



**Presentation of the consolidated
IFRS results for 12 months ended
December 31 2009**

May 11 2010

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Viktor Szalkay, IRO**

Title	1
Introduction	3
Sales & Marketing Update	6
Financial Overview	12
Outlook	19
Appendix	21
Disclaimer	27

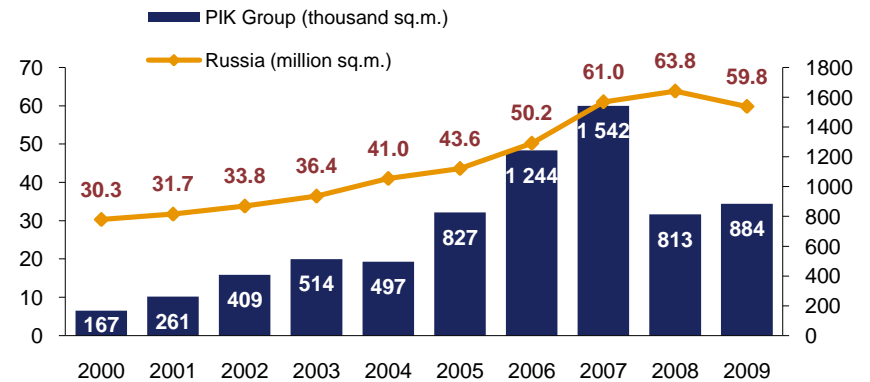


Introduction



- Leading homebuilder in Russia
- Focus on mass market housing segment on Moscow Metropolitan Area
- Proven track record with over 10MM sq. meter completions (equivalent to over 170,000 units)
- Founded in 1994, public since June 2007

Volume of completed housing in 2000-2009



Source: Rosstat, Company data

Selected mass market projects

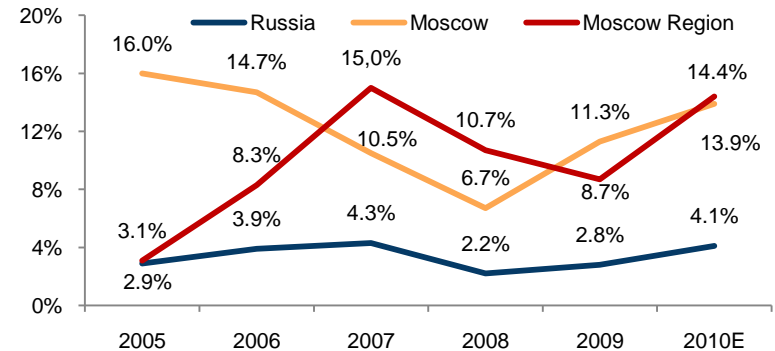


Moscow, Khimki Novokurkino
February 2010



Moscow Region, Krasnaya Gorka
February 2010

Estimated market share in 2005-2010E



Note: market share is calculated as PIK completions divided by total completions in a specific region excluding individual housing construction. See below

Russia: PIK completions of 1MM divided by estimated Russia completions of 24,5MM sqm

Moscow: PIK completions of 0,3MM sqm divided by Moscow estimated completions of 2MM sqm;

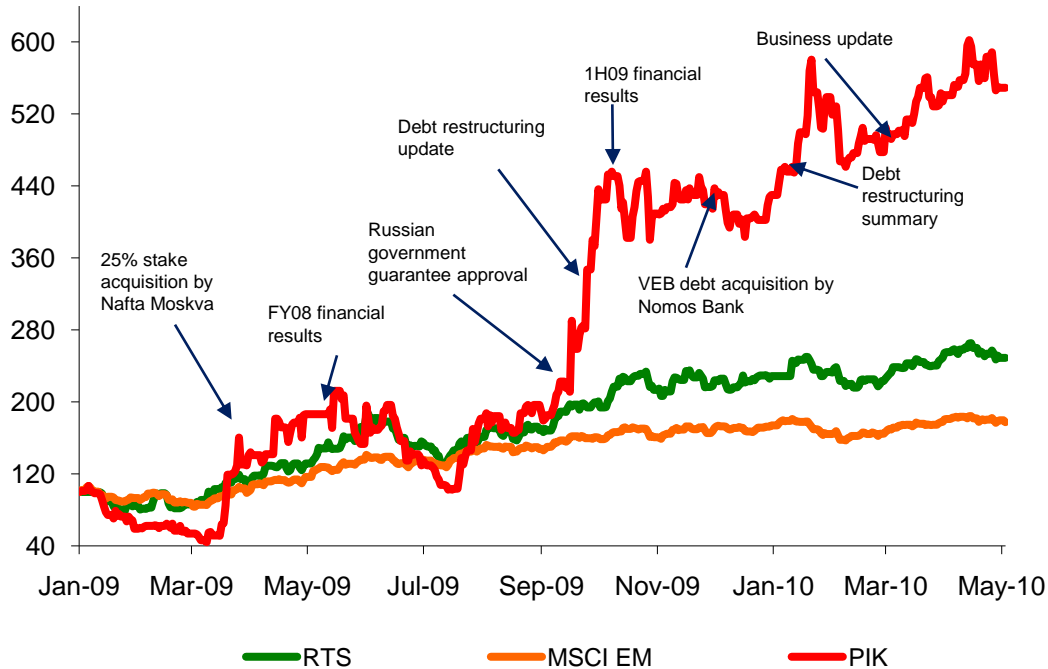
Moscow Region: PIK completions of 0,6MM sqm divided by Moscow Region estimated completions of 4MM sqm

Source: Rosstat, Company data, 2010E are based on federal housing program

PIK's relative stock performance



PIK share price performance vs. indexes



Source: Bloomberg, LSE closing price as of 3 May 2010

PIK & index performance

	Since 01.04.2009	Since 01.01.2009
PIK	+281.3%	+449.2%
RTS	+129.4%	+148.9%
MSCI EM	+73.6%	+77.5%

