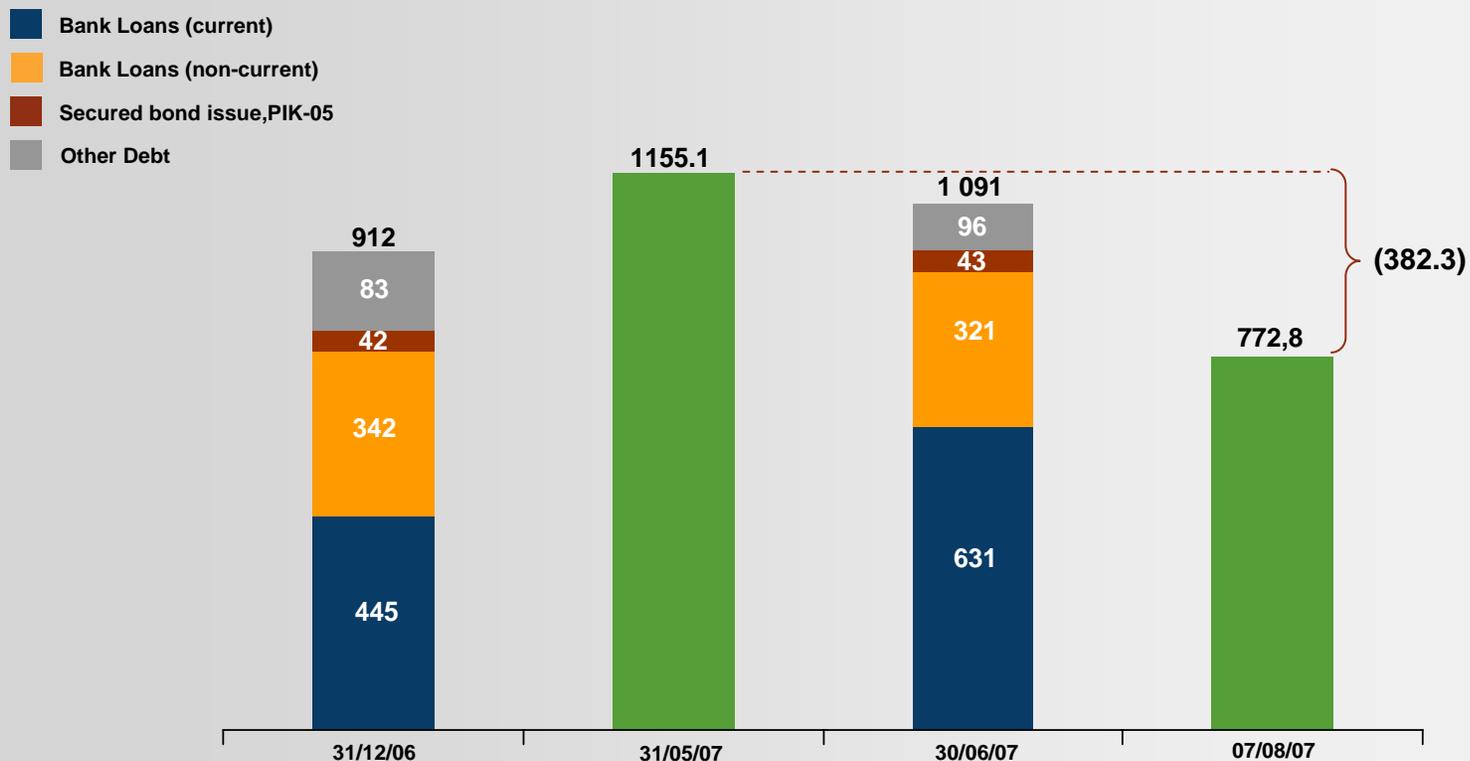
### Additional Acquisitions Done Post CBRE <sup>(1)</sup>

2,070,000

**5,947,000**

Note: (1) 2.07 sqm of land, acquired post CBRE is excluded from the above calculation

## Debt Summary and its Dynamic over Time



Note: RR amounts were converted at the following closing rates: 26.33 25.90, 25.81 and 25.42 for 31/12/06, 31/05/07, 30/06/07 and 07/08/07 accordingly  
 Source: Company Management data

- Since May 30, 2007 (date of the IPO) \$ 382.3 MM loans were repaid
- By repaying the most expensive loans, average costs of debt decreased by 1% down to 9,4%.

