



Financial Results for the 6 months ended June 30 2009

October 16 2009

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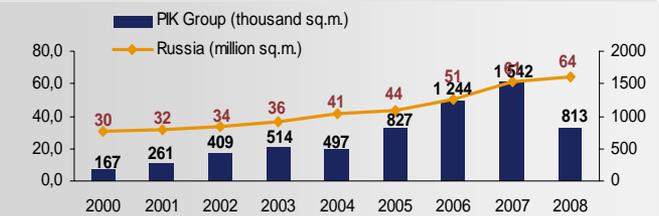


Introduction



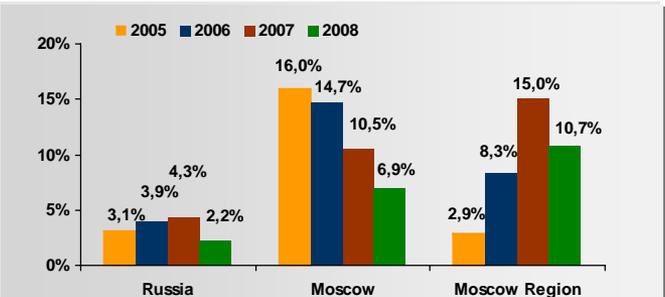
- Leading residential developer in Russia, focusing on mass market communities
- Proven track record in RE development, since inception completed over 9.0MM square meters of buildable space (equivalent to approx. 150,000 units)
- Vertically integrated business model with annual production capacity of 1.2MM sqm housing
- Large and diversified landbank of 16.9MM net sellable sqm
- Founded in 1994, public since June 1, 2007

Volume of completed housing in 2000-2008



Source: Rosstat, Company data

Estimated Market Share in 2005-2008



Source: Rosstat, Company data

Mass market residential developments



Novokurkino, Moscow Region, 1 160k m²



Dolgoprudny, Moscow Region, 420k m²

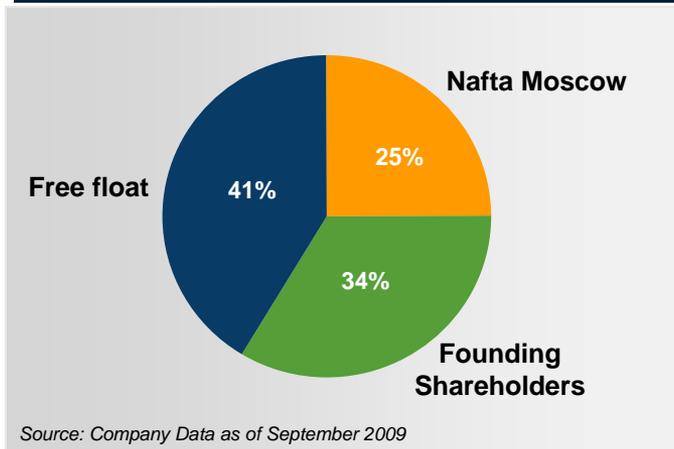


New-Peredelkino, Moscow, 211k m²



Yaroslavskiy, Mytishi, Moscow Region, 987k m²

Shareholders Structure



- On April 1 2009 Nafta Moskva affiliated company has acquired 25% stake in PIK Group
- Following the above transaction, the founding shareholders' stake in the Group reduced to 34%
- Nafta Moskva is a well-connected private equity fund, with significant experience in crisis management
- Following EGM held on October 2 2009, representatives from Sberbank and VTB were elected into the BOD



Kirill V. Pisarev

*Founding Shareholder,
Chairman of the BOD*

- Kirill V. Pisarev on July 29 2009 was elected as the new chairman of the Board of Directors of PIK Group



Pavel A. Poselenov

CEO since July 29 2009

- Pavel A. Poselenov, former part of PIK Management team, was appointed as PIK Group's CEO



Financial Results for the 1H2009



Key Financial Highlights

(\$MM)

	FY08	1H08	1H09	Change%
Revenue	1 434	859	361	(58%)
Gross Profit	371	320	74	(77%)
<i>Gross Profit Margin</i>	26%	37%	21%	
EBITDA	(1 065)	200	(106)	(153%)
<i>EBITDA Margin</i>	(74%)	23%	(29%)	
Adjusted EBITDA	124	201	(65)	(132%)
<i>Adjusted EBITDA Margin</i>	8,6%	23%	(18%)	
Net Income/(loss)	(1 134)	93	(185)	(299%)
<i>Net Income Margin</i>	(79%)	11%	(51%)	