Source: Bloomberg, LSE closing prices as of May 03 2010

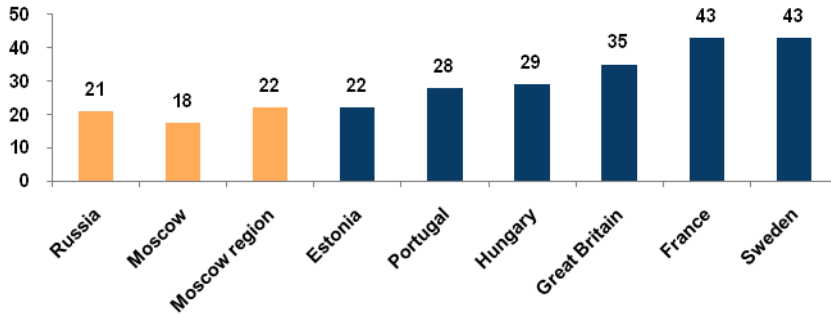


Sales & Marketing Update



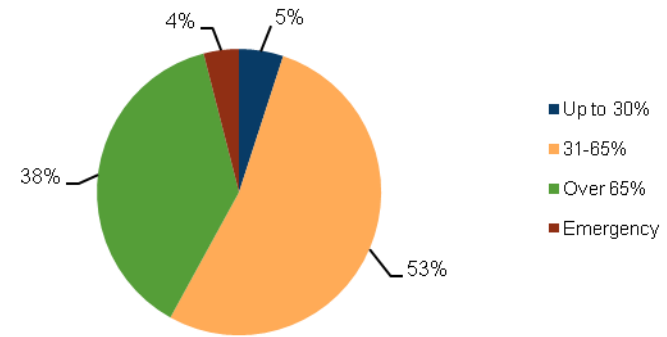
Strong fundamentals suggest faster market recovery

Housing stock in Russia vs. other countries (sqm per capita)



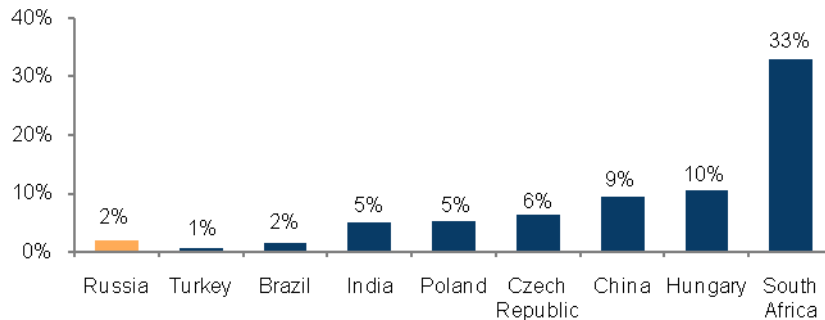
Source: Rosstat; UNECE, annual report 2004; www.bpn.ru, Expert Ra

Deterioration of housing stock (% of total)



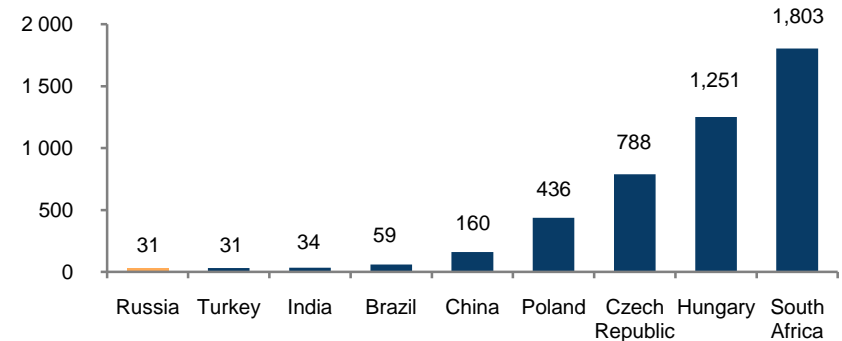
Source: Expert RA, Rosstat 2007

Housing debt to GDP, 2008 (%)



Source: Central Bank data

Housing debt per capita (\$)



Source: Central Bank data

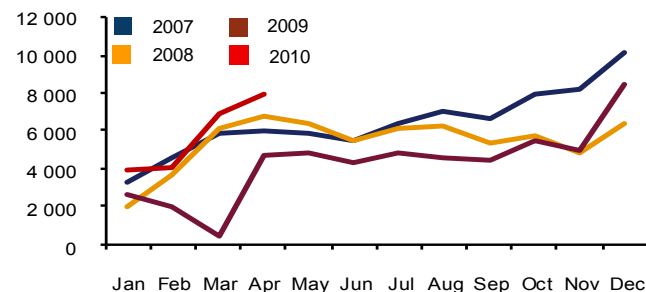
- Starting summer 2009, PIK recorded positive signals on the market, which showed the residential market bottomed out:
 - in May-June 2009, residential prices in Moscow metropolitan area stabilized;
 - customer sentiment has changed;
 - number of transactions increased and became recurring on a daily basis;
 - in December 2009, secondary market transactions in Moscow doubled vs. 2009 average; and
 - secondary market mortgage transactions in April 2010 reached pre-crisis level.

- PIK believes that the market recovery in 2010 is likely to come through increasing transaction volumes and flat prices

Primary mass housing market				
Data as of April 1 2009	Average price, RUB/sq m	MoM change, %	Change since Oct 2009, %	Change since Sept 2008, %
Moscow	110 900	-0,1%	-0,1%	-8,2%
Moscow Region	64 498	-0,1%	-0,6%	-7,9%
Khimki	85 112	+0,6%	-2,0%	-11,0%
Mytishi	79 311	+0,6%	+0,9%	+0,6%
Dolgoprudny	74 526	-5,4%	-0,3%	-8,5%
Lubertsy	64 361	+0,1%	-1,7%	-11,0%
Lobnya	49 917	-0,9%	-6,2%	-22,8%
Dmitrov	43 423	-1,5%	-1,9%	-15,6%
St. Petersburg	73 702	+3,6%	+3,3%	-19,6%
Russia's regional cities (~1MM pp)	38 758	+0,6%	-0,5%	-22,1%
Nizhniy Novgorod	48 863	-1,9%	-2,1%	-18,2%
Yekaterinburg	48 358	+1,5%	+0,3%	-18,1%
Novosibirsk	42 711	-0,4%	-3,2%	-15,1%
Samara	38 302	-2,1%	-6,5%	-15,3%
Rostov-on-Don	39 649	0,9%	-3,3%	-23,2%
Ufa	38 928	1,3%	+2,1%	-20,1%
Perm	36 327	-1,1%	-1,1%	-32,4%
Kazan	38 078	+5,1%	+8,6%	-0,7%
Krasnoyarsk	36 507	+0,3%	+0,3%	-33,9%
Volgograd	37 150	+2,0%	+3,4%	-35,0%
Chelyabinsk	31 901	+1,7%	-1,1%	-25,0%
Omsk	28 321	+1,1%	+0,2%	-20,3%

