



2011

ANNUAL REPORT



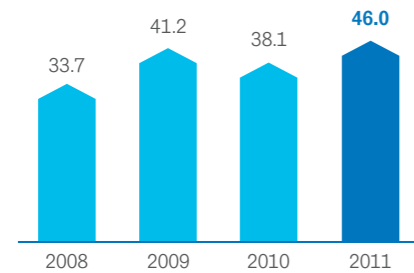
PIK Group at a glance

We are a leading residential real estate developer in Russia, with a particular strategic focus on the Moscow Metropolitan Area. Our principal activity is the development, construction and sale of mass-market residential properties in the Russian real estate market.

FINANCIAL FIGURES

46.0 bn RUR

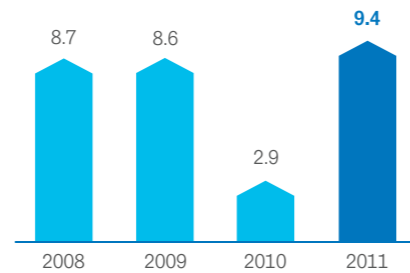
Revenue in 2011
(2010: 38.1 bn RUR; \uparrow 20.7%)



Source: IFRS accounts

9.4 bn RUR

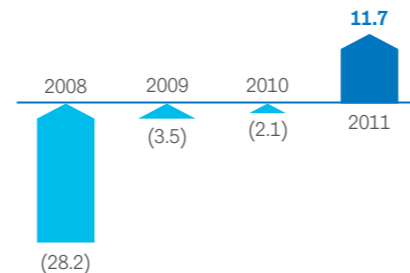
Gross profit in 2011
(2010: 2.9 bn RUR; \uparrow 224.1%)



Source: IFRS accounts

11.7 bn RUR

EBITDA in 2011¹
(2010: -2.1 bn RUR; \uparrow 557.1%)

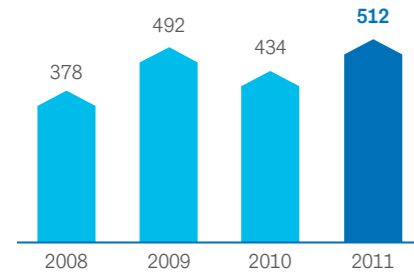


Source: IFRS accounts

KEY INDICATORS

512 th sqm

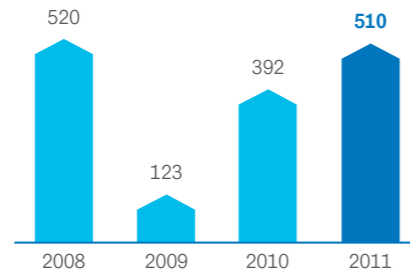
Transfers to customers² in 2011
(2010: 434 th sqm; \uparrow 18.0%)



Source: IFRS accounts

510 th sqm

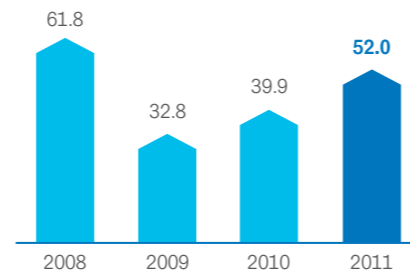
New sales to customers³ in 2011
(2010: 392 th sqm; \uparrow 30.1%)



Source: Management accounts

52.0 bn RUR

Total cash collections in 2011
(2010: n/a; \uparrow 30.3%)



Source: Management accounts

(1) EBITDA represents total comprehensive income/(loss) before income tax expense, interest income, interest expense including penalties payable and depreciation and amortization
(2) PIK own development projects, PIK share. IFRS accounts
(3) PIK own development projects, PIK share. Management accounts

OUR CORE ACTIVITIES ARE:

- The development of residential real estate properties and sales of completed units.
- The construction of reinforced concrete panel housing, production and assembly of prefabricated panel residential buildings, including construction at our development sites and construction services provided to third parties.
- The production of reinforced concrete panels, window frames and other construction materials.
- The servicing and maintenance of real estate properties constructed by us and other developers and other activities, not included in the real estate development, construction and industrial segments.

WE BELIEVE

WE BELIEVE THAT OUR INTEGRATED REAL ESTATE DEVELOPMENT PROCESS GIVES US AN IMPORTANT ADVANTAGE IN OUR INDUSTRY AS COMPARED TO OUR COMPETITORS

BUSINESS HIGHLIGHTS

1 A LEADING MASS MARKET RESIDENTIAL DEVELOPER IN RUSSIA WITH 17 YEAR TRACK RECORD



- Around 10.5% market share¹ in Moscow Metropolitan Area (MMA)² in 2011
- Over 12 mln sqm of net selling area (NSA) completed since inception
- 88% of project portfolio by value is concentrated in MMA³

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 6.9 mln sqm of unsold NSA valued by CBRE at US\$2.7 bln³
- Construction services and in-house sales force

3 IMPROVING FINANCIAL PERFORMANCE



- Strong sales growth of apartments (510 th sqm in 2011 vs. 392 th sqm in 2010)
- Increased cash collections from pre-sales (RUB52.0 bln in 2011 vs. RUB39.9 bln in 2010)
- Recovering profitability (20.4% gross profit margin in 2011)
- Net income back into the black (RUB4.8 bln in 2011 vs. net loss of RUB6.0 bln)

(1) Calculated as PIK's share in total residential housing completed (in sqm) in MMA in 2011 excluding individual housing
(2) Moscow Metropolitan Area (MMA) includes Moscow and the Moscow region
(3) As of December 31, 2011



Chairman's statement

Dear Shareholders,
On behalf on the Board of Directors,
it is a pleasure to present PIK Group's
Annual Report for 2011.

Following a difficult two-year period between 2009-2010 in which the Group worked hard to restructure its debts and restart operations, in 2011 the Group made strong progress with the turnaround of its business. The year proved productive on many fronts. Operationally, PIK accelerated the launch of new projects from its pipeline, starting up on 41 new sites. This in turn helped drive a significant pick-up in apartment sales, which increased by over 30% YoY. Financially, we managed to complete PIK's debt restructuring programme by reaching agreement with Nomos-Bank on the extension of the Group's last overdue credit facility for a further 3 year period. The completion of this programme means that PIK can move forward on a sounder financial footing and grow the business in the interest of all stakeholders. During the year we saw further signs that the Russian economy is strengthening and will be able to underpin sustainable growth in consumer demand. Russia continues to outperform most of the developed markets, with GDP growth reaching 4.2% last year. Mortgage penetration also continued to grow and new mortgages originated by the banks reached an all-time high of RUB766bn, a significant factor for PIK and its clients.

On corporate governance, significant progress has been made in opening the Board of Directors to more Independent Directors and ensuring the interests of all shareholders are well represented. We also worked on adopting best practice standards. In August 2011, PIK instituted a code of ethics, which prescribed basic ethical standards and rules of conduct, by which Group employees are expected to abide in the course of performing their duties.

We also focused on improving transparency in PIK's communications with investors. During the year we approved regulations concerning disclosure practices and set up the Disclosure Committee at Management Board level to ensure compliance with the legal requirements of the Russian Federation, the listing requirements of the UK, as well as the Management Board's resolutions and other internal regulations.

In addition, we made changes in other bylaws to be in compliance with higher standards of the Russian Micex-RTS stock exchange for inclusion into quotation list A1.

IN EARLY 2011, PIK SHARES WERE INCLUDED IN QUOTATION LIST A1 ON MICEX-RTS STOCK EXCHANGE, PLACING PIK AMONG A GROUP OF BLUE CHIP RUSSIAN COMPANIES



This shift took place in early September 2011 and served to recognize PIK Group among Russian blue-chip companies. We hope that this step will allow us to increase the liquidity of PIK stock and broaden the range of our potential investors.

Looking to the future, the Group is well positioned as a leading residential developer in one of the fastest growing cities in Europe. We continue to innovate and the quality of our product is improving, as evidenced by the recent launch of the new "Flagman" building series. Following a large amount of hard work our balance sheet is on a sound footing, we have a good pipeline of projects for 2012, including outside Moscow and we are beginning again to generate good cash flow. The Group is in a better position than it has been for some time to take advantage of its well-known brand and deliver sustainable and profitable growth.

We would like to take the opportunity to thank all our stakeholders for their support in the past year and look forward to showing further improvements in 2012.

Vladislav MAMULKIN
Chairman



Our History

Founded in 1994, PIK Group is a leading residential property developer in Russia, where today our brand is well known to a whole generation of homebuyers.



»» "YAROSLAVSKY" DEVELOPMENT, MYTISHI, MOSCOW REGION



»» PREFABRICATED PRODUCTION FACILITY, DSK-3

SINCE 2009 WE HAVE WORKED HARD TO GET OUR OPERATIONS INTO GEAR AGAIN, REGAIN CONSUMER CONFIDENCE AND RESTORE PIK'S REPUTATION



»» "THE STAR OF RUSSIA" DEVELOPMENT, KHIMKI, MOSCOW REGION



»» "NOVOKURKINO" DEVELOPMENT, KHIMKI, MOSCOW REGION

For many of our customers, a PIK apartment has been their first experience of property ownership and a first move away from the family home. Our Company has developed whole new neighbourhoods, replacing obsolete Soviet era housing and abandoned industrial areas with modern accommodation. At some of our larger projects, whole new communities have taken root supported by strong infrastructure including roads, schools, kindergartens and parking. The Group has played an important role in regenerating Moscow and replacing housing in other Russian cities and as such it is officially recognized by the Russian Federation as a business of strategic importance to the nation.

»» 1998



As its name suggests, PIK, an abbreviation of ("First Mortgage Company"), has always had close ties to the mortgage industry. Having started life investing in a small number of residential development projects in Moscow, by 1998 the Group had already completed or was in the process of developing 12 projects. It was at that time that PIK launched mortgage financing activities in cooperation with the Moscow Mortgage Agency, an agency of the Moscow Government that we helped to establish at the request of the Moscow Government. Under the Agency's programme, we originated the first ten pilot mortgages in Moscow.

»» 2001

With development and mortgage finance activities in place, we began our diversification into large scale residential housing development in 2001, when PIK Group acquired DSK-2, a concrete panel manufacturer in Moscow. This was followed in 2005 by the acquisition of two more concrete panel manufacturers, DSK-3 and 100 KGI, located in Moscow and Moscow Region respectively. These strategic purchases gave PIK a dominant position in pre-fabricated concrete panel production in Moscow and Moscow Region, from which it has been able to establish itself as the leading provider of new apartments in the Russian capital.

»» 2004-2007

Success in Moscow allowed the Group to expand into other Russian cities and in 2004 we began the process of building up our portfolio in Russia's regions with the acquisition of a development project in Rostov-on-Don. In 2006, we acquired regional developer Stroyinvestregion and over the following two years the Group added interests in development projects in new regions including St. Petersburg, Yaroslavl, Perm, Kaliningrad, Kaluga and Krasnodar. In 2007, we extended construction materials production into the regions, acquiring manufacturers of concrete, panels and other construction materials, located in Obninsk, a city close to the border of Moscow and Kaluga regions.

»» 2007-2009

After many year of growth, culminating in the successful 2007 IPO of PIK Group on the London Stock Exchange, MICEX and RTS in 2007, the global financial crisis hit Russia hard in 2008. The subsequent economic downturn had a severe effect on Russia's real estate industry, as credit dried up for businesses and consumers. PIK was adversely affected and in the second half of 2008, as with many other real estate developers in Russia and abroad, we experienced a steep decline in demand for apartments in our real estate developments. In 2009, we entered into contracts with our customers for 123 thousand square meters of housing, which represented a 85% decrease compared to the 2007 pre-crisis level.

»» 2009

To reduce the impact of the economic downturn on our operations and overcome related liquidity constraints, we revised our development strategy and concentrated on achieving higher operating efficiency while reducing cash expenditures. In 2009, we divested a number of subsidiaries and development projects unrelated to our core business operations in order to maximize liquidity and meet our working capital needs during the downturn, repay a portion of our indebtedness, reduce our costs and concentrate on our core business activities. We cut back some of our investment program in Russian regions outside the Moscow Metropolitan Area and closed our offices outside Russia.

»» 2009

NAFTA MOSKVA In April 2009 Nafta Moskva (the "Nafta Moskva Group") became our main shareholder and helped to further strengthen our business. Thanks to its significant contribution, during 2009-2011 we completed the restructuring and recapitalization of all of our \$1.3billion bank debt. A key element in the successful restructuring was the receipt of support from the Russian Government, in the form of guarantees to Sberbank as well as the divestment of certain non-core assets. The receipt of these guarantees allowed us to successfully secure new funding for working capital requirements and complete the restructuring of our credit portfolio in February 2011.

»» 2009-2011

The residential housing market started to recover in 2009, when demand from consumers returned. The recovery started in Moscow and Moscow region and it later reached the rest of Russia's regions. Since 2009 we have worked hard to get our operations into gear again, regain consumer confidence and restore PIK's reputation. The result has been that in 2011 we sold 510 thousand square meters of new housing and launched 41 new buildings, a level of sales comparable to before the financial crisis began. This is an enormous achievement, putting the Group back on a footing where its focus is once again growth.

Our Business

We are a leading residential real estate developer in Russia, with a particular strategic focus on the Moscow Metropolitan Area

Our principal activity is the development, construction and sale of mass-market residential properties to Russian consumers. We have a well-recognized brand in Russia, particularly in the Moscow Metropolitan Area. Since the Company's foundation in 1994, we have completed over 12 million square meters of residential housing, or approximately 195 thousand apartments. In 2011 alone, we finished approximately 870 thousand square meters of residential housing, including housing constructed for authorities and other developers.

We are one of the few integrated developers in Russia, which allows us to manage and control many of the important steps in the development and sale of our properties.

We own several plants that produce reinforced concrete panels, window frames that are used in the construction of our projects, and, in the Moscow Metropolitan Area, we assemble and construct all concrete panel housing for our developments. Our plants include two of the three reinforced concrete panel manufacturers in Moscow, DSK-2 and DSK-3. We also own 100 KGI, which is a concrete panel manufacturer located in the Moscow region, as well as NSS and 480 KGI. NSS is a manufacturer of concrete, reinforced concrete elements and panels and other construction materials located in Obninsk, in the Kaluga region, close to the border of the Moscow region.

480 KGI is a manufacturer of prefabricated panel housing located in Alexin, a town in the Tula region. Industrial and construction facilities that we own have an aggregate prefabricated production capacity of approximately 1.3 million square meters of housing per year.

We also provide servicing and maintenance for a substantial number of our developed properties. Beyond our own operational capabilities, we have established and continue to build strategic relationships with a wide range of financial institutions that provide mortgage financing to our clients, including state-controlled Sberbank, VTB24 and privately-owned Nomos-Bank, Rosbank, Bank Vozrozhdenie and others.

We believe that this integrated real estate development approach gives us an important competitive advantage as it mitigates execution risk in the development process and enables us to develop large scale urban neighborhoods,

PIK Group concentrates on developing large residential projects, some of which are large townships integrated with social infrastructure (e.g. kindergartens, schools and sport centers). We have a large and diverse land bank to support the development of additional projects of this kind, which as of December 31, 2011 consisted of over 1.5 million hectares. This land will ensure the sustainability of our growth and our leading market position in the future.

For the year ended December 31, 2011 we had revenues of RUB46 billion, gross profit of RUB9.4 billion and net income of RUB4.8 billion. Our development pipeline contained 95 properties with 6.9 million square meters of net sellable area attributable to us (PIK share). According to the latest valuation report prepared by CBRE, as of December 31, 2011 the combined market value of our properties was US\$2.7 billion. As of December 31, 2011, we had approximately 11,800 employees.

OUR CORE ACTIVITIES ARE:

- 1 The production of reinforced concrete panels, window frames and other construction materials
- 2 The construction of reinforced concrete panel housing and assembly of prefabricated panel residential buildings, including construction at our development sites and construction services provided to third parties
- 3 The development of residential real estate properties and sale of completed units
- 4 The servicing and maintenance of real estate properties constructed by us and other developers

OUR KEY INDICATORS

12 mn sqm
Total completions of housing since 1994

Source: Management accounts

6.9 mn sqm
of landbank for development of additional housing

Source: CBRE

4.8 mn sqm
of landbank located in Moscow Metropolitan Area

Source: CBRE

870 th sqm
Total completions of housing in 2011 alone¹

Source: Management accounts

512 th sqm
Transfers to customers on PIK's own development projects in 2011

Source: IFRS accounts

225 th sqm
Construction services rendered to third parties in 2011

Source: Management accounts

(1) Consists of PIK's completions on its own development projects, construction services provided to third parties as well as share of third party coinvestors

Our Philosophy

OUR VISION

BE THE LEADER IN CREATING MODERN HOUSING IN RUSSIA. IMPROVE OPERATING AND FINANCIAL PERFORMANCE TO INCREASE THE GROUP'S VALUE AND CREATE A STRONG BUSINESS FOR THE LONG-TERM BENEFIT OF ALL STAKEHOLDERS, INCLUDING SHAREHOLDERS, CUSTOMERS AND EMPLOYEES.