Source: Management accounts for FY08 audited by KPMG; Management accounts for 1H08 and 1H09 reviewed by KPMG

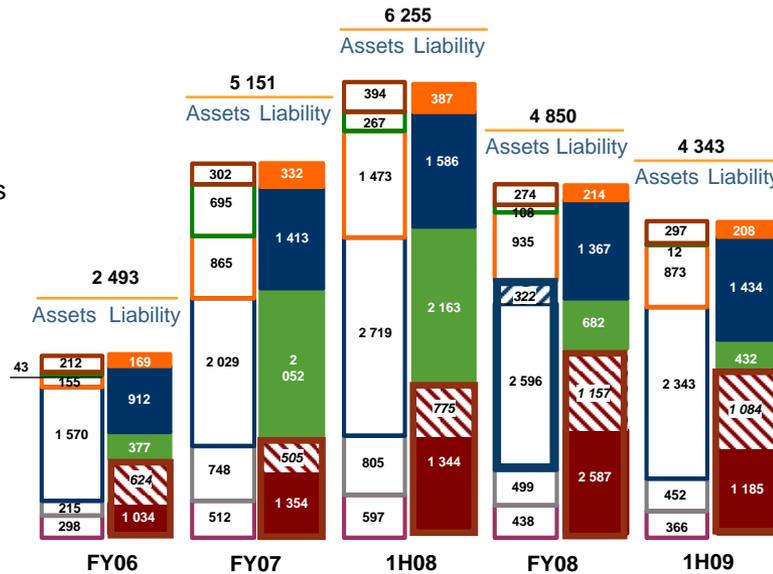
Note: Ruble amounts were converted at average exchange rates of 24,8639 RUB/USD, 23,9647 RUB/USD and 33,2702 RUB/USD for the FY08, 1H08 and 1H09 accordingly

(1) EBITDA represents net profit/loss for the year before income tax expenses, interest income, interest expense, depreciation and amortization. EBITDA is not a measure of financial performance under IFRS. You should not consider it an alternative to net profit for the year as a measure of operating performance or to cash flows from operating activities as a measure of liquidity. Our calculation of EBITDA may be different from the calculation used by other companies and therefore comparability may be limited. We believe that EBITDA provides useful information to investors because it is an indicator of the strength and performance of our ongoing business operations, including our ability to fund discretionary spending such as capital expenditures, acquisitions of subsidiaries and other investments and our ability to incur and service debt. While depreciation and amortization are considered operating costs under IFRS, these expenses primarily represent non-cash current period allocation of costs associated with long-lived assets acquired or constructed in prior periods.

Financial Structure

(\$MM)

- Other Assets
- Cash and cash equivalents
- Intangibles
- Inventory
- Incl. Long Term Inventory
- Accounts Receivable incl Income Tax receivable
- Property, Plant and Equipment



- Total Debt
- Other Liability
- Total equity
- Accounts Payable and Provision
- Incl Advances from Customers

	FY06	FY07	1H08	FY08	1H09
Total Assets	2,493	5,151	6,255	4,850	4,343
Net Tangible Assets per Share ⁽¹⁾	n/a	6,01	6,48	5,16	4,12

- Total assets as of June 30 2009 decreased by 10,5% and reached US\$4,34billion (December 31 2008: US\$4,85billion);
- Net tangible assets per share as of June 30 2009 amounted to approximately US\$4.12 (December 31 2008: US\$5.16);
- Total debt as of June 30 2009 has not changed significantly and amounted to US\$1,43billion (December 31 2008: US\$ 1,37billion);
- Net debt as of June 30 2009 amounted to US\$1,42billion (December 31 2008: US\$1.26billion).