Note: Other Debt represents Unsecured loans from third parties, finance lease liability, Interest payable

# Acquisition of Storm Properties Secures Expertise for Commercial Development

PIK acquired 50%+1 share of Storm Properties in order to seize the expertise of team of professionals in the commercial sector



*Business centre "Big City Office Towers"*

Estimated GBA:  
160 000 sqm

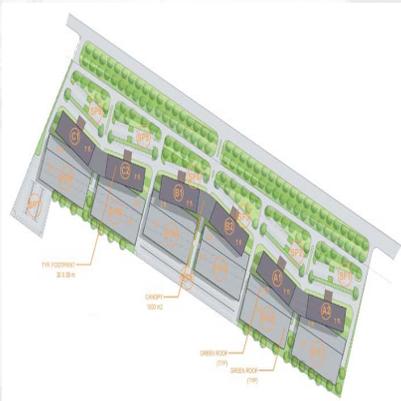
Estimated GLA:  
101 400 sqm



*Science & technical centre "Presnensky Val"*

Estimated GBA:  
24 000 sqm

Estimated GLA:  
15 000 sqm



*Business park "Kaluzhsky"*

Estimated GBA:  
230 000 sqm

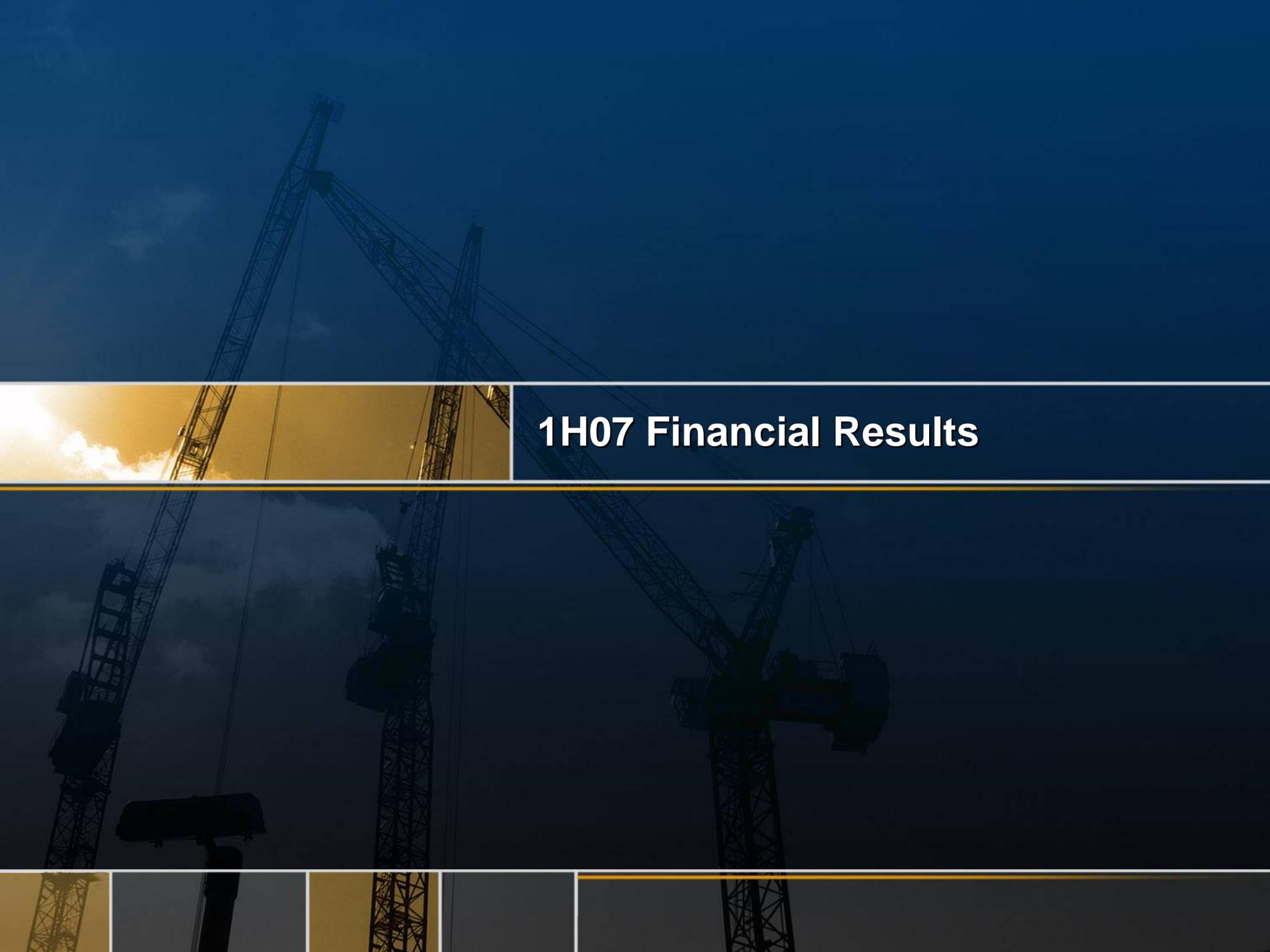