OUR MISSION

BECOME THE LARGEST PUBLIC COMPANY IN RUSSIA BY PLAYING THE LEADING ROLE IN ADDRESSING THE COUNTRY'S SHORTAGE OF MODERN HOUSING. Develop large-scale projects containing desirable, modern, affordable housing with the related social and commercial infrastructure. Build communities that people aspire to live in. Use the Group's sizable production and construction capacity and strong management team to enhance PIK Group's status as a company of strategic importance to the Russian Federation.

OUR STRATEGY

MARKET LEADERSHIP



- Maintain market leadership in modern and affordable housing development in Moscow and Moscow region
- Develop high quality apartments that are well marketed and competitively priced
- Target development activities in the most attractive fast-growing regions of Russia
- Effectively manage the current land bank including its sizing and diversification

VERTICAL INTEGRATION EFFICIENCY



- Focus on high demand real estate development projects
- Invest in modern, production and construction capacities to ensure that operational efficiency and market leading production techniques are maintained
- Use high quality housing maintenance services to secure customer loyalty

OPERATIONAL EFFICIENCY



- Provide high operational efficiency by using the latest project management tools
- Ensure continuous cost control along the entire value chain
- Implement the right IT tools for best practice planning, accounting and controlling
- Ensure efficient risk management systems are in place

PROFESSIONAL TEAM



- Retain strong operational management
- Create attractive and fair working conditions to enable employees to realize their full potential
- Secure continuous business development via implementation of appropriate incentive schemes
- Observe high ethical standards in everything we do



Corporate Governance

Acknowledging the importance of good corporate governance for a successful business performance for all stakeholders, PIK Group has developed a strong Code of Corporate Governance.

The Code aims to ensure the effective protection of the rights and interests of all shareholders. It demands transparency of decision-making, professional and ethical conduct from the Board of Directors as well as other management bodies. It also requires the Company to have effective financial and risk management controls. The Board of Directors of the Company, and the Company's Management Board, President and employees are required to observe compliance with the Code.

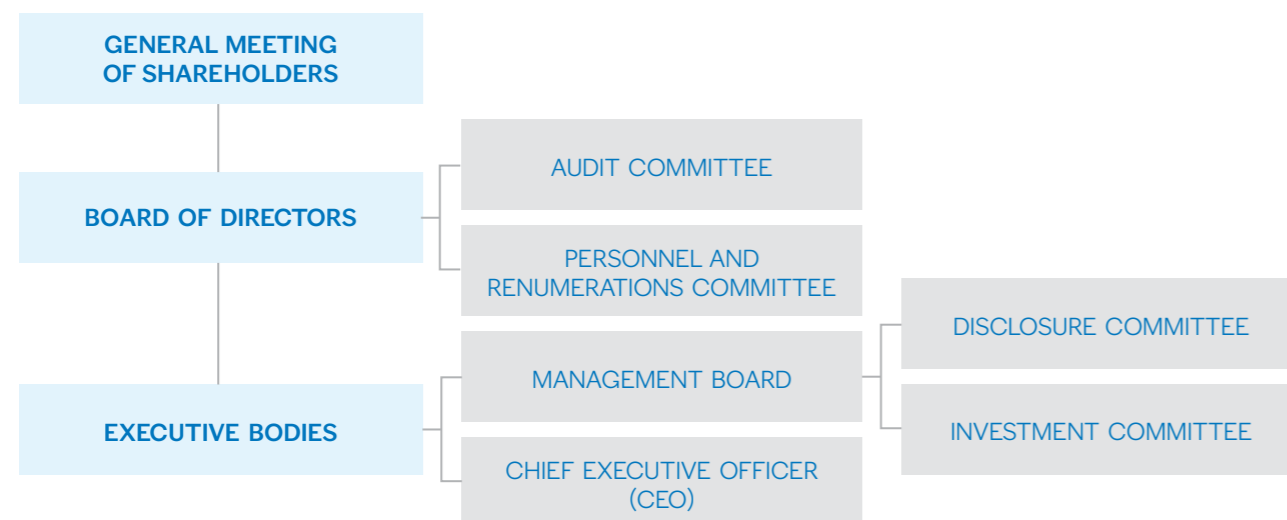
Currently three of the nine members of the Board are independent directors in compliance with the criteria established by the Federal Law «On Joint Stock Companies», the Corporate Governance Code of PIK Group and the UK Combined Corporate Governance Code.

Participation of independent directors in the work of the Board of Directors allows the Company to adopt informed decisions benefiting all shareholders, and guarantees the transparency of our governance process.

THE BOARD OF DIRECTORS IS CONSTANTLY SEEKING TO IMPROVE ITS EFFECTIVENESS. THIS INCLUDES WORKING TO ACHIEVE THE OPTIMAL BALANCE OF PROFESSIONAL KNOWLEDGE AND SKILLS WITHIN THE BOARD, AS WELL AS A BALANCE AMONG EXECUTIVE, NON-EXECUTIVE AND INDEPENDENT DIRECTORS.



GOVERNING BODIES



The General Meeting of Shareholders is the supreme governing body of PIK Group. The Annual General Meeting of Shareholders is held not earlier than two months after and not later than six months after the end of the reporting fiscal year. Sessions of the General Meeting of Shareholders held additionally to the Annual General Meeting of Shareholders are considered Extraordinary General Meetings of Shareholders.

The Board of Directors of the Company has overall charge of its activities, with the exception being issues classified by the Federal Law On Joint-Stock Companies as falling under the jurisdiction of the General Meeting of Shareholders. Its competence is determined by the Charter of the Company.

All major decisions are taken at the meetings of the Board of Directors in the form of a mutual presence.

Collective and individual executive bodies – Management and the President (CEO) – are responsible for the day-to-day operations of the Company. The executive bodies report to the Board of Directors and the General Meeting of Shareholders. The President of the Company is simultaneously the Chairman of the Management Board of the Company.

The CEO and the Company's Management Board ensure the fulfillment of the decisions of the General Shareholders Meeting and the Board of Directors.

The CEO is responsible for the matters that do not fall in the competence of the General Meeting of Shareholders or the Management Board in accordance with PIK Group's Charter.

THE FOLLOWING MATTERS SHALL COME UNDER THE COMPETENCE OF THE GENERAL MEETING OF SHAREHOLDERS:

- to make amendment and addenda to the Company's Charter;
- determination of the size of the Company's Board of Directors, election of its members and early termination of their powers;
- the determination of quantity, face value, a category (a type) of declared shares and rights granted by these shares;
- increase or reduction of the charter capital of the Company;
- the election of members of the Audit Commission of the Company and prescheduled termination of their authorities;
- approval of the Company's Auditor;
- approval of the Company's annual reports, annual financial statements, including profit-and-loss reports (profit-and-loss accounts), as well as distributions of profits, including, the payment (declaration) of dividends and the approval of large transactions resolving other matters pursuant to the Federal Law «On Joint Stock Companies»
- reorganization of the Company.

THE KEY PRIORITIES OF THE BOARD INCLUDE:

- determination of the priority orientations of activity of the Company's activities, including approval of annual budget, budgets for middle-term and long-term development, strategies and programs of the Company's development, introducing modifications into the stated documents, examination of results of their performance;
- formation of the collegial executive body – the Board of the Company, determination of term of its authorities, and prescheduled termination of the authorities of members of the Board;
- appointment of a sole executive body (the President) of the Company, determination of the term of his authorities, and prescheduled termination of his authorities and dissolution of the labour contract with him;
- approval of the internal documents of the Company regulating the issues within the competence of the Board of Directors of the Company, except for the internal documents, approval of which is relegated by the Charter of the Company to the competence of the General Meeting of Shareholders and executive bodies of the Company;
- establishment of branches, opening and liquidation of representative offices, approval of bylaws on them;
- other issues provided for by the Federal Law "On Joint Stock Companies" and the present Charter of the Company.

THE MANAGEMENT BOARD OF THE COMPANY WILL OVERSEE:

- approval of internal documents regulating issues within the competence of the Management Board, except for documents to be approved by the General Meeting of Shareholders and the Board of Directors;
- proposals on principle orientations of activity of the Company, including drafts of annual budget, budgets for middle-term and short-term development, development strategies and programs, and proposals for modifying the stated documents;
- decisions on the fulfillment of resolutions of the General Meeting of Shareholders and the Board of Directors;
- analysis of results of work of structural departments of the Company, including subsidiaries, and instructions for improvement of their work;
- determination of the Company's policy on human resources;
- determination of accounting policy, control over improving the effectiveness of methodologies used for financial and managerial reporting, and over the preparation of financial reporting of the Company in accordance with the international standards;
- determination of of planning and budgeting methodology;
- determination of the Company's security policy.

PIK GROUP'S BOARD OF DIRECTORS HAS THE FOLLOWING STANDING COMMITTEES:

AUDIT COMMITTEE

The Audit Committee currently comprises three members of the Board of Directors: Dmitry Skryabin, Anna Kolonchina and Vladislav Mamulkin. Mr. Skryabin serves as the chairman of the Committee. The Audit Committee must be chaired by a nonexecutive independent director, who may not be the chairman the Board of Directors. The Audit Committee holds meetings as often as necessary, but at least once every quarter.

THE AUDIT COMMITTEE IS AUTHORISED TO CARRY OUT THE FOLLOWING FUNCTIONS RELATING TO THE CONTROL OF OUR FINANCIAL AND BUSINESS OPERATIONS:

- coordination with the Company's independent auditors and preparation of recommendations for the Board of Directors in connection with the election and removal of the independent auditors and on the fees and scope of services to be provided by auditors;
- coordination with the Review Commission and examination of the Review Commission's findings on the verification of the Company's financial activities and annual accounts;
- coordination with the internal control division and issuance of recommendations for appointment of the division's managers, review of its plan regarding annual checks and the division's reports;
- review of the Company's standards and internal controls procedures and provision of appropriate reports and recommendations; and
- assessment of the Company's financial reports.

PERSONNEL AND REMUNERATION COMMITTEE

The Remuneration and Personnel Committee currently comprises three members of the Board of Directors: Lee Timmins, Zumrud Rustamova and Vladislav Mamulkin. Mr. Timmins serves as the chairman of the Committee. The Remuneration and Personnel Committee must be chaired by a non-executive director, who may not be the chairman of the Board of Directors.

THE COMMITTEE CARRIES OUT THE FOLLOWING FUNCTIONS:

- determination of criteria for appointment of candidates to the Board of Directors, members of the Management Board and the Company's President and considering potential candidates;
- issuance of recommendations as to the term of service and removal of the Company's members of the Management Board;
- considering candidacy of the Company's President, term of his service and removal;
- issuance of recommendations with respect to service contracts for the Company's President and members of the Management Board;
- assessment of the activities of the Company's President and members of the Management Board; and
- preparation of proposals on the level of remuneration of the members of the Management Board as well as the Company's Review Commission, the Company's President, members of the Company's Board of Directors and members of its committees.

PIK GROUP'S MANAGEMENT BOARD HAS THE FOLLOWING STANDING COMMITTEES:

DISCLOSURE COMMITTEE

The Disclosure Committee currently consists of six members. The following table sets out the name and position of each member of the Disclosure Committee: Artem Eyramdzhants – First Vice-President, Chief Operating Officer, Chairman of the Disclosure Committee; Andrey Rodionov – Vice-President for Economy and Finances – Financial Director, Chief Operating Officer; Fedor Saprionov – Vice-President for Legal Issues; Viktor Szalkay – Manager for Liaising with Investors, Investor Relations Officer; Grigoriy Goncharsky – Counsel to the First Vice-President; Vladimir Lapenkov – Corporate Secretary, Secretary and Chief Disclosure Officer of the Disclosure Committee.

THE DISCLOSURE COMMITTEE IS RESPONSIBLE FOR, INTER ALIA:

- the establishment, maintenance and updating of reporting systems and procedures within the Company, its subsidiaries and their operational divisions;
- the formulation, introduction and updating as required of various guidelines and thresholds (including in relation to monetary value, operational impact and types of event) to aid each disclosure officer in identifying inside information that may arise;
- the implementation and production (in cooperation with its external advisors) of materials for the Company's employees, officers and third parties relating to compliance; and
- making final decisions in relation to price sensitive information and the need, or otherwise, for its disclosure.

INVESTMENT COMMITTEE

The main task of the Investment Committee is to make decisions on key Group investment projects, including:

- investment in development projects;
- the purchase/sale of industrial and construction assets;
- renovation and upgrading of industrial and construction assets;
- construction by means of a commercial contract, federal and city order.

The Investment Committee will meet once a week to consider investment projects.

THE INVESTMENT COMMITTEE IS AUTHORIZED BY THE MANAGEMENT BOARD TO MAKE DECISIONS ON THE FOLLOWING ISSUES:

- making a principal decision on entering into or exiting a project;
- approval of criteria of investment project effectiveness;
- revision of parameters of current and key indicators of investment project effectiveness;
- determination of the methodology of planning and analysis of performance of investment projects.

BOARD OF DIRECTORS

All of our directors were elected or re-elected on September 12, 2011 by the Extraordinary General Shareholders' Meeting. Our current directors hold office until the date of the next annual General Shareholders' Meeting¹.

The business address of each of our directors is 19 Barrikadnaya Street, building 1, Moscow, 123242, Russian Federation.

VLADISLAV MAMULKIN	SERGEY BESSONOV	ALEXANDER GUBAREV
Chairman of the Board of Directors	Director	Director
YEAR OF BIRTH 1973	YEAR OF BIRTH 1976	YEAR OF BIRTH 1973
YEAR APPOINTED Vladislav Mamulkin has been Chairman of the Board of Directors since 2011.	YEAR APPOINTED Sergey Bessonov has been a member of the Board of Directors since 2011.	YEAR APPOINTED Alexander Gubarev has been a member of the Board of Directors since 2011.
EDUCATION He graduated from the Moscow State Institute of International Relations with a degree in international economic relations in 1995 and from the Wharton Business School, University of Pennsylvania (USA), with a Master of Business Administration degree in 2003.	EDUCATION He graduated from the State Finance Institute (currently, Financial University under the Government of the Russian Federation) in 1998 with a degree in finance and lending, and obtained a candidate of economic sciences in 2003.	EDUCATION He graduated from the Moscow State Institute of International Relations in 1997 with a degree in international business administration and from the University of Michigan Business School in 2001 with a Master of Business Administration degree.
CURRICULUM VITAE Vladislav Mamulkin has been a member of the Board of Directors since 2011. Since 2010 Mr. Mamulkin has been a managing director of the Moscow representative office of Nafta Moskva (Cyprus) Limited LLC.	CURRICULUM VITAE In 2001–2003, Sergey Bessonov was the Head of the Project, Investment and Special Financing Department of NIKoil Investment Banking Group. In 2004, after its merger with URALSIB BANK OJSC, he was appointed the Head of the Project and Structural Financing Business Unit. In November of 2006, he was employed by NOMOS-Bank OJSC as the Director of the Project and Structural Financing Department. In the middle of 2009, he was employed by Sberbank of Russia OJSC as the Deputy Head of the Lending and Project Financing Department, and in June of 2010 he was appointed the Head of the Real Estate and Infrastructure Financing Department of Sberbank of Russia.	CURRICULUM VITAE Mr. Gubarev worked in investment banks in Russia and USA, headed implementation of investment projects in the agriculture sector and renovation of utilities in Russia. At the present time, he is the Head of the Moscow Representative Office of Galahad Advisors Limited.