Source: Company Data, Company Research

Number of transactions on secondary market in Moscow

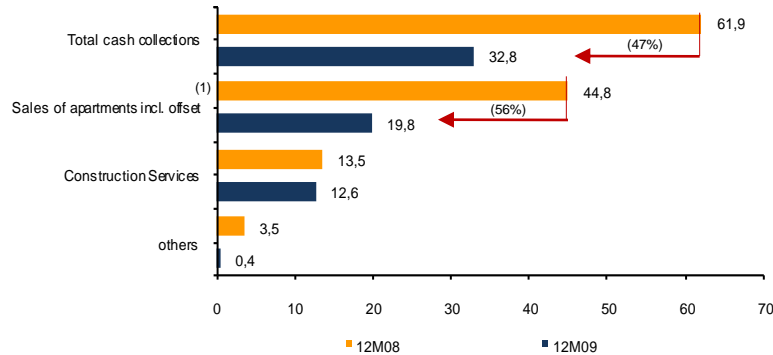


Source: Federal Registration Chamber

PIK sees moderate market recovery in the mass housing segment

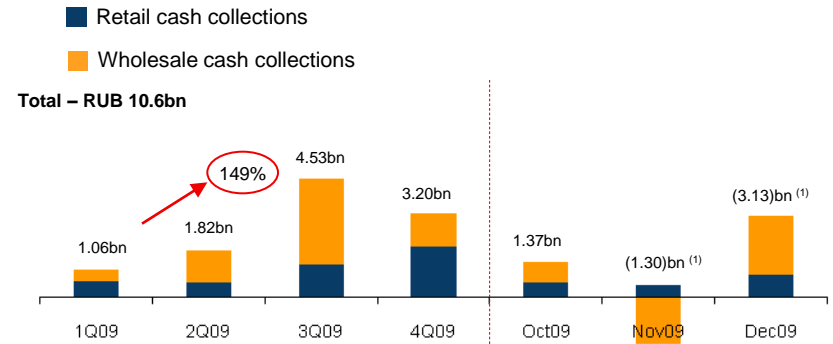


Cash collections dynamics over time (RUB BN)



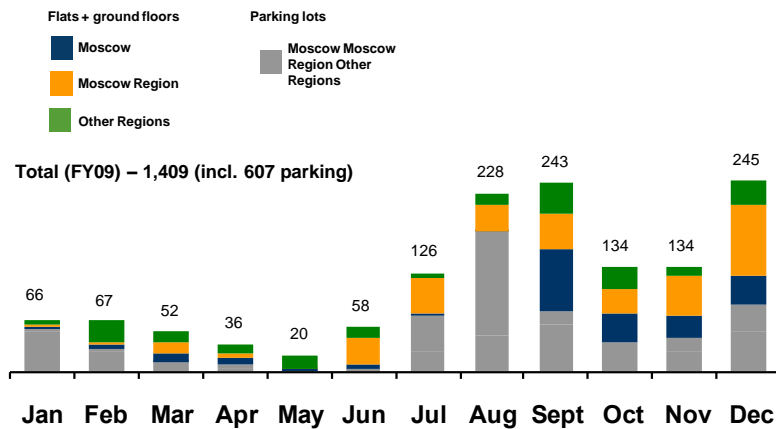
Note: (1) offsets amounted to approx. RUB9bn
Source: Company data, Management accounts

2009 cash collections from sale of apartments excluding offsets with suppliers (RUB BN)



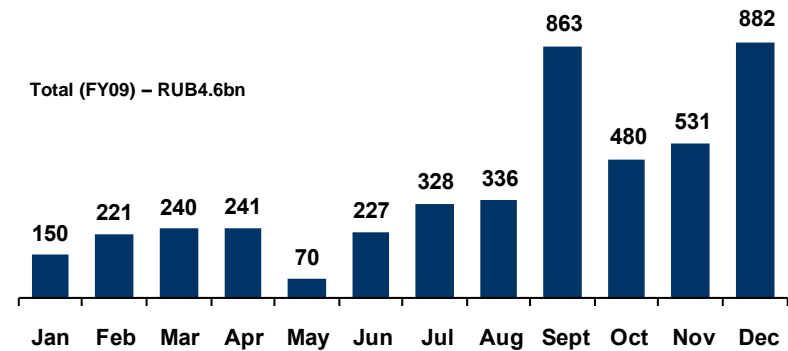
Note: (1) In November 2009, PIK cancelled number of wholesale contracts with the aim to sell units into retail at higher margins
Source: Company data, Management accounts

Breakdown of retail sales by region (units)



Source: Company Data, Management Accounts

Total contracted retail volume (RUB MM)



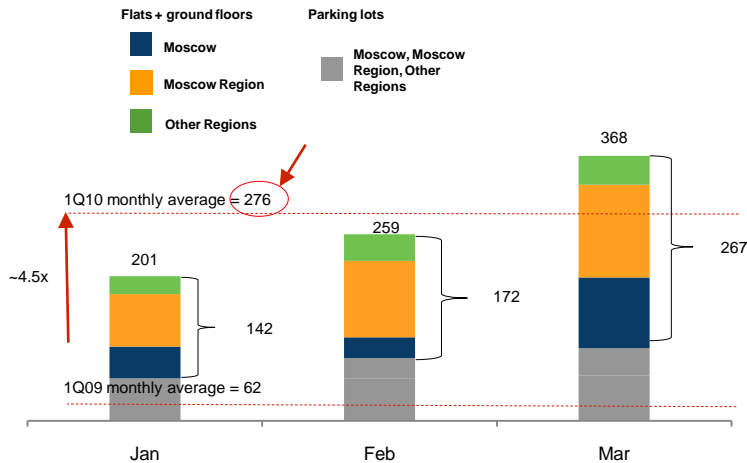
Source: Company Data, Management Accounts

1Q 2010 update: clear-cut pick-up in demand from retail customers

- In 1Q10, total contracted retail volume saw a ~5x YoY growth in money terms;
- Average monthly sales in 1Q10 came to 276 units⁽¹⁾ vs. 62 units YoY, which means average daily sales⁽²⁾ of 14.8 units vs. 3.4 units YoY⁽³⁾;
- The same time, retail real estate prices were mainly flat;
- Share of mortgages in total retail real estate sales is still negligible⁽⁴⁾ vs. pre-crisis level of approximately 25%.