Estimated GLA:  
100 000 sqm



*"Geneva House"*

Estimated GBA:  
18 000 sqm

Estimated GLA:  
11 700 sqm

The background of the slide features a low-angle shot of several construction cranes against a clear blue sky. A prominent horizontal band of bright yellow light, resembling a sunrise or sunset, cuts across the middle of the image. The cranes are silhouetted against the sky, with their lattice structures clearly visible. The overall composition is clean and professional, typical of a corporate financial report.

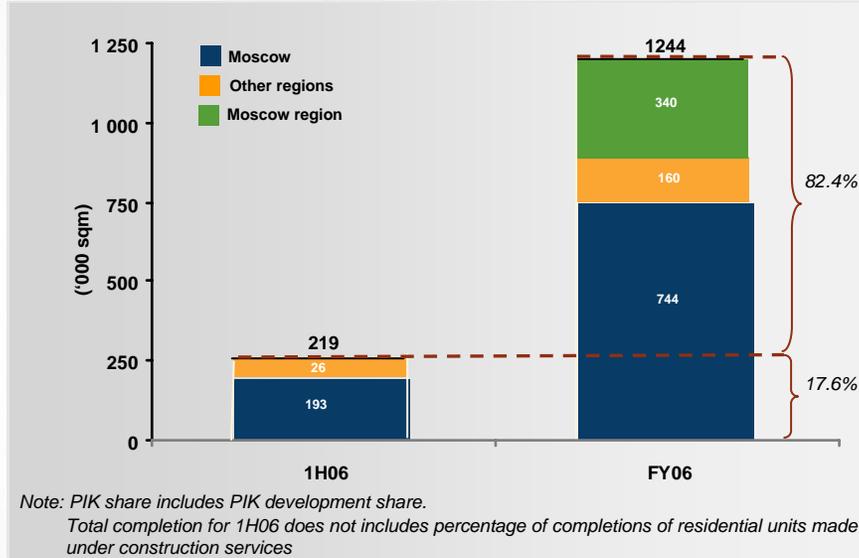
# 1H07 Financial Results

PIK adopted a conservative accounting policy, namely:

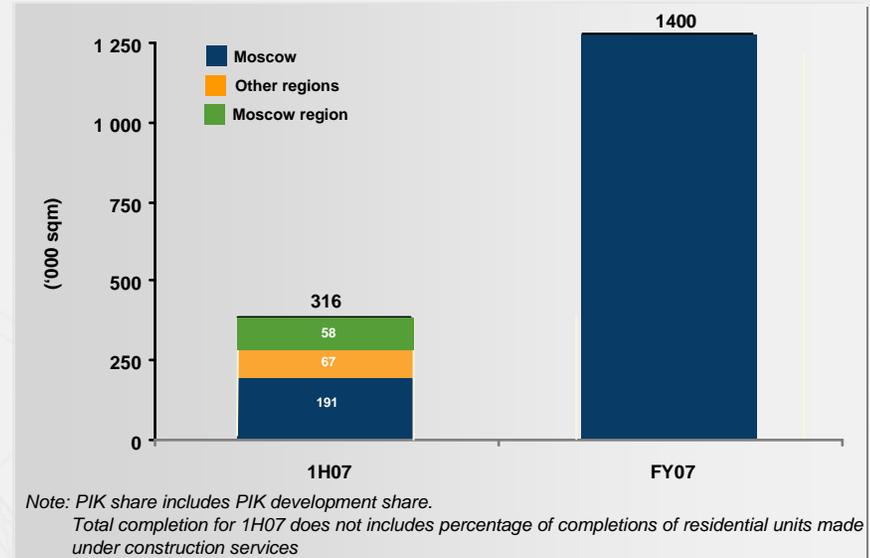
- Revenue and cost recognition
  - When a building is complete and approved by the state commission in the form of the receipt of State Acceptance Act
- Cash pre-completion sales
  - Booked as advances from customers under IFRS
- Costs incurred pre-completion
  - Booked as Inventory (work-in-progress)
  - Land plots in beginning stages of development included in inventory
- Majority of completions and approvals received mainly in the second half of the year