(1) On June 7, 2012 all members of the Board of Directors were re-elected at the Annual General Shareholders' Meeting. The new Board of Directors members are: Mamulkin V., Kolonchina A., Poselenov P., Rustamova Z., Skryabin D., Bessonov S., Timmins L., Tsenin R. and Nagaev R., Head of Investments and project financing at VTB Capital

ANNA KOLONCHINA	PAVEL POSELENOV	ZUMRUD RUSTAMOVA	DMITRY SKRYABIN	LEE TIMMINS	ROBERT TSENIN
Director	Director, President (Chief Executive Officer)	Independent Director	Director	Independent Director	Independent Director
YEAR OF BIRTH 1972	YEAR OF BIRTH 1967	YEAR OF BIRTH 1970	YEAR OF BIRTH 1979	YEAR OF BIRTH 1961	YEAR OF BIRTH 1949
YEAR APPOINTED Anna Kolonchina has been a member of the Board of Directors since 2010.	YEAR APPOINTED Pavel Poselenov has been Chairman of the Management Board and President (Chief Executive Officer) since 2009 and a Director since 2010.	YEAR APPOINTED Zumrud Rustamova has served as our Independent Director since 2011.	YEAR APPOINTED Dmitry Skryabin has been a member of our Board of Directors and chairman of the Audit Committee since 2011.	YEAR APPOINTED Lee Timmins has served as our Independent Director since 2006 and as chairman of the Remuneration and Personnel Committee since 2011.	YEAR APPOINTED Robert Eugene Tsenin has served as our Independent Director since 2011.
EDUCATION She graduated from the Moscow Financial Institute (currently, the Financial University under the Government of the Russian Federation) in 1994 with a degree in accounting and audit.	EDUCATION Mr. Poselenov graduated from Moscow State University with a degree in chemistry and the Multidisciplinary Technological Institute with a specialization in finance and lending.	EDUCATION She graduated from the Moscow Institute of Economics and Statistics (currently, the Moscow State University of Economics, Statistics and Informatics) with a degree in statistics in 1992.	EDUCATION He graduated from the State University of Management in 2001 with a degree in power industry management, and obtained the first-level CFA in 2003.	EDUCATION Mr. Timmins graduated from the University of Texas in Austin, Texas (USA) with a Bachelor degree in Business Administration in 1984 and from Southern Methodist University in Dallas, Texas (USA) with a Masters degree in Business Administration in 1987.	EDUCATION He graduated from the University of Sydney in 1973 with a bachelor's degree in economics, from the University of London in 1976 with a degree in mechanical economics and statistics, from the London Business School in 1977 with a degree in corporate finance and from the City University of London in 1978 with a degree in general technology of petroleum.
CURRICULUM VITAE Anna Kolonchina has been a member of the Board of Directors since 2010. From 2001 to 2008, Ms. Kolonchina was a director at Deutsche Bank AG, London. In 2008, Ms. Kolonchina was a managing director of Wainbridge Limited, and, from 2008 to 2010, she was Vice President for Economic Affairs and Finance of PIK Group. Since 2010, she has been a managing director of the Moscow representative office of Nafta Moskva, a member of the board of directors of OJSC Polyus Gold and JSC Bank International Financial Club, and a member of the Supervisory Board of BPC.	CURRICULUM VITAE Pavel Poselenov has been Chairman of the Management Board and President (Chief Executive Office) since 2009 and a Board Director since 2010. From 2001 to 2007, Mr. Poselenov was the general director of the Industrial Insurance Group OSNOVA. At the same time, he was a member of the Presidium of All-Russian Insurers Union and chairman of the committee for insurance issues in the construction sector at the Russian Builders Association. From 2008 to 2009, he was the general director of PIK Severo-Zapad. From December 2008 to July 2009, he was a vice-president of coordination of activities of the Group.	CURRICULUM VITAE From 1995 to 1999, she served on the Russian Federation State Committee for Government-Owned Property Administration. From 1999 to 2000, she was Deputy Chairman of the Russian Federal Property Fund. From 2000 to 2004, Ms. Rustamova was Deputy Minister for Property Relations of the Russian Federation and, from July 2004 to 2006, was Vice-President of Siberian Coal Energy Company. Since 2006, she has served as Deputy Chairman of the management board of OJSC "Russian Development Bank" and Deputy CEO of OJSC Management Company Polymetall. Ms. Rustamova is also a member of the board of directors of International Airport Sheremetyevo OJSC, Magnitogorsk Iron and Steel Works OJSC and Bank of Khanty-Mansiysk.	CURRICULUM VITAE From 2003 till 2011, worked as an analyst/manager (investments to equity and utilities of Russian and CIS-based energy companies). Joined VTB Capital in 2008.	CURRICULUM VITAE Since 1987, Mr. Timmins has managed the implementation of projects in the U.S. and Eastern Europe. He has worked for Hines International Inc. since 1988 and has been the head of its Moscow representative office since 1993.	CURRICULUM VITAE Mr. Tsenin commenced his career with Royal Dutch Shell (Group Planning Division) in London. He joined Goldman Sachs in 1987. From 1987 to January 1997, he worked with Goldman Sachs in New York, London and Sydney. He has extensive experience in corporate finance and M&A. His last assignment with Goldman Sachs was as Managing Director of the Australasian operations. Between 1997 and 2003 Mr Tsenin was Group Finance Director of Lend Lease Corporation and director of Lend Lease's major subsidiaries. Lend Lease is a global, integrated real estate company including development, construction, facilities management and funds management. From 2003 to 2005, Mr Tsenin served as Senior Advisor of Lazard plc., London, where he assisted Lazard on a number of real estate principal investment opportunities and select real estate M&A transactions. From March 2010 till February 2012 Robert E Tsenin was Group Chief Executive Officer of Centro Properties Group Limited. Mr. Tsenin served as an Independent Director of Sistema-Hals JSC, Telstra Corporation, AXA National Mutual Ltd., WACO International, SAGASCO Ltd., Metrix Capital Partners, Global Properties Fund, International Distressed Debt Fund and Matrix European Real Estate Investment Limited. He is currently an Independent Non Executive Director of Australian Infrastructure Fund Limited.

KONSTANTIN KUZNETSOV
VICE-PRESIDENT FOR INDUSTRY
AND CONSTRUCTION

ANDREY RODIONOV
VICE-PRESIDENT
FOR ECONOMICS AND FINANCE
(CHIEF FINANCIAL OFFICER)

PAVEL POSELENOV
PRESIDENT
(CHIEF EXECUTIVE OFFICER)

ARTEM EYRAMDZHANTS
FIRST VICE-PRESIDENT

FEDOR SAPRONOV
VICE-PRESIDENT FOR LEGAL
MATTERS

MANAGEMENT BOARD

Our day-to-day activities are managed by the Management Board. The Management Board reports to and is responsible for implementing decisions taken by our shareholders and the Board of Directors. Among other things, the Management Board coordinates the activities of our subsidiaries, develops and controls the implementation of our investment and financial projects, adopts certain of our internal bylaws and represents us in labor relations. For more detailed information on the authority of the Management Board, see "Description of Share Capital and Certain Requirements of Russian Legislation – Management Board."

Our Management Board currently consists of five members. All of our Management Board members were appointed or re-appointed on July 26, 2011 by resolution of the Board of Directors.

The terms of appointment for all members expire on July 28, 2012. The business address of each member of our Management Board is 19 Barrikadnaya Street, building 1, Moscow, 123242, Russian Federation.



FOR DETAILED BIOGRAPHIES OF MEMBERS OF MANAGEMENT BOARD PLEASE SEE PAGES 18-19.





PRESIDENT

Pursuant to the Joint Stock Companies Law and our charter the President of the Company is responsible for the implementation of decisions of the General Shareholders' Meeting, the Board of Directors and the Management Board. Our President is our chief executive officer and is the chairman of the Management Board by virtue of being the President.

The President acts on behalf of the Company without a power of attorney, representing its interests, entering into transactions, disposing of assets, opening bank accounts, approving staffing structure and issuing internal orders and directives. Our current President is Mr. Poselenov.

PAVEL POSELENOV	ARTEM EYRAMDZHANTS	ANDREY RODIONOV	FEDOR SAPRONOV	KONSTANTIN KUZNETSOV
President (Chief Executive Officer)	First Vice-President	Vice-President for Economics and Finance (Chief Financial Officer)	Vice-President for Legal Matters	Vice-President for Industry and Construction
YEAR OF BIRTH 1967	YEAR OF BIRTH 1969	YEAR OF BIRTH 1968	YEAR OF BIRTH 1973	YEAR OF BIRTH 1963
YEAR APPOINTED Pavel Poselenov has been Chairman of the Management Board and President (Chief Executive Officer) since 2009 and a Director since 2010.	YEAR APPOINTED Artem Eyramdzhants has served as our First Vice-President since 2006 and our Director since 2006. He has also been a member of our management board since March 2006.	YEAR APPOINTED Andrey Rodionov has served as our Financial Director (Chief Financial Officer) since 2010.	YEAR APPOINTED Fedor Sapronov has served as our Vice-President for Legal Issues since 2009 and as a member of our management board since 2006.	YEAR APPOINTED Konstantin Kuznetsov has served as our Vice-President for Industry and Construction since 2009.
EDUCATION Mr. Poselenov graduated from Moscow State University with a degree in chemistry and the Multidisciplinary Technological Institute with a specialization in finance and lending.	EDUCATION Mr. Eyramdzhants graduated from the State Finance Institute (currently, Financial University under the Government of the Russian Federation) with a degree in international economic relations in 1992.	EDUCATION Mr. Rodionov graduated from the Yaroslavl High Military Financial School with a degree in accounting and audit in 1989.	EDUCATION Mr. Sapronov graduated from the Military University of the Russian Ministry of Defence with a degree in law in 1995.	EDUCATION He graduated from the Moscow Institute of Civil Engineering in 1985 with a degree in engineering, construction and technology, and from the State Management University with a Master of Business Administration degree in corporate management and finance in 2005.
CURRICULUM VITAE Pavel Poselenov has been Chairman of the Management Board and President (Chief Executive Office) since 2009 and a Board Director since 2010. From 2001 to 2007, Mr. Poselenov was the general director of the Industrial Insurance Group OSNOVA. At the same time, he was a member of the Presidium of All-Russian Insurers Union and chairman of the committee for insurance issues in the construction sector at the Russian Builders Association. From 2008 to 2009, he was the general director of PIK Severo-Zapad. From December 2008 to July 2009, he was a vice-president of coordination of activities of the Group.	CURRICULUM VITAE Artem Eyramdzhants joined PIK Group in 1996. In 2006 Artem expanded his leadership responsibilities in the Company by being appointed as First Vice President of PIK Group. Prior to PIK Mr. Eyramdzhants worked for United Industry and Trade Bank as Deputy Chairman, heading the bank's mortgage department.	CURRICULUM VITAE Andrey Rodionov was appointed as Chief Financial Officer of PIK Group in 2010. Andrey joined the Company from Nafta Moskva where he was most recently Managing Director, previously working as Director of the Finance Department.	CURRICULUM VITAE Fedor Sapronov is Vice President for Legal Affairs of the Company. Joining PIK Group in 1998, Mr. Sapronov had been Head of the Legal Department between 2002-2009, during that time providing legal advice for all major deals. Prior to PIK Mr. Sapronov had a broad experience in the military justice authorities, banking sector.	CURRICULUM VITAE Konstantin Kuznetsov is Vice President for Industry and Construction of PIK Group. Mr. Kuznetsov began his career as a worker gradually passing all stages of production management to Vice President of a large company. Prior to PIK Konstantin was General Director of Glavmosstroy Industrial Companies Board. In 2006-2008 Konstantin combined his primary employment with Glavmosstroy Vice President position. Konstantin has won a number of important awards including the Honourable Builder of Russia and Honorary Employee of Moscow Industry Awards.



CEO Statement


On behalf of the Management Board, I have great pleasure in summarizing PIK Group's achievements for 2011.

The Russian economy continued to improve during 2011. This renewed confidence has fed through to consumers, who have been able to take advantage of improving mortgage availability to buy apartments. Average selling prices and buying patterns have returned to normality. PIK Group has benefited from this improvement in the economic fundamentals and we see further opportunities ahead. Currently mortgage penetration is still below 3% of Russia's GDP and we therefore see mortgage growth as a long-term catalyst for the whole industry, especially given economic forecasts for decreasing interest rates. Looking at our own sales trends, currently only one in three PIK sales transactions is supported by a mortgage. We believe that increasing mortgage penetration together with better affordability offer significant upside potential for our business.

In 2011 we sold 510,000 square meters in our development projects, which is almost back to the level of sales in 2008. In addition, we provided 225,000 square meters through our construction services activity, which provides building capacity to third party developers as well as federal and local government authorities. If third party investors and city share components are added, in total we completed 870,000 square meters of housing across 14 cities in Russia. This is a tremendous achievement only one year after restarting our operations, enabling PIK to return to profitability during the year and putting us back on track for growth.

These factors enabled PIK Group to increase sales revenue by 20.7% year-on-year to RUR46.0 billion, reaching EBITDA of RUB11.7 billion. At the same time, the Group recorded net income in 2011 of RUR4.8 billion compared to a loss of RUR6.0 billion in 2010.

WE BELIEVE THAT INCREASING MORTGAGE PENETRATION TOGETHER WITH BETTER AFFORDABILITY OFFER SIGNIFICANT UPSIDE POTENTIAL FOR OUR BUSINESS



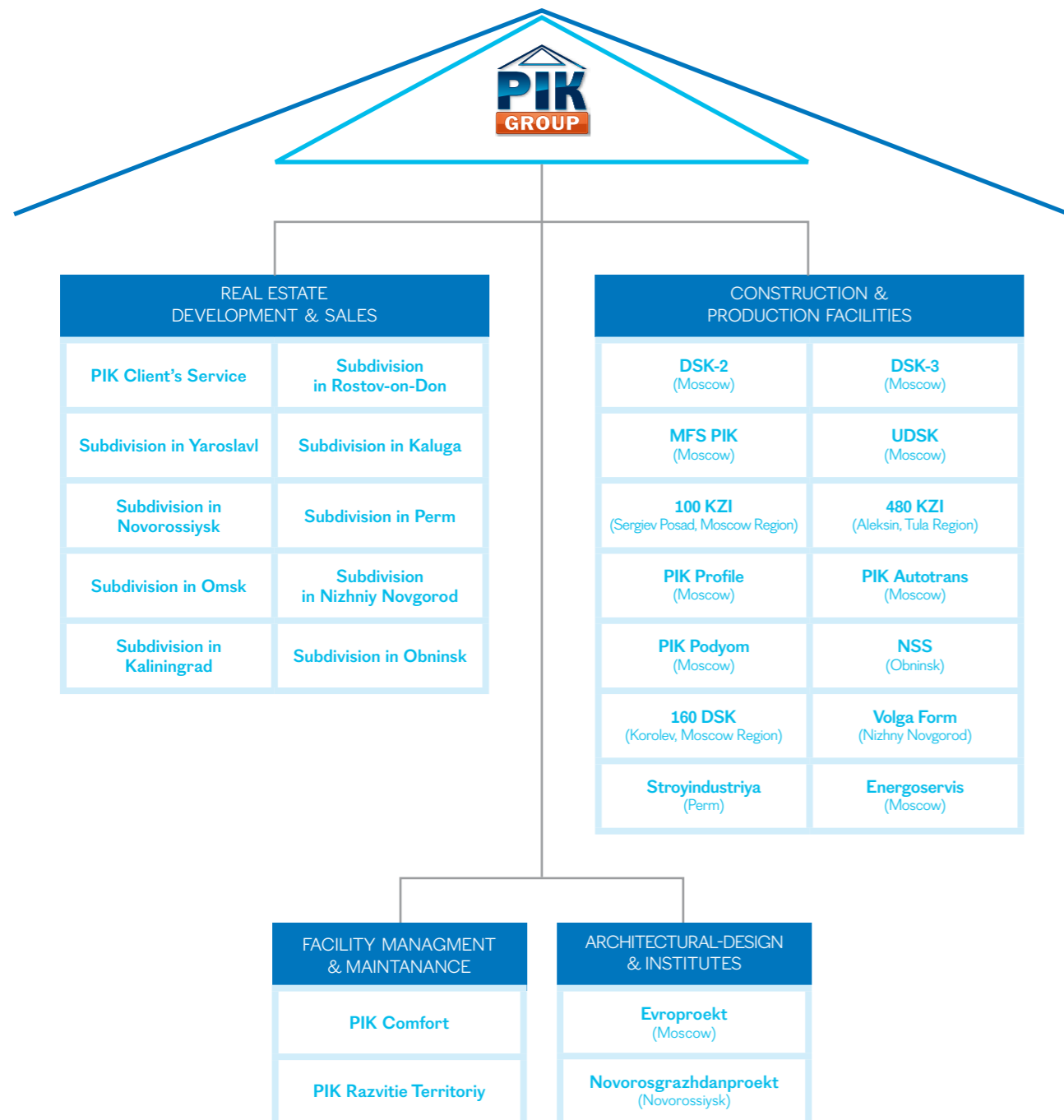
The Group has achieved successful results, turning around its performance while managing a complex debt restructuring and putting the business on a more sound financial footing. Operationally we are stronger and more disciplined. We now have a strong platform from which to generate the cash from operations necessary to reduce debt, fund future growth and generate returns to shareholders. On behalf of the Management Board, I would like to thank all employees for their energy and commitment. We have come through a period of extreme economic turmoil and can now look forward to 2012 with greater confidence.



Pavel POSELENOV
Chief Executive Officer



Organization Structure



Share Price Performance

On June 1, 2007 PIK Group listed on the London Stock Exchange and Russian stock exchanges. PIK's share offer was the largest ever non-REIT real estate IPO, the largest European real estate IPO and the 3rd largest Russian IPO.