Note: (1) Net tangible assets per share calculated as total assets less total debt less intangible assets divided by number of shares outstanding
 Source: Management accounts for 1H08 and 1H09 reviewed by KPMG; FY06, FY07, FY08 audited by KPMG

Cash Flow Statement

(\$MM)

	FY08	1H08	1H09
OPERATING ACTIVITIES			
Profit for the period	(1 134)	93	(185)
Operating Profit before Changes in Working Capital and Provisions	127	201	(14)
Cash Flow from Operations before Income Taxes and Interest Paid	496	160	2
Cash Flows (utilized by)/from Operating Activities	330	79	(43)
INVESTING ACTIVITIES			
Cash Flows utilized by Investing Activities	(897)	(570)	(69)
FINANCING ACTIVITIES			
Cash Flows from Financing Activities	10	41	28
Net Increase in Cash and Cash Equivalents	(558)	(451)	(84)
Cash and Cash Equivalents at Beginning of Year (net of overdrafts)	686	712	95
Cash and Cash Equivalents at End of Year (net of overdrafts)	126	258	12

Source: Audited Financial Statement for FY08; Management Accounts for 1H08 and 1H09

Note: Ruble amounts were converted at average exchange rates of 24,8639 RUB/USD, 23,9647 RUB/USD and 33,2702 RUB/USD for FY08, 1H08 and 1H09 accordingly



Strategy Overview





Focus on affordable mass market housing development

Finalize loan portfolio restructuring

Increase business efficiency through cost cutting and tighter control over construction costs

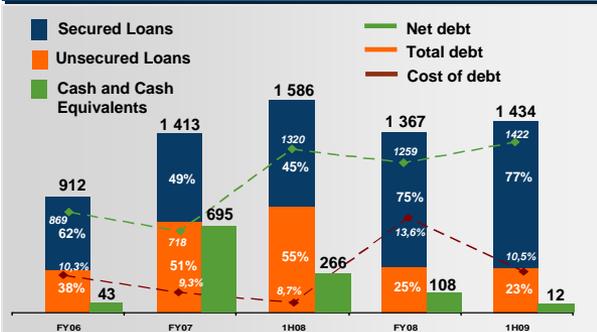
Meet existing liabilities in real estate development towards our buyers

Extension of sales to various government bodies

Focus on highly liquid mass market projects in Moscow Region and Moscow

Total Debt as of June 30 2009
RUB 44,86bn
(USD 1,43bn)

Debt portfolio over time ⁽¹⁾ (US\$MM)



Note: (1) excluding finance lease liability, interest payable
Source: Audited IFRS Accounts for 2006,2007; Management accounts for 1H08, 1H09

	FY06	FY07	FY08
Total Assets	2 493	5 151	4 850
Inventory	1 570	2 029	2 596
Advances from Customers	645	505	1 157
Gearing ⁽¹⁾	2,42x	0,69x	2,00x

Note: RUB amounts were converted at the following closing rates: 26.3311 , 24.5462, 23.46 , 29,3804 and 31,2904 for 31/12/06, 31/12/07, 30/06/08 , 31/12/08 and 30/06/09 accordingly
(1) Gearing is calculated as Debt divided by Equity

RUB14,0 bn

- Sberbank made a decision to restructure existing debt of RUB14bn up to 5 years with 2,5 years grace period, equal quarterly amortization after 2,5 years
- Sberbank also committed to provide RUB12.7bn additional project financing subject to receipt of government guarantee and bilateral restructuring with 80% of the creditors (excluding VEB)
- On September 17 2009 the Russian Government Commission approved a government guarantee in favor of PIK Group in the amount of RUB14,375bn

RUB8,2 bn

- VEB is considering 1 year extension of PIK facility (currently end of 2009)

RUB21,0 bn

- PIK is finalizing negotiations with the rest of the creditors. Asset settlements, debt extension up to 5 years with grace period and various alternatives are being offered.

Expected total debt after
debt restructuring and
receipt of new financing
RUB ~48bn
(USD~1,6bn)

Increase business efficiency through cost cutting and tighter control over construction cost

- ✓ Implemented tighter control over construction costs
- ✓ Reduced overheads and administrative expenses by 45,7% in 1H09 as compared to 2H08⁽¹⁾
- ✓ Rationalized headcount (over 2,500 people made redundant)⁽¹⁾
- ✓ Postponed capex for regional facilities acquired in 2008 (i.e. rolling over the new technology into the regions is put 'on hold')
- ✓ Suspended commercial projects development till debt financing is in place
- ✓ Closed down CIS offices
- Continue optimizing the Group's structure

Meet existing liabilities in real estate development towards our buyers

- Finish apartments already presold to over 18,000 customers
- Maintain integrity of the business, which employs approx. 11,000 people
- Continue business with companies which employ another 40,000 people in allied industries (cement producers, steel works etc.)