# Moscow is the Key Driver for Completions

## Buildings Completed and Accepted, FY06



## Buildings Completion and Accepted, 1H06

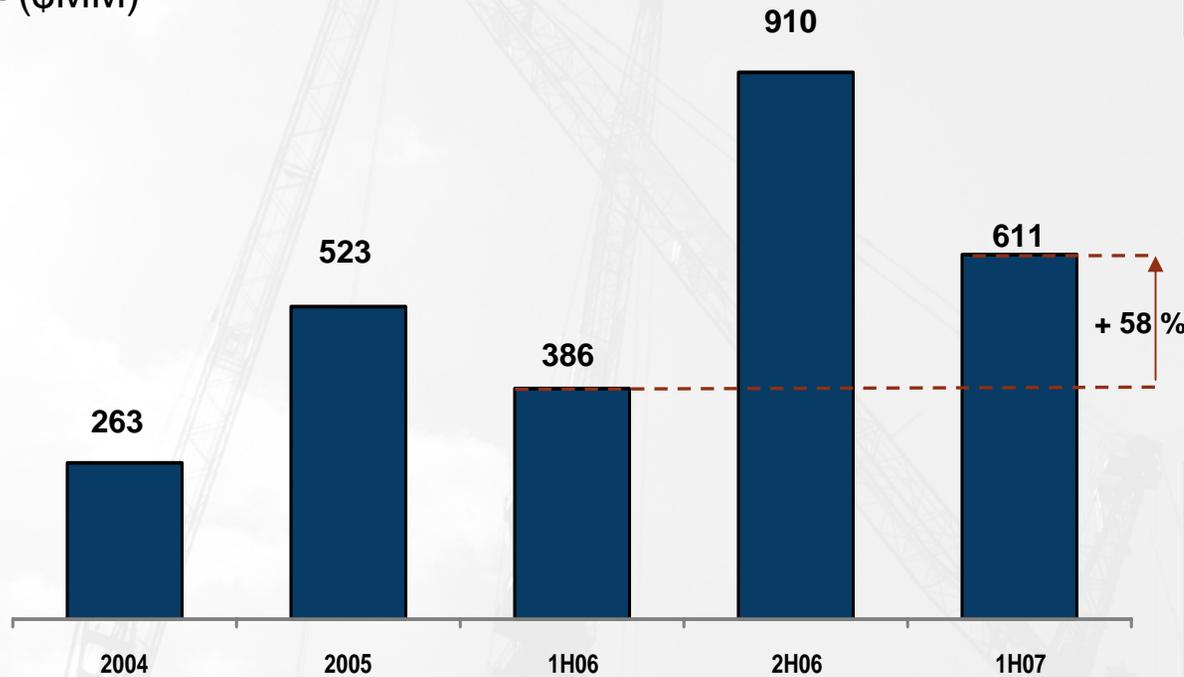


- As compared to 1H06, robust completions in
  - Moscow region (67,000 in 1H07 versus 25,000 in 1H06).
  - Russia's regions (58,000 in 1H07 vs. nil in 1H06) due to undertaken regional diversification through the acquisition of Storyinvestregion;

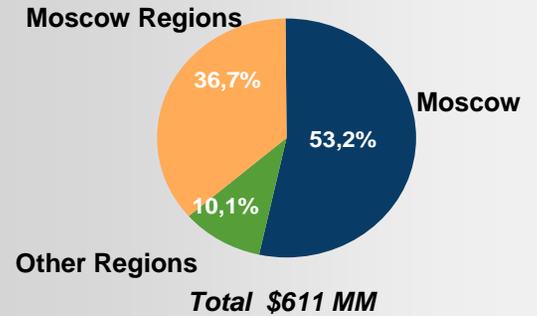
Note: PIK Group has a very conservative revenue recognition accounting principles, which means that sales revenue is only recognized when apartments are sold **and** completed **and** approved by the state commission in the form of State Acceptance Act.

# Continuous Cash Collections Over Time

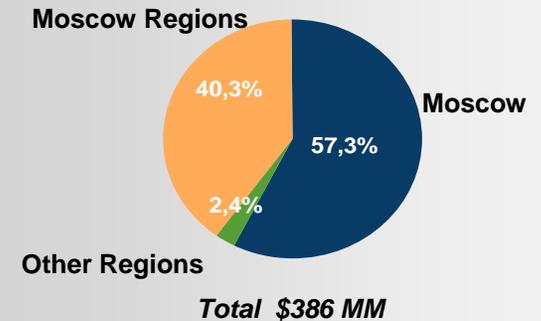
## Cash Collections (\$MM)



### Cash Collections by Geography, 1H07



### Cash Collections by Geography, 1H06



Note: Management accounts; Ruble amounts were converted at average exchange rates of 28,83RR/USD, 28,29RR/USD, 27,62RR/USD, 26,7US/RR, 26,07 RR/USD for the FY04, FY05, 1H06, 2H06 and 1H07 accordingly.

# Significant Growth in Revenues and Gross Profit

## Key Operational Metrics (\$MM)

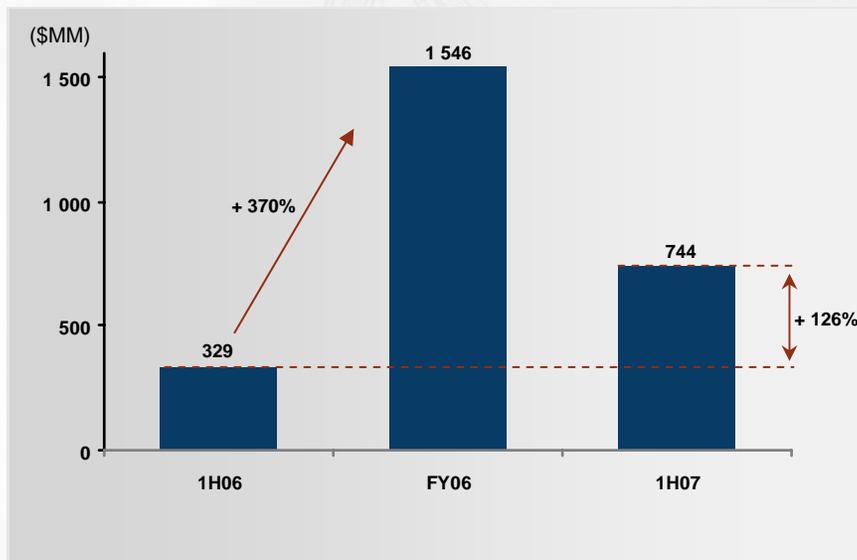
	FY06	1H06	1H07	Change %
Revenue	1 546	329	744	+ 126%
Gross Profit	376	59	133	+ 125%
EBITDA	486	170	114	- 33%
Recurring EBITDA	312	48.5	92.8	+ 91%