PIK SHARE PRICE PERFORMANCE VS. INDICES



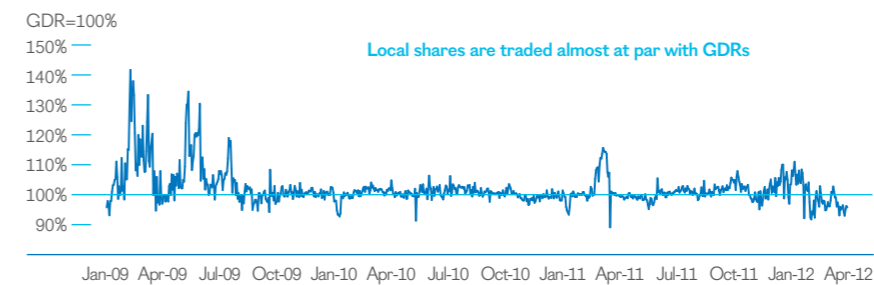
As of 31 December 2011, PIK's ordinary shares and GDRs, certifying the rights in respect to the Company's ordinary shares, are traded on the London Stock Exchange and MICEX-RTS local exchange.

In May 2012 PIK was assigned an individual "A" local credit rating by the National Rating Agency ("NRA"). NRA is officially accredited by the Russian Ministry of Finance, the Central Bank of Russia, Vnesheconombank, MICEX, the National Stock Market Association and a number of other credit and finance organizations.

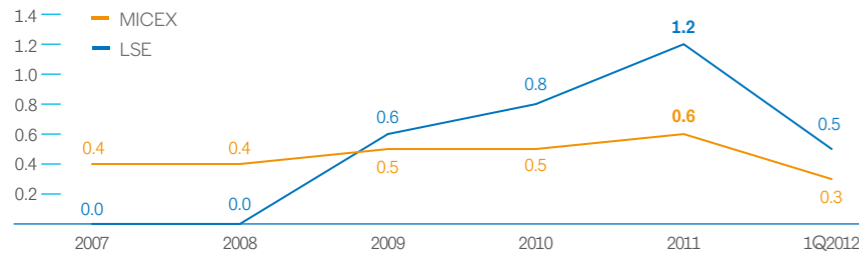
» The Star of Russia development, Khimki, Moscow region



PIK STOCK PERFORMANCE ON MICEX VS. LSE



PIK'S AVERAGE DAILY TRADING VOLUMES ON STOCK EXCHANGES, mn shares



Source: Datastream as of April 1, 2012

SHAREHOLDERS' STRUCTURE AS OF DECEMBER 31, 2011*



* Brigantia Ltd., Lacero Trading Ltd. and Holborner Services Ltd. belong to the Investment Group, "Nafta Moskva"

Michurinsky pr-t 5-6 development, Moscow



"Red hills" development, Lubertsy, Moscow Region

Ticker code

MICEX-RTS	PIK RM
LSE	PIK LI

Securities code numbers

Regulation S GDRs	ISIN:US69338N2062
Rule 144A GDRs	ISIN:US69338N1072

Share price as of May 1, 2012

MICEX (RUB)	70,9
LSE (\$)	2,31

Share performance
(52 weeks ended May 1, 2012)

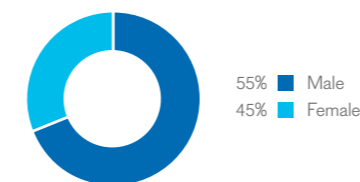
	Low	High
MICEX (RUB)	69.18	116.1
LSE (\$)	2.14	4.22

GDR:Share 1:1
Shares outstanding 493.260 mn
Market capitalization \$1,140 mn

Our Customers

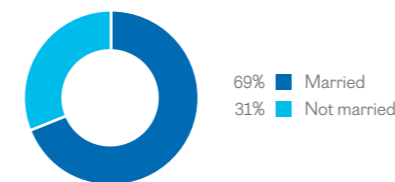
Our apartments suit a wide range of people, but our most typical customer is a young family with small children moving out from their parents' home or buying an apartment for the first time.

BREAKDOWN BY GENDER



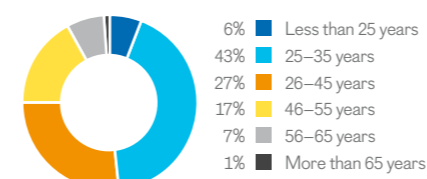
Source: PIK customer survey

MARITAL STATUS



Source: PIK customer survey

BREAKDOWN BY AGE



Source: PIK customer survey

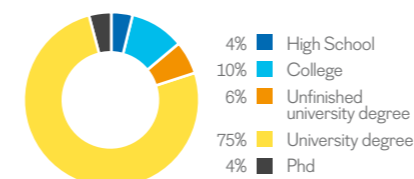
For this group of people, a PIK apartment is ideal, as it offers attractive living space and independence at an affordable price. On top of this, many of our projects have all the facilities a family needs, such as a kindergarten school, playground, shops, medical facilities and good transport links.

79% of our customers are represented by this group, who are typically aged between 25-35. 41% of customers are first time buyers while 38% are those who simply want to upgrade their living conditions.

They are the rising middle class of Russia, 79% of which have university and higher degrees and are typically employed in managerial, white-collar positions. 70% of them already have at least one car.

Our internal surveys show two things are most crucial to our customers when choosing an apartment – the location of the apartment and the reputation of the developer. We are proud that today so many young families are choosing PIK Group.

BREAKDOWN BY EDUCATION



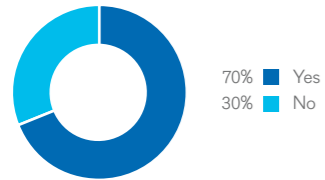
Source: PIK customer survey

BREAKDOWN BY SOCIAL POSITION



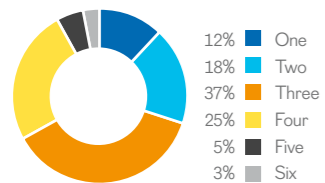
Source: PIK customer survey

BREAKDOWN BY PRESENCE OF CHILDREN



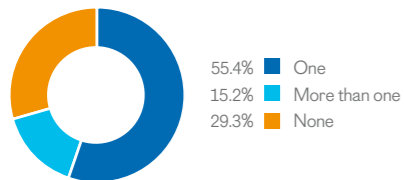
Source: PIK customer survey

NUMBER OF PEOPLE LIVING IN THE APARTMENT



Source: PIK customer survey

NUMBER OF CARS IN THE HOUSEHOLD

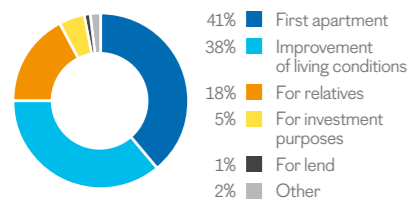


Source: PIK customer survey



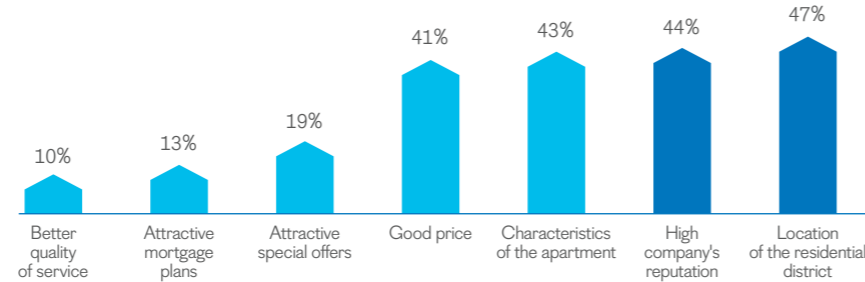
»» "Yubileyny" development, Khimki (Moscow region)

PURPOSE OF THE PURCHASE



Source: PIK customer survey

KEY FACTORS WHY CUSTOMERS CHOOSE PIK



Source: PIK customer survey

Industry Overview

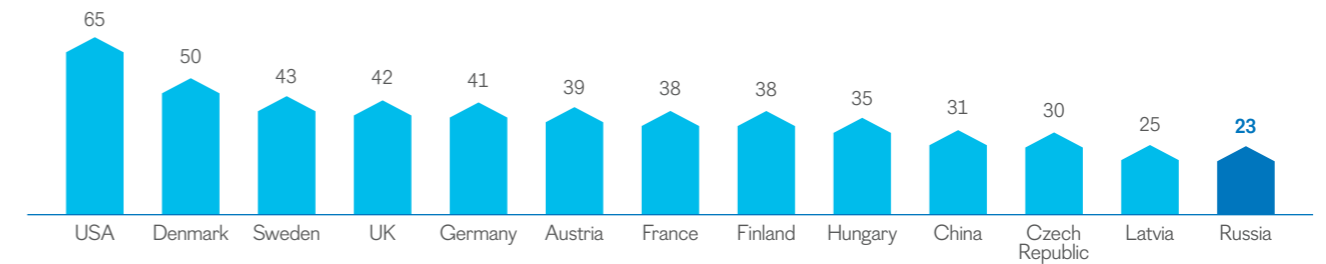
MACROECONOMIC ENVIRONMENT

During 2009-2011, significant monetary easing was launched by many central banks across the globe to tackle with the consequences of the 2008 economic turmoil, including the Euro zone debt crisis. This helped to stabilize western economies, while the emerging economies of Asia and South America continued to underpin global growth.

With the world economy slowly reawakening, in 2009 oil prices began to rise again and the Russian economy started to recover gradually. Russian economic growth continued in 2010 and accelerated to 4.8% real GDP growth in 2011. This was helped by Russia having a low debt to GDP ratio compared to European countries, the US and Japan.

Overall, Russia is well-positioned to take advantage of its potential in the long-run. Meanwhile, at 23 square meters per capita, housing stock is still at a low level compared to the average of developed European countries or the United States. Russians still live in small apartments, which in most cases were built during the Soviet era and need to be replaced in the near future by newly built housing.

HOUSING STOCK PER CAPITA, sqm/capita



Source: Rosstat 2010 data for Russia, UNECE for other countries

RUSSIAN RESIDENTIAL REAL ESTATE MARKET ENVIRONMENT

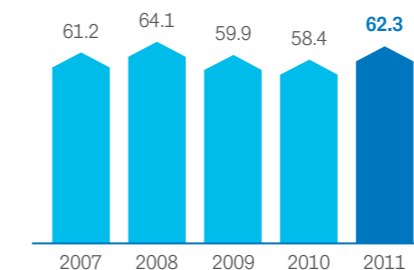
In 2011 Russian housing completions exceeded 2007 pre-crisis levels. Overall, 62.3 million sq meters were completed across the country, up by 6.7% year on year.

The largest residential submarket in Russia is Moscow and Moscow region, – together called the Moscow Metropolitan Area (MMA) – which accounts for around 12% of the country's total population and approximately 13% of Russia's total housing stock.

RESIDENTIAL HOUSING COMPLETIONS

62.3 mn sqm

Residential housing completions in 2011 (2010: 58.4 mn sqm; ^6.7%)

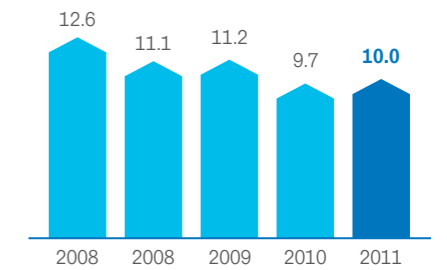


Source: Rosstat

RESIDENTIAL COMPLETIONS IN MMA

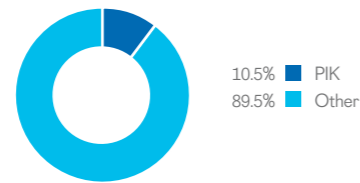
10.0 mn sqm

Residential completions in MMA in 2011 (2010: 9.7 mn sqm; ^3.1%)



Historically, the MMA has always been the largest real estate market in Russia. It has shown some of the highest economic growth in the country since the collapse of the Soviet Union, supported by continuous migration from the Russian regions to the capital and its surrounding region. Currently, the MMA is an established marketplace, having a 16.0% share of total residential completions, equating to 10mn square meters. PIK is a leading developer in the MMA, with a 10.5% market share in 2011 (up by around 1.5% from 2010).

PIK'S MARKET SHARE IN MMA IN 2011



Source: Rosstat, PIK

Meanwhile, 2011 transactions on the secondary market in Moscow were up by 6.5% year-on-year to 91,222 units. This positive trend continued into the first quarter of 2012.

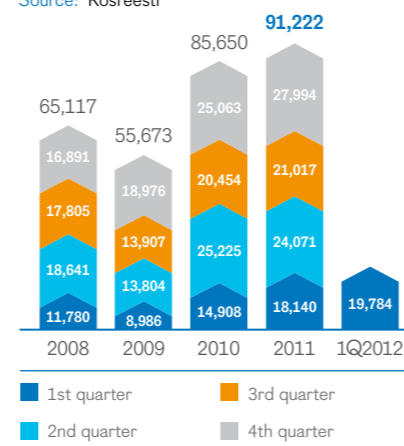
Housing loans outstanding accelerated during 2011 as total loans issued rose by 25.5% during the year to reach RUB1,625 billion. Average mortgage rates in Moscow stand at approximately 11.7% as of December 2011, down by 2.6% since the beginning of the year.

NUMBER OF TRANSACTION ON SECONDARY MARKET IN MOSCOW

91,222 units

Number of transaction on secondary market in Moscow in 2011 (2010: 58.4 mn sqm; ^6.7%)

Source: Rosreestr



Source: Rosreestr

MORTGAGE LENDING ENVIRONMENT

In billion RUB	2006	2007	2008	2009	2010	2011
Housing loans outstanding	350	758	1,265	1,181	1,295	1,625
As of GDP, %	1.3%	2.3%	3.1%	3.0%	2.9%	3.0%

Source: CBR

1,625 bn RUR

Housing loans outstanding in 2011

Source: Rosstat

11.7%

Average mortgage rates in Moscow in 2011

3.0%

Housing debt to GDP in 2011



Operational Overview

PIK was able to benefit from the upturn in the residential market and record 30% growth in new sales to customers.

510,000 square meters were sold in 2011, driven by both volume demand and prices. During the period 41 new buildings were introduced for sale, a rise of 64% on the previous year, of which 26 were in the Moscow Metropolitan Area ("MMA").

In line with seasonal patterns, the final quarter of the year turned out to be the strongest with new sales hitting 167,000 square meters, up by 30.5% compared to the corresponding period of the previous year (4Q10: 128,000 square meters).

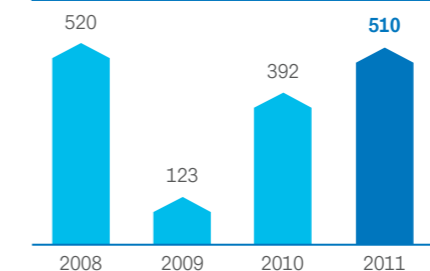
Transfers to customers under IFRS totaled 512,000 square meters, up by 18.0% compared to previous year. Total housing completions from all activities (real estate development, construction services and share of third parties) were up by 17.7% to 870,000 sq meters.

Average effective selling prices for PIK apartments, which are presold at the construction stage, enjoyed positive trends. Overall, consumer confidence was back and customers were buying apartments at the early stage of construction, meaning that buying patterns returned to normality. Selling prices in Moscow were up by 10% (not including our English Town business-class project, where price growth was 23%), while in Moscow region and other Russian regions they increased by 8.2% and 4.4% respectively.

NEW SALES TO CUSTOMERS¹

510 th sqm

New sales contracts to customers in 2011 (2010: 392 th sqm; ^30.1%)



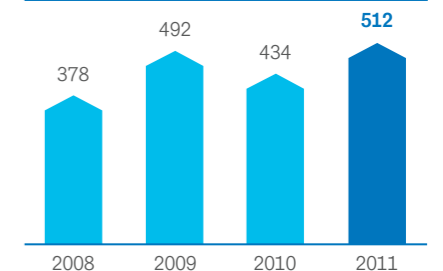
(1) including contracted retail and wholesales and others

Source: Management accounts

TRANSFERS TO CUSTOMERS²

512 th sqm

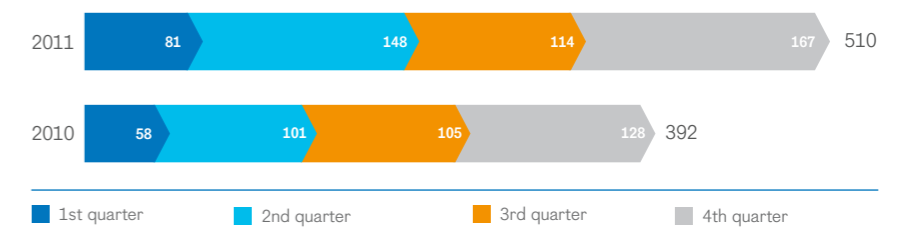
Transfers to customers in 2011 (2010: 434 th sqm; ^18.0%)



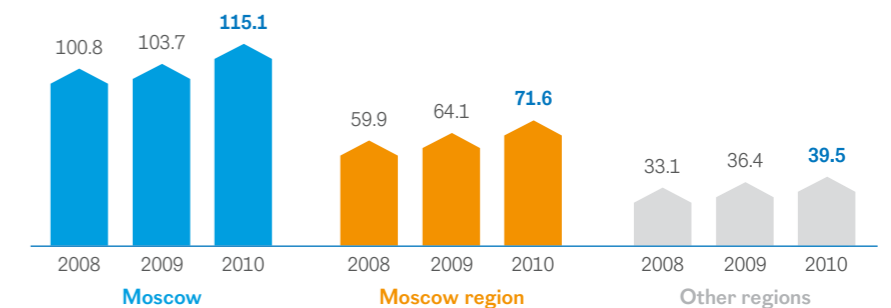
(2) as per revenue recognition policy adopted under IFRS

Source: IFRS accounts

NEW SALES TO CUSTOMERS, th sqm



AVERAGE PROPERTY PRICES^{1,2}, in '000 RUB per sqm



(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.