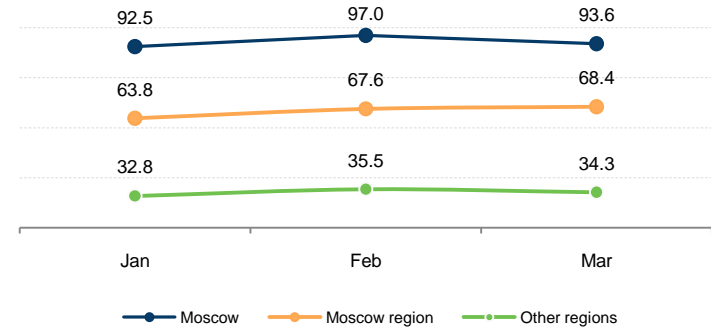
Note: (1) units = flats + ground floors + parking lots
 (2) taking into account only business days
 (3) 10.4 units excluding parking lots vs. 1.6 units YoY
 (4) March 2010 mortgage sales accounted for ~2% of total sales

Breakdown of retail sales by region, 1Q10 (units)



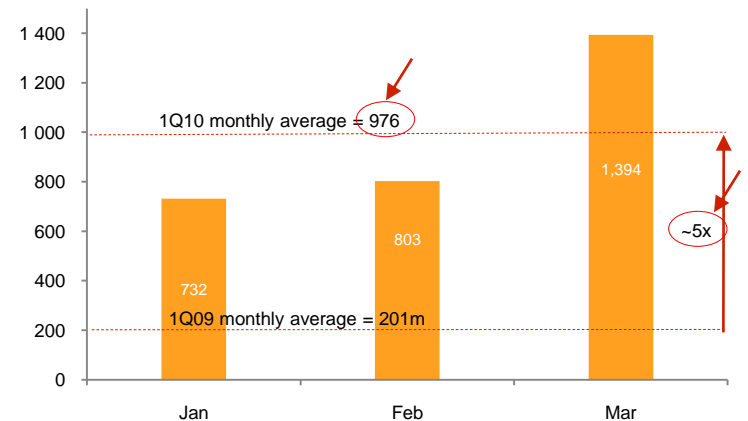
Source: Company Data, Management Accounts

Average retail realized prices (ths.RUB/sqm)



Source: Company Data, Management Accounts

Total contracted retail volume (MM RUB)



Source: Company Data, Management Accounts

Subsidized mortgages will serve as the next strong catalysts for the continuing market recovery

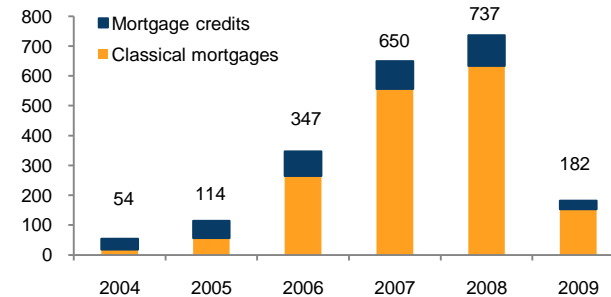
- In December 2009, VTB24 placed the first RUB15Bn (equivalent to approx. US\$0,5Bn) worth of MBS with 5-year maturity at 9.7% coupon⁽¹⁾
- To support mortgage market development, the Russian Government (“RG”) allocated RUB250BN (approx. US\$8,3BN) in this year’s budget⁽²⁾;
- These funds are expected to be channeled to the sector through the federal mortgage agency (~RUB40bn), VEB (~RUB50bn) and pension savings (~160bn);
- The RG plans to sponsor the mass housing sector by setting a cap on unit cost⁽³⁾
- Meanwhile, PIK has already entered into partnership agreement with Sberbank to provide mortgages at PIK’s premises.

Note: (1) yield 9.93% post placement

(2) Three largest state-owned banks, namely Sberbank, VTB Bank and Gazprombank, together with foreign banks will support further mortgage market development through placement of mortgage backed securities (MBS);

(3) units cost in Moscow and St. Petersburg up to RUB8mln; other cities up to RUB3mln.

Total mortgage credits issued (RUB BN)



Source: CBRF



PIK billboard: PIK and Sberbank started jointly marketing mortgage product on Khimki mass housing project



Sberbank's mortgage branch at PIK's customer area on Barrikadnaya str. 19



Financial Overview



PIK adopted a conservative accounting policy, namely:

- Revenue and cost recognition
 - When a building is complete and approved by the state commission (receipt of State Acceptance Act)

- Cash pre-completion sales
 - Booked as advances from customers under IFRS

- Costs incurred during pre-completion
 - Booked as Inventory (work-in-progress)
 - Land plots in the initial stages of development are included in the inventory

Management took the following actions to weather the storm:

- Shoring up liquidity position through
 - reducing debt levels (6M2009: US\$1.43bn; 12M2009: US\$1.27bn)
 - extending debt duration up to 2.8 years⁽¹⁾;
 - receiving RUB14.75bn government guarantee;
 - accessing to new RUB12.75bn financing facility from Sberbank of Russia (equivalent to US\$425MM)

- Shrank business through
 - squeezing total assets down to US\$3.9bn (1H08: US\$6.3bn)
 - cutting headcount by 2,500 employees
 - cutting administrative expenses by 45% down to US\$123MM (FY08: US\$223MM)
 - reducing distribution and marketing expenses by 62% down to US\$15MM (FY08: US\$39MM)

- Maintained business integrity through
 - refocusing on core market (i.e. Moscow Metropolitan Area)
 - continuing delivery of housing (FY09: 884,000 sq meters)

- Cleaned business profile through disposal of non-core assets

Management understands that the next steps ahead shall be:

- further increasing the efficiency of business operations;
- repairing the balance sheet structure via deleveraging