Source: unaudited management accounts

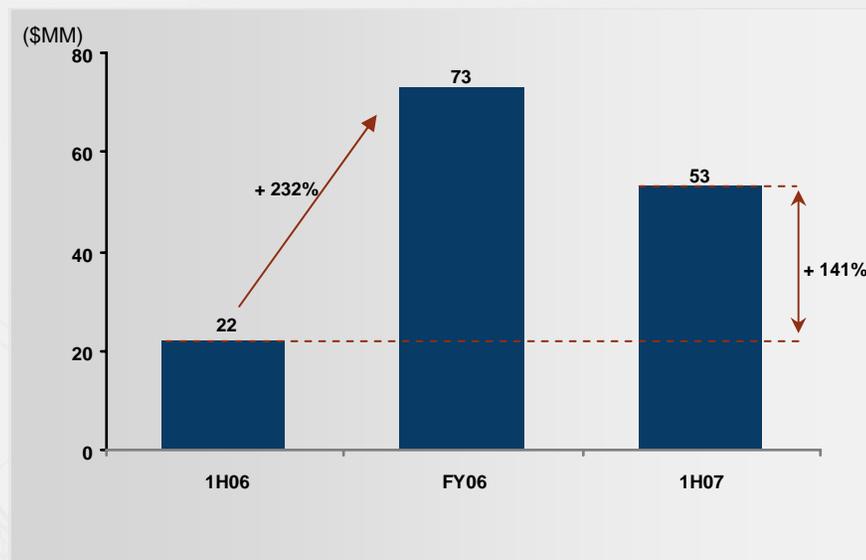
Note: Ruble amounts were converted at average exchange rates of 27.19 RR/USD 27,62RR/USD, 26,07 RR/USD for the FY06, 1H06 and 1H07 accordingly.

# Earnings Historically Recognized in the Second Half of the Year, while Fixed Costs Incur Evenly over the Year

## Revenue Over Time



## Fixed G&A and S&D Expenses Over Time



- Compared to 1H06, increased G&A and S&D expenses are driven by the fact that PIK:
  - undertook intensified marketing efforts to raise the Group's profile and brand awareness throughout Russia following the acquisition of Stroyinvestregion, a middle-sized developer with a regional presence;
  - Introduced performance related personnel payments and hiring more experienced and qualified staff, essential to the operations of a public company.

Note: Ruble amounts were converted at average exchange rates of 27,62RR/USD, 26,07RR/USD, 27,19 RR/USD for the 1H06, 1H07 and FY06 accordingly.