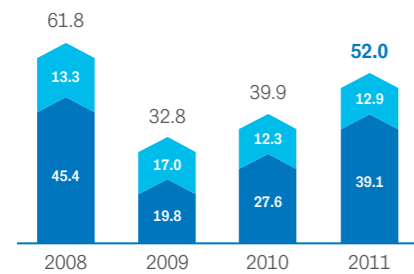
(2): Calculated for property under construction on contracts with retail customers

Source: Management accounts

GROSS CASH COLLECTIONS¹, in bn RUR

52.0 bn RUR

Gross cash in 2011
(2010: 39.9 bn RUR; \uparrow 30.3%)



■ Sales of apartments
■ Construction services and others

(1) Refers to all sales, including wholesales, retail and offsets

Source: Management accounts

Mortgage market dynamics were strong following the signing of partnership programs with most of Russia's leading commercial banks, such as Sberbank, VTB24 as well as Bank Vozrozhdenie and others. The top three mortgage providers accounted for over 60% of total mortgage transactions, while the top five represented around 85% of total transactions.

Overall, better mortgage affordability led to substantial growth of sales funded by mortgages at PIK projects. Mortgage funded sales reached 29.7% in 4Q11.

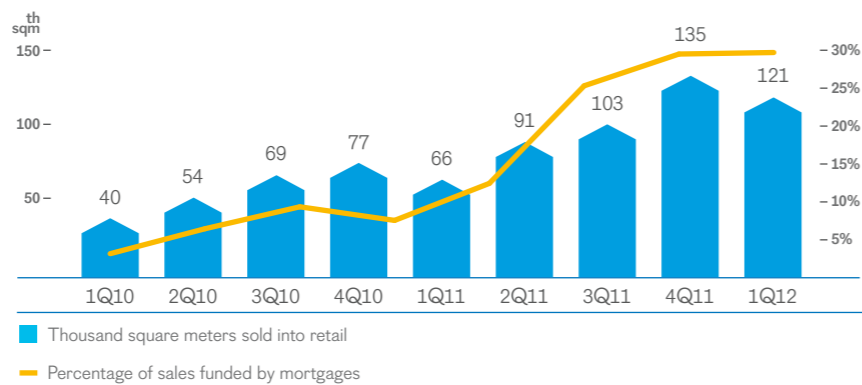


SHARE OF MORTGAGE FUNDED RETAIL SALES

'000 sqm	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11
Share of sales funded by mortgages ¹	3.1%	6.4%	9.3%	7.5%	12.4%	25.3%	29.5%	29.7%

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

NEW SALES TO RETAIL CUSTOMERS



■ Thousand square meters sold into retail
— Percentage of sales funded by mortgages

Financial Overview

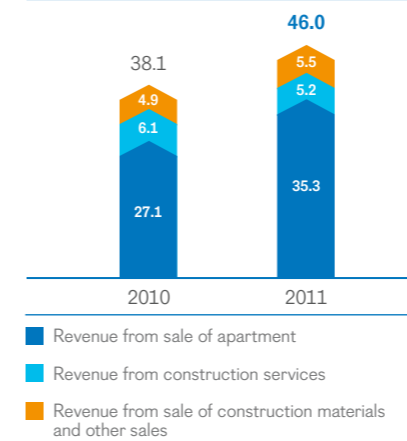
Total revenues were up by over 20.7% to RUB46.0 billion (2010: RUB38.0 billion) driven by an increase in sales of apartments from RUB27.1 billion to RUB35.2 billion.

Revenues from apartment sales accounted for 76.6% of total sales (2010: 71.1%), while revenue from construction services contributed 11.3% of total sales (2010: 16.0%). The balance of revenues came from other businesses, such as facilities management and the sale of construction materials.

TOTAL REVENUE

46.0 bn RUB

Revenue in 2011
(2010: 38.1 bn RUB; \uparrow 23.4%)



Source: IFRS accounts

Revenue from the sale of apartments was up, due to increased transfers to customers amounting to 512,000 square meters (2010: 434,000 square meters). Implied average selling prices, calculated as revenue from apartment sales divided by transfers to customers, increased by 10.0% to RUB68.8 thousand per square meter. Overall, increased revenues were driven by volume and price growth.

GROSS PROFIT MARGINS

	2011	2010	Change, %
Revenue from sale of apartments, RUB bn	35.2	27.1	30.0%
Gross profit, RUB bn	9.4	2.9	225.8%
Gross profit margin, %	20.4%	7.5%	+12.9ppt

Source: IFRS accounts

IMPLIED AVERAGE SELLING PRICES¹

	2011	2010	Change, %
Revenue from sale of apartments, RUB bn	35.2	27.1	30.0%
Transfers to customers, 000' sqm	512	434	18.9%
Implied average selling price, RUB per sqm	68.8	62.5	10.0%

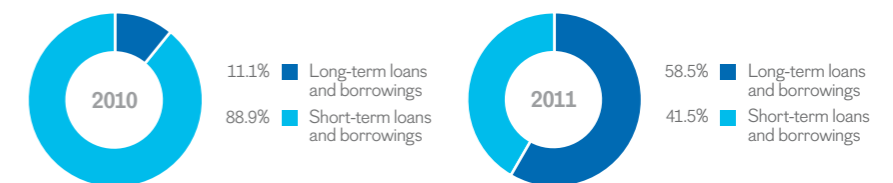
(1) Calculated as revenue from apartment sales divided by transfers to customers
Source: IFRS accounts

DEBT PROFILE

	2011	2010
Long-term loans and borrowings, RUB bn	27.5	4.9
Short-term loans and borrowings, RUB bn	19.5	39.1
TOTAL DEBT	47.0	44.0
less		
Accrued interest payable	(1.3)	(1.1)
Accrued penalties	-	(1.3)
Cash and equivalents	(2.9)	(4.4)
NET DEBT	42.8	37.2

Source: IFRS accounts

DEBT STRUCTURE



Source: IFRS accounts

Gross profit totaled RUB9.4 billion (2010: RUB2.9 billion). The gross profit margin was 20.4%, up by 12.9 per cent year-on-year.

Both general administrative, selling & distribution expenses increased in line with sales growth. Total general administrative, selling & distribution expenses amounted to RUB4.8bn, constituting of 10.5% of total revenue (2010: 10.1%)

In 2011, PIK cancelled penalties and fines relating to the late repayment of loans and late completions under investment contracts. The total value of these cancellations, the majority of which were incurred in 2010, reached RUB1.7bn.

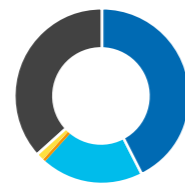
Following the market recovery in 2010 and further growth in 2011, impairment losses made in 2008-2009 on landplots, fixed assets and work in progress were reversed to the amount of RUB2.9bn.

At the same time, during the year PIK sold three development projects in line with the Group's strategy to divest non-core and /or illiquid assets, in order to deleverage the Group's balance sheet and optimize the Group's landbank structure. These divestments included the disposal of a 32.5% interest in "Park City" (14.3 he) and a 50% interest in "Bolsaya Ochakovskya" (11.2 he), as well as 100% interest in a development project in Korolev (11,2 ha).

BALANCE SHEET STRUCTURE, bn RUB

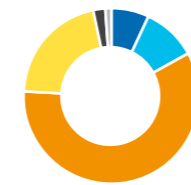
128.8 bn RUR
Total assets in 2011

EQUITY AND LIABILITIES



54.9	Accounts payable ¹
24.6	Provisions ²
0.2	Total equity
2.0	Other
47.1	Total debt liabilities

ASSETS



9.0	Property, plant and equipment
12.8	Accounts receivable incl. income tax receivable
76.0	Inventories ²
26.9	Intangibles
2.9	Cash and cash equivalents
1.2	Other assets

(1) Mostly consist of advances from customers (RUB 39 bn), accounts payable for construction works (RUB 11 bn) and provision for construction costs to complete (RUB 21 bn)
(2) Mostly consist of construction in progress, intended for sale (RUB 68 bn)

Source: IFRS accounts



» "Yaroslavsky" development, Mitishi, Moscow Region

35.2 bn RUR
Revenue from sale of apartments in 2011

Source: IFRS accounts

9.4 bn RUR
Gross profit in 2011

Source: IFRS accounts

These disposals in total resulted in a RUB2.3bn profit for PIK. PIK Group will continue exploiting further opportunities to optimize the structure of its landbank.

EBITDA meanwhile reached RUB11.7billion (2010: negative EBITDA of RUB2.1billion) and adjusted EBITDA totaled RUB5.9 billion (2010: negative adjusted EBITDA of RUB0.4 billion). For a detailed calculation refer to the appendix.

As a result of the above, net income moved back into the black and for the year amounted to RUB4.8 billion, a sharp contrast to the net loss of RUB6.0 billion in 2010. This marks a clear turning point in PIK's underlying financial performance.

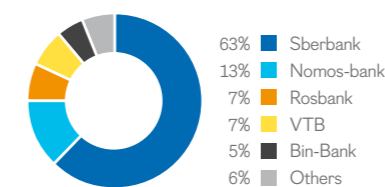
Total assets grew to RUB128.8 billion (December 31 2010: 119.6 billion). Total equity turned positive to RUB0.2 billion (December 31 2010: negative equity of RUB4.6 billion).

Significantly accelerating the Group's construction activities resulted in inventory growth from RUB65.0 billion to RUB76.0 billion, as work in progress advanced by RUB11.0 billion. On the back of rising sales, advances from customers were up by RUB8.6 billion to RUB38.9billion (December 31 2010: 30.3billion). The growing volume of activity was mainly funded by growing customer deposits taken as working capital.

Since December 31 2011, total debt increased by RUB3.1billion to RUB47.0billion as PIK drew down the open credit facility from Sberbank in full and repaid some of the small credit facilities which came due in 2011. Net debt amounted to RUB42.8billion (December 31 2010: RUB37.2billion). The share of long-term debt was 58.5%.

In January 2012, PIK rolled over RUB2.3 billion of debt due to a Russian commercial bank. In March 2012 the Group successfully renegotiated certain terms relating to the credit facilities of Sberbank. Accordingly, the debt repayment schedule was changed through the reduction of amounts due in 2012 to RUB1.8 billion from RUB10.4 billion. The difference of RUB8.6 billion was proportionally extended to the 2013-2014 period. The Sberbank credit facilities continue to be backed by assets of the Group together with government guarantees issued by the Ministry of Finance of the Russian Federation.

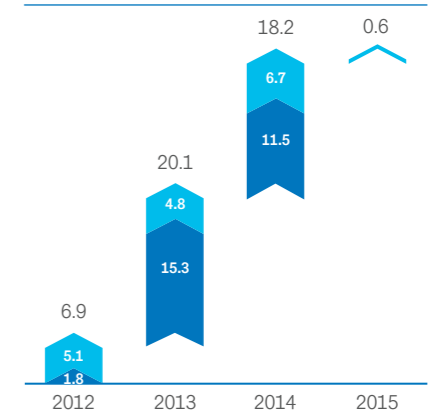
DEBT COMPOSITION BY SOURCE



Source: Company data

DEBT REPAYMENT SCHEDULE REVISED AS OF APRIL 2012¹

45.8 bn RUR
Total debt in 2011

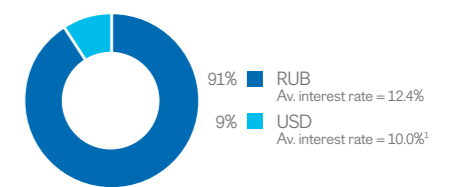


■ Sberbank

(1) Total debt of RUB47.1bn as of December 31, 2011 less RUB1.32bn of accrued interest expense

Source: Company data

DEBT COMPOSITION BY CURRENCY



(1) Average % rates calculated as of April 2012

Source: Company data

APPENDIX

Note: The calculation of following measures used in this announcement is set below. Our calculations of the below measures may be different from the calculation used by other companies and therefore comparability may be limited. The below measures are not measures of financial performance under IFRS.

1. **EBITDA** represents net profit/loss for the period before income tax expenses, interest income, interest expense including penalties payable, depreciation and amortization.

mn RUR	2011	2010
Net (loss) / profit for the period	4,805	(6,045)
Depreciation and amortisation	736	759
Interest expense including penalties payable	4,682	5,599
Interest income	(151)	(325)
Income tax expense/(credit)	1,607	(2,051)
EBITDA	11,679	-2,063

2. **Adjusted EBITDA** from development activities 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.

mn RUR	2011	2010
Net (loss) / profit for the year	4,805	(6,045)
Depreciation and amortisation	736	759
Interest expense including penalties payable	4,682	5,599
Interest income	(151)	(325)
Income tax expense/(credit)	1,607	(2,051)
EBITDA	11,679	-2,063
Impairment (reversals) /losses	(2,877)	1,106
Impairment losses/(reversals) on financial assets	564	595
Forex loss / (gain)	(179)	96
Share of loss of equity accounted investees	-	52
(Gain) / loss on disposal of PP&E	39	(6)
(Gain) / loss from disposal of development rights and subsidiaries	(2,298)	(368)
Effect of termination long-term land lease agreements	(585)	(2,032)
Provision for doubtful accounts	-	-
Accrued penalties and fines/(reversals)	(473)	2,191
ADJUSTED EBITDA FROM DEVELOPMENT ACTIVITIES	5,870	(429)

3. **Total assets** calculated as sum of non-current and current assets.

mn RUR	December 31, 2011	December 31, 2010
Total non-current assets	36,771	32,632
Total current assets	92,003	86,950
TOTAL ASSETS	128,774	119,582

4. **Total debt** calculated as sum of non-current loans and borrowings, current loans and borrowings.

mn RUR	December 31, 2011	December 31, 2010
Non-current loans and borrowings	27,549	4,916
Current loans and borrowings	19,522	39,062
TOTAL DEBT	47,071	43,978

5. **Net debt** calculated as total debt less accrued interest payable, accrued penalties, cash and equivalents.

mn RUR	December 31, 2011	December 31, 2010
Total debt	47,071	43,978
Accrued interest payable	(1,324)	(1,132)
Accrued penalties	-	(1,280)
Cash and equivalents	(2,874)	(4,350)
NET DEBT	42,873	37,216

Typical common area



"Yubileyny" development (building #10), Khimki (Moscow region)

Key Projects Overview

At 31 December 2011, the total landbank stood at 6.9 million square meters, of which 4.8 million was located in PIK's principal area of focus, the MMA. The MMA was 69% by net sellable area and 88.5% by value of the total landbank.

The market value of the property portfolio as of December 31, 2011 stood at US\$2.7 billion. Market portfolio value per square meter was US\$387.

The average value of our portfolio per square meter was \$1,512 in Moscow, \$254 in Moscow region and \$143 in Russia's regions.

In 2011 PIK significantly accelerated its development pipeline and overall achieved 510 thousand square meters of new sales to its customers.