Extension of sales to various government bodies

- Cooperate with federal and local authorities in social housing programs:
 - ✓ contracts were signed with N. Novgorod, Obninsk and Moscow city local authorities
 - Continue negotiations with Ministry of Defense
- Extend subcontracting activity with local authorities

Focus on highly liquid mass market projects in Moscow Region and Moscow

- Maximize usage of existing production capacities
- Secure future cashflows by focusing on strong demand areas (Moscow region and Moscow)
- Maximize number of prefab buildings to increase efficiency of PIK production capacity

- PIK short-term priorities are:
 - finalize debt restructuring in 4Q09
 - obtain first tranches of new project financing from Sberbank to resume construction velocity on its own residential developments from the pipeline
- PIK targets approximately 800k sqm of total completions in 2009 year
- Going forward PIK intends to implement more flexible and aggressive sales & marketing policy

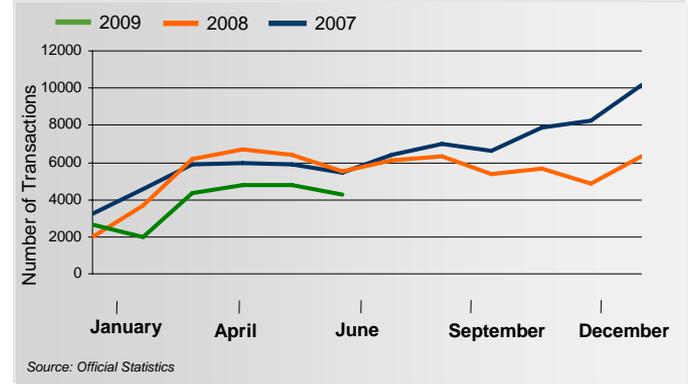
“It is just the right time to purchase residential real estate as prices are close to the bottom. It seemed that in order not to continue construction velocity, developers were selling apartments nearly at cost without expecting huge profits. Clearly, prices will demonstrate stable growth by the end of the year”

Source: German O. Gref, CEO of Sberbank in an interview published in Vedomosti on July 27 2009⁽¹⁾

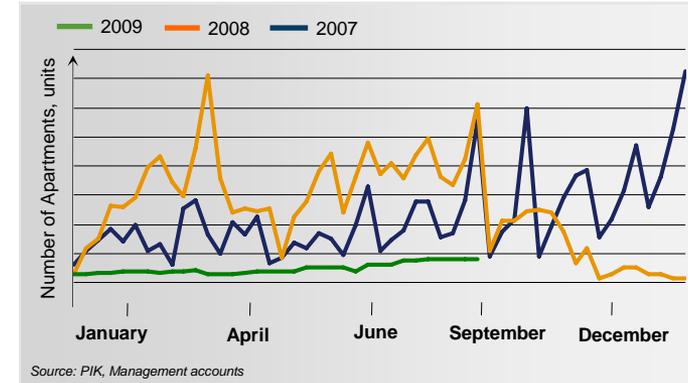
“There is no point in waiting for residential prices to go down 2-3 times. Those having enough money shall buy residential real estate right now. Due to the crisis residential prices in Moscow have already fallen, those who expect further decrease may miss the right opportunity to buy”

Source: Vladimir Resin, Deputy Major of Moscow, in charge of housing construction in Moscow in an interview published in Vedomosti on September 21 2009⁽¹⁾

Number of secondary transactions in Moscow



Retail cash collections from sales





Appendix



Projects under active development (selected)

Projects under active construction in Moscow



Prospekt Budennogo, Moscow (NSA: 19k sqm)



Zapovednaya, Moscow (NSA: 53k sqm)



New Peredelkino, Moscow (NSA: 103k sqm)



Kahovka, Moscow (NSA: 11k sqm)

Note: (1) sample pictures, not the whole list of projects is provided on this slide
 (2) active development means – works on the site
 (3) total NSA for projects under active development is over 2MM sqm

Projects under active construction in Moscow Region



Mytischí, Yaroslavsky, Moscow Region (NSA: 881k sqm)



Novokurkino, Khimki, Moscow Region (NSA: 742k sqm)



Yubileyny, Khimki, Moscow Region (NSA: 96k sqm)



Krasnaya Gorka, Lubertsy, Moscow Region (NSA: 324k sqm)



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