## Key Revenue Drivers for 2H07

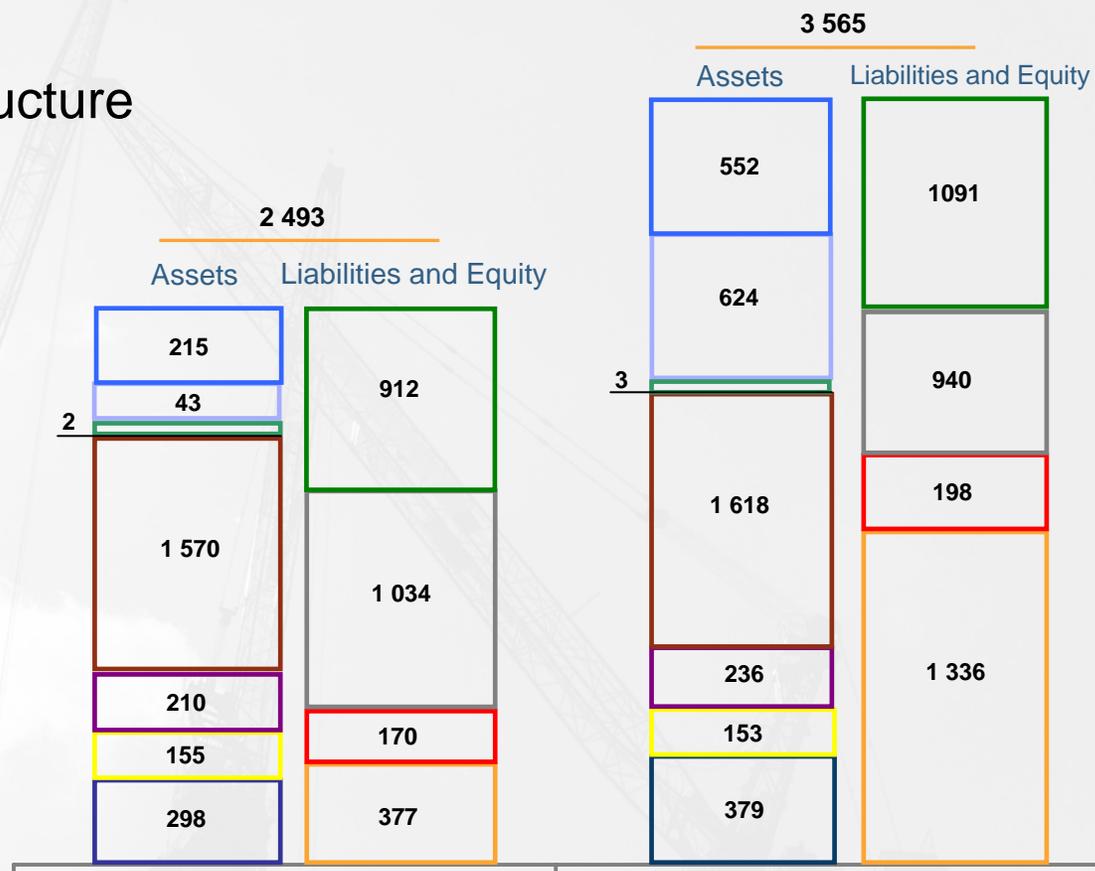
- Continuing strong demand from customers, which may crystallize in revenue recognition upon the respective buildings completion and acceptance;
- Impact from regional expansion undertaken in FY06, when PIK simultaneously entered into seven cities;
- Currently, significant selling initiatives undertaken:
  - To secure wholesale selling of completed residential units from existing Moscow stock through reputable stock brokers;
- Significant income from selling development rights may be generated;

# Significantly Improving Balance Sheet Structure Through Debt Repayment and IPO Proceeds

## Financial Structure

(\$MM)

- Cash and cash equivalents
- Inventory
- Investments
- Intangibles
- PP&E
- Deferred tax assets
- Accounts receivable



	FY06	FY07
<b>Gearing<sub>(1)</sub></b>	<b>231%</b>	<b>35%</b>
<b>Adjusted gearing<sub>(2)</sub></b>	<b>5,3%</b>	<b>n/a</b>

Note: (1) Net Debt/Shareholders' Equity including Minorities  
 (2) Net Debt/CBRE portfolio value as of 31/12/06

- PIK demonstrated rapid progress and strong performance underpinned by
  - Significantly increased equity as a result of the Group's IPO;
  - Robust expansion made in terms of further land acquisition;
  - Penetration into commercial marketplace;
  - Reduced cost of debt and decreased net debt;
  - Strong sustainable cash collections over time due to pre-selling business model;
  - Significantly increasing construction volumes and completions as a result of geographical diversification;
  
- We believe that based upon the above results, we shall further show continuous strong performance for the second half of 2007