PROPERTY PORTFOLIO AS OF DECEMBER 31, 2011

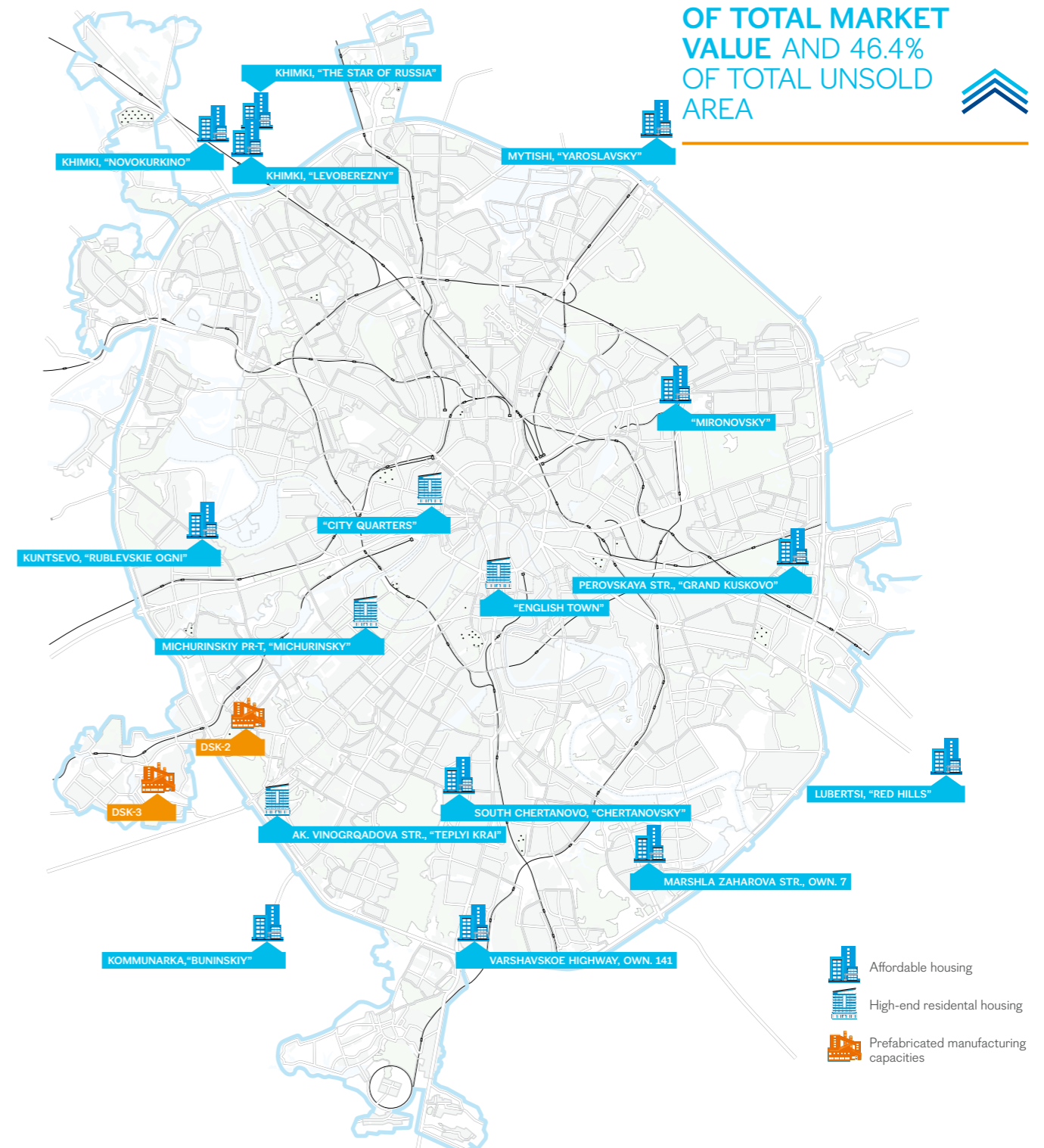
	Number of properties ⁽¹⁾	Net selling area, PIK share (th sqm)	Unsold net selling area, PIK share (th sqm)	Value (\$MM)	Value per sqm (\$)
Moscow	25	1,666	921	1,392	1,512
Moscow region	26	5,603	3,851	977	254
Other regions	44	2,616	2,149	307	143
TOTAL	95	9,885	6,921	2,676	

(1) I.e. number of projects
Source: CBRE valuation report



KEY PROJECTS IN MOSCOW METROPOLITAN AREA

MOSCOW METROPOLITAN AREA ACCOUNTS FOR 87.3% OF TOTAL MARKET VALUE AND 46.4% OF TOTAL UNSOLD AREA



This process was driven by launches made in 2010, including "Ak. Vinogradova" (1 building), "English Town" (2 buildings), the "Anninsky" (2 buildings) projects, as well as new sales initiated in 2011.

During the year, PIK put 41 new buildings on sale, the majority of which came from its large-scale residential developments in the MMA, such as "Novokurkino" (5 buildings), "Levoberezhny" (4 buildings), "Yubileyniy" (2 buildings) in Khimki city, "Krasnaya Gorka" (2 buildings) in Lubertsy, and "Yaroslavsky" (4 buildings) in Mytischy and as well as mid-sized projects, such as "Chertanovsky" (4 buildings), Pyhtino (2 buildings) and others. In Russia's regions, the most active city was Obninsk with 4 new launches, followed by Yaroslavl and Perm.

At the same time, PIK completed 53 buildings within its own developments, including 2 kindergartens (at "Bicevsky" and "Yubileyniy" projects), 1 small office (at Zhukov lane) and 1 fitness centre (at "Bicevsky" project).

Going forward, PIK plans to capitalize further on developing its existing pipeline. Apart from ongoing real estate development on a large scale at MMA projects ("Novokurkino", "Levoberezhny", "Yaroslavsky", "Krasnaya Gorka"), PIK plans to launch a number of small- and mid-sized projects in the MMA and Russia's regions.

In 2012 so far, the Group has already started construction on the "Mironovsky" and the "Grand Kuskovo" projects, both located in Moscow. In addition to launching small and mid-sized projects from the current pipeline, PIK has just commenced the first phase (approx 580 thousand square meters of sellable space) of its "Buninskiy" project located in Kommunarka (MMA) within the "New Moscow" territory.

Starting from 2H2011, real estate activity has intensified in certain of Russia's regions and PIK is in the final process of launching additional projects in Obninsk, Perm, Rostov and Yaroslavl.

»» "English town" development, Moscow



»» Prefabricated production facility, DSK-2

PIK PLANS TO LAUNCH A NUMBER OF SMALL- AND MID-SIZED PROJECTS IN THE MMA AND RUSSIA'S REGIONS



41 buildings

PIK put on sale during 2011¹

(1) including own development projects
Source: Management accounts

51 buildings

PIK completed within its own development during 2011^{1,2}

(1) including own development projects
(2) excluding social infrastructure

119 buildings

were under different stages of construction in 2011³

(3) including all types of activities

TOP-10 KEY PROJECTS BY VALUE



MANTULINSKAYA STR., "CITY QUARTERS"

LOCATION
Moscow

CLASS
High-end residential

DESCRIPTION

The Property is situated in the general area of Big City on Mantulinskaya Street near the Third Transport Ring and 1905 Goda Street. The Vystavochnaya metro station is within a 10-minute walk from the site. Moscow City, Expocentre, World Trade Centre office developments, and the building of the Government of the Russian Federation are located in the vicinity. Access to the Property is convenient by both public and private transport.

The land plot will be developed with business class residential and apartment buildings of monolithic concrete structure, a 4 star hotel for 155 rooms, a retail complex of around 20,000 sq m rentable areas and an underground car park for more than 3,700 spaces.

UNSOLD AREA

113 '000 sqm

VALUE

376 mn US\$



MYTISCHI, "YAROSLAVSKY"

LOCATION
Moscow region

CLASS
Mass market residential

DESCRIPTION

The Property is located in the city of Mytischy in the Moscow Region next to the Moscow Outer Ring Road (MKAD). Mytischy is one of the largest satellite cities of Moscow with a population of approximately 164,000 people. Once completed, the Property will accommodate more than 45,000 citizens.

The site can be conveniently accessed by Yaroslavskoye and Ostashkovskoye highways. The journey by car to the centre of Moscow takes about 30 minutes. Access to Moscow by public transport is possible by shuttle buses to the nearest metro stations (Medvedkovo, Babushkinskaya, Altufievo).

The Property is comprised of three land plots with a total area of 114.25 ha in the course of development with 58 buildings, including:

- 42 multi-story residential buildings with some commercial properties on the ground floors, totalling 1,094,555 sq m net selling area.
- 14 stand alone commercial buildings with leasable areas varying from 1,000 sq m to 7,500 sq m;
- Stand alone fitness centre of 10,000 sq m;
- Parking for approximately 10,457 cars.

UNSOLD AREA

632 '000 sqm

VALUE

254 mn US\$



KHIMKI, SOVKHOZNAYA STR., "LEVOBEREZNY"

LOCATION
Moscow region

CLASS
Mass market residential

DESCRIPTION

Khimki is situated at the intersection of one of the most important transport corridors of Russia, namely the Moscow-St. Petersburg highway, the Oktyabskaya railway, and the Moscow River. Khimki is one of the largest satellite cities of Moscow with a population of approximately 186,000 people.

The Property is located about 1 km from the MKAD. Access to the Property is possible by both public and private transport. The distance to the centre of Moscow is approximately 20 km. It takes between 30 minutes to reach the centre by car.

Access to Moscow by public transport is possible by shuttle buses to the nearest metro stations (Rechnoy vokzal, Planernaya, Tushinskaya and Voikovskaya). The Master Plan includes construction on the 55.8 ha site of 577,286.9 sq m of net selling area of apartments (of this, 8 residential buildings with 77,286.9 sq m of NSA belong to The Star of Russia micro district which is located nearby), 8 car parks with 4,960 parking spaces, 4 shopping centers of 9,705 sq m and social infrastructure.





PIK plans to construct on the sites 15 residential buildings, seven car parks, infrastructure facilities and 3 local shopping centers.

UNSOLD AREA

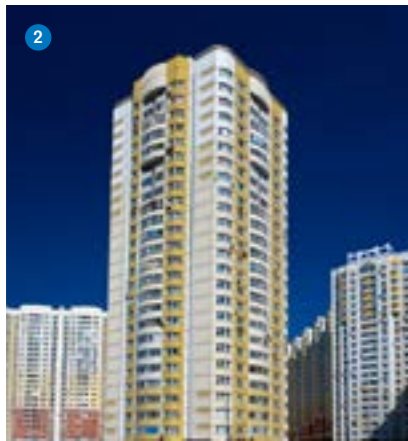
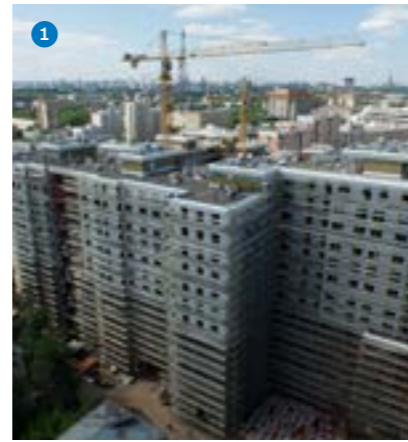
301 '000 sqm

VALUE

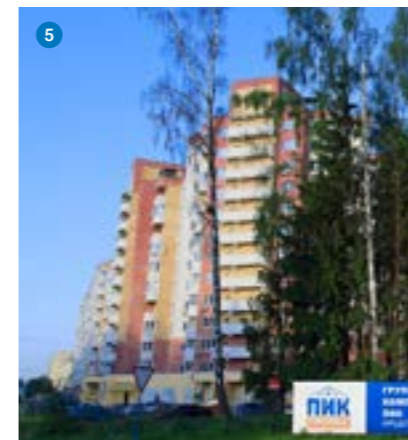
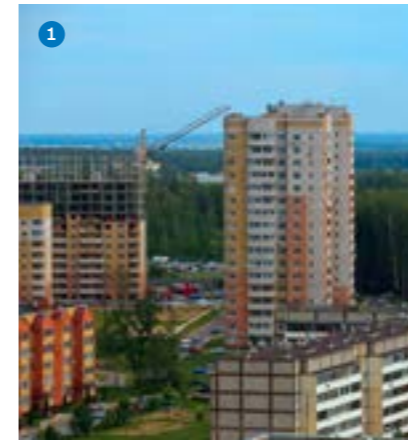
171 mn US\$

			
KOMMUNARKA, "BUNINSKIY"	KUNTSEVO, "RUBLEVSKIE OGNI"	PEROVSKAYA STR., 66, "GRAND KUSKOVO"	MICHURINSKY PR-T., "MICHURINSKY"
LOCATION Moscow region	LOCATION Moscow	LOCATION Moscow	LOCATION Moscow
CLASS Mass market residential	CLASS Mass and high-end market residential	CLASS Mass market residential	CLASS High-end residential
DESCRIPTION The Property is located in the Moscow Region's Leninsky Administrative District, in close proximity to "South Butovo" residential microdistrict, 4 km south west of the Moscow Outer Ring Road (MKAD) along Kaluzhskoye highway. Access to the Property is convenient by public transport: by buses ## 213, 165 and 288 from "Buninskaya Alley" metro station, some 10 minutes away. The subject land site is planned for development with a new residential complex including multistory residential buildings, schools, kindergartens, commercial premises on the ground floors of the residential buildings and a stand alone retail centre.	DESCRIPTION The Properties are located at Akademika Pavlova Street, at the intersection of Rublevskoe highway and Yrtsevskaya Street. Molodezhnaya metro station is located in the vicinity. Residents of the area enjoy close proximity to Suvorovsky Park and the Moscow River, which are located on the opposite side of Rublevskoe highway to the Property's east. A popular recreational venue for Moscow residents – the Serebryany Bor forest park – is located not far from the Property to the north. The area is well developed in terms of amenities. Access to the Property is convenient by both public and private transport. The project represents the construction of several buildings of monolithic concrete construction complying with business and economy class residential standards. The residential properties will be delivered in shell & core condition. The buildings will be supplied with underground parking.	DESCRIPTION Perovskaya Street is situated in eastern Moscow's Novogireevo district at the intersection with Novoteterki Street. To the south of the Property across the railway line is Kuskovo, a historical park with the Kustovskiye lakes. To the north west of the Property is Perovsky Park. Access to the Property is convenient by both public and private transport. Kuskovo railway station on the Gorkovskoye line is nearby. The nearest metro stations are Perovo and Novogireyevo on the Kalininskaya line. The preliminary project proposes the construction of eight residential buildings of P3M panel construction with underground parking and two stand alone garage buildings.	DESCRIPTION Michurinsky Prospect is situated in south west Moscow between Kutuzovskiy and Leninsky Avenues. The location is considered very prestigious for middle-class accommodation. The area is undergoing rapid development; the majority of new buildings are of quality monolithic concrete construction with underground parking facilities. The area is well developed in terms of amenities. Access to the Property is convenient by both public and private transport. Universitet and Vernadskogo metro stations are fifteen minutes away by public transport. The Property comprises a 19.03 ha site in the course of development with several buildings of monolithic concrete construction. The project complies with business class residential standards.
UNSOLD AREA 1,069 '000 sqm	UNSOLD AREA 146 '000 sqm	UNSOLD AREA 132 '000 sqm	UNSOLD AREA 64 '000 sqm
VALUE 168 mn US\$	VALUE 161 mn US\$	VALUE 135 mn US\$	VALUE 133 mn US\$

		
VARSHAVSKOE HIGHWAY, OWN. 141	MIRONOVSKAYA STR., 46, "MIRONOVSKY"	OBNINSK, DISTRICT 55 "BORISOGLEBSKY"
LOCATION Moscow	LOCATION Moscow	LOCATION Kaluga region
CLASS Mass market residential	CLASS Mass market residential	CLASS Mass market residential
DESCRIPTION The Property is located in the southern part of Moscow, near the intersection of Varshavskoe Highway and Kirpichnye Vyemki Street. The Property has good access both by public and private transport. Annino and Ulitsa Akademika Yangelya metro stations are located within walking distance of the Property. Bitsevskiy Park is located in the vicinity of the Property, across Varshavskoe Highway. The Property comprises a 7.37 ha land plot which is currently occupied by the former "GazStroy Mash" factory. The developer intends to demolish the factory and build the residential complex on the site.	DESCRIPTION The Property is located in the north-eastern part of Moscow, between three metro stations: Preobrazhenskaya Ploshad, Semenovskaya and Partizanskaya. The subject location is mainly industrial in nature; however, in recent times, obsolete industrial buildings are being replaced by new housing. A former weaving mill is currently located on the site. PIK intends to demolish the factory and construct a residential complex on the site. The preliminary project proposes construction of residential buildings of panel construction and underground parking with 700 spaces. The residential apartments will be delivered in shell & core condition as standard.	DESCRIPTION The Property is located in Obninsk, Kaluga Region 100 km to the south-west of Moscow. Obninsk is one of the major Russian science cities. The Property is located in the outskirts area of Obninsk, micro region #38. Multi-storey residential buildings with well developed infrastructure – schools, shops and number of cafés are located on the opposite side. Aboveground parking under construction is located next to subject property. Access to the property is convenient by both public and private transport. Taking into consideration the size of Obninsk, the city centre can be easily reached within 10 minutes. There are number of buses and fixed-run taxi connecting micro region # 38 with the city centre. The Property comprises eleven residential buildings of prefabricated monolith concrete with aboveground parking.
UNSOLD AREA 130 '000 sqm	UNSOLD AREA 33 '000 sqm	UNSOLD AREA 163 '000 sqm
VALUE 113 mn US\$	VALUE 46 mn US\$	VALUE 56 mn US\$



- 1 "English town" development, Moscow
- 2 "Yubileyny" development, Khimki (Moscow region)
- 3 "Yaroslavsky" development, Mytishi (Moscow region)
- 4 "Red Hills" development, Lubertsy (Moscow region)
- 5 "Chertanovsky" development, Moscow

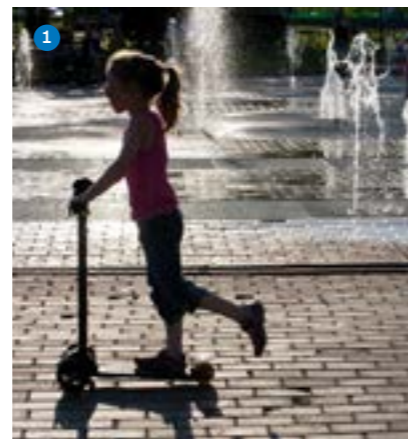


- 1 "Borisoglebsky" development, Obninsk (Kaluga region)
- 2 "Star of Russia" development, Khimki (Moscow region)
- 3 "Sokol" development, Yaroslavl
- 4 "Levoberegny" development, Khimki (Moscow region)
- 5 "Severny" development, Obninsk (Kaluga region)
- 6 "Novokurkino" development, Khimki (Moscow region)





1 Typical social infrastructure (kindergarten, school, playground areas) developed by PIK on its large-scale residential projects (urban neighborhoods)



2 "Yubileyny" development (building #10), Khimki (Moscow region)





“ENGLISH TOWN”

The English Neighborhood residential development is located between the Garden Ring Road and the Third Ring Road just to the south of central Moscow. The area is very popular among home buyers. More than twenty embassies are located in the area. The English Neighborhood is conceived as a district of high-quality residences. Access to the Property is convenient by both public and private transport. There are five metro stations in the neighborhood's vicinity: Shabolovskaya, Dobryninskaya, Serpukhovskaya, Otyabrskaya and Tulsкая. Access is also very convenient from the city's main roads: Leninsky Prospect, Bolshaya Yakimanka, Bolshaya Polyanka and Pyatnitskaya Streets. The area is very well developed in terms of amenities.