Key financial highlights

\$MM	FY07	FY08	FY09	YoY change, %
Revenue	2,313	1,355	1,300	(4.1)%
<i>Revenue in RUB terms</i>	59,149	33,695	41,175	22.2%
Gross Profit	698	343	238	(30.6)%
<i>Gross Profit in RUB terms</i>	17,844	8,526	7,519	(11.8)%
<i>Gross Profit Margin</i>	30%	25.3%	18.3%	(7 ppt)
EBITDA	937	(1,069)	(112)	(89.5%)
<i>EBITDA Margin</i>	41%	(79%)	(9%)	
Adjusted EBITDA	571	124	138	11.3%
<i>Adjusted EBITDA in RUB terms</i>	14,589	3,126	4,245	36%
<i>Adjusted EBITDA Margin</i>	25%	9.2%	10.6%	1.4 ppt
Adjusted EBITDA per sqm (PIK share only), \$/sqm	545	304	294	(3.3%)
Net Income/(loss)	698	(1,135)	(361)	(68.2%)
<i>Net Income Margin</i>	30%	(84%)	(28%)	
Normalized Net Income/(Loss)	329	(60)	(68)	(12%)
<i>Normalized Net Income Margin</i>	14%	(4%)	(5%)	
Total Cash Collections *	2,590	2,490	1,035	(59%)
<i>Total Cash Collections in RUB terms</i>	66,200	61,900	32,800	(47%)

Source: FY2007-09 IFRS accounts audited by KPMG, * Management accounts

Note: Ruble amounts were converted at average exchange rates of 25.55 RUB/USD, 24.86 RUB/USD and 31.68 RUB/USD for the FY07, FY08 and FY09, accordingly

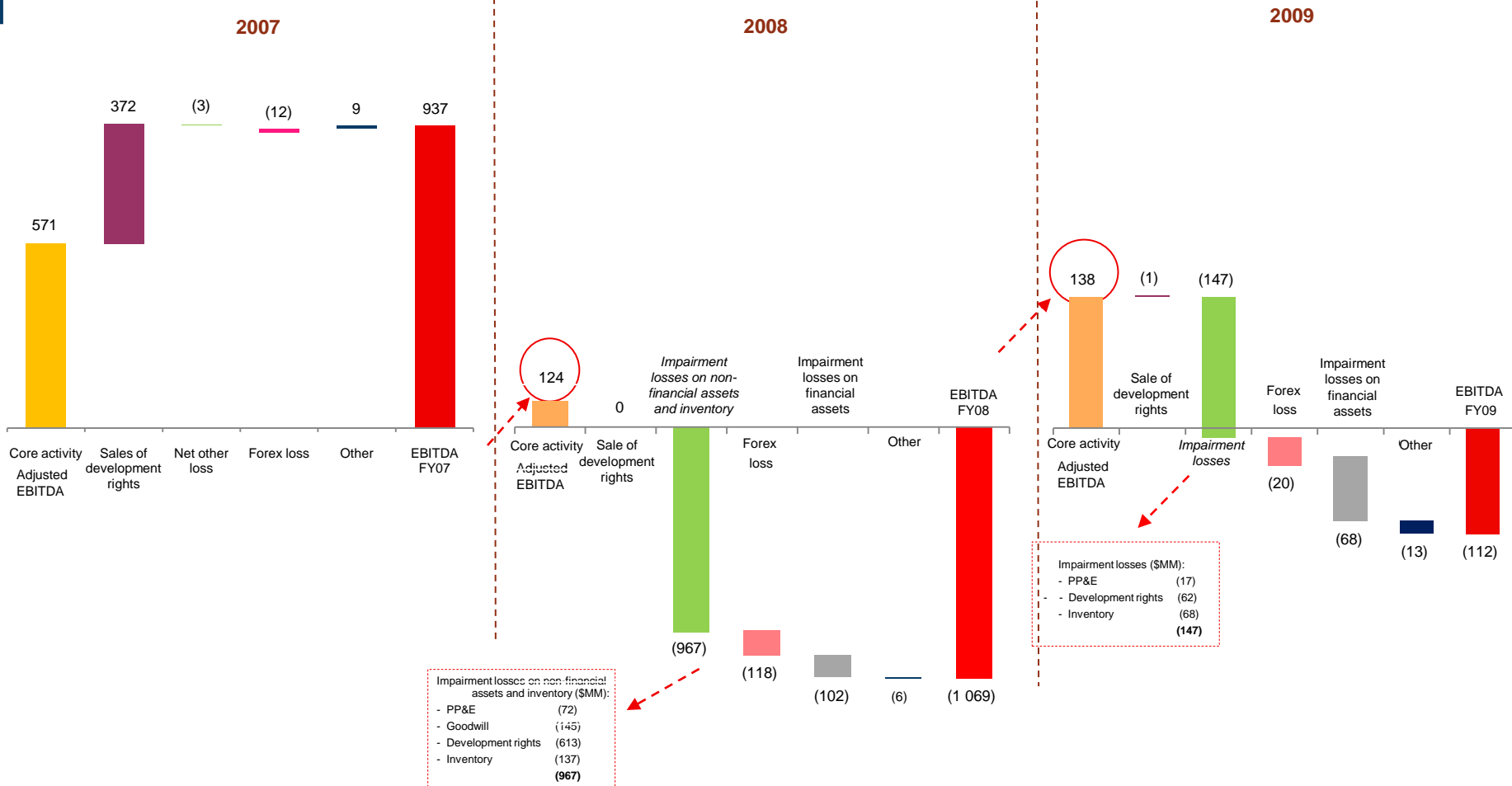
(1) EBITDA represents net profit/loss for the year before income tax expenses, interest income, interest expense including penalties payable, depreciation and amortization. EBITDA is not a measure of financial performance under IFRS. You should not consider it an alternative to net profit for the year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

(2) Adjusted EBITDA from development activities represents net profit/loss for the period before income tax expenses, interest income, interest expense including penalties payable, depreciation, foreign exchange gain/(loss), impairment losses, impairment loss on financial assets, income from sale of development rights and other income/expense.

EBITDA bridge

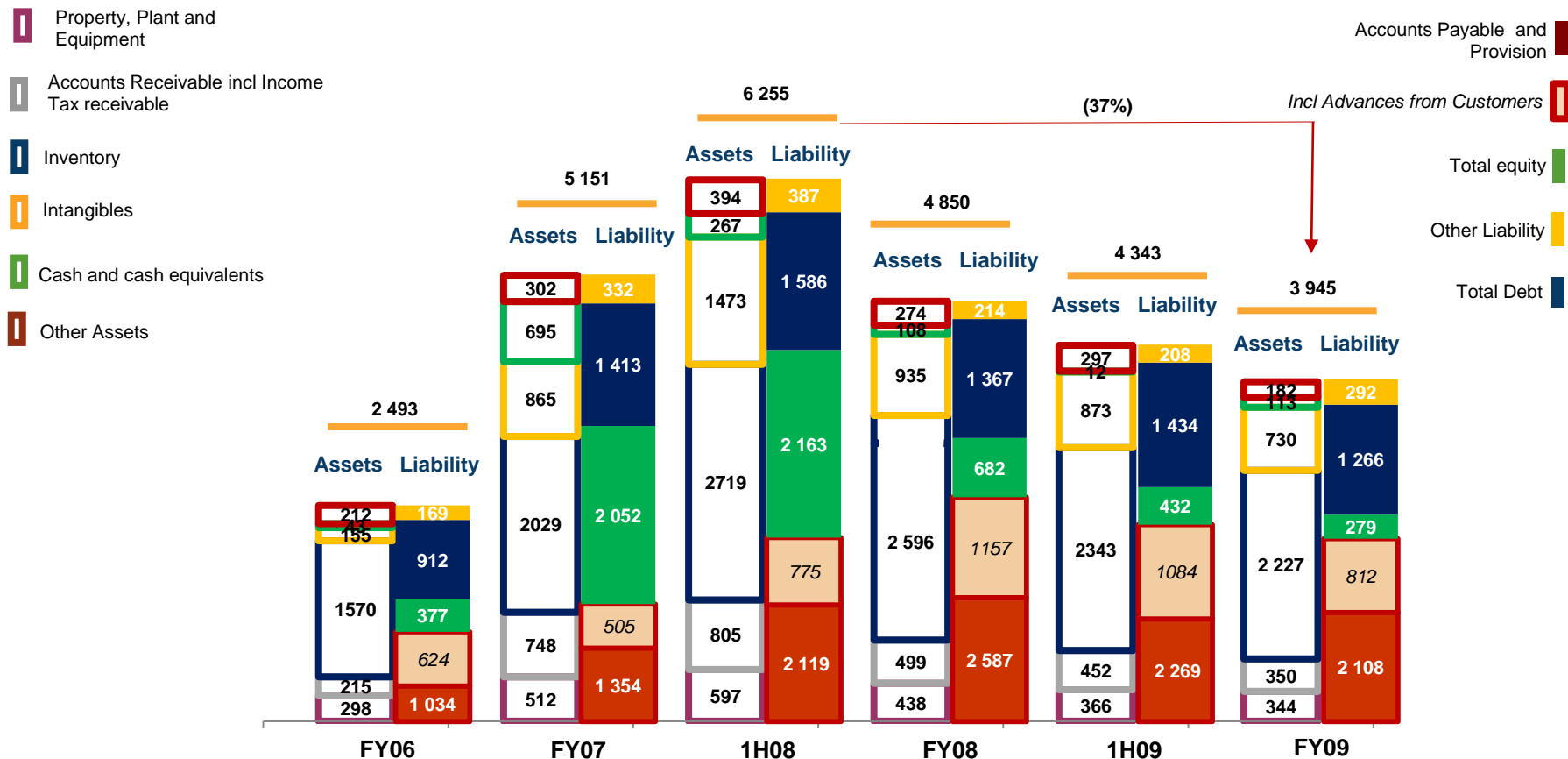
EBITDA bridge 2007-2009

(\$MM)



Note: 1. 2009, 2008, 2007 financial data were converted at 31.68, 24.86, 25.55 RUB/US\$ exchange rates respectively

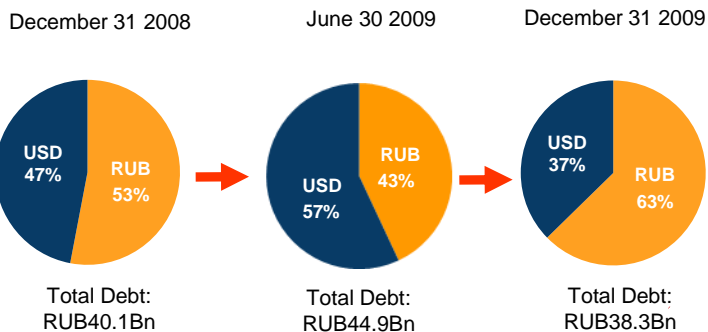
Balance sheet structure



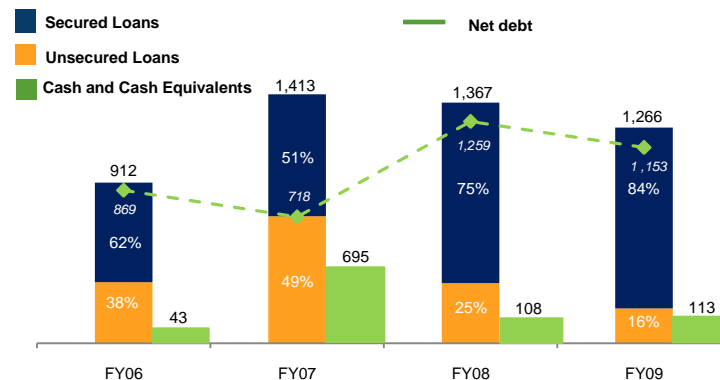
	FY06	FY07	FY08	FY09
Total assets	2 493	5 151	4 850	3 945
Advances from customers	645	505	1 157	812
Net debt / adjusted EBITDA	2.8x	1.2x	10.2x	8.4x
Gearing (leverage) ⁽¹⁾	2.4x	0.7x	2.0x	4,5x

Note: (1) Debt / Equity ratio
Source: Audited IFRS results 2006-09

Debt structure by currency (USD MM)



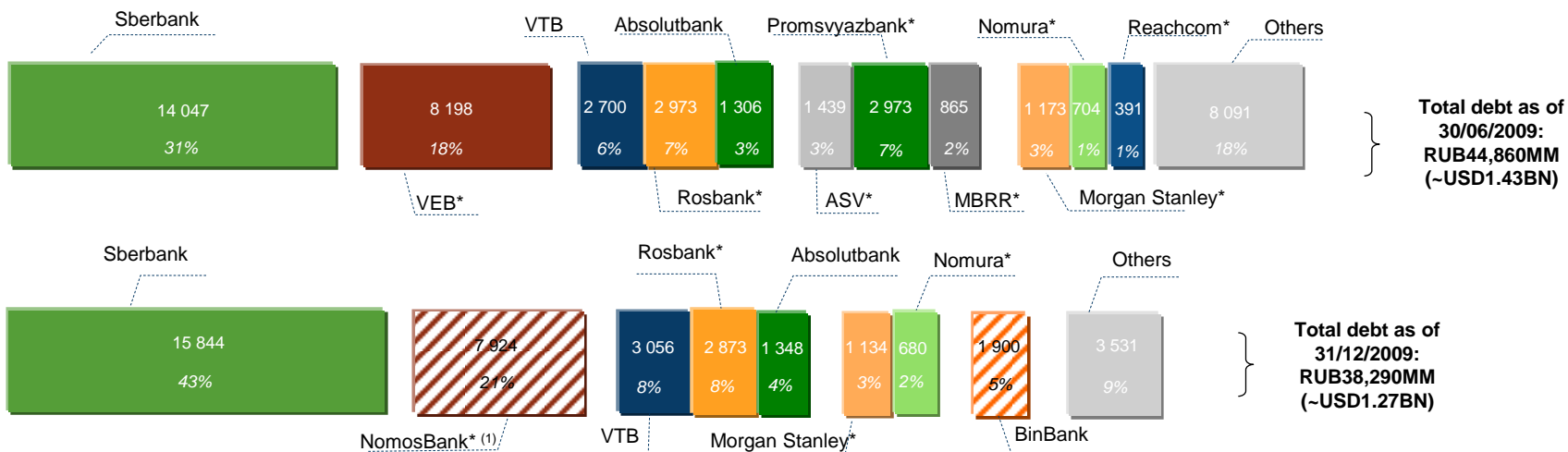
Debt portfolio summary (USD MM)



Note: RUB amounts were converted at the following closing rates: 26.3311, 24.5462, 29.3804, 30.2442 for 31/12/06, 31/12/07, 31/12/08, 31/12/09 accordingly

Source: Audited IFRS accounts

Debt by source (RUB MM)



Note: (1) November 31, 2009 Nomos Bank has acquired debt of USD262MM from VEB

(*) for presentation purposes USD denominated debt converted into RUB

Source: Audited IFRS accounts



Outlook



- PIK expects 2010 still to be a challenging year and targets:
 - to execute on its core market, where the Group has around 90% vertical integration and achieves the prefab capacity utilization
 - 1mln sq meters of total completions in 2010, including
 - 90% of this delivery shall come through Moscow Metropolitan area (the Group's core market);
 - approx 459k sq meters of housing shall be delivered under construction services to authorities and third parties;
 - approx. 458k sq meters of housing (PIK share), of which approx. 277k sq meters will be actual cash sales, while the rest represents already presold sq meters;
 - total sales revenue of approx RUB42Bn (equivalent to USD1.4Bn)
- The critical success factor of the above is speed of unlocking new addresses for sale to meet demand and receipt of funding from Sberbank, which is planned to support the pipeline of the Group
- PIK believes that further improvement in macroeconomics environment will provide strong catalyst for Russian real estate market





Appendix



2010 completely new launches



Zapovednaya, Corpus A, April 2010



Zapovednaya, Corpus B, April 2010



Bicevsky park, February 2010



Bicevsky park, April 2010



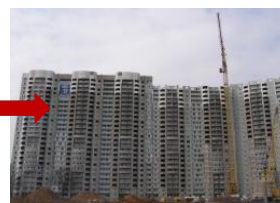
Akad. Vinogradova, March 2010

Note: PIK Group also made new launches in Obninsk city (Kaluga region), N.Novgorod city

Projects reactivated



Levy bereg, March 2009



Levy bereg, February 2010



Akad. Vinogradova, August 2009



Akad. Vinogradova, April 2010



Prospekt Budonovo, August 2009



Prospekt Budonovo, April 2010



Lubertsy, March 2010



Mahalina, April 2010

Note: certain regional projects have been also reactivated

Planned launches

- Khimki – “Novokurkino”;
- Mytishi – “Yaroslavsky”;
- Dolgoprudny – “Centralny”;
- Lubertsy – “Krasnaya Gorka”;
- English town



English town, Moscow



Centralny, Dolgoprudny

Projects under active development (selected)

Projects under active construction in Moscow



Kahovka, Moscow (NSA: 11k sqm)



Zapovednaya, Moscow (NSA: 55k sqm)



New Peredelkino, Moscow (NSA: 48ksqm)



Prospekt Budennogo, Moscow (NSA:12k sqm)

Note: (1) sample pictures, not the whole list of projects is provided on this slide

(2) active development means – works on the site

(3) total NSA for projects under active development is over 2MM sqm (CBRE as of April 1 2009)

Projects under active construction in Moscow Region



Mytishi, Yaroslavsky, Moscow Region (NSA: 729ksqm)



Novokurkino, Khimki, Moscow Region (NSA: 680k sqm)



Yubileyny, Khimki, Moscow Region (NSA: 29k sqm)



Krasnaya Gorka, Lubertsy, Moscow Region (NSA: 248k sqm)

Total housing completions by type over time

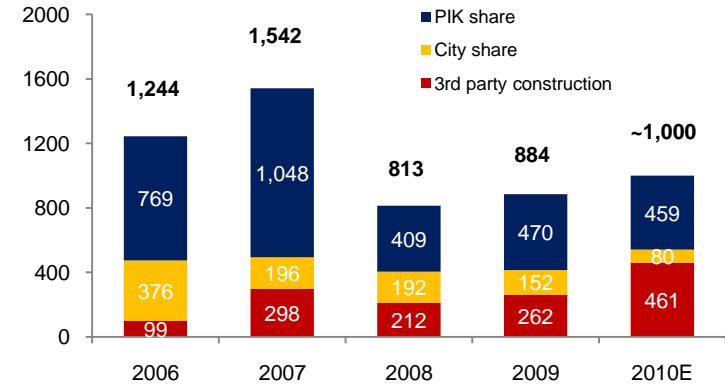
Housing Completions sqm	2004	2005	2006	2007	2008	2009	2010E
Total square meters completed	497	827	1,244	1,542	813	884	1,000
<i>incl Construction services incl Moscow City Government</i>	197	457	376	196	192	152	80
Total housing completions by geography including:	497	827	1,244	1,542	813	884	1,000
<i>Moscow</i>	488	753	744	528	219	301	278
<i>Moscow Region</i>	6	74	340	643	495	401	577
<i>Russia's Regions</i>	3	0	160	371	99	182	145
Total number of residential units completed, units	6,608	12,238	17,314	23,000	14,000	15,000	16,000
MM RUB	2004	2005	2006	2007	2008	2009	2010E
Revenue	12,695	22,139	42,046	59,149	33,695	41,175	na (1)
Revenue from sale of apartment square meters recognized in revenue from sales of apartments ('000 sqm)	7,181	13,375	29,986	50,421	22,905	30,684	na
	n/a	n/a	769	1,048	409	470	459
MM USD	2004	2005	2006	2007	2008	2009	2010E
Revenue	440	783	1,546	2,315	1,355	1,300	na (1)
Revenue from sale of apartment square meters recognized in revenue from sales of apartments ('000 sqm)	249	473	1,103	1,973	921	969	na
	n/a	n/a	769	1,048	409	470	na

Note: Exchange rates used: 2004: 28.82RUB/USD; 2005: 28.29RUB/USD; 2006: 27.19RUB/USD; 2007: 25.55RUB/USD; 2008: 24.86RUB/USD; 2009: 31.68 RUB/USD

(1) n/a - means that the figures are to be provided once audited

Source: Company data, Company estimates

Housing completions breakdown in 2006-2010E



Source: Rosstat, Company data

Estimated market share in 2005-2010E



Note: market share is calculated as PIK completions divided by total completions in a specific region excluding individual housing construction. See below

Russia: PIK completions of 1MM divided by estimated Russia completions of 24,5MM sqm

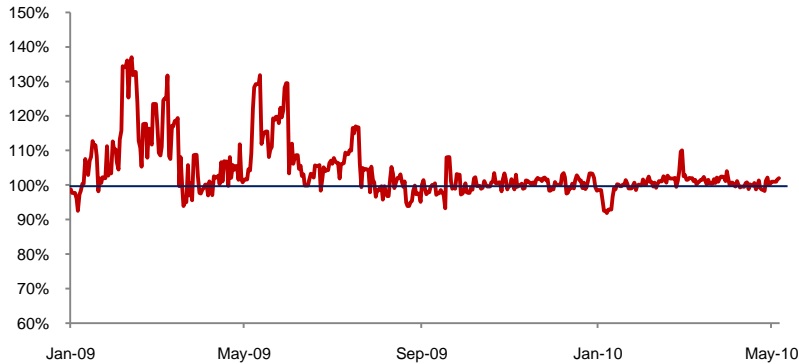
Moscow: PIK completions of 0,3MM sqm divided by Moscow estimated completions of 2MM sqm;

Moscow Region: PIK completions of 0,6MM sqm divided by Moscow Region estimated completions of 4MM sqm

Source: Rosstat, Company data, 2010E are based on federal housing program

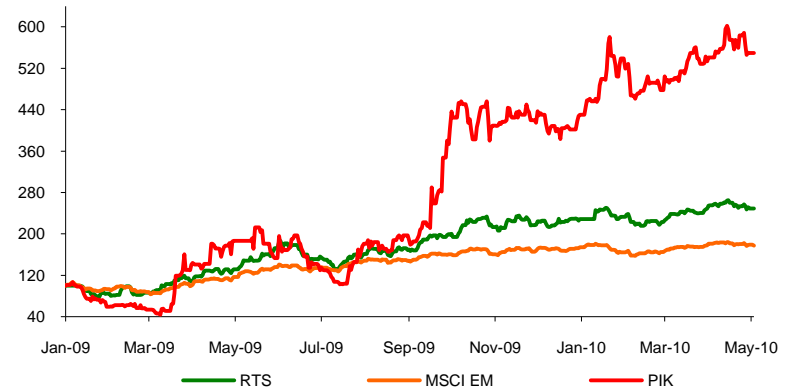
PIK locals are more liquid and trade at par with GDRs

PIK stock performance on MICEX relative to LSE



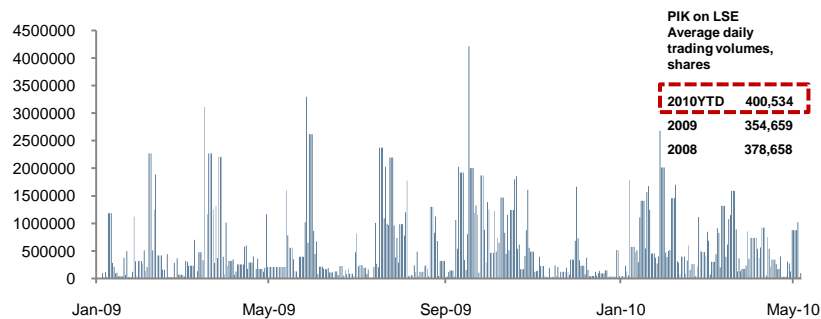
Source: Bloomberg, as of May 06 2010

PIK stock performance on LSE vs. RTS Index



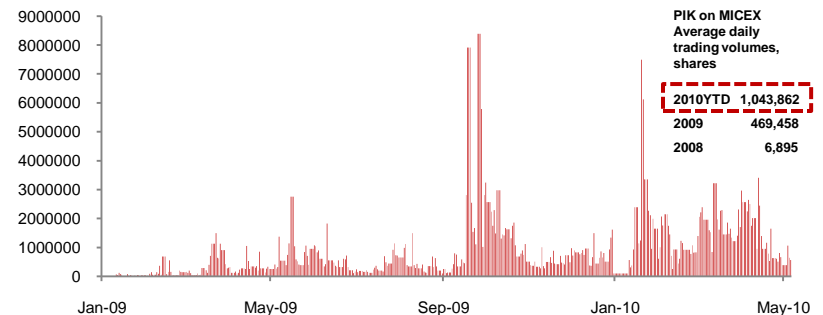
Source: Bloomberg, as of May 06 2010

Trading volumes on LSE, shares



Source: Bloomberg, as of May 06 2010

Trading volumes on MICEX, shares



Source: Bloomberg, as of May 06 2010

- Average daily trading volume 2010 YTD is 1,043k local shares on MICEX vs. 400k GDRs on LSE
- Local shares 2010 YTD are traded at around par with GDRs



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