The Property is constructed of cast reinforced concrete. Buildings will include studio apartments, apartments and penthouses. The commercial properties will include premises located on the ground floors of the residential buildings. PIK will also build an underground parking garage with 1,193 spaces (PIK's share is 835).

The residential properties will be delivered in shell and core condition as standard. The commercial properties will also be delivered in shell & core condition.

4.58 ha

Land plot

17,232 sqm

NSA (PIK Share, unsold)

99,556 sqm

Total NSA*

71,872 sqm

Total NSA* (PIK Share)

2

Total buildings

118 mn US\$

Total remaining budget

(*) CBRE as of December 31, 2011





KHIMKI, “NOVOKURKINO”

Khimki is situated at the intersection of one of the most important transport corridors of Russia, namely the Moscow-St. Petersburg highway, the Oktyabskaja railway, and the Moscow River. Khimki is one of the largest satellite cities of Moscow with a population of approximately 186,000 people. The Property is located about 4 km from the MKAD. Access to the Property is convenient by both public and private transport. The distance to the centre of Moscow via Leningradskoe highway is approximately 25 km. It takes between 30 minutes and 1.5-2 hours (during peak time) to reach the city centre. Once completed, the Property will accommodate more than 35,000 citizens.

Access to Moscow by public transport is possible by shuttle buses to the nearest metro stations (Rechnoy vokzal, Planernaya, Tushinskaya and Voikovskaya) and by rail (the nearest stations are Planernaya and Khimki, 3 km and 4 km away respectively; the total travel time to the city centre is about 1 hour).

The surrounding neighbourhood comprises mainly residential buildings. A large shopping mall, Mega, is located within walking distance of the Property. NLA of the mall is over 175,000 sq m and includes the IKEA and Auchan hypermarkets, the OBI DIY centre and the Kinostar cinema.

PIK will also build appropriate social infrastructure such as kindergartens, schools and sports centres to serve the entire neighbourhood. The panel residential properties will be delivered in turnkey condition, monolith – in shell and core. The commercial properties will be delivered in shell & core condition. The residential buildings will comply with economy class standards.

81 ha
Land plot

239,305 sqm
NSA (PIK Share, unsold)

835,413 sqm
Total NSA*

831,237 sqm
Total NSA* (PIK Share)

38
Total buildings

521 mn US\$
Total remaining budget

(*) CBRE as of December 31, 2011



114.25

 ha

Land plot

632,415

 sqm

NSA (PIK Share, unsold)

1,150

 th sqm

Total NSA*

834

 th sqm

Total NSA* (PIK Share)

58

Total buildings

1,472

 mln US\$

Total remaining budget

(*) CBRE as of December 31, 2011



MYTISHI, “YAROSLAVSKY”

The Property is located in the city of Mytishi in the Moscow Region next to the Moscow Outer Ring Road (MKAD). Mytishi is one of the largest satellite cities of Moscow with a population of approximately 164,000 people. Once completed, the Property will accommodate more than 45,000 citizens.

The site can be conveniently accessed by Yaroslavskoye and Ostashkovskoye highways. The journey by car to the centre of Moscow takes about 30 minutes (or up to 1.5-2.0 hours during peak time).

Access to Moscow by public transport is possible by shuttle buses to the nearest metro stations (Medvedkovo, Babushkinskaya, Altufievo) and by rail (the nearest stations are Perlovskaya and Mytishi with a total travel time of 1 hour to the city centre).

The Property is comprised of three land plots with a total area of 114.25 ha in the course of development with 58 buildings, including:

- 42 multi-story residential buildings with some commercial properties on the ground floors, totalling 1,094,555 sq m net selling area. The buildings comprise panel P3M, panel KOPE and monolith concrete structures. The residential properties of panel construction will be delivered in turnkey condition, and the monolith buildings in shell and core condition as standard. The residential buildings will comply with economy class standards.
- 14 stand alone commercial buildings with leasable areas varying from 1,000 sq m to 7,500 sq m;
- Stand alone fitness centre of 10,000 sq m;
- Parking for approximately 10,457 cars.





KHIMKI, “LEVOBEREZHNY”

Khimki is situated at the intersection of one of the most important transport corridors of Russia, namely the Moscow-St. Petersburg highway, the Oktyabskaja railway, and the Moscow River. Khimki is one of the largest satellite cities of Moscow with a population of approximately 186,000 people.

The Property is located about 1 km from the MKAD. Access to the Property is possible by both public and private transport. The distance to the centre of Moscow is approximately 20 km. It takes between 30 minutes and 1.5-2 hours (during peak time) to reach the centre by car.

Access to Moscow by public transport is possible by shuttle buses to the nearest metro stations (Rechnoy vokzal, Planernaya, Tushinskaya and Voikovskaya) and by rail (the nearest station is Levoberezhnaya, 1.5 km away; the total travel time to the city centre is 1 hour).

The surrounding neighbourhood comprises mainly residential buildings.

The Master Plan includes construction on the 55.8 ha site of 577,286.9 sq m of net selling area of apartments (of this, 8 residential buildings with 77,286.9 sq m of NSA belong to The Star of Russia micro district which is located nearby), 8 car parks with 4,960 parking spaces, 4 shopping centers of 9,705 sq m and social infrastructure.

PIK plans to construct on the sites 15 residential buildings of P3M, P11M, KOPE panel series and monolithic concrete construction, seven car parks, infrastructure facilities and 3 local shopping centers.

The residential buildings of panel construction will be delivered in turnkey condition, and the monolithic concrete buildings and commercial properties will be delivered in shell and core condition.

The residential buildings will comply with economy class standards.

41.67 ha
Land plot

301,272 sqm
NSA (PIK Share, unsold)

404,425 sqm
Total NSA*

404,425 sqm
Total NSA* (PIK Share)

25
Total buildings

455 mln US\$
Total remaining budget

(*) CBRE as of December 31, 2011



KHIMKI, “THE STAR OF RUSSIA”

Khimki is situated at the intersection of one of the most important transport corridors in Russia, namely the Moscow-St. Petersburg highway, the Oktyabskaya Railway, and the Moscow River. Khimki is one of the largest satellite cities of Moscow with a population of approximately 186,000 people.

The Property is located about 1 km from the MKAD. Access to the Property is possible by both public and private transport. The distance to the centre of Moscow is approximately 20 km. It takes between 30 minutes and 1.5-2 hours (during peak time) to reach the centre by car.

Access to Moscow by public transport is possible by shuttle buses to the nearest metro stations (Rechnoy vokzal, Planernaya, Tushinskaya and Voikovskaya) and by rail (the nearest station is Levoberezhnaya located 1.5 km away; the total travel time to the city centre is 1 hour).

The surrounding neighbourhood comprises mainly residential buildings.

The Property comprises 5 land plots totalling 7.09 ha in the course of development with a residential complex with monolith concrete buildings with built-in commercial premises on the ground floors.

7.09 ha

Land plot

108,685 sqm

NSA (PIK Share, unsold)

201,612 sqm

Total NSA*

140,609 sqm

Total NSA* (PIK Share)

8

Total buildings

172 mln US\$

Total remaining budget

(*) CBRE as of December 31, 2011



127.79 ha

Land plot

1,069 th sqm

NSA (PIK Share, unsold)

1,079 th sqm

Total NSA*

1,069 th sqm

Total NSA* (PIK Share)

50+

Total buildings

1,780 mn US\$

Total remaining budget

(* CBRE as of December 31, 2011)



KOMMUNARKA, “BUNINSKY”

The Property is located in the Moscow Region's Leninsky Administrative District, in close proximity to “South Butovo” residential microdistrict, 4 km south west of the Moscow Outer Ring Road (MKAD) along Kaluzhskoye highway.

Access to the Property is convenient by public transport: by buses ## 213, 165 and 288 from “Buninskaya Alley” metro station, some 10 minutes away.

The subject land site is planned for development with a new residential complex including multistory residential buildings, schools, kindergartens, commercial premises on the ground floors of the residential buildings and stand alone retail centre.

Construction works started in April 2012.



11.35 ha

Land plot

30,742 sqm

NSA (PIK Share, unsold)

133,632 sqm

Total NSA*

88,052 sqm

Total NSA* (PIK Share)

8

Total buildings

98 mn US\$

Total remaining budget

(*) CBRE as of December 31, 2011



SOUTH CHERTANOVO, “CHERTANOVSKY”

The Property is located in the Southern Chertanovo District of Moscow. The site occupies land adjoining Varshavskoe highway (parallel road) in close proximity to the intersection with Akademika Yangelya Street. The site is located within 1 minutes' walk of Ulitsa Akademika Yangelya metro station.

The site is located within 2 km of the Moscow Outer Ring Road (MKAD) and is conveniently accessed from Varshavskoe highway.

The residential buildings planned for construction on the land plots will be of monolithic and brick construction and panel construction. The apartments will be offered for sale in shell & core condition in line with market practice.

The project includes construction of underground and aboveground parking facilities for 876 and 887 cars respectively, of which PIK's share is 1,234 spaces.



29.8 ha

Land plot

359,877 sqm

NSA (PIK Share, unsold)

1,064 th sqm

Total NSA*

666 th sqm

Total NSA* (PIK Share)

55

Total buildings

630 mln US\$

Total remaining budget

(*) CBRE as of December 31, 2011



LUBERTSY, “RED HILLS”

Lubertsy is a medium-sized satellite city of Moscow, located 4 kilometres south-east of the Moscow Ring Road (MKAD) along Ryazanskoe highway, a 10 minute drive from the MKAD (without allowing for traffic congestion). The population of Lubertsy is about 158,000 people. The Property is located in the north-eastern part of the city, about 10-15 minutes from Lubertsy-1 railway station. Access to the Property is convenient by public transport from “Kazanskiy” railway station (25 minutes by the “Sputnik” express train), or by buses ##722 and 501 from “Vykhino” metro station (25-30 minutes).

The subject Property comprises a land plot in the course of development with a residential complex including:

- Thirty-five residential panel buildings of P-3M, P-44 types and their modifications, KOPE and KOPE-Parus; the apartments are planned for delivery in turnkey condition;
- Five detached retail and sports buildings with a Net Selling Area of about 28,770 sq m and 160 car spaces;
- Three multi-level aboveground car parks with 6,880 spaces in total.



15.32 ha

Land plot

131,565 sqm

NSA (PIK Share, unsold)

131,565 sqm

Total NSA*

131,565 sqm

Total NSA* (PIK Share)

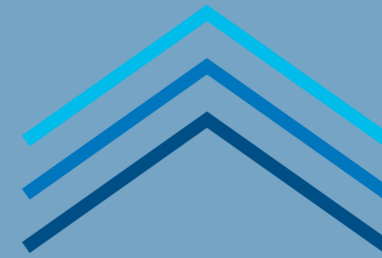
9

Total buildings

250 mln US\$

Total remaining budget

(*) CBRE as of December 31, 2011



PEROVSKAYA STR., “GRAND KUSKOVO”

Perovskaya Street is situated in eastern Moscow's Novogireevo district at the intersection with Novoteterki Street. To the south of the Property across the railway line is Kuskovo, a historical park with the Kustovskiye lakes. To the north west of the Property is Perovsky Park.

Access to the Property is convenient by both public and private transport. Kuskovo railway station on the Gorkovskoye line is nearby. The nearest metro stations are Perovo and Novogireyevo on the Kalininskaya line.

The preliminary project proposes the construction of eight residential buildings of P3M panel construction with underground parking and two stand alone garage buildings.

Construction works started in 1st quarter of 2012.





“MIRONOVSKY”

The Property is located in the north-eastern part of Moscow, between three metro stations: Preobrazhenskaya Ploshad, Semenovskaya and Partizanskaya.

The subject location is mainly industrial in nature; however, in recent times, obsolete industrial buildings have been replaced by new housing.

A former weaving mill is currently located on the site. PIK intends to demolish the factory and construct a residential complex on the site.

The preliminary project proposes construction of residential buildings of panel construction and underground parking with 700 spaces. The residential apartments will be delivered in shell & core condition as standard.

Construction works have been started in 1st quarter of 2012.

2.64 ha
Land plot

33,017 sqm
NSA (PIK Share, unsold)

33,018 sqm
Total NSA*

33,018 sqm
Total NSA* (PIK Share)

2
Total buildings

72 mn US\$
Total remaining budget

(* CBRE as of December 31, 2011)





MICHURINSKIY PR-T, 5-6

Michurinsky Prospect is situated in south west Moscow between Kutuzovsky and Leninsky Avenues. The location is considered very prestigious for middle-class accommodation. The area is undergoing rapid development; the majority of new buildings are of quality monolithic concrete construction with underground parking facilities. The area is well developed in terms of amenities.

Access to the Property is convenient by both public and private transport. Universitet and Vernadskogo metro stations are fifteen minutes away by public transport.

The Property comprises a 19.03 ha site in the course of development with several buildings of monolithic concrete construction. The project complies with business class residential standards.

19.03 ha

Land plot

63,761 sqm

NSA (PIK Share, unsold)

399,429 sqm

Total NSA*

63,761 sqm

Total NSA* (PIK Share)

2

Total buildings

131 mn US\$

Total remaining budget

(* CBRE as of December 31, 2011)



2.06 ha

Land plot

14,908 sqm

NSA (PIK Share, unsold)

83,099 sqm

Total NSA*

80,868 sqm

Total NSA* (PIK Share)

5

Total buildings

44 mln US\$

Total remaining budget

(* CBRE as of December 31, 2011)



AK. VINOGRADOVA, “TEPLYI KRAI”

The Property is situated between Profsoyuznaya Street and Leninsky Prospekt close to the Moscow Outer Ring Road (MKAD). The nearest metro station, Teply Stan, is located slightly beyond walking distance. 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.

The Property comprises land plots of 3.39 ha total area in the course of development with a number of buildings of monolithic concrete construction. The residential buildings will comply with economy class standards.

The Property will also contain two underground car parks with 1,697 parking spaces. The concept includes the construction of some social facilities such as a child care centre and fitness centre.





KUNTSEVO, “RUBLEVSKIE OGNI”

The Properties are located at Akademika Pavlova Street, at the intersection of Rublevskoe highway and Yrtsevskaya Street. Molodezhnaya metro station is located in the vicinity.

Residents of the area enjoy close proximity to Suvorovsky Park and the river Moscow, which are located on the opposite side of Rublevskoe highway to the Property's east. A popular recreational venue for Moscow residents – the Serebryany Bor forest park – is located not far from the Property to the north. The area is well developed in terms of amenities. Access to the Property is convenient by both public and private transport.

The project represents the construction of several buildings of monolithic concrete construction complying with business and economy class residential standards. The residential properties will be delivered in shell & core condition. The buildings will be supplied with underground parking.



0.95 ha
Land plot

145,885 sqm
NSA (PIK Share, unsold)

169,055 sqm
Total NSA*

166,126 sqm
Total NSA* (PIK Share)

7
Total buildings

335 mn US\$
Total remaining budget

(*) CBRE as of December 31, 2011

37.51

 ha

Land plot

342,913

 sqm

NSA (PIK Share, unsold)

423,372

 sqm

Total NSA*

409,091

 sqm

Total NSA* (PIK Share)

18

Total buildings

310

 mln US\$

Total remaining budget

(*) CBRE as of December 31, 2011



YAROSLAVL, “SOKOL”

The Property is located in Frunzensky district, in microdistricts #1 and #5 in Yaroslavl. A large residential development site is located across the street from the Property and is also being developed by PIK (the buildings are at different stages of development – ranging from ground works to commissioned buildings). One side of the Property is bounded by Prospect Frunze and the other side by the railway line.

The Property enjoys good access by car and by public transport. Access to the city centre is via Prospect Frunze. The Property is 15 minutes by car from the city centre.

The land plot is flat and regularly shaped. The Property is held for the development of multi-storey residential buildings with some commercial premises on the ground floor, stand alone car-parks, and social infrastructure.





KALUGA REGION, OBNINSK, “SEVERNY”

The Property is located in Obninsk, Kaluga Region 100 km to the south-west of Moscow. Obninsk is one of the major Russian science cities.

The Property is located in the outskirts area of Obninsk, micro region #38. Multi-storey residential buildings with well developed infrastructure – schools, shops and number of cafés are located on the opposite side. Aboveground parking under construction is located next to subject property.

Access to the property is convenient by both public and private transport. Taking into consideration the size of Obninsk, the city centre can be easily reached within 10 minutes. There are number of buses and fixed-run taxi connecting micro region # 38 with the city centre.

The Property comprises eleven residential buildings of prefabricated monolith concrete with aboveground parking.

2.27 ha
Land plot

7,383 sqm
NSA (PIK Share, unsold)

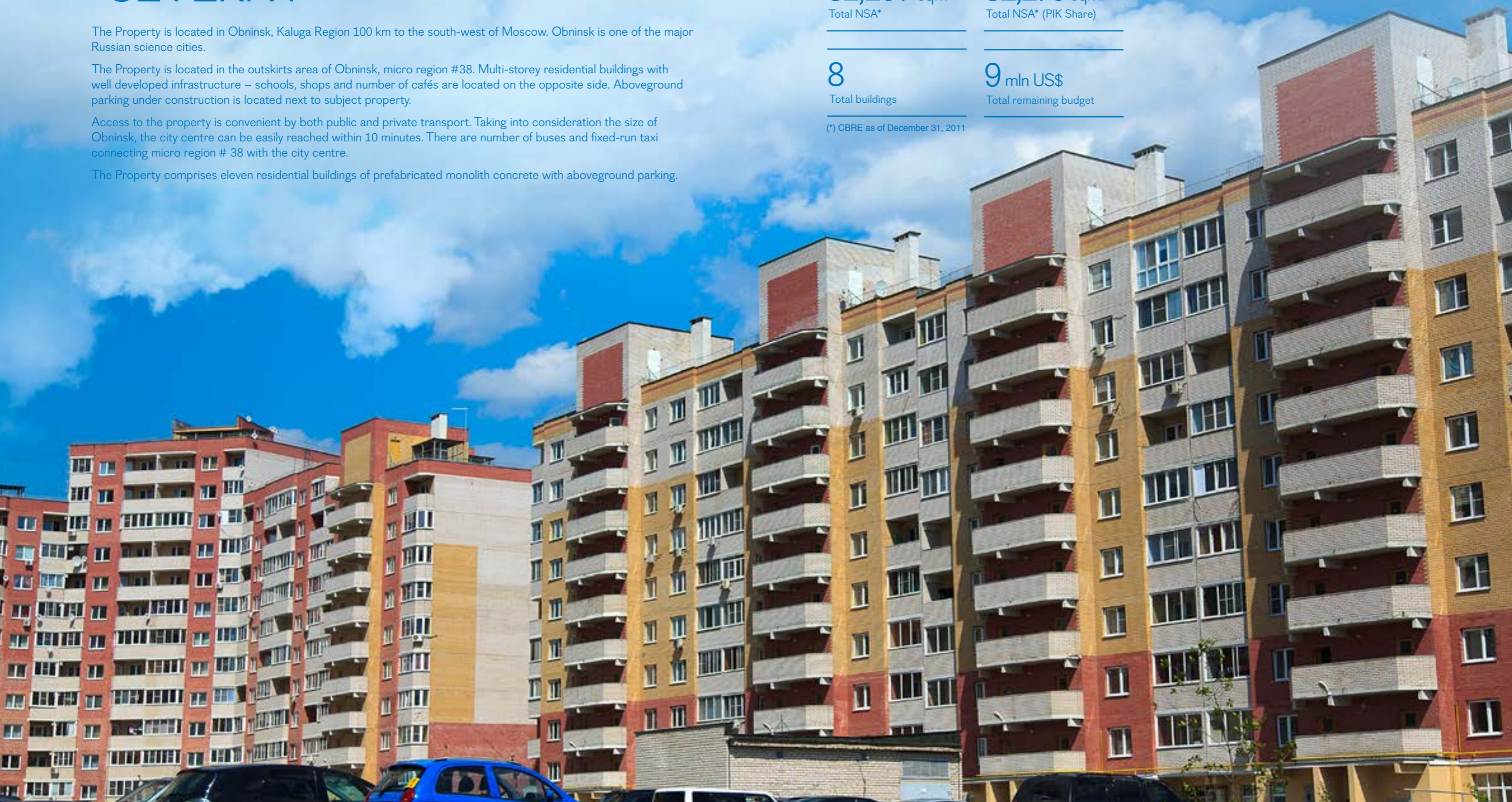
82,297 sqm
Total NSA*

82,170 sqm
Total NSA* (PIK Share)

8
Total buildings

9 mln US\$
Total remaining budget

(*) CBRE as of December 31, 2011



13.5 ha

Land plot

162,715 sqm

NSA (PIK Share, unsold)

171,065 sqm

Total NSA*

169,208 sqm

Total NSA* (PIK Share)

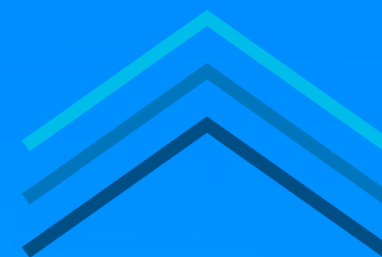
14

Total buildings

146 mln US\$

Total remaining budget

(*) CBRE as of December 31, 2011



KALUGA REGION, OBNINSK, “BORISOGLEBSKY”

The Property is located in Obninsk, Kaluga Region 100 km to the south-west of Moscow. Obninsk is one of the major Russian science cities. The Property is located in the outskirts area of Obninsk, micro region #55. Multi-storey residential buildings with well developed infrastructure – schools, shops and number of cafés are located on the opposite side. Aboveground parking under construction is located next to subject property. Private residential houses and garden plots are located near the property.

Access to the property is convenient by both public and private transport. Taking into consideration the size of Obninsk, the city centre can be easily reached within 10 minutes. There are a number of buses and fixed-run taxis connecting micro region #55 with the city centre.



CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

In million RUB	Note	2011	2010 (restated)	2009 (restated)	1 January 2009 (restated)
ASSETS					
Non-current assets					
Property, plant and equipment	17	9,023	9,452	10,390	12,840
Intangible assets	18	26,843	22,844	22,072	27,455
Investments in equity accounted investees	19	-	-	3,460	3,522
Other investments		8	2	997	169
Deferred tax assets	21	897	334	86	71
Total non-current assets		36,771	32,632	37,005	44,057
Current assets					
Inventories	22	76,026	65,055	60,760	70,592
Other investments		291	778	872	4,223
Income tax receivable		1,081	87	87	519
Trade and other receivables	23	11,731	11,877	10,598	14,124
Cash and cash equivalents		2,874	4,350	3,417	3,153
Assets held for sale	6	-	4,803	-	-
Total current assets		92 003	86 950	75 734	92 611
Total assets		128,774	119,582	112,739	136,668
EQUITY AND LIABILITIES					
Equity					
Share capital	24	30,843	30,843	30,843	30,843
Additional paid-in capital		(8,424)	(8,424)	(8,424)	(8,424)
Treasury shares		-	-	-	(2,428)
Retained earnings		(22,706)	(27,351)	(21,263)	(7,740)
Total equity attributable to equity holders of the Company		(287)	(4,932)	1,156	12,251
Non-controlling interest		505	345	555	978
Total equity		218	(4,587)	1,711	13,229
Non-current liabilities					
Loans and borrowings	25	27,549	4,916	6,277	8,393
Trade and other payables	26	142	20	1,128	1,527
Provisions	27	-	-	-	46
Deferred tax liabilities	21	1,687	1,533	4,235	4,511
Total non-current liabilities		29 378	6 469	11 640	14 477
Current liabilities					
Loans and borrowings	25	19,522	39,062	32,013	31,742
Trade and other payables	26	54,824	53,776	51,740	64,568
Provisions	27	24,561	21,608	14,383	12,526
Income tax payable		271	423	1,252	126
Liabilities held for sale	6	-	2,831	-	-
Total current liabilities		99,178	117,700	99,388	108,962
Total liabilities		128 556	124 169	111 028	123 439
TOTAL EQUITY AND LIABILITIES		128 774	119 582	112 739	136 668

The Consolidated Statement of Financial Position was extracted from the audited Consolidation Financial Statements of the Group as at and for the year ended 31 December 2011. The complete set of the Consolidated Financial Statements and the Independent Auditors' Report thereon is located at <http://www.pik-group.com/investors/financial-statements/2011>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2011

In million RUB	Note	2011	2010 (restated)	2009 (restated)
Revenue	8	45,991	38,090	41,175
Cost of sales	9	(36,588)	(35,198)	(32,588)
Gross profit		9,403	2,892	8,587
Gain/(loss) on disposal of subsidiaries and development rights, net	11	2,298	368	(1,272)
Distribution expenses	12	(624)	(488)	(477)
Administrative expenses	13	(4,205)	(3,372)	(3,890)
Reversal of impairment loss and impairment losses	20	2,877	(1,106)	(4,671)
Other income and expenses, net	15	1,621	(373)	(391)
Finance income	14	1,600	325	771
Finance costs	14	(6,558)	(6,290)	(10,423)
Share of loss of equity accounted investees, net of income tax		-	(52)	(41)
Profit/(loss) before income tax		6,412	(8,096)	(11,807)
Income tax (expense)/benefit	16	(1,607)	2,051	(868)
Profit/(loss) from continuing operations		4,805	(6,045)	(12,675)
Profit from discontinued operations, net of tax	6	-	-	1,193
Profit/(loss) and total comprehensive income for the year		4,805	(6,045)	(11,482)
Profit/(loss) and total comprehensive income for the year		4,805	(6,045)	(11,482)
Attributable to:				
Owners of the Company		4,645	(6,088)	(11,109)
Non-controlling interest		160	43	(373)
Total comprehensive income/(loss) for the year		4,805	(6,045)	(11,482)
Basic and diluted profit/(loss) per share		9.42	(12.34)	(22.63)
Continuing operations				
Basic and diluted profit/(loss) per share		9.42	(12.34)	(25.07)

The Consolidated Statement of Comprehensive Income was extracted from the audited Consolidation Financial Statements of the Group as at and for the year ended 31 December 2011. The complete set of the Consolidated Financial Statements and the Independent Auditors' Report thereon is located at <http://www.pik-group.com/investors/financial-statements/2011>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2011

In million RUB	Attributable to equity holders of the Company					Non-controlling interest	Total equity
	Share capital	Additional paid-in-capital	Treasury shares	Retained earnings	Subtotal		
At 1 January 2009 (as reported)	30,843	(8,424)	(2,428)	(5,102)	14,889	978	15,867
Change in accounting policy	-	-	-	(1,281)	(1,281)	-	(1,281)
Restatement	-	-	-	(1,357)	(1,357)	-	(1,357)
At 1 January 2009 (restated)	30,843	(8,424)	(2,428)	(7,740)	12,251	978	13,229
Loss and total comprehensive income for the year, restated	-	-	-	(11,109)	(11,109)	(373)	(11,482)
Own shares sold	-	-	2,428	(2,204)	224	-	224
Transactions with owners, recorded directly in equity	-	-	-	(210)	(210)	-	(210)
Acquisition of non-controlling interest in subsidiaries	-	-	-	-	-	(61)	(61)
Dilution of non-controlling interest in a subsidiary	-	-	-	-	-	11	11
Total transactions with owners	-	-	-	(210)	(210)	(50)	(260)
At 31 December 2009 (restated)	30,843	(8,424)	-	(21,263)	1,156	555	1,711
Loss and total comprehensive loss for the year	-	-	-	(6,088)	(6,088)	43	(6,045)
Changes in ownership interests in subsidiaries that do not result in a loss of control	-	-	-	-	-	(248)	(248)
Dilution of non-controlling interest in a subsidiary	-	-	-	-	-	(5)	(5)
Total transactions with owners	-	-	-	-	-	(253)	(253)
At 31 December 2010 (restated)	30,843	(8,424)	-	(27,351)	(4,932)	345	(4,587)
Profit and total comprehensive income for the year	-	-	-	4,645	4,645	160	4,805
At 31 December 2011	30,843	(8,424)	-	(22,706)	(287)	505	218

The Consolidated Statement of Changes in Equity was extracted from the audited Consolidation Financial Statements of the Group as at and for the year ended 31 December 2011. The complete set of the Consolidated Financial Statements and the Independent Auditors' Report thereon is located at <http://www.pik-group.com/investors/financial-statements/2011>

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2011

In million RUB	2011	2010 (restated)	2009 (restated)
OPERATING ACTIVITIES			
Profit/(loss) for the year	4,805	(6,045)	(11,482)
Adjustments for:	-	-	-
Depreciation and amortisation	736	759	860
Impairment losses and reversal of impairment losses, net	(2,877)	1,106	4,671
Gain on termination of long-term leases	(585)	(2,032)	-
Foreign exchange gain/(loss), net	(179)	96	642
(Gain)/loss on disposal of property, plant and equipment	39	(6)	(16)
Impairment loss on financial assets and provision for doubtful accounts	564	595	2,147
Gain from disposal of development rights and subsidiaries	(2,298)	(368)	(43)
Share of loss of equity accounted investees	-	52	41
Interest expense, including penalties payable	4,682	5,599	7,634
Change in non-controlling interest in limited liability companies	123	-	-
Interest income	(151)	(325)	(400)
Income tax expense/(benefit)	1,607	(2,051)	868
Cash from / (used in) operating activities before changes in working capital and provisions	6,466	(2,620)	4,922
(Increase)/decrease in inventories	(9,774)	(5,533)	6,051
Decrease/(increase) in trade and other receivables	748	(685)	1,519
Increase/(decrease) in trade and other payables	610	3,076	(9,241)
Increase in provision for cost to complete	1,319	6,096	2,142
Cash flows from operations before income taxes and interest paid	(631)	334	5,393
Income taxes paid	(1,529)	(1,099)	(218)
Interest paid	(5,891)	(4,051)	(3,987)
Net cash (used in)/from operating activities	(8,051)	(4,816)	1,188
INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment	26	136	26
Interest received	-	14	22
Acquisition of property, plant and equipment	(549)	(299)	(267)
Acquisition of development rights and other intangible assets	(1,178)	-	(223)
Acquisition of equity accounted investees	-	-	(2,208)
Loans given	(122)	(28)	-
Proceeds from sale of development rights/interest in development rights	3,322	1,492	-
Proceeds from disposal of subsidiaries	-	-	902
Repayment of loans advanced to individuals	11	108	486
Proceeds from repayment of loans given	581	11	565
Net cash from / (used in) investing activities	2,091	1,434	(697)
FINANCING ACTIVITIES			
Proceeds from borrowings	17,347	12,437	25,197
Repayment of borrowings	(12,863)	(8,122)	(25,202)
Acquisition of non-controlling interests	-	-	(61)
Proceeds from sale of own shares	-	-	224
Transactions with founding shareholders	-	-	(385)
Net cash from/(used in) financing activities	4,484	4,315	(227)
Net (decrease)/increase in cash and cash equivalents	(1,476)	933	264
Cash and cash equivalents at beginning of year	4,350	3,417	3,153
Cash and cash equivalents at end of year	2,874	4,350	3,417

The Consolidated Statement of Cash Flows was extracted from the audited Consolidation Financial Statements of the Group as at and for the year ended 31 December 2011. The complete set of the Consolidated Financial Statements and the Independent Auditors' Report thereon is located at <http://www.pik-group.com/investors/financial-statements/2011>



Investor Contact



VIKTOR SZALKAY

**Investor Relations Officer
(IRO)**

YEAR OF BIRTH

1979

YEAR APPOINTED

Viktor Szalkay has served as our Investor Relations Officer (IRO) since 2007

EDUCATION

Mr. Szalkay graduated Moscow State Institute of International Relations (MGIMO-University) with a degree in international economic relations

CURRICULUM VITAE

Between 2001 and 2007 Viktor undertook various positions in accounting & finance at KPMG, LUKOIL Hungary, as well as in investment banking at ING and financial advisory services at PWC. Viktor joined PIK in early 2007 to lead the Group's investor relations activities. Viktor speaks four languages (Russian, English, Hungarian and German).

FOR ADDITIONAL INFORMATION ON PIK GROUP

please find attached our contacts